ROYAL UNIBREW

H1 Report 2008

August 2008

Agenda

- Royal Unibrew in brief
- Highlights Q2 2008
- Highlights H1 2008
- Double up strategy plan
- Outlook 2008

Royal Unibrew in brief

- Royal Unibrew is the second largest brewery business in Scandinavia
- Export to approx. 65 countries worldwide
- 11 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

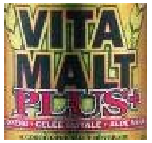
Strategic brands worldwide

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

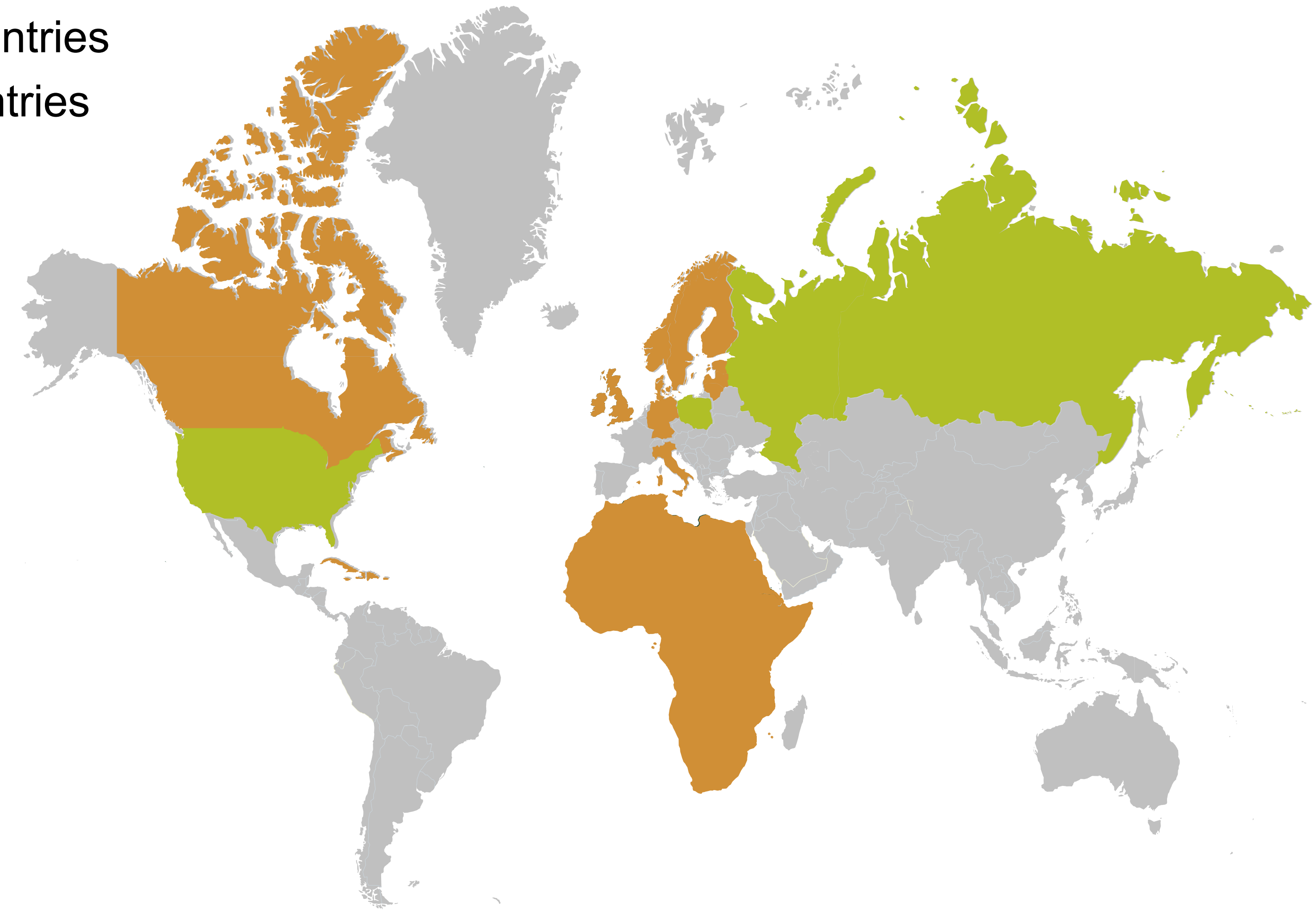
Most Important Markets

Premier League

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

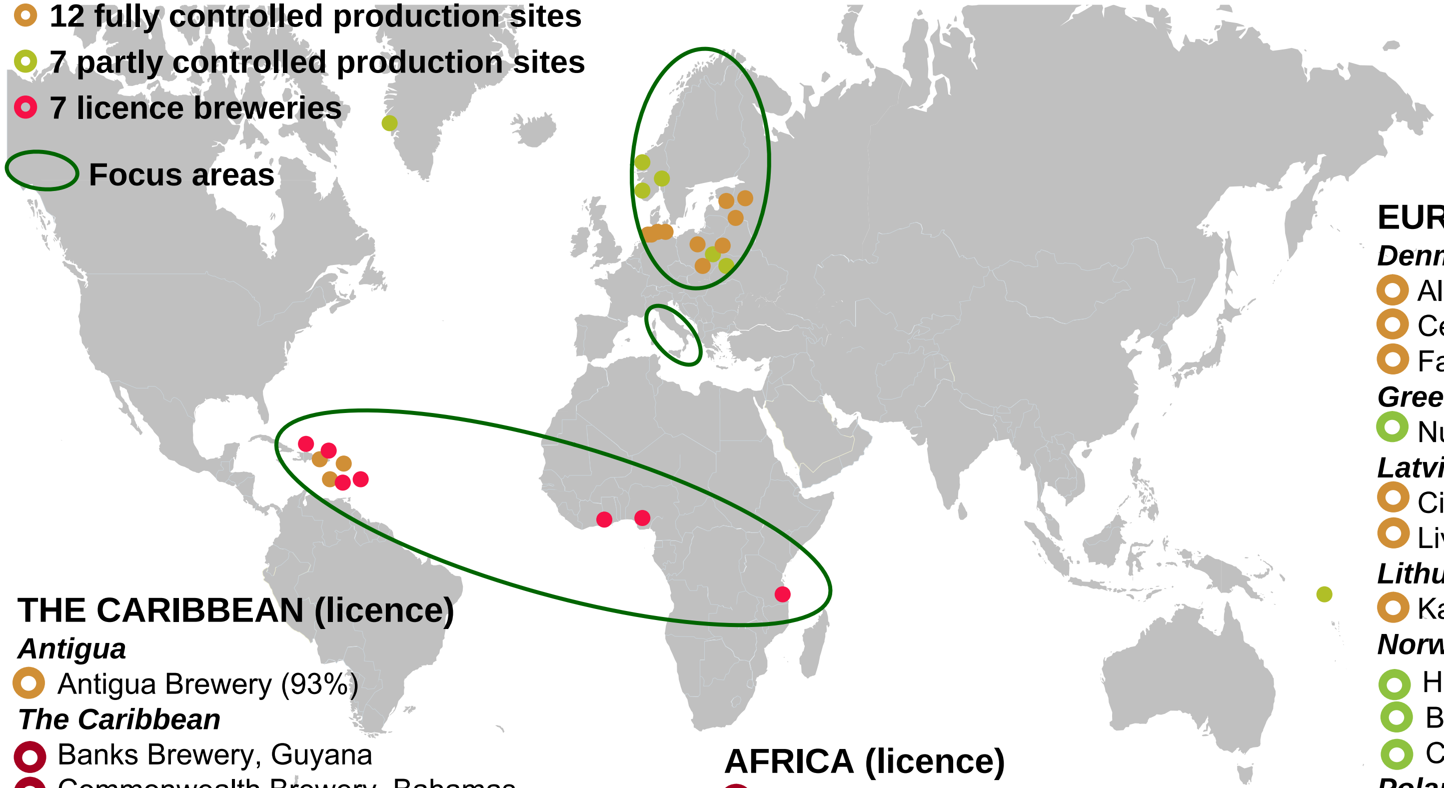
First Division

- Poland
- The USA
- Russia



Production sites overview

- 12 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
- Livu Alus, Liepaja

Lithuania
- Kalnapilis, Panevézys

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%)

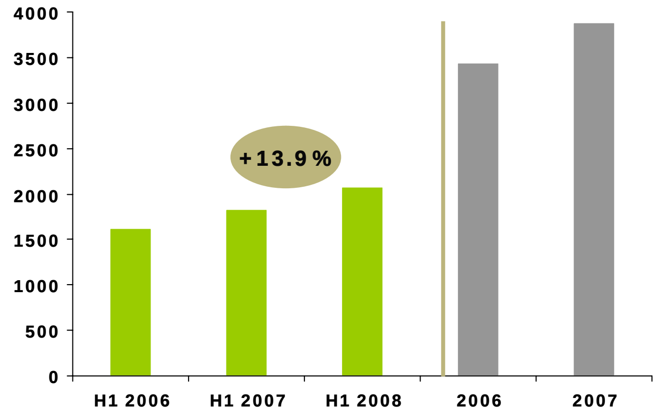
Highlights Q2 2008

- Net revenue up by 11% from 2007 (organic growth 6%) amounting to DKK 1,241 million
- Operating profit before special items equal to 2007 thus amounting to DKK 98 million but influenced negatively by cold and rainy weather in Italy and considerable investments in marketing. Organically, the operating profit has increased by DKK 7 million.
- As expected, activities in Poland are developing with organic growth in net revenue, gross margin and profit
- Special items, a net loss of DKK 1 million, include expenses of DKK 8 million for reorganisation of the Danish distribution structure and an income of DKK 7 million from adjusting provisions and impairment losses on brewery assets in Aarhus
- Profit before tax amounting to DKK 79 million compared to DKK 97 million in 2007. Net financials increased by DKK 16 million
- Consolidated profit amounting to DKK 56 million

Highlights H1 2008

