

# SCHOUW+CO

## *Interim report – First half year of 2014*

### **Highlights**

- ▶ Overall, Schouw & Co. had a good first six months of the year. Revenue was up by 2% to DKK 5,064 million.
- ▶ EBIT was up by DKK 58 million to DKK 239 million.
- ▶ BioMar, Fibertex Nonwovens and Hydra-Grene all reported revenue and EBIT improvements.
- ▶ Fibertex Personal Care reported higher revenue but lower EBIT.
- ▶ The associate company Kramp reported revenue and EBIT improvements.
- ▶ Schouw & Co. maintains its forecast of full-year 2014 revenue of DKK 11.5-12.0 billion and raises the EBIT forecast to the range of DKK 570-665 million from the previous forecast of DKK 535-660 million.

### **Statement by Jens Bjerg Sørensen, President of Schouw & Co.:**

*Overall, the first six months of 2014 was a highly satisfactory period for Schouw & Co.*

*Lower prices of raw materials triggered lower selling prices, and with the added negative currency effect our revenue improved by only 2% relative to H1 2013. EBIT, on the other hand, improved by 32%, emphasising the strong earnings power of our businesses.*

*During the first six months of 2014, we paid out dividends and bought back shares for a net amount of DKK 211 million, and Schouw & Co.'s financial situation remains very strong with virtually no net interest-bearing debt.*

*The continued development of all of our businesses remains our top priority, growth and expansion being the main focal points. The uncertainty about our future prospects has been reduced, and we have narrowed our full-year EBIT guidance.*

Schouw & Co. will be reviewing the financial statements in a conference call (in Danish) for analysts, members of the press and other interested parties on telephone +45 32 71 47 68, access code 66585717#, on

**THURSDAY, AUGUST 14, 2014 AT 15.30**

Questions relating to the above should be directed to Jens Bjerg Sørensen, President, on tel. +45 8611 2222.

### **Aktieselskabet Schouw & Co.**

Chr. Filtenborgs Plads 1  
DK-8000 Aarhus C

Company reg. (CVR) no.: 63965812

Tel. +45 86 11 22 22  
www.schouw.dk  
schouw@schouw.dk

### **Table of contents**

Financial highlights .....	2
Interim report .....	3
Management statement .....	7
Business areas.....	8
Income statement.....	18
Cash flow statement .....	19
Balance sheet.....	20
Statement of changes in equity .....	22
Notes to the financial statements .....	23

# Consolidated financial highlights

Amounts in DKK million

January 1 – June 30

GROUP SUMMARY	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 TOTAL
<b>Revenue</b>	2,659.2	2,675.1	5,063.9	4,963.6	11,644.9
Operating profit before depreciation (EBITDA)	229.0	215.8	415.2	359.4	1,038.6
Operating profit (EBIT)	140.9	127.0	239.5	181.9	684.6
Profit/(loss) after tax in associates, etc.	10.5	(0.8)	(6.6)	(2.0)	(21.5)
Value adjustment of financial investments <sup>1</sup>	0.0	139.6	0.0	213.1	499.0
Net financials before value adjustment of financial investments	(10.0)	(15.9)	(17.9)	(27.8)	(53.3)
Profit before tax	141.4	249.9	215.0	365.2	1,108.8
Tax on profit	(32.3)	(46.0)	(52.3)	(61.9)	(249.3)
Profit for the period from continuing operations	109.1	203.9	162.7	303.3	859.5
Profit for the period from discontinued operations	0.0	15.1	0.0	283.5	508.1
<b>Profit for the period</b>	109.1	219.0	162.7	586.8	1,367.6
Share of equity attributable to shareholders of Schouw & Co.	5,736.7	5,060.1	5,736.7	5,060.1	5,742.6
Minority interests	3.0	3.1	3.0	3.1	3.4
<b>Total equity</b>	5,739.7	5,063.2	5,739.7	5,063.2	5,746.0
Total assets	9,813.4	10,105.3	9,813.4	10,105.3	9,696.4
Net interest-bearing debt (NIBD)	24.3	1,706.6	24.3	1,706.6	(23.4)
Working capital	1,540.6	2,200.3	1,540.6	2,200.3	1,424.2
<b>Other key and financial data</b>					
Average number of employees	2,097	2,029	2,081	2,026	2,052
Cash flows from operating activities	192.4	79.0	274.5	(38.3)	667.4
Investments in property, plant and equipment	49.7	144.1	95.3	197.6	345.7
Depreciation of property, plant and equipment	84.2	85.8	167.7	171.3	338.4
Return on equity (%) <sup>2</sup>	17.5	20.2	17.5	20.2	26.4
ROIC (%) <sup>2</sup>	18.1	13.4	18.1	13.4	16.1
Equity ratio (%)	58.5	50.1	58.5	50.1	59.3
EBITDA margin (%)	8.6	8.1	8.2	7.2	8.9
EBIT margin (%)	5.3	4.7	4.7	3.7	5.9
NIBD/EBITDA <sup>2</sup>	0.0	1.3	0.0	1.3	(0.0)
<b>Per share data</b>					
Earnings per share (of DKK 10)	4.60	9.19	6.84	24.73	57.46
Net asset value per share (of DKK 10)	241.80	212.22	241.80	212.22	240.49
Share price at end of period (of DKK 10)	267.50	184.00	267.50	184.00	222.50
Price/net asset value	1.11	0.87	1.11	0.87	0.93
<b>Market capitalisation <sup>3</sup></b>	6,346.5	4,387.1	6,346.5	4,387.1	5,313.1

The financial ratios have been calculated in accordance with "Recommendations & Ratios 2010", issued by the Danish Society of Financial Analysts. As a result of the merger of Grene and Kramp, Grene was reclassified from consolidated enterprises to discontinued operations in 2013. The comparative figures in the income statement and the financial highlights and key figures have been restated accordingly for 2013, whereas comparative figures in the balance sheet have not been restated.

1) Value adjustment consists of value adjustments from the holdings of shares in Vestas and Lerøy.

2) Calculated for the past 12-month period. The balance sheet component of the key figure has been restated to reflect only the balance sheet value of the continuing operations.

3) Market capitalisation is calculated excluding the holding of treasury shares.

# Interim report – first half year of 2014

## Financial performance

	Q2 2014	Q2 2013	Change
Revenue	2,659.2	2,675.1	(15.9)
EBITDA	229.0	215.8	13.2
EBIT	140.9	127.0	13.9
Value adj. fin. investment	0.0	139.6	(139.6)
Profit before tax	141.4	249.9	(108.5)
Profit from disc. ope.	0.0	15.1	(15.1)
Profit for the period	109.1	219.0	(109.9)

	YTD 2014	YTD 2013	Change
Revenue	5,063.9	4,963.6	100.3
EBITDA	415.2	359.4	55.8
EBIT	239.5	181.9	57.6
Value adj. financial inv.	0.0	213.1	(213.1)
Profit before tax	215.0	365.2	(150.2)
Profit from discon. opert.	0.0	283.5	(283.5)
Profit for the period	162.7	586.8	(424.1)

Overall, the companies of the Schouw & Co. Group had a good first six months of the year. Each company is reviewed separately elsewhere in this report. The year-on-year improvements were the most pronounced in the first quarter where climatic conditions were more favourable than in Q1 2013 with its unusually long period of cold temperatures in northern Europe. In addition, the mild temperatures during the early months of 2014 moved some of the revenue forward to Q1 2014, unlike the situation in 2013 when revenue was moved from the first to the second quarter.

Consolidated revenue was up by 2.0% from DKK 4,964 million in H1 2013 to DKK 5,064 million in H1 2014. All of the consolidated businesses added to the improvements, with BioMar making only a moderate contribution because selling prices were reduced by lower raw materials prices. Second quarter revenue fell slightly, from DKK 2,675 million in Q2 2013 to DKK 2,659 million in Q2 2014, as a result of timing differences in revenue recognition between the first and the second quarters and the above-mentioned reduction of BioMar's selling prices.

EBIT rose from DKK 182 million in H1 2013 to DKK 239 million in H1 2014. For the second quarter, EBIT improved from DKK 127 million in 2013 to DKK 141 million in 2014. BioMar, Fibertex Nonwovens and Hydra-Grene all contributed to the advances in both the first and second quarters, whereas Fibertex Personal Care reported a setback.

Kramp, the large associate, had a good first six months of the year, reporting revenue of DKK 2,576 million, against the comparable revenue for H1 2013 of DKK 2,376 million. Kramp reported EBIT of DKK 241 million; the comparable EBIT for H1 2013 was DKK 198 million. In other words, Schouw & Co.'s 20% ownership interest in Kramp produced a higher EBIT contribution than the EBIT of DKK 32 million contributed by the former wholly owned subsidiary Grene for the first six months of 2013.

In the consolidated financial statements, Schouw & Co.'s 20% share of the profit in Kramp is recognised under Profit/loss after tax in associates, etc. For the first six months of 2014, the recognised share of the profit in Kramp was reduced by DKK 36 million in adjustments that were predominantly the result of the purchase price allocation prepared in connection with the merger with Grene. Accordingly, the recognised share of the financial results for H1 2014 was a DKK 2 million loss, whereas the recognised share of the results for Q2 2014 was a DKK 13 million profit. The remaining associates and joint ventures are recognised at a combined net loss of DKK 5 million for H1 2014 against a loss of DKK 2 million in H1 2013.

Consolidated net financial items were an expense of DKK 18 million, compared with an expense of DKK 28 million in H1 2013 net of value adjustments of financial investments that have since been divested.

Also included in the H1 2013 financial statements was the profit from discontinued operations consisting of a share of the profit and gain from the sale of Martin Professional as well as a share of the profit in Grene, which subsequently merged with Kramp.

## Liquidity and capital resources

The significant events of 2013, i.e. the sale of Martin Professional, the sale of securities and a property, and the merger of Grene and Kramp, combined with the positive cash flow from operations, meant that Schouw & Co.'s net interest-bearing debt was a net deposit at the beginning of 2014. The net interest-bearing debt is still close to zero, but the strong financial position will not change the fact that all companies of the Schouw & Co. Group focus on optimising their working capital and reducing their interest-bearing debt, always with due consideration for the Group's strong desire to continue to expand.

Operating activities generated a cash inflow of DKK 275 million in H1 2014, compared with a cash outflow of DKK 38 million in H1 2013. Cash flows for investing activities amounted to DKK 112 million in H1 2014, against DKK 207 million in H1 2013, which amount was partially offset by the net sale of securities for DKK 146 million.

The consolidated net interest-bearing debt was reduced from DKK 1,707 million at June 30, 2013, to DKK 24 million at June 30, 2014. At December 31, 2013, Schouw & Co.'s net interest-bearing debt was a net deposit of DKK 23 million.

