



COMPANY ANNOUNCEMENT NO 15/2014 – 14 AUGUST 2014

# Interim Report for 1 January - 30 June 2014

## Earnings and revenue increase. Upward adjustment of earnings outlook.

Net revenue for H1 2014 showed a 67% increase to DKK 2,992 million due to the acquisition of Hartwall in August 2013. Measured organically (excluding Hartwall in 2014), sales and net revenue showed increases of 1% and 4%, respectively, for H1 2014. Measured on a pro forma basis (including Hartwall in 2013), net revenue for H1 as well as Q2 2014 remained unchanged even though, as expected, net revenue in Finland was lower (a 4% decrease, pro forma) due to the negative development of the Finnish economy. The market shares on Royal Unibrew's branded products were generally maintained. Earnings before interest and tax (EBIT) for H1 2014 amounted to DKK 361 million after non-recurring costs of approx DKK 50 million for restructuring of Hartwall – an increase of DKK 136 million over H1 2013. Measured on a pro forma basis, EBIT for H1 2014 went up by DKK 57 million, and EBIT margin for H1 2014 showed an increase from 10.2% to 12.1%. The earnings increase is due to a favourable product mix development, improved efficiency as well as a shift in marketing expenses. Earnings were higher in all segments in Q2 as well as in H1. Free cash flow for H1 2014 amounted to DKK 340 million compared to DKK 206 million in H1 2013. Net interest-bearing debt was reduced by DKK 337 million in H1 2014 to DKK 2,042 million, and NIBD/EBITDA, calculated on a pro forma running 12-month basis, was 1.9 against 2.3 at the end of 2013. The earnings outlook for 2014 is adjusted upwards, and the target for medium-term EBIT margin is increased from 13% to 14%.

"Our earnings continued to improve in H1, due to organic revenue growth as well as increased efficiency. Growth remained highest in our malt beverage business, but North Western Europe also showed satisfactory growth driven by, among other things, a number of commercial initiatives, including the Egekilde Fruits and Royal Shandy launches as well as the new Faxe Kondi communication platform. The integration of Hartwall is progressing to our satisfaction. In the commercial area we are directing efforts to strengthen our position, which will continue in the coming periods; when it comes to our efficiency measures, we are ahead of schedule. We are adjusting our earnings outlook upwards primarily due to the extremely good summer weather and the increased efficiency at Hartwall", says Henrik Brandt, CEO.

### Selected financial highlights and key ratios

mDKK	H1			Q2			
	Actual		Pro forma (incl. Hartwall)	Actual		Pro forma (incl. Hartwall)	
	2014	2013	2013	2014	2013	2013	
Sales (thousand hectolitres)	4,388	2,939	4,393	2,541	1,692	2,525	
Net revenue	2,992	1,793	2,977	1,725	1,042	1,727	
EBITDA	504	277	439	395	189	332	
Earnings before interest and tax (EBIT)	361	225	304	318	164	266	
EBIT margin (%)	12.1	12.6	10.2	18.4	15.7	15.4	
Profit before tax	343	224		323	170		
Free cash flow	340	206		594	236		
				<b>Q2 2014</b>	<b>Q1 2014</b>	<b>Q4 2013</b>	<b>Q3 2013</b>
Net interest-bearing debt			2,042	2,638	2,379	2,604	
NIBD/EBITDA (running 12-month, pro forma basis)			1.9	2.6	2.3	2.6	
Equity ratio (%)			34	31	31	28	

## OUTLOOK

Based on results for H1, the very satisfactory summer weather and a faster implementation of the efficiency plan for Hartwall, the previously announced earnings outlook for the year is adjusted upwards as follows:

- Net revenue: DKK 5,950-6,100 million (previously: DKK 5,750-6,050 million)
- EBITDA: DKK 1,090-1,140 million (previously: DKK 965-1,015 million)
- EBIT: DKK 790-840 million (previously: 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 Friday, 15 August 2014, at 9 am by audiocast at tel one of the following dial-in numbers:

Danish participants dial: +45 32 72 80 18

US participants dial: +1 866 682 8490

International number: +44 (0) 145 255 5131

The presentation may also be followed at Royal Unibrew's website [www.royalunibrew.com](http://www.royalunibrew.com).

## FINANCIAL CALENDAR

### 2014

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

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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 beverages 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 Eastern Europe and in the international malt beverages markets.

Our main markets comprise 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

	H1 2014	H1 2013	Q2 2014	Q2 2013	2013
Sales (thousand hectolitres)	4,388	2,939	2,541	1,692	7,033
<b>INCOME STATEMENT (mDKK)</b>					
Net revenue	2,992	1,793	1,725	1,042	4,481
EBITDA	504	277	395	189	732
Earnings before interest and tax (EBIT)	361	225	318	164	560
EBIT margin (%)	12.1	12.6	18.4	15.7	12.5
Income after tax from investments in associates	18	11	19	12	34
Other financials, net	-36	-12	-14	-6	-45
Profit before tax	343	224	323	170	548
Profit for the period	266	183	252	142	480
<b>BALANCE SHEET (mDKK)</b>					
Non-current assets	5,744	2,073	5,744	2,073	5,810
Total assets	7,282	3,058	7,282	3,058	6,925
Equity	2,440	1,277	2,440	1,277	2,133
Net interest-bearing debt	2,042	440	2,042	440	2,379
Net working capital	-756	-158	-756	-158	-834
<b>CASH FLOWS (mDKK)</b>					
From operating activities	361	243	568	262	653
From investing activities	-23	-36	29	-26	-2,837
Free cash flow	340	206	594	236	598
<b>SHARE RATIOS (DKK)</b>					
RU's share of earnings per DKK 10 share	24	18	23	14	46
Cash flow per DKK 10 share	33	24	52	26	62
Dividend per DKK 10 share	0	0	0	0	24
Year-end price per DKK 10 share	856	504	856	504	736
<b>FINANCIAL RATIOS (%)</b>					
Free cash flow as a percentage of net revenue	11	11	34	23	13
Cash conversion	125	112	228	167	125
Equity ratio	34	42	34	42	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

Measured organically (excluding Hartwall in 2014), sales and net revenue showed increases of 1% and 4%, respectively, for H1 2014. Measured on a pro forma basis (including Hartwall in 2013), sales volumes and net revenue were at the 2013 level. Royal Unibrew's branded products generally maintained their market shares in the main markets. Sales volumes developed positively in Western Europe in H1 2014 despite the termination of a Danish private label agreement. The most positive development was achieved in the Malt Beverages segment, in which sales volumes increased by 14% over 2013. In North East Europe, sales volumes calculated on a pro forma basis were below those of 2013. Especially in Finland, sales are affected by consumer restraint.

