Annual Report 2013

www.schouw.dk

Consolidated report

Portfolio companies

Financial statements

Statements

Like last year, Schouw & Co. will not be printing and distributing a conventional annual report. We have published a shareholder magazine to accompany our full-length annual report and readers may benefit from reading the annual report in conjunction with the shareholder magazine. The shareholder magazine is available in a print version and electronically at www.schouw.dk

The annual report contains a full presentation of financial statements and a full management's report, whereas the articles in the shareholder magazine provide supplementary information and describe matters of importance for our businesses in the years ahead.

This publication is a translation of the statutory Danish Annual Report 2013.
The original Danish text shall be controlling for all purposes, and in cases of discrepancy, the Danish wording shall be applicable.

Strong and focused Schouw & Co.

In what was truly a year of significant events, 2013 saw Schouw & Co. becoming a more focused company.

Our capital base has grown stronger, and we are very well positioned to take advantage of the opportunities that may come our way over the next few years. Our net interest-bearing debt fell by more than DKK 2 billion in 2013, and our operating profit remains at an attractive level.

Schouw & Co. took its first step in becoming an industrial conglomerate in 1988, when Grene became the first new company in the portfolio. While under our ownership, Grene has evolved from being a local Danish business to becoming a market leader in both the Nordic region and Poland. Grene and its somewhat larger Dutch peer Kramp had worked together for many years to develop the Russian market, so merging them was simply a natural next step. We hold a 20% interest in the merged business, which is clearly Europe's largest and most focused supplier of spare parts and accessories for the agricultural sector, and we firmly believe that merging with Kramp was the right move for Grene, and one that will create the most value for the company.

Schouw & Co.'s 20-year involvement in the wind turbine industry ended at the end of 2013. During that time, we played a highly active role in changing the industry, also as one of the promoters of the merger to create NEG Micon and a party to forming Vestas as we know it today. Our involvement in the wind turbine industry has yielded a return of almost DKK 1.8 billion after tax, and it was a crucial platform in the development of Schouw & Co.

I am very pleased to note that the significant events of the past year, the strong operations of our businesses and the effect of our focused strategy resulted in a considerable increase in our share price.

We will maintain our strategy to consolidate the Schouw & Co. conglomerate in 2014, investing in all of our portfolio companies so they can each grow profitably and build on their leading positions. Also, we will remain alert to any investment opportunities that could help create long-term value for Schouw & Co.

Jens Bjerg Sørensen, President
Aarhus, March 5, 2014

Key figures

GROUP SUMMARY (DKK MILLION)	2013	2012	2011	2010	2009
Revenue	11,644.9	11,162.1	11,,929.0	9,450.8	8,439.7
Operating profit before depriciation (EBITDA)	1,038.6	1,033.0	1,049.3	752.8	587.9
Operating profit (EBIT)	684.6	679.4	646.3	368.6	190.0
Profit/(loss) after tax in associates	(21.5)	(4.7)	(26.0)	(0.6)	(11.4)
Profit/loss from divestment of equity investments	0.0	0.0	1.9	1.1	0.0
Value adjustment of financial investments [1]	499.0	(68.3)	(556.2)	(518.1)	40.6
Net financials before value adjustment of financial investments	(53.3)	(71.5)	(107.2)	(92.2)	(117.7)
Profit/(loss) before tax	1,108.8	534.9	(41.2)	(241.2)	101.5
Tax on the profit/loss for the year	(249.3)	(127.1)	(30.8)	114.6	(28.5)
Profit for the year from continuing operations	859.5	407.8	(72.0)	(126.6)	73.0
Profit for the year from discontinued operations	508.1	89.9	0.0	166.8	77.9
Profit/(loss) for the year	1,367.6	497.7	(72.0)	40.2	150.9
Share of equity attributable to shareholders of Schouw & Co.	5,742.6	4,623.9	4,196.1	4,391.6	4,454.5
Minority interests	3.4	3.4	33.9	3.5	298.9
Total equity	5,746.0	4,627.3	4,230.0	4,395.1	4,753.4
Total assets	9,696.4	10,381.3	9,900.5	8,899.9	9,658.5
Net interest bearing debt (NIBD)	(23.4)	2,023.0	2,744.6	2,166.4	2,280.7
Working capital	1,424.2	1,892.1	2,146.8	1,614.0	1,455.4
Other key- and financial data					
Average number of employees during the year	2,052	1.976	3.287	3.166	3.334
Cash flow from operating activity	667.4	770.9	418.8	444.4	1,191.2
Investments in property, plant and equipment	345.7	284.6	564.4	472.3	208.4
Depreciation of property, plant and equipment	338.4	338.1	324.6	318.3	322.2
Return on equity (%)	26.4	11.3	(1.7)	(0.5)	2.5
Return on invested capital (ROIC %) [2]	16.1	15.6	13.8	9.8	5.8
Equity ratio (%)	59.3	44.6	42.7	49.4	49.2
EBITDA margin (%)	8.9	9.3	8.8	8.0	7.0
EBIT margin (%)	5.9	6.1	5.4	3.9	2.3
NIBD/EBITDA [2]	(0.0)	1.5	2.6	2.9	3.9
Per share data					
Earnings per share (of DKK 10)	57.46	21.09	(3.07)	(0.97)	4.43
Dividend per share (of DKK 10)	6.00	5.00	4.00	3.00	3.00
Net asset value per share (of DKK 10)	240.49	196.25	178.62	183.93	177.15
Share price at year end (of DKK 10)	222.50	149.00	92.50	133.50	94.45
Price/net asset value	0.93	0.76	0.52	0.73	0.53
Market capitalisation [3]	5,313.1	3,510.7	2,173.0	3,187.5	2,375.0

The financial ratios have been calculated in accordance with "Recommendations & Ratios 2010", issued by the Danish Society of Financial Analysts.
Due to the merger of Grene and Kramp, Grene was reclassified in 2013 from a consolidated business to discontinued operations. Comparative figures for 2012 in the income statement and the financial highlights and key figures have been restated accordingly, whereas comparative figures for balance sheet items are not restated. Key figures from earlier years are identical with the original annual reports.
[1] Value adjustment consists of value adjustments/gains and dividends from the holdings of shares in Vestas and Lerøy.
[2] The balance sheet component of the key figure has been adjusted to only reflect the carrying amount of the continuing operations.
[3] Market capitalisation is calculated excluding the holding of treasury shares.

A year of significant events

2013
- Profit before tax of DKK 1,368 million; an exceptionally good performance.
- Divestment of Martin Professional contributed DKK 261 million to consolidated profit after tax and produced net cash proceeds of DKK 499 million.
- Grene has now merged with the Dutch company Kramp, and Schouw & Co. holds a 20% interest in the new company. The merger was effected as a non-cash transaction, but Schouw & Co. recognises an accounting gain of DKK 196 million after tax.
- Selling the shares in Lerøy and Vestas produced a realised value adjustment gain on financial investments of DKK 499 million and cash proceeds of DKK 757 million.
- Net interest-bearing debt reduced by more than DKK 2 billion to zero.

2014
- Several of our portfolio companies operate in markets with excess capacity, and all are generally experiencing tough competition. Earnings expected to remain at an attractive level, and we expect to generate a substantial cash flow.
- Schouw & Co. expects in 2014 to generate total revenue of DKK 11.5-12.0 billion (2013: DKK 11.6 billion) and EBIT in the DKK 535-660 million range (2013: DKK 685 million including non-recurring income of DKK 54 million from the sale of property).
- Kramp and Xergi expected to improve both their revenue and earnings.
- Dividend raised by 20% to DKK 6.00 per share.

BioMar
- Volumes sold were in line with 2012; revenue up 5.8%. The more competitive markets, especially in Norway caused EBIT to drop to DKK 394 million in 2013, which was better than the most recent guidance. Uncertain market conditions lead to wide guidance range for 2014 EBIT.

Fibertex Personal Care
- Revenue and EBIT improved on 2012. The current global overcapacity and a new production line being run in add to the pressure on EBIT for 2014.

Fibertex Nonwovens
- Revenue up 3.5% and 32% surge in EBIT. Improvements expected in 2014.

Hydra-Grene
- Following a challenging first half, the second half of the year was in line with the year before, supported by an increase in activity in the wind turbine segment. Improvements expected in 2014.

Kramp
- Operations under pressure in the first half of the year caused a drop in overall 2013 profit. Integration of Grene and Kramp progressing to plan; company expects improvements in 2014.

↑ Revenue growth

4.3%

↑ Return On Invested Capital

16.1%

↓ Net interest-bearing debt/ EBITDA

0.0x

↑ Dividend up by 1 DKK per share

6 DKK

Our businesses

BioMar

FACTS BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry. The core business areas are feed for salmon, trout, sea bass and sea bream and tilapia.

GEOGRAPHY BioMar is headquartered in Aarhus, Denmark and operates production facilities in Norway, Scotland, Denmark, France, Spain, Greece Chile and Costa Rica.

MARKETS Core markets: Europe and South America.

OWNERSHIP In 2005, Schouw & Co. took a 68.8% majority interest in BioMar, then a listed company. BioMar became a wholly owned subsidiary following a merger in 2008.

www.biomar.com

Fibertex Personal Care

FACTS Fibertex Personal Care is among the world's largest manufacturers of spunbond/spunmelt nonwovens for the personal care industry, manufacturing mainly nappies, sanitary towels and incontinence products.

GEOGRAPHY Head office in Aalborg, Denmark. Production facilities in Denmark and Malaysia and printing facilities in Germany.

MARKETS Core markets: Europe and South-East Asia.

OWNERSHIP Fibertex was founded in 1968 and was acquired by Schouw & Co. in 2002. The Personal Care activities have been a part of Fibertex since 1998 and were hived off as an independent portfolio company of Schouw & Co. at the beginning of 2011.

www.fibertex personalcare.com

Fibertex Nonwovens

FACTS Fibertex is among Europe's leading manufacturers of nonwovens, i.e. non-woven textiles used for many different industrial purposes.

GEOGRAPHY Head office in Aalborg, Denmark. Production facilities in Denmark, France, the Czech Republic and South Afrika.

MARKETS Core markets in Europe, secondary markets in Africa and North America.

OWNERSHIP Fibertex was founded in 1968 and was acquired by Schouw & Co. in 2002.

www.fibertex.com

Hydra-Grene

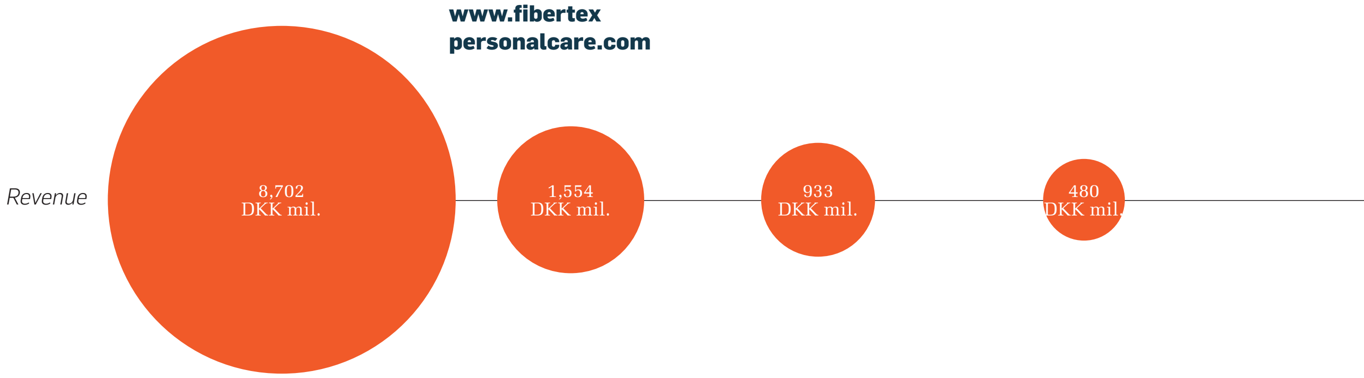
FACTS Hydra-Grene is a specialised trading and engineering company whose core business is trading and producing hydraulic components and systems development for industry as well as related consulting services.

GEOGRAPHY Head office in Skjern, Denmark. Production facilities in Denmark and China.

MARKETS Core markets in Denmark and the rest of Europe as well as Asia.

OWNERSHIP Hydra-Grene was an independent member of the Grene group from 1974 to 2009, when the company was hived off from Grene and became an independent portfolio company of Schouw & Co.

www.hydra.dk



Kramp

FACTS Kramp is Europe's leading trading and logistics company operating in the sale of spare parts and accessories for agriculture and industry.

GEOGRAPHY Head office in Varsseveld, the Netherlands, and has warehouse facilities in most of Europe.

MARKETS Core markets in most of Europe.

OWNERSHIP Kramp was founded in 1951. Schouw & Co. became a 20% shareholder in November 2013, when the wholly owned subsidiary Grene merged with Kramp. Kramp is recognised as an associate effective from November 2013.

www.kramp.com

614
EUR mil.

The link to consolidated revenue is shown in note 1. Kramp revenue not consolidated.

Other investments

Xergi
Schouw & Co. has been involved in the biogas field since 2001, and today co-owns Xergi on a fifty/fifty basis together with Dalgasgroup (Hedeselskabet).

Xergi is one of Europe's leading suppliers of turnkey biogas systems. Its core business consists of technology development, system design and installation as well as turnkey system operation and maintenance. The company's head office is in Støvring near Aalborg, Denmark and it operates mainly on the European and US markets. Xergi was previously a pro-rata consolidated business, but is recognised as a joint venture effective from 2013 due to the implementation of IFRS 11.

Incuba Invest
Schouw & Co. holds a 49% stake in Incuba Invest A/S, a development and venture operation supporting entrepreneurial environments and investing actively in new companies. Incuba Invest is accounted for as an associate.

Property
In addition to the operational properties of the portfolio companies, the parent company Schouw & Co. owns five properties directly. They are the parent company's offices in Aarhus, two minor properties relating to the former Grene Industri-service located in Aarhus and Ringe, Denmark, and two properties in Frederikshavn that Schouw & Co. took over in February 2013 in connection with the divestment of Martin. One of the latter two properties is still leased to Martin while the other has been put up for sale.

Management's report

Highlights
This was a year of significant events for the Schouw & Co. Group. Combined with operating results remaining at an attractive level, our profit after tax was exceptional at DKK 1,368 million in 2013, compared to DKK 498 million in 2012.

Grene was consolidated in the guidance we provided at the start of the year, but after we agreed to merge the company with the Dutch company Kramp in August 2013, Grene is no longer consolidated in our EBIT. The most recent consolidated guidance, provided in the Q3 2013 interim report, for FY 2013 revenue of about DKK 12 billion and EBIT in the DKK 605-685 million range reflects this change, and the comparative figures for 2012 have been restated accordingly.

The companies of the Schouw & Co. Group generated revenue of DKK 11,645 million in 2013, compared with DKK 11,162 million in 2012. The improvement was mainly attributable to BioMar and to a lesser extent Fibertex Personal Care and Fibertex Nonwovens, while Hydra-Grene suffered a decline. In addition, as Schouw & Co implemented IFRS 11 at the end of 2013, Xergi is no longer consolidated on a pro-rata basis, but instead recognised as a joint venture effective from 2013. That change reduced our consolidated revenue for 2013 by DKK 102 million, but had no notable effect on EBIT for the year.

EBIT improved, from DKK 679 million in 2012 to DKK 685 million in 2013, which was exactly at the top end of the most recent guidance range. Components of the change were declines for BioMar and Hydra-Grene, offset by improvements in Fibertex Personal Care and Fibertex Nonwovens and non-recurring income of DKK 54 million from the sale of a property in Lystrup near Aarhus, Denmark.

Schouw & Co. sold its shareholdings in Vestas and Lerøy Seafood Group in 2013, recording a DKK 499 million realised value adjustment gain on financial investments in 2013. The Group's other financing costs were reduced due to the strong cash position.

Profit from discontinued operations, which is stated after tax, increased from DKK 90 million in 2012 to DKK 508 million in 2013. The 2013 figure consisted of EBIT plus the accounting gain from the sale of Martin for a total of DKK 263 million and Grene's EBIT plus an accounting gain calculated at the time of the merger with Kramp totalling DKK 245 million. However, the merger will have the effect that Kramp, which is now recognised as an associate, will for a six-month period be burdened by adjustments due to the accounting treatment of the purchase price allocation. This is also the direct reason why profit from associates was lower in 2013 than in 2012.

Group developments
Overall, the companies of the Schouw & Co. Group had a slow start to 2013, as the long-lasting winter and low temperatures in northern Europe had a pronounced impact on several of our businesses. The decline becomes even more striking when compared with the extremely good start to 2012, which was based on a number of exceptionally favourable factors. However, activity picked up as the year progressed, and we won back some of the sales lost in the early months of the year, and all businesses but Hydra-Grene reported revenue improvements relative to 2012.

All of our companies are seeing their international markets becoming more competitive. The battle for market share is intense everywhere, and customers are very determined to get prices and terms of business that are competitive. The Group's companies are generally well-positioned to face the competition. They have invested heavily in recent years to build competitive strength, and at Schouw & Co. we are prepared to continue investing, whether to make them more efficient or to upgrade existing production facilities wherever profitable market opportunities are available.

The significant steps Schouw & Co. took in 2013 have further strengthened the Group's potential for continuing to expand, whether through organic or acquisitive growth.

On the non-operational side, Schouw & Co. sold its shareholding in Lerøy Seafood Group in January 2013 and, at the end of 2013, its shareholding in Vestas. In addition, at the end of October 2013, Schouw & Co. sold a property in Lystrup near Aarhus, which was leased to Elopak Denmark.

At the end of February 2013, Schouw & Co. passed ownership of its subsidiary Martin Professional to Harman of the United States. The ownership transfer and a subsequent clarification of a few outstanding matters proceeded completely as had been agreed and in a good and cooperative spirit between buyer and seller.

Lastly, on August 29, 2013, Schouw & Co. agreed to merge its subsidiary Grene with the Dutch company Kramp. The merger took effect on November 8, 2013, and the transaction gave Schouw & Co. a 20% stake in what is clearly Europe's largest distributor of spare parts and accessories to the agricultural sector.

Special risks

Schouw & Co. is an industrial conglomerate whose activities are distributed on various business areas and a few other assets. By diversifying its businesses, the Group spreads its ordinary business risk exposure related to its individual business areas. It is important to Schouw & Co. that individual companies cannot jeopardise the overall Group.

However, over the past few years, BioMar has grown to a size that in terms of a number of key ratios represents more than half of the consolidated group. Accordingly, the risks that specifically attach to BioMar weigh heavily in a consolidated perspective. In addition to the business risks and risks that inherently follow from being a producer of quality feed, the risks that are particular to BioMar involve the biological and climatic issues relating to fish farming.

Several of the Group's business areas rely on certain raw materials and are thus sensitive to large fluctuations in the prices of such raw materials. This applies in particular to BioMar and the two Fibertex companies, although the latter apply automatic price adjustment mechanisms to a large extent.

For all of the Group's companies, the economic slump continues to cause generally heightened uncertainty with respect to trade receivables. All Group businesses are very attentive to following up on receivables. The Group has only to a certain extent taken out insurance against losses on receivables.

The Group has interest-bearing debt, some of which has short-term maturities, while some carries floating interest rates, resulting in overall ordinary risk. However, the Group's current limited net interest-bearing debt serves to reduce the importance of this risk factor.

The majority of the company's activities are located in Denmark and elsewhere in Europe, but it also has substantial assets outside of Europe, primarily in Malaysia and Chile.

The Group believes that it has ordinary insurance cover for its assets.

Events after the balance sheet date

Other than as set out above and elsewhere in this Annual Report, Schouw & Co. is not aware of events occurring after December 31, 2013, which are expected to have a material impact on the Group's financial position or outlook.

Income statement and cash flows

Accounting treatment of discontinued operations
The agreement to merge Grene and Kramp means that Grene is recognised under discontinued operations and not consolidated for 2013. The item profit/loss from discontinued operations also includes Martin. The comparative figures for 2012 have been restated with respect to the income statement, whereas the balance sheet is not restated.

Revenue
Consolidated revenue was up by DKK 483 million from DKK 11,162 million in 2012 to DKK 11,645 million in 2013. Due to the net effect of lower exchange rates, international sales contributed about DKK 300 million less to the consolidated revenue compared with last year. In Norway alone, the Group's largest single market, revenue was reduced by about DKK 150 million due to the depreciation of Norwegian kroner.

Operating profit (EBIT)
EBIT amounted to DKK 685 million in 2013, against DKK 679 million in 2012. As with revenue, EBIT was also affected by lower exchange rates, the effect relative to 2012 being negative at DKK 13 million. The DKK 6 million EBIT improvement was made up of a number of opposing factors. Fibertex Nonwovens and Fibertex Personal Care contributed improvements of DKK 9 million and DKK 8 million, respectively, and the parent company recorded a gain on property of DKK 54 million. On the other hand, BioMar and Hydra-Grene incurred EBIT declines of DKK 44 million and DKK 21 million, respectively.

Income from investments in associates
There was a net loss from investments in associates after tax of DKK 22 million against a loss of DKK 5 million in 2012. The loss was mainly due to the share of the loss in Kramp of DKK 18 million and a DKK 5 million loss in Fibertex South Africa. It should be noted, however, that the loss relating to Kramp was almost exclusively due to a non-cash adjustment of the purchase price allocation. The Group's other associates contributed an aggregate EBIT of just over DKK 1 million.

Financial income and expense
The Group's financial items produced a net income of DKK 446 million, compared with a net expense of DKK 140 million in 2012. Financial items were lifted significantly by DKK 499 million in realised capital gains, compared with an unrealised capital loss of DKK 68 million in 2012. The realised capital gains consists of a realised profit of DKK 15 million from the sale of shares in Lerøy and a realised profit of DKK 484 million from the sale of shares in Vestas.

Calculated net of the effect of the financial investments, net financial expenses fell by DKK 18 million to DKK 53 million.

Income tax
Schouw & Co. incurred a profit before tax for the year of DKK 1,109 million. Tax on the profit for the year was an expense of DKK 249 million, for an effective tax rate of 22.5%.

Profit/loss on discontinued operations
Discontinued operations contributed a profit of DKK 508 million consisting of the profit after tax for the respective periods of 2013 in which Martin and Grene were recognised under this item until closing of the two transactions. Also included in the item are the gains on the two transactions less selling costs incurred.

Cash flow statement
Cash flows from operations for the year before changes in working capital fell by DKK 62 million to DKK 982 million. Movements in working capital were reduced by DKK 27 million, bringing the cash flow from operating activities to DKK 895 million, against DKK 930 million in 2012. Net of interest and taxes paid, cash flows from operating activities fell by DKK 104 million to DKK 667 million from DKK 771 million in 2012.

The overall net cash flows for investing activities fell by DKK 814 million from DKK 293 million in 2012 to an inflow of DKK 521 million in 2013. The change is due to the sale of securities and a property for a total amount of DKK 894 million. Adjusted for these transactions, actual investment in 2013 amounted to DKK 373 million, compared with DKK 293 million in 2012. Fibertex Personal Care invested a total of DKK 226 million in 2013, the largest single item being the new production line in Malaysia.

The cash flow from operating activities for the year of DKK 667 million, the cash inflow from investments of DKK 521 million and the cash flow from discontinued operations of DKK 434 million had the aggregate effect of reducing debt by DKK 606 million and increasing cash and cash equivalents by DKK 935 million. In addition, dividends paid to the shareholders amounted to DKK 119 million.

The Group's capital resources

The large transactions of the year and the strong operating profit have brought Schouw & Co.'s net interest-bearing debt to less than zero for the first time in recent memory. Combined with strong current earnings, this makes Schouw & Co. very strongly positioned to take on future challenges. In other words, the Group has a strong platform from which to maintain and expand its production apparatus as well as to carry out product development and innovation, while at the same time servicing its debt, making acquisitions and paying stable dividends.

The Group's total interest-bearing debt, most of which is long-term, amounted to DKK 1,474 million at December 31, 2013. As cash and cash equivalents plus interest-bearing receivables amounted to DKK 1,497 million, the Group had negative net interest-bearing debt of DKK 23 million.

The interest-bearing debt was split into 70% non-current and 30% current liabilities. Some 63% of the Group's total debt was floating rate. Split by currencies, 40% of the debt was in Danish kroner and 30% was in euros. The rest was denominated in local currencies in markets where the Group has material business activities.

At December 31, 2013, the Group had capital resources of about DKK 3.3 billion consisting of cash and cash equivalents of DKK 1.5 billion and unutilised credit facilities of DKK 1.8 billion. In addition, the Group has well-established relations with its financial business partners.

Accounting policies

Effective from January 1, 2013, Schouw & Co. implemented amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12, "Disclosure of Interests in Other Entities". Implementation has only affected the presentation of the joint venture interest in Xergi and certain note disclosures. Xergi was previously pro-rata consolidated but will henceforth be presented in a single-line consolidation. For reasons of immateriality, the comparative figures have not been restated. The implementation did not affect recognition or measurement.

Other than as indicated above, the accounting policies are unchanged from last year.

Acquisitions and divestments

In December 2012, Schouw & Co. agreed to divest Martin Professional to Harman International Industries. The deal was closed at the end of February 2013 and produced a gain of DKK 261 million, which is recognised under profit/loss from discontinued operations. The item also includes profit from discontinued operations after tax of DKK 2 million from Martin for January and February. When Martin was divested, two industrial properties remained under Schouw & Co.'s ownership. The largest of these properties is now leased to Martin. Both are owned through two wholly owned property companies.

Effective from September 1, 2013, Hydra-Grene increased its ownership interest in Dansk Afgratningsteknik A/S from 30% to 60%. As a result, the company was consolidated as from that date.

The most significant event of the year in terms of acquisitions and divestments was the merger of Grene and Kramp. Schouw & Co. holds a 20% ownership interest in the merged company, which means that Kramp is recognised as an associate in the Schouw & Co. consolidated financial statements. As a result of the transaction, Grene is recognised under profit/loss from discontinued operations, which is stated after tax, in the amount of DKK 49 million for the period from January 1 to November 7, 2013, which was the date the transaction was approved by the competition authorities. For accounting purposes, the merger is treated as a sale of the shares in Grene and a purchase of the shares in Kramp. This produced an accounting gain of DKK 196 million, to the effect that Grene is recognised under profit/loss from discontinued operations in the amount of DKK 245 million. As part of the transaction, two properties remained under Schouw & Co.'s ownership, which are fully or partly leased to Grene Industri-service, a company divested in the spring of 2013. The two properties are owned through a wholly owned property company.

The industrial property leased to the formerly 50%-owned Elopak Denmark was sold at a price of DKK 137 million at the end of October. This transaction produced an accounting gain of DKK 54 million, which is recognised under other operating income.

In addition to the businesses sold, the Group also sold two significant shareholdings in 2013: one million shares in the Norwegian company Lerøy Seafood Group sold at a price of DKK 145 million in January 2013, and the holding of four million shares in Vestas sold at a price of DKK 612 million at the end of the year.

The Group made no other acquisitions or divestments in 2013.

Balance sheet

Dividend

The Board of Directors recommend to the Annual General Meeting that the dividend for 2013 be raised by 20% to DKK 6.00 per share, for total dividend payments of DKK 153 million, equal to 2.7% of the market capitalisation at December 31, 2013.

Assets

The Schouw & Co. Group's total assets amounted to DKK 9,696 million at December 31, 2013 compared with DKK 10,381 million at December 31, 2012. The DKK 685 million drop in total assets covers a number of material and opposing factors.

The largest single item, of DKK 730 million, was assets held for sale relating to Martin at December 31, 2012, which was no longer included because that company was sold.

Overall, intangible assets fell by DKK 71 million. The largest part of the reduction was intangible assets of DKK 55 million, because Grene has been deconsolidated. Also, Xergi is no longer pro-rata consolidated, accounting for a further DKK 16 million of the reduction.

Property, plant and equipment were reduced by a net amount of DKK 523 million, the amount consisting of two factors. First of all, lower foreign exchange rates reduced the value of assets in foreign units by DKK 165 million and, secondly, the merger of Kramp and Grene means that property, plant and equipment totalling DKK 334 million has been deconsolidated. Other factors only had a marginal effect, as depreciation charges for the year were only slightly smaller than investments for the year.

Other non-current assets grew by a net amount of DKK 455 million, which was mainly due to a DKK 590 million increase in associates, nearly all of which was Kramp. On the other hand, deferred tax assets fell by DKK 118 million. Securities and other receivables fell by a net amount of DKK 17 million.

Current assets grew by a total of DKK 184 million, the amount consisting of large opposing factors. Inventories were reduced by DKK 622 million, of which DKK 395 million were due to Grene being deconsolidated. The rest of the reduction, DKK 227 million, mostly involved BioMar. Securities recognised in current assets fell by DKK 132 million due to the sale of Lerøy shares. The largest increase in current assets was in cash and cash equivalents, which rose by DKK 931 million due to the sale of securities and of real property.

Shareholders' equity

Consolidated equity increased by a net amount of DKK 1,119 million in 2013. On the positive side, the main contributor was the profit for the year of DKK 1,368 million. Value adjustment of hedging instruments lifted equity by a net amount of DKK 39 million. The sale of treasury shares and effects of the share option programme increased shareholders' equity by DKK 43 million. There were also factors that had a negative effect on shareholders' equity. Lower foreign exchange rates in 2013 resulted in value adjustments of foreign units that had a DKK 202 million negative impact on equity. Payment of dividends for 2013 reduced shareholders' equity by DKK 119 million. Other minor items had a negative impact of DKK 10 million. Accordingly, Schouw & Co.'s shareholders' equity including minority interests amounted to DKK 5,746 million at December 31, 2013 (equity ratio of 59.3%), compared with DKK 4,627 million a year earlier (equity ratio of 44.6%).

