Harboe Annual Report 2007/2008

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


FLERE ØL FOR
PENGENE I 125 ÅR
FOLKETS ØL SIDEN 1883
KONGELIG HOFLEVERANDØR
HARBOE
HARBOES BRYGGERI A/S
Jubilæum
4,4% ALKOHOL VOL.
GREY KBH

Economic development of the group

Investments in growth and added value

In the past financial year, we have faced challenges in a large number of areas. The first challenge – and the one most obviously impacting the bottom line – concerned market developments that put our results under considerable pressure. Demand was generally falling, to a large extent influenced by the unusually wet and cold summer in 2007. This had a very negative impact on our sales which were under additional pressure from intensifying competition from branded beers which were, to a very large extent, being sold at discounted prices by virtually all retail chains in the Danish market.

At the same time, intense competition meant that we could only, to a limited extent, compensate for the effects of the dramatically increasing prices of both raw materials, consumables, pay and distribution by increasing our sales prices. Earnings margins for our core products, which do not leave much flexibility as it is, were therefore reduced further.

Moreover, we encountered several unexpected challenges in connection with the commissioning of our new processing plant in Germany, which ended up being delayed for six months. This resulted in further additional costs and loss of revenue as the planned launch of new products was delayed.

All in all, these challenges meant lower revenue and a markedly lower net profit compared with last year. Which, of course, is not satisfactory.

However, it takes more than difficult market conditions and unforeseen challenges for our courage to fail and for us to give up on our ambitions. On the contrary, developments have underlined the importance of realising the strategy which we have laid down. A strategy which will enable Harboe to create new growth and more added value in future, and which has further boosted energy levels and our eagerness to move on.

In the past year, we have therefore devoted intensive efforts to the targeted development of a whole range of new products. A significant number of these products have been made possible by the new production technology which has been introduced at the new processing plant in Germany. And the market's initial reaction to these products combined with the increased flexibility which the new plant adds to our production capacity underpins our belief that this investment was right and will add value. Intensive development activities have also meant that, in the course of the coming financial year, we will be able to launch several other exciting new beer and soft drink products, all targeted at special segments where price levels – and thereby earnings margins – are more attractive.

However, we have also worked to strengthen Harboe's strategic foundation and potential in other areas. The sales organisation has been strengthened and is undergoing constant development. This is, among other things, taking place as part of a strategic development of Harboe's existing customer segments, and the work has already resulted in several important contracts within, e.g., the convenience segment.

As a natural element in the implementation of Harboe's growth strategy, a new and ambitious marketing strategy has also been formulated. This is intended to support the launch of new products and includes, to a much greater extent than previously, a whole new range of consumer-targeted activities.

Innovation and new knowledge has generally been pivotal to Harboe's strategic initiatives in the past year. And the same will, to at least the same extent, be the case in the coming years as we continue to strengthen and develop Harboe's organisation, products and results.

One initiative is our plan to renew and strengthen the Board of Directors with new and competent resources in the coming year. At the annual general meeting in August, Harboe's shareholders will elect three new members who, each in their own way, will add valuable and relevant competencies to the Harboe top management. The three candidates are described elsewhere in this report, but let me mention that they are all professional businessmen and women who will add new and valuable knowledge to Harboe within product development as well as sales and marketing.

Many challenges lie ahead of us – both in the coming year and when looking further into the future. However, I feel that in 2007/2008 we took an important step towards realising our strategy, while at the same time becoming more geared to tackling the challenges which the future may throw at us, and when I meet employees in the organisation, I sense a tremendous enthusiasm and strong commitment. Altogether this makes me feel confident that we will achieve our goals.

Bernhard Griese
CEO

Contents

Outline of financial year

- **Revenue** fell by 0.9 per cent to DKK 1.37 billion.
- **Revenue of the brewery sector** fell by 4.4 per cent and now constitutes DKK 1.14 billion.
- **Revenue of the foodstuff sector** increased by 20.6 per cent and now constitutes DKK 233.6 million.
- **Sales of beer and soft drinks,** including malt beverages and malt wort products, totalled 5.3 million hectolitres compared with 5.7 million hectolitres last year, a 7.0 per cent fall.
- **Operating profit** (EBIT) amounted to DKK 21.6 million compared with last year's DKK 88.3 million.
- **Operating profit** (EBIT) **of the brewery sector** fell by DKK 67.6 million to DKK 20.6 million.
- **Operating profit** (EBIT) **of the foodstuff sector** increased by DKK 1.1 million to DKK 1.0 million.
- **Consolidated profit before tax** was DKK 16.3 million against DKK 85.5 million last year.
- **Profit before tax** is in line with the outlook most recently expressed in the interim report for Q3 2007/2008, at which time a profit of DKK 15-20 million was anticipated.
- **The group's gross investments during the financial year totalled** DKK 201.1 million. Of this amount, plant under construction amounted to DKK 122.4 million as at 30 April 2007.
- **Cash flows** from operating activities and free cash flows amounted to DKK 56.9 million and DKK -50.2 million, respectively.

Financial highlights

DKK m	2007/08	2006/07	2005/06	2004/05	2003/04*)
Earnings					
Gross revenue	1,607.4	1,649.4	1,633.5	1,753.7	1,671.5
Taxes on beer and soft drinks	(236.5)	(266.6)	(272.2)	(302.0)	(312.7)
Revenue	1,370.9	1,382.8	1,361.3	1,451.7	1,358.8
Operating profit (EBIT)	21.6	88.3	98.8	136.7	105.1
Profit before tax	16.3	85.5	94.6	130.2	97.3
Net profit for the year	20.1	56.5	65.5	86.1	64.4
Balance sheet					
Non-current assets	809.7	840.9	777.2	803.0	697.4
Current assets	389.5	374.0	366.4	391.6	326.5
Non-current liabilities	108.7	124.0	133.3	149.3	119.0
Current liabilities	393.7	405.1	332.8	425.8	303.9
Equity	696.9	685.8	677.4	619.4	486.7
Balance sheet total	1,199.3	1,214.9	1,143.6	1,194.6	1,023.9
Interest-bearing debt	92.3	73.5	70.4	86.3	137.3
Net interest-bearing debt	80.0	46.1	0	0	104.2
Investments etc.					
Investments in intangible assets	6.1	0.0	0.0	0.0	0.0
Investments in property, plant and equipment	180.3	73.5	96.4	187.2	124.0
Depreciation, amortisation, impairment losses and write-downs	109.0	103.0	100.9	95.6	95.6
Cash flows					
Cash flows from operating activities	56.9	86.6	124.8	197.4	129.4
Cash flows from investing activities	(97.5)	(111.0)	(118.4)	(153.4)	(127.0)
Cash flows from financing activities	(9.6)	(44.6)	(17.1)	44.5	22.0
Changes in cash and cash equivalents	(50.2)	(69.0)	(10.7)	88.5	24.4

	2007/08	2006/07	2005/06	2004/05	2003/04*
Ratios in %					
Profit margin	1.6	6.4	7.3	9.4	7.7
Return on net assets	1.8	7.9	9.2	13.1	10.9
Return on equity	2.9	8.3	10.1	15.6	14.5
Solvency ratio	58.2	56.4	59.2	51.9	47.5
Gearing	11.5	6.7	0.0	0.0	28.2
Current ratio	99.0	92.3	110.1	92.0	107.4
Return on invested capital	2.0	8.1	9.9	14.7	9.6
Share-related ratios **					
Earnings per share of DKK 10, DKK	3.4	9.5	11.0	14.8	10.7
Cash flow per share of DKK 10, DKK	9.6	14.6	21.0	34.0	21.6
Equity value per share of DKK 10, DKK	116.1	114.2	112.9	103.2	86.0
Share price, year-end	137.0	218.2	222.1	207.1	142.0
Price/earnings	40.4	23.0	20.2	14.0	12.5
Dividend per DKK 10 share, DKK	1.5	1.5	8.0	1.5	1.0
Employees					
Average number of full-time employees	483	486	531	624	694

* Financial highlights for 2007/08, 2006/07, 2005/06 and 2004/05 have been prepared in accordance with IFRS, cf. the description in note 1. Comparative figures for 2003/04 have not been restated in accordance with the changed accounting policies upon the transition to reporting under IFRS, but have been determined in accordance with previous accounting policies based on the provisions of the Danish Financial Statements Act (Årsregnskabsloven) and Danish accounting standards.

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


PILSNER
KONGELIG HOFLEVERANDØR
HARBOE
Premium
4,4
PROCENT ALC.
FOLKETS ØL
SIDEN 1883
LIGHT
KONGELIG HOFLEVERANDØR
HARBOE
Pilsner
LIGHT
2,7
PROCENT ALC.
FOLKETS ØL
SIDEN 1883
CLASSIC
HARBOE
Jubilæum
CLASSIC
110
FOLKETS ØL
SIDEN 1883
HARBOE
Luxus
5,7
FOLKETS ØL
SIDEN 1883

Core business

Main activity
Harboes Bryggeri A/S is listed on the Copenhagen Stock Exchange and is the parent of the Harboe Group.

The group's core business, constituting more than 85.5 per cent 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 14.5 per cent of revenue.

Brewery sector
The retail sector is the primary market segment for all three breweries – Harboes Bryggeri A/S in Denmark, Darguner Brauerei GmbH in Germany and AS Viru Õlu in Estonia.

The considerable investments made in recent years in expanding production facilities in the breweries sector, most recently the new production facilities for the production of cold-tapped products such as juices and smoothies, have resulted in greater flexibility in terms of both production and sales, as well as increasing the combined production capacity by 1 million hectolitres to approx. 9 million hectolitres.

This has paved the way for further organic growth in both existing and new markets.

The foodstuff sector
In FY 2007/2008, the foodstuff business Harboefarm A/S saw a continued positive development in sales with continued focus on packaged fresh products for the retail sector.

Group

Gross revenue
In 2007/2008, gross revenue for the group was DKK 1.60 billion compared with DKK 1.65 billion the year before.

Earnings
Operating profit (EBIT) amounted to DKK 21.6 million compared with last year's DKK 88.3 million, down DKK 66.7 million or 75.6 per cent.

Depreciation on property, plant and equipment etc. is included in the operating profit with DKK 109.0 million compared with DKK 103.0 million the year before.

Consolidated profit before tax was DKK 16.3 million against DKK 85.5 million last year.

The profit before tax is in line with the outlook outlined in the interim report for Q3 2007/2008 (cf. company announcement of 26 March 2008), in which a profit of DKK 15-20 million was expected against a profit of DKK 35-45 million announced in the company announcement of 5 December 2007 and against an original outlook of DKK 50-60 million.

The downward adjustments for the year are attributable to the effect of declining sales and additional increases in the prices of important raw materials.

Moreover, the delayed start-up of the company's strategic processing facilities for the tapping of sterile (aseptic) products has negatively affected revenue.

Net profit for 2007/2008 amounted to DKK 20.1 million compared to DKK 56.5 million the year before.

The tax for the year is positively impacted by an adjustment of deferred tax amounting to DKK 9.1 million following a reduction in the corporate tax rate in Denmark and Germany.

Equity
As at 30 April 2008, equity amounted to DKK 696.9 million against DKK 685.8 million the year before.

Equity has been increased by the net profit for the period, value adjustments and foreign currency translation adjustments and less distributed dividend.

Investments
Total gross investments in property, plant and equipment for the financial year amounted to DKK 194.7 million. Important investments include a new factory unit in Darguner Brauerei GmbH amounting to an investment of DKK 135 million.

Liquidity and net interest-bearing debt
Cash flows from operating activities amounted to DKK 56.9 million compared with DKK 86.6 million last year.

Free cash flows (changes in cash and cash equivalents) amounted to DKK -50.2 million compared with DKK -69.0 million last year.

Cash resources, which are composed of cash and credits granted but not yet activated, amount to DKK 107.8 million as at 30 April 2008. Added to this is the holding of treasury shares amounting to DKK 6.9 million stated at stock market value as at 30 April 2008.

The net interest-bearing debt was DKK 80.0 million as at 30 April 2008.

Events occurring after the end of the financial year
After the end of the financial year, the group has added longterm credit facilities of DKK 300 million to its cash resources.

However, the objective of the group is still to expand primarily through organic growth financed for the most part through the company's own funds.

Outlook

Increased globalisation has spurred the establishment of a number of large European purchasing organisations which demand large capacity, high quality, reliable deliveries and the best possible prices from their suppliers.

Considerable investments in recent years in new production facilities and increased capacity at all three breweries have allowed the brewery sector to broaden its strategic platform as an attractive supplier to retail stores in Denmark and abroad.

The investment in a new aseptic plant has underpinned the company's position and resulted in a stronger platform from which to develop sales of new products to existing customers in the retail trade, as well as creating an opening in relation to customer segments within convenience and food service.

Thanks to the new facilities, the company can further strengthen its focus on innovation and its activities within the development of products and packaging.

In FY 2008/2009, a number of new products will thus be launched which, together with the new marketing strategy, will support sales of these value-adding products.

Given the competitive situation for the foodstuff business Harboefarm A/S in a market which is focusing on food safety, Harboefarm A/S is expected to maintain activity levels.

Investments planned for 2008/2009 are in the order of DKK 100-120 million.

In view of the company's aim of keeping abreast of developments within important product areas, investments will be subject to constant scrutiny and assessed both in relation to maintaining the current market share and expanding it.

Given the fact that competition remains fierce in important key markets and given the increasing commodity prices, the company does not expect to be able to increase sales prices to reflect the increased production costs in full.

In 2008/2009, depreciation and amortisation will increase by an additional DKK 12 million.

Under the given circumstances, consolidated profit for 2008/2009 is expected to be in the range of DKK 35-45 million.

In 2008/2009, cash flows from operating activities are expected to be in the range of DKK 140-150 million.

The Board of Directors proposes that dividend of DKK 1.50 be paid per share, corresponding to a payout ratio of 15 per cent or total dividend of DKK 9 million.

To ensure continued growth and earnings, the company must follow developments and international trends, for which reason a high level of financial resources remains of decisive importance.

After the end of the financial year, the company has thus entered into an agreement concerning a long-term credit facility of DKK 300 million.

However, the company still aims for organic growth to be financed to a very large extent by its own funds.

Objectives and strategy

Strategy and financial targets
Harboe produces and sells beer, soft drinks, malt drinks and malt wort products, its primary geographical focus being Germany, Scandinavia and the other countries bordering the Baltic Sea. Today, Harboe's products are marketed in Denmark, Germany, Sweden, Norway and the Baltic states as well as in a number of export markets around the world.

Total beer sales have been declining in Europe in recent years, whereas sales of soft drinks continue to rise. The increase is, among other things, attributable to product development within the segment, which in addition to soft drinks also includes energy and sports drinks, ice tea and ice coffee, fruit juices, milk-based drinks etc. Since 2000, the market for these products has seen double-digit growth rates. This is still a relatively new trend and a relatively low starting point, and Harboe therefore believes, among other things based on developments in the USA and Europe, that the potential remains high.

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

Focus on innovation and added value
To ensure the continued addition of value, Harboe is therefore pursuing a strategy which focuses on maintaining a high volume of core products and on protecting its well-established market position for these products in the existing main markets. Harboe will continue to drive developments in these main markets and provide customers with a high level of quality, reliable deliveries and an attractive product programme in tune with the times.

However, Harboe's continued growth will primarily be created through targeted product development and establishment within new and less price-sensitive product segments. The strategy is based on the strong position enjoyed by the group among the large retail chains which usually welcome new products from Harboe, providing the basis for a number of obvious synergies within sales and distribution. In the coming years, Harboe will therefore focus intensely on innovation, and the group's investment focus will to a large extent be aimed at a further strengthening of activities within the development of products and packaging. Innovation will also be a keyword in Harboe's sales and marketing activities. Focus will be on establishing a position for itself within new customer segments, and a new marketing strategy has been laid down which will be implemented in connection with the launch of new products in collaboration with customers and with a large number of activities targeted directly at consumers.

Strategic growth initiatives in 2007/2008
Efficient and flexible production facilities are a precondition for maintaining the company's market position within its core business, while at the same time realising an ambitious product development strategy.
In FY 2007/2008, Harboe therefore implemented phase one of an approx. DKK 300 million investment into a new factory unit for cold-sterile (aseptic) production in the group's new German company. The process plant was commissioned in November 2007.

The process plant enables Harboe to produce cold-tapped products based on fresh fruit and raw ingredients in an aseptic (alkaline) and sterile environment. Among other things, this makes it possible to make products without adding preservatives. At the same time, the plant has provided Harboe with a strategically important expansion of capacity for existing products. In this way, a solid platform has been established for new growth as well as markedly increased flexibility in relation to seasonal fluctuations.

