

STOCK EXCHANGE ANNOUNCEMENT

Harboes Bryggeri A/S

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HARBOES BRYGGERI A/S

Interim report for the three months to 31 July 2007

To

OMX The Nordic Exchange Copenhagen

The Board of Directors of Harboes Bryggeri A/S today considered and approved the interim report for the period 1 May – 31 July 2007.

The report is reviewed on the following pages.

Skælskør, 23 August 2007

Anders Nielsen
Chairman

Bernhard Griese
CEO

STOCK EXCHANGE ANNOUNCEMENT



HARBOES BRYGGERI A/S

Interim report for the six months to 31 July 2007

Highlights:

- Revenue fell by 8.0 % to DKK 377.4 million.
 - Revenue from the brewery business dropped by 8.6 % to DKK 326.1 million and accounted for 86.4 % of the group's total revenue.
 - Revenue from the foodstuff business fell by 3.9 %.
- Sales of beer and soft drinks, including malt beverages and malt wort products, amounted to 1.55 million hectolitres, equivalent to a drop of 11.4%.
- Operating profit was DKK 11.3 million.
 - Operating loss from the brewery business was DKK 12.1 million, down from a profit of DKK 40.0 million for the corresponding period of last year.
 - The foodstuff business reported an operating loss of DKK 0.7 million, down from a profit of DKK 0.8 million for the same period of last year.
- Consolidated profit before tax amounted to DKK 10.1 million as against DKK 40.1 million last year.
- The group's investments during the period totalled DKK 24.9 million.
- Cash flows from operating activities were an outflow of DKK 12.0 million and the free cash flows were an outflow of DKK 43.1 million.
- The group lowers the profit forecast to a 2007/2008 consolidated profit before tax in the region of DKK 50-60 million – down from DKK 80-90 million as announced in the most recent stock exchange announcement of 5 July 2007.

For further information, call

Bernd Griese, CEO
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FINANCIAL HIGHLIGHTS

DKK ('000)	Q1 2007/2008	Q1 2006/2007	Full year 2006/2007
Earnings			
Gross revenue	443,507	487,490	1,649,489
Taxes on beer and soft drinks	(66,099)	(77,442)	(266,557)
Revenue	377,408	410,048	1,382,932
Operating profit (EBIT)	11,339	40,801	88,328
Profit before tax	10,108	40,147	85,531
Estimated tax for the period	(3,584)	(13,267)	(29,028)
Adjustment of tax in respect of previous years	2,895	-	-
Net profit for the period	9,419	26,880	56,503
Balance sheet			
Non-current assets	839,333	773,041	840,948
Current assets	369,297	428,421	374,000
Equity	694,971	704,283	685,819
Non-current liabilities	115,764	136,115	124,030
Current liabilities	397,895	361,064	405,099
Interest-bearing debt	98,215	66,469	73,461
Interest-bearing debt, net	82,915	-	46,101
Total assets	1,208,630	1,201,462	1,214,948
Investments etc.			
Investments	24,906	21,784	73,478
Depreciation and impairment losses	25,805	25,019	102,965
Cash flows etc.			
Cash flow from operating activities	(11,951)	7,331	86,593
Cash flow from investing activities	(24,656)	(20,893)	(110,976)
Cash flow from financing activities	(6,446)	8,062	(44,646)
Changes in cash	(43,053)	(5,500)	(69,029)
Financial ratios			
Operating margin	3.0%	10.0%	6.4%
Equity ratio	57.5%	58.6%	56.4%
Per share data			
Net asset value per share	115.8	117.4	114.2
Share price at 31 July 2007	179.0	254.5	218.2

The key figures and financial ratios have been calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

The accounting policies were changed with effect from 1 May 2005, in compliance with the requirements of IFRS, the international financial reporting standards. Comparative figures have been restated accordingly.

BUSINESS PERFORMANCE

Revenue

Revenue for the period was down by 8.0 % to DKK 377.4 million as against DKK 410.0 million for the corresponding period of last year. Revenue from the brewery business fell by 8.6% while revenue from the foodstuff business fell by 3.9%. The performance is described in further detail in the review of the individual business areas.

