



## **COMPANY ANNOUNCEMENT**

### **Harboes Bryggeri A/S**

Tel. +45 58 16 88 88  
Contacts: Bernhard Griese, CEO  
Ruth Schade, President

### **INTERIM REPORT OF HARBOES BRYGGERI A/S For the period 1 May – 31 October 2009**

To

#### **NASDAQ OMX Copenhagen**

The Board of Directors of Harboes Bryggeri A/S has today considered and adopted the interim report for the period 1 May – 31 October 2009.

The report is described in the following pages.

Skælskør, 8 December 2009

Anders Nielsen  
Chairman of the Board

Bernhard Griese  
CEO



## **COMPANY ANNOUNCEMENT**

### **INTERIM REPORT OF HARBOES BRYGGERI A/S**

**For the period 1 May – 31 October 2009**

#### **The financial year for the group in outline**

- Revenue was DKK 804.8 million, down 4.2%. The fall is attributable to the weeding-out of unprofitable customers, which has also affected sales in the brewery sector.
- Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 2.93 million hectolitres against 3.01 million hectolitres last year, down 2.7%.
- Operating profit (EBIT) rose to DKK 32.9 million compared with last year's DKK 24.9 million, up 32.1%.
- Consolidated profit before tax was DKK 31.5 million against DKK 21.2 million last year, up 49.2%.
- The group's investments during the period totalled DKK 64.7 million.
- Cash flows from operating activities and free cash flows (changes in cash and cash equivalents) amounted to DKK 9.8 million and DKK -47.4 million, respectively.
- Harboe maintains the outlook announced in its latest company announcements of 29 June 2009 and 1 September 2009 of a profit before tax in the range of DKK 55-65 million.

#### **Further information**

Bernhard Griese, CEO  
Tel.: +45 58 16 88 88

## FINANCIAL HIGHLIGHTS

(DKK '000)	<u>Q2</u> <u>2009/10</u>	<u>Q2</u> <u>2008/09</u>	<u>H1</u> <u>2009/10</u>	<u>H1</u> <u>2008/09</u>	<u>FY</u> <u>2008/09</u>
<b>Earnings</b>					
Gross revenue	460,851	472,383	949,754	967,986	1,806,440
Taxes on beer and soft drinks	(69,867)	(64,181)	(144,941)	(128,197)	(261,834)
Revenue	390,984	408,202	804,813	839,789	1,544,606
Operating profit/(loss) (EBIT)	12,501	7,840	32,871	24,913	40,904
Profit/(loss) before tax	11,009	5,563	31,545	21,134	35,129
Calculated tax	(3,004)	(1,593)	(7,635)	(5,770)	(9,443)
Adjustment of tax, previous years	65	(40)	65	(40)	(65)
Net profit/(loss) for the period	8,070	3,930	23,975	15,324	25,621
<b>Balance sheet</b>					
Non-current assets			1,118,076	1,133,448	1,112,955
Current assets			465,396	420,900	493,458
Equity			710,450	680,118	664,463
Non-current liabilities			410,213	405,752	424,820
Current liabilities			462,809	468,478	517,130
Balance sheet total			1,583,472	1,554,348	1,606,413
Interest-bearing debt			471,925	466,476	462,731
Net interest-bearing debt			161,832	154,474	119,596
<b>Investments etc.</b>					
Investments in intangible assets	-	338	540	338	2,982
Investments in property, plant and equipment	12,615	33,339	64,112	38,901	115,856
Depreciation, amortisation, impairment losses and write-downs	31,787	29,706	62,568	59,078	121,912
<b>Cash flows</b>					
Cash flows from operating activities	39,248	8,463	9,840	38,938	148,628
Cash flows from investing activities	(17,175)	(40,376)	(49,646)	(403,605)	(438,929)
Cash flows from financing activities	(10,996)	(8,809)	(7,567)	289,715	259,245
Changes in cash and cash equivalents	11,077	(40,722)	(47,373)	(74,952)	(31,056)
<b>Ratios</b>					
Profit margin			4.1%	3.0%	2.6%
Solvency ratio *			44.9%	43.8%	41.4%

\* The solvency ratio is negatively affected by a change in the group's capital structure in connection with the securing of the group's long-term credit facilities implemented in Q1 2008/09. The credit facilities were secured by means of the arrangement of a bond loan for DKK 304 million. As the underlying bonds have not yet been realized, they are included in the group's holding of financial assets available for sale.

Adjusted for the capital structure change, the solvency ratio would have been 57.1% as at 31 October 2009.

Reference is made to the announcement of the interim report for Q1 2008/09, in which the accounting treatment is described in further detail.

The financial highlights have been prepared in accordance with the guidelines issued by the Danish Society of Financial Analysts.

## **BUSINESS DEVELOPMENTS**

As of 1 June 2009, the income statement and balance sheet of GourmetBryggeriet A/S will be included in the consolidated financial statements.

On 4 June 2009, the group acquired 75.5% of the shares in the company, and on 28 August 2009, another 16.9% of the shares was acquired, after which Harboe's share of the share capital and a similar share of the votes in the company amounted to 92.4%, cf. the company announcement of 31 August 2009.

Subsequently, Harboe has initiated a compulsory redemption of the remaining share capital of 7.6% in the company, cf. the company announcement of 28 October 2009.

### **Revenue**

Revenue was DKK 391.0 million in Q2 2009/10 against DKK 408.2 million in the same period last year, down 4.2%.

