



# 2015

## Interim report 2015 Q3

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**schouw+co**

### Highlights

- The companies of the Schouw & Co. Group reported a combined operating profit for the third quarter of 2015 that was in line with the strong performance of the third quarter of 2014.
- Consolidated revenue was unchanged at DKK 3.6 billion.
- EBIT was unchanged at DKK 269 million.
- Cash flows from operating activities rose by DKK 353 million to DKK 396 million.
- A write-down of securities by BioMar increased the financial expenses by DKK 43 million.
- Fibertex Personal Care and Hydra-Grene both upgrade their full-year EBIT guidance.
- Schouw & Co. raises the full-year EBIT forecast to the DKK 730-785 million range from the previous forecast of DKK 650-730 million.

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

*“Schouw & Co. repeated the solid revenue and earnings performance in the third quarter of 2015 that we achieved in the same period of last year. Our businesses continue to operate in very competitive markets, but the combination of strong business activity and developments in the commodity and foreign exchange markets have enabled us to raise our EBIT guidance by about 10%.*

*Our cash flows from operations have improved strongly, and in the past 12 months we have reduced our net interest-bearing debt by more than DKK 350 million even while making new acquisitions, investing in and adding new output capacity and paying the largest dividend in Schouw & Co. history.*

*Schouw & Co. remains financially strong and we are ready to act should an attractive acquisition opportunity present itself. Our high ambitions for generating additional profitable growth remain in place.”*

This is a translation of Schouw & Co.'s Interim Report for the nine months ended September 30, 2015. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.

# Financial highlights and key ratios

GROUP SUMMARY (DKK MILLION)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>Revenue and income</b>					
Revenue	3,599	3,618	9,487	8,682	11,784
Operating profit before depreciation (EBITDA)	363	360	856	775	1,070
Depreciation and impairment losses	93	90	284	266	363
Operating profit (EBIT)	269	270	572	509	708
Profit after tax in associates and joint ventures	29	23	76	16	28
Financial items, net	-58	-7	-59	-25	-35
Profit before tax	240	286	589	501	701
Profit for the period	169	220	420	383	428
<b>Cash flows</b>					
Cash flows from operating activities	396	43	620	286	628
Cash flows from investing activities	-129	-82	-313	-163	-355
Of which investment in property, plant and equipment	-75	-43	-240	-139	-233
Cash flows from financing activities	-122	-270	-238	-214	-563
Cash flows for the period	145	-309	69	-91	-290
<b>Invested capital and financing</b>					
Invested capital excluding goodwill	4,578	4,487	4,578	4,487	4,528
Total assets	10,404	10,230	10,404	10,230	9,882
Working capital	1,872	1,889	1,872	1,889	1,775
Net interest bearing debt (NIBD)	-217	142	-217	142	44
Share of equity attributable to shareholders of Schouw & Co.	6,387	6,045	6,387	6,045	6,071
Minority interests	23	3	23	3	3
Total equity	6,410	6,048	6,410	6,048	6,074
<b>Financial data</b>					
EBITDA margin (%)	10.1	9.9	9.0	8.9	9.1
EBIT margin (%)	7.5	7.5	6.0	5.9	6.0
EBT margin (%)	6.7	7.9	6.2	5.8	6.0
Return on equity (%)	7.5	13.8	7.5	13.8	7.2
Equity ratio (%)	61.6	59.1	61.6	59.1	61.5
ROIC excluding goodwill (%)	17.0	18.7	17.0	18.7	16.9
ROIC including goodwill (%)	14.0	15.4	14.0	15.4	14.0
NIBD/EBITDA	-0.2	0.1	-0.2	0.1	0.0
Avg. number of employees during the period	2,409	2,144	2,359	2,101	2,139

GROUP SUMMARY (DKK MILLION)	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>Per share data</b>					
Earnings per share	7.23	9.33	17.95	16.14	18.08
Diluted earnings per share	7.20	9.30	17.89	16.08	18.02
Net asset value per share	270.71	257.34	270.71	257.34	258.44
Share price, end of period	359.00	241.00	359.00	241.00	290.00
Price/net asset value	1.33	0.94	1.33	0.94	1.12
Market capitalisation	8,470	5,661	8,470	5,661	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

# Interim report – third quarter of 2015

## Financial performance

(DKK million)	Q3 2015	Q3 2014	Change	
Revenue	3,599	3,618	-19	-1%
EBITDA	363	360	3	1%
EBIT	269	270	-1	0%
Associates etc.	29	23	6	27%
Profit before tax	240	286	-46	-16%
Cash flow from operations	396	43	353	824%

(DKK million)	YTD 2015	YTD 2014	Change	
Revenue	9,487	8,682	805	9%
EBITDA	856	775	81	10%
EBIT	572	509	63	12%
Associates etc.	76	16	60	-
Profit before tax	589	501	88	18%
Cash flow from operations	620	286	334	117%
Net interest-bearing debt	-217	142	-359	-
Working capital	1,872	1,889	-17	-1%
ROIC excl. goodwill	17.0%	18.7%	-1.7pp	
ROIC incl. goodwill	14.0%	15.4%	-1.4pp	

The businesses of the Schouw & Co. Group reported a combined operating profit for the third quarter of 2015 that was in line with the strong performance of the third quarter of 2014, but with a significant improvement in cash flows from operating activities.

Changes in the prices of raw materials and foreign exchange rates have a strong impact on the consolidated revenue. Changes in the individual company contributions had various opposing effects, but the reported revenue of DKK 3,599 million was in line with the figure for the third quarter of 2014. For the nine-month periods ended September 30, revenue was up by 9% from DKK 8,682 million in 2014 to DKK 9,487 million in 2015, the increase being predominantly driven by BioMar and Fibertex Nonwoven.

Q3 2015 EBIT amounted to DKK 269 million, which was also much in line with the figure for Q3 2014. For the nine-month periods ended September 30, EBIT was up by 12% from DKK 509 million in 2014 to DKK 572 million in 2015, mainly driven by an improvement reported by Fibertex Personal Care, but also by positive contributions from the other consolidated companies.

Kramp, the associate company, reported a good third quarter of the year lifting revenue by 5% from DKK 1,300 million in Q3 2014 to DKK 1,359 million in Q3 2015. EBIT was up by 10% from DKK 137 million in Q3 2014 to DKK 151 million in Q3 2015. For the nine-month periods ended September 30, EBIT was up by 14% from DKK 378 million in 2014 to DKK 432 million in 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. As Kramp's net financial items and tax charge were a greater expense in Q3 2015 than a year earlier, the recognised share of profit after tax was DKK 22 million, which was unchanged from Q3 2014. For the nine-month periods ended September 30, the recognised share of the profit after tax in Kramp was DKK 65 million in 2015, as compared to DKK 20 million in 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 11 million for the first nine months of the year. The amount mainly derives from Xergi.

Consolidated net financial items were an expense of DKK 58 million in Q3 2015, compared with a DKK 7 million expense in Q3 2014. Other than the effect of foreign exchange adjustments, a major component of the higher expense was a DKK 43 million write-down of securities by BioMar.

## Liquidity and capital resources

The Group's operating activities generated a cash inflow of DKK 396 million in Q3 2015, compared with a cash inflow of DKK 43 million in Q3 2014. The improvement was primarily due to changes in BioMar's working capital. Cash flows for investing activities amounted to DKK 129 million in Q3 2015, against DKK 82 million in Q3 2014.

The consolidated net interest-bearing debt improved from a DKK 142 million net debt at September 30, 2014, to a net deposit of DKK 217 million at September 30, 2015, even after the company had paid dividends of DKK 189 million to the shareholders in the preceding 12 months.

The consolidated working capital fell slightly from DKK 1,889 million at September 30, 2014 to DKK 1,872 million at September 30, 2015 based on minor working capital changes among the individual businesses. ■

# Interim report – first half year of 2015

## Portfolio company highlights

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

**BIOMAR** reported a slight drop in revenue due to lower volume sales in the salmon markets of Norway and Chile. The lower volumes also led to a minor drop in EBIT.

**FIBERTEX PERSONAL CARE** lifted revenue slightly but also reported a significant EBIT improvement. The earnings improvement was driven mainly by the strong USD appreciation relative to the Malaysian ringgit.

**FIBERTEX NONWOVENS** generated a major revenue improvement that was predominantly driven by the acquisition of the US company Non Woven Solutions and the consolidation of revenue from Fibertex South Africa after Fibertex Nonwovens became a majority shareholder, whereas EBIT declined.

**HYDRA-GRENE** reported a moderate revenue increase and an EBIT improvement, primarily driven by increased sales to the wind turbine industry.

**KRAMP**, which is recognised as an associate, reported a healthy revenue improvement. EBIT continued to 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 78 million in Q3 2014 to DKK 92 million in Q3 2015. For the nine-month periods ended September 30, revenue grew from DKK 164 million in 2014 to DKK 327 million in 2015, and the company reported a very strong EBIT improvement. Xergi is recognised in the consolidated financial statements at a share of profit after tax of DKK 10 million for the nine-month 2015 period, compared with a DKK 2 million loss in the nine-month 2014 period.