The Group reduced its working capital from DKK 2,200 million at June 30, 2013 to DKK 1,541 million at June 30, 2014., mainly because Grene's working capital of DKK 444 million at June 30, 2013 is no longer recognised. In addition, BioMar has reduced its working capital and the other consolidated businesses have increased theirs. The working capital at December 31, 2013, was DKK 1,424 million.

## ***Portfolio company highlights***

The following is a brief review of individual company performances in the six months to June 30, 2014:

**BioMar** realised fair volume improvements in Norway and Chile and a minor setback in Continental Europe. There was no change in revenue, because reduced prices of raw materials meant lower selling prices.

The higher volumes produced a considerable EBIT improvement.

**Fibertex Personal Care** reported a revenue improvement that was mainly driven by the higher volume output in Malaysia after the most recent production line was commissioned at end-2013.

The company's EBIT fell because of timing differences between changes to raw materials prices and adjustments of selling prices and as a result of mounting global price competition.

**Fibertex Nonwovens** reported a revenue improvement driven by an increase in business activity both in Europe and in other regions.

EBIT improved sharply, driven by the higher demand.

**Hydra-Grene** improved its revenue, mainly due to much higher sales to the wind turbine industry.

EBIT improved sharply, driven mainly by the revenue improvement.

**Kramp**, which is recognised as an associate, reported an increase in revenue that was partly based on favourable climatic conditions relative to last year.

The revenue improvement also produced a significant improvement in EBIT.

**Xergi**, which is recognised as a joint venture, reported revenue in line with last year, but also slightly lower EBIT. The associate **Incuba Invest** reported a modest profit in line with the figure for H1 2013.

## ***Schouw & Co. shares and shares held in treasury***

Schouw & Co.'s share capital comprises 25,500,000 shares with a nominal value of DKK 10 each for a total nominal share capital of DKK 255,000,000. Each share carries one vote.

Schouw & Co. shares appreciated by 20% during the first six months of 2014, from DKK 222.50 per share at December 31, 2013 to DKK 267.50 per share at June 30, 2014. At March 31, 2014, the share price was DKK 265.50.

At December 31, 2013, the company held 1,621,113 treasury shares, equal to 6.36% of the share capital. Schouw & Co. used 246,000 treasury shares in the first six months of 2014 in connection with options exercised under the Group's share incentive scheme. During the same period, the company acquired 399,687 treasury shares for a total amount of DKK 103 million. Accordingly, the company held 1,774,800 treasury shares at June 30, 2014, equal to 6.96% of the share capital. The portfolio of treasury shares is recognised at DKK 0.

## ***Events after the balance sheet date***

Other than as set out elsewhere in this interim report, Schouw & Co. is not aware of events occurring after June 30, 2014 which are expected to have a material impact on the Group's financial position or outlook.

## Outlook

The revenue generated in the six months to June 30, 2014 strongly reflected the fact that several of the Group's businesses have benefited from the relatively mild winter season, a clear contrast from the very cold and long-lasting winter conditions that affected the first six months of 2013.

On the other hand, developments from the first to the second quarter of 2014 show that the main effects of this year's mild climate conditions are timing differences for certain products. A part of the revenue realised in the first quarter would normally have been generated in the second quarter – but overall the early start to the season has resulted in relatively higher sales.

Climate conditions were much more favourable in the second half than in the first six months of 2013, and several other market conditions also supported the businesses. As a result, the positive development in general market conditions as seen in the six months to June 30, 2014, should not be expected in the second half of 2014. In addition, EBIT for H2 2013 was lifted by non-recurring income of DKK 54 million from the sale of a property.

The following is a brief review of individual company expectations for the full year 2014:

Based on the realised financial results for the first six months of the year and the clarification of contracts in Norway, **BioMar** has reduced the uncertainty regarding the full-year results. The company narrows its full-year EBIT guidance range from DKK 325-400 million to DKK 350-400 million. The revenue forecast is maintained.

**Fibertex Personal Care** reported volume improvements in Malaysia in H1 2014, but its financial results were undermined by the strong price competition prevailing in the market for spunbond/spunmelt nonwovens. The company maintains its revenue and EBIT forecasts.

**Fibertex Nonwovens** reported a H1 2014 revenue improvement driven by an increase in business activity both in Europe and in other regions. Given the current market prospects, the company raises its revenue guidance to about DKK 1 billion against the previous forecast of about DKK 950 million. In addition, the company raises its EBIT forecast to the DKK 45-55 million range from the previous forecast of DKK 35-45 million.

**Hydra-Grene** grew its sales to the wind turbine industry in the six months to June 30, 2014, and the company expects more sales stability for the rest of the year than has been the case in the previous year. Hydra-Grene maintains its revenue and EBIT forecasts.

**Kramp**, which is recognised as an associate, performed well in the six months to June 30, 2014, reporting advances in all

markets. The company maintains its revenue and EBIT forecasts.

**Xergi**, which is recognised as a joint venture, reported a fall in EBIT relative to last year, but its strong pipeline underpins expectations for full-year revenue and earnings improvements in 2014.

Overall, Schouw & Co. maintains its guidance for consolidated revenue of DKK 11.5-12.0 billion in 2014. However, for several of our businesses, raw materials prices are a major determinant of revenue, which means that price fluctuations could lead to major changes in revenue with little effect on earnings.

Schouw & Co. applies a profit forecast range for each individual business. Relative to the previous guidance, Fibertex Nonwovens has raised its EBIT forecast, while the forecast ranges for BioMar and the Others category have been narrowed. Accordingly, the Group now expects consolidated full-year EBIT in the range of DKK 570-665 million from the previous forecast range of DKK 535-660 million.

To this should be added profit after tax from associates, etc. Under this item, Kramp and Xergi both forecast 2014 earnings improvements, whereas the other associates are expected to report combined earnings in line with 2013. However, the recognised share of the profit in Kramp in H1 2014 was reduced by DKK 36 million in adjustments that were predominantly the result of the purchase price allocation prepared in connection with the merger with Grene.

To date, BioMar's subsidiary in Chile has been subject to corporate income tax paid in two steps, with about 20% being paid in the tax year and the rest, about 15%, being paid on the distribution of dividends. A bill that would change this arrangement is currently in the consultation phase, and, if adopted, it may lead to accelerated taxation of accumulated profits. As appears from note 17 to the 2013 financial statements, the unpaid income tax on accumulated profits in Chile amounted to DKK 136 million at December 31, 2013, which amount is not recognised in deferred tax.

## Forecast

EBIT (DKK million)	After Q2	Original	2013
BioMar	350-400	325-400	394
Fibertex Personal Care	150-170	150-170	164
Fibertex Nonwovens	45-55	35-45	37
Hydra-Grene	50-60	50-60	46
Others*	(20-25)	(15-25)	43
<b>Total EBIT</b>	<b>570-665</b>	<b>535-660</b>	<b>685</b>
Associates, etc.	15-25	15-25	(22)
Financial investments	-	-	499
Other financials	(40)	(50)	(53)
<b>Profit Before Tax</b>	<b>545-650</b>	<b>500-635</b>	<b>1,109</b>

\* 2013 figure includes DKK 54 million gain from sale of property

### ***Accounting policies***

The interim report is presented in accordance with IAS 34 “Interim financial reporting” as adopted by the EU and Danish disclosure requirements for listed companies.

The accounting policies are unchanged from the policies applied in the consolidated and the parent company financial statements for 2013.

See the consolidated financial statements and the parent company financial statements for 2013 for a full description of the accounting policies.

### ***Judgments and estimates***

The preparation of interim financial statements requires Management to make accounting judgments and estimates

that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these judgments.

The most significant estimates are unchanged from December 31, 2013, and the most significant judgment uncertainty related thereto is the same as that used in preparing the consolidated financial statements and the parent company financial statements for 2013.

### ***Roundings and presentation***

The amounts appearing in this interim report have generally been rounded to one decimal place using standard rounding principles. Accordingly, some additions may not add up.

### ***Financial calendar for 2014***

November 3, 2014                      Release of Q3 2014 interim report

The company provides detailed information about contacts and the time of conference call held in connection with the release of its interim report through company announcements and postings on its website, [www.schouw.dk](http://www.schouw.dk).

# *Management Statement*

The Board of Directors and the Executive Management of Aktieselskabet Schouw & Co. today considered and approved the interim report for the period January 1–June 30, 2014.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim financial statements give a true and fair view of the group's assets and liabilities and financial position at June 30, 2014 and of the results of the group's operations and cash flows for the period January 1–June 30, 2014.

Furthermore, in our opinion the management's report includes a fair review of the development and performance of the business, the results for the period and the Group's financial position in general and describes the principal risks and uncertainties that it faces.

Aarhus, August 14, 2014

## MANAGEMENT BOARD

Jens Bjerg Sørensen  
*President*

Peter Kjær

## BOARD OF DIRECTORS

Jørn Ankær Thomsen  
*Chairman*

Erling Eskildsen  
*Deputy Chairman*

Niels K. Agner

Erling Lindahl

Kjeld Johannesen

Jørgen Wisborg

Agnete Raaschou-Nielsen

BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry. The company divides its operations into three geographical regions: the North Sea (Norway and Scotland), the Americas (Chile and Costa Rica) and Continental Europe.

## Financial performance

BioMar generated H1 2014 revenue of DKK 3,430 million compared with DKK 3,421 million in H1 2013. While virtually unchanged relative to last year, the revenue was based on a significant increase in volumes and correspondingly lower selling prices caused by lower raw materials prices. Feed sales volumes were up in the North Sea region due to a much larger overall market, which was very much the result of favourable water temperatures at the beginning of the year, and this more than compensated for the slightly-below-normal market share. Volumes grew substantially in the Americas, due to the combination of a larger overall market and a higher market share. Continental Europe reported lower volumes, mainly due to the financial situation facing BioMar's largest customer in Greece and, to a lesser extent, the general credit squeeze in southern Europe.

The gross profit improved in H1 2014, driven by the larger volumes, and BioMar reported EBIT of DKK 112 million, compared with DKK 63 million in H1 2013. Currency effects accounted for a negligible part of the H1 2014 EBIT.

Working capital fell sharply, from DKK 1,070 million at June 30, 2013, to DKK 802 million at June 30, 2014, in part because a receivable in Chile was converted into equity. Net interest-bearing debt was also strongly reduced, from DKK 833 million at June 30, 2013, to DKK 539 million at June 30, 2014, even after the company paid DKK 200 million in intra-group dividends in the first quarter of 2014.

## Business development

The positive volume growth in the first quarter in BioMar's two core markets, Norway and Chile, continued in the second quarter, albeit at a slower pace.

Growth in the Norwegian fish feed market in Q2 2014 was driven by a larger biomass relative to last year. This situation is set to change in the second half of 2014, however, as the overall market is projected to be on a level with 2013. In addition, the world's largest salmon farming company, Marine Harvest, has now started up its own production of fish feed, and as a result the overall accessible market for the three major fish feed producers is expected to contract in the second half of the year. The Norwegian fish feed market remains extremely competitive, but following contract negotiations in the second quarter, BioMar expects to have a normal market share in the upcoming high season.

