2015

Interim report 2015 Q1

Company announcement No. 7/2015
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Highlights

- The first quarter of 2015 marked the best start to the year ever for the Schouw & Co. Group.
- All portfolio companies reported revenue and earnings improvements, but with performances being strongly driven by favourable currency effects and changes in prices of raw materials.
- Consolidated revenue was up by 16% to DKK 2,784 million.
- EBIT improved by 54% to DKK 152 million.
- Higher prices of raw materials and currency appreciation have made BioMar raise its full-year revenue guidance.
- Both BioMar and Fibertex Nonwovens raise their full-year EBIT guidance following a good start to the year.
- As a result, Schouw & Co. raises its guidance for the full-year 2015 consolidated revenue to about DKK 12.5 billion against the previous forecast of approximately DKK 12 billion. The company raises its full-year EBIT forecast to the range of DKK 630-720 million from the previous forecast of DKK 610-700 million.

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schouw+co

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

"We've had an exceptionally good start to the year, supported by a combination of external factors and ongoing internal improvements. We've seen a substantial non-recurring impact in Fibertex Personal Care from lower prices of raw materials, but the extra earnings could well be eliminated later in the year. In addition, higher foreign exchange rates have boosted earnings in our large units in Chile and Malaysia.

The good start to the year has made us raise our full-year 2015 guidance a notch. We expect our principal global markets to remain very competitive. Our focus continues to be on streamlining the operations of our portfolio companies and to constantly exploring opportunities for growth and expansion."

Financial highlights and key ratios

GROUP SUMMARY (DKK MILLION)	Q1 2015	Q1 2014	2014 Total
Revenue and income			
Revenue	2,784	2,405	11,784
Operating profit before depriciation (EBITDA)	246	186	1,070
Depreciation and impairment losses	95	88	363
Operating profit (EBIT)	152	99	708
Profit after tax in associates and joint ventures	19	-17	28
Financial items, net	18	-8	-35
Profit before tax	189	74	701
Profit for the period	124	54	428
Cash flows			
Cash flows from operating activities	172	51	628
Cash flows from investing activities	-78	-16	-355
Of which investment in property, plant and equipment	-58	-46	-233
Cash flows from financing activities	64	155	-563
Cash flows for the period	157	190	-290
Invested capital and financing			
Invested capital excluding goodwill	4,755	4,122	4,528
Total assets	10,372	9,371	9,882
Working capital	1,862	1,522	1,775
Net interest bearing debt (NIBD)	-120	-2	44
Share of equity attributable to shareholders of Schouw & Co.	6,498	5,753	6,071
Minority interests	15	3	3
Total equity	6,513	5,757	6,074
Financial data			
EBITDA margin (%)	8.9	7.7	9.1
EBIT margin (%)	5.5	4.1	6.0
EBT margin (%)	6.8	3.1	6.0
Return on equity (%)	8.1	19.6	7.2
Equity ratio (%)	62.8	61.4	61.5
ROIC excluding goodwill (%)	17.5	17.3	16.9
ROIC including goodwill (%)	14.5	14.3	14.0
NIBD/EBITDA	-0.1	0.0	0.0
Average number of employees during the period	2,294	2,063	2,139

GROUP SUMMARY (DKK MILLION)	Q1 2015	Q1 2014	2014 Total
Per share data			
Earnings per share	5.29	2.25	18.08
Diluted earnings per share	5.28	2.24	18.02
Net asset value per share	275.41	242.16	258.44
Share price, end of period	333.00	265.50	290.00
Price/net asset value	1.21	1.10	1.12
Market capitalisation	7,857	6,308	6,812

Definitions of financial 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 financial ratios in the interim report are calculated in the following manner:

Return on equity	$\frac{\text{Profit for the last 12 months excluding minorities}}{\text{Avg. equity excluding minorities}}$
ROIC excluding goodwill	$\frac{\text{EBITA the last 12 months}}{\text{Avg. invested capital excluding goodwill}}$
ROIC including goodwill	$\frac{\text{EBITA the last 12 months}}{\text{Avg. invested capital including goodwill}}$
Equity ratio	$\frac{\text{Equity, end of period}}{\text{Total liabilities and equity, end of period}}$
NIBD/EBITDA	$\frac{\text{NIBD, end of period}}{\text{EBITDA the last 12 months}}$
Earnings per share (EPS)	$\frac{\text{Profit for the last 12 months excluding minorities}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Profit for the period excluding minorities}}{\text{Diluted average number of shares in circulation}}$
Net asset value per share	$\frac{\text{Equity excluding minorities, end of period}}{\text{No. of shares excl. treasury shares, end of period}}$
Price/net asset value (P/NAV)	$\frac{\text{Market capitalisation, end of period}}{\text{Equity excluding minorities, end of period}}$
Market capitalisation	Number of shares, ex treasury shares, x share price

REPORT

Interim report – First quarter of 2015

Financial performance

Overall, the companies of the Schouw & Co. Group got off to a good start to 2015, as developments in prices of raw materials and foreign exchange rates had a positive overall effect and weather conditions were generally favourable, as was also the case in the first quarter of 2014.

Consolidated revenue was up by 16% from DKK 2,405 million in Q1 2014 to DKK 2,784 million in Q1 2015 with strong improvements by all portfolio companies but Fibertex Personal Care, which reported revenue in line with last year. The recent company acquisitions contributed DKK 67 million and changes in exchange rates produced DKK 124 million of the DKK 379 million consolidated revenue improvement. Higher raw materials prices for BioMar also contributed to the higher revenue.

EBIT was up by 54% from DKK 99 million in Q1 2014 to DKK 152 million in Q1 2015. All portfolio companies contributed to the improvement. Fibertex Personal Care made the largest contribution, as a plunge in raw materials prices produced a strong lift in earnings. However, the effect is expected to be eliminated over the next few months.

Kramp, the large associate, had a good start to the year, as net revenue rose from DKK 1,216 million in Q1 2014 to DKK 1,254 million in Q1 2015. EBIT was up from DKK 90 million in Q1 2014 to DKK 112 million in Q1 2015.

In the consolidated financial statements, Schouw & Co.'s 20% share of the profit in Kramp is recognised under profit/loss after tax in associates. The recognised share of the profit in Kramp was DKK 18 million in Q1 2015, as compared to a DKK 15 million loss in Q1 2014, when the financial results were reduced by DKK 27 million in adjustments that were mainly the result of the purchase price allocation prepared in connection with the merger of Kramp and Grene. The remaining associates and joint ventures are recognised at a slight combined profit.

The Group's net financial items improved from an expense of DKK 8 million in Q1 2014 to an income of DKK 18 million in Q1 2015. However, the amount includes positive foreign exchange adjustment for a total of DKK 23 million.

The Group's calculated tax rate for Q1 2015 is higher than normal, mainly due to value adjustment of tax payable in relation to BioMar in Chile.

	Q1 2015	Q1 2014	Change	
Revenue	2,784	2,405	379	16%
EBITDA	246	186	60	32%
EBIT	152	99	53	54%
Associates etc.	19	-17	36	-
Profit before tax	189	74	115	157%
Cash flow from operations	172	51	121	235%
Net interest-bearing debt	-120	-2	-118	-
Working capital	1,862	1,522	340	22%
ROIC excl. goodwill	17.5%	17.3%	0.2pp	
ROIC incl. goodwill	14.5%	14.3%	0.2pp	

Liquidity and capital resources

The Group's operating activities generated a cash inflow of DKK 172 million in Q1 2015, compared with a cash inflow of DKK 51 million in Q1 2014. Cash flows for investing activities amounted to DKK 78 million in Q1 2015, against DKK 16 million in Q1 2014.

The consolidated net interest-bearing debt, which at March 31, 2014 was a net deposit of DKK 2 million, improved further to stand at a DKK 120 million net deposit at March 31, 2015. A DKK 110 million value adjustment of cash and cash equivalents in BioMar contributed to the improvement, and during the past 12 months, the Group has net bought treasury shares for DKK 73 million and paid DKK 143 million in dividends to the shareholders.

The Group's working capital increased from DKK 1,522 million at March 31, 2014 to DKK 1,862 million at March 31, 2015. Other than the additions of the recent company acquisitions and the direct effect of the increased business activity, most of the increase in working capital derived from BioMar.

Portfolio company highlights

The following is a brief review of individual company performances in the first quarter of 2015:

BIOMAR reported strong improvements in both revenue and EBIT due to currency effects and an increase in volumes in Norway, although that was offset by lower volumes in Chile.

After the end of the first quarter, BioMar signed a memorandum of understanding to establish a 50/50 joint venture with Chinese company Tongwei Co. Ltd. Initially, the agreement will involve building a joint aqua feed factory in China with an annual capacity of about 100,000 metric tons.