The new production technology has initially been used for the production of juices and smoothies, which will be supplemented by a number of additional fruit varieties in the coming financial

years. Harboe has also progressed considerably with its preparations for the launch of a number of other products within new product segments, including e.g. cider products, energy drinks and ice tea. Common to the new products is that they address special segments in which prices are generally higher than for private-label products, thus having potential for less sensitive earnings margins. A central element in the development activities is also the company's ambition to keep developing innovative packaging which will lead the way from the point of view of quality and marketing, while at the same time meeting the demands for cost-efficient production.

Concurrently with these activities, Harboe is also focusing on product development within the group's core segments. In this context, developments include an organic soft drinks series and several new beer products which will be pivotal to the execution of Harboe's new marketing strategy. In connection with Harboe's 125th anniversary in August 2008, a special anniversary beer has also been developed for launching over the summer. An innovation initiative which has already been successfully implemented is the launch of Skælskør Bryghus. In the past financial year, a number of specialty beers were launched which have been positively received by the market, and several new types of beer are in the pipeline.

Concurrently with these development activities, Harboe is continuing to push the boundaries within the drinks segment. In the coming years, the group will invest DKK 50 million in the establishment of an evaporation plant in conjunction with Harboe's existing facilities in Skælskør. With the new plant, which will be commissioned in November 2008, Harboe's capacity for producing malt extract will be quadrupled. With the plant, Harboe will have its own cost-efficient production of malt extract, while also being able to sell a number of variants of finished malt extracts to various manufacturers within the food industry.

Harboe will also in future continue to make important strategic investments in product development with a view to constantly strengthening its core business and increasing the share of specialty products as a primary means of ensuring continued growth and the addition of value.

The foodstuff sector

The strategic aim of Harboe's foodstuffs business is to maintain the company's high quality and food safety standards and to ensure that the business makes a positive contribution to the group's earnings.

Financial targets

The launch of new products is expected to contribute positively to maintaining customer relations, and will already from 2008/2009 be a central element in the company's continued growth.

However, in the coming financial year, considerable resources will also be invested in the launch of new products, while Harboe also expects to further strengthen its development organisation. Harboe expects to see an increase in revenue in 2008/2009 and improved results compared to 2007/2008.

After this period, it is Harboe's ambition – through an additional strengthening of customer relations, development activities and the streamlining of production and through continued targeted innovation – to achieve an annual growth in revenue of more than 5 per cent within the next few years and a profit margin of more than 8 per cent.

The group's objective for its capital structure is based on a wish to maintain a high level of financial resources at all times to enable investments in continued organic growth and the addition of value through 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 larger partnerships. At the same time, the financial resources must ensure that the group can live up to its objective of guaranteeing a regular return for shareholders through the distribution of dividend or share buy-back programmes.


1883
Limited Edition
Kongelig Hofleverandør
Harboes Bryggeri A/S
1883
Limited Edition
Premium Jubilæumspilsner

Customers and main markets

The brewery sector's main markets continue to comprise Denmark, Norway, Sweden, the Baltic countries and Germany, including the Danish-German border area.

In addition, specialty products are being exported to a large number of countries which have seen growth in recent years.

The past year has seen further consolidation among the company's customers and among competing suppliers, which has led to a further strengthening of the competition in the company's main markets.

The company sells its products to the retail sector, primarily within the private-label segment, which is continuing to see growth throughout much of Europe.

Despite the extremely difficult market conditions, the brewery sector has chosen to maintain its strategic focus and has continued to drive developments in these markets and to provide customers with quality, reliable supplies and an up-to-date product programme. In step with the introduction of the company's new product portfolio within the juice and smoothies segment, new sales channels within convenience and food service have been opened; a customer segment which the company expects to develop further.

Denmark
Beer consumption has been falling in Denmark over the past ten years and continued to fall further in 2007. Further intensifying price competition, which has meant that branded beer is being sold at discount prices, has led to a drop in sales of private label products by an estimated 6 per cent within the beer segment in 2007.

It is estimated that the Danish soft drinks market fell by 4 per cent in 2007, which is also reflected in Harboe's soft drinks sales.

Germany
Beer sales are believed to be falling in Germany. The soft drinks market is continuing to grow and is believed to have increased by approx. 8 per cent. Growth within the soft drinks segment is based on innovation and new products. Focus on new product areas and new trends spurred investments in a new factory unit for the production of aseptic products such as juices, smoothies and milk-based products.
In 2007/08, Darguner Brauerei's total revenue in the German market was affected by a wet and not very sunny summer, but otherwise saw positive development with the influx of new customers and sales of an extended product programme to existing customers.
Intensifying competition in the border trade across the German/Danish border has led to a fall in sales.

Sweden
The Swedish market has seen a fall in beer sales as well as a fall in sales of soft drinks.
New customers and extended collaboration with existing customers will continue to strengthen Harboe's position in the Swedish market.

A strengthened sales organisation, together with a network of skilled distributors, will ensure the continued development of the company's position, leading to further growth and expansion – helped also by the introduction of new and innovative products.

Baltic countries
The Baltic countries have seen a slight increase in beer sales, while the soft drinks market is growing and open to new products. With Viru Õlu's focus on new and innovative products, the Estonian market has seen particularly positive developments.

To underpin continued expansion and wider distribution, Viru Õlu acquired the rights to the locally well-known PULS beer brand at the end of FY 2007/08. PULS has been marketed intensely in Estonia in the past three years, which has resulted in a high level of consumer recognition. The rights to the beer brand also come with rights to soft drinks and cider products.

The new PULS products and their inherent potential are expected to contribute further to Viru Õlu's positive development.

Exports
The company exports a wide range of beers and non-alcoholic beverages. The export market comprises more than 50 countries on all continents. Distribution is primarily via local distributors with whom long-term agreements have been made.

The export markets, which are a strategic focus area, have developed positively in recent years. This development is expected to continue – also in step with the development of new and innovative products intended for the overseas markets.

Innovation and product development

The brewery sector has in the past ten years made investments amounting to DKK 1.1 billion.

Investments are important to fulfilling the company's strategy of continuing to ensure a high level of sales within the beer and soft drinks segments, while at the same time focusing on developments and new trends within these categories with regard to product types and quality as well as packaging and package solutions.

As part of this strategy, the company has invested in a new high-tech process plant for the manufacture of aseptic products, which makes it possible to manufacture products without the use of preservatives. With the new production technology, the company has been able to produce a large number of new quality products targeted at a fast-growing segment of consumers who are demanding innovative products within the beverages segment; products which meet consumers' and the market's increasing demand for products which are both healthy and natural.

The company has decided to focus on four product categories: juice, smoothies, ice coffee and milk-based beverages.

In January 2008, the new juice and smoothies variants were introduced in the Danish and German markets, and the products have most recently been launched in Sweden.

In Denmark and Sweden, the products have been launched under the PURE name, while they are primarily sold within the private label segment in Germany. Product development continues within this segment, and a large number of new and exciting variants are due to be introduced in 2008.

The development and launch of the new juice and smoothies products have naturally attracted considerable attention, while new soft drinks products without preservatives have also been developed, based at the new aseptic plant. These products are seeing increasing demand in the German market. Moreover, a children's series containing 50 per cent juice and without preservatives has been introduced, while a large number of new specialty products have also been developed.

In 2007/08, Skælskør Bryghus developed and launched a product range within the specialty beer segment; a series which in 2008 will be supplemented by new and exciting variants.

In the German market, additional variants of beer mix products have been introduced, now also based on wheat beer.

As part of the company's strategy of pursuing targeted product development to create continued growth, the development of more new specialty products has been initiated in the past year. These products have already been or are due to be introduced to the company's main markets.

More new and exciting packagings have been developed and are ready for introduction. Thus, two new alcoholic cider products were launched in June, and a new alcoholic energy drink – X.Ray Fire – has been introduced in a new slim tin.

Based on investments already initiated, 2008/2009 will see the development and launch of a large number of new products within both the beer and the soft drinks segment.

Production and capacity

Harboe's three breweries in Denmark, Germany and Estonia produced and sold a total of 5.3 million hectolitres of beer and soft drinks. It is of decisive strategic importance for the breweries to have modern production facilities which can ensure high quality, flexible capacity and the highest possible efficiency with a view to keeping production costs at a competitive level. Capacity must be adequate, also during the peak season, and the delivery rate must be first-class.

In 2007/2008, phase one of the company's new strategic process plant for the tapping of sterile (aseptic) products was thus implemented. The process plant has increased the brewery's combined capacity by 1 million hectolitres, bringing the total production capacity to approx. 9 million hectolitres.
The plant, the commissioning of which was delayed for six months, is now fully up and running and displaying very satisfactory functionality.

The delayed start-up of production meant that the introduction of new products was postponed in certain markets.
The plant is therefore not yet working to full capacity, but has meant more reliable deliveries as it has freed up capacity at other plants.

The total investment in the aseptic plant has amounted to DKK 135 million, of which an amount of DKK 34.5 million is covered by an investment grant. In FY 2007/2008, an amount of DKK 4.8 million was received, whereas the rest of the investment grant, approx. DKK 30.0 million is expected to be paid out at the end of 2008. Due to the delayed launch of the first aseptic products and on account of the unutilised capacity at the plant, the management does not expect phase two of the strategic investment to be initiated until FY 2009/10 at the earliest.

In addition to the investment in the new plant, the year has seen improvements, optimisations and expansions of the plants in Denmark, Germany and Estonia amounting to approx. DKK 60 million

With reference to the strategic focus on innovation and the development of new and value-adding products, investments are being made and production plants are being streamlined with a view to delivering solutions which are geared to the future.

In FY 2008/2009, investments are expected to total DKK 100-120 million, with the investment in a new processing plant for the production of malt extract amounting to DKK 50 million.


POWER DRINK
X.
RAY
FIRE
Alc. 5,4% Vol.

Brewery sector

Total sales of beer and soft drinks, including malt beverages and malt wort products, totalled 5.31 million hectolitres in the financial year, corresponding to a fall of 7.0 per cent. 71.7 per cent of the total volume was sold outside Denmark.

The fall in revenue can be attributed to the effects of a wet summer with little sunshine as well as intense competition in some of the company's main markets where branded beer and soft drinks are sold at discount prices, which has led to a fall in sales of private label products.

In the 2007/2008 financial year, the brewery sector's share of gross revenue totalled DKK 1.37 billion compared with DKK 1.46 billion the year before. This represents a fall of 6.3 per cent.

The brewery sector's operating profit amounted to DKK 20.6 million compared with last year's DKK 88.5 million.

The falling sales have had a significant impact on the net profit. Moreover, additional increases in important raw ingredients and auxiliary materials as well as increasing pay and distribution costs have reduced the net profit by approx. DKK 45-50 million.

The commissioning of the company's new strategic process plant for the tapping of sterile (aseptic) products was delayed by more than six months. This delay meant that the company has had to invest considerable resources while at the same time realising a loss of earnings during this period on top of increased production costs.

Profit before tax for the brewery sector was DKK 15.9 million against DKK 86.6 million the year before.

Investments by the brewery sector totalled DKK 175.7 million and comprised the expansion and extension of production units, primarily a new aseptic production facility in Germany. Other investments made during the financial year amounted to approx. DKK 45 million.

In the 2007/08 financial year, the brewery sector employed 457 people compared with 467 in the same period last year.

Brewery sector - key figures

DKK m	2007/08	2006/07	2005/06	2004/05	2003/04*)
Volume (million hectolitres)					
Beer, soft drinks and malt wort products	5.30	5.70	5.31	5.15	4.46
Earnings					
Gross revenue	1,373.8	1,455.8	1,432.9	1,501.4	1,416.1
Taxes on beer and soft drinks	(236.5)	(266.6)	(272.2)	(302.0)	(312.7)
Revenue	1,137.3	1,189.2	1,160.7	1,199.4	1,103.4
Operating profit (EBIT)	20.6	88.5	93.2	127.2	113.0
Profit before tax	15.9	86.6	91.1	124.0	110.0
Tax on profit/(loss) for the year	4.8	(29.3)	(27.0)	(42.3)	(36.8)
Net profit for the year	20.7	57.3	64.2	81.7	73.2
Balance sheet					
Non-current assets	711.3	737.7	662.1	670.6	534.3
Current assets	351.3	314.8	335.7	343.9	306.7
Equity	584.5	572.8	563.6	498.3	378.6
Non-current liabilities	102.9	112.5	117.6	131.0	81.9
Current liabilities	375.2	367.2	316.5	385.1	266.2
Balance sheet total	1,062.6	1,052.5	997.8	1,014.5	841.0
Investments etc.					
Investments in intangible assets	6.1	0	0	0	0
Investments in property, plant and equipment	175.7	72.6	96.3	182.4	103.0
Depreciation and amortisation	97.7	90.7	86.9	81.0	81.0
Cash flows					
Cash flows from operating activities	66.0	66.5	110.8	171.4	95.5
Cash flows from investing activities	(92.3)	(110.8)	(120.8)	(150.7)	(100.6)
Cash flows from financing activities	(4.0)	(39.1)	(11.6)	46.4	17.7
Changes in cash and cash equivalents	(30.3)	(83.4)	(21.5)	67.1	13.5
Ratios in %					
Profit margin	1.8	7.4	8.0	10.6	10.2
Return on net assets	2.0	9.1	10.1	14.6	14.7
Return on equity	3.6	10.1	12.3	19.6	22.2
Solvency ratio	55.0	54.4	56.5	49.1	45.0
Current ratio	93.6	85.7	106.0	89.3	115.2
Return on invested capital	2.0	10.3	10.8	16.9	15.2
Employees					
Number of employees	457	467	504	540	560

* Financial highlights for 2007/08, 2006/07, 2005/06 and 2004/05 have been prepared in accordance with IFRS, cf. the description in note 1. Comparative figures for 2003/04 have not been restated in accordance with the changed accounting policies upon the transition to reporting under IFRS, but have been determined in accordance with previous accounting policies based on the provisions of the Danish Financial Statements Act (Årsregnskabsloven) and Danish accounting standards.

Foodstuff sector

Harboefarm A/S's share of revenue was DKK 233.6 million in 2007/2008 compared with DKK 193.7 million the year before.

Harboefarm A/S's share of operating profit was DKK 1.0 million compared with DKK 0.1 million last year.

The profit before tax for 2007/2008 was DKK 0.4 million against a loss of DKK -1.3 million the year before.

During the year, Harboefarm A/S has maintained a positive development in sales in the form of increasing sales to existing customers and the influx of new customers.

Close collaboration with customers on product development and the tailoring of products to meet consumer wishes have resulted in new and exciting products.

In FY 2007/2008, the foodstuff sector had a total of 26 employees against nineteen the year before.

Foodstuff sector - key figures

DKK m	2007/08	2006/07	2005/06	2004/05	2003/04*)
Earnings					
Revenue	233.6	193.7	200.7	252.3	255.5
Operating profit/(loss) (EBIT)	1.0	(0.1)	5.7	9.5	(8.0)
Profit/(loss) before tax	0.4	(1.3)	3.3	6.3	(12.7)
Tax on profit/(loss) for the year	(1.0)	0.5	(1.0)	(1.9)	3.9
Net profit/(loss) for the year	(0.6)	(0.8)	1.3	4.4	(8.8)
Balance sheet					
Non-current assets	109.0	113.5	126.3	146.2	163.0
Current assets	38.4	59.2	30.7	47.7	49.7
Equity	112.4	113.0	113.8	112.5	108.1
Non-current liabilities	16.4	21.8	26.9	32.1	37.1
Current liabilities	18.6	37.9	16.3	49.3	67.5
Balance sheet total	147.4	172.7	157.0	193.9	212.7
Investments etc.					
Investments	4.6	0.9	0.1	4.8	29.9
Depreciation and amortisation	11.3	12.3	14.5	15.1	14.6
Cash flows					
Cash flows from operating activities	(9.0)	20.1	13.9	26.0	32.9
Cash flows from investing activities	(5.2)	(0.2)	2.4	(2.7)	(26.4)
Cash flows from financing activities	(5.6)	(5.6)	(5.5)	(1.9)	4.4
Changes in cash and cash equivalents	(19.8)	14.4	10.7	21.4	10.9
Employees					
Number of employees	26	19	27	84	134

* Financial highlights for 2007/08, 2006/07, 2005/06 and 2004/05 have been prepared in accordance with IFRS, cf. the description in note 1. Comparative figures for 2003/04 have not been restated in accordance with the changed accounting policies upon the transition to reporting under IFRS, but have been determined in accordance with previous accounting policies based on the provisions of the Danish Financial Statements Act (Årsregnskabsloven) and Danish accounting standards.

Risks

Harboe is constantly analysing and considering the business and financial risks affecting the company's development and results. The Board of Directors regularly considers the risks to which Harboe is exposed and the policy laid down for the handling thereof.

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. All the group's production plants are certified in accordance with international quality standards with established operating and maintenance procedures.

