2016

Interim report 2016 Q1

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schouw+co

Highlights

- Overall, the Schouw & Co. businesses are off to a good start to 2016. Consolidated revenue was DKK 2,776 million, which is consistent with last year, and EBIT was up by 3% to DKK 157 million.
- BioMar lowers its revenue guidance and maintains its full-year EBIT forecast. Fibertex Personal Care raises its full-year EBIT guidance. All other portfolio companies maintain their full-year revenue and EBIT forecasts.
- The acquisition of GPV was completed effective 1 April 2016, and the company's financial results will be consolidated for the remainder of the year.
- Schouw & Co. now expects full-year 2016 revenue of about DKK 14.1 billion. The Group now expects EBIT in the range of DKK 810-900 million. GPV is expected to contribute EBIT of DKK 40 million, and Fibertex Personal Care has raised its EBIT forecast by DKK 10 million.

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

"*Schouw & Co. had yet another good reporting period in the first quarter of 2016. While our revenue was flat, EBIT was up by 3% to the highest level in a first quarter in our company's history. The improvement was mainly driven by the effects of investment and acquisitions, as well as efficient operations and strong capacity utilisation.*

The Specma acquisition took full effect in the first quarter, and we have now consolidated the company in our hydraulics operations. Effective from the second quarter, GPV also becomes a part of Schouw & Co., and the work to integrate the company is already well underway. Our focus is on realising the plans we have for growing and developing our businesses, and we are confident that by acquiring Specma and GPV, we have taken important steps in the continual efforts to ensure long-term profitability for Schouw & Co.

The first quarter is the low season for Schouw & Co., but the initial good earnings performance has enabled us to raise our EBIT guidance slightly. Schouw & Co. remains financially very strong and we are well positioned to respond to any opportunities and challenges that may arise."

Financial highlights and key ratios

GROUP SUMMARY (DKK MILLION)	Q1 2016	Q1 2015	2015 Total
Revenue and income			
Revenue	2,776	2,784	12,566
Operating profit before depreciation (EBITDA)	256	246	1,214
Depreciation and impairment losses	99	95	383
Operating profit (EBIT)	157	152	831
Profit after tax in associates and joint ventures	14	19	86
Financial items, net	-14	18	-46
Profit before tax	157	189	871
Profit for the period	116	124	645
Cash flows			
Cash flows from operating activities	110	172	1,171
Cash flows from investing activities	-739	-78	-569
Of which investment in property, plant and equipment	-145	-58	-354
Cash flows from financing activities	118	64	-324
Cash flows for the period	-511	157	278
Invested capital and financing			
Invested capital excluding goodwill	5,114	4,755	4,464
Total assets	10,750	10,372	10,516
Working capital	1,933	1,862	1,598
Net interest bearing debt (NIBD)	154	-120	-511
Share of equity attributable to shareholders of Schouw & Co.	6,764	6,498	6,656
Non-controlling interests	20	15	21
Total equity	6,784	6,513	6,677
Financial data			
EBITDA margin (%)	9.2	8.9	9.7
EBIT margin (%)	5.6	5.5	6.6
EBT margin (%)	5.7	6.8	6.9
Return on equity (%)	9.7	8.1	10.2
Equity ratio (%)	63.1	62.8	63.5
ROIC excluding goodwill (%)	18.2	17.5	18.3
ROIC including goodwill (%)	14.9	14.5	15.1
NIBD/EBITDA	0.1	-0.1	-0.4
Avg. number of employees during the period	3,018	2,294	2,382

GROUP SUMMARY (DKK MILLION)	Q1 2016	Q1 2015	2015 Total
Per share data			
Earnings per share (of DKK 10)	4.95	5.29	27.48
Diluted earnings per share (of DKK 10)	4.94	5.28	27.38
Net asset value per share (of DKK 10)	284.53	275.41	282.10
Share price, end of period (of DKK 10)	409.00	333.00	387.00
Price/net asset value	1.44	1.21	1.37
Market capitalisation	9,724	7,857	9,131

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 Finance Society.

The financial ratios in the interim report are calculated in the following manner:

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

Interim report – first quarter of 2016

Financial performance

(DKK million)	YTD 2016	YTD 2015	Change	
Revenue	2,776	2,784	-8	0%
EBITDA	256	246	10	4%
EBIT	157	152	5	3%
Associates etc.	14	19	-5	-25%
Profit before tax	157	189	-32	-17%
Cash flow from operations	110	172	-62	-36%
Net interest-bearing debt	154	-120	274	-
Working capital	1,933	1,862	72	4%
ROIC excl. goodwill	18.2%	17.5%	0.7pp	
ROIC incl. goodwill	14.9%	14.5%	0.4pp	

Overall, the Schouw & Co. businesses are off to a good start to 2016, although there were some changes in the underlying contributions from our businesses compared with the first quarter of 2015. Obviously, the acquisitions made have also influenced the results for the reporting period.

Consolidated revenue amounted to DKK 2,776 million, against DKK 2,784 million in Q1 2015, but the largely unchanged revenue conceals several opposing factors. BioMar lost a significant amount of revenue compared with the extraordinarily strong first quarter of 2015, but the setback was offset by a large revenue improvement in the hydraulics activities, first and foremost due to the Specma acquisition. The two Fibertex businesses also increased their revenue.

EBIT was up by 3% from DKK 152 million in Q1 2015 to DKK 157 million in Q1 2016. This change is also based on several opposing factors, as BioMar and Fibertex Nonwovens both reported lower results while Fibertex Personal Care and Hydra/Specma both contributed improved earnings.

The large associate Kramp grew its revenue from DKK 1,254 million in Q1 2015 to DKK 1,291 million in Q1 2016, while its EBIT fell from DKK 112 million in Q1 2015 to DKK 102 million in Q1 2016. In the consolidated financial statements, Schouw & Co.'s 20% share of the profit in Kramp is recognised under profit/loss after tax in associates. The share of profit was recognised at DKK 15 million in Q1 2016, compared with DKK 18 million in Q1 2015.

The remaining associates and joint ventures contributed a slight combined loss after tax. This loss includes the contribution from Xergi, which as expected reported lower revenue in Q1 2016 than in Q1 2015, which also led to lower earnings.

Consolidated net financial items were an expense of DKK 14 million in Q1 2016, a DKK 32 million increase over Q1 2015. The difference was entirely due to foreign exchange adjustments. In Q1 2016, this item was a DKK 13 million loss, while in Q1 2015 it was recognised at a DKK 23 million gain. When adjusted for this factor, net interest expenses were reduced by DKK 4 million.

Liquidity and capital resources

The consolidated operating activities generated a cash inflow of DKK 110 million in Q1 2016, compared with DKK 172 million in Q1 2015. Cash flows for investing activities amounted to DKK 739 million in Q1 2016, primarily used for the acquisition of Specma, against DKK 78 million in Q1 2015.

The consolidated net interest-bearing debt, which was a DKK 120 million net deposit at 31 March 2015, grew to a net deposit of DKK 511 million at 31 December 2015. At 31 March 2016, the Group had net interest-bearing debt of DKK 154 million, the significant change being due mainly to the acquisition of Specma.

The Group's working capital increased from DKK 1,862 million at 31 March 2015 to DKK 1,933 million at 31 March 2016. The increase mainly derived from the acquired operations, which however was partly offset by a large reduction in BioMar's working capital.

Interim report – first quarter of 2016

Portfolio company highlights

The following is a brief review of portfolio company performances in the three months to 31 March 2016. See the individual company reviews on the following pages for more information.

BIOMAR posted a large revenue decline relative to the first quarter of 2015, when BioMar recorded extraordinarily high sales in Norway. Also causing the decline were reduced sales in Chile due to a natural phenomenon of severe algal blooms, which have since ended. The drop in revenue also led to a drop in EBIT.

FIBERTEX PERSONAL CARE increased its revenue due to higher volume sales from the factory in Malaysia. EBIT also improved, in part due to a positive contribution from raw materials prices.

FIBERTEX NONWOVENS improved its revenue through the positive effects of the acquisition of operations in Turkey in November 2015 and higher revenue from the other European production facilities. EBIT declined relative to Q1 2015, mainly because the South African and the US operations reported lower year-on-year earnings.

HYDRA/SPECMA is reporting from a new and much higher level following the acquisition of Specma on 4 January 2016 with no basis for a year-on-year comparison of the combined company's revenue and EBIT. The former Hydra-Grene reported like-for-like improvements in both revenue and EBIT relative to Q1 2015.

KRAMP, which is recognised as an associate, reported a further increase in revenue but with a decline in EBIT.

On 29 January 2016, Schouw & Co. signed an agreement to acquire GPV International A/S, which is Denmark's leading player in electronic manufacturing services (EMS). GPV reported 2015 revenue of about DKK 850 million, employs close to 1,000 people and has production facilities in Denmark (Tarm and Aars) and in Bangkok, Thailand.

