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Company Announcement

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Q1 Report 2008

The Supervisory Board of Royal Unibrew A/S has today considered and adopted the Q1 Report at 31 March 2008.

Steen Weirsøe
Chairman of the Supervisory Board

Poul Møller
CEO

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This Q1 Report consists of 28 pages

Q1 Report
at 31 March 2008
of Royal Unibrew A/S



**Royal Unibrew A/S, Faxe Allé 1, DK-4640 Faxe
CVR No 41956712**

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HIGHLIGHTS (FOR Q1 2008)

- 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 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, which is slightly above expectations.
- Expected profit before tax for 2008 unchanged at DKK 230-270 million including costs of DKK 50 million (special items) relating to the closure of the Aarhus brewery and the reorganisation of the Danish distribution structure.

FINANCIAL HIGHLIGHTS AND KEY RATIOS

	Q1 (unaudited)				
	1/1 - 31/3 2008	1/1- 31/3 2007	1/1 - 31/3 2006	1/1 - 31/3 2005	1/1 - 31/3 2004
Sales (thousand hectolitres)	1,544.0	1,298.0	1,236.0	1,087.0	856.0
Financial Highlights (mDKK)					
Income Statement					
Net revenue	838.3	704.6	648.0	626.4	552.2
Operating profit/(loss) before special items	(35.1)	(43.1)	(35.5)	(5.9)	3.7
Profit/(loss) before financial income and expenses	(67.7)	(43.1)	(35.5)	(5.9)	3.7
Net financials	(28.1)	(16.0)	(15.6)	(10.9)	(16.2)
Profit/(loss) before tax	(95.8)	(59.1)	(51.1)	(16.8)	(12.5)
Consolidated profit/(loss)	(68.3)	(42.6)	(37.7)	(12.3)	(7.3)
Royal Unibrew A/S' share of profit/(loss)	(68.3)	(42.9)	(37.7)	(12.3)	(6.4)
Balance Sheet					
Total assets	3,866.3	3,230.2	3,087.2	2,644.1	2,505.3
Equity	990.4	1,067.5	1,100.8	1,063.3	947.7
Net interest-bearing debt	1,906.1	1,124.6	1,091.7	807.6	786.1
Free cash flow	(142.7)	(50.4)	(76.9)	(75.9)	(121.5)
Per share					
Royal Unibrew A/S' share of earnings per share (DKK)	(12.4)	(7.4)	(6.0)	(1.9)	(1.0)
Royal Unibrew A/S' diluted share of earnings per share (DKK)	(12.4)	(7.5)	(6.0)	(1.9)	(1.0)
Cash flow per share (DKK)	(25.8)	(8.7)	(6.6)	(8.5)	(9.0)
Diluted cash flow per share (DKK)	(25.9)	(8.8)	(6.6)	(8.5)	(9.0)
Key figures (mDKK)					
EBITDA	(26.1)	(5.6)	13.4	39.1	41.8
EBIT	(67.7)	(43.1)	(35.5)	(5.9)	3.7
Key ratios (%)					
Profit margin	(4.2)	(6.1)	(5.5)	(0.9)	0.7
EBIT margin	(8.1)	(6.1)	(5.5)	(0.9)	0.7
Free cash flow as a percentage of net revenue	(17.0)	(7.1)	(11.9)	(12.1)	(22.0)
Equity ratio	25.6	33.0	35.7	40.2	37.8
Debt ratio	192.5	105.3	99.2	76.0	82.9

The calculation of ratios has been based on the guidelines issued by the Danish Society of Financial Analysts in 2005.

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
Free cash flow	Cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates
Earnings per share (DKK)	Royal Unibrew A/S' share of the 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	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
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
Equity ratio	Equity at year end as a percentage of total assets
Debt ratio	Net interest-bearing debt at year end as a percentage of year-end equity

MANAGEMENT'S REVIEW

GENERAL

The primary activities of Royal Unibrew are to market, sell, distribute and produce quality beverages focusing on branded products primarily within beer, malt and soft drinks. The Group's products are sold in some 65 markets with special focus on Northern Europe (the Nordic countries, the Baltic countries, Northern Germany and Poland), Italy, Canada and the international malt drinks markets (the Caribbean, Africa and the UK). Royal Unibrew comprises the Albani, Ceres and Faxe breweries in Denmark, Kalnapilis in Lithuania, Lacplesa Alus, Livu Alus and the soft drinks producer SIA Cido Grupa in Latvia, Brok, Strzelec and Browar Lomza in Poland as well as Antigua Brewery, Dominica Brewery and St. Vincent in the Caribbean.

It is the vision of Royal Unibrew to develop the Group with increasing profitability to being among the leading providers of beverages in Northern Europe, Italy and our malt drinks markets. Outside these areas, we will develop selected profitable export markets.

ACQUISITIONS

Royal Unibrew has (cf Announcement RU29/2007 of 15 August 2007) strengthened its position in the Baltic beer market by acquiring assets and activities of Livu Alus, the number 3 Latvian brewery in terms of size. During H1 2008, the brewery will be fully integrated with the Group's existing brewery activities in Latvia, and SIA Cido Grupa, the Group's Latvian soft drinks producer, will handle sales and distribution of the Livu Alus products. Livu Alus is included in the consolidated financial statements as of 1 January 2008, which is expected to have a minor negative effect on consolidated profit.

"Double up" Strategic Plan 2008-2010

The main objective of "Double up", Royal Unibrew's Strategic Plan for the period 2008-2010, (cf Announcement RU04/2008 of 8 January 2008), is to improve the Group's profitability significantly and to double earnings before interest and tax (EBIT) to DKK 500 million in 2010.

The growth target is a net revenue increase to DKK 5 billion through organic growth corresponding to 6% CAGR (compound annual growth rate). To this should be added growth from possible acquisitions in the main markets in Northern Europe, Italy and the international malt drinks markets.