Treasury shares

At December 31, 2012, Schouw & Co. held 1,938,363 treasury shares, corresponding to 7.60% of the share capital. No additional treasury shares were acquired in 2013, whereas 317,250 treasury shares were sold for use in the Group's share option programme. Accordingly, Schouw & Co. held 1,621,113 treasury shares at December 31, 2013, corresponding to 6.36% of the share capital. The portfolio of treasury shares is recognised at DKK 0.

Liabilities

The Group's total liabilities amounted to DKK 3,950 million at December 31, 2013 compared with DKK 5,230 million at December 31, 2012. Part of the DKK 1,279 million reduction was due to the fact that liabilities of DKK 645 million, because Grene has been deconsolidated.

Of the total liabilities, the interest-bearing debt amounted to DKK 1,474 million, or DKK 976 million less than at December 31, 2012. DKK 458 million of the reduction was attributable to interest-bearing debt in Grene, which following the transaction with Kramp is no longer consolidated.

Trade payables and other liabilities were reduced by DKK 282 million to stand at DKK 2,237 million. The reduction includes liabilities of DKK 172 million, because Grene has been deconsolidated.

Outlook

Outlook
The significant events of 2013 and the positive cash flows from operating activities have had the effect that Schouw & Co.'s net interest-bearing debt stands at close to zero at the beginning of 2014.

Our ambition is first of all to apply the Group's resources for profitable growth as well as both organic and acquisitive expansion.

Schouw & Co. has a history of paying stable and rising dividends and of from time to time accompanying the policy with share buybacks. We wish to continue along this line.

Schouw & Co. expended a great deal of resources in 2013 on exploring potential acquisitions. Unfortunately, we did not succeed, but we will continue to look for new opportunities in 2014. In addition, we believe that over the next couple of years there will be a good and profitable potential for making significant capacity-increasing investments in several of our existing portfolio companies.

All of the Group's companies – consolidated and associates alike – expect stable or growing revenue in 2014. Each of our companies operate in competitive markets, but especially our two largest consolidated companies, BioMar and Fibertex Personal Care, expect a year with a fragile balance between supply and demand in important markets.

BioMar has moderate expectations for its core markets in the upcoming period. The company expects revenue in 2014 to be largely unchanged, but the sharper price competition will put earnings under pressure.

Fibertex Personal Care expects an increase in revenue in 2014, but the more competitive market and the higher depreciation charges resulting from the most recent production line in Malaysia becoming operational have moderated the earnings forecast.

Fibertex Nonwovens anticipates a stable to moderately growing level of activity and thus expects moderate improvements in revenue and earnings.

Hydra-Grene expects to lift its sales to the wind turbine industry and to maintain its stable sales to OEM customers and the aftermarket. Accordingly, Hydra-Grene expects moderate improvements in revenue and earnings.

The most important of the associates, Kramp, expects to grow its revenue in 2014 and to improve its EBIT net of adjustments for the accounting treatment of the purchase price allocation prepared in connection with the merger with Grene. Xergi, the joint venture, also expects to increase both revenue and earnings in 2014.

Overall, Schouw & Co. expects to generate consolidated revenue in the range of DKK 11.5-12.0 billion in 2014. However, for several of the companies, their revenue depends very much on prices of raw materials, and any fluctuations can significantly change revenue without having any notable effect on earnings.

Schouw & Co. applies a profit forecast range for each individual business, and aggregating these ranges indicates consolidated EBIT guidance for 2014 within the range of DKK 535-660 million.

Add to this profit after tax from associates etc. Kramp and Xergi both expect to increase their profit in 2014, while the other associates combined expect profit to be at the level reported for 2013. The recognised share of profit from Kramp will be affected by adjustments of DKK 34 million in the first half of 2014 resulting from the accounting treatment of the purchase price allocation prepared in connection with the merger with Grene.

Net financials for 2014 are expected to be an expense of in the region of DKK 50 million.

DKKm	EBIT forecast 2014	EBIT actual 2013	Revenue forecast 2014	Revenue actual 2013
BioMar	325-400	394	c. 8,500	8,702
Fibertex Personal Care	150-170	164	c. 1,700	1,554
Fibertex Nonwovens	35-45	37	c. 950	933
Hydra-Grene	50-60	46	c. 500	480
Others (incl. eliminations)	(15-25)	43*	-	(24)
Total	535-660	685	11,500-12,000	11,645
Associates etc.	15-25	(22)		
Financial investments	0	499		
Other financial items	(50)	(53)		
Profit before tax	500-635	1,109		

* Including a DKK 54 million gain from the sale of property.

Board of Directors

CHAIRMAN

Jørn Ankær Thomsen

Born 1945. Elected to the Board in 1982. Term expires in 2014.

LL.M., University of Copenhagen. Attorney and partner of Gorrissen Federspiel Law Firm. Member of the company's audit committee. Mr Ankær Thomsen has special expertise in legal matters, including company law and capital markets, and in strategy, financial reporting, treasury and finance, as well as mergers and acquisitions.

DIRECTORSHIPS

Chairman: Aida A/S, Carlsen Byggecenter Løgten A/S, Th. C. Carlsen Løgten A/S, Carlsen Supermarked Løgten A/S, Danish Industrial Equipment A/S, Den Professionelle Forening Danske Invest Institutional, Fibertex Nonwovens A/S, Fibertex Personal Care A/S, F.M.J. A/S, Fåmandsforeningen Danske Invest Institutional, GAM Holding A/S, GAM Wood A/S, Givesco A/S, Investeringsforeningen Danske Invest, Investeringsforeningen Danske Invest Select, Kildebjerg Ry A/S, Løgten Midt A/S, Niels Bohrs Vej A/S, Placeringsforeningen Profil Invest, Schouw & Co. Finans A/S, Specialforeningen Danske Invest, Søndergaard Give A/S.

Deputy Chairman: Carletti A/S, Jens Eskildsen og Hustru Mary Antonie Eskildsens Mindefond.

Board member: BioMar Group A/S, Dan Cake A/S, Danske Invest Management A/S, Develco Products A/S, Ejendomsselskabet Blomstervej 16 A/S, Galten Midtpunkt A/S, Givesco Bakery A/S, Hydra-Grene A/S, Vestas Wind Systems A/S, Købmand Th. C. Carlsens Mindefond.

Executive Management: Advokatanpartsselskabet Jørn Ankær Thomsen, Perlusus ApS.

SHARES HELD IN SCHOUW & CO.

Holds 33,220 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Jørn Ankær Thomsen is not considered to be independent due to his affiliation with the main shareholder Givesco A/S, his affiliation with a law firm which acts as an adviser to the company and the fact that he has served more than 12 years on the Board.

DEPUTY CHAIRMAN

Erling Eskildsen

Born 1941. Elected to the Board in 1988. Current term expires in 2016.

Managing director of Givesco A/S, the main shareholder of Schouw & Co. Mr Eskildsen has special expertise in international business relations, including specifically in manufacturing and foods.

DIRECTORSHIPS

Chairman: Carletti A/S, Dan Cake A/S, Dan Cake Services ApS, Givesco Bakery A/S, Leighton Foods A/S.

Board member: Danish Industrial Equipment A/S, Givesco A/S, Hydra-Grene A/S, Jens Eskildsen og Hustru Mary Antonie Eskildsens Mindefond, OK Snacks A/S, Struer Brød A/S, Søndergaard Give A/S.

Executive Management: Givesco A/S, Søndergaard Give A/S.

SHARES HELD IN SCHOUW & CO.

Holds 1,004,462 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Erling Eskildsen is not considered to be independent due to his affiliation with the main shareholder Givesco A/S and the fact that he has served more than 12 years on the Board.

BOARD MEMBER

Niels Kristian Agner

Born 1943. Elected to the Board in 1998. Current term expires in 2014.

B.Sc. (Bus.Adm.), Copenhagen Business School and a professional board member. Chairman of the company's audit committee. Mr Agner has special expertise in capital markets, strategy, financial reporting, treasury and finance, as well as mergers and acquisitions.

DIRECTORSHIPS

Chairman: D.F. Holding, Skive A/S, SP Group A/S, SP Moulding A/S.

Board member: Dantherm A/S, G.E.C. Gads Forlag A/S.

Executive Management: Pigro Management ApS.

SHARES HELD IN SCHOUW & CO.

Holds 26,000 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Niels Kristian Agner is no longer considered to be independent, having served more than 12 years on the Board.

BOARD MEMBER

Erling Lindahl

Born 1945. Elected to the Board in 2000. Current term expires in 2016.

Mechanical engineer from Sønderborg Technical College, Denmark. Managing Director of Momenta ApS. Mr Lindahl has special expertise in management and business development of industrial manufacturing companies as well as mergers and acquisitions and international business relations.

DIRECTORSHIPS

Chairman: Kontorhuset Svendborg A/S, Lindl Group A/S, Venti A/S.

Board member: Lindahl & Co. ApS, Momenta Invest A/S, Skandinavisk Båndkompagni A/S.

Executive Management: Lindahl & Co. ApS, Lindahl Life ApS, Momenta ApS, Momenta Invest A/S.

SHARES HELD IN SCHOUW & CO.

Holds 85,800 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Erling Lindahl is no longer considered to be independent, having served more than 12 years on the Board.

BOARD MEMBER

Kjeld Johannesen

Born 1953. Elected to the Board in 2003. Current term expires in 2015.

Business diploma (HD), Marketing economics, Copenhagen Business School. CEO of Danish Crown a.m.b.a. Mr Johannesen has special expertise in management, production and sales as well as in strategy, business development and international business relations.

DIRECTORSHIPS

Chairman: DAT-Schaub A/S, DC France SA, pork division, DC UK Ltd., DC USA Inc., Confederation of Danish Industry's committee on business policy, KLS Ugglarps AB.

Deputy Chairman: Saturn Nordic Holding AB, Employers' Organisation of the Danish Slaughterhouse Industry, Sokolow SA.

Board member: Daka Denmark A/S, DC Trading Japan Ltd., Plumrose USA Inc., Tulip Ltd., Tulip Food Company A/S.

Executive Management: Danish Crown a.m.b.a., Danish Crown A/S.

SHARES HELD IN SCHOUW & CO.

Holds 20,000 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Kjeld Johannesen is considered to be independent.

Directorships in other companies and other relevant management positions. Shareholdings include each board member's or executive's shares in Schouw & Co. and those held by their related parties.

BOARD MEMBER

Jørgen Wisborg

Born 1962. Elected to the Board in 2009. Current term expires in 2017.

MSc, Aarhus School of Business and CEO of OK a.m.b.a. Member of the company's audit committee. Mr Wisborg has special expertise in management and sales as well as in strategy, business development, financial reporting, treasury and finance.

DIRECTORSHIPS

Chairman: Danoil Exploration A/S, Energidata ApS, Kamstrup A/S, OK Plus A/S, OK Plus Butiksdrift A/S, Samfinans A/S.

Deputy Chairman: The Danish Oil Industry Association.

Board member: Miljøforeningen af 1992.

Executive Management: OK a.m.b.a., Rotensia ApS.

SHARES HELD IN SCHOUW & CO.

Holds 15,000 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Jørgen Wisborg is considered to be independent.

BOARD MEMBER

Agnete Raaschou-Nielsen

Born 1957. Elected to the Board in 2012. Term expires in 2016.

PhD, University of Copenhagen and a professional board member. Ms Raaschou-Nielsen has special expertise in business development and acquisitions, macroeconomics, emerging markets, as well as international production, sales and marketing.

DIRECTORSHIPS

Chairman: Arkil A/S, Arkil Holding A/S, Brødrene Hartmann A/S, Juristernes og Økonomernes Pensionskasse.

Deputy Chairman: Den Professionelle Forening Danske Invest Institutional, Fåmandsforeningen Danske Invest Institutional, Investeringsforeningen Danske Invest, Investeringsforeningen Danske Invest Select, Novozymes A/S, Placeringsforeningen Profil Invest, Specialforeningen Danske Invest.

Board member: Dalhoff Larsen & Horneman A/S, Danske Invest Management A/S, DLH Fonden, Solar A/S.

SHARES HELD IN SCHOUW & CO.

Holds 0 shares in Schouw & Co.

INDEPENDENCE AS A BOARD MEMBER

Agnete Raaschou-Nielsen is considered to be independent.

Executive management

PRESIDENT

Jens Bjerg Sørensen

Born 1957. Appointed in 2000.

Business graduate, Niels Brock Business College, Business diploma (HD), Marketing economics, Copenhagen Business School, IEP – Insead Executive Programme, Insead, France.

DIRECTORSHIPS

Chairman: Alba Ejendomme A/S, BioMar Group A/S, Dovista A/S, Hydra-Grene A/S, Xergi A/S.

Deputy Chairman: Fibertex Nonwovens A/S, Fibertex Personal Care A/S.

Board member: Aida A/S, Dansk Supermarked A/S, F.M.J. A/S, F. Salling Holding A/S, F. Salling Invest A/S, Fonden bag udstilling af skulpturer ved Aarhusbugten, Fonden Aarhus 2017, Incuba Invest A/S, Kramp Groep B.V., Købmand Herman Sallings Fond, Niels Bohrs Vej A/S, Per Aarsleff A/S, Schouw & Co. Finans A/S.

Executive Management: Jens Bjerg Sørensen Datterholding 1 ApS, Jens Bjerg Sørensen Holding ApS, Saltebakken 29 ApS, Schouw & Co. Finans A/S.

SHARES HELD IN SCHOUW & CO.

Holds 73,804 shares in Schouw & Co.

VICE PRESIDENT

Peter Kjær

Born in 1956. Appointed in 1993.

BSc, Electronic Engineering, Engineering College of Aarhus, Business diploma (HD), Marketing economics, Aarhus School of Business, MBA from IMD, Lausanne, Switzerland.

DIRECTORSHIPS

Chairman: Erhverv Aarhus, Den Gamle By, Helsingforsgade 25 Aarhus A/S, Incuba A/S.

Deputy Chairman: Capnova A/S

Board member: Alba Ejendomme A/S, Hydra-Grene A/S, Niels Bohrs Vej A/S, Xergi A/S.

Executive Management: Incuba Invest A/S, Niels Bohrs Vej A/S, Saltebakken 29 ApS, Udlejningsselskabet Nordhavnsgade 1-3 st. th. ApS.

SHARES HELD IN SCHOUW & CO.

Holds 36,260 shares in Schouw & Co.

Investor information

Financial calendar
April 10, 2014
Annual General Meeting

May 6, 2014
Release of Q1 2014 interim report

August 14, 2014
Release of H1 2014 interim report

November 3, 2014
Release of Q3 2014 interim report

Capital and share structures
The shares of Aktieselskabet Schouw & Co. are listed on NASDAQ OMX Copenhagen under securities identification/ISIN code DK0010253921.

The company has 25,500,000 issued shares of DKK 10 nominal value, equal to a total share capital of DKK 255,000,000 nominal value. Each share carries one vote, and no share carries any special rights, no restrictions apply as to the transferability of the shares.

The Board of Directors reviews the company's capital and share structures at least once a year, giving priority to retaining a high equity ratio in order to ensure the necessary financial versatility. At its most recent review in December 2013, the Board of Directors found the company's capital and share structures to be appropriate and adequate relative to the company's plans and expectations.

Register of shareholders
The Company's registrar is Computershare A/S, Kongevejen 418, 2840 Holte, Denmark.

Shareholder structure
Schouw & Co. has some 7,500 registered shareholders of whom the following are listed in the company's register in accordance with section 56 of the Danish Companies Act:

Givesco A/S	28.09%
Direktør Svend Hornsylds Legat	14.82%
Aktieselskabet Schouw & Co.	6.36%

Pursuant to the provisions of Section 31 of the Danish Securities Trading Act, the three shareholders Givesco A/S, Direktør Svend Hornsylds Legat and Erling Eskildsen, who holds 3.94%, are considered as a single shareholder of Schouw & Co. The three shareholders hold in aggregate 46.85% of the shares in the company.

Members of the Board of Directors and the Executive Management of Schouw & Co. and their connected persons held a total of 1,184,482 and 110,064 shares, respectively, in the company at December 31, 2013.

Treasury shares
At the end of 2013, the company held 1,621,113 treasury shares, equal to 6.36% of the share capital.

The market value of the holding of treasury shares was DKK 361 million at December 31, 2013. The portfolio of treasury shares is recognised at DKK 0.

Price performance
The Schouw & Co. share closed 2013 at a price of DKK 222.50 (official year-end price), compared with DKK 149.00 per share at December 31, 2012, corresponding to an increase of 49%.

Accordingly, the total market capitalisation of the company's listed share capital amounted to DKK 5,674 million at the close of the financial year, against DKK 3,800 million at the close of 2012. Adjusted for the holding of treasury shares, the company's market capitalisation was DKK 5,313 million at December 31, 2013.

Incentive plans
Since 2003, Schouw & Co. has operated a share-based incentive programme comprising the Executive Management and senior managers, including the executive managements of subsidiaries.

Under the share-based incentive programme, Schouw & Co. awarded, in March 2013, a total of 55,000 share options to members of the Executive Management (two persons) and a total of 164,000 share options to other senior managers, including the executive managements of subsidiaries (thirteen persons).

The share options are exercisable during a 24-month period following the publication of Schouw & Co.'s full-year profit announcement for the 2014 financial year at a strike price of DKK 180.90 plus a 4% premium per annum from the date of grant until the date of exercise.

The overall guidelines for incentive programmes approved by the company's shareholders in general meeting are available from the company's website, www.schouw.dk.

Investor relations policy
Schouw & Co. aims to create value and achieve results to match the best of our industry peers.

The company's investor relations policy is to provide reliable information and to maintain professional relations with shareholders and the market so as to ensure that investors always have the necessary information to make an assessment of the Group's true values.

Schouw & Co. complies with the duty of disclosure rules of NASDAQ OMX Copenhagen.

The company's annual and interim reports and its stock exchange announcements of the last three years are available from its website, www.schouw.dk, where users can also subscribe to the company's news service.

Schouw & Co. hosts conference calls when releasing the company's annual or interim reports. Presentations given during conference calls will subsequently be posted on the company's website.

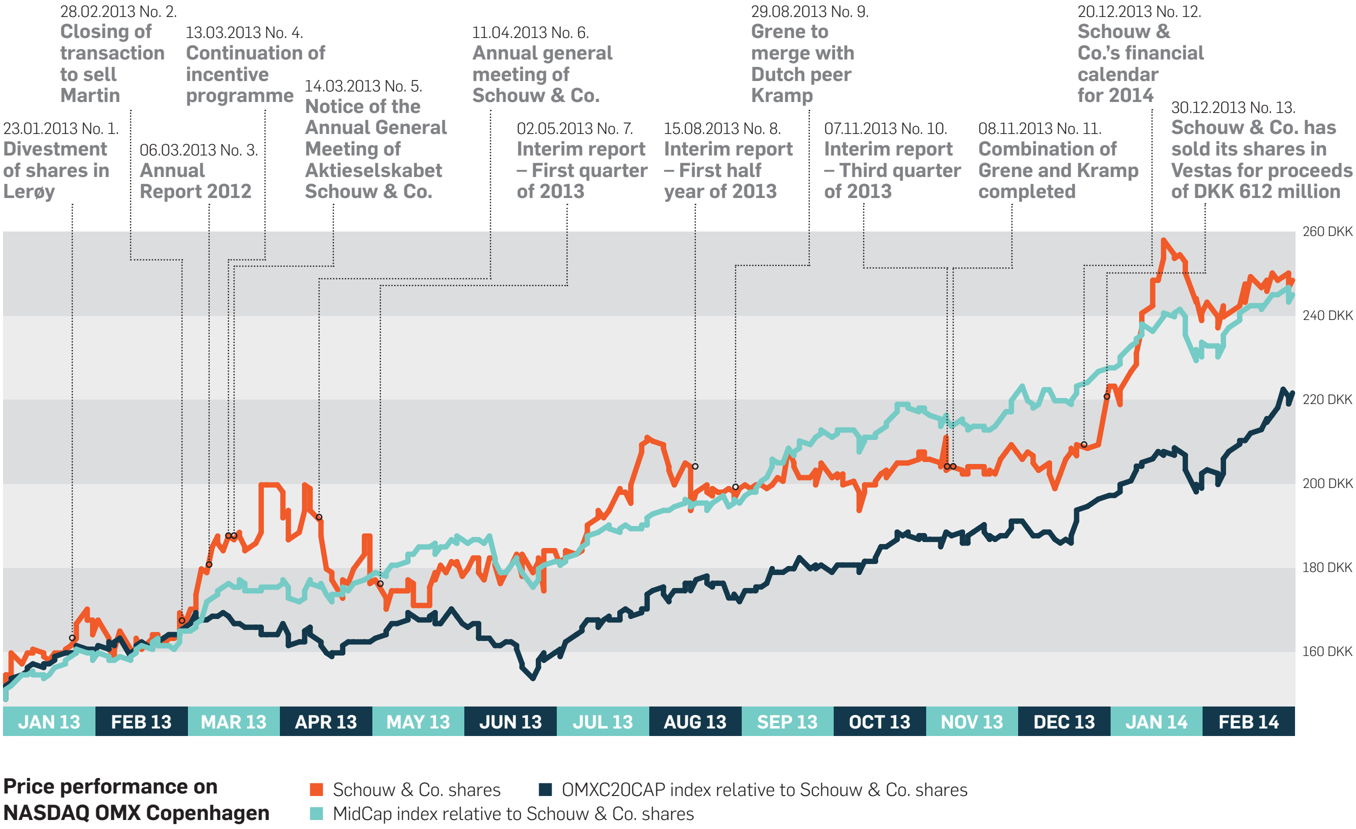
From time to time, Schouw & Co. holds meetings with investors and other parties. Presentations from such meetings are also available from the company's website.

Schouw & Co. observes a three-week silent period ahead of releasing financial reports. During such periods, our financial communications are subject to special restrictions.

Any queries to the company's management should be e-mailed to: schouw@schouw.dk.

www.schouw.dk
The company's web site contains press releases and company announcements, as well as more detailed information on the Group. Interested parties are also invited to subscribe to the company's news service.

Company announcements to the Danish FSA and NASDAQ OMX Copenhagen since January 1, 2013. The announcements are available at the company's website, www.schouw.dk.



Price performance on NASDAQ OMX Copenhagen

Corporate Governance

Statutory report
Schouw & Co. has prepared a statutory corporate governance report for the 2013 financial year, as required under section 107b of the Danish Financial Statements Act. The statutory report consists of three parts:

- A report on the company's work to comply with the recommendations on corporate governance, which is found below.
- A description of the main elements of the Group's internal control and risk management systems in connection with the financial reporting process, which is found on page 17.
- A description of the composition of the company's management bodies, committees established and their functions, which is found on pages 18-19.

In addition, information on the company's Board of Directors and Executive Management can be found on pages 12-13.

The full report on corporate governance as required under section 107 b of the Danish Financial Statements Act is available from www.schouw.dk/cg2013. As required under section 99 a of the Danish Financial Statements Act, Schouw & Co. has also prepared a statutory report on corporate social responsibility, which is set out below, and a statutory report on targets and policies on the gender composition of the management, see section 99 b of the Danish Financial Statements Act, which can be found on pages 18–19.

Corporate governance recommendations
Schouw & Co. complies with the rules applying to companies listed on NASDAQ OMX Copenhagen, which include a code on corporate governance as set out in "Corporate Governance Recommendations".

The Board of Directors and the Executive Management of Schouw & Co. see corporate governance as a natural part of running a responsible business. Corporate governance considerations and the interaction with the company's stakeholders is a constant priority, and considering the company's corporate governance policy is a recurring item in the annual business of its Board meetings.

Schouw & Co. believes it complies in all material respects with the intentions of "Corporate Governance Recommendations". However, there are a few areas in which Schouw & Co. does not apply the corporate governance recommendations.

A detailed account of the company's position on each individual item of the Recommendations on Corporate Governance is provided on Schouw & Co.'s website: www.schouw.dk/cg2013.

Corporate social responsibility
Schouw & Co.'s general policy is for all of the Group's companies, as a minimum, to comply with relevant legislation and regulations applying in the countries and local communities in which they operate.

In addition, Schouw & Co. generally respects the ten principles on human rights, labour standards, the environment and anti-corruption as expressed in the UN Global Compact. The full wording of the ten principles is provided on Schouw & Co.'s website, www.schouw.dk.

It is important to Schouw & Co. that the Group's businesses endeavour to comply with the principles of human rights, labour standards and anti-corruption and that they seek assurance on reasonable standards when appointing business partners and suppliers.

Principles regarding the environment may require that a balance is struck between cost and effect, but Schouw & Co. believes it is important for the Group to maintain high standards when it comes to ensuring reasonable environmental issues and limiting environmental risks. In addition, the Group addresses environmental conditions from a business criteria aspect with due consideration for the long-term perspectives and the Group's good reputation.

Schouw & Co. has implemented its CSR policy in the Group's guidelines for its subsidiaries in order to ensure that the managements of the Group's businesses are aware of the Group's general policy on the matter.

Schouw & Co. has not adopted a specific policy for reducing the climate impact from the company's activities. Schouw & Co. has not taken any formalised initiatives to translate the Group's policy into specific action. Accordingly, the Group does not report on results achieved in the 2013 financial year.

The financial reporting process

As part of its statutory report on corporate governance, the company is required to describe the main features of the Group's internal control and risk management systems in relation to the financial reporting process.

Group structure

The Schouw & Co. Group consists of a number of legal corporate entities in an operational structure consisting of the parent company Schouw & Co. and a number of subsidiary portfolio companies each structured as focused sub-groups with their own subsidiaries.

Each individual portfolio company has a high degree of autonomy as well as its own organisation and management in charge of its operations.

Subsidiaries of the portfolio companies operate activities that are identical to or closely related to the general activities of the portfolio company, facilitating the establishment of uniform systems and procedures in the portfolio company.

The management of the portfolio company's ultimate entity is in charge of preparing and implementing reasonable and appropriate procedures and policies for the company and for ensuring a systematic and responsible controlling of the portfolio company's subsidiaries.

To support the individual managements of the portfolio companies, Schouw & Co. has issued a set of general guidelines for its subsidiaries.

In addition, the parent company Schouw & Co. conducts follow-ups on its directly-owned companies with a view to ensuring that the financial reporting presents a true and fair view without material misstatement.

The Board of Directors of Schouw & Co. has appointed an Audit Committee, whose tasks include monitoring the work and processes relating to the financial reporting.

Preparation of consolidated financial statements

The preparation of consolidated financial statements is based on the Group's financial reporting manual, which is intended to ensure a uniform application of accounting policies throughout the Group that is in accordance with the international financial reporting standards, IFRS/IAS, under which Schouw & Co. prepares its financial statements.

The financial reporting manual is updated on an ongoing basis by the parent company Schouw & Co. as and when required by amendments to accounting standards and legislation. The financial reporting manual is available in electronic form to Group users.

Reporting of financial data from the Group's subsidiaries takes place in accordance with the instructions provided by the parent company in standard reporting packages transferred electronically into the parent company's financial consolidation system, thus reducing the risk of manual errors.

Auditors

Each year, the shareholders in annual general meeting appoint external auditors following a recommendation by the Board of Directors. Ahead of each recommendation, the Board of Directors makes a critical assessment of the auditor's independence and competencies, etc., in accordance with the Recommendations of Corporate Governance.

Auditors appointed by the shareholders in general meeting serve as auditors of all of the Group's major subsidiaries and associates. In a few foreign units, however, local auditors may be appointed for practical reasons, but audits in all group entities are conducted in accordance with instructions issued by the shareholder-appointed auditor with a focus on high-risk and material areas.

Shareholder-appointed auditors report in writing in the form of long-form audit reports to the entire Board of Directors at least once a year, and immediately on becoming aware of any matters to be brought to the attention of the Board of Directors. The independent auditor attends the meeting at which the Board considers the draft annual report, holding a private session with the Board and without the Executive Management attending, as proposed in the Recommendations on Corporate Governance.

The independent auditor also attends meetings of the audit committee, which are concluded with a private session of the audit committee without the attendance of the day-to-day management.

Internal audit

On the recommendation of the Audit Committee, the Board of Directors of Schouw & Co. has resolved not to establish an internal audit function, as it is not considered necessary given the size and structure of the Group.

Corporate Governance

Management Bodies
As part of its statutory report on corporate governance, the company is required to report on the composition of the Group's management bodies, committees established and their functions. The company also reports on its targets and policies on the gender composition of the management.

The Board of Directors of Schouw & Co.
The Board of Directors of Schouw & Co. consists of seven shareholder-elected members who elect a chairman and a deputy chairman from among their number.

Board members are elected for terms of four years and for purposes of continuity the individual members are up for election in different years. When a new Board candidate is nominated, emphasis is on the potential new member possessing the professional knowledge and experience to contribute to maintaining the necessary scope of competence on the Board and on the potential new member being able to act independently of special interests.

The Board of Directors carries out an annual self-assessment, applying a structured model. The chairman is responsible for carrying out the assessment, and the results are discussed by the entire Board. The Board of Directors performed its most recent self-assessment in December 2013, and it concluded that the Board works well as a unit and that, overall, it has the competencies necessary for it to perform its duties.

The Board of Directors is responsible for the overall management of the company, which includes appointing the members of the Executive Management, laying down guidelines for and exercising control of the work performed by the Executive Management, organising the company's business in a responsible manner, defining the company's business concept and strategy and evaluating the adequacy of the company's capital contingency programme.