Revenue for H1 amounted to DKK 804.8 million against DKK 839.8 million in the same period last year, Revenue in the brewery sector was down 2.2%, while revenue in the foodstuff sector was down 15.6%.

### **Earnings**

The operating profit for Q2 amounted to DKK 12.5 million, up 59.5% relative to the same period last year. An operating profit of DKK 32.8 million was returned for H1 against DKK 24.9 million in the same period last year.

The profit before tax amounted to DKK 11.0 million in Q2 against DKK 5.6 million in the same period last year. A profit before tax of DKK 31.5 million was returned for H1 against DKK 21.1 million in the same period last year.

A net profit of DKK 8.1 million was realised in Q2 against DKK 3.9 million in the same period last year. A net profit of DKK 24.0 million was returned for H1 against DKK 15.3 million in the same period last year.

### **Investments**

Investments for H1 totalled DKK 52.5 million. As at 31 October, plant under construction amounted to DKK 25.1 million.

Investment grants received for the period totalled DKK 5.6 million.

The remaining investment grant of approx. DKK 29.0 million, granted in connection with an investment in a new aseptic factory unit in Darguner Brauerei GmbH, is expected to be paid out at the beginning of 2010.

### **Equity**

As at 31 October 2009, equity amounted to DKK 710.5 million against DKK 664.5 million as at 1 May 2009. Equity is affected by the results for the period, translation adjustments and adjustments of the reserve for adjustment to fair value of financial assets available for sale and the use of treasury shares in connection with the acquisition of GourmetBryggeriet A/S.

As at 31 October 2009, the company held a total of 64,945 treasury shares, corresponding to 1.1 % of the share capital.

## **Dividend**

At the general meeting held in August 2009, a resolution to pay out dividend of DKK 1.50 per share, or a total of DKK 9 million, was adopted, and the dividend was subsequently paid out to the shareholders.

## **Liquidity and net interest-bearing debt**

Cash flows from operating activities amounted to DKK 9.8 million in H1 compared with DKK 38.9 million in the same period last year.

Free cash flow (changes in cash and cash equivalents) amounted to DKK -47.4 million compared with DKK -75.0 million in the same period last year.

Cash resources, which are composed of cash and credit facilities granted but not yet activated, amounted to DKK 54.2 million as at 31 October 2009. To this comes the holding of 64,945 treasury shares amounting to DKK 7.8 million stated at the official share price as at 31 October 2009. Also, the fair value of the portfolio of bonds amounting to DKK 281.6 million is added. The aggregate cash resources then total DKK 343.6 million.

As at 31 October 2009, the group's interest-bearing debt amounted to DKK 471.9 million, and the net interest-bearing debt amounted to DKK 161.8 million.

## **Financial risks**

As the group's sales and purchases in foreign currencies are still primarily denominated in EUR, currency risks are considered limited. The group assesses the need for hedging other currencies on a regular basis.

Apart from the factors described in this interim report, no material changes were seen in the group's risk and uncertainty factors. The group's risk exposure is described in further detail in Harboe's annual report for 2008/09.

## **Outlook for 2009/10**

Results for H1 2009/10 developed positively.

Despite weaker developments in the brewery sector's main markets, the group has managed to maintain its market shares. Innovation, product development and capacity expansions in previous years have contributed to strengthening the group's position and growth.

Harboe thus expects that the core business will continue to develop positively in H2 2009/10, and extended collaboration with a number of large customers is also expected to contribute to large capacity expansions at the group's production facilities.

Development activities within malt extract continue to have high priority, and after a positive test production of malt extract products as the basic component of beverages, including non-alcoholic beverages, this is expected to result in new customer agreements and market opportunities in H2.

Harboe expects competition in the main markets to remain highly intensive.

Due to the general economic recession, Harboe expects a continued pressure on retail prices and thereby limited room for compensating for any increases in raw material prices.

Raw material prices have, however, developed positively in H1, and this development is expected to continue in H2 2009/10.

Based on the above-mentioned assumptions and the existing composition of the business, Harboe maintains its outlook of a profit before tax in the range of DKK 55-65 million announced in its latest company announcements of 29 June 2009 and 1 September 2009.

#### **Events occurring after the end of the period**

No events have occurred after the end of the period which materially affect the earnings and financial position of the company.

#### **Follow-up on strategy and financial targets**

As mentioned in the company's annual report for 2008/09, Harboe is pursuing a strategy which focuses on maintaining a high volume of the company's core products and on protecting its position for these products in the important main markets.

In the period, Harboe continued its targeted product development and establishment within new and less price-sensitive product segments.

Furthermore, the company is working hard to target selected export markets that hold interesting potential for beer, non-alcoholic malt beverages, energy drinks and soft drinks.

Harboe maintains its long-term target of annual growth in revenue of 5%, although the preceding period has seen a minor decline in revenue as compared to last year.

Despite continued intensive competition in the group's core areas, new market areas and new customers are expected to contribute positively to attaining the group's financial targets.

The group's long-term objective of a profit margin of 6-8% is also maintained.

The profit margin for the period was 4.1% against 3.0 % in the same period last year.