In addition to the revenue growth target of 6% CAGR, "Double up" also has established targets of ROIC and EBIT margin exceeding 10% and free cash flow 7% of net revenue by 2010.

The means to realise the targeted profitability increase and growth are a number of initiatives within the following three main areas:

customer & consumer excellence

(competencies, innovation and investment in own brands);

production excellence

(production structure and processes, supply chain, global purchases and systems);

acquisition & integration excellence

(acquisition of profitable enterprises, better integration and turnaround of Poland).

At the end of Q1 2008, status on growth target and the planned initiatives was as follows:

Growth target

- Organic growth of 8% has been realised, 2 percentage points higher than targeted.

Customer & consumer excellence

- A number of new products have been launched.

- o Faxe Kondi Pro in Denmark;
- o Cooler, a revitalisation of one of the most well-known fruit-flavoured beer brands in Poland, is ready for launch in Poland in April;
- o in Lithuania, a new Kalnapilis Grand in a premium profile bottle and with improved taste;
- o in Latvia, Cido premium fruit juice and a new range of flavoured Mangali still water.

Production excellence

- Measures to enhance the efficiency of the production structure in Denmark have been initiated. The closure of the Maribo brewery has been completed as planned and the work of transferring production from Aarhus to Faxe and Odense has commenced.
- A new PET unit was put into operation in April enabling insourcing of the production of Egekilde in PET containers.
- Change of the distribution structure in Denmark has been decided and planned in order to be effected in H2 2008 and H1 2009.

Acquisition & integration excellence

- At 1 February 2008, the Polish breweries Brok, Strzelec and Lomza were combined in one organisational and legal entity through a merger between Royal Unibrew Polska and Browar Lomza.
- The turnaround plan for the Polish activities is followed with the intended results.

The overall conclusion at the end of Q1 2008 is that the "Double up" Strategic Plan is being implemented at the planned rate.

RESULTS Q1 2008

In Q1 2008, the Royal Unibrew Group realised a loss before tax of DKK 95.8 million, which is better than expected. A loss is usual for brewery businesses in Q1, which is used to carry out major maintenance work on production facilities while demand for beer and soft drinks, and thus sales and production volumes, is limited. Therefore, the results for Q1 do not reflect a proportionate share of the full-year results.

The loss before tax is a decline of some DKK 36 million from 2007 primarily due to provisions of DKK 39 million ("special expenses") related to the decision to streamline the supply process in Denmark, eg by moving brewery activities from Aarhus to Faxe and Odense (cf Announcement RU11/2008 of 1 February 2008) and to replace the 21 Danish stores by 8 larger distribution centres (cf Announcement RU16/2008 of 29 February 2008).

Operating loss before special items improved by some DKK 8 million from 2007. Adjusted for the recognised results from the breweries Lomza, St. Vincent, Antigua, Dominica and Livu Alus, which were acquired after 1 April 2007, an organic improvement of operating loss before special items of some DKK 16 million was realised in Q1 2008 as compared to 2007. The integration of Livus Alus, the Latvian brewery, is progressing as planned, and sales and revenue growth in Poland was realised as expected in Q1 2008.

Developments in sales and revenue in Q1 from 2007 to 2008 were as follows:

Developments 2007-2008	Western Europe		Eastern Europe		Malt and Overseas Markets		Royal Unibrew total	
	Growth	Total	Growth	Total	Growth	Total	Growth	Total
Sales (thousand hectolitres)	5.0%	773	40.0%	659	23.2%	112	18.9%	1,544
Net revenue (mDKK)	6.8%	512	52.6%	229	27.9%	97	18.8%	838

Total group sales in Q1 2008 aggregated 1.5 million hectolitres of beer, malt and soft drinks, which is an increase of just below 19% over 2007. Some 16 percentage points of the increase were attributable to the Polish, Caribbean and Latvian activities acquired in 2007. Accordingly, organic volume growth accounted for some 3 percentage points broken down on positive growth in Western and Eastern Europe, whereas negative organic growth was realised in the Malt and Overseas Markets segments.

On a total basis, the Group's net revenue increased by almost 19% in Q1. Net revenue amounted to DKK 838 million and increases were realised in almost all markets. Some 11 percentage points of the revenue increase were attributable to the breweries Lomza in Poland and St. Vincent, Antigua and Dominica in the Caribbean as well as Livu Alus in Latvia, whereas the organic growth of 8% of the Royal Unibrew Group was primarily related to Denmark, Italy, Germany and Lithuania.

Gross profit amounting to DKK 331 million increased by 14% over 2007. Gross margin for the first three months of the year was 39.5% compared to 41.3% in the same period of last year. The gross margin decline related to the acquired breweries which due to product mix and high indirect production costs in Q1 2008 realised low gross margins. Gross margin showed a positive organic development since, unlike in 2007, it was possible to introduce customer price increases in all key markets in order to compensate for the still increasing raw materials prices.

The Group's sales and distribution expenses for Q1 were some 10% higher than in 2007. Of this increase, organic growth accounted for 6 percentage points. Similarly, administrative expenses were some 10% higher but with an organic reduction of 3% due to, among other things, the staff reduction decided upon in 2007 (cf Announcement RU43/2007 of 14 November 2007).

Operating loss before special items amounted to DKK 35 million in Q1 2008, which is a DKK 8 million improvement over 2007. In organic terms, the improvement amounted to DKK 16 million as it is estimated that the businesses acquired since 1 April 2007 realised an operating loss of DKK 8 million.

"Special income" of some DKK 7 million was primarily due to the sale of the property, plant and equipment of the closed brewery in Maribo at 31 March 2008 at a price which exceeded the carrying value.

