



## H1 Report 2009

Company Announcement No 24/2009

26 August 2009

In H1 2009, Royal Unibrew realised an operating profit of DKK 87 million compared to DKK 63 million last year. At the same time, cash flows from operating activities improved by DKK 158 million. Net interest-bearing debt was reduced by DKK 53 million compared to year end 2008. The significant performance improvement is due to the implementation of a number of activities to strengthen the Group's earnings and cash flow initiated at the beginning of the year as well as to increasing net selling prices and a changed sales mix. The significant performance and cash flow improvements were realised in spite of difficult market conditions and decreasing revenue.

*"The performance for H1 2009 exceeded expectations and confirms that the activities initiated by us have had the intended effect. The development shows that the Group is fundamentally sound and capable of generating strong cash flow and reasonable results. Moreover, it is very positive that net interest-bearing debt has been reduced in spite of the seasonal activity increase. The conditional sale of the Caribbean breweries will further contribute towards improving the Group's debt position. At the same time, all relevant options are being considered to ensure an appropriate capital structure as previously announced," says Henrik Brandt, CEO.*

### HIGHLIGHTS

- In H1, Royal Unibrew achieved significantly improved operating results:
  - Operating profit (DKK 87 million) up by DKK 24 million (+38%) from 2008
  - Revenue decline by 8% due to the global recession, but market share wins or maintenance in main markets
  - Profit margin up to 4.5% (2008: 3.0%) due to net selling price increases, changed sales mix primarily geographically as well as cost adjustments and enhanced efficiency
  - Profit before tax but after special items amounting to DKK 23 million (2008: a loss of DKK 16 million)
- Cash flow development was also above expectations in H1:
  - Strong improvement of free cash flow (a positive DKK 49 million compared to a negative DKK 142 million in H1 2008)
  - Working capital at the end of H1 2009 DKK 275 million below the figure at the same time in 2008
  - Cash flows from operating activities amounting to DKK 143 million (2008: a negative DKK 15 million) for H1 2009
  - Major investment projects initiated in 2008 completed in H1 2009

- Net interest-bearing debt was reduced by DKK 53 million since the beginning of the year in spite of the seasonal sales increase usually resulting in an increase of net working capital, and thus net interest-bearing debt, which amounted to DKK 2.1 billion at the end of H1 2009.
- The Group has committed, unutilised credit facilities of some DKK 600 million. As a result of the earnings, the net working capital reduction and the effect of the sale in Poland, the Group's ratios at 30 June 2009 are significantly better than required in the covenants included in the funding agreement made with the banks.
- Realisation of the strategic main priorities – see Announcement of Annual Results for 2008 – is progressing as planned:
  - Poland: The Koszalin brewery and the local brands have been sold. This combined with the other adjustments in Poland results in realisation of the planned reductions of the number of employees (some 125 full-time employees).
  - Denmark: The change of the production and distribution structure was completed in Q2 and as planned the number of salaried employees was reduced by some 100.
  - Baltic countries: Joint operating management and integration of the organisations in Lithuania and Latvia were completed.
  - Cash flow and capital structure: A strong cash flow in H1 2009 (DKK 143 million) means that net interest-bearing debt is considerably lower than expected due to, among other things, reduced inventories. The conditional agreement to sell the Group's Caribbean breweries as well as the sale of brewery and brands in Poland are expected to further reduce net interest-bearing debt towards the end of 2009. Efforts are still being directed at reducing the debt level and ensuring a more appropriate capital structure.
- Based on the results realised for H1 2009 and taking into account that the general development remains subject to uncertainty, full-year operating profit before special items is now expected to be at the level of DKK 170-210 million compared to the previous expectation of a figure in excess of DKK 135 million. The expectation of special items amounting to an expense of DKK 35 million remains unchanged, whereas net financials are now estimated at DKK 125-135 million compared to the previously expected DKK 145-165 million.
- Without taking into account the positive effect of the sale of the Caribbean breweries, net interest-bearing debt is expected to be reduced by some DKK 150 million in 2009 reaching a level of some DKK 2 billion at the end of the year.

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The Announcement has been prepared in Danish and English. In case of discrepancy, the Danish version shall prevail. This Company Announcement consists of 33 pages.

*The primary activities of **Royal Unibrew** are to market, sell, distribute and produce quality beverages focusing on branded products primarily within beer, malt and soft drinks. The Group's products are sold in approx. 65 markets in Western Europe, Eastern Europe, the Caribbean, North America and Africa. Royal Unibrew comprises the Albani and Faxe breweries in Denmark, Kalnapilis in Lithuania, Livu Alus and the soft drinks bottlery Cido in Latvia, Browar Lomza and Strzelec in Poland.*

*It is the vision of Royal Unibrew to develop the Group's position as a leading provider of beverages in Western and Eastern Europe and in our malt drinks markets with increasing profitability. Outside these areas, we will develop selected profitable export markets.*

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

## CONTENTS

Highlights	1
Financial Highlights and Key Ratios	4
Management's Review	5
Financial Calendar	16
Company Announcements	16
Management's Statement	17
<b>Financial Statements</b>	
Income Statement	18
Assets	19
Liabilities and Equity	20
Statement of Changes in Equity	21
Cash Flow Statement	23
<b>Notes</b>	
Descriptive Notes	
1 Significant Accounting Policies	24
2 Accounting Estimates and Judgements	24
3 Segment Reporting	25
Notes Relating to Income Statement, Balance Sheet and Cash Flow Statement	
4 Special Items	27
5 Tax on the Profit for the Period	28
6 Basis of Calculation of Earnings and Cash Flow per Share	28
7 Treasury Shares	29
8 Cash Flow Statement	30
Other Notes	
9 Acquisitions	31
Financial Highlights and Key Ratios for H1 2005-2009	32
Definitions of Key Figures and Ratios	33

## FINANCIAL HIGHLIGHTS AND KEY RATIOS

	H1 2009	H1 2008	Q2 2009	Q2 2008	2008
<b>SALES (thousand hectolitres)</b>	<b>3,268.0</b>	<b>3,756.0</b>	<b>1,958.0</b>	<b>2,212.0</b>	<b>7,079.0</b>
<b>FINANCIAL HIGHLIGHTS (mDKK)</b>					
<b>Income Statement</b>					
Net revenue	1,912.9	2,079.7	1,145.3	1,241.4	4,178.7
Operating profit before special items	86.9	63.3	114.8	98.4	134.9
Special items, net	(24.8)	(33.9)	(8.3)	(1.3)	(50.1)
Impairment	0.0	0.0	0.0	0.0	(385.0)
Profit before financial income and expenses	62.1	29.4	106.5	97.1	(300.2)
Impairment of other investments	0.0	0.0	0.0	0.0	(70.1)
Other financials, net	(39.2)	(45.7)	(39.6)	(17.6)	(82.7)
Profit/(loss) before tax	22.9	(16.3)	67.0	79.4	(453.0)
Consolidated profit/(loss)	16.9	(11.8)	51.5	56.4	(483.2)
Royal Unibrew A/S' share of profit/(loss)	16.3	(11.8)	50.8	56.5	(484.3)
<b>Balance Sheet</b>					
Total assets	4,086.6	4,285.1	4,086.6	4,285.1	4,051.4
Equity	553.4	1,040.8	553.4	1,040.8	574.8
Net interest-bearing debt	2,138.7	1,975.9	2,138.7	1,975.9	2,191.9
Free cash flow	48.9	(142.0)	178.8	0.7	(356.2)
<b>Per share</b>					
Royal Unibrew A/S' share of earnings per share (DKK)	3.0	(2.1)	9.3	10.3	26.4
Royal Unibrew A/S' diluted share of earnings per share (DKK)	3.0	(2.1)	9.3	10.3	26.2
Cash flow per share (DKK)	25.9	(2.8)	31.2	23.0	19.0
Diluted cash flow per share (DKK)	25.9	(2.8)	31.2	23.1	19.0
<b>Key figures (mDKK)</b>					
EBITDA	138.7	108.8	136.7	134.9	254.6
EBIT	62.1	29.4	106.5	97.1	(300.2)
<b>Key ratios (%)</b>					
Profit margin	4.5	3.0	10.0	7.9	3.2
EBIT margin	3.2	1.4	9.3	7.8	(7.2)
Free cash flow as a percentage of net revenue	2.6	(6.8)	15.6	0.1	(8.5)
Equity ratio	13.5	24.3	13.5	24.3	14.2
Debt ratio	386.5	189.8	386.5	189.8	381.3

The key ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2005" of the Danish Society of Financial Analysts.

