



COMPANY ANNOUNCEMENT

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INTERIM REPORT OF HARBOES BRYGGERI A/S

For the period 1 May - 31 October 2013

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 2013.

The report is described on the following pages.

Skælskør, 18 December 2013

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 2013

CEO Bernhard Griese on the interim report:

“The second quarter developed positively with growth in both revenue and earnings, and we are excited to see the strategic initiatives we are working on starting to manifest themselves in the income statement. In Northern Europe, which is our largest market, competition remains fierce and the pressure on prices is equally strong, but we maintain our position and are expanding our relations with both new and existing customers. Our international activities are developing positively, reflecting a platform that continues to grow stronger and nice growth rates – in spite of a number of our markets in the Middle East and Africa being affected by significant challenges brought on by political turmoil and conflicts.

We expect that the strategic initiatives being introduced and the investments being made these years within both drinks products and malt-based ingredients will increasingly contribute to the group’s development and results. We are focusing on growth segments and markets, and with our strong and highly motivated organisation at our back, we are solidly positioned to take our share of this growth potential.”

Bernhard Griese
CEO



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INTERIM REPORT OF HARBOES BRYGGERI A/S FOR THE PERIOD 1 MAY - 31 OCTOBER 2013

Summary

- Revenue was DKK 751.5 million, up 3.1%.
- Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 3.02 million hectolitres compared with 3.00 million hectolitres in the same period last year.
- A profit before depreciation, amortisation, net financials and tax (EBITDA) of DKK 63.4 million was returned against DKK 65.6 million in the same period last year. This corresponds to an EBITDA margin of 8.4%.
- Operating profit (EBIT) amounted to DKK 18.8 million compared with last year's DKK 25.2 million.
- Consolidated profit before tax was DKK 16.1 million against DKK 23.8 million last year.
- The group's investments in the financial year totalled DKK 11.2 million.
- Cash flow from operating activities and free cash flow (changes in cash and cash equivalents) amounted to DKK 35.5 million and DKK -1.5 million, respectively.
- The positive trend is expected to continue throughout the financial year, for which reason the group expects significantly improved results relative to 2012/13.

Further information

Bernhard Griese, CEO
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FINANCIAL HIGHLIGHTS

GROUP (DKK '000)	Q2 2013/14	Q2 2012/13	H1 2013/14	H1 2012/13	FY 2012/13
Sales (million hectolitres)					
Beer, soft drinks and malt wort products	1.45	1.47	3.02	3.00	5.74
Earnings					
Gross revenue	419,476	408,510	886,612	856,236	1,588,362
Taxes on beer and soft drinks	(60,952)	(62,534)	(135,071)	(127,651)	(244,715)
Revenue	358,524	345,976	751,541	728,585	1,343,647
EBITDA	30,537	26,239	63,419	65,592	90,870
Operating profit/(loss)	8,099	6,512	18,797	25,242	9,443
Profit/(loss) before tax	6,635	6,770	16,088	23,789	4,104
Net profit/(loss) for the period	4,253	4,676	11,782	17,297	3,091
Balance sheet					
Non-current assets			1,011,230	1,084,007	1,406,018
Current assets			440,936	505,564	455,367
Equity			773,356	795,229	780,597
Non-current liabilities			322,908	335,040	335,358
Current liabilities			355,902	459,302	385,430
Balance sheet total			1,452,166	1,589,571	1,501,385
Net interest-bearing debt			108,919	176,392	115,535
Investments etc.					
Investments in intangible assets	432	165	1,549	16,939	26,456
Investments in property, plant and equipment	5,094	4,719	9,690	56,018	93,235
Depreciation, amortisation, impairment losses and write-downs	22,438	19,727	44,622	40,350	81,427
Cash flows					
Cash flows from operating activities	10,095	23,927	35,453	3,678	51,121
Cash flows from investing activities	(4,931)	(12,223)	(10,905)	(20,164)	(20,659)
Cash flows from financing activities	(22,457)	(19,598)	(26,027)	(23,955)	(6,426)
Change in cash and cash equivalents (free cash flow)	(17,293)	(7,894)	(1,479)	(40,441)	24,036
Ratios (in %)					
Profit margin			2.5%	3.5%	0.7%
Solvency ratio			53.3%	50.0%	52.0%
EBITDA margin			8.4%	9.0%	6.8%
Gearing			14.1%	22.2%	14.8%