## 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 24% during the nine months to September 30, 2015, from DKK 290.00 per share at December 31, 2014 to DKK 359.00 per share at September 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. The company did not acquire or use any treasury shares in the third quarter of 2015. 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 684 million at September 30, 2015. The portfolio of treasury shares is recognised at DKK 0.

## Events after the balance sheet date

Fibertex Nonwovens acquired the nonwoven activities of the Turkish company Ribatek after the end of the third quarter. Schouw & Co. is not aware of any other events occurring after September 30, 2015, other than as set out elsewhere in this interim report 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 businesses of the Schouw & Co. Group are generally well-positioned with international competitive strength, and the Group has adequate resources to facilitate the necessary business initiatives.

The portfolio companies are reporting healthy activity in most of their market segments, but in all markets, winning orders is very demanding and requires highly competitive prices and terms. In addition, BioMar is facing significant concerns of both a biological and financial nature in its key markets.

Generally, the portfolio companies performed well in the first nine months of the year, supported by developments in prices of raw materials and in foreign exchange rates. The following is a brief review of individual company expectations for the full year 2015:

**BIOMAR** expects moderate developments in total volumes in its core markets for the rest of 2015, and the company lowers its revenue guidance based on the current outlook for raw materials prices. The full-year EBIT forecast is narrowed, but maintained within the previously announced range.

**FIBERTEX PERSONAL CARE** raises its full-year revenue forecast. The company also raises its full-year EBIT forecast by a considerable margin, due to favourable foreign exchange developments.

**FIBERTEX NONWOVENS** is in a transition period with scheduled upgrades for several production lines and integration of company acquisitions.

The company maintains its revenue and EBIT forecasts.

**HYDRA-GRENE** raises its full-year revenue and EBIT forecasts, mainly because sales to the wind turbine industry remain higher than originally anticipated.

The associate company **KRAMP** maintains its guidance of revenue and EBIT improvements relative to last year.

**XERGI**, which is recognised as a joint venture, also maintains its guidance for an increase in full-year revenue and EBIT.

Overall, therefore, the Schouw & Co. Group now projects full-year 2015 consolidated revenue of just less than the previous guidance of approximately DKK 12.5 billion.

Schouw & Co. applies a profit forecast range for each individual business. Aggregating these ranges indicates an increase in the consolidated full-year EBIT guidance to the DKK 730-785 million range from the previous range of DKK 650-730 million.

To this should be added profit after tax from associates and joint ventures, which instead of the previous range of DKK 65-75 million is now expected to improve to about DKK 80 million, most of which from Kramp and Xergi. The consolidated net financial items are expected to grow from an expense of about DKK 10 million to an expense of about DKK 65 million due to the write-down in BioMar and other adjustments. ■

REVENUE (DKK million)	2015	2015	2015	2014
	After Q3	After Q2	Original	actual
BioMar	c. 8,750	c. 9,000	c. 8,500	8,451
Fibertex Personal Care	c. 1,800	c. 1,700	c. 1,700	1,787
Fibertex Nonwovens	c. 1,200	c. 1,200	c. 1,200	1,048
Hydra-Grene	c. 575	c. 550	above 500	566
Other/eliminations	-	-	-	-68
<b>Total revenue</b>	<b>12.3bn</b>	<b>12.5bn</b>	<b>12bn</b>	<b>11,784</b>
Kramp (100%)	c. 5,250	c. 5,250	c. 5,250	4,905

EBIT (DKK million)	2015	2015	2015	2014
	After Q3	After Q2	Original	actual
BioMar	390-420	375-425	360-410	434
Fibertex Personal Care	220-230	170-180	160-180	171
Fibertex Nonwovens	75-85	75-85	65-75	62
Hydra-Grene	65-70	50-60	45-55	60
Other	c. -20	c. -20	c. -20	-20
<b>Total EBIT</b>	<b>730-785</b>	<b>650-730</b>	<b>610-700</b>	<b>708</b>
Associates etc.	c. 80	65-75	60-70	28
Financial items, net	c. -65	c. -10	c. -35	-35
<b>Profit before tax</b>	<b>745-800</b>	<b>705-795</b>	<b>635-735</b>	<b>701</b>
Kramp EBIT (100%)	c. 450	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.

In the nine months to September 30, 2015, the Schouw & Co. Group made changes to judgments and estimates in the financial reporting process in the following areas:

- Higher impairment writedowns on receivables (see note 3)
- Fair value adjustment of securities (see note 7)

Other than as set out above, the significant estimates made by Management in applying the accounting policies and the significant judgment uncertainty related to preparing the interim finan-

cial statements are the same as those used to prepare the consolidated 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 2016

*March 3, 2016*

Deadline for submission of proposals to be considered at the annual general meeting

*March 4, 2016*

Release of Annual Report 2015

*April 14, 2016*

Annual general meeting

*May 3, 2016*

Release of Q1 2016 interim report

*August 11, 2016*

Release of H1 2016 interim report

*November 10, 2016*

Release of Q3 2016 interim report

The company provides detailed information about contacts and times of conference calls held in connection with the release of its full-year and interim reports through company announcements and postings on its website, [www.schouw.dk](http://www.schouw.dk). ■



# Our businesses

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# 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 generated revenue of DKK 2,698 million in Q3 2015, compared with DKK 2,788 million in Q3 2014. The lower revenue was due to a drop in volume sales that was only partly offset by slightly higher raw materials prices. The lower volumes occurred only in the salmon markets in Norway and Chile, whereas Continental Europe reported an increase in volumes sold.

Many of BioMar's customers in Norway have been facing significant challenges involving sea lice. In addition, BioMar lost market share during the quarter due to fierce competition from feed producers. The fish farming industry in Chile has been hard hit by the very low prices of farmed fish in the core US and Brazilian markets, causing severe liquidity problems. On the other hand, the challenging situation in Greece has improved, and BioMar increased volumes sold by a large margin, reporting a substantial revenue improvement relative to the third quarter of 2014.

Q3 2015 EBIT was DKK 179 million as compared with DKK 187 million in Q3 2014. The drop in EBIT was due in part to a lower average margin, in part to the effect of the smaller volumes. Relative to last year, EBIT improved in Continental Europe, fell in the Americas and was largely un-

changed in the North Sea region. In terms of currency effects, the appreciation of USD relative to DKK was offset by the weaker NOK.

Due to the difficult conditions for Chile's fish farming industry, BioMar has tested the ownership interest in the Chilean fish farming company Salmenes Austral for impairment. BioMar has held a 13.6% ownership interest in the company since 2013. The review resulted in a DKK 43 million writedown at September 30, 2015, which has been recognised as a financial expense.

BioMar's working capital fell from DKK 1,128 million at September 30, 2014 to DKK 1,116 million at September 30, 2015. The moderate reduction consisted of a large drop in inventories and a large increase in trade receivables as a result of the difficult situation facing Chile's fish farming industry.

Thanks to a strong cash flow, net interest-bearing debt fell from DKK 680 million at September 30, 2014, to DKK 421 million at September 30, 2015, even after the company paid DKK 200 million in intra-group dividends to Schouw & Co. in the first quarter of 2015.

## Business development

BioMar's two core markets, Norway and Chile, continue to develop in opposite directions; Norway is expected to see moderate volume growth in 2015, whereas the Chilean market is expected to contract. BioMar no longer expects the setback in Chile to be fully balanced out by an improvement in Norway and the otherwise good performance in Continental Europe.

The remainder of 2015 is expected to be a relatively challenging period for the Norwegian operations due to the quite extensive restrictions being imposed on fish farmers to combat sea lice. The restrictions will compel quite a number of fish farmers to slaughter their fish before they reach the optimum size, which in turn will reduce feed consumption.

In Chile, BioMar has had a smaller market share in 2015 to date than it did last year, and the company does not expect to be able to make up the lost ground before the end of the year. Combined with the very difficult financial situation Chile's fish farmers are currently in, this will put revenue and earnings under severe pressure.

Continental Europe is expected to report higher volumes in 2015 relative to 2014. BioMar supported the initial consolidation phase of the Greek fish farming industry by concluding a long-running feed supply agreement with one of the country's most important fish farmers. Adding to the positive performance in other parts of Continental Europe, this helps to strengthen the prospects for the region.

In August 2015, BioMar signed an agreement to establish a 50/50 joint venture with Chinese company Tongwei Co. Ltd. The next step will be to build a factory producing fish feed for high value species. It will have an annual capacity of 100,000 metric tonnes and is expected to be commissioned in 2016. BioMar expects to make an initial investment of about USD 10 million in the joint venture. →



## Outlook

Overall, the first nine months of the year have been in line with expectations, although a number of markets have developed differently than anticipated and although volumes sold have generally fallen short of expectations.

