

Company Announcement No 20/2010

26 August 2010

## Performance better than expected and upgrading of expectations

Royal Unibrew continued the positive earnings trend in Q2. Operating profit (EBIT before special items) increased in H1 2010 by DKK 65 million to DKK 152 million compared to DKK 87 million in 2009, which is above expectations. Both EBIT and EBIT margin increased in all group segments compared to H1 2009. Free cash flow in H1 2010 was DKK 168 million above the 2009 figure, and net interest-bearing debt was reduced by DKK 406 million – DKK 187 million of which was contributed by the sale of the Caribbean breweries in February 2010. Due to the strong performance in H1 2010 and expectations for the rest of the year, the outlook for 2010 are upgraded. Net revenue is now expected to be at the level of DKK 3.7-3.85 billion and EBITDA is expected to be at the level of DKK 575-625 million, which is DKK 100 million above the expectation previously announced.

*"We are still seeing volatility and keen competition in all markets. We are therefore pleased to have continued the positive trend in the Group's results in consequence of enhanced marketing efforts, new product launches, continued and persistent focus on strict efficiency management as well as competent and dedicated employees. Based on this positive trend, we are now upgrading our expectations for both revenue and profit for 2010. This brings us close to realising our long-term financial objectives, and we have initiated a process with a view to determining strategic main priorities for 2011 – within the framework of the strategy presented at the end of 2009 – and updating the long-term financial objectives. The output from this process will be presented when we present our Q3 Report 2010" says Henrik Brandt, CEO.*

## HIGHLIGHTS

- Generally market shares were won on branded beer as well as soft and malt drinks
- Net revenue declined by just below 2% to DKK 1,882 million in H1. Adjusted for the divestment of breweries, organic net revenue growth of 2% was achieved.
- EBITDA (before special items) increased by DKK 75 million (45%) to DKK 254 million.
- Operating profit (EBIT before special items) increased by DKK 65 million to DKK 152 million.
- Profit before tax amounted to DKK 105 million compared to DKK 23 million in H1 2009.
- Free cash flow amounted to DKK 217 million – DKK 168 above the 2009 figure.
- Net interest-bearing debt was reduced in H1 2010 by DKK 406 million to some DKK 1 billion.
- New long-term funding structure established on attractive terms

## OUTLOOK

Revenue and earnings developed better than expected in H1 2010. Based on this, net revenue for 2010 is now expected to amount to DKK 3.7-3.85 billion (previous expectation of DKK 3.4-3.6 billion). EBITDA is expected to be at the level of DKK 575-625 million (previous expectation of DKK 475-525 million), and operating profit (EBIT before special items) is expected to be at the level of DKK 375-425 million (previous expectation of DKK 275-325 million). Net financials are estimated at an expense of some DKK 65 million (previous expectation of some DKK 70 million). Profit before tax for 2010 is expected to be at the level of 310-360 million (previous expectation of DKK 205-255 million). Net interest-bearing debt at the end of 2010 is expected to amount to some DKK 900 million (previous expectation of some DKK 1 billion) corresponding to 1.4 – 1.6 times EBITDA (previous expectation of 1.9-2.1 times EBITDA).

For further information on this Announcement:

Henrik Brandt, 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, 26 August 2010, at 9 am by webcast. Please register at the Royal Unibrew website [www.royalunibrew.com](http://www.royalunibrew.com).*

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*Royal Unibrew produces, markets, sells and distributes quality beverages focusing on branded products within beer, malt and soft drinks, including soda water, mineral water and fruit juices. We operate as a leading regional player in a number of markets in Western and Eastern Europe and in the international malt drinks markets. Our Western European main markets comprise primarily Denmark, Italy as well as Cross-border Trade and Germany. The Eastern European markets comprise Lithuania, Latvia and Poland. The international malt drinks markets comprise primarily a number of countries in the Caribbean and Africa as well as cities in Europe and North America with high concentration of inhabitants from the Caribbean and African areas in which malt drinks are popular.*

*In Denmark we are a leading supplier of beer and soft drinks with a number of strong brands, and in Italy we are among the market leaders in the super premium segment with Ceres Strong Ale. In both Latvia and Lithuania, we are among the two leading beverage businesses holding considerable market positions within beer and soft drinks, including fruit juices. In the international malt drinks markets, we are among the market leaders in the premium segment with Vitamalt. In Poland our key market is the North Eastern region of the country in which our brand holds a considerable position.*

To read more, visit [www.royalunibrew.com](http://www.royalunibrew.com).

The Announcement has been prepared in Danish and English. In case of discrepancy, the Danish version shall prevail.

## FINANCIAL HIGHLIGHTS AND KEY RATIOS

	(unaudited) *)				1/1 - 31/12 2009
	1/1 - 30/6 2010	1/1 - 30/6 2009	1/4 - 30/6 2010	1/4 - 30/6 2009	
<b>Sales (thousand hectolitres)</b>	<b>3,219</b>	3,268	1,901	1,958	6,602
<b>Financial highlights (mDKK)</b>					
<b>Income Statement</b>					
Net revenue	1,882.4	1,912.9	1,100.5	1,145.3	3,816.4
Operating profit before special items	152.0	86.9	142.0	114.8	243.3
Special items (expenses)	0.0	(40.1)	0.0	(25.6)	(49.6)
Special items (depr./amort. and impairment; profit/loss on sale)	0.0	15.3	0.0	17.3	14.7
Profit before financial income and expenses	152.0	62.1	142.0	106.5	208.4
Net financials	(47.1)	(39.2)	(16.6)	(39.5)	(131.8)
Profit before tax	104.9	22.9	125.4	67.0	76.6
Profit for the period	70.9	16.9	88.9	51.5	52.5
Royal Unibrew A/S' share of profit	69.7	16.3	87.9	50.8	47.1
<b>Balance Sheet</b>					
Total assets	3,404.0	4,086.6	3,404.0	4,086.6	3,489.7
Equity	1,029.2	553.4	1,029.2	553.4	995.1
Net interest-bearing debt	1,010.7	2,138.7	1,010.7	2,138.7	1,416.3
Net working capital	(183.2)	73.3	(183.2)	73.3	(84.6)
<b>Per share</b>					
Royal Unibrew A/S' share of earnings per share (DKK)	6.3	3.0	7.9	9.3	5.8
Royal Unibrew A/S' diluted share of earnings per share (DKK)	6.3	3.0	7.9	9.3	5.8
Cash flow per share (DKK)	20.0	25.9	19.9	31.2	62.0
Diluted cash flow per share (DKK)	20.0	25.9	19.9	31.2	62.0
<b>Key figures (mDKK)</b>					
EBITDA before special items	253.5	178.8	190.0	161.5	460.5
EBITDA	253.5	138.7	190.0	135.9	410.9
EBIT	152.0	62.1	142.0	106.5	208.4
Free cash flow	216.9	48.9	222.6	178.8	374.2
<b>Key ratios (%)</b>					
Profit margin	8.1	4.5	12.9	10.0	6.4
EBIT margin	8.1	3.2	12.9	9.3	5.5
Free cash flow as a percentage of net revenue	11.5	2.6	20.2	15.6	9.8
Equity ratio	30.2	13.5	30.2	13.5	28.5
Debt ratio	98.2	386.5	98.2	386.5	142.3

\*) divested Caribbean breweries are included in the Consolidated Financial Statements until the end of January 2010, see note 4.