Earnings

Operating profit amounted to DKK 11.3 million, down from DKK 40.8 million for the corresponding period last year. The fall in earnings is, to a large extent, attributable to the brewery business and will be described in further detail in the review of this business area.

Profit before tax for the period was DKK 10.1 million as against a profit of DKK 40.1 million in the year-earlier period.

Profit after tax was DKK 9.4 million as compared with DKK 26.9 million in the year-earlier period.

Equity

Equity stood at DKK 695.0 million at 31 July 2007, as compared with DKK 685.8 million at 1 May 2007. Equity was affected by the profit for the period and value adjustments.

Investments

Investments during the period totalled DKK 24.9 million.

Cash flows and net interest-bearing debt

Cash flows from operating activities were an outflow of DKK 12.0 million, as compared with an inflow of DKK 7.3 million in the corresponding period of last year.

The free cash flow (changes in cash and cash equivalents) was an outflow of DKK 43.1 million as against an outflow of DKK 5.5 million in the same period of last year.

The cash resources are composed of cash and committed, undrawn credit facilities and amounted to DKK 117.2 million at 31 July 2007. To this should be added the holding of 50,000 treasury shares at a value of to DKK 9.0 million calculated using the official market price as at 31 July 2007.

The net interest-bearing debt amounted to DKK 82.8 million as against DKK 0 million at the same time last year and as against DKK 46.1 million as at 1 May 2007.

Financial risks

As the group's buying and selling in foreign currencies is still primarily EUR denominated, the currency risk is considered to be limited. The group is currently assessing the need to hedge other currencies.

Outlook for 2007/2008

The group lowers the profit forecast to a 2007/2008 consolidated profit before tax in the region of DKK 50-60 million – down from DKK 80-90 million as forecast in the most recent stock exchange announcement of 5 July 2007. The profit forecast is lowered as a result of falling sales in the brewery business as well as the impact of increasing raw materials prices, which cannot be immediately passed on to selling prices.

THE BREWERY BUSINESS – HIGHLIGHTS

(DKK'000)	Q1 2007/2008	Q1 2006/2007	Full year 2007/2008
Volume (millions of hectolitres)			
Beer, soft drinks and malt wort products	1.55	1.75	5.70
Earnings			
Revenue	326,144	356,726	1,189,235
Operating profit (EBIT)	12,067	39,971	88,450
Profit before tax	11,197	39,727	86,607
Estimated tax	(3,856)	(13,150)	(29,305)
Adjustment of tax i respect of previous years	4,153	-	-
Net profit	11,494	26,577	57,302
Balance sheet			
Non-current assets	737,650	661,161	737,703
Current assets	306,151	388,428	314,775
Equity	584,056	590,192	572,829
Non-current liabilities	104,443	121,861	112,477
Current liabilities	355,302	337,536	367,172
Total assets	1,043,801	1,049,589	1,052,478
Investments etc.			
Investments	23,493	20,857	72,624
Depreciation and impairment losses	23,065	21,813	90,688
Cash flows etc.			
Cash flows from operating activities	(6,137)	5,050	66,499
Cash flows from investing activities	(23,478)	(20,857)	(110,800)
Cash flows from finansing activities	(5,061)	(9,447)	(39,089)
Change in cash	(34,676)	(25,254)	(83,390)
Ratios (per cent)			
Operating margin	3.7%	11.2%	7.4%
Equity ratio	56.0%	56.2%	54.4%

THE BREWERY BUSINESS

The sale of beer and beverages is strongly influenced by seasonal and weather-related factors. Summer is usually our peak period, with very strong demand. This was also the case in the summer of 2006, with July being a very warm period. However, the wet and cold summer of 2007 significantly changed demand patterns, thus impacting the consolidated profit considerably.

Total sales of beer and soft drinks, including malt beverages and malt wort products, amounted to 1.55 million hectolitres during the period as against 1.75 million hectolitres in the year-earlier period.