## MANAGEMENT'S REVIEW

### STRATEGIC MAIN PRIORITIES

In 2009, Royal Unibrew has special focus on the Group's earnings, cash flows from operating activities, reduction of the investment volume considering the projects in progress as well as capital structure. Due to this focus as well as the general uncertainty of the economic development and consumer behaviour, Royal Unibrew is continuously prepared and ready to implement all the necessary cost adjustments warranted by developments.

As mentioned in the Announcement of Annual Results for 2008 (see Company Announcement No 2/2009), the changed strategy for Royal Unibrew is based on the following main areas:

- **Structural and operational adjustment in Poland**  
The adjustment of the Polish activities is progressing as planned. As announced in Company Announcement No 22/2009 of 2 June 2009, the Koszalin brewery and two brands related to the region around the brewery were sold. The sale and other adjustments in Poland have resulted in a total reduction of the number of employees by some 125. The activities implemented will have full financial impact during H2 2009. Efforts are still directed at enhancing efficiency in Poland, and the target is to create a basis for positive earnings (at EBITDA level) as of 2010. All necessary initiatives are being considered.
- **Structural and organisational adjustment in Denmark**  
The production and distribution structure projects of transferring production from Aarhus to Faxe and Odense and changing the Danish distribution system were completed as planned in April 2009. Moreover, the planned structural and organisational adjustment has been completed and the number of salaried employees has been reduced by some 100 full-time employees. The full impact of this adjustment will be felt during H2 2009.
- **Joint operating management in the Baltic countries**  
The overall organisational framework has been determined and the executives to be in charge have been appointed. The new operating management will focus on improved joint resource and competence utilisation both in the short and long term. This will strengthen the local market organisations and further enhance efficiency in other areas.
- **Cash flow and reduction of debt**  
In spite of net interest-bearing debt being at a lower level than expected at 30 June 2009 and expectations – without taking into account the sale of the Caribbean activities - of a further reduction in H2, Management continues to believe that the Group's financial structure is inappropriate. The conditional sale of the shares in the Group's Caribbean brewery companies is expected to reduce the Group's net interest-bearing debt by just below DKK 200 million towards the end of 2009 as compared to the level at the beginning of 2009 (see Company Announcement No 23/2009 of 12 August 2009). The sale of the Polish brewery and brands will have a positive cash flow effect in 2009 of some DKK 40 million, the main part at the end of the year.

In the period to year end 2010, the Group does, however, wish to reduce net interest-bearing debt to a level corresponding to not more than 3 times EBITDA and to strengthen the Company's financial standing. The process to ensure a more appropriate financial structure therefore perseveres and, in that connection, consideration of all relevant possibilities will continue.

The development of the brewery site in Aarhus continues to have high priority. Royal Unibrew does not intend to participate in development of the area, but wishes to sell the site. It is assessed that the comparatively best price may be achieved when the local plan for the area is in place. A proposal for a development plan for the area was submitted to the local authorities of Aarhus in April 2009 as a basis for a project evaluation and

the preparation of a changed local plan. Multi-purpose use of the site is expected, primarily for offices and housing. A changed local plan is expected to be finally approved during 2010.

As an additional element of the efforts to reduce interest-bearing debt, continued efforts are currently made to optimise net working capital. Net working capital at the end of H1 amounting to DKK 73 million was DKK 275 million below the figure at the same time in 2008.

The Group's investments will be kept at a reasonably low level in the remaining months of 2009 and 2010. In H1 2009, gross investments in property, plant and equipment amounted to DKK 146 million, of which 85% relates to the completion of investments initiated in 2008. In the same period of 2008, investments amounted to DKK 172 million.

As previously announced, the Group has entered into an agreement with its primary bankers that they will make available until 31 March 2011 the credit facilities considered necessary by the Group. At 30 June 2009, the Group had committed, unutilised credit facilities of some DKK 600 million and net interest-bearing debt was significantly lower than anticipated. At 30 June 2009, there is considerable headroom to the covenants determined by the banks.

### RESULTS 1 JANUARY – 30 JUNE 2009

In H1 2009, the Royal Unibrew Group realised a profit before tax of DKK 23 million, which is above expectations and a DKK 39 million improvement on 2008.

The results for the period do not reflect a proportionate share of the full-year results as the period is used to carry out major maintenance work on production facilities before the peak season and, furthermore, includes only one month of the peak season of the year.

In H1 2009, Royal Unibrew improved its earnings and market position as compared to the same period of last year in spite of the global crisis and the resulting changed customer and consumer behaviours causing lower sales and revenue.

The estimate at the end of H1 2009 is that the negative growth rate has been diminishing in several of the Group's markets compared to the same period of 2008. However, demand continues to decline in several markets.

In the period, the Group extended or maintained its market shares in most key markets. However, increased price competition must be noted in several of the Group's Northern European markets.

In certain markets – in particular Latvia – significant efficiency enhancing measures and a dynamic cost adjustment have been implemented in the light of reduced sales, which has contributed towards protecting earnings in the areas in question.

In Poland, a brewery and two brands were sold with effective transfer at 2 June 2009 (see Company Announcement No 22/2009 of 2 June 2009).

The developments in the Group's activities for the period 1 January – 30 June 2009 break down as follows on market segments:

	Western Europe	Eastern Europe	Malt and Overseas Markets	Unallocated	Group
Sales (thousand hectolitres)	1,648	1,369	251	-	3,268
Growth (%)	-10.5	-15.6	-14.1		-13.0
Share of sales (%)	50	42	8	-	100
Net revenue (mDKK)	1,228	464	221	-	1,913
Growth (%)	-2.8	-19.2	-8.5		-8.0
Share of net revenue (%)	64	24	12	-	100
Operating profit/loss (before special items) (mDKK)	104.8	(13.3)	15.5	(20.1)	86.9
Profit margin (%)	8.5	-2.9	7.0		4.5
Earnings before interest and tax (EBIT) (mDKK)	89.4	(15.3)	12.1	(24.1)	62.1
EBIT margin (%)	7.3	-3.3	5.5		3.2

Total group sales in H1 aggregated 3.3 million hectolitres of beer, malt and soft drinks, which is a 13% decrease from 2008.

The net revenue of the Group was, however, only reduced by 8% from 2008 amounting to DKK 1,913 million. 3 percentage points of the revenue reduction are attributable to the decreasing PLN rate and the termination of unprofitable supply agreements concerning private label. Selling price increases were introduced in almost all markets. Moreover, a positive mix shift was realised as the sales reduction was lower in Western Europe than in Eastern Europe.

Gross profit decreased from 2008 by DKK 65 million amounting to DKK 817 million, which is 7% below the 2008 figure. The estimate is that the lower sales have reduced gross profit by more than DKK 125 million, whereas the higher gross margin had a positive effect of more than DKK 60 million. The gross margin for H1 was 42.7% compared to 42.4% in the same period of last year. From an overall perspective, the higher realisable values per unit have thus more than compensated for the increase in production costs, primarily relating to raw materials the purchase prices of which are covered by forward contracts to a considerable extent.

The focus on sales and marketing efforts and the implemented change of the distribution structure in Denmark resulted in an 11% reduction of the Group's sales and distribution expenses in H1 2009 compared to 2008. Administrative expenses were reduced by some 8%. The full impact of the adjustments implemented primarily in Denmark and Poland will be realised during H2 2009.

Operating profit before "special items" amounted to DKK 87 million in H1 2009, which is a DKK 24 million improvement on 2008. The improvement has been achieved by realising higher net selling prices per sales unit and material cost savings in production, sales and distribution as well as administrative functions. The earnings effect of this has thus been higher than the reduction in sales and gross profit, which is primarily a result of the economic decline.

"Special items" amounted to DKK 25 million in H1 2009 comprising primarily profits from the sale of assets in Poland and impairment of these assets, expenses and impairment losses related to the completion of the production and distribution structure change in Denmark as well as expenses for redundancy schemes, including

for structural and organisational adjustments in Poland and Denmark (see Company Announcement No 2/2009 of 26 February 2009).