Competition and prices

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 fluctuations in the prices of raw materials and auxiliary materials 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 avoid long-term contracts with subsuppliers and regularly analyses the scope for additional streamlining of production. Moreover, Harboe focuses on developing new products and on strengthening sales of a number of specialty products which offer high earnings margins and less sensitivity.

Season and capacity

Sales of beer and soft drinks are characterised by considerable 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 bottom line. 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 very 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 devoting considerable resources to nursing and further developing its collaboration with customers and to ensuring that product offerings, prices and capacity are in line with customer demand and expectations at all times, based on fundamental principles of competition.

Product development and sales

The successful introduction of new products is an important precondition for Harboe's continued growth. It is therefore decisive that the market comes to accept the new products, and that the products meet or can help drive demand in the markets. Harboe's product development strategy is therefore based on a close and ongoing dialogue with customers, detailed market analyses combined with the targeted exploitation of new production technologies and innovative product design. Moreover, in 2007/2008 Harboe formulated a new marketing strategy, comprising among other things a marked increase in activities targeted at consumers.

Financial risks

Due to Harboe's capital structure, the risk relating to developments in market interest rates is limited. At the end of the financial year, the company's net interest-bearing debt amounted to DKK 80 million. At this level, a 1 percentage point change in market interest rates would reduce Harboe's profit before tax by DKK 0.8 million.

As Harboe's sales and purchases in foreign currencies are primarily denominated in EUR, currency risks for the group are considered limited. The company assesses the need for hedging of other currencies on a regular basis.


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100% REN JUICE
MED FRUGTKØD
PURE
ORANGE
JUICE
100% PURE ORANGES
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100% REN JUICE
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Corporate governance

Harboe's Board of Directors regularly considers the company management and places considerable emphasis on ensuring that the fundamental values which have been created and developed by the Harboe familyowned business through five generations are combined with efficient and dynamic business management, the primary objective being to create value for the company's shareholders, employees and customers.

Harboe is thus adhering to many of the recommendations for corporate governance issued by the OMX Nordic Exchange in Copenhagen. 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 and therefore keeps a website updated with current and detailed information about the company's strategy, business and results. In connection with the presentation of annual and interim financial statements, results are webcast.

Harboe's Board of Directors assesses the group's capital structure at appropriate intervals, accounting for their assessment in the strategy section of the annual report.

The company's general meeting is called subject to at least one week's notice, the notice being accompanied by the full agenda and the group's printed annual report.

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

Role of stakeholders and importance to the company
It is an integral part of Harboe's management philosophy and fundamental values that the company has a good and constructive relationship with its stakeholders, based on open dialogue and mutual respect. Relations with stakeholders are considered at appropriate intervals by the Board of Directors.

Openness and transparency
Harboe's Board of Directors has adopted a policy for the company's communication with the outside world, and the management has drawn up procedures for the publication of essential information. The company publishes all announcements in both Danish and English, and the announcements are made available at the Harboe website.
Harboe maintains an active dialogue with the stock 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 annual report is presented in accordance with statutory requirements according to IFRS.

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

Harboe publishes quarterly reports.

Tasks and responsibilities of the Board of Directors
Harboe's Board of Directors lays down the company's strategy and follows up on strategic initiatives and the realisation of the set targets at appropriate intervals.
The role of the chairman of the Board of Directors is regulated by the company's rules of procedure, and in practice the chairman, in performing his managerial duties, emphasises the involvement of the individual members based on their experience and competencies. At present, no deputy chairman has been appointed, but the Board of Directors considers the need at appropriate intervals and in step with developments in the company's strategic challenges.

Harboe's Board of Directors considers the company's rules of procedure once a year.
Prior to each meeting of the Board of Directors, members receive a report from the Board of Executives providing a follow-up on the company's development and results.

Composition of the Board of Directors
Members of the Board of Directors are elected for a term of four years, and shareholders receive a description of the candidates standing prior to the general meeting. So far, the earliest elected member of the Board of Directors has been up for election each year. In connection with the general meeting in 2008, Vibeke Harboe Malling, Kirsten Griese and Karina Harboe Laursen have, however, decided to step down as members of the Board of Directors. Out of a desire to professionalise Harboe's Board of Directors with a view to strengthening the company's strategic and commercial development, the Board of Directors is recommending three new independent candidates. In the process of identifying new candidates for the Board of Directors, emphasis has been placed on adding relevant competences within strategic management, product development and sales to the Harboe management.

The candidates recommended by the Board of Directors are presented on page 98.

New members are given a thorough introduction to the company's business activities and strategy.

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

With the election of three new members to the Board of Directors, Harboe will, in future, follow the recommendation that most members of the Board of Directors should be independent. On the other hand, Harboe still does not comply with the recommendation that members of the Board of Executives should not at the same time be members of the Board of Directors. Harboe has decided that the Board of Directors should, for the time being at least, to some extent continue to reflect the historical ownership of the company. At the same time, the composition of the Board of Directors and their term of service ensure a continuity which Harboe finds very valuable. The optimum composition of the Board of Directors is, however, being considered at appropriate intervals, and the most recent change is an important element in these considerations.

According to the company's Articles of Association, there may be up to three staff representatives on the Board of Directors.

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.

No upper age limit has been defined for members of the Board of Directors as this has not yet been a relevant issue.

It has not been necessary to appoint committees to assist the Board of Directors, but the Board of Directors will, of course, consider this option should a situation arise which would require special efforts.

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.

In FY 2007/08 the Board of Directors held a total of four meetings.

Remuneration of members of the Board of Directors and the Board of Executives

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 bonus or sharerelated incentive schemes. Instead, Harboe offers a number of special elements to key managers, such as e.g. accommodation and other staff benefits which make it attractive to be employed by Harboe, even though the company is located far away from the large urban centres. All Harboe employees are part of the company's pension scheme.

This policy is described in the chairman of the Board of Director's report at the ordinary general meeting.

The remuneration paid to the Board of Executives and the Board of Directors is specified in the annual report.

Members of the Board of Directors receive a fixed fee only.

Harboe has no special severance programme for members of the Board of Executives.

The Board of Directors' decisions concerning the company's strategy include the consideration of important risks and the handling of such risks. The most significant commercial and financial risks to which Harboe is exposed are described in a separate section of the annual report.

Auditors

Harboe's Board of Directors and Board of Executives monitor the activities of the company's auditors, and the contract is made between the auditors and the company's Board of Directors. Every year, the Board of Directors lays down the scope of the auditors' provision of non-audit services.

The Board of Directors reviews the company's internal control systems at regular intervals. At the meeting of the Board of Directors at which the financial statements for the year are approved, the auditors present the results of the auditing procedures for further discussion.

So far, it has not been necessary to establish an audit committee, but Harboe's Board of Directors will consider the possibility at appropriate intervals should complex auditing and accounting matters arise which may require special preparation.

Shareholder information

Harboes Bryggeri A/S has a share capital of DKK 60,000,000 corresponding to 6,000,000 shares of DKK 10 each. The share capital is divided into 640,000 class A shares with a combined nominal value of DKK 6,400,000 and 5,360,000 class B shares with a combined nominal value of DKK 53,600,000.

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

Only the company's class B shares are listed at the OMX Nordic Exchange in Copenhagen. During the period, the Harboe share has moved from the MidCap segment to the SmallCap segment. Trading for the period amounted to DKK 929 million, corresponding to average trading per day of DKK 3.7 million.

During the year, the Harboe share traded at prices ranging between 227 and 114. This development must be seen in the context of the general development in both the MidCap and the SmallCap indices and among Harboe's Danish peer group which has also seen an increasing pressure on the price of their stock, in line with general market trends.

Ownership

At the end of the financial year, Harboes Bryggeri A/S had 4,555 registered shareholders. This represents an increase of 261 shareholders relative to the same time last year. The registered shareholders represent DKK 53.5 million of the total share capital, corresponding to 89.1 per cent.

As at 30 April 2008, the following shareholders have registered a shareholding exceeding 5 per cent 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
Capital share: 13.1%, votes: 52.1%

Lønmodtagernes Dyrtidsfond
Vendersgade 28, 1363 Copenhagen K., Denmark
Capital share: 20%, votes: 10.2%

Julius Bär Investment Management LLC
NY 10017, USA
Capital share 11.4%, votes 5.9%

As at 30 April 2008, members of the Board of Directors and the Board of Executives held a total of 798,365 shares.

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

Amendments to the company's Articles of Association

Amendments to the company's Articles of Association shall be subject to the general provisions of the Danish Companies Act (Aktieselskabsloven).

Election of members of the Board of Directors

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

Authorisations of the Board of Directors
At the general meeting held on 23 August 2007, the Board of Directors was authorised to acquire treasury shares with a nominal value of up to 10 per cent of the share capital at a price corresponding to the listed price plus/minus 10 per cent. This authorisation is valid until the next general meeting.

Material 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 the takeover of the company. However, Harboe does not view these risks as being critical.

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

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

Harboe's IR activities are being developed all the time, and communication centres on the company's interim reports and the annual report in Danish and English, presentations and meetings with stakeholders as well as the company website at www.harboe.com.
In FY 2007/08, Harboes Bryggeri A/S published two webcasts in connection with the interim report for the first half and the annual report. These can be seen at the company website.

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 how to further develop its investor relations.

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

Danske Equities	Søren Samsøe
Enskilda Securities	Michael K. Rasmussen
Kaupthing Bank	Peter Kondrup
Handelsbanken	Kitty Grøn
Carnegie	Casper Blom
Capinordic Bank	Peter Friis
Gudme Raaschou Bank	Stig Nymann

Dividend
The Board of Directors recommends to the annual general meeting 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 announce financial statements as follows:

Interim report – Q1 2008/09	10 September 2008
Interim report – H1 2008/09	9 December 2008
Interim report – Q3 2008/09	11 March 2009

Company announcements
Company announcements issued in the period 1 May 2007 to 30 April 2008:

Date	Announcement
44 June 2007	Changes in share capital and votes
21 June 2007	Financial calendar
5 July 2007	Annual Report 2006/07
13 August 2007	Notice of annual general meeting
23 August 2007	Interim report, Q1 2007/08
24 August 2007	Minutes of general meeting
30 October 2007	Financial calendar
5 December 2007	Interim report, H1 2007/08
26 March 2008	Interim report, Q3 2007/08
2 May 2008	Financial calendar

Harboe group staff culture

Organisation
Harboe has a very strong corporate culture emphasising accountability, teamwork, quality and results. Our corporate culture reflects the basic values established during almost 125 years of running a family-owned and familyrun company, where the management takes an active interest in the employees, their working conditions and the local environment of which Harboe is an important part. This corporate culture has been retained in step with the company having developed its international activities.

The foundation for realising Harboe's strategy and objectives is a dynamic, professional and efficient organisation. Harboe is therefore investing considerable resources in attracting and retaining the right employees, among other things by offering attractive terms of employment and considerable scope for professional and personal development at all levels within the organisation. Harboe generally attaches great importance to creating good and motivating conditions for its employees. The well-being of the company's employees is an important precondition for its success, for which reason Harboe is constantly focusing on maintaining and strengthening both its social and physical environment.

Training, efficiency and quality
The development of the competencies of its employees is a strategic focus area in Harboe, and the group is working systematically with development programmes and the training of managers and employees to be at the forefront of developments in market conditions, product innovation and production technology at all times.

In 2007/2008, training programmes were implemented as part of this strategy for team leaders in all the group's operating units. The programmes are organised with a view to increasing both the efficiency and the quality of the work routines in production. The trained team leaders are made directly responsible for the performance and quality standards achieved by their respective units, and regular follow-up on targets and results is carried out. This ensures a swift response to and follow-up on irregularities and close action-oriented management of optimisation programmes and any changes implemented. The experience from the programme is extremely positive, and the increased job content and responsibilities at team leader level have also had a positive impact on job satisfaction among employees.

In the group's new production unit at Darguner Brauerei in Germany, all employees have completed technical training programmes and, supplemented with practical experience and troubleshooting in connection with the validation and commissioning of the plant, the production team has now attained a very high level of competencies.

At group level, managerial courses have also been organised, focusing on strategy and values, and the contents of these courses have subsequently been rolled out in all parts of the organisation through monthly information meetings, workshops and active involvement in development and streamlining activities.

As part of this, targeted Lean projects have been implemented within the area of inventory management in preparation of a number of planned Lean projects across the organisation.

In addition to the strategic projects implemented, managers and employees from across the organisation have participated in both internal and external training programmes during the financial year. The general development of competencies is supported by a formalised programme of follow-ups with each employee through annual appraisal interviews and the establishment of development plans.

Environmental information

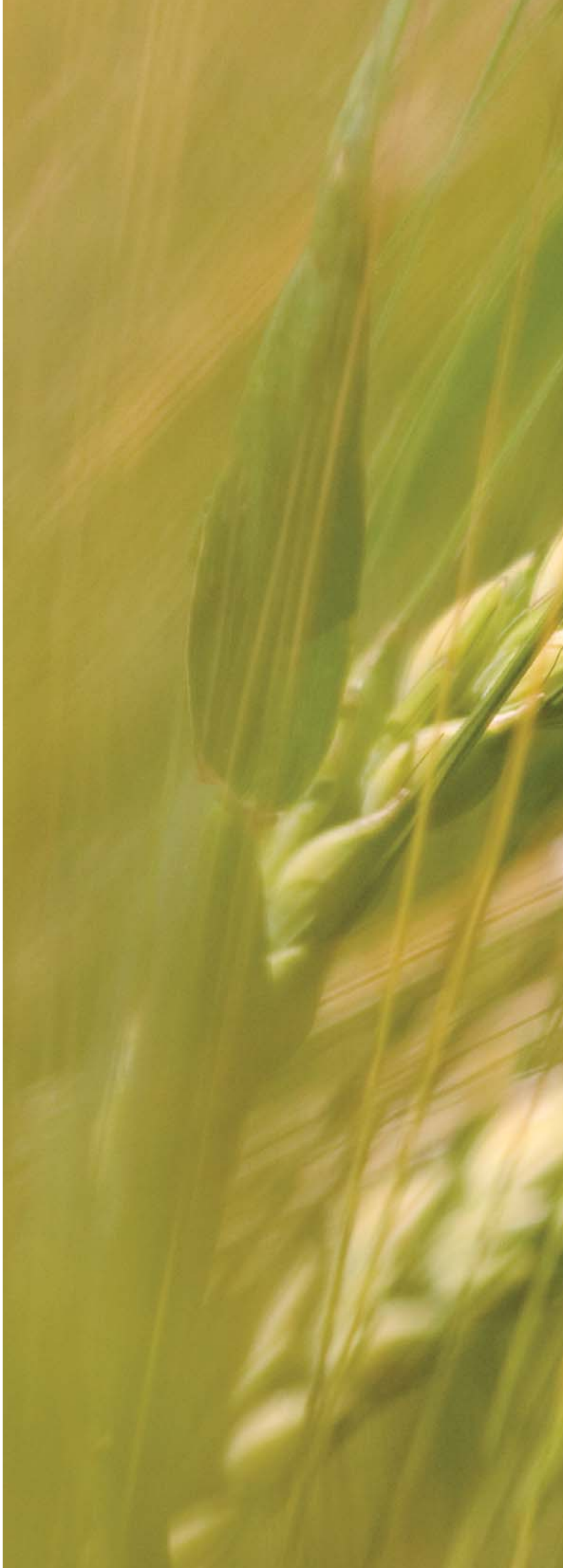
Sustainable development
It is a central element in Harboe's strategy that the group's continued growth and development should be sustainable. The efficient utilisation of resources is of decisive importance to the group's financial results and continued creation of value. At the same time, being conscious of the company's responsibilities as an integrated part of society is a key element in Harboe's values. Sustainable development therefore plays a central role in Harboe's development activities, and all investments in new production technology, optimisations of existing production facilities and all product and packaging development take account of the resources involved and the general impact of activities on the environment. Moreover, Harboe is constantly investing in training and development activities to ensure that the group's employees are optimally geared to carrying out their duties in a safe and efficient manner.

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

Harboe has for a number of years prepared green accounts for the group's factory in Skælskør and has launched a strategic development project aimed at establishing common goals and reporting standards within the area of sustainability for the whole group. As part of this project, preparations are, among other things, under way for all group units to be certified in accordance with international occupational health and safety standards. This is in addition to the existing quality and environmental certifications.

It can generally be observed that continuous investments in increased efficiency and optimisation of the group's production facilities are having a positive effect on both resource consumption and emissions relative to the concurrent development in production volume. At the production unit in Skælskør, Harboe was thus in 2007/08 able to meet the requirements for general reductions in a number of central areas.

In the coming financial year, Harboe will continue its targeted efforts to analyse and map focus areas throughout the company's value chain from the point of view of sustainability, the aim being to strengthen the group's financial results and to achieve further reductions in the environmental impact of its activities. In connection with the annual report for 2008/09, Harboe will thus be reporting according to a common standard within the focus areas identified for all the group units.



