

STOCK EXCHANGE ANNOUNCEMENT



Harboes Bryggeri A/S

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HARBOES BRYGGERI A/S Interim report for the nine months to 31 January 2008

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 2007 – 31 January 2008.

The report is reviewed on the following pages.

Skælskør, 26 March 2008

Anders Nielsen
Chairman

Bernhard Griese
CEO



STOCK EXCHANGE ANNOUNCEMENT

HARBOES BRYGGERI A/S

Interim report for the nine months to 31 January 2008

Summary:

- Revenue fell by 3.5 % to DKK 1,033.6 million.
 - Revenue from the brewery business dropped by 6.8% to DKK 860.9 million and accounted for 83.3% of the group's total revenue.
 - Revenue from the foodstuff business increased by 17.0% to DKK 172.9 million.
- Sales of beer and soft drinks, including malt beverages and malt wort products fell by 9.1% to 4.0 million hectolitres.
- Operating profit was DKK 21.0 million.
 - Operating profit from the brewery business was DKK 21.4 million, down from a profit of DKK 71.3 million for the corresponding period of last year.
 - Operating loss from the food stuff business of DKK 0.4 million.
- Consolidated profit before tax was DKK 15.8 million as against DKK 70.1 million last year.
- Consolidated profit after tax was DKK 19.4 million as against DKK 45.3 million last year.
- The group's investments during the period totalled DKK 167.3 million.
- Cash flows from operating activities were an inflow of DKK 44.9 million and the free cash flows were an outflow of DKK 41.9 million.
- The group lowers its forecast for the 2007/2008 financial year to a consolidated profit before tax in the range of DKK 15-20 million, down from DKK 35-45 million as provided in the Announcement of 5 December 2007 and from the original forecast range of DKK 50-60 million.

For further information, call

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FINANCIAL HIGHLIGHTS

(DKK'000)	Q1 2007/2008	Q1 2006/2007	Q1-3 2007/2008	Q1-3 2006/2007	Full year 2006/2007
Earnings					
Gross revenue	376,918	358,631	1,213,872	1,278,566	1,649,489
Taxes on beer and soft drinks	(55,463)	(61,164)	(180,248)	(207,041)	(266,557)
Revenue	321,455	297,467	1,033,624	1,071,525	1,382,932
Operating profit (EBIT)	3,804	11,180	20,992	71,627	88,328
Profit before tax	2,080	10,707	15,772	70,074	85,531
Estimated tax for the period	(1,185)	(4,555)	(4,849)	(24,781)	(29,028)
Adjustments of tax - previous years	18	-	8,456	-	-
Net profit for the period	913	6,152	19,379	45,293	56,503
Balance sheet					
Non-current assets			815,093	763,886	840,948
Current assets			357,264	352,864	374,000
Equity			696,410	674,624	685,819
Non-current liabilities			111,764	130,081	124,030
Current liabilities			364,183	312,045	405,099
Interest-bearing debt			93,282	60,068	73,461
Interest-bearing debt, net			72,133	14,183	46,101
Total assets			1,172,357	1,116,750	1,214,948
Investments etc.					
Investments	145,332	28,527	167,280	64,229	73,478
Depreciation and impairment losses	28,647	26,006	80,793	77,365	102,965
Cash flows etc.					
Cash flow from operating activities	38,456	26,270	45,344	71,366	86,593
Cash flow from investing activities	(15,025)	(28,565)	(77,974)	(64,229)	(110,976)
Cash flow from financing activities	(5,544)	(126)	(8,818)	(40,548)	(44,646)
Changes in cash	17,887	(2,421)	(41,448)	(33,411)	(69,029)
Financial ratios					
Operating margin	1.2%	3.8%	2.0%	6.7%	6.4%
Equity ratio			59.4%	60.4%	56.4%
Per share data					
Net asset value per share			116.1	112.1	114.2
Share price at 31 January 2008			120.0	221.5	218.2
Earnings per share					9.5

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 amounted to DKK 1,033.6 million against DKK 1,071.5 million in the corresponding period of last year. This equals a fall of 3.5%. Revenue from the brewery business fell by 6.8%, whereas revenue from the foodstuff business improved by 17.0%. The performance is described in further detail in the review of the individual business areas.

