ROYAL UNIBREW

Royal Unibrew A/S

Q3 Report 2007

November 2007

Vision and Mission

VISION

We will with increasing profitability develop the company to be among leading providers of beverages in Northern Europe and outside this region develop profitable export markets.

MISSION

We will meet our consumers' demands for and expectations to quality beverages focusing on branded products primarily within beer, malt and soft drinks.

MACH II (Strategic Development 2002-2007)

Well-tuned business with efficient production facilities and administration geared for growth

V8

MACH II

2002 2004 2005 2007

2002–2004	2005–2007
Focus: **Improving Profitability**	Focus: **Value Creation Through Profitable International Growth**
• ROIC from 8% to 10.5% • Profit margin from 7.8% to 11% • Free cash flow > DKK 200 million per year	• Continued ROIC ≥ 10% • Continued EBIT margin ≥ 10% • Free cash flow (before acquisitions): ≥ 7% (of net revenue) • Profitable revenue growth from some DKK 3 billion in 2004 to at least DKK 4.5 billion in 2007 • Financial structure: Net debt = 3 x EBITDA in 2007

MACH II Main Elements 2005-2007

1. **Ensuring profitable revenue growth from some DKK 3 billion (2004) to at least DKK 4.5 billion (2007) while still achieving a two-digit ROIC and EBIT margin as well as free cash flow of at least 7 per cent of net revenue.**
   - ***Organic growth since 2005 approx. 6% p.a.***
   - ***Higher than objective and market growth***

2. **Further development of the Baltic countries through optimisation, integration and streamlining in order for the Baltic countries to show two-digit ROIC and profit margin by 2007 at the latest.**
   - ***Objectives expected to be achieved***

3. **Developing the core competencies of Royal Unibrew to operate strong regional/national brands.**
   - ***Corporate Talent Programme***

4. **Intensified product innovation - focus on developing strong brands through increased investment in marketing and product development.**
   - ***Increased shares in Denmark, Baltics, and Italy***

5. **Business excellence to ensure continued savings and rationalisation gains with a total full year effect of DKK 20 million already in 2006.**
   - ***2007: Savings of DKK 10-15 million***
   - ***Phasing***

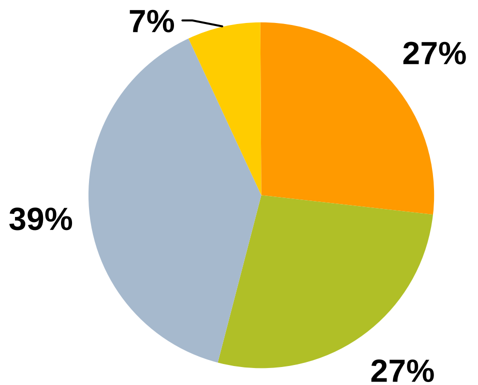
6. **Establishment of new international corporate identity.**
   - ***Requires no further resources***

Highlights

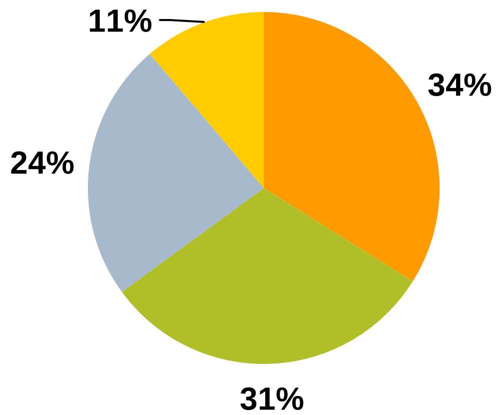
- Royal Unibrew the second largest brewery business in Scandinavia
- Export to approx. 65 countries worldwide
- 14 breweries and 1 soft drink producer

  (+ 7 partly controlled)
- Approximately 2,500 employed worldwide
- Royal Unibrew has the leading imported strong beer in Italy - Ceres
- Royal Unibrew has the world third largest malt drink brand - Vitamalt
- Faxe is a large imported brand in Germany, Poland and Lithuania
- Soft drinks in the Baltic Countries:
  - No 1 in Latvia
  - No 2 in Lithuania
  - 2nd largest soft drink company in the Baltic countries

