

schouw+co





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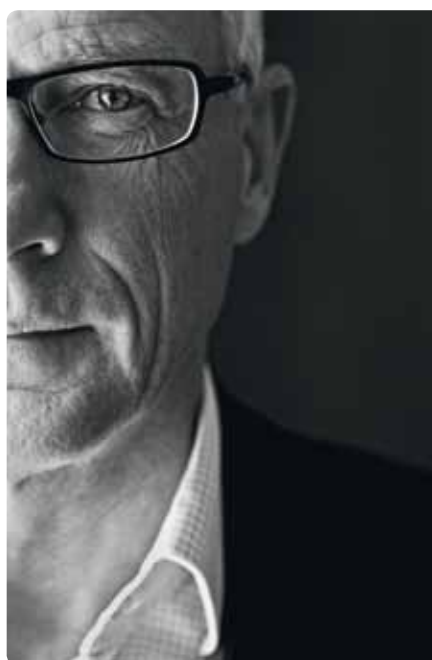
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Maintaining tight and focused management



The year 2009 proved to be at least as big a challenge for Schouw & Co. as we had feared it would be. The effects of the global financial and economic crisis were felt by all companies of our Group. For a few of them, 2009 was an extremely difficult year with very big management challenges.

Tighter management and a change of focus means that we have made solid advances in the work to optimise our working capital and reduce our net interest-bearing debt. We have also made a number of significant cost adjustments and structural changes.

Our consolidated earnings were acceptable under the prevailing conditions, but generally they were not satisfactory. Nevertheless, several of our businesses managed to lift profitability by a considerable margin during the very difficult year of 2009. This confirms that having a diversified portfolio of businesses operating in very different industries is a good way of hedging risk during times of economic turbulence.

We are strongly focused on making sure that all of our businesses operate efficiently and adapt to both market and general economic challenges and opportunities as and when they arise. In recent years, we have worked diligently to optimise the administrative processes of all our businesses, in part by relocating administrative assignments and centralising a number of back office functions.

It is very important to us that we have a competitive and profitable business model. This means that production must always take place where it creates the most value. This may be achieved by using existing facilities, through geographical relocation, or restructuring the business through outsourcing. Recent years' challenges have added momentum to this process.

We constantly work to focus and evaluate our businesses and investments. Aiming to achieve better value creation, we have defined ambitious goals for the coming years. We will retain our tight management in order to produce solid cash flows from operations, maintain working

capital at a persistently low level and further reduce our interest-bearing debt. All of our businesses are expected to contribute towards these goals.

By making extensive adjustments and revising their strategic focus, our businesses have created a new platform and achieved a lower cost base. We aim to exploit that by developing winning strategies through an active market approach, innovation, carefully researched capacity expansions and profitable structural initiatives.

There are still no clear indications that the economic downturn is coming to an end. We anticipate only weak growth rates and see some challenging years ahead. This means that we will continue to concentrate our management resources on developing and enhancing the efficiency of each business platform, ensuring that our businesses all have a sustainable and profitable long-term business model.

Jens Bjerg Sørensen
President

Key figures

GROUP SUMMARY (DKK million)	2009	2008	2007	2006	2005
Revenue	8,439.7	9,821.2	8,150.3	7,370.2	3,734.8
EBITDA	587.9	756.5	764.3	788.8	421.9
EBITA	192.4	337.6	438.8	471.5	203.8
Operating profit (EBIT)	190.0	124.4	438.8	471.5	201.6
Profit/(loss) after tax in associates	(11.4)	4.0	(3.0)	4.2	0.1
Profit/loss from divestment of equity investments	0.0	21.4	0.0	282.9	17.6
Value adjustment of the holding of Vestas shares	40.6	(871.5)	1,466.8	692.4	381.0
Net financials before value adjustment of Vestas shares	(117.7)	(143.5)	(136.5)	(102.9)	(70.6)
Profit/(loss) before tax	101.5	(865.2)	1,766.1	1,348.1	529.7
Tax on the profit/(loss) for the year	(28.5)	(38.3)	(102.4)	(107.9)	(33.1)
Profit for the year from continuing operations	73.0	(903.5)	1,663.7	1,240.2	496.6
Profit for the year from discontinuing operations	77.9	0.1	19.5	74.6	0.0
Profit/(loss) for the year	150.9	(903.4)	1,683.2	1,314.8	496.6
Share of equity attributable to shareholders of Schouw & Co.	4,454.5	4,414.7	4,972.4	3,460.6	2,307.6
Minority interests	298.9	220.2	669.1	380.8	472.1
Total equity	4,753.4	4,634.9	5,641.5	3,841.4	2,779.7
Total assets	9,658.5	10,153.2	10,316.4	7,465.8	6,965.1
Net interest-bearing debt	2,280.7	2,996.4	2,641.3	2,071.6	2,711.5
Working capital	1,455.4	2,208.3	1,842.4	1,596.0	1,457.0
Other financial data					
Average number of employees	3,334	3,743	3,541	3,352	2,784
Investment in property, plant and equipment	208.4	335.2	308.8	536.7	450.9
Depreciation of property, plant and equipment	322.2	328.0	300.5	293.2	187.3
Return on equity (%)	2.5	(19.1)	39.2	43.0	24.3
ROIC (%)	4.3	7.2	10.3	13.5	7.5
Equity ratio (%)	49.2	45.6	54.7	51.5	39.9
Cash flow from operating activities	1,191.2	273.0	281.4	420.3	275.7
EBITDA margin (%)	7.0	7.7	9.4	10.7	11.3
EBIT margin (%)	2.3	1.3	5.4	6.4	5.4
Per share data*					
Earnings per share (of DKK 10)	4.43	(35.34)	70.74	52.76	21.09
Diluted earnings per share (of DKK 10)	4.43	(35.34)	70.45	52.56	21.06
Dividend per share (of DKK 10)	3.00	3.00	3.00	3.00	1.50
Net asset value per share (of DKK 10)	177.15	168.25	215.42	147.99	97.68
Share price at year end (of DKK 10)	94.45	76.21	220.70	180.09	115.01
Price/net asset value	0.53	0.45	1.02	1.22	1.18
P/E	21.32	neg.	3.12	3.41	5.45
Market capitalisation	2,375.0	1,999.7	5,094.3	4,211.0	2,717.0

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

* Key ratios per share have been adjusted to reflect the issue of bonus shares.

Highlights

↕ Cash flows from operating activities

1,191
DKK MILLION

↕ Working capital reduced

753
DKK MILLION

↕ Net interest-bearing debt reduced

716
DKK MILLION

↕ Unchanged dividend per share

3.00
DKK

■ 2009 was a year of considerable challenges for all of the Group's businesses. The overall performance of the year was acceptable, and with a single material exception all of our portfolio companies overcame the challenges they encountered.

■ Schouw & Co. had defined ambitious goals for reducing the working capital tie-up and the net interest-bearing debt. Expectations were to reduce the working capital tie-up by an amount in the triple-digits of millions of Danish kroner and to lower the debt by at least DKK 300 million. The actual achievements were a reduction of the working capital by DKK 753 million and the net interest-bearing debt was lowered by DKK 716 million. Overall, this is considered to be highly satisfactory.

■ Cash flows from operating activities were DKK 1,191 million, a DKK 918 million improvement on 2008, demonstrating the Group's very good ability to adapt to the difficult conditions prevailing during the year.

■ Consolidated revenue fell by 14% from DKK 9,821 million to DKK 8,440 million. All group businesses reported declining revenue, the setbacks mainly being due to lower raw materials prices and the general economic downturn.

■ EBIT for the year was DKK 190 million. Exclusive of the effects of the holding of Vestas shares, profit before tax was DKK 61 million, which is in line with the most recent guidance.

■ The 2009 profit before tax included a DKK 41 million positive value adjustment on the holding of Vestas shares. In 2008, the Vestas holding had a negative effect of DKK 872 million. Accordingly, the profit before tax for 2009 amounted to DKK 102 million.

■ BioMar incurred a 9% drop in revenue, but also reported a highly satisfactory profit improvement. The EBIT margin was up from 1.7% to 3.9% and profit before tax was DKK 140 million in 2009, up from DKK 33 million in 2008.

■ Although Fibertex reported a 15% drop in revenue, its EBIT improved by 33% to DKK 117 million. Profit before tax was satisfactory at DKK 91 million.

■ Grene saw its revenue fall by 13%, achieving an EBIT margin of 2.7% and an acceptable profit before tax of DKK 15 million.

■ Although its revenue fell by 21%, Hydra-Grene reported a very satisfactory EBIT margin of 15% and a profit before tax of DKK 60 million.

■ Martin was severely hit by the effects of the global economic downturn, generating revenue of DKK 647 million compared with DKK 1,045 million in 2008. Substantial adjustments were made throughout the organisation, but Martin incurred an EBIT loss of DKK 200 million and a highly unsatisfactory loss before tax of DKK 232 million. The amount includes non-recurring costs of approx. DKK 100 million.

■ Schouw & Co.'s guidance for 2010 is for consolidated revenue in the region of DKK 9 billion. EBIT is expected to be in the DKK 250–400 million range, indicating an improvement of DKK 60–210 million on 2009. We expect to narrow the wide interval, which is provided due to the general economic situation and the associated risks, in the interim reports for the first half-year and the third quarter of 2010.

Our businesses



BioMar

FACTS BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry. The core business areas are feed for salmon, trout, sea bass and sea bream.

GEOGRAPHY BioMar is headquartered in Aarhus, Denmark and operates production facilities in Norway, Scotland, Denmark, France, Spain, Greece and Chile.

MARKETS Core markets: Europe and South America.

REVENUE BioMar sold 710,000 tonnes of fish feed in 2009, generating revenue of DKK 4,854 million.

OWNERSHIP In 2005, Schouw & Co. took a 68.8% majority interest in BioMar, then a listed company. BioMar became a wholly owned subsidiary following a merger in 2008.

