

COMPANY ANNOUNCEMENT NO 9/2014 – 29 APRIL 2014

Interim Report for 1 January - 31 March 2014

Earnings and revenue increase in line with outlook

Earnings before interest and tax (EBIT) for Q1 2014 amounted to DKK 43 million after non-recurring costs of DKK 50 million for restructuring of Hartwall. For Q1 2013 EBIT amounted to DKK 61 million. EBIT before restructuring costs for Q1 2014 amounted to DKK 93 million. Calculated on a pro forma basis (inclusive Hartwall) EBIT for Q1 2013 amounted to DKK 38 million and before restructuring costs at Hartwall of DKK 18 million to DKK 56 million. Hence EBIT before restructuring costs pro forma increased DKK 37 million. The pro forma earnings increase is due to a net revenue increase, improved efficiency as well as a significant shift in marketing expenses. Measured on a pro forma basis, net revenue for Q1 increased by 1%, and EBIT margin went up from 3.0% to 3.4%. As expected, earnings were higher in all segments due to, among other things, the shift in marketing expenses. The market shares on Royal Unibrew's branded products were generally maintained or increased. As expected, Hartwall's net revenue and earnings were negatively affected by primarily excise increases in Q1 when net revenue calculated on a pro forma basis was 7% below the 2013 figure.

Free cash flow was as expected and amounted to a negative DKK 254 million, and net interest-bearing debt also showed the expected increase, amounting to DKK 2.6 billion at the end of Q1.

"The underlying performance for Q1 was positive and in line with the outlook. We managed to continue improving our results due to both revenue growth and our continuous focus on efficiency measures. We saw the highest growth in our malt beverage business and Western Europe, which reflects our long-term strategic commitment to this area. The integration and development of the Hartwall business are progressing as planned. The organisational restructuring is well under way and we are focusing on efficiency measures and on strengthening Hartwall's commercial position. We still expect the Hartwall acquisition to lead to higher earnings per share in 2014, disregarding restructuring costs", says Henrik Brandt, CEO.

HIGHLIGHTS

- As expected, Royal Unibrew generally maintained or increased its market shares on branded beer as well as soft drinks and malt beverages.
- Net revenue for Q1 amounted to DKK 1,267 million compared to DKK 751 million for the corresponding 2013 period. Calculated on a pro forma basis, net revenue went up by 1%.
- Results for Q1 2014 were negatively affected by non-recurring costs of DKK 50 million relating to the re-structuring of Hartwall.
- EBITDA for Q1 2014 went up by DKK 22 million to DKK 110 million. Calculated on a pro forma basis, EBITDA went up by DKK 3 million.
- Earnings before interest and tax (EBIT) were DKK 18 million below the 2013 figure and amounted to DKK 43 million. Calculated on a pro forma basis, EBIT went up by DKK 5 million, and EBIT margin increased by 0.4 percentage point to 3.4%.
- Profit before tax amounted to DKK 20 million compared to DKK 55 million in 2013.
- Free cash flow was as expected and amounted to a negative DKK 254 million compared to a negative DKK 30 million in 2013. The lower cash flow is primarily due to a timing difference between Q4 2013 and Q1 2014 and to Easter being later than in 2013.

OUTLOOK

The previously announced outlook is maintained as follows:

- Net revenue: DKK 5,750-6,050 million
- EBITDA: DKK 965-1,015 million
- EBIT: DKK 665-715 million

FOR FURTHER INFORMATION ON THIS ANNOUNCEMENT:

Henrik Brandt, CEO, tel +45 56 77 15 13

It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Wednesday, 30 April 2014, at 9.00 am by audiocast at one of the following dial-in numbers:

Danish participants dial: + 45 327 280 18

US participants dial: + 1 866 682 8490

International number: + 44 (0) 1452 555131.

The presentation may also be followed at Royal Unibrew's website www.royalunibrew.com.

FINANCIAL CALENDAR

29 August 2014 Interim Report for the period 1 January – 30 June 2014

27 November 2014 Interim Report for the period 1 January – 30 September 2014

The Interim Report has been prepared in Danish and English.

In case of discrepancy the Danish version shall prevail.

FORWARD-LOOKING STATEMENTS

This Interim Report contains "forward-looking statements". Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking statements include, without limitation, statements regarding our business, financial circumstances, strategy, results of operations, financing and other plans, objectives, assumptions, expectations, prospects, beliefs and other future events and prospects. We undertake no obligation, and do not intend to publicly update or revise any of these forward-looking statements, unless prescribed by law or by stock exchange regulations.



Profile

Royal Unibrew produces, markets, sells and distributes quality beverages. We focus on branded products within beer, malt and soft drinks, including soda water, mineral water and fruit juices as well as cider and long drinks (RTD).

Royal Unibrew is as a leading regional player in a number of markets in Western and East Europe and in the international malt beverages markets.

Our main markets comprise primarily Denmark, Finland, Italy and Germany as well as Latvia, Lithuania and Estonia. The international malt beverages markets comprise a number of established markets in the Caribbean and major cities in Europe and North America with high concentration of inhabitants from the Caribbean and African areas in which malt beverages are popular as well as emerging markets in Africa, Central America and South America.

In Denmark we are a leading supplier of beer and soft drinks with a number of strong brands.

In Finland we are a leading beverage player through the acquisition of Hartwall with a number of strong brands within primarily beer, soft drinks, long drinks and cider.

In Italy we are among the market leaders in the super premium segment with Ceres Strong Ale.