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by DKK 30 million amounting to DKK 139 million compared to DKK 109 million in 2008.

Earnings before interest and tax (EBIT) amounted to DKK 62 million compared to DKK 29 million in 2008.

Income from investments in associates increased by DKK 6 million to DKK 13 million. All associates saw improved results in H1 2009.

The Group's net financial expenses amounted to DKK 53 million as in 2008. The unchanged net expenses comprise higher net interest expenses offset by exchange gains of some DKK 20 million. The higher interest expenses were partly due to the higher net interest-bearing debt in 2009 and partly to higher interest rates and expenses related to the agreement for credit facilities entered into with the primary bankers in Q1 2009.

The profit before tax amounted to DKK 23 million compared to a loss of DKK 16 million in H1 2008.

Consolidated profit (after tax) amounted to DKK 17 million, a DKK 29 million improvement on the loss of DKK 12 million realised in 2008. Tax on the profit for the period is in 2009 positively affected by an adjustment relating to prior year.

## DEVELOPMENTS IN INDIVIDUAL MARKET SEGMENTS

### Western Europe

Western Europe	2009	2008	% change
Sales (thousand hectolitres)	1,648	1,841	-11
Net revenue (mDKK)	1,228	1,264	-3
Operating profit (before special items) (mDKK)	104.8	84.4	24
Profit margin (%)	8.5	6.7	
EBIT (mDKK)	89.4	50.5	77
EBIT margin (%)	7.3	4.0	

The **Western Europe** segment comprises the markets for beer and soft drinks in Denmark and the Nordic countries as well as in Germany and Italy. In H1 2009, Western Europe accounted for 50% of total sales and 64% of net revenue (2008: 50% and 61%, respectively).

The Group won market shares on branded products in Denmark and on the key brand, Ceres Strong Ale, in Italy in H1 2009. However, the markets were affected by the economic decline and declining consumption, and sales and revenue were 11% and 3%, respectively, below the 2008 figures. The termination of unprofitable private label supply agreements accounted for 8 percentage points of the sales reduction and for all of the revenue reduction.

The operating profit increased by DKK 20 million to DKK 105 million positively affected by higher net selling prices per unit as well as cost savings and negatively affected by the lower sales.

EBIT was negatively affected by "special items" of DKK 15 million net, primarily due to expenses relating to the business reorganisation in Denmark as well as completion of the production and distribution structure reorganisation in Denmark initiated in 2008. The impact of these measures will be fully felt during H2 2009.



Western Europe	Actual H1 2009		Growth over 2008	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Denmark	583	720	-7	-16
Italy	364	248	2	-2
Germany	268	643	4	-4
Nordic countries	13	37	-47	-43
Other markets *)	0	0	0	0
<b>Total Western Europe</b>	<b>1,228</b>	<b>1,648</b>	<b>-3</b>	<b>-11</b>

\*) The beer sales operations in France have as of 2009 been combined with the malt drinks sales operations in France. Therefore, segment reporting has been changed in accordance with IFRS 8 to the effect that as of 2009 beer sales in France are reported under the segment Malt and Overseas Markets. Comparative figures for 2008 have been restated accordingly.

It is estimated that total branded beer sales in **Denmark** decreased by some 7% in H1 2009, whereas soft drinks sales were reduced by some 9%.

The development in Royal Unibrew's total sales in H1 2009 was affected by the earlier closure of the Maribo brewery and the termination of unprofitable supply agreements concerning private labels in H1 2009. Adjusting for these reductions in the Company's sales, sales were 4% lower whereas net revenue in H1 2009 was almost 2% lower than in 2008. In H1, sales shifted partly from the Horeca sector towards the retail sector and partly towards sales units with higher volumes of soft drinks. Royal Unibrew's market shares were increased in H1 both for branded beer and for soft drinks.

Price increases were introduced in Denmark in early 2009.

The Egekilde brand range was extended with the introduction of a new taste variety.

In **Italy** sales of Royal Unibrew's key brand, Ceres Strong Ale, increased in H1 by some 3% in a market declining by just above 2%, whereas sales of products with a lower market value were below those of H1 2008. Accordingly, Royal Unibrew's net revenue increased by 2% in spite of a 2% sales reduction. Royal Unibrew realised the planned price increases. Royal Unibrew's sales in Italy in H1 2009 are considered to have been affected by the rebuilding of inventories, and the Ceres Strong Ale market share is estimated to have increased both in the Horeca sector and in the retail sector.

Also in the **German** market (including cross-border trade), the Group's net revenue increased in spite of decreasing sales. Royal Unibrew's branded product sales increased, which, combined with price increases introduced, resulted in total revenue in H1 2009 being 4% higher than in 2008.

## Eastern Europe

Eastern Europe	2009	2008	% change
Sales (thousand hectolitres)	1,369	1,623	-16
Net revenue (mDKK)	464	575	-19
Operating loss (before special items) (mDKK)	(13.3)	(13.8)	4
Profit margin (%)	2.9	2.4	
EBIT (mDKK)	(15.3)	(13.8)	-11
EBIT margin (%)	-3.3	-2.4	

The **Eastern Europe** segment comprises the markets for beer, fruit juices and soft drinks in Latvia, Lithuania and Poland. In H1 2009, Eastern Europe accounted for 42% of group sales and 24% of net revenue (2008: 43% and 28%, respectively).

The markets in the segment were in 2009 affected by the reduction in beverages consumption which in the case of Latvia and Poland occurred in 2008 and which was seen in Lithuania too in Q1 2009. Sales declined by 16% and net revenue in the segment was reduced by 19% including 7 percentage points caused by the negative PLN rate development.

In spite of the significant sales and revenue reduction, operating profit before "special items" showed a DKK 0.5 million improvement on H1 2008 since, as a result of great focus on adjusting the capacity basis, significant cost savings were realised.

EBIT was negatively affected by "special items" of DKK 2 million in H1 relating to, among other things, reorganisation in Poland and the Baltic countries.

Eastern Europe	Actual H1 2009		Growth over 2008	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
Lithuania	175	410	-7	-6
Latvia	146	450	-23	-28
Poland	142	507	-25	-6
Other markets	1	2	-85	-88
<b>Total Eastern Europe</b>	<b>464</b>	<b>1,369</b>	<b>-19</b>	<b>-16</b>

In **Lithuania** the total beer market decline is estimated at more than 6% in H1 2009, whereas the total decline in the fruit juice market is estimated at some 23%. In H1, Kalnapilio-Tauro Grupe continued to increase its market shares on both beer and fruit juices and measured by both value and volumes.

In H1 2009, price increases were introduced in Lithuania, and the Taurus brand was strengthened by launching the products in profile bottles. The total product portfolio was strengthened through the introduction of a cider range.

The operating profit before special items in Lithuania in H1 2009 was significantly above expectations and an improvement on 2008.

In **Latvia** it is estimated that the fruit juice, nectar and still drinks segment declined by some 25% in H1 2009, whereas total beer consumption is estimated at an approximate 5% decline. In 2009, Royal Unibrew's still drinks market share increased, whereas the market shares for fruit juices and branded beer were maintained.

In 2009, price increases were introduced for most product categories. Furthermore, a cider range was launched.

In spite of the substantial sales and revenue decline, operating profit for H1 2009 showed a significant improvement on 2008 and on expectations. Significant reductions of the cost base were realised in Latvia.

In **Poland** national beer consumption is estimated at an approximate 8% decline in H1 2009 from the same period of last year caused partly by an increase of beer duties. Royal Unibrew's sales and revenue decreased by 6% and 25%, respectively. Adjusted for the negative PLN rate development, the revenue decline represents only 4%.

The operating profit before special items for H1 was as expected but continues to be unsatisfactory.

### Malt and Overseas Markets

Malt and Overseas Markets	2009	2008	% change
Sales (thousand hectolitres)	251	292	-14
Net revenue (mDKK)	221	238	-7
Operating profit (before special items) (mDKK)	15.5	18.0	-14
Profit margin (%)	7.0	7.6	
EBIT (mDKK)	12.1	18.0	-33
EBIT margin (%)	5.5	7.6	

The **Malt and Overseas Markets** segment comprises the Group's breweries 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 2009, Malt and Overseas Markets accounted for 8% of total sales and 12% of net revenue of the Group (2008: 7% and 11%). Net revenue was positively affected by some DKK 10 million, net by the development in the USD and GBP rates.