The key ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2010" of the Danish Society of Financial Analysts.

## MANAGEMENT'S REVIEW

### GENERAL

As announced in Company Announcement No 6/2010 of 24 February 2010, Royal Unibrew A/S realised the sale of its shares of the subsidiaries St. Vincents Breweries Ltd., Antigua Brewery Ltd., Antigua PET Plant Ltd. and Dominica Brewery & Beverages Ltd in February. The divested subsidiaries are included in the Consolidated Financial Statements until the end of January 2010.

#### **Status on strategy and financial objectives**

Royal Unibrew performed better than expected in H1 2010. Based on this and on expected developments for the rest of the year, net revenue for the full year 2010 is expected to be at the level of DKK 3.7 – 3.85 billion (previous expectation of DKK 3.4-3.6 billion), EBITDA is expected to be at the level of DKK 575 – 625 million (previous expectation of DKK 475-525 million) and EBIT (before special items) is expected to be at the level of DKK 375 – 425 million (previous expectation of DKK 275-325 million). Net interest-bearing debt has been further reduced and is now expected to amount to some DKK 900 million at the end of 2010 (previous expectation of some DKK 1 billion).

We therefore note that the positive trend in the Group's results in consequence of enhanced marketing efforts, new product launches, continued and persistent focus on strict efficiency management has brought Royal Unibrew close to realising its long-term objectives for earnings and indebtedness presented in connection with the capital increase at the end of 2009. At the same time, the Group has entered into a new agreement with its bankers. The agreement secures the Group long-term funding on attractive terms and with considerable freedom to act.

Based on the above, Management has initiated a process of determining strategic main priorities for 2011 – within the framework of the strategy presented in connection with the capital increase at the end of 2009 – as well as updating the long-term financial objectives.

### RESULTS 1 JANUARY – 30 JUNE 2010

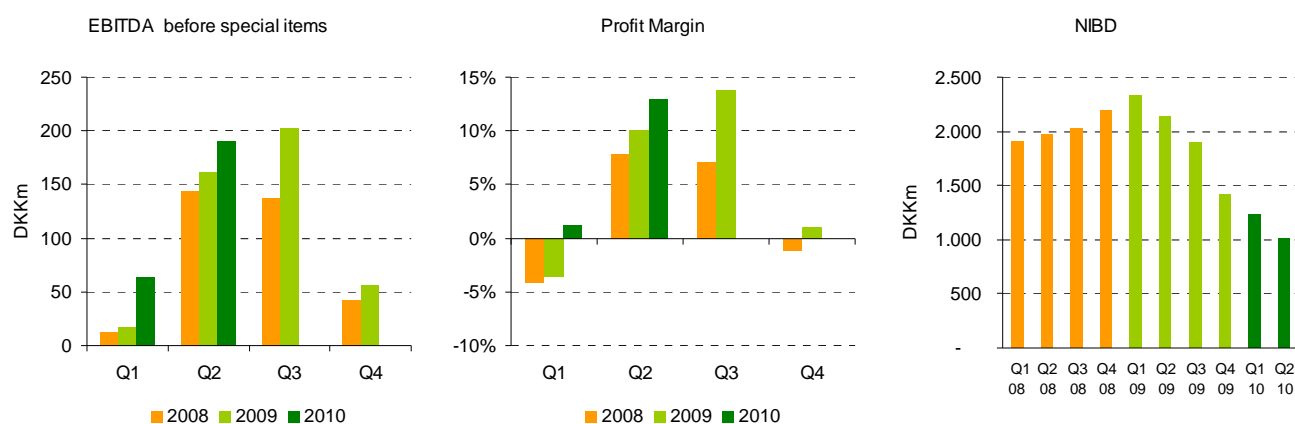
As in Q1 2010, Royal Unibrew significantly improved its earnings in Q2 2010 compared to the same period of last year in spite of continued consumer restraint in most markets. Developments in Q2 were above expectations in spite of the weather in both Western and parts of Eastern Europe until early June being colder than usual. Thus, sales and revenue as well as EBIT developments in H1 were more favourable than expected at the end of Q1. Net revenue and EBIT are still estimated to have been positively affected by distributors having accumulated inventories, albeit to a smaller extent than at the end of Q1. Operating profit (EBIT before special items) for the period 1 January – 30 June 2010 amounted to DKK 152 million, which is DKK 65 million above the 2009 figure. Profit before tax amounted to DKK 105 million, which is an improvement of DKK 82 million on 2009.

Earnings for H1 do not reflect a proportionate share of results for the year. The period only includes one month of the three summer peak months, and in the Q1 winter season when demand for beer and soft drinks, and thus sales and production volumes, is lower than in the other quarters of the year, the Group makes the most of the low level of activity by carrying out major maintenance work.

All markets are still seeing keen competition and some of the markets continue to experience higher volatility than before the financial crisis. Generally, Royal Unibrew's branded products won market shares.

In H1 2010, the level of innovation was high. In Denmark, the Royal brand was strengthened through a new, major marketing campaign, and two new brands, the Tempt cider brand and the Pure Rush energy drink, were

launched – both brands are in product categories which have recorded growth in recent years. Moreover, the Nikoline soft drinks brand was relaunched with a number of new taste varieties. In Italy, the position of Ceres Strong Ale was strengthened through new marketing campaigns, and in the Baltic countries, new Cido brand juice products were launched; furthermore, a number of new beer varieties were launched. A newly developed unpasteurised beer and intensified marketing made the Lomza brand stronger in the Polish market.



The developments in activities for the period 1 January – 30 June 2010 break down as follows on market segments:

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group 2010	Group 2009
Sales (thousand hectolitres)	1,614	1,367	238	-	3,219	3,268
Growth (%)	(2.1)	(0.1)	(4.9)	-	(1.5)	(13.0)
Share of sales (%)	50	43	7	-	100	-
Net revenue (mDKK)	1,242	440	200	-	1,882	1,913
Growth (%)	1.2	(5.3)	(9.2)	-	(1.6)	(8.0)
Share of net revenue (%)	66	23	11	-	100	-
Operating profit/loss (EBIT before special items) (mDKK)	140.9	6.5	25.0	(20.4)	152.0	86.9
Profit margin (%)	11.3	1.5	12.5	-	8.1	4.5
Earnings before interest and tax (EBIT) (mDKK)	140.9	6.5	25.0	(20.4)	152.0	62.1
EBIT margin (%)	11.3	1.5	12.5	-	8.1	3.2

In H1 2010, sales aggregated 3.2 million hectolitres of beer, malt and soft drinks, which is 1.5% below the 2009 figure. The divestment of breweries reduced sales by 2.3%. Thus, organic sales growth has been realised from 2009 to 2010.

Net revenue was 1.6% lower than for the same period of 2009 amounting to DKK 1,882 million compared to DKK 1,913 million in 2009. However, organic growth of 2.1% was realised primarily attributable to developments in the Malt and Overseas Markets segment. Net revenue was above expectations and is estimated to have been affected by some accumulation of inventories by Italian and Caribbean distributors.

Gross profit increased by DKK 87 million in H1 2010 amounting to DKK 904 million. Organically (taking into account the sale of the Caribbean breweries), the gross profit increase amounted to DKK 101 million. The gross profit increase is primarily due to the gross margin realised increasing by 5.3 percentage points from 42.7% to 48.0% due to lower production costs and a more favourable product and market mix in Western Europe. The lower

production costs were realised partly due to higher efficiency at the Danish breweries and the full effect in H1 2010 of the measures taken in 2009 to optimise the business, partly due to lower raw materials prices.

