



H1 REPORT 2009

26 August 2009

- **Trading performance in H1 2009**
- Reporting on Key Strategic Priorities
- Business area review
- Financial results
- Outlook 2009
- Q&A

Trading performance in H1

- **Sales volume 3.3m HL; 13% lower than same period last year (3.8m HL)**
 - 3/4 of decline reflects continued weakness on markets
 - 1/4 of decline was managed reduction of private label and discount products
- **Net revenue of DKK 1,913m; 8% lower than last year (DKK 2,080m)**
 - 2009 price increases implemented as planned
 - Better geographical mix achieved
 - Weaker PLN alone drive 1%-point of net revenue decline
 - Terminated private label sales drive approx 2%-points net revenue decline
- **Branded market shares maintained or increased**
- **During Q2 an intensified price competition occurred in Northern Europe**
- **Operating Profit before Special Items DKK 87m (DKK 63m)**
- **Margins improved: Gross margin + 0.3 PP, Profit margin + 1.5 PP**
- **Free cash flow DKK 49m (DKK -142m); available credit facilities amount to approx. DKK 600m**
- **Key ratios leave significant headroom to covenants, but a more appropriate capital structure is still the objective**
- **Progress as planned on all Key Strategic Priorities**



- Trading performance in H1 2009
- **Reporting on Key Strategic Priorities**
- Business area review
- Financial results
- Outlook 2009
- Q&A

Reporting on Key Strategic Priorities

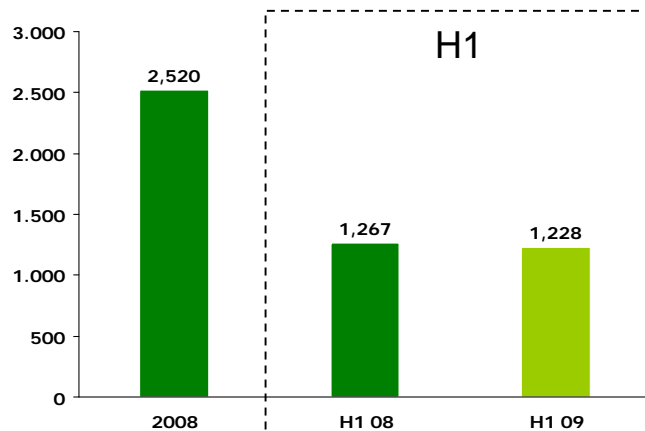
FOCUS AREA	STRATEGIC PRIORITY - INITIATIVE	STATUS
Poland	<ul style="list-style-type: none"> • <i>Focus sales and marketing in terms of geography and brands</i> • <i>Consolidate production network structure by closing Koszalin brewery</i> • <i>Expected redundancies 100 employees</i> 	<ul style="list-style-type: none"> • <i>Divestiture of Koszalin (brewery) and brands completed; around 125 employees have been transferred to new owner or terminated</i> • <i>Restructuring activities continues</i>
Denmark	<ul style="list-style-type: none"> • <i>Simplification through structural and operational changes</i> • <i>Expected redundancies 100 employees</i> 	<ul style="list-style-type: none"> • <i>Transfer of production and new distribution structure completed in April 2009</i> • <i>Organizational changes implemented; headcount reduced by around 100 white collar</i>
Latvia and Lithuania	<ul style="list-style-type: none"> • <i>Leverage strong market positions within juice and beer through one operative management</i> • <i>Leverage resources and capabilities within "back office" functions</i> • <i>Maintaining strong national sales forces</i> 	<ul style="list-style-type: none"> • <i>New, one management structure implemented, and new management team appointed</i> • <i>Identified opportunities are being addressed</i>
Debt level management	<ul style="list-style-type: none"> • <i>Reduce capex</i> • <i>Rigorous working capital management</i> • <i>Address capital structure</i> 	<ul style="list-style-type: none"> • <i>Capex programmes scrutinized and curbed</i> • <i>Working capital reduced by DKK 275m compared to 2008</i> • <i>Inventories reduced significantly</i> • <i>Divestiture of Aarhus site key priority; application forming basis for project evaluation and re-zoning submitted</i> • <i>Divestiture of Koszalin and brands will have a positive cash flow effect of approx. DKK 40m in 2009</i> • <i>Conditional sale of Caribbean breweries. Closing expected by end of 2009. NIBD reduction DKK 200m.</i>

