



# COMPANY ANNOUNCEMENT **HARBOE**

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Contacts:  
Bernhard Griese, CEO  
Ruth Schade, CFO

## **INTERIM REPORT OF HARBOES BRYGGERI A/S** for the period 1 May - 31 July 2014

To

NASDAQ OMX Copenhagen

The Board of Directors of Harboes Bryggeri A/S has today considered and adopted the interim report for the period 1 May - 31 July 2014

The report is described on the following pages.

Skælskør, 25 September 2014

Anders Nielsen  
Chairman of the Board

Bernhard Griese  
CEO



# COMPANY ANNOUNCEMENT

# HARBOE

## INTERIM REPORT OF HARBOES BRYGGERI A/S FOR THE PERIOD 1 MAY - 31 JULY 2014

### CEO Bernhard Griese on the interim report:

"In Q1, we benefited from the hot summer which positively affected demand in the Northern European markets, and our other activities continued to develop as planned. At the same time, we are pleased that the efficiency improvements implemented in recent years are now really kicking in on the bottom line and are contributing to significantly improved earnings.

However, for the rest of the year we expect continued fierce competition and price pressure which will continue to put our margins under pressure. We will continue to invest in the strategic focus areas which are to pave the way for a new momentum in our activities and contribute to permanently increased value creation in the coming years. We therefore maintain our outlook for the year as a whole."

Bernhard Griese  
CEO



# COMPANY ANNOUNCEMENT

# HARBOE

## INTERIM REPORT OF HARBOES BRYGGERI A/S FOR THE PERIOD 1 MAY - 31 JULY 2014

### The period in outline

#### Positive effect of high season and increased earnings.

- Revenue amounted to DKK 392.1 million, which is on a par with the prior-year period.
- Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 1.60 million hectolitres compared with 1.57 million hectolitres last year, up 1.8%.
- The increase in sales was driven by positive developments in all the group's business areas as well as an excellent summer which supported sales in the Northern European markets.
- A profit before depreciation, amortisation, net financials and tax (EBITDA) of DKK 39.6 million was returned against DKK 32.9 million in the prior-year period. This corresponds to an increase of 20.3% and an EBITDA margin of 10.1%.
- Operating profit (EBIT) rose by 59.6 % to DKK 17.1 million compared with last year's DKK 10.7 million.
- The improvement is, among other things, driven by the recent years' investments in increased efficiency in the entire value chain and energy optimisations which are now beginning to manifest themselves.
- Consolidated profit before tax was DKK 15.9 million against DKK 9.5 million last year.
- The group's investments during the period totalled DKK 15.5 million.
- Cash flow from operating activities and free cash flow (changes in cash and cash equivalents) amounted to DKK -14.5 million and DKK -29.0 million, respectively.
- After the end of the period, Harboe has paid dividend of DKK 2.00 per share, corresponding to DKK 9.4 million.
- Harboe maintains its outlook for the year as a whole, with EBITDA in the region of DKK 100-110 million and a profit before tax of approx. DKK 15-25 million as announced in the company's annual report 2013/14.

#### Further information

Bernhard Griese, CEO

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# FINANCIAL HIGHLIGHTS

GROUP (DKK '000)	Q1 2014/15	Q1 2013/14	FY 2013/14
<b>Sales (million hectolitres)</b>			
Beer, soft drinks and malt wort products	1.60	1.57	5.93
<b>Earnings</b>			
Gross revenue	441,847	467,136	1,626,919
Taxes on beer and soft drinks	(49,788)	(74,119)	(206,807)
Revenue	392,059	393,017	1,420,112
EBITDA	39,565	32,882	106,617
Operating profit/(loss)	17,075	10,698	16,695
Profit/(loss) before tax	15,884	9,453	10,403
Net profit/(loss) for the period	11,865	7,529	10,591
<b>Balance sheet</b>			
Non-current assets	818,823	1,028,723	830,524
Current assets	581,500	482,301	553,192
Equity	717,925	788,027	706,558
Non-current liabilities	304,606	328,603	310,886
Current liabilities	377,792	394,394	366,272
Balance sheet total	1,400,323	1,511,024	1,383,716
Net interest-bearing debt	222,147	94,656	196,786
<b>Investments etc.</b>			
Investments in intangible assets	295	1,117	2,394
Investments in property, plant and equipment	15,206	4,596	34,116
Depreciation, amortisation, impairment losses and write-downs	22,290	22,184	89,922
<b>Cash flows</b>			
Cash flows from operating activities	(14,491)	25,366	46,598
Cash flows from investing activities	(10,988)	(5,982)	125,447
Cash flows from financing activities	(3,535)	(3,570)	(98,891)
Change in cash and cash equivalents (free cash flow)	(29,014)	15,814	73,154
<b>Ratios (in %)</b>			
Profit margin	4.4%	2.7%	1.2%
Solvency ratio	51.3%	52.2%	51.1%
EBITDA margin	10.1%	8.4%	7.5%
Gearing	30.9%	12.0%	27.9%