Earnings for H1 2014 showed an increase from the same period of last year. Parts

of the higher earnings are attributable to a changed allocation of marketing activities between H1 and H2; however, continued focus on efficiency improvements, a changed product mix and good progress of the Hartwall integration process also contributed significantly to the positive earnings development. Earnings before interest and tax (EBIT) amounted to DKK 361 million, including non-recurring costs of DKK 50 million relating to the restructuring of Hartwall, which is approx DKK 57 million above the pro forma EBIT of DKK 304 million realised in 2013, which included non-recurring costs of DKK 18 million for restructuring Hartwall. Profit before tax amounted to DKK 343 million, which is DKK 119 million above the 2013 figure.

In H1 2014, 13,775 square metres of building rights at the brewery site in Aarhus were sold and additionally 16,600 square metres were sold in July 2014. A total of 85,475 square metres of the total 140,000

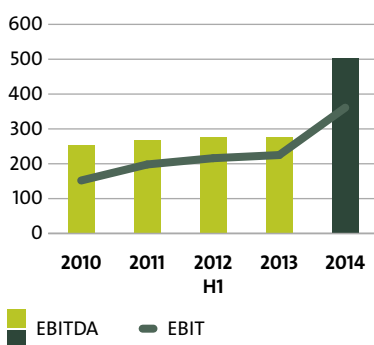
square metres of building rights have now been sold. The value of the brewery site at 30 June 2014 has been written up by DKK 40 million to the estimated fair value of approx DKK 275 million.

The sale of building rights has affected cash flow and net interest-bearing debt positively in H1 2014, whereas results and equity were not affected by the sale, which was effected at carrying amount.

The earnings of a brewery business in H1 do not reflect a proportional share of results for the year. The period includes only one of the three peak summer season months, and in the winter season in Q1, when demand for beer and soft drinks, and thus sales and production volumes, is lower than in the other quarters of the year, the Company makes the most of the low level of activity by carrying out major maintenance work. This was also the case for Royal Unibrew in 2014.

### EBITDA

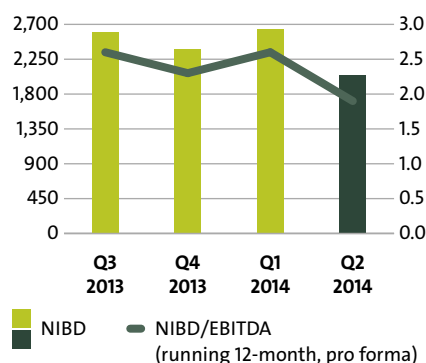
(mDKK)



### NIBD AND NIBD/EBITDA

(mDKK)

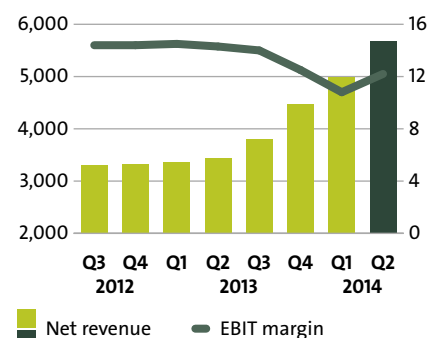
(times)



### RUNNING 12-MONTH

(mDKK)

(%)



# Financial review

## INCOME STATEMENT

Sales for H1 2014 aggregated 4.4 million hectolitres of beer, malt beverages and soft drinks, which is 49% above the 2013 figure. Measured on a pro forma basis, sales remained unchanged.

Net revenue for H1 2014 showed a 67% increase amounting to DKK 2,992 million compared to DKK 1,793 million in 2013. Measured on a pro forma basis, net revenue was almost 1% above the 2013 figure.

Gross profit for H1 2014 was DKK 651 million above the 2013 figure and amounted to DKK 1,559 million, negatively affected by restructuring costs in Hartwall of DKK 17 million. Measured on a pro forma basis, gross profit was DKK 7 million below the 2013 figure. Gross margin was 1.5 percentage points above the 2013 margin and amounted to 52.1% compared to 50.6% in 2013. Hartwall has affected gross margin positively by 0.5 percentage point. Measured on a pro forma basis, gross margin was 0.5 percentage point lower in 2014 than the calculated pro forma gross margin of

52.6% in 2013. Measured 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. Measured on a pro forma basis, gross margin was lower as the average net selling prices per volume unit showed an increase of 0.7%, whereas average production costs including restructuring costs per volume unit increased by 1.7%.

Sales and distribution expenses for H1 2014 were DKK 436 above the 2013 figure and amounted to DKK 1,023 million, including restructuring costs in Hartwall of DKK 21 million. Measured on a pro forma basis, sales and distribution expenses were DKK 57 million lower. Marketing expenses for H1 2014 were lower as a larger share of the marketing activities than in 2013 is scheduled for H2. At the same time, the restructuring of Hartwall's sales organisation in H1 2013 had a positive effect.

Administrative expenses for H1 2014 were DKK 76 million above the 2013 figure and amounted to DKK 175 million in-

cluding restructuring costs in Hartwall of DKK 12 million. Measured on a pro forma basis, administrative expenses were DKK 10 million below the 2013 figure.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for H1 2014 increased by DKK 227 million and amounted to DKK 504 million compared to DKK 277 million in 2013. Measured on a pro forma basis, EBITDA went up by DKK 65 million from 2013.

Earnings before interest and tax (EBIT) for H1 2014 amounted to DKK 361 million, which is DKK 136 million above the 2013 figure. Measured on a pro forma basis, EBIT increased by DKK 57 million. Non-recurring costs for restructuring Hartwall affected EBIT negatively by DKK 50 million in H1 2014, whereas in 2013 the costs amounted to DKK 18 million.

