

Interim report

1 January - 30 June 2014

15 August 2014

Earnings increase and upwards adjusted outlook for the year and midterm EBIT target

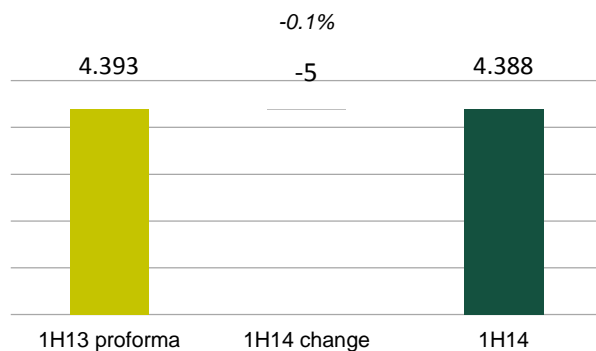
- Market positions generally maintained
- Organic volume growth of 1%. Organic revenue growth of 4%
- Pro forma unchanged net revenue DKK 2.992m in spite of difficult markets
- First half EBIT of DKK 361m. Pro forma growth of DKK 57m
 - focused value creation, efficiency initiatives and cost phasing
- Free cash flow of DKK 340m – better than expected on increased earnings
- Good progress in Hartwall integration and ahead of efficiency timeline
- Outlook 2014 increased
- Mid term EBIT margin target increased to 14%



Pro forma increase in EBITDA and EBIT

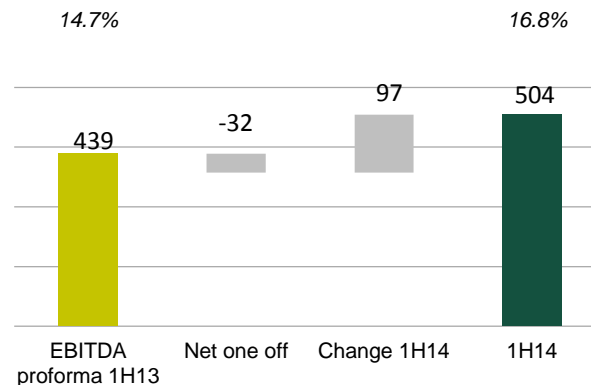
VOLUME – HL (000)

