ROYAL UNIBREW

ROYAL UNIBREW A/S

Annual Report 2008

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.

Royal Unibrew owns the Albani and Faxe breweries in Denmark, Kalnapilis in Lithuania, 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.

To read more, visit www.royalunibrew.com.

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VITA

HIGHLIGHTS 2008

Net revenue in 2008 amounted to DKK 4,179 million corresponding to an 8% increase over 2007 (organic growth of some 3%), which reflects continued increased markets shares in most key markets. In H2, beer and soft drinks consumption declined in key markets due to the accelerating global economic crisis.

Operating profit before special items amounted to DKK 135 million (2007: DKK 244 million). The negative profit development is attributable to H2 reflecting the declining economic growth.

Special expenses relating to the closure of the Aarhus brewery, the Danish distribution reorganisation and the changes in Group Management affect results for 2008 negatively by some DKK 50 million (compared to a net income of some DKK 20 million in 2007).

Profit before tax and impairment of the assets in Poland but after special expenses amounted to DKK 2 million (2007: DKK 220 million), which is in accordance with the expectations expressed in the Interim Report for 1 January – 30 September 2008 of 20 November 2008.

In continuation of Management's decision to change the strategy for the Polish market, impairment losses of DKK 455 million have been recognised on the assets in Poland.

The total loss after impairment and provision for tax of DKK 30 million amounted to DKK 483 million in 2008 (2007: a profit of DKK 155 million).

Total net interest-bearing debt at the end of 2008 amounted to DKK 2,192 million. After year end, the total bank debt has been refinanced and there will be launched a process with a view to ensuring a more appropriate capital structure.

It is proposed that no dividend be distributed for 2008.

The "double up" strategy is replaced by a number of strategic main priorities focusing on structural and operational adjustments.

Based on a general uncertainty concerning the economic development, possible changed consumption habits and difficult financial conditions it is expected that the net revenue in 2009 will show a minor decline compared to 2008. EBIT (before "special expenses" and impairment) is expected to improve compared to 2008.

Financial Highlights and Key Ratios for Royal Unibrew A/S (Group)

	2008	2007	2006	2005	2004
Sales (million hectolitres)	**7.5**	7.1	6.4	5.8	4.8
Financial Highlights (mDKK)					
Income Statement					
Net revenue	**4,178.7**	3,881.8	3,439.0	3,191.0	2,869.0
Operating profit before special items	**134.9**	244.1	347.7	302.7	307.1
Special items	**-50.1**	20.2	-14.3	5.0	0.0
Impairment losses	**-385.0**	0.0	0.0	0.0	0.0
Profit/loss before financial income and expenses	**-300.2**	264.3	333.4	307.7	307.1
Impairment losses on investments	**-70.1**	0.0	0.0	0.0	0.0
Net financials	**-82.7**	-44.1	-13.0	-25.6	-36.8
Profit/loss before tax	**-453.0**	220.2	320.4	282.1	270.3
Consolidated profit/loss	**-483.2**	155.2	230.3	220.6	194.9
Royal Unibrew A/S' share of profit/loss	**-484.3**	151.7	227.6	221.1	194.1
Balance Sheet					
Total assets	**4,051.4**	3,781.3	3,413.6	3,187.8	2,530.8
Equity	**574.8**	1,119.5	1,148.1	1,149.8	1,080.4
Net interest-bearing debt	**2,191.9**	1,586.1	1,047.8	1,007.3	693.5
Free cash flow	**-356.2**	157.0	206.0	252.2	232.7
Per share					
Royal Unibrew A/S' share of earnings per share (DKK)	**-89.0**	26.4	38.0	35.4	30.6
Royal Unibrew A/S' diluted share of earnings per share (DKK)	**-89.0**	26.2	37.6	35.4	30.6
Cash flow per share (DKK)	**19.0**	26.3	70.9	61.2	64.5
Diluted cash flow per share (DKK)	**19.0**	26.1	70.2	61.2	64.5
Dividend per share (DKK)	**0.0**	10.0	10.0	10.0	9.0
Year-end price per share	**118.5**	534.0	740.0	532.0	377.0
Employees					
Average number of employees	**2,755**	2,659	2,278	2,202	1,628
Key Figures (mDKK)					
EBITDA	**254.6**	392.5	535.9	493.2	495.1
EBIT	**-300.2**	264.3	333.4	307.7	307.1
Key Ratios (%)					
Return on invested capital (ROIC)	**3.1**	7.4	12.1	11.7	11.8
Profit margin	**3.2**	6.3	10.1	9.5	10.7
EBIT margin	**-7.2**	6.8	9.7	9.6	10.7
Free cash flow as a percentage of net revenue	**-8.5**	4.0	6.0	7.9	8.1
Net interest-bearing debt/EBITDA	**8.6**	4.0	2.0	2.0	1.4
Equity ratio	**14.2**	29.6	33.6	36.1	42.7
Debt ratio	**381.3**	141.7	88.7	85.1	64.2
Asset turnover	**1.0**	1.0	1.0	1.0	1.1
Return on net assets	**3.8**	8.0	12.9	12.1	13.5
Return on equity after tax	**-57.0**	13.7	20.0	19.8	18.7
Dividend rate	**0.0**	38.9	27.2	28.8	29.5

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
Dividend per share (DKK)	Proposed dividend per share
Earnings per share (DKK)	Royal Unibrew's share of 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
Return on invested capital after tax including goodwill (ROIC)	Operating profit before special items net of tax as a percentage of average invested capital (equity + minority interests + non-current provisions + net interest-bearing debt – financial assets)
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
Net interest-bearing debt/EBITDA	The ratio of net interest-bearing debt at year end to EBITDA
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
Asset turnover	Net revenue/total assets at year end
Return on net assets	Operating profit before special items as a percentage of average operating 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

CHANGED FOCUS IN A NEW ERA

2008 was a year characterised by major challenges to Royal Unibrew – both externally and internally.

During the year, the financial crisis developed into an actual recession in many countries, which had a negative effect on demand for our beer and soft drinks. We are, however, pleased to note that our strong brands have generally gained market shares.

The crisis intensified many of the challenges facing us following a number of years of active participation in the consolidation of the brewery industry. Strong earnings and generous access to financing made acquisitions a key element of our strategy. Our focus was on growth, and for several years Royal Unibrew developed positively by combining organic growth in existing markets with cultivation of new markets through brewery acquisitions. Our aim was to reinforce the Group's strategic platform and prospects, and our acquisitions in Latvia and Lithuania are good examples of our strategy proving correct and profitable.

Our largest challenge in 2008 was the development in our Polish activities. Over the past years, we have acquired three regional breweries. The investments were made with the expectation that we would be able to develop and strengthen the regional breweries and brands, and reap synergies in a continuously growing beer market, thus improving our earnings. However, the strategy did not generate the expected results. We did not achieve the expected growth, and our existing product mix does not provide the basis for creating adequate returns. We have therefore decided to change our strategy for Poland, which regrettably implies a requirement for recognising material impairment losses on the Polish assets. This significantly affects our results for 2008.

In 2008 considerable investments were made with a view to strengthening Royal Unibrew's competiveness. The brewing activities in Aarhus were transferred to Faxe and Odense, a new Danish distribution structure is being established and investments were made in new packaging and packing lines. Finally, we acquired Livu Alus, the third largest brewery in Latvia. At the same time, the preparation for alternative use of the brewery property in Aarhus was initiated with a view to sale.

Towards the end of 2008 Royal Unibrew's access to financing has become harder, and developments in Poland created a need for refinancing Royal Unibrew's bank debt. This refinancing is now in place for the next two years, and in that period we will direct efforts at achieving a more appropriate capital structure.

The current market situation combined with disappointing results – particularly in Poland – makes

new demands on Royal Unibrew. The basis of realising the targets of the ”double up” strategy from January 2008 no longer exists. We have decided to replace the ”double up” strategy with a number of strategic main priorities comprising comprehensive structural and operational adjustments in each key market area in order to reduce our debt and increase profitability.

In Poland we will now concentrate our sales and marketing efforts on our strongest brands in order to achieve a more profitable product range. At the same time, we will consolidate the production structure as the brewery in Koszalin will be closed. Finally, activities at the head office will be adjusted.

In Denmark we come close to realising the planned reorganisation in connection with the transfer of production from Aarhus to Faxe and Odense as well as the sweeping change of the distribution structure. To create a more competitive and profitable basis, we are now launching a broad structural and organisational adjustment, which will, as it is implemented in 2009, contribute towards simplifying and enhancing the efficiency of the Danish business.

In the Baltic countries we will combine activities at management level to improve resource utilisation. My first months as CEO have not only proved to me that we have a major task ahead of us, but also that we have a number of important resources and strong points on which to capitalise. We have a committed and well-qualified staff, a generally well-operating and highly advanced production system and last, but not least, a number of strong, profitable brands which enable us continuously to win market shares. In the Danish market, both Royal and Egekilde are performing well, and Faxe Kondi remains one of the strongest brands in the soft drinks segment. In Italy Ceres Strong Ale holds an undiminished strong market position in spite of difficult market conditions in 2008.

In our Baltic markets, both Cido and Kalnapilis are very strong. Finally, there is Vitamalt – the number three, global brand in the market for malt drinks, which continues to hold unutilised potential.

We will spend 2009 focusing on our strong points to ensure that Royal Unibrew as a business will again hold the position that shareholders, employees and our surroundings rightly expect from us.

Henrik Brandt
CEO

MANAGEMENT'S REVIEW

NEW STRATEGIC MAIN PRIORITIES

2008 was a very challenging year to Royal Unibrew, and both internal and external challenges grew in H2. Results were particularly affected by a requirement for recognising impairment losses in Poland. The developments necessitated reassessment of Royal Unibrew's overall strategy.

The main challenge in 2008 was the development in Poland. In recent years, focus has been on growth and investments, and Royal Unibrew has acquired three regional breweries and a major shareholding in a fourth regional brewery. These investments were made based on an expectation that Royal Unibrew would be able to develop and strengthen the companies with the relating brands and reap synergies, thus creating increased earnings in a continuously growing beer market. The established strategy did not yield the expected results due to inadequate growth and a product mix that has not been optimal.

Moreover, in consequence of the international financial crisis, market conditions deteriorated, which led to a decline in beer and soft drinks demand in H2.

These circumstances necessitated considerable changes by the Company. Against this background, at the end of September 2008, the Supervisory Board announced the withdrawal of Poul Møller as CEO and the appointment of his successor, Henrik Brandt, who is to chart and follow a new course for Royal Unibrew.

As announced in the Interim Report for Q3 2008, the new Group Management has now reviewed the "double up" strategy. The structural and operational assumptions of the strategy as well as the current market conditions make the overall basis of growth in revenue and results under "double up" unrealistic. In light of this, Royal Unibrew will no longer report on progress measured against the "double up" strategy and the initiatives defined in this strategy.

The "double up" strategy is replaced by a number of strategic main priorities focusing on necessary structural and operational adjustments. The objective is material earnings improvement as well as more efficient capitalisation on the Company's market positions.

The main priorities are as follows:

- In Poland sales and marketing efforts will be concentrated. The production structure will be adapted by closing the brewery in Koszalin. Production will be transferred primarily to the brewery in Łomza, which is Royal Unibrew's largest and most efficient brewery in Poland. At the same time, the activity at the head office in Warsaw will be reviewed. These material changes to Royal Unibrew's strategy in Poland result in an adjustment of future earnings expectations. On this basis, it has been considered necessary to recognise impairment losses on the Polish activities of DKK 455 million. These value adjustments, which have no cash flow effect, affect the income statement and equity negatively in 2008. The changes in Poland are expected to make redundant some 100 full-time employees.
- In Denmark, Royal Unibrew is, as planned, completing a major change of the production platform and the distribution system. These activities, which are expected to be completed in April 2009, will provide Royal Unibrew's Danish business with a more competitive and profitable base. In order to further simplify and enhance the efficiency of the business, a broad structural and organisational adjustment is now launched. This is expected to result in a reduction of the number of employees in staff and administrative functions by some 100 full-time employees.
- In order to strengthen the already strong market positions in the Baltic countries, joint operating management will be established. The combination will enable improved resource utilisation within product development, production, logistics and administration while maintaining strong local market presence.
- With a view to boosting the Group's cash flow, 2009 will have special focus on optimising the Group's working capital and investments. At the same time, a process will be launched to ensure a more appropriate capital structure.

Management expects these measures to strengthen the Company. With the recently realised investments in new, competitive types of packaging, a more efficient distribution and production structure as well as increased sales and marketing efforts directed at strategic brands, the Company's overall competitiveness is expected to be enhanced.

RESULTS 2008

Royal Unibrew's net revenue amounted to DKK 4.2 billion in 2008, a 7.6% increase over 2007. Operating profit before special items amounted to DKK 135 million, which isDKK 109 million below the 2007 figure. The consolidated loss (after tax) amounted to DKK 483 million (2007: a profit of DKK 155 million).

Except for impairment losses on the Polish activities, the Company's results are in accordance with the latest expectations announced for 2008, see Interim Report for the period 1 January - 30 September 2008 of 20 November 2008.

Total group sales in 2008 aggregated 7.5 million hectolitres of beer, malt and soft drinks, corresponding to a 5.4% increase over 2007, of which some 5 percentage points are attributable to the acquisition of Polish, Caribbean and Latvian activities not included in all of 2007.

Beer and malt drinks sales aggregated 5.3 million hectolitres in 2007, corresponding to an approximate increase of 9% over 2007, whereas soft drinks sales (including mineral water and fruit juices, etc) were at the 2007 level, some 2.2 million hectolitres.

Net revenue increased by 7.6% amounting to DKK 4.2 billion. Organic growth represented some 3 percentage points, whereas some 4 percentage points related to acquisitions.

The organic growth is the result of positive growth in H1, whereas growth in H2 and in particular Q4 was negative and affected by the economic decline, which set off a general consumption reduction in markets that are key to Royal Unibrew. Royal Unibrew strengthened its market position by increasing or maintaining its market shares.

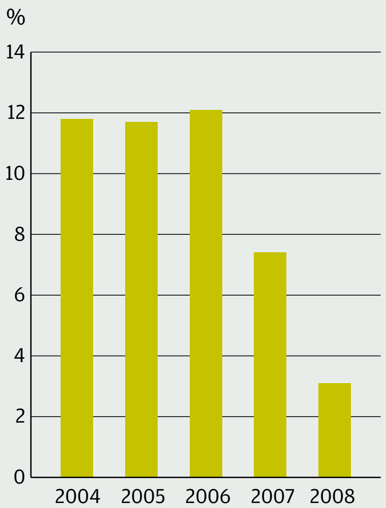
Gross profit for the year amounting to DKK 1.7 billion was at the level of the gross profit for 2007. The gross margin was 41.8% and thus 3.3 percentage points lower than in 2007. The gross margin reduction is partly due to inability to compensate for higher raw materials prices by customer price increases in declining markets, partly to a shift in sales towards products and markets with lower realisable values. Both gross profit and gross margin were positively affected by the increased productivity at the Danish breweries as compared to 2007.

Operating profit before special items amounted to DKK 135 million in 2008, or DKK 109 million below the 2007 figure. The development is primarily due to a 9% increase in sales and distribution expenses over 2007, of which 2% is attributable to acquisitions. This increase in expenses was primarily related to increased sales and marketing expenses (some DKK 80 million) to strengthen market shares for the Group's strategic brands, which has now

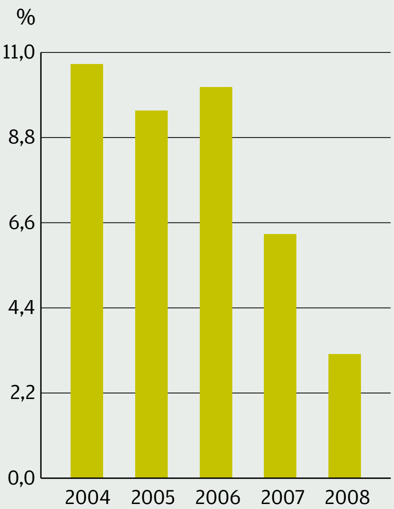
Developments in sales and revenue in the market areas were as follows:

Developments 2007-2008	Western Europe (including misc. revenue)		Eastern Europe		Malt and Overseas Markets		Royal Unibrew total	
	Growth	Total	Growth	Total	Growth	Total	Growth	Total
Sales (thousand hectolitres)	-1.5%	3,707	14.9%	3,158	4.8%	593	**5.4%**	**7,458**
Share of sales		50%		42%		8%		**100%**
Net revenue (DKKm)	1.9%	2,537	24.2%	1,129	6.2%	513	**7.6%**	**4,179**
Share of net revenue		61%		27%		12%		**100%**

RETURN ON NET ASSETS (ROIC)



PROFIT MARGIN



FREE CASH FLOW AS % OF NET REVENUE

been achieved in all key markets. Administrative expenses were reduced by 10%, including an organic reduction of 15 percentage points – primarily due to the resource adjustment implemented in 2007.

Earnings before interest, tax, depreciation and amortisation (EBITDA) amounted to DKK 255 million compared to DKK 393 million in 2007.

”Special items” amounting to an expense of some DKK 50 million comprise expenses of DKK 84 million relating to the closure of the breweries in Aarhus and Maribo, change of the Danish distribution structure and of Group Management as well as income due to lower required impairment losses on brewery assets from the Aarhus and Maribo breweries than assessed in 2007.

”Impairment losses” of DKK 455 million relate partly to impairment of intangible assets and property, plant and equipment related to the Group’s Polish subsidiary, Royal Unibrew Polska, of DKK 385 million, partly impairment of DKK 70 million of the value of investments in the Polish company Perla Browary Lubelskie, see the following section ”Impairment losses”.

Income from investments in associates decreased by DKK 5 million from 2007 amounting to DKK 23 million compared to DKK 28 million in 2007. The Norwegian Hansa Borg Bryggerier saw considerably improved results. The investments in Banjul Breweries were sold in 2007, and, as of mid 2007, St. Vincent Breweries has been recognised in the consolidated financial statements as a subsidiary, which, combined with lower earnings by Solomon Breweries, has reduced income from associates as compared to 2007.

The Group’s net interest expenses increased by DKK 33 million to DKK 105 million due to the increase in net interest-bearing debt of some DKK 600 million.

The loss before tax of the Royal Unibrew Group for 2008 amounted to DKK 453 million compared to DKK 220 million in 2007.

Consolidated loss (after tax) amounted to DKK 483 million, a decrease by DKK 638 million from the profit of DKK 155 million in 2008.

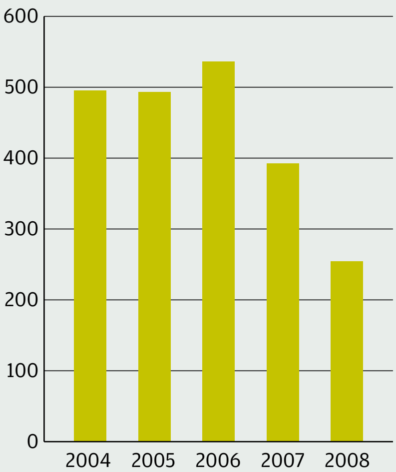
The effective tax rate is materially affected by the impairment losses and the considerable loss of the Polish subsidiary not affecting the tax expense.

IMPAIRMENT LOSSES

Due to the established strategy for Poland not having produced the expected results and to the market decline, it has been necessary to reassess the value of the underlying activities. The reassessment disclosed material impairment of the value of intangible assets, property, plant and equipment as well as financial assets. In connection with preparing the Annual Report for 2008, Management has made an estimate of the value of the assets leading to recognition at 31 December 2008 of an impairment loss on intangible assets of DKK 261 million, and on property, plant and equipment of the Group’s Polish subsidiary of DKK 124 million, a total of DKK 385 million. Moreover, the value of the investments in the Polish company Perla Browary Lubelskie has been adjusted downwards by DKK 70 million.

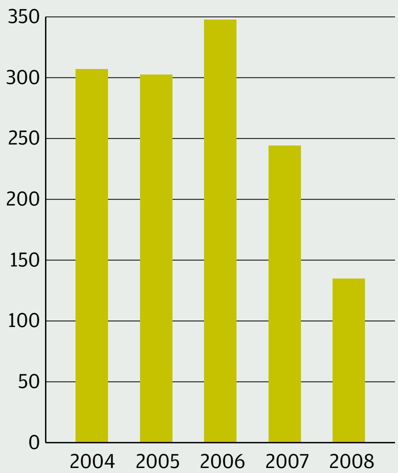
EBITDA

DKKm



OPERATING PROFIT BEFORE SPECIAL ITEMS

DKKm



PROFIT BEFORE TAX CONSOLIDATED PROFIT

DKKm

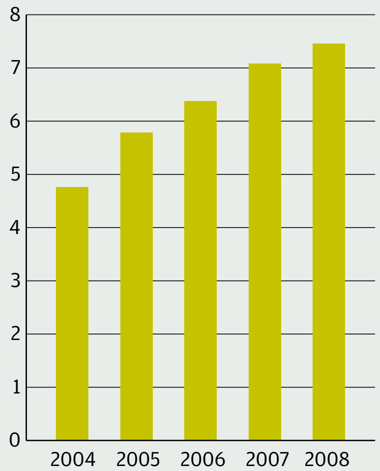
DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

Financial highlights of the Group's activities broken down on market segments were as follows in 2008:

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group
Sales (million hectolitres)	3.7	3.2	0.6	-	7.5
Share of sales	50%	42%	8%		100%
Net revenue (DKKm)	2,537	1,129	513	-	4,179
Share of net revenue	61%	27%	12%		100%
Operating profit/loss (before special items) (DKKm)	185	-51	51	-50	135
Profit margin	7.3%	-4.5%	10.0%		3.2%
EBIT (excluding impairment losses) (DKKm)	137	-52	50	-50	85
EBIT margin	5.4%	-4.6%	9.6%		2.0%
Assets (DKKm)	2,466	1,203	382	-	4,051
Liabilities (DKKm)	971	406	106	1,994	3,477

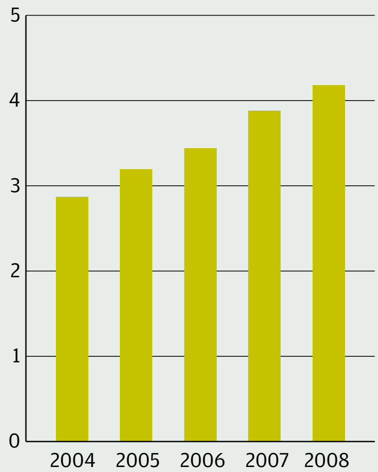
SALES

Million Hectolitres



NET REVENUE

DKK bn



WESTERN EUROPE

	2008	2007	% change
Sales (million hectolitres)	3.7	3.8	-2
Net revenue (DKKm)	2,537	2,490	2
Operating profit (before special items) (DKKm)	185	252	-28
Profit margin (%)	7.3	10.2	
EBIT (DKKm)	137	161	-14
EBIT margin (%)	5.4	6.4	

The **Western Europe** segment comprises the markets for beer and soft drinks in Denmark and the Nordic countries as well as in Germany, Italy and France. Western Europe accounts for 50% of total sales and 61% of net revenue.

Royal Unibrew's activities in the Western European markets developed positively in H1 2008 with increases in both sales and revenue. In Q3 and more significantly in Q4, general economic conditions in the region resulted in consumer and customer reluctance. The declining market also resulted in increased price competition. In spite of this development, Royal Unibrew saw a 2% revenue increase in 2008, whereas sales were reduced by 2% from 2007. Supported by increased marketing efforts, Royal Unibrew succeeded in winning market shares in all key markets in Western Europe.

Net selling price increases only partly compensated for the higher raw materials prices, and sales in 2008 shifted towards markets where the selling price per product unit is lower than the Western European average. These circumstances as well as the increased marketing efforts affected operating profit negatively, whereas the figure was positively affected by the adjustment of staff resources at the end of 2007 and by the higher production efficiency at the Danish breweries. Overall, the operating profit before special items realised in Western Europe is DKK 67 million below that of 2007, and profit margin has been reduced from 10.2% to 7.3% of net revenue. "Special expenses" amounted to DKK 48 million in 2008 compared to DKK 91 million in 2007, after which EBIT in 2008 amounted to DKK 137 million compared to DKK 161 million in 2007. In 2008 "special expenses" comprised expenses relating to the closure of the brewery in Aarhus as well as changes to the Danish distribution structure and to Group Management. Moreover, the required impairment losses on the brewery activities of the closed breweries in Maribo and Aarhus turned out to be lower than those recognised in the financial statements for 2007, which has reduced "special expenses".

