



28 August '07  
RU30 / 2007

## Company Announcement

Should you request additional information, please do not hesitate to contact  
Poul Møller, CEO, at tel +45 5677 1500

### H1 Report 2007

The Supervisory Board of Royal Unibrew A/S has today considered and adopted the H1 Report at 30 June 2007.

---

Steen Weirsø  
Chairman of the Supervisory Board

---

Poul Møller  
CEO

For further information on this announcement:  
Poul Møller, CEO, tel +45 5677 1500

This H1 Report consists of 18 pages

Royal Unibrew A/S, Head Office, Faxe Allé 1, DK-4640 Faxe, Denmark  
Tel. +45 5677 1500, Fax: +45 5671 3152, e-mail: [investorrelations@royalunibrew.com](mailto:investorrelations@royalunibrew.com), CVR nr. 41 95 67 12

This announcement is available in Danish and English. In case of discrepancy, the Danish version shall prevail.

Announcement - RU30/2007 - Page 1/18

## HIGHLIGHTS (FOR H1 2007)

- Profit before tax for Q2 2007 amounting to DKK 96.6 million, which is at the same level as in 2006
- Gross margin lower than in 2006 due to higher production costs
- Profit before tax for H1 amounting to DKK 37.5 million compared to DKK 45.9 million in 2006
- Consolidated profit amounting to DKK 41.2 million compared to DKK 35.3 million in 2006
- Net revenue up by 13% to DKK 1,826 million
- Free cash flow amounting to a negative DKK 17.3 million compared to a negative DKK 57.5 million in 2006
- Profit before tax for 2007 now expected to amount to DKK 365-385 million including expected non-recurring income ("special items") of some DKK 100 million compared to the previous expectation of a profit before tax of DKK 330-370 million

## FINANCIAL HIGHLIGHTS AND KEY RATIOS

The H1 Report 2007 has been prepared under the measurement and recognition provisions of IFRS. The accounting policies remain unchanged from those applied in the Annual Report for 2006.

	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	2003
<b>SALES (thousand hectolitres)</b>	<b>3,351</b>	3,061	2,709	2,065	1,969

### FINANCIAL HIGHLIGHTS (mDKK)

#### Income Statement

Net revenue	<b>1,826.0</b>	1,619.0	1,514.8	1,306.2	1,277.5
Operating profit	<b>55.8</b>	60.6	65.5	74.3	99.2
Profit before financial income and expenses	<b>55.8</b>	60.6	65.5	74.3	59.2
Net financials	<b>(18.3)</b>	(14.7)	(11.8)	(23.3)	(22.5)
Profit before tax	<b>37.5</b>	45.9	53.7	51.0	36.7
Consolidated profit	<b>41.2</b>	35.3	51.2	36.7	22.6
Royal Unibrew A/S' share of profit	<b>40.3</b>	34.4	51.6	38.7	22.7

#### Balance Sheet and Cash Flow Statement

Total assets	<b>3,927.9</b>	3,317.6	3,130.6	2,518.6	2,593.5
Equity	<b>1,103.9</b>	1,087.9	1,061.5	951.1	908.8
Net interest-bearing debt	<b>1,567.8</b>	1,154.6	1,154.0	744.5	809.6
Free cash flow	<b>(17.3)</b>	(57.5)	(19.2)	(13.7)	33.1

#### Key Figures (mDKK)

EBITDA	<b>139.0</b>	156.9	159.2	169.9	154.0
EBIT	<b>55.8</b>	60.6	65.5	74.3	59.2

#### Key Ratios (%)

EBIT margin	<b>3.1</b>	3.7	4.3	5.7	4.6
Free cash flow as a percentage of net revenue	<b>(0.9)</b>	(3.6)	(1.3)	(1.1)	2.6
Equity ratio	<b>28.1</b>	32.8	33.9	37.8	35.0
Debt ratio	<b>139.4</b>	103.5	106.5	78.3	89.1
RU's share of earnings per share of DKK 10 (DKK)	<b>6.8</b>	5.5	8.0	6.0	3.5

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

## GENERAL

The primary activities of Royal Unibrew are to market, sell, distribute and produce quality beverages focusing on branded products primarily within beer, malt and soft drinks. The Group's products are sold in some 65 markets with special focus on Northern Europe (the Nordic countries, the Baltic countries, Northern Germany and Poland), Italy, Canada and the international malt drinks markets (the Caribbean, Africa and the UK). Royal Unibrew comprises the Albani, Ceres, Faxe and Maribo breweries in Denmark, Kalnapilis in Lithuania, Lacplesa Alus and the soft drinks producer SIA Cido Grupa in Latvia, Brok, Strzelec and Browar Lomza in Poland as well as Antigua Brewery and Dominica Brewery in the Caribbean. The Polish brewery Browar Lomza is included in the financial statements of Royal Unibrew as of 1 May 2007, whereas the Caribbean breweries in Antigua and Dominica are included as of 1 June 2007.