Malt and Overseas Markets	Actual H1 2009		Growth over 2008	
	Net revenue (mDKK)	Sales (thousand hectolitres)	Net revenue (%)	Sales (%)
The Caribbean	139	123	4	-9
The UK	14	18	-59	-44
Africa	29	52	-6	-16
Other markets	39	58	-9	-11
<b>Total Malt and Overseas Markets</b>	<b>221</b>	<b>251</b>	<b>-7</b>	<b>-14</b>

Developments in **the Caribbean** continued to be affected by the general economic crisis. Increasing unemployment rates, declining tourism and fewer money transfers from relatives residing in the USA resulted in declining sales in the local markets. While Vitamalt product sales therefore did not live up to expectations in H1 2009, the earnings of the three brewery subsidiaries in the region, viewed on an aggregated basis, were above expectations as a result of efficiency enhancing measures implemented. In spite of a general strike in the main part of Q1, net revenue of the Group's distribution companies in Guadeloupe and Martinique was at the H1 2008 level, and earnings showed significant improvement on 2008 and on expectations.

In the UK sales and revenue were negatively affected by significant inventory reductions with a major customer. Moreover, revenue was negatively affected by some DKK 2 million due to the low GBP rate.

The other markets in the segment realised lower sales than expected primarily due to the global economy, the Group's increased focus on credit granting and the reduction of inventories in the supply chain.

Earnings in the segment, primarily profit before "special items", were DKK 2.5 million below the H1 2008 figure including a net positive effect of some DKK 1.5 million from the development in the USD and GBP rates.

### SHARE OPTIONS

As announced in Company Announcement No 12/2009 of 31 March 2009, the Company's Supervisory Board decided to cancel the share option programme entered into for the period 2008-2010 applying to the Executive Board and some 20 executives as from 2008 to the effect that the grants for the 2008 financial year and grants for the 2009 and 2010 financial years lapse.

After this, the following share options remain unexercised from previous share option programmes:

Granted	Total number unexercised	Number held by Executive Board	Exercise price	Exercise period
Re 2004	8,080	2,092	478	4/2008 – 4/2010
Re 2005	15,832	2,462	648	4/2009 – 4/2011
Re 2006	16,172	2,756	695	4/2010 – 4/2012
Re 2007	12,362	2,231	510	4/2011 – 4/2013
Granted 2008 re Strategic Plan	20,460	2,231	510	4/2011 – 4/2013
<b>Total</b>	<b>72,906</b>	<b>11,772</b>		

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

### BALANCE SHEET AND CASH FLOW STATEMENT

Royal Unibrew's balance sheet total amounted to DKK 4,018 million at 30 June 2009, which matches the level at the end of 2008.

Group equity amounted to DKK 553 million at the end of June 2009 and was in all material respects affected only by the negative comprehensive income of DKK 23 million - comprising the profit of DKK 17 million for the period, negative exchange adjustments of the Group's foreign group enterprises of DKK 14 million as well as a negative development in the value of currency and interest rate hedging instruments of DKK 26 million. The equity ratio represented 13.5% compared to 14.2% at the end of 2008.

Free cash flow for H1 amounted to DKK 49 million compared to a negative DKK 142 million in H1 2008. Due to the peak season in the summer months, cash flow is traditionally negatively affected by an increasing net working capital.

Cash flows from operating activities (before financial income and expenses and tax) amounted to DKK 207 million, which was a DKK 120 million improvement on H1 2008, whereas net interest and corporation tax paid to

gether affected cash flows positively by DKK 38 million as compared to 2008. Overall, cash flows from operating activities totalling DKK 143 million showed a DKK 158 million improvement on 2008.

Gross investments amounted to DKK 146 million, which is some DKK 26 million below the 2008 figure. The proceeds from assets sold amounted to some DKK 40 million primarily relating to the Polish brewery in Koszalin.

Investments in receivables and inventories were increased by DKK 118 million in the period (2008: DKK 321 million), whereas trade payables and other debt increased by DKK 177 million (2008: DKK 272 million – affected by investment creditors). On a total basis, net working capital was, as a result of focus on minimising working capital investments, reduced by DKK 58 million in H1 2009 in spite of the season (2008: increased by DKK 50 million).

### **FUNDING AND CAPITAL STRUCTURE**

As announced in the Announcement of Annual Results for 2008, Royal Unibrew has entered into an agreement with its primary bankers that for the next two years (until 31 March 2011) they will make available to the Group the credit facilities considered necessary by the Group based on plans and budgets.

The credit lines provided by the agreement with the banks have been adjusted to the seasonal fluctuations in the Group's capital requirements. At 30 June 2009, the credit line amounts to DKK 2.75 billion, DKK 600 million of which is unutilised. At the end of 2009, the credit line will be reduced to DKK 2.5 billion of which not more than some DKK 2.0 billion is expected to be utilised. For 2010, the funding agreement requires reduction of the credit line from DKK 2.5 billion to DKK 2.0 billion during H2.

Due to the cash flow development in H1 2009, which was above expectations, the Group will constantly consider a reduction of the committed, unutilised facilities (at 30 June 2009 some DKK 600 million).

The funding agreement includes a number of covenants which are measured quarterly: EBITDA, the ratio of net interest bearing debt to EBITDA, solvency ratio, investments and cash flow targets. Based on the Group's plans and budgets, it is estimated that the Group will be able to comply with the agreed covenants. At the end of H1 2009, the target achievement was better than that required by the agreed covenants. Based on the estimated developments in H2 2009, the agreed covenants will also be met by the end of 2009 with satisfactory margins.

The credit commitment by the banks is based on the condition that the Company pay no dividend and buy back no shares.

The Group will continue its focus on freeing as much cash as possible through reduction of investments in net working capital and by maintaining a reasonably low investment level.

At the same time, as previously mentioned, all relevant options will be considered to strengthen the Company's financial standing and to ensure an appropriate financial structure.

### **PROSPECTS**

The Group's results for H1 2009 showed improvement on the results for the corresponding period of last year and were also above expectations.

The estimate at the end of H1 2009 is that the negative growth rate has been diminishing in several of the Group's markets compared to the same period of 2008, but general developments continue to be subject to great uncertainty, and several markets are seeing declining demand.

Royal Unibrew's total sales and revenue will decrease from 2008 due to the generally declining demand. In H1 2009, the Royal Unibrew Group increased or maintained its market shares in most main markets, and these

positions are expected to be maintained or strengthened in the coming quarters.

The selling price increases planned for 2009 were realised in Q1. In Q2, intensified price competition has been seen in several markets in Northern Europe.

The reorganisation of the Danish production structure and distribution system as well as the initiatives implemented in Poland and Denmark will continue to contribute towards increasing the Group's profitability. The full impact will be realised during H2 2009. These circumstances as well as dynamic adjustment of the cost base in relation to market developments especially in the Baltic countries will result in an increasing profit margin (operating profit before "special items") as compared to last year.

It is estimated that operating profit before "special items" for 2009 will be at the level of DKK 170-210 million (previous expectation: in excess of DKK 135 million), whereas net financial expenses are now estimated at DKK 125-135 million (previous expectation: DKK 145-165 million) primarily due to improved cash flows and gains on an exchange rate contract.

"Special items" are still expected to represent an expense of some DKK 35 million in 2009 primarily attributable to reorganisation in Denmark and Poland.

The effective tax rate for EBIT is expected to be some 30% and the rate for financial expenses is expected to be some 13% (previous expectation: 38% for EBIT and 12% for financials).

Gross investments for the year are still expected to amount to some DKK 250 million and impairment losses for the year to some DKK 215 million.

Based on the cash flow improvements achieved in H1, net interest-bearing debt at the end of 2009 is expected to amount to some DKK 2 billion, which is lower than the previous expectation and some DKK 150 million lower than at the beginning of the year without taking into account the sale of the Caribbean breweries. Due to this development as well as the earnings improvement mentioned above, a satisfactory margin to the financial ratios (covenants) included in the Group's funding agreement is still expected.

### **STATEMENTS ABOUT THE FUTURE**

The statements about the future made in the H1 Report 2009 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), etc. 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.

