2015

Interim report 2015 H1

Company announcement No. 8/2015
August 13, 2015 · 30 pages

Table of contents

schouw+co

Highlights

- The Schouw & Co. Group had a good first six months of 2015 with all portfolio companies reporting earnings improvements.
- Revenue was up by 16% to DKK 5,888 million.
- EBIT improved by 26% to DKK 303 million.
- Kramp and Xergi both reporting strong improvements in profit after tax.
- Fibertex Nonwovens and Hydra-Grene both upgrading their EBIT guidance.
- Fibertex Personal Care narrowing its FY EBIT guidance to the upper level of its previous guidance range.
- Schouw & Co. maintains its guidance of full-year revenue of approximately DKK 12.5 billion. The company raises its full-year EBIT forecast to the range of DKK 650-730 million from the previous forecast of DKK 630-720 million.

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

"Our good performance continues, and we lifted H1 revenue and earnings by substantial margins. Our investments and acquisitions are producing good results, but our earnings were also lifted by favourable developments in exchange rates and prices of raw materials.

All of our wholly owned portfolio companies are reporting improvements, and we're upgrading our EBIT guidance for the second time this year.

Our partly owned businesses are also performing well and reporting attractive earnings. We are now recognising the full effects of our 20% ownership interest in Kramp, Europe's leading agricultural wholesaler, and our long-standing investment in biogas producer Xergi is showing very promising developments.

At Schouw & Co., we consider potential investment opportunities as and when they arise, and we continue to believe in the importance of strengthening our existing portfolio companies. Schouw & Co. is virtually debt-free, and we have the potential and the ambition to continue to generate profitable growth."

Financial highlights and key ratios

GROUP SUMMARY (DKK MILLION)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
Revenue and income					
Revenue	3,104	2,659	5,888	5,064	11,784
Operating profit before depriciation (EBITDA)	247	229	494	415	1,070
Depreciation and impairment losses	96	88	191	176	363
Operating profit (EBIT)	151	141	303	239	708
Profit after tax in associates and joint ventures	28	10	47	-7	28
Financial items, net	-18	-10	0	-18	-35
Profit before tax	160	141	349	215	701
Profit for the period	127	109	251	163	428
Cash flows					
Cash flows from operating activities	52	192	224	243	628
Cash flows from investing activities	-106	-65	-184	-81	-355
Of which investment in property, plant and equipment	-107	-50	-165	-95	-233
Cash flows from financing activities	-179	-99	-116	56	-563
Cash flows for the period	-233	29	-76	219	-290
Invested capital and financing					
Invested capital excluding goodwill	4,859	4,116	4,859	4,116	4,528
Total assets	10,491	9,813	10,491	9,813	9,882
Working capital	2,013	1,541	2,013	1,541	1,775
Net interest bearing debt (NIBD)	134	24	134	24	44
Share of equity attributable to shareholders of Schouw & Co.	6,338	5,737	6,338	5,737	6,071
Minority interests	29	3	29	3	3
Total equity	6,366	5,740	6,366	5,740	6,074
Financial data					
EBITDA margin (%)	8.0	8.6	8.4	8.2	9.1
EBIT margin (%)	4.9	5.3	5.1	4.7	6.0
EBT margin (%)	5.2	5.3	5.9	4.2	6.0
Return on equity (%)	8.6	17.5	8.6	17.5	7.2
Equity ratio (%)	60.7	58.5	60.7	58.5	61.5
ROIC excluding goodwill (%)	17.0	18.1	17.0	18.1	16.9
ROIC including goodwill (%)	14.1	15.0	14.1	15.0	14.0
NIBD/EBITDA	0.1	0.0	0.1	0.0	0.0
Average number of employees during the period	2,399	2,097	2,338	2,081	2,139

GROUP SUMMARY (DKK MILLION)	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
Per share data					
Earnings per share	5.43	4.60	10.72	6.84	18.08
Diluted earnings per share	5.41	4.57	10.69	6.82	18.02
Net asset value per share	268.62	241.80	268.62	241.80	258.44
Share price, end of period	349.50	267.50	349.50	267.50	290.00
Price/net asset value	1.30	1.11	1.30	1.11	1.12
Market capitalisation	8,246	6,346	8,246	6,346	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 2015" 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 half year of 2015

Financial performance

(DKK million)	Q2 2015	Q2 2014	Change	
Revenue	3,104	2,659	445	17%
EBITDA	247	229	18	8%
EBIT	151	141	10	7%
Associates etc.	28	10	17	166%
Profit before tax	160	141	19	13%
Cash flow from operations	52	192	-140	-73%

(DKK million)	YTD 2015	YTD 2014	Change	
Revenue	5,888	5,064	824	16%
EBITDA	494	415	78	19%
EBIT	303	239	63	26%
Associates etc.	47	-7	54	-
Profit before tax	349	215	134	62%
Cash flow from operations	224	243	-19	-8%
Net interest-bearing debt	134	24	110	-
Working capital	2,013	1,541	472	31%
ROIC excl. goodwill	17.0%	18.1%	-1.1pp	
ROIC incl. goodwill	14.1%	15.0%	-0.9pp	

The companies of the Schouw & Co. Group had a good first six months of 2015 with an overall positive contribution from prices of raw materials and foreign exchange rates.

Consolidated revenue was up by 16% from DKK 5,064 million in H1 2014 to DKK 5,888 million in H1 2015. Revenue improvements in the first two quarters of the year were relatively stable and related mainly to BioMar, but Fibertex Nonwovens and Hydra-Grene were also positive contributors. Recent company acquisitions contributed DKK 137 million of the DKK 824 million consolidated revenue improvement, and the translation of non-Danish activities – mainly in BioMar and Fibertex Personal Care – produced income of DKK 274 million from changes in foreign exchange rates.

EBIT was up by 26% from DKK 239 million in H1 2014 to DKK 303 million in H1 2015. Most of the improvement occurred in the first quarter, but all of the Group's consolidated companies reported year-on-year revenue improvements in both quarters. Recent company acquisitions contributed DKK 8 million and changes in exchange rates produced DKK 27 million of the DKK 63 million consolidated EBIT improvement.

Kramp, the associate company, also had a good first six months of the year, as revenue rose from DKK 2,576 million in H1 2014 to DKK 2,693 million in H1 2015. EBIT was up by 17% from DKK 241 million in H1 2014 to DKK 281 million in H1 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 after tax in Kramp was DKK 43 million in H1 2015, as compared to a DKK 2 million loss in H1 2014, when the financial results were reduced by DKK 36 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 combined profit of DKK 4 million.

The Group's net financial items improved from an expense of DKK 18 million in H1 2014 to DKK 0 in H1 2015. However, the amount includes positive foreign exchange adjustments for a total of DKK 14 million.

The Group's calculated tax rate for H1 2015 is higher than normal, mainly due to value adjustment of tax payable in relation to BioMar in Chile.

Liquidity and capital resources

The Group's operating activities generated a cash inflow of DKK 224 million in H1 2015, compared with a cash inflow of DKK 243 million in H1 2014. Cash flows for investing activities amounted to DKK 184 million in H1 2015, against DKK 81 million in H1 2014.

The consolidated net interest-bearing debt grew from DKK 24 million at June 30, 2014, to DKK 134 million at June 30, 2015. The change was due in part to the fact that during the past 12 months, the Group has bought treasury shares for net DKK 59 million and paid DKK 189 million in dividends to its shareholders.

The Group's working capital increased from DKK 1,541 million at June 30, 2014 to DKK 2,013 million at June 30, 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.

Interim report – first half year of 2015

Portfolio company highlights

The following is a brief review of portfolio company performances in the six months to June 30, 2015. See the individual company reviews on the following pages for more information.