The deal was agreed subject to the approval of the relevant authorities, and the transaction was completed on 1 April 2016. Accordingly, GPV is not recognised in the Schouw & Co. consolidated Q1 2016 income statement.

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 6% during the first quarter of 2016, from DKK 387.00 at 31 December 2015 to DKK 409.00 at 31 March 2016. Dividend payment of DKK 10 per share paid on 19 April 2016 reduced the share price.

At 31 December 2015, the company held 1,906,130 treasury shares, equal to 7.48% of the share capital. Schouw & Co. used 180,000 treasury shares in the first quarter of 2016 in connection with options exercised under the Group's share incentive scheme. As a result, the company currently holds 1,726,130 treasury shares, corresponding to 6.77% of the share capital.

The market value of the holding of treasury shares was DKK 706 million at 31 March 2016. The portfolio of treasury shares is recognised at DKK 0.

Events after the balance sheet date

Apart from the acquisition of GPV on 1 April 2016, Schouw & Co. is not aware of any other events occurring after 31 March 2016, 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 2015 Annual Report. The current assessment of special risks is largely unchanged from the assessment applied in the preparation of the 2015 Annual Report.

Outlook

The companies 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.

Current market conditions are characterised by several material sources of volatility. Europe remains challenged as a result of a weak economic environment and geopolitical tension affecting the Group's operations, biological challenges in core markets have impacted BioMar's operations, and trends in raw materials prices and foreign exchange rates are very unclear and may impact several of our businesses. Nevertheless, our portfolio companies are generally reporting healthy activity in most of their market segments, although some softness is detected in a few segments.

BIOMAR expects challenging market conditions with limited growth in the European markets and a larger volume decline in the overall market in Chile than previously anticipated. As a result, the company lowers its revenue guidance while maintaining its full-year EBIT forecast.

FIBERTEX PERSONAL CARE maintains its forecast of a revenue increase in 2016. The company raises its EBIT forecast, but still expects EBIT to be lower than in 2015 when a sharp drop in prices of raw materials towards the end of the year and unusually large, positive foreign exchange effects in the second half of 2015 produced extraordinarily good results.

FIBERTEX NONWOVENS expects its recent investments and acquisitions to contribute to the company's operations. The company continues to expect both revenue and EBIT improvements, although especially the South African operations are challenged by difficult market conditions.

HYDRA/SPECMA anticipates moderate growth in the global hydraulics market in 2016, but with very different trends in the different segments. The combined company maintains its guidance for both revenue and EBIT.

GPV is consolidated effective from 1 April 2016. For the nine-month period to 31 December 2016, GPV is expected to contribute revenue of DKK 600-650 million and EBIT of about DKK 40 million. A purchase price allocation to be prepared in connection with the acquisition will be completed in the second quarter of 2016, but the resulting adjustments are not expected to have a material influence on the full-year results.

The associate KRAMP maintains its guidance of a revenue improvement and EBIT in line with the 2015 performance.

XERGI, which is recognised as a joint venture, expects to maintain a high level of business activity in 2016, but not as high as in 2015. As always, the company relies strongly on its current projects being completed within the planned time frame, and the company continues to expect a decline in full-year EBIT relative to 2015.

Overall, Schouw & Co. now expects consolidated full-year 2016 revenue in the vicinity of DKK 14.1 billion. Compared to the previous revenue guidance of about DKK 14.2 billion, BioMar's revenue forecast is now lower, but the difference is largely offset by the addition of revenue from GPV. However, for several of the companies, revenue depends very much on prices of raw materials, and any fluctuations can significantly change revenue without necessarily having any notable effect on earnings.

Schouw & Co. applies a profit forecast range for each individual business, and on aggregating these ranges, the Group raises its consolidated full-year 2016 EBIT guidance by DKK 10 million to the range of DKK 810-900 million, which includes EBIT of DKK 40 million from GPV, from the previous forecast range of DKK 760-850 million.

The expected earnings contribution from associates and joint ventures, which are recognised at a share of profit after tax, is unchanged at DKK 75–85 million in 2016, most of which amount will consist of the share of profit in Kramp. The expected consolidated net financials for 2016 are also unchanged at an expense in the region of DKK 35 million.

REVENUE (DKK million)	2016 After Q1	2016 Original	2015 actual
BioMar	c. 8,500	c. 9,200	8,974
Fibertex Personal Care	c. 1,900	c. 1,900	1,797
Fibertex Nonwovens	c. 1,400	c. 1,400	1,222
Hydra/Specma	c. 1,700	c. 1,700	603
GPV	600-650	-	-
Other/eliminations	-	-	-30
Total revenue	**14.1bn**	**14.2bn**	**12,566**
Kramp (100%)	c. 5,400	c. 5,400	5,126

EBIT (DKK million)	2016 After Q1	2016 Original	2015 actual
BioMar	410-450	410-450	447
Fibertex Personal Care	210-230	200-220	253
Fibertex Nonwovens	80-90	80-90	76
Hydra/Specma *	90-110	90-110	78
GPV	c. 40	-	-
Other	c. -20	c. -20	-23
Total EBIT	**810-900**	**760-850**	**831**
Associates etc.	75-85	75-85	86
Financial items, net	c. -35	c. -35	-46
Profit before tax	**850-950**	**800-900**	**871**
Kramp EBIT (100%)	460-485	460-485	474

*After about DKK 25 million from Purchase Price Allocation

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.

Schouw & Co. has implemented the standards and interpretations which are effective from 2016. None of those standards and interpretations have had an effect on recognition and measurement in 2016 or are expected to affect Schouw & Co.

See the consolidated financial statements and the parent company financial statements for 2015 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.

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

11 August 2016
Release of H1 2016 interim report

10 November 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.

Our businesses

schouw+co

BioMar

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

Financial performance

Volumes sold fell in the first quarter of 2016 relative to the first quarter of 2015, where BioMar recorded extraordinarily high sales due to final shipments on older contracts. Also causing the decline were reduced sales in Chile towards the end of the quarter, down as a result of a natural phenomenon of severe algal blooms within a relatively limited geographical area, which has reduced fish stocks. On the other hand, Continental Europe reported higher sales driven by improvements in southern Europe.

The reported revenue fell by 20% from DKK 1,909 million in Q1 2015 to DKK 1,532 million in Q1 2016. The decline was primarily due to lower volumes sold, but the lower NOK/DKK exchange rate was also a negative contributor.

Q1 2016 EBIT was DKK 22 million as compared with DKK 49 million in Q1 2015. Last year, the above-mentioned extraordinary sales in Norway lifted EBIT from the Norwegian operations. BioMar had expected lower earnings in Chile in the first quarter of 2016, but the actual performance was worsened by the algal blooms. On the other hand, Continental Europe reported improved earnings due to higher volumes sold.

BioMar's working capital fell from DKK 1,090 million at 31 March 2015 to DKK 782 million at 31 March 2016. The decline was due to a combination of fewer trade receivables resulting from lower sales, lower inventories and an increase in trade credits. Based on the reported LTM profit, ROIC excluding goodwill, at 22.3%, was down slightly at 31 March 2016, having dropped from 23.1% at 31 March 2015.

Business development

Turning to BioMar's two core markets, Norway and Chile, Norway has started the year off as expected, with good margin management and sustained growth in sales of value-added products contributing to the level of performance. In Chile, the severe algal blooms reduced feed sales sharply, especially in March, as fish farmers moved their feed inventories out of the affected geographical areas to areas not affected by the algal blooms. Continental Europe reports stable margins and a good start to the year with an increase in volumes sold.

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

In Chile, BioMar won back market share in the early months of the year, but the algal blooms have engendered a great deal of uncertainty as to the volumes that will be sold the rest of the year. It is already clear that the volume of fish being produced in 2016 will drop sharply, but on the other hand prices of farmed fish have now reached a level profitable for Chilean fish farmers.

For Continental Europe, volumes were higher in the first quarter of 2016 than in the year-before period, especially in southern Europe, where an incipient consolidation of the Greek fish farming industry has resulted in a more stable market and higher sales for BioMar. In addition, the company is reporting good sales in the western part of the region.

BioMar is currently in the process of completing a new factory in Turkey in association with Turkish company Sagun Group. The new factory is expected to begin operations in May 2016 and will initially have an expandable capacity of about 50,000 tonnes of feed. Initially, production will be for fish species that BioMar already manufactures feed for. The factory gives BioMar a natural point of entry to Turkey, which is one of Europe's most important fish farming markets.

In China, BioMar is planning to build a fish feed factory in a joint venture with major Chinese feed manufacturer Tongwei. The new factory is expected to be operational in the second quarter of 2017. The joint venture will complement Tongwei's current production, focusing on high-end feed and utilising BioMar's expertise in optimising feed composition, technology, farm management and traceability. ➔

BioMar

In its crucial Norwegian market, BioMar is constructing a new production line at its existing factory in Karmøy. Expected to be operational in the second quarter of 2017, the new production line will have an annual capacity of 140,000 tonnes.