EBIT margin for H1 2014 was 12.1% compared to 12.6% in 2013. Measured on a pro forma basis, EBIT margin was 1.9 percentage points above the 2013 margin, which represented 10.2% of net revenue.

## DEVELOPMENTS IN ACTIVITIES FOR THE PERIOD 1 JANUARY – 30 JUNE 2014 (H1) BROKEN DOWN ON MARKET SEGMENTS

	Western Europe	North East Europe	Malt Beverages	Unallocated	Group	
					2014	2013
Sales (thousand hectolitres)	1,764	2,298	326	-	4,388	2,939
Growth (%)	2.4	146.5	14.3	-	49.3	8.4
Share of sales (%)	40	52	8	-	100	
Net revenue (mDKK)	1,326	1,456	210	-	2,992	1,793
Growth (%)	4.9	331.6	9.8	-	66.9	3.5
Share of net revenue (%)	44	49	7	-	100	
EBIT (mDKK)	228.9	110.1	43.2	-21.2	361.0	225.4
EBIT margin (%)	17.3	7.6	20.6		12.1	12.6

Net financials for H1 2014 showed a net expense of DKK 18 million, which is DKK 19 million above the 2013 figure. Interest expenses were DKK 26 million higher due to the higher interest-bearing debt. Income after tax from investments in associates was DKK 7 million above the 2013 figure.

Profit before tax for H1 2014 was DKK 119 million above the 2013 figure and amounted to DKK 343 million compared to DKK 224 million in 2013.

Tax on the profit for H1 2014 was an expense of DKK 77 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 tax rate is expected to be unchanged at 23%.

The net profit for H1 2014 amounted to DKK 266 million, which is DKK 83 million above the net profit of DKK 183 million realised in 2013.

## BALANCE SHEET

Royal Unibrew's balance sheet at 30 June 2014 amounted to DKK 7,282 million, which is DKK 357 million above the 31 December 2013 figure. Due to higher production and sales activity, inventories and trade receivables increased by approx DKK 385 million and cash at bank and in hand increased by approx DKK 70 million. Oppositely, non-current assets were reduced by depreciation and amortisation in excess of net investments in H1 2014. The development in the balance sheet total as compared to the end of H1 2013 is substantially attributable to the Hartwall acquisition.

The equity ratio increased by 3 percentage points and represented 34% at 30 June 2014 compared to 31% at the end of 2013. Equity at the end of June 2014 amounted to DKK 2,440 million compared to DKK 2,133 million at the end of 2013 and was increased in H1 2014 by DKK 307 million, including DKK 302 million from the positive comprehensive income. The comprehensive income comprises the profit for the period of DKK 266 million, revaluation net of tax of the brewery site in Aarhus of DKK 31 million, negative exchange rate adjustments of foreign group enterprises of DKK 2 million and a positive development in the value of hedging instruments of DKK 7 million.

Net interest-bearing debt for H1 2014 was reduced by DKK 337 million and amounted to DKK 2,042 million at 30 June 2014 compared to DKK 2,379 million at the end of 2013. The development in net interest-bearing debt is as expected and is related to the free cash flow realised in H1 2014.

Funds tied up in working capital showed a negative DKK 756 million at the end of June 2014 compared to a negative DKK 834 million at the end of 2013. Funds tied up in working capital thus increased by DKK 78 million. Funds tied up in inventories, trade receivables and trade payables increased by DKK 204 million due to the higher activity in June, whereas the other elements of working capital decreased by DKK 126 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 H1 2014, a negative DKK 756 million compared to a negative DKK 158 million at the same time in 2013, is

substantially attributable to the Hartwall acquisition. Hartwall's working capital at 30 June 2014 amounted to a negative DKK 662 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 H1 2014 amounted to DKK 361 million (2013: DKK 243 million) comprising the profit for the period adjusted for non-cash operating items of DKK 509 million (2013: DKK 278 million), negative working capital cash flow of DKK 69 million (2013: negative DKK 8 million), net interest paid of DKK 36 million (2013: DKK 13 million) and taxes paid of DKK 43 million (2013: DKK 14 million). The difference in working capital development, a negative DKK 61 million, was as expected and comprises DKK 42 million relating to Hartwall, whereas a negative DKK 103 million is attributable to the organic development, which was in 2014 affected by high revenue in June and the customer mix. The development in Hartwall's working capital was as expected and as usual for the first half of the year.

Free cash flow for H1 2014 amounted to DKK 340 million compared to DKK 206 million in 2013. The DKK 134 million increase in free cash flow comprises DKK 123 million higher operating cash flows and dividend from associates deducted DKK 46 million higher investments in property, plant and equipment and added DKK 57 million higher revenues from asset divestment, substantially relating to the brewery site in Aarhus.

## OUTLOOK

Based on results for H1, the very satisfactory summer weather and a faster implementation of the efficiency plan for Hartwall, the previously announced earnings outlook for the year is adjusted upwards as follows:

	Updated outlook 2014	Previous outlook 2014	Pro forma actual 2013*	Actual 2013**
Net revenue (mDKK)	5,950-6,100	5,750-6,050	6,050	4,481
EBITDA (mDKK)	1,090-1,140	965-1,015	1,015	732
EBIT (mDKK)	790-840	665-715	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 changes to the assumptions of the financial development in 2014 described in the Annual Report for 2013 are as follows:

- So far, the summer weather has generally been much better than usual, which is expected to increase earnings.
- The development in Royal Unibrew's market shares in North Western Europe is now expected to be less negative than initially assumed due to a changed product mix as the market for branded products has grown, whereas the discount market has declined.
- The market development in Finland, which greatly reflects the negative macroeconomic situation, is expected to affect gross margins negatively, due to a changed sales channel mix with on-trade declining more than the market in general, but also because product mix changes within the individual sales channel are expected to have a more negative impact than initially assumed.
- The efficiency plan for Hartwall is being implemented faster than planned, and the implementation risk has been reduced in line with progress.

## FINANCIAL TARGETS

In consequence of a generally positive development across the business and faster than planned progress of the efficiency plan for Hartwall, the target for Royal Unibrew's medium-term EBIT margin is increased to the level of 14%, whereas, in connection with the acquisition of Hartwall about one year ago, the margin was fixed at 13%.