BIOMAR generated a significant revenue improvement that was mainly driven by an increase in prices of raw materials and positive currency effects. The company's EBIT also improved, mainly from the positive effect of USD appreciation.

FIBERTEX PERSONAL CARE reported a slight fall in revenue, but an improvement in EBIT. The earnings improvement was the result of lower raw materials prices in both Europe and South East Asia in the first quarter of 2015, and was also supported by the consolidation of Innowo Print and favourable exchange rate developments for the Malaysian ringgit.

FIBERTEX NONWOVENS reported significant improvements in both revenue and EBIT. Recent acquisitions, one in the USA and one in South Africa, made a positive and a negative contribution, respectively, to consolidated earnings.

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

KRAMP, which is recognised as an associate, reported a healthy revenue increase and an even better EBIT margin increase, in part due to synergies realised following the merger of Kramp and Grene.

XERGI, which is recognised as a joint venture, reported an increase in revenue from DKK 86 million in H1 2014 to DKK 235 million in H1 2015 deriving from its large projects in Denmark and the UK. The company's EBIT also improved strongly. Xergi is recognised in the consolidated financial statements at a share of profit after tax of DKK 5 million for H1 2015, compared with a DKK 4 million loss in H1 2014.

INCUBA INVEST, which is recognised as an associate, reported a slight profit in H1 2015 that was in line with the profit for H1 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 21% during the six months to June 30, 2015, from DKK 290.00 per share at December 31, 2014 to DKK 349.50 per share at June 30, 2015.

At December 31, 2014, the company held 2,009,933 treasury shares, equal to 7.88% of the share capital. In the first half year of 2015, Schouw & Co. used 177,000 treasury shares in connection with options exercised under the Group's share incentive scheme, while acquiring 73,197 treasury shares 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 666 million at June 30, 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 June 30, 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 for the very competitive international markets, and the Group has 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 the important markets, Chile and South East Asia, respectively.

Generally, our portfolio companies have had a good first six months of the year, supported by developments in the first quarter in prices of raw materials and in foreign exchange rates. The following is a brief review of individual company expectations for the full year 2014:

BIOMAR expects moderate developments in total volumes in its core markets for the rest of 2015, but the company maintains the revenue and EBIT forecasts announced in the Q1 interim report.

FIBERTEX PERSONAL CARE continues to expect a slight drop in revenue compared with 2014 due to lower average prices of raw materials, but that effect will be partly offset by the consolidation of Innowo Print. The company narrows its FY EBIT guidance to the upper end of its previous guidance range.

For FIBERTEX NONWOVENS, this is a year of transition as several production lines are scheduled for upgrading and therefore will be out of service for a period of time. The company maintains its guidance for full-year revenue, but as its strong earnings performance continued in the second quarter, Fibertex Nonwovens has again upgraded its FY EBIT guidance.

HYDRA-GRENE is upgrading its revenue guidance, mainly due to higher sales to the wind turbine industry. The company raises its EBIT guidance by a similar margin.

The associate company KRAMP maintains its guidance of revenue and EBIT improvements. XERGI, which is recognised as a joint venture, also maintains its guidance for an increase in full-year revenue and EBIT.

Overall, Schouw & Co. maintains is guidance for consolidated FY 2015 revenue in the vicinity of DKK 12.5 billion. 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 continued strong performance in the second quarter indicates a slight increase in the consolidated full-year EBIT guidance to the range of DKK 650-730 million from the previous guidance of DKK 630-720 million.

To this should be added profit after tax from associates and joint ventures, which is expected to improve to the range of DKK 65-75 million from the previous range of DKK 60-70 million.

The net financials forecast for 2015 is unchanged and expected to be an expense in the region of DKK 10 million.

REVENUE (DKK million)	2015 After Q2	2015 After Q1	2015 Original	2014 actual
BioMar	c. 9,000	c. 9,000	c. 8,500	8,451
Fibertex Personal Care	c. 1,700	c. 1,700	c. 1,700	1,787
Fibertex Nonwovens	c. 1,200	c. 1,200	c. 1,200	1,048
Hydra-Grene	c. 550	> 500	> 500	566
Other/eliminations	-	-	-	-68
Total revenue	**12.5bn**	**12.5bn**	**12bn**	**11,784**
Kramp (100%)	c. 5,250	c. 5,250	c. 5,250	4,905

EBIT (DKK million)	2015 After Q2	2015 After Q1	2015 Original	2014 actual
BioMar	375-425	375-425	360-410	434
Fibertex Personal Care	170-180	160-180	160-180	171
Fibertex Nonwovens	75-85	70-80	65-75	62
Hydra-Grene	50-60	45-55	45-55	60
Other	c. -20	c. -20	c. -20	-20
Total EBIT	**650-730**	**630-720**	**610-700**	**708**
Associates etc.	65-75	60-70	60-70	28
Financial items, net	c. -10	c. -10	c. -35	-35
Profit before tax	**705-795**	**680-780**	**635-735**	**701**
Kramp EBIT (100%)	425-450	425-450	425-450	405

REPORT

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

November 5, 2015

Release of Q3 2015 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.

Our businesses

BioMar

BioMar is the world's third-largest manufacturer of quality feed for the 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 H1 2015 as for H1 2014, but with significant differences between regions. The Norwegian operations increased sales by a significant margin due to attractive final shipments on older contracts, whereas Chile incurred an expected decline in volumes sold, because a number of customers had smaller average fish sizes and due to the generally smaller overall market. Continental Europe reported sales almost in line with last year's level despite the challenges posed by the company's largest customer in Greece.

BioMar lifted revenue by 21% from DKK 3,430 million in H1 2014 to DKK 4,139 million in H1 2015, even with no change in total volumes sold. The revenue improvement was based mainly on higher selling prices resulting from higher raw materials prices. The strengthened US dollar also supported revenue growth, while developments in other currencies against the Danish krone had a marginally negative impact.

H1 2015 EBIT was DKK 127 million as compared with DKK 112 million in H1 2014. Driving the improvement was Norway, as greater volumes led to good capacity utilisation and efficiency, whereas the opposite occurred in Chile even though the negative earnings performance was partially offset by USD appreciation against DKK.

Working capital increased from DKK 802 million at June 30, 2014, to DKK 1,260 million at June 30, 2015, because inventories were larger than usual and due to an increase in trade receivables.

Net interest-bearing debt grew from DKK 539 million at June 30, 2014, to DKK 686 million at June 30, 2015, following payment of an intra-group dividend of DKK 200 million in the first quarter of 2015.

Business development

BioMar's two core markets, Norway and Chile, are developing in opposite directions; Norway is expected to see moderate growth in 2015, whereas the Chilean market is expected to contract. BioMar expects that the lower sales in Chile will be offset by higher sales in Norway, and that Continental Europe will generate sales much in line with last year.

In Norway, the major contracts for delivery in the important second half-year high season were finalised with the anticipated results.

As expected, BioMar lost market share in Chile in H1 2015 relative to H1 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. BioMar does not expect to be able to offset the lower market share within the next few months. Combined with the smaller overall market anticipated, this will make for a challenging second half of 2015.

Prices of farmed fish remain very low in Chile, and most fish farmers incurred losses in the first half of the year, in part because favourable currency developments have enabled Norwegian salmon to make its way to the US market.

Volumes in Continental Europe are expected to be generally in line with last year. The main challenge in the region are the uncertain prospects for southern Europe and for Greece in particular, where much needed consolidation of the fish farming industry is currently underway, but the process also strongly depends on a potential solution to the country's difficult situation.