REPORT

Interim report – First quarter of 2015

FIBERTEX PERSONAL CARE reported its revenue unchanged, but a strong improvement in EBIT. The earnings improvement was driven by a sharp drop in prices of raw materials in both Europe and South East Asia.

Early in 2015, Innowo Print commissioned a third print line, thereby expanding capacity by about 30%. Fibertex Personal Care took full ownership of Innowo Print at the end of October 2014.

FIBERTEX NONWOVENS reported strong improvements in both revenue and EBIT, with recent acquisitions contributing to the performance.

In addition to the acquisition of US company Non Woven Solutions LLC in October 2014, Fibertex Nonwovens increased its ownership interest in Fibertex South Africa to 74% effective from March 1, 2015, by buying minority shareholder IDC's 48% stake. As per the same date, Fibertex South Africa acquired an existing line for producing fibre and invested in a new production line expected to be commissioned by the end of 2015.

HYDRA-GRENE achieved good revenue and EBIT improvements, primarily driven by increased sales to the wind turbine industry in the early months of the year.

KRAMP, which is recognised as an associate, reported a further increase in revenue. The company's EBIT has improved, in part due to procurement synergies realised following the merger of Kramp and Grene.

XERGI, which is recognised as a joint venture, reported an increase in revenue from DKK 38 million in Q1 2014 to DKK 101 million in Q1 2015 deriving from its large projects in Denmark and the UK. EBIT also improved by a large margin. Xergi is recognised in the consolidated financial statements at a share of profit after tax of DKK 2 million for Q1 2015, compared with a loss of a similar amount in Q1 2014.

INCUBA INVEST reported a slight profit in Q1 2015 that was in line with the profit for Q1 2014.

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 15% during the three months to March 31, 2015, from DKK 290.00 per share at December 31, 2014 to DKK 333.00 per share at March 31, 2015.

At December 31, 2014, the company held 2,009,933 treasury shares, equal to 7.88% of the share capital. Schouw & Co. used 177,000 treasury shares in the first quarter of 2015 in connection with options exercised under the Group's share incentive scheme. The company acquired 73,197 treasury shares in Q1 2015 for a total amount of DKK 24 million. As a result, the company currently holds 1,906,130 treasury shares, corresponding to 7.48% of the share capital.

The market value of the holding of treasury shares was DKK 635 million at March 31, 2015. 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 March 31, 2015 which are expected to have a material impact on the Group's financial position or outlook.

Special risks

The overall risk factors the Schouw & Co. Group faces are discussed in the 2014 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2014 Annual Report.

Outlook

The companies of the Schouw & Co. Group are generally well-positioned to face strong international competition, and the Group has the adequate resources to meet the challenges involved.

All of the portfolio companies operate in competitive markets, but especially BioMar and Fibertex Personal Care expect a year with a fragile balance between supply and demand in their important markets, which are Norway and Chile, and South East Asia, respectively.

Generally, our portfolio companies are off to a good start to the year, supported by developments in prices of raw materials and in foreign exchange rates. The first quarter is a low season for Schouw & Co., and a good level of activity in the period often has a good bottom-line effect. Although it may in some cases merely be due to timing differences, an early start to the season is generally good for the portfolio companies.

The following is a brief review of individual company expectations for the full year 2015:

BIOMAR has moderate expectations for how total volumes will develop in its core markets, but higher raw materials prices lead to higher revenue expectations, and the good start to the year has raised expectations for the full-year EBIT.

FIBERTEX PERSONAL CARE continues to expect revenue to drop compared with 2014 due to lower average prices of raw materials, but that effect will be partly offset by the consolidation of Innowo Print. Plunging prices of raw materials boosted Q1 earnings considerably, but prices are expected to increase so much in the coming months that the early earnings gain will be eliminated.

This is a year of transition for FIBERTEX NONWOVENS, as some production lines are scheduled for upgrading and therefore will be out of service for a period of time. However, the company continues to expect revenue to improve, in part because of the recent acquisitions. In addition, the good start to the year has lifted expectations for the full-year EBIT.

HYDRA-GRENE continues to expect a drop in revenue in 2015, mainly due to an anticipated drop in full-year sales to the wind turbine industry. Similarly, the company maintains its EBIT guidance.

The associate company KRAMP projects continued revenue and EBIT improvements. XERGI, which is recognised as a joint venture, also expects an increase in full-year revenue and EBIT.

The Schouw & Co. Group raises its guidance for the full-year 2015 consolidated revenue to around DKK 12.5 billion against the previous forecast of DKK 12 billion. The increase relates exclusively to BioMar. For BioMar and the two Fibertex companies, the actual full-year revenue continues to depend very much on prices of raw materials, and any fluctuations can significantly change revenue.

Schouw & Co. applies a profit forecast range for each individual business. Aggregating these ranges after the good start to the year indicates an increase in the consolidated full-year EBIT guidance to the DKK 630-720 million range from the previous DKK 610-700 million.

To this should be added profit after tax from associates and joint ventures, which is still expected to improve to the range of DKK 60-70 million. However, a comparison with 2014 should take into account the fact that the recognised share of the profit in Kramp for 2014 was reduced by DKK 36 million in adjustments that were mainly the result of the purchase price allocation prepared in connection with the merger with Grene.

The Group's net financial items are expected to continue to improve to an expense of about DKK 10 million in 2015 from the previous guidance of expenses of about DKK 35 million, taking into account positive foreign exchange adjustments of DKK 23 million recorded in Q1 2015.

Outlook

REVENUE (DKK million)	2015 After Q1	2015 Original	2014 actual
BioMar	c. 9,000	c. 8,500	8,451
Fibertex Personal Care	c. 1,700	c. 1,700	1,787
Fibertex Nonwovens	c. 1,200	c. 1,200	1,048
Hydra-Grene	above 500	above 500	566
Other/eliminations	-	-	-68
Total revenue	**c. 12.5bn**	**c. 12bn**	**11,784**
Kramp (100%)	c. 5,250	c. 5,250	4,905

EBIT (DKK million)	2015 After Q1	2015 Original	2014 actual
BioMar	375-425	360-410	434
Fibertex Personal Care	160-180	160-180	171
Fibertex Nonwovens	70-80	65-75	62
Hydra-Grene	45-55	45-55	60
Other	c. -20	c. -20	-20
Total EBIT	**630-720**	**610-700**	**708**
Associates etc.	60-70	60-70	28
Other financial items	c. -10	c. -35	-35
Profit before tax	**680-780**	**635-735**	**701**
Kramp EBIT (100%)	425-450	425-450	405

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 consolidated and parent company financial statements of listed companies. The accounting policies are unchanged from the policies applied in the annual report for 2014.

See the consolidated financial statements and the parent company financial statements for 2014 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, 2014, 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 2014.

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 2015

August 13, 2015

Release of H1 2015 interim report

November 5, 2015

Release of Q3 2015 interim report

The company provides detailed information about contacts and the times of webcasts and conference calls held in connection with the release of its interim reports on its website, www.schouw.dk, and through stock exchange announcements.

Our businesses

BioMar

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

Financial performance

BioMar reported largely the same total volumes sold for Q1 2015 as for Q1 2014, but with significant differences between regions. The Norwegian operations increased sales by a significant margin due to final shipments on older contracts, whereas Chile incurred an expected similar decline in volumes sold due to smaller average fish sizes.

BioMar lifted revenue by 20% from DKK 1,593 million in Q1 2014 to DKK 1,909 million in Q1 2015, even with no change in total volumes sold. The revenue improvement was due to higher selling prices triggered by higher raw materials prices: especially higher prices of marine raw materials from Peru had a major impact. In addition, revenue growth was supported by the appreciation of the US dollar and, to a lesser extent, adversely impacted by the depreciation of the Norwegian krone against the Danish krone.

Q1 2015 EBIT was DKK 49 million, compared with DKK 34 million in Q1 2014. The Norwegian operations drove a significant part of the improvement, with the larger volumes resulting in good capacity utilisation and efficiency. In addition, profit rose by approximately DKK 12 million, lifted by exchange rate developments, especially the USD/DKK rate.

Working capital grew from DKK 844 million at March 31, 2014, to DKK 1,090 million at March 31, 2015. The increase was due to the higher sales in Norway to customers with relatively long credit periods as well as shorter-than-normal supplier credits in Chile.

Net interest-bearing debt fell from DKK 644 million at March 31, 2014, to DKK 531 million at March 31, 2015. A DKK 110 million value adjustment of cash and cash equivalents contributed to the improvement, and the company paid DKK 200 million in intra-group dividends to Schouw & Co.

Business development

Looking at BioMar's two core markets, Norway and Chile, Norway is off to a particularly good start in 2015. A temporarily high market share in the early months of the year led to good production efficiency and depressed average freight costs in what is normally the company's low season. Good weather conditions and an increase in sales of value-added products also contributed to the results.

In the Norwegian market, most of the major contracts for delivery in the important second half-year high season are usually finalised in the second quarter, so it is still too early to provide any final guidance for the full-year prospects.

