



Royal Unibrew A/S

Danske Markets Equities Small and Midcap Seminar

2. December 2010

- **Introduction to Royal Unibrew**
- **Current trading highlights**
- **Strategies, priorities and financial targets**

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History of Royal Unibrew

- **Denmark**
 - 1989: Merger of Faxe Brewery and Jyske Breweries (Ceres and Thor). Combined entity named *Bryggerigruppen A/S*
 - 2000: Acquisition of Albani
 - 2005: *Bryggerigruppen A/S* renamed *Royal Unibrew A/S*
- **Italy**
 - 1965: Ceres Spa established as joint venture of Royal Unibrew and Tulip
 - 1993: Acquisition of Tulip's 50% shareholding of Ceres Spa
- **Lithuania**
 - 1999: Acquisition of Vilnius Taurus
 - 2001: Acquisition of Kalnapilis
- **Latvia**
 - 2004: Acquisition of Cido and Lacplesis Alus
 - 2007: Acquisition of Livu Alus
- **Malt and Overseas Markets**
 - 2004: Acquisition of 51% Impec (Guadeloupe og Martinique)
 - 2007: Acquisition of the majority of the 3 Caribbean breweries and CSD manufacture in Antigua, Dominica and St. Vincent
 - 2010: Sale of shares in Caribbean breweries and CSD manufacturer
- **Poland**
 - 2005: Acquisition of Brok-Strzelec and Perla
 - 2007: Acquisition of Lomza
 - 2009: Sale of Koszalin brewery and associated brands

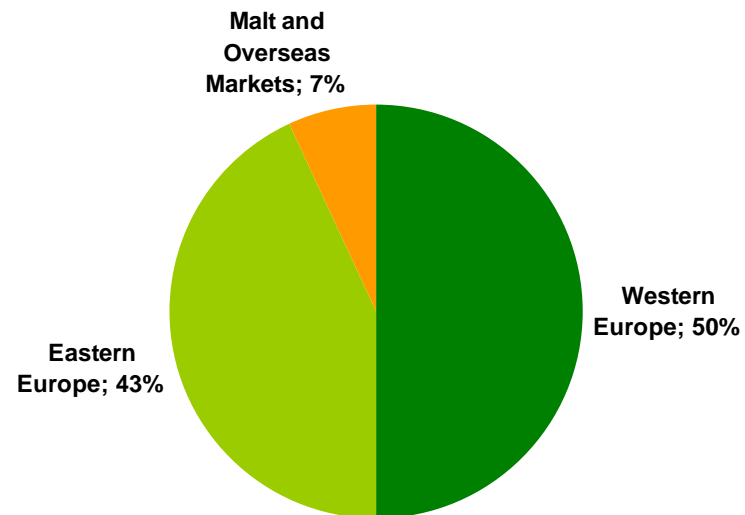




Royal Unibrew is a regional player in the beer, malt and soft drinks markets with leading positions in the markets and segments in which it operates