The duties of the Board are set out in the company's rules of procedure, and Board meetings are conducted in accordance with a fixed master agenda, which over the full year ensures compliance with the Board's rules of procedure.

The Board of Directors held seven Board meetings, a conference call and a two-day Board seminar in 2013, corresponding to the ordinary level of Board activity in the company.

Ordinary Board meetings are scheduled at least six months in advance. Board meetings are normally attended by all members of the Board and the Executive Management.

Schouw & Co.'s Board committees
The Board of Directors of Schouw & Co. has appointed an audit committee consisting of Niels Kristian Agner (chairman), Jørn Ankær Thomsen and Jørgen Wisborg.

Jørgen Wisborg is considered to be independent, Niels Kristian Agner is not considered to be independent, having served on the Board for more than 12 years, and Jørn Ankær Thomsen is not considered to be independent due to his affiliation with the main shareholder Givesco A/S and his affiliation to a law firm which acts as an adviser to the company, and because he has served on the Board for more than 12 years.

All three members are considered to meet the requirements under the Auditors' Act on accounting qualifications.

The Audit Committee's task is mainly to monitor the work and processes relating to the financial reporting process. The Committee assists the Board in assessments and controls relating to auditing, accounting policies, systems of internal controls, financial reporting, etc.

The Audit Committee normally convenes four times a year, as was the case in 2013.

Due to the company's simple management structure, the Board of Directors believes that at the present time it is most appropriate that all Board members participate in the work to nominate candidates and determine remuneration. Accordingly, the Board of Directors has not set up a nomination committee or a remuneration committee.

The Executive Management of Schouw & Co.
The members of the Executive Management of Schouw & Co. are Jens Bjerg Sørensen, President, and Peter Kjær, Vice President. The members of the Executive Management are registered with the Danish Business Authority.

The Executive Management is in charge of the day-to-day management of the company both at parent company and consolidated level and complies with the guidelines and directions issued by the Board of Directors.

The day-to-day management does not include any transactions that, considering the company's circumstances, are of an unusual nature or of material importance. Such transactions can only be made by the Executive Management upon specific authority from the Board of Directors unless awaiting a decision by the Board of Directors would cause significant disadvantage to the activities of the company.

Management of the portfolio companies

The Schouw & Co. Group has a decentralised corporate structure, under which the individual portfolio companies enjoy a large degree of independence and have their own individual organisation and management in charge of the company's operations. Each portfolio company is structured as focused sub-groups with their own subsidiaries.

The boards of directors of the ultimate company of the individual portfolio companies are generally composed of a representative from each of the Board of Directors and the Executive Management of Schouw & Co. along with external board members who have a special interest in and knowledge of the particular portfolio company's business area.

The boards of directors of a portfolio company's underlying subsidiaries are generally composed of managers and employees from the portfolio company and possibly external board members.

To support the individual managements of the portfolio companies, Schouw & Co. has issued a set of general guidelines for its subsidiaries.

Remuneration policy

Schouw & Co.'s remuneration policy is intended to firmly align the interests of the members of the Board of Directors and the Executive Management with those of the shareholders and the company.

The remuneration policy is a means of ensuring that the remuneration provided will always reasonably reflect the company's performance and current situation. In addition, it is intended to promote the long-term goals for safeguarding the company's interests.

The remuneration policy and the overall guidelines for incentive programmes can be found on the company's website, www.schouw.dk.

Gender composition

The Board of Directors of Schouw & Co. has fixed the following targets for the gender composition of the management.

For the measurement period from April 1, 2013 to March 31, 2017, the target is to increase the number of women board members of Aktieselskabet Schouw & Co. from one member currently, equal to 14%, to at least two members, equal to at least 28%. A target has also been defined for the Group that all Danish reporting class C companies should have representation of at least one women board member, equal to at least 20%. At the start of the measurement period, none of these companies had women board members.

There have been no changes to the boards of directors involved since the current targets were fixed. Accordingly, the Group has not made progress in meeting the targets fixed.

The Board of Directors of Schouw & Co. adopted, on behalf of the Group, the following policy for increasing the proportion of the under-represented gender at the Group's other management levels:

Schouw & Co. is aware that the proportion of women at management level in the Group is generally lower than the gender composition of the Group's employees in general. Accordingly, the companies of the Schouw & Co. Group will make a special effort to create a framework to support the career development of individual women employees, for example through networks, mentor schemes or other specific initiatives that may help individual employees build management experience.

The companies of the Schouw & Co. Group will also make a dedicated effort to ensuring the best possible women representation among candidates being considered for management positions.

The policy did not produce measurable results in 2013.

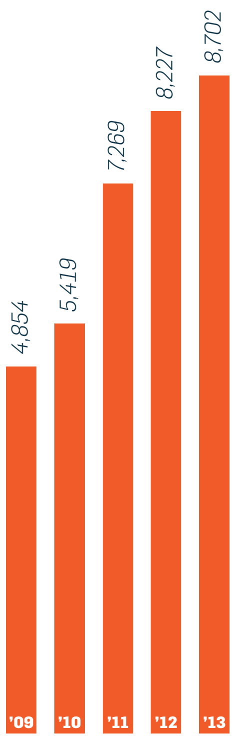
BioMar

Financial performance
BioMar experienced very different trends in the first (H1) and second (H2) halves of 2013. H1 2013 was a period of declining feed sales volumes and earnings, as the very mild winter in northern Europe in early 2012 was followed by an exceptionally harsh winter in early 2013. At the same time, Chile's feed market suffered a severe setback. The trend in H2 2013 was the opposite, with substantial improvements in both feed sales volumes and earnings.

BioMar's revenue was up by 6%, from DKK 8,227 million in 2012 to DKK 8,702 million in 2013. The improvement was attributable to higher selling prices that resulted from rising raw materials prices, as total volumes were largely unchanged. Feed sales volumes were up in the North Sea region due mainly to a higher market share in Norway, but they declined in Chile and Continental Europe.

The gross margin per kilo of fish feed sold fell in 2013, but this was almost exclusively due to the negative effects of exchange rate trends. EBIT was DKK 394 million in 2013, down from DKK 438 million in 2012 but somewhat better than the most recent guidance. The better-than-expected EBIT was the result of a busy end to the year.

Working capital fell from DKK 796 million at December 31, 2012, to DKK 741 million at December 31, 2013, which also caused a further drop in working capital relative to revenue. Net interest-bearing debt fell from DKK 584 million at December 31, 2012, to DKK 353 million at December 31, 2013, driven by the strong cash flow from operating activities and the sale of the shares in the Lerøy Seafood Group. Combined, these two factors more than offset the payment of intragroup dividends of DKK 200 million in the first quarter of 2013.



Revenue (DKKm)

Business development
For its two core markets, Norway and Chile, BioMar expects that the accessible feed market will likely contract in 2014 or at best remain unchanged.

Although moderate growth is expected in the Norwegian market, the anticipated increase will generally correspond to the expected inhouse output of the world's largest salmon producer, Marine Harvest, when it starts up production of fish feed at midyear. As always, varying water temperatures may have a significant influence on feed volumes. The early weeks of 2014 have been positive in that respect, but this could change quickly. Obviously, it is difficult to predict the effects of the more competitive feed market, but BioMar intends to defend its position in Norway.

Despite the current growth slump in accessible volumes in Norway, the growth potential in this very important market remains strong. This outlook is supported by signals from the new Norwegian government, which has included in its programme the goal of fair and stable growth for the Norwegian fish farming industry.

Developments in Chile are much more unpredictable and will to a great extent depend on how the current major biological challenges are tackled, not least with respect to sea lice. Recently, there have been weak indications that things are moving in the right direction. This could help bring down the very high production costs in Chilean fish farming, which would to some extent alleviate the financial position of Chile's fish farmers going forward. Prospects for

All amounts in DKK million	2013	2012
Volume (thousands of tonnes)	980	980
Revenue	8,702	8,227
- of which North Sea	4,357	3,879
- of which Americas	2,424	2,483
- of which Continental Europe	1,921	1,865
Direct production costs	(7,000)	(6,447)
Gross profit	1,702	1,780

the overall market are still subject to considerable uncertainty, but a further contraction should be expected in 2014.

As in Norway, Chile also offers excellent potential for the longer term. Biological conditions for farming salmon in Chile are very attractive, so the forwardlooking view of Chile as a very attractive market remains intact.

The markets of southern Europe are also subject to significant uncertainty, especially so for Greece. It is very difficult for the large Greek fish farmers to service their debt, and they are in intense negotiations with the banks to find a solution. As farmed fish is a large export for Greece, the parties are going to great lengths to find a solution.

Elsewhere in Continental Europe, the situation is largely unchanged. The constrained economic situation persisting in southern Europe continues to make risk management difficult, and business opportunities are constantly weighed against potential risks.

Outlook

Expectations for the principal markets are moderate for the foreseeable future. BioMar expects revenue in 2014 to be in line with 2013, although the more competitive market will put earnings under pressure. In addition, unpredictable factors in the principal markets are causing abovenormal uncertainty with respect to the fullyear results.

BioMar expects to report revenue in the vicinity of DKK 8.5 billion in 2014. As always, the revenue guidance depends strongly on what happens with raw materials prices, and even a substantial revenue change will not necessarily have any notable effect on profit. EBIT will be impacted by the more competitive market and is expected to be in the DKK 325-400 million range.

All amounts in DKK million	2013	2012
INCOME STATEMENT		
Revenue	8,702.0	8,226.5
Gross profit	1,057.8	1,133.9
EBITDA	538.0	589.3
Depreciation	143.8	151.2
Operating profit (EBIT)	394.2	438.1
Value adjustment of shares in Lerøy	14.9	52.3
Financial items, net	(37.0)	(38.0)
Profit before tax	372.1	452.4
Tax for the period	(89.3)	(93.7)
Profit for the period	282.8	358.7
CASH FLOWS		
Cash flows from operating activities	372.9	271.7
Cash flows from investing activities	48.5	(124.5)
Cash flows from financing activities	(213.7)	(277.2)
BALANCE SHEET		
Intangible assets *	319.1	324.4
Property, plant and equipment	956.1	1,088.3
Other non-current assets	129.7	73.8
Cash and cash equivalents	511.6	308.1
Other current assets	2,625.0	2,891.5
Total assets	4,541.5	4,686.1
Equity	1,765.1	1,777.0
Interest-bearing debt	879.0	891.6
Other creditors	1,897.4	2,017.5
Total liabilities and equity	4,541.5	4,686.1
Average number of employees	885	847
FINANCIAL KEY FIGURES		
EBITDA margin	6.2%	7.2%
EBIT margin	4.5%	5.3%
ROIC	20.1%	22.8%
Working capital	740.5	796.1
Net interest-bearing debt	353.2	583.6

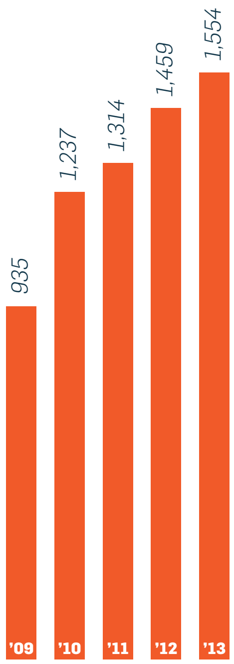
* Excluding goodwill on consolidation in Schouw & Co. of DKK 430.2 million

Fibertex Personal Care

Financial performance
Fibertex Personal Care increased revenue by 7%, from DKK 1,459 million in 2012 to DKK 1,554 million in 2013. The rise in revenue was mainly driven by increased volumes shipped from the factory in Malaysia, but volumes from the factory in Denmark also increased.

EBIT climbed from DKK 156 million in 2012 to DKK 164 million in 2013, with improvements from both Denmark and Malaysia. Full-year profit fell a little short of the guidance, mainly due to lower-than-expected sales, pressure on selling prices in Malaysia stemming from the current global price competition, and the negative impact of ringgit depreciation during 2013.

Working capital fell from DKK 273 million at December 31, 2012, to DKK 247 million at December 31, 2013, despite the higher level of activity. Net interest-bearing debt increased from DKK 568 million at December 31, 2012, to DKK 644 million at December 31, 2013, mainly due to Fibertex' investment in its large-scale capacity increase at the factory in Malaysia.



Revenue (DKKm)

Business development
Fibertex Personal Care produces a number of materials used in nappies and other disposable personal hygiene products. With production facilities in Denmark and Malaysia and a top-three position in both Europe and South East Asia, Fibertex Personal Care is one of the world's largest manufacturers of spunmelt products for the personal care industry.

Fibertex Personal Care sells its products all over the world, with a main emphasis on Europe and South East Asia. Sales are made directly to major international producers of nappies and other hygiene products through the company's sales organisations based in Denmark and Malaysia. A common denominator for these customers is that they require uniform materials of the highest quality.

Maintaining good professional relationships with customers is absolutely essential. The means to achieving this is through extensive product development, as Fibertex Personal Care works closely with customers to optimise its products and services. Again in 2013, these beneficial collaborations resulted in a number of awards and distinctions from key customers: for example, Fibertex Personal Care won the External Business Partner Excellence Award from Procter & Gamble for the fifth time and was named Supplier Of The Year for the second time by the OEM consumer products giant Ontex.

High quality targets and a consistent effort to reduce its environmental footprint – through extensive energy-saving measures and specific projects to reduce materials consumption and reuse waste products – form a natural part of the business. With the introduction of an environmental management system, the company has even more end-to-end focus on the process, from product design to final delivery. An externally verified lifecycle analysis (LCA) on nonwovens – apparently, it is the first of its kind – was published in 2013 on the production of specific personal care products manufactured at the factory in Aalborg.

Fibertex Personal Care uses spunmelting as its basic technology in manufacturing products at its two factories in Denmark and Malaysia. Currently, the company produces quality nonwoven fabrics

All amounts in DKK million	2013	2012
Revenue	1,554	1,459
- of which from Denmark	799	764
- of which from Malaysia	755	695

from seven large production lines: each line has its own speciality, ranging from super soft products to products with high-performance leakage barriers and ultra-thin products. There are three lines in Denmark and four in Malaysia.

The newest line in Malaysia opened at the end of 2013, boosting the factory's total capacity by 30%. The line was run in completely as planned; this latest extension is expected to help Fibertex Personal Care share in the expected growth in the Asian markets.

Fibertex Personal Care is also a part owner of Innowo Print, a German company offering its customers individualised printing directly on nonwoven fabrics.

Outlook

In 2014, the operational focus of Fibertex Personal Care will be on optimising production line operations, maintaining a high operational efficiency and ensuring high-capacity utilisation. Obviously, the greater capacity will only be fully utilised over time, whereas depreciation charges for the new line will burden the financial results from the beginning of the year.

The market focus will be on growing sales as a basis for continuing to increase capacity. A country manager for India was appointed in 2013 who will be engaged in cultivating that country's promising market, which is expected to see massive growth in the next few years. Also in 2013, Fibertex Personal Care also appointed a country manager for Japan who will continue to work that market. As one of the few non-Japanese suppliers of nonwovens for the personal care industry, the company is already strongly positioned in that country.

Fibertex Personal Care expects to generate revenue of about DKK 1.7 billion in 2014, but – as always – revenue may be strongly affected by changes in prices of raw materials, without such changes necessarily having any effect on profit. In light of the more competitive market situation, the running-in of new production capacity and the higher depreciation charges, FY EBIT is expected to be in the DKK 150-170 million range.

All amounts in DKK million	2013	2012
INCOME STATEMENT		
Revenue	1,554.2	1,459.2
Gross profit	268.5	252.3
EBITDA	288.4	277.3
Depreciation	124.5	121.4
Operating profit (EBIT)	163.9	155.9
Financial items, net	(7.0)	(15.3)
Profit before tax	156.9	140.6
Tax for the period	(33.9)	(31.2)
Profit for the period	123.0	109.4
CASH FLOWS		
Cash flows from operating activities	208.3	231.4
Cash flows from investing activities	(226.0)	(109.9)
Cash flows from financing activities	12.5	(115.6)
BALANCE SHEET		
Intangible assets *	24.3	25.3
Property, plant and equipment	1,010.6	946.5
Other non-current assets	147.9	111.1
Cash and cash equivalents	9.4	16.5
Other current assets	438.1	467.9
Total assets	1,630.3	1,567.3
Equity	634.7	653.3
Interest-bearing debt	657.8	588.8
Other creditors	337.8	325.2
Total liabilities and equity	1,630.3	1,567.3
Average number of employees	429	369
FINANCIAL KEY FIGURES		
EBITDA margin	18.6%	19.0%
EBIT margin	10.5%	10.7%
ROIC	13.6%	13.4%
Working capital	246.8	273.4
Net interest-bearing debt	643.6	567.5

* Excluding goodwill on consolidation in Schouw & Co. of DKK 48.1 million

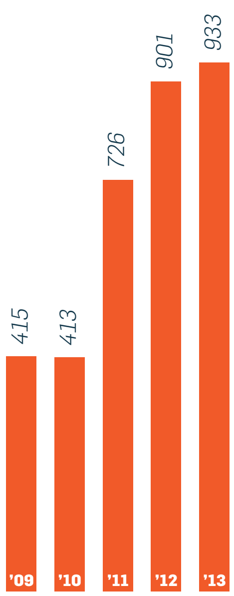
Fibertex Nonwovens

Financial performance
Fibertex Nonwovens generated revenue of DKK 933 million in 2013, a 3.5% increase from DKK 901 million in 2012. The rise in revenue was mainly attributable to the Automotive and Wipes product areas, but other segments also contributed.

EBIT improved by DKK 9 million to reach DKK 37 million, versus DKK 28 million in 2012, an increase driven by improvements in the core businesses, a sharper focus on markets outside Europe and more sales of customised value-added products.

This revenue and earnings performance reflects the continuing work with a large number of strategic initiatives and the company leveraging the effects of recent years' investment in modernising and expanding its production platforms, which has given it more competitive strength. However, the company's financial results for 2013 were also affected by the severe winter in Europe that weighed heavily on the climate-sensitive segments, while other segments started out the year facing weak demand that only stabilised later on in the year before showing moderate growth.

Working capital relative to revenue was unchanged, and net interest-bearing debt fell by DKK 28 million to DKK 452 million at December 31, 2013, from DKK 479 million at December 31, 2012.



Revenue (DKKm)

Business development
Fibertex Nonwovens reported both revenue and earnings growth in 2013 despite challenging market conditions.

Fibertex Nonwovens is to some degree a cyclical company, and it also faced tough competition in its high-volume business areas due to a certain degree of overcapacity, especially in the European market. Activity levels and demand in Europe and in the overseas markets began to recover in the second half of 2013. Positive trends were especially seen in infrastructure projects, and output in the car industry has increased. There is a positive trend globally as well as moderate growth in the use of nonwoven products for industrial applications.

The company is engaged in R&D, production and sale of nonwovens for these global business areas:

- Automotive (engine compartment insulation, car ceilings, door panels, trim panels and acoustic solutions)
- Construction (geotextiles, building and composite materials, and DIY products)
- Industrial (furniture, mattresses, carpets and flooring) and the med-tech industry
- Filtration (air, liquid and odour filters) and acoustics
- Wipes (wet wipes for the consumer market and specialist products for the industrial market)

Fibertex Nonwovens has worked to align its operations with the market situation, preparing to capitalise on the growth potential represented by expanding product segments and geographical growth markets, and this forms the basis for earnings improvements. The company has stepped up its market focus, winning market share in its core business areas while also boosting sales to the composites industry and sales of customised value-added products. Its core activities lie in exploiting the potential of the new products launched for the automotive industry, to expand sales of geotextiles

All amounts in DKK million	2013	2012
Revenue	933	901
- of which from Denmark	217	226
- of which from Czech Republic	277	257
- of which from France	439	418

for infrastructure projects and to grow with the composites industry.

In addition, a number of new business opportunities with solid growth and value potential have been identified, and the company expects to commercialise them in 2014. In terms of R&D and innovation, the company has built a strong project portfolio to support its business strategy of increasing the proportion of value-added products and becoming less dependent on price-sensitive high-volume business.

In early 2010, Fibertex Nonwovens set up a factory in South Africa in cooperation with IFU and local business partners for the purpose of manufacturing and selling needlepunch products – mainly geotextiles – but also to sell products to South Africa's growing automotive industry. The main focus of its first three years in operation was to establish and position Fibertex South Africa, and, at the beginning of 2013, the company acquired distributor Geotextile Africa to improve its market position. Fibertex Nonwovens holds a 26% interest in the company, which has yet to make a profit but is expected to raise both revenue and earnings in 2014 thanks to growing demand driven by a large number of infrastructure projects both in neighbouring countries and locally in South Africa.

Outlook

Fibertex Nonwovens anticipates a stable to moderately growing level of activity in 2014. Despite market uncertainty, challenging raw materials prices and the very competitive situation in Europe, market prospects appear more stable and promising than has otherwise been the case in recent years.

Given the structural investments made and the company's increased efforts to work the market, also with a focus on growing sales of value-added products, Fibertex Nonwovens is well-positioned to capitalise on market opportunities.

Against this backdrop, Fibertex Nonwovens expects to generate a moderate revenue increase, to about DKK 950 million. The FY EBIT forecast is expected to be in the DKK 35-45 million range.

All amounts in DKK million	2013	2012
INCOME STATEMENT		
Revenue	932.7	901.3
Gross profit	190.6	178.2
EBITDA	102.1	93.1
Depreciation	64.9	65.0
Operating profit (EBIT)	37.2	28.1
Share of profit from ass. companies	(5.0)	(6.5)
Financial items, net	(14.8)	(18.7)
Profit before tax	17.4	2.9
Tax for the period	(5.5)	(2.7)
Profit for the period	11.9	0.2
CASH FLOWS		
Cash flows from operating activities	57.6	79.7
Cash flows from investing activities	(35.9)	(59.3)
Cash flows from financing activities	(25.4)	(46.5)
BALANCE SHEET		
Intangible assets *	66.6	68.8
Property, plant and equipment	449.3	478.9
Other non-current assets	12.0	17.4
Cash and cash equivalents	30.1	34.0
Other current assets	412.4	387.3
Total assets	970.4	986.4
Equity	314.0	323.3
Interest-bearing debt	482.0	513.4
Other creditors	174.4	149.7
Total liabilities and equity	970.4	986.4
Average number of employees	511	508
FINANCIAL KEY FIGURES		
EBITDA margin	10.9%	10.3%
EBIT margin	4.0%	3.1%
ROIC	5.1%	3.8%
Working capital	285.1	274.3
Net interest-bearing debt	451.8	479.4

* Excluding goodwill on consolidation in Schouw & Co. of DKK 32,0 million

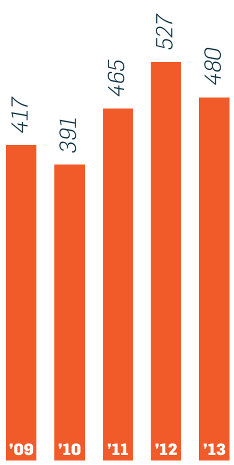
Hydra-Grene

Financial performance
Hydra-Grene generated revenue of DKK 480 million in 2013, compared with DKK 527 million in 2012. The setback was caused by a drop in sales to the wind turbine industry, whereas sales to the rest of the OEM industry and to the aftermarket were slightly up from 2012.

Combined sales to OEM and aftermarket customers were in line with expectations. Sales to the wind turbine industry, on the other hand, were highly volatile and marked by a low level of activity in the first half of the year, only stabilising at the expected level in the second half. The large sales fluctuations during the year had a clearly negative impact on earnings.

EBIT fell from DKK 67 million in 2012 to DKK 46 million in 2013, the decline being mainly attributable to the lower level of activity in the first half of the year. In H2 2013, the stronger operating profit was offset by end-of-year extraordinary writedowns of IT investments no longer in use because the company implemented a new ERP system. Net of these writedowns, the H2 2013 EBIT was at the same level as the previous year.

Overall working capital fell from DKK 186 million at December 31, 2012, to DKK 172 million at December 31, 2013, mainly due to the change in the level of business activity in the wind turbine industry. After payment of intra-group dividends of DKK 50 million in 2013, net interest-bearing debt increased slightly, from DKK 123 million at December 31, 2012, to DKK 127 million at December 31, 2013.



Revenue (DKKm)

Business development
Hydra-Grene is a specialised trading and engineering company, and its principal business is to sell components and accessories for hydraulics, industrial hoses and related areas, including the supply of assembled products such as hydraulic pump units, cooling and lubricating systems, and system solutions, as well as the production of aluminium valve blocks.

Hydra-Grene has continually adapted to the tough demands on its organisation and quality management capabilities from its shift in recent years towards selling increasingly complex products and system solutions to the wind turbine industry in particular. Hydra-Grene implemented a new ERP system at the end of 2013 while also aligning and optimising its business procedures and processes.

Hydra-Grene continues to invest in order to prepare the company for the future by adding more technical staff on the product development side: the company is involved in development projects for the wind turbine industry and in cost-out projects aimed at making wind turbine power more competitive.

Hydra-Grene generates most of its business in Denmark: its international sales are mainly to customers in the wind turbine industry and in other industries in which the company has special expertise.

Hydra-Grene has small-scale production facilities in China, and sales in that market improved slightly in 2013 compared with 2012. The Chinese market has been stagnant in recent years, but there are a number of indications that it is set to recover over the next few years. Hydra-Grene's customers in the market are mostly European companies that have set up production in China.

In India, the company has grown its revenue from the wind turbine industry. Unlike its sister facilities in China, sales here are directed mainly towards local Indian manufacturers, and the components used are increasingly sourced locally.

Hydra-Grene's only activity in the USA is a sales office: the company is awaiting general market developments before possibly expanding its activities there.

According to Hydra-Grene's overall strategy, production of core products such as valve blocks and systems will continue to be based in Denmark. For this reason, the company is focusing strongly on operating an automated and efficient production in order to maintain competitive strength despite high wage costs and the generally high cost levels in Denmark.

Outlook

Hydra-Grene has launched a targeted effort directed at the offshore market, where it can use many of the competencies and systems it has developed in the process to position itself as a supplier to the wind turbine industry. The company's management is confident that the products and services Hydra-Grene offers form a good platform from which to develop this segment over the next few years.

Hydra-Grene expects to increase its sales to the wind turbine industry in 2014, but with a continued substantial volatility over the year that will naturally lead to a number of challenges with respect to production planning and inventory management. Sales to OEM customers and to the aftermarket are expected to remain stable.

Against this backdrop, Hydra-Grene expects revenue of just over DKK 500 million for 2014. Sales to both the wind turbine industry and other customers will be marked by continued tough price competition which, combined with the severely fluctuating demand, will make it difficult to optimise costs. The FY 2014 EBIT forecast is expected to be in the DKK 50-60 million range.

All amounts in DKK million	2013	2012
INCOME STATEMENT		
Revenue	479.5	526.9
Gross profit	148.0	163.3
EBITDA	64.3	80.2
Depreciation	14.2	13.4
Impairment	4.0	0.0
Operating profit (EBIT)	46.1	66.8
Share of profit from associates	0.0	0.2
Financial items, net	(5.7)	(4.7)
Profit before tax	40.4	62.3
Tax for the period	(9.3)	(15.8)
Profit for the period	31.1	46.5
CASH FLOWS		
Cash flows from operating activities	63.6	68.9
Cash flows from investing activities	(14.6)	(21.8)
Cash flows from financing activities	(18.4)	(44.8)
BALANCE SHEET		
Intangible assets	19.4	11.8
Property, plant and equipment	105.4	107.6
Other non-current assets	0.0	1.9
Cash and cash equivalents	38.4	7.7
Other current assets	240.2	244.2
Total assets	403.4	373.2
Equity	167.2	182.2
Interest-bearing debt	165.0	130.5
Other creditors	71.2	60.5
Total liabilities and equity	403.4	373.2
Average number of employees	215	217
FINANCIAL KEY FIGURES		
EBITDA margin	13.4%	15.2%
EBIT margin	9.6%	12.7%
ROIC	18.2%	21.3%
Working capital	172.5	185.6
Net interest-bearing debt	126.6	122.8

Kramp

Financial performance
On August 29, 2013, Schouw & Co. announced its decision to merge its wholly owned subsidiary Grene with the Dutch company Kramp. After the required regulatory approvals had been obtained, the merger was finalised on November 8, 2013, giving Schouw & Co. a 20% ownership interest in the new company, whose parent company will be Kramp Groep B.V. of Varsseveld, the Netherlands.

Grene and Kramp are two comparable businesses with similar operations and subject to the same general market conditions. Both companies opened 2013 with relatively soft sales in several markets due to a long winter season that had delayed the usual spring preparations in the agricultural sector. Some, but not all, of the revenue lost in the early months of the year was recovered in the second quarter: especially Grene felt the loss.

Among other events of 2013, Grene also divested the activities under Grene Industri-service, and thus no longer recognises revenue from that business. As a result, Grene reported a slight drop in revenue in 2013 on a full-year basis, whereas the other Kramp businesses achieved revenue improvements. Simply adding the two companies' sales figures reveals a 4% revenue improvement, from about EUR 591 million in 2012 to EUR 614 million in 2013.

In terms of EBIT, both Grene and Kramp saw a decline in 2013 relative to the previous year. A simple adding together of their EBIT figures shows a fall of 11% from about EUR 55 million in 2012 to about EUR 49 million in 2013. This performance was driven by a lower level of activity in the early months of the year, more competitive international markets, and the direct and indirect costs of the merger, even though these items were probably smaller than what is usual for a transaction of this size.

At December 31, 2013, the combined company had net interest-bearing debt totalling EUR 124 million.