- Sales increased to 3.8 million hectolitres (+12% compared to H1 2007 – organic +3%)
- Gained market shares on all key markets
- Net revenue up by almost 14% to DKK 2,080 million (organic growth above 6%)
- Operating profit before special items is in line with expectations, and increased by DKK 7 million compared to H1 2007. Organically, the operating profit was increased by DKK 22 million.

Total Group revenue DKK million



- Special items, a net loss of DKK 34 million (2007: DKK 0), comprised an income of DKK 11 million from adjusting impairment losses on brewery assets in Maribo and Aarhus, and expenses of DKK 45 million provided for redundancy schemes related to the closing of the brewery in Aarhus and reorganisation of the Danish distribution structure.
- Net financials DKK 27 million higher than in 2007 due to increased debt from acquisitions, increased interest rates and lower profit from investments in associates
- Loss before tax is in line with expectations and amounting to DKK 16,3 million compared to a profit of DKK 37.5 million in 2007
- Consolidated loss amounting to DKK 11.8 million compared to a profit of DKK 41.2 million in 2007 (one-off tax reduction in 2007)

Highlights H1 2008 (cont.)

- Income statement influenced by:
  - Price increases in all key markets
  - Increased organic profit in Poland
  - Effect of the organisational adjustments decided in 2007
  - A cold Q2 in Italy
  - Provisions for closing the brewery in Aarhus and reorganisation of the Danish distribution structure
  - Increased financial expenses due to acquisitions in 2007 and higher interest rates

- Free cash flow amounting to a negative DKK 142 million compared to a negative DKK 17 in 2007. The deviation is related to a lower cash operating result, increased working capital, and higher strategic investments in production capacity (e.g. new PET-line in Denmark).