Volume Distribution Q1-Q3 2007



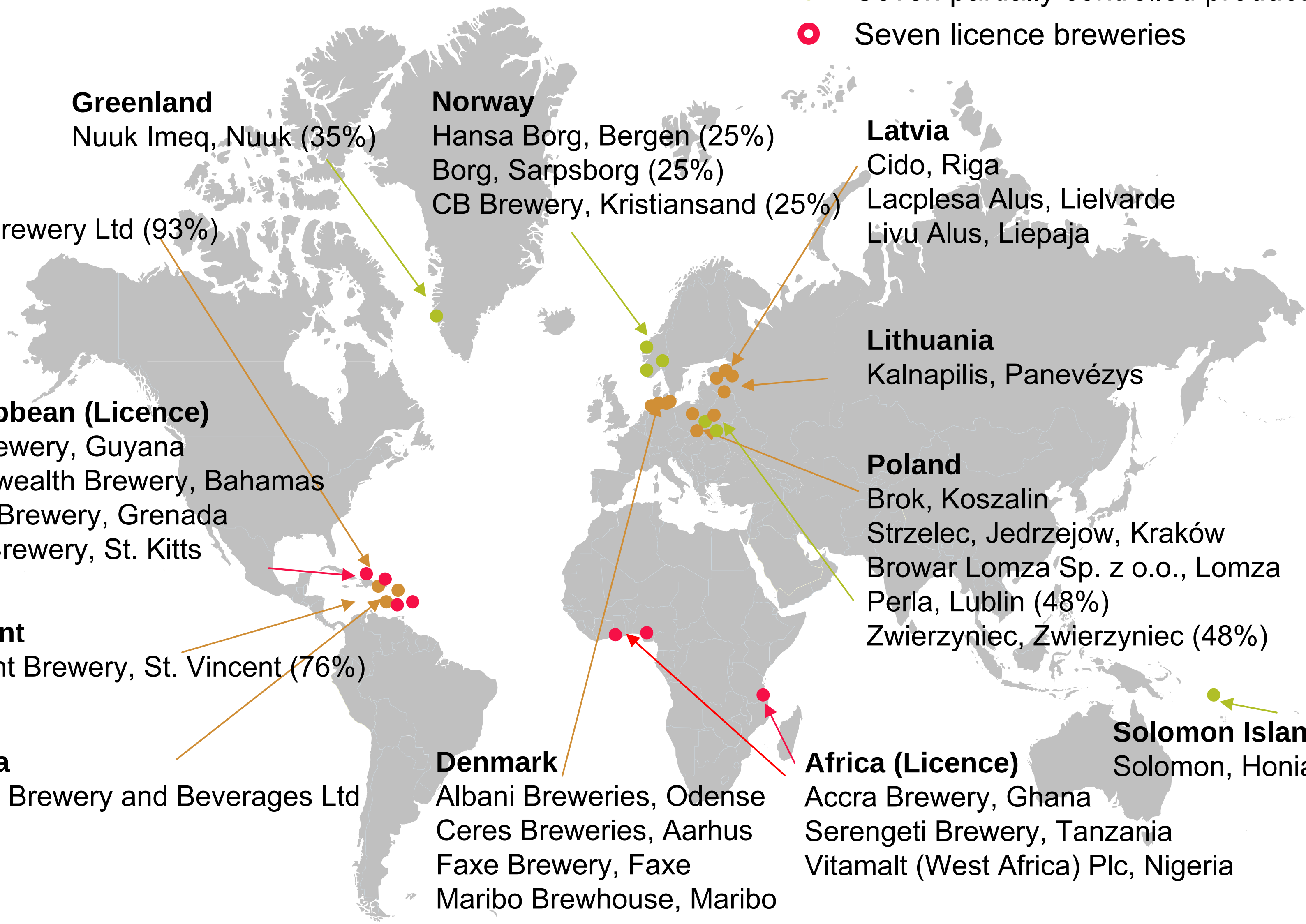
Revenue Distribution Q1-Q3 2007



Production Sites, Overview

ROYAL UNIBREW

- Fourteen fully controlled production sites
- Seven partially controlled production sites
- Seven licence breweries



Greenland
Nuuk Imeq, Nuuk (35%)

Norway
Hansa Borg, Bergen (25%)
Borg, Sarpsborg (25%)
CB Brewery, Kristiansand (25%)

Latvia
Cido, Riga
Lacplesa Alus, Lielvarde
Livu Alus, Liepaja

Antigua
Antigua Brewery Ltd (93%)

Lithuania
Kalnapilis, Panevézys

The Caribbean (Licence)
Banks Brewery, Guyana
Commonwealth Brewery, Bahamas
Grenada Brewery, Grenada
St. Kitts Brewery, St. Kitts

Poland
Brok, Koszalin
Strzelec, Jedrzejow, Kraków
Browar Lomza Sp. z o.o., Lomza
Perla, Lublin (48%)
Zwierzyniec, Zwierzyniec (48%)

St. Vincent
St. Vincent Brewery, St. Vincent (76%)

Solomon Islands
Solomon, Honiara (35%)

Dominica
Dominica Brewery and Beverages Ltd (58%)

Denmark
Albani Breweries, Odense
Ceres Breweries, Aarhus
Faxe Brewery, Faxe
Maribo Brewhouse, Maribo

Africa (Licence)
Accra Brewery, Ghana
Serengeti Brewery, Tanzania
Vitamalt (West Africa) Plc, Nigeria