It should be noted that Grene will only be recognised in Kramp Group's consolidated financial statements as from the date of the merger. The Schouw & Co. consolidated financial statements for 2013 recognise Grene until the date of the merger under profit/loss on discontinued operations, which is stated after tax, in the amount of DKK 245 million, of which DKK 196 million is an accounting gain calculated at the time of the merger with Kramp. From the date of the merger and for the rest of the year, Kramp is recognised under profit after tax in associates in a negative amount of DKK 18 million due to/after adjustments of DKK 17 million resulting from the accounting treatment of the purchase price allocation.

Business development
Grene and Kramp had partnered for a number of years and had operated a 50/50 joint venture in Russia since 2010. Grene was based in the Nordic region, but had also developed a considerable operation in Poland. Kramp operated in the Benelux region and Germany, but then expanded to other European countries from that base, such as France and the UK. The combined company is now Europe's largest supplier of spare parts and accessories for the agricultural sector, with operations in more than 20 European countries.

The geographical locations of their individual warehouses and sales offices are highly complementary , so the merger has not led to any significant geographical relocations. Rather, it has created a platform for accelerating the marketing effort that will first of all focus on the eastern parts of Europe.

In addition, the merger will produce other significant benefits, and the new organisation is already harvesting synergies. The initial priorities will be suppliers, products and IT. The new organisation has a size that allows a much better collaboration with its many suppliers. The customers will generally only notice the merger through the broader assortment offered from more brands on more competitive terms. Lastly, there are a number of efficiency gains to be had from combining the IT platforms of the two companies: the ambition is to take the best components from each and combine them.

The new organisation is off to an excellent start in crystallising the potential synergies. Working groups consisting of employees from several countries have been set up for the different areas, and, where it can add further value, they can draw on the expertise of external consultants. The two companies have not only known each other for years: they also have many common traits when it comes to approach, corporate culture and values, and this will undoubtedly be a facilitating factor for the groups in their work.

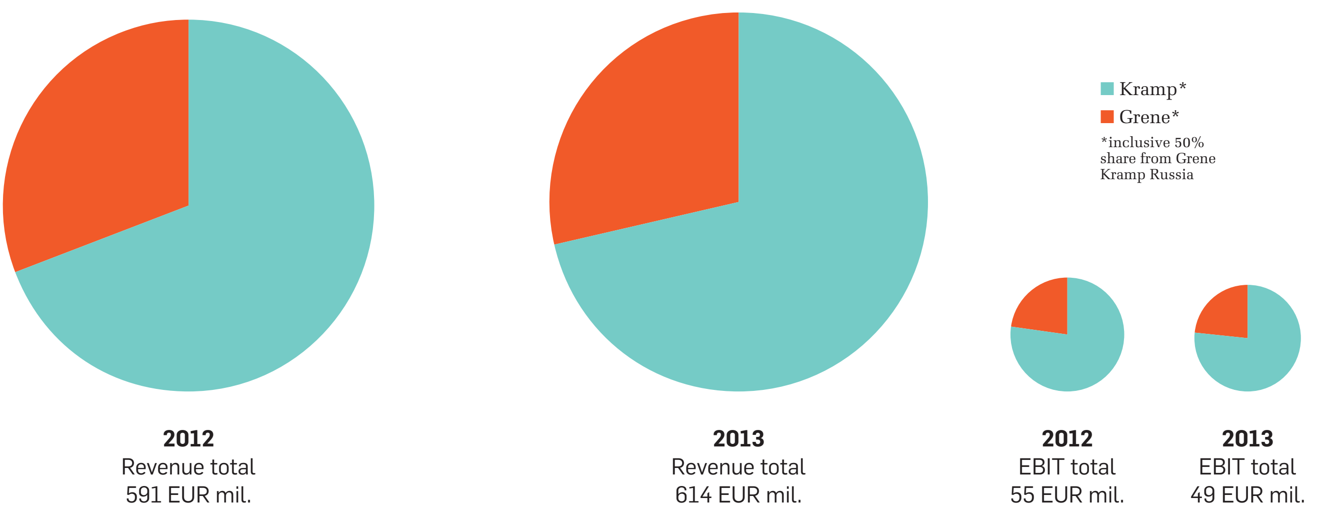
Outlook
Kramp aims for the merged business to top the one billion euro mark in revenue and an EBITDA of 13%

within the next five years. This is an ambitious but realistic goal.

The company has a tradition for delivering solid earnings and a stable and positive operating cash flow. The owners have therefore agreed on a dividend policy of paying out dividends as and when possible, but always with due consideration for the company's specific needs and plans.

The merger will impact operations to some extent in 2014, but, although it is subject to the resulting uncertainty, Kramp anticipates an improvement in revenue relative to the actual 2013 figure for the merged company. Disregarding additional depreciation charges resulting from the accounting treatment of the purchase price adjustment, EBIT is also expected to improve to at least the level the merged company had recorded prior to the setback in 2013.

In future, Schouw & Co. will recognise Kramp as an associate at a 20% share of its profit as stated after tax. The recognised share of the profit for the first half of 2014 will be reduced by DKK 34 million in adjustments relating to the purchase price allocation prepared in connection with the merger.



Other investments

Xergi
Schouw & Co. has been involved in the biogas field since 2001, and today co-owns Xergi on a fifty/fifty basis together with Hedeselskabet.

Xergi is one of Europe's leading suppliers of turnkey biogas systems. Its core business consists of technology development, system design and installation as well as turnkey system operation and maintenance. The company's head office is in Støvring near Aalborg, Denmark and it operates mainly on the European and US markets.

In recent years, Xergi has invested heavily in technology innovation and in building a substantial customer and project portfolio. The company continued to expand its project portfolio in 2013, both by working the market in Denmark where conditions for biogas improved in 2012, and by maintaining its successful presence in the French and UK markets.

The stronger project portfolio has produced a step change in the company's activity. Xergi improved its revenue from DKK 118 million in 2012 to DKK 204 million in 2013 and expects to increase revenue further in 2014. At the same time, Xergi has managed to reverse recent years' negative results, achieving a positive EBIT.

Xergi was previously recognised in Schouw & Co.'s consolidated financial statements as a pro-rata consolidated business, but is recognised as a joint venture effective from 2013 due to the implementation of IFRS 11. For 2013, Xergi is recognised at a break-even result under profit/loss after tax in associates and joint ventures.

Incuba Invest
Schouw & Co. holds a 49% ownership interest in the development and venture company Incuba Invest A/S, whose other shareholders are the Aarhus University Research Foundation and NRGi a.m.b.a. Incuba Invest is recognised as an associate in the Schouw & Co. consolidated financial statements.

Incuba Invest holds a 26% interest in Incuba, which runs three science parks in Aarhus, Denmark: the original science park next to the University of Aarhus, the biotech-med science park next to Aarhus University Hospital, and the IT science park at Katrinebjerg. Incuba is also a partner of the consortium currently building Navitas Park, a centre for energy, innovation and training located at the Port of Aarhus. When completed in the summer of 2014, the centre will cover about 38,000 m^2 and house more than 2,300 students, teachers, researchers and entrepreneurs.

In addition, Incuba Invest has for several years been engaged in development activities through a 29% ownership interest in Østjysk Innovation, a government-approved innovation environment. However, Østjysk Innovation merged with a peer organisation, CAT Science Park, effective after the end of the financial year. Incuba Invest now holds an ownership interest in the merged company, which has been named Capnova.

Lastly, Incuba Invest is involved in the venture capital area through a 38% ownership interest in Scandinavian Micro Biodevices ApS, a company producing point-of-care veterinary diagnostic products.

Incuba Invest reported a profit after tax of DKK 2 million for 2013, 49% of which was recognised in Schouw & Co.'s consolidated financial statements.

Property
In addition to the operational properties of the portfolio companies, the parent company Schouw & Co. owns five properties directly. They are the parent company's offices in Aarhus, two minor properties relating to the former Grene Industri-service located in Aarhus and Ringe, Denmark, and two properties in Frederikshavn that Schouw & Co. took over in February 2013 in connection with the divestment of Martin. One of the latter two properties is still leased to Martin while the other has been put up for sale.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29,7
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541,3
(1,2)

Statement of income and comprehensive income *January 1 - December 31*

Note		2013	2012
1,2	Revenue	11,644.9	11,162.1
3	Cost of sales	(9,964.2)	(9,412.1)
	Gross profit	1,680.7	1,750.0
5	Other operating income	65.1	13.6
3	Distribution costs	(703.0)	(713.8)
3, 4	Administrative expenses	(357.5)	(369.6)
5	Other operating expenses	(0.7)	(0.8)
	Operating profit (EBIT)	684.6	679.4
6	Profit/(loss) after tax in associates and joint ventures	(21.5)	(4.7)
7	Financial income	527.0	86.4
8	Financial expenses	(81.3)	(226.2)
	Profit before tax	1,108.8	534.9
9	Tax on profit for the year	(249.3)	(127.1)
	Profit for the year from continuing operations	859.5	407.8
1, 26	Profit for the year from discontinued operations	508.1	89.9
	Profit for the year	1,367.6	497.7
	Attributable to		
	Shareholders of Schouw & Co.	1,367.4	496.4
	Minority interests	0.2	1.3
	Profit for the year	1,367.6	497.7
10	Earnings per share (DKK)	57.46	21.09
10	Diluted earnings per share (DKK)	57.28	21.07
10	Earnings per share from continuing operations (DKK)	36.11	17.29
10	Diluted earnings per share from continuing operations (DKK)	36.00	17.27
	Comprehensive income		
	Items that can be reclassified to the profit and loss statement:		
	Exchange rate adjustment of foreign subsidiaries	(202.3)	36.8
	Value adjustment of hedging instruments recognised during the year	12.6	(31.3)
	Value adjustment of hedging instruments transferred to cost of sales	2.0	(5.4)
	Value adjustment of hedging instruments transferred to financials	11.1	12.7
	Hedging instruments transferred to discontinued operations	13.4	0.0
	Other comprehensive income from associates	(3.4)	(0.5)
9	Tax on other comprehensive income	(5.8)	6.2
	Other comprehensive income after tax	(172.4)	18.5
	Profit for the year	1,367.6	497.7
	Total recognised comprehensive income	1,195.2	516.2
	Attributable to		
	Shareholders of Schouw & Co.	1,195.0	514.8
	Minority interests	0.2	1.4
	Total recognised comprehensive income	1,195.2	516.2

All amounts in millions of Danish kroner.

Balance sheet · Assets, liabilities and equity *at December 31*

Note	Assets	2013	2012
	Goodwill	876.0	895.0
	Completed development projects	18.1	25.5
	Development projects in progress	0.1	34.7
	Other intangible assets	45.5	55.9
3, 11	**Intangible assets**	939.7	1,011.1
	Land and buildings	1,168.6	1,522.3
	Plant and machinery	1,303.2	1,334.9
	Other fixtures, tools and equipment	79.9	115.7
	Assets under construction, etc.	77.0	178.4
3, 12	**Property, plant and equipment**	2,628.7	3,151.3
6	Equity investments in associates and joint ventures	639.6	50.1
13	Securities	99.5	154.9
17	Deferred tax	75.2	192.7
15	Receivables	154.1	116.1
	Other non-current assets	968.4	513.8
	Total non-current assets	4,536.8	4,676.2
14	Inventories	1,151.5	1,773.1
15	Receivables	2,675.2	2,671.0
21	Income tax receivable	8.8	6.5
13	Securities	0.1	132.2
	Cash and cash equivalents	1,324.0	392.7
	Total current assets	5,159.6	4,975.5
26	Assets held for sale	0.0	729.6
	Total assets	9,696.4	10,381.3

Note	Liabilities and equity	2013	2012
16	Share capital	255.0	255.0
	Hedge transaction reserve	(14.5)	(42.6)
	Exchange adjustment reserve	(36.7)	159.9
	Retained earnings	5,385.8	4,124.1
	Proposed dividend	153.0	127.5
	Share of equity attributable to the parent company	5,742.6	4,623.9
	Minority interests	3.4	3.4
	Total equity	5,746.0	4,627.3
17	Deferred tax	127.9	125.6
18	Pensions, provisions and other liabilities	98.2	90.0
19	Credit institutions	1,035.1	890.1
	Non-current liabilities	1,261.2	1,105.7
19	Current portion of non-current debt	200.2	278.7
19	Credit institutions	238.3	1,280.7
20	Trade payables and other payables	2,237.2	2,519.3
21	Income tax	13.5	45.2
	Current liabilities	2,689.2	4,123.9
	Total liabilities	3,950.4	5,229.6
26	Liabilities associated with assets classified as held for sale	0.0	524.4
	Total liabilities and equity	9,696.4	10,381.3
25,27-34	Notes without reference		

All amounts in millions of Danish kroner.

Cash flow statement *January 1 - December 31*

Note		2013	2012
	Profit before tax	1.108,8	534,9
	Adjustment for operating items of a non-cash nature, etc.		
3	Depreciation and impairment losses	354,0	353,6
	Other operating items, net	(54,9)	12,6
	Provisions	(2,0)	(1,9)
	Income from investments in associates and joint ventures after tax	21,5	4,7
	Financial income	(527,0)	(86,4)
	Financial expenses	81,3	226,2
	Cash flows from operating activities before changes in working capital	981,7	1.043,7
22	Changes in working capital	(86,8)	(113,6)
	Cash flows from operating activities	894,9	930,1
	Interest income received	20,5	35,5
	Interest expenses paid	(79,4)	(103,2)
	Cash flows from ordinary activities	836,0	862,4
21	Income tax paid	(168,6)	(91,5)
	Cash flows from operating activities	667,4	770,9
23	Purchase of intangible assets	(24,0)	(7,1)
23	Purchase of property, plant and equipment	(345,5)	(284,6)
	Sale of property, plant and equipment	140,0	3,0
24	Acquisition of enterprises	(0,5)	0,0
6	Acquisition of associates	(4,8)	(4,7)
	Loan to associates	0,6	0,6
13	Purchase of securities	(1,5)	(7,2)
13	Sale of securities	757,2	7,0
	Cash flows from investing activities	521,5	(293,0)
	Debt financing:		
	Repayment of non-current liabilities	(392,6)	(260,5)
23	Proceeds from incurring non current financial liabilities	574,3	186,4
	Increase (repayment) of bank overdrafts	(787,5)	(416,6)
	Shareholders:		
	Acquisition of minority shareholders	0,0	(36,6)
	Dividend paid	(119,2)	(94,2)
	Purchase / sale of treasury shares, net	37,9	5,6
	Cash flows from financing activities	(687,1)	(615,9)
26	**Cash flows from discontinued operations**	434,1	4,7
	Cash flows for the year	935,9	(133,3)
	Cash and cash equivalents at January 1	406,8	541,3
	Reclassification of cash and cash equivalents at January 1	(12,5)	0,0
	Value adjustment of cash and cash equivalents	(6,2)	(1,2)
	Cash and cash equivalents at December 31 [1]	1.324,0	406,8

[1] Cash and cash equivalents at December 31, 2012 included DKK 14.2 million classified under discontinued operations.

All amounts in millions of Danish kroner.

Equity statement

	Share capital	Hedge trans-action reserve	Exchange adjust-ment reserve	Retained earnings	Proposed dividend	Total	Minority interests	Total equity
Equity at January 1, 2012	255.0	(28.5)	127.4	3,740.2	102.0	4,196.1	33.9	4,230.0
Other comprehensive income in 2012								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	36.7	0.0	0.0	36.7	0.1	36.8
Value adjustment of hedging instruments recognised during the year	0.0	(25.7)	(5.6)	0.0	0.0	(31.3)	0.0	(31.3)
Hedging instruments transferred to cost of sales	0.0	(5.4)	0.0	0.0	0.0	(5.4)	0.0	(5.4)
Hedging instruments transferred to financials	0.0	12.7	0.0	0.0	0.0	12.7	0.0	12.7
Other comprehensive income from associates	0.0	(0.5)	0.0	0.0	0.0	(0.5)	0.0	(0.5)
Tax on other comprehensive income	0.0	4.8	1.4	0.0	0.0	6.2	0.0	6.2
Profit for the year	0.0	0.0	0.0	368.9	127.5	496.4	1.3	497.7
Total recognised comprehensive income	0.0	(14.1)	32.5	368.9	127.5	514.8	1.4	516.2
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	5.8	0.0	5.8	0.0	5.8
Dividend distributed	0.0	0.0	0.0	7.8	(102.0)	(94.2)	0.0	(94.2)
Addition/disposal of minority interests	0.0	0.0	0.0	(4.2)	0.0	(4.2)	(31.9)	(36.1)
Treasury shares bought/sold	0.0	0.0	0.0	5.6	0.0	5.6	0.0	5.6
Transactions with the owners for the period	0.0	0.0	0.0	15.0	(102.0)	(87.0)	(31.9)	(118.9)
Equity at December 31, 2012	255.0	(42.6)	159.9	4,124.1	127.5	4,623.9	3.4	4,627.3
Other comprehensive income in 2013								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	(202.3)	0.0	0.0	(202.3)	0.0	(202.3)
Value adjustment of hedging instruments recognised during the year	0.0	5.0	7.6	0.0	0.0	12.6	0.0	12.6
Hedging instruments transferred to cost of sales	0.0	2.0	0.0	0.0	0.0	2.0	0.0	2.0
Hedging instruments transferred to financials	0.0	11.1	0.0	0.0	0.0	11.1	0.0	11.1
Hedging instruments transferred to discontinued operations	0.0	13.4	0.0	0.0	0.0	13.4	0.0	13.4
Other comprehensive income from associates	0.0	0.5	0.0	(3.9)	0..0	(3.4)	0.0	(3.4)
Tax on other comprehensive income	0.0	(3.9)	(1.9)	0.0	0.0	(5.8)	0.0	(5.8)
Profit for the year	0.0	0.0	0.0	1,214.4	153.0	1,367.4	0.2	1,367.6
Total recognised comprehensive income	0.0	28.1	(196.6)	1,210.5	153.0	1,195.0	0.2	1,195.2
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	5.0	0.0	5.0	0.0	5.0
Dividend distributed	0.0	0.0	0.0	8.3	(127.5)	(119.2)	0.0	(119.2)
Addition/disposal of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	(0.2)
Treasury shares bought/sold	0.0	0.0	0.0	37.9	0.0	37.9	0.0	37.9
Transactions with the owners for the period	0.0	0.0	0.0	51.2	(127.5)	(76.3)	(0.2)	(76.5)
Equity at December 31, 2013	255.0	(14.5)	(36.7)	5,385.8	153.0	5,742.6	3.4	5,746.0

All amounts in millions of Danish kroner. 35

Notes

NOTE 1 - Segment reporting

Schouw & Co. is an industrial conglomerate consisting of a number of sub-groups operating in various industries and independently of the other sub-groups. The group management monitors the financial developments of all material sub-groups on a regular basis. Based on management control and financial management, Schouw has identified six reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, Hydra-Grene, Grene and Martin. On December 19, 2012, Schouw & Co. signed an agreement to sell Martin. Accordingly, Martin has been classified under discontinued operations. An agreement was made on August 29, 2013 for a merger of Grene and Kramp. As Schouw & Co. will hold a 20% ownership interest in the merged group, Grene has also been classified under discontinued operations.

Included in the reporting segments are revaluations of assets and liabilities made in connection with Schouw & Co.'s acquisition of the segment in question and consolidated goodwill arising as a result of the acquisition. The operational impact of depreciation/amortisation and write-downs on the above revaluations or goodwill is also included in the profit presented for the reporting segment.

All transactions between segments were made on an arm's length basis.

"Geographical segment information indicates the group's revenue and assets by national market. The list shows the individual countries in which the group's revenue or assets account for 5% or more of consolidated revenue or consolidated total assets. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of the revenue derives from the 'Other Europe' and 'Other World' categories.

Total reportable segments 2013	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Continued activities	Grene	Martin	Discontinued activities	Total
External revenue	8,702.0	1,519.3	924.2	479.5	11,625.0	1,168.4	131.2	1,299.6	12,924.6
Intra-group revenue	0.0	34.9	8.5	0.0	43.4	5.0	0.0	5.0	48.4
Segment revenue	8,702.0	1,554.2	932.7	479.5	11,668.4	1,173.4	131.2	1,304.6	12,973.0
Depreciation	143.8	124.5	64.9	14.2	347.4	24.7	0.0	24.7	372.1
Impairment	0.0	0.0	0.0	4.0	4.0	0.0	0.0	0.0	4.0
EBIT	394.3	164.0	37.2	46.1	641.6	81.8	5.2	87.0	728.6
Segment assets	4,971.7	1,678.4	1,002.4	403.5	8,055.9	0.0	0.0	0.0	8,055.9
Including goodwill	726.0	72.4	77.6	0.0	876.0	0.0	0.0	0.0	876.0
Equity investments in associates	0.0	0.0	11.9	0.0	11.9	0.0	0.0	0.0	11.9
Segment liabilities	2,776.4	995.6	656.4	236.3	4,664.7	0.0	0.0	0.0	4,664.7
Working capital	740.5	246.8	285.1	172.5	1,444.9	0.0	0.0	0.0	1,444.9
NIBD	353.2	643.6	451.8	126.6	1,575.2	0.0	0.0	0.0	1,575.2
Cash flows from operating activities	372.9	208.3	57.6	63.6	702.4	51.2	23.9	75.1	777.5
Cash flows from investing activities	48.5	(226.0)	(35.9)	(14.6)	(228.0)	(23.9)	89.6	65.7	(162.3)
Cash flows from financing activities	(213.7)	12.5	(25.4)	(18.4)	(245.0)	(23.3)	(114.2)	(137.5)	(382.5)
Capital expenditure	95.0	226.2	31.7	25.3	378.2	34.8	7.4	42.2	420.4
Average number of employees	885	429	511	215	2,040	895	535	1.430	3.470

Total reportable segments 2012	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Continued activities	Grene	Martin	Discontinued activities	Total
External revenue	8,226.5	1,437.9	894.3	526.9	11,085.6	1,346.1	931.6	2,277.7	13,363.3
Intra-group revenue	0.0	21.3	7.0	0.0	28.3	6.9	0.0	6.9	35.2
Segment revenue	8,226.5	1,459.2	901.3	526.9	11,113.9	1,353.0	931.6	2,284.6	13,398.5
Depreciation	151.2	121.4	65.0	13.4	351.0	32.2	54.6	86.8	437.8
Impairment	0.0	0.0	0.0	0.0	0.0	4.6	4.7	9.3	9.3
EBIT	438.1	155.9	28.1	66.8	688.9	93.5	57.3	150.8	839.7
Segment assets	5,116.3	1,615.4	1,018.4	373.2	8,123.4	1,004.0	729.6	1,733.6	9,856.9
Including goodwill	736.2	72.4	77.6	0.0	886.2	8.8	47.0	55.8	942.0
Equity investments in associates	0.0	0.0	16.1	1.9	18.0	0.0	10.9	10.9	28.9
Segment liabilities	2,909.1	914.0	663.1	191.0	4,677.2	644.6	572.9	1,217.5	5,894.7
Working capital	796.1	273.4	274.3	185.6	1,529.4	394.8	315.3	710.1	2,239.5
NIBD	583.6	567.5	479.4	122.8	1,753.3	424.8	340.2	765.0	2,518.3
Cash flows from operating activities	271.7	231.4	79.7	68.9	651.7	93.3	141.9	235.2	886.9
Cash flows from investing activities	(124.5)	(109.9)	(59.3)	(21.8)	(315.5)	(72.0)	(38.7)	(110.7)	(426.2)
Cash flows from financing activities	(277.2)	(115.6)	(46.5)	(44.8)	(484.1)	(18.9)	(95.8)	(114.7)	(598.8)
Capital expenditure	126.8	110.1	18.3	21.8	277.0	83.7	42.2	125.9	402.9
Average number of employees	847	369	508	217	1,941	897	513	1,410	3,351

All amounts in millions of Danish kroner.

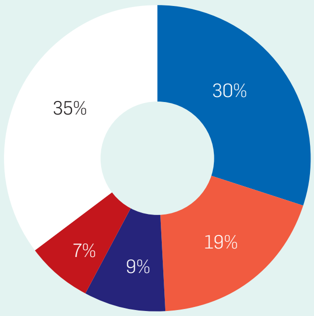
Notes

NOTE 1 - Segment reporting (continued)

The data on revenue by geography are based on customers' geographical location, while data on intangible and fixed assets by geography are based on the physical location of the assets. The specification shows the individual countries that account for more than 5% of the Group in terms of revenue and assets.

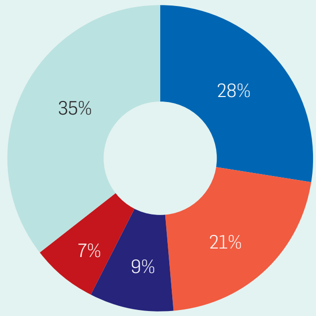
Revenue by country

2013



Norway	3,494
Chile	2,242
U.K.	1,014
Denmark	802
Other	4,093
Total	11,645

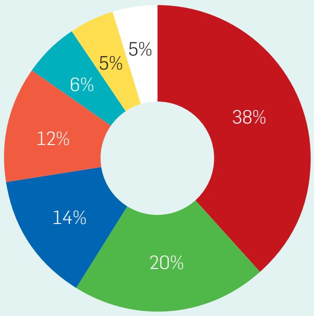
2012



Norway	3,086
Chile	2,363
U.K.	985
Denmark	783
Other	3,945
Total	11,162

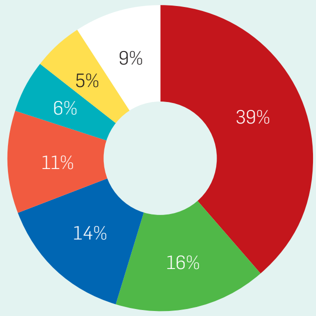
Intangible and fixed assets by country

2013



Denmark	1,373
Malaysia	732
Norway	490
Chile	431
Czech Republic	207
France	169
Other	166
Total	3,568

2012



Denmark	1,618
Malaysia	661
Norway	602
Chile	449
Czech Republic	236
France	223
Other	373
Total	4,162

Reconciliation of revenue, EBIT, assets and liabilities, 2013	Group revenue	EBIT	Assets	Liabilities
Reporting segments	12,973.0	728.6	8,055.9	4,664.7
Discontinued operations	(1,304.6)	(87.0)	-	-
Non-reporting segments	5.3	2.5	914.9	60.6
The parent company	18.2	40.5	5,099.9	574.1
Group elimination	(47.0)	0.0	(4,374.3)	(1,349.0)
Total	11,644.9	684.6	9,696.4	3,950.4

Reconciliation of revenue, EBIT, assets and liabilities, 2012	Group revenue	EBIT	Assets	Liabilities
Reporting segments	13,398.5	839.7	9,856.9	5,894.7
Discontinued operations	(2,284.6)	(150.8)	-	-
Non-reporting segments	59.1	(5.3)	575.1	77.8
The parent company	20.7	(9.3)	3,619.2	314.6
Group elimination	(31.6)	5.1	(3,669.9)	(533.1)
Total	11,162.1	679.4	10,381.3	5,754.0

Pro-rata consolidated companies (joint operations) are recognised in the consolidated financial statement in the following amounts: Current assets DKK 88.5 million (2012 DKK 146.7 million), non-current assets DKK 85.9 million (2012: DKK 71.0 million), current liabilities DKK 179.4 million (2012: DKK 273.4 million), non-current liabilities DKK 14.1 million (2012: DKK 0.6 million), revenue DKK 243.7 million (2012: DKK 458.3 million) and expenses DKK 242.3 million (2012 DKK 463.7 million). Pro-rata consolidated companies are Alitec Pargua S.A. and BioMar Aquacorporation Products S.A. Both are 50%-owned. In 2012, Xergi A/S and Grene Kramp Holding A/S were also pro-rata consolidated companies.

All amounts in millions of Danish kroner.

Notes

NOTE 2 - Revenue

	2013	2012
Sale of goods	11,624.5	11,085.2
Sale of services	0.8	1.7
Rental income	19.6	16.1
Market value of work in progress	0.0	59.1
Total revenue	11,644.9	11,162.1

NOTE 3 - Costs

	2013	2012
Cost of sales		
Cost of sales for the year includes cost of goods sold of	(8,690.0)	(8,139.4)
Cost of sales for the year includes inventory impairments of	(24.1)	(20.3)
Cost of sales for the year includes reversed inventory impairments of	13.1	12.0
Staff costs		
Remuneration to the Board of Directors of Schouw & Co.	(3.1)	(2.8)
Wages and salaries	(647.9)	(644.6)
Defined contribution pension plans	(38.6)	(36.2)
Other social security costs	(48.6)	(47.8)
Share-based payment	(4.1)	(4.3)
Total staff costs	(742.3)	(735.7)
Including staff costs capitalised and recognised in plant, machinery and development projects	0.2	2.5
Staff costs recognised in the income statement	(742.1)	(733.2)
Staff costs are recognised as follows		
Production	(423.0)	(418.5)
Distribution	(175.9)	(173.5)
Administration	(143.2)	(141.2)
Staff costs recognised in the income statement	(742.1)	(733.2)
Average number of employees	2,052	1,976

Determination of remuneration to the Board of Directors and the Executive Management

Aktieselskabet Schouw & Co. has prepared a remuneration policy describing the guidelines for the remuneration to members of the company's Board of Directors and Executive Management. The remuneration to board members consists of a fixed basic fee, which in 2013 amounted to DKK 225,000. The fee will be unchanged in 2014. The remuneration policy is available on the company's website. Remuneration to the Board of Directors includes a fee to the audit committee of DKK 0.4 million (2012: DKK 0.4 million). In addition to the above fees paid in respect of the continuing companies, board members have received a total of DKK 0.2 million from companies classified under discontinued operations.