The Chilean feed market also grew year-on-year in the second quarter, in large part due to the progress made in re-

spect of the biological challenges in the region. The situation seems to be moving in the right direction, although there is still a long way to go. Also, the financial reports released by BioMar's customers were encouraging in the sense that they indicate a general improvement in the companies' financial situation. No year-on-year growth is expected in the fish feed market in the second half of 2014.

In Continental Europe, there were no visible signs of progress for the major Greek fish farmers, as their creditors apparently cannot agree on how to tackle the situation. This is also the case for BioMar's formerly largest customer in Greece, which for almost a year has been facing actual bankruptcy, managing again and again to postpone the process. Given the provisions made and because receivables have been secured by collateral, BioMar expects to avoid an accounting loss for 2014, but the situation has a severe negative impact on sales in Greece.

The situation in the rest of Continental Europe remains largely unchanged. The dire economic situation in southern Europe persists, and BioMar is constantly weighing the business opportunities available against the potential risk.

BioMar made two important strategic decisions in the past quarter; one is to go through with a major investment in a new production line in Norway, and the other is to be part of a joint venture intended to set up operations in Turkey, Europe's second-largest market for fish feed. Those two decisions will not have a significant effect on the financial results for 2014 or 2015, but obviously the investments will weigh on cash flows as costs are incurred.

## Outlook

The basic assumptions for the previous guidance provided for 2014 by and large still apply. With the H1 financial results now being known and with the clarification of contracts in Norway, the uncertainty relating to the full-year results has been reduced, but even minor changes in water temperatures or biological conditions could still have a material impact.

BioMar maintains its guidance for FY 2014 revenue of about DKK 8.5 billion and narrows its EBIT forecast from the DKK 325-400 million range to DKK 350-400 million. As always, revenue is highly dependent on what happens with raw materials prices: even a substantial revenue change will not necessarily have any notable effect on profit.

	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
<i>DKK million</i>					
Volume (1000 t)	224	206	418	380	980
Revenue	1,835	1,901	3,430	3,421	8,702
- of which North Sea	752	797	1,430	1,410	4,357
- of which Americas	606	573	1,267	1,201	2,424
- of which Cont. Europe	477	531	733	810	1,921



	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
<b>INCOME STATEMENT</b>					
Revenue	1,836.7	1,900.9	3,429.5	3,420.8	8,702.0
Gross profit	224.4	230.1	399.9	382.2	1,057.8
EBITDA	113.9	103.7	182.8	135.5	538.0
Depreciation	35.3	36.0	70.4	72.5	143.8
<b>Operating profit (EBIT)</b>	<b>78.6</b>	<b>67.7</b>	<b>112.4</b>	<b>63.0</b>	<b>394.2</b>
Value adjustment of shares in Lerøy	0.0	0.0	0.0	14.9	14.9
Financial items, net (ex. adj. of Lerøy)	(6.0)	(9.4)	(10.6)	(18.0)	(37.0)
<b>Profit before tax</b>	<b>72.6</b>	<b>58.3</b>	<b>101.8</b>	<b>59.9</b>	<b>372.1</b>
Tax on profit	(18.2)	(12.8)	(23.6)	(7.7)	(89.3)
<b>Profit for the period</b>	<b>54.4</b>	<b>45.5</b>	<b>78.2</b>	<b>52.2</b>	<b>282.8</b>
<b>CASH FLOW</b>					
Cash flows from operating activities	147.7	(8.7)	84.3	(170.6)	372.9
Cash flows from investing activities	(47.1)	(14.7)	(77.7)	107.4	48.5
Cash flows from financing activities	11.0	68.7	13.3	161.0	(213.7)
<b>BALANCE SHEET</b>					
Intangible assets *	318.4	324.3	318.4	324.3	319.1
Property, plant and equipment	961.5	1,014.9	961.5	1,014.9	956.1
Other non-current assets	133.1	56.5	133.1	56.5	129.7
Cash and cash equivalents	531.4	405.9	531.4	405.9	511.6
Other current assets	2,626.6	2,815.7	2,626.6	2,815.7	2,625.0
<b>Total assets</b>	<b>4,571.0</b>	<b>4,617.3</b>	<b>4,571.0</b>	<b>4,617.3</b>	<b>4,541.5</b>
Equity	1,665.0	1,612.0	1,665.0	1,612.0	1,765.1
Interest-bearing debt	1,091.7	1,254.0	1,091.7	1,254.0	879.0
Other creditors	1,814.3	1,751.3	1,814.3	1,751.3	1,897.4
<b>Total liabilities and equity</b>	<b>4,571.0</b>	<b>4,617.3</b>	<b>4,571.0</b>	<b>4,617.3</b>	<b>4,541.5</b>
Average number of employees	901	884	897	887	885
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	6.2%	5.5%	5.3%	4.0%	6.2%
EBIT margin	4.3%	3.6%	3.3%	1.8%	4.5%
ROIC (annualised)	24.4%	16.9%	24.4%	16.9%	20.1%
Working capital	802.1	1,069.6	802.1	1,069.6	740.5
Net interest-bearing debt	538.8	833.0	538.8	833.0	353.2

\* Excluding goodwill on consolidation in the parent company Schouw & Co. of DKK 430.2 million.

# Fibertex Personal Care

# Wholly owned

Fibertex Personal Care is one of the world's five largest manufacturers of spunbond/spunmelt nonwovens for the personal care industry. The company's products are key components in nappies, sanitary towels and incontinence products. The company's activities are concentrated mainly in Europe and South East Asia.

## Financial performance

Fibertex Personal Care generated revenue of DKK 847 million in H1 2014, compared with DKK 803 million in H1 2013, an improvement driven mainly by the higher volume output in Malaysia after a new production line was commissioned at the end of 2013.

H1 2014 EBIT was DKK 73 million as compared with DKK 84 million in H1 2013. The decline was in part due to the negative development in H1 2014 of the relationship between prices of raw materials and the quarterly selling price adjustments, whereas in H1 2013 that relationship was positive. EBIT was also impacted by the strong price competition prevailing in the markets for spunbond/spunmelt nonwovens in both Europe and South East Asia.

Fibertex Personal Care increased its working capital from DKK 244 million at June 30, 2013, to DKK 268 million at June 30, 2014. Net interest-bearing debt was reduced from DKK 659 million at June 30, 2013, to DKK 646 million at June 30, 2014, even after the company paid DKK 75 million in intra-group dividends in the first quarter of 2014.

## Business development

Fibertex Personal Care has production facilities in Denmark and Malaysia and is well-renowned in both Europe and Asia for its service, quality and innovation. The company's total annual production capacity is close to 120,000 tonnes, which is approximately 10% of global consumption.

It is extremely important to the company's customers that they have both a highly reliable supply and a degree of flexibility in their sourcing of nonwovens that allows them to respond to market fluctuations. The market is generally highly demanding in terms of products and product performance, and product quality is a huge priority.

Fibertex Personal Care has continually set up new production lines over the years: the seventh line in Malaysia being

commissioned at the end of 2013. This latest investment expanded output capacity at the factory in Malaysia by 30%.

Expanding the output capacity of the factory in Malaysia helps Fibertex Personal Care share in the expected growth in the Asian market. Its central location in Malaysia gives the facility a solid platform for making competitive shipments to all of South East Asia.

Increasing the share of speciality products is a constant priority for Fibertex Personal Care: these products include super-soft products, products with high performance leakage barriers, light-weight products and the print products that Fibertex Personal Care can deliver through its partly-owned business Innowo Print in Germany.

## Outlook

The global output capacity of nonwoven fabrics is growing constantly, which leads to excess capacity in different regions from time to time. Fibertex Personal Care sees Europe as a market with limited growth potential and a resultant strong price pressure. Asia is a growing market in which price competition is also a factor – although with a varying impact over time – but growing demand will gradually absorb the surging supply in the region.

A main focus for Fibertex Personal Care in 2014 will be to consolidate its business and optimise its new production line in Malaysia. The company will also have special attention on exploiting opportunities for profitable growth in South East Asia, as market developments are expected to provide the scope for further expansion of production capacity in the not too distant future, either in Malaysia or elsewhere in the region.

Fibertex Personal Care maintains its FY 2014 revenue guidance of around DKK 1.7 billion. The full-year EBIT may still be affected by changes in the prices of raw materials for the rest of the year, but, given the current outlook, the company also retains its EBIT guidance of DKK 150–170 million.

<i>DKK million</i>	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
Revenue	421	392	847	803	1,554
- of which from Denmark	199	203	402	421	799
- of which from Malaysia	222	189	445	382	755

# Fibertex Personal Care

Amounts in DKK million

January 1 – June 30

	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
<b>INCOME STATEMENT</b>					
Revenue	421.0	392.0	846.8	802.9	1,554.2
Gross profit	61.8	63.3	127.8	137.9	268.5
EBITDA	66.3	68.4	136.3	147.0	288.4
Depreciation	32.1	31.7	63.7	63.0	124.5
<b>Operating profit (EBIT)</b>	<b>34.2</b>	<b>36.7</b>	<b>72.6</b>	<b>84.0</b>	<b>163.9</b>
Financial items, net	(3.7)	(3.1)	(8.1)	(4.8)	(7.0)
<b>Profit before tax</b>	<b>30.5</b>	<b>33.6</b>	<b>64.5</b>	<b>79.2</b>	<b>156.9</b>
Tax on profit	(6.7)	(7.7)	(14.2)	(18.4)	(33.9)
<b>Profit for the period</b>	<b>23.8</b>	<b>25.9</b>	<b>50.3</b>	<b>60.8</b>	<b>123.0</b>
<b>CASH FLOW</b>					
Cash flows from operating activities	28.8	67.8	100.2	125.4	208.3
Cash flows from investing activities	(7.5)	(118.7)	(18.0)	(144.1)	(226.0)
Cash flows from financing activities	(12.7)	48.3	(12.8)	15.1	12.5
<b>BALANCE SHEET</b>					
Intangible assets *	24.3	24.8	24.3	24.8	24.3
Property, plant and equipment	989.6	1,042.1	989.6	1,042.1	1,010.6
Other non-current assets	148.2	66.9	148.2	66.9	147.9
Cash and cash equivalents	79.4	12.1	79.4	12.1	9.4
Other current assets	509.5	436.7	509.5	436.7	438.1
<b>Total assets</b>	<b>1,751.0</b>	<b>1,582.6</b>	<b>1,751.0</b>	<b>1,582.6</b>	<b>1,630.3</b>
Equity	629.9	602.6	629.9	602.6	634.7
Interest-bearing debt	730.5	675.7	730.5	675.7	657.8
Other creditors	390.6	304.3	390.6	304.3	337.8
<b>Total liabilities and equity</b>	<b>1,751.0</b>	<b>1,582.6</b>	<b>1,751.0</b>	<b>1,582.6</b>	<b>1,630.3</b>
Average number of employees	430	381	428	376	429
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	15.7%	17.4%	16.1%	18.3%	18.6%
EBIT margin	8.1%	9.4%	8.6%	10.5%	10.5%
ROIC (annualised)	12.9%	15.4%	12.9%	15.4%	13.6%
Working capital	268.4	244.0	268.4	244.0	246.8
Net interest-bearing debt	646.4	658.8	646.4	658.8	643.6

\* Excluding goodwill on consolidation in the parent company Schouw & Co. of DKK 48.1 million.

