



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S

ANNUAL REPORT
2009/2010

CONTENTS

Solid foundation for value creation	4
The financial year for the group in outline	7
Financial highlights	8
Management's review	11
Management's statements	40
Independent auditor's report	41
Members of the Board of Directors	42
Income statement for 2009/10	47
Statement of comprehensive income for 2009/10	48
Balance sheet as at 30 April 2010	49
Cash flow statement for 2009/10	52
Statement of changes in equity	53
Notes overview	55
Income statement for 2009/10	102
Statement of comprehensive income for 2009/10	103
Balance sheet as at 30 April 2010	104
Cash flow statement for 2009/10	106
Statement of changes in equity for 2008/09	107
Statement of changes in equity for 2009/10	107
Notes overview	108
Company information	134

SOLID FOUNDATION FOR VALUE CREATION



Looking back on the past year, a number of things are worth noting, as regards both the financial statements and our business activities. We realised the results announced in the outlook and posted a markedly improved profit relative to last year. We still have some way to go before meeting our target of a profit margin of 6-8%, but the figures show that we are on the right

track. The results have been achieved despite a general fall in demand; the slightly more highly priced products have been under particular pressure. Competition remains intense, but we have nevertheless succeeded in maintaining our position in the important main markets. This is primarily thanks to the successful implementation of many strategic initiatives.

STRENGTHENING OF CORE BUSINESS

We have continued our development of new products and new types of packaging within our core business, and expanded our sales organisation, enabling us to effectively follow up on the many products launched in recent years. We have entered into new major contracts with key customers in the retail sector, but we have also severed a number of customer relations which did not live up to our profitability requirement.

So as to maintain our position in the retail sector, it is decisive for us to deliver precisely the products and volumes demanded by our large customers. In the past year, we have therefore monitored market developments closely and made regular adjustments to our product mix and prices with a view to supplying customers on competitive terms. In this context, our modern and efficient production facilities and considerable flexibility have been huge advantages. This means optimum use of our capacity relative to sales.

Last year, we took over GourmetBryggeriet, and the company has been included in our financial statements since June last year. We have spent the year integrating and streamlining activities and making the most of the commercial synergies between the two companies. The takeover has made it possible to expand our sales channels, for example vis-à-vis the cafe and restaurant industry – also with Harboe's own brands. In the coming year, we will continue to focus on these activities which we expect to be a source of further value creation in future.

STRATEGIC FOCUS AREAS WITH CONSIDERABLE POTENTIAL

Our export activities have also developed positively in the past year, with increasing sales of beer, energy drinks and soft drinks as well as non-alcoholic malt beverages. We market our products in a large number of markets in the Middle East and Africa, among others, where demand is growing. In the course of the year, we have strengthened our sales organisation, and we are continuously seeking to strengthen our position further through continued product development and geographical expansion. We expect these markets to increasingly drive growth within the group.

Another strategic focus area which is to contribute to continued growth and value creation in Harboe is our malt extract development activities. In the past year, production of our most recently developed product, clear malt extract, has been successfully tested by a number of customers within the drinks industry. Towards the end of the year, intensive and targeted sales efforts resulted in the first major contracts with several of these customers, and we expect more contracts to be signed in the coming year. We have taken out an international patent for the unique production method, and several malt extract variants are currently being developed. The malt extract can be widely used in the production of, for example, non-alcoholic malt beverages, which represent a strongly growing segment in, for example, the Middle East. Harboe will be working hard to make the most of this potential in the coming years.

INVESTING IN LONG-TERM GROWTH

As part of the investment strategy pursued in recent years, we have prioritised the continued expansion and streamlining of our production facilities; also considerable resources have been invested in developing and implementing new technology. Our solid financial foundations have made these investments possible. However, it goes without saying that major investments bind a lot of capital, and also the high levels of depreciation naturally entailed by such investments have an impact on the bottom line. While

waiting for the results to materialise, visualising the rationale can be difficult. However, the alternative – leaving things as they are and not taking heed of developments – would hit us very soon as we would not be able to supply our core customers in as flexible and efficient a manner as we can today. And very soon both our market share and earnings would suffer. And in the slightly longer term, we are convinced that this is the right path to optimising value creation in our company. Realising a return on invested capital of 9% in the brewery sector this year is already a good step in the right direction.

Our significant investments in production facilities and development activities are essential for Harboe's continued value creation. This consolidates the core business and allows us to take advantage of new market opportunities.

We can see that our business and strategic focus areas are developing positively, and in the coming year we will continue to do our utmost to exploit the very attractive potential. Ours is a fantastic organisation of really highly skilled and committed employees who are already hard at work creating results. We therefore expect to strengthen both our cash flows from operations and our earnings in the coming year. And we are extremely eager to visualise and communicate the creation of value to our shareholders and other stakeholders in the process.

Bernhard Griese
CEO



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



GINGER DRINK

A refreshing soft drink with a taste of ginger which is sold in the Caribbean, the Middle East and Africa. A perfect supplement to our other non-alcoholic beverages.

THE FINANCIAL YEAR FOR THE GROUP IN OUTLINE

- **HARBOE'S GROSS REVENUE** amounted to DKK 1,804 million against DKK 1,806 million last year.
- **REVENUE** fell by 1.3% to DKK 1,525 million. Adjusted for the weeding-out of unprofitable customer relations in the brewery sector, revenue was up.
- **THE BREWERY SECTOR** posted revenue of DKK 1,284 million, accounting for 84.2% of consolidated revenue.
- **THE FOODSTUFF SECTOR** posted revenue of DKK 241.1 million, corresponding to 15.8% of consolidated revenue.
- **SALES OF BEER AND SOFT DRINKS**, including malt beverages and malt wort products, totalled 5.68 million hectolitres compared with 5.72 million hectolitres last year, representing a slight fall of 0.7%.
- **OPERATING PROFIT (EBIT)** rose by 57.3% to DKK 64.3 million compared with last year's DKK 40.9 million.
- **CONSOLIDATED PROFIT BEFORE TAX** was up 65.5% at DKK 58.1 million against DKK 35.1 million last year. The results are in line with the outlook of a profit in the range of DKK 55-65 million announced in the annual report for 2008/09 and which was reiterated in connection with the interim report for Q3.
- **THE GROUP'S INVESTMENTS DURING THE FINANCIAL YEAR** totalled DKK 170.7 million. Investments were higher than expected, which is attributable to a decision to bring forward a number of strategic investment projects originally planned for the coming financial year. The return on invested capital was 8.2% for the group and 9.2% for the brewery sector.
- **CASH FLOWS FROM OPERATING ACTIVITIES AND FREE CASH FLOWS** (changes in cash and cash equivalents) amounted to DKK 103.4 million and DKK -35.7 million, respectively.

OUTLOOK 2010/11

- **FOR FY 2010/11, THE OUTLOOK** is for an EBITDA of DKK 195-205 million
- **AND A PROFIT BEFORE TAX** in the range of DKK 65-75 million.
- **CASH FLOWS FROM OPERATING ACTIVITIES** are expected to be in the range of DKK 150-175 million.
- **INVESTMENTS PLANNED FOR 2010/11** are in the order of DKK 100-120 million.

FINANCIAL HIGHLIGHTS³

	2009/10 DKKm	2008/09 DKKm	2007/08 DKKm	2006/07 DKKm	2005/06 DKKm
KEY FIGURES					
EARNINGS					
Gross revenue	1,804.0	1,806.4	1,607.4	1,649.4	1,633.5
Taxes on beer and soft drinks	(279.3)	(261.8)	(236.5)	(266.6)	(272.2)
Revenue	1,524.7	1,544.6	1,370.9	1,382.8	1,361.3
Operating profit/(loss) (EBIT)	64.3	40.9	21.6	88.3	98.8
Net financials	(6.2)	(5.8)	(5.3)	(2.8)	(4.2)
Profit/(loss) before tax	58.1	35.1	16.3	85.5	94.6
Net profit/(loss) for the year	43.0	25.6	20.1	56.5	65.5
BALANCE SHEET					
Total assets	1,645.6	1,606.4	1,199.3	1,214.9	1,143.6
Equity	730.3	664.5	696.9	685.8	677.4
Net interest-bearing debt	152.3	119.6	80.0	46.1	0
INVESTMENTS ETC.					
Investments in intangible assets ¹	8.2	3.0	6.1	0.0	0.0
Investments in property, plant and equipment ²	166.0	115.9	180.3	73.5	96.4
Depreciation, amortisation, impairment losses and write-downs	124.6	121.9	109.0	103.0	100.9
CASH FLOWS					
Cash flows from operating activities	94.2	148.6	56.9	86.6	124.8
Cash flows from investing activities	(152.7)	(438.9)	(97.5)	(111.0)	(118.4)
Cash flows from financing activities	22.9	259.2	(9.6)	(44.6)	(17.1)
Changes in cash and cash equivalents	(35.7)	(31.1)	(50.2)	(69.0)	(10.7)

¹ Excluding plant under construction

² Excluding spare parts and plant under construction

	2009/10 DKKm	2008/09 DKKm	2007/08 DKKm	2006/07 DKKm	2005/06 DKKm
RATIOS IN %					
Profit margin	4.3	2.6	1.6	6.4	7.3
Solvency ratio	44.4	41.4	58.2	56.4	59.2
EBITDA margin	12.4	10.5	9.5	13.8	14.7
Gearing	20.9	18.0	11.5	6.7	0.0
Current ratio	91.4	95.5	99.0	92.3	110.1
Return on invested capital (ROIC)	8.2	6.2	2.0	8.1	9.9
SHARE-RELATED RATIOS⁴					
Earnings per share of DKK 10, DKK (EPS)	7.3	4.4	3.4	9.5	11.0
Cash flow per share of DKK 10, DKK (CFPS)	16.1	25.5	9.6	14.6	21.0
Equity value per share of DKK 10, DKK	123.8	114.0	117.1	115.3	113.8
Share price, end of year	112.0	112.0	137.0	218.2	222.1
Price/earnings ratio	15.4	25.4	40.4	23.0	20.2
Dividend per DKK 10 share, DKK	1.5	1.5	1.5	1.5	8.0
EMPLOYEES					
Average number of full-time employees	543	520	483	486	531

³ The financial highlights have been prepared in accordance with IFRS, cf. the description in note 1.

⁴ Comparative figures have been restated in accordance with the changed denomination from DKK 100 per share to DKK 10 per share.



DENMARK

North
Sea

HOLLAND

GERMANY

BELGIUM

LUX.

CZECH REP.

NCE

AUSTRIA

SWITZ.

BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE
HARBOES BREWERY A/S

MALTBEVERAGE & MALT EXTRAKT

BEER

SOFT – AND ENERGYDRINKS

Scale 1 : 10 000 000

0 100 200 300 400 500

Statute Miles

Kilometers

MANAGEMENT REVIEW

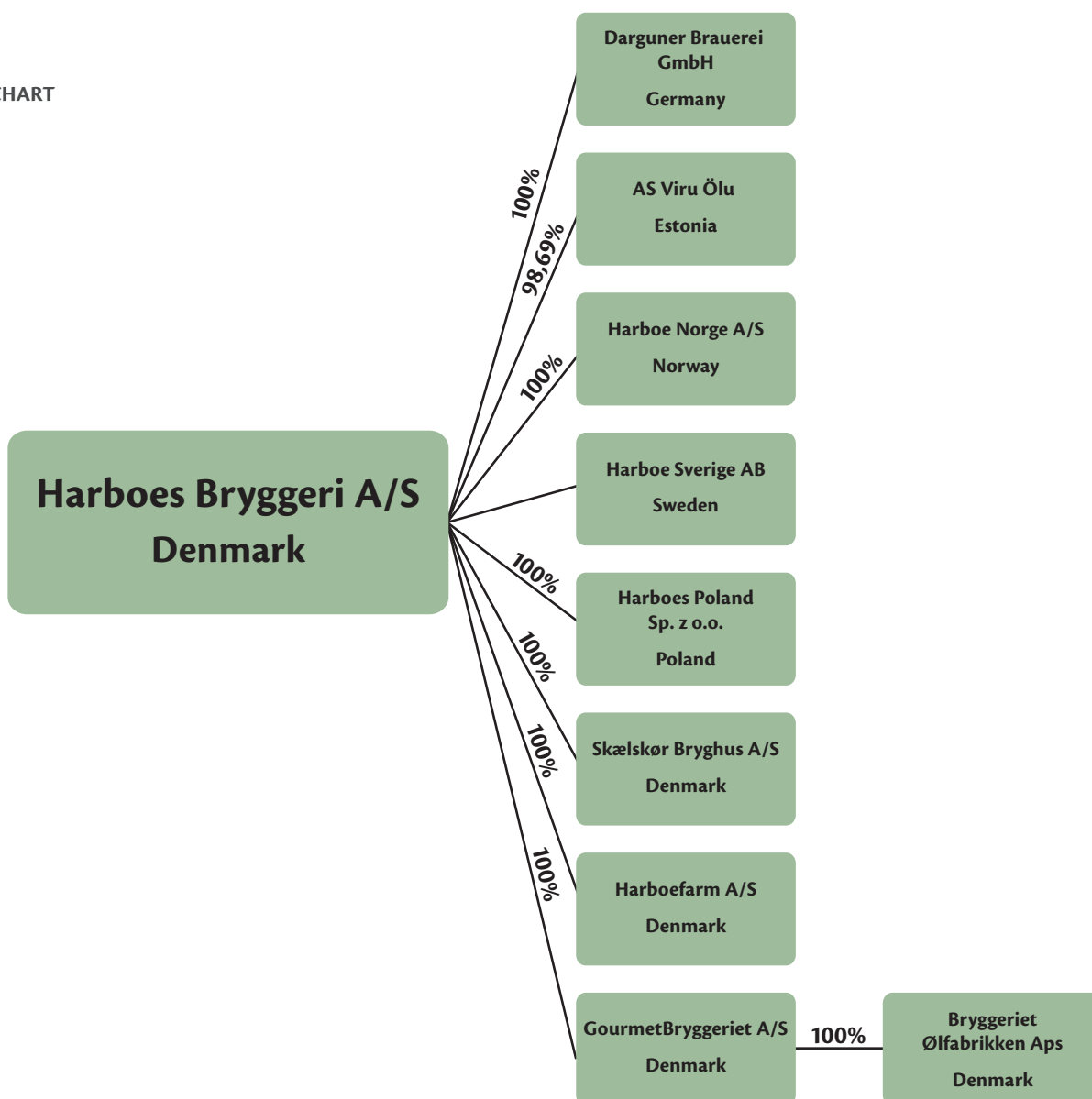
CORE BUSINESS

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

The group's core business, constituting more than 86.6% of the total gross revenue of the group, is the production and sale of beer, soft drinks, malt beverages and malt wort products.

The Harboefarm A/S foodstuff company and its sales of centrally packaged fresh and processed meat for the retail sector constitute the remaining 13.4% of revenue.

GROUP CHART



GROUP'S BUSINESS DEVELOPMENT – FINANCIAL REPORT

REVENUE

Consolidated revenue totalled DKK 1,525 million in 2009/10 against DKK 1,545 million the year before. This equates to a fall of 1.3%. Adjusted for revenue from unprofitable customer relations which were severed in Q4 2008/09, revenue was up.

Revenue in the brewery sector fell by 2.7% to DKK 1,284 million, while revenue in the foodstuff sector was up 7.1% at DKK 241.1 million.

Developments are described in further detail under the different sectors.

EARNINGS

EBITDA totalled DKK 188.9 million.

Operating profit (EBIT) amounted to DKK 64.3 million against DKK 40.9 million last year, up DKK 23.4 million or 57.2%.

Depreciation of property, plant and equipment etc. is included in the operating profit with DKK 124.6 million compared with DKK 121.9 million the year before.

Profit before tax was DKK 58.1 million against DKK 35.1 million the year before, up 65.5%.

The profit before tax is in line with the outlook for a profit in the range of DKK 55-65 million announced in the annual report for 2008/09 and which was maintained in the interim report for Q3, although it was by then expected to be in the lower end of the interval.

Net profit for 2009/10 amounted to DKK 43.0 million compared to DKK 25.6 million the year before.

EQUITY

As at 30 April 2010, equity amounted to DKK 730.3 million against DKK 664.5 million the year before.

In 2009/10, the company used 227,367 treasury shares in connection with

the acquisition of GourmetBryggeriet A/S, corresponding to a share market value of DKK 29.5 million.

INVESTMENTS

Investments in property, plant and equipment amounted to DKK 166.0 million for the year. The investments include a substantial expansion of the facilities and investments aimed at increasing malt extract production capacity. Moreover, a major investment has been made in expanding the capacity of Harboes Bryggeri's waste-water treatment plant and in environmental optimisation. These investments are described in further detail in the section on production and capacity in the annual report.

In addition to the investments in property, plant and equipment, a sum of DKK 34.0 million has been invested in connection with the acquisition of GourmetBryggeriet A/S. A sum of DKK 29.5 million was paid in the form of treasury shares, while the remaining sum of DKK 4.5 million was paid in cash.

LIQUIDITY AND NET INTEREST-BEARING DEBT

Cash flows from operating activities in the period amounted to DKK 94.2 million against DKK 148.6 million last year. Harboe usually has a lot of funds tied up in inventories at the end of the financial year in preparation for the summer high season. At the same time, the conclusion of agreements with a number of major new customers has increased trade receivables relative to the end of last year. However, Harboe is continuously working to strengthen cash flows from operating activities, which will remain a strategic focus area in the coming year.

Operating profit before depreciation and amortisation (EBITDA) amounted to DKK 188.9 million compared with last year's DKK 162.8 million, up DKK 26.1 million.

The change in working capital amounted to DKK -43.9 million.

Trade receivables were up DKK 30 million, while trade payables fell by DKK 20.9 million.

Cash flows from investing activities totalled DKK -152.7 million, and cash flows from financing activities amounted to DKK 22.9 million.

Free cash flow – changes in cash and cash equivalents – amounted to DKK -35.6 million against DKK -31.1 million the year before.

CASH RESOURCES

The group's cash resources, which are composed of cash and credit facilities granted but not yet activated, amounted to DKK 65.6 million as at 30 April 2010.

In addition to this comes the holding of 64,945 treasury shares amounting to DKK 7.3 million stated at share market value as at 30 April 2010.

Moreover, the fair value of the portfolio of bonds is added, amounting to DKK 278.5 million as at 30 April 2010.

The portfolio of bonds represents strategic cash resources established with a view to guaranteeing the necessary manoeuvrability for Harboe to make interesting acquisitions, engage in strategic partnerships and realise similar investments underpinning the group's strategy. Due to market conditions, using this facility to repay other debt has not been an attractive option.

As at 30 April 2010, the group's net interest-bearing debt amounted to DKK 474.6 million against DKK 462.7 million last year.

Adjusted for the portfolio of bonds of DKK 278.5 million, the group's net interest-bearing debt amounted to DKK 149.4 million as at 30 April 2010 against DKK 119.6 million last year.

EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

With reference to the authorisation granted by the annual general meeting on 20 August 2009 to acquire treasury shares with a nominal value of up to 10% of the company's share capital, Harboe, on 2 June 2010, acquired 62,000 shares at a price of 107.50, corresponding to a share market value of DKK 6,665k. Harboes Bryggeri A/S now holds a total of 178,945 Harboe Class B shares with a nominal value of DKK 10, corresponding to 2.98% of the share capital and 1.52% of votes.

No other material events have occurred after the balance sheet date.

BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



HARBOE PILSNER

Our classic lager beer in a smart new design is sold in Denmark and in the local markets as well as in several overseas export markets.



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



X-RAY ENERGY DRINK

Energy drinks are globally a growing category. We are part of this development with our brand X.RAY which is sold in Denmark and Scandinavia as well as in several overseas export markets.

OUTLOOK 2010/11

In line with the group's strategy, Harboe will continue to focus on providing customers with a high level of quality and reliable deliveries of the group's core products.

Harboe's continued growth and earnings must be secured through continued intense focus on innovation and the targeted pursuit of the product development strategy laid down.

A strengthened organisation within important areas will ensure that new and interesting markets and market segments can contribute positively to Harboe's continued growth.

Harboe expects its core business to continue to develop positively in 2010/11, and the investments which have been made in innovation, product development and the expansion of capacity over the past years will contribute to strengthening growth in both volume and revenue.

Extended collaboration with a number of large customers and new customers is expected to contribute to high capacity utilisation at the group's production facilities.

More marketing and the development of malt extract are expected to contribute positively to growing an attractive segment of customers within the drinks industry.

Harboe expects competition in the main markets to remain fierce. Pressure on sales prices within the core business can only to a limited extent be compensated by higher prices. Raw material prices have

stabilised at a more normal level in the past year. As regards important raw materials, Harboe has entered into long-term agreements with suppliers with a view to minimising sensitivity to future fluctuations in raw material prices.

Harboe expects consolidated earnings to be positively impacted by the anticipated growth and increasing sales of new and innovative products, including malt extract.

Based on the existing mix of business activities and the above-mentioned assumptions, Harboe expects to achieve the target of a 5% increase in revenue while at the same time improving profit margins. Harboe thus expects the consolidated results for 2010/11 to improve relative to the results for 2009/10.

The outlook is for a profit before depreciation and amortisation, financial items and tax (EBITDA) in the range of DKK 195-205 million and a profit before tax in the range of DKK 65-75 million.

Cash flows from operating activities are expected to be in the range of DKK 150-175 million. Harboe is continuously working to strengthen cash flows from operating activities, which will remain a strategic focus area in the coming year.

Investments in the order of DKK 100-120 million are planned for the financial year. Following the substantial investments in recent years in new technology and production facilities, investments in the coming financial year will primarily be focused on regular maintenance and improved efficiency.

STRATEGY AND FINANCIAL TARGETS

DEVELOPING MARKETS

Harboe produces and sells beer, soft drinks, malt beverages and malt wort products, its primary geographical focus being Germany, Scandinavia and the other countries bordering the Baltic Sea. Harboe's products are marketed in Denmark, Germany, Sweden, Norway and the Baltic countries and are also exported to an evergrowing number of markets in the rest of Europe, the Middle East, Africa, the USA and Asia.

Total beer sales have been declining in Europe in recent years, and sales of soft drinks have been diminishing as well. The increased focus on diet and health in recent years has led to marked increases in sales of sugarfree soft drinks in particular. In Denmark alone, sugarfree soft drinks account for

We place great focus on value creation at Harboe. Thus we are working intensively to optimise the current cash flows from operating activities and the return from these activities.

about 30% of the soft drinks market. Developments in sales of soft drinks are also driven by continued product development within this segment with new variants such as energy and sports drinks, ice tea and fruit juices advancing in the market.

MAINTAIN SOLID POSITION IN RETAIL SECTOR

Harboe's products are primarily sold to the retail sector and have historically focused on the private-label segment. Private-label products are products which are marketed under individual brands tailored to the individual supermarket chains.

To ensure the continued creation of value, Harboe continues to focus on maintaining a high volume of the company's core products and on protecting its well-established position for these products in the existing main markets. Harboe will drive developments in these main markets and provide customers with a high level of quality, reliable deliveries and an attractive product programme in tune with the times.

DEVELOPING PRODUCT RANGE

Harboe's continued growth must also be created through the further development of the group's specialty products within less price-sensitive product segments, underpinned by the acquisition of GourmetBryggeriet. The large retail chains usually welcome new products from Harboe, and the marketing of the specialty products adds value to Harboe's product programme as a whole, contributing to further cementing relations with core customers. The continued marketing of these products will be a strategic focus area in the coming years, and Harboe's juice and cider products are also key products in this context.

Moreover, Harboe focuses on the continued expansion and strengthening of its position through the use of new sales channels, for example the cafe and

restaurant trade, canteen/catering services and the convenience segment, which comprises kiosks, petrol stations etc. Harboe has in recent years intensified the marketing of its products to these channels, and this will remain an area for development. Furthermore, Harboe is focusing on the continued cultivation of selected and particularly interesting export markets which hold considerable potential within both beer and non-alcoholic malt beverages as well as energy and soft drinks.

PRODUCT DEVELOPMENT WITH GROWTH POTENTIAL

Harboe's continued growth must also be created through targeted product development within the categories and segments which are seeing a growth in demand.

In recent years, Harboe has invested considerable resources in development activities, especially within malt extract. This has, among other things, resulted in the development of a clear malt extract which has a wide range of applications within the drinks segment. Production of the clear malt extract is based on a patented production method. The unique product can both be used in the further development of Harboe's own products and also be marketed as a highly processed raw material to other drinks producers. From the outset, the product has attracted considerable interest among collaboration partners in the drinks industry. It has been included in test productions with several of these partners, and the first major supply contracts have been concluded with interesting customers in, for example, the Middle East, the USA and South America. The continued marketing of malt extract vis-à-vis an extremely attractive segment of customers in the drinks industry will be a central element in the strategic development in the coming years.

Also, the clear malt extract can be used to develop new variants of non-alcoholic malt beverages, which are already being marketed by Harboe in a growing number of export markets. The market for non-alcoholic malt beverages is a particularly interesting segment, especially in the Middle East and Africa where it constitutes a large and fast-growing category. Harboe expects to take an active part in the further development of this segment.

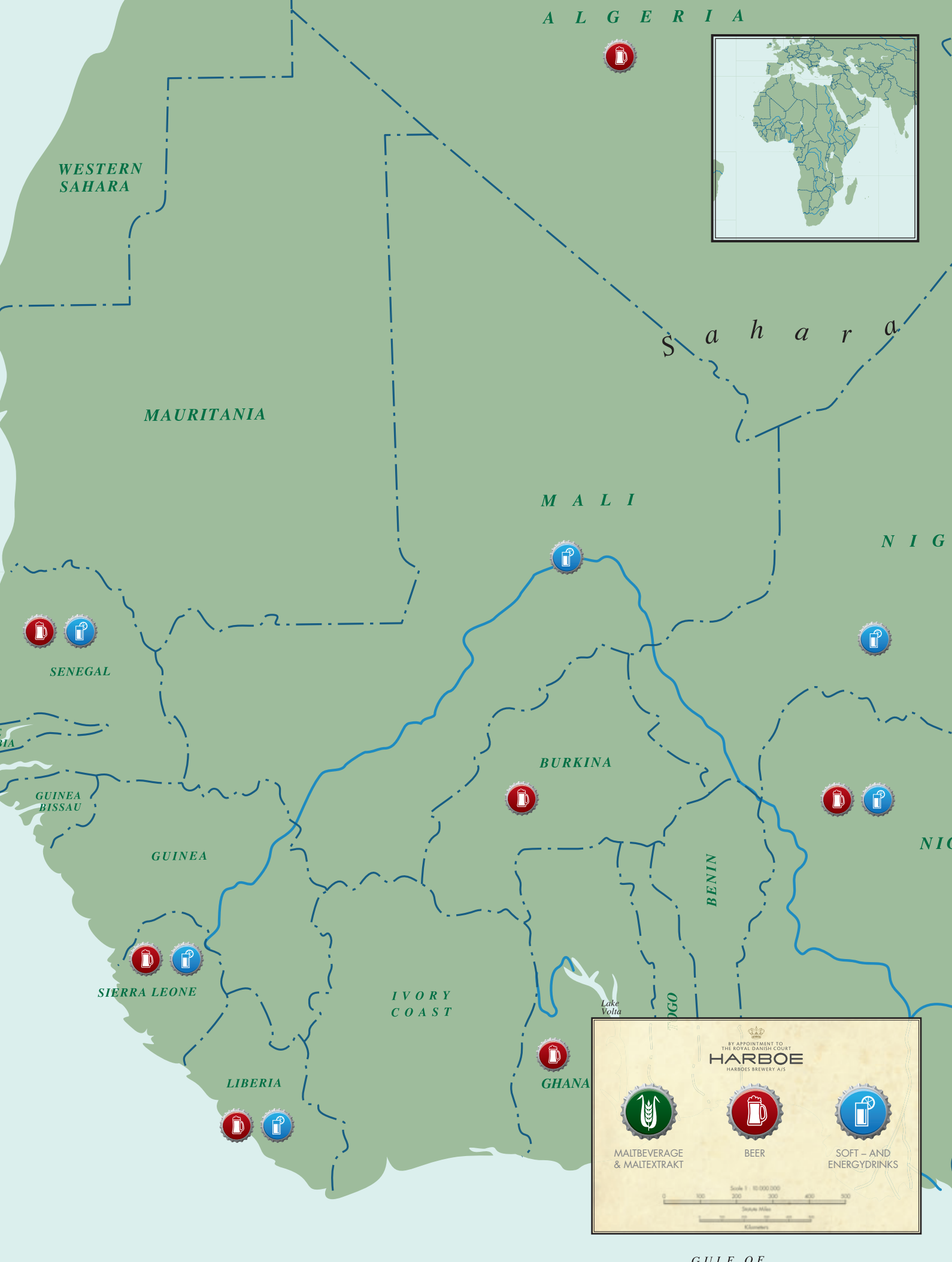
INVESTING IN LONG-TERM VALUE CREATION

In the coming years, Harboe will maintain its intensive focus on innovation and to a very large extent target future investments at further strengthening activities within packaging and product development.