EMPLOYEES About 650.

WEB SITE www.biomar.com



Fibertex

FACTS Fibertex is a leading manufacturer of nonwovens, i.e. non-woven textiles used in a number of different areas. The Fibertex organisation consists of two divisions: Fibertex Personal Care, which applies spunbond/meltblown technology, and Fibertex Industrial Nonwovens, which applies needlepunch technology.

GEOGRAPHY Head office in Aalborg, Denmark. Fibertex Personal Care has production facilities in Denmark and Malaysia, while Fibertex Industrial Nonwovens has production facilities in Denmark and the Czech Republic.

MARKETS Core markets: Europe, Asia and North America.

REVENUE In 2009, Fibertex Personal Care generated revenue of DKK 935 million, while Fibertex Industrial Nonwovens reported revenue of DKK 415 million.

OWNERSHIP Fibertex was founded in 1968 and was acquired by Schouw & Co. in March 2002.

EMPLOYEES About 700.

WEB SITE www.fibertex.com



Grene

FACTS Grene is a logistics and trading business operating in *Agro*: the sale of spare parts and accessories for the agricultural sector; and *Industry*: sales, service and projects for industry.

GEOGRAPHY Head office in Skjern, Denmark.

MARKETS Core markets in Denmark and the rest of Scandinavia, as well as in Poland, Russia and the Baltic States.

REVENUE Grene generated revenue of DKK 1,140 million in 2009, of which the *Agro* segment accounted for DKK 835 million.

OWNERSHIP Grene was founded by Chr. C. Grene in 1915 and was acquired by Schouw & Co. in 1988.

EMPLOYEES About 900.

WEB SITE www.grene.com



Hydra-Grene

FACTS Hydra-Grene A/S is a specialised trading and engineering company whose core business is trading and producing hydraulic components and systems development for industry as well as related consulting services.

GEOGRAPHY Head office in Skjern, Denmark.

MARKETS Denmark is Hydra's core market.

REVENUE Hydra-Grene generated revenue of DKK 417 million in 2009.

OWNERSHIP Hydra-Grene was an independent member of the Grene group from 1974 to 2009, when the company was hived off from Grene and became an independent subsidiary of Schouw & Co.

EMPLOYEES About 175.

WEB SITE www.hydra.dk



Martin

FACTS Martin is the world's leading manufacturer of computer-controlled effect lighting, which is sold to the entertainment and experience industries in most parts of the world. Martin is also a major manufacturer of smoke machines.

GEOGRAPHY Head office in Aarhus, Denmark and production facilities in Denmark, the UK and China.

MARKETS Core markets: Europe, North America and Asia.

REVENUE Martin generated revenue of DKK 647 million in 2009.

OWNERSHIP Schouw & Co. became the main shareholder of Martin in 1999 and the sole owner in 2001.

EMPLOYEES About 600.

WEB SITE www.martin.com



Xergi

FACTS Xergi is a leading supplier of biogas and combined heating systems. Its core business consists of technology development, system design and installation as well as turnkey system operation and maintenance.

GEOGRAPHY Head office in Støvring, near Aalborg, Denmark.

MARKETS Core markets: Europe and the USA.

REVENUE Xergi generated revenue of DKK 92 million in 2009.

OWNERSHIP Xergi has worked in this business area for more than 15 years and has been owned on a fifty/fifty basis by Schouw & Co. and Dalgasgroup since 2004.

EMPLOYEES About 70.

WEB SITE www.xergi.com

Management's report

Financial performance

The diversity of the Group's businesses became very clear during 2009. All portfolio companies faced considerable challenges during the year, but the nature of these challenges and each company's scope of responding to them were very different, and the general economic slowdown had different effects on our companies.

Overall, consolidated earnings were not satisfactory, but considering the conditions prevailing, 2009 was nevertheless an acceptable year for Schouw & Co., as with a single material exception all of our portfolio companies overcame the challenges they encountered.

BioMar and Fibertex both suffered revenue setbacks, but that was to a large extent caused by lower selling prices resulting from lower raw materials prices. Both companies were to a large extent able to compensate for the declining volumes in individual business areas by lifting sales in other areas. At the same time, they both managed to structurally align their business to the current situation and to make their operations even more efficient.

As a result, BioMar and Fibertex reported profit improvements that exceeded expectations, especially towards the end of the year, and their performances were highly satisfactory.

Grene and Hydra-Grene both also reported lower revenue. Grene's setback was due to subdued demand from large parts of industry and from the agricultural sector in Denmark. The company's foreign businesses generally improved their revenue when measured in local currencies. Hydra-Grene suffered plummeting demand from several traditional industry customers, while the wind turbine industry in particular maintained a high level of activity.

Grene recorded an earnings setback, but under the prevailing circumstances the financial performance is considered acceptable. Hydra-Grene also reported a sharp drop in profit, but its earnings remain highly satisfactory.

Xergi generated revenue in line with the 2008 figure and thus did not meet the expectations it had for growth at the beginning of the year, mainly because it was not possible to launch the projects in Denmark that had been expected. Earnings-wise, however, the company managed to a large extent to make up for the lack of revenue through capacity adjustments and tight cost management.

As a result, although still recording a loss, Xergi improved its earnings performance relative to 2008, which is considered to be acceptable under the prevailing circumstances.

Without a doubt, Martin is the company of the Group that has been most severely hit by the global economic downturn. A dramatic plunge in demand led to a decline in revenue of such proportions that even the very substantial adjustments the company made proved inadequate to compensate for the effects.

Needless to say, the very substantial loss that Martin incurred in 2009 is completely unsatisfactory.

The profit/loss from discontinuing operations, which is stated after tax, relates to BioMar's subsidiary Sjøtroll Havbruk, which achieved a very satisfactory earnings improvement due to efficiency improvements and favourable price developments.

Group developments

The companies of the Schouw & Co. Group generally invested massively in expanding capacity and facilities during the years preceding 2009. When the world was struck by economic crisis in the second half of 2008, the Group had a modern and fully developed production apparatus.

The prospects of a period of subdued demand meant that the Group's businesses did not have a need to invest in additional capacity during 2009. Instead, the Group was able to muster all management resources of its businesses to optimise and enhance the efficiency of the existing activities.

This concentrated effort produced highly satisfactory results. Right from the start of the year, Schouw & Co. had defined ambitious goals for reducing the working capital tie-up and the net interest-bearing debt, and both were achieved by very good margins.

To a large extent, the Group's companies have adapted to the current market situations, while also achieving additional efficiency improvements in a large number of areas. Overall, the Group's businesses have generally optimised their business platforms to the effect that they have adapted as much as possible to current conditions, while at the same time retaining the potential to capitalise on any business opportunities that may arise going forward.

Schouw & Co. twice strengthened Martin's capital base in 2009, by a total of DKK 175 million through the conversion of an inter-company loans.

In addition, the two shareholders of Xergi resolved in 2009 to strengthen the company's capital base by each contributing DKK 10 million.

Capital reduction in Schouw & Co.

The share capital of Schouw & Co. was increased to a nominal amount of DKK 280,000,000 in connection with the merger of Schouw & Co. and BioMar Holding.

At the Annual General Meeting of Schouw & Co. held on April 21, 2009, the shareholders resolved to reduce the company's share capital by a nominal amount of DKK 25,000,000 by cancelling 2.5 million shares from the company's holding of treasury shares. The capital reduction was implemented in August 2009, after which the share capital amounts to DKK 255,000,000.

The Group's capital resources

Equity strength and capital resources have generally become the subject of increased attention due to the global economic slump. In a situation like that, it is very reassuring to know that the Schouw & Co. Group has a relatively high equity ratio and therefore only moderate

financial gearing. The substantial cash inflow of 2009 further strengthened this position.

A substantial part of the Schouw & Co. Group's debt is based on credit facilities that can in principle be terminated at short notice. The company endeavours to eliminate the risk of such event by maintaining close relationships with a small number of large financial business partners.

The consolidated net interest-bearing debt amounted to DKK 2,280.7 million at December 31, 2009, of which DKK 116.1 million was attributable to the parent company.

The total interest-bearing debt amounted to DKK 2,701.4 million, of which 42% was categorised as non-current and 58% as current liabilities. Some 72% of the Group's total debt is floating rate. In terms of currencies, 31% is in Danish kroner and 52% is in euros. The rest is denominated in local currencies in markets where the Group has material business activities.

In addition to the substantial financial strength and the strong relations with the Group's financial business partners, Schouw & Co. has access to special liquidity reserves in the form of 4,000,000 shares in Vestas.

Notwithstanding the fact that Vestas shares have fluctuated considerably, this stake in Vestas remains a valuable and marketable asset that has not been pledged or is otherwise encumbered. In other words, the holding of Vestas shares helps to preserve the Group's financial versatility.

Special risks

Schouw & Co. is an industrial conglomerate whose business activities are distributed on a number of business areas and a portfolio of securities. By diversifying its businesses, the Group spreads its ordinary business risk exposure related to its individual business areas.

However, several of the Group's business areas rely on certain raw materials and are thus sensitive to major fluctuations in the prices of such raw materials. This applies especially to BioMar and

Fibertex.

For all of the Group's companies, the current economic downturn has increased uncertainty with respect to debtors. While all Group businesses are very attentive to following up on debtors, the risk of loss cannot be avoided. As a general rule, the Group does not insure against losses on receivables.

The parent company and the individual companies of the Group hold interest-bearing debt, a part of which has short-term maturities, while a part carries floating interest rates, resulting in overall ordinary risk.

It is important to Schouw & Co. to have a prudent valuation of the Group's assets, and that individual companies cannot jeopardise the overall Group.

The majority of the Group's activities are located in Denmark and the rest of Europe. The Group also has substantial assets outside of Europe, primarily in Malaysia and Chile.