Construction of the new factory in Turkey is now underway in association with the local company Sagun Group. The new factory will have an initial capacity of approximately 50,000 tonnes of feed and is expected to begin serving Turkish customers in early 2016.

In the second quarter of 2015, BioMar signed a memorandum of understanding to establish a 50/50 joint venture with Chinese company Tongwei Co. Ltd., China's largest producer of aqua feed. The parties have since worked to establish the formal contractual basis and these efforts are expected to be completed in the third quarter of 2015. Initially, the agreement will involve building a joint aqua feed factory in China with an annual capacity of about 100,000 tonnes, which is expected to begin operations in 2016. BioMar ➔

BioMar

expects to make an initial investment of about USD 10 million in the joint venture.

In June, BioMar published its first global sustainability report outlining its ambitious sustainability targets. Through annual updates, the report will provide increased knowledge and awareness of the BioMar Group's efforts and activities.

Outlook

BioMar reports a good first half year overall. The individual markets have developed somewhat differently than anticipated, and some of them have reported declining volumes, but overall sales were in line with expectations.

BioMar maintains its full-year guidance for its sales volumes. The resulting revenue to be generated will depend strongly on prices of raw materials and on foreign exchange rates. Given the current prospects, BioMar expects full-year revenue of about DKK 9 billion.

The full-year EBIT forecast is also unchanged and is expected to be in the DKK 375-425 million range. As always, the full-year results will depend strongly on the high season in the second half of the year, and any deterioration of the uncertain situation in Greece will inherently have a negative impact on earnings.

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
Volume (1000 t)	224	224	417	418	996
Revenue (DKK million)	2,230	1,837	4,139	3,430	8,451
- of which North Sea	1,003	753	1,938	1,430	4,099
- of which Americas	724	607	1,427	1,267	2,558
- of which Cont. Europe	503	477	774	733	1,794

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
INCOME STATEMENT					
Revenue	2,230.4	1,836.7	4,139.4	3,429.5	8,451.3
Gross profit	238.1	224.4	437.6	399.9	1,019.4
EBITDA	114.8	113.9	201.1	182.8	574.2
Depreciation and impairment	37.0	35.3	74.0	70.4	139.8
Operating profit (EBIT)	77.8	78.6	127.1	112.4	434.4
Profit after tax from ass. and joint ventures	-0.7	0.0	-0.4	0.0	2.5
Financial items, net	-8.4	-6.0	-6.2	-10.6	-38.6
Profit before tax	68.7	72.6	120.5	101.8	398.3
Tax for the period	-16.8	-18.2	-52.9	-23.6	-214.2
Profit for the period	51.9	54.4	67.6	78.2	184.1
CASH FLOWS					
Cash flows from operating activities	-95.8	147.7	-101.4	84.3	266.3
Cash flows from investing activities	-29.9	-47.1	-43.1	-77.7	-166.5
Cash flows from financing activities	-89.5	11.0	-30.1	13.3	-60.0
BALANCE SHEET					
Intangible assets *	374.8	318.4	374.8	318.4	354.9
Property, plant and equipment	932.2	961.5	932.2	961.5	919.0
Other non-current assets	206.7	133.1	206.7	133.1	196.7
Cash and cash equivalents	492.4	531.4	492.4	531.4	605.5
Other current assets	3,227.8	2,626.6	3,227.8	2,626.6	2,765.1
Total assets	5,233.9	4,571.0	5,233.9	4,571.0	4,841.2
Equity	1,928.9	1,665.0	1,928.9	1,665.0	1,902.2
Interest-bearing debt	1,189.3	1,091.7	1,189.3	1,091.7	1,019.4
Other creditors	2,115.7	1,814.3	2,115.7	1,814.3	1,919.6
Total liabilities and equity	5,233.9	4,571.0	5,233.9	4,571.0	4,841.2
Average number of employees	901	901	905	897	904
FINANCIAL KEY FIGURES					
EBITDA margin	5.1%	6.2%	4.9%	5.3%	6.8%
EBIT margin	3.5%	4.3%	3.1%	3.3%	5.1%
ROIC ex goodwill	21.8%	24.4%	21.8%	24.4%	22.9%
Working capital	1,260.0	802.1	1,260.0	802.1	982.6
Net interest-bearing debt	685.8	538.8	685.8	538.8	386.2

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

All amounts in DKK 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 832 million in H1 2015, compared with DKK 847 million in H1 2014. The drop in revenue was due to a number of opposing factors, as volumes sold increased 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 34 million.

H1 2015 EBIT was DKK 98 million as compared with DKK 73 million in H1 2014. The earnings improvement was partly the result of lower raw materials prices in both Europe and South East Asia, as price changes lifted earnings in the first quarter but had a significant opposite effect in the second quarter. Earnings were also supported by the consolidation of Innowo Print and favourable exchange rate developments for the Malaysian ringgit.

Fibertex Personal Care reduced its working capital from DKK 268 million at June 30, 2014, to DKK 225 million at June 30, 2015.

Net interest-bearing debt was reduced from DKK 646 million at June 30, 2014, to DKK 560 million at June 30, 2015, even after the company paid DKK 75 million in intra-group dividends in the first half of 2015 and also after the purchase of the shares and consolidation of the debt in Innowo Print in October 2014 added DKK 97 million to the net interest-bearing debt.

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.

Fibertex Personal Care and Innowo Print recently received a joint Kimberly-Clark Global Supplier Award as one of only six of Kimberly-Clark's 75,000 suppliers. This is the first time Fibertex Personal Care and Innowo Print have received this prestigious award.

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 very demanding when it comes to products and product performance, and product quality is a huge priority. In addition, the demands the company's customers face from major retailers for shorter and shorter lead times have made Fibertex Personal Care devote a great deal of time and effort to rethinking its in-house processes in order to meet these requirements.

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.

Innowo Print commissioned a third print line in early 2015, expanding capacity by about 30%. Concurrently with running in the new print line, both the Danish and German organisations have been fully focused on integrating Innowo Print in Fibertex Personal Care. Based on these efforts, Fibertex Personal Care has decided to add print facilities to the operations in Malaysia with commissioning expected to take place in early 2017.

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, whereas Asia is still believed to offer market opportunities with growing demand historically absorbing the surging supply in the region over time.

In 2015, Fibertex Personal Care will continue to work on consolidating its business and on utilising its overall production capacity, while also remaining alert to opportunities for profitable growth in South East Asia. ➔

Fibertex Personal Care

Based on the activity seen in the first six months of the year, Fibertex Personal Care maintains its FY 2015 guidance of revenue of about DKK 1.7 billion.

EBIT will inherently depend on how prices of raw materials develop during the rest of the year. Current expectations are relatively moderate compared with the H2 2014 EBIT, as prices of raw materials had a very positive effect in that period, particularly in the final months of the year. Given the current outlook, however, Fibertex Personal Care narrows its FY EBIT forecast to the range of DKK 170-180 million, i.e. to the upper end of the previous forecast range of DKK 160-180 million.

