

STOCK EXCHANGE ANNOUNCEMENT

Harboes Bryggeri A/S

Contact:
Bernhard Griese, CEO
Ruth Schade, CFO

Tel: +45 58 16 88 88



HARBOES BRYGGERI A/S **Interim report for the six months to 31 October 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 October 2007.

The report is reviewed on the following pages.

Skælskør, 5 December 2007

Anders Nielsen
Chairman

Bernhard Griese
CEO



STOCK EXCHANGE ANNOUNCEMENT

HARBOES BRYGGERI A/S

Interim report for the six months to 31 October 2007

Highlights:

- Revenue fell by 8.0% to DKK 712.2 million.
 - Revenue from the brewery business dropped by 10.6% to DKK 598.6 million and accounted for 84.1% of the group's total revenue.
 - Revenue from the foodstuff business increased by 8.9%.
- Sales of beer and soft drinks, including malt beverages and malt wort products fell by 10.4% to DKK 2.84 million hectolitres.
- Operating profit was DKK 17.2 million.
 - Operating loss from the brewery business was DKK 17.4 million, down from a profit of DKK 59.9 million for the corresponding period of last year.
 - Operating loss from the food stuff business of DKK 0.7 million.
- Consolidated profit before tax was DKK 13.7 million as against DKK 59.4 million last year.
- The group's investments during the period totalled DKK 21.9 million.
- Cash flows from operating activities were an outflow of DKK 6.9 million and the free cash flow was an outflow of DKK 59.3 million.
- The group lowers the forecast for the 2007/2008 financial year to a consolidated profit before tax in the region of DKK 35–45 million, down from DKK 50–60 million as forecast in the Q1 interim report released on 23 August 2007.

The presentation of the financial statements will be webcast on 6 December 2007 and will subsequently be available on the group's website: www.harboes.dk

Financial calendar

Harboe publishes its interim report for the third quarter on 26 March 2007.

For further information, call

Bernhard Griese, CEO
Ruth Schade, CFO
Tel: +45 58 16 88 88

FINANCIAL HIGHLIGHTS

(DKK'000)	1st half 2007/08	1st half 2006/07	1st half 2005/06	Full year 2006/07
Earnings				
Gross revenue	836,954	919,935	901,150	1,649,489
Taxes on beer and soft drinks	(124,785)	(145,877)	(146,620)	(266,557)
Revenue	712,169	774,058	754,530	1,382,932
Operating profit (EBIT)	17,188	60,447	68,849	88,328
Profit before tax	13,692	59,367	67,044	85,531
Estimated tax for the period	(3,664)	(20,226)	(22,060)	(29,028)
Adjustment of tax in respect of previous years	6,549	-	-	-
Net profit for the period	16,577	39,141	44,984	56,503
Balance sheet				
Non-current assets	828,848	761,220	798,088	840,948
Current assets	361,022	355,748	338,592	374,000
Equity	693,918	668,311	655,421	685,819
Non-current liabilities	123,653	132,182	145,257	124,030
Current liabilities	372,299	316,475	336,002	405,099
Interest-bearing debt	127,732	62,361	78,197	73,461
Interest-bearing debt, net	95,298	12,736	27,060	46,101
Total assets	1,189,870	1,116,968	1,136,680	1,214,948
Investments etc.				
Investments	21,948	35,702	44,012	73,478
Depreciation and impairment losses	52,146	51,359	48,816	102,965
Cash flows etc.				
Cash flow from operating activities	6,888	45,096	40,598	86,593
Cash flow from investing activities	(62,949)	(35,664)	(68,705)	(110,976)
Cash flow from financing activities	(3,274)	(40,422)	(8,800)	(44,646)
Changes in cash	(59,335)	(30,990)	(36,907)	(69,029)
Financial ratios				
Operating margin	2.4%	7.8%	9.1%	6.4%
Equity ratio	58.3%	59.8%	57.7%	56.4%
Per share data				
Net asset value per share	116.0	111.4	109.2	114.2
Share price at 31 July 2007	155.2	242.0	239.5	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.

BUSINESS PERFORMANCE

Revenue

Revenue for the period was down by 8.0% to DKK 712.2 million as against DKK 774.1 million for the corresponding period of last year. Revenue from the brewery business fell by 10.6%, whereas revenue from the food stuff business improved by 8.9%. The performance is described in further detail in the review of the individual business areas.

