
ANNUAL REPORT 2003/2004



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THE FINANCIAL YEAR FOR THE GROUP IN OUTLINE

Gross revenue rose by 5.6 per cent to DKK 1.67 billion.

Gross revenue of the Brewery Sector increased by 8.4 per cent and by now constitutes 84.7 per cent of the Group's total gross revenue. Harboefarm's revenue only decreased by 7.8 per cent in spite of a production restructuring and shutdown of the breeding and slaughterhouse division.

The sale of beer and soft drinks rose by 12.1 per cent to 4.18 million hectolitres. With the addition of the company's sale of malt beverages and malt wort products, total sales amounted to 4.46 million hectolitres.

Operating profit rose by 65.0 per cent to DKK 105.1 million.

Operating profit of the Brewery Sector rose by DKK 20.9 million to DKK 113.0 million, corresponding to an increase of 22.7 per cent. Harboefarm's operating profit improved by DKK 20.5 million, resulting in a loss of DKK 8.0 million.

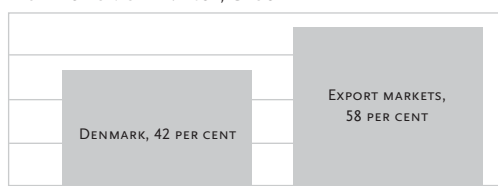
Consolidated profit before tax was DKK 97.3 million against DKK 52.0 million last year, an increase of 87 per cent. The results have exceeded the expectations expressed in the latest interim report.

In the financial year, the Group made investments totalling DKK 132.9 million, including an expansion of the brewing and tapping capacity of the breweries as well as investments in a new production plant for fresh-food processing in Harboefarm.

Cash flows from operating activities and free cash flows amounted to DKK 129.4 million and DKK 24.4 million, respectively. The increased level of activity in the Brewery Sector has resulted in more cash being tied up in the working capital.

It is proposed that a dividend of DKK 10 per share be paid, corresponding to a dividend yield of 10 per cent.

DISTRIBUTION OF REVENUE, GROUP



DISTRIBUTION OF REVENUE, SECTORS



KEY FIGURES

(DKK 1,000)	2003/2004	2002/2003	2001/2002	2000/2001	1999/2000
Earnings					
Gross revenue	1,671,537	1,583,082	1,460,178	1,198,685	1,008,058
Taxes on beer and soft drinks	312,719	310,959	294,507	265,022	241,209
Revenue	1,358,818	1,272,123	1,165,671	933,663	766,849
Operating profit	105,068	63,683	56,680	34,768	25,266
Profit before tax	97,284	52,023	44,201	21,237	16,339
Net profit for the year	64,370	32,652	64,170	17,511	11,725
Balance sheet					
Fixed assets	697,372	663,817	621,159	626,205	553,492
Current assets	326,516	296,125	277,752	250,605	229,726
Equity	486,735	398,093	365,662	302,289	284,404
Long-term liabilities other than provisions	118,999	133,861	139,634	166,078	140,308
Short-term liabilities other than provisions	303,926	286,796	260,038	253,701	196,341
Interest-bearing debt	137,227	173,555	189,668	217,838	183,016
Balance sheet total	1,023,888	959,942	898,911	876,810	783,218
Investments etc.					
Investments	132,920	132,002	92,634	175,681	66,475
Depreciation, amortisation and impairment losses	95,624	89,967	86,005	82,202	77,200
Cash flows					
Cash flows from operating activities	129,420	153,041	104,606	101,415	91,066
Cash flows from investing activities	(127,022)	(130,585)	(83,193)	(162,669)	(96,570)
Cash flows from financing activities	22,022	(14,476)	(15,418)	12,252	11,137

(DKK 1,000)	2003/2004	2002/2003	2001/2002	2000/2001	1999/2000
Ratios (per cent)					
Profit margin	7.7%	5.0%	4.9%	3.6%	3.3%
Return on net assets	10.9%	7.0%	6.5%	4.2%	3.5%
Return on equity	14.5%	8.6%	19.2%	6.0%	3.8%
Solvency ratio	47.5%	41.5%	40.7%	34.5%	36.3%
Gearing	28.2%	43.6%	51.9%	72.1%	64.4%
Current ratio	107.4%	103.9%	106.8%	98.8%	117.0%
Key figures related to quotation					
Earnings per share, DKK (incl. own shares)	107.3	54.4	107.0	29.2	19.5
Earnings per share, DKK (excl. own shares)	113.7	60.4	118.8	32.3	21.6
Cash flow per share, DKK (incl. own shares)	215.7	255.1	174.3	169.0	151.8
Cash flow per share, DKK (excl. own shares)	228.7	283.3	193.6	187.1	168.0
Equity value per share, DKK (incl. own shares)	811.2	663.5	609.4	503.8	474.0
Equity value per share, DKK (excl. own shares)	860.1	736.9	676.9	557.7	524.7
Share price, year-end	1,420.0	590.0	510.0	350.0	520.0
Price/earnings (incl. own shares)	13.2	10.8	4.8	12.0	26.6
Price/earnings (excl. own shares)	12.5	9.8	4.3	10.8	24.0
Dividend per DKK 100 share, DKK	10.0	-	-	-	-
Employees					
Number of employees	694	697	677	710	686

The key figures conform with the new accounting policies, cf. page 32.

The key figures have been prepared in accordance with the guidelines issued by the Danish Finance Analysts' Association applying the following definitions:

Investments:	The year's additions of intangible assets and property, plant and equipment, excl. property, plant and equipment under construction and spare parts
Gross margin:	Gross profit expressed as a percentage of revenue
Profit margin:	Operating profit expressed as a percentage of revenue
Return on net assets:	Operating profit expressed as a percentage of average operating assets
Operating assets:	Balance sheet total at the end of the year less fixed asset investments and cash funds
Return on equity:	Net profit for the year expressed as a percentage of average equity
Solvency ratio:	Equity at the end of the year expressed as a percentage of the balance sheet total at the end of the year
Gearing:	Interest-bearing debt at the end of the year expressed as a percentage of equity at the end of the year
Earnings per share (EPS):	Net profit for the year divided by the average number of shares
Cash flow per share:	Cash flows from operating activities divided by the average number of shares
Price/earnings:	Share price at the end of the year divided by earnings per share
Current ratio:	Current assets expressed as a percentage of short-term liabilities other than provisions

The ratios have been computed on the basis of net profit for the year along with the year-end balance sheet total and year-end equity.

MANAGEMENT'S REVIEW - THE GROUP

Core business

Harboes Bryggeri A/S is listed on the Copenhagen Stock Exchange and is the Parent of the Harboe Group.

The Group's core business, constituting more than 84 per cent of the total gross revenue of the Group, is the production and sales of beer, soft drinks, malt beverages and malt wort products.

The Harboefarm foodstuff company and its sales of centrally packaged fresh and processed meat for the retail sector contribute with the remaining 16 per cent of the revenue.

The Brewery Sector

Retail shops are the primary market segment for all three breweries – Harboes Bryggeri A/S in Denmark, Darguner Brauerei GmbH in Germany and AS Viru Õlu in Estonia.

The recent years' important investments in the expansion and extension of production facilities in the Brewery Sector have strengthened Harboe's position in the primary markets and have provided product and marketing flexibility as well as optimal utilisation of capacities.

The recent investments have created opportunities for further organic growth.

The Foodstuff Sector

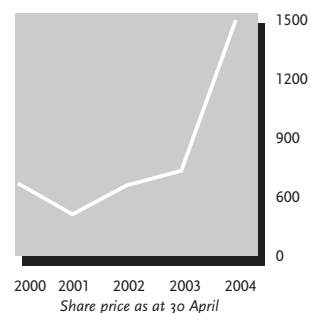
In the 2003/2004 financial year, Harboefarm A/S, which merged with Danske Kalkuner A/S on 1 May 2003, went through a major restructuring process. In this period, Harboefarm has invested in high technology for fresh-food processing and increased its marketing of centrally-packaged fresh and processed products, the primary target group being retail shops.

Both sectors have strengthened their positions in the primary markets and have the potential of developing and growing through the increase of sales as a result of large capacity and flexibility.

THE HARBOE GROUP

Harboes Bryggeri A/S, Parent	Ownership interest	annual capacity
The Brewery Sector		
Harboes Bryggeri A/S, Denmark	100%	3.5m hl
Darguner Brauerei GmbH, Germany	100%	2.7m hl
AS Viru Õlu, Estonia	98.11%	0.7m hl
Harboe Norge AS, Norway	100%	
The Foodstuff Sector		
Harboefarm A/S, Denmark	100%	25,000 tons

DEVELOPMENT IN SHARE PRICE



ECONOMIC DEVELOPMENT OF THE GROUP

Accounting policies and basis of comparison

Following the transition to International Accounting Standards for all listed companies as from 2005, Harboes Bryggeri A/S has chosen to change its accounting policies for returnable packaging and for the obligation to repurchase own returnable packaging in circulation, as of 1 May 2003. Comparative figures for the Group and the Brewery Sector have been changed accordingly.

The net effect of this change was a reduction in the equity of the Group of DKK 62.8 million at the beginning of the 2003/2004 financial year. The individual changes and their effects are described in the Accounting Policies section.

Gross revenue

In 2003/2004, gross revenue amounted to DKK 1.67 billion against DKK 1.58 billion last year, corresponding to an increase of 5.6 per cent.

The gross revenue is influenced by the reduction of the Danish tax on soft drinks as of 1 October 2003 along with the reduction of the Danish tax on returnable packaging as of 1 February 2004.

Revenue

Revenue rose by 6.8 per cent. The rise in revenue may be attributed to the Brewery Sector where all three breweries experienced growth.

Earnings

Operating profit amounted to DKK 105.1 million as opposed to DKK 63.7 million last year, corresponding to an increase of DKK 41.4 million or 65.0 per cent.

The Brewery Sector displayed an improvement of DKK 20.9 million, while the loss of Harboefarm A/S was reduced by DKK 20.5 million.

Depreciation on property, plant and equipment is included in operating profit with DKK 95.6 million compared to DKK 90.0 million last year.

Profit before tax was DKK 97.3 million compared to DKK 52.0 million last year. This corresponds to an increase of DKK 45.3 million or 87.1 per cent.

Profit before tax exceeded the expectations recently released in the interim report for the third quarter of







2003/2004 (cf. announcement to the Copenhagen Stock Exchange of 25 March 2004), where the profit was estimated at a level between DKK 90 and 95 million. Net profit after tax for the 2003/2004 financial year amounted to DKK 64.4 million compared to DKK 32.7 million last year.

Income taxes

The rate of taxation was 33.8 per cent compared to 37.3 per cent last year.

Equity

Equity as at 30 April 2004 amounted to DKK 486.7 million compared to DKK 398.1 million last year.

Hence, equity increased by the net profit for the year, and the revenue in connection with the trading of own shares has been recognised.

The dividend for the financial year proposed by the Board of Directors has been recognised in equity with DKK 6.0 million.



Investments

Total investments in property, plant and equipment for the financial year amounted to DKK 132.9 million, of which investments in expansion and extension of the Brewery Sector amounted to DKK 103.0 million and investments in a new production plant for the Harboefarm A/S amounted to DKK 29.9 million.

Liquidity and net interest-bearing debt

Cash flows from operating activities amounted to DKK 129.4 million compared to DKK 153.0 million last year.

Free cash flows (changes in cash funds) amounted to DKK 24.4 million compared to DKK 8.0 million last year.

Cash resources, which are composed of cash and credits granted but not yet activated, amounted to DKK 137.1 million as at 30 April 2004. Added to this, the holding of own shares amounted to DKK 48.4 million stated at stock market value as at 30 April 2004.

Net interest-bearing debt amounted to DKK 104.2 million compared to DKK 148.5 million last year. Hence, the net interest-bearing debt was reduced by DKK 44.3 million.

The objective of the Group is to expand primarily through organic growth financed for the most part through the company's own funds.

Financial risks

As the Group's sales and purchases are primarily denominated in EUR, currency risks for the Group are considered limited. The company is currently estimating the need for currency hedging, particularly as regards SEK.

THE BREWERY SECTOR



THE BREWERY SECTOR - KEY FIGURES

(DKK 1,000)	2003/2004	2002/2003	2001/2002	2000/2001	1999/2000
Earnings					
Gross revenue	1,416,061	1,306,000	1,172,904	911,298	751,070
Taxes on beer and soft drinks	(312,719)	(310,959)	(294,507)	(265,022)	(241,209)
Revenue	1,103,342	995,041	878,397	646,276	509,861
Operating profit	113,045	92,167	55,091	35,075	42,701
Profit before tax	110,029	86,717	49,165	30,030	41,716
Tax on income from ordinary activities	(36,834)	(29,875)	(18,679)	(10,053)	(9,316)
Tax, previous years	14	61	3,615	2,727	0
Share of minority shareholders	2	51	145	74	(80)
Net profit for the year	73,211	56,954	34,246	22,777	32,320
Balance sheet					
Fixed assets	534,361	509,550	450,058	474,834	394,932
Current assets	306,599	247,199	206,124	179,414	189,028
Equity	378,648	281,165	224,432	190,983	202,831
Long-term liabilities other than provisions	81,882	92,155	93,681	116,194	83,773
Short-term liabilities other than provisions	266,202	242,237	204,491	193,340	136,431
Balance sheet total	840,960	756,749	656,182	654,248	583,960
Investments etc.					
Investments	103,014	129,242	84,490	164,969	59,836
Depreciation and amortisation	81,005	74,535	70,018	66,891	62,257
Cash flows					
Cash flows from operating activities	87,442	160,294	111,815	101,945	85,460
Cash flows from investing activities	(100,663)	(128,997)	(75,985)	(152,567)	(88,380)
Cash flows from financing activities	26,736	(23,408)	(15,423)	18,905	17,358
Changes in cash funds	13,515	7,889	20,407	(31,717)	14,438
Number of employees	560	470	440	466	451



THE BREWERY SECTOR

The sale of beer and soft drinks during the 2003/2004 financial year totalled 4.18 million hectolitres, corresponding to an increase of 12.1 per cent compared to last year. Total sales, including malt beverages and malt wort products, amounted to 4.46 million hectolitres, of which 71 per cent were exported.

The Brewery Sector's contribution to gross revenue amounted to DKK 1.42 billion against DKK 1.31 billion last year, corresponding to an increase in gross revenue of 8.4 per cent and an increase in revenue of 10.9 per cent.

The Brewery Sector's contribution to operating profit rose by DKK 20.9 million to DKK 113.0 million, representing an increase of 22.7 per cent.

Amortisation and depreciation for the year increased by DKK 6.5 million to DKK 81.0 million.

Profit before tax was DKK 110.0 million for the Brewery Sector, as opposed to DKK 86.7 million last year, representing an increase of 23.3 million or 26.9 per cent.

The Brewery Sector's contribution to net profit for 2003/2004 amounted to DKK 73.2 million compared to DKK 57.0 million last year.

Investments made in the Brewery Sector totalled DKK 103 million and comprised the expansion and extension





of production plants, including the provision of extra brewing capacity.

All three breweries saw a growth in profit compared to last year, including a continued increase in sales in Sweden and Germany, which, together with Denmark and the Baltic countries, now constitute the largest primary markets.

On 1 February 2004, the Danish tax on packaging for beer and fizzy drinks was reduced by 80 per cent, and as a direct result, deposits were reduced on both returnable and non-returnable packaging for beer and fizzy drinks.

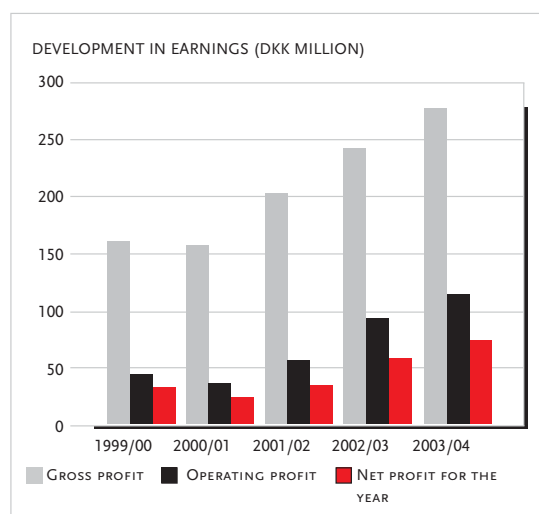
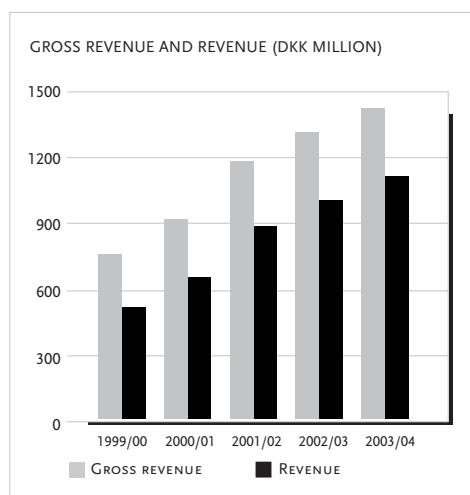
The prospects of reduced deposits resulted in a sales loss in Denmark in January and the beginning of February.

As expected, the reduction of the tax on non-returnable packaging has had a positive influence on the sale of beer and fizzy drinks in cans and non-returnable plastic bottles.

On 1 February 2004, Harboes Bryggeri A/S in Denmark successfully introduced various types of beer in 0.5-litre returnable plastic bottles. It is expected that this segment will continue to develop.

In the spring of 2003, Darguner Brauerei GmbH, as one of the first breweries in Germany, introduced beer and mix-drinks in non-returnable plastic bottles. The sale of these products has been extremely positive and has given Darguner Brauerei GmbH new sales opportunities

THE BREWERY SECTOR





- also in the German market where the sale of canned beer at present is very low.

Last year, AS Viru Õlu in Estonia put a new filling line into service for the bottling of beer and soft drinks in non-returnable plastic bottles. Later on, the plant was expanded, and today the brewery manufactures a wide product range of beer, soft drinks and still products. In the Baltic countries, which is AS Viru Õlu's primary market, the sale of products in non-returnable plastic bottles continues to grow.

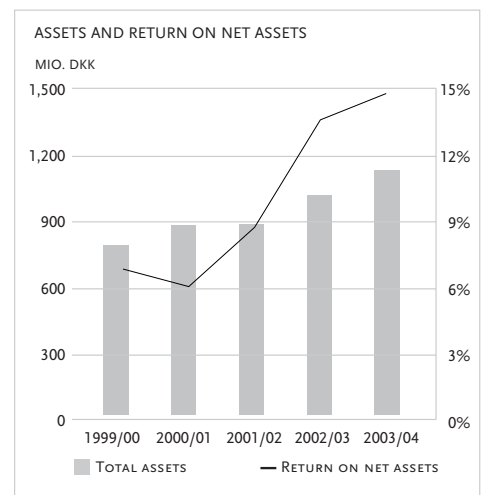
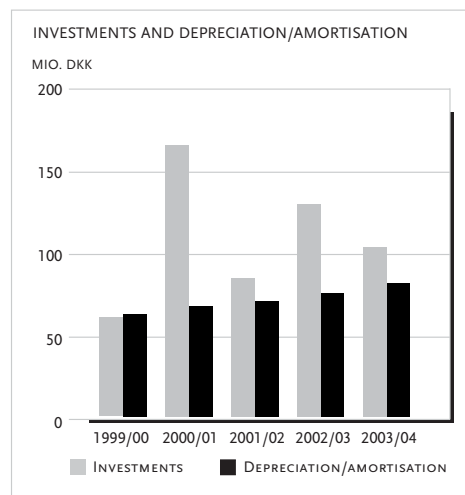
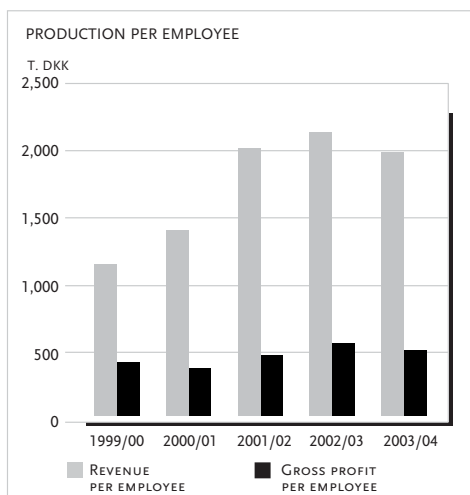
A wide product range within beer and soft drinks has strengthened AS Viru Õlu's position as a popular supplier, and the accession of Estonia into the European Union on

1 May 2004 paves the way for new markets and new opportunities.

With the expansion of the brewing capacity and the new plants for the production of beer and soft drinks in cans and non-returnable plastic bottles, the total capacity of the Brewery Sector has increased further.

All three breweries look forward to a positive development in their home markets as well as growth in their export markets.

THE BREWERY SECTOR



THE FOODSTUFF SECTOR



THE FOODSTUFF SECTOR - KEY FIGURES

(DKK 1,000)	2003/2004	2002/2003	2001/2002	2000/2001	1999/2000
Earnings					
Revenue	255,476	277,082	287,274	287,387	256,988
Operating profit/loss	(7,977)	(28,484)	1,589	(307)	(17,435)
Profit/loss before tax	(12,745)	(34,694)	(4,964)	(8,792)	(25,377)
Tax on profit/loss for the year	3,941	10,392	1,459	3,526	4,782
Tax, previous years	(37)	0	33,429	0	0
Net profit/loss for the year	(8,841)	(24,302)	29,924	(5,266)	(20,595)
Balance sheet					
Fixed assets	163,011	154,267	171,101	151,371	158,560
Current assets	49,722	71,618	88,318	77,981	68,576
Equity	108,087	116,928	141,230	111,306*	81,573
Long-term liabilities other than provisions	37,117	41,706	45,953	49,884	56,535
Short-term liabilities other than provisions	67,529	67,251	72,237	67,151	87,788
Balance sheet total	212,733	225,885	259,419	229,352	227,136
Investments etc.					
Investments	29,906	2,760	8,144	10,712	6,639
Depreciation	14,619	15,432	16,570	15,894	15,407
Cash flows					
Cash flows from operating activities	32,914	(7,252)	(7,209)	(3,826)	5,606
Cash flows from investing activities	(26,359)	(1,589)	(7,207)	(10,102)	(8,190)
Cash flows from financing activities	4,350	8,932	5	(3,357)	(6,221)
Changes in cash funds	10,905	91	(14,411)	(17,285)	(8,805)
Number of employees	134	227	237	244	235

*) Including the conversion of debt to contributed capital.

THE FOODSTUFF SECTOR

Harboefarm A/S

On 1 May 2003, Harboefarm A/S merged with Danske Kalkuner A/S, Harboefarm A/S being the surviving company.

In the past year, a number of changes and adjustments have been carried out within Harboefarm A/S.

A lease was contracted for the letting of Harboefarm's breeding stables (cf. announcement to the Copenhagen Stock Exchange of 2 October 2003). Letting took place successively on to 31 March 2004, and as per 1 April 2004, all stables were let.

Stables were let to two new companies, both having as their main shareholders German foodstuff companies with many years of experience, e.g. within the field of turkey breeding.

In order to ensure continuity in both the delivery of raw materials and in the quality, Harboefarm A/S has obtained ownership interests in the two companies of 10 and 20 per cent, respectively.





Operations and management are undertaken by the German owners and the appointed managers.

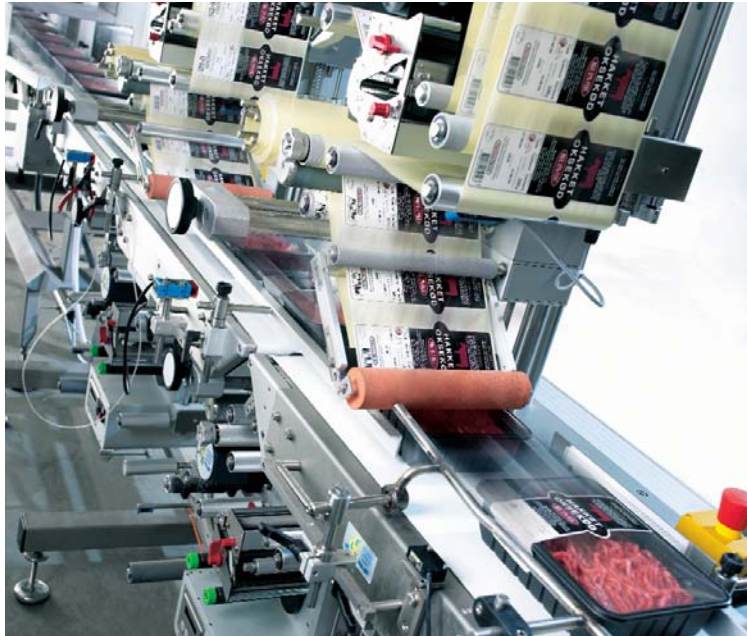
The sole purpose of the new companies is to breed turkeys in the stables let by Harboefarm A/S.

Harboefarm's breeding of turkeys was based on principles for animal welfare and quality, and an integrated system ensured that the company complied with Danish legislation on food safety. The high standard of the stables and Harboefarm's know-how within this field were decisive for the German owners' entering into the contract. Rental income in respect of the lease contracts covers, on a yearly basis, depreciation and return on the carrying amount, which, as at 30 April 2004, amounted to DKK 53.8 million.

As a consequence of the letting of its breeding stables, Harboefarm A/S discontinued the activities involving the slaughtering and cutting of turkeys, and the staff was cut down by 35-40 employees (cf. announcement to the Copenhagen Stock Exchange of 21 January 2004).

In connection with the discontinuation of its slaughtering activities, Harboefarm incurred extraordinary costs, including severance pay to a number of employees. Furthermore, costs were incurred in connection with the disassembly and sale of the used slaughtering equipment.

In the course of the financial year, Harboefarm changed its business concept, and on the basis of its position within the category of fresh retail products, the company has, since January, expanded its product range successively to also include chicken, beef and pork.



In this period, Harboefarm invested DKK 29.9 million in high technology for fresh-food processing, giving the company the optimum opportunity of having a wide and varied product range, including seasoned and marinated products. Furthermore, the new plant ensures a high level of efficiency and flexibility. The plant was put into service at the beginning of 2004 and has now been fully commissioned.

In 2003/2004, Harboefarm's contribution to revenue amounted to DKK 255.5 million compared to DKK 277.1 million last year.

Harboefarm's share of operating profit was a loss of DKK 8.0 million compared to a loss of DKK 28.5 million last year.

The 2003/2004 financial year saw a loss before tax of DKK 12.7 million against a loss of DKK 34.7 million last year.

Harboefarm's share of net profit for the year was a loss of DKK 8.8 million compared to a loss of DKK 24.3 million last year.

Based on a growth segment within centrally packaged fresh and processed meat for the retail sector and with an efficient production apparatus, it is expected that Harboefarm A/S will contribute positively to the future earnings of the Group.

Harboefarm A/S will focus on its primary markets, Denmark, Sweden and Germany.

The management of the Parent still considers the prospects for Harboefarm A/S to be good, and it will continue to provide the necessary support – as regards management as well as financial resources – with a strong focus on the economic development.

PROSPECTS

Based on new production plants and the increased capacity of all three breweries, the Brewery Sector has enlarged its strategic platform as a popular supplier to retail shops in Denmark and abroad.

The breweries will continue to market a pure concept within the "Private Label" segment, the growth segment of the retail sector.

With Harboefarm's letting of stables, with full effect as of the 2004/2005 financial year, and with an ongoing expansion of the customer base in the most important local markets, it is expected that Harboefarm A/S will contribute positively to earnings.

Investments planned for 2004/2005 are in the order of DKK 80-100 million, of which the majority is to be made within the Brewery Sector.

The Group revenue for 2004/2005 is expected to rise by 5-8 per cent as compared to 2003/2004.

The Group profit before tax for the period 2004/2005 is expected to total between DKK 105 and 120 million.

Cash flow from operating activities for 2004/2005 is estimated at min. DKK 130 million with an expected free cash flow exceeding DKK 30 million.

Dividend

Based on a positive development in cash, the Board of Directors proposes a dividend of DKK 10 per share, corresponding to 10 per cent of the share capital.

The company is, as a strategic cooperation partner, committed to keep up with the development and international trends, which means that a high level of financial resources is decisive in order to be able to make the necessary investments and ensure ongoing organic growth.





We would like to thank our shareholders, business partners and consumers for their loyal support, and our employees for their loyalty and commitment in the company.

Events after the balance sheet date

From the balance sheet date to this date, no events have occurred which change the evaluation of the Annual Report.



SHAREHOLDER INFORMATION

The equity of the company amounts to DKK 60,000,000, distributed on 6,400,000 class A shares and 53,600,000 class B shares. The shares trade in denominations of DKK 100, the class A shares with 10 votes per share and the class B shares with 1 vote per share. Only the company's class B shares are listed on the Copenhagen Stock Exchange.

There are approximately 2,600 registered shareholders in Harboes Bryggeri A/S, representing (excl. the company's own shares) a total of DKK 50.2 million of the total share capital of DKK 60 million. In the 2003/2004 financial year, the free flow of the shares increased to 85 per cent of the share capital, which was received positively by the company's investors.

The following shareholders are recorded as holding a stake of more than 5 per cent:

Kirsten and Bernhard Giese, Skælskør, Denmark:	
- votes	54.0 per cent
Harboes Bryggeri A/S, Skælskør - votes	2.9 per cent

Register of shareholders

Harboe's register of shareholders is managed by:

Danske Bank A/S
Holmens Kanal 2-12
1092 Copenhagen K, Denmark

Shares can be registered in the name of the shareholder by contacting the depositary bank. Registered shareholders automatically receive the Annual Report and an

invitation to the company's annual general meeting.

On 1 April 2003, Harboes Bryggeri A/S was included in the new SmallCap+ segment on the Copenhagen Stock Exchange, a registration which has strengthened the liquidity of the share. A liquidity deposit agreement has been entered into with Carnegie Bank.

The shareholdings in respect of insiders for Harboes Bryggeri A/S at the latest statement of 6 May 2004 is shown below.

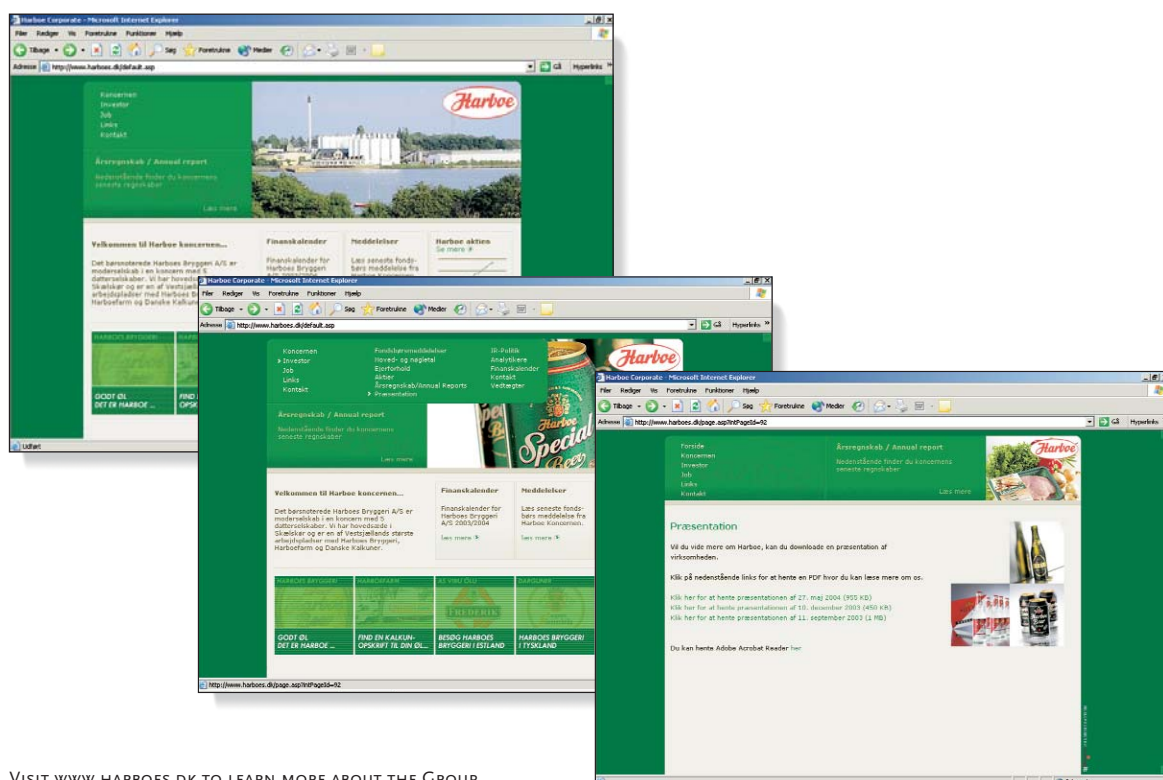
	Holding, no. as at 6 May 2004	Market value as at 6 May 2004 (exchange rate 1,430) in DKK
Board of Directors		
(incl. the Board of Executives)	102,998	147,287,140
Other insiders	6,507	9,305,010
All insiders	109,505	156,592,150

The level of trade with the company's shares has increased markedly during the year and has developed satisfactorily.

Investor relations

With its IR policy, Harboes Bryggeri A/S wants to ensure a high level of information to the shareholders and other parties interested in the company.

The company aims at establishing an open dialogue and productive communication, which can form the basis of an evaluation of the company's shares reflecting the fair value of the company and its potentials.



VISIT WWW.HARBOES.DK TO LEARN MORE ABOUT THE GROUP.

Information and dialogue

Our IR information, which will continue to be developed, is currently based on:

- Interim reports
- Annual reports (Danish/English)
- Individual presentations and meetings with parties interested in the company
- Harboes Bryggeri A/S' website, www.harboes.dk, with related links

During the financial year, Harboes Bryggeri A/S has arranged meetings in Denmark for financial analysts and investors. Furthermore, the company participated in the Danish Finance Analysts' Association's "Business Day" event. The company intends to participate in similar activities and meetings this year in order to strengthen the dialogue with shareholders and investors.

Shareholders, financial analysts and potential investors are invited to contact the company's IR contacts. Please do not hesitate to contact us with ideas to ameliorate investor relations.

Dividend

The Board of Directors recommends to the Annual General Meeting that a dividend be paid in the amount of DKK 10 per DKK 100 share, equivalent to DKK 6.0 million.

The Board of Directors recommends that the remaining profit of DKK 58.4 million be carried forward to next year.

Financial calendar 2004/2005

Harboes Bryggeri A/S expects to announce financial statements as follows:

Interim report for the first quarter of 2004/2005:

19 August 2004

Half-year report for 2004/2005:

25 November 2004

Interim report for the third quarter of 2004/2005:

3 March 2005

The Annual General Meeting of Harboes Bryggeri A/S will be held on Tuesday, 24 August 2004 in Skælskør, Denmark.

COMPANY INFORMATION

Company name

Harboes Bryggeri A/S
 Spegerborgvej 34, 4230 Skælskør, Denmark
 CVR No. 43 91 05 15
 Registered in: Skælskør
 Financial year: 1 May – 30 April
www.harboes.dk

Board of Executives:

Bernhard Giese

Auditors:

Deloitte Statsautoriseret Revisionsaktieselskab
 PricewaterhouseCoopers Statsautoriseret Revisions-
 interessentskab

Board of Directors:

Anders Nielsen, Chairman, lawyer

Other posts: Member of the Board of Directors in Budde Schou & Ostenfeld A/S, Budde Schou & Ostenfeld International A/S and Arking Arkitekter & Ingeniører A/S.

Bernhard Giese, CEO

Other posts: Member of the Board of Directors in Visbjerggård A/S, Lundegård A/S, Buskysminde A/S, Rugbjerggård A/S, Danfrugt Skælskør A/S, Keldernæs A/S, Best Poultry International A/S and Velisco Farm A/S.

Thomas Wilkens Andersen

Other posts: Member of the Board of Directors in Fredericia Skibsværft A/S, Fredericia Seawise A/S, Scandinavian Yacht Interiors A/S, Assens Skibsværft Holding A/S and Assens Skibsværft A/S.

Kirsten Giese, nurse

Vibeke Harboe Malling, studying to be a nurse

Karina Harboe Laursen, physiotherapist

Jens Bjarne Jensen, brewery worker*

Anders Wibskov, brewery worker*

Poul Erik Tokkesdal Mortensen, stores and distribution manager*

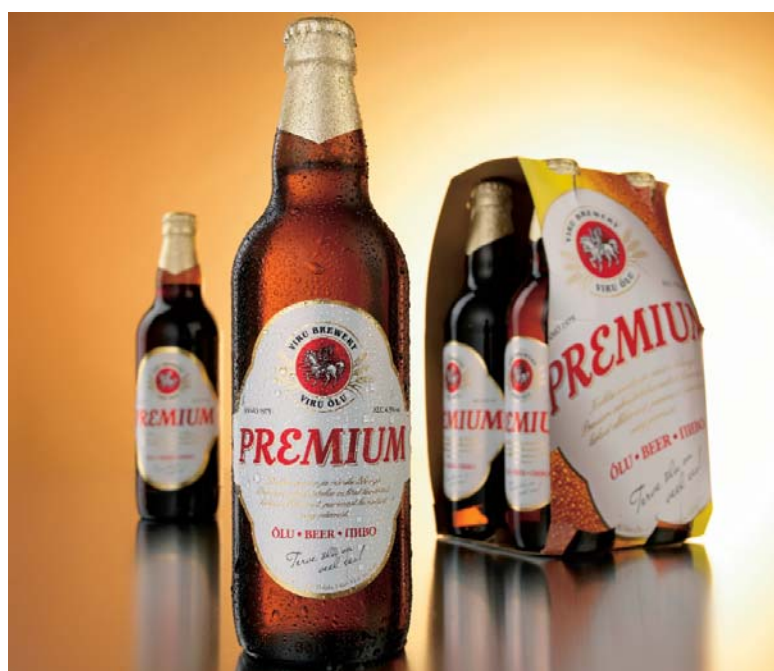
*) Staff representative



ANNOUNCEMENTS TO THE STOCK EXCHANGE

Announcements to the Copenhagen Stock Exchange A/S
for the period 1 May 2003 to 30 April 2004:

Date	Subject		
25.03.2004	Interim report for the third quarter	31.07.2003	Regular statement of the shareholdings as from 31 July 2003
16.03.2004	Date of the interim report for the third quarter	02.07.2003	Notice of the 2002/2003 Annual Report
27.02.2004	Changes in accounting policies	20.06.2003	Date of 2002/2003 Annual Report
21.01.2004	Harboefarm A/S stops its turkey slaughtering activities	28.05.2003	2002/2003 half-year report (reissued)
15.01.2004	Quarterly statement of the shareholdings	28.05.2004	Financial calendar 2003/2004
15.01.2004	Regular statement of the shareholdings	08.05.2003	Quarterly statement of the shareholdings as from 8 May 2003
09.12.2003	Regular statement of the shareholdings	06.05.2003	Regular statement of the shareholdings as from 5 May 2003
04.12.2003	Half-year report for 2003		
24.11.2003	Announcement of date of half-year report		
08.10.2003	Letting of breeding stables		
02.10.2003	Quarterly statement of the shareholdings		
24.09.2003	Quarterly statement of the shareholdings		
01.09.2003	Regular statement of the shareholdings		
27.08.2003	Own shares (Section 28)		
27.08.2003	Synopsis of the Annual General Meeting on 26 August 2003		
21.08.2003	Interim report for the first quarter of 2003		
14.08.2003	Date of the interim report for the first quarter of 2003/2004		
12.08.2003	2002/2003 Annual Report		
07.08.2003	Notice of the Annual General Meeting		
05.08.2003	Regular statement of the shareholdings		



ENVIRONMENTAL RESPONSIBILITY

Within the Brewery Sector as well as within the Foodstuff Sector, we make consistent efforts to optimise resources and reduce the impact on the environment.

In all companies, goals and plans for the environmental work are continuously being worked out, and the financial resources necessary for environmental enhancements are set aside.

Water and energy saving measures form a natural part of capacity and production expansion projects, and when choosing suppliers and cooperation partners, their environmental responsibility is an important aspect.

Within all Group companies, systems are constructed to collect and report environmental data, in order to focus on areas subject to the most substantial environmental influences, including the reduction of noise, air let-out and waste water.

Harboes Bryggeri A/S in Skælskør has its own biological wastewater treatment plant, which has been expanded during the financial year. The breweries in Germany and Estonia have contributed financially to the establishing of the local wastewater treatment plants.

Thus, the framework is created for future expansion – also as regards environmental objectives.



MANAGEMENT'S STATEMENT

We have today presented the 2003/2004 Annual Report of Harboes Bryggeri A/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven), Danish accounting standards and the reporting requirements of the Copenhagen Stock Exchange. We consider the accounting principles applied expedient for the Annual Report to provide a true and fair view of the Group's and the Parent's assets and liabilities, financial position, profit for the year and consolidated cash flows.

We recommend that the Annual General Meeting adopts the Annual Report.

Skælskør, 8 July 2004

Board of Executives

Bernhard Giese
CEO

Board of Directors

Anders Nielsen
Chairman

Thomas Wilkens Andersen, Bernhard Giese, Vibeke Harboe Malling, Kirsten Giese,
Karina Harboe Laursen, Jens Bjarne Jensen*, Anders Wibskov*, Poul Erik Tokkesdal Mortensen*

**staff representatives*

AUDITORS' REPORT

To the shareholders of Harboes Bryggeri A/S

We have audited the Annual Report of Harboes Bryggeri A/S for the 2003/2004 financial year. The Annual Report is the responsibility of the management. Our responsibility is to express an opinion on the Annual Report based on our audit.

Basis of opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free of material misstatements. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Annual Report. The audit also includes assessing the accounting policies applied and significant estimates made by the

management, as well as evaluating the overall Annual Report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any qualifications.

Opinion

In our opinion, the Annual Report gives a true and fair view of the assets and liabilities and financial position at 30 April 2004 of the Group and the Parent and of the results of their operations as well as the consolidated cash flows for the 2003/2004 financial year in accordance with the Danish Financial Statements Act (Årsregnskabsloven), Danish Accounting Standards and the reporting requirements of the Copenhagen Stock Exchange.

Slagelse, 8 July 2004

DELOITTE

Statsautoriseret Revisionsaktieselskab

Arne Gøtzsche Pedersen

State-Authorised Public Accountant

Jens Jørgen Simonsen

State-Authorised Public Accountant

PRICEWATERHOUSECOOPERS

Statsautoriseret Revisionsinteressentskab

Svend Aage Nielsen

State-Authorised Public Accountant

FINANCIAL STATEMENTS



ACCOUNTING POLICIES

The Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) for class D enterprises, Danish Accounting Standards and the reporting requirements of the Copenhagen Stock Exchange.

Changes in accounting policies

The accounting principles applied have been changed for returnable packaging and for the obligation to repurchase own returnable packaging in circulation.

The accounting policies have been changed in order to provide a more true and fair view of the Group's future consumption of returnable packaging as well as of the continuous obligation to repurchase own returnable packaging. Furthermore, the Annual Report gives a more true and fair view of the financial impact of the reduction of deposits implemented in Denmark during the financial year.

Moreover, the accounting policies would have been subject to change as from the 2005/2006 financial year as all listed companies are required to apply the International Accounting Standards as from 1 January 2005.

Returnable packaging

Returnable packaging is measured at cost less accumulated depreciation and impairment losses and recognised under property, plant and equipment. Previously, returnable packaging was measured at the deposit price and recognised under inventories.

The cost comprises the acquisition price and directly related costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Depreciation is made according to the straight-line method on the basis of the expected useful lives of the returnable packaging of 3–8 years.

Obligation to repurchase own packaging in circulation

The obligation to repurchase own packaging in circulation is measured at the deposit price on the basis of the estimated amount of circulating crates and trays filled with bottles and is recognised under provisions. Previously, the obligation to repurchase own packaging in circulation was stated in the notes under contingent liabilities.

The impact of the change in policies

The change in policies combined with the implemented reduction of deposits did not materially affect the net profit for the year, whereas the consolidated equity as at 30 April 2004 was reduced by DKK 62.8 million.

The changes in policies have resulted in returnable packaging investments being included in cash flows from investing activities. Previously, returnable packaging investments were included in cash flows from operating activities. Returnable packaging investments for the year amount to DKK 12.9 million.

Comparative figures and the key figures on pages 4 and 5 have been restated accordingly.

Apart from what is specified above, the accounting policies applied are consistent with those applied last year.

Changes in accounting estimates

No changes are reported as to the estimates made in the accounts compared to last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Group and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Group, as a result of an earlier event, has incurred legal or constructive obligations, and it is probable that future

The impact of the change in accounting policies and the implemented reduction of deposits:

Group (DKK 1,000)	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004
Profit before tax using the previous accounting policies and without the impact of the implemented reduction of deposits	16,228	31,022	56,031	52,113	97,402
Change in operating profit	191	(9,858)	(11,974)	(139)	(118)
Profit before tax using the new accounting policies and with the impact of the implemented reduction of deposits	16,419	21,164	44,057	51,974	97,284
Tax on profit for the year using the previous accounting policies and without the impact of the implemented reduction of deposits (4,642)		(6,788)	16,323	(19,217)	(32,962)
Tax on the changes in accounting principles and on the impact of the implemented reduction of deposits	28	3,062	3,646	(154)	46
Consolidated profit using the new accounting policies and with the impact of the implemented reduction of deposits	11,805	17,438	64,026	32,603	64,368
Share of minority shareholders	(80)	74	145	51	2
Profit for the year using the new accounting policies and with the impact of the implemented reduction of deposits	11,725	17,512	64,171	32,654	64,370
Equity using the previous accounting policies and without the impact of the implemented reduction of deposits	331,817	356,498	428,200	460,923	549,582
Change in the carrying amount of returnable packaging and reduction of deposits	24,934	15,110	11,858	16,380	(12,736)
Carrying amount of the obligation to repurchase own packaging in circulation	(92,419)	(92,454)	(101,177)	(105,839)	(76,761)
Deferred tax on the above	20,072	23,135	26,781	26,629	26,650
Equity using the new accounting policies	284,404	302,289	365,662	398,093	486,735

economic benefits will flow from the Group and the value of such obligations can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each item.

On recognition and measurement, account is taken of foreseeable risks and losses arising before the time at which the Annual Report is presented and proving or disproving matters arising on or before the balance sheet date.

In the income statement, only income and costs

attributable to the financial year are recognised.

Value adjustments of financial assets and liabilities are recognised as financial income or financial expenses in the income statement.

The consolidated financial statements

The consolidated financial statements comprise Harboes Bryggeri A/S (the Parent) and the enterprises (associates) in which the Parent has a controlling interest, cf. group chart on page 6. Control is achieved when the Parent, directly or indirectly, holds more than 50 per cent of the voting rights or in any other way can or does exercise a controlling influence. Enterprises, in which the Parent,

directly or indirectly, holds between 20 and 50 per cent of the voting rights and exercises a significant, but not controlling, influence, are considered to be associates.

Basis of consolidation

The consolidated financial statements have been prepared on the basis of financial statements of Harboes Bryggeri A/S and of the subsidiaries. The consolidated financial statements are prepared by combining uniform accounting items. The consolidation involves the elimination of intra-group income and expenditure, intra-group balances, dividends and profits and losses on transactions between the consolidated enterprises. The financial statements used in the consolidation process are prepared in accordance with the accounting policies of the Group.

The accounting items of the subsidiaries are recognised wholly in the consolidated financial statements. The minority shareholders' pro rata share of profit and net assets is presented separately in the income statement and the balance sheet, respectively.

Equity investments in subsidiaries are offset at the pro rata share of the net assets of the subsidiaries at the date of acquisition, computed at fair value.

Profit or loss from the divestment of equity investments

Profit or loss from the divestment or winding-up of subsidiaries is computed as the difference between the selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, respectively, inclusive of non-amortised goodwill and estimated costs of divestment or winding-up. Profit or loss is recognised in the income statement under other operating income or other operating expenses.

Translation of foreign currency

On initial recognition, foreign currency transactions are translated at the exchange rate applicable at the date of

transaction. Receivables, liabilities other than provisions or other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated at the exchange rate applicable at the balance sheet date. Exchange rate differences arising between the exchange rate applicable at the date of transaction and the exchange rate applicable at the date of payment or the exchange rate applicable at the balance sheet date, are recognised in the income statement as net financials. Fixed assets acquired in foreign currencies are translated using historical exchange rates.

When recognising foreign subsidiaries, which operate as independent entities, the income statements are translated at the average exchange rates that do not significantly deviate from the exchange rates applicable at the date of transaction. Balance sheet items are translated using the exchange rates applicable at the balance sheet date. Exchange rate adjustments arising from the translation of the equity of foreign subsidiaries at the beginning of the year using the exchange rates applicable at the balance sheet date and the translation of income statements from average exchange rates using the exchange rates applicable at the balance sheet date are recognised directly against equity.

The exchange rate adjustments of balances with independent foreign subsidiaries, which are considered part of the overall investment in the subsidiary in question, are recognised directly against equity.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or

recognised liability are recognised in the income statement along with any changes to the value of the hedged asset or liability.

Income statement

Gross revenue

Gross revenue from the sale of finished products and goods for resale are recognised in the income statement on delivery and when risk has passed to buyer. Gross revenue is recognised exclusive of VAT and discounts pertaining to the sale other than cash discounts.

Revenue

Revenue comprises gross revenue exclusive of taxes on beer and soft drinks.

Cost of sales

Cost of sales comprises direct and indirect expenses incurred to generate the gross revenue of the year. In cost of sales, trading companies recognise the consumption of goods, while production companies recognise the costs of raw materials, consumables, production staff, depreciation of production plants and returnable packaging along with adjustments of the obligation to repurchase own packaging.

Cost of sales also includes costs pertaining to development projects, which do not meet the criteria for recognition in the balance sheet, and amortisation of recognised development projects.

Sales and distribution costs

Sales and distribution costs represent costs incurred for the distribution of goods sold and for marketing campaigns, including salaries to sales and distribution staff, marketing expenses, amortisation and depreciation.

Administrative expenses

Administrative expenses include expenses incurred to manage and administer the Group, including adminis-

trative staff costs, management costs and office expenses as well as depreciation and amortisation.

Other operating income and expenses

Other operating income and expenses include items of a secondary nature to the primary activities of the Group. Other operating income also includes government grants, which are recognised as income over the expected useful lives of the fixed assets, as well as the letting of buildings.

Other operating expenses also include costs and depreciation in respect of the letting of buildings.

Net financials

Net financials include interest income and interest expenses, realised and unrealised capital gains and losses on securities, liabilities other than provisions and transactions in foreign currencies, mortgage amortisation premium on mortgage debts, cash discounts etc., as well as tax surcharge and prepayment under the Danish Tax Prepayment Scheme.

Extraordinary items

Extraordinary items comprise income and expenses resulting from events which clearly deviate from the ordinary operations of the Group, and which are therefore not expected to be recurring.

Taxation

Tax for the year, which is made up of current tax for the year and changes in deferred tax, is recognised in the income statement with the portion attributable to the net profit for the year, and directly in equity with the portion attributable to amounts recognised directly in equity. The portion of tax attributable to the extraordinary profit for the year is attributed thereto, while the remaining tax is attributed to the income from ordinary activities for the year.

Current tax liabilities, comprising current tax receivable

and payable, are recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax is recognised and measured applying the liability method on the basis of all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax is measured based on the current tax rules and rates in the country in which the company is registered and which will be in effect, using the legislation of the balance sheet date, when the deferred tax is estimated to be triggered as current tax.

Deferred tax in AS Viru Ölu is not recognised as the Parent does not intend to collect the profit for the year. Taxes that will arise at a possible distribution of the company's reserves are reported in a note to the financial statements.

The Parent is taxed jointly with the Danish subsidiaries and Harboe Norge AS. The current income tax is allocated among the jointly taxed Danish companies in proportion to their taxable incomes (full allocation with a refund for tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery together with other fixtures and fittings, tools and equipment and returnable packing are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The cost comprises the acquisition price, costs related directly to the acquisition and costs relating to the preparation of the asset up until such time as the asset is ready for use. Financing costs are not included in the cost. The cost also comprises costs for renovation, which

increases the production capacity or prolongs the useful lives of plant and machinery. Renovation costs include direct and indirect costs for materials, subsuppliers and labour costs.

The basis of depreciation is cost less expected residual value following end of use. Depreciation is made according to the straight-line method on the basis of the following assessment of the expected useful lives of the assets:

Buildings	10-50 years
Buildings on leased land	12-30 years
Plant and machinery	5-25 years
Renovation of production plants	5 years
Other fixtures and fittings, tools and equipment	3-15 years
Returnable packaging	3-8 years

Depreciation is recognised in the income statement under production costs, distribution costs, administrative expenses and other operating expenses, respectively.

Assets with a cost not exceeding DKK 50,000 are recognised as costs in the income statement at the time of acquisition.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profit and loss from the disposal of property, plant and equipment are measured as the difference between the selling price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement together with depreciation and impairment losses.

Investments

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured in the balance sheet using the equity method, meaning that they are measured at the pro-rata

share of their equity value plus or minus unamortised positive or negative consolidated goodwill and plus or minus unrealised intra-group profits or losses.

The Parent's share of the profit of the subsidiaries is recognised in the income statement after elimination of unrealised intra-group profits and losses plus or minus amortisation of positive or negative, consolidated goodwill. The net revaluation of investments in subsidiaries and associates is recognised under reserve for net revaluation to the extent that the carrying amount exceeds cost.

On acquisition of subsidiaries, the purchase method is applied.

Deposits, leases

Deposits, leases are measured at cost.

Other investments

Other investments comprise shares quoted on the stock exchange and investments in unquoted companies etc., which are measured at fair value.

Inventories

The Brewery Sector

Inventories are measured at the lower of cost applying the FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables consists of the acquisition price plus landing costs. The cost of manufactured goods and work in progress includes costs of raw materials, consumables and direct labour costs as well as production overheads.

Production overheads include indirect materials and wages, costs of maintenance and depreciation and impairment losses on the machinery, buildings and equipment used in the production. Financing costs are not recognised in the cost.

The net realisable value of inventories is computed as

the expected selling price less costs incurred to execute sales.

The Foodstuff Sector (previously Turkey Companies)

Processed meat products and consumables are measured at the lower of cost applying the FIFO method and net realisable value.

The cost of processed meat products comprises costs of raw materials, consumables and direct labour costs as well as production overheads.

The cost of raw materials and consumables comprises the acquisition price plus landing costs.

Production overheads include indirect materials and wages, costs of maintenance and depreciation and impairment losses on the machinery and buildings used in the production process. Financing costs are not recognised in the cost.

The net realisable value of inventories is computed as the expected selling price less costs incurred to execute sales.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value less write-downs for expected losses.

Prepayments

Prepayments under assets comprise costs incurred in respect of the coming financial year. Prepayments are measured at amortised cost, which normally corresponds to nominal value.

Equity

Acquisition and selling prices of own shares are recognised directly in equity under retained earnings.

Other provisions

The obligation to repurchase own packaging in circulation is measured at the deposit price on the basis of the

estimated amount of circulating crates and trays filled with bottles and is recognised under provisions.

Mortgage debt

Mortgage debt is measured at cost at the time of borrowing, corresponding to the proceeds received less transaction costs incurred. Subsequently, mortgage debt is measured at amortised cost, corresponding to the capitalised value applying the effective interest method.

Other financial liabilities

Other financial liabilities are recognised at amortised cost, which normally corresponds to nominal value.

Deferred income

Deferred income recognised under liabilities comprises income received for recognition in the coming financial year. Deferred income is measured at amortised cost, which normally corresponds to nominal value.

Deferred income also includes government grants received in the subsidiary Darguner Brauerei GmbH. The portion of the grant, which can be recognised as income more than one year from the balance date, is entered under long-term liabilities other than provisions.

Cash flow statement

The cash flow statement of the Group is presented using the indirect method, showing cash flows from operating, investing and financing activities as well as the Group's cash funds at the beginning and end of the financial year. No separate cash flow statement has been prepared for the Parent, it being included in that of the Group.

Cash flows from operating activities are computed as the operating profit adjusted for depreciation, amortisation and government grants, changes in working capital and income taxes paid.

Cash flows from investing activities comprise payments

in connection with the purchase and sale of enterprises and activities as well as the purchase and sale of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise the raising of loans, government grants received and instalments on interest-bearing debts as well as the purchase and sale of own shares.

Cash funds comprises cash, short-term securities involving insignificant price risks less short-term bank debt.

Segment information

The main activity of the Harboe Group is the production and sale of beer and soft drinks as well as the processing and marketing of meat products. The core business, production and sale of beer and soft drinks, accounts for approximately 81 per cent (78 per cent in 2002/2003) of the consolidated revenue.

Disclosures are provided on business segments (primary segment), but not on geographical markets, as the activities of the Group relate to the North European market alone. The segment information complies with the accounting policies and internal financial management of the Group.

Fixed assets in primary segments comprise the assets, which are used directly in the operation of each segment.

Segment liabilities comprise liabilities other than provisions and other provisions arising from the operation of each segment, including trade payables and other payables.

INCOME STATEMENT

(DKK 1,000)	GROUP		PARENT		Note
	2003/2004	2002/2003	2003/2004	2002/2003	
Gross revenue	1,671,537	1,583,082	805,203	749,057	
Taxes on beer and soft drinks	(312,719)	(310,959)	(226,618)	(250,134)	
Revenue	1,358,818	1,272,123	578,585	498,923	1
Cost of sales	(1,074,995)	(1,039,098)	(406,134)	(342,470)	
Gross profit	283,823	233,025	172,451	156,453	
Sales and distribution costs	(149,158)	(138,806)	(97,336)	(91,497)	
Administrative expenses	(35,218)	(35,614)	(20,962)	(21,291)	
Other operating income	8,497	5,078	0	0	
Other operating expenses	(2,876)	0	0	0	
Operating profit	105,068	63,683	54,153	43,665	
Share of profit before tax in subsidiaries	-	-	42,385	8,919	
Share of profit before tax in associates	0	0	0	0	
Profit before net financials	105,068	63,683	96,538	52,584	
Financial income	2,917	2,216	4,235	3,415	2
Financial expenses	(10,701)	(13,876)	(3,487)	(3,925)	3
Profit before tax	97,284	52,023	97,286	52,074	
Tax on profit for the year	(32,930)	(19,483)	(32,967)	(19,483)	4
Adjustment of tax, previous years	14	61	51	61	4
Profit after tax	64,368	32,601	64,370	32,652	
Share of minority shareholders	2	51	-	-	
NET PROFIT FOR THE YEAR	64,370	32,652	64,370	32,652	

Proposed distribution of net profit

Dividend for the financial year	6,000	0
Retained earnings	58,370	32,652
	64,370	32,652

BALANCE SHEET - ASSETS

(AS AT 30 APRIL 2004)

(DKK 1,000)	GROUP		PARENT		Note
	2003/2004	2002/2003	2003/2004	2002/2003	
Land and buildings	290,526	289,341	107,193	102,794	
Plant and machinery	338,048	307,697	141,938	127,370	
Other fixtures and fittings, tools and equipment	41,864	49,482	29,817	37,335	
Spare parts for own machinery	7,107	6,909	7,107	6,909	
Property, plant and equipment under construction	14,833	6,139	852	4,762	
Property, plant and equipment	692,378	659,568	286,907	279,170	5
Investments in associates	537	0	0	0	
Investments in subsidiaries	-	-	274,772	251,251	
Deposits, leases	2,009	1,961	0	0	
Securities	2,448	2,288	2,368	2,209	
Investments	4,994	4,249	277,140	253,460	6
FIXED ASSETS	697,372	663,817	564,047	532,630	
Raw materials, intermediates and non-returnable packaging	49,249	68,674	12,158	15,283	
Finished goods and goods for resale	31,510	26,756	12,029	9,349	
Inventories	80,759	95,430	24,187	24,632	
Trade receivables	191,056	146,005	73,151	65,393	
Receivables from subsidiaries	0	0	75,474	43,025	
Receivables from associates	2,591	0	0	0	
Income tax receivable	0	4,456	0	4,456	
Government grants receivable	7,965	13,446	0	0	
Other receivables	8,005	6,582	1,890	1,960	
Prepayments	3,104	4,633	1,474	1,148	
Receivables	212,721	175,122	151,989	115,982	
CASH	33,036	25,573	16,250	15,133	
CURRENT ASSETS	326,516	296,125	192,426	155,747	
ASSETS	1,023,888	959,942	756,473	688,377	

BALANCE SHEET - LIABILITIES

(AS AT 30 APRIL 2004)

(DKK 1,000)	GROUP		PARENT		Note
	2003/2004	2002/2003	2003/2004	2002/2003	
Share capital	60,000	60,000	60,000	60,000	7
Share premium	51,000	51,000	51,000	51,000	8
Dividend for the financial year	6,000	0	6,000	0	
Retained earnings	369,735	287,093	369,735	287,093	9
Equity	486,735	398,093	486,735	398,093	
Minority shareholders	456	458	-	-	10
Obligation to repurchase returnable packaging	76,762	105,839	76,762	105,839	11
Deferred tax	37,010	34,895	33,247	34,277	12
Provisions	113,772	140,734	110,009	140,116	
Mortgage debt	47,310	51,240	10,193	9,534	
Other credit institutions	39,904	52,283	0	0	
Deferred income	31,785	30,338	0	0	
Long-term liabilities other than provisions	118,999	133,861	10,193	9,534	13
Mortgage debt	4,803	4,434	215	185	13
Other credit institutions	45,210	61,989	33,461	34,217	13
Trade payables	128,562	117,718	58,867	58,297	
Payables to subsidiaries	0	0	3,230	5,675	
Payables to associates	3,680	0	0	0	
Income tax	24,346	26,768	6,178	0	
Other payables	91,458	70,760	47,585	42,260	
Deferred income	5,867	5,127	0	0	13
Short-term liabilities other than provisions	303,926	286,796	149,536	140,634	
Liabilities other than provisions	422,925	420,657	159,729	150,168	
LIABILITIES	1,023,888	959,942	756,473	688,377	

Staff and management
Other notes

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CASH FLOW STATEMENT

(DKK 1,000)	GROUP		Note
	2003/2004	2002/2003	
Operating profit	105,068	63,683	
Depreciation, amortisation etc.	93,467	90,262	
Grants recognised as income	(5,844)	(5,078)	
Cash flows from operating activities before change in working capital	192,691	148,867	
Change in working capital	(33,349)	18,355	20
Cash flows from operating activities	159,342	167,222	
Net interest, dividends, translation adjustments etc.	(7,784)	(11,447)	
Taxes paid, net	(22,138)	(2,734)	
Cash flows from operating activities	129,420	153,041	
Net investments in property, plant and equipment (purchase and sale of property, plant and equipment for the year, net)	(126,483)	(130,602)	
Net investments	(539)	17	
Cash flows from investing activities	(127,022)	(130,585)	
Instalments on long-term liabilities, net	(15,581)	(17,660)	
Investment grant received for the financial year	13,512	3,184	
Sale of own shares, net	24,091	0	
Cash flows from financing activities	22,022	(14,476)	
Changes in cash funds	24,420	7,980	
Cash funds as at 1 May 2003	(25,026)	(32,782)	
Translation adjustment, beginning of year	181	(224)	
CASH FUNDS as at 30 April 2004	(425)	(25,026)	21

EQUITY STATEMENT

(DKK 1,000)	Share capital	Share premium	Dividend for the financial year	Retained earnings	Total
Balance as at 1 May 2002	60,000	51,000	-	317,200	428,200
Change in accounting policies	-	-	-	(62,535)	(62,535)
Adjusted balance as at 1 May 2002	60,000	51,000	-	254,665	365,665
Net profit for the year 2002/2003	-	-	-	32,652	32,652
Translation adjustment	-	-	-	(224)	(224)
Balance as at 30 April 2003	60,000	51,000	-	287,093	398,093
Net profit for the year 2003/2004	-	-	6,000	58,370	64,370
Sale/purchase of own shares for the year	-	-	-	24,091	24,091
Translation adjustment	-	-	-	181	181
Balance as at 30 April 2004	60,000	51,000	6,000	369,735	486,735

The equity statement of the Parent is identical with that of the Group.

NOTES

(DKK 1,000)	GROUP		PARENT	
	2003/2004	2002/2003	2003/2004	2002/2003
Note 1. Revenue*)				
Revenue, home market	568,268	573,761	347,037	340,818
Revenue, exports	790,550	698,362	231,548	158,105
Total	1,358,818	1,272,123	578,585	498,923
For further information, please see segment information in the management's review for the Group.				
Note 2. Financial income				
Interest income, subsidiaries	-	-	2,514	1,868
Other interest income	2,917	2,216	1,721	1,547
Total	2,917	2,216	4,235	3,415
Note 3. Financial expenses				
Interest expenses, subsidiaries	-	-	171	103
Other interest expenses	10,701	13,876	3,316	3,822
Total	10,701	13,876	3,487	3,925
Note 4. Tax on profit for the year				
Tax on profit from ordinary activities comprises:				
Computed income tax	30,857	16,612	20,585	12,321
Change in deferred tax	3,767	2,871	(1,017)	739
Deferred tax, intra-group profits	(1,694)	0	0	0
Total	32,930	19,483	19,568	13,060
Computed income tax, subsidiaries	-	-	10,309	4,291
Change in deferred tax, subsidiaries	-	-	3,090	2,132
Total	32,930	19,483	32,967	19,483
Adjustment of tax in respect of previous years comprises:				
Adjustment of income tax, previous years	(14)	(61)	(14)	(61)
Change in deferred tax rate, subsidiary	0	0	(37)	0
Total	(14)	(61)	(51)	(61)

(DKK 1,000 and %)	GROUP			
	2003/2004	%	2002/2003	%
Consolidated reconciliation of the Danish income tax rate compared to the Group's effective tax rate:				
Profit before tax	97,284		52,023	
Computed tax thereon	29,185	30.0	15,607	30.0
Tax implications of:				
Differences in the tax rates of foreign subsidiaries compared to the Danish tax rate	3,122	3.2	3,570	6.7
Non-tax-deductible income and expenses as well as depreciation, amortisation and impairment losses	623	0.6	306	0.6
Effective tax for the year	32,930	33.8	19,483	37.3

The implications are not presented for the Parent separately as its tax expenses are identical with those of the Group.

NOTES

(DKK 1,000)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Spare parts for own machinery	Property, plant and equipment under construction
Note 5. Property, plant and equipment, Group					
Cost as at 1 May 2003	436,176	754,077	64,983	6,909	6,139
Change in accounting policies	-	-	69,235	-	-
Adjusted acquisition price as at 1 May 2003	436,176	754,077	134,218	6,909	6,139
Translation adjustment etc.	202	555	62	0	2
Additions in the year	22,482	83,211	18,337	3,389	14,831
Disposals in the year	(3,398)	(24,346)	(5,097)	(3,191)	(6,139)
Cost as at 30 April 2004	455,462	813,497	147,520	7,107	14,833
Accumulated depreciation, amortisation and impairment losses as at 1 May 2003	(146,835)	(446,380)	(49,218)	0	0
Change in accounting policies	0	-	(35,514)	-	-
Adjusted accumulated depreciation and amortisation as at 1 May 2003	(146,835)	(446,380)	(84,732)	0	0
Translation adjustment etc.	(38)	(245)	(43)	0	0
Depreciation and amortisation for the year	(19,640)	(50,783)	(25,201)	0	0
Depreciation and amortisation in respect of disposals in the year	1,577	21,959	4,320	0	0
Accumulated depreciation, amortisation and impairment losses as at 30 April 2004	(164,936)	(475,449)	(105,656)	0	0
Carrying amount as at 30 April 2004	290,526	338,048	41,864	7,107	14,833

The value of land and buildings according to the public land assessment as at 1 October 2003 amounts to DKK 159.6 million. This assessment does not include properties of foreign subsidiaries having a carrying amount of DKK 83.4 million. Land and buildings of DKK 290.5 million include the carrying amount of buildings on leased land amounting to DKK 52.6 million.

Note 5. Property, plant and equipment, Parent

Cost as at 1 May 2003	170,062	367,401	33,643	6,909	4,762
Change in accounting policies	-	-	62,198	-	-
Adjusted acquisition price as at 1 May 2003	170,062	367,401	95,841	6,909	4,762
Additions in the year	14,637	36,367	13,511	3,389	852
Disposals in the year	(109)	(2,169)	(2,547)	(3,191)	(4,762)
Cost as at 30 April 2004	184,590	401,599	106,805	7,107	852
Accumulated depreciation, amortisation and impairment losses as at 1 May 2003	(67,268)	(240,031)	(25,877)	0	0
Change in accounting policies	0	-	(32,629)	-	-
Adjusted accumulated depreciation and amortisation as at 1 May 2003	(67,268)	(240,031)	(58,506)	0	0
Depreciation and amortisation for the year	(10,129)	(21,458)	(20,627)	0	0
Depreciation and amortisation in respect of disposals in the year	0	1,828	2,145	0	0
Accumulated depreciation, amortisation and impairment losses as at 30 April 2004	(77,397)	(259,661)	(76,988)	0	0
Carrying amount as at 30 April 2004	107,193	141,938	29,817	7,107	852

The value of land and buildings according to the public land assessment as at 1 October 2003 amounts to DKK 70.2 million.

NOTES

	GROUP			PARENT	
(DKK 1,000)	Investments in associates	Deposits, leases	Securities	Investments in subsidiaries	Securities
Note 6. Investments					
Cost as at 1 May 2003	0	1,961	1,918	347,907	1,839
Additions in the year	537	48	0	0	0
Disposals in the year	0	0	(46)	0	(46)
Cost as at 30 April 2004	537	2,009	1,872	347,907	1,793
Revaluation/impairment losses as at 1 May 2003	0	0	370	(98,893)	370
Change in accounting policies	0	0	0	2,237	0
Adjusted revaluation/impairment losses as at 1 May 2003	0	0	370	(96,656)	370
Translation adjustment etc.	0	0	0	183	0
Share of profit for the year before tax	0	0	0	42,385	0
Share of tax for the year incl. adjust- ments in respect of previous years	0	0	0	(15,094)	0
Revaluation to fair value	0	0	206	0	205
Total revaluation/impairment losses as at 30 April 2004	0	0	576	(69,182)	575
Adjustment of intra-group profits	0	0	0	(5,647)	0
Deferred tax on intra-group profits	0	0	0	1,694	0
Total	0	0	0	(3,953)	0
Carrying amount as at 30 April 2004	537	2,009	2,448	274,772	2,368
	GROUP			PARENT	
(DKK 1,000)	2003/2004	2002/2003		2003/2004	2002/2003
Note 7. Share capital					
The share capital comprises:					
Class A shares (10 times voting right): 200 shares of DKK 32,000	6,400	6,400		6,400	6,400
Class B shares: 536,000 shares of DKK 100	53,600	53,600		53,600	53,600
Total	60,000	60,000		60,000	60,000
Note 8. Share premium					
Share premium, February 1989	51,000	51,000		51,000	51,000
Note 9. Retained earnings					
Balance as at 1 May 2003	287,093	317,200		287,093	317,200
Impact of change in accounting principles after tax	0	(62,535)		0	(62,535)
Adjusted balance as at 1 May 2003	287,093	254,665		287,093	254,665
Sale of own shares, net	24,091	0		24,091	0
Retained earnings, cf. distribution of net profit	64,370	32,652		64,370	32,652
Translation adjustments etc., subsidiaries	181	(224)		181	(224)
Balance as at 30 April 2004	375,735	287,093		375,735	287,093

NOTES

(DKK 1,000)	GROUP		PARENT	
	2003/2004	2002/2003	2003/2004	2002/2003
Note 10. Minority shareholders				
Balance as at 1 May 2003	458	504		
Share of net profit for the year	(2)	(51)		
Other adjustments	0	5		
Balance as at 30 April 2004	456	458	-	-
Note 11. Obligation to repurchase returnable packaging				
Obligation to repurchase own packaging in circulation as at 1 May 2003	105,839	101,177	105,839	101,177
Changes for the year	(29,077)	4,662	(29,077)	4,662
Obligation to repurchase own packaging in circulation as at 30 April 2004	76,762	105,839	76,762	105,839
Note 12. Deferred tax				
Deferred tax is incumbent on the following items:				
Intangible assets and property, plant and equipment	37,390	31,490	31,911	33,369
Current assets	1,137	2,274	1,336	908
Other items	177	1,131	0	0
Intra-group profits	(1,694)	0	0	0
Total	37,010	34,895	33,247	34,277

Deferred tax is provided for at a Danish tax rate of 30 per cent and a German tax rate of 36 per cent.

Changes in deferred tax:				
Balance as at 1 May 2003	-	58,676	-	61,425
Impact of change in accounting policies	-	(26,629)	-	(27,887)
Adjusted balance as at 1 May 2003	34,895	32,047	34,277	33,538
Adjustments for the year	2,073	2,871	(1,016)	739
Adjustment of deferred tax, previous years	42	(23)	(14)	0
Total	37,010	34,895	33,247	34,277
Payment of AS Viru Ōlu's reserves will trigger an unprovided tax item of	2,607	3,960	2,607	3,960

NOTES

(DKK 1,000)	GROUP			
	Falling due within one year	Falling due after one year	Total amortised debt	Total nominal debt
Note 13. Long-term liabilities other than provisions				
Mortgage debt	4,803	47,310	52,113	54,420
Other credit institutions	45,210	39,904	85,114	85,114
Deferred income	5,867	31,785	37,652	37,652
Long-term liabilities other than provisions as at 30 April 2004	55,880	118,999	174,879	177,186
Long-term liabilities other than provisions as at 30 April 2003	71,550	133,861	205,411	205,411
Falling due after five years:				
Other credit institutions		27,590		
Deferred income		8,492		
Total		36,082		

PARENT				
Mortgage debt	215	10,193	10,408	10,408
Other credit institutions	33,461	0	33,461	33,461
Long-term liabilities other than provisions as at 30 April 2004	33,676	10,193	43,869	43,869
Long-term liabilities other than provisions as at 30 April 2003	34,402	9,524	43,926	43,926
Falling due after five years:				
Mortgage debt		9,209		
Other credit institutions		0		
Total		9,209		

(DKK 1,000)	GROUP		PARENT	
	2003/2004	2002/2003	2003/2004	2002/2003
Note 14. Staff and management				
Company/Group remuneration of:				
Board of Directors	260	260	260	260
Board of Executives	3,883	3,731	3,021	2,963
Salaries and wages, other staff	168,856	174,740	88,248	79,128
Pension commitments, social security expenses etc., other staff	20,245	15,825	8,838	6,700
Total	193,244	194,556	100,367	89,051
Average number of full-time employees	694	697	270	247

NOTES

Note 15. Interest rate risk, Group

The interest-bearing debt of the Group as at 30 April 2004 amounts to DKK 137 million. Loans are raised in DKK and EUR. DKK 103.8 million of the amount is loans with a fixed interest, the effective interest rate being 4.5 to 6.8 per cent. The remaining part of the debt is raised with a floating rate, the effective interest rate being 3.2 per cent.

Note 16. Currency risk, Group

The receivables of the Group in foreign currencies amount to DKK 113.9 million, of which DKK 94.8 million is in EUR. The liabilities of the Group in foreign currencies amount to DKK 136.5 million, of which DKK 124.9 million is in EUR.

Note 17. Contingent liabilities

Parent

The company has provided security for Darguner Brauerei GmbH's debt to credit institutions. The debt as at 30 April 2004 amounts to DKK 51.7 million (DKK 63.7 million as at 30 April 2003).

Mortgage debt in the residential properties of the Parent has been secured by way of a mortgage over these properties. The carrying amount as at 30 April 2004 amounts to DKK 27.5 million (DKK 21.0 million as at 30 April 2003).

The company is jointly and severally liable with the other jointly taxed companies for the total amount of income tax. Taxes due in other companies as at 30 April 2004 amount to DKK 0 million (DKK 0 million as at 30 April 2003).

The Group

Apart from the liabilities mentioned under the Parent, the Group (Harboefarm A/S) has entered into lease contracts in respect of land and buildings. The leases have been contracted with companies having Bernd Griese, CEO, and his close relatives as main shareholders.

The leases, registered on the individual properties, are interminable until the year 2020 on the part of the lessor and the year 2010 on the part of the lessee.

The annual rental income amounts to DKK 5.9 million (DKK 5.8 million as at 30 April 2003).

The leases have been contracted at arm's length.

Mortgage debts have been secured by way of a mortgage over Danish properties with a carrying amount as at 30 April 2004 of DKK 127.4 million (DKK 126.5 million as at 30 April 2003).

As security for bank debts in Darguner Brauerei GmbH, a mortgage deed of approximately DKK 73 million registered to the mortgagor on the property and plant in Dargun has been deposited. The carrying amount as at 30 April 2004 amounts to DKK 204 million (DKK 209 million as at 30 April 2003).

(DKK 1,000)

Note 18. Holding of own shares

Holding as at 1 May 2003

Disposals in the year

Additions in the year

Holding as at 30 April 2004

Carrying amount	Number of DKK 100 shares	Nominal value	% of share capital
0	59,800	5,980	10.0
0	(29,700)	(2,970)	(5.0)
0	4,000	400	0.7
0	34,100	3,410	5.7

The holding of own shares, comprising class B shares only, have been purchased to ensure the optimal investment of cash funds.

NOTES

(DKK 1,000)	GROUP		PARENT	
	2003/2004	2002/2003	2003/2004	2002/2003
Note 19. Fees to the auditors				
Auditors' remuneration:				
Deloitte	1,076	1,170	631	674
PricewaterhouseCoopers	457	422	130	132
Total	1,533	1,592	761	806
Non-audit services account for:				
Deloitte	178	437	128	222
PricewaterhouseCoopers	372	135	0	0
Total	550	572	128	222

(DKK 1,000)	2003/2004	2002/2003
Note 20. Change in working capital		
Change in inventories	14,671	20,298
Change in trade receivables	(45,051)	(12,957)
Change in other receivables and prepayments	(2,485)	(2,774)
Change in trade payables	10,844	7,281
Change in other payables, deferred income (excl. grants) and obligation to repurchase returnable packaging	(11,328)	6,507
Total	(33,349)	18,355
Note 21. Cash funds		
Cash	33,036	25,573
Short-term bank debt etc.	(33,461)	(50,599)
Total	(425)	(25,026)

Note 22. Related parties

Related parties with a controlling interest in Harboes Bryggeri A/S (the Harboe Group):

Controlling interest	Basis	Other related parties
Bernhard Griese	CEO, member of the Board	Board of Executives
Spegerborgvej 4	of Directors and principal	and Board of Directors
4230 Skælskør, Denmark	shareholder in Harboes Bryggeri A/S	

Transactions between related parties and Harboes Bryggeri A/S (the Harboe Group) in 2003/2004:

Transactions

Harboefarm A/S has entered into lease contracts with companies, in which Bernhard Griese, CEO, and his close relatives hold a controlling interest, cf. note 17 on contingent liabilities. The annual rental income amounts to DKK 5.9 million (DKK 5.8 million in 2002/2003). The deposits recognised under investments concern these lease contracts. Harboes Bryggeri A/S and Darguner Brauerei GmbH have purchased juice from a company, in which Bernhard Griese, CEO, and his close relatives hold a controlling interest. Purchase for the year amounts to DKK 15.7 million (DKK 21.6 million in 2002/2003). Harboes Bryggeri A/S has made accommodation available free of charge to key employees, who are included in the group of main shareholders. Apart from intra-group transactions, which have been eliminated in the consolidated financial statements, and ordinary remuneration of the management, no transactions have been carried out during the year with the Board of Directors, the Board of Executives, key employees, primary shareholders, Group enterprises or other related parties. All transactions with related parties have been contracted at arm's length.



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