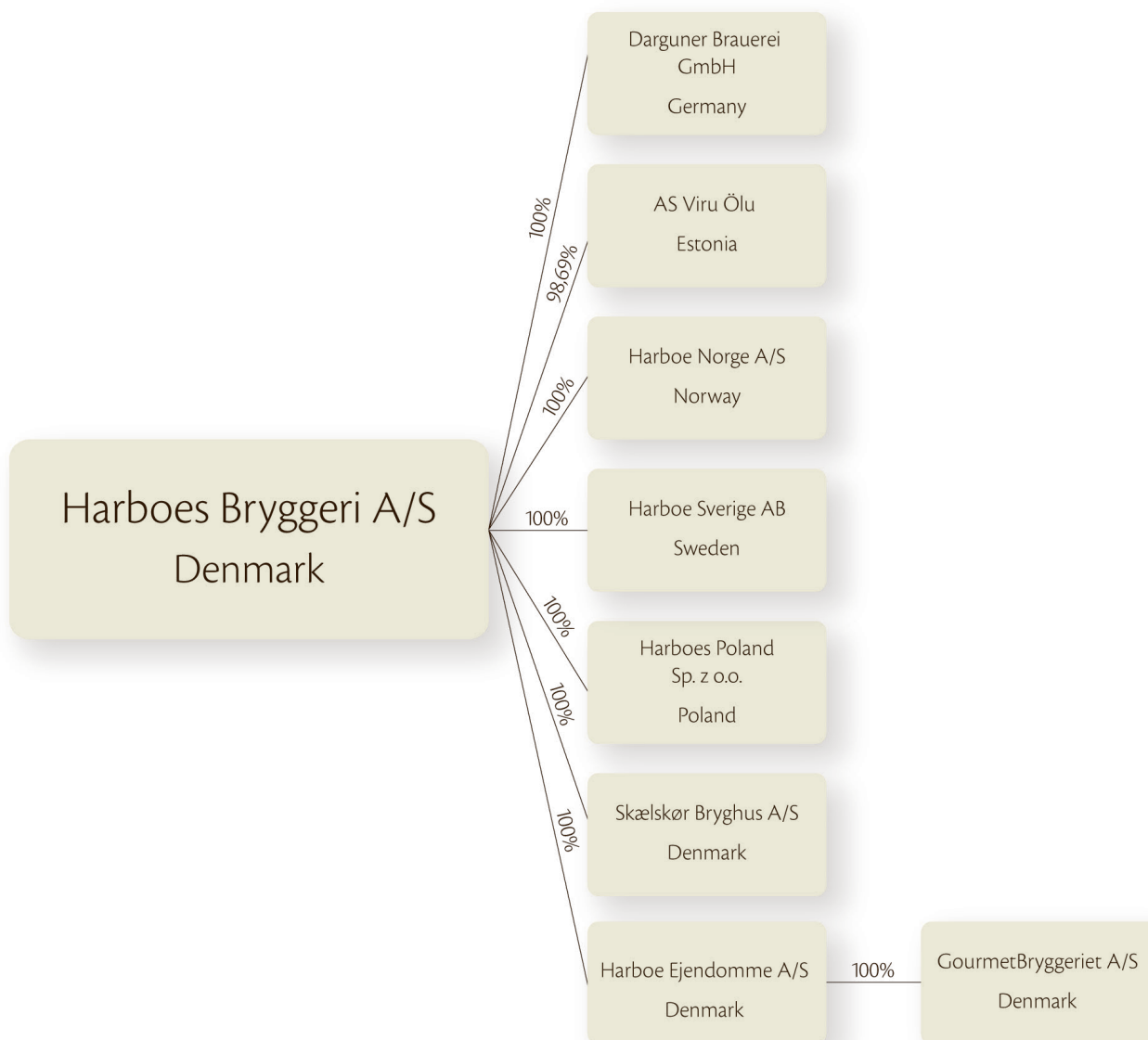
# GROUP CHART

## CORE BUSINESS

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

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

## GROUP CHART



# MANAGEMENT COMMENTARY

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## THE GROUP'S BUSINESS DEVELOPMENT

Total sales of beer and soft drinks, including malt beverages and malt wort products, totalled 1.60 million hectolitres in Q1, up 1.8% relative to the prior-year period.

### REVENUE

Revenue for Q1 2014/15 amounted to DKK 392.1 million, which is on a par with the revenue of DKK 393.0 million in the prior-year period.

This increase reflects positive developments in all the group's business areas; however, changes in the product mix mean that the growth in volume is not reflected directly in revenue.

### EARNINGS

A profit before depreciation, amortisation, net financials and tax (EBITDA) of DKK 39.6 million was returned in Q1 against DKK 32.9 million in the prior-year period. This corresponds to an increase of 20.3 % and an EBITDA margin of 10.1%.

The improved earnings are, among other things, attributable to the recent years' investments in increased efficiency across the entire value chain as well as energy optimisations in the production, which are now beginning to have a positive effect on costs. At the same time, the group's activities in a number of international markets are developing positively and contribute to the increase in earnings with more attractive margins.

Depreciation, amortisation, impairment losses and write-downs totalled DKK 22.3 million against DKK 22.2 million in the prior-year period.

The operating profit amounted to DKK 17.1 million in Q1 against DKK 10.7 million in Q1 2013/14, up 59.6%.

Net financials were negative at DKK 1.2 million in Q1 against DKK 1.2 million last year.

The profit before tax amounted to DKK 15.9 million in Q1 against DKK 9.5 million in the prior-year period.

The net profit amounted to DKK 11.9 million in Q1 against DKK 7.5 million in the prior-year period.

## DEVELOPMENTS IN THE GROUP'S MARKETS

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

## HARBOE NORDIC

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

In general, the activities in Harboe Nordic developed according to plan in Q1 with a high demand for the group's products driven by the hot summer and a World Cup, which further supported sales in Germany. The Northern European markets are, however, still affected by massive competition from both international branded products and regional players which operate across national borders in the Northern European