## KEY FIGURES – BREWERY SECTOR

(DKK '000)	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09	FY 2008/09
<b>Volume (million hectolitres)</b>					
Beer, soft drinks and malt wort products	1.39	1.41	2.93	3.01	5.72
<b>Earnings</b>					
Revenue	332,682	340,181	699,003	714,355	1,319,439
Operating profit/(loss) (EBIT)	11,437	7,266	32,521	24,129	36,117
Profit/(loss) before tax	10,271	5,338	31,875	21,185	30,381
Calculated tax	(2,720)	(1,536)	(7,718)	(5,782)	(8,662)
Adjustment of deferred tax, previous years	65	(40)	65	(40)	-
Net profit/(loss) for the period	7,616	3,762	24,222	15,363	21,719
<b>Balance sheet</b>					
Non-current assets			1,020,228	1,030,276	1,021,168
Current assets			410,500	376,908	451,144
Equity			594,411	567,774	547,448
Non-current liabilities			402,193	392,173	422,144
Current liabilities			434,124	441,937	502,704
Balance sheet total			1,430,728	1,401,884	1,472,296
<b>Investments etc.</b>					
Investments in intangible assets	540	338	540	338	2,982
Investments in property, plant and equipment	11,587	33,339	62,730	38,901	115,857
Depreciation, amortisation, impairment losses	29,183	26,742	57,329	53,230	110,021
<b>Cash flows</b>					
Cash flows from operating activities	23,281	12,265	12,223	36,310	126,449
Cash flows from investing activities	(13,788)	(40,376)	(44,354)	(403,605)	(442,550)
Cash flows from financing activities	(9,464)	(7,343)	(4,519)	292,630	265,141
Changes in cash and cash equivalents	29	(35,454)	(36,650)	(74,665)	(50,960)
<b>Ratios</b>					
Profit margin	3.4%	2.1%	4.7%	3.4%	2.7%
Solvency ratio			41.5%	40.5%	37.2%
Solvency ratio, adjusted for change in capital structure			54.5%	52.3%	48.5%

## **BREWERY SECTOR**

Total sales of beer and soft drinks, including malt beverages and malt wort products, totalled 1.39 million hectolitres in Q2 against 1.41 million hectolitres last year, down 1.4%.

In H1 2008/09, sales fell by 2.7% to 2.93 million hectolitres.

The fall in sales is attributable to the weeding-out of unprofitable customers. This aside, sales have increased.

On the basis of the above-mentioned factors, the brewery sector has also seen a small decrease in revenue as revenue for H2 2008/09 fell by 2.2% to DKK 332.7 million and revenue for H1 2008/09 fell by 2.1% to DKK 699.0 million.

Due to the general economic recession, a further shift in prices and product mix was seen in the period.

However, sales continue to develop satisfactorily in the important main markets where the past year has seen a declining trend in the total consumption of beer and soft drinks.

Positive growth was also seen within malt extract. Development activities within malt extract were further intensified in the period, and a number of new test productions with new customers and in new markets were initiated. These test productions were positive and contributed to the conclusion of new agreements, which will be executed successively in 2010.

Strategic focus continues to be on the work launched to cultivate and expand the market for malt extract and non-alcoholic malt beverages, which, cf. the above, is expected to contribute positively to the continued future growth.

In addition to the activities undertaken within the malt extract area, product development within the beer and soft drink segments continues, and focus has also been on follow-up on recent years' many product launches and new sales channels, which have been further expanded following the acquisition of GourmetBryggeriet A/S.

As can be seen from the group's business development, GourmetBryggeriet is included in the consolidation of Harboes Bryggeri A/S as at 31 October 2009.

Harboes share of the loss before tax in GourmetBryggeriet A/S amounted to DKK -2.3 million for the period 1 June 2009 to 31 October 2009. The results were affected by large marketing expenses over the summer, which were disposed of prior to the acquisition by Harboe.

Since the acquisition, Harboe has worked hard to create a basis for the expected synergies between Harboe and GourmetBryggeriet.

In order to strengthen the company's core business, a number of measures for further strengthening the brewery sector's development in new markets have been initiated during H1. The development in the export markets – where Harboe sells a wide range of beers, energy drinks and soft drinks as well as non-alcoholic malt beverages – will also in the coming years be a strategic focus area for Harboe.

The continued introduction of new products and variants is to drive this development in combination with targeted, ongoing geographical expansion.

## **Results**

The brewery sector's operating profit for Q2 amounted to DKK 11.4 million, up 56.2% relative to the same period last year. An operating profit of DKK 32.5 million was returned for H1 against DKK 24.1 million in the same period last year, up 34.9%.

The profit before tax for Q2 amounted to DKK 10.3 million, up 94.3%.

A profit before tax of DKK 31.9 million was returned for H1 against DKK 21.2 million in the same period last year, up 50.5%.

Investments during the period totalled DKK 63.3 million.

Depreciation and amortisation for the period amounted to DKK 57.3 million against DKK 53.2 million last year.

Investments for FY 2009/10 are still expected to be in the range of DKK 100-120 million. The investments are to ensure a continued expansion of the group's position in both new and existing main markets.

Furthermore, the investments are to contribute to optimising the group's utilisation of resources and ensure that the streamlining of the group's production facilities has a positive effect on the consumption of resources and emissions in relation to the development in production volume.

