



## Interim Report for 1 January - 30 September 2010

Company Announcement No 24/2010

25 November 2010

Continued significant performance improvement in line with expectations

Royal Unibrew continued the positive earnings trend in Q3. In the nine months to 30 September 2010, operating profit (EBIT before special items) increased by DKK 122 million to DKK 357 million compared to DKK 235 million in 2009, which was as expected. Both EBIT and EBIT margin increased in all group segments compared to 2009. Free cash flow increased significantly in 2010 and was DKK 222 million above the figure for the same period of 2009. At the same time, net interest-bearing debt was reduced by DKK 697 million, DKK 187 million of which was contributed by the sale of the Caribbean breweries in February 2010. Net interest-bearing debt is now expected to amount to approx. DKK 850 million at the end of 2010, which is DKK 50 million below the expectation previously announced.

"In 2010, we reinforced our market positions through increased marketing efforts and several new product and campaign launches, and we maintained persistent focus on increasing efficiency and reducing costs. This has enabled us to continue the Group's positive performance trend in spite of lower demand in several markets and keen competition. We are pleased with that. At the same time, we now expect to have reached our long-term financial targets already by the end of 2010, and Royal Unibrew emerges as a well-trimmed and efficient business that is well-positioned to expand and defend its market positions. We

have therefore established new, ambitious financial targets and determined our strategic main priorities for 2011. It is our medium-term objective to increase EBIT margin to around 13%. Due to the greater financial strength, the Supervisory Board expects to propose distribution around DKK 200 million at the Annual General Meeting in 2011" says Henrik Brandt, CEO.

#### HIGHLIGHTS

- Generally market shares were won or maintained on branded beer as well as soft and malt drinks.
- Net revenue declined by just below 1% to DKK 2,970 million in the nine months to 30 September 2010. Ad-justed for the divestment of the Caribbean breweries, organic net revenue growth of 3% was achieved.
- EBITDA (before special items) increased by DKK 117 million (31%) to DKK 499 million.
- Operating profit (EBIT before special items) increased by DKK 122 million (52%) to DKK 357 million. DKK 10 million of the increase was caused by the change of accounting estimates.
- Profit before tax amounted to DKK 301 million compared to DKK 126 million in the same period of 2009.
- Free cash flow amounted to DKK 513 million - DKK 222 million above the 2009 figure.
- Net interest-bearing debt was reduced in 2010 by DKK 697 million to DKK 719 million.

#### OUTLOOK

After the end of Q3 2010, Royal Unibrew clarifies its expectations for 2010. Due to changed estimates of depreciation periods, see note 1, the expectation for EBIT is increased by DKK 20 million. Net revenue of DKK 3,750-3,800 million is expected for 2010 (previous expectation of DKK 3,700-3,850 million), whereas EBITDA is expected to be at the level of DKK 590-610 million (previous expectation of DKK 575-625 million), and operating profit (EBIT before special

items) is expected to be at the level of DKK 410-430 million (previous expectation of DKK 375-425 million). Net financials are estimated at an expense of approx. DKK 55 million (previous expectation of some DKK 65 million). Profit before tax for 2010 is expected to be at the level of DKK 355-375 million (previous expectation of DKK 310-360 million). Net interest-bearing debt at the end of 2010 is now expected to amount to approx. DKK 850 corresponding to some 1.4 times EBITDA (previous expectation of approx. DKK 900 million corresponding to 1.4-1.6 times EBITDA).

For further information on this Announcement:

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It will be possible for investors and analysts to follow Royal Unibrew's presentation of the Interim Report on Thursday, 25 November 2010, at 9 am by webcast. Please register at the Royal Unibrew website [www.royalunibrew.com](http://www.royalunibrew.com).