Efficient and flexible production facilities capable of supplying a high and reliable level of quality and volume are a prerequisite for maintaining the group's market position within the core area, while at the same time realising an ambitious product development strategy. Consequently, the investments in new production capacity and technology seen in recent years will continue, although with primary focus on ongoing maintenance and optimisations of efficiency.

POSITIVE CONTRIBUTION FROM FOODSTUFF SECTOR

The strategic aim of Harboe's foodstuff company, Harboefarm A/S, is to



ALGERIA

WESTERN SAHARA

MAURITANIA

MALI

S a h a r a

NIGERIA

SENEGAL

GUINEA BISSAU

GUINEA

SIERRA LEONE

LIBERIA

IVORY COAST

GHANA

BURKINA

BENIN

NIGERIA

Lake Volta

BY APPOINTMENT TO THE ROYAL DANISH COURT

HARBOE
HARBØES BREWERY A/S

- MALTBEVERAGE & MALT-EXTRAKT
- BEER
- SOFT- AND ENERGYDRINKS

Scale 1: 10 000 000

0 100 200 300 400 500
Statute Miles
0 100 200 300 400 500
Kilometers

GULF OF

maintain the company's high quality and food safety standards and to ensure that the company makes a positive contribution to the group's earnings.

FINANCIAL OBJECTIVES OF THE GROUP

Harboe expects the group's core areas of activity to remain characterised by intense competition, and although prices of Harboe's key raw materials have normalised in the current financial year, the competitive situation will make it difficult to permanently increase earnings margins within Harboe's traditional business. However, expectations are that the continued launch of new products will contribute to a further strengthening and anchoring of

The international markets are holding interesting growth potential which we are in the process of cultivating. Sales of, e.g., non-alcoholic malt beverages in the Middle East and Africa are growing rapidly.

Harboe's customer relations within its core business, while at the same time contributing positively to Harboe's continued growth and value creation.

Harboe's objective is to create annual growth in revenue of 5% and to ensure a long-term profit margin of more than 6-8% through the continued development of the group's production facilities, products and packaging. This is also to contribute to maintaining a return on the invested capital of an attractive 8-10%.

The group's objectives as regards its capital structure have been determined based on a desire to maintain a high level of financial resources at all times. This will enable the investments in continued organic growth and value creation which are necessary for the group to be at the forefront of market trends and customer requirements.

Furthermore, the group aims for its financial resources to be made up of its own funds and for them to be flexible enough to allow for growth through acquisitions or participation in large partnerships. In step with the increased creation of value, the group aims to repay its debt, while at the same time ensuring an attractive return for shareholders through the distribution of dividend or share buy-back programmes.

Our core customers put great emphasis on price and reliable deliveries, however, the products should also add value to the supermarkets. We ensure this through high quality and an attractive range of specialty products.

CUSTOMERS AND MARKET DEVELOPMENT

Harboe mainly sells its products in selected main markets in Northern Europe, including Denmark, Norway, Sweden, the Baltic countries and Germany as well as the Danish-German border area, which constitutes a special

segment. In recent years, Harboe has also increased its focus on the export of a number of specialty products to more than 50 selected markets in the rest of Europe, the Middle East, Africa, Asia and the USA.

FOCUS ON THE RETAIL SECTOR

In the main markets, Harboe primarily sells its products to the retail sector, which has seen ongoing consolidation in recent years, especially among the discount chains. Ongoing consolidation has also taken place among Harboe's competitors, which has further increased competition in these markets.

Harboe's core products are primarily aimed at the private-label segment, which is mainly marketed by the discount chains. In most of Europe, this segment is increasing its relative share of the traditional beer and soft drinks market in relation to the more expensive branded products in the same categories. The products in the private-label segment are marketed at discount prices, and competition is fierce in all markets. Competitors are both local and regional players, and the private-label segment is regularly also challenged by branded products which are periodically marketed at discount prices.

NEW PRODUCT CATEGORIES

In the past year, the markets for the most highly priced specialty products have been impacted by the economic downturn, with Harboe's markets generally seeing a decline in demand. This applies, for example, to Harboe's juice and cider products. However, the speciality products continue to play an important role in the marketing of the product portfolio as a whole, both adding value to the core products and opening doors to new customer segments in the market.

Spurred by the malt extract development activities, Harboe has also been working in a targeted fashion to position itself within an entirely new and attractive segment of customers in the drinks industry. This has provided access to new and interesting markets, also outside the geographical focus area of the core business.

DENMARK

In Denmark, total beer sales have been falling in the past ten years, and the market saw a further decline in the past financial year. Sales of soft drinks have also fallen in the past year, although not as markedly as beer sales. Competitors in the Danish market are primarily other Danish breweries. Despite intensive competition, Harboe succeeded in developing relations with core customers and was thereby able to expand its market position despite the phasing-out of unprofitable contracts.

With Harboe's acquisition of GourmetBryggeriet A/S in June last year, access has been created to a number of customers within the cafe and restaurant segment, which is expected to see positive development in future.

GERMANY

A downward trend in total beer sales has also been evident in the German market in recent years. Sales of soft drinks have also been declining. Compe-

tion is fierce and is characterised by both local and international players.

The retail sector in Germany has been characterised by consolidations in recent years, and this trend continued in 2009/10. This is particularly evident within the discount segment, which is seeing continued growth. At the same time, private-label products are accounting for an increasing share of the market. This has created new opportunities for Harboe, and the group succeeded in further expanding its position in the German market in the course of the year.

SWEDEN

As is the case in the other markets, sales of beer and soft drinks are declining in Sweden, and the relative consumption of beer per capita is already somewhat lower in the Swedish market than in Harboe's other main markets. Competition is primarily local, and Harboe has continued its targeted efforts to develop its product portfolio within both the beer and soft drinks segments. Based on strengthened sales efforts, Harboe has therefore seen a positive development in the Swedish market.

BALTIC COUNTRIES

The Baltic market has been particularly hard hit by the economic recession, and this has impacted sales of both beer and soft drinks, which fell further in the past year.

However, Harboe continued to focus on developing its product portfolio within both the beer and soft drinks segment. Combined with increased marketing of the PULS brand, this led to a satisfactory development in an otherwise difficult market.

On 1 January 2011, the local currency in Estonia will be replaced by the euro, which is expected to contribute positively to economic developments.

EXPORTS

Harboe exports a wide range of beers, energy drinks and soft drinks as well as non-alcoholic malt beverages to more than 50 markets the world over. The products are sold through local distributors and international trade partners, with which long-term contracts are concluded.

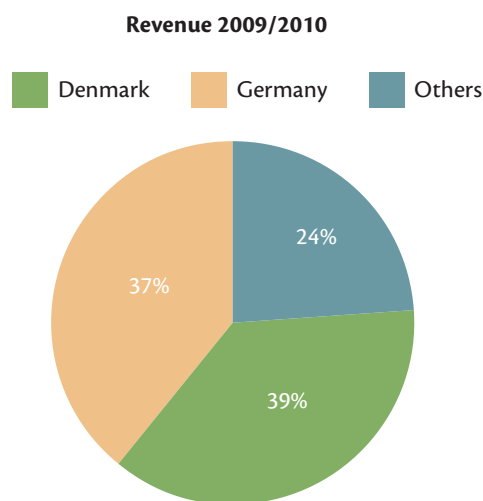
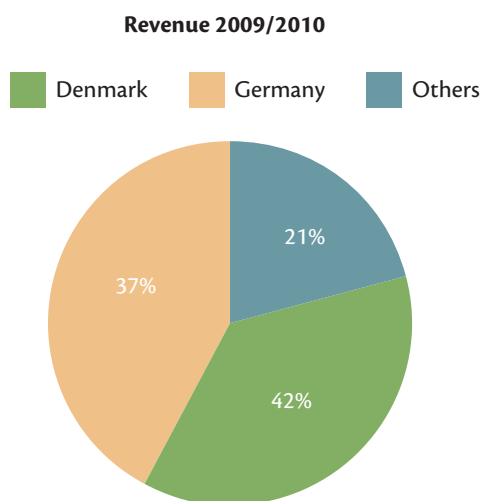
The products are to a considerable extent marketed under Harboe's own brands and are aimed at price segments that are higher than the discount segments in the group's main markets. The products are sold in retail shops and in the restaurant sector where Danish-produced beer enjoys a special position in several markets.

The demand for Harboe's products is showing a positive development, and Harboe has identified a continued attractive potential for both existing and new markets. Especially the market for non-alcoholic malt beverages holds considerable growth potential, and Harboe is working in a targeted way to gain a strong foothold in, for example, the Middle East and Africa where these products constitute a very large and continuously growing category.

Considerable focus has been devoted to the export markets in the past year, and following an expansion of the sales organisation, sales have developed positively.

The export markets within drinks still account for a small part of the group's total revenue, but Harboe expects them to contribute increasingly to the group's growth, for which reason this will remain a strategic focus area for Harboe in the coming years.

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





BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



HYPER MALT

Malt drink. A classic non-alcoholic product which is sold among others in the UK, the Caribbean and on the African continent.

INNOVATION AND PRODUCT DEVELOPMENT

For several years, innovation has been the driving force behind Harboe's growth, both in the form of investments in new production technologies and through ongoing dynamic development of new products and packaging. In the past year, Harboe has also invested in innovation which strengthens the company's ability to accommodate the continued growth and, at the same time, challenge new market segments with innovative products.

Our malt extract is a unique and a very competitive product which simplifies the drinks producers' own processes and ensures a stable and natural end product. This product has global market potential.

NEW RESULTS WITH MALT EXTRACT

The innovation activities undertaken in 2009/10 were also largely concentrated on malt extract, which represents a highly interesting business area.

Harboe has been producing malt extract for the production of malt beverages for several years, and the company has also sold malt extract to selected production industries, including, in particular, bakeries and other food manufacturers. However, in recent years, Harboe has worked intensively to further develop the production processes with a view to producing malt extract with new and interesting uses.

Additional resources have been devoted to the development activities undertaken in the past year, which involved collaboration with groups of researchers from both Denmark and abroad. This work has now resulted in a new and unique product – a clear malt extract – that can be used as a stable ingredient in the production of several beverages. Harboe has patented the production method.

INTERESTING MARKET OPPORTUNITIES

Malt extract has a number of natural and positive properties which makes it suitable for use as a basic component of beverages, including non-alcoholic malt beverages. The latter is a very large and ever-growing category, especially in the Middle East, where the market comprises both children and adult consumers. At the same time, the growing awareness of lifestyle problems and health in general has increased the demand for products made using natural ingredients and flavourings.

Following test production with a number of potential customers within the drinks industry, the first major supply contracts have been concluded with interesting customers in the Middle East, the USA and South America.

Deliveries started in the last months of FY 2009/10 – and are continuing this year.

The malt extract development activities are continuing, and these activities are expected to make a substantial contribution to the group's results in the coming years.

PRODUCTION AND CAPACITY

In 2009/10, the three breweries in Denmark, Germany and Estonia invested DKK 162 million, among other things in the further expansion of the production facilities.

In 2008/09, Harboe invested DKK 50 million in a new evaporation plant for the production of malt extract. Within this area, an additional DKK 25 million has been invested, among other things in aseptic production facilities. These investments are providing Harboe with a solid foundation and the necessary capacity to meet the expected considerable demand for the new products. The new production facilities have been reviewed and quality-approved by those customers in the drinks industry with whom Harboe has concluded the first supply contracts. At the same time, the expansion has made it possible for Harboe to cultivate new customer segments within the food industry.

Moreover, Harboe has invested in a new bottling column at the factory in Germany, which replaces the old equipment and dramatically increases capacity. The new plant also ensures more energy-efficient and flexible production, which also comprises a number of new and attractive types of packaging. The new production plant has created a basis for attracting new customers and accessing new segments.

In addition to investing in new production facilities, the group's units have made a number of further investments aimed at improving efficiency and environmental profiles. In 2008, Harboe invested in a CO₂ capture system at the German production unit with extremely good results. The payback time of the investment has thus been a mere 18 months, and, this year, the group has made a similar investment at the production unit in Skælskør. Moreover, the same facility has initiated a major expansion of its own waste-water treatment plant, both to ensure more effective environmental protection and to cater for the increasing production volumes expected in the coming years.

After several years of large investments we today have ultramodern and efficient production facilities, which constitute a decisive competitive parameter in the battle for customer loyalty.

In the past five years, Harboe has invested DKK 618 million in the expansion and strengthening of the brewery sector's production facilities. The investments have proved decisive in the competition for large-volume contracts in the group's main markets, and they are creating a very solid foundation for realising the group's strategy and for further value creation in both the core business and within new product categories.

Harboe will also in future assess the need for further investments in efficiency and capacity.

EMPLOYEES

For four generations and more than 125 years, Harboe has based its business on fundamental values such as accountability, cooperation, quality and performance. These values form the basis of Harboe's management philosophy and are, at the same time, the cornerstones of the corporate culture which the group's 543 executives and employees leave their mark on every day. As Harboe has continued its expansion, it has been an important strategic priority to maintain and pursue these values across national borders and organisational units.

Our development and success are driven by our talented and committed employees. We are proud of our employees and we are constantly working on making Harboe a developing and attractive work place.

Harboe's organisational strategy is based on the group's focus on ensuring a large, safe and increasingly efficient production of quality products combined with dynamic innovation that enables Harboe to create new growth and attractive value. It is therefore vital that Harboe is able to recruit managers and employees with the right qualifications for production units as well as development functions, sales and marketing etc. Harboe seeks to ensure competitive salary and employment conditions as well as ongoing training and continued improvement of employee skills. The objective is also to retain talented employees and ensure a high degree of employee satisfaction.

RECRUITMENT OF COMPETENCIES

Recruitment of staff for management and development functions is a special focus area, and during the year Harboe brought in fresh talent to strengthen these areas. Staff has also been recruited for other parts of the organisation on an ongoing basis. The organisation has been strengthened by additional key competencies and resources.

In recent years, highly qualified staff has been recruited for key operating functions in the group's new production facilities. This proved to be a success, for example in connection with the installation and validation of new facilities where operations managers and team leaders have contributed actively, thereby gaining deep insight into technology and functionality, which ensures a subsequent high level of operating reliability.

All new employees undergo introduction programmes focusing on production and safety, among other things, and the new employees have settled in well in the organisation.

FOCUS ON TRAINING

Harboe's organisation is based on each employee assuming responsibility and having an active attitude to how this responsibility is best fulfilled – individually or with others. Recent years' streamlining and technological developments in production place increasing demands on each employee's

competencies and ability to handle quality assurance and problem solving. Harboe is therefore committed to ongoing employee development and training at all levels of the organisation.

Strategic focus remains on the continuous development of employees and building of competencies, and again this year, Harboe conducted a management seminar and management courses for the group's key managers. Work has also gone into the continued roll-out and implementation of the group strategy in the individual units and the sales organisation as a whole. To ensure the presence of qualified managers and specialists in the organisation also in the long term, Harboe conducted trainee programmes in Germany and Estonia where future managers are trained to fulfil a number of specialist functions in the organisation. The programme is a success, and new managers have completed the programme this year, too.

In recent year, Harboe has also organised team leader training for production unit employees. The purpose has been to ensure efficient and close follow-up on the quality and efficiency of individual production processes, and the results have been extremely positive. At the same time, the increased delegation of managerial responsibilities has boosted motivation and commitment within the organisation. In addition to the strategic projects implemented, managers and employees from across the organisation have participated in both internal and external training programmes.

EMPLOYEE SATISFACTION AND OCCUPATIONAL HEALTH AND SAFETY

As part of the competency development of each employee, Harboe conducts annual performance interviews which follow up on goals and results, and performance plans are defined for the coming year. The performance interviews also provide an opportunity to follow up on employee satisfaction, which is largely supported by a strong corporate culture. In this connection, Harboe is pleased that its staff turnover is low and that seniority for both production workers and specialists is at a level which ensures continuity and maintains the valuable knowledge gathered in the company. At the same time it is extremely satisfactory that the number of employees with very few or no days off sick is extremely high.

At the beginning of 2010, a formal review and assessment of the psychological working environment at Harboe's production unit in Skælskør was carried out. The review did not give rise to any qualifications, and in the past year, preparations have started with a view to having the company certified in accordance with international occupational health and safety standards. The work will continue in the coming financial year under the guidance of external consultants. However, it should be noted that the number of accidents at work is already extremely low.

CORPORATE RESPONSIBILITY

It is a central element in Harboe's strategy that the group's continued growth and development should be sustainable. The efficient utilisation of resources is of decisive importance to the group's financial results and

continued value creation. At the same time, being conscious of its responsibilities as an integrated part of society is a key element in Harboe's values.

As a member of the Danish Brewers' Association (Bryggeriforeningen), Harboe participates in the continuous reporting within the industry's focus areas and in the ongoing development of industry standards for corporate social responsibility.

Harboe aims to continuously optimise results within the group's focus areas, and Harboe is working to implement a reporting system designed to ensure more systematic monitoring and target follow-up on selected indicators across the group's units. Harboe will thus start reporting within this area in connection with the group's interim report for the first half of 2010/11 at the latest.

ENVIRONMENT AND RESOURCES

Sustainable development plays a central role in Harboe's development activities, and all investments in new production technology, optimisations of existing production facilities and all product and packaging development take account of the resources involved and the general impact of activities on the environment. Moreover, Harboe is constantly investing in training and development activities to ensure that the group's employees are optimally geared to carrying out their duties in a safe and efficient manner.

It is Harboe's ambition to ensure the continued reduction in resources consumed and in environmental impact relative to the total production volume. At the same time, the aim is for the number of accidents at work and absence due to illness to be maintained at the current very low level.

For a number of years, Harboe has prepared green accounts for the group's factory in Skælskør. As part of this project, Harboe has, in the course of the year, continued its preparations aimed at ensuring that the group's units can – in addition to the existing quality and environmental certifications – be certified in accordance with international occupational health and safety standards.

Harboe is pleased to see that continuous investments in increased efficiency and optimisation of the group's production facilities are having a positive effect on both resource consumption and emissions relative to the concurrent development in production volume.

In Skælskør, Harboe's focus on energy utilisation has resulted in continuous optimisations. The establishment of the new evaporation plant for the production of malt extract is an example of how efficiency and environmental optimisation can be equal factors in the group's investment strategy. The efficient use of energy has led to an energy subsidy from DONG Energy of DKK 2.0 million in the past financial year.

In the course of the year, Harboe also invested in a CO₂ capture system as well as the expansion and optimisation of the brewery's waste-water

treatment plant, which is expected to be completed in summer 2010. In addition to an optimisation of waste-water quality, the expansion also ensures a marked increase in capacity which will make it possible to accommodate the expected growth in production volume in the coming years.

The group's German production unit has also implemented capacity increases, including the installation of a new bottle column, which also ensures a marked increase in energy efficiency.

All in all, Harboe invested approx. DKK 166 million in 2009/10 in the further development and optimisation of the group's production facilities. Investment grants received for the financial year totalled DKK 40.0 million.

Harboe will also in future analyse the scope for optimising the group's use and utilisation of resources throughout the production-related value chain. Priority will also be given to these strategic activities in the group's investment plans for the coming year. As part of this work, a number of energy ambassadors have been appointed, initially at the group's production unit in Skælskør. The ambassadors are charged with assessing how environmental concerns can be incorporated into the ongoing operations and maintenance, while at the same time collecting and driving ideas in the organisation with a view to further optimising processes and energy consumption.

RESPONSIBLE OPERATIONS

Harboe's strategic focus on sustainability is also reflected in its fundamental business ethics and the principles according to which Harboe operates.

Harboe believes that it is important for the group's staff and employment policy to reflect this through terms of employment which are in compliance with collective agreements and which mirror good practice and international standards. Furthermore, the company is committed to the health and safety of its employees by offering training and staff benefits, including attractive canteen arrangements etc.

In relationships with suppliers and other collaboration partners, Harboe attaches importance to agreements and contracts being prepared in accordance with international standards and that the ongoing dialogue is based on mutual professionalism, openness and respect. Harboe has formulated a number of standard requirements which form part of negotiations and agreements with subsuppliers.

Harboe also seeks to assume an active role in the communities in which the group operates, and Harboe regularly participates in activities benefiting economic and social growth, locally as well as internationally. In the past year, Harboe has thus been actively involved in, for example, research projects and a number of different sponsorships. In the past year, the group's 'Icebeer Climate Fund', the purpose of which is to fund research and initiatives for the benefit of the climate, supported a climate project for children in Greenland with a view to attracting more attention to global warming.



BY APPOINTMENT TO THE ROYAL SPANISH COURT
HARBOE
HARBOES BREWERY A/S

MALTBEVERAGE & MALTTEXTRAKT

BEER

SOFT - AND ENERGYDRINKS

Scale 1 : 10 000 000
0 100 200 300 400
Statute Miles
0 100 200 300 400
Kilometers

WORKING FOR CONSUMERS

As a drinks producer, Harboe attaches considerable importance to maintaining a high level of quality assurance throughout production. All the group's production units are certified in accordance with international quality standards, and systematic follow-up and internal control are carried out.

Harboe's products are first and foremost marketed via the retail sector to

consumers in Europe and in the group's export markets. Harboe supports the industry's standards for the responsible marketing of alcohol and the information activities carried out under the auspices of the Danish Brewers' Association.

Also, in its product development activities, Harboe is seeking to take account of nutritional concerns, for example by offering light alternatives to most of the group's beer and soft drink products.

BREWERY SECTOR

Brewery sector – key figures⁵:

	2009/10 DKKkm	2008/09 DKKkm	2007/08 DKKkm	2006/07 DKKkm	2005/06 DKKkm
VOLUME (MILLION HECTOLITRES)					
Beer, soft drinks and malt wort products	5.68	5.72	5.30	5.70	5.31
EARNINGS					
Gross revenue	1,563.0	1,581.3	1,373.8	1,455.8	1,432.9
Taxes on beer and soft drinks	(279.3)	(261.8)	(236.5)	(266.6)	(272.2)
Revenue	1,283.6	1,319.5	1,137.3	1,189.2	1,160.7
Operating profit/(loss) (EBIT)	58.3	36.1	20.5	88.5	93.2
Profit/(loss) before tax	56.8	30.4	15.9	86.6	91.1
Tax on profit/(loss) for the year	(13.9)	(8.7)	4.8	(29.3)	(27.0)
Net profit/(loss) for the year	42.9	21.7	20.7	57.3	64.2
BALANCE SHEET					
Total assets	1,515.0	1,472.3	1,062.6	1,052.5	997.8
Equity	613.8	547.5	584.5	572.8	563.6
Non-current liabilities	388.4	422.1	102.9	112.5	117.6
Current liabilities	512.8	502.7	375.2	367.2	316.5
INVESTMENTS ETC.					
Investments in intangible assets ⁶	8.2	3.0	6.1	0	0
Investments in property, plant and equipment ⁷	157.8	115.9	175.7	72.6	96.3
Depreciation and amortisation	114.9	110.1	97.7	90.7	86.9
CASH FLOWS					
Cash flows from operating activities	80.0	126.4	66.0	66.5	110.8
Cash flows from investing activities	(141.2)	(442.6)	(92.3)	(110.8)	(120.8)
Cash flows from financing activities	29.0	(265.1)	(4.0)	(39.1)	(11.6)
Changes in cash and cash equivalents	(32.2)	(51.0)	(30.3)	(83.4)	(21.5)
RATIOS IN %					
Profit margin	4.5	2.7	1.8	7.4	8.0
Solvency ratio	40.5	37.2	55.0	54.4	56.5
EBITDA margin	13.5	11.1	10.4	15.1	15.5
Current ratio	85.8	91.1	93.6	85.7	106.0
Return on invested capital	9.2	6.5	2.3	10.3	10.8
EMPLOYEES					
Number of employees	514	492	457	467	504

⁵ The financial highlights have been prepared in accordance with IFRS, cf. the description in note 1.

⁶ Excluding plant under construction

⁷ Excluding spare parts and plant under construction

BREWERY SECTOR

Total sales of beer and soft drinks, including malt beverages and malt wort products, totalled 5.68 million hectolitres in FY 2009/10 against 5.72 million hectolitres last year, representing a slight fall of 0.7%.

The fall in sales is attributable to the strategically motivated weeding-out of unprofitable customers in Q4 2008/09. Adjusted for the effect of this, sales have increased throughout the year. The above also affected revenue, which fell by 2.7% to DKK 1,283.6 million.

The general economic recession in the group's main markets has influenced consumption, and these main markets are seeing a decline within both beer and soft drinks. Especially the demand for the more highly priced speciality products has been under pressure.

However, Harboe continuously seeks to adapt prices and product mix to developments in the market and has managed to conclude new major agreements with key customers, both retail customers and within new segments.

Sales thus developed satisfactorily, and Harboe managed to maintain its market position in a declining and highly competitive market.

The strategic focus area within malt extract also developed positively in the period.

The development activities were intensified, and the organisation was strengthened by additional key competencies and resources. During the year, Harboe conducted a series of successful test productions at new customers within the drinks industry in both established and new markets.

Further to this, several new agreements on major deliveries of malt extract were concluded. These deliveries were initiated in 2010 and will be executed successively in the coming financial year.

Strategic focus has been given to the work initiated to expand the market for malt extract and non-alcoholic malt beverages. Based on the additional investments made within the area, malt extract sales to both the traditional food industry and the drinks industry are expected to contribute highly positively to continued growth.

The product and packaging development within both the beer and soft drink segment has been appreciated and welcomed by our customers and collaboration partners in all relevant markets, and the activities have helped strengthen Harboe's profile as a modern and dynamic company which is capable of supplying the whole range of conventional quality products while also ensuring innovation and the setting of new standards in new categories. Investments in new and more efficient plants combined with a number of energy-saving investments have contributed to a positive development in earnings. In total, they have contributed to a return on invested capital in the brewery sector of 9.2%, which is highly satisfactory.

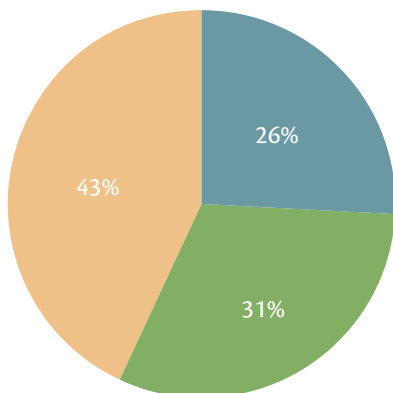
A profit before depreciation, amortisation, net financials and tax – EBITDA – of DKK 173 million was returned against DKK 146 million last year.