"Special expenses" of some DKK 39 million comprise provisions for redundancy schemes and costs of closure relating to the Aarhus brewery as well as provisions for obligations in relation to the closure of the 21 Danish stores which will during 2008 and 2009 be replaced by 8 distribution centres as an element in streamlining of the Danish supply process.

Earnings before interest and tax (EBIT) showed a negative amount of DKK 67.7 million compared to a negative DKK 43.1 million in 2007.

Earnings before interest, tax, depreciation and amortisation (EBITDA) showed a negative amount of DKK 26.1 million compared to a negative DKK 5.6 million in 2007.

Income from investments in associates declined by DKK 2 million compared to 2007 amounting to a negative DKK 4.5 million compared to a negative 2.5 million in 2007. The change is comprised by several opposing factors. Hansa Borg Bryggerierne performed better and Perla Browary worse than in Q1 2007. Moreover, the figure for 2008 does not include the investments in Banjul Brewery and Tivoli Friheden, which have been sold, and St. Vincent which has been consolidated as a subsidiary as of 1 July 2007.

The Group's net financial expenses went up by some DKK 10 million to DKK 24 million in 2008. The increase breaks down evenly on exchange adjustments and interest expenses. The higher interest expenses were partly due to an increase in net interest-bearing debt and partly to marginally increasing interest rates.

The loss before tax of the Royal Unibrew Group for the period 1 January – 31 March 2008 amounted to DKK 96 million compared to a loss of DKK 59 million in 2007.

Consolidated loss (after tax) amounted to DKK 68 million, which makes the loss DKK 26 million higher than the loss of DKK 42 million realised in 2007.

DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

The developments in the Group's activities for the period 1 January – 31 March 2008 break down as follows on market segments:

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group
Share of net revenue (%)	61	27	12		100
Sales (thousand hectolitres)	773	659	112	-	1,544
Net revenue (mDKK)	512	229	97	-	838
Operating profit (before special items) (mDKK)	(4.9)	(22.3)	3.8	(11.7)	(35.1)
Profit margin (%)	(1.0)	(9.7)	3.9		(4.2)
Earnings before interest and tax EBIT (mDKK)	(37.5)	(22.3)	3.8	(11.7)	(67.7)
EBIT margin (%)	(7.3)	(9.7)	3.9		(8.1)

Western Europe

Western Europe	2008	2007	% change
Sales (thousand hectolitres)	773	736	5
Net revenue (mDKK)	512	479	7
Operating profit (before special items) (mDKK)	(4.9)	(22.0)	78
Profit margin (%)	(1.0)	(4.6)	78
EBIT (mDKK)	(37.5)	(22.0)	(70)
EBIT margin (%)	(7.3)	(4.6)	(59)

Royal Unibrew's activities in the Western European markets developed positively in Q1 2008. Sales and revenue increased by 5% and 7%, respectively. Operating loss improved by DKK 17 million to a loss of DKK 5 million. Price increases were introduced in key markets which are expected to compensate for the additional raw materials price increases experienced in 2008. Moreover, the expected savings relating to the adjustment of staff resources decided upon in the autumn of 2007 were realised.

EBIT for Q1 was negatively affected by "special expenses and income" of net DKK 32.6 million. A provision of DKK 39.5 million was made for costs relating to the closure of the Aarhus brewery and of the 21 Danish stores, whereas the sale of properties and production equipment related to the Maribo brewery closed down in February resulted in a gain as compared to the written-down value of the assets. Furthermore, a minor part of the provision for redundancy payments made in 2007 could be reversed.

Western Europe	Actual Q1 2008		Growth over 2007	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Denmark	268	382	3	1
Italy	131	94	6	(4)
Germany	88	236	29	22
Nordic countries	11	30	6	(7)
Other markets	14	31	(11)	(9)
Total Western Europe	512	773	7	5

In **Denmark** branded beer sales are estimated to have declined by more than 4% in Q1 2008. Royal brand sales increased by more than 5% with continued market share wins. The low-price beer segment continued to show declining sales. In the soft drinks segment, market shares were won in Q1.

Revenue in **Italy** increased by 6% due to price increases introduced as well as a changed product mix due to discontinuation of the sale of a low-price product.

In the **German** market including cross-border trade between Denmark and Germany, very satisfactory sales growth of 22% was realised in Q1, and revenue increased by 29%.

Eastern Europe

Eastern Europe	2008	2007	% change
Sales (million hectolitres)	659	471	40
Net revenue (mDKK)	229	150	53
Operating profit (before special items) (mDKK)	(22.3)	(11.8)	(89)
Profit margin (%)	(9.7)	(7.9)	(23)
EBIT (mDKK)	(22.3)	(11.8)	(89)
EBIT margin (%)	(9.7)	(7.9)	(23)

Sales and revenue in Eastern Europe increased by 40% and 53%, respectively, a significant part of which is attributable to Browar Lomza in Poland and Livu Alus in Latvia which were not included in the consolidated financial statements in Q1 2007. Organic growth rates were 5% and 22%, respectively, which was satisfactory considering that the growth rates were also high in 2007.

The estimated EBIT effect of the two acquired breweries is a negative DKK 7 million. Furthermore, the figure for 2008 is affected by major price increases of raw materials which could not be compensated for by customer price increases until as of Q2 2008.

Results of the Polish activities related to the Brok and Strzelec breweries were realised as planned in Q1 2008.

Eastern Europe	Actual Q1 2008		Growth over 2007	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Lithuania	77	182	48	39
Latvia	80	264	11	4
Poland	69	207	198	153
Other markets	3	6	31	24
Total Eastern Europe	229	659	53	40

In **Lithuania** Kalnapilio-Taurus increased its sales and revenue considerably by 39% and 48%, respectively, in Q1 2008. Part of the increase is attributable to the acquisition of the sale and distribution of the Cido products. However, also the development in revenue from own products, Taurus and Kalnapilis, was very satisfactory in the first three months of the year as branded beer represents a still larger share of the product mix.