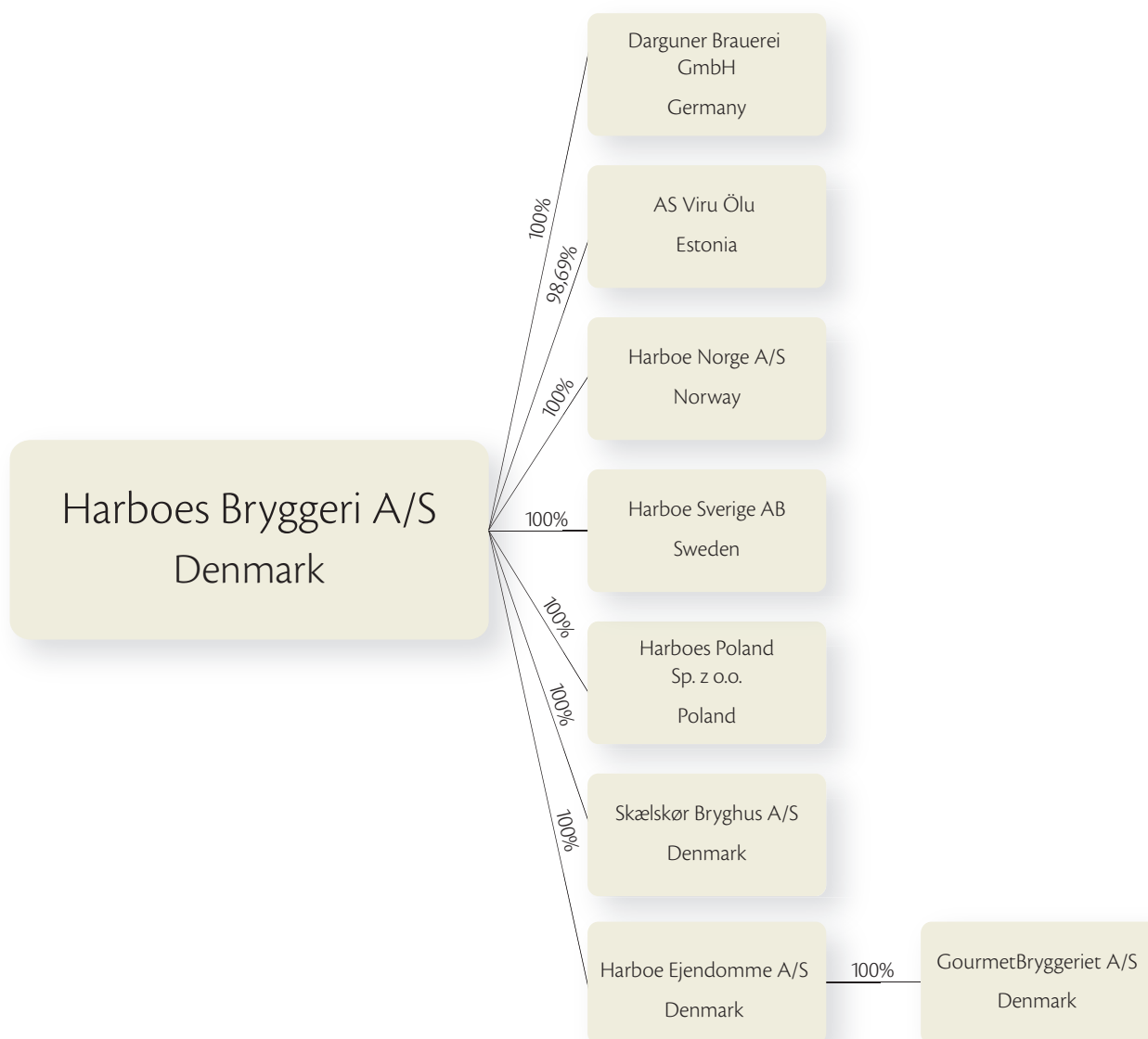
GROUP CHART

CORE BUSINESS

Harboes Bryggeri A/S is listed on the stock exchange and is the parent of the Harboe group.

The group's core business is the production and sale of beer, soft drinks, malt beverages and malt wort products.

GROUP CHART



MANAGEMENT'S REVIEW

THE GROUP'S BUSINESS DEVELOPMENT

Total sales of beer and soft drinks, including malt beverages and malt wort products, totalled 1.45 million hectolitres in Q2 against 1.47 million hectolitres in the same period last year.

Sales amounted to 3.02 million hectolitres in H1, corresponding to a slight increase of 0.7%.

REVENUE

Revenue was DKK 358.5 million in Q2 2013/14 against DKK 346.0 million in the same period last year, up 3.6%.

Revenue for H1 amounted to DKK 751.5 million against DKK 728.6 million in the same period last year, corresponding to an increase of 3.1%.

The increase in revenue is primarily attributable to continued positive developments in the international activities outside Northern Europe, which are delivering nice growth rates overall in spite of particularly challenging market conditions in a number of the markets in both the Middle East and Africa, which are still affected by political turmoil and conflicts. Read more about the developments in the business areas in the relevant sections in this report.

EARNINGS

A profit before depreciation, amortisation, net financials and tax (EBITDA) of DKK 30.5 million was returned in Q2 against DKK 26.2 million in the same period last year, representing an increase of 16.4% and an EBITDA margin of 8.5%.