The other financial targets remain unchanged, ie net interest-bearing debt should not exceed 2.5 times EBITDA and the equity ratio at year end should be at least 30%.



# Developments in individual market segments

## Western Europe

	H1 2014	H1 2013	% change	Q2 2014	Q2 2013	% change	2013
Sales (thousand hectolitres)	1,764	1,722	2	1,017	987	3	3,680
Net revenue (mDKK)	1,326	1,264	5	764	732	4	2,650
EBIT (mDKK)	228.9	175.3		163.7	121.5		424.0
EBIT margin (%)	17.3	13.9		21.4	16.6		16.0

The **Western Europe** segment comprises the markets for beer and soft drinks in North Western Europe (Denmark, other Nordic countries and Germany) as well as in Italy. Western Europe accounted for 40% of group sales for H1 2014 and for 44% of net revenue (2013: 58% and 70%, respectively).

Sales in Western Europe for H1 2014 went up by 2% compared to the same period of 2013. Royal Unibrew generally maintained

its market shares on branded beer and soft drinks. Net revenue was 5% above the 2013 figure and increased more than sales. A shift towards markets and sales channels in Northern Europe with higher net selling prices per volume unit had a positive effect on this figure, whereas the lower sales in Italy had a negative effect. At the beginning of the year, 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 H1 2014 increased by DKK 54 million from DKK 175 million in 2013 to DKK 229 million in 2014. EBIT margin went up by 3.4 percentage points to 17.3% and was positively affected by efficiency measures and 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 H1 to H2.

### NORTH WESTERN EUROPE

	H1 2014	H1 2013	% change	Q2 2014	Q2 2013	% change	2013
Sales (thousand hectolitres)	1,545	1,497	3	895	857	4	3,271
Net revenue (mDKK)	1,000	928	8	584	541	8	2,043

For **North Western Europe** it is the estimate that Danish consumption of beer and soft drinks remained unchanged from the same period of 2013, whereas consumption of branded products increased to the detriment of discount products. Consumption developments were positively affected by good weather late in Q2.

Royal Unibrew's sales for H1 2014 increased by 3% from 2013, and net revenue increased by 8%. At the beginning of H1, sales were still positively affected by trading challenges for a number of competing products in a major Dan-

ish retail chain, but negatively affected by the termination of a private label agreement at the end of 2013. 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 agreement, and to a shift in consumption towards cans. It is assessed that Royal Unibrew maintained its market shares on branded beer and soft drinks in Q1, whereas, as expected, market shares decreased marginally in Q2.

The level of innovation was high in H1 2014 with several successful launches of

new products, packaging and container types as well as consumer-engaging campaigns. The new products include Royal Shandy, a beer added grapefruit lemonade and with a low alcohol content; Egekilde Fruits, a mineral water containing natural fruit juice and with a low sugar content; and three Tempt shots varieties. Danish consumers received the new products well. Moreover, the new Faxe Kondi communication platform entitled "Når der går sport i den" (Becoming a sport) was launched. Finally, Faxe Kondi was launched in a retro bottle.

## ITALY

	H1 2014	H1 2013	% change	Q2 2014	Q2 2013	% change	2013
Sales (thousand hectolitres)	219	225	-3	122	130	-6	409
Net revenue (mDKK)	326	336	-3	180	191	-6	607

The market situation in Italy remains marked by economic uncertainty resulting in consumer restraint, increased price competition in the off-trade sales channel and downtrading. It is estimated that,

as expected, consumption of premium and super premium beer declined in H1.

Royal Unibrew's sales and net revenue for H1 2014 showed a 3% decrease. It is

assessed that Royal Unibrew's market shares in the premium and super premium segments were marginally below those of H1 2013.

## North East Europe

	H1 2014	H1 2013*	% change	Q2 2014	Q2 2013*	% change	2013*
Sales (thousand hectolitres)	2,298	2,386	-4	1,366	1,391	-2	4,766
Net revenue (mDKK)	1,456	1,519	-4	858	888	-3	3,046
EBIT (mDKK)	110.1	102.3		142.1	127.0		254.1
EBIT margin (%)	7.6	6.7		16.6	14.3		8.3

\* 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 H1 2014 North East Europe accounted for 52% of group sales and for 49% of net revenue (2013: 32% and 19%, respectively).

The Hartwall acquisition affected segment developments significantly. Measured on a pro forma basis, sales and net

revenue for H1 2014 were 4% lower than the figures for 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. Moreover, sales in North East Europe were affected by consumer restraint in Finland.

Measured on a pro forma basis, earnings before interest and tax (EBIT) were DKK 8 million above the 2013 figure and, as expected, negatively affected by

non-recurring costs of DKK 50 million for restructuring Hartwall, whereas cost savings from the integration process initiated in Hartwall as well as a significant shift of marketing activities from H1 to H2 had a positive effect. Measured on a pro forma basis, EBIT margin increased by 0.9 percentage point from 6.7% to 7.6%. In 2013 non-recurring costs for restructuring Hartwall amounted to DKK 18 million.

## FINLAND

	H1 2014	H1 2013*	% change	Q2 2014	Q2 2013*	% change	2013*
Sales (thousand hectolitres)	1,419	1,454	-2	849	833	2	2,936
Net revenue (mDKK)	1,129	1,182	-4	666	683	-3	2,383

\* including pro forma figures for Hartwall

As expected, the Finnish market for beer, soft drinks, wine and spirits products was volatile and generally declining due to negative economic growth, low consumer confidence and realised as well as planned 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. Within off-trade, sales in the convenience channel declined whereas sales in

the discount channel increased, which affected the product mix negatively.

Hartwall's sales for H1 2014 were negatively affected by the declining consumption in 2014. It is estimated that Hartwall's market shares on branded products were maintained.

The historically high level of innovation in Hartwall continued in 2014 with a number of new product varieties and line extensions.

The integration of Hartwall is progressing satisfactorily. Targeted efforts are directed to strengthen Hartwall's commercial position as a market-leading beverage provider in Finland. The efficiency improvement of Hartwall is ahead of schedule, which affects earnings positively as compared to the previous earnings outlook, whereas market conditions affect earnings negatively as compared to the previous outlook.