In **Latvia** sales increased by 4%. The increase comprises a considerable increase in beer sales primarily driven by the acquired Livu Alus brewery, whereas Kalnapilio-Taurus' acquisition of sales and distribution in Lithuania resulted in a reduction of Cido's soft drinks products sales to external distributors. Revenue increased by 11%, partly as a result of price increases introduced and partly due to a shift in product mix towards beer.

In **Poland** sales and revenue went up by 153% and 198%, respectively. The growth is primarily attributable to the acquisition of the Lomza brewery, which was included in the Group as of 1 May 2007; however, also revenue from Brok and Strzelec increased as compared to Q1 2007 by 25%, and the realised contribution margin increased. In Q2, further revenue growth is expected due to new product launches.

Other markets include **Russia** where the Group's international Faxe beer brand is sold. With a view to strengthening the position of the Faxe brand in Russia, Royal Unibrew entered into a licence agreement with JSC Moscow Brewing Company for production, sale and distribution of Faxe in Russia. The licence agreement, which takes effect in 2009 and is multi-annual, is expected to increase profits in Russia considerably in the long term.

Malt and Overseas Markets

Malt and Overseas Markets	2008	2007	% change
Sales (thousand hectolitres)	112	91	23
Net revenue (mDKK)	97	76	28
Operating profit (before special items) (mDKK)	3.8	2.8	36
Profit margin (%)	3.9	3.7	5
EBIT (mDKK)	3.8	2.8	36
EBIT margin (%)	3.9	3.7	5

Developments in Q1 were positively affected by the acquisition of the three Caribbean breweries St. Vincent, Antigua and Dominica, which were not included in 2007. The declining USD and GBP rates did, on the other hand, affect net revenue and earnings negatively.

Malt and Overseas Markets	Actual Q1 2008		Growth over 2007	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
The Caribbean	66	68	71	104
The UK	6	6	(33)	(29)
Africa	13	21	2	(14)
USA/Canada	9	13	(6)	10
Other European markets	3	4	(8)	(4)
The Middle East	0	0	(89)	(92)
Total Malt and Overseas Markets	97	112	28	23

Exports to **the Caribbean** and the distribution activity in Guadeloupe and Martinique were declining compared to the same period of 2007. The sales and revenue growth of 104% and 71%, respectively, thus solely relates to the newly acquired breweries in St. Vincent, Antigua and Dominica. Net revenue was negatively affected by the correlation between the Caribbean currencies and USD.

In **the UK** price competition intensified and GBP weakened, which resulted in a negative development as compared to 2007.

The strong sales growth realised in **Africa** in 2006 and 2007 did not continue in Q1 2008 due to internal circumstances in the African countries to which the Group exports and with an African licence brewery. Moreover, the correlation between EUR and the African currencies affected revenue negatively. The situation is expected to improve during Q2 2008.

The USA and Canada saw continued growth also in Q1 2008 at the same rate as in 2007 with a sales increase of 10%. In spite of this, revenue declined due to the significant USD rate decline.

SHARE OPTIONS

The market value of the unexercised options is estimated at DKK 7.6 million (under the Black-Scholes formula). The unexercised options are specified in note 4.

The Supervisory Board has – as regards the Executive Board – recommended the following for adoption at the Annual General Meeting:

- 1) to continue the existing ordinary share option programme applying to the Executive Board and some 20 executives also for the 2008 financial year. As previously, half of the options will typically be granted without any performance conditions, whereas the other half will be granted depending on the realisation of specific budget targets. Under this programme, the participants (the Executive Board and other executives) may in respect of 2008 be granted ordinary options corresponding to a maximum number of shares of some 32,000 based on a share price of 494. The final price will be determined as the average market price of the Company's shares over the 10 trading days following the publication of the Annual Report for 2008;
- 2) to grant to the same group of persons (the Executive Board and other executives) additional options for 2008 corresponding to half of an annual salary exercisable as of 2011, provided that certain of the targets established in the "Double up" Strategic Plan are achieved by 2010. This programme will, based on the determined share price of 510, result in the granting of options corresponding to some 25,000 shares to the Executive Board and the other executives.

BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 3,866 million at 31 March 2008, which is an increase of DKK 85 million over year end 2007. Some DKK 125 of the increase is attributable to the acquisition of the Latvian brewery, Livus Alus, financed by long-term borrowing. Consequently, the balance sheet has been reduced organically by some DKK 40 million comprising a reduction of cash and bank by some DKK 80 million and an increase of working capital by DKK 40 million.

Group equity, which at the end of Q1 amounted to DKK 990 million, was most materially affected by comprehensive negative income for the period of DKK 83 million and a net write-down relating to acquisition of shares for treasury of DKK 46 million. The equity ratio equalled 25.6% compared to 29.6% at the end of 2007.

Free cash flow before investments in acquisitions amounted to a negative DKK 142 million in Q1 equal to a negative 17% of net revenue compared to a negative 7.1% in 2007, which was DKK 92 million lower than in Q1 2007. DKK 62 million of this amount is attributable to a working capital increase primarily caused by a decision to accumulate inventories in Q1 2008 to ensure the ability to supply in Q2. The cash operating result was DKK 17 million lower and net investments in property, plant and equipment were DKK 13 million higher than in Q1 2007.

In 2008, Royal Unibrew A/S acquired a total of 92,874 shares for treasury under the share buy-back programme launched in 2007. The Company holds a total number of 409,721 treasury shares (equal to some 6.9% of the Company's total share capital) at 31 March 2008; 300,000 of these shares will, subject to approval at the Annual General Meeting, be cancelled through reduction of the share capital, and the remaining shares are expected to be used to cover the Company's existing share option programme as well as that planned for 2008.