Staff costs include salaries and bonuses of DKK 9.5 million (2012: DKK 7.6 million), pension contributions of DKK 0.2 million (2012: DKK 0.2 million) and share-based payment of DKK 1.3 million (2012: DKK 1.3 million) to members of the Executive Management. The Executive Management also has cars at their disposal. Members of the Executive Management do not have any unusual employment or contractual terms.

In addition, members of the Executive Management have received fees of DKK 0.0 million (2012: DKK 0.2 million) from companies classified as discontinued operations.

Staff costs for businesses under continuing operations include salaries and bonuses of DKK 10.2 million (2012: DKK 10.6 million), pension contributions of DKK 0.6 million (2012: DKK 0.6 million) and share-based payment of DKK 1.9 million (2012: DKK 2.0 million) to the registered executive managements of directly owned subsidiaries. No severence payments were made to senior employees in 2013 or 2012.

Share-based payment: Share option programme

The company has an incentive programme for the Management and senior managers, including the executive management of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest (4%) from the date of grant until the date of exercise.

The following assumptions were applied in calculating the fair value of outstanding share options at the date of grant:

	2013 grant	2012 grant	2011 grant	2010 grant	2009 grant
Expected volatility	25.36%	34.48%	33.75%	37.41%	56.54%
Expected term	48 mths.	48 mths.	48 mths.	48 mths.	48 mths.
Expected dividend per share	DKK 4	DKK 3	DKK 3	DKK 3	DKK 3
Risk-free interest rate	0.62%	1.04%	3.00%	4.00%	4.00%

The expected volatility is calculated as 12 months historical volatility based on average prices. If the optionholders have not excercised their share options within the period specified, the share options will lapse without any compensation to the holders. Exercise of the share options is subject to the holders being in continuing employment during the above-mentioned periods. If the share option holder leaves the company's employ before the date of acquiring the right, the holder may in some cases have a right to exercise the share options early during a four-week period following Schouw & Co.'s next following profit announcement. In the event of early exercise, the number of share options will be reduced proportionately.

All amounts in millions of Danish kroner.

Notes

NOTE 3 – Costs (continued)

Outstanding options	Management	Other	Total	Strike price in DKK 1)	Fair value in DKK per option 2)	Fair value in total in DKK millions 2)	Can be exercised from	Can be exercised to
Granted in 2009	24,000	36,000	60,000	78.61	21.27	4.7	March 2011	March 2013
Granted in 2010	34,000	139,250	173,250	125.53	24.38	4.4	March 2012	March 2014
Granted in 2011	55,000	184,000	239,000	151.61	25.80	6.2	March 2013	March 2015
Granted in 2012	55,000	184,000	239,000	155.83	24.24	5.8	March 2014	March 2016
Outstanding options in total at December 31, 2012	168,000	543,250	711,250					
Granted in 2013	55,000	164,000	219,000	211.63	20.19	4.4	March 2015	March 2017
Exercised (from the share options granted in 2009)	(24,000)	(36,000)	(60,000)					
Exercised (from the share options granted in 2010)	0	(131,250)	(131,250)					
Exercised (from the share options granted in 2011)	0	(126,000)	(126,000)					
Cancelled (share options granted in 2012)	0	(18,000)	(18,000)					
Outstanding options in total at December 31, 2013	199,000	396,000	595,000					

1) At exercise after four years (at the latest possible moment)
2) At the date of grant

A total of 60,000 options relating to the 2009 grant were exercised in 2013. Options were exercised at an average exercise price of DKK 77.53 per share, producing cash proceeds to the Group of DKK 4.7 million. The average market price on the dates the options were exercised was DKK 174.60 per share.

A total of 131,250 options relating to the 2010 grant were exercised in 2013. Options were exercised at an average exercise price of DKK 119.70 per share, producing cash proceeds to the Group of DKK 15.7 million. The average market price on the dates the options were exercised was DKK 185.99 per share.

A total of 126,000 options relating to the 2011 grant were exercised in 2013. Options were exercised at an average exercise price of DKK 139.29 per share, producing cash proceeds to the Group of DKK 17.6 million. The average market price on the dates the options were exercised was DKK 188.22 per share.

	2013	2012
Research and development costs		
Research and development costs expensed and development costs incurred are shown below:		
Research and development costs incurred	(66.0)	(64.4)
Development costs recognised under intangible assets	0.0	0.0
Amortisation and impairment losses on recognised development costs	(9.2)	(4.8)
Research and development costs for the year recognised in the income statement	(75.2)	(69.2)
Depreciation/amortisation and impairment		
Amortisation of intangible assets	(11.6)	(15.5)
Impairment of intangible assets	(4.0)	0.0
Depreciation of property, plant and equipment	(338.4)	(338.1)
Impairment of property, plant and equipment	(30.0)	0.0
Total depreciation/amortisation and impairment	(384.0)	(353.6)
Depreciation/amortisation and impairment is recognised in the income statement as follows:		
Production	(319.2)	(317.7)
Distribution	(10.3)	(14.2)
Administration	(24.5)	(21.7)
Profit for the year from discontinued operations	(30.0)	0.0
Total depreciation/amortisation and impairment	(384.0)	(353.6)

NOTE 4 - Fees to auditors appointed by the general meeting	2013	2012
Statutory audit fees, KPMG	(4.1)	(4.0)
Non-audit fees, KPMG	(0.6)	(0.1)
Fees for tax and VAT related services, KPMG	(2.2)	(2.2)
Fees for other services, KPMG	(2.3)	(1.9)
Total fees, KPMG	(9.2)	(8.2)
Statutory audit fees, other accountants	(0.7)	(0.9)
Fees for other assurance engagements, other auditors	0.0	0.0
Fees for tax and VAT related services, other accountants	(0.2)	(0.2)
Fees for other services, other accountants	(0.5)	(0.6)
Total fees, other accountants	(1.4)	(1.7)

All amounts in millions of Danish kroner. 39

Notes

NOTE 5 - Other operating income and expenses	2013	2012
Gains on the disposal of property, plant and equipment and intangible assets	54.8	2.3
Government grants	10.2	10.7
Other operating income	0.1	0.6
Total other operating income	65.1	13.6
Losses on the disposal of property, plant and equipment and intangible assets	(0.7)	(0.8)
Total other operating expenses	(0.7)	(0.8)

In 2013, the Schouw Group sold the property at the address Hovmarken 8, Lystrup, which the Group had formerly leased to the Elopak group. The sale produced an accounting gain of DKK 53.9 million, which amount is recognised under gains from the sale of property, plant and equipment and intangible assets.

Fibertex has recognised an investment grant of DKK 10.2 million in 2013 (2012: DKK 10.7 million), related to the establishment of the factory in Malaysia. The grant is primarily conditional on a continued tax profit to be generated over the next years by Fibertex in Malaysia, which is regarded as very likely to happen.

	Joint ventures		Associates	
NOTE 6 – Equity investments in associates and joint ventures	2013	2012	2013	2012
Cost at January 1	0.0	0.0	100.2	99.6
Reclassified	60.0	0.0	0.0	(4.0)
Foreign exchange adjustments	0.0	0.0	0.0	(0.1)
Additions	0.0	0.0	599.8	4.7
Disposals	0.0	0.0	(0.3)	0.0
Cost at December 31	60.0	0.0	699.7	100.2
Adjustments at January 1	0.0	0.0	(50.1)	(36.9)
Reclassified	(39.4)	0.0	0.0	(6.9)
Foreign exchange adjustments	0.0	0.0	(3.9)	(1.1)
Other changes in equity	0.0	0.0	(3.6)	(0.5)
Disposals for the year	0.0	0.0	(1.6)	0.0
Profit/(loss) after tax in associates and joint ventures	(0.2)	0.0	(21.3)	(4.7)
Adjustments at December 31	(39.6)	0.0	(80.5)	(50.1)
Carrying amount at December 31	20.4	0.0	619.2	50.1

2013

							Attributable to the group	
Name	**Registered office**	**Ownership interest**	**Revenue**	**Profit for the year**	**Total assets**	**Liabilities**	**Equity**	**Profit for the year**
Incuba Invest A/S	Aarhus, Denmark	49.02%	0.0	2.5	87.7	18.5	34.0	1.2
Dansk Afgratningsteknik A/S [1]	Skjern, Denmark	-	-	-	-	-	-	-
Fibertex South Africa Ltd.	Durban, South Africa	26.00%	59.2	(21.4)	92.2	38.4	11.9	(5.0)
Kramp Groep B.V. [2]	Varsseveld, The Netherlands	20.00%	4,579.1	248.5	2,763.4	1,360.2	280.6	(17.5)
Xergi A/S [3]	Støvring, Denmark	50.00%	204.3	(0.5)	111.4	70.8	20.4	(0.2)
The group share of equity and profit of continuing activities in total							346.9	(21.5)
Goodwill							292.7	
Carrying amount at December 31							639.6	

2012

							Attributable to the group	
Name	**Registered office**	**Ownership interest**	**Revenue**	**Profit for the year**	**Total assets**	**Liabilities**	**Equity**	**Profit for the year**
Incuba Invest A/S	Aarhus, Denmark	49.02%	0.0	3.2	85.9	20.4	32.1	1.6
Martin Professional (HK) Ltd. *	Hong Kong, China	46.20%	15.9	(2.8)	10.6	5.8	2.2	(1.3)
Martin Professional Japan Ltd. *	Tokyo, Japan	40.00%	65.5	11.5	35.6	13.8	8.7	4.6
Finini ApS *	Odense, Denmark	-	-	-	-	-	0.0	(0.4)
Dansk Afgratningsteknik A/S	Skjern, Denmark	30.00%	i.o.	0.6	11.0	4.6	1.9	0.2
Fibertex South Africa Ltd.	Durban, South Africa	26.00%	27.0	(27.3)	97.1	25.0	16.1	(6.5)
* Of the above, transferred to assets available for sale							(10.9)	(2.9)
The group share of equity and profit of continuing activities in total							50.1	(4.7)

1) The ownership interest in Dansk Afgratningsteknik A/S was increased from 30% to 60% at September 1, 2013. Accordingly, Dansk Afgratningsteknik A/S was reclassified from an associate to a consolidated business effective September 1, 2013.
2) Kramp Groep B.V. is recognised as an associate effective from November 8, 2013. The addition of Kramp Groep B.V. is a non-cash transaction. The reported revenue and the reported profit are based on unaudited information and express the proforma revenue and profit arrived at through a simple addition of figures for Grene and Kramp for 2013.
3) Joint venture consists of Xergi A/S, which effective from 2013 is recognised in a single line due to the implementation of IFRS 11.

40 All amounts in millions of Danish kroner.

Notes

NOTE 7 - Financial income	2013	2012
Interests from financial assets measured at amortised costs	24.5	33.8
Dividend from financial assets measured at fair value through profit or loss	0.0	6.9
Currency transaction adjustments	3.5	0.3
Profit/Fair value adjustments of financial assets measured through profit or loss	499.0	45.4
Total	527.0	86.4

NOTE 8 - Financial expenses	2013	2012
Interests from financial liabilities measured at amortised costs	(61.0)	(82.2)
Fair value adjustments of hedging transactions transferred from equity	(11.1)	(8.4)
Currency transaction adjustments	(8.8)	(15.0)
Fair value adjustments of financial assets measured through profit or loss	(0.4)	(120.6)
Total	(81.3)	(226.2)

Capitalised borrowing costs amounted to DKK 2.8 million in 2013 based on an average rate of interest of 4.4% p.a. In 2012, capitalised borrowing costs amounted to DKK 2.9 million based on an average rate of interest of 4.3% p.a.

NOTE 9 - Tax on the profit for the year	2013	2012
Tax for the year is composed as follows:		
Tax on the profit for the year in continuing operations	(249.3)	(127.1)
Tax on the profit for the year in discontinued operations	(13.5)	(33.8)
Tax on other comprehensive income	(5.8)	6.2
Tax in total	(268.6)	(154.7)
Tax on the profit for the year has been calculated as follows:		
Current tax	(126.7)	(120.4)
Deferred tax	(117.9)	(7.2)
Change in deferred tax due to change in corporate income tax rates	(4.3)	0.0
Adjustment of prior-year tax charge	(0.4)	0.5
Tax recognised in the income statement in total	(249.3)	(127.1)
Specification of the tax on the profit for the year:		
Calculated 25% tax of the profit for the year	(277.2)	(133.7)
Adjustment of calculated tax in foreign subsidiaries relative to 25%	9.6	6.9
Change of corporate income tax rate	(4.3)	0.0
Tax effect of non-deductible costs and non-taxable income	0.8	16.1
Tax effect of adjustment of prior-year tax charge	(0.4)	0.5
Tax effect of non-capitalised tax asset	(3.2)	(3.5)
Tax effect of deferred tax regarding previous years recognised this year	25.4	(13.4)
Tax recognised in the income statement in total	(249.3)	(127.1)
Effective tax rate	22.5%	23.8%

	2013		
Tax on items taken directly to other comprehensive income	Before tax	Tax	After tax
Exchange adjustments of foreign units, etc.	(202.3)	0.0	(202.3)
Value adjustment of hedging instruments for the year	12.6	(2.4)	10.2
Value adjustment of hedging instruments transferred to cost of sales	2.0	(0.6)	1.4
Value adjustment of hedging instruments transferred to financials	11.1	(2.8)	8.3
Value adjustment of hedging instruments transferred to discontinued operations	13.4	0.0	13.4
Other comprehensive income from associates and joint ventures	(3.4)	0.0	(3.4)
Tax on items taken directly to other comprehensive income in total	(166.6)	(5.8)	(172.4)

	2012		
Tax on items taken directly to other comprehensive income	Before tax	Tax	After tax
Exchange adjustments of foreign units, etc.	36.8	0.0	36.8
Value adjustment of hedging instruments for the year	(31.3)	7.9	(23.4)
Value adjustment of hedging instruments transferred to cost of sales	(5.4)	1.5	(3.9)
Value adjustment of hedging instruments transferred to financials	12.7	(3.2)	9.5
Other comprehensive income from associates and joint ventures	(0.5)	0.0	(0.5)
Tax on items taken directly to other comprehensive income in total	12.3	6.2	18.5

All amounts in millions of Danish kroner. 41

Notes

NOTE 10 – Earnings per share (DKK)

	2013	2012
Share of the profit for the year attributable to shareholders of Schouw & Co.	1,367.4	496.4
Of which profit for the year from continuing operations	859.3	406.9
Of which profit for the year from discontinued operations	508.1	89.5
Average number of shares	25,500,000	25,500,000
Average number of treasury shares	(1,703,308)	(1,961,188)
Average number of outstanding shares	23,796,692	23,538,812
Average dilutive effect of outstanding share options [1)]	74,406	24,418
Diluted average number of outstanding shares	23,871,098	23,563,230
Earnings per share in Danish kroner of DKK 10	57.46	21.09
Diluted earnings per share in Danish kroner of DKK 10	57.28	21.07
Earnings per share in Danish kroner of DKK 10 from continuing operations	36.11	17.29
Diluted earnings per share in Danish kroner of DKK 10 from continuing operations	36.00	17.27
Earnings per share from discontinued operations (DKK)	21.35	3.80
Diluted earnings per share from discontinued operations (DKK)	21.28	3.80

1) See note 3 for information on options that may cause dilution.

NOTE 11 - Intangible assets

2013	Goodwill	Completed development projects	Development projects in progress	Other intangible assets	Total
Cost at January 1, 2013	901.7	55.7	36.7	96.9	1,091.0
Foreign exchange adjustment	(10.2)	(0.5)	0.0	(2.1)	(12.8)
Addition through separate acquisition	0.0	13.6	0.1	10.3	24.0
Addition on company acquisition	0.0	0.0	0.0	1.5	1.5
Disposals	(8.8)	(23.8)	(36.1)	0.0	(68.7)
Transferred/reclassified	(6.7)	0.0	(0.6)	(17.6)	(24.9)
Cost at December 31, 2013	876.0	45.0	0.1	89.0	1,010.1
Amortisation and impairment at January 1, 2013	(6.7)	(30.2)	(2.0)	(41.0)	(79.9)
Foreign exchange adjustment	0.0	0.4	0.0	1.7	2.1
Reclassified	6.7	0.0	0.0	2.2	8.9
Impairment	0.0	(4.0)	0.0	0.0	(4.0)
Amortisation	0.0	(5.2)	0.0	(6.4)	(11.6)
Amortisation and impairment of disposed assets	0.0	12.1	2.0	0.0	14.1
Amortisation and impairment at December 31, 2013	0.0	(26.9)	0.0	(43.5)	(70.4)
Carrying amount at December 31, 2013	876.0	18.1	0.1	45.5	939.7
Depreciated over		2-7 years		3-15 years	

2012	Goodwill	Completed development projects	Development projects in progress	Other intangible assets	Total
Cost at January 1, 2012	1,170.2	301.2	51.1	113.6	1,636.1
Reclassified to assets available for sale	(262.2)	(263.6)	(18.0)	(7.1)	(550.9)
Foreign exchange adjustment	(3.6)	1.1	0.1	(0.7)	(3.1)
Additions through separate acquisition	0.0	5.7	0.6	0.8	7.1
Additions in discontinued operations	0.0	8.8	8.1	0.0	16.9
Disposals	(2.7)	(2.7)	0.0	(9.7)	(15.1)
Transferred/reclassified	0.0	5.2	(5.2)	0.0	(0.0)
Cost at December 31, 2012	901.7	55.7	36.7	96.9	1,091.0
Amortisation and impairment at January 1, 2012	(222.0)	(227.5)	(2.0)	(42.6)	(494.1)
Reclassified to assets available for sale	215.3	203.4	0.0	2.5	421.2
Foreign exchange adjustment	0.0	(0.9)	0.0	0.5	(0.4)
Impairment in discontinued operations	(2.7)	0.0	0.0	0.0	(2.7)
Amortisation in continuing operations	0.0	(4.8)	0.0	(10.7)	(15.5)
Amortisation in discontinued operations	0.0	(3.1)	0.0	0.0	(3.1)
Amortisation and impairment of disposed assets	2.7	2.7	0.0	9.3	14.7
Amortisation and impairment at December 31, 2012	(6.7)	(30.2)	(2.0)	(41.0)	(79.9)
Carrying amount at December 31, 2012	895.0	25.5	34.7	55.9	1,011.1
Depreciated over		2-7 years		3-15 years	

 All amounts in millions of Danish kroner.

Notes

NOTE 11 - Intangible assets (continued)

Goodwill

Schouw & Co. recognised goodwill of DKK 876.0 million at December 31, 2013. This was a reduction of DKK 19.0 million relative to December 31, 2012, which breaks down as follows: DKK 8.8 million relating to Grene and a negative foreign exchange adjustment of DKK 10.2 million.

The goodwill impairment test did not indicate impairment in 2013. The total goodwill of DKK 876.0 million recognised is distributed on:

	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Grene	Total
Goodwill in 2013	726.0	72.4	77.6	-	876.0
Goodwill in 2012	736.2	72.4	77.6	8.8	895.0

The management of Schouw & Co. has tested the value in use of the carrying amounts against goodwill in the above group companies. In the test performed, the senior management of each company indicated the expected free cash flows for the budget period. The free cash flow after tax has been applied to a discounted cash flow model (the "value in use" principle) for the purpose of estimating each company's value and goodwill, which amount was subsequently compared with the carrying amount recognised in the Schouw & Co. consolidated financial statements.

The required rate of return was based on a WACC before tax at the level of from 8.5% to 8.7% (2012: 8.3%-8.9%). In addition, a growth rate of 2% (2012: 2%) was used to extrapolate each company's cash flow. The test did not indicate impairment.

Sensitivity analyses have been made to calculate the value subject to each company achieving 100%, 90%, 80% and 70%, respectively, of its forecast EBIT included in the cash flow, combined with alternative, higher WACC values (of +0.5 and + 1.0 percentage point). For the other companies, combinations of reduced EBIT and increased WACC showed no or negligible indications of impairment. Accordingly, the value of goodwill is unchanged.

Development projects and other intangible assets

Schouw & Co. recognised development costs of DKK 18.2 million and DKK 45.5 million in other intangible assets at December 31, 2013. An impairment test was performed in 2013 on the carrying amount of completed development projects and on development projects in progress. The impairment test resulted in write-downs of DKK 4.0 million (2012: DKK 0.0 million). Estimated recoverable amounts are based on calculations determined through the application of projected cash flows on the basis of expectations for 2014-2017.

NOTE 12 - Property, plant and equipment

2013	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2013	2,097.8	3,145.1	374.6	178.4	5,795.9
Foreign exchange adjustment	(94.7)	(217.4)	(9.5)	(3.7)	(325.3)
Additions	66.2	190.9	8.8	79.8	345.7
Additions on company acquisitions	0.1	0.0	7.4	0.0	7.5
Disposals	(399.8)	(160.5)	(132.8)	(17.2)	(710.3)
Transferred/reclassified	43.0	154.8	12.2	(160.3)	49.7
Cost at December 31, 2013	1,712.6	3,112.9	260.7	77.0	5,163.2
Depreciation and impairment at January 1, 2013	(575.5)	(1,810.2)	(258.9)	0.0	(2,644.6)
Foreign exchange adjustment	27.6	128.1	4.2	0.0	159.9
Transferred/reclassified	1.4	1.1	1.0	0.0	3.5
Depreciation and impairment of disposed assets	92.9	118.0	104.2	0.0	315.1
Impairment	(30.0)	0.0	0.0	0.0	(30.0)
Depreciation	(60.4)	(246.7)	(31.3)	0.0	(338.4)
Depreciation and impairment at December 31, 2013	(544.0)	(1,809.7)	(180.8)	0.0	(2,534.5)
Carrying amount at December 31, 2013	1,168.6	1,303.2	79.9	77.0	2,628.7
Of which assets held under finance lease	10.4	44.8	3.6	0.0	58.8
Depreciated over	10-50 years	3-15 years	2-8 years		

All amounts in millions of Danish kroner. 43

Notes

NOTE 12 - Property, plant and equipment

2012	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2012	1,978.7	3,167.8	397.6	89.9	5,634.0
Reclassified to assets available for sale	(18.0)	(201.4)	(56.2)	(1.7)	(277.3)
Foreign exchange adjustment	40.2	68.3	8.6	0.2	117.3
Additions in continuing operations	12.3	89.6	6.1	176.6	284.6
Additions in discontinued operations	29.2	7.7	13.0	16.9	66.8
Disposals	(1.0)	(15.9)	(12.7)	(0.1)	(29.7)
Transferred/reclassified	56.4	28.9	18.2	(103.4)	0.1
Cost at December 31, 2012	2,097.8	3,145.0	374.6	178.4	5,795.8
Depreciation and impairment at January 1, 2012	(511.1)	(1,697.8)	(271.9)	0.0	(2,480.8)
Reclassified to assets available for sale	16.7	172.0	51.0	0.0	239.7
Foreign exchange adjustment	(17.8)	(37.9)	(4.2)	0.0	(59.9)
Depreciation and impairment of disposed assets	0.3	15.8	9.5	0.0	25.6
Impairment in discontinued operations	(1.9)	0.0	0.0	0.0	(1.9)
Amortisation in continuing operations	(53.4)	(251.7)	(33.0)	0.0	(338.1)
Amortisation in discontinued operations	(8.3)	(10.5)	(10.3)	0.0	(29.1)
Depreciation and impairment at December 31, 2012	(575.5)	(1,810.1)	(258.9)	0.0	(2,644.5)
Carrying amount at December 31, 2012	1,522.3	1,334.9	115.7	178.4	3,151.3
Of which assets held under finance lease	11.1	55.6	2.5	0.0	69.2
Depreciated over	10-50 years	3-15 years	2-8 years		

In 2013, the group entered into contracts for the purchase of property, plant and equipment for future delivery for an amount of DKK 44.2 million (2012: DKK 233.7 million).

Properties with an indication of impairment have been tested for impairment. The write-down to the recoverable amount for the year amounted to DKK 30.0 million (2012: DKK 1.9 million).

NOTE 13 - Securities

	2013	2012
Financial investments:		
Shares in Vestas (non-current securities)	0.0	127.4
Shares in Lerøy (current securities)	0.0	131.7
Financial investments in total	0.0	259.1
Other securities	99.6	28.0
Securities in total	99.6	287.1

In December 2013, Schouw & Co. sold its entire holding of 4,000,000 shares in Vestas for proceeds of DKK 612 million. The original acquisition cost of the shares in Vestas was DKK 313.4 million. The holding of 1,000,000 Lerøy shares was divested in January 2013 for proceeds of DKK 145 million. The original acquisition cost of the shares in Lerøy was DKK 148.1 million. Other securities are classified as "available for sale".

	Current assets		Non current assets	
	2013	2012	2013	2012
Securities measured at fair value				
Cost at January 1	170.0	160.7	347.6	347.3
Reclassified	0.0	0.0	87.2	(1.5)
Foreign exchange adjustment	(2.1)	9.3	(6.0)	1.5
Additions	0.0	0.0	1.5	7.3
Disposals	(161.1)	0.0	(329.4)	(7.0)
Cost at December 31	6.8	170.0	100.9	347.6
Adjustments at January 1	(37.8)	(79.8)	(192.7)	(72.6)
Reclassified	0.0	0.0	0.4	1.0
Foreign exchange adjustment	0.4	(3.4)	0.4	(0.5)
Dividend paid	0.0	(6.9)	0.0	0.0
Disposals on divestment	16.2	0.0	(293.6)	0.0
Adjustments recognised in the income statement	14.5	52.3	484.1	(120.6)
Adjustments at December 31	(6.7)	(37.8)	(1.4)	(192.7)
Carrying amount at December 31	0.1	132.2	99.5	154.9

The addition of long-term securities in 2013 was generally related to a receivable from Trusal (a customer in Chile). After experiencing financial difficulties, Trusal has become a part of Pacific Star, also a large Chilean fish farming business. In connection with the combination, the Group's receivable from Trusal was converted into shares in the combined company (Salmonies Austrial SpA). Following the combination, the Group holds a 13.33% interest in the company. As the ownership interest in the combined company came about through the conversion of a receivable, the addition occurred in a non-cash transaction.

44 All amounts in millions of Danish kroner.

Notes

NOTE 14 - Inventories	2013	2012
Raw materials and consumables	667.2	876.6
Work in progress	3.0	1.2
Finished goods and goods for resale	481.3	895.3
Inventories in total	1,151.5	1,773.1
Cost of inventories for which impairment losses have been recognised	66.5	99.8
Accumulated impairment losses on inventories	(47.4)	(73.3)
Net sales value	19.1	26.5

NOTE 15 – Receivables

Receivables non-current	154.1	116.1
Trade receivables	2,407.7	2,515.0
Receivables from associates	150.8	10.0
Other current receivables	112.9	131.1
Construction contracts	0.0	1.4
Accruals and deferred income	3.8	13.5
Receivables current	2,675.2	2,671.0
Receivables in total	2,829.3	2,787.1

Non-current receivables include a recognised investment grant with a present value of DKK 142.6 million (2012: DKK 105.8 million). The receivables are expected to be received as a positive taxable income is achieved in Fibertex Personal Care in Malaysia.

Impairment losses on trade receivables		
Impairment losses at January 1	(240.2)	(219.0)
Reclassified	2.0	28.1
Exchange adjustments	3.8	(0.8)
Reversed impairment losses	71.7	9.3
Impairment losses for the year	(98.2)	(70.0)
Realised loss	58.1	12.2
Impairment losses at December 31	(202.8)	(240.2)

		Due between			
2013	Not due	1-30 days	31-90 days	>91 days	Total
Trade receivables not considered to be impaired	2,036.7	144.1	31.4	15.4	2,227.6
Trade receivables individually assessed to be impaired	63.2	42.5	59.7	217.5	382.9
Trade receivables in total	2,099.9	186.6	91.1	232.9	2,610.5
Impairment losses on trade receivables	(8.8)	(5.7)	(15.2)	(173.1)	(202.8)
Trade receivables net	2,091.1	180.9	75.9	59.8	2,407.7
Proportion of the total receivables which is expected to be settled					92.2%
Impairment percentage	0.4%	3.1%	16.7%	74.3%	7.8%

		Due between			
2012	Not due	1-30 days	31-90 days	>91 days	Total
Trade receivables not considered to be impaired	2,163.0	201.0	30.6	15.2	2,409.8
Trade receivables individually assessed to be impaired	19.9	44.0	59.5	222.0	345.4
Trade receivables in total	2,182.9	245.0	90.1	237.2	2,755.2
Impairment losses on trade receivables	(11.3)	(2.2)	(29.7)	(197.0)	(240.2)
Trade receivables net	2,171.6	242.8	60.4	40.2	2,515.0
Proportion of the total receivables which is expected to be settled					91.3%
Impairment percentage	0.5%	0.9%	33.0%	83.1%	8.7%

In total, 14.7% (2012: 12.5%) of the receivables are impaired to some extent at the balance sheet date. There is a constant focus on follow-up on overdue debtors.

In respect of trade receivables, customers have provided collateral in the amount of DKK 130.0 million (2012: DKK 223.5 million). Most of the DKK 130.0 million collateral provided relates to BioMar. The collateral provided consists mainly of assets such as fish stocks and fish farming equipment.

	2013	2012
Collateral breakdowns as shown below:		
Collateral on receivables not due for payment.	41.5	192.9
Collateral on receivables due for payment which have not been individually impaired.	22.6	12.5
Collateral on receivables due for payment which have been individually impaired.	65.9	18.1

The Group converted a receivable from Trusal (a customer in Chile) into shares in Salmones Austrial SpA, see note 13. Following a suspension of payments by a Greek fish farming company, the Group has taken fish stocks as security for a receivable.