Sales and distribution expenses amounted to DKK 637 million, which is DKK 17 million above the 2009 figure (organically, DKK 21 million higher). Expenses for sales and marketing of new products and the key brands were thus increased considerably. On the other hand, the full effect of the change of the Danish distribution structure achieved in H1 2010 contributes towards reducing sales and distribution expenses as compared to 2009.

Administrative expenses amounted to DKK 116 million equal to 2009 (organically, DKK 12 million higher). The increased level of expenses relates to, among other things, the Company's short- and long-term bonus schemes.

Earnings before interest, tax, depreciation, amortisation and special items (EBITDA before special items) increased by DKK 75 million amounting to DKK 254 million compared to DKK 179 million in 2009.

Operating profit (EBIT before special items) amounted to DKK 152 million for H1, which is a DKK 65 million improvement on 2009 (an organic improvement of DKK 68 million). Significant improvements of operating profit and of profit margin were realised in all group segments.

As expected, there were no special items in H1 2010, whereas in 2009 special items relating to reorganisation and sale of activities in Poland totalled a negative DKK 25 million.

Earnings before interest and taxes (EBIT) amounted to DKK 152 million compared to DKK 62 million in 2009.

The Group's net financial expenses amounted to DKK 47 million, which is DKK 8 million above the 2009 figure. DKK 2 million of the increase relates to lower income from investments in associates in 2010. Net interest expenses were DKK 6 million higher in 2010 than in 2009 when the figure was positively affected by exchange gains of a non-recurring nature. Quite the contrary, in H1 2010 net interest expenses were negatively affected by expenses of a non-recurring nature since, in consequence of the establishment in early Q3 2010 of a new bank agreement, see below section on funding and capital structure, DKK 10 million has been recognised corresponding to the remaining part of the expenses accrued in respect of the previous bank agreement. Except for this, net interest expenses were lower in 2010 than in 2009 due to the significant reduction of net interest-bearing debt.

The profit before tax amounted to DKK 105 million compared to DKK 23 million in 2009.

Tax on the profit for the period for H1 was an expense of DKK 34 million compared to DKK 6 million in 2009. In 2009 the tax item was positively affected by an adjustment of DKK 7 million relating to prior year. Tax has been calculated on the basis of the expected full-year tax rates for EBIT (28%) and net interest expenses (13%), respectively. No tax has been recognised in other comprehensive income for the period, which was also not the case for H1 2009 and for the full year 2009.

The profit for the period amounted to DKK 71 million, which is a DKK 54 million improvement on the profit of DKK 17 million realised in 2009.

## DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

### Western Europe

Western Europe	2010 1/1 – 30/6	2009 1/1 – 30/6	% change	2009 1/1 - 31/12
Sales (thousand hectolitres)	1,614	1,648	-2	3,318
Net revenue (mDKK)	1,242	1,228	1	2,418
Operating profit (EBIT before special items) (mDKK)	140.9	104.8	34	274.6
Profit margin (%)	11.3	8.5		11.4
EBIT (mDKK)	140.9	89.4	58	251.0
EBIT margin (%)	11.3	7.3		10.4

The **Western Europe** segment comprises the markets for beer and soft drinks in Denmark and the Nordic countries, Cross-border Trade and Germany as well as Italy. In H1 2010 Western Europe accounted for 50% of group sales and for 66% of net revenue (2009: 50% and 64%, respectively).

In H1 sales in Western Europe decreased by 2% compared to 2009, whereas net revenue increased by 1%. Generally, the Group won market shares on branded beer and soft drinks.

The operating profit (EBIT before special items) increased from DKK 105 million in 2009 to DKK 141 million. The earnings increase is attributable to several factors: better market and product mix than in 2009; it is estimated that distributors in Italy have accumulated inventories, albeit to a smaller extent than at the end of Q1; production costs were lower than in 2009 as efficiency at the Danish breweries was high; the full effect of the change of the distribution structure in Denmark achieved in H1 2010; moreover, raw materials prices have been lower.

EBIT was not affected by any special items in 2010 and increased by DKK 52 million to DKK 141 million.

Western Europe	Actual 1/1-30/6 2010		Change from 2009	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Denmark	591	712	1	-1
Italy	381	255	5	3
Cross-border Trade and Germany	258	616	-4	-4
Nordic countries	12	31	-8	-15
<b>Total Western Europe</b>	<b>1,242</b>	<b>1,614</b>	<b>1</b>	<b>-2</b>

It is estimated that total branded beer sales in **Denmark** decreased by some 4% in H1 2010, whereas branded soft drinks sales decreased by some 2%.

The development in Royal Unibrew's total sales in H1 2010 was affected by the decision to terminate unprofitable supply agreements concerning private labels in 2009. Adjusting for this, sales were at the level of 2009, whereas net revenue in 2010 was 2% higher than in 2009. Royal Unibrew's market shares on both branded beer products and branded soft drinks products increased in 2010 due to, among other things, enhanced marketing efforts and innovative measures, including new product launches.

In **Italy** Royal Unibrew's sales went up by a total of 3% in H1 2010 in a slightly declining market. Growth in sales of Royal Unibrew's super premium brand, Ceres Strong Ale, was higher than growth in sales of products for the mainstream segment. Royal Unibrew's net revenue went up by 5%. Part of the positive development is estimated to

be related to the accumulation of inventories by distributors. However, it is assessed that the market share held by Ceres Strong Ale has increased both in the on-trade sector and in the off-trade sector.

Sales and revenue relating to **Cross-border Trade and Germany** decreased by 4%. It is estimated that the Group's market shares have been defended.

### Eastern Europe

Eastern Europe	2010 1/1 – 30/6	2009 1/1 – 30/6	% change	2009 1/1 - 31/12
Sales (thousand hectolitres)	1,367	1,369	0	2,756
Net revenue (mDKK)	440	464	-5	909
Operating profit/loss (EBIT before special items) (mDKK)	6.5	(13.3)		(5.2)
Profit margin (%)	1.5	(2.9)		(0.6)
EBIT (mDKK)	6.5	(15.3)		(13.9)
EBIT margin (%)	1.5	(3.3)		(1.5)

The **Eastern Europe** segment primarily comprises the markets for beer, fruit juices and soft drinks in Latvia, Lithuania and Poland. In H1 2010 Eastern Europe accounted for 43% of group sales and 23% of net revenue (2009: 42% and 24%, respectively).

Sales in H1 2010 were at the level of 2009 sales, whereas net revenue in the segment was 5% below the 2009 figure. The sale of the Polish Koszalin brewery in June 2009 has reduced sales and net revenue by 2%. A stronger PLN affected net revenue positively by 5%. Royal Unibrew's market shares have generally been defended.

In spite of declining net revenue, operating results (EBIT before special items) improved by DKK 20 million from H1 2009, now again showing a profit. The considerable improvement is primarily due to increased efficiency and lower raw materials prices and to the costs savings realised in 2009 having had full impact in H1 2010. Focus on optimising and integrating activities in the Baltic countries continues, and the measures to ensure break-even at EBITDA level in Poland are being realised as planned. The performance improvement in the segment comprises a considerable improvement in Poland, whereas results in Lithuania and Latvia were at the 2009 level although, due to difficult market conditions, net revenue was significantly lower in 2010 than in 2009.