Outlook

At the beginning of the year, BioMar expected challenging market conditions in 2016, primarily due to moderate growth in European markets and anticipated lower volumes in the Chilean market as a whole. The company's current assessment is that total feed volumes in the crucial Norwegian market will be slightly lower than previously projected. At the same time, total feed volumes in the Chilean market will decline further as a result of the algal blooms, which have had a detrimental effect of reducing fish stocks, although the blooms are now over.

Against that background, BioMar is lowering its full-year revenue forecast to about DKK 8.5 billion from the previous forecast of DKK 9.2 billion, while maintaining its EBIT guidance range of DKK 410-450 million.

	Q1 2016	Q1 2015	2015 Total
Volume (1,000 t)	165	193	955
Revenue (DKK million)	1,532	1,909	8,974
- of which North Sea	680	935	4,279
- of which Americas	530	703	2,666
- of which Cont. Europe	322	271	2,029

	Q1 2016	Q1 2015	2015 Total
INCOME STATEMENT			
Revenue	1,532.1	1,909.0	8,974.2
Gross profit	162.0	199.5	1,080.5
EBITDA	56.0	86.3	592.8
Depreciation and impairment	34.0	37.0	146.1
Operating profit (EBIT)	22.0	49.3	446.7
Profit after tax from ass. and joint ventures	1.1	0.2	6.0
Financial items, net	-0.1	2.2	-53.6
Profit before tax	23.0	51.7	399.1
Tax for the period	-10.5	-36.1	-131.9
Profit for the period	12.5	15.6	267.2
CASH FLOWS			
Cash flows from operating activities	-24.8	-5.6	636.7
Cash flows from investing activities	-79.2	-13.2	-209.5
Cash flows from financing activities	-17.8	59.4	-621.7
BALANCE SHEET			
Intangible assets *	394.0	388.9	409.7
Property, plant and equipment	898.1	951.0	884.9
Other non-current assets	286.8	213.6	268.7
Cash and cash equivalents	325.2	736.3	457.2
Other current assets	2,534.8	2,757.9	2,812.2
Total assets	4,438.9	5,047.7	4,832.7
Equity	1,863.6	1,950.0	2,128.2
Interest-bearing debt	779.9	1,278.8	597.7
Other creditors	1,795.4	1,818.9	2,106.8
Total liabilities and equity	4,438.9	5,047.7	4,832.7
Average number of employees	896	912	897
FINANCIAL KEY FIGURES			
EBITDA margin	3.7%	4.5%	6.6%
EBIT margin	1.4%	2.6%	5.0%
ROIC excl. goodwill	22.3%	23.1%	22.7%
ROIC incl. goodwill	15.9%	16.7%	16.4%
Working capital	781.7	1,089.6	752.4
Net interest-bearing debt	389.2	531.1	68.7

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

All amounts in DKK million

VIRKSOMHEDERNE

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 diapers, 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 458 million in Q1 2016, compared with DKK 428 million in Q1 2015. The improvement was mainly driven by a higher sales volume from the factory in Malaysia.

Q1 2016 EBIT was DKK 87 million, compared with DKK 64 million in Q1 2015. Earnings were supported by the higher volume sales, higher capacity utilisation and an increase in sales of value-added products. The performance was also lifted by a significant positive contribution from raw materials prices.

Fibertex Personal Care reduced its working capital slightly, from DKK 289 million at 31 March 2015, to DKK 288 million at 31 March 2016. Based on the sharp improvement in LTM earnings, ROIC excluding goodwill improved to 23.0% at 31 March 2016 from 15.9% at 31 March 2015.

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 diapers 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.

Fibertex Personal Care has seven large highly efficient production lines, three in Denmark and four in Malaysia, producing high-quality nonwoven textiles. Each line has its own speciality, ranging from super-soft products and ultrathin products to products with high-performance leakage barriers. Through its German subsidiary Innowo Print, Fibertex Personal Care can also offer direct printing on nonwoven textiles.

In January 2016, Fibertex Personal Care announced plans to set up another production line in Malaysia, which will increase the company's output capacity in the country by about 20%. As there is no room for further expansion at the existing factory area in Nilai, south-east of Kuala Lumpur, a new factory unit will be built some 25 km south of the Nilai factory with room to expand in the future. Expected to be commissioned in mid-2017, the new production line will enable Fibertex Personal Care to share in the continuing growth being projected for the Asian market.

In addition to establishing a new factory unit in Malaysia, Fibertex Personal Care plans to add print facilities at the existing plant at Nilai, so as to enable the company to deliver services in South-east Asia similar to those currently being provided through Innowo Print in Germany. This expansion project had originally been scheduled for commissioning in early 2017, but due to strong demand in the region, an attempt will now be made to accelerate the launch of the print facilities to the third quarter of 2016.

Outlook

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

In 2016, Fibertex Personal Care will be focused on consolidating its business, utilising its overall production capacity to ensure that ongoing investments progress to plan, while also remaining alert to opportunities for profitable growth in South-east Asia.

Fibertex Personal Care

In addition, 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. As a result, one of the existing production lines in Denmark will be closed for a scheduled upgrade during a part of 2016.

Based on business activity in the first quarter, Fibertex Personal Care maintains its full-year 2016 guidance of revenue of about DKK 1.9 billion. The full-year EBIT will very much depend on how foreign exchange rates and prices of raw materials develop over the rest of the year. The current expectation is that the positive effects seen so far in 2016 will be eliminated later on in the year. Still, the company raises its full-year EBIT forecast to the range of DKK 210-230 million from the previous forecast of DKK 200-220 million.

	Q1 2016	Q1 2015	2015 Total
Revenue (DKK million)	458	428	1,797
- from Denmark	186	201	795
- from Malaysia	244	210	935
- from Germany	28	17	67

	Q1 2016	Q1 2015	2015 Total
INCOME STATEMENT			
Revenue	458.4	427.9	1,797.2
Gross profit	124.4	94.0	381.8
EBITDA	116.2	99.2	394.7
Depreciation and impairment	28.8	35.7	142.2
Operating profit (EBIT)	87.4	63.5	252.5
Financial items, net	-9.4	1.2	-5.5
Profit before tax	78.0	64.7	247.0
Tax for the period	-17.9	-14.7	-60.0
Profit for the period	60.1	50.0	187.0
CASH FLOWS			
Cash flows from operating activities	111.5	90.8	342.1
Cash flows from investing activities	-65.5	-7.6	-85.3
Cash flows from financing activities	-32.1	-55.9	-248.1
BALANCE SHEET			
Intangible assets *	65.3	66.7	76.3
Property, plant and equipment	1,057.8	1,134.3	975.1
Other non-current assets	80.8	131.7	82.0
Cash and cash equivalents	44.2	49.2	27.9
Other current assets	578.6	545.1	542.9
Total assets	1,826.7	1,927.0	1,704.2
Equity	810.1	752.3	786.2
Interest-bearing debt	637.2	732.7	511.2
Other creditors	379.4	442.0	406.8
Total liabilities and equity	1,826.7	1,927.0	1,704.2
Average number of employees	521	506	514
FINANCIAL KEY FIGURES			
EBITDA margin	25.4%	23.2%	22.0%
EBIT margin	19.1%	14.8%	14.1%
ROIC excl. goodwill	23.0%	15.9%	20.7%
ROIC incl. goodwill	21.3%	14.9%	19.2%
Working capital	287.7	289.3	294.4
Net interest-bearing debt	515.3	683.5	482.4

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

All amounts in DKK million

Fibertex Nonwovens

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

Financial performance

Fibertex Nonwovens reported Q1 2016 revenue of DKK 338 million, a 10% increase from DKK 306 million in Q1 2015. The revenue improvement was driven both by the acquisition of operations in Turkey in November 2015 and by a revenue increase from the other European production facilities, whereas sales from the US facility have declined. Sales from the plant in South Africa have also dropped, but as Fibertex South Africa was not consolidated until 1 March 2015, recognised revenue from South Africa was slightly higher in Q1 2016 than in Q1 2015.

Q1 2016 EBIT was DKK 22 million, as compared with DKK 27 million in Q1 2015. The Q1 2016 EBIT was based on healthy demand in the automotive segment as well as several other segments and on satisfactory capacity utilisation at the European factories. In addition, the acquisition in Turkey contributed to performance thanks to a fair level of business activity in the first quarter. On the other hand, both the South African and the US operations reported lower year-on-year earnings. However, in comparison with last year, it should be noted that the Q1 2015 financial results included non-recurring income of DKK 3 million from the purchase of 48% of the shares in Fibertex South Africa.

Due to the increase in business activity and with the Turkish operations being consolidated, working capital increased to DKK 379 million at 31 March 2016 from DKK 332 million at 31 March 2015. Based on LTM earnings and the relatively higher average invested capital, ROIC excluding goodwill fell to 7.0% at 31 March 2016 from 9.1% at 31 March 2015.