# Fibertex Nonwovens

Fibertex Nonwovens is among Europe's leading manufacturers of nonwovens, i.e. non-woven textiles used for a number of different industrial purposes. The company's core markets are in Europe, with secondary markets in Africa and North America.

## Financial performance

Fibertex Nonwovens reported H1 2014 revenue of DKK 539 million, a 13% increase from DKK 478 million in H1 2013. The revenue improvement was driven by an increase in business activity, both in Europe and in other regions.

H1 2014 EBIT was DKK 33 million as compared with DKK 20 million in H1 2013. The H1 EBIT performance was lifted by the general increase in demand and higher sales in all segments.

Despite the increase in business activity, working capital at June 30, 2014 was held at DKK 283 million, in line with the level of June 30, 2013. Components of the unchanged working capital was a reduction of inventories and an increase in other debt, offset by an increase in trade receivables resulting from the rise in business activity. During the same period, the net interest-bearing debt was reduced from DKK 481 million at June 30, 2013 to DKK 409 million at June 30, 2014.

## Business development

The level of business activity rose in Europe and in overseas markets relative to H1 2013, and Fibertex Nonwovens reported generally positive developments in H1 2014 with growing market activity and earnings improvements.

The company expects the healthy demand of H1 2014 to continue in the coming months, subject to the usual market uncertainties prevailing in a cyclical business.

Current capacity utilisation is high at all factory sites, driven by solid sales of products to the automotive industry and for industrial applications, as well as higher sales of construction products and geotextiles for infrastructure projects. In addition, the company reports strong growth in sales of customised value-added products.

In the past year, Fibertex Nonwovens has improved its position as a leading manufacturer of industrial nonwovens. A number of structural investments have been made and the business platform has been strengthened.

Fibertex Nonwovens has worked to adapt its operations to the market situation and continue improving its position in the European markets. Also, the company is reporting

# Wholly owned

higher growth rates in non-European markets. The company has worked to continually optimise earnings on its high-volume business through product development and operational improvements combined with increased sales of customised value-added products. Achieving high capacity utilisation and future earnings remains a key focus in terms of sales.

Fibertex Nonwovens expanded its output capacity for processed products in 2013 through a technology upgrade of several production lines as part of its strategy to increase sales of value-added products and optimise capacity utilisation at all three factories. The company is expected to achieve additional improvements by gradually reducing waste from production and by optimising business and work processes in order to increase efficiency and capitalise on in-house synergies.

In terms of development and innovation, the company has built a solid portfolio of new projects, including products for the automotive and composite industries and for filtration and acoustic purposes, as well as products to be sold in new territories, with shipments being gradually stepped up in 2014.

## Outlook

Looking back on a good first six months of the year, Fibertex Nonwovens expects the strong level of activity and high capacity utilisation to persist in the coming months. In the normal course of its business, the company is therefore reviewing various potential initiatives that may help support its future development, including the potential for capacity or geographical expansion.

Demand seems to have stabilised in most industrial markets, but any increased volatility in European markets could, naturally, impact sales.

Based on the actual level of activity in H1 2014 and the current market prospects, Fibertex Nonwovens upgrades the guidance for its FY 2014 revenue to about DKK 1 billion from the previous guidance of about DKK 950 million. In addition, the company raises its EBIT forecast to the DKK 45-55 million range from the previous forecast of DKK 35-45 million.

DKK million	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
Revenue	267	246	539	478	933
- of which from Denmark	63	56	131	111	217
- of which from Czech Rep.	82	74	163	141	277
- of which from France	122	116	245	226	439

# Fibertex Nonwovens

Amounts in DKK million

January 1 – June 30

	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
<b>INCOME STATEMENT</b>					
Revenue	267.4	245.6	538.9	477.9	932.7
Gross profit	55.0	49.5	111.2	97.1	190.6
EBITDA	31.4	26.2	64.5	52.9	102.1
Depreciation	15.7	16.6	31.5	33.2	64.9
<b>Operating profit (EBIT)</b>	<b>15.7</b>	<b>9.6</b>	<b>33.0</b>	<b>19.7</b>	<b>37.2</b>
Profit from associates	(0.9)	(1.1)	(1.0)	(2.6)	(5.0)
Financial items, net	(2.3)	(4.6)	(5.5)	(7.8)	(14.8)
<b>Profit before tax</b>	<b>12.5</b>	<b>3.9</b>	<b>26.5</b>	<b>9.3</b>	<b>17.4</b>
Tax on profit	(3.2)	(1.9)	(7.0)	(3.9)	(5.5)
<b>Profit for the period</b>	<b>9.3</b>	<b>2.0</b>	<b>19.5</b>	<b>5.4</b>	<b>11.9</b>
<b>CASH FLOW</b>					
Cash flows from operating activities	32.5	16.5	50.9	12.9	57.6
Cash flows from investing activities	(7.8)	(11.1)	(12.3)	(17.7)	(35.9)
Cash flows from financing activities	(12.6)	(11.4)	(16.0)	1.5	(25.4)
<b>BALANCE SHEET</b>					
Intangible assets *	65.3	67.8	65.3	67.8	66.6
Property, plant and equipment	427.0	478.5	427.0	478.5	449.3
Other non-current assets	11.0	14.3	11.0	14.3	12.0
Cash and cash equivalents	52.7	30.7	52.7	30.7	30.1
Other current assets	421.4	403.2	421.4	403.2	412.4
<b>Total assets</b>	<b>977.4</b>	<b>994.5</b>	<b>977.4</b>	<b>994.5</b>	<b>970.4</b>
Equity	330.7	320.4	330.7	320.4	314.0
Interest-bearing debt	466.0	512.0	466.0	512.0	482.0
Other creditors	180.7	162.1	180.7	162.1	174.4
<b>Total liabilities and equity</b>	<b>977.4</b>	<b>994.5</b>	<b>977.4</b>	<b>994.5</b>	<b>970.4</b>
Average number of employees	535	513	526	511	511
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	11.7%	10.7%	12.0%	11.1%	10.9%
EBIT margin	5.9%	3.9%	6.1%	4.1%	4.0%
ROIC (annualised)	7.1%	3.6%	7.1%	3.6%	5.1%
Working capital	283.1	282.6	283.1	282.6	285.1
Net interest-bearing debt	409.4	481.3	409.4	481.3	451.8

\* Excluding goodwill on consolidation in the parent company Schouw & Co. of DKK 32.0 million.

# Hydra-Greene

Hydra-Greene is a specialised trading and engineering company whose core business is trading and producing hydraulic components and systems development for industry, as well as providing related consulting services. Hydra-Greene's core operations are based in Denmark and in other parts of Europe, and the company serves selected business segments in overseas markets.

## **Financial performance**

Hydra-Greene generated H1 2014 revenue of DKK 281 million compared with DKK 235 million in H1 2013. Driving the improvement was the significantly higher sales to the wind turbine industry, as the company had anticipated, relative to H1 2013, which was a period with a low level of activity.

H1 2014 EBIT was DKK 32 million as compared with DKK 22 million in H1 2013. The improvement was a direct result of the revenue improvement.

Mainly due to the greater volume of business activity, the working capital grew from DKK 180 million at June 30, 2013 to DKK 195 million at June 30, 2014. Net interest-bearing debt was reduced from DKK 152 million at June 30, 2013, to DKK 145 million at June 30, 2014, even after the company paid DKK 25 million in intra-group dividends in the first quarter of 2014.

## **Business development**

Hydra-Greene had a good first six months of 2014, as activity in the wind turbine segment picked up strongly relative to H1 2013. Sales to the rest of the OEM industry and to the aftermarket also improved compared with the same period of 2013.

Hydra-Greene is still involved in several large development projects for the wind turbine industry. The first of these projects is now fully developed and will begin to generate revenue, while others are not expected to be ready for actual serial production until in 2016.

In China, activity in the wind turbine segment remains moderate compared with H1 2013, when revenue was lifted by one specific order. Hydra-Greene manufactures a number of

# Wholly owned

relatively simple components in China for the local market and produces more complex systems in Denmark.

Sales to the wind turbine industry in India have developed favourably. Sales in the Indian market remain moderate and are mostly directed at local Indian manufacturers. However, the company expects to increase sales in India to international manufacturers in 2014.

Sales in the US market performed very well in H1 2014 compared with H1 2013, mainly due to the growing activity in the wind turbine industry.

A key driver of the US wind turbine market is the fact that the Production Tax Credit ("PTC") for renewable energy was renewed for 2014. The wind turbine industry is hoping for longer-term PCT extensions in the future, but at the same time the entire industry is working to reduce dependence on PTC. If those efforts are successful, it would help stabilise the US wind turbine market.

## **Outlook**

Hydra-Greene expects the strong activity in the wind turbine segment to continue for the rest of 2014, with sales in line with or slightly ahead of H2 2013. The company expects a stable level of activity from its other OEM customers over the next few months.

Hydra-Greene continues to report positive developments in its newest business segment, the offshore industry, which is expected to provide a fair revenue improvement in 2014. Online sales, mainly to specific industry customers and the aftermarket, are expected to continue the upward trend and account for an ever-growing share of overall revenue.

Following a first six months of the year that overall was in line with the company's original expectations, Hydra-Greene maintains its forecast for FY 2014 revenue of just over DKK 500 million. The full-year EBIT forecast is unchanged and expected to be in the DKK 50-60 million range.