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
Revenue (DKK million)	404	421	832	847	1,787
- from Denmark	175	199	376	402	865
- from Malaysia	212	222	422	445	922
- from Germany	17	0	34	0	0

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
INCOME STATEMENT					
Revenue	403.9	421.0	831.8	846.8	1,787.5
Gross profit	63.8	61.8	157.8	127.8	288.8
EBITDA	69.9	66.3	169.1	136.3	307.6
Depreciation and impairment	35.6	32.1	71.3	63.7	136.3
Operating profit (EBIT)	34.3	34.2	97.8	72.6	171.3
Financial items, net	-5.0	-3.7	-3.8	-8.1	-2.3
Profit before tax	29.3	30.5	94.0	64.5	169.0
Tax for the period	-6.2	-6.7	-20.8	-14.2	-34.3
Profit for the period	23.1	23.8	73.2	50.1	134.7
CASH FLOWS					
Cash flows from operating activities	128.8	28.8	219.5	100.2	225.8
Cash flows from investing activities	-8.7	-7.5	-16.3	-18.0	-129.5
Cash flows from financing activities	-141.8	-12.7	-197.7	-12.8	-85.8
BALANCE SHEET					
Intangible assets *	66.4	24.3	66.4	24.3	75.0
Property, plant and equipment	1,064.3	989.6	1,064.3	989.6	1,099.7
Other non-current assets	119.9	148.2	119.9	148.2	127.6
Cash and cash equivalents	25.3	79.4	25.3	79.4	20.8
Other current assets	498.7	509.5	498.7	509.5	558.7
Total assets	1,774.6	1,751.0	1,774.6	1,751.0	1,881.8
Equity	737.5	629.9	737.5	629.9	730.0
Interest-bearing debt	585.6	730.5	585.6	730.5	708.8
Other creditors	451.5	390.6	451.5	390.6	443.0
Total liabilities and equity	1,774.6	1,751.0	1,774.6	1,751.0	1,881.8
Average number of employees	512	430	509	428	447
FINANCIAL KEY FIGURES					
EBITDA margin	17.3%	15.7%	20.3%	16.1%	17.2%
EBIT margin	8.5%	8.1%	11.8%	8.6%	9.6%
ROIC ex goodwill	15.8%	12.9%	15.8%	12.9%	14.4%
Working capital	225.1	268.4	225.1	268.4	292.7
Net interest-bearing debt	560.3	646.4	560.3	646.4	688.0

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

All amounts in DKK 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 from 26% to 74%. Accordingly, Fibertex South Africa is recognised in the consolidated financial statements from this date.

Fibertex Nonwovens reported H1 2015 revenue of DKK 634 million, an 18% increase from DKK 539 million in H1 2014. The revenue improvement was largely due to the acquisition of the US company and to the consolidation of the revenue generated in South Africa effective from March 2015.

H1 2015 EBIT was DKK 52 million as compared with DKK 33 million in H1 2014. The earnings improvement was driven by continued strong demand, mainly from the auto industry, by a satisfactory capacity utilisation rate and the effect of the acquisition of the US company. EBIT was also lifted by a DKK 3 million non-recurring adjustment relating to the purchase of the shares in Fibertex South Africa that partially offset a negative profit contribution from that company in the reporting period.

Due to the increase in business activity from the addition of the US and South African operations, working capital increased to DKK 349 million at June 30, 2015, from DKK 283 million at June 30, 2014.

The net interest-bearing debt rose from DKK 409 million at June 30, 2014, to DKK 593 million at June 30, 2015. The increase was mainly due to the companies acquired in the USA and South Africa, investment in new production lines in the Czech Republic and South Africa and existing production line upgrades.

Business development

Fibertex Nonwovens is reporting a generally positive performance for the first six months of 2015 with growing sales to the automotive industry and to non-European markets as well as an improved product mix and growing sales of advanced products. On the other hand, product sales to the construction industry and infrastructure projects in Europe declined year-on-year due to the generally lower construction activity and poor weather conditions at the beginning of the 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. Further production 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.

As per March 1, 2015, Fibertex South Africa acquired an already established line for producing fibre and has also invested in a new production line expected to be commissioned by the end of 2015. ➔

Fibertex Nonwovens

Outlook

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

With further 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 be commissioned until in 2016.

Fibertex Nonwovens maintains its forecast of FY 2015 revenue of approximately DKK 1.2 billion, but with the good performance continuing in the second quarter, the company raises its full-year EBIT guidance to the DKK 75-85 million range from the previous DKK 70-80 million.

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
Revenue (DKK million)	328	267	634	539	1,048
- from Denmark	65	63	125	131	245
- from the Czech Rep.	82	82	155	163	309
- from France	129	122	251	245	469
- from the USA	31	0	71	0	25
- from South Africa	21	0	32	0	0

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
INCOME STATEMENT					
Revenue	328.1	267.4	633.9	538.9	1,048.0
Gross profit	79.0	55.0	149.4	111.2	222.1
EBITDA	44.1	31.4	89.2	64.5	128.2
Depreciation and impairment	19.3	15.7	37.0	31.5	66.0
Operating profit (EBIT)	24.8	15.7	52.2	33.0	62.2
Profit after tax from associates	0.0	-0.9	-0.6	-1.0	-1.7
Financial items, net	-2.7	-2.3	-6.5	-5.5	-10.2
Profit before tax	22.1	12.5	45.1	26.5	50.3
Tax for the period	-7.8	-3.2	-14.5	-7.0	-14.4
Profit before minorities	14.3	9.3	30.5	19.5	35.9
Minorities	1.5	0.0	1.6	0.0	0.0
Profit for the period	15.8	9.3	32.2	19.5	35.9
CASH FLOWS					
Cash flows from operating activities	23.1	32.5	50.6	50.9	82.1
Cash flows from investing activities	-65.2	-7.8	-120.6	-12.3	-134.0
Cash flows from financing activities	60.2	-12.6	115.4	-16.0	80.5
BALANCE SHEET					
Intangible assets *	157.7	65.3	157.7	65.3	141.5
Property, plant and equipment	617.4	427.0	617.4	427.0	497.4
Other non-current assets	0.0	11.0	0.0	11.0	10.6
Cash and cash equivalents	104.1	52.7	104.1	52.7	58.7
Other current assets	524.3	421.4	524.3	421.4	470.3
Total assets	1,403.5	977.4	1,403.5	977.4	1,178.5
Equity	463.4	330.7	463.4	330.7	385.5
Interest-bearing debt	696.9	466.0	696.9	466.0	584.3
Other creditors	243.2	180.7	243.2	180.7	208.7
Total liabilities and equity	1,403.5	977.4	1,403.5	977.4	1,178.5
Average number of employees	739	535	673	526	547
FINANCIAL KEY FIGURES					
EBITDA margin	13.4%	11.7%	14.1%	12.0%	12.2%
EBIT margin	7.6%	5.9%	8.2%	6.1%	5.9%
ROIC ex goodwill	9.4%	7.1%	9.4%	7.1%	8.4%
Working capital	349.1	283.1	349.1	283.1	318.7
Net interest-bearing debt	592.8	409.4	592.8	409.4	521.7

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

All amounts in DKK 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. Hydra-Grene's core activities are based 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 six months of 2015, lifting revenue by 7% to DKK 299 million in H1 2015 from DKK 281 million in H1 2014. Driving the improvement were higher sales to the wind turbine industry relative to H1 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 32 million in H1 2014 to DKK 35 million in H1 2015. The improvement was a direct result of the revenue improvement.

The overall working capital fell from DKK 195 million at June 30, 2014 to DKK 188 million at June 30, 2015.

Net interest-bearing debt was reduced from DKK 145 million at June 30, 2014, to DKK 101 million at June 30, 2015, even after the company paid DKK 40 million in intra-group dividends in the first quarter of 2015.

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 H1 2015 than the relatively low level seen in H1 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 H1 2015 relative to the year-earlier period. Hydra-Grene serves the US market through a sales office and 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 service segments 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.

Originally, the company had expected a drop in FY 2015 sales to the wind turbine industry relative to FY 2014, but the good year-to-date performance indicates that full-year sales will be in line with the 2014 figure. The company expects generally stable sales to its general industry customers, but the current pressure on the agricultural sector will undoubtedly have a negative impact on sales to the major manufacturing customers in the agro field.

