



Q1 REPORT 2009

30 April 2009

- **Trading performance in Q1 2009**
- Reporting on Key Strategic Priorities
- Business area review
- Financial results
- Outlook 2009
- Q&A

Trading performance in Q1

- **Sales volume 1.3m HL; 15% lower than same period last year (1.5m HL)**
 - 2/3 of decline reflects continued weakness on markets
 - 1/3 of decline was managed reduction of private label and discount products
- **Net revenue of DKK 768m; 8.4% lower than last year (DKK 838m)**
 - 2009 price increases implemented as planned
 - Better geographical mix achieved
 - Weaker PLN alone drive 2%-points of net revenue decline
 - Lower private label sales drive approx 2%-points net revenue decline
- **Operating Profit before Special Items DKK -28m (DKK -35m)**
- **Free cash flow DKK -130m (DKK -143m)**
- **Progress as planned on all Key Strategic Priorities**



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Reporting on Key Strategic Priorities

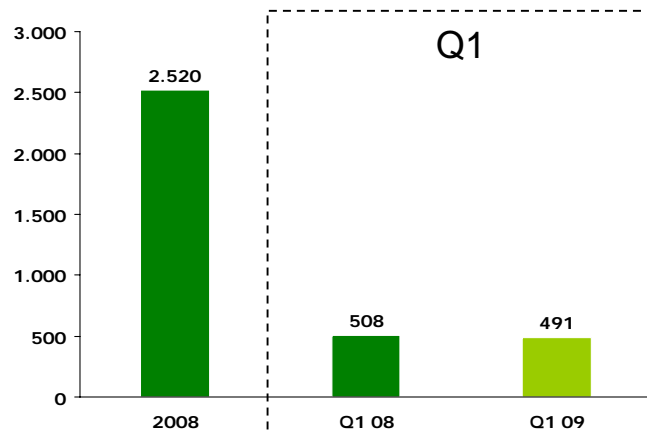
FOCUS AREA	STRATEGIC PRIORITY - INITIATIVE	STATUS
Poland	<ul style="list-style-type: none"> • <i>Focus sales and marketing in terms of geography and brands</i> • <i>Consolidate production network structure by closing Koszalin brewery</i> • <i>Expected redundancies 100 employees</i> 	<ul style="list-style-type: none"> • <i>Divestiture of Koszalin Brewery; around 100 employees to be transferred to new owner or terminated</i> • <i>Restructuring activities continues</i>
Denmark	<ul style="list-style-type: none"> • <i>Simplification through structural and operational changes</i> • <i>Expected redundancies 100 employees</i> 	<ul style="list-style-type: none"> • <i>Transfer of production and new distribution structure nearing completion</i> • <i>Organizational changes implemented; headcount being reduced by around 100</i>
Latvia and Lithuania	<ul style="list-style-type: none"> • <i>Leverage strong market positions within juice and beer through joint operative management</i> • <i>Leverage resources and capabilities within "back office" functions</i> • <i>Maintaining strong national sales forces</i> 	<ul style="list-style-type: none"> • <i>New, joint management structure implemented, and new management team appointed</i> • <i>Identified opportunities are being addressed</i>
Debt level management	<ul style="list-style-type: none"> • <i>Reduce capex</i> • <i>Rigorous working capital management</i> • <i>Address capital structure</i> 	<ul style="list-style-type: none"> • <i>Capex programmes scrutinized and reevaluated</i> • <i>Inventories and receivables reduced</i> • <i>Divestiture of Aarhus site key priority; application forming basis for project evaluation and re-zoning submitted</i> • <i>Divestiture of Koszalin brewery positive cash flow effect of approx DKK 30 mil. In 2009</i>

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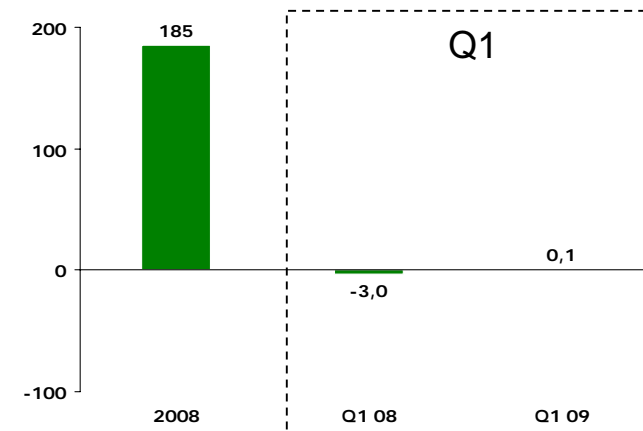
Key markets: Western Europe