All amounts in millions of Danish kroner. 45

Notes

NOTE 16 - Share capital

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid.

The share capital has in 2009 been reduced by 2,500,000 shares in connection with the decision of a capital decrease.

Treasury shares	Number of shares	Nominal value	Cost	Percentage of share capital
January 1, 2012	2,008,363	20,083,630	246.2	7.88%
Share option programme	(70,000)	(700,000)	(7.0)	-0.28%
December 31, 2012	1,938,363	19,383,630	239.2	7.60%
Share option programme	(317,250)	(3,172,500)	(33.2)	-1.24%
December 31, 2013	1,621,113	16,211,130	206.0	6.36%

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20.0% of the share capital. The authorisation is valid until April 1, 2017.

The company acquires treasury shares for allocation to the Group's share option programmes.

A total of 317,250 shares held in treasury were used in connection with options exercised in 2013. The shares had an aggregate fair value of DKK 58.6 million at the time of exercise.

The Group's holding of treasury shares had a market value of DKK 360.7 million at December 31, 2013 (2012: DKK 288.8 million).

Dividend
A dividend of DKK 6 (2012: DKK 5) per share is proposed in respect of the 2013 financial year amount of DKK 153.0 million (2012: DKK 127.5 million). On April 17, 2013, the Group paid a dividend of DKK 5 (2012: DKK 4) per share for a dividend amount of DKK 127.5 million (2012: DKK 102.0 million).

NOTE 17 - Deferred tax	2013	2012
Deferred tax at January 1	(67.1)	(89.5)
Foreign exchange adjustment	(9.5)	1.4
Reclassified	3.0	20.9
Deferred tax adjustment at January 1	2.4	(3.0)
Deferred tax for the year recognised in profit for the year of continuing operations	117.9	7.2
Deferred tax for the year recognised in profit for the year of discontinued operations	0.0	(3.1)
Effect of lowering corporate income tax	4.3	0.0
Transferred to income tax payable, January 1	0.7	1.1
Deferred tax for the year recognised in other comprehensive income	0.3	(2.1)
Addition on acquisition of subsidiary	0.7	0.0
Net deferred tax at December 31	52.7	(67.1)
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	(75.2)	(192.7)
Deferred tax (liability)	127.9	125.6
Net deferred tax at December 31	52.7	(67.1)
Deferred tax pertains to:		
Intangible assets	6.7	0.9
Property, plant and equipment	149.0	164.2
Current assets	(7.3)	(19.5)
Equity	0.0	0.1
Provisions	(1.2)	(1.4)
Other liabilities	(12.3)	(18.0)
Tax loss carry-forwards	(82.2)	(193.4)
Net deferred tax at December 31	52.7	(67.1)

Schouw & Co. has capitalised tax assets of DKK 75.2 million. It is expected that the tax capitalised will be absorbed by taxable income within the next few years.

In addition, corporate income tax is paid in two steps in Chile. 19% is paid in the tax year and the rest , 16%, is paid on the distribution of dividends by the company. Corporate income tax falling due for payment on distribution of accumulated profits amounted to DKK 136.0 million at December 31, 2013.

There are no deferred tax liabilities that have not been recognised in the balance sheet. Tax losses with an aggregate tax value of DKK 34.0 million (2012: DKK 56.3 million) have not been capitalised, because it is considered unlikely that they will be realised.

46 All amounts in millions of Danish kroner.

NOTE 17 - Deferred tax (continued)

Change in deferred tax	2013						
	Balance at Jan. 1	Foreign exchange adjustment	Additions on acquisition	Reclassified	Recognised in profit for the year	Recognised in other comprehensive income	Balance at Dec. 31
Intangible assets	0.9	(0.2)	0.0	0.2	5.8	0.0	6.7
Property, plant and equipment	164.2	(11.3)	1.6	(12.8)	7.3	0.0	149.0
Receivables	(18.4)	0.8	0.0	0.3	6.3	0.0	(11.0)
Inventories	(0.6)	(0.1)	0.0	4.2	0.0	0.0	3.5
Other current assets	(0.5)	0.0	0.0	0.7	0.0	0.0	0.2
Equity	0.1	0.0	0.0	(0.1)	0.0	0.0	0.0
Provisions	(1.4)	0.0	0.0	0.8	(0.6)	0.0	(1.2)
Other liabilities	(18.0)	0.9	(0.9)	0.1	5.3	0.3	(12.3)
Tax losses	(193.4)	0.4	0.0	9.6	101.2	0.0	(82.2)
Total change in deferred tax	(67.1)	(9.5)	0.7	3.0	125.3	0.3	52.7

	2012						
	Balance at Jan. 1	Foreign exchange adjustment	Additions on acquisition	Reclassified to discontinued operations	Recognised in profit for the year	Recognised in other comprehensive income	Balance at Dec. 31
Intangible assets	25.4	0.0	0.0	(23.0)	(1.5)	0.0	0.9
Property, plant and equipment	185.0	2.6	0.0	15.1	(38.5)	0.0	164.2
Receivables	(11.5)	0.0	0.0	0.4	(7.3)	0.0	(18.4)
Inventories	(6.4)	(0.3)	0.0	7.9	(1.8)	0.0	(0.6)
Other current assets	2.2	0.1	0.0	(2.0)	(0.8)	0.0	(0.5)
Equity	0.0	(0.1)	0.0	0.0	0.3	(0.1)	0.1
Provisions	(3.4)	(0.1)	0.0	1.3	0.8	0.0	(1.4)
Other liabilities	(23.5)	0.0	0.0	2.0	5.5	(2.0)	(18.0)
Recaptured losses	11.4	0.0	0.0	(10.2)	(1.2)	0.0	0.0
Tax losses	(268.7)	(0.8)	0.0	29.4	46.7	0.0	(193.4)
Total change in deferred tax	(89.5)	1.4	0.0	20.9	2.2	(2.1)	(67.1)

NOTE 18 – Pensions, provisions and other payables

	2013	2012
Pensions	22.4	23.2
Provisions	5.4	2.8
Other payables	4.7	8.0
Accruals and deferred income	65.7	56.0
Pensions, provisions and other payables in total	98.2	90.0

It is group policy to fund all pension liabilities and predominantly to avoid defined benefit plans. The acquisition of the majority holding in BioMar Holding at December 31, 2005 included defined benefit obligations, which were included in the consolidated balance sheet of Schouw & Co. at December 31, 2005.

The pension obligation was calculated at DKK 22.4 million at December 31, 2013. The entire amount relates to Schouw & Co.'s liability to fund supplementary pensions under the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at September 30, 2002 and who transfered to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final funding of this liability may impact future financial results in a positive or negative direction.
The pension obligation has changed, involving payments of DKK 0.8 million in 2013 (2012: DKK 0.8 million) and contributions of DKK 0.0 million (2012: DKK 0.3 million).

Provisions made comprise warranty commitments. For certain products, the Group has a contractual commitment to provide warranties of from 12 to 24 months. Under these warranties, the Group undertakes to replace or repair goods that do not function satisfactorily. The statement of expected expiry dates is based on previous experience of when claims for repair are typically received or goods are returned.

NOTE 19 – Interest-bearing debt

	2013	2012
Debt recognised in the balance sheet:		
Credit institutions (non-current)	740.1	581.8
Mortgage debt (non-current)	274.3	268.2
Lease debt (non-current)	13.1	24.3
Other liabilities (non-current)	7.6	15.8
Recognised under non-current debt to credit institutions, total	1,035.1	890.1
Current portion of non-current liabilities	200.2	278.7
Credit institutions (current)	238.3	1,280.7
Interest-bearing debt in total	1,473.6	2,449.5
Fair value of the interest bearing debt	1,473.9	2,450.9

All amounts in millions of Danish kroner. 47

Notes

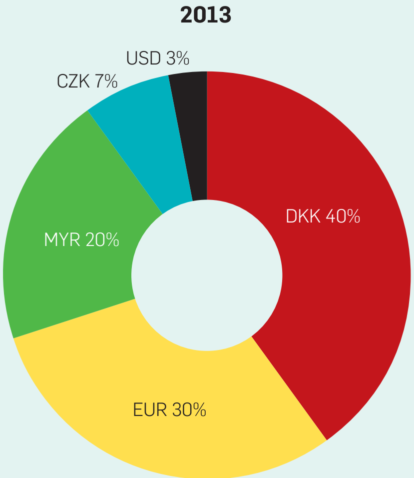
NOTE 19 – Interest-bearing debt (continued)

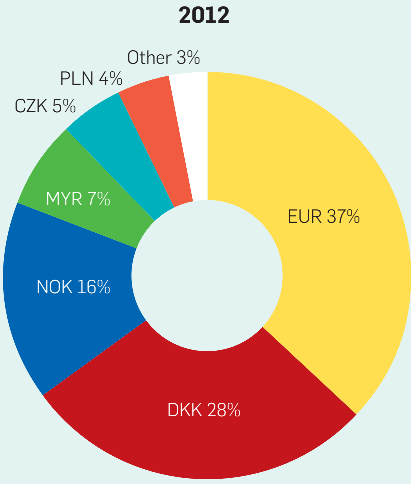
Interest-bearing debt maturity profile	2013 Payment	2013 Rate of interest	2013 Carrying amount	2012 Payment	2012 Rate of interest	2012 Carrying amount
Overdraft facilities without planned repayment	238.3	0.0	238.3	1,280.7	0.0	1,280.7
Less than 1 year	237.5	37.3	200.2	307.6	28.9	278.7
1-5 years	915.3	64.7	850.6	614.1	53.4	560.7
More than 5 years	196.2	11.7	184.5	354.6	25.2	329.4
Total	1,587.3	113.7	1,473.6	2,557.0	107.5	2,449.5

In the above, the interest rate on variable rate debt is fixed as the spot rate.

Weighted average effective rate of interest of the year was 4.2% (2012: 3.8%)
Weighted average effective rate of interest on the balance sheet date was 3.2% (2012: 3.0%)

Percentage breakdown of total interest-bearing debt by currency





Accordingly, liabilities regarding assets held under finance leases are included under debt to credit institutions:

Expire in	2013 Lease payment	2013 Rate of interest	2013 Carrying amount	2012 Lease payment	2012 Rate of interest	2012 Carrying amount
Less than 1 year	13.0	0.7	12.3	13.1	1.1	12.0
1-5 years	13.4	0.3	13.1	25.2	0.9	24.3
More than 5 years	0.0	0.0	0.0	0.0	0.0	0.0
Total	26.4	1.0	25.4	38.3	2.0	36.3

The fair value of the liabilities relating to assets held under finance leases corresponds to the carrying amount.
The fair value is an estimate of the present value of future cash flows applying a market rate for similar leases.

Interest rate risk

The Group hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity. Hedging normally consists of interest rate swaps and rate caps. All interest rate swaps and rate caps are used to hedge underlying loans/credit facilities.

	2013 Fixed rate debt	2013 Floating rate debt	2013 Total	2012 Fixed rate debt	2012 Floating rate debt	2012 Total
Interest bearing debt	59.7	1,413.9	1,473.6	78.6	2,370.9	2,449.5
Hedging	479.1	(479.1)	0.0	576.4	(576.4)	0.0
Net exposure	538.8	934.8	1,473.6	655.0	1,794.5	2,449.5
Share in percent	36.6%	63.4%		26.7%	73.3%	
Hedging expires in :						
Less than 1 year	162.1	(162.1)		0.0	0.0	
1-5 years	30.7	(30.7)		243.7	(243.7)	
More than 5 years	286.3	(286.3)		332.7	(332.7)	
Total	479.1	(479.1)		576.4	(576.4)	

Included in fixed-rate debt is debt that is not interest reset within the next 12 months.
If interest rates rise by 1%, the annual interest expense would increase by about DKK 7 million after tax (2012: DKK 13 million).

48 All amounts in millions of Danish kroner.

Notes

NOTE 20 - Trade payables and other payables	2013	2012
Construction contracts (liabilities)	0.0	16.7
Trade payables	1,861.8	2,095.9
Customer prepayments	0.5	2.0
Other payables	365.5	385.6
Accruals and deferred income	0.0	1.2
Current liabilities	9.4	17.9
Trade payables and other payables in total	2,237.2	2,519.3

Trade payables and other payables largely all fall due within one year.

NOTE 21 – Income tax

Net income tax payable at January 1	38.7	17.4
Reclassified	6.3	0.5
Exchange adjustments at January 1	(3.6)	0.1
Current tax for the year including jointly-taxed subsidiaries (continuing operations)	126.7	120.4
Current tax for the year including jointly-taxed subsidiaries (discontinued operations)	0.0	22.3
Prior-year adjustments	0.4	0.8
Transferred from deferred tax at January 1	(0.7)	(1.1)
Current tax for the year recognised in other comprehensive income	5.5	(4.1)
Corporate income tax paid during the year (continuing operations)	(168.6)	(91.5)
Corporate income tax paid during the year (discontinued operations)	0.0	(26.1)
Income tax at December 31	4.7	38.7
Which is distributed as follows:		
Income tax receivable	(8.8)	(6.5)
Income tax payable	13.5	45.2
Income tax at December 31	4.7	38.7

NOTE 22 - Changes in working capital

Change in inventories	157.0	(188.9)
Change in receivables	(164.8)	(481.6)
Change in trade payables and other payables	(79.0)	556.9
Changes in working capital in total	(86.8)	(113.6)

NOTE 23 - Adjustment for non-cash transactions

Purchase of intangible assets	(24.0)	(7.1)
Of which had not been paid at the balance sheet date/adjustment for the year	0.0	0.0
Amount paid in relation to intangible assets	(24.0)	(7.1)
Purchase of property, plant and equipment	(345.7)	(284.6)
Of which had not been paid at the balance sheet date/adjustment for the year	0.2	0.0
Of which assets held under finance leases	0.0	0.0
Amount paid in relation to purchase of property, plant and equipment	(345.5)	(284.6)
Incurring financial liabilities	574.3	186.4
Of which lease debt	0.0	0.0
Proceeds from incurring financial liabilities	574.3	186.4

All amounts in millions of Danish kroner. 49

Notes

NOTE 24 - Acquisitions of subsidiaries	2013	2012
Intangible assets	1.5	0.0
Property, plant and equipment	7.5	0.0
Receivables	0.6	0.0
Cash and cash equivalents	2.3	0.0
Credit institutions	(2.9)	0.0
Deferred tax	(0.7)	0.0
Trade payables	(0.1)	0.0
Other liabilities	(0.3)	0.0
Net assets acquired	7.9	0.0
Of which minority interests	(3.2)	0.0
Current value of original share of equity	(1.9)	0.0
Cost	2.8	0.0
Of which cash and cash equivalents	(2.3)	0.0
Cash cost total	0.5	0.0

In 2013, the Group gained control of Dansk Afgratningsteknik A/S, which was previously recognised as an associate, because Hydra-Grene acquired a further 30% of the shares in the company in September to the effect that the Group now has a 60% interest in Dansk Afgratningsteknik A/S.

The Group did not acquire any companies in 2012.

NOTE 25 - Divestment of subsidiaries and activities	Martin	Grene	Total divestment in 2013
Carrying amount at the time of divestment of:			
Intangible assets	132.6	64.0	195.2
Property, plant and equipment	124.8	344.9	469.7
Financial assets	21.7	0.2	21.9
Inventories	304.5	406.2	710.7
Receivables	178.0	216.3	394.3
Tax asset	8.8	13.3	22.1
Cash and cash equivalents	13.5	17.8	31.3
Credit institutions	(330.9)	(466.9)	(797.8)
Deferred tax	(6.8)	(18.7)	(25.5)
Provisions	(16.3)	0.0	(16.3)
Trade payables	(67.1)	(94.8)	(161.9)
Other liabilities	(111.5)	(85.6)	(197.1)
Net assets sold	251.3	396.7	648.0
Gain / loss from divestment of equity investments before cost of sale	263.0	195.7	458.7
Selling price	514.3	592.4	1,106.7
Cost of selling	(1.7)	(0.2)	(1.9)
Exchange of shares in Grene with shares in Kramp	0.0	(595.0)	(595.0)
Of which cash and cash equivalents	(13.5)	(17.8)	(31.3)
Cash selling price	499.1	(20.6)	478.5

In 2013, the Group sold Martin and surrendered control of Grene. The cash selling price is recognised in cash flows from discontinued operations.

The Group did not divest any subsidiaries in 2012.

All amounts in millions of Danish kroner.

Notes

NOTE 26 - Discontinued operations and assets held for sale	2013	2012
Profit from discontinued operations		
Revenue (external)	1,299.6	2,277.7
Cost of sales	(858.5)	(1,546.6)
Gross profit	441.1	731.1
Distribution costs	(276.8)	(457.1)
Administrative expenses	(79.9)	(126.4)
Goodwill impairment	0.0	(2.7)
Other operating income/expenses, net	2.6	5.9
Operating profit (EBIT)	87.0	150.8
Profit/(loss) after tax in associates	0.0	2.9
Financial items, net	(22.2)	(25.0)
Profit before tax	64.8	128.7
Tax on profit for the year	(13.5)	(33.8)
Profit after tax	51.3	94.9
Cost of divesting activities	456.8	(5.0)
Tax on divestment	0.0	0.0
Profit for the year from discontinued operations	508.1	89.9
Attributable to		
Shareholders of Schouw & Co.	508.1	89.5
Minority interests	0.0	0.4
Profit for the year	508.1	89.9
Earnings per share from discontinued operations (DKK)	21.35	3.80
Diluted earnings per share from discontinued operations (DKK)	21.28	3.80
Cash flows from operating activities	75.1	235.1
Cash flows from investing activities	(42.4)	(110.7)
Cash flows from financing activities	(92.1)	(114.7)
Received dividend from discontinued operations	15.0	0.0
Cash proportion of proceeds from divestment	478.5	(5.0)
Cash flows from discontinued operations	434.1	4.7
Assets held for sale		
Intangible assets	0.0	178.4
Property, plant and equipment	0.0	363.4
Other non-current assets	0.0	41.4
Cash and cash equivalents	0.0	28.0
Other current assets	0.0	1,122.4
Assets held for sale - total	0.0	1,733.6
Presented under the line item Assets held for sale in the consolidated balance sheet (Martin)	0.0	729.6
Liabilities associated with assets classified as held for sale		
Interest-bearing debt	0.0	763.1
Other creditors	0.0	405.8
Liabilities associated with assets classified as held for sale - total	0.0	1,168.9
Presented under the line item Liabilities relating to assets held for sale in the consolidated balance sheet (Martin)	0.0	524.4

The item profit/loss on discontinued operations contains profit from Grene for about ten months of 2013, against 12 months in 2012, and from Martin for two months of 2013, against 12 months in 2012.

All amounts in millions of Danish kroner. 51

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NOTE 27 - Categories of financial assets and liabilities	2013	2012
Financial assets		
Non-current assets		
Other securities and investments (Vestas)	0.0	127.4
Fair value recognised in the income statement [1)]	0.0	127.4
Other investments and securities (other equity holdings)	99.5	27.5
Available-for-sale financial assets [3)]	99.5	27.5
Other receivables	154.1	116.1
Receivables measured at amortised cost	154.1	116.1
Current assets		
Other securities and investments (Lerøy)	0.0	131.7
Fair value recognised in the income statement [1)]	0.0	131.7
Other investments and securities (other equity holdings)	0.1	0.5
Available-for-sale financial assets [3)]	0.1	0.5
Trade receivables	2,407.7	2,515.0
Other receivables	263.7	141.2
Cash and cash equivalents	1,324.0	392.7
Receivables measured at amortised cost	3,995.4	3,048.9
Other receivables (derivative financial instruments)	0.0	0.0
Trading portfolio [2)]	0.0	0.0
Financial assets available for sale	0.0	226.7
Financial liabilities		
Non-current liabilities		
Debt to mortgage-credit institutions	274.4	268.2
Other (debt) to credit institutions	760.8	606.0
Other liabilities	4.7	23.9
Financial liabilities measured at amortised cost	1,039.9	898.1
Current liabilities		
Debt to mortgage-credit institutions	25.4	41.5
Other (debt) to credit institutions	413.0	1,517.9
Trade payables	1,861.8	2,095.9
Financial liabilities measured at amortised cost	2,300.2	3,655.3
Other debt (derivative financial instruments)	16.2	52.0
Trading portfolio [2)]	16.2	52.0
Financial liabilities regarding assets available for sale	0.0	413.1

1) Listed shares, stated at market value of shareholding (level 1).
2) Financial instrument stated in accordance with generally accepted valuation techniques based on observable data (level 2) measured by external credit institutions.
3) Unlisted shares, stated at estimated value (level 3).

The fair value of financial assets and liabilities measured at amortized cost essentially corresponds to the carrying amount.

52 All amounts in millions of Danish kroner.

NOTE 28 – Fair values of categories of financial assets and liabilities

	2013	2012
Financial assets		
Securities measured at fair value through profit or loss – level 1	0.0	259.1
Derivative financial instruments to hedge future cash flows – level 2	0.2	0.5
Securities measured at fair value through other comprehensive income – level 3	99.6	28.0
Financial liabilities		
Derivative financial instruments to hedge future cash flows – level 2	19.5	56.8

Securities measured at fair value through other comprehensive income – level 3 amounted to DKK 28.0 million at the beginning of the year. The change in the period of DKK 71.6 million breaks down into additions of DKK 1.5 million, disposals of DKK 11.4 million, reclassifications of DKK 87.6 million, impairment loss of DKK 0.4 million and foreign exchange adjustments of DKK 5.7 million (loss).

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in the level of interest rates and foreign exchange rates. Forward exchange contracts and interest rate swaps are valued using generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair values applied are calculated mainly by external sources on the basis of discounted future cash flows.

The fair value of derivative financial instruments is calculated by way of valuation models such as discounted cash flow models. Anticipated cash flows for individual contracts are based on observable market data such as yield curves and exchange rates. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curve, exchange rates and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments at the end of the reporting period.

NOTE 29 – Financial risks

The group's risk management policy

Due to the nature of its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. In addition, the Group is exposed to fluctuations in the price of Vestas- and Lerøy-shares. Group policy is not to actively conduct speculation in financial instruments. Accordingly, the Group's financial management exclusively involves the management of financial risk relating to its operations, investments and financing.

Currency risk

In order to limit currency risk, the group applies a number of financial instruments, mainly forward currency transactions and currency options. The individual group companies manage and hedge current and future currency positions in accordance with guidelines determined by Schouw & Co. It is group policy to hedge material expected currency flows in currencies not closely correlated with EUR 6–12 months forward. Currency positions in EUR is not covered.

The Group has a number of investments in foreign subsidiaries, for which the translation of equity into Danish kroner is subject to currency risk. Fibertex Nonwovens A/S has raised a loan of CZK 300 million (DKK 81.5 million) to hedge the net investment in Fibertex Nonwovens in the Czech Republic . No other net investments have been hedged. Generally, group policy is not to hedge a net investment.

The Group has generally had a relatively modest foreign exchange exposure because its sales have to a large degree had a natural hedge through same-currency costs. The Group's largest foreign currency exposures relative to its functional currency are to EUR, CZK, MYR and USD. After hedging current and future foreign currency positions, the Group's main exposures are to EUR, CZK and MYR. The effect of likely changes in Danish kroner exchange rates against EUR, CZK and MYR on the profit for the year is DKK 1.1 million (2012: DKK 1.3 million) in EUR, 4.3 million (2012: DKK 3.7 million) in CZK and DKK 12.6 million (2012: 11.0 million) in MYR. The likely changes in foreign exchange rates are based on fluctuations in end-of-year exchange rates of the last three years and are estimated at 0.2% for EUR, 4.5% for CZK and 5.0% for MYR.

Hedging of future cash flows is primarily done in BioMar, which often enters into substantial contracts for the purchase of fish oil and fish meal in currencies other than the functional currency of individual Group companies. It is customary to hedge the foreign exchange risk on individual purchases of raw materials at the time of the purchase.

	2013		2012	
Hedging agreements regarding future transaction recognised in other comprehensive income	Capital gain (loss) recognised in other comprehensive income	Maximum number of months to expiry	Capital gain (loss) recognised in other comprehensive income	Maximum number of months to expiry
Currency hedging	(1.1)	3	(2.1)	3
Interest rate hedging	(18.2)	156	(54.1)	168
Hedging agreements before tax	(19.3)		(56.2)	
Tax on hedging agreements	4.8		13.6	
Hedging agreements after tax	(14.5)		(42.6)	

Risks on raw material

Risk on raw materials prices is not hedged by way of financial instruments.

Credit risk

Credit risk. The Group's credit risk is primarily related to trade receivables (see note 15) and cash deposits. The Group is not exposed to significant risks concerning individual customers or business partners. The Group's policy for undertaking credit risks involves an ongoing credit assessment of all major customers. At December 31, 2013, the maximum credit risk considering the collateral provided was DKK 3,601.7 million (trade receivables less collateral plus cash).

All amounts in millions of Danish kroner. 53

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NOTE 29 – Financial risks (continued)

Liquidity risk

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/renegotiation dates and counterparties, with due consideration to costs. The Group's cash reserves consist of cash, readily marketable shares in Vestas and Lerøy and undrawn credit facilities. The Group's objective is to have sufficient cash resources to allow it to continue in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings. "

	2013	2012
Breakdown of the group's cash resources at December 31:		
Operating credit facility	2,113.5	2,343.0
Drawn operating credits, see note 19	(238.3)	(1,280.7)
Cash and cash equivalents	1,324.0	392.7
Share of current receivables from associate	141.4	0.0
Financial investments	0.0	259.1
Cash resources	3,340.6	1,714.1

The Group's credit facilities have mainly been raised with large Scandinavian banks, with whom the Group has had a longstanding relationship. Most operating credits can be terminated at short notice, with the exception of the DKK 680 million credit facility, which is interminable on the part of the bank until May 31, 2018, subject to compliance with covenants. The credit facility will be reduced by DKK 40 million per year until expiry in May 2018. A share of the current receivables from associate was paid at the beginning of 2014.

Capital management

Schouw & Co. gives priority to having a high equity ratio in order to ensure financial versatility. The company's significant undrawn credit limits means that it has substantial cash resources. See the table above.

The Group's debt maturity profile:

		Cash flows including interests				
2013	Carrying amount	Overdraft facilities without planned repayment	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial instruments						
Banks and other credit institutions	1,448.2	238.3	224.5	901.8	196.2	1,560.8
Financial leases	25.4	-	13.0	13.5	0.0	26.5
Trade payables	1,861.8	-	1,861.8	0.0	0.0	1,861.8
Other current payables, etc.	364.9	-	364.9	0.0	0.0	364.9
Derivative financial instruments						
Forward currency contracts used as hedging instruments	1.1	-	1.2	0.0	0.0	1.2
Interest rate swaps used for hedging	18.2	-	8.0	7.7	3.4	19.1
Recognised in the balance sheet total	3,719.6	238.3	2,473.4	923.0	199.6	3,834.3
Operational leases			93.4	241.1	241.8	576.3
Legal obligation at December 31, for the purchase of property, plant and equipment			44.2	0.0	0.0	44.2
Total debt		238.3	2,611.0	1,164.1	441.4	4,454.8

		Cash flows including interests				
2012	Carrying amount	Overdraft facilities without planned repayment	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial instruments						
Banks and other credit institutions	2,413.2	1,280.7	294.5	588.9	354.6	2,518.7
Financial leases	36.3	-	13.1	25.2	0.0	38.3
Trade payables	2,095.9	-	2,095.9	0.0	0.0	2,095.9
Other current payables, etc.	380.6	-	380.6	0.0	0.0	380.6
Derivative financial instruments						
Forward currency contracts used as hedging instruments	7.0	-	7.0	0.0	0.0	7.0
Interest rate swaps used for hedging	44.7	-	10.7	20.0	17.2	47.9
Recognised in the balance sheet total	4,977.7	1,280.7	2,801.8	634.1	371.8	5,088.4
Operational leases			101.7	229.7	183.6	515.0
Legal obligation at December 31, for the purchase of property, plant and equipment			233.7	0.0	0.0	233.7
Total debt		1,280.7	3,137.2	863.8	555.4	5,837.1

All amounts in millions of Danish kroner.

Notes

NOTE 30 – Operational leases and rent commitments

2013	Property	Machinery	Ships	Cars	Total
Due for payment within 1 year	15.3	5.4	68.5	4.2	93.4
Due for payment within 1-5 years	20.9	7.5	209.6	3.1	241.1
Due for payment after 5 years	59.5	0.2	182.1	0.0	241.8
Total operational leases and rent commitments	95.7	13.1	460.2	7.3	576.3

2012	Property	Machinery	Ships	Cars	Total
Due for payment within 1 year	22.0	4.6	67.3	7.8	101.7
Due for payment within 1-5 years	26.6	8.5	186.0	8.6	229.7
Due for payment after 5 years	17.5	0.5	165.6	0.0	183.6
Total operational leases and rent commitments	66.1	13.6	418.9	16.4	515.0

BioMar has signed long-term agreements for the lease of vessels incl. crew etc. (time charter). In the above table only services related to the right to use ships (bareboat) is included.
An amount of DKK 80.0 million (2012: DKK 109.2 million) relating to operating leases and rent has been recognised in the consolidated income statement for 2013.