Change



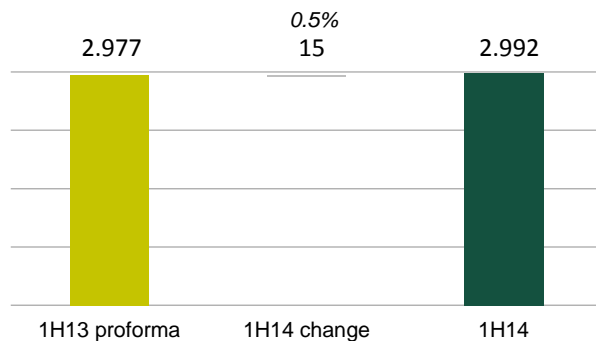
EBITDA - DKKM

Margin



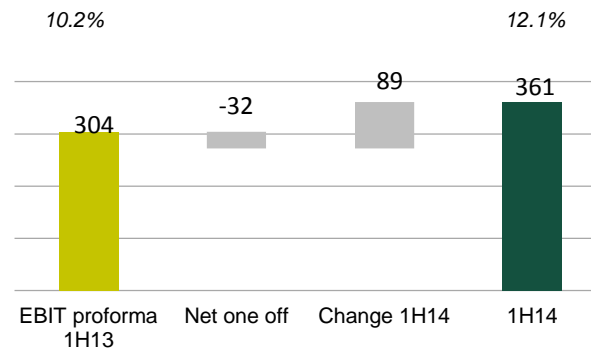
NET REVENUE - DKKM

Change

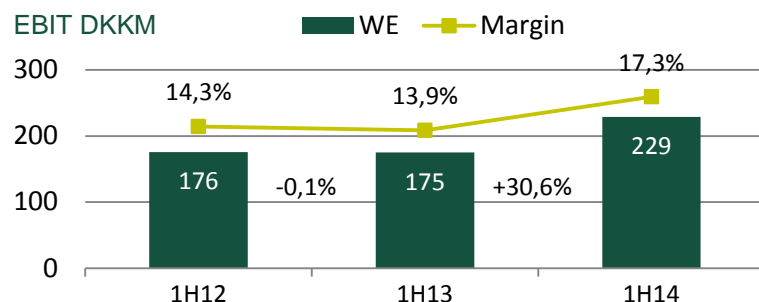
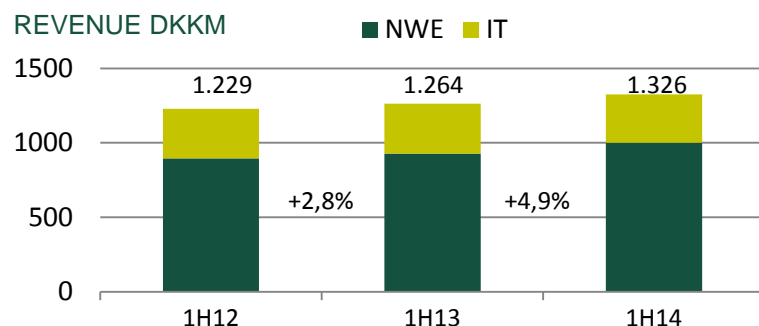
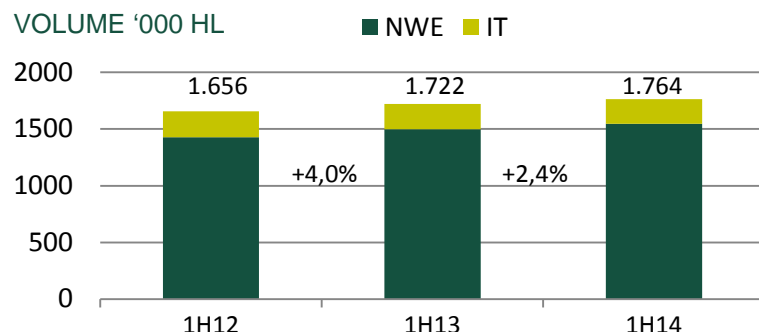


EBIT - DKKM

Margin



Western Europe – Solid organic growth - market positions maintained



- **North Western European** market positions generally maintained. Continued but diminishing effect of the Danish Off-trade sector. Consumption generally unchanged.

Higher sales than expected due to branded segment taking share from non-branded products in the market.

- **Italian super-premium and premium beer consumption** slightly decreasing. Consumer confidence and private consumption remaining under pressure by macro economic uncertainty.

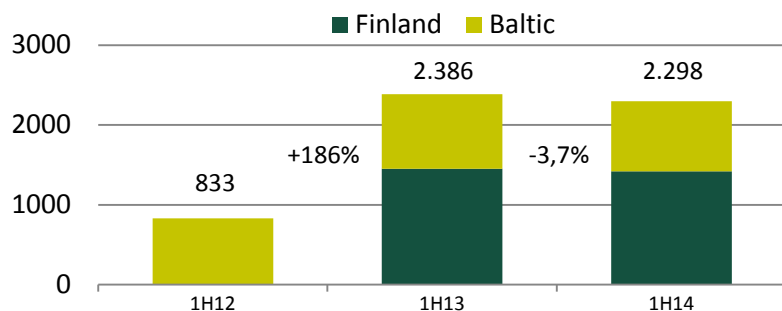
Market share slightly lower.

- **Commercial initiatives** – focus on value creation and commercial execution.

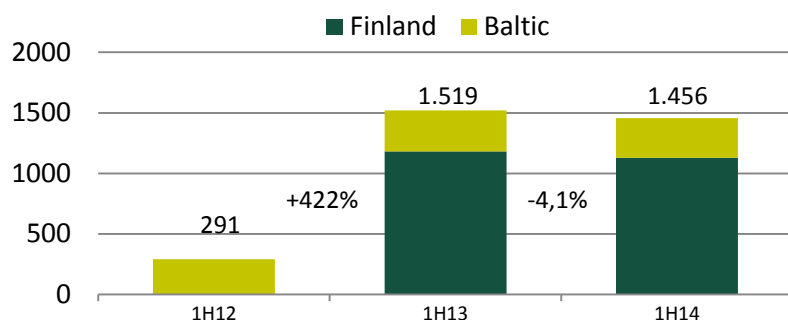
Several good innovations, strengthening the product portfolio.