As a result, Hydra-Grene upgrades its guidance for FY 2015 revenue to approximately DKK 550 million from the previous forecast of above DKK 500 million. The full-year EBIT forecast is also raised to the range of DKK 50-60 million from previously DKK 45-55 million.

All amounts in DKK million

Hydra-Grene

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
INCOME STATEMENT					
Revenue	150.5	147.1	299.0	280.6	565.8
Gross profit	50.3	46.8	97.8	89.5	176.9
EBITDA	22.9	22.0	42.5	40.6	78.0
Depreciation and impairment	3.9	4.4	7.3	9.0	17.9
Operating profit (EBIT)	19.0	17.6	35.2	31.6	60.1
Financial items, net	-1.9	-0.7	0.6	-1.3	1.1
Profit before tax	17.1	16.9	35.8	30.3	61.2
Tax for the period	-4.0	-4.1	-8.5	-7.4	-15.2
Profit before minorities	13.1	12.8	27.3	22.9	46.0
Minorities	0.0	0.0	0.0	0.0	0.1
Profit for the period	13.1	12.8	27.3	22.9	46.1
CASH FLOWS					
Cash flows from operating activities	-4.8	-11.7	39.5	10.3	59.5
Cash flows from investing activities	-3.0	-1.8	-4.6	-3.5	-3.5
Cash flows from financing activities	3.5	16.8	-49.1	-30.3	-72.3
BALANCE SHEET					
Intangible assets	12.3	18.0	12.3	18.0	13.3
Property, plant and equipment	95.6	101.2	95.6	101.2	97.4
Cash and cash equivalents	8.0	14.9	8.0	14.9	22.1
Other current assets	281.8	285.6	281.8	285.6	258.5
Total assets	397.7	419.7	397.7	419.7	391.3
Equity	176.4	163.9	176.4	163.9	187.7
Interest-bearing debt	114.9	160.1	114.9	160.1	118.2
Other creditors	106.4	95.7	106.4	95.7	85.4
Total liabilities and equity	397.7	419.7	397.7	419.7	391.3
Average number of employees	237	220	240	218	230
FINANCIAL KEY FIGURES					
EBITDA margin	15.2%	15.1%	14.2%	14.5%	13.8%
EBIT margin	12.6%	12.0%	11.8%	11.3%	10.6%
ROIC ex goodwill	23.8%	22.3%	23.8%	22.3%	22.6%
Working capital	188.3	194.7	188.3	194.7	187.1
Net interest-bearing debt	101.2	145.2	101.2	145.2	96.1

All amounts in DKK million

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 reported a good first half of 2015, lifting revenue by 5% from DKK 2,576 million in H1 2014 to DKK 2,693 million in H1 2015, even with the farming industry under pressure in a number of markets.

The positive sales performance was broadly based and driven by improvements in several of the company's core markets. Revenue in the remaining markets was more or less in line with the first half of 2014, with the exception of Germany, which reported a slight decline. The performance drew support from, among other things, the close partnership Kramp has built in recent years with leading manufacturers of agricultural machinery such as AGCO and SAME Deutz-Fahr. Also, euro depreciation helped strengthen revenue in the UK and Switzerland.

EBIT was up by 17% from DKK 241 million in H1 2014 to DKK 281 million in H1 2015. In addition to the revenue improvement, factors contributing to the performance included realised 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 43 million in H1 2015, as compared to a DKK 2 million loss in H1 2014, when the financial results were reduced by DKK 36 million in adjustments that were mainly the result of the purchase price allocation prepared in connection with the merger of Kramp and Grene.

The working capital tie-up rose slightly from DKK 1,511 million at June 30, 2014 to DKK 1,544 million at June 30, 2015. Net interest-bearing debt also grew slightly, from DKK 1,265 million at June 30, 2014, to DKK 1,311 million at June 30, 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

Activity in the agricultural market softened during the autumn months of 2014, as 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 quite strongly, but the severe depreciation of the rouble in the first quarter of 2015 obviously shines through when the financial statements are translated into an EUR-related currency, even though the Russian currency did partially recover in the second quarter. Kramp's Russian operations have adapted to the currency fluctuations by generally signing short-term price agreements with customers.

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. The existing physical facilities will also be extended with expansion of the central warehouses in Konin, Poland and Poitiers, France. When the new facilities are commissioned, expectedly in autumn 2015, they will absorb the demand arising from the two growing markets.

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. In addition, the management structure has been realigned to support the continued development of the merged business.

Kramp

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.

The estimated financial expenses and tax have been reduced, and Schouw & Co. now expects to recognise DKK 60-70 million as its share of the profit for 2015 after tax (previous forecast was DKK 55-65 million). The amount will be recognised under profit/loss after tax in associates and joint ventures.

	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
INCOME STATEMENT					
Net revenue	1,439.1	1,359.6	2,693.1	2,575.8	4,905.5
Gross profit	531.9	526.1	997.3	974.4	1,782.6
EBITDA	201.3	178.6	344.6	297.3	528.8
Depreciation and impairment	32.8	28.5	64.1	56.7	123.6
Operating profit (EBIT)	168.5	150.1	280.5	240.6	405.2
Financial items, net	-11.2	-12.0	-19.9	-29.0	-59.6
Profit before tax	157.3	138.1	260.6	211.6	345.6
Tax for the period	-31.1	-28.2	-46.7	-42.3	-55.3
Profit for the period	126.2	109.9	213.9	169.3	290.3
Profit recognised in Schouw & Co.	25.2	13.4	42.8	-1.9	22.4
BALANCE SHEET					
Non-current assets	1,034.4	968.2	1,034.4	968.2	1,000.5
Current assets	2,194.6	2,025.7	2,194.6	2,025.7	1,786.5
Total assets	3,229.0	2,993.9	3,229.0	2,993.9	2,787.0
Equity	1,266.9	1,214.3	1,266.9	1,214.3	1,063.1
Interest-bearing debt	1,311.4	1,265.1	1,311.4	1,265.1	1,371.0
Other creditors	650.7	514.5	650.7	514.5	352.9
Total liabilities and equity	3,229.0	2,993.9	3,229.0	2,993.9	2,787.0
Average number of employees	2,572	2,637	2,557	2,590	2,604
FINANCIAL KEY FIGURES					
EBITDA margin	14.0%	13.1%	12.8%	11.5%	10.8%
EBIT margin	11.7%	11.0%	10.4%	9.3%	8.3%
Working capital	1,543.9	1,511.2	1,543.9	1,511.2	1,433.5
Net interest-bearing debt	1,311.4	1,265.1	1,311.4	1,265.1	1,371.0

All amounts in DKK million

Consolidated financial statement

schouw+co

Statements of income and comprehensive income

Note	Income statement	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
1	Revenue	3,104.1	2,659.2	5,887.9	5,063.9	11,784.1
	Cost of sales	-2,671.7	-2,270.2	-5,042.9	-4,333.5	-10,073.1
	Gross profit	432.4	389.0	845.0	730.4	1,711.0
	Other operating income	2.6	2.5	7.8	4.6	13.3
	Distribution costs	-175.1	-161.2	-339.5	-317.9	-656.6
2	Administrative expenses	-109.2	-89.3	-210.8	-177.5	-359.1
	Other operating expenses	0.0	-0.1	0.0	-0.1	-1.0
	Operating profit (EBIT)	150.7	140.9	302.5	239.5	707.6
	Profit after tax in associates	25.2	12.7	42.3	-2.5	23.2
	Profit after tax in joint ventures	2.5	-2.2	4.6	-4.1	5.3
	Financial income	4.7	7.2	28.2	14.6	51.9
	Financial expenses	-23.0	-17.2	-28.4	-32.5	-86.7
	Profit before tax	160.1	141.4	349.2	215.0	701.3
	Tax on profit	-33.6	-32.3	-98.3	-52.3	-273.6
	Profit for the period	126.5	109.1	250.9	162.7	427.7
	Attributable to					
	Shareholders of Schouw & Co.	128.0	109.1	252.5	162.7	427.8
	Minority interests	-1.5	0.0	-1.6	0.0	-0.1
	Profit for the period	126.5	109.1	250.9	162.7	427.7
8	Earnings per share (DKK)	5.43	4.60	10.72	6.84	18.08
8	Diluted earnings per share (DKK)	5.41	4.57	10.69	6.81	18.02

