

## STOCK EXCHANGE ANNOUNCEMENT

no. 7/2007, November 8, 2007  
11 pages

# schouw+co

## INTERIM REPORT – THIRD QUARTER OF 2007

### HIGHLIGHTS

- ▶ Consolidated revenue increased by 11% to DKK 2,416 million in the third quarter. When adjusted for the divested packaging businesses, the improvement was 16%.
- ▶ Operating profit was DKK 195 million, an increase of 4% when adjusted for the divested packaging businesses.
- ▶ Profit before tax amounted to DKK 420 million.
- ▶ Positive effect of DKK 262 million from the holding of Vestas shares.
- ▶ Continuing improvements in Grene. Strong forecast maintained.
- ▶ Substantial improvements by Martin. Forecast raised for the third consecutive quarter.
- ▶ Lower expectations for Fibertex and Xergi.
- ▶ BioMar lowers its pre-tax profit forecast by DKK 50 million.
- ▶ On November 6, 2007, BioMar entered into a conditional agreement to acquire a majority interest in Provimi's fish feed activities in Chile, Denmark and Spain.
- ▶ Schouw & Co. downgrades its forecast for the full-year 2007 profit before tax to approximately DKK 300 million from the previous forecast of DKK 350 million, excluding the effects from the holding of Vestas shares and the contribution to profit from Sjøtroll Havbruk.

Schouw & Co. will be holding a telephone conference (in Danish) for analysts, members of the press a.o. on telephone +45 70 26 50 45, code 5567714#

**Thursday, November 8, 2007 at 15.30**

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

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## STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT

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The Board of Directors and the Management of Aktieselskabet Schouw & Co. today considered and adopted the interim report for the three months to September 30, 2007.

The interim report, which is unaudited, is presented in accordance with the recognition and measurement provisions of the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish interim financial reporting requirements for listed companies.

We consider the accounting policies to be appropriate. In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at September 30, 2007, as well as of the Group's results of operations and consolidated cash flows for the three months ended September 30, 2007.

Aarhus, November 8, 2007

### MANAGEMENT

Jens Bjerg Sørensen  
*President*

Peter Kjær

### BOARD OF DIRECTORS

Jørn Ankær Thomsen  
*Chairman*

Erling Eskildsen  
*Deputy Chairman*

Niels K. Agner

Erling Lindahl

Kjeld Johannesen

*This is a translation of Schouw & Co.'s Interim Report for the nine months ended September 30, 2007. The original Danish text shall be controlling for all purposes, and in case of discrepancy, the Danish wording shall be applicable.*