Western Europe	Actual 2008		Growth over 2007	
	Net revenue (DKKm)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Denmark	1,276	1,714	2	-4
Italy	657	463	-9	-15
Germany	484	1,236	22	11
Nordic countries	44	117	-12	-25
Other markets	76	177	6	6
Total Western Europe	2,537	3,707	2	-2

In **Denmark** Royal Unibrew won market shares both on branded beer and on soft drinks. Revenue increased by 2%, whereas total demand was declining. The increase in market shares is, among other things, attributable to several successful campaigns.

The Royal brand increased its market share to more than 10% in the branded beer market. Ceres, Albani and Thor maintained their shares, whereas Heineken's market share went up.

Royal Unibrew's brands in the soft drinks segment hold a market share slightly below 30%. The market shares of both Pepsi, Faxe Kondi and Egekilde have been increasing. Egekilde now holds a market share of more than 30%. The increasing soft drinks market shares are substantially due to the introduction of new PET containers.

In **Italy** total beer sales were declining, primarily due to the weather in Q2 and a general economic decline, which

especially affected consumption in the HoReCa segment negatively. Royal Unibrew's revenue in Italy declined by 9% in 2008. Ceres won market shares in both the HoReCa and the retail segment. As an element in Royal Unibrew's strategy of expanding the market for Ceres Strong Ale, several line extensions were launched during the year. Results in Italy were negatively affected by a significant reduction in customers' inventories towards the end of the year.

In **Germany** (including cross-border trade) net revenue increased by 22% as sales of branded beer, particularly the Royal brand, as well as Egekilde went up.

EASTERN EUROPE

	2008	2007	% change
Sales (million hectolitres)	3.2	2.7	**15**
Net revenue (DKKm)	1,129	909	**24**
Operating loss (before special items) (DKKm)	-51	-23	**-118**
Profit margin (%)	-4.5	-2.6	
EBIT (excluding impairment losses) (DKKm)	-52	88	**-156**
EBIT margin (%)	-4.6	9.7	

The Eastern Europe segment comprises the markets for beer, fruit juices and soft drinks in Latvia, Lithuania and Poland. Eastern Europe accounts for 42% of total sales and 27% of net revenue.

Sales and revenue in Eastern Europe went up by 15% and 24%, respectively, in 2008. Organic growth (excluding the acquisition effect from the acquisition of the Polish brewery Lomza at 1 May 2007 and of the Latvian brewery Livu Alus at 1 January 2008) was 5% and 12%, respectively, in 2008.

The segment showed a significantly higher operating loss in 2008 than in 2007. The primary reason is that the established strategy for the Polish marked did not produce the expected results. The Polish companies did not meet the expectations for organic growth and product mix. Poland realised a highly unsatisfactory and material operating loss, which more than offsets the profits realised in Lithuania and Latvia. The decrease in EBIT (before impairment losses) is furthermore related to ”special income and expenses”, which in 2007 represented a net income of DKK 111 million comprising a profit on the sale of a brewery property in Vilnius and impairment losses on production assets due to the closure of the breweries in Vilnius in Lithuania and Lielvarde in Latvia.

EBIT in Eastern Europe, including the recognised impairment losses of DKK 385 million on the values of intangible assets and property, plant and equipment related to the Polish activities, was a negative DKK 437 million in 2008.

Eastern Europe	Actual 2008		Growth over 2007	
	Net revenue (DKKm)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Lithuania	397	918	24	16
Latvia	365	1,186	10	4
Poland	354	1,028	46	31
Other markets	13	26	-17	-22
Total Eastern Europe	**1,129**	**3,158**	**24**	**15**

In **Lithuania** Kalnapilio-Tauro Grupe increased its market shares on both beer and fruit juices in 2008, and total revenue increased by 24%. The Kalnapilis brand developed satisfactorily with an increasing market share – eg due to the launch of a new high-profile bottle for the entire Kalnapilis range. At the same time, a new 1.5-litre PET Kalnapilis was launched, which increased the market share in the PET segment. Tauras also increased its market share. Kalnapilis and Tauras are the two fastest growing brands in Lithuania and combined the two brands now represent some 25% of beer sales. In spite of a declining market for fruit juices, both the Cido fruit juice and the Cido nectar products won market shares.

In **Latvia** revenue went up by 10% in 2008. The Livu brand was relaunched with new formulas, design and marketing, which resulted in an increasing market share measured by value. Lacplesis also increased its market share measured by value as well as volumes due to a positive development in can sales. The fruit juice market is declining due to the unfavourable economic conditions in Latvia. The Latvian market is seeing intensified competition, but Cido has managed to maintain its market share measured by both value and volumes remaining Latvia's leading fruit juice brand. Cido XL was relaunched in a new design, which was successful. The launch of the Mangali near-water products in 2008 was successful and contributed towards increasing the Mangali brand market share significantly.

In early 2008, Royal Unibrew acquired Livu Alus, the number 3 Latvian brewery business in terms of size, and the brewery has been fully integrated with the Group's existing brewery activities in Latvia. The production of Lacplesis at the Lielvarde brewery has been transferred to the Livu brewery, and simultaneously the Lielvarde brewery was closed.

In **Poland** the Group invested significantly in executing the marketing and sales strategy for regional brands, but during H2 2008 the beer consumption slowed down, and due to an insufficient growth and a non optimal product mix the strategy did not lead to the expected results.


FRA KILDEN I SKOVEN
EGEKILDE
SMAGEN AF BLÅBÆR OG GRANATÆBLE MED BRUS
Naturlige aromaer
EKILDE
AF TRANEBÆR MED BRUS
aturlige aromaer

MALT AND OVERSEAS MARKETS

	2008	2007	% change
Sales (million hectolitres)	0.6	0.6	5
Net revenue (DKKm)	513	483	6
Operating profit (before special items) (DKKm)	51	63	-20
Profit margin (%)	10.0	13.1	
EBIT (DKKm)	50	63	-23
EBIT margin (%)	9.6	13.1	

The **"Malt and Overseas Markets"** segment comprises, in addition to all malt drinks markets, the beer and soft drinks activities in the UK, Caribbean and North American markets. "Malt and Overseas Markets" accounts for 8% of total sales and 12% of net revenue.

In this segment growth was realised in both sales and revenue in 2008. The acquisition-related growth from the breweries in St. Vincent, Antigua and Dominica, which were acquired in mid 2007, represented 12% and 13%, respectively; thus organic sales and revenue reduction of some 7% has been realised measured in DKK, whereas the decrease was 3% measured in local currencies. It is estimated that the declining USD and GBP rates have affected revenue and results in the segment negatively by DKK 20 million and DKK 15 million, respectively, in 2008. The development in the underlying demand should be viewed especially in light of the decline in the Caribbean economies, see below.

Malt and Overseas Markets	Actual 2008		Growth over 2007	
	Net revenue (DKKm)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
The Caribbean	296	277	10	12
The UK	79	82	-3	1
Africa	71	140	17	11
USA/Canada	37	50	-4	2
Other European markets	18	20	-3	-5
The Middle East	12	24	-18	-39
Total Malt and Overseas Markets	**513**	**593**	**6**	**5**

Developments in **the Caribbean** in 2008 were affected by increasing raw materials prices and reduced disposable income in the region, primarily due to the financial crisis in the USA and its spill-over effect on Royal Unibrew's markets by way of declining tourism, increasing unemployment and fewer money transfers from residents of the USA. Therefore, 2008 has been a very difficult year in the region. Product price increases have resulted in declining market shares, and earnings have been reduced. In the markets where Royal Unibrew is represented, the market share held is typically 40-45%, whereas the market share in the islands in which Royal Unibrew has its own breweries is between 50% and 80%. No new products have been launched in the region in 2008.

In **Africa** revenue went up by 17% in 2008 in a strongly growing market. The main part of the growth was realised in Tanzania, where Vitamalt holds a market share of some 44%.

In the **UK** market Supermalt maintained its market share. In H2 Supermalt Light was successfully launched in several major chains including Tesco and Asda-Walmart.

In the **USA** Royal Unibrew saw declining sales due to the dollar rate and lost market shares due to price increases. In **Canada** Faxe 10% maintains its position in the strong-beer segment.

BRAND AND PRODUCT DEVELOPMENT

During 2008 Royal Unibrew launched a number of new campaigns, products and container types. At the same time, the entire Royal Unibrew product range was reviewed with a view to rejecting the least profitable brands. Even with a smaller product range, and in spite of intense competition in the wake of the generally deteriorated market conditions, Royal Unibrew succeeded 10 in achieving stronger market positions in 2008. In Management's assessment, Royal Unibrew's strategic brands are crucial to the results achieved – especially in times of weak economic growth when consumers are particularly liable to choose brands to obtain real value. Hence, the Royal Unibrew brands are considered a safe choice by many consumers.

The Group's strategic brands, including Ceres Strong Ale, Royal beer, Kalnapilis beer, Faxe beer, Lāčplēsis beer, Łomża beer, Faxe Kondi, Egekilde, Cido fruit juice and the Vitamalt malt drink, achieved good results in 2008 by way of increased market shares. However, also other important brands of the Group's product portfolio strengthened their positions in 2008 through successful innovation and new marketing initiatives.

In Denmark the Royal brand continues to show progress. In 2008 the market share of the Royal family increased to more than 10%. Moreover, the Group's regional beer brands, Albani, Ceres and Thor, consolidated their positions in 2008. Heineken beer, which is sold on a licence basis, is now the best-selling import beer in Denmark. In the soft drinks segment, Royal Unibrew introduced a new PET container, which strengthened the market positions of both Pepsi and Faxe Kondi. The launch of Faxe Kondi Pro – developed in cooperation with Team Danmark – contributed towards maintaining Faxe Kondi's leading market position. Finally, Egekilde reinforced its market-leading position on mineral water both by means of new types of containers and through sponsorships with high impact.

In Italy Royal Unibrew has for several years, by means of its Ceres Strong Ale brand, held a strong position in the special segment for imported strong beer. In 2008 this position was further consolidated by line extension with the new product Ceres Strong Ale Kiss, which is a softer and milder variety. Other new activities in the Italian market were a prize-winning website, a competition among young artists to design individualised cans as well as a new advertising concept.

In Lithuania Royal Unibrew's strategic brand, Kalnapilis, was strengthened through the launch of new profile glass bottles as well as high-quality 1.5-litre PET bottles. Also Tauras, another key brand to Royal Unibrew in Lithuania, continued to show progress in 2008. Kalnapilis and Tauras are the fastest growing beer brands in Lithuania.

In Latvia Royal Unibrew also saw good developments in the beer market. The Group's leading brand in Latvia is Lāčplēsis, and also in 2008 the brand grew. The growth was primarily based on new container types and the introduction of 1.5-litre PET bottles and cans. The relaunch of the Līvu brand (which Royal Unibrew acquired in early 2008) has been successful, and Latvian consumers are now offered a broad range of beer types. Cido, the Group's strategic fruit juice brand, consolidated its clear leading position in the market in 2008 through new product launches within, among other things, nectar (Cido XL) and ice tea as well as new designs. Finally, the Mangali mineral water brand was line extended by a number of taste varieties.

Łomża is Royal Unibrew's leading brand in Poland. One of the major action areas in 2008 has been to consolidate and expand the regional position of the brand. This has been effected eg through considerable sales and marketing efforts, including the special "Łomża Beer Festival" event.

In the international markets for malt drinks, Royal Unibrew focused on defending Vitamalt's position as the leading quality brand through consumer activities, special offers targeting the young consumer segment and the use of new sales channels. Supermalt consolidated the market leading position of the brand in the UK through the launch of a light version of the popular Supermalt Original.

FAXE, Royal Unibrew's international beer brand, consolidated its status in the segment for international quality beer.

INTELLECTUAL CAPITAL AND COMPETENCIES

One of the main prerequisites of being able to maintain and strengthen Royal Unibrew's position is the Company's ability to develop intellectual capital and competencies. All group enterprises therefore focus on developing and retaining existing employees with the right competencies and on attracting new talent.

The employees of Royal Unibrew possess crucial knowledge of the many markets and customer categories serviced by the Group, including supply and distribution issues within the product categories. This knowledge secures our competitive position and forms the basis of achieving the Group's strategies and objectives.

In line with the international development of the Group, employees are to an increasing extent assigned to positions abroad from both the Parent Company and subsidiaries. Furthermore, competent foreign employees have been employed both at management and staff level during the year. This ensures rooting of knowledge of the markets as well as optimisation of cooperation across the Group.

INFORMATION TECHNOLOGY

Royal Unibrew has decided to apply SAP's ERP system as the ERP platform in all major group enterprises as well as Microsoft as office application and CRM platform. At this time, this platform has been implemented in Denmark, Lithuania, Poland, the UK, Italy, France, Antigua and Dominica. The other enterprises use local IT solutions, which are expected to be successively replaced by SAP's ERP system.

In H1 2009, the implementation of a new distribution concept will be completed in Denmark involving the establishment of a call centre with related technology, use of dynamic route planning as well as integration of the entire distribution chain from production to customer, in one overall solution.

Furthermore, in 2008 dynamic route planning was introduced in Latvia as well as a number of improvements to the sales and production planning process.

SHARE OPTIONS

In 2009 it was decided to cancel the Company's share option programme for 2008-2010 for the Executive Board and selected executives.

The decision has been made as the assumptions on which the programme was set up in the spring of 2008 must now be considered shattered as a consequence of the Company's share price development.

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

The market value of the unexercised options is estimated at DKK 0.9 million (under the Black-Scholes formula).

An expense of DKK 2.2 million has been charged in the Annual Report for 2008 regarding the option programmes.

BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 4,051 million at the end of 2008, which is an increase of DKK 270 million over 2007. The recognised impairment losses on the assets related to the Polish business reduced the balance sheet total by DKK 455 million, whereas revaluation of the brewery property in Aarhus (see below) increased the balance sheet total by DKK 240 million. Disregarding these two items, the balance sheet total increased by DKK 485 million due to the development in the Group's other activities. This increase is primarily related to considerable investments in production facilities, totalling some DKK 520 million, primarily the strategic investments in PET bottling units in Denmark and the Baltic countries and the transfer of production plant in Denmark from Aarhus to Faxe and Odense as well as some DKK 125 million relating to the acquisition of the Latvian brewery Livu Alus. The market value of the contracts entered into to hedge raw materials purchase prices is recognised in "prepayments" in assets and in "other payables" in current liabilities and contributes materially to the increase of the balance sheet total.

The brewery activities in Aarhus were discontinued in the autumn of 2008 and the work of preparing for alternative use of the centrally situated areas with a view to sale of the site was commenced. Analyses and project descriptions are progressing as planned and a changed local plan is expected in mid 2010. Due to the changed conditions in the real property market, the value of the property is considered to be lower than previously indicated (DKK 600 – 900 million).

The brewery property in Aarhus has been reclassified from "land and buildings" to "project development properties" in the balance sheet, and based on valuations, its carrying amount has been re-valued by DKK 240 million to DKK 400 million. The revaluation has been recognised directly in equity less the deferred tax liability of DKK 60 million, and therefore does not affect net profit/loss for the year.

SHARE OPTIONS

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

Granted	Total number unexercised	Number held by Executive Board	Exercise price	Exercise period
Re 2003	5,993	0	401	4/2007 - 4/2009
Re 2004	8,080	2,092	478	4/2008 - 4/2010
Re 2005	15,832	2,462	648	4/2009 - 4/2011
Re 2006	16,172	2,756	695	4/2010 - 4/2012
Re 2007	12,362	2,231	510	4/2011 - 4/2013
Granted 2008 re Stragetic Plan	**20,460**	**2,231**	**510**	**4/2011 - 4/2013**
Total	**78,899**	**11,772**		

Group equity amounted to DKK 575 million at the end of 2008, which is DKK 544 million below the 2007 figure. The reduction is primarily attributable to the negative comprehensive income of DKK 447 million for the year as well as payment of dividend and acquisition of shares for treasury of DKK 100 million. Comprehensive income was positively affected by DKK 180 million (after tax) by the revaluation of the brewery property in Aarhus. Moreover, comprehensive income comprises the loss for the year of DKK 483 million, value adjustments of foreign group enterprises by a negative DKK 99 million and of hedging instruments by a negative DKK 45 million. The equity ratio represented 14.2% compared to 29.6% at the end of 2007.

Free cash flow before investments in acquisitions amounted to a negative DKK 356 million in 2008 comprising positive cash flows from operating activities of DKK 103 million and negative cash flows from net investments of DKK 473 million. Dividends received from associates amounted to DKK 14 million. Cash flows from operating activities were DKK 48 million lower in 2008 than in 2007. The cash result with deduction of interest and tax payments amounted to DKK 12 million and was DKK 210 million lower than in 2007. A reduction in working capital increased cash flows by DKK 94 million in 2008, which was a DKK 164 million improvement on 2007.

At the end of 2008 , the Group's cash resources, in addition to cash and bank balances of DKK 90 million, comprised committed, unutilised credit facilities of some DKK 225 million. As described in the below section on capital structure, the Group's credit facilities were renegotiated in 2009.

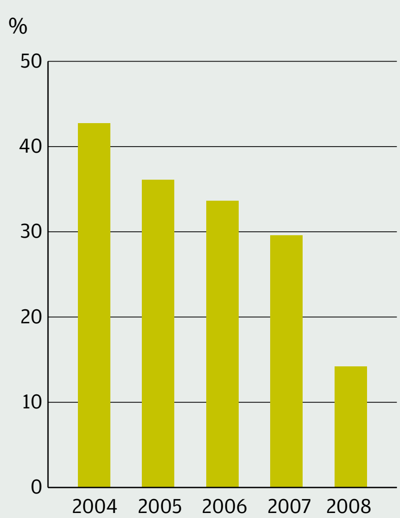
In 2008 Royal Unibrew A/S acquired a total of 252,186 shares for treasury at DKK 46 million under the share buy-back programme launched in 2007 and completed in Q1 2008. In August 2008, a capital reduction of DKK 3 million was realised by cancellation of 300,000 treasury shares. After this, the Company held a total of 106,674 treasury shares at the end of 2008, equal to some 1.9% of the Company's total capital. These shares are expected to be used to cover the Company's share option programme.

CAPITAL STRUCTURE, SHARE BUY-BACK PROGRAMME AND DIVIDEND POLICY

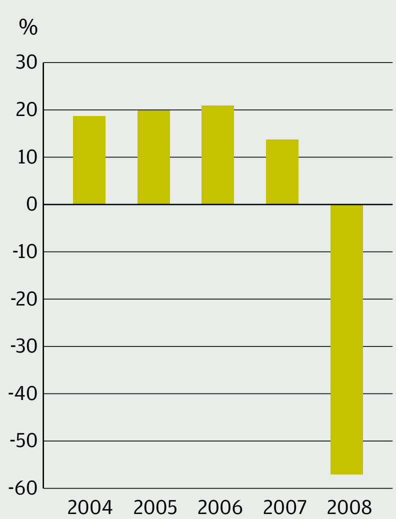
The adopted strategy and market development have, as previously mentioned, led to a requirement for recognising impairment losses on the assets in Poland. This has resulted in a material reduction of the Group's equity. As agreed limits of loan agreements in terms of solvency ratio and debt ratio would thus not be observed, the Company has conducted negotiations with its main bankers. These negotiations led to the Company entering into an agreement with the banks that these will make the credit facilities considered necessary by the Company available to the Company for the next two years. As part of the agreement, new underlying covenants have been established, and the agreement is subject to rules on provision of security and distribution of dividend.

The Supervisory Board finds the Company's financial structure inappropriate. Therefore, a process has been launched to ensure a more appropriate financial structure.

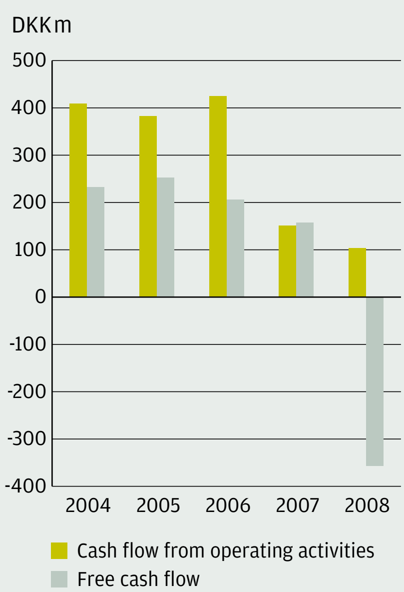
EQUITY RATIO



RETURN ON EQUITY



CASH FLOW



In that connection, the Supervisory Board will consider all relevant possibilities. It has been important for the Supervisory Board to secure the required time for this process, which has been achieved by establishing the above credit facilities, irrespective of this resulting in an increase in total financial expenses due to, among other things, the increased interest differential.

The Company's net interest-bearing debt increased significantly during 2008, primarily due to considerable investments in new technology and production structure reorganisation in Denmark as well as the acquisition of Livu Alus in Latvia in early 2008, amounting to almost DKK 2.2 billion at the end of 2008. A reduction of the debt will therefore be a key focus in future years, to which, among other things, the process launched by the Supervisory Board should contribute.

At the operational level, continuous efforts will be directed at freeing as much cash as possible. However, due to the necessary investment programme, including completion of changes to the Danish production and distribution structure and the increased expenses relating to the establishment of the required credit facilities, operating activities alone are not expected to contribute towards reducing net interest-bearing debt during 2009.

However, the target of reducing interest-bearing debt to a level corresponding to three times EBITDA is maintained.

Consequently, the Supervisory Board has found it natural to recommend to the Annual General Meeting that no dividend be distributed for the financial year 2008. Similarly, it is the intention not to recommend dividend in the financial year 2009 as well as there will not be realised share buy-backs until the ratio of net interest-bearing debt to EBITDA has been reduced to the targeted level.

MANAGEMENT CHANGES

Henrik Brandt took up the position as CEO on 1 November 2008 (see Announcement RU31/2008 of 29 September 2008), and Hans Savonije took up the position as Executive Director of Northern Europe on 1 October 2008 (see Announcement RU28/2008 of 1 August 2008).

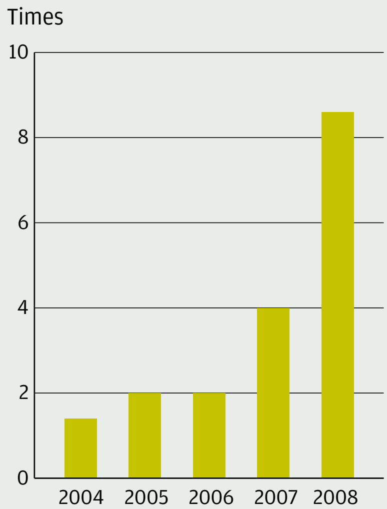
RESOLUTIONS BY THE SUPERVISORY BOARD AND RECOMMENDATIONS FOR THE ANNUAL GENERAL MEETING

The Supervisory Board recommends to the Annual General Meeting that, due to the Company's considerable interest-bearing debt, Royal Unibrew A/S should not pay any dividend for 2008. The Supervisory Board proposes that the net loss of the Parent Company be allocated to retained earnings.

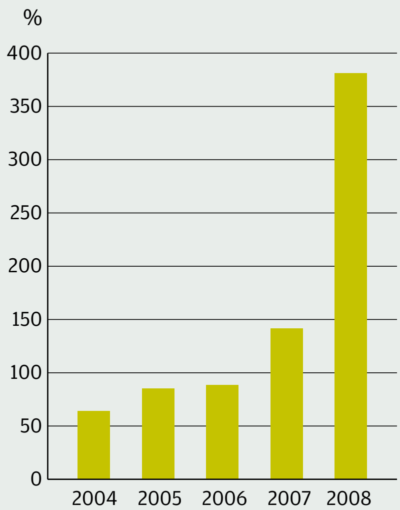
Furthermore, the Supervisory Board will propose that the Annual General Meeting authorise the Supervisory Board to acquire up to 10% shares for treasury, cf section 48 of the Danish Companies Act, in the period up until the next Annual General Meeting.