- Volume reduction of around 12%; net revenue down by 3% to DKK 491m (DKK 508m)
- Operating Profit before Special Items breaking even at DKK 0,1m (DKK -3m)
- Denmark: Market declined by around 10%, but RU volume - adjusted for discontinued low margin private label products - increased by 2% driven by stable or increasing market share for key brands. Adjusted net revenue unchanged compared to 2008. Price increases implemented
- Italy: Market declined by 8 -10%. Market share maintained, channel and product mix plus re-stocking positively influenced RU's net sales. Price increases implemented
- Germany including the border trade: Net revenue increase despite 5% drop in volume due to better mix and price increases

Net revenue DKKm



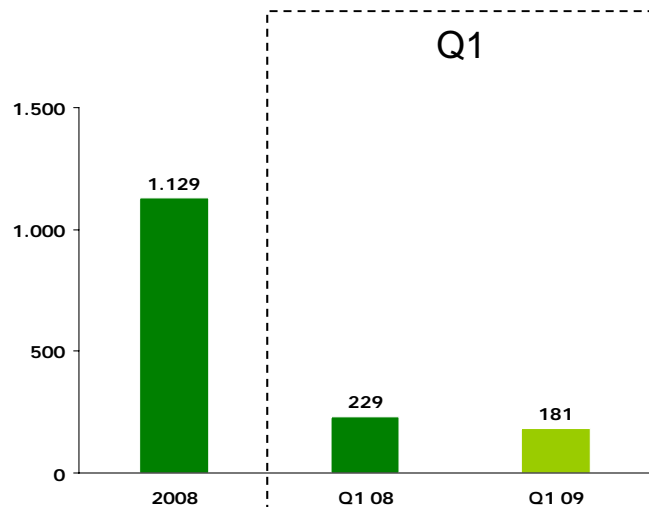
Operating profit before special items DKKm



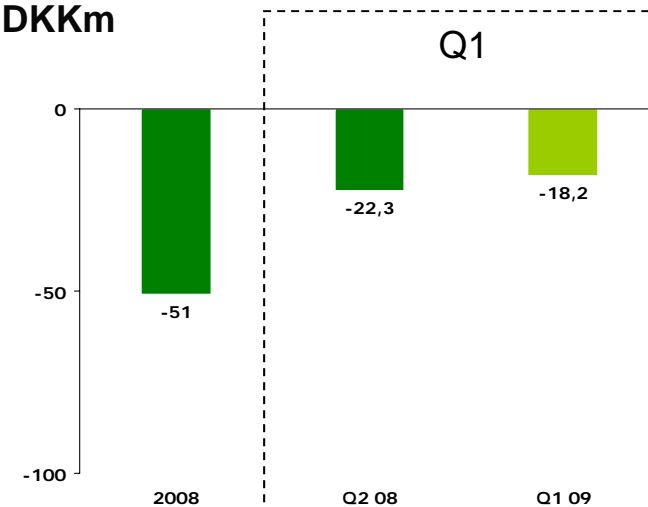
Key markets: Eastern Europe

- Decrease in RU's volume of 19%; net revenue down by 21% incl. FX effect to DKK 181 m (DKK 229m)
- Operating Result before Special Items at DKK -18.2m improved vs last year (DKK-22.3m)
- Lithuania: Beer market declined by 10-15%, market share gains within both beer and juice. Launch of Taurus in new profile bottle and new line of cider products. Excise and price increases implemented
- Latvia: Significant decline in market volume – juice and soft drinks down by 30% and beer down by 14%. RU's volume and net revenue down by 30% and 25% respectively. Excise, VAT and price increases. Launch of cider products. Effective cost management compensates volume decline
- Poland: Overall market down by around 5% - 10%. RU's volumes down by 11% and net revenue (in DKK) down by 26% (of which 19%-points FX) reflecting weakness of PLN. Excise increase implemented. Performance in Poland not satisfactory, but in line with expectations