# SCHOUW & CO. – CONSOLIDATED FINANCIAL HIGHLIGHTS

Amounts in DKK million

<b>Income statement</b>	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>YTD 2007</b>	<b>YTD 2006</b>
<b>Revenue</b>	<b>2,415.7</b>	<b>2,177.0</b>	<b>6,100.2</b>	<b>5,389.0</b>
Cost of sales	(1,906.5)	(1,691.6)	(4,837.3)	(4,217.6)
<b>Gross profit</b>	<b>509.2</b>	<b>485.4</b>	<b>1,262.9</b>	<b>1,171.4</b>
Distribution costs	(241.2)	(203.7)	(670.0)	(588.0)
Administrative expenses	(81.2)	(83.5)	(265.9)	(254.8)
Other operating income / expenses	8.1	1.1	9.1	3.1
<b>Operating profit</b>	<b>194.9</b>	<b>199.3</b>	<b>336.1</b>	<b>331.7</b>
Income from investments in associates after tax	0.0	4.7	(0.2)	7.0
Profit on divestments	0.0	282.9	0.0	282.9
Net financials	225.0	(35.7)	743.9	208.4
<b>Profit before tax</b>	<b>419.9</b>	<b>451.2</b>	<b>1,079.8</b>	<b>830.0</b>
Tax	(35.4)	(45.9)	(50.6)	(70.1)
<b>Profit from continuing operations</b>	<b>384.5</b>	<b>405.3</b>	<b>1,029.2</b>	<b>759.9</b>
Profit from discontinuing operations	19.5	17.2	15.5	53.9
<b>Profit from the period</b>	<b>404.0</b>	<b>422.5</b>	<b>1,044.7</b>	<b>813.8</b>
<b>Attributable to:</b>				
Shareholders of Schouw & Co.	368.7	389.3	1,012.9	768.4
Minority interests	35.3	33.2	31.8	45.4
<b>Profit for the period</b>	<b>404.0</b>	<b>422.5</b>	<b>1,044.7</b>	<b>813.8</b>
<b>Balance sheet</b>	<b>30/9 2007</b>	<b>30/9 2006</b>	<b>30/9 2007</b>	<b>30/9 2006</b>
Intangible assets	593.9	544.0	593.9	544.0
Property, plant and equipment	2,563.5	2,515.8	2,563.5	2,515.8
Other non-current assets	2,275.2	1,215.8	2,275.2	1,215.8
Cash and cash equivalents	99.4	179.4	99.4	179.4
Other current assets	3,181.0	3,190.4	3,181.0	3,190.4
Assets held for sale	1,212.5	0.0	1,212.5	0.0
<b>Total assets</b>	<b>9,925.5</b>	<b>7,645.4</b>	<b>9,925.5</b>	<b>7,645.4</b>
Total equity	4,962.6	3,460.1	4,962.6	3,460.1
Interest-bearing debt	2,910.7	2,725.5	2,910.7	2,725.5
Other creditors	1,455.9	1,459.8	1,455.9	1,459.8
Liabilities associated with assets classified as held for sale	596.3	0.0	596.3	0.0
<b>Total liabilities and equity</b>	<b>9,925.5</b>	<b>7,645.4</b>	<b>9,925.5</b>	<b>7,645.4</b>
<b>Cash flow</b>	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>YTD 2007</b>	<b>YTD 2006</b>
Cash flow from operating activities	56.7	256.6	149.4	361.8
Cash flow from investing activities	(82.7)	(116.7)	(544.9)	(196.7)
Cash flow from financing activities	50.4	(178.5)	339.7	(300.8)
<b>Statement of changes in equity</b>	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>YTD 2007</b>	<b>YTD 2006</b>
Equity at the beginning of the period	4,611.1	3,033.8	3,841.4	2,779.7
Value adjustments of hedging instruments	(7.7)	12.2	(7.0)	0.0
Exchange-rate adjustments, non-Danish enterprises	2.8	(9.3)	3.9	(22.4)
Treasury shares bought and sold	(49.1)	0.4	(62.9)	(25.4)
Other equity adjustments	1.5	0.5	3.9	(1.4)
Dividend distributed	0.0	0.0	(143.5)	(66.5)
Addition/disposal of minority interests	0.0	0.0	282.1	(17.7)
Share of the profit for the period	404.0	422.5	1,044.7	813.8
<b>Equity at September 30</b>	<b>4,962.6</b>	<b>3,460.1</b>	<b>4,962.6</b>	<b>3,460.1</b>
<b>Attributable to:</b>				
Shareholders of Schouw & Co.	4,325.6	2,998.7	4,325.6	2,998.7
Minority interests	637.0	461.4	637.0	461.4
<b>Equity at September 30</b>	<b>4,962.6</b>	<b>3,460.1</b>	<b>4,962.6</b>	<b>3,460.1</b>
<b>Key financial ratios</b>	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>YTD 2007</b>	<b>YTD 2006</b>
Profit before depreciation and amortisation (EBITDA)	278.4	279.3	583.5	575.3
Profit before depreciation as a percentage of revenue (EBITDA %)	11.5%	12.8%	9.6%	10.7%
Profit before financial items as a percentage of revenue (EBIT %)	8.1%	9.2%	5.5%	6.2%
Return on invested capital (ROIC)	-	-	10.5%	9.7%
Return on equity (ROE)	-	-	36.9%	14.5%
Financial gearing	0.60	0.74	0.60	0.74
Net asset value per share of DKK 10 (DKK) (excluding minorities)	372.20	255.81	372.20	255.81
Market capitalisation at september 30	5,784	3,860	5,784	3,860
Average number of employees	3,681	3,455	3,506	3,373

The key ratios have been calculated in accordance with "Recommendations and Financial Ratios 2005" issued by the Danish Society of Financial Analysts.

## INTERIM REPORT – THIRD QUARTER 2007

This interim report, which is unaudited, has been prepared in accordance with the accounting policies of the Schouw & Co. Group. The accounting policies are unchanged from those applied in the Annual Report 2006.

### FINANCIAL PERFORMANCE

The Schouw & Co. Group generated consolidated revenue of DKK 2,415.7 million in Q3 2007, a DKK 238.7 million improvement from DKK 2,177.0 million in Q3 2006.

For the nine months to September 30, 2007, consolidated revenue rose by DKK 711.2 million to DKK 6,100.2 million, from DKK 5,389.0 million in the year-earlier period, when the now divested packaging businesses, Elopak Denmark A/S and Elopak AB, contributed revenue of DKK 296.8 million.

When adjusted for the divested packaging businesses, revenue increased by 16.2% in Q3 2007 and by 19.8% in the nine months to September 30, 2007. In each of the three quarters of the period, all of the Group's five businesses contributed to the improvement, except for Xergi, which posted third-quarter 2007 revenue slightly below that achieved in Q3 2006.

Q3 2007 operating profit was DKK 194.9 million as compared with DKK 199.3 million in Q3 2006. For the nine months to September 30, 2007, operating profit was up by DKK 4.4 million to DKK 336.1 million, from DKK 331.7 million in the year-earlier period, when the now divested packaging businesses contributed DKK 33.8 million.

When adjusted for the divested packaging businesses, operating profit increased by 4.2% in Q3 2007 and by 12.8% in the nine months to September 30, 2007.

The 9M operating profit improvement was achieved on the back of quite substantial improvements by Martin and a continuing satisfactory performance by Grene, whereas Fiber-text, BioMar and Xergi suffered setbacks.

Consolidated profit before tax was DKK 419.9 million in Q3 2007 against DKK 451.2 million in Q3 2006. For the nine months to September 30, 2007, the Group recorded a pre-tax profit of DKK 1,079.8 million, up from DKK 830.0 million in the year-earlier period.