EBIT for the period was DKK 22 million above the 2009 figure; in 2009 DKK 2 million was attributable to special items relating to reorganisation.

Eastern Europe	Actual 1/1-30/6 2010		Change from 2009	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Lithuania	149	386	-15	-6
Latvia	123	425	-16	-6
Poland	167	555	18	9
Other markets	1	1	8	-40
<b>Total Eastern Europe</b>	<b>440</b>	<b>1,367</b>	<b>-5</b>	<b>0</b>

In **Lithuania** the total beer market decline in H1 2010 is estimated at some 3%, whereas the total decline in the fruit juice market is estimated at some 25%. It is estimated that Kalnapilio-Tauro Grupe has defended its branded beer and fruit juice market shares, whereas the total market share for beer has declined as an increased part of consumption was converted to the discount segment.



In **Latvia** it is estimated that the fruit juice and soft drinks markets declined by some 20% in H1 2010, whereas total beer consumption is estimated at an approximate 3% increase. Royal Unibrew increased its market share for branded beer, and it is estimated that the market shares for fruit juices and soft drinks were defended in spite of consumers converting an increased part of consumption to the discount segment also in Latvia.

In **Poland** beer consumption is estimated at an approximate 4% decline in H1 2010 from the same period of 2009. Royal Unibrew's sales increased by 9% in the same period. The sale in mid 2009 of the Koszalin brewery and the related brands resulted in a sales reduction of 5%. Organic sales growth was thus 14% in H1 2010. Net revenue increased by 18% in the period, including some 13 percentage points related to the stronger PLN. The discontinuation of the sale of products related to the Koszalin brewery reduced revenue by 5%. Adjusted for sale of activities and exchange rate developments, revenue went up by 10%.

### Malt and Overseas Markets

Malt and Overseas Markets	2010	2009	% change	2009
	1/1 – 30/6	1/1 – 30/6		1/1 - 31/12
Sales (thousand hectolitres)	238	251	-5	528
Net revenue (mDKK)	200	221	-9	489
Operating profit (EBIT before special items) (mDKK)	25.0	15.5	61	37.5
Profit margin (%)	12.5	7.0		7.7
EBIT (mDKK)	25.0	12.1	107	34.9
EBIT margin (%)	12.5	5.5		7.1

The **Malt and Overseas Markets** segment comprises the Group's breweries (until the end of January 2010) and distribution company in the Caribbean, the export and licence business for malt drinks as well as beer and soft drinks exports to other markets. In H1 2010 sales and revenue represented 7% and 11%, respectively, of total group sales and revenue (2009: 8% and 12%, respectively).

Sales decreased by 5% in H1 2010. The sale of the Caribbean breweries reduced sales by 20%. Net revenue decreased by 9%. The sale of the Caribbean breweries reduced net revenue by 36%. Organically, sales and revenue were thus increased by 15% and 27%, respectively. Net revenue is estimated to have been positively affected by the accumulation of inventories by distributors, whereas exchange rate movements have had only a marginal positive effect on developments from 2009 to 2010.

Operating profit (EBIT before special items) for H1 2010 was DKK 9 million above the 2009 figure. The sale of the Caribbean breweries reduced operating profit by DKK 3 million as compared to 2009. Organically, the operating profit has thus increased by DKK 12 million in 2010. It is assessed that, following a considerable decline in 2009, revenue and earnings have now returned to a more normalised level.

Malt and Overseas Markets	Actual 1/1-30/6 2010		Change from 2009	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
The Caribbean	94	79	-33	-36
The UK	27	27	98	51
Africa	31	61	4	18
Other markets	48	71	27	23
<b>Total Malt and Overseas Markets</b>	<b>200</b>	<b>238</b>	<b>-9</b>	<b>-5</b>

Adjusted for the divestment of the Caribbean breweries, sales and revenue in **the Caribbean** developed positively in H1 2010. The positive development is partly explained by increased activity in the Group's distribution companies in Guadeloupe and Martinique, which were in Q1 2009 affected by a general strike, partly by the accumulation of inventories by distributors.

In **the UK** sales and revenue increased compared to 2009 when H1 was affected by inventory reductions with a major customer.

Also in **Africa** and in the **other markets** of the segment, Royal Unibrew's activities developed positively in H1 2010. The positive development is partly due to a timing difference of licence income in Africa, partly to increased activity in the North American market.

### BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 3,404 million at 30 June 2010, which is DKK 683 million below the figure at 30 June 2009. The divestment of the Caribbean activities reduced the balance sheet total by some DKK 240 million, whereas focus on reducing working capital has reduced the investment in inventories and receivables organically by some DKK 300 million compared to the investment at 30 June 2009. Moreover, the balance sheet total has been reduced due to depreciation of property, plant and equipment exceeding net investments in non-current assets in the period from 30 June 2009.

The equity ratio improved in H1 representing 30.2% at the end of the period compared to 28.5% at the end of 2009. Group equity amounted to DKK 1,029 million at the end of June 2010 and was affected by the positive comprehensive income of DKK 58 million for the period as well as a reduction of DKK 24 million relating to minority interests in the divested Caribbean companies. The comprehensive income comprises the profit for the period of DKK 71 million, positive exchange adjustments of foreign group enterprises of DKK 14 million and a negative development in the value of hedging instruments of DKK 27 million.

Free cash flow for the period 1 January – 30 June 2010 was DKK 168 million above the figure for the corresponding period of 2009 amounting to DKK 217 million compared to DKK 49 million in 2009. The improvement related to both increased cash flows from operating activities and to lower investments in non-current assets. Cash flows from operating activities amounted to DKK 222 million in 2010 compared to DKK 143 million in 2009, and net investments in non-current assets were in 2010 DKK 17 million compared to DKK 106 million in 2009 when the investment in the transfer of production from Aarhus to Faxe was completed in Q2. Dividend from associates amounted to DKK 12 million in 2009 as in 2010.

Cash flows from operating activities of DKK 222 million comprised the profit for the period adjusted for non-cash operating items of DKK 254 million (2009: DKK 148 million), positive working capital cash flow of DKK 58 million (2009: DKK 59 million), net interest paid of DKK 65 million (2009: net interest paid of DKK 42 million) and taxes paid of DKK 25 million (2009: DKK 22 million). Investment in working capital at the end of June 2010 was negative by DKK 183 million (2009: a positive DKK 73 million). All entities continue their strong focus on managing inventories, trade receivables and trade payables.

### SHARE OPTIONS

At 30 June 2010 a total of 84,097 share options remain unexercised from previous share option programmes.

The market value of the unexercised options at 30 June is estimated at DKK 0.2 million (2009: DKK 0.1 million) under the Black-Scholes formula. Royal Unibrew's obligations under the option programmes are covered by the Company's portfolio of treasury shares (106,674 shares).

## FUNDING AND CAPITAL STRUCTURE

In early Q3, Royal Unibrew entered into a new agreement with its bankers to the effect that the Group's bank commitments are now based on a 5-year agreement on attractive terms and with strengthened capital resources. Consequently, there are no longer any restrictions on the Company's right to distribute dividend or buy back shares; moreover, the agreement is no longer subject to provision of security. The related financial covenants allow considerable leeway. Furthermore, commitment has been obtained for a new 20-year mortgage credit facility, also on attractive terms.