- Trading performance in H1 2009
- Reporting on Key Strategic Priorities
- **Business area review**
- Financial results
- Outlook 2009
- Q&A

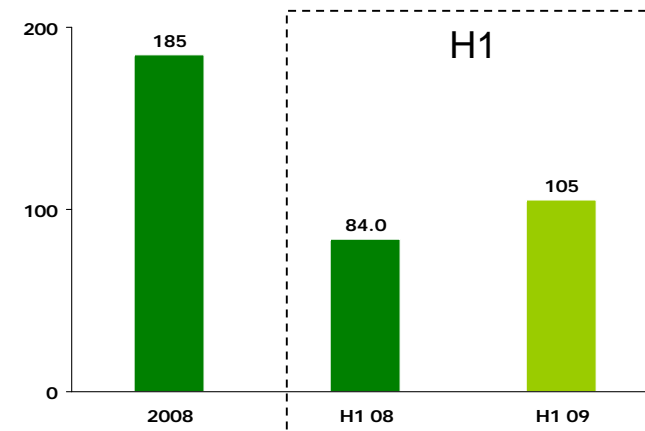
Key markets: Western Europe

- Volume reduction of around 10%; net revenue down by 3% to DKK 1,228m (DKK 1,267m)
- Operating Profit before Special Items increased to DKK 105m (DKK 84m)
- Profit margin at 8.5% (increasing 1.8 PP)
- Denmark: Market declined by around 8%, but RU volume - adjusted for discontinued low margin private label products - decreased by only 4% driven by stable or increasing market share for key brands. Adjusted net revenue decreased by 2% compared to 2008. Price increases implemented
- Italy: Market declined by approx. 2%. Ceres Strong Ale market share increased, channel and product mix plus re-stocking positively influenced RU's net sales. Price increases implemented
- Germany including the border trade: Net revenue increase despite 4% drop in volume due to better mix and price increases
- Increasing price competition in Northern Europe

Net revenue DKKm



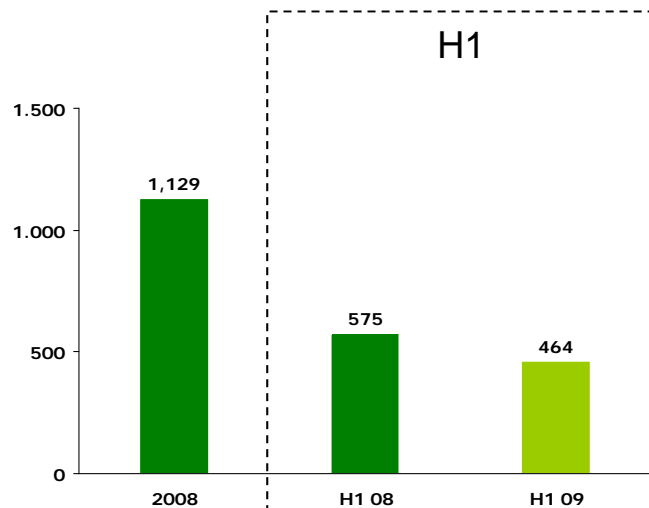
Operating profit before special items DKKm