### **EVENT SUBSEQUENT TO INTERIM PERIOD END**

As mentioned in Company Announcement No 23/2009 of 12 August 2009, Royal Unibrew has entered into a conditional agreement with the Cerveceria Nacional Dominicana (CND) brewery in the Dominican Republic to sell its shares of the breweries in Antigua, Dominica and St. Vincent to CND.

The total consideration for Royal Unibrew's shares amounts to USD 31 million (some DKK 160 million). Moreover, the purchasers will take over the debts of the companies. On an aggregated basis, the transaction will re-

duce Royal Unibrew's interest-bearing debt by just below DKK 200 million. The net realisable value of the shares is at the level of their carrying amount.

On a translated basis, the enterprise value (EV; 100%) of the companies sold amounts to some USD 44 million (some DKK 255 million), whereas the Group's EBITDA (100%) will be reduced by some DKK 30 million through the sale.

The Group's malt brand Vitamalt will continue to be produced on licence by the breweries sold, and CND will commence licence production and sale of Vitamalt in the Dominican Republic.

The agreements with CND are subject to, among other things, approval by the government in Antigua as well as to obtaining acceptance from certain licensors of the change of ownership. The transaction is expected to be closed towards the end of 2009. Consequently, the transaction is not expected to affect the Group's earnings (EBIT) in 2009.

## MANAGEMENT

After 17 years with the Royal Unibrew Group, Ulrik Sørensen, CFO, has requested retirement at the end of 2010 in continuation of his sixtieth birthday in 2010. With a view to ensuring the necessary continuity, a search for a new CFO will be initiated. In connection with the new CFO joining – foreseeably around year end 2009/2010 – Ulrik Sørensen will withdraw from the Company's Executive Board. Up until the date of his retirement, Ulrik Sørensen will - in addition to the work of transferring his responsibilities to the new CFO and assisting as required - solve special assignments for the Executive Board, including the sale of the Ceres property.

## FINANCIAL CALENDAR

### 2009

Announcements of financial results:

6 November 2009 Q3 Report 2009

### 2010

General meeting:

27 April 2010 Annual General Meeting in Odense

Announcements of financial results:

5 March 2010 Announcement of Annual Results 2009

27 April 2010 Q1 Report 2010

26 August 2010 H1 Report 2010

25 November 2010 Q3 Report 2010

## ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN IN 2009

23 February 2009	01/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
26 February 2009	02/2009	Announcement of Annual Results for 2008
11 March 2009	03/2009	Reporting according to the Danish Securities Trading Act section 28a
12 March 2009	04/2009	Reporting according to the Danish Securities Trading Act section 28a
19 March 2009	05/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
23 March 2009	06/2009	Reporting according to the Danish Securities Trading Act section 28a
25 March 2009	07/2009	Reporting according to the Danish Securities Trading Act section 28a
26 March 2009	08/2009	Reporting according to the Danish Securities Trading Act section 28a
27 March 2009	09/2009	Royal Unibrew Polska Sp. z o.o. accelerates the divestiture of the brewery in Koszalin
30 March 2009	10/2009	Reporting according to the Danish Securities Act section 28a
31 March 2009	11/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
31 March 2009	12/2009	Cancellation of the Share Option Programme
1 April 2009	13/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
8 April 2009	14/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
15 April 2009	15/2009	Annual General Meeting – notice of meeting
29 April 2009	16/2009	Q1 Report 2009
29 April 2009	17/2009	Annual General Meeting 2009
25 May 2009	18/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
27 May 2009	19/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
29 May 2009	20/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
29 May 2009	21/2009	Major shareholder information pursuant to section 29 of the Danish Securities Trading Act
2 June 2009	22/2009	Royal Unibrew's sale of the Polish brewery in Koszalin completed
12 August 2009	23/2009	Royal Unibrew enters into agreement to sell Caribbean breweries



## MANAGEMENT'S STATEMENT ON THE REPORT

The Executive and Supervisory Boards have presented the H1 Report of Royal Unibrew A/S. The H1 Report has today been considered and adopted.

The H1 Report, which has not been audited or reviewed by the Company's auditors, was prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for listed companies.

We consider the accounting policies applied appropriate and the accounting estimates made reasonable, and, in our opinion, the H1 Report provides the information relevant to assess the financial circumstances of the Group and the Parent Company. Accordingly, in our opinion, the H1 Report gives a true and fair view of the financial position of the Group as well as of the results of the Group operations and cash flows for the period 1 January - 30 June 2009.

In our Opinion, Management's Review gives a true and fair view 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 enterprises comprised by the Consolidated Financial Statements, and a description of the key risks and uncertainties facing them.

Faxe, 25 August 2009

### Executive Board

Henrik Brandt  
CEO

Ulrik Sørensen  
CFO

Hans Savonije  
Executive Director

### Supervisory Board

Steen Weirsøe  
Chairman

Tommy Pedersen  
Deputy Chairman

Ulrik Bülow

Erik Christensen

Erik Højsholt

Allan Meier Jensen

Kirsten Liisberg

Hemming Van

**INCOME STATEMENT (DKK '000)**

		1/1 - 30/6 2009	1/1 - 30/6 2008	1/4 - 30/6 2009	1/4 - 30/6 2008	1/1 - 31/12 2008
	Note					
Revenue		2,238,178	2,453,561	1,341,527	1,460,120	4,918,600
Beer and mineral water excises		(325,273)	(373,872)	(196,267)	(218,740)	(739,897)
<b>Net revenue</b>		<b>1,912,905</b>	<b>2,079,689</b>	<b>1,145,260</b>	<b>1,241,380</b>	<b>4,178,703</b>
Production costs		(1,096,169)	(1,198,217)	(632,143)	(691,067)	(2,433,298)
<b>Gross profit</b>		<b>816,736</b>	<b>881,472</b>	<b>513,117</b>	<b>550,313</b>	<b>1,745,405</b>
Sales and distribution expenses		(619,727)	(699,493)	(341,153)	(392,369)	(1,387,543)
Administrative expenses		(111,590)	(120,034)	(57,890)	(59,996)	(226,844)
Other operating income		1,462	1,392	737	458	3,835
<b>Operating profit before special items</b>		<b>86,881</b>	<b>63,337</b>	<b>114,811</b>	<b>98,406</b>	<b>134,853</b>
Special items	4	(24,780)	(33,939)	(8,274)	(1,344)	(50,125)
Impairment losses		0	0	0	0	(384,957)
<b>Profit/(loss) before financial income and expenses</b>		<b>62,101</b>	<b>29,398</b>	<b>106,537</b>	<b>97,062</b>	<b>(300,229)</b>
Income after tax from investments in associates		13,469	7,128	13,562	11,653	22,654
Impairment losses						(70,104)
Financial income		29,927	2,856	3,482	352	33,899
Financial expenses		(82,589)	(55,715)	(56,605)	(29,639)	(139,185)
<b>Profit/(loss) before tax</b>		<b>22,908</b>	<b>(16,333)</b>	<b>66,976</b>	<b>79,428</b>	<b>(452,965)</b>
Tax on the loss for the period	5	(6,000)	4,500	(15,500)	(23,000)	(30,200)
<b>Profit/(loss) for the period</b>		<b>16,908</b>	<b>(11,833)</b>	<b>51,476</b>	<b>56,428</b>	<b>(483,165)</b>
distributed as follows:						
Parent Company shareholders' share of loss for the period		16,268	(11,831)	50,772	56,502	(484,333)
Minority shareholders' share of profit/loss for the period		640	(2)	704	(74)	1,168
<b>Profit/(loss) for the period</b>		<b>16,908</b>	<b>(11,833)</b>	<b>51,476</b>	<b>56,428</b>	<b>(483,165)</b>
Parent Company shareholders' share of earnings per share (DKK)	6	3.0	(2.1)	9.3	10.3	(89.0)
Parent Company shareholders' share of diluted earnings per share (DKK)	6	3.0	(2.1)	9.3	10.3	(89.0)
<b>Comprehensive income</b>						
Revaluation of project development properties		0	0	0	0	240,000
Value and exchange adjustment of foreign group enterprises		(14,352)	4,016	(17,912)	8,348	(99,434)
Value adjustment of hedging instruments		(25,738)	36,247	(2,415)	49,070	(48,345)
Tax on equity entries		0	(7,327)	0	(9,954)	(56,315)
<b>Net gains recognised directly on equity</b>		<b>(40,090)</b>	<b>32,936</b>	<b>(20,327)</b>	<b>47,464</b>	<b>35,906</b>
<b>Profit/(loss) for the period</b>		<b>16,908</b>	<b>(11,833)</b>	<b>51,476</b>	<b>56,428</b>	<b>(483,165)</b>
<b>Comprehensive income</b>		<b>(23,182)</b>	<b>21,103</b>	<b>31,149</b>	<b>103,892</b>	<b>(447,259)</b>

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

	30/6 2009	30/6 2008	31/12 2008
<b>Note</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	314,851	506,597	311,275
Trademarks	167,143	283,977	167,885
Distribution rights	6,505	7,855	7,186
<b>Intangible assets</b>	<b>488,499</b>	<b>798,429</b>	<b>486,346</b>
Land and buildings	719,484	827,597	643,363
Project development properties	400,522	0	400,000
Plant and machinery	691,541	525,925	529,291
Other fixtures and fittings, tools and equipment	226,195	227,545	214,997
Property, plant and equipment in progress	67,271	188,603	291,787
<b>Property, plant and equipment</b>	<b>2,105,013</b>	<b>1,769,670</b>	<b>2,079,438</b>
Investments in associates	92,157	230,398	87,650
Receivables from associates	0	25,375	20,634
Other investments	53,169	3,054	56,900
Other receivables	8,623	12,711	11,939
<b>Financial assets</b>	<b>153,949</b>	<b>271,538</b>	<b>177,123</b>
<b>Non-current assets</b>	<b>2,747,461</b>	<b>2,839,637</b>	<b>2,742,907</b>
<b>CURRENT ASSETS</b>			
Raw materials and consumables	118,941	196,867	122,194
Work in progress	28,465	35,437	27,177
Finished goods and purchased finished goods	201,415	220,804	265,302
<b>Inventories</b>	<b>348,821</b>	<b>453,108</b>	<b>414,673</b>
Trade receivables	653,847	771,395	541,566
Receivables from associates	767	1,695	1,008
Corporation tax receivable	46,101	0	37,667
Other receivables	83,303	70,432	76,012
Prepayments	113,763	52,601	147,191
<b>Receivables</b>	<b>897,781</b>	<b>896,123</b>	<b>803,444</b>
<b>Cash at bank and in hand</b>	<b>92,545</b>	<b>96,279</b>	<b>90,384</b>
<b>Current assets</b>	<b>1,339,147</b>	<b>1,445,510</b>	<b>1,308,501</b>
<b>Assets</b>	<b>4,086,608</b>	<b>4,285,147</b>	<b>4,051,408</b>

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

	Note	30/6 2009	30/6 2008	31/12 2008
<b>EQUITY</b>				
Share capital	7	56,000	59,000	56,000
Revaluation reserves		180,000	0	180,000
Translation reserve		(111,523)	4,417	(102,279)
Hedging reserve		(60,341)	37,177	(34,603)
Retained earnings		437,689	914,712	925,121
Proposed dividend		0	0	0
Profit/(loss) for the period		16,268	(11,831)	(484,333)
<b>Equity of Parent Company shareholders</b>		<b>518,093</b>	<b>1,003,475</b>	<b>539,906</b>
<b>Minority interests</b>		<b>35,282</b>	<b>37,312</b>	<b>34,922</b>
<b>Equity</b>		<b>553,375</b>	<b>1,040,787</b>	<b>574,828</b>
Deferred tax		174,797	135,732	179,378
Mortgage debt		734,723	749,234	734,655
Credit institutions		1,496,486	1,013,280	968,887
<b>Non-current liabilities</b>		<b>2,406,006</b>	<b>1,898,246</b>	<b>1,882,920</b>
Mortgage debt		0	953	0
Credit institutions		0	334,047	599,336
Repurchase obligation, returnable packaging		64,566	78,078	74,056
Trade payables		569,426	664,210	523,175
Corporation tax		0	10,288	0
VAT, excise duties, etc		186,959	109,882	61,439
Other payables		306,276	148,656	335,654
<b>Current liabilities</b>		<b>1,127,227</b>	<b>1,346,114</b>	<b>1,593,660</b>
<b>Liabilities</b>		<b>3,533,233</b>	<b>3,244,360</b>	<b>3,476,580</b>
<b>Liabilities and equity</b>		<b>4,086,608</b>	<b>4,285,147</b>	<b>4,051,408</b>



**STATEMENT OF CHANGES IN EQUITY FOR 1 JANUARY - 30 JUNE 2008 (DKK '000)**

	Share capi- tal	Revaluation re- serves	Transla- tion re- serve	Hedging re- serve	Retained earnings	Proposed dividend for the year	Minority share	Total
<b>Equity at 1 January 2008</b>	59,000	0	(7,694)	10,057	960,411	59,000	38,689	1,119,463
Value and exchange adjustment of foreign group en- terprises			10,027		(4,636)		(1,375)	4,016
Tax on value and exchange adjustment					1,800			1,800
Value adjustment of hedging instruments, end of pe- riod				49,690				49,690
Reversal of value adjustment of hedging instru- ments, beginning of period				(13,443)				(13,443)
Tax on hedging instruments				(9,127)				(9,127)
<b>Net gains recognised directly in equity</b>	0	0	10,027	27,120	(2,836)	0	(1,375)	32,936
<b>Profit/(loss) for the period</b>					(11,831)		(2)	(11,833)
<b>Comprehensive income</b>	0	0	10,027	27,120	(14,667)	0	(1,377)	21,103
Minority shares of acquired businesses								0
Dividend distributed to shareholders						(54,901)		(54,901)
Dividend on treasury shares					4,099	(4,099)		0
Acquisition of shares for treasury					(46,244)			(46,244)
Sale of treasury shares					1,551			1,551
Share-based payment					(185)			(185)
<b>Total shareholders</b>	0	0	0	0	(40,779)	(59,000)	0	(99,779)
<b>Total equity movements 1/1-30/6 2008</b>	0	0	10,027	27,120	(55,446)	(59,000)	(1,377)	(78,676)
<b>Equity at 30 June 2008</b>	59,000	0	2,333	37,177	904,965	0	37,312	1,040,787



**STATEMENT OF CHANGES IN EQUITY FOR 1 JANUARY - 30 JUNE 2009 (DKK '000)**

	Share capital	Revaluation reserves	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend for the year	Minority share	Total
<b>Equity at 1 January 2009</b>	56,000	180,000	(102,279)	(34,603)	440,788	0	34,922	574,828
Value and exchange adjustment of foreign group enterprises			(9,244)		(4,828)		(280)	(14,352)
Tax on value and exchange adjustment								0
Value adjustment of hedging instruments, end of period				(60,341)				(60,341)
Reversal of value adjustment of hedging instruments, beginning of period				34,603				34,603
Tax on hedging instruments				0				0
<b>Net gains recognised directly in equity</b>	0	0	(9,244)	(25,738)	(4,828)	0	(280)	(40,090)
<b>Profit/(loss) for the period</b>					16,268		640	16,908
<b>Comprehensive income</b>	0	0	(9,244)	(25,738)	11,440	0	360	(23,182)
Share-based payment	0	0	0	0	1,729	0	0	1,729
<b>Total shareholders</b>	0	0	0	0	1,729	0	0	1,729
<b>Total equity movements 1/1-30/6 2009</b>	0	0	(9,244)	(25,738)	13,169	0	360	(21,453)
<b>Equity at 30 June 2009</b>	56,000	180,000	(111,523)	(60,341)	453,957	0	35,282	553,375

## CASH FLOW STATEMENT (DKK '000)

		1/1 - 30/6 2009	1/1 - 30/6 2008
	<b>Note</b>		
Profit/(loss) for the period		16,908	(11,833)
Adjustments for non-cash operating items	8	131,497	148,058
		<u>148,405</u>	<u>136,225</u>
Change in working capital:			
+/- change in receivables		(181,896)	(219,813)
+/- change in inventories		63,523	(101,594)
+/- change in payables		176,613	271,664
<b>Cash flows from operating activities before financial income and expenses</b>		<u>206,645</u>	<u>86,482</u>
Financial income		69,042	2,824
Financial expenses		(111,104)	(58,834)
<b>Cash flows from ordinary activities</b>		<u>164,583</u>	<u>30,472</u>
Corporation tax paid		(22,056)	(45,992)
<b>Cash flows from operating activities</b>		<u>142,527</u>	<u>(15,520)</u>
Dividend received from associates		12,485	14,984
Sale of property, plant and equipment		39,877	30,434
Purchase of property, plant and equipment		(146,020)	(171,875)
<i>Free cash flow</i>		<u>48,869</u>	<u>(141,977)</u>
Acquisition of subsidiaries	8	0	(126,546)
Acquisition of intangible and financial assets		21,669	(2,923)
<b>Cash flows from investing activities</b>		<u>(71,989)</u>	<u>(255,926)</u>
Proceeds from raising of non-current debt		0	180,362
Repayment of non-current debt		0	(574)
Change in current debt to credit institutions		(67,230)	130,823
Dividend paid		0	(54,901)
Acquisition of shares for treasury		0	(46,244)
Sale of treasury shares		0	1,551
<b>Cash flows from financing activities</b>		<u>(67,230)</u>	<u>211,017</u>
<b>Change in cash and cash equivalents</b>		<b>3,308</b>	<b>(60,429)</b>
Cash and cash equivalents at 1 January		90,384	157,832
Exchange adjustment		(1,147)	(1,124)
<b>Cash and cash equivalents at 30 June</b>		<u>92,545</u>	<u>96,279</u>

## NOTES TO THE H1 REPORT

### Note 1 Significant Accounting Policies

The H1 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 2 (Share-based Payment), IFRS 8 (Segment Reporting) and IAS 23R (Borrowing Costs), the accounting policies are unchanged from those applied in the Annual Report for 2008, to which reference is made. Only IAS 23R affects the financial statements as compared to the previous recognition and measurement as well as note disclosures.

The implementation of IAS 23R, under which borrowing costs relating to own construction of non-current assets are to be capitalised, has affected results (financial expenses) for the period and the value of property, plant and equipment in progress positively by some DKK 4 million (2008: some DKK 1 million.) as compared to the accounting policy previously applied. The recognition for prior periods has not been adjusted.

Except for the above description relating to the implementation of IAS 23R, the Annual Report for 2008 provides a total description of accounting policies significant to the financial statements.

### Note 2 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 2008.

The estimates made at 30 June 2009 of the fair value of project development properties and securities did not give rise to changing the fair values recognised at 31 December 2008.



## NOTES TO THE H1 REPORT

### Note 3 Segment Reporting

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

1/1 - 31/3 2009					1/1 - 31/3 2008					
Western Europe	Eastern Europe	Malt & Overseas Markets	Unallocated	Total		Western Europe	Eastern Europe	Malt & Overseas Markets	Unallocated	Total
491.3	180.8	95.5		767.6	Net revenue	508.4	228.8	101.1		838.3
0.1	(18.2)	2.1	(12.0)	(28.0)	Operating profit/(loss)	(3.0)	(22.3)	1.9	(11.7)	(35.1)
(8.4)	(4.7)	(3.4)		(16.5)	Special items	(32.6)				(32.6)
(8.3)	(22.9)	(1.3)	(12.0)	(44.5)	Earnings before interest and tax (EBIT)	(35.6)	(22.3)	1.9	(11.7)	(67.7)
(1.6)	0.0	1.5		(0.1)	Share of income from associates	(2.2)	(3.2)	0.9		(4.5)
(0.8)	(5.5)	1.8	5.0	0.5	Other financial income and expenses	(0.2)	(2.3)	0.2	(21.3)	(23.6)
(10.7)	(28.4)	2.0	(7.0)	(44.1)	Profit/(loss) before tax for the period	(38.0)	(27.8)	3.0	(33.0)	(95.8)
			9.5	9.5	Tax on the profit/(loss) for the period				27.5	27.5
				(34.6)	Profit/(loss) for the period					(68.3)
0.0%	-10.1%	2.2%		-3.6%	Profit margin	-0.6%	-9.7%	1.9%		-4.2%

  

1/4 - 30/6 2009					1/4 - 30/6 2008					
Western Europe	Eastern Europe	Malt & Overseas Markets	Unallocated	Total		Western Europe	Eastern Europe	Malt & Overseas Markets	Unallocated	Total
736.4	283.8	125.1		1,145.3	Net revenue	758.2	346.2	137.0		1,241.4
104.7	4.9	13.4	(8.1)	114.9	Operating profit/(loss)	87.4	8.5	16.1	(13.6)	98.4
(7.0)	2.7	0.0	(4.0)	(8.3)	Special items	(1.3)				(1.3)
97.7	7.6	13.4	(12.1)	106.6	Earnings before interest and tax (EBIT)	86.1	8.5	16.1	(13.6)	97.1
12.9	0.0	0.7		13.6	Share of income from associates	9.0	1.6	1.0		11.6
(0.9)	(15.4)	(2.1)	(34.8)	(53.2)	Other financial income and expenses	(0.6)	(8.7)	(0.5)	(19.4)	(29.2)
109.7	(7.8)	12.0	(46.9)	67.0	Profit/(loss) before tax for the period	94.5	1.4	16.6	(33.0)	79.5
			(15.5)	(15.5)	Tax on the profit/(loss) for the period				(23.0)	(23.0)
				51.5	Profit/(loss) for the period					56.5
14.2%	1.7%	10.7%		10.0%	Profit margin	11.5%	2.5%	11.8%		7.9%



## NOTES TO THE H1 REPORT

### Note 3 Segment Reporting

1/1 - 30/6 2009					1/1 - 30/6 2008					
Western Europe	Eastern Europe	Malt & Overseas Markets	Unallocated	Total		Western Europe	Eastern Europe	Malt & Overseas Markets	Unallocated	Total
1,227.7	464.6	220.6	0.0	<b>1,912.9</b>	Net revenue	1,266.6	575.0	238.1	0.0	<b>2,079.7</b>
<b>104.8</b>	<b>(13.3)</b>	<b>15.5</b>	<b>(20.1)</b>	<b>86.9</b>	<b>Operating profit/(loss)</b>	<b>84.4</b>	<b>(13.8)</b>	<b>18.0</b>	<b>(25.3)</b>	<b>63.3</b>
(15.4)	(2.0)	(3.4)	(4.0)	<b>(24.8)</b>	Special items	(33.9)	0.0	0.0	0.0	<b>(33.9)</b>
<b>89.4</b>	<b>(15.3)</b>	<b>12.1</b>	<b>(24.1)</b>	<b>62.1</b>	<b>Earnings before interest and tax (EBIT)</b>	<b>50.5</b>	<b>(13.8)</b>	<b>18.0</b>	<b>(25.3)</b>	<b>29.4</b>
11.3	0.0	2.2	0.0	<b>13.5</b>	Share of income from associates	6.8	(1.6)	1.9	0.0	<b>7.1</b>
(1.7)	(20.9)	(0.3)	(29.8)	<b>(52.7)</b>	Other financial income and expenses	(0.8)	(11.0)	(0.3)	(40.7)	<b>(52.8)</b>
<b>99.0</b>	<b>(36.2)</b>	<b>14.0</b>	<b>(53.9)</b>	<b>22.9</b>	<b>Profit/(loss) before tax for the period</b>	<b>56.5</b>	<b>(26.4)</b>	<b>19.6</b>	<b>(66.0)</b>	<b>(16.3)</b>
			(6.0)	<b>(6.0)</b>	Tax on the profit/(loss) for the period				4.5	<b>4.5</b>
				<b>16.9</b>	<b>Profit/(loss) for the period</b>					<b>(11.8)</b>
<b>8.5%</b>	<b>-2.9%</b>	<b>7.0%</b>		<b>4.5%</b>	<b>Profit margin</b>	<b>6.7%</b>	<b>-2.4%</b>	<b>7.6%</b>		<b>3.0%</b>

## NOTES TO THE H1 REPORT

## Note 4 Special Items

1/4 - 30/6			1/1 - 30/6	
2008	2009		2009	2008
	21,500	Profit on sale of non-current assets related to reorganisation	21,500	
<b>0</b>	<b>21,500</b>	<b>Total special income</b>	<b>21,500</b>	<b>0</b>
148	(6,973)	Expenses and value adjustment of assets related to reorganisation in Denmark	(15,385)	(32,991)
(1,492)	(22,801)	Expenses and value adjustments of assets related to foreign subsidiaries	(30,895)	(948)
<b>(1,344)</b>	<b>(29,774)</b>	<b>Total special expenses</b>	<b>(46,280)</b>	<b>(33,939)</b>
<b>(1,344)</b>	<b>(8,274)</b>	<b>Total special items</b>	<b>(24,780)</b>	<b>(33,939)</b>

## NOTES TO THE H1 REPORT

### Note 5 Tax on the Profit for the Period

The tax expense for the period recognised in the income statement has been calculated on the basis of the expected EBIT and the expected net interest expenses of the Group in aggregate for 2009 with effective tax rates of some 30% for EBIT and some 13% for net interest expenses, respectively (at 30 June 2008 a total effective tax rate of some 29%). The tax recognised includes an income of DKK 7 million as an adjustment relating to prior year.