Earnings

Operating profit amounted to DKK 17.2 million, down from DKK 60.4 million for the corresponding period of last year. This equals a fall of 71.6%. 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.

The H1 2007/08 profit before tax was DKK 13.7 million as against DKK 59.4 million in the year-earlier period, equal to a fall of 76.9%.

Profit after tax and prior-year tax adjustments fell by DKK 57.7 % to DKK 16.6 million from DKK 39.1 million in the year-earlier period.

Equity

Equity stood at DKK 693.9 million at 31 October 2007, 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 21.9 million.

Cash flows and net interest-bearing debt

Cash flows from operating activities were DKK 6.9 million, as compared with DKK 45.1 million in the corresponding period of last year.

The free cash flow (changes in cash and cash equivalents) was an outflow of DKK 59.3 million as against an outflow of DKK 31.0 million in the same period of last year.

The cash resources are composed of cash and committed, undrawn credit facilities and amounted to DKK 100.7 million at 31 October 2007. To this should be added the holding of 50,000 treasury shares corresponding to DKK 7.8 million calculated using the official market price as at 31 October 2007.

The net interest-bearing debt amounted to DKK 95.3 million as against DKK 12.7 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.

Outlook for 2007/2008

While we expect a positive performance in the second half of the financial year, we have lowered our forecasts in anticipation a drop in full-year earnings on the back of the first-half results.

Accordingly, we lower our forecast for the 2007/2008 financial year to a consolidated profit before tax in the region of DKK 35–45 million, down from DKK 50–60 million as forecast in the most recent stock exchange announcement of 23 August 2007.

THE PREWERY BUSINESS - HIGHLIGHTS

(DKK'000)	1st Half 2007/08	1st half 2006/07	1st half 2005/06	Full year 2006/07
Volume (millions of hectolitres)				
Beer, soft drinks and malt wort products	2.84	3.17	2.95	5.70
Earnings				
Revenue	598,640	669,841	641,835	1,189,235
Operating profit (EBIT)	17,440	59,926	64,776	88,450
Profit before tax	14,826	59,586	64,043	86,607
Estimated tax	(3,947)	(20,287)	(21,220)	(29,305)
Adjustment of tax in respect of previous years	7,807	-	-	-
Net profit	18,686	39,299	42,823	57,302
Balance sheet				
Non-current assets	727,986	652,958	673,388	737,703
Current assets	309,731	314,926	302,604	314,775
Equity	583,036	554,680	540,787	572,829
Non-current liabilities	113,680	119,163	131,218	112,477
Current liabilities	341,001	294,041	303,987	367,172
Total assets	1,037,717	967,884	975,992	1,052,478
Investments etc.				
Investments	20,160	36,067	44,303	72,624
Depreciation and impairment losses	46,627	44,974	41,388	90,688
Cash flows etc.				
Cash flows from operating activities	14,578	41,229	39,662	66,499
Cash flows from investing activities	(59,821)	(36,067)	(68,996)	(110,800)
Cash flows from financing activities	(487)	(37,642)	(6,067)	(39,089)
Change in cash	(45,730)	(32,480)	(35,401)	(83,390)
Ratios (per cent)				
Operating margin	2.9%	8.9%	10.1%	7.4%
Equity ration	56.2%	57.3%	55.4%	54.4%

THE BREWERY BUSINESS

Total sales of beer and soft drinks, including malt beverages and malt wort products, amounted to 2.84 million hectolitres during the first-half year, a drop of 10.4%, or 330 thousand hectolitres, from 3.17 million hectolitres in the year-earlier period.

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. The impact lingered on into the second quarter.

In addition, 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 10.6% to DKK 598.6 million in the first six months of 2007/2008, from DKK 669.8 million in the year-earlier period.

Operating profit for the brewery business was DKK 17.4 million, down from DKK 59.9 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 20–25 million.

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

There has been a delay in the implementation of our new strategic processing facilities for bottling of sterile (aseptic) products.

Due to the complexity of the product range with both milk and juice products and the very complex nature of the processing facilities, adjustments and quality validation of the system have been ongoing for more than six months, causing substantial delays in the launch of new 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.

The quality validation procedure was completed in November 2007, and the new facilities have now been approved and are in operation.

Profit before tax from the brewery business was DKK 14.8 million as against DKK 59.6 million last year. The financial results failed to meet expectations and are not satisfactory.

Depreciation and amortisation for the period amounted to DKK 46.6 million as against DKK 45.0 million in the corresponding period of last year.