FUTURE CAPITAL STRUCTURE, SHARE BUY-BACK PROGRAMME AND DIVIDEND POLICY

Royal Unibrew wishes to continue its focus on optimising the Company's weighted average cost of capital (WACC) and increasing shareholder value. Therefore, the Group has maintained the target of adjusting and maintaining the Company's interest-bearing debt at a level corresponding to 3 times EBITDA, which is considered to imply a capital structure and WACC suitable for the Group, for the future strategy period from 2008 to 2010.

The target will not interfere with the Group's growth target under the "Double up" strategy and is considered to leave sufficient scope for realising any acquisitions.

The Supervisory Board has proposed for adoption at the Annual General Meeting on 28 April 2008 that the capital be reduced by DKK 3 million corresponding to the number of shares acquired under the share buy-back programme completed in Q1 2008.

PROSPECTS

Based on actual results for the first three months of 2008, the assumptions known at this time as well as the plans made for the remaining period of 2008, profit before tax and "special items" is still expected to be at the level of DKK 280-320 million, whereas profit before tax but net of "special items" is expected to be at the level of DKK 230-270 million.

The effective tax rate of the Group is also expected to remain unchanged at some 29%.

STATEMENTS ABOUT THE FUTURE

The statements about the future made in the Q1 Report at 31 March 2008 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), etc. 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.

FINANCIAL CALENDAR FOR 2008

Announcements of financial results:

25 August 2008: H1 Report 2008

20 November 2008: Q3 Report 2008

FINANCIAL CALENDAR FOR 2009

Annual General Meeting and shareholders' meetings:

29 April 2009: Annual General Meeting in Odense

30 April 2009: Shareholders' meeting in Faxe

04 May 2009: Shareholders' meeting in Randers

Announcements of financial results:

26 February 2009: Annual Report 2008

29 April 2009: Q1 Report 2009

25 August 2009: H1 Report 2009

11 November 2009: Q3 Report 2009

ANNOUNCEMENTS TO THE COPENHAGEN STOCK EXCHANGE A/S – 1 January to 27 April 2008

03 January 2008	01/2008	Share Buy-back at Royal Unibrew A/S
04 January 2008	02/2008	Royal Unibrew's acquisition of all activities of Livu Alus – Latvia's number 3 brewery in terms of size – now realised
07 January 2008	03/2008	Royal Unibrew's brewery in Aarhus
08 January 2008	04/2008	New Strategic Plan of Royal Unibrew A/S
11 January 2008	05/2008	Share Buy-back at Royal Unibrew A/S
17 January 2008	06/2008	Royal Unibrew sets new goals with double up
21 January 2008	07/2008	Section 29 announcement from Lonmodtagernes Dyrtidsfond
22 January 2008	08/2008	Share Buy-back at Royal Unibrew A/S
24 January 2008	09/2008	Section 29 announcement Kempen Capital Management NV owns 5% of the share capital in Royal Unibrew A/S
31 January 2008	10/2008	Share Buy-back at Royal Unibrew A/S
01 February 2008	11/2008	Royal Unibrew's brewery in Aarhus
11 February 2008	12/2008	Share Buy-back at Royal Unibrew A/S
20 February 2008	13/2008	Share Buy-back at Royal Unibrew A/S
25 February 2008	14/2008	Share Buy-back at Royal Unibrew A/S
26 February 2008	15/2008	Change in the Financial Calendar – Announcement of Annual Results 2007 of Royal Unibrew A/S
29 February 2008	16/2008	Annual Results 2007
26 March 2008	17/2008	Executive Director Northern Europe moves on to new challenges
28 March 2008	18/2008	Reporting according to the Danish Securities Act section 28a
03 April 2008	19/2008	Notice of the Annual General Meeting of Royal Unibrew A/S
09 April 2008	20/2008	Guidelines for incentive pay programme

MANAGEMENT'S STATEMENT ON THE REPORT

The Executive and Supervisory Boards have today considered and adopted the Q1 Report of Royal Unibrew A/S at 31 March 2008.

The Q1 Report, which has not been audited or reviewed by the Company's auditors, was prepared in accordance with the International Financial Reporting Standard 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

We consider the accounting policies applied appropriate. Accordingly, the Q1 Report gives a true and fair view of the financial position at 31 March 2008 of the Group as well as of the results of the Group operations and cash flows for the period 1 January - 31 March 2008.

Furthermore, in our opinion, Management's Review provides a true and fair account of the development in the Group's activities and financial affairs, profit/loss for the period as well as of the financial position of the Group as a whole, and a description of the key risks and uncertainties facing the Group.

Faxe, 28 April 2008

Executive Board

Poul Møller
CEO

Connie Astrup-Larsen
Executive Director,
Northern Europe

Povl Friis
Executive Director,
Technics and Supply

Ulrik Sørensen
CFO

Supervisory Board

Steen Weirsøe
Chairman

Tommy Pedersen
Deputy Chairman

Henrik Brandt

Ulrik Bülow

Erik Højsholt

Hemming Van

Erik Christensen

Jesper Frid

Kirsten Liisberg

CONSOLIDATED INCOME STATEMENT (UNAUDITED)
(DKK '000)