Finally, the Supervisory Board will propose that the duty of rotation for Royal Unibrew's Annual General Meetings be abolished to the effect that future Annual General Meetings are held, at the Supervisory Board's discretion, either in Funen, in Faxe or in Greater Copenhagen. At the same time, it is the Supervisory

NET INTEREST-BEARING DEBT/EBITDA



DEBT RATIO



Board's intention that, as of 2009, no further shareholders' meetings should be held. The Annual General Meetings in 2009 and 2010 will be held in Funen.

PROSPECTS

During H2, market conditions changed significantly due to the globally declining economic growth, and several markets are now seeing recession. Both customers and consumers were affected by the general uncertainty resulting in consumer reluctance and reduction of inventories in the distribution chain.

In spite of beer and soft drinks being considered less sensitive to market fluctuations than many other product categories, the considerable market volatility and inadequate visibility are expected to continue in 2009.

The general uncertainty of the economic development, possibly changed consumption habits and difficult financial conditions imply that predictions of the future are significantly more difficult to make than previously, and that expectations of future developments, even in the short term, are subject to considerable uncertainty.

In 2008 Royal Unibrew won market shares in most key markets, and Royal Unibrew is still expecting to see a favourable development in market positions and thus defend the market share wins. However, the key markets to which Royal Unibrew has exposure (Denmark, Italy, the Baltic countries and Poland) are not expected to show growth, and there are considerable signs of recession. Consequently, only moderate net selling price increases are anticipated in most markets in 2009. Royal Unibrew's sales and revenue are therefore expected to be slightly declining in 2009 as compared to 2008. It is assumed in that connection that consumer behaviour will not show any material negative trends as compared to the last months of 2008 as regards for example choice of price categories and sales channels.

The development in expenses in 2009 will be affected by an approximate 6% increase in raw material costs compared to 2008 due to the contracts and hedges made in 2008, whereas pay increases in most markets are expected to moderate as compared to previously.

The comprehensive projects commenced in Denmark in

2008 in connection with the reorganisation of the Danish production structure (closure of the Aarhus brewery) and the change of the distribution system will have a positive effect on profitability in 2009 as projects are completed during H1 2009.

In connection with the change of Royal Unibrew's strategic focus mentioned above, a number of initiatives will be launched:

- In Poland sales and marketing efforts will be concentrated. The production network structure will be simplified by closing the brewery in Koszalin, and activities at the head office in Warsaw will be adjusted. The total staff is expected to be reduced by some 100, and EBIT is expected to improve.
- In continuation of the changes to the production platform and the distribution system in Denmark, a structural and organisational adjustment will be initiated in order to further simplify and enhance the efficiency of the Danish business. The staff is expected to be reduced by some 100 salaried employees, and EBIT is expected to improve.
- In order to strengthen the already strong market positions in Latvia and Lithuania, joint operating management will be established. The combination enables improved resource utilisation within product development, production, logistics and administration while maintaining strong local market presence. These initiatives are expected only to have a limited effect in 2009.
- With a view to boosting the Group's cash flow, 2009 will have special focus on optimising the Group's working capital and investments. It is, however, expected that operating activities alone will not contribute towards a material reduction of interest-bearing debt during 2009. At the same time, a process will be launched to ensure a more appropriate capital structure.

Due to the material investments made in 2008, depreciation will increase in 2009 as compared to 2008.

Based on the above, EBIT (before "special items" and impairment) is expected to be better than the corresponding figure in 2008 (DKK 135 million).

"Special items" – primarily related to the above-mentioned reorganisation in Poland and Denmark – are expected to affect results for the year negatively by DKK 35 million in Q1 2009.

Royal Unibrew's net financials in 2009 are expected to amount to DKK 160 – 180 million. The level of net financials is especially affected by the increased interest differential due to refinancing as well as by the increased average indebtedness.

It is assumed that the general interest level will remain unchanged in 2009.

The tax rate for 2009 is expected to be at DKK 45 million since, due to the size of the Company's debt, financial expenses are not fully deductible

As to cash flow focus will be on reducing the basic working capital. Likewise, investments apart of those already started in 2008 will be held at a low level. Totally, it is expected that the interest-bearing debt will not be reduced in 2009, but it is a continuing objective to reduce the interest-bearing debt to a level of three EBITDA. A process will be launched with a view to ensuring a more appropriate capital structure.

The expected development in 2009 is – in addition to the above-mentioned issues – subject primarily to the general economic situation not deteriorating further and to no significant changes occurring in consumer behaviour during the year. Increased duties on beer and soft drinks and potentially increasing VAT rates may have a negative effect on any affected markets.

Intensified competition may obstruct the net price increases assumed by Royal Unibrew.

In terms of foreign exchange, it has been assumed that DKK will remain stable to EUR. Material changes to the exchange rates at the end of 2008, primarily LVL, LTL and GBP, may affect the above expectations.

STATEMENTS ABOUT THE FUTURE

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

ANNUAL GENERAL MEETING

The Annual General Meeting of Royal Unibrew will be held on 29 April 2009, at 17:00 in Odense.

TRANSLATION OF THE ANNUAL REPORT

The Annual Report is available in Danish and English. In case of discrepancy, the Danish version shall prevail.

SHAREHOLDER INFORMATION

Share capital	56,000,000
Number of shares	5,600,000
Denomination	DKK 10
Number of share classes	1
Restriction of voting right	10%
Place of listing	NASDAQ OMX Copenhagen A/S
Short name	RBREW
ISIN code	DK10242999
Bloomberg code	RBREW DC
Reuter code	RBREW.CO
Index	Mid Cap+

Share information

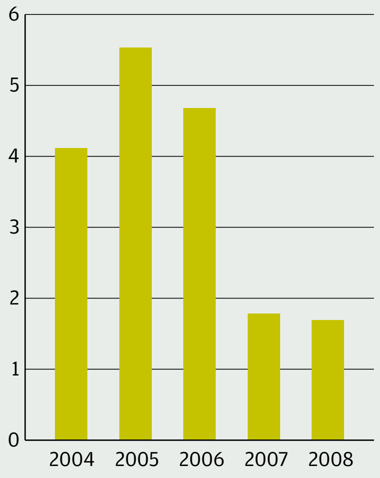
The share capital of Royal Unibrew at 31 December 2008 amounted to DKK 56,000,000 distributed on shares of DKK 10. In 2008 the share capital was reduced by DKK 3,000,000 succeeding the previously completed share buy-back programme. Royal Unibrew is not planning any share buy-backs in 2009.

Development in Royal Unibrew's share capital

DKK '000	**2008**	2007	2006	2005	2004
Balance at 1 January	59,000	61,800	63,700	63,700	65,635
Capital reduction	-3,000	-2,800	-1,900		-1,935
Balance at 31 December	**56,000**	**59,000**	**61,800**	**63,700**	**63,700**

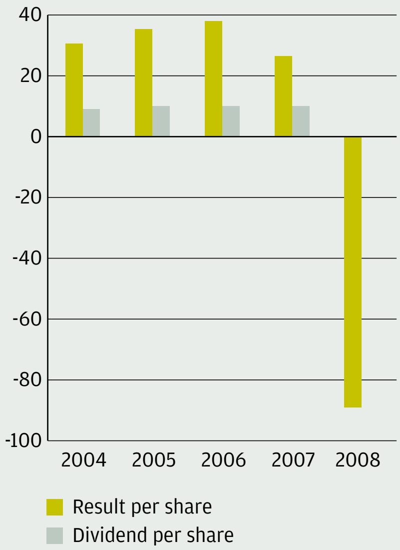
VOLUME OF TRADE

million shares



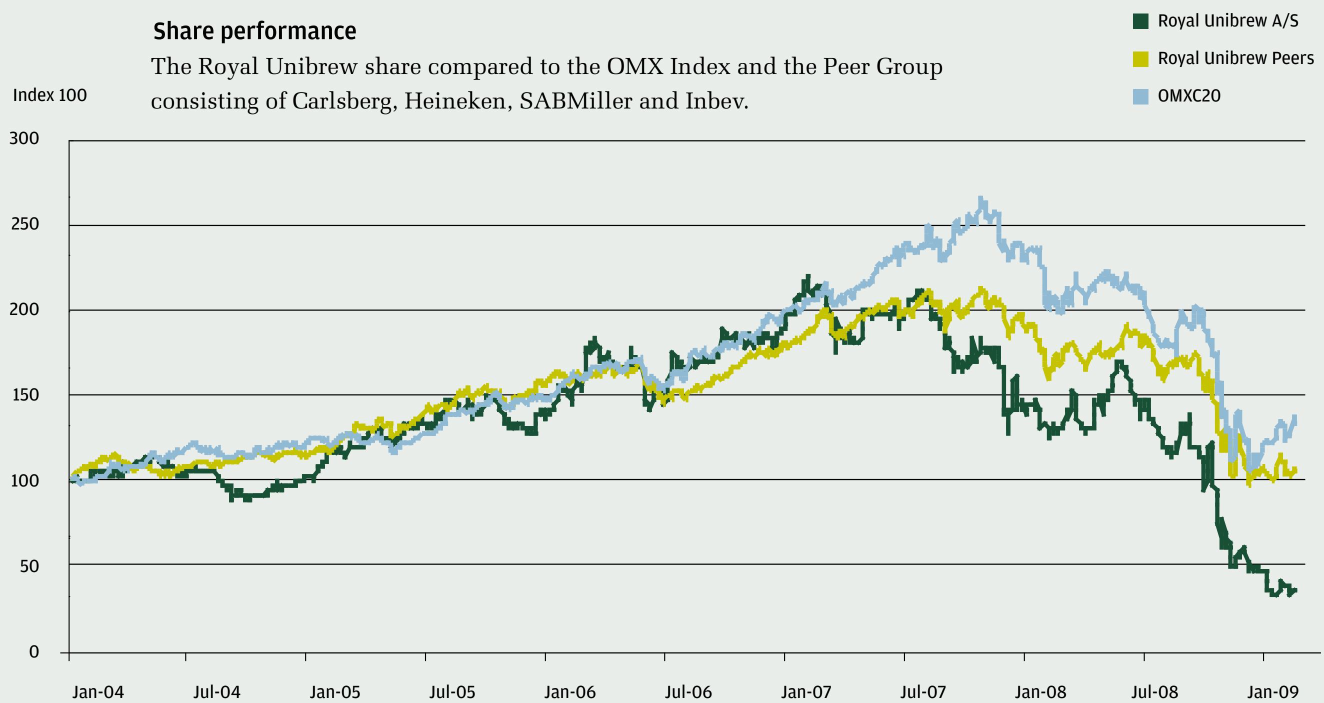
RESULT AND DIVIDEND PER SHARE

DKK



Share performance

The Royal Unibrew share compared to the OMX Index and the Peer Group consisting of Carlsberg, Heineken, SABMiller and Inbev.



The supervisory board cannot without prior approval at the General Meeting decide to issue or acquire shares for treasury.

The Supervisory Board has been authorised to increase the Company's share capital by up to DKK 6,000,000 by way of one or more issues before 1 May 2009.

Each share of DKK 10 carries one vote. Any shareholder registered in the Company's register of shareholders is entitled to vote. However, no shareholder may on his own behalf exercise voting powers for a share purchase of more than 10% of the share capital of the Company.

The shares are listed on NASDAQ OMX Copenhagen A/S, and Royal Unibrew is included in the MidCap+ Index.

At the beginning of 2008, the price of the Royal Unibrew share was 534, whereas it was 118 at the end of 2008. The price change during 2008 resulted in Royal Unibrew's market capitalisation at the end of 2008 amounting to DKK 664 million compared to DKK 3,151 million at the end of 2007.

During the year, a total of 1,694,701 shares were traded corresponding to 30% of the total number of shares at year end.

No agreements have been made between the Company and its Management or employees for compensation if they resign or their positions are made redundant due to a takeover bid. The realisation of a takeover bid which results in a change of control of the Company will entitle a few trading partners and bankers to terminate their trading agreements with the Company.

The following institutions monitor the development of Royal Unibrew:

Ownership

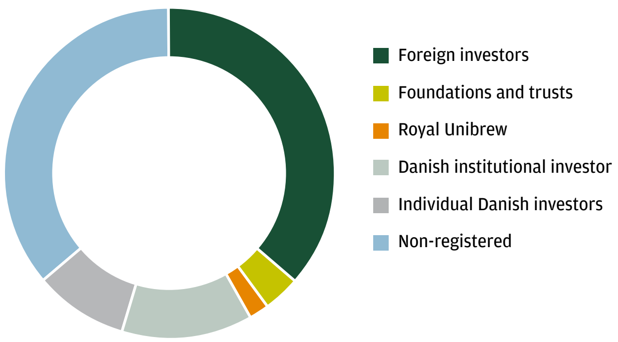
At the end of 2008, Royal Unibrew had some 12,500 registered shareholders holding together 70% of the total share capital. Moreover, per 25 February 2009 the following shareholders have reported to Royal Unibrew shareholdings in excess of 5% of the share capital (under section 29 of the Danish Companies Act):

- Stodir in Iceland: 20.46%
- Artio International Equity Fund in the USA: 11.18%
- ATP in Denmark: 5.95%
- LD F.m.b.a. in Denmark: 5.77%
- KAS Depository Trust Company in the Netherlands: 5%

Members of the Supervisory and Executive Boards are governed by Royal Unibrew's insider rules, and their share transactions are subject to a notification requirement. Individuals with inside information as well as their spouses and children below the age of 18 may trade Royal Unibrew shares only when the Supervisory Board has announced that the window for trading shares is open. This applies for a period of not more than four weeks following an announcement of financial results.

At 31 December 2008, Royal Unibrew held 106,674 treasury shares corresponding to 1.9% of the share capital.

The shareholders of Royal Unibrew are as follows:



Firm of analysts	Analyst
ABG Sundal Collier	Hans Gregersen
Crédit Suisse First Boston	Michael Bleakley
Capinordic	Peter Friis
Carnegie	Casper Blom
Danske Equities	Søren Samsøe
Enskilda Securities	Michael K. Rasmussen
Gudme Raaschou Bank	Stig Nymann
Handelsbanken	Kitty Grøn
Jyske Bank	Jens Houe Thomsen
Nordea Bank	Patrick Setterberg
Sydbank	Morten Imsgård

Financial calendar for 2009

Annual General Meeting:

29 April 2009	Annual General Meeting in Odense

Announcements of financial results:

26 February 2009	Annual Report 2008
29 April 2009	Q1 Report 2009
26 August 2009	H1 Report 2009
19 November 2009	Q3 Report 2009

Share-related ratios

Per share – DKK	2008	2007	2006	2005	2004
Royal Unibrew A/S' share	-89.0	26.4	38.0	35.4	30.6
Royal Unibrew A/S' diluted share of earnings per share	89.0	26.2	37.6	35.4	30.6
Cash flow per share	19.0	26.3	70.9	61.2	64.5
Diluted cash flow per share	19.0	26.1	70.2	61.2	64.5
Year-end price per share	118.5	534.0	740.0	532.0	377.0
Dividend per share	0.0	10.0	10.0	10.0	9.0

Dividend and general meeting

The Supervisory Board recommends to the Annual General Meeting that, due to the Company's considerable interest-bearing debt, Royal Unibrew A/S should not pay any dividend for 2008. The Supervisory Board proposes that the net loss of the Parent Company be allocated to retained earnings. Further, the Supervisory Board will propose that the duty of rotation for Royal Unibrew's Annual General Meetings be abolished to the effect that future Annual General Meetings are held, at the Supervisory Board's discretion, either in Funen, in Faxe or in Greater Copenhagen. At the same time, it is the Supervisory Board's intention that, as of 2009, no further shareholders' meetings should be held. The Annual General Meetings in 2009 and 2010 will be held in Funen.

The Company's Annual General Meeting will be held on 29 April 2009 at 17:00 at the Odense Congress Center in Odense.

In order for shareholders to receive notification of the Annual General Meeting of Royal Unibrew, their shares must be registered. Registration is effected by contacting the bank holding the shares in safe custody. Registered shareholders may also register for automatic receipt of the Annual Report and the Brew Magazine through the investor portal at the Company's website.

Investor relations activities

Royal Unibrew aims at ensuring open and timely information for its shareholders and other stakeholders. A number of activities are carried out continuously to ensure good contacts with the Company's stakeholders.

Royal Unibrew holds analyst and investor meetings in both Denmark and abroad in connection with the publication of Interim and Annual Reports. Moreover, in 2008, Royal Unibrew participated in the Enskilda Securities Nordic Seminar, the Carnegie Small & Mid Cap Seminar in Stockholm and information meetings organised by the Danish Employees' Capital Pension Fund, etc. The presentations from these meetings are accessible at Unibrew's website, www.royalunibrew.com.

Furthermore, in 2008 Royal Unibrew held three webcasts in connection with the publication of the Annual Report 2007, the H1 Report 2008 and the Q3 Report 2008, respectively.

The Brew Magazine, which is the shareholder magazine of Royal Unibrew, is usually issued twice a year. However, in 2008 the magazine was only issued once. The Brew Magazine and the Annual Report are forwarded to the shareholders who have asked to receive them, and they are also accessible at the website.

CORPORATE GOVERNANCE

Royal Unibrew Management emphasises corporate governance and regularly performs reviews of the Company's rules, policies and practice. The objective is to ensure that the Company meets its obligations to shareholders, customers, employees, authorities and other stakeholders in the best possible way and that long-term value creation is supported.

NASDAQ OMX Copenhagen has issued Corporate Governance Recommendations, and Royal Unibrew is generally in compliance with these, with a few exceptions which are described below.

Supervisory board members' other duties, (recommendation V, 7):
It is recommended that a supervisory board member who is also a member of the Executive Board of an active company hold not more than three ordinary directorships or one chairmanship and one ordinary directorship in companies not forming part of the group unless in exceptional circumstances.

- Several members of the Supervisory Board do not comply with this recommendation, and the Supervisory Board assesses in each individual case the duties of the individual members outside the Group with a view to continuously ensuring that the individual supervisory board member can allocate the necessary resources to his/her work on the Supervisory Board of Royal Unibrew.

Remuneration of the Supervisory and Executive Boards, (recommendation VI, 5):
It is recommended that the Annual Report disclose remuneration of the individual members of the Supervisory Board and the Executive Board.

- The remuneration of members of the Supervisory Board is disclosed in the below section "Remuneration of Supervisory Board and Executive Board". Disclosure of remuneration of the individual members of the Executive Board is not at present considered material to stakeholders' assessment. The remuneration of the Executive Board is described in detail in note 4. The remuneration of the Executive Board is considered in line with that of comparable companies.

Independence of the Supervisory Board, (recommendation V,4)
It is recommended that members of the Company's Executive Board should not be members of the Supervisory Board.

- Henrik Brandt, CEO, who joined the Company in the autumn of 2008, has been a member of the Company's Supervisory Board for several years. The Company's CEO has decided to resign from the Supervisory Board at the next general meeting.

Market price of options at the time of allocation, (recommendation VI, 3):
It is recommended that redemption prices of allocated share options be higher than the market price at the time of allocation.

- Royal Unibrew fixes the redemption price of allocated share options on the basis of the average market price of the Company's share over the 10 trading days following the publication of the Annual Report in question. The pricing method is applied to ensure that the options are attractive.

Shareholder and stakeholder relations
Royal Unibrew's Management wants and works actively to maintain good and open communication and dialogue with its shareholders and other stakeholders. The Company believes that a high level of openness in the communication of information on the Company's development supports the Company's work and a fair valuation of the Company's shares. The Group's openness is limited only by the duties of disclosure of NASDAQ OMX and by competitive considerations.

The dialogue with and communication to shareholders and stakeholders take place by the issuing of Interim Reports and other announcements by the Company, via webcasts , meetings with investors, analysts and the press. Interim Reports and other announcements are accessible at Royal Unibrew's website immediately after being published. Our website also includes material used in connection with investor presentations and webcasts.

According to the Articles of Association of the Company, general meetings shall be convened at not less than one week's and not more than four weeks' notice. However, the Supervisory Board aims at convening general meetings of the Company at not less than three weeks' notice. It aims at formulating the notice convening the meeting and the agenda so as to give shareholders an adequate presentation of the business to be transacted at the general meeting. Proxies are limited to a specific general meeting and are formulated in such a way as to allow absent shareholders to give specific proxies for individual items of the agenda.

The Articles of Association of Royal Unibrew contain a restriction on voting according to which one single shareholder or a group of cooperating shareholders cannot vote for more than 10% of the total number of votes. The Supervisory Board does not consider this provision protection against a potential serious investor taking over control of the Company if this is in the interest of the shareholders, but it is assumed that the provision will, if required, prevent takeover of actual control on the basis of a minority and in this situation instead promote a total bid for a controlling interest in the Company.

If a bid to take over the Company's shares is received, the Supervisory Board will – as required by legislation – communicate the bid to the shareholders accompanied by the Supervisory Board's comments

Work of the Supervisory Board

The Supervisory Board handles overall strategic management, financial and managerial supervision of the Company as well as continuous evaluation of the work performed by the Executive Board.

The Supervisory Board performs its work in accordance with the Rules of Procedure of the Company governing the Supervisory and Executive Boards. These Rules of Procedure are reviewed and updated regularly by the full Supervisory Board.

The supervisory board members meet for four annual ordinary board meetings, including one 2-day seminar focusing on the Company's strategic situation and prospects. In addition, the supervisory board members

meet when required. In 2008, the Supervisory Board held 11 meetings.

Royal Unibrew has not in the past established any standing board committees, but ad-hoc committees are established as required. No ad-hoc committees were established in 2008.

New rules require that as of 2009 audit committees be established by listed companies, and such committees must have at least one independent member with qualifications within accounting and/or auditing. The Supervisory Board of Royal Unibrew has decided to take on the audit committee tasks jointly.

Composition of the Supervisory Board

When composing the Supervisory Board, we emphasise that the members have the competencies required to solve the task. Candidates for the Supervisory Board are recommended for election by the general meeting supported by motivation in writing by the Supervisory Board as well as a description of the recruiting criteria.

At present, the Supervisory Board consists of six members elected by the general meeting and three members elected by the employees. When joining the Supervisory Board, the members elected by the employees are offered relevant training in serving on a board.

All members of the Supervisory Board elected by the general meeting except the CEO are considered independent.

The members of the Supervisory Board of Royal Unibrew are governed by an age limit of 65. A member of the Supervisory Board who changes his principal occupation during his term of office shall in principle be prepared to offer to resign if the rest of the Supervisory Board considers this advisable.

Regular evaluation of the work of the Supervisory Board is performed. The Executive Board and the cooperation between the Supervisory Board and the Executive Board are evaluated on an annual basis.

Remuneration of Supervisory Board and Executive Board

The members of the Supervisory Board are remunerated by a fixed annual amount for their continuing work on the Board. In connection with particularly comprehensive ad-hoc committee work, the Supervisory Board may, based on the scope of the work, determine a special remuneration. It is the aim that the remuneration of the Supervisory Board should match the level of comparable companies.

The Supervisory Board does not participate in incentive programmes, such as share option programmes, bonus pay, etc.

For 2008, unchanged fixed remuneration of DKK 1.7 million was paid to the Supervisory Board. Other than that, no special remuneration has been paid. The annual remuneration paid to ordinary members of the Supervisory Board amounts to DKK 150k. The Chairman and the Deputy Chairman receive remuneration of 2.5 and 1.5 times, respectively, the remuneration paid to ordinary members of the Supervisory Board.

A bonus pay programme has been established for the management team (including the Executive Board) of Royal Unibrew, the sales organisations and selected employees. The current share option programme has been cancelled as the assumptions for this programme have been considered shattered.

Redundancy payment agreed with the Executive Board is considered in line with arrangements of comparable enterprises.

Risk management

The Supervisory Board continuously assesses the various risks with which an internationally operating enterprise like Royal Unibrew is faced.

