BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOE'S BREWERY A/S

ANNUAL REPORT
2010/2011

"We want Harboe to be an attractive business, striking the optimum balance between growth opportunities and risks. The foundation is our customers' demand for high-quality products, but we also wish to drive growth through innovation."

Bernhard Griese
CEO

CONTENTS

STRONG DEVELOPMENT IN THE BUSINESS

"Our managers and employees are the ones that create results in Harboe. Harboe's strong focus on further developing competencies and nurturing our corporate culture is therefore essential to the future value creation."

A goal of stable and long-term value creation is the driving force behind all decision-making at Harboe. It is therefore a pleasure to look back on the past year and find that our decisions and strategic initiatives have created the positive results we wanted. Our core business developed satisfactorily with increasing revenue and solid underlying operations. And despite very intensive competition in all our core markets, we have maintained our market position, a position that is created through strong customer relations and our ability to deliver the quality, quantity and new innovative products our customers demand. Our earnings during the year were helped by more stable prices of our primary raw materials, enabling us to deliver again this year a significantly improved operating profit compared to last year. However, we are well aware that the sensitivity to fluctuations in our input costs continues to be one of the most significant risk factors in the business. Indeed, the outlook for our earnings margins for the coming year is also affected by the fact that we are now seeing a trend for increasing prices of raw materials. This makes the continued development in our two other strategic focus areas – our export activities and malt extract activities – all the more important. And the business results for the past year show that we are on the right track.

Export activities continue to grow

The export business is now marketing Harboe's products in more than 70 markets worldwide, and the activities continue to grow. The export markets hold an attractive potential, because demand is growing in the regions that Harboe is focusing on. This applies to both beer and soft drinks and not least the markets for non-alcoholic beverages in the Middle East and Central Asia which are growing rapidly. At the same time, we are extensively marketing our products under our own brands with higher earnings margins than in the core business. These activities are therefore increasingly contributing positively to results. During the year, we have further strengthened the sales organisation for the export activities in line with a targeted growth strategy which is to gradually increase the activities' relative share of the group's overall business.

Great interest in malt extract

Our second important focus area is the malt extract activities which in several ways hold an interesting growth potential. We have a solid platform for selling traditional malt extract to customers in the food industry, which continues to grow and develop positively. Furthermore, our focused development activities have resulted in a new unique clear malt extract, which has a wide range of applications within drinks production. The product was developed and tested in close collaboration with a number of large international drinks manufacturers, which are showing considerable interest in the product. In the past year, this has resulted in new strategic collaboration agreements and substantial orders. We have allocated additional resources to these activities during the year, and both the continued development activities and sales efforts are showing continuous positive results. We will therefore maintain our strong focus on this area in future, and we expect to see ever increasing revenue and earnings within this area in the coming years.

Efficient production

Naturally, the positive results for the year are also the result of a significant contribution from our well-run and efficient production which has supplied all the volume and quality our customers demand. Our three breweries form the backbone of our company, and we will continue to strengthen and optimise them as the group continues to grow.

Focus on the brewery sector

Harboe has continuously assessed the continued strategic potential of its foodstuff sector, which is experiencing fierce competition and heavy price pressure. Based on this assessment, we made the final decision to sell the activities. We have rented out the production facilities so in future this part of the business is to be considered a rental business. In return, we will devote all our attention to the continued development of the brewery sector.

Strong corporate culture

The coming year will see considerable challenges with higher raw material prices and continued intensive competition. But the potential for continued value creation is attractive, and our company is strong and healthy, not least due to Harboe's strong corporate culture and competent employees. We also focused on strengthening and further developing our employees to meet the high demands by the international markets. And with the exceptional support, dedication and constant will to create positive results that our managers and employees show every day, I am confident that Harboe will show important progress in the coming year.

BERNHARD GRIESE
CEO

BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOE'S BREWERY A/S

THE FINANCIAL YEAR FOR THE GROUP IN OUTLINE

- **HARBOE'S GROSS REVENUE** amounted to DKK 1,821 million against DKK 1,804 million last year.
- **REVENUE** increased by 2.2% to DKK 1,558 million.
- **THE BREWERY SECTOR POSTED REVENUE** of DKK 1,321 million corresponding to 84.8% of total revenue.
- **THE FOODSTUFF SECTOR POSTED REVENUE** of DKK 237 million corresponding to 15.2% of total revenue.
- **SALES OF BEER AND SOFT DRINKS** including malt beverages and malt wort products, totalled 5.94 million hectolitres compared with 5.68 million hectolitres last year, up 4.6%.
- **OPERATING PROFIT BEFORE DEPRECIATION AND AMORTISATION (EBITDA)** amounted to DKK 217.6 million against DKK 188.6 million last year, up 15.3%.
- **OPERATING PROFIT (EBIT)** was up 35.3% at DKK 87.0 million against DKK 64.3 million last year.
- **CONSOLIDATED PROFIT BEFORE TAX** was up 39.6% at DKK 81.1 million against DKK 58.1 million last year. The profit before tax is in line with the outlook of a profit in the range of DKK 75-85 million announced in the interim report for Q3.
- **THE GROUP'S INVESTMENTS IN THE FINANCIAL YEAR** totalled DKK 147.5 million. The investments were larger than expected which is due to a decision to step up strategic investment projects which had been planned for the coming financial year. The return on invested capital was 10.2% for the group and 12.6% for the brewery sector.
- **CASH FLOWS** from operating activities and free cash flows (changes in cash and cash equivalents) amounted to DKK 192.2 million and DKK -20.0 million, respectively.

OUTLOOK 2011/12

- **EBITDA** in the range of DKK 160-170 million is expected for the financial year 2011/12.
- **PROFIT BEFORE TAX** is expected to be in the range of DKK 70-80 million.
- **CASH FLOW FROM OPERATING ACTIVITIES** are expected to be in the range of DKK 150-170 million.
- **INVESTMENTS PLANNED FOR FY 2011/12** are in the region of DKK 50-70 million.

FINANCIAL HIGHLIGHTS[3]

	2010/11 DKKm	2009/10 DKKm	2008/09 DKKm	2007/08 DKKm	2006/07 DKKm
KEY FIGURES					
EARNINGS					
Gross revenue	1,821.3	1,804.0	1,806.4	1,607.4	1,649.4
Taxes on beer and soft drinks	(263.5)	(279.3)	(261.8)	(236.5)	(266.6)
Revenue	1,557.8	1,524.7	1,544.6	1,370.9	1,382.8
Operating profit (EBIT)	87.0	64.3	40.9	21.6	88.3
Net financials	(5.9)	(6.2)	(5.8)	(5.3)	(2.8)
Profit before tax	81.1	58.1	35.1	16.3	85.5
Net profit for the year	60.7	43.0	25.6	20.1	56.5
BALANCE SHEET					
Total assets	1,685.5	1,645.6	1,606.4	1,199.3	1,214.9
Equity	753.4	730.3	664.5	696.9	685.8
Net interest-bearing debt	140.6	152.3	119.6	80.0	46.1
INVESTMENTS ETC.					
Investments in intangible assets[1]	5.7	8.2	3.0	6.1	0.0
Investments in property, plant and equipment[2]	141.8	166.0	115.9	180.3	73.5
Depreciation, amortisation, impairment losses and write-downs	130.7	124.6	121.9	109.0	103.0
CASH FLOWS					
Cash flows from operating activities	192.2	94.2	148.6	56.9	86.6
Cash flows from investing activities	(148.4)	(152.7)	(438.9)	(97.5)	(111.0)
Cash flows from financing activities	(63.8)	22.9	259.2	(9.6)	(44.6)
Change in cash and cash equivalents	(20.0)	(35.7)	(31.1)	(50.2)	(69.0)

[1] Excluding plant under construction.

[2] Excluding spare parts and plant under construction.

[3] The financial highlights have been prepared in accordance with the 'Recommendations and Financial Ratios 2010' issued by the Danish Society of Financial Analysts, cf. the description in note 1.

	2010/11 DKKm	2009/10 DKKm	2008/09 DKKm	2007/08 DKKm	2006/07 DKKm
RATIOS IN %					
Profit margin	5.6	4.3	2.6	1.6	6.4
Solvency ratio	44.7	44.4	41.4	58.2	56.4
EBITDA margin	14.0	12.4	10.5	9.5	13.8
Gearing	18.7	20.9	18.0	11.5	6.7
Acid test ratio	85.5	91.4	95.5	99.0	92.3
Return on invested capital (ROIC)	10.2	8.2	6.2	2.0	8.1
SHARE-RELATED RATIOS					
Earnings per share of DKK 10, DKK (EPS)	10.6	7.3	4.4	3.4	9.5
Cash flow per share of DKK 10, DKK (CFPS)	33.7	16.1	25.5	9.6	14.6
Equity value per share of DKK 10, DKK	125.6	123.8	114.0	117.1	115.3
Share price, year-end	127.0	112.0	112.0	137.0	218.2
Price/earnings	12.0	15.4	25.4	40.4	23.0
Dividend per DKK 10 share, DKK	1.5	1.5	1.5	1.5	1.5
EMPLOYEES					
Average number of full-time employees	572	543	520	483	486

MANAGEMENT'S REVIEW

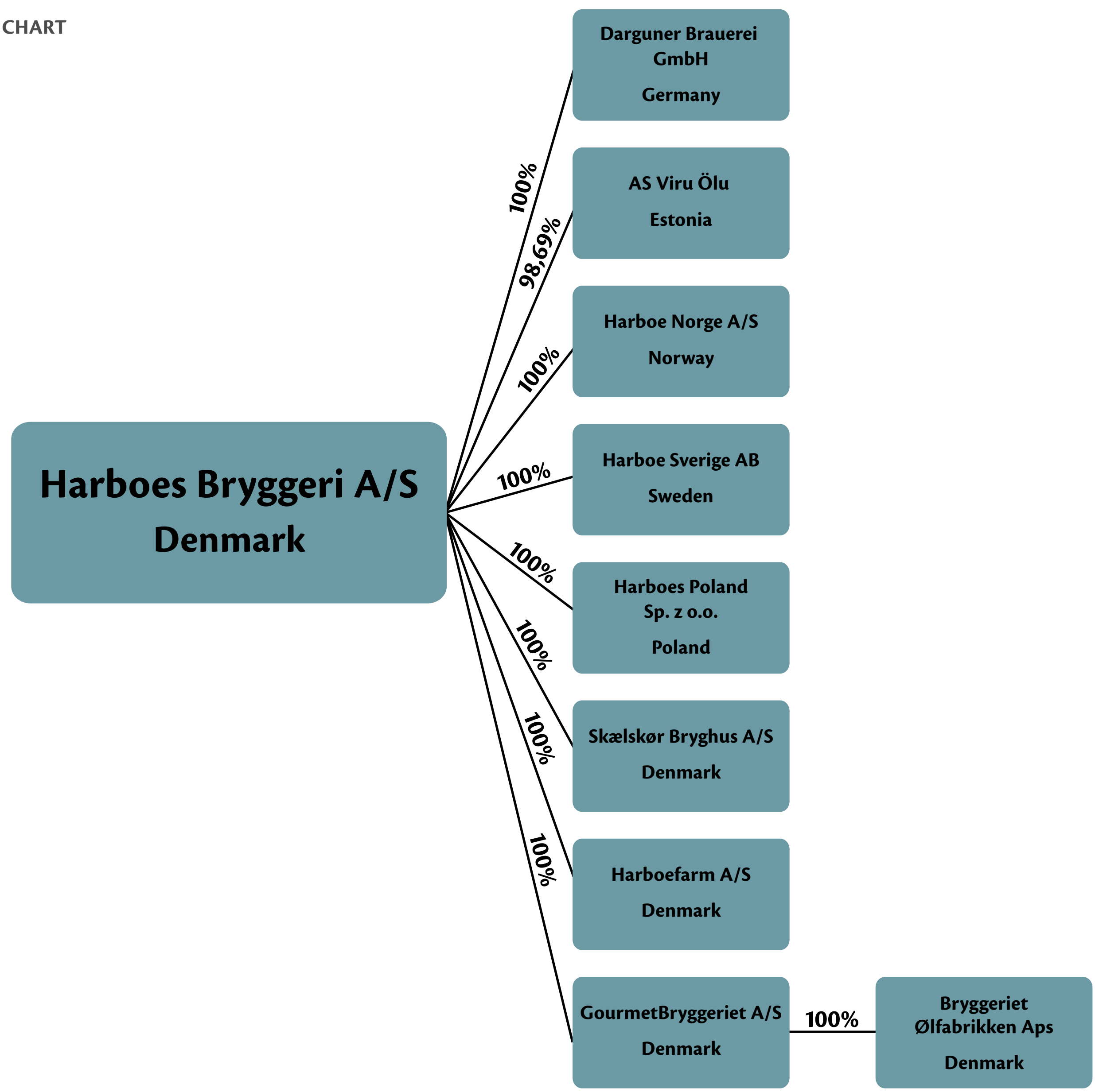
CORE BUSINESS

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 87.5% 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 sale of centrally packaged fresh and processed meat for the retail sector contributes the remaining 12.5% of revenue.

GROUP CHART



MANAGEMENT'S REVIEW

GROUP'S BUSINESS DEVELOPMENT – FINANCIAL REPORT

REVENUE

Consolidated revenue totalled DKK 1,558 million in 2010/10 against DKK 1,525 million the year before, corresponding to an increase of 2.2%.

Revenue in the brewery sector increased by 2.9% to DKK 1,321 million, while revenue in the foodstuff sector fell by 1.7% at DKK 237.1 million.

Developments are described in further detail under the different sectors.

EARNINGS

EBITDA totalled DKK 217.6 million.

Operating profit (EBIT) amounted to DKK 87.0 million against DKK 64.3 million last year, up DKK 22.7 million or 35.3%.

Depreciation and amortisation of intangible assets and property, plant and equipment are included in the operating profit with DKK 130.7 million against DKK 124.6 million the year before.

Profit before tax was DKK 81.1 million against DKK 58.1 million the year before, up 39.6%.

The profit before tax is in line with the outlook of a profit in the range of DKK 75-85 million announced in the annual report for Q1 2010/11 and which was reiterated in connection with the interim report for Q3.

Net profit for 2010/10 amounted to DKK 60.7 million compared to DKK 43.0 million the year before.

EQUITY

As at 30 April 2011, equity amounted to DKK 753.4 million against DKK 730.3 million the year before.

Equity is affected by the results for the period, foreign currency translation adjustments in respect of foreign subsidiaries, acquisition of treasury shares and adjustments of the reserve for adjustment to fair value of financial assets available for sale as well as the distribution of dividend.

INVESTMENTS

Total investments for the year were DKK 147.5 million, of which DKK 141.8 million concerned property, plant and equipment. The investments concern continued expansions of the malt extract production, including capacity-increasing investments. Moreover, major investments have been made in expanding the capacity of Harboes Bryggeri's wastewater treatment plant and in environmental optimisation. As part of the group's continued expansion plans, additional land in conjunction with the group's production units in Denmark and Germany was also purchased.

The purpose of the group's investment strategy is to ensure continued expansion of the group's position in both new and existing main markets. Furthermore, the investments are to contribute to optimising the group's utilisation of resources and ensure that the streamlining of the group's production facilities has a positive effect on the consumption of resources and emissions in relation to the development in production volume.

LIQUIDITY AND NET INTEREST-BEARING DEBT

Cash flows from operations amounted to DKK 192.2 million in 2010/11 against DKK 94.2 million the year before. Trade receivables were down DKK 2.8 million, while trade payables were up DKK 28.5 million. Traditionally, Harboe has a lot of funds tied up in inventories at the end of the financial year in preparation for the summer high season. Inventories increased by DKK 16.0 million.

Harboe is continuously working to strengthen cash flows, including maintaining a strong focus on managing inventories, trade receivables and trade payables. Harboe will continue its strategic focus on strengthening cash flows from operations in the coming year as well.

Cash flows from investing activities totalled DKK 148.4 million, and cash flows from financing activities amounted to DKK 63.8 million. The negative cash flow from financing activities covers repayment of mortgage debt and purchase of treasury shares. Purchase of treasury shares amounted to DKK 33.3 million.

Free cash flow – changes in cash and cash equivalents – amounted to DKK 20.0 million against DKK -35.7 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 45.7 million as at 30 April 2011.

Added to this comes the holding of 350,585 treasury shares amounting to DKK 44.5 million stated at share market value as at 30 April 2011.

Moreover, the fair value of the portfolio of bonds is added, amounting to DKK 281.8 million as at 30 April 2011.

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 2011, the group's net interest-bearing debt amounted to DKK 462.2 million against DKK 474.6 million the year before.

Adjusted for the portfolio of bonds of DKK 281.8 million, the group's net interest-bearing debt amounted to DKK 140.6 million as at 30 April 2011 against DKK 152.3 million the year before.

EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

Harboe has begun the shutdown of its foodstuff sector. The foodstuff sector continues to lease the company's farms until 2017 and has on 1 June 2011 concluded additional lease agreements for the production and warehouse facilities at the factory in Skælskør, Denmark.

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

MANAGEMENT'S REVIEW

OUTLOOK 2011/12

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 more new and interesting markets and market segments can contribute positively to Harboe's continued growth.

Harboe expects the brewery sector to continue to develop positively in 2011/12, and the investments which have been made in innovation, product development and capacity expansions over the past years will contribute to strengthening growth in both volume and revenue.

More marketing and the development of malt extract are expected to contribute positively to growing an attractive segment of customers within the drinks industry and continue the positive trend. The malt extract activities are expected to contribute increasingly to the group's revenue and results in the coming year.
Furthermore, it is expected that the continued expansion of the export activities will also contribute positively to both revenue and earnings.

The prices of the most important raw materials, which stabilised at a more normal level, are rising again. Competition in the main markets is expected to remain intensive, which will limit the possibilities of adding increased raw material costs to the selling prices, thereby putting earnings margins under pressure.

The shutdown of the foodstuff sector and the disposal of the production equipment at the beginning of the financial year will reduce the group's revenue, while the impact on results will be limited.

For the continuing part of the business, Harboe expects to realise its goal of a revenue growth of 5%, but the increased input prices are expected to reduce the profit margin achieved in 2010/11.

Overall, the outlook is for a consolidated profit before depreciation and amortisation, financial items and tax (EBITDA) in the range of DKK 160-170 million and a profit before tax in the range of DKK 70-80 million.

The outlook for the results for the year as a whole is positively affected by DKK 25-30 million from a changed estimate of depreciation of property, plant and equipment and cessation of depreciation of production equipment in Harboefarm A/S.

Cash flows from operating activities are expected to be in the range of DKK 150-170 million. Harboe is continuously working to strengthen cash flows from operating activities, which will remain a focus area in the coming year.

Investments planned for FY 2011/12 are in the region of DKK 50-70 million. Following the past years' major investments in new technology and production facilities, the investments planned for the rest of the coming financial year will primarily focus on ongoing maintenance and efficiency improvements.

MANAGEMENT'S REVIEW

STRATEGY AND FINANCIAL TARGETS

"We want Harboe to be an attractive business, striking the perfect balance between growth opportunities and risks. Our customers' demand for high-quality products is the basis of our business, but we also want to drive growth through innovation."