Statement of the Board of Directors and Board of Executives on the annual report

Today, we have reviewed and approved the annual report of Harboes Bryggeri A/S for the financial year 1 May 2007 to 30 April 2008.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and additional Danish disclosure requirements for annual reports of listed companies, including those of the OMX Nordic Exchange Copenhagen concerning the presentation of financial statements.

We consider the accounting policies applied to be appropriate. Accordingly, the annual report gives a true and fair view of the group's and the parent's assets, equity and liabilities and financial position as at 30 April 2008 and of the results of their operations and cash flows for the financial year 1 May 2007 to 30 April 2008.

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

Skælskør, 1 July 2008

Board of Executives

Bernhard Griese
CEO

Board of Directors

Anders Nielsen
Chairman

Bernhard Griese
Mads O. Krage
Vibeke Harboe Malling
Kirsten Griese
Karina Harboe Laursen
Jens Bjarne Jensen
Staff representative

Independent auditor's report

To the shareholders of Harboes Bryggeri A/S
We have audited the annual report of Harboes Bryggeri A/S for the financial year 1 May 2007 to 30 April 2008, which comprises the statement of the Board of Directors and Board of Executives on the annual report, management's review, income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies applied, for the group as well as for the parent. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The Board of Directors and Board of Executives' responsibility for the annual report
The Board of Directors and Board of Executives are responsible for the preparation and fair presentation of this annual report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of an annual report that is 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 annual report based on our audit. We conducted our audit in accordance with Danish and International Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual report is free from material misstatement.

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

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

Our audit has not resulted in any qualifications.

Opinion
In our opinion, the annual report gives a true and fair view of the group's and the parent's financial position as at 30 April 2008 and of the results of their operations and cash flows for the financial year 1 May 2007 to 30 April 2008 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Slagelse, 1 July 2008

Deloitte
Statsautoriseret Revisionsaktieselskab

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

Income statement for 2007/2008

Group *DKK '000*	**Note**	**2007/08**	**2006/07**
Gross revenue		1,607,373	1,649,489
Taxes on beer and soft drinks		(236,475)	(266,557)
Revenue		**1,370,898**	**1,382,932**
Production costs	4	(1,159,156)	(1,115,029)
Gross profit		**211,742**	**267,903**
Other operating income	7	14,768	18,120
Distribution costs		(155,389)	(150,902)
Administrative expenses		(38,059)	(35,393)
Other operating expenses		(11,467)	(11,400)
Operating profit (EBIT)		**21,595**	**88,328**
Income from investments in associates	8	1,298	302
Financial income	9	861	865
Financial expenses	10	(7,444)	(3,964)
Profit before tax		**16,310**	**85,531**
Tax on profit for the year	11	(4,637)	(28,809)
Adjustment of tax regarding previous years	11	8,435	(219)
Net profit for the year		**20,108**	**56,503**
Distribution of profit for the year			
Shareholders of parent		20,153	56,511
Minority interests		(45)	(8)
		20,108	**56,503**
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	12	**3.4**	**9.5**

Balance sheet - assets as at 30 April 2008

Group *DKK '000*	**Note**	**2007/08**	**2006/07**
Rights		5,723	0
Software		320	0
Intangible assets under construction		289	0
Intangible assets	14	**6,332**	**0**
Land and buildings		329,773	301,666
Plant and machinery		401,417	360,277
Other fixtures and fittings, tools and equipment		44,096	45,375
Spare parts for own machinery		4,707	5,298
Property, plant and equipment under construction		13,216	122,381
Property, plant and equipment	15	**793,209**	**834,997**
Investments in associates	16	3,490	791
Financial assets available for sale	17	2,461	3,047
Deposits, leases		2,148	2,113
Financial assets		**8,099**	**5,951**
Deferred tax assets	24	**2,093**	**0**
Non-current assets		**809,733**	**840,948**
Inventories	18	**114,645**	**102,023**
Trade receivables	19	237,393	218,858
Receivables from associates		5,053	3,051
Other receivables	20	10,853	19,604
Deferred income		9,274	3,104
Receivables		**262,573**	**244,617**
Cash	21	**12,310**	**27,360**
Current assets		**389,528**	**374,000**
Assets		**1,199,261**	**1,214,948**

Balance sheet - equity and liabilities as at 30 April 2008

Group *DKK '000*	**Note**	**2007/08**	**2006/07**
Share capital	22	60,000	60,000
Share premium		51,000	51,000
Reserves		3,125	1,569
Retained earnings		582,580	572,836
Equity owned by the shareholders of parent		**696,705**	**685,405**
Equity owned by minority interests		**242**	**414**
Equity		**696,947**	**685,819**
Mortgage debt	26	23,112	25,501
Other credit institutions	27	3,439	9,173
Deferred tax liabilities	24	37,776	51,081
Deferred income		44,335	38,275
Non-current liabilities		**108,662**	**124,030**
Mortgage debt	26	5,559	9,061
Other credit institutions	27	60,196	29,722
Trade payables		186,087	213,100
Repurchase obligation, returnable packaging	25	36,298	31,489
Payables to associates		6,473	20,665
Other payables	28	71,913	61,674
Deferred income		10,066	8,972
Income tax		17,060	30,416
Current liabilities		**393,652**	**405,099**
Liabilities		**502,314**	**529,129**
Equity and liabilities		**1,199,261**	**1,214,948**

Cash flow statement for 2007/2008

Group *DKK '000*	**Note**	**2007/08**	**2006/07**
Operating profit (EBIT)		21,595	88,328
Depreciation, amortisation, impairment losses and write-downs		109,102	101,155
Grant recognised as income		(9,271)	(10,854)
Changes in working capital	31	(33,400)	(62,956)
Cash flows from primary operating activities		**88,026**	**115,673**
Financial income received		1,089	865
Financial expenses paid		(7,146)	(3,399)
Income tax paid		(25,025)	(26,546)
Cash flows from operating activities		**56,944**	**86,593**
Purchase of intangible assets		(658)	0
Purchase of property, plant and equipment		(89,536)	(121,640)
Sale of property, plant and equipment		322	10,543
Company acquisitions	33	(6,108)	0
Changes in financial assets		(1,517)	121
Cash flows from investing activities		**(97,497)**	**(110,976)**
Dividend paid to shareholders in the parent		(8,925)	(47,600)
Repayments on mortgage debt		(20,239)	(16,662)
Proceeds from creation of financial liability		3,164	0
Investment grant received		16,360	19,616
Cash flows from financing activities		**(9,640)**	**(44,646)**
Changes in cash and cash equivalents		**(50,193)**	**(69,029)**
Cash and cash equivalents as at 01.05		8,213	77,556
Translation adjustment, beginning of the year		(159)	(314)
Cash and cash equivalents as at 30.04	32	**(42,139)**	**8,213**

Statement of equity for 2006/2007 and 2007/2008

DKK '000	Share capital	Share premium	Reserve for foreign currency translation adjustments	Net revaluation reserve according to the equity method	Reserve for fair value adjustments of financial assets available for sale	Retained earnings	Equity held by shareholders of parent	Equity held by minority interests	Total equity
Equity as at 01.05.2006	**60,000**	**51,000**	**1,138**	**0**	**664**	**564,179**	**676,981**	**422**	**677,403**
Foreign currency translation adjustment in respect of foreign subsidiaries	0	0	(668)	0	0	0	(668)	0	(668)
Adjustment to fair value of financial assets available for sale	0	0	0	0	181	0	181	0	181
Recognised directly in equity	**0**	**0**	**(668)**	**0**	**181**	**0**	**(487)**	**0**	**(487)**
Net profit for the year	0	0	0	254	0	56,257	56,511	(8)	56,503
Total net income	**0**	**0**	**(668)**	**254**	**181**	**56,257**	**56,024**	**(8)**	**56,016**
Distributed dividend, cf. note 13	0	0	0	0	0	(48,000)	(48,000)	0	(48,000)
Dividend from treasury shares	0	0	0	0	0	400	400	0	400
Equity as at 30.04.2007	**60,000**	**51,000**	**470**	**254**	**845**	**572,836**	**685,405**	**414**	**685,819**
Equity as at 01.05.2007	**60,000**	**51,000**	**470**	**254**	**845**	**572,836**	**685,405**	**414**	**685,819**
Foreign currency translation adjustment in respect of foreign subsidiaries	0	0	655	0	0	0	655	0	655
Adjustment to fair value of financial assets available for sale	0	0	0	0	(583)	0	(583)	0	(583)
Recognised directly in equity	**0**	**0**	**655**	**0**	**(583)**	**0**	**72**	**0**	**72**
Net profit/(loss) for the year	0	0	0	1,484	0	18,669	20,153	(45)	20,108
Total net income	**0**	**0**	**655**	**1,484**	**(583)**	**18,669**	**20,153**	**(45)**	**20,108**
Repayment of minority shareholders	0	0	0	0	0	0	0	(127)	(127)
Distributed dividend, cf. note 13	0	0	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	0	0	75	75	0	75
Equity as at 30.04.2008	**60,000**	**51,000**	**1,125**	**1,738**	**262**	**582,580**	**696,705**	**242**	**696,947**

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1. Accounting policies

The 2007/08 annual report of Harboes Bryggeri A/S, which includes both the financial statements of the parent and the consolidated financial statements, is prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies, cf. the disclosure requirements of the OMX Nordic EXchange Copenhagen for annual reports of listed companies and the IFRS Executive Order issued in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Furthermore, the annual report complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The annual report is prepared in Danish kroner (DKK), which is regarded as the main currency of the group's activities and the functional currency of the parent.

The annual report is prepared on the basis of historic cost, except for certain financial assets and liabilities which are measured at fair value. Accounting policies are described in further detail below.

Implementation of new and revised standards and interpretations
The 2007/08 annual report is prepared in accordance with the new and revised standards (IFRS/IAS) and new interpretations (IFRIC) that apply to financial years starting on 1 January 2007 or later. The standards and interpretations that are relevant to Harboe are:

- IFRS 7, Financial instruments: Information
- IAS 1, Presentation of financial statements
- IAS 32, Financial instruments: Presentation

The implementation of the new and revised standards and interpretations in the 2007/08 annual report did not result in any changes in the accounting policies, but have solely affected the scope and nature of the note information in the annual report.

Standards and interpretations which have not yet become effective:
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 annual report for the coming financial years, except for the additional disclosure requirements for business segments resulting from the implementation of IFRS 8.
Furthermore, the implementation of the revised IAS 23, loan costs means that as of the 2008/09 financial year the group must include loan costs in the cost of qualified assets in the form of intangible assets and property, plant and equipment as well as inventories with long manufacturing periods.

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

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

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

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

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

Company mergers
Newly acquired or newly formed enterprises are recognised 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 sold or wound up are recognised in the consolidated income statement up until the date of sale or winding-up, respectively. The date of sale is the date on which control of the enterprise actually passes to a third party.

The acquisition method is used when buying 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 sales costs. The restructuring costs are recognised in the pre-acquisition balance sheet only if they constitute an obligation to the enterprise acquired. The tax effect of the revaluations has been taken into account.

The cost of an enterprise consists of the fair value of the fee paid plus the costs that are directly attributable to the acquisition of such 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, it is written down 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 sale or winding-up of subsidiaries
Profit or loss from the sale 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 sale or winding-up, including goodwill, accumulated translation adjustments recognised directly in equity and estimated costs of sale or winding-up. The selling price is measured at fair value of the fee received.

Translation of foreign currency
On initial recognition, transactions in currencies other than the group's functional currency are translated at the exchange rate of 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

1. Accounting policies, continued

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 at the date of transaction. Non-monetary items which are reassessed at fair value are translated using the exchange rate at the time of reassessment.

When consolidating enterprises that prepare their financial statements in a functional currency other than Danish kroner (DKK), 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 equity. 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 equity.

The 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 equity.

Taxation
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/(loss) for the year, and directly in equity with the portion attributable to amounts recognised directly in equity. Exchange rate 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 computed 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 compute the current tax for the year.

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

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

Deferred tax is calculated on the basis of the planned use of the individual asset and the settlement of the individual liability, respectively.

Deferred tax is measured by using the tax rates and rules applying in the countries concerned which – based on passed or actually passed legislation at the balance sheet date – are expected to be in force when the deferred tax materialises 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 directly in equity. In the latter case, the changes are also recognised directly in equity.

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 assets, either by offsetting against deferred tax liabilities or as net tax assets for offsetting against future positive taxable incomes. At each balance sheet date, it is reassessed whether it is probable that enough taxable income will be generated in future to utilise the deferred tax asset.

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

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. which are 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 and depreciation and impairment of property, plant and equipment used in the production process as well as returnable packaging and adjustments of the obligation to repurchase own packaging.

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

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

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

1. Accounting policies, continued

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

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, they are written down to the lower of the 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.

The cost comprises the acquisition price, costs related directly to the acquisition and costs relating to the preparation of 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.

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 sales 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 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 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 on the balance sheet date to determine whether there are any indications of impairment loss. If this is the case, the recoverable amount of the asset is assessed to determine the need for any impairment and the extent of such impairment.

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

The recoverable amount is calculated as the highest value of the fair value of the asset and the cash flow-generating unit less sales 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 amortised 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 sales costs.

Impairment is recognised in the income statement. Upon any subsequent reversals of impairment losses 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.

1. Accounting policies, continued

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

If the cost exceeds the recoverable amount of the investments, it is impaired to the lower amount. The cost is also impaired if more dividend is distributed than has overall been earned by the enterprise since the acquisition.

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, determined according to the group's accounting policies, deducting and adding proportionate intercompany profits and losses.

The proportionate share of the enterprises' profit/(loss) after tax and elimination of unrealised proportionate intercompany profits and losses are recognised in the income statement. The proportionate share of all transactions and events recognised directly in the associate's equity is recognised in the consolidated 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 overall investment in the associate are impaired by any remaining negative equity value. Trade receivables and other receivables are only impaired if they are deemed to be uncollectible.

Only a provision to cover the remaining negative equity value is recognised, 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 or 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 indirect production costs. 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 indirect production costs include indirect materials and pay and are distributed on the basis of precalculations for the produced goods. Fixed indirect production costs include costs for maintaining and depreciating machinery, factory buildings and equipment used in the production process and general costs for factory administration and management. Fixed production costs are distributed on the basis of the normal capacity of the production facilities.

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

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

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

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

On initial recognition, securities are measured at fair value on the day of trading plus directly attributable costs of the purchase. The securities are subsequently measured at fair value at the balance sheet date, and any changes in the fair value are recognised in equity. 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.

Dividend
Dividend is recognised as a liability 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 commitments 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 commitments, the group has entered into no defined-benefit pension plans.

For defined-contribution pension 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 the 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 non-current liabilities.

Mortgage debt
Mortgage debt is measured at cost at the time of borrowing at cost, 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.

1. Accounting policies, continued

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. Prepayments are 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 the cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are determined as the operating profit/(loss), adjusted for non-cash operating items and changes in working capital less 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 purchase and sale 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 (primary segmentation) and geographical markets (secondary segmentation). The segment information complies with the risks, accounting policies and internal financial management of the group.

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

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

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

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

Financial highlights
The financial highlights have been defined and calculated in accordance with 'Recommendations and Ratios 2005' from 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
Return on net assets:	Operating profit/(loss) (EBIT) in per cent of average operating assets
Operating assets:	Balance sheet total at the end of the year less financial assets and cash
Return on invested capital:	Operating profit/(loss) (EBIT) less tax thereon in per cent of average invested capital (equity + minority interests + net interest-bearing debt + provisions - financial assets)
Interest-bearing debt:	Mortgage debt and other credit institutions
Interest-bearing debt, net:	Mortgage debt and other credit institutions less cash and cash equivalents
Return on equity:	Net profit/(loss) for the year in per cent of average equity
Solvency ratio:	Equity at the end of the year in per cent of the balance sheet total at the end of the year
Gearing:	Interest-bearing debt at the end of the year in per cent of equity at the end of the year
Earnings per share (EPS):	Net profit 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:	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 computed 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 computation of earnings per share and diluted earnings per share is specified in note 12.

2. Significant accounting estimates, assumptions and uncertainties

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

Significant accounting estimates, assumptions and uncertainties
In connection with the application of the accounting policies described in note 1, the management has made a number of accounting estimates on the recognition and measurement of certain assets and liabilities. The recognition and measurement of assets and liabilities often depend on future events involving a certain amount of uncertainty. In this context, a course of events or the like, reflecting the management's assessment of the most probable course of events must be assumed. In the 2007/2008 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 a company acquisition 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 are made in subsequent financial years provided that the anticipated events do not occur as expected.