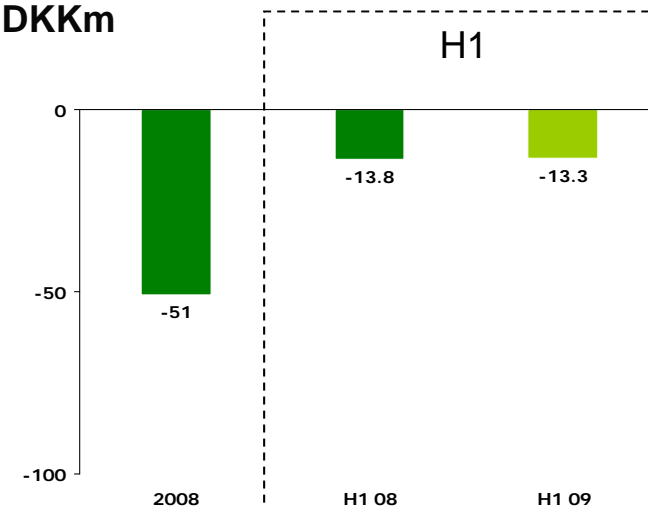
Key markets: Eastern Europe

- Decrease in RU's volume of 16%; net revenue down by 19%, however, incl. FX effect 7 pp to DKK 464 m (DKK 575m)
- Operating Result before Special Items at DKK -13.3m. On level with last year
- Lithuania: Beer market declined by approx. 6%, market share gains within both beer and juice. Launch of Taurus in new profile bottle and new line of cider products. Excise and price increases implemented. Result better than expected and last year
- Latvia: Significant decline in market volume – juice and soft drinks down by 25-30% and beer down by 5%. RU market share for still drinks increased, whereas market shares for juice and branded beer were maintained. Excise, VAT and price increases. Launch of cider products. Effective cost management compensates volume decline. Result better than expected and last year
- Poland: Overall market down by around 8%. RU's volumes down by 6% and net revenue (in DKK) down by 25% (of which 21%-points FX) reflecting weakness of PLN. Excise increase implemented. Performance in Poland in line with expectations

Net revenue DKKm



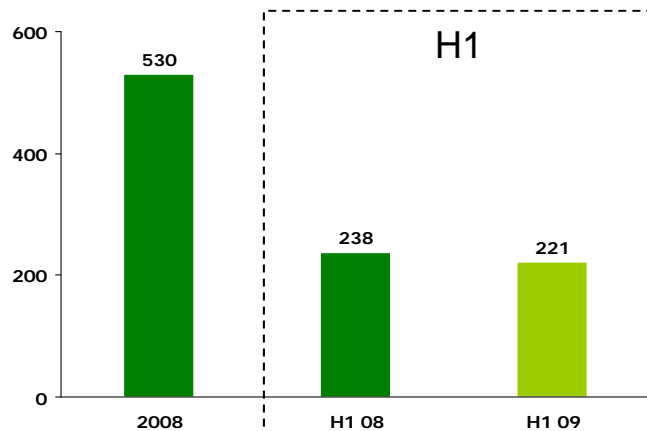
Operating profit before special items DKKm



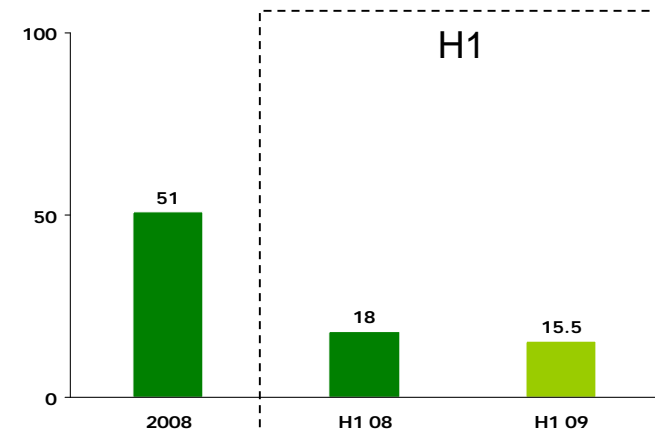
Key markets: Malt and Overseas Markets

- Volume down by 14%; net revenue down by 7% to DKK 221m (DKK 238m) driven by 2008 price increases and positive FX (USD)
- Operating Profit before Special Items at DKK 15.5m (DKK 18.0m)
- Caribbean Businesses: Markets negatively impacted by weak US economy and now ended general strike in Guadeloupe
- Export and license business: Volumes generally lower than last year due to continued weak market, tighter credit management and de-stocking.