Business development

Fibertex Nonwovens is reporting a generally positive performance in its core business areas for the first quarter of 2016 based on a fair level of activity in the automotive industry and in non-European markets as well as an improved product mix and growing sales of advanced products. At the same time, product sales to the construction industry and infrastructure projects in Europe increased year-on-year. On the other hand, the US factory reported a drop in sales relative to the first quarter of 2015, but the performance is expected to normalise as the year progresses. Reduced market activity has weighed on demand in South Africa, as weak economic activity and low commodity prices have slowed infrastructure and mining projects. Instead, the South African factory is redirecting its attention to export markets with the support of the global sales organisation.

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

Fibertex Nonwovens has 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 of its factories. Several more product lines will be upgraded during the rest of the year.

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 its output capacity in the Czech Republic by building a new production line, which is expected to be commissioned in the second quarter of 2016.

Fibertex South Africa acquired an existing line for producing fibre in 2015 and has also invested in a new nonwoven production line expected to start up in the second quarter of 2016. This investment in South Africa is expected to boost the factory's production efficiency and to provide sufficient output capacity when demand in the region recovers.

Outlook

Fibertex Nonwovens anticipates a relatively stable level of business activity in most segments and markets in 2016.

Fibertex Nonwovens

South Africa will remain challenged on its earnings performance due to the current economic difficulties in the region. The general uncertainty about global growth and the resulting concerns about trends in cyclical segments may also impact full-year sales and earnings.

Fibertex Nonwovens expects to increase its full-year EBIT in 2016, relative to 2015, supported by the production lines upgraded in 2015, the new capacity established in the Czech Republic and South Africa, and the acquisition in Turkey, which will take full effect in 2016. Given the structural investments made and the company's increased efforts to work the market, with the focus on growing sales of value-added products, Fibertex Nonwovens expects to build a solid base for future earnings.

Against this backdrop, Fibertex Nonwovens maintains its full-year 2016 guidance of revenue of about DKK 1.4 billion and EBIT in the range of DKK 80-90 million.

	Q1 2016	Q1 2015	2015 Total
Revenue (DKK million)	338	306	1,222
- from Denmark	58	59	211
- from the Czech Rep.	84	73	308
- from France	134	123	490
- from other	62	51	213

	Q1 2016	Q1 2015	2015 Total
INCOME STATEMENT			
Revenue	337.7	305.8	1,222.3
Gross profit	77.2	70.4	272.8
EBITDA	43.8	45.1	153.2
Depreciation and impairment	21.4	17.8	76.8
Operating profit (EBIT)	22.5	27.3	76.4
Profit after tax from associates	0.0	-0.6	-0.7
Financial items, net	-3.2	-3.7	-11.7
Profit before tax	19.2	23.0	64.0
Tax for the period	-6.4	-6.7	-17.1
Profit before non-controlling interests	12.8	16.3	46.9
Non-controlling interests	1.2	0.1	3.0
Profit for the period	13.9	16.4	49.9
CASH FLOWS			
Cash flows from operating activities	10.2	27.5	97.2
Cash flows from investing activities	-21.9	-55.4	-313.0
Cash flows from financing activities	42.2	55.2	216.0
BALANCE SHEET			
Intangible assets *	164.3	156.3	168.2
Property, plant and equipment	717.2	578.8	723.0
Other non-current assets	0.0	0.1	3.9
Cash and cash equivalents	89.0	86.0	58.8
Other current assets	573.2	531.6	549.5
Total assets	1,543.7	1,352.8	1,503.4
Equity	465.3	429.6	459.6
Interest-bearing debt	832.3	656.5	793.2
Other creditors	246.1	266.7	250.6
Total liabilities and equity	1,543.7	1,352.8	1,503.4
Average number of employees	785	622	719
FINANCIAL KEY FIGURES			
EBITDA margin	13.0%	14.7%	12.5%
EBIT margin	6.6%	8.9%	6.2%
ROIC excl. goodwill	7.0%	9.1%	7.8%
ROIC incl. goodwill	6.3%	8.1%	7.0%
Working capital	379.3	332.2	361.1
Net interest-bearing debt	743.3	570.5	730.4

All amounts in DKK million

Hydra/Specma

Effective 4 January 2016, Hydra-Grene acquired Swedish hydraulics company Specma AB, which is consolidated effective from the beginning of the year. Due to the consolidation, the reported numbers for 2016 are materially different from those of 2015.

Hydra/Specma is a specialised trading and engineering company whose core business is trading and producing hydraulic components and systems development for industry, as well as providing related services. The company's core operations are in the Nordic region and in other parts of Europe, and it serves selected business segments in overseas markets.

Financial performance

Overall, Hydra/Specma had a good first quarter of 2016 based on strong market activity, reporting combined revenue of DKK 453 million, compared with DKK 148 million in Q1 2015. The like-for-like revenue of the former Hydra-Grene improved by DKK 26 million (17%) from Q1 2015 to Q1 2016, most of the increase being due to higher sales to the wind turbine industry.

By far most of the revenue increase derived from the acquisition of Specma, which generated Q1 2016 revenue at the level recorded a year earlier. The mining and the marine sectors pose the main challenges for the Specma operations due to the current slump in those sectors, while the company grew its revenue from other business areas, such as automotive (lorries and buses).

EBIT for the Q1 2016 period was DKK 30 million as compared with DKK 16 million for the former Hydra-Grene in Q1 2015. The like-for-like EBIT of the former Hydra-Grene improved by DKK 8 million from Q1 2015 to Q1 2016, driven by the revenue increase, a changed product mix and process and production efficiency enhancements.

The rest of the EBIT was driven by the acquisition of Specma, which reported Q1 2016 EBIT of DKK 12 million compared with DKK 19 million in Q1 2015 in part due to challenging market conditions in its cyclical business areas. In addition, a DKK 6 million increase in depreciation charges resulting from the purchase price allocation weighed on the Q1 2016 results.

The overall working capital increased sharply from DKK 161 million at 31 March 2015 to DKK 491 million at 31 March 2016 as a natural effect of the Specma acquisition. Despite the significant increase in invested capital and the relatively lower earnings of the acquired operations, ROIC excluding goodwill increased to 23.6% at 31 March 2016 from 23.3% at 31 March 2015. It should be noted that the acquired operations have been recognised only for the final quarter of the LTM period used to calculate ROIC.

Business development

Previously, Denmark was Hydra-Grene's principal market, and sales to international customers were mainly to customers in the wind turbine and offshore industries or in other industries in which the company had special expertise.

Following the acquisition of the much larger Swedish peer, hydraulic company Specma, the combined company now holds a substantial share of the Nordic hydraulics market, both in the aftersales market and in the OEM segment. It also has a much stronger platform from which to serve strategic customers in international markets. The Specma acquisition has strengthened the combined company's expertise, including in hydraulic systems and in tubing and piping, while also extending its OEM capabilities to the automotive, mining and marine segments.

In order to accelerate integration of the combined organisation, a number of initiatives and projects have been launched to capitalise on immediate procurement and cross-selling synergies and for general optimisation purposes by identifying best practices and through benchmarking. The integration process will duly consider the growth and optimisation strategies launched by both companies prior to the acquisition, and the entire organisation is making a huge and constructive effort in support of the joint synergy projects that have been launched. ➔

Hydra/Specma

Outlook

Modest overall growth is expected in the global hydraulics market in 2016. Hydra/Specma expects to continue the positive sales trend to the wind turbine industry and the automotive segment and to the OEM aftersales market. In contrast, the more cyclical segments, such as offshore, marine and mining are all set to remain challenged due to the lower prices of oil and other commodities.

As a result, the combined company has moderate expectations for its 2016 earnings. The combination of the two companies is expected to produce positive synergies over time, primarily through an optimisation of procurement and cross-selling, but natural integration costs will be incurred in the short term.

Against this backdrop, Hydra/Specma maintains its guidance for full-year 2016 revenue of about DKK 1.7 billion. The full-year EBIT forecast is also unchanged in the range of DKK 90-110 million, after deduction of an increase in amortisation and depreciation of about DKK 25 million due to the purchase price allocation.