The earnings improvement in Q2 reflects the increasing revenue, but also the gradual positive effect of the efficiency improvement initiatives gradually being implemented in the group's production and logistics functions with a view to strengthening flexibility and capacity utilisation in step with the continued internationalisation of the group's activities.

However, the EBITDA margin is still under pressure in the group's largest business area, Harboe Nordic, which continues to be impacted by fierce competition and pressure on prices in all main markets. Harboe also continues to invest in its development and marketing activities within malt-based ingredients and in further expanding its international sales organisation outside the Nordic markets. Both these strategic focus areas are targeted at growth markets and offer an attractive earnings potential. The resources allocated to these strategic focus areas mean higher costs in the short term, but the initiatives are expected to make an increasingly positive contribution to the earnings performance in the coming years.

The operating profit for Q2 amounted to DKK 8.1 million, up 24.4% relative to the same period last year. An operating profit of DKK 18.8 million was returned for H1 against DKK 25.2 million in the same period last year.

The profit before tax amounted to DKK 6.6 million in Q2 against DKK 6.8 million in the same period last year. A profit before tax of DKK 16.1 million was returned for H1 against DKK 23.8 million in the same period last year.

A net profit of DKK 4.3 million was realised in Q2 against DKK 4.7 million in the same period last year. A net profit of DKK 11.8 million was returned for H1 against DKK 17.3 million in the same period last year.

THE GROUP'S ACTIVITIES

Harboe produces and sells a wide range of drinks and malt extract products in more than 90 markets worldwide. The product portfolio is designed to meet the demand and market potential of the individual markets and is based on three strategic business areas: Harboe Nordic, Harboe International and Harboe Ingredients.

HARBOE NORDIC

Harboe Nordic, which is the group's largest business unit, markets a wide range of beers, soft drinks, energy drinks and non-alcoholic malt beverages in Harboe's main markets in Denmark, Norway, Sweden, the Baltic states, Germany as well as the Danish-German border area. Harboe's strategy is to focus on maintaining a high volume and protecting its well-established position in these markets by providing customers with a high level of quality, flexibility and reliable deliveries and an attractive product range in tune with the times.

The activities in Harboe Nordic developed in line with expectations in H1, with positive developments being seen in both existing and new customer relations. The excellent summer weather had a positive effect on the demand for both beer and soft drinks, although the total demand for beer is still declining. The markets for soft drinks and other non-alcoholic beverages are still developing positively, however, and Harboe continuously adapted its product mix to the demand, including with a view to meeting a considerable increase in the demand for mineral water, particularly in Q1 of the financial year.

Through continued development and further strengthening of its strategically based customer relations, Harboe seeks to maintain its position in the Northern European markets.

HARBOE INTERNATIONAL

Harboe International markets beers, soft drinks, energy drinks and non-alcoholic malt beverages in more than 70 markets in the Middle East, Africa, South East Asia/Oceania and the Americas as well as in a number of European markets outside Northern Europe. Harboe's strategy is to increase Harboe International's relative share of the group's revenue and EBITDA through continued geographical expansion in markets where economic and demographic developments support increasing purchasing power and a demand for quality products.

Harboe International is experiencing continued positive developments in the demand for the whole range of drinks products which Harboe mainly markets under its own brands. The intense sales efforts and the

further strengthening of the sales organisation were continued in the accounting period with positive results. However, the activities in a number of markets were still impacted by political turmoil and armed conflicts, particularly in the Middle East and Africa, and this development is currently limiting the total growth in the business area. Harboe focuses at all times on making the most of the existing market potential while taking account of the political situation and the economic risk exposure.

MIDDLE EAST

In the Middle East, Harboe mainly markets non-alcoholic drinks, including a wide range of non-alcoholic malt beverages and traditional soft drinks, which are both growth categories. In the past five years, the activities have been expanded in collaboration with distributors and customers, and Harboe now has a strong foothold in a number of markets in the region.

During the entire accounting period, however, the development was characterised by the political turmoil and civil conflict in several places in the region, which affect sales and cause major commercial challenges and general delays in the supply chain. Harboe continued its sales efforts in the more stable markets in the Middle East, but total sales in the Middle East were only marginally higher than in the same period last year.

AFRICA

Harboe sells a broad range of beer, soft drinks, malt beverages and non-alcoholic malt beverages in a growing number of African countries, primarily under own brands. Harboe's expansion in the African countries is driven by an increasing demand for strong beer and malt-based products, in particular, but the energy drinks segment is also large and strongly growing. Market developments support sales with a rapidly growing middle class and the continued development and consolidation of the retail sector. Participation in focused sales and marketing activities in close and mutually beneficial collaboration with large regional distributors is the catalyst for the group's continued positive development.