The consolidated profit before tax for the nine months to September 30, 2007 included a favourable DKK 836.6 million value adjustment on the holding of Vestas shares, which is recognised under financial items.

In the same period of 2006, the pre-tax profit was impacted by a favourable value adjustment on the holding of Vestas shares in the amount of DKK 292.1 million. In addition, the profit before tax for 2006 was lifted by a DKK 282.9 million gain on the divestment of the packaging businesses, which also contributed a pre-tax profit of DKK 32.1 million during the period.

With respect to tax calculation, it should be noted that the positive effects from the holding of Vestas shares are not taxable, and that the same applies to the gain achieved on the sale of the packaging businesses in 2006. It should also be noted that the Q2 2007 tax calculation was positively affected by the reduction of the Danish corporation tax rate.

The consolidated profit after tax also included a DKK 19.5 million share of the profit in BioMar's subsidiary Sjøtroll Havbruk, which is recognised separately in "Profit from discontinuing operations". In Q3 2006, the share represented a profit of DKK 17.2 million. For the nine months to September 30, 2007, these operations contributed a profit of DKK 15.5 million, down from DKK 53.9 million in the year-earlier period.

The consolidated profit after tax was DKK 404.0 million in Q3 2007 against DKK 422.5 million in Q3 2006. For the nine months to September 30, 2007, consolidated profit after tax was DKK 1,044.7 million, up from DKK 813.8 million in the year-earlier period.

The consolidated profit after tax includes the share attributable to minority interests. Of the profit after tax of DKK 1,044.7 million, DKK 31.8 million was attributable to minority interests, leaving the profit after tax attributable to the shareholders of Schouw & Co. at DKK 1,012.9 million.

### VESTAS WIND SYSTEMS

The holding of Vestas shares has not changed in 2007 to date. Accordingly, Schouw & Co. holds 4,800,000 shares, equal to 2.59% of the share capital.

The official share price (all trades) was DKK 241.27 per share at December 31, 2006, while it was DKK 360.99 at June 30, 2007 and DKK 415.57 at September 30, 2007.

A positive value adjustment of DKK 262.0 million was recognised for Q3 2007. For the nine months to September 30, 2007, a positive value adjustment of DKK 836.6 million was recognised under consolidated financial items.

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## THE SCHOUW & CO. SHARE

Schouw & Co.'s share capital comprises 12,470,000 shares with a nominal value of DKK 10 each for a total nominal share capital of DKK 124,700,000. Each share carries one vote, for a total of 12,470,000 voting rights. The size and composition of the share capital has been unchanged since the end of 2002.

Schouw & Co. shares depreciated by 1.4% during the third quarter from DKK 504.81 per share (all trades) at June 30, 2007, to DKK 497.72 at September 30, 2007. During the nine months to September 30, 2007, the share price appreciated by 38.2%.

At the end of H1 2007, the company held 748,234 treasury shares, equal to 6.0% of the share capital. During Q3 2007, the company acquired another 100,000 treasury shares at a total price of DKK 49.1 million. At September 30 and presently, the company holds 848,234 treasury shares, equal to 6.8% of the share capital. The portfolio of treasury shares is recognised at DKK 0.

## OUTLOOK

In its Q3 2007 interim report, BioMar announced that it now projects full-year 2007 revenue of approximately DKK 3.8 billion, as against the previous forecast of approximately DKK 3.6 billion. However, profit from continuing operations before tax, i.e. excluding the contribution from the Sjøtroll Havbruk subsidiary, is downgraded to approximately DKK 125 million from approximately DKK 175 million.

## FINANCIAL CALENDAR 2008

March 13, 2008	Release of full-year 2007 profit announcement.
March 14, 2008	Webcast presentation of 2007 annual report.
April 16, 2008	Annual General Meeting.
May 8, 2008	Release of Q1 2008 interim report and telephone conference
August 18, 2008	Release of H1 2008 interim report
August 19, 2008	Webcast of H1 2008 interim report
November 6, 2008	Release of Q3 2008 interim report and telephone conference

The company will provide more detailed information about contacts and times for webcasts and telephone conferences on its website, [www.schouw.dk](http://www.schouw.dk), and in its stock exchange announcements.

Pursuant to IFRS, Schouw & Co. has redistributed goodwill from the acquisition of BioMar to other items of the BioMar balance sheet that Schouw & Co. will consolidate in its financial statements and some of these items are subject to amortisation. Accordingly, Schouw & Co. will recognise a profit before tax from BioMar in 2007 that will be DKK 18 million below the profit BioMar will announce.

Grene reiterates its expectations for revenue and pre-tax profit for 2007, while Fibertex and Xergi have both downgraded their forecasts. On the other hand, Martin has raised its full-year pre-tax profit forecast for the third time in 2007.

As previously mentioned, BioMar lowers its pre-tax profit forecast by approximately DKK 50 million, while the other companies of the Schouw & Co. Group overall maintain their expectations.

Against this background, the Schouw & Co. Group now projects full-year 2007 consolidated revenue of approximately DKK 8.2 billion against the previous forecast of approximately DKK 8.0 billion.