Earnings

Operating profit amounted to DKK 21.0 million, down from DKK 71.6 million for the corresponding period of last year. This equals a fall of 70.7%. The decline was due especially to rising production costs and the continued pressure on selling prices experienced by the brewery business. The performance is described in further detail in the review of the business area.

Profit before tax for the period was DKK 15.8 million as against a profit of DKK 70.1 million in the year-earlier period. This equals a fall of 77.5%.

Profit after tax and prior-year tax adjustments fell by 57.2% to DKK 19.4 million from DKK 45.3 million in the year-earlier period.

Equity

Equity stood at DKK 696.4 million at 31 January 2008, as compared with DKK 685.8 million at 1 May 2007. Equity was affected by the financial results as well as the distribution of dividend (see the statement of changes in equity).

Investments

Investments during the period totalled DKK 167.3 million.

Cash flows and net interest-bearing debt

Cash flows from operating activities were DKK 44.9 million, as compared with DKK 71.4 million in the corresponding period of last year.

The free cash flow (changes in cash and cash equivalents) was an outflow of DKK 41.9 million as against an outflow of DKK 33.4 million in the same period of last year.

The cash resources are composed of cash and committed, undrawn credit facilities and amounted to DKK 118.2 million at 31 January 2008. To this should be added the holding of 50,000 treasury shares corresponding to DKK 6.0 million calculated using the official market price as at 31 January 2008.

The net interest-bearing debt amounted to DKK 72.1 million as against DKK 14.6 million at the same time last year.

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.

Events after the balance sheet date

As at 1 February 2008, the group established the company Puls Brewery AS in Estonia with the aim of taking over the trademark “Puls”, which is marketed in the Baltic markets. In the current financial year, the takeover will contribute a loss due to the integration of the sales organisation and production relocation.

Outlook for 2007/2008

The group lowers its forecast for the 2007/2008 financial year to a consolidated profit before tax in the range of DKK 15-20 million, down from DKK 35-45 million as provided in the Announcement of 5 December 2007 and from the original forecast range of DKK 50-60 million.

The downgrade is caused by the impact of slowing sales and further price increases on key raw materials. Furthermore, the delayed start-up of the company’s strategic processing facilities for bottling of sterile (aseptic) products caused a loss in earnings, and major unforeseen non-recurring costs were incurred as a result of the delay.

THE BREWERY BUSINESS – HIGHLIGHTS

(DKK'000)	Q3 2007/2008	Q3 2006/2007	Q1-3 2007/2008	Q1-3 2006/2007	Full year 2006/2007
Volume (millions of hectolitres)					
Beer, soft drinks and malt wort products	1.04	1.14	4.01	4.41	5.70
Earnings					
Revenue	262,271	254,023	860,911	923,864	1,189,235
Operation profit (EBIT)	4,000	11,371	21,440	71,297	88,450
Profit before tax	2,779	11,231	17,605	70,817	86,607
Estimated tax	(1,360)	(4,702)	(5,307)	(24,989)	(29,305)
Adjustment of tax - previous years	19	-	9,715	-	-
Net profit	1,438	6,529	22,013	45,828	57,302
Balance sheet					
Non-current assets			715,461	658,418	737,703
Current assets			317,254	311,746	314,775
Equity			586,053	561,370	572,829
Non-current liabilities			103,234	118,351	112,477
Current liabilities			343,428	290,443	367,172
Total assets			1,032,715	970,164	1,052,478
Investments etc.					
Investments	144,632	28,343	164,792	64,410	72,624
Depreciation and impairment losses	25,789	22,991	72,416	67,965	90,688
Cash flows etc.					
Cash flow from operating activities	41,901	22,751	56,479	63,980	66,499
Cash flow from investing activities	(13,330)	(28,343)	(73,151)	(64,410)	(110,800)
Cash flow from financing activities	(4,127)	1,280	(4,614)	(36,362)	(39,089)
Changes in cash	24,444	(4,312)	(21,286)	(36,792)	(83,390)
Ratios (per cent)					
Operation margin	1.5%	4.5%	2.5%	7.7%	7.4%
Equity ratio			56.7%	57.9%	54.4%

THE BREWERY BUSINESS

Total sales of beer and soft drinks, including malt beverages and malt wort products, amounted to 4.01 million hectolitres during the period as against 4.41 million hectolitres in the year-earlier period. This was a decline of 400 thousand hectolitres, or 9.1%.