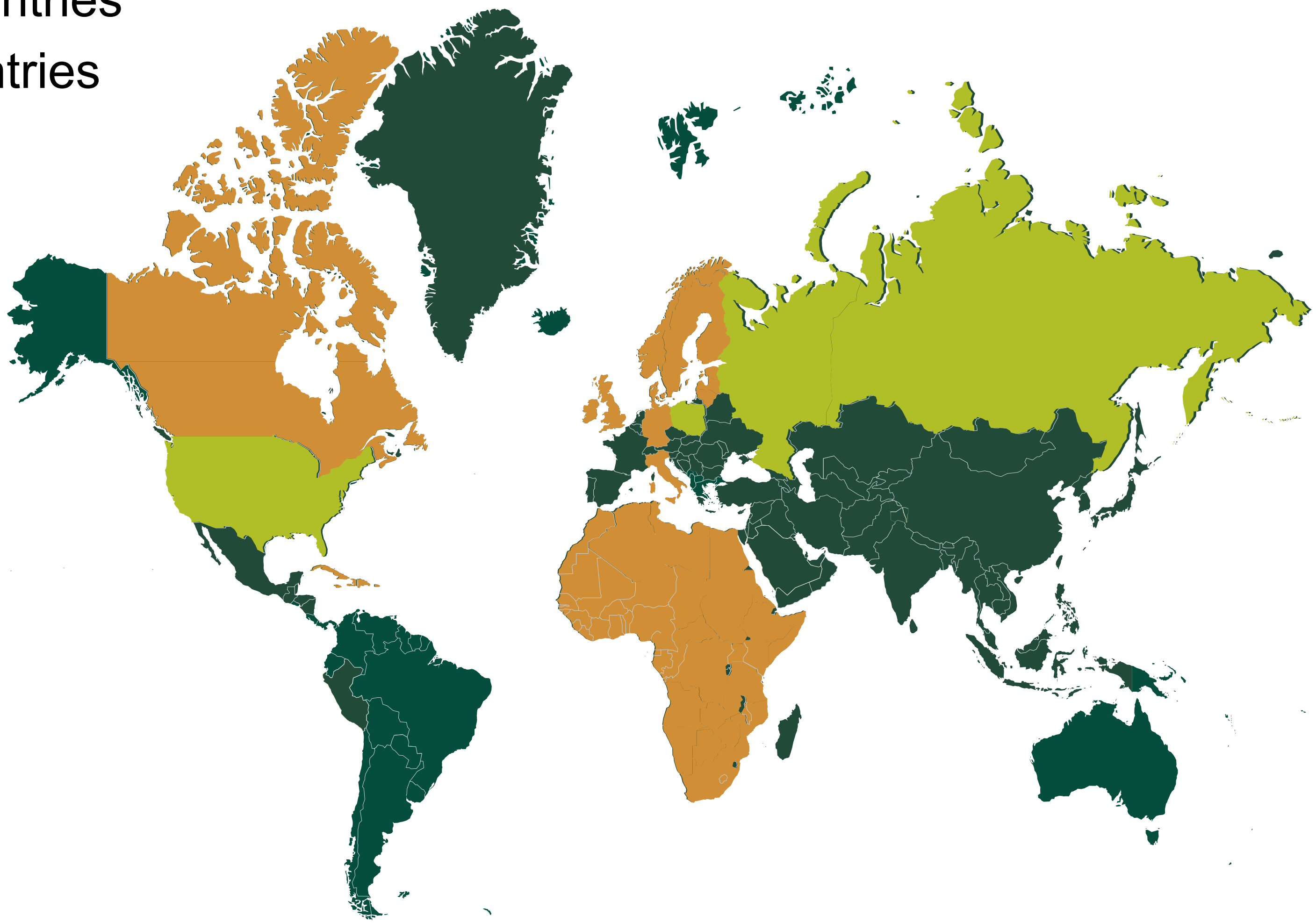
Most Important Markets

Premiere League

- The Nordic countries
- The Baltic countries
- Italy
- Germany
- The Caribbean
- Africa
- The UK
- Canada

First Division

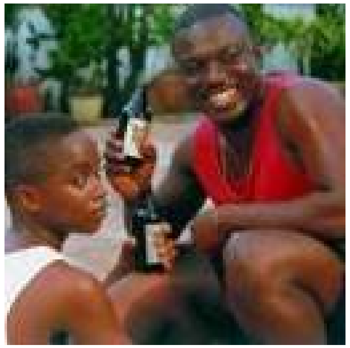
- Poland
- The USA
- Russia



Core Business

- **Beer**

- **Soft drinks and water**
  (Denmark/Baltic Countries)



- **Malt drink**
  (The Caribbean, Africa & the UK)

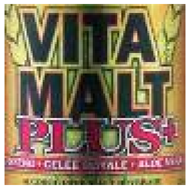
Strategic Brands World Wide

- Royal Beer® in Denmark

- Kalnapilis® beer in Lithuania

- CIDO® fruit juice and water in the Baltic countries

- Ceres® strong beer in Italy



- Vitamalt® (malt drink) in Africa, the Caribbean and Europe

- Faxe Beer® International

Key Issues

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- Strong underlying organic growth (approx. 6% p.a.)
- Increase in market shares in Denmark, Italy, Lithuania, and Baltics
- Margins under pressure due to:
  - Increased raw material costs
  - Development in Poland less progressed than anticipated – Top line
  - Costs due to non-completed projects in Danish production (phasing)
  - Increases in raw material cost must be compensated via prices
- Non-recurring ("Special items") forecasted at approx. DKK +82 million in 2007
- "Special Items" (full year)

