



Annual Report 2007

March 2008

- Royal Unibrew in brief
- Annual results 2007
- Strategic initiatives in 2007
- Outlook 2008
- Double up strategy plan



Facts about Royal Unibrew

- Royal Unibrew is the second largest brewery business in Scandinavia
- Export to approx. 65 countries worldwide
- 13 breweries and 1 soft drink producer (+ 7 partly controlled)
- Approximately 2,500 employed worldwide



Core business



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

Strategic brands worldwide



Royal Beer® in Denmark



Kalnapilis® beer in Lithuania



CIDO® fruit juice and water in the Baltic countries



Ceres® strong beer in Italy



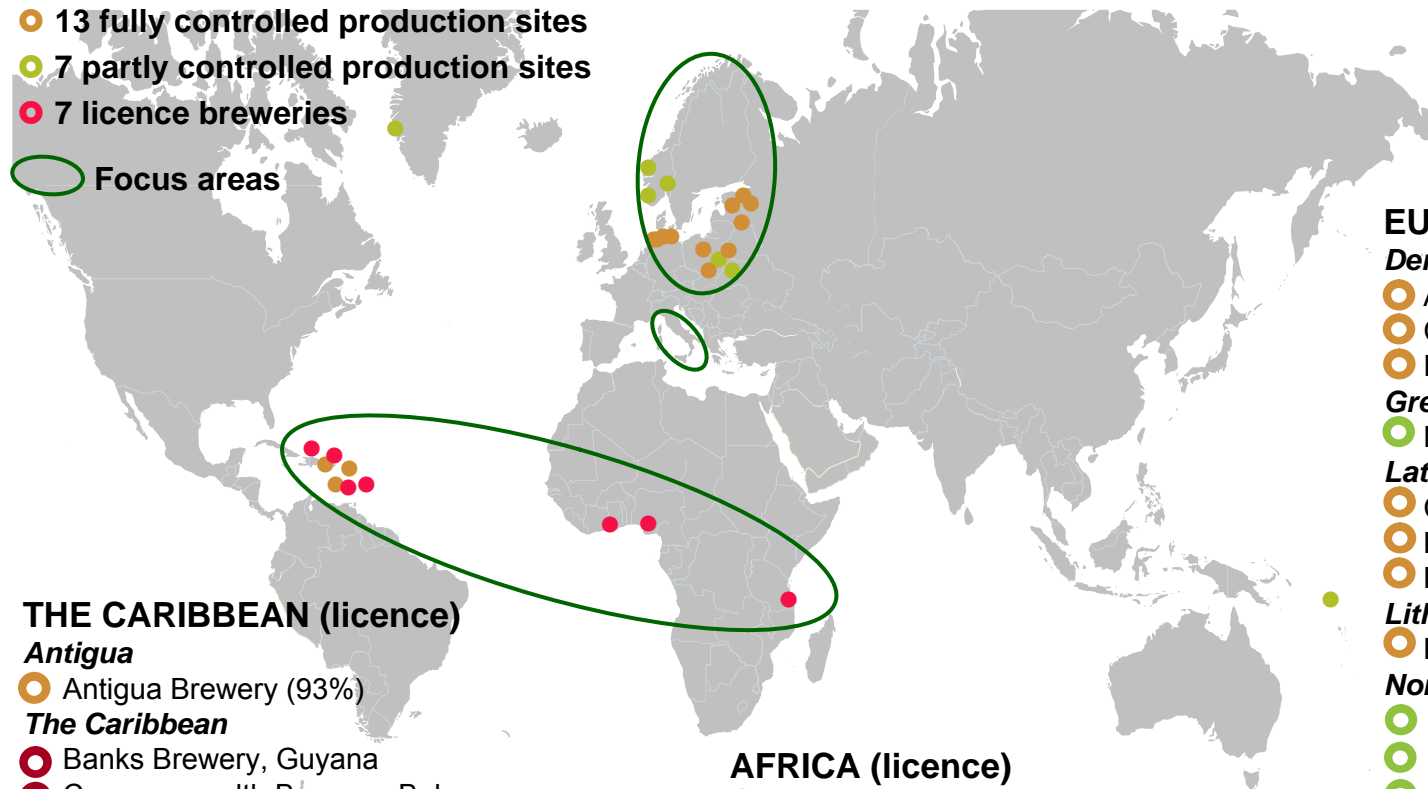
Vitamalt® (malt drink) in Africa, the Caribbean and Europe



Faxe Beer® International

Production sites overview

- 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, Panevėžys

Norway

- Hansa Borg, Bergen (25%)
- Borg, Sarpsborg (25%)
- CB Brewery, Kristiansand (25%)