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

## ACQUISITIONS

As announced in our Announcement RU22/2007 of 2 July 2007, Royal Unibrew has further strengthened its position in the Caribbean by acquiring a controlling interest in St. Vincent Brewery Ltd, which means that Royal Unibrew now holds 76% of the shares. St. Vincent Brewery will be included in the financial statements of Royal Unibrew as of 1 July 2007. In 2006, the Company recorded net revenue of some DKK 85 million and a profit before tax of some DKK 10 million. The acquisition of St. Vincent Brewery gives Royal Unibrew a leading position in St. Vincent in the malt drinks, beer and soft drinks markets. Furthermore, the acquisition will enable the realisation of positive synergies by both the brewery in St. Vincent and by the previously acquired breweries in Antigua and Dominica. The profit before tax for 2007 is expected to be lower than that realised in 2006 due to integration costs; however, as of 2008/09 St. Vincent is expected to meet the MACH II targets of two-digit EBIT margin and ROIC.

Moreover, Royal Unibrew has (cf Announcement RU29/2007 of 15 August 2007) strengthened its position in the Baltic beer market by acquiring assets and activities of Livu Alus, the number 3 Latvian brewery in terms of size. Livu Alus is expected to be included in the consolidated financial statements from the beginning of Q4 2007. As a result of market investments and integration costs, Livu Alus is expected to have a minor negative effect on the consolidated profit in 2007 and 2008, after which key ratios are expected to be in line with group targets.

As announced in Announcement RU14/2007 of 15 May 2007, the Polish competition authorities approved Royal Unibrew's acquisition of Browar Lomza Sp. z o.o., and the Polish brewery is included in the consolidated financial statements of Royal Unibrew as of 1 May 2007. The acquired Caribbean brewery companies Antigua Brewery Ltd., Antigua Pet Plant Ltd. and Dominica Brewery Ltd, (cf Announcement RU44/2006 of 13 December 2006) are included in the financial statements as of 1 June 2007.

## MACH II - THE GROUP'S STRATEGIC PLATFORM

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

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

MACH II has the following main elements:

- With due consideration of the above overall targets, ensuring revenue growth from some DKK 3 billion in 2004 to at least DKK 4.5 billion in 2007 through organic growth of 3% in the Company's focus areas and through acquisitions, alliances and partnerships in the growth areas: Northern Europe, Italy and the malt drinks markets.

Within 3 years of being acquired, acquisitions must show two-digit ROIC and EBIT margin.

*In 2005 and 2006 total organic net revenue growth of 12% has been realised, whereas growth related to acquisitions represented 8%. In accordance with the above, acquisitions will also in 2007 affect net revenue growth, and organic growth is expected to be above average growth in 2005 and 2006. In H1 2007, organic growth of 10% was realised, whereas growth related to acquisitions in May and June represented 3%. Net revenue for the year is still expected to be at the level of DKK 4-4.5 billion.*

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

*Activities in the Baltic countries developed ahead of plans in 2005 and 2006, and the positive trend continued in H1 2007 and is expected to continue in H2 2007 so that the target of two-digit ROIC and EBIT margin is met as planned in 2007.*

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

*Organisational development continues in key areas, and a Corporate Talent Programme was initiated in 2006, which is progressing as planned for the first talent team; more employees are expected to embark on the CTP in 2007.*

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

*In 2006 the resources spent on strengthening the Group's key brands increased considerably. This level has been maintained in H1 2007, and in 2007 new varieties of key brands were launched. Brand equity and market shares are generally developing satisfactorily.*

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

*The expected savings were realised in 2006. In 2007 additional savings in the order of DKK 10-15 million (against previously some DKK 30 million) are expected in consequence of "Production Excellence" in Denmark and "Global Purchasing" including the implementation of LEAN in production as well as a shared group purchasing function.*

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

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

## RESULTS Q2 2007

In Q2, Royal Unibrew saw a satisfactory net revenue development and a less positive EBIT development.

Sales in Q2 amounted to 2.1 million hectolitres, which is a 12% increase over 2006. The increase is an expression of organic growth of 5 percentage points, whereas 7 percentage points relate to the acquisition of Lomza in Poland in May 2007 and the Caribbean breweries in Antigua and Dominica in June 2007. The

organic growth was primarily realised in Lithuania, Latvia, Italy, Germany, Sweden and the malt drinks markets.

Net revenue went up by 16% to DKK 1,121 million of which 11 percentage points relate to organic growth.

Gross profit in Q2 amounted to DKK 528 million, an increase of 6% over 2006. A total negative effect on gross margin in the order of DKK 25-30 million is estimated from partly higher raw materials prices, which have, as expected, only partly been offset by increased net selling prices, and partly from low efficiency at the Danish breweries during a production reorganisation period at one of the breweries. Consequently, gross profit margin was 4 percentage points lower than in 2006.

The mentioned production reorganisation and loss of efficiency resulted in certain delivery problems in the period.

EBIT for Q2 amounted to DKK 98.9 million, a 3% increase over 2006, when EBIT amounted to DKK 96.1 million. EBIT margin was 8.8% compared to 9.9% in 2006. Thus, the lower gross margin was partly offset by lower sales and distribution as well as administrative expenses measured proportionately to net revenue.

The profit before tax for Q2 amounted to DKK 96.6 million compared to DKK 97.0 million in 2006.