## BALTIC COUNTRIES

	H1 2014	H1 2013	% change	Q2 2014	Q2 2013	% change	2013
Sales (thousand hectolitres)	879	932	-6	517	558	-7	1,830
Net revenue (mDKK)	327	337	-3	192	205	-6	663

Beer consumption increased in H1, whereas consumption of fruit juices and soft drinks declined. The situation in Ukraine and bad weather in June affected consumption negatively. It is estimated that Royal Unibrew has generally seen a slight market share loss on branded products.

Royal Unibrew's sales declined by 6% for H1 2014, whereas net revenue declined by 3% from H1 2013. Focus continues on addressing the effect of market dynamics, with the lower part of the market increasing. This is done by managing the product mix.

In H1 2014, Royal Unibrew penetrated the still water category in Lithuania through the launch of Kalnapilis Norte, a new product in the still water portfolio. Moreover, a number of beer and soft drink products were launched in new packaging, containers and taste varieties in Latvia and Lithuania.

## Malt Beverages

	H1 2014	H1 2013	% change	Q2 2014	Q2 2013	% change	2013
Sales (thousand hectolitres)	326	285	14	158	147	8	562
Net revenue (mDKK)	210	192	10	104	105	-1	381
EBIT (mDKK)	43.2	42.9		25.7	25.5		81.3
EBIT margin (%)	20.5	22.4		24.8	24.4		21.4

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

For H1 2014, Malt Beverages accounted for 8% of group sales and for 7% of net revenue (2013: 10% and 11%, respectively).

As expected, high segment growth was realised for both malt and beer products. Sales for H1 2014 increased by 14% and net revenue by 10%. Exchange rate developments affected net revenue and earnings negatively by approx DKK 4 million corresponding to a reduction of net revenue and EBIT margin by 2 and 1.5 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, whereas the opposite effect was felt in Q2.

Earnings before interest and tax (EBIT) for H1 2014 amounted to DKK 43 million, which is marginally above the 2013 figure and overall as expected except for the exchange rate developments described above. EBIT margin for H1 2014 was 20.5% and, as expected, lower than in 2013. The reason for this is that, as planned,

higher investments were made than in H1 2013 in marketing and expansion in new markets. Moreover, the cost effect of the extended sales organisation was included for all of H1 2014.

The business in the Americas comprising the Caribbean, Central America, South America and North America contributed to the positive segment development. As expected, the business in EMEA comprising Europe, the Middle East, Africa and Asia realised high growth rates for sales and net revenue.

# 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 30 June 2014 as well as of the results of the Group operations and cash flows for the period 1 January – 30 June 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, 14 August 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

Martin Alsø

Ingrid Jonasson Blank

Jørgen-Anker Ipsen

Kirsten Liisberg

Søren Lorentzen

Jens Due Olsen

Karsten M. Slotte

Hemming Van

Jais Valeur

**INCOME STATEMENT**

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# Income Statement

(DKK '000)	H1 2014	H1 2013	Q2 2014	Q2 2013	2013
<b>Net revenue</b>	<b>2,992,150</b>	<b>1,792,826</b>	<b>1,725,422</b>	<b>1,041,523</b>	<b>4,480,998</b>
Production costs	-1,433,578	-885,058	-800,392	-501,024	-2,195,788
<b>Gross profit</b>	<b>1,558,572</b>	<b>907,768</b>	<b>925,030</b>	<b>540,499</b>	<b>2,285,210</b>
Sales and distribution expenses	-1,022,961	-587,111	-529,878	-328,673	-1,448,530
Administrative expenses	-174,599	-98,132	-77,208	-48,775	-264,090
Other operating income		2,831		855	2,642
Other operating expenses					-15,161
<b>EBIT</b>	<b>361,012</b>	<b>225,356</b>	<b>317,944</b>	<b>163,906</b>	<b>560,071</b>
Income after tax from investments in associates	18,030	11,259	19,184	12,388	33,552
Financial income	2,077	2,964	2,077	786	4,345
Financial expenses	-38,488	-15,429	-16,384	-7,561	-49,685
<b>Profit before tax</b>	<b>342,631</b>	<b>224,150</b>	<b>322,821</b>	<b>169,519</b>	<b>548,283</b>
Tax on the profit for the period	-77,063	-41,006	-70,763	-27,797	-68,707
<b>Net profit for the period</b>	<b>265,568</b>	<b>183,144</b>	<b>252,058</b>	<b>141,722</b>	<b>479,576</b>
Parent Company shareholders' share of earnings per share (DKK)	24	18	23	14	46
Parent Company shareholders' share of diluted earnings per share (DKK)	24	18	23	14	46

# Statement of Comprehensive Income

(DKK '000)	H1 2014	H1 2013	Q2 2014	Q2 2013	2013
<b>Net profit for the period</b>	<b>265,568</b>	<b>183,144</b>	<b>252,058</b>	<b>141,722</b>	<b>479,576</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to the income statement:</i>					
Value and exchange adjustments of foreign group enterprises	-2,388	-7,157	-7,070	-5,046	-11,638
Value adjustment of hedging instruments, opening	46,039	59,239	43,048	56,836	59,239
Value adjustment of hedging instruments, closing	-38,213	-50,969	-38,213	-50,969	-46,039
Tax on equity entries					-4,105
<b>Total</b>	<b>5,438</b>	<b>1,113</b>	<b>-2,235</b>	<b>821</b>	<b>-2,543</b>
<i>Items that may not be reclassified to the income statement:</i>					
Revaluation of non-current assets	40,000	90,000	40,000	90,000	90,000
Tax on equity entries	-9,200	-19,000	-9,200	-19,000	-19,000
<b>Total</b>	<b>30,800</b>	<b>71,000</b>	<b>30,800</b>	<b>71,000</b>	<b>71,000</b>
<b>Other comprehensive income after tax</b>	<b>36,238</b>	<b>72,113</b>	<b>28,565</b>	<b>71,821</b>	<b>68,457</b>
<b>Total comprehensive income</b>	<b>301,806</b>	<b>255,257</b>	<b>280,623</b>	<b>213,543</b>	<b>548,033</b>

distributed to the Parent Company shareholders.