The decline was mainly attributable to the impact of the wet and cold summer in 2007 relative to the warm summer of 2006, which caused demand to plummet relative to the year before.

Some of our main markets are extremely competitive, as premium beer and soft drinks were sold at discount prices, resulting in lower sales of private label products.

Revenue from the brewery business fell by 6.8% to DKK 860.9 million in the reporting period, down from DKK 923.9 million in the year-earlier period.

Operating profit for the brewery business was DKK 21.4 million, down from DKK 71.3 million for the corresponding period of last year. The weaker sales impacted the profit for the period, partly as a direct loss of earnings, but also due to the fact that it has not been possible to implement cost adjustments with immediate effect.

In addition, continued price pressures and further increases in the costs of key raw materials and consumables as well as wages and distribution impacted the profit for the period by DKK 35-40 million.

With core markets remaining extremely competitive, it is still difficult to fully pass on the rising production costs to our customers.

There has been a delay of more than six months in the implementation of our new strategic processing facilities for bottling of sterile (aseptic) products. The delay was very demanding for the business in terms of resources, and in addition to a loss of earnings it has resulted in rising production costs during the period.

Profit before tax from the brewery business was DKK 17.6 million as against DKK 70.8 million last year. The financial results fell short of expectations and are not satisfactory.

Depreciation and amortisation for the period amounted to DKK 72.4 million as against DKK 68.0 million in the corresponding period of last year.

The brewery business made investments totalling DKK 164.8 million, which were primarily attributable to the investment in the new aseptic production facility.

The cash flow effect of the investments was DKK 73.2 million during the period.

We received investment subsidies totalling DKK 16.3 million during the period, of which DKK 14.0 million related to the aseptic production facility. The rest of the some DKK 27.0 million investment subsidy for this facility is expected to be disbursed at the end of 2008.

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.

Due to the late production start-up, the launch of the new products has been further postponed in some markets.

Juice and smoothies products were launched in the Danish market at the beginning of January 2008. Generating satisfactory sales, our new products were well received by customers. Launched under the brand name PURE,

the products have been supported by a number of marketing activities during the past two months, including advertisements in a number of media.

Due to the delayed launch of the initial aseptic products and the additional delay impact on order intake in certain markets, we do not expect to initiate phase two of our strategic investment until in the financial year 2009/2010 at the earliest.

We maintain our strategic focus of working to maintain the high volumes and the market shares of our core products in our existing markets. In spite of the very difficult market conditions and unsatisfactory financial results in the first nine months, we intend to continue driving developments in these markets, ensuring that our customers get product quality, reliability of delivery and a timely product assortment. Achieving that is the means of retaining Harboe's strong customer relations and it is the best possible foundation for generating sales of new, innovative products.

Cognisant of the fact that our traditional Harboe product portfolio addresses a particularly sensitive market with very narrow earnings margins, we persist in our intensive efforts to develop other, new product concepts for less price-sensitive segments. In the first half-year, we therefore carried on our diligent work on a number of interesting development projects to ensure our ability, also in the years ahead, to offer our customers innovative products that add value and generate revenue.

The first new products are expected to be launched during the summer of 2008.

Recent years' large investments in high-tech and state-of-the-art production equipment have created a platform that will enable us to retain and further develop our strategic focus.

We strive to capitalise fully on our potential by increasing our focus on new markets and product innovation.

Fierce competition and current price trends in Harboe's primary raw materials have put our EBIT margin under severe pressure.

We still expect new product launches to contribute to retaining and further developing our customer relations.

