



Interim Report

1 January – 30 September 2015

26 November 2015

Higher earnings, increased FY outlook and mid-term EBIT-margin target

- Market positions generally maintained
- Flat volume, net revenue down 2% to DKK 4,610m
- EBIT DKK 775m, up DKK 63m including one-off restructuring of DKK 50m in 2014
- EBIT-margin improved to 16.8%
- Strong free cash flow of DKK 793m
- DKK 566m cash returned to shareholders
- Earnings outlook 2015 revised and increased cf. EBITDA and EBIT
- Further strengthening of partnership with PepsiCo
- Mid-term EBIT margin guidance at around 15%

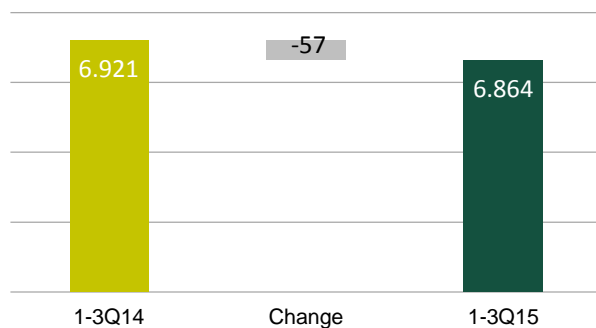


Increased profitability from margin improvement

VOLUME – HL (000)