Comprehensive income	Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
Items that can be reclassified to the profit and loss statement:					
Exchange rate adjustment of foreign subsidiaries	-101.8	23.9	192.3	41.4	190.6
Hedging instruments recognised	-7.5	2.4	-4.4	-8.4	-18.7
Hedging instruments transferred to cost of sales	0.0	0.0	0.3	1.1	1.1
Hedging instruments transferred to financials	1.1	1.2	1.7	2.6	8.0
Other comprehensive income from associates and joint ventures	4.8	3.0	-0.7	2.7	-6.7
Other adjustment on equity	1.0	-0.4	1.3	-0.4	-1.8
Tax on other comprehensive income	2.0	-1.2	0.9	0.9	2.9
Other comprehensive income after tax	-100.4	28.9	191.4	39.9	175.4
Profit for the period	126.5	109.1	250.9	162.7	427.7
Total recognised comprehensive income	26.1	138.0	442.3	202.6	603.1
Attributable to					
Shareholders of Schouw & Co.	26.6	138.0	442.9	202.6	603.2
Minority interests	-0.5	0.0	-0.6	0.0	-0.1
Total recognised comprehensive income	26.1	138.0	442.3	202.6	603.1

CONSOLIDATED STATEMENT

All amounts in DKK million

Balance sheet · assets and liabilities

Note	Assets	Jun. 30, 2015	Dec. 31, 2014	Jun. 30, 2014	Dec. 31, 2013
	Goodwill	998.7	970.5	877.9	876.0
	Completed development projects	11.5	12.1	16.6	18.1
	Development projects in progress	18.7	18.4	0.2	0.1
	Other intangible assets	92.4	93.9	41.5	45.5
	Intangible assets	1,121.3	1,094.9	936.2	939.7
	Land and buildings	1,253.0	1,262.5	1,156.8	1,168.6
	Plant and machinery	1,191.6	1,251.9	1,230.3	1,303.2
	Other fixtures, tools and equipment	95.2	69.6	72.8	79.9
	Assets under construction, etc.	270.2	131.0	125.6	77.0
	Property, plant and equipment	2,810.0	2,715.0	2,585.5	2,628.7
	Equity investments in associates	593.1	561.7	588.1	619.2
	Equity investments in joint ventures	68.4	64.3	16.3	20.4
	Securities	125.2	115.0	110.1	99.5
	Deferred tax	47.7	51.9	70.9	75.2
	Receivables	137.2	144.1	149.9	154.1
	Other non-current assets	971.6	937.0	935.3	968.4
	Total non-current assets	4,902.9	4,746.9	4,457.0	4,536.8
	Inventories	1,657.2	1,447.5	1,374.4	1,151.5
3	Receivables	2,856.9	2,592.1	2,438.1	2,675.2
	Income tax receivable	2.1	8.4	0.6	8.8
	Securities	0.1	0.1	0.1	0.1
	Cash and cash equivalents	1,071.8	1,087.1	1,543.2	1,324.0
	Total current assets	5,588.1	5,135.2	5,356.4	5,159.6
	Total assets	10,491.0	9,882.1	9,813.4	9,696.4

Note	Liabilities and equity	Jun. 30, 2015	Dec. 31, 2014	Jun. 30, 2014	Dec. 31, 2013
6	Share capital	255.0	255.0	255.0	255.0
	Hedge transaction reserve	-21.1	-20.0	-18.7	-14.5
	Exchange adjustment reserve	345.0	153.7	4.7	-36.7
	Retained earnings	5,758.8	5,478.2	5,495.7	5,385.8
	Proposed dividend	0.0	204.0	0.0	153.0
	Share of equity attributable to the parent company	6,337.7	6,070.9	5,736.7	5,742.6
	Minority interests	28.5	2.9	3.0	3.4
	Total equity	6,366.2	6,073.8	5,739.7	5,746.0
	Deferred tax	143.4	151.3	115.3	127.9
	Pensions and similar liabilities	112.3	113.1	95.8	98.2
5	Credit institutions	761.6	858.4	902.1	1,035.1
	Non-current liabilities	1,017.3	1,122.8	1,113.2	1,261.2
5	Current portion of non-current debt	201.7	238.1	220.9	200.2
5	Credit institutions	264.3	77.6	487.1	238.3
	Trade payables and other payables	2,480.6	2,238.6	2,236.0	2,237.2
	Income tax	160.9	131.2	16.5	13.5
	Current liabilities	3,107.5	2,685.5	2,960.5	2,689.2
	Total liabilities	4,124.8	3,808.3	4,073.7	3,950.4
	Total liabilities and equity	10,491.0	9,882.1	9,813.4	9,696.4

Notes without reference 7 & 9.

All amounts in DKK million

Cash flow statement

Note		Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
	Profit before tax	160.1	141.4	349.2	215.0	701.3
	Adjustment for operating items of a non-cash nature, etc.					
	Depreciation and impairment losses	96.4	88.1	191.0	175.8	362.7
	Other operating items, net	-16.6	19.9	26.0	14.3	33.9
	Provisions	0.7	-0.2	0.5	-0.4	0.5
	Profit/(loss) after tax in associates and joint ventures	-27.7	-10.5	-46.9	6.6	-28.5
	Financial income	-4.7	-7.2	-28.2	-14.6	-51.9
	Financial expenses	23.0	17.2	28.4	32.5	86.7
	Cash flows from operating activities before changes in working capital	**231.2**	**248.7**	**520.0**	**429.2**	**1,104.7**
	Changes in working capital	-150.7	-23.5	-227.0	-116.8	-296.6
	Cash flows from operating activities	**80.5**	**225.2**	**293.0**	**312.4**	**808.1**
	Interest income received	0.2	5.1	14.5	11.9	31.2
	Interest expenses paid	-14.0	-15.0	-28.4	-31.7	-83.8
	Cash flows from ordinary activities	**66.7**	**215.3**	**279.1**	**292.6**	**755.5**
	Income tax paid	-14.5	-22.9	-55.2	-49.4	-127.8
	Cash flows from operating activities	**52.2**	**192.4**	**223.9**	**243.2**	**627.7**
	Purchase of intangible assets	-0.5	-1.3	-0.9	-2.7	-12.9
	Purchase of property, plant and equipment	-106.6	-49.7	-164.8	-95.3	-232.5
	Sale of property, plant and equipment	0.0	0.0	0.3	0.0	8.5
4	Acquisition of enterprises	0.0	0.0	-19.5	0.0	-129.2
	Acquisition of ass. and joint ventures	0.0	0.0	0.0	0.0	-38.6
	Loan to associates	0.9	-3.8	0.4	-4.2	-19.5
	Received dividend from associates	0.0	0.0	0.0	31.3	76.0
	Purchase of securities	0.0	-9.8	0.0	-9.8	-10.0
	Sale of securities	0.0	0.0	0.0	0.0	3.7
	Cash flows from investing activities	**-106.2**	**-64.6**	**-184.5**	**-80.7**	**-354.5**

