



COMPANY ANNOUNCEMENT NO 63/2016 – 23 NOVEMBER 2016

# Interim Report for 1 January - 30 September 2016

## As expected, Royal Unibrew increases revenue and earnings

Net revenue for Q1-Q3 2016 showed a 6% increase, amounting to DKK 4,874 million compared to DKK 4,610 million in 2015. Net revenue was positively affected by the expanded cooperation with PepsiCo in Denmark and the Baltic countries as well as an extraordinary campaign activity in Finland. Royal Unibrew generally maintained its market shares. Earnings before interest and tax (EBIT) for Q1-Q3 2016 amounted to DKK 825 million, which was DKK 50 million above the 2015 figure. EBIT margin increased by 0.1 percentage point to 16.9% for Q1-Q3 2016. Earnings in all segments were higher than in 2015. Free cash flow for Q1-Q3 2016 amounted to DKK 835 million and was DKK 42 million above the 2015 figure. Cash flow from the sale of the brewery site in Aarhus was DKK 70 million higher than in 2015. In Q1-Q3 2016, dividend of DKK 704 million (2015: DKK 566 million) was distributed to shareholders, and net interest-bearing debt decreased by DKK 131 million to DKK 1,053 million. NIBD/EBITDA calculated on a running 12-month basis was 0.8 compared to 1.0 at the end of 2015. Earnings for 2016 are now expected in the upper end of the ranges previously announced.

**"It's satisfactory that we're continuing to increase our revenue and earnings – despite challenging market conditions and bad summer weather in Northern Europe. This is due to our continuously strong commercial agenda and a high level of innovation across Royal Unibrew. We're pleased that so many consumers have welcomed Royal Organic, our craft beer lines Schiøtz, Lottrup and Tivoli Beer as well as, most recently, our Odense Mosaic IPA. We're looking forward to further improving our level of innovation within craft beer through the establishment of our craft brewery in Odense", says Henrik Brandt, CEO.**

### Selected financial highlights and key ratios

mDKK	Q1-Q3 2016	Q1-Q3 2015	Q3 2016	Q3 2015
Sales (thousand hectolitres)	7,457	6,864	2,581	2,515
Net revenue	4,874	4,610	1,714	1,686
EBITDA	1,052	1,002	432	428
<i>EBITDA margin (%)</i>	21.6	21.7	25.2	25.4
Earnings before interest and tax (EBIT)	825	775	357	350
<i>EBIT margin (%)</i>	16.9	16.8	20.8	20.7
Profit before tax	818	756	355	343
Net profit for the period	641	588	277	267
Free cash flow	835	793	321	394
Net interest-bearing debt	1,053	1,323		
NIBD/EBITDA (running 12 months)	0.8	1.1		
Equity ratio (%)	46	43		

## Outlook

The previously announced net revenue and earnings outlook for the year is maintained. Earnings for 2016 are now expected in the upper end of the ranges indicated:

- Net revenue: DKK 6,275-6,450 million
- EBITDA: DKK 1,240-1,290 million
- EBIT: DKK 935-985 million

## For further information on this Announcement:

Henrik Brandt, President & 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 Thursday, 24 November 2016, at 9.00 am by audiocast at tel +45 32 71 16 59.

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

## Financial calendar

### 2017

8 March 2017	Annual Report 2016
27 April 2017	Interim Report for the period 1 January-31 March 2017
27 April 2017	Annual General Meeting 2017
21 August 2017	Interim Report for the period 1 January-30 June 2017
22 November 2017	Interim Report for the period 1 January-30 September 2017

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 is a leading regional beverage provider in a number of markets – primarily in Northern Europe, Italy and in the international malt beverage markets.

We produce, market, sell and distribute quality beverages with focus on branded products within beer, malt beverages and soft drinks as well as cider and long drinks.

Our main markets are Denmark, Finland, Italy and Germany as well as Latvia, Lithuania and Estonia. To these should be added the international malt beverage markets comprising a number of established markets in the Americas region and major cities in Europe and North America as well as emerging markets in for example Africa.

- In Denmark we are the number two provider of beer and soft drinks with a number of strong brands, as well as a provider of PepsiCo snack products.
- In Finland we are the number two provider of beer and soft drinks with a number of strong brands, as well as a provider of international spirits and wine brands.
- In the Baltic countries we are among the leading providers of beer and soft drinks holding considerable market positions.
- In Italy we are among the market leaders in the super premium segment for beer with Ceres Strong Ale.
- In the international malt beverage markets we are among the market leaders in the premium segment for dark malt beverages, whereas the beer segment is covered by the Faxe brand.

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Highlights	<b>FINANCIAL HIGHLIGHTS AND KEY RATIOS</b>	Management's Review	Financial Review	Outlook
	Western Europe	Baltic Sea	Malt Beverages and Exports	

## Financial Highlights and Key Ratios

	Q1-Q3 2016	Q1-Q3 2015	Q3 2016	Q3 2015	2015
Sales (thousand hectolitres)	7,457	6,864	2,795	2,450	9,100
<b>Income Statement (mDKK)</b>					
Net revenue	4,874	4,610	1,714	1,686	6,032
EBITDA	1,052	1,002	432	428	1,225
<i>EBITDA margin (%)</i>	21.6	21.7	23.8	21.9	20.3
Earnings before interest and tax (EBIT)	825	775	357	350	917
<i>EBIT margin (%)</i>	16.9	16.8	20.8	20.7	15.2
Income after tax from investments in associates	22	18	7	6	31
Other financial income and expenses, net	-29	-37	-9	-13	-46
Profit before tax	818	756	355	343	902
Net profit for the period	641	588	277	267	711
<b>Balance Sheet (mDKK)</b>					
Non-current assets	5,216	5,505	5,216	5,505	5,505
Total assets	6,260	6,728	6,260	6,728	6,748
Equity	2,895	2,896	2,895	2,896	2,935
Net interest-bearing debt	1,053	1,323	1,053	1,323	1,184
Net working capital	-791	-742	-791	-742	-990
<b>Cash Flows (mDKK)</b>					
Operating activities	752	798	339	422	1,160
Investing activities	83	0	-17	-27	-123
Free cash flow	835	793	321	394	1,032
<b>Share Ratios (DKK per share of DKK 2)</b>					
Earnings per share (EPS)	12.0	10.7	5.2	4.9	13.0
Cash flow per share	14.1	14.6	6.4	7.8	21.2
Dividend per share	0.0	0.0	0.0	0.0	7.2
Year-end price per share	327.0	249.8	327.0	249.8	280.1
<b>Financial Ratios (%)</b>					
Free cash flow as a percentage of net revenue	17	17	19	23	17
Cash conversion	130	135	116	148	145
Net interest-bearing debt/EBITDA (running 12 months)	0.8	1.1	0.8	1.1	1.0
Equity ratio	46	43	46	43	43

Ratios comprised by the "Recommendations and Financial Ratios 2015" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.

# Management's Review

## Business Development

As expected, Royal Unibrew saw a positive business development in Q1-Q3 2016. The new cooperation with PepsiCo on production, sale and distribution of a number of soft drinks products in the Baltic countries and sale of PepsiCo snack products in Denmark developed as expected in Q1-Q3 2016 contributing to overall business growth. Danish consumers' consumption behaviour remains solid, whereas Finnish, Italian and Baltic consumers still show more restraint.

Royal Unibrew's branded products generally maintained their market shares.

Both sales and net revenue increased in Q1-Q3 2016. Sales volumes increased by 9%, reflecting primarily an extraordinary campaign activity in Finland, but also an expected positive development in the Western Europe segment. Net revenue for Q1-Q3 2016 was 6% above that of Q1-Q3 2015, 1 percentage point of this being related to PepsiCo snack products sales. Positive developments were seen in all segments. Exchange

rate development only affected the Group's earnings to a limited extent as purchases were mainly made in the Group's revenue currencies. Earnings before interest and tax (EBIT) amounted to DKK 825 million, which is DKK 50 million above EBIT for Q1-Q3 2015. Net profit for the period amounted to DKK 641 million, which is DKK 53 million above the Q1-Q3 2015 figure.

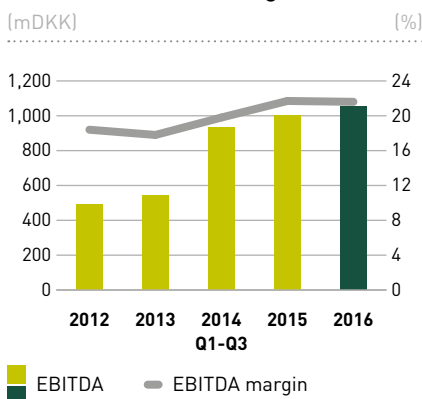
Earnings of a brewery business for the nine months to 30 September do not reflect a proportional share of results for the year. The period includes all peak season months, when sales and earnings are usually at a higher level than in the other months of the year.

As expected (see Company Announcement No 32/2015 of 10 August 2015), an additional part of the brewery site in Aarhus was transferred to the purchaser in early 2016, which has affected cash flows for Q1-Q3 2016 positively by approx DKK 160 million (Q1-Q3 2015: approx DKK 90 million). The last part of the brewery site is expected to be transferred in Q4 2016 with an expected

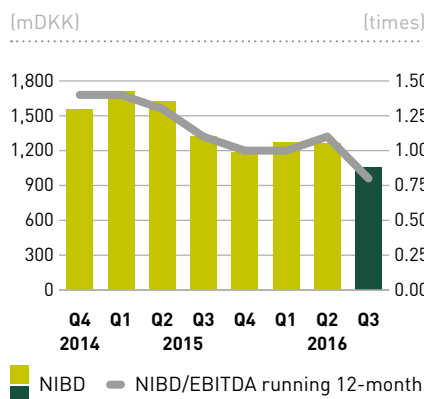
net cash flow effect of approx DKK 35 million.

On 1 March 2016, we launched a share buy-back programme expected to cover the period to 1 March 2017 with a view to adjusting the capital structure of Royal Unibrew A/S. The maximum market value of the share buy-back programme will be DKK 450 million, and the programme will be carried out in accordance with the "Safe Harbour" method. Under this programme as well as the share buy-back programme launched in 2015, as expected, Royal Unibrew bought back 1,078,554 shares at a market value of DKK 318 million in Q1-Q3 2016. At the Annual General Meeting of the Company in April 2016, a resolution was made to reduce the capital by DKK 2,785 million, and subsequently 1,392,500 shares were cancelled. At 30 September 2016, Royal Unibrew held 1,178,172 treasury shares, 300,000 of which are expected to be used for share-based payments to the Executive Board, whereas the remaining shares are expected to be cancelled following the Annual General Meeting of the Company in April 2017.

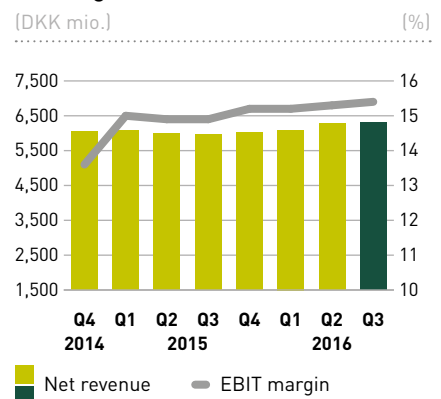
**EBITDA and EBITDA margin**



**NIBD and NIBD/EBITDA**



**Revenue and EBIT margin (running 12 month)**



## Financial Review

### Income Statement

Sales for Q1-Q3 2016 aggregated 7.5 million hectolitres of beer, malt beverages and soft drinks, which is a 9% increase on 2015.

Net revenue for Q1-Q3 2016 showed a 6% increase, amounting to DKK 4,875 million (beverages accounting for DKK 4,813 million) compared to DKK 4,610 million in 2015. Average net selling price per volume unit was 3.9% lower, primarily due to the extraordinary campaign activity in Finland. As expected, the expanded cooperation with PepsiCo in Denmark and the Baltic countries resulted in a net revenue increase of approx 2%. Sales for Q3 2016 showed a 3% increase on 2015 sales, whereas net revenue showed a total increase of 2%.

Gross profit for Q1-Q3 2016 was DKK 94 million above the 2015 figure and amounted to DKK 2,567 million. Gross margin was 0.9 percentage point below the 2015 margin and amounted to 52.7% compared to 53.6% in 2015. The gross

margin decrease is due to gross profit per volume unit, as expected, being lower than in 2015 due to the extraordinary campaign activity in Finland, whereas a changed product and market mix had a positive effect.

Sales and distribution expenses for Q1-Q3 2016 were DKK 57 million above the 2015 figure and amounted to DKK 1,514 million compared to DKK 1,457 million in 2015. As planned, sales expenses for Q1-Q3 2016 were higher due to growth initiatives, and the positive sales development naturally led to higher distribution expenses than in 2015. Distribution expenses per volume unit were below those of 2015.

Administrative expenses for Q1-Q3 2016 were DKK 12 million below the 2015 figure and amounted to DKK 228 million compared to DKK 240 million in 2015 when the Group's ERP platform was implemented in Finland.

Earnings before interest, tax, depreciation and amortisation (EBITDA) for

Q1-Q3 2016 showed a DKK 50 million increase and amounted to DKK 1,052 million compared to DKK 1,002 million in 2015. The increase is attributable to both the higher net revenue and optimisation of cost per volume unit.

Earnings before interest and tax (EBIT) for Q1-Q3 2016 amounted to DKK 825 million compared to DKK 775 million in 2015, which, as in the case of EBITDA, is DKK 50 million above the 2015 figure as depreciation and amortisation were at the 2015 level.

EBIT margin for Q1-Q3 2016 was 16.9% compared to 16.8% in 2015. EBIT margin for Q3 was also 0.1 percentage point above the 2015 margin and amounted to 20.8%.

Net financials for Q1-Q3 2016 showed a net expense of DKK 7 million, which is DKK 12 million below the 2015 figure. Interest expenses were DKK 8 million lower due to the lower interest-bearing debt and lower interest rates. Income after tax from investments in associ-

### Developments in activities for the period 1 January - 30 September 2016 broken down on market segments

	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	Group	
					2016	2015
Sales (thousand hectolitres)	2,872	4,061	524	-	7,457	6,864
Growth (%)	3,4	14,1	-0,4	-	8,6	-0,8
Share of sales (%)	39	54	7	-	-	-
Net revenue (mDKK)	2,209	2,296	369	-	4,874	4,610
Growth (%)	5.4	6.5	3.4	-	5.7	-2.0
Share of net revenue (%)	45	47	8	-	-	-
EBIT (mDKK)	431	331	88	-25	825	775
EBIT margin (%)	19.5	14.4	23.9	-	16.9	16.8

ates was DKK 4 million above the 2015 figure.

Profit before tax for Q1-Q3 2016 was DKK 62 million above the 2015 figure and amounted to DKK 818 million compared to DKK 756 million in 2015.

Tax on the profit for Q1-Q3 2016 was an expense of DKK 176 million. The tax has been calculated on the basis of the expected full-year tax rate excluding income after tax from investments in associates, corresponding to 22%.

The net profit for Q1-Q3 2016 amounted to DKK 641 million, which is DKK 53 million above the 2015 figure.

## Balance Sheet

Royal Unibrew's balance sheet at 30 September 2016 amounted to DKK 6,260 million, which is DKK 488 million below the 31 December 2015 figure.

The balance sheet total was reduced by approx DKK 450 million due to the sale of an additional part of the brewery site in Aarhus and because cash was spent to repay long-term debt. On the other hand, inventories and receivables increased by approx DKK 120 million due to increased production and sales activities. Moreover, the balance sheet total was reduced due to amortisation and depreciation of non-current assets exceeding investments for Q1-Q3 2016 by approx DKK 130 million. Invested capital was reduced by DKK 270 million in the period from 1 October 2015 to 30 September 2016. This, combined with higher EBIT, increased ROIC excluding good-

will, calculated on a running 12-month basis, by 4 percentage points to 26%. ROIC including goodwill increased by 2 percentage points to 17%.

The equity ratio at 30 September 2016 represented 46% (30 September 2015: 43%) of the balance sheet total compared to 43% at the end of 2015. Equity at the end of September 2016 amounted to DKK 2,895 million compared to DKK 2,935 million at the end of 2015 and was increased in 2016 by the positive comprehensive income of DKK 650 million for the period and by the value of the share-based payments to the Executive Board and tax on these, whereas dividend distribution and share buy-backs reduced equity by DKK 704 million. The comprehensive income comprises the profit for the period of DKK 641 million, a positive development in the value of hedging instruments less tax of DKK 10 million and negative exchange rate adjustments of foreign group enterprises of DKK 1 million.

Net interest-bearing debt for Q1-Q3 2016 showed a DKK 131 million decrease and amounted to DKK 1,053 million at 30 September 2016 compared to DKK 1,184 million at the end of 2015. The development in net interest-bearing debt is as expected and is related to the free cash flow realised in Q1-Q3 2016 less distribution to shareholders.

Funds tied up in working capital showed a negative DKK 791 million at the end of September 2016 (30 September 2015: a negative DKK 742 million) compared to a negative DKK 990 million at the end of 2015. Funds tied up in working cap-

ital thus increased by DKK 199 million (2015: DKK 72 million) in Q1-Q3 2016. Funds tied up in inventories, trade receivables and trade payables increased by DKK 132 million (2015: DKK 91 million) due to the higher activity towards the end of the period, whereas the other elements of working capital increased by DKK 67 million (2015: decrease of DKK 19 million) primarily due to the settlement of VAT and excise duties.

All entities continue their strong focus on managing inventories, trade receivables and trade payables.

## Cash Flow Statement

Cash flows from operating activities for Q1-Q3 2016 amounted to DKK 752 million (2015: DKK 798 million) comprising the profit for the period adjusted for non-cash operating items of DKK 1,060 million (2015: DKK 1,010 million), negative working capital cash flow of DKK 193 million (2015: DKK 86 million), net interest paid of DKK 25 million (2015: DKK 37 million) and taxes paid of DKK 90 million (2015: DKK 89 million).

Free cash flow for Q1-Q3 2016 amounted to DKK 835 million compared to DKK 793 million in 2015. The increase in free cash flow comprised DKK 47 million lower operating cash flows and dividend from associates, added DKK 10 million lower investments in property, plant and equipment and added DKK 79 million higher revenues from asset divestments, substantially relating to the brewery site in Aarhus.

## Outlook

Royal Unibrew maintains the previously announced outlook for net revenue and earnings for the year (see Company Announcement No 48/2016 of 24 August 2016). Earnings for 2016 are now expected in the upper end of the ranges indicated:

	Outlook 2016	Outlook March 2016	Actual 2015
Net revenue (mDKK)	6,275-6,450	6,150-6,400	6,032
EBITDA (mDKK)	1,240-1,290	1,190-1,290	1,225
EBIT (mDKK)	935-985	885-985	917

The outlook for Royal Unibrew's financial development in 2016 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 consumers in several of Royal Unibrew's main markets, which affects their consumption behaviour. Moreover, the outlook has been prepared assuming that the summer weather will be near normal and taking into account the development in material expense categories as well as

the effect of initiatives completed and initiated. For a detailed description of these matters, please see the Annual Report for 2015.

The weather in May and June 2016 was better than expected, which was partly offset by poorer weather in July and August than expected. The extraordinary campaign in Finland launched in Q4 2015 was originally expected to be completed at the end of September 2016; however, the campaign has been extended until the end of Q1 2017. Consequently, cash flows for Q4 2016 will

not as previously expected be negatively affected by approx DKK 160 million from the reduction of current liabilities in connection with the completion of the campaign. Due to a timing difference, gross investments for 2016 are now expected to amount to DKK 200-220 million compared to the DKK 230-250 million previously expected. The level of annual gross investments is expected to remain unchanged at around 4% of net revenue in the medium term.

The target of a medium-term EBIT margin of about 15% remains unchanged.



# Developments in individual market segments

## Western Europe

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales (thousand hectolitres)	2,872	2,779	3	1,014	1,021	-1	3,659
Net revenue, beverages (mDKK)	2,148	2,096	2	751	770	-2	2,728
Net revenue (mDKK)	2,209	2,096	5	775	770	1	2,728
EBIT (mDKK)	431	408		180	175		493
EBIT margin (%)	19.5	19.5		23.3	22.7		18.1

The **Western Europe** segment comprises the markets in Denmark and Germany as well as Italy. Western Europe accounted for 39% of group sales for Q1-Q3 2016 and for 45% of net revenue (2015: 40% and 45%, respectively).

Sales in Western Europe for Q1-Q3 2016 showed a 3% increase, and Royal Unibrew maintained its market shares on

branded beer and soft drinks. Net revenue from beer and soft drinks increased by 2%. Sales and revenue for Q3 were lower than in Q3 2015 due to the bad weather in Denmark in July and August. Net selling prices per volume unit were marginally below those of 2015 due to a shift from the On-Trade towards the Off-Trade sales channel due to, among other factors, the weather in Q3.

Earnings before interest and tax (EBIT) for Q1-Q3 increased by DKK 23 million from DKK 408 million in 2015 to DKK 431 million in 2016. EBIT margin remained unchanged at 19.5% and was negatively affected by lower net selling prices as compared to 2015, whereas expenses were lower.

### Denmark and Germany

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales, (thousand hectolitres)	2,546	2,451	4	909	914	-1	3,257
Net revenue, beverages (mDKK)	1,684	1,621	4	606	617	-2	2,141
Net revenue, (mDKK)	1,745	1,621	8	630	617	2	2,141

For **Denmark and Germany** it is estimated that underlying Danish consumption of branded beer and soft drinks as well as total consumption increased slightly in Q1-Q3 2016. Moreover, Q3 2016 consumption was negatively affected by bad weather.

Royal Unibrew's sales and net revenue from beverages for Q1-Q3 2016 showed a 4% increase. PepsiCo snack products sales developed as planned, adding 4 percentage points to reach a total net revenue increase of 8%. It is assessed

that Royal Unibrew has increased its market shares on both branded beer and soft drinks, due to, among other factors, a number of commercial initiatives and product innovation.

In Q1-Q3 2016, Royal Unibrew successfully launched several new products, including the new beer products Royal Organic Classic, Albani Mosaic IPA and Tivoli Beer; moreover, the Schiøtz and Lottrup craft beer brands were introduced as draft beer products in the On-Trade sales channel. In the soft drinks

segment, Nikoline Rød Grape as well as new Faxe Kondi Free and Faxe Kondi Booster varieties were launched. Danish consumers received the new products well. The complementation of the beverages portfolio by snack products has created synergies and a positive development for both product categories. The "Tak Rock" (Thank You, Rock) concept is still supported by cooperation with the legendary Danish rock band Dizzy Mizz Lizzy.

## Italy

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales (thousand hectolitres)	326	328	-1	105	107	-2	402
Net revenue (mDKK)	464	475	-2	145	153	-5	587

The market situation in **Italy** remains marked by consumer restraint, and consumption is estimated to be at the Q1-Q3 2015 level disregarding the effect of the exceptionally fine weather in 2015.

Royal Unibrew's sales for Q1-Q3 2016 were 1% below the 2015 level, and net revenue decreased by 2% due to a changed channel and product mix. Q3 was negatively affected by inventory

build-ups with distributors in Q2. It is assessed that Royal Unibrew has maintained its market shares in the premium and super premium segments in 2016.

In 2016 craft beer products were launched in both the On-Trade and Off-Trade sales channels, while sales of Faxe 10%, which was launched in the On-Trade sales channel in 2015, con-

tinued to increase in Q1-Q3 2016, albeit from a low level.

The marketing of Ceres Strong Ale has been successfully changed in recent years so as to focus more strongly on social media and consumer engagement rather than traditional marketing. This has contributed towards improving its profile among consumers aged between 18 and 24.

## Baltic Sea

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales (thousand hectolitres)	4,061	3,560	14	1,395	1,311	6	4,785
Net revenue (mDKK)	2,296	2,156	6	816	790	3	2,852
EBIT (mDKK)	331	311		152	154		355
EBIT margin (%)	14.4	14.4		18.6	19.5		12.5

The **Baltic Sea** segment primarily comprises the markets in Finland and the Baltic countries (Lithuania, Latvia and Estonia). Baltic Sea accounted for 54% of group sales and for 47% of net revenue for Q1-Q3 2016 (2015: 52% and 47%, respectively).

Sales for Q1-Q3 2016 showed a 14% increase, and net revenue a 6% in-

crease. Both sales and net revenue developments were materially affected by an extraordinary campaign activity in Finland. Developments in Q3 were negatively affected by bad weather in July and August.

Earnings before interest and tax (EBIT) for Q1-Q3 2016 of DKK 331 million were DKK 20 million above the 2015 figure.

Earnings development for Q1-Q3 was positively affected by value management and streamlining. EBIT margin remained unchanged at 14.4% and was positively affected by a changed market mix between the Baltic countries and Finland, whereas the campaign activity in Finland and a changed product mix in the Baltic countries affected EBIT margin negatively.

Highlights	Financial Highlights and Key Ratios	Management's Review	Financial Review	Outlook
	Western Europe	<b>BALTIC SEA</b>	Malt Beverages and Exports	

## Finland

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales (thousand hectolitres)	2,553	2,103	21	867	767	13	2,929
Net revenue (mDKK)	1,782	1,650	8	636	605	5	2,212

Finnish consumption of beer, soft drinks, wine and spirits products continued to be affected by the negative economic situation, low consumer confidence and realised as well as planned fiscal measures in Finland in Q1-Q3 2016. The situation is not expected to change significantly in the short or medium term. Q3 2016 consumption was negatively affected by poorer weather than in 2015. It is estimated that consumption of branded products for Q1-Q3 2016 remained at the 2015 level if adjusting for the weather.

Sales for Q1-Q3 2016 showed a 21% increase due to an extraordinary campaign activity with a large retail chain. The campaign resulted in an increased market share on branded beer prod-

ucts. Adjusted for the campaign, Royal Unibrew's total market share on branded products is estimated to be below the 2015 share. Net revenue showed an 8% increase and was significantly lower per sales unit than in Q1-Q3 2015, which is primarily due to the campaign activity, but also to the change of mix between On-Trade, Convenience and Off-Trade. Adjusting for the extraordinary campaign activity, net revenue per sales unit showed an increase.

Hartwall's commercial position as a market-leading beverage provider in Finland has continuously been reinforced since Royal Unibrew acquired the business. Focus is on value management, eg by strengthening partnerships, gen-

erating added value to customers and directing focus at price, pack, promo and channel mix. The level of innovation is high in order to be able to offer a strong product portfolio at all times as demanded by customers and consumers. Q1-Q3 2016 saw the launch of several new products, including Polar Monkey, an innovative craft beer, and Jaffa C+, a soft drink with extra vitamins. At the same time, the distribution of Aura, a strong regional beer brand, was significantly increased in order to provide consumers with an authentic regional option.

Efforts to create greater agility continue in order to continuously improve work processes and organisational flexibility with a view to increasing efficiency.

## Baltic Countries

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales (thousand hectolitres)	1,508	1,457	4	528	544	-3	1,856
Net revenue (mDKK)	514	506	2	180	185	-3	640

Consumption in the Baltic market declined significantly in the beer and fruit juice categories – due to the bad weather in July and August and to increased excise duties, expansion of the deposit regime in Lithuania as well as the introduction of a collection charge on containers in Lithuania. The decline is estimated at 5-7%. It is estimated that, excluding the Pepsi portfolio, Royal Unibrew has generally maintained its market shares on branded products.

The new cooperation with PepsiCo on production, sale and distribution of soft

drinks products developed as planned contributing to increases in Royal Unibrew's sales and net revenue. Sales showed a 4% increase for Q1-Q3 2016. Net revenue showed a 2% increase and was negatively affected partly by the consumer price volatility which arose in early 2016 in connection with excise duty increases in both Latvia and Lithuania, partly by the implementation of a deposit and collection charge on canned products in Lithuania. Net revenue per volume unit was negatively affected by the increased soft drinks sales.

The level of innovation was high in the Baltic countries with many launches in Q1-Q3 2016 in both Lithuania and Latvia. Lielvardes and Vilksmerges Belgian Dubbel were launched in the craft beer category, and Kalnapilis 4.5 Select in the premium beer category; moreover, Lielvardes Pale Ale and Lielvardes IPA in cans were launched. In the category of healthy vegetable juices added vitamins, Royal Unibrew's proprietary product Cido Veggie was launched, and in the sports drinks category, Mangali Active L-carnitine with vitamins and minerals was launched.

## Malt Beverages and Exports

	Q1-Q3 2016	Q1-Q3 2015	Change in %	Q3 2016	Q3 2015	Change in %	2015
Sales (thousand hectolitres)	524	525	0	172	183	-7	656
Net revenue (mDKK)	369	358	3	123	126	-2	452
EBIT (mDKK)	88	83		32	30		102
EBIT margin (%)	23.9	23.1		26.2	23.8		22.5

The **Malt Beverages and Exports** segment comprises the export and licence business in other markets. For Q1-Q3 2016, malt beverages accounted for 7% of group sales and for 8% of net revenue (2015: 8% and 8%, respectively).

Sales for Q1-Q3 2016 were at the 2015 level, whereas net revenue showed a 3% increase. A changed market and channel mix affected net selling price per volume unit positively. Exchange rate developments, however, affected net revenue negatively by approx DKK 5 million, and thus net selling price per volume unit.

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. The lower sales in Q3 2016 are due to inventories still being reduced in Q3 even though they are still assessed to be at a reasonable level. The reason for distributors reducing their inventories is primarily increased shortage of "hard" currency, particularly in Africa but also in the Americas where consumption of Royal Unibrew products is estimated to have increased by a medium single-digit percentage in 2016.

Earnings before interest and tax (EBIT) for Q1-Q3 2016 amounted to DKK 88 million, which is DKK 5 million above the 2015 figure. Exchange rate develop-

ments affected EBIT negatively by approx DKK 2 million. The EBIT development is satisfactory in light of the challenging macroeconomic development in the economies relying on raw materials and the – in many cases – negative development in the local currencies against EUR and USD in which Royal Unibrew's sales are denominated. EBIT margin for Q1-Q3 2016 was 23.9%.

As planned, material investments were also made in Q1-Q3 2016, as in 2015, in reinforcing business with focus on greater presence in already established markets and in the new markets penetrated in recent years.

# 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 September 2016 as well as of the results of the Group operations and cash flows for the period 1 January-30 September 2016.

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, 23 November 2016

## Executive Board

Henrik Brandt  
President & 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 Mattias Slotte

Jais Valeur

Hemming Van

## Income Statement

DKK '000	Q1-Q3 2016	Q1-Q3 2015	Q3 2016	Q3 2015	2015
<b>Net revenue</b>	<b>4,874,495</b>	<b>4,609,617</b>	<b>1,714,063</b>	<b>1,686,336</b>	<b>6,032,115</b>
Production costs	-2,307,856	-2,136,880	-792,402	-760,617	-2,857,459
<b>Gross profit</b>	<b>2,566,639</b>	<b>2,472,737</b>	<b>921,661</b>	<b>925,719</b>	<b>3,174,656</b>
Sales and distribution expenses	-1,514,001	-1,457,282	-492,996	-495,927	-1,922,282
Administrative expenses	-227,763	-240,349	-71,404	-80,098	-335,418
<b>EBIT</b>	<b>824,875</b>	<b>775,106</b>	<b>357,261</b>	<b>349,694</b>	<b>916,956</b>
Income after tax from investments in associates	21,588	18,080	6,741	5,940	31,061
Financial income	220	2,496	48	429	8,759
Financial expenses	-29,172	-39,951	-8,672	-13,121	-54,470
<b>Profit before tax</b>	<b>817,511</b>	<b>755,731</b>	<b>355,378</b>	<b>342,942</b>	<b>902,306</b>
Tax on the profit for the period	-176,262	-167,448	-78,249	-76,259	-190,879
<b>Net profit for the period</b>	<b>641,249</b>	<b>588,283</b>	<b>277,129</b>	<b>266,683</b>	<b>711,427</b>
Earnings per share (DKK)	12.0	10.7	5.2	4.9	13.0
Diluted earnings per share (DKK)	11.9	10.7	5.2	4.9	12.9

## Statement of Comprehensive Income

DKK '000	Q1-Q3 2016	Q1-Q3 2015	Q3 2016	Q3 2015	2015
<b>Net profit for the period</b>	<b>641,249</b>	<b>588,283</b>	<b>277,129</b>	<b>266,683</b>	<b>711,427</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	-818	7,393	8,723	-10,165	5,374
Value adjustment of hedging instruments, opening	27,839	32,677	19,340	27,972	32,677
Value adjustment of hedging instruments, closing	-15,862	-27,042	-15,862	-27,042	-27,839
Tax on other comprehensive income	-2,186	0	-4	0	-3,097
<b>Total</b>	<b>8,973</b>	<b>13,028</b>	<b>12,197</b>	<b>-9,235</b>	<b>7,115</b>
<i>Items that may not be reclassified to the income statement:</i>					
Revaluation of non-current assets		39,000	0	0	39,000
Tax on revaluation of non-current assets		-4,249	0	4,331	2,461
Actuarial loss on pension schemes					7,398
Tax on actuarial loss on pension schemes					-1,544
<b>Total</b>	<b>0</b>	<b>34,751</b>	<b>0</b>	<b>4,331</b>	<b>47,315</b>
<b>Total other comprehensive income</b>	<b>8,973</b>	<b>47,779</b>	<b>12,197</b>	<b>-4,904</b>	<b>54,430</b>
<b>Total comprehensive income</b>	<b>650,222</b>	<b>636,062</b>	<b>289,326</b>	<b>261,779</b>	<b>765,857</b>

Income Statement	Comprehensive Income	<b>ASSETS</b>	<b>LIABILITIES AND EQUITY</b>	Cash Flow
	Changes in Equity	Notes	Financial Highlights and Key Ratios	

## Assets

DKK '000	30/9 2016	30/9 2015	31/12 2015
<b>NON-CURRENT ASSETS</b>			
Goodwill	1,452,537	1,455,273	1,455,776
Trademarks	1,233,123	1,235,953	1,233,475
Distribution rights	185,553	198,200	195,030
Customer relations	25,678	39,256	35,881
<i>Intangible assets</i>	<i>2,896,891</i>	<i>2,928,682</i>	<i>2,920,162</i>
Project development properties	37,005	195,497	197,506
Other property, plant and equipment	2,132,585	2,244,233	2,240,718
Investments in associates	138,799	124,435	135,371
Other fixed asset investments	10,435	11,809	11,725
<b>Non-current assets</b>	<b>5,215,715</b>	<b>5,504,656</b>	<b>5,505,482</b>
<b>CURRENT ASSETS</b>			
Inventories	383,199	393,959	316,708
Receivables	602,579	609,669	570,438
Prepayments	14,868	20,081	21,714
Cash at bank and in hand	43,749	200,125	333,185
<b>Current assets</b>	<b>1,044,395</b>	<b>1,223,834</b>	<b>1,242,045</b>
<b>Assets</b>	<b>6,260,110</b>	<b>6,728,490</b>	<b>6,747,527</b>

## Liabilities and Equity

DKK '000	30/9 2016	30/9 2015	31/12 2015
<b>EQUITY</b>			
Share capital	108,200	110,985	110,985
Other reserves	814,967	889,354	902,938
Retained earnings	1,971,927	1,895,755	1,521,336
Proposed dividend			399,546
<b>Equity</b>	<b>2,895,094</b>	<b>2,896,094</b>	<b>2,934,805</b>
Deferred tax	370,834	382,481	375,396
Mortgage debt	862,857	1,003,715	1,000,325
Credit institutions	153,015	493,728	461,675
Other payables	13,765	8,748	14,164
<b>Non-current liabilities</b>	<b>1,400,471</b>	<b>1,888,672</b>	<b>1,851,560</b>
Mortgage debt	2,317	14,153	14,203
Credit institutions	78,969	11,843	40,934
Trade payables	903,013	894,158	913,762
Corporation tax	92,106	151,540	7,044
Other payables	888,140	872,030	985,219
<b>Current liabilities</b>	<b>1,964,545</b>	<b>1,943,724</b>	<b>1,961,162</b>
<b>Liabilities</b>	<b>3,365,016</b>	<b>3,832,396</b>	<b>3,812,722</b>
<b>Liabilities and equity</b>	<b>6,260,110</b>	<b>6,728,490</b>	<b>6,747,527</b>

## Cash Flow Statement

DKK '000	Note	Q1-Q3 2016	Q1-Q3 2015	2015
Net profit for the period		641,249	588,283	711,427
Adjustments for non-cash operating items	4	418,595	421,315	523,750
		<b>1,059,844</b>	<b>1,009,598</b>	<b>1,235,177</b>
Change in working capital:				
Receivables		-31,686	-72,440	-35,317
Inventories		-67,358	-81,295	-3,965
Payables		-93,147	68,357	207,867
<b>Cash flows from operating activities before financial income and expenses</b>		<b>867,653</b>	<b>924,220</b>	<b>1,403,762</b>
Financial income		220	2,398	6,511
Financial expenses		-25,450	-39,082	-53,099
<b>Cash flows from ordinary activities</b>		<b>842,423</b>	<b>887,536</b>	<b>1,357,174</b>
Corporation tax paid		-90,455	-89,079	-197,397
<b>Cash flows from operating activities</b>		<b>751,968</b>	<b>798,457</b>	<b>1,159,777</b>
Dividends received from associates		24,863	25,661	26,660
Sale of property, plant and equipment		173,452	94,536	100,601
Corporation tax paid				-56,020
Purchase of property, plant and equipment		-115,172	-125,505	-199,361
<i>Free cash flow</i>		<i>835,111</i>	<i>793,149</i>	<i>1,031,657</i>
Purchase/sale of intangible assets and fixed asset investments		-210	4,835	5,330
<b>Cash flows from investing activities</b>		<b>82,933</b>	<b>-473</b>	<b>-122,790</b>
<i>Debt financing:</i>				
Proceeds from increased drawdown on credit facilities		400,000	200,000	200,000
Repayment on credit facilities		-819,475	-724,917	-730,352
Shareholders:				
Dividends paid to shareholders		-385,801	-373,957	-373,957
Acquisition of shares for treasury		-318,515	-191,787	-292,548
<b>Cash flows from financing activities</b>		<b>-1,123,791</b>	<b>-1,090,661</b>	<b>-1,196,857</b>
<b>Change in cash and cash equivalents</b>		<b>-288,890</b>	<b>-292,677</b>	<b>-159,870</b>
Cash and cash equivalents at 1 January		333,185	491,453	491,453
Exchange adjustment		-546	1,349	1,602
<b>Cash and cash equivalents at 30 September</b>		<b>43,749</b>	<b>200,125</b>	<b>333,185</b>



## Statement of Changes in Equity for the period 1 January - 30 September 2016

DKK '000	Share capital	Share premium account	Revaluation reserves	Translation reserve	Hedging reserve	Total other reserves	Retained earnings	Proposed dividend for the year	Total
<b>Equity at 31 December 2015</b>	110,985	855,839	102,200	-27,262	-27,839	902,938	1,521,336	399,546	2,934,805
<b>Changes in equity in 2016</b>									
Net profit for the year						0	641,249		641,249
Other comprehensive income			0	-818	11,977	11,159			11,159
Tax on other comprehensive income			0			0	-2,186		-2,186
Realised part of revaluation reserve			-77,654			-77,654	77,654		0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-77,654</b>	<b>-818</b>	<b>11,977</b>	<b>-66,495</b>	<b>716,717</b>	<b>0</b>	<b>650,222</b>
Dividends paid to shareholders						0		-385,801	-385,801
Dividend on treasury shares						0	13,745	-13,745	0
Acquisition of shares for treasury						0	-318,515		-318,515
Capital reduction	-2,785	-21,476				-21,476	24,261		0
Share-based payments						0	7,425		7,425
Tax on changes in equity, shareholders						0	6,958		6,958
<b>Total shareholders</b>	<b>-2,785</b>	<b>-21,476</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-21,476</b>	<b>-266,126</b>	<b>-399,546</b>	<b>-689,933</b>
<b>Total changes in equity 1/1-30/9 2016</b>	<b>-2,785</b>	<b>-21,476</b>	<b>-77,654</b>	<b>-818</b>	<b>11,977</b>	<b>-87,971</b>	<b>450,591</b>	<b>-399,546</b>	<b>-39,711</b>
<b>Equity at 30 September 2016</b>	<b>108,200</b>	<b>834,363</b>	<b>24,546</b>	<b>-28,080</b>	<b>-15,862</b>	<b>814,967</b>	<b>1,971,927</b>	<b>0</b>	<b>2,895,094</b>

The share capital at 30 September 2016 amounts to DKK 108,200,000 and is distributed on shares of DKK 2 each.

A resolution was made at the Annual General Meeting of the Company on 27 April 2016 to reduce the share capital by DKK 2,785,000 through cancellation of treasury shares.

<b>Equity at 31 December 2014</b>	110,985	855,839	126,616	-32,636	-32,677	917,142	1,412,875	377,349	2,818,351
<b>Changes in equity in 2015</b>									
Net profit for the year						0	588,283		588,283
Other comprehensive income			39,000	7,393	5,635	52,028			52,028
Tax on other comprehensive income			-4,249			-4,249	0		-4,249
Realised revaluation reserve			-75,567			-75,567	75,567		0
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-40,816</b>	<b>7,393</b>	<b>5,635</b>	<b>-27,788</b>	<b>663,850</b>	<b>0</b>	<b>636,062</b>
Dividends paid to shareholders						0		-373,957	-373,957
Dividend on treasury shares						0	3,392	-3,392	0
Acquisition of shares for treasury						0	-191,787		-191,787
Share-based payments						0	7,425		7,425
<b>Total shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-180,970</b>	<b>-377,349</b>	<b>-558,319</b>
<b>Total changes in equity 1/1-30/9 2015</b>	<b>0</b>	<b>0</b>	<b>-40,816</b>	<b>7,393</b>	<b>5,635</b>	<b>-27,788</b>	<b>482,880</b>	<b>-377,349</b>	<b>77,743</b>
<b>Equity at 30 September 2015</b>	<b>110,985</b>	<b>855,839</b>	<b>85,800</b>	<b>-25,243</b>	<b>-27,042</b>	<b>889,354</b>	<b>1,895,755</b>	<b>0</b>	<b>2,896,094</b>

# 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.

The accounting policies are unchanged from those applied in the Annual Report for 2015, to which reference is made.

The Annual Report for 2015 provides the total description of accounting policies significant to the Financial Statements.

### 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 2015.

## Note 2 – Assets and Derivative Financial Instruments Measured at Fair Value

DKK '000	30/9 2016	30/9 2015	2015
Assets (project development properties)	37,005	195,497	197,506
Derivative financial instruments	-15,682	-27,042	-27,839

Assets are classified as level 3 in the fair value hierarchy, whereas derivative financial instruments are classified as level-2 instruments in the FRS fair value hierarchy. The determined fair value of derivative financial instruments is based on observable market data such as yield curves or forward rates.

The fair value of the total debt is assessed to correspond to carrying amount.

# Notes to the Interim Report

## Note 3 – Segment Reporting

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

mDKK	Q1-Q3 2016				Total
	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	
Net revenue	2,209.1	2,296.0	369.4		4,874.5
<b>Earnings before interest and tax (EBIT)</b>	<b>431.1</b>	<b>330.5</b>	<b>88.2</b>	<b>-24.9</b>	<b>824.9</b>
Share of income from associates	21.6				21.6
Other financial income and expenses	-0.2	-8.4	-0.1	-20.3	-29.0
<b>Profit/loss before tax for the period</b>	<b>452.5</b>	<b>322.1</b>	<b>88.1</b>	<b>-45.2</b>	<b>817.5</b>
Tax on the profit/loss for the period				-176.3	-176.3
<b>Net profit for the period</b>					<b>641.2</b>
<b>EBIT margin, %</b>	<b>19.5</b>	<b>14.4</b>	<b>23.9</b>		<b>16.9</b>
Sales, beverages (thousand hectolitres)	2,872	4,061	524		7,457
Net revenue, beverages	2,148.0	2,296.0	369.4		4,813.4

mDKK	Q1-Q3 2015				Total
	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	
Net revenue	2,096.3	2,156.0	357.3		4,609.6
<b>Earnings before interest and tax (EBIT)</b>	<b>407.7</b>	<b>310.6</b>	<b>82.7</b>	<b>-25.9</b>	<b>775.1</b>
Share of income from associates	18.1				18.1
Other financial income and expenses	-0.4	-7.9	-0.2	-29.0	-37.5
<b>Profit/loss before tax for the period</b>	<b>425.4</b>	<b>302.7</b>	<b>82.5</b>	<b>-54.9</b>	<b>755.7</b>
Tax on the profit/loss for the period				-167.4	-167.4
<b>Net profit for the period</b>					<b>588.3</b>
<b>EBIT margin, %</b>	<b>19.5</b>	<b>14.4</b>	<b>23.1</b>		<b>16.8</b>
Sales, beverages (thousand hectolitres)	2,779	3,560	525		6,864
Net revenue, beverages	2,096.3	2,156.0	357.3		4,609.6

mDKK	2015				Total
	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	
Net revenue	2,727.9	2,852.5	451.7		6,032.1
<b>Earnings before interest and tax (EBIT)</b>	<b>493.3</b>	<b>355.4</b>	<b>101.8</b>	<b>-33.6</b>	<b>916.9</b>
Share of income from associates	31.1				31.1
Other financial income and expenses	-0.5	-10.2	-0.3	-34.7	-45.7
<b>Profit/loss before tax for the period</b>	<b>523.9</b>	<b>345.2</b>	<b>101.5</b>	<b>-68.3</b>	<b>902.3</b>
Tax on the profit/loss for the period				-190.9	-190.9
<b>Net profit for the period</b>					<b>711.4</b>
<b>EBIT margin, %</b>	<b>18.1</b>	<b>12.5</b>	<b>22.5</b>		<b>15.2</b>
Sales, beverages (thousand hectolitres)	3,659	4,785	656		9,100
Net revenue, beverages	2,727.9	2,852.5	451.7		6,032.1

# Notes to the Interim Report

## Note 3 – Segment Reporting (continued)

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

mDKK	Q3 2016				Total
	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	
Net revenue	775.3	815.9	122.9		1,714.1
<b>Earnings before interest and tax (EBIT)</b>	<b>180.4</b>	<b>152.1</b>	<b>32.2</b>	<b>-7.4</b>	<b>357.3</b>
Share of income from associates	6.8				6.8
Other financial income and expenses	-0.1	-2.8		-5.8	-8.7
<b>Profit/loss before tax for the period</b>	<b>187.1</b>	<b>149.3</b>	<b>32.2</b>	<b>-13.2</b>	<b>355.4</b>
Tax on the profit/loss for the period				-78.3	-78.3
<b>Net profit for the period</b>					<b>277.1</b>
<b>EBIT margin, %</b>	<b>23.3</b>	<b>18.6</b>	<b>26.2</b>		<b>20.8</b>
Sales, beverages (thousand hectolitres)	1,014.0	1,395.0	172.0		2,581
Net revenue, beverages	751.4	815.9	122.9		1,690.2

mDKK	Q3 2015				Total
	Western Europe	Baltic Sea	Malt Beverages and Exports	Unallocated	
Net revenue	769.7	790.1	126.5		1,686.3
<b>Earnings before interest and tax (EBIT)</b>	<b>174.9</b>	<b>154.2</b>	<b>30.2</b>	<b>-9.6</b>	<b>349.7</b>
Share of income from associates	6.0				6.0
Other financial income and expenses	-0.2	-2.4		-10.2	-12.8
<b>Profit/loss before tax for the period</b>	<b>180.7</b>	<b>151.8</b>	<b>30.2</b>	<b>-19.8</b>	<b>342.9</b>
Tax on the profit/loss for the period				-76.2	-76.2
<b>Net profit for the period</b>					<b>266.7</b>
<b>EBIT margin, %</b>	<b>22.7</b>	<b>19.5</b>	<b>23.8</b>		<b>20.7</b>
Sales, beverages (thousand hectolitres)	1,021.0	1,311.0	183.0		2,515.0
Net revenue, beverages	769.7	790.1	126.5		1,686.3

## Note 4 – Cash Flow Statement

DKK '000	Q1-Q3 2016	Q1-Q3 2015	2015
<b>Adjustments for non-cash operating items</b>			
Financial income	-220	-2,496	-8,759
Financial expenses	29,172	39,951	54,470
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	237,364	228,066	310,368
Tax on the profit for the period	176,262	167,448	190,879
Income from investments in associates	-21,588	-18,080	-31,061
Net profit/loss from sale of property, plant and equipment	-9,820	-999	-2,047
Share-based remuneration and payments	7,425	7,425	9,900
<b>Total</b>	<b>418,595</b>	<b>421,315</b>	<b>523,750</b>

## Quarterly Financial Highlights and Key Ratios

	Q1 2016	Q1 2015	Q2 2016	Q2 2015	Q3 2016	Q3 2015
Sales (thousand hectolitres)	2,081	1,899	2,795	2,450	2,581	2,515
<b>Income Statement (mDKK)</b>						
Net revenue	1,350	1,290	1,810	1,633	1,714	1,687
EBITDA	212	204	408	370	432	428
<i>EBITDA margin (%)</i>	15.7	15.8	22.5	22.7	25.2	25.4
Earnings before interest and tax (EBIT)	138	131	329	294	358	350
<i>EBIT margin (%)</i>	10.2	10.2	18.2	18.0	20.8	20.8
Income after tax from investments in associates	1	1	14	11	7	6
Other financials, net	-12	-13	-8	-11	-9	-13
Profit before tax	127	119	335	294	356	343
Net profit for the period	99	92	266	229	276	267
<b>Balance Sheet (mDKK)</b>						
Non-current assets	5,300	5,641	5,256	5,552	5,216	5,505
Total assets	6,506	6,768	6,531	6,910	6,260	6,728
Equity	2,945	2,900	2,712	2,724	2,895	2,896
Net interest-bearing debt	1,269	1,710	1,261	1,627	1,053	1,323
Net working capital	-731	-555	-885	-721	-791	-742
<b>Cash Flows (mDKK)</b>						
From operating activities	-121	-96	534	472	339	422
From investing activities	124	-27	-24	54	-17	-27
Free cash flow	5	-122	509	521	321	394
<b>Financial ratios (%)</b>						
Free cash flow as a percentage of net revenue	0	-9	28	32	19	23
Cash conversion	5	-133	192	227	116	147
Equity ratio	45	43	42	39	46	43

Ratios comprised by the "Recommendations and Financial Ratios 2015" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.

## Financial Highlights and Key Ratios for the Period Q1-Q3

	2016	2015	2014	2013	2012
Sales (thousand hectolitres)	7,457	6,864	6,921	4,897	4,191
<b>Income Statement (mDKK)</b>					
Net revenue	4,874	4,610	4,705	3,056	2,670
EBITDA	1,052	1,002	932	545	490
<i>EBITDA margin (%)</i>	21.6	21.7	19.8	17.8	18.4
Earnings before interest and tax (EBIT)	825	775	712	449	400
<i>EBIT margin (%)</i>	16.9	16.8	15.1	14.7	15.0
Income after tax from investments in associates	22	18	27	20	19
Other financials, net	-29	-37	-44	-22	-22
Profit before tax	818	756	695	447	397
Net profit for the period	641	588	539	356	299
<b>Balance Sheet (mDKK)</b>					
Non-current assets	5,216	5,505	5,652	5,926	2,166
Total assets	6,260	6,728	7,068	7,235	3,063
Equity	2,895	2,896	2,717	2,025	1,336
Net interest-bearing debt	1,053	1,323	1,606	2,604	404
Net working capital	-791	-742	-757	-583	-171
<b>Cash Flows (mDKK)</b>					
From operating activities	752	798	751	420	472
From investing activities	83	0	22	-2,837	74
Free cash flow	835	793	772	357	551
<b>Share Ratios (DKK per share of DKK 2)</b>					
Earnings per share	12.0	10.7	9.8	7.0	5.6
Cash flow per share	14.1	14.6	13.6	8.2	8.8
Year-end price per share	327.0	249.8	196.2	131.0	88.0
<b>Financial Ratios (%)</b>					
Free cash flow as a percentage of net revenue	17	17	16	12	21
Cash conversion	130	135	143	100	184
Net interest-bearing debt/EBITDA (running 12 months)	0.8	1.1	1.4	3.9	0.7
Equity ratio	46	43	38	28	44

Ratios comprised by the "Recommendations and Financial Ratios 2015" issued by the Danish Society of Financial Analysts have been calculated according to the recommendations.