Income Statement    Comprehensive Income    **ASSETS**    Liabilities and Equity    Cash Flow  
 Changes in Equity    Notes    Financial Highlights and Key Ratios

# Assets

(DKK '000)	30/6 2014	30/6 2013	31/12 2013
<b>NON-CURRENT ASSETS</b>			
Goodwill	1,429,914	244,552	1,430,378
Trademarks	1,235,343	124,070	1,236,102
Distribution rights	213,230	1,094	214,592
Customer relations	56,160		62,970
<b>Intangible assets</b>	<b>2,934,647</b>	<b>369,716</b>	<b>2,944,042</b>
Land and buildings	1,237,637	558,282	1,261,505
Project development properties	275,909	367,787	290,539
Plant and machinery	820,353	465,395	880,267
Other fixtures and fittings, tools and equipment	245,872	128,367	238,466
Property, plant and equipment in progress	81,271	53,411	38,164
<b>Property, plant and equipment</b>	<b>2,661,042</b>	<b>1,573,242</b>	<b>2,708,941</b>
Investments in associates	127,269	118,646	132,523
Other investments	15,723	2,620	15,731
Other receivables	5,665	8,939	8,354
<b>Fixed asset investments</b>	<b>148,657</b>	<b>130,205</b>	<b>156,608</b>
<b>Non-current assets</b>	<b>5,744,346</b>	<b>2,073,163</b>	<b>5,809,591</b>
<b>CURRENT ASSETS</b>			
Raw materials and consumables	133,447	77,220	106,709
Work in progress	27,553	23,330	24,016
Finished goods and purchased finished goods	254,130	114,487	199,734
<b>Inventories</b>	<b>415,130</b>	<b>215,037</b>	<b>330,459</b>
Trade receivables	747,544	596,425	449,228
Receivables from associates		842	
Corporation tax receivable			11,754
Other receivables	39,150	9,223	56,496
Prepayments	20,324	10,436	23,022
<b>Receivables</b>	<b>807,018</b>	<b>616,926</b>	<b>540,500</b>
<b>Cash at bank and in hand</b>	<b>315,933</b>	<b>153,070</b>	<b>243,962</b>
<b>Current assets</b>	<b>1,538,081</b>	<b>985,033</b>	<b>1,114,921</b>
<b>Assets</b>	<b>7,282,427</b>	<b>3,058,196</b>	<b>6,924,512</b>



# Liabilities and Equity

(DKK '000)	30/6 2014	30/6 2013	31/12 2013
<b>EQUITY</b>			
Share capital	110,985	100,900	110,985
Share premium account	855,839	304,710	855,839
Revaluation reserves	139,406	183,320	136,505
Translation reserve	-21,358	-13,078	-18,970
Hedging reserve	-38,213	-50,969	-46,039
Retained earnings	1,393,074	751,942	1,094,657
<b>Equity</b>	<b>2,439,733</b>	<b>1,276,825</b>	<b>2,132,977</b>
Deferred tax	455,778	151,905	457,571
Mortgage debt	1,160,614	590,276	747,742
Credit institutions	794,243		1,097,291
Other payables	18,492	16,959	17,318
<b>Non-current liabilities</b>	<b>2,429,127</b>	<b>759,140</b>	<b>2,319,922</b>
Mortgage debt	34,453	2,260	14,159
Credit institutions	368,138	614	763,978
Repurchase obligation, returnable packaging	95,108	33,762	103,938
Trade payables	986,461	587,107	807,486
Corporation tax	33,098	28,957	
VAT, excise duties, etc	435,393	132,731	370,737
Other payables	460,916	236,800	411,315
<b>Current liabilities</b>	<b>2,413,567</b>	<b>1,022,231</b>	<b>2,471,613</b>
<b>Liabilities</b>	<b>4,842,694</b>	<b>1,781,371</b>	<b>4,791,535</b>
<b>Liabilities and equity</b>	<b>7,282,427</b>	<b>3,058,196</b>	<b>6,924,512</b>

Income Statement	Comprehensive Income	Assets	Liabilities and Equity	<b>CASH FLOW</b>
Changes in Equity	Notes	Financial Highlights and Key Ratios		

## Cash Flow Statement

(DKK '000)	Note	H1 2014	H1 2013	2013
Net profit for the period		265,568	183,144	479,576
Adjustments for non-cash operating items	3	243,618	94,618	255,576
		509,186	277,762	735,152
Change in working capital:				
+/- change in receivables		-279,301	-225,829	-176
+/- change in inventories		-84,403	-34,910	34,518
+/- change in payables		295,117	252,599	56,587
<b>Cash flows from operating activities before financial income and expenses</b>		<b>440,599</b>	<b>269,622</b>	<b>826,081</b>
Financial income		2,077	1,781	4,345
Financial expenses		-38,789	-14,191	-59,635
<b>Cash flows from ordinary activities</b>		<b>403,887</b>	<b>257,212</b>	<b>770,791</b>
Corporation tax paid		-43,011	-14,194	-117,976
<b>Cash flows from operating activities</b>		<b>360,876</b>	<b>243,018</b>	<b>652,815</b>
Dividends received from associates		23,346	17,974	20,474
Sale of property, plant and equipment		62,137	4,849	87,546
Corporation tax paid				-19,168
Purchase of property, plant and equipment		-106,115	-59,964	-143,394
<i>Free cash flow</i>		<b>340,244</b>	205,877	598,273
Acquisition of subsidiary				-2,775,124
Purchase/sale of intangible assets and fixed asset investments		-2,588	727	-7,023
<b>Cash flows from investing activities</b>		<b>-23,220</b>	<b>-36,414</b>	<b>-2,836,689</b>
Proceeds from non-current borrowing		447,168		1,589,928
Repayment of non-current debt		-196,196	-1,221	-195,338
Change in current debt to credit institutions		-516,628	47	525,546
Dividends paid to shareholders			-242,107	-242,107
Acquisition of shares for treasury			-88,150	-110,189
Proceeds from share issue				561,214
Sale of treasury shares			4,230	25,131
<b>Cash flows from financing activities</b>		<b>-265,656</b>	<b>-327,201</b>	<b>2,154,185</b>
<b>Change in cash and cash equivalents</b>		<b>72,000</b>	<b>-120,597</b>	<b>-29,689</b>
Cash and cash equivalents at 1 January		243,962	273,775	273,775
Exchange adjustment		-29	-108	-124
<b>Cash and cash equivalents at 30 June</b>		<b>315,933</b>	<b>153,070</b>	<b>243,962</b>

Income Statement

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**CHANGES IN EQUITY**

Notes

Financial Highlights and Key Ratios

# Statement of Changes in Equity for the period 1 January - 30 June 2014

(DKK '000)	Share capital	Share premium account	Revaluation reserves	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Total
Equity at 31 December 2012	105,700	319,205	112,320	-5,719	-59,239	621,648	253,680	1,347,595
<b>Changes in equity in 2013</b>								
Net profit for the year						183,144		183,144
Other comprehensive income			71,000	-7,359	8,270	202		72,113
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>71,000</b>	<b>-7,359</b>	<b>8,270</b>	<b>183,346</b>	<b>0</b>	<b>255,257</b>
Dividends paid to shareholders							-242,107	-242,107
Dividend on treasury shares						11,573	-11,573	0
Sale of treasury shares						4,230		4,230
Acquisition of shares for treasury						-88,150		-88,150
Reduction of capital	-4,800	-14,495				19,295		0
<b>Total shareholders</b>	<b>-4,800</b>	<b>-14,495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-53,052</b>	<b>-253,680</b>	<b>-326,027</b>
<b>Total changes in equity 1/1 - 30/6 2013</b>	<b>-4,800</b>	<b>-14,495</b>	<b>71,000</b>	<b>-7,359</b>	<b>8,270</b>	<b>130,294</b>	<b>-253,680</b>	<b>-70,770</b>
<b>Equity at 30 June 2013</b>	<b>100,900</b>	<b>304,710</b>	<b>183,320</b>	<b>-13,078</b>	<b>-50,969</b>	<b>751,942</b>	<b>0</b>	<b>1,276,825</b>
<b>Equity at 31 December 2013</b>	<b>110,985</b>	<b>855,839</b>	<b>136,505</b>	<b>-18,970</b>	<b>-46,039</b>	<b>1,094,657</b>	<b>0</b>	<b>2,132,977</b>
<b>Changes in equity in 2014</b>								
Net profit for the year						265,568		265,568
Other comprehensive income			30,800	-2,388	7,826			36,238
Realised revaluation reserve			-27,899			27,899		0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>2,901</b>	<b>-2,388</b>	<b>7,826</b>	<b>293,467</b>	<b>0</b>	<b>301,806</b>
Share-based payments						4,950		4,950
<b>Total shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,950</b>	<b>0</b>	<b>4,950</b>
<b>Total changes in equity 1/1 - 30/6 2014</b>	<b>0</b>	<b>0</b>	<b>2,901</b>	<b>-2,388</b>	<b>7,826</b>	<b>298,417</b>	<b>0</b>	<b>306,756</b>
<b>Equity at 30 June 2014</b>	<b>110,985</b>	<b>855,839</b>	<b>139,406</b>	<b>-21,358</b>	<b>-38,213</b>	<b>1,393,074</b>	<b>0</b>	<b>2,439,733</b>

The share capital at 30 June 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.

Apart from implementation of IFRS 10-12, the accounting policies are unchanged from those applied in the Annual Report for 2013, to which reference is made. The implementation of IFRS 10-12 has no effect on the Company's Interim Reports.

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

The pro forma net revenue and net profit for H1 2013 have been calculated as Royal Unibrew's reported net revenue and net profit added Hartwall's realised net revenue and net profit for the period adjusted by calculated amortisation of the intangible assets acquired in connection with the acquisition.

### 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.

As the fair value of project development properties at 30 June 2014 is estimated at approx DKK 275 million, the carrying amount has been written up by DKK 40 million. The revaluation has been recognised in equity less deferred tax of DKK 9.2 million, which has increased this liability.

# Notes to the Interim Report

## NOTE 2 – SEGMENT REPORTING

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

<b>H1 2014</b>					
<b>(mDKK)</b>	<b>Western Europe</b>	<b>North East Europe</b>	<b>Malt Beverages</b>	<b>Unallocated</b>	<b>Total</b>
Net revenue	1,326.2	1,455.9	210.1		2,992.2
<b>Earnings before interest and tax (EBIT)</b>	<b>228.9</b>	<b>110.1</b>	<b>43.2</b>	<b>-21.2</b>	<b>361.0</b>
Share of income from associates	18.0				18.0
Other financial income and expenses	-0.2	-8.4	-0.1	-27.7	-36.4
<b>Profit/loss before tax for the period</b>	<b>246.7</b>	<b>101.7</b>	<b>43.1</b>	<b>-48.9</b>	<b>342.6</b>
Tax on the profit/loss for the period				-77.0	-77.0
<b>Net profit for the period</b>					<b>265.6</b>
<b>EBIT margin, %</b>	<b>17.3</b>	<b>7.6</b>	<b>20.6</b>		<b>12.1</b>

<b>H1 2013</b>					
<b>(mDKK)</b>	<b>Western Europe</b>	<b>North East Europe</b>	<b>Malt Beverages</b>	<b>Unallocated</b>	<b>Total</b>
Net revenue	1,264.1	337.3	191.4		1,792.8
<b>Earnings before interest and tax (EBIT)</b>	<b>175.3</b>	<b>23.4</b>	<b>42.9</b>	<b>-16.7</b>	<b>224.9</b>
Share of income from associates	11.3				11.3
Other financial income and expenses	-0.3	-3.5	-0.4	-15.2	-19.4
<b>Profit/loss before tax for the period</b>	<b>186.3</b>	<b>19.9</b>	<b>42.5</b>	<b>-31.9</b>	<b>216.8</b>
Tax on the profit/loss for the period				-54.1	-54.1
<b>Net profit for the period</b>					<b>162.7</b>
<b>EBIT margin, %</b>	<b>13.9</b>	<b>6.9</b>	<b>22.4</b>		<b>12.6</b>

<b>2013</b>					
<b>(mDKK)</b>	<b>Western Europe</b>	<b>North East Europe</b>	<b>Malt Beverages</b>	<b>Unallocated</b>	<b>Total</b>
Net revenue	2,650.0	1,450.0	381.0		4,481.0
<b>Earnings before interest and tax (EBIT)</b>	<b>424.0</b>	<b>101.6</b>	<b>81.3</b>	<b>-46.8</b>	<b>560.1</b>
Share of income from associates	33.5				33.5
Other financial income and expenses	-0.2	-9.9	-0.4	-34.8	-45.3
<b>Profit/loss before tax for the period</b>	<b>457.3</b>	<b>91.7</b>	<b>80.9</b>	<b>-81.6</b>	<b>548.3</b>
Tax on the profit/loss for the period				-68.7	-68.7
<b>Net profit for the period</b>					<b>479.6</b>
<b>EBIT margin, %</b>	<b>16.0</b>	<b>7.0</b>	<b>21.3</b>		<b>12.5</b>

# Notes to the Interim Report

## NOTE 2 – SEGMENT REPORTING

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

Q2 2014					
(mDKK)	Western Europe	North East Europe	Malt Beverages	Unallocated	Total
Net revenue	764.1	857.9	103.5		1,725.5
<b>Earnings before interest and tax (EBIT)</b>	<b>163.7</b>	<b>142.1</b>	<b>25.7</b>	<b>-13.6</b>	<b>317.9</b>
Share of income from associates	19.2				19.2
Other financial income and expenses	-0.2	-4.3		-9.8	-14.3
<b>Profit/loss before tax for the period</b>	<b>182.7</b>	<b>137.8</b>	<b>25.7</b>	<b>-23.4</b>	<b>322.8</b>
Tax on the profit/loss for the period				-70.7	-70.7
<b>Net profit for the period</b>					<b>252.1</b>
<b>EBIT margin, %</b>	<b>21.4</b>	<b>16.6</b>	<b>24.8</b>		<b>18.4</b>

Q2 2013					
(mDKK)	Western Europe	North East Europe	Malt Beverages	Unallocated	Total
Net revenue	732.1	204.9	104.5		1,041.5
<b>Earnings before interest and tax (EBIT)</b>	<b>121.5</b>	<b>24.8</b>	<b>25.5</b>	<b>-8.3</b>	<b>163.5</b>
Share of income from associates	12.4				12.4
Other financial income and expenses	-0.2	-1.5		-12.0	-13.7
<b>Profit/loss before tax for the period</b>	<b>133.7</b>	<b>23.3</b>	<b>25.5</b>	<b>-20.3</b>	<b>162.2</b>
Tax on the profit/loss for the period				-40.9	-40.9
<b>Net profit for the period</b>					<b>121.3</b>
<b>EBIT margin, %</b>	<b>16.6</b>	<b>12.1</b>	<b>24.4</b>		<b>15.7</b>

## NOTE 3 – CASH FLOW STATEMENT

(DKK '000)	H1 2014	H1 2013	2013
<b>Adjustments for non-cash operating items</b>			
Financial income	-2,077	-2,964	-4,345
Financial expenses	38,488	15,429	49,685
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	144,687	55,166	170,443
Tax on the profit for the period	77,063	41,006	68,707
Income from investments in associates	-18,030	-11,259	-33,552
Net profit/loss from sale of property, plant and equipment	-1,463	-3,361	1,338
Share-based remuneration and payments	4,950		3,300
Other adjustments		601	
<b>Total</b>	<b>243,618</b>	<b>94,618</b>	<b>255,576</b>

## Quarterly Financial Highlights and Key Ratios

	Q1 2014	Q1 2013	Q2 2014	Q2 2013
Sales (thousand hectolitres)	1,847	1,247	2,541	1,692
<b>Income Statement (mDKK)</b>				
Net revenue	1,267	751	1,725	1,042
EBITDA	109	88	395	189
Earnings before interest and tax (EBIT)	43	61	318	164
<i>EBIT margin (%)</i>	3.4	8.2	18.4	15.7
Income after tax from investments in associates	-1	-1	19	12
Other financials, net	-22	-6	-14	-6
Profit before tax	20	54	323	170
Net profit for the period	14	41	252	142
<b>Balance Sheet (mDKK)</b>				
Non-current assets	5,800	1,972	5,744	2,073
Total assets	6,995	2,873	7,282	3,058
Equity	2,157	1,338	2,440	1,277
Net interest-bearing debt	2,638	401	2,042	440
Net working capital	-567	-87	-756	-158
<b>Cash Flows (mDKK)</b>				
From operating activities	-207	-19	568	262
From investing activities	-52	-10	29	-26
Free cash flow	-254	-30	594	236
<b>Financial ratios (%)</b>				
Free cash flow as a percentage of net revenue	-20	-4	34	23
Cash conversion	-1,913	-73	228	167
Equity ratio	31	42	34	47

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

# Financial Highlights and Key Ratios for the Period 1 January - 30 June

	2014	2013	2012	2011	2010
Sales (thousand hectolitres)	4,388	2,939	2,711	2,898	3,219
<b>Income Statement (mDKK)</b>					
Net revenue	2,992	1,793	1,733	1,739	1,882
EBITDA	504	277	278	268	254
Earnings before interest and tax (EBIT)	361	225	216	198	152
<i>EBIT margin (%)</i>	12.1	12.6	12.4	11.4	8.1
Income after tax from investments in associates	18	11	11	4	12
Other financials, net	-36	-12	-17	-22	-59
Profit before tax	343	224	210	180	105
Net profit for the period	266	183	156	129	71
Royal Unibrew's share of net profit	266	183	155	128	70
<b>Balance Sheet (mDKK)</b>					
Non-current assets	5,744	2,073	2,291	2,353	2,411
Total assets	7,282	3,058	3,101	3,207	3,404
Equity	2,440	1,277	1,224	1,257	1,029
Net interest-bearing debt	2,042	440	623	735	1,011
Net working capital	-756	-158	-230	-138	-183
<b>Cash Flows (mDKK)</b>					
From operating activities	361	243	314	212	222
From investing activities	-23	-36	-43	-3	184
Free cash flow	340	206	271	199	217
<b>Share ratios (DKK)</b>					
RU's share of earnings per DKK 10 share	24	18	15	12	6
Cash flow per DKK 10 share	33	24	30	19	20
Year-end price per DKK 10 share	856	504	372	339	196
<b>Financial ratios (%)</b>					
Free cash flow as a percentage of net revenue	11	11	16	11	12
Cash conversion	125	112	174	154	306
Equity ratio	34	42	39	39	30

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