INTERNATIONALISATION OF THE BUSINESS

Harboe produces and markets beer, soft drinks, malt drinks and malt wort products for the main markets in Denmark, Germany, Sweden, Norway and the Baltic States. Furthermore, the company's activities are supplemented by increasing exports, and the group's beer and soft drinks are sold in more than 70 countries in Europe, the Middle East, Africa, USA and Asia. The malt extract activities add another 20 countries to this figure. Exports account for approx. 70% of the group's sales.

Total beer sales have been declining in Europe in recent years, whereas sales of soft drinks continue to rise. The increased focus on diet and health in recent years has led to positive increases in sales of sugar-free soft drinks in particular. Developments in sales of soft drinks are also driven by continued product development within this segment, including energy and sports drinks, advancing in the market.

In many markets outside Europe, sales of beer, soft drinks, malt drinks and malt wort products are increasing. In the Middle East and Central Asia, particularly the market for non-alcoholic beverages continues to grow, and growth in the segment is stimulated by continuous product development. The economic growth across the Asian and African countries also contributes to increasing consumption within all Harboe's product categories.

HIGH VOLUME AND STABLE POSITION IN THE CORE BUSINESS

Sales of Harboe's core 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, flexibility, reliable deliveries and an attractive product programme in tune with the times.

At the same time, Harboe strives to ensure optimum utilisation of the group's production capacity and competencies through strategic collaboration agreements with other drinks manufacturers on contract manufacturing, packaging and product development within product segments that do not cannibalise on Harboe's own business.

CONTINUED EXPANSION OF EXPORT ACTIVITIES

The export markets hold an attractive potential with growing demand and more nuanced competition that allows us to achieve higher earnings margins than in the core business within a number of segments. Harboe pursues a diversified growth strategy based on regional demand patterns and market opportunities as far as product range and packaging types and sales and distribution models are concerned. The products are extensively marketed under the company's own brands supplemented by private-label products whenever commercially attractive. The activities are expected to increasingly contribute to the group's revenue and EBITDA over the coming years.

UNIQUE MARKET POTENTIAL FOR MALT EXTRACT

Over a period of several years, Harboe has established a solid platform for the sales of traditional malt extract to customers in the food industry, primarily in Europe. The business is developing particularly positively and still holds an attractive growth potential in the region, which the group wants to exploit through a further expansion of the sales organisation. Harboe also invests continuously in development activities, which can strengthen the business' continued development and competitiveness.

A concrete result of these activities is a clear malt extract which has a wide range of applications within drinks production, which is a new and highly interesting segment. The clear malt extract adds a natural flavour and sweetness to the beverage combined with a number of positive nutritional properties in the form of proteins and vitamins. Compared with competing products, the clear malt extract has been processed even further and can thus eliminate several steps in the usual manufacturing process at the drinks manufacturer.

Harboe's clear malt extract thus has a unique and attractive marketing profile vis-à-vis large drinks manufacturers, which show considerable interest in the product. In the past year, this has resulted in new strategic collaboration agreements and orders. The area continues to hold considerable potential which Harboe wants to make the most of. Further marketing of the clear malt extract will thus be a central element in the strategic development for the coming years.

The clear malt extract will also form part of the further development of Harboe's own products, including the non-alcoholic malt drinks marketed by the group in a growing number of export markets.

INVESTING IN LONG-TERM VALUE CREATION

Efficient and flexible production facilities capable of supplying high quality and handling the expected growth in volume are a prerequisite for maintaining the group's market position within the core area, while at the same time realising an ambitious growth strategy. In addition to common maintenance and constant streamlining, Harboe will continuously assess the need for investments in new production capacity and technology.

MANAGEMENT'S REVIEW

FINANCIAL OBJECTIVES OF THE GROUP

Harboe expects the intensive competition to continue within the group's core areas. At the same time, regular fluctuations in prices of Harboe's core raw materials will continue to be a risk factor and limit the opportunities for permanently raising the earnings margin for this part of the business. However, it is expected that the continued realisation of the group's growth strategy will contribute to overall more robust earnings – both relatively and in absolute terms.

Harboe aims to achieve annual revenue growth of 5-10% and a long-term profit margin of more than 6-8%. This is to contribute to maintaining a return on the invested capital of an attractive 8-10%. Furthermore, Harboe will continually focus on maintaining a strong cash flow from the group's operations.

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. At the same time, the group aims to ensure long-term value creation for its shareholders by gradually strengthening the company's market value in step with the planned development of the group's activities. The aim is for this to be supplemented by continuous returns through the continued distribution of dividend or share buy-back programmes.

CUSTOMERS AND MARKET CONDITIONS

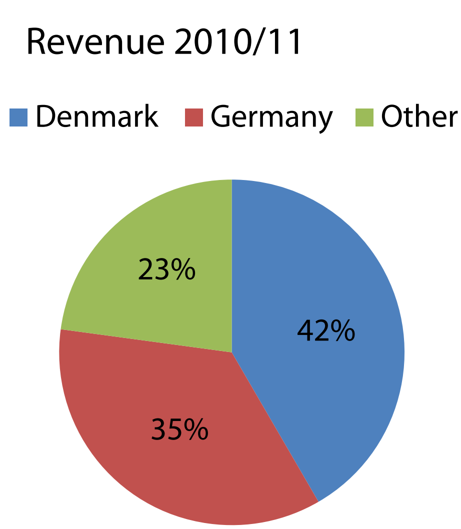
"Intensive competition and continued consolidation make our core markets challenging. But we also find that high quality, flexibility and proactive business development make a difference in our customer relations."

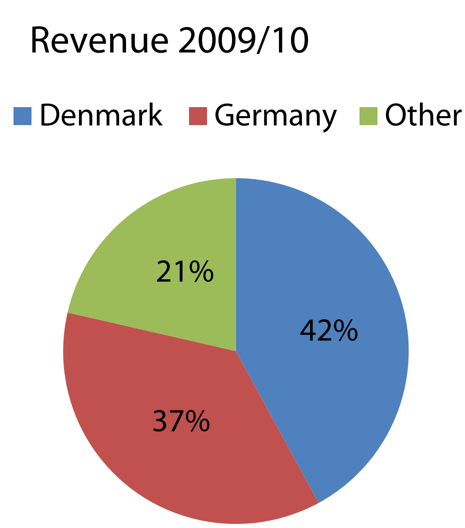
Harboe's core business is the production and marketing of a wide range of beer, soft drinks and other selected drinks products in selected main markets in northern Europe, including Denmark, Norway, Sweden, the Baltic States and Germany, and the Danish-German border area which constitutes a special segment.

Harboe's strategy is to focus on maintaining a high volume of the company's core products and 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, flexibility, reliable deliveries and an attractive product programme in tune with the times.

PRIMARY FOCUS ON PRIVATE LABEL

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.

As a supplement to the private-label segment, Harboe is marketing a range of specialty products under its own brands, including the specialty products from Skælskør Bryghus and GourmetBryggeriet. GourmetBryggeriet was acquired in FY 2009/10, and the activities are now fully integrated into the group with positive results from purchasing and sales synergies and continued product development within the segment.

MARKET AND DEMAND

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.

In the European markets, total beer sales have been falling in the past ten years, and this trend continued in the past financial year. However, sales of soft drinks continued to grow and particularly the sugar-free segment continues to develop positively and constitutes an ever-increasing part of the total soft drink market. Developments in sales of soft drinks are also driven by continued product development within this segment, including energy and sports drinks, advancing in the market.

MAINTAINING MARKET POSITION

In the past year, Harboe's core business developed positively with increasing revenue, and the group's market position was maintained in all markets. The development is driven by high quality and reliable deliveries combined with continued product and packaging innovation in close cooperation with key customers.

Furthermore, Harboe's flexible utilisation of capacity has made it possible to further expand its collaboration on contract manufacturing for a number of partners where focus also has been on contributing Harboe's expertise and production to the joint development of new products and unique packaging types that strengthen the marketing and sales of the products.

In the coming year, focus will be on strengthening and maintaining the company's close collaboration with customers, continued focus on high quality and reliable deliveries and targeted development activities that match the customers' needs.

EXPORT – BEVERAGES

"Economic growth and increasing consumption are effective factors in the positive development of several markets outside Europe. We approach these growth markets with in-depth understanding of regional consumption patterns and targeted quality products."

Harboe exports a wide range of products to more than 70 markets outside the group's core markets, which are concentrated in the region bordering the Baltic Sea. Geographically, the activities are directed at eight regions worldwide: Scandinavia, rest of Europe, Africa, the Middle East, Asia, Caribbean/South America, North America/Canada and Oceania (Australia and New Zealand).

The business focuses on four product categories: Beer, malt drinks, energy drinks and non-alcoholic malt drinks. Furthermore, several other of the group's products, including soft drinks, ice tea, ginger drinks etc., are marketed in selected markets.

MARKETS AND DEMAND

The export markets are characterised by growing demand for beer and soft drinks, and the activities have delivered double-digit growth rates in recent years. By pursuing a targeted regional product and distribution strategy, Harboe seeks to meet the individual demand patterns in the best possible way. The recent years' general economic growth in both Africa and Asia has created a basis for a growing consumption of beverages. In African countries, there is a large and culturally based demand for malt drinks, but the rest of Harboe's product range has also seen highly positive growth. Similar consumption and development patterns are seen in the Caribbean/South American markets. Non-alcoholic beverages are particularly popular in the Middle East, and Harboe's non-alcoholic malt drinks are aimed at a broad segment of consumers comprising both children and adults. The products' nutritional properties due to their protein and vitamin content also meets a clear trend in demand in these markets. The more established and mature markets in Europe, North America/Canada and Oceania are characterised by more moderate demand, but with room for niche players that can offer targeted products and packaging types to complement the traditional market.

MANAGEMENT'S REVIEW

PRODUCT RANGE AND BRANDS

The growth in Harboe's export markets is primarily driven by targeted sales of products under own brands. Within the beer category, it is especially the brands Bear Beer, Darguner and Harboe that are being marketed and receive positive recognition in the dedicated markets. However, the brand strategy is also supplemented by private-label products whenever commercially appropriate and whenever it may help to further boost sales in the individual market.

The malt drinks are mainly marketed under Harboe's own brand Hypermalt, which has a strong position in several markets. This segment is also supplemented by private-label products in collaboration with local partners that can offer reliable and long-term sales. The non-alcoholic malt drinks are also marketed under the Cheers brand in selected markets. Within energy drinks, particularly the brands X-ray and Hustler play a key role in the company's marketing campaigns, supplemented by private-label products. Other products are also marketed under Harboe's own brand, which includes the range of soft drinks, ginger drinks etc.

SALES AND MARKETING

The marketing of Harboe's export portfolio is carried out in close collaboration with key national and regional distributors worldwide. Collaboration agreements have been concluded directly with major retail customers in selected markets, and the group has additionally entered into partnerships with several large drinks manufacturers concerning the production and distribution of selected products in the export markets.

In recent years, Harboe has built up a solid network of partners in the distribution area which have extensive knowledge of the local markets and specific demand. This network is continuously being expanded, and dedicated efforts are going into developing mutually value creating partnership models with strategic sales, marketing and systematic follow-up goals. As the markets develop, Harboe will assess the need for establishing local sales offices. A sales office in China was thus established in 2011.

STRONG GROWTH

Harboe's export activities are developing particularly positively with double-digit growth rates in sold volumes. The successful positioning of Harboe's own brands in the export markets combined with a product and packaging offering that to a large extent meets local and regional demand patterns mean that the earnings margins of these activities can be maintained at an attractive level.

In line with the group strategy of creating continued growth and increased earnings, Harboe will further develop the export activities in the coming years through further expansion of the sales organisation and targeted marketing campaigns with special focus on the attractive growth markets in the Middle East and Asia.

EXPORT – MALT EXTRACT

"We are seeing a strong and ever increasing demand for natural raw materials that can make a difference for our food. Our product development within malt extract meets this trend, while at the same time helping customers to achieve ever more efficient production processes."

Harboe's malt extract activities are based on two business areas: The traditional malt extract for the food industry and activities involving new variations of malt extract for the drinks industry.

TRADITIONAL MALT EXTRACT

For more than 60 years, the traditional malt extract has been marketed as an ingredient for the food industry in a number of targeted products. The malt extract is used as a natural alternative to sugars, flavourings and colourings used in the production of many different foods and beverages, including bread, cereal, chocolate, malt beer and other malt-based beverages. In addition to the natural colourings and sweeteners, malt extract has a number of good properties in terms of nutrition and quality, and the attractive product profile is an important asset when marketing the product to selected production industries, including in particular bakeries and other food producers.

DEMAND AND PRODUCT DEVELOPMENT

The range of products within the traditional malt extract is sold to customers in the food industry with primary focus on the European market. In recent years, the business has developed particularly positively with strong growth in sales. Sales are driven by rising demand and a general recognition of Harboe's products in an industry where food safety and quality are paramount. This is further supported by Harboe's continued product development within the category, which includes development of new variants based on other grain types than the traditional barley, among other things. The group has thus launched a new rye-based malt extract, and another oatmeal-based product variation is in the pipeline.

The market for quality products within the traditional malt extract holds an attractive growth potential in the region which the group wants to utilise through a continued focused strengthening of the product portfolio and further expansion of the sales organisation.

MANAGEMENT'S REVIEW

CLEAR MALT EXTRACT

Using the group's extensive competencies within malt extract, Harboe has in recent years invested in the improvement of process equipment and intensified the development activities in order to strengthen the business' continued development and competitiveness.

The development activities have been driven by Harboe's own development department and has involved groups of researchers from both Denmark and abroad.

Specifically, these activities have resulted in a clear malt extract with new and interesting applications within drinks production. Compared to traditional products, the clear malt extract is a further processed, stable and easily water-soluble component that can be used directly and more efficiently in the production of a range of beverages, including beverages where the colour of the malt is unwanted. The malt extract can thus be used for the production of beer, soft drinks and non-alcoholic beverages.

STRATEGIC COLLABORATION

Harboe's clear malt extract has been introduced to several major international customers in the drinks industry that are showing considerable interest in the product, and test productions have been carried out at a number of customers in the development phase. In the past year, this has resulted in several new strategic collaboration agreements and orders. Harboe has obtained international pre-approval of the product patent and is now in the process of obtaining local patent approvals in the individual markets. These patent approvals are expected to be obtained in the course of the coming financial year.

MARKET AND SALES

The primary geographical focus of the sales and marketing activities within the clear malt extract is the Middle East and Central Asia where particularly the non-alcoholic beverage segment is booming. At the same time, the market potential is supported by a growing focus on health and nutrition in several countries, particularly in the Middle Eastern region. In the first phase, the product is marketed in 10 selected markets where focus is on large national and regional drinks manufacturers. The sales organisation has been further expanded in the past year, and the product was presented at large international food fairs. As the group's malt extract activities have grown, the production facilities in Skælskør have been expanded, and the overall capacity has been doubled many times over in the past three years.

The clear malt extract will also form part of the further development of Harboe's own products, including the non-alcoholic malt beverages marketed by the group in a growing number of export markets.

CONTINUED DEVELOPMENT

In terms of development, Harboe is still working on new innovative product variations, including a sweet malt extract which shows promising results. Harboe therefore expects to continue its development activities in the coming year, and continued launches of new products with targeted marketing campaigns and sales efforts in the dedicated markets are also expected. The business area is expected to contribute positively to increased revenue and earnings for the group in the coming years.

PRODUCTION AND CAPACITY

"Efficient production facilities are the backbone of our business, and we make continuous investments in technology to remain at the forefront of developments. We believe that increased capacity should also be driven by better efficiency. This makes good economic sense."

In 2010/11, a total of 5.94 million hectolitres of beer, soft drinks and malt wort products were produced at the group's three breweries. This corresponds to an increase of 4.6% compared to the year before and reflects the positive development in the group's sales and the ongoing investments in the continued strengthening of capacity. The capacity utilisation was high due to excellent flexibility and continued collaboration with several customers concerning contract manufacturing.

An additional DKK 137 million was invested in the brewery sector in 2010/11.

Among other things, the investments were directed at further expanding capacity within the production of malt extract in support of the strategic development activities within this area. The investment ensures that Harboe has the capacity necessary to meet the growing demand for the entire range of malt extract products expected in the coming years.

EFFECTIVE ENVIRONMENTAL PROTECTION

Harboe will undertake a considerable expansion of the group's wastewater treatment plant in Skælskør, ensuring more effective environmental environmental protection while at the same time meeting the coming years' enhanced production volumes.

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 in the German production unit, which proved very successful, and in 2010 a similar investment was made in the production unit in Skælskør. The systems capture and reuse CO2 emissions generated in the production process, and the money saved have paid for the investments in less than two years.

SOLID BASIS FOR VALUE CREATION

In the past five years, Harboe has invested DKK 678 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 the strategic development areas.

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

EMPLOYEES AND ORGANISATION

"We believe that a strong sense of community is based on each employee's personal responsibility and ambition. We try to motivate our employees and create the best possible framework for this."

For more than 125 years, Harboe has based its business on fundamental values such as responsibility, cooperation, quality and performance. These values form the basis for Harboe's management philosophy and are at the same time pillars of the group's strong corporate culture. 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.

Harboe's organisational strategy is based on the group's focus on ensuring a 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 offer competitive pay and employment conditions as well as ongoing training and continued improvement of employee skills. The objective is to retain talented employees and ensure a high degree of employee satisfaction.

RECRUITMENT AND FOCUS ON EDUCATION AND TRAINING

During the year, Harboe strengthened its organisation with new competencies in a number of areas, particularly the development activities within malt extract and as part of the continued expansion of the sales organisation for international activities.

The development of the group's employees and continued strengthening and updating of competencies are a major strategic focus area at all levels of the group, and many activities in this respect were held during the financial year. Aimed at the group's approx. 15 key managers, Harboe set up Harboe Business Academy in the financial year in collaboration with academic and technical experts from universities and food institutes in Denmark and Germany, and internal management training was also conducted in Estonia. The ambition is to ensure that the group's strategic management is based on a strengthened, shared reference framework. Initially, a two-year training course has been introduced which, considering the group's commercial challenges, focuses on relevant problems and solutions within business management.

The operational part of the group also implemented a number of training activities during the year. In order to ensure efficient and close follow-up on the quality and efficiency of the individual production processes, Harboe set up a team leader training programme a few years back, which also admitted new students this year. The programme yielded highly positive results in operations, and the increased responsibility is also a strong motivator in the individual team leader's continued development.

Concurrently with these activities, Harboe offers specialised internal and external courses and competency development programmes for managers and employees.

EMPLOYEE SATISFACTION

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 the coming year, work will go into establishing an interdisciplinary system for development and follow-up on employee satisfaction in the group.

Harboe has a low staff turnover rate, and the seniority of both production staff and specialists ensures continuity and retains the valuable knowledge accumulated 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.

CORPORATE SOCIAL RESPONSIBILITY

"There is a natural link between corporate governance and social responsibility. Fundamentally, we believe that all strategic decisions made in the company should strike a healthy balance between ambitions, values and risks."

It is a central element in Harboe's strategy that the group's continued growth and development should be sustainable. Effective utilisation of resources and positive relations to the company's stakeholders are essential to Harboe's future value creation. Harboe's work on responsibility is rooted in a policy based on a commercial prioritisation based on value optimisation and risk mitigation.

The group has decided to focus on the following four focus areas within


RUSLAND
ATLANTERHAVET
BRASILIEN

MANAGEMENT'S REVIEW

corporate social responsibility: climate and environment, employees and occupational health and safety, quality and health and community relations.