The Group generally takes out ordinary insurance cover in respect of its assets, but it has not taken out cover for insurance events resulting from terrorist actions.

Events after the balance sheet date

Other than as set out elsewhere in this Annual Report, Schouw & Co. is not aware of events occurring after December 31, 2009, which are expected to have a material impact on the Group's financial position or outlook.



Income statement and cash flows

Revenue

Consolidated revenue fell by DKK 1,381.5 million from DKK 9,821.2 million in 2008 to DKK 8,439.7 million, equal to a drop of 14.1%. The setback was due to a number of factors. First of all, the global economic downturn had, to a varying extent, a negative impact on volumes sold by the Group's businesses. In addition, a number of important foreign exchange rates to Danish kroner were lower than in 2008, meaning that foreign units' revenue in their local currencies was translated to a lower amount in Danish kroner. The resulting effect on consolidated revenue was negative at just over DKK 200 million and was mainly incurred by BioMar and Grene. In addition, selling prices closely related or contractually tied to raw materials prices impacted consolidated revenue by approximately DKK 325 million due to falling raw materials prices for Fibertex and BioMar. When adjusted for these two factors, revenue fell by approximately DKK 850 million, or by 8.7%.

Operating profit (EBIT)

Operating profit before goodwill impairment (EBITA) was DKK 192.4 million, a decline of DKK 145.2 million from DKK 337.6 million in 2008. With goodwill written down by DKK 2.5 million in 2009 but by DKK 213.1 million in 2008, EBIT for the year was DKK 190.0 million compared with DKK 124.4 million in 2008. Accordingly, EBIT improved by DKK 65.6

Accounting policies

The ongoing review of our accounting policies during 2009 resulted in only a few clarifying adjustments to the description of the accounting policies, which had no influence on the financial results for the year or equity.

No changes have been made to the accounting policies applied last year.

million. However, the overall change is composed of very different developments in the Group's business areas.

BioMar and Fibertex provided positive performances, reporting EBIT improvements of DKK 101.2 million and DKK 29.1 million, respectively. It should be noted, however, that BioMar's 2008 EBIT included impairment losses of DKK 57.5 million due to the closure of two factories. Also, Xergi, which is 50%-owned, contributed a small EBIT improvement of DKK 2.0 million.

The Group's three other businesses reported a net aggregate EBIT decline of DKK 276.8 million. Martin's share of the decline was DKK 210.0 million resulting from a DKK 398.4 million revenue decline, equal to a 38.1% fall, causing the company to incur substantial restructuring costs. In Grene and Hydra-Grene, EBIT declined by DKK 23.8 million and DKK 43.1 million, respectively. Finally, the parent company EBIT before goodwill impairment fell by DKK 3.1 million. It should also be noted that the consolidated EBIT was negatively affected by bad debt provisions in the amount of DKK 60.9 million.

Income from investments in associates

There was a net loss from investments in associates after tax of DKK 11.4 million against a profit after tax of DKK 4.0 million in 2008. The 2009 loss from investments in associates consisted of a loss in Incuba A/S of DKK 9.6 million and an aggregate loss of DKK 1.8 million in BioMar, Hydra-Grene and Martin.

The operations of Incuba A/S contributed a loss of DKK 9.6 million compared with a profit after tax of DKK 2.5 million in 2008. The loss in Incuba was mainly due to write-downs on venture capital businesses in Incuba Venture I K/S.

Financial income and expense

The Group's financial items amounted to a net expense of DKK 77.1 million, compared with a net expense of DKK 1,015.0 million last year. The DKK 937.9 million

improvement in net financial items was primarily due to value adjustments on the Group's holding of Vestas shares. Value adjustment of Vestas shares produced an unrealised gain of DKK 40.6 million in 2009, compared with a net capital loss of DKK 871.5 million in 2008. The 2008 financial items also included a realised capital gain of DKK 37.1 million from BioMar's sale of a non-strategic stake in AquaGen AS.

Calculated net of the effect of the holding of Vestas shares and the profit from the sale of AquaGen, net financial expenses fell by DKK 62.9 million to DKK 117.7 million. The large drop in net financial expenses was due to two factors. First of all, the Group's net interest-bearing debt was reduced by 23.9%, which was mainly the result of a successful and dedicated effort to reduce the Group's working capital tie-up. Second, there was a low level of interest rates internationally in 2009, providing the Group with historically low financing costs in spite of a sharp increase in bank lending margins.

Profit from divestment of equity investments

No equity investments were divested in 2009. In 2008, a DKK 21.4 million profit was recorded on the sale of Martin Security Smoke.

Income tax

The tax charge on the profit for the year was DKK 28.5 million, against DKK 38.3 million in 2008. The effective tax rate for the year was 28.1% compared with a negative rate of 4.4% in 2008.

Profit from discontinuing operations

Profit from discontinuing operations includes profits from companies which have been put up for sale and for which an active sales effort is being made. BioMar holds a 50.9% interest in the Norwegian fish farming business Sjøtroll Havbruk, which not being a core activity has been put up for sale. This company generated revenue of DKK 680.9 million

in 2009, and the share of the profit after tax but before minority interests was DKK 77.9 million, which is distributed by DKK 39.7 million attributable to the shareholders of Schouw & Co. and by DKK 38.2 million attributable to the minority shareholders of Sjøtroll Havbruk. In 2008, the Sjøtroll ownership interest produced a profit after tax but before minority interests of DKK 0.1 million, which amount was distributed by a DKK 2.0 million profit attributable to the shareholders of Schouw & Co. and a DKK 1.9 million loss attributable to the minority shareholders of Sjøtroll.

Cash flow statement

Cash flows from operations increased sharply by DKK 918.2 million to DKK 1,191.2

million from DKK 273.0 million in 2008. The cash flows from operations break down as follows: the cash flow from operating activities was DKK 525.5 million, changes in net working capital amounted to DKK 794.4 million, net financial expenses paid amounted to DKK 113.6 million and taxes paid was DKK 15.1 million.

Investing activities for the year amounted to DKK 246.0 million compared with DKK 275.4 million in 2008. The moderate decrease in net investments of DKK 29.4 million derived from major differences in gross investments during the two years. Gross investments in 2009 amounted to DKK 291.6 million. By comparison, gross investments in 2008 amounted to DKK 894.1 million. Deducting the DKK 585.5 million proceeds from the sale of

securities from this amount produces the net investment figure for 2008.

The large cash flows from operating activities and the lower investment activity enabled the Group to reduce its debt and other liabilities by DKK 728.7 million while also paying dividends and buying treasury shares for a total amount of DKK 177.7 million.

Cash and cash equivalents at year end, comprising bank deposits, increased by DKK 40.6 million to stand at DKK 424.5 million at December 31, 2009. The increase is of a temporary nature and cash and cash equivalents are expected to be reduced substantially in 2010. Cash and cash equivalents at December 31, 2009 of DKK 424.5 million included assets held for sale amounting to DKK 9.1 million.



Balance sheet



Assets

The Schouw & Co. Group's total assets amounted to DKK 9,658.5 million at December 31, 2009 compared with DKK 10,153.2 million at December 31, 2008. The DKK 494.7 million drop in total assets covers a number of material and opposing factors.

Property, plant and equipment fell by DKK 104.2 million in 2009, mainly due to a low investment activity. This may be illustrated by the fact that depreciation/amortisation and impairment charges for the year amounted to DKK 330.5 million, whereas investments amounted to DKK 208.4 million. BioMar invested DKK 84.5 million in production plant and buildings, part of which included a factory expansion in Norway. Fibertex invested DKK 54.0 million, most of which was for a 4,000 tonne/year capacity increase in Malaysia. Grene's investments totalled DKK 50.7 million, of which DKK 33.6 million related to property. For the other companies combined, property, plant and equipment increased by DKK 19.2 million.

Intangible assets were up by a net amount of DKK 35.4 million, due mainly to foreign exchange adjustment of goodwill in foreign units.

In other non-current assets, investments in associates increased by DKK 21.8 million from DKK 108.1 million to DKK 129.9 million. DKK 20.0 million of the increase was additions related to establishing the associate Fibertex S.A. in South Africa.

Securities increased by DKK 46.9 million, which was mainly attributable to the Group's holding of Vestas shares. At the beginning of the year, the value of the holding of 4,000,000 Vestas shares amounted to DKK 1,217.7 million. The holding was unchanged throughout 2009 and following value adjustment for the year it was valued at DKK 1,258.4 million at December 31, 2009.

Non-current receivables fell by DKK 7.0 million to DKK 105.9 million, of which DKK 82.7 million involved an investment grant relating to Fibertex in Malaysia.

Current assets fell by a total of DKK 718.8 million. Of this amount, inventories

and receivables were reduced by DKK 324.9 million and DKK 418.3 million, respectively. The Group maintained a strong focus on reducing its working capital tie-up in 2009, which contributed strongly to reducing inventories and receivables by a total of DKK 743.2 million. Naturally, the fall in receivables should also be seen in light of the reduced revenue and the DKK 60.9 million increase in bad debt provisions. Cash and cash equivalents amounted to DKK 424.5 million at December 31, 2009, an increase of DKK 40.6 million.

Assets held for sale

Assets held for sale amounted to DKK 1,207.6 million at December 31, 2009 compared with DKK 972.4 million at December 31, 2008 and consisted of the assets in Sjøtroll Havbruk of DKK 1,110.1 million plus goodwill of DKK 97.5 million. The total value of these assets increased, in part due to an 18.1% appreciation of NOK relative to DKK, in part because the market value of fish stocks at December 31, 2009 had increased from a year earlier.