Profit before tax was DKK 56.8 million against DKK 30.4 million last year, up DKK 26.4 million or 86.8%.

In FY 2009/10, the brewery sector employed 514 people compared with 492 last year.

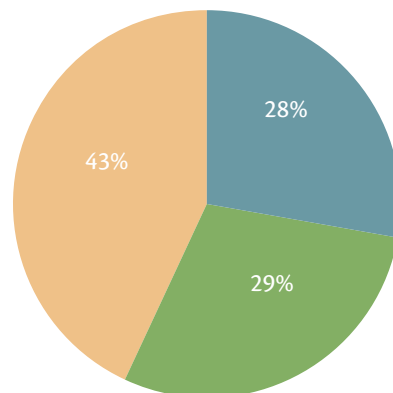
Revenue 2009/2010

■ Denmark ■ Germany ■ Others



Revenue 2009/2010

■ Denmark ■ Germany ■ Others





BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



BEAR BEER 8-10%

For many years we have build up Bear Beer as a brand and today Bear Beer is being sold in several overseas markets within the strong beer segment.

FOODSTUFF SECTOR

Foodstuff sector – key figures⁸:

	2009/10	2008/09	2007/08	2006/07	2005/06
	DKKm	DKKm	DKKm	DKKm	DKKm
EARNINGS					
Revenue	241.1	225.2	233.6	193.7	200.7
Operating profit/(loss) (EBIT)	6.1	4.8	1.0	(0.1)	5.7
Profit/(loss) before tax	1.4	4.7	0.4	(1.3)	3.3
Tax on profit/(loss) for the year	(1.2)	(0.9)	(1.0)	0.5	(1.0)
Net profit/(loss) for the year	0.2	3.9	(0.6)	(0.8)	1.3
BALANCE SHEET					
Non-current assets	94.0	96.3	109.0	113.5	126.3
Current assets	56.0	58.1	38.4	59.2	30.7
Equity	116.4	116.3	112.4	113.0	113.8
Non-current liabilities	4.7	10.8	16.4	21.8	26.9
Current liabilities	28.9	27.3	18.6	37.9	16.3
Balance sheet total	150.0	154.4	147.4	172.7	157.0
INVESTMENTS ETC.					
Investments ⁹	8.2	0.0	4.6	0.9	0.1
Depreciation and amortisation	9.7	11.4	11.3	12.3	14.5
CASH FLOWS					
Cash flows from operating activities	14.2	22.2	(9.0)	20.1	13.9
Cash flows from investing activities	(11.5)	3.6	(5.2)	(0.2)	2.4
Cash flows from financing activities	(6.2)	(5.9)	(5.6)	(5.6)	(5.5)
Changes in cash and cash equivalents	(3.5)	19.9	(19.8)	14.4	10.7
EMPLOYEES					
Number of employees	29	28	26	19	27

⁸ The financial highlights have been prepared in accordance with IFRS, cf. the description in note 1.

⁹ Excluding plant under construction

FOODSTUFF SECTOR

Harboefarm A/S continues to base its business concept on its position within the category of fresh retail products.

Revenue totalled DKK 241.1 million in 2009/10 against DKK 225.2 million the year before, up 7.1%.

Operating profit amounted to DKK 6.1 million against DKK 4.8 million last year.

Profit before tax was DKK 1.4 million in 2009/10 against DKK 4.7 million the year before.

Net profit for the year amounted to DKK 0.2 million against DKK 3.9 million last year.

During the year, Harboefarm A/S has maintained a positive development in sales to existing customers as well as the influx of new customers, also within the catering segment.

Close collaboration with customers on product development and the tailoring of products to meet customer wishes have resulted in the development of the product portfolio with new high-quality products and size variants.

In FY 2009/10, the foodstuff sector employed 29 people against 28 the year before.

In the financial year, the company made investments of DKK 8.2 million, including for production equipment and improvement of stables for letting. Furthermore, the company rebuilt its existing production facilities

in connection with the conclusion of a long-term letting agreement.

Harboefarm A/S's strategy is to ensure the continued flexibility and competitiveness required to create sales development and growth.

In the financial year, the company divested its investments in all associates.

This affected the company's results negatively by DKK 3.5 million.

SEGMENT INFORMATION PER QUARTER

	Q1 2008/09 DKK '000	Q2 2008/09 DKK '000	Q3 2008/09 DKK '000	Q4 2008/09 DKK '000	Q1 2009/10 DKK '000	Q2 2009/10 DKK '000	Q3 2009/10 DKK '000	Q4 2009/10 DKK '000
REVENUE								
Brewery sector	374,174	340,181	291,453	313,631	366,321	302,681	311,308	303,323
Foodstuff sector	57,413	68,021	48,170	51,563	47,508	58,303	65,371	69,912
GROUP	431,587	408,202	339,623	365,194	413,829	360,984	376,679	373,235
OPERATING PROFIT/(LOSS)								
Brewery sector	16,863	7,269	401	11,584	21,084	11,437	3,405	22,324
Foodstuff sector	210	571	2,361	1,645	(714)	1,064	2,275	3,965
GROUP	17,073	7,840	2,762	13,229	20,370	12,501	5,680	26,289
NET FINANCIALS								
Brewery sector	(1,016)	(1,931)	(1,479)	(1,310)	520	(1,166)	(722)	(121)
Foodstuff sector	(486)	(346)	(378)	(322)	(354)	(326)	(215)	(380)
Profit/(loss) in associates	0	0	0	1,493	0	0	0	(3,458)
GROUP	(1,502)	(2,277)	(1,857)	(139)	166	(1,493)	(937)	(4,457)
PROFIT/(LOSS) BEFORE TAX								
Brewery sector	15,847	5,338	(1,078)	10,274	21,604	10,271	2,683	22,203
Foodstuff sector	(276)	225	1,983	2,816	(1,068)	738	2,060	(371)
GROUP	15,571	5,563	905	13,090	20,536	11,009	4,743	21,832
NET PROFIT/(LOSS) FOR THE YEAR								
Brewery sector	11,601	3,762	(1,419)	7,775	16,606	7,616	1,611	17,047
Foodstuff sector	(207)	168	1,488	2,453	(701)	454	1,545	(1,149)
GROUP	11,394	3,930	69	10,228	15,905	8,070	3,156	15,898

CORPORATE GOVERNANCE

Harboe's Board of Directors places considerable emphasis on ensuring that the fundamental values which have been created and developed by the Harboe family-owned business through five generations are combined in an optimum manner with efficient and dynamic business management, the primary objective being to create value for the company's shareholders, employees and customers. The Board of Directors and the Board of Executives are working hard to ensure that the management and control

In our daily business we focus on presence and personal responsibility and we have done so for more than 125 years. Our management and reporting systems are, however, based on international standards and recommendations for corporate governance.

systems of the group are efficient and in line with relevant standards.

The major part of Harboe's management is thus carried out in accordance with the recommendations on corporate governance issued by NASDAQ OMX København A/S. Below follows an outline of Harboe's corporate governance based on the main recommendations.

ROLE OF SHAREHOLDERS AND INTERACTION WITH COMPANY MANAGEMENT

Harboe places considerable emphasis on the company's shareholders being able to monitor the company's development. The company's website provides easy access to current and detailed information about the company's strategy, business and results. Harboe's Board of Directors assesses the group's capital structure at appropriate intervals, accounting for their assessment in the strategy section of the annual report.

The company's general meeting is called subject to at least one week's notice, the notice being accompanied by the full agenda. Until further notice, the general meeting is held with physical attendance. The group's annual report is published on the Harboe website and is also available in a print version. All documents concerning the company's general meeting are available on the company website. In connection with the general meeting, Harboe draws up powers of attorney which allow the shareholders to consider each item on the agenda. The members of the Board of Directors and the Board of Executives participate in the general meeting.

Harboe has not been targeted by public takeover bids, but the Board of Directors would find it natural to allow the shareholders to assess any bid received at a general meeting.

ROLE OF STAKEHOLDERS AND IMPORTANCE TO THE COMPANY

It is an integral part of Harboe's management philosophy and fundamental values that the company has a good and constructive relationship with its

stakeholders, based on open dialogue and mutual respect. The company's primary stakeholders and the relations with them are considered at appropriate intervals by the Board of Directors. Harboe has laid down a policy for the relations with the company's investors, which is included in the shareholder information section of the annual report. In addition, Harboe is working systematically with corporate social responsibility, and developments in this area are included in the annual report. As a member of the Danish Brewers' Association, the company participates in the continuous reporting and development of industry standards for corporate social responsibility.

OPENNESS AND TRANSPARENCY

Harboe's Board of Directors has adopted a policy for the company's communication with the outside world, and the management has drawn up procedures for the publication of essential information. The company publishes all announcements in both Danish and English, and the announcements are made available on the Harboe website.

Harboe maintains an active dialogue with the share market, holding a number of meetings with potential and existing investors and analysts in the course of the year. Presentations from these meetings are made available on the company website. Harboe publishes quarterly reports.

TASKS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors of Harboe lays down the company's strategy and approves policies, systems and procedures for the group's risk management and controls. The Board of Directors follows up on strategic initiatives and the realisation of the targets set at appropriate intervals.

The capital base and liquidity of the group are considered at regular intervals by the Board of Directors with a view to ensuring the necessary level of financial resources and flexibility to be able to make long-term investments and launch business initiatives on an ongoing basis in line with the company's strategy. In addition, the Board of Directors regularly assesses the company's management competencies with a view to ensuring a strong business development – both in the short term and in the long term.

Following the annual general meeting, the Board of Directors defines its most important tasks in connection with the company's strategic management and financial controls for the coming year.

The Board of Directors of Harboe considers the company's rules of procedure once a year.

The role of the Chairman of the Board of Directors is regulated by the company's rules of procedure, and in practice the Chairman, in performing his managerial duties, emphasises the involvement of the individual members based on their experience and competencies. At present, no deputy chairman has been appointed, but the Board of Directors considers the need at appropriate intervals and in step with developments in the company's strategic challenges. The Chairman of the Board of Directors is not involved in

the day-to-day management of the company. The distribution of tasks between the Board of Directors and the Board of Executives is also laid down in the rules of procedure of the Board of Executives, which are considered annually.

COMPOSITION AND ORGANISATION OF THE BOARD OF DIRECTORS

The members of the Board of Directors and their individual competencies and other memberships of boards of executives, boards of directors, supervisory boards etc. are described in more detail in the annual report. The shareholders receive a description of the candidates standing and their competencies prior to the general meeting. In the process of identifying new candidates for the Board of Directors, emphasis is placed on adding relevant competencies within strategic management, product development and sales to the Harboe management. At the same time, the Board of Directors finds it important that the Board be composed such that its members match each other in the best possible way in terms of experience, age, gender etc. in order to ensure a competent and versatile contribution to Harboe's management.

New members are given a thorough introduction to the company's business and strategy, and the board members' needs for further professional and competency development are assessed by the Board of Directors at regular intervals.

The size of the Board of Directors is such that it can work and function efficiently.

More than half of the members of the Board of Directors elected by the general meeting are independent. According to the company's Articles of Association, there may be up to three staff representatives on the Board of Directors. The staff representatives are elected among the employees of the group's Danish entity for a term of four years at a time, and the rules governing such elections are laid down in accordance with the collaboration agreement between the Danish Confederation of Trade Unions (LO) and the Confederation of Danish Industry (Dansk Industri). The members of the Board of Directors meet for scheduled meetings and also as and when required by pressing strategic considerations or decisions demanding the involvement of the Board of Directors or the clarification of its views. In 2009/10, five board meetings and a strategy seminar were held.

The Board of Directors emphasises and assesses on an ongoing basis whether the individual members' other tasks and responsibilities prevent the members from performing their duties on the Board of Directors of Harboe in a satisfactory way. Further to this, the Board of Directors does not consider the fact that several board members hold more than the recommended number of positions outside the group to be a limiting factor. No upper age limit has been defined for members of the Board of Directors as this has not yet been a relevant issue. Members of the Board of Directors are elected for a term of four years, and at least one member is up for election every year. The Board of Directors believes that a term of ser-

vice of four years contributes positively to ensuring continuity in the company management and that the shareholders' influence on the composition of the Board of Directors is ensured by an annual election.

The Board of Directors has not set up a management committee, but assesses the need for this at regular intervals. An audit committee has been set up by the Board of Directors. The composition of the committee is described in more detail in the sections on risks and management. The Board of Directors believes that the members of the audit committee are jointly competent to perform the tasks defined for the committee.

Based on the new recommendations on corporate governance, the Board of Directors will, in the coming year, consider the need for setting up a nomination committee and a remuneration committee, respectively.

The Board of Directors has not established a formal evaluation procedure for the Board of Directors and the Board of Executives. The Chairman of the Board of Directors ensures that meetings are characterised by constructive dialogue and that individual members contribute in line with their competencies. Furthermore, the Board of Directors regularly assesses the work and results of the management in connection with the ongoing financial and business reporting.

REMUNERATION TO THE MANAGEMENT

Harboe's Board of Directors emphasises that the company should offer competitive terms of employment to the members of the Board of Executives and the rest of the management and regularly assesses elements which can help motivate and retain skilled and performance-oriented managers. The Board of Directors has, for the time being, decided not to introduce share-related incentive schemes. Instead, Harboe offers a number of special elements to key managers, such as e.g. accommodation and other staff benefits which make it attractive to be employed by Harboe, even though the company is located far away from the large urban centres. All Harboe employees are part of the company's pension scheme. The remuneration policy is described in more detail in the Chairman's report at the annual general meeting. The remuneration paid to the Board of Executives and the Board of Directors is specified in the annual report. The remuneration to the Board of Directors is based on a fixed fee and does not comprise any share options.

Being exposed to risks is part of running a company. We place great focus on identifying the risks which may affect our business, and we are constantly working to optimise monitoring and follow-up procedures throughout the group.

PRESENTATION OF THE ANNUAL REPORT

Harboe's annual report is presented in accordance with statutory requirements according to IFRS and on the assumption that the company is a going concern.

The annual report and the ongoing financial reporting also describe a number of non-financial factors, including employees, the environment and other issues influencing the company's development.

RISK MANAGEMENT AND INTERNAL CONTROLS

Harboe is constantly analysing and considering the business and financial risks affecting the company's development and results. The Board of Directors and the Board of Executives are generally responsible for the risk assessment, risk management and internal controls of the group in connection with the financial reporting. Harboe's risks and internal controls are described in more detail in the relevant section of the annual report.

The Board of Directors will consider whether a whistle-blower scheme should be established.

AUDIT

The Board of Directors and the audit committee of Harboe have an ongoing dialogue with the company auditors. Every year, the audit committee submits a proposal for an audit engagement letter and for the auditors' remuneration to the Board of Directors. The audit committee meets with the auditors in connection with the presentation of the annual report, and the auditors participate in the board meeting at which the annual report is considered. The Board of Directors of Harboe will consider the need for an internal audit.

Harboe's Board of Directors and Board of Executives monitor the company's audit activities on an ongoing basis, and the audit engagement letter is concluded with the company's Board of Directors. Every year, the Board of Directors lays down the scope of the auditors' provision of non-audit services.

HARBOE'S DEVIATIONS FROM THE RECOMMENDATIONS ON CORPORATE GOVERNANCE ISSUED BY NASDAQ OMX

RECOMMENDATIONS

It is recommended that members of the Board of Directors who, at the same time, are a manager in a company do not hold more than three non-executive directorships or one chairmanship and one non-executive directorship in a company which is not part of the group.

It is recommended that the company set an age limit for members of the Board of Directors.

It is recommended that members of the Board of Directors elected by the general meeting be up for election every year at the annual general meeting.

It is recommended that the Board of Directors set up a nomination committee.

It is recommended that the Board of Directors set up a remuneration committee.

It is recommended that the Board of Directors establish an evaluation procedure under which the contributions and results of the Board of Directors as a whole and the individual members are evaluated.

COMMENTS BY HARBOE

The Board of Directors emphasises and assesses on an ongoing basis whether the individual members perform their duties and contribute to the work of the Board of Directors in a satisfactory way. Consequently, the Board of Directors does not consider the fact that some of the board members do not meet this recommendation to be a limiting factor.

No upper age limit has been set for members of the Board of Directors as this has not yet been a relevant issue. The age of the individual members appears from the annual report.

For the time being, the term of service is four years, and, normally, one board member is up for election every year. The Board of Directors believes that this ensures the continuity of the work of the Board of Directors which Harboe finds very valuable.

In the coming year, the Board of Directors of Harboe will consider the need for setting up a nomination committee.

In the coming year, the Board of Directors of Harboe will consider the need for setting up a remuneration committee.

The Board of Directors has not established a formal evaluation procedure, but the Chairman of the Board of Directors ensures that meetings are characterised by constructive dialogue and that individual members contribute in line with their competencies. Furthermore, the Board of Directors regularly assesses the work and results of the management in connection with the ongoing financial and business reporting.



Mongolia

Manchuria

N. KOREA

Sea of Japan

Yellow Sea

S. KOREA

JAPAN

East China Sea

C H I N A

Taiwan

BURMA

LAOS

THAILAND

CAMBODIA

VIETNAM

Gulf of Thailand

South China

Sea

BY APPOINTMENT TO THE ROYAL DANISH COURT
HARBOE
HARBOE BREWERY A/S

MALTBEVERAGE & MALTEXTRAKT BEER SOFT - AND ENERGYDRINKS

Scale 1: 10.000.000
0 100 200 300 400 500
Nautical Miles
0 100 200 300 400 500
Kilometers

RISKS, FINANCIAL REPORTING AND CONTROLS

Harboe is constantly analysing and considering the business and financial risks affecting the company's development and results. The Board of Directors and the Board of Executives are generally responsible for the risk assessment, risk management and internal controls of the group in connection with the financial reporting. The Board of Directors of Harboe has set up an audit committee consisting of the externally elected, independent members of the Board of Directors. The audit committee is responsible for laying down policies and procedures and for the continuous monitoring of the internal control systems. The annual tasks and areas of responsibility of the committee have been defined in close collaboration with the company's external auditors. Prior to the adoption of the annual report, the committee considers the reporting with the company's external auditors and subsequently reports to the Board of Directors on accounting policies, significant accounting estimates, transactions with related parties, uncertainties and risks. During the past financial year, the committee has also laid down updated policies for, among other things, IT security in connection with both the administrative processes and the total production processes at the group's production units.

The framework for the ongoing risk assessment is laid down by the Board of Directors. A standardised programme with minimum requirements for documentation and follow-up has been established with a view to reducing recorded reporting risks. Reporting and follow-up for the individual units form part of the reporting to the Board of Directors. The ongoing monitoring and controls are carried out both in the individual units of specialised control functions and at group level.

IMPORTANT BUSINESS RISKS

Below follows an outline of the most important risks to which Harboe is exposed in its business activities. The list is not exhaustive, nor are the risks listed in any order of priority:

PRODUCTION AND QUALITY

Harboe's production of beverages is exposed to a risk of errors or accidents happening which may affect the quality of the end product. This can result in losses because products must be rejected or recalled from the market, which, in the long term, may undermine consumer confidence in the group's products. To minimise the risk of this happening, Harboe is very focused on the quality assurance of its production processes. Consequently, all the group's production facilities are certified in accordance with international quality standards and apply established operating and maintenance procedures. At the same time, Harboe invests in quality improvements and optimisation of its production facilities on an ongoing basis with a view to complying with new requirements and living up to expectations for quality and hygiene at all times.

SUPPLIERS

It is decisive that the quality of the raw materials which Harboe uses for its products meets the highest standards for food safety. At the same time,

Harboe is dependent on the raw materials being delivered on time and in the agreed quantities. The majority of Harboe's sub-suppliers are based in the EU. The collaboration with suppliers is often based on long-term relations and agreements which are adjusted and renegotiated for one to two years at a time. Harboe evaluates the quality and reliability of deliveries of its suppliers at regular intervals, and, for all primary raw materials, Harboe has two suppliers to ensure the highest possible reliability of delivery.

COMPETITION, PRICES AND TAXES

In all the group's main markets, the beer and soft drinks segments are characterised by intense 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 production costs cannot simply be added to the sales prices. This is true, in particular, of the group's core products. To counter such fluctuations as much as possible, Harboe is systematically seeking to conclude long-term contracts with sub-suppliers and regularly analyses the scope for additional streamlining of production. Moreover, Harboe focuses on developing new products and on strengthening sales of a number of specialty products which offer high earnings margins and less sensitivity.

Harboe's beer and soft drinks are, to a different extent, subject to sales taxes in the group's markets, and marked changes in these taxes may affect Harboe's earnings and, ultimately, the sales of the group's products. Consequently, it is assessed regularly how the brewery sector can counter this risk in the best possible way through diversification of the group's product strategy and development activities.

SEASON AND CAPACITY

Sales of beer and soft drinks are characterised by seasonal and weather-dependent fluctuations. The summer is normally the high season when demand is very high, but a cold and wet summer can change this picture considerably and thus affect the group's operating profit. Fluctuations in demand require flexible capacity utilisation. The group is constantly seeking to optimise this through additional streamlining and investments in expanding capacity.

CUSTOMERS AND AGREEMENTS

Harboe's sales are to a large extent effected through agreements with major retail-sector customers. Harboe's revenue is thus dependent on these agreements being renewed, and the company is therefore focusing on cultivating and further developing its collaboration with customers and on ensuring that product offerings, prices and capacity are in line with customer demand and expectations at all times, based on fundamental principles of competition.

PRODUCT DEVELOPMENT AND SALES

The successful introduction of new products is an important precondition for Harboe's continued growth. It is therefore decisive that the market comes to accept the new products and that the products meet or can help drive

demand in the markets. Harboe's product development strategy is therefore based on a close and ongoing dialogue with customers, detailed market analyses combined with the targeted exploitation of new production technologies and innovative product design. The marketing of Harboe's products will increasingly be backed by the company's own sales-promoting activities aimed at consumers.

FINANCIAL RISKS

Harboe's solid capital structure limits the risk associated with the developments in market interest rates. At the end of the financial year, the company's net interest-bearing debt amounted to DKK 152.3 million.

As Harboe's sales and purchases in foreign currencies are primarily denominated in EUR, currency risks for the group are considered limited. Harboe will in future assess the need for currency hedging in step with the development in the group's activities.

The financial risks to which Harboe is exposed are described in more detail in the notes to the consolidated financial statements, which also include sensitivity analyses in connection with such financial risks.

SHAREHOLDER INFORMATION

Harboes Bryggeri A/S has a share capital of DKK 60,000,000, corresponding to 6,000,000 shares of DKK 10 each. The share capital is divided into 640,000 Class

A shares with a combined nominal value of DKK 6,400,000 and 5,360,000 Class B shares with a combined nominal value of DKK 53,600,000.

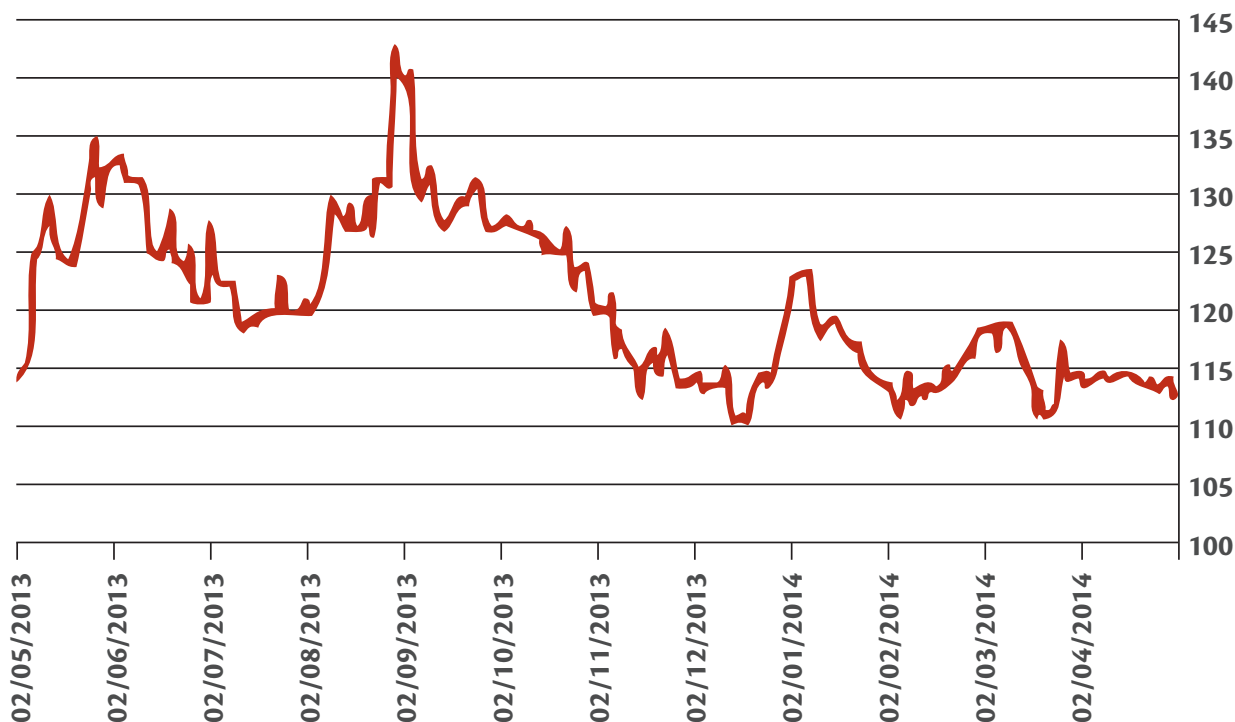
In connection with votes at the company's general meetings, each Class A share of DKK 10 carries ten votes, while each Class B share of DKK 10 carries one vote.

Only the company's Class B shares are listed on the NASDAQ OMX Copen-

We want Harboe's market value to reflect the company's real values and potential. Therefore we want to become even better at visualising our value creation through clear and effective communication.

hagen SmallCap segment. Trading for the period totalled DKK 225 million, corresponding to an average trading per day of DKK 0.85 million.

In the course of the year, the Harboe share was traded at a maximum price of 142 and a minimum price of 106.5. This development must be seen in the context of the general development in both the MidCap and the SmallCap indices and in Harboe's Danish peer group, which has also seen increasing pressure on the price of their shares, in line with general market trends.



OWNERSHIP

In FY 2009/10, Harboes Bryggeri A/S got 1,267 new shareholders, including former shareholders in GourmetBryggeriet A/S, who, in connection with their disposal of shares in this company, chose to convert their shares into Harboe shares.

At the end of the financial year, Harboes Bryggeri A/S had 5,788 registered shareholders. The registered shareholders represent DKK 53.3 million of the total share capital, corresponding to 88.78%.

As at 30 April 2010, the following shareholders have registered a shareholding exceeding 5% of the share capital in accordance with Section 29 of the Danish Securities Trading Act (Værdipapirhandelsloven):

Kirsten and Bernhard Griese
Spegerborgvej 4, 4230 Skælskør, Denmark
Equity investment: 13.1%, voting share: 52.1%

Lønmodtagernes Dyrtidsfond
Vendersgade 28, 1363 Copenhagen K, Denmark
Equity investment: 20%, voting share: 10.2%

As at 30 April 2010, members of the Board of Directors and the Board of Executives held a total of 797,349 shares. Of these, 786,820 shares were owned by the Board of Executives.

Members of the Board of Directors and the Board of Executives and the company's executive officers are registered as insiders, and their trading in the company's shares must be reported. According to Harboe's internal rules, insiders can only trade in the company's shares for a period of six weeks after the publication of financial statements.

AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

Amendments to the company's Articles of Association are subject to the general provisions of the Danish Companies Act (Selskabsloven). At the forthcoming general meeting, a number of proposed amendments will be presented following amendments to the Danish Companies Act.

ELECTION OF MEMBERS TO THE BOARD OF DIRECTORS

The company is managed by a Board of Directors elected by the general meeting and consisting of three to six members. Members are elected for a term of four years at a time, with the earliest elected member standing down each year. Members standing down may be re-elected.

AUTHORISATIONS OF THE BOARD OF DIRECTORS

At the general meeting held on 19 August 2009, the Board of Directors was authorised to acquire treasury shares with a nominal value of up to 10% of the share capital at a price corresponding to the listed price plus/minus 10%. This authorisation is valid until the next general meeting.

IMPORTANT CONTRACTS OR CHANGES IN CONTROL

It is part of Harboe's business model and strategy that contracts with customers are, as a general rule, long-term. In certain of these contracts, it is a standard provision that the contract can be terminated at shorter notice if the control of the company should change. Moreover, agreements with banks concerning borrowing facilities typically contain provisions to the effect that the agreements can be terminated in case of a takeover of the company. However, Harboe does not view these risks as being critical.

INVESTOR RELATIONS POLICY

With its IR policy, Harboes Bryggeri A/S wants to ensure a high level of information to the shareholders and other stakeholders.

Harboe aims to communicate actively and openly with a view to providing a basis for the pricing of the company's share which best reflects the value of the company and its future earnings potential.

Harboe's IR activities are constantly being developed, and communication centres on the company's quarterly reports and the annual report in Danish and English, presentations and meetings with stakeholders as well as the company website at www.harboes.dk.

The electronic communication of Harboe's shareholder information is a new step towards quicker and more efficient communication with the shareholders which allows the company to cut costs and reduce its environmental impact.

As a result of these efficiency measures, Harboe will not send printed annual reports to all registered shareholders. However, on the InvestorPortal, which gives the shareholders quick and easy electronic access to Harboe's shareholder information, shareholders may choose to continue to receive printed versions of notices of general meetings and annual reports.

Moreover, Harboes Bryggeri A/S has held a number of meetings with investors and analysts in Denmark. The management will also in future allocate resources to such activities with a view to maintaining an active dialogue with existing and potential investors.

Harboes Bryggeri A/S does not comment on results or developments for a period of four weeks leading up to the publication of financial statements.

Shareholders, analysts and other interested parties are welcome to contact Harboe's IR contact, and the company is always pleased to receive suggestions as to the further development of its investor relations.

IR CONTACT:

Ruth Schade, President
Tel.: +45 58 16 88 88
Email: rs@harboes.dk

ANALYSTS

The following analysts monitor developments in Harboes Bryggeri A/S:

Danske Equities	Søren Samsøe
Enskilda Securities	Michael K. Rasmussen
Carnegie	Casper Blom

COMPANY ANNOUNCEMENTS

Company announcements issued in the period 1 May 2009 to 30 April 2010:

DATE	ANNOUNCEMENT
1 May 2009	Harboes Bryggeri A/S has concluded a conditional agreement with the principal shareholders of GourmetBryggeriet A/S on the transfer of approx. 75% of the share capital
4 June 2009	Harboes Bryggeri A/S acquires 75.51% of the share capital in GourmetBryggeriet A/S
19 June 2009	Major shareholder announcement in accordance with Section 29 of the Danish Securities Trading Act
29 June 2009	Annual report
1 July 2009	Reporting in accordance with Section 28a of the Danish Securities Trading Act
3 July 2009	Purchase offer for the shareholders of GourmetBryggeriet A/S
10 July 2009	Reporting in accordance with Section 28a of the Danish Securities Trading Act
24 July 2009	Reporting in accordance with Section 28a of the Danish Securities Trading Act
20 August 2009	Minutes of general meeting
31 August 2009	Harboes Bryggeri A/S acquires 16.9% of the share capital in GourmetBryggeriet A/S
1 September 2009	Quarterly report
14 September 2009	Ground-breaking innovation from Harboe – climate-friendly beer – a new method for producing beer and soft drinks more quickly
28 October 2009	Compulsory redemption of shares in GourmetBryggeriet A/S
8 December 2009	Interim report
11 March 2010	Quarterly report

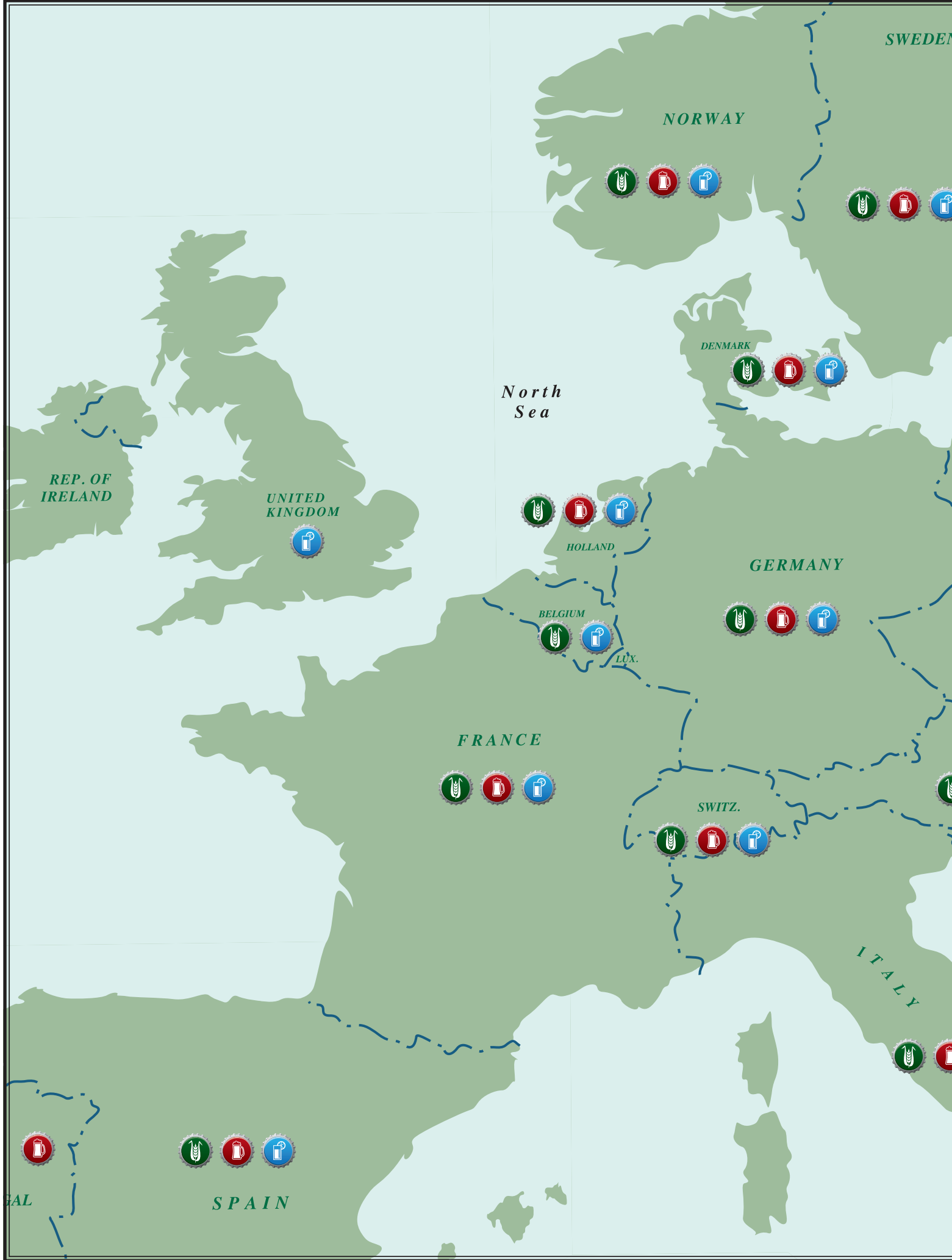
DIVIDEND

The Board of Directors recommends to the annual general meeting that dividend in the amount of DKK 1.50 per share be paid, corresponding to a total of DKK 9.0 million.

FINANCIAL CALENDAR

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

Interim report, Q1 2010/11	7 September 2010
Interim report, H1 2010/11	14 December 2010
Interim report, Q3 2010/11	8 March 2011



SWEDEN

NORWAY

DENMARK

North Sea

REP. OF IRELAND

UNITED KINGDOM

HOLLAND

GERMANY

BELGIUM

LUX.

FRANCE

SWITZ.

ITALY

SPAIN

AL



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE
HARBOE BREWERY A/S

		
MALTBEVERAGE & MALT-EXTRAKT	BEER	SOFT - AND ENERGYDRINKS

Scale 1: 10 000 000

0 100 200 300 400 500
Statute Miles

0 100 200 300 400 500
Kilometers

MANAGEMENT'S STATEMENT

Today, we have presented the annual report of Harboes Bryggeri A/S for the financial year 1 May 2009 to 30 April 2010.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

We believe that the consolidated financial statements and the financial statements give a true and fair view of the group's and the parent's assets and liabilities and financial position as at 30 April 2010 as well as of the results of their operations and cash flows for the financial year 1 May 2009 to 30 April 2010.

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

The annual report is submitted for adoption by the annual general meeting.

Skælskør, 29 June 2010

BOARD OF EXECUTIVES

BERNHARD GRIESE

CEO

BOARD OF DIRECTORS

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

* Staff representative

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HARBOES BRYGGERI A/S

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS

We have audited the consolidated financial statements and financial statements of Harboes Bryggeri A/S for the financial year 1 May 2009 to 30 April 2010, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies applied, for the group as well as for the parent. The consolidated financial statements and financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

THE BOARD OF DIRECTORS AND BOARD OF EXECUTIVES' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS

The Board of Directors and Board of Executives are responsible for the preparation and fair presentation of the consolidated financial statements and financial statements in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

AUDITOR'S RESPONSIBILITY AND BASIS OF OPINION

Our responsibility is to express an opinion on the consolidated financial statements and financial statements based on our audit. We conducted our audit in accordance with Danish and international auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements and financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement in the consolidated financial statements and financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the enterprise's preparation and fair

presentation of the consolidated financial statements and financial statements in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the enterprise's internal control. An audit also includes evaluating the appropriateness of accounting policies applied and the reasonableness of accounting estimates made by the Board of Directors and Board of Executives, as well as evaluating the overall presentation of the consolidated financial statements and financial statements.

INDEPENDENT AUDITOR'S REPORT

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit did not give rise to any qualifications.

OPINION

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets and liabilities and financial position as at 30 April 2010 as well as of the results of their activities and cash flows for the financial year 1 May 2009 to 30 April 2010 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

STATEMENT ON THE MANAGEMENT'S REVIEW

The management is responsible for preparing a management's review that includes a fair review in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Our audit did not include the management's review, but we have read the management's review in accordance with the Danish Financial Statements Act. We have not performed any services other than the audit of the consolidated financial statements and financial statements.

Against this background, we believe that the information contained in the management's review is in accordance with the consolidated financial statements and financial statements.

Slagelse, 29 June 2010

DELOITTE

Statsautoriseret Revisionsaktieselskab

JENS JØRGEN SIMONSEN

State-Authorised Public Accountant

FREDDI NIELSEN

State-Authorised Public Accountant

MEMBERS OF THE BOARD OF DIRECTORS



METTE KIRSTINE AGGER

CEO, 46 years old

Member of the audit committee.

Independent member of the Board of Directors since 2008.

Term of service to expire in 2012.

Mette Kirstine Agger is a qualified biologist from the University of Copenhagen and holds an MBA. Since 1996, Mette has held several executive positions and directorships in a number of biotech companies. In 2000, Mette Kirstine Agger co-founded 7TM Pharma. Mette Kirstine Agger's considerable and combined technical and business experience constitutes a valuable strategic contribution to the continued development of Harboe's products and production technology.

DIRECTORSHIPS

Lifecycle Pharma A/S

Klifo A/S (Chairman)

EpiTherapeutics ApS

Institutrådet, Statens Serum Institut



ANDERS NIELSEN

Lawyer, Chairman, 60 years old

Chairman of the audit committee.

Independent member of the Board of Directors since 2001.

Re-elected in 2005 and 2009. Term of service to expire in 2013.

Anders Nielsen is a qualified lawyer (H) and has been a partner in Lett Advokatfirma since 2006. In the course of his career, Anders Nielsen has gained solid experience within business and company law, including negotiations and preparation of contracts in connection with the acquisition and divestment of enterprises. As the Chairman of Harboe's Board of Directors, Anders Nielsen also draws on his experience from his directorships in other companies.

DIRECTORSHIPS

Privathospitalet Sorana A/S (Chairman)

Sorana Invest A/S (Chairman)

Danfrugt Invest A/S (Chairman)

Budde Schou A/S (Chairman)

Budde Schou Int. A/S (Chairman)

Harboefarm A/S

**BERNHARD GRIESE**

CEO, 68 years old

Member of the Board of Directors since 1986. Re-elected in 2007.

Bernhard Griese is a qualified electrical engineer, and, prior to being employed with Harboes Bryggeri, he was in charge of the construction of a number of major projects, including a power plant in Jamaica. Bernhard Griese joined Harboes Bryggeri in 1973, where he came into contact with all parts of the company during the following years. He was appointed manager in 1981 and CEO in 1984. Bernhard Griese's broad experience within production and management combined with strong innovative and entrepreneurial skills makes him a valuable asset to the group.

DIRECTORSHIPS

GourmetBryggeriet A/S
Copenhagen DesignByg A/S (Chairman)
FCS 2008 A/S
Danfrugt Invest A/S
Visbjerggården A/S (Chairman)
Skælskør Bryghus A/S
Keldernæs A/S (Chairman)
Lundegård A/S (Chairman)
Buskysminde A/S (Chairman)
Rugbjerggård A/S (Chairman)
Danfrugt Skælskør A/S (Chairman)

EXECUTIVE POSTS

Harboes Bryggeri A/S
Danfrugt Invest A/S
Skælskør Bryghus A/S
Harboefarm A/S

**CARL ERIK KJÆRSGAARD**

CEO, 52 years old

Member of the audit committee.

Member of the Board of Directors since 2008. Term of service to expire in 2012.

Since 1985, Carl Erik Kjærsgaard has primarily worked in the advertising industry, and, since 1996, he has worked for the Grey group, first as the CEO of Grey Worldwide in Copenhagen and later as the CEO of Grey Global Group's activities in Denmark. In 2004, he became responsible for Grey Nordic and was appointed member of Grey Global Group's Executive Committee. Carl Erik Kjærsgaard's extensive experience and talent within marketing constitute a valuable contribution to the implementation of Harboe's marketing strategy and continued strategic growth.

DIRECTORSHIPS

Hundred Percent Film Production A/S
Mannov Holding A/S (formand)
WPP Holding Denmark A/S
Trunk Images A/S (formand)
Cohn & Wolfe A/S (formand)
Grey Shared Services A/S (formand)
Computer Camp A/S
Uncle Grey A/S
Dyhr/Hagen A/S
Nordic Retail Group A/S
Grey Worldwide København A/S
G2 Copenhagen A/S
Future Lab Business Consulting A/S
Møller & Rothe A/S
KGM Production A/S (formand)
Future Lab Business Group A/S

EXECUTIVE POSTS

Grey Nordic ApS
Hundred Percent Film Production A/S

MEMBERS OF THE BOARD OF DIRECTORS



MADS O. KRAGE

Executive Officer, 66 years old

Member of the audit committee.

Independent member of the Board of Directors since 2007.

Term of service to expire in 2011.

Mads O. Krage has long-term experience within the retail sector, e.g. as the CEO of the retail chain Netto from 1980 to 2005, during which time the company implemented an ambitious growth strategy. Mads O. Krage contributes valuable insight into the retail sector's development, terms and expectations for its suppliers – also seen from an international/European perspective. The Board of Directors also benefits from Mads O. Krage's vast experience within the strategic development of markets, sales and marketing.

DIRECTORSHIPS

IMERCO A/S

IMERCO Holding A/S

F.A. Thiele A/S

Thiele Partner A/S

Hans Just A/S

OBH Nordica Danmark A/S

Femilet A/S (Chairman)

Danish Crown Incorporated A/S

Toms Gruppen A/S

Holdingselskabet af 17. december 2004 A/S



THØGER THØGERSEN

CEO, 56 years old

Member of the audit committee.

Independent member of the Board of Directors since 2008.

Term of service to expire in 2012.

Thøger Thøgersen holds an MSc in Business Administration (marketing/finance) and has, in the course of his career, worked with many different aspects of the retail sector, including, among others, in Dansk Supermarked, Netto and later on Magasin du Nord/Illum, where he headed the purchasing department for seven years. Since 2009, Thøger Thøgersen has held the position of CEO in Active Sportswear International A/S. Given his extensive knowledge and experience within sales, Thøger Thøgersen makes a competent contribution to Harboe's continued strategic development.

DIRECTORSHIPS

Femilet A/S

EXECUTIVE POSTS

Active Sportswear International Holding A/S

Active Sportswear International A/S

H2O Sportswear A/S



**JENS BJARNE
SØNDERGAARD JENSEN**

Staff representative, 55 years old

Member of the Board of Directors since 1997.

Term of service to expire in 2012.

MEMBERS OF THE BOARD OF DIRECTORS

All members of the Board of Directors are shareholders in the company.

Bernhard Griese personally holds 13.1% of the share capital and 52.1% of the votes in Harboes Bryggeri A/S.

HARBOE'S AUDIT COMMITTEE

Harboe's audit committee was set up in 2009. During the past financial year, the committee held two meetings at which the committee's responsibilities and future work were defined and initiated. The committee's work and areas of responsibility are described in more detail in the section on risks in the annual report.



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



BEAR BEER 2,8-3,5%

Bear Beer, a known brand in the Swedish market with a new design, is being sold both retail and at the Swedish monopoly, Systembolaget.

INCOME STATEMENT FOR 2009/10

GROUP DKK '000	NOTE	2009/2010	2008/2009
Gross revenue		1,804,047	1,806,440
Taxes on beer and soft drinks		(279,320)	(261,834)
Revenue		1,524,727	1,544,606
Production costs	4	(1,247,451)	(1,299,143)
Gross profit/(loss)		277,276	245,463
Other operating income	7	18,394	22,369
Distribution costs		(175,022)	(173,455)
Administrative expenses		(46,037)	(42,841)
Other operating expenses		(10,269)	(10,632)
Operating profit/(loss) (EBIT)		64,342	40,904
Income from investments in associates	8	(3,458)	1,493
Financial income	9	11,180	18,285
Financial expenses	10	(13,944)	(25,553)
Profit/(loss) before tax		58,120	35,129
Tax on profit/(loss) for the year	11	(15,247)	(9,443)
Adjustment of tax regarding previous years	11	156	(65)
Net profit/(loss) for the year		43,029	25,621
Distribution of net profit/(loss) for the year			
Shareholders of parent		43,028	25,673
Minority interests		1	(52)
		43,029	25,621
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	12	7.3	4.4

STATEMENT OF COMPREHENSIVE INCOME FOR 2009/10

GROUP DKK '000	NOTE	2009/2010	2008/2009
Net profit/(loss) for the year		43,029	25,621
Foreign currency translation adjustment regarding foreign enterprises		(443)	(1,153)
Adjustment to fair value of financial assets available for sale		(3,247)	(21,599)
Adjustment to fair value of financial instruments entered into for hedging future cash flows		165	(1,004)
Tax on share of comprehensive income	11	5,607	251
Share of comprehensive income		2,082	(23,505)
Comprehensive income		45,111	2,116
Distribution of comprehensive income for the year			
Shareholders of parent		45,110	2,168
Minority interests		1	(52)
		45,111	2,116

BALANCE SHEET AS AT 30 APRIL 2010

GROUP DKK '000	NOTE	2010	2009
Goodwill		3,573	0
Development projects		1,572	2,274
Rights		5,707	5,712
Software		4,881	1,332
Intangible assets under construction		688	2,068
Intangible assets	14	16,421	11,386
Land and buildings		331,848	319,406
Plant and machinery		447,405	405,989
Other plant, fixtures and fittings, tools and equipment		41,206	36,246
Spare parts for own machinery		3,887	4,210
Property, plant and equipment under construction		33,247	35,338
Property, plant and equipment	15	857,593	801,189
Investments in associates	16	0	4,609
Financial assets available for sale	17	283,738	288,768
Deposits, leases		2,234	2,186
Financial assets		285,972	295,563
Deferred tax assets	26	1,299	1,575
Non-current assets		1,161,285	1,109,713

BALANCE SHEET AS AT 30 APRIL 2010

GROUP DKK '000	NOTE	2010	2009
Inventories	18	122,211	118,468
Trade receivables	19	304,155	267,427
Receivables from associates		0	4,377
Other receivables	20	3,964	34,929
Prepayments		7,219	8,393
Receivables		315,338	315,126
Cash	22	43,774	59,864
Assets held for sale	21	2,992	3,242
Current assets		484,315	496,700
Assets		1,645,600	1,606,413

BALANCE SHEET AS AT 30 APRIL 2010

GROUP DKK '000		2010	2009
Share capital	23	60,000	60,000
Share premium		51,000	51,000
Other reserves	25	(20,036)	(18,886)
Retained earnings		639,095	572,159
Equity owned by the shareholders of parent		730,059	664,273
Equity owned by minority interests		191	190
Equity		730,250	664,463
Mortgage debt	28	290,920	317,441
Other credit institutions	29	0	1,185
Deferred tax liabilities	26	33,555	39,580
Deferred income		61,088	63,627
Non-current liabilities		385,563	421,833
Mortgage debt	28	26,377	5,682
Other credit institutions	29	154,340	135,436
Trade payables		187,556	200,136
Repurchase obligation, returnable packaging	27	33,350	35,637
Payables to associates		0	11,377
Other payables	30	100,526	105,678
Deferred income		8,279	8,654
Income tax		16,372	14,530
Current liabilities		526,800	517,130
Liabilities in respect of assets held for sale	21	2,987	2,987
Liabilities		915,350	941,950
Equity and liabilities		1,645,600	1,606,413

CASH FLOW STATEMENT FOR 2009/10

GROUP DKK '000	NOTE	2009/2010	2008/2009
Operating profit/(loss) (EBIT)		64,342	40,904
Depreciation, amortisation, impairment losses and write-downs	6	125,719	118,190
Grants recognised as income		(13,188)	(14,042)
Changes in net working capital	33	(73,485)	23,416
Cash flows from primary operating activities		103,388	168,468
Financial income received		11,559	20,719
Financial expenses paid		(15,036)	(28,522)
Income tax paid		(5,729)	(12,037)
Cash flows from operating activities		94,182	148,628
Purchase of intangible assets		(3,262)	(4,761)
Purchase of property, plant and equipment		(160,954)	(134,583)
Sale of property, plant and equipment		1,560	8,452
Acquisition of enterprises	36	2,163	0
Changes in financial assets		7,809	(308,037)
Cash flows from investing activities		(152,684)	(438,929)
Dividend paid to shareholders of parent		(8,840)	(8,925)
Repayment of mortgage debt		(8,662)	(12,843)
Proceeds from the raising of financial liability		388	303,955
Investment grant received		39,964	2,359
Purchase of treasury shares		0	(25,301)
Cash flows from financing activities		22,850	259,245
Changes in cash and cash equivalents		(35,652)	(31,056)
Cash and cash equivalents as at 1 May		(73,324)	(42,139)
Translation adjustment, beginning of year		(406)	(129)
Cash and cash equivalents as at 30 April	34	(109,382)	(73,324)

STATEMENT OF CHANGES IN EQUITY

GROUP

DKK '000

	Share capital DKK '000	Share premium DKK '000	Other reserves DKK '000	Retained earnings DKK '000	Equity owned by the shareholders of the parent DKK '000	Equity owned by minority interests DKK '000	Total equity DKK '000
Equity as at 1 May 2008	60,000	51,000	3,125	582,580	696,705	242	696,947
Changes in equity 2008/09							
Comprehensive income for the year	0	0	(23,505)	25,673	1,168	(52)	2,116
Reserve for net revaluation according to the equity method	0	0	1,494	(1,494)	0	0	0
Dividend paid	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	75	75	0	75
Purchase of treasury shares	0	0	0	(25,675)	(25,675)	0	(25,675)
Total changes in equity	0	0	0	(22,011)	(32,432)	(52)	(32,484)
Equity as at 30 April 2009	60,000	51,000	(18,886)	572,159	664,273	190	664,463
Changes in equity 2009/10							
Comprehensive income for the year	0	0	2,082	43,028	45,110	1	45,111
Reserve for net revaluation according to the equity method	0	0	(3,232)	(3,232)	0	0	0
Distributed dividend, cf. note 13	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	160	160	0	160
Sale of treasury shares	0	0	0	29,516	29,516	0	29,516
Total changes in equity	0	0	(1,150)	66,936	65,786	1	65,787
Equity as at 30 April 2010	60,000	51,000	(20,036)	639,095	730,059	191	730,250



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOES BREWERY A/S



X-RAY JUICY

We are also following the trend within the energy drink category
– products with more value in new modern 33 cl. cans.

NOTES OVERVIEW

1. Accounting policies
2. Significant accounting estimates, assumptions and uncertainties
3. Segment information for the group
4. Production costs
5. Staff costs
6. Depreciation, amortisation, impairment losses and write-downs
7. Other operating income
8. Income from investments in associates
9. Financial income
10. Financial expenses
11. Tax on profit/(loss) for the year
12. Earnings per share and diluted earnings per share
13. Dividend
14. Intangible assets
15. Property, plant and equipment
16. Investments in associates
17. Financial assets available for sale
18. Inventories
19. Trade receivables
20. Other receivables
21. Assets held for sale
22. Cash
23. Share capital
24. Treasury shares
25. Other reserves
26. Deferred tax liabilities
27. Repurchase obligation, returnable packaging
28. Mortgage debt
29. Other credit institutions
30. Other payables
31. Operating lease commitments
32. Contingent liabilities, security and contractual obligations
33. Changes in net working capital
34. Cash and cash equivalents
35. Fee to the auditors appointed by the general meeting
36. Acquisition of enterprise
37. Financial risks and financial instruments
38. Related parties

1. ACCOUNTING POLICIES

The 2009/10 consolidated financial statements and financial statements of Harboes Bryggeri A/S are presented in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for the annual reports of Class D companies (listed), cf. the IFRS Executive Order issued in accordance with the Danish Financial Statements Act (Årsregnskabsloven). Harboes Bryggeri A/S is a public limited company domiciled in Denmark.

Furthermore, the consolidated financial statements and the financial statements comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The consolidated financial statements and the financial statements are presented in Danish kroner (DKK), which is regarded as the main currency of the group's activities and the functional currency of the parent.

The consolidated financial statements and the financial statements have been prepared on the basis of historic cost, except for derivative financial instruments and financial assets classified as available for sale which are measured at fair value. Accounting policies are described in further detail below.

IMPLEMENTATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

The 2009/10 consolidated financial statements and financial statements have been prepared in accordance with the new and revised standards (IFRS/IAS) and new interpretations (IFRIC) that apply to financial years starting on 1 January 2009 or later. The standards and interpretations that are relevant to Harboes Bryggeri A/S are:

IAS 1, Presentation of Financial Statements
IFRS 7, Financial Instruments, Disclosures
IFRS 8, Operating Segments

The implementation of the new and revised standards and interpretations in the 2009/10 annual report did not result in any changes in the accounting policies.