"Special Items" (full year)	DKK million
– Disposal of property (net)	+125
– Closure Maribo Brewery	-15
– Closure Lielvarde Brewery	-11
– Other structural measures (incl. redundancies)	-17
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- Unfavourable development in working capital

Actions

- Corrective measures launched:
  – Investments in Danish production increases efficiency and capacity from 2008 (DKK +50 million in 2007/2008)
  – Reduction in headcounts (approx. 300 employees; DKK +35 million full year)
  – Closure of Maribo Brewery in Denmark (DKK +7 million full year)
  – Closure of Lielvarde Brewery in Latvia
  – Analyse Danish Supply Process
  – Costs in relation to the above provided for in 2007 accounts.

Results Q3 2007

DKK million	2007	2006	% change
Net revenue	1,098.7	988.0	11
Operating profit	116.9	188.0	-38
EBIT	116.9	162.6	-28
Net financials	-11.0	-1.4	-686
Profit before tax	105.9	161.2	-34
Consolidated profit	80.0	119.7	-33
Profit margin	10.6%	19.0%	-
EBIT margin	10.6%	16.5%	-
Free cash flow	-40.8	171.8	-124

Highlights Q3 2007

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- Volumes increased by 10% to 2.0 million hectolitres (organic growth -2%)
- Net revenue up by almost 11% to DKK 1,029 million (organic growth 1%)
- Poland stabilising: Margins up
- Gross margin lower than in 2006 due to higher production costs and only partial price compensation
- EBIT amounting to DKK 116.9 million compared to DKK 162.6 million in 2006 (including one-off of DKK 10 million in 2006)
- Profit after tax (consolidated profit) of DKK 105.9 million (DKK 161.2 million in 2006)
- P/L influenced by:
  - Adverse weather
  - Low efficiency in Danish breweries until autumn
  - Raw material prices
  - Smoking ban in Denmark