In H1, focus was on the continued strengthening of the sales efforts and the collaboration with distributors and partners on the African continent. Sales thus developed positively with two-digit growth rates within all categories, in spite of particularly difficult business conditions in some markets with an unstable political environment.

SOUTH EAST ASIA AND OCEANIA

As part of Harboe's strategy of continued international expansion of its activities, the group has launched a systematic sales effort in South East Asia and in selected markets in Oceania. A regional sales organisation has been set up, and collaboration has been established with several distributors across the region. In particular, Harboe's lager and strong beer products have gained a foothold in the South East Asian markets.

The collaboration with key distributors and the execution of the targeted sales strategy aimed at large retail chains continued in H1, and the demand underpinned continued positive developments within all product

categories, but particularly the beer segment saw strong growth. Sales activities targeted at the restaurant segment also showed positive results. The systematic sales activities in South East Asia and Oceania are contributing positively to the group's total sales, although still at a modest level due to the relative size of the business and the continued investments in sales and marketing.

AMERICAS

The latest step in the geographical expansion has been targeted at selected markets in North and South America. Initially, the activities were targeted at special consumer segments in which the dark, non-alcoholic malt beverages are seeing a strong demand – particularly in the Caribbean. In the past year, focus has also been on cultivating a number of other markets in both North and South America, identifying distributors and concluding collaboration agreements with local partners. Direct contact has also been established with retail chains in a number of countries where beer, in particular, makes up a growing category. Sales in the Americas remain modest, but the potential for establishing a stronger presence in these markets is believed to be attractive.

HARBOE INGREDIENTS

Harboe Ingredients is the framework for Harboe's sales and development activities within malt-based food ingredients. The main activity is the traditional malt extract, which is marketed to customers in the European food industry. Development activities in recent years have identified more potential uses and created new opportunities for the strategic expansion of the business – both geographically and industrially. Harboe's strategy is a targeted pursuit of these opportunities with a view to creating attractive growth and further strengthening the group's earnings basis.

Sales of traditional malt extract developed positively through a continued good collaboration with existing customers and several agreements with new customers, which were concluded at the beginning of the calendar year.

However, Harboe's clear malt extract, which is primarily sold to customers in the food industry in the Middle East, was still affected by the political turmoil in the region, resulting in somewhat lower sales than in the same period last year. However, Harboe is working hard to cultivate new and more stable markets in the region, and the activities still show promise, although developing at a rather slower pace than originally anticipated.

The strategic development activities within malt extract were also continued in the accounting period, including the efforts to secure continued expansion of the use of the clear malt extract products in close collaboration with partners in the drinks industry. The sales and marketing activities were strengthened with new competencies to ensure continued strengthening of the strategic sales work.

In terms of development, Harboe continued its work on other malt projects, which are all aimed at meeting the increasing demand for better, healthier and competitive alternatives to existing food components. This

trend is supported by the ever-stricter international regulation of the food industry.

CONTINUED EFFICIENCY IMPROVEMENTS

At group level, Harboe focuses on achieving high capacity and flexibility in its production – also between the production units – in order to ensure that seasonal fluctuations and order intake are handled in the most optimum way. The need for flexibility is growing in line with the continued geographical expansion of the sales activities and the complexity of the product range. Great focus is therefore placed on the continuous coordination between the group's production, planning and logistics functions as well as the link with the sales organisation with a view to achieving further efficiency improvements in the utilisation of resources and optimising the speed of the entire supply chain.

INVESTMENTS

Investments in intangible assets and property, plant and equipment for H1 amounted to DKK 11.2 million and primarily concerned maintenance and efficiency improvement initiatives.

EQUITY

As at 31 October 2013, equity amounted to DKK 773.4 million against DKK 780.6 million as at 1 May 2013.

Equity was affected by the results for the period, foreign currency translation adjustments in respect of foreign subsidiaries, acquisition of treasury shares and distribution of dividend.

TREASURY SHARES

As at 31 October 2013, the group's holding of treasury shares totalled 591,568 class B shares, corresponding to 9.86% of the share capital.

In the accounting period 1 May - 31 October 2013, 140,000 class B shares were acquired at a price of DKK 10.8 million, corresponding to an average acquisition price of DKK 77.15 per share. The acquisition is to ensure optimum investment of cash funds.

According to a decision made by the general meeting on 5 November 2011, the company can acquire up to 50% of the share capital until the company's annual general meeting in 2015.

DIVIDEND

In accordance with a resolution adopted at the company's annual general meeting held on 28 August 2013, dividend corresponding to DKK 1.50 per share or a total of DKK 9 million was paid during the period.

LIQUIDITY AND NET INTEREST-BEARING DEBT

Cash flows from operating activities amounted to DKK 35.5 million in H1 compared with DKK 3.7 million in the same period last year.