Shareholders' equity

Consolidated equity including minorities increased by DKK 118.5 million during 2009. Equity was lifted by foreign exchange adjustments of foreign subsidiaries of DKK 148.0 million, while dividend payments to shareholders and minority interests and the purchase of treasury shares reduced equity by a total of DKK 177.7 million. Minority interests increased by DKK 78.7 million, predominantly due to an increase in the value of the minority interests in Sjøtroll Havbruk. After giving effect to the profit for the year of DKK 150.9 million, Schouw & Co.'s equity including minority

interests amounted to DKK 4,753.4 million at December 31, 2009, compared with DKK 4,634.9 million a year earlier.

Treasury shares

At December 31, 2008, Schouw & Co. held 1,760,509 treasury shares, corresponding to 6.29% of the share capital. During 2009, Schouw & Co. acquired an additional 1,146,982 treasury shares at a total value of DKK 101.3 million. A total of 52,853 treasury shares were sold for the Group's employee share scheme and 2,500,000 treasury shares were cancelled in connection with the capital reduction effected in August 2009. Accordingly, Schouw & Co. held 354,638 treasury shares at December 31, 2009, corresponding to 1.39% of the share capital. The portfolio of treasury shares is recognised at DKK 0.

Debts

The Group's total liabilities fell by DKK 683.6 million to DKK 4,403.2 million at December 31, 2009, of which interest-bearing debt amounted to DKK 2,701.4 million compared with DKK 3,373.4 million at December 31, 2008. The DKK 672.0 million reduction of the interest-bearing debt was mainly the result of a DKK 752.9 million reduction of the working capital.

Liabilities relating to assets held for sale

Liabilities relating to assets held for sale, which increased by DKK 70.4 million to DKK 501.9 million, exclusively involved liabilities relating to Sjøtroll Havbruk. The difference from the amount of assets held for sale consists of the equity in Sjøtroll Havbruk plus the carrying amount of goodwill.

Outlook

Outlook

The global economic downturn continues to influence most of the markets in which the Group operates. Schouw & Co. is a financially strong business and parts of the Group's activities are not particularly exposed to economic cycles. Nevertheless, the Group expects to go through a period of subdued demand, fiercely competitive markets and above-normal debtor risk.

Our ambitions to develop the Group through organic growth and acquisitions have not changed, but in the short term we will focus primarily on developing and optimising our existing businesses.

All of the Group's businesses completed major initiatives in 2009 intended to enhance their competitive strength and secure their business base. These many initiatives have secured more effective spending, for example by adapting the production facilities and staffing to projected sales and focusing on core business activities.

The limited investment need, the substantial reduction in working capital and the resulting strong cash inflow in 2009 also contributed to strengthening the Group's position.

The Group's businesses have to a large extent adapted to current activity levels. Backed by the enhanced cost structure, the Group's businesses are in general strongly positioned to follow and capitalise on growth opportunities when and where they might arise. Schouw & Co. has both the commitment and the ability to invest in business areas with prospects of profitable growth, and we expect that 2010 will also provide opportunities for exercising a more expansive strategy.

However, the Group will first and foremost retain its focus on optimising existing activities and phasing out non-strategic activities not generating sufficient profitability. Enhancing earnings will take priority over growth, and we intend to consolidate the reduction in working capital and the optimised capital utilisation achieved.

BioMar expects to see fair growth in the important Norwegian market in 2010, but due to its restricted production capacity in the short term, the company expects to generate only a modest revenue improvement. EBIT is expected to be in line with 2009.

Fibertex expects revenue improvements in both Personal Care and Industrial Nonwovens. Given the efficiency improvements implemented, especially in Fibertex Industrial Nonwovens, the company expects to maintain EBIT at the 2009 level in spite of tough competition.

Grene and Hydra-Grene both expect to generate minor revenue improvements on 2009. Grene expects to improve EBIT relative to 2009, while Hydra-Grene projects a slight drop in EBIT relative to 2009.

Martin expects to improve its revenue in 2010. The very extensive adjustments implemented will gradually take effect, leading to strong EBIT improvement.

Xergi expects to improve in terms of both revenue and EBIT.

Overall, Schouw & Co. expects to generate consolidated revenue in the range of DKK 9 billion in 2010.

As in 2009, the Group's individual companies operate with a wider range of profit projection outcomes than has previously been the case. Under normal circumstances, the various factors and conditions affecting the individual companies of Schouw & Co.'s diversified portfolio would to some extent even out fluctuations, but currently the companies are all affected more or less by the same general conditions.

The aggregate of the individual company profit forecasts produces a very wide interval for the expected consolidated EBIT for 2010 of DKK 250-400 million. We expect to narrow the wide interval in our interim reports for the first half-year and the third quarter.

As in previous years, earnings will be unevenly distributed over the year. We expect to report a loss in the first quarter, mainly due to seasonality in BioMar's and Martin's businesses. Earnings are

expected to improve in the second quarter, but most of the year's earnings are expected to be generated in the third quarter, and the fourth quarter is also expected to be profitable.

Consolidated financial items for 2010 are expected to be an expense in the region of DKK 125 million, excluding the effects from the holding of Vestas shares.

The consolidated profit before tax will include any effects of the holding of Vestas shares. In addition, the consolidated profit after tax will include the profit from Sjøtroll Havbruk until a possible divestment, which is expected to improve net of the value adjustment of its biomass. The profit from Sjøtroll is inherently subject to developments in prices of salmon and trout.

DKK million	Forecast	Actual
	2010	2009
BioMar	175-200	191
Fibertex	100-125	117
Grene	30-50	31
Hydra-Grene	40-60	63
Martin	(25-75)	(200)
Xergi (50%)	(0-5)	(6)
Others	(10-15)	(6)
EBIT	250-400	190
Associates	(0-5)	(11)
Financials	(125)	(118)
Vestas shares	-	41
Profit before tax	120-275	102

Dividends

The Board of Directors intends to recommend to the annual general meeting that a dividend of DKK 3 per share of DKK 10 nominal value be paid in respect of the 2009 financial year, equal to total dividend payments of DKK 76.5 million.

Board of Directors



Chairman

Jørn Ankær Thomsen

Born 1945, Elected to the Board in 1982. Term expires in 2010.

Educational background: LL.M., University of Copenhagen. Attorney and partner of Gorrissen Federspiel Law Firm. Member of the company's audit committee.

DIRECTORSHIPS

Chairman of: Aida A/S, Aktieselskabet af 1. april 1988, Aktieselskabet af 1. juli 2009 A/S, Carlsen Byggecenter Løgten A/S, Th. C. Carlsen Løgten A/S, Carlsen Supermarked Løgten A/S, Danish Industrial Equipment A/S, DB 2001 A/S, Fibertex A/S, F.M.J. A/S, GAM Holding A/S, GAM Wood A/S, Givisco A/S, Investeringsforeningen Danske Invest, Kildebjerg Ry A/S, Krone Erhvervsinvestering A/S, Krone Kapital A/S, Løgten Midt A/S, Martin Professional A/S, OPA Ortopædisk Hospital Aarhus A/S, Schouw & Co. Finans A/S, Søndergaard Give A/S.

Deputy Chairman of: Carletti A/S, P. Grene A/S.

Board member of: BioMar Group A/S, Dan Cake A/S, Danske Invest Management A/S, Ejendomselskabet Blomstervej 16 A/S, GFKJURA 883 A/S, Givisco Bakery A/S, Hydra-Grene A/S, Hydra-Grene Holding A/S, Krone Kapital I A/S, Krone Kapital II A/S, Krone Kapital III A/S, Vestas Wind Systems A/S.

INDEPENDENCE AS A BOARD MEMBER

Jørn Ankær Thomsen is not considered to be independent due to his affiliation with the main shareholder Givisco and his affiliation to a law firm which acts as an adviser to the company.



Deputy Chairman

Erling Eskildsen

Born 1941. Elected to the Board in 1988. Term expires in 2012.

Managing director of Givisco A/S, the main shareholder of Schouw & Co.

DIRECTORSHIPS

Chairman of: Carletti A/S, Dan Cake A/S, Givisco Bakery A/S, Leighton Foods A/S.

Board member of: Danish Industrial Equipment A/S, Givisco A/S, P. Grene A/S, Hydra-Grene A/S, Hydra-Grene Holding A/S, O.K. Gruppen A/S, OK Snacks A/S, Struer Brød A/S, Søndergaard Give A/S.

Executive management: Danish Industrial Equipment A/S, Givisco A/S, Søndergaard Give A/S.

INDEPENDENCE AS A BOARD MEMBER

Erling Eskildsen is not considered to be independent due to his affiliation with the main shareholder Givisco A/S.



Board member

Niels Kristian Agner

Born 1943. Elected to the Board in 1998. Term expires in 2010.

B.Sc. (Bus. Adm.) from the Copenhagen Business School and professional board member. Chairman of the company's audit committee.

DIRECTORSHIPS

Chairman of: G.E.C. Gad A/S, SP Group A/S, SP Moulding A/S.

Deputy Chairman of: G.E.C. Gads Boghandel A/S, Indeks Retail Invest A/S.

Board member of: Dantherm A/S, D.F. Holding, Skive A/S, G.E.C. Gads Forlag A/S, Green Wind Energy A/S, GW Energi A/S.

INDEPENDENCE AS A BOARD MEMBER

Niels Kristian Agner is considered to be independent.



Board member

Erling Lindahl

Born 1945. Elected to the Board in 2000. Term expires in 2012.

Mechanical engineer from Sønderborg Technical College, Denmark. Managing Director of Momenta ApS. Member of the company's audit committee.

DIRECTORSHIPS

Chairman of: Incuba Science Park A/S, Kontorhuset Svendborg A/S, Lindl Group A/S, Venti A/S.

Board member of: Incuba A/S, Lübker Golf Invest A/S, Lübker Golf Resort A/S, Momenta Invest A/S, Moprre A/S.

Executive management: Momenta Invest A/S.

INDEPENDENCE AS A BOARD MEMBER

Erling Lindahl is not considered to be independent, because he was president of Schouw & Co. from 1985 to 2000

Executive management



Board member

Kjeld Johannesen

Born 1953. Elected to the Board in 2003. Term expires in 2011.