The key risks are summarised by the following main areas:

- Financial risks (currency, interest rates, liquidity)
- Exposure hazard and third-party risks
- Credit risks (financial institutions and commercial receivables)
- Market risks
- Environmental risks

Financial, credit and market risks are assessed in connection with the Company's strategy and budgeting proce dures. Exposure hazard and third-party risks (insurance cover) are reviewed on an annual basis according to the Rules of Procedure for the Supervisory Board, whereas environmental risks are considered in connection with the Company's environmental reports. Furthermore, the Supervisory Board monitors the special risks that may result from the Company's involvement in the production and sale of alcoholic beverages.

Based on a systematic identification of the risk factors that affect Royal Unibrew, the Supervisory Board will in 2009 prepare a risk management policy contributing to the total risk exposure being monitored and adjusted on a current basis. For a detailed description of the Company's risks, reference is made to note 2 on page 47 and to page 34 (environmental risks).

SOCIAL RESPONSIBILITY

Royal Unibrew is aware of its social and environmental responsibility and has for several years continuously addressed a number of the related areas. In 2008 more systematic social responsibility work was initiated in several areas.

During 2009 Royal Unibrew's Corporate Social Responsibility reporting will be further developed

A number of new initiatives in 2008

In 2008 a new corporate Code of Ethics was formulated, and in continuation of this a common quality, food safety and environmental policy was prepared.

The main elements of the policy are:

- Royal Unibrew's products and production should meet customer requirements and international standards for quality, food safety, environment, health & safety and human rights;
- continued improvements should be made in the quality and environmental area with efforts directed at creating safe workplaces;
- Royal Unibrew should be engaged in open dialogue on its social and environmental responsibility;
- there should be focus on the efforts made by Royal Unibrew suppliers to improve quality and the environment as well as ethical standards.

Furthermore, in 2008 a number of specific policies were prepared and a number of activities were launched in the individual areas.

Human rights

Royal Unibrew does not tolerate discrimination of its employees due to gender, race or religion. Child labour and slave labour are not permitted, and Royal Unibrew seeks to ensure that partners and suppliers live up to this policy. In the supply area, the preparation of guidelines for assessing suppliers on quality, environment and ethics has been initiated.

Royal Unibrew employees have the right to unionise and the right to strike in accordance with the legislation in the countries in which Royal Unibrew has activities.

Employees and health & safety

Every year, Royal Unibrew carries out a job satisfaction survey among its employees. The objective is to improve the workplace by mutual effort. Accident frequency and absence due to accidents are recorded at all group breweries and reporting is made. The total number of accidents at work, and thus the accident frequency, for the entire Group was higher in 2008 than in 2007. In 2008 Royal Unibrew intensified the initiatives aimed at reducing the accident frequency, including specific measures, training and attitude management. The development will be monitored closely over the future period.

Food safety

A project has been launched comprising the implementation of a management system for food safety for the entire Group. This means that all Royal Unibrew breweries will be certified under the international standard for food safety, ISO22000, by the end of 2009.

Responsible alcohol consumption

Royal Unibrew takes responsibility for its communication on beer consumption in relation to advertising, sponsorships and campaigns, especially with respect to minors. Royal Unibrew complies with the relevant legislation in the countries in which the Company's products are marketed, and Royal Unibrew participates actively in Brewers of Europe's work with responsible alcohol consumption.

Competition

Royal Unibrew's business practice should always comply fully with competition regulation irrespective of the place of operation.

Bribery

Royal Unibrew's employees may neither pay nor accept any bribe or inappropriate payment for the sake of their own or the Company's gain. If employees are involved in bribery, disciplinary action will be taken against them. All Royal Unibrew production units have strong focus on the environmental impacts of the Company's production.

ENVIRONMENTAL EFFORTS

Our efforts are still primarily targeted at:

- Reduction of energy consumption
- Reduction of water consumption
- Reduction of waste water discharge

The Danish breweries have environmental certification under the ISO14001 environmental standard as well as EMAS registration, and a special environmental report is prepared for production in Denmark.

Energy

Energy consumption per unit produced for the Group as a whole decreased by 5.1% in 2008 as compared to 2007. This was particularly caused by efficiency enhancement at the Polish breweries, in Lithuania and in Denmark. In the long term, it is expected that the production integrations will contribute towards more efficient production and thus lower energy consumption.

Water consumption and waste water

Water consumption per unit produced for the Group as a whole increased by 0.4% from 2007, due to, among other things, water consumption per unit produced at the brewery in Aarhus increasing at the end of 2008 as a result of reduced production leading up to the production stop. Waste water discharge for the Group, however, decreased by 1.7% in 2008 due to reduced discharge from the breweries in Faxe and Odense.

Resources

An important means to improving our environmental results is the minimisation of all types of waste of resources. Wastage and shrinkage are currently measured, eg in production, and improvement projects are launched on a current basis. Moreover, efforts are directed at increasing the recycling of water and waste. To the extent possible, water is recycled in places where water quality is not so crucial. Mask, which is a residual product from malt, is sold to local farmers as animal feed. Solid waste, such as glass, is returned to the manufacturer, who uses the returned glass for new bottles.

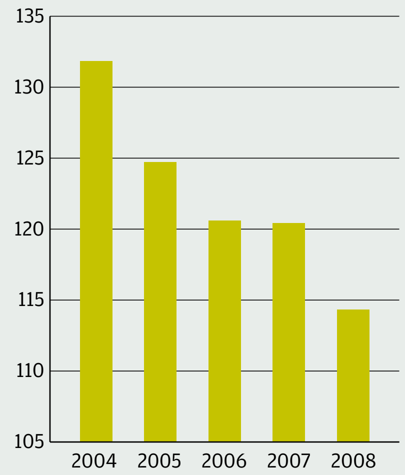
At some Royal Unibrew breweries, capture plants for carbon dioxide have been installed to capture the carbon dioxide released in the brewing process. By this, the environment is protected from carbon dioxide discharges from the brewery, and at the same time the impact from the carbon dioxide quantities that the brewery would otherwise have purchased is saved.

Targets for 2009

In the environmental area, Royal Unibrew will in 2009 continue working at the implementation of the common policy and objectives for the entire Group. Our efforts will

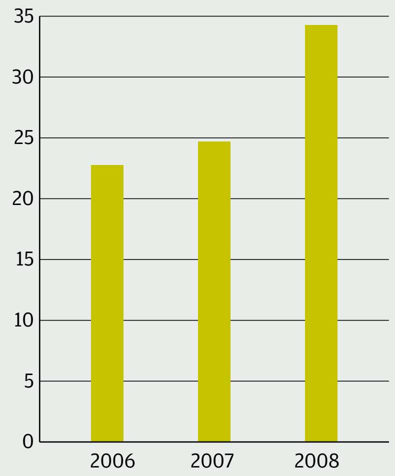
ENERGY CONSUMPTION

MJ/hl



SAFETY ACCIDENTS FREQUENCY

No/1 million working hours



concentrate on energy and water savings. Furthermore, working environment and health & safety will be target areas of high priority.

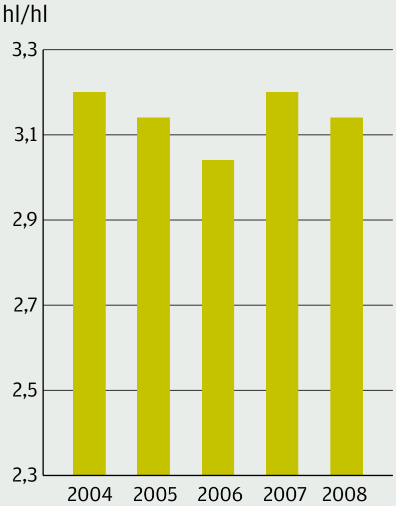
Also in 2009 targeted efforts will be directed at reducing Royal Unibrew's indirect environmental impacts in areas such as the development of lighter packaging and container types for bottles and distribution.

In 2009 the results of a project concerning calculation of the CO2 foot print for beer and soft drinks produced in Denmark will be published. Royal Unibrew has participated in a project in this area together with Carlsberg and the Danish industry association.

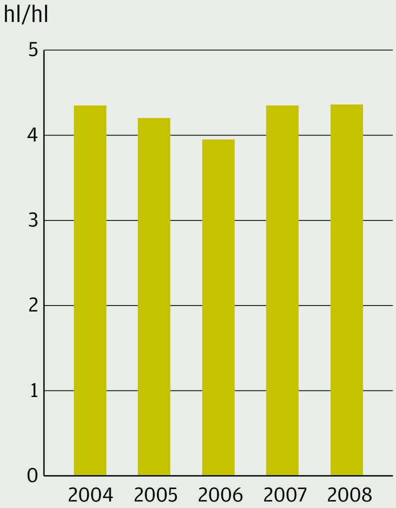
Additional information and documentation on environmental issues of Royal Unibrew

Reference is made to Royal Unibrew's Environmental Report for the EMAS registered breweries for 2008, which will be issued in May 2009. This report provides detailed environmental information on the external and internal environmental work of Royal Unibrew, Denmark.
You may obtain a copy of the Environmental Report by contacting Royal Unibrew A/S or by downloading them at our website (www.royalunibrew.com).

WASTE WATER



WATER CONSUMPTION



MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have presented the Annual Report of Royal Unibrew A/S. The Annual Report has today been considered and adopted.

The Annual Report was prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies.

We consider the accounting policies applied appropriate and the accounting estimates made reasonable, and, in our opinion, the Consolidated and Parent Company Financial Statements provide the information relevant to assess the financial circumstances of the Group and the Parent Company. Accordingly, in our opinion, the Consolidated and Parent Company Financial Statements give a true and fair view of the financial position 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 2008.

In our Opinion, Management's Review gives a true and fair view of the development in the activities and financial circumstances of the Group and the Parent Company, of results of operations for the year and of the overall financial position of the enterprises comprised by the Consolidated Financial Statements as well as of the financial position of the Parent Company, and a description of the key risks and uncertainties facing them.

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

Faxe, 25 February 2009

Executive Board

Henrik Brandt, CEO

Hans Savonije, International Director

Ulrik Sørensen, CFO

Supervisory Board

Steen Weirsøe, Chairman

Tommy Pedersen, Deputy Chairman

Henrik Brandt

Ulrik Bülow

Erik Christensen

Erik Højsholt

Allan Meier Jensen

Kirsten Liisberg

Hemming Van

INDEPENDENT AUDITOR' REPORT

We have audited the Annual Report of Royal Unibrew A/S for the financial year 2008, which comprises reviews, Management's Statement, income statement, balance sheet, statement of changes in equity, cash flow statement, significant accounting policies and notes for the Group as well as for the Parent Company. The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Management's Responsibility for the Annual Report

Management is responsible for the preparation and fair presentation of the Annual Report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Annual Report based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the Annual Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2008 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for the financial year 2008 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Faxe, 25 February 2009

Ernst & Young
Statsautoriseret Revisionsaktieselskab

Leif Shermer   Eskild Jakobsen
State Authorised Public Accountants

GROUP STRUCTURE

Segment	Ownership	Currency	Share capital
Western Europe			
Subsidiaries			
Aktieselskabet Cerekem International LTD., Faxe, Denmark	100.0%	DKK	1,000,000
Albani Sverige AB, Sweden	100.0%	SEK	305,000
Centre Nordique d'Alimentation EURL, France	100.0%	EUR	200,000
Ceres S.p.A., Italy	100.0%	EUR	206,400
Faxe Getränke-Vertrieb GmbH, Germany	100.0%	EUR	127,823
Maribo Bryghus A/S, Maribo, Denmark	100.0%	DKK	1,805,500
Associates			
Hansa Borg Skandinavisk Holding A/S, Faxe, Denmark	25.0%	DKK	53,577,400
Hansa Borg Holding ASA, Norway	100.0%	NOK	54,600,000
Hansa Borg Bryggerierne ASA, Norway	100.0%	NOK	29,065,000
Nuuk Imeq A/S, Nuuk, Greenland		DKK	38,000,000
Eastern Europe			
Subsidiaries			
AB Kalnapilio-Tauro Grupe, Lithuania	100.0%	LTL	62,682,000
Royal Unibrew Services UAB, Lithuania	100.0%	LTL	150,000
SIA "Cido Grupa", Latvia	100.0%	LVL	785,074
Royal Unibrew Polska Sp. z o. o., Poland	100.0%	PLN	107,302,400
Malt and Overseas Markets			
Subsidiaries			
Supermalt UK Ltd., UK	100.0%	GBP	9,700,000
Vitamalt (West Africa) Ltd., UK	100.0%	GBP	10,000
Drinktech Holding AG, Switzerland	100.0%	CHF	100,000
Impec Holding SAS, Guadeloupe	51.0%	EUR	5,294,000
Import-Export Compagnie S.A., Guadeloupe	100.0%	EUR	304,898
Impec Martinique S.A., Martinique	100.0%	EUR	8,000
The Danish Brewery Group Inc., USA	100.0%	USD	100,000
St. Vincent Breweries Ltd., St. Vincent	76.5%	XCD	18,310,000
Antigua Brewery Ltd., Antigua	93.0%	XCD	21,747,075
Antigua PET Plant Ltd., Antigua	75.0%	XCD	1,500,000
Dominica Brewery & Beverages Ltd., Dominica	58.0%	XCD	10,000,000
Royal Unibrew Caribbean Ltd., Puerto Rico	100.0%	USD	200,000
Associates			
Solomon Breweries Limited, Solomon Islands	35.2%	SBD	21,600,000

Activity	Production, sales and distribution	Sales and distribution	Holding company	Other activity

Income Statement for 1 January - 31 December (DKK '000)

Parent Company 2007	Parent Company 2008	Note		Group 2008	Group 2007
2,894,423	3,088,400		Revenue	4,918,600	4,574,173
-309,738	-337,332		Beer and mineral water excises	-739,897	-692,411
2,584,685	**2,751,068**		**Net revenue**	**4,178,703**	**3,881,762**
-1,400,478	-1,559,763	4,5	Production costs	-2,433,298	-2,129,173
1,184,207	**1,191,305**		**Gross profit**	**1,745,405**	**1,752,589**
-809,934	-866,806	4,5	Sales and distribution expenses	-1,387,543	-1,268,783
-167,648	-150,627	4,5	Administrative expenses	-226,844	-249,042
3,824	3,830		Other operating income	3,835	9,289
210,449	**177,702**		**Operating profit before special items**	**134,853**	**244,053**
0	0	6	Special income	0	128,068
-76,611	-51,231	6	Special expenses	-50,125	-107,823
0	0	12	Impairment losses	-384,957	0
133,838	**126,471**		**Profit/loss before financial income and expenses**	**-300,229**	**264,298**
		14	Income after tax from investments	22,654	27,998
39,760	99,290		Dividend from subsidiaries and associates	0	0
0	-709,071	12,13	Impairment losses on investments and balances	-70,104	0
25,294	52,666	7	Financial income	33,899	26,704
-101,509	-143,057	8	Financial expenses	-139,185	-98,836
97,383	**-573,701**		**Profit/loss before tax**	**-452,965**	**220,164**
-28,783	-32,000	9	Tax on the profit/loss for the year	-30,200	-64,930
68,600	**-605,701**		**Net profit/loss for the year**	**-483,165**	**155,234**
			distributed as follows:		
			Parent Company shareholders' share of net profit/loss	-484,333	151,747
			Minority shareholders' share of net profit/loss	1,168	3,487
			Net profit/loss for the year	**-483,165**	**155,234**
		16	Parent Company shareholders' share of earnings per share (DKK)	-89.0	26.4
		16	Parent Company shareholders' share of diluted earnings per share (DKK)	-89.0	26.2

Assets at 31 December (DKK '000)

Parent Company				Group	
2007	2008	Note	NON-CURRENT ASSETS	2008	2007
80,645	80,645		Goodwill	311,275	487,861
2,990	4,048		Trademarks	167,885	278,351
7,589	6,406		Distribution rights	7,186	8,524
91,224	**91,099**	10,11,12	**Intangible assets**	**486,346**	**774,736**
468,006	326,745		Land and buildings	643,363	770,679
	400,000		Project development properties	400,000	
162,824	263,163		Plant and machinery	529,291	488,715
150,397	131,685		Other fixtures and fittings, tools and equipment	214,997	240,091
36,573	210,477		Property, plant and equipment in progress	291,787	57,536
817,800	**1,332,070**	10,25	**Property, plant and equipment**	**2,079,438**	**1,557,021**
1,462,026	1,014,696		Investments in subsidiaries	0	0
179,231	113,470	14	Investments in associates	87,650	225,691
134,529	76,386		Receivables from subsidiaries	0	0
25,481	20,634		Receivables from associates	20,634	25,481
2,519	56,432		Other investments	56,900	3,018
10,763	10,556		Other receivables	11,939	11,592
1,814,549	**1,292,174**	10,13,26	**Financial assets**	**177,123**	**265,782**
2,723,573	**2,715,343**		**Non-current assets**	**2,742,907**	**2,597,539**
			CURRENT ASSETS		
56,647	56,590		Raw materials and consumables	122,194	169,316
13,083	12,014		Work in progress	27,177	25,816
87,507	152,456		Finished goods and purchased finished goods	265,302	156,461
157,237	**221,060**		**Inventories**	**414,673**	**351,593**
168,340	180,098		Trade receivables	541,566	577,847
285,342	276,156		Receivables from subsidiaries	0	0
1,012	1,008		Receivables from associates	1,008	1,012
48,829	93,570		Other receivables	113,679	64,035
15,087	134,466	15	Prepayments	147,191	31,435
518,610	**685,298**		**Receivables**	**803,444**	**674,329**
20,597	**36,055**		**Cash at bank and in hand**	**90,384**	**157,832**
696,444	**942,413**		**Current assets**	**1,308,501**	**1,183,754**
3,420,017	**3,657,756**		**Assets**	**4,051,408**	**3,781,293**

Liabilities and Equity at 31 December (DKK '000)

Parent Company				Group	
2007	2008	Note	EQUITY	2008	2007
59,000	56,000	16	Share capital	56,000	59,000
0	180,000		Revaluation reserves	180,000	0
0	0		Translation reserve	-102,279	-7,694
9,994	-34,289		Hedging reserve	-34,603	10,057
924,695	283,618		Retained earnings	440,788	960,411
59,000	0		Proposed dividend	0	59,000
1,052,689	485,329		Equity of Parent Company shareholders	539,906	1,080,774
0	0		Minority interests	34,922	38,689
1,052,689	485,329		Equity	574,828	1,119,463
96,094	169,731	17	Deferred tax	179,378	127,718
734,503	734,655	18	Mortgage debt	734,655	749,751
645,203	770,504	18	Credit institutions	968,888	790,260
1,475,800	1,674,890		Non-current liabilities	1,882,921	1,667,729
0	0	18	Mortgage debt	0	953
145,278	488,286	18	Credit institutions	599,335	228,433
84,141	59,572	19	Repurchase obligations, returnable packaging	74,056	97,533
207,382	391,175		Trade payables	523,175	350,407
281,118	234,491		Payables to subsidiaries	0	0
12,730			Corporation tax	0	54,759
54,862	37,177		VAT, excise duties, etc	61,439	98,764
106,017	286,836	15	Other payables	335,654	163,252
891,528	1,497,537		Current liabilities	1,593,659	994,101
2,367,328	3,172,427		Liabilities	3,476,580	2,661,830
3,420,017	3,657,756		Liabilities and equity	4,051,408	3,781,293

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

Group

Share capital	Revaluation reserves	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority interests' share	Total
61,800	0	-9,194	1,975	1,018,823	61,800	12,917	1,148,121
		-1,750		-4,699		-4,590	-11,039
		3,250					3,250
			13,443				13,443
			-2,743				-2,743
			-2,618				-2,618
0	0	1,500	8,082	-4,699	0	-4,590	293
				92,747	59,000	3,487	155,234
0	0	1,500	8,082	88,048	59,000	-1,103	155,527
						26,875	26,875
					-57,722		-57,722
				4,078	-4,078		0
				-162,598			-162,598
				6,854			6,854
				3,100			3,100
-2,800				2,800			0
				-694			-694
-2,800	0	0	0	-146,460	-61,800	26,875	-184,185
-2,800	0	1,500	8,082	-58,412	-2,800	25,772	-28,658
59,000	0	-7,694	10,057	960,411	59,000	38,689	1,119,463
	240,000						240,000
	-60,000						-60,000
		-94,585		86		-4,935	-99,434
			-34,902				-34,902
			-13,443				-13,443
			3,685				3,685
0	180,000	-94,585	-44,660	86	0	-4,935	35,906
				-484,333	0	1,168	-483,165
0	180,000	-94,585	-44,660	-484,247	0	-3,767	-447,259
					-54,901		-54,901
				4,099	-4,099		0
				-46,244			-46,244
				1,551			1,551
				2,218			2,218
-3,000				3,000			0
-3,000	0	0	0	-35,376	-59,000	0	-97,376
-3,000	180,000	-94,585	-44,660	-519,623	-59,000	-3,767	-544,635
56,000	180,000	-102,279	-34,603	440,788	0	34,922	574,828

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

Parent Company

	Share capital	Revaluation reserves	Translation reserve	Retained earnings	Proposed dividend for the year	Total
Equity at 31 December 2006	61,800	0	2,637	1,061,274	61,800	1,187,511
Value and exchange adjustment, foreign subsidiaries						
Tax on value and exchange adjustment						
Value adjustment of hedging instruments, end of year			13,356			13,356
Reversal of value adjustment of hedging instruments, beginning of year			-3,662			-3,662
Tax on hedging instruments			-2,337			-2,337
Net gains recognised directly in equity	0	0	7,357	0	0	7,357
Net profit for the year				9,600	59,000	68,600
Comprehensive income	0	0	7,357	9,600	59,000	75,957
Minority shares of acquired businesses						
Dividend distributed to shareholders					-57,722	-57,722
Dividend on treasury shares				4,078	-4,078	0
Acquisition of shares for treasury				-162,598		-162,598
Sale of treasury shares				6,854		6,854
Share-based payments				3,100		3,100
Reduction of capital	-2,800			2,800		0
Tax on equity movements				-413		-413
Total shareholders	-2,800	0	0	-146,179	-61,800	-210,779
Total changes in equity in 2007	-2,800	0	7,357	-136,579	-2,800	-134,822
Equity at 31 December 2007	59,000	0	9,994	924,695	59,000	1,052,689
Revaluation of project development property		240,000				240,000
Tax on revaluation of project development property		-60,000				-60,000
Value and exchange adjustment, foreign subsidiaries						
Value adjustment of hedging instruments, end of year			-34,289			-34,289
Reversal of value adjustment of hedging instruments, beginning of year			-13,356			-13,356
Tax on hedging instruments			3,362			3,362
Net gains recognised directly in equity	0	180,000	-44,283	0	0	135,717
Net profit/loss for the year				-605,701	0	-605,701
Comprehensive income	0	180,000	-44,283	-605,701	0	-469,984
Dividend distributed to shareholders					-54,901	-54,901
Dividend on treasury shares				4,099	-4,099	0
Acquisition of shares for treasury				-46,244		-46,244
Sale of treasury shares				1,551		1,551
Share-based payments				2,218		2,218
Reduction of capital	-3,000			3,000		0
Total shareholders	-3,000	0	0	-35,376	-59,000	-97,376
Total changes in equity in 2008	-3,000	180,000	-44,283	-641,077	-59,000	-567,360
Equity at 31 December 2008	56,000	180,000	-34,289	283,618	0	485,329

Only the hedging reserve and retained earnings may be used for distribution of dividend to Parent Company shareholders. Retained earnings include share premium account of DKK 53.9 million for which a separate restricted reserve is no longer required due to changes to the Danish Companies Act.