Schouw & Co. expects a full-year 2007 profit before tax of approximately DKK 300 million against the previous forecast of DKK 350 million, excluding the effects from the holding of Vestas shares and the contribution to profit from Sjøtroll Havbruk.

## OUR BUSINESSES

### GRENE, WHOLLY OWNED

DKK million	Q3 2007	Q3 2006	YTD 2007	YTD 2006
Revenue	437.5	364.6	1,242.5	1,040.1
EBIT ratio	10.9%	10.9%	9.3%	8.9%
Profit before tax	42.0	36.6	102.6	84.3
ROIC			18.2%	15.4%
Total assets	1,113.4	928.9	1,113.4	928.9
Total equity	414.1	346.3	414.1	346.3

Grene, a leading supplier of spare parts and accessories for the agricultural sector and of hydraulics, technical articles, electrical products and services for industry, reported a 20.0% revenue improvement from DKK 364.6 million in Q3 2006 to DKK 437.5 million in Q3 2007.

For the nine months to September 30, 2007, Grene lifted its revenue by 19.5% to DKK 1,242.5 million from DKK 1,040.1 million in the year-earlier period.

The improvement was mainly attributable to Grene Poland, Hydra-Grene, Grene Industri-service and Chr. C. Grene, but the other Grene businesses also reported improvements.

The profit before tax improved from DKK 36.6 million in Q3 2006 to DKK 42.0 million in Q3 2007. For the nine months to September 30, 2007, pre-tax profit climbed to DKK 102.6 million from DKK 84.3 million in the year-earlier period.

The strong improvement in pre-tax profit was attributable especially to Hydra-Grene, but Grene Sweden, Grene Poland and Grene Industri-service also performed very well.

Chr. C. Grene, on the other hand, posted a DKK 10 million profit decline for the nine months to September 30, 2007 relative to the year-earlier period. The set-back was due to the ongoing project involving an extension and restructuring of the central warehouse in Skjern.

Encompassing the erection of a new 10,000m<sup>2</sup> computerised warehouse with a fully automatic miniload facility and a total restructuring of the existing warehouse facilities, the project has proven to be more challenging than expected.

Thus, in some periods, Chr. C. Grene was unable to maintain its usual high level of supply service. As a result, the business has decided to allocate significant extra resources to fully re-establish the desired service level. In key areas, Chr. C. Grene was successful in these endeavours. However, the business still faces the huge task of optimising the new warehouse facilities in order to achieve the expected effi-

ciency improvements and for the central warehouse to form a solid basis for continued growth.

Grene maintains its full-year 2007 forecast of revenue of approximately DKK 1.5 billion and a profit before tax of around DKK 120 million.

### MARTIN, WHOLLY OWNED

DKK million	Q3 2007	Q3 2006	YTD 2007	YTD 2006
Revenue	290.6	254.3	884.9	712.1
EBIT ratio	12.6%	5.4%	9.9%	3.2%
Profit before tax	31.4	7.2	70.4	2.8
ROIC			14.8%	2.3%
Total assets	1,059.4	944.1	1,059.4	944.1
Total equity	261.0	212.7	261.0	212.7

Martin is the world's leading manufacturer of computer-controlled effect lighting for the entertainment industry and experience economy. Martin also produces smoke machines, including smoke products for the security industry.

Martin lifted revenue by 14.3% from DKK 254.3 million in Q3 2006 to DKK 290.6 million in Q3 2007.

For the nine months to September 30, 2007, Martin improved its revenue by 24.3% to DKK 884.9 million from DKK 712.1 million in the year-earlier period.

The substantial revenue improvement was broadly founded on all markets served by Martin. Demand is generally believed to have risen in the entertainment industry, but Martin is also believed to have increased its market share by focusing on new technology and new products.

The profit before tax improved from DKK 7.2 million in Q3 2006 to DKK 31.4 million in Q3 2007. For the nine months to September 30, 2007, pre-tax profit climbed to DKK 70.4 million from DKK 2.8 million in the year-earlier period.

Martin expects continuing strong activity for the remainder of the year, which will see the launch of several new products.

However, the results achieved during the first three quarters of the year were positively impacted by strong demand and a number of large single orders, whereas Q4 is expected to be affected by higher raw materials prices, costs associated with launching new products and lower capacity utilisation due to a scheduled reduction of inventories.

Against this background, Martin retains its revenue forecast of up to DKK 1.2 billion for 2007 but raises its expectations for the full-year pre-tax profit to approximately DKK 85 million from the previous guidance of approximately DKK 70 million.

#### **FIBERTEX, WHOLLY OWNED**

DKK million	Q3 2007	Q3 2006	YTD 2007	YTD 2006
Revenue	403.8	319.8	1,210.3	973.2
EBIT ratio	3.6%	5.0%	3.6%	5.5%
Profit before tax	1.4	7.4	10.2	33.2
ROIC			3.3%	4.4%
Total assets	1,704.3	1,675.0	1,704.3	1,675.0
Total equity	523.0	577.6	523.0	577.6

Fibertex is a leading manufacturer of nonwovens, supplying needlepunch products for industrial and technical applications (Technical Division) and spunbond products for the personal care industry (Personal Care Division).