Business diploma (HD), Marketing economics, Aarhus School of Business. CEO of Danish Crown Amba.

DIRECTORSHIPS

Chairman of: Danish Crown Incorporated A/S, Tulip Food Company P/S.

Deputy Chairman of: DAT-Schaub a.m.b.a.

Board member of: Dansk Industri, Danske Slagterier, DAT-Schaub Holding A/S.

Executive management: Danish Crown a.m.b.a., Danish Crown Holding A/S.

INDEPENDENCE AS A BOARD MEMBER

Kjeld Johannesen is considered to be independent.



Board member

Jørgen Wisborg

Born 1962. Elected to the Board in 2009. Term expires in 2013.

MSc from the Aarhus School of Business and CEO of OK a.m.b.a.

DIRECTORSHIPS

Chairman of: Danoil Exploration A/S, DK-Benzin A/S, Kamstrup A/S, OK Plus A/S and Samfinans A/S.

Deputy Chairman of: Energi- og olieforum.

Board member of: Martin Professional A/S, Miljøforeningen af 1992.

Executive management: OK a.m.b.a.

INDEPENDENCE AS A BOARD MEMBER

Jørgen Wisborg is considered to be independent.



President

Jens Bjerg Sørensen

Born 1957, appointed in 2000.

Business graduate, Niels Brock Business College, Business diploma (HD), Marketing economics, Copenhagen Business School, IEP – Insead Executive Programme, Insead, France.

DIRECTORSHIPS

Chairman of: BioMar Group A/S, Center for Ledelse, Dovista A/S, P. Grene A/S, Hydra-Grene A/S, Hydra-Grene Holding A/S.

Deputy Chairman of: Fibertex A/S, Martin Professional A/S, Xergi A/S.

Board member of: Aida A/S, Aktieselskabet af 1. april 1988, DB 2001 A/S, F.M.J. A/S, Incuba A/S, Incuba Venture I K/S, Schouw & Co. Finans A/S, Tryghedsgruppen SMBA.

Executive management: Aktieselskabet af 1. april 1988, Schouw & Co. Finans A/S.



Vice President

Peter Kjær

Born 1956, appointed in 1993.

BSc, Electronic Engineering, Engineering College of Aarhus, Business diploma (HD), Marketing economics, Aarhus School of Business, MBA from IMD, Lausanne, Switzerland.

DIRECTORSHIPS

Chairman of: Erhverv Århus, Helsingforsgade 25 Aarhus A/S, P. Grene A/S, Chr. C. Grene A/S, Østjysk Innovation A/S.

Board member of: Aktieselskabet af 1. april 1988, DB 2001 A/S, P. Grene A/S, Chr. C. Grene A/S, Grene Industri-service A/S, Grene Sp. z o.o., Hydra-Grene A/S, Hydra-Grene Holding A/S, Inventure Capital A/S, Lastas A/S, Xergi A/S.

Executive management: DB 2001 A/S, Incuba A/S.

Investor information

Capital and share structures

The shares of Aktieselskabet Schouw & Co. are listed on NASDAQ OMX Copenhagen under securities identification/ISIN code DK0010253921.

At the beginning of the year, the company had 28,000,000 issued shares of DKK 10 nominal value, equal to a total share capital of DKK 280,000,000 nominal value.

At the Annual General Meeting of Schouw & Co. held on April 21, 2009, the shareholders resolved to reduce the company's share capital by a nominal amount of DKK 25,000,000 by cancelling 2.5 million shares from the company's holding of treasury shares. The capital reduction was implemented in August 2009.

As a result, Schouw & Co.'s share capital comprises 25,500,000 shares with a nominal value of DKK 10 each for a total share capital of DKK 255,000,000. Each share carries one vote, for a total of 25,500,000 votes.

The company's Board of Directors reviews the company's capital and share structures at appropriate intervals. The company's Board of Directors gives priority to retaining a high equity ratio in order to ensure the necessary financial versatility.

Shareholder structure

Schouw & Co. has some 7,600 registered shareholders of whom the following are listed in the company's register in accordance with section 28 B of the Danish Public Companies Act:

Givesco A/S	28.09%
Direktør Svend Hornsylds Legat	14.82%
ATP pension fund	8.86%

Pursuant to the provisions of Section 31 of the Danish Securities Trading Act, the three shareholders Givesco A/S, Direktør Svend Hornsylds Legat and Erling Eskildsen, who holds 3.94%, are considered as a single shareholder of Schouw & Co. The three shareholders hold in aggregate 46.85% of the shares in the company.

At the end of 2009, the members of the Board of Directors and the Executive Management of Schouw & Co. and their connected persons held a total of 1,137,052 and 84,064 shares, respectively, in the company.

Treasury shares

At December 31, 2009, the company held 354,638 treasury shares, equal to 1.39% of the share capital.

The market value of the holding of treasury shares was DKK 33.5 million at December 31, 2009. The portfolio of treasury shares is recognised at DKK 0.

After the end of 2009, Schouw & Co. has acquired an additional 106,831 of its shares, bringing the current holding of treasury shares to 461,469, corresponding to 1.81% of the share capital.

Price performance

The Schouw & Co. share closed the year at a price of DKK 94.45 (all trades), compared with DKK 76.21 per share at December 31, 2008, corresponding to an increase of 23.9%.

Accordingly, the total market capitalisation of the company's listed share capital amounted to DKK 2,408 million at the close of the financial year, against DKK 2,134 million at the close of 2008. Adjusted

for the holding of treasury shares, the company's market capitalisation was DKK 2,375 million at December 31, 2009.

Incentive programmes

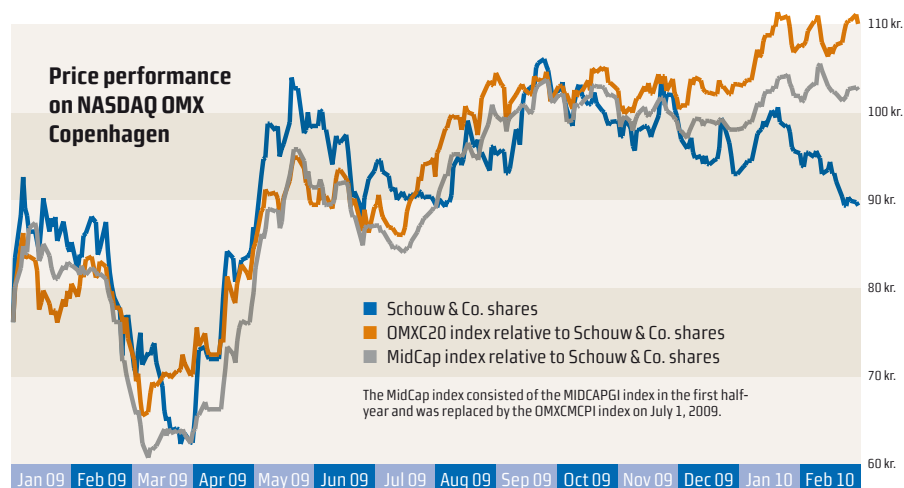
Since 2003, Schouw & Co. has operated a share-based incentive programme comprising the Executive Management and senior managers, including the executive managements of subsidiaries.

Under this programme, 240,000 options expired in 2009 and were not exercised.

Under the share-based incentive programme, Schouw & Co. awarded, in March 2009, a total of 36,000 share options to members of the Executive Management (two persons) and a total of 184,000 share options to other senior managers, including the executive managements of subsidiaries (thirteen persons).

The share options are exercisable during a 24-month period following the publication of Schouw & Co.'s full-year profit announcement for the 2010 financial year at a strike price of DKK 67.20 plus a 4% premium per annum from the date of grant until the date of exercise.

The overall guidelines for incentive programmes approved by the company's shareholders in general meeting are available from the company's website, www.schouw.dk.



Investor relations policy

Schouw & Co. aims to create value and achieve results to match the best of our industry peers.

The company's investor relations policy is to provide reliable information and to maintain professional relations with shareholders and the market so as to ensure that investors always have the necessary information to make an assessment of the Group's true values at any time.

Schouw & Co. complies with the duty of disclosure rules of NASDAQ OMX Copenhagen.

The company's annual and interim reports and its stock exchange announcements of the last three years are available from its web site, www.schouw.dk, where users can also subscribe to the company's news service.

Schouw & Co. holds presentations when releasing the company's annual and half-yearly reports. Such presentations are web cast in order to ensure that all investors have equal access. The web casts are subsequently available at the company's web site.

Schouw & Co. also occasionally holds meetings with investors and other parties. Presentations from such meetings are also available from the company's web site.

Schouw & Co. observes a three-week silent period ahead of releasing financial reports. During such periods, our financial communications are subject to special restrictions.

Any queries to the company's management should be e-mailed to: schouw@schouw.dk.

Statutory report on corporate social responsibility

This statutory report on corporate social responsibility (CSR) covers the reporting period from January 1 – December 31, 2009 and forms part of the 2009 Annual Report.

Schouw & Co. requires that all of the Group's companies comply with legis-

lation and regulations applying in the countries and local communities in which they operate. However, no policies have been adopted for voluntary incorporation of corporate social responsibility into the companies' strategies and activities.

Schouw & Co. generally respects the ten principles on human rights, labour standards, the environment and anti-corruption as expressed in the UN Global Compact.

It is important to Schouw & Co. that the Group's businesses endeavour to comply with the principles of human rights, labour standards, the environment and anti-corruption and that they seek assurance on reasonable standards when appointing business partners and suppliers.

The principles on the environment may require that a balance is struck between cost and effect, but generally the Group is believed to maintain high standards when it comes to ensuring reasonable environmental issues and limiting environmental risks. In addition, the Group addresses environmental conditions from a business criteria aspect with due consideration for the long-term perspectives and the Group's good reputation.