IFRS 3, Business Combinations (2008), became effective as from financial years beginning on 1 July 2009 or later and means that the group, as from the 2010/11 financial year, must recognise acquisition costs and changes in conditional acquisition costs directly in the income statement. The standard may also result in a change in accounting policies in respect of the recognition of goodwill related to the minority interests' share of acquired enterprises and in respect of the gradual acquisition of enterprises and partial disposals of investments in subsidiaries.

STANDARDS AND INTERPRETATIONS WHICH HAVE NOT YET BECOME EFFECTIVE:

At the time of publication of this annual report, the following new or revised

standards and interpretations have not yet become effective and have thus not been incorporated in the annual report:

IAS 24, Related Party Disclosures
IFRS 9, Financial Instruments: Classification and Measurement

The management estimates that the implementation of new and revised standards and interpretations which have not yet become effective will not have any significant impact on the consolidated financial statements and the financial statements for the coming financial years.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise Harboes Bryggeri A/S (the parent) and the companies (subsidiaries) in which the parent has a controlling interest. Control is achieved when the parent, directly or indirectly, holds more than 50% of the voting rights or in any other way can or does exercise a controlling influence.

Companies in which the parent, directly or indirectly, holds between 20 and 50% of the voting rights and exercises a significant, but not controlling, influence, are considered to be associates.

BASIS OF CONSOLIDATION

The consolidated financial statements are prepared on the basis of financial statements of Harboes Bryggeri A/S and its subsidiaries. The consolidated financial statements are prepared by adding items of a similar nature. The financial statements used for the consolidation are prepared in accordance with the accounting policies of the group.

The consolidation involves the elimination of intra-group income and expenses, intra-group balances, dividends as well as profits and losses on transactions between the consolidated enterprises.

The items of the subsidiaries are recognised wholly in the consolidated financial statements. The minority interests' proportionate share of the profit or loss forms part of the consolidated net profit or loss for the year and a separate part of the consolidated equity.

COMPANY MERGERS

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition and the date of formation, respectively. The date of acquisition is the date on which the buyer actually takes control of the enterprise. Enterprises divested or wound up are recognised in the consolidated income statement up until the date of divestment or winding-up. The date of divestment is the date on which control of the enterprise actually passes to a third party.

The acquisition method is used in connection with the acquisition of new enterprises after which the newly acquired enterprises' identifiable assets,

liabilities and contingent liabilities are measured at fair value at the date of acquisition. Non-current assets which are acquired with the intention of selling them are, however, measured at fair value less expected selling costs. The restructuring costs are recognised in the pre-acquisition balance sheet only if they constitute an obligation to the enterprise acquired. The tax effect of the revaluations has been taken into account.

The cost of an enterprise consists of the fair value of the fee paid plus the costs that are directly attributable to the acquisition of the enterprise. If the final determination of the fee is conditional upon one or more future events, these adjustments are recognised in the cost only if the event in question is likely to occur and the effect on the cost can be measured reliably.

Positive differences (goodwill) between the cost of the acquired enterprise and the fair value of the assets, liabilities and contingent liabilities taken over are recognised as an asset under intangible assets and tested at least once a year for impairment. If the carrying amount of the asset exceeds its recoverable amount, impairment is made to the lower recoverable amount.

If there are negative differences (negative goodwill), the calculated fair values and the calculated cost of the enterprise are revalued. If the fair value of the assets, liabilities and contingent liabilities taken over continues to exceed the cost after the revaluation, the difference is recognised as income in the income statement.

PROFIT OR LOSS FROM THE DIVESTMENT OR WINDING-UP OF SUBSIDIARIES

Profit or loss from the divestment or winding-up of subsidiaries is calculated as the difference between the selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, including goodwill, accumulated foreign currency translation adjustments recognised directly in other comprehensive income and estimated divestment or winding-up costs. The selling price is measured at fair value of the fee received.

TRANSLATION OF FOREIGN CURRENCY

On initial recognition, transactions in currencies other than the group's functional currency are translated at the exchange rate applicable at the date of transaction. Receivables, liabilities or other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are translated at the exchange rate at the balance sheet date. Exchange rate differences arising between the exchange rate at the date of transaction and the exchange rate at the date of payment and the balance sheet date, respectively, are recognised in the income statement as net financials. Property, plant and equipment, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historic cost are translated at the exchange rate applicable at the date of transaction. Non-monetary items which are reassessed at fair value are translated using the exchange rate applicable at the time of reassessment. When recognising enterprises that prepare their financial statements in a

functional currency other than Danish kroner (DKK) in the consolidated financial statements, the income statements are translated at average exchange rates unless these deviate significantly from the actual exchange rates at the time of the transactions. In the latter case, the actual exchange rates are used. Balance sheet items are translated using the exchange rates applicable at the balance sheet date.

Exchange rate differences arising from the translation of foreign enterprises' balance sheet items at the beginning of the year using the exchange rates applicable at the balance sheet date and the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in other comprehensive income. Similarly, exchange rate differences, which have occurred as a result of changes made directly in the foreign enterprise's equity, are also recognised directly in other comprehensive income.

Translation adjustments of receivables from or payables to subsidiaries which are considered part of the parent's overall investment in the subsidiary in question are recognised directly in other comprehensive income.

TAX

Tax for the year, which is made up of current tax for the year and changes in deferred tax, is recognised in the income statement with the portion attributable to the net profit or loss for the year, and directly in other comprehensive income with the portion attributable to amounts recognised directly in equity. Foreign currency translation adjustments of deferred tax are recognised as part of the adjustments of deferred tax for the year.

Current tax liabilities and current tax receivable are recognised in the balance sheet as tax calculated on the basis of the taxable income for the year, adjusted for tax paid on account.

The tax rates and rules in force on the balance sheet date are used to calculate the current tax for the year.

Deferred tax is recognised according to the balance sheet liability method of all temporary differences between the carrying amount and tax base of assets and liabilities, except for deferred tax on temporary differences arising from either the first recognition of goodwill or from the first recognition of a transaction, which is not a merger of companies, and where the temporary difference established at the time of the first recognition neither affects the net profit or loss nor the taxable income.

Deferred tax on temporary differences associated with investments in subsidiaries and associates is recognised unless the parent is able to check when the deferred tax is realised, and it is likely that the deferred tax will not materialise as current tax within a foreseeable future.

Deferred tax is calculated on the basis of the planned use of the individual

asset and the settlement of the individual liability, respectively.

Deferred tax is measured by using the tax rates and rules applying in the countries concerned which – based on passed or actually passed legislation at the balance sheet date – are expected to be in force when the deferred tax is expected to materialise as current tax. Changes in deferred tax due to changes in tax rates or rules are recognised in the income statement unless the deferred tax can be attributed to items that have previously been recognised in other comprehensive income. In the latter case, the changes are also recognised in other comprehensive income.

Deferred tax assets, including the tax base of tax losses to be carried forward, are recognised in the balance sheet at the expected realisable value of the asset, either by offsetting against deferred tax liabilities or as net tax assets for offsetting against future positive taxable incomes. At each balance sheet date, it is reassessed whether it is probable that enough taxable income will be generated in future to utilise the deferred tax asset.

The parent is taxed jointly with all the Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable incomes.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at fair value at the settlement date. On initial recognition, the fair value is added to directly attributable costs associated with the purchase or issue of the individual financial instrument (transaction costs) unless the financial asset or the financial liability is measured at fair value with recognition of fair value adjustments in the income statement.

Subsequently, derivative financial instruments are measured at fair value at the balance sheet date. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively. Changes in the fair value of derivative financial instruments classified as and complying with the requirements for efficient hedging of future transactions are recognised in other comprehensive income. The inefficient part is recognised immediately in the income statement. When the hedged transactions are carried out, the accumulated changes are recognised as part of the cost of the transactions in question.

INCOME STATEMENT

REVENUE

Revenue from the sale of finished products and goods for resale is recognised in the income statement on delivery and when risk has passed to the buyer. Revenue is measured at the fair value of the received or receivable fee. If any interest-free credit has been agreed for payment of the receivable fee that exceeds the usual credit period, the fair value of the fee is calculated by discounting future payments. The difference between the fair value and

the nominal value of the fee is recognised as financial income in the income statement using the effective interest rate method.

Revenue is calculated exclusive of VAT, taxes on beer and soft drinks etc. levied on behalf of a third party.

PRODUCTION COSTS

Production costs comprise costs incurred to generate revenue. In production costs, trading companies recognise the cost of sales, while production companies recognise the costs of raw materials, consumables, production staff, maintenance, depreciation and impairment of property, plant and equipment used in the production process as well as returnable packaging and adjustments of the obligation to repurchase own packaging.

Production costs also include costs pertaining to research and development projects which do not meet the criteria for recognition in the balance sheet.

DISTRIBUTION COSTS

Distribution costs represent costs incurred for the distribution of goods sold and for marketing campaigns, including pay for sales and distribution staff, advertising expenses, depreciation and impairment of property, plant and equipment used in the distribution process.

ADMINISTRATIVE EXPENSES

Administrative expenses include expenses incurred to manage and administer the group, including administrative staff costs, management costs and office expenses as well as depreciation and impairment of the property, plant and equipment used to administer the group.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses include income and expenses of a secondary nature in relation to the group's main activities, including grants for plants and rental income as well as gains and losses from the sale of non-current assets (property, plant and equipment) if the selling price of the assets exceeds the original cost.

GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the conditions for receiving the grant have been met, and that the grant will be received.

Grants for covering costs incurred are recognised in the income statement proportionately over the periods in which the associated costs are recognised in the income statement. The grants are recognised under the item Other operating income.

Government grants which are linked to an asset are recognised as deferred income under non-current and current liabilities, respectively, and amortised over the amortisation period.

NET FINANCIALS

Net financials include interest income and interest expenses, realised and unrealised capital gains and losses on securities, payables and transactions in foreign currencies, amortisation premiums/deductions on mortgage debt etc., as well as supplementary payments and allowances under the Danish On-Account Tax Prepayment Scheme (Acontoskatteordningen).

Interest income and interest expenses are accrued on the basis of the principal and the effective interest rate. The effective interest rate is the discount rate that is to be used to discount expected future payments which are linked to the financial asset or the financial liability to make sure that their current values correspond to the carrying amount of the asset and the liability, respectively.

Dividend from equity investments is recognised when a conclusive right to the dividend has been obtained. This will typically be at the time of the general meeting's approval of the distribution from the company in question. However, in the consolidated financial statements this does not apply to investments in associates which are measured according to the equity method, cf. below.

BALANCE SHEET

INTANGIBLE ASSETS GOODWILL

On initial recognition, goodwill is recognised and measured at cost as described under 'Business combinations'.

On the recognition of goodwill, the goodwill amount is distributed on the independent cash-generating units of the group. The identification of cash-generating units follows the management structure, internal financial management and reporting of the group.

Goodwill is not amortised, but is tested at least once a year for impairment.

OTHER INTANGIBLE ASSETS

Immaterial rights acquired in the form of software are measured at cost less accumulated amortisation and impairment. Software is amortised on a straight-line basis over the expected useful life which is usually 3-5 years.

Development projects in respect of clearly defined and identifiable products and processes are recognised as intangible assets if it is probable that future economic benefits will flow to the group and the development costs can be measured reliably.

Other development costs are recognised as costs in the income statement as incurred. On initial recognition, development projects are recognised at cost. The cost of development projects comprise costs which are directly

attributable to the development projects and which are necessary to complete the project, calculated from the time when the development project meets the criteria for recognition as an asset for the first time.

Completed development projects are amortised according to the straightline method over the expected useful life, which is usually 3-5 years. For development projects protected by intellectual property rights, the maximum amortisation period equals the remaining term of the rights in question.

Development projects are impaired to a lower recoverable amount, if any, cf. the section on impairment below. Development projects in progress are tested for impairment at least once a year.

INTANGIBLE ASSETS

Intangible assets with indefinable useful lives, including rights, are not amortised but tested at least once a year for impairment. If the carrying amount of the assets exceeds their recoverable amount, impairment is made to the lower recoverable amount.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings, plant and machinery together with other plant, fixtures and fittings, tools and equipment and spare parts for own machinery are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly related to the acquisition and costs of preparing the asset up until such time as the asset is ready for use. For own-manufactured assets, the cost includes costs which can be related directly to the production of the asset, including materials, components, subsuppliers and wages.

Interest expenses which have arisen in connection with the construction of asset are recognised in the cost of the asset. Other borrowing costs are recognised in the income statement.

If the acquisition or use of the asset obliges the group to incur costs for the demolition or re-establishment of the asset, the estimated costs for such demolition or re-establishment are recognised as a provision and a part of the cost of the asset in question, respectively. If the obligation occurred in connection with the production of inventories, the obligation is recognised as a part of the cost of the goods in question, cf. below.

The cost of the asset less the residual value constitutes the basis of depreciation. The residual value is the expected amount that could be obtained by selling the asset today less selling costs if the asset had already reached the age and the condition that is to be expected at the end of its useful life. The cost of a total asset is divided into smaller components, which are depreciated separately if they have different useful lives.

Depreciation is according to the straight-line method on the basis of the following assessment of the expected useful lives of the assets:

Buildings	10 - 50 years
Plant and machinery.....	5 - 25 years
Other plant, fixtures and fittings, tools and equipment	3 - 15 years
Returnable packaging.....	3 - 8 years

Depreciation methods, useful lives and residual values are reassessed on an annual basis.

Property, plant and equipment are impaired to the lower of recoverable amount and carrying amount, cf. below.

IMPAIRMENT OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AS WELL AS INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The carrying amounts of intangible assets and property, plant and equipment with definable useful lives and investments in subsidiaries and associates are reviewed at the balance sheet date to determine whether there are any indications of impairment. If this is the case, the recoverable amount of the asset is assessed to determine the need for any impairment and the extent of such impairment.

For intangible assets with indefinable useful lives, the recoverable amount is calculated once a year regardless of whether there are indications of impairment. If the asset does not generate cash flows independently of other assets, the recoverable amount of the smallest cash-generating unit that the asset is part of is assessed.

The recoverable amount is calculated as the higher of the fair value of the asset and the cash-generating unit less selling costs and the value in use. When the value in use is calculated, estimated future cash flows are discounted to present value by using a discount rate which reflects both current market assessments of the time value of money and the special risks that are linked to the asset or the cash-generating unit, and for which there have been no adjustments in estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit is estimated to be lower than the carrying amount, the carrying amount is impaired to the recoverable amount. For cash-generating units, the impairment is distributed so that goodwill is impaired first, then any remaining need for impairment is distributed on the other assets in the unit, the individual asset, however, not being impaired to a value which is lower than its fair value less estimated selling costs.

Impairment is recognised in the income statement. Upon any subsequent reversals of impairment due to changed preconditions for the determined

recoverable amount, the carrying amount of the asset or the cash-generating unit is increased to a corrected estimate of the recoverable amount, the maximum being, however, the carrying amount which the asset or the cash-generating unit would have had if there had been no impairment.

Investments in subsidiaries and associates in financial statements of the parent Investments in subsidiaries and associates are measured at cost in the financial statements of the parent.

If the cost exceeds the recoverable amount of the investments, it is impaired to the lower amount. The cost is also impaired if more dividend is distributed than has overall been earned by the enterprise since the acquisition. This is considered to be an indication of impairment, cf. the section on impairment.

INVESTMENTS IN ASSOCIATES IN THE CONSOLIDATED FINANCIAL STATEMENTS

Investments in associates are recognised and measured in the consolidated financial statements according to the equity method. This means that the investments are measured at the proportionate share of the enterprise's determined equity value, calculated according to the group's accounting policies, deducting and adding proportionate intercompany profits and losses.

The proportionate share of the enterprise's net profit or loss and elimination of unrealised proportionate internal profits and losses are recognised in the income statement. The proportionate share of all transactions and events which are recognised directly in the equity of the associate is recognised in the group's equity.

Investments in associates with a negative equity value are measured at DKK 0. Receivables and other non-current financial assets which are considered to be part of the total investment in the associate are impaired by any remaining negative equity value. Trade receivables and other receivables are impaired only if they are deemed to be uncollectible.

A provision to cover the remaining negative equity value is recognised only if the group has a legal or an actual obligation to fulfil the particular enterprise's obligations. The acquisition method is used for making investments in associates.

INVENTORIES

Inventories are measured at the lower of cost applying the FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables comprises the acquisition price plus landing costs. The cost of manufactured goods and work in progress includes costs of raw materials, consumables and direct labour costs as well as fixed and variable production overheads. This includes costs for the demolition or re-establishment of property, plant and equipment if such costs have occurred due to the production of goods.

Variable production overheads include indirect materials and pay and are distributed on the basis of precalculations for the produced goods. Fixed production overheads include costs for maintaining and depreciating machinery, factory buildings and equipment used in the production process and general costs for factory administration and management. Fixed production costs are distributed on the basis of the normal capacity of the production facilities.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sales.

RECEIVABLES

On initial recognition, receivables are measured at fair value and subsequently at amortised cost, which usually corresponds to the nominal value less write-downs for expected losses. Write-downs are made on an individual level.

PREPAYMENTS

Prepayments recognised under assets comprise costs incurred in respect of the coming financial year. Prepayments are measured at cost.

FINANCIAL ASSETS AVAILABLE FOR SALE

Securities recognised under non-current assets comprise listed securities and equity interests available for sale in enterprises that are not subsidiaries or associates.

On initial recognition, securities are measured at fair value on the trading day plus costs directly attributable to the purchase. Securities are subsequently measured at fair value at the balance sheet date, and any changes in the fair value are recognised in other comprehensive income. When the securities are sold or settled, the accumulated fair value adjustments are recognised in the income statement.

The fair value is determined at the share price of listed securities and at an estimated fair value determined on the basis of market information.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and groups of assets held for sale are presented separately in the balance sheet as current assets. Liabilities directly related to the assets in question are presented as current liabilities in the balance sheet.

Non-current assets held for sale are not depreciated, but impaired to the lower of fair value less expected selling costs and the carrying amount.

DIVIDEND

Dividend is recognised as a payable at the time of adoption by the general meeting.

TREASURY SHARES

Acquisition and selling prices of treasury shares and dividend obtained from them are recognised directly in equity under retained earnings.

PENSION OBLIGATIONS ETC.

The group has entered into defined contribution plan agreements with a significant part of the employees of the group. Except for a pension plan created for a single employee, which is insignificant in relation to the group's total obligations, the group has not entered into any defined benefit plans.

For defined contribution plans, the group pays regular, fixed contributions to independent pension providers and the like. The contributions are recognised in the income statement in the period in which the employees have performed the work entitling them to the pension contribution. Payments due are recognised in the balance sheet as liabilities.

PROVISIONS

Provisions are recognised when the group has a legal or actual obligation as a result of events occurring in the financial year or previous years, and when it is likely that the fulfilment of this obligation will impact the company's financial resources.

Provisions are measured as the best possible estimate of the costs required to settle the obligation at the balance sheet date. Provisions expected to fall due more than one year after the balance sheet date are measured at present value.

The obligation to repurchase own packaging in circulation is measured at the deposit price on the basis of the estimated volume of circulating bottles, cans, crates and trays and is recognised as a repurchase obligation under current liabilities.

MORTGAGE DEBT

Mortgage debt is measured at cost at the time of borrowing, corresponding to the fair value of the proceeds received less transaction costs incurred. Subsequently, mortgage debt is measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the amount to be repaid is recognised in the income statement over the term of the loan as a financial expense using the effective interest rate method.

LEASE COMMITMENTS

Lease payments in respect of operating leases are recognised according to the straight-line method in the income statement over the term of the lease.

OTHER FINANCIAL LIABILITIES

On initial recognition, other financial liabilities, including bank debt and trade payables, are measured at fair value less transaction costs incurred. Subsequently, such liabilities are measured at amortised cost using the effective interest rate method. Accordingly, the difference between the proceeds and the nominal value is recognised as a financial expense in the income statement over the term of the loan.

DEFERRED INCOME

Deferred income recognised under liabilities comprises income received in respect of subsequent financial years as well as asset-related government grants. Deferred income is measured at cost.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are determined as the operating profit or loss, adjusted for non-cash operating items and changes in working capital less the income tax paid in the financial year which is attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of enterprises and financial assets as well as the purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment. Furthermore, cash flows from assets held under finance leases are recognised in the form of lease payments.

Cash flows from financing activities comprise changes in the share capital of the parent and costs incidental thereto as well as the raising and repayment of loans, repayment of interestbearing debt, purchase of treasury shares and distribution of dividend.

Cash flows denominated in currencies other than the functional currency are recognised in the cash flow statement by applying average exchange rates unless such rates deviate materially from the actual exchange rates applicable at the time of transaction. In the latter case, the exchange rates applicable at the individual dates are used.

Cash and cash equivalents comprise cash and short-term securities involving insignificant price risks less any overdraft facilities and intercompany balances which are an integrated part of the cash management.

SEGMENT INFORMATION

Segment information is stated for business segments and geographical markets. The segment information complies with the risks, accounting policies and internal financial management of the group.

Segment income and expenses as well as segment assets and liabilities comprise the items which are directly attributable to the individual segment, and the items which may reliably be distributed on the individual segments. Non-distributed items primarily concern assets and liabilities as well as income and expenses related to the administrative functions, investing activities, income taxes etc. of the group.

Non-current assets in the segments comprise assets which are used directly in the operation of the individual segment, including intangible assets and property, plant and equipment as well as investments in associates.

Current assets in the segments comprise assets which are directly related to the operation of the individual segment, including inventories, trade receivables, other receivables, prepayments and cash.

Liabilities related to the segments comprise liabilities arising from the operation of the individual segment, including trade payables, provisions and other payables.

FINANCIAL HIGHLIGHTS

The financial highlights have been defined and calculated in accordance with 'Recommendations and Ratios 2005' issued by the Danish Society of Financial Analysts (Den Danske Finansanalytikerforening), the specific definitions being:

Investments:	The year's additions of intangible assets and property, plant and equipment, excl. property, plant and equipment under construction and spare parts
Gross margin:	Gross profit/loss in per cent of revenue
Profit margin:	Operating profit/loss (EBIT) in per cent of revenue
EBITDA margin:	Earnings before interest, tax, depreciation and amortisation in per cent of revenue
Return on net assets:	Operating profit/loss (EBIT) in per cent of average operating assets
Operating assets:	Balance sheet total at the end of the year less financial assets and cash
Return on invested capital:	Operating profit/loss (EBIT) less tax thereon in per cent of average invested capital (equity + minority interests + net interest-bearing debt + provisions - financial assets)
Interest-bearing debt:	Mortgage debt and debt to other credit institutions
Interest-bearing debt, net:	Mortgage debt and debt to credit institutions less cash and cash equivalents
Return on equity:	Net profit/loss for the year in per cent of average equity
Solvency ratio:	Equity at the end of the year in per cent of the balance sheet total at the end of the year
Gearing:	Interest-bearing debt at the end of the year in per cent of equity at the end of the year
Earnings per share (EPS):	Net profit/loss for the year in relation to the average number of shares
Cash flow per share:	Cash flows from operating activities in relation to the average number of shares
Price/earnings ratio:	Share price at the end of the year in relation to earnings per share
Current ratio:	Current assets in per cent of current liabilities

The ratios have been calculated on the basis of the net profit/loss for the year along with the balance sheet total and equity at the end of the year.

The calculation of earnings per share and diluted earnings per share is specified in note 12.

2. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND UNCERTAINTIES

Many items cannot be reliably measured, but can only be estimated. Such estimates include assessments made on the basis of the most recent information available at the time of presenting the financial statements. It may be necessary to change previously made estimates due to changes in the circumstances on which the estimate was based, or due to additional information, additional experience or subsequent events.

SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND UNCERTAINTIES

In connection with the application of the accounting policies described in note 1, the management has made a number of accounting estimates on the recognition and measurement of certain assets and liabilities. The recognition and measurement of assets and liabilities often depend on

future events involving a certain amount of uncertainty. In this context, a course of events or the like, reflecting the management's assessment of the most probable course of events must be assumed. In the 2009/10 annual report, special attention should be drawn to assumptions and uncertainties which are associated with accounting estimates on impairment tests of property, plant and equipment and financial assets, specification of repurchase obligation concerning returnable packaging, assessment of the value of the assets and liabilities taken over in connection with the acquisition of an enterprise as well as an assessment of contingent liabilities as they have had a considerable impact on the assets and liabilities recognised in the annual report and may require that corrections be made in subsequent financial years provided that the anticipated events do not occur as expected.

3. SEGMENT INFORMATION FOR THE GROUP

For the first time, the group applied IFRS 8, Operating Segments, for FY 2009/10. The implementation of the standard did not give rise to a changed identification of the group's segments.

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

The activities of the two business segments comprise:

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

	Brewery sector 2009/2010 DKK' 000	Foodstuff sector 2009/2010 DKK' 000	Elimination 2009/2010 DKK' 000	Group 2009/2010 DKK' 000	Brewery sector 2008/2009 DKK' 000	Foodstuff sector 2008/2009 DKK' 000	Elimination 2008/2009 DKK' 000	Group 2008/2009 DKK' 000
Income statement								
Gross revenue				1,562,953				1,581,273
Taxes on beer and soft drinks				(279,320)				(261,834)
Revenue	1,283,633	241,094	0	1,524,727	1,319,439	225,167	0	1,544,606
Operating profit/(loss) (EBIT)	58,250	6,092	0	64,342	36,117	4,787	0	40,904
Share of profit/(loss) in associates	0	(3,458)	0	(3,458)	0	1,493	0	1,493
Financial income	11,159	34	(13)	11,180	18,283	169	(129)	18,323
Financial expenses	(12,648)	(1,309)	13	13,944	(24,019)	(1,701)	129	(25,591)
Profit/(loss) before tax	56,761	1,359	0	58,120	30,381	4,748	0	35,129
Tax on profit/(loss) for the year	(13,881)	(1,210)	0	(15,091)	(8,662)	(846)	0-	(9,508)
Net profit/(loss) for the year	42,880	149	0	43,029	21,719	3,902	0	25,621
Balance sheet								
Segment assets, non-current	1,074,843	93,979	(7,537)	1,161,285	1,022,271	90,991	(8,158)	1,105,104
Associates	0	0	0	0	0	4,983	(374)	4,609
Segment assets, current	440,182	56,038	(11,905)	484,315	451,128	58,471	(12,899)	496,700
Assets	1,515,025	150,017	(19,442)	1,645,600	1,473,399	154,445	(21,431)	1,606,413
Segment liabilities, non-current	388,382	4,718	(7,537)	385,563	419,157	10,834	(8,158)	421,833
Segment liabilities, current	512,828	28,864	(11,905)	529,787	505,691	27,325	(12,899)	520,117
Liabilities	901,210	33,582	(19,442)	915,350	924,848	38,159	(21,057)	941,950

	Brewery sector 2009/2010 DKK '000	Foodstuff sector 2009/2010 DKK '000	Elimination 2009/2010 DKK '000	Group 2009/2010 DKK '000	Brewery sector 2008/2009 DKK '000	Foodstuff sector 2008/2009 DKK '000	Elimination 2008/2009 DKK '000	Group 2008/2009 DKK '000
Investments etc.								
Additions of intangible assets	3,267	0	0	3,267	4,761	0	0	4,761
Additions of property, plant and equipment	150,403	13,547	0	163,950	133,689	894	0	134,583
Acquisition of enterprises	(2,163)	0	0	(2,163)	0	0	0	0
Depreciation and amortisation (incl. profit/loss)	116,256	9,436	0	125,692	109,736	8,454	0	118,190
Cash flows								
Cash flows from operating activities	79,975	14,207	0	94,182	126,449	22,179	0	148,628
Cash flows from investing activities	(141,163)	(11,521)	0	(152,684)	(442,550)	3,621	0	(438,929)
Cash flows from financing activities	29,016	(6,166)	0	22,850	265,141	(5,896)	0	259,245
Changes in cash and cash equivalents	(32,172)	(3,480)	0	(35,652)	(50,960)	19,904	0	(31,056)

Reference is made to pages 4-27 of the management's review for a presentation of the five-year overview of the segments and comments on the developments in the financial year.