	Q1 2016	Q1 2015	2015 Total
INCOME STATEMENT			
Revenue	452.9	148.4	602.9
Gross profit	115.0	47.5	206.1
EBITDA	44.3	19.6	93.2
Depreciation and impairment	14.4	3.4	15.1
Operating profit (EBIT)	29.9	16.2	78.1
Financial items, net	-3.3	2.5	-0.1
Profit before tax	26.7	18.7	78.0
Tax for the period	-5.5	-4.4	-18.3
Profit before non-controlling interests	21.2	14.3	59.7
Non-controlling interests	-0.4	-0.1	0.0
Profit for the period	20.8	14.2	59.7
CASH FLOWS			
Cash flows from operating activities	9.2	44.4	66.8
Cash flows from investing activities	-488.4	-1.6	-9.8
Cash flows from financing activities	533.5	-52.5	-71.3
BALANCE SHEET			
Intangible assets	339.0	12.8	11.7
Property, plant and equipment	167.9	96.1	93.7
Other non-current assets	4.7	0.0	0.3
Cash and cash equivalents	61.8	12.3	7.8
Other current assets	767.8	268.6	295.5
Total assets	1,341.2	389.8	409.0
Equity	366.9	163.4	212.2
Interest-bearing debt	614.3	122.1	86.9
Other creditors	360.0	104.3	109.9
Total liabilities and equity	1,341.2	389.8	409.0
Average number of employees	804	243	241
FINANCIAL KEY FIGURES			
EBITDA margin	9.8%	13.2%	15.5%
EBIT margin	6.6%	10.9%	12.9%
ROIC excl. goodwill	23.6%	23.3%	28.9%
ROIC incl. goodwill	21.7%	23.3%	28.9%
Working capital	491.3	161.2	202.1
Net interest-bearing debt	551.2	93.4	77.2

All amounts in DKK million

Kramp

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

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

Financial performance

Kramp has had a good start to 2016, increasing revenue by 3%, to DKK 1,291 million in Q1 2016 from DKK 1,254 million in Q1 2015, even with the farming industry under significant pressure in a number of markets.

The sales performance was broadly based on the European markets, as Kramp continues to draw support from the close partnerships its has built in recent years with leading manufacturers of agricultural machinery such as AGCO and SDF.

EBIT declined from DKK 112 million in Q1 2015 to DKK 102 million in Q1 2016, primarily due to the slightly lower contribution margin and higher costs.

Schouw & Co. recognises Kramp as an associate at a 20% share of its profit as stated after tax. The recognised share of the profit for Q1 2016 was DKK 15 million (Q1 2015: DKK 18 million).

Working capital increased by less than 1% from DKK 1,603 million at 31 March 2015, to DKK 1,614 million at 31 March 2016, a relatively smaller rate than the increase in revenue. On the other hand, net interest-bearing debt fell from DKK 1,485 million at 31 March 2015, to DKK 1,431 million at 31 March 2016, after the company paid dividends of DKK 246 million to its shareholders, of which Schouw & Co. received DKK 49 million in December 2015.

Business performance

The agricultural sector continues to face massive challenges throughout most of Europe, and farmers are generally holding back on investment and maintenance. The downturn in sales of new machinery has rubbed off on component sales to manufacturers of agricultural machinery, but demand for spare parts and accessories, which is the main component of Kramp's business, has now also begun to contract.

Despite the challenges faced in agriculture, Kramp has managed to increase sales to a number of countries, especially to France, Poland, Denmark and Sweden. Kramp's assessment is that the group has taken market share in most markets. The markets are extremely competitive, but Kramp has a significant advantage from the strong and close partnerships it has built up with leading manufacturers of agricultural machinery.

Intending to consolidate and fortify its market-leading position, Kramp is planning substantial investments in 2016 and 2017 for both new and upgraded warehouse facilities and IT solutions. Kramp's e-commerce platform is becoming an increasingly essential part of the business, requiring ever greater investment to expand the position Kramp has built up in recent years. The existing physical facilities were extended in 2015 with large expansions of the central warehouses in Konin, Poland and Poitiers, France, and further capacity expansion is expected in the upcoming period through a major investment programme. The new warehouse facilities will cater to the needs arisen after Kramp and Grene merged and to the expected business growth. Also, the new facilities will improve the quality of service and ensure added accessibility for Kramp's customers.

Outlook

Europe's agro industry continues to face several significant challenges, and while they vary from market to market, they are all the result of economic and political conditions that are dampening demand expectations.

However, Kramp's expanded physical facilities and its competitive strength give it a strong position, and the group maintains its guidance of FY 2016 revenue of about DKK 5.4 billion.

Kramp intends to allocate additional resources to securing its market position in 2016, also by investing in IT and developing new platforms. The full-year EBIT is expected to be in the DKK 460-485-million range, which is in line with the 2015 results.

Schouw & Co. expects to recognise DKK 65-75 million as its share of the profit for 2016 after estimated financial items and tax. The amount will be recognised under profit/loss after tax in associates. ■

Kramp

	Q1 2016	Q1 2015	2015 Total
INCOME STATEMENT			
Revenue	1,290.6	1,253.9	5,126.4
EBITDA	136.5	143.3	604.0
Depreciation and impairment	34.4	31.3	129.8
Operating profit (EBIT)	102.1	112.0	474.2
Financial items, net	-13.3	-8.7	-47.5
Profit before tax	88.8	103.3	426.7
Tax for the period	-13.7	-15.6	-73.8
Profit for the period	75.1	87.7	352.9
Profit recognised in Schouw & Co.	15.0	17.5	70.6
BALANCE SHEET			
Non-current assets	1,028.6	1,004.9	1,044.3
Current assets	2,114.3	2,131.3	1,881.6
Total assets	3,142.9	3,136.2	2,925.9
Equity	1,200.3	1,122.9	1,130.2
Interest-bearing debt	1,431.4	1,484.7	1,418.9
Other creditors	511.2	528.6	376.8
Total liabilities and equity	3,142.9	3,136.2	2,925.9
Average number of employees	2,609	2,541	2,574
FINANCIAL KEY FIGURES			
EBITDA margin	10.6%	11.4%	11.8%
EBIT margin	7.9%	8.9%	9.2%
Working capital	1,613.8	1,602.7	1,504.8
Net interest-bearing debt	1,431.4	1,484.7	1,418.9

All amounts in DKK million

Consolidated financial statement

schouw+co

Statements of income and comprehensive income

Note	Income statement	Q1 2016	Q1 2015	2015 Total
1	Revenue	2,775.7	2,783.8	12,565.7
	Cost of sales	-2,295.7	-2,371.3	-10,619.8
	Gross profit	480.0	412.5	1,945.9
	Other operating income	7.5	5.3	23.9
	Distribution costs	-200.6	-164.4	-696.7
2	Administrative expenses	-130.0	-101.6	-441.8
	Other operating expenses	-0.1	0.0	0.0
	Operating profit (EBIT)	156.8	151.8	831.3
	Profit after tax in associates	16.4	17.0	74.7
	Profit after tax in joint ventures	-2.1	2.1	11.5
	Financial income	10.0	32.5	50.2
	Financial expenses	-24.3	-14.3	-96.6
	Profit before tax	156.8	189.1	871.1
	Tax on profit	-40.7	-64.7	-226.3
	Profit for the period	116.1	124.4	644.8
	Attributable to			
	Shareholders of Schouw & Co.	117.0	124.5	647.8
	Non-controlling interests	-0.9	-0.1	-3.0
	Profit for the period	116.1	124.4	644.8
8	Earnings per share (DKK)	4.95	5.29	27.48
8	Diluted earnings per share (DKK)	4.94	5.28	27.38

Note	Comprehensive income	Q1 2016	Q1 2015	2015 Total
	Items that can be reclassified to the profit and loss statement:			
	Exchange rate adjustment of foreign subsidiaries	-39.1	294.1	104.7
	Hedging instruments recognised	-16.4	3.1	3.0
	Hedging instruments transferred to cost of sales	-0.8	0.3	0.3
	Hedging instruments transferred to financials	0.2	0.6	7.0
	Other comprehensive income from ass. and joint ventures	-1.3	-5.5	-7.9
	Other adjustment on equity	-0.2	0.1	-0.3
	Tax on other comprehensive income	4.1	-1.0	-2.9
	Other comprehensive income after tax	-53.5	291.7	103.9
	Profit for the period	116.1	124.4	644.8
	Total recognised comprehensive income	62.6	416.1	748.7
	Attributable to			
	Shareholders of Schouw & Co.	63.6	416.2	756.4
	Non-controlling interests	-1.0	-0.1	-7.7
	Total recognised comprehensive income	62.6	416.1	748.7

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All amounts in DKK million

Balance sheet · assets and liabilities

Note	Assets	31/3 2016	31/12 2015	31/3 2015	31/12 2014
	Goodwill	1,147.0	1,006.1	1,011.6	970.5
	Completed development projects	0.0	0.0	11.9	12.1
	Development projects in progress	0.0	0.0	13.2	18.4
	Other intangible assets	325.9	169.9	98.1	93.9
	Intangible assets	1,472.9	1,176.0	1,134.8	1,094.9
	Land and buildings	1,312.6	1,260.2	1,291.5	1,262.5
	Plant and machinery	1,129.0	1,152.3	1,315.5	1,251.9
	Other fixtures, tools and equipment	98.2	65.4	69.9	69.6
	Assets under construction, etc.	400.0	298.3	184.1	131.0
	Property, plant and equipment	2,939.8	2,776.2	2,861.0	2,715.0
	Equity investments in associates	587.0	570.3	564.4	561.7
	Equity investments in joint ventures	106.5	109.1	66.8	64.3
	Securities	110.8	83.9	130.3	115.0
	Deferred tax	16.4	18.1	48.7	51.9
	Receivables	164.3	177.7	148.8	144.1
	Other non-current assets	985.0	959.1	959.0	937.0
	Total non-current assets	5,397.7	4,911.3	4,954.8	4,746.9
	Inventories	1,728.1	1,435.1	1,510.6	1,447.5
3	Receivables	2,708.1	2,752.7	2,566.7	2,592.1
	Income tax receivable	23.7	5.9	2.9	8.4
	Securities	0.1	0.1	0.1	0.1
	Cash and cash equivalents	892.5	1,410.7	1,336.9	1,087.1
	Total current assets	5,352.5	5,604.5	5,417.2	5,135.2
	Total assets	10,750.2	10,515.8	10,372.0	9,882.1