In addition to the tax recognised in the income statement, a tax income of DKK 0k has been recognised directly in equity related to the equity entries for the period (at 30 June 2008 an expense of DKK 9,127k and for the full year 2008 an expense of DKK 56,315k).

### Note 6 Basis of Calculation of Earnings and Cash Flow per Share

	<u>1/1 - 30/6</u> <u>2009</u>	<u>1/1 - 30/6</u> <u>2008</u>
The Parent Company shareholders' share of profit for the year (DKK '000)	16,268	(11,831)
The average number of treasury shares amounted to	106,674	393,718
The average number of shares in circulation amounted to	5,493,326	5,506,282
The average number of shares in circulation incl. share options "in-the-money" amounted to	5,493,326	5,536,282

Diluted earnings and cash flow per share have been calculated on the basis of the Parent Company shareholders' share of loss for the period.

## NOTES TO THE H1 REPORT

### Note 7 Treasury Shares

#### Value of treasury shares held:

	Parent Company	
	2009	2008
Balance at 1 January	0	0
Additions	0	46,244
Disposals	0	(1,551)
Transferred to equity. net	0	(44,693)
<b>Balance at 30 June</b>	<b>0</b>	<b>0</b>

#### Treasury shares held:

	Number	Nom, value	% of capital
Portfolio at 1 January 2008	316,847	3,168	5.4
Additions	93,374	934	1.6
Disposals	(3,547)	(35)	(0.1)
Cancelled upon reduction of capital	0	0	0.0
<b>Portfolio at 30 June 2008</b>	<b>406,674</b>	<b>4,067</b>	<b>6.9</b>
Portfolio at 1 January 2009	106,674	1,067	1.9
Additions	0	0	0.0
Disposals	0	0	0.0
Cancelled upon reduction of capital	0	0	0.0
<b>Portfolio at 30 June 2009</b>	<b>106,674</b>	<b>1,067</b>	<b>1.9</b>

## NOTES TO THE H1 REPORT

### Note 8 Cash Flow Statement

	<u>1/1 - 30/6</u> <u>2009</u>	<u>1/1 - 30/6</u> <u>2008</u>
<b>Adjustments for non-cash operating items</b>		
Financial income	(29,927)	(2,856)
Financial expenses	82,589	55,715
Amortisation, depreciation and impairment of intangible assets and property, plant and equipment	96,152	97,329
Tax on the profit/(loss) for the period	6,000	(4,500)
Income from investments in associates	(13,469)	(7,128)
Net profit/(loss) from sale of property, plant and equipment	(21,039)	(4,320)
Share-based payments and remuneration	(631)	(185)
Other adjustments	11,822	14,003
<b>Total</b>	<u><b>131,497</b></u>	<u><b>148,058</b></u>
 <b>Acquisition of subsidiaries</b>		
	<u>1/1 - 30/6</u> <u>2009</u>	<u>1/1 - 30/6</u> <u>2008</u>
<i>Assets</i>		
Non-current assets		125,577
Current assets		969
<b>Acquisition price</b>	<u><b>0</b></u>	<u><b>126,546</b></u>

## NOTES TO THE H1 REPORT

### Note 9 Acquisitions

No acquisitions were made in H1 2009.

The following acquisitions were made in 2008:

At 1 January 2008, Royal Unibrew A/S' subsidiary Lacpleasa Alus acquired assets and activity of the Latvian brewery Livu Alus. Livu Alus markets, sells and produces its own beer brand in Latvia, primarily in the Liepaja region.

	<b>Fair value at date of acquisition</b>
Intangible assets	6,419
Property, plant and equipment	119,158
Inventories	969
<b>Cash acquisition price</b>	<b><u>126,546</u></b>
including acquisition costs (consulting fees) of	1,022

The carrying amounts prior to the acquisition are not available.

## FINANCIAL HIGHLIGHTS AND KEY RATIOS OF ROYAL UNIBREW (Group)

	2009	2008	2007	2006	2005
<b>SALES (thousand hectolitres)</b>	<b>3,268.0</b>	<b>3,756.0</b>	<b>3,351.0</b>	<b>3,061.0</b>	<b>2,709.0</b>
<b>FINANCIAL HIGHLIGHTS (mDKK)</b>					
<b>Income Statement</b>					
Net revenue	1,912.9	2,079.7	1,826.0	1,619.0	1,514.8
Operating profit before special items	86.9	63.3	55.8	60.6	65.5
Special items	(24.8)	(33.9)	0.0	0.0	0.0
Profit before financial income and expenses	62.1	29.4	55.8	60.6	65.5
Net financials	(39.2)	(45.7)	(18.3)	(14.7)	(11.8)
Profit/(loss) before tax	22.9	(16.3)	37.5	45.9	53.7
Consolidated profit/(loss)	16.9	(11.8)	41.2	35.3	51.2
Royal Unibrew A/S' share of profit/(loss)	16.3	(11.8)	40.3	34.4	51.6
<b>Balance Sheet</b>					
Total assets	4,086.6	4,285.1	3,927.9	3,317.6	3,130.6
Equity	553.4	1,040.8	1,103.9	1,087.9	1,061.5
Net interest-bearing debt	2,138.7	1,975.9	1,567.8	1,154.0	1,154.0
Free cash flow	48.9	(142.0)	(17.3)	(57.5)	(19.2)
<b>Per share</b>					
Royal Unibrew A/S' share of earnings per share (DKK)	3.0	(2.1)	7.0	5.5	8.0
Royal Unibrew A/S' diluted share of earnings per share (DKK)	3.0	(2.1)	6.9	5.5	8.0
Cash flow per share (DKK)	25.9	(2.8)	12.3	4.6	5.4
Diluted cash flow per share (DKK)	25.9	(2.8)	12.1	4.6	5.4
<b>Key figures (mDKK)</b>					
EBITDA	138.7	108.8	139.0	156.9	159.2
EBIT	62.1	29.4	55.8	60.6	65.5
<b>Key ratios (%)</b>					
Profit margin	4.5	3.0	3.1	3.7	4.3
EBIT margin	3.2	1.4	3.1	3.7	4.3
Free cash flow as a percentage of net revenue	2.6	(6.8)	(0.9)	(3.6)	(1.3)
Equity ratio	13.5	24.3	28.1	32.8	33.9
Debt ratio	386.5	189.8	142.0	106.1	108.7



## DEFINITIONS OF KEY FIGURES AND RATIOS

Net interest-bearing debt	Mortgage debt and debt to credit institutions less cash at bank and in hand, interest-bearing current investments and receivables
Free cash flow	Cash flow from operating activities less net investments in property, plant and equipment and plus dividends from associates
Earnings per share (DKK)	Royal Unibrew A/S' share of the profit for the year/number of shares in circulation
Cash flow per share (DKK)	Cash flow from operating activities/number of shares in circulation
Diluted earnings and cash flow per share (DKK)	Royal Unibrew A/S' share of earnings and cash flow, respectively, from operating activities/average number of shares in circulation including share options "in-the-money"
EBITDA	Earnings before interest, tax, depreciation, amortisation and impairment losses as well as profit from sale of property, plant and equipment and amortisation of intangible assets
EBIT	Earnings before interest and tax
Profit margin	Operating profit before special items as a percentage of net revenue
EBIT margin	EBIT as a percentage of net revenue
Free cash flow as a percentage of net revenue	Free cash flow as a percentage of net revenue
Equity ratio	Equity at year end as a percentage of total assets
Debt ratio	Net interest-bearing debt at year end as a percentage of year-end equity