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 from external customers		Non-current assets	
	2009/10	2008/09	2009/10	2008/09
Denmark	641,224	604,795	449,526	412,096
Germany	557,026	570,103	389,043	369,260
Other geographical areas	326,477	369,708	19,024	23,075
	1,524,727	1,544,606	857,593	804,431

Information about important customers

Out of the group's total revenue, sales to a single customer account for more than 10% of revenue.

4. PRODUCTION COSTS

GROUP DKK '000	2009/10	2008/09
Cost of sales	1,067,398	1,119,181
Write-down of inventories	0	370
Depreciation, amortisation, impairment losses and write-downs, cf. note 6	106,373	107,642
Other production costs	73,680	71,950
	1,247,451	1,299,143

5. STAFF COSTS

GROUP DKK '000	2009/10	2008/09
Remuneration of the Board of Directors	620	302
Wages and salaries	155,676	141,805
Defined contribution plans	9,518	8,316
Other social security costs	16,879	16,995
Other staff costs	8,287	6,929
Refunds from public authorities	(1,171)	(903)
	189,809	173,444
Staff expenses comprise:		
Production costs	131,308	121,718
Distribution costs	33,636	31,740
Administrative expenses	24,865	19,986
	189,809	173,444
Average number of employees	543	520

5. Staff expenses, continued

	BOARD OF DIRECTORS		BOARD OF EXECUTIVES		OTHER KEY STAFF MEMBERS	
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Remuneration to members of the management						
Remuneration to the Board of Directors	620	302	0	0	0	0
Wages and salaries etc.	0	0	3,864	3,970	11,771	9,551
Pension	0	0	238	216	690	475
	620	302	4.102	4.186	12.461	10.026

No employee participates in bonus schemes exceeding 20% of the employee's base pay.

Pension plans

The group has entered into defined contribution plan agreements with a significant part of the group's employees. Except for one pension plan concerning one employee, the group has not entered into any defined benefit plan agreements. The pension obligation, against which insurance has been taken out, has been recognised on a gross basis at DKK 832k under other receivables and at DKK 1,392k under payables, respectively, in the balance sheet.

6. DEPRECIATION, AMORTISATION, IMPAIRMENT LOSSES AND WRITE-DOWNS

GROUP DKK '000	2009/10	2008/09
Intangible assets	2,186	1,031
Buildings	19,208	23,368
Plant and machinery	86,646	79,412
Other plant, fixtures and fittings, tools and equipment	16,303	17,678
Assets held for sale	250	0
Profit/(loss) from the sale of property, plant and equipment	1,126	(3,299)
	125,719	118,190
Depreciation, amortisation, impairment losses and write-downs comprise:		
Production costs	106,368	107,651
Distribution costs	11,256	4,877
Administrative expenses	4,882	4,658
Other operating income	(51)	(2,966)
Other operating expenses	3,264	3,970
	125,719	118,190

7. OTHER OPERATING INCOME

GROUP DKK '000	2009/10	2008/09
Government grants	13,188	14,042
Rental income	5,206	5,362
Proceeds from the sale of assets	0	2,965
	18,394	22,369

8. INCOME FROM INVESTMENTS IN ASSOCIATES

Share of profit/(loss) before tax	0	2,044
Tax on profit/(loss) from associates	0	(551)
Loss from the divestment of equity investments	(3,458)	0
	(3,458)	1,493

9. FINANCIAL INCOME

GROUP DKK '000	2009/10	2008/09
Interest on bank deposits etc.	8,559	17,483
Interest on receivables from debtors	0	4
Interest income from financial assets not measured at fair value via the net profit/loss for the year	8,559	17,487
Dividend from financial assets available for sale	97	98
Adjustment to fair value of liabilities in respect of assets held for sale	0	184
Net foreign exchange gains and losses	2,524	516
	11,180	18,285

10. FINANCIAL EXPENSES

Interest on mortgage debt	7,714	18,415
Interest expense in respect of creditors	0	28
Interest on debt to other credit institutions	0	420
Interest on bank debt etc.	6,230	7,970
Financial expenses in respect of financial obligations not measured at fair value via the net profit/loss for the year	13,944	26,833
of which included in the cost of property, plant and equipment	0	(1,280)
	13,944	25,553

Financing costs recognised in the cost of property, plant and equipment are calculated on the basis of costs incurred during the financial year. (2008/09: interest rate of 5.1% per year based on the average financing costs).

11. TAX ON PROFIT/(LOSS) FOR THE YEAR

GROUP DKK '000	2009/10	2008/09
Current tax	13,852	8,878
Changes in deferred tax	1,395	565
	15,247	9,443
Adjustment of deferred tax, previous years	485	0
Adjustment of current tax, previous years	(641)	65
	(156)	65
	15,091	9,508

The current income tax for the financial year for the Danish consolidated enterprises has been calculated on the basis of a tax rate of 25% (2008/09: 25%). For foreign consolidated enterprises, the tax rate applicable to the country in question has been used.

	2009/10 DKK '000	2009/10 %	2008/09 DKK '000	2008/09 %
Profit/(loss) before tax	58,120		35,129	
Calculated tax thereon	14,530	25.0	8,782	25.0
Non-deductible income and expenses	682	1.2	356	1.0
Effect of differences in the tax rates of foreign subsidiaries	(829)	(1.4)	345	1.0
Effect of adjustments, previous years	(156)	(0.3)	65	0.2
Share of profit/(loss) in associates	864	1.5	(40)	(0.1)
	15,091	26,0	9,508	27,1

Tax on income and expenses recognised under other income may be specified as follows:

Changes in current tax on adjustment to fair value of financial instruments entered into for hedging future cash flows	(40)	251
Changes in deferred tax on adjustment to fair value of financial assets available for sale	5,647	0
	5,607	251
Tax on other income		
Adjustment to fair value etc. of financial assets available for sale	5,647	0
Adjustment to fair value etc. of financial instruments entered into for hedging future cash flows	(40)	251
	5,607	251

12. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

GROUP DKK '000	2009/10	2008/09
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	7.3	4.4
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	43,028	25,673
	2009/10 NO. OF SHARES OF DKK 10	2008/09 NO. OF SHARES OF DKK 10
Average number of shares	6,000,000	6,000,000
Average number of treasury shares	(100,597)	(172,699)
Number of shares used to calculate earnings per share (no.)	5,899,403	5,827,301
Average dilution effect of outstanding pre-emption rights etc. (no.)	0	0
Number of shares used to calculate diluted earnings per share (no.)	5,899,403	5,827,301

13. DIVIDEND

On 19 August 2009, the company distributed ordinary dividend of DKK 9,000k to its shareholders, corresponding to DKK 1.50 per DKK 10 share. (2008/09: DKK 9,000k, corresponding to DKK 1.50 per DKK 10 share).

For FY 2009/10, the Board of Directors recommends to the annual general meeting that dividend in the amount of DKK 1.50 per share be paid, corresponding to a total of DKK 9.0 million.

14. INTANGIBLE ASSETS

GOODWILL

Goodwill which has occurred in connection with the acquisition of an enterprise is distributed at the date of acquisition to the cash-generating units which are expected to obtain economic benefits from the business combination.

Goodwill is tested for impairment at least once a year or more often if indications of impairment exist. The annual impairment test is carried out on 30 April. No amortisation of goodwill has been made as at 30 April 2010.

RIGHTS

Rights which have an indefinable useful life and therefore cannot be amortised are recognised as at 30 April 2010 by 5,707k (2009: DKK 5,712k).

The item includes the Puls brand. The management believes that the value of this brand may be maintained as the brand is well established on the Estonian market, which is believed to be profitable over a longer period of time.

The management considers the risk that the current situation in this market will reduce the useful life of the brand to be very low. The current and planned marketing efforts will contribute to maintaining and enhancing the value of the brand.

DEVELOPMENT PROJECTS AND SOFTWARE

Development projects and software are considered to have definable useful lives, over which the assets are amortised, cf. the description of accounting policies in note 1.

14. INTANGIBLE ASSETS

GROUP

	GOOD- WILL DKK '000	DEVELOPMENT PROJECT DKK '000	RIGHTS DKK '000	SOFTWARE DKK '000	INTANGIBLE ASSETS UNDER CONSTRUCTION DKK '000
Cost as at 1 May 2009	0	3,088	5,712	1,598	2,068
Foreign currency translation adjustment	0	0	(5)	0	0
Addition in connection with acquisition of enterprise	3,573	0	0	386	0
Additions	0	540	0	4,107	688
Disposals	0	0	0	0	(2,068)
Cost as at 30 April 2010	3,573	3,628	5,707	6,091	688
Amortisation and impairment losses as at 1 May 2009	0	814	0	266	0
Foreign currency translation adjustment	0	0	0	0	0
Addition in connection with acquisition of enterprise	0	0	0	0	0
Amortisation for the year	0	1,242	0	944	0
Reversal in connection with disposals	0	0	0	0	0
Amortisation and impairment losses as at 30 April 2010	0	2,056	0	1,210	0
Carrying amount as at 30 April 2010	3,573	1,572	5,707	4,881	688
Cost as at 1 May 2008		0	5,723	369	289
Reclassification of additions, beginning of year		1,335	0	0	0
Foreign currency translation adjustment		0	(11)	0	0
Additions		1,753	0	1,229	1,779
Disposals		0	0	0	0
Cost as at 30 April 2009		3,088	5,712	1,598	2,068
Amortisation and impairment losses as at 1 May 2008		0	0	49	0
Foreign currency translation adjustment		0	0	0	0
Amortisation for the year		814	0	217	0
Reversal in connection with disposals		0	0	0	0
Amortisation and impairment losses as at 30 April 2009		814	0	266	0
Carrying amount as at 30 April 2009		2,274	5,712	1,332	2,068

Rights which have an indefinable useful life and therefore cannot be amortised are recognised as at 30 April 2009 by 5,712k (2008: DKK 5,723k). The item concerns the Estonian Puls brand. The management believes that the useful life of the brand can be maintained indefinitely as the brand is well established on the Estonian market and because it is believed to be profitable over a longer period of time. The current and planned marketing efforts will contribute to maintaining and enhancing the value of the brand.

15. PROPERTY, PLANT AND EQUIPMENT

GROUP

DKK '000

	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER PLANT ECT.	SPARE PARTS FOR OWN MACHINERY	PLANTS UNDER CON- STRUCTION
Cost as at 1 May 2009	574,899	1,175,003	175,841	4,210	35,338
Foreign currency translation adjustment	(156)	(449)	(37)	0	(23)
Addition in connection with acquisition of enterprises	6,021	7,797	4,076	0	0
Additions	25,747	120,994	19,277	490	32,163
Disposals	0	(7,469)	(11,462)	(813)	(34,231)
Cost as at 30 April 2010	606,511	1,295,876	187,695	3,887	33,247
Depreciation and impairment losses as at 1 May 2009	255,493	769,014	139,595	0	0
Foreign currency translation adjustment	(38)	(262)	(32)	0	0
Depreciation for the year	19,208	86,646	16,303	0	0
Reversal in connection with disposals	0	(6,927)	(9,377)	0	0
Depreciation and impairment losses as at 30 April 2010	274,663	848,471	146,489	0	0
Carrying amount as at 30 April 2010	331,848	447,405	41,206	3,887	33,247

The carrying amount of mortgaged land and buildings totals DKK 212,046k.

Land and buildings include the carrying amount of buildings on leased land amounting to DKK 33,319k.

Cost as at 1 May 2008	565,396	1,099,847	167,277	4,707	13,216
Reclassification, beginning of year	0	148	(148)	0	(17)
Foreign currency translation adjustment	(318)	1,503	912	0	(13)
Additions	20,390	84,989	10,477	759	35,967
Disposals	(6,527)	(11,484)	(2,677)	(1,256)	(13,815)
Reclassification of non-current assets held for sale	(4,042)	0	0	0	0
Cost as at 30 April 2009	574,899	1,175,003	175,841	4,210	35,338
Depreciation and impairment losses as at 1 May 2008	235,623	698,430	123,181	0	0
Reclassification, beginning of year	0	0	0	0	0
Foreign currency translation adjustment	(71)	2,078	783	0	0
Depreciation for the year	23,833	79,367	17,681	0	0
Reversal in connection with disposals	(3,092)	(10,861)	(2,050)	0	0
Reclassification of non-current assets held for sale	(800)	0	0	0	0
Depreciation and impairment losses as at 30 April 2009	255,493	769,014	139,595	0	0
Carrying amount as at 30 April 2009	319,406	405,989	36,246	4,210	35,338

The carrying amount of mortgaged land and buildings totals DKK 202,243k.

Land and buildings include the carrying amount of buildings on leased land amounting to DKK 33,102k.

During the financial year, DKK 1,283k has been capitalised in the form of borrowing costs in connection with the construction of assets for which the construction period exceeds six months.

16. INVESTMENTS IN ASSOCIATES

GROUP DKK '000	2009/10	2008/09
Cost as at 1 May	1,751	1,751
Additions	0	0
Disposals	(1,751)	0
Cost as at 30 April	0	1,751
Revaluation and impairment losses as at 1 May	2,858	1,739
Share of net profit/(loss) for the year, cf. note 8	0	1,493
Disposals	(3,232)	0
Elimination of share of treasury shares	374	(374)
Revaluation and impairment losses as at 30 April	0	2,858
Carrying amount as at 30 April	0	4,609
Investments in associates are measured in the consolidated financial statements according to the equity method less any impairment losses.		
During the period, the group has divested all its investments in associates.		
Key figures for associates:		
Assets	0	110,058
Liabilities	0	(110,909)
Net assets as at 30 April	0	(851)
Share of net assets as at 30 April	0	5,192
Net profit/(loss) for the year	0	(4,419)
Share of net profit/(loss) for the year	0	(298)

17. FINANCIAL ASSETS AVAILABLE FOR SALE

GROUP DKK '000	2010	2009
Cost as at 1 May	310,087	2,199
Foreign currency translation adjustments	(16)	0
Additions	855	309,275
Disposals	(2,620)	(1,387)
Cost as at 30 April	308,306	310,087
Revaluation and impairment losses as at 1 May	(21,319)	262
Foreign currency translation adjustments	(2)	18
Adjustments for the year	(3,247)	(21,599)
Revaluation and impairment losses as at 30 April	(24,568)	(21,319)
Carrying amount as at 30 April	283,738	288,768

Financial assets available for sale are measured at fair value on the balance sheet date.

The carrying amount of pledged securities totals DKK 278,502k (2008/09: DKK 283,271k).

18. INVENTORIES

Raw materials, semi-manufactures and non-returnable packaging	62,772	64,300
Finished goods and goods for resale	59,439	54,168
	122,211	118,468

19. TRADE RECEIVABLES

GROUP DKK '000	2010	2009
Trade receivables	304,155	267,427
Write-downs made for expected losses	1,235	1,147
Write-downs as at 1 May	1,147	565
Foreign currency translation adjustment	138	0
Addition in connection with acquisition of enterprise	200	0
Ascertained losses and payments received concerning claims previously written off for the year	446	1,036
Reversed write-downs	(150)	0
Write-downs for bad debts for the year	(546)	(454)
	1,235	1,147
Write-downs for the year recognised in the income statement	296	1,618

Direct write-downs of receivables are made if the value, based on an individual assessment of the individual debtor's ability to pay, is reduced, e.g. as a result of a suspension of payments etc. Write-downs are made at the calculated net realisable value.

All major overdue receivables have been written off as at the balance sheet date.

20. OTHER RECEIVABLES

Investment grant receivable	0	29,635
Other receivables	3,964	5,294
	3,964	34,929

Other receivables are not associated with any special credit risks and like last year, no write-downs of these are included. None of the receivables are overdue.

21. ASSETS HELD FOR SALE

The Board of Directors of Harboes Bryggeri A/S has decided to sell one of its residential properties. The sale of the property will be handled by a nationwide firm of estate agents. The property is expected to sell within 12 months. The assets and liabilities of the property have been reclassified in the balance sheet as at 30 April 2009 as assets held for sale.

Proceeds from the sale are expected to correspond to the carrying amount of assets and liabilities.

GROUP DKK '000	2009/10	2008/09
Property, plant and equipment	3,242	3,242
Write-down for the year	(250)	0
Assets held for sale	2,992	3,242
Payables in respect of assets held for sale	(2,987)	(2,987)
Net assets held for sale	5	255

22. CASH

Cash and bank deposits	43,774	59,864
-------------------------------	---------------	---------------

23. SHARE CAPITAL

GROUP

The share capital amounts to DKK 60,000k, distributed on DKK 6,400k of Class A shares and 53,600k of Class B shares. Each Class A share of DKK 10 carries 10 votes, and each Class B share of DKK 10 carries 1 vote.

The Class B shares are listed on NASDAQ OMX Copenhagen.

The past four years have not seen any movements in the share capital.

24. TREASURY SHARES

			NOMINAL VALUE		SHARE OF SHARE CAPITAL	
	2010 NO. OF SHARE	2009 NO. OF SHARE	2010 DKK'000	2009 DKK'000	2010 %	2009 %
Treasury shares as at 1 May	292,312	50,000	2,923	500	4.9	0.8
Purchase of treasury shares	0	242,312	0	2,423	0.0	4.1
Sale of treasury shares	(227,367)	0	(2,274)	0	(3.8)	0.0
Treasury shares as at 30 April	64,945	292,312	649	2,923	1.1	4.9

Harboes Bryggeri A/S holds treasury Class B shares which have been purchased to ensure optimal investment of cash funds.

According to a decision made at the general meeting held on 19 August 2009, the company can acquire treasury shares at a maximum nominal value of DKK 6,000k, corresponding to 10% of the share capital, until the next annual general meeting.

In 2009/10, the company sold treasury shares at a nominal value of 2,274k at an average price of 129.82, corresponding to DKK 29.5 million (2008/09: purchase of treasury shares at a nominal value of DKK 2,423k, corresponding to DKK 25.3 million). The sale of shares formed part of the fee in connection with the acquisition of an enterprise.

25. OTHER RESERVES

GROUP DKK '000	2009/10	2008/09
Reserve for foreign currency translation adjustments	(471)	(28)
Reserve for net revaluation according to the equity method	0	3,232
Reserve for adjustment to fair value of financial assets available for sale	(18,937)	(21,337)
Reserve for value adjustment of hedging instruments	(628)	(753)
	(20,036)	(18,886)

	RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD	RESERVE FOR FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	RESERVE FOR VALUE ADJUSTMENT OF HEDGING INSTRUMENTS	RESERVE FOR VALUE ADJUSTMENT OF FINANCIAL ASSETS AVAILABLE FOR SALE	TOTAL
Other reserves as at 1 May 2008	1,738	1,125	0	262	3,125
Foreign currency translation adjustment regarding foreign enterprises	0	(1,153)	0	0	(1,153)
Adjustment to fair value of financial instruments entered into for hedging future cash flows	0	0	(1,004)	0	(1,004)
Reserve for net revaluation according to the equity method	1,494	0	0	0	1,494
Adjustment to fair value of financial assets available for sale	0	0	0	(21,599)	(21,599)
Tax on income and expenses recognised directly in equity	0	0	251	0	251
Other reserves as at 30 April 2009	3,232	(28)	(753)	(21,337)	(18,886)
Other reserves as at 1 May 2009	3,232	(28)	(753)	(21,337)	(18,886)
Foreign currency translation adjustment regarding foreign enterprises	0	(443)	0	0	(443)
Adjustment to fair value of financial instruments entered into for hedging future cash flows	0	0	165	0	165
Reserve for net revaluation according to the equity method	(3,232)	0	0	0	(3,232)
Adjustment to fair value of financial assets available for sale	0	0	0	(3,247)	(3,247)
Tax on income and expenses recognised directly in equity	0	0	(40)	5,647	5,607
Other reserves as at 30 April 2010	0	(471)	(628)	(18,937)	(20,036)

26. DEFERRED TAX LIABILITIES

GROUP

DKK '000

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Deferred tax as at 1 May 2008	2,093	37,776
Foreign currency translation adjustment	(168)	(29)
Changes in deferred tax recognised in the income statement	(350)	215
Changes in deferred tax offset against tax receivable	0	1,618
Deferred tax as at 30 April 2009	1,575	39,580
Foreign currency translation adjustment	152	(8)
Changes in deferred tax recognised in the income statement	(428)	(975)
Changes in deferred tax recognised in other comprehensive income	0	5,647
Changes in deferred tax offset against current tax	0	1,337
Deferred tax as at 30 April 2010	1,299	33,555
	2010	2009
Deferred tax has been recognised in the balance sheet as follows:		
Deferred tax assets	(1,299)	(1,575)
Deferred tax liabilities	33,555	39,580
Deferred tax as at 30 April	32,256	38,005
Distribution of the distributable reserves of AS Viru Õlu, Haljala, Estonia will trigger tax not provided for of	324	299

GROUP

DKK '000

	1 MAY DKK '000	RECOGNISED IN THE INCOME STATEMENT DKK '000	RECOGNISED IN OTHER COM- PREHENSIVE INCOME DKK '000	TRANSFERRED TO CURRENT TAX DKK '000	30. APRIL DKK '000
Non-current assets	37,017	(655)	0	0	36,362
Current assets	3,131	(1,508)	(5,647)	(54)	(4,078)
Current liabilities	(488)	617	0	0	129
Tax losses carried forward	(80)	2,998	0	(1,776)	1,142
Temporary differences	39,580	1,452	(5,647)	1,830	33,555
Tax losses carried forward	(1,575)	428	0	(152)	(1,299)
Unutilised tax losses	(1,575)	428	0	(152)	(1,299)
Deferred tax 2010	38,005	1,880	(5,647)	(1,982)	32,256
Non-current assets	38,840	(1,823)	0	0	37,017
Current assets	2,288	843	0	0	3,131
Current liabilities	(1,053)	816	(251)	0	(488)
Tax losses carried forward	(2,299)	379	0	1,840	(80)
Temporary differences	37,776	215	(251)	1,840	39,580
Tax losses carried forward	(2,093)	350	0	168	(1,575)
Unutilised tax losses	(2,093)	350	0	168	(1,575)
Deferred tax 2009	35,683	565	(251)	2,008	38,005

27. REPURCHASE OBLIGATION, RETURNABLE PACKAGING

GROUP DKK '000	2010	2009
Repurchase obligation as at 1 May	35,637	36,298
Applied and reversed during the financial year, net	(2,287)	(661)
Repurchase obligation as at 30 April	33,350	35,637
Provisions have been recognised in the balance sheet as follows:		
Current liabilities	33,350	35,637
Non-current liabilities	0	0
	33,350	35,637

The repurchase obligation has been adjusted on the basis of the net sale of returnable packaging for the year less an estimated wastage in the volume of returnable packaging in circulation.

28. MORTGAGE DEBT

GROUP DKK '000	2010	2009
Mortgage debt secured upon real property and securities	317,297	323,123
Mortgage debt falls due as follows:		
On demand within one year from the balance sheet date	26,377	5,818
Between two and five years from the balance sheet date	135,638	127,432
After five years from the balance sheet date	155,282	189,873
	317,297	323,123
Mortgage debt has been recognised in the balance sheet as follows:		
Current liabilities	26,377	5,682
Non-current liabilities	290,920	317,441
	317,297	323,123

	CURRENCY	EXPIRY	FIXED/ FLOATING	EFFECTIVE INTEREST RATE %	AMOR- TISED COST DKK '000	NOMINAL ALUE DKK '000	FAIR VALUE DKK '000
Mortgage debt	DKK	2012	Floating	4.5	10,697	12,937	13,308
Mortgage debt	DKK	2028	Floating	3.0-3.5	2,645	2,744	2,730
Mortgage debt	DKK	2019	Floating	2.3-2.4	237,533	237,533	220,549
Mortgage debt	DKK	2029	Floating	2.3-2.4	66,442	66,442	61,673
30 April 2010					317,297	319,636	298,260
Mortgage debt	DKK	2012	Floating	4.5	16,393	19,035	19,366
Mortgage debt	DKK	2028	Floating	4.0-5.0	2,774	2,873	2,819
Mortgage debt	DKK	2019	Floating	5.0-5.5	237,533	237,533	222,378
Mortgage debt	DKK	2029	Floating	5.0-5.5	66,423	64,423	62,184
30 April 2009					323,123	323,867	306,747

Dagsværdi er opgjort til nutidsværdien af forventede fremtidige afdrags- og rentebetalinger ved anvendelse af den aktuelle markedsrente som diskonteringsfaktor.

29. OTHER CREDIT INSTITUTIONS

GROUP DKK '000	2009	2008
Loans	154,340	136,621
Mortgage debt falls due as follows:		
On demand within one year from the balance sheet date	154,340	135,436
Between two and five years from the balance sheet date	0	1,185
After five years from the balance sheet date	0	0
	154,340	136,621
Other credit institutions have been recognised in the balance sheet as follows:		
Current liabilities	154,340	135,436
Non-current liabilities	0	1,185
	154,340	136,621

	CURRENCY	EXPIRY	FIXED/ FLOATING	EFFECTIVE INTEREST RATE %	AMOR- TISED COST DKK '000	NOMINAL ALUE DKK '000	FAIR VALUE DKK '000
Loans	EUR	2010	Fixed	6.7	1,183	1,183	1,171
Overdraft facility	DKK	2010	Floating	2.5-4.5	3,010	3,010	3,010
Overdraft facility	EUR	2010	Floating	2.5-3.0	47,304	47,304	47,304
Overdraft facility	EUR	2010	Fixed	3.8	100,000	100,000	100,000
Overdraft facility	SEK	2010	Floating	1.75-2.25	2,843	2,843	2,843
30 April 2010					154,340	154,340	154,328
Loans	EUR	2011	Fixed	6.7	3,433	3,553	3,354
Overdraft facility	EUR	2009	Floating	2.2-4.2	3,423	3,423	3,423
Overdraft facility	EUR	2009	Floating	2.7-4.2	29,765	29,765	29,765
Overdraft facility	EUR	2009	Fixed	4.0	100,000	100,000	100,000
30 April 2009					136,621	136,579	136,642

Dagsværdi er opgjort til nutidsværdien af forventede fremtidige afdrags- og rentebetalinger ved anvendelse af den aktuelle markedsrente som diskonteringsfaktor.

30. OTHER PAYABLES

GROUP DKK '000	2010	2009
Wages and salaries, holiday pay, income tax deducted at source, social contributions etc. payable	8,855	9,330
Holiday pay obligations etc.	9,373	6,115
VAT and taxes payable	30,838	42,717
Other costs payable	50,622	46,512
Derivative financial instruments, cf. note 36	838	1,004
	100,526	105,678

Holiday pay obligations etc. cover obligations to pay wages and salaries during holidays, to which employees, as at the balance sheet date, have earned a right to take in the following financial year.

The carrying amount of payables concerning wages and salaries, income tax deducted at source, social contributions, holiday pay etc., derivative financial instruments, VAT and taxes as well as other costs payable corresponds to the fair value of the liabilities.

31. OPERATING LEASE COMMITMENTS

GROUP DKK '000	2010	2009
-------------------	------	------

For the years 2007-2017, operating leases concerning the lease of properties, machinery and other plant have been entered into. The leases have been concluded for a minimum of 3-10 years with fixed lease payments to be indexed annually. The leases are interminable within the period stated, after which they may be renewed for periods of five years.