As a member of the Danish Brewers' Association, Harboe supports the industry's responsibility initiatives and participates in the ongoing reporting within the industry's focus areas.

CLIMATE AND ENVIRONMENT

Harboe's objective is to minimise the resources used in the production process as much as possible compared to the overall production volume and thereby reduce the environmental impact of the company's activities.

Harboe's production facilities are optimised at regular intervals to ensure an up-to-date, efficient and flexible production process. All investments in new production technology, optimisations of existing production facilities and all product and packaging development take into account resource use and general environmental impact.

All the group's units are certified according to international quality and environmental standards.

Harboe prepares green accounts for its production unit in Skælskør containing information about raw material, water and energy consumption as well as emissions, wastewater discharge and waste disposal.

Investments were also made in the past financial year to maintain and optimise the group's production facilities, including the installation of a new steam boiler in Skælskør, which has significantly reduced energy consumption. The experience gathered from last year's investments in a new evaporation plant and CO2 capture system is also positive. CO2 is now systematically captured and reused in Denmark and Germany, and the energy savings can pay for the investment in the plants in just two years.

The logistics area also saw investments in optimisation measures. Based on an overall analysis of inventory management, several changes were made to the warehouse facilities' infrastructures during the financial year, which led to improved efficiency and significant reductions in internal warehouse transport.

In the past year, the energy ambassadors appointed at the production unit in Skælskør have considered how operations and maintenance in production can be optimised. This proved to be a success, and many ideas for improvements and streamlining of processes and energy consumption were gathered and executed during the year.

In the coming year, the group expects to implement an Enterprise Resource Planning (ERP) system in all the group's production units. The system will be the starting point for Harboe's efforts to control and monitor quality standards, dividend percentages, energy consumption etc. across group units and will form the basis for forward-looking, specific objectives and reporting with a view to further optimisation of production.

EMPLOYEES AND OCCUPATIONAL HEALTH AND SAFETY

Harboe wants to be an attractive workplace that is able to attract, retain and develop the talents necessary to ensure the continued development of the group.

Harboe's corporate culture is based on responsibility, cooperation, quality and results. Employees at Harboe are offered competitive pay and employment conditions in accordance with applicable collective agreements, good practice and international standards in the area. Furthermore, the employees are offered ongoing training to ensure continued improvement of employee skills.

The health and well-being of its employees is important to Harboe. In addition to an attractive canteen option, the group offers its employees personal advice and activities relating to weight loss, smoking cessation etc.

Harboe is dedicated to ensuring a safe working environment that seeks to prevent absence due to illness and injury. Harboe is constantly investing in training and development activities to ensure that its employees are optimally geared to carrying out their duties in a safe and efficient manner. Further training programmes for employees were also completed this year.

In line with the group's strategy, preparations have been made for the health and safety certification of the production unit in Skælskør. The final certification is expected to take place during Q1 2011/12. Several processes were optimised in connection with the certification, and in future the certification will enable a more structured, ongoing follow-up in this area.

In the coming year, efforts will go into achieving the goal that all the group's units must obtain health and safety certification.

QUALITY AND HEALTH

As an international drinks manufacturer and supplier to food companies worldwide, product quality and safety is paramount. Harboe will meet the highest food safety standards by using raw materials that ensure a high and uniform quality throughout the entire value chain – from raw material to the finished product.

Harboe's requirements as to the quality of the raw materials purchased from suppliers follow this ambition and are evaluated systematically.

Investments in quality improvements and optimisation of production facilities are made to ensure that Harboe meets new requirements and expectations for quality and hygiene at all times. All the group's production units are certified in accordance with international quality standards, and systematic follow-up and control are carried out.


Cola

MANAGEMENT'S REVIEW

The market is seeing a growing consumer demand for healthier products. Harboe continues to focus intensively on innovation in order to meet this demand.

Finally, Harboe supports the industry's standards for responsible marketing of alcohol and the information activities carried out under the auspices of the Danish Brewers' Association.

Harboe will continue to focus on quality and health in the coming year as well. In this context, the implementation of the ERP system is expected to contribute to optimised control of the quality standards, and the further development activities within malt extract and other areas, are essential to meeting the demand for more natural and nutritious products.

EXTERNAL RELATIONS

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 professionalism, open dialogue and mutual respect. The group's business ethical policies regulate its relations to business partners.

Harboe's relations to its suppliers and other partners are also based on agreements and contracts being drafted in accordance with international standards, and the group has developed a number of standard requirements regarding quality, reliable deliveries and responsibility which are incorporated into the supplier agreements. Harboe's suppliers are primarily EU-based partners where agreements follow applicable EU standards for compliance with human rights in the value chain, prevention of corruption etc.

Harboe is strongly rooted in the local community, and being aware of the responsibility that naturally comes from being an integral part of the communities in which the company operates is a key element of the group's values. In recent years, Harboe has thus supported many relevant local sports activities, cultural events and charities.

In the coming year, Harboe will work on further strengthening and expanding the professional and mutually value creating collaboration with suppliers and other partners. The process will focus particularly on the continued internationalisation of the business and the relations established in new markets where regulation and practice deviate from EU standards.

MANAGEMENT'S REVIEW

BREWERY SECTOR

Brewery sector – key figures[5]:

VOLUME (MILLION HECTOLITRES)	2010/11 DKKm	2009/10 DKKm	2008/09 DKKm	2007/08 DKKm	2006/07 DKKm
Beer, soft drinks and malt wort products	5.94	5.68	5.72	5.30	5.70
EARNINGS					
Gross revenue	1,584.1	1,563.0	1,581.3	1,373.8	1,455.8
Taxes on beer and soft drinks	(263.5)	(279.3)	(261.8)	(236.5)	(266.6)
Revenue	1,320.6	1,283.6	1,319.5	1,137.3	1,189.2
Operating profit (EBIT)	82.0	58.3	36.1	20.5	88.5
Profit before tax	76.9	56.8	30.4	15.9	86.6
Tax on profit for the year	(19.4)	(13.9)	(8.7)	4.8	(29.3)
Net profit/(loss) for the year	(57.5)	42.9	21.7	20.7	57.3
BALANCE SHEET					
Total assets	1,567.4	1,515.0	1,472.3	1,062.6	1,052.5
Equity	633.8	613.8	547.5	584.5	572.8
Non-current liabilities	354.6	388.4	422.1	102.9	112.5
Current liabilities	578.9	512.8	502.7	375.2	367.2
INVESTMENTS ETC.					
Investments in intangible assets[6]	5.7	8.2	3.0	6.1	0
Investments in property, plant and equipment[7]	130.5	157.8	115.9	175.7	72.6
Depreciation and amortisation	114.1	114.9	110.1	97.7	90.7
CASH FLOWS					
Cash flows from operating activities	167.4	80.0	126.4	66.0	66.5
Cash flows from investing activities	(141.3)	(141.2)	(442.6)	(92.3)	(110.8)
Cash flows from financing activities	(58.2)	29.0	(265.1)	(4.0)	(39.1)
Change in cash and cash equivalents	(32.1)	(32.2)	(51.0)	(30.3)	(83.4)
RATIOS IN %					
Profit margin	6.2	4.5	2.7	1.8	7.4
Solvency ratio	40.4	40.5	37.2	55.0	54.4
EBITDA margin	14.9	13.5	11.1	10.4	15.1
Acid test ratio	82,3	85.8	91.1	93.6	85.7
Return on invested capital	12.6	9.2	6.5	2.3	10.3
EMPLOYEES					
Number of employees	542	514	492	457	467

5 The financial highlights have been prepared in accordance with the 'Recommendations and Financial Ratios 2010' issued by the Danish Society of Financial Analysts, cf. the description in note 1.

6 Excluding plant under construction.

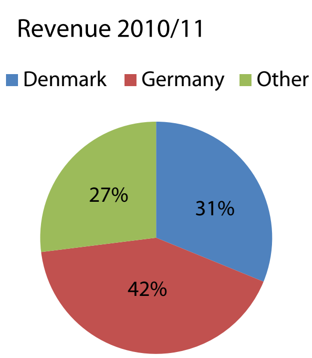
7 Excluding spare parts and plant under construction

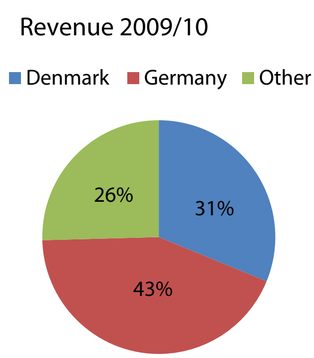
BREWERY SECTOR

Total sales of beer and soft drinks, including malt beverages and malt wort products, totalled 5.94 million hectolitres in FY 2010/11 against 5.68 million hectolitres last year, up 4.6%.

Revenue amounted to DKK 1,320 million in FY 2010/11.

The increase in revenue is based on a continued positive development in the group's main markets where high quality and reliable deliveries combined with ongoing product innovation contributed to maintaining the group's market position in times of intense competition. Furthermore, Harboe's flexible utilisation of capacity has made it possible to further expand its collaboration on contract manufacturing for a number of partners where focus also has been on contributing Harboe's expertise and production to the joint development of new products and unique packaging types that strengthen the marketing and sales of the products.





NEW AGREEMENTS AND INTERNATIONAL INTEREST IN MALT EXTRACT

Positive results with increased sales and the conclusion of additional strategic collaboration agreements with international drinks manufacturers have also been achieved within the strategic development area malt extract. Harboe's clear malt extract can be used to manufacture a range of drinks products, including non-alcoholic beverages for large growth markets in the Middle East and Asia, and Harboe is working with several partners on the production and further development of the product. The new agreements are part of a targeted effort to expand and strengthen relations with customers in the drinks industry, for example by participating in international food shows where clear malt extract has attracted widespread interest and recognition. The natural and processed product properties are important sales parameters in an international market which focuses heavily on food safety and nutrition.

INCREASING DEMAND IN EXPORT MARKETS

The export markets also continued the positive development in the period. While the drinks markets in Europe have been declining for several years, demand continues to grow in many markets in Asia, the Middle East, Africa and South America. Harboe markets a wide range of products aimed at meeting the demand in the individual regions where particularly the Middle Eastern market for non-alcoholic beverages is growing rapidly. Harboe's products are currently being marketed in more than 90 countries worldwide via central retail distributors and partners, and the sales organisation was further strengthened in the period.

The expansion and streamlining of production capacity at the group's production facilities in Denmark have been completed, and the unit has been put into service. The same applies to the expansion of the company's own wastewater treatment plant, which has been implemented to ensure more effective environmental protection and cater for the increasing production volumes expected in the coming years.

RESULTS

Profit before depreciation, amortisation, net financials and tax (EBITDA) was DKK 196.1 million. This corresponds to an increase of 13.2% relative to the same period last year and an EBITDA margin of 14.9%. This development is primarily attributable to increasing sales combined with the fact that the prices of the group's primary raw materials in the current financial year have been maintained at satisfactory levels through contracts.

The brewery sector's operating profit (EBIT) amounted to DKK 82.0 million in 2010/11. This represents an increase of 40.7% relative to the same period last year. The increasing sales and good product mix combined with continued stable raw material costs contributed to the positive developments.

Investments of DKK 135.9 million were implemented in the financial year, which is slightly more than the DKK 100-120 million originally announced. The increased investment level is primarily attributable to a difference in timing of ongoing investments around the beginning and end of the financial year. The purpose of the group's investment strategy is to ensure continued expansion of the group's position in both new and existing main markets.

Furthermore, the investments are to contribute to optimising the group's utilisation of resources and ensure that the streamlining of the group's production facilities has a positive effect on the consumption of resources and emissions in relation to the development in production volume.

Profit before tax was DKK 76.9 million against DKK 56.8 million last year, up DKK 20.1 million or 35.4%.

In FY 2010/11, the brewery sector employed 542 people against 514 the year before.

MANAGEMENT'S REVIEW

FOODSTUFF SECTOR:

Foodstuff sector – key figures[8]:

	2010/11 DKKm	2009/10 DKKm	2008/09 DKKm	2007/08 DKKm	2006/07 DKKm
EARNINGS					
Revenue	237.1	241.1	225.2	233.6	193.7
Operating profit/(loss) (EBIT)	5.0	6.1	4.8	1.0	(0.1)
Profit/(loss) before tax	4.2	1.4	4.7	0.4	(1.3)
Tax on profit/(loss) for the year	(1.1)	(1.2)	(0.9)	(1.0)	0.5
Net profit/(loss) for the year	3.2	0.2	3.9	(0.6)	(0.8)
BALANCE SHEET					
Non-current assets	85.4	94.0	96.3	109.0	113.5
Current assets	71.7	56.0	58.1	38.4	59.2
Equity	119.6	116.4	116.3	112.4	113.0
Non-current liabilities	0	4.7	10.8	16.4	21.8
Current liabilities	37.6	28.9	27.3	18.6	37.9
Balance sheet total	157.2	150.0	154.4	147.4	172.7
CASH FLOWS					
Cash flows from operating activities	24.8	14.2	22.2	(9.0)	20.1
Cash flows from investing activities	(7.2)	(11.5)	3.6	(5.2)	(0.2)
Cash flows from financing activities	(5.5)	(6.2)	(5.9)	(5.6)	(5.6)
Change in cash and cash equivalents	12.1	(3.5)	19.9	(19.8)	14.4
EMPLOYEES					
Number of employees	30	29	28	26	19

[8] The financial highlights have been prepared in accordance with the 'Recommendations and Financial Ratios 2010' issued by the Danish Society of Financial Analysts, cf. the description in note 1.
[9] Excluding plant under construction

FOODSTUFF SECTOR:
Harboefarm A/S's revenue was DKK 237.1 million in 2010/11 compared with DKK 241.1 million the year before.
Operating profit amounted to DKK 5.0 million compared with DKK 6.1 million the year before.

A profit before tax of DKK 4.2 million was realised for 2010/11 against a loss of DKK 1.4 million last year.

Harboe has decided to initiate a shutdown of its foodstuff sector as from the end of the 2010/11 financial year. Harboe has assessed the continued strategic potential of its foodstuff company, which is experiencing fierce competition and heavy price pressure. As a result of this assessment, Harboe has decided to focus solely on its main activities in the brewery sector where the future potential is more attractive.

As at 30 May 2011, Harboefarm permanently discontinued its production, and all employees were dismissed as at this date.

The foodstuff company continues to lease the company's farms until 2017, and a lease agreement for the company's production and warehouse facilities was concluded as at 1 June 2011.

In future, the company will thus be considered a rental business and will form part of the overall reporting for the group.

SEGMENT INFORMATION PER QUARTER

	Q1 2009/10 DKK '000	Q2 2009/10 DKK '000	Q3 2009/10 DKK '000	Q4 2009/10 DKK '000	Q1 2010/11 DKK '000	Q2 2010/11 DKK '000	Q3 2010/11 DKK '000	Q4 2010/11 DKK '000
REVENUE								
Brewery sector	366,321	302,681	311,308	303,323	392,984	317,343	291,845	318,481
Foodstuff sector	47,508	58,303	65,371	69,912	56,915	63,019	56,873	60,314
GROUP	413,829	360,984	376,679	373,235	449,899	380,362	348,718	378,795
OPERATING PROFIT/(LOSS)								
Brewery sector	21,084	11,437	3,405	22,324	35,076	22,120	7,809	17,004
Foodstuff sector	(714)	1,064	2,275	3,965	1,988	1,110	1,474	378
GROUP	20,370	12,501	5,680	26,289	37,064	23,230	9,283	17,382
Net financials								
Brewery sector	520	(1,166)	(722)	(121)	(634)	(1,537)	(3,144)	183
Foodstuff sector	(354)	(326)	(215)	(380)	(333)	(663)	(929)	1,209
Profit/(loss) in associates	0	0	0	(3,458)	0	0	0	0
GROUP	166	(1,493)	(937)	(3,959)	967	(2,200)	(4,073)	1,392
PROFIT/(LOSS) BEFORE TAX								
Brewery sector	21,604	10,271	2,683	22,203	34,442	21,217	6,202	15,016
Foodstuff sector	(1,068)	738	2,060	(371)	1,655	780	1,208	591
GROUP	20,536	11,009	4,743	21,832	36,097	21,997	7,410	15,607
NET PROFIT/(LOSS) FOR THE YEAR								
Brewery sector	16,606	7,616	1,611	17,047	25,813	15,920	4,495	11,479
Foodstuff sector	(701)	454	1,545	(1,149)	1,241	585	906	423
GROUP	15,905	8,070	3,156	15,898	27,054	16,505	5,401	11,902

MANAGEMENT'S REVIEW

CORPORATE GOVERNANCE

"Committed and personal management helps maintain the company's values. At Harboe, we combine our daily hands-on management with professional reporting and control systems in accordance with international standards."

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 the best possible way 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 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. The group's management 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'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 in accordance with the company's Articles of Association subject to at least three weeks' 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 AS WELL AS CORPORATE SOCIAL RESPONSIBILITY

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.

Harboe has also laid down a corporate social responsibility policy and reports on developments in the prioritised focus areas 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 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 publishes quarterly reports.

THE TASKS AND RESPONSIBILITIES OF THE SUPREME AND THE CENTRAL GOVERNING BODIES

Once a year, the Board of Directors of Harboe lays down and updates the company's strategy. The Board of Directors follows up on the strategic initiatives and the realisation of the targets set at appropriate intervals and assesses the company's management competencies and financial resources 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.

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 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. The Chairman of the Board of Directors is not involved in the day-to-day management of the company.

COMPOSITION AND ORGANISATION OF THE SUPREME GOVERNING BODY

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 Harboe's 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. The annual report specifies which members of the Board of Directors are deemed to be 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 2010/11, 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.

The members of the Board of Directors, their individual competencies, other directorships and executive positions held as well as the number of shares they own in the company and any changes in these shareholdings in the course of the year appear from the annual report.

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

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 service of four years contributes positively to ensuring continuity in the company's management and that the shareholders' influence on the composition of the Board of Directors is ensured by an annual election. The time of each individual board member joining the Board of Directors and of the possible re-election of the member is stated in the annual report.

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 audit committee is competent to perform the financial reporting and supervisory tasks defined for the committee.

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. The group's key managers are covered by a performance-related bonus programme. In addition, Harboe offers a number of special elements to key managers, such as 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 detail in the Chairman of the Board of Director's report and approved at the annual general meeting.

The remuneration paid to the Board of Executives and the Board of Directors is specified in the annual report. Termination benefits for managers constitute a maximum of two years' remuneration.

The remuneration to the Board of Directors is based on a fixed fee and does not comprise any share options.

The remuneration to the Board of Directors is approved at the general meeting for the financial year in question.

PRESENTATION OF THE ANNUAL REPORT (FINANCIAL REPORTING)

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 analyses and considers the business and financial risks affecting the company's development and results at regular intervals and at least one a year. The Board of Executives reports to the Board of Directors on developments in the main risk areas on an ongoing basis.

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

Harboe's risk management and internal controls are described in more detail in the relevant section of the annual report.

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. The auditors also participate in the board meeting at which the annual report is considered.

HARBOE'S DEVIATIONS FROM THE RECOMMENDATIONS

RECOMMENDATIONS	COMMENTS BY HARBOE
It is recommended that the company set an age limit for members of the Board of Directors.	No upper age limit has been defined 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.
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.	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.
It is recommended that the Board of Directors set up a nomination committee.	In the coming year, the Board of Directors of Harboe will consider the need for setting up a nomination committee.
It is recommended that the Board of Directors set up a remuneration committee.	In the coming year, the Board of Directors of Harboe will consider the need for setting up a nomination 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.	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.