NOTE 31 – Contingent liabilities and collaterals

Contingent liabilities
The Schouw & Co. Group is currently a party to a small number of legal disputes. Management believes that the results of these legal disputes will not impact the Group's financial position other than the receivables and liabilities that have been recognised in the balance sheet at December 31, 2013.
The Danish tax authorities ("SKAT") have in a transfer pricing review increased the taxable income of the subsidiary Fibertex Personal Care A/S by DKK 122 million for the years 2007–2011. According to SKAT, the subsidiary Fibertex Personal Care Sdn. Bhd, Malaysia must pay an annual revenue-driven royalty to the Danish company in return for the use of intellectual property rights. The company's management disagrees with the decision, because no intellectual property rights have been transferred to the Malaysian subsidiary. Accordingly, SKAT's decision to increase the taxable income has been appealed to the National Tax Tribunal. Furthermore, SKAT has an obligation to negotiate a corresponding reduction of income in Malaysia with the Malaysian tax authorities, the outcome of which could fully or partly eliminate the consolidated tax effect. Due to the nature of the case, no liability has been recognised in respect of this tax matter.

Collaterals	2013	2012
The following assets have been provided as security to credit institutions (carrying amount) :		
Land and buildings	497.8	755.6
Plant and machinery	185.2	211.6
Current assets	474.3	334.3
Other collaterals	9.6	10.6

The collateral set out above represents the Group's debt to credit and mortgage-credit institutions of DKK 772.9 million (2012: DKK 1,452.1 million).

NOTE 32 – Related party transactions

Under Danish legislation, Givesco A/S, Svinget 24, DK-7323 Give, members of the Board of Directors, the Management Board and senior management as well as their family members are considered to be related parties. Related parties also comprise companies in which the individuals mentioned above have material interests. Related parties also comprise subsidiaries and associates, see note 6 to the consolidated financial statements and note 5 to the parent company financial statements, in which Schouw & Co. has a controlling influence, as well as members of the boards of directors, management boards and senior employees of those companies.
Management's remuneration and share option programmes are set out in note 3.
At December 31, 2012, the Group had a loan receivable from Incuba Invest totalling DKK 9.4 million (2012: DKK 10.0 million). In 2013, the Group received a management fee of DKK 0.1 million (2012: DKK 0.1 million) as well as interest income of DKK 0.8 million (2012: DKK 0.9 million) from Incuba Invest A/S. At December 31, 2013, the Group had also provided a loan to Kramp based on previous loans extended to Grene, receiving interest income of DKK 0.8 million in 2013.
There were no other related party transactions.
Schouw & Co. has registered the following shareholders as holding more than 5% of the share capital: Givesco A/S (28.09%), Direktør Svend Hornsylds Legat (14.82%) and Aktieselskabet Schouw & Co. (6.36%).

NOTE 33 – Events after the balance sheet date

Other than as set out above and elsewhere in this Annual Report, Schouw & Co. is not aware of events occurring after December 31, 2013, which are expected to have a material impact on the Group's financial position or outlook.

NOTE 34 – New accounting regulations

A number of new standards and interpretations have been issued that are not mandatory for Schouw & Co. Apart from the amendments to IAS 36 and IFRS 10-12, amendments to IFRS 10, 11 and 12, IAS 27 (2011), IAS 28 (2011) and amendments to IAS 27 (2011), which have all been prospectively implemented, the adopted standards and interpretations that have not yet come into force will be implemented when they become mandatory as per the EU effective dates.
The amendments are not expected to have any material impact on the financial reporting of Schouw & Co.

All amounts in millions of Danish kroner. 55

Income- and comprehensive statement *January 1 - December 31*

Note		2013	2012
1	**Revenue**	18.2	20.7
2	Cost of sales	(1.5)	(1.6)
	Gross profit	16.7	19.1
4	Other operating income	53.9	0.1
2, 3	Administrative expenses	(30.1)	(23.5)
4	Other operating expenses	0.0	(5.1)
	Operating profit (EBIT)	40.5	(9.4)
5	Profit from divestment of equity investments	545.6	0.0
6	Financial income	746.0	553.1
7	Financial expenses	(23.2)	(116.5)
	Profit before tax	1,308.9	427.2
8	Tax on profit for the year	(12.7)	1.3
	Profit for the year	1,296.2	428.5
	Proposed allocation of profit		
	Proposed dividend, DKK 6 per share (2012: DKK 5 per share)	153.0	127.5
	Retained earnings	1,143.2	301.0
	Profit for the year	1,296.2	428.5
	Statement of comprehensive income		
	Items that will be reclassified to the income statement:		
	Value adjustment of hedging instruments recognised during the year	0.0	(4.3)
	Value adjustment of hedging instruments transferred to financials	1.8	1.5
	Tax on other comprehensive income	(0.4)	0.7
	Other comprehensive income after tax	1.4	(2.1)
	Profit for the year	1,296.2	428.5
	Total recognised comprehensive income	1,297.6	426.4

All amounts in millions of Danish kroner.

Balance sheet · Assets, liabilities and equity *at December 31*

Note	Assets	2013	2012
	Land and buildings	16.1	14.8
	Investment properties	0.0	83.7
	Other fixtures, tools and equipment	1.5	1.5
	Assets under construction	0.0	0.0
9	**Property, plant and equipment**	17.6	100.0
5	Equity investments in subsidiaries	2,998.1	2,618.6
5	Equity investments in joint ventures	20.1	20.1
5	Equity investments in associates	634.9	39.9
10	Receivables from subsidiaries	381.0	240.4
11	Deferred tax	15.1	9.5
	Securities	0.4	2.2
	Other non-current assets	4,049.6	2,930.7
	Total non-current assets	4,067.2	3,030.7
10	Receivables from subsidiaries	405.5	87.7
10	Other receivables	150.8	10.5
19	Income tax	10.3	0.0
	Accruals and deferred income	0.6	0.3
	Cash	465.5	0.0
	Total current assets	1,032.7	98.5
12	Discontinued operations	0.0	490.0
	Total assets	5,099.9	3,619.2

Note	Liabilities and equity	2013	2012
13	Share capital	255.0	255.0
	Hedge transaction reserve	(5.4)	(6.8)
	Retained earnings	4,123.2	2,928.8
	Proposed dividend	153.0	127.5
	Total equity	4,525.8	3,304.5
14	Pensions and similar liabilities	22.4	23.2
15	Credit institutions	7.3	73.0
16	Other liabilities	7.6	19.6
	Non-current liabilities	37.3	115.8
15	Current portion of non-current debt	8.8	5.4
15	Credit institutions	0.0	6.0
15	Payables to subsidiaries	472.9	94.6
17	Trade payables and other payables	22.5	17.0
18	Joint taxation contribution	32.6	75.0
19	Income tax	0.0	0.9
	Current liabilities	536.8	198.9
	Total liabilities	574.1	314.7
	Total liabilities and equity	5,099.9	3,619.2

21-24 Notes without reference

All amounts in millions of Danish kroner. 57

Cash flow statement *January 1 - December 31*

Note		2013	2012
	Profit before tax	1,308.9	427.2
	Adjustment for operating items of a non-cash nature, etc.		
2	Depreciation and impairment losses	0.8	0.7
	Other operating items, net	(54.2)	1.8
	Non-cash profit from divestment of equity investments	(545.6)	0.0
	Provisions	(4.6)	(0.1)
	Financial income	(746.0)	(553.1)
	Financial expenses	23.2	116.5
	Cash flows from operating activities before changes in working capital	(17.5)	(7.0)
20	Changes in working capital	(0.9)	4.1
	Cash flows from operating activities	(18.4)	(2.9)
	Interest income received	16.8	10.3
	Interest expenses paid	(4.1)	(5.3)
	Cash flows from ordinary activities	(5.7)	2.1
18-19	Joint taxation contribution received and net tax paid	(72.3)	37.6
	Cash flows from operating activities	(78.0)	39.7
	Purchase of property, plant and equipment	(0.2)	(13.9)
	Sale of property, plant and equipment	137.4	0.0
	Capital increase in subsidaries and joint ventures	(60.1)	(5.0)
	Acquisition of subsidiaries	(11.1)	0.0
	Sale of subsidiaries	513.0	0.0
	Dividend from subsidiaries	340.0	300.0
	Loans to associate	0.6	0.6
	Cash flows from investing activities	919.6	281.7
	Debt financing:		
	Repayment of non-current liabilities	(72.0)	(5.3)
	Increase (repayment) of debt to credit institutions & others	47.2	(272.3)
	Increase (repayment) of intra-group balances	(273.5)	40.5
	Shareholders:		
	Dividend paid	(119.2)	(94.2)
	Purchase / sale of treasury shares etc.	41.4	9.9
	Cash flows from financing activities	(376.1)	(321.4)
	Cash flows for the year	465.5	0.0
	Cash and cash equivalents at January 1	0.0	0.0
	Cash and cash equivalents at December 31	465.5	0.0

 All amounts in millions of Danish kroner.

Equity statement

	Share capital	Hedge transaction reserve	Retained earnings	Proposed dividend	Total equity
Equity at January 1, 2012	255,0	(4,7)	2.608,5	102,0	2.960,8
Other comprehensive income for 2012					
Value adjustment of hedging instruments	0,0	(4,3)	0,0	0,0	(4,3)
Hedging instruments transferred to financials	0,0	1,5	0,0	0,0	1,5
Tax on other comprehensive income	0,0	0,7	0,0	0,0	0,7
Profit for the year	0,0	0,0	301,0	127,5	428,5
Total recognised comprehensive income	0,0	(2,1)	301,0	127,5	426,4
Transactions with the owners					
Share-based payment, net	0,0	0,0	5,9	0,0	5,9
Dividend distributed	0,0	0,0	7,8	(102,0)	(94,2)
Treasury shares sold	0,0	0,0	5,6	0,0	5,6
Transactions with the owners for the period	0,0	0,0	19,3	(102,0)	(82,7)
Equity at December 31, 2012	255,0	(6,8)	2.928,8	127,5	3.304,5
Other comprehensive income for 2013					
Value adjustment of hedging instruments	0,0	0,0	0,0	0,0	0,0
Hedging instruments transferred to financials	0,0	1,8	0,0	0,0	1,8
Tax on other comprehensive income	0,0	(0,4)	0,0	0,0	(0,4)
Profit for the year	0,0	0,0	1.143,2	153,0	1.296,2
Total recognised comprehensive income	0,0	1,4	1.143,2	153,0	1.297,6
Transactions with the owners					
Share-based payment, net	0,0	0,0	5,0	0,0	5,0
Dividend distributed	0,0	0,0	8,3	(127,5)	(119,2)
Treasury shares sold	0,0	0,0	37,9	0,0	37,9
Transactions with the owners for the period	0,0	0,0	51,2	(127,5)	(76,3)
Equity at December 31, 2013	255,0	(5,4)	4.123,2	153,0	4.525,8

Hedge transaction reserve
The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

All amounts in millions of Danish kroner. 59

Notes

NOTE 1 - Revenue

	2013	2012
Management fee	4.5	5.2
Rental income etc.	13.7	15.5
Total revenue	18.2	20.7

NOTE 2 - Costs

Staff costs		
Remuneration to the Board of Directors of Schouw & Co.	(2.6)	(2.2)
Wages and salaries	(15.0)	(12.4)
Other social security costs	(0.1)	(0.1)
Defined contribution pension plans	(0.9)	(0.8)
Share-based payment	(1.5)	(1.6)
Total staff costs	(20.1)	(17.1)

More information on salaries, pensions and share-based payment to the Management Board of Schouw & Co. is provided in note 3 to the consolidated financial statements.

Staff costs including share-based payment are recognised under administrative expenses.

Average number of employees	11	11

Share option program

Details of the share option plan are provided in note 3 to the consolidated financial statements.

Depreciation		
Depreciation of property, plant and equipment	(0.8)	(0.7)
Total depreciation	(0.8)	(0.7)
Depreciation is recognised in the income statement as follows:		
Production	(0.6)	(0.4)
Administration	(0.2)	(0.3)
Total depreciation	(0.8)	(0.7)

NOTE 3 - Fees to the auditor appointed by the general meeting

Statutory audit fees, KPMG	(0.3)	(0.3)
Fees for tax- and VAT-related services, KPMG	(0.2)	(0.2)
Fees for other services, KPMG	(0.3)	(0.3)
Total fees, KPMG	(0.8)	(0.8)

NOTE 4 - Other operating income and expenses

Gains on the disposal of property, plant and equipment	53.9	0.0
Other operating income	0.0	0.1
Total other operating income	53.9	0.1
Cost related to divestment of Martin	0.0	(5.1)
Total other operating expenses	0.0	(5.1)

 All amounts in millions of Danish kroner.

Notes

NOTE 5 - Investmens

2013	Subsidiaries	Joint ventures	Associates	Total
Cost at January 1	3,451.4	60.0	66.5	3,577.9
Capital contributions made during the year	0.0	0.0	0.0	0.0
Additions	71.1	0.0	595.0	666.1
Disposal	(49.2)	0.0	0.0	(49.2)
Reclassified	1.8	0.0	0.0	1.8
Cost at December 31	3,475.1	60.0	661.5	4,194.8
Impairment at January 1	(832.8)	(39.9)	(26.6)	(899.3)
Impairment	(17.5)	0.0	0.0	(17.5)
Reversal of prior-year impairment	373.3	0.0	0.0	373.3
Impairment at December 31	(477.0)	(39.9)	(26.6)	(543.5)
Carrying amount at December 31	2,998.1	20.1	634.9	3,651.3

2012	Subsidiaries	Joint ventures	Associates	Total
Cost at January 1	4,149.5	55.0	66.5	4,271.0
Capital contributions made during the year	0.0	5.0	0.0	5.0
Reclassified to assets available for sale	(698.1)	0.0	0.0	(698.1)
Cost at December 31	3,451.4	60.0	66.5	3,577.9
Impairment at January 1	(1,178.2)	(34.4)	(26.6)	(1,239.2)
Impairment	(105.4)	(5.5)	0.0	(110.9)
Reversal of prior-year impairment	242.7	0.0	0.0	242.7
Reclassified to assets available for sale	208.1	0.0	0.0	208.1
Impairment at December 31	(832.8)	(39.9)	(26.6)	(899.3)
Carrying amount at December 31	2,618.6	20.1	39.9	2,678.6

Company	Classified as	Registered office	Ownership interest 2013	Ownership interest 2012
BioMar Group A/S	Subsidiary	Aarhus	100%	100%
Fibertex Nonwovens A/S	Subsidiary	Aalborg	100%	100%
Fibertex Personal Care A/S	Subsidiary	Aalborg	100%	100%
Martin Professional A/S	Discont. operations	Aarhus	-	100%
P. Grene A/S	Subsidiary	Skjern	-	100%
Hydra-Grene A/S	Subsidiary	Skjern	100%	100%
Schouw & Co. Finans A/S	Subsidiary	Aarhus	100%	100%
Saltebakken 29 ApS	Subsidiary	Aarhus	100%	-
Niels Bohrs Vej A/S	Subsidiary	Aarhus	100%	-
Alba Ejendomme A/S	Subsidiary	Aarhus	100%	-
Xergi A/S	Joint venture	Støvring	50%	50%
Kramp Groep B.V.	Associate	Varsseveld	20%	-
Incuba A/S	Associate	Aarhus	49.02%	49.02%

Schouw & Co. has tested investments for impairment, resulting in a total write-down of DKK 17.5 million and a reversal of write-downs of DKK 373.3 million. Impairments have been recognised in Saltebakken 29 (of DKK 11.5 million) and in Alba Ejendomme (of DKK 6 million). Reversed write-downs relate to Schouw & Co. Finans and are due to value appreciation of shares sold. A gain of DKK 545.6 million was recognised on the merger of P. Grene and Kramp Groep B.V.

NOTE 6 - Financial income

	2013	2012
Interest income on financial assets measured at amortised cost, etc.	2.5	1.0
Interest income from subsidiaries measured at amortised cost	14.9	9.3
Reversal of prior-year impairment on investments in subsidiaries	373.3	242.7
Value adjustment of discontinuing activities	15.3	0.0
Currency transaction adjustments	-	0.1
Dividends from subsidiaries	340.0	300.0
Total financial income	746.0	553.1

All amounts in millions of Danish kroner. 61

Notes

NOTE 7 - Financial expenses

	2013	2012
Impairment of investments in subsidaries and joint ventures	(17.5)	(110.9)
Interest on financial liabilities measured at amortised cost, etc.	(3.1)	(3.8)
Interest payable to subsidiaries measured at amortised cost.	(0.7)	(0.3)
Fair value adjustments of hedging transactions transferred from equity	(1.8)	(1.5)
Currency transaction adjustments	(0.1)	-
Total financial expenses	(23.2)	(116.5)

The impairment of investments is described in note 5.

NOTE 8 - Tax on the profit for the year

Tax for the year is composed as follows		
Tax on the profit for the year	(12.7)	1.3
Tax on other comprehensive income	(0.4)	0.7
Tax in total	(13.1)	2.0
Tax on the profit for the year has been calculated as follows		
Current tax	(19.2)	0.8
Deferred tax	8.4	0.5
Change in deferred tax due to change in corporate income tax rates	(1.9)	0.0
Prior-year tax adjustments	0.0	0.0
Tax recognised in the income statement in total	(12.7)	1.3
Specification of the tax on the profit for the year		
Calculated 25% tax of the profit for the year	(327.2)	(106.8)
Change of corporate income tax rate	(1.9)	0.0
Tax effect of non-taxable income	316.4	108.1
Tax recognised in the income statement in total	(12.7)	1.3
Effective tax rate	1.0%	-0.3%

Non-taxable income and non-deductible expenses relate primarily to non-deductible write-downs of subsidiaries/reversed write-downs and non-taxable dividends from subsidiaries and a gain from the sale of a business.

Tax included in other comprehensive income		
Value adjustment of hedging instruments for the year before tax	0.0	(4.3)
Tax on value adjustment of hedging instruments for the year	0.0	1.1
Value adjustment of hedging instruments for the year after tax	0.0	(3.2)
Value adjustment of hedging instruments transferred to financials	1.8	1.5
Tax on value adjustment of hedging instruments transferred to the income statement	(0.4)	(0.4)
Value adjustment of hedging instruments transferred to the income statement after tax	1.4	1.1

 All amounts in millions of Danish kroner.

NOTE 9 - Property, plant and equipment

2013	Land and buildings	Investment-properties	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2013	17.6	112.7	5.9	(0.0)	136.2
Transferred/reclassified	1.3	(1.3)	0.0	0.0	0.0
Additions	0.0	0.0	0.2	0.0	0.2
Disposals	0.0	(111.4)	(0.2)	0.0	(111.6)
Cost at December 31, 2013	18.9	0.0	5.9	(0.0)	24.8
Depreciation and impairment at January 1, 2013	(2.8)	(29.0)	(4.4)	0.0	(36.2)
Depreciation	0.0	(0.6)	(0.2)	0.0	(0.8)
Depreciation of disposed assets	0.0	29.6	0.2	0.0	29.8
Depreciation and impairment at December 31, 2013	(2.8)	0.0	(4.4)	0.0	(7.2)
Carrying amount at December 31, 2013	16.1	0.0	1.5	(0.0)	17.6
Depreciated over	25 years	20-40 years	3-8 years		

2012	Land and buildings	Investment-properties	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2012	17.6	95.4	5.9	3.6	122.5
Transferred/reclassified	0.0	17.3	0.0	(17.3)	0.0
Additions	0.0	0.0	0.2	13.7	13.9
Disposals	0.0	0.0	(0.2)	0.0	(0.2)
Cost at December 31, 2012	17.6	112.7	5.9	(0.0)	136.2
Depreciation and impairment at January 1, 2012	(2.8)	(28.6)	(4.3)	0.0	(35.7)
Depreciation	0.0	(0.4)	(0.3)	0.0	(0.7)
Depreciation of disposed assets	0.0	0.0	0.2	0.0	0.2
Depreciation and impairment at December 31, 2012	(2.8)	(29.0)	(4.4)	0.0	(36.2)
Carrying amount at December 31, 2012	14.8	83.7	1.5	(0.0)	100.0
Depreciated over	25 years	20-40 years	3-8 years		

At December 31, 2013, Schouw & Co. owned the property at Chr. Filtenborgs Plads 1, Aarhus, which is the Group's head office, and an undeveloped site at Hovmarken 18, Lystrup.

NOTE 10 - Receivables

	2013	2012
Receivables from subsidiaries	786.5	328.1
Receivables from associates	150.8	10.0
Other receivables	0.0	0.5
Receivables in total	937.3	338.6
Breakdown of receivables:		
Non-current	381.0	240.4
Current	556.3	98.2
Receivables in total	937.3	338.6

The company recognised no impairment charges on receivables during the financial year.
For receivables falling due within one year after the end of the financial year, the nominal value is assessed to correspond to the fair value.

All amounts in millions of Danish kroner. 63

Notes

NOTE 11 - Deferred tax

	2013	2012
Deferred tax at January 1	(9.5)	(11.9)
Deferred tax adjustment at January 1	0.2	0.0
Transferred to income tax payable at January 1	0.7	2.9
Deferred tax for the year recognised in profit for the year	(8.4)	(0.5)
Effect of lowering of corporate income tax	1.9	0.0
Net deferred tax at December 31	(15.1)	(9.5)
Deferred tax pertains to:		
Property, plant and equipment	(4.3)	2.9
Other liabilities	(9.5)	(8.1)
Tax losses	(1.3)	(4.3)
Net deferred tax at December 31	(15.1)	(9.5)

There are no deferred tax assets or liabilities that have not been recognised in the balance sheet.

Change in deferred tax	2013		
	Balance at Jan. 1	Recognised in profit for the year	Balance at Dec. 31
Property, plant and equipment	2.9	(7.2)	(4,3)
Other liabilities	(8.1)	(1.4)	(9,5)
Tax losses	(4.3)	3.0	(1,3)
Total change in deferred tax	(9.5)	(5.6)	(15,1)

	2012		
	Balance at Jan. 1	Recognised in profit for the year	Balance at Dec. 31
Property, plant and equipment	4.4	(1.5)	2.9
Other liabilities	(9.0)	0.9	(8.1)
Tax losses	(7.3)	3.0	(4.3)
Total change in deferred tax	(11.9)	2.4	(9.5)

NOTE 12 - Discontinued operations

	2013	2012
Assets held for sale	0.0	490.0

There were no assets held for sale at December 31, 2013. At December 31, 2012, assets held for sale consisted of equity interests in Martin Professional A/S. The sale of Martin Professional A/S was finalised on February 28, 2013.

NOTE 13 - Share capital

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid up. Each share carries one vote, for a total of 25,500,000 voting rights.

The share capital has in 2009 been reduced by 2,500,000 shares in connection with the decision of a capital decrease.

Treasury shares	Number of shares	Nominal value	Cost	Percentage of share capital
January 1, 2012	2,008,363	20,083,630	246.2	7.88%
Share option programme	(70,000)	(700,000)	(7.0)	-0.28%
December 31, 2012	1,938,363	19,383,630	239.2	7.60%
Share option programme	(317,250)	(3,172,500)	(33.2)	-1.24%
December 31, 2013	1,621,113	16,211,130	206.0	6.36%

Schouw & Co. sold shares held in treasury for proceeds of DKK 37.9 million used for the Group's share option programme. The shares had a fair value of DKK 58.6 million at the time of sale.

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20.0% of the share capital. The authorisation is valid until April 1, 2017.

The company acquires treasury shares for allocation to the Group's employee share schemes and share option programmes. At December 31, 2013, the holding of treasury shares had a market value of DKK 360.7 million (2012: DKK 288.8 million)

64 All amounts in millions of Danish kroner.

Notes

NOTE 14 - Pensions and similar liabilities

It is company policy to fund all pension liabilities, so as predominantly to avoid defined benefit plans. The pension liability was assumed by Schouw & Co. in connection with the merger with BioMar Holding.

	2013	2012
Changes in recognised liability:		
Net liability at January 1	23.2	23.7
Paid out	(0.8)	(0.8)
Paid in	0.0	0.3
Net liability at December 31	22.4	23.2

The pension obligation was calculated at DKK 22.4 million at December 31, 2013. The entire amount relates to that company's liability to fund supplementary pensions under the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at September 30, 2002 and who transfered to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final funding of this liability may impact future financial results in a positive or negative direction.

Amounts recognised in the consolidated income statement in respect of defined contribution plans and defined benefit plans are shown in note 3 to the consolidated financial statements.

NOTE 15 - Interest-bearing debt

	2013	2012
Debt recognised in the balance sheet:		
Credit institutions (non-current)	7.3	73.0
Other liabilities (non-current)	7.6	15.8
Current portion of non-current liabilities	8.8	5.4
Credit institutions (current)	0.0	6.0
Payables to subsidiaries (current)	472.9	94.6
Interest bearing debt in total	496.6	194.8
Fair value	496.5	195.1

	Payment		Rate of interest		Carrying amount	
	2013	2012	2013	2012	2013	2012
Interest-bearing debt maturity profile						
Overdraft facilities without planned repayment	472.9	100.6	0.0	0.0	472.9	100.6
Less than 1 year	9.5	7.1	0.7	1.7	8.8	5.4
1-5 years	10.2	42.6	0.5	4.3	9.7	38.3
More than 5 years	5.6	54.3	0.4	3.8	5.2	50.5
Total	498.2	204.6	1.6	9.8	496.6	194.8

On variable rate debt, the used rate of interest is the spot rate.

Weighted average effective rate of interest of the year was 2.7% (2012: 2.4%)
Weighted average effective rate of interest on the balance sheet date was 1.1% (2012: 2.0%)
Distribution of interest-bearing debt by currency: DKK 98%, EUR 2% (2012: DKK 79%, EUR 29%).

Interest rate risk
The parent company hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity. Hedging consists of interest rate swaps and rate caps.

	2013			2012		
	Fixed rate debt	Variable rate debt	Total	Fixed rate debt	Variable rate debt	Total
Interest bearing debt	15.8	480.8	496.6	15.8	179.0	194.8
Hedging	50.1	(50.1)	0.0	50.1	(50.1)	0.0
Net exposure	65.9	430.7	496.6	65.9	128.9	194.8

An increase in interest rates of 1% would cause the annual interest expense to rise by about DKK 3.2 million after tax (2012: DKK 1.0 million). An increase in interest rates of 1% would cause equity to rise by DKK 1.9 million after tax (2012: DKK 2.2 million). The fair value of the interest rate swap has been calculated using generally accepted valuation techniques on the basis of observable data (level 2). The interest rate has a term to maturity of 5.5 years.

Fixed rate debt includes only items, for which the rate of interest will not be reset within the next year.

All amounts in millions of Danish kroner. 65

NOTE 16 - Other liabilities

	2013	2012
Deposits (non interest-bearing)	0.0	3.8
Corporate bonds (interest-bearing)	7.6	15.8
Other liabilities in total	7.6	19.6

NOTE 17 - Trade payables and other payables

Trade payables	0.5	4.2
Other payables	22.0	12.8
Trade payables and other payables in total	22.5	17.0

NOTE 18 - Joint taxation contribution

Joint taxation contribution at January 1	75.0	43.1
Transferred from deferred tax at January 1	(0.2)	24.4
Current tax for the year	(38.8)	(31.1)
Joint taxation contribution received/paid	(3.4)	38.6
Joint taxation contribution in total	32.6	75.0

NOTE 19 - Income tax payable

Income tax at January 1	0.9	(0.3)
Transferred from deferred tax at January 1	(0.7)	(27.4)
Current tax for the year recognised in the income statement	19.2	(0.8)
Current tax for the year recognised in equity	0.4	(0.7)
Current tax for the year from jointly taxed companies	38.8	31.1
Tax received/paid	(68.9)	(1.0)
Income tax in total	(10.3)	0.9
Which is distributed as follows:		
Income tax receivable	(10.3)	0.0
Income tax payable	0.0	0.9
Income tax in total	(10.3)	0.9

NOTE 20 - Changes in working capital

Change in receivables	(1.0)	(0.1)
Change in trade payables and other payables	0.1	4.2
Changes in working capital in total	(0.9)	4.1

All amounts in millions of Danish kroner.

NOTE 21 - Financial risks

The parent company's risk management policy

Due to the nature of its operations, investments and financing, the parent company is exposed primarily to changes in the level of interest rates. Interest rate risks are described in greater detail in note 15. The parent company's financial management exclusively involves the management of financial risk relating to operations and investment.

Currency risk

The parent company's foreign exchange risks involve foreign businesses of subsidiaries. The parent company does not hedge these investments. The parent company also has limited exposure to foreign exchange risk relating to EUR-denominated net debt. Considering the relatively small fluctuations in the DKK/EUR exchange rate, however, this is considered to be a limited risk. 'Likely change in exchange rate' is based on historical developments of the year-end exchange rates of the last three years.

The parent company's foreign exchange risks recognised in the balance sheet at December 31, 2013

Currency	Net position before hedging 1)	Hedged by financial instruments	Net position after hedging	Likely change in exchange rate 2)	Effect on profit for the year 3)
EUR/DKK	630.0	0.0	630.0	0.2%	1.3

The parent company's foreign exchange risks recognised in the balance sheet at December 31, 2012

Currency	Net position before hedging 1)	Hedged by financial instruments	Net position after hedging	Likely change in exchange rate 2)	Effect on profit for the year 3)
EUR/DKK	44.2	0.0	44.2	0.3%	0.1

1) Negative net positions mean debt, positive net positions means receivables.
2) Increase in per cent in the currency exchange rate.
3) A decrease in the currency exchange rate would reverse the sign.

Credit risk

Parent company credit risk relates primarily to receivables from affiliated companies and secondarily to cash deposits.