	<u>1/1 - 31/3 2008</u>	<u>1/1 - 31/3 2007</u>	<u>1/1 - 31/12 2007</u>
Revenue	993,441	828,270	4,574,173
Beer and mineral water excises	<u>(155,132)</u>	<u>(123,693)</u>	<u>(692,411)</u>
Net revenue	838,309	704,577	3,881,762
Production costs	<u>(507,150)</u>	<u>(413,852)</u>	<u>(2,129,173)</u>
Gross profit	331,159	290,725	1,752,589
Sales and distribution expenses	<u>(307,124)</u>	<u>(279,361)</u>	<u>(1,268,783)</u>
Administrative expenses	<u>(60,038)</u>	<u>(54,787)</u>	<u>(249,042)</u>
Other operating income	<u>934</u>	<u>368</u>	<u>9,289</u>
Operating profit/(loss) before special items	(35,069)	(43,055)	244,053
Special income	6,879	0	128,068
Special expenses	<u>(39,474)</u>	<u>0</u>	<u>(107,823)</u>
Profit/(loss) before financial income and expenses	(67,664)	(43,055)	264,298
Income after tax from investments in associates	<u>(4,525)</u>	<u>(2,502)</u>	<u>27,998</u>
Financial income	2,504	3,920	26,704
Financial expenses	<u>(26,076)</u>	<u>(17,459)</u>	<u>(98,836)</u>
Profit/(loss) before tax	(95,761)	(59,096)	220,164
Tax on the profit/(loss) for the period	<u>27,500</u>	<u>16,500</u>	<u>(64,930)</u>
Profit/(loss) for the period	(68,261)	(42,596)	155,234
distributed as follows:			
Parent Company shareholders' share of profit/(loss) for the period	<u>(68,333)</u>	<u>(42,937)</u>	<u>151,747</u>
Minority shareholders' share of profit/(loss) for the period	<u>72</u>	<u>341</u>	<u>3,487</u>
Profit/(loss) for the period	(68,261)	(42,596)	155,234
Parent Company shareholders' share of earnings per share (DKK)	(12.4)	(7.4)	26.4
Parent Company shareholders' share of diluted earnings per share (DKK)	(12.4)	(7.5)	26.2

Assets (DKK '000)

	<u>31/3 2008</u>	<u>31/3 2007</u>	<u>31/12 2007</u>
	Note		
NON-CURRENT ASSETS			
Goodwill	489,815	322,730	487,861
Trademarks	286,403	175,618	278,351
Distribution rights	8,189	9,526	8,524
Intangible assets	<u>784,407</u>	<u>507,874</u>	<u>774,736</u>
Land and buildings	828,216	715,843	770,679
Plant and machinery	504,918	381,741	488,715
Other fixtures and fittings, tools and equipment	231,399	229,931	240,091
Property, plant and equipment in progress	119,437	96,657	57,536
Property, plant and equipment	<u>1,683,970</u>	<u>1,424,172</u>	<u>1,557,021</u>
Investments in associates	225,257	227,078	225,691
Receivables from associates	25,239	25,007	25,481
Other investments	3,039	2,826	3,018
Other receivables	14,403	20,680	11,592
Financial assets	<u>267,938</u>	<u>275,591</u>	<u>265,782</u>
Non-current assets	<u>2,736,315</u>	<u>2,207,637</u>	<u>2,597,539</u>
CURRENT ASSETS			
Raw materials and consumables	170,363	108,835	169,316
Work in progress	40,317	21,147	25,816
Finished goods and purchased finished goods	198,549	157,010	156,461
Inventories	<u>409,229</u>	<u>286,992</u>	<u>351,593</u>
Trade receivables	533,876	456,600	577,847
Receivables from associates	1,301	1,722	1,012
Other receivables	72,869	27,340	64,035
Prepayments	39,030	31,891	31,435
Receivables	<u>647,076</u>	<u>517,553</u>	<u>674,329</u>
Cash at bank and in hand	<u>73,667</u>	<u>188,986</u>	<u>157,832</u>
Non-current assets held for sale	<u>0</u>	<u>28,988</u>	<u>0</u>
Current assets	<u>1,129,972</u>	<u>1,022,519</u>	<u>1,183,754</u>
Assets	<u>3,866,287</u>	<u>3,230,156</u>	<u>3,781,293</u>

Liabilities and Equity (DKK '000)

		<u>31/3 2008</u>	<u>31/3 2007</u>	<u>31/12 2007</u>
	Note			
EQUITY				
Share capital	7	59,000	61,800	59,000
Translation reserve		(8,961)	(8,907)	(7,743)
Hedging reserve		461	(285)	10,057
Retained earnings		911,760	982,571	808,713
Proposed dividend		59,000	61,800	59,000
Profit/(loss) for the period		(68,333)	(42,937)	151,747
Equity of Parent Company shareholders		<u>952,927</u>	<u>1,054,042</u>	<u>1,080,774</u>
Minority interests		<u>37,503</u>	<u>13,493</u>	<u>38,689</u>
Equity		<u>990,430</u>	<u>1,067,535</u>	<u>1,119,463</u>
Deferred tax		120,930	126,814	127,718
Mortgage debt		749,501	579,763	749,751
Credit institutions		1,020,094	534,458	790,260
Non-current liabilities		<u>1,890,525</u>	<u>1,241,035</u>	<u>1,667,729</u>
Mortgage debt		953	58,760	953
Credit institutions		234,500	165,613	228,433
Repurchase obligations, returnable packaging		92,384	83,872	97,533
Trade payables		387,429	379,750	350,407
Corporation tax		2,124	29,032	54,759
VAT, excise duties, etc		80,954	83,554	98,764
Other payables		186,988	121,005	163,252
Current liabilities		<u>985,332</u>	<u>921,586</u>	<u>994,101</u>
Liabilities		<u>2,875,857</u>	<u>2,162,621</u>	<u>2,661,830</u>
Liabilities and equity		<u>3,866,287</u>	<u>3,230,156</u>	<u>3,781,293</u>

Statement of Changes in Equity for 1 January - 31 March (DKK '000)