## RESULTS H1 2007

In H1 2007, Royal Unibrew's beer, malt and soft drinks sales amounted to 3.3 million hectolitres, which is a 9.5% increase over the same period of 2006. The increasing sales are partly attributable to the breweries in Poland and the Caribbean acquired in May and June by some 4.5 percentage points, and partly to organic sales growth of some 5 percentage points primarily attributable to Lithuania, Latvia, Italy, Germany, Sweden and the malt drinks markets.

Developments January-June 2007	Western Europe		Eastern Europe		Malt and Overseas Markets		Royal Unibrew total	
	Growth	Total	Growth	Total	Growth	Total	Growth	Total
Sales (thousand hectolitres)	3.6%	1,878	17.4%	1,292	21.8%	181	9.5%	3,351
Net revenue (mDKK)	6.5%	1,257	30.4%	422	27.9%	147	12.8%	1,826

Total net revenue of the Group increased by almost 13% in H1 aggregating DKK 1,826 million. 3 percentage points of the increase were attributable to the breweries in Poland and the Caribbean in May and June, respectively, whereas organic growth accounted for 10 percentage points. Net selling price per hectolitre went up by an average of 3%. The increase comprises a positive effect from price increases to offset increasing raw materials prices and a negative effect due to a proportionately higher increase in sales in the Eastern European markets where net selling price is below average. The average price increases are primarily related to the Eastern European markets and malt drinks markets, whereas price increases have only to a limited extent been realisable in Western European markets.

Gross margin for H1 was 44.8% compared to 48.7% for the same period of last year. The lower gross margin is partly a consequence of inability due to the competitive situation, as expected, to offset increased production costs fully by increases in selling prices. Moreover, production costs increased due to the lower efficiency at Danish breweries mentioned above. On average, production costs in H1 were 9% higher than those of 2006. Moreover, gross margin was negatively affected by a larger sales increase in Eastern Europe than generally experienced.

The Group's sales and distribution expenses went up by 3% in H1 compared to 1% in Q1 over 2006. Half of the increase is attributable to the acquisitions realised, and thus in 2007 the Group's sales and distribution expenses were more or less at the 2006 level. Accordingly, considerable amounts are still spent to strengthen the Group's key brands: Royal Beer, Kalnapilis, Cido, Ceres (Italy), Vitamalt and Faxe (internationally).

In H1, administrative expenses went up by 12% from 2006. The increase was due to increased expenses in relation to the realisation of the MACH II strategy, including expenses for implementing a shared IT platform, acquisition activities and general organisational strengthening. As part of the integration process, the Group's IT platform was implemented at the acquired breweries in the Caribbean in June.

EBIT amounted to DKK 55.8 million compared to DKK 60.6 million in H1 2006. The development comprises an increase of DKK 2.8 million in Q2 equivalent to an EBIT increase of 3% and a DKK 7.6 million reduction in Q1. The EBIT margin for H1 represented 3.1% of net revenue compared to 3.7% in 2006.

The development in "income before tax from investments in associates" is due to a generally positive profit development of associates.

Net interest expenses went up by DKK 8 million from 2006 in consequence of the increased indebtedness to finance the acquisitions and share buy-backs made in accordance with the MACH II Strategic Plan.

The profit before tax amounted to DKK 37.5 million compared to DKK 45.9 million in the corresponding period of last year, whereas consolidated profit (after tax) amounted to DKK 41.2 million compared to DKK 35.3 million last year. Tax in Q2 2007 was positively affected by an adjustment of the deferred tax liability by DKK 13.8 million due to the reduction of the Danish corporation tax rate from 28% to 25%.

## DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

### Western Europe

	2007	2006	% change
Sales (thousand hectolitres)	1,878	1,811	3.6
Net revenue (mDKK)	1,257	1,181	6.5

Total sales in Western Europe increased by 3.6%, whereas revenue increased by 6.5% over last year. The increase augmented from Q1 to Q2 2007.

The sales increase was higher than the revenue increase primarily due to price increases introduced in most markets.

It is estimated that the total **Danish** beer market declined marginally in H1 2007. Royal Unibrew's branded beer market share went up by 1 percentage point. Although Royal Unibrew had to record a decline for low-price products, the total market share was maintained. Royal brand sales went up by 14% achieving its highest market share since being introduced in 2003 (subsequently, in July, a market share above 10%, viz 10.5%, was achieved for the first time since the Royal series was introduced in Denmark).

The increase in soft drinks sales in Denmark is estimated at below 1%. Royal Unibrew products sales went up by some 5%, and the market share increased primarily driven by Egekilde, Faxe Kondi, Pepsi and low-price products. Egekilde sales went up by more than 20% achieving in less than 1½ years a market share of 28% in the spring water segment. Faxe Kondi increased its market share of the lemon/lime segment by 3 percentage points.

In **Italy** sales growth increased in Q2 as compared to Q1, and in H1 sales were 7% above those of 2006. Revenue went up by almost 6%, slightly less than sales due to a changed product mix. Ceres Weiss and Red Devil energy drink were launched in Italy in 2007.

The **German** market continued to show improvement with sales and revenue increases of 30% and 42%, respectively, over 2006.

**Cross-border trade** between Denmark and Germany also developed satisfactorily and with an increasing market share on branded products and a declining market share on low-price products.