As always, the full-year revenue will depend strongly on how prices of raw materials and foreign exchange rates develop. Given the current prospects, BioMar expects to generate revenue of approximately DKK 8.75 billion, which is mid-way between the original guidance of DKK 8.5 billion provided at the beginning of the year and the most recent guidance of DKK 9 billion provided after the first half of 2015.

Subject to the many uncertainties, which in a normal year would have been clarified at this stage of the year, BioMar narrows its EBIT guidance to the DKK 390-420 million range instead of the previous forecast range of DKK 375-425 million. However, the difficult market conditions, especially in Chile, are making the full-year performance less predictable than is normally the case. ■

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
Volume (1000 t)	300	323	717	741	996
Revenue (DKK million)	2,698	2,788	6,838	6,218	8,451
- of which North Sea	1,297	1,459	3,236	2,889	4,099
- of which Americas	639	686	2,066	1,953	2,558
- of which Cont. Europe	762	643	1,536	1,376	1,794

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>INCOME STATEMENT</b>					
Revenue	2,698.3	2,788.2	6,837.7	6,217.7	8,451.3
Gross profit	347.2	351.0	784.8	751.0	1,019.4
EBITDA	215.0	222.7	416.2	405.5	574.2
Depreciation and impairment	35.7	35.7	109.7	106.1	139.8
<b>Operating profit (EBIT)</b>	<b>179.3</b>	<b>187.0</b>	<b>306.5</b>	<b>299.4</b>	<b>434.4</b>
Profit after tax from ass. and joint ventures	1.0	0.0	0.6	0.0	2.5
Financial items, net	-57.4	-7.0	-63.7	-17.7	-38.6
<b>Profit before tax</b>	<b>122.9</b>	<b>180.0</b>	<b>243.4</b>	<b>281.7</b>	<b>398.3</b>
Tax for the period	-48.5	-44.6	-101.4	-68.2	-214.2
<b>Profit for the period</b>	<b>74.4</b>	<b>135.4</b>	<b>142.0</b>	<b>213.5</b>	<b>184.1</b>

<b>CASH FLOWS</b>					
Cash flows from operating activities	294.1	-80.1	192.7	4.1	266.3
Cash flows from investing activities	-87.4	-63.0	-130.5	-140.7	-166.5
Cash flows from financing activities	-352.5	-185.8	-382.6	-172.6	-60.0

<b>BALANCE SHEET</b>					
Intangible assets *	371.4	337.1	371.4	337.1	354.9
Property, plant and equipment	901.6	984.4	901.6	984.4	919.0
Other non-current assets	238.5	182.6	238.5	182.6	196.7
Cash and cash equivalents	343.5	202.5	343.5	202.5	605.5
<b>Other current assets</b>	<b>3,113.2</b>	<b>3,178.4</b>	<b>3,113.2</b>	<b>3,178.4</b>	<b>2,765.1</b>
<b>Total assets</b>	<b>4,968.2</b>	<b>4,885.0</b>	<b>4,968.2</b>	<b>4,885.0</b>	<b>4,841.2</b>
Equity	1,990.7	1,922.0	1,990.7	1,922.0	1,902.2
Interest-bearing debt	836.7	906.8	836.7	906.8	1,019.4
Other creditors	2,140.8	2,056.2	2,140.8	2,056.2	1,919.6
<b>Total liabilities and equity</b>	<b>4,968.2</b>	<b>4,885.0</b>	<b>4,968.2</b>	<b>4,885.0</b>	<b>4,841.2</b>

Average number of employees	896	915	902	903	904
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<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	8.0%	8.0%	6.1%	6.5%	6.8%
EBIT margin	6.6%	6.7%	4.5%	4.8%	5.1%
ROIC ex goodwill	21.8%	24.6%	21.8%	24.6%	22.9%
Working capital	1,115.5	1,128.4	1,115.5	1,128.4	982.6
Net interest-bearing debt	421.4	679.9	421.4	679.9	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 465 million in Q3 2015, compared with DKK 455 million in Q3 2014. The revenue increase was driven by a number of opposing factors, as volumes sold fell in Denmark but increased in Malaysia, as changes in exchange rates helped to increase DKK-denominated revenue, and as consolidation of Innowo Print contributed DKK 17 million.

Q3 2015 EBIT was DKK 57 million as compared with DKK 48 million in Q3 2014. The improvement was driven mainly by the strong USD appreciation relative to the Malaysian ringgit (MYR) in the third quarter of 2015. This dollar appreciation has lifted the financial results of the factory in Malaysia by a significant margin, as its sales are predominantly in USD, whereas MYR is its reporting currency. In addition, the price mechanisms for raw materials also added to the positive effect.

Fibertex Personal Care reported a marginal increase in working capital from DKK 261 million at September 30, 2014, to DKK 264 million at September 30, 2015.

During the same period, net interest-bearing debt fell from DKK 575 million to DKK 512 million. It should be noted that Fibertex Personal Care has paid intra-group dividends of DKK 75 million to Schouw & Co. in 2015 and that the purchase of shares and consolidation of debt in Innowo Print in October 2014 increased the net interest-bearing debt by 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 allows 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. Due to the demands the company's customers face from major retailers for shorter and shorter lead times, Fibertex Personal Care has devoted a great deal of time and effort to rethinking its in-house processes in order to enable the company 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, light-

weight products and the print products that Fibertex Personal Care can deliver through Innowo Print in Germany.

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

Fibertex Personal Care will remain focused on consolidating its business and on utilising its overall production capacity, while also remaining alert to opportunities for profitable growth in South East Asia. A number of scheduled production plant upgrades will be a priority in 2016 for the purpose of increasing flexibility, output and the number of value-added products. →

# Fibertex Personal Care

Based on the activity seen in the first nine months of the year, Fibertex Personal Care now expects full-year 2015 revenue of about DKK 1.8 billion, up from the previous forecast of about DKK 1.7 billion. The full-year EBIT may still be affected by how prices of raw materials and foreign exchange rates develop during the rest of the year, but given the current outlook and the sharp USD/MYR appreciation in the third quarter, the company raises its EBIT guidance to DKK 220-230 million from the previous forecast of DKK 170-180 million. However, as the very strong foreign exchange effect is the result of currency clauses in current contracts, it is only of a momentary nature that will not extend to future earnings. ■

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
Revenue (DKK million)	465	455	1,297	1,302	1,787
- from Denmark	199	224	575	626	865
- from Malaysia	249	231	671	676	922
- from Germany	17	0	51	0	0

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>INCOME STATEMENT</b>					
Revenue	464.9	455.2	1,296.8	1,302.0	1,787.5
Gross profit	89.7	74.3	247.5	202.0	288.8
EBITDA	91.5	81.0	260.6	217.3	307.6
Depreciation and impairment	34.1	33.3	105.4	97.0	136.3
<b>Operating profit (EBIT)</b>	<b>57.4</b>	<b>47.7</b>	<b>155.2</b>	<b>120.3</b>	<b>171.3</b>
Financial items, net	1.3	-2.7	-2.5	-10.8	-2.3
<b>Profit before tax</b>	<b>58.7</b>	<b>45.0</b>	<b>152.7</b>	<b>109.5</b>	<b>169.0</b>
Tax for the period	-13.4	-10.2	-34.2	-24.5	-34.3
<b>Profit for the period</b>	<b>45.3</b>	<b>34.8</b>	<b>118.5</b>	<b>85.0</b>	<b>134.7</b>

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>CASH FLOWS</b>					
Cash flows from operating activities	22.3	95.5	241.8	195.8	225.8
Cash flows from investing activities	-2.7	-10.0	-18.9	-28.0	-129.5
Cash flows from financing activities	-1.1	-79.2	-198.8	-92.0	-85.8

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>BALANCE SHEET</b>					
Intangible assets *	66.0	24.3	66.0	24.3	75.0
Property, plant and equipment	939.9	1,004.7	939.9	1,004.7	1,099.7
Other non-current assets	99.9	145.2	99.9	145.2	127.6
Cash and cash equivalents	39.1	86.6	39.1	86.6	20.8
Other current assets	529.9	535.9	529.9	535.9	558.7
<b>Total assets</b>	<b>1,674.8</b>	<b>1,796.7</b>	<b>1,674.8</b>	<b>1,796.7</b>	<b>1,881.8</b>

Equity	691.1	696.9	691.1	696.9	730.0
Interest-bearing debt	551.1	666.4	551.1	666.4	708.8
Other creditors	432.6	433.4	432.6	433.4	443.0
<b>Total liabilities and equity</b>	<b>1,674.8</b>	<b>1,796.7</b>	<b>1,674.8</b>	<b>1,796.7</b>	<b>1,881.8</b>

Average number of employees	520	443	512	432	447
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	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	19.7%	17.8%	20.1%	16.7%	17.2%
EBIT margin	12.3%	10.5%	12.0%	9.2%	9.6%
ROIC ex goodwill	16.8%	13.5%	16.8%	13.5%	14.4%
Working capital	264.4	261.0	264.4	261.0	292.7
Net interest-bearing debt	511.9	575.1	511.9	575.1	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 large 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 26,0% to 74,2%. Accordingly, Fibertex South Africa is recognised in the consolidated financial statements from this date.