As expected, BioMar lost market share in Chile in Q1 2015 relative to Q1 2014. The main reason is that a relatively large proportion of the company's customers had coinciding fish farming cycles, which means that this year's average fish sizes were smaller than last year's. In addition, lower prices of farmed fish depressed the Chilean market, in part because Norwegian salmon has been making its way to the US market as a result of favourable currency developments.

Volumes in Continental Europe were generally in line with last year. The region continues to face uncertain prospects in southern Europe, especially in Greece where volumes sold dropped due to cold weather conditions and the continued uncertainty about the financial situation of fish farmers.

BioMar has worked hard to expand its operations in recent years by developing feed for new fish species and establishing new geographical markets. The new factory for tilapia feed production in Costa Rica, built in 2012, was an important part of those efforts, and BioMar is currently working to establish production in Turkey in association with the local company Sagun Group. The new factory, scheduled for commissioning in 2016, will initially have an expandable capacity of about 50,000 tonnes of feed.

In addition, BioMar has for some time been looking for expansion opportunities in Asia, a market with a huge but complex potential. The challenges lie not only in the need to develop feed for other fish species, but very much also to build relations and accumulate market knowledge.

After the end of the first quarter 2015, BioMar signed a memorandum of understanding to establish a 50/50 joint venture with Chinese company Tongwei Co. Ltd.

BioMar

Initially, the agreement will involve building a joint aqua feed factory in China with an annual capacity of about 100,000 metric tons, which is expected to begin operations in 2016. BioMar expects to make an initial investment of about USD 10 million in the joint venture, but the parties intend to review the potential for additional production units in China and South East Asia on a regular basis.

Outlook

At the beginning of the year, BioMar expected to report revenue in the vicinity of DKK 8.5 billion in 2015, based on small changes to volumes. The projected volume is unchanged, but the revenue to be generated will depend strongly on prices of raw materials and on foreign exchange rates. Current indications are that the full-year revenue could be about DKK 9 billion.

A change in revenue caused by a change in prices of raw materials will not necessarily feed through to earnings, but the good start to the year has nevertheless allowed BioMar to raise its full-year EBIT guidance to the DKK 375-425 million range from the previous DKK 360-410 million. The actual full-year EBIT will still very much depend on the high season in the second half of the year.

	Q1 2015	Q1 2014	2014 Total
Volume (thousands of tonnes)	193	194	996
Revenue (DKK million)	1,909	1,593	8,451
- of which North Sea	935	677	4,099
- of which Americas	703	660	2,558
- of which Continental Europe	271	256	1,794

	Q1 2015	Q1 2014	2014 Total
INCOME STATEMENT			
Revenue	1,909.0	1,592.8	8,451.3
Gross profit	199.5	175.5	1,019.4
EBITDA	86.3	68.9	574.2
Depreciation and impairment	37.0	35.1	139.8
Operating profit (EBIT)	49.3	33.8	434.4
Profit after tax from associates and joint ventures	0.2	0.0	2.5
Financial items, net	2.2	-4.6	-38.6
Profit before tax	51.7	29.2	398.3
Tax for the period	-36.1	-5.4	-214.2
Profit for the period	15.6	23.8	184.1
CASH FLOWS			
Cash flows from operating activities	-5.6	-63.4	266.3
Cash flows from investing activities	-13.2	-30.5	-166.5
Cash flows from financing activities	59.4	2.3	-60.0
BALANCE SHEET			
Intangible assets *	388.9	318.0	354.9
Property, plant and equipment	951.0	963.8	919.0
Other non-current assets	213.6	127.9	196.7
Cash and cash equivalents	736.3	419.9	605.5
Other current assets	2,757.9	2,276.7	2,765.1
Total assets	5,047.7	4,106.3	4,841.2
Equity	1,950.0	1,595.6	1,902.2
Interest-bearing debt	1,278.8	1,080.9	1,019.4
Other creditors	1,818.9	1,429.8	1,919.6
Total liabilities and equity	5,047.7	4,106.3	4,841.2
Average number of employees	912	894	904
FINANCIAL KEY FIGURES			
EBITDA margin	4.5%	4.3%	6.8%
EBIT margin	2.6%	2.1%	5.1%
ROIC ex goodwill	23.1%	22.8%	22.9%
Working capital	1,089.6	843.7	982.6
Net interest-bearing debt	531.1	644.1	386.2

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

Fibertex Personal Care

Fibertex Personal Care is one of the world's largest manufacturers of spunbond/spunmelt nonwoven fabrics 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 428 million in Q1 2015, compared with DKK 426 million in Q1 2014. While revenue was largely unchanged, it was based on a number of opposing factors, as factory output volumes rose in Denmark, but fell in Malaysia, as lower average prices of raw materials than in the comparator period reduced revenue, and as consolidation of the acquired company Innowo Print contributed DKK 17 million.

Q1 2015 EBIT was DKK 64 million, compared with DKK 38 million in Q1 2014. The earnings improvement was driven by a sharp drop in prices of raw materials in both Europe and South East Asia that contributed about DKK 30 million to EBIT. In both regions, the sharp drop in oil prices in the second half of the year was a main trigger of the lower raw materials prices.

Fibertex Personal Care increased its working capital from DKK 234 million at March 31, 2014 to DKK 289 million at March 31, 2015, partly due to an increase in trade receivables and exchange rates.

The company's net interest-bearing debt rose from DKK 661 million at March 31, 2014 to DKK 683 million at March 31, 2015. The increase follows the payment of DKK 75 million in intra-group dividends and the purchase of the shares and consolidation of the debt in Innowo Print in October 2014, for a total effect of DKK 97 million.

Business development

Fibertex Personal Care sells its products all over the world, but its main focus is on Europe and South East Asia. Sales are made directly to major international manufacturers of nappies and other hygiene products through the company's sales organisations based in Denmark and Malaysia.

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 allow 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. Due to the demands the company's customers face from major retailers for ever shorter lead times, Fibertex Personal Care must constantly maintain strong delivery power.

Increasing the share of speciality products is a constant priority for Fibertex Personal Care: these products include supersoft products, products with high performance leakage barriers, lightweight products and the print products delivered through Innowo Print, the German company Fibertex Personal Care acquired full ownership of in October 2014.

Early in 2015, Innowo Print commissioned a third print line, thereby expanding capacity by about 30%. Concurrently with running in the new print line, both the Danish and German organisations have been fully focused on making Innowo Print an integral part of operations at Fibertex Personal Care. In addition, the company is exploring the potential for setting up operations in South East Asia.

Outlook

In 2015, Fibertex Personal Care will remain focused on consolidating its business and on utilising its overall production capacity. The goal will also be to increase the volume output and optimise earnings in South East Asia, as demand has softened in the region despite generally growing markets.

Fibertex Personal Care experienced a plunge in prices of raw materials in early 2015. Lower prices mean less revenue, but the current sharp drop has also temporarily strengthened earnings. However, prices of raw materials are expected to increase so much in the coming months that the early earnings gain will be eliminated.

In the European markets, the two main drivers of raw materials prices were the significant depreciation of the euro against the US dollar, which has made Europe a less attractive export market for dollar-based manufacturers in the Middle East, and the fact that several suppliers of raw materials have had to shut down their operations due to technical issues. Combined, these two factors have left the supply of raw materials at a low level, causing large price increases. In Asia, trends have been relatively moderate, mainly

Fibertex Personal Care

because of the region's coupling with the strong US dollar.

Against this backdrop, Fibertex Personal Care continues to expect full-year revenue of about DKK 1.7 billion in 2015. EBIT will strongly depend on how prices of raw materials develop during the rest of the year and on demand in South East Asia. Based on the current prospects, the company expects full-year EBIT in the range of DKK 160-180 million, but with an increased probability of EBIT ending at the lower end of the range.

	Q1 2015	Q1 2014	2014 Total
Revenue (DKK million)	428	426	1,787
- of which from Denmark	201	203	865
- of which from Malaysia	210	223	922
- of which from Germany	17	0	0

	Q1 2015	Q1 2014	2014 Total
INCOME STATEMENT			
Revenue	427.9	425.8	1,787.5
Gross profit	94.0	66.0	288.8
EBITDA	99.2	69.9	307.6
Depreciation and impairment	35.7	31.6	136.3
Operating profit (EBIT)	63.5	38.3	171.3
Financial items, net	1.2	-4.5	-2.3
Profit before tax	64.7	33.8	169.0
Tax for the period	-14.7	-7.5	-34.3
Profit for the period	50.0	26.3	134.7
CASH FLOWS			
Cash flows from operating activities	90.8	71.5	225.8
Cash flows from investing activities	-7.6	-10.4	-129.5
Cash flows from financing activities	-55.9	-0.1	-85.8
BALANCE SHEET			
Intangible assets *	66.7	24.3	75.0
Property, plant and equipment	1,134.3	996.0	1,099.7
Other non-current assets	131.7	147.2	127.6
Cash and cash equivalents	49.2	70.5	20.8
Other current assets	545.1	462.1	558.7
Total assets	1,927.0	1,700.1	1,881.8
Equity	752.3	592.0	730.0
Interest-bearing debt	732.7	736.3	708.8
Other creditors	442.0	371.8	443.0
Total liabilities and equity	1,927.0	1,700.1	1,881.8
Average number of employees	506	425	447
FINANCIAL KEY FIGURES			
EBITDA margin	23.2%	16.4%	17.2%
EBIT margin	14.8%	9.0%	9.6%
ROIC ex goodwill	15.9%	12.9%	14.4%
Working capital	289.3	233.9	292.7
Net interest-bearing debt	683.5	661.0	688.0

* Excluding goodwill on consolidation in 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 activities are in Europe, and it also operates production facilities in the USA and South Africa.