Change

-0,8%

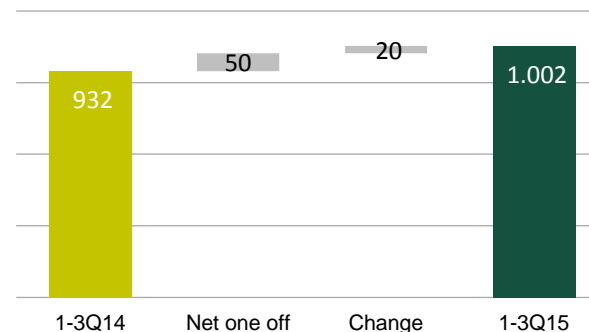


EBITDA - DKKM

Margin

19,8%

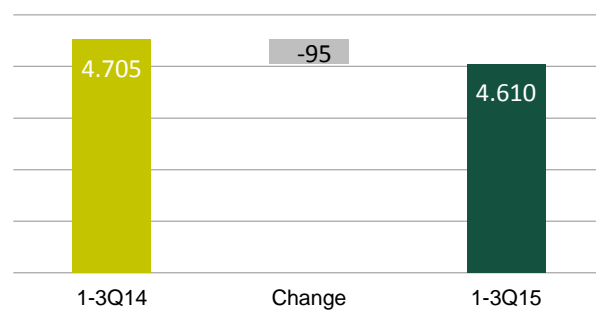
21,7%



NET REVENUE - DKKM

Change

-2,0%

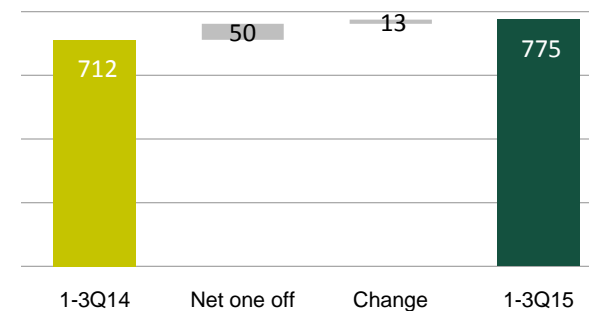


EBIT - DKKM

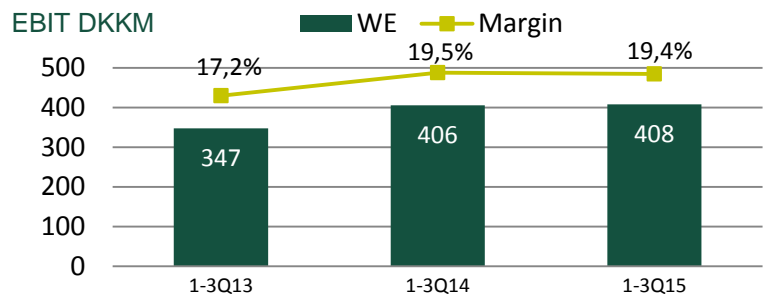
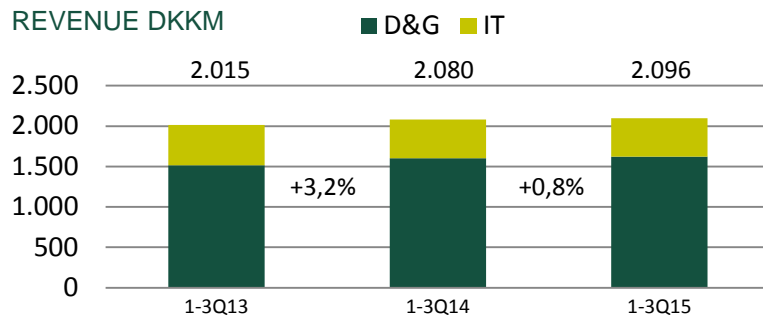
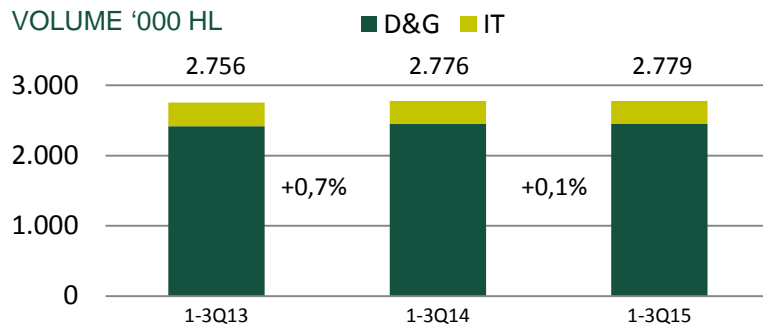
Margin

15,1%

16,8%



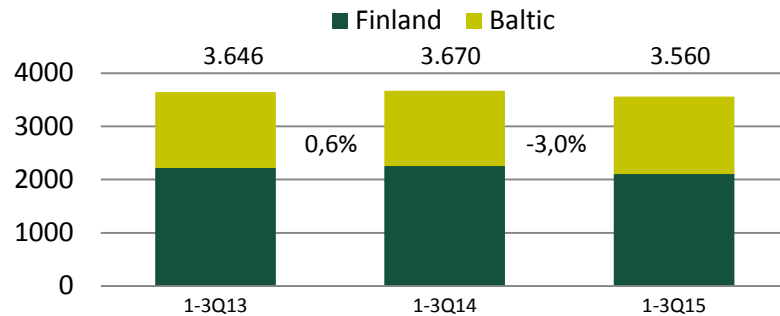
Western Europe – unchanged revenue and slight earnings growth



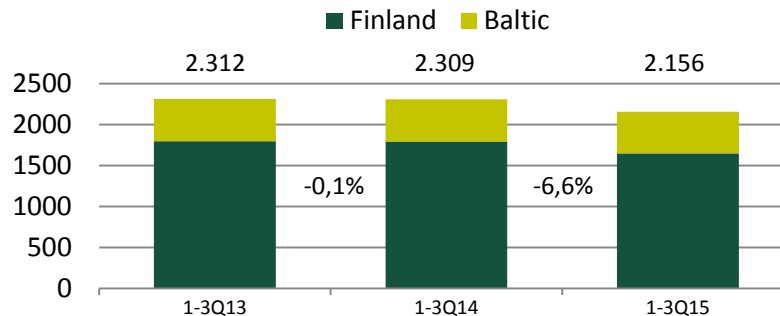
- **Denmark and Germany** – Unchanged consumption. Market positions improved
- Branded products continue to gain share in the total market
- **Italy**, overall beer consumption stable, from good summer weather
- Super-premium and premium beer segment flattish. Market position maintained
- **Commercial initiatives** – focus on value creation, commercial execution and consumer activation
- Sale and distribution agreement with PepsiCo - Lays snacks in Denmark from 2016
- Strong innovation pipeline in Denmark – craft beer brands rooted in history and Royal organic beer

