



# COMPANY ANNOUNCEMENT

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## **INTERIM REPORT OF HARBOES BRYGGERI A/S**

For the period 1 May 2014 - 31 January 2015

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 2014 - 31 January 2015

The report is described on the following pages.

Skælskør, 19 March 2015

Anders Nielsen  
Chairman of the Board

Bernhard Griese  
CEO



# COMPANY ANNOUNCEMENT

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## INTERIM REPORT OF HARBOES BRYGGERI A/S FOR THE PERIOD 1 MAY 2014 - 31 JANUARY 2015

### CEO Bernhard Griese on the interim report:

"In the first nine months of the year, we managed to maintain the positive momentum achieved in the sales of our own brands across our geographical markets, and this contributed to further growth in earnings. We can also see that our targeted investments in efficiency improvements and energy optimisations create positive results in the form of lower production and energy costs and generally better utilisation of resources across our production units. We will continue our efforts in these strategic focus areas, and we maintain our outlook for the year as a whole.

As part of the strategic expansion and operation of our activities, we also focus on continued streamlining of our management of the working capital, to ensure that we have the necessary cash resources at our disposal. Our efforts during the period have resulted in satisfactory results and a substantial strengthening of the group's free cash flow."

Bernhard Griese  
CEO

# COMPANY ANNOUNCEMENT

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## INTERIM REPORT OF HARBOES BRYGGERI A/S FOR THE PERIOD 1 MAY 2014 - 31 JANUARY 2015

### OWN BRANDS AND STREAMLINING STILL DRIVING EARNINGS GROWTH

- Revenue for the first nine months amounted to DKK 1,042.8 million, down 2.8% relative to the prior-year period.
- Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 4.22 million hectolitres compared with 4.32 million hectolitres in the same period last year.
- Profit before depreciation, amortisation, net financials and tax (EBITDA) was up 21.8% at DKK 98.9 million, equivalent to an EBITDA margin of 9.5% against 7.6% in the same period last year.
- Operating profit (EBIT) more than doubled to DKK 31.9 million from last year's DKK 14.3 million.
- Consolidated profit before tax was DKK 27.8 million against DKK 9.7 million last year.
- The group's investments in the financial year totalled DKK 47.4 million.
- Cash flows from operating activities and free cash flow (changes in cash and cash equivalents) increased to DKK 85.5 million against DKK 30.1 million in the same period last year and DKK 26.4 million against DKK -77.6 million last year, respectively.
- Harboe maintains its outlook for the year, which was revised upwards in connection with the interim report published in December 2014. The group expects EBITDA in the region of DKK 115-125 million (previously DKK 100-110 million) and profit before tax in the region of DKK 25-35 million (previously DKK 15-25 million).

### Further information

Bernhard Griese, CEO

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# FINANCIAL HIGHLIGHTS

GROUP (DKK '000)	Q3 2014/2015	Q3 2013/2014	Q1-Q3 2014/2015	Q1-Q3 2013/2014	FY 2013/2014
<b>Sales (million hectolitres)</b>					
Beer, soft drinks and malt wort products	1.23	1.30	4.22	4.32	5.93
<b>Earnings</b>					
Gross revenue	345,035	363,786	1,180,231	1,236,875	1,626,919
Taxes on beer and soft drinks	(40,627)	(45,712)	(137,451)	(164,480)	(206,807)
Revenue	304,408	318,074	1,042,780	1,072,395	1,420,112
EBITDA	26,961	17,793	98,919	81,212	106,617
Operating profit/(loss)	4,577	(4,464)	31,920	14,333	16,695
Profit/(loss) before tax	2,870	(6,410)	27,847	9,678	10,403
Net profit/(loss) for the period	2,066	(4,758)	20,308	7,024	10,591
<b>Balance sheet</b>					
Non-current assets			797,471	995,777	830,524
Current assets			509,713	414,615	553,192
Equity			710,580	709,471	706,558
Non-current liabilities			294,000	316,624	310,886
Current liabilities			302,604	384,297	366,272
Balance sheet total			1,307,184	1,410,392	1,383,716
Net interest-bearing debt			171,572	181,997	196,786
<b>Investments etc.</b>					
Investments in intangible assets	1,143	422	1,653	1,971	2,394
Investments in property, plant and equipment	11,762	7,750	45,479	17,440	34,116
Depreciation, amortisation, impairment losses and write-downs	22,475	22,257	66,999	66,879	89,922
<b>Cash flows</b>					
Cash flows from operating activities	57,739	(5,319)	85,542	30,142	46,598
Cash flows from investing activities	(8,756)	(7,541)	(32,746)	(18,454)	125,447
Cash flows from financing activities	(9,494)	(63,237)	(26,349)	(89,264)	(98,891)
Change in cash and cash equivalents (free cash flow)	39,489	(76,097)	26,447	(77,576)	73,154
<b>Ratios (in %)</b>					
Profit margin			3.1%	1.3%	1.2%
Solvency ratio			54.4%	50.3%	51.1%
EBITDA margin			9.5%	7.6%	7.5%
Gearing			24.1%	25.7%	27.9%

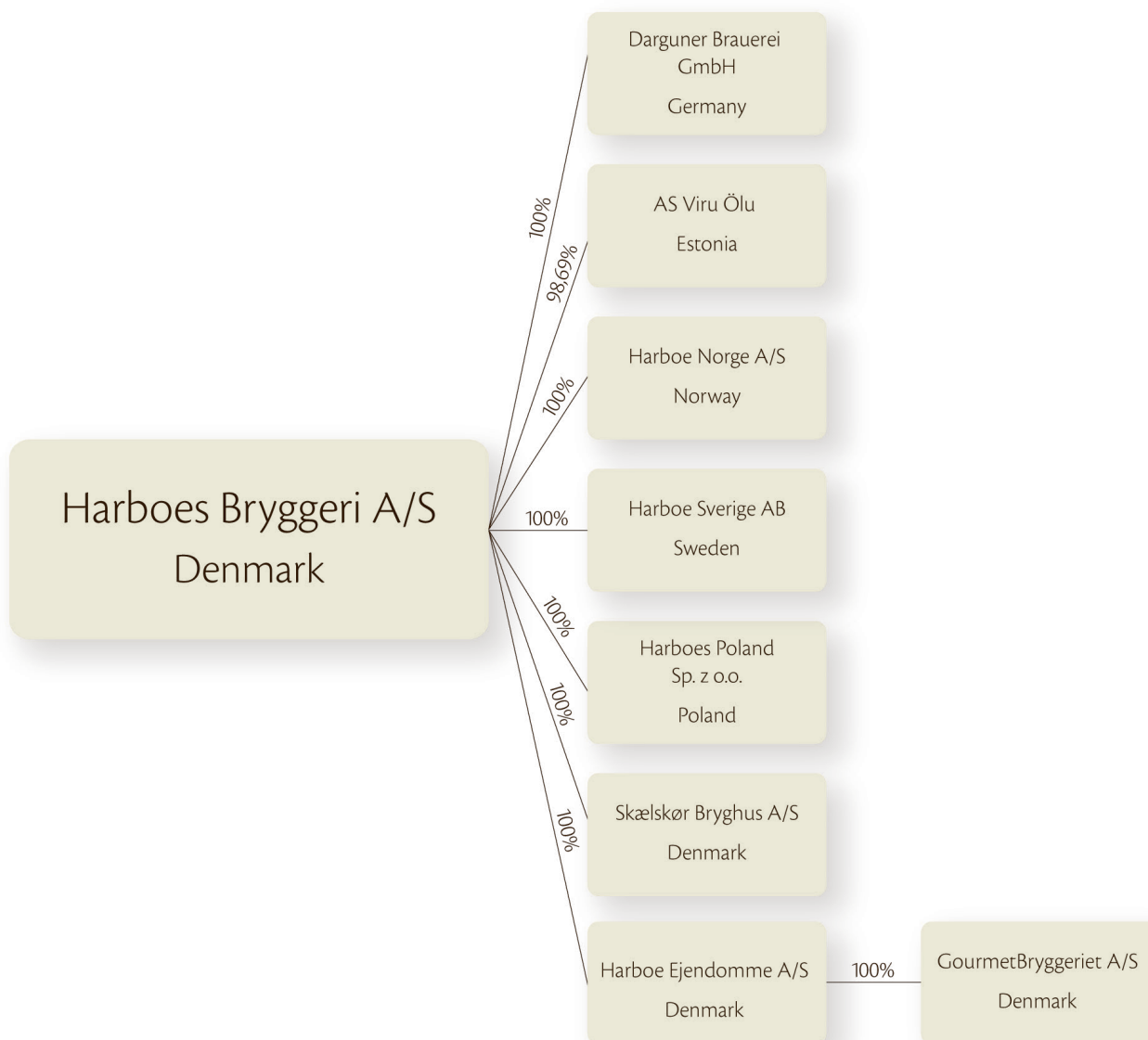
# GROUP CHART

## 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

Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 1.23 million hectolitres in Q3, down 5.4% relative to the same period last year.

Sales amounted to 4.2 million hectolitres in the period, a slight fall of 2.3%.

### REVENUE

Revenue was DKK 304.4 million in Q3 2014/15 against DKK 318.1 million in the same period last year, down 4.3%.

Revenue for the period amounted to DKK 1,042.8 million against DKK 1,072.4 million in the same period last year, corresponding to a fall of 2.8%.

The slightly lower revenue reflects a positive trend in a number of the group's markets in Northern Europe as well as in several important international markets, but is offset by continued challenging market conditions and lower revenue in other markets – particularly in Africa and the Middle East. As part of the continued strengthening of the contract portfolio, Harboe has also replaced previous business with new customer agreements with lower volume and revenue, but with a stronger product mix and more attractive margins.

### EARNINGS

A profit before depreciation, amortisation, net financials and tax (EBITDA) of DKK 27.0 million was returned in Q3, up 51.5% on the prior-year period. EBITDA for the period increased to DKK 98.9 million from DKK 81.2 million in the same period last year, corresponding to an EBITDA margin of 9.5% against 7.6% in the prior-year period.

The improved earnings are attributable to a continued positive development in the sales of the group's own brands in a number of international markets. Moreover, Harboe is seeing a growing effect of recent years' investments in efficiency improvements in the entire value chain, and a number of energy optimisations in the production in both Denmark and Germany have had a positive impact on energy efficiency and energy costs.

Depreciation, amortisation, impairment losses and write-downs totalled DKK 22.5 million in Q3 against DKK 22.3 million in the same period last year. Depreciation, amortisation, impairment losses and write-downs for the period amounted to DKK 67.0 million against DKK 66.9 million in the same period last year.

An operating profit of DKK 4.6 million was returned for Q3 relative to a loss of DKK 4.5 million in the same period last year. An operating profit of DKK 31.9 million was returned for the period against DKK 14.3 million in the same period last year.

Net financials were negative at DKK 1.6 million in Q3 against DKK 1.9 million in Q3 last year. Net financials for the period were negative at DKK 4.1 million relative to DKK 4.7 million in the same period last year.

A profit before tax of DKK 2.9 million was returned in Q3 against a loss of DKK 6.4 million in the prior-year period. A profit before tax of DKK 27.8 million was returned for the period against DKK 9.7 million in the same period last year.

A net profit of DKK 2.1 million was realised in Q3 against a net loss of DKK 4.8 million in the same period last year. A net profit of DKK 20.3 million was returned for the period against DKK 7.0 million in the same period last year.

## DEVELOPMENTS IN THE GROUP'S MARKETS

Harboe produces and sells a wide range of beverages 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. Harboe Nordic offers an attractive and targeted selection of drinks products, which to some extent are marketed as private-label products, but also to an increasing extent under own brands, which are increasingly being recognised.

The activities in Harboe Nordic developed according to plan in the first nine months of the year, with a high demand for the group's products and driven, particularly at the beginning of the financial year, by a hot Northern European summer. Especially the German market made a positive contribution with a strong demand for both beer and soft drinks driven, among other things, by the summer's World Cup, but new contracts with a good product mix also had a positive impact on the results. The activities in Estonia also developed positively with the production and marketing of a number of speciality products under own brands. 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 resulted in further falls in the prices for beer and soft drinks. In the period, as part of the efforts to address this pressure, Harboe replaced old major agreements with low margins with new customer agreements, where the volume is lower, yet the relative and absolute contribution to earnings higher.

The activities in Harboe Nordic still represent a significant part of the group's total sales and are of key 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. The positioning of Harboe's products primarily takes place under the group's own brands and with focus on segments in which competition and demand underpin more attractive margins. 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 the first nine months of the year, Harboe International saw a positive development in the sale of own brands in a number of important markets. The targeted positioning of the group's products has paved the way for new agreements and continuing increasing sales in the Asian markets, in particular. Harboe International's total sales were, however, affected negatively by unstable market conditions in a number of regions in the first nine months, which presents a challenge to both day-to-day operations and the continued growth opportunities.

Harboe focuses at all times on making the most of the existing market potential while taking account of the political situation and the financial risk exposure. Further work has thus gone into the strategic positioning and organisation of the sales efforts with a view to further consolidating Harboe's position in the markets where the underlying growth and general market conditions provide the foundation for such consolidation. In terms of sales, focus is on the continued development of Harboe's distributor partnership and direct sales to major supermarket and convenience chains. As part of the continued expansion of the geographical platform, Harboe also focuses on the ongoing optimisation of business procedures and logistics in close collaboration with the group's production units.

#### **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 solid 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 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. These activities are developing positively and are expected to gradually replace previous business.

#### **AFRICA**

Harboe sells a broad range of beers, 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.

The activities in Africa in the first nine months were affected by continued and new challenges in certain regions. However, emerging signs of improvement are also seen in the areas that previously in the financial year were affected by the Ebola outbreak, but where infrastructure and demand are now gradually returning to more normalised conditions.

Developments in Africa are generally driven by increasing purchasing power, 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. Partnerships have been established with several distributors across the region, and particularly 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. Double-digit growth was thus realised in China in the first nine months of the year.

Harboe markets a targeted selection of own brands in an attractive price segment, where they are gaining growing recognition. The dedicated sales activities in South East Asia and Oceania contribute positively to the group's total results, 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 selected markets in both North and South America, identifying distributors and concluding partnership agreements with local partners. Furthermore, direct contact has been established with retail chains in selected countries where beer, in particular, but also energy drinks are growing categories. 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 the traditional malt extract have seen a relatively stable development and are based on continued successful partnerships with existing customers.

However, Harboe's clear malt extract, which is primarily sold to customers in the food industry in the Middle East, has been affected by the political turmoil in the region and has not delivered the expected level of sales. Harboe is therefore looking to cultivate new and more stable markets promising positive results, and sales efforts have been further strengthened in the period with a view to bringing increased momentum to Harboe's sales activities.

The development of other new applications continues, and partnerships have, for example, been established with 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 development work conducted in collaboration with customers in the food industry also continued in the period. Developing 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.

## STRATEGIC INITIATIVES AND OPTIMISATIONS IN THE VALUE CHAIN

The group is working hard to consolidate its solid position in the Northern European markets by positioning its own brands to an increasing extent, based on a strong and targeted selection of drinks products.

At group level, Harboe also continuously focuses on achieving high capacity and flexibility in its production – also between the production units – 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. 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 and the product mix marketed with a view to utilising resources more effectively and optimising the speed of the entire supply chain.

Harboe is also working on the continued updating and implementation of the group's ERP system across the geographical units. The project is progressing according to plan, and it is expected that the entire group will have moved to the same platform in the course of the coming financial year.

## INVESTMENTS

The recent years' investments in energy optimisations and efficiency improvements have contributed to a significant reduction of the group's operating expenses. In the current financial year, focus is also on continued streamlining, including new packaging solutions, optimised storage and logistics facilities as well as production technology, underpinning continuous efficiency improvements and capacity utilisation in operations.

Investments in intangible assets and property, plant and equipment for the first nine months of the year amounted to DKK 47.4 million and primarily concerned the efficiency improvements mentioned above and ongoing maintenance.

## EQUITY

As at 31 January 2015, equity amounted to DKK 710.6 million against DKK 706.6 million as at 1 May 2014.

Equity was affected by the results for the period, foreign currency translation adjustments in respect of foreign subsidiaries, acquisition of treasury shares and distribution of dividend.

## TREASURY SHARES

As at 31 January 2015, the group's holding of treasury shares totalled 1,379,282 class B shares, corresponding to 23.0% of the share capital.

The purchase of treasury shares was made in pursuance of a decision made at the general meeting on 5 November 2010, at which the Board of



Directors was authorised to acquire up to 50% of the share capital until the company's annual general meeting 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 also regularly assess how the holding of treasury shares can best be used as part of the value creation for the company's shareholders.

In the accounting period 1 May 2014 - 31 January 2015, 68,092 class B shares were acquired at a price of DKK 5.6 million, corresponding to an average acquisition price of DKK 81.51 per share.

#### **DIVIDEND**

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 12.0 million was paid in the accounting period.

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

Working capital increased by DKK 1.2 million. Harboe is generally being challenged by an increasing demand for extended credits on important contracts, but focuses on the continued optimisation of working capital through procurement and trade payables management etc. These efforts have resulted in a positive development in cash flows from operating activities, which amounted to DKK 85.5 million in the period compared with DKK 30.1 million in the prior-year period.

Free cash flow (changes in cash and cash equivalents) amounted to DKK 26.4 million compared with DKK -77.6 million in the prior-year period.

Cash resources, which are composed of cash and credit facilities granted but not yet activated, amounted to DKK 231.4 million as at 31 January 2015. To this should be added the holding of treasury shares amounting to DKK 124.8 million stated at the share market value as at 31 January 2015. The aggregate cash resources then total DKK 356.2 million.

As at 31 January 2015, the group's interest-bearing debt amounted to DKK 273.6 million, and the net interest-bearing debt amounted to DKK 171.6 million.

#### **RISKS**

As the group's sales and purchases in foreign currencies in respect of most of the group's activities are still denominated in EUR, currency risks for the group are considered limited. However, in step with the continued growth in the group's international activities, Harboe will assess the need for currency hedging on a regular basis.

In all the group's main markets, the beer and soft drinks segments are

characterised by fierce competition, leading to a constant pressure on prices. Harboe is therefore very sensitive to market fluctuations in the prices of raw materials and consumables, as increasing costs cannot simply be added to the sales prices. This is true, in particular, of those of the group's products that are marketed to the discount chains. To counter such fluctuations as much as possible, Harboe is to the greatest possible extent seeking to conclude long-term contracts for the purchase of raw materials and consumables. However, only short-term contracts can be concluded for highly volatile raw materials, leading to some degree of latent risk that the results will be affected during a financial year.

In step with the group's continued geographical expansion outside of the EU-regulated markets in Europe, the group is increasingly being exposed to risks related to political turmoil and changes in political and regulatory regimes and business practices, which may affect trading conditions and approvals, import regulation, financial transactions, logistics etc. For this reason, Harboe continuously weighs these risks against the concrete market opportunities and will generally start cultivating new geographical markets in collaboration with experienced and local distributors and partners. Harboe is also working to strengthen its internal communication and business processes in relation to the handling of the group's business practices and ethical standards to ensure that the employees involved in business relations within sales, marketing, purchasing etc. are given the best possible guidance and support on how to handle deviations from normal conditions and standards, including the risk of corruption.

The current political turmoil and conflicts in various parts of the Middle East and Africa, among other regions, have resulted in special precautions and risk assessments. The exposure to business risks in these areas is continuously monitored by the group's Board of Executives and Board of Directors, which assess the specific framework and criteria for business activities, the conclusion of contracts, monetary transactions etc.

Apart from the factors described in this interim report, no material changes were seen in the group's risk and uncertainty factors. The group's risk exposure is described in further detail in the annual report for 2013/14.

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

Harboe maintains its outlook for the year, which was revised upwards in connection with the interim report published in December 2014. The group expects EBITDA in the region of DKK 115-125 million (previously DKK 100-110 million) and profit before tax in the region of DKK 25-35 million (previously DKK 15-25 million).

Market conditions in the Northern European markets are, however, expected to remain extremely challenging in Q4 as well with intense competition and pressure on prices. Harboe will focus on maintaining its position in these markets based on a solid product portfolio, flexibility

and reliable deliveries as well as the continued positioning of the group's brands.

A continued high priority will be given to the expansion and development of the group's international activities within the drinks segment, involving the further strengthening of its sales and marketing activities. The strategic focus will be on markets where the demand for drinks products is growing, and where Harboe can establish an attractive platform for its products. International activities are expected to be the main growth driver for the Group in the remainder of the year.

Focus will also be on the development of the malt-based ingredients, with a continuation of the international sales work and targeted marketing activities. Continued progress is expected in the development of products in the company's pipeline.

Harboe expects all the group's business areas to contribute to continued positive developments in 2014/2015.

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

No events have occurred after the end of the period which materially affect the earnings and financial position of the company.

#### **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:

2 July 2015                                      Annual report 2014/15

**ANNOUNCEMENTS TO NASDAQ OMX COPENHAGEN**

In the period 1 May 2014 to 31 January 2015, the company submitted the following announcements to NASDAQ OMX Copenhagen, which may be found at the company's website, [www.harboes.dk](http://www.harboes.dk):

<b>Date</b>	<b>Announcement</b>
20 June 2014	Notice of annual general meeting
3 July 2014	Annual report 2013/2014
4 July 2014	Financial calendar for 2014/15
28 July 2014	Notice of annual general meeting
25 August 2014	Minutes of annual general meeting
25 September 2014	Interim report Q1 2014/2015
17 December 2014	Interim report, H1 2014/2015

# MANAGEMENT'S STATEMENT

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Today, we have reviewed and approved the interim report of Harboes Bryggeri A/S for the period 1 May 2014 - 31 January 2015.

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 January 2015 and of the results of its activities and cash flows for the period 1 May 2014 - 31 January 2015.

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, 19 March 2015

## **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	Q3 2014/2015	Q3 2013/2014	Q1-Q3 2014/2015	Q1-Q3 2013/2014	FY 2013/2014
<b>Continuing activities</b>						
Gross revenue		345,035	363,786	1,180,231	1,236,875	1,626,919
Taxes on beer and soft drinks		(40,627)	(45,712)	(137,451)	(164,480)	(206,807)
<b>Revenue</b>		<b>304,408</b>	<b>318,074</b>	<b>1,042,780</b>	<b>1,072,395</b>	<b>1,420,112</b>
Production costs		(237,874)	(267,596)	(828,225)	(877,091)	(1,177,552)
<b>Gross profit/(loss)</b>		<b>66,534</b>	<b>50,478</b>	<b>214,555</b>	<b>195,304</b>	<b>242,560</b>
Distribution costs		(47,793)	(43,946)	(146,916)	(147,819)	(190,704)
Administrative expenses		(13,605)	(11,833)	(40,022)	(36,591)	(49,628)
Other operating income		2,015	4,671	11,583	14,015	28,206
Other operating expenses		(2,665)	(3,834)	(7,280)	(10,576)	(13,739)
<b>Operating profit/(loss)</b>		<b>4,486</b>	<b>(4,464)</b>	<b>31,920</b>	<b>14,333</b>	<b>16,695</b>
Financial income		689	213	2,264	1,046	2,627
Financial expenses		(2,305)	(2,159)	(6,337)	(5,701)	(8,919)
<b>Profit/(loss) before tax</b>		<b>2,870</b>	<b>(6,410)</b>	<b>27,847</b>	<b>9,678</b>	<b>10,403</b>
Calculated tax on profit/(loss) for the period		(804)	1,652	(7,539)	(3,203)	(2,121)
Adjustment of tax, previous years		-	-	-	549	2,309
<b>Net profit/(loss) for the period</b>		<b>2,066</b>	<b>(4,758)</b>	<b>20,308</b>	<b>7,024</b>	<b>10,591</b>
<b>Distribution of net profit/(loss) for the period</b>						
Shareholders of the parent				20,308	7,045	10,627
Minority interests				0	(21)	(36)
<b>Earnings per share (DKK per DKK 10 share)</b>						
Earnings per share and diluted earnings per share (DKK)	2			4.33	1.29	2.02

# STATEMENT OF COMPREHENSIVE INCOME

GROUP (DKK '000)	Q1-Q3 2014/2015	Q1-Q3 2013/2014	FY 2013/2014
<b>Net profit/(loss) for the period</b>	<b>20,308</b>	<b>7,024</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	(1,468)	319	441
Fair value adjustment of financial assets available for sale	0	0	70
Recirculation to the income statement of fair value adjustment upon disposal of financial assets available for sale	0	0	22
Tax on other comprehensive income	0	0	(22)
<b>Other comprehensive income</b>	<b>(1,468)</b>	<b>319</b>	<b>511</b>
<b>Comprehensive income</b>	<b>18,840</b>	<b>7,343</b>	<b>11,102</b>
<b>Distribution of comprehensive income for the period</b>			
Shareholders of the parent	18,840	7,364	11,138
Minority interests	0	(21)	(36)

## BALANCE SHEET – ASSETS

GROUP (DKK '000)	31 January 2015	31 January 2014	30 April 2014
Goodwill	3,573	3,573	3,573
Development projects	4,391	5,816	5,460
Rights	5,709	5,293	5,724
Software	16,360	19,526	18,664
Intangible assets under construction	90	-	80
<b>Intangible assets</b>	<b>30,123</b>	<b>34,208</b>	<b>33,501</b>
Land and buildings	236,134	237,565	235,185
Plant and machinery	425,015	444,518	442,164
Other plant, fixtures and fittings, tools and equipment	24,275	23,453	23,858
Spare parts for own production equipment	2,989	4,184	3,619
Property, plant and equipment under construction	4,388	6,252	14,789
<b>Property, plant and equipment</b>	<b>692,801</b>	<b>715,972</b>	<b>719,615</b>
<b>Investment Property</b>	<b>57,701</b>	<b>61,399</b>	<b>60,475</b>
Financial assets available for sale	8,625	178,050	8,706
Deposits, leases	2,445	2,423	2,423
<b>Financial assets</b>	<b>11,070</b>	<b>180,473</b>	<b>11,129</b>
<b>Deferred tax assets</b>	<b>5,776</b>	<b>3,725</b>	<b>5,804</b>
<b>Non-current assets</b>	<b>797,471</b>	<b>995,777</b>	<b>830,524</b>
Raw materials, consumables and packaging	72,445	77,323	73,465
Finished goods and goods for resale	77,424	78,009	88,024
<b>Inventories</b>	<b>149,869</b>	<b>155,332</b>	<b>161,489</b>
Trade receivables	232,323	234,317	278,670
Other receivables	3,189	7,647	6,030
Prepayments	11,785	11,911	8,568
<b>Receivables</b>	<b>247,297</b>	<b>253,875</b>	<b>293,268</b>
<b>Cash</b>	<b>112,547</b>	<b>3,008</b>	<b>96,235</b>
<b>Assets held for sale</b>	<b>-</b>	<b>2,400</b>	<b>2,200</b>
<b>Current assets</b>	<b>509,713</b>	<b>414,615</b>	<b>553,192</b>
<b>Total assets</b>	<b>1,307,184</b>	<b>1,410,392</b>	<b>1,383,716</b>

## BALANCE SHEET – EQUITY AND LIABILITIES

GROUP (DKK '000)	31 January 2015	31 January 2014	30 April 2014
Share capital	60,000	60,000	60,000
Share premium	-	51,000	-
Reserves	(20,357)	(4,249)	(4,072)
Retained earnings	670,794	602,563	650,487
<b>Equity owned by shareholders of the parent</b>	<b>710,437</b>	<b>709,314</b>	<b>706,415</b>
Equity owned by minority interests	143	157	143
<b>Equity</b>	<b>710,580</b>	<b>792,337</b>	<b>706,558</b>
Mortgage debt	188,720	220,640	200,470
Provision for deferred tax	49,459	53,508	49,534
Deferred recognition of income	55,821	61,914	60,882
<b>Non-current liabilities</b>	<b>294,000</b>	<b>316,624</b>	<b>310,886</b>
Mortgage debt	15,693	15,690	15,772
Other credit institutions	69,111	136,005	78,480
Trade payables	124,984	138,956	172,008
Repurchase of returnable packaging	7,929	8,149	8,030
Income tax	7,103	1,268	2,309
Other payables	70,182	75,128	81,488
Deferred recognition of income	7,288	9,101	7,874
Deferred income	314	-	311
<b>Current liabilities</b>	<b>302,604</b>	<b>384,297</b>	<b>366,272</b>
<b>Liabilities</b>	<b>596,604</b>	<b>700,921</b>	<b>677,158</b>
<b>Equity and liabilities</b>	<b>1,307,184</b>	<b>1,410,392</b>	<b>1,383,716</b>



# CASH FLOW STATEMENT

GROUP (DKK '000)	Q1 -Q3 2014/2015	Q1 -Q3 2013/2014	FY 2013/2014
Operating profit/(loss)	31,920	14,333	16,695
Depreciation and amortisation etc.	66,994	66,546	90,052
Grants recognised as income	(5,886)	(8,354)	(10,023)
<b>Cash flows from operating activities before change in working capital</b>	<b>93,028</b>	<b>72,525</b>	<b>96,724</b>
Change in inventories	11,362	(21,875)	(28,010)
Change in trade receivables	45,755	53,510	9,205
Change in other receivables	(432)	(1,472)	3,490
Change in trade payables etc.	(46,727)	(33,450)	(451)
Change in other current liabilities	(11,171)	(30,216)	(22,192)
<b>Change in working capital</b>	<b>(1,213)</b>	<b>(33,503)</b>	<b>(37,958)</b>
<b>Cash flows from primary operating activities</b>	<b>91,815</b>	<b>39,022</b>	<b>58,766</b>
Financial income received	2,211	1,038	2,580
Financial expenses paid	(6,311)	(5,779)	(8,930)
Taxes paid, net	(2,173)	(4,139)	(5,818)
<b>Cash flows from operating activities</b>	<b>85,542</b>	<b>30,142</b>	<b>46,598</b>
Purchase of intangible assets	(1,672)	(1,827)	(2,330)
Purchase of property, plant and equipment	(35,063)	(18,361)	(43,564)
Sale of property, plant and equipment	4,448	1,556	2,085
Dividend received from financial assets available for sale	53	7	54
Purchase of financial assets	(711)	(20)	(20)
Sale of financial assets	199	191	169,222
<b>Cash flows from investing activities</b>	<b>(32,746)</b>	<b>(18,454)</b>	<b>125,447</b>
Dividend paid	(9,373)	(8,322)	(8,323)
Investment grant received	404	871	1,803
Repayment of non-current liabilities, net	(11,829)	(11,669)	(15,569)
Raising of financial liability	-	-	-
Purchase of treasury shares	(5,551)	(70,144)	(76,802)
<b>Cash flows from financing activities</b>	<b>(26,349)</b>	<b>(89,264)</b>	<b>(98,891)</b>
<b>Changes in cash and cash equivalents</b>	<b>26,447</b>	<b>(77,576)</b>	<b>73,154</b>
Cash and cash equivalents as at 1 May	16,989	(55,421)	(55,399)
<b>Cash and cash equivalents as at 31 October</b>	<b>43,436</b>	<b>(132,997)</b>	<b>17,755</b>

# STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium 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	318	7,045	7,363	(22)	7,341
Dividend paid	0	0	0	(9,000)	(9,000)	0	(9,000)
Dividend from treasury shares	0	0	0	677	677	0	677
Purchase of treasury shares	0	0	0	(70,144)	(70,144)	0	(70,144)
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>318</b>	<b>(71,422)</b>	<b>(71,104)</b>	<b>(22)</b>	<b>(71,126)</b>
<b>Equity as at 31 January 2014</b>	<b>60,000</b>	<b>51,000</b>	<b>(4,249)</b>	<b>602,563</b>	<b>709,314</b>	<b>157</b>	<b>709,471</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	(1,361)	20,307	18,946	0	18,946
Dividend paid	0	0	0	(12,000)	(12,000)	0	(12,000)
Dividend from treasury shares	0	0	0	2,627	2,627	0	2,627
Purchase of treasury shares	0	0	0	(5,551)	(5,551)	0	(5,551)
<b>Total changes in equity</b>	<b>0</b>	<b>0</b>	<b>(1,361)</b>	<b>5,383</b>	<b>4,022</b>	<b>0</b>	<b>4,022</b>
<b>Equity as at 31 January 2015</b>	<b>60,000</b>	<b>0</b>	<b>(5,433)</b>	<b>655,870</b>	<b>710,437</b>	<b>143</b>	<b>710,580</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

GROUP (DKK '000)	Q1 -Q3 2014/15	Q1 -Q3 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)	4.33	1.29
The basis of calculation of earnings per share and diluted earnings per share is as follows:		
<b>Profit distributed to shareholders of the parent used in connection with the calculation of earnings per share</b>	<b>20,308</b>	<b>7,045</b>
	<b>2014/15 No. of shares of DKK 10</b>	<b>2013/14 No. of shares of DKK 10</b>
Average number of shares	6,000,000	6,000,000
Average number of treasury shares	(1,308,147)	(538,587)
<b>Number of shares used to calculate earnings per share (no.)</b>	<b>4,691,853</b>	<b>5,461,413</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>4,691,853</b>	<b>5,461,413</b>

# NOTES

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### 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	252,087	260,050	347,304	351,512
Germany	465,377	453,162	349,343	370,978
Other geographical areas	325,316	354,738	22,704	24,117
	<b>1,042,780</b>	<b>1,067,950</b>	<b>719,351</b>	<b>746,607</b>

# NOTES

GROUP (DKK '000)	31 January 2014/15	31 January 2013/14	
<b>4. OTHER RESERVES</b>			
Reserve for foreign currency translation adjustments	(825)	413	
Reserve for fair value adjustment of financial assets available for sale	(4,608)	(4,662)	
Reserve for value adjustment of hedging instruments	0	0	
	<b>(5,433)</b>	<b>(4,249)</b>	
	<b>Reserve for foreign currency translation adjustments</b>	<b>Reserve for value adjustment of financial assets available for sale</b>	<b>Other reserves, total</b>
<b>Other reserves as at 1 May 2013</b>	<b>95</b>	<b>(4,662)</b>	<b>(4,567)</b>
Foreign currency translation adjustment regarding foreign enterprises	318	0	318
Fair value adjustment of financial instruments entered into for hedging future cash flows	0	0	
Fair value adjustment of financial assets available for sale	0	0	0
Tax on income and expenses recognised directly in equity	0	0	0
<b>Other reserves as at 31 January 2014</b>	<b>413</b>	<b>(4,662)</b>	<b>(4,249)</b>
<b>Other reserves as at 1 May 2014</b>	<b>536</b>	<b>(4,608)</b>	<b>(4,072)</b>
Foreign currency translation adjustment regarding foreign enterprises	(1,361)	0	(1,361)
Fair value adjustment of financial instruments entered into for hedging future cash flows	0	0	
Fair value adjustment of financial assets available for sale	0	0	0
Tax on income and expenses recognised directly in equity	0	0	0
<b>Other reserves as at 31 January 2015</b>	<b>(825)</b>	<b>(4,608)</b>	<b>(5,433)</b>