THE FOODSTUFF BUSINESS - HIGHLIGHTS

(DKK'000)	Q3 2007/2008	Q3 2006/2007	Q1-3 2007/2008	Q1-3 2006/2007	Full year 2006/2007
Earnings					
Revenue	59,184	43,444	172,713	147,661	193,697
Operation profit (EBIT)	(438)	(191)	(448)	330	(122)
Profit before tax	(699)	(524)	(1,833)	(743)	(1,076)
Estimated tax	175	147	458	208	277
Adjustment of tax - previous years	(1)	-	(1,259)	-	-
Net profit	(525)	(377)	(2,634)	(535)	(799)
Balance sheet					
Non-current assets			108,798	116,759	113,511
Current assets			55,454	41,118	59,225
Equity			110,357	113,254	112,990
Non-current liabilities			17,696	23,021	21,819
Current liabilities			36,199	21,602	37,927
Total assets			164,252	157,877	172,736
Investments etc.					
Investments	699	149	2,487	(181)	854
Depreciation and impairment losses	2,867	3,015	8,377	9,400	12,277
Cash flows etc.					
Cash flow from operating activities	(3,164)	3,519	(10,854)	7,386	20,095
Cash flow from investing activities	(1,695)	(222)	(4,823)	181	(176)
Cash flow from financing activities	(1,417)	(1,406)	(4,204)	(4,186)	(5,557)
Changes in cash	(6,276)	1,891	(19,881)	3,381	14,362
Ratio (per cent)					
Operating margin	-0.7%	-0.4%	-0.3%	0.2%	-0.1%
Equity ratio			67.2%	71.7%	65.4%

THE FOODSTUFF BUSINESS

The share of revenue from the foodstuff business in the period amounted to DKK 172.7 million, up 17.0% from DKK 147.7 million in the corresponding period of last year.

The business posted an operating loss of DKK 0.4 million against a profit of DKK 0.3 million last year. The lower earnings were due to higher costs of raw materials and distribution.

The loss before tax was DKK 1.8 million against a loss of DKK 0.7 million in the year-earlier period.

In the first nine months, Harboefarm A/S retained the positive trend in sales as a result of higher volumes taken by existing customers and an inflow of new customers.

Close collaboration with customers on product development and aligning products to consumer wishes have resulted in new and exciting products, the most recent of which are scheduled to be launched in the spring of 2008.

Effective 1 November 2007, all turkey pens were leased.

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 2007 – 31 January 2008.

The interim report, which is unaudited and has not been reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

We consider the accounting policies used to be appropriate. Accordingly, the interim report gives a true and fair view of the group's assets, liabilities and financial position at 31 January 2008 and of the results of the group's operations and cash flows for the period 1 May 2007 – 31 January 2008.