Corporate social responsibility has received a lot of attention from all sides, and as a result the Group expects to develop and align its procedures for implementing and following-up on CSR over the next couple of years.

Website

Schouw & Co.'s web site – www.schouw.dk – contains announcements to NASDAQ OMX Copenhagen and interim financial statements, as well as more detailed information on the Group. Interested parties can also subscribe to the company's news service.

Registrar

The company's registrar is:
Computershare A/S
Kongevejen 418
DK-2840 Holte

The ten UN Global Compact principles

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption.

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights, and
2. should make sure they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. eliminate discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Management Bodies

The Board of Directors of Schouw & Co.

The Board of Directors of Schouw & Co. consists of six shareholder-elected members who elect a chairman and a deputy chairman from among their number.

Board members are elected for terms of four years and for purposes of continuity the individual members are up for election in different years. When new Board candidates are nominated, emphasis is on the potential new member possessing the professional knowledge and experience to contribute to maintaining the necessary scope of competence on the Board and on the potential new member being able to act independently of special interests.

The Board of Directors is responsible for the overall management of the company, which includes appointing the members of the Executive Management, laying down guidelines for and exercising control of the work performed by the Executive Management, organising the company's business in a responsible manner, defining the company's business concept and strategy and evaluating the adequacy of the company's capital contingency programme.

The duties of the Board are set out in the company's rules of procedure, and Board meetings are conducted in accordance with a fixed master agenda, which over the full year ensures compliance with the Board's rules of procedure.

The Board of Directors held six Board meetings, a conference call and a two-day Board seminar in 2009, corresponding to the ordinary level of Board activity in the company.

Ordinary Board meetings are scheduled at least six months in advance. Board meetings are normally attended by all members of the Board and the Executive Management, and this was also the case in 2009.

For reasons of principle, the Chairman of the Board, Jørn Ankær Thomsen, does not participate in business regarding the holding of shares in Vestas Wind Systems A/S.

The Audit Committee of Schouw & Co.

At the end of 2008, the Board of Directors of Schouw & Co. appointed an audit committee consisting of Niels Kristian Agner (chairman), Jørn Ankær Thomsen and Erling Lindahl.

Niels Kristian Agner is considered to be independent, whereas Jørn Ankær Thomsen is not considered to be independent due to his affiliation with the main shareholder GivESCO A/S and his affiliation to a law firm which acts as an adviser to the company. Erling Lindahl is considered to be independent in accordance with the statutory definitions, but due to the fact that he was president of Schouw & Co. from 1985 to 2000, he is not considered to be independent under the definition provided in "Recommendations on Corporate Governance in Denmark" from NASDAQ OMX Copenhagen.

All three members are considered to meet the requirements under the Auditors' Act on accounting qualifications.

The Audit Committee's task is mainly to monitor the work and processes relating to the financial reporting process. The Committee assists the Board in assessments and controls relating to auditing, accounting policies, systems of internal controls, financial reporting, etc.

The Audit Committee held four meetings in 2009.

The Executive Management of Schouw & Co.

The members of the Executive Management of Schouw & Co. are Jens Bjerg Sørensen, President, and Peter Kjær, Vice President. The members of the Executive Management are registered with the Danish Commerce and Companies Agency.

The Executive Management is in charge of the day-to-day management of the company both at parent company and consolidated level and complies with the guidelines and directions issued by the Board of Directors.

Financial calendar

April 20, 2010
Annual General Meeting

May 6, 2010
Release of Q1 2010 interim report

August 19, 2010
Release of H1 2010 interim report

November 4, 2010
Release of Q3 2010 interim report

The day-to-day management does not include any transactions that, considering the company's circumstances, are of an unusual nature or of material importance. Such transactions can only be made by the Executive Management upon specific authority from the Board of Directors, unless awaiting a decision by the Board of Directors would cause significant disadvantage to the activities of the company.

Management of the portfolio companies

The Schouw & Co. Group has a decentralised corporate structure, under which the individual portfolio companies enjoy a large degree of independence and have their own individual organisation and management in charge of the company's operations. Each portfolio company is structured as focused sub-groups with their own subsidiaries.

The boards of directors of the ultimate company of the individual portfolio companies are generally composed of a representative from each of the Board of Directors and the Executive Management of Schouw & Co. along with external board members who have a special interest in and knowledge of the particular portfolio company's business area.

The boards of directors of a portfolio company's underlying subsidiaries are generally composed of managers and employees from the portfolio company, possibly with a representative of the Executive Management of Schouw & Co. or external board members.

To support the individual managements of the portfolio companies, Schouw & Co. has issued a set of general guidelines for its subsidiaries.

Managing the financial reporting process

Statutory report

In its statutory report on corporate governance, the company is required to report on the main features of the Group's internal control and risk management systems in relation to the financial reporting process.

Group structure

The Schouw & Co. Group consists of a number of legal corporate entities in an operational structure consisting of the parent company Schouw & Co. and a number of subsidiary portfolio companies each structured as focused sub-groups with their own subsidiaries.

Each individual portfolio company has a high degree of autonomy as well as its own organisation and management in charge of its operations.

Subsidiaries of the portfolio companies operate activities that are identical to or closely related to the general activities of the portfolio company, facilitating the establishment of uniform systems and procedures in the portfolio company.

The management of the portfolio company's ultimate entity is in charge of preparing and implementing reasonable and appropriate procedures and policies for the company and for ensuring a systematic and responsible controlling of the portfolio company's subsidiaries.

In addition, the parent company Schouw & Co conducts follow-ups on its directly-owned companies with a view to ensuring that the financial reporting presents a true and fair view without material misstatement.

The Board of Directors of Schouw & Co. has appointed an Audit Committee, whose tasks include monitoring the work and processes relating to the financial reporting.

Preparation of consolidated financial statements

The preparation of consolidated financial statements is based on the Group's financial reporting manual, which is intended to ensure a uniform application of accounting policies throughout the Group that

is in accordance with the international financial reporting standards, IFRS/IAS, under which Schouw & Co. prepares its financial statements.

The financial reporting manual is updated on an ongoing basis by the parent company Schouw & Co. as and when required by amendments to accounting standards and legislation. The financial reporting manual is available in electronic form to Group users.

Reporting of financial data from the Group's subsidiaries takes place in accordance with the instructions provided by the parent company in standard reporting packages fed electronically into the parent company's financial consolidation system, thus reducing the risk of manual errors.

Audit

Each year, the shareholders in the annual general meeting appoint external auditors following a recommendation by the Board of Directors. Ahead of each recommendation, the Board of Directors makes a critical assessment of the auditor's independence and competencies, etc., in accordance with the corporate governance recommendations issued by NASDAQ OMX Copenhagen.

Auditors appointed by the shareholders in general meeting serve as auditors of all of the Group's major subsidiaries and associates. In a few foreign units, however, local auditors may be appointed for practical reasons, but audits in all group entities are conducted in accordance with instructions issued by the shareholder-appointed auditor with a focus on high-risk and material areas.

Shareholder-appointed auditors report in writing in the form of long-form audit reports to the entire Board of Directors at least once a year, and immediately on becoming aware of any matters to be brought to the attention of the Board of Directors.

The shareholder-appointed auditors attend the meetings of the Audit Committee.

Code of corporate governance

Corporate Governance

Schouw & Co. complies with the rules applying to companies listed on NASDAQ OMX Copenhagen, which include a code on corporate governance as set out in "Corporate Governance Recommendations".

The Board of Directors and the Executive Management of Schouw & Co. view corporate governance as a natural part of responsible business operations, addressing on an ongoing basis the issues in relation to corporate governance and interaction with the company's stakeholders. Considering the company's corporate governance policy is a recurring item in the annual business of the Board meetings.

Schouw & Co. believes it complies in all material respects with the intentions of "Corporate Governance Recommendations" as issued by NASDAQ OMX Copenhagen.

Corporate governance is an ongoing process. Consequently, there are procedures and policies which Schouw & Co. has not formalised and committed to writing to the extent proposed in the corporate governance recommendations.

In addition, there are areas in which Schouw & Co. does not apply the corporate governance recommendations. In such cases the Board of Directors and the Executive Management seek other ways of maintaining high standards.

Below is a brief outline of the areas in which Schouw & Co. is believed to diverge materially from the corporate governance recommendations.

THE ROLE OF THE SHAREHOLDERS AND THEIR INTERACTION WITH THE MANAGEMENT OF THE COMPANY

Shareholders have traditionally not been able to consider each individual item separately on the agenda when voting by proxy, because the Board of Directors finds it appropriate that shareholders hear the presentation of each individual proposal and participate in the subsequent debate before voting.

THE COMPOSITION OF THE BOARD OF DIRECTORS

Schouw & Co. has no restrictions on the number of directorships a Board member may hold and has not determined an age limit, because Board members' personal working capacity is considered a matter for individual assessment.

Board members are elected for terms of four years and individual Board members are up for election in different calendar years, because continuity is considered to be a significant factor in a diversified group.

The evaluation of the work and cooperation of the Board of Directors and the Executive Management is developed on an ongoing basis, but the procedures have as yet not been systematised to the extent prescribed by the recommendations.

REMUNERATION TO THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

Schouw & Co. does not publish information on the company's remuneration policy or the remuneration paid to individuals, because the consolidated information provided in the annual report is considered to be adequate. It should be noted that members of the Executive Management do not have any unusual terms of employment and that, as a matter of principle, Board members do not receive incentive remuneration.

AUDIT

A majority of the members of the company's Audit Committee are not considered to be independent in accordance with the definitions applied by NASDAQ OMX Copenhagen, but the composition of the Audit Committee complies with the statutory requirements for independence.



Announcements to the Danish FSA and NASDAQ OMX Copenhagen

Schow & Co.'s announcements to the Danish FSA and NASDAQ OMX Copenhagen since January 1, 2009. The announcements are available at the company's web site, www.schow.dk.