region. This has resulted in further falls in the prices for beer and soft drinks. In Denmark, the price falls have in practice exceeded the tax reductions introduced in the last financial year, putting further pressure on earnings margins. Also, general changes in the product mix affected developments in the period. Total demand for beer in the Nordic markets is still declining, while the markets for soft drinks and other non-alcoholic beverages continue to develop positively.

The activities in Harboe Nordic still represent a significant part of the group's total sales and are of strategic importance to the effective utilisation of the group's production capacity. Through continued development and further strengthening of its strategically based customer relations, Harboe seeks to maintain its position in the Northern European markets.

## HARBOE INTERNATIONAL

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

In Q1, Harboe International experienced overall positive developments in the demand for the range of drinks products which Harboe mainly markets under its own brands. Further work went into the strategic targeting and organisation of sales efforts with a view to strengthening the group's position and establishing critical mass in the prioritised geographical markets as well as achieving the objectives set out in individual contracts. In addition, developments were driven by participation in focused sales and marketing activities in close and mutually value-adding

collaboration with large regional distributors. As part of the development of the organisation, Harboe is also seeking to further optimise its structures and business processes in close collaboration with the group's production units. Total sales were, however, affected by unstable market conditions in a number of the group's markets, which limits day-to-day operations and future growth opportunities, notably in the Middle East and Africa. Harboe focuses at all times on making the most of the existing market potential while taking account of the political situation and the economic risk exposure.

#### **MIDDLE EAST**

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

The political turmoil and war-like conflicts in several places, however, continue to impact sales, and the business climate in the region is affected by a number of commercial challenges in the form of general delays in the supply chain and other operational irregularities. Harboe has continued its sales efforts in the more stable markets in the Middle East and continues to cultivate new markets in the region in close collaboration with local distributors.