### Eastern Europe

	2007	2006	% change
Sales (thousand hectolitres)	1,292	1,101	17.4
Net revenue (mDKK)	422	323	30.4

Beer consumption in **Lithuania** in H1 2007 was at the 2006 level. Kalnapilio-Tauro Grupe saw highly satisfactory developments in H1 winning market shares with a sales growth above 12%. Sales of both the Taurus brand and the Kalnapilis brand went up, whereas the Group's low-price products sales declined. The average net selling price went up by some 25% and revenue for H1 2007 was 40% higher than in the same period of 2006. In terms of profit and cash flow, the Lithuanian activities also developed very satisfactorily.

In **Latvia** beer and soft drinks sales grew by 29% and 5%, respectively, and the Group's market shares increased in both segments. The market share of some 9.5% achieved in the beer segment is the highest achieved so far making Lacplesa Alus the number 4 brewery business in terms of size.

After the end of H1, a decision was made to acquire Livu Alus, the number 3 brewery business in terms of size, after which the number 2 brewery operator on the market is only marginally larger than the Royal Unibrew Group.

Sales and revenue in **Poland** went up materially from H1 2006 as Browar Lomza was included in the consolidated financial statements from the beginning of May. The planned strengthening of management of the subsidiary Royal Unibrew Polska was realised in H1 with the appointment of a new general manager in March and a new sales, marketing and finance director in June. The new management has updated the turnaround plan prepared in 2006 with new profit generating measures. It is now expected that the unsatisfactory development in sales and revenue as well as profit for the year as compared to the plans made which was realised in H1 will be compensated for in H2 to an extent resulting in an additionally positive development as compared to 2006. The integration between the Royal Unibrew Polska and the Browar Lomza activities with a view to realising positive synergies has been initiated and is progressing satisfactorily.

### Malt and Overseas Markets

	2007	2006	% change
Sales (thousand hectolitres)	181	149	21.8
Net revenue (mDKK)	147	115	27.9

Sales went up by 22% in H1 2007. 5% of the increase was attributable to the breweries in Antigua and Dominica recognised in the consolidated financial statements as of 1 June. The major part of the organic growth was realised in Africa under the working relationship with Serengetti Brewerie in Tanzania;

however, also in the Caribbean and North American malt drinks markets, sales grew by two-digit percentages. Revenue increased by 28% of which 23 percentage points related to organic growth.

## SHARE OPTIONS

Royal Unibrew's continuous share option programme covering the 2007 financial year (vesting period 1 May - 31 December 2007) applies to the Executive Board and some 15 executives. Under this programme, the participants may annually be granted options corresponding to a maximum number of shares of 33,100 based on a share price of 769. 20% of the options are related to the achievement of the MACH II targets, 40% will be granted without any performance conditions, whereas the remaining 40% will be granted depending, in part or in full, on the realisation of ROIC (return on invested capital) and profit growth.

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

Granted	Total number unexercised	Number held by Executive Board	Exercise price	Exercise period
June 2002	6,623	6,623	290-315	6/2006 – 5/2009
Re 2003	8,428	3,746	401	3/2007 – 4/2009
Re 2004	9,754	4,184	478	3/2008 – 4/2010
Re 2005	26,114	13,874	648	4/2009 – 4/2011
Re 2006	22,820	13,944	695	4/2010 – 4/2012
Re 2007	13,250	9,900	*) 769	4/2011 – 4/2013

\*) The options will be priced on the basis of average market price over the 10 trading days following the publication of the Annual Report of the Company for 2007.

The market value of the unexercised options is estimated at DKK 23.6 million (under the Black-Scholes formula). The value of the unexercised options is calculated on the basis of the share price at 30 June 2007.

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

An expense of DKK 1.4 million has been charged in H1 2007 corresponding to the proportionate share of the market value (Black-Scholes) of the expected granting relating to the 2007 financial year.

## BALANCE SHEET AND CASH FLOW STATEMENT

The equity of the Royal Unibrew Group amounted to DKK 1,104 million at 30 June 2007 equal to an equity ratio of 28.1% compared to 32.8% at the end of H1 2006.

The balance sheet total amounted to DKK 3,928 million at the end of the period equal to an increase of some 18% compared to the end of H1 2006. The increase was primarily related to the recognition of the acquisitions in Poland and the Caribbean.

Interest-bearing debt went up by DKK 413 million from the same date last year. The increase relates to the acquisitions made as well as to share buy-backs.

Free cash flow for the period amounted to a negative DKK 17 million compared to a negative DKK 57 million in H1 2006. Net investments amounted to DKK 103 million compared to DKK 106 million in H1 2006. Cash flows from operating activities amounted to DKK 71 million for the first six months compared



to DKK 29 million for the same period of last year, which is due to temporarily lower working capital investments at 30 June 2007 which more than set off increased interest payments and the reduction in net profit adjusted for non-cash operating items.

The Group's cash resources, committed, unutilised credit facilities, amount to some DKK 750 million at 30 June 2007 in addition to commitments for financing of acquisitions.