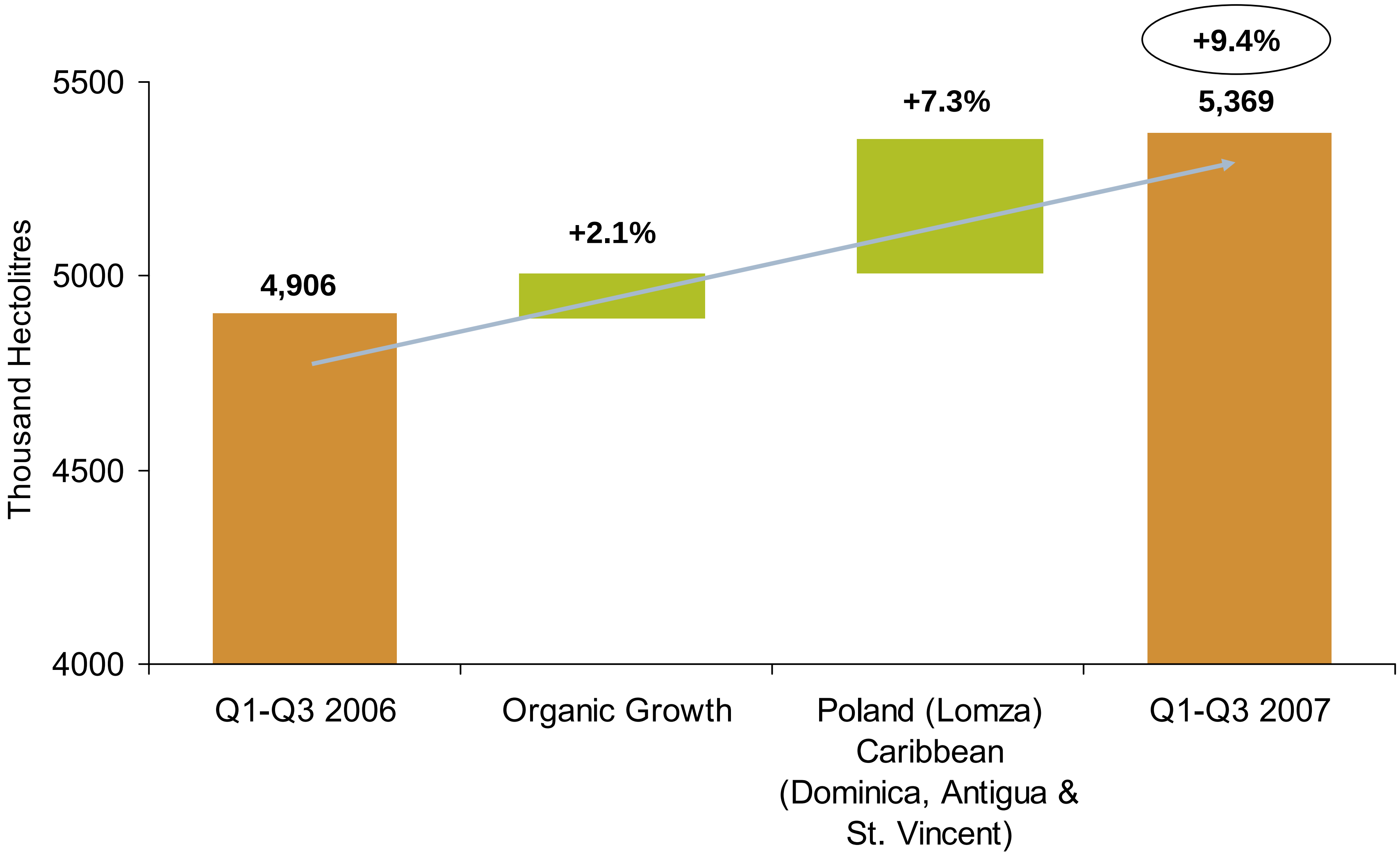
Highlights Q1–Q3 2007

- Volumes increased to 5.4 million hectolitres (+9.4% compared to 2006 – organic +2.1%)
- Net revenue up by almost 12% to DKK 2,925 million (organic growth 7%)
- Profit before tax amounting to DKK 143.4 million compared to DKK 207.1 million in 2006
- Consolidated profit amounting to DKK 121.2 million compared to DKK 155.0 million in 2006 (one-off tax reduction)
- P/L influenced by:
  - A cold summer in Europe
  - Lower efficiency in Danish breweries (optimisation measures have been taken)
  - Increased prices for raw materials
  - Poland stabilising in Q3
  - Positive development in the Baltics

Highlights Q1–Q3 2007 - Continued

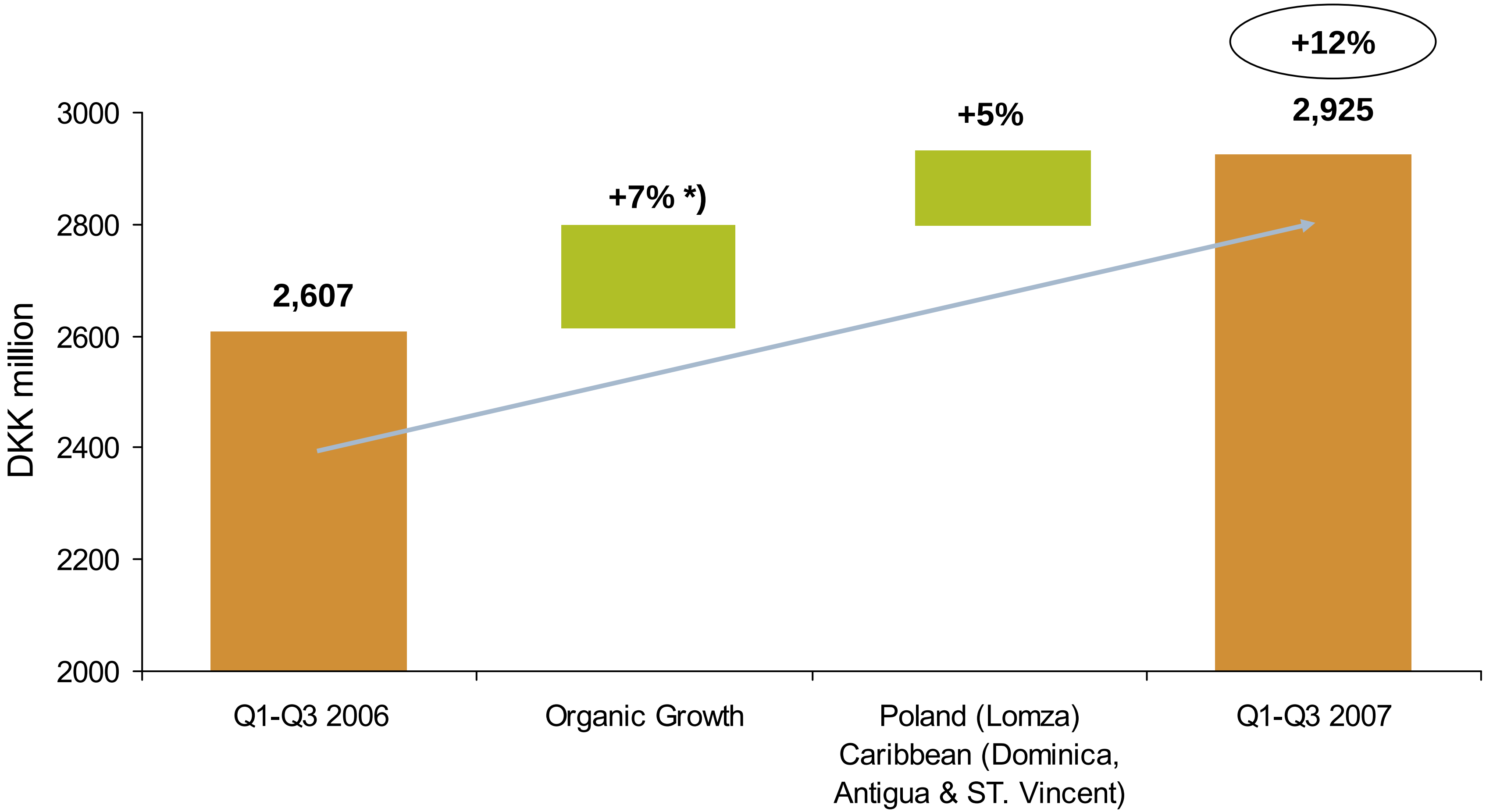
- EBIT reached DKK 172.7 million compared to DKK 223.2 million in 2006
- Free cash flow amounting to a negative DKK 58.1 million compared to DKK 114.3 million in 2006
- Realised Share Buy-back programme as per September 30, 2007 transferred approx. DKK 53.5 million to shareholders