## KEY FIGURES – FOODSTUFF SECTOR

(DKK '000)	<u>Q2</u> 2009/10	<u>Q2</u> 2008/09	<u>H1</u> 2009/10	<u>H1</u> 2008/09	<u>FY</u> 2008/09
<b>Earnings</b>					
Revenue	58,303	68,021	105,811	125,434	225,167
Operating profit/(loss) (EBIT)	933	571	74	781	4,787
Profit/(loss) before tax	738	225	(330)	(51)	4,748
Calculated tax	(284)	(57)	83	12	(846)
Adjustment of deferred tax, previous years	-	-	-	-	-
Net profit/(loss) for the period	454	168	(247)	(39)	3,902
<b>Balance sheet</b>					
Non-current assets			97,848	103,172	96,317
Current assets			54,896	49,292	58,128
Equity			116,039	112,344	116,286
Non-current liabilities			8,020	13,579	10,834
Current liabilities			28,685	26,541	27,325
Balance sheet total			152,744	152,464	154,445
<b>Investments etc.</b>					
Investments	488	-	1,382	-	-
Depreciation, amortisation, impairment losses and write-downs	2,488	2,964	5,239	5,848	11,420
<b>Cash flows</b>					
Cash flows from operating activities	15,967	(3,802)	(2,383)	2,628	22,179
Cash flows from investing activities	(3,387)	-	(5,292)	-	3,621
Cash flows from financing activities	(1,532)	(1,466)	(3,048)	(2,915)	(5,896)
Changes in cash and cash equivalents	11,048	(5,268)	(10,723)	(287)	19,904
<b>Ratios</b>					
Profit margin	1.6%	0.8%	0.1%	0.6%	2.1%
Solvency ratio			76.0%	73.7%	75.3%

## **FOODSTUFF SECTOR**

The foodstuff sector's share of revenue amounted to DKK 105.8 million in H1 against DKK 125.4 million in the same period last year – a fall of 15.6% which is primarily attributable to weaker consumer demand due to the general economic recession.

Operating profit amounted to DKK 0.4 million in H1 2009/10 compared with DKK 0.8 million last year.

A loss before tax of DKK -0.3 million was realised against a loss of DKK -0.1 million in the same period last year.

Harboefarm A/S continues to lease all turkey farms, and an agreement on a further five-year extension of the lease period until 2017 has been concluded.

For the rest of 2009/10, the company expects to maintain sales at the current level as a minimum.

The company focuses on developing customer agreements and volume with a view to strengthening the company's basis of business activities.

## **LETTER OF REPRESENTATION**

The financial statements for H1 2009/10 contain forward-looking statements, including such as relate to future results. Such statements are subject to risks and uncertainties, many of which are outside Harboe's control. This may cause the actual results to deviate significantly from the outlook described in the interim report. Factors which may impact the outlook are, for example, general economic and commercial conditions.

The financial statements for H1 are published in Danish and English. In the event of discrepancies between the Danish and the English text, the Danish text shall prevail. The company announcement in English will be published by Monday 14 December 2009 at the latest.

### **Accounting policies**

The interim report has been presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.

The interim report has been presented in accordance with accounting policies which are consistent with those applied in the annual report for FY 2008/09.

The interim report has not been audited.

### **Management's statement**

The Board of Directors of Harboes Bryggeri A/S has today considered and adopted the interim report for the period 1 May – 31 October 2009.

