



Royal Unibrew A/S

Danske Markets – Copenhagen Winter Seminar
29 November 2012

by Henrik Brandt, CEO



- **Introduction to Royal Unibrew**
- **Current trading highlights**
- **Strategy 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
 - 2011: Merger with Van Pur
 - 2012: Sale of minority shareholding in Van Pur

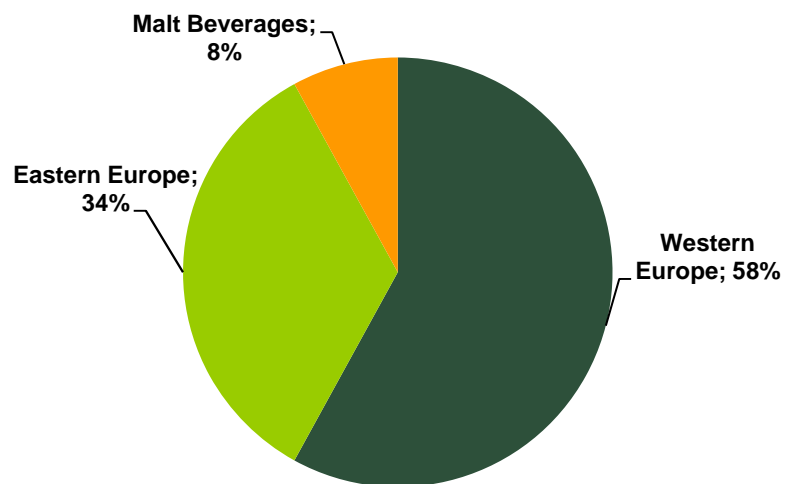




Royal Unibrew is a regional player in the beer, malt beverages and soft drinks markets with leading positions in the markets and segments in which it operates

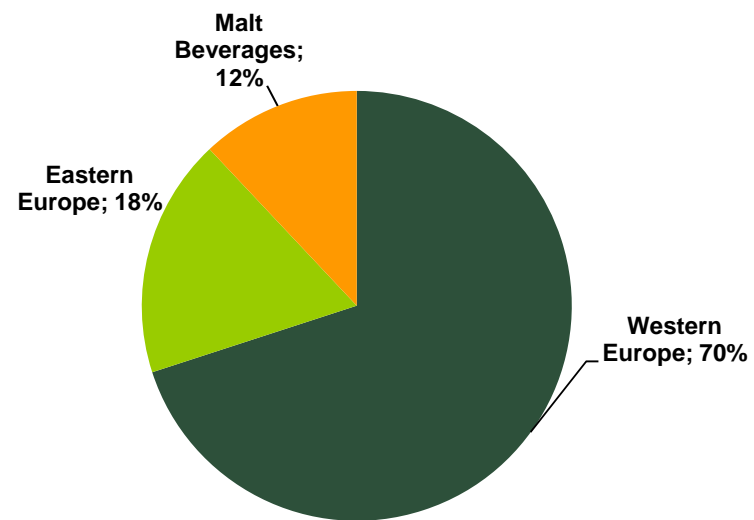


Volume – 2011



5.7m hl 2011

Net revenue – 2011



DKK 3.4bn 2011

Alcoholic

Non-alcoholic

Super premium



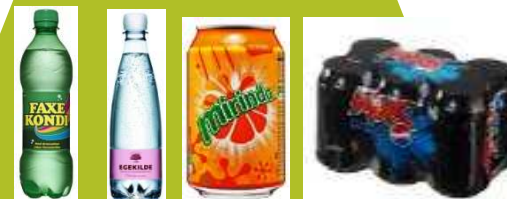
Premium



Mainstream



Lower mainstream



Alcoholic

Non-alcoholic

Super premium

Premium



Mainstream



Lower mainstream

Alcoholic

Non-alcoholic

Super premium

Premium



Mainstream



Lower
mainstream



Largest shareholders

- Chr. Augustinus Fabrikker A/S – 10.4%
- Skagen – 8.7%
- ATP – 5.0%
- Approx 17,000 shareholders in total

Split of shareholders

- Foreign Owners – 26%
- Foundation and Funds – 10%
- Danish Institutional - 41%
- Individual Danish Owners – 7%
- Non-registered – 13%
- Own shares – 3%

One share class

No restrictions in ability to pay dividend or buy back shares

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Results in line with expectations - in spite of challenging market conditions

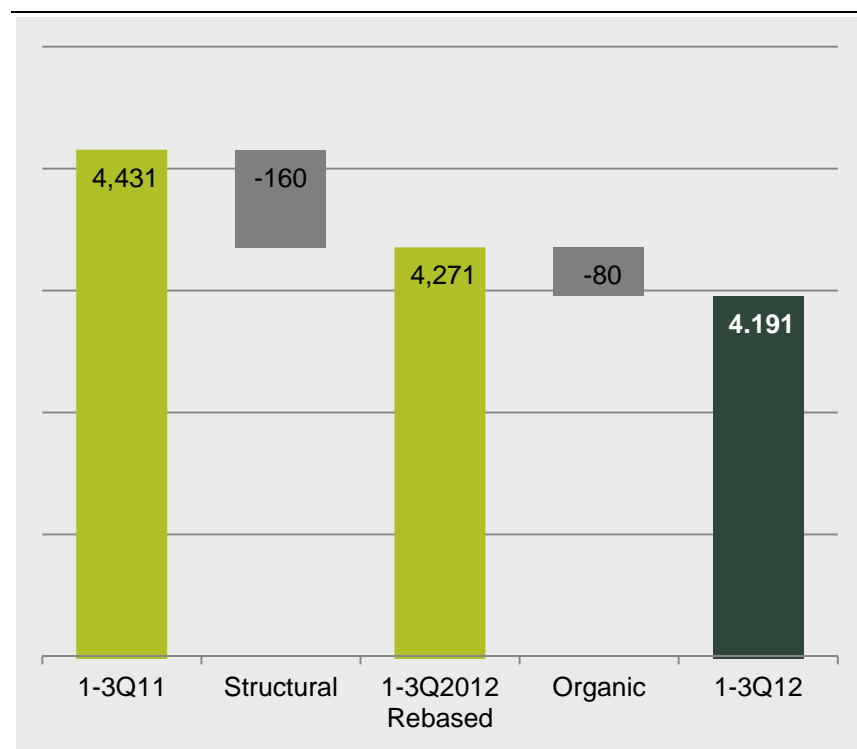
- Organic net revenue increase of 2%
- Commercial focus pays off – market positions maintained or increased
- EBIT increase
- Strong free cash flow
- Sale of non-core assets
 - 37,500m2 building rights 3Q12
 - 20% share holding in Van Pur 4Q12
 - Caribbean distribution company Impec 4Q12
- Dividend and share buy-back totaling DKK 320m
- 2012 outlook confirmed and narrowed



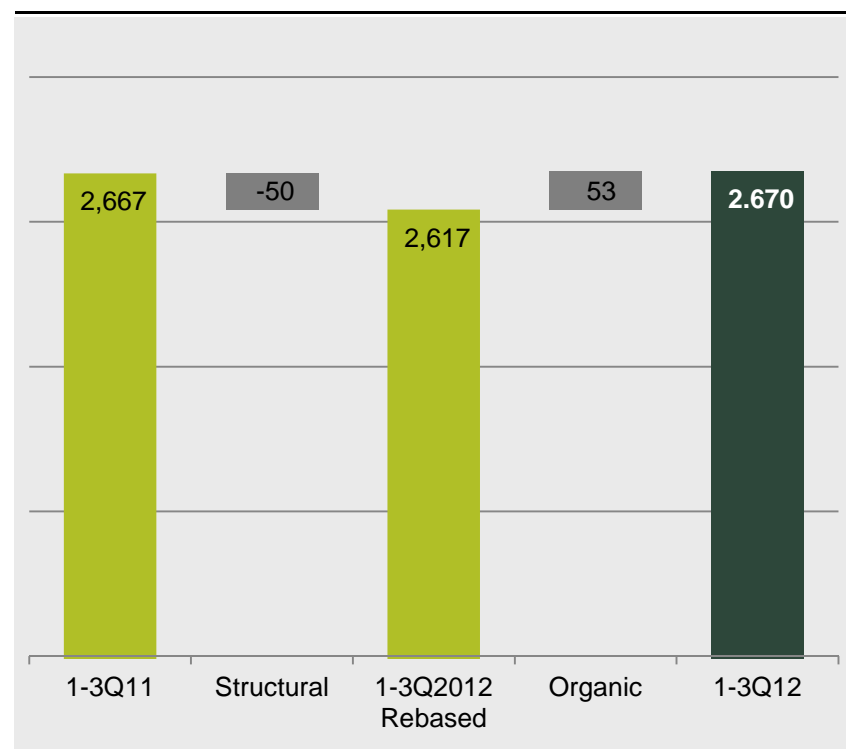
Organic increase in net revenue to DKK 2,670m

- Organic volume decrease of 2%
- Volume 4.2 million HL, 5% lower than in 2011
- Divestiture reduced volume by 160,000 HL
- Organic net revenue increase of 2%
- Net revenue DKK 2,670m, unchanged compared to 2011
- Divestiture reduced net revenue by DKK 50m
- Organic net revenue increase driven by price increases and private label contract

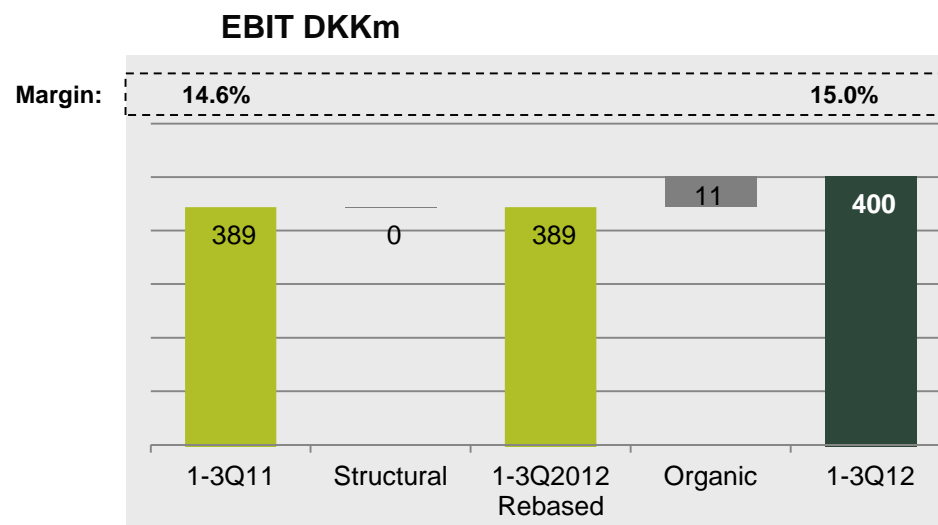
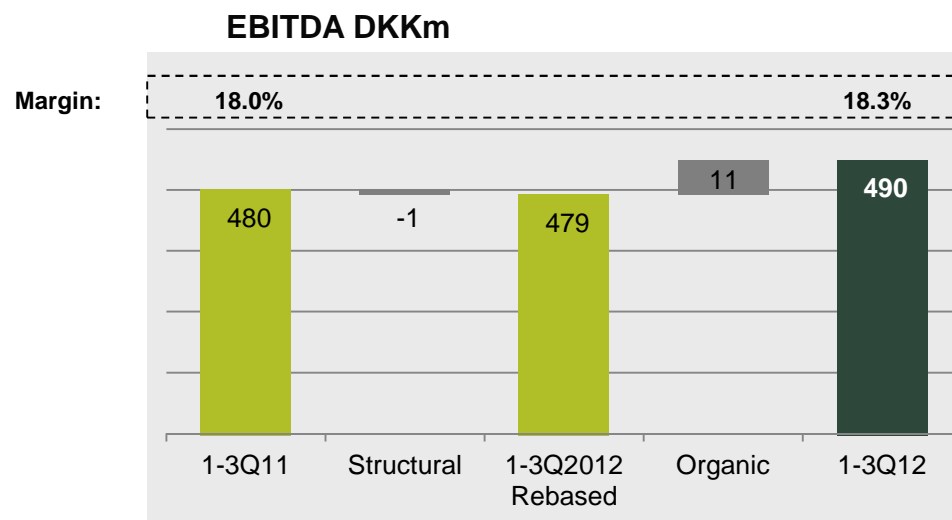
Volume – HL (000)



Net revenue - DKKm



Organic EBIT increase of DKK 11m to DKK 400m



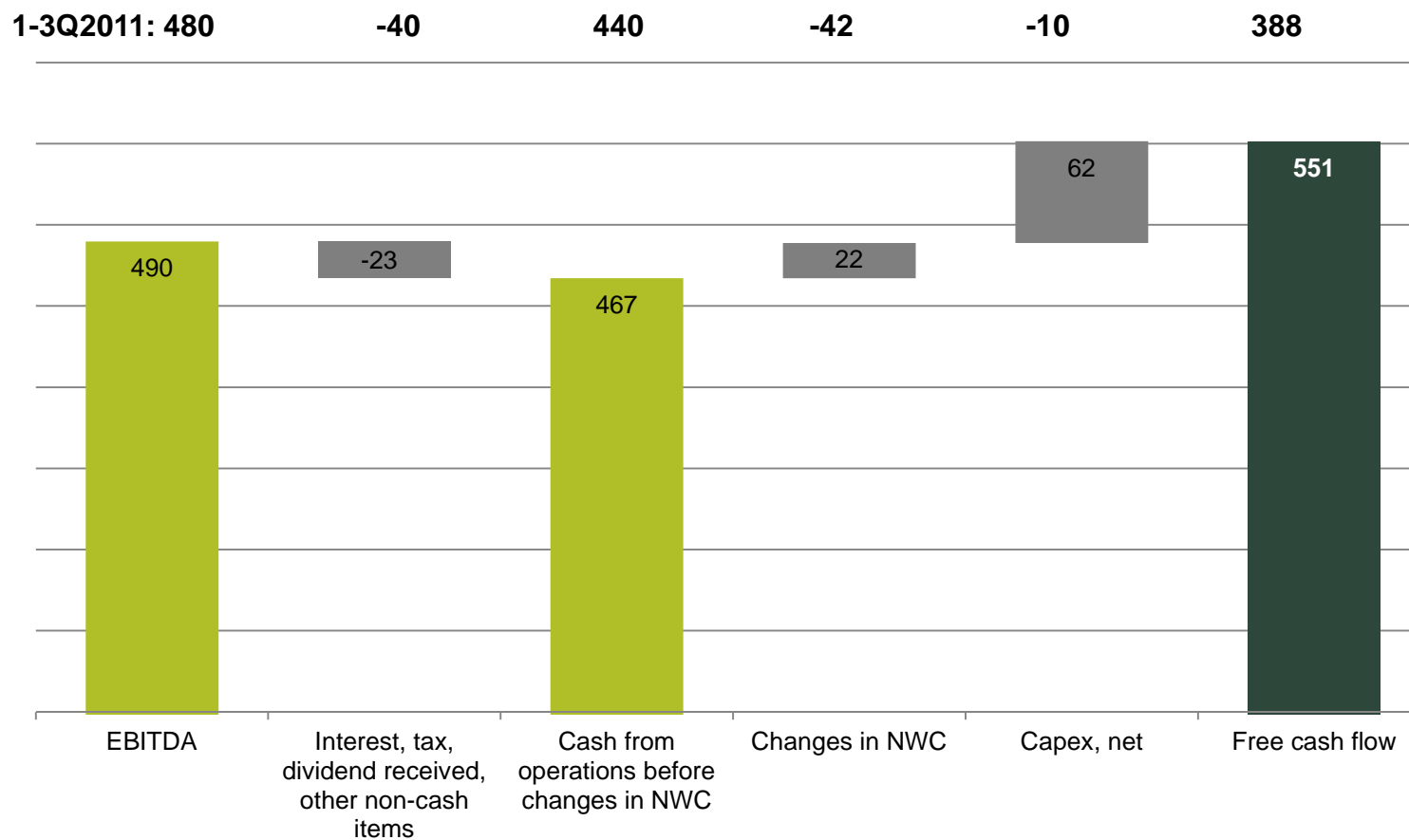
- Gross margin decreased 60bp to 50.7%
- Organic EBITDA up by DKK 11m to DKK 490m
- Organic EBIT up by DKK 11m to DKK 400m
- EBIT-margin increase of 40bp to 15.0%

DKKm

P&L items:	1-3Q2012	1-3Q2011	% change
Net revenue	2,670	2,667	0%
<i>Gross margin</i>	50.7%	51,3%	-1%
EBIT	400	389	3%
<i>EBIT margin</i>	15.0%	14.6%	3%
Profit before tax	397	374	6%
Consolidated profit	299	282	6%
Balance sheet items:			
Net interest bearing debt	404	596	-32%
Net working capital	-171	-143	-20%
Total assets	3,063	3,016	2%
Equity	1,336	1,297	3%
<i>Solvency</i>	43.6%	43.0%	1%

Strong Free Cash Flow Performance

Cash flow - DKKm



Outlook for 2012 confirmed and by narrowing intervals

<u>DKKm</u>	<u>Revised outlook 2012*</u>	<u>Outlook 2012*</u>	<u>2011 Actual</u>
Net revenue	3,375 – 3,450	3,375 – 3,500	3,431
EBITDA	590 – 620	580 – 630	601
EBIT	465 – 495	450 – 500	474

* In 2011 net revenue of DKK 83m, EBITDA of DKK 6m, and EBIT of DKK 5m was realized in Poland and Impec in the period not included in 2012

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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

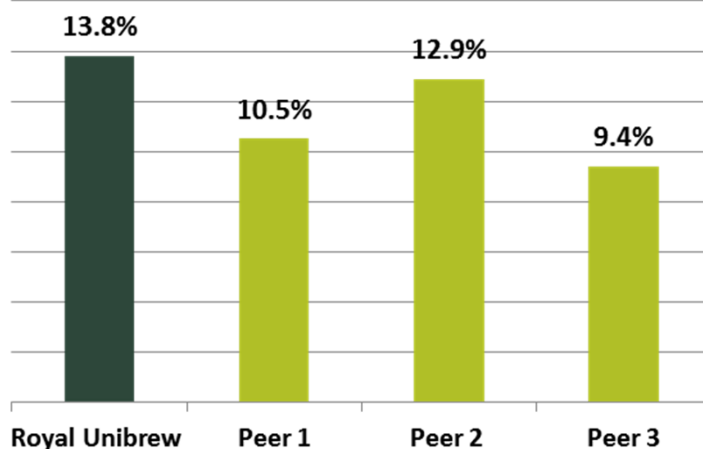


Financial Targets and Distribution Policy

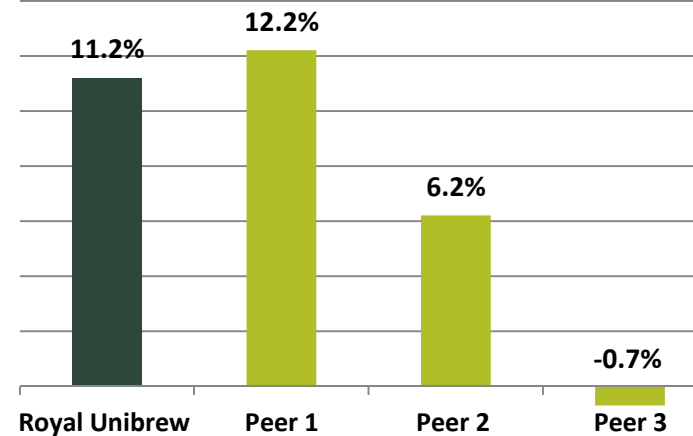
- EBIT margin of around 14%
- Capital structure policy:
 - Balanced approach to commercial flexibility, independency of financial institutions and over-capitalization
 - NIBD/EBITDA max. 2.5x
 - Solvency min. 30% at year-end
- Ordinary distribution policy
 - Ordinary dividend pay-out ratio: 40-60%
 - Plus share buy-back programs
- Extraordinary distribution policy
 - Expect to return approx. DKK 500m during the coming years from sale of non-operational assets
 - Dividend and share buy-back programs
 - Commencing 2012

Solid full year 2011 performance vs. peers

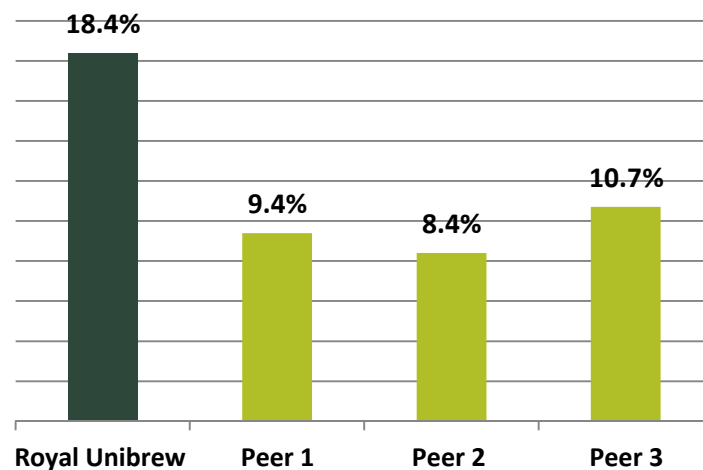
EBIT margin (Comparable geography)



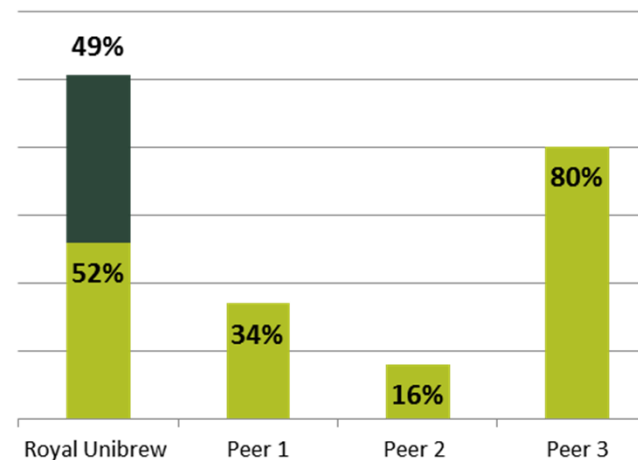
Free cash flow - % of revenue



Return on invested capital



Cash return to shareholders



Note: Where relevant, performance figures have been adjusted to eliminate differences caused by non-allocation of central 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, whether to reflect new information or future events or circumstances or otherwise.



Henrik Brandt CEO

MSc (Economics and Business Administration), MBA Stranford University, US
Joined as CEO on 1 November 2008

Past experience

Unomedical A/S, CEO
Sophus Berendsen, CEO
CEO, House of Prince (Scandinavian Tobacco)
Board member of Group4Falck A/S, Ferd Holding AS etc.



Lars Jensen CFO

Diploma in Business Economics, Informatics and Management Accounting, CBS

Joined the Executive Board on 30 November 2011

Past experience:

Head of Finance, Royal Unibrew A/S



Hans Savonije Executive Director, Northern Europe

BA Business administration

Joined the Executive Board on 29 September 2008

Past experience:

Beverage Partners Worldwide, Coca-Cola & Nestlé, CEO
SVP Global Markets, Remy Cointreau Associés, CEO, France
World Lotteries Association, CEO, Switzerland

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