

To the Copenhagen Stock Exchange

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ANNOUNCEMENT OF ANNUAL RESULTS 2006

Net revenue up by 8% to DKK 3,439 million

(including organic growth of 7%)

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Profit before tax of DKK 320 million, the highest profit ever recorded by the Group

(14% over 2005)

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Consolidated profit after tax of DKK 230 million (4% over 2005)

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Financial ratios measured against the MACH II Plan:

Return on invested capital (ROIC): 12.1% (target: 10%)

EBIT margin: 9.7% (target: 10%)

Free cash flow before acquisitions: 6.0% (target: 7%)

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Unchanged dividend of DKK 10 per share is proposed (dividend rate 27%)

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Realised share buy-back programme transferred

DKK 180 million to shareholders

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Expected profit before tax for 2007 of DKK 330-370 million

FINANCIAL HIGHLIGHTS AND KEY RATIOS

The Annual Report 2006 has been prepared under the measurement and recognition provisions of IFRS.

The accounting policies have changed as compared to those applied in the Annual Report for 2005 with respect to stocks of serving equipment and recognition of tax on income from associates. The changes affect profit before tax and consolidated profit in 2006 positively by DKK 2.3 million and DKK 7 million, respectively, whereas the figures for 2005 are affected negatively by DKK 15 million and DKK 3.5 million, respectively. Financial highlights and key ratios as of 2004 have been restated to reflect the changed accounting policies.

	IFRS 2006	IFRS 2005	IFRS 2004	2003	2002
SALES (thousand hectolitres)	6.4	5.8	4.8	4.1	4.5

FINANCIAL HIGHLIGHTS (mDKK)

Income Statement

Net revenue	3,439.0	3,191.0	2,869.0	2,633.1	2,777.6
Operating profit	347.7	302.7	307.1	282.9	252.4
Profit before financial income and expenses	333.4	307.7	307.1	242.9	265.6
Net financials	(13.0)	(25.6)	(36.7)	(20.0)	(31.4)
Profit before tax	320.4	282.1	270.3	223.0	234.3
Consolidated profit	230.3	220.6	194.9	152.7	157.4
Royal Unibrew A/S' share of profit	227.6	221.1	194.1	152.3	157.2

Balance Sheet

Total assets	3,413.6	3,187.8	2,530.8	2,448.1	2,495.4
Equity	1,148.1	1,149.8	1,080.4	995.8	923.5
Net interest-bearing debt	1,047.1	1,007.3	693.5	621.1	794.8
Free cash flow	206.0	252.2	232.7	265.7	248.2

Per share

Royal Unibrew A/S' share of earnings per share (DKK)	38.0	35.4	30.6	23.8	25.0
Royal Unibrew A/S' diluted share of earnings per share (DKK)	37.6	35.4	30.6	23.8	25.0
Cash flow	70.9	61.2	64.5	56.0	53.1
Diluted cash flow per share (DKK)	70.2	61.2	64.5	56.0	53.1
Dividend per share (DKK)	10.0	10.0	9.0	7.5	7.5
Closing price per share (DKK)	740.0	532.0	377.0	375.0	206.9

Employees

Average number of employees	2,278	2,202	1,628	1,517	1,789
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Key figures (mDKK)

EBITDA	535.9	493.2	495.1	430.5	438.7
EBITA	334.7	309.0	308.2	257.3	279.4
EBIT	333.4	307.7	307.1	242.9	265.6

Key ratios (%)

Return on invested capital (ROIC)	12.1	11.7	11.8	10.1	8.8
Profit margin	10.1	9.5	10.7	10.7	9.1
EBIT margin	9.7	9.6	10.7	9.2	9.6
Free cash flow as a percentage of net revenue	6.0	7.9	8.1	10.1	8.8
Net interest-bearing debt/EBITDA	2.0	2.0	1.4	1.4	1.9
Equity ratio	33.6	36.1	42.7	41.1	37.3
Debt ratio	88.7	85.1	64.2	61.7	85.4
Asset turnover	1.0	1.0	1.1	1.1	1.1
Return on net assets	12.9	12.1	13.5	12.7	10.8
Return on equity after tax	20.9	19.8	18.7	15.8	18.2
Dividend rate	27.2	28.8	29.5	32.3	31.3

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'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 and amortisation. Earnings before interest, tax and amortisation of intangible assets.
EBITA	Earnings before interest and tax.
EBIT	Operating profit net of tax as a percentage of average invested capital (equity + minority interests + net interest-bearing debt + provisions – financial assets).
Return on invested capital after tax including goodwill (ROIC)	Operating profit as a percentage of net revenue.
Profit margin	EBIT as a percentage of net revenue.
EBIT margin	Free cash flow as a percentage of net revenue.
Free cash flow as a percentage of net revenue	The ratio of net interest-bearing debt at year end to EBITDA.
Net interest-bearing debt/EBITDA	Equity at year end as a percentage of total assets.
Equity ratio	Net interest-bearing debt at year end as a percentage of year-end equity.
Debt ratio	Net revenue/total assets at year end.
Asset turnover	Operating profit as a percentage of average operating assets.
Return on net assets	Operating assets comprise total assets less cash and cash equivalents, other interest-bearing assets and investments in associates.
Net return on equity	Consolidated profit after tax as a percentage of average equity.
Dividend rate	Dividend calculated for the full share capital as a percentage of the Parent Company shareholders' share of consolidated profit after tax for the year.

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, Faxe and Maribo breweries in Denmark, Kalnapilis in Lithuania, Brok og Strzelec in Poland, Lacplesa Alus and the soft drinks producer SIA Cido Grupa in Latvia.

It is the vision of Royal Unibrew to develop the Group with increasing profitability as being among the leading providers of beverages in Northern Europe and to develop profitable export markets outside this region.