MANAGEMENT'S REVIEW

RISKS, FINANCIAL REPORTING AND CONTROLS

"Our business is affected by risks everywhere in the value chain. We are therefore working systematically on monitoring, analysing and following up on risks at all levels in the group. The framework is laid down by the Board of Directors and the Board of Executives, but everyone has a responsibility."

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.

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 food safety standards. 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 subsuppliers 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 subsuppliers and regularly analyses the scope for additional streamlining of production. Moreover, Harboe focuses on strengthening sales of its own international brand products in the export markets and developing sales of new malt extract products, which offer high earnings margins and less sensitivity.

Harboe's beer and soft drinks are, to a varying 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 entail a strong demand for 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. All deliveries entail a debtor risk, which increases concurrently with the continued internationalisation of the group and the establishment of new customer relations. Harboe seeks to safeguard the company against bad debts through ongoing assessment of the need to take out credit insurance and open letters of credit where appropriate and possible.

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.

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 140.6 million.

As Harboe's sales and purchases in foreign currencies in respect of most of the group's activities are still denominated in EUR, currency risks for the group are considered limited. 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.

BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

HARBOE'S BREWERY A/S

SHAREHOLDER INFORMATION

"The viable strategy and its consistent implementation ensure long-term value creation. This is our basic principle, and we are working hard to meet our shareholder's expectations."

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.

Harboe communicates its shareholder information electronically via the InvestorPortal, which offers shareholders quick and easy access to relevant information about the company.

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, CFO
Tel.: +45 58 16 88 88
Email: rs@harboes.dk

OWNERSHIP

At the end of the financial year, Harboes Bryggeri A/S had 5,356 registered shareholders. The registered shareholders represent DKK 54.8 million of the total share capital, corresponding to 91.3%.

As at 30 April 2011, 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%

J.P. Morgan Chase Bank
60 Victoria Embankment
GB-London EC4Y 0JP
Equity investment: 6.13%, voting share: 3.1%

As at 30 April 2011, members of the Board of Directors and the Board of Executives held a total of 815,259 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.

AUTHORISATION TO ACQUIRE TREASURY SHARES

At the extraordinary general meeting held on 5 November 2010, the Board of Directors was authorised to acquire treasury shares with a nominal value of up to 50% of the share capital at a price corresponding to the listed price plus/minus 10%. This authorisation is valid until the company's annual general meeting in 2015.

During the financial year, Harboe has acquired 285,640 Class B shares at a total market value of DKK 33.3 million. As at 30 April 2011, the company had a holding of 350,585 Class B shares.

MANAGEMENT'S REVIEW

THE SHARE

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 NASDAQ OMX Copenhagen. Trading for the period amounted to DKK 242.1 million, corresponding to average trading per day of DKK 1.0 million.

The Harboe share went up 13.4% in the course of the year, closing at a price of 127 against a price of 112 at the end of the last financial year. The price development should be seen in light of the development in the small cap index, which fell by 8.8%.

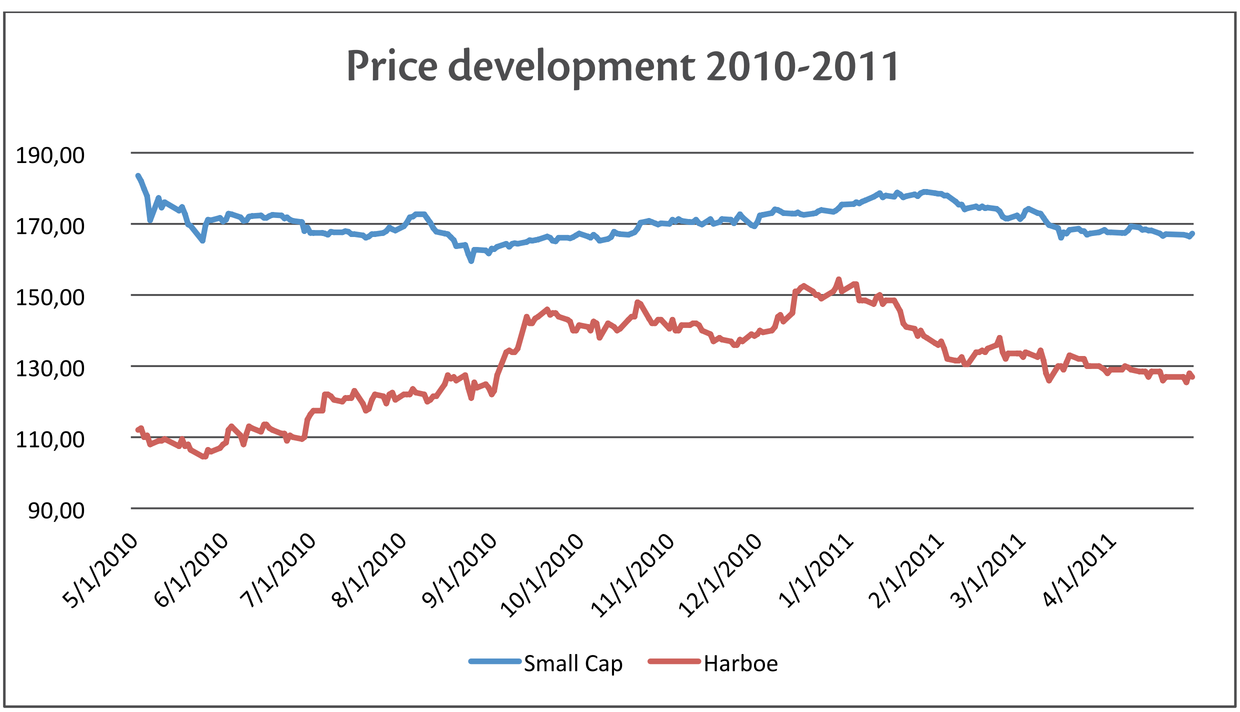
IMPORTANT CONTRACTS OR CHANGES IN CONTROL

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.

Termination benefits for a maximum of two years' remuneration have been agreed for key management employees in the event of dismissal in connection with a change in the control in the company.

DIVIDEND

The Board of Directors recommends to the annual general meeting on 24 August 2011 that a dividend be paid in the amount of DKK 1.50 per share, 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 2011/127 September 2011
Interim report, H1 2011/12 12 December 2011
Interim report, Q3 2011/1227 March 2012

COMPANY ANNOUNCEMENTS

Company announcements issued in the period 1 May 2010 to 30 April 2011:

DATE	ANNOUNCEMENT
11 May 2010	Financial calendar
2 June 2010	Purchase of treasury shares
29 June 2010	Annual Report 2009/10
30 June 2010	Reporting in accordance with Section 28a of the Danish Securities Trading Act
5 July 2010	Reporting in accordance with Section 28a of the Danish Securities Trading Act
5 July 2010	Reporting in accordance with Section 28a of the Danish Securities Trading Act
29 July 2010	Purchase of treasury shares
3 August 2010	Notice of annual general meeting
9 August 2010	Reporting in accordance with Section 28a of the Danish Securities Trading Act
10 August 2010	Annual Report 2009/10
25 August 2010	Minutes of annual general meeting
6 September 2010	Notice of extraordinary general meeting
7 September 2010	Quarterly report
28 September 2010	Minutes of extraordinary general meeting
11 October 2010	Notice of extraordinary general meeting
5 November 2010	Minutes of extraordinary general meeting
14 December 2010	Interim report
8 March 2011	Quarterly report

MANAGEMENT'S STATEMENT

Today, the Board of Directors and Board of Executives have reviewed and approved the annual report of Harboes Bryggeri A/S for the financial year 1 May 2010 - 30 April 2011.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for 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 company's assets and liabilities and financial position as at 30 April 2011 as well as of the results of their operations and cash flows for the financial year 1 May 2010 to 30 April 2011.

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

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

Skælskør, 28 June 2011

BOARD OF EXECUTIVES
Bernhard Griese
CEO

BOARD OF DIRECTORS

Anders Nielsen Chairman	Bernhard Griese	Preben K. 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 2010 to 30 April 2011, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies applied, for the group and the company, respectively. The consolidated financial statements and financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for 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 Danish disclosure requirements for 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 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.

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 company's assets and liabilities and financial position as at 30 April 2011 as well as of the results of their activities and cash flows for the financial year 1 May 2010 to 30 April 2011 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for 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 Danish disclosure requirements for listed companies.

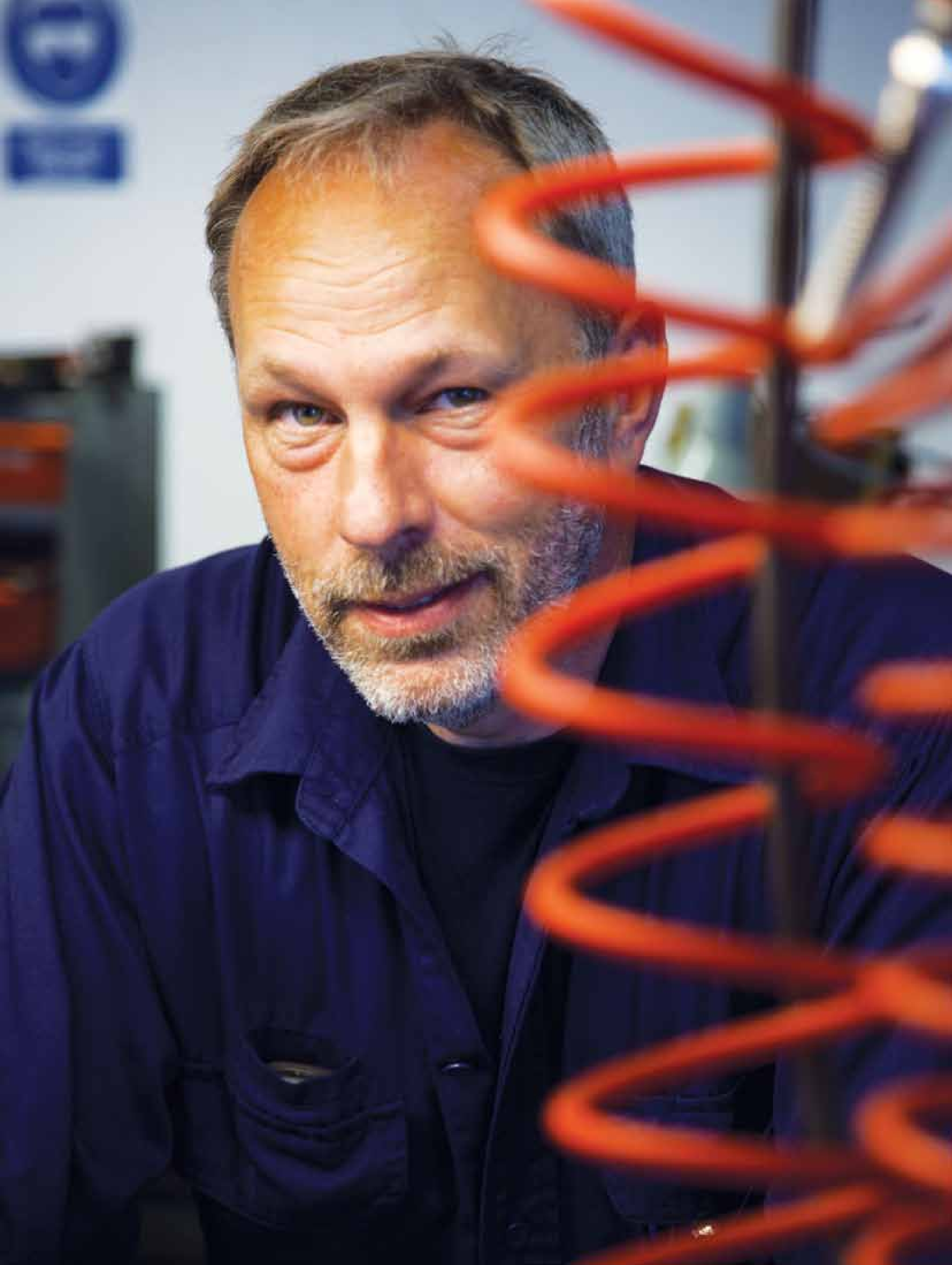
Our audit did not include the management's review, but we have read the management's review in accordance with the Danish Financial Statements Act (*Årsregnskabsloven*). We have not performed any services other than the audit of the consolidated financial statements and financial statements.

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, 28 June 2011

Deloitte
Statsautoriseret Revisionsaktieselskab

Jens Jørgen Simonsen	**Freddi Nielsen**
State-Authorised Public Accountant	State-Authorised Public Accountant



MEMBERS OF THE BOARD OF DIRECTORS

AGGER, METTE KIRSTINE
CEO (1964)

Member of the audit committee.
Independent member of the Board of Directors since 2008. Term of service expires 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
DBV Pharmaceuticals S.A.

SHAREHOLDING

2010/11	2009/10
400 shares	400 shares

NIELSEN, ANDERS
Lawyer, Chairman (1950)

Chairman of the audit committee.
Independent member of the Board of Directors since 2001. Re-elected in 2005 and 2009. Term of service expires in 2013.

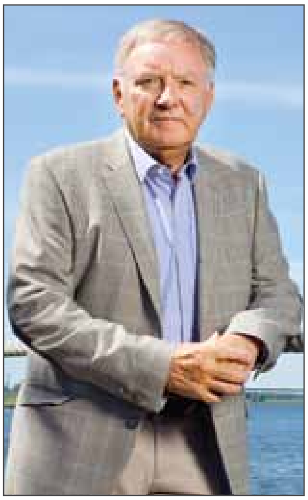
Anders Nielsen is a qualified lawyer (H) and has been a partner with Lett Advokatfirma since 2006. In the course of his career, Anders Nielsen has gained solid experience within business and company law, including negotiations and preparation of contracts in connection with the acquisition and divestment 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 (Chairman)
Skælskør Bryghus A/S
Copenhagen Designbyg A/S (Chairman)
Ejendomsselskabet Holger Danskes Vej ApS (Chairman)
Holger Danskes Vej Holding ApS

EXECUTIVE POSTS
Holger D. Invest ApS
Advokatanpartsselskabet Troelsen & Nielsen
Trijac Invest ApS
Trijac Holding ApS

SHAREHOLDING

2010/11	2009/10
18,270 shares	1,270 shares



GRIESE, BERNHARD
CEO (1941)

Member of the Board of Directors since 1968.
Re-elected in 2010. Term of service expires in 2014.

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 production and management experience combined with strong innovative and entrepreneurial skills make him a valuable asset to the group.

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

DIRECTORSHIPS
GourmetBryggeriet A/S
Copenhagen Designbyg A/S
FCS 2008 A/S
Danfrugt Invest A/S
Visbjerggården A/S (Chairman)
Keldernæs A/S (Chairman)
Lundegård A/S (Chairman)
Buskysminde A/S (Chairman)
Rugbjerggård A/S (Chairman)
Danfrugt Skælskør A/S (Chairman)
Bernd Griese Holding ApS
Vejrmøllegården ApS

EXECUTIVE POSTS
Harboes Bryggeri A/S
Danfrugt Invest A/S
Copenhagen Designbyg A/S
Vejrmøllegården II af 1. oktober 2005 ApS
Bernd Griese Holding ApS
Agrar Niendorf GmbH, Tyskland

SHAREHOLDING

2010/11	2009/10
786,820 shares	786,820 shares

KJÆRSGAARD, CARL ERIK
CEO (1958)

Member of the audit committee.
Independent member of the Board of Directors since 2008.
Term of service expires 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 CEO of Grey Worldwide in Copenhagen and later as 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 marketing experience and talent constitute a valuable contribution to the implementation of Harboe's marketing strategy and continued strategic growth.

DIRECTORSHIPS
Future Lab Business A/S (Chairman)
Mannov Holding A/S (Chairman)
WPP Holding Denmark A/S
Trunk Images A/S (Chairman)
Cohn & Wolfe A/S (Chairman)
Computer Camp A/S
Future Lab Business Consulting A/S
Møller & Rothe A/S
Future Lab Business Group A/S
Happy Kebab Danmark A/S
Happy Kebab Holding A/S
Anycopy ApS (Chairman)
Anymax ApS (Chairman)

EXECUTIVE POSTS
K.G.M. Data distribution AB, Sverige
Carl Erik Kjærsgaard Consulting ApS

SHAREHOLDING

2010/11	2009/10
1,410 shares	500 shares

MEMBERS OF THE BOARD OF DIRECTORS

KRAGE, MADS O.
CEO (1944)

Member of the audit committee.
Independent member of the Board of Directors since 2007.
Term of service expires in 2011.

Mads O. Krage has long-term experience within the retail sector, e.g. as CEO of the retail chain Netto from 1980 to 2005, during which time the company implemented an ambitious growth strategy. Mads O. Krage provides 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
Danish Crown Incorporated A/S
Toms Gruppen A/S
Holdingselskabet af 17. december 2004 A/S
Plast Team A/S
Holberg Fenger Holding A/S
K/S Kristensen Partners I (Chairman)
Investeringsforeningen LD Invest (Chairman)
Fair Trade Mærket Danmark
Fonden (Chairman)
Tulip Food Company P/S

SHAREHOLDING

2010/11	2009/10
7,499 shares	7,499 shares

THØGERSEN, THØGER
CEO (1953)

Member of the audit committee.
Independent member of the Board of Directors since 2008.
Term of service expires 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 sales knowledge and experience, Thøger Thøgersen makes a competent contribution to Harboe's continued strategic development.

DIRECTORSHIPS
Active Sportswear International Holding A/S
Active Sportswear International A/S
H2O Sportswear A/S
Forza Active Sportswear International A/S
Holmsland Klit Golf A/S

SHAREHOLDING

2010/11	2009/10
800 shares	800 shares

JENSEN, JENS BJARNE SØNDERGAARD
Staff representative (1955)

Member of the Board of Directors since 1997.
Re-elected in 2008. Term of service expires in 2012.