Fibertex lifted revenue by 26.3% from DKK 319.8 million in Q3 2006 to DKK 403.8 million in Q3 2007. For the nine months to September 30, 2007, Fibertex lifted its revenue by 24.4% to DKK 1,210.3 million from DKK 973.2 million in the year-earlier period.

A large part of the revenue improvement was attributable to the expanded production capacity in the Personal Care Division in Denmark. Also, revenue improved substantially in the Technical Division in Denmark and in the two divisions' units in Malaysia and the Czech Republic.

Fibertex reported a profit before tax of DKK 1.4 million in Q3 2007 against DKK 7.4 million in Q3 2006. For the nine months to September 30, 2007, Fibertex recorded a pre-tax profit of DKK 10.2 million, down from DKK 33.2 million in the year-earlier period.

Total earnings in the Personal Care Division were slightly lower than in 2006, and the composition of the results has changed considerably.

The activities in Malaysia have progressed satisfactorily in 2007 to date with production and sales as well as earnings ahead of the forecast.

In Denmark, the production capacity in the Personal Care Division has been expanded in line with expectations, while sales of high-value products from the new production line have performed below expectations. This had a negative impact on profit for the division in Denmark.

Total earnings in the Technical Division were somewhat lower than in 2006, and the composition of the results also changed in this unit.

Operations in the Czech Republic performed well with a substantial improvement in results relative to 2006. The division in the Czech Republic still remains to generate an accumulated profit, but during the last part of the period, it started to yield monthly profits.

The Technical Division in Denmark has suffered a major profit decline in 2007 to date. The unsatisfactory performance is caused by continuing high raw materials prices, low selling prices and the fact that a number of the division's production lines in Denmark are no longer competitive.

As previously mentioned, Fibertex has therefore initiated a plan to improve earnings in the Technical Division by DKK 30-40 million annually. The improvements are expected to fully materialise from the 2009 financial year.

The key elements of the plan are to eliminate unprofitable business through price increases and to modernise the production platform by means of an investment of about DKK 130 million in two new production lines. One production line will be located in the Czech Republic and the other one will be located in Aalborg, Denmark, where it will replace old and near-obsolete production lines in order to ensure state-of-the-art production facilities in Denmark.

Fibertex maintains its full-year 2007 forecast of revenue of approximately DKK 1.6 billion, but lowers the forecast for the profit before tax to around DKK 10 million from the previous guidance of DKK 20 million.

#### **BIOMAR, 68.82% OWNED**

DKK million	Q3 2007	Q3 2006	YTD 2007	YTD 2006
Revenue	1,267.1	1,121.5	2,693.7	2,319.9
EBIT ratio	8.1%	11.0%	4.1%	6.4%
Profit before tax	92.2	119.9	86.7	130.9
ROIC			17.9%	17.7%
Total assets	3,171.5	2,082.8	3,171.5	2,082.8
Total equity	1,279.0	880.3	1,279.0	880.3

BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry.

BioMar has an independent listing on the Copenhagen Stock Exchange and on November 6, 2007 it issued its own interim report for Q3 2007.

BioMar lifted revenue by 13.0% from DKK 1,121.5 million in Q3 2006 to DKK 1,267.1 million in Q3 2007.

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For the nine months to September 30, 2007, BioMar improved its revenue by 16.1% to DKK 2,693.7 million from DKK 2,319.9 million in the year-earlier period. The revenue improvement was driven partly by an increase of about 8% in the volume of goods sold, partly by increasing selling prices due to higher raw materials prices.

Revenue improved especially in the North Sea and Continental Europe regions, whereas the third region, the Americas, saw more moderate growth.

BioMar reported a Q3 2007 profit of DKK 92.2 million from continuing operations before tax, i.e. excluding the contribution from the Sjøtroll Havbruk subsidiary, against a profit of DKK 119.9 million in Q3 2006.

For the nine months to September 30, 2007, BioMar recorded a pre-tax profit from continuing operations of DKK 86.7 million, down from DKK 130.9 million in the year-earlier period.

The profit was adversely impacted by temporary production shutdowns at several production sites due to expansion of the production capacity. In some periods, the output was irregular, resulting in lower efficiency, higher recipe costs and higher distribution costs due to finished goods being transported over large distances.

After the added amortisation resulting from Schouw & Co.'s balance sheet redistribution, a pre-tax profit of DKK 87.7 million was recognised in Schouw & Co.'s consolidated financial statements, as compared with a profit of DKK 115.4 million in Q3 2006. For the nine months to September 30, 2007, the corresponding pre-tax profit was DKK 73.2 million, down from DKK 111.5 million in the year-earlier period.

Profit from discontinuing operations, which is stated after tax, concerns subsidiary Sjøtroll Havbruk.

The profit comprises a 37.2% share of the profit after tax in Sjøtroll Havbruk up to the end of Q1 2007. On 26 September 30, 2007, BioMar acquired an additional 13.7% of the shares in Sjøtroll Havbruk, thereby gaining a 50.9% majority interest. From the end of Q1 2007, profit from discontinuing operations has thus comprised the entire profit after tax of Sjøtroll Havbruk, of which a proportional share will subsequently be attributable to minority shareholders.