ACQUISITIONS

As announced in our Announcement RU 44/2006 of 13 December 2006, Royal Unibrew has strengthened its position in the Caribbean by acquiring controlling interests in the breweries Dominica Brewery & Beverages Ltd. and Antigua Brewery Ltd. as well as in Antigua PET Plant Ltd. Management control of the companies was acquired in January 2007, whereas the share transfer awaits formal approval by the authorities in Dominica and Antigua. The acquisition gives Royal Unibrew leading market positions in both Dominica and Antigua within malt drinks as well as beer and soft drinks. In 2005, the breweries realised net revenue of some DKK 75 million and profit before tax of DKK 8 million.

As announced in our Announcement RU 06/2007 of 15 February 2007, Royal Unibrew has entered into an agreement to acquire the full share capital of the Browar Lomza Sp. z o.o. brewery, which holds a significant position in North Eastern Poland. The acquisition is an element in the Group's MACH II strategic platform, in which Northern Europe, and thus Poland, is one of the focus areas. The acquisition is subject to, among other things, approval by the Polish competition authorities, which is expected to be obtained around the end of April 2007. In 2005, the brewery recorded revenue of DKK 175 million and showed a profit before tax of DKK 15 million, primarily originating from important regional beer brands.

RESULTS 2006

In 2006, the Royal Unibrew Group achieved a profit before tax of DKK 320.4 million, which is in line with the expectations for 2006 expressed in the H1 Report 2006 (cf Announcement RU23/2006 of 29 August 2006).

The results achieved in 2006 were positively affected by the fine summer and autumn weather in Europe and also income from the Danish Export Credit Fund relating to receivables in Nigeria previously written off affected results for the year positively (cf Announcement RU23/2006 of 29 August 2006). The continued keen price competition and a changed product mix have, however, affected results negatively.

Furthermore, the activities in Poland with integration of the Brok and Strzelec breweries as well as the initiated production structure optimisation in the Baltic countries affected results negatively. The total estimated negative effect of the Polish and Baltic issues mentioned on EBIT (earnings before interest and tax) in 2006 was some DKK 35 million higher than expected.

Measured against the main targets of the MACH II Strategic Plan, the results were as follows in 2006:

	<u>Actual 2006 %</u>	<u>Target %</u>
Return on invested capital (ROIC)	12.1	≥ 10
EBIT margin	9.7	≥ 10
Free cash flow as a % of net revenue	6.0	≥ 7
Total net revenue growth over 3 years	7.8	≈ 14.5

As evidenced, the Group managed in 2006 to exceed the MACH II targets established as regards ROIC, whereas the EBIT margin was slightly below the targeted level. Free cash flow was in 2006 affected by major investments in capacity increase and stood at 6% of net revenue, 1% above the expected 5% but 1 percentage point below the MACH II target. Adjusting the figures for the special items of DKK 14.3 million relating to the production structure optimisation in the Baltic countries, the EBIT margin will also be above the MACH II target.

Total group sales in 2006 aggregated 6.4 million hectolitres of beer, malt and soft drinks, which is a 10.2% increase over 2005. Some 1 percentage point of the increase was attributable to the Polish activities acquired in 2005. Accordingly, organic volume growth accounted for some 9 percentage points distributed on all markets.

Beer and malt drinks sales aggregated 4.3 million hectolitres, which is an 8% increase over 2005, whereas soft drinks sales (including mineral water and fruit juices, etc) aggregating 2.1 million hectolitres increased by 15%.

Net revenue amounting to DKK 3.4 billion in 2006 increased by just below 8% over 2005 and increases were realised in all markets. Some 1 percentage point of the increase is attributable to the acquisition of Brok-Strzelec in Poland. Accordingly, organic growth in the Royal Unibrew Group in 2006 was 7%, primarily driven by revenue growth in Denmark, Germany, Italy, Latvia and Lithuania and certain malt drinks markets.

Gross profit for the year amounting to DKK 1.7 billion increased by 5% over 2005. The gross margin was 49.3% and thus 1.1 percentage points lower than in 2005. Gross margin in 2006 was adversely affected by the lower average net selling prices, due to, among other things, keen price competition and a shift in the product mix in the cross-border trade between Denmark and Germany towards less expensive products as well as by a proportionately larger increase in sales of soft drinks in Eastern Europe. Both gross profit and gross margin were positively affected in 2006 by the process optimisation activities implemented.

Operating profit amounted to DKK 348 million in 2006, 15% or 45 million above the 2005 level. Other than the effect from gross profit for the year, operating profit was affected by a 4% increase in sales and distribution expenses over 2005, which was below the increase in both net revenue and gross profit. The Group's administrative expenses increased by 17% primarily as a result of increased payroll expenses (+36%) partly due to recruiting in order to develop core competencies in accordance with MACH II but also affected by severance payments. The item "other operating income" increased by some DKK 38 million relating to the income from Nigerian receivables previously written off as mentioned above.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to DKK 535.9 million compared to DKK 493.2 million in 2005.

Special items related to the production structure optimisation in the Baltic countries, including the closure of a brewery in Lithuania. The expenses incurred were some DKK 11 million lower than announced in our Announcement RU20/2006 of 9 August 2006. The difference is primarily explained by the required write-down of assets for impairment proving not to be as substantial as originally assumed.

Income from investments in associates went up considerably compared to 2005 amounting to DKK 26 million compared to DKK 16 million in 2005. This increase was primarily due to yet another year of improved performance by Hansa Borg Bryggerierne ASA and to a higher share of ownership of Nuuk Imeq.

The Group's net financial expenses were at the 2005 level as higher net interest expenses were offset by exchange gains.

The profit before tax of the Royal Unibrew Group for 2006 amounted to DKK 320 million compared to DKK 282 million in 2005, equal to an increase of 13.6%.

Consolidated profit (after tax) increased by DKK 10 million to DKK 230 million, equal to an increase of 4.4%.