3. Segment information for the group

Primary segmentation
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:

The brewery sector:	Production and sale of beer, soft drinks, malt beverages and malt wort products
The foodstuff sector:	Processing and sale of foodstuffs

3. Segment information for the group, continued

DKK '000	Brewery sector 2007/08	Foodstuff sector 2007/08	Elimination 2007/08	Group 2007/08	Brewery sector 2006/07	Foodstuff sector 2006/07	Elimination 2006/07	Group 2006/07
Income statement								
Gross revenue	1,373,803		-		1,455,792		-	
Taxes on beer and soft drinks	(236,475)		-		(266,557)		-	
Revenue	**1,137,328**	**233,570**	**-**	**1,370,898**	**1,189,235**	**193,697**	**-**	**1,382,932**
Operating profit/(loss) (EBIT)	20,591	1,004	-	21,595	88,450	(122)	-	88,328
Share of profit in associates	0	1,298	-	1,298	0	302	-	302
Financial income	857	843	(839)	861	837	467	(439)	865
Financial expenses	(5,576)	(2,707)	839	(7,444)	(2,495)	(1,908)	439	(3,964)
Profit/(loss) before tax	**15,872**	**438**	**0**	**16,310**	**86,792**	**(1,261)**	**0**	**85,531**
Tax on profit/(loss) for the year	4,842	(1,044)	-	3,798	(29,490)	462	-	(29,028)
Net profit/(loss) for the year	**20,714**	**(606)**	**-**	**20,108**	**57,302**	**(799)**	**-**	**56,503**
Balance sheet								
Segment assets, non-current	711,335	105,530	(10,622)	806,243	737,703	112,720	(10,266)	840,157
Associates	0	3,490	-	3,490	-	791	-	791
Segment assets, current	351,312	38,394	(178)	389,528	341,495	59,225	(26,720)	374,000
Assets	**1,062,647**	**147,414**	**(10,800)**	**1,199,261**	**1,186,120**	**172,736**	**(36,986)**	**1,214,948**
Segment liabilities, non-current	102,891	16,393	(10,622)	108,662	112,477	21,819	(10,266)	124,030
Segment liabilities, current	375,193	18,637	(178)	393,652	393,892	37,927	(26,720)	405,099
Liabilities	**478,084**	**35,030**	**(10,800)**	**502,314**	**506,369**	**59,746**	**(36,986)**	**529,129**
Investments etc.								
Additions of intangible assets	658	-	-	658	-	-	-	-
Additions of property, plant and equipment	85,566	3,970	-	89,536	177,431	899	-	178,330
Company acquisitions	6,108	-	-	6,108	-	-	-	-
Depreciation and amortisation (incl. profit/(loss)	97,782	11,320	-	109,102	88,860	12,284	-	101,144
Cash flows								
Cash flows from operating activities	65,981	(9,037)	-	56,944	66,498	20,095	-	86,593
Cash flows from investing activities	(92,322)	(5,175)	-	(97,497)	(110,800)	(176)	-	(110,976)
Cash flows from financing activities	(4,003)	(5,637)	-	(9,640)	(39,089)	(5,557)	-	(44,646)
Changes in cash and cash equivalents	(30,344)	(19,849)	-	(50,193)	(83,391)	14,362	-	(69,029)

Reference is made to pages 3 - 24 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.

3. Segment information for the group, continued

Secondary segmentation
The activities of the group are primarily located in Denmark and the rest of Northern Europe.

The table below shows the group's sales of goods etc. distributed on geographical markets. On distribution, account is taken of the market area.

DKK '000	**2007/08**	**2006/07**
Revenue, home market	541,654	489,771
Revenue, exports	829,244	893,161
	1,370,898	**1,382,932**

The table below shows the carrying amounts and additions during the year of intangible assets and property, plant and equipment, distributed on geographical areas based on the physical location of the assets.

	Carrying amounts of assets		**Additions of non-current assets**	
DKK '000	**2007/08**	**2006/07**	**2007/08**	**2006/07**
Home market	587,225	628,166	36,491	45,297
Exports	612,036	586,782	35,592	133,033
	1,199,261	**1,214,948**	**72,083**	**178,330**

4. Production costs

Group *DKK '000*	**2007/08**	**2006/07**
Cost of sales	993,023	953,523
Write-down of inventories	596	793
Depreciation, amortisation, impairment losses and write-downs, cf. note 6	96,359	91,714
Other production costs	69,178	68,999
	1,159,156	**1,115,029**

5. Staff expenses

Group *DKK '000*	2007/08	2006/07
Remuneration of the Board of Directors	220	243
Wages and salaries	123,635	122,991
Defined-contribution plans	7,098	8,246
Other social security costs	15,821	15,205
Other staff costs	7,274	6,233
Refunds from public authorities	(894)	(461)
	153,154	**152,457**
Staff expenses comprise:		
Production costs	104,327	105,027
Distribution costs	26,813	28,834
Administrative expenses	19,539	18,596
Non-current assets	2,475	0
	153,154	**152,457**
Average number of employees	**483**	**486**

	Board of Directors		**Board of Executives**		**Other key staff members**	
Group *DKK '000*	**2007/08**	**2006/07**	**2007/08**	**2006/07**	**2007/08**	**2006/07**
Remuneration of members of the management						
Remuneration of the Board of Directors	220	243	0	0	0	0
Wages and salaries etc.	0	0	3,758	3,755	9,664	9,494
Pension	0	0	246	215	416	400
	220	243	4,004	3,970	9,880	9,894

No employees participate in bonus plans exceeding 20 per cent of their base pay.

Pension plans
The group has entered into defined-contribution plan agreements with a significant part of the employees of the group. Except for one pension plan concerning one employee, the group has not entered into any defined-benefit pension plan agreements. The pension obligation, against which insurance has been taken out, has been recognised at DKK 0.684 million under other receivables and at DKK 1.152 million under liabilities, respectively, in the balance sheet. The figures are gross figures.

6. Depreciation, amortisation, impairment losses and write-downs

Group *DKK '000*	**2007/08**	**2006/07**
Intangible assets	49	0
Buildings	21,541	19,148
Plant and machinery	69,780	67,283
Other fixtures and fittings, tools and equipment	17,596	16,534
Profit/(loss) on the sale of property, plant and equipment	136	(1,821)
	109,102	**101,144**
Depreciation, amortisation, impairment losses and write-downs comprise:		
Production costs	96,360	91,714
Distribution costs	4,479	3,527
Administrative expenses	3,841	1,660
Other operating expenses	4,422	4,243
	109,102	**101,144**

Amortisation and impairment of intangible assets are recognised under administrative expenses

7. Other operating income

Group *DKK '000*	**2007/08**	**2006/07**
Government grants	9,271	10,854
Rental income	5,497	7,266
	14,768	**18,120**

8. Income from investments in associates

Group *DKK '000*	**2007/08**	**2006/07**
Share of profit before tax	1,198	487
Negative goodwill in connection with capital increase	405	0
Tax on profit from associates	(305)	(185)
	1,298	**302**

9. Financial income

Group *DKK '000*	2007/08	2006/07
Interest on bank deposits etc.	766	789
Dividend from financial assets available for sale	95	76
	861	**865**

10. Financial expenses

Group *DKK '000*	2007/08	2006/07
Interest on mortgage debt	1,905	2,103
Interest on other mortgage debt	5,101	1,809
Net foreign exchange gains and losses	438	52
	7,444	**3,964**

11. Tax on profit/(loss) for the year

Group *DKK '000*	2007/08	2006/07
Current tax	9,661	26,578
Changes in deferred tax	(5,024)	2,231
	4,637	28,809
Changes in deferred tax resulting from a reduction in the income tax rate	(9,125)	0
Adjustment of deferred tax, previous years	(15)	0
Adjustment of current tax, previous years	705	219
	(8,435)	219
	(3,798)	**29,028**

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 per cent (2006/07: 28%). For foreign consolidated enterprises, the tax rate applicable to the country in question has been used.

Group *DKK '000*	2007/08	%	2006/07	%
Profit before tax	16,310		85,531	
Calculated tax thereon	4,077	25.0	23,948	28.0
Non-tax-deductible income and expenses	328	2.0	142	0.2
Effect of differences in the tax rates of foreign subsidiaries	328	2.0	4,803	5.6
Share of loss in associates	(96)	(0.6)	(84)	(0.1)
	4,637	**28.4**	**28,809**	**33.7**

12. Earnings per share and diluted earnings per share

Group *DKK '000*	**2007/08**	**2006/07**
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	3.4	9.5
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	**20,153**	**56,511**

Group	**2007/08 No. of 10 shares**	**2006/07 No. of 10 shares**
Average number of shares	6,000,000	6,000,000
Average number of treasury shares	(50,000)	(50,000)
Number of shares used to calculate earnings per share (no.)	**5,950,000**	**5,950,000**
Outstanding average dilution effect of pre-emption rights etc. (no.)	0	0
Number of shares used to calculate earnings per share, diluted (no.)	**5,950,000**	**5,950,000**

13. Dividend

On 29 August 2007, the company distributed ordinary dividend of DKK 9.0 million to its shareholders, corresponding to DKK 1.50 per DKK 10 share (2006/07: DKK 48.0 million, corresponding to DKK 8 per DKK 10 share).

14. Intangible assets

Group *DKK '000*	**Rights**	**Software**	**Intangible assets under construction**
Cost as at 01.05.2007	0	0	0
Translation adjustment	0	0	0
Additions in connection with company acquisition	5,723	0	0
Additions	0	369	289
Disposals	0	0	0
Cost as at 30.04.2008	**5,723**	**369**	**289**

14. Intangible assets, continued

Group *DKK '000*	Rights	Software	Intangible assets under construction
Amortisation and impairment as at 01.05.2007	0	0	0
Translation adjustment	0	0	0
Amortisation for the year	0	49	0
Reversal in connection with disposals	0	0	0
Amortisation and impairment as at 30.04.2008	**0**	**49**	**0**
Carrying amount as at 30.04.2008	**5,723**	**320**	**289**

Rights which have an indefinable useful life and therefore cannot be amortised are recognised as at 30 April 2008 by 5.723 million (2007: DKK 0). The item concerns the Estonian Puls brand. The management believes that the value of the brand can be maintained indefinitely as the brand is well established on the Estonian market, and because it is believed to be profitable over a longer period of time. The currently planned marketing efforts will contribute to maintaining and enhancing the value of the brand.

15. Property, plant and equipment

Group *DKK '000*	Land and buildings	Plant and machinery	Other plant etc.	Spare parts for own machinery	Plant under construction
Cost as at 01.05.2007	515,699	1,004,371	156,841	5,298	122,381
Reclassification, beginning of year	0	0	(4,812)	0	0
Translation adjustment	209	610	61	0	(228)
Additions in connection with company acquisition	0	50	335	0	0
Additions	49,488	110,865	19,565	717	13,662
Disposals	0	(16,049)	(4,713)	(1,308)	(122,599)
Cost as at 30.04.2008	**565,396**	**1,099,847**	**167,277**	**4,707**	**13,216**

15. Property, plant and equipment, continued

Group *DKK '000*	Land and buildings	Plant and machinery	Other plant etc.	Spare parts for own machinery	Plant under construction
Depreciation and impairment losses as at 01.05.2007	214,033	644,094	111,466	0	0
Reclassification, beginning of year	0	0	(1,701)	0	0
Translation adjustment	52	355	48	0	0
Depreciation for the year	21,538	69,803	17,596	0	0
Reversal in connection with disposals	0	(15,822)	(4,228)	0	0
Depreciation and impairment losses as at 30.04.2008	**235,623**	**698,430**	**123,181**	**0**	**0**
Carrying amount as at 30.04.2008	**329,773**	**401,417**	**44,096**	**4,707**	**13,216**

The carrying amount of mortgaged land and buildings totals DKK 212.503 million.

Land and buildings include the carrying amount of buildings on leased land amounting to DKK 37.944 million.

Cost as at 01.05.2006	497,178	987,721	139,141	6,511	18,486
Translation adjustment	(175)	(516)	(57)	0	(4)
Additions	27,919	20,448	25,111	953	121,416
Disposals	(9,223)	(3,282)	(7,354)	(2,166)	(17,517)
Cost as at 30.04.2007	**515,699**	**1,004,371**	**156,841**	**5,298**	**122,381**
Depreciation and impairment losses as at 01.05.2006	196,183	579,581	101,612	0	0
Translation adjustment	(39)	(268)	(38)	0	0
Depreciation for the year	19,148	67,283	16,534	0	0
Reversal in connection with disposals	(1,259)	(2,502)	(6,642)	0	0
Depreciation and impairment losses as at 30.04.2007	**214,033**	**644,094**	**111,466**	**0**	**0**
Carrying amount as at 30.04.2007	**301,666**	**360,277**	**45,375**	**5,298**	**122,381**

The carrying amount of mortgaged land and buildings totals DKK 180.999 million.

Land and buildings include the carrying amount of buildings on leased land amounting to DKK 40.557 million.

16. Investments in associates

Group *DKK '000*	**2008**	**2007**
Cost as at 01.05	537	537
Additions	1,400	0
Reclassification to financial assets available for sale	(186)	0
Cost as at 30.04	**1,751**	**537**
Revaluation and impairment losses as at 01.05	254	(49)
Share of net profit/(loss) for the year, cf. note 8	1,298	303
Reclassification to financial assets available for sale etc.	187	0
Revaluation and impairment losses as at 30.04	**1,739**	**254**
Carrying amount as at 30.04	**3,490**	**791**

Investments in associates are measured in the consolidated financial statements according to the equity method less any impairment losses.

Investments in associates comprise:

- Best Poultry International A/S, Copenhagen, Denmark, share capital of DKK 4.5 million, ownership interest of 33.9 per cent.
- APM Danmark A/S, Slagelse, share capital of DKK 1.115 million, ownership interest of 20.3 per cent. The group's share of the loss for the year totals DKK 0.515 million. Of this amount, DKK 0.515 million is not included. The group's share of the accumulated loss carried forward as at 30 April 2008 totals DKK 1.606 million. Of this amount, DKK 1.490 million is not included.

Bartels Farm A/S is no longer an associate as the group no longer exercises a considerable influence in the company as a result of a change in the management structure.

The ownership interest in Best Poultry International A/S has increased during the period from 25.0 per cent to 33.9 per cent.

Ownership interests etc. in other associates are consistent with those of last year.

Group *DKK '000*	**2008**	**2007**
Key figures for associates:		
Assets	84,371	48,480
Liabilities	(81,415)	(53,175)
Net assets as at 30.04	**2,956**	**(4,695)**
Share of net assets as at 30.04	**3,490**	**791**
Net profit for the year	**595**	**1,696**
Share of net profit/(loss) for the year	**783**	**303**

17. Financial assets available for sale

Group *DKK '000*	**2008**	**2007**
Listed shares	954	1,556
Unlisted shares	1,507	1,489
Mortgage deeds	0	2
	2,461	**3,047**

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

18. Inventories

KONCERN *DKK '000*	**2008**	**2007**
Raw materials, intermediates and non-returnable packaging	64,359	56,689
Finished goods and goods for resale	50,286	45,334
	114,645	**102,023**

19. Trade receivables

Group *DKK '000*	**2008**	**2007**
Trade receivables	**237,393**	**218,858**
Write-downs made for bad and doubtful debts	**565**	**1,462**

Direct impairment of receivables is 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. Impairment is made at the calculated net realisable value. All major overdue receivables have been written off as at the balance sheet date.

20. Other receivables

Group *DKK '000*	**2008**	**2007**
Receivable from the sale of non-current assets	0	9,289
Other receivables	10,853	10,315
	10,853	**19,604**

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

21. Cash

Group *DKK '000*	**2008**	**2007**
Cash and bank deposits	**12,310**	**27,360**

Cash comprises deposits in esteemed banks in the form of variable-interest demand deposits.

22. Share capital

The share capital amounts to DKK 60.0 million, distributed on DKK 6.400 million of class A shares and 53.600 million 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 the OMX Nordic Exchange Copenhagen.

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

23. Treasury shares

Group	2008 no. of 10 shares	2007 no. of 10 shares	Nominal value 2008 DKK '000	Nominal value 2007 DKK '000	Share of share capital 2008 %	Share of share capital 2007 %
Treasury shares as at 01.05	50,000	50,000	500	500	0.8	0.8
Purchase of treasury shares	0	0	0	0	0.0	0.0
Sale of treasury shares	0	0	0	0	0.0	0.0
Treasury shares as at 30.04	**50,000**	**50,000**	**500**	**500**	**0.8**	**0.8**

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

According to a decision made at the general meeting held on 23 August 2007, the company can acquire treasury shares for up to a maximum nominal value of DKK 6.0 million, corresponding to 10 per cent of the share capital, in the period until the next annual general meeting.