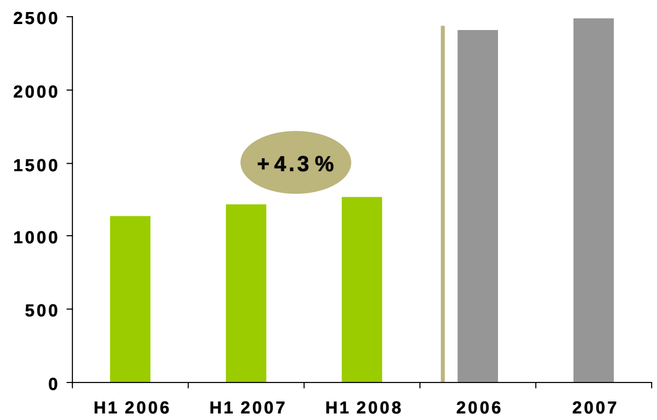
- Completed Share Buy-back programme launched in 2007 and dividend pay-out transferred approx. DKK 100 million to shareholders in H1 2008 (in 2007 DKK 220 million was transferred to the shareholders, incl. DKK 117 million in H2).

Summary Key Markets – H1 2008

Western Europe

- Net revenue up by 4.3% (sales +1.0%)
- Price increases in key markets
- Denmark: Royal beer brand still increasing market shares. Soft drinks also continue to gain market shares. Egekilde gained the highest market share ever in June
- Net revenue in Italy down by 4% due to cold and rainy weather during most of Q2, but we gained market shares.

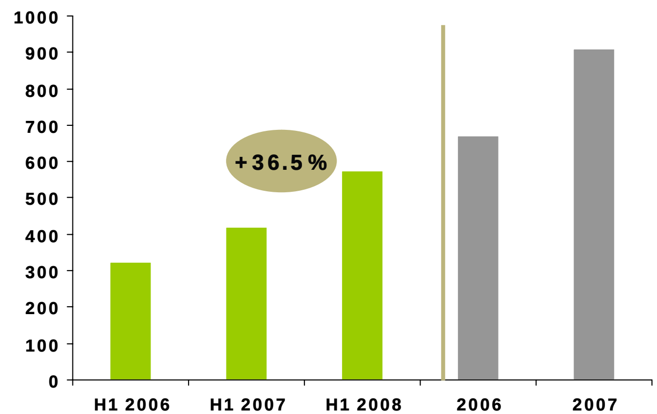
Western Europe revenue DKK million



Eastern Europe

- Net revenue up by 36.5 (sales +25.6%)
- Organic growth net revenue +19% (sales +7%)
- Lithuania: market shares and profitability for Kalnapilio-Tauro Grupe still increasing
- Latvia: increase in net revenue per hectolitre due to price increases for fruit juices and increasing beer sales
- Poland: organic growth net revenue +47% (sales +27%) and increasing EBIT

Eastern Europe revenue DKK million

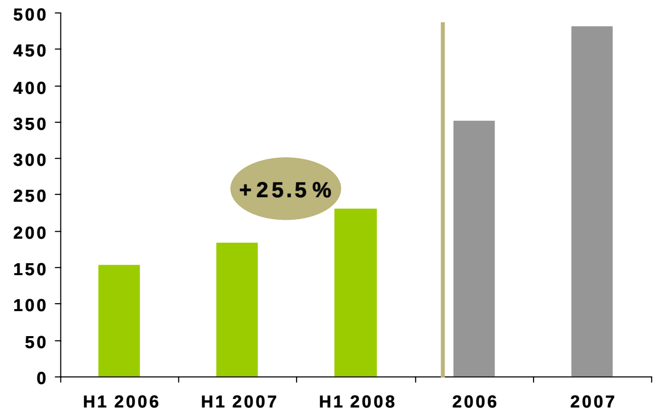


Summary Key Markets – H1 2008 (cont.)

Malt and Overseas Markets

- Net revenue in DKK up by 25.5% (sales +25.9%); in local currency net revenue increased by 30%
- Prices increased by 5-15% in the Malt and Overseas Markets
- Growth in the Caribbean due to acquisitions
- Negative impact on revenue and profit from a weak USD currency and a general weak Caribbean economy
- Continuous satisfactory sales growth in the UK, African and Canadian markets

Malt and Overseas Markets revenue DKK mio.



double up

EBIT: DKK 500 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

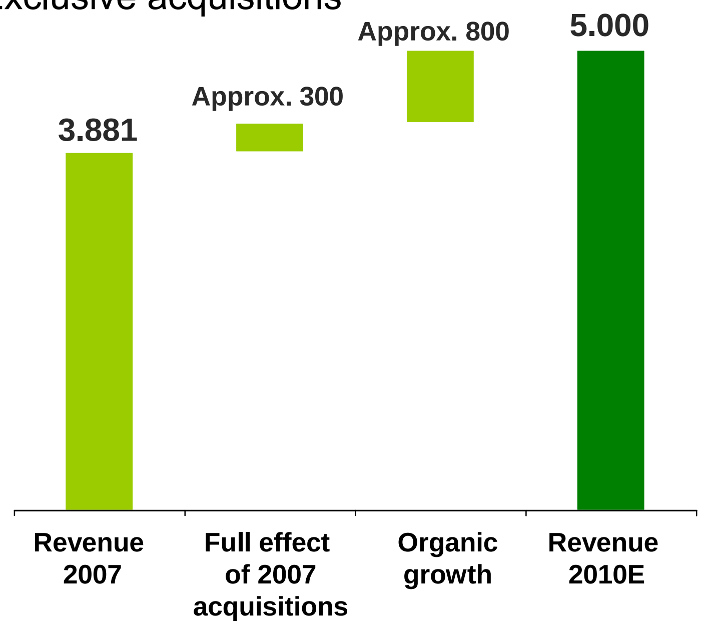
- Acquisition of profitable enterprises
- Better integration
- Turnaround Poland