## **TREASURY SHARES**

In H1 2007 Royal Unibrew acquired 60,901 shares for treasury (including 15,341 acquired since the Annual General Meeting in April 2007), after which the Company holds 412,747 treasury shares at 30 June 2007. 280,000 of these shares will be cancelled according to the resolution passed at the Annual General Meeting in 2007 in connection with the reduction of the share capital upon expiry of the period of statutory notice in August 2007; some 87,000 shares are expected to be utilised for the purpose of the Company's share option schemes.

The Supervisory Board of Royal Unibrew A/S has decided to acquire up to 300,000 shares for treasury, however not exceeding a value of DKK 200 million, in the period up to the next Annual General Meeting on 28 April 2008. 15,341 shares at a value of DKK 11.4 million have, as mentioned above, already been acquired at 30 June 2007. The share buy-backs are an element in the future capital structure, see below.

## **FUTURE CAPITAL STRUCTURE**

With a view to optimising Royal Unibrew's weighted average cost of capital (WACC) to increase shareholders' return, it has been decided to adjust the Group's capital structure by increasing its interest-bearing debt to the effect that by the end of 2007 interest-bearing debt represents approximately three times the Group's EBITDA (cf Announcement BG02/2005 of 24 February 2005).

At the end of 2006, interest-bearing debt was 2 X EBITDA. In H1 2007, interest-bearing debt increased from DKK 1,048 million by 50% to DKK 1,568 million at 30 June 2007.

The further adjustment of capital structure is expected to be effected partly through realisation of the MACH II strategy and partly through repurchase of shares for treasury (cf Announcement RU18/2007 of 31 May 2007).

## **EXPECTATIONS TO THE 2007 FINANCIAL STATEMENTS**

The results achieved in Q2 2007 were lower than expected, partly in consequence of reduced production efficiency in Denmark and the resulting delivery problems and delay of the business excellence projects, and partly in consequence of the achieved performance improvements in Poland not reaching the anticipated level. Furthermore, the weather in the peak season (June-August) was not generally favourable to beverage sales.

Measures will be taken, eg through investments in technology and capacity expansion of Danish production facilities, with a view to remedying the efficiency problems mentioned above.

The above-mentioned negative effects will continue to affect the Group's results in H2 2007; on this basis, the expectation for the consolidated profit before tax – without taking into account special items of a non-recurring nature – is changed to DKK 265-285 million compared to the previous expectation of DKK 330-370 million.

Furthermore, it is considered realistic that the property on which the now closed Taurus brewery in Vilnius is located will be sold before the end of 2007, which is estimated to affect the Group's EBIT and profit before tax by some DKK 100 million.

The aggregated consolidated profit before tax is thus expected to amount to DKK 365-385 million.

Total net revenue for the year is now expected to amount to some DKK 4.1 billion.

Based on the change of the Danish corporation tax rate, the Group's tax rate is expected to be at the level of 25%, and the reduction in the Danish corporation tax rate will result in an additional reduction of tax for the year of some DKK 14 million.

#### **STATEMENTS ABOUT THE FUTURE**

The statements about the future made in the H1 Report 2007 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.

## MANAGEMENT'S STATEMENT ON THE REPORT

The Executive and Supervisory Boards have today considered and adopted the H1 Report of Royal Unibrew A/S at 30 June 2007.

The H1 Report was prepared under the measurement and recognition provisions of IFRS as well as in accordance with the general Danish financial reporting requirements governing listed companies. We consider the accounting policies applied appropriate. In our opinion, the H1 Report gives a true and fair view of the financial position and of the results of operations and cash flows of the Group.

Faxe, 27 August 2007

### Executive Board

Poul Møller  
CEO

Connie Astrup-Larsen  
Executive Director Northern Europe

Povl Friis  
Executive Director Technics and Supply

Ulrik Sørensen  
CFO

### Supervisory Board

Steen Weirsøe  
Chairman

Tommy Pedersen  
Deputy Chairman

Henrik Brandt

Ulrik Bülow

Erik Højsholt

Hemming Van

Erik Christensen

Jesper Frid

Kirsten Liisberg

## ANNOUNCEMENTS TO THE COPENHAGEN STOCK EXCHANGE A/S – 1 January to 26 August 2007

02 January 2007	01/2007	Share Buy-back at Royal Unibrew A/S
11 January 2007	02/2007	Share Buy-back at Royal Unibrew A/S
23 January 2007	03/2007	Share Buy-back at Royal Unibrew A/S
31 January 2007	04/2007	Share Buy-back at Royal Unibrew A/S
12 February 2007	05/2007	Share Buy-back at Royal Unibrew A/S
15 February 2007	06/2007	Royal Unibrew strengthens its position in Poland through the acquisition of significant regional brewery business
20 February 2007	07/2007	Share Buy-back at Royal Unibrew A/S
01 March 2007	08/2007	Share Buy-back at Royal Unibrew A/S
05 March 2007	09/2006	Announcement of Annual Results 2006
09 March 2007	10/2007	Share Buy-back at Royal Unibrew A/S
03 April 2007	11/2007	Notice convening the Annual General Meeting of Royal Unibrew A/S
30 April 2007	12/2007	Q1 Report 2007
30 April 2007	13/2007	Annual General Meeting of Royal Unibrew - Minutes
15 May 2007	14/2007	Royal Unibrew's acquisition of 100% of the share capital of Browar Lomza Sp. z o.o. now realised
23 May 2007	15/2007	Reporting according to section 28a of the Danish Securities Trading Act
24 May 2007	16/2007	Reporting according to section 28a of the Danish Securities Trading Act
25 May 2007	17/2007	Reporting according to section 28a of the Danish Securities Trading Act
31 May 2007	18/2007	Share Buy-back under "Safe Harbour"
01 June 2007	19/2007	Royal Unibrew's total share capital and voting rights
13 June 2007	20/2007	Share Buy-back at Royal Unibrew A/S
22 June 2007	21/2007	Share Buy-back at Royal Unibrew A/S
02 July 2007	22/2007	Royal Unibrew further strengthens its position in the Caribbean
03 July 2007	23/2007	Share Buy-back at Royal Unibrew A/S
12 July 2007	24/2007	Share Buy-back at Royal Unibrew A/S
23 July 2007	25/2007	Share Buy-back at Royal Unibrew A/S
01 August 2007	26/2007	Share Buy-back at Royal Unibrew A/S
10 August 2007	27/2007	Share Buy-back at Royal Unibrew A/S
21 August 2007	28/2007	Share Buy-back at Royal Unibrew A/S
15 August 2007	29/2007	Royal Unibrew strengthens its position in the Baltic beer market

### FINANCIAL CALENDAR FOR 2007

Announcements of financial results:

28 August 2007: H1 Report 2007

15 November 2007: Q3 Report 2007

### FINANCIAL CALENDAR FOR 2008

Annual General Meeting and shareholders' meetings:

28 April 2008: Annual General Meeting in Århus

29 April 2008: Shareholders' meeting in Odense

30 April 2008: Shareholders' meeting in Faxe

Announcements of financial results:

03 March 2008: Annual Report 2007

28 April 2008: Q1 Report 2008

26 August 2008: H1 Report 2008

13 November 2008: Q3 Report 2008

**CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
**(DKK '000)**

	2007 1/1-30/6	2006 1/1-30/6	2006 Full year
Revenue	2,153,341	1,932,943	4,083,474
Beer and mineral water excises	<u>(327,386)</u>	<u>(313,905)</u>	<u>(644,448)</u>
<b>Net revenue</b>	<b>1,825,955</b>	<b>1,619,038</b>	<b>3,439,026</b>
Production costs	<u>(1,007,382)</u>	<u>(829,885)</u>	<u>(1,742,900)</u>
<b>Gross profit</b>	<b>818,573</b>	<b>789,153</b>	<b>1,696,126</b>
Sales and distribution expenses	<u>(646,484)</u>	<u>(625,424)</u>	<u>(1,191,225)</u>
Administrative expenses	<u>(117,839)</u>	<u>(104,807)</u>	<u>(200,680)</u>
Other operating income	<u>1,538</u>	<u>1,641</u>	<u>43,512</u>
<b>Operating profit</b>	<b>55,788</b>	<b>60,563</b>	<b>347,733</b>
Special items	<u>0</u>	<u>0</u>	<u>(14,329)</u>
<b>Profit before financial income and expenses</b>	<b>55,788</b>	<b>60,563</b>	<b>333,404</b>
Income before tax from investments in associates	13,237	7,458	26,098
Income from sale of current asset investments	1,235	2,750	0
Financial income	9,979	5,385	20,330
Financial expenses	<u>(42,722)</u>	<u>(30,250)</u>	<u>(59,479)</u>
<b>Profit before tax</b>	<b>37,517</b>	<b>45,906</b>	<b>320,353</b>
Tax on the profit for the period	<u>3,700</u>	<u>(10,589)</u>	<u>(90,014)</u>
<b>Consolidated profit</b>	<b><u>41,217</u></b>	<b><u>35,317</u></b>	<b><u>230,339</u></b>
Consolidated profit breaks down as follows:			
Parent Company shareholders' share of profit	40,296	34,431	227,642
Minority shareholders' share of profit	<u>921</u>	<u>886</u>	<u>2,697</u>
<b>Consolidated profit</b>	<b><u>41,217</u></b>	<b><u>35,317</u></b>	<b><u>230,339</u></b>