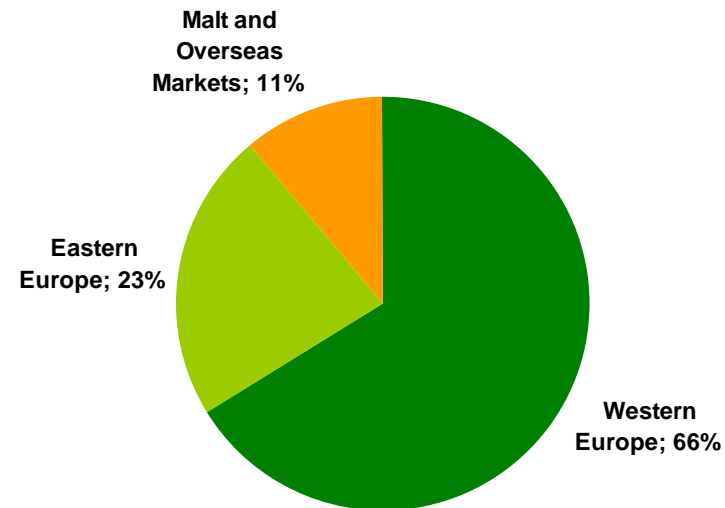


Volume – H1 2010



6.6m hl 2009

Net revenue – H1 2010



DKK 3.8bn 2009

Alcoholic

Non-alcoholic

Super premium



Premium



Mainstream



Discount and private label



Alcoholic

Non-alcoholic

Super premium

Premium

Mainstream

Discount and private label



Key brands - Malt and Overseas Markets 11% Revenue

Alcoholic

Non-alcoholic

Super premium

Premium



Mainstream



Discount
and private label



Largest shareholders

- Chr. Augustinus Fabrikker A/S – 10.4%
- ATP – 9.3%
- Stodir – 5.9%
- Skagen – 5.6%
- More than 15,000 shareholders in total

Split of shareholders

- Foreign owners – 30%
- Large Danish – 32%
- Not registreret - 19%
- Private Danish – 18%
- Own shares – 1%

One share class

No restrictions in ability to pay dividend or buy back shares

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Organic increase in volume and net revenue

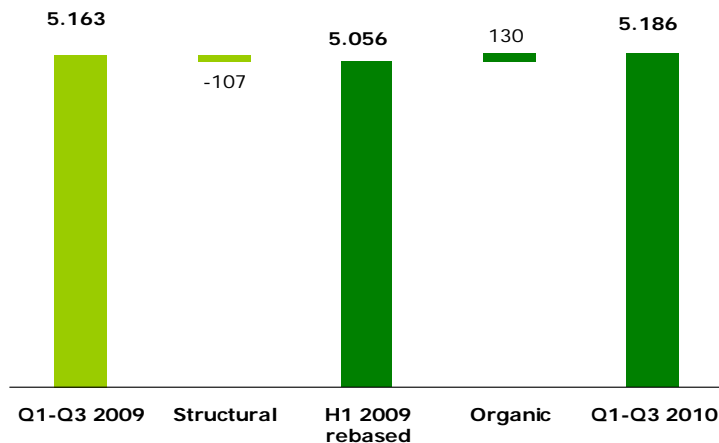
Organic sales volume increase of 2.6%

- Divestitures reduced volume by 2.1%
- Volume on West and Eastern European markets still trending down in the quarter; effect mitigated by market share gains and new product launches
- Growth of Malt and Overseas Markets area

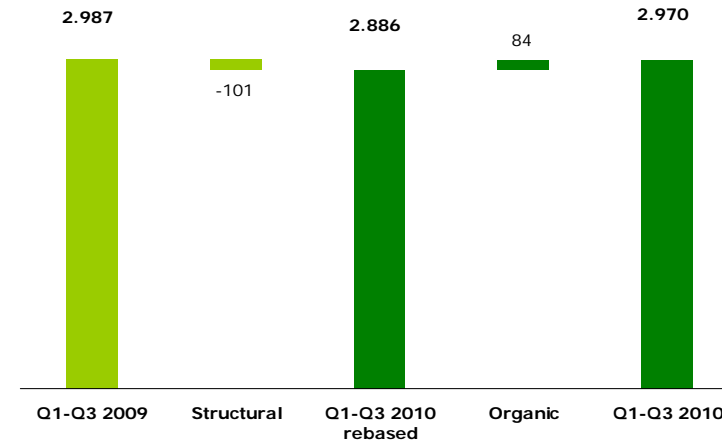
Organic net revenue increase of 2.9%

- Divestiture reduced net revenue by 3.5%
- 1% of organic net revenue increase caused by positive FX
- Better product and market mix and rebound of several markets in Malt and Overseas Market area

Volume – hl (000)