Company Values, Mission & Vision

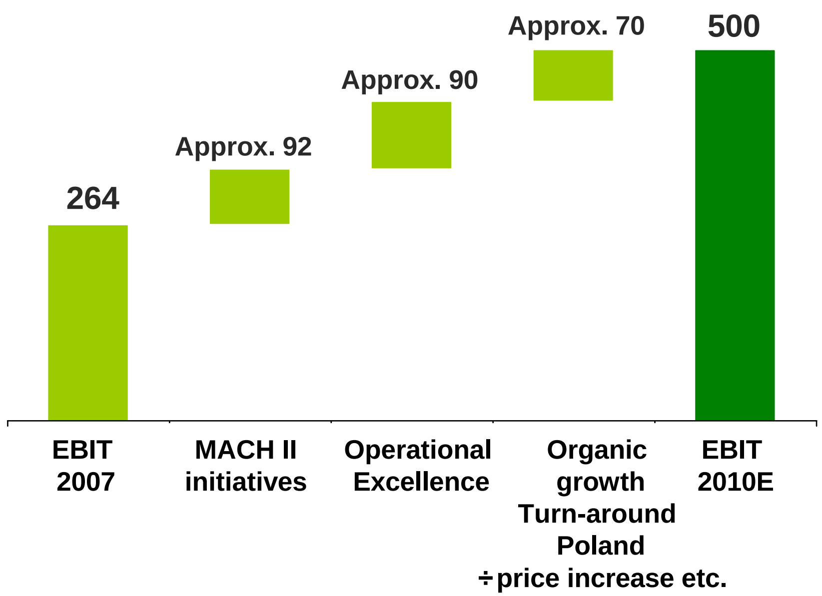
Financial Goals in 2010

double up

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)

Status: Customer & Consumer Excellence

Target

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

Action areas

- Competencies
- Innovations
- Investments in own brands

The six strategic brands

Status: Customer & Consumer Excellence (cont.)

Actions in H1 2008

- New packaging types and a number of new products have been launched
  - PET containers for soft drinks and mineral water in Denmark
  - Faxe Kondi Pro, a new soft drink in Denmark
  - Cooler, a revitalisation of one of the most well-known fruit-flavoured beer brands in Poland
  - In Lithuania, a new nitrogenised beer and Kalnapilis Grand in a premium profile bottle
  - In Latvia, Cido premium fruit juice and a new range of flavoured Mangali still water

The six strategic brands

ROYAL BEER
CERES
Kalnapilis
Cido
VITA MALT
FAXE

double up

Status: Operational Excellence

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

double up

Status: Operational Excellence (cont.)

Actions in H1 2008

- Measures to enhance the efficiency of the production structure in Denmark have been planned and initiated. The closure of the Maribo brewery has been completed as planned.
- Transfer of production from Aarhus to Faxe and Odense is progressing as scheduled and will increase earnings by some DKK 20 million as from 2009
- A new PET unit was put into operation in June enabling the introduction of PET containers in the Danish market and insourcing of the production of Egekilde in PET containers
- Change of the distribution structure in Denmark has been decided and will as planned be effected in the period from October 2008 to the end of H1 2009 and on a full-year basis increase earnings by some DKK 30 million.
- The process of disposing of the brewery property in Aarhus has been initiated. A profit from sale of DKK 600-900 million is still expected.

double up

Status: Acquisition & Integration Excellence

Target

- Double net revenue in Poland until 2010; improve earnings in Poland significantly
- Profitable acquisitions to increase growth of the Group
- Acquired companies must show two-digit ROIC and EBIT margin within 3 years

Action areas

- Turnaround Poland
- Benefit from prior experience in order to integrate acquired enterprises faster and more efficient
- Bolt on acquisitions of profitable enterprises on main markets

double up

Status: Acquisition & Integration Excellence (cont.)

Actions in H1 2008

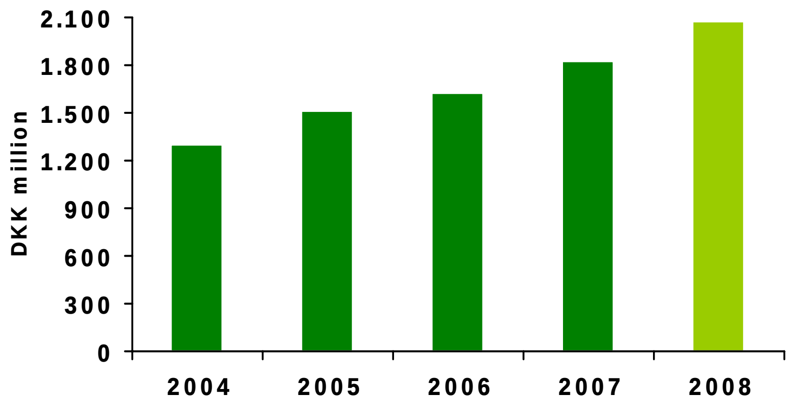
- At 1 February 2008, the Polish breweries Brok, Strzelec and Lomza were combined in one organisational and legal entity through a merger between Royal Unibrew Polska and Browar Lomza
- The turnaround plan for the Polish activities is followed, and in H1 2008 results improved as compared to 2007 and market shares were gained
- The activities of the Latvian brewery companies Lacplesa Alus and Livu Alus were integrated in Q2 and production was transferred from the brewery in Lielvarde to the acquired brewery in Liepaja. At 1 January 2009, the two breweries are expected to merge with the soft drinks company SIA Cido Grupa, which will until then handle sales, distribution and administrative functions on behalf of the brewery companies