Fibertex Nonwovens reported Q3 2015 revenue of DKK 295 million, a 19% increase from DKK 247 million in Q3 2014. The revenue improvement was largely due to the effect of the acquisition of the US company and the consolidation of the revenue generated in South Africa.

Q3 EBIT was DKK 15 million as compared with DKK 20 million in Q3 2014. The main reason for the EBIT performance was a loss reported by Fibertex South Africa, but the Q3 2014 EBIT was also lifted by non-recurring income from a DKK 3 million refund of energy excise duties paid in France in 2012 and 2013.

Due to the increase in business activity from the addition of the US and South African operations, working capital increased to DKK 317 million at

September 30, 2015, from DKK 294 million at September 30, 2014.

The net interest-bearing debt increased from DKK 397 million at September 30, 2014, to DKK 581 million at September 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

After the end of the third quarter, Fibertex Nonwovens acquired the nonwoven operations of the Turkish company Ribatek. The acquisition gives Fibertex Nonwovens a strong production platform within spunlacing technology and also improves the company's access to the growing Turkish market.

Spunlacing is a production method using high-pressure jets of water to needlepunch nonwoven textiles. Fibertex Nonwovens' French subsidiary also commands the technology, but growing demand has raised the need to increase capacity.

Fibertex Nonwovens is reporting a generally positive performance for the first nine months of 2015 with growing sales to the automotive industry and an improved product mix with 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 generally lower activity, a trend also witnessed in the African markets.

Fibertex Nonwovens has adapted its operations to the market situation, and the company's focus now is to maintain the current momentum, as sales volumes in non-European markets have grown thanks in part due to the recent acquisitions.

Fibertex Nonwovens has gradually expanded its output capacity for processed products through a technology upgrade of several production lines as part of its strategy to increase sales of value-added products and optimise capacity utilisation at all three factories.

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 existing 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 anticipates relatively stable business activity in most segments and markets over the coming months. South Africa will remain challenged, however. In addition, general uncertainty about global growth and growing concerns in the auto industry may also impact sales and earnings.

The acquisition of the activities in Turkey will only take effect from the beginning of November 2015, and with the acquisition expenses incurred it will not have any notable impact on the 2015 earnings guidance. The acquisition is expected to lift Fibertex Nonwovens' 2016 revenue by DKK 50-100 million, and within a couple of years, the Turkish unit is expected to generate an EBIT margin in line with the rest of Fibertex Nonwovens' other operations.

Fibertex Nonwovens retains its forecast of full-year 2015 revenue of approximately DKK 1.2 billion and its full-year EBIT guidance of DKK 75-85 million. ■

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
Revenue (DKK million)	295	247	929	786	1,048
- from Denmark	43	57	169	188	245
- from the Czech Rep.	80	79	234	242	309
- from France	116	111	367	356	469
- from the USA	32	0	103	0	25
- from South Africa	24	0	56	0	0

All amounts in DKK million

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>INCOME STATEMENT</b>					
Revenue	294.8	247.1	928.6	786.0	1,048.0
Gross profit	61.0	55.9	210.4	167.1	222.1
EBITDA	34.6	36.0	123.8	100.5	128.2
Depreciation and impairment	19.2	15.7	56.2	47.1	66.0
<b>Operating profit (EBIT)</b>	15.4	20.3	67.6	53.4	62.2
Profit after tax from associates	0.0	-0.4	-0.6	-1.4	-1.7
Financial items, net	-4.6	-1.2	-11.2	-6.7	-10.2
<b>Profit before tax</b>	10.8	18.7	55.8	45.3	50.3
Tax for the period	-4.8	-6.3	-19.2	-13.3	-14.4
<b>Profit before minorities</b>	6.0	12.4	36.6	32.0	35.9
Minorities	1.5	0.0	3.2	0.0	0.0
<b>Profit for the period</b>	7.5	12.4	39.8	32.0	35.9

<b>CASH FLOWS</b>					
Cash flows from operating activities	51.4	18.6	102.0	69.5	82.1
Cash flows from investing activities	-36.6	-7.0	-157.2	-19.3	-134.0
Cash flows from financing activities	-0.5	-2.2	114.9	-18.2	80.5

<b>BALANCE SHEET</b>					
Intangible assets *	160.7	64.7	160.7	64.7	141.5
Property, plant and equipment	625.7	417.5	625.7	417.5	497.4
Other non-current assets	0.0	10.8	0.0	10.8	10.6
Cash and cash equivalents	118.4	62.1	118.4	62.1	58.7
Other current assets	493.8	441.2	493.8	441.2	470.3
<b>Total assets</b>	1,398.6	996.3	1,398.6	996.3	1,178.5

Equity	453.8	340.2	453.8	340.2	385.5
Interest-bearing debt	699.1	463.5	699.1	463.5	584.3
Other creditors	245.7	192.6	245.7	192.6	208.7
<b>Total liabilities and equity</b>	1,398.6	996.3	1,398.6	996.3	1,178.5

Average number of employees	745	548	695	533	547
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<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	11.8%	14.6%	13.3%	12.8%	12.2%
EBIT margin	5.2%	8.2%	7.3%	6.8%	5.9%
ROIC ex goodwill	8.3%	8.5%	8.3%	8.5%	8.4%
Working capital	316.6	294.4	316.6	294.4	318.7
Net interest-bearing debt	580.8	397.5	580.8	397.5	521.7

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

# Hydra-Greene

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

## Financial performance

Hydra-Greene generated revenue of DKK 148 million in Q3 2015, compared with DKK 147 million in Q3 2014. The slight improvement was based on small improvements in sales to the wind turbine industry in the USA and Asia and a small decline in Europe relative to last year. Sales to general industry and the new business segment, the offshore industry, were largely in line with last year.

EBIT rose from DKK 18 million in Q3 2014 to DKK 20 million in Q3 2015. The improved earnings were driven by the revenue improvement and a number of cost cuts.

The overall working capital was reduced from DKK 211 million at September 30, 2014 to DKK 184 million at September 30, 2015. Net interest-bearing debt fell from DKK 138 million at September 30, 2014 to DKK 76 million at September 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-Greene 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-Greene 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 2015, Hydra-Greene has experienced a much higher level of activity in the wind turbine segment of the Chinese market than the relatively low level seen in 2014. Hydra-Greene'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 trending upward and have risen by a fair margin in 2015. Hydra-Greene mainly targets local Indian manufacturers, and most of the components used are sourced locally and assembled at Hydra-Greene's Indian site.

Sales to the US, which are to the wind turbine market alone, have performed extremely well in

2015. The US wind turbine market is generally doing quite well, and is expected to continue to do so going into 2016. The positive trend is driven by the large order intake reported before the Production Tax Credit ("PTC") for renewable energy expires. In order to be eligible for PTC, orders must be finalised by the end of 2016.

## Outlook

Hydra-Greene's newest business segment, the offshore industry, has begun to soften, because the market has come under pressure due to the low oil prices. This has reduced demand for new hydraulics projects, but the levels of business activity in the maintenance and service segments have not changed.

Hydra-Greene continues to invest in online sales, which is mainly to specific industry customers and the aftermarket. Online sales are expected to pick up and to become an increasingly important revenue driver.

Originally, Hydra-Greene had expected a drop in full-year 2015 sales to the wind turbine industry relative to full-year 2014, but the current outlook is for a slight revenue improvement for the full year. The company expects generally stable sales to its general industry and aftermarket customers, but the current crisis in the agricultural sector has had a negative impact on sales to the major manufacturing customers in the agro field. →

# Hydra-Greene

Against that background, Hydra-Greene raises its full-year revenue forecast to about DKK 575 million from the previous forecast of DKK 550 million and also increases the EBIT guidance range to DKK 65-70 million from previously DKK 50-60 million. ■