Revenue from the brewery business fell by 8.6% to DKK 326.1 million in the reporting period, down from DKK 356.7 million in the year-earlier period. Operating profit for the brewery business was DKK 12.1 million, down from DKK 40.0 million for the corresponding period of last year.

In addition to the impact on profit of falling revenue, continuing price pressures and additional increases in significant raw materials and consumables as well as rising costs in relation to wages and distribution also adversely influenced the performance.

The highly competitive markets we operate in make it difficult for us to pass on rising production costs to our customers, because raising prices is an automatic means of losing market share. Moreover, the brewery business has signed several long-term agreements with principal customers, making it difficult to raise prices during the contract period. This adds pressure on profit margins.

The investment in new strategic processing facilities for bottling of sterile (aseptic) products has been completed and the establishment of the production facility progressed according to plan.

Quality validation of the facility has been ongoing for more than three months. Due to the complexity of the product range with milk and juice products this process took longer than anticipated.

Thus, the launch has unfortunately been delayed, but we expect the first products to reach the market in September or October.

The delay was very demanding in terms of resources in the business, and in addition to a loss of earnings it also resulted in rising production costs.

Profit before tax from the brewery business was to DKK 11.2 million as against DKK 39.7 million last year. The financial results are lower than forecast and are not satisfactory.

Depreciation and amortisation for the period amounted to DKK 23.1 million as against DKK 21.8 million in the corresponding period of last year.

The brewery business made investments totalling DKK 23.5 million, which were primarily attributable to new purchases and expansion of existing production facilities.

As at 31 July 2007, assets under construction in relation to the aseptic production facility in Darguner Brauerei GmbH was DKK 129 million.

In spite of poor performance in the first quarter of the 2007/2008 financial year, the business maintains its strategy and financial target.

A large number of new products within the beer and soft drink segments have been registered with important customers in the retail sector.

In spite of the two or three month delay, the launch of new products in the beverage segment, such as freshly squeezed juice, smoothies, iced coffee and milk-based products, still provides a stronger platform and the potential to generate sales of new products to both existing and new customers.

The new products in the different categories have been very well received by customers, and the brewery has already contracted for the sale of a significant portion of the new plant's production capacity.

Going forward, the sales potential will be reviewed, including the need to commence phase 2 of the strategic investment plan already announced. As previously stated, the company will announce the status of this investment in connection with presentation of the interim report for the first six months of 2007/2008.

THE FOODSTUFF BUSINESS - HIGHLIGHTS

(DKK '000)	Q1 2007/2008	Q1 2006/2007	Full year 2007/2008
Earnings			
Revenue	51,264	53,322	193,697
Operation profit (EBIT)	(728)	830	(122)
Profit before tax	(1,089)	420	(1,076)
Estimated tax	272	(117)	277
Adjustment of tax i respect of previous years	(1,258)	-	-
Net profit	(2,075)	303	(799)
Balance sheet			
Non-current assets	110,849	123,171	113,511
Current assets	63,146	41,992	59,225
Equity	110,915	114,091	112,900
Non-current liabilities	20,487	25,575	21,819
Current liabilities	42,593	25,497	37,927
Total assets	173,995	165,163	172,736
Investments etc.			
Investments	1,413	36	854
Depreciation and impairment losses	2,740	3,206	12,277
Cash flows etc.			
Cash flows from operating activities	(5,814)	(1,341)	20,095
Cash flows from investing activities	(1,178)	(36)	(176)
Cash flows from financing activities	(1,385)	(1,385)	(5,557)
Change in cash	(8,377)	(2,762)	14,362
Ratios (per cent)			
Operating margin	-1.4%	1.6%	-0.1%
Equity ratio	63.7%	69.1%	65.4%

THE FOODSTUFF BUSINESS

The share of revenue from the foodstuff business in the period amounted to DKK 51.3 million, down from DKK 53.3 million in the corresponding period of last year.