Net revenue DKKm



Operating profit before special items DKKm



- Trading performance in H1 2009
- Reporting on Key Strategic Priorities
- Business area review
- **Financial results**
- Outlook 2009
- Q&A

DKKm	H1 2009	H1 2008	2008
Net revenue	1,912.9	2,079.7	4,178.7
Operating profit before special items	86.9	63.3	134.9
Special items, net	-24.8	-33.9	-50.1
Profit before financial items	62.1	29.4	
Net financial items	-39.2	-45.7	-82.7
Profit before tax	22.9	-16.3	2,1
Consolidated profit	16.9	-11.8	-483.2
Profit Margin %	4.5	3.2	3.0

Highlights from Free Cash Flow Statement

Free cash flow of DKK 48.9m (DKK -142.0m)

Components:

Cash operating result after payment of interest and taxes of DKK 96.7m (DKK 49.2m)

Net working capital decrease (excl capex creditors) of DKK 136.3m (2008: increase of DKK 49.8m).

Net investments of DKK -106m (DKK -141m) driven by completion of projects initiated in 2008

Reduction of capex creditors of DKK 78m in Q1 2009 brings total free cash flow to DKK 48.9m

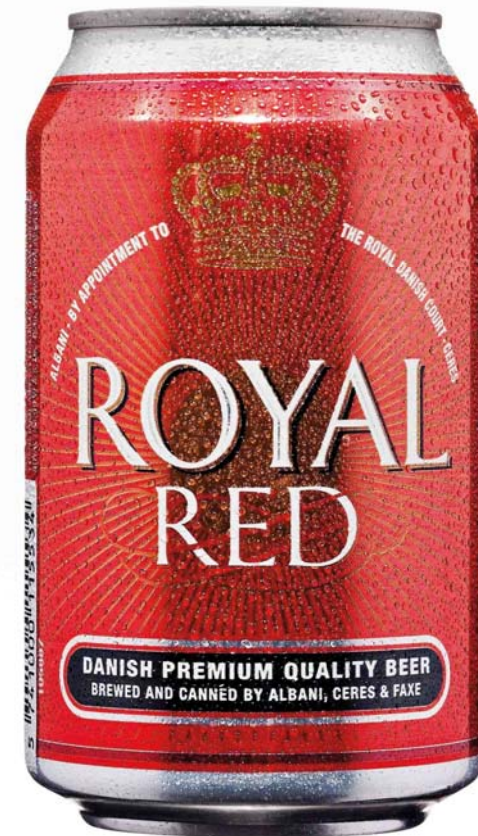
FREE CASH FLOW	H1 2009	H1 2008
Period result adjusted for non cash items	148.4	136.2
Interest payments and dividends	-29.6	-41.0
Tax payments	-22.1	-46.0
Cash operating result after payment of interest and tax	96.7	49.2
Change in working capital:		
Receivables	-181.9	-219.8
Inventories	63.6	-101.6
Creditors – operations	254.6	271.6
Change in working capital - operations	136.3	-49.8
Net investment	-106.1	-141.4
Free cash flow – operations	126.9	-142.0
Change in working capital – capex creditors	-78.0	0.0
Free cash flow	48.9	-142.0

Balance sheet 30 June 2009

DKK million	30 June 2009	31. December 2008	30 June 2008
Intangible assets	488.5	486.4	798.4
Fixed assets	2,105.0	2,079.4	1,769.7
Financial assets	154.0	177.1	271.5
Total current assets	1,339.1	1,308.5	1,445.5
Total assets	4,086.6	4,051.4	4,285.1
Total equity	553.4	574.8	1,040.8
Total non current liabilities	2,406.0	1,882.9	1,898.2
Total current liabilities	1,127.2	1,593.7	1,346.1
Total equity and liabilities	4,086.6	4,051.4	4,285.1
Net interest bearing debt	2,138.7	2,191.9	1,975.9
Net working capital	73.3	186.1	348.4

Net Interest Bearing Debt and Capital Structure

- Deleveraging is a Key Strategic Priority
- Refinancing
 - 2 year committed bank facility in place
 - End 2008 NIBD was at DKK 2.2b
 - End H1 2009 NIBD was at DKK 2.1b despite high season and lower than expected
- Due to the cash flow development in H1 2009, which was above expectations, the Group will constantly consider a reduction of the committed, unutilised facilities (at 30 June 2009 some DKK 600 million).
- All relevant options to ensure a more appropriate capital structure will be considered
- Covenants
 - All covenants met at H1 2009 with significant headroom
- Target capital structure unchanged: NIBD of 3.0 times EBITDA