Financial performance

At the end of October 2014, Fibertex Nonwovens acquired the US-based company Non Woven Solutions, which was consolidated from the takeover date. In addition, effective from March 1, 2015, Fibertex Nonwovens increased its ownership interest in Fibertex South Africa to 74%. Accordingly, Fibertex South Africa is recognised in the consolidated financial statements from this date.

Fibertex Nonwovens reported Q1 2015 revenue of DKK 306 million, a 13% increase from DKK 271 million in Q1 2014. The revenue improvement was mainly due to the acquisition of the US company in October 2014 and to some extent consolidation of the revenue generated in South Africa effective from March 2015, which offset a slight decline in Denmark and the Czech Republic.

Q1 2015 EBIT was DKK 27 million, as compared with DKK 17 million in Q1 2014. The earnings performance was driven by strong demand, mainly from the auto industry, by a satisfactory capacity utilisation rate and a strong effect of the acquisition of the US company which reported a good first quarter. EBIT was also lifted by a DKK 3 million non-recurring adjustment relating to the purchase of the shares in the South African company.

Due to the increase in business activity from the US and South African operations, working capital increased to DKK 332 million at March 31, 2015, from DKK 294 million at March 31, 2014.

Following a DKK 40 million capital increase made in the fourth quarter of 2014 and the acquisitions in the USA and South Africa, net interest-bearing debt increased from DKK 438 million at March 31, 2014 to DKK 570 million at March 31, 2015.

Business development

Fibertex Nonwovens reported generally good performance for the first quarter of 2015 with increased market activity, especially in the auto industry. However, revenue in the European business is trailing 2014 slightly, the main reasons being that a production line in the Czech Republic was renovated and upgraded and that sales to the construction industry and for infrastructure projects were lower than last year.

In recent years, Fibertex Nonwovens has consolidated its position as a leading manufacturer of industrial nonwovens. The company has made a number of structural investments and strengthened its business platform.

Fibertex Nonwovens has adapted its operations to the market situation, and its focus now is to maintain the current momentum that has enabled it to strengthen its position in the European markets and increase growth rates in non-European markets, something the recent acquisitions will also contribute to. 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.

Fibertex Nonwovens has gradually expanded its output capacity for processed products through a technology upgrade of some production lines as part of its strategy to increase sales of value-added products and optimise capacity utilisation at all three factories. Several more product lines will be upgraded in 2015.

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 expected to offer growth opportunities. In order to develop along with its customers and capitalise on the future growth potential, Fibertex Nonwovens is expanding capacity in the Czech Republic by building a new production line, which is expected to be commissioned by the end of 2015.

Fibertex Nonwovens strengthened its geographical presence in North America by acquiring the US company Non Woven Solutions LLC at the end of October 2014. The company has subsequently been renamed Fibertex Nonwovens LLC, and it contributed to both revenue and earnings in Q1 2015.

Fibertex Nonwovens

Effective from March 1, 2015, Fibertex Nonwovens increased its ownership interest in Fibertex South Africa to 74%, buying minority shareholder IDC's 48% stake. As per the same date, Fibertex South Africa acquired an existing line for producing fibre and invested in a new production line expected to be commissioned by the end of 2015.

Outlook

Fibertex Nonwovens expects the current stable level of activity to continue in the coming months, but rising prices of raw materials may provide a challenge in certain business segments.

With more production lines scheduled for upgrading and therefore out of service for a period of time, 2015 is a year of transition. New capacity will also be added, but will not operate commercially until in 2016.

Fibertex Nonwovens retains its forecast of FY 2015 revenue of approximately DKK 1.2 billion, but based on the good start to the year, the company raises its full-year EBIT guidance to the DKK 70-80 million range from the previous DKK 65-75 million.

	Q1 2015	Q1 2014	2014 Total
Revenue (DKK million)	306	271	1,048
- of which from Denmark	59	67	245
- of which from Czech Republic	73	81	309
- of which from France	123	123	469
- of which from USA	40	0	25
- of which from South Africa	11	0	0

	Q1 2015	Q1 2014	2014 Total
INCOME STATEMENT			
Revenue	305.8	271.5	1,048.0
Gross profit	70.4	56.2	222.1
EBITDA	45.1	33.0	128.2
Depreciation and impairment	17.8	15.7	66.0
Operating profit (EBIT)	27.3	17.3	62.2
Profit after tax from associates	-0.6	-0.1	-1.7
Financial items, net	-3.7	-3.2	-10.2
Profit before tax	23.0	14.0	50.3
Tax for the period	-6.7	-3.7	-14.4
Profit for the period	16.3	10.3	35.9
CASH FLOWS			
Cash flows from operating activities	27.5	18.4	82.1
Cash flows from investing activities	-55.4	-4.4	-134.0
Cash flows from financing activities	55.2	-3.4	80.5
BALANCE SHEET			
Intangible assets *	156.3	66.0	141.5
Property, plant and equipment	578.8	438.9	497.4
Other non-current assets	0.1	11.8	10.6
Cash and cash equivalents	86.0	40.7	58.7
Other current assets	531.6	431.4	470.3
Total assets	1,352.8	988.8	1,178.5
Equity	429.6	323.7	385.5
Interest-bearing debt	656.5	478.9	584.3
Other creditors	266.7	186.2	208.7
Total liabilities and equity	1,352.8	988.8	1,178.5
Average number of employees	622	517	547
FINANCIAL KEY FIGURES			
EBITDA margin	14.7%	12.2%	12.2%
EBIT margin	8.9%	6.4%	5.9%
ROIC ex goodwill	9.1%	6.2%	8.4%
Working capital	332.2	293.6	318.7
Net interest-bearing debt	570.5	438.2	521.7

* Excluding goodwill on consolidation in Schouw & Co. of DKK 32.0 million

Hydra-Grene

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

Financial performance

Hydra-Grene reported a good first quarter, lifting revenue by 11% from DKK 133 million in Q1 2014 to DKK 148 million in Q1 2015. A main driver of the improvement were the higher sales to the wind turbine industry during Q1 2015 relative to Q1 2014. Sales to general industry and the new business segment, the offshore industry, were on a par with the 2014 figure.

EBIT improved by a similar rate, from DKK 14 million in Q1 2014 to DKK 16 million in Q1 2015 as a direct effect of the increased business activity.

The overall working capital fell slightly from DKK 162 million at March 31, 2014 to DKK 161 million at March 31, 2015. Net interest-bearing debt, on the other hand, fell by a large margin, from DKK 131 million at March 31, 2014, to DKK 93 million at March 31, 2015, even after the company paid DKK 40 million in intra-group dividends during the period.

Business development

As part of its shift in recent years towards selling increasingly complex products and system solutions to the wind turbine industry in particular, Hydra-Grene has continually adapted to the tough demands made on its organisation and quality management capabilities and now also applies these new capabilities in new business areas. Hydra-Grene continues to invest in preparing the company for the future by adding more technical staff on the product development side: for example, the company is currently involved in major development projects for the wind turbine industry and the offshore industry.

The company's international sales are mainly to customers in the wind turbine industry, the offshore industry and other industries in which it has special expertise.

In China, Hydra-Grene experienced a much higher level of activity in the wind turbine segment in Q1 2015 than the relatively low level seen in Q1 2014, and the company generally expects an increase in business activity in China in 2015. Hydra-Grene's principal customers in China continue to be European companies that have set up local production facilities in the country.

Sales to the wind turbine industry in India are also developing favourably. Hydra-Grene mainly targets local Indian manufacturers, and most of the components used are sourced locally and assembled at Hydra-Grene's Indian site.

Sales to the wind turbine industry in the USA improved strongly in Q1 2015 relative to the year-earlier period. Hydra-Grene serves its US customers through a sales office in the US, but supplies its goods and services from its head office in Skjern, Denmark.