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
<b>INCOME STATEMENT</b>					
Revenue	148.0	147.3	446.9	427.8	565.8
Gross profit	50.1	46.6	147.9	136.2	176.9
EBITDA	23.7	22.6	66.1	63.2	78.0
Depreciation and impairment	3.4	4.5	10.7	13.5	17.9
<b>Operating profit (EBIT)</b>	<b>20.3</b>	<b>18.1</b>	<b>55.4</b>	<b>49.7</b>	<b>60.1</b>
Financial items, net	-0.8	2.2	-0.1	0.9	1.1
<b>Profit before tax</b>	<b>19.5</b>	<b>20.3</b>	<b>55.3</b>	<b>50.6</b>	<b>61.2</b>
Tax for the period	-4.6	-5.0	-13.1	-12.4	-15.2
<b>Profit before minorities</b>	<b>14.9</b>	<b>15.3</b>	<b>42.2</b>	<b>38.2</b>	<b>46.0</b>
Minorities	0.0	-0.1	-0.1	0.0	0.1
<b>Profit for the period</b>	<b>14.9</b>	<b>15.2</b>	<b>42.1</b>	<b>38.2</b>	<b>46.1</b>
<b>CASH FLOWS</b>					
Cash flows from operating activities	27.5	9.2	67.1	19.5	59.5
Cash flows from investing activities	-1.9	-2.3	-6.5	-5.8	-3.5
Cash flows from financing activities	-27.4	-7.7	-76.4	-38.1	-72.3
<b>BALANCE SHEET</b>					
Intangible assets	11.9	16.9	11.9	16.9	13.3
Property, plant and equipment	94.6	100.2	94.6	100.2	97.4
Cash and cash equivalents	6.2	14.1	6.2	14.1	22.1
Other current assets	279.3	296.2	279.3	296.2	258.5
<b>Total assets</b>	<b>392.0</b>	<b>427.4</b>	<b>392.0</b>	<b>427.4</b>	<b>391.3</b>
Equity	190.8	179.7	190.8	179.7	187.7
Interest-bearing debt	86.6	152.4	86.6	152.4	118.2
Other creditors	114.6	95.3	114.6	95.3	85.4
<b>Total liabilities and equity</b>	<b>392.0</b>	<b>427.4</b>	<b>392.0</b>	<b>427.4</b>	<b>391.3</b>
Average number of employees	238	228	239	221	230
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	16.0%	15.3%	14.8%	14.8%	13.8%
EBIT margin	13.7%	12.3%	12.4%	11.6%	10.6%
ROIC ex goodwill	25.2%	22.4%	25.2%	22.4%	22.6%
Working capital	183.6	210.5	183.6	210.5	187.1
Net interest-bearing debt	75.6	138.3	75.6	138.3	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 continued the good performance from the first half of 2015, also reporting 5% revenue improvement in the third quarter from DKK 1,300 million in Q3 2014 to DKK 1,359 million, 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. 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.

EBIT was up by 10% from DKK 137 million in Q3 2014 to DKK 151 million in Q3 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. As Kramp's net financial items and tax were a greater expense in Q3 2015 than a year earlier, the recognised share of profit after tax was DKK 22 million, which was unchanged from Q3 2014.

Working capital rose slightly from DKK 1,536 million at September 30, 2014 to DKK 1,560 million at September 30, 2015. Net interest-bearing debt also grew slightly, from DKK 1,213 million at September 30, 2014, to DKK 1,244 million at September 30, 2015, following the distribution of dividends of DKK 225 million in the fourth quarter of 2014, of which Schouw & Co. recognised DKK 45 million.

## Business development

Activity in the agricultural market softened going into 2015, 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 has increased its capital expenditure in 2015 relative to 2014, primarily in the IT field. The company has consolidated its leading position in e-business and plans to integrate the IT systems used by Kramp and Grene on a best-of-breed basis. In addition, the existing physical facilities have been extended in 2015 through an expansion of the central warehouses in Konin, Poland and Poitiers, France. The new facilities cater to the needs arisen after Kramp and Grene merged and the advances achieved in the two markets. Also, the new facilities will improve the quality of service and ensure added accessibility for Kramp's customers.

More and more of the synergies anticipated from the merger of Kramp and Grene have materialised. 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.

## 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 in 2015 relative to 2014.

Kramp now expects net revenue for 2015 to be just shy of the previous guidance of about DKK 5.25 billion. EBIT, on the other hand, is expected to improve to around DKK 450 million, i.e. at the upper end of the previous forecast range of DKK 425-450 million.

Net of financial expenses and tax, Schouw & Co. now expects to recognise about DKK 70 million as its share of the profit for 2015 (previous forecast was DKK 60-70 million). The amount will be recognised under profit/loss after tax in associates. ■



	<b>Q3 2015</b>	<b>Q3 2014</b>	<b>YTD 2015</b>	<b>YTD 2014</b>	<b>2014 Total</b>
<b>INCOME STATEMENT</b>					
Net revenue	1,358.8	1,299.6	4,051.9	3,875.3	4,905.5
Gross profit	509.4	499.9	1,506.7	1,474.3	1,782.6
EBITDA	182.9	165.4	527.5	462.7	528.8
Depreciation and impairment	31.7	28.1	95.8	84.7	123.6
<b>Operating profit (EBIT)</b>	<b>151.2</b>	<b>137.3</b>	<b>431.7</b>	<b>378.0</b>	<b>405.2</b>
Financial items, net	-18.5	-10.7	-38.4	-39.7	-59.6
<b>Profit before tax</b>	<b>132.7</b>	<b>126.6</b>	<b>393.3</b>	<b>338.3</b>	<b>345.6</b>
Tax for the period	-22.4	-18.4	-69.1	-60.7	-55.3
<b>Profit for the period</b>	<b>110.3</b>	<b>108.2</b>	<b>324.2</b>	<b>277.6</b>	<b>290.3</b>
Profit recognised in Schouw & Co.	22.1	21.6	64.8	19.7	22.4
<b>BALANCE SHEET</b>					
Non-current assets	1,031.2	997.2	1,031.2	997.2	1,000.5
Current assets	2,009.8	1,949.7	2,009.8	1,949.7	1,786.5
<b>Total assets</b>	<b>3,041.0</b>	<b>2,946.9</b>	<b>3,041.0</b>	<b>2,946.9</b>	<b>2,787.0</b>
Equity	1,347.7	1,320.3	1,347.7	1,320.3	1,063.1
Interest-bearing debt	1,244.0	1,213.2	1,244.0	1,213.2	1,371.0
Other creditors	449.3	413.4	449.3	413.4	352.9
<b>Total liabilities and equity</b>	<b>3,041.0</b>	<b>2,946.9</b>	<b>3,041.0</b>	<b>2,946.9</b>	<b>2,787.0</b>
Average number of employees	2,606	2,644	2,573	2,605	2,604
<b>FINANCIAL KEY FIGURES</b>					
EBITDA margin	13.5%	12.7%	13.0%	11.9%	10.8%
EBIT margin	11.1%	10.6%	10.7%	9.8%	8.3%
Working capital	1,560.5	1,536.4	1,560.5	1,536.4	1,433.5
Net interest-bearing debt	1,244.0	1,213.2	1,244.0	1,213.2	1,371.0



# Consolidated financial statement

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# Statements of income and comprehensive income

Note	Income statement	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total	Comprehensive income	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
1	Revenue	3,599.5	3,618.1	9,487.4	8,682.0	11,784.1	Items that can be reclassified to the profit and loss statement:					
	Cost of sales	-3,050.3	-3,089.2	-8,093.3	-7,422.8	-10,073.1	Exchange rate adjustment of foreign subsidiaries	-134.7	154.0	57.6	195.5	190.6
	<b>Gross profit</b>	<b>549.2</b>	<b>528.9</b>	<b>1,394.1</b>	<b>1,259.2</b>	<b>1,711.0</b>	Hedging instruments recognised	17.7	-4.3	13.3	-12.9	-18.7
	Other operating income	2.3	5.6	10.2	10.2	13.3	Hedging instruments transferred to cost of sales	0.0	0.0	0.3	1.1	1.1
	Distribution costs	-177.7	-179.9	-517.3	-497.8	-656.6	Hedging instruments transferred to financials	2.1	0.9	3.8	3.5	8.0
2	Administrative expenses	-104.4	-84.9	-315.1	-262.4	-359.1	Other comprehensive income from associates and joint ventures	-6.6	-0.5	-7.3	2.3	-6.7
	Other operating expenses	0.0	-0.1	0.0	-0.2	-1.0	Other adjustment on equity	-0.3	-0.5	1.0	-0.9	-1.8
	<b>Operating profit (EBIT)</b>	<b>269.4</b>	<b>269.6</b>	<b>571.9</b>	<b>509.0</b>	<b>707.6</b>	Tax on other comprehensive income	-5.2	1.2	-4.3	2.1	2.9
	Profit after tax in associates	23.6	20.8	65.9	18.3	23.2	<b>Other comprehensive income after tax</b>	<b>-127.0</b>	<b>150.8</b>	<b>64.4</b>	<b>190.7</b>	<b>175.4</b>
	Profit after tax in joint ventures	5.5	2.1	10.1	-2.0	5.3	Profit for the period	169.1	220.4	420.0	383.1	427.7
	Financial income	9.2	14.3	33.5	28.1	51.9	<b>Total recognised comprehensive income</b>	<b>42.1</b>	<b>371.2</b>	<b>484.4</b>	<b>573.8</b>	<b>603.1</b>
	Financial expenses	-67.5	-21.3	-92.0	-52.8	-86.7	Attributable to					
	<b>Profit before tax</b>	<b>240.2</b>	<b>285.5</b>	<b>589.4</b>	<b>500.6</b>	<b>701.3</b>	Shareholders of Schouw & Co.	47.5	371.1	490.4	573.8	603.2
	Tax on profit	-71.1	-65.1	-169.4	-117.5	-273.6	Minority interests	-5.4	0.1	-6.0	0.0	-0.1
	<b>Profit for the period</b>	<b>169.1</b>	<b>220.4</b>	<b>420.0</b>	<b>383.1</b>	<b>427.7</b>	<b>Total recognised comprehensive income</b>	<b>42.1</b>	<b>371.2</b>	<b>484.4</b>	<b>573.8</b>	<b>603.1</b>
	Attributable to											
	Shareholders of Schouw & Co.	170.6	220.3	423.1	383.1	427.8						
	Minority interests	-1.5	0.1	-3.1	0.0	-0.1						
	<b>Profit for the period</b>	<b>169.1</b>	<b>220.4</b>	<b>420.0</b>	<b>383.1</b>	<b>427.7</b>						
8	Earnings per share (DKK)	7.23	9.33	17.95	16.14	18.08						
8	Diluted earnings per share (DKK)	7.20	9.30	17.89	16.08	18.02						