North East Europe - earnings increase on efficiencies

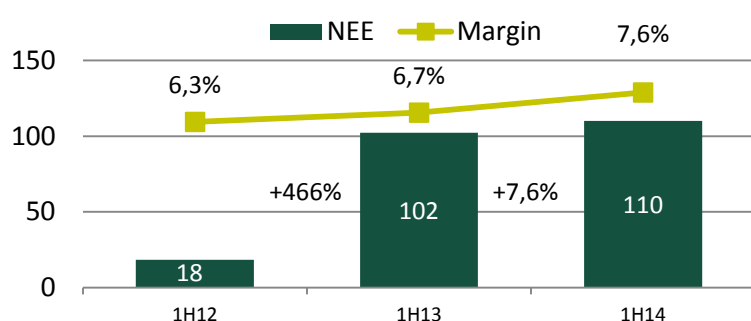
VOLUME '000 HL (2012 pro forma - excl. Impec)



REVENUE DKKM (2012 pro forma - excl. Impec)



EBIT DKKM (2012 pro forma - excl. Impec)



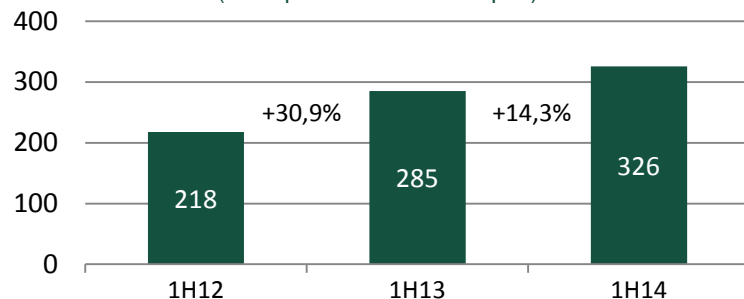
- **Finland** – as expected declining consumption. Consumer confidence hit by negative macro-economic growth and austerity measures.

On-trade consumption declining by a medium single-digit percentage, Off-trade down by a low single-digit percentage. Hartwall market positions generally maintained. Net revenue pr. HL down by 1% year on year.

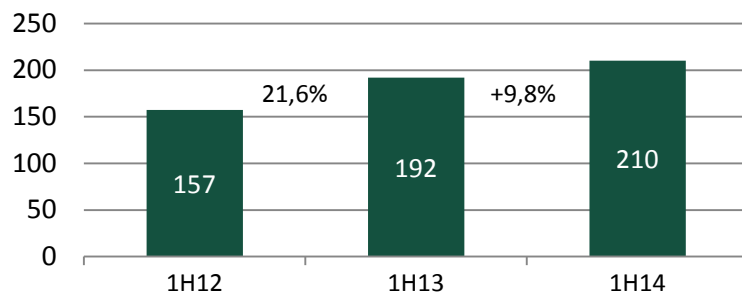
- **Baltic consumption** – overall consumption of beer slightly up. Juice, soft drink and still water consumption down mainly driven by weather. Market share slightly lower.
- **Commercial initiatives** – strong innovation pipeline with several successful product launches. Entering water category in Lithuania.

Malt Beverages – continued solid growth

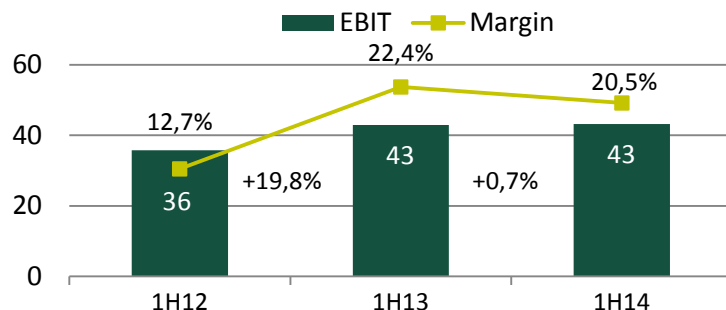
VOLUME '000 HL (2012 pro forma - excl. Impec)



REVENUE DKKM (2012 pro forma - excl. Impec)



EBIT DKKM (2012 pro forma - excl. Impec)



- **Increased market coverage and penetration** – high revenue growth in Americas, Africa and Asia in spite of some emerging markets have difficult macro situation.