Net revenue DKKm



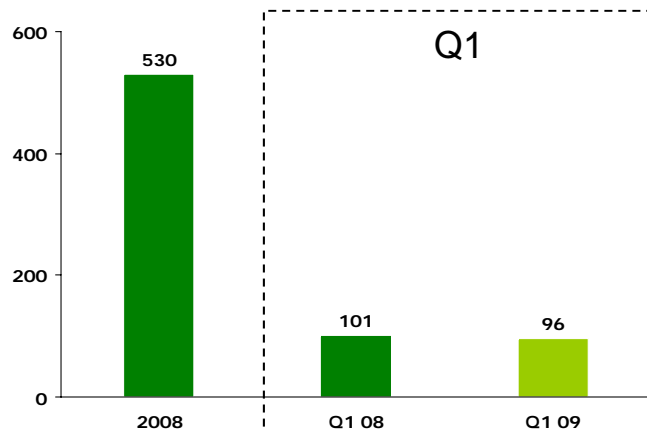
Operating profit before special items DKKm



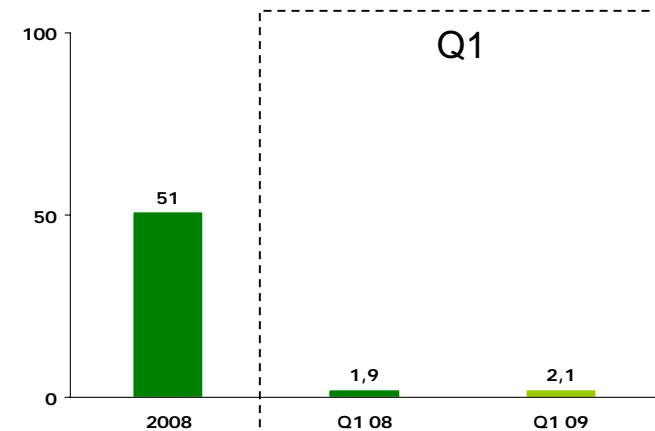
Key markets: Malt and Overseas Markets

- Volume down by 12%; net revenue down by only 6% to DKK 96m (DKK101m) driven by 2008 price increases
- Operating Profit before Special Items marginally better at DKK 2.1m (DKK 1.9m)
- Caribbean Businesses: Markets negatively impacted by weak US economy and now ended general strike in Guadeloupe
- Export and license business: Volumes generally lower than last year due to continued weak market, tighter credit management, de-stocking and FX (£)

Net revenue DKKm



Operating profit before special items DKKm



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DKKm	Q1 2009	Q1 2008	2008
Net revenue	767,6	838,3	4,178.7
Operating profit before special items	-27,9	-35,1	134.9
Special items, net	-16,5	-32,6	-50.1
Profit before financial items	-44,4	-67,7	
Net financial items	0,3	-28,1	-82.7
Profit before tax	-44,1	-95,8	2,1
Consolidated profit	-34,6	-68,3	-483.2

Highlights from Free Cash Flow Statement

Free cash flow of DKK -129.9m (DKK -142.7m)
Disregarding effect of payment of capex creditors,
the working was reduced by DKK 54.7m

Components:

Cash operating result after payment of interest and
taxes of DKK -5,6m (DKK – 53,1m)

Net working capital decrease (excl capex creditors)
of DKK 54,7m. 2008: Increase in 2008 of DKK -
38,8m.