Elements in Volume Growth Q1–Q3 2007



Elements in Top Line Growth Q1–Q3 2007

- MACH II organic growth targets exceeded by 4 percentage points



*) Influenced by price increases in Italy, Latvia Lithuania and malt markets, and a favourable product mix in Lithuania

Results Q1–Q3 2007

DKK million	2007	2006	% change
Net revenue	2,924.7	2,607.0	12
Operating profit	172.7	248.6	-31
EBIT	172.7	223.2	-23
Net financials	-29.3	-16.1	-82
Profit before tax	143.4	207.1	-31
Consolidated profit	121.2	155.0	-22
Profit margin	5.9%	9.5%	-
EBIT margin	5.9%	8.6%	-
Free cash flow	-58.1	114.3	-151

Q1–Q3 2007 Summary: Key Markets

- Total Group net revenue up 12%

- Western Europe net revenue up 3.8% (volume +1.0%)
  - Denmark: Royal beer brand still increasing market shares. Egekilde gained market share of 29%.

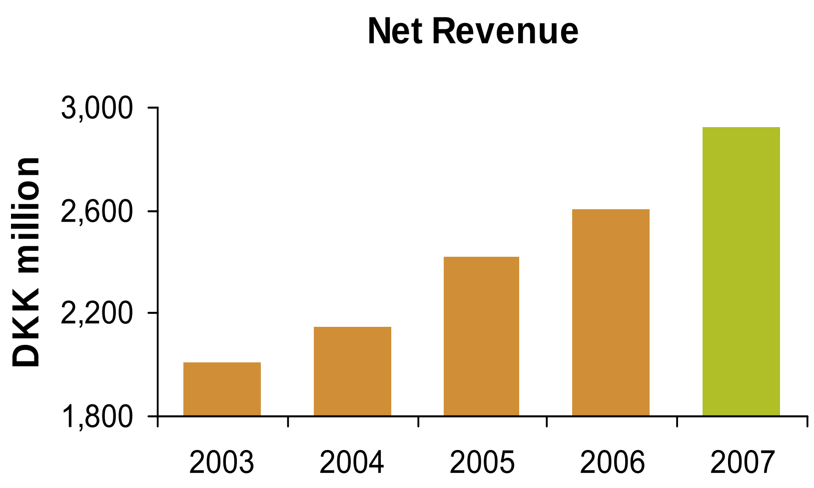
- Eastern Europe net revenue up 31.9% (volume +19.3%)
  - Lithuania: Market shares and profitability for Kalnapilio-Tauro Grupe still increasing
  - Latvia: Both CIDO juice/soft drinks and Lacplesa Alus beer are increasing their market shares

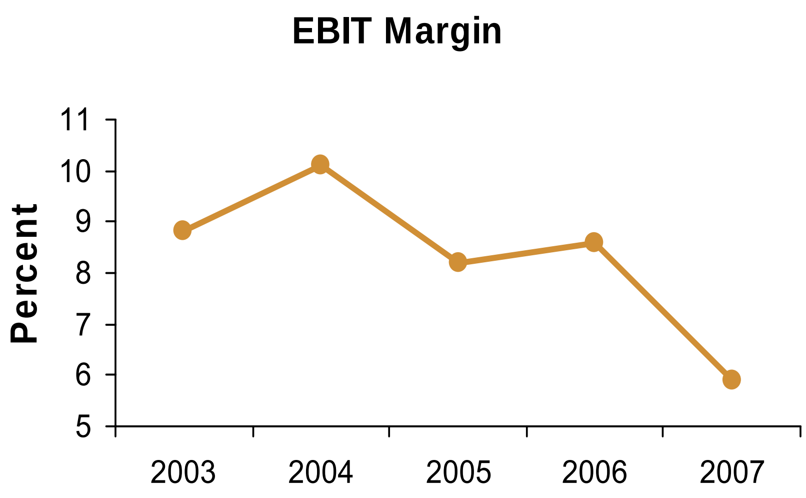
- Malt and Overseas Markets net revenue up 32.1% (volume +32.2%)
  - Africa/The Caribbean:
    Licensed breweries (malt drinks)