The business recorded an operating loss of DKK 0.7 million against an operating profit of DKK 0.8 million last year.

The loss before tax was DKK 1.1 million as against a profit of DKK 0.4 million in the year-earlier period.

During the reporting period, Harboefarm A/S generated a good improvement in sales to both existing and new customers. The performance is expected to continue to improve.

Harboefarm has signed several new leases of the turkey pens with a new German tenant. The leases will be taken over during the period from 30 April to 30 September 2007, at which time all turkey pens, covering a total space of 73,600 m², will have been leased to tenants.

Harboefarm A/S is expected to contribute favourably to 2007/2008 earnings.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The interim financial statements for the first quarter include forward looking statements, including expectations for future financial results. Such statements involve risks and uncertainties, which to a large degree are beyond Harboe's control. Consequently, actual results may differ materially from those forecast in the interim report. Factors that may affect the expectations include the general economic and business conditions, among other things.

The interim financial statements for the first quarter are available in a Danish and an English version. In case of any discrepancy between the Danish and the English text, the Danish text shall prevail. The English version of the interim report will be published not later than on 27 august 2007.

Accounting policies

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

The accounting policies are consistent with those applied in the annual report for the financial year 2006/2007.

The interim report is unaudited.

Statement by the Board of Directors and the Executive Board

The Board of Directors of Harboes Bryggeri A/S today considered and approved the interim report for the period 1 May – 31 July 2007.

The Board of Directors has resolved to nominate Mads O. Krage to the Board of Directors of Harboes Bryggeri A/S, from which Preben K. Nielsen, CEO and board member, will resign at his own request.