Investments in the brewery operations during the period totalled DKK 20.2 million. The cash flow effect of the investments was DKK 61.8 million during the first half-year.

As at 31 October 2007, assets under construction in relation to the aseptic production facility in Darguner Braueri GmbH amounted to DKK 133.5 million.

We received investment subsidies totalling DKK 16.3 million during the first half-year, 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.

In spite of the some six 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 in spite of the delayed product launch, our customers have elected to retain contracts concluded.

We have stepped up our efforts relating to the prepared product launches, adding new varieties in the juice and smoothies segment, and we expect the products to be in stores as from 2 January 2008. During the spring and summer of 2008, we will add new product launches in the different categories.

The products will be marketed under our own brand, and we plan to support sales through the necessary marketing activities.

Due to the delayed launch of the initial aseptic products, we will wait until the end of the 2007/2008 financial year before we make a final decision on the need to initiate phase two of our strategic investment.

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 half-year, 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.

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.

Costs incurred in marketing and cultivation of new markets will affect our performance already in 2007/2008.

The price trends in all foodstuff categories have fuelled our high expectations that we will be able to offset part of the increase in production costs in the second half-year of 2007/2008.

Together with the conclusion of agreements with new customers, this is expected to contribute to a more positive outlook for the second half-year of 2007/2008.

THE FOODSTUFF BUSINESS - HIGHLIGHTS

(DKK'000)	1st half 2007/08	1st half 2006/07	1st half 2005/06	Full year 2006/07
Earnings				
Revenue	113,529	104,217	112,695	193,697
Operation profit (EBIT)	(711)	521	4,073	(122)
Profit before tax	(1,134)	(219)	3,001	(1,076)
Estimated tax	283	61	(840)	277
Adjustment of tax in respect of previous years	(1,258)	-	-	-
Net profit	(2,109)	(158)	2,161	(799)
Balance sheet				
Non-current assets	110,028	119,553	138,473	113,511
Current assets	51,291	40,822	35,988	59,225
Equity	110,882	113,630	114,636	112,990
Non-current liabilities	19,139	24,310	29,475	21,819
Current liabilities	31,298	22,435	30,350	37,927
Total assets	161,319	160,375	174,461	172,736
Investments etc.				
Investments	1,788	(403)	(291)	854
Depreciation and impairment losses	5,510	6,385	7,428	12,277
Cash flows etc.				
Cash flows from operating activities	(7,690)	3,867	936	20,095
Cash flows from investing activities	(3,128)	403	291	(176)
Cash flows from financing activities	(2,787)	(2,780)	(2,733)	(5,557)
Change in cash	(13,605)	1,490	(1,506)	14,362

THE FOODSTUFF BUSINESS

The share of revenue from the foodstuff business in the first half-year of 2007/2008 amounted to DKK 113.5 million, down from DKK 104.2 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 0.5 million last year.

The loss before tax was DKK 1.1 million as against a loss of DKK 0.2 million in the year-earlier period.

In the first half-year, Harboefarm A/S generated sales growth as a result of higher volumes taken by existing customers and an inflow of new customers.

New, exiting products are being developed that will contribute to the development of Harboefarm. The products are expected to be introduced during the spring of 2008.

Harboefarm A/S' leases for the company's turkey pens had full effect at the end of the second quarter. All pens have now been leased to tenants.

We thus remain confident that Harboefarm A/S will contribute to earnings in 2007/2008.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The interim financial statements for the second 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 general economic and business conditions, among other things.

The interim financial statements for the second 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.

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 October 2007.

Skælskør, 5 December 2007

Harboes Bryggeri A/S

CEO

Bernhard Griese

Board of Directors:

Anders Nielsen, chairman

Bernhard Griese

Mads O. Krage

Vibeke Harboe Malling

Kirsten Griese

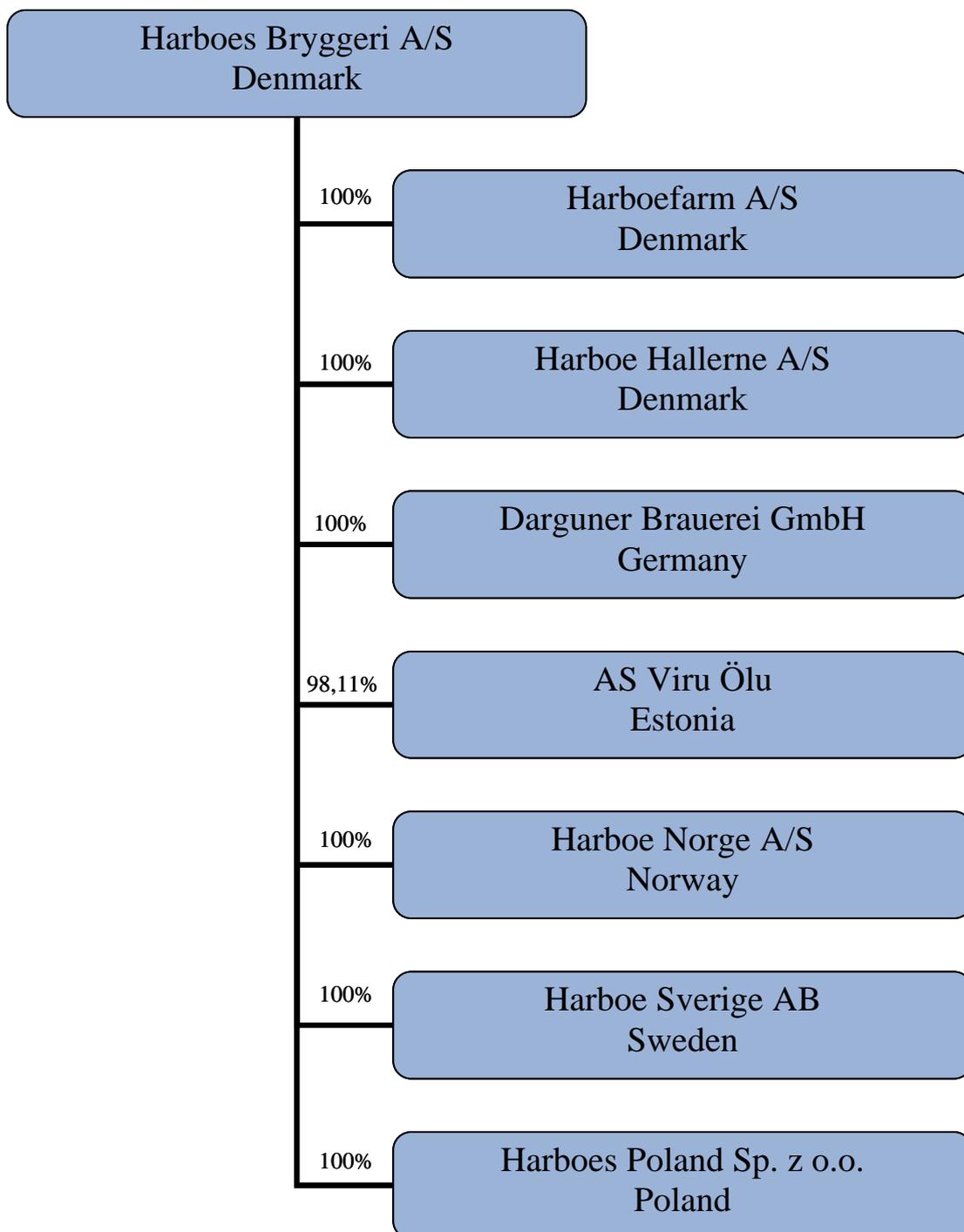
Karina Harboe Laursen

Jens Bjarne Jensen*

* Elected by the employees

GROUP CHART

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



Consolidated income statement

(DDK'000)	1st half 2007/08	1st half 2006/07
Gross revenue	836,954	919,935
Taxes on beer and soft drinks	(124,785)	(145,877)
Revenue	712,169	774,058
Production costs	(597,977)	(619,638)
Gross profit	114,192	154,420
Distribution costs	(78,964)	(80,146)
Administrative costs	(19,146)	(17,811)
Other operating income	7,013	9,897
Other operating expenses	(5,907)	(5,913)
Operating profit	17,188	60,447
Financial income	894	1,280
Financial expenses	(4,390)	(2,360)
Profit before tax	13,692	59,367
Estimated tax for the period	(3,664)	(20,226)
Adjustment in tax in respect of previous years	(263)	-
Adjustment in deferred tax in respect of previous years	6,812	-
Net profit	16,577	39,141
Distribution of net profit		
Parent company shareholders	16,566	39,124
Minority interests	11	17

Balance sheet - assets

(DDK'000)	1st half 2007/08	1st half 2006/07
Land and buildings	298,049	291,479
Plant and machinery	329,697	375,281
Other fixtures and fittings, tools and equipment	49,294	42,920
Spare parts for own machinery	5,407	6,659
Property plant and equipment under construction	139,024	39,387
Property, plant and equipment	821,471	755,726
Investments in associates	2,191	488
Securities	3,038	2,895
Deposits and leases	2,148	2,111
Financial assets	7,377	5,494
Non-current assets	828,848	761,220
Raw material, intermediates and packaging	58,121	57,384
Finished goods and goods for re-sale	45,393	41,025
Inventories	103,514	98,409
Trade receivables	198,513	196,613
Receivables from associates	4,254	3,942
Other receivables	14,069	1,648
Prepayments	8,238	5,511
Receivables	225,074	207,714
Cash	32,434	49,625
Current assets	361,022	355,748
Total assets	1,189,870	1,116,968

Balance sheet – liabilities and equity

(DDK'000)	1st half 2007/08	1st half 2006/07
Share capital	60,000	60,000
Share premium	51,000	51,000
Reserves	2,016	1,169
Retained earnings	580,477	555,703
Equity attributable to minority interests	425	439
Equity	693,918	668,311
Mortgage debt	24,126	31,758
Other credit institutions	3,949	13,339
Deferred tax	44,281	48,858
Deferred income	51,297	38,227
Non-current liabilities	123,653	132,182
Mortgage debt	5,480	5,496
Other credit institutions	94,177	15,297
Trade payables	144,769	124,407
Repurchase obligation, returnable packaging	34,059	37,635
Payables til associates	9,766	10,264
Income tax	8,309	36,748
Other payables	62,824	67,553
Deferred income	12,915	19,075
Current liabilities	372,299	316,475
Liabilities	495,952	448,657
Total liabilities	1,189,870	1,116,968

Consolidated cash flow statement

(DDK'000)	1st half 2007/08	1st half 2006/07
Operating profit	17,188	60,446
Depreciation and impairment losses	52,079	51,359
Government grants recognised as income	(4,146)	(6,166)
Cash flows from operating activities before changes in working capital	65,121	105,639
Changes in inventories	(1,413)	(11,488)
Changes in trade receivables and other receivables	20,061	(23,662)
Changes in trade payables and other payables	(54,685)	(18,030)
Changes in working capital	(36,037)	(53,180)
Cash flows from operating activities	29,084	52,459
Net interest, dividends, currency translation differences, etc.	(3,348)	(875)
Income tax paid, net	(18,848)	(6,488)
Cash flows from operating activities	6,888	45,096
Investments in property, machinery and equipment, net	(61,523)	(35,702)
Changes in financial assets available for sale, net	(1,426)	38
Cash flows from investing activities	(62,949)	(35,664)
Dividends distributed	(9,000)	(48,000)
Net sales of own shares, including dividend received	75	400
Investment grant received	16,344	15,503
Repayments of long-term debt	(10,693)	(8,325)
Cash flows from financing activities	(3,274)	(40,422)
Change in cash and cash equivalents	(59,335)	(30,990)
Cash and cash equivalents at 1 May 2007	8,213	77,304
Cash and cash equivalents at 31 October 2007	(51,122)	46,314

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	-	-	(633)	-	-	-	(633)	-	(633)
Adjustment to fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-
Recognised directly in equity	-	-	(633)	-	-	-	(633)	-	(633)
Profit for the period	-	-	-	-	-	39,124	39,124	17	39,141
Total net income	-	-	-	-	-	39,124	39,124	17	39,141
Dividends distributed						(48,000)	(48,000)		(48,000)
Dividend from treasury shares						400	400		400
Equity at 31 October 2006	60,000	51,000	505	-	664	555,703	667,872	439	668,311

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	-	-	447	-	-	-	447	-	447
Adjustment to fair value of financial assets available for sale	-	-	-	-	-	-	-	-	-
Recognised directly in equity	-	-	447	-	-	-	447	-	447
Profit for the period	-	-	-	-	-	16,566	16,566	11	16,577
Total net income	-	-	447	-	-	16,566	17,013	11	17,024
Dividends distributed	-	-	-	-	-	(9,000)	(9,000)	-	(9,000)
Dividend from treasury shares	-	-	-	-	-	75	75	-	75
Equity at 31 October 2007	60,000	51,000	917	254	845	580,477	693,493	425	693,918