Poland

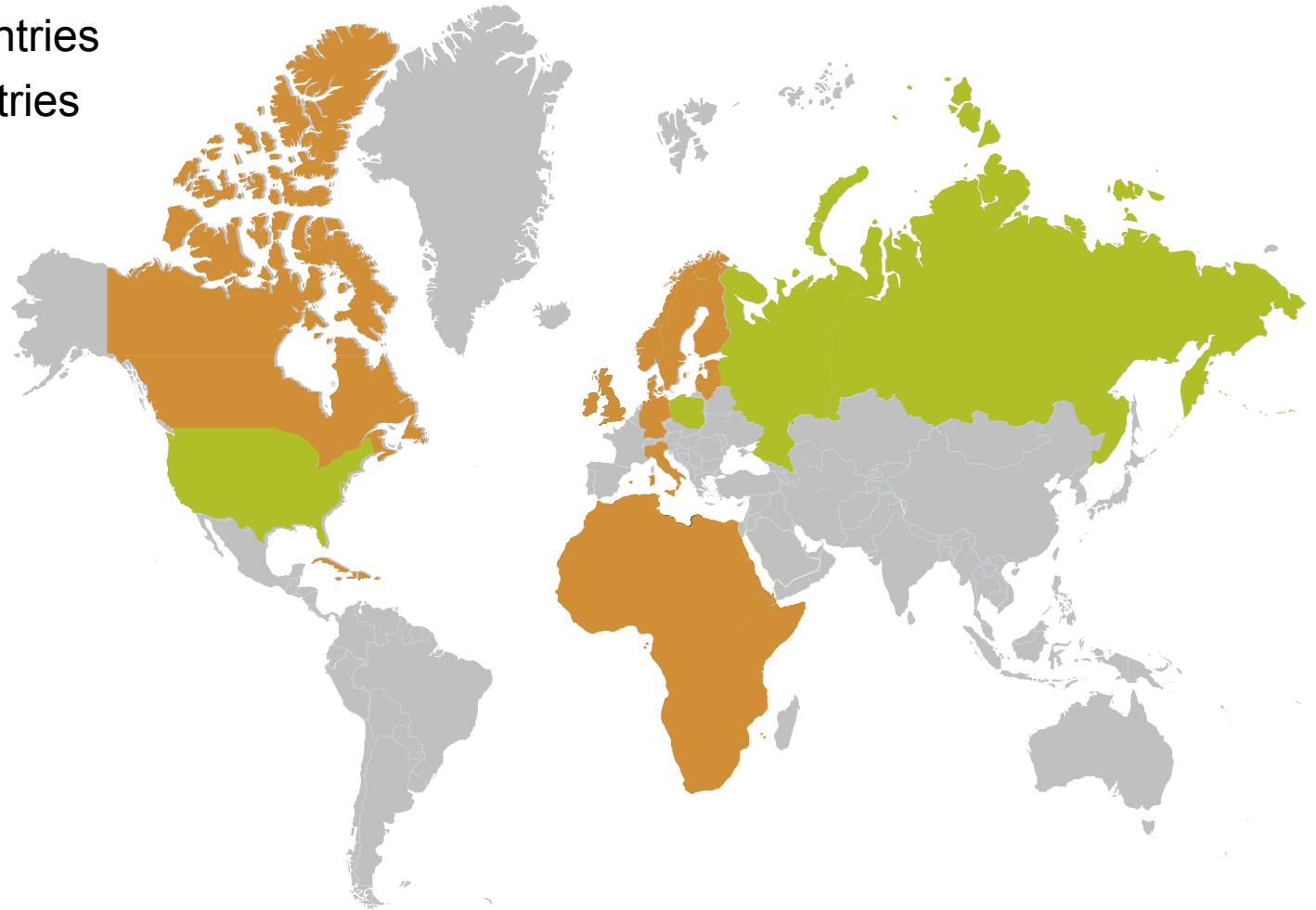
- Brok, Koszalin
- Strzelec, Jedrzejow, Kraków
- Browar Lomza, Lomza
- Perla, Lublin (48%)
- Zwierzyniec, Zwierzyniec (48%)

Premier League

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

First Division

- Poland
- The USA
- Russia



- Profit before tax amounting to EUR 30 million (31% below 2006)
- Profit after tax (consolidated profit) of EUR 21 million
- Increased volumes by 11% to 7.1 million hectolitres
- Net revenue up by 13% to EUR 521 million (7% organic growth)

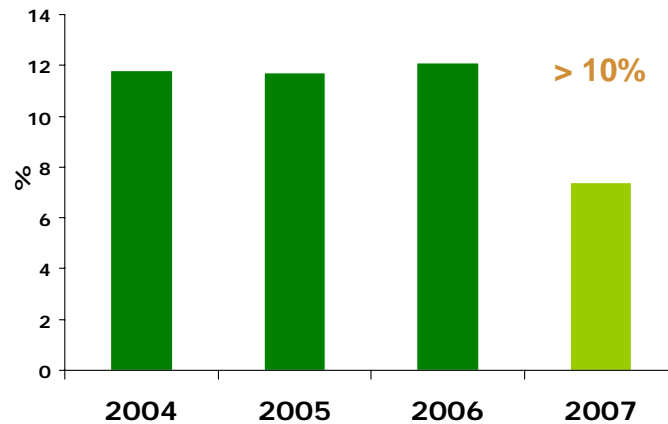
Results influenced by:

- Low efficiency and higher production costs during reorganisation of the Danish production sites (EUR 6.7 million)
- Higher raw material prices only partly offset by increased net selling prices
- Not realised increase of sales and earnings from Brok-Strzelec
- A cold summer and autumn in Northern Europe
- One-off items: (EUR 2.7 million)
 - Profit from sale of property in Lithuania
 - Write-down of assets and provision of costs related to restructuring initiatives

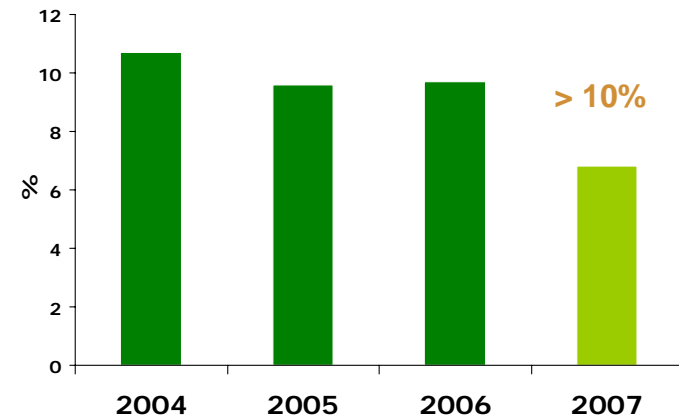
MACH II status

- Financial key ratios below the MACH II targets:
 - ROIC 7.4% (target 10%)
 - EBIT 6.8% (target 10%)
 - Free cash flow 4.0% (target 7%)

ROIC 2004-2007 in %



EBIT margin 2004-2007 in %



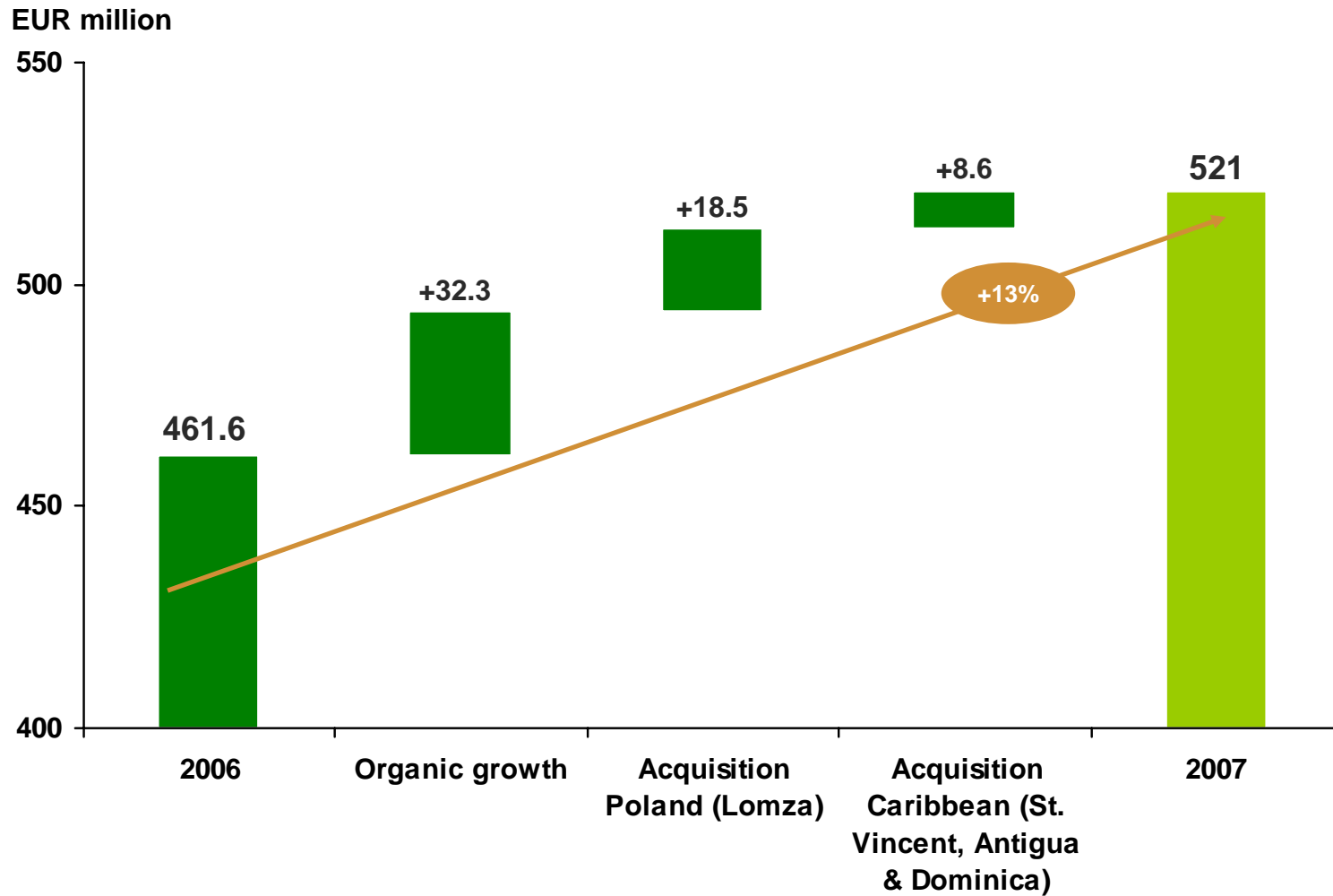
Capital structure and share buy-back programme