24. Deferred tax assets and tax liabilities

Group *DKK '000*	**Deferred tax assets**	**Deferred tax liabilities**
Deferred tax as at 01.05.2006	0	48,881
Translation adjustment	0	(31)
Changes in deferred tax recognised in the income statement	0	2,231
Deferred tax as at 30.04.2007	**0**	**51,081**
Translation adjustment	20	29
Changes in deferred tax recognised in the income statement	2,073	(12,091)
Changes in deferred tax offset against tax receivable	0	(1,243)
Deferred tax as at 30.04.2008	**2,093**	**37,776**

Group *DKK '000*	**2008**	**2007**
Deferred tax has been recognised in the balance sheet as follows:		
Deferred tax assets	(2,093)	0
Deferred tax liabilities	37,776	51,081
Deferred tax as at 30.04.2008	**35,683**	**51,081**
Distribution of the distributable reserves of AS Viru Õlu, Haljala, Estonia will trigger a tax not provided for of	**1,344**	**2,081**

24. Deferred tax assets and tax liabilities, continued

Group *DKK '000*	01.05.	Recognised in income statement	Reclas-sifica-tion	Recognised in equity	30.04.
Non-current assets	51,191	(12,380)	0	29	38,840
Current assets	1,201	1,087	0	0	2,288
Current liabilities	(1,311)	258	0	0	(1,053)
Tax losses carried forward	0	(1,056)	(1,243)	0	(2,299)
Temporary differences	**51,081**	**(12,091)**	**(1,243)**	**29**	**37,776**
Tax losses carried forward	0	(2,073)	0	(20)	(2,093)
Unutilised tax losses	**0**	**(2,073)**	**0**	**(20)**	**(2,093)**
Deferred tax 2008	**51,081**	**(14,164)**	**(1,243)**	**9**	**35,683**
Non-current assets	48,829	2,393	0	(31)	51,191
Current assets	1,087	(390)	0	0	1,201
Current liabilities	(1,035)	(514)	0	0	(1,311)
Deferred tax 2007	**48,881**	**2,231**	**0**	**(31)**	**51,081**

25. Repurchase obligation, returnable packaging

Group *DKK '000*	2008	2007
Repurchase obligations as at 01.05	31,489	42,933
Applied and reversed during the financial year, net	4,809	(11,444)
Repurchase obligations as at 30.04	**36,298**	**31,489**
Provisions have been recognised in the balance sheet as follows:		
Current liabilities	36,298	31,489
Non-current liabilities	0	0
	36,298	**31,489**

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.

26. Mortgage debt

Group *DKK '000*	**2008**	**2007**
Mortgage debt secured on real property	**28,671**	**34,562**
Mortgage debt falls due for payment as follows:		
On demand within one year of the balance sheet date	5,559	9,061
Between one and two years from the balance sheet date	5,798	5,589
Between two and three years from the balance sheet date	6,086	5,845
Between three and four years from the balance sheet date	4,828	6,112
Between four and five years from the balance sheet date	115	4,806
After five years from the balance sheet date	6,285	3,149
	28,671	**34,562**
Mortgage debt has been recognised in the balance sheet as follows:		
Current liabilities	5,559	9,061
Non-current liabilities	23,112	25,501
	28,671	**34,562**

Group	**Currency**	**Expiry**	**Fixed/ floating rate**	**Effective interest rate %**	**Amort--ised cost DKK '000**	**Nominal amount DKK '000**	**Fair value DKK '000**
Mortgage debt	DKK	2012	Floating rate	4.5	21,819	24,898	24,540
Mortgage debt	DKK	2028	Floating rate	4.5-5.0	6,852	6,950	6,602
30.04.2008					**28,671**	**31,848**	**31,142**
Mortgage debt	DKK	2012	Floating rate	4.1	26,986	29,179	30,232
Mortgage debt	DKK	2028	Floating rate	3.8-4.7	7,576	7,808	7,401
30.04.2007					**34,562**	**36,987**	**37,633**

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

27. Other credit institutions

Group *DKK '000*	2008	2007
Loans	**63,635**	**38,895**
Other credit institutions fall due for payment as follows:		
On demand within one year of the balance sheet date	60,196	29,722
Between one and two years from the balance sheet date	2,253	5,738
Between two and three years from the balance sheet date	1,186	2,250
Between three and four years from the balance sheet date	0	1,185
Between four and five years from the balance sheet date	0	0
After five years from the balance sheet date	0	0
	63,635	**38,895**
Other credit institutions have been recognised in the balance sheet as follows:		
Current liabilities	60,196	29,722
Non-current liabilities	3,439	9,173
	63,635	**38,895**

Group	Currency	Expiry	Fixed/ floating rate	Effective interest rate %	Amort-ised cost DKK '000	Nominal amount DKK '000	Fair value DKK '000
Loans	EUR	2011	Floating rate	5.3-6.9	9,186	9,426	8,631
Overdraft facility	EUR	2009	Floating rate	5.0-5.5	12,347	12,347	12,347
Overdraft facility	DKK	2009	Floating rate	5.0-5.5	42,102	42,102	42,102
30.04.2008					**63,635**	**63,875**	**63,080**
Loans	EUR	2011	Floating rate	5.3-6.9	19,749	20,108	20,571
Overdraft facility	EUR	2008	Floating rate	4.5-5.0	11,472	11,472	11,472
Overdraft facility	DKK	2008	Floating rate	4.5-5.0	7,674	7,674	7,674
30.04.2007					**38,895**	**39,254**	**39,717**

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

28. Other payables

Group *DKK '000*	2008	2007
Wages and salaries, holiday pay, income tax deducted at source, social contributions etc. payable	6,517	5,572
Holiday pay commitments etc.	5,473	5,279
VAT and taxes payable	24,194	17,646
Other costs payable	35,729	33,177
	71,913	**61,674**

Holiday pay commitments 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.

29. Operating lease commitments

Group *DKK '000*	**2008**	**2007**
For the years 2007-2015, operating leases concerning the lease of properties, machinery and other plant have been made. The leases have been made for a minimum of 3-20 years with fixed lease payments to be indexed annually. The leases are interminable within the period stated, after which they may be renewed for periods of 1 year.		
Minimum lease payments recognised in the income statement	9,043	8,224
The minimum lease payments comprise:		
Production costs	2,024	1,642
Distribution costs	460	435
Administrative expenses	709	360
Other operating expenses	5,850	5,787
	9,043	**8,224**
The total future minimum lease payments for interminable leases fall due for payment as follows:		
Within one year of the balance sheet date	9,479	7,724
Between two and five years from the balance sheet date	24,922	22,575
After five years from the balance sheet date	8,146	12,137
	42,547	**42,436**

The group has entered into leases in respect of land and buildings. The leases have been made with enterprises having Bernhard Griese, CEO, and his close relatives as main shareholders.
The leases, registered on the individual properties, are interminable until the year 2020 on the part of the lessor and until 2010-2014 on the part of the lessee. The annual rent amounts to DKK 6.103 million (2006/07: DKK 5.907 million). The total future minimum lease payments in the period of interminability amount to DKK 33.804 million. This amount is contained in the figures above.

GROUP *DKK '000*	**2008**	**2007**
Sublease		
Effective from 1 May 2007, the group has concluded an agreement on the sublease of buildings for a period of five years. The lease is interminable by either party during the lease period. The amount is included in the figures above.		
The total future minimum lease payments for interminable leases fall due as follows:		
Within one year of the balance sheet date	5,272	6,878
Between two and five years from the balance sheet date	15,816	21,061
After five years from the balance sheet date	0	0
	21,088	**27,939**

30. Contingent liabilities, security and contractual obligations

Group *DKK '000*	**2008**	**2007**
Security		
Mortgage debt has been secured by way of a mortgage on properties with associated plant and machinery (mortgaged fixtures and fittings).		
Carrying amount of mortgaged properties	**87,920**	**90,147**
Mortgage deed registered to the owner with a nominal value of DKK 0.750 million on Danish properties is kept in own depository.		
As security for bank debts, a mortgage deed with a nominal value of EUR 16.362 million or DKK 122.090 million on foreign properties and production facilities has been deposited.		
Carrying amount of mortgaged properties	**124,583**	**90,852**
The parent has provided a guarantee for the mortgage debt of the group's associates.		
The guarantee is for a maximum amount of DKK 2.0 million.		
Debt of associates	**3,476**	**0**

30. Contingent liabilities, security and contractual obligations, continued

Contingent liabilities

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

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

The parent has concluded agreements on the purchase of plant and machinery as per 30 April 2008, primarily for the production of malt extract. The contractual obligation totals DKK 11.2 million as at the balance sheet date.

31. Changes in working capital

Group *DKK '000*	**2008**	**2007**
Changes in inventories	(12,500)	(14,568)
Changes in trade receivables	(18,535)	(28,250)
Changes in other receivables	3,786	(15,298)
Changes in trade payables etc.	(3,819)	5,176
Changes in other debt	(2,332)	(10,016)
	(33,400)	**(62,956)**

32. Cash and cash equivalents

Group *DKK '000*	**2008**	**2007**
Cash and bank deposits	12,310	27,360
Overdraft facilities	(54,449)	(19,147)
	(42,139)	**8,213**

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 95.6 million as at 30 April 2008 (2006/07: DKK 45.5 million).

33. Company acquisitions

The group has acquired the following enterprises during the financial year:

Name	Primary activity	Date of acquisition	Ownership interest acquired	Voting rights acquired	DKK '000
AS Puls Brewery	Brewery activities	10 January 2008	100 %	100 %	6,108
					6,108

No enterprises were acquired in 2006/07.

33. Company acquisitions, continued

Group *DKK '000*	**Carrying amount**	**Fair value adjustment**	**Fair value**
Brand	5,723	-	5,723
Plant and machinery	50	-	50
Other operating equipment	335	-	335
	6,108	**-**	**6,108**
Cash taken over	-	-	0
Cash flow effect, net	**6,108**	**-**	**6,108**

The cost of the enterprise has been paid in cash. There have been no significant acquisition costs in connection with the above acquisition.

Of the group's net loss for 2007/08, DKK -1.0 million can be attributed to losses generated by AS Puls Brewery since the acquisition. The results are negatively affected by costs relating to contract packaging of Puls products in the period following the acquisition

34. Fee to the auditors of the parent appointed by the general meeting

Group *DKK '000*	**2008**	**2007**
Fee to the auditors for the financial year comprises:		
Audit services		
Deloitte	1,394	1,545
Others	227	246
	1,621	**1,791**
Non-audit services		
Deloitte	271	523
Others	22	104
	293	**627**

35. Financial risks and financial instruments

Group *DKK '000*	2008	2007
Categories of financial instruments		
Trade receivables	237,393	218,858
Receivables from associates	5,053	3,051
Other receivables	10,853	19,604
Cash	12,310	27,360
Receivables	**265,609**	**268,873**
Financial assets available for sale	**2,461**	**3,047**
Mortgage debt	28,671	34,562
Other credit institutions	63,635	38,895
Trade payables	186,087	213,100
Repurchase obligation, returnable packaging	36,298	31,489
Payables to associates	6,473	20,665
Other payables	71,913	61,674
Financial obligations measured at amortised cost	**393,077**	**400,385**

Financial risk management policy
Please refer to the section on risk in the management's review on page 24.

Currency risks concerning recognised assets and liabilities
The group's sale and purchase of goods in foreign currencies primarily takes place in EUR and, to a lesser extent, EEK, SEK and PLZ. No forward exchange contracts or similar arrangements were 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*	Cash and cash equivalents	Receiv-ables	Liabilities	Net position
EUR	7,639	143,335	(163,764)	(12,790)
SEK	532	5,828	(2,155)	4,205
EEK	1,613	11,294	(10,356)	2,551
PLZ	310	2,557	(354)	2,513
30.04.2008	**10,094**	**163,014**	**(176,629)**	**(3,521)**

Group *DKK '000*	Cash and cash equivalents	Receiv-ables	Liabilities	Net position
EUR	18,845	134,762	(197,539)	(43,932)
SEK	1,742	5,032	(2,308)	4,466
EEK	2,256	9,861	(8,492)	3,625
PLZ	17	288	1	306
30.04.2007	**22,860**	**149,943**	**(208,338)**	**(35,535)**

35. Financial risks and financial instruments, continued

Group *DKK '000*	**2007/08**	**2006/07**
Sensitivity of equity to exchange rate fluctuations		
Effect if the EUR exchange rate was 1 per cent lower than the actual exchange rate	(267)	(188)
Effect if the SEK exchange rate was 5 per cent lower than the actual exchange rate	(297)	(311)
Effect if the EEK exchange rate was 5 per cent lower than the actual exchange rate	79	(114)
Effect if the PLZ exchange rate was 5 per cent lower than the actual exchange rate	(87)	(4)
	(575)	**(651)**
Sensitivity of profit/(loss) to exchange rate fluctuations		
Effect if the EUR exchange rate was 1 per cent lower than the actual exchange rate	(363)	(517)
Effect if the SEK exchange rate was 5 per cent lower than the actual exchange rate	(140)	(143)
Effect if the EEK exchange rate was 5 per cent lower than the actual exchange rate	172	22
Effect if the PLZ exchange rate was 5 per cent lower than the actual exchange rate	8	8
	(323)	**(630)**

The group's most significant exchange rate exposure concerns EUR, SEK, EEK and PLZ. The above shows the effect it would have had on equity and the net profit/(loss) for the year, respectively, if the exchange rate had been 1 per cent and 5 per cent lower than the actual exchange rate applied. If the exchange rate had been higher, it would have had a similarly positive effect on equity and the net profit/(loss) for the year, respectively.

Currency risks concerning future cash flows
In future, the group's most significant currency exposure is also expected to concern transactions in the above-mentioned currencies. Transactions are expected to be at the level realised in 2007/08.
No financial contracts in the form of forward exchange contracts or similar arrangements had been concluded as at the balance sheet date as the management estimates that there are no significant risks associated with future cash flows in foreign currencies.

Interest rate risks
Due to the Harboe group's capital structure, the risk relating to fluctuations in market interest rates is limited. The group's net interest-bearing debt as at 30 April 2008 totals DKK 80.0 million (2007: DKK 46.1 million). The debt is raised with a floating interest rate.
An increase in the market interest rate of 1 per cent would affect the profit/(loss) for the year before tax negatively by approx. DKK 0.8 million (2006/2007 approx. DKK 0.5 million).

No financial contracts for hedging the limited interest rate risk have been concluded.

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.

Group *DKK '000*	**2007/08**	**2006/07**
The liquidity reserve is composed as follows:		
Cash	12,310	27,360
Unutilised credit facilities	95,551	45,500
	107,861	**72,860**

The group's primary credit risk concerns 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.

Capital structure
The company's management estimates, at appropriate intervals, 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 larger partnerships. The group's general strategy is unchanged compared with previous years.

See also the section on financial objectives in the management's review, page 14.

The group's financial gearing appears from the financial highlights on page 6.

36. Related parties

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

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

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

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

Group *DKK '000*	**Owners with a controlling interest in Harboes Bryggeri A/S *)**	**Asso-ciates**	**Members of the Board of Directors, the Board of Executives and other key staff members**	**Other related parties**	**Total**
2007/08					
Purchase of goods	6,110	181,611	0	6	187,727
Purchase of non-current assets	0	0	4,000	0	4,000
Sale of services	183	0	0	0	183
Purchase of services	2,977	0	0	378	3,355
Sale of lease	193	5,676	0	0	5,869
Purchase of lease	6,103	0	0	0	6,103
Fees etc.	4,328	0	10,100	167	14,595
Deposits, leases	2,148	0	0	0	2,148
Trade receivables etc.	0	5,053	0	0	5,053
Trade payables etc.	537	6,473	0	94	7,104
2006/07					
Purchase of goods	8,065	154,783	0	12	162,860
Sale of non-current assets	0	0	5,550	0	5,550
Sale of services	120	0	0	0	120
Purchase of services	333	0	0	351	684
Sale of lease	83	7,376	0	0	7,459
Purchase of lease	5,907	0	0	0	5,907
Fees etc.	4,294	0	10,137	529	14,960
Deposits, leases	2,113	0	0	0	2,113
Trade receivables etc.	0	3,051	5,550	0	8,601
Trade payables etc.	0	20,665	0	0	20,665

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

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

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

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

The leases, registered on the individual properties, are interminable until the year 2020 on the part of the lessor and until 2010-2014 on the part of the lessee. The annual rent amounts to DKK 6.103 million (2006/07: DKK 5.907 million). The total future minimum lease payments in the period of interminability amount to DKK 33.804 million, cf. note 29.