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority share	Total
Equity at 1 January 2007	61,800	(9,194)	1,975	1,018,823	61,800	12,917	1,148,121
Value and exchange adjustment of foreign subsidiaries and associates		287		(2,100)		235	(1,578)
Tax on value and exchange adjustment							0
Value adjustment of hedging instruments, end of period			(317)				(317)
Reversal of value adjustment of hedging instruments, beginning of period			(2,743)				(2,743)
Tax on hedging instruments			800				800
Net gains recognised directly in equity	0	287	(2,260)	(2,100)	0	235	(3,838)
Profit/(loss) for the period				(42,937)		341	(42,596)
Comprehensive income	0	287	(2,260)	(45,037)	0	576	(46,434)
Acquisition of shares for treasury				(34,152)			(34,152)
Total shareholders	0	0	0	(34,152)	0	0	(34,152)
Total equity movements 1/1 - 31/3 2007	0	287	(2,260)	(79,189)	0	576	(80,586)
Equity at 31 March 2007	61,800	(8,907)	(285)	939,634	61,800	13,493	1,067,535

Statement of Changes in Equity for 1 January - 31 March (DKK '000) (contd)

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority share	Total
Equity at 1 January 2008	59,000	(7,743)	10,057	960,460	59,000	38,689	1,119,463
Value and exchange adjustment of foreign subsidiaries and associates		(1,218)		(1,856)		(1,258)	(4,332)
Tax on value and exchange adjustment				(600)			(600)
Value adjustment of hedging instruments, end of period			620				620
Reversal of value adjustment of hedging instruments, beginning of period			(13,443)				(13,443)
Tax on hedging instruments			3,227				3,227
Net gains recognised directly in equity	0	(1,218)	(9,596)	(2,456)	0	(1,258)	(14,528)
Profit/(loss) for the period				(68,333)		72	(68,261)
Comprehensive income	0	(1,218)	(9,596)	(70,789)	0	(1,186)	(82,789)
Acquisition of shares for treasury				(46,244)			(46,244)
Total shareholders	0	0	0	(46,244)	0	0	(46,244)
Total equity movements 1/1 - 31/3 2008	0	(1,218)	(9,596)	(117,033)	0	(1,186)	(129,033)
Equity at 31 March 2008	59,000	(8,961)	461	843,427	59,000	37,503	990,430

Share capital at 31 March remains unchanged from 31 December 2007. The capital amounts to DKK 59,000,000 and is divided into shares of DKK 10.

Cash Flow Statement (DKK '000)

	Note	1/1 - 31/3 2008	1/1 - 31/3 2007
Profit/(loss) for the period		(68,261)	(42,596)
Adjustments for non-cash operating items	8	77,067	37,039
		<u>8,806</u>	<u>(5,557)</u>
Change in working capital:			
+/- change in receivables		27,673	7,138
+/- change in inventories		(58,987)	(10,372)
+/- change in payables		(7,522)	26,741
Cash flows from operating activities before financial income and expenses		<u>(30,030)</u>	<u>17,950</u>
Financial income		863	2,467
Financial expenses		(33,656)	(18,841)
Cash flows from ordinary activities		<u>(62,823)</u>	<u>1,576</u>
Corporation tax paid		(29,135)	(14,487)
Cash flows from operating activities		<u>(91,958)</u>	<u>(12,911)</u>
Sale of property, plant and equipment		19,002	7,444
Purchase of property, plant and equipment		(69,745)	(44,909)
<i>Free cash flow</i>		<u>(142,701)</u>	<u>(50,376)</u>
Acquisition of subsidiaries	8	(126,546)	0
Acquisition of intangible and financial assets		(2,964)	0
Cash flows from investing activities		<u>(180,253)</u>	<u>(37,465)</u>
Proceeds from raising of non-current debt		165,903	0
Repayment of non-current debt		(286)	(125,273)
Change in current debt to credit institutions		69,361	30,999
Acquisition of shares for treasury		(46,244)	(34,152)
Cash flows from financing activities		<u>188,734</u>	<u>(128,426)</u>
Change in cash and cash equivalents		<u>(83,477)</u>	<u>(178,802)</u>
Cash and cash equivalents at 1 January		157,832	368,320
Exchange adjustment		(688)	(532)
Cash and cash equivalents at 31 March		<u>73,667</u>	<u>188,986</u>

Notes to the Q1 Report

Note 1 Significant Accounting Policies

The Q1 Report is presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies are unchanged from those applied in the Annual Report for 2007, to which reference is made.

The Annual Report for 2007 provides a total description of significant accounting policies.

Note 2 Accounting Estimates and Judgements

The preparation of interim financial reporting requires that Management make accounting estimates and judgements which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The key estimates made by Management in applying the Group's accounting policies and the key uncertainties relating to the estimates are the same when preparing the interim financial reporting as when preparing the Annual Report at 31 December 2007.

Notes to the Q1 Report

Note 3 Segment Reporting

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

(mDKK)

1/1 - 31/3 2008					1/1 - 31/3 2007					
Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total		Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
512.1	228.8	97.4		838.3	Net revenue	479.3	149.9	75.4		704.6
(4.9)	(22.3)	3.8	(11.7)	(35.1)	Operating profit/(loss)	(22.0)	(11.8)	2.8	(12.1)	(43.1)
(32.6)				(32.6)	Special items					0.0
(37.5)	(22.3)	3.8	(11.7)	(67.7)	Earnings before interest and tax (EBIT)	(22.0)	(11.8)	2.8	(12.1)	(43.1)
(2.2)	(3.2)	0.9		(4.5)	Share of income from associates	(4.7)	(0.6)	2.8		(2.5)
(0.2)	(2.3)	0.2	(21.3)	(23.6)	Other financial income and expenses	(1.6)	(2.0)	0.9	(10.8)	(13.5)
(39.9)	(27.8)	4.9	(33.0)	(95.8)	Profit/(loss) before tax for the period	(28.3)	(14.4)	6.5	(22.9)	(59.1)
			27.5	27.5	Tax on the profit/(loss) for the period				16.5	16.5
				(68.3)	Profit/(loss) for the period					(42.6)
(1.0)%	(9.7)%	3.9%		(4.2)%	Profit margin	(4.6)%	(7.9)%	3.7%		(6.1)%

Notes to the Q1 Report

Note 4 Share-based Payment

For incentive purposes, the following share option schemes have been established for the Executive Board and other members of the management team of the Group.