Developments in sales and revenue from 2005 to 2006 were as follows:

Developments 2005-2006	Western Europe (including misc. revenue)		Eastern Europe		Rest of the world		Royal Unibrew total	
	Growth	Total	Growth	Total	Growth	Total	Growth	Total
Sales (thousand hectolitres)	6.9%	3,831	16.9%	2,229	8.1%	315	10.2%	6,375
Net revenue (mDKK)	5.6%	2,505	16.4%	671	8.1%	263	7.8%	3,439

MACH II

Under the theme "value creation through profitable, international growth", Royal Unibrew launched MACH II, its new Strategic Plan for the period 2005-2007, in February 2005 (cf Announcement BG02/2005 of 24 February 2005). The overall financial targets of the Group for the period 2005-2007 remain unchanged from previously:

- Return on invested capital (ROIC) $\geq 10\%$
- EBIT margin $\geq 10\%$
- Free cash flow (before acquisitions) $\geq 7\%$ of net revenue

MACH II has the following main elements:

- With due consideration of the above overall financial targets, ensuring revenue growth from some DKK 3 billion in 2004 to at least DKK 4.5 billion in 2007 through organic growth of 3% in the Company's focus areas and through acquisitions, alliances and partnerships in the growth areas: Northern Europe, Italy and the malt drinks markets. Within 3 years of being acquired, acquisitions must show two-digit ROIC and EBIT margin.

Revenue went up by 11% in 2005, of which organic growth accounted for 4 percentage points. In 2006, organic growth represented 7% and the revenue increase totalled 8%.

In 2007, revenue is expected to increase by 3% due to the acquisition of two breweries in the Caribbean, one of Royal Unibrew's key malt drinks markets (cf Announcement RU44/2006 of 13 December 2006).

The acquisition of the Polish brewery "Browar Lomza" (cf Announcement RU06/2007 of 15 February 2007), which is expected to be included in the consolidated financial statements as of May, is expected to result in a revenue increase in 2007 of some 4% (5% on a full-year basis).

- Further development of the activities in the Baltic countries to ensure two-digit ROIC and EBIT margin for the area by 2007.

Activities in the Baltic countries developed ahead of plans, and the profit increase recorded in 2005 and 2006 is

expected to continue. As an element in the strategy to realise the targets for the Baltic countries, it has been decided to optimise production structure in the area (cf Announcement RU20/2006 of 9 August 2006).

- Developing the core competencies of the Company to operating strong regional or national brands, while benefiting from Group synergies within purchasing, production, sales/distribution and management.

Organisational development continues in key areas and operating synergies continue to be realised. In 2006, a "Corporate Talent Program" was initiated to ensure focus and development of potential future key employees.

- Increased investment in the Royal Beer, Kalnapilis, Cido, Ceres (Italy), Vitamalt and Faxe International brands through marketing, product innovation and development.

Considerable resources - and more than in 2005 - were spent in 2006 to strengthen the Group's key brands, and brand equity and market shares are generally developing satisfactorily. In 2006, 7% of net revenue was spent on marketing activities.

- Business excellence initiatives to ensure continued enhanced efficiency. Activities to be carried out in 2005 are expected to yield a full-year effect in terms of savings of DKK 20 million in 2006.

The expected effect of DKK 20 million was realised in 2006.

The efforts relating to ongoing and new initiatives were continued to ensure the basis of the savings which in 2007 are estimated at more than DKK 30 million. Key projects include "Production Excellence" in Denmark, "Customer Excellence" in Italy and the preparation of "Global Purchasing", a shared group purchasing function expected to be implemented in 2007.

- Establishment of new international corporate identity through change of name to Royal Unibrew A/S and introduction of new slogan: "All your favourites" signalling Royal Unibrew's wide range of quality products.

Efforts to promote our new corporate identity following the change of name on 4 May 2005 continue internally and externally.

DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

The developments in the Group's activities for 2006 break down as follows on segments:

	Western Europe	Eastern Europe	Rest of the world	Unallocated	Group
Sales (million hectolitres)	3.9	2.2	0.3	-	6.4
Net revenue (mDKK)	2,505	671	263	-	3,439
Earnings before interest and tax EBIT (mDKK)	378	-33	32	-44	333
EBIT margin (%)	15.1	-5.0	12.2		9.7
Assets (mDKK)	2,339	663	150	262	3,414
Liabilities (mDKK)	760	195	24	1,286	2,265

Western Europe

Western Europe	2006	2005	% change
Sales (million hectolitres)	3.9	3.6	7
Net revenue (mDKK)	2,505	2,371	6
EBIT (mDKK)	378	332	14
EBIT margin (%)	15.1	14.0	8

Royal Unibrew's activities developed very satisfactorily in the Western European markets in 2006. Sales and revenue increased by 7% and 6%, respectively, and EBIT increased by 14% to DKK 378 million. EBIT margin increased by 1.1 percentage points to 15.1% of net revenue.

Western Europe	Actual 2006		Growth over 2005	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Denmark	1,206	1,785	5	1
Italy	704	529	3	6
Germany	390	1,131	11	15
The UK	72	72	10	5
Tax free	55	140	6	12
France	25	40	8	12
Other markets	53	134	47	24
Total Western Europe	2,505	3,831	6	7

In **Denmark** total beer sales are estimated to have stabilised at the 2005 level. Royal Unibrew's branded beer sales in Denmark were also at the 2005 level in 2006.

The Royal products strengthened their positions and market shares significantly in 2006. The Heineken brand developed satisfactorily and the launch of X-beer (foreign specialty beer) was realised as planned.

In 2006, the Group's sales of discount beer (Maribo products) were 9% below those of 2005. The Danish market for discount beer is estimated to have reduced by 10% in 2006, which means that the Group has kept its market share.

The intensified price competition on branded beer seen in 2005 continued in 2006 with continuously lower campaign prices.

Sales of Royal Unibrew branded products in the soft drinks segment went up by 17% in 2006, whereas the Group's total soft drinks sales increased by 7% in the Danish soft drinks market showing estimated growth of 3% in 2006. Accordingly, Royal Unibrew's market share increased in this segment. The increase is primarily due to the launch of Egekilde, which, following only 11 months on the market, has achieved a market share of 25% in its segment. Faxe Kondi and Pepsi Cola realised high two-digit growth also in 2006. In 2006, Royal Unibrew's total soft drinks sales in Denmark aggregated 0.9 million hectolitres.