In both Latvia and Lithuania, we are among the two leading beverage businesses holding considerable market positions within beer and soft drinks, including fruit juices. Our activities in Estonia are being developed organically.

In the international malt beverages markets, we are among the market leaders in the premium segment with Vitamalt, Supermalt and Powermalt.

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Financial Highlights and Key Ratios

(Q1 unaudited)

	1/1 – 31/3 2014	1/1 – 31/3 2013	1/1 – 31/12 2013
Sales (thousand hectolitres)	1,847	1,247	7,033
INCOME STATEMENT (MDKK)			
Net revenue	1,267	751	4,481
EBITDA	110	88	732
Earnings before interest and tax (EBIT)	43	61	560
<i>EBIT margin (%)</i>	3.4	8.2	12.5
Income after tax from investments in associates	-1	-1	34
Other financials, net	-22	-6	-46
Profit before tax	20	55	548
Profit for the period	14	41	480
Royal Unibrew A/S' share of profit	14	41	480
BALANCE SHEET (MDKK)			
Non-current assets	5,800	1,972	5,810
Total assets	6,995	2,873	6,925
Equity	2,157	1,338	2,133
Net interest-bearing debt	2,638	401	2,379
Net working capital	-567	-87	-834
CASH FLOWS (MDKK)			
From operating activities	-207	-19	653
From investing activities	-52	-10	-2,837
Free cash flow	-254	-30	598
SHARE RATIOS (DKK)			
RU's share of earnings per DKK 10 share	1.2	3.9	45.9
Cash flow per DKK 10 share	-18.8	-1.8	62.4
Dividend per DKK 10 share	0.0	0.0	24.0
Year-end price per DKK 10 share	902.0	516.0	736.0
FINANCIAL RATIOS (%)			
Free cash flow as a percentage of net revenue	-20	-4	13
Cash conversion	-1,879	-72	125
Equity ratio	31	47	31

Ratios comprised by the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.

Management's Review

BUSINESS DEVELOPMENT

As expected, Royal Unibrew saw increased revenue calculated on the basis of pro forma figures (Hartwall was included in Royal Unibrew as of 23 August 2013) for Q1 2014 in spite of a sales decline relating to the termination of a Danish private label contract and in Finland primarily due to excise increases. At the same time, earnings before non-recurring costs of DKK 50 million relating to the restructuring of Hartwall increased over the same period of last year. Earnings before interest and tax (EBIT) before non-recurring costs

amounted to DKK 93 million, which is DKK 37 million above pro forma EBIT in 2013, which included non-recurring costs for restructuring Hartwall of DKK 18 million. Profit before tax amounted to DKK 20 million, which is DKK 35 million below the 2013 figure and is negatively affected by the non-recurring costs.

Net revenue and earnings of a brewery business for the first quarter of the year do not reflect a proportional share of net revenue and results for the year. The period represents the winter season when sales and earnings are usually at a lower level than in the other quarters of the

year. This also applies to Royal Unibrew. Moreover in 2014, Q1 does not include revenue generated by Easter sales unlike in 2013.

Generally, Royal Unibrew's branded products maintained or increased their market shares in the main markets. Sales volumes developed positively in Western Europe in Q1 2014, not least in the Malt Beverages segment which saw a 21% increase over 2013. Net revenue for Q1 2014 was 69% above the 2013 figure. Calculated on a pro forma basis, net revenue for Q1 2014 increased by 1%.

CALCULATED ON A PRO FORMA BASIS, DEVELOPMENTS IN Q1 2014 WERE AS FOLLOWS:

	Q1 2014	Q1 2013*	Development (%)
Sales (thousand hectolitres)	1,847	1,868	-1.1
Net revenue (mDKK)	1,267	1,250	1.1
EBIT (mDKK)	43	38	13.1
EBIT margin (%)	3.4	3.0	

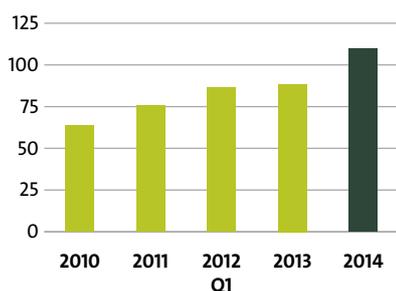
* including pro forma figures for Hartwall

Comments on Q1 developments calculated on a pro forma basis have been included in the Financial Review below.

REPORTED RESULTS:

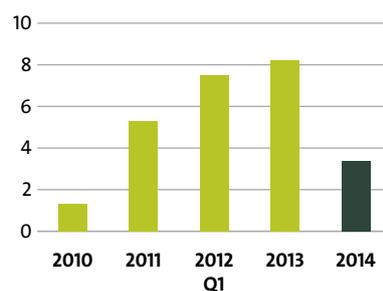
EBITDA

(mDKK)



EBIT MARGIN

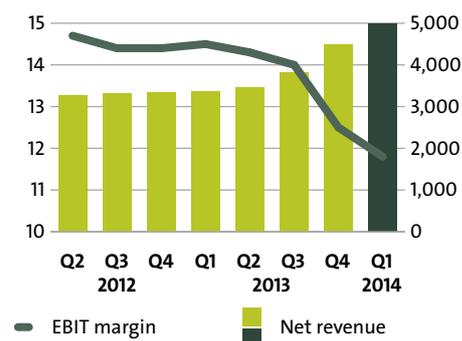
(%)



CURRENT 12-MONTH DEVELOPMENT

(%)

(mDKK)



Financial Review

INCOME STATEMENT

Sales for Q1 2014 aggregated 1.8 million hectolitres of beer, malt beverages and soft drinks, which is 48% above the 2013 figure. Calculated on a pro forma basis, sales decreased by 1%.