Note	Liabilities and equity	31/3 2016	31/12 2015	31/3 2015	31/12 2014
6	Share capital	255.0	255.0	255.0	255.0
	Hedge transaction reserve	-25.3	-12.4	-17.0	-20.0
	Exchange adjustment reserve	224.1	263.1	447.8	153.7
	Retained earnings	6,055.6	5,895.1	5,608.1	5,478.2
	Proposed dividend	255.0	255.0	204.0	204.0
	Share of equity attributable to the parent company	6,764.4	6,655.8	6,497.9	6,070.9
	Non-controlling interests	19.7	20.7	15.0	2.9
	Total equity	6,784.1	6,676.5	6,512.9	6,073.8
	Deferred tax	201.9	147.9	158.5	151.3
	Pensions and similar liabilities	111.4	106.3	117.4	113.1
5	Credit institutions	700.5	686.6	808.6	858.4
	Non-current liabilities	1,013.8	940.8	1,084.5	1,122.8
5	Current portion of non-current debt	187.5	190.6	229.6	238.1
5	Credit institutions	318.4	109.4	201.7	77.6
	Trade payables and other payables	2,399.7	2,567.1	2,193.8	2,238.6
	Income tax	46.7	31.4	149.5	131.2
	Current liabilities	2,952.3	2,898.5	2,774.6	2,685.5
	Total liabilities	3,966.1	3,839.3	3,859.1	3,808.3
	Total liabilities and equity	10,750.2	10,515.8	10,372.0	9,882.1

Notes without reference 7 & 9.

KONCERN-REGNSKAB

All amounts in DKK million

Cash flow statement

Note		Q1 2016	Q1 2015	2015 Total
	Profit before tax	156.8	189.1	871.1
	Adjustment for operating items of a non-cash nature, etc.:			
	Depreciation and impairment losses	99.3	94.6	383.0
	Other operating items, net	-38.2	42.6	72.9
	Provisions	0.1	-0.2	0.6
	Profit/(loss) after tax in associates and joint ventures	-14.3	-19.1	-86.2
	Financial income	-10.0	-32.5	-50.2
	Financial expenses	24.3	14.3	96.6
	Cash flows from operating activities before changes in working capital	218.0	288.8	1,287.8
	Changes in working capital	-59.6	-76.3	198.1
	Cash flows from operating activities	158.4	212.5	1,485.9
	Interest income received	7.3	14.3	29.4
	Interest expenses paid	-12.3	-14.4	-53.6
	Cash flows from ordinary activities	153.4	212.4	1,461.7
	Income tax paid	-43.9	-40.7	-290.5
	Cash flows from operating activities	109.5	171.7	1,171.2
	Purchase of intangible assets	-1.7	-0.4	-61.9
	Purchase of property, plant and equipment	-145.2	-58.2	-354.4
	Sale of property, plant and equipment	0.1	0.3	16.2
4	Acquisition of enterprises	-565.1	-19.5	-124.7
	Acquisition of ass. and joint ventures	0.0	0.0	-36.7
	Received dividend from associates	0.8	0.0	49.2
	Additions/disposals of other financial assets	-27.5	-0.5	-57.0
	Cash flows from investing activities	-738.6	-78.3	-569.3

Note		Q1 2016	Q1 2015	2015 Total
	Debt financing:			
	Repayment of non-current liabilities	-27.9	-87.7	-275.6
	Proceeds from incurring non-current financial liabilities	16.0	13.1	70.2
	Increase (repayment) of bank overdrafts	89.3	128.9	46.3
	Shareholders:			
	Capital contributions, etc. by non-controlling interests	0.0	0.0	14.9
	Dividend paid	0.0	0.0	-188.8
	Purchase/sale of treasury shares, net	40.9	9.4	9.4
	Cash flows from financing activities	118.3	63.7	-323.6
	Cash flows for the period	-510.8	157.1	278.3
	Cash and cash equivalents at 1 Jan.	1,410.7	1,087.1	1,087.1
	Value adjustment of cash and cash equivalents	-7.4	92.7	45.3
	Cash and cash equivalents at 31 March	892.5	1,336.9	1,410.7

KONCERN-REGNSKAB

All amounts in DKK million

Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Non-controlling interests	Total equity
Equity at 1 January 2015	255.0	-20.0	153.7	5,478.2	204.0	6,070.9	2.9	6,073.8
Other comprehensive income								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	294.1	0.0	0.0	294.1	0.0	294.1
Value adj. of hedging instruments recognised	0.0	3.1	0.0	0.0	0.0	3.1	0.0	3.1
Hedging instruments transferred to cost of sales	0.0	0.3	0.0	0.0	0.0	0.3	0.0	0.3
Hedging instruments transferred to financials	0.0	0.6	0.0	0.0	0.0	0.6	0.0	0.6
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-5.5	0.0	-5.5	0.0	-5.5
Other adjustment on equity	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.1
Tax on other comprehensive income	0.0	-1.0	0.0	0.0	0.0	-1.0	0.0	-1.0
Profit for the period	0.0	0.0	0.0	124.5	0.0	124.5	-0.1	124.4
Total recognised comprehensive income	0.0	3.0	294.1	119.1	0.0	416.2	-0.1	416.1
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	1.4	0.0	1.4	0.0	1.4
Addition/disposal of non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	12.2	12.2
Treasury shares bought/sold	0.0	0.0	0.0	9.4	0.0	9.4	0.0	9.4
Transactions with the owners	0.0	0.0	0.0	10.8	0.0	10.8	12.2	23.0
Equity at 31 March 2015	255.0	-17.0	447.8	5,608.1	204.0	6,497.9	15.0	6,512.9
Equity at 1 January 2016	255.0	-12.4	263.1	5,895.1	255.0	6,655.8	20.7	6,676.5
Other comprehensive income								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	-39.0	0.0	0.0	-39.0	-0.1	-39.1
Value adj. of hedging instruments recognised	0.0	-16.4	0.0	0.0	0.0	-16.4	0.0	-16.4
Hedging instruments transferred to cost of sales	0.0	-0.8	0.0	0.0	0.0	-0.8	0.0	-0.8
Hedging instruments transferred to financials	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.2
Other comprehensive income from associates and JVs	0.0	0.0	0.0	-1.3	0.0	-1.3	0.0	-1.3
Other adjustment on equity	0.0	0.0	0.0	-0.2	0.0	-0.2	0.0	-0.2
Tax on other comprehensive income	0.0	4.1	0.0	0.0	0.0	4.1	0.0	4.1
Profit for the period	0.0	0.0	0.0	117.0	0.0	117.0	-0.9	116.1
Total recognised comprehensive income	0.0	-12.9	-39.0	115.5	0.0	63.6	-1.0	62.6
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	1.9	0.0	1.9	0.0	1.9
Tax on share-based payment	0.0	0.0	0.0	2.2	0.0	2.2	0.0	2.2
Treasury shares bought/sold	0.0	0.0	0.0	40.9	0.0	40.9	0.0	40.9
Transactions with the owners	0.0	0.0	0.0	45.0	0.0	45.0	0.0	45.0
Equity at 31 March 2016	255.0	-25.3	224.1	6,055.6	255.0	6,764.4	19.7	6,784.1

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All amounts in DKK million

Notes to the financial statements

1 SEGMENT REPORTING

Total reportable segments YTD 2016	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra/Specma	Total
External revenue	1,532.1	452.6	336.1	452.9	2,773.7
Intra-group revenue	0.0	5.8	1.6	0.0	7.4
Segment revenue	1,532.1	458.4	337.7	452.9	2,781.1
Depreciation and impairment	34.0	28.8	21.4	14.4	98.6
EBIT	22.0	87.4	22.5	29.9	161.8
Segment assets	4,869.1	1,874.8	1,575.7	1,341.2	9,660.8
Including goodwill	772.9	99.1	120.3	154.8	1,147.1
Equity investments in associates and joint ventures	82.8	0.0	0.0	2.6	85.4
Segment liabilities	2,575.3	1,016.6	1,078.4	974.3	5,644.6
Working capital	781.7	287.7	379.3	491.3	1,940.0
NIBD	389.2	515.3	743.3	551.2	2,199.0
Cash flows from operating activities	-24.8	111.5	10.2	9.2	106.1
Cash flows from investing activities	-79.2	-65.5	-21.9	-488.4	-655.0
Cash flows from financing activities	-17.8	-32.1	42.2	533.5	525.8
Capital expenditure *	52.8	65.5	21.9	416.7	556.9
Average number of employees	896	521	785	804	3,006