The increase in total beer consumption in **Italy** is estimated at some 1.4% in 2006, whereas the Group's sales and revenue increased by 6% and 3%, respectively; the Group thus succeeded in increasing its market share also in 2006. The main product Ceres Strong Ale developed satisfactorily in terms of sales. Furthermore, the sales increase was driven by Ceres Top boasting growth of some 20%.

In the **German** market, a joint return system for disposable containers was re-established on 1 May 2006, which had a positive effect on this market segment for beer, at which the Group's products are primarily targeted. Sales increased by 31% during the year. Cross-border trade between Denmark and Germany developed satisfactorily, however with an additional shift of sales towards products in lower price segments.

In **the UK** the positive development in malt drinks sales, which is the key activity in this market, continued in 2006. The Group's market share is still estimated at some 85% of the malt drinks market in the UK.

The **Tax Free** market continued growing but was, like the cross-border trade between Denmark and Germany, affected by a shift in sales towards less expensive product categories.

The other markets in Western Europe generally developed very satisfactorily. For example, a 75% sales increase was realised to the **Nordic countries**, and sales in the **European malt markets** went up by 10%.

Eastern Europe

Eastern Europe	2006	2005	% change
Sales (million hectolitres)	2,2	1.9	17
Net revenue (mDKK)	671	577	16
EBIT (mDKK)	-33	-15	-217
EBIT margin (%)	-5.0	-2.7	-185

Sales and revenue in the region went up by 17% and 16%, respectively, in 2006. Developments in Lithuania and Latvia must be characterised as very satisfactory, whereas developments in Poland as compared to 2005 were below expectations.

The Baltic countries realised a considerable EBIT increase in 2006 as compared to 2005, and developments are considered satisfactory and on plan.

In spite of satisfactory developments in Lithuania and Latvia, EBIT development for the region as a whole was negative, and EBIT for 2006 was a negative DKK 33 million. The negative development is explained by expenses of DKK 14 million relating to the optimisation of the Baltic production structure and to a considerable loss realised in Poland, which also in 2006 incurred integration costs relating to the Brok-Strzelec breweries acquired in 2005. Furthermore, the development in activity level and cost structure adjustment was slower than expected. In 2006, a turn-around plan has been prepared and management of the Polish activities has been strengthened. These measures are expected to result in an even more favourable development in sales and revenue than in 2006, which will improve performance significantly in 2007.

Eastern Europe	Actual 2006		Growth over 2005	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Lithuania	242	710	16	14
Latvia	309	1,117	14	19
Poland	108	375	23	17
Other markets	12	27	20	13
Total Eastern Europe	671	2,229	16	17

In **Lithuania** sales and revenue in 2006 increased by 14% and 16%, respectively. As the increase in beer consumption in Lithuania is estimated at 4% in 2006, Kalnapilio-Taurus' market share increased by some 2% to 25%. Lithuania continued to perform satisfactorily and in accordance with plans.

In **Latvia** sales of the Cido products, primarily fruit juices, mineral water as well as carbonated and non-carbonated soft drinks, developed highly satisfactorily with a realised increase of 18%, and market positions were strengthened or defended both in Latvia and in the export markets in Lithuania and Estonia resulting in satisfactory earnings developments.

Lacplesa Alus A/S increased its sales by 27% and won back more than the market share lost in 2005.

In **Poland**, sales increased considerably in 2006 but not as much as expected. Sales and revenue went up by 17% and 23%, respectively. As mentioned above, the 2006 performance was not satisfactory; therefore, measures have been taken with a focus on realising, if still a loss, then a smaller loss in 2007 than in 2006.

Rest of the world

Rest of the world	2006	2005	% change
Sales (million hectolitres)	0.3	0.3	8
Net revenue (mDKK)	263	243	8
EBIT (mDKK)	32	23	41
EBIT margin (%)	12.2	9.5	28

Sales to the rest of the world segment primarily comprise malt drinks.

Developments in 2006 were characterised by satisfactory sales growth both in the main market in the Caribbean and in the other important malt drinks market, Africa.

Performance development in the segment was satisfactory, and the EBIT margin is two-digit, thus exceeding the MACH II target.

Rest of the world	Actual 2006		Growth over 2005	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
The Caribbean	177	146	7	1
USA/Canada	36	45	10	8
Africa	35	81	44	64
The Middle East	15	43	-26	-22
Total rest of the world	263	315	8	8

In the **Caribbean** malt drinks sales to external distributors developed satisfactorily in 2006 with a sales increase of 10% and an even higher revenue increase of 16% due to a more favourable USD development than in 2005.

The **USA and Canada** saw an increasingly positive sales development from 2% in 2005 to 8% in 2006, and the performance was further improved due to the positive exchange rate development.

Sales in **Africa** went up by 64% in 2006. Both licence production of the Vitamalt brand and Vitamalt exports increased individually by more than 50%.

SHARE OPTIONS

Royal Unibrew's continuous share option programme covering the 2006 financial year applies to the Executive Board and some 20 executives. Under this programme, the participants may annually be granted options corresponding to a maximum number of shares of 22,862 based on a share price of 740*). Half of the options will be granted without any performance conditions, whereas the other half will be granted depending, in part or in full, on the realisation of ROIC (return on invested capital) and profit growth.

On a total basis, the following share options remain unexercised:

Granted	Total number unexercised	Number held by Executive Board	Exercise price	Exercise period
June 2002	14,564	14,564	240-315	6/2005 – 5/2009
Re 2003	14,984	7,492	401	3/2007 – 4/2009
Re 2004	9,754	5,230	478	3/2008 – 4/2010
Re 2005	26,114	16,258	648	4/2009 – 4/2011
Re 2006	22,862	14,236	*) 740	4/2010 – 4/2012
Total	88,278	57,780		

*) The options will be priced on the basis of average market price over the 10 trading days following the publication of the Annual Report of the Company. The value of the unexercised options is calculated on the basis of the share price at 31 December 2006.