- Completion of share buy-back programme – EUR 22 million transferred to shareholders
- At the next Annual General Meeting of the Company, the Supervisory Board will propose that the capital be reduced by an amount equivalent to the number of shares purchased under the share buy-back programme
- Dividend policy unchanged:
Pay-out ratio of 25-40% of net profit.
Dividend of EUR1.3 per share will be proposed at the Annual General Meeting



EUR million	2007	2006	% change
Net revenue	521.0	461.6	13
Operating profit	32.8	46.7	-30
Special items	2.7	-1.9	241
EBIT	35.5	44.8	-21
Net financials	-5.9	-1.8	-239
Profit before tax	29.6	43.0	-31
Consolidated profit	20.8	30.9	-33
ROIC	7.4%	12.1%	-
Profit margin	6.3%	10.1%	-
EBIT margin	6.8%	9.7%	-
Free cash flow	21.1	27.7	-24
Free cash flow as % of sales	4.0%	6.0%	-

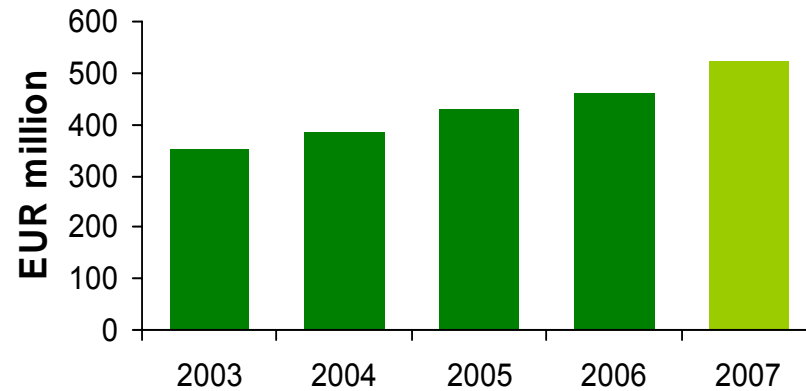
Elements in Revenue Growth 2007



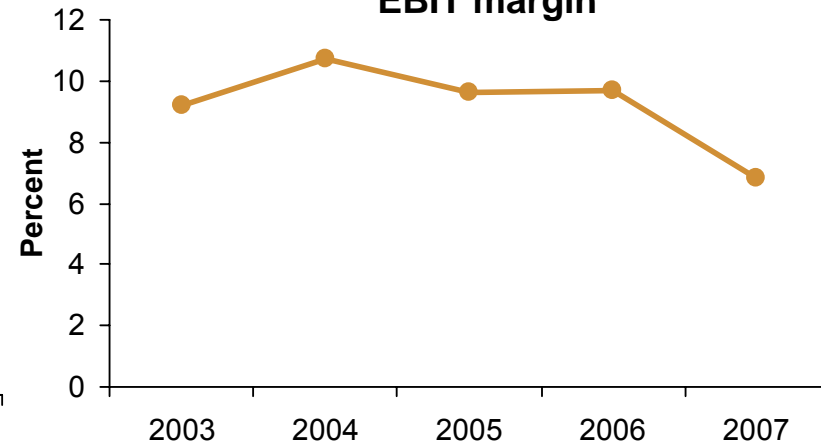
- MACH II organic growth targets exceeded by 4 percentage points