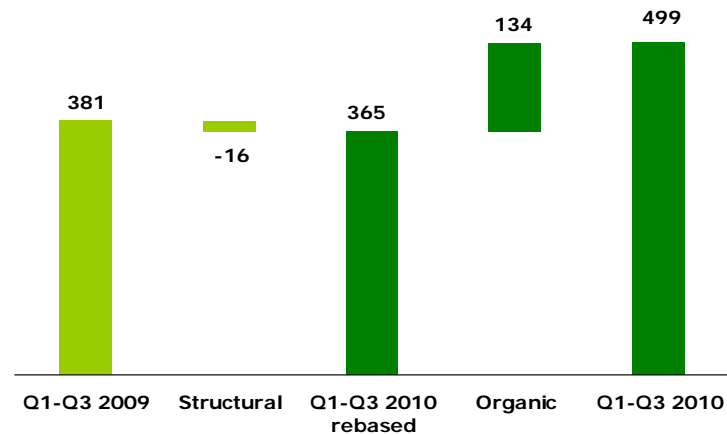


Net revenue - DKKm



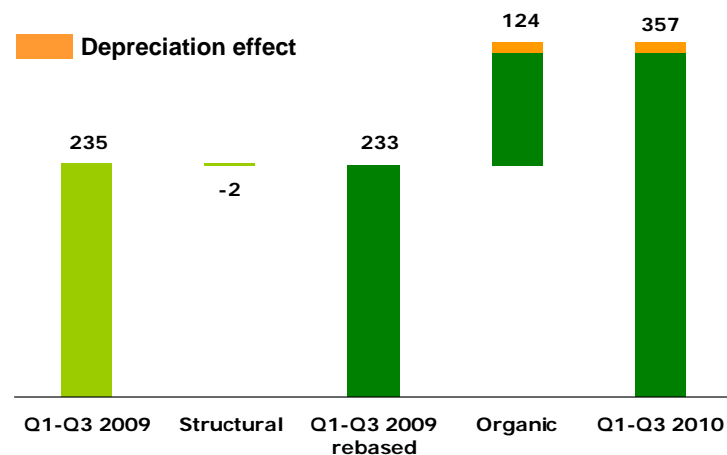
Significant improvement in operating profit

EBITDA before special items - DKKm



- Gross profit increase of DKK 171m driven by product and market mix improvements, higher efficiencies at breweries and lower raw materials costs
- Gross margin up by 6.0 PP to 49%
- Increased marketing investment and new product launches in line with 2010 agenda partly balanced by reduced distribution costs

EBIT before special items - DKKm



- EBITDA before special items up by DKK 118 to DKK 499m (DKK 381m)
- EBIT before special items up by DKK 122m to 357m (DKK 235m) – DKK 10m from changed depreciation in Q3
- Profit margin of 12.0% (7.9%)

Substantial increase in free cash flow

Free cash flow of DKK 513.4m (DKK 290.8m)

Components:

Cash flow from operations before working capital, but after interest, dividends and taxes of DKK 402.3m (DKK 263.1m)

Positive net working capital driven cash flow of DKK 137.6m (DKK 155.5m)

Net investments of DKK -26.5m (DKK -127.8m)

DKKm	Q1-Q3 2010	Q1-Q3 2009
EBITDA before special items	498.7	381.3
- Cash impact from special items	0.0	-43.2
- Non-cash operating items	0.1	19.5
- Interest payments	-82.2	-83.9
- Dividends received	12.9	12.5
- Tax Payments	-27.2	-23.1
Cash flow from operations before changes in trading working capital	402.3	263.1
- Receivables	-3.6	16.9
- Inventories	-15.1	115.7
- Creditors and other debt	156.3	22.9
Change in trading working capital	137.6	155.5
Net investments	-26.5	-127.8
Free cash flow	513.4	290.8

Balance sheet

DKKm	30 September 2010	30 September 2009	31 December 2009
Intangible assets	402.4	484.0	479.9
Fixed assets	1,794.3	2,056.6	2,013.7
Financial assets	186.9	168.3	180.5
Current assets	813.8	1,060.3	815.6
Total assets	3,197.4	3,769.2	3,489.7
Equity	1,170.1	611.2	995.1
Non-current liabilities	934.3	2,204.9	1,680.7
Current liabilities	1,093.0	953.1	813.9
Total equity and liabilities	3,197.4	3,769.2	3,489.7
Net interest bearing debt	719.1	1,894.8	1,416.3
Solvency	36.6%	16.2%	28.5%
Net working Capital	-250.2	-41.7	-84.6