# Hydra-Greene

Amounts in DKK million

January 1 – June 30

	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 total
<b>INCOME STATEMENT</b>					
Revenue	147.1	123.8	280.6	235.4	479.5
Gross profit	46.8	40.1	89.5	71.7	148.0
EBITDA	22.0	18.0	40.6	28.8	64.3
Depreciation	4.4	3.3	9.0	6.6	14.2
Impairment	0.0	0.0	0.0	0.0	4.0
<b>Operating profit (EBIT)</b>	<b>17.6</b>	<b>14.7</b>	<b>31.6</b>	<b>22.2</b>	<b>46.1</b>
Financial items, net	(0.7)	(2.4)	(1.3)	(2.4)	(5.7)
<b>Profit before tax</b>	<b>16.9</b>	<b>12.3</b>	<b>30.3</b>	<b>19.8</b>	<b>40.4</b>
Tax on profit	(4.1)	(3.1)	(7.4)	(4.9)	(9.3)
<b>Profit for the period</b>	<b>12.8</b>	<b>9.2</b>	<b>22.9</b>	<b>14.9</b>	<b>31.1</b>
<b>CASH FLOW</b>					
Cash flows from operating activities	(11.7)	11.9	10.3	27.7	63.6
Cash flows from investing activities	(1.8)	(5.6)	(3.5)	(7.2)	(14.6)
Cash flows from financing activities	16.8	(2.2)	(30.3)	(17.2)	(18.4)
<b>BALANCE SHEET</b>					
Intangible assets	18.0	16.1	18.0	16.1	19.4
Property, plant and equipment	101.2	103.9	101.2	103.9	105.4
Other non-current assets	0.0	1.9	0.0	1.9	0.0
Cash and cash equivalents	14.9	11.0	14.9	11.0	38.4
Other current assets	285.6	245.2	285.6	245.2	240.2
<b>Total assets</b>	<b>419.7</b>	<b>378.1</b>	<b>419.7</b>	<b>378.1</b>	<b>403.4</b>
Equity	163.9	147.9	163.9	147.9	167.2
Interest-bearing debt	160.1	163.4	160.1	163.4	165.0
Other creditors	95.7	66.8	95.7	66.8	71.2
<b>Total liabilities and equity</b>	<b>419.7</b>	<b>378.1</b>	<b>419.7</b>	<b>378.1</b>	<b>403.4</b>
Average number of employees	220	208	218	212	215
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	15.1%	14.6%	14.5%	12.2%	13.4%
EBIT margin	12.0%	11.9%	11.3%	9.4%	9.6%
ROIC (annualised)	22.3%	16.5%	22.3%	16.5%	18.2%
Working capital	194.7	179.8	194.7	179.8	172.5
Net interest-bearing debt	145.2	152.4	145.2	152.4	126.6

# Kramp

**20% owned**

Kramp is the leading supplier of spare parts and accessories for the agricultural sector in Europe, and a supplier of technical articles and other goods for industry.

On August 29, 2013, Schouw & Co. announced the merger of its wholly owned subsidiary Grene and 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 combined business, parented by Kramp Groep B.V. of Varsseveld, the Netherlands.

## **Financial performance**

Kramp generated revenue of DKK 2,576 million in H1 2014, compared with pro forma revenue of DKK 2,375 million in H1 2013. A large part of the increase was due to positive climatic conditions in the early months of 2014, whereas the long-lasting winter in 2013 postponed the usual spring preparations in the agricultural sector. All markets contributed to the improvements in the broadly-based positive developments.

EBIT before the effect of purchase price allocations increased to DKK 241 million in H1 2014 from the comparable amount of DKK 198 million in H1 2013. The increase in operating profit was the direct effect of the increase in revenue.

Schouw & Co. recognises Kramp as an associate at a 20% share of its profit as stated after tax. The recognised share of the profit for H1 2014 was reduced by DKK 36 million due to adjustments that mainly related to the purchase price allocation prepared in connection with the merger. As a result, the share of the financial results from associates attributable to the ownership of Kramp was negative at DKK 2 million in H1 2014.

Working capital increased to DKK 1,511 million at June 30, 2014 from the pro forma amount of DKK 1,364 million at June 30, 2013. Net interest-bearing debt increased to DKK 1,265 million from the pro forma amount of DKK 1,200 million at June 30, 2013.

## **Business development**

Kramp and Grene 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 expanded from

that base to other European countries, 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 the individual warehouses and sales offices are highly complementary, and have 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 will strengthen collaboration with Kramp's many suppliers. The customers will generally only notice the merger through the broader assortment offered from more brands and on more competitive terms. Lastly, there are a number of efficiency gains to be had from combining tools and systems of the two companies, with the ambition to take the best components from each and combine them.

Kramp is priming the combined business for continued growth. The facilities around the headquarters in Varsseveld are currently being extended, and the construction work is scheduled for completion by the end of the year.

## **Outlook**

Historically, Kramp and Grene were two comparable businesses with similar operations and subject to the same general market conditions. The businesses have a tradition for delivering solid earnings and stable and positive operating cash flows. One of the ways to achieve further operational excellence is through continual efficiency enhancements, primarily in the logistics functions. One of the goals is to have an ongoing focus on increasing revenue per employee.

The merger will still to some extent impact operations in H2 2014, but with the H1 2014 performance in line with expectations, Kramp continues to anticipate a FY revenue at the level of DKK 4.5 to 5.0 billion. Likewise expectations are maintained for EBIT to improve to at least DKK 400 million, disregarding the depreciation charges resulting from the accounting treatment of the purchase price adjustment.



	Q2 2014	Q2 2013	YTD 2014	YTD 2013 *	2013 total *
<b>INCOME STATEMENT</b>					
Revenue	1,359.6	1,305.2	2,575.8	2,375.5	4,593.7
Gross profit	526.1	503.2	974.4	898.3	1,740.1
EBITDA	178.6	165.5	297.3	253.3	461.8
Depreciation	28.5	28.2	56.7	55.7	113.3
<b>Operating profit (EBIT)</b>	<b>150.1</b>	<b>137.3</b>	<b>240.6</b>	<b>197.6</b>	<b>348.5</b>
Financial items, net	(12.0)	(26.3)	(29.0)	(34.8)	(38.4)
<b>Profit before tax</b>	<b>138.1</b>	<b>111.0</b>	<b>211.6</b>	<b>162.8</b>	<b>310.1</b>
Tax on profit	(28.2)	(25.8)	(42.3)	(33.5)	(57.6)
<b>Profit for the period</b>	<b>109.9</b>	<b>85.1</b>	<b>169.3</b>	<b>129.2</b>	<b>252.5</b>
<b>Share of profit recognised by Schouw &amp; Co.</b>	<b>13.4</b>	<b>0.0</b>	<b>(1.9)</b>	<b>0.0</b>	<b>(17.5)</b>
<b>CASH FLOW</b>					
Cash flows from operating activities	(105.7)	59.1	(41.7)	54.4	339.1
Cash flows from investing activities	(46.6)	(75.6)	(86.7)	(89.0)	(91.0)
Cash flows from financing activities	(157.0)	(191.5)	127.3	33.7	(247.8)
<b>BALANCE SHEET</b>					
Property, plant and equipment	968.2	985.5	968.2	985.5	939.0
Other non-current assets	0.0	0.0	0.0	0.0	57.4
Cash and cash equivalents	0.0	0.0	0.0	0.0	1.1
Other current assets	2,025.7	1,872.7	2,025.7	1,872.7	1,553.0
<b>Total assets</b>	<b>2,993.9</b>	<b>2,858.2</b>	<b>2,993.9</b>	<b>2,858.2</b>	<b>2,550.5</b>
Equity	1,214.3	1,150.0	1,214.3	1,150.0	1,229.9
Interest-bearing debt	1,265.1	1,199.9	1,265.1	1,199.9	969.2
Other creditors	514.5	508.3	514.5	508.3	351.4
<b>Total liabilities and equity</b>	<b>2,993.9</b>	<b>2,858.2</b>	<b>2,993.9</b>	<b>2,858.2</b>	<b>2,550.5</b>
Average number of employees	2,637	2,502	2,590	2,439	2,486
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	13.1%	12.7%	11.5%	10.7%	10.1%
EBIT margin	11.0%	10.5%	9.3%	8.3%	7.6%
Working capital	1,511.2	1,364.3	1,511.2	1,364.3	1,229.3
Net interest-bearing debt	1,265.1	1,199.9	1,265.1	1,199.9	968.1

\*) Comparative figures for 2013 are pro forma aggregate figures for Kramp and Grene.

# Income and comprehensive income statement

Amounts in DKK million

January 1 – June 30

Note	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 TOTAL
1 Revenue	2,659.2	2,675.1	5,063.9	4,963.6	11,644.9
Cost of sales	(2,270.2)	(2,285.3)	(4,333.5)	(4,261.8)	(9,964.2)
<b>Gross profit</b>	<b>389.0</b>	<b>389.8</b>	<b>730.4</b>	<b>701.8</b>	<b>1,680.7</b>
Other operating income	2.5	2.1	4.6	4.2	65.1
Distribution costs	(161.2)	(174.8)	(317.9)	(344.6)	(703.0)
2 Administrative expenses	(89.3)	(90.1)	(177.5)	(179.4)	(357.5)
Other operation expenses	(0.1)	0.0	(0.1)	(0.1)	(0.7)
<b>Operating profit (EBIT)</b>	<b>140.9</b>	<b>127.0</b>	<b>239.5</b>	<b>181.9</b>	<b>684.6</b>
Profit/(loss) after tax in associates, etc.	10.5	(0.8)	(6.6)	(2.0)	(21.5)
Financial income	7.2	148.1	14.6	228.1	527.0
Financial expenses	(17.2)	(24.4)	(32.5)	(42.8)	(81.3)
<b>Profit before tax</b>	<b>141.4</b>	<b>249.9</b>	<b>215.0</b>	<b>365.2</b>	<b>1,108.8</b>
Tax on profit	(32.3)	(46.0)	(52.3)	(61.9)	(249.3)
<b>Profit for the period from continuing operations</b>	<b>109.1</b>	<b>203.9</b>	<b>162.7</b>	<b>303.3</b>	<b>859.5</b>
7 Profit for the period from discontinued operations	0.0	15.1	0.0	283.5	508.1
<b>Profit for the period</b>	<b>109.1</b>	<b>219.0</b>	<b>162.7</b>	<b>586.8</b>	<b>1,367.6</b>
Attributable to:					
Shareholders of Schouw & Co.	109.1	219.0	162.7	586.9	1,367.4
Minority interests	0.0	0.0	0.0	(0.1)	0.2
<b>Profit for the period</b>	<b>109.1</b>	<b>219.0</b>	<b>162.7</b>	<b>586.8</b>	<b>1,367.6</b>
3 Earnings per share (DKK)	4.60	9.19	6.84	24.73	57.46
3 Diluted earnings per share (DKK)	4.57	9.16	6.81	24.67	57.28
3 Earnings per share from continuing operations (DKK)	4.60	8.55	6.84	12.78	36.11
3 Diluted earnings per share from continuing operations (DKK)	4.57	8.53	6.81	12.75	36.00
<b>Comprehensive income</b>					
Items that can be reclassified to the profit and loss statement:					
Exchange rate adjustment of foreign subsidiaries etc.	23.9	(75.5)	41.4	(85.3)	(202.3)
Value adjustment of hedging instruments recognised	2.4	14.5	(8.4)	16.9	12.6
Value adjustment of hedging instruments transferred to cost of sales	0.0	0.0	1.1	2.0	2.0
Value adjustment of hedging instruments transferred to financials	1.2	2.4	2.6	4.5	11.1
Hedging instruments transferred to discontinued	0.0	0.0	0.0	0.0	13.4
Other comprehensive income from associates	3.0	0.3	2.7	0.4	(3.4)
Other adjustment on equity	(0.4)	0.0	(0.4)	0.0	0.0
Tax on other comprehensive income	(1.2)	(4.5)	0.9	(6.1)	(5.8)
<b>Other comprehensive income after tax</b>	<b>28.9</b>	<b>(62.8)</b>	<b>39.9</b>	<b>(67.6)</b>	<b>(172.4)</b>
Profit for the period	109.1	219.0	162.7	586.8	1,367.6
<b>Total recognised comprehensive income</b>	<b>138.0</b>	<b>156.2</b>	<b>202.6</b>	<b>519.2</b>	<b>1,195.2</b>
Attributable to:					
Shareholders of Schouw & Co.	138.0	156.3	202.6	519.5	1,195.0
Minority interests	0.0	(0.1)	0.0	(0.3)	0.2
<b>Total recognised comprehensive income</b>	<b>138.0</b>	<b>156.2</b>	<b>202.6</b>	<b>519.2</b>	<b>1,195.2</b>