Financial Development 2003-2007

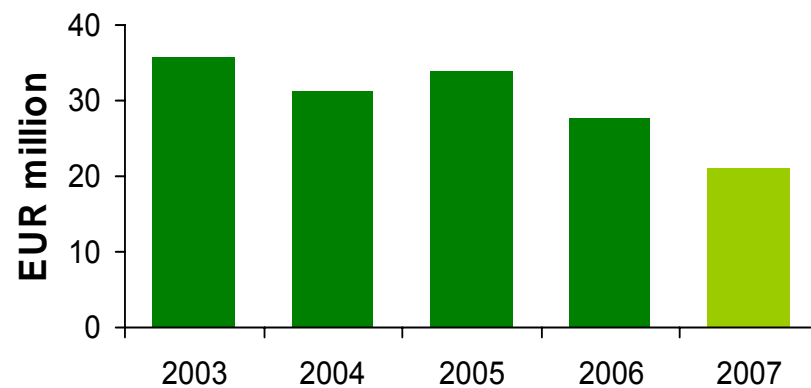
Net Revenue



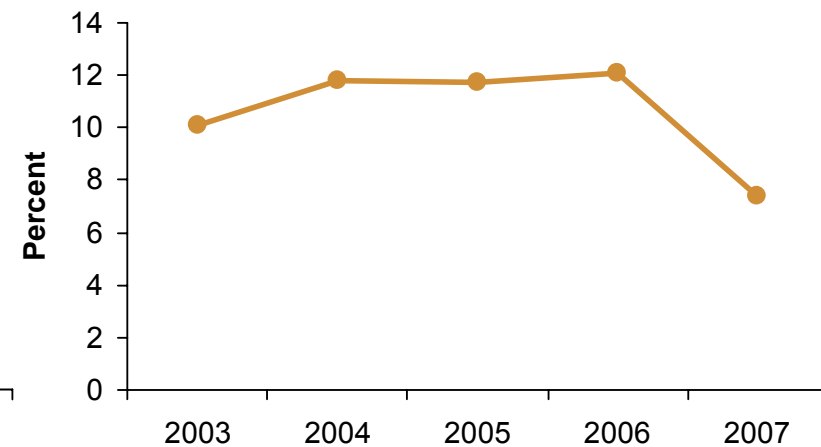
EBIT margin



Free Cash Flow



ROIC



2007 summary: Key markets

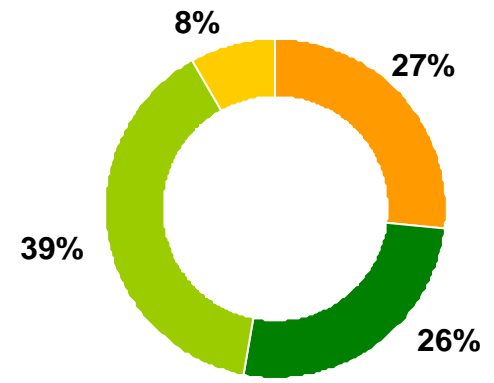
- Western Europe net revenue up 3.1% (volume +0.7%)
 - Denmark: Royal beer brand still increasing market shares. Egekilde gained a market share of 29%.
- Eastern Europe net revenue up 35.4% (volume +23.4%)
 - Lithuania: Market shares and profitability for Kalnapilio-Tauro Grupe still increasing
 - Latvia: Both CIDO juice/soft drinks and Lacplesa Alus beer are increasing their market shares
- Malt and Overseas Markets net revenue up 36.6% (volume +39.1%)
 - Africa: Material growth rate in Tanzania



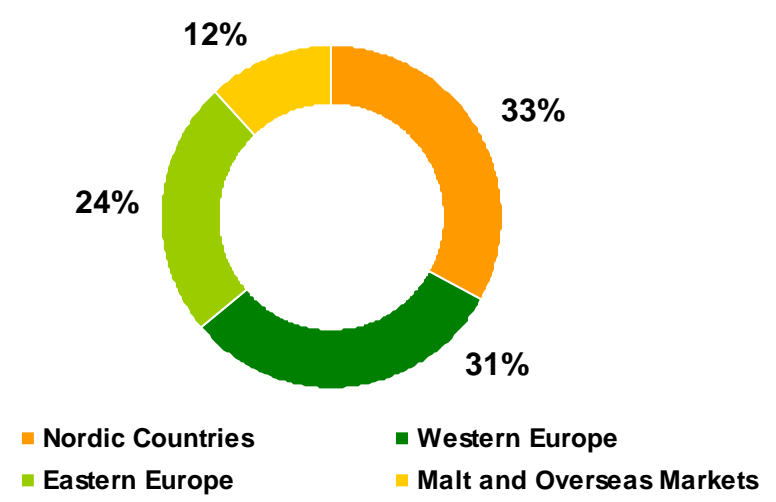
Market development – main markets (volume)

	Market	ROYAL UNIBREW
Denmark:		
Beer (branded)	(1%)	1%
Soft drinks	(4%)	2%
Italy:		
	2%	3%
Lithuania:		
Beer	3%	4%
Latvia:		
Beer	(2%)	16%
Soft drinks	12%	15%