In Q1 2007, Sjøtroll Havbruk contributed a loss of DKK 5.0 million against a profit of DKK 10.9 million the year before. The decline was mainly due to fair value adjustments of biomass (inventory of live fish)

In Q2 2007, the recognised profit after tax from Sjøtroll Havbruk amounted to DKK 1.0 million, including a negative fair value adjustment of DKK 61 million and proceeds of DKK 44 million from the sale of Sjøtroll Havbruk's shares in Hjaltnland Seafarms.

Adjusted for the proceeds on the sale of the shares in Hjaltnland Seafarms and net of the fair value adjustment of the biomass, the profit amounted to approximately DKK 18 million. By comparison, the recognised profit after tax from Sjøtroll Havbruk in Q2 2006 was DKK 25.8 million. It should be noted that the 2006 profit was recognised at the rate of 37.2% in 2006, corresponding to the ownership interest at the time. On a fully consolidated basis, the Q2 2006 profit after tax in Sjøtroll Havbruk was DKK 36.9 million before fair value adjustment of the biomass.

In Q3 2007, Sjøtroll Havbruk contributed a profit after tax of DKK 19.5 million, including a positive fair value adjustment of the biomass of DKK 6 million, whereas the contribution from Hjaltnland Seafarms was eliminated. In Q3 2006, Sjøtroll Havbruk contributed a profit after tax of DKK 46.2 million, including a positive fair value adjustment of the biomass of DKK 2.7 million. Recognised at a rate of 37.2%, the Q3 2006 profit attributable to the Group amounted to DKK 17.2 million.

For 2007, Sjøtroll Havbruk is expected to generate an operating profit significantly below the DKK 195 million achieved in 2006. The forecast is, however, subject to considerable uncertainty since the company's earnings are very sensitive to fluctuations in the prices of salmon and trout.

BioMar forecasts revenue of approximately DKK 3.8 billion against the previous forecast of approximately DKK 3.6 billion.

Profit before tax from continuing operations is expected to be approximately DKK 125 million, compared with the previous forecast of about DKK 175 million.

On November 6, 2007, BioMar agreed to acquire the majority of Provimi's fish feed activities in Chile, Denmark and Spain. The transaction is subject to the relevant regulatory approvals and the final terms being agreed.

The activities comprised by the transaction generated revenue of about DKK 1.3 billion in 2006, and the acquisition will strengthen BioMar's international market position substantially.

The agreement is not expected to influence the financial results for 2007.



## XERGI, 50% OWNED

DKK million	Q3 2007	Q3 2006	YTD 2007	YTD 2006
Revenue	26.8	35.0	117.7	85.2
EBIT ratio	-17.5%	-2.6%	-4.2%	1.1%
Profit before tax	(4.0)	(0.7)	(3.6)	1.1
ROIC			-12.4%	213.3%
Total assets	168.4	92.0	168.4	92.0
Total equity	45.4	45.3	45.4	45.3

Xergi is a leading supplier of turnkey energy systems, including biogas and organic fertiliser separation systems.

Xergi is owned on a fifty/fifty basis by Schouw & Co. and Dalgasgroup (Hedeselskabet) and is recognised in the consolidated financial statements on a pro rata basis.

Xergi generated revenue of DKK 26.8 million in Q3 2007, compared with DKK 35.0 million in Q3 2006. For the nine months to September 30, 2007, Xergi lifted its revenue by 38.1% to DKK 117.7 million from DKK 85.2 million in the year-earlier period. The reported revenue was lower than expected because of a declining order intake and postponed construction work.

Xergi reported a loss before tax of DKK 4.0 million in Q3 2007 against a DKK 0.7 million loss in Q3 2006. For the nine months to September 30, 2007, Xergi reported a pre-tax loss of DKK 3.6 million, compared with a profit of DKK 1.1 million in the year-earlier period.

In Denmark, it was initially expected that new biogas framework legislation would have been passed by parliament before the summer holidays. However, this did not happen, and due to the upcoming general election in Denmark, the new framework conditions are not expected to be passed until around the turn of the year at the earliest. The immediate effect is that all projects in Denmark will be postponed until this time.

In addition, Xergi is witnessing sluggish activity in the Dutch market and a strong decline in activity in the German market because of rising prices of energy crops.

Nevertheless, Xergi has resolved to continue to work the markets in Europe and fully maintain its product development activities.

At the end of October 2007, the University of Aarhus inaugurated the world's largest test facility for biogas production. Built by Xergi for the Faculty of Agricultural Sciences at Research Centre Foulum, the test facility is one of the most flexible biogas test plants in the

world, offering new opportunities to develop processes, methodologies and equipment.

Strong activity continues to characterise the US market. In this market, Xergi operates through a license partner, who recently opened what is probably the world's largest manure-based biogas plant that will supply purified biogas to the natural gas grid.

Because of the lack of activity especially in the Danish and German markets, Xergi is compelled to lower its forecast for 2007.

Accordingly, Xergi expects to achieve full-year revenue of around DKK 150 million as against the previous forecast of up to DKK 200 million. Xergi lowers its full-year pre-tax forecast from break even to a loss of about DKK 5-10 million.