# Cash flow statement

Amounts in DKK million

January 1 – June 30

Note	Q2 2014	Q2 2013	YTD 2014	YTD 2013	2013 TOTAL
Profit before tax	141.4	249.9	215.0	365.2	1,108.8
Adjustment for operating items of a non-cash nature, etc.					
Depreciation and impairment losses	88.1	88.8	175.8	177.6	354.0
Other operating items, net	19.9	0.6	14.3	6.0	(54.9)
Provisions	(0.2)	0.5	(0.4)	0.7	(2.0)
Income from investments in associates, etc. after tax	(10.5)	0.8	6.6	2.0	21.5
Financial income	(7.2)	(148.1)	(14.6)	(228.1)	(527.0)
Financial expenses	17.2	24.4	32.5	42.8	81.3
<b>Cash flows from operating activities before change in working capital</b>	<b>248.7</b>	<b>216.9</b>	<b>429.2</b>	<b>366.2</b>	<b>981.7</b>
Changes in working capital	(23.5)	(101.4)	(116.8)	(307.3)	(86.8)
<b>Cash flows from operating activities</b>	<b>225.2</b>	<b>115.5</b>	<b>312.4</b>	<b>58.9</b>	<b>894.9</b>
Dividend received from associates	0.0	0.0	31.3	0.0	0.0
Interest income received	5.1	5.2	11.9	12.0	20.5
Interest expenses paid	(15.0)	(21.9)	(31.7)	(42.8)	(79.4)
<b>Cash flows from ordinary activities</b>	<b>215.3</b>	<b>98.8</b>	<b>323.9</b>	<b>28.1</b>	<b>836.0</b>
Income tax paid	(22.9)	(19.8)	(49.4)	(66.4)	(168.6)
<b>Cash flows from operating activities</b>	<b>192.4</b>	<b>79.0</b>	<b>274.5</b>	<b>(38.3)</b>	<b>667.4</b>
Purchase of intangible assets	(1.3)	(4.9)	(2.7)	(6.4)	(24.0)
Purchase of property, plant and equipment	(49.7)	(144.1)	(95.3)	(197.6)	(345.5)
Sale of property, plant and equipment	0.0	0.0	0.0	0.0	140.0
Acquisition of enterprises	0.0	0.0	0.0	0.0	(0.5)
Acquisition of associates	0.0	0.0	0.0	(2.1)	(4.8)
Loan to associates	(3.8)	1.3	(4.2)	1.2	0.6
Purchase of securities	(9.8)	(1.8)	(9.8)	(2.0)	(1.5)
Sale of securities	0.0	0.2	0.0	145.8	757.2
<b>Cash flows from investing activities</b>	<b>(64.6)</b>	<b>(149.3)</b>	<b>(112.0)</b>	<b>(61.1)</b>	<b>521.5</b>
Debt financing:					
Repayment of non-current liabilities	(127.3)	(182.5)	(186.0)	(249.7)	(392.6)
Proceeds from incurring non current financial liabilities	63.6	505.3	63.6	517.6	574.3
Increase (repayment) of bank overdrafts	121.1	(192.6)	389.8	(239.4)	(787.5)
Shareholders:					
Dividend paid	(142.9)	(119.2)	(142.9)	(119.2)	(119.2)
Purchase / sale of treasury shares etc., net	(13.4)	7.9	(68.4)	33.2	37.9
<b>Cash flows from financing activities</b>	<b>(98.9)</b>	<b>18.9</b>	<b>56.1</b>	<b>(57.5)</b>	<b>(687.1)</b>
<b>7 Cash flows from discontinued operations</b>	<b>0.0</b>	<b>1.3</b>	<b>0.0</b>	<b>470.6</b>	<b>434.1</b>
<b>Cash flows for the period</b>	<b>28.9</b>	<b>(50.1)</b>	<b>218.6</b>	<b>313.7</b>	<b>935.9</b>
Cash and cash equivalents at January 1	1,513.9	771.0	1,324.0	406.8	406.8
Reclassification of cash and cash equivalents at January 1	0.0	0.0	0.0	0.0	(12.5)
Value adjustment of cash and cash equivalents	0.4	(1.3)	0.6	(0.9)	(6.2)
<b>Cash and cash equivalents at June 30</b>	<b>1,543.2</b>	<b>719.6</b>	<b>1,543.2</b>	<b>719.6</b>	<b>1,324.0</b>

# Balance sheet

Amounts in DKK million

Note	AT JUN. 30, 2014	AT DEC. 31, 2013	AT JUN. 30, 2013	AT DEC. 31, 2012
Goodwill	877.9	876.0	896.8	895.0
Completed development projects	16.6	18.1	43.6	25.5
Development projects in progress	0.2	0.1	24.0	34.7
Other intangible assets	41.5	45.5	51.2	55.9
<b>Intangible assets</b>	<b>936.2</b>	<b>939.7</b>	<b>1,015.6</b>	<b>1,011.1</b>
Land and buildings	1,156.8	1,168.6	1,446.3	1,522.3
Plant and machinery	1,230.3	1,303.2	1,251.1	1,334.9
Other fixtures, tools and equipment	72.8	79.9	102.8	115.7
Assets under construction, etc.	125.6	77.0	338.4	178.4
<b>Property, plant and equipment</b>	<b>2,585.5</b>	<b>2,628.7</b>	<b>3,138.6</b>	<b>3,151.3</b>
Equity investments in associates, etc.	604.4	639.6	48.2	50.1
4 Securities	110.1	99.5	335.7	154.9
Deferred tax	70.9	75.2	215.3	192.7
Receivables	149.9	154.1	71.1	116.1
<b>Other non-current assets</b>	<b>935.3</b>	<b>968.4</b>	<b>670.3</b>	<b>513.8</b>
<b>Total non-current assets</b>	<b>4,457.0</b>	<b>4,536.8</b>	<b>4,824.5</b>	<b>4,676.2</b>
Inventories	1,374.4	1,151.5	1,787.5	1,773.1
5 Receivables	2,438.1	2,675.2	2,764.7	2,671.0
Income tax receivable	0.6	8.8	8.6	6.5
4 Securities	0.1	0.1	0.4	132.2
Cash and cash equivalents	1,543.2	1,324.0	719.6	392.7
<b>Total current assets</b>	<b>5,356.4</b>	<b>5,159.6</b>	<b>5,280.8</b>	<b>4,975.5</b>
7 Assets held for sale	0.0	0.0	0.0	729.6
<b>Total assets</b>	<b>9,813.4</b>	<b>9,696.4</b>	<b>10,105.3</b>	<b>10,381.3</b>

# Balance sheet

Amounts in DKK million

Note	AT JUN. 30, 2014	AT DEC. 31, 2013	AT JUN. 30, 2013	AT DEC. 31, 2012	
6	Share capital	255.0	255.0	255.0	255.0
	Hedge transaction reserve	(18.7)	(14.5)	(24.9)	(42.6)
	Exchange adjustment reserve	4.7	(36.7)	74.8	159.9
	Retained earnings	5,495.7	5,385.8	4,755.2	4,124.1
	Proposed dividend	0.0	153.0	0.0	127.5
	<b>Share of equity attributable to the parent company</b>	<b>5,736.7</b>	<b>5,742.6</b>	<b>5,060.1</b>	<b>4,623.9</b>
	Minority interests	3.0	3.4	3.1	3.4
	<b>Total equity</b>	<b>5,739.7</b>	<b>5,746.0</b>	<b>5,063.2</b>	<b>4,627.3</b>
	Deferred tax	115.3	127.9	118.8	125.6
	Pensions, provisions and other liabilities	95.8	98.2	65.9	90.0
8	Credit institutions	902.1	1,035.1	1,275.8	890.1
	<b>Non-current liabilities</b>	<b>1,113.2</b>	<b>1,261.2</b>	<b>1,460.5</b>	<b>1,105.7</b>
8	Current portion of non-current debt	220.9	200.2	150.9	278.7
8	Credit institutions	487.1	238.3	1,049.1	1,280.7
	Trade payables and other payables	2,236.0	2,237.2	2,317.9	2,519.3
	Income tax	16.5	13.5	63.7	45.2
	<b>Current liabilities</b>	<b>2,960.5</b>	<b>2,689.2</b>	<b>3,581.6</b>	<b>4,123.9</b>
	<b>Total liabilities</b>	<b>4,073.7</b>	<b>3,950.4</b>	<b>5,042.1</b>	<b>5,229.6</b>
7	Liabilities associated with assets held for sale	0.0	0.0	0.0	524.4
	<b>Total liabilities and equity</b>	<b>9,813.4</b>	<b>9,696.4</b>	<b>10,105.3</b>	<b>10,381.3</b>
9-10	Notes without reference				

# Statement of changes in equity

Amounts in DKK million

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Dividend	Total	Minority interests	Total equity
Equity at January 1, 2014	255.0	(14.5)	(36.7)	5,385.8	153.0	5,742.6	3.4	5,746.0
Other comprehensive income for the period								
Exchange rate adjustment of foreign subsidiaries	-	-	41.4	-	-	41.4	0.0	41.4
Value adjustment of hedging instruments recognised during the period	-	(8.4)	-	-	-	(8.4)	0.0	(8.4)
Value adjustment of hedging instruments transferred to cost of sales	-	1.1	-	-	-	1.1	0.0	1.1
Value adjustment of hedging instruments transferred to financials	-	2.6	-	-	-	2.6	0.0	2.6
Other comprehensive income from associates	-	(0.4)	-	3.1	-	2.7	0.0	2.7
Tax on other comprehensive income	-	0.9	-	0.0	-	0.9	0.0	0.9
Other adjustment on equity	-	-	-	(0.4)	-	(0.4)	0.0	(0.4)
Profit for the period	-	-	-	162.7	-	162.7	0.0	162.7
<b>Total recognised comprehensive income</b>	-	(4.2)	41.4	165.4	-	202.6	0.0	202.6
Transactions with the owners:								
Share-based payment, net	-	-	-	2.4	-	2.4	0.0	2.4
Dividend distributed	-	-	-	10.5	(153.0)	(142.5)	(0.4)	(142.9)
Treasury shares bought/sold	-	-	-	(68.4)	-	(68.4)	-	(68.4)
<b>Transactions with the owners for the period</b>	0.0	0.0	0.0	(55.5)	(153.0)	(208.5)	(0.4)	(208.9)
<b>Equity at June 30, 2014</b>	255.0	(18.7)	4.7	5,495.7	0.0	5,736.7	3.0	5,739.7