Skælskør, 8 December 2009

### **Harboes Bryggeri A/S**

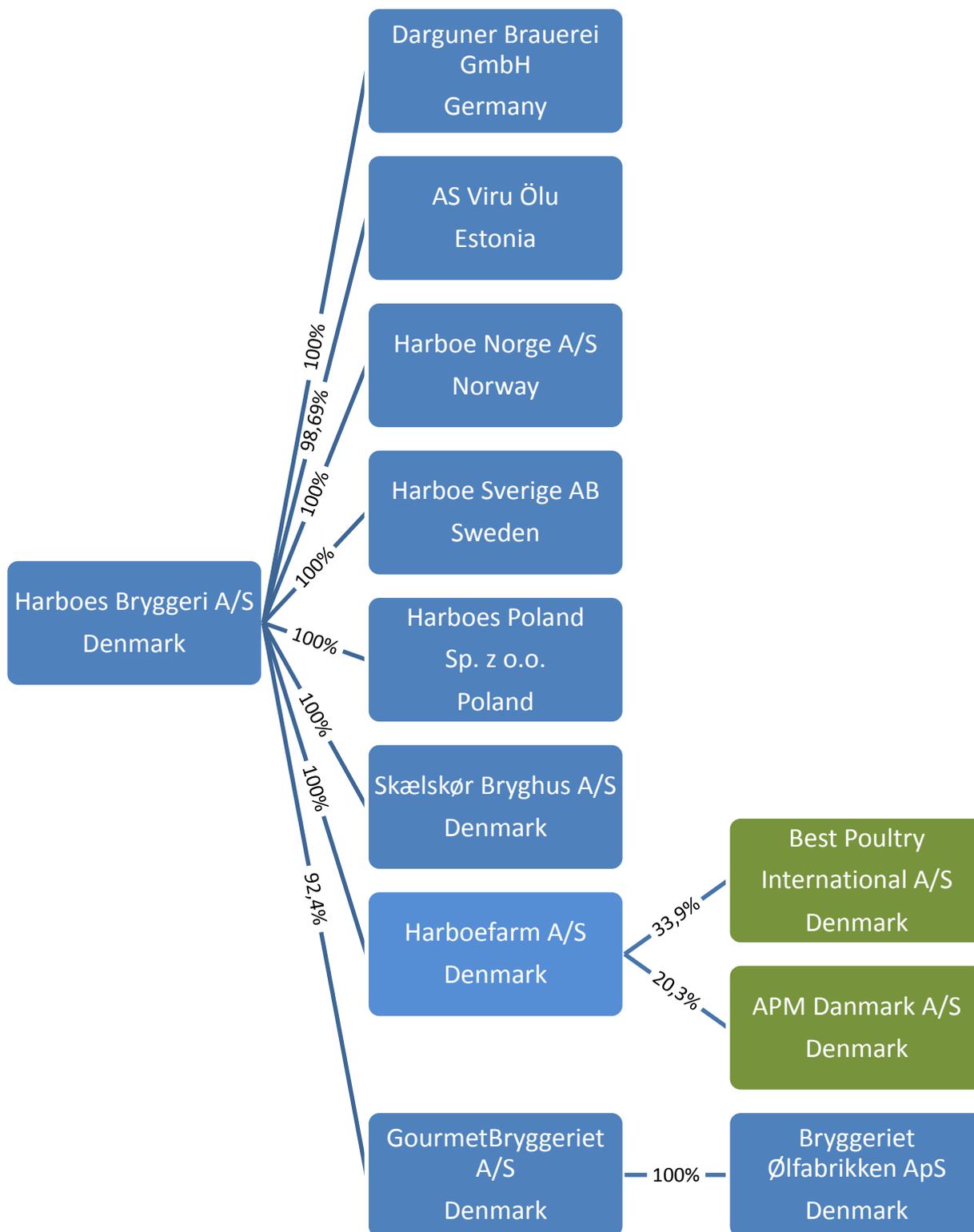
CEO  
Bernhard Griese

Board of Directors:  
Anders Nielsen, Chairman  
Bernhard Griese  
Mads O. Krage  
Mette Kirstine Agger  
Thøger Thøgersen  
Carl Erik Kjærsgaard  
Jens Bjarne Jensen\*

\* Elected by the employees

## GROUP CHART

As at 31 October 2009, the group comprises the following companies:



## Consolidated income statement

(DKK '000)	<u>Q2 2009/10</u>	<u>Q2 2008/09</u>	<u>H1 2009/10</u>	<u>H1 2008/09</u>	<u>FY 2008/09</u>
Gross revenue	460,851	472,383	949,754	967,986	1,806,440
Taxes on beer and soft drinks	(69,867)	(64,181)	(144,941)	(128,197)	(261,834)
<b>Revenue</b>	<b>390,984</b>	<b>408,202</b>	<b>804,813</b>	<b>839,789</b>	<b>1,544,606</b>
Production costs	(322,477)	(346,823)	(665,740)	(707,279)	(1,299,143)
<b>Gross profit/(loss)</b>	<b>68,507</b>	<b>61,379</b>	<b>139,073</b>	<b>132,510</b>	<b>245,463</b>
Distribution costs	(46,415)	(45,639)	(89,437)	(89,977)	(173,455)
Administrative expenses	(11,457)	(9,068)	(20,621)	(19,916)	(42,841)
Other operating income	5,122	3,914	9,906	7,782	22,369
Other operating expenses	(3,256)	(2,746)	(6,050)	(5,486)	(10,632)
<b>Operating profit/(loss)</b>	<b>12,501</b>	<b>7,840</b>	<b>32,871</b>	<b>24,913</b>	<b>40,904</b>
Income from investments in associates	-	-	-	-	1,493
Financial income	532	6,918	6,766	11,121	18,285
Financial expenses	(2,024)	(9,195)	(8,092)	(14,900)	(25,553)
<b>Profit/(loss) before tax</b>	<b>11,009</b>	<b>5,563</b>	<b>31,545</b>	<b>21,134</b>	<b>35,129</b>
Calculated tax on profit/(loss) for the year	(3,004)	(1,593)	(7,635)	(5,770)	(9,443)
Adjustment of tax, previous years	65	(40)	65	(40)	(65)
Adjustment of deferred tax, previous years	-	-	-	-	-
<b>Net profit/(loss) for the period</b>	<b>8,070</b>	<b>3,930</b>	<b>23,975</b>	<b>15,324</b>	<b>25,621</b>
<b>Net profit/(loss) for the period comprises:</b>					
Shareholders of the parent			24,311	15,340	25,673
Minority interests			(336)	(16)	(52)
<b>Earnings per share</b>					
Earnings per share and diluted earnings per share			4.20	2.58	4.40