The new funding agreements are estimated to save some DKK 30 million in 2011 compared to 2010.

The target of a net interest-bearing debt that does not exceed 2.5 times EBITDA has been met by the Group based on EBITDA for the past 12 months and net interest-bearing debt at the end of Q2 2010.

## OUTLOOK

In terms of revenue and earnings, developments in H1 2010 were above expectations; the reduction in net interest-bearing debt was higher than expected, and the changed bank agreement will involve lower interest rates prospectively. Based on this and on expectations for the rest of 2010, net revenue for the full year is now expected to be DKK 3.7 – 3.85 billion, EBITDA is expected to be at the level of DKK 575 – 625 million in 2010 and EBIT is expected to amount to DKK 375 – 425 million. Net financials are estimated at an expense of some DKK 65 million, after which profit before tax for 2010 is expected to be at the level of 310-360 million. Tax is expected to represent 28% of expected EBIT (previous expectation of 29%) less 13% of expected net interest expenses (previous expectation of 12%).

At the end of 2010, the Group's net interest-bearing debt is expected to amount to some DKK 900 million corresponding to a net interest-bearing debt at the level of 1.4-1.6 times EBITDA. Except for actual results to date being above expectations, the assumptions underlying the expectations remain unchanged, and reference is made to the Annual Report for 2009 for a detailed description of these.

(mDKK)	Expectations 2010	Expectations 2010 *) previously announced	2009 *) actual
Net revenue	3,700 - 3,850	3,400 - 3,600	3,816
EBITDA (before special items)	575 – 625	475 – 525	461
EBIT (before special items)	375 – 425	275 – 325	243
Profit before tax	310 - 360	205 - 255	76
Net interest-bearing debt	some 900	some 1,000	1,416
NIBD/EBITDA (before special items)	1.4x – 1.6x	1.9x – 2.1x	3.1x

\*) The profit for 2010 comprises January only for the Caribbean breweries divested in February 2010. In 2009 net revenue and EBITDA amounted to some DKK 150 million and DKK 30 million, respectively.

### Long-term objectives

As communicated at the end of 2009, it has been the long-term objectives of Royal Unibrew to achieve an EBIT margin of 10%, to have a net interest-bearing debt that does not exceed 2.5 times EBITDA and that the Group's annual investments should be at the level of 4-6% of net revenue depending on the need for maintenance, streamlining or capacity investments.

The long-term objective relating to indebtedness has been achieved, whereas the long-term earnings objective is expected to be close to achieved in 2010. Moreover, a new bank agreement on attractive terms has been made, and the strategic main priorities established as the basis for restoring the Group at the beginning of 2009 have been successful. On this basis, Management has initiated a process of determining strategic main priorities for

2011 – within the framework of the strategy presented in connection with the capital increase at the end of 2009 – as well as updating the long-term financial objectives. The output from this process will be presented in connection with the disclosure of the Q3 Report 2010.

A future sale of the brewery site in Aarhus at carrying amount will reduce net interest-bearing debt by some DKK 300 million. The changed local plan for the brewery site in Aarhus is expected to be in place around year end 2010.

## STATEMENTS ABOUT THE FUTURE

*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.*

## FINANCIAL CALENDAR

### 2010

Announcements of financial results:

25 November 2010                      Q3 Report 2010

### 2011

Announcements of financial results:

3 March 2011                              Annual Report for 2010

27 April 2011                              Q1 Report 2011

25 August 2011                            Q2 Report 2011

23 November 2011                        Q3 Report 2011

Annual General Meeting:

27 April 2011 in Aarhus

## ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN IN 2010

5 January 2010	01/2010	New CFO in Royal Unibrew A/S
8 January 2010	02/2010	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
18 January 2010	03/2010	1) Stabilisation period – Rights Issue 2) Conditional Deal between Royal Unibrew A/S and Cerveceria Nacional Dominicana
12 February 2010	04/2010	Royal Unibrew's sale of breweries in the Caribbean to Cerveceria Nacional Dominicana
17 February 2010	05/2010	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
24 February 2010	06/2010	Sale of Royal Unibrew's Caribbean breweries finalised
5 March 2010	07/2010	Announcement of Annual Results for 2009
30 March 2010	08/2010	Notice of the Annual General Meeting 2010
14 April 2010	09/2010	Election of employee supervisory board members of Royal Unibrew A/S
27 April 2010	10/2010	Q1 Report 2010
27 April 2010	11/2010	Annual General Meeting 2010
28 April 2010	12/2010	Articles of Association of Royal Unibrew
29 April 2010	13/2010	Reporting according to the Danish Securities Act section 28a
5 May 2010	14/2010	Reporting according to the Danish Securities Act section 28a
5 May 2010	15/2010	Reporting according to the Danish Securities Act section 28a
11 May 2010	16/2010	Reporting according to the Danish Securities Act section 28a
19 May 2010	17/2010	New Chairman of Royal Unibrew's Supervisory Board
25 May 2010	18/2010	Reporting according to the Danish Securities Act section 28a
26 May 2010	19/2010	Reporting according to the Danish Securities Act section 28a

## MANAGEMENT'S STATEMENT ON THE REPORT

The Executive and Supervisory Boards 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 Financial 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 June 2010 as well as of the results of the Group operations and cash flows for the period 1 January – 30 June 2010.

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, 25 August 2010

### Executive Board

Henrik Brandt  
CEO

Peter Ryttergaard  
CFO

Johannes F.C.M. Savonije  
Executive Director, Northern Europe

### Supervisory Board

Tommy Pedersen  
Chairman

Ulrik Bülow

Søren Eriksen

Steen Justesen

Kirsten Liisberg

Søren Lorentzen

Hemming Van

**INCOME STATEMENT (DKK '000)**

	1/1 - 30/6 2010	1/1 - 30/6 2009	1/4 - 30/6 2010	1/4 - 30/6 2009	1/1 - 31/12 2009
Revenue	2,224,225	2,238,178	1,305,497	1,341,527	4,479,219
Beer and mineral water excises	(341,816)	(325,273)	(205,017)	(196,267)	(662,798)
<b>Net revenue</b>	<b>1,882,409</b>	<b>1,912,905</b>	<b>1,100,480</b>	<b>1,145,260</b>	<b>3,816,421</b>
Production costs	(978,304)	(1,096,169)	(545,492)	(636,143)	(2,211,134)
<b>Gross profit</b>	<b>904,105</b>	<b>816,736</b>	<b>554,988</b>	<b>509,117</b>	<b>1,605,287</b>
Sales and distribution expenses	(637,148)	(619,727)	(355,978)	(341,153)	(1,146,604)
Administrative expenses	(116,411)	(111,590)	(57,934)	(53,890)	(219,068)
Other operating income	1,460	1,462	908	737	3,691
<b>Operating profit before special items</b>	<b>152,006</b>	<b>86,881</b>	<b>141,984</b>	<b>114,811</b>	<b>243,306</b>
Special income	0	21,500	0	21,500	21,500
Special expenses	0	(46,280)	0	(29,774)	(56,366)
<b>Profit before financial income and expenses</b>	<b>152,006</b>	<b>62,101</b>	<b>141,984</b>	<b>106,537</b>	<b>208,440</b>
Income after tax from investments in Associates	11,610	13,469	13,306	13,562	25,836
Financial income	6,468	29,927	165	3,482	32,666
Financial expenses	(65,208)	(82,589)	(30,103)	(56,605)	(190,295)
<b>Profit before tax</b>	<b>104,876</b>	<b>22,908</b>	<b>125,352</b>	<b>66,976</b>	<b>76,647</b>
Tax on the profit for the period	(34,000)	(6,000)	(36,500)	(15,500)	(24,196)
<b>Profit for the period</b>	<b>70,876</b>	<b>16,908</b>	<b>88,852</b>	<b>51,476</b>	<b>52,451</b>
Parent Company shareholders' share of earnings per share (DKK)	6.3	3.0	7.9	9.3	5.8
Parent Company shareholders' share of diluted earnings per share (DKK)	6.3	3.0	7.9	9.3	5.8