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Dividend	Total	Minority interests	Total equity
Equity at January 1, 2013	255.0	(42.6)	159.9	4,124.1	127.5	4,623.9	3.4	4,627.3
Other comprehensive income for the period								
Exchange rate adjustment of foreign subsidiaries	-	-	(85.1)	-	-	(85.1)	(0.2)	(85.3)
Value adjustment of hedging instruments recognised during the period	-	16.9	-	-	-	16.9	0.0	16.9
Value adjustment of hedging instruments transferred to cost of sales	-	2.0	-	-	-	2.0	0.0	2.0
Value adjustment of hedging instruments transferred to financials	-	4.5	-	-	-	4.5	0.0	4.5
Other comprehensive income from associates	-	0.4	-	0.0	-	0.4	0.0	0.4
Tax on other comprehensive income	-	(6.1)	-	0.0	-	(6.1)	0.0	(6.1)
Profit for the period	-	-	-	586.9	-	586.9	(0.1)	586.8
<b>Total recognised comprehensive income</b>	-	17.7	(85.1)	586.9	-	519.5	(0.3)	519.2
Transactions with the owners:								
Share-based payment, net	-	-	-	2.7	-	2.7	0.0	2.7
Dividend distributed	-	-	-	8.3	(127.5)	(119.2)	0.0	(119.2)
Treasury shares bought/sold	-	-	-	33.2	-	33.2	-	33.2
<b>Transactions with the owners for the period</b>	0.0	0.0	0.0	44.2	(127.5)	(83.3)	0.0	(83.3)
<b>Equity at June 30, 2013</b>	255.0	(24.9)	74.8	4,755.2	0.0	5,060.1	3.1	5,063.2

# Notes

Amounts in DKK million

## 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 & Co. has identified four (six in 2013) reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens and Hydra-Grene (as well as Grene and Martin in 2013).

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.

Total reportable segments YTD 2014	BioMar	Fibertex		Hydra-Grene	Continuing activities	Grene	Martin	Dis-continuing activities	Total
		Personal Care	Fibertex Nonwovens						
External revenue	3,429.5	815.1	535.0	280.6	5,060.2	0.0	0.0	0.0	5,060.2
Intra-group revenue	0.0	31.7	3.9	0.0	35.6	0.0	0.0	0.0	35.6
Segment revenue	3,429.5	846.8	538.9	280.6	5,095.8	0.0	0.0	0.0	5,095.8
Depreciation	70.4	63.7	31.5	9.0	174.6	0.0	0.0	0.0	174.6
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	112.4	72.6	33.0	31.6	249.6	0.0	0.0	0.0	249.6
Segment assets	5,001.1	1,799.2	1,009.4	419.7	8,229.4	0.0	0.0	0.0	8,229.4
of which goodwill	727.9	72.4	77.6	0.0	877.9	0.0	0.0	0.0	877.9
Equity investments in associates	0.0	0.0	10.9	0.0	10.9	0.0	0.0	0.0	10.9
Segment liabilities	2,906.0	1,121.1	646.7	255.8	4,929.6	0.0	0.0	0.0	4,929.6
Working capital	802.1	268.4	283.1	194.7	1,548.3	0.0	0.0	0.0	1,548.3
NIBD	538.8	646.4	409.4	145.2	1,739.8	0.0	0.0	0.0	1,739.8
Cash flows from operating activities	84.3	100.2	50.9	10.3	245.7	0.0	0.0	0.0	245.7
Cash flows from investing activities	(77.7)	(18.0)	(12.3)	(3.5)	(111.5)	0.0	0.0	0.0	(111.5)
Cash flows from financing activities	13.3	(12.8)	(16.0)	(30.3)	(45.8)	0.0	0.0	0.0	(45.8)
Capital expenditure	67.9	18.0	8.5	3.5	97.9	0.0	0.0	0.0	97.9
Average number of employees	897	428	526	218	2,069	0	0	0	2,069

Total reportable segments YTD 2013	BioMar	Fibertex		Hydra-Grene	Continuing activities	Grene	Martin	Dis-continuing activities	Total
		Personal Care	Fibertex Nonwovens						
External revenue	3,420.8	784.3	473.6	235.4	4,914.1	670.2	131.2	801.4	5,715.5
Intra-group revenue	0.0	18.6	4.3	0.0	22.9	1.5	0.0	1.5	24.4
Segment revenue	3,420.8	802.9	477.9	235.4	4,937.0	671.7	131.2	802.9	5,739.9
Depreciation	72.5	63.0	33.2	6.6	175.3	18.3	0.0	18.3	193.6
Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	63.0	84.0	19.7	22.2	188.9	32.0	5.2	37.2	226.1
Segment assets	5,047.4	1,630.7	1,026.5	378.1	8,082.7	1,088.9	0.0	1,088.9	9,171.6
of which goodwill	738.0	72.4	77.6	0.0	888.0	8.8	0.0	8.8	896.8
Equity investments in associates	0.0	0.0	13.0	1.9	14.9	0.0	0.0	0.0	14.9
Segment liabilities	3,005.3	980.0	674.1	230.2	4,889.6	739.5	0.0	739.5	5,629.1
Working capital	1,069.6	244.0	282.6	179.8	1,776.0	443.6	0.0	443.6	2,219.6
NIBD	833.0	658.8	481.3	152.4	2,125.5	469.1	0.0	469.1	2,594.6
Cash flows from operating activities	(170.6)	125.4	12.9	27.7	(4.6)	(11.5)	23.9	12.4	7.8
Cash flows from investing activities	107.4	(144.1)	(17.7)	(7.2)	(61.6)	(19.7)	89.6	69.9	8.3
Cash flows from financing activities	161.0	15.1	1.5	(17.2)	160.4	38.3	(114.2)	(75.9)	84.5
Capital expenditure	36.3	144.1	15.6	7.2	203.2	20.8	7.4	28.2	231.4
Average number of employees	887	376	511	212	1,986	896	534	1,430	3,416

# Notes

Amounts in DKK million

## NOTE 1 - Segment reporting (continued)

Reconciliation of revenue, EBIT, assets and liabilities, in H1 2014	Group revenue	EBIT	Assets	Liabilities
Reporting segments	5,095.8	249.6	8,229.4	4,929.6
Non-reporting segments	3.8	1.6	213.8	59.1
The parent company	2.2	(11.7)	4,735.6	124.1
Group elimination	(37.9)	0.0	(3,365.4)	(1,039.1)
<b>Total</b>	<b>5,063.9</b>	<b>239.5</b>	<b>9,813.4</b>	<b>4,073.7</b>

Reconciliation of revenue, EBIT, assets and liabilities, in H1 2013	Group revenue	EBIT	Assets	Liabilities
Reporting segments	5,739.9	226.1	9,171.6	5,629.1
Discontinued operations	(802.9)	(37.2)	-	0.0
Non-reporting segments	40.7	(1.1)	727.5	71.2
The parent company	10.5	(5.9)	4,010.5	290.4
Group elimination	(24.5)	0.0	(3,804.3)	(948.6)
<b>Total</b>	<b>4,963.6</b>	<b>181.9</b>	<b>10,105.3</b>	<b>5,042.1</b>

## NOTE 2 - 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% p.a.) from the date of grant until the date of exercise.

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 2010	34,000	8,000	42,000	125.53	24.38	4.4	March 2012	March 2014
Granted in 2011	55,000	58,000	113,000	151.61	25.80	6.2	March 2013	March 2015
Granted in 2012	55,000	166,000	221,000	155.83	24.24	5.8	March 2014	March 2016
Granted in 2013	55,000	164,000	219,000	211.63	20.19	4.4	March 2015	March 2017
<b>Outstanding options at December 31, 2013</b>	<b>199,000</b>	<b>396,000</b>	<b>595,000</b>					
Granted in 2014	55,000	170,000	225,000	297.50	30.87	6.9	March 2016	March 2018
Exercised (from the share options granted in 2010)	-34,000	-8,000	-42,000					
Exercised (from the share options granted in 2011)	-15,000	-58,000	-73,000					
Exercised (from the share options granted in 2012)	-15,000	-116,000	-131,000					
Lapsed (from 2013 grant)	0	-2,333	-2,333					
<b>Outstanding options at June 30, 2014</b>	<b>190,000</b>	<b>381,667</b>	<b>571,667</b>					

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

Options exercised in H1 2014:	Exercised number of shares	Average exercise price in DKK	Average share price in DKK on the dates the options were exercised	Group's cash proceeds in DKK million
Exercised from the share options granted in 2010	42,000	122.23	248.71	5.1
Exercised from the share options granted in 2011	73,000	142.50	246.88	10.4
Exercised from the share options granted in 2012	131,000	142.69	261.54	18.7
<b>Total</b>	<b>246,000</b>			<b>34.2</b>

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

	2014 grant	2013 grant	2012 grant	2011 grant
Expected volatility	26.12%	26.36%	34.48%	33.75%
Expected term	48 mths	48 mths	48 mths	48 mths
Expected dividend per share	DKK 5	DKK 4	DKK 3	DKK 3
Risk-free interest rate	0.65%	0.62%	1.04%	3.00%

The expected volatility is calculated on the basis of 12 months historical volatility based on average prices. If the optionholders have not exercised 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.