Outlook

Hydra-Grene's newest business segment, the offshore industry, continues to evolve. However, the market is currently under pressure due to the low oil prices, which have reduced demand for hydraulics assignments in new construction projects, but the maintenance and the service segment continue to provide business activity. Hydra-Grene believes there will be a fair base for its products and services in this new segment in the intermediate term and is currently investing to strengthen the organisation and its product assortment.

Despite the good start to 2015, Hydra-Grene expects its full-year sales to the wind turbine industry to fall short of the 2014 figure, and the ever growing global competition will drive the market. The company expects its sales to its general industry customers to remain stable, but the current crisis in the agricultural sector will undoubtedly have a negative impact on sales to the major manufacturing customers in the agro field.

Against this background, Hydra-Grene maintains its FY 2015 guidance of revenue of just over DKK 500 million and EBIT in the range of DKK 45-55 million.

Hydra-Grene

	Q1 2015	Q1 2014	2014 Total
INCOME STATEMENT			
Revenue	148.4	133.5	565.8
Gross profit	47.5	42.8	176.9
EBITDA	19.6	18.6	78.0
Depreciation and impairment	3.4	4.6	17.9
Operating profit (EBIT)	16.2	14.0	60.1
Financial items, net	2.5	-0.6	1.1
Profit before tax	18.7	13.4	61.2
Tax for the period	-4.4	-3.3	-15.2
Profit for the period	14.3	10.1	46.0
CASH FLOWS			
Cash flows from operating activities	44.4	22.0	59.5
Cash flows from investing activities	-1.6	-1.6	-3.5
Cash flows from financing activities	-52.5	-47.2	-72.3
BALANCE SHEET			
Intangible assets	12.8	18.8	13.3
Property, plant and equipment	96.1	103.1	97.4
Cash and cash equivalents	12.3	11.5	22.1
Other current assets	268.6	261.1	258.5
Total assets	389.8	394.5	391.3
Equity	163.4	152.0	187.7
Interest-bearing debt	122.1	142.9	118.2
Other creditors	104.3	99.6	85.4
Total liabilities and equity	389.8	394.5	391.3
Average number of employees	243	216	230
FINANCIAL KEY FIGURES			
EBITDA margin	13.2%	13.9%	13.8%
EBIT margin	10.9%	10.5%	10.6%
ROIC ex goodwill	23.3%	21.1%	22.6%
Working capital	161.2	162.2	187.1
Net interest-bearing debt	93.4	131.3	96.1

Kramp

Kramp is the leading supplier of spare parts and accessories to the agricultural sector in Europe.

Schouw & Co. merged its wholly owned subsidiary Grene with Dutch company Kramp in 2013 and now holds a 20% ownership interest in the continuing company.

Financial performance

Kramp is off to a good start to the year, reporting a further revenue improvement over the strong performance in Q1 2014, in part thanks to favourable weather conditions.

The company grew its net revenue by 3% from DKK 1,216 million in Q1 2014 to DKK 1,254 million in Q1 2015. The revenue improvement was broadly based on the company's European markets, in part supported by the close partnership Kramp has built in recent years with leading manufacturers of agricultural machinery such as AGCO and SAME Deutz-Fahr.

EBIT was up by 24% from DKK 90 million in Q1 2014 to DKK 112 million in Q1 2015. In addition to the revenue improvement, factors contributing to the performance included realised procurement synergies from the merger of Kramp and Grene.

Schouw & Co. recognises Kramp as an associate at a 20% share of its profit as stated after tax. The recognised share of the profit in Kramp was DKK 18 million in Q1 2015, as compared to a DKK 15 million loss in Q1 2014, when the financial results were reduced by DKK 27 million in adjustments that were mainly the result of the purchase price allocation prepared in connection with the merger of Kramp and Grene.

Working capital increased from DKK 1,359 million at March 31, 2014, to DKK 1,603 million at March 31, 2015, mainly due to inventory buildups and an increase in trade receivables.

Net interest-bearing debt grew from DKK 1,278 million at March 31, 2014, to DKK 1,485 million at March 31, 2015, following the distribution of dividends of DKK 225 million in the fourth quarter of 2014, of which Schouw & Co. received DKK 45 million.

Business performance

The year 2015 began on a very strong note for Kramp. Weather conditions were quite favourable early in the year. This was also the case in 2014, but activity in the agricultural market softened as the year wore on, and several tractor and other agricultural machinery manufacturers encountered slowing demand that resulted in growing inventories and forced them to cut back on production.

The general downturn in sales of new machinery rubbed off on component sales to manufacturers of agricultural machinery, but did not have a similar impact on demand for spare parts and accessories, which is the main component of Kramp's business.

Kramp and Grene operated a joint venture in Russia even before the merger, and the Russian operations have performed well over the past couple of years. When measured by local currency, the Russian business continues to perform well, but translating the financial statements to an EUR-related currency will obviously strongly reflect the severe depreciation of the rouble. Kramp's Russian operations have adapted to the currency fluctuations by signing short-term price agreements with customers. Among the other European currencies, the surge of the Swiss franc has had a very strong impact, forcing Kramp to implement structural price adjustments in the Swiss market.

Kramp is planning to increase its capital expenditure in 2015 relative to 2014, primarily in the IT field. The company intends to consolidate its leading position in e-business and plans to integrate the IT systems used by Kramp and Grene on a best-of-breed basis. Kramp is also expanding its physical facilities. At the end of 2014, the company completed the head office extension project in Varsseveld and will now continue to strengthen its central functions, including its e-business activities. The next step will be to expand its central warehouse facilities in Konin in Poland and Poitiers in France.

More and more of the synergies anticipated from the merger of Kramp and Grene are materialising. A number of organisational and system adjustments have been made to ensure that the individual business units have the right management tools at their disposal, and the management structure has been realigned to support the continued development of the merged business.

Kramp

As part of those realignments, Carsten Thygesen, Grene's former CEO, has been appointed to Kramp's executive management team to be in charge of Supplier & Category Management. In his recent position, he was in charge of achieving synergies following the merger.

Outlook

Europe's agro industry is currently facing a number of important challenges. While they vary from market to market, they are generally the result of economic and political conditions and are leading to moderate demand expectations.

In light of its competitive strength and strong market position, however, Kramp continues to expect to grow its business further in 2015. Kramp maintains its guidance for net revenue in the vicinity of DKK 5.25 billion in 2015 and of EBIT in the DKK 425-450 million range. Schouw & Co. expects to recognise DKK 55-65 million as its share of the profit for 2015 after estimated financial items and tax. The amount will be recognised under profit/loss after tax in associates.

	Q1 2015	Q1 2014	2014 Total
INCOME STATEMENT			
Net revenue	1,253.9	1,216.2	4,905.5
Gross profit	465.4	448.3	1,782.6
EBITDA	143.3	118.7	528.8
Depreciation and impairment	31.3	28.2	123.6
Operating profit (EBIT)	112.0	90.5	405.2
Financial items, net	-8.7	-17.0	-59.6
Profit before tax	103.3	73.5	345.6
Tax for the period	-15.6	-14.1	-55.3
Profit for the period	87.7	59.4	290.3
Profit recognised in Schouw & Co.	17.5	-15.3	22.4
BALANCE SHEET			
Non-current assets	1,004.9	1,007.2	1,000.5
Current assets	2,131.3	1,899.8	1,786.5
Total assets	3,136.2	2,907.0	2,787.0
Equity	1,122.9	1,087.6	1,063.1
Interest-bearing debt	1,484.7	1,278.4	1,371.0
Other creditors	528.6	541.0	352.9
Total liabilities and equity	3,136.2	2,907.0	2,787.0
Average number of employees	2,541	2,544	2,604
FINANCIAL KEY FIGURES			
EBITDA margin	11.4%	9.8%	10.8%
EBIT margin	8.9%	7.4%	8.3%
Working capital	1,602.7	1,358.8	1,433.5
Net interest-bearing debt	1,484.7	1,278.4	1,371.0

Consolidated financial statement

schouw+co

Income and comprehensive income statement

Note	Income statement	Q1 2015	Q1 2014	2014 Total
1	Revenue	2,783.8	2,404.7	11,784.1
	Cost of sales	-2,371.3	-2,063.3	-10,073.1
	Gross profit	412.5	341.4	1,711.0
	Other operating income	5.3	2.1	13.3
	Distribution costs	-164.4	-156.7	-656.6
2	Administrative expenses	-101.6	-88.2	-359.1
	Other operating expenses	0.0	0.0	-1.0
	Operating profit (EBIT)	151.8	98.6	707.6
	Profit after tax in associates	17.0	-15.2	23.2
	Profit after tax in joint ventures	2.1	-1.9	5.3
	Financial income	32.5	8.9	51.9
	Financial expenses	-14.3	-16.7	-86.7
	Profit before tax	189.1	73.7	701.3
	Tax on profit	-64.7	-20.0	-273.6
	Profit for the period	124.4	53.7	427.7
	Attributable to			
	Shareholders of Schouw & Co.	124.5	53.7	427.8
	Minority interests	-0.1	0.0	-0.1
	Profit for the period	124.4	53.7	427.7
8	Earnings per share (DKK)	5.29	2.25	18.08
8	Diluted earnings per share (DKK)	5.28	2.24	18.02