Total reportable segments YTD 2015	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra	Total
External revenue	1,909.0	420.6	303.8	148.4	2,781.8
Intra-group revenue	0.0	7.3	2.0	0.0	9.3
Segment revenue	1,909.0	427.9	305.8	148.4	2,791.1
Depreciation and impairment	37.0	35.7	17.8	3.4	93.9
EBIT	49.3	63.5	27.3	16.2	156.3
Segment assets	5,477.9	1,975.1	1,384.8	389.8	9,227.6
Including goodwill	789.4	99.1	123.2	0.0	1,011.7
Equity investments in associates and joint ventures	44.7	0.0	0.0	0.0	44.7
Segment liabilities	3,097.7	1,174.7	923.2	226.4	5,422.0
Working capital	1,089.6	289.3	332.2	161.2	1,872.3
NIBD	531.1	683.5	570.5	93.4	1,878.5
Cash flows from operating activities	-5.6	90.8	27.5	44.4	157.1
Cash flows from investing activities	-13.2	-7.6	-55.4	-1.6	-77.8
Cash flows from financing activities	59.4	-55.9	55.2	-52.5	6.2
Capital expenditure *	13.2	8.0	90.8	1.6	113.6
Average number of employees	912	506	622	243	2,283

* Capital expenditure consists of additions of intangible assets and property, plant and equipment, including additions on acquisition

All amounts in DKK million

Notes to the financial statements

1 SEGMENT REPORTING (CONTINUED)

Schouw & Co. is an industrial conglomerate consisting of a number of sub-groups operating in various industries and independently of the other sub-groups. The group management monitors the financial developments of all material sub-groups on a regular basis. Based on management control and financial management, Schouw & Co. has identified four reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens and Hydra/Specma. In addition, the Group has acquired GPV effective from 1 April 2016, and that company will be consolidated as from the second quarter.

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 each reporting segment.

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

Reconciliation of consolidated revenue, EBIT, assets and liabilities

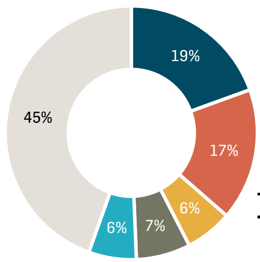
YTD 2016	Group revenue	EBIT	Assets	Liabilities
Reporting segments	2,781.1	161.8	9,660.8	5,644.6
Non-reporting segments	1.9	1.3	142.2	35.2
The parent company	1.5	-6.3	6,914.8	150.4
Group elimination etc.	-8.8	0.0	-5,967.6	-1,864.1
Total	2,775.7	156.8	10,750.2	3,966.1

YTD 2015	Group revenue	EBIT	Assets	Liabilities
Reporting segments	2,791.1	156.3	9,227.6	5,422.0
Non-reporting segments	1.9	1.0	200.7	44.6
The parent company	1.4	-5.5	6,658.2	160.3
Group elimination etc.	-10.6	0.0	-5,714.5	-1,767.8
Total	2,783.8	151.8	10,372.0	3,859.1

The data on revenue by geography are based on customers' geographical location. The specification shows individual countries that account for more than 5% of the Group in terms of revenue or assets. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of the revenue derives from the 'Other' category.

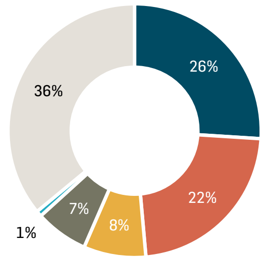
Revenue by country:

YTD 2016



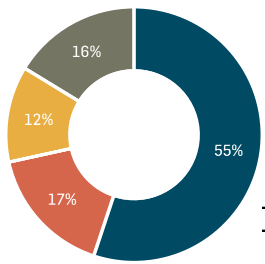
	YTD 2016	YTD 2015
Norway	541	724
Chile	468	628
UK	168	222
Denmark	193	188
Sweden	170	20
Other	1,236	1,002
Total	2,776	2,784

YTD 2015



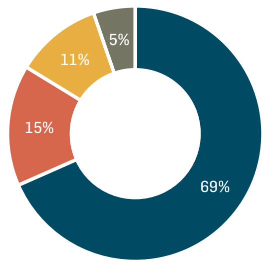
Revenue by segments:

YTD 2016



	YTD 2016	YTD 2015
BioMar	1,532	1,909
FPC	458	428
FIN	338	306
Hydra	453	148
Other	-5	-7
Total	2,776	2,784

YTD 2015



All amounts in DKK million

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 premium (2016 allocation: 3% p.a.) from the date of grant until the date of exercise.

Outstanding options	Management	Other	Total
Granted in 2012	40,000	0	40,000
Granted in 2013	40,000	44,000	84,000
Granted in 2014	55,000	150,000	205,000
Granted in 2015	55,000	172,000	227,000
Outstanding options in total at 31 December 2015	190,000	366,000	556,000
Granted in 2016	55,000	199,000	254,000
Exercised (from the share options granted in 2012)	-40,000	0	-40,000
Exercised (from the share options granted in 2013)	0	-44,000	-44,000
Exercised (from the share options granted in 2014)	0	-96,000	-96,000
Outstanding options in total at 31 March 2016	205,000	425,000	630,000

Options exercised in 2016:	Exercised from 2014 grant	Exercised from 2013 grant	Exercised from 2012 grant
Exercised number of shares	96,000	44,000	40,000
Average exercise price in DKK	272.99	199.27	148.30
Average share price in DKK on exercise	401.16	401.68	400.00
Group's cash proceeds in DKK million	26.2	8.8	5.9

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:	2016 grant	2015 grant	2014 grant	2013 grant
Expected volatility	31.50%	27.62%	26.12%	25.36%
Expected term	48 mths	48 mths	48 mths	48 mths
Expected dividend per share	DKK 8	DKK 6	DKK 5	DKK 4
Risk-free interest rate	0.10%	0.00%	0.65%	0.62%
Other information regarding the options:				
Strike price in DKK *	450.88	379.50	297.50	211.63
Fair value in DKK per option **	69,65	40.99	30.87	20.19
Fair value in total in DKK millions **	17.7	9.3	6.9	4.4
Can be exercised from	March 2018	March 2017	March 2016	March 2015
Can be exercised to	March 2020	March 2019	March 2018	March 2017

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

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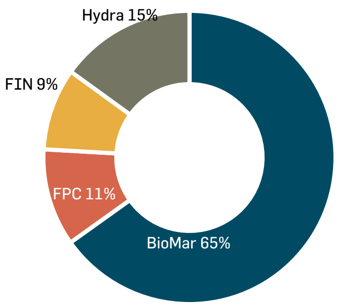
Notes to the financial statements

3 RECEIVABLES - CURRENT

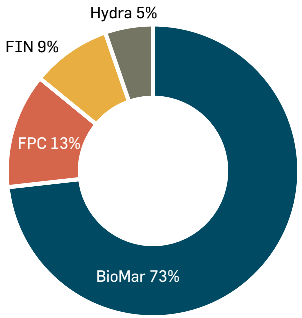
	31/3 2016	31/3 2015
Trade receivables	2,425.0	2,398.6
Other current receivables	253.2	161.0
Accruals and deferred income	29.9	7.1
Receivables current	**2,708.1**	**2,566.7**

Trade receivables by portfolio company:

31/3 2016



31/3 2015



	31/3 2016	31/3 2015
Impairment losses on trade receivables		
Impairment losses at 1 January	-206.8	-181.9
Exchange adjustments	1.0	-3.4
Additions on company acquisitions	-1.0	0.0
Reversed impairment losses	0.3	0.1
Impairment losses for the period	-7.6	-6.9
Realised loss	0.3	0.6
Impairment losses	**-213.8**	**-191.5**

		Due between (days)			
31 March 2016	Not due	1-30	31-90	>91	Total
Trade receivables not considered to be impaired	1,930.9	199.6	129.7	29.3	2,289.5
Trade receivables individually assessed to be impaired	8.9	33.7	41.2	265.5	349.3
Trade receivables in total	1,939.8	233.3	170.9	294.8	2,638.8
Impairment losses on trade receivables	-3.1	-2.5	-4.0	-204.2	-213.8
Trade receivables net	1,936.7	230.8	166.9	90.6	2,425.0
Proportion of the total receivables which is expected to be settled					91.9%
Impairment percentage	0.2%	1.1%	2.3%	69.3%	8.1%

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

A total of 13.2% (2015: 13.4%) of receivables at the balance sheet date were impaired to a greater or lesser extent. There is a continual follow-up on overdue debtors.

