

Interim Report

1 January – 31 March 2016

27 April 2016

Performance improvement - in line with expectations

- Maintained market positions
- Volume increase of 10% to 2.1mHL
- Net revenue increase of 5% to DKK 1.4bn
- EBIT increase of 5% to DKK 138m
- Unchanged EBIT-margin of 10.2%
- Free cash flow up DKK 127m to DKK 5m on additional Aarhus sale
- Maintained outlook for 2016

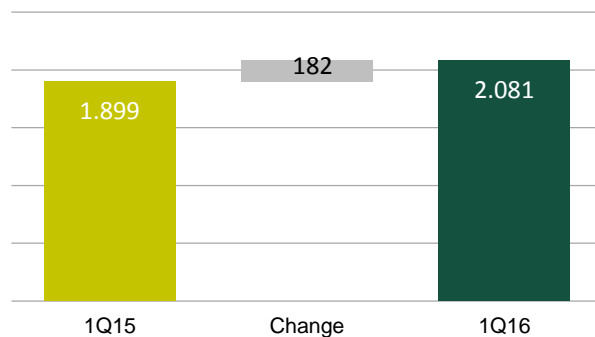


Increasing first quarter activity and results

VOLUME – HL (000)

Change

9.6%

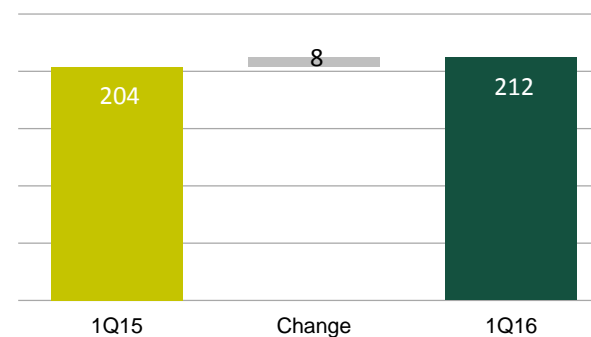


EBITDA - MDKK

Margin

15.8%

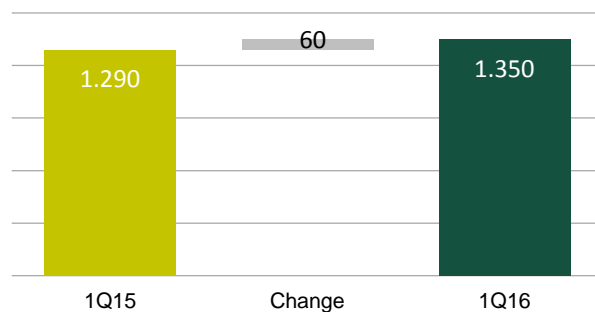
15.7%



NET REVENUE - MDKK

Change

4.7%

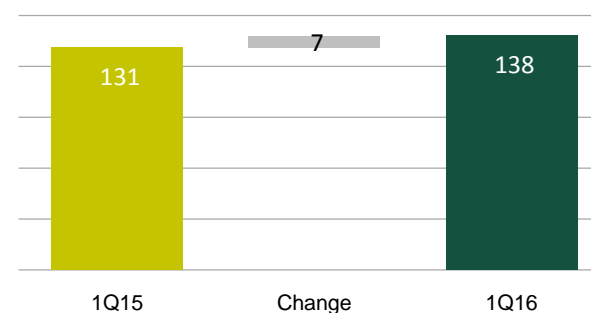


EBIT - MDKK

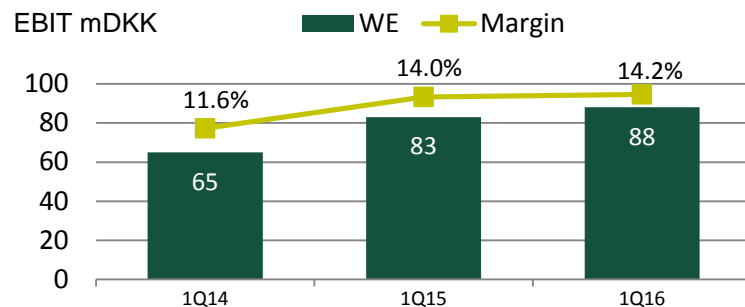
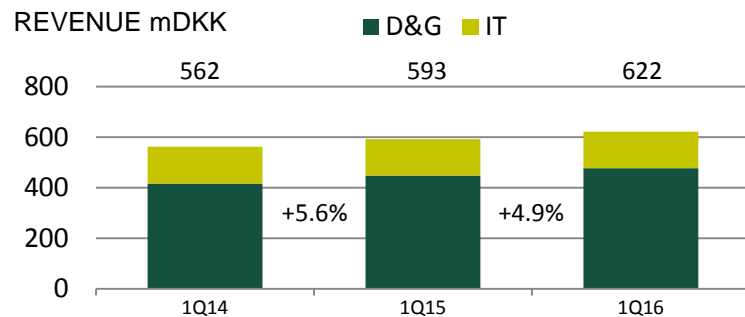
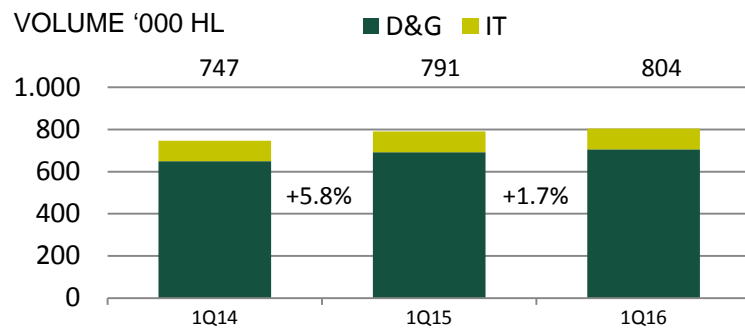
Margin

10.2%

10.2%



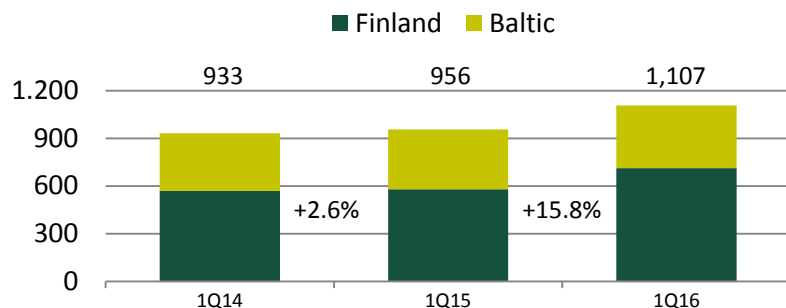
Western Europe – revenue & earnings growth – as expected



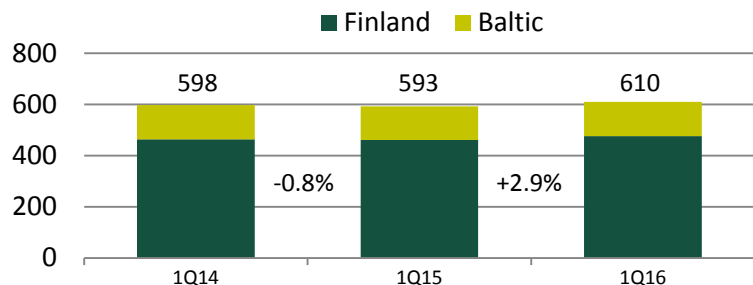
- **Denmark and Germany** - improved market position
- **Consumer preferences** – continued shift towards branded products. Increasing consumer interest in craft beer
- **Significant innovations and partnerships** – extension of organic beer range and craft beer brands with strong references to our local beer history
- Launch of distribution of PepsiCo snacks in Denmark as planned
- **Italy** - overall beer consumption unchanged
- **Market position maintained**

Baltic Sea – revenue & earnings growth – as expected

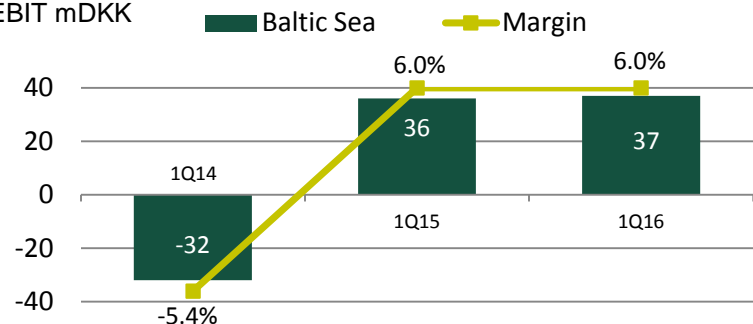
VOLUME '000 HL



REVENUE mDKK



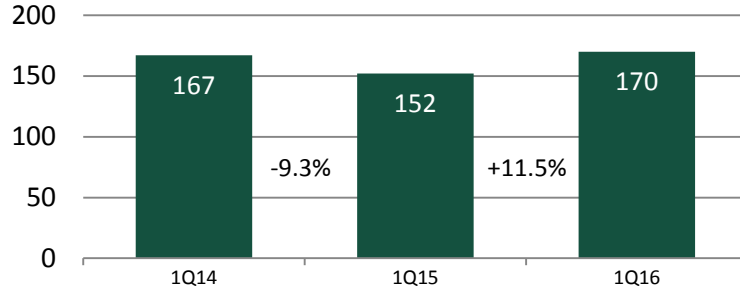
EBIT mDKK



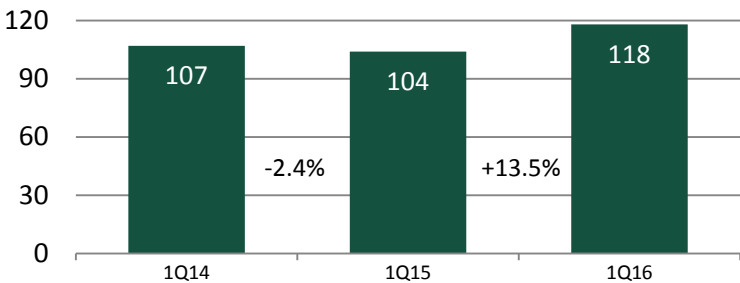
- **Finland** – overall consumption declining and deflationary environment
- **Continued low consumer confidence** - unfavorable macro-economics
- **Special beer campaign** - volume increase and NR/HL dilution
- **Market positions unchanged (excl. beer campaign)**
- **Commercial agenda** – focus on relationship with the trade, in-store execution and innovations
- **Continuous efficiency improvements**
- **Baltic** - market position maintained
- **Declining consumption** - excise increases and can deposit in Lithuania
- **Launch of co-operation with PepsiCo** - production, sale and distribution of PepsiCo soft drinks as planned

Malt Beverages & Exports – revenue and earnings growth – as expected

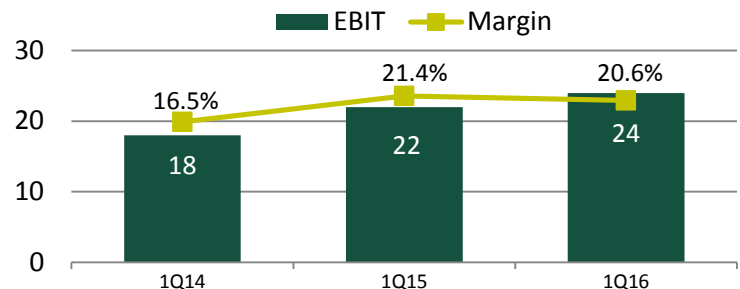
VOLUME '000 HL



REVENUE mDKK



EBIT mDKK



- **Continued solid growth** - broad based
- **Some inventory build up at customer level**
- **Developing countries** challenged by low commodity and energy prices:
 - **Macroeconomics** – negative impact
 - **Hard currency** – restricted accessibility
 - **Purchasing power** – FX depreciation
- **Increased penetration** – solid revenue growth in spite of challenges
- **Deeper penetration** – leverage on existing markets and distributors
- **Marketing and organizational investment** continues as planned. Focus on brand building and positions

Improved financial performance

mDKK

P&L ITEMS:

	1Q 2016	1Q 2015	Change	FY 2015
Net revenue	1,350	1,290	60	6,032
Gross margin	50.9%	51.0%	-0.1 pp	52.6%
EBIT	138	131	7	917
EBIT margin	10.2%	10.2%	0.0 pp	15.2%
Profit before tax	127	119	8	902
Consolidated profit	99	92	7	711

BALANCE SHEET ITEMS:

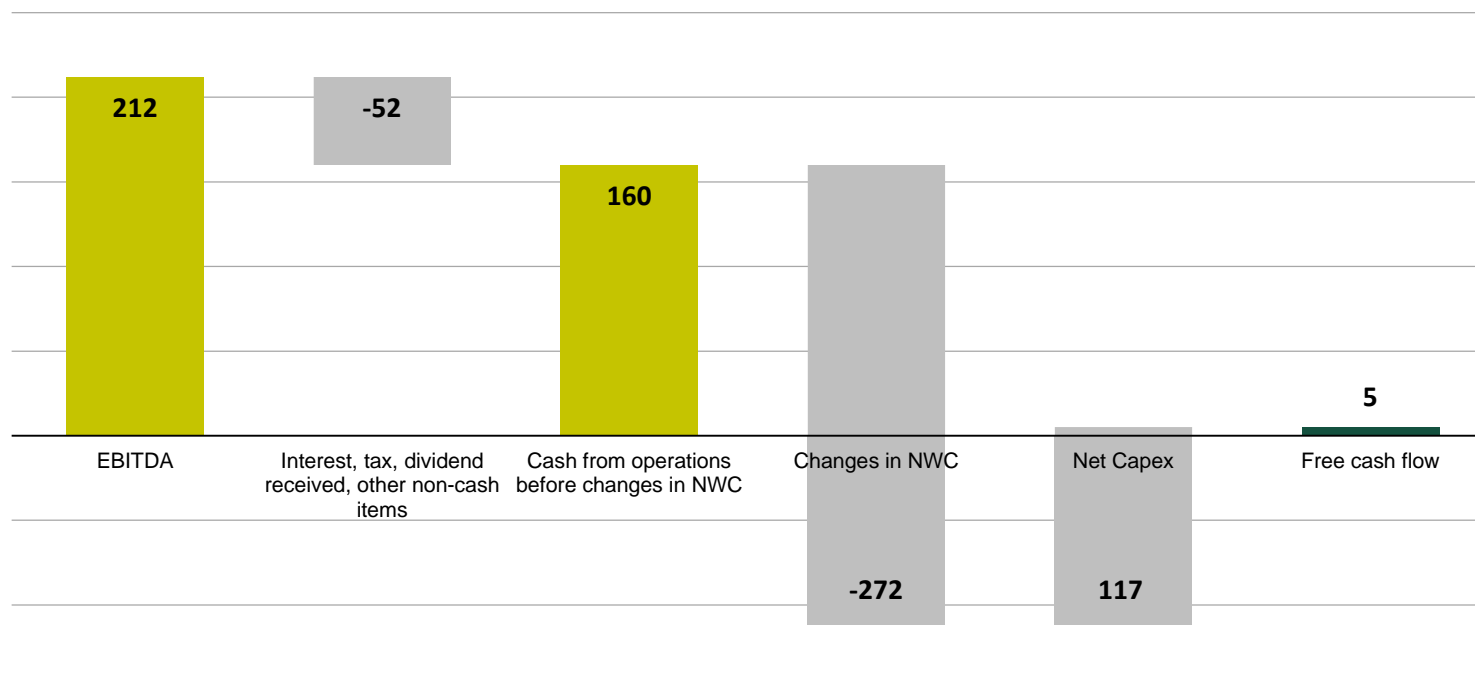
Net interest bearing debt	1,269	1,710	-441	1,184
Net working capital	-731	-555	-176	-990
Total assets	6,506	6,768	-262	6,748
Equity	2,945	2,900	45	2,935
Equity ratio	45.3%	42.9%	2.4 pp	43.5%



Free cash flow – improvement on additional sale of Aarhus

CASH FLOW – MDKK

1Q15: 204 -36 168 -255 -35 -122



Outlook 2016

mDKK	Outlook 2016	Realized 2015	Realized 2014
Net revenue	6,150 – 6,400	6,032	6,056
EBITDA	1,190 – 1,290	1,225	1,130 *)
EBIT	885 – 985	917	826 *)

*) Incl. 50 mDKK one-time restructuring costs



Q&A

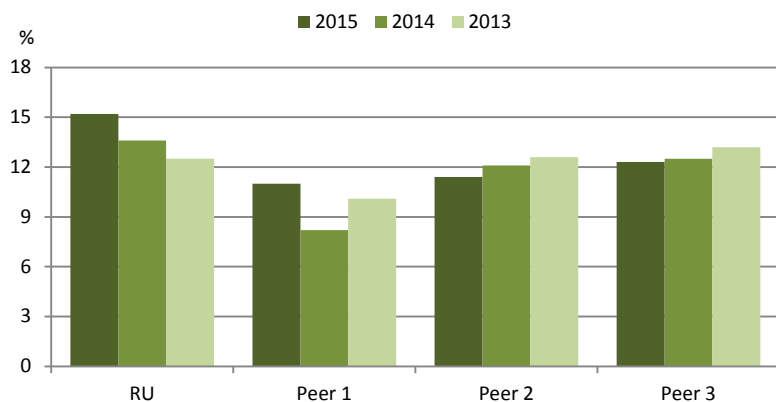


DISCLAIMER:

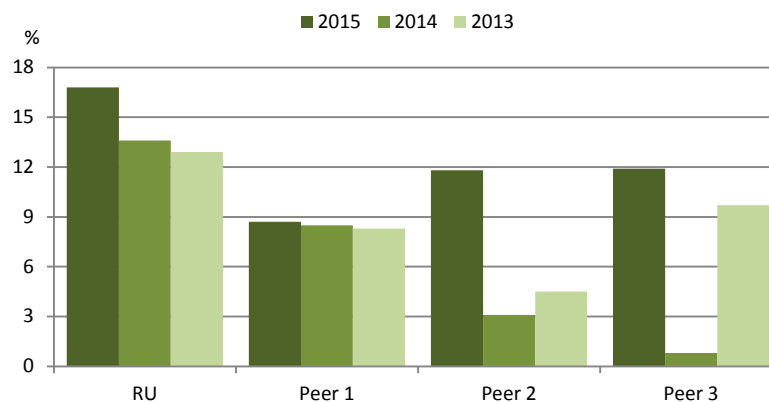
- This announcement contains forward-looking statements. Undue reliance should not be placed on forward-looking statements because they relate to and depend on circumstances that may or may not occur in the future and actual results may differ materially from those in forward-looking statements. Forward-looking 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 2015

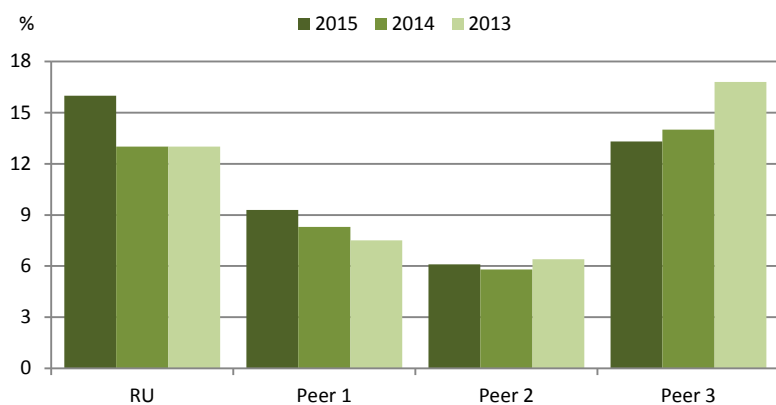
EBIT MARGIN (COMPARABLE REGION)*



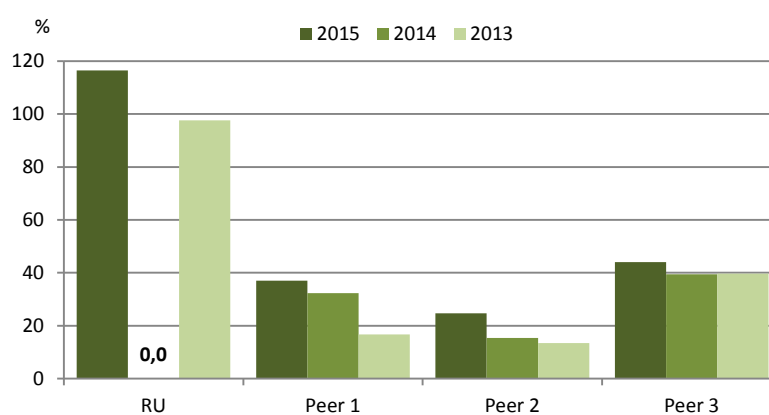
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL**



CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2014 results on comparable basis. RU proforma 2013 EBIT margin 12,0%

** Based on average invested capital vs. previously on year end figures

Financial targets

	November 2015 revised target	August 2014 revised target	Post Hartwall acquisition target**	Pre Hartwall acquisition target*
EARNINGS	EBIT margin 15%	EBIT margin 14%	EBIT margin 13%	EBIT margin 14%
EQUITY RATIO	Minimum 30%	Minimum 30%	Minimum 30%	Minimum 30%
NIBD/EBITDA	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x	Maximum 2.5x

- Dividends and share buy-backs resumed in 2015
- Distribution policy:
 - Dividends 40-60% of group net result
 - Share buy-back to adjust capital structure

* Basically no amortization

** Amortization from the acquisition decreased EBIT-margin by approx. 50bp