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

Income statement for 2007/2008

PARENT *DKK '000*	**Note**	**2007/08**	**2006/07**
Gross revenue		646,993	685,753
Taxes on beer and soft drinks		(144,506)	(166,777)
Revenue		**502,487**	**518,976**
Production costs	1	(414,819)	(410,544)
Gross profit		**87,668**	**108,432**
Distribution costs		(82,960)	(83,385)
Administrative expenses		(21,682)	(18,730)
Operating profit/(loss) (EBIT)		**(16,974)**	**6,317**
Income from investments in subsidiaries	4	-	-
Financial income	5	1,570	1,387
Financial expenses	6	(4,824)	(3,355)
Profit/(loss) before tax		**(20,228)**	**4,349**
Tax on profit/(loss) for the year	7	4,740	(1,384)
Adjustment of tax regarding previous years	7	1,572	(219)
Net profit/(loss) for the year		**(13,916)**	**2,746**
Proposal for the distribution of net profit			
Dividend for the financial year		9,000	9,000
Retained earnings		(22,916)	(6,254)
		(13,916)	**2,746**

Balance sheet - assets as at 30 April 2008

PARENT *DKK '000*	**Note**	**2007/08**	**2006/07**
Software		255	-
Intangible assets under construction		289	-
Intangible assets	8	**544**	**-**
Land and buildings		117,787	118,499
Plant and machinery		148,254	176,249
Other fixtures and fittings, tools and equipment		36,563	33,546
Spare parts for own machinery		4,707	5,298
Property, plant and equipment under construction		6,254	3,380
Property, plant and equipment	**9**	**313,565**	**336,972**
Investments in subsidiaries	10	143,781	143,699
Financial assets available for sale	11	2,461	3,047
Receivables from subsidiaries	11	27,660	-
Financial assets		**173,902**	**146,746**
Non-current assets		**488,011**	**483,718**
Inventories	12	**39,113**	**41,533**
Trade receivables	13	84,785	85,541
Receivables from subsidiaries		3,635	21,545
Other receivables	14	1,062	12,594
Income tax receivable		1,327	2,273
Deferred income		2,573	1,846
Receivables		**93,382**	**123,799**
Cash	15	**6,392**	**12,894**
Current assets		**138,887**	**178,226**
Assets		**626,898**	**661,944**

Balance sheet - equity and liabilities as at 30 April 2008

PARENT *DKK '000*	**Note**	**2007/08**	**2006/07**
Share capital	16	60,000	60,000
Share premium		51,000	51,000
Reserves		262	845
Retained earnings		256,389	279,230
Equity		**367,651**	**391,075**
Mortgage debt	20	6,719	3,682
Deferred tax liabilities	18	32,113	38,703
Non-current liabilities		**38,832**	**42,385**
Mortgage debt	20	133	3,894
Bank debt	21	42,102	1,436
Trade payables		79,161	82,955
Repurchase obligation, returnable packaging	19	30,444	25,800
Payables to subsidiaries		21,780	70,019
Other payables	22	46,795	44,380
Current liabilities		**220,415**	**228,484**
Liabilities		**259,247**	**270,869**
Equity and liabilities		**626,898**	**661,944**

Cash flow statement for 2007/2008

PARENT *DKK '000*	**Note**	**2007/08**	**2006/07**
Operating profit/(loss) (EBIT)		(16,974)	6,317
Depreciation, amortisation, impairment losses and write-downs		53,419	48,121
Changes in working capital	25	17,250	(32,009)
Cash flows from operating activities		**53,695**	**22,429**
Financial income received		1,570	1,387
Financial expenses paid		(4,824)	(3,350)
Income tax paid		667	(2,702)
Cash flows from operating activities		**51,108**	**17,764**
Purchase of intangible assets		(583)	0
Purchase of property, plant and equipment		(30,013)	(42,232)
Sale of property, plant and equipment		41	10,504
Changes in financial assets		(82)	57
Cash flows from investing activities		**(30,637)**	**(31,671)**
Dividend paid to shareholders in the parent		(8,925)	(47,600)
Repayments on mortgage debt		(3,889)	(289)
Proceeds from the raising of financial liabilities		3,164	0
Reclassification and additional loans to subsidiaries		(27,660)	0
Cash flows from financing activities		**(37,310)**	**(47,889)**
Changes in cash and cash equivalents		**(16,839)**	**(61,796)**
Cash and cash equivalents as at 01.05		(37,016)	24,780
Cash and cash equivalents as at 30.04	26	**(53,855)**	**(37,016)**

Statement of equity for 2006/2007 og 2007/2008

PARENT *DKK '000*	**Share capital**	**Share premium**	**Reserve for fair value adjustment of financial assets available for sale**	**Retained earnings**	**Equity**
Equity as at 01.05.2006	**60,000**	**51,000**	**664**	**324,084**	**435,748**
Adjustment to fair value of financial assets available for sale	0	0	181	0	181
Recognised directly in equity	**0**	**0**	**181**	**0**	**181**
Net profit for the year	0	0	0	2,746	2,746
Total net income	**0**	**0**	**181**	**2,746**	**2,927**
Distributed dividend	0	0	0	(48,000)	(48,000)
Dividend from treasury shares	0	0	0	400	400
	0	0	0	(47,600)	(47,600)
Equity as at 30.04.2007	**60,000**	**51,000**	**845**	**279,230**	**391,075**
Adjustment to fair value of financial assets available for sale	0	0	(583)	0	(583)
Recognised directly in equity	**0**	**0**	**(583)**	**0**	**(583)**
Net loss for the year	0	0	0	(13,916)	(13,916)
Total net income	**0**	**0**	**(583)**	**(13,916)**	**(14,499)**
Distributed dividend	0	0	0	(9,000)	(9,000)
Dividend from treasury shares	0	0	0	75	75
	0	0	0	(8,925)	(8,925)
Equity as at 30.04.2008	**60,000**	**51,000**	**262**	**256,389**	**367,651**

Notes overview

1. Production costs

PARENT *DKK '000*	**2007/08**	**2006/07**
Cost of sales	328,674	325,659
Write-down of inventories	493	668
Depreciation, amortisation, impairment losses and write-downs, cf. note 3	48,001	45,339
Other production costs	37,651	38,968
	414,819	**410,544**

2. Staff expenses

PARENT *DKK '000*	**2007/08**	**2006/07**
Remuneration of the Board of Directors	220	243
Wages and salaries	61,107	69,105
Defined-contribution plans	6,286	7,619
Other social security costs	3,706	4,531
Other staff costs	7,274	5,581
Refunds from public authorities	(680)	(431)
	77,913	**86,648**
Staff expenses comprise:		
Production costs	47,465	53,343
Distribution costs	18,886	22,444
Administrative expenses	11,562	10,861
	77,913	**86,648**
Average number of employees	**158**	**185**

	Board of Directors		**Board of Executives**		**Other key staff members**	
PARENT *DKK '000*	**2007/08**	**2006/07**	**2007/08**	**2006/07**	**2007/08**	**2006/07**
Remuneration of members of the management						
Remuneration of the Board of Directors	220	243	0	0	0	0
Wages and salaries etc.	0	0	2,987	2,983	6,330	6,447
Pension	0	0	246	215	416	400
	220	**243**	**3,233**	**3,198**	**6,746**	**6,847**

No employees participate in bonus plans exceeding 20 per cent of their base pay.

3. Depreciation, amortisation, impairment losses and write-downs

PARENT *DKK '000*	**2007/08**	**2006/07**
Intangible assets	39	0
Buildings	10,291	8,738
Plant and machinery	29,444	30,248
Other fixtures and fittings, tools and equipment	13,688	11,025
Loss on the sale of property, plant and equipment	(43)	(1,890)
	53,419	**48,121**
Depreciation, amortisation, impairment losses and write-downs comprise:		
Production costs	48,001	45,339
Distribution costs	2,088	1,582
Administrative expenses	3,330	1,200
	53,419	**48,121**

4. Income from investments in subsidiaries

PARENT *DKK '000*	**2007/08**	**2006/07**
Dividend	**0**	**0**

5. Financial income

PARENT *DKK '000*	**2007/08**	**2006/07**
Interest on bank deposits etc.	218	335
Interest on receivables from group enterprises	1,257	976
Dividend from financial assets available for sale	95	76
	1,570	**1,387**

6. Financial expenses

PARENT *DKK '000*	**2007/08**	**2006/07**
Interest on mortgage debt	107	334
Interest on bank debt etc.	2,772	179
Interest on payables to group enterprises	1,514	2,784
Net foreign exchange gains and losses	431	58
	4,824	**3,355**

7. Tax on profit/(loss) for the year

PARENT *DKK '000*	**2007/08**	**2006/07**
Current tax	(3)	56
Changes in deferred tax	(4,737)	1,328
	(4,740)	**1,384**
Changes in deferred tax resulting from a reduction in the income tax rate from 28 per cent to 25 per cent	(4,147)	0
Adjustment of deferred tax regarding previous financial years	2,294	0
Adjustment of current tax regarding previous financial years	281	219
	(1,572)	**219**
	(6,312)	**1,603**

The current income tax for the financial year has been calculated on the basis of a tax rate of 25 per cent (2006/07: 28%).

PARENT	**2007/08** **DKK '000**	**%**	**2006/07** **DKK '000**	**%**
Profit/(loss) before tax	(20,228)		4,349	
Calculated tax thereon	(5,057)	25.0	1,218	28.0
Non-tax-deductible income and expenses as well as depreciation, amortisation, impairment losses and write-downs	317	(1.7)	166	3.8
	(4,740)	**23.3**	**1,384**	**31.8**

8. Intangible assets

PARENT *DKK '000*	**Software**	**Plant under construction**
Cost as at 01.05.2007	0	0
Additions	294	289
Cost as at 30.04.2008	**294**	**289**
Amortisation and impairment as at 01.05.2007	0	0
Amortisation for the year	39	0
Amortisation and impairment as at 30.04.2008	**39**	**0**
Carrying amount as at 30.04.2008	**255**	**289**

9. Property, plant and equipment

PARENT DKK '000	Land and buildings	Plant and machinery	Other plant etc.	Spare parts for own machinery	Plant under construction
Cost as at 01.05.2007	214,722	513,185	105,427	5,298	3,380
Additions	9,573	1,448	16,708	717	6,104
Disposals	0	(2,237)	(3,963)	(1,308)	(3,230)
Cost as at 30.04.2008	**224,295**	**512,396**	**118,172**	**4,707**	**6,254**
Depreciation and impairment as at 01.05.2007	96,223	336,936	71,881	0	0
Depreciation for the year	10,291	29,444	13,688	0	0
Reversal in connection with disposals	(6)	(2,238)	(3,960)	0	0
Depreciation and impairment as at 30.04.2008	**106,508**	**364,142**	**81,609**	**0**	**0**
Carrying amount as at 30.04.2008	**117,787**	**148,254**	**36,563**	**4,707**	**6,254**

The carrying amount of mortgaged land and buildings totals DKK 11.667 million.

PARENT DKK '000	Land and buildings	Plant and machinery	Other plant etc.	Spare parts for own machinery	Plant under construction
Cost as at 01.05.2006	199,334	505,861	90,861	6,511	13,05
Additions	24,611	7,522	21,738	953	2,936
Disposals	(9,223)	(198)	(7,172)	(2,166)	(13,361)
Cost as at 30.04.2007	**214,722**	**513,185**	**105,427**	**5,298**	**3,380**
Depreciation and impairment as at 01.05.2006	88,745	306,886	67,377	0	0
Depreciation for the year	8,738	30,248	11,025	0	0
Reversal in connection with disposals	(1,260)	(198)	(6,521)	0	0
Depreciation and impairment as at 30.04.2007	**96,223**	**336,936**	**71,881**	**0**	**0**
Carrying amount as at 30.04.2007	**118,499**	**176,249**	**33,546**	**5,298**	**3,380**

The carrying amount of mortgaged land and buildings totals DKK 9.209 million.

10. Investments in subsidiaries

PARENT *DKK '000*	2008	2007
Cost as at 01.05.2007	348,075	348,075
Additions in connection with the purchase of investments	82	0
Cost as at 30.04.2008	**348,157**	**348,075**
Write-downs as at 01.05.2007	(204,376)	(204,376)
Write-downs as at 30.04.2008	**(204,376)**	**(204,376)**
Carrying amount as at 30.04.2008	**143,781**	**143,699**

Investments in subsidiaries comprise:
Darguner Brauerei GmbH, Dargun, Germany, ownership interest of 100.00 per cent, voting share of 100.00 per cent
AS Viru Õlu, Haljala, Estonia, ownership interest of 98.69 per cent, voting share of 98.69 per cent
Harboe Norge AS, Moss, Norway, ownership interest of 100.00 per cent, voting share of 100.00 per cent
Harboefarm A/S, Skælskør, Denmark, ownership interest of 100.00 per cent, voting share of 100.00 per cent
Skælskør Bryghus, Skælskør, Denmark, ownership interest of 100.00 per cent, voting share 100.00 per cent
Harboe Sverige AB, Mölnlycke, Sweden, ownership interest of 100.00 per cent, voting share of 100.00 per cent
Harboe Poland sp. Z.O.O., Warzaw, Poland, ownership interest of 100.00 per cent, voting share of 100.00 per cent

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

The ownership interest in AS Viru Õlu has changed from 98.11 per cent. The composition of ownership interests etc. in the group enterprises is consistent with that of last year.

11. Financial assets available for sale

PARENT *DKK '000*	Assets available for sale	Receivable from subsidiaries
Cost as at 01.05.2007	2,202	0
Reclassification of balance, beginning of year	0	21,306
Additions	0	6,354
Disposals	(3)	0
Cost as at 30.04.2008	**2,199**	**27,660**
Revaluation and impairment losses as at 01.05.2007	845	0
Adjustments for the year	(583)	0
Revaluation and impairment losses as at 30.04.2008	**262**	**0**
Carrying amount as at 30.04.2008	**2,461**	**27,660**

11. Financial assets available for sale, continued

PARENT *DKK '000*	**Assets available for sale**	**Receiv-able from subsid-iaries**
Cost as at 01.05.2006	2,259	0
Additions	0	0
Disposals	(57)	0
Cost as at 30.04.2007	**2,202**	**0**
Revaluation and impairment losses as at 01.05.2006	664	0
Adjustments for the year	181	0
Revaluation and impairment losses as at 30.04.2007	**845**	**0**
Carrying amount as at 30.04.2007	**3,047**	**0**

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

12. Inventories

PARENT *DKK '000*	**2008**	**2007**
Raw materials, intermediates and non-returnable packaging	19,338	22,895
Finished goods and goods for resale	19,775	18,638
	39,113	**41,533**

13. Trade receivables

PARENT *DKK '000*	**2008**	**2007**
Trade receivables	**84,785**	**85,541**
Write-downs as at 01.05	600	100
Ascertained losses and payments received concerning prev. written-off claims for the year	3	(74)
Reversed write-downs	(200)	0
Write-downs made for bad and doubtful debts for the year	(3)	574
	400	**600**
Write-downs for the year are recognised in the income statement	(203)	574

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

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

14. Other receivables

PARENT *DKK '000*	2008	2007
Trade receivables, non-current assets	0	9,289
Other receivables	1,062	3,305
	1,062	**12,594**

No special credit risks in respect of receivables exist.

15. Cash

PARENT *DKK '000*	2008	2007
Cash and bank deposits	6,392	12,894

Cash mainly comprises deposits in esteemed banks in the form of variable-interest demand deposits. Cash is not estimated to be subject to any special credit risks.

16. Share capital

The share capital amounts to DKK 60.0 million, distributed on DKK 6.400 million of class A shares and 53.600 million 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 the OMX Nordic Exchange Copenhagen.

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

17. Treasury shares

	2008	**2007**	**Nominal value**		**Share of share capital**	
PARENT	**no. of DKK 10 shares**	**no. of DKK 10 shares**	**2008 DKK '000**	**2007 DKK '000**	**2008 %**	**2007 %**
Treasury shares as at 01.05.2007	50,000	50,000	500	500	0.8	0.8
Purchase of treasury shares	0	0	0	0	0.0	0.0
Sale of treasury shares	0	0	0	0	0.0	0.0
Treasury shares as at 30.04.2008	**50,000**	**50,000**	**500**	**500**	**0.8**	**0.8**

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

According to a decision made at the general meeting held on 23 August 2007, the company can acquire treasury shares for up to a maximum nominal value of DKK 6.0 million, corresponding to 10 per cent of the share capital, in the period until the next annual general meeting.

18. Deferred tax liabilities

PARENT *DKK '000*	Deferred tax assets	Deferred tax liabilities
Deferred tax as at 01.05.2006	0	37,375
Changes in deferred tax recognised in the income statement	0	1,328
Deferred tax as at 30.04.2007	0	38,703
Changes in deferred tax recognised in the income statement	0	(6,590)
Deferred tax as at 30.04.2008	**0**	**32,113**
	2008	**2007**
Deferred tax has been recognised in the balance sheet as follows:		
Deferred tax liabilities	**32,113**	**38,703**

PARENT	01.05. DKK '000	Recognised in income statement %	Recognised in equity DKK '000	30.04. DKK '000
Non-current assets	36,632	(6,216)	0	30,416
Current assets	2,071	(238)	0	1,833
Tax losses	0	(136)	0	(136)
Deferred tax 2008	**38,703**	**(6,590)**	**0**	**32,113**
Non-current assets	35,242	1,390	0	36,632
Current assets	2,413	(342)	0	2,071
Current liabilities	(280)	280	0	0
Deferred tax 2007	**35,375**	**1,328**	**0**	**38,703**

Deferred tax is provided for at a Danish tax rate of 25 per cent as at 30 April 2008 and a Danish tax rate of 28 per cent as at 30 April 2007.