# Balance sheet · assets and liabilities

Note	Assets	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2014	Dec. 31, 2013
	Goodwill	998.3	970.5	896.8	876.0
	Completed development projects	11.2	12.1	15.6	18.1
	Development projects in progress	23.2	18.4	0.2	0.1
	Other intangible assets	87.6	93.9	40.7	45.5
	<b>Intangible assets</b>	<b>1,120.3</b>	<b>1,094.9</b>	<b>953.3</b>	<b>939.7</b>
	Land and buildings	1,226.8	1,262.5	1,175.9	1,168.6
	Plant and machinery	1,111.9	1,251.9	1,214.1	1,303.2
	Other fixtures, tools and equipment	87.9	69.6	69.4	79.9
	Assets under construction, etc.	235.2	131.0	152.8	77.0
	<b>Property, plant and equipment</b>	<b>2,661.8</b>	<b>2,715.0</b>	<b>2,612.2</b>	<b>2,628.7</b>
	Equity investments in associates	610.4	561.7	608.6	619.2
	Equity investments in joint ventures	73.0	64.3	56.8	20.4
	Securities	81.7	115.0	118.6	99.5
	Deferred tax	47.6	51.9	73.4	75.2
	Receivables	192.4	144.1	146.9	154.1
	<b>Other non-current assets</b>	<b>1,005.1</b>	<b>937.0</b>	<b>1,004.3</b>	<b>968.4</b>
	<b>Total non-current assets</b>	<b>4,787.2</b>	<b>4,746.9</b>	<b>4,569.8</b>	<b>4,536.8</b>
3	Inventories	1,373.8	1,447.5	1,510.4	1,151.5
	Receivables	3,034.1	2,592.1	2,916.6	2,675.2
	Income tax receivable	0.1	8.4	0.0	8.8
	Securities	0.1	0.1	0.1	0.1
	Cash and cash equivalents	1,208.8	1,087.1	1,232.6	1,324.0
	<b>Total current assets</b>	<b>5,616.9</b>	<b>5,135.2</b>	<b>5,659.7</b>	<b>5,159.6</b>
	<b>Total assets</b>	<b>10,404.1</b>	<b>9,882.1</b>	<b>10,229.5</b>	<b>9,696.4</b>

Note	Liabilities and equity	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2014	Dec. 31, 2013
6	Share capital	255.0	255.0	255.0	255.0
	Hedge transaction reserve	-6.6	-20.0	-21.1	-14.5
	Exchange adjustment reserve	214.2	153.7	158.8	-36.7
	Retained earnings	5,924.6	5,478.2	5,652.4	5,385.8
	Proposed dividend	0.0	204.0	0.0	153.0
	<b>Share of equity attributable to the parent company</b>	<b>6,387.2</b>	<b>6,070.9</b>	<b>6,045.1</b>	<b>5,742.6</b>
	Minority interests	23.1	2.9	3.0	3.4
	<b>Total equity</b>	<b>6,410.3</b>	<b>6,073.8</b>	<b>6,048.1</b>	<b>5,746.0</b>
	Deferred tax	149.9	151.3	128.7	127.9
	Pensions and similar liabilities	104.0	113.1	97.6	98.2
5	Credit institutions	727.9	858.4	884.6	1,035.1
	<b>Non-current liabilities</b>	<b>981.8</b>	<b>1,122.8</b>	<b>1,110.9</b>	<b>1,261.2</b>
5	Current portion of non-current debt	187.2	238.1	226.5	200.2
5	Credit institutions	159.4	77.6	308.3	238.3
	Trade payables and other payables	2,518.7	2,238.6	2,499.8	2,237.2
	Income tax	146.7	131.2	35.9	13.5
	<b>Current liabilities</b>	<b>3,012.0</b>	<b>2,685.5</b>	<b>3,070.5</b>	<b>2,689.2</b>
	<b>Total liabilities</b>	<b>3,993.8</b>	<b>3,808.3</b>	<b>4,181.4</b>	<b>3,950.4</b>
	<b>Total liabilities and equity</b>	<b>10,404.1</b>	<b>9,882.1</b>	<b>10,229.5</b>	<b>9,696.4</b>

Notes without reference 7 & 9.

# Cash flow statement

Note	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
Profit before tax	240.2	285.5	589.4	500.6	701.3
Adjustment for operating items of a non-cash nature, etc.					
Depreciation and impairment losses	93.1	89.9	284.1	265.7	362.7
Other operating items, net	16.3	67.5	42.3	81.9	33.9
Provisions	0.3	-0.2	0.9	-0.6	0.5
Profit/(loss) after tax in associates and joint ventures	-29.1	-22.9	-76.0	-16.3	-28.5
Financial income	-9.2	-14.3	-33.5	-28.1	-51.9
Financial expenses	67.5	21.3	92.0	52.8	86.7
<b>Cash flows from operating activities before changes in working capital</b>	<b>379.1</b>	<b>426.8</b>	<b>899.2</b>	<b>856.0</b>	<b>1,104.7</b>
Changes in working capital	119.6	-352.1	-107.4	-468.9	-296.6
<b>Cash flows from operating activities</b>	<b>498.7</b>	<b>74.7</b>	<b>791.8</b>	<b>387.1</b>	<b>808.1</b>
Interest income received	0.5	12.2	15.0	24.1	31.2
Interest expenses paid	-20.4	-19.2	-48.8	-51.0	-83.8
<b>Cash flows from ordinary activities</b>	<b>478.8</b>	<b>67.7</b>	<b>758.0</b>	<b>360.2</b>	<b>755.5</b>
Income tax paid	-82.6	-24.8	-137.9	-74.2	-127.8
<b>Cash flows from operating activities</b>	<b>396.2</b>	<b>42.9</b>	<b>620.1</b>	<b>286.0</b>	<b>627.7</b>
Purchase of intangible assets	-0.7	-1.0	-1.6	-3.7	-12.9
Purchase of property, plant and equipment	-75.2	-43.3	-239.9	-138.6	-232.5
Sale of property, plant and equipment	0.1	0.4	0.4	0.4	8.5
4 Acquisition of enterprises	0.0	0.0	-19.5	0.0	-129.2
Acquisition of ass. and joint ventures	0.0	-38.4	0.0	-38.4	-38.6
Loans	-53.2	0.4	-52.7	-3.8	-19.5
Received dividend from associates	0.0	0.0	0.0	31.3	76.0
Purchase of securities	0.0	0.0	-0.1	-9.8	-10.0
Sale of securities	0.0	0.0	0.0	0.0	3.7
<b>Cash flows from investing activities</b>	<b>-129.0</b>	<b>-81.9</b>	<b>-313.4</b>	<b>-162.6</b>	<b>-354.5</b>

Note	Q3 2015	Q3 2014	YTD 2015	YTD 2014	2014 Total
Debt financing:					
Repayment of non-current liabilities	-20.8	-28.1	-210.6	-214.1	-330.9
Proceeds from incurring non-current financial liabilities	3.4	0.7	51.8	64.4	63.8
Increase (repayment) of bank overdrafts	-105.0	-178.8	86.2	211.0	-156.3
Repayment of loan from associates	0.0	0.0	0.0	0.0	141.0
Shareholders:					
Proceeds from minorities	0.0	0.0	14.1	0.0	0.0
Dividend paid	0.0	0.0	-188.8	-142.9	-142.9
Purchase/sale of treasury shares, net	0.0	-64.1	9.4	-132.5	-137.7
<b>Cash flows from financing activities</b>	<b>-122.4</b>	<b>-270.3</b>	<b>-237.9</b>	<b>-214.1</b>	<b>-563.0</b>
Cash flows for the period	144.8	-309.3	68.8	-90.7	-289.8
Cash and cash equivalents at Jul./Jan. 1	1,071.8	1,543.2	1,087.1	1,324.0	1,324.0
Value adjustment of cash and cash equivalents	-7.8	-1.3	52.9	-0.7	52.9
<b>Cash and cash equivalents at September 30</b>	<b>1,208.8</b>	<b>1,232.6</b>	<b>1,208.8</b>	<b>1,232.6</b>	<b>1,087.1</b>

# Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Minority interests	Total equity
<b>Equity at January 1, 2014</b>	255.0	-14.5	-36.7	5,385.8	153.0	5,742.6	3.4	5,746.0
Other comprehensive income for the period								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	195.5	0.0	0.0	195.5	0.0	195.5
Value adj. of hedging instruments recognised during the period	0.0	-12.9	0.0	0.0	0.0	-12.9	0.0	-12.9
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	3.5	0.0	0.0	0.0	3.5	0.0	3.5
Other comprehensive income from associates and JVs	0.0	-0.4	0.0	2.7	0.0	2.3	0.0	2.3
Other adjustment on equity	0.0	0.0	0.0	-0.9	0.0	-0.9	0.0	-0.9
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	383.1	0.0	383.1	0.0	383.1
<b>Total recognised comprehensive income</b>	0.0	-6.6	195.5	384.9	0.0	573.8	0.0	573.8
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	3.7	0.0	3.7	0.0	3.7
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	-132.5	0.0	-132.5	0.0	-132.5
<b>Transactions with the owners for the period</b>	0.0	0.0	0.0	-118.3	-153.0	-271.3	-0.4	-271.7
<b>Equity at September 30, 2014</b>	255.0	-21.1	158.8	5,652.4	0.0	6,045.1	3.0	6,048.1
<b>Equity at January 1, 2015</b>	255.0	-20.0	153.7	5,478.2	204.0	6,070.9	2.9	6,073.8
Other comprehensive income for the period								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	60.5	0.0	0.0	60.5	-2.9	57.6
Value adj. of hedging instruments recognised during the period	0.0	13.3	0.0	0.0	0.0	13.3	0.0	13.3
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	3.8	0.0	0.0	0.0	3.8	0.0	3.8
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-7.3	0.0	-7.3	0.0	-7.3
Other adjustment on equity	0.0	0.0	0.0	1.0	0.0	1.0	0.0	1.0
Tax on other comprehensive income	0.0	-4.0	0.0	-0.3	0.0	-4.3	0.0	-4.3
Profit for the period	0.0	0.0	0.0	423.1	0.0	423.1	-3.1	420.0
<b>Total recognised comprehensive income</b>	0.0	13.4	60.5	416.5	0.0	490.4	-6.0	484.4
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	5.3	0.0	5.3	0.0	5.3
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
<b>Transactions with the owners for the period</b>	0.0	0.0	0.0	29.9	-204.0	-174.1	26.2	-147.9
<b>Equity at September 30, 2015</b>	255.0	-6.6	214.2	5,924.6	0.0	6,387.2	23.1	6,410.3

# Notes to the financial statements

## 1 SEGMENT REPORTING

<b>Total reportable segments YTD 2015</b>	<b>BioMar</b>	<b>Fibertex Personal Care</b>	<b>Fibertex Nonwovens</b>	<b>Hydra-Grene</b>	<b>Total</b>
External revenue	6,837.7	1,273.9	923.0	446.9	9,481.5
Intra-group revenue	0.0	22.9	5.6	0.0	28.5
Segment revenue	6,837.7	1,296.8	928.6	446.9	9,510.0
Depreciation and impairment	109.7	105.4	56.2	10.7	282.0
EBIT	306.5	155.2	67.6	55.4	584.7
Segment assets	5,398.4	1,722.9	1,430.6	392.0	8,943.9
Including goodwill	777.6	99.1	121.6	0.0	998.3
Equity investments in associates and joint ventures	42.7	0.0	0.0	0.0	42.7
Segment liabilities	2,977.5	983.7	944.8	201.2	5,107.2
Working capital	1,115.5	264.4	316.6	183.6	1,880.1
NIBD	421.4	511.9	580.8	75.6	1,589.7
Cash flows from operating activities	192.7	241.8	102.0	67.1	603.6
Cash flows from investing activities	-130.5	-18.9	-157.2	-6.5	-313.1
Cash flows from financing activities	-382.6	-198.8	114.9	-76.4	-542.9
Capital expenditure	77.4	19.2	137.9	6.5	241.0
Average number of employees	902	512	695	239	2,348

<b>Total reportable segments YTD 2014</b>	<b>BioMar</b>	<b>Fibertex Personal Care</b>	<b>Fibertex Nonwovens</b>	<b>Hydra-Grene</b>	<b>Total</b>
External revenue	6,217.7	1,251.1	779.7	427.8	8,676.3
Intra-group revenue	0.0	50.9	6.3	0.0	57.2
Segment revenue	6,217.7	1,302.0	786.0	427.8	8,733.5
Depreciation and impairment	106.1	97.0	47.1	13.5	263.7
EBIT	299.4	120.3	53.4	49.7	522.8
Segment assets	5,315.2	1,844.8	1,028.2	427.4	8,615.6
Including goodwill	746.8	72.4	77.6	0.0	896.8
Equity investments in associates and joint ventures	38.4	0.0	10.7	0.0	49.1
Segment liabilities	2,963.0	1,099.8	656.1	247.7	4,966.6
Working capital	1,128.4	261.0	294.4	210.5	1,894.3
NIBD	679.9	575.1	397.5	138.3	1,790.8
Cash flows from operating activities	4.1	195.8	69.5	19.5	288.9
Cash flows from investing activities	-140.7	-28.0	-19.3	-5.8	-193.8
Cash flows from financing activities	-172.6	-92.0	-18.2	-38.1	-320.9
Capital expenditure	92.5	28.3	15.6	5.8	142.2
Average number of employees	903	432	533	221	2,089

# 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.

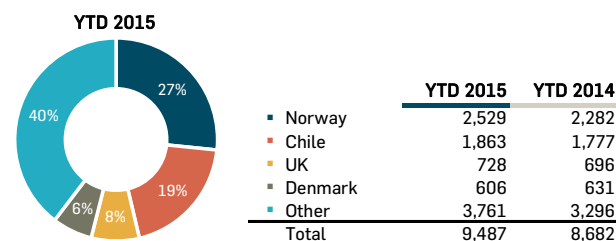
### Reconciliation of consolidated revenue, EBIT, assets and liabilities

YTD 2015	Group revenue	EBIT	Assets	Liabilities
Reporting segments	9,510.0	584.7	8,943.9	5,107.2
Non-reporting segments	5.6	3.0	200.2	44.8
The parent company	4.0	-15.8	4,888.9	117.7
Group elimination etc.	-32.2	0.0	-3,628.9	-1,275.9
<b>Total</b>	<b>9,487.4</b>	<b>571.9</b>	<b>10,404.1</b>	<b>3,993.8</b>

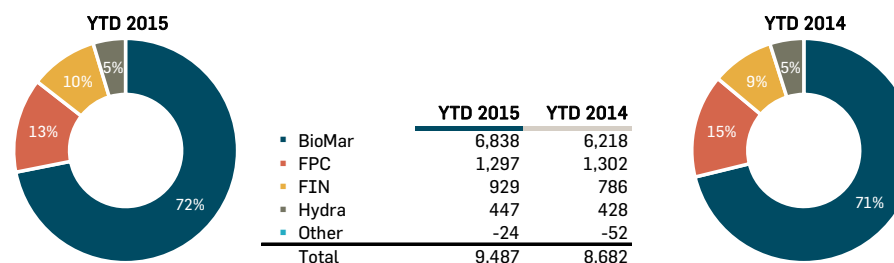
YTD 2014	Group revenue	EBIT	Assets	Liabilities
Reporting segments	8,733.5	522.8	8,615.6	4,966.6
Non-reporting segments	5.7	2.4	214.3	59.1
The parent company	3.3	-16.2	4,669.6	123.3
Group elimination etc.	-60.5	0.0	-3,270.0	-967.6
<b>Total</b>	<b>8,682.0</b>	<b>509.0</b>	<b>10,229.5</b>	<b>4,181.4</b>

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:



### Revenue by segments:





# Notes to the financial statements

## 2 COSTS

### Share-based payment: Share option programme

The company maintains 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
<b>Outstanding options in total at December 31, 2014</b>	<b>150,000</b>	<b>356,000</b>	<b>506,000</b>
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
<b>Outstanding options in total at September 30, 2015</b>	<b>190,000</b>	<b>366,000</b>	<b>556,000</b>

	Exercised from 2014 grant	Exercised from 2013 grant	Exercised from 2012 grant
Options exercised in 2015:			
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 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 *	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)