## Balance sheet – assets

(DKK '000)	<u>31 October 2009</u>	<u>31 October 2008</u>	<u>30 April 2009</u>
Goodwill	2,716	-	-
Development projects	2,283	-	2,274
Rights	5,714	5,765	5,712
Software	1,443	566	1,332
Intangible assets under construction	5,434	1,232	2,068
<b>Intangible assets</b>	<b><u>17,590</u></b>	<b><u>7,563</u></b>	<b><u>11,386</u></b>
Land and buildings	322,086	319,315	319,406
Plant and machinery	419,982	394,792	405,989
Other plant, fixtures and fittings, tools and equipment	39,350	39,725	36,246
Spare parts for own production equipment	4,053	4,521	4,210
Property, plant and equipment under construction	19,632	55,154	35,338
<b>Property, plant and equipment</b>	<b><u>805,103</u></b>	<b><u>813,507</u></b>	<b><u>801,189</u></b>
Investments in associates	4,609	3,490	4,609
Financial assets available for sale	287,157	304,788	288,768
Deposits, leases	2,186	2,148	2,186
<b>Financial assets</b>	<b><u>293,952</u></b>	<b><u>310,426</u></b>	<b><u>295,563</u></b>
<b>Deferred tax assets</b>	<b><u>1,431</u></b>	<b><u>1,952</u></b>	<b><u>1,575</u></b>
<b>Non-current assets</b>	<b><u>1,118,076</u></b>	<b><u>1,133,448</u></b>	<b><u>1,109,713</u></b>
Raw materials, consumables and packaging	65,506	64,113	64,300
Finished goods and goods for resale	70,315	59,688	54,168
<b>Inventories</b>	<b><u>135,821</u></b>	<b><u>123,801</u></b>	<b><u>118,468</u></b>
Trade receivables	245,592	259,676	267,427
Receivables from associates	2,303	5,380	4,377
Other receivables	36,760	5,877	34,929
Accruals	13,139	11,595	8,393
<b>Receivables</b>	<b><u>297,794</u></b>	<b><u>282,528</u></b>	<b><u>315,126</u></b>
<b>Cash</b>	<b><u>28,539</u></b>	<b><u>14,571</u></b>	<b><u>59,864</u></b>
<b>Assets held for sale</b>	<b><u>3,242</u></b>	<b><u>-</u></b>	<b><u>3,242</u></b>
<b>Current assets</b>	<b><u>465,396</u></b>	<b><u>420,900</u></b>	<b><u>496,700</u></b>
<b>Total assets</b>	<b><u>1,583,472</u></b>	<b><u>1,554,348</u></b>	<b><u>1,606,413</u></b>

## Balance sheet – equity and liabilities

(DKK '000)	<b>31 October 2009</b>	<b>31 October 2008</b>	<b>30 April 2008</b>
Share capital	60,000	60,000	60,000
Share premium	51,000	51,000	51,000
Reserves	(19,924)	(4,700)	(18,886)
Retained earnings	616,929	573,592	572,159
<b>Equity owned by the shareholders of the parent</b>	<b>708,005</b>	<b>679,892</b>	<b>664,273</b>
Equity owned by minority interests	2,445	226	190
<b>Equity</b>	<b>710,450</b>	<b>680,118</b>	<b>664,463</b>
Mortgage debt	307,896	324,169	317,441
Other credit institutions	-	2,308	1,185
Provisions for deferred tax	39,259	37,743	39,580
Deferred income	63,058	41,532	63,627
<b>Non-current liabilities</b>	<b>410,213</b>	<b>405,752</b>	<b>421,833</b>
Mortgage debt	12,351	5,710	5,682
Other credit institutions	151,678	134,289	135,436
Trade payables	125,007	175,750	200,136
Repurchase of returnable packaging	35,654	36,807	35,637
Payables to associates	14,314	8,161	11,377
Income tax	11,190	19,936	14,530
Other payables	101,868	77,694	105,678
Accruals	7,760	10,131	8,654
<b>Current liabilities</b>	<b>459,822</b>	<b>468,478</b>	<b>517,130</b>
<b>Liabilities in respect of assets held for sale</b>	<b>2,987</b>	<b>-</b>	<b>2,987</b>
<b>Liabilities</b>	<b>873,022</b>	<b>874,230</b>	<b>941,950</b>
<b>Equity and liabilities</b>	<b>1,583,472</b>	<b>1,554,348</b>	<b>1,606,413</b>

## Consolidated cash flow statement

(DKK '000)	<u>H1 2009/10</u>	<u>H1 2008/09</u>	<u>FY 2008/09</u>
Operating profit/(loss)	32,871	24,913	40,904
Depreciation, amortisation etc.	61,725	59,078	118,190
Grants recognised as income	(6,993)	(5,077)	(14,042)
<b>Cash flows from operating activities before change in working capital</b>	<b>87,603</b>	<b>78,914</b>	<b>145,052</b>
Changes in inventories	(11,691)	(9,285)	(3,992)
Changes in trade receivables	26,936	(22,283)	(30,034)
Changes in other receivables	(2,965)	1,991	5,194
Changes in trade payables etc.	(77,236)	(10,337)	14,099
Changes in other payables	(8,845)	6,400	38,149
<b>Changes in working capital</b>	<b>(73,801)</b>	<b>(33,514)</b>	<b>23,416</b>
<b>Cash flows from operating activities</b>	<b>13,802</b>	<b>45,400</b>	<b>168,468</b>
Financial income received	7,352	11,121	20,719
Financial expenses paid	(8,553)	(14,693)	(28,522)
Taxes paid, net	(2,761)	(2,890)	(12,037)
<b>Cash flows from operating activities</b>	<b>9,840</b>	<b>38,938</b>	<b>148,628</b>
Purchase of intangible assets	(3,906)	(1,281)	(4,761)
Purchase of property, plant and equipment	(52,046)	(78,120)	(134,583)
Sale of property, plant and equipment	1,126	-	8,452
Changes in financial assets	657	(308,821)	(308,037)
Company acquisitions	4,523	-	-
Purchase of treasury shares	-	(15,383)	-
<b>Cash flows from investing activities</b>	<b>(49,646)</b>	<b>(403,605)</b>	<b>(438,929)</b>
Dividend paid	(9,000)	(9,000)	(9,000)
Net sales of own assets, incl. dividend received	160	55	75
Investment grant received	5,567	2,358	2,359
Repayment of non-current liabilities, net	(4,294)	(7,653)	(12,843)
Raising of financial liability	-	303,955	303,955
Purchase of treasury shares	-	-	(25,301)
<b>Cash flows from financing activities</b>	<b>(7,567)</b>	<b>289,715</b>	<b>259,245</b>
<b>Changes in cash and cash equivalents</b>	<b>(47,373)</b>	<b>(74,952)</b>	<b>(31,056)</b>
Cash and cash equivalents as at 1 May	(73,459)	(42,518)	(42,268)
<b>Cash and cash equivalents as at 31 October</b>	<b>(120,832)</b>	<b>(117,470)</b>	<b>(73,324)</b>

## Consolidated statement of changes in equity for 2008/09

(DKK '000)	Share capital	Share premium	Reserve for foreign currency translation adjustments	Reserve for net revaluation according to the equity method	Reserve for adjustment to fair value of financial assets available for sale	Retained earnings	Equity owned by the shareholders of the parent	Equity owned by minority interests	Total equity
<b>Equity as at 1 May 2008</b>	<b>60,000</b>	<b>51,000</b>	<b>1,125</b>	<b>1,738</b>	<b>262</b>	<b>582,580</b>	<b>696,705</b>	<b>242</b>	<b>696,947</b>
Foreign currency translation adjustment in respect of foreign subsidiaries	-	-	(1,325)	-	-	-	(1,325)	-	(1,325)
Adjustment to fair value of financial assets available for sale	-	-	-	-	(6,500)	-	(6,500)	-	(6,500)
<b>Recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(1,325)</b>	<b>-</b>	<b>(6,500)</b>	<b>-</b>	<b>(7,825)</b>	<b>-</b>	<b>(7,825)</b>
Net profit/(loss) for the period	-	-	-	-	-	15,340	15,340	(16)	15,324
<b>Total net income</b>	<b>-</b>	<b>-</b>	<b>(1,325)</b>	<b>-</b>	<b>(6,500)</b>	<b>15,340</b>	<b>7,515</b>	<b>(16)</b>	<b>7,499</b>
Distributed dividend	-	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Dividend from treasury shares	-	-	-	-	-	55	55	-	55
Purchase of treasury shares	-	-	-	-	-	(15,383)	(15,383)	-	(15,383)
<b>Equity as at 31 October 2008</b>	<b>60,000</b>	<b>51,000</b>	<b>(200)</b>	<b>1,738</b>	<b>(6,238)</b>	<b>573,592</b>	<b>679,892</b>	<b>226</b>	<b>680,118</b>

## Consolidated statement of changes in equity for 2009/10

(DKK '000)	Share capital	Share premium	Reserve for foreign currency translation adjustments	Reserve for net revaluation according to the equity method	Reserve for adjustment to fair value of financial assets available for sale	Reserve for hedging instruments	Retained earnings	Equity owned by the shareholders of the parent	Equity owned by minority interests	Total equity
<b>Equity as at 1 May 2009</b>	<b>60,000</b>	<b>51,000</b>	<b>(28)</b>	<b>(21,337)</b>	<b>3,232</b>	<b>(753)</b>	<b>572,159</b>	<b>664,273</b>	<b>190</b>	<b>664,463</b>
Foreign currency translation adjustment in respect of foreign subsidiaries	-	-	(146)	-	-	-	-	(146)	-	(146)
Adjustment to fair value of financial assets available for sale	-	-	-	(881)	-	-	-	(881)	-	(881)
Reserve for hedging of cash flows	-	-	-	-	-	(15)	-	(15)	-	(15)
Tax on hedging instruments	-	-	-	-	-	4	-	4	-	4
<b>Recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(146)</b>	<b>(881)</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>(1,038)</b>	<b>-</b>	<b>(1,038)</b>
Net profit/(loss) for the period	-	-	-	-	-	-	24,311	24,311	(336)	23,975
<b>Total net income</b>	<b>-</b>	<b>-</b>	<b>(146)</b>	<b>(881)</b>	<b>-</b>	<b>(11)</b>	<b>24,311</b>	<b>23,273</b>	<b>(336)</b>	<b>22,937</b>
Additions in connection with company acq	-	-	-	-	-	-	(217)	(217)	2,591	2,374
Distributed dividend	-	-	-	-	-	-	(8,840)	(8,840)	-	(8,840)
Sale of treasury shares	-	-	-	-	-	-	29,516	29,516	-	29,516
<b>Equity as at 31 October 2009</b>	<b>60,000</b>	<b>51,000</b>	<b>(174)</b>	<b>(22,218)</b>	<b>3,232</b>	<b>(764)</b>	<b>616,929</b>	<b>708,005</b>	<b>2,445</b>	<b>710,450</b>

## Notes

### 1. Accounting policies

The interim report is presented in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

Accounting policies are consistent with those applied in the annual report for 2008/09. The annual report for 2008/09 contains a full description of the accounting policies.

The interim report has not been audited or reviewed by the company's auditors.

The company announcement is published in Danish and English. In the event of discrepancies between the Danish and the English text, the Danish text shall prevail.

### 2. Estimates

The preparation of interim reports requires the management to make certain accounting estimates which affect the application of the accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The most significant estimates made by the management in applying the group's accounting policies and the considerable uncertainty associated with these estimates are the same in connection with the preparation of the compiled interim report as for the preparation of the annual report for 2008/09.