Comprehensive income	Q1 2015	Q1 2014	2014 Total
Items that can be reclassified to the profit and loss statement:			
Exchange rate adjustment of foreign subsidiaries	294.1	17.6	190.6
Hedging instruments recognised during the period	3.1	-10.9	-18.7
Hedging instruments transferred to cost of sales	0.3	1.1	1.1
Hedging instruments transferred to financials	0.6	1.4	8.0
Other comprehensive income from associates and joint ventures	-5.5	-0.3	-6.7
Other adjustment on equity	0.1	0.0	-1.8
Tax on other comprehensive income	-1.0	2.1	2.9
Other comprehensive income after tax	291.7	11.0	175.4
Profit for the period	124.4	53.7	427.7
Total recognised comprehensive income	416.1	64.7	603.1
Attributable to			
Shareholders of Schouw & Co.	416.2	64.7	603.2
Minority interests	-0.1	0.0	-0.1
Total recognised comprehensive income	416.1	64.7	603.1

CONSOLIDATED STATEMENT

Balance sheet · Assets and liabilities

Note	Assets	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2014	Dec. 31, 2013
	Goodwill	1,011.6	970.5	876.1	876.0
	Completed development projects	11.9	12.1	17.4	18.1
	Development projects in progress	13.2	18.4	0.2	0.1
	Other intangible assets	98.1	93.9	43.6	45.5
	Intangible assets	1,134.8	1,094.9	937.3	939.7
	Land and buildings	1,291.5	1,262.5	1,162.6	1,168.6
	Plant and machinery	1,315.5	1,251.9	1,265.9	1,303.2
	Other fixtures, tools and equipment	69.9	69.6	76.5	79.9
	Assets under construction, etc.	184.1	131.0	103.4	77.0
	Property, plant and equipment	2,861.0	2,715.0	2,608.4	2,628.7
	Equity investments in associates	564.4	561.7	572.4	619.2
	Equity investments in joint ventures	66.8	64.3	18.5	20.4
	Securities	130.3	115.0	99.6	99.5
	Deferred tax	48.7	51.9	76.1	75.2
	Receivables	148.8	144.1	149.0	154.1
	Other non-current assets	959.0	937.0	915.6	968.4
	Total non-current assets	4,954.8	4,746.9	4,461.3	4,536.8
	Inventories	1,510.6	1,447.5	1,152.5	1,151.5
3	Receivables	2,566.7	2,592.1	2,232.6	2,675.2
	Income tax receivable	2.9	8.4	11.0	8.8
	Securities	0.1	0.1	0.1	0.1
	Cash and cash equivalents	1,336.9	1,087.1	1,513.9	1,324.0
	Total current assets	5,417.2	5,135.2	4,910.1	5,159.6
	Total assets	10,372.0	9,882.1	9,371.4	9,696.4

Note	Liabilities and equity	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2014	Dec. 31, 2013
6	Share capital	255.0	255.0	255.0	255.0
	Hedge transaction reserve	-17.0	-20.0	-20.7	-14.5
	Exchange adjustment reserve	447.8	153.7	-19.1	-36.7
	Retained earnings	5,608.1	5,478.2	5,385.1	5,385.8
	Proposed dividend	204.0	204.0	153.0	153.0
	Share of equity attributable to the parent company	6,497.9	6,070.9	5,753.3	5,742.6
	Minority interests	15.0	2.9	3.4	3.4
	Total equity	6,512.9	6,073.8	5,756.7	5,746.0
	Deferred tax	158.5	151.3	121.9	127.9
	Pensions and similar liabilities	117.4	113.1	96.8	98.2
5	Credit institutions	808.6	858.4	967.6	1,035.1
	Non-current liabilities	1,084.5	1,122.8	1,186.3	1,261.2
5	Current portion of non-current debt	229.6	238.1	212.5	200.2
5	Credit institutions	201.7	77.6	366.0	238.3
	Trade payables and other payables	2,193.8	2,238.6	1,835.6	2,237.2
	Income tax	149.5	131.2	14.3	13.5
	Current liabilities	2,774.6	2,685.5	2,428.4	2,689.2
	Total liabilities	3,859.1	3,808.3	3,614.7	3,950.4
	Total liabilities and equity	10,372.0	9,882.1	9,371.4	9,696.4

Notes without reference 7 & 9.

Cash flow statement

Note		Q1 2015	Q1 2014	2014 Total
	Profit before tax	189.1	73.7	701.3
	Adjustment for operating items of a non-cash nature, etc.			
	Depreciation and impairment losses	94.6	87.7	362.7
	Other operating items, net	42.6	-5.4	33.9
	Provisions	-0.2	-0.2	0.5
	Profit/(loss) after tax in associates and joint ventures	-19.1	17.1	-28.5
	Financial income	-32.5	-8.9	-51.9
	Financial expenses	14.3	16.7	86.7
	Cash flows from operating activities before changes in working capital	288.8	180.7	1,104.7
	Changes in working capital	-76.3	-93.3	-296.6
	Cash flows from operating activities	212.5	87.4	808.1
	Interest income received	14.3	6.8	31.2
	Interest expenses paid	-14.4	-16.7	-83.8
	Cash flows from ordinary activities	212.4	77.5	755.5
	Income tax paid	-40.7	-26.6	-127.8
	Cash flows from operating activities	171.7	50.9	627.7
	Purchase of intangible assets	-0.4	-1.4	-12.9
	Purchase of property, plant and equipment	-58.2	-45.6	-232.5
	Sale of property, plant and equipment	0.3	0.0	8.5
4	Acquisition of enterprises	-19.5	0.0	-129.2
	Acquisition of joint ventures and associates	0.0	0.0	-38.6
	Loan to associates	-0.5	-0.4	-19.5
	Received dividend from associates	0.0	31.3	76.0
	Purchase of securities	0.0	0.0	-10.0
	Sale of securities	0.0	0.0	3.7
	Cash flows from investing activities	-78.3	-16.1	-354.5

Note		Q1 2015	Q1 2014	2014 Total
	Debt financing:			
	Repayment of non-current liabilities	-87.7	-58.7	-330.9
	Proceeds from incurring non current financial liabilities	13.1	0.0	63.8
	Increase (repayment) of bank overdrafts	128.9	268.7	-156.3
	Repayment of loan from associates	0.0	0.0	141.0
	Shareholders:			
	Dividend paid	0.0	0.0	-142.9
	Purchase / sale of treasury shares, net	9.4	-55.1	-137.7
	Cash flows from financing activities	63.7	154.9	-563.0
	Cash flows for the period	157.1	189.7	-289.8
	Cash and cash equivalents at January 1	1,087.1	1,324.0	1,324.0
	Value adjustment of cash and cash equivalents	92.7	0.2	52.9
	Cash and cash equivalents at March 31	1,336.9	1,513.9	1,087.1

Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed 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 in Q1 2014								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	17.6	0.0	0.0	17.6	0.0	17.6
Value adj. of hedging instruments recognised during the period	0.0	-10.9	0.0	0.0	0.0	-10.9	0.0	-10.9
Hedging instruments transferred to cost of sales	0.0	1.1	0.0	0.0	0.0	1.1	0.0	1.1
Hedging instruments transferred to financials	0.0	1.4	0.0	0.0	0.0	1.4	0.0	1.4
Other comprehensive income from associates and JVs	0.0	0.1	0.0	-0.4	0.0	-0.3	0.0	-0.3
Tax on other comprehensive income	0.0	2.1	0.0	0.0	0.0	2.1	0.0	2.1
Profit for the period	0.0	0.0	0.0	53.7	0.0	53.7	0.0	53.7
Total recognised comprehensive income	0.0	-6.2	17.6	53.3	0.0	64.7	0.0	64.7
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	1.1	0.0	1.1	0.0	1.1
Treasury shares bought/sold	0.0	0.0	0.0	-55.1	0.0	-55.1	0.0	-55.1
Transactions with the owners for the period	0.0	0.0	0.0	-54.0	0.0	-54.0	0.0	-54.0
Equity at March 31, 2014	255.0	-20.7	-19.1	5,385.1	153.0	5,753.3	3.4	5,756.7
Equity at January 1, 2015	255.0	-20.0	153.7	5,478.2	204.0	6,070.9	2.9	6,073.8
Other comprehensive income in Q1 2015								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	294.1	0.0	0.0	294.1	0.0	294.1
Value adj. of hedging instruments recognised during the period	0.0	3.1	0.0	0.0	0.0	3.1	0.0	3.1
Hedging instruments transferred to cost of sales	0.0	0.3	0.0	0.0	0.0	0.3	0.0	0.3
Hedging instruments transferred to financials	0.0	0.6	0.0	0.0	0.0	0.6	0.0	0.6
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-5.5	0.0	-5.5	0.0	-5.5
Other adjustment on equity	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Tax on other comprehensive income	0.0	-1.0	0.0	0.0	0.0	-1.0	0.0	-1.0
Profit for the period	0.0	0.0	0.0	124.5	0.0	124.5	-0.1	124.4
Total recognised comprehensive income	0.0	3.0	294.1	119.1	0.0	416.2	-0.1	416.1
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	1.4	0.0	1.4	0.0	1.4
Addition/disposal of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	12.2	12.2
Treasury shares bought/sold	0.0	0.0	0.0	9.4	0.0	9.4	0.0	9.4
Transactions with the owners for the period	0.0	0.0	0.0	10.8	0.0	10.8	12.2	23.0
Equity at March 31, 2015	255.0	-17.0	447.8	5,608.1	204.0	6,497.9	15.0	6,512.9