Free cash flow (changes in cash and cash equivalents) amounted to DKK -1.5 million compared with DKK -40.4 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 163.1 million as at 31 October 2013. To this should be added the holding of treasury shares amounting to DKK 45.3 million stated at the market price as at 31 October 2013. Also, the fair value of the portfolio of bonds amounting to DKK 170.2 million is added. The aggregate cash resources then total DKK 378.6 million.

As at 31 October 2013, the group's interest-bearing debt amounted to DKK 286.9 million, and net interest-bearing debt amounted to DKK 108.9 million.

RISKS

As the group's sales and purchases in foreign currencies in respect of most of the group's activities are still denominated in EUR, currency risks for the group are considered limited. However, in step with the continued growth in the group's international activities, Harboe will assess the need for currency hedging on a regular basis.

In all the group's main markets, the beer and soft drinks segments are characterised by fierce competition, leading to a constant pressure on prices. Harboe is therefore very sensitive to market fluctuations in the prices of raw materials and consumables, as increasing costs cannot simply be added to the sales prices. This is true, in particular, of those of the group's products that are marketed to the discount chains. To counter such fluctuations as much as possible, Harboe is to the greatest possible extent seeking to conclude long-term contracts for the purchase of raw materials and consumables. However, only short-term contracts can be concluded for highly volatile raw materials, leading to some degree of latent risk that the results will be affected during a financial year.

In step with the group's continued geographical expansion outside of the EU-regulated markets in Europe, the group is increasingly being exposed to risks related to political turmoil and changes in political and regulatory regimes and business practices, which may affect trading conditions and approvals, import regulation, financial transactions, logistics etc. For this reason, Harboe continuously weighs these risks against the concrete market opportunities and will generally start cultivating new geographical markets in collaboration with experienced and local distributors and partners. Harboe is also working to strengthen its internal communication and business processes in relation to the handling of the group's business practices and ethical standards to ensure that the employees involved in business relations within sales, marketing, purchasing etc. are given the best possible guidance and support on how to handle deviations from normal conditions and standards, including the risk of corruption.

The current political turmoil and conflicts in various parts of the Middle East and Africa, among other regions, have resulted in special precautions and risk assessments. The exposure to business risks in these areas is continuously monitored by the group's Board of Executives and Board of Directors, which assess the specific framework and criteria for business activities, the conclusion of contracts, monetary transactions etc.

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 the annual report for 2012/13.

THE OUTLOOK FOR 2013/14 IS MAINTAINED.

Market conditions in the Northern European markets are expected to remain extremely challenging with intense competition and pressure on prices. Harboe will focus on maintaining its position in these markets based on a solid product portfolio, flexibility and reliable deliveries as well as the continued positioning of the group's brands.

A continued high priority will be given to the expansion and development of the group's international activities within the drinks segment, involving the further strengthening of its sales and marketing activities. The strategic focus will be on markets where the demand for drinks products is growing, and where Harboe can establish an attractive platform for its products. The international activities are expected to be the main growth driver for the group in the next year.

Focus will also be on the development of the malt-based ingredients, with a continuation of the international sales work and targeted marketing activities. Continued progress is expected in the development of products in the company's pipeline. Collaboration with partners in the drinks industry is expected to develop positively and result in increasing sales of ingredients.

Harboe expects all the group's activities to contribute to growth in revenue, which is still expected to be higher than in 2012/13.

In the next year, earnings will also be affected by a general pressure on margins and continued investments in the development of the strategic business areas. General sensitivity to seasonal fluctuations may also influence the group's results.

The positive trend for Q2 is expected to continue throughout the financial year, for which reason the group expects significantly improved results relative to 2012/13.

Following the capital investments made in recent years, Harboe now has modern and efficient production facilities capable of underpinning the planned expansion of our activities. Consequently, investments in the next year are expected to be aimed primarily at ongoing maintenance and optimisations of efficiency.

Harboe's solid financial resources and continuous cash flow create a basis for the continued strategic development of the group's activities, thereby ensuring the creation of attractive long-term value.

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.

DISCLAIMER

The interim report contains forward-looking statements, including such as relate to the future earnings performance. Such statements are subject to risks and uncertainties concerning a number of factors, many of which are outside the Harboe group'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 include general economic and commercial conditions, price development of raw materials, new taxes and regulation, political conditions, demand, exchange rate fluctuations and competition.

The interim report is published in Danish and English. In the event of discrepancies between the Danish and the English text, the Danish text will prevail.