Minimum lease payments recognised in the income statement	10,215	10,363
The minimum lease payments comprise:		
Production	3,227	3,420
Distribution	330	342
Administration	606	602
Other operating expenses	6,052	5,999
	10,215	10,363

The total future minimum lease payments for interminable leases fall due for payment as follows:

Within one year from the balance sheet date	9,759	10,144
Between two and five years from the balance sheet date	27,603	22,893
After five years from the balance sheet date	9,192	4,179
	46,554	37,216

The group has entered into leases in respect of land and buildings. The leases have been entered into with companies having Bernhard Griese, CEO, and his close relatives as main shareholders.

The leases (registered on the individual properties) are interminable until 2017 on the part of the lessor and until 2010-2013 on the part of the lessee. The annual rent amounts to DKK 6,319k (2008/09: DKK 6,240k). The total future minimum lease payments in the period of interminability amount to DKK 40,817k. The amount is contained in the figures above.

GROUP
DKK '000

2010

2009

Sublease

Effective from 1 May 2007, the group has concluded an agreement on the sublease of buildings for a period of ten years. The lease is interminable by either party during the lease period. The amount is included in the figures above.

The total future minimum lease payments for interminable leases fall due as follows:

Within one year from the balance sheet date	5,108	5,192
Between two and five years from the balance sheet date	20,432	15,352
After five years from the balance sheet date	15,324	0
	40,864	20,544

32. CONTINGENT LIABILITIES, SECURITY AND CONTRACTUAL OBLIGATIONS

GROUP DKK '000	2010	2009
Security		
Mortgage debt has been secured by way of a mortgage over properties with associated plant and machinery (mortgaged fixtures and fittings (tilbehør-spant)) as well as listed mortgage credit bonds.		
Carrying amount of mortgaged properties	212,046	202,243
Carrying amount of pledged mortgage credit bonds	278,502	283,271
Mortgage deed registered to the mortgagor with a nominal value of DKK 750k over Danish properties is kept in own depository.		
As security for bank debt, a mortgage deed with a nominal value of EUR 16,362k or DKK 121,768k over foreign properties and production facilities has been deposited.		
Carrying amount of mortgaged properties and production facilities	380,145	337,035
As at 30 April 2009, the parent had provided a guarantee for the mortgage debt of the group's associates. The guarantee has lapsed (2008/09: DKK 2.0 million).		
Debt of associates	0	15,954

Contingent liabilities

Government grants received have been used to purchase property, plant and equipment and to establish production facilities at Darguner Brauerei GmbH. The grants are subject to certain conditions being fulfilled, and repayment of the grants may be requested within a period of five years if the assets are disposed of or production is discontinued. No current repayment obligation exists.

No pending court cases etc. exist which are deemed by the management to have a serious negative impact on the financial standing of the parent and the group apart from what has already been disclosed in the annual report.

The parent has concluded agreements on the purchase of plant and machinery as at 30 April 2010. The contractual obligation totals DKK 36.0 million as at the balance sheet date (2008/09: DKK 4.4 million).

33. CHANGES IN NET WORKING CAPITAL

GROUP DKK '000	2009	2008
Changes in inventories	1,797	(3,992)
Changes in trade receivables	(30,080)	(30,034)
Changes in other receivables	6,255	5,194
Changes in trade payables etc.	(20,885)	14,099
Changes in other debt	(30,572)	38,149
	(73,485)	23,416

34. CASH AND CASH EQUIVALENTS

Cash and bank deposits	43,775	59,864
Overdraft facilities	(153,157)	(133,188)
	(109,382)	(73,324)

The carrying amount of cash and cash equivalents corresponds to the fair value of such cash and cash equivalents. The group has undrawn credit facilities totalling DKK 21.8 million as at 30 April 2010 (2008/09: DKK 37.7 million).

35. FEE TO THE AUDITORS OF THE PARENT APPOINTED BY THE GENERAL MEETING

GROUP DKK '000	2010	2009
Deloitte		
Statutory audit	1,301	1,362
Other assurance engagements	50	60
Tax advice	36	32
Other services	391	225
	1,778	1,679
Other		
Statutory audit	355	212
Other services	357	22
	712	234

36. ACQUISITION OF ENTERPRISE

During the financial year, the group has acquired the following enterprises:

NAME	PRIMARY ACTIVITY	ACQUI- SITION DATE	ACQUIRED OWNERSHIP INTEREST %	ACQUIRED VOTING SHARE %	ACQUI- SITION PRICE DKK'000
2009/10					
GourmetBryggeriet A/S Roskilde, Denmark	Production and sale of speciality beer	1 June 2009	100	100	32,462
					32,462

	CARRYING- AMOUNT DKK '000	ADJUSTMENT OF VALUE DKK '000	FAIR VALUE AT THE ACQUISITION DATE DKK '000
Non-current assets			
Intangible assets	347	0	347
Property, plant and equipment	17,841	0	17,841
Financial assets	105	0	105
Deferred tax assets	0	624	624
Current assets			
Inventories	6,462	(800)	5,662
Trade receivables	4,666	(500)	4,166
Other receivables	2,062	(317)	1,745
Cash	6,632	0	6,632
Current liabilities			
Trade payables	(2,984)	0	(2,984)
Other payables	(2,846)	(880)	(3,726)
Net assets taken over	32,285	(1,873)	30,412
Net assets taken over	32,284	(1,873)	30,412
Goodwill			3,573
Total sum			33,985
Fee in the form of shares in Harboes Bryggeri A/S			(29,516)
Cash sum			4,469
Cash taken over, cf. above			(6,632)
Cash flow effect, net			(2,163)

The group has incurred acquisition costs of DKK 1,523k, which are included in the acquisition price.

In connection with the acquisition, a sum was paid which exceeds the fair value of the identifiable assets and liabilities taken over. This positive balance is mainly attributable to expected synergy effects between the activities in the enterprise taken over and the group's existing activities and future growth potential. Such synergies have not been recognised separately from goodwill as they are not separately identifiable.

Out of the group's net profit for the year of DKK 43,029k, a loss of DKK 5,535k is attributable to GourmetBryggeriet A/S. DKK 21,931k of the group's revenue is attributable to the enterprise. If the enterprise had been taken over as of 1 May 2009, revenue for 2009/10 would have been approx. DKK 23,853k, and the net loss for the year would have totalled approx. DKK 6,504k. The management believes that these pro forma amounts reflect the earnings level of the group after the acquisition of the enterprise and that the amounts may thus form the basis for comparisons in subsequent financial years. The determination of the pro forma amounts for revenue and net profit/loss for the year is based on the following material assumptions:

- The depreciation of property, plant and equipment and amortisation of intangible assets have been calculated on the basis of the original carrying amounts. No business combinations were carried out in 2008/09.

37. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

GROUP DKK '000	2010	2009
Categories of financial instruments		
Trade receivables	304,155	267,427
Receivables from associates	0	4,377
Other receivables	3,964	34,929
Cash	43,774	59,864
Loans and receivables	351,893	366,597
Financial assets available for sale	283,738	288,768
Derivative financial instruments entered into for hedging future cash flows	838	1,004
Financial liabilities used as hedging instruments	838	1,004
Mortgage debt	317,297	323,123
Other credit institutions	154,340	136,621
Trade payables	187,556	200,136
Repurchase obligation, returnable packaging	33,350	35,637
Payables to associates	0	11,377
Other payables	100,395	105,678
Financial liabilities in respect of assets held for sale	2,987	2,987
Financial liabilities measured at amortised cost	795,925	815,559

kan opgøres som følger pr. statusdagen.

Risk policy of the group

Due to its operations, investments and financing, the group is exposed to a number of financial risks, including market risks (currency, interest rate and raw material risks), credit risks and liquidity risks.

The financial risks of the group are managed centrally. The general framework for the financial risk management is defined in the group's financial policy. The financial policy comprises the group's currency policy, investment policy, financing policy and policy on credit risks in relation to financial counterparties and includes a description of approved financial instruments and risk framework.

It is group policy not to engage in active financial risk speculation. The financial management of the group is thus only aimed at managing and reducing the financial risks that are a direct consequence of the group's operations, investments and financing.

The group uses a fully integrated financial management system for managing financial positions related to financial instruments. The management monitors the group's risk concentration in areas such as customers, geographical areas, foreign currency etc. on a monthly basis. Furthermore, the management monitors changes in the group's risk concentration.

No changes were seen in the group's risk exposure and risk management relative to 2008/09.

Currency risks concerning recognised assets and liabilities

The group's sale and purchase of goods in foreign currencies primarily takes place in EUR and, to a lesser extent, EEK, SEK and PLZ. No forward exchange contracts or similar have been concluded as at the balance sheet date as the management estimates that the group's currency risk is limited. The company's unhedged currency positions as at the balance sheet date can be specified as follows:

	LIKVIDER DKK '000	RECEIVABLES DKK '000	PAYABLES DKK '000	NET POSITION DKK '000
EUR	29,317	144,505	(604,600)	(430,778)
USD	68	484	(884)	(332)
SEK	0	9,081	(4,001)	5,080
EEK	2,298	9,276	(7,309)	4,265
PLZ	1,102	798	(229)	1,671
NOK	0	3,661	0	3,661
30 April 2010	32,785	167,805	(617,023)	(416,433)
EUR	1,933	167,871	(596,554)	(426,750)
SEK	15,137	8,044	(431)	22,750
EEK	4,211	13,536	(11,350)	6,397
PLZ	209	3,250	(957)	2,502
30 April 2009	21,490	192,701	(609,292)	(395,101)

GROUP
DKK '000

2009/10

2008/09

Equity's sensitivity to exchange rate fluctuations

Effect if the EUR exchange rate was 1% lower than the actual exchange rate	4,488	4,140
Effect if the USD exchange rate was 5% lower than the actual exchange rate	381	0
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(1,214)	(1,632)
Effect if the EEK exchange rate was 5% lower than the actual exchange rate	(218)	(124)
Effect if the PLZ exchange rate was 5% lower than the actual exchange rate	(82)	(11)
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(1,684)	0

1,671

2,373

Net profit/loss's sensitivity to exchange rate fluctuations

Effect if the EUR exchange rate was 1% lower than the actual exchange rate	180	(128)
Effect if the USD exchange rate was 5% lower than the actual exchange rate	365	0
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(960)	(1494)
Effect if the EEK exchange rate was 5% lower than the actual exchange rate	(5)	196
Effect if the PLZ exchange rate was 5% lower than the actual exchange rate	2	115
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(1,501)	0

(1,919)

(311)

The above shows the effect it would have had on equity and the net profit or loss for the year, respectively, if the exchange rate had been 1% and 5% lower than the actual exchange rate applied. If the exchange rate had been higher, it would have had a similar positive effect on equity and the net profit or loss for the year, respectively.

Currency risks concerning future cash flows

The group's most significant currency exposure is also expected to concern transactions in the above-mentioned currencies in future. The transactions are expected to be at the level realised in 2009/10.

No financial contracts in the form of forward exchange contracts or similar have been concluded as at the balance sheet date as the management estimates that there are no significant risks associated with future cash flows in foreign currencies.

Interest rate risks

Due to the Harboe group's capital structure, the risk relating to fluctuations in market interest rates is limited. The group's net interest-bearing debt as at 30 April 2010 was DKK 149.4 million (2009: DKK 119.6 million). The debt carries a floating rate of interest.

An increase in the market interest rate of 1% would affect the profit or loss for the year before tax negatively by approx. DKK 1.5 million (2008/09: approx. DKK 1.2 million).

GROUP
DKK '000**2008/09****2007/08**

Fair value of interest rate swaps (EUR 13,400k)	838	1,004
Interest falls due for payment as follows:		
Within one year from the balance sheet date	1,087	1,632
Between two and five years from the balance sheet date	0	1,088
After five years from the balance sheet date	0	0
	1,087	2,720

Liquidity risks

The due dates of financial liabilities are specified in the notes for the individual categories of liabilities.

The group and the parent's liquidity reserve consists of cash and unutilised credit facilities.

The liquidity reserve is comprised as follows:

Cash	43,774	59,864
Unutilised credit facilities	21,843	41,812
	65,617	101,676

Credit risks

The group's primary credit risk concerns non-prepaid trade receivables. The group's customers are mainly large retail chains in Scandinavia, Germany and Estonia. The group has no significant credit risks relating to a single customer or partner.

The group is seeking to limit risks related to customers outside these countries by hedging receivables through letters of credit, bank guarantees and similar, which are included in the assessment of the necessary write-downs made for bad debts.

In the event that such hedging is not made or is exceeded, the group has laid down procedures for the approval of such risks.

The maximum credit risk associated with trade receivables corresponds to the carrying amount of such receivables.

Capital structure

The company's management estimates, on a regular basis, whether the group's capital structure matches the interests of the company and its shareholders. The group's overall objective is to ensure a capital structure that maintains a high level of financial resources at all times to enable investments in continued organic growth and value creation by constantly adapting to market developments and meeting customer requirements.

The group aims for its financial resources to be made up of its own funds and for them to be flexible enough to allow for growth through acquisitions or participation in large partnerships. The group's general strategy is consistent with previous years.

See also the section in the management's review on financial objectives, page 16.

The group's financial gearing appears from the financial highlights on page 8.

METHODS AND ASSUMPTIONS FOR THE DETERMINATION OF FAIR VALUES

LISTED BONDS

The portfolio of listed mortgage credit bonds is measured at listed prices and price quotes.

LISTED SHARES

The portfolios of shares are measured at listed prices and price quotes.

UNLISTED SHARES

Unlisted shares are measured on the basis of observable information or at cost.

DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps are measured on the basis of generally accepted methods of measurement based on relevant observable swap curves.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET

Below is a classification of financial instruments measured at fair value based on the fair value hierarchy.

- Listed prices in an active market for the same type of instrument (level 1)
- Listed prices in an active market for similar assets or liabilities or other methods of measurement according to which all significant inputs are based on observable market data (level 2)
- Methods of measurement according to which significant inputs are not based on observable market data (level 3)

2009/10	LEVEL 1 DKK '000	LEVEL 2 DKK '000	LEVEL 3 DKK '000	TOTAL DKK '000
Listed mortgage credit bonds	278,502	-	-	278,502
Listed shares	185	-	-	185
Unlisted shares and securities	-	2,640	2,411	5,051
Financial assets available for sale	278,687	2,640	2,411	283,738
Financial liabilities used as a hedging instrument	-	838	-	838
Financial liabilities measured at fair value	-	838	-	838

No transfers between level 1 and level 2 have occurred during the financial year.

Financial instruments measured at fair value in the balance sheet based on methods of measurement according to which significant inputs are not based on observable market data (level 3):

	FINANCIAL ASSETS AVAILABLE FOR SALE DKK '000
Carrying amount as at 1 May 2009	2,507
Gains/losses in net profit/loss for the year	-
Gains/losses in other comprehensive income	(951)
Addition in connection with acquisition of enterprise	105
Purchase	750
Sale	-
Carrying amount as at 30 April 2010	2,411

38. RELATED PARTIES

Related parties with a controlling influence

The following parties have a controlling influence on the parent and the group:

Name	Domicile	Basis of control
Kirsten and Bernhard Griese	Spegerborgvej 4, 4230 Skælskør, Denmark	Shareholder with the majority of the voting rights

For an overview of associates, please refer to note 16.

Transactions with related parties

During the financial year, the group has engaged in the following transactions with its related parties:

	Owners with a controlling interest in Harboes Bryggeri A/S*	DKK '000	Members of the board of directors, the board of executives and other key staff members	Other related parties	Total
DKK '000					
2009/10					
Sale of goods	1,166	0	38	0	1,204
Purchase of goods	4,104	171,004	17	13	175,138
Sale of non-current assets	0	521	0	0	521
Sale of services	1,568	0	0	0	1,568
Purchase of services	11,755	0	5,043	50	16,848
Sale of leases	814	6,086	0	0	6,900
Purchase of leases	6,361	0	0	0	6,361
Fees etc.	4,429	0	13,081	328	17,838
Deposits, leases	2,234	0	0	0	2,234
Trade receivables etc.	2,953	1,882	0	0	4,835
Trade payables etc.	582	0	401	13	996
Distribution of dividend	1,180	0	125	6	1,311

DKK '000	Owners with a controlling interest in Harboes Bryggeri A/S*	Associates	Members of the board of directors, the board of executives and other key staff members	Other related parties	Total
2008/09					
Purchase of goods	6,917	179,175	0	125	186,217
Sale of non-current assets	0	0	0	3,150	3,150
Purchase of non-current assets	0	0	0	320	320
Sale of services	132	0	0	0	132
Purchase of services	1,340	0	4,572	0	5,912
Sale of leases	126	5,192	0	0	5,318
Purchase of leases	6,240	0	0	0	6,240
Fees etc.	4,510	0	10,328	193	15,031
Deposits, leases	2,186	0	0	0	2,186
Trade receivables etc.	51	3,608	0	0	3,659
Trade payables etc.	2,578	11,378	626	0	14,582
Security	0	2,000	0	0	2,000
Distribution of dividend	1,180	0	24	6	1,210

*) Including transactions with other companies having Bernhard Griese, CEO, as the main shareholder.

The purchase and sale of goods to related parties has been conducted at the normal selling prices of the group.

No security was provided and no guarantees were given in respect of outstanding balances as at the balance sheet date. Both receivables and payables will be settled in cash. During the financial year, no bad debts in respect of related parties were realised and no write-downs were made for probable losses.

The group has entered into leases in respect of land and buildings. The leases have been entered into with companies having Bernhard Griese, CEO, and his close relatives as main shareholders.

The leases, which are registered on the individual properties, are interminable until 2017 on the part of the lessor and until 2010-2013 on the part of the lessee. The annual rent amounts to DKK 6,319k (2008/09: DKK 6,240k). The total future minimum lease payments in the period of interminability amounts to DKK 40,817k, cf. note 31.

REMUNERATION ETC. TO THE BOARD OF DIRECTORS, THE BOARD OF EXECUTIVES AND OTHER KEY STAFF MEMBERS

Please refer to note 5 for information on remuneration paid to the Board of Directors, the Board of Executives and other key staff members of the group. The remuneration is included in the above.

INCOME STATEMENT FOR 2009/10

PARENT DKK '000	NOTE	2009/2010	2008/2009
Gross revenue		735,896	748,444
Taxes on beer and soft drinks		(166,577)	(160,338)
Revenue		569,319	588,106
Production costs	1	(451,502)	(465,495)
Gross profit/(loss)		117,817	122,611
Other operating income		576	0
Distribution costs		(81,590)	(91,766)
Administrative expenses		(27,262)	(23,373)
Operating profit/(loss) (EBIT)		9,541	7,472
Income from investments in subsidiaries	4	-	-
Financial income	5	4,259	3,088
Financial expenses	6	(5,247)	(4,948)
Profit/(loss) before tax		8,553	5,612
Tax on profit/(loss) for the year	7	(2,648)	(2,096)
Adjustment of tax regarding previous years	7	65	(28)
Net profit/(loss) for the year		5,970	3,488
Proposal for the distribution of net profit			
Dividend for the financial year		9,000	9,000
Retained earnings		(3,030)	(5,512)
		5,970	3,488

STATEMENT OF COMPREHENSIVE INCOME FOR 2009/10

PARENT DKK '000	NOTE	2009/2010	2008/2009
Net profit/(loss) for the year		5,970	3,488
Other comprehensive income:			
Adjustment to fair value of financial assets available for sale		(1,116)	(2,284)
Adjustment to fair value of financial instruments entered into for hedging future cash flows		165	(1,004)
Tax on other comprehensive income recognised directly in equity		(40)	251
Other comprehensive income		(991)	(3,037)
Total comprehensive income		4,979	451

BALANCE SHEET AS AT 30 APRIL 2010

PARENT DKK '000	NOTE	2010	2009
Development projects		1,572	2,274
Software		4,649	1,253
Intangible assets under construction		688	2,068
Intangible assets	8	6,909	5,595
Land and buildings		108,528	110,992
Plant and machinery		182,559	176,143
Other plant, fixtures and fittings, tools and equipment		31,925	30,244
Spare parts for own machinery		3,887	4,210
Property, plant and equipment under construction		22,471	6,618
Property, plant and equipment	9	349,370	328,207
Investments in subsidiaries	10	171,573	137,564
Financial assets available for sale	11	5,131	5,497
Receivable from subsidiary	11	23,434	30,215
Financial assets		200,138	173,276
Non-current assets		556,417	507,078
Inventories	12	50,065	46,764
Trade receivables	13	136,524	103,720
Receivables from subsidiaries		3,076	3,087
Other receivables	14	3,045	542
Income tax receivable		0	0
Prepayments		618	906
Receivables		143,263	108,255
Cash	15	583	43,286
Assets held for sale	16	2,992	3,242
Current assets		196,903	201,547
Assets		753,320	708,625

BALANCE SHEET AS AT 30 APRIL 2010

PARENT DKK '000	NOTE	2010	2009
Share capital	17	60,000	60,000
Share premium		51,000	51,000
Reserves		(3,766)	(2,775)
Retained earnings		252,297	225,651
Equity		359,531	333,876
Mortgage debt	21	2,503	2,652
Deferred tax liabilities	19	32,930	32,591
Deferred income		4,416	0
Non-current liabilities		39,849	35,243
Deferred income		576	0
Mortgage debt	21	142	122
Bank debt	22	153,157	129,765
Trade payables		69,417	83,801
Repurchase obligation, returnable packaging	20	33,112	32,494
Payables to subsidiaries		26,212	15,056
Other payables	23	64,942	73,924
Income tax payable		3,395	1,357
		350,953	336,519
Liabilities in respect of assets held for sale		2,987	2,987
Current liabilities		353,940	339,506
Liabilities		393,789	374,749
Equity and liabilities		753,320	708,625

CASH FLOW STATEMENT FOR 2009/10

PARENT DKK '000	NOTE	2010	2009
Operating profit/(loss) (EBIT)		9,541	7,472
Depreciation, amortisation, impairment losses and write-downs		56,957	58,000
Grants recognised as income		(576)	0
Changes in net working capital	26	(66,213)	5,434
Cash flows from primary operating activities		(291)	70,906
Financial income received		4,259	3,088
Financial expenses paid		(5,247)	(5,999)
Income tax paid		(246)	1,289
Cash flows from operating activities		(1,525)	69,284
Purchase of intangible assets		(3,262)	(4,445)
Purchase of property, plant and equipment		(70,690)	(76,252)
Sale of property, plant and equipment		79	3,795
Changes in financial assets		(750)	897
Acquisition of subsidiary		(4,493)	0
Change of loan to subsidiary		6,781	(2,555)
Cash flows from investing activities		(72,335)	(78,560)
Dividend paid to shareholders of parent		(8,840)	(8,925)
Sale of treasury shares		0	(25,301)
Repayment of mortgage debt		(129)	(1,091)
Investment grant received		5,567	0
Cash flows from financing activities		(3,402)	(35,317)
Changes in cash and cash equivalents		(77,262)	(44,593)
Cash and cash equivalents as at 1 May		(98,448)	(53,855)
Cash and cash equivalents as at 30 April	27	(175,710)	(98,448)

STATEMENT OF CHANGES IN EQUITY FOR 2008/09

PARENT

DKK '000

	SHARE CAPITAL DKK '000	SHARE PREMIUM DKK '000	OTHER RESERVES DKK '000	RETAINED EARNINGS DKK '000	TOTAL EQUITY DKK '000
Equity as at 1 May 2008	60,000	51,000	262	256,389	367,651
Adjustment to fair value of financial instruments entered into for hedging future cash flows	0	0	(1,004)	0	(1,004)
Adjustment to fair value of financial assets available for sale	0	0	(2,284)	0	(2,284)
Tax on income and expenses recognised directly in equity	0	0	251	0	251
Recognised directly in equity	0	0	(3,037)	0	(3,037)
Net profit/(loss) for the year	0	0	0	3,488	3,488
Total net income	0	0	(3,037)	3,488	451
Purchase of treasury shares	0	0	0	(25,301)	(25,301)
Distributed dividend	0	0	0	(9,000)	(9,000)
Dividend from treasury shares	0	0	0	75	75
	0	0	0	(34,226)	(34,226)
Equity as at 30 April 2009	60,000	51,000	(2,775)	225,651	333,876

STATEMENT OF CHANGES IN EQUITY FOR 2009/10

Equity as at 1 May 2009	60,000	51,000	(2,775)	225,651	333,876
Adjustment to fair value of financial instruments entered into for hedging future cash flows	0	0	166	0	166
Adjustment to fair value of financial assets available for sale	0	0	(1,117)	0	(1,117)
Tax on income and expenses recognised directly in equity	0	0	(40)	0	(40)
Recognised directly in equity	0	0	(991)	0	(991)
Net profit/(loss) for the year	0	0	0	5,970	5,970
Total net income	0	0	(991)	5,970	4,979
Sale of treasury shares	0	0	0	29,516	29,516
Distributed dividend	0	0	0	(9,000)	(9,000)
Dividend from treasury shares	0	0	0	160	160
	0	0	0	20,676	20,676
Equity as at 30 April 2010	60,000	51,000	(3,766)	252,297	359,531

NOTES OVERVIEW

1. Production costs
2. Staff costs
3. Depreciation, amortisation, impairment losses and write-downs
4. Income from investments in subsidiaries
5. Financial income
6. Financial expenses
7. Tax on profit/(loss) for the year
8. Intangible assets
9. Property, plant and equipment
10. Investments in subsidiaries
11. Financial assets available for sale
12. Inventories
13. Trade receivables
14. Other receivables
15. Cash
16. Assets held for sale
17. Share capital
18. Treasury shares
19. Deferred tax liabilities
20. Repurchase obligation, returnable packaging
21. Mortgage debt
22. Bank debt
23. Other payables
24. Operating lease commitments
25. Contingent liabilities, security and contractual obligations
26. Changes in net working capital
27. Cash and cash equivalents
28. Fee to the auditors appointed by the general meeting
29. Financial risks and financial instruments
30. Related parties

1. PRODUCTION COSTS

PARENT DKK '000	2009/2010	2008/2009
Cost of sales	364,916	380,210
Write-down of inventories	0	0
Depreciation, amortisation, impairment losses and write-downs, cf. note 3	50,087	51,392
Other production costs	36,499	33,893
	451,502	465,495

2. STAFF COSTS

Remuneration to the Board of Directors	620	302
Wages and salaries	78,173	74,164
Defined contribution plans	8,017	7,446
Other social security costs	4,008	4,207
Other staff costs	8,143	6,929
Refunds from public authorities	(506)	(903)
	98,455	92,145
Staff expenses comprise:		
Production costs	62,588	57,588
Distribution costs	21,306	22,342
Administrative expenses	14,561	12,215
	98,455	92,145
Average number of employees	184	175

PARENT

DKK '000

	BOARD OF DIRECTORS		BOARD OF EXECUTIVES		OTHER KEY STAFF MEMBERS	
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
	DKK 10	DKK 10	DKK 10	DKK 10	DKK 10	DKK 10
Remuneration paid to members of the management						
Remuneration to the Board of Directors	620	302	0	0	0	0
Wages and salaries etc.	0	0	3,093	3,199	7,300	6,698
Pension	0	0	238	216	624	475
	620	302	3,331	3,415	7,924	7,173

No employee participates in bonus schemes exceeding 20% of the employee's base pay.