#### **AFRICA**

Harboe sells a broad range of beer, soft drinks, malt beverages and non-alcoholic malt beverages in a growing number of African countries, primarily under own brands. Harboe's expansion in the African countries is driven by an increasing demand for strong beer and malt-based products, in particular, but the energy drinks segment is also large and growing strongly. Sales are supported by the demographic and economic developments, including a fast-growing middle class.

Sales in Africa developed positively in Q1 despite continued and new challenges in certain regions, where, for example, the ebola outbreak caused a breakdown in the normal infrastructure in a large geographical area. However, developments are generally driven by a strong demand and continued intensified sales efforts in collaboration with distributors and partners that contribute solid knowledge of demand, market conditions and methods of distribution. Harboe is continuously looking to tailor its activities to the prevailing business opportunities and risks.

#### **SOUTH EAST ASIA AND OCEANIA**

As part of Harboe's strategy of continued international expansion of its activities, the group has launched systematic sales efforts in South East Asia and in selected markets in Oceania. Collaboration with a large number of distributors across the region has been established. In particular, Harboe's lager and strong beer products have gained a foothold in the South East Asian markets.

The collaboration with key distributors and the execution of the targeted sales strategy aimed at large retail chains continue, and demand underpins continued positive developments within all product categories, although the beer segment saw particularly strong growth. Sales activities targeted at the restaurant segment also continue to show positive results. The systematic sales activities in South East Asia and Oceania are contributing positively to the group's total sales, although still at a modest level due to the relative size of the business and the continued investments in sales and marketing.

#### **AMERICAS**

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

#### **HARBOE INGREDIENTS**

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

Sales of traditional malt extract are developing positively through a continued good collaboration with existing and new customers.

However, Harboe's clear malt extract, which is primarily sold to customers in the food industry in the Middle East, is affected by the political turmoil in the region. Consequently, Harboe is working to cultivate new and more stable markets, which are expected to have a positive effect in the current financial year.

The development and marketing of other new applications continue, and partnerships have, for example, been established with new customers in the food industry on using several of Harboe's applications as alternatives to existing flavouring and colouring ingredients in, among other things, chocolate and other confectionery products.

The strategic sales efforts and the development work performed in collaboration with customers in the food industry continued in Q1. Devel-

oping new applications takes several years, with ongoing tests and adaptations in close collaboration with customers, before you have the finished, marketable product. The resources allocated to these development programmes consequently affect costs in the current financial year, but this investment is expected to start generating positive returns in step with the product development being completed and the products becoming marketable over the next two to three years.

#### **EFFICIENCY IMPROVEMENTS IN THE VALUE CHAIN**

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

#### **INVESTMENTS**

Investments in intangible assets and property, plant and equipment for the period amounted to DKK 15.5 million. The investments primarily comprise new facilities and optimisation projects and the continuous expansion and coordination of capacity between the group's production units.

#### **EQUITY**

As at 31 July 2014, equity amounted to DKK 717.9 million against DKK 706.6 million at the beginning of the 2014/15 financial year.

Equity is affected by the results for the period as well as foreign currency translation adjustments in respect of foreign subsidiaries.

#### **TREASURY SHARES**

As at 31 July 2014, the group's holding of treasury shares totalled 1,311,190 class B shares, corresponding to 21.85 % of the share capital.

The purchase of treasury shares was effected in pursuance of a decision made at the general meeting on 5 November 2013, at which the Board of Directors was authorised to acquire up to 50% of the share capital until the annual general meeting in the company in 2015.

Treasury shares are purchased, among other things, for the purpose of establishing strategic financial resources which will allow the group, as part of the continued development of its activities, to conclude strategic partnerships, and also as part of the group's general capital resources. The Board of Directors will regularly assess to what extent the holding of treasury shares is to be used as part of the value creation for the company's shareholders.

#### **LIQUIDITY AND NET INTEREST-BEARING DEBT**

Working capital increased by DKK 48.4 million, primarily as a result of increased trade receivables. Harboe is generally being challenged by an increasing demand for extended credits on important contracts, but concurrently focuses on the continued optimisation of working capital through procurement and trade payables management etc.