Results H1 2008

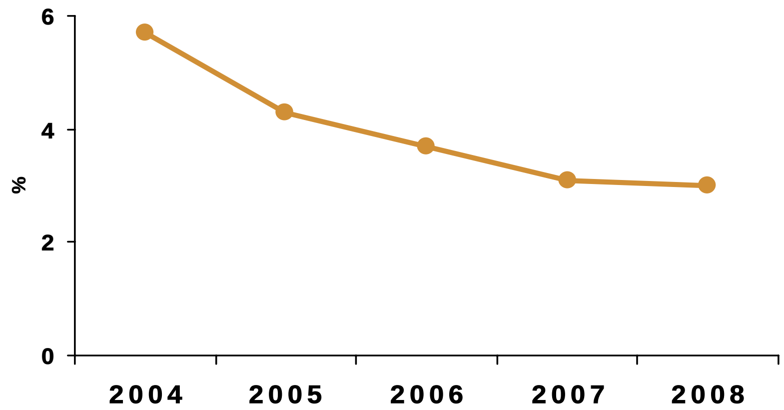
DKK million	2 Quarter		1 Half of		
	2008	2007	2008	2007	2007
Net revenue	1,241.4	1,121.4	**2,079.7**	1,826.0	3,881.8
Operating profit	98.4	98.8	**63.3**	55.8	244.1
EBIT	97.1	98.8	**29.4**	55.8	264.3
Net financials	-17.7	-2.2	**-45.7**	-18.3	-44.1
Profit before tax	79.4	96.6	**-16.3**	37.5	220.2
Consolidated profit	56.4	83.8	**-11.8**	41.2	155.2
Profit margin	7.9	8.8	**3.0**	3.1	6.3
EBIT margin	7.8	8.8	**1.4**	3.1	6.8
Free cash flow	0.7	33.1	**-142.0**	-17.3	157.0
Free cash flow as a percentage of net revenue	0.0	3.0	**-6.8**	-0.9	4.0