- **Good results of expanded product offerings** – beer revenue increasing.

Net revenue pr. HL down by 4% year on year on negative exchange rate changes and market mix.

- **Commercial initiatives** – further leverage of existing markets whilst also seeking selective geographic expansion
- **Marketing and organizational** investment continue as planned

Financial performance better than expected

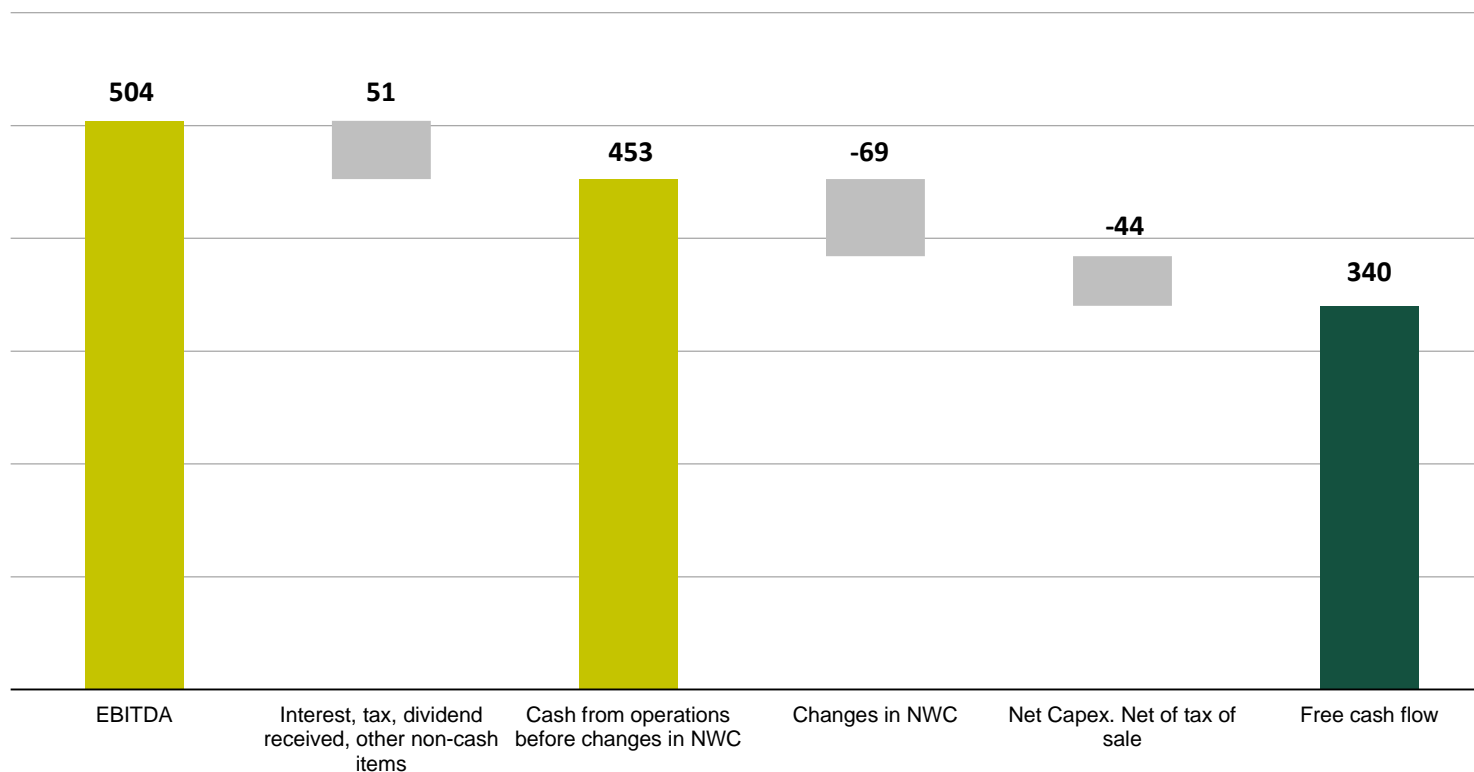
DKKm	1H2014	Pro forma 1H2013	Change pro forma	Reported 1H2013	Change reported
P&L ITEMS:					
Net revenue	2,992	2,977	15	1,793	1,199
Gross margin	52.1%	52.6%	-1.0%	50.6%	+3.0%
EBIT	361	304	57	225	136
EBIT margin	12.1%	10.2%	+18.6%	12.6%	-4.0%
Profit before tax	343			224	119
Consolidated profit	266			183	83
BALANCE SHEET ITEMS:					
Net interest bearing debt	2,042			440	1,602
Net working capital	-756			-158	-598
Total assets	7,282			3,058	4,224
Equity	2,440			1,277	1,163
Equity ratio	33.5%			41.8%	-19.9%



Free cash flow – higher on increased earnings and additional sale of Aarhus property

CASH FLOW – DKKM

2013: 277 -8 269 -8 -55 206



Hartwall integration in good progress

Strengthening Hartwalls position as a leading Finnish beverage company

- Increasing agility and customer/market orientated organization
 - Good organizational adaptation and support to the Change Plan
- Improved efficiency
 - Ahead of schedule
- Focus on the commercial agenda and execution
 - Aim is to create a market leading company in Finland during next periods

Outlook 2014 – revised and increased

DKKM	Revised July outlook 2014	Original March outlook 2014	Pro forma realized 2013*	Actual 2013**
Net revenue	5.950 – 6.100	5.750 - 6.050	6,050	4,481
EBITDA	1.090 – 1.140	965 - 1.015	1.015	732
EBIT	790 – 840	665 – 715	730	560

* Including Hartwall full year 2013 excluding transaction cost.

** Including Hartwall as from 23 August 2013; net revenue DKK 787m, EBITDA DKK 94m and EBIT DKK 38m including transaction cost



Financial targets revised – EBIT margin increase

	June 2014 revised Targets	Post acquisition Targets	Pre acquisition Targets
Earnings	EBIT margin 14%	EBIT margin 13%	EBIT margin 14%
Equity ratio	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x

Dividends and share buy-backs on hold until 2015 to accelerate debt reduction (unchanged)

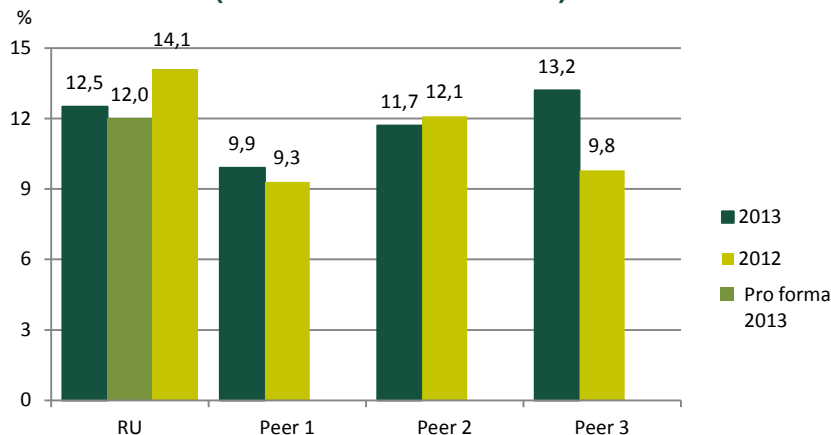
Q&A

DISCLAIMER:

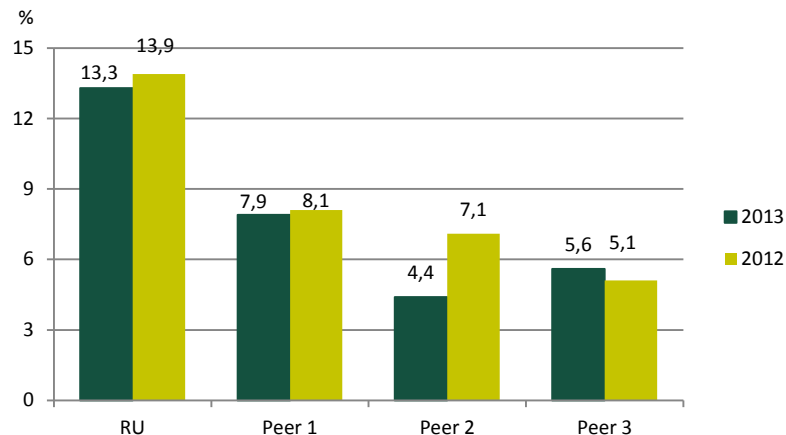
This announcement contains forward-looking statements. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking 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.

Solid performance to peers*

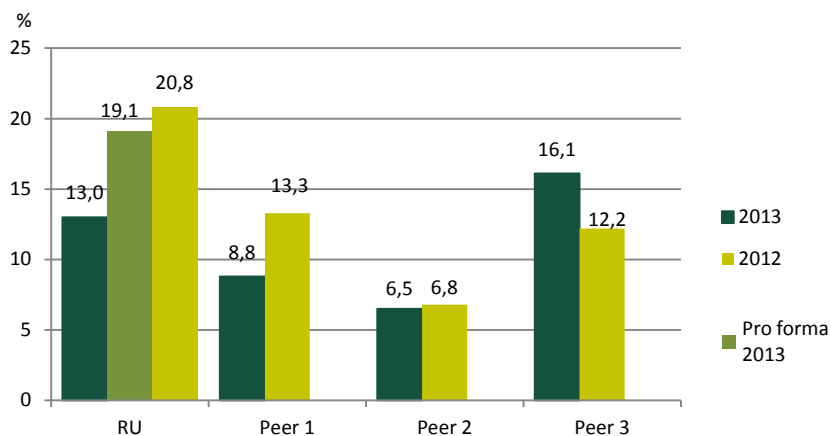
EBIT MARGIN (COMPARABLE REGION)



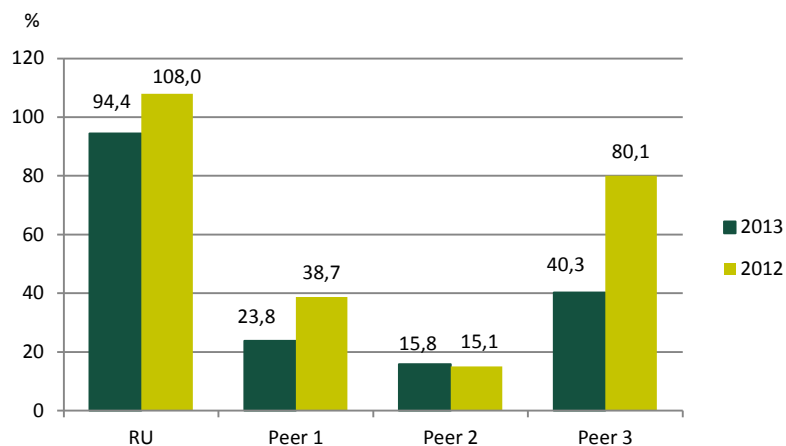
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL



CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2013 results on comparable basis