Skælskør, 26 March 2008

Harboes Bryggeri A/S

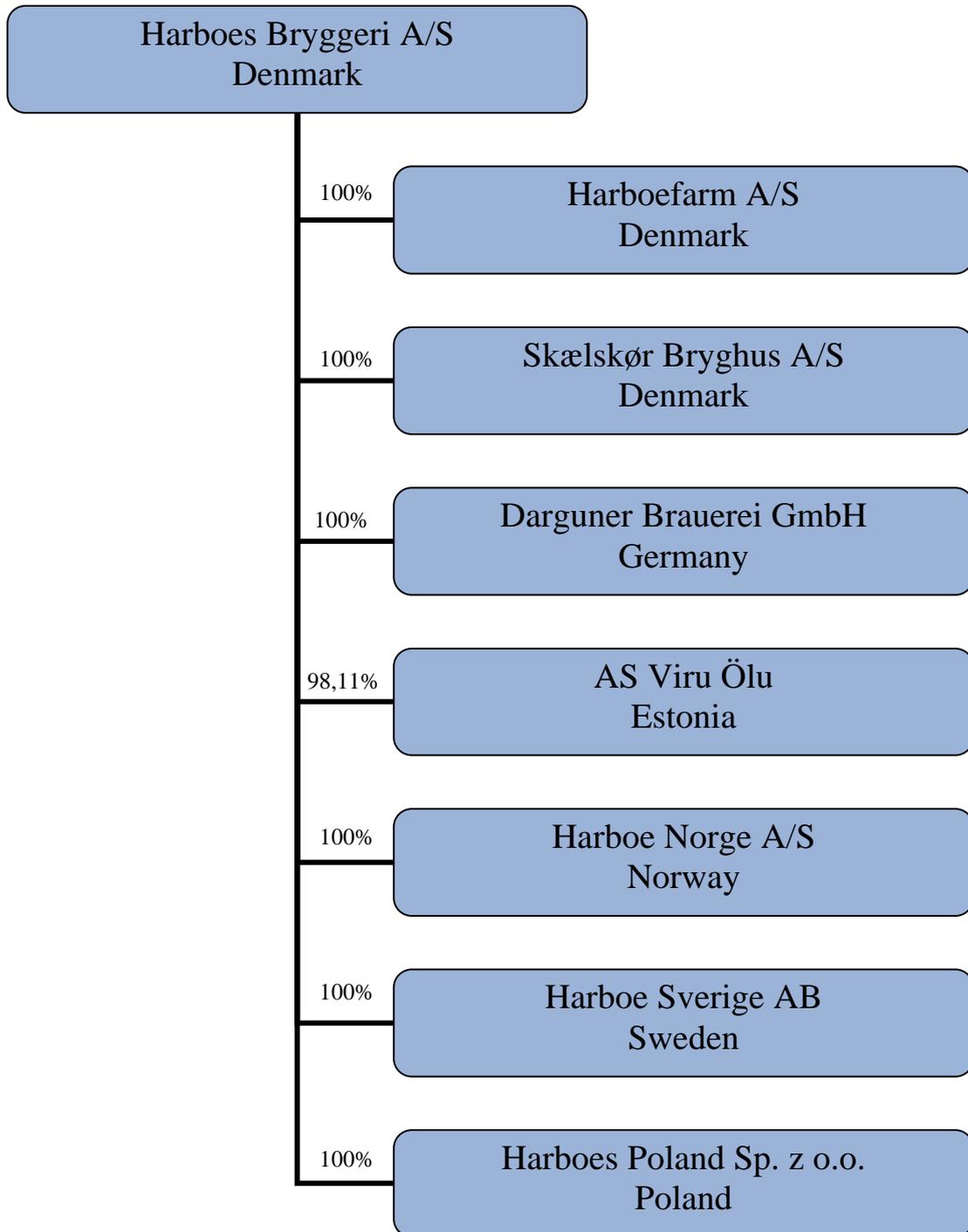
CEO
Bernhard Griese

Board of Directors:
Anders Nielsen, chairman
Bernhard Griese
Mads O. Krage
Vibeke Harboe Malling
Kirsten Griese
Karina Harboe Laursen
Jens Bjarne Jensen*
Peter Hammerum*

* Elected by the employees

GROUP CHART

At 31 January 2008, the group consisted of the following companies:



Consolidated income statement

(DKK'000)	Q1-3 2007/2008	Q1-3 2006/2007
Groos revenue	1,213,872	1,278,566
Taxes on beer and soft drink	(180,248)	(207,041)
Revenue	1,033,624	1,071,525
Production cost	(863,481)	(864,462)
Gross profit	170,143	207,063
Distribution costs	(122,642)	(113,450)
Administrative costs	(28,726)	(27,363)
Other operating income	10,949	14,525
Other operating expenses	(8,732)	(9,148)
Operation profit	20,992	71,627
Financial income	1,261	1,742
Financial expenses	(6,481)	(3,295)
Profit before tax	15,772	70,074
Estimated tax for the period	(4,849)	(24,781)
Adjustment in tax in respect of previous years	(244)	-
Adjustment in deferred tax in respect of previous years	8,700	-
Net profit	19,379	45,293
Distribution of net profit		
Parent company shareholders	19,413	45,295
Minority interests	(34)	(2)

Balance sheet – assets

(DKK'000)	Q1-3 2007/2008	Q1-3 2006/2007
Land and buildings	329,689	287,736
Plant and machinery	416,859	368,325
Other fixtures and fittings, tools and equipment	46,937	39,984
Spare parts for own machinery	5,025	5,751
Property plant and equipment under construction	9,206	56,610
Property, plant and equipment	807,716	758,406
Investments in associates	2,191	488
Securities	3,038	2,881
Deposits and leases	2,148	2,111
Financial assets	7,377	5,480
Non-current assets	815,093	763,886
Raw material, intermediates and packaging	65,197	57,831
Finished goods and goods for re-sale	41,404	35,404
Inventories	106,601	93,235
Trade receivables	201,909	180,477
Receiveables from associates	5,884	4,574
Other receiveables	13,770	24,893
Prepayments	7,951	4,856
Receiveables	229,514	214,800
Cash	21,149	44,829
Current assets	357,264	352,864
Total assets	1,172,357	1,116,750