Note		Q2 2015	Q2 2014	YTD 2015	YTD 2014	2014 Total
	Debt financing:					
	Repayment of non-current liabilities	-102.0	-127.3	-189.8	-186.0	-330.9
	Proceeds from incurring non-current financial liabilities	35.3	63.6	48.5	63.6	63.8
	Increase (repayment) of bank overdrafts	62.1	121.1	191.0	389.8	-156.3
	Repayment of loan from associates	0.0	0.0	0.0	0.0	141.0
	Shareholders:					
	Proceeds from minorities	14.1	0.0	14.1	0.0	0.0
	Dividend paid	-188.8	-142.9	-188.8	-142.9	-142.9
	Purchase/sale of treasury shares, net	0.0	-13.4	9.4	-68.4	-137.7
	Cash flows from financing activities	**-179.3**	**-98.9**	**-115.6**	**56.1**	**-563.0**
	Cash flows for the period	-233.3	28.9	-76.2	218.6	-289.8
	Cash and cash equivalents at Apr./Jan. 1	1,336.9	1,513.9	1,087.1	1,324.0	1,324.0
	Value adjustment of cash and cash equivalents	-31.8	0.4	60.9	0.6	52.9
	Cash and cash equivalents at June 30	**1,071.8**	**1,543.2**	**1,071.8**	**1,543.2**	**1,087.1**

All amounts in DKK million

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 H1 2014								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	41.4	0.0	0.0	41.4	0.0	41.4
Value adj. of hedging instruments recognised during the period	0.0	-8.4	0.0	0.0	0.0	-8.4	0.0	-8.4
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	2.6	0.0	0.0	0.0	2.6	0.0	2.6
Other comprehensive income from associates and JVs	0.0	-0.4	0.0	3.1	0.0	2.7	0.0	2.7
Other adjustment on equity	0.0	0.0	0.0	-0.4	0.0	-0.4	0.0	-0.4
Tax on other comprehensive income	0.0	0.9	0.0	0.0	0.0	0.9	0.0	0.9
Profit for the period	0.0	0.0	0.0	162.7	0.0	162.7	0.0	162.7
Total recognised comprehensive income	0.0	-4.2	41.4	165.4	0.0	202.6	0.0	202.6
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	2.4	0.0	2.4	0.0	2.4
Dividend distributed	0.0	0.0	0.0	10.5	-153.0	-142.5	-0.4	-142.9
Treasury shares bought/sold	0.0	0.0	0.0	-68.4	0.0	-68.4	0.0	-68.4
Transactions with the owners for the period	0.0	0.0	0.0	-55.5	-153.0	-208.5	-0.4	-208.9
Equity at June 30, 2014	255.0	-18.7	4.7	5,495.7	0.0	5,736.7	3.0	5,739.7
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 H1 2015								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	191.3	0.0	0.0	191.3	1.0	192.3
Value adj. of hedging instruments recognised during the period	0.0	-4.4	0.0	0.0	0.0	-4.4	0.0	-4.4
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	1.7	0.0	0.0	0.0	1.7	0.0	1.7
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-0.7	0.0	-0.7	0.0	-0.7
Other adjustment on equity	0.0	0.0	0.0	1.3	0.0	1.3	0.0	1.3
Tax on other comprehensive income	0.0	1.3	0.0	-0.4	0.0	0.9	0.0	0.9
Profit for the period	0.0	0.0	0.0	252.5	0.0	252.5	-1.6	250.9
Total recognised comprehensive income	0.0	-1.1	191.3	252.7	0.0	442.9	-0.6	442.3
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	3.3	0.0	3.3	0.0	3.3
Dividend distributed	0.0	0.0	0.0	15.2	-204.0	-188.8	0.0	-188.8
Addition/disposal of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	26.2	26.2
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	27.9	-204.0	-176.1	26.2	-149.9
Equity at June 30, 2015	255.0	-21.1	345.0	5,758.8	0.0	6,337.7	28.5	6,366.2

All amounts in DKK million

Notes to the financial statements

1 SEGMENT REPORTING

Total reportable segments YTD 2015	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Total
External revenue	4,139.4	815.6	630.0	299.0	5,884.0
Intra-group revenue	0.0	16.2	3.9	0.0	20.1
Segment revenue	4,139.4	831.8	633.9	299.0	5,904.1
Depreciation and impairment	74.0	71.3	37.0	7.3	189.6
EBIT	127.1	97.8	52.2	35.2	312.3
Segment assets	5,664.1	1,822.7	1,435.5	397.7	9,320.0
Including goodwill	778.0	99.1	121.7	0.0	998.8
Equity investments in associates and joint ventures	42.1	0.0	0.0	0.0	42.1
Segment liabilities	3,305.0	1,037.1	940.1	221.3	5,503.5
Working capital	1,260.0	225.1	349.1	188.3	2,022.5
NIBD	685.8	560.3	592.8	101.2	1,940.1
Cash flows from operating activities	-101.4	219.5	50.6	39.5	208.2
Cash flows from investing activities	-43.1	-16.3	-120.6	-4.6	-184.6
Cash flows from financing activities	-30.1	-197.7	115.4	-49.1	-161.5
Capital expenditure	43.1	16.6	101.1	4.6	165.4
Average number of employees	905	509	673	240	2,327

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

All amounts in DKK million

Notes to the financial statements

1 SEGMENT REPORTING (CONTINUED)

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 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 or loss presented for the reporting segment.

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

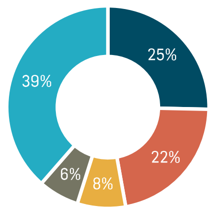
Reconciliation of consolidated revenue, EBIT, assets and liabilities

YTD 2015	Group revenue	EBIT	Assets	Liabilities
Reporting segments	5,904.1	312.3	9,320.0	5,503.5
Non-reporting segments	3.7	1.9	199.5	45.0
The parent company	2.7	-11.7	4,888.0	118.5
Group elimination etc.	-22.6	0.0	-3,916.5	-1,542.2
Total	5,887.9	302.5	10,491.0	4,124.8

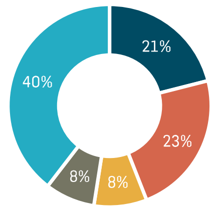
YTD 2014	Group revenue	EBIT	Assets	Liabilities
Reporting segments	5,095.8	249.6	8,229.4	4,929.6
Non-reporting segments	3.8	1.6	213.8	59.1
The parent company	2.2	-11.7	4,735.6	124.1
Group elimination etc.	-37.9	0.0	-3,365.4	-1,039.1
Total	5,063.9	239.5	9,813.4	4,073.7

The data on revenue by geography are based on customers' geographical location. The specification shows 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.