Net investments of DKK -101m (DKK -51m) driven
by completion of projects initiated in 2008

Reduction of capex creditors of DKK 78m in Q1
2009 brings total free cash flow to DKK -129.9m

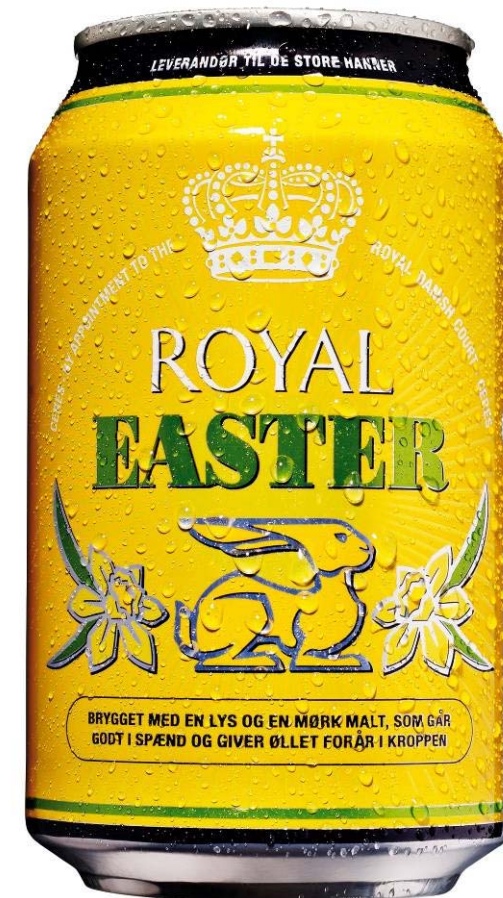
FREE CASH FLOW	Q1 2008	Q1 2009
Period result adjusted for non cash items	8.8	10.1
Interest payments	-32.8	3.3
Tax payments	-29.1	-18.9
Cash operating result after payment of interest and tax	-53.1	-5.6
Change in working capital:		
Receivables	27.7	37.2
Inventories	-59.0	4.8
Creditors - operations	-7.5	12.7
Change in working capital - operations	-38.8	54.7
Net investments	-50.7	-101.1
Free cash flow - operations	-142.7	-51.9
Change in working capital - capex creditors	0.0	-78.0
Free cash flow	-142.7	-129.9

Balance sheet 31 March 2009

DKK million	31 March 2009	31. December 2008	31 March 2008
Intangible assets	488.3	486.4	784.4
Fixed assets*	2,131.0	2,079.4	1,684.0
Financial assets	180.6	177.1	267.9
Total current assets	1,216.6	1,308.5	1,130.0
Total assets	4,016.5	4,051.4	3,866.3
Total equity	522.2	574.8	990.4
Total non current liabilities	2,547.2	1,882.9	1,890.6
Total current liabilities	947.1	1,593.7	985.3
Total equity and liabilities	4,016.5	4,051.4	3,866.3
Net interest bearing debt	2,325.7	2,191.9	1,906.1

Net Interest Bearing Debt and Capital Structure

- Deleveraging is a Key Strategic Priority
- Refinancing
 - 2 year committed bank facility in place
 - Prudent headroom secured - based on budget for 2009 and 2010
 - Bank facility in 2H 2010 gradually reduced from DKK 2,5b to DKK 2,0b driven by free cash flow, including sale of assets
 - End 2008 NIBD was DKK 2.2b
- Covenants
 - Usual covenants: EBITDA, NIBD/EBITDA, solvency, cash flow and capex – all based on RU budget for 2009 and 2010
 - Quarterly LTM measurement
 - All covenants met at Q1 2009
 - No dividend payments or share buy backs whilst current bank agreement in force
- Target capital structure unchanged: NIBD of 3 times EBITDA



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Still too early to provide full year guidance

- The economic crisis continues to cloud transparency of markets
- Provision of guidance will be considered after Q2

Elements of 2009 expectations

- Volume and sales decreasing compared to 2008
- Raw materials costs around 6% above 2008; moderate salary inflation
- Completion of major restructuring project in Denmark and gradual implementation of Key Strategic Initiatives will have a positive effect on the Group's cost level
- Gross capex of DKK 250m, incl. spill-over of DKK 160 from 2008. Depreciations expected to increase approx DKK 20m. Restrained 2009 and 2010 capex
- EBIT before Special Items better than 2008 (2008: DKK 135m)
- Special Items related to organizational changes, primarily in Denmark and Poland, of around DKK 35m expected
- Interest costs of now DKK 145m - 165m (February expectation DKK 160-180m)
- Tax of 38% expected on EBIT items; 12% on Financial Items



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The statements about the future made in connection with the presentation of Royal Unibrew's Results for the first quarter of 2009 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.