In-range narrowing of full year earnings estimate *

DKKm	Outlook 2010 November 2010**	Outlook 2010 August 2010	2009
Net revenue	3,750 – 3,800	3,700 – 3,850	3,816
EBITDA before special items	590 – 610	575 – 625	461
EBIT before special items	410 – 430	375 – 425	243
Profit before tax	355 – 375	310 – 360	76
NIBD	Approx. 850	Approx. 900	1,416
NIBD/EBITDA before special items	Approx. 1.4x	1.4x – 1.6x	3.1x

*2010 figures only include January for Caribbean breweries, which annually (2009) contributed net revenue of DKK 150m; EBITDA of DKK 30m

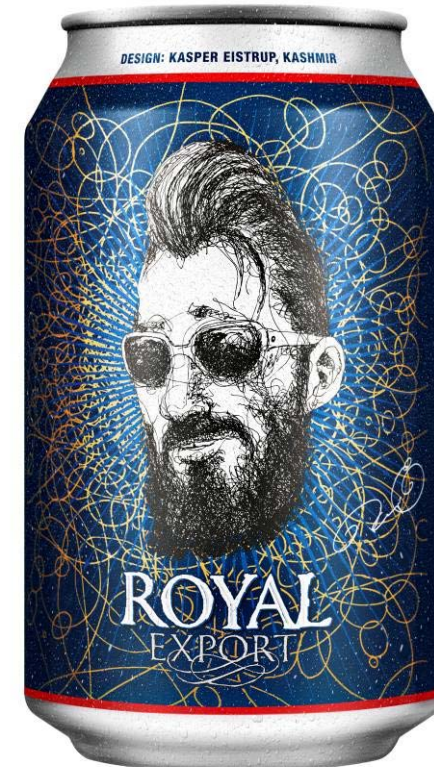
** Changed accounting estimates, depreciation periods adjusted, impact DKK 20 million

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Royal Unibrew's goal is to be an efficient regional beverage player

Focus on:

- Markets and segments in which Royal Unibrew holds or may achieve a considerable position
- Innovation and development of Royal Unibrew's products and brands
- Operational efficiency
- Maintaining Royal Unibrew's financial flexibility, competitiveness and strategic maneuverability through an appropriate capital structure



- **Development of product and brand platforms**
 - Maintaining a high innovation level
 - Leveraging the individual brands and brand portfolios
 - Optimizing product and channel mix
- **Strengthening cooperation with customers and consumer loyalty**
 - Expanding cooperation with customers
 - Increasing consumer involvement and engagement
 - Increasing market coverage
- **Continued focus on operational efficiency**
 - Maintaining efficiency and achieved operational leverage
 - Ensuring break-even at EBIT level in Poland
- **Optimization of capital resources**
 - Continued focus on optimizing investments and working capital
 - Realizing values from non-operational assets
 - Returning capital to shareholders