Baltic Sea – challenged consumer sentiment and unfavorable weather

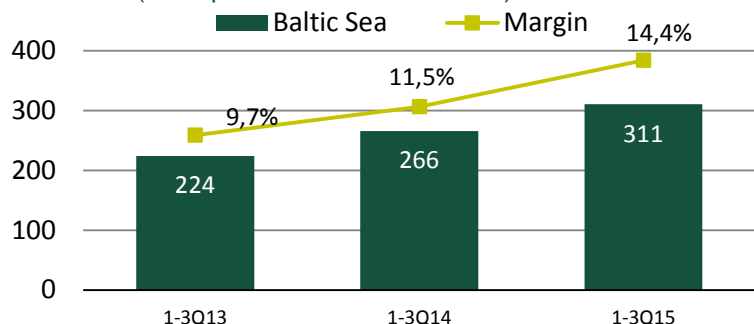
VOLUME '000 HL (2013 pro forma – incl. Hartwall)



REVENUE DKKM (2013 pro forma – incl. Hartwall)



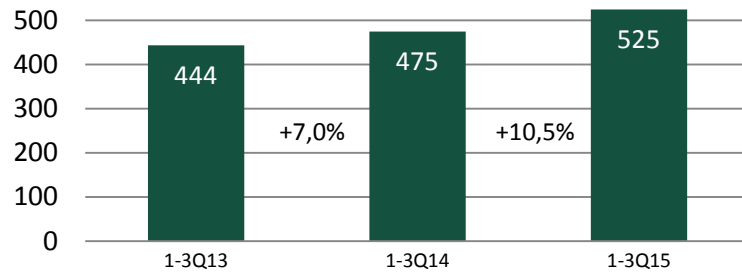
EBIT DKKM (2013 pro forma – incl. Hartwall)



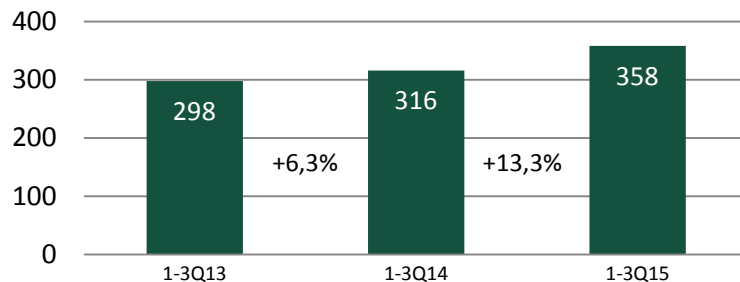
- **Finland** – continued unfavorable macro-economics. Low consumer confidence
- Overall declining consumption
- Lower share of campaigns YTD compared to LY, increases in Q4
- High focus on efficiencies
- Commercial agenda in multi-year progress. Incremental efficiency improvements
- Value based partnerships and brand building
- **Baltic** – consumption slightly up. Market positions maintained
- Continued low beer prices
- Latvian excise increase in 3Q
- Strengthening of portfolio with license and distribution agreement with PepsiCo on soft drinks