Cash flows from operating activities amounted to DKK -14.5 million in the period compared with DKK 25.4 million in the prior-year period.

Free cash flow (changes in cash and cash equivalents) amounted to DKK -29.0 million compared with DKK 15.8 million in the prior-year period.

Cash resources, which are composed of cash and credit facilities granted but not yet activated, amounted to DKK 208.4 million as at 31 July 2014. To this should be added the holding of treasury shares amounting to DKK 123.9 million stated at the share market value as at 31 July 2014. The aggregate cash resources then total DKK 332.3 million.

As at 31 July 2014, the group's net interest-bearing debt amounted to DKK 222.1 million against DKK 196.7 million as at 30 April 2014. The increased debt is primarily related to greater capital being tied up in working capital as well as the investments made in the production facilities in the period.

#### **THE OUTLOOK FOR 2014/15 IS MAINTAINED**

Harboe maintains its outlook for the year as a whole for improved earnings relative to the 2013/14 financial year, EBITDA in the region of DKK 100-110 million and a profit before tax of approx. DKK 15-25 million.

#### **EVENTS OCCURRING AFTER THE END OF THE PERIOD**

In accordance with a resolution adopted at the company's annual general meeting held on 25 August 2014, dividend corresponding to DKK 2.00 per share or a total of DKK 9.4 million has been paid after the end of the accounting period.

#### **DISCLAIMER**

The interim report contains forward-looking statements, including such as relate to the future earnings performance. Such statements are subject to risks and uncertainties concerning a number of factors, many of which are outside the Harboe group's control. This may cause the actual results to deviate significantly from the outlook described in the interim report. Factors which may impact the outlook include general economic and commercial conditions, price development of raw materials, new taxes and regulation, political conditions, demand, exchange rate fluctuations and competition.

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



## FINANCIAL CALENDAR

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

Interim report, H1 2014/15	17 December 2014
Interim report, Q3 2014/15	19 March 2015
Annual Report, 2014/15	2 July 2015

## ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN

In the period 1 May to 31 July 2014, the company has submitted the following announcements to NASDAQ OMX Copenhagen, which may be found at the company's website, [www.harboes.dk](http://www.harboes.dk):

Date	Announcement
20 June 2014	Notice of annual general meeting
3 July 2014	Annual report 2013/14
4 July 2014	Financial calendar for 2014/15
28 July 2014	Notice of annual general meeting
25 August 2014	Minutes of annual general meeting

# MANAGEMENT COMMENTARY

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Today, we have considered and adopted the interim report of Harboes Bryggeri A/S for the period 1 May - 31 July 2014.

The interim report is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

In our opinion, the interim report provides a true and fair view of the group's assets and liabilities and financial position as at 31 July 2014 and of the results of its activities and cash flows for Q1 2014/15.

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

Skælskør, 25 September 2014

## **Board of Executives**

CEO

Bernhard Griese

## **Board of Directors**

Anders Nielsen, Chairman

Bernhard Griese

Mads O. Krage

Karina Harboe Laursen

Thøger Thøgersen

Carl Erik Kjærsgaard

Jens Bjarne Jensen<sup>1</sup>

<sup>1</sup> Elected by the employees

# INCOME STATEMENT

GROUP (DKK '000)	NOTE	Q1 2014/15	Q1 2013/14	FY 2013/14
Gross revenue		441,847	467,136	1,626,919
Taxes on beer and soft drinks		(49,788)	(74,119)	(206,807)
<b>Revenue</b>		<b>392,059</b>	<b>393,017</b>	<b>1,420,112</b>
Production costs		(319,061)	(321,356)	(1,177,552)
<b>Gross profit/(loss)</b>		<b>72,998</b>	<b>71,661</b>	<b>242,560</b>
Distribution costs		(47,832)	(50,296)	(190,704)
Administrative expenses		(13,612)	(13,070)	(49,628)
Other operating income		7,695	6,034	28,206
Other operating expenses		(2,174)	(3,631)	(13,739)
<b>Operating profit/(loss)</b>		<b>17,075</b>	<b>10,698</b>	<b>16,695</b>
Financial income		795	1,273	2,627
Financial expenses		(1,986)	(2,518)	(8,919)
		<b>15,884</b>	<b>9,453</b>	<b>10,403</b>
Calculated tax on profit/(loss) for the period		(4,019)	(2,473)	(2,121)
Adjustment of tax, previous years		-	549	2,309
<b>Net profit/(loss) for the period</b>		<b>11,865</b>	<b>7,529</b>	<b>10,591</b>
<b>Distribution of net profit/(loss) for the period</b>				
Shareholders of the parent		11,860	7,526	10,627
Minority interests		5	3	(36)
		<b>11,865</b>	<b>7,529</b>	<b>10,591</b>
<b>Earnings per share (DKK per DKK 10 share)</b>	<b>2</b>			
Earnings per share and diluted earnings per share (DKK)		<b>2.4</b>	<b>1.4</b>	<b>2.0</b>

# STATEMENT OF COMPREHENSIVE INCOME

GROUP (DKK '000)	Q1 2014/15	Q1 2013/14	FY 2013/14
<b>Net profit/(loss) for the period</b>	<b>11,865</b>	<b>7,529</b>	<b>10,591</b>
<b>Other comprehensive income</b>			
<i>Items which may be recirculated to the income statement</i>			
Foreign currency translation adjustments regarding foreign enterprises	(568)	(99)	441
Fair value adjustment of financial assets available for sale	-	-	70
Fair value adjustment of financial assets available for sale, recirculation upon disposal of financial assets available for sale	-	-	22
Fair value adjustment of financial instruments entered into for hedging future cash flows	-	-	-
Tax on other comprehensive income	-	-	(22)
<b>Other comprehensive income</b>	<b>(568)</b>	<b>(99)</b>	<b>511</b>
<b>Comprehensive income</b>	<b>11,297</b>	<b>7,430</b>	<b>11,102</b>
<b>Distribution of comprehensive income for the period</b>			
Shareholders of the parent	11,292	7,428	11,138
Minority interests	5	2	(36)

## BALANCE SHEET – ASSETS

GROUP (DKK '000)	31 July 2014	31 July 2013	30 April 2014
Goodwill	3,573	3,573	3,573
Development projects	5,719	5,574	5,460
Rights	5,104	6,528	5,724
Software	17,661	21,182	18,664
Intangible assets under construction	129	85	80
<b>Intangible assets</b>	<b>32,186</b>	<b>36,942</b>	<b>33,501</b>
Land and buildings	235,021	242,551	235,185
Plant and machinery	438,550	462,815	442,164
Other plant, fixtures and fittings, tools and equipment	22,723	27,000	23,858
Spare parts for own production equipment	3,409	4,248	3,619
Property, plant and equipment under construction	10,691	6,282	14,789
<b>Property, plant and equipment</b>	<b>710,394</b>	<b>742,896</b>	<b>719,615</b>
<b>Investment properties</b>	<b>59,550</b>	<b>63,166</b>	<b>60,475</b>
Financial assets available for sale	8,449	179,547	8,706
Deposits, leases	2,445	2,403	2,423
<b>Financial assets</b>	<b>10,894</b>	<b>181,950</b>	<b>11,129</b>
<b>Deferred tax assets</b>	<b>5,799</b>	<b>3,769</b>	<b>5,804</b>
<b>Non-current assets</b>	<b>818,823</b>	<b>1,028,723</b>	<b>830,524</b>
Raw materials, consumables and packaging	73,142	65,740	73,465
Finished goods and goods for resale	76,539	75,912	88,024
<b>Inventories</b>	<b>149,681</b>	<b>141,652</b>	<b>161,489</b>
Trade receivables	346,526	298,912	278,670
Other receivables	4,949	10,570	6,030
Prepayments	10,524	9,732	8,568
<b>Receivables</b>	<b>361,999</b>	<b>319,214</b>	<b>293,268</b>
<b>Cash</b>	<b>67,620</b>	<b>19,035</b>	<b>96,235</b>
<b>Assets held for sale</b>	<b>2,200</b>	<b>2,400</b>	<b>2,200</b>
<b>Current assets</b>	<b>581,500</b>	<b>482,301</b>	<b>553,192</b>
<b>Total assets</b>	<b>1,400,323</b>	<b>1,511,024</b>	<b>1,383,716</b>

# BALANCE SHEET – EQUITY AND LIABILITIES

GROUP (DKK '000)	31 July 2014	31 July 2013	30 April 2014
Share capital	60,000	60,000	60,000
Share premium	-	51,000	-
Reserves	(4,640)	(4,665)	(4,072)
Retained earnings	662,417	681,511	650,487
<b>Equity owned by shareholders of the parent</b>	<b>717,777</b>	<b>787,846</b>	<b>706,415</b>
Equity owned by minority interests	148	181	143
<b>Equity</b>	<b>717,925</b>	<b>788,027</b>	<b>706,558</b>
Mortgage debt	196,484	211,672	200,470
Provision for deferred tax	49,505	51,782	49,534
Deferred recognition of income	58,617	65,149	60,882
<b>Non-current liabilities</b>	<b>304,606</b>	<b>328,603</b>	<b>310,886</b>
Mortgage debt	15,719	15,668	15,772
Other credit institutions	79,198	58,657	78,480
Trade payables	164,488	168,655	172,008
Repurchase of returnable packaging	8,142	9,792	8,030
Income tax	5,571	3,812	2,309
Other payables	96,785	128,051	81,488
Deferred recognition of income	7,575	9,759	7,874
Deferred income	314	-	311
<b>Current liabilities</b>	<b>377,792</b>	<b>394,394</b>	<b>366,272</b>
<b>Liabilities</b>	<b>682,398</b>	<b>722,997</b>	<b>677,158</b>
<b>Equity and liabilities</b>	<b>1,400,323</b>	<b>1,511,024</b>	<b>1,383,716</b>

# CASH FLOW STATEMENT

GROUP (DKK '000)	Q1 2014/15	Q1 2013/14	FY 2013/14
Operating profit/(loss)	17,075	10,698	16,695
Depreciation, amortisation etc.	22,288	22,168	90,052
Grants recognised as income	(2,905)	(2,851)	(10,023)
<b>Cash flows from operating activities before change in working capital</b>	<b>36,458</b>	<b>30,015</b>	<b>96,724</b>
Change in inventories	11,996	(8,279)	(28,010)
Change in trade receivables	(77,919)	(11,244)	9,205
Change in other receivables	(880)	(3,251)	3,490
Change in trade payables etc.	2,208	(3,662)	(451)
Change in other current liabilities	16,177	23,928	(22,192)
<b>Change in working capital</b>	<b>(48,418)</b>	<b>(2,508)</b>	<b>(37,958)</b>
<b>Cash flows from primary operating activities</b>	<b>(11,960)</b>	<b>27,507</b>	<b>58,766</b>
Financial income received	795	1,273	2,580
Financial expenses paid	(1,985)	(2,514)	(8,930)
Taxes paid, net	(1,341)	(900)	(5,818)
<b>Cash flows from operating activities</b>	<b>(14,491)</b>	<b>25,366</b>	<b>46,598</b>
Purchase of intangible assets	(345)	(1,059)	(2,330)
Purchase of property, plant and equipment	(11,088)	(5,471)	(43,564)
Sale of property, plant and equipment	210	484	2,085
Dividend received from financial assets available for sale	191	-	54
Purchase of financial assets	(22)	-	(20)
Sale of financial assets	66	64	169,222
<b>Cash flows from investing activities</b>	<b>(10,988)</b>	<b>(5,982)</b>	<b>125,447</b>
Dividend paid	-	-	(8,323)
Investment grant received	404	871	1,803
Repayment of non-current liabilities, net	(3,939)	(4,441)	(15,569)
Raising of financial liability	-	-	-
Purchase of treasury shares	-	-	(76,802)
<b>Cash flows from financing activities</b>	<b>(3,535)</b>	<b>(3,570)</b>	<b>(98,891)</b>
<b>Changes in cash and cash equivalents</b>	<b>(29,014)</b>	<b>15,814</b>	<b>73,154</b>
Cash and cash equivalents as at 1 May	17,436	(55,436)	(55,399)
<b>Cash and cash equivalents as at 31 January</b>	<b>(11,578)</b>	<b>(39,622)</b>	<b>17,755</b>

# STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Retained earnings	Equity owned by shareholders of the parent	Equity owned by minority shareholders	Total equity
<b>Equity as at 1 May 2013</b>	<b>60,000</b>	<b>51,000</b>	<b>(4,567)</b>	<b>673,985</b>	<b>780,418</b>	<b>179</b>	<b>780,597</b>
<b>Changes in equity 2013/14</b>							
Comprehensive income for the year	0	0	(98)	7,526	7,428	2	7,430
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>(98)</b>	<b>7,526</b>	<b>7,428</b>	<b>2</b>	<b>7,430</b>
<b>Equity as at 31 July 2013</b>	<b>60,000</b>	<b>51,000</b>	<b>(4,665)</b>	<b>681,511</b>	<b>787,846</b>	<b>181</b>	<b>788,027</b>
<b>Equity as at 1 May 2014</b>	<b>60,000</b>	<b>0</b>	<b>(4,072)</b>	<b>650,487</b>	<b>706,415</b>	<b>143</b>	<b>706,558</b>
<b>Changes in equity 2014/15</b>							
Comprehensive income for the year	0	0	(568)	11,860	11,292	5	11,297
Other adjustments	0	0	0	70	70	0	70
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>(568)</b>	<b>11,860</b>	<b>11,292</b>	<b>5</b>	<b>11,297</b>
<b>Equity as at 31 July 2014</b>	<b>60,000</b>	<b>0</b>	<b>(4,640)</b>	<b>662,417</b>	<b>717,777</b>	<b>148</b>	<b>717,925</b>



# NOTES

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## 1. ACCOUNTING POLICIES

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

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

The accounting policies applied in the interim financial statements are consistent with those applied in the consolidated financial statements for 2013/14, which are in accordance with the International Financial Reporting Standards as adopted by the EU.

Reference is made to the annual report for 2013/14 for a more detailed description of the accounting policies applied, including the definitions of the ratios stated, which have been calculated in accordance with the definitions of the 'Recommendations and Financial Ratios 2010' issued by the Danish Society of Financial Analysts.

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

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

## ESTIMATES

The preparation of interim reports requires the management to make certain accounting estimates which affect the application of the accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The most significant estimates made by the management in applying the group's accounting policies and the considerable uncertainty associated with these estimates are the same in connection with the preparation of the compiled interim report as for the preparation of the annual report for 2013/14.

# NOTES

	Q1 2014/15	Q1 2013/14
<b>2. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE</b>		
Earnings per share and diluted earnings per share (DKK per share of DKK 10)	2.35	1.36
The basis of calculation of earnings per share and diluted earnings per share is as follows:		
<b>Net profit distributed to the shareholders of the parent used in connection with the calculation of earnings per share (DKK '000)</b>		
	11,860	7,526
	2014/15 No. of shares of DKK 10	2013/14 No. of shares of DKK 10
Average number of shares	6,000,000	6,000,000
Average number of treasury shares	(954,144)	(448,280)
<b>Number of shares used to calculate earnings per share (no.)</b>	<b>5,045,856</b>	<b>5,551,720</b>
Average dilution effect of outstanding pre-emption rights etc. (no.)	0	0
<b>Number of shares used to calculate diluted earnings per share (no.)</b>	<b>5,045,856</b>	<b>5,551,720</b>

# NOTES

### 3. SEGMENT INFORMATION

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

### REVENUE AND NON-CURRENT ASSETS DISTRIBUTED ON GEOGRAPHICAL AREAS

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

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

(DKK '000)	Revenue		Non-current assets	
	2014/15	2013/14	2014/15	2013/14
Denmark	91,750	94,478	348,848	365,001
Germany	171,494	164,781	366,490	385,243
Other geographical areas	128,815	133,758	23,669	26,021
	<b>392,059</b>	<b>393,017</b>	<b>739,007</b>	<b>776,265</b>

### INFORMATION ABOUT IMPORTANT CUSTOMERS

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

### 4. OTHER RESERVES

GROUP (DKK '000)	31 July 2014	31 July 2013
Reserve for foreign currency translation adjustments	(32)	(3)
Reserve for adjustment to fair value of financial assets available for sale	(4,608)	(4,662)
	<b>(4,640)</b>	<b>(4,665)</b>