Cash Flow Statement for 1 January - 31 December (DKK '000)

Parent Company				Group	
2007	2008	Note		2008	2007
68,600	-605,701		Net profit/loss for the year	-483,165	155,234
238,777	814,986	20	Adjustments for non-cash operating items	744,950	239,666
307,377	209,285			261,785	394,900
			Change in working capital:		
75,504	10,126		+/- change in receivables	51,578	-45,364
17,660	-63,823		+/- change in inventories	-81,622	-14,472
-26,533	93,807		+/- change in payables	123,737	-10,812
374,008	249,395		Cash flows from operating activities before financial income and expenses	355,478	324,252
25,148	52,660		Financial income	34,003	26,923
-80,281	-104,423		Financial expenses	-151,865	-92,823
318,875	197,632		Cash flows from operating activities	237,616	258,352
-82,401	-77,354		Corporation tax paid	-134,408	-106,895
236,474	120,278		Cash flows from operating activities	103,208	151,457
39,760	99,290		Dividends received from subsidiaries and associates	14,336	15,958
116	0		Sale of securities		
42,902	9,244		Sale of property, plant and equipment	45,349	212,141
-130,489	-363,045		Purchase of property, plant and equipment	-519,107	-222,543
188,763	*-134,233*		*Free cash flow*	*-356,214*	*157,013*
6,000	0		Sale of associates		17,990
-424,817	0	20	Acquisition of subsidiaries	-126,546	-393,477
-57,265	-38,400		Acquisition of intangible and financial assets	-3,045	-2,340
-523,793	-292,911		Cash flows from investing activities	-589,013	-372,271
300,123	125,453		Proceeds from raising of non-current debt	141,986	300,123
-65,652	0		Repayment of non-current debt	-16,049	-69,923
-10,737	343,008		Change in current debt to credit institutions	391,799	-5,036
-15,851	-180,776		Change in financing of subsidiaries		
-57,722	-54,901		Dividends paid	-54,901	-57,722
-162,598	-46,244		Acquisition of shares for treasury	-46,244	-162,598
6,854	1,551		Sale of treasury shares	1,551	6,854
-5,583	188,091		Cash flows from financing activities	418,142	11,698
-292,902	15,458		Change in cash and cash equivalents	-67,663	-209,116
313,499	20,597		Cash and cash equivalents at 1 January	157,832	368,320
0	0		Exchange adjustment	215	-1,372
20,597	36,055		Cash and cash equivalents at 31 December	90,384	157,832

Notes to the Annual Report 2008

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Descriptive notes

Note 1 Critical accounting estimates and judgements

In connection with the preparation of the Parent Company and Consolidated Annual Report, Management makes estimates and judgements as to how recognition and measurement of assets and liabilities should take place based on the accounting policies applied.

The calculation of carrying amounts of certain assets and liabilities requires judgement as to how assets and liabilities should be classified in the financial statements and how future events will affect the value of these assets and liabilities at the balance sheet date. Estimates that are material to the financial reporting are made eg by impairment tests of intangible and financial assets, calculation of depreciation and impairment losses on property, plant and equipment, provisions for bad debts, calculation of repurchase obligation relating to returnable packaging as well as assessment of contingent liabilities. Management has opted to apply the exemption provision of IAS 16 which allows the measurement of project development properties at fair value. In 2008, a change of the classification of investments in an associate was assessed necessary. Estimate of the fair value of project development properties resulted in revaluation of the value of the brewery properties in Aarhus by DKK 240 million, and impairment tests of non-current assets relating to the Group's Polish activities resulted in impairment losses of DKK 455 million (DKK 709 million in the Parent Company), see notes 12 and 13.

The estimates made are based on assumptions which Management considers reasonable but which are inherently uncertain and unpredictable.

As regards the estimates and judgements made in connection with impairment tests, reference is made to the description in note 12 and to note 27 "Significant accounting policies" which also describes the estimated useful lives applied in calculating depreciation of property, plant and equipment as well as the calculation principles applied in calculating the repurchase obligation relating to returnable packaging.

Provisions for bad debts are made on the basis of an individual assessment of the risk of incurring losses on the receivables, including the maturity profile of the receivables and debtors' current credit rating. At 31 December 2008, total provisions for bad debts amount to DKK 26 million (31 Dec 2007: DKK 21 million). Reference is made to note 2 for a summary of trade receivables due.

With respect to business acquisitions, an assessment of the value of the assets and liabilities acquired, including trademarks, is made. Trademarks with a good market position and earnings and of which Management intends and expects to maintain the value are assessed to have an indefinite useful life. The value is determined on the basis of an expected future cash flow from the trademarks using a discount rate equal to that used for impairment tests.

Deferred tax assets, including the value of tax losses to be carried forward for set-off against positive taxable income in later years, are recognised if, based on Management's assessment, utilisation of the assets is considered possible. The assessment is made annually.

Considering the above, Management's assessments in relation to the accounting policies applied did not have any material effect on the amounts recognised in the Annual Report.

The Group's financial risks are managed centrally by Group Treasury according to the Treasury Policy approved by the Supervisory Board, which includes guidelines for the handling of currency, interest rate, liquidity and credit risks. Commodity risks are handled under a commodity risk policy approved by the Supervisory Board allocating responsibilities to Group Purchase and Group Treasury.

The risk description covers both the Parent Company and the Group unless otherwise stated.

Currency risk

Royal Unibrew is primarily exposed to currency risks through its export activities. Purchases are in all materiality made in the currencies in which the Group has income, which results in a total reduction of the currency risk. Furthermore, the translation of loans to/from subsidiaries as well as the Group's net debt is subject to currency risk unless these are established in DKK.

The above constitutes Royal Unibrew's transaction risk, which is hedged actively according to the Treasury Policy. The objective is to reduce negative effects on the Group's profit and cash flows in the current and future financial years. Expressed as the maximum loss with a 95% probability within 1 year, the gross transaction risk represents some 10% of expected EBITDA. The risk is monitored and hedged continually so as not to exceed 1% of expected EBITDA. The Group primarily has currency positions in EUR, USD, GBP, SEK, PLN, LVL and LTL.

Exchange risks related to Royal Unibrew's ownership of foreign subsidiaries will, as a general rule, not be hedged.

Financial risks such as the loss of competitive strength due to long-term exchange rate changes are not hedged by financial instruments but are included in Royal Unibrew's strategic considerations.

Interest rate risk

Royal Unibrew's interest rate risk is virtually exclusively related to the Group's debt portfolio. Interest rate changes will affect the market value of fixed-interest loans as well as interest payments on floating-rate liabilities.

In Royal Unibrew's assessment, the key interest rate risk is related to the immediate effect of interest rate changes on the Group's interest payment flows and Royal Unibrew focuses only secondarily on changes in the market value of the debt. It is group policy to limit the effect of interest rate changes on profit and cash flows while, within this framework, also achieving the lowest possible financing cost. At the end of 2008, net interest-bearing debt amounted to DKK 2,192 million, 34% of which comprised mortgage loans with an average term to maturity of 21 years. After year end, the Group's credit facilities have been renegotiated with the lenders, after which the remaining part of the debt comprises committed bank credit facilities with a maturity of 2 years. Some 69% of the net debt is fixed-rate with a fixed-interest period of 1 year. A one percentage point interest rate change will affect the Group's interest expenses by some +/- DKK 7 million (Parent Company +/- DKK 5 million).

The debt is established solely in currencies in which the Group has commercial activities.

Credit risks

The Group's credit risks relate primarily to trade receivables and counterparty risks.

Royal Unibrew seeks to limit risks relating to credit granting to customers outside Denmark through extensive use of insurance cover. Where insurance cover is not established or is exceeded, Royal Unibrew has established procedures for approval of such risks. There are no material credit risks on individual customers.

Trade receivables fall due as follows:

	31.12.2007		31.12.2008	
Not due		388,732		373,185
Due:				
From 1-15 days	123,515		109,479	
From 16-90 days	50,202		46,938	
More than 90 days	36,842	210,559	38,579	194,996
Provisions for bad debts		-21,444		-26,615
		577,847		**541,566**

Current receivables, other than trade receivables, all fall due for payment in 2008.

Liquidity risks

It is group policy that its cash resources should be adequate to meet the expected liquidity requirements in the current and next financial year. The cash resources may be bank deposits, short-term bonds and unutilised credit facilities.

After year end, negotiations have been closed with the Group's lenders for provision of the credit facilities considered necessary by Management. As part of the agreement, new underlying covenants have been established, and the agreement is subject to rules on provision of security and distribution of dividend.

After this, confirmed credit facilities represent 100% of the total net debt. The confirmed credit facilities comprise mortgage loans with a term to maturity of 21 years as well as bank credit facilities with a maturity of 2 years. As the total committed credit facilities amount to DKK 2,750 million, there is committed, unutilised cash facilities of DKK 558 million measured on the basis of net debt at the end of 2008.

Capital management

Royal Unibrew wishes to focus on optimising the Group's weighted average cost of capital (WACC) and increasing shareholder value. Results developments in 2007 and 2008 have resulted in the Group's net interest-bearing debt reaching a level of more than 8 times EBITDA at the end of 2008.

At the operational level, continuous efforts will be directed at freeing as much cash as possible. However, due to the necessary investment programme, including completion of changes to the Danish production and distribution structure and the increased expenses relating to the establishment of the required credit facilities, operating activities alone are not expected to contribute towards reducing net interest-bearing debt during 2009.

It is, however, the Group's continued target to reduce the interest-bearing debt to a level corresponding to 3 times EBITDA.

Commodity risks

The commodity risk relates primarily to the purchasing of cans (aluminium), malt (barley) and hops as well as energy. The assumptions for making purchases and establishing hedges differ for the commodity groups mentioned.

The objective of managing Royal Unibrew's commodity risk is to achieve a smooth and time-differentiated effect of commodity price increases, which is primarily achieved by entering into fixed-price agreements with the relevant suppliers. As regards the Group's purchase of cans, financial contracts have further been made to hedge the risk of aluminium and oil price increases, respectively. Exchange rate changes with respect to the settlement currency of aluminium and oil, USD, are an element of the overall currency risk management.

Other risks

Market risks have in 2008 affected Royal Unibrew's results materially, which may also be the case in future years. Currently, the economic development in many of the Group's markets and the resulting consumer reluctance have affected both volume sales and the market value of the Group's products negatively. Furthermore, competition has intensified resulting in limited possibilities of realising sales price increases.

For quite a number of years, Royal Unibrew has recorded significant revenue in the Italian market. In 2008 this market represented 16% (2007: 19%) of total group sales. Changes to consumption patterns or the competitive situation in Italy could therefore influence Royal Unibrew's results materially.

As a producer of alcoholic products, Royal Unibrew is sensitive to changes in the public alcohol policy – including indirect tax policies in the Group's respective markets. For example, a change of the Danish indirect tax policy as compared to those of neighbouring countries could lead to a change of cross-border trading patterns. This applies primarily to Germany, Norway and Sweden.

Legislative changes with respect to permitted types of containers and returning of containers could also result in significant changes to consumption patterns. In Germany (including cross-border trading) large parts of the Group's products are sold in cans, whereas sales in Italy are primarily related to products in non-returnable glass bottles.

The Company's risks in general insurance areas (buildings, movables and trading losses) are covered partly through insurance and partly by own risks. The total risks are assessed by the Supervisory Board on an annual basis and external specialists review the breweries for relevant risks on a regular basis.

Currency and interest rate risks and use of derivative financial instruments (Group)

Financial instruments entered into to hedge expected future transactions and qualifying as hedge accounting under IAS 39:

Group and Parent Company

		2008			2007		
	Period	Contract amount	Market value	Deferred gain (+) / loss (-)	Contract amount	Market value	Deferred gain (+) / loss (-)
Forward contracts:							
GBP	0 - 1 year	28,841	23,000	**5,841**	32,681	30,481	**2,200**
USD	0 - 1 year	-75,078	-79,522	**4,444**			
CAD	0 - 1 year	10,108	8,622	**1,486**	12,776	12,903	**-127**
EUR	0 - 1 year	298,831	299,103	**-272**	373,040	372,880	**160**
SEK	0 - 1 year	-38,808	-35,596	**-3,212**			
USD/LVL	0 - 1 year	-5,067	-5,523	**456**	-5,057	-4,340	**-717**
		218,827	**210,084**	**8,743**	**413,440**	**411,924**	**1,516**

Financial instruments entered into to hedge expected future transactions not qualifying as hedge accounting under IAS 39:

Group and Parent Company

		2008			2007		
	Period	Contract amount	Market value	Gain (+) / loss (-)	Contract amount	Market value	Gain (+) / loss (-)
Forward contracts:							
USD/LVL	0 - 1 year				-8,338	-7,155	**-1,183**
SEK	0 - 1 year				-36,450	-35,216	**-1,234**
					-44,788	**-42,371**	**-2,417**

Descriptive notes

Note 2 Financial risk management (continued)

Currency and interest rate risks and use of derivative financial instruments

Forward contracts used for hedging of financial assets and liabilities with material risks

Parent Company				Group		
Net exposure	Hedged by forward contracts/loans	Net position		Net exposure	Hedged by forward contracts/loans	Net position
			31/12 2008			
			Currency			
-2,010	-39,505	**37,495**	LVL	-186,341	-185,024	**-1,317**
22,402		**22,402**	NOK	22,402		**22,402**
149,620	42,389	**107,231**	PLN	-91,443	-68,307	**-23,136**
			31/12 2007			
			Currency			
41,830	0	**41,830**	LVL	7,861	1,252	**6,609**
28,801	25,481	**3,320**	NOK	28,801	25,481	**3,320**
187,469	166,460	**21,009**	PLN	1,668	166,460	**-164,792**

Descriptive notes

Note 2 Financial risk management (continued)

31/12 2008	Interest rate risk				
	Time of repricing/maturity			Fixed	Effective
	< 1.5 years	> 1.5 years	Total	interest part	rate %
Mortgage credit institutes		737,204	737,204	737,204	4.7%-4.8%
Credit institutions					
PLN	110,696		110,696		
LVL	145,303		145,303		
EUR	327,827	442,677	770,504	770,504	3.7%-4.1%
Other	216		216		
	584,042	1,179,881	1,763,923	1,507,708	

The effective rates of interest have been calculated based on the interest rate level at 31 December 2008.
The earlier of time of repricing and time of repayment has been used.
The floating-rate facilities are affected by the development in the short money market rates.
The list does not include overdraft facilities.
The refinancing described above, which took place after the date of statement, does not affect the above breakdown, but increases the effective rate on EUR loans with credit institutions.

31/12 2007	Interest rate risk				
	Time of repricing/maturity			Fixed	Effective
	< 1.5 years	> 1.5 years	Total	interest part	rate %
Mortgage and credit institutions	953	749,751	750,704	754,248	4.6%-4.8%
Credit institutions, current					
PLN	611,903		611,903		
LVL	58,106		58,106		
DKK	41,690		41,690		
NOK	41,378		41,378		
USD	41,047		41,047		
EUR	21,922	182,052	203,974	182,052	4.8%-5.1%
Other	20,595		20,595		
	837,594	931,803	1,769,397	936,300	

The effective rates of interest have been calculated based on the interest rate level at 31 December 2007.
The earlier of time of repricing and time of repayment has been used.

Descriptive notes

Note 3 Segment reporting

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

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
2008 (mDKK)					
Net revenue	2,536.2	1,129.2	513.3		**4,178.7**
Operating profit/loss	184.6	-51.1	51.2	-49.8	**134.9**
Special items	-47.2	-1.2	-1.7		**-50.1**
Impairment losses		-385.0			**-385.0**
Earnings before interest and tax (EBIT)	137.4	-437.3	49.5	-49.8	**-300.2**
Net financials	-8.2	-18.4	-29.7	-49.0	**-105.3**
Share of income from associates	18.9	0.0	3.7		**22.6**
Impairment losses		-70.1			**-70.1**
Profit/loss before tax	148.1	-525.8	23.5	-98.8	**-453.0**
Tax				-30.2	**-30.2**
Profit/loss for the year	148.1	-525.8	23.5	-129.0	**-483.2**
Depreciation and amortisation	65.1	84.0	20.6		**169.9**
Assets	2,396.9	1,202.6	364.3	0.0	**3,963.8**
Associates	70.1		17.5		**87.6**
Total assets	2,467.0	1,202.6	381.8	0.0	**4,051.4**
Purchase of property, plant and equipment	363.2	139.7	16.2		**519.1**
Purchase of property, plant and equipment on acquisition		119.2			**119.2**
Purchase of intangible assets		1.1			**1.1**
Purchase of intangible assets on acquisition		6.4			**6.4**
Liabilities	971.0	406.1	106.0	1,993.5	**3,476.6**
Sales (million hectolitres)	3.7	3.2	0.6		**7.5**

Descriptive notes

Note 3 Segment reporting (continued)

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

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
2007 (mDKK)					
Net revenue	2,489.6	909.3	482.9		**3,881.8**
Operating profit/loss	251.6	-23.4	63.4	-47.5	**244.1**
Special items	-91.1	111.3			**20.2**
Earnings before interest and tax (EBIT)	160.5	87.9	63.4	-47.5	**264.3**
Net financials	0.3	-10.9	-1.0	-60.5	**-72.1**
Share of income from associates	13.2	5.8	9.0		**28.0**
Profit/loss before tax	174.0	82.8	71.4	-108.0	**220.2**
Tax				-65.0	**-65.0**
Profit/loss for the year	174.0	82.8	71.4	-173.0	**155.2**
Depreciation and amortisation	103.6	-50.4	24.0	53.7	**130.9**
Assets	2,102.3	832.8	379.9	240.6	**3,555.6**
Associates	66.8	142.6	16.3		**225.7**
Total assets	**2,169.1**	**975.4**	**396.2**	**240.6**	**3,781.3**
Purchase of property, plant and equipment	131.4	84.5	6.6		**222.5**
Purchase of property, plant and equipment on acquisition		112.3	125.0		**237.3**
Purchase of intangible assets		1.5			**1.5**
Purchase of intangible assets on acquisition		187.7	71.1		**258.8**
Liabilities	746.1	293.6	97.1	1,525.0	**2,661.8**
Sales (million hectolitres)	3.8	2.7	0.6		**7.1**

Descriptive notes

Note 3 Segment reporting (continued)

Segment reporting 2004 - 2008

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

(mDKK)	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group
2008					
Net revenue	2,536.2	1,129.2	513.3	0.0	**4,178.7**
Operating profit/loss	184.6	-51.1	51.2	-49.8	**134.9**
Assets	2,467.0	1,202.6	381.8	0.0	**4,051.4**
Liabilities	971.0	406.1	106.0	1,993.5	**3,476.6**
Sales (million hectolitres)	3.7	3.2	0.6	0.0	**7.5**
2007					
Net revenue	2,489.6	909.3	482.9	0.0	**3,881.8**
Operating profit/loss	251.6	-23.4	63.4	-47.5	**244.1**
Assets	2,169.1	975.4	396.2	240.6	**3,781.3**
Liabilities	746.1	293.6	97.1	1,525.0	**2,661.8**
Sales (million hectolitres)	3.8	2.7	0.6	0.0	**7.1**
2006					
Net revenue	2,414.1	671.5	353.4	0.0	**3,439.0**
Operating profit/loss	319.8	-22.0	97.6	-47.7	**347.7**
Assets	2,325.1	662.6	163.4	262.5	**3,413.6**
Liabilities	760.8	194.7	24.3	1,285.7	**2,265.5**
Sales (million hectolitres)	3.8	2.2	0.4	0.0	**6.4**
2005					
Net revenue	2,371.1	576.5	243.4	0.0	**3,191.0**
Operating profit/loss	332.1	-15.4	22.9	-36.9	**302.7**
Assets	2,120.7	662.6	143.3	261.2	**3,187.8**
Liabilities	640.1	194.6	25.8	1,177.5	**2,038.0**
Sales (million hectolitres)	3.6	1.9	0.3	0.0	**5.8**
2004					
Net revenue	2,279.9	358.9	230.2	0.0	**2,869.0**
Operating profit/loss	330.9	2.2	18.5	-44.5	**307.1**
Assets	1,829.5	327.0	81.0	293.3	**2,530.8**
Liabilities	630.1	73.9	22.0	724.4	**1,450.4**
Sales (million hectolitres)	3.5	1.1	0.2	0.0	**4.8**

Notes to Income Statement and Balance Sheet (DKK ’000)

Note 4 Staff expenses

Staff expenses are included in production costs, sales and distribution expenses as well as administrative expenses and break down as follows:

Parent Company			Group	
2007	2008		2008	2007
366,858	382,718	Wages and salaries	578,957	570,788
29,092	29,921	Contributions to pension schemes	56,922	50,292
800	1,925	Share-based payments	1,925	800
11,243	9,374	Remuneration of Executive Board	9,374	11,243
2,300	-1,194	Share-based remuneration of Executive Board	-1,194	2,300
1,650	1,650	Remuneration of Supervisory Board	1,650	1,650
940	1,020	Other social security expenses	2,341	2,565
22,587	20,743	Other staff expenses	29,642	30,087
435,470	**446,157**	Total	**679,617**	**669,725**
957	978	Average number of employees	2,755	2,659

Severance pay to the former CEO is not included in staff expenses but in special expenses, see note 6.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 4 Staff expenses (continued)

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 man. team number	Total number	Exercise price	Exercise period
Granted in 2002	14,564	0	14,564	240-315	6/2005-5/2009
Granted re 2003	7,492	7,492	14,984	401	3/2007-4/2009
Granted re 2004	5,230	4,524	9,754	478	3/2008-4/2010
Granted re 2005	16,258	9,856	26,114	648	4/2009-4/2011
Granted re 2006	14,236	8,626	22,862	740	4/2010-4/2012
Unexercised at 31 December 2006	**57,780**	**30,498**	**88,278**		
Changed classification	-5,303	5,303	0		
Adjustment of grant 2006, final price	-292	250	-42	695	
Expected granting 2007	14,305	4,840	19,145	534 *	4/2011-4/2013
Exercised in 2007	-16,437	-5,245	-21,682	240-401	
Unexercised at 31 December 2007	**50,053**	**35,646**	**85,699**		
Changed classification	-22,523	22,523	0		
Adjustment of grant 2007, final price	-6,194	1,481	-4,713	510 *	
Granted 2008 re Strategic Plan	6,223	14,237	20,460	510 *	4/2011-4/2013
Exercised in 2008	-2,919	-628	-3,547	401-478	
Cancelled in 2008	-12,868	-6,132	-19,000		
Unexercised at 31 December 2008	**11,772**	**67,127**	**78,899**		
distributed on:					
Granted re 2003	0	5,993	5,993	401	
Granted re 2004	2,092	5,988	8,080	478	
Granted re 2005	2,462	13,370	15,832	648	
Granted re 2006	2,756	13,416	16,172	695	
Granted re 2007	2,231	10,131	12,362	510 *	
Granted 2008 re Strategic Plan	2,231	18,229	20,460	510 *	
	11,772	**67,127**	**78,899**		
Market value at 31 December 2007	**5.8 million**	**3.9 million**	**9.7 million**		
Market value at 31 December 2008	**0.1 million**	**0.8 million**	**0.9 million**		

Based on a share price of the Royal Unibrew share of 118.5 at 31 December 2008, the market value of the options has been calculated by means of the Black-Scholes model.
The calculation is based on an assumption of 65% volatility (2007:30%), a risk-free interest rate of 3.6-4.3% (2007: 5.0-5.3%) and annual dividend per share of DKK 2.0%. The exercise price of share options granted re 2008 is assumed to be 118.5.
* The exercise price of the share options granted re 2007 has in 2008 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 March - 17 March 2008). The price has thus changed from 534 at 31 December 2007 to 510.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 5 Expenses broken down by type

Parent Company			Group	
2007	2008	Aggregated	2008	2007
1,400,478	1,559,763	Production costs	2,433,298	2,129,173
809,934	866,806	Sales and distribution expenses	1,387,543	1,268,783
167,648	150,627	Administrative expenses	226,844	249,042
2,378,060	**2,577,196**	Total	**4,047,685**	**3,646,998**
		break down by type as follows:		
1,002,325	1,133,550	Raw materials and consumables	1,797,429	1,564,793
435,470	446,157	Wages, salaries and other staff expenses	679,617	669,725
133,789	141,188	Operating and maintenance expenses	242,088	220,842
358,006	366,133	Distribution expenses and carriage	479,370	460,620
269,901	296,178	Sales and marketing expenses	503,130	446,839
1,147	4,265	Bad trade debts	13,660	2,110
81,334	85,981	Office supplies etc	129,871	115,348
96,088	103,744	Depreciation and profit from sale of property, plant and equipment	202,520	166,721
2,378,060	**2,577,196**	Total	**4,047,685**	**3,646,998**

Total depreciation and impairment losses as well as profit from sale of property, plant and equipment are included in the following items in the income statement:

Parent Company			Group	
2007	2008		2008	2007
79,881	86,597	Production costs	166,741	126,264
7,337	8,297	Sales and distribution expenses	24,751	22,193
8,870	8,850	Administrative expenses	11,028	18,264
96,088	**103,744**		**202,520**	**166,721**
		Special income		-128,068
72,505	-27,450	Special expenses	-32,657	92,271
168,593	**76,294**	Total	**169,863**	**130,924**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 6 Special income and expenses

Parent Company			Group	
2007	2008		2008	2007
		Profit on sale of property in Eastern Europe		128,068
0	0	**Total special income**	0	128,068
-76,611	-51,231	Expenses and value adjustment of assets related to reorganisation in Denmark	-48,278	-87,646
		Expenses and value adjustment of assets related to reorganisation in the rest of Western Europe and Eastern Europe	-1,847	-20,177
-76,611	-51,231	**Total special expenses**	-50,125	-107,823

In addition to expenses and a positive value adjustment of assets related to the closure of the breweries in Aarhus and Maribo of DKK 27,250k as well as reorganisation of the distribution structure, expenses in 2008 relating to Denmark include expenses resulting from the change to Group Management.

Note 7 Financial income

Parent Company			Group	
2007	2008	Interest income	2008	2007
2,251	1,143	Cash at bank and in hand	2,135	9,481
244	240	Trade receivables	3,004	442
2,521	2,509	Receivables from associates	2,509	2,521
8,044	26,703	Receivables from subsidiaries		
		Exchange adjustments		
5,863	893	Cash at bank and in hand	1,057	5,863
	1,751	Trade payables	1,685	
	2,158	Trade receivables	2,392	
	173	Credit institutions	173	
	16,936	Forward contracts and spot transactions	18,687	
		Exchange gains		
6,009		Mortgage credit institutes		6,009
223	21	Securities	1,810	1,909
139	139	Other financial income	447	479
25,294	**52,666**		**33,899**	**26,704**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 8 Finansielle omkostninger

Parent Company			Group	
2007	2008	Interest expenses	2008	2007
-26,998	-34,977	Mortgage credit institutes	-35,373	-28,037
-42,794	-50,618	Credit institutions	-74,997	-54,861
-2,981	-12,639	Payables to subsidiaries		
-3,669	-1,090	Other payables	-1,180	-4,305
		Exchange adjustments		
-19,709	0	Credit institutions		-4,991
-3,416	0	Trade receivables	-3,238	-4,766
-626	0	Trade payables		-626
	-25,043	Intercompany loan	-25,043	
	-18,186	Hedge loan		
		Exchange losses		
-571	-12	Securities	-12	-496
		Mortgage credit institutes	-178	
		Other		
-102	-8	Expenses re mortgage credit institutes	-8	-102
-643	-484	Other financial expenses	844	-652
-101,509	**-143,057**		**-139,185**	**-98,836**

Note 9 Tax on the profit/loss for the year

Parent Company			Group	
2007	2008		2008	2007
46,921	10,300	Tax on the taxable income for the year	30,155	91,286
8,412	2,900	Adjustment of previous year	4,700	1,427
-23,800	73,637	Adjustment of deferred tax	51,660	-28,002
31,533	**86,837**	**Total**	**86,515**	**64,711**
		which breaks down as follows:		
28,783	32,000	Tax on profit for the year	30,200	64,930
2,750	54,837	Tax on equity entries	56,315	-219
31,533	**86,837**	**Total tax**	**86,515**	**64,711**
25.0	25.0	Current Danish tax rate	25.0	25.0
9.1	-29.8	Effect on tax rate of permanent differences	-25.4	1.2
-13.1		Changed Danish tax rate		-5.8
8.6	-0.8	Adjustment of previous year	-5.3	0.6
		Differences in effective tax rates of foreign subsidiaries	-1.0	8.5
29.6	**-5.6**	**Effective tax rate**	**-6.7**	**29.5**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 10 Non-current assets

Group

	Intangible assets	Property, plant and equipment	Financial assets	Total non-current assets
Cost at 1 January 2007	510,864	3,547,125	239,089	**4,297,078**
Exchange adjustments	9,836	9,787	7,255	**26,878**
Adjustment of cost, beginning of year		2,459		**2,459**
Reclassification			-8,119	**-8,119**
Additions upon acquisition	258,809	237,268		**496,077**
Additions for the year	1,523	222,543	817	**224,883**
Disposals for the year	-1,584	-259,259	-24,214	**-285,057**
Cost at 31 December 2007	**779,448**	**3,759,923**	**214,828**	**4,754,199**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2007	-3,376	-2,120,268	41,573	**-2,082,071**
Exchange adjustments		-3,605	1,132	**-2,473**
Adjustment of cost, beginning of year		513		**513**
Reclassification		186	-7,228	**-7,042**
Dividend			-15,958	**-15,958**
Revaluations and impairment losses for the year			32,873	**32,873**
Amortisation and depreciation for the year	-1,336	-177,370		**-178,706**
Impairment losses for the year		-92,271		**-92,271**
Amortisation, depreciation and impairment of assets sold and discontinued		189,913	-1,438	**188,475**
Amortisation, depreciation, revaluations and impairment losses at 31 December 2007	**-4,712**	**-2,202,902**	**50,954**	**-2,156,660**
Carrying amount at 31 December 2007	**774,736**	**1,557,021**	**265,782**	**2,597,539**
Cost at 1 January 2008	779,448	3,759,923	214,828	**4,754,199**
Exchange adjustments	-43,293	-56,631	-22,231	**-122,155**
Reclassification		11,596		**11,596**
Additions for the year	10,466	519,107	1,308	**530,881**
Additions upon acquisition	6,419	119,158		**125,577**
Disposals for the year		-583,843	-988	**-584,831**
Cost at 31 December 2008	**753,040**	**3,769,310**	**192,917**	**4,715,267**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2008	-4,712	-2,202,902	50,954	**-2,156,660**
Exchange adjustments		25,694	-3,617	**22,077**
Reclassification		-5,783		**-5,783**
Dividend			-14,336	**-14,336**
Revaluations and impairment losses for the year		143,138	-48,795	**94,343**
Amortisation and depreciation for the year	-261,982	-213,416		**-475,398**
Amortisation, depreciation and impairment of assets sold and discontinued		563,397		**563,397**
Amortisation, depreciation, revaluations and impairment losses at 31 December 2008	**-266,694**	**-1,689,872**	**-15,794**	**-1,972,360**
Carrying amount at 31 December 2008	**486,346**	**2,079,438**	**177,123**	**2,742,907**
	Note 11, 12	Note 12, 13, 25	Note 13, 26	

Notes to Income Statement and Balance Sheet (DKK '000)

Note 10 Non-current assets (continued)

Parent Company

	Intangible assets	Property, plant and equipment	Financial assets	Total non-current assets
Cost at 1 January 2007	95,463	2,639,470	1,233,604	**3,968,537**
Exchange adjustments			817	**817**
Additions for the year		130,489	616,611	**747,100**
Disposals for the year		-197,649	-16,851	**-214,500**
Cost at 31 December 2007	**95,463**	**2,572,310**	**1,834,181**	**4,501,954**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2007	-3,064	-1,740,285	-19,780	**-1,763,129**
Revaluations and impairment losses for the year		-72,505	-44	**-72,549**
Amortisation, depreciation and impairment losses for the year	-1,175	-110,077		**-111,252**
Amortisation, depreciation and impairment of assets sold and discontinued		168,357	192	**168,549**
Amortisation, depreciation, revaluations and impairment losses at 31 December 2007	**-4,239**	**-1,754,510**	**-19,632**	**-1,778,381**
Carrying amount at 31 December 2007	**91,224**	**817,800**	**1,814,549**	**2,723,573**
Cost at 1 January 2008	95,463	2,572,310	1,834,181	**4,501,954**
Reclassification			-4,847	**-4,847**
Additions for the year	1,058	363,045	194,339	**558,442**
Disposals for the year		-414,753	-2,805	**-417,558**
Cost at 31 December 2008	**96,521**	**2,520,602**	**2,020,868**	**4,637,991**
Amortisation, depreciation, revaluations and impairment losses at 1 January 2008	-4,239	-1,754,510	-19,632	**-1,778,381**
Revaluations and impairment losses for the year			-709,062	**-709,062**
Amortisation and depreciation for the year	-1,183	-110,039		**-111,222**
Impairment losses for the year		267,450		**267,450**
Amortisation, depreciation and impairment of assets sold and discontinued		408,567		**408,567**
Amortisation, depreciation, revaluations and impairment losses at 31 December 2008	**-5,422**	**-1,188,532**	**-728,694**	**-1,922,648**
Carrying amount at 31 December 2008	**91,099**	**1,332,070**	**1,292,174**	**2,715,343**
	Note 11	Note 13, 25	Note 12, 13, 26	

Notes to Income Statement and Balance Sheet (DKK '000)

Note 11 Intangible assets

Group

	Goodwill	Trademarks	Distribution rights	Total intangible assets
Cost at 1 January 2007	323,398	174,236	13,230	**510,864**
Reclassification	-1,674	1,674		**0**
Exchange adjustments	5,682	4,148	6	**9,836**
Additions upon acquisition	160,516	98,293		**258,809**
Additions for the year	1,523			**1,523**
Disposals for the year	-1,584			**-1,584**
Cost at 31 December 2007	**487,861**	**278,351**	**13,236**	**779,448**
Amortisation and impairment losses at 1 January 2007	0	0	3,376	**3,376**
Amortisation for the year			1,336	**1,336**
Amortisation and impairment losses at 31 December 2007	**0**	**0**	**4,712**	**4,712**
Carrying amount at 31 December 2007	**487,861**	**278,351**	**8,524**	**774,736**
Cost at 1 January 2008	487,861	278,351	13,236	**779,448**
Exchange adjustments	-24,902	-18,390	-1	**-43,293**
Additions upon acquisition		6,419		**6,419**
Additions for the year	9,408	1,058		**10,466**
Cost at 31 December 2008	**472,367**	**267,438**	**13,235**	**753,040**
Amortisation and impairment losses at 1 January 2008	0	0	4,712	**4,712**
Amortisation and impairment losses for the year	161,092	99,553	1,337	**261,982**
Amortisation and impairment losses at 31 December 2008	**161,092**	**99,553**	**6,049**	**266,694**
Carrying amount at 31 December 2008	**311,275**	**167,885**	**7,186**	**486,346**

See note 12 for impairment test.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 11 Intangible assets (continued)

Parent Company

	Goodwill	Trademarks	Distribution rights	Total intangible assets
Cost at 1 January 2007	80,645	2,990	11,828	**95,463**
Cost at 31 December 2007	**80,645**	**2,990**	**11,828**	**95,463**
Amortisation and impairment losses at 1 January 2007	0	0	-3,064	**-3,064**
Amortisation for the year			-1,175	**-1,175**
Amortisation and impairment losses at 31 December 2007	**0**	**0**	**-4,239**	**-4,239**
Carrying amount at 31 December 2007	**80,645**	**2,990**	**7,589**	**91,224**
Cost at 1 January 2008	80,645	2,990	11,828	**95,463**
Additions for the year		1,058		**1,058**
Cost at 31 December 2008	**80,645**	**4,048**	**11,828**	**96,521**
Amortisation and impairment losses at 1 January 2008	0	0	-4,239	**-4,239**
Amortisation for the year			-1,183	**-1,183**
Amortisation and impairment losses at 31 December 2008	**0**	**0**	**-5,422**	**-5,422**
Carrying amount at 31 December 2008	**80,645**	**4,048**	**6,406**	**91,099**

Notes to Income Statement and Balance Sheet (DKK '000)

Note 12 Impairment tests

Impairment tests of goodwill and trademarks

Annual impairment tests are carried out of the carrying amount of goodwill and trademarks with indefinite useful lives. The impairment test in 2008 gave rise to impairment of the value of both goodwill and trademarks related to Poland.

The carrying amount of goodwill and trademarks at 31 December is related to the cash-generating operational units and breaks down as follows:

2008	Goodwill	Trademarks	Total	Share
Denmark (Western Europe)	80,645	4,048	84,693	18%
Lithuania (Eastern Europe)	153,772		153,772	32%
Latvia (Eastern Europe)	3,339	115,215	118,554	25%
Poland (Eastern Europe)		11,609	11,609	2%
The Caribbean (Malt and Overseas)	67,287	34,152	101,439	21%
Africa (Malt and Overseas)	6,232	2,861	9,093	2%
Total	311,275	167,885	479,160	100%

2007				
Denmark (Western Europe)	80,645	2,990	83,635	11%
Lithuania (Eastern Europe)	152,795		152,795	20%
Latvia (Eastern Europe)	2,687	110,693	113,380	15%
Poland (Eastern Europe)	185,967	128,076	314,043	41%
The Caribbean (Malt and Overseas)	55,605	32,795	88,400	11%
Africa (Malt and Overseas)	10,162	3,797	13,959	2%
Total	487,861	278,351	766,212	100%

Notes to Income Statement and Balance Sheet (DKK ’000)

Note 12 Impairment tests (continued)

The recoverable amount is based on value in use, which is calculated by means of estimated net cash flows on the basis of budgets and forecasts for 2009-2011 approved by Management as well as estimated market driven discount rates and growth rates. Generally limited revenue growth is expected in 2009-2011 especially in Eastern Europe, whereas gross margins are expected to remain stable. The key assumptions underlying the calculation of recoverable amount are as indicated below. Except for discount rates, the interval of the assumptions in the segments remains unchanged from 2007.

	Western Europe	Eastern Europe	Malt and Overseas Markets
Gross margin	45.0%	25-45%	25-50%
Growth rate 2012-2015	0.0%	1-4%	3-4%
Growth rate on terminal value	1.5%	1.5%	1.5%
Discount rate (WACC)	7.0%	9.3%-9.9%	7.5-14.2%

The forecasted gross margins approved by Management are based on prior results and expected market developments. The average growth rates applied are in accordance with Management’s expectations taking into account industry conditions in the individual markets. The discount rates applied are before tax and reflect current specific risks in the individual market. The assumptions applied by Management are inherently subject to uncertainty and unpredictability.

Impairment losses on non-current assets related to Poland

As mentioned above, based on the estimated recoverable amount of the non-current assets related to the activities in the Group’s Polish subsidiary, impairment losses have been recognised on the carrying amount at 31 December 2008. The reason for the estimated recoverable amount now being lower is the changed market conditions in Poland in 2008, which are assessed to imply considerably reduced earnings potential and reduced possibilities of capitalising on the potential of the built-up trademarks and the existing production capacity at the three Polish breweries, see mention in Management’s Review.

The carrying amount of the assets on which impairment losses have been recognised if specified as follows:

	Carrying amount before impairment loss	Impairment loss	Carrying amount after impairment loss
Group			
Goodwill	161,392	-161,392	**0**
Trademarks	111,150	-99,553	**11,597**
Property, plant and equipment	236,779	-124,012	**112,767**
	509,321	**-384,957**	**124,364**
Parent Company			
Investments in subsidiary	561,548	-561,548	**0**
Balances with subsidiary	174,513	-98,127	**76,386**
	736,061	**-659,675**	**76,386**

The impairment losses of the Parent Company can generally be attributed to the Polish activities. The same assumptions as those stated above under the Group have been applied when calculating the impairment losses of the Parent Company.

In the Parent Company a less favourable development in key assumptions may lead to recognition of impairment losses being required with respect to the investment in the Caribbean brewery companies.

Note 13 Non-current assets measured at fair value

Investment in Perla Browary Lubelskie

In prior years, the Company's 48.4% investment in the Polish brewery Perla Browary Lubelskie was classified and recognised as an associate as, in Management's assessment, the Group exercised significant influence in the Polish company. Developments during 2008 imply that, in Management's opinion, the classification as an associate can no longer be maintained. Consequently, the investment has been reclassified from investment in associate to other investments. The carrying amount of the investment at the time of reclassification has been deemed cost for the purpose of reclassification to other investments.

At a subsequent measurement of the investment at fair value, the discounted cash flow model has been applied. As Perla Browary Lubelskie is a private company and only makes limited disclosures on its future operations, expectations of future cash flow are materially based on Management's estimate.

The fair value of the Company's investment in Perla Browary Lubelskie has been stated at PLN 30 million in the Parent Company financial statements. The carrying amount prior to the remeasurement at fair value amounted to DKK 124 million in the consolidated financial statements and DKK 103 million in the Parent Company financial statements. Accordingly, net loss for the year is affected negatively by DKK 70 million for the Group and by DKK 49 million for the Parent Company due to the impairment loss.

Project development properties

Following the closure of the Aarhus brewery, the Company plans to develop the brewery properties for alternative use, including managing the process of amending the existing local plan so that the properties may be used for other purposes than brewery activities. Consequently, the brewery properties have been reclassified from land and buildings to project development properties in the consolidated and Parent Company financial statements.

The project development properties have been measured at fair value at 31 December 2008 based on an estimate.

As a basis of its estimate of the fair values at the end of 2008 and the beginning of 2009, the Company has obtained valuation reports from authorised valuers with knowledge of the area in which the properties are situated.

Furthermore, Management's estimate is based on an assessment as to which use of the project development properties would be enabled by an amended local plan. The process of amending the local plan is in the start-up phase; therefore, the use of the project development properties enabled by a new local plan remains subject to uncertainty. This uncertainty has led to a reduction of the estimated fair value as compared to the value at which Management expects to be able to sell the project development properties at a later stage.

On the above-mentioned assumptions, Management has estimated the fair value of the project development properties in Aarhus at DKK 400 million.

The carrying amount prior to the fair value adjustment was DKK 160 million. The valuation at a fair value of DKK 400 million has therefore implied a revaluation of DKK 240 million which has been recognised in revaluation reserves in equity with deduction of deferred tax of DKK 60 million.

The fair value of DKK 400 million recognised in the balance sheet has, as mentioned, been based on assessments taking into account the market situation at 31 December 2008 as well as the uncertainty relating to the local plan. As the properties are not expected to be sold until 2010 at the earliest, the value at the time of sale may differ materially from the currently estimated fair value.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 14 Investments in associates

Parent Company 2007	Parent Company 2008		Group 2008	Group 2007
185,338	179,231	Balance at 1 January	225,691	231,285
		Exchange adjustments	-21,001	7,703
	-103,300	Reclassification	-124,008	-15,347
389	37,539	Additions for the year		389
-6,496		Disposals for the year		-15,299
		Share of profit for the year	22,654	27,998
		Share of equity movements for the year	-1,350	4,920
		Dividend	-14,336	-15,958
179,231	**113,470**	**Balance at 31 December**	**87,650**	**225,691**

Investments in Perla Browary Lubelskie has in 2008 been reclassified to other investments.

Stated on a pro rata basis, the Parent Company's and the Group's shares of assets, liabilities, revenue and profit basis break down on segments as follows:

2008	Assets	Liabilities	Revenue	Profit basis
Western Europe	308,880	240,147	415,508	12,262
Malt and Overseas Markets	31,393	13,849	20,845	3,180
Parent Company and Group	**340,273**	**253,996**	**436,353**	**15,442**

2007	Assets	Liabilities	Revenue	Profit basis
Parent Company investments				
Western Europe	330,017	252,177	401,571	9,504
Eastern Europe	96,454	24,588	207,326	6,625
Total Parent Company	**426,471**	**276,765**	**608,897**	**16,129**
Other Group investments				
Malt and Overseas Markets	20,450	6,421	18,266	3,811
Total Group	**446,921**	**283,186**	**627,163**	**19,940**

Note 15 Prepayments and other payables

The items "Prepayments" and "Other payables" are in 2008 materially affected by market value adjustment of commodity hedge contracts entered into to hedge commodity purchases.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 16 Portfolio of treasury shares and basis for calculation of earnings/cash flow per share

Value of treasury shares held:

	Parent Company	
	2008	2007
Balance at 1 January	0	0
Additions	46,244	162,598
Disposals	-1,551	-6,854
Transferred to equity, net	-44,693	-155,744
Balance at 31 December	**0**	**0**

Treasury shares held by the Parent Company:

	Number	Nom. value	% of capital
Portfolio at 1 January 2007	366,343	3,663	5.9
Additions	252,186	2,522	4.3
Disposals	-21,682	-217	-0.4
Cancelled upon reduction of capital	-280,000	-2,800	-4.4
Portfolio at 31 December 2007	**316,847**	**3,168**	**5.4**
Portfolio at 1 January 2008	316,847	3,168	5.4
Additions	93,374	934	1.6
Disposals	-3,547	-35	-0.1
Cancelled upon reduction of capital	-300,000	-3,000	-5.0
Portfolio at 31 December 2008	**106,674**	**1,067**	**1.9**

The Group holds no other treasury shares.

Basis of calculation of earnings and cash flow per share

The Parent Company shareholders' share of loss for the year amounts to DKK -484,333k (2007: a positive DKK 151,747k).
The average number of treasury shares amounted to some 300,000 shares (2007: some 332,000 shares).
The average number of shares in circulation amounted to some 5,500,000 shares (2007: some 5,755,000 shares).
The average number of shares in circulation incl share options "in-the-money" amounted to some 5,500,000 shares (2007: some 5,792,000 shares).

Diluted earnings and cash flow per share have been calculated on the basis of the Parent Company shareholders' share of loss for the year.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 17 Deferred tax

Parent Company 2007	Parent Company 2008		Group 2008	Group 2007
119,598	96,094	Deferred tax at 1 January	127,718	127,720
-12,800		Adjustment of Danish tax rate		-13,700
		Additions upon acquisitions		**29,150**
-10,704	73,637	Deferred tax for the year	51,660	-15,452
96,094	**169,731**	**Deferred tax at 31 December**	**179,378**	**127,718**
13,826	13,756	Due within 1 year	0	20,710
		Deferred tax relates to:		
622	738	Intangible assets	7,738	17,622
88,702	158,487	Property, plant and equipment	160,416	108,642
-3,806		Financial assets		-3,806
10,717	10,645	Current assets	12,396	13,230
-141	-139	Current liabilities	-1,172	-2,852
		Unutilised tax losses		-5,118
96,094	**169,731**		**179,378**	**127,718**

The utilisation of unutilised tax losses with a tax value of some DKK 45 million (2007: 35 million) is not certain. Therefore, the corresponding tax asset has not been capitalised. Unutilised tax losses substantially expire over the next 5 years.
A foreign subsidiary has a recapture balance which has not been recognised in the basis of calculation of deferred tax as the recapture balance of some DKK 85 million is not expected to crystallise as tax.

Notes to Income Statement and Balance Sheet (DKK '000)

Note 18 Interest-bearing debt

Parent Company				Group		
Mortgage debt	Credit institutions	Total		Mortgage debt	Credit institutions	Total
			31/12 2008			
			Maturity			
	488,286	488,286	Within 1 year		599,335	599,335
	770,504	770,504	1 - 5 years		897,016	897,016
		0	5 - 10 years		71,872	71,872
539,685		539,685	10 - 20 years	539,685		539,685
194,970		194,970	After 20 years	194,970		194,970
734,655	1,258,790	1,993,445	Total	734,655	1,568,223	2,302,878
713,986	1,252,624	1,966,610	Market value	713,986	1,568,223	2,282,209

The above reflects maturities based on the agreements with the Group's lenders in force until 31 December 2008. After year end, new credit facilities have been negotiated for the Group, including changed maturities, see below.

			Maturity			
			Within 1 year			
			1 - 2 years		302,878	302,878
	1,258,790	1,258,790	2 - 3 years		1,265,345	1,265,345
539,685		539,685	10 - 20 years	539,685		539,685
194,970		194,970	After 20 years	194,970		194,970
734,655	1,258,790	1,993,445	Total	734,655	1,568,223	2,302,878

			31/12 2007			
			Maturity			
	145,278	145,278	Within 1 year	953	228,433	229,386
	645,203	645,203	1 - 5 years		671,819	671,819
734,503		734,503	After 5 years	749,751	118,441	868,192
734,503	790,481	1,524,984	Total	750,704	1,018,693	1,769,397
735,696	790,481	1,526,177	Market value	752,313	1,018,693	1,771,006

Notes to Income Statement and Balance Sheet (DKK '000)

Note 19 Repurchase obligation, returnable packaging:

Parent Company			Group	
2007	2008		2008	2007
87,876	84,141	Balance at 1 January	97,533	90,554
-3,735	-24,569	Adjustment for the year	-23,477	6,979
84,141	**59,572**	**Balance at 31 December**	**74,056**	**97,533**

The change in the repurchase obligation for the year reflects net sales of returnable packaging for the year less estimated wastage of returnable packaging in circulation.
The reduction in the repurchase obligation in 2008 is primarily due to soft drinks in Denmark now being sold in recyclable disposable containers whereas previously they were sold in returnable containers.