**CONSOLIDATED BALANCE SHEET (UNAUDITED)**  
**(DKK '000)**

	2007 30/6	2006 30/6	2006 31/12
<b>ASSETS</b>			
Goodwill	408,175	318,470	323,398
Trademarks	300,765	172,830	174,236
Distribution rights	<u>9,190</u>	<u>10,036</u>	<u>9,854</u>
<b>Intangible assets</b>	<b>718,130</b>	<b>501,336</b>	<b>507,488</b>
Land and buildings	748,625	704,975	723,509
Plant and machinery	512,763	366,432	400,842
Other fixtures and fittings, tools and equipment	255,849	231,456	237,618
Property, plant and equipment in progress	<u>91,090</u>	<u>87,707</u>	<u>64,888</u>
<b>Property, plant and equipment</b>	<b>1,608,327</b>	<b>1,390,570</b>	<b>1,426,857</b>
Investments in associates	231,421	210,828	231,285
Receivables from associates	25,438	25,612	24,664
Other investments	3,126	2,887	2,838
Other receivables	<u>21,574</u>	<u>13,529</u>	<u>21,875</u>
<b>Financial assets</b>	<b>281,559</b>	<b>252,856</b>	<b>280,662</b>
<b>NON-CURRENT ASSETS</b>	<b><u>2,608,016</u></b>	<b><u>2,144,762</u></b>	<b><u>2,215,007</u></b>
Raw materials and consumables	152,693	107,510	97,284
Work in progress	26,245	21,817	17,353
Finished goods and purchased finished goods	<u>170,560</u>	<u>122,063</u>	<u>161,983</u>
<b>Inventories</b>	<b>349,498</b>	<b>251,390</b>	<b>276,620</b>
Trade receivables	686,314	570,170	442,238
Receivables from associates	1,556	2,076	1,318
Other receivables	42,620	27,630	37,360
Prepayments	<u>33,355</u>	<u>43,000</u>	<u>43,775</u>
<b>Receivables</b>	<b>763,845</b>	<b>642,876</b>	<b>524,691</b>
<b>Cash at bank and in hand</b>	<b>148,595</b>	<b>249,547</b>	<b>368,320</b>
<b>Non-current assets held for sale</b>	<b>57,988</b>	<b>28,988</b>	<b>28,988</b>
<b>CURRENT ASSETS</b>	<b><u>1,319,926</u></b>	<b><u>1,172,801</u></b>	<b><u>1,198,619</u></b>
<b>ASSETS</b>	<b><u>3,927,942</u></b>	<b><u>3,317,563</u></b>	<b><u>3,413,626</u></b>

**CONSOLIDATED BALANCE SHEET (UNAUDITED)**  
**(DKK '000)**

	2007 30/6	2006 30/6	2006 31/12
<b>LIABILITIES AND EQUITY</b>			
<b>EQUITY</b>			
Share capital	61,800	61,800	61,800
Translation reserve	(3,353)	(6,794)	(9,194)
Hedging reserve	1,329	16,246	1,975
Retained earnings	978,686	971,016	791,181
Proposed dividend	0	0	61,800
Profit for the period	<u>40,296</u>	<u>34,431</u>	<u>227,642</u>
<b>Equity of Parent Company shareholders</b>	<b>1,078,758</b>	<b>1,076,699</b>	<b>1,135,204</b>
Minority interests	<u>25,164</u>	<u>11,238</u>	<u>12,917</u>
<b>EQUITY</b>	<b><u>1,103,922</u></b>	<b><u>1,087,937</u></b>	<b><u>1,148,121</u></b>
Deferred tax	120,264	139,735	127,720
Mortgage debt	562,106	624,807	593,540
Credit institutions	<u>818,682</u>	<u>559,597</u>	<u>650,375</u>
<b>Non-current liabilities</b>	<b>1,501,052</b>	<b>1,324,139</b>	<b>1,371,635</b>
Repurchase obligations, returnable packaging	91,098	95,086	90,554
Mortgage debt	62,527	57,420	58,732
Credit institutions	298,493	187,956	138,106
Trade payables	559,023	338,251	344,338
Corporation tax	50,542	0	61,262
VAT, excise duties, etc	111,654	105,259	74,821
Other payables	<u>149,631</u>	<u>121,515</u>	<u>126,057</u>
<b>Current liabilities</b>	<b>1,322,968</b>	<b>905,487</b>	<b>893,870</b>
<b>LIABILITIES</b>	<b><u>2,824,020</u></b>	<b><u>2,229,626</u></b>	<b><u>2,265,505</u></b>
<b>LIABILITIES AND EQUITY</b>	<b><u>3,927,942</u></b>	<b><u>3,317,563</u></b>	<b><u>3,413,626</u></b>

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

	<u>2007</u>	<u>2006</u>
<b>Equity at 1 January</b>	<b>1,148.1</b>	<b>1,149.8</b>
Minority interests' share of equity of subsidiaries acquired during the year	11.9	0.0
Value adjustment of hedging instruments	(0.7)	7.6
Value and exchange adjustment of foreign subsidiaries and associates	0.6	(0.5)
Profit for the period	<u>41.2</u>	<u>35.3</u>
<i>Total income</i>	41.1	42.4
Dividends paid	(57.7)	(60.7)
Acquisition of shares for treasury	(45.5)	(45.3)
Sale of treasury shares	4.6	0.0
Share-based payment	<u>1.4</u>	<u>1.7</u>
<i>Total shareholders</i>	<u>(97.2)</u>	<u>(104.3)</u>
<b>Equity at 30 June</b>	<b><u>1,103.9</u></b>	<b><u>1,087.9</u></b>