The Company's option obligations under the option schemes are expected to be covered by the portfolio of treasury shares.

The market value of the unexercised options is estimated at DKK 23.5 million (under the Black-Scholes formula).

In accordance with the accounting policies adopted, an expense of DKK 3.4 million has been charged in the Annual Report for 2006 representing the market value (Black-Scholes) of the maximum granting possible for the 2006 financial year.

The Supervisory Board intends to adopt a share option programme applying to the Executive Board and some 20 executives also for the 2007 financial year based on the same principles as the existing programme.

BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 3,413 million at the end of 2006, which is an increase of DKK 225 million, or 7%, over year end 2005. The increase is below the increase in the level of activity, which measured by net revenue increased by 8%. In spite of the increasing level of activity, working capital decreased by 28%.

Group equity, which at the end of 2006 amounted to DKK 1,148 million, was most materially affected by the profit for the year of DKK 230 million, payment of dividend of DKK 61 million and a net write-down relating to acquisition and sale of treasury shares of DKK 180 million. The equity ratio equalled 33.6% compared to 36.1% at the end of 2005.

Free cash flow before acquisitions amounted to DKK 206 million in 2006 equal to 6.0% of net revenue, which was DKK 46 million below 2005 and below the MACH II target, but above the announced expectations of a cash flow of 5%. The lower free cash flow was primarily affected by capacity-increasing investments in property, plant and equipment. In 2006 net investments totalled DKK 243 million, which is DKK 100 million above the 2005 level and some DKK 40 million above the average investment requirement.

At 31 December, the Group's cash resources, in addition to cash and bank balances of DKK 368 million, comprise committed, unutilised credit facilities of DKK 547 million, or a total of DKK 915 million. Furthermore, the Group has commitments for financing of acquisitions.

In 2006, Royal Unibrew A/S acquired a total of 282,419 shares for treasury, including 258,198 shares under the share buy-back programme launched in 2006. The Company now holds a total number of 366,343 treasury shares (equal to some 5.9% of the Company's total share capital); approx. 114,000 of these shares are expected to be used to cover the Company's share option scheme.

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

It is the intention in the period 2005-2007 to adjust the capital structure of Royal Unibrew with a view to additional optimisation of the Company's weighted average cost of capital (WACC) to increase the return to Group shareholders through utilisation of additional debt financing.

It is the target that the Group's interest-bearing debt be increased to represent approximately three times earnings before interest, tax, depreciation and amortisation and special items, if any, (EBITDA) by the end of 2007 (compared to 1.4 times in the Annual Report for 2004), ie before the end of the period covered by the Company's current MACH II strategy.

In Royal Unibrew's opinion, this will not prevent the Group from realising its growth targets under the MACH II strategy. The adjustment of capital structure is expected to be realised through acquisitions in line with the MACH II strategy and - to the extent of any capacity being left - through repurchase of shares for treasury.

In 2005 Royal Unibrew launched a share-buy back programme of some DKK 100 million, and upon expiry of this programme in January 2006 a total of 190,000 shares had been acquired (some 3% of the share capital). In 2006, the Company's share capital was reduced by DKK 1.9 million (3% of the share capital). The Company is currently and in the period up until the Annual General Meeting on 30 April 2007 repurchasing shares for treasury at a value of up to DKK 200 million (cf Announcement RU13/2006 of 6 June 2006). At the next Annual General Meeting of the Company, the Supervisory Board will propose that the share capital of the Company is reduced equivalent to the amount of shares repurchased under the share buy-back programme.

The Supervisory Board still intends to propose distribution to the shareholders of annual dividend at the level of 25-40% of profit after tax for the year. However, dividend from time to time will be proposed with due regard to the Company's strategic plans and cash position.

At the next Annual General Meeting, the Supervisory Board will propose dividend of DKK 10 per share corresponding to a dividend rate of some 27%.

Due to developments in 2006, the Company's net interest-bearing debt at the end of 2006 represents approx 2 times EBITDA, which is unchanged from year end 2005.

PROSPECTS

For 2007, the total revenue of the Royal Unibrew Group is expected to increase by some 10% without taking into account any future acquisitions. The revenue growth is primarily expected to be derived from the Group's geographic and product focus areas, ie the Nordic markets, Poland (including Browar Lomza as of approx 1 May 2007), the Baltic countries, Italy, and the Caribbean (including the breweries acquired in Antigua and Dominica, which will be included in the financial statements of Royal Unibrew as of February 2007). Considerable investments in marketing of the Group's strategic products in main markets are planned to continue.

In the autumn of 2006, in connection with, among other things, the failure of crops of barley and hops, it became increasingly clear that 2007 would be characterised by considerable price increases of several of

the key raw and packing materials of the industry: in addition to malt and hops, significant increases are seen in the price of aluminium for cans and of fruit juice concentrates. Developments in these important cost components in 2007 will affect the industry globally, and one of the key uncertainties in 2007 is whether the industry will be able to compensate for the cost increases through increased net selling prices. The price development of raw and packing materials has an expected negative net effect of some DKK 30 million in 2007.

However, in Northern Europe nothing seems to indicate that the keen price competition and resulting price pressure should be on the wane.

It is anticipated that the businesses acquired in Poland (Brok-Strzelec) in 2005, which in 2006 affected the Group's earnings negatively, will achieve considerably better results in 2007, whereas Browar Lomza, which is expected to be included in the consolidated financial statements as of approx 1 May 2007, is expected to have a limited positive effect on results in 2007. The integration of the new Caribbean companies - Antigua Brewery Ltd., Antigua PET Plant and Dominica Brewery & Beverages Ltd. - is expected to have a minor, negative effect on the consolidated financial statements in 2007.

The implemented and ongoing business excellence initiatives are expected to have a positive profit effect of more than DKK 30 million in 2007. Key projects that will impact the 2007 results include "Production Excellence" in Denmark, "Customer Excellence" in Italy and "Global Purchasing".