FINANCIAL CALENDAR

Harboes Bryggeri A/S expects to publish preliminary announcements of financial statements as follows:

Interim report, Q3 2013/14 19 March 2014

ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN

In the period 1 May to 31 October 2013, the company has submitted the following announcements to NASDAQ OMX Copenhagen, which may be found at the company's website, www.harboes.dk:

DATE	ANNOUNCEMENT
21 May 2013	Financial calendar 2013/14
14 June 2013	Announcement concerning electronic annual report
27 June 2013	Annual report 2012/13
27 June 2013	Financial calendar 2013/14
27 June 2013	Notice of annual general meeting 2013
9 July 2013	Financial calendar for 2013
9 July 2013	Financial calendar 2013/14
25 July 2013	Notice of annual general meeting 2013
25 July 2013	Annual report 2012/13
29 August 2013	Minutes of annual general meeting 2013
3 September 2013	Interim report, Q1 2013/14
3 September 2013	Financial calendar 2013/14
9 September 2013	Notice of extraordinary general meeting
2 October 2013	Minutes of extraordinary general meeting

MANAGEMENT'S STATEMENT

Today, we have reviewed and approved the interim report of Harboes Bryggeri A/S for the period 1 May - 31 October 2013.

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.

In our opinion, the interim report provides a true and fair view of the group's assets and liabilities and financial position as at 31 October 2013 and of the results of its activities and cash flows for H1 2013/14.

We also believe that the management's review gives a fair review of the development in the group's activities and financial affairs, its results for the period and general financial position as well as a description of the most important risks and uncertainty factors to which the group is exposed.

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

Skælskør, 18 December 2013

Board of Executives

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 ¹

¹ Elected by the employees

INCOME STATEMENT

GROUP (DKK '000)	NOTE	Q2 2013/14	Q2 2012/13	H1 2013/14	H1 2012/13	FY 2012/13
Gross revenue		419,476	408,510	886,612	856,236	1,588,362
Taxes on beer and soft drinks		(60,952)	(62,534)	(135,071)	(127,651)	(244,715)
Revenue		358,524	345,976	751,541	728,585	1,343,647
Production costs		(296,781)	(285,830)	(618,137)	(594,597)	(1,118,036)
Gross profit/(loss)		61,743	60,146	133,404	133,988	225,611
Distribution costs		(46,979)	(43,277)	(97,275)	(86,519)	(175,567)
Administrative expenses		(11,688)	(12,268)	(24,758)	(24,954)	(45,457)
Other operating income		8,134	5,251	14,168	9,195	20,675
Other operating expenses		(3,111)	(3,340)	(6,742)	(6,468)	(15,819)
Operating profit/(loss)		8,099	6,512	18,797	25,242	9,443
Financial income		661	1,417	833	2,391	4,720
Financial expenses		(2,125)	(1,159)	(3,542)	(3,844)	(10,059)
Profit/(loss) before tax		6,635	6,770	16,088	23,789	4,104
Calculated tax on profit/(loss) for the period		(2,382)	(1,533)	(4,855)	(5,931)	(1,150)
Adjustment of tax, previous years		0	(561)	549	(561)	137
Net profit/(loss) for the period		4,253	4,676	11,782	17,297	3,091
Distribution of net profit/(loss) for the period						
Shareholders of parent				11,785	17,299	3,127
Minority interests				(3)	(2)	(36)
Earnings per share (DKK per DKK 10 share)						
Earnings per share and diluted earnings per share (DKK)	2			2.13	3.08	0.56

STATEMENT OF COMPREHENSIVE INCOME

GROUP (DKK '000)	H1 2013/14	H1 2012/13	FY 2012/13
Net profit/(loss) for the period	11,782	17,297	3,091
Other comprehensive income			
<i>Items which may be recirculated to the income statement</i>			
Foreign currency translation adjustments regarding foreign enterprises	102	1,471	1,126
Adjustment to fair value of financial assets available for sale	0	0	(123)
Tax on other comprehensive income	0	0	42
Other comprehensive income	102	1,471	1,045
Comprehensive income	11,884	18,768	4,136
Distribution of comprehensive income for the period			
Shareholders of parent	11,887	18,770	4,172
Minority interests	(3)	(2)	(36)

BALANCE SHEET – ASSETS

GROUP (DKK '000)	31 October 2013	31 October 2012	30 April 2013
Goodwill	3,573	3,573	3,573
Development projects	6,172	0	6,884
Rights	5,435	5,721	5,718
Software	20,367	20,825	21,302
Intangible assets under construction	0	7,124	153
Intangible assets	35,547	37,243	37,630
Land and buildings	239,565	250,198	245,130
Plant and machinery	452,711	473,837	474,568
Other plant, fixtures and fittings, tools and equipment	25,638	24,957	27,937
Spare parts for own production equipment	4,038	4,878	4,458
Property, plant and equipment under construction	6,283	30,172	5,577
Property, plant and equipment	728,235	784,042	757,670
Investment properties	62,324	65,770	63,909
Financial assets available for sale	178,975	191,372	180,600
Deposits, leases	2,403	2,403	2,403
Financial assets	181,378	193,775	183,003
Deferred tax assets	3,746	3,177	3,806
Non-current assets	1,011,230	1,084,007	1,046,018
Raw materials, consumables and packaging	70,003	72,169	64,718
Finished goods and goods for resale	72,844	68,749	68,673
Inventories	142,847	140,918	133,391
Trade receivables	272,375	288,232	287,725
Other receivables	6,156	23,619	11,534
Prepayments	11,224	6,430	6,537
Receivables	289,755	318,281	305,796
Cash	5,934	38,378	13,780
Assets held for sale	2,400	7,987	2,400
Current assets	440,936	505,564	455,367
Total assets	1,452,166	1,589,571	1,501,385