**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**  
**(DKK '000)**

	1/1 – 30/6	
	2007	2006
Net profit for the period	41,217	35,317
Adjustments for non-cash operating items	98,997	123,524
	140,214	158,841
Change in working capital:		
+/- change in receivables	(194,342)	(178,868)
+/- change in inventories	(37,359)	1,738
+/- change in payables	215,949	94,279
<b>Cash flows from operating activities before financial income and expenses</b>	<b>124,462</b>	<b>75,990</b>
Financial income	3,831	4,021
Financial expenses	(30,510)	(25,906)
<b>Cash flows from ordinary activities</b>	<b>97,783</b>	<b>54,105</b>
Corporation tax paid	(26,841)	(25,474)
<b>Cash flows from operating activities</b>	<b>70,942</b>	<b>28,631</b>
Dividends received from associates	14,704	20,146
Sale of property, plant and equipment	11,322	4,421
Purchase of property, plant and equipment	(114,237)	(110,693)
<i>Free cash flow</i>	(17,269)	(57,495)
Sale of associates	6,000	0
Acquisition of subsidiaries	(336,486)	0
Acquisition of financial assets	(799)	(1,545)
<b>Cash flows from investing activities</b>	<b>(419,496)</b>	<b>(87,671)</b>
Proceeds from raising of non-current debt	248,188	94,351
Repayment of non-current debt	(142,510)	(25,863)
Change in current debt to credit institutions	121,935	59,778
Dividends paid	(57,722)	(60,714)
Acquisition of shares for treasury	(45,542)	(45,300)
Sale of treasury shares	4,629	0
<b>Cash flows from financing activities</b>	<b>128,978</b>	<b>22,252</b>
<b>Change in cash and cash equivalents</b>	<b>(219,576)</b>	<b>(36,788)</b>
Cash and cash equivalents at 1 January	368,320	286,995
Exchange adjustment	(149)	(660)
<b>Cash and cash equivalents at 30 June</b>	<b>148,595</b>	<b>249,547</b>

**CONSOLIDATED INCOME STATEMENT Q1–Q2 2007 (UNAUDITED)**

**(mDKK)**

	2007			2006		
	Q1	Q2	1/1 – 30/6	Q1	Q2	1/1 – 30/6
Sales (thousand hectolitres)	<u>1,298</u>	<u>2,053</u>	<u>3,351</u>	<u>1,236</u>	<u>1,825</u>	<u>3,061</u>
Revenue	828.3	1,325.0	2,153.3	774.2	1,158.7	1,932.9
Beer and mineral water excises	<u>(123.7)</u>	<u>(203.6)</u>	<u>(327.3)</u>	<u>(126.2)</u>	<u>(187.7)</u>	<u>(313.9)</u>
<b>Net revenue</b>	<b>704.6</b>	<b>1,121.4</b>	<b>1,826.0</b>	<b>648.0</b>	<b>971.0</b>	<b>1,619.0</b>
Production costs	<u>(413.9)</u>	<u>(593.5)</u>	<u>(1,007.4)</u>	<u>(357.1)</u>	<u>(472.8)</u>	<u>(829.9)</u>
<b>Gross profit</b>	<b>290.7</b>	<b>527.9</b>	<b>818.6</b>	<b>290.9</b>	<b>498.2</b>	<b>789.1</b>
Sales and distribution expenses	(279.4)	(367.1)	(646.5)	(279.2)	(346.2)	(625.4)
Administrative expenses	(54.8)	(63.0)	(117.8)	(47.8)	(57.0)	(104.8)
Other operating income	<u>0.4</u>	<u>1.1</u>	<u>1.5</u>	<u>0.6</u>	<u>1.1</u>	<u>1.7</u>
<b>Operating profit/(loss)</b>	<b>(43.1)</b>	<b>98.9</b>	<b>55.8</b>	<b>(35.5)</b>	<b>96.1</b>	<b>60.6</b>
	(2.5)	15.7	13.2	(3.2)	10.7	7.5
Income before tax from investments in associates	0.0	1.2	1.2	0.0	2.7	2.7
Income from sale of current asset investments	3.9	6.1	10.0	2.1	3.3	5.4
Financial income	<u>(17.4)</u>	<u>(25.3)</u>	<u>(42.7)</u>	<u>(14.5)</u>	<u>(15.8)</u>	<u>(30.3)</u>
Financial expenses						
<b>Profit/(loss) before tax</b>	<b>(59.1)</b>	<b>96.6</b>	<b>37.5</b>	<b>(51.1)</b>	<b>97.0</b>	<b>45.9</b>
Tax on the profit/(loss) for the period	<u>16.5</u>	<u>(12.8)</u>	<u>3.7</u>	<u>13.4</u>	<u>(24.0)</u>	<u>(10.6)</u>
<b>Consolidated profit/(loss)</b>	<b>(42.6)</b>	<b>83.8</b>	<b>41.2</b>	<b>(37.7)</b>	<b>73.0</b>	<b>35.3</b>
Consolidated profit/(loss) breaks down as follows:						
Parent Company shareholders' share of profit/(loss)	(42.9)	83.2	40.3	(37.7)	72.1	34.4
Minority shareholders' share of profit/(loss)	<u>0.3</u>	<u>0.6</u>	<u>0.9</u>	<u>0.0</u>	<u>0.9</u>	<u>0.9</u>
<b>Consolidated profit/(loss)</b>	<b>(42.6)</b>	<b>83.8</b>	<b>41.2</b>	<b>(37.7)</b>	<b>73.0</b>	<b>35.3</b>
<b>Key ratios (as a % of net revenue)</b>						
Gross margin	41.3	47.3	45.0	44.9	51.3	48.7
EBITDA	0.8	12.9	7.6	2.1	14.8	9.7
EBIT	(6.1)	8.8	3.1	(5.5)	9.9	3.7