On a total basis, EBIT margin is expected to be approx 10% as in 2006.

Net financial expenses are expected to increase in 2007 primarily due to the acquisition of shares for treasury and the continued capital structure adjustment which will take place during the year. The income after tax from investments in associates in 2007 is expected to be at the 2006 level.

Against this background, the profit before tax in 2007 is expected to be at the level of DKK 330-370 million.

Investments totalling some DKK 200 million are planned for 2007.

The tax rate of the Group is expected also in 2007 to be some 28%.

Overall, based on the above, the MACH II Plan targets for ROIC, EBIT margin and free cash flow will be realised, whereas the achievement of the accumulated growth targets for the period 2005-2007 still depends on ongoing projects and negotiations.

During 2007, Royal Unibrew's Executive Committee will prepare the new strategic platform to replace MACH II as of 2008. This new strategic platform is expected to be announced in early 2008. At this time, it is assumed that the new strategy may contain the following main elements, among others:

- Return on invested capital (ROIC) should continue to be attractive measured against comparable businesses within the beer and soft drinks segments and should represent at least 10% per annum.
- Continued commitment to profitable growth, organic and through acquisitions, alliances and partnerships should ensure a total average annual net revenue growth of at least 15%.
- Continued streamlining of the Group's work processes, adjustment of the Group's capacity basis and integration of the individual business units should ensure that Royal Unibrew maintains an earnings level (EBIT margin) at the level of comparable businesses (at least 10%).
- Continued focus on efficient capacity utilisation and binding of liquidity should also in future ensure a free cash flow (before acquisitions) above the average for comparable businesses (at least 7%).
- The capital structure should be based on interest-bearing debt representing approx 3 times operating profit before depreciation, impairment of goodwill on consolidation and any special items. Should the growth target necessitate indebtedness beyond that, this will be acceptable for a certain period.

RESOLUTIONS BY THE SUPERVISORY BOARD AND RECOMMENDATIONS FOR THE ANNUAL GENERAL MEETING

The Supervisory Board will recommend to the Annual General Meeting that dividend from Royal Unibrew A/S remain unchanged at DKK 10 per share of DKK 10, equal to a dividend rate of some 27%. The proposed dividend totals DKK 61.8 million. The Supervisory Board proposes that the remaining profit for the year of DKK 209.7 million be allocated to retained earnings.

The Supervisory Board will recommend to the Annual General Meeting that the share capital of Royal Unibrew be reduced by a nominal amount corresponding approximately to the nominal share capital repurchased under the realised share buy-back programme (cf Announcement RU13/2006 of 6 June 2006).

The Supervisory Board intends to propose that the Annual General Meeting extend the authorisation of the Supervisory Board to be able to increase the Company's capital by a maximum nominal amount of DKK 6,000,000 (600,000 shares) in the period up until 28 April 2008.

Finally, the Supervisory Board intends to propose that the Annual General Meeting authorise the Supervisory Board to acquire up to 10% shares for treasury, cf. section 48 of the Danish Companies Act, in the period up until the next Annual General Meeting, see the section "Dividend Policy and Share Buy-back Programme".

STATEMENTS ABOUT THE FUTURE

The statements about the future made in the Annual Report for 2006 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.

ANNUAL GENERAL MEETING

The Annual General Meeting of Royal Unibrew will be held on 30 April 2007, at 17:00 in Faxe.

MANAGEMENT'S STATEMENT ON THE REPORT

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Royal Unibrew A/S for 2006.

The Annual Report was prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We consider the accounting policies applied appropriate. Accordingly, the Annual Report gives a true and fair view of the financial position at 31 December 2006 of the Group and the Parent Company as well as of the results of the Group and Parent Company operations and cash flows for the financial year 2006.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Faxe, 2 March 2007

Executive Board

Poul Møller
CEO

Connie Astrup-Larsen
International Director

Povl Friis
Technical Director

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 Wendelboe Liisberg

ANNOUNCEMENTS TO THE COPENHAGEN STOCK EXCHANGE A/S – 1 January to 31 December 2006

05 January 2006	01/2006	Share Buy-back at Royal Unibrew A/S
16 January 2006	02/2006	Share Buy-back at Royal Unibrew A/S
23 January 2006	03/2006	Share Buy-back at Royal Unibrew A/S
02 March 2006	04/2006	Announcement of Annual Results 2005
10 March 2006	05/2006	Reporting according to section 28a of the Danish Securities Trading Act
28 March 2006	06/2006	Reporting according to section 28a of the Danish Securities Trading Act
03 April 2006	07/2006	Notice convening the Annual General Meeting of Royal Unibrew A/S
20 April 2006	08/2006	Election of employee supervisory board members of Royal Unibrew A/S
27 April 2006	09/2006	Q1 Report 2006
27 April 2006	10/2006	Annual General Meeting of Royal Unibrew A/S – Minutes
10 May 2006	11/2006	Notice convening Extraordinary General Meeting of Royal Unibrew A/S
22 May 2006	12/2006	Extraordinary General Meeting of Royal Unibrew A/S – Minutes
06 June 2006	13/2006	Share Buy-back under "Safe Harbour"
15 June 2006	14/2006	Share Buy-back at Royal Unibrew A/S
26 June 2006	15/2006	Share Buy-back at Royal Unibrew A/S
05 July 2006	16/2006	Share Buy-back at Royal Unibrew A/S
14 July 2006	17/2006	Share Buy-back at Royal Unibrew A/S
25 July 2006	18/2006	Share Buy-back at Royal Unibrew A/S
03 August 2006	19/2006	Share Buy-back at Royal Unibrew A/S
09 August 2006	20/2006	Decision to optimise the production structure in the Baltic countries
11 August 2006	21/2006	Share Buy-back at Royal Unibrew A/S
23 August 2006	22/2006	Share Buy-back at Royal Unibrew A/S
29 August 2006	23/2006	Interim Report (H1) 2006
30 August 2006	24/2006	Reporting according to section 28a of the Danish Securities Trading Act
01 September 2006	25/2006	Share Buy-back at Royal Unibrew A/S
04 September 2006	26/2006	Reporting according to section 28a of the Danish Securities Trading Act
12 September 2006	27/2006	Share Buy-back at Royal Unibrew A/S
12 September 2006	28/2006	Reporting according to section 28a of the Danish Securities Trading Act
21 September 2006	29/2006	Share Buy-back at Royal Unibrew A/S
02 October 2006	30/2006	Share Buy-back at Royal Unibrew A/S
11 October 2006	31/2006	Share Buy-back at Royal Unibrew A/S
20 October 2006	32/2006	Share Buy-back at Royal Unibrew A/S
26 October 2006	33/2006	Reduction of capital and cancellation of treasury shares
31 October 2006	34/2006	Share Buy-back at Royal Unibrew A/S
09 November 2006	35/2006	Share Buy-back at Royal Unibrew A/S
16 November 2006	36/2006	Q3 Report 2006
20 November 2006	37/2006	Share Buy-back at Royal Unibrew A/S
29 November 2006	38/2006	Share Buy-back at Royal Unibrew A/S
29 November 2006	39/2006	Reporting according to section 28a of the Danish Securities Trading Act
30 November 2006	40/2006	Reporting according to section 28a of the Danish Securities Trading Act
05 December 2006	41/2006	Reporting according to section 28a of the Danish Securities Trading Act
11 December 2006	42/2006	Share Buy-back at Royal Unibrew A/S
11 December 2006	43/2006	Changes in the Executive Board of Royal Unibrew A/S
13 December 2006	44/2006	Royal Unibrew A/S strengthens its position in the Caribbean
19 December 2006	45/2006	Share Buy-back at Royal Unibrew A/S