BALANCE SHEET – EQUITY AND LIABILITIES

GROUP (DKK '000)	NOTE	31 October 2013	31 October 2012	30 April 2013
Share capital		60,000	60,000	60,000
Share premium		51,000	51,000	51,000
Other Reserves	4	(4,465)	(4,141)	(4,567)
Retained earnings		666,647	688,157	673,985
Equity owned by shareholders of parent		773,182	795,016	780,418
Equity owned by minority interests		174	213	179
Equity		773,356	795,229	780,597
Mortgage debt		208,348	224,809	216,155
Provision for deferred tax		51,794	53,282	52,335
Deferred recognition of income		62,766	56,949	66,868
Non-current liabilities		322,908	335,040	335,358
Mortgage debt		15,683	15,266	15,671
Other credit institutions		62,824	158,120	69,216
Trade payables		169,440	157,365	172,341
Repurchase of returnable packaging		9,260	9,793	10,278
Income tax		4,389	10,793	2,260
Other payables		84,875	93,792	105,365
Deferred income		0	0	263
Deferred recognition of income		9,431	14,173	10,036
Current liabilities		355,902	459,302	385,430
Liabilities		0	794,342	720,788
Equity and liabilities		1,452,166	1,589,571	1,501,385

CASH FLOW STATEMENT

GROUP (DKK '000)	H1 2013/14	H1 2012/13	FY 2012/13
Operating profit/(loss)	18,797	25,242	9,443
Depreciation, amortisation etc.	44,294	40,840	82,709
Grants recognised as income	5,602	(3,490)	(7,021)
Cash flows from operating activities before change in working capital	57,489	62,592	85,131
Change in inventories	(9,427)	(3,883)	3,693
Change in trade receivables	15,392	(9,998)	(9,562)
Change in other receivables	704	(7,266)	(5,049)
Change in trade payables etc.	(2,978)	(32,570)	(17,545)
Change in other current liabilities	(20,269)	(2,018)	9,009
Change in working capital	(16,578)	(55,735)	(19,454)
Cash flows from primary operating activities	40,911	6,857	65,677
Financial income received	826	2,399	4,648
Financial expenses paid	(3,592)	(3,775)	(10,119)
Taxes paid, net	(2,692)	(1,803)	(9,085)
Cash flows from operating activities	35,453	3,678	51,121
Purchase of intangible assets	(1,406)	(3,560)	(6,966)
Purchase of property, plant and equipment	(10,645)	(18,572)	(34,058)
Sale of property, plant and equipment	1,010	1,844	12,067
Dividend received from financial assets available for sale	7	(37)	72
Purchase of financial assets	0	0	(172,801)
Sale of financial assets	129	113	181,027
Cash flows from investing activities	(10,905)	(20,164)	(20,659)
Dividend paid	(8,322)	(8,328)	(8,328)
Investment grant received	871	0	25,035
Repayment of non-current liabilities, net	(7,774)	(10,437)	(17,943)
Purchase of treasury shares	(10,802)	(5,190)	(5,190)
Cash flows from financing activities	(26,027)	(23,955)	(6,426)
Changes in cash and cash equivalents	(1,479)	(40,441)	24,036
Cash and cash equivalents as at 1 May	(55,411)	(79,302)	(79,472)
Cash and cash equivalents as at 31 October	(56,890)	(119,743)	(55,436)

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Retained results	Equity owned by shareholders of the parent	Equity owned by minority shareholders	Total equity
Equity as at 1 May 2012	60,000	51,000	(5,612)	684,376	789,764	215	789,979
Changes in equity 2012/13							
Comprehensive income for the year	0	0	1,471	17,299	18,770	(2)	18,768
Dividend paid	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	672	672	0	672
Purchase of treasury shares	0	0	0	(5,190)	(5,190)	0	(5,190)
Total changes in equity	0	0	1,471	3,781	5,252	(2)	5,250
Equity as at 31 October 2012	60,000	51,000	(4,141)	688,157	795,016	213	795,229
Equity as at 1 May 2013	60,000	51,000	(4,567)	673,985	780,418	179	780,597
Changes in equity 2013/14							
Comprehensive income for the year	0	0	102	11,786	11,888	(5)	11,883
Dividend paid	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	677	677	0	677
Purchase of treasury shares	0	0	0	(10,801)	(10,801)	0	(10,801)
Total changes in equity	0	0	102	(7,338)	(7,236)	(5)	(7,241)
Equity as at 31 October 2013	60,000	51,000	(4,465)	666,647	773,182	174	773,356

NOTES

1. ACCOUNTING POLICIES

The interim financial statements are presented as compiled financial statements in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the EU. No interim financial statements have been prepared for the parent.