All amounts in DKK million

Notes to the financial statements

4 ACQUISITIONS

	31/3 2016	31/3 2016
Intangible assets	177.7	4.7
Property, plant and equipment	76.5	52.9
Financial assets	4.2	0.0
Inventories	235.5	21.4
Receivables	204.0	18.0
Tax asset	0.8	0.0
Cash and cash equivalents	60.9	0.5
Credit institutions	-140.6	-16.2
Deferred tax	-54.1	0.0
Provisions	-4.3	0.0
Trade payables	-99.6	-17.1
Other liabilities	-74.1	-17.2
Net assets acquired	386.9	47.0
Of which minority interests	0.0	-12.2
Current value of original share of equity	0.0	-12.1
Badwill	0.0	-2.7
Goodwill	155.8	0.0
Cost	542.7	20.0
Of which cash and cash equivalents	-60.9	-0.5
Cash cost total (2016: Specma)	481.8	19.5
Prepayment for the purchase of GPV	83.3	0.0
Total cash payments regarding acquisition of enterprises	565.1	19.5

The Group acquired Specma AB, a hydraulics business based in Sweden, on 4 January 2016 for a cash consideration of DKK 481.8 million.

Specma specialises in the production and sales of hydraulics systems and components for local and international OEM customers. Headquartered in Gothenburg, Sweden, Specma generated revenue of DKK 1.1 billion in 2015. The company employs 750 people, most of whom are based in Sweden but it also has a significant presence in Finland, the UK, China and Poland. Specma operates two independent business areas: a Global division that serves major international OEM customers and a Nordic division that serves a number of local OEM and aftermarket customers in Sweden and Finland.

The transaction has made Hydra/Specma the largest player in specialist hydraulics technology in the Nordic region, and the company serves OEM customers as well as the wind power, marine and offshore sectors.

In connection with the purchase price allocation relating to the acquisition of Specma, goodwill was calculated at DKK 155.8 million. Goodwill represents the value of labour, new customers, synergies and deferred tax on those assets.

The acquisition of Specma involved acquisition costs of DKK 3.7 million. Most of the acquisition costs were recognised as administrative expenses in the financial statements for 2015.

As described below, the Group prepaid part of the purchase price when acquiring GPV International A/S. The prepaid amount of DKK 83.3 million forms part of the total consideration paid for acquisitions in the first quarter of 2016.

The prepaid amount is recognised in the consolidated balance sheet at 31 March 2016 under other receivables.

Acquisitions made after the balance sheet date
Effective 1 April 2016, Schouw & Co acquired all shares in GPV, Denmark's largest EMS manufacturer (Electronic Manufacturing Services). GPV manufactures low-volume specialist electronics and advanced mechanics components with a high degree of flexibility, selling its products to currently some 300 international customers.

GPV's financial year closed on 31 March 2016, and the group's audited annual report is not yet available. As a result, the Schouw & Co. Group is unable to disclose the information required under IFRS 3. Information on purchase price allocation, transaction costs, etc. is expected to be disclosed in the interim report for the six months ending 30 June 2016.

In addition to the prepaid consideration for GPV, the Schouw & Co. Group subsequently paid an additional DKK 14.8 million, bringing the total consideration for the shares to DKK 98.1 million.

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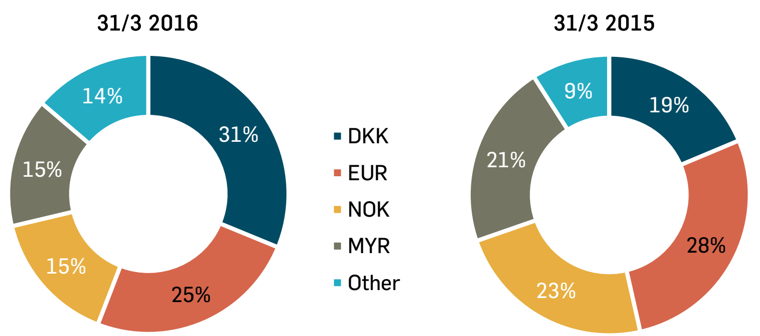
All amounts in DKK million

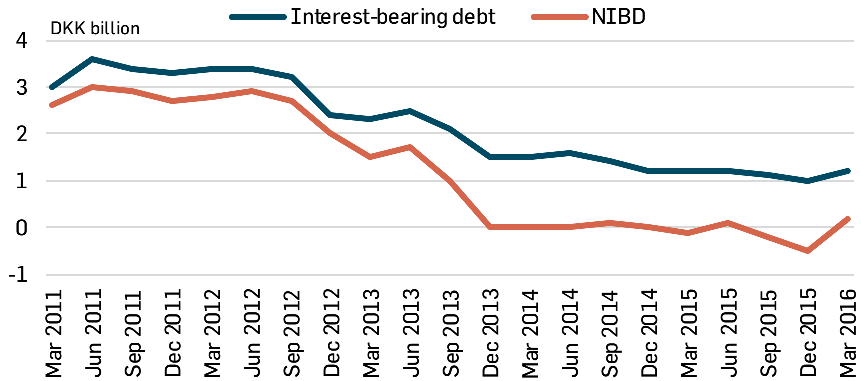
Notes to the financial statements

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 31 March 2016 was 2.8% (31 March 2015: 3.6%).

6 SHARE CAPITAL

Treasury shares	Number of shares	Cost in DKK million	Percentage of share capital
1 January 2015	2,009,933	349.7	7.88%
Movements in Q1 2015			
Share option programme	-177,000	-21.5	-0.69%
Additions	73,197	23.8	0.29%
31 March 2015	1,906,130	352.0	7.48%
Movements in Q2-Q4 2015			
None			
31 December 2015	1,906,130	352.0	7.48%
Movements in Q1 2016			
Share option programme	-180,000	-21.8	-0.71%
31 March 2016	1,726,130	330.2	6.77%

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 1 April 2021.

The company acquires treasury shares for allocation to the Group's share option programmes.

A total of 180,000 shares held in treasury were used in connection with options exercised in 2016. The shares had an aggregate fair value of DKK 72.2 million at the time of exercise.

The Group's holding of treasury shares had a market value of DKK 706.0 million at 31 March 2016.

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

Notes to the financial statements

7 FAIR VALUE OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	31/3 2016	31/3 2015
Financial assets		
Derivative financial instruments to hedge future cash flows – level 2	1.8	11.7
Securities measured at fair value – level 3	110.9	130.4
Financial liabilities		
Derivative financial instruments to hedge future cash flows – level 2	35.2	33.9

Securities measured at fair value through other comprehensive income – level 3 amounted to DKK 84.0 million at the beginning of the year. The change for the reporting period was due to a capital injection in Salmones Austral of DKK 30.4 million and foreign exchange adjustments of DKK -3.5 million. Due to the capital injection, the ownership interest in Salmones Austral was increased from 13.6% to 18.4%.

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.

Fair value hierarchy

Level 1 Listed shares, stated at market value of shareholding No items are currently classified at this level.

Level 2 Financial instruments valued by external credit institutions using generally accepted valuation techniques on the basis of observable data.

Level 3 Unlisted shares, stated at estimated value.

8 EARNINGS PER SHARE (DKK)

	Q1 2016	Q1 2015
Share of the profit for the period attributable to shareholders of Schouw & Co.	117.0	124.5
Average number of shares	25,500,000	25,500,000
Average number of treasury shares	-1,862,262	-1,981,748
Average number of outstanding shares	23,637,738	23,518,252
Average dilutive effect of outstanding share options *	49,641	54,449
Diluted average number of outstanding shares	23,687,379	23,572,701
Earnings per share of DKK 10	4.95	5.29
Diluted earnings per share of DKK 10	4.94	5.28

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

9 RELATED PARTY TRANSACTIONS

Under Danish legislation, Givesco A/S, Svinget 24, DK-7323 Give, members of the Board of Directors, the Management Board and senior management as well as their family members are considered to be related parties. Related parties also comprise companies in which the individuals mentioned above have material interests. Related parties also comprise subsidiaries, joint arrangements and associates, in which Schouw & Co. has control, significant influence or joint control of as well as members of the boards of directors, management boards and senior management of those companies.

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

	YTD 2016	YTD 2015
Joint Ventures:		
During the financial year, the Group received consulting fees of	0.0	0.1
Associates:		
During the financial year, the Group sold goods of	8.6	0.9
During the financial year, the Group bougth goods of	0.1	0.7
During the financial year, the Group received interest income of	0.1	0.2
At 31 March the Group had a receivable of	27.7	10.4
At 31 March the Group had debt of	0.1	0.3
During the financial year, the Group received dividends of	0.8	0.0

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

All amounts in DKK million

Management statement

The Board of Directors and Executive Management today considered and approved the interim report for the period 1 January to 31 March 2016.

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 31 March 2016 and of the results of the group's operations and cash flows for the period 1 January to 31 March 2016.

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, 3 May 2016

Executive Management

Jens Bjerg Sørensen
President

Peter Kjær

Board of Directors

Jørn Ankær Thomsen
Chairman

Jørgen Wisborg
Deputy Chairman

Erling Eskildsen

Niels Kristian Agner

Kjeld Johannesen

Agnete Raaschou-Nielsen

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