March 12, 2009. No. 1.

Annual report 2008

The Schouw & Co. Group generated consolidated turnover of DKK 9,821 million and a loss before tax of DKK 865 million in the year ended December 31, 2008. Schouw & Co. projects consolidated full-year 2009 revenue of approximately DKK 9 billion and a profit before tax in the range of DKK 50-150 million exclusive of the effects from the holding of Vestas shares.

March 23, 2009. No. 2.

Continuation of incentive programme

Under the share-based incentive programme Schouw & Co. has maintained since 2003, a decision has been made to issue and grant a total of 220,000 share options.

April 20, 2009. No. 3.

Announcement on proxies issued to the Board of Directors of Schouw & Co.

The company's Board of Directors has received proxies from a number of shareholders to vote on their behalf at the annual general meeting to be held on April 21, 2009 to the effect that the Board of Directors will vote more than 10% of all voting rights.

April 21, 2009. No. 4.

Annual General Meeting of Schouw & Co.

The company held its annual general meeting on April 21, 2009.

May 7, 2009. No. 5.

Interim report – first quarter of 2009

Schow & Co. recorded a loss before tax of DKK 319 million for the first quarter of 2009. For the full-year, profit before tax is still expected to be in the range of DKK 50-150 million, excluding the effects from the holding of Vestas shares.

August 20, 2009. No. 6.

Interim report – First half-year of 2009

Schow & Co. recorded a profit before tax of DKK 256 million in the first half-year of 2009. The full-year profit before tax is expected to be at the lower end of the previous forecast range of DKK 50-150 million, excluding the effects of the holding of Vestas shares.

August 31, 2009. No. 7.

Announcement regarding share capital and voting rights

At its meeting held on August 20, 2009, the Board of Directors approved the implementation of the capital reduction by DKK 25,000,000 by the cancellation of 2.5 million shares from the company's holding of treasury shares in accordance with the resolution made at the Annual General Meeting on April 21, 2009.

November 5, 2009. No. 8.

Interim report – third quarter of 2009

Schow & Co. recorded a profit before tax of DKK 59 million for the third quarter of 2009. The full-year profit before tax is expected to be at the lower end of the previous forecast range of DKK 50-150 million, excluding the effects of the holding of Vestas shares.

December 21, 2009. No. 9.

Schow & Co.'s financial calendar for 2010

Schow & Co.'s financial calendar for 2010.

January 4, 2010. No. 1.

Transfer of Vestas shares to wholly-owned subsidiary

Schow & Co. has today transferred its holding of Vestas shares, consisting of 4,000,000 shares, from a custody account in the name of the parent company to a custody account in the name of the wholly-owned subsidiary Schouw & Co. Finans A/S.

Winning strategies and clearly defined goals

Schow & Co. specifies each portfolio company's goals to ensure they have a dedicated focus on profitable growth, efficient use of capital and stand prepared for the future. The companies have a much greater potential than indicated by their 2009 performances. They can all become winners in their individual markets.

All Schouw & Co. companies were fully primed for growth and ready to build momentum when the economic crisis broke out, virtually overnight. The effect was the exact opposite of growth: set-backs across the board, markets collapsing and a massive slowdown.

"2009 was a year of worry and concern. What we saw when we took a closer look was something more uncertain and unpredictable than anything we'd ever seen before. It was difficult to say how bad things could get."

That is how Schouw & Co.'s president Jens Bjerg Sørensen remembers the situation going into 2009. This outlook was precisely the reason why Schouw & Co. introduced two significant targets for all portfolio companies to contribute to during the year: reduce the debt by at least 10% by the end of the year and reduce the working capital by an amount

in the triple-digits of millions of Danish kroner.

"We've achieved that and more," says Jens Bjerg Sørensen. Schouw & Co. has lowered its net interest-bearing debt by DKK 716 million or almost 25%. The working capital has been reduced by DKK 753 million and now accounts for 17% of revenue instead of 22% as in 2008. Finally, 2009 cash flows from operations improved by more than DKK 900 million relative to 2008.

Considering the prospects, Schouw & Co. has come through 2009 in relatively good shape according to Jens Bjerg Sørensen, and the strategy of owning a diversified portfolio has proven its worth.

"Most of our businesses have navigated the crisis quite well. The two largest emerged from 2009 with strong EBIT improvements and, not least, our capital structure has improved strongly and we've lowered our debt. Our compa-



nies have a much greater potential than their 2009 results indicate, and individually they now stand a better chance than ever before of becoming winners in their particular industry," says Jens Bjerg Sørensen. He believes that this also applies to the group's problem child, Martin Professional:

"We knew that Martin would be in for some very rough sailing in 2009, and there's no doubt that things developed much worse than we had feared."

Schouw & Co.'s management feels confident about Martin's new strategy and the transformation process that is also well under way.

"I'm pleased with the way the problems have been tackled: with dedication, commitment and to the bone. With a different approach, things could have gone a lot worse for Martin," says Jens Bjerg Sørensen.

He believes that the group management's duty is to show that you have confidence in the portfolio company management, to give them room to manoeuvre and regularly act as a sounding board for them.

"It is up to each portfolio company management to address the challenges and steer their company through them. Of course, we work more closely with the most challenged of our businesses, as they are the ones we are particularly focused on."

As a result of the companies adapting to the situation, the group's total headcount has been reduced by more than 700 since peaking before the economic downturn set in.

"We've taken the steps we had to take, but this is not a process we're at all happy with. After all, the mantra of our organisation for the past many years has been that 'results are created by people'. However, we must place our production, logistics

and administrative resources where they create the most value."

Value creation will in fact be very much in focus in the next couple of years. Targets for 2010 are for all businesses to enhance their operating profit, to retain their working capital at a low level, which means at less than 20% of revenue, and to reduce debt in companies that have no major investments.

Schouw & Co. has defined some quite specific targets that are to be met within the next few years: the consolidated profit before tax must be at least DKK 500 million and the NIBD/EBITDA ratio must be less than 3. Each of the large portfolio companies have had targets defined for their EBIT margins: BioMar 5%, Fibertex 12%, Grene 9%, Hydra-Grene 15% and Martin to the 10% level.

Overall, Jens Bjerg Sørensen expects 2010 to be a challenging year in which the main task will be to work for development and value creation in the existing portfolio companies.

"With the work effort made in 2009, each of our portfolio companies are now better positioned to withstand turbulence, and even if the global economy is not about to recover, they are all in a position where they can potentially generate improvements in their markets and become winners," says Jens Bjerg Sørensen, explaining that all companies are in a stronger, more solid position than before and that they have demonstrated their commitment to being innovative and their drive and ability to make the right decisions going forward and to make investments with sound reason and profitability. In addition, they take a dynamic approach to their markets and are open to new ideas in terms of structure and organisation. Last, but not least, they are all strongly focused on their specific core business and markets:

"I believe that we've laid the groundwork for our companies to become strong players in their individual markets in 2010 and the following years and to lift our consolidated earnings considerably in a concerted effort."



BioMar

Financial performance

BioMar's revenue fell from DKK 5,321.3 million in 2008 to DKK 4,853.7 million in 2009. The decline was mainly attributable to the situation in Chile, where salmon farming operations, and in turn the feed market, have been severely affected by disease in fish stocks. Sales were also down in Continental Europe, in part due to a shrinking market and a deliberate decision not to accept orders from certain customers based on a high-risk assessment. Finally, lower raw materials prices and the resulting fall in selling prices explain 25–30% of the revenue setback.

Unlike the Americas and Continental Europe, the North Sea region reported strong growth.

EBIT improved by DKK 101.2 million from DKK 89.4 million in 2008 to DKK 190.6 million in 2009, driven to a large extent by the efforts to optimise the business and make it more efficient following the acquisition of Provimi Aqua.

Reducing the working capital was a general theme for BioMar throughout the year, and the dedicated efforts have yielded a reduction of tied-up capital from DKK 658.9 million at December 31, 2008 to DKK 325.5 million at December 31, 2009. Coupled with the healthy earnings, the lower capital tie-up helped to reduce the net interest-bearing debt by DKK 451.7 million to DKK 511.4 million at December 31, 2009.

The profit before tax for the year was DKK 139.9 million against DKK 33.4 million in 2008.

The profit from discontinuing operations, which is stated after tax, relates to the subsidiary Sjøtroll Havbruk (50.9%-owned), which was recognised at DKK 77.9 million in 2009, compared with DKK 0.1 million in 2008.

Business development

After the acquisition of Provimi Aqua in 2008 and in light of the uncertain effects of the economic crisis, the company's main focus in 2009 was on the day-to-day operations and on making the synergy potential from the Provimi Aqua acquisition materialise.

The situation of disease in salmon stocks in Chile deteriorated more than had been feared during the first half of the year and despite weak signs of improvement in the second half, the overall feed market fell by more than 40% relative to 2008. Obviously, this also affected BioMar, and the company responded swiftly to the situation early in 2009 by reducing its staff considerably. The swift move to adapt to the difficult situation contributed to maintaining satisfactory earnings.

The large Norwegian market outperformed the positive expectations, and production capacity became a restrictive factor during the high season. This situation underlines the importance of the capacity expansion currently under way at the factory in northern Norway and scheduled for completion in the early summer of 2011.





In BioMar's management, Carlos Diaz, formerly head of the Americas, took over as Vice President of Continental Europe on January 1, 2010, while Felipe Ureta, formerly CFO of the Americas, took over the Americas region. The change ensures continuity and full utilisation of skills and competencies across national borders. At the same time, Niels Alsted will be relieved of his dual management role, so that he can devote more time to, among other things, business development.

Outlook

Norway is expected to remain a huge growth market in the coming years, but problems of lice attacks in salmon stocks late in 2009 have dampened the short-term expectations.