Malt Beverages and Export – continued solid growth

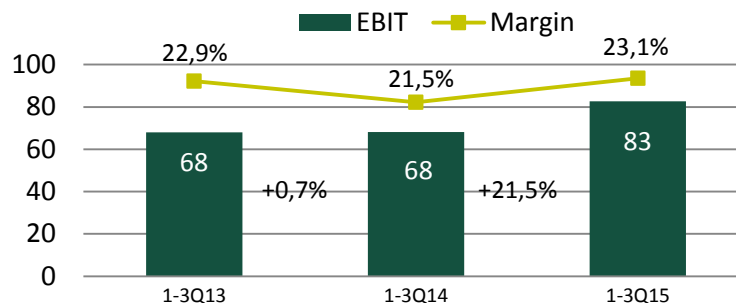
VOLUME '000 HL



REVENUE DKKM



EBIT DKKM



- **Broad based growth** – sales out increasing as planned
- **Emerging market macro** under pressure
- **Foreign currency appreciation** – competitive disadvantage to local beverages. Hard currency sometimes in short supply
- **Growth strategy unchanged**
- **Commercial initiatives** – leverage on existing markets and distributors. Deeper penetration and higher rotation

Improved financial performance

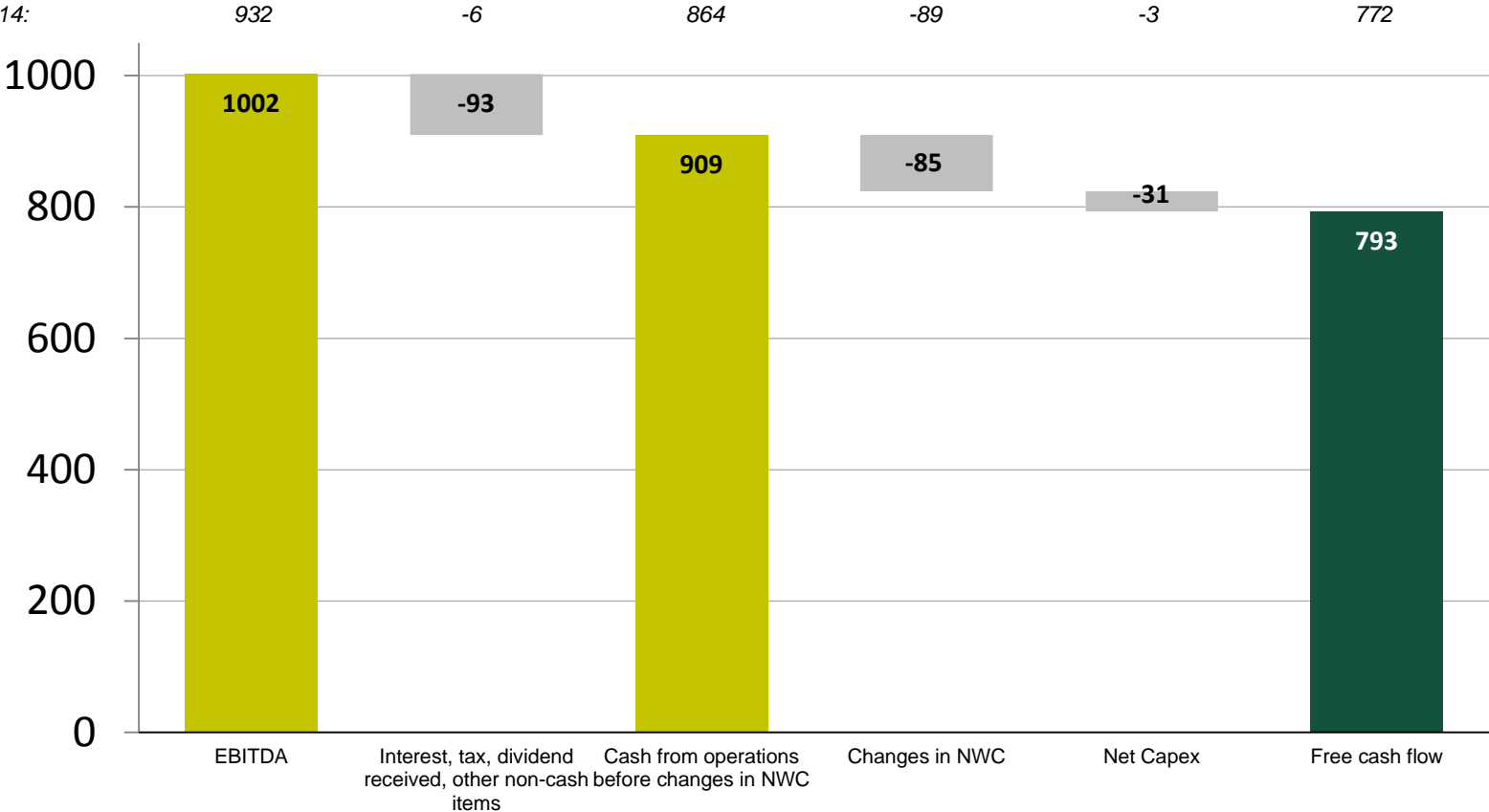
DKKM	1-3Q15	1-3Q14	<i>Change</i>	FY14
P&L ITEMS:				
Net revenue	4,610	4,705	-95	6,056
Gross margin	53.6%	53.0%	1.1%	52.0%
EBIT	775	712	63	826
EBIT margin	16.8%	15.1%	11.3%	13,6%
Profit before tax	756	695	61	801
Consolidated profit	588	539	49	624
BALANCE SHEET ITEMS:				
Net interest bearing debt	1,323	1,606	-283	1,553
Net working capital	-742	-757	15	-814
Total assets	6,728	7,068	-340	7,024
Equity	2,896	2,717	179	2,818
Equity ratio	43.0%	38.4%	12,0%	40,1%