Net revenue for Q1 2014 showed a 69% increase amounting to DKK 1,267 million compared to DKK 751 million in 2013. Calculated on a pro forma basis, net revenue was 1% above the 2013 figure.

Gross profit for Q1 2014 was DKK 266 million above the 2013 figure and amounted to DKK 634 million including restructuring costs in Hartwall of DKK 17 million. Calculated on a pro forma basis, gross profit increased by DKK 1 million over 2013. Gross margin was 1.1 percentage points above the 2013 margin and amounted to 50.0% compared to 48.9% in 2013. Hartwall has affected gross margin positively by 0.1 percentage point. Calculated on a pro forma basis, gross margin was 0.6 percentage point lower in 2014 than the pro forma gross margin of 50.6% in 2013. Calculated on a pro forma basis,

net selling prices per volume unit went up, partly due to a changed segment mix and partly due to a changed product and channel mix within the individual segments. Calculated on a pro forma basis, gross margin was lower as the average net selling prices per volume unit only showed a percentage increase of 2.5%, whereas average production costs per volume unit increased by 4%.

Sales and distribution expenses for Q1 2014 were DKK 235 million above the 2013 figure and amounted to DKK 493 million including restructuring costs in Hartwall of DKK 21 million. Calculated on a pro forma basis, sales and distribution expenses were DKK 12 million lower. Marketing expenses in first quarter were significantly lower as a larger share of the marketing activities than in 2013 being scheduled for Q2 and Q3. Conversely, sales expenses increased.

Administrative expenses for Q1 2014 were DKK 48 million above the 2013 figure and amounted to DKK 97 million including restructuring costs in Hartwall of DKK 12 million. Calculated on a pro forma

basis, administrative expenses were DKK 6 million above the 2013 figure.

Earnings before interest and tax (EBITDA) for Q1 2014 increased by DKK 22 million and amounted to DKK 110 million compared to DKK 88 million in 2013. Calculated on a pro forma basis, EBITDA went up by DKK 3 million from 2013 as the higher gross profit more than compensated for the development in expenses, which was positively affected by the above-mentioned shift in marketing activities.

Earnings before interest and tax (EBIT) for Q1 2014 amounted to DKK 43 million, which is DKK 18 million below the 2013 figure. Calculated on a pro forma basis, EBIT increased by DKK 5 million. Non-recurring costs for restructuring Hartwall affected EBIT negatively by DKK 50 million in Q1 2014, whereas in 2013 the costs amounted to DKK 18 million.

EBIT margin for Q1 2014 was 3.4% compared to 8.2% in 2013. Calculated on a pro forma basis, EBIT margin was 0.4 percentage point above the 2013 margin, which represented 3.0% of net revenue.

DEVELOPMENTS IN ACTIVITIES FOR THE PERIOD 1 JANUARY – 31 MARCH 2014 (Q1) BROKEN DOWN ON MARKET SEGMENTS

	Western Europe	North East Europe	Malt Beverages	Unallocated	Group	
					2014	2013
Sales (thousand hectolitres)	747	933	167	-	1,847	1,247
Growth (%)	1.6	149.4	21.3	-	48.1	7.6
Share of sales (%)	40	51	9	-	100	
Net revenue (mDKK)	562	598	107	-	1,267	751
Growth (%)	5.7	351.3	22.8	-	68.6	-0.2
Share of net revenue (%)	44	47	9	-	100	
EBIT (mDKK)	65.2	-32.0	17.5	-7.6	43.1	61.4
EBIT margin (%)	11.6	-5.4	16.5		3.4	8.2

Net financials for Q1 2014 showed a net expense of DKK 23 million, which is DKK 16 million above the 2013 figure. The increase relates to interest expenses which were affected by the higher interest-bearing debt. Income after tax from investments in associates was unchanged from 2013 at a negative DKK 1 million.

Profit before tax for Q1 2014 was DKK 35 million below the 2013 figure and amounted to DKK 20 million compared to DKK 55 million in 2013.

Tax on the profit for Q1 2014 was an expense of DKK 6 million. The tax has been calculated on the basis of the expected full-year tax rate on EBIT and financial expenses excluding income after tax from investments in associates, respectively.

The net profit for Q1 2014 amounted to DKK 14 million, which is DKK 27 million below the net profit of DKK 41 million realised in 2013.

BALANCE SHEET

Royal Unibrew's balance sheet at 31 March 2014 amounted to DKK 6,995 million, which is DKK 70 million above the 31 December 2013 figure. Due to higher production and sales activity, inventories and trade receivables increased by approx DKK 225 million. Oppositely, cash at bank and in hand was reduced by approx DKK 160 million. The development in the balance sheet total as compared to the end of Q1 2013 is substantially attributable to the Hartwall acquisition.

The equity ratio represented 31% at 31 March 2014 as at the end of 2013. Equity at the end of March 2014 amounted to DKK 2,157 million compared to DKK 2,133 million at the end of 2013 and was increased in Q1 2014 by the positive comprehensive income of DKK 21 million for the period and by the value of the share-based remuneration of the Executive Board. The comprehensive income comprises the profit for the period of DKK 14 million, positive exchange rate adjustments of foreign group enterprises

of DKK 4 million and a positive development in the value of hedging instruments of DKK 3 million.

Net interest-bearing debt for Q1 2014 increased by DKK 259 million and amounted to DKK 2,638 million at 31 March 2014 compared to DKK 2,379 at the end of 2013. The increase in net interest-bearing debt is as expected and is related to the increase in working capital experienced in Q1, see below, and to investments in property, plant and equipment.