Liquidity risks

To ensure that the company always has the necessary cash resources to capitalise on opportunities for investments that may arise and to be able to settle obligations agreed, the company has entered into several agreements with recognised financial institutions, under which they provide credit lines to Schouw & Co. It is company policy to diversify borrowings on short term drawing facilities and long-term loans from an assessment of its current leverage as well as an assessment of the current and expected future interest rate level. The company's cash resources consist of cash, short-term receivables from affiliated companies and undrawn credit facilities.

	2013	2012
The parent company's cash resources at December 31 were composed as follows		
Operating credit facility	300.0	301.8
Drawn operating credits	-	(6.0)
Cash resources	300.0	295.8
Other receivables (debt) to group companies:		
Receivables from group companies	403.9	87.0
Share of current receivables from associate	141.4	-
Current liabilities to group companies	(472.9)	(94.6)
Net receivables (debt)	72.4	(7.6)

Operating credits can be terminated at short notice.
The maturity profile of the parent company's interest-bearing financial liabilities is shown in note 15.

All amounts in millions of Danish kroner. 67

NOTE 22 - Operational leases

	2013	2012
Operating leases:		
Due for payment within 1 year	0.3	0.4
Due for payment within 1-5 years	0.0	0.2
Due for payment after 5 years	0.0	0.0
Operating leases in total	0.3	0.6

An amount of DKK 0.4 million (2012: DKK 0.4 million) relating to operating leases has been recognised in the income statement for 2013. The parent company has only signed leases on cars.

NOTE 23 - Contingent liabilities and guarantees

Contingent liabilities
The company is taxed jointly with the other Danish group companies. As a management company, the company is joint and severally liable with the other Danish group companies for Danish income tax and withholding tax on dividends, interest and royalties within the joint taxation pool.

Guarantees
The following assets have been provided as security to credit institutions:
Land and buildings with a carrying amount of DKK 16.1 million (2012: DKK 98.5 million)
Bail for affiliate mortgage loans represents DKK 9.6 million (2012: DKK 10.6 million)

NOTE 24 - Related party transactions

Related parties are described in note 34 to the consolidated financial statements.

Board of directors, management and employees
Management remuneration and share option programmes are described in note 3 to the consolidated financial statement.

Subsidiaries and associates

	2013		2012	
Specification of the parent company's related party transactions:	Subsidiaries	Associates	Subsidiaries	Associates
The parent company has during the year received a management fee of	4.4	0.1	5.2	0.1
The parent company has during the year received interests of	14.9	1.6	9.3	0.9
The parent company has at December 31 a receivable of	786.4	150.8	328.1	10.0
The parent company has at December 31 a debt of	472.9	0.0	94.6	0.0
The parent company has during the year received dividends of	340.0	0.0	300.0	0.0

Other than as set out above, no transactions were made during the year with members of the Board of Directors, Management Board, senior management, major shareholders or any other related parties.

68 All amounts in millions of Danish kroner.

Accounting policies

The annual report for the year ended December 31, 2013 has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The annual report also complies with the International Financial Reporting Standards (IFRS) issued by IASB.

Apart from as set out below, the accounting policies are unchanged from the policies applied last year.

As from January 1, 2013, Schouw & Co. implemented the standards and interpretations which are effective from 2013. None of those standards and interpretations have had an effect on recognition and measurement.

Effective from January 1, 2013, Schouw & Co. prospectively implemented amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12, "Disclosure of Interests in Other Entities". Implementation has only affected the presentation of the joint venture interest in Xergi and certain note disclosures. Xergi was previously pro-rata consolidated but will henceforth be presented in a single-line consolidation. For reasons of immateriality, the comparative figures have not been restated. The implementation did not affect recognition or measurement.

The annual report is presented in Danish kroner.

BASIS OF PRESENTATION

Consolidated financial statements

The financial statements of the Group consolidate the financial statements of Schouw & Co. and subsidiaries controlled by Schouw & Co. Control is typically achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise. Enterprises in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or having the disposal of 20% or more, but less than 50%, of the voting rights. An assessment of whether Schouw & Co. has control or significant influence takes into consideration potential voting rights exercisable at the balance sheet date and de facto control.

Joint arrangements are activities or companies in which the Group shares controlling influence through collaborative agreements with one or more parties. Joint arrangements are classified either as joint ventures consolidated in a single line or as joint operations consolidated on a pro-rata basis. A joint operation refers to activities where the parties have direct rights to assets and direct obligations for liabilities, whereas a joint venture means activities for which the parties only have rights to the activities of the shared business.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company and the individual subsidiaries and joint arrangements prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on transactions between the consolidated companies are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Business combinations

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition. Companies divested or wound up are consolidated in the income statement until the date they are divested or wound up. Comparative figures are not adjusted to reflect takeovers or divestments. Discontinued operations are presented as a separate item. See below.

The purchase method is applied on acquisitions if the Parent Company gains control of the company acquired. Assets, liabilities and contingent liabilities in companies acquired are measured at their fair value at the date of acquisition. Intangible assets are recognised if they can be separated or if they arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

Any excess of the consideration paid for the business over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. In the event of uncertainty regarding measurement, goodwill may be adjusted until 12 months after the acquisition. Goodwill is not amortised, but is tested for impairment annually. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is transferred to the cash-generating units that will subsequently form the basis for future impairment tests.

On initial recognition, minority interests are either recognised at their fair value or at their pro-rate share of the fair value of the acquired company's identifiable assets, liabilities and contingent liabilities. Accordingly, for the former option, goodwill is recognised relating to minority interests of the acquired business, while for the latter option, goodwill relating to minority interests is not recognised. The measurement of minority interests is determined on a case-by-case basis and disclosed in the presentation of acquired businesses in the notes to the financial statements.

Foreign currency translation

A functional currency is determined for each of the reporting enterprises of the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognised in the income statement under financial income or financial expenses.

On consolidation of enterprises with functional currencies other than Danish kroner, the income statements are translated at the exchange rates ruling at the transaction date and the balance sheets are translated at the exchange rates ruling at the balance sheet date. The average exchange rate for each individual month is used as the transaction date exchange rate. Exchange differences arising on the translation of the opening equity of such enterprises at the exchange rates ruling at the balance sheet date and on the translation of the income statements from the exchange rates ruling at the transaction date to the exchange rates ruling at the balance sheet date are recognised in other comprehensive income in the exchange adjustment reserve under equity.

Foreign exchange adjustment of balances that are considered as part of the overall net investment in enterprises with functional currencies other than Danish kroner, are recognised directly in other comprehensive income in the exchange adjustment reserve under equity. Similarly, exchange gains and losses on the part of loans and derivative financial instruments effectively hedging the net investment in such enterprises are recognised in other comprehensive income in the exchange adjustment reserve under equity.

On consolidation of associates and joint ventures with functional currencies other than Danish kroner, the pro-rata share of the results is translated at the exchange rates ruling at the transaction date, and the share of equity including goodwill is translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of the share of the opening equity of foreign associates at exchange rates ruling at the balance sheet date and on the translation of the share of the results for the year from average exchange rates to the exchange rates ruling at the balance sheet date are recognised in other comprehensive income in the exchange adjustment reserve under equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value and recognised in the balance sheet under other receivables or other payables, respectively. The fair value of derivative financial instruments is calculated on the basis of current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments that effectively hedge the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the value of the hedged asset or hedged liability. Hedging of future cash flows under agreements are treated as hedging of the fair value of a recognised asset or a recognised liability.

Changes in the part of the fair value of derivative financial instruments effectively hedging future cash flows are recognised in other comprehensive income in the reserve for hedging transactions under equity. On realisation of the hedged transaction, any gains or losses relating to such hedge transactions are transferred from other comprehensive income and recognised in the same item as the hedged item.

Changes in the fair value of derivative financial instruments effectively hedging net investments in foreign subsidiaries or associates are recognised in other comprehensive income in the exchange adjustment reserve under equity.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised as interest income or expenses and similar items in the income statement as they occur.

INCOME STATEMENT

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if transfer of risk to the buyer has taken place before year-end and if the income can be reliably measured.

Revenue is measured excluding VAT and other taxes and duties charged on behalf of third parties. All discounts granted are deducted from revenue.

Construction contracts involving plant that is to a large degree individually designed are included in revenue in proportion to the work completed, so that revenue is matched with the sales value of the work carried out during the year (the percentage of completion method).

Cost of sales

Cost of sales comprises costs defrayed to achieve the year's revenue. The trading companies recognise the cost of goods sold and manufacturing companies recognise production costs corresponding to the year's revenue, including direct and indirect costs for raw materials and consumables, wages and salaries, rent and leasing, amortisation and impairment of intangible assets, depreciation and impairment of production equipment and impairment of inventory.

Cost of sales also includes anticipated losses on construction contracts and operating costs relating to investment property.

Cost of sales also includes research costs and product development costs that do not meet the criteria for capitalisation, as well as amortisation and impairment of capitalised product development costs.

Distribution costs

Distribution costs include costs incurred for distribution of goods sold and for sales campaigns, etc. during the year. This includes the cost of sales and logistics staff, advertising and exhibition costs, as well as depreciation/ amortisation and impairment.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment.

Administrative expenses also comprise write-downs on receivables.

Impairment of goodwill

Impairment of goodwill includes impairment of goodwill occurring in parent companies, subsidiaries or joint venture arrangements.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature relative to the companies' activities, including gains and losses on replacement of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are computed as the difference between the selling price and the carrying amount at the date of disposal.

Government grants include grants and funding of development work and grants for investments, etc. Grants for research and development costs recognised directly in the income statement are included in other operating income.

Investment grants in the form of certain tax-privileged schemes in individual countries are recognised in the balance sheet under receivables and under accruals and deferred income. Grants are recognised in the income statement under other operating income as the underlying investments are depreciated. The receivable is reduced as the grant is received and the accruals and deferred income item is reduced as the grant is recognised in the income statement.

Profit/loss after tax in associates and joint ventures in the consolidated financial statements

The proportionate share of the profit or loss from associates and joint ventures after tax and minority interests and after elimination of the proportionate share of intra-group gains or losses after impairment of goodwill in associates is recognised in the consolidated income statement.

Profit/loss from divestment of equity investments in the consolidated financial statements

Any gains or losses on the disposal of subsidiaries and associates are stated as the difference between the sales sum or the proceeds from the winding-up and the carrying amount of net assets, including goodwill, at the date of disposal and expenses for selling or winding-up. On the disposal of subsidiaries, adjustments accumulated in equity through other comprehensive income and which are attributable to the unit are reclassified to the income statement and recognised together with any gains or losses from the disposal.

On the divestment of a company, the profit/loss is recognised under profit/loss from the divestment of equity investments if the company sold does not represent an independent reporting segment or if its revenue, profit/loss or assets represent less than 10% of consolidated revenue, consolidated profit/loss or consolidated assets.

Profit from the sale of other companies is recognised in profit from discontinued operations. See separate section on the presentation of discontinued operations.

Accounting policies

Financial income and expenses
Financial income and financial expenses comprise interest, capital gains and losses as well as dividends and impairment losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as extra payments and repayment under the on-account taxation scheme, etc. Furthermore, realised and unrealised gains and losses on derivative financial instruments that do not qualify as hedge accounting are recognised.

Financial expenses relating to the construction of non-current assets are recognised as part of the cost of the asset.

Dividend from investments in subsidiaries, joint ventures and associates is recognised in the parent company's income statement in the financial year in which the dividend is declared.

Tax on profit/loss for the year
Schouw & Co. is taxed jointly with all its Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income. Companies utilising tax losses in other companies pay joint taxation contributions to the parent company equal to the tax value of the utilised losses, while companies whose tax losses are utilised by other companies receive joint taxation contributions from the parent company equal to the tax value of the utilised losses (full allocation). The jointly taxed companies pay tax under the Danish on-account tax scheme.

Tax for the year, consisting of the year's current tax and movements in deferred tax, is recognised in the income statement as regards the amount that can be attributed to the profit or loss for the year and posted in other comprehensive income as regards the amount that can be attributed to movements taken directly to equity.

To the extent the Schouw & Co. Group benefits from a deduction in the determination of taxable income in Denmark due to share-based incentive programmes, the tax effect of such programmes is included in income tax. Any tax deduction exceeding the accounting cost is recognised directly in equity.

BALANCE SHEET

Intangible assets
At initial recognition goodwill is recognised in the balance sheet at cost as described in the section 'Business combinations'. Goodwill is subsequently measured at cost less accumulated impairment. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the in-house financial management.

Development costs comprise salaries, amortisation and depreciation and other costs attributable to the company's development activities.

Clearly defined development projects are recognised as intangible assets where the technical feasibility of the project, the availability of adequate resources and a potential future market or application opportunity in the company can be demonstrated and where the intention is to manufacture, market or use the project if the cost can be measured reliably and it is probable that the future earnings or the net selling prices can cover production and selling expenses, administrative expenses as well as the development costs. Development projects normally consist of product development and the proprietory development of IT solutions. Other development costs are recognised in the income statement as incurred.

Recognised development costs are measured at cost less accumulated amortisation and impairment.

On completion of the development work, the development project is amortised on a straight-line basis over the estimated useful life. The usual amortisation period is two to seven years. The basis of amortisation is calculated less any impairment.

Other intangible assets including patents, licenses and rights as well as certain intangible assets acquired in connection with business combinations are measured at cost less accumulated amortisation and impairment. Other intangible assets are amortised on a straight-line basis over their estimated useful lives. The usual amortisation period is three to fifteen years. The basis of amortisation is calculated less any impairment.

Property, plant and equipment
Land and buildings, investment property, plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. For assets produced in-house, cost comprises direct and indirect costs of materials, components, third-party suppliers and labour. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which the asset was used. The cost of a total asset is divided into separate components that are depreciated separately if such components have different useful lives.

Interest expense of constructing a new asset and incurred during the construction period is recognised in the cost of the asset.

The cost of assets held under finance leases is determined as the lower of the fair value of the assets and the present value of future minimum lease payments. The present value is calculated using the interest rate implicit in the lease as the discount factor, or an approximate value.

Subsequent costs, such as the cost of replacing components of property, plant and equipment, are included in the asset's carrying amount. The replaced components are no longer recognised in the balance sheet, and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognised in the income statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets/components, which are expected to be as follows:

Buildings	10-50 years
Investment property	20-40 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	2-8 years
Land is not depreciated	

The basis of depreciation is calculated with due consideration to the asset's scrap value, reduced by any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Where the scrap value exceeds the carrying amount of the asset, the asset ceases to be depreciated.

If the depreciation period or the scrap value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs or administrative expenses.

Investments in associates and joint ventures in the consolidated financial statements
Investments in associates and joint ventures are measured in the balance sheet at the proportionate share of the companies' net asset value calculated in accordance with the Group's accounting policies with the deduction or addition of the proportionate share of unrealised intra-group gains and losses and with the addition of the carrying amount of goodwill.

Associates and joint ventures with negative equity value are recognised at zero.

Receivables from associates and joint

ventures are written down to the extent they are deemed to be irrecoverable.

Investments in subsidiaries, joint ventures and associates in the parent company's financial statements
Investments in subsidiaries, joint ventures and associates are measured at cost. Where the recoverable amount is lower than cost, the investments are written down to this lower value.

Securities
Security holdings which do not enable the company to exercise control or a significant influence, and other securities are measured at fair value.

Value adjustments of listed securities for which changes in fair value are regularly monitored, are recognised under financial items in the income statement when they occur.

Unlisted securities for which the fair value is not regularly monitored are classified as available for sale. Securities are measured at fair value and value adjustments are taken to other comprehensive income. On realisation, accumulated value adjustments are taken from other comprehensive income to financial items in the income statement.

Impairment of non-current assets
Goodwill and intangible assets with undefinite useful lives are tested annually for impairment, initially before the end of the year of acquisition. Development projects in progress are also tested for impairment annually.

The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which goodwill has been allocated and is written down over the income statement to the lower of the recoverable amount and the carrying amount.

The recoverable amount is generally calculated as the present value of the future net cash flows expected to be derived from the business or activity (cash-generating unit) to which the goodwill relates.

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised.

The carrying amounts of other non-current assets are tested annually to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use.

A write-down is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Write-downs are recognised in the income statement as production costs, distribution costs or administrative expenses. However, goodwill write-downs are recognised as a separate item in the income statement.

Impairment write-downs of goodwill are not reversed. Impairment of other assets is reversed to the extent changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Inventories are written down to the lower of cost and net realisable value.

The cost of goods for resale, raw materials and consumables comprise the purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and indirect production costs. Indirect costs of production include indirect materials and labour as well as maintenance of and depreciation and impairment of the machines, factory buildings and equipment used in the manufacturing process as well as factory management and administrative expenses.

The net realisable value of inventories is calculated as the selling price less costs of conversion and costs incurred to execute the sale and is determined having regard to marketability, obsolescence and expected selling price movements.

Receivables
Receivables are measured at amortised cost. Receivables are written down for anticipated losses. Impairment write-downs on receivables are recognised in the income statement under administrative expenses.

Prepayments and accrued income
Prepayments and accrued income include expenses paid in respect of subsequent financial years.

Construction contracts
Construction contracts are measured at the sales value of the work performed less progress billings and expected losses.

The sales value is measured on the basis of the percentage of completion at the balance sheet date and the aggregate income expected from each individual contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is normally calculated as the ratio of costs incurred to total expected costs of the particular contract.

When it is likely that the total costs of a construction contract will exceed the total expected contract revenue, the expected loss on the construction contract is recognised immediately as an expense and a provision.

When the profit or loss from a construction contract cannot be reliably estimated, the fair value is measured only for costs incurred to the extent that it is likely such costs will be recovered.

Construction contracts for which the sales value of the work performed exceeds progress billings and expected losses are recognised as receivables. Construction contracts for which progress billings and expected losses exceed the sales value are recognised as liabilities.

Customer prepayments are recognised as liabilities.

Shareholders' equity
The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments considered to be a part of the net investment or as hedging of the net investment.

The fair value adjustment reserve comprises value adjustments of available-for-sale securities that are not regularly monitored. On realisation, accumulated value adjustments are taken from equity to financial items in the income statement.

The purchase and sale sums of treasury shares and dividends thereon are taken directly to retained earnings under equity.

Treasury shares
Proceeds from the sale of treasury shares in Schouw & Co. in connection with the exercise of share options or employee shares are taken directly to equity.

Dividend
Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Accounting policies

Employee benefits

SHARE OPTION PROGRAMME

Equity-settled share options are measured at fair value at the grant date and their value is recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity as a shareholder transaction.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, changes in the estimated number of vested options are adjusted to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of options granted is estimated using a valuation model that takes into account the terms and conditions of the options granted.

Pension liabilities and similar long-term liabilities

The Group has set up pension plans and similar arrangements with the majority of the Group's employees.

Liabilities relating to defined contribution plans are recognised in the income statement in the period in which the benefits vest, and payments due are recognised in the balance sheet under other payables.

For defined benefit plans, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments in, among other things, salaries and interest, inflation and mortality rates. The net present value is only calculated for those of the employees' benefits vested through their employment with the Group to date. The actuarial calculation of the net present value less the fair value of any plan assets is recognised in the balance sheet as pension obligations. See below.

Current service cost is recognised in the income statement based on actuarial estimates and financial forecasts at the beginning of the year. Differences between the expected development of liabilities and the realised values are termed actuarial gains and losses and are recognised in other comprehensive income.

If changes occur in benefits payable regarding the employees' service in the company to date, a change in the actuarial net present value arises. This is termed past service cost. Past service cost is recognised immediately if the employees' right to the changed benefit has already vested. If not, it is recognised in the income statement over the period during which the employees' right to the changed benefits vests.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is calculated in accordance with the balance sheet liability method on all timing differences between the accounting and tax value of assets and liabilities. However, no deferred tax is recognised on timing differences regarding non-deductible goodwill and other items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised under other non-current assets at the value at which they are expected to be used, either by setting off tax on future earnings or by setting off deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax adjustments are made regarding eliminations of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, the settlement of which is likely to result in an outflow from the Group of economic benefits.

In the measurement of provisions, the expenditure required to settle the obligation is discounted. Changes in present values during the year are recognised as financial expenses.

Warranty commitments are recognised as the sale of goods and services is effected, based on incurred warranty costs from prior financial years.

Restructuring costs are recognised as liabilities when a detailed, formal restructuring plan has been announced to the parties affected by such plan on or before the balance sheet date. On acquisition of enterprises, restructuring provisions relating to the acquired enterprise are included in the calculation of goodwill only if the acquired enterprise has a liability at the date of acquisition.

A provision for onerous contracts is recognised when the unavoidable costs under a contract exceed the expected benefits to the Group from the contract.

Financial liabilities

Debt to credit institutions is recognised at the raising of a loan at fair value less transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost, applying the "effective interest rate method", to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

In addition, the capitalised residual lease liability under finance leases is recognised under financial liabilities.

Other liabilities are measured at net realisable value.

Leases

For accounting purposes, lease obligations are divided into finance and operating leases.

Leases are classified as finance leases when substantially all risks and rewards of ownership of the leased asset are transferred. Other leases are classified as operating leases.

The accounting treatment of assets held under a finance lease and the related liability is described in the sections on property, plant and equipment and financial liabilities, respectively.

Obligations under operating leases are determined at the balance sheet date as the present value of future cash flows for which the discount effect is material, typically for leases running for more than five years from inception.

Operating lease payments are recognised in the income statement on a straight-line basis over the lease term.

Prepayments and accrued income

Deferred income comprises payments received relating to income in subsequent financial years, including investment grants.

Assets and liabilities held for sale

Assets held for sale comprise non-current assets and disposal groups held for sale. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups held for sale are measured at the lower of the carrying amount at the date when the assets were classified as held for sale and fair value less costs to sell. Assets are not depreciated or amortised as from the date they are classified as "held for sale".

Assets and related liabilities are recognised separately in the balance sheet, and the main items are specified in the notes to the financial statements. Comparative figures in the balance sheet are not restated.

Presentation of discontinued operations
Discontinued operations comprise activities that form an independent reporting segment, or whose revenue, profit/loss or assets represent more than 10% of consolidated revenue, consolidated profit/loss or consolidated assets and where the entity has either been divested or separated out as held for sale and such sale pursuant to a formal plan is expected to take place within 12 months. Discontinued operations also comprise entities which in relation to an acquisition have been classified as "held for sale".

Profit on discontinued operations after tax and value adjustments of related assets and liabilities after tax and gains/losses from a sale are reported under a separate line item with comparable figures in the income statement with restatement of comparative figures. Detailed information on revenue, operating profit, assets, liabilities and cash flows from operating, investing and financing activities in the discontinued entity is provided in the notes to the financial statements.

CASH FLOW STATEMENT

The cash flow statement shows the cash flows for the year distributed on operating, investing, financing and discontinued activities, net changes for the year in cash as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from acquisitions and divestments of companies are shown separately under cash flows from investing activities or as a part of cash flows from discontinued operations. In the cash flow statement, cash flows concerning acquired companies are recognised from the date of acquisition, while cash flows concerning divested companies are recognised until the date of divestment.

Cash flows in currencies other than the functional currency are translated at average exchange rates unless these differ materially from the exchange rate ruling at the transaction day.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before tax adjusted for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of companies and operations and the acquisition and disposal of intangible assets, property, plant and equipment as well as the purchase and sale of securities not recognised under cash and cash equivalents.

Cash flows from financing activities include payments to and from shareholders and related expenses as well as the raising of loans, repayments on interest-bearing debt and the purchase and sale of treasury shares.

Cash flows from discontinued activities comprise cash flows from operating, investing and financing activities in the discontinued entity plus cash proceeds from divesting the activity.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand as well as securities with a maturity of less than three months at the time of acquisition that can immediately be converted into cash and that involve insignificant risk of value fluctuations.

SEGMENT REPORTING

Segment reporting is consistent with the internal management reporting.

Schouw is an industrial conglomerate consisting of a number of sub-groups operating in various industries and independently of the other sub-groups.

If the profit or loss, assets or revenue of a sub-group represents 10% or more of consolidated profit or loss, assets or revenue, such sub-group is classified as a reporting segment.

The reporting segments are presented separately and without aggregation of operating segments.

Included in the reporting segments are revaluations of assets and liabilities made in connection with Schouw & Co.'s acquisition of the segment in question and consolidated goodwill arising as a result of the acquisition. The operational impact of depreciation/amortisation and write-downs on the above revaluations or goodwill is also included in the profit presented for the reporting segment.

Geographical segment information indicates the group's revenue and assets by national market. The list shows the individual countries in which the group's revenue or assets account for 5% or more of consolidated revenue or consolidated total assets.

DEFINITIONS OF RATIOS

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33. Other key ratios are calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts.

The key ratios in the annual report are calculated in the following manner:

Return on equity	Profit for the year excluding minorities / Avg. equity excluding minorities
Return on invested capital (ROIC)	EBITA / Avg. invested capital excluding goodwill
Equity ratio	Equity at year end / Total liabilities and equity at year end
Earnings per share (EPS)	Profit for the year excluding minorities / Average number of shares in circulation
Diluted earnings per share (EPS-D)	Profit for the year excluding minorities / Diluted average number of shares in circulation
Net asset value per share	Equity at year end, excluding minority interests / Number of shares at year end excluding treasury shares
Price/net asset value (P/NAV)	Market capitalisation at year end / Equity at year end, excluding minority interests
Market capitalisation	Number of shares, excluding treasury shares, multiplied by share price

Management Statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and the Executive Management have today considered and approved the annual report for the 2013 financial year.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at December 31, 2013 and of the results of the Group's and the parent company's operations and cash flows for the financial year ended December 31, 2013.

In our opinion, the management's report includes a fair review of the development and performance of the Group and the parent company, the financial results and cash flows for the year and of the financial position, together with a description of the principal risks and uncertainties that the Group and the parent company face.

We recommend that the annual report be adopted by the shareholder at the annual general meeting.

Aarhus, March 5, 2014

EXECUTIVE MANAGEMENT

Jens Bjerg Sørensen
President

Peter Kjær

BOARD OF DIRECTORS

Jørn Ankær Thomsen
Chairman

Erling Eskildsen
Deputy Chairman

Niels Kristian Agner

Erling Lindahl

Kjeld Johannesen

Jørgen Wisborg

Agnete Raaschou-Nielsen

Independent auditors' report

To the shareholders of Aktieselskabet Schouw & Co.

Independent auditors' report on the consolidated financial statements and the parent company financial statements
We have audited the consolidated financial statements and the parent company financial statements of Aktieselskabet Schouw & Co. for the financial year January 1 – December 31, 2013. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and the parent company financial statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at December 31, 2013 and of the results of the Group's and the parent company's operations and cash flows for the financial year January 1 – December 31, 2013 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, March 5, 2014

KPMG
Statsautoriseret Revisionspartnerselskab

Jes Lauritzen State Authorised Public Accountant	Kim R. Mortensen State Authorised Public Accountant

Group overview *selected companies as of March 2014*

COMPANY NAME	DOMICILE	COUNTRY	OWNERSHIP
Schouw & Co. Finans A/S	Aarhus	Denmark	100%
Niels Bohrs Vej A/S	Aarhus	Denmark	100%
Saltebakken 29 ApS	Aarhus	Denmark	100%
Alba Ejendomme A/S	Aarhus	Denmark	100%
BioMar Group A/S	Aarhus	Denmark	100%
BioMar A/S	Brande	Denmark	100%
Oy BioMar Ab	Vanda	Finland	100%
BioMar AB	Rimbo	Sweden	100%
BioMar OOO	Ropsha	Russia	100%
Dana Feed A/S	Horsens	Denmark	100%
Dana Feed Sp. z o.o.	Koszalin	Poland	100%
Dana Feed Srl	Treviso	Italy	100%
BioMar S.A.S.	Nersac	France	100%
BioMar Srl	Monastier	Italy	100%
BioMar Iberia S.A.	Dueñas	Spain	100%
BioMar Hellenic S.A.	Volos	Greece	100%
BioMar AS	Myre	Norway	100%
BioMar Ltd.	Grangemouth	Scotland	100%
BioMar A/S Chile Holding S.A.	Puerto Montt	Chile	100%
BioMar Chile SA	Puerto Montt	Chile	100%
BioMar Aquacultura Corporation S.A.	Canas	Costa Rica	100%
BioMar Aquacorporation Products S.A.	Canas	Costa Rica	50.0%
Alitec Pargua S.A.	Pargua	Chile	50.0%
Fibertex Personal Care A/S	Aalborg	Denmark	100%
Fibertex Personal Care Sdn Bhd	Nilai	Malaysia	100%
Innowo Print AG	Ilsenburg	Germany	15.0%
Fibertex Nonwovens A/S	Aalborg	Denmark	100%
Fibertex, a.s.	Svitavy	Czech Rep.	100%
Fibertex France S.A.R.L.	Beauchamp	France	100%
Elephant Nonwovens - Nao Tecidos U.P., Lda.	Estoril	Portugal	100%
Fibertex Elephant Espana. S.L.	Sant Cugat del Vallés	Spain	100%
Fibertex Nonwovens S.A.	Chemillé	France	100%
Fibertex South Africa Ltd.	Durban	South Africa	26.0%
Hydra-Grene A/S	Skjern	Denmark	100%
Hydra Grene Hydraulics Equipment Accessory (Tianjin) Co., Ltd.	Tianjin	China	100%
Hydra Grene Hydraulics India Private Limited	Chennai	India	100%
Hydra-Grene USA Inc.	Chicago	USA	100%
Dansk Afgratningsteknik A/S	Skjern	Denmark	60.0%
Kramp Groep B.V.	Varsseveld	The Netherlands	20.0%
Xergi A/S	Støvring	Denmark	50.0%
Incuba Invest A/S	Aarhus	Denmark	49,0%

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