19. Repurchase obligation, returnable packaging

PARENT *DKK '000*	**2008**	**2007**
Repurchase obligations as at 01.05.2007	25,800	38,307
Changes during the financial year, net	4,644	(12,507)
Repurchase obligations as at 30.04.2008	**30,444**	**25,800**
Provisions have been recognised in the balance sheet as follows:		
Current liabilities	30,444	25,800
Non-current liabilities	0	0
	30,444	**25,800**

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

20. Mortgage debt

PARENT *DKK '000*	**2008**	**2007**
Mortgage debt secured on real property	6,852	7,576
On demand within one year of the balance sheet date	133	3,894
Between one and two years from the balance sheet date	102	136
Between two and three years from the balance sheet date	106	142
Between three and four years from the balance sheet date	111	147
Between four and five years from the balance sheet date	115	154
After five years from the balance sheet date	6,285	3,103
	6,852	**7,576**
Mortgage debt has been recognised in the balance sheet as follows:		
Current liabilities	133	3,894
Non-current liabilities	6,719	3,682
	6,852	**7,576**

PARENT	**Currency**	**Expiry**	**Fixed/ floating rate**	**Effective interest rate %**	**Amortised cost DKK '000**	**Nominal amount DKK '000**	**Fair value DKK '000**
30.04.2008							
Mortgage debt	DKK	2028	Floating rate	4.5-5.0	**6,852**	**6,950**	**6,602**
30.04.2007							
Mortgage debt	DKK	2028	Floating rate	4.0-5.0	**7,576**	**7,808**	**7,604**

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

21. Bank debt

PARENT *DKK '000*	2008	2007
Overdraft facility	**42,102**	**1,436**
Bank debt recognised in the balance sheet as follows: Current liability	**42,102**	**1,436**
The bank debt falls due for payment as follows: On demand within one year of the balance sheet date	**42,102**	**1,436**

PARENT	Currency	Expiry	Fixed/ VFloating rate	Effective interest rate %	Amort-ised cost DKK '000	Nominal amount DKK '000	Fair value DKK '000
30.04.2008							
Overdraft facility	DKK	2009	Floating rate	5.0-5.5	**42,102**	**42,102**	**42,102**
30.04.2007							
Overdraft facility	DKK	2008	Floating rate	4.5-5.0	**1,436**	**1,436**	**1,436**

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

22. Other payables

PARENT *DKK '000*	2008	2007
Wages and salaries, holiday pay, income tax deducted at source, social contributions etc. payable	4,258	3,008
Holiday pay commitments etc.	3,478	3,194
VAT and taxes payable	16,225	16,992
Other costs payable	22,834	21,186
	46,795	**44,380**

Holiday pay commitments 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.

23. Operating lease commitments

For the years 2008-2011, operating leases concerning the lease of properties, machinery and other plant have been concluded. These leases have been concluded for a minimum of 3-5 years with fixed lease payments to be indexed annually. The leases are interminable within the period stated, after which they may be renewed for periods of one year at a time.

PARENT *DKK '000*	**2008**	**2007**
Minimum lease payments recognised in the income statement	3,791	1,732
The minimum lease payments comprise:		
Production costs	1,122	564
Distribution costs	2,056	808
Administrative expenses	613	360
	3,791	**1,732**
The total future minimum lease payments for interminable leases fall due as follows:		
Within one year of the balance sheet date	4,094	3,115
Between two and five years from the balance sheet date	6,875	8,297
After five years from the balance sheet date	0	0
	10,969	**11,412**

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 0.254 million (2006/2007: DKK 0.252 million). The total future minimum lease payments in the period of interminability amount to DKK 0.254 million.

24. Contingent liabilities, security and contractual obligations

PARENT *DKK '000*	**2008**	**2007**
Security Mortgage debt has been secured by way of a mortgage on properties with associated plant and machinery (mortgaged fixtures and fittings).		
Carrying amount of mortgaged properties	**11,667**	**9,209**
Mortgage deed registered to the owner with a nominal value of DKK 0.750 million on Danish properties is kept in own depository.		
The parent has provided a guarantee for the mortgage debt of its subsidiaries. The guarantee has been increased to DKK 31.383 million.		
Debt of subsidiaries	**9,555**	**31,580**
The company has provided a guarantee for the mortgage debt of the group's associates. The guarantee is for a maximum amount of DKK 2.0 million.		
Debt of the group's associates	**3,476**	**0**

The parent has concluded agreements on the purchase of plant and machinery as per 30 April 2008, primarily for the production of malt extract. The contractual obligation totals DKK 11.2 million as at the balance sheet date.

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

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

25. Changes in working capital

PARENT *DKK '000*	**2008**	**2007**
Changes in inventories	2,420	(7,678)
Changes in trade receivables	756	5,836
Changes in other receivables	10,805	(11,784)
Changes in trade payables etc.	(3,794)	(2,846)
Changes in other debt	7,063	(15,537)
	17,250	**(32,009)**

26. Cash and cash equivalents

PARENT *DKK '000*	**2008**	**2007**
Cash and bank deposits	6,392	12,894
Overdraft facilities	(42,102)	(1,436)
Intercompany balance, net	(18,145)	(48,474)
	(53,855)	**(37,016)**

The group has undrawn credit facilities totalling DKK 95.551 million.

27. Fee to the auditors appointed by the general meeting

PARENT *DKK '000*	**2008**	**2007**
Fee to the auditors of the parent appointed by the general meeting for the financial year comprises:		
Audit services		
Deloitte	1,025	1,177
Non-audit services		
Deloitte	**244**	**514**

28. Financial risks and financial instruments

PARENT *DKK '000*	2008	2007
Categories of financial instruments		
Trade receivables	84,785	85,541
Receivables from subsidiaries (long-term)	27,660	0
Receivables from subsidiaries (short-term)	3,635	21,545
Other receivables	1,062	12,594
Cash	6,392	12,894
Receivables	**123,534**	**132,574**
Financial assets available for sale	**2,461**	**3,047**
Mortgage debt	6,852	7,576
Bank debt	42,102	1,436
Trade payables	79,161	82,955
Repurchase obligation, returnable packaging	30,444	25,800
Payables to subsidiaries	21,780	70,017
Other payables	46,795	44,380
Financial obligations measured at amortised costs	**227,134**	**232,166**

Financial risk management policy
Please refer to the section on risk in the management's review on page 24.

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, in SEK. No forward exchange contracts or similar arrangements 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:

PARENT	Cash and cash equivalents DKK '000	Receivables DKK '000	Liabilities DKK '000	Net position DKK '000
EUR	5,339	21,011	(35,868)	(9,518)
SEK	532	5,843	(2,155)	4,220
NOK	-	-	(6,967)	(6,967)
EEK	65	30,922	-	30,987
30.04.2008	**5,936**	**57,776**	**(44,990)**	**18,722**
EUR	7,568	26,247	(64,448)	(30,633)
SEK	1,742	5,039	(2,308)	4,473
NOK	5	870	(5,920)	(5,045)
EEK	-	21,306	-	21,306
30.04.2007	**9,315**	**53,462**	**(72,676)**	**(9,899)**

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

28. Financial risks and financial instruments, continued

PARENT *DKK '000*	**2007/08**	**2006/07**
Sensitivity of equity to exchange rate fluctuations		
Effect if the EUR exchange rate was 1 per cent lower than the actual exchange rate	63	359
Effect if the SEK exchange rate was 5 per cent lower than the actual exchange rate	(298)	(414)
Effect if the NOK exchange rate was 5 per cent lower than the actual exchange rate	275	293
Effect if the EEK exchange rate was 5 per cent lower than the actual exchange rate	(1,204)	(1,112)
	(1,164)	**(874)**
Sensitivity of profit/(loss) to exchange rate fluctuations		
Effect if the EUR exchange rate was 1 per cent lower than the actual exchange rate	(10)	40
Effect if the SEK exchange rate was 5 per cent lower than the actual exchange rate	(140)	(143)
Effect if the NOK exchange rate was 5 per cent lower than the actual exchange rate	14	30
Effect if the EEK exchange rate was 5 per cent lower than the actual exchange rate	(42)	(35)
	(176)	**(108)**

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/(loss) for the year, respectively, if the exchange rate had been 1 per cent and 5 per cent lower than the actual exchange rate applied. If the exchange rate had been higher, it would have had a similarly positive effect on equity and the net profit/(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 2007/08.

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

Interest rate risks

Due to the Harboe group's capital structure, the risk relating to fluctuations in market interest rates is limited. The parent's net interest-bearing debt as at 30 April 2008 totals DKK 33.0 million (2007: DKK 57.5 million). The debt is raised with a floating interest rate.

An increase in the market interest rate of 1 per cent would affect the profit/(loss) for the year before tax negatively by approx. DKK 3 million (2006/07: approx. DKK 0.6 million).

No financial contracts for hedging the limited interest rate risk have been concluded.

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.

PARENT *DKK '000*	**2007/08**	**2006/07**
The liquidity reserve is comprised as follows:		
Cash	6,392	12,894
Unutilised credit facilities	95,551	45,500
	101,943	**58,394**

Credit risks

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

Capital structure

See also the section on financial objectives in the management's review, page 14, and note 35 to the consolidated financial statements.

29. Related parties

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

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

For an overview of subsidiaries, please refer to note 10.

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

PARENT *DKK '000*	**Sub-sidiaries**	**Owners with a controlling interest in Harboes Bryggeri A/S***	**Members of the Board of Directors, the Board of Executives and other key staff members**	**Other related parties**	**Total**
2007/08					
Sale of goods	23,984	0	0	0	23,984
Purchase of goods	23,192	968	0	6	24,166
Purchase of non-current assets	160	0	4,000	0	4,160
Sale of services	4,101	183	0	0	4,284
Purchase of services	2,087	2,977	0	355	5,419
Sale of lease	0	152	0	0	152
Purchase of lease	2,200	254	0	0	2,454
Fees etc.	0	3,557	6,966	167	10,690
Trade receivables etc.	31,295	0	0	0	31,295
Trade payables etc.	21,780	0	0	94	21,874
2006/07					
Sale of goods	24,138	0	0	0	24,138
Purchase of goods	22,803	1,102	0	12	23,917
Sale of non-current assets	0	0	5,550	0	5,550
Sale of services	3,054	120	0	0	3,174
Purchase of services	3,626	333	0	287	4,246
Sale of lease	0	56	0	0	56
Purchase of lease	858	252	0	0	1,110
Fees etc.	0	3,522	7,090	529	11,141
Trade receivables etc.	21,545	0	5,550	0	27,095
Trade payables etc.	70,019	0	0	0	70,019

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

The company leases land and buildings from companies having Bernhard Griese, CEO, and his close relatives as main shareholders. The annual rent amounts to DKK 0.254 million (2006/07: DKK 0.252 million). The total future minimum lease payments in the period of interminability amount to DKK 0.254 million, cf. note 23. The amount is contained in the figures above.

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

H.F. Puls
SIIDER
Puls
TUME LAGER
Puls
EXTRA LAGER
HELE ÕLU
HELLES BIER · СВЕТЛОЕ ПИВО
MÄRZEN
0,5 L
Puls
MÄRZEN
Tume märtsiõlu
ANNO 1846
Puls
PILSNER
HELE ÕLU
HELLES BIER · СВЕТЛОЕ ПИВО
Alc. 4,6% vol.
KIRSIÕLU
0,5 L
alc. 0% vol.
Puls
ALKOHOLIVABA

Company information

Company
Harboes Bryggeri A/S
Spegerborgvej 34, 4230 Skælskør, Denmark
CVR no.: 43 91 05 15
Registered in: Slagelse
Financial year: 01.05 – 30.04
Internet: www.harboe.com

Board of Directors
Anders Nielsen, Chairman, Lawyer
Bernhard Griese, CEO
Mads O. Krage, Executive Officer
Kirsten Griese, Nurse
Vibeke Harboe Malling, Nurse
Karina Harboe Laursen, Business Manager
Jens Bjarne Jensen, Brewery Worker *
*) Staff representative

Board of Executives
Bernhard Griese

Auditors
Deloitte Statsautoriseret Revisionsaktieselskab

Annual general meeting
Annual general meeting to be held on 21 August 2008 at 5 pm in Skælskør Hallen, Skælskør.

Members of the Board of Directors, other managerial posts

Name	Membership of Board of Directors	Membership of Board of Executives
Anders Nielsen, *Lawyer, Chairman*	Budde, Schou Int. A/S, (Chairman) Danfrugt Invest A/S, (Chairman) Klinik Sorana A/S, (Chairman) Budde Schou A/S, (Chairman)	
Mads O. Krage, *Executive Officer*	Løgismose NIMB A/S, (Chairman) Femilet A/S (Chairman) Thiele Partner A/S F.A. Thiele A/S Hans Just A/S Løgimose Vin A/S Toms Gruppen A/S Danish Crown Incorporated A/S OBH Nordica Denmark A/S	
Bernhard Griese, *CEO*	Best Poultry International A/S (Chairman) APM Danmark A/S Keldernæs A/S, (Chairman) Visbjerggården A/S (Chairman) Lundegård A/S, (Chairman) Buskysminde A/S, (Chairman) Rugbjerggård A/S, (Chairman) Danfrugt Skælskør A/S, (Chairman) Danfrugt Invest A/S FCS 2008 A/S	Harboes Bryggeri A/S
Karina Harboe Larsen, *Business Manager*	Danfrugt Invest A/S	

Proposed candidates for the Board of Directors

Mette Kirstine Agger (44)
CEO of 7TN Pharma

Education:
Biologist from the University of Copenhagen
MBA

Professional experience:
Mette Kirstine Agger worked for a number of years first as a patent agent and subsequently as a licence consultant with Plougmann, Vingtoft & Partners. In 1996-2002, she became a member of the management group of NeuroSearch and also Head of Function responsible for licence and collaboration agreements and patents. In this capacity, Mette Kirstine Agger was responsible for concluding a number of contracts with international pharmaceutical companies, participating also in the establishment of a number of new enterprises based on research projects at NeuroSearch. In 2000, Mette Kirstine Agger co-founded 7TM Pharma. Concurrently with these activities, she has completed an MBA and also held various board memberships. Mette Kirstine Agger's considerable and combined technical and business experience is expected to inject a dose of strategic vitamins into the continued development of Harboe's products and production technology.

Other managerial posts:
Chairman of the Board of Directors of Klifo A/S
Member of the Board of Directors of Symbion Forskerpark

Thøger Thøgersen (54)
CEO of Bruuns Bazaar A/S

Education:
MSc in Business Administration
(marketing/finance)

Professional experience:
Thøger Thøgersen started his professional career in Magasin Du Nord/Illum where he held the position as Head of Purchasing for seven years. In 1997, he became CEO of Buksesnedkeren ApS, before taking over as CEO of Bruuns Bazaar A/S in 2006. Given Thøger Thøgersen's extensive knowledge and experience within sales, Harboe's Board of Directors expects him to make a competent contribution to the company's continued strategic development.

Other managerial posts:
Chairman of the Board of Directors of Active Sportswear
Member of the Board of Directors of Femilet A/S

Carl Erik Kjærsgaard (50)
CEO of Grey Global Group Nordic

Education:
BSc in Business Administration,
Copenhagen Business School

Professional experience:
Carl Erik Kjærsgaard started out in 1982 as Head of Administration with Lasse Hjortnæs A/S, in 1985 moving to the advertising industry where he became Account Manager at Dot Zero Advertising Agency A/S. In 1987, he moved to Scan Vegra ApS as Product Manager, but one year later he found his way back as Account Director of FCB Advertising A/S. In 1989, he was appointed Account Director & Client Service Director at DDB NEEDHAM WORLDWIDE A/S, taking over as CEO of Grey Worldwide in Copenhagen in 1996. In 2000, he took over as CEO of Grey Global Group's Danish activities, and in 2004 he was made responsible for Grey Nordic and also became a member of Grey Global Group's Executive Committee. Carl Erik Kjærsgaard's extensive experience and talent within marketing will provide a valuable contribution to the implementation of Harboe's new marketing strategy and continued strategic growth.

Other managerial posts:
Chairman of the Board of Directors of Trunk Images A/S
Member of the Board of Directors of Computer Camp A/S
Member of the Board of Directors of Møller og Rothe A/S
Member of the Board of Directors of Zoomie A/S

Harboes Bryggeri A/S
Spegerborgvej 34
DK-4230 Skælskør