Notes to the financial statements

1 SEGMENT REPORTING

Total reportable segments Q1 2015	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Total
External revenue	1,909.0	420.6	303.8	148.4	2,781.8
Intra-group revenue	0.0	7.3	2.0	0.0	9.3
Segment revenue	1,909.0	427.9	305.8	148.4	2,791.1
Depreciation and impairment	37.0	35.7	17.8	3.4	93.9
EBIT	49.3	63.5	27.3	16.2	156.3
Segment assets	5,477.9	1,975.1	1,384.8	389.8	9,227.6
Including goodwill	789.4	99.1	123.2	0.0	1,011.7
Equity investments in associates and joint ventures	44.7	0.0	0.0	0.0	44.7
Segment liabilities	3,097.7	1,174.7	923.2	226.4	5,422.0
Working capital	1,089.6	289.3	332.2	161.2	1,872.3
NIBD	531.1	683.5	570.5	93.4	1,878.5
Cash flows from operating activities	-5.6	90.8	27.5	44.4	157.1
Cash flows from investing activities	-13.2	-7.6	-55.4	-1.6	-77.8
Cash flows from financing activities	59.4	-55.9	55.2	-52.5	6.2
Capital expenditure	13.2	8.0	35.9	1.6	58.7
Average number of employees	912	506	622	243	2,283

Total reportable segments Q1 2014	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Total
External revenue	1,592.8	407.3	269.3	133.5	2,402.9
Intra-group revenue	0.0	18.5	2.2	0.0	20.7
Segment revenue	1,592.8	425.8	271.5	133.5	2,423.6
Depreciation and impairment	35.1	31.6	15.7	4.6	87.0
EBIT	33.8	38.3	17.3	14.0	103.4
Segment assets	4,536.4	1,748.2	1,020.8	394.5	7,699.9
Including goodwill	726.1	72.4	77.6	0.0	876.1
Equity investments in associates and joint ventures	0.0	0.0	11.7	0.0	11.7
Segment liabilities	2,510.7	1,108.1	665.1	242.5	4,526.4
Working capital	843.7	233.9	293.6	162.2	1,533.4
NIBD	644.1	661.0	438.2	131.3	1,874.6
Cash flows from operating activities	-63.4	71.5	18.4	22.0	48.5
Cash flows from investing activities	-30.5	-10.4	-4.4	-1.6	-46.9
Cash flows from financing activities	2.3	-0.1	-3.4	-47.2	-48.4
Capital expenditure	30.5	10.4	4.4	1.6	46.9
Average number of employees	894	425	517	216	2,052

Notes to the financial statements

1 SEGMENT REPORTING (CONTINUED)

Schouw 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 reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens and Hydra-Grene.

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 inter-segment transactions were made on an arm's length basis.

Reconciliation of consolidated revenue, EBIT, assets and liabilities

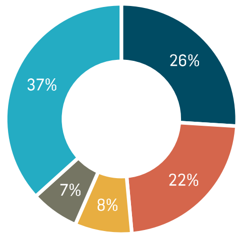
Q1 2015	Group revenue	EBIT	Assets	Liabilities
Reporting segments	2,791.1	156.3	9,227.6	5,422.0
Non-reporting segments	1.9	1.0	200.7	44.6
The parent company	1.4	-5.5	5,102.4	160.3
Group elimination etc.	-10.6	0.0	-4,158.7	-1,767.8
Total	2,783.8	151.8	10,372.0	3,859.1

Q1 2014	Group revenue	EBIT	Assets	Liabilities
Reporting segments	2,423.6	103.4	7,699.9	4,526.4
Non-reporting segments	1.9	0.9	213.7	58.7
The parent company	1.1	-5.7	4,897.9	127.1
Group elimination etc.	-21.9	0.0	-3,440.1	-1,097.5
Total	2,404.7	98.6	9,371.4	3,614.7

The data on revenue by geography are based on customers' geographical location. The specification shows the individual countries that account for more than 5% of the Group in terms of revenue or 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' category.

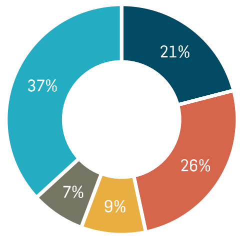
Revenue by country:

Q1 2015



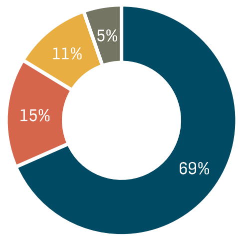
	Q1 2015	Q1 2014
Norway	724	503
Chile	628	618
U.K.	222	217
Denmark	188	180
Other	1,022	886
Total	2,784	2,405

Q1 2014



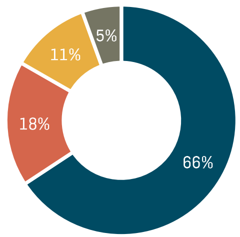
Revenue by segments:

Q1 2015



	Q1 2015	Q1 2014
BioMar	1,909	1,593
FPC	428	426
FIN	306	272
Hydra	148	134
Other	-7	-19
Total	2,784	2,405

Q1 2014



Notes to the financial statements

2 COSTS

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
Granted in 2012	40,000	40,000	80,000
Granted in 2013	55,000	156,000	211,000
Granted in 2014	55,000	160,000	215,000
Outstanding options in total at December 31, 2014	150,000	356,000	506,000
Granted in 2015	55,000	172,000	227,000
Exercised (from the share options granted in 2012)	0	-40,000	-40,000
Exercised (from the share options granted in 2013)	-15,000	-112,000	-127,000
Exercised (from the share options granted in 2014)	0	-10,000	-10,000
Outstanding options in total at March 31, 2015	190,000	366,000	556,000

Options exercised in 2015:	Exercised from 2014 grant	Exercised from 2013 grant	Exercised from 2012 grant
Exercised number of shares	10,000	127,000	40,000
Average excercise price in DKK	265.26	194.55	146.62
Average share price in DKK on exercise	325.50	326.80	328.50
Group's cash proceeds in DKK million	2.7	24.7	5.8

The expected volatility is calculated as 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 a share option vests, 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.

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

Presumptions for the fair value:	2015 grant	2014 grant	2013 grant	2012 grant
Expected volatility	27.62%	26.12%	25.36%	34.48%
Expected term	48 mths	48 mths	48 mths	48 mths
Expected dividend per share	DKK 6	DKK 5	DKK 4	DKK 3
Risk-free interest rate	0.00%	0.65%	0.62%	1.04%
Other information regarding the options:				
Strike price in DKK *	324,40	297.50	211.63	155.83
Fair value in DKK per option **	40.99	30.87	20.19	24.24
Fair value in total in DKK millions **	9.3	6.9	4.4	5.8
Can be exercised from	March 2017	March 2016	March 2015	March 2014
Can be exercised to	March 2019	March 2018	March 2017	March 2016

*) On exercise after four years (at the latest possible date)
**) At the date of grant

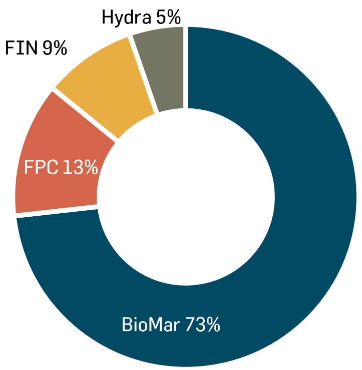
Notes to the financial statements

3 RECEIVABLES - CURRENT

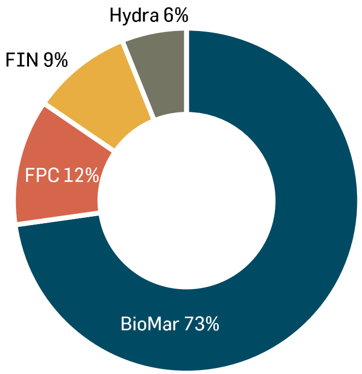
	Q1 2015	Q1 2014
Trade receivables	2,398.6	2,147.1
Other current receivables	161.0	82.0
Accruals and deferred income	7.1	3.5
Receivables current	**2,566.7**	**2,232.6**