Continued strong free cash flow performance

CASH FLOW – DKKM

1-3Q14:



Outlook 2015 revised - earnings guidance increased

DKKM	November Revised outlook 2015	August Specified outlook 2015	Original outlook 2015	Realized 2014
Net revenue	5.950 – 6.050	5.950 – 6.050	5.900 – 6.100	6.056
EBITDA	1.195 – 1.235	1.150 – 1.200	1.100 – 1.200	1.130
EBIT	885 – 925	840 – 890	790 – 890	826



Revised 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 net result
 - Share buy-back to adjust capital structure

* Basically no amortization

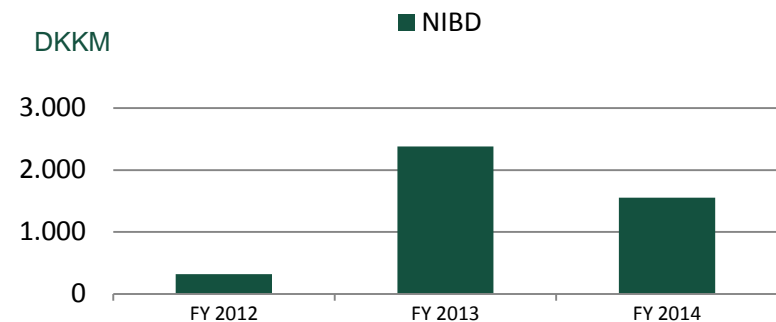
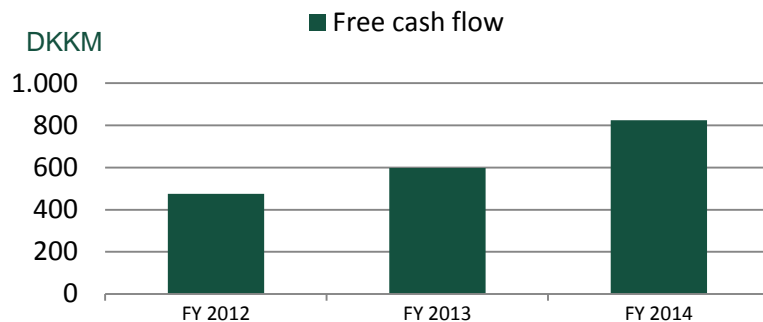
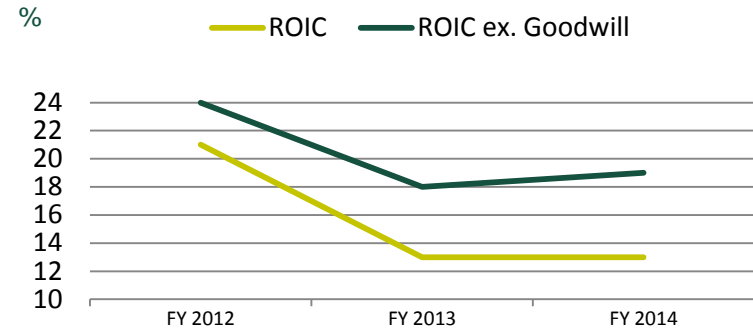
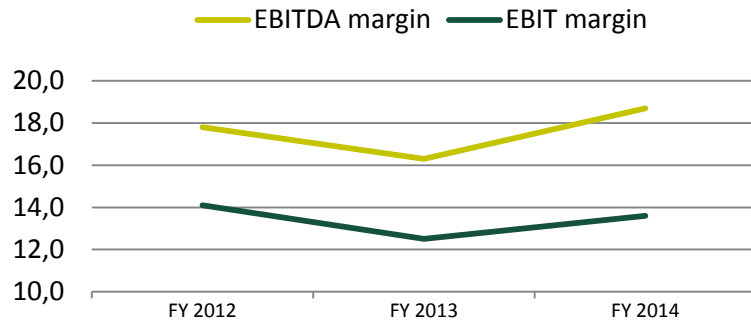
** Amortization from the acquisition decreased EBIT-margin by approx. 50bp