Volume Distribution 2007



Revenue Distribution 2007



Initiatives decided in 2007 to increase earnings (1)

Autumn of 2007:

- Increased earnings by approx. EUR 6.7million in 2008 by solving production problems in Denmark
- Closing down of Maribo Bryggeri and Lielvarde in Latvia beginning of 2008 (savings of EUR 0.9 million annually)
- Approx. 300 employees laid off – savings of approx. EUR 4.7 million annually
- Continuation of Business Excellence initiatives

The above initiatives expected to improve earnings in 2008 by approx. EUR 12.3 million

Initiatives decided in 2007 to increase earnings (2)

- Purchase prices vs. selling price increases
 - For 2008 sales price increases are covering up for purchase price increases
 - Sales price increases have been made in Italy, Malt and Overseas markets, Lithuania, Latvia, Poland, Border Trade and partially Denmark
 - In Poland and Denmark it is expected that prices will increase further during 2008

	2008		2009
	Increase	Hedged	Hedged
Malt/Malting	40-50%	100%/100%	25%/100%
Hops	130%	100%	60%
Bottles	20%	100%	100%
Aluminium	5-10% (alu. vs. USD development)		

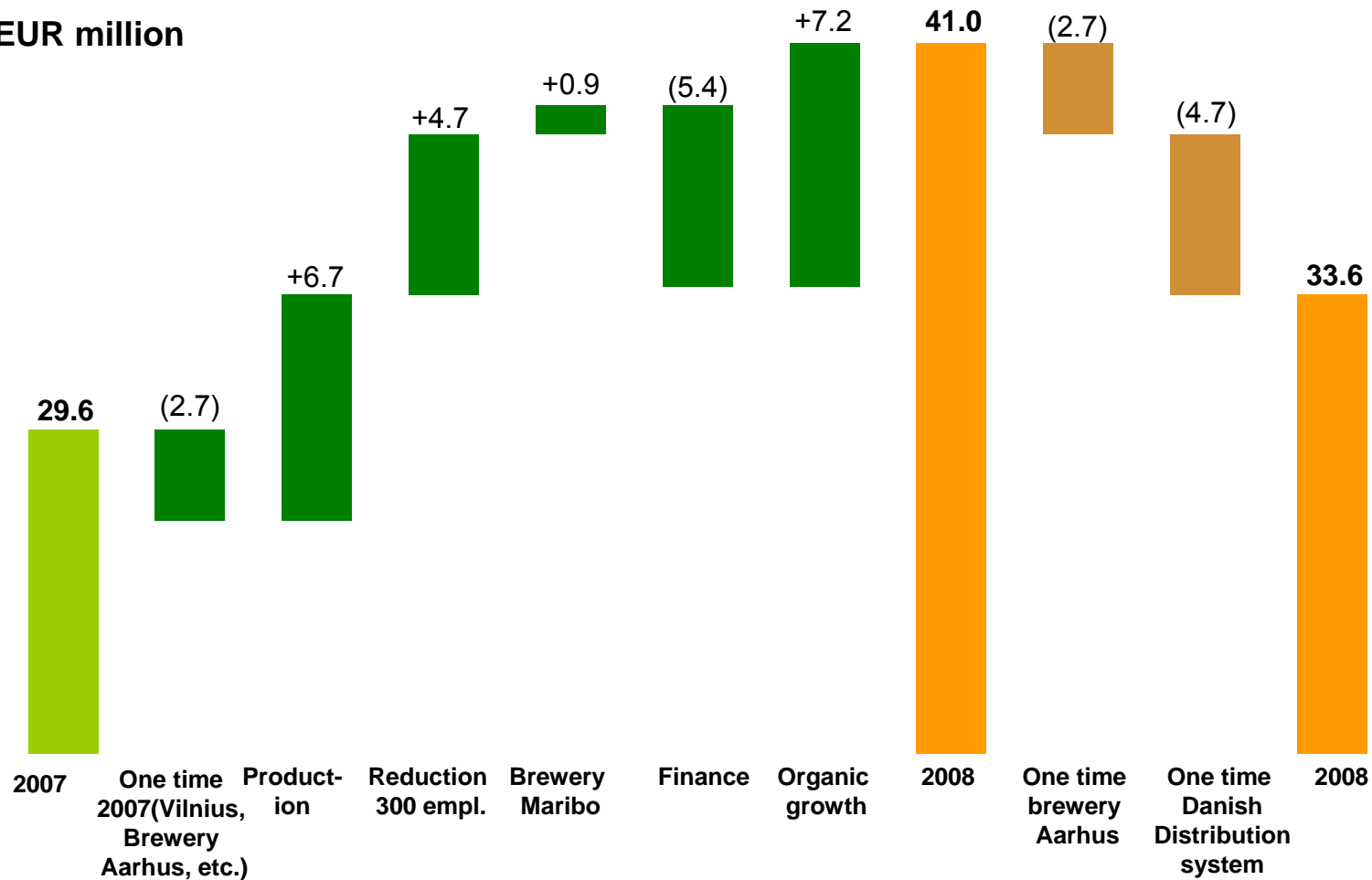
Beginning of 2008:

- Danish production structure:
 - Closing of brewery in Aarhus (DK)
 - Increased EBIT by EUR 2.7 million from 2010 and onwards
 - One-time costs of EUR 9.4 million in 2007 and EUR 2.7 million in 2008
 - Investment of approx. EUR 32.2 million in 2008
 - Later sale of property for EUR 80-120 million
- Restructuring of Danish distribution set-up:
 - From 21 depots to 8 fully owned distribution centers
 - Increased EBIT by EUR 4 million from 2009
 - One time costs of EUR 4.7 million in 2008
 - Investment of EUR 3.4 million in 2008



EBT – Earnings before Tax

EUR million



- Total revenue to increase by 10% – 6% organic growth and 4% attribute to acquisitions

double up

EBIT: EUR 67 million in 2010

Customer & Consumer Excellence

- Competences
- Innovation
- Investments in own brands

Operational Excellence

- Production structure and processes
- Supply chain
- Global purchases
- Systems

Acquisition & Integration Excellence

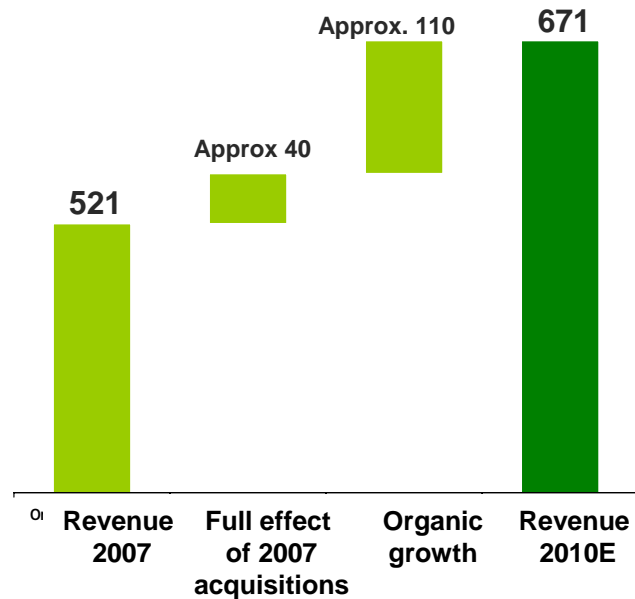
- Acquisition of profitable enterprises
- Better integration
- Turnaround Poland

Company Values, Mission & Vision

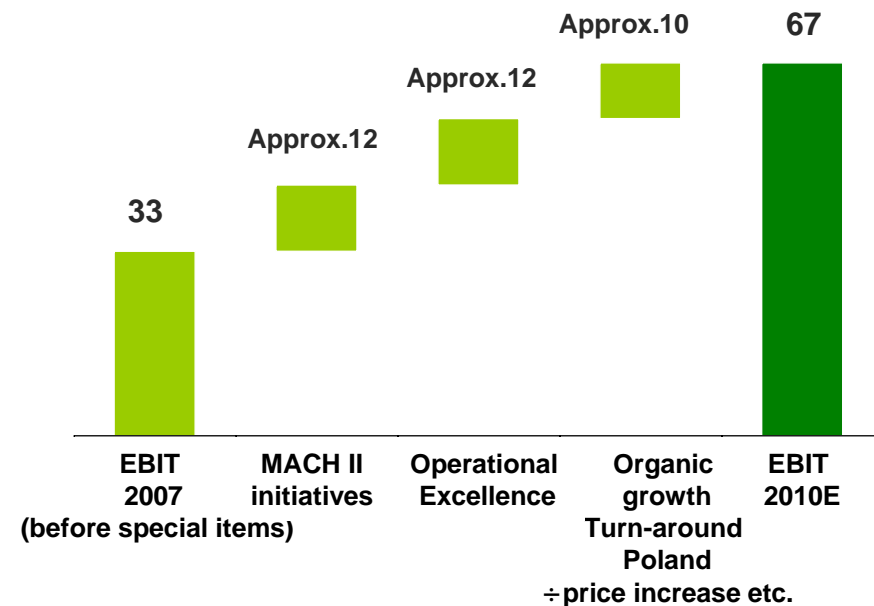
Financial Goals in 2010

Target: EUR 671million revenue

Exclusive acquisitions



Target: EUR 67 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)