### 3. Earnings per share and diluted earnings per share

(DKK '000)	<u>H1 2009/10</u>	<u>H1 2008/09</u>	<u>FY 2008/09</u>
Earnings per share and diluted earnings per share (DKK per DKK 10 share)	4.20	2.58	4.41
The basis of calculation of earnings per share and diluted earnings per share is as follows:			
<b>Profit distributed to the shareholders of the parent used in connection with the calculation</b>	<u>24,311</u>	<u>15,340</u>	<u>25,673</u>
Average number of shares	6,000,000	6,000,000	6,000,000
Average number of treasury shares	<u>(207,471)</u>	<u>(60,557)</u>	<u>(172,699)</u>
<b>Number of shares used to calculate earnings per share (no.)</b>	<b>5,792,529</b>	<b>5,939,443</b>	<b>5,827,301</b>
Average dilution effect of outstanding pre-emption rights etc. (no.)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Number of shares used to calculate diluted earnings per share (no.)</b>	<u><b>5,792,529</b></u>	<u><b>5,939,443</b></u>	<u><b>5,827,301</b></u>

### 4. Property, plant and equipment

#### Purchase and sale of property, plant and equipment

Assets with a total value of DKK 64.1 million were acquired during the period (same period last year DKK 80.8 million). These acquisitions are primarily attributable to the expansion of existing production and process plants.

Assets sold in the period do not represent significant amounts.

#### Investment obligations

The group has entered into contracts concerning the construction of buildings and the delivery of technical installations and machinery with a combined value of approx. DKK 18.3 million.

Delivery, installation and commissioning will take place in Q3 2009/10.

## 5. Company acquisitions

The group has acquired the following company in the period:

Name	Primary activity	Date of acquisition	Ownership interest acquired in %	Voting share acquired	Cost, DKK
GourmetBryggeriet A/S, Roskilde, Denmark	Brewery	04.06.2009	92.4	92.4	32,461

(DKK '000)	Carrying amount	Adjustment to Fair value
Intangible assets	463	463
Property, plant and equipment	17,841	17,841
Financial assets	105	105
Inventories	5,681	5,681
Trade receivables	4,667	4,667
Other receivables	1,725	1,725
Cash and cash equivalents	6,632	6,632
Trade payables	-2,984	-2,984
Other payables	-2,847	-2,847
<b>Net assets</b>	<b>31,283</b>	<b>31,283</b>
Minority interests	-2,374	-2,374
<b>Harboe's share of equity</b>	<b>28,909</b>	<b>28,909</b>
Goodwill		2,716
<b>Cost</b>		<b>31,625</b>
Of which cash in GourmetBryggeriet A/S		-6,632
Fees, equity instruments		-29,516
<b>Cash flow effect, net</b>		<b>-4,523</b>

The consolidation of GourmetBryggeriet A/S in Roskilde and Harboes Bryggeri A/S means that the largest players within specialty beers and the consumption/discount sector in Denmark are challenging the second place in the Danish beer market.

Since 2006, GourmetBryggeriet A/S has sold specialty beer in the Danish market. Based on the values beer, food and people, the brewery has managed to distribute and sell beer in large bottles with a cork nationwide. Two years ago, GourmetBryggeriet A/S introduced a price-competitive series of canned specialty beers under one of the company's other brands, 'Ølfabrikken'. Following this, the brewery's market shares within specialty beers have increased, both in terms of value and volume, which makes the brewery a real competitor to the other breweries which have held leading positions within this segment for many years.

GourmetBryggeriet A/S has focused hard on distribution and consumer relations during the past two years, which is reflected in a growth in volume and consumer recognition. With the increasing volume, the challenge has been to ensure quality capacity at competitive prices. The consolidation with Harboes Bryggeri A/S has been the solution to both. During the past year, Harboes Bryggeri A/S has manufactured a number of the products in Skælskør to ensure the right quality.

In addition, synergies in the area of purchasing will increase the company's earnings.

In line with Harboe's focus on the sale of specialty products, organic soft drinks, quality juice and cider, the acquisition will give Harboe access to GourmetBryggeriet's customer segments, including cafes and music venues.

## 6. Segment information for the group

### Primary segmentation

As regards management and reporting, the group is divided into two business segments. This is regarded as the primary segmentation of the group.

The activities of the two business segments comprise:

Brewery sector	Production and sale of beer, soft drinks, malt beverages and malt wort products
Foodstuff sector	Processing and sale of foodstuffs

Reference is made to the financial highlights for the brewery and foodstuff sectors on page 7 and page 10, respectively.

### Secondary segmentation

The activities of the group are primarily located in Denmark and the rest of Northern Europe.

The table below shows the group's sale of goods etc. distributed on geographical markets. On distribution, account is taken of the market area.

Geographical market (DKK '000)	H1	H1	FY
	2009/10	2008/09	2008/09
Revenue, home market	315,604	320,683	603,677
Revenue, exports	489,209	519,106	940,929
	<b>804,813</b>	<b>839,789</b>	<b>1,544,606</b>

The tables below show the carrying amounts and additions during the year of intangible assets and property, plant and equipment, distributed on geographical areas based on the physical location of the assets.

<b>Carrying amounts of assets (DKK '000)</b>	<b>31 October 2009</b>	<b>31 October 2008</b>	<b>30 April 2009</b>
Home market	681,633	649,134	670,781
Exports	901,839	905,214	935,632
	<b>1,583,472</b>	<b>1,554,348</b>	<b>1,606,413</b>
<b>Additions of assets (DKK '000)</b>	<b>H1 2009/10</b>	<b>H1 2008/09</b>	<b>FY 2008/09</b>
Home market	28,894	51,982	68,971
Exports	35,758	30,150	40,715
	<b>64,652</b>	<b>82,132</b>	<b>109,686</b>