Financial Development H1 2004-2008

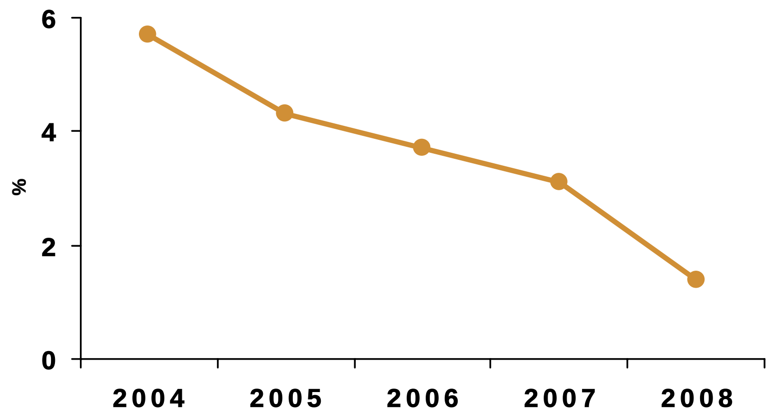
Net revenue



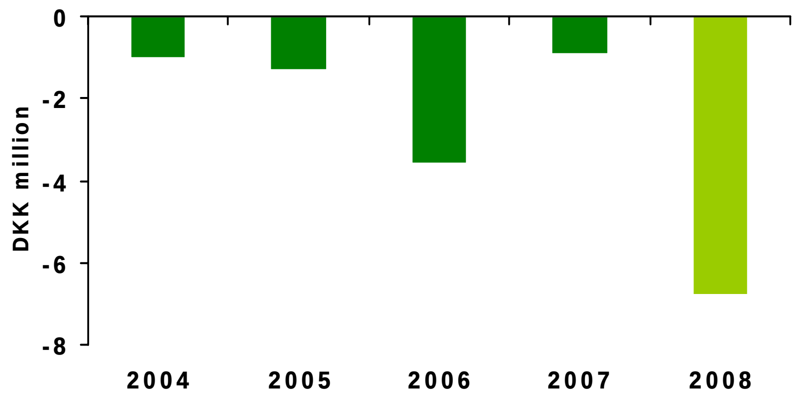
Operating profit



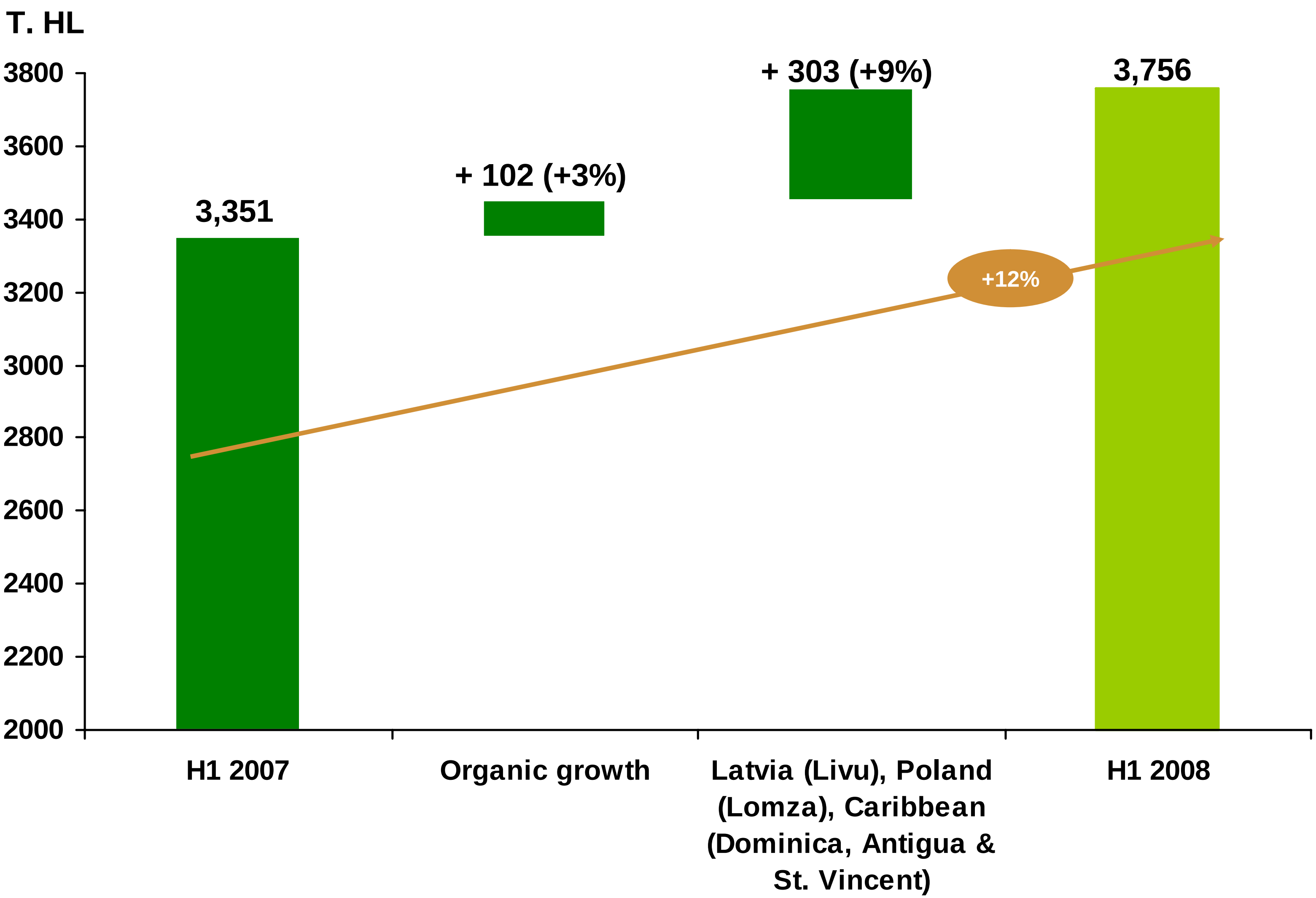
EBIT margin



Free cash flow

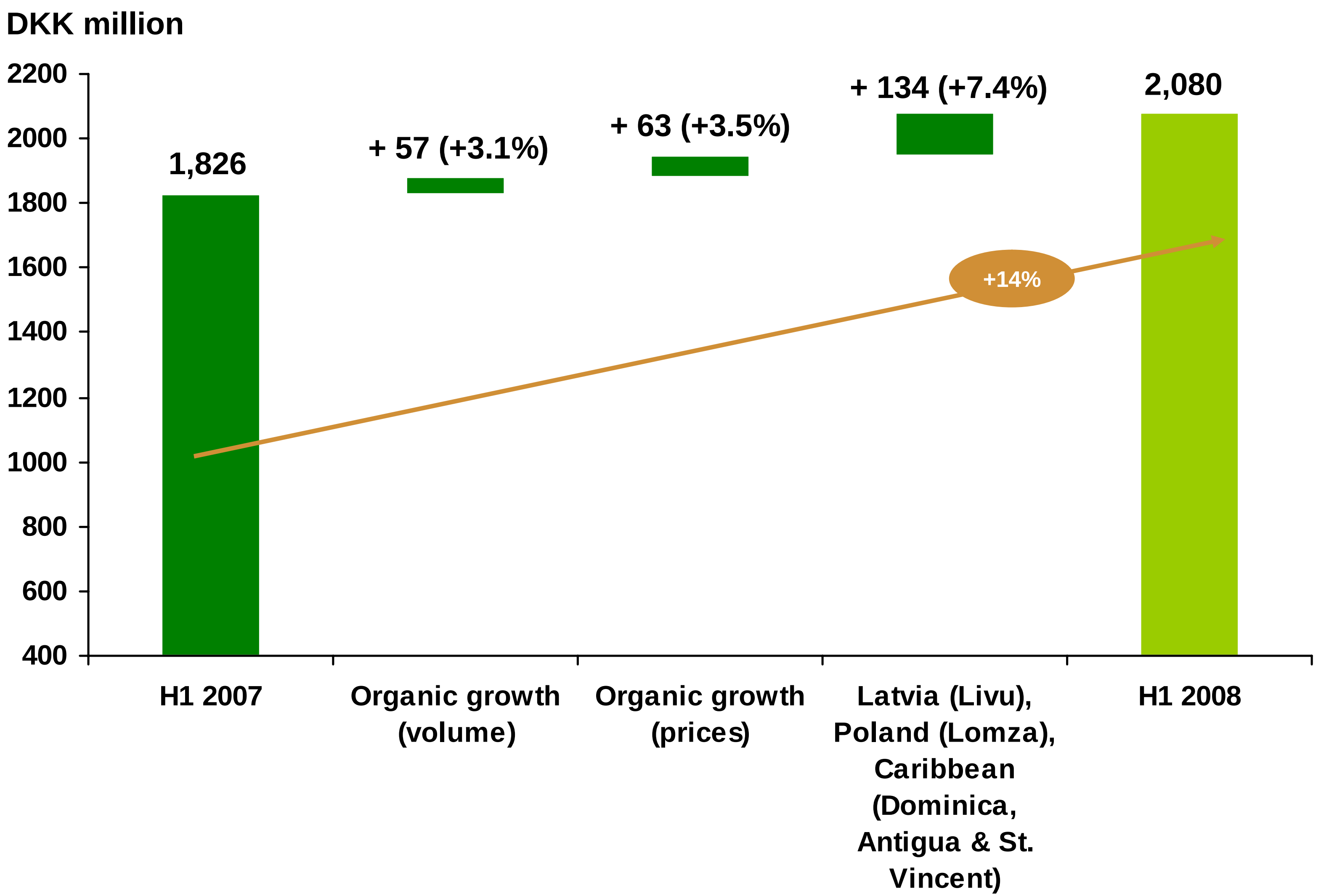