The interim financial statements are presented in Danish kroner (DKK), which is the functional currency of the parent.

The accounting policies applied in the interim financial statements are consistent with those applied in the consolidated financial statements for 2012/13, which are in accordance with the International Financial Reporting Standards as adopted by the EU.

Reference is made to the annual report for 2012/13 for a more detailed description of the accounting policies applied, including the definitions of the ratios stated, which have been calculated in accordance with the definitions of the 'Recommendations and Financial Ratios 2010' issued by the Danish Society of Financial Analysts.

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

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 2012/13.

A decision was made in June 2013 to lower the Danish income tax rate from 25% to 22% in the period 2014 to 2016. As a consequence of this, the obligation concerning deferred tax has been reduced by DKK 549k, which is recognised in the income statement and has had a positive effect on the results for the period.

Change of depreciation period of non-current technical plant

Harboes Bryggeri A/S changed the estimated depreciation period of non-current technical plant as from 1 May 2011.

The changed estimate of the useful life of technical plant has resulted in longer depreciation periods. The changed estimate is based on experience as regards the actual useful life of the plant in question, the depreciation periods estimated so far having proved to deviate significantly from the actual useful lives of the individual facilities.

All in all, as a result of the changed estimates, the group's depreciation is expected to be reduced by approx. DKK 29 million (2012/13: DKK 30 million) for facilities still in operation.

The reassessed useful lives will reduce the group's production costs over the next few years in the form of reduced depreciation as stated below, provided that the assets are held until the end of their useful lives:

	DKK million
FY 2013/14	29
FY 2014/15	27

NOTES

GROUP (DKK '000)	H1 2013/14	H1 2012/13
2. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE		
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	2.13	3.08
The basis of calculation of earnings per share and diluted earnings per share is as follows:		
Profit distributed to the shareholders of the parent used in connection with the calculation of earnings per share	11,785	17,299
	2013/14 No. of shares of DKK 10	2012/13 No. of shares of DKK 10
Average number of shares	6,000,000	6,000,000
Average number of treasury shares	(471,513)	(391,071)
Number of shares used to calculate earnings per share (no.)	5,528,487	5,608,929
Average dilution effect of outstanding pre-emption rights etc. (no.)	0	0
Number of shares used to calculate diluted earnings per share (no.)	5,528,487	5,608,929

NOTES

3. SEGMENT INFORMATION

Based on the internal reporting, which is used for the allocation of profit and resources, the company has identified one operating segment, the brewery sector, which is in line with the way in which activities are organised and controlled.

REVENUE AND NON-CURRENT ASSETS DISTRIBUTED ON GEOGRAPHICAL AREAS

The group's activities are mainly distributed on Denmark, Germany and other geographical areas.

The group's revenue from external customers and the distribution of non-current assets on these geographical areas are specified below, where revenue is distributed on the basis of the domicile of the customers, and non-current assets are distributed on the basis of the physical location and legal affiliation, respectively.

(DKK '000)	Revenue		Non-current assets	
	2013/14	2012/13	2013/14	2012/13
Denmark	184,603	185,461	356,361	289,669
Germany	312,491	318,788	378,779	399,733
Other geographical areas	254,447	224,336	25,069	28,310
	751,541	728,585	760,209	817,712

INFORMATION ABOUT IMPORTANT CUSTOMERS

Out of the group's total revenue in Denmark and Germany, sales to a single customer account for approx. 25% of revenue.

NOTES

GROUP (DKK '000)	2013/14	2012/13	
4. OTHER RESERVES			
Reserve for foreign currency translation adjustments	197	440	
Reserve for adjustment to fair value of financial assets available for sale	(4,662)	(4,581)	
	(4,465)	(4,141)	
	Reserve for foreign currency translation adjustments	Reserve for value adjustment of financial assets available for sale	
	Other reserves, total		
Other reserves as at 1 May 2012	(1,031)	(4,581)	(5,612)
Foreign currency translation adjustment regarding foreign enterprises	1,471	0	1,471
Other reserves as at 31 October 2012	440	(4,581)	(4,141)
Other reserves as at 1 May 2013	95	(4,662)	(4,567)
Foreign currency translation adjustment regarding foreign enterprises	102	0	102
Other reserves as at 31 October 2013	197	(4,662)	(4,465)