Production capacity in Norway will be a restrictive factor for BioMar, and expanding sales in 2010 will be possible only to a very limited extent. Due to the unusually cold winter, sea temperatures are much lower than normal in most of the Norwegian fjords. This has a negative impact on feed consumption and, as a result, 2010 operations are off to a weak start in Norway.

There are indications that the situation in Chile is stabilising, and farmers are expected to release more fry in 2010 than they did in 2009. This will not affect feed consumption by very much in the short term, so the market for 2010 is expected to be about the same as for 2009. Considering the attractive biological conditions, however, Chile still offers a great fish farming potential in the long term.

Following the decline in 2009, Continental Europe is expected to improve slightly in 2010. There is some uncertainty, however, as to whether economic developments in certain countries in southern Europe, Greece in particular, will indirectly impact BioMar and the rest of the fish farming industry.

Assuming relatively stable markets in Chile and Continental Europe and considering the capacity restrictions in Norway, BioMar expects to generate full-year 2010 revenue of approximately DKK 5 billion and EBIT of DKK 175-200 million. Net financials are expected to be an expense of approximately DKK 45 million.

Sjøtroll Havbruk expects an improvement in profit before fair value adjustment of its biomass, but the performance will inherently depend strongly on developments in salmon and trout prices.

BioMar's post-2010 outlook is for renewed growth, as the company will again have the necessary production capacity in Norway and because renewed growth in Chile can reasonably be expected. BioMar aims to generate an EBIT margin of more than 5% within the next three years.

DKK million	2009	2008
Volume (thousands of tonnes)	710	750
Revenue	4,854	5,321
- from the North Sea	2,561	2,500
- from the Americas	984	1,398
- from Continental Europe	1,309	1,423
Cost of sales	(3,705)	(4,137)
Gross profit	1,149	1,184

DKK million	2009	2008
INCOME STATEMENT		
Revenue	4,853.7	5,321.3
Gross profit	691.1	612.4
EBITDA	317.9	283.5
Depreciation	127.3	136.6
Impairment	0.0	57.5
Operating profit (EBIT)	190.6	89.4
Share of profit from associates	(0.5)	0.0
Financial items, net	(50.2)	(56.0)
Profit before tax	139.9	33.4
Tax for the period	(41.1)	4.3
Profit from continuing operations	98.8	37.7
Profit from discontinuing operations	77.9	0.1
Profit for the period	176.7	37.8

DKK million	2009	2008
CASH FLOW		
Cash flow from operating activities	603.4	85.4
Cash flow from investing activities	(88.4)	(486.7)
Cash flow from financing activities	(467.4)	544.8

DKK million	2009	2008
BALANCE SHEET		
Intangible assets*	331.8	282.3
Property, plant and equipment	760.1	764.5
Other non-current assets	121.0	102.7
Cash and cash equivalents	368.0	450.7
Other current assets	1,285.5	1,573.9
Assets held for sale	1,207.6	972.4
Total assets	4,074.0	4,146.5

Equity	1,648.5	1,331.8
Interest-bearing debt	879.4	1,413.8
Other creditors	1,044.2	969.4
Liabilities classified as held for sale	501.9	431.5
Total liabilities and equity	4,074.0	4,146.5

DKK million	2009	2008
FINANCIAL KEY FIGURES		
Average number of employees	685	741
EBITDA ratio	6.5%	5.3%
EBIT ratio	3.9%	1.7%
ROIC	14.7%	6.8%

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

Product development the key to success

Efficiency expressed in earnings per kilogram and ongoing innovation are key focus areas for BioMar. Strategy revised from "going for global growth" to "going for profitable global growth".

Advanced feed for sustainable fish farming

BioMar is the world's third-largest manufacturer of quality feed for sustainable industrial fish farming, which is centred mainly in Europe, Chile and Canada. On average, one in four fish farmed in Europe or Chile is raised on feed from BioMar. BioMar's feed covers all stages of a fish lifecycle from larvae feed, fry feed, smolt feed to grower feed and hatchery feed. Globally, BioMar supplies feed for more than 25 fish species in about 50 countries.

Consolidation following the takeover of Provimi and focus on profitability and production efficiency were the cornerstones of BioMar's operations in 2009, and the company can look back on a year that turned out to be much better than expected and ahead of a fish feed market that will certainly be no less competitive and where demands for differentiation will continue to grow.

"One of our greatest successes is that we managed to enhance our earnings substantially in spite of an overall drop in fish feed sales from 750,000 to 710,000 tonnes. Earnings improved for three reasons: First, we have lowered our overheads. Second, we managed to bring down production costs by optimising our feed composition and achieving efficient production. Third, we've managed to raise selling prices per kilo of fish relative to the price of raw materials by a few, but important, per cent," says BioMar CEO Torben Svejgård.

Developments during the year in BioMar's two largest single markets, Chile and Norway, were rather dissimilar.

In Chile, revenue fell from DKK 1.4 billion in 2008 to DKK 1.0 billion, because the Chilean fish farms have been struck by a virus that reduced the stocks of Atlantic salmon by 65–70% in only a year.

Previously, Atlantic salmon made up more than half of the total stocks of the three salmon species being farmed in Chile.

"We have aligned our production in Chile to the current situation and we expect that it will be several years before production again reaches a high level," explains Torben Svejgård.

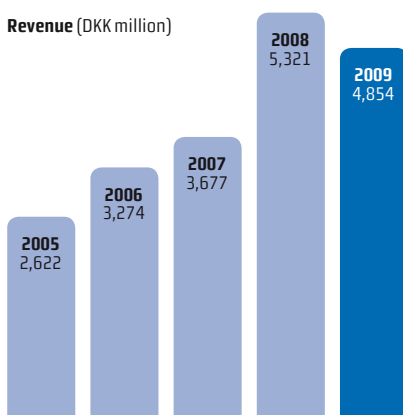
On the other hand, the Norwegian market expanded considerably in 2009 and well ahead of expectations:

"We've simply had to turn down new orders. We couldn't produce feed fast enough. Fortunately, growth in the Norwegian market is likely to continue over the next few years, and from spring 2011, we will begin to supply feed from our new ultra-modern production plant at Myre in northern Norway."

BioMar's Norwegian fish farming business Sjøtroll Havbruk has also proven to be a good investment during the past year of market expansion in Norway. In addition, Sjøtroll's new management, which came on board in 2008, has successfully implemented initiatives that are lifting the company's earnings.

Sjøtroll is not a strategic operation, and BioMar took an ownership interest in the company in 2004 as part of a refinancing scheme.

Revenue (DKK million)





"We took a stake in the company in order to secure payment of the fish feed we had supplied. It's not our intention to stay on as owners, and we're working actively to find a different ownership structure," says Torben Svejgård.

In order to be strongly positioned for the future, BioMar endeavours to optimise its fish feed, so that it is always as effective and inexpensive as possible, always taking into consideration fish quality and the sustainability of the raw materials used. In addition, BioMar regularly develops new products in close cooperation with research institutions and customers.

"We can stand out from the competition by being innovative and thereby create value for our customers. It's through products such as fish feed with probiotics, specially-developed recirculation feed and feed that enhances the mucous layer of the fish and helps to prevent lice attacks that we can make a difference, and our customers know that," explains Torben Svejgård.

What has it meant for your business to be under Schouw & Co. ownership?

"Through the company's commitment and drive, Schouw & Co. has given us a strong platform from which to develop BioMar."

Torben Svejgård, CEO, BioMar





Research paved the way to new, unique feed

They look like any other feed pill, but in fact the feed pills on the table are BioMar's new, unique fish feed with probiotics. Launched at the beginning of the year, the new feed is the result of extensive European research and it was given a good reception by fish farmers.

While probiotics are commonly used in animal feed and are becoming more and more widespread in foods (in yogurts, for example), they are new to European fish farming. In popular terms, a probiotic consists of natural, living microorganisms that when added to food or feed in the right quantities help to strengthen the natural immune systems of people and animals and thereby to improve their state of health.

Scientific experiments have shown that adding probiotics to feed reduces the risk of fish getting a virulent disease of the intestines for which severe outbreaks have been recorded in several European countries. In addition, the use of probiotics reduces the risk of deformities considerably. Overall, better health means

better fish welfare, lower mortality and not least considerably less waste in the processing of the fish, which in turn means a better financial state of health for the fish farmers.

"We still can't fully quantify what this launch will mean to us earnings-wise, but we expect that combined with other ongoing improvements, it will help to strengthen our bottom line, because we are first on the market with a product that has a documented effect. Furthermore, healthier fish means better customer financial health, and obviously that is good for BioMar," says Torben Svejgård.

He sees an independent value in the fact that BioMar, through the research and tests that have led to the development of the new feed, has proven itself as a reliable and credible partner to the professional research environment:

"It means a lot to a company focusing on innovation and development, and it puts us in a position where we will be able to play a role in the development of more new products in the future."



Sjøtroll Havbruk

Its annual production of 24,500 tonnes of gutted fish makes Sjøtroll one of Norway's and thus one of the world's largest producers of salmon and trout. Trout accounts for about 35% of the output, making Sjøtroll one of the most important trout farming businesses in Norway.

Sjøtroll operates throughout the value chain, from hatching roe from broodstock to filleting. Production takes place at the company's 25 farming facilities, four fry facilities and two packaging and processing plants. Sjøtroll mainly sells its products to the EU, but also sells considerable quantities to Russia. The finished products span from whole gutted salmon weighing from three to seven kilograms to ready-to-cook fillets.

Price levels for both salmon and trout were very attractive during parts of 2009, in part because of the diminished competitive strength of the Chilean fish farming industry. In addition, Sjøtroll has gradually lowered its cost per kilogram of fish produced.

Torben Svevgård is pleased with the 2009 results: "Sjøtroll signed a number of fixed-price contracts during the year, so subsequently rising fish prices had a negative impact on our financial results, but under the circumstances we are pleased with the performance. If fish prