



BY APPOINTMENT TO
THE ROYAL DANISH COURT

HARBOE

COMPANY ANNOUNCEMENT

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INTERIM REPORT OF HARBOES BRYGGERI A/S For the period 1 May - 31 October 2015

To

NASDAQ OMX Copenhagen

The Board of Directors of Harboes Bryggeri A/S has today considered and approved the interim report for the period 1 May - 31 October 2015

The report is described on the following pages.

Skælskør, 17 December 2015

Anders Nielsen
Chairman of the Board

Bernhard Griesse
CEO



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

CEO Bernhard Giese on the interim report:

"We are pleased to have maintained our position and continued to develop our value-adding collaboration with our large Northern European customers. We also see continued strong growth in sales of our own brands in the international markets, and combined these developments ensure satisfactory earnings growth in H1. We therefore expect the results for the full year to be at the high end of our previous outlook. Developments in H1 are the result of several years of targeted investments in the expansion of the group's activities, and we continue to see an attractive potential for further growth.

Our strategy is to create sustainable organic growth, and the positive developments in H1 contribute to further increasing the group's robustness in relation to the total business and financial exposure. This is supported by a strong cash flow, high cash flow flexibility and solid financial resources, which create the optimum basis for allowing us to continue to finance the development of our activities and create value for our shareholders, customers and employees."

Bernhard Giese
CEO



COMPANY ANNOUNCEMENT

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

The period in outline:

Strengthened earnings driven by own brands and continued streamlining

- Revenue of DKK 729.0 million was posted in H1 against DKK 733.8 million in the prior-year period.
- Sales of beer and soft drinks, including malt beverages and malt wort products, totalled 3.19 million hectolitres which is largely on a par with H1 2014/15.
- Profit before depreciation, amortisation, net financials and tax (EBITDA) was up 16.4% at DKK 83.9 million, corresponding to an EBITDA margin of 11.5%.
- Operating profit (EBIT) rose by 42.5% to DKK 39.1 million from last year's DKK 27.4 million.
- Consolidated profit before tax was DKK 31.0 million against DKK 25.0 million last year.
- The group's investments in the financial year totalled DKK 35.6 million.
- Cash flow from operating activities and free cash flow (changes in cash and cash equivalents) amounted to DKK 98.6 million and DKK 42.1 million, respectively.
- Harboe raises its outlook for the year as a whole for EBITDA in the region of DKK 120-140 million to DKK 130-150 million and a profit before tax of in the range of DKK 35-45 million to DKK 45-55 million.

Further information

Bernhard Griese, CEO

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FINANCIAL HIGHLIGHTS

GROUP (DKK '000)	Q2 2015/16	Q2 2014/15	H1 2015/16	H1 2014/15	FY 2014/15
Earnings					
Revenue	348,472	341,788	729,018	733,847	1,371,335
EBITDA	38,706	32,393	83,880	71,958	129,372
Operating profit/(loss)	16,243	10,359	39,056	27,434	38,644
Profit/(loss) before tax	9,155	9,093	31,000	24,977	10,403
Net profit/(loss) for the period	4,983	6,377	21,005	18,242	10,591
Balance sheet					
Non-current assets			784,184	809,137	790,794
Current assets			501,406	565,827	501,410
Equity			724,098	714,123	709,850
Non-current liabilities			277,023	298,171	286,827
Current liabilities			284,469	362,670	295,527
Balance sheet total			1,285,590	1,374,964	1,292,204
Net interest-bearing debt			104,545	202,920	154,370
Investments etc.					
Investments in intangible assets	105	215	409	510	2,394
Investments in property, plant and equipment	12,416	18,511	35,164	33,717	34,116
Depreciation, amortisation, impairment losses and write-downs	22,560	22,234	44,824	44,524	89,922
Cash flows					
Cash flows from operating activities	86,665	42,294	98,609	27,803	109,908
Cash flows from investing activities	(17,484)	(13,002)	(42,765)	(23,990)	(49,642)
Cash flows from financing activities	(9,705)	(13,320)	(13,763)	(16,855)	(33,171)
Change in cash and cash equivalents (free cash flow)	59,476	15,972	42,081	(13,042)	27,095
Ratios (in %)					
Profit margin			5.4%	3.7%	2.8%
Solvency ratio			56.3%	51.9%	54.9%
EBITDA margin			11.5%	9.8%	9.4%
Gearing			14.4%	28.4%	21.7%

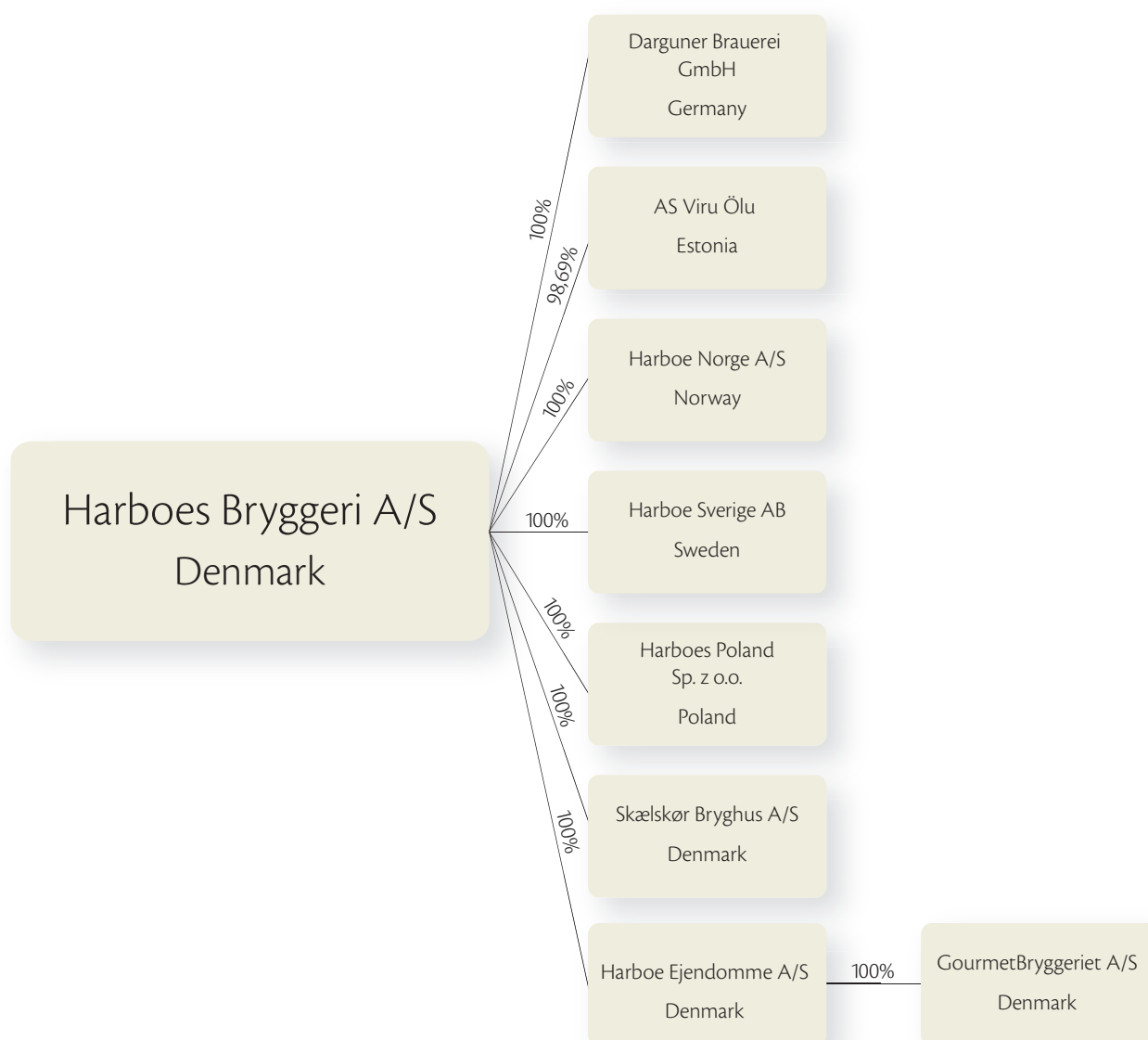
GROUP CHART

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

THE GROUP'S BUSINESS DEVELOPMENT

Total sales of beer and soft drinks, including malt beverages and malt wort products, rose to 1.53 million hectolitres in Q2 against 1.48 million hectolitres in the same period last year.

Sales in H1 came to 3.19 million hectolitres, corresponding to a slight increase of 0.5%.

REVENUE

Revenue was DKK 348.5 million in Q2 2015/16 against DKK 341.8 million in the prior-year period, up 2.0%.

Revenue of DKK 729.0 million was posted in H1 against DKK 733.8 million in the prior-year period, corresponding to a slight fall of 0.6%.

The development in revenue reflects a continued solid position and close cooperation with the large retail customers in the Northern European markets, which are continuously being developed with new products and sales concepts. The development is also driven by double-digit growth in sales as part of the continued expansion of Harboe's position in the international markets. The growth is, however, to some extent offset by a cool start to the high season in the Northern European markets in Q1 and continued changes in the product mix for the benefit of contracts with lower volumes, but which generate higher earnings overall.

Read more about the individual business areas in the section on developments in the group's markets.

EARNINGS

A profit before depreciation, amortisation, net financials and tax (EBITDA) of DKK 38.7 million was returned in Q2 against DKK 32.4 million in the prior-year period. This corresponds to an increase of 19.5%.

In H1, EBITDA rose from 72.0 million in H1 last year to DKK 83.9 million. This corresponds to an EBITDA margin of 11.5% against 9.8% in the prior-year period.

The improved earnings are attributable to the positive development of the business, including sales of the group's own brands, which contribute positively to the earnings margins. Moreover, Harboe is seeing a continued positive effect from the investments made in recent years in efficiency improvements in the entire value chain, and a number of energy optimisations in production in both Denmark and Germany have positively impacted energy efficiency and energy costs.

Depreciation, amortisation, impairment losses and write-downs totalled DKK 22.6 million in Q2 against DKK 22.2 million in the prior-year period. Depreciation, amortisation, impairment losses and write-downs for H1 amounted to DKK 44.8 million against DKK 44.5 million in the prior-year period.

The operating profit rose to DKK 16.2 million in Q2 from DKK 10.4 million in the prior-year period. An operating profit of DKK 39.1 million was returned for H1 against DKK 27.4 million in the prior-year period. This corresponds to an EBITDA margin of 5.4%.

Net financials were negative at DKK 7.1 million in Q2 against DKK 1.3 million in Q2 last year. Net financials are impacted by a write-down of DKK 6.1 million as at 31 October 2015, corresponding to the value of the group's shareholding in the football club FC Vestsjælland as a result of the negative development in the company's equity. Net financials for the period were negative at DKK 8.1 million relative to DKK 2.5 million in the prior-year period.

The profit before tax thus amounted to DKK 9.2 million in Q2 against DKK 9.1 million in the prior-year period. A profit before tax of DKK 31.0 million was returned for H1 against DKK 25.0 million in the same period last year.

The net profit amounted to DKK 5.0 million in Q2 against DKK 6.4 million in the prior-year period. A net profit of DKK 21.0 million was returned for H1 against DKK 18.2 million in the prior-year period.

INVESTMENTS

The investments in intangible assets and property, plant and equipment amounted to DKK 35.6 million in H1 and are related to capacity improvements, ongoing maintenance and continued efficiency measures, among other things.

EQUITY

As at 31 October 2015, equity amounted to DKK 724.1 million against DKK 709.9 million as at 1 May 2015.

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

TREASURY SHARES

As at 31 October 2015, the group's holding of treasury shares totalled 1,434,403 class B shares, corresponding to 23.9% of the share capital. No additional treasury shares were acquired during the period.

The purchase of treasury shares was effected in pursuance of a decision made at the general meeting on 27 August 2015, at which the Board of Directors was authorised to acquire up to 50% of the share capital. The authorisation is valid for five years.

The Board of Directors wants the acquisition of treasury shares to continue to be part of the group's dividend policy in future. The portfolio of treasury shares increases the cash resources available for further attractive dividend payments on the remaining share capital. The portfolio of treasury shares also forms part of the group's strategic capital reserves and ensures the necessary flexibility should Harboe want to enter into

strategic partnerships or make acquisitions as part of the continued development of its activities.

DIVIDEND

In accordance with a resolution adopted at the company's annual general meeting held on 27 August 2015, dividend corresponding to DKK 2.00 per share or a total of DKK 12 million was paid in the accounting period.

LIQUIDITY AND NET INTEREST-BEARING DEBT

Working capital fell by DKK 29.3 million, primarily as a result of continued intense focus on further optimisation through the management of procurement, trade payables etc. Among other things, the group has entered into supply chain financing agreements with large customers in the Northern European markets, and overall this has resulted in a significant strengthening of the cash flow from operating activities which amounted to DKK 98.6 million in H1 against DKK 27.8 million in the prior-year period. Free cash flow (changes in cash and cash equivalents) amounted to DKK 42.1 million against DKK -13.0 million in the prior-year period.

Cash resources, which are composed of cash and credit facilities granted but not yet activated, amounted to DKK 286.6 million as at 31 October 2015.

To this should be added the holding of treasury shares amounting to DKK 148.5 million stated at the share market value as at 31 October 2015.

As at 31 October 2015, the group's interest-bearing debt amounted to DKK 200.1 million, and the net interest-bearing debt amounted to DKK 104.5 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 selling prices. This is true, in particular, of those of the group's products that are marketed to the discount chains. The group's strategic focus on a continued strengthening of the sale of own brands, which can typically be marketed in more attractive price segments, provides an ever-increasing contribution to reducing this risk. At the same time, 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 2014/15.

THE OUTLOOK FOR 2015/16 RAISES

Harboe raises its outlook for the year as a whole for improved earnings and EBITDA in the region of DKK 120-140 million to DKK 130-150 and a profit before tax of approx. DKK 35-45 million to DKK 45-55 million.

Market conditions in the Northern European markets are expected to remain extremely challenging with intense competition and pressure on prices. Harboe will focus on maintaining its position in these markets as an attractive and flexible supplier and strategic business partner to major customers in the retail sector based on a targeted and dynamic product range that supports a positive perception of Harboe's brands.

A 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. In particular, strategic focus will be on positioning the group's own brands and existing product range in markets where Harboe can establish and expand an attractive platform for its products.

It is expected that the total growth will be driven by the continued development of the large Northern European contracts combined with further expansion of the international activities.

Focus will also be on the activities within malt-based ingredients, with a

continuation of the European sales activities and targeted marketing activities in selected international markets outside Europe. Continued progress is expected in the development of products in the company's pipeline.

At group level, the efforts to ensure continued optimisation in operations and further strengthening of the group's cash flow will continue.

Overall, Harboe expects all business units to contribute to positive growth in group revenue. Earnings will continue to be affected by intense competition and pressure on prices, just as seasonal fluctuations and the annual renegotiation of major contracts in connection with the end of the calendar year may impact the group's total profit.

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.

STRATEGIC UPDATE

The recent years' intense focus on building and further utilising the value of the group's own brands continues with strategic business development initiatives – both in Northern Europe and in a wide range of international markets. The activities are based on the group's existing product range and brands within beer, malt-based drinks, fruit juices and energy drinks, which the group is seeking to effectively exploit and tailor to the demand and market conditions prevailing in the individual focus markets. In H1, this provided a platform for strong growth in beer sales in a number of international markets and the continued positioning of the group's brands with growth in sales of Bear Beer, Hypermalt and X-Ray, among others. The growing recognition of the group's products was also reflected in the prestigious German 'Bundesehrenpreis' award which was presented to Harboe in autumn for the outstanding quality of the group's juice products.

The activities are supported by a continued strategic expansion and streamlining of the international sales and marketing organisation with the development of targeted sales tools, marketing activities and support for customers' and distributors' marketing of the individual brands. Work is also being done to further optimise production and logistics across the group's production units with a view to efficient resource utilisation in response to the increasing sales. Consequently, investments were made in new warehouse facilities and bottle-sorting systems for recyclable bottles.

All in all, the measures are intended to strengthen the strategic platform for continued organic growth, and it is expected that the investments will create a basis for attractive returns over the coming years.

NEW MULTI-CENTRE

As part of the continued development of the group, Harboe has initiated the establishment of a new international centre for education/training, marketing and communication in conjunction with the group's head office in Skælskør. The centre which is due to be completed about two years

from now is to provide the framework for the group's educational activities, management development and experience-sharing activities. The centre will also serve as an effective framework for the dialogue with the group's stakeholders and as a showroom for customers and business partners where Harboe's values, history, products and brands will be presented in a dynamic environment. The group expects that the new centre will become not only a valuable meeting point for the group's managers and employees but also an effective marketing platform in the continued strengthening of the group's activities. Construction is expected to begin during the coming calendar year.

LOCAL PRESENCE AND VISIBILITY

Harboe is strongly rooted in the local community and aware of the responsibility that naturally comes from being an integral part of the communities in which the company operates. Harboe thus supports a number of relevant local sports activities, cultural events and charities.

As part of these activities, seven years ago Harboe decided to support the local football club, FC Vestsjælland, through ongoing sponsorships and a minor investment in the company. The investment was motivated by a desire to strengthen the general branding and marketing of the group, and the value of the exposure is estimated to be in the double-digit millions. The activities have given Harboe considerable exposure – both in the local community and in the world of Danish football while the team played in the Superliga. At the same time, the collaboration has also given rise to increased on-trade sales and very positive local exposure in connection with matches and other cultural events at the football club's stadium which was renamed Harboe Arena as a result of the share investment. However, the negative development in the football club's sporting achievements and business operations prompted Harboe to write down the entire value of the group's shareholding in FC Vestsjælland as at 31 October 2015. The football club's Board of Directors subsequently filed for bankruptcy on 30 November.

Harboe will continue to support local sports and cultural institutions if it can support the business, generate widespread positive attention and make a difference for the communities of which the group is a part.

CHANGED DISCLOSURE REQUIREMENTS AND REPORTING

As a result of the most recent amendments to the Danish Securities Trading Act (*Værdipapirhandelsloven*) and the Danish Executive Order on Issuers' Disclosure Obligations (*Udstederbekendtgørelsen*) of 26 November 2015, Harboe has decided to end its previous practice of publishing quarterly reports for Q1 and Q3. The new rules will ease the administrative burden and free up resources, which Harboe wants to make the most of. Up to now, it has also been a challenge that the seasonal fluctuations in the group's activities are not congruent with the timing of the quarterly reporting, which consequently does not provide a clear picture of the group's general development. However, Harboe places great emphasis on investors and other stakeholders being well informed of the group's development and results. Going forward, it is therefore the management's wish to continue to keep the market up-to-date on new, sig-

nificant events as well as strategic and business initiatives whenever relevant in between the formal interim and full-year reporting. The financial calendar for 2015/16 will be changed accordingly.

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. 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 gaining growing recognition.

In H1, the activities in Harboe Nordic developed as anticipated with a satisfactory demand for the group's products, particularly in July which is part of the high season. 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 results in falling prices of both beer and soft drinks. As part of the efforts to address this pressure, Harboe continued to focus on optimising its contract portfolio, replacing agreements with low margins with new customer agreements where the volume is lower, but with a stronger product mix, thereby strengthening the relative and absolute contribution to earnings. New strategic agreements with major customers have thus been concluded in the period.

Efforts are still being made to adapt and innovate the product range, packaging solutions and sales concepts which are marketed in high-end price segments and strengthen collaboration with retail customers and the positioning of Harboe's products vis-à-vis consumers. In the past year, Harboe has launched several new specialty products and concept series under its own brands, among others, driving both sales and earnings in H1 and contributing to Harboe maintaining its solid position in the retail markets amidst intense competition. Sales of juices and energy drinks are also developing positively. Furthermore, sales activity in the Danish-German border area is good thanks to a stronger positioning of Harboe's brands and the introduction of a number of new specialty products.

For the rest of the year, the decline in the demand for beer is expected to continue, whereas the markets for soft drinks and other non-alcoholic

beverages are expected to develop positively. The intense competition is expected to continue which will put earnings under constant pressure. However, Harboe's strategic focus will be consistently on maintaining its strong foothold through the development of existing and new customer relations and through continued product innovation to stimulate sales.

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 by continuing to build up its position in the selected markets where economic and demographic developments support increasing purchasing power and a demand for quality products.

In H1, Harboe International saw a positive development with strong growth in the sale of own brands. Especially in Asia, Latin America and the Middle East, the targeted positioning of the group's products has paved the way for new agreements and drives the overall increase in sales, even though unstable market conditions in a number of other markets put a brake on the general growth momentum.

Harboe focuses at all times on making the most of the international market potential while taking account of the current market conditions and the economic risk exposure.

MIDDLE EAST

In the markets in the Middle East and North Africa, Harboe markets mainly non-alcoholic beverages, including a wide range of non-alcoholic malt beverages and traditional soft drinks, which are both growth categories. In recent years, the activities have been expanded in collaboration with distributors and customers, and Harboe continues to build its position in the stable markets in the region which are being cultivated in close collaboration with well-established local distributors. Among other activities, Harboe has increased its marketing of White Bear – a clear malt beverage available in different flavours – bringing the brand into focus once more by launching sales initiatives in several interesting growth markets. The activities in the region have thus developed very positively in H1 with healthy growth in sales and are expected to contribute additional revenue and earnings in the current financial year.

AFRICA

Harboe sells a wide range of beers, soft drinks, malt beverages and non-alcoholic malt beverages in a growing number of African countries, primarily under own brands, but also as private-label products for major international players. Africa represents Harboe International's single largest market, and its continued expansion is driven by an increasing de-

mand 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 are developing positively, but overall growth was affected by continued and new challenges brought on by political turmoil and declining demand in some markets. However, developments in Africa are generally driven by increasing purchasing power and demand, and agreements have been concluded with new customers in H1. Harboe still sees an attractive potential in Africa and is continuously looking to tailor its activities to the prevailing business opportunities and risks. The group expects the continued marketing initiatives aimed at existing and new customers to provide a basis for further strengthening of its market position on the African continent in the remaining part of the financial year.

ASIA AND OCEANIA

In recent years, as part of its strategy of continued international expansion, Harboe has launched systematic marketing efforts in Asia and in selected markets in Oceania. Partnerships have been established with key distributors across the region, and particularly Harboe's targeted range of own brands within lager and strong beer has gained a foothold and growing recognition in the Asian markets where they are marketed in attractive price segments.

The company's collaboration with distributors and the execution of a targeted sales strategy aimed directly at large retail chains continued with positive developments within all product categories, although strong demand within the beer segment is the main driver of growth. Particularly the activities in North-East Asia are driving the rapidly increasing sales in the region with solid growth rates based on an effective distributor partnership and new contracts with large single customers.

The activities in Asia and Oceania make an increasingly positive contribution to the group's total sales, and the strategic development of the focus markets in the region is expected to support continued growth and a strengthened market position in the current financial year.

AMERICAS

The latest step in the geographical expansion has been targeted at selected markets in South and Latin America. Initially, the activities were targeted at special consumer segments in the Caribbean where the dark, non-alcoholic malt beverages such as Harboe's Hypermalt are seeing a strong demand.

Harboe continues to expand its presence in a number of new markets in the region where beer, in particular, but also energy drinks are growing categories. Partnerships with both local and regional distributors and direct contact with major retail chains have been established.

Sales in the Americas are developing positively – although still from a modest basis. The potential for establishing a stronger presence in these markets is attractive, and Harboe expects the activities to increasingly make a positive contribution to the group's results.

EUROPE

For a number of years, Harboe has marketed a wide range of products in selected European markets outside Northern Europe. The products are sold both under own brands and as private-label products through major international partners. Like the core markets in Northern Europe, these markets are characterised by negative or low growth within beer and soft drinks, but demand for, for example, dark malt beverages among ethnic groups, especially in France and the UK, still drives stable sales.

The activities in the European markets are driven by continued growth in the sale of the group's own brands and in H1 made a positive contribution to both growth and earnings in Harboe International.

Harboe focuses on maintaining and further expanding its position in these markets, driven by the group's own brands, and it expects that the activities will continue to contribute positively to the group's results.

HARBOE INGREDIENTS

Harboe Ingredients is the framework for Harboe's activities within malt extract. For more than 60 years, Harboe has marketed malt extract for the European food industry and it is currently a leading Nordic manufacturer.

The traditional malt extract is used as a natural alternative to sugars, flavourings and colourings used in the production of many different foods, including bread, cereal and chocolate. Activities are driven by rising demand and a general recognition of Harboe's products and certified production processes in an industry where food safety and quality are paramount. At the same time, interest in better, healthier and competitive food ingredients is growing, and this trend is supported by the ever-stricter international regulation of the food industry. By further processing and adapting its products and applications, Harboe seeks to maintain and strengthen its market position with solutions that create added value for customers.

Sales of traditional malt extract are seeing stable development and are based on successful partnerships with existing customers. In recent years, the organisation was further strengthened with strong competencies, ensuring effective provision of advice to customers and continued business development in terms of individual customer relations. Moreover, the sales and advisory activities are conducted in close collaboration with the development team to ensure that the functionality and properties which should be included in the development of new products and applications are continuously adapted to customer requirements.

In H1, Harboe continued the marketing of a clear malt extract and the development of other new applications and products. Partnerships are

under way 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. 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 still affect costs, but the 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.