Q&A

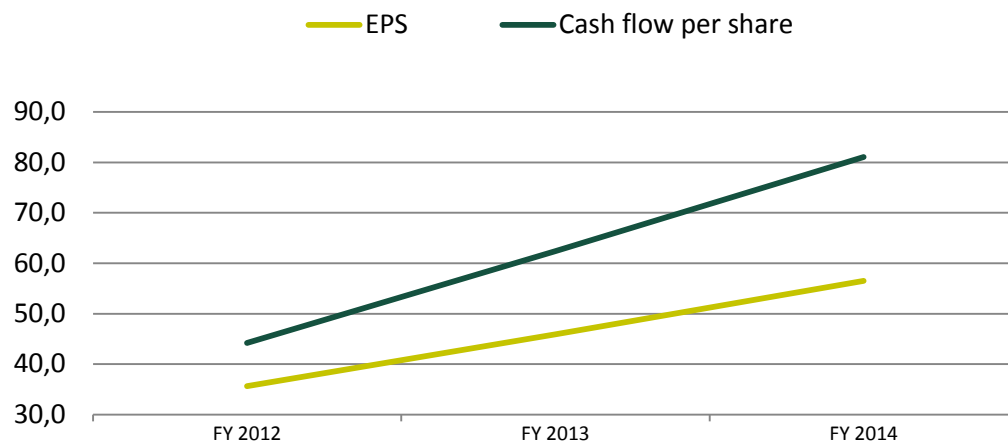
DISCLAIMER:

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FY 2014: Significant improvement in important key figures