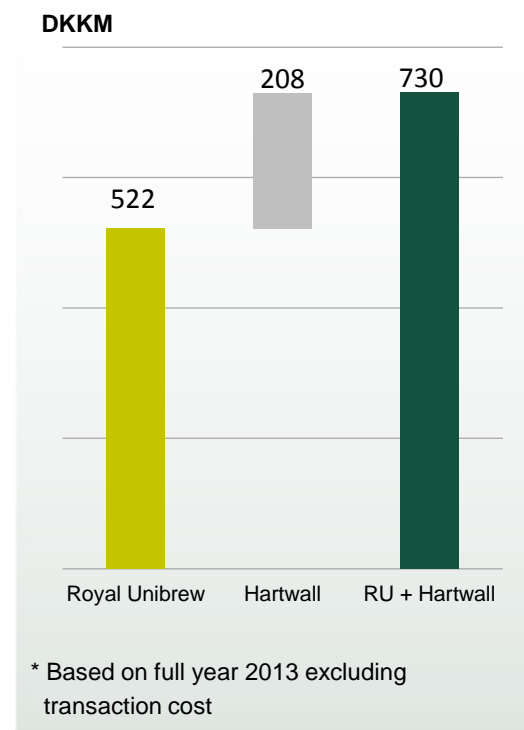
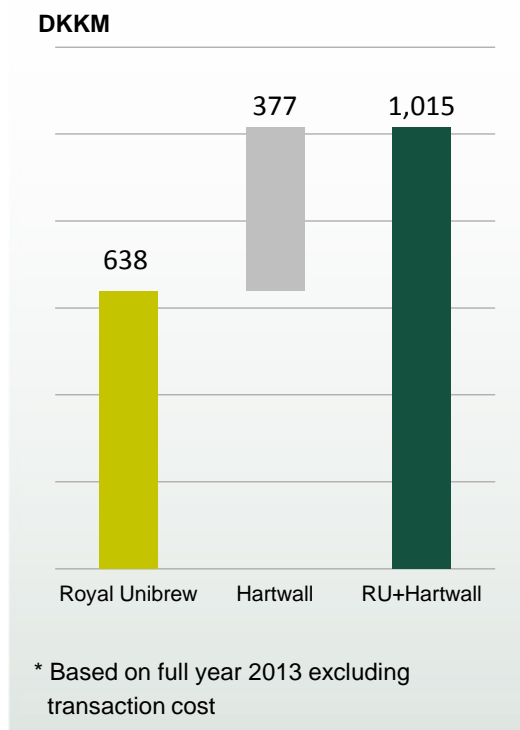
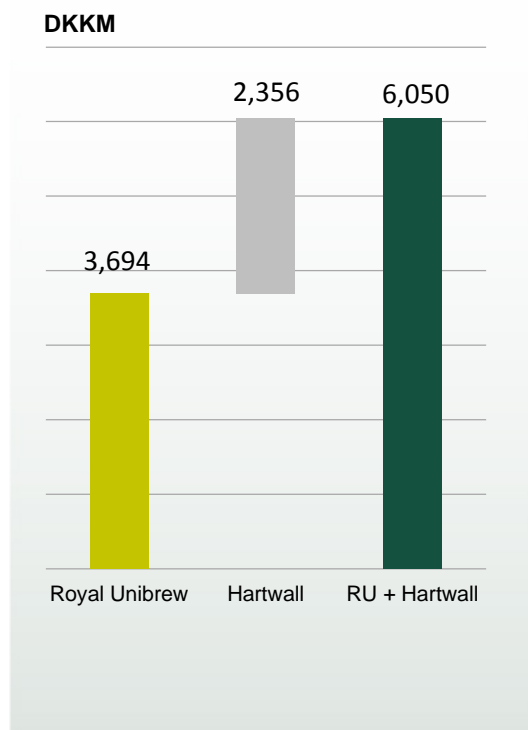
Hartwall acquisition takes Royal Unibrew to a new level with 5 million more consumers

Pro forma figures 2013

NET REVENUE UP BY 62%*

EBITDA UP 54%*

EBIT UP BY 34%*



Transaction rationale – growing the earnings base (pro forma 2013 figures)

DKKm	Royal Unibrew	Hartwall*	Combined
Volume, HL m	5.4	3.0	8.4
Revenue	3,694	2,356	6,050
EBITDA	638	377	1,015
EBIT	522	208	730
EBITDA margin, %	17.3	16.0	16.8
EBIT margin, %	14.1	8.8	12.0
Employees	1,643	825	2,468

* Hartwall realized full year 2013 before deduction of DKK 15m in transaction costs

- Unique chance to create a stronger and more diversified business platform
- Larger and broader earnings base and expansion of portfolio of own brands