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:

DATE	ANNOUNCEMENT
30 June 2016	Annual report 2015/16

COMPANY ANNOUNCEMENTS

In the period from 1 May to 31 October 2015, the company submitted the following announcements to NASDAQ OMX Copenhagen, which may be found at the company's website, www.harboes.dk

DATE	ANNOUNCEMENT
26 June 2015	Notice of annual general meeting
2 July 2015	Annual report 2014/15
30 July 2015	Notice of annual general meeting
27 August 2015	Minutes of annual general meeting
10 September 2015	Interim report, Q1 2015/16

MANAGEMENT'S STATEMENT

Today, we have reviewed and approved the interim report of Harboes Bryggeri A/S for the period 1 May - 31 October 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 October 2015 and of the results of its activities and cash flows for H1 2015/16.

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, 17 December 2015

Board of Executives

Bernhard Griese
CEO

Board of Directors

Anders Nielsen, Chairman
Bernhard Griese
Mads O. Krage
Karina Harboe Laursen
Thøger Thøgersen
Carl Erik Kjærsgaard
¹ Jens Bjarne Jensen

¹ Elected by the employees

INCOME STATEMENT

DKK'000	Q2 2015/16	Q2 2014/15	H1 2015/16	H1 2014/15	FY 2014/15
Revenue	348,472	341,788	729,018	733,847	1,371,335
Production costs	(272,919)	(280,962)	(569,897)	(600,023)	(1,096,945)
Gross profit/(loss)	75,553	60,826	159,121	133,824	274,390
Other operating income	(47,852)	(43,264)	(97,128)	(91,096)	(192,848)
Distribution costs	(13,385)	(12,805)	(26,721)	(26,417)	(50,834)
Administrative expenses	4,458	8,043	9,121	15,738	17,586
Other operating expenses	(2,531)	(2,441)	(5,337)	(4,615)	(9,650)
Operating profit/(loss) (EBIT)	16,243	10,359	39,056	27,434	38,644
Financial income	192	780	513	1,575	3,323
Financial expenses	(1,133)	(2,046)	(2,422)	(4,032)	(8,583)
Fair value adjustment of financial assets	(6,147)	-	(6,147)	-	-
Profit/(loss) before tax	9,155	9,093	31,000	24,977	33,384
Calculated tax on profit/(loss) for the period	(4,172)	(2,716)	(9,995)	(6,735)	(9,610)
Adjustment of tax, previous years	-	-	-	-	237
Net profit/(loss) for the period	4,983	6,377	21,005	18,242	24,011
Distribution of net profit/(loss) for the period					
Shareholders of the parent			31,035	18,236	24,024
Minority interests			(30)	6	(13)
Earnings per share and diluted earnings per share (continuing activities)			4.57	3.76	5.15

STATEMENT OF COMPREHENSIVE INCOME

	H1 2015/16	H1 2014/15	FY 2014/15
Net profit/(loss) for the year	21,005	18,242	24,011
Other comprehensive income			
<i>Items which may be reclassified to the income statement:</i>			
Foreign currency translation adjustment regarding foreign enterprises	(376)	(1,300)	(198)
Fair value adjustment of financial assets available for sale	(2,750)	0	0
Recirculation to the income statement of fair value adjustment upon disposal of financial assets available for sale	2,750	0	0
Tax on other comprehensive income	0	0	(30)
Other comprehensive income	(376)	(1,300)	(99)
Comprehensive income	20,629	16,942	23,912
Distribution of comprehensive income for the year:			
Shareholders of the parent	20,659	16,936	23,925
Minority interests	(30)	6	(13)

BALANCE SHEET

DKK '000	31 October 2015	31 October 2014	FY 2014/15
ASSETS			
Intangible assets	26,607	30,730	28,696
Property, plant and equipment	687,025	703,362	689,869
Investment properties	57,594	58,625	56,776
Financial assets available for sale	5,982	8,192	8,496
Deposits, leases	2,463	2,445	2,445
Deferred tax assets	4,513	5,783	4,512
Non-current assets	784,184	809,137	790,794
Inventories	141,012	147,300	139,111
Receivables	255,984	305,300	268,152
Prepayments	10,194	10,501	9,446
Cash	94,216	100,526	84,701
Assets held for sale	-	2,200	-
Current assets	501,406	565,827	501,410
Assets	1,285,590	1,374,964	1,292,204
EQUITY AND LIABILITIES			
Share capital	60,000	60,000	60,000
Other reserves	(1,797)	(5,372)	(4,171)
Retained earnings	665,795	659,346	653,891
Equity owned by shareholders of the parent	723,998	713,974	709,720
Equity owned by minority interests	100	149	130
Equity	724,098	714,123	709,850
Mortgage debt	176,306	192,790	184,348
Provision for deferred tax	47,588	49,461	47,608
Deferred recognition of income	53,129	55,920	54,871
Non-current liabilities	277,023	298,171	286,827
Bank debt and mortgage debt	23,753	112,224	56,158
Trade payables	144,436	135,723	127,938
Other short-term payables and other liabilities	97,897	100,375	9,616
Deferred recognition of income	7,083	7,273	94,616
Income tax	11,300	7,075	7,199
Current liabilities	284,469	362,670	295,527
Liabilities	561,492	660,841	582,354
Equity and liabilities	1,285,590	1,374,964	1,292,204

CASH FLOW STATEMENT

GROUP (DKK '000)	H1 2015/16	H1 2014/15	FY 2014/15
Operating profit/(loss)	39,056	27,434	38,644
Depreciation, amortisation, impairment losses and write-downs etc.	44,912	43,560	88,869
Grants recognised as income	(5,240)	(5,004)	(9,909)
Other adjustments	801	-	1,602
Change in net working capital	29,298	(33,762)	(1,269)
Cash flows from primary operating activities	108,827	32,228	117,937
Financial income received	513	1,555	3,291
Financial expenses paid	(2,410)	(4,040)	(8,593)
Income tax paid	(8,321)	(1,940)	(2,727)
Cash flows from operating activities	98,609	27,803	109,908
Purchase of intangible assets	(409)	(561)	(1,952)
Purchase of property, plant and equipment	(41,386)	(25,536)	(52,500)
Sale of property, plant and equipment	312	1,968	2,951
Dividend received from financial assets available for sale	-	29	54
Purchase of financial assets	(1,418)	(22)	(711)
Sale of financial assets	136	132	2,516
Cash flows from investing activities	(42,765)	(23,990)	(49,642)
Dividend paid	(9,131)	(9,377)	(9,373)
Investment grant received	3,423	404	3,229
Repayment of mortgage debt	(8,055)	(7,882)	(15,780)
Purchase of treasury shares	-	-	(11,247)
Cash flows from financing activities	(13,763)	(16,855)	(33,171)
Changes in cash and cash equivalents	42,081	(13,042)	27,095
Cash and cash equivalents as at 1 May	44,666	17,037	17,755
Translation adjustment, beginning of year	(176)	-	(186)
Cash and cash equivalents as at 31 October	86,571	3,995	44,664

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for foreign currency translation adjustment	Reserve for value adjustment of financial assets available for sale	Total other reserves	Retained earnings	Equity owned by shareholders of the parent	Equity owned by minority interests	Total equity
Equity as at 1 May 2015	60,000	338	(4,509)	(4,171)	653,891	709,720	130	709,850
Changes in equity 2015/16								
Net profit/(loss) for the year	0	0	0	0	21,035	21,035	(30)	21,005
Other comprehensive income	0	(376)	2,750	2,374	0	2,374	0	2,374
Dividend paid	0	0	0	0	(9,131)	(9,131)	0	(9,131)
Comprehensive income for the financial year	0	(376)	2,750	2,374	11,904	14,278	(30)	14,248
Equity as at 31 October 2015	60,000	(38)	(1,759)	(1,797)	665,795	723,998	100	724,098
Equity as at 1 May 2014	60,000	536	(4,608)	(4,072)	650,487	706,415	143	706,558
Changes in equity 2014/15								
Comprehensive income for the year	0	(1,300)	0	(1,300)	18,236	16,936	6	16,942
Dividend paid	0	0	0	0	(9,377)	(9,377)	0	(9,377)
Comprehensive income for the financial year	0	(1,300)	0	(1,300)	8,859	7,559	6	7,565
Equity as at 31 October 2014	60,000	(764)	(4,608)	(5,372)	659,346	713,974	149	714,123

NOTES

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 2014/15, which are in accordance with the International Financial Reporting Standards as adopted by the EU.

Reference is made to the annual report for 2014/15 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.

2. 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 2014/15.

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 primary basis of segmentation is geographical, with segment information being provided for Denmark, Germany and other geographical markets.

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	
	2015/16	2014/15	2015/16	2014/15
Denmark	171,974	178,853	178,853	348,668
Germany	301,306	324,586	324,586	358,811
Other geographical areas	255,738	230,408	230,408	23,040
	729,018	733,847	733,847	730,519

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.