# Notes

Amounts in DKK million

## NOTE 3 - Earnings per share (DKK)

	Q2 2014	Q2 2013	YTD 2014	YTD 2013
Share of the profit for the period attributable to shareholders of Schouw & Co.	109.1	219.0	162.7	586.9
Of which profit for the period from continuing operations	109.1	203.9	162.7	303.3
Of which profit for the period from discontinued operations	0.0	15.1	0.0	283.6
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	(1,757,811)	(1,659,970)	(1,706,662)	(1,772,124)
Average number of outstanding shares	23,742,189	23,840,030	23,793,338	23,727,876
Average dilutive effect of outstanding share options	108,533	70,997	94,079	58,120
Diluted average number of outstanding shares	23,850,722	23,911,027	23,887,417	23,785,996
Earnings in Danish kroner per share of DKK 10	4.60	9.19	6.84	24.73
Diluted earnings in Danish kroner per share of DKK 10	4.57	9.16	6.81	24.67
Earnings per share in Danish kroner of DKK 10 from continuing operations	4.60	8.55	6.84	12.78
Diluted earnings per share in Danish kroner of DKK 10 from continuing operations	4.57	8.53	6.81	12.75
Earnings per share from discontinued operations (DKK)	0.00	0.64	0.00	11.95
Diluted earnings per share from discontinued operations (DKK)	0.00	0.63	0.00	11.92

## NOTE 4 - Securities

	AT JUN. 30, 2014	AT DEC. 31, 2013	AT JUN. 30, 2013	AT DEC. 31, 2012
Financial investments				
Shares in Vestas (non-current securities)	-	-	325.6	127.4
Shares in Lerøys (current securities)	-	-	-	131.7
Financial investments in total	-	-	325.6	259.1
Other securities (1)	110.2	99.6	10.5	28.0
Securities in total	110.2	99.6	336.1	287.1

### Securities measured at fair value:

#### Non-current assets

Cost at January 1	100.9	347.6	347.6	347.3
Reclassification	0.0	87.2	(24.9)	(1.5)
Foreign exchange adjustment	0.8	(6.0)	(0.8)	1.5
Additions	9.7	1.5	2.0	7.3
Disposals	0.0	(329.4)	(0.9)	(7.0)
Cost at June 30	111.4	100.9	323.0	347.6
Adjustments at January 1	(1.4)	(192.7)	(192.7)	(72.6)
Reclassification	0.0	0.4	6.8	1.0
Foreign exchange adjustment	0.0	0.4	0.4	(0.5)
Disposals on divestment	0.0	(293.6)	0.0	0.0
Adjustments recognised in the income statement for the period	0.1	484.1	198.2	(120.6)
Adjustments at June 30	(1.3)	(1.4)	12.7	(192.7)
Carrying amount of non-current assets at June 30	110.1	99.5	335.7	154.9

#### Current assets

Cost at January 1	6.8	170.0	170.0	160.7
Foreign exchange adjustment	0.0	(2.1)	(2.0)	9.3
Disposals	0.0	(161.1)	(161.1)	0.0
Cost at June 30	6.8	6.8	6.9	170.0
Adjustments at January 1	(6.7)	(37.8)	(37.8)	(79.8)
Foreign exchange adjustment	0.0	0.4	0.4	(3.4)
Disposals on divestment	0.0	16.2	16.2	0.0
Dividend	0.0	0.0	0.0	(6.9)
Adjustments recognised in the income statement for the period	0.0	14.5	14.7	52.3
Adjustments at June 30	(6.7)	(6.7)	(6.5)	(37.8)
Carrying amount of non-current assets at June 30	0.1	0.1	0.4	132.2
<b>Carrying amount at June 30</b>	<b>110.2</b>	<b>99.6</b>	<b>336.1</b>	<b>287.1</b>

1) Salmonies Austrial SpA. is recognised under other securities at June 30, 2014 in the amount of DKK 100.8 million.

# Notes

Amounts in DKK million

## NOTE 5 - Receivables

### Trade receivables

At June 30, 2014	Not due	Due between			Total
		1-30 days	31-90 days	>91 days	
Trade receivables not considered to be impaired	1,929.7	136.7	44.9	36.6	2,147.9
Trade receivables individually assessed to be impaired	36.3	30.5	34.3	293.2	394.3
Trade receivables in total	1,966.0	167.2	79.2	329.8	2,542.2
Impairment losses on trade receivables	(2.8)	(2.7)	(1.8)	(209.4)	(216.7)
Trade receivables net	1,963.2	164.5	77.4	120.4	2,325.5
Proportion of the total receivables which is expected to be settled					91.5%
Impairment percentage	0.1%	1.6%	2.3%	63.5%	8.5%
Reconciliation to the balance					
Trade receivables - net					2,325.5
Other receivables - current					106.6
Accruals and deferred income					6.0
Total current receivables					2,438.1

At June 30, 2013	Not due	Due between			Total
		1-30 days	31-90 days	>91 days	
Trade receivables not considered to be impaired	2,114.2	251.3	56.0	21.4	2,442.9
Trade receivables individually assessed to be impaired	165.9	24.6	26.2	199.4	416.1
Trade receivables in total	2,280.1	275.9	82.2	220.8	2,859.0
Impairment losses on trade receivables	(67.5)	(5.7)	(4.6)	(167.5)	(245.3)
Trade receivables net	2,212.6	270.2	77.6	53.3	2,613.7
Proportion of the total receivables which is expected to be settled					91.4%
Impairment percentage	3.0%	2.1%	5.6%	75.9%	8.6%
Reconciliation to the balance					
Trade receivables - net					2,613.7
Other receivables - current					132.8
Construction contracts					2.6
Accruals and deferred income					15.6
Total current receivables					2,764.7

## NOTE 6 - Share capital

At June 30, 2014, the share capital consisted of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally.

	Number of shares	Nominal value	Cost	Percentage of share capital
<b>Treasury shares</b>				
January 1, 2013	1,938,363	19,383,630	239.2	7.60%
Movements in H1 2013				
Share option programme	(281,250)	(2,812,500)	(28.8)	-1.10%
June 30, 2013	1,657,113	16,571,130	210.4	6.50%
Movements in H2 2013				
Share option programme	(36,000)	(360,000)	(4.4)	-0.14%
December 31, 2013	1,621,113	16,211,130	206.0	6.36%
Movements in H1 2014				
Bought	399,687	3,996,870	103.0	1.57%
Share option programme	(246,000)	(2,460,000)	(29.8)	-0.96%
June 30, 2014	1,774,800	17,748,000	279.2	6.96%

Schow & 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.

# Notes

Amounts in DKK million

## NOTE 7 - Discontinued operations and assets held for sale

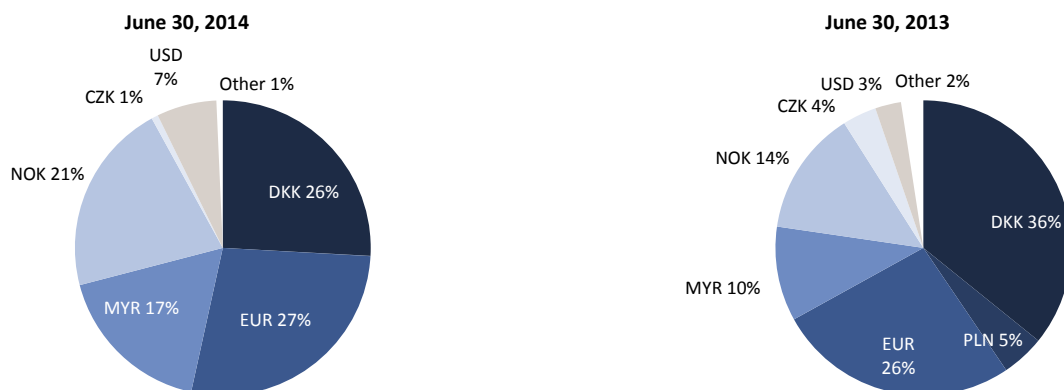
	YTD 2014	YTD 2013
<b>Profit from discontinued operations</b>		
Revenue	0.0	786.6
Cost of sales	0.0	(522.6)
<b>Gross profit</b>	<b>0.0</b>	<b>264.0</b>
Distribution costs	0.0	(173.9)
Administrative expenses	0.0	(53.4)
Other operating income/expenses, net	0.0	0.5
<b>Operating profit (EBIT)</b>	<b>0.0</b>	<b>37.2</b>
Financial items, net	0.0	(15.8)
<b>Profit before tax</b>	<b>0.0</b>	<b>21.4</b>
Tax on profit for the year	0.0	(6.1)
<b>Profit after tax</b>	<b>0.0</b>	<b>15.3</b>
Gains from the sale of business activities including costs	0.0	268.3
Tax on divestment	0.0	0.0
<b>Profit for the period from discontinued operations</b>	<b>0.0</b>	<b>283.6</b>
Attributable to:		
Shareholders of Schouw & Co.	0.0	283.7
Minority interests	0.0	(0.1)
<b>Profit for the period</b>	<b>0.0</b>	<b>283.6</b>
Earnings per share from discontinued operations (DKK)	0.00	11.95
Diluted earnings per share from discontinued operations (DKK)	0.00	11.92
Cash flows from operating activities	0.0	12.4
Cash flows from investing activities	0.0	(27.1)
Cash flows from financing activities	0.0	(30.5)
Received dividend from discontinued operations	0.0	15.0
Cash proportion of proceeds from divestment	0.0	500.8
<b>Cash flows from discontinued operations</b>	<b>0.0</b>	<b>470.6</b>
Assets held for sale		
Intangible assets	0.0	57.0
Property, plant and equipment	0.0	324.5
Other non-current assets	0.0	10.6
Cash and cash equivalents	0.0	21.0
Other current assets	0.0	675.8
<b>Assets held for sale - total</b>	<b>0.0</b>	<b>1,088.9</b>
<b>Presented under the line item Assets held for sale in the consolidated balance sheet</b>	<b>0.0</b>	<b>0.0</b>
Liabilities associated with assets classified as held for sale		
Interest-bearing debt	0.0	511.0
Other creditors	0.0	228.5
<b>Liabilities associated with assets classified as held for sale - total</b>	<b>0.0</b>	<b>739.5</b>
<b>Presented under the line item Liabilities relating to assets held for sale in the consolidated balance sheet</b>	<b>0.0</b>	<b>0.0</b>

# Notes

Amounts in DKK million

## NOTE 8 - Interest-bearing debt

At the end of the second quarter of 2014 and 2013 the Group's debt divided by currency was as shown below:



The average effective rate of interest was 3.4% at June 30, 2014 (June 30, 2013: 3.1%).

## Note 9 - Fair values of categories of financial assets and liabilities

### Financial assets

	YTD 2014	YTD 2013
Securities measured at fair value through profit or loss – level 1	0.0	325.6
Derivative financial instruments to hedge future cash flows – level 2	10.1	0.5
Securities measured at fair value through other comprehensive income – level 3	110.2	10.5

### Financial liabilities

Derivative financial instruments to hedge future cash flows – level 2	33.4	50.5
---	------	------

Securities measured at fair value through other comprehensive income – level 3 amounted to DKK 99.6 million at the beginning of the year. The change in the period breaks down into additional securities of DKK 9.8 million and foreign exchange adjustments of DKK 0.8 million.

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 10 - 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, in which Schouw & Co. has a controlling influence, as well as members of the Board of Directors, Management Board and senior management in our subsidiaries and associates.

The management share option programmes are described in note 2.

The Group has at March 31, 2013 a receivable from Incuba Invest A/S of DKK 9.8 million (2013: DKK 8.8 million). The Group has received management fee from Incuba Invest A/S of DKK 32 thousand (2013: DKK 31 thousand) and received interests of DKK 390 thousand (2013: DKK 398 thousand).

The Group has in the first half of 2014 received dividend from Kramp Groep B.V. of DKK 31.3 million.

Other than that there were no other related party transactions.