SHAREHOLDING

2010/11	2009/10
60 shares	60 shares

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
HARBOE'S BREWERY A/S

INCOME STATEMENT FOR 2010/11

GROUP DKK '000	NOTE	2010/11	2009/10
Gross revenue		1,821,269	1,804,047
Taxes on beer and soft drinks		(263,495)	(279,320)
Revenue		**1,557,774**	**1,524,727**
Production costs	6	(1,241,064)	(1,247,451)
Gross profit		**316,710**	**277,276**
Other operating income	8	18,281	18,394
Distribution costs		(183,359)	(175,022)
Administrative expenses		(51,572)	(46,037)
Other operating expenses		(13,101)	(10,269)
Operating profit (EBIT)		**86,959**	**64,342**
Income from investments in associates	9	0	(3,458)
Financial income	10	4,981	11,180
Financial expenses	11	(10,829)	(13,944)
Profit before tax		**81,111**	**58,120**
Tax on profit/(loss) for the year	12	(20,413)	(15,247)
Adjustment of tax regarding previous years	12	(45)	156
Net profit for the year		**60,653**	**43,029**
Distribution of net profit for the year			
Shareholders of parent		60,635	43,028
Minority interests		18	1
		60,653	**43,029**
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	13	10.6	7.3

STATEMENT OF COMPREHENSIVE INCOME FOR 2010/11

GROUP DKK '000	NOTE	2010/11	2009/10
Net profit for the year		**60,653**	**43,029**
Foreign currency translation adjustment regarding foreign enterprises		487	(443)
Adjustment to fair value of financial assets available for sale		4,748	(3,247)
Adjustment to fair value of financial assets available for sale, recirculation upon disposal		263	0
Adjustment to fair value of financial instruments entered into for hedging future cash flows		838	165
Tax on share of comprehensive income	12	(1,989)	5,607
Other comprehensive income:		**4,347**	**2,082**
Comprehensive income		**65,000**	**45,111**
Distribution of comprehensive income for the year			
Shareholders of parent		64,982	45,110
Minority interests		18	1
		65,000	**45,111**

BALANCE SHEET AS AT 30 APRIL 2011

GROUP DKK '000	NOTE	2011	2010
Goodwill		3,573	3,573
Development projects		433	1,572
Rights		5,719	5,707
Software		7,920	4,881
Intangible assets under construction		5,764	688
Intangible assets	15	**23,409**	**16,421**
Land and buildings		337,159	331,848
Plant and machinery		456,073	447,405
Other plant, fixtures and fittings, tools and equipment		38,665	41,206
Spare parts for own machinery		3,993	3,887
Property, plant and equipment under construction		36,083	33,247
Property, plant and equipment	16	**871,973**	**857,593**
Financial assets available for sale	17	285,782	283,738
Deposits, leases		2,303	2,234
Financial assets		**288,085**	**285,972**
Deferred tax assets	26	**886**	**1,299**
Non-current assets		**1,184,353**	**1,161,285**
Inventories	18	**138,250**	**122,211**
Trade receivables	19	301,676	304,155
Other receivables	20	10,306	3,964
Deferred income		7,977	7,219
Receivables		**319,959**	**315,338**
Cash	22	**39,913**	**43,774**
Assets held for sale	21	**2,992**	**2,992**
Current assets		**501,114**	**484,315**
Assets		**1,685,467**	**1,645,600**

BALANCE SHEET AS AT 30 APRIL 2011

GROUP DKK '000	NOTE	2011	2010
Share capital	23	60,000	60,000
Share premium		51,000	51,000
Other reserves	25	(15,689)	(20,036)
Retained earnings		657,918	639,095
Equity owned by shareholders of parent		**753,229**	**730,059**
Equity owned by minority interests		**209**	**191**
Equity		**753,438**	**730,250**
Mortgage debt	28	253,402	290,920
Deferred tax liabilities	26	37,861	33,555
Deferred income		54,832	61,088
Non-current liabilities		**346,095**	**385,563**
Mortgage debt	28	36,656	26,377
Other credit institutions	29	169,124	154,340
Trade payables	30	216,388	187,556
Repurchase obligation, returnable packaging	27	27,958	33,350
Other payables	31	102,641	100,526
Deferred income		9,579	8,279
Income tax		20,609	16,372
Current liabilities		**582,955**	**526,800**
Liabilities in respect of assets held for sale	21	**2,979**	**2,987**
Liabilities		**932,029**	**915,350**
Equity and liabilities		**1,685,467**	**1,645,600**

CASH FLOW STATEMENT FOR 2010/11

GROUP DKK '000	NOTE	2010/11	2009/10
Operating profit (EBIT)		86,959	64,342
Depreciation, amortisation, impairment losses and write-downs etc.		130,183	125,719
Grants recognised as income		(12,657)	(13,188)
Changes in net working capital	34	1,103	(73,485)
Cash flows from primary operating activities		**205,588**	**103,388**
Financial income received		4,888	11,559
Financial expenses paid		(10 .007)	(15,036)
Income tax paid		(8,256)	(5,729)
Cash flows from operating activities		**192,213**	**94,182**
Purchase of intangible assets		(10,788)	(3,262)
Purchase of property, plant and equipment		(142,865)	(160,954)
Sale of property, plant and equipment		2,653	1,560
Acquisition of enterprises	37	0	2,163
Changes in financial assets		2,590	7,809
Cash flows from investing activities		**(148,410)**	**(152,684)**
Dividend paid to shareholders of parent		(8,474)	(8,840)
Repayment of mortgage debt		(31,669)	(8,662)
Raising of mortgage debt		2,126	388
Investment grant received		7,579	39,964
Purchase of treasury shares		(33,338)	0
Cash flows from financing activities		**(63,776)**	**22,850**
Change in cash and cash equivalents		**(19,973)**	**(35,652)**
Cash and cash equivalents as at 1 May		(109,382)	(73,324)
Translation adjustment, beginning of year		144	(406)
Cash and cash equivalents as at 30 April	35	**(129,211)**	**(109,382)**

STATEMENT OF CHANGES IN EQUITY

GROUP
DKK '000

	Share capital	Share premium	Other reserves	Retained earnings	Equity owned by shareholders of parent	Equity owned by minority interests	Total equity
Equity as at 1 May 2009	**60,000**	**51,000**	**(18,886)**	**572,159**	**664,273**	**190**	**664,463**
Changes in equity 2009/10							
Net profit for the year	0	0	0	43,028	43,028	1	43,029
Other comprehensive income after tax for the financial year	0	0	2,082	0	2,082	0	2,082
Comprehensive income for the financial 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 14	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**
Equity as at 1 May 2010	**60,000**	**51,000**	**(20,036)**	**639,095**	**730,059**	**191**	**730,250**
Changes in equity 2010/11							
Net profit for the year	0	0	0	60,635	60,635	18	60,653
Other comprehensive income after tax for the financial year	0	0	4,347	0	4,347	0	4,347
Comprehensive income for the financial year	0	0	4,347	60,635	64,982	18	65,000
Distributed dividend, cf. note 14	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	526	526	0	526
Purchase of treasury shares	0	0	0	(33,338)	(33,338)	0	(33,338)
Total changes in equity	**0**	**0**	**4,347**	**18,823**	**23,170**	**18**	**23,188**
Equity as at 30 April 2011	**60,000**	**51,000**	**(15,689)**	**657,918**	**753,229**	**209**	**753,438**

NOTES OVERVIEW

1. Accounting policies
2. Significant accounting estimates, assumptions and uncertainties
3. Segment information for the group
4. Production costs
5. Development costs
6. Staff costs
7. Depreciation, amortisation, impairment losses and write-downs
8. Other operating income
9. Income from investments in associates
10. Financial income
11. Financial expenses
12. Tax on profit/(loss) for the year
13. Earnings per share and diluted earnings per share
14. Dividend
15. Intangible assets
16. Property, plant and equipment
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. Trade payables
31. Other payables
32. Operating lease commitments
33. Contingent liabilities, security and contractual obligations
34. Changes in net working capital
35. Cash and cash equivalents
36. Fee to the auditors appointed by the general meeting
37. Acquisition of enterprise
38. Financial risks and financial instruments
39. Related parties
40. Adoption of annual report for publication

1. ACCOUNTING POLICIES

The 2010/11 consolidated financial statements and financial statements of Harboes Bryggeri A/S are presented in accordance with International Financial Reporting Standards as adopted by the EU and 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 2010/11 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 2010 or later. The standards and interpretations that are relevant to Harboes Bryggeri A/S are:

IAS 24, *Related Party Disclosures*
IFRS 3, Business Combinations (2008)
IFRS 9, *Financial Instruments: Classification and Measurement*

Minor changes of various standards and interpretations due to annual IASB improvements (May 2010).

The implementation of the new and revised standards and interpretations in the 2010/11 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:

IFRS 9, *Financial Instruments:* Classification and Measurement
IFRS 10-12, IAS 27 and 28: Accounting treatment of consolidation, joint ventures etc. (consolidation project). The standards will become effective for financial years beginning on 1 January 2013 or later. The standards have not yet been adopted for implementation in the EU.

Minor changes of various standards and interpretations due to annual IASB improvements (May 2010) are not expected to have any material impact.

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 enterprises (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.

Enterprises 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 intercompany income and expenses, intercompany 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.

BUSINESS COMBINATIONS

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 consideration 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 the 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 equity or in other comprehensive income with the portion attributable to amounts recognised directly in equity and in other comprehensive income, respectively. 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 business combination, 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 on 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 enterprises in proportion to their taxable incomes.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at fair value at the settlement date.

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 losses on the 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 and depreciation and impairment losses on the 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 losses on 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, liabilities 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 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 losses. 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 on a straight-line basis 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 impairment, if any, 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. If more dividend is distributed than has been earned overall by the enterprise since the acquisition, this is considered to be an indication of impairment, cf. the section on impairment above.

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 bad debts. Write-downs are made on an individual level.

DEFERRED INCOME

Prepayments recognised under assets comprise costs incurred in respect of the coming financial year. Deferred income is 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 interest-bearing 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-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 the '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:	Net interest-bearing liabilities less interest-bearing assets, including cash and cash equivalents.
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
Financial gearing:	Net 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 13.

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 2010/11 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.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

As indicated in respect of property, plant and equipment in note 1, Accounting policies, the estimated useful lives of the group's property, plant and equipment are reviewed at the end of each financial year. During the financial year, the company's management has assessed that the useful life of certain types of plant must be extended.

In the coming years, the reassessed useful lives will reduce the group's production costs in the form of reduced depreciation by DKK 25-30 million, provided that the assets are held until the end of their useful lives.

3. SEGMENT INFORMATION FOR THE GROUP

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

GROUP
DKK '000

	Brewery sector 2010/11	Foodstuff sector 2010/11	Elimination 2010/11	Group 2010/11	Brewery sector 2009/10	Foodstuff sector 2009/10	Elimination 2009/10	Group 2009/10
Income statement								
Gross revenue	1,584,148	237,121	0	1,821,269	1,562,953	241,094	0	1,804,047
Taxes on beer and soft drinks	(263,495)	0	0	(263,496)	(279,320)	0	0	(279,320)
Revenue	**1,320653**	**237,121**	**0**	**1,557,774**	**1,283,633**	**241,094**	**0**	**1,524,727**
Operating profit (EBIT)	82,009	4,950	0	86,959	58,250	6,092	0	64,342
Share of profit/(loss) in associates	0	0	0	0	0	(3,458)	0	(3,458)
Financial income	4,981	474	(474)[1]	4,981	11,159	34	(13)[1]	11,180
Financial expenses	(10,113)	(1,190)	474[1]	(10,829)	(12,648)	(1,309)	13[1]	13,944
Profit before tax	**76,877**	**4,234**	**0**	**81,111**	**56,761**	**1,359**	**0**	**58,120**
Tax on profit for the year	(19,379)	(1,079)	0	(20,458)	(13,881)	(1,210)	0	(15,091)
Net profit for the year	**57,498**	**3,155**	**0**	**60,653**	**42,880**	**149**	**0**	**43,029**
Other comprehensive income	4,347	0	0	4,347	2,082	0	0	2,082
Total comprehensive income	**61,845**	**3,155**	**0**	**65,000**	**44,962**	**149**	**0**	**45,111**
Balance sheet								
Segment assets, non-current	1,107,434	85,429	(8,510)[2]	1,184,353	1,074,843	93,979	(7,537)[2]	1,161,285
Segment assets, current	459,917	71,738	(30,541)[3]	501,114	440,182	56,038	(11,905)[3]	484,315
Assets	**1,567,351**	**157,167**	**(39,051)**	**1,685,467**	**1,515,025**	**150,017**	**(19,442)**	**1,645,600**
Segment liabilities, non-current	354,605	0	(8,510)[2]	346,095	388,382	4,718	(7,537)[2]	385,563
Segment liabilities, current	578,898	37,577	(30,541)[3]	585,934	512,828	28,864	(11,905)[3]	529,787
Liabilities	**933,503**	**37,577**	**(39,051)**	**932,029**	**901,210**	**33,582**	**(19,442)**	**915,350**

1) Elimination of intercompany interest, intercompany balances.
2) Reclassification, deferred tax asset, foodstuff sector. Reclassification between non-current segment assets and non-current segment liabilities for offsetting against the group's total deferred tax liability.
3) Elimination of intercompany balances between the brewery and foodstuff sectors as well as reclassification of income tax in the foodstuff sector.

GROUP
DKK '000

	Brewery business 2010/11	Foodstuff sector 2010/11	Elimination 2010/11	Group 2010/11	Brewery business 2009/10	Foodstuff sector 2009/10	Elimination 2009/10	Group 2009/10
Investments etc.								
Additions of intangible assets	5,727	0	0	5,727	3,267	0	0	3,267
Additions of property, plant and equipment	130,137	11,693	0	141,830	150,403	13,547	0	163,950
Acquisition of enterprises	0	0	0	0	(2,163)	0	0	(2,163)
Depreciation and amortisation (incl. profit/loss)	113,550	16,633	0	130,183	116,256	9,436	0	125,692
Cash flows								
Cash flows from primary operating activities	167,405	24,808	0	192,213	79,975	14,207	0	94,182
Cash flows from investing activities	(141,301)	(7,109)	0	(148,410)	(141,163)	(11,521)	0	(152,684)
Cash flows from financing activities	(58,180)	(5,596)	0	(63,776)	29,016	(6,166)	0	22,850
Change in cash and cash equivalents	(32,076)	12,103	0	(19,973)	(32,172)	(3,480)	0	(35,652)

Reference is made to pages 2-33 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.

	Revenue from external customers		Non-current assets	
DKK '000	2010/11	2009/10	2010/11	2009/10
Denmark	648,630	641,224	499,869	460,240
Germany	553,023	557,026	373,070	389,043
Other geographical areas	356,121	326,477	22,443	24,731
	1,557,774	**1,524,727**	**895,382**	**874,014**

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	2010/11	2009/10
Cost of sales	1,057,160	1,067,398
Write-down of inventories	114	0
Research and development costs, cf. note 5	401	871
Depreciation, amortisation, impairment losses and write-downs, cf. note 7	113,881	106,373
Other production costs	69,508	72,809
	1,241,064	**1,247,451**

5. RESEARCH AND DEVELOPMENT COSTS

Research and development costs incurred	3,970	871
Development costs recognised as intangible assets, note 15	(3,569)	0
	401	**871**

6. STAFF COSTS

GROUP DKK '000	2010/11	2009/10
Remuneration to the Board of Directors	895	620
Wages and salaries	172,187	155,676
Defined contribution plans	9,958	9,518
Other social security costs	20,162	16,879
Other staff costs	8,083	8,287
Refunds from public authorities	(1,458)	(1,171)
	209,827	**189,809**
Staff costs comprise:		
Production costs	136,439	131,308
Distribution costs	41,404	33,636
Administrative expenses	28,415	24,865
Included in cost of development projects	3,569	0
	209,827	**189,809**
Average number of employees	**572**	**543**

	BOARD OF DIRECTORS		BOARD OF EXECUTIVES		OTHER KEY STAFF MEMBERS	
	2010/11 DKK '000	2009/10 DKK '000	2010/11 DKK '000	2009/10 DKK '000	2010/11 DKK '000	2009/10 DKK '000
Remuneration paid to members of the management						
Remuneration to the Board of Directors	895	620	0	0	0	0
Wages and salaries etc.	0	0	5,992	3,864	14,121	11,771
Pension	0	0	240	238	662	690
	895	**620**	**6,232**	**4,102**	**14,783**	**12,461**

The group's key staff are covered by a performance-related bonus programme. Termination benefits for managers constitute a maximum of two years' remuneration. The programmes are unchanged relative to last year.

Pension plans

The group has entered into defined contribution plan agreements with a significant part of the employees of the group. For defined contribution plans, the employer pays regular contributions to an independent pension provider, pension fund etc., but does not assume any risk in respect of future developments in interest rates, inflation, mortality, disablement etc. as concerns the amount to be disbursed to the employee when the time comes.

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 913k under other receivables and at DKK 1,794k under payables, respectively, in the balance sheet.

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

GROUP DKK '000	2010/11	2009/10
Intangible assets	3,869	2,186
Buildings	24,110	19,208
Plant and machinery	86,896	86,646
Other plant, fixtures and fittings, tools and equipment	15,765	16,303
Assets held for sale	0	250
Profit/(loss) from the sale of property, plant and equipment	(452)	1,126
	130,188	**125,719**
Depreciation, amortisation, impairment losses and write-downs comprise:		
Production costs	113,882	106,368
Distribution costs	7,917	11,256
Administrative expenses	4,941	4,882
Other operating income	0	(51)
Other operating expenses	3,448	3,264
	130,188	**125,719**

8. OTHER OPERATING INCOME

GROUP DKK '000	2010/11	2009/10
Government grants	12,657	13,188
Rental income	5,624	5,206
	18,281	**18,394**

9. INCOME FROM INVESTMENTS IN ASSOCIATES

Loss from the divestment of equity investments	0	(3,458)
	0	**(3,458)**

10. FINANCIAL INCOME

GROUP DKK '000	2010/11	2009/10
Interest on bank deposits etc.	4,286	8,559
Interest income from financial assets not measured at fair value via the net profit/(loss) for the year	**4,286**	**8,559**
Dividend from financial assets available for sale	127	97
Adjustment to fair value of liabilities in respect of assets held for sale	8	0
Net foreign exchange gains and losses	560	2,524
	4,981	**11,180**

11. FINANCIAL EXPENSES

Interest on mortgage debt	5,275	7,714
Interest on bank debt etc.	5,554	6,230
Financial expenses of financial liabilities not measured at fair value via the net profit/(loss) for the year	**10,829**	**13,944**
Of which included in the cost of property, plant and equipment	0	0
	10,829	**13,944**

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

GROUP DKK '000	2010/11	2009/10
Current tax	17,651	13,852
Change in deferred tax	2,762	1,395
	20,413	**15,247**
Adjustment of deferred tax, previous years	45	485
Adjustment of current tax, previous years	0	(641)
	45	**(156)**
	20,458	**15,091**

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% (2009/10: 25%). For foreign consolidated enterprises, the tax rate applicable to the country in question has been used.

	2010/11 DKK '000	2010/11 %	2009/10 DKK '000	2009/10 %
Profit before tax	**81,111**		**58,120**	
Calculated tax thereon	20,278	25.0	14,530	25.0
Non-deductible income and expenses	420	0.5	682	1.2
Effect of differences in the tax rates of foreign subsidiaries	(285)	(0.3)	(829)	(1.4)
Effect of adjustments, previous years	45	0.0	(156)	(0.3)
Share of profit/(loss) in associates	0	0.0	864	1.5
	20,458		**15,091**	
Effective tax rate		**25.2**		**26.0**

	2010/11	2009/10
Tax on income and expenses recognised under other income can be specified as follows:		
Change in current tax on adjustment to fair value of financial instruments entered into for hedging future cash flows	(210)	(40)
Change in deferred tax on adjustment to fair value of financial assets available for sale	(1,779)	5,647
	(1,989)	**5,607**
Tax on other income		
Adjustment to fair value etc. of financial assets available for sale	(1,779)	5,647
Adjustment to fair value etc. of financial instruments entered into for hedging future cash flows	(210)	(40)
	(1,989)	**5,607**

13. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

GROUP DKK '000	2010/11	2009/10
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	10.6	7.3
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	**60,635**	**43,028**

	2010/11 NO. OF SHARES OF DKK 10	2009/10 NO. OF SHARES OF DKK 10
Average number of shares	6,000,000	6,000,000
Average number of treasury shares	(299,381)	(100,597)
Number of shares used to calculate earnings per share (no.)	**5,700,619**	**5,899,403**
Average dilution effect of outstanding pre-emption rights etc. (no.)	0	0
Number of shares used to calculate diluted earnings per share (no.)	**5,700,619**	**5,899,403**

14. DIVIDEND

On 24 August 2010, the company distributed ordinary dividend of DKK 9,000k to its shareholders, corresponding to DKK 1.50 per DKK 10 share. (2009/10: DKK 9,000k, corresponding to DKK 1.50 per DKK 10 share).

For FY 2010/11, 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 9,000k.

15. 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 2011.

RIGHTS (BRANDS)

Rights which have an indefinable useful life and therefore cannot be amortised are recognised as at 30 April 2011 by 5,719k (2010: DKK 5,707).

The recoverable amount is calculated on the basis of calculations of the value in use. The most material uncertainty in this context is connected with the determination of the discount rates and growth rates as well as the expected changes in selling prices and production costs in the budget and terminal periods.

The discount rates determined reflect market assessments of the time value of money, expressed through a risk-free interest rate and the specific risks associated with the individual cash-generating units.

Estimated changes in selling prices and production costs in the budget and terminal periods are based on historical experience and expectations for future market changes.

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.

15. INTANGIBLE ASSETS

GROUP

DKK '000

	GOODWILL	DEVELOPMENT PROJECT	RIGHTS	SOFTWARE	INTANGIBLE ASSETS UNDER CONSTRUCTION
Cost as at 1 May 2010	3,573	3,628	5,707	6,514	688
Foreign currency translation adjustment	0	0	12	0	0
Transferred from property, plant and equipment	0	0	0	483	0
Additions	0	0	0	5,727	5,695
Disposals	0	0	0	0	(619)
Cost as at 30 April 2011	**3,573**	**3,628**	**5,719**	**12,724**	**5,764**
Amortisation and impairment losses as at 1 May 2010	0	2,056	0	1,641	0
Foreign currency translation adjustment	0	0	0	0	0
Amortisation for the year	0	1,139	0	3,163	0
Reversal in connection with disposals	0	0	0	0	0
Amortisation and impairment losses as at 30 April 2011	**0**	**3,195**	**0**	**4,804**	**0**
Carrying amount as at 30 April 2011	**3,573**	**433**	**5,719**	**7,920**	**5,764**
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
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**

16. 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 2010	608,944	1,299,769	189,620	3,887	33,247
Foreign currency translation adjustment	413	1,252	90	0	8
Transferred to intangible assets	0	0	(483)	0	0
Additions	30,216	97,306	14,309	375	31,531
Disposals	(1,429)	(28,086)	(5,160)	(269)	(28,703)
Cost as at 30 April 2011	**638,143**	**1,370,240**	**198,376**	**3,993**	**36,083**
Depreciation and impairment losses as at 1 May 2010	277,094	852,198	148,580	0	0
Foreign currency translation adjustment	106	730	76	0	0
Depreciation for the year	20,118	84,184	15,323	0	0
Impairment losses for the year [1]	4,000	2,695	0	0	0
Reversal in connection with disposals	(334)	(25,640)	(4,268)	0	0
Depreciation and impairment losses as at 30 April 2011	**300,984**	**914,167**	**159,711**	**0**	**0**
Carrying amount as at 30 April 2011	**337,159**	**456,073**	**38,665**	**3,993**	**36,083**
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**

[1] In connection with the assessment of the continued strategic potential of the foodstuff company Harboefarm A/S, the carrying amounts of buildings and plant have also been reassessed. This reassessment resulted in impairment of a total of DKK 6.7 million as described above.

The recoverable amounts are determined on the basis of the value in use of the assets based on future letting of buildings and calculated using the calculated net cash flows on the basis of budgets approved by the management and an estimated market-specific discount rate of 7%.

17. FINANCIAL ASSETS AVAILABLE FOR SALE

GROUP DKK '000	2011	2010
Cost as at 1 May	308,306	310,087
Foreign currency translation adjustments	0	(16)
Additions	1,130	855
Disposals	(4,097)	(2,620)
Cost as at 30 April	**305,339**	**308,306**
Revaluation and impairment losses as at 1 May	(24,568)	(21,319)
Foreign currency translation adjustments	0	(2)
Adjustments for the year	5,011	(3,247)
Revaluation and impairment losses as at 30 April	**(19,557)**	**(24,568)**
Carrying amount as at 30 April	**285,782**	**283,738**
Financial assets available for sale comprise:		
Listed shares	157	185
Listed bonds	281,797	278,502
Unlisted shares	3,828	5,051
	285,782	**283,738**

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

18. INVENTORIES

Raw materials, intermediates and non-returnable packaging	76,488	62,772
Finished goods and goods for resale	61,762	59,439
	138,250	**122,211**

19. TRADE RECEIVABLES

GROUP DKK '000	2011	2010
Trade receivables	**301,676**	**304,155**
Write-downs for expected bad debts	**1,585**	**1,235**
Provisions account as at 1 May	1,235	1,147
Foreign currency translation adjustment	0	138
Addition in connection with acquisition of enterprise	0	200
Ascertained losses and payments received concerning claims previously written off for the year	165	446
Reversed write-downs	0	(150)
Write-downs for bad debts for the year	185	(546)
	1,585	**1,235**
Write-downs for the year recognised in the income statement	**350**	**296**

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

Other receivables	10,306	3,964
	10,306	**3,964**

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 property is expected to sell within 12 months. Proceeds from the sale are expected to correspond to the carrying amount of assets and liabilities.

GROUP DKK ’000	2010/11	2009/10
Property, plant and equipment	2,992	3,242
Impairment losses for the year	0	(250)
Assets held for sale	**2,992**	**2,992**
Payables in respect of assets held for sale	(2,979)	(2,987)
Net assets held for sale	**13**	**5**

22. CASH

Cash and bank deposits	**39,913**	**43,774**

Please refer to note 35 for further information on the group’s undrawn credit facilities.

23. SHARE CAPITAL

The share capital amounts to DKK 60,000k, distributed on DKK 6,400k of Class A shares and DKK 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

	2011 NO. OF SHARES OF DKK 10	2010 NO. OF SHARES OF DKK 10	NOMINAL VALUE 2011 DKK '000	NOMINAL VALUE 2010 DKK '000	SHARE OF SHARE CAPITAL 2011 %	SHARE OF SHARE CAPITAL 2010 %
Treasury shares as at 1 May	64,945	292,312	650	2,923	1.1	4.9
Purchase of treasury shares	285,640	0	2,856	0	4.7	0.0
Sale of treasury shares	0	(227,367)	0	(2,274)	0.0	(3.8)
Treasury shares as at 30 April	**350,585**	**64,945**	**3,506**	**649**	**5.8**	**1.1**

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

In 2010/11, the company acquired treasury shares at a nominal value of 2,856k at an average price of 116.71, corresponding to DKK 33.3 million (2009/10: no purchase)

In 2010/11, the company has not sold any treasury shares (2009/10: sold treasury shares at a nominal value of DKK 2,274k, corresponding to DKK 29.5 million in connection with the acquisition of an enterprise).

25. OTHER RESERVES

GROUP DKK '000	2010/11	2009/10
Reserve for foreign currency translation adjustments	16	(471)
Reserve for adjustment to fair value of financial assets available for sale	(15,705)	(18,937)
Reserve for value adjustment of hedging instruments	0	(628)
	(15,689)	**(20,036)**

	Reserve for net revaluation according to the equity method	Reserve for foreign currency translation adjustment	Reserve for value adjustment of hedging instruments	Reserve for value adjustment of financial assets available for sale	Total
Other reserves as at 1 May 2010		(471)	(628)	(18,937)	(20,036)
Foreign currency translation adjustment regarding foreign enterprises	0	487	0	0	487
Adjustment to fair value of financial instruments entered into for hedging future cash flows, reversals on repayment	0	0	838	0	838
Adjustment to fair value of financial assets available for sale	0	0	0	4,748	4,748
Adjustment to fair value of financial assets available for sale, recirculation to income statement in connection with disposal	0	0	0	263	263
Tax on income and expenses recognised in other comprehensive income	0	0	(210)	(1,779)	(1,989)
Other reserves as at 30 April 2011		**16**	**0**	**(15,705)**	**(15,689)**
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 ASSETS	DEFERRED TAX LIABILITIES
Deferred tax liabilities and tax assets as at 1 May 2010	1,299	33,555
Change in deferred tax recognised in the income statement	(424)	2,144
Change in deferred tax recognised in other comprehensive income	0	1,873
Change in deferred tax offset against tax receivable	11	289
Deferred tax liabilities and tax assets as at 30 April 2011	**886**	**37,861**
Deferred tax liabilities and tax assets as at 1 May 2009	1,575	39,580
Foreign currency translation adjustment	152	(8)
Change in deferred tax recognised in the income statement	(428)	(975)
Change in deferred tax recognised in other comprehensive income	0	5,647
Change in deferred tax offset against current tax	0	1,337
Deferred tax liabilities and tax assets as at 30 April 2010	**1,299**	**33,555**

	2011	2010
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax assets	(886)	(1,299)
Deferred tax liabilities	37,861	33,555
Deferred tax liabilities and tax assets as at 30 April	**36,975**	**32,256**
Distribution of distributable reserves in AS Viru Õlu, Haljala, Estonia will trigger an unprovided tax of	**608**	**324**

GROUP
DKK '000

	1 MAY	RECOGNISED IN THE INCOME STATEMENT	RECOGNISED IN OTHER COM-PREHENSIVE INCOME	TRANSFERRED TO CURRENT TAX	30 APRIL
Non-current assets	36,362	2,000	0	(95)	38,267
Current assets	(4,078)	668	1,873	0	(1,537)
Current liabilities	129	(122)	0	0	7
Tax losses carried forward	1,142	(18)	0	0	1,124
Temporary differences	**33,555**	**2,528**	**1,873**	**(95)**	**37,861**
Tax losses carried forward	(1,299)	424	0	(11)	(886)
Unutilised tax losses	**(1,299)**	**424**	**0**	**(11)**	**(886)**
Deferred tax liabilities 2011	**32,256**	**2,952**	**1,873**	**(106)**	**36,975**
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 liabilities 2010	**38,005**	**1,880**	**(5,647)**	**(1,982)**	**32,256**

27. REPURCHASE OBLIGATION, RETURNABLE PACKAGING

GROUP DKK '000	2011	2010
Repurchase obligation as at 1 May	33,350	35,637
Applied and reversed during the financial year, net	(5,392)	(2,287)
Repurchase obligation as at 30 April	**27,958**	**33,350**
Provisions are recognised in the balance sheet as follows:		
Current liabilities	27,958	33,350
Non-current liabilities	0	0
	27,958	**33,350**

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	2011	2010
Mortgage debt secured upon real property and securities	**290,058**	**317,297**
Mortgage debt falls due as follows:		
On demand within one year from the balance sheet date	36,656	26,377
Between two and five years from the balance sheet date	132,356	135,638
After five years from the balance sheet date	121,046	155,282
	290,058	**317,297**
Mortgage debt is recognised in the balance sheet as follows:		
Current liabilities	36,656	26,377
Non-current liabilities	253,402	290,920
	290,058	**317,297**

	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	4,717	6,595	6,701
Mortgage debt	DKK	2028	Floating	2.3-2.5	2,509	2,694	2,602
Mortgage debt	DKK	2038	Floating	1.7-1.8	2,708	2,708	2,647
Mortgage debt	DKK	2019	Floating	1.1-1.4	216,199	216,199	205,713
Mortgage debt	DKK	2029	Floating	1.1-1.4	63,925	63,925	60,825
30.04.2011					**290,058**	**292,121**	**278,488**
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**	**319,656**	**298,260**

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

29. OTHER CREDIT INSTITUTIONS

GROUP DKK '000	2011	2010
Loans	**169,124**	**154,340**
Mortgage debt falls due as follows:		
On demand within one year from the balance sheet date	169,124	154,340
Between two and five years from the balance sheet date	0	0
After five years from the balance sheet date	0	0
	169,124	**154,340**
Other credit institutions are recognised in the balance sheet as follows:		
Current liabilities	169,124	154,340
Non-current liabilities	0	0
	169,124	**154,340**

	CURRENCY	EXPIRY	FIXED/ FLOATING	EFFECTIVE INTEREST RATE %	AMOR-TISED COST DKK '000	NOMINAL ALUE DKK '000	FAIR VALUE DKK '000
Overdraft facility	DKK	2012	Floating	2.4-2.7	787	787	787
Overdraft facility	DKK	2012	Floating	2.4-2.7	20,648	20,648	20,648
Overdraft facility	EUR	2012	Floating	2.2-2.8	147,689	147,689	147,689
30.04,2011					**169,124**	**169,124**	**169,124**
Loans	EUR	2010	Fixed	6.7	1,183	1,183	1,171
Overdraft facility	DKK	2011	Floating	2.5-4.5	3,010	3,010	3,010
Overdraft facility	EUR	2011	Floating	2.5-3.0	47,304	47,304	47,304
Overdraft facility	EUR	2011	Fixed	3.8	100,000	100,000	100,000
Overdraft facility	SEK	2011	Floating	1.75-2.25	2,843	2,843	2,843
30 April 2010					**154,340**	**154,340**	**154,328**

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

30. TRADE PAYABLES

GROUP DKK '000	2011	2010
Trade payables	216,388	187,556
	216,388	**187,556**

The carrying amount corresponds to the fair value of the liabilities.

31. OTHER PAYABLES

Wages and salaries, holiday pay, income tax deducted at source, social contributions etc. payable	9,619	8,855
Holiday pay obligations etc.	6,065	9,373
VAT and taxes payable	34,547	30,838
Other costs payable	52,410	50,622
Derivative financial instruments, cf. note 38	0	838
	102,641	**100,526**

Holiday pay obligations etc. cover obligations to pay wages and salaries during holidays, 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.

32. OPERATING LEASE COMMITMENTS

GROUP DKK '000	2011	2010

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 in the period stated, after which they may be renewed for periods of five years.

Minimum lease payments recognised in the income statement	**10,728**	**10,215**
The minimum lease payments comprise:		
Production	3,331	3,227
Distribution	783	330
Administration	450	606
Other operating expenses	6,164	6,052
	10,728	**10,215**

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

Within one year from the balance sheet date	7,921	9,759
Between two and five years from the balance sheet date	22,038	27,603
After five years from the balance sheet date	2,816	9,192
	32,775	**46,554**

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 the lessee. The annual rent amounts to DKK 6,623k (2009/10: DKK 6,319k). The total future minimum lease payments in the period of interminability amount to DKK 30,389k. The amount is contained in the figures above.

Sublease

Effective from 1 May 2007, the group has concluded an agreement on the sublease of buildings for a period of ten years. The agreement is interminable on the part of both parties for the term of the lease.

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

Within one year from the balance sheet date	5,530	5,108
Between two and five years from the balance sheet date	22,120	20,432
After five years from the balance sheet date	5,530	15,324
	33,180	**40,864**

33. CONTINGENT LIABILITIES, SECURITY AND CONTRACTUAL OBLIGATIONS

GROUP DKK '000	2011	2010

Security

Mortgage debt has been secured by way of a mortgage over properties with associated plant and machinery (mortgaged fixtures and fittings (tilbehørspant)) as well as listed mortgage credit bonds.

Carrying amount of mortgaged properties	**212,010**	**212,046**
Carrying amount of pledged mortgage credit bonds	**281,797**	**278,502**

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 122,021k over foreign properties and production facilities has been deposited.

Carrying amount of mortgaged properties and production facilities	**430,773**	**380,145**

Contingent liabilities

Government grants received have been used to purchase property, plant and equipment. Some 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.

34. CHANGES IN NET WORKING CAPITAL

GROUP DKK '000	2011	2010
Change in inventories	(16,016)	1,797
Change in trade receivables	2,773	(30,080)
Change in other receivables	(6,735)	6,255
Change in trade payables etc.	28,547	(20,885)
Change in other payables	(7,466)	(30,572)
	(1,103)	**(73,485)**

35. CASH AND CASH EQUIVALENTS

Cash and bank deposits	39,913	43,775
Overdraft facilities	(169,124)	(153,157)
	(129,211)	**(109,382)**

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 5.9 million as at 30 April 2011 (2009/10: DKK 21.8 million).

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

GROUP DKK '000	2010/11	2009/10
Deloitte		
Statutory audit	1,527	1,301
Other assurance engagements	105	50
Tax advice	7	36
Other services	508	391
	2,147	**1,778**
Other		
Statutory audit	373	355
Other assurance engagements	228	0
Tax advice	63	0
Other services	283	357
	947	**712**

37. ACQUISITION OF ENTERPRISE

GROUP
DKK '000

In 2009/10, the group acquired the following enterprises:

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

	CARRYING-AMOUNT	ADJUSTMENT OF VALUE	FAIR VALUE AT THE ACQUISITION DATE
Non-current assets	18,293	624	18,917
Current assets	19,822	(1,617)	18,205
Current liabilities	(5,830)	(880)	(6,710)
Net assets acquired	**32,285**	**(1,873)**	**30,412**
Goodwill			3,573
Total sum			**33,985**
Sum payment in the form of shares in Harboes Bryggeri A/S			(29,516)
Cash sum			**4,469**
Cash acquired			(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.

For further information, please refer to the annual report for the financial year 2009/2010.

38. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

GROUP DKK '000	2011	2010
Categories of financial instruments		
Trade receivables	301,676	304,155
Other receivables	10,306	3,964
Cash	39,913	43,774
Loans and receivables	**351,895**	**351,893**
Financial assets available for sale	**285,782**	**283,738**
Derivative financial instruments entered into for hedging future cash flows	0	838
Financial liabilities used as hedging instruments	**0**	**838**
Mortgage debt	290,058	317,297
Other credit institutions	169,124	154,340
Trade payables	216,388	187,556
Repurchase obligation, returnable packaging	27,958	33,350
Other payables	102,641	100,395
Financial liabilities in respect of assets held for sale	2,979	2,987
Financial liabilities measured at amortised cost	**809,148**	**795,925**

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 frameworks.

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 2009/10.

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, SEK, USD, NOK and PLN. 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:

GROUP
DKK '000

	LIKVIDER	RECEIVABLES	PAYABLES	NET POSITION
EUR	37,222	47,887	(200,816)	(115,707)
USD	684	124	(6)	802
SEK	358	6,317	(774)	5,901
PLN	339	1,167	(68)	1,438
NOK	518	3,106	(469)	3,155
30 April 2011	**39,121**	**58,601**	**(202,133)**	**(104,411)**
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
PLN	1,102	798	(229)	1,671
NOK	0	3,661	0	3,661
30 April 2010	**32,785**	**167,805**	**(617,023)**	**(416,433)**

GROUP DKK '000	2010/11	2009/10
Equity's sensitivity to exchange rate fluctuations		
Effect if the EUR exchange rate was 1% lower than the actual exchange rate	1,576	4,488
Effect if the USD exchange rate was 5% lower than the actual exchange rate	(136)	381
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(295)	(1,214)
Effect if the PLN exchange rate was 5% lower than the actual exchange rate	(69)	(82)
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(158)	(1,684)
	918	**1,671**
Net profit/loss's sensitivity to exchange rate fluctuations		
Effect if the EUR exchange rate was 1% lower than the actual exchange rate	360	180
Effect if the USD exchange rate was 5% lower than the actual exchange rate	(145)	365
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(1,502)	(960)
Effect if the PLN exchange rate was 5% lower than the actual exchange rate	(12)	2
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(1,050)	(1,501)
	(2,348)	**(1,919)**

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 opposite 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 2010/11.

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 rates is limited. The group's net interest-bearing debt as at 30 April 2011 was DKK 140.6 million (2010: DKK 149.4 million). The debt carries a floating rate of interest.
An increase in the market rate of 1% would affect the profit or loss for the year before tax negatively by approx. DKK 1.4 million (2009/10 approx. DKK 1.5 million).

GROUP DKK '000	2011	2010
Fair value of interest rate swaps (EUR 13,400k)		**838**
Interest falls due for payment as follows:		
Within one year from the balance sheet date		1,087
Between two and five years from the balance sheet date		0
After five years from the balance sheet date		0
		1,087

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:	2011	2010
Cash	39,913	43,774
Unutilised credit facilities	5,876	21,843
Bond portfolio	281,797	278,502
	327,586	**344,119**

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-down 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)

2010/11	LEVEL 1 DKK ’000	LEVEL 2 DKK ’000	LEVEL 3 DKK ’000	TOTAL DKK ’000
Listed mortgage credit bonds	281,797	-	-	281,797
Listed shares	157	-	-	157
Unlisted shares and securities	-	2,160	1,668	3,828
Financial assets available for sale	**281,954**	**2,160**	**1,668**	**285,782**
2009/10				
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):

DKK '000	FINANCIAL ASSETS AVAILABLE FOR SALE
Carrying amount as at 1 May 2009	**2,507**
Gains/losses in net profit/loss for the year	0
Gains/losses in other comprehensive income	(951)
Additions in connection with acquisition of enterprise	105
Purchase	750
Sale	0
Carrying amount as at 30 April 2010	**2,411**
Gains/losses in net profit/loss for the year	0
Gains/losses in other comprehensive income	(1,873)
Purchase	1,130
Sale	0
Carrying amount as at 30 April 2011	**1,668**

39. RELATED PARTIES

Related parties with a controlling influence
The following parties have a controlling influence in 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

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

2010/11 DKK '000	Owners with a controlling influence in Harboes Bryggeri A/S*	Associates	Members of the Board of Directors, Board of Executives and other key staff members	Other related parties	Total
Sale of goods	2,098	0	0	0	2,098
Purchase of goods	11,701	0	0	0	11,701
Sale of non-current assets	3,900	0	0	0	3,900
Sale of services	1,534	0	0	0	1,534
Purchase of services	1,786	0	1,381	0	3,167
Sale of leases	898	0	0	0	898
Purchase of leases	6,184	0	0	200	6,384
Fees etc.	6,592	0	15,503	408	22,503
Deposits, leases	2,281	0	0	0	2,281
Trade receivables etc.	3,230	0	0	0	3,230
Trade payables etc.	889	0	90	0	979
Distribution of dividend	1,180	0	58	19	1,199

2009/10 DKK '000	Owners with a controlling influence in Harboes Bryggeri A/S*	Associates	Members of the Board of Directors, Board of Executives and other key staff members	Other related parties	Total
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

*) 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 bad debts.

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 2020 on the part of the lessor and until 2017 on the part of the lessee. The annual rent amounts to DKK 6,623k (2009/10: DKK 6,319k). The total future minimum lease payments in the period of interminability amounts to DKK 32,775k, cf. note 32.

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.

40. ADOPTION OF ANNUAL REPORT FOR PUBLICATION

At the board meeting on 28 June 2011, the Board of Directors adopted the present annual report for publication.
The annual report is presented to the shareholders of Harboes Bryggeri A/S for adoption at the annual general meeting on 24 August 2011.

INCOME STATEMENT FOR 2010/11

PARENT DKK '000	NOTE	2010/11	2009/10
Gross revenue		756,751	735,896
Taxes on beer and soft drinks		(160,748)	(166,577)
Revenue		**596,003**	**569,319**
Production costs	1	(449,843)	(451,502)
Gross profit		**146,160**	**117,817**
Other operating income		576	576
Distribution costs		(89,363)	(81,590)
Administrative expenses		(33,106)	(27,262)
Operating profit (EBIT)		**24,267**	**9,541**
Income from investments in subsidiaries	5	2,061	0
Financial income	6	1,799	4,259
Financial expenses	7	(6,507)	(5,247)
Profit before tax		**21,620**	**8,553**
Tax on profit/(loss) for the year	8	(5,228)	(2,648)
Adjustment of tax regarding previous years	8	0	65
Net profit for the year		**16,392**	**5,970**
Proposal for the distribution of net profit			
Dividend for the financial year	9	9,000	9,000
Retained earnings		7,392	(3,030)
		16,392	**5,970**

STATEMENT OF COMPREHENSIVE INCOME FOR 2010/11

PARENT DKK '000	NOTE	2010/11	2009/10
Net profit for the year		**16,392**	**5,970**
Other comprehensive income:			
Adjustment to fair value of financial assets available for sale		(2,379)	(1,116)
Adjustment to fair value of financial assets available for sale, recirculation upon disposal		263	0
Adjustment to fair value of financial instruments entered into for hedging future cash flows		838	165
Tax on other comprehensive income		(321)	(40)
Other comprehensive income		**(1,599)**	**(991)**
Total comprehensive income		**14,793**	**4,979**

BALANCE SHEET AS AT 30 APRIL 2011

PARENT DKK '000	NOTE	2011	2010
Development projects		433	1,572
Software		3,752	4,649
Intangible assets under construction		5,764	688
Intangible assets	**10**	**9,949**	**6,909**
Land and buildings		117,105	108,528
Plant and machinery		227,364	182,559
Other plant, fixtures and fittings, tools and equipment		32,313	31,925
Spare parts for own machinery		3,993	3,887
Property, plant and equipment under construction		18,751	22,471
Property, plant and equipment	**11**	**399,526**	**349,370**
Investments in subsidiaries	12	170,977	171,573
Financial assets available for sale	13	3,880	5,131
Receivable from subsidiary	13	23,434	23,434
Financial assets		**198,291**	**200,138**
Non-current assets		**607,766**	**556,417**
Inventories	**14**	**53,659**	**50,065**
Trade receivables	15	135,084	136,524
Receivables from subsidiaries		730	3,076
Other receivables	16	3,679	3,045
Prepayments		2,131	618
Receivables		**141,624**	**143,263**
Cash	**17**	**1,704**	**583**
Assets held for sale	**18**	**2,992**	**2,992**
Current assets		**199,979**	**196,903**
Assets		**807,745**	**753,320**

BALANCE SHEET AS AT 30 APRIL 2011

PARENT

DKK '000	NOTE	2011	2010
Share capital	19	60,000	60,000
Share premium		51,000	51,000
Reserves		(5,365)	(3,766)
Retained earnings		226,877	252,297
Equity		**332,512**	**359,531**
Mortgage debt	23	5,079	2,503
Deferred tax liabilities	21	36,182	32,930
Deferred income		3,840	4,416
Non-current liabilities		**45,101**	**39,849**
Deferred income		576	576
Mortgage debt	23	138	142
Bank debt	24	168,337	153,157
Trade payables		87,140	69,417
Repurchase obligation, returnable packaging	22	27,719	33,112
Payables to subsidiaries		76,005	26,212
Other payables	25	62,314	64,942
Income tax payable		4,924	3,395
		427,153	**350,953**
Liabilities in respect of assets held for sale		**2,979**	**2,987**
Current liabilities		**430,132**	**353,940**
Liabilities		**475,233**	**393,789**
Equity and liabilities		**807,745**	**753,320**

CASH FLOW STATEMENT FOR 2010/11

PARENT

DKK '000	NOTE	2011	2010
Operating profit (EBIT)		24,267	9,541
Depreciation, amortisation, impairment losses and write-downs	4	55,417	56,957
Grants recognised as income		(576)	(576)
Changes in net working capital	28	6,244	(66,213)
Cash flows from primary operating activities		**85,352**	**(291)**
Financial income received		3,860	4,259
Financial expenses paid		(6,241)	(5,247)
Income tax paid		(765)	(246)
Cash flows from operating activities		**82,206**	**(1,525)**
Purchase of intangible assets		(6,749)	(3,262)
Purchase of property, plant and equipment		(104,076)	(70,690)
Sale of property, plant and equipment		2,211	79
Changes in financial assets		(1,130)	(750)
Acquisition of subsidiary		0	(34,009)
Change in loan to subsidiary/capital reduction		595	6,781
Cash flows from investing activities		**(109,149)**	**(101,851)**
Dividend paid to shareholders of parent		(8,474)	(8,840)
Purchase/sale of treasury shares		(33,338)	29,516
Repayment of mortgage debt		(151)	(129)
Raising of mortgage debt		2,708	0
Investment grant received		0	5,567
Cash flows from financing activities		**(39,255)**	**26,114**
Changes in cash and cash equivalents		**(66,198)**	**(77,262)**
Cash and cash equivalents as at 1 May		(175,710)	(98,448)
Cash and cash equivalents as at 30 April	29	**(241,908)**	**(175,710)**

STATEMENT OF CHANGES IN EQUITY FOR 2010/11

PARENT
DKK '000

	SHARE CAPITAL	SHARE PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Equity as at 1 May 2009	**60,000**	**51,000**	**(2,775)**	**225,651**	**333,876**
Net profit for the year	0	0	0	5,970	5,970
Other comprehensive income after tax	0	0	(991)	0	(991)
Comprehensive income for the financial year	**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**
Equity as at 1 May 2010	60,000	51,000	(3,766)	252,297	359,531
Net profit for the year	0	0	0	16,392	16,392
Other comprehensive income after tax	0	0	(1,599)	0	(1,599)
Comprehensive income for the financial year	**0**	**0**	**(1,599)**	**16,392**	**14,793**
Purchase of treasury shares	0	0	0	(33,338)	(33,338)
Distributed dividend	0	0	0	(9,000)	(9,000)
Dividend from treasury shares	0	0	0	526	526
	0	**0**	**0**	**(41,812)**	**(41,812)**
Equity as at 30 April 2011	**60,000**	**51,000**	**(5,365)**	**226,877**	**332,512**

NOTES OVERVIEW

1. PRODUCTION COSTS

PARENT DKK '000	2010/11	2009/10
Cost of sales	374,736	364,916
Write-down of inventories	0	0
Research and development costs, cf. note 2	401	871
Depreciation, amortisation, impairment losses and write-downs, cf. note 4	46,378	50,087
Other production costs	28,328	35,628
	449,843	**451,502**

2. RESEARCH AND DEVELOPMENT COSTS

Research and development costs incurred	3,970	871
Development costs recognised as intangible assets, note 10	(3,569)	0
Government grants received	0	0
	401	**871**

3. STAFF COSTS

PARENT DKK '000	2010/11	2009/10
Remuneration to the Board of Directors	895	620
Wages and salaries	90,914	78,173
Defined contribution plans	8,858	8,017
Other social security costs	6,489	4,008
Other staff costs	7,988	8,143
Refunds from public authorities	(313)	(506)
	114,831	**98,455**
Staff costs comprise:		
Production costs	63,926	62,588
Distribution costs	28,224	21,306
Administrative expenses	19,112	14,561
Included in cost of development projects	3,569	0
	114,831	**98,455**
Average number of employees	**204**	**184**

	BOARD OF DIRECTORS		BOARD OF EXECUTIVES		OTHER KEY STAFF MEMBERS	
	2010/11 DKK '000	2009/10 DKK '000	2010/11 DKK '000	2009/10 DKK '000	2010/11 DKK '000	2009/10 DKK '000
Remuneration paid to members of the management						
Remuneration to the Board of Directors	895	620	0	0	0	0
Wages and salaries etc.	0	0	5,221	3,093	11,101	7,300
Pension	0	0	240	238	662	624
	895	**620**	**5,461**	**3,331**	**11,763**	**7,924**

The company's key staff are covered by a performance-related bonus programme. Termination benefits for managers constitute a maximum of two years' remuneration. The programmes are unchanged relative to last year.

The company has entered into defined contribution plan agreements with a significant part of the company's employees.

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

PARENT DKK '000	2010/11	2009/10
Intangible assets	3,709	1,948
Buildings	6,958	7,299
Plant and machinery	33,689	35,377
Other plant, fixtures and fittings, tools and equipment	11,752	12,162
Profit/(loss) from the sale of property, plant and equipment	(691)	(79)
Impairment of assets held for sale	0	250
	55,417	**56,957**
Depreciation, amortisation, impairment losses and write-downs comprise:		
Production costs	46,378	50,087
Distribution costs	5,404	2,998
Administrative expenses	3,635	3,872
	55,417	**56,957**

5. INCOME FROM INVESTMENTS IN SUBSIDIARIES

PARENT DKK '000	2010/11	2009/10
Dividend	**2,061**	**0**

6. FINANCIAL INCOME

Interest on bank deposits etc.	462	645
Interest on receivables from group enterprises	642	995
Interest income from financial assets not measured at fair value via the net profit/(loss) for the year	**1,104**	**1,640**
Dividend from financial assets available for sale	127	95
Adjustment to fair value of liabilities in respect of assets held for sale	8	0
Net foreign exchange gains and losses	560	2,524
	1,799	**4,259**

7. FINANCIAL EXPENSES

PARENT DKK '000	2010/11	2009/10
Interest on mortgage debt	214	233
Interest on bank debt etc.	5,140	4,996
Interest on payables to group enterprises	1,153	18
Financial expenses of financial liabilities not measured at fair value via the net profit/(loss) for the year	**6,507**	**5,247**
Of which included in the cost of property, plant and equipment	0	0
	6,507	**5,247**

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

Current tax	1,976	3,180
Change in deferred tax	3,252	(532)
	5,228	**2,648**
Adjustment of deferred tax regarding previous financial years	0	871
Adjustment of current tax regarding previous financial years	0	(936)
	0	**(65)**
	5,228	**2,583**

The current income tax for the financial year has been calculated on the basis of a tax rate of 25% (2009/10: 25%).

	2010/11 DKK '000	2010/11 %	2009/10 DKK '000	2009/10 %
Profit before tax	21,620		8,553	
Calculated tax thereon	5,405	25.0	2,138	25.0
Non-deductible income and expenses as well as depreciation, amortisation, impairment losses and write-downs	(177)	(0.8)	510	6.0
	5,228		**2,648**	
Effective tax rate		**24.2**		**31.0**

Tax on income and expenses recognised in other comprehensive income can be specified as follows:

Adjustment to fair value etc. of financial instruments entered into for hedging future cash flows	(210)	(40)
Adjustment to fair value of financial assets available for sale	(111)	0
	(321)	**(40)**
Tax on other income		
Adjustment to fair value etc. of financial instruments entered into for hedging future cash flows	(210)	(40)
Adjustment to fair value of financial assets available for sale	(111)	0
	(321)	**(40)**

9. DIVIDEND

For a description of paid dividend and proposed dividend payments, please refer to note 14 of the consolidated financial statements.

10. INTANGIBLE ASSETS

PARENT DKK '000	DEVELOPMENT PROJECTS	SOFTWARE	PLANT UNDER CON-STRUCTION
Cost as at 1 May 2010	3,628	5,580	688
Additions	0	1,673	5,695
Disposals	0	0	(619)
Cost as at 30 April 2011	**3,628**	**7,253**	**5,764**
Amortisation and impairment losses as at 1 May 2010	2,056	931	0
Amortisation for the year	1,139	2,570	0
Amortisation and impairment losses as at 30 April 2011	**3,195**	**3,501**	**0**
Carrying amount as at 30 April 2011	**433**	**3,752**	**5,764**

Cost as at 1 May 2009	3,088	1,478	2,068
Reclassification of additions, beginning of year	540	4,102	688
Additions	0	0	-2,068
Cost as at 30 April 2010	**3,628**	**5,580**	**688**
Amortisation and impairment losses as at 1 May 2009	814	225	0
Amortisation for the year	1,242	706	0
Amortisation and impairment losses as at 30 April 2010	**2,056**	**931**	**0**
Carrying amount as at 30 April 2010	**1,572**	**4,649**	**688**

11. PROPERTY, PLANT AND EQUIPMENT

PARENT DKK '000	LAND AND BUILDINGS	PLANT AND MACHINERY	OTHER PLANT ECT.	SPAREPARTS FOR OWN MACHINERY	PLANT UNDER CON-STRUCTION
Cost as at 1 May 2010	232,949	612,779	138,225	3,887	22,471
Additions	16,631	78,494	12,564	375	18,751
Disposals	(1,430)	0	(1,844)	(269)	(22,471)
Cost as at 30 April 2011	**248,150**	**691,273**	**148,945**	**3,993**	**18,751**
Depreciation and impairment losses as at 1 May 2010	124,421	430,220	106,300	0	0
Depreciation for the year	6,958	33,689	11,752	0	0
Reversal in connection with disposals	(334)	0	(1,420)	0	0
Depreciation and impairment losses as at 30 April 2011	**131,045**	**463,909**	**116,632**	**0**	**0**
Carrying amount as at 30 April 2011	**117,105**	**227,364**	**32,313**	**3,993**	**18,751**
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**

12. INVESTMENTS IN SUBSIDIARIES

PARENT DKK '000	2011	2010
Cost as at 1 May	375,949	341,940
Capital increase	15	25
Additions in connection with the purchase of equity investments	0	33,984
Dividend received (capital reduction)	(611)	0
Cost as at 30 April	**375,353**	**375,949**
Impairment as at 1 May	(204,376)	(204,376)
Impairment as at 30 April	**(204,376)**	**(204,376)**
Carrying amount as at 30 April	**170,977**	**171,573**

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%

New capital of DKK 15k 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.

Darguner Brauerei GmbH is audited by the audit firm AWADO Deutsche Audit GmbH, Germany.

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

13. FINANCIAL ASSETS AVAILABLE FOR SALE AND RECEIVABLE FROM SUBSIDIARIES

PARENT

DKK '000

	ASSETS AVAILABLE FOR SALE	RECEIVABLE FROM SUBSIDIARY
Cost as at 1 May 2010	8,269	23,434
Additions	1,130	0
Disposals	0	0
Cost as at 30 April 2011	**9,399**	**23,434**
Revaluations and impairment losses as at 1 May 2010	(3,138)	0
Adjustments for the year	(2,381)	0
Revaluations and impairment losses as at 30 April 2011	**(5,519)**	**0**
Carrying amount as at 30 April 2011	**3,880**	**23,434**
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**
Revaluations and impairment losses as at 1 May 2009	(2,022)	0
Adjustments for the year	(1,116)	0
Revaluations and impairment losses as at 30 April 2010	**(3,138)**	**0**
Carrying amount as at 30 April 2010	**5,131**	**23,434**

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

DKK '000	2011	2010
Listed shares	157	185
Unlisted shares	3,723	4,946
	3,880	**5,131**
Receivable from subsidiary	**23,434**	**23,434**

14. INVENTORIES

PARENT DKK '000	2011	2010
Raw materials, intermediates and non-returnable packaging	25,887	24,092
Finished goods and goods for resale	27,772	25,973
	53,659	**50,065**

15. TRADE RECEIVABLES

Trade receivables	**135,084**	**136,524**
Provisions account as at 1 May	400	400
Ascertained losses and payments received concerning claims previously written off for the year	4	4
Reversed write-downs	0	0
Write-downs for bad debts for the year	(4)	(4)
	400	**400**
Write-downs for the year recognised in the income statement	(4)	(4)

Direct write-downs of receivables are made if the value, based on an individual assessment of the individual debtors' 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.