Other notes (DKK '000)

Note 20 Cash Flow Statement

Adjustments for non-cash operating items

Parent Company			Group	
2007	2008		2008	2007
-39,760	-99,290	Dividend from subsidiaries		
-25,294	-52,666	Financial income	-33,899	-26,704
101,509	143,057	Financial expenses	139,185	98,836
183,757	83,772	Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	187,303	270,977
	709,071	Impairment losses	455,061	
28,783	32,000	Tax on the profit for the year	30,200	64,930
		Income from investments in associates	-22,654	-27,998
-13,645	-3,058	Net profit from sale of property, plant and equipment	-12,346	-142,795
3,100	2,218	Share-based payments and remuneration	2,218	3,100
327	-118	Other adjustments	-118	-680
238,777	**814,986**	**Total**	**744,950**	**239,666**

Acquisition of subsidiaries

Parent Company			Group	
2007	2008	*Assets*	2008	2007
424,817		Non-current assets	125,577	334,525
		Current assets	969	115,653
		Liabilities		
		Provisions		-29,150
		Non-current debt		-39,309
		Current debt		-96,816
		Minority interests		-26,875
		Goodwill on consolidation		160,516
424,817	**0**	**Acquisition price**	**126,546**	**418,544**
		including cash and cash equivalents of		-9,776
		including shares previously acquired of		-15,291
424,817	**0**	**Cash acquisition price**	**126,546**	**393,477**

Other notes (DKK '000)

Note 21 Fee to auditors

Parent Company 2007	Parent Company 2008		Group 2008	Group 2007
2007	2008	Fee for the audit of the Annual Report:	2008	2007
838		PricewaterhouseCoopers		1,395
838	1,552	Ernst & Young	3,658	2,045
1,676	**1,552**		**3,658**	**3,440**
		Fee for non-audit services:		
2,524		PricewaterhouseCoopers		2,577
561	555	Ernst & Young	1,070	682
3,085	**555**		**1,070**	**3,259**

Note 22 Contingent liabilities and other contractual obligations

Parent Company 2007	Parent Company 2008		Group 2008	Group 2007
2007	2008	Guarantees	2008	2007
142.1	142.7	Guarantees relating to subsidiaries		0.0
9.4	5.2	Other guarantees	5.2	9.4
151.5	**147.9**	Total	**5.2**	**9.4**
		Rental and lease agreements		
		Total future payments:		
14.9	26.5	Within 1 year	43.2	30.1
34.1	63.3	Between 1 and 5 years	79.1	46.4
	0.3	Beyond 5 years	0.8	0.4
49.0	**90.1**	Total lease obligations (operating leases)	**123.1**	**76.9**

The lease obligations relate to production machinery, operating equipment and IT equipment.

8.8	13.2	Within 1 year	16.8	11.6
28.9	21.0	Between 1 and 5 years	22.8	28.9
	5.2	Beyond 5 years	5.2	
37.7	**39.4**	Total rental obligations	**44.8**	**40.5**
31.7	**11.0**	Banker's guarantees	**13.5**	**43.8**

The outcome of pending legal actions is not expected to have any material impact on the financial position of the Parent Company or the Group.

Other notes (DKK '000)

Note 23 Related parties

Related parties comprise the Supervisory Board and the Executive Board as well as subsidiaries and associates, cf. Group Structure, page 38.
Transactions with associates relate to sale of the Group's products.
Transactions with subsidiaries, including lending, are carried out on an arm's length basis.

The following transactions have been made with related parties:

Parent Company			Group	
2007	2008	**Revenue**	2008	2007
7,706	20,727	Sales to associates	20,727	8,971
734,260	703,213	Sales to subsidiaries		
		Purchases		
12,193	50,382	Purchases from subsidiaries		
		Financial income and expenses		
14,336	14,336	Dividends from associates	14,336	15,958
25,424	84,954	Dividends from subsidiaries		
		Surplus remaining on winding up of subsidiaries		
2,521	2,509	Interest received from associates	2,509	2,521
8,044	26,703	Interest received from subsidiaries		
2,981	-12,639	Interest paid to subsidiaries		
		Executive Board		
11,243	9,374	Salaries	9,374	11,243
2,300	-1,194	Share options granted	-1,194	2,300
		Intercompany balances at 31 December		
284,451	184,809	Loans to subsidiaries		
25,481	20,634	Loans to associates	20,634	25,481
135,420	167,733	Receivables from subsidiaries		
1,012	1,008	Receivables from associates	1,008	1,012
239,787	210,875	Loans from subsidiaries		
41,331	23,616	Debt to subsidiaries		
311,006	116,381	**Capital contributed to subsidiaries**		
		Guarantees and security		
142,100	142,670	Guarantee for subsidiary		

Transactions with subsidiaries are eliminated in the consolidated financial statements in accordance with the accounting policies applied.

Other notes (DKK '000)

Note 24 Acquisitions

Financial year 2008

At 1 January 2008, Royal Unibrew A/S' subsidiary Lacpleasa Alus has acquired assets and activity of the Latvian brewery Livu Alus. Livu Alus markets, sells and produces its own beer brand in Latvia, primarily in the Liepaja region.

	Fair value at date of acquisition
Intangible assets	6,419
Property, plant and equipment	119,158
Inventories	969
	126,546
corresponding to the cash acquisition price	
including acquisition costs (consulting fees) of	1,022

Net asset values before acquisition are not stated.

Financial year 2007

In 2007, Royal Unibrew made the following business acquisitions:

May	Ownership
Browar Lomza Sp. z o.o. situated in North East Poland.	100.00%

The shares of Lomza were subsequently contributed to Royal Unibrew Polska Sp. Z o. o.

The main activities of Browar Lomza are to market, sell, distribute and produce its own beer products under the Lomza brand, primarily in the geographic region around the city Lomza.

June/july	Ownership
Antigua Brewery Ltd.	92.97%
Antigua PET Plant Ltd.	75.00%
Dominica Brewery & Beverages Ltd.	58.02%
St. Vincent Breweries Ltd.	76.48%

situated in the Caribbean Archipelago in Antigua, Dominica and St. Vincent, respectively.

The main activities of the breweries are to market, sell and produce own and licensed beer, malt and soft drinks in the respective islands where the breweries are situated. The breweries all own one beer and one soft drinks brand. Distribution in Antigua and Dominica is handled by an external distributor. Antigua PET Plant Ltd. owns a bottling unit which is used only at the brewery in Antigua.

	Browar Lomza Sp. z o. o.		The Caribbean	
	Fair value at date of acquisition	Carrying amount prior to acquisition	Fair value at date of acquisition	Carrying amount prior to acquisition
Net assets acquired	131,825	82,907	153,078	125,309
Minority share			-26,875	
			126,203	
Goodwill	124,665		42,124	
Acquisition price	256,490		168,327	
including cash and bank of	-543		-9,233	
Cash acquisition price	255,947		159,094	
including acquisition costs (consulting fees) of	8,307		2,454	

Other notes (DKK '000)

Note 24 Acquisitions (continued)

The value of goodwill is related to expected synergies from the integration with already existing activities in the operating markets of the acquired businesses. Moreover, the value of goodwill is related to expected additional sales of both Royal Unibrew Group products and products of the acquired businesses.

	Browar Lomza		The Caribbean	
Pro forma calculated net revenue 2007	180,000		155,000	
Pro forma calculated profit/loss 2007	-6,000		4,150	
Recognised in profit/loss for the year	-4,221		5,351	
Consolidated financial statements:				
Acquisition price, Parent Company			168,327	
Intercompany profit on companies traded internally			-6,273	
Acquisition price, Group			162,054	
including cash and bank of			-9,233	
including group investments prior to acquisition			-15,971	
Cash acquisition price, Group			136,850	

The acquisition price of the Group differs from that of the Parent Company as some of the shares of St. Vincent and Antigua were acquired from the subsidiary Drinktech, and these companies were until the acquisition recognised in the consolidated financial statements as associates.

Notes to assets (DKK '000)

Note 25 Property, plant and equipment

Parent Company: Land and buildings	Parent Company: Plant and machinery	Parent Company: Other fixtures and fittings, tools and equipment	Parent Company: Property, plant and equipment in progress	Parent Company: Total		Group: Land and buildings	Group: Plant and machinery	Group: Other fixtures and fittings, tools and equipment	Group: Property, plant and equipment in progress	Group: Total
829,022	1,188,524	586,669	35,255	**2,639,470**	Cost at 1 January 2007	1,109,763	1,649,264	723,210	64,888	**3,547,125**
				0	Exchange adjustment	1,528	5,322	1,638	1,299	**9,787**
				0	Adjustment of cost, beginning of year		3,250	-791		**2,459**
				0	Reclassification	2,613	2,027	3	-4,643	**0**
2,774	52,344	36,178	39,193	**130,489**	Additions for the year	24,955	77,265	57,515	62,808	**222,543**
				0	Additions upon acquisition	79,036	128,797	28,899	536	**237,268**
-68,616	-30,828	-98,205		**-197,649**	Disposals for the year	-102,885	-44,671	-109,820	-1,883	**-259,259**
1,832	24,515	7,528	-33,875	**0**	Transfers for the year	7,093	45,227	9,149	-61,469	**0**
765,012	**1,234,555**	**532,170**	**40,573**	**2,572,310**	**Cost at 31 December 2007**	**1,122,103**	**1,866,481**	**709,803**	**61,536**	**3,759,923**
-339,126	-994,696	-406,463	0	**-1,740,285**	Depreciation and impairment losses at 1 January 2007	-386,254	-1,248,422	-485,592	0	**-2,120,268**
				0	Exchange adjustment	-152	-2,489	-964		**-3,605**
				0	Adjustment of depreciation, beginning of year	4	-271	780		**513**
				0	Reclassification			186		**186**
-9,944	-57,614	-42,519		**-110,077**	Depreciation for the year	-16,753	-100,620	-59,997		**-177,370**
-11,000	-50,000	-7,505	-4,000	**-72,505**	Impairment losses for the year	-16,006	-63,798	-8,467	-4,000	**-92,271**
63,064	30,579	74,714		**168,357**	Depreciation and impairment of assets sold and discontinued	67,737	37,834	84,342		**189,913**
-297,006	**-1,071,731**	**-381,773**	**-4,000**	**-1,754,510**	**Depreciation and impairment losses at 31 December 2007**	**-351,424**	**-1,377,766**	**-469,712**	**-4,000**	**-2,202,902**
468,006	**162,824**	**150,397**	**36,573**	**817,800**	**Carrying amount at 31 December 2007**	**770,679**	**488,715**	**240,091**	**57,536**	**1,557,021**

Land and buildings at a carrying amount of DKK 460.7 million have been provided as security for mortgage debt of DKK 734.5 million (2006: DKK 470.1 million and DKK 635.0 million, respectively).

Land and buildings at a carrying amount of DKK 470.7 million have been provided as security for mortgage debt of DKK 751.5 million (2006: DKK 485.6 million and DKK 652.3 million, respectively).

Notes to assets (DKK '000)

Note 25 Property, plant and equipment (continued)

Parent Company							Group					
Land and buildings	Project develop-ment properties	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total		Land and buildings	Project develop-ment properties	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
765,012	0	1,234,555	532,170	40,573	2,572,310	Cost at 1 January 2008	1,122,103	0	1,866,481	709,803	61,536	3,759,923
					0	Exchange adjustment	-14,676		-33,527	-8,042	-386	-56,631
-259,845	259,845				0	Reclassification	-259,822	259,845	-726	12,299		11,596
24,502		95,384	32,705	210,454	363,045	Additions for the year	37,344		111,146	59,966	310,651	519,107
					0	Additions upon acquisition	74,547		27,132	418	17,061	119,158
-14,918		-331,116	-68,719		-414,753	Disposals for the year	-45,271		-421,240	-117,248	-84	-583,843
5,903		32,119	2,528	-40,550	0	Transfers for the year	15,761		74,995	6,235	-96,991	0
520,654	**259,845**	**1,030,942**	**498,684**	**210,477**	**2,520,602**	**Cost at 31 December 2008**	**929,986**	**259,845**	**1,624,261**	**663,431**	**291,787**	**3,769,310**
-297,006	0	-1,071,731	-381,773	-4,000	-1,754,510	Depreciation and impairment losses at 1 January 2008	-351,424	0	-1,377,766	-469,712	-4,000	-2,202,902
					0	Exchange adjustment	2,269		19,928	3,497		25,694
99,845	-99,845				0	Reclassification	99,998	-99,845	-1,892	-4,044		-5,783
-14,139		-53,182	-42,718		-110,039	Depreciation for the year	-23,739		-123,099	-66,578		-213,416
	240,000	27,450			267,450	Depreciation and impairment losses for the year	-50,277	240,000	-35,585	-11,000		143,138
17,391		329,684	57,492	4,000	408,567	Depreciation and impairment of assets sold and discontinued	36,550		423,444	99,403	4,000	563,397
-193,909	**140,155**	**-767,779**	**-366,999**	**0**	**-1,188,532**	**Depreciation and impairment losses at 31 December 2008**	**-286,623**	**140,155**	**-1,094,970**	**-448,434**	**0**	**-1,689,872**
326,745	**400,000**	**263,163**	**131,685**	**210,477**	**1,332,070**	**Carrying amount at 31 December 2008**	**643,363**	**400,000**	**529,291**	**214,997**	**291,787**	**2,079,438**

Land and buildings at a carrying amount of DKK 465.4 million have been provided as security for mortgage debt of DKK 734.5 million (2007: DKK 460.7 million and DKK 734.5 million, respectively).

Land and buildings at a carrying amount of DKK 465.4 million have been provided as security for mortgage debt of DKK 734.5 million (2007: DKK 470.7 million and DKK 751.5 million, respectively).

Parent: Land and buildings	Project development properties	Plant and machinery	Other fixtures	PPE in progress	Total		Group: Land and buildings	Project development properties	Plant and machinery	Other fixtures	PPE in progress	Total
						Impairment losses, see note 12	50,277		63,035	11,000		124,312
	240,000				240,000	Fair value adjustments, see note 13		240,000				240,000

Notes to assets (DKK '000)

Note 26 Financial assets

Parent Company								Group				
Investments in subsidiaries	Investments in associates	Receivables from subsidiaries	Receivables from associates	Other investments	Other receivables	Total		Investments in associates	Receivables from associates	Other investments	Other receivables	Total
999,937	185,338	0	24,664	2,809	20,856	1,233,604	Cost at 1 January 2007	189,686	24,664	2,864	21,875	239,089
			817			817	Exchange adjustment	6,438	817			7,255
						0	Reclassification	-8,119				-8,119
481,693	389	134,529				616,611	Additions	389		428		817
	-6,496			-262	-10,093	-16,851	Disposals	-13,669		-262	-10,283	-24,214
1,481,630	179,231	134,529	25,481	2,547	10,763	1,834,181	Cost at 31 December 2007	174,725	25,481	3,030	11,592	214,828
-19,604	0	0	0	-176	0	-19,780	Revaluations and impairment losses at 1 January 2007	41,599	0	-26	0	41,573
						0	Exchange adjustment	1,265		-133		1,132
						0	Reclassification	-7,228				-7,228
						0	Dividend	-15,958				-15,958
				192		192	Revaluations and impairment losses on disposals	-1,630		192		-1,438
				-44		-44	Revaluations and impairment losses for the year	32,918		-45		32,873
-19,604	0	0	0	-28	0	-19,632	Revaluations and impairment losses at 31 December 2007	50,966	0	-12	0	50,954
1,462,026	179,231	134,529	25,481	2,519	10,763	1,814,549	Carrying amount at 31 December 2007	225,691	25,481	3,018	11,592	265,782
							Value of goodwill included above	70,297				

Notes to assets (DKK '000)

Note 26 Financial assets (continued)

Parent Company								Group				
Investments in subsidiaries	Investments in associates	Receivables from subsidiaries	Receivables from associates	Other investments	Other receivables	Total		Investments in associates	Receivables from associates	Other investments	Other receivables	Total
1,481,630	179,231	134,529	25,481	2,547	10,763	**1,834,181**	Cost at 1 January 2008	174,725	25,481	3,030	11,592	**214,828**
			-4,847			**-4,847**	Exchange adjustment	-17,384	-4,847			**-22,231**
	-103,300			103,300		**0**	Reclassification	-106,514		106,514		**0**
116,381	37,539	39,984			435	**194,339**	Additions			39	1,269	**1,308**
-2,163					-642	**-2,805**	Disposals			-66	-922	**-988**
1,595,848	**113,470**	**174,513**	**20,634**	**105,847**	**10,556**	**2,020,868**	**Cost at 31 December 2008**	**50,827**	**20,634**	**109,517**	**11,939**	**192,917**
-19,604	0	0	0	-28	0	**-19,632**	Revaluations and impairment losses at 1 January 2008	50,966	0	-12	0	**50,954**
						0	Exchange adjustment	-3,617				**-3,617**
						0	Reclassification	-17,494		17,494		**0**
						0	Dividend	-14,336				**-14,336**
-561,548		-98,127		-49,387		**-709,062**	Revaluations and impairment losses for the year	21,304		-70,099		**-48,795**
-581,152	**0**	**-98,127**	**0**	**-49,415**	**0**	**-728,694**	**Revaluations and impairment losses at 31 December 2008**	**36,823**	**0**	**-52,617**	**0**	**-15,794**
1,014,696	**113,470**	**76,386**	**20,634**	**56,432**	**10,556**	**1,292,174**	**Carrying amount at 31 December 2008**	**87,650**	**20,634**	**56,900**	**11,939**	**177,123**
							Value of goodwill included above	**1,184**				
-561,548		-98,127				**-659,675**	**Impairment losses, see note 12**					
				-49,396		**-49,396**	**Dagsværdiregulering, jf. note 13**			-70,104		**-70,104**

Note 27 Significant accounting policies

GENERAL

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, cf the disclosure requirements for annual reports of listed companies laid down by the Copenhagen Stock Exchange and the Danish Statutory Order on Adoption of IFRS issued pursuant to the Danish Financial Statements Act.

Early implementation of new financial reporting standards

”The following standards, amendments to existing standards and interpretations adopted by the EU which are relevant to the parent company financial statements and the consolidated financial statements of Royal Unibrew have been implented during the 2008 financial year:

IAS 27(A) (Consolidated and Separate Financial Statements) concerning the determination of the cost of subsidiaries, associates and joint ventures. The amendment takes effect for the 2009 financial statemetns, but was implemented early in 2008. The amendment has resulted in dividend from subsidiaries and associates being recognised in the income statement of the Parent Company irrespective of dividend being earned in the period of ownership or not.

IFRIC 13 (Accounting for Customer Loyalty Programmes). The interpretation takes effect for financial years starting on or after 1 July 2008, but has been part of the accounting policies applied to date; therefore the interpretation has not resulted in any change of recognition and measurement for the Group.

New standards and interpretations that have not taken effect

The following standards and interpretations adopted by the EU which could potentially be relevant to Royal Unibrew have not yet taken effect and have not been implemented early:

IFRS 2 (Share-based Payment) on vesting conditions and cancellation of share-based payment arrangements. The amendments take effect for the 2009 financial statements and are not expected to affect recognition and measurement.

IFRS 8 (Operating Segments) and IAS 1 (Presentation of Financial Statements on the Statement of Comprehensive Income) – both take effect for the 2009 financial statements. The implementation of the standards implies only additional note disclosures.

IAS 23R (Borrowing Costs) concerning capitalisation of borrowing costs as part of the cost of the asset. The amendments take effect for the 2009 financial statements. The amendment implies that prospectively the Group is required to capitalise borrowing costs relating to own construction of non-current assets. The amendment is only expected to have limited effect on recognition and measurement.

In addition to the above, a number of standards etc have been amended by the IASB but not yet adopted by the EU. Of these amendments, primarily IFRS 3(R) (Business Combinations) and IAS 27(R) (Consolidated and Separate Financial Statements) are expected to affect the Group’s accounting policies, but, if so, only prospectively upon business acquisitions or sales.

The Annual Report is presented in DKK.

Some of the note disclosures required under IFRS are included in Management’s Review.

CHANGES AND ADDITIONS TO ACCOUNTING POLICIES

Project development properties

Following the closing of the brewery in Aarhus, the Company intends to sell the brewery properties. The properties are assessed to have several possible applications; and will therefore prospectively be categorised as project development properties thus constituting a separate category of property, plant and equipment. The value of the project development properties at the time of reclassification has been stated at the carrying amount at the time of reclassification. Subsequently, the project development properties are measured at fair value according to the revaluation model of IAS 16. The adjustment from the value at the time of reclassification to fair value less deferred tax has been recognised directly in equity.

The accounting policy for measurement of project development properties has been added on page 85 under Property, plant and equipment.

Hedging of commodity prices

The Group has entered into contracts to hedge the prices of selected commodities in 2008. The accounting treatment of such contracts is not governed by specific IFRS provisions. The Group has determined the policy for the accounting treatment on the basis of the general recognition and measurement provisions of the IASB conceptual framework, which is detailed on page 82.

Other than the above, the accounting policies have not changed from 2007.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably. Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates in the income statement.

Consolidated financial statements

The consolidated financial statements comprise Royal Unibrew A/S (the Parent Company) and enterprises in which the Parent Company exercises control (subsidiaries).

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

The consolidated financial statements are prepared on the basis of financial statements of all group enterprises prepared under the Group's accounting policies by combining accounting items of a uniform nature. Elimination is made of intercompany income and expenses, unrealised intercompany profits and losses, balances and shareholdings. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

Business combinations

On acquisition of new enterprises the purchase method is applied, under which the identifiable assets and liabilities of newly acquired enterprises are measured at fair value at the time of acquisition.

In the case of business combinations made on or after 1 January 2004, positive differences between cost and fair value of identifiable assets and liabilities acquired are recognised as goodwill in intangible assets. At the time of acquisition, goodwill is allocated to the cash-generating units that subsequently form the basis of impairment tests. Goodwill and fair value adjustments in connection with the acquisition of a foreign enterprise with a functional currency that differs from the presentation currency of the Group are treated as assets and liabilities belonging to the foreign entity and are translated to the functional currency of the foreign entity at the exchange rates at the dates of transaction.

In the case of business combinations made prior to 1 January 2004, the accounting classification according to IFRS 1 has been maintained under the previous accounting policy. Goodwill is recognised on the basis of the cost recognised under the previous accounting policy (the Danish Financial Statements Act and Danish Accounting Standards) less amortisation and impairment losses up until 31 December 2003.

Gains or losses on disposal of subsidiaries and associates are calculated as the difference between the sales sum and the carrying amount of net assets at the time of sale (including the carrying amount of goodwill) net of expected expenses and adjusted for exchange adjustments previously recognised in equity.

Enterprises disposed of are recognised in the consolidated income statement up until the date of disposal. Comparative figures are not restated for newly acquired, sold or wound-up enterprises.

Minority interests

Minority interests are initially recognised on the basis of fair values of the assets, liabilities and contingent liabilities of the acquired enterprise at the time of acquisition.

The accounting items of subsidiaries are recognised fully in the consolidated financial statements. Minority interests' proportionate share of results of subsidiaries is shown as a separate item under distribution of profit. In the balance sheet, minority interests are recognised as part of equity but are shown separately from Parent Company shareholders' share of equity.

Translation policies

For each of the reporting entities of the Group, a functional currency is determined. The functional currency is the currency of the primary economic environment in which the reporting entity operates. Transactions in other currencies than the functional currency are transactions in foreign currencies.

Transactions in other currencies than the functional currency are initially translated into Danish kroner at the exchange rates at the dates of transaction. Receivables, payables and other monetary items in foreign currencies not settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Exchange adjustments arising due to differences between the transaction date rates and the rates at the dates of payment or the rates at the balance sheet date, respectively, are recognised in financial income and expenses in the income statement. Property, plant and equipment and intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured at historical cost are translated at the transaction date rates.