FINANCIAL CALENDAR FOR 2007

Annual General Meeting and shareholders' meetings:

30 April 2007:	Annual General Meeting in Faxe
2 May 2007:	Shareholders' meeting in Randers
3 May 2007:	Shareholders' meeting in Odense

Announcements of financial results:

5 March 2007:	Annual Report 2006
30 April 2007:	Q1 Report 2007
28 August 2007:	Interim Report (H1) 2007
14 November 2007:	Q3 Report 2007

Income Statement for 2006 (DKK '000)

Parent Company			Group	
2005	2006		2006	2005
2,692,387	2,854,657	Revenue	4,083,474	3,780,844
(327,160)	(334,965)	Beer and mineral water excises	(644,448)	(589,885)
<u>2,365,227</u>	<u>2,519,692</u>	Net revenue	<u>3,439,026</u>	<u>3,190,959</u>
(1,166,998)	(1,254,191)	Production costs	(1,742,900)	(1,581,411)
<u>1,198,229</u>	<u>1,265,501</u>	Gross profit	<u>1,696,126</u>	<u>1,609,548</u>
(774,896)	(804,407)	Sales and distribution expenses	(1,191,225)	(1,141,301)
(143,560)	(171,682)	Administrative expenses	(200,680)	(171,697)
152	4,219	Other operating income	43,512	6,149
<u>279,925</u>	<u>239,631</u>	Operating profit	<u>347,733</u>	<u>302,699</u>
5,022	0	Special items	(14,329)	5,022
<u>284,947</u>	<u>293,631</u>	Profit before financial income and expenses	<u>333,404</u>	<u>307,721</u>
0		Income from investments in associates	26,098	15,700
20,000	73,519	Dividend from subsidiaries and associates	0	0
10,303	19,424	Financial income	20,330	9,048
(49,562)	(56,031)	Financial expenses	(59,479)	(50,357)
<u>265,688</u>	<u>330,543</u>	Profit before tax	<u>320,353</u>	<u>282,112</u>
(53,028)	(59,071)	Tax on the profit for the year	(90,014)	(61,474)
<u>212,660</u>	<u>271,472</u>	Net profit for the year	<u>230,339</u>	<u>220,638</u>
		distributed as follows:		
		Parent Company shareholders' share of net profit	227,642	221,070
		Minority shareholders' share of net profit	2,697	(432)
<u>212,660</u>	<u>271,472</u>	Net profit for the year	<u>230,339</u>	<u>220,638</u>
		Parent Company shareholders' share of earnings per share (DKK)	38.0	35.4
		Parent Company shareholders' share of diluted earnings per share (DKK)	37.6	35.4

Assets at 31 December 2006 (DKK '000)

Parent Company			Group	
2005	2006		2006	2005
		NON-CURRENT ASSETS		
80,645	80,645	Goodwill	323,398	320,861
2,990	2,990	Trademarks	174,236	173,946
9,345	8,764	Distribution rights	9,854	10,587
92,980	92,399	Intangible assets	507,488	505,394
500,354	489,896	Land and buildings	723,509	710,810
222,971	193,828	Plant and machinery	400,842	413,396
197,209	180,206	Other fixtures and fittings, tools and equipment	237,618	238,870
21,742	35,255	Property, plant and equipment in progress	64,888	25,930
942,276	899,185	Property, plant and equipment	1,426,857	1,389,006
946,005	980,333	Investments in subsidiaries	0	0
184,368	185,338	Investments in associates	231,285	214,409
25,460	24,664	Receivables from associates	24,664	25,460
2,678	2,633	Other investments	2,838	2,834
11,394	20,856	Other receivables	21,875	13,338
1,169,905	1,213,824	Financial assets	280,662	256,041
2,205,161	2,205,408	Non-current assets	2,215,007	2,150,441
		CURRENT ASSETS		
49,824	54,502	Raw materials and consumables	97,284	99,935
10,004	10,727	Work in progress	17,353	17,521
100,474	109,668	Finished goods and purchased finished goods	161,983	136,113
160,302	174,897	Inventories	276,620	253,569
129,544	146,684	Trade receivables	442,238	399,406
200,919	252,800	Receivables from subsidiaries	0	0
3,695	1,318	Receivables from associates	1,318	3,695
9,646	12,565	Other receivables	37,360	22,091
20,660	17,616	Prepayments	43,775	42,611
364,464	430,983	Receivables	524,691	467,803
205,937	313,499	Cash at bank and in hand	368,320	286,995
28,988	28,988	Non-current assets held for sale	28,988	28,988
759,691	948,367	Current assets	1,198,619	1,037,355
2,964,852	3,153,775	Assets	3,413,626	3,187,796

Liabilities and Equity at 31 December 2006 (DKK '000)

Parent Company			Group	
2005	2006		2006	2005
		EQUITY		
63,700	61,800	Share capital	61,800	63,700
0	0	Translation reserve	(9,194)	(7,159)
(4,732)	2,637	Hedging reserve	1,975	(7,643)
1,025,889	1,061,274	Retained earnings	1,018,823	1,026,159
63,700	61,800	Proposed dividend	61,800	63,700
<u>1,148,557</u>	<u>1,187,511</u>	Equity of Parent Company shareholders	<u>1,135,204</u>	<u>1,138,757</u>
0	0	Minority interests	<u>12,917</u>	<u>10,993</u>
<u>1,148,557</u>	<u>1,187,511</u>	Equity	<u>1,148,121</u>	<u>1,149,750</u>
		LIABILITIES		
141,313	119,598	Deferred tax	127,720	142,478
541,934	577,339	Mortgage debt	593,540	559,171
465,237	551,980	Credit institutions	650,375	587,353
<u>1,148,484</u>	<u>1,248,917</u>	Non-current liabilities	<u>1,371,635</u>	<u>1,289,002</u>
92,014	87,876	Repurchase obligations, returnable packaging	90,554	96,332
52,753	57,695	Mortgage debt	58,732	53,738
117,445	98,701	Credit institutions	138,106	119,477
193,333	252,311	Trade payables	344,338	278,839
71,684	38,684	Payables to subsidiaries	0	0
6,983	47,079	Corporation tax	61,262	0
40,337	46,924	VAT, excise duties, etc	74,821	73,762
93,262	88,077	Other payables	126,057	126,896
<u>667,811</u>	<u>717,347</u>	Current liabilities	<u>893,870</u>	<u>749,044</u>
<u>1,816,295</u>	<u>1,966,264</u>	Liabilities	<u>2,265,505</u>	<u>2,038,046</u>
<u>2,964,852</u>	<u>3,153,775</u>	Liabilities and equity	<u>3,413,626</u>	<u>3,187,796</u>

**STATEMENT OF CHANGES IN EQUITY
(mDKK)**

	<u>2006</u>	<u>2005</u>
Equity at 1 January	1,149.8	1,098.5
Change of accounting policies in 2006		(18.1)
Equity at 1 January after change of accounting policies	1,149.8	1,080.4
Value adjustment of hedging instruments	12.4	(6.6)
Value and exchange adjustment of foreign subsidiaries and associates	(3.7)	5.2
Tax on equity movements	(2.8)	8.8
Profit for the period	<u>230.3</u>	<u>220.6</u>
<i>Total income</i>	236.2	228.0
Dividends paid	(60.7)	(56.7)
Acquisition of shares for treasury	(180.1)	(107.0)
Sale of treasury shares	0.1	1.8
Share-based payment	3.4	3.3
Tax on equity movements	<u>(0.6)</u>	<u>0.0</u>
<i>Total shareholders</i>	<u>(237.9)</u>	<u>(158.6)</u>
Equity at 30 December	<u>1,148.1</u>	<u>1,149.8</u>

CONSOLIDATED CASH FLOW STATEMENT (DKK '000)

Parent Company			Group	
2005	2006		2006	2005
212,660	271,472	Net profit for the year	230,339	220,638
212,630	170,886	Adjustments for non-cash operating items	292,822	274,865
425,290	442,358		523,161	495,503
		Change in working capital:		
(17,569)	(107,438)	+/- change in receivables	(44,604)	(41,327)
(4,029)	(14,595)	+/- change in inventories	(23,106)	(7,590)
49,027	28,691	+/- change in payables	64,478	49,734
452,719	349,016	Cash flows from operating activities before financial income and expenses	519,929	496,320
3,810	19,424	Financial income	20,322	5,045
(39,049)	(54,021)	Financial expenses	(60,814)	(47,686)
417,480	314,419	Cash flows from ordinary activities	479,437	453,679
(49,048)	(44,105)	Corporation tax paid	(54,197)	(71,282)
368,432	270,314	Cash flows from operating activities	425,240	382,397
30,000	79,253	Dividends received from subsidiaries and associates	20,146	8,414
513	963	Sale of securities	3,668	3,992
21,314	12,770	Sale of property, plant and equipment	14,690	26,013
(100,191)	(112,149)	Purchase of property, plant and equipment	(257,732)	(168,612)
320,068	251,151	<i>Free cash flow</i>	206,012	252,204
(221,120)	(7,759)	Acquisition of subsidiaries	0	(239,718)
(149,919)	(84,169)	Acquisition of intangible and financial assets	(85,216)	(37,979)
(419,403)	(111,091)	Cash flows from investing activities	(304,444)	(407,890)
442,300	178,525	Proceeds from raising of long-term debt (net)	178,541	519,612
(46,030)	(55,449)	Repayment of long-term debt	(80,816)	(46,030)
18,111	66,006	Change in short-term debts to credit institutions	103,619	(67,584)
(56,654)	(60,714)	Dividends paid	(60,714)	(56,654)
(107,097)	(180,139)	Acquisition of shares for treasury	(180,139)	(107,097)
1,784	110	Sale of treasury shares	110	1,784
252,414	(51,661)	Cash flows from financing activities	(39,399)	244,031
201,443	107,562	Change in cash and cash equivalents	81,397	218,538
4,494	205,937	Cash and cash equivalents at 1 January	286,995	67,697
0	0	Exchange adjustment	(72)	760
205,937	313,499	Cash and cash equivalents at 31 December	368,320	286,995