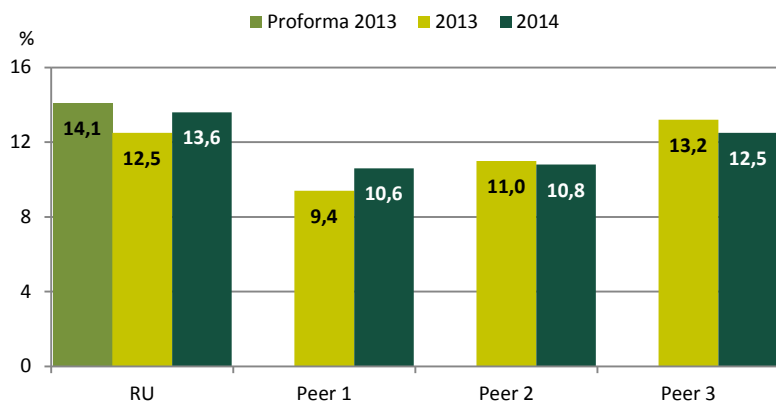
FY 2014: Shareholder distribution



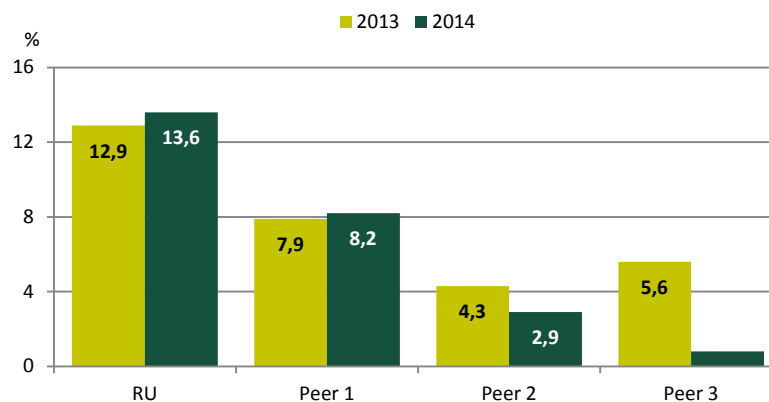
- Dividend of DKK 377m which is a record DKK 34 per share to be proposed on AGM
- A Share buy-back program under safe harbor worth DKK 350m initiated for a maximum of 12 month period
- Share buy-back as per 30.9.15: 815.964 shares bought at a total value of DKK 192m

FY 2014: Solid performance to peers*

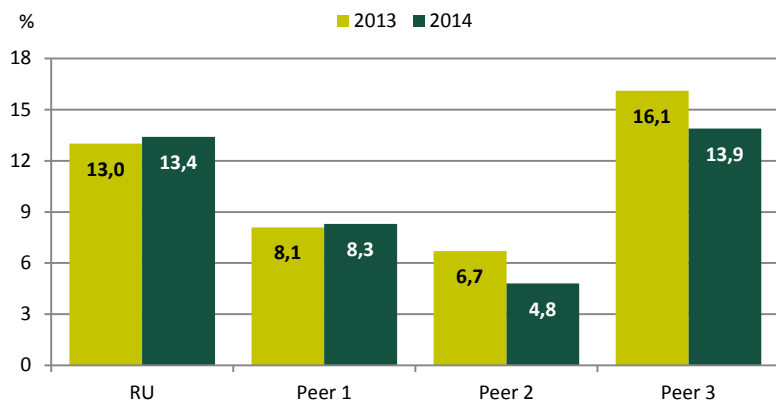
EBIT MARGIN (COMPARABLE REGION)



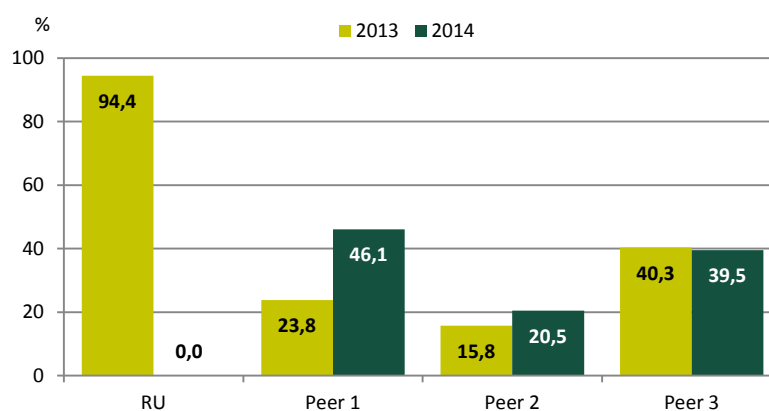
FREE CASH FLOW – % OF REVENUE



RETURN ON INVESTED CAPITAL



CASH RETURN TO SHAREHOLDERS



* Based on FY2013 and FY2014 results on comparable basis