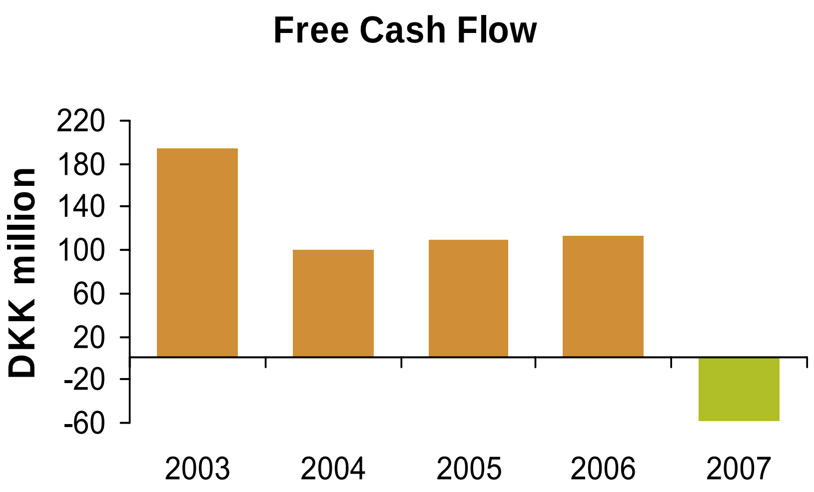
Market Development – Main Markets (volume)

	Market	Royal Unibrew
Denmark:		
• Beer	-2%	-2%
• Soft drinks	+0-1%	+2%
Italy:	+1%	+4%
Lithuania:		
• Beer	-2%	+/-0%
Latvia:		
• Beer	+2%	+16%
• Soft Drinks	+14%	+19%

Financial Development Q1–Q3 2003-2007







Future Capital Structure

ROYAL UNIBREW

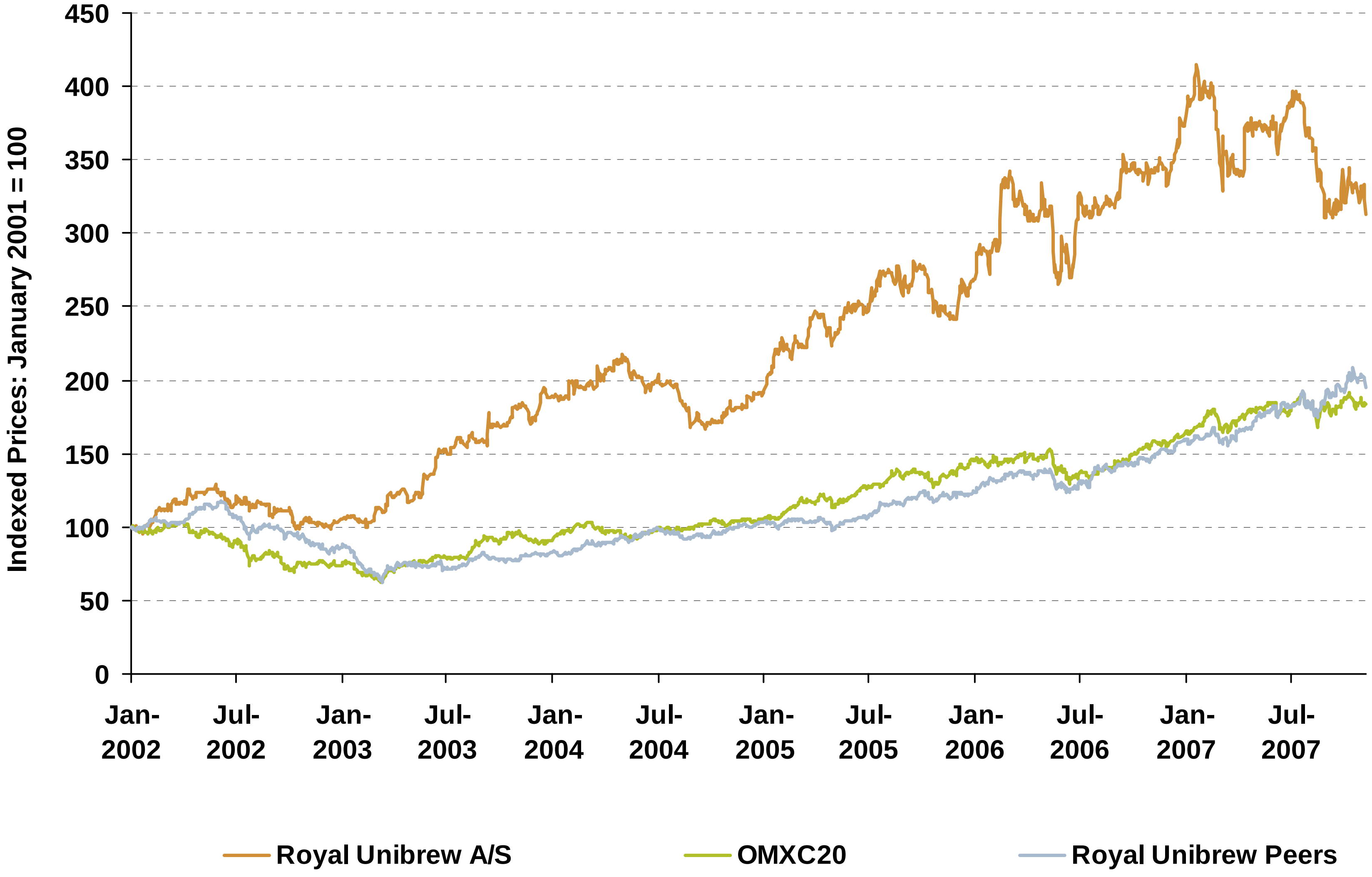
Share Buy-back Programme and Dividend Policy