Skælskør, 23 August 2007

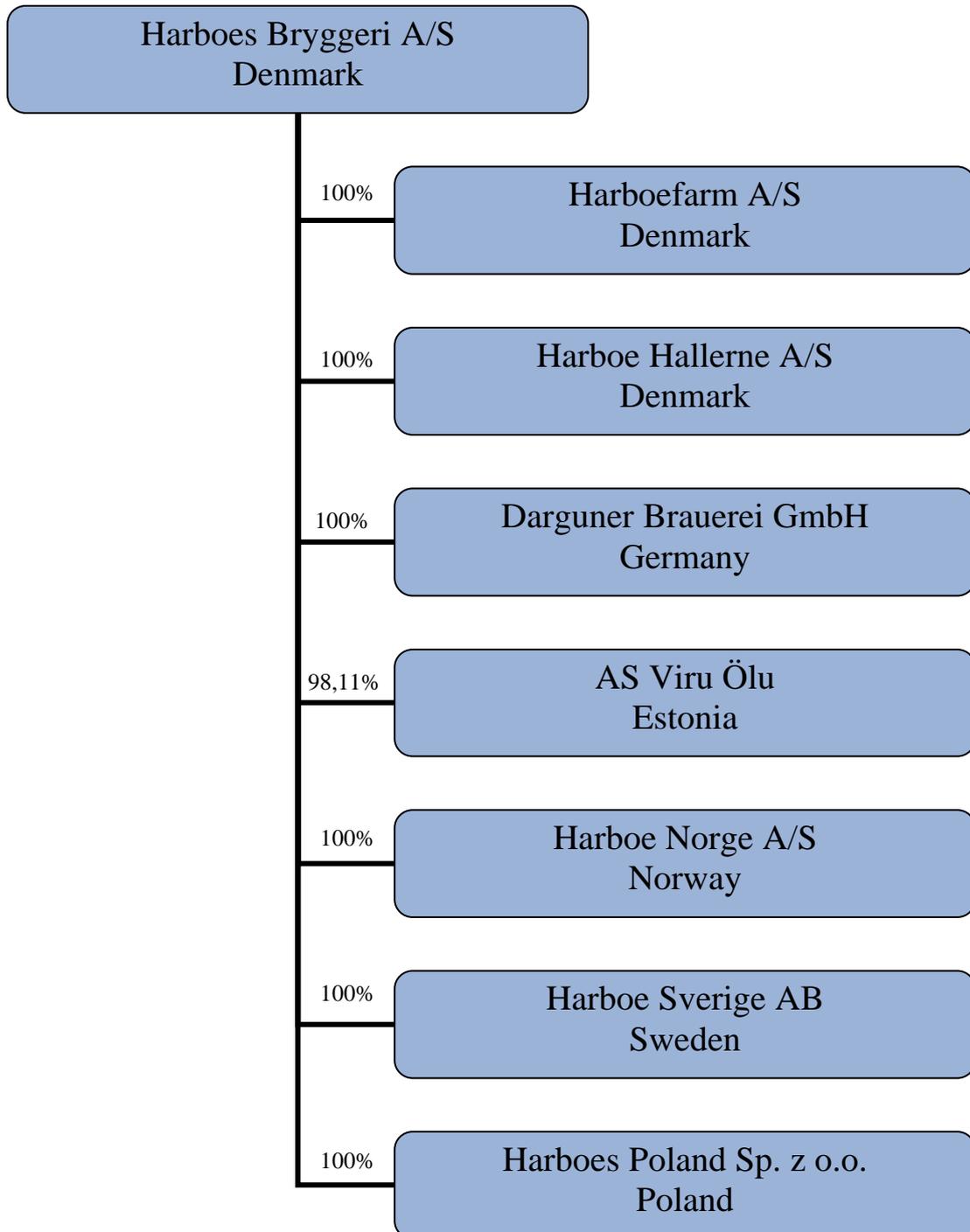
Harboes Bryggeri A/S

CEO
Bernd Griese

Board of Directors:
Anders Nielsen, chairman
Bernd Griese
Preben K. Nielsen
Vibeke Harboe Malling
Kirsten Griese
Karina Harboe Laursen
Jens Bjarne Jensen*
* Elected by the employees

GROUP CHART

As at 31 July, the group consisted of the following companies:



Consolidated income statement

(DKK '000)	Q1 2007/2008	Q1 2006/2007
Gross revenue	443,507	487,490
Taxes on beer and soft drinks	(66,099)	(77,442)
Revenue	377,408	410,048
Production costs	(313,949)	(322,736)
Gross profit	63,459	87,312
Distribution costs	(42,851)	(40,536)
Administrative costs	(9,726)	(8,349)
Other operating income	3,458	5,112
Other operating expenses	(3,001)	(2,738)
Operating profit	11,339	40,801
Financial income	441	433
Financial expenses	(1,672)	(1,087)
Profit before tax	10,108	40,147
Estimated tax for the period	(3,584)	(13,267)
Adjustment in tax in respect of previous years	(153)	-
Adjustment in deferred tax in respect of previous years	3,048	-
Net profit	9,419	26,880
Distribution of net profit		
Parent company shareholders	9,395	26,864
Minority interests	24	16

Balance sheet - assets

(DKK '000)	Q1 2007/2008	Q1 2006/2007
Land and buildings	296,656	296,296
Plant and machinery	344,828	391,783
Other fixtures and fittings, tools and equipment	48,435	41,575
Spare parts for own machinery	5,220	6,750
Property plant and equipment under construction	138,217	31,124
Property, plant and equipment	833,356	767,528
Investments in associates	791	488
Securities	3,038	2,914
Deposits and leases	2,148	2,111
Financial assets	5,977	5,513
Non-current assets	839,333	773,041
Raw material, intermediates and packaging	65,307	57,958
Finished goods and goods for re-sale	50,400	25,395
Inventories	115,707	83,353
Trade receivables	221,648	262,985
Receivables from associates	3,674	3,749
Other receivables	8,495	2,123
Prepayments	4,473	3,991
Receivables	238,290	272,848
Cash	15,300	72,220
Current assets	369,297	428,421
Total assets	1,208,630	1,201,462