16. OTHER RECEIVABLES

PARENT DKK ’000	2011	2010
Other receivables	**3,679**	**3,045**

No special credit risks in respect of receivables exist.

17. CASH

Cash and bank deposits	**1,704**	**583**

18. ASSETS HELD FOR SALE

The Board of Directors of Harboes Bryggeri A/S has decided to sell one of its residential properties. 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	2,992	3,242
Impairment losses for the year	0	(250)
Assets held for sale	**2,992**	**2,992**
Payables in respect of assets held for sale	(2,979)	(2,987)
Net assets held for sale	**13**	**5**

19. SHARE CAPITAL

The share capital amounts to DKK 60,000k, distributed on DKK 6,400k of Class A shares and DKK 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.

20. TREASURY SHARES

	2011 NO. OF SHARES OF DKK 10	2010 NO. OF SHARES OF DKK 10	NOMINAL VALUE 2011 DKK ’000	NOMINAL VALUE 2010 DKK ’000	SHARE OF SHARE CAPITAL 2011 %	SHARE OF SHARE CAPITAL 2010 %
Treasury shares as at 1 May	64,945	292,312	650	2,923	1.1	4.9
Purchase of treasury shares	285,640	0	2,856	0	4.7	0
Sale of treasury shares	0	(227,367)	0	(2,274)	0.0	(3.8)
Treasury shares as at 30 April	**350,585**	**64,945**	**3,506**	**649**	**5.8**	**1.1**

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

In 2010/11, the company acquired treasury shares at a nominal value of 2,856k at an average price of 116.71, corresponding to DKK 33.3 million (2009/10: no purchase).

In 2010/11, the company has not sold any treasury shares (2009/10: sold treasury shares at a nominal value of DKK 2,274k, corresponding to DKK 29.5 million in connection with the acquisition of an enterprise).

21. DEFERRED TAX LIABILITIES

PARENT
DKK ’000

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Deferred tax assets and liabilities as at 1 May 2009	0	32,591
Change in deferred tax recognised in the income statement	0	339
Deferred tax assets and tax liabilities as at 30 April 2010	**0**	**32,930**
Change in deferred tax recognised in the income statement	0	3,252
Deferred tax assets and tax liabilities as at 30 April 2011	**0**	**36,182**

	2011	2010
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax liabilities	36,182	32,930

	1 MAY	RECOGNISED IN THE INCOME STATEMENT	30 APRIL
Non-current assets	29,653	3,171	32,824
Current assets	1,773	461	2,234
Tax losses	1,504	(380)	1,124
Deferred tax liabilities 2011	**32,930**	**3,252**	**36,182**
Non-current assets	29,072	581	29,653
Current assets	1,613	160	1,773
Tax losses	1,906	(402)	1,504
Deferred tax liabilities 2010	**32,591**	**339**	**32,930**

22. REPURCHASE OBLIGATION, RETURNABLE PACKAGING

PARENT DKK '000	2011	2010
Repurchase obligation as at 1 May	33,112	32,494
Change during the financial year, net	(5,393)	618
Repurchase obligation as at 30 April	**27,719**	**33,112**
Provisions are recognised in the balance sheet as follows:		
Current liabilities	27,719	33,112
Non-current liabilities	0	0
	27,719	**33,112**

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.

23. MORTGAGE DEBT

Mortgage debt secured on real property	**5,217**	**2,645**
Mortgage debt falls due as follows:		
On demand within one year from the balance sheet date	138	142
Between two and five years from the balance sheet date	590	506
After five years from the balance sheet date	4,489	1,997
	5,217	**2,645**
Mortgage debt is recognised in the balance sheet as follows:		
Current liabilities	138	142
Non-current liabilities	5,079	2,503
	5,217	**2,645**

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 2011							
Mortgage debt	DKK	2028	Floating	1.7-2.5	5,217	5,309	5,249
30 April 2010							
Mortgage debt	DKK	2028	Floating	3.0-3.5	2,645	2,744	2,730

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

24. BANK DEBT

	2011	2010
Overdraft facility	**168,337**	**153,157**
Bank debt recognised in the balance sheet as follows:		
Short-term payable	**168,337**	**153,157**
The bank debt falls due for payment as follows:		
On demand within one year from the balance sheet date	**168,337**	**153,157**

	CURRENCY	EXPIRY	FIXED/ FLOATING	EFFECTIVE INTEREST RATE %	AMOR-TISED COST DKK '000	NOMINAL VALUE DKK '000	FAIR VALUE DKK '000
30 April 2011							
Overdraft facility	DKK	2012	Floating	2.4-2.7	20,648	20,648	20,648
Overdraft facility	EUR	2012	Floating	2.2-2.8	147,689	147,689	147,689
Overdraft facility					**168,337**	**168,337**	**168,337**
30 April 2010							
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**

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

25. OTHER PAYABLES

PARENT DKK '000	**2011**	**2010**
Wages and salaries, holiday pay, income tax deducted at source, social contributions etc. payable	4,711	6,793
Holiday pay obligations etc.	5,449	5,075
VAT and taxes payable	16,040	18,960
Other costs payable	36,114	33,276
Derivative financial instruments, cf. note 29	0	838
	62,314	**64,942**

Holiday pay obligations etc. cover obligations to pay wages and salaries during holidays, 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.

26. OPERATING LEASE COMMITMENTS

For the years 2009-2021, 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 in the period stated, after which they may be renewed for periods of one year.

PARENT DKK '000	2011	2010
Minimum lease payments recognised in the income statement	**5,131**	**4,272**
The minimum lease payments comprise:		
Production	1,879	2,051
Distribution	2,872	1,683
Administration	380	538
	5,131	**4,272**
The total future minimum lease payments for interminable leases fall due for payment as follows:		
Within one year from the balance sheet date	3,182	3,362
Between two and five years from the balance sheet date	2,299	2,051
After five years from the balance sheet date	563	0
	6,044	**5,413**

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 459k (2009/10: DKK 259k).

27. CONTINGENT LIABILITIES, SECURITY AND CONTRACTUAL OBLIGATIONS

PARENT DKK '000	2011	2010
Security Mortgage debt has been secured by way of a mortgage over properties with associated plant and machinery (mortgaged fixtures and fittings).		
Carrying amount of mortgaged properties	**7,496**	**4,478**

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 280.9 million (30 April 2010: DKK 305.9 million)

Debt of subsidiaries	**280,124**	**305,138**

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 to 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.

Government grants received have been used to purchase property, plant and equipment. 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.

28. CHANGE IN NET WORKING CAPITAL

PARENT DKK '000	2011	2010
Change in inventories	(3,594)	(3,301)
Change in trade receivables	1,440	(32,804)
Change in other receivables	(2,147)	(2,215)
Change in trade payables etc.	17,723	(19,695)
Change in other payables	(7,178)	(8,198)
	6,244	**(66,213)**

29. CASH AND CASH EQUIVALENTS

Cash and bank deposits	1,704	583
Overdraft facilities	(168,337)	(153,157)
Intercompany balance, net	(75,275)	(23,136)
	(241,908)	**(175,710)**

The group has undrawn credit facilities totalling DKK 5,876k.

30. OTHER RESERVES

PARENT DKK '000	2011	2010
Reserve for adjustment to fair value of financial assets available for sale	(5,365)	(3,138)
Reserve for value adjustment of hedging instruments	0	(628)
	(5,365)	**(3,766)**

	Reserve for value adjustment of hedging instruments	Reserve for value adjustment of financial assets available for sale	Total
Other reserves as at 1 May 2010	(628)	(3,138)	(3,766)
Adjustment to fair value of financial instruments entered into to hedge future cash flows, reversals on repayment	838	0	838
Adjustment to fair value of financial assets available for sale	0	(2,379)	(2,379)
Adjustment to fair value of financial assets available for sale, recirculation to income statement in connection with disposal	0	263	263
Tax on income and expenses recognised in other comprehensive income	(210)	(111)	(321)
Other reserves as at 30 April 2011	**0**	**(5,365)**	**(5,365)**
Other reserves as at 1 May 2009	(753)	(2,022)	(2,775)
Adjustment to fair value of financial instruments entered into for hedging future cash flows	165	0	165
Adjustment to fair value of financial assets available for sale	0	(1,116)	(1,116)
Tax on income and expenses recognised directly in equity	(40)	0	(40)
Other reserves as at 30 April 2010	**628**	**(3,138)**	**(3,766)**

31. FEE TO THE AUDITORS APPOINTED BY THE GENERAL MEETING

PARENT DKK '000	2010/11	2009/10
Statutory audit	1,102	967
Other assurance engagements	75	50
Tax advice	0	36
Other services	506	361
	1,683	**1,414**

32. FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

PARENT DKK '000	2011	2010
Trade receivables	135,084	136,524
Receivables from subsidiaries (long-term)	23,434	23,434
Receivables from subsidiaries (short-term)	730	3,076
Other receivables	3,679	3,045
Cash	1,704	583
Loans and receivables	**164,631**	**166,662**
Financial assets available for sale	**3,880**	**5,131**
Derivative financial instruments entered into for hedging future cash flows	0	838
Financial liabilities used as hedging instruments	**0**	**838**
Mortgage debt	5,217	2,503
Bank debt	168,337	153,157
Trade payables	87,140	69,417
Repurchase obligation, returnable packaging	27,719	33,112
Payables to subsidiaries	76,005	26,212
Other payables	62,314	64,942
Financial liabilities in respect of assets held for sale	2,979	2,987
Financial liabilities measured at amortised cost	**429,711**	**352,330**

Financial risk management policy

Please refer to the section on risks on page 36 of the management's review.

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, NOK and 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:

	CASH AND CASH EQUIVALENTS	RECEIVABLES	PAYABLES	NET POSITION
EUR	0	34,900	(183,556)	(148,656)
SEK	296	6,317	(767)	5,846
NOK	409	3,106	(443)	3,072
PLN	65	1	0	66
USD	684	124	(6)	802
GBP	1	0	0	1
30 April 2011	**1,455**	**44,448**	**(184,772)**	**(138,869)**
EUR	0	22,943	(183,413)	(160,470)
SEK	0	9,081	(1,158)	7,923
NOK	0	3,661	(914)	2,747
EEK	65	26,288	0	26,353
30 April 2010	**65**	**61,973**	**(185,485)**	**(123,447)**

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

PARENT
DKK '000

	2010/11	2009/10
Equity's sensitivity to exchange rate fluctuations		
Effect if the EUR exchange rate was 1% lower than the actual exchange rate	1,487	1,599
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(292)	(1,017)
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(154)	(1,229)
Effect if the USD exchange rate was 5% lower than the actual exchange rate	(40)	0
Effect if the PLN exchange rate was 5% lower than the actual exchange rate	(3)	0
Effect if the EEK exchange rate was 5% lower than the actual exchange rate	0	(1,024)
	998	**(1,671)**
Net profit/loss's sensitivity to exchange rate fluctuations		
Effect if the EUR exchange rate was 1% lower than the actual exchange rate	489	396
Effect if the SEK exchange rate was 5% lower than the actual exchange rate	(2003)	(720)
Effect if the NOK exchange rate was 5% lower than the actual exchange rate	(1,324)	(1,126)
Effect if the USD exchange rate was 5% lower than the actual exchange rate	(40)	0
Effect if the EEK exchange rate was 5% lower than the actual exchange rate	0	(36)
	(2,878)	**(1,486)**

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 opposite 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 2010/11.

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 rates is limited. The parent's net interest-bearing debt as at 30 April 2011 was DKK 247.9 million (2010: DKK 181.3 million). The debt carries a floating rate of interest.

An increase in the market rate of 1% would affect the profit or loss for the year before tax negatively by approx. DKK 2.5 million (2009/10 approx. DKK 1.8 million).

PARENT

DKK '000

	2010
Fair value of interest rate swaps (EUR 13,400k)	**838**
Interest falls due for payment as follows:	
Within one year from the balance sheet date	1,087
Between two and five years from the balance sheet date	0
	1,087

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, unutilised credit facilities and bond portfolios.

	2011	2010
The liquidity reserve is comprised as follows:		
Cash	1,704	583
Unutilised credit facilities (group)	5,876	21,843
Bond portfolio	281,797	278,502
	289,377	**300,928**

Credit risks

The group's primary credit risk in the parent concerns non-prepaid 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.

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-down for bad debts.

In the event that such hedging is not made or is exceeded, the company 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

Reference is made to the section on financial objectives on page 15 of the management's review and note 38 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)

2010/11	LEVEL 1 DKK '000	LEVEL 2 DKK '000	LEVEL 3 DKK '000	TOTAL DKK '000
Listed shares	157	0	0	157
Unlisted shares and securities	0	2,160	1,563	3,723
Financial assets available for sale	**157**	**2,160**	**1,563**	**3,880**
Financial liabilities used as a hedging instrument	0	0	0	0
Financial liabilities measured at fair value	**0**	**0**	**0**	**0**

2009/10				
Listed shares	185	0	0	185
Unlisted shares and securities	0	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	0	838	0	838
Financial liabilities measured at fair value	**0**	**838**	**0**	**838**

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):

DKK '000	FINANCIAL ASSETS AVAILABLE FOR SALE
Carrying amount as at 1 May 2009	**2,507**
Gains/losses in net profit/loss for the year	0
Gains/losses in other comprehensive income	(951)
Addition in connection with the acquisition of an enterprise	0
Purchase	750
Sale	0
Carrying amount as at 30 April 2010	**2,306**
Gains/losses in net profit/loss for the year	0
Gains/losses in other comprehensive income	(1,873)
Purchase	1,130
Sale	0
Carrying amount as at 30 April 2011	**1,563**

33. RELATED PARTIES

Related parties with a controlling influence
The following parties have a controlling interest in Harboes Bryggeri A/S:

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 subsidiaries, please refer to note 12.

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 influence in Harboes Bryggeri A/S*	Members of the Board of Directors, Board of Executives and other key staff members	Other related parties	Total
2010/11					
Sale of goods	36,607	18	0	0	36,625
Purchase of goods	28,645	147	0	0	28,792
Sale of non-current assets	37	1,600	0	0	1,637
Purchase of non-current assets	1,978	0	0	0	1,978
Sale of services	4,242	1,038	0	0	5,280
Purchase of services	5,833	1,349	1,381	0	8,563
Sale of leases	0	96	0	0	96
Purchase of leases	1,995	236	0	200	2,431
Dividend received	2,061	0	0	0	2,061
Fees etc.	0	5,821	12,483	408	18,712
Trade receivables etc.	24,164	278	0	0	24,442
Trade payables etc.	75,927	338	90	0	76,355
Security, cf. note 27	280,882	0	0	0	280,882
Distribution of dividend	0	1,180	58	19	1,257
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 27	305,944	0	0	0	305,944
Distribution of dividend	0	1,180	27	6	1,213

*) 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 were realised and no write-downs were made for probable 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 459k (2009/10: DKK 259k). The total future minimum lease payments in the period of interminability amount to DKK 100k. 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 3 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

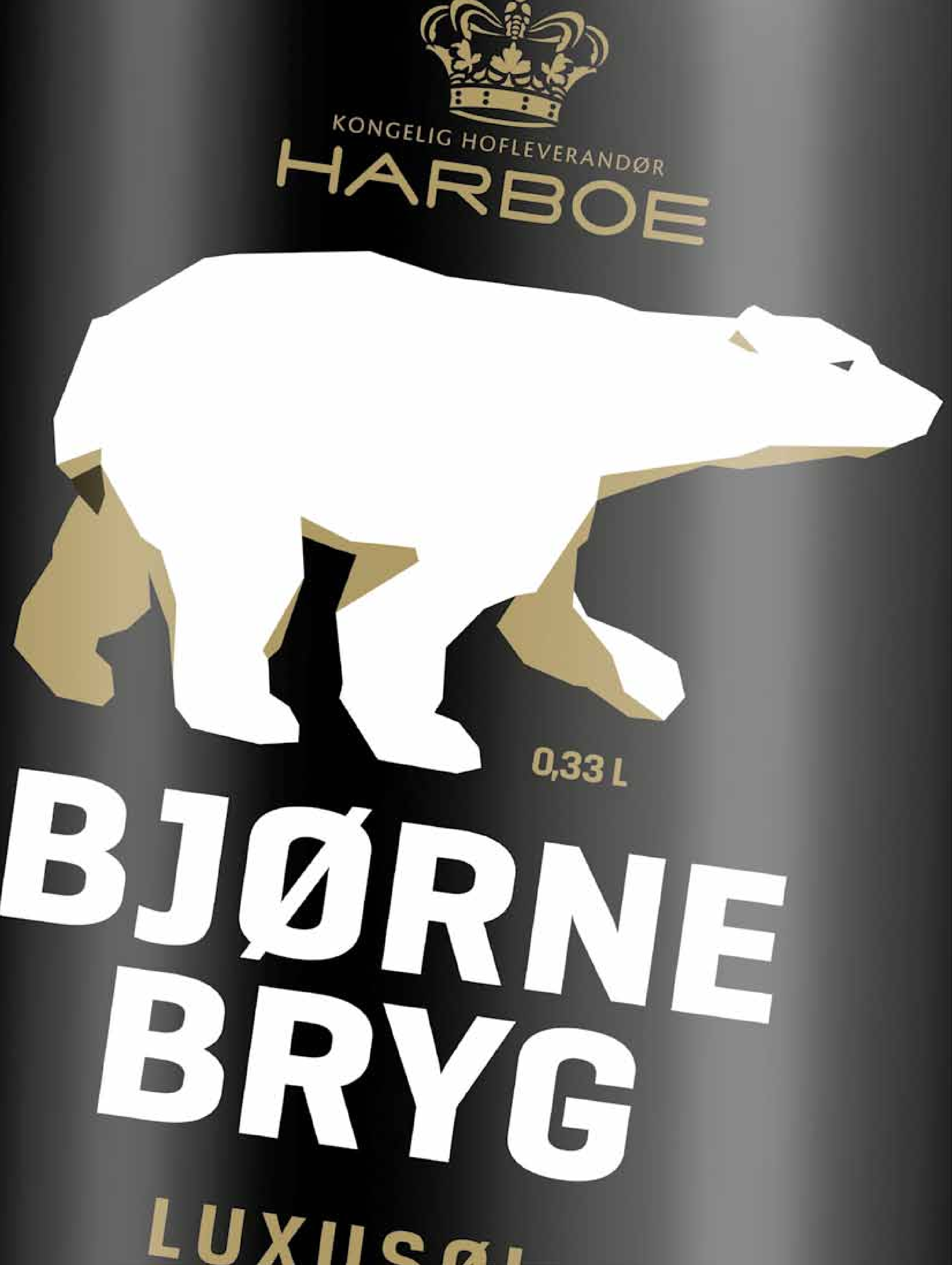
COMPANY
Harboes Bryggeri A/S
Spegerborgvej 34, 4230 Skælskør, Denmark
CVR no.: 43 91 05 15
Registered in: The Municipality of Slagelse, Denmark
Financial year: 1 May - 30 April
Internet: www.harboes.dk

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 2011 at 10 am at Harboes Bryggeri A/S, Skælskør, Denmark


KONGELIG HOFLEVERANDØR
HARBOE
0,33 L
BJØRNE
BRYG
LUXUSØL