Trade receivables by portfolio company:

Q1 2015



Q1 2014



	Q1 2015	Q1 2014
Impairment losses on trade receivables		
Impairment losses at January 1	-181.9	-202.8
Exchange adjustments	-3.4	-0.4
Reversed impairment losses	0.1	0.1
Impairment losses for the period	-6.9	-6.0
Realised loss	0.6	0.7
Impairment losses at March 31	**-191.5**	**-208.4**

		Due between (days)			
Q1 2015	Not due	1-30	31-90	>91	Total
Trade receivables not considered to be impaired	2,001.4	151.3	69.6	19.9	2,242.2
Trade receivables individually assessed to be impaired	24.1	33.5	44.2	246.1	347.9
Trade receivables in total	2,025.5	184.8	113.8	266.0	2,590.1
Impairment losses on trade receivables	-0.6	-0.3	-6.5	-184.1	-191.5
Trade receivables net	**2,024.9**	**184.5**	**107.3**	**81.9**	**2,398.6**
Proportion of the total receivables which is expected to be settled					92.6%
Impairment percentage	0.0%	0.2%	5.7%	69.2%	7.4%

		Due between (days)			
Q1 2014	Not due	1-30	31-90	>91	Total
Trade receivables not considered to be impaired	1,797.0	111.9	57.1	36.1	2,002.1
Trade receivables individually assessed to be impaired	34.6	31.0	44.5	243.3	353.4
Trade receivables in total	1,831.6	142.9	101.6	279.4	2,355.5
Impairment losses on trade receivables	-2.0	-4.2	-17.6	-184.6	-208.4
Trade receivables net	**1,829.6**	**138.7**	**84.0**	**94.8**	**2,147.1**
Proportion of the total receivables which is expected to be settled					91.2%
Impairment percentage	0.1%	2.9%	17.3%	66.1%	8.8%

A total of 13.4% (2014: 15.0%) of receivables at the balance sheet date were impaired to a greater or lesser extent. There is a constant focus on follow-up on overdue debtors.

Notes to the financial statements

4 ACQUISITIONS

	Q1 2015	Q1 2014
Intangible assets	4.7	0.0
Property, plant and equipment	52.9	0.0
Inventories	21.4	0.0
Receivables	18.0	0.0
Cash and cash equivalents	0.5	0.0
Credit institutions	-16.2	0.0
Trade payables	-17.1	0.0
Other liabilities	-17.2	0.0
Net assets acquired	47.0	0.0
Of which minority interests	-12.2	0.0
Current value of original share of equity	-12.1	0.0
Badwill	-2.7	0.0
Cost	20.0	0.0
Of which cash and cash equivalents	-0.5	0.0
Cash cost total	19.5	0.0

In 2015, the Group acquired control of Fibertex South Africa, which it had held a 26% stake in for a number of years. On March 1, 2015, Fibertex Nonwovens acquired an additional 48.2% of the shares at an acquisition price of DKK 19.5 million. IFU (the Investment Fund for Developing Countries) continues to hold the remaining 25.8% of the shares in the company.

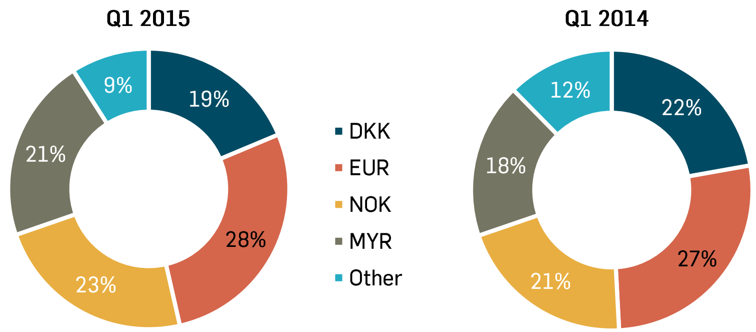
The transaction provides an important platform for Fibertex Nonwovens and its continued development in Africa, and it coincides with a resolution to expand the company's output capacity by installing a second needlefelt line. At the same time, Fibertex South Africa acquired a fiberline and land and buildings where the company runs its business from the former shareholder.

In connection with the acquisition, a badwill amount has been recognised under other operating income in the Q1 financial statements.

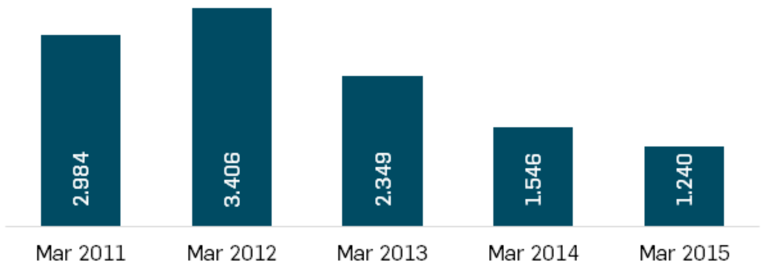
Revenue and net profit for Q1 2015 made up on a pro forma basis as if Fibertex South Africa had been acquired on January 1, 2015, would have been DKK 11 million higher (revenue) and DKK 1.3 million lower (net profit).

5 INTEREST-BEARING DEBT

Percentage breakdown of interest-bearing debt by currency:



Consolidated interest-bearing debt since 2011:



The weighted average effective rate of interest at March 31, 2015 was 3.6% (March 31, 2014: 3.6%).

Notes to the financial statements

6 SHARE CAPITAL

Treasury shares	Number of shares	Cost in DKK million	Percentage of share capital
January 1, 2014	1,621,113	206.0	6.36%
Movements in Q1 2014			
Share option programme	-213,000	-25.9	-0.84%
Additions	333,687	84.7	1.31%
March 31, 2014	1,741,800	264.8	6.83%
Movements in Q2-Q4 2014			
Share option programme	-88,667	-10.6	-0.34%
Additions	356,800	95.5	1.39%
December 31, 2014	2,009,933	349.7	7.88%
Movements in Q1 2015			
Share option programme	-177,000	-21.6	-0.69%
Additions	73,197	23.8	0.29%
March 31, 2015	1,906,130	351.9	7.48%

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.

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 177,000 shares held in treasury were used in connection with options exercised in 2015. The shares had an aggregate fair value of DKK 57.9 million at the time of exercise.

The Group's holding of treasury shares had a market value of DKK 634.7 million at March 31, 2015.

The share capital has remained unchanged in the past five years.

7 FAIR VALUE OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	Q1 2015	Q1 2014
Financial assets		
Derivative financial instruments to hedge future cash flows – level 2	11.7	1.0
Securities measured at fair value through other comprehensive income – level 3	130.4	99.7
Financial liabilities		
Derivative financial instruments to hedge future cash flows – level 2	33.9	32.4

Securities measured at fair value through other comprehensive income – level 3 amounted to DKK 115.1 million at the beginning of the year. The change for the reporting period was due exclusively to foreign exchange adjustments of DKK 15.3 million.

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in interest rate levels 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 curves, 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.

Notes to the financial statements

8 EARNINGS PER SHARE (DKK)

	Q1 2015	Q1 2014
Share of the profit for the period attributable to shareholders of Schouw & Co.	124.5	53.7
Average number of shares	25,500,000	25,500,000
Average number of treasury shares	-1,981,748	-1,654,945
Average number of outstanding shares	23,518,252	23,845,055
Average dilutive effect of outstanding share options *	54,449	91,892
Diluted average number of outstanding shares	23,572,701	23,936,947
Earnings per share in Danish kroner of DKK 10	5.29	2.25
Diluted earnings per share in Danish kroner of DKK 10	5.28	2.24

* See note 2 for information on options that may cause dilution.

9 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, joint arrangements and associates, in which Schouw & Co. has control, significant influence or joint control of as well as members of the boards of directors, management boards and senior management of those companies.

Management's share option programmes are set out in note 2.

	Q1 2015	Q1 2014
Joint Ventures:		
The Group received consulting fees from Xergi in the amount of	0.1	0.0
Associates:		
The Group received interest income from Incuba Invest in the amount of	0.2	0.2
At March 31, the Group had a receivable from Incuba Invest in the amount of	10.4	9.8
The Group received dividends from Kramp in the amount of	0.0	31.3

Other than as set out above, no transactions were made during the year with related parties.

Management statement

The Board of Directors and Executive Management today considered and approved the interim report for the period January 1 to March 31, 2015.

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 report gives a true and fair view of the Group's assets and liabilities and financial position at 31 March 2015 and of the results of the Group's operations and cash flows for the period January 1 to March 31, 2015.

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, May 7, 2015

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

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