## COMPANY INFORMATION

A table of portfolio figures providing detailed information about the operating companies consolidated in the Schouw & Co. Group is provided on pages 10-11 of this interim report.

The table provides each company's financial statements on a fully consolidated basis.

It should be noted that BioMar is recognised in the consolidated financial statements with the balance sheet redistribution made by Schouw & Co. and the resulting impact on profit, while Xergi is consolidated on a pro-rata basis at 50%.

## DEFINITIONS OF RATIOS

The financial ratios have been calculated in accordance with "Recommendations & Ratios 2005", issued by the Danish Society of Financial Analysts.

Effective from January 1, 2007, return-based key ratios (ROIC and ROE) provided in interim financial statements must be based on financial information from the preceding 12 month period. Previously, return-based ratios were based on numbers from the interim period being annualised. The comparative figures for prior periods have been restated accordingly.

$$\text{ROIC} = \frac{\text{EBITA}}{\text{Avg. invested capital excluding goodwill}}$$

$$\text{ROE} = \frac{\text{Profit from Continuing Operations}}{\text{Avg. equity excluding minorities relating to discontinuing operations}}$$

# PORTFOLIO FIGURES

Amounts in DKK million

THIRD QUARTER OF 2007

	Greene		Martin		Fibertex		BioMar		Xergi	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>INCOME STATEMENT</b>										
Revenue:										
Denmark	233.9	208.4	7.7	7.0	25.4	11.0	N/A	N/A	11.6	12.6
Rest of Europe	199.2	155.3	144.2	132.7	253.8	218.4	1,133.1	998.5	15.2	22.4
Rest of world	4.4	0.9	138.7	114.6	124.6	90.4	134.0	123.0	0.0	0.0
Total revenue	437.5	364.6	290.6	254.3	403.8	319.8	1,267.1	1,121.5	26.8	35.0
<b>Gross profit</b>	142.9	117.0	92.3	71.0	66.1	58.5	209.1	216.5	0.6	2.4
<b>Profit before depreciation (EBITDA)</b>	55.0	45.9	49.4	26.4	50.4	41.4	125.4	144.9	(4.1)	(0.3)
EBITDA ratio	12.6%	12.6%	17.0%	10.4%	12.5%	12.9%	9.9%	12.9%	-15.3%	-0.9%
Depreciation	(7.3)	(6.2)	(12.8)	(12.6)	(36.0)	(25.4)	(22.4)	(21.5)	(0.6)	(0.6)
<b>Operating profit (EBIT)</b>	47.7	39.7	36.6	13.8	14.4	16.0	103.0	123.4	(4.7)	(0.9)
EBIT ratio	10.9%	10.9%	12.6%	5.4%	3.6%	5.0%	8.1%	11.0%	-17.5%	-2.6%
Share of profit from associated companies	0.0	0.0	0.3	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0
Net financials	(5.7)	(3.1)	(5.5)	(6.2)	(13.0)	(8.6)	(10.8)	(3.5)	0.7	0.2
<b>Profit before tax (EBT)</b>	42.0	36.6	31.4	7.2	1.4	7.4	92.2	119.9	(4.0)	(0.7)
Tax on profit for the period	(9.9)	(9.5)	(9.5)	(1.9)	2.5	(3.5)	(20.3)	(30.9)	1.2	0.0
<b>Profit from continuing activities</b>	32.1	27.1	21.9	5.3	3.9	3.9	71.9	89.0	(2.8)	(0.7)
Profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	19.5	17.2	0.0	0.0
<b>Profit for the period</b>	32.1	27.1	21.9	5.3	3.9	3.9	91.4	106.2	(2.8)	(0.7)
Cash flow from operating activities	17.2	32.4	(17.3)	2.7	11.3	32.2	59.5	182.1	(22.2)	(5.8)
Cash flow from investing activities	(15.5)	(28.3)	(17.0)	(11.3)	(15.9)	(31.7)	(31.9)	(23.6)	(0.3)	(0.9)
Cash flow from financing activities	(1.8)	(2.3)	34.9	5.4	5.0	(0.4)	0.7	(26.3)	12.3	(1.0)
<b>BALANCE SHEET</b>										
Intangible assets	22.7	18.3	104.0	79.5	26.7	5.6	0.0	0.0	7.0	7.3
Property, plant and equipment	345.0	282.0	210.6	218.3	1,128.7	1,214.1	639.6	548.7	4.4	3.2
Other non-current assets	2.4	1.6	42.3	39.6	0.0	2.8	109.9	232.0	7.6	8.0
Cash and cash equivalents	8.1	8.5	9.4	7.4	7.1	4.7	71.6	142.0	6.2	33.6
Other current assets	735.2	618.5	693.1	599.3	541.8	447.8	1,139.8	1,160.1	143.2	39.9
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	1,210.6	0.0	0.0	0.0
<b>Total assets</b>	1,113.4	928.9	1,059.4	944.1	1,704.3	1,675.0	3,171.5	2,082.8	168.4	92.0
Equity	414.1	346.3	261.0	212.7	523.0	577.6	1,279.0	860.3	45.4	45.3
Interest-bearing liabilities	489.6	388.5	550.0	568.3	961.4	841.7	641.2	464.1	12.3	0.0
Other non interest-bearing liabilities	209.7	194.1	248.4	163.1	219.9	255.7	655.0	738.4	110.7	46.7
Liabilities associated with assets classified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	596.3	0.0	0.0	0.0
<b>Total liabilities and equity</b>	1,113.4	928.9	1,059.4	944.1	1,704.3	1,675.0	3,171.5	2,082.8	168.4	92.0
Average number of employees	1,065	876	1,235	1,098	808	797	530	515	68	60

# PORTFOLIO FIGURES

Amounts in DKK million

FIRST THREE QUARTERS OF 2007

	Greene		Martin		Fibertex		BioMar		Xergi	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<b>INCOME STATEMENT</b>										
Revenue:										
Denmark	692.7	620.8	14.5	21.3	78.4	48.3	N/A	N/A	52.4	42.9
Rest of Europe	537.3	414.6	490.3	361.9	785.5	675.1	2,314.1	1,970.1	65.2	41.3
Rest of world	12.5	4.7	380.1	328.9	346.4	249.8	379.6	349.8	0.1	1.0
Total revenue	1,242.5	1,040.1	884.9	712.1	1,210.3	973.2	2,693.7	2,319.9	117.7	85.2
<b>Gross profit</b>	401.7	328.9	272.2	196.7	200.7	190.8	388.0	393.4	8.4	11.1
<b>Profit before depreciation (EBITDA)</b>	138.5	111.0	127.7	61.7	150.3	135.8	173.0	214.2	(3.5)	2.7
EBITDA ratio	11.1%	10.7%	14.4%	8.7%	12.4%	14.0%	6.4%	9.2%	-3.0%	3.2%
Depreciation	(22.7)	(18.8)	(39.7)	(38.7)	(106.6)	(82.1)	(63.6)	(65.6)	(1.5)	(1.8)
<b>Operating profit (EBIT)</b>	115.8	92.2	88.0	23.0	43.7	53.7	109.4	148.6	(5.0)	0.9
EBIT ratio	9.3%	8.9%	9.9%	3.2%	3.6%	5.5%	4.1%	6.4%	-4.2%	1.1%
Share of profit from associated companies	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0
Net financials	(13.2)	(7.9)	(17.6)	(20.1)	(33.5)	(20.5)	(22.7)	(17.7)	1.4	0.2
<b>Profit before tax (EBT)</b>	102.6	84.3	70.4	2.8	10.2	33.2	86.7	130.9	(3.6)	1.1
Tax on profit for the period	(23.1)	(22.8)	(20.4)	(0.3)	9.9	(11.7)	(17.9)	(35.3)	0.3	0.0
<b>Profit from continuing activities</b>	79.5	61.5	50.0	2.5	20.1	21.5	68.8	95.6	(3.3)	1.1
Profit from discontinuing activities	0.0	0.0	0.0	0.0	0.0	0.0	15.5	53.9	0.0	0.0
<b>Profit for the period</b>	79.5	61.5	50.0	2.5	20.1	21.5	84.3	149.5	(3.3)	1.1
Cash flow from operating activities	3.4	24.2	29.2	34.3	29.2	69.1	(83.5)	204.0	(30.6)	12.3
Cash flow from investing activities	(69.2)	(85.8)	(58.1)	(24.4)	(153.0)	(199.2)	(260.7)	(63.0)	0.8	(1.2)
Cash flow from financing activities	58.1	65.5	19.3	(15.9)	120.3	133.3	136.0	(106.0)	(7.7)	21.4
<b>BALANCE SHEET</b>										
Intangible assets	22.7	18.3	104.0	79.5	26.7	5.6	0.0	0.0	7.0	7.3
Property, plant and equipment	345.0	282.0	210.6	218.3	1,128.7	1,214.1	639.6	548.7	4.4	3.2
Other non-current assets	2.4	1.6	42.3	39.6	0.0	2.8	109.9	232.0	7.6	8.0
Cash and cash equivalents	8.1	8.5	9.4	7.4	7.1	4.7	71.6	142.0	6.2	33.6
Other current assets	735.2	618.5	693.1	599.3	541.8	447.8	1,139.8	1,160.1	143.2	39.9
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	1,210.6	0.0	0.0	0.0
<b>Total assets</b>	1,113.4	928.9	1,059.4	944.1	1,704.3	1,675.0	3,171.5	2,082.8	168.4	92.0
Equity	414.1	346.3	261.0	212.7	523.0	577.6	1,279.0	880.3	45.4	45.3
Interest-bearing liabilities	489.6	388.5	550.0	568.3	961.4	841.7	641.2	464.1	12.3	0.0
Other non interest-bearing liabilities	209.7	194.1	248.4	163.1	219.9	255.7	655.0	738.4	110.7	46.7
Liabilities associated with assets classified as held for sale	0.0	0.0	0.0	0.0	0.0	0.0	596.3	0.0	0.0	0.0
<b>Total liabilities and equity</b>	1,113.4	928.9	1,059.4	944.1	1,704.3	1,675.0	3,171.5	2,082.8	168.4	92.0
Average number of employees	1,012	854	1,137	1,069	802	779	512	501	68	57