- Change of capital structure: net debt increase to more than 3 x EBITDA by the end of 2007 (net debt ultimo 2006 at 2 x EBITDA)

- Additional Share Buy-back Programme has been decided upon at a maximum value of DKK 200 million until the Annual General Meeting in April 2008 (DKK 53.5 million as per 30 September 2007)

- Dividend policy unchanged:
  Pay-out ratio of 25-40% of net profit

Share Performance as per 12 November 2007



Note: Peers consist of Carlsberg, Heineken, Scottish & Newcastle, SABMiller, and InBev

Status MACH II

- In Q1 – Q3 2007, organic growth of 7% was realised, whereas growth related to acquisitions in May and June represented 5%. Net revenue for the year is expected to be at the level of DKK 3.9 billion. Organic growth during MACH II period higher than objective.

- Activities in the Baltic countries developed ahead of plans in 2005 and 2006, and the positive trend continued in 2007 so that the target of two-digit ROIC and EBIT margin is met as planned in 2007.

- Organisational development continues in key areas, and a Corporate Talent Programme was initiated in 2006, which is progressing as planned for the first talent team; more employees are expected to embark on the CTP in the coming years.

MACH II

Status MACH II (cont.)

- In 2006 the resources spent on strengthening the Group's key brands increased considerably. This level has been maintained in 2007, and in 2007 new varieties of key brands were launched. Brand equity and market shares are generally developing satisfactorily.
- The expected savings were realised in 2006. In 2007 additional savings in the order of DKK 10-15 million (against previously some DKK 30 million) are expected in consequence of "Production Excellence" in Denmark and "Global Purchasing" including the implementation of LEAN in production as well as a shared group purchasing function. The shortfall 2007,viz approx. DKK 15 million, phased into 2008.
- Efforts to promote our new corporate identity following the change of name on 4 May 2005 has been completed. No more resources required.

Plan of Action

- Push prices
- Rectify shortfalls in Danish production (DKK -50 million in 2007)
- Reduce headcounts (approx 300 staff; DKK +35 million full year)
- Closure of Maribo Brewery in Denmark (DKK + 7 million full year)
- Closure of Lielvarde Brewery in Latvia
- Analyse and adjust Danish Supply Process.

Expectations for 2007

- The profit before tax for the full year is expected to be in the range from DKK 290 to DKK 310 million including expected "special items" of some DKK 80 million (against previously DKK 365-385 million, incl. special items of approx. DKK 100 million)
- The overall financial targets of our strategic plan, MACH II, (ROIC, EBIT-margin and cash flow) have been achieved in 2005 and 2006 but will not be met in 2007
- Total net revenue for the year is now expected to amount to some DKK 3.9 billion
- Slightly better results Y/Y in Poland (Brok-Strzelec)
- Business Excellence initiatives are expected to affect the net profit in 2007 with DKK 10-15 million
- "Special Items" (full year)

"Special Items" (full year)	DKK million
– Vilnius real estate sold	+125
– Closure Maribo Brewery	-15
– Closure Lielvarde Brewery	-11
– Other structural measures (incl. redundancies	-17
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Executive Board and Contact Details

Poul Møller, CEO

Ulrik Sørensen, CFO

Connie Astrup-Larsen,
Executive Director
Northern Europe

Povl Friis,
Executive Director
Technics and Supply

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Disclosure

The statements about the future made in the Q1-Q3 Report for 2007 reflect Management's expectations in respect of future events and financial results, as well as of economic trends in key markets and developments in international money, foreign exchange and interest rate markets. Statements about the future will inherently involve uncertainty and may be affected by – in addition to global economic conditions - market-driven price reductions, market acceptance of new products, packaging and container types, unforeseen termination of working relationships and changes to regulatory aspects (taxes, environment, packaging). The actual results may therefore deviate from the expectations stated.

Royal Unibrew is a party to a limited number of legal actions. These legal actions are not expected to have any material impact on the financial position of Royal Unibrew.

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Thank you for your attention

See also www.royalunibrew.com