- Trading performance in H1 2009
- Reporting on Key Strategic Priorities
- Business area review
- Financial results
- **Outlook 2009**
- Q&A

Expectations:

- EBIT before “Special Items” DKK 170m – 210m (April expectation: better than DKK 135m)
- EBITDA before “special items” DKK 385m – 425m
- Net financing expenses DKK 125m – 135m (April expectation: DKK 145m – 165m)
- “Special Items” related to organizational changes and one time costs, primarily in Denmark and Poland. Unchanged expected, to be around DKK 35m
- NIBD expected at approx. DKK 2b (April expectation: approx. 2.2b) - before expected DKK 200m reduction from sale of the Caribbean breweries
- Effective tax of 30% expected on EBIT; 13% on interest costs (April expectation 38% respective 12%)

Elements of 2009 expectations:

- Negative growth rate decelerating in Q2 compared to Q1 in several markets, however, still high uncertainty
- Gaining or maintaining branded market shares in significant markets
- Completion of restructuring projects in Denmark and gradual implementation of Key Strategic Initiatives will have an increasingly positive effect on the Group’s cost level
- Gross capex of DKK 250m incl. spill-over of DKK 160m from 2008. Depreciations expected to be approx. DKK 215m



Sale of the Caribbean breweries

- Conditional agreement to sell shares in St. Vincent Breweries Ltd. (76.5%), Antigua Brewery Ltd. (93%), Antigua PET Plant Ltd. (75%) and Dominica Brewery & Beverages Ltd. (58%) to Cerveceria Nacional Dominicana (CND)
- CND is the largest brewery in the Dominican Republic with sales of some 3.8m HL
- Completion of the sale is subject to obtaining certain approvals
 - by the government of Antigua
 - by key licensors' acceptance of the change in ownership
- Completion expected at the end of 2009; thus no effect on earnings in 2009
- Agreement comprises the licences to make and sell Vitamalt at the divested breweries and in the Dominican Republic
 - First time Vitamalt will be distributed in a major, Spanish-speaking market in the region
- Malt drinks business model to change going forward
 - Vitamalt is the global number 3 global malt drink in terms of size
 - To be sold either on an export basis or produced on licence in selected markets

Sale of the Caribbean breweries

- The total consideration for the shares amounts to USD 31m (DKK 160m)
- The selling price of the shares is equal to their book value
- On an aggregated basis, the sale will reduce Royal Unibrew's interest-bearing debt by just below DKK 200m.
- On a full-year basis, the Group's earnings (before minority shareholders' share) will be reduced by DKK 30m (EBITDA) and DKK 10m (EBIT), respectively
- The agreement values the Caribbean breweries at 8.5x EBITDA
- Reduction of book equity by DKK 15m due deconsolidation of minorities' shares

	100%	RU share
Equity	USD 41.7m	USD 31.0m
Debt	6.9	5.5
Enterprise value	48.6	36.5
EBITDA (2009E)	5.7	4.3
Multiple	8.5x	8.5x

Contact Details



CEO
Henrik Brandt



CFO
Ulrik Sørensen



Executive Director
Northern Europe
Hans Savonije

Royal Unibrew A/S

Faxe Allé 1

DK-4640 Faxe

Denmark

Telephone: +45 56 77 15 13

Facsimile: +45 56 71 47 64

www.royalunibrew.com

investorrelations@royalunibrew.com

The statements about the future made in connection with the presentation of Royal Unibrew's Results for the first half of 2009 reflect Management's expectations in respect of future events and financial results, as well as of economic trends in key markets and developments in international money, foreign exchange and interest rate markets.

Statements about the future will inherently involve uncertainty and may be affected by – in addition to global economic conditions - market-driven price reductions, market acceptance of new products, packaging and container types, unforeseen termination of working relationships and changes to regulatory aspects (taxes, environment, packaging). The actual results may therefore deviate from the expectations stated.

Royal Unibrew is a party to a limited number of legal actions. These legal actions are not expected to have any material impact on the financial position of Royal Unibrew.