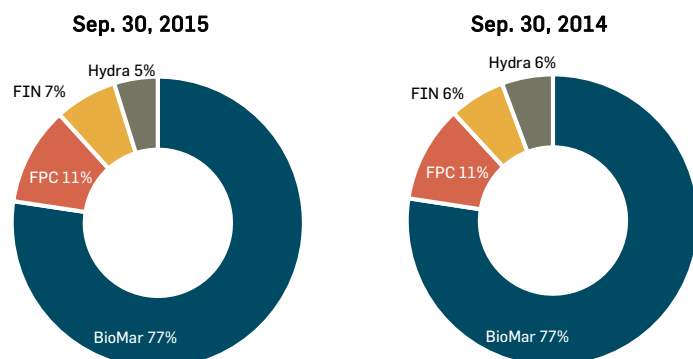
\*\*) At the date of grant

# Notes to the financial statements

## 3 RECEIVABLES - CURRENT

	Sep. 30, 2015	Jun. 30, 2014
Trade receivables	2,873.8	2,764.0
Other current receivables	152.2	146.5
Accruals and deferred income	8.1	6.1
<b>Receivables current</b>	<b>3,034.1</b>	<b>2,916.6</b>

Trade receivables by portfolio company:



	Sep. 30, 2015	Sep. 30, 2014
<b>Impairment losses on trade receivables</b>		
Impairment losses at January 1	-181.9	-202.7
Exchange adjustments	-2.5	-8.3
Reversed impairment losses	0.1	1.7
Impairment losses for the period	-26.8	-11.1
Realised loss	2.7	2.9
<b>Impairment losses</b>	<b>-208.4</b>	<b>-217.5</b>

Sep. 30, 2015	Not due	Due between (days)			Total
		1-30	31-90	>91	
Trade receivables not considered to be impaired	2,211.5	235.8	148.4	37.5	2,633.2
Trade receivables individually assessed to be impaired	109.8	71.9	43.0	224.3	449.0
Trade receivables in total	2,321.3	307.7	191.4	261.8	3,082.2
Impairment losses on trade receivables	-13.5	-9.3	-7.0	-178.6	-208.4
<b>Trade receivables net</b>	<b>2,307.8</b>	<b>298.4</b>	<b>184.4</b>	<b>83.2</b>	<b>2,873.8</b>

Proportion of the total receivables which is expected to be settled					93.2%
Impairment percentage	0.6%	3.0%	3.7%	68.2%	6.8%

Sep. 30, 2014	Not due	Due between (days)			Total
		1-30	31-90	>91	
Trade receivables not considered to be impaired	2,345.0	131.7	30.8	22.0	2,529.5
Trade receivables individually assessed to be impaired	71.8	43.0	30.8	306.4	452.0
Trade receivables in total	2,416.8	174.7	61.6	328.4	2,981.5
Impairment losses on trade receivables	-2.2	-3.8	-2.3	-209.2	-217.5
<b>Trade receivables net</b>	<b>2,414.6</b>	<b>170.9</b>	<b>59.3</b>	<b>119.2</b>	<b>2,764.0</b>

Proportion of the total receivables which is expected to be settled					92.7%
Impairment percentage	0.1%	2.2%	3.7%	63.7%	7.3%

A total of 14.6% (2014: 15.2%) of receivables at the balance sheet date were impaired to a greater or lesser extent. There is a constant follow-up on overdue debtors.

# Notes to the financial statements

## 4 ACQUISITIONS

	Sep. 30, 2015	Sep. 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
<b>Net assets acquired</b>	<b>47.0</b>	<b>0.0</b>
Of which minority interests	-12.2	0.0
Current value of original share of equity	-12.1	0.0
Badwill	-2.7	0.0
<b>Cost</b>	<b>20.0</b>	<b>0.0</b>
Of which cash and cash equivalents	-0.5	0.0
<b>Cash cost total</b>	<b>19.5</b>	<b>0.0</b>

In 2015, the Group acquired control of Fibertex South Africa, in which it had held a 26,0% 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.

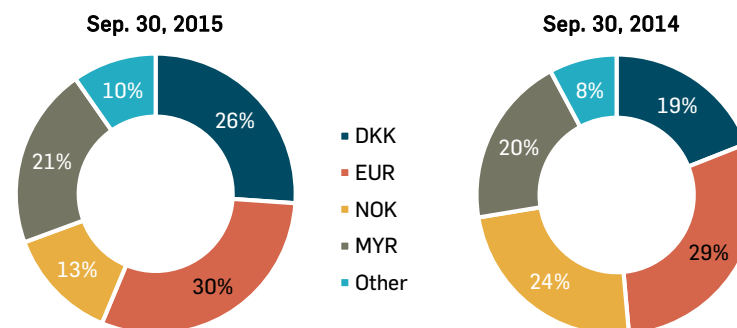
In connection with the acquisition, a badwill amount has been recognised under other operating income in the financial statements.

Revenue and net profit for the nine months to September 30, 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).

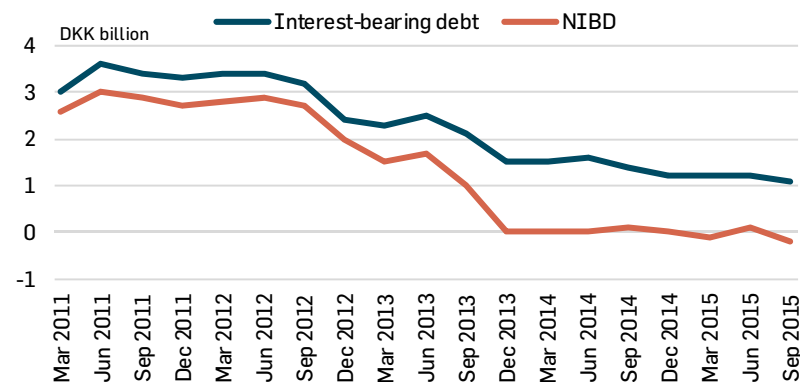
All amounts in DKK million

## 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 September 30, 2015 was 3.0% (September 30, 2014: 3.7%).

# 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-Q3 2014			
Share option programme	-261,667	-31.7	-1.03%
Additions	650,487	169.7	2.55%
<b>September 30, 2014</b>	<b>2,009,933</b>	<b>344.0</b>	<b>7.88%</b>
Movements in Q4 2014			
Share option programme	-40,000	-4.8	-0.15%
Additions	40,000	10.5	0.15%
<b>December 31, 2014</b>	<b>2,009,933</b>	<b>349.7</b>	<b>7.88%</b>
Movements in Q1-Q3 2015			
Share option programme	-177,000	-21.6	-0.69%
Additions	73,197	23.8	0.29%
<b>September 30, 2015</b>	<b>1,906,130</b>	<b>351.9</b>	<b>7.48%</b>

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 684.3 million at September 30, 2015.

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

## 7 FAIR VALUE OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	Sep. 30, 2015	Sep. 30, 2014
<b>Financial assets</b>		
Derivative financial instruments to hedge future cash flows – level 2	18.5	10.1
Securities measured at fair value – level 3	81.8	118.7
<b>Financial liabilities</b>		
Derivative financial instruments to hedge future cash flows – level 2	26.8	33.7

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 to foreign exchange adjustments of DKK 9.9 million and a write-down of DKK 43.2 million. The write-down of DKK 43.2 million relates to the Group's ownership interest in Salmones Austral and was made due to the deteriorated market conditions of Chile's fish farming industry.

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 curve, exchange rates and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments at the end of the reporting period.

# Notes to the financial statements

## 8 EARNINGS PER SHARE (DKK)

	<u>Q3 2015</u>	<u>Q3 2014</u>	<u>YTD 2015</u>	<u>YTD 2014</u>
Share of the profit for the period attributable to shareholders of Schouw & Co.	170.6	220.3	423.1	383.1
Average number of shares	25,500,000	25,500,000	25,500,000	25,500,000
Average number of treasury shares	-1,906,130	-1,897,894	-1,931,059	-1,771,107
<b>Average number of outstanding shares</b>	<b>23,593,870</b>	<b>23,602,106</b>	<b>23,568,941</b>	<b>23,728,893</b>
Average dilutive effect of outstanding share options *	96,689	89,725	80,927	89,242
<b>Diluted average number of outstanding shares</b>	<b>23,690,559</b>	<b>23,691,831</b>	<b>23,649,868</b>	<b>23,818,135</b>
Earnings per share of DKK 10	7.23	9.33	17.95	16.14
Diluted earnings per share of DKK 10	7.20	9.30	17.89	16.08

\* 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.

	<u>YTD 2015</u>	<u>YTD 2014</u>
<i>Joint Ventures:</i>		
The Group received consulting fees from Xergi in the amount of	0.2	0.0
<i>Associates:</i>		
The Group received interest income from Incuba Invest in the amount of	0.3	0.6
At September 30, the Group had a receivable from Incuba Invest in the amount of	9.7	9.4
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 September 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 financial statements give a true and fair view of the group's assets and liabilities and financial position at September 30, 2015 and of the results of the group's operations and cash flows for the period January 1 to September 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, November 5, 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