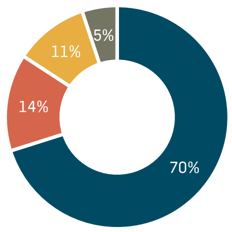
Revenue by country:



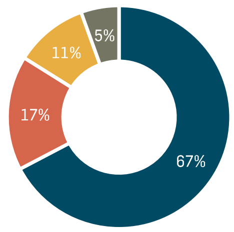
	YTD 2015	YTD 2014
Norway	1,492	1,065
Chile	1,286	1,166
UK	455	427
Denmark	384	402
Other	2,271	2,004
Total	5,888	5,064



Revenue by segments:



	YTD 2015	YTD 2014
BioMar	4,139	3,430
FPC	832	847
FIN	634	539
Hydra	299	281
Other	-16	-32
Total	5,888	5,064



All amounts in DKK million

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 June 30, 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 exercise 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 share option holders 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 vesting 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 *	379.50	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

CONSOLIDATED STATEMENT

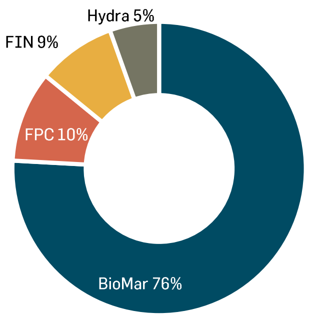
Notes to the financial statements

3 RECEIVABLES - CURRENT

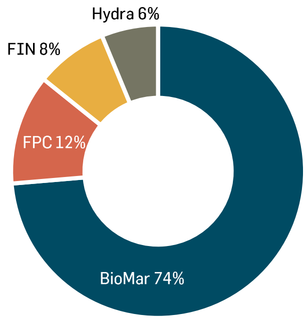
	Jun. 30, 2015	Jun. 30, 2014
Trade receivables	2,665.6	2,325.5
Other current receivables	180.9	106.6
Accruals and deferred income	10.4	6.0
Receivables current	**2,856.9**	**2,438.1**

Trade receivables by portfolio company:

Jun. 30, 2015



Jun. 30, 2014



	Jun. 30, 2015	Jun. 30, 2014
Impairment losses on trade receivables		
Impairment losses at January 1	-181.9	-202.8
Exchange adjustments	-3.2	-3.3
Reversed impairment losses	0.1	1.0
Impairment losses for the period	-15.4	-13.1
Realised loss	1.2	1.5
Impairment losses at June 30	**-199.2**	**-216.7**

		Due between (days)			
Jun. 30, 2015	Not due	1-30	31-90	>91	Total
Trade receivables not considered to be impaired	2,152.4	193.5	95.0	42.4	2,483.3
Trade receivables individually assessed to be impaired	63.6	41.7	43.8	232.4	381.5
Trade receivables in total	2,216.0	235.2	138.8	274.8	2,864.8
Impairment losses on trade receivables	-1.1	-1.1	-10.6	-186.4	-199.2
Trade receivables net	**2,214.9**	**234.1**	**128.2**	**88.4**	**2,665.6**
Proportion of the total receivables which is expected to be settled					93.0%
Impairment percentage	0.0%	0.5%	7.6%	67.8%	7.0%

		Due between (days)			
Jun. 30, 2014	Not due	1-30	31-90	>91	Total
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%

A total of 13.3% (2014: 15.5%) of receivables at the balance sheet date were impaired to a greater or lesser extent. There is a constant follow-up on overdue debtors.

All amounts in DKK million

Notes to the financial statements

4 ACQUISITIONS

	Jun. 30, 2015	Jun. 30, 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, in which it had held a 26% stake 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 Industrialisation Fund for Developing Countries) continues to hold the remaining 25.8% of the shares in the company.

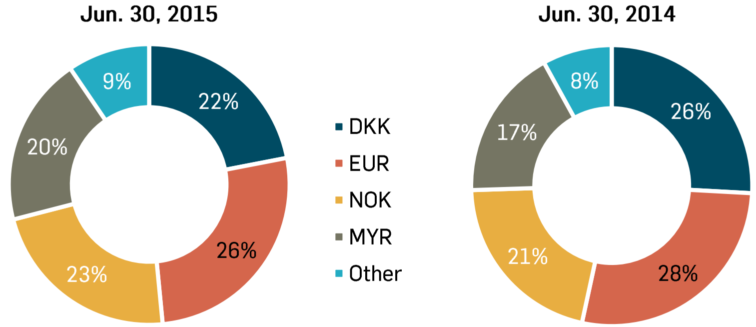
The transaction provides an important platform for Fibertex Nonwovens and its continued development in Africa, and it coincides with a resolution to expand the company's output capacity by installing a second needlefelt line. At the same time, Fibertex South Africa acquired a fiberline and land and buildings 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 H1 financial statements.

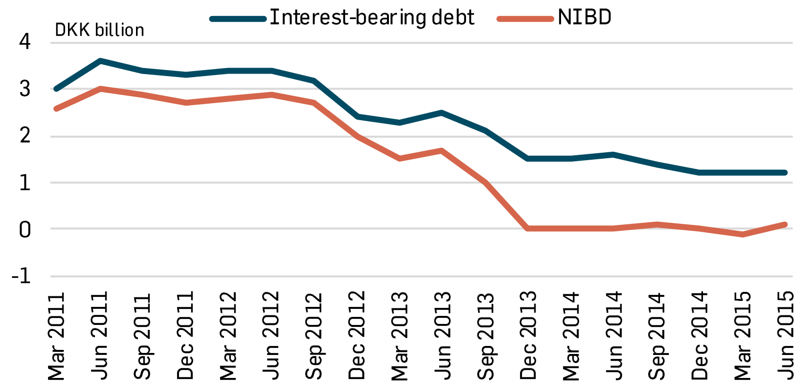
Revenue and net profit for H1 2015 made up on a pro forma basis as if Fibertex South Africa had been acquired on January 1, 2015, would have been DKK 11 million higher (revenue) and DKK 1.3 million lower (net profit).

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 June 30, 2015 was 3.0% (June 30, 2014: 3.4%).

CONSOLIDATED STATEMENT

All amounts in DKK million

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 H1 2014			
Share option programme	-246,000	-29.8	-0.96%
Additions	399,687	103.0	1.57%
June 30, 2014	1,774,800	279.2	6.96%
Movements in H2 2014			
Share option programme	-55,667	-6.7	-0.21%
Additions	290,800	77.2	1.13%
December 31, 2014	2,009,933	349.7	7.88%
Movements in H1 2015			
Share option programme	-177,000	-21.6	-0.69%
Additions	73,197	23.8	0.29%
June 30, 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 666.2 million at June 30, 2015.

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

7 FAIR VALUE OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	Jun. 30, 2015	Jun. 30, 2014
Financial assets		
Derivative financial instruments to hedge future cash flows – level 2	3.8	10.1
Securities measured at fair value through other comprehensive income – level 3	125.3	110.2
Financial liabilities		
Derivative financial instruments to hedge future cash flows – level 2	29.3	33.4

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 10.2 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)

	Q2 2015	Q2 2014	YTD 2015	YTD 2014
Share of the profit for the period attributable to shareholders of Schouw & Co.	128.0	109.1	252.5	162.7
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	-1,906,130	-1,757,811	-1,943,730	-1,706,662
Average number of outstanding shares	23,593,870	23,742,189	23,556,270	23,793,338
Average dilutive effect of outstanding share options *	87,692	108,533	71,311	94,079
Diluted average number of outstanding shares	23,681,562	23,850,722	23,627,581	23,887,417
Earnings per share of DKK 10	5.43	4.60	10.72	6.84
Diluted earnings per share of DKK 10	5.41	4.57	10.69	6.81

* 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.

	YTD 2015	YTD 2014
Joint Ventures:		
The Group received consulting fees from Xergi in the amount of	0.2	0.0
Associates:		
The Group received interest income from Incuba Invest in the amount of	0.3	0.4
At June 30, the Group had a receivable from Incuba Invest in the amount of	9.5	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.

CONSOLIDATED STATEMENT

All amounts in DKK million

Management statement

The Board of Directors and Executive Management today considered and approved the interim report for the period January 1 to June 30, 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 June 30, 2015 and of the results of the Group's operations and cash flows for the period January 1 to June 30, 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, August 13, 2015

Aktieselskabet Schouw & Co.

Chr. Filtenborgs Plads 1
DK-8000 Aarhus C
T +45 86 11 22 22
www.schouw.dk
schouw@schouw.dk
Company reg. (CVR) no. 63965812

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