Balance sheet – liabilities and equity

(DKK'000)	Q1-3 2007/2008	Q1-3 2006/2007
Share capital	60,000	60,000
Share premium	51,000	51,000
Reserves	1,707	1,330
Retained earnings	583,323	561,874
Equity attributable to minority interests	380	420
Equity	696,410	674,624
Mortgage debt	21,249	30,408
Other credit institutions	1,333	11,917
Deferred tax	42,387	48,863
Deferred income	46,795	38,893
Non-current liabilities	111,764	130,081
Mortgage debt	5,624	6,552
Other credit institutions	65,076	10,580
Trade payables	160,240	147,498
Repurchase obligation, returnable packaging	36,082	32,510
Payables to associates	9,291	10,564
Income tax	3,830	37,215
Other payables	67,637	50,620
Deferred income	16,403	16,506
Current liabilities	364,183	312,045
Liabilities	475,947	442,126
Total liabilities	1,172,357	1,116,750

Consolidated cash flow statement

(DKK'000)	Q1-3 2007/2008	Q1-3 2006/2007
Operating profit	20,992	69,228
Depreciation and impairment losses	80,770	77,365
Government grants recognised as income	(6,752)	(8,957)
Cash flows from operation activities before changes in working capital	95,010	137,636
Changes in inventories	(4,509)	(6,909)
Changes in trade receivables and other receivables	15,430	(12,278)
Changes in trade payables and other payables	(31,387)	(36,125)
Changes in working capital	(20,466)	(55,312)
Cash flows from operating activities	74,544	82,324
Net interest, dividends, currency translation differences,. Etc.	(4,803)	(1,213)
Income tax, paid	(24,397)	(9,745)
Cash flows from operating activities	45,344	71,366
Investments in property, machinery and equipment, net	(76,548)	(64,281)
Changes in financial assets available for sale, net	(1,426)	52
Cash flows from investing activities	(77,974)	(64,229)
Dividends distributed	(9,000)	(48,000)
Net sales of own shares, including dividend received	75	400
Investment grant received	16,340	19,629
Repayments of long-term debt	(16,233)	(12,577)
Cash flows from financing activities	(8,818)	(40,548)
Changes in cash and cash equivalents	(41,448)	(33,411)
Cash and cash equivalents as at 1 May 2007	7,977	77,321
Cash and cash equivalents as at 31 January 2008	(33,471)	43,910

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	-	-	(472)	-	-	-	(472)	-	(472)
Adjustment to fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-
Recognised directly in equity	-	-	(472)	-	-	-	(472)	-	(472)
Profit for the period	-	-	-	-	-	45,295	45,295	(2)	45,293
Total net income	-	-	-	-	-	45,295	45,295	(2)	45,293
Dividends distributed						(48,000)	(48,000)	-	(48,000)
Dividend from treasury shares						400	400	-	400
Equity at 31 January 2007	60,000	51,000	666	-	664	561,874	674,204	420	674,624

Consolidated statement of changes in equity 2007/08

(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	-	-	138	-	-	-	138	-	138
Adjustments to fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-
Recognised directly in equity	-	-	138	-	-	-	138	-	138
Profit for the period	-	-	-	-	-	19,413	19,413	(34)	19,379
Total net income	-	-	138	-	-	19,413	19,551	(34)	19,517
Dividends distributed						(9,000)	(9,000)	-	(9,000)
Dividend from treasury shares						75	75	-	75
Equity at 31. January 2008	60,000	51,000	608	254	845	583,323	696,030	380	696,410

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 interim reports of listed companies.

The accounting policies are unchanged from the policies applied in the annual report for 2006/2007. The annual report for 2006/2007 contains the full description of the accounting policies.

The interim report is neither audited nor reviewed by the company’s auditors.

The interim financial statements 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.

2. Judgments and estimates

The preparation of interim reports requires management to make accounting judgments and estimates that affect the use of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The most significant estimates made by management when using the group’s accounting policies and the most significant judgment uncertainty attached hereto are the same for the preparation of the summarised interim report as for the preparation of the annual report for 2006/2007.

3. Property, plant and equipment

Purchase and sale of fixed assets

During the period, the group acquired assets totalling DKK 167.3 million (year-earlier period: DKK 64.2 million). The acquisitions were primarily attributable to technical equipment for the group’s new aseptic production facility.

No major asset transactions were made during the period.

Investment obligations

The group entered into contracts for the supply of plant and machinery at a total value of DKK 57.0 million. The equipment will be delivered, installed and run in during 2008.