Thank you for your attention

Executive Board and Contact Details



CEO
Poul Møller



CFO
Ulrik Sørensen



Executive director
North Europe
Connie Astrup-Larsen



Executive director
Technics & Supply
Povl Friis

Royal Unibrew A/S

Faxe Allé 1

DK-4640 Faxe

Denmark

Telephone: +45 56 77 15 00

Facsimile: +45 56 71 47 64

www.royalunibrew.com

investorrelations@royalunibrew.com

Disclaimer

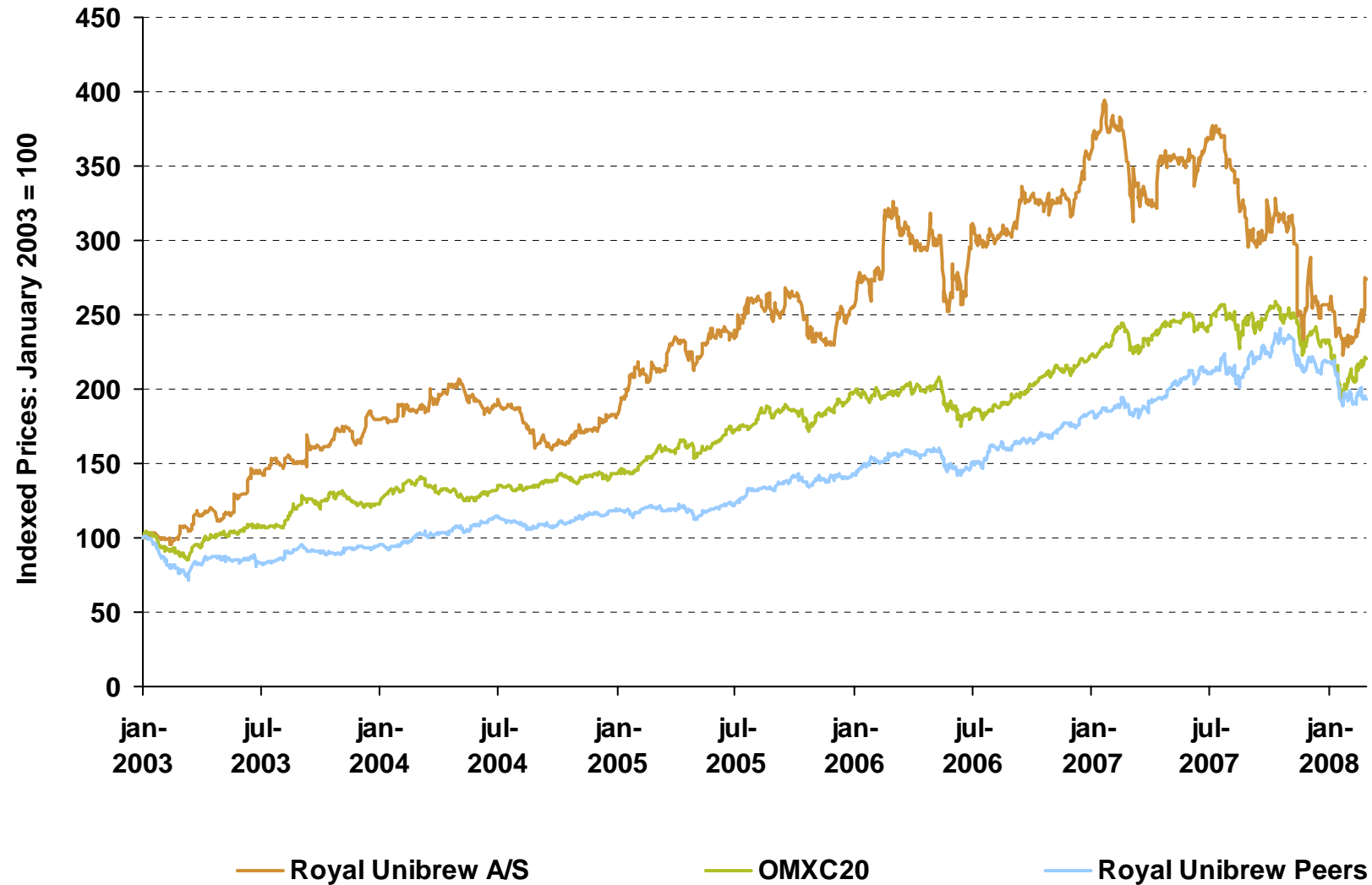
The statements about the future made in connection with the presentation of Royal Unibrew's Annual Report 2007 reflect Management's expectations in respect of future events and financial results, as well as of economic trends in key markets and developments in international money, foreign exchange and interest rate markets.

Statements about the future will inherently involve uncertainty and may be affected by – in addition to global economic conditions - market-driven price reductions, market acceptance of new products, packaging and container types, unforeseen termination of working relationships and changes to regulatory aspects (taxes, environment, packaging). The actual results may therefore deviate from the expectations stated.

Royal Unibrew is a party to a limited number of legal actions. These legal actions are not expected to have any material impact on the financial position of Royal Unibrew.



Share Performance as per 27 February 2008



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