Funds tied up in working capital showed a negative DKK 567 million at the end of March 2014 compared to a negative DKK 834 million at the end of 2013. Funds tied up in working capital thus increased by DKK 267 million. Funds tied up in inventories, trade receivables and trade payables increased by DKK 245 million due to the higher activity preceding Easter, whereas the other elements of working capital increased by DKK 22 million. All entities continue their strong focus on managing inventories, trade receivables and trade payables. The considerably lower level of funds tied up in working capital at the end of Q1 2014, a negative DKK 567 million compared to a negative DKK 87 million in 2013, is substantially attributable to the Hartwall acquisition. Hartwall's working capital at 31 March 2014 amounted to a negative DKK 461 million and is positively affected by a significant part of trade receivables being sold at the time of invoicing.

CASH FLOW STATEMENT

Cash flows from operating activities for Q1 2014 amounted to a negative DKK 207 million (2013: negative DKK 19 million) comprising the profit for the period adjusted for non-cash operating items of DKK 112 million (2013: DKK 88 million), negative working capital cash flow of DKK 267 million (2013: negative DKK 86 million), net interest paid of DKK 22 million (2013: DKK 6 million) and taxes paid of DKK 30 million (2013: DKK 15 million). The difference in working capital development, a negative DKK 181 million, was as expected and comprises a nega-

tive DKK 156 million relating to Hartwall, whereas a negative DKK 25 million is attributable to the organic development, which was in 2014 affected by inventory build-ups prior to Easter. The development in Hartwall's working capital was as expected and as usual for the first quarter of the year.

Free cash flow for Q1 2014 amounted to a negative DKK 254 million compared to a negative DKK 30 million in 2013. The DKK 224 million decrease in free cash flow comprised DKK 198 million lower operating cash flows and dividend from associates and DKK 26 million higher investments in property, plant and equipment.

OUTLOOK

Royal Unibrew maintains the outlook for 2014 as previously announced (see Company Announcement No 3/2014 of 18 March 2014) as follows:

	Outlook 2014	Outlook 2014 before deduction of restructuring costs	Pro forma actual 2013*	Actual 2013**
Net revenue (mDKK)	5,750-6,050	5,750-6,050	6,050	4,481
EBITDA (mDKK)	965-1,015	1,015-1,065	1,015	732
EBIT (mDKK)	665-715	715-765	730	560

* Pro forma actual has been calculated with Hartwall's realised net revenue and results for the full year before deduction of transaction costs of DKK 15 million.

** In 2013 Hartwall was included in results for the period 23 August – 31 December with net revenue of DKK 787 million, EBITDA of DKK 94 million and EBIT of DKK 38 million after deducting transaction costs of DKK 15 million.

The outlook for Royal Unibrew's financial development in 2014 has been prepared taking into account a number of circumstances, including how the Company's markets are expected to be affected by the general economic activity, fiscal measures and the general uncertainty experienced by most consumers, which affects their consumption behaviour. Moreover, the outlook has been prepared taking into account the development in material expense categories as well as the effect of initiatives completed and initiated.

The key assumptions of the financial development in 2014 are described in the Annual Report for 2013.

SUBSEQUENT EVENTS

CHANGE OF MANAGEMENT IN HARTWALL

With effect from 7 April 2014, Hans Savonije, COO of Royal Unibrew, was appointed acting CEO of Hartwall.

Developments in Individual Market Segments

Western Europe

WESTERN EUROPE

	2014 1/1 – 31/3	2013 1/1 – 31/3	% change	2013 1/1 – 31/12
Sales (thousand hectolitres)	747	735	1.6	3,680
Net revenue (mDKK)	562	532	5.7	2,650
EBIT (mDKK)	65.2	53.8		424.0
EBIT margin (%)	11.6	10.1		16.0

The **Western Europe** segment comprises the markets for beer and soft drinks in North Western Europe (Denmark, the other Nordic countries except Finland, and Germany) as well as in Italy. Western Europe accounted for 40% of group sales for Q1 2014 and for 44% of net revenue (2013: 59% and 71%, respectively).

Sales in Western Europe for Q1 2014 went up by 2% compared to the same period of 2013. Royal Unibrew generally maintained or increased its market shares on branded beer and soft drinks. Net

revenue was 6% above the 2013 figure and increased more than sales due to a shift towards markets and sales channels in Northern Europe with higher net selling prices per volume unit, including the termination of a Danish private label contract. As compared to 2013, sales were negatively affected by all Easter sales being in April in 2014. At the beginning of Q1, net revenue was still positively affected by temporarily higher sales relating to the market situation in the Danish off-trade channel.

Earnings before interest and tax (EBIT) for Q1 2014 increased by DKK 11 million from DKK 54 million in 2013 to DKK 65 million in 2014. EBIT margin went up by 1.5 percentage points to 11.6% and was positively affected by a favourable sales mix development, whereas higher sales expenses had a negative effect. EBIT were to some extent positively affected by a shift in marketing expenses from Q1 to Q2/Q3.

NORTH WESTERN EUROPE

	2014 1/1 – 31/3	2013 1/1 – 31/3	% change	2013 1/1 – 31/12
Sales (thousand hectolitres)	650	640	1.5	3,271
Net revenue (mDKK)	416	387	7.5	2,043

For **North Western Europe** it is the estimate that Danish consumption of beer and soft drinks remains unchanged from the same period of 2013. As parts of the Easter sales were in Q1 in 2013, it is, however, difficult to make a valid comparison of market developments from 2013 to 2014.