Elements in Sales Growth



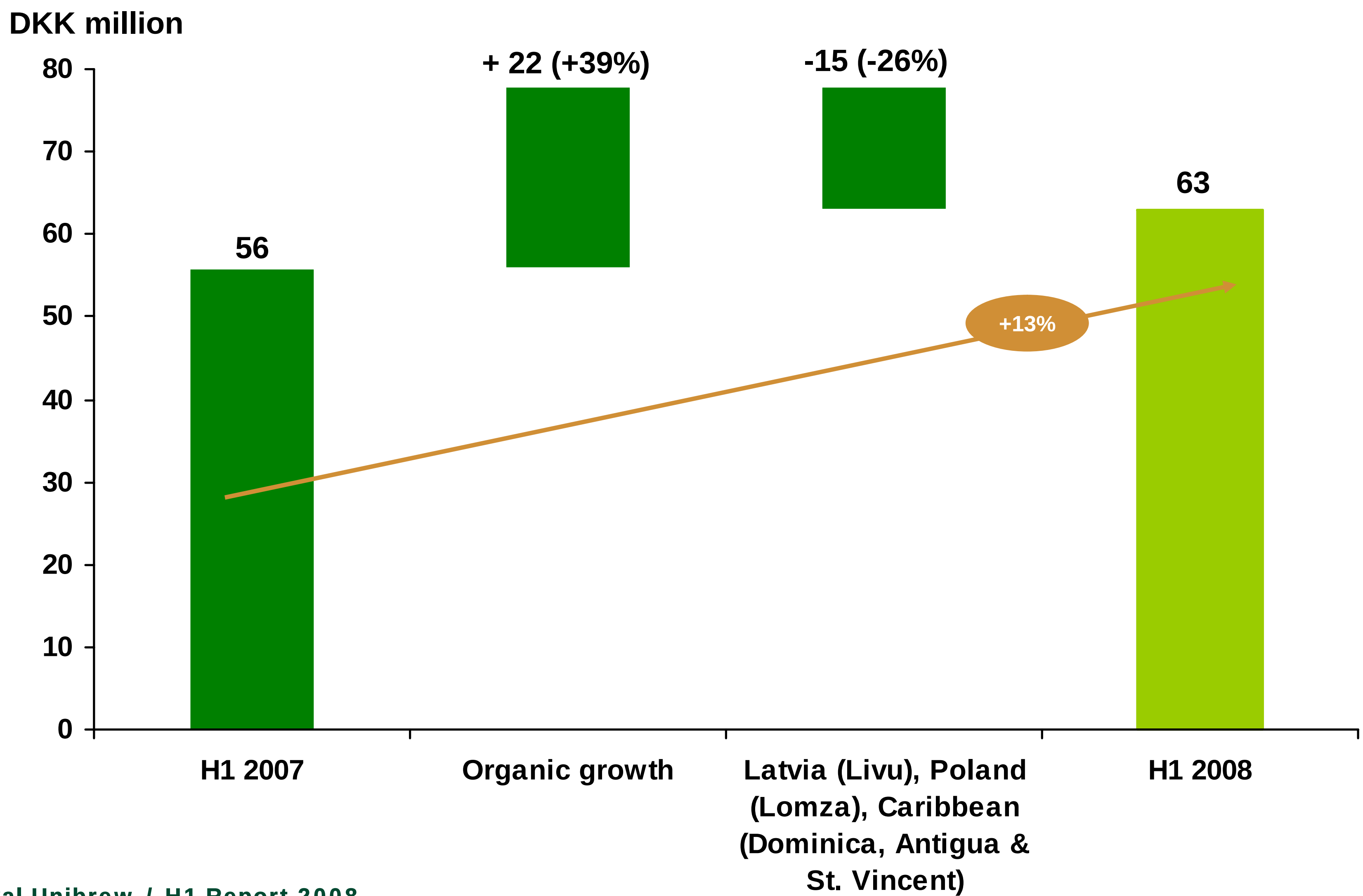
Results H1 2008

Elements in Top Line Growth



Results H1 2008

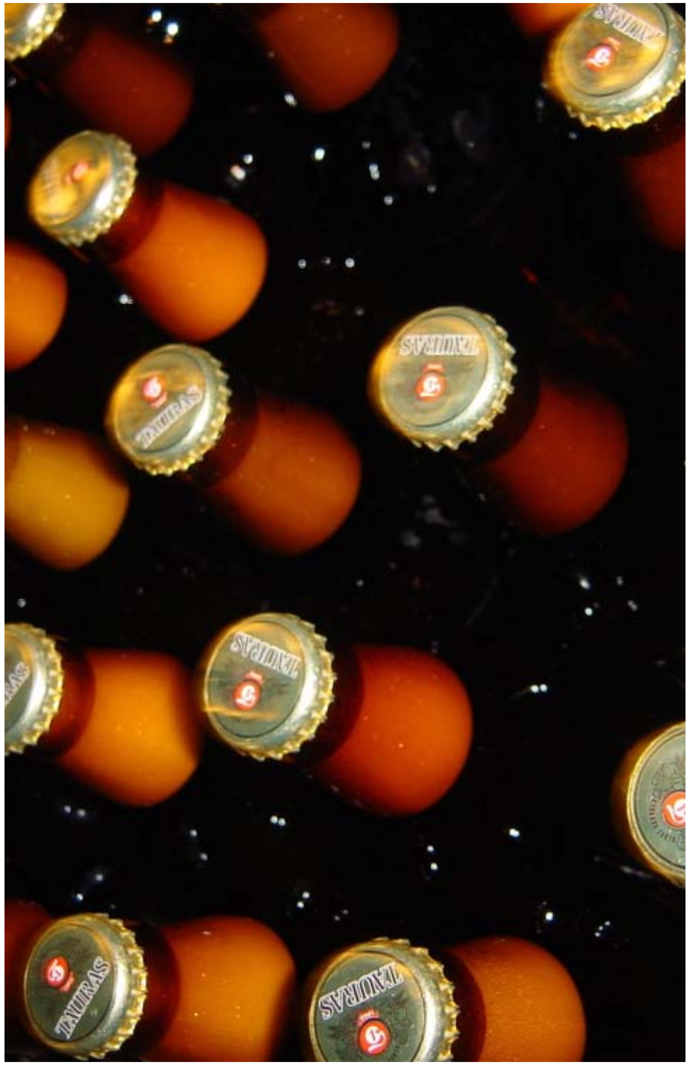
Elements in Operating Profit (before special items)



Future Capital Structure

- 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



Recent announcements

- **Executive director Technics & Supply Povl Friis moves on to new challenges**

  (ref. Announcement RU27/2008 - 19 June 2008)

- **New director in Royal Unibrew**

  (ref. Announcement RU28/2008 – 01 August 2008)
  Hans Savonije will take up the position as Executive Director Northern Europe with Royal Unibrew on 1 October 2008 at the latest

Outlook 2008

Profit 2008 considerably better than 2007 but not in line with expectations

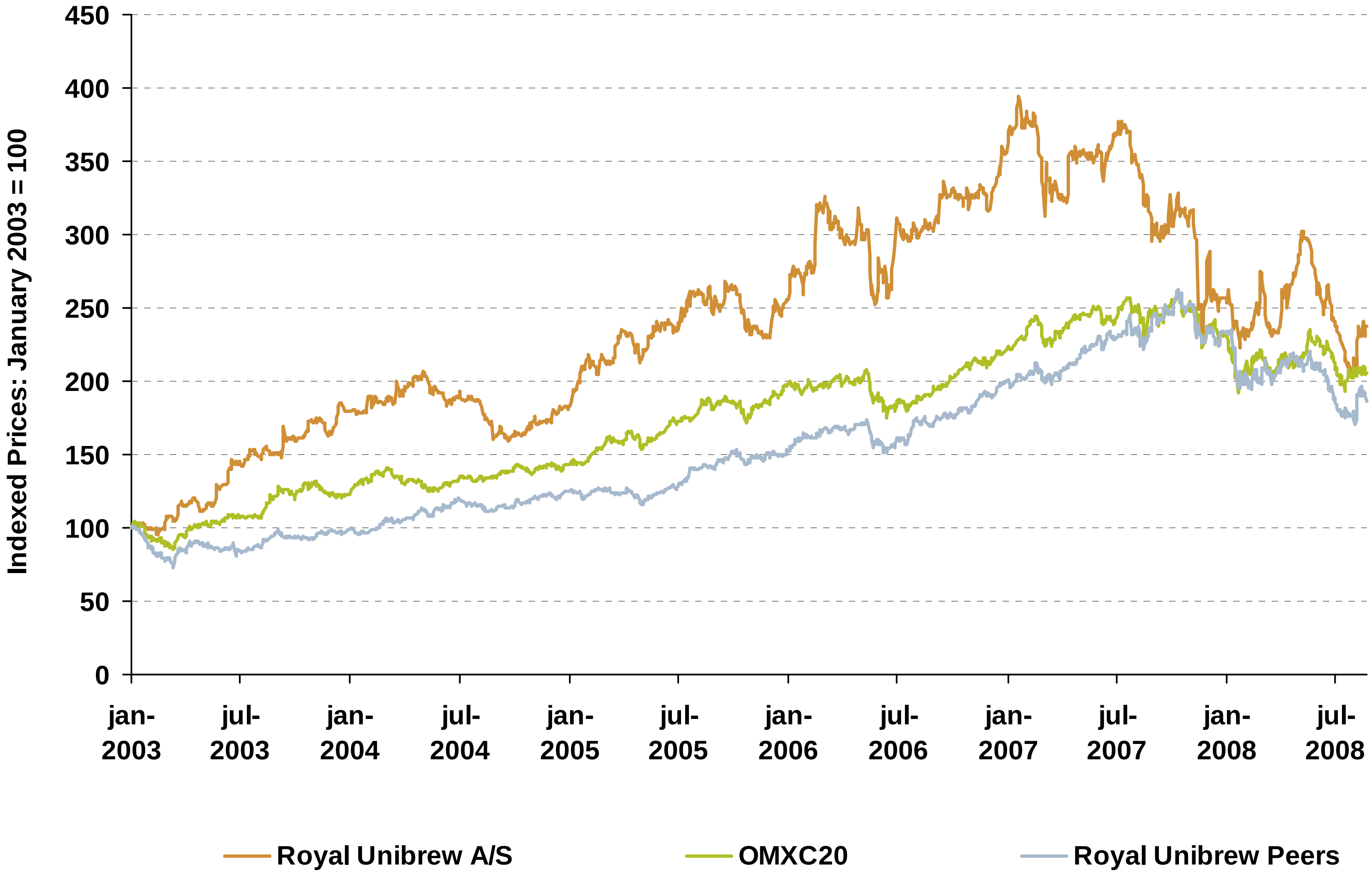
- The overall results realised in H1 are as expected; however, material shifts have occurred between the segments
- Realised results in July deviated negatively from expectations in several areas:
  - In Italy, a combination of the bad weather in the early summer months and additional price increases at 1 July resulted in considerable inventories in both the retail and the wholesale channel which affected Ceres products sales materially in July.
  - Heavy rain in the southern parts of Poland and the neighbouring countries south of Poland reduced both brand sales and private labels sales.
  - Greater caution by consumers in Latvia due to the economic recession results in lower volumes and a less attractive product mix.
- Based on the above, the Group now expects marginally lower revenue and a less attractive product mix for all of 2008 resulting in lower EBIT and EBIT margin than previously assumed.
- The expected results for 2008 are now:

	Expectations 2008 DKK million	Previous announced	2007 DKK million
Profit before special items	220 – 260	280 - 320	200
Special items (approx.)	-50	- 50	20
Profit before tax	170 - 210	230 - 270	220

Focus Areas in H2 2008

- Further price increases
- Launch of new products in Italy, Lithuania, and Poland
- Increasing distribution in Poland
- Cost savings
- Ensure supplies

Share Performance as per 21 August 2008



Note: Peers consist of Carlsberg, Heineken, SABMiller and InBev

ROYAL UNIBREW

Thank you for your attention

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Disclaimer

The statements about the future made in connection with the presentation of Royal Unibrew's H1 Report 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). 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.