3. DEPRECIATION, AMORTISATION, IMPAIRMENT LOSSES AND WRITE-DOWNS

PARENT

DKK '000

	2009/10	2008/09
Intangible assets	1,948	1,000
Buildings	7,299	11,673
Plant and machinery	35,377	31,241
Other plant, fixtures and fittings, tools and equipment	12,162	14,428
Profit/(loss) from the sale of property, plant and equipment	(79)	(342)
Impairment of assets held for sale	250	0
	56,957	58,000
Depreciation, amortisation, impairment losses and write-downs comprise:		
Production costs	50,087	51,392
Distribution costs	2,998	2,481
Administrative expenses	3,872	4,127
	56,957	58,000

4. INCOME FROM INVESTMENTS IN SUBSIDIARIES

PARENT DKK '000	2009/10	2008/09
Dividend	0	0

5. FINANCIAL INCOME

Interest on bank deposits etc.	645	696
Interest on receivables from group enterprises	995	1,766
Interest income from financial assets not measured at fair value via the net profit/loss for the year	1,640	2,462
Dividend from financial assets available for sale	95	98
Net foreign exchange gains and losses	2,524	528
	4,259	3,088

6. FINANCIAL EXPENSES

PARENT DKK '000	2009/2010	2008/2009
Interest on mortgage debt	233	330
Interest on bank debt etc.	4,996	5,008
Interest on payables to group enterprises	18	661
Financial expenses in respect of financial obligations not measured at fair value via the net profit/loss for the year	5,247	5,999
of which included in the cost of property, plant and equipment	0	(1,051)
	5,247	4,948

Financing costs recognised in the cost of property, plant and equipment are calculated on the basis of costs incurred during the financial year. (2008/09: interest rate of 5.5% per year based on the average financing costs).

7. TAX ON PROFIT/(LOSS) FOR THE YEAR

Current tax	3,180	1,618
Changes in deferred tax	(532)	478
	2,648	2,096
Adjustment of deferred tax regarding previous financial years	871	0
Adjustment of current tax regarding previous financial years	(936)	28
	(65)	28
	2,583	2,124

The current income tax for the financial year has been calculated on the basis of a tax rate of 25% (2008/09: 25%).

PARENT

DKK '000

	2009/10 DKK '000	2009/10 %	2008/09 DKK '000	2008/09 %
Profit/(loss) before tax	8,553		5,612	
Calculated tax thereon	2,138	25.0	1,403	25.0
Non-deductible income and expenses as well as depreciation, amortisation and impairment losses	510	6.0	693	12.3
	2,648	31.0	2,096	37.3

Tax on income and expenses recognised under other income may be specified as follows:

Changes in current tax on adjustment to fair value of financial instruments entered into for hedging future cash flows	(40)	251
Tax on other income		
Adjustment to fair value etc. of financial instruments entered into for hedging future cash flows	(40)	251

8. INTANGIBLE ASSETS

	DEVELOPMENT PROJECTS	SOFTWARE	PLANT UNDER CON- STRUCTION
Cost as at 1 May 2008	0	294	289
Reclassification of additions, beginning of year	1,335	0	0
Additions	1,753	1,184	1,779
Cost as at 30 April 2009	3,088	1,478	2,068
Amortisation and impairment losses as at 1 May 2008	0	39	0
Amortisation for the year	814	186	0
Amortisation and impairment losses as at 30 April 2009	814	225	0
Carrying amount as at 30 April 2009	2,274	1,253	2,068

PARENT

DKK '000

	DEVELOPMENT PROJECTS	SOFTWARE	PLANT UNDER CON- STRUCTION
Cost as at 1 May 2008	0	294	289
Reclassification of additions, beginning of year	1,335	0	0
Additions	1,753	1,184	1,779
Cost as at 30 April 2009	3,088	1,478	2,068
Amortisation and impairment losses as at 1 May 2008	0	39	0
Amortisation for the year	814	186	0
Amortisation and impairment losses as at 30 April 2009	814	225	0
Carrying amount as at 30 April 2009	2,274	1,253	2,068

9. PROPERTY, PLANT AND EQUIPMENT

PARENT

DKK '000

	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER PLANT ECT.	SPAREPARTS FOR OWN MACHINERY	PLANT UNDER CONSTRUCTION
Cost as at 1 May 2009	228,114	570,986	124,776	4,210	6,618
Additions	4,835	41,793	13,843	490	22,471
Disposals	0	0	(394)	(813)	(6,618)
Cost as at 30 April 2010	232,949	612,779	138,225	3,887	22,471
Depreciation and impairment losses as at 1 May 2009	117,122	394,843	94,532	0	0
Depreciation for the year	7,299	35,377	12,162	0	0
Reversal in connection with disposals	0	0	(394)	0	0
Depreciation and impairment losses as at 30 April 2010	124,421	430,220	106,300	0	0
Carrying amount as at 30 April 2010	108,528	182,559	31,925	3,887	22,471

The carrying amount of mortgaged land and buildings totals DKK 4,478k.

Cost as at 1 May 2008	224,295	512,396	118,172	4,707	6,254
Additions	11,011	59,130	8,672	759	6,618
Disposals	(3,150)	(540)	(2,068)	(1,256)	(6,254)
Reclassification of non-current assets held for sale	(4,042)	0	0	0	0
Cost as at 30 April 2009	228,114	570,986	124,776	4,210	6,618
Depreciation and impairment losses as at 1 May 2008	106,508	364,142	81,608	0	0
Depreciation for the year	11,673	31,241	14,428	0	0
Reversal in connection with disposals	(259)	(540)	(1,504)	0	0
Reclassification of non-current assets held for sale	(800)	0	0	0	0
Depreciation and impairment losses as at 30 April 2009	117,122	394,843	94,532	0	0
Carrying amount as at 30 April 2009	110,992	176,143	30,244	4,210	6,618

The carrying amount of mortgaged land and buildings totals DKK 4,584k.

10. INVESTMENTS IN SUBSIDIARIES

PARENT DKK '000	2009	2008
Cost as at 1 May	341,940	348,157
Capital increase	25	0
Additions in connection with the purchase of equity investments	33,984	0
Dividend received (capital reduction)	0	(6,117)
Cost as at 30 April	375,949	341,940
Impairment as at 1 May	(204,376)	(204,376)
Impairment as at 30 April	(204,376)	(204,376)
Carrying amount as at 30 April	171,573	137,564

Investments in subsidiaries comprise:

Darguner Brauerei GmbH, Dargun, Germany, ownership interest of 100.00%, voting share of 100.00%
 AS Viru Õlu, Haljala, Estonia, ownership interest of 98.69%, voting share of 98.69%
 Harboe Norge AS, Moss, Norway, ownership interest of 100.00%, voting share of 100.00%
 Harboefarm A/S, Slagelse, Denmark, ownership interest of 100.00%, voting share of 100.00%
 Skælskør Bryghus, Slagelse, Denmark, ownership interest of 100.00%, voting share of 100.00%
 Harboe Sverige AB, Mölnlycke, Sweden, ownership interest of 100.00%, voting share of 100.00%
 Harboe Poland sp. Z O.O., Warsaw, Poland, ownership interest of 100.00%, voting share of 100.00%
 GourmetBryggeriet A/S, Roskilde, Denmark, ownership interest of 100.00%, voting share of 100.00%

In 2009/10, Harboes Bryggeri A/S acquired GourmetBryggeriet A/S, cf. note 36 of the consolidated financial statements.

In addition, new capital of DKK 25k was injected into Harboe Sverige AB in the period.

The composition of other ownership interests etc. in the group enterprises is consistent with that of last year.

The annual report of Darguner Brauerei GmbH is audited by the audit firm of Hansa Treuhand GmbH Wirtschaftsprüfungsgesellschaft, Schwerin, Germany.

The annual reports of the other subsidiaries are audited by Deloitte.

11. FINANCIAL ASSETS AVAILABLE FOR SALE

PARENT

DKK '000

	ASSETS AVAILABLE FOR SALE	RECEIVABLE FROM SUB- SIDIARY
Cost as at 1 May 2009	7,519	30,215
Additions	750	0
Disposals	0	(6,781)
Cost as at 30 April 2010	8,269	23,434
Revaluation and impairment losses as at 1 May 2009	(2,022)	0
Adjustments for the year	(1,116)	0
Revaluation and impairment losses as at 30 April 2010	(3,138)	0
Carrying amount as at 30 April 2010	5,131	23,434
Cost as at 1 May 2008	2,199	27,660
Additions	5,320	2,555
Disposals	0	0
Cost as at 30 April 2009	7,519	30,215
Revaluation and impairment losses as at 1 May 2008	262	0
Adjustments for the year	(2,284)	0
Revaluation and impairment losses as at 30 April 2009	(2,022)	0
Carrying amount as at 30 April 2009	5,497	30,215

Financial assets available for sale are measured at fair value on the balance sheet date.

DKK '000	2010	2009
Listed shares	185	350
Unlisted shares	4,946	5,147
	5,131	5,497
Receivable from subsidiary	23,434	30,215
	28,565	35,712

12. INVENTORIES

PARENT DKK '000	2009	2008
Raw materials, semi-manufactures and non-returnable packaging	24,092	22,132
Finished goods and goods for resale	25,973	24,632
	50,065	46,764

13. TRADE RECEIVABLES

Trade receivables	136,524	103,720
Write-downs as at 1 May	400	400
Ascertained losses and payments received concerning claims previously written off for the year	4	298
Reversed write-downs	0	0
Write-downs for bad debts for the year	(4)	(298)
	400	400
Write-downs for the year recognised in the income statement	(4)	(298)

Direct write-downs of receivables are made if the value, based on an individual assessment of the individual debtor's ability to pay, is reduced, e.g. as a result of a suspension of payments etc. Write-downs are made at the calculated net realisable value.

All major overdue receivables have been written off as at the balance sheet date.

14. OTHER RECEIVABLES

PARENT DKK '000	2010	2009
Other receivables	3,045	542

No special credit risks in respect of receivables exist.

15. CASH

Cash and bank deposits	583	43,286
------------------------	-----	--------

16. ASSETS HELD FOR SALE

The Board of Directors of Harboes Bryggeri A/S has decided to sell one of its residential properties. The sale of the property will be handled by a nationwide firm of estate agents. The property is expected to sell within 12 months.

Proceeds from the sale are expected to correspond to the carrying amount of assets and liabilities.

Property, plant and equipment	3,242	3,242
Impairment for the year	(250)	
Assets held for sale	2,992	3,242
Payables in respect of assets held for sale	(2,987)	(2,987)
Net assets held for sale	5	255

17. SHARE CAPITAL

The share capital amounts to DKK 60,000k, distributed on DKK 6,400k of Class A shares and 53,600k of Class B shares. Each Class A share of DKK 10 carries 10 votes, and each Class B share of DKK 10 carries 1 vote.

The Class B shares are listed on NASDAQ OMX Copenhagen.

The past four years have not seen any movements in the share capital.

18. TREASURY SHARES

	2010		2009		SHARE OF SHARE CAPITAL	
	NO. OF SHARE OF DKK 10	NO. OF SHARE OF DKK 10	NOMINAL VALUE DKK'000	NOMINAL VALUE DKK'000	2010 %	2009 %
Treasury shares as at 1 May	292,312	50,000	2,923	500	4.9	0.8
Purchase of treasury shares	0	242,312	0	2,423	0	4.1
Sale of treasury shares	(227,367)	0	(2,274)	0	(3.8)	0.0
Treasury shares as at 30 April	64,945	292,312	649	2,923	1.1	4.9

Harboes Bryggeri A/S holds treasury Class B shares which have been purchased to ensure optimal investment of cash funds.

According to a decision made at the general meeting held on 19 August 2009, the company can acquire treasury shares at a maximum nominal value of DKK 6,000k, corresponding to 10% of the share capital, until the next annual general meeting.

In 2009/10, the company sold treasury shares at a nominal value of 2,274k at an average price of 129.82, corresponding to DKK 29.5 million (2008/09: purchase of treasury shares at a nominal value of DKK 2,423k, corresponding to DKK 25.3 million). The sale of shares formed part of the fee in connection with the acquisition of an enterprise.

20. REPURCHASE OBLIGATION, RETURNABLE PACKAGING

PARENT DKK '000	2010	2009
Repurchase obligation as at 1 May	32,494	30,444
Changes during the financial year, net	618	2,050
Repurchase obligation as at 30 April	33,112	32,494
Provisions have been recognised in the balance sheet as follows:		
Current liabilities	33,112	32,494
Non-current liabilities	0	0
	33,112	32,494

Tilbagekøbsforpligtelsen er reguleret med udgangspunkt i årets nettosalg af returemballage med fradrag af et estimeret svind i den cirkulerende mængde af returemballage.

21. MORTGAGE DEBT

Mortgage debt secured on real property	2,645	2,774
Mortgage debt falls due as follows:		
On demand within one year from the balance sheet date	142	122
Between two and five years from the balance sheet date	506	442
After five years from the balance sheet date	1,997	2,210
	2,645	2,774
Mortgage debt has been recognised in the balance sheet as follows:		
Current liabilities	142	122
Non-current liabilities	2,503	2,652
	2,645	2,774

PARENT

DKK '000

	CURRENCY	EXPIRY	FIXED/ FLOATING	EFFECTIVE INTEREST RATE %	AMOR- TISED COST DKK '000	NOMINAL VALUE DKK '000	FAIR- VALUE DKK '000
30 April 2010							
Mortgage debt	DKK	2028	Floating	3.0-3.5	2,645	2,744	2,730
30 April 2009							
Mortgage debt	DKK	2028	Floating	4.0-5.0	2,774	2,873	2,819

The fair value has been determined at the present value of expected future instalments and interest payments using the current market interest rate as the discount rate.

22. BANK DEBT

PARENT

DKK '000

2010

2009

Overdraft facility	153,157	129,765
Bank debt recognised in the balance sheet as follows:		
Short-term payable	153,157	129,765
The bank debt falls due as follows:		
On demand within one year from the balance sheet date	153,157	129,765

PARENT

DKK '000

30 APRIL 2010	CURRENCY	EXPIRY	FIXED/ FLOATING	EFFECTIVE INTEREST RATE %	AMOR- TISED COST DKK '000	NOMINAL VALUE DKK '000	FAIR- VALUE DKK '000
Overdraft facility	DKK	2011	Floating	2.5-4.5	3,010	3,010	3,010
Overdraft facility	SEK	2011	Floating	1.75-2.25	2,843	2,843	2,843
Overdraft facility	EUR	2011	Floating	2.5-3.0	47,304	47,304	47,304
Overdraft facility	EUR	2011	Fixed	3.3	100,000	100,000	100,000
Overdraft facility					153,157	153,157	153,157
30 April 2009							
Overdraft facility	EUR	2009	Floating	2.7-4.2	29,765	29,765	29,765
Overdraft facility	EUR	2009	Fixed	4.0	100,000	100,000	100,000
Overdraft facility					129,765	129,765	129,765

23. OTHER PAYABLES

PARENT

DKK '000

2010

2009

Wages and salaries, holiday pay, income tax deducted at source,

social contributions etc. payable	6,793	7,771
Holiday pay obligations etc.	5,075	4,422
VAT and taxes payable	18,960	34,264
Other costs payable	33,276	26,463
Derivative financial instruments, cf. note 29	838	1,004
	64,942	73,924

Holiday pay obligations etc. cover obligations to pay wages and salaries during holidays, to which employees, as at the balance sheet date, have earned a right to take in the following financial year.

The carrying amount of payables concerning wages and salaries, income tax deducted at source, social contributions, holiday pay etc., derivative financial instruments, VAT and taxes as well as other costs payable corresponds to the fair value of such liabilities.

24. OPERATING LEASE COMMITMENTS

PARENT DKK '000	2010	2009
--------------------	------	------

For the years 2009-2012, operating leases concerning the lease of properties, machinery and other plant have been entered into. The leases have been concluded for a minimum of 3-5 years with fixed lease payments to be indexed annually. The leases are interminable within the period stated, after which they may be renewed for periods of one year.

Minimum lease payments recognised in the income statement	4,272	4,859
The minimum lease payments comprise:		
Production	2,051	2,265
Distribution	1,683	2,056
Administration	538	538
	4,272	4,859
The total future minimum lease payments for interminable leases fall due as follows:		
Within one year from the balance sheet date	3,362	4,206
Between two and five years from the balance sheet date	2,051	4,964
After five years from the balance sheet date	0	0
	5,413	9,170

The company leases land and buildings from companies having Bernhard Griese, CEO, and his close relatives as main shareholders. The annual rent amounts to DKK 259k (2008/09: DKK 254k).

25. CONTINGENT LIABILITIES, SECURITY AND CONTRACTUAL OBLIGATIONS

PARENT DKK '000	2010	2009
--------------------	------	------

Security

Mortgage debt has been secured by way of mortgage over properties with associated plant and machinery (mortgaged fixtures and fittings (tilbehørspar)).

Carrying amount of mortgaged properties	4,478	4,584
--	--------------	--------------

Mortgage deed registered to the mortgagor with a nominal value of DKK 750k over Danish properties is kept in own depository.

The parent has provided a guarantee for the mortgage debt of its subsidiaries.
The guarantee has been maximised at DKK 305.9 million.

Debt of subsidiaries	305,138	321,866
-----------------------------	----------------	----------------

The parent has concluded agreements on the purchase of plant and machinery as at 30 April 2010. The contractual obligation totals DKK 36.0 million as at the balance sheet date.

The parent is jointly and severally liable with the other jointly taxed companies for the total income tax under the joint taxation applicable up to and including 2004.

No pending court cases etc. exist which are deemed by the management to have a serious negative impact on the financial standing of the parent and the group apart from what has already been disclosed in the annual report.

Contingent liabilities

The parent has issued a declaration of support vis-à-vis the subsidiary AS Viru Ölu, Estonia, with a view to securing the subsidiary's liquidity. The declaration is effective for 12 months as from the balance sheet date.

26. CHANGES IN NET WORKING CAPITAL

PARENT DKK '000	2010	2009
Changes in inventories	(3,301)	(7,651)
Changes in trade receivables	(32,804)	(18,935)
Changes in other receivables	(2,215)	852
Changes in trade payables etc.	(19,695)	2,993
Changes in other payables	(8,198)	28,175
	(66,213)	5,434

27. CASH AND CASH EQUIVALENTS

Cash and bank deposits	583	43,286
Overdraft facilities	(153,157)	(129,765)
Intercompany balance, net	(23,136)	(11,969)
	(175,710)	(98,448)

The group has undrawn credit facilities totalling DKK 21,843k.

28. FEE TO THE AUDITORS APPOINTED BY THE GENERAL MEETING

Statutory audit	967	967
Other assurance engagements	50	60
Tax advice	36	32
Other services	361	183
	1,414	1,242

29. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

PARENT DKK '000	2010	2009
Categories of financial instruments		
Trade receivables	136,524	103,720
Receivables from subsidiaries (long-term)	23,434	30,215
Receivables from subsidiaries (short-term)	3,076	3,087
Other receivables	3,045	542
Cash	583	43,286
Loans and receivables	166,662	180,850
Financial assets available for sale	5,131	5,497
Derivative financial instruments entered into for hedging future cash flows	838	1,004
Financial liabilities used as hedging instruments	838	1,004
Mortgage debt	2,503	2,652
Bank debt	153,157	129,765
Trade payables	69,417	83,801
Repurchase obligation, returnable packaging	33,112	32,494
Payables to subsidiaries	26,212	15,056
Other payables	64,942	73,924
Financial liabilities in respect of assets held for sale	2,987	2,987
Financial liabilities measured at amortised cost	352,330	340,679

Politik for styring af finansielle risici.

Der henvises til afsnittet om risikoforhold i ledelsesberetning, side 39.

PARENT

DKK '000

Currency risks concerning recognised assets and liabilities

The parent's sale and purchase of goods in foreign currencies primarily takes place in EUR and, to a lesser extent, SEK. No forward exchange contracts or similar have been concluded as at the balance sheet date as the management estimates that the parent's currency risk is limited. The company's unhedged currency positions as at the balance sheet date can be specified as follows:

	LIKVIDER	TILGODE- HAVENDER	GÆLDSFOR- PLIGTELSER	NETTO- POSITION
EUR	0	22,943	(183,413)	(160,470)
SEK	0	9,081	(1,158)	7,923
NOK	0	3,661	(914)	2,747
EKK	65	26,288	0	26,353
30 April 2010	65	61,973	(185,485)	(123,447)
EUR	0	12,187	(159,578)	(147,391)
SEK	15,137	8,044	(431)	22,750
NOK	4,430	2,299	(1,149)	5,580
EKK	65	33,071	0	33,136
30 April 2009	19,632	55,601	(161,158)	(85,925)

Net positions in NOK and EEK are primarily related to balances with subsidiaries.

DKK '000

2009/10

2008/09

Equity's sensitivity to exchange rate fluctuations

Effect if the EUR exchange rate was 1% lower than the actual exchange rate	1,599	1,191
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(1,017)	(1,224)
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(1,229)	(1,044)
Effect if the EEK exchange rate was 5% lower than the actual exchange rate	(1,024)	(1,308)

(1,671)

(2,385)

Net profit/loss's sensitivity to exchange rate fluctuations

Effect if the EUR exchange rate was 1% lower than the actual exchange rate	396	85
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(720)	(371)
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(1,126)	(835)
Effect if the EEK exchange rate was 5% lower than the actual exchange rate	(36)	(66)

(1,486)

(1,187)

The parent's most significant exchange rate exposure concerns EUR, SEK, NOK and EEK. The above shows the effect it would have had on equity and the net profit or loss for the year, respectively, if the exchange rate had been 1% and 5% lower than the actual exchange rate applied. If the exchange rate had been higher, it would have had a similar positive effect on equity and the net profit or loss for the year, respectively.

Currency risks concerning future cash flows.

The parent's most significant currency exposure is also expected to concern transactions in the above-mentioned currencies in future. The transactions are expected to be at the level realised in 2009/10.

No financial contracts in the form of forward exchange contracts or similar have been concluded as at the balance sheet date as the management estimates that there are no significant risks associated with future cash flows in foreign currencies.

Interest rate risks

Due to the Harboe group's capital structure, the risk relating to fluctuations in market interest rates is limited. The parent's net interest-bearing debt as at 30 April 2010 was DKK 181.3 million (2009: DKK 107.8 million). The debt carries a floating rate of interest. An increase in the market interest rate of 1% would affect the profit or loss for the year before tax negatively by approx. DKK 1.8 million (2008/09 approx. DKK 1.1 million).

DKK TUSINDE	2009/10	2008/09
Fair value of interest rate swaps (EUR 13,400k)	838	1,004
Interest falls due for payment as follows:		
Within one year from the balance sheet date	1,087	1,632
Between two and five years from the balance sheet date	0	1,088
	1,087	2,720

Liquidity risks

The due dates of financial liabilities are specified in the notes for the individual categories of liabilities. The group and the parent's liquidity reserve consists of cash and unutilised credit facilities.

The liquidity reserve is comprised as follows:

Cash	583	43,286
Unutilised credit facilities (group)	21,843	45,235
	22,426	88,521

Credit risks

The parent's primary credit risk concerns trade receivables. The parent's customers are mainly large companies in Denmark and Sweden. The parent has no significant credit risks relating to a single customer or partner.

Capital structure

Reference is made to the section on financial objectives on page 16 of the management's review and note 41 to the consolidated financial statements.

METHODS AND ASSUMPTIONS FOR THE DETERMINATION OF FAIR VALUES

LISTED BONDS

The portfolio of listed mortgage credit bonds is measured at listed prices and price quotes.

LISTED SHARES

The portfolios of shares are measured at listed prices and price quotes.

UNLISTED SHARES

Unlisted shares are measured on the basis of observable information or at cost.

DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate swaps are measured on the basis of generally accepted methods of measurement based on relevant observable swap curves.

FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET

Below is a classification of financial instruments measured at fair value based on the fair value hierarchy.

- Listed prices in an active market for the same type of instrument (level 1)
- Listed prices in an active market for similar assets or liabilities or other methods of measurement according to which all significant inputs are based on observable market data (level 2)
- Methods of measurement according to which significant inputs are not based on observable market data (level 3)

2009/10	LEVEL 1 DKK '000	LEVEL 2 DKK '000	LEVEL 3 DKK '000	TOTAL DKK '000
Listed shares	185	-	-	185
Unlisted shares and securities	-	2,640	2,306	4,946
Financial assets available for sale	185	2,640	2,306	5,131
Financial liabilities used as a hedging instrument	-	838	-	838
Financial liabilities measured at fair value	-	838	-	838

30. RELATED PARTIES

Related parties with a controlling influence

The following parties have a controlling influence on the parent and the group:

Name	Domicile	Basis of control
Kirsten og Bernhard Griese	Spegerborgvej 4, 4230 Skælskør	Shareholder with majority of the voting rights

For an overview of subsidiaries, please refer to note 8.

Transactions with related parties

During the financial year, the parent has engaged in the following transactions with its related parties:

DKK '000	Subsidiaries	owners with a controlling interest in Harboes Bryggeri a/s*	members of the board of directors, the board of executives and other key staff members	other related parties	total
2009/10					
Sale of goods	29,377	0	0	0	29,377
Purchase of goods	25,600	741	0	13	26,354
Sale of non-current assets	75	0	0	0	75
Purchase of non-current assets	343	0	0	0	343
Sale of services	4,446	1,533	0	0	5,979
Purchase of services	2,074	6,980	4,273	50	13,377
Sale of leases	0	96	0	0	96
Purchase of leases	1,620	259	0	0	1,879
Fees etc.	0	3,658	8,544	328	12,530
Trade receivables etc.	27,066	2,578	0	0	29,644
Trade payables etc.	26,785	528	147	13	27,473
Security, cf. note 25	305,944	0	0	0	305,944
Distribution of dividend	0	1,180	27	6	1,213
2008/09					
Sale of goods	9,198	0	0	0	9,198
Purchase of goods	31,794	516	0	125	32,435
Sale of non-current assets	0	0	0	3,150	3,150
Purchase of non-current assets	0	0	0	320	320
Sale of services	4,721	132	0	0	4,853
Purchase of services	1,750	1,340	4,562	0	7,652
Sale of leases	0	96	0	0	96
Purchase of leases	2,307	241	0	0	2,548
Dividend received	6,217	0	0	0	6,217
Fees etc.	0	3,739	7,475	193	11,407
Trade receivables etc.	33,361	51	0	0	33,412
Trade payables etc.	15,496	733	626	0	16,855
Security, cf. note 25	310,230	0	0	0	310,230
Distribution of dividend	0	1,180	24	6	1,210

*) Including transactions with other companies having Bernhard Griese, CEO, as the main shareholder.

The purchase and sale of goods to related parties has been conducted at the normal selling prices of the parent.

No security has been provided and no guarantees have been given in respect of outstanding balances as at the balance sheet date. Both receivables and trade payables will be settled in cash. During the financial year, no bad debts in respect of related parties have been realised and no write-downs have been made for bad debts.

The company leases land and buildings from companies having Bernhard Griese, CEO, and his close relatives as main shareholders. The annual rent amounts to DKK 259k (2008/09: DKK 254k). The total future minimum lease payments in the period of interminability amount to DKK 259k, cf. note 24. The amount is contained in the figures above.

Remuneration etc. to the Board of Directors, the Board of Executives and other key staff members

Please refer to note 2 for information on remuneration paid to the Board of Directors, the Board of Executives and other key staff members of the group. The remuneration is included in the above.

COMPANY INFORMATION

COMPANY

Harboes Bryggeri A/S

Spegerborgvej 34, 4230 Skælskør, Denmark

CVR no.: 43 91 05 15

Registered in: The Municipality of Slagelse, Denmark

Financial year: 1 May - 30 April

Internet: www.harboes.dk

BOARD OF DIRECTORS

Anders Nielsen, Chairman, Lawyer

Bernhard Griese, CEO

Mads O. Krage, Executive Officer

Mette Kirstine Agger, CEO

Thøger Thøgersen, CEO

Carl Erik Kjærsgaard, CEO

Jens Bjarne Jensen, Brewery Worker *

*) Staff representative

BOARD OF EXECUTIVES

Bernhard Griese

AUDIT

Deloitte Statsautoriseret Revisionsaktieselskab

ANNUAL GENERAL MEETING

Annual general meeting to be held on 24 August 2010 at 5 pm in Skælskør Hallen, Skælskør, Denmark.