Royal Unibrew's sales for Q1 2014 increased by 2% from 2013, and net revenue increased by 8%. At the beginning of the period, sales remained positively affected by trading challenges for a number of competing products with a major Danish retail chain, whereas the termination of a private label contract at the end of 2013 and later Easter sales in 2014 than in 2013 affected sales negatively.

The higher net revenue per volume unit is due to a change in both channel and product mix including the termination of the private label contract and to a shift in consumption towards cans. It is assessed that Royal Unibrew has temporarily increased its market shares on branded beer and soft drinks.

ITALY

	2014 1/1 – 31/3	2013 1/1 – 31/3	% change	2013 1/1 – 31/12
Sales (thousand hectolitres)	97	95	2.1	409
Net revenue (mDKK)	146	145	0.7	607

The market situation in Italy remains characterised by economic uncertainty resulting in consumer restraint and downtrading. It is estimated that the market showed a slight increase in Q1.

Royal Unibrew's sales for Q1 2014 increased by 2%, whereas net revenue increased by 1% due to a shift towards products with lower selling prices. In Q1 there has been a limited inventory

build-up with distributors. It is assessed that Royal Unibrew has maintained its market shares in the premium and super premium segments.

North East Europe

NORTH EAST EUROPE

	2014 1/1 – 31/3	2013* 1/1 – 31/3	% change	2013 1/1 – 31/12
Sales (thousand hectolitres)	933	995	-6.2	4,766
Net revenue (mDKK)	598	631	-5.3	3,019
EBIT (mDKK)	-32	-24.7		271.6
EBIT margin (%)	-5.4	-3.9		9.0

* Including pro forma figures for Hartwall

The **North East Europe** segment primarily comprises the markets for beer, fruit juices and soft drinks in the Baltic countries (Lithuania, Latvia and Estonia) and in Finland also wine and spirits brands. For Q1 2014 North East Europe accounted for 51% of group sales and for 47% of net revenue (2013: 30% and 15%, respectively).

The Hartwall acquisition affected segment developments significantly.

Calculated on a pro forma basis, sales for Q1 2014 were 6% lower, whereas net revenue decreased by 5% from the same period of 2013. The sales development was negatively affected by excise increases in Finland at 1 January 2014 resulting in inventory build-ups with retailers in 2013 and by Easter sales not being included until in Q2 in 2014.

Earnings before interest and tax (EBIT) were DKK 33 million below the 2013 fig-

ure and, as expected, negatively affected by non-recurring costs of DKK 50 million for restructuring Hartwall, whereas a shift of marketing expenses from Q1 to Q2/Q3 had a material positive effect. Calculated on a pro forma basis, EBIT were DKK 7 million lower and EBIT margin decreased by 1.5 percentage points from a negative 3.9% to a negative 5.4%. In 2013 non-recurring costs for restructuring Hartwall amounted to DKK 18 million.

FINLAND

	2014 1/1 – 31/3	2013* 1/1 – 31/3	% change	2013* 1/1 – 31/12
Sales (thousand hectolitres)	571	621	-8.1	2,936
Net revenue (mDKK)	464	499	-7.0	2,356

* Including pro forma figures for Hartwall

As expected, the Finnish market for beer, soft drinks, wine and spirits products has been volatile and declining due to negative economic growth, low consumer confidence and realised as well as expected fiscal measures. It is estimated that consumption in the off-trade channel has decreased by a low single-digit percentage rate, whereas the decrease in on-trade consumption is estimated at a medium single-digit percentage rate.

Hartwall's sales for Q1 2014 were negatively affected by a shift of consumption to the end of 2013 prior to the excise increases realised at 1 January 2014 and by a shift of Easter sales from Q1 to Q2. It is estimated that Hartwall's market shares on branded products are maintained. In the total market, the market share on discount products is estimated to have increased as compared to the same period of 2013.

The integration with the Royal Unibrew Group and the organisational restructuring of Hartwall with a view to securing Hartwall's continued position as a market-leading beverage business in Finland are progressing as planned.

BALTIC COUNTRIES

	2014 1/1 – 31/3	2013 1/1 – 31/3	% change	2013 1/1 – 31/12
Sales (thousand hectolitres)	362	374	-3.2	1,830
Net revenue (mDKK)	134	132	1.4	663

In spite of a positive development in the Baltic economies, consumption of food, including of beer, fruit juices and soft drinks, did not increase. The situation in Ukraine and the later timing of Easter affected consumption negatively. It is

estimated that Royal Unibrew has generally maintained its market shares on branded products.

As expected, Royal Unibrew's sales declined by 3% for Q1 2014, whereas

net revenue increased by 1% due to continued management of product mix towards products with higher selling prices.

Malt Beverages

MALT BEVERAGES

	2014 1/1 – 31/3	2013 1/1 – 31/3	% change	2013 1/1 – 31/12
Sales (thousand hectolitres)	167	138	21.3	562
Net revenue (mDKK)	107	87	22.8	381
EBIT (mDKK)	17.5	17.4		81.3
EBIT margin (%)	16.5	20.0		21.4

The **Malt Beverages** segment comprises the export and licence business for malt beverages and beer exports to other markets.

For Q1 2014 both sales and net revenue represented 9% of group sales and revenue (2013: 11% and 11%, respectively).

As expected, high segment growth was realised for both malt and beer products. Sales for Q1 2014 increased by 21% and net revenue by 23%. Exchange rate developments affected net revenue and earnings negatively by approx DKK 1 million corresponding to a reduction of net revenue and EBIT margin by 1 and 0.5 percentage points, respectively.

Sales in the segment are characterised by large volumes being exported to distributors at a time, which means that inventory changes should be taken into account when comparing periods. This was also so in Q1 2014 when inventory changes had a more positive effect than expected.

Earnings before interest and tax (EBIT) for Q1 2014 amounted to DKK 18 million, which is marginally above the 2013 figure. EBIT margin for Q1 2014 was 16.5% and, as expected, lower than in 2013. The reason for this is that, as planned, higher investments were made than in Q1 2013 in marketing and expansion in new markets. Moreover, the cost effect

of the extended sales organisation was included for all of Q1 2014.

The business in the Americas comprising the Caribbean, Central America, South America, the USA and Canada contributed significantly to the positive segment development for Q1 2014 showing double-digit sales growth rates.

As expected, the business in EMEAA comprising Europe, the Middle East, Africa and Asia realised double-digit growth rates for sales and net revenue, primarily relating to Africa and Asia, whereas activities in Europe were at the 2013 level.

Management's Statement

The Executive Board and the Board of Directors have presented the Interim Report of Royal Unibrew A/S. The Interim Report has today been considered and adopted.

The Interim Report, which has not been audited or reviewed by the Company's independent auditors, was prepared in accordance with IAS 34 "Interim Finan-

cial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.

In our opinion, the Interim Financial Statements give a true and fair view of the financial position of the Group at 31 March 2014 as well as of the results of the Group operations and cash flows for the period 1 January – 31 March 2014.

In our Opinion, Management's Review gives a true and fair account of the development in the activities and financial circumstances of the Group, of results of operations for the period and of the overall financial position of the Group, and a description of the key risks and uncertainties facing the Group.

Faxe, 29 April 2014

EXECUTIVE BOARD

Henrik Brandt
CEO

Lars Jensen
CFO

Johannes F.C.M. Savonije
COO

BOARD OF DIRECTORS

Kåre Schultz
Chairman

Walther Thygesen
Deputy Chairman

Ingrid Jonasson Blank

Lars Poul Christiansen

Kirsten Liisberg

Søren Lorentzen

Karsten M. Slotte

Jens Due Olsen

Hemming Van

Jais Valeur

Income Statement

(DKK '000)	1/1 – 31/3 2014	1/1 – 31/3 2013	1/1 – 31/12 2013
Net revenue	1,266,728	751,303	4,480,998
Production costs	-633,186	-384,034	-2,195,788
Gross profit	633,542	367,269	2,285,210
Sales and distribution expenses	-493,083	-258,438	-1,448,530
Administrative expenses	-97,391	-49,357	-264,090
Other operating income		1,976	2,642
Other operating expenses			-15,161
EBIT	43,068	61,450	560,071
Income after tax from investments in associates	-1,154	-1,129	33,552
Financial income		2,178	4,345
Financial expenses	-22,104	-7,868	-49,685
Profit before tax	19,810	54,631	548,283
Tax on the profit for the period	-6,300	-13,209	-68,707
Profit for the period	13,510	41,422	479,576
Parent Company shareholders' share of earnings per share (DKK)	1.2	3.9	45.9
Parent Company shareholders' share of diluted earnings per share (DKK)	1.2	3.9	45.8

Statement of Comprehensive Income

(DKK '000)	1/1 – 31/3 2014	1/1 – 31/3 2013	1/1 – 31/12 2013
Net profit for the period	13,510	41,422	479,576
Other comprehensive income			
<i>Items that may be reclassified to the income statement:</i>			
Value and exchange adjustments of foreign group enterprises	4,682	-2,111	-11,638
Value adjustment of hedging instruments, opening	46,039	59,239	59,239
Value adjustment of hedging instruments, closing	-43,048	-56,836	-46,039
Tax on equity entries	0	0	-4,105
Other comprehensive income after tax	7,673	292	-2,543
<i>Items that may not be reclassified to the income statement:</i>			
Revaluation of non-current assets			90,000
Tax on equity entries			-19,000
Total	0	0	71,000
Total comprehensive income	21,183	41,714	548,033
distributed as follows:			
Parent Company shareholders' share of comprehensive income	21,183	41,714	548,033

Assets

(DKK '000)	31/3 2014	31/3 2013	31/12 2013
NON-CURRENT ASSETS			
Goodwill	1,431,483	244,530	1,430,378
Trademarks	1,237,028	123,943	1,236,102
Distribution rights	216,671	1,377	214,592
Customer relations	59,627		62,970
Intangible assets	2,944,809	369,850	2,944,042
Land and buildings	1,251,216	553,383	1,261,505
Project development properties	292,219	277,623	290,539
Plant and machinery	855,323	425,954	880,267
Other fixtures and fittings, tools and equipment	231,687	134,574	238,466
Property, plant and equipment in progress	66,772	81,643	38,164
Property, plant and equipment	2,697,217	1,473,177	2,708,941
Investments in associates	133,375	117,723	132,523
Other investments	15,438	2,620	15,731
Other receivables	8,682	8,736	8,354
Fixed asset investments	157,495	129,079	156,608
Non-current assets	5,799,521	1,972,106	5,809,591
CURRENT ASSETS			
Raw materials and consumables	129,379	71,311	106,709
Work in progress	26,147	23,027	24,016
Finished goods and purchased finished goods	240,002	123,503	199,734
Inventories	395,528	217,841	330,459
Trade receivables	608,343	458,878	449,228
Corporation tax receivable	35,711	10,532	11,754
Other receivables	50,766	11,952	56,496
Prepayments	21,061	8,652	23,022
Receivables	715,881	490,014	540,500
Cash at bank and in hand	83,596	192,863	243,962
Current assets	1,195,005	900,718	1,114,921
Assets	6,994,526	2,872,824	6,924,512

Liabilities and Equity

(DKK '000)	31/3 2014	31/3 2013	31/12 2013
EQUITY			
Share capital	110,985	105,700	110,985
Share premium account	855,839	319,205	855,839
Revaluation reserves	136,505	112,320	136,505
Translation reserve	-14,288	-8,034	-18,970
Hedging reserve	-43,048	-56,836	-46,039
Retained earnings	1,110,642	612,030	1,094,657
Proposed dividend	0	253,680	0
Equity	2,156,635	1,338,065	2,132,977
Deferred tax	457,646	143,905	457,571
Mortgage debt	1,169,918	590,879	747,742
Credit institutions	1,016,910	0	1,097,291
Other payables	15,194	12,947	17,318
Non-current liabilities	2,659,668	747,731	2,319,922
Mortgage debt	35,420	2,252	14,159
Credit institutions	499,658	803	763,978
Repurchase obligation, returnable packaging	90,221	33,915	103,938
Trade payables	788,218	437,523	807,486
VAT, excise duties, etc	307,648	89,591	370,737
Other payables	457,058	222,944	411,315
Current liabilities	2,178,223	787,028	2,471,613
Liabilities	4,837,891	1,534,759	4,791,535
Liabilities and equity	6,994,526	2,872,824	6,924,512

Cash Flow Statement

(DKK '000)	Note	1/1 – 31/3 2014	1/1 – 31/3 2013	1/1 – 31/12 2013
Profit for the period		13,510	41,422	479,576
Adjustments for non-cash operating items	3	98,597	46,798	255,576
		112,107	88,220	735,152
Change in working capital:				
+/- change in receivables		-151,860	-86,613	-176
+/- change in inventories		-64,794	-37,721	34,518
+/- change in payables		-50,051	37,851	56,587
Cash flows from operating activities before financial income and expenses		-154,598	1,737	826,081
Financial income		0	1,503	4,345
Financial expenses		-22,170	-7,202	-59,635
Cash flows from ordinary activities		-176,768	-3,962	770,791
Corporation tax paid		-30,257	-14,886	-117,976
Cash flows from operating activities		-207,025	-18,848	652,815
Dividends received from associates			9,960	20,474
Sale of property, plant and equipment		1,632	1,401	87,546
Corporation tax paid				-19,168
Purchase of property, plant and equipment		-48,478	-22,416	-143,394
<i>Free cash flow</i>		-253,871	-29,903	598,273
Acquisition of subsidiary				-2,775,124
Purchase/sale of intangible assets and fixed asset investments		-5,258	698	-7,023
Cash flows from investing activities		-52,104	-10,357	-2,836,689
Proceeds from non-current borrowing		447,168		1,589,928
Repayment of non-current debt		-3,809	-594	-195,338
Change in current debt to credit institutions		-344,704	204	525,546
Dividends paid to shareholders				-242,107
Acquisition of shares for treasury			-55,474	-110,189
Proceeds from share issue				561,214
Sale of treasury shares			4,230	25,131
Cash flows from financing activities		98,655	-51,634	2,154,185
Change in cash and cash equivalents		-160,474	-80,839	-29,689
Cash and cash equivalents at 1 January		243,962	273,775	273,775
Exchange adjustment		108	-73	-124
Cash and cash equivalents at 31 March		83,596	192,863	243,962

Statement of Changes in Equity for 1 January - 31 March

(DKK '000)	Share capital	Share premium account	Revaluation reserves	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority interests' share	Total
Equity at 31 December 2012	105,700	319,205	112,320	-5,719	-59,239	621,648	253,680	0	1,347,595
Changes in equity in 2013									
Profit for the year						41,422			41,422
Other comprehensive income				-2,315	2,403	204			292
Total comprehensive income	0	0	0	-2,315	2,403	41,626	0	0	41,714
Acquisition of shares for treasury						-55,474			-55,474
Sale of treasury shares						4,230			4,230
Total shareholders	0	0	0	0	0	-51,244	0	0	-51,244
Total changes in equity 1/1 – 31/3 2013	0	0	0	-2,315	2,403	-9,618	0	0	-9,530
Equity at 31 March 2013	105,700	319,205	112,320	-8,034	-56,836	612,030	253,680	0	1,338,065
Equity at 31 December 2013	110,985	855,839	136,505	-18,970	-46,039	1,094,657	0	0	2,132,977
Changes in equity in 2014									
Profit for the year						13,510			13,510
Other comprehensive income				4,682	2,991				7,673
Total comprehensive income	0	0	0	4,682	2,991	13,510	0	0	21,183
Share-based payments						2,475			2,475
Total shareholders	0	0	0	0	0	2,475	0	0	2,475
Total changes in equity 1/1 – 31/3 2014	0	0	0	4,682	2,991	15,985	0	0	23,658
Equity at 31 March 2014	110,985	855,839	136,505	-14,288	-43,048	1,110,642	0	0	2,156,635

The share capital at 31 March 2014 amounts to DKK 110,985,000 and is distributed on shares of DKK 10 each.

Notes to the Interim Report

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES; ACCOUNTING ESTIMATES AND JUDGEMENTS

The Interim Report is presented in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reporting of listed companies.

The accounting policies are unchanged from those applied in the Annual Report for 2013, to which reference is made.