On recognition in the consolidated financial statements of enterprises with another functional currency than Danish kroner (DKK), income statements are translated at average annual exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date.

Exchange adjustments arising on the translation of the opening balance sheet items of foreign enterprises at exchange rates at the balance sheet date and on the translation of income statements from average exchange rates to exchange rates at the balance sheet date are recognised directly in equity. Similarly, exchange adjustments arising due to changes made directly in equity of foreign enterprises are recognised directly in equity.

On recognition in the consolidated financial statements of associates with a functional currency that differs from the presentation currency of the Parent Company, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the share of the opening equity of foreign associates at exchange rates at the balance sheet date and on the translation of the share of results for the year from average exchange rates to exchange rates at the balance sheet date are recognised directly in equity under a separate translation reserve.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are included as other receivables and other payables, respectively.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of future cash flows are recognised directly in equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and are recognised in the same entry as the hedged item.

For derivative financial instruments which do not meet the criteria for hedge accounting, changes in fair values are recognised on a current basis in financial income and expenses in the income statement.

Hedging of commodity prices

Contracts entered into to hedge future commodity prices are not recognised in the balance sheet at inception. If the fair value of the contract subsequently turns negative, a liability is recognised in other payables in the balance sheet. The negative value of the contract is recognised in prepayments under assets. If the fair value of the contract is positive, the contract is not recognised in the balance sheet. When the contract expires, the fair value of the contract is recognised in the cost of the hedged commodity. In the event of changed expectations of future commodity purchases, the fair value of any excess contracts will be recognised in the income statement at the time when it is ascertained that the contracts no longer hedge the prices of future commodity purchases.

Leases

The Company only has leases that are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Share-based payments

The Group only has schemes classified as equity-settled schemes. Share options are measured at fair value at the time of granting and are recognised in staff expenses in the income statement over the vesting period. The counter item is recognised directly in equity.

At the initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, the estimate of the number of vested options is revised so that the total recognition is based on the actual number of options vested.

The fair value of the options granted is estimated on the basis of the Black-Scholes model. In determining fair value, conditions and terms related to the share options granted are taken into account.

Impairment

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether impairment has incurred other than that expressed by normal amortisation and depreciation. If so, the asset is written down to the higher of net selling price and value in use. Goodwill and other assets for which a value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets (cash-generating units) to which they are attributable.

The carrying amount of goodwill and trademarks with indefinite useful lives is tested for impairment at least on an annual basis, together with the other non-current assets of the cash-generating unit to which goodwill has been allocated, and is written down to recoverable amount in the income statement if the carrying amount exceeds the recoverable amount.

The carrying amount of financial assets measured at cost or amortised cost is written down for impairment if, due to changed expected net payments, the net present value is lower than the carrying amount.

Assets held for sale

Assets held for sale comprise non-current assets held for sale. Assets are classified as ”held for sale” if their carrying amount will principally be recovered through a sales transaction within 12 months according to a formalised plan.

Assets held for sale are measured at the date of classification at the lower of carrying amount and fair value less costs to sell. Subsequently, the assets are measured at fair value less costs to sell; however, any subsequent unrealised gain cannot exceed the accumulated impairment loss. Depreciation of assets ceases as of the date when they are classified as ”held for sale”.

Impairment losses arising on the initial classification as ”held for sale” and subsequent losses or reversal of losses

are recognised in the income statement in the items to which they relate. Gains and losses are disclosed in the notes. Assets held for sale are shown in a separate line in the balance sheet.

INCOME STATEMENT

Revenue

Net revenue from the sale of goods is recognised in the income statement if delivery has been made before year end, and if revenues can be measured reliably and are expected to be received.

Net revenue is measured exclusive of VAT and net of discounts as well as excise duties on beer and mineral water. All types of discounts granted are recognised in net revenue.

Production costs

Production costs comprise direct and indirect expenses incurred to manufacture the finished goods representing revenue for the year, including expenses for raw materials and consumables purchases, salaries and wages, renting and leasing as well as depreciation of and impairment losses on production plant.

Production costs also include development costs that do not meet the criteria for capitalisation.

Sales and distribution expenses

Sales and distribution expenses comprise expenses for distribution and sales campaigns relating to goods sold during the year, including expenses for sales personnel, marketing, depreciation and amortisation as well as losses on trade receivables.

Administrative expenses

Administrative expenses comprise expenses for management and administration of the Group, including expenses for administrative personnel, management, office supplies, insurance, depreciation and amortisation.

Other operating income and other operating expenses

Other operating income and other operating expenses comprise income or expenses of a secondary nature compared to the core activities of the Company, including renting of property, plant and equipment, etc.

Special income and expenses

Special income and expenses comprise material non-recurring income and expenses. These items are presented separately with a view to comparability in the income statement.

Income from investments in associates in the consolidated financial statements

The proportionate share of the results of associates is recognised in the income statement of the Group after adjusting for impairment losses on goodwill and eliminating the proportionate share of unrealised intercompany gains and losses.

Dividend on investments in subsidiaries and associates in the Parent Company financial statements

Dividend on investments in subsidiaries and associates is recognised in the Parent Company's income statement in the financial year in which dividend is declared.

Financial income and expenses

Financial income and financial expenses comprise interest, capital gains and losses on securities, balances and transactions in foreign currencies, amortisation of financial assets and liabilities, fair value adjustments of derivative financial instruments that do not qualify as hedge accounting as well as extra payments and repayment under the on-account taxation scheme, etc.

Tax

Tax for the year consists of current tax for the year and movements in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

The Parent Company is jointly taxed with its Danish subsidiaries. The Danish current tax for the year is allocated to the jointly taxed Danish enterprises in proportion to their taxable incomes (full allocation with credit for tax losses).

BALANCE SHEET

INTANGIBLE ASSETS

Goodwill

Goodwill is initially recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition. The determination of cash-generating units is based on management structure and internal financial management.

Trademarks and distribution rights

Trademarks and distribution rights are initially recognised in the balance sheet at cost. Subsequently, they are measured at cost less accumulated amortisation and less any accumulated impairment losses. Trademarks and distribution rights are amortised on a straight-line basis over their estimated useful lives, 10 years. Trademarks with indefinite useful lives are, however, not amortised but are tested annually for impairment. It is the Group's strategy to maintain trademarks and their value.

Property, plant and equipment

Land and buildings, production plant and machinery and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Borrowing costs relating to the acquisition of property, plant and equipment are expensed as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, which are:

- Buildings, 50 years
- Installations, 25 years
- Plant and machinery as well as other fixtures and fittings, tools and equipment, 5-8 years
- Computer software, 3 years
- Leasehold improvements over the term of the lease, max. 10 years
- Plastic crates, 10 years
- Bottles, 6 years
- Kegs, 10 years

Profits and losses on the disposal of property, plant and equipment are calculated as the difference between the sales sum less the expenses necessary to make the sale and the carrying amount at the time of sale. Profits or losses are recognised in the income statement in production costs, sales or distribution expenses or administrative expenses, respectively.

Project development properties

Project development properties are measured at fair value based on valuations by expert valuers. The project development properties are revalued annually.

If the carrying amount is increased as a result of revaluation, the increase is recognised directly in equity in revaluation reserves. The increase is, however, recognised in the income statement if it offsets a reduction previously recognised in the income statement as a result of revaluation of the same site.

If the carrying amount is reduced as a result of revaluation, the reduction is recognised in the income statement. The reduction is, however, recognised directly in equity in revaluation reserves if a reserve has been made for the site in question under revaluation reserves.

FINANCIAL ASSETS

Investments in associates in the consolidated financial statements

Investments in associates are measured in the balance sheet at the proportionate share of the net asset value of the enterprises calculated under the accounting policies of the Group with deduction or addition of the proportionate share of unrealised intercompany profits and losses and with addition of the carrying amount of goodwill.

Associates with a negative net asset value are measured at DKK 0. If the Group has a legal or constructive obligation to cover the negative balance of the associate, this obligation is recognised in liabilities.

Investments in subsidiaries and associates in the Parent Company financial statements

Investments in subsidiaries and associates are measured at cost and tested in the event of indication of impairment. Where cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount.

Other investments

Other investments not included in the Group's trading portfolio (available for sale) are recognised in non-current assets at cost at the trading date and are subsequently measured at fair value equal to the market price as regards listed securities and at estimated fair value calculated on the basis of market data and recognised valuation methods as regards unlisted securities. Unrealised value adjustments are recognised directly in equity except for impairment losses and reversal of impairment losses which are recognised in financial income and expenses in the income statement. Upon realisation, the accumulated value adjustment recognised in equity is transferred to financial income and expenses in the income statement.

Other receivables

Other receivables under financial assets held to maturity are initially recognised at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date.

CURRENT ASSETS

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value of individual product groups. The net realisable value of inventories is calculated at the amount of future sales revenues expected to be generated by inventories at the balance sheet date in the process of normal operations and determined allowing for marketability, obsolescence and development in expected sales sum with deduction of calculated selling expenses.

The cost of raw materials, consumables, goods for resale and purchased finished goods comprises invoiced price plus expenses directly attributable to the acquisition.

The cost of work in progress and finished goods comprises the cost of materials and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of and impairment losses on the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

Receivables

Receivables are initially measured at cost and are subsequently measured at amortised cost or an estimated lower value at the balance sheet date. This lower value is determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments recognised in assets comprise expenses incurred in respect of subsequent financial years.

EQUITY

Proposed dividend

Dividend is recognised as a liability at the time of adoption at the Annual General Meeting. Dividend distribution for the year proposed by Management is disclosed as a separate equity item.

Treasury shares

Treasury shares acquired by the Parent Company or subsidiaries are recognised at cost directly in equity under retained earnings. Where treasury shares are subsequently sold, any consideration is also recognised directly in equity. Dividend on treasury shares is recognised directly in equity under retained earnings.

Translation reserve

The translation reserve in the consolidated financial statements comprises exchange adjustments arising on the translation of the financial statements of foreign enterprises from their functional currencies into the presentation currency of the Group (DKK).

Upon full or part realisation of the net investment in the foreign enterprises, exchange adjustments are recognised in the income statement.

The translation reserve was reset at 1 January 2004 in accordance with IFRS 1.

Hedging reserve

The hedging reserve comprises changes to fair values of derivative financial instruments that are designated and qualify as cash flow hedges.

The hedging instrument is recognised in the income statement in the same item as the hedged transaction.

Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts and the tax base of assets and liabilities except for temporary differences arising at the time of acquisition that do not affect the profit for the year or the taxable income and temporary differences concerning goodwill. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets are recognised at the value at which they are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates expected under the legislation at the balance sheet date to be effective when the deferred tax crystallises as current tax.

In the balance sheet, set-off is made between deferred tax assets and deferred tax liabilities within the same legal tax entity and jurisdiction.

Repurchase obligation relating to packaging in circulation

Plastic crates, bottles and kegs in circulation and held in inventory are recognised in property, plant and equipment, and the obligation to repurchase returnable packaging in circulation for which a deposit has been paid is recognised in provisions.

The repurchase obligation relating to packaging in circulation is calculated on the basis of estimated total volumes of packaging less packaging held in inventory.

Corporation tax

Current tax liabilities are recognised in the balance sheet as calculated tax on the expected taxable income for the year adjusted for tax on taxable incomes for previous years and for tax paid on account.

Debts

Mortgage loans and loans from credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the financial obligations are measured at amortised cost equal to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value is recognised in financial income and expenses in the income statement over the loan period.

Other debts, comprising trade payables, payables to subsidiaries and associates, VAT, excise duties, etc as well as other payables, are measured at amortised cost, substantially corresponding to the nominal debt.

CASH FLOW STATEMENT

The consolidated cash flow statement is presented under the indirect method based on the net profit for the year. The statement shows cash flows for the year, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for non-cash operating items, changes in working capital, financial income and financial expenses, and corporation tax paid.

Cash flows from investing activities comprise acquisitions and disposals of property, plant and equipment, and financial assets as well as dividend received from associates. Cost is measured inclusive of expenses necessary to make the acquisition and sales prices after deduction of transaction expenses.

Cash flows from financing activities comprise changes to the amount or composition of the Group's share capital, payment of dividend as well as borrowing and repayment of interest-bearing debt.

Cash and cash equivalents include securities with a maturity of less than 3 months that can readily be turned into cash and are only subject to an insignificant risk of value changes.

SEGMENT REPORTING

The Group's business segment is beer and soft drinks sales. Reporting on the business segment is by geographical markets. Segment reporting is based on the Group's returns and risks and its internal financial reporting system.

Items included in net profit for the year, including income from investments in associates and financial income and expenses, are allocated to the extent that the items are directly or indirectly attributable to the markets.

Items allocated both by direct and indirect computation comprise "production costs" and "administrative expenses", which are allocated by indirect computation based on allocation keys determined on the basis of the market's drain on key resources. Administrative expenses incurred in the group functions of the Parent Company are partly allocated.

Non-current assets comprise the non-current assets that are directly or indirectly used in connection with activities in the markets.

Segment liabilities comprise liabilities derived from activities in the market, including provisions, trade payables, VAT, excise duties and other payables.

FINANCIAL RATIOS

The Group's financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts for 2005.

The financial ratios are explained in the section on financial highlights and key ratios of the Group.

MANAGEMENT PROFILES AND DUTIES

Nedenstående gives oplysninger om bestyrelses- og direktionsmedlemmer, herunder deres ledelseshverv i danske og udenlandske selskaber samt krævende organisationsopgaver:

MEMBERS OF THE SUPERVISORY BOARD

Steen Weirsøe, CEO (C)
Age: 61. On the Supervisory Board of Royal Unibrew since 1998, Chairman since 2004. MSc (Economics and Business Administration) in 1973. CEO of F. Junckers Industrier A/S 1983-94. Group Chief Executive of Danisco A/S 1994-99. Since 2000 CEO, Group Managing Director of DT Group a/s. Number of Royal Unibrew shares held: 1,520.

JCLI 5253 A/S including subsidiaries (BM)
Wolseley Holdings Danmark including subsidiaries (BM + CEO)

Tommy Pedersen, CEO (DC)
Age: 59. On the Supervisory Board of Royal Unibrew since 1998, Deputy Chairman since 2004. Diploma (Economics - Accounting and Economic Management) in 1976, Diploma (Economics - Organisation and Strategic Planning) in 1981. Employee of Sparekassen Fyn, Bikuben and Bikuben GiroBank A/S, most recently as Executive Bank Manager, 1966-96. Since 1997 CEO of Chr. Augustinus Fabrikker Aktieselskab and Augustinus Fonden.
Number of Royal Unibrew shares held: 339.

FMS Holding af 2004 A/S (C)
Fondsmæglerselskabet af 2004 A/S (C)
Rungsted Sundpark A/S (C)
Skodsborg Sundpark A/S (C)
Ejendomsselskabet Jeudan A/S (DC)
Fair Forsikring A/S (DC)
Fair Invest A/S (DC)
Kommuneforsikring A/S (DC)
Kommmunernes Arbejdsskadeforsikring (DC)
Brock og Michelsen A/S including subsidiaries (BM)
Ole Flensted Holding A/S (BM)
Peter Bodum A/S (BM)
Pharmacosmos Holding A/S including subsidiaries (BM)
Skandinavisk Holding A/S (BM)
Skandinavian Tobacco Group A/S (BM)
Tivoli A/S (BM)

Henrik Brandt, CEO (BM)
Age: 53. On the Supervisory Board of Royal Unibrew since 1998. On the Supervisory Board of Ferd A/S (Norwegian company) since 2004. MSc (Economics and Business Administration), MBA Stanford University, California. F.L. Schmidt Gruppen 1979-83. Skandinavisk Holding A/S 1985-87. CEO of Kevi A/S 1987-88. Skandinavisk Holding A/S 1988-89. CEO of Fritz Hansens Eft. A/S 1989-92. CEO of Munch Møbler A/S 1989-92. CEO of Skandinavisk Tobakskompagni A/S 1992-99. Managing Director of House of Prince A/S 1992-99. CEO, Group Managing Director of Sophus Berendsen A/S 1999-2002. CEO of Unomedical a/s 2003-08. Since November 2008 CEO of Royal Unibrew A/S.
Number of Royal Unibrew shares held: 1,000.

Hansa Borg Skandinavisk Holding A/S (BM)
Nuuk Imeq A/S (BM)

Ulrik Bülow, CEO (BM)
Age: 55. On the Supervisory Board of Royal Unibrew since 2000. MSc (Economics and Business Administration). Export Manager of Ferrosan A/S 1979-83. Marketing Manager of Buch + Deichmann A/S 1983-84. CEO of Matas A/S 1984-91. CEO of Egmont Books 1991-98. CEO of Sonofon Holding A/S 1998-2002. CEO of VisitDenmark 2004-2006. Since 2006, CEO of Synoptik Group A/S. Number of Royal Unibrew shares held: 1,000.

Brilleland A/S (C)
Dansk Erhverv (BM)
Egmont Fonden (BM)
Egmont International Holding A/S (BM)

Erik Christensen, Stores Manager
(BM elected by the employees)
Age: 54. On the Supervisory Board of Royal Unibrew since 2002. Motor Mechanic in 1975. Diploma in specialised technical studies in 1987. Motor Mechanic with Pedersen & Nielsen A/S Volvo Lastvogne in Randers, Denmark in the period 1975-80 and Works Manager with same in the period 1980-1988. Stores Manager of Royal Unibrew since 1988.
Number of Royal Unibrew shares held: 140.

Erik Højsholt, Director (BM)
Age: 60. On the Supervisory Board of Royal Unibrew since 2004. Diploma (Economics – International Management) from the Århus School of Business 1975. Various positions with Danisco A/S 1965-82, Mercuri International A/S 1982-83, Aarhus Oliefabrik A/S 1983-87, Danmark Protein A/S 1987-91, New Zealand Dairy Board GmbH 1991-95, Arla Foods amba 1995-2000. Group CEO of Aarhus Oliefabrik/Aarhus United A/S 1999-2005. Chairman and CEO of AarhusKarlshamn AB until May 2006.
Number of Royal Unibrew shares held: 830.

R2 Group A/S (C)
Fluxome Sciences A/S (C)
Brødrene Kier A/S (C)
Brødrene Hartmann A/S (C)
Novopan Træindustri A/S (C)
MacMann Berg Group (C)
Vilhelm Kiers Fond (BM)
Good Food Group A/S (BM)
Hans Schourup A/S (BM)
Aarhus Universitet (BM)

Allan Meier Jensen, Foreman Storekeeper
(BM elected by the employees)
Age: 55. On the Supervisory Board of Royal Unibrew since 2008. Clerk/Storeman 1970-90. Business Diploma in operational management 1995. Departmental Manager at DS Non Food Centrallager 1990-95. Foreman Storekeeper at the Reklamelageret (promotional articles) of Royal Unibrew since 1996.
Number of Royal Unibrew shares held: 103.

Kirsten Wendelboe Liisberg, Brewery Hand
(BM elected by the employees)
Age: 52. On the Supervisory Board of Royal Unibrew since 2006. Royal Unibrew employee at Albani since 1978, shop steward since 1991 and senior shop steward since 2000.
Number of Royal Unibrew shares held: 81

Hemming Van, CEO (BM)
Age: 53. On the Supervisory Board of Royal Unibrew since 2004. MSc (Economics and Business Administration) from the Copenhagen Business School 1981. Employee of Mærsk Air I/S 1981-82, Director of Daloon Production (UK) Ltd 1982. Since 1989 CEO and majority shareholder of Daloon A/S.
Number of Royal Unibrew shares held: 274.

Daloon A/S (CEO and BM)
Easyfood A/S (C)
Easy Production A/S (C)
Easy Holding A/S (CEO + BM)
Halberg A/S (BM)
Halberg Kapital A/S (BM)
Halberg Invest A/S (BM)

The supervisory board members elected by the general meeting are up for election every year and the members elected by the employees are up for election every four years.

Abbreviations:

CEO: Chief Executive Officer
CFO: Chief Financial Officer
C: Chairman
DC: Deputy Chairman
BM: Board Member

EXECUTIVE BOARD

Henrik Brandt, CEO (BM)
Age: 53. On the Supervisory Board of Royal Unibrew since 1998. On the Supervisory Board of Ferd A/S (Norwegian company) since 2004. MSc (Economics and Business Administration), MBA Stanford University, California. F.L. Schmidt Gruppen 1979-83. Skandinavisk Holding A/S 1985-87. CEO of Kevi A/S 1987-88. Skandinavisk Holding A/S 1988-89. CEO of Fritz Hansens Eft. A/S 1989-92. CEO of Munch Møbler A/S 1989-92. CEO of Skandinavisk Tobakskompagni A/S 1992-99. Managing Director of House of Prince A/S 1992-99. CEO, Group Managing Director of Sophus Berendsen A/S 1999-2002. CEO of Unomedical a/s 2003-08. Since November 2008 CEO of Royal Unibrew A/S.
Number of Royal Unibrew shares held: 1,000.

Hansa Borg Skandinavisk Holding A/S (BM)
Nuuk Imeq A/S (BM)

Hans Savonije, Executive Director
Age: 52. BA Business Administration in 1977. Sales Director & VP and Marketing Manager of Lever Faberge, Sweden, Marketing Director Lever Europe, Brussels, CEO Lever, Poland 1986-96. CEO Unilever, Turkey 1996-97. Divisional Director Central Europe, Russian Federation for the Coca Cola Company 1997-2001. CEO of Beverage Partners Worldwide, Coco-Cola & Nestlé 2002-2006. SVP Global Markets, Remy Cointreau Remy Associés, France 2006. CEO of World Lotteries Association, Switzerland 2007-08. Executive Director of Royal Unibrew since October 2008.
Number of Royal Unibrew shares held: 0.

Dansk Retursystem A/S (BM)
Hansa Borg Skandinavisk Holding A/S (BM)

Ulrik Sørensen, CFO
Age: 58. MSc (Economics and Business Administration) in 1975. Financial Manager/CEO of DAN (B&W) Shipbuilding Services 1981-85. CFO of Chr. Islef & Co. A/S 1985-87. CFO of Danbyg Totalentreprise A/S 1987-93. CFO of Royal Unibrew since 1993.
Number of Royal Unibrew shares held: 1,295.

Hansa Borg Skandinavisk Holding A/S (CEO)

ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN IN 2008

3 January 2008	01/2008	Share Buy-back at Royal Unibrew A/S
4 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
7 January 2008	03/2008	Royal Unibrew's brewery in Aarhus
8 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	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
1 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
3 April 2008	19/2008	Notice of the Annual General Meeting of Royal Unibrew A/S
9 April 2008	20/2008	Guidelines for incentive pay programme
28 April 2008	21/2008	Q1 Report 2008
28 April 2008	22/2008	Annual General Meeting of Royal Unibrew A/S
6 May 2008	23/2008	Reporting according to the Danish Securities Act section 28a
7 May 2008	24/2008	Reporting according to the Danish Securities Act section 28a
7 May 2008	25/2008	Reporting according to the Danish Securities Act section 28a
8 May 2008	26/2008	Reporting according to the Danish Securities Act section 28a
19 June 2008	27/2008	Executive Director Technics & Supply Povl Friis moves on to new challenges
1 August 2008	28/2008	New director in Royal Unibrew A/S
25 August 2008	29/2008	Interim Report for Q2 and H1 2008
26 August 2008	30/2008	Reduction of Capital and cancellation of treasury shares, amendment of Articles of Association
29 Sept. 2008	31/2008	Poul Møller resigns and Henrik Brandt will be new managing director (CEO) in Royal Unibrew A/S At the same time the outlook for 2008 is reduced
5 October 2008	32/2008	Expectations for Royal Unibrew's results for 2008 – elaboration on Company Announcement No 31/2008 of 29 September 2008
20 Nov. 2008	33/2008	Interim Report for Q3 2008 and the Period 1 January - 30 September 2008
26 Nov. 2008	34/2008	Reporting according to the Danish Securities Act section 28a
18 Dec. 2008	35/2008	Changes in Royal Unibrew A/S' Financial Calendar for 2009

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