Balance sheet – liabilities and equity

(DKK '000)	Q1 2007/2008	Q1 2006/2007
Share capital	60,000	60,000
Share premium	51,000	51,000
Reserves	1,302	1,802
Retained earnings	582,231	591,043
Equity attributable to minority interests	438	438
Equity	694,971	704,283
Mortgage debt	24,095	33,129
Other credit institutions	6,673	16,089
Deferred tax	48,004	48,880
Deferred income	36,992	38,017
Non-current liabilities	115,764	136,115
Mortgage debt	6,869	5,471
Other credit institutions	60,578	11,944
Trade payables	167,208	147,965
Repurchase obligation, returnable packaging	33,715	43,021
Payables til associates	13,220	12,271
Income tax	12,295	32,931
Other payables	90,728	89,635
Deferred income	13,282	17,826
Current liabilities	397,895	361,064
Liabilities	513,659	497,179
Total liabilities	1,208,630	1,201,462

Consolidated cash flow statement

(DKK '000)	Q1 2007/2008	Q1 2006/2007
Operating profit	11,339	40,801
Depreciation and impairment losses	25,805	25,020
Government grants recognised as income	(2,096)	(3,293)
Cash flows from operating activities before changes in working capital	35,048	62,528
Changes in inventories	(13,744)	4,136
Changes in trade receivables and other receivables	6,278	(72,943)
Changes in trade payables and other payables	(29,170)	17,386
Changes in working capital	(36,636)	(51,421)
Cash flows from operating activities	(1,588)	11,107
Net interest, dividends, currency translation differences, etc.	(1,067)	(537)
Income tax paid, net	(9,296)	(3,239)
Cash flows from operating activities	(11,951)	7,331
Investments in property, machinery and equipment, net	(24,665)	(20,917)
Changes in financial assets available for sale, net	9	24
Cash flows from investing activities	(24,656)	(20,893)
Dividends distributed	-	-
Net sales of own shares, including dividend received	-	-
Investment grant received	-	12,161
Repayments of long-term debt	(6,446)	(4,099)
Cash flows from financing activities	(6,446)	8,062
Change in cash and cash equivalents	(43,053)	(5,500)
Cash and cash equivalents at 1 May 2007	8,214	77,556
Cash and cash equivalents at 31 July 2007	(34,839)	72,056

Consolidated statement of changes in equity 2006/07

(DKK'000)	Share capital	Share premium	Currency translation reserve	Net revaluation reserve according to the equity method	Reserve for adjustments to fair value of financial assets available for sale	Retained earnings	Equity attributable to parent company shareholders	Equity attributable to minority interests	Total equity
Equity at 1 May 2006	60,000	51,000	1,138	-	664	564,179	676,981	422	677,403
Currency translation differences from foreign subsidiaries	-	-	-	-	-	-	-	-	-
Adjustment to fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	26,864	26,864	16	26,880
Total net income	-	-	-	-	-	26,864	26,864	16	26,880
Dividends distributed						-	-		-
Dividend from treasury shares									
Equity at 31 July 2006	60,000	51,000	1,138	-	664	591,043	703,845	438	704,283

Consolidated statement of changes in equity 2006/07

(DKK'000)	Share capital	Share premium	Currency translation reserve	Net revaluation reserve according to the equity method	Reserve for adjustments to fair value of financial assets available for sale	Retained earnings	Equity attributable to parent company shareholders	Equity attributable to minority interests	Total equity
Equity at 1 May 2007	60,000	51,000	470	254	845	572,836	685,405	414	685,819
Currency translation differences from foreign subsidiaries	-	-	(267)	-	-	-	(267)	-	(267)
Adjustment to fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-
Recognised directly in equity	-	-	(267)	-	-	-	(267)	-	(267)
Profit for the period	-	-	-	-	-	9,395	9,395	24	9,419
Total net income	-	-	(267)	-	-	9,395	9,128	24	9,152
Dividends distributed	-	-	-	-	-	-	-	-	-
Dividend from treasury shares	-	-	-	-	-	-	-	-	-
Equity at 31 July 2007	60,000	51,000	203	254	845	582,231	694,533	438	694,971