The Annual Report for 2013 provides the total description of accounting policies significant to the Financial Statements.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial reporting requires that Management make accounting estimates and judgements which affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The key estimates made by Management in applying the Group’s accounting policies and the key uncertainties relating to the estimates are the same when preparing the interim financial reporting as when preparing the Annual Report at 31 December 2013.

Notes to the Interim Report

NOTE 2 – SEGMENT REPORTING

The Group's results break down as follows on segments:

1/1 – 31/3 2014

(mDKK)	Western Europe	North Eastern Europe	Malt Drinks	Unallocated	Total
Net revenue	562.1	598.0	106.6		1,266.7
Earnings before interest and tax (EBIT)	65.2	-32.0	17.5	-7.6	43.1
Share of income from associates	-1.2				-1.2
Other financial income and expenses	0.0	-4.1	-0.1	-17.9	-22.1
Profit/(loss) before tax for the period	64.0	-36.1	17.4	-25.5	19.8
Tax on the profit/(loss) for the period				-6.3	-6.3
Profit for the period					13.5
EBIT margin, %	11.6	-5.4	16.4		3.4

1/1 – 31/3 2013

(mDKK)	Western Europe	North Eastern Europe	Malt Drinks	Unallocated	Total
Net revenue	532.0	132.4	86.9		751.3
Earnings before interest and tax (EBIT)	53.8	-1.4	17.4	-8.4	61.4
Share of income from associates	-1.1				-1.1
Other financial income and expenses	-0.1	-2.0	-0.4	-3.2	-5.7
Profit/(loss) before tax for the period	52.6	-3.4	17.0	-11.6	54.6
Tax on the profit/(loss) for the period				-13.2	-13.2
Profit for the period					41.4
EBIT margin, %	10.1	-1.1	20.0		8.2

1/1 – 31/12 2013

(mDKK)	Western Europe	North Eastern Europe	Malt Drinks	Unallocated	Total
Net revenue	2,650.0	1,450.0	381.0		4,481.0
Earnings before interest and tax (EBIT)	424.0	101.6	81.3	-46.8	560.1
Share of income from associates	33.5				33.5
Other financial income and expenses	-0.2	-9.9	-0.4	-34.8	-45.3
Profit/(loss) before tax for the period	457.3	91.7	80.9	-81.6	548.3
Tax on the profit/(loss) for the period				-68.7	-68.7
Profit for the period					479.6
EBIT margin, %	16.0	7.0	21.4		12.5

Notes to the Interim Report

NOTE 3 – CASH FLOW STATEMENT

(DKK '000)	1/1 – 31/3 2014	1/1 – 31/3 2013	1/1 – 31/12 2013
Adjustments for non-cash operating items			
Financial income	0	-2,178	-4,345
Financial expenses	22,104	7,868	49,685
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	66,568	27,267	170,443
Tax on the profit for the period	6,300	13,209	68,707
Income from investments in associates	1,154	1,129	-33,552
Net loss from sale of property, plant and equipment	-4	-134	1,338
Share-based remuneration and payments	2,475		3,300
Other adjustments		-363	
Total	98,597	46,798	255,576

Financial Highlights and Key Ratios for 1 January - 31 March 2010-2014

	1 January – 31 March (unaudited)				
	2014	2013	2012	2011	2010
Sales (thousand hectolitres)	1,847	1,247	1,160	1,280	1,316
Income Statement (mDKK)					
Net revenue	1,266.7	751.3	752.6	745.0	781.9
EBITDA	109.6	88.5	86.5	75.7	63.5
Earnings before interest and tax (EBIT)	43.1	61.4	56.2	39.8	10.0
<i>EBIT margin (%)</i>	3.4	8.2	7.5	5.3	1.3
Income after tax from investments in associates	-1.2	-1.1	-1.0	-6.2	-1.7
Other financials, net	-22.1	-5.7	-9.2	-12.7	-28.8
Profit/(loss) before tax	19.8	54.6	46.0	20.9	-20.5
Profit/(loss) for the period	13.5	41.4	34.0	12.5	-18.0
Royal Unibrew A/S' share of profit/(loss)	13.5	41.4	33.5	12.6	-18.2
Balance Sheet (mDKK)					
Non-current assets	5,799.5	1,972.1	2,300.4	2,398.6	2,453.2
Total assets	6,994.5	2,872.8	3,030.9	3,098.4	3,335.7
Equity	2,156.6	1,338.1	1,332.0	1,323.9	965.2
Net interest-bearing debt	2,638.3	401.1	632.6	814.9	1,238.2
Net working capital	-567.4	-86.7	-144.6	-68.4	-96.2
Cash Flows (mDKK)					
From operating activities	-207.0	-18.8	74.2	-15.7	0.9
From investing activities	-52.1	-10.4	-28.6	-29.5	182.0
Free cash flow	-253.9	-29.9	45.6	-27.9	-5.7
Share ratios (DKK)					
RU's share of earnings per DKK 10 share	1.2	3.9	3.2	1.1	1.6
Cash flow per DKK 10 share	-18.8	-1.8	7.0	-1.4	0.1
Dividend per DKK 10 share	0.0	0.0	0.0	0.0	0.0
Year-end price per DKK 10 share	902.0	516.0	388.0	362.5	194.0
Financial ratios (%)					
Free cash flow as a percentage of net revenue	-20.0	-4.0	6.1	-3.7	-0.7
Cash conversion	-1,879.1	-72.2	134.1	-223.2	31.7
Equity ratio	30.8	46.6	43.9	42.7	28.9

Ratios comprised by the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.