**STATEMENT OF COMPREHENSIVE INCOME (DKK '000)**

	<u>1/1 - 30/6</u> <u>2010</u>	<u>1/1 - 30/6</u> <u>2009</u>	<u>1/4 - 30/6</u> <u>2010</u>	<u>1/4 - 30/6</u> <u>2009</u>	<u>1/1 - 31/12</u> <u>2009</u>
<b>Profit for the period</b>	<b>70,876</b>	<b>16,908</b>	<b>88,852</b>	<b>51,476</b>	<b>52,451</b>
<b>Other comprehensive income</b>					
Value and exchange adjustment of foreign group enterprises	13,851	(14,352)	2,628	(17,912)	(11,970)
Value adjustment of hedging instruments, opening	52,596	34,603	51,983	57,926	34,603
Value adjustment of hedging instruments, closing	(79,456)	(60,341)	(79,456)	(60,341)	(52,596)
Tax on equity entries	0	0	0	0	0
<b>Other comprehensive income after tax</b>	<b>(13,009)</b>	<b>(40,090)</b>	<b>(24,845)</b>	<b>(20,327)</b>	<b>(29,963)</b>
<b>Total comprehensive income</b>	<b>57,867</b>	<b>(23,182)</b>	<b>64,007</b>	<b>31,149</b>	<b>22,488</b>
distributed as follows:					
Parent Company shareholders' share of comprehensive income	56,587	(23,542)	63,058	31,869	19,330
Minority shareholders' share of comprehensive income	1,280	360	949	(720)	3,158
	<b>57,867</b>	<b>(23,182)</b>	<b>64,007</b>	<b>31,149</b>	<b>22,488</b>



**BALANCE SHEET, ASSETS (DKK '000)**

	<u>30/6 2010</u>	<u>30/6 2009</u>	<u>31/12 2009</u>
<b>NON-CURRENT ASSETS</b>			
Goodwill	264,209	314,851	307,524
Trademarks	133,253	167,143	166,193
Distribution rights	5,570	6,505	6,237
<b>Intangible assets</b>	<u>403,032</u>	<u>488,499</u>	<u>479,954</u>
Land and buildings	677,666	719,484	723,786
Project development properties	404,365	400,522	403,552
Plant and machinery	537,612	691,541	650,786
Other fixtures and fittings, tools and equipment	183,693	226,195	224,146
Property, plant and equipment in progress	21,907	67,271	11,386
<b>Property, plant and equipment</b>	<u>1,825,243</u>	<u>2,105,013</u>	<u>2,013,656</u>
Investments in associates	117,547	92,157	110,842
Other investments	56,515	53,169	56,748
Other receivables	8,545	8,623	12,892
<b>Financial assets</b>	<u>182,607</u>	<u>153,949</u>	<u>180,482</u>
<b>Non-current assets</b>	<u>2,410,882</u>	<u>2,747,461</u>	<u>2,674,092</u>
<b>CURRENT ASSETS</b>			
Raw materials and consumables	92,271	118,941	92,199
Work in progress	22,468	28,465	20,980
Finished goods and purchased finished goods	160,405	201,415	124,945
<b>Inventories</b>	<u>275,144</u>	<u>348,821</u>	<u>238,124</u>
Trade receivables	603,988	653,847	408,958
Receivables from associates	909	767	1,039
Corporation tax receivable		46,101	
Other receivables	24,495	83,303	21,082
Prepayments	24,182	113,763	53,885
<b>Receivables</b>	<u>653,574</u>	<u>897,781</u>	<u>484,964</u>
<b>Cash at bank and in hand</b>	<u>64,426</u>	<u>92,545</u>	<u>92,474</u>
<b>Current assets</b>	<u>993,144</u>	<u>1,339,147</u>	<u>815,562</u>
<b>Assets</b>	<u>3,404,026</u>	<u>4,086,608</u>	<u>3,489,654</u>

**BALANCE SHEET, LIABILITIES AND EQUITY (DKK '000)**

	<u>30/6 2010</u>	<u>30/6 2009</u>	<u>31/12 2009</u>
<b>EQUITY</b>			
Share capital	111,865	56,000	111,865
Share premium account	337,825		337,825
Revaluation reserves	180,000	180,000	180,000
Translation reserve	(98,428)	(111,523)	(112,018)
Hedging reserve	(79,456)	(60,341)	(52,596)
Retained earnings	561,815	453,957	491,958
<b>Equity of Parent Company shareholders</b>	<u>1,013,621</u>	<u>518,093</u>	<u>957,034</u>
<b>Minority interests</b>	<u>15,622</u>	<u>35,282</u>	<u>38,080</u>
<b>Equity</b>	<u>1,029,243</u>	<u>553,375</u>	<u>995,114</u>
Deferred tax	161,816	174,797	171,831
Other payables	6,398		
Mortgage debt	734,861	734,723	735,516
Credit institutions	340,231	1,496,486	773,301
<b>Non-current liabilities</b>	<u>1,243,306</u>	<u>2,406,006</u>	<u>1,680,648</u>
Repurchase obligation, returnable packaging	56,058	64,566	61,793
Trade payables	605,079	569,426	419,381
Corporation tax	19,542		6,227
VAT, excise duties, etc	149,060	186,959	98,012
Other payables	301,738	306,276	228,479
<b>Current liabilities</b>	<u>1,131,477</u>	<u>1,127,227</u>	<u>813,892</u>
<b>Liabilities</b>	<u>2,374,783</u>	<u>3,533,233</u>	<u>2,494,540</u>
<b>Liabilities and equity</b>	<u>3,404,026</u>	<u>4,086,608</u>	<u>3,489,654</u>

**STATEMENT OF CHANGES IN EQUITY FOR 1 JANUARY - 30 JUNE 2010 (DKK '000)**

	Share capital	Share premium account	Revaluation reserves	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority interests' share	Total
Equity at 31 December 2008	56,000		180,000	(102,279)	(34,603)	440,788	0	34,922	574,828
<b>Changes in equity in 2009</b>									
Comprehensive income				(9,244)	(25,738)	11,440	0	360	(23,182)
Share-based payments						1,729			1,729
<b>Total shareholders</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>1,729</b>	<b>0</b>	<b>0</b>	<b>1,729</b>
<b>Total changes in equity 1/1 – 30/6 2009</b>	<b>0</b>		<b>0</b>	<b>(9,244)</b>	<b>(25,738)</b>	<b>13,169</b>	<b>0</b>	<b>360</b>	<b>(21,453)</b>
Equity at 30 June 2009	56,000		180,000	(111,523)	(60,341)	453,957	0	35,282	553,375
Equity at 31 December 2009	111,865	337,825	180,000	(112,018)	(52,596)	491,958	0	38,080	995,114
<b>Changes in equity in 2010</b>									
Comprehensive income				13,590	(26,860)	69,857		1,280	57,867
Minority interests' share of equity in divested subsidiaries								(23,738)	(23,738)
<b>Total shareholders</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(23,738)</b>	<b>(23,738)</b>
<b>Total changes in equity 1/1 – 30/6 2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,590</b>	<b>(26,860)</b>	<b>69,857</b>	<b>0</b>	<b>(22,458)</b>	<b>34,129</b>
Equity at 30 June 2010	111,865	337,825	180,000	(98,428)	(79,456)	561,815	0	15,622	1,029,243

The share capital at 30 June 2010 remains unchanged at DKK 111,864,980 from 31 December 2009 and is distributed on shares of DKK 10 each.

