

TO: THE DANISH FINANCIAL SUPERVISORY AUTHORITY
AND NASDAQ COPENHAGEN

COMPANY ANNOUNCEMENT
NO. 1/2017, 10 MARCH 2017

1 PAGE

The Board of Directors has approved the 2016 Annual Report

Realised in 2016

- Revenue rose to DKK 14.4 billion. (2015: 12.6) with company acquisitions making positive contributions.
- EBIT was up 25% to DKK 1,038 million (2015: 831), which was better than expected during the year.
- Cash flows from operating activities rose to DKK 1,598 million (2015: 1,171).
- Profit after tax in associates and joint ventures amounted to DKK 566 million (2015: 86), mainly from the sale of shares in Kramp.
- Net interest-bearing debt was a net deposit of DKK 1,028 million.
- High level of business activity: acquisitions of hydraulics company Specma and EMS company GPV, sale of shares in Kramp, sale of Incuba Invest's shares in Scandinavian Micro Biodevices and a number of substantial capacity-increasing investments in the portfolio companies.
- Our ROIC improved for the seventh consecutive year, reaching 20.2%, excluding goodwill, and 16.6% when stated including goodwill.

Outlook for 2017

- Healthy activity in most market segments, but in all markets, winning orders is a highly competitive process.
- Allocating additional resources to prepare portfolio companies for the future.
- For 2017, we expect revenue of about DKK 15.6 billion and EBIT in the range of DKK 940-1,060 million. However, consolidated EBIT is expected to be in the upper end of that range.
- Proposal to increase the dividend for the 2016 financial year by 20% to DKK 12 per share.

BioMar

BioMar reported slightly lower revenue, but a considerable EBIT improvement to DKK 581 million (2015: 447) driven by operational improvements and a number of special factors. BioMar expects to increase revenue and improve its core earnings in 2017, but EBIT is expected to be lower than the 2016 figure.

Fibertex Personal Care

Fibertex Personal Care reported flat revenue with a slight drop in EBIT. For 2017, the company expects to grow its revenue and to report EBIT in a range close to the 2016 EBIT.

Fibertex Nonwovens

Fibertex Nonwovens reported improvements in both revenue and EBIT. For 2017, the company expects revenue to continue to improve and EBIT to be higher than the 2016 EBIT.

Hydra/Specma

Hydra/Specma reported improvements in both revenue and EBIT in its Danish operations and a significant effect from the Specma acquisition. For 2017, the company expects moderate revenue growth and EBIT in a range close to the 2016 EBIT.

GPV

GPV reported improvements in both revenue and EBIT. Effective from 1 March 2017, GPV acquired EMS company BHE. The transaction has lifted the 2017 revenue forecast, whereas integration costs are expected to keep EBIT at just below the 2016 EBIT.

Jørn Ankær Thomsen
Chairman

Jens Bjerg Sørensen
President

Schouw & Co. will be hosting a phone conference (in Danish) for analysts, the media, etc. on

FRIDAY, 10 MARCH 2017 at 09:00 CET.

Those wishing to attend the phone conference are invited to dial +45 70 22 35 00 using pin 74540720#.

An accompanying presentation can be downloaded from www.schouw.dk.

Questions relating to the above should be directed to Jens Bjerg Sørensen, President, phone no. +45 86 11 22 22.