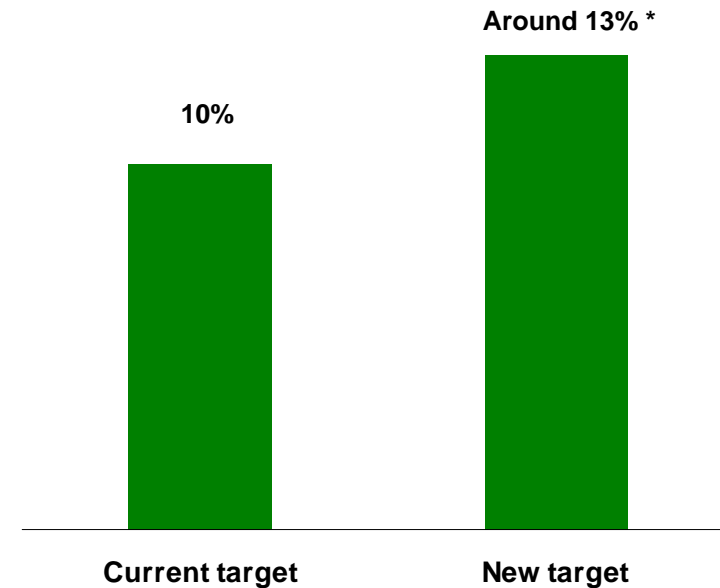
Margin target lifted

December 2009 targets

- EBIT margin of 10%
- NIBD/EBITDA \leq 2.5x

New medium-term targets

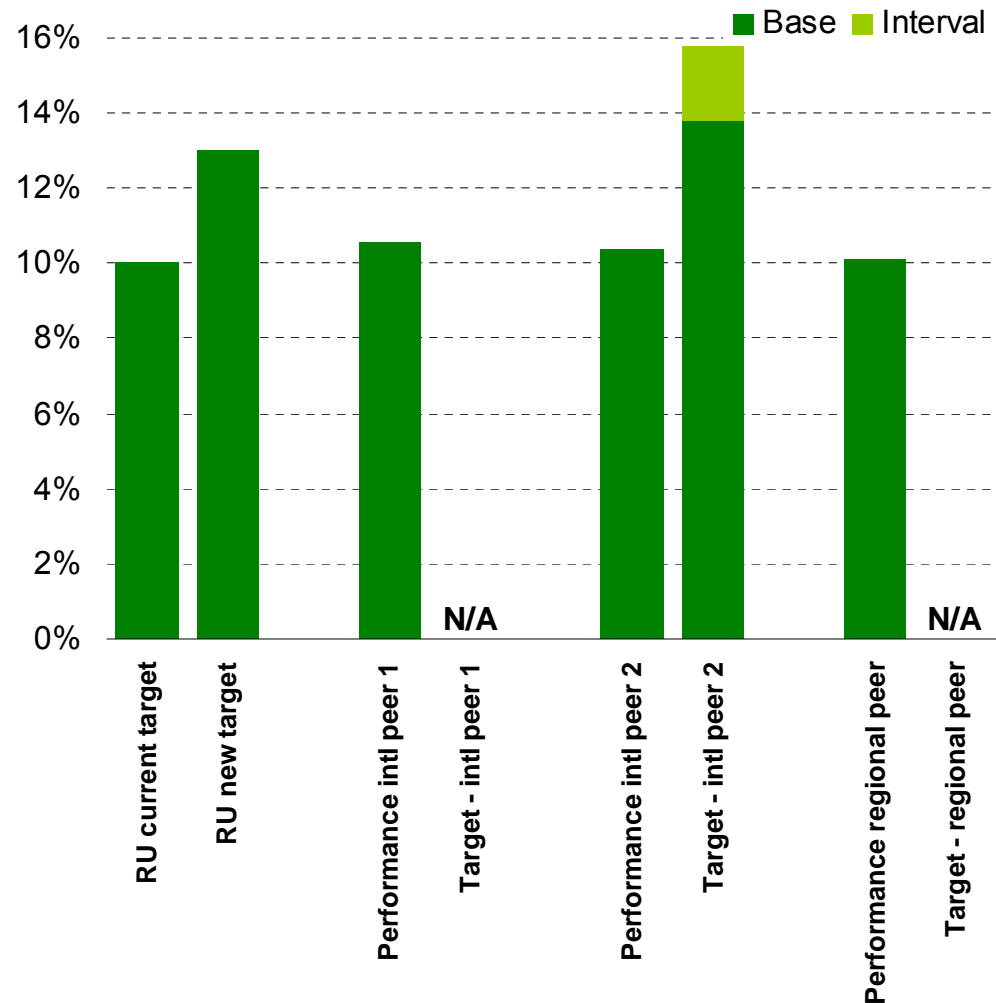
- EBIT margin of around 13%
 - NIBD/EBITDA \leq 2.5x
 - Solvency \geq 30%
- 2011 pay-out of DKK 200m relating to 2010 result; intended Supervisory Board recommendation to the AGM



* Change to accounting estimates contributes 1%

- Peer group with comparable regional exposure identified*
- Several global brewers treat profit from associated companies as a component of EBIT; Royal Unibrew's EBIT margin would increase by 0.6% if profits from associated companies was included in reported EBIT

• Where relevant, performance figures have been adjusted to eliminate differences caused by non-allocation of central costs
 Note: Peer performance = 2009 figures





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