**CASH FLOW STATEMENT (DKK '000)**

		1/1 - 30/6 2010	1/1 - 30/6 2009	1/1 - 31/12 2009
	<b>Note</b>			
Profit for the period		70,876	16,908	52,451
Adjustments for non-cash operating items	<b>3</b>	182,726	131,497	357,979
		<b>253,602</b>	<b>148,405</b>	<b>410,430</b>
Change in working capital:				
+/- change in receivables		(217,260)	(181,896)	143,380
+/- change in inventories		(57,233)	63,523	175,701
+/- change in payables		332,377	176,613	(88,988)
<b>Cash flows from operating activities before financial income and expenses</b>		<b>311,486</b>	<b>206,645</b>	<b>640,523</b>
Financial income		442	69,042	74,990
Financial expenses		(65,732)	(111,104)	(215,306)
<b>Cash flows from ordinary activities</b>		<b>246,196</b>	<b>164,583</b>	<b>500,207</b>
Corporation tax paid		(24,685)	(22,056)	13,036
<b>Cash flows from operating activities</b>		<b>221,511</b>	<b>142,527</b>	<b>513,243</b>
Dividends received from associates		12,869	12,485	12,738
Sale of property, plant and equipment		6,970	39,877	47,435
Purchase of property, plant and equipment		(24,451)	(146,020)	(199,167)
<i>Free cash flow</i>		<b>216,899</b>	<b>48,869</b>	<b>374,249</b>
Repayment of loans to associates				20,634
Sale of subsidiaries	<b>4</b>	187,415		
Change in intangible and financial assets		1,169	21,669	6,569
<b>Cash flows from investing activities</b>		<b>183,972</b>	<b>(71,989)</b>	<b>(111,791)</b>
Repayment of non-current debt		(434,171)	(67,230)	(796,196)
Proceeds from share issue				393,690
Sale of treasury shares and Rights				4,014
<b>Cash flows from financing activities</b>		<b>(434,171)</b>	<b>(67,230)</b>	<b>(398,492)</b>
<b>Change in cash and cash equivalents</b>		<b>(28,688)</b>	<b>3,308</b>	<b>2,960</b>
Cash and cash equivalents at 1 January		92,474	90,384	90,384
Exchange adjustment		640	(1,147)	(870)
<b>Cash and cash equivalents at 30 June</b>		<b>64,426</b>	<b>92,545</b>	<b>92,474</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.

Except for the implementation of the amended IFRS 3 on business combinations and IFRS 27 on consolidated financial statements, the accounting policies are unchanged from those applied in the Annual Report for 2009, to which reference is made. None of the changes implemented affect the financial statements as compared to the previous recognition and measurement as well as note disclosures.

Except for the above description, the Annual Report for 2009 provides a 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 2009.

## NOTES TO THE INTERIM REPORT

### Note 2 Segment Reporting

The Group's activities break down as follows on segments (mDKK):

	1/1 - 30/6 2010				Total
	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	
Net revenue	1,242.0	439.9	200.5		1,882.4
<b>Operating profit/loss</b>	<b>140.9</b>	<b>6.5</b>	<b>25.0</b>	<b>(20.4)</b>	<b>152.0</b>
Special items					0.0
<b>Earnings before interest and tax (EBIT)</b>	<b>140.9</b>	<b>6.5</b>	<b>25.0</b>	<b>(20.4)</b>	<b>152.0</b>
Share of income from associates	9.5		2.1		11.6
Other financial income and expenses	(0.3)	(19.3)	0.0	(39.1)	(58.7)
<b>Profit/loss before tax for the period</b>	<b>150.1</b>	<b>(12.8)</b>	<b>27.1</b>	<b>(59.5)</b>	<b>104.9</b>
Tax on the profit/loss for the period				(34.0)	(34.0)
<b>Profit/loss for the period</b>					<b>70.9</b>
<b>Profit margin, %</b>	<b>11.3</b>	<b>1.5</b>	<b>12.5</b>		<b>8.1</b>

	1/1 - 30/6 2009				Total
	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	
Net revenue	1,227.7	464.6	220.6		1,912.9
<b>Operating profit/loss</b>	<b>104.8</b>	<b>(13.3)</b>	<b>15.5</b>	<b>(20.1)</b>	<b>86.9</b>
Special items	(15.4)	(2.0)	(3.4)	(4.0)	(24.8)
<b>Earnings before interest and tax (EBIT)</b>	<b>89.4</b>	<b>(15.3)</b>	<b>12.1</b>	<b>(24.1)</b>	<b>62.1</b>
Share of income from associates	11.3		2.2		13.5
Other financial income and expenses	(1.7)	(20.9)	(0.3)	(29.8)	(52.7)
<b>Profit/loss before tax for the period</b>	<b>99.0</b>	<b>(36.2)</b>	<b>14.0</b>	<b>(53.9)</b>	<b>22.9</b>
Tax on the profit/loss for the period				(6.0)	(6.0)
<b>Profit/loss for the period</b>					<b>16.9</b>
<b>Profit margin, %</b>	<b>8.5</b>	<b>(2.9)</b>	<b>7.0</b>		<b>4.5</b>

	1/1 - 31/12 2009				Total
	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	
Net revenue	2,418.2	909.3	488.9		3,816.4
<b>Operating profit/loss</b>	<b>274.6</b>	<b>(5.2)</b>	<b>37.5</b>	<b>(63.6)</b>	<b>243.3</b>
Special items	(23.6)	(8.7)	(2.6)		(34.9)
<b>Earnings before interest and tax (EBIT)</b>	<b>251.0</b>	<b>(13.9)</b>	<b>34.9</b>	<b>(63.6)</b>	<b>208.4</b>
Share of income from associates	21.7	0.0	4.1		25.8
Other financial income and expenses	2.8	(31.9)	(1.0)	(127.5)	(157.6)
<b>Profit/loss before tax for the period</b>	<b>275.5</b>	<b>(45.8)</b>	<b>38.0</b>	<b>(191.1)</b>	<b>76.6</b>
Tax on the profit/loss for the period				(24.1)	(24.1)
<b>Profit/loss for the period</b>					<b>52.5</b>
<b>Profit margin, %</b>	<b>11.4</b>	<b>(0.6)</b>	<b>7.7</b>		<b>6.4</b>

## NOTES TO THE INTERIM REPORT

### Note 2 Segment Reporting (contd)

The Group's activities break down as follows on segments (mDKK):

	1/4 - 30/6 2010				
	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
Net revenue	718.0	279.2	103.3		1,100.5
<b>Operating profit/loss</b>	<b>112.8</b>	<b>23.8</b>	<b>16.5</b>	<b>(11.1)</b>	<b>142.0</b>
Special items	0.0	0.0	0.0	0.0	0.0
<b>Earnings before interest and tax (EBIT)</b>	<b>112.8</b>	<b>23.8</b>	<b>16.5</b>	<b>(11.1)</b>	<b>142.0</b>
Share of income from associates	11.9	0.0	1.4	0.0	13.3
Other financial income and expenses	(0.2)	(13.8)	0.0	(15.9)	(29.9)
<b>Profit/loss before tax for the period</b>	<b>124.5</b>	<b>10.0</b>	<b>17.9</b>	<b>(27.0)</b>	<b>125.4</b>
Tax on the profit/loss for the period	0.0	0.0	0.0	(36.5)	(36.5)
<b>Profit/loss for the period</b>					<b>88.9</b>
<b>Profit margin, %</b>	<b>15.7</b>	<b>8.5</b>	<b>16.0</b>		<b>12.9</b>

	1/4 - 30/6 2009				
	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Total
Net revenue	736.4	283.8	125.1		1,145.3
<b>Operating profit/loss</b>	<b>104.7</b>	<b>4.9</b>	<b>13.4</b>	<b>(8.1)</b>	<b>114.9</b>
Special items	(7.0)	2.7	0.0	(4.0)	(8.3)
<b>Earnings before interest and tax (EBIT)</b>	<b>97.7</b>	<b>7.6</b>	<b>13.4</b>	<b>(12.1)</b>	<b>106.6</b>
Share of income from associates	12.9	0.0	0.7	0.0	13.6
Other financial income and expenses	(0.9)	(15.4)	(2.1)	(34.8)	(53.2)
<b>Profit/loss before tax for the period</b>	<b>109.7</b>	<b>(7.8)</b>	<b>12.0</b>	<b>(46.9)</b>	<b>67.0</b>
Tax on the profit/loss for the period	0.0	0.0	0.0	(15.5)	(15.5)
<b>Profit/loss for the period</b>					<b>51.5</b>
<b>Profit margin, %</b>	<b>14.2</b>	<b>1.7</b>	<b>10.7</b>		<b>10.0</b>

## NOTES TO THE INTERIM REPORT

### Note 3 Cash Flow Statement (DKK '000)

	1/1 - 30/6 2010	1/1 - 30/6 2009	1/1 - 31/12 2009
<b>Adjustments for non-cash operating items</b>			
Financial income	(6,468)	(29,927)	(32,666)
Financial expenses	65,208	82,589	190,295
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	103,108	96,152	202,123
Tax on the profit for the period	34,000	6,000	24,196
Income from investments in associates	(11,610)	(13,469)	(25,836)
Net profit/loss from sale of property, plant and equipment	(1,642)	(21,039)	324
Share-based payments and remuneration		(631)	94
Other adjustments	130	11,822	(551)
<b>Total</b>	<b>182,726</b>	<b>131,497</b>	<b>357,979</b>



## NOTES TO THE INTERIM REPORT

### Note 4 Business Acquisitions and Sales

#### 2010

In February 2010 Royal Unibrew A/S sold its shares of the four Caribbean subsidiaries, St. Vincent Breweries Ltd., Antigua Brewery Ltd., Antigua PET Plant Ltd. and Dominica Brewery & Beverages Ltd. The companies are included in the Consolidated Financial Statements until the end of January 2010.

The sale reduced Royal Unibrew's net interest-bearing debt by DKK 187 million. Net revenue and EBITDA in the Malt and Overseas Markets segment will in 2010 be reduced as compared to 2009 by some DKK 130 million and DKK 25 million, respectively, due to the sale.

(DKK '000)	<u>Carrying amount at date of sale</u>
Intangible assets	79,627
Property, plant and equipment	108,197
Inventories	20,328
Receivables	11,507
Deferred tax	6,056
Repurchase obligation, returnable packaging	6,123
Trade payables	7,480
Other payables	6,122
Minority shareholders' share of equity	23,738

#### 2009

No business acquisitions or sales were made in H1 2009.

**FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR 1 JANUARY – 30 JUNE 2006 – 2010**

	1 January – 30 June (unaudited)				
	2010	2009	2008	2007	2006
<b>Sales (thousand hectolitres)</b>	<b>3,219</b>	3,268	3,756	3,351	3,061
<b>Financial highlights (mDKK)</b>					
<b>Income Statement</b>					
Net revenue	<b>1,882.4</b>	1,912.9	2,079.7	1,826.0	1,619.0
Operating profit before special items	<b>152.0</b>	86.9	63.3	55.8	60.6
Special items (expenses)	<b>0.0</b>	(40.1)	(47.4)	0.0	0.0
Special items (depr./amort. and impairment; profit/loss on sale)	<b>0.0</b>	15.3	13.5	0.0	0.0
Profit before financial income and expenses	<b>152.0</b>	62.1	29.4	55.8	60.6
Net financials	<b>(47.1)</b>	(39.2)	(45.7)	(18.3)	(14.7)
Profit/loss before tax	<b>104.9</b>	22.9	(16.3)	37.5	45.9
Profit/loss for the period	<b>70.9</b>	16.9	(11.8)	41.2	35.3
Royal Unibrew A/S' share of profit/loss	<b>69.7</b>	16.3	(11.8)	40.3	34.4
<b>Balance Sheet</b>					
Total assets	<b>3,404.0</b>	4,086.6	4,285.1	3,927.9	3,317.6
Equity	<b>1,029.2</b>	553.4	1,040.8	1,103.9	1,087.9
Net interest-bearing debt	<b>1,010.7</b>	2,138.7	1,975.9	1,567.8	1,154.6
Net working capital	<b>(183.2)</b>	73.3	348.4	201.9	234.2
<b>Per share</b>					
Royal Unibrew A/S' share of earnings per share (DKK)	<b>6.3</b>	3.0	(2.1)	7.0	5.7
Royal Unibrew A/S' diluted share of earnings per share (DKK)	<b>6.3</b>	3.0	(2.1)	6.9	5.7
Cash flow per share (DKK)	<b>20.0</b>	25.9	0.3	12.2	4.7
Diluted cash flow per share (DKK)	<b>20.0</b>	25.9	0.3	12.1	4.7
<b>Key figures (mDKK)</b>					
EBITDA before special items	<b>253.5</b>	178.8	156.2	139.0	156.9
EBITDA	<b>253.5</b>	138.7	108.8	139.0	156.9
EBIT	<b>152.0</b>	62.1	29.4	55.8	60.6
Free cash flow	<b>216.9</b>	48.9	(142.0)	(17.3)	(57.5)
<b>Key ratios (%)</b>					
Profit margin	<b>8.1</b>	4.5	3.0	3.1	3.7
EBIT margin	<b>8.1</b>	3.2	1.4	3.1	3.7
Free cash flow as a percentage of net revenue	<b>11.5</b>	2.6	(6.8)	(0.9)	(3.6)
Equity ratio	<b>30.2</b>	13.5	24.3	28.1	32.8
Debt ratio	<b>98.2</b>	386.5	189.8	142.0	106.1

The key ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2010" of the Danish Society of Financial Analysts.