Each option carries a right to acquire 1 share of DKK 10.

	Executive Board number	Other mg. team number	Total number	Exercise price	Exercise period
Granted in 2001	0	500	500	219	4/2004-3/2006
Granted in 2002	14,564	0	14,564	240-315	6/2005-5/2009
Granted re 2003	7,492	7,492	14,984	401	4/2007-4/2009
Granted re 2004	5,230	4,524	9,754	478	4/2008-4/2010
Granted re 2005	19,803	11,998	31,801	532	4/2009-4/2011
Granted re 2006	19,803	11,998	31,801	532	4/2010-4/2012
Unexercised at 31 December 2005	66,892	36,512	103,404		
Adj. of grant 2005, final price	(3,545)	(2,142)	(5,687)	648	
Adj. of grant 2006, price 31 Dec. 06	(5,567)	(3,372)	(8,939)	740	
Exercised in 2006		(500)	(500)	219	
Unexercised at 31 December 2006	57,780	30,498	88,278		
Changed classification	(5,303)	5,303	0		
Adj. of grant 2006, final price	(292)	250	(42)	695	
Unexercised at 31 December 2007	52,185	36,051	88,236		
Expected granting re 2007	8,111	6,321	14,432	510	* 4/2011-4/2013
Exercised in 2007/08	(16,437)	(5,245)	(21,682)	240-401	
Cancelled in 2007/08	(6,262)	(4,004)	(10,266)		
Unexercised at 31 March 2008	37,597	33,123	70,720		
distributed on:					
Granted re 2003	3,746	4,120	7,866	401	
Granted re 2004	4,184	5,570	9,754	478	
Granted re 2005	10,710	9,452	20,162	648	
Granted re 2006	10,846	7,660	18,506	695	
Expected granting re 2007	8,111	6,321	14,432	510	*
	37,597	33,123	70,720		
Market value at 31 March 2007 (mDKK)	14.9	8.6	23.5		
Market value at 31 March 2008 (mDKK)	3.9	3.5	7.6		

Based on a share price of the Royal Unibrew share of 494 at 31 March 2008, the market value of the options has been calculated by means of the Black-Scholes formula.

The calculation is based on an assumption of 35% volatility, a risk-free interest rate of 4.3-4.7% (2007: 4.0-4.4%) and annual dividend per share of 2.0%.

* The exercise price of the share options re 2007 expected to be granted at the Annual General Meeting in 2008 has been determined as the average market price of the Company's shares over the 10 trading days following the publication of the Annual Report for 2007 (4/3-17/3 2008).

Notes to the Q1 Report

Note 5 Tax on the Profit/(Loss) for the Period

The tax expense for the period recognised in the income statement has been calculated on the basis of the book profit/(loss) before tax and an estimated effective tax rate for the Group as a whole for 2008 of 29% (at 31 March 2007 28% and for the full year 2007 29.5%).

In addition to the tax recognised in the income statement, a tax income of DKK 2,627k has been recognised directly in equity related to the equity entries for the period (at 31 March 2007 an income of DKK 800k and for the full year 2007 an expense of DKK 62k).

Note 6 Basis of Calculation of Earnings and Cash Flow per Share

	1/1 - 31/3 2008	1/1 - 31/3 2007
The Parent Company shareholders' share of profit/(loss) for the year (DKK '000)	(68,333)	(42,937)
The average number of treasury shares amounted to	371,237	391,073
The average number of shares in circulation amounted to	5,528,763	5,788,927
The average number of shares in circulation incl share options "in-the-money" amounted to	5,511,143	5,700,691

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 the Q1 Report

Note 7 Treasury Shares

Value of treasury shares held:

	Parent Company	
	2008	2007
Balance at 1 January	0	0
Additions	46,244	34,152
Transferred to equity, net	(46,244)	(34,152)
Balance at 31 March	0	0

Treasury shares held:

	Number	Nom. value	% of capital
Portfolio at 1 January 2007	366,343	3,663	5.9
Additions	45,060	451	0.7
Portfolio at 31 March 2007	411,403	4,114	7.0
Portfolio at 1 January 2008	316,847	3,168	5.4
Additions	92,874	929	1.6
Portfolio at 31 March 2008	409,721	4,097	6.9

Notes to the Q1 Report

Note 8 Cash Flow Statement

	<u>1/1 - 31/3 2008</u>	<u>1/1 - 31/3 2007</u>
Adjustments for non-cash operating items		
Financial income	(2,504)	(3,920)
Financial expenses	26,076	17,459
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	49,092	37,498
Tax on the profit/(loss) for the period	(27,500)	(16,500)
Income from investments in associates	4,525	2,502
Net profit from sale of property, plant and equipment	(7,524)	0
Share-based payments and remuneration	0	0
Other adjustments, including provisions	34,902	0
Total	<u>77,067</u>	<u>37,039</u>
 Acquisition of subsidiaries		
	<u>1/1 - 31/3 2008</u>	<u>1/1 - 31/3 2007</u>
<i>Assets</i>		
Non-current assets	125,577	
Current assets	969	
Acquisition price	<u>126,546</u>	<u>0</u>

Notes to the Q1 Report

Note 9 Acquisitions

In Q1 2008, Royal Unibrew made the following acquisitions:

As disclosed in Announcement RU29/2007, the Group strengthened its position in the Baltic beer market through the acquisition of assets and activities of Livus Alus, the number 3 brewery in Latvia in terms of size.

	Fair value at date of acquisition	Carrying amount prior to acquisition
Intangible assets	6,419	6,419
Property, plant and equipment	119,158	118,136
Inventories	969	969
Cash acquisition price	126,546	125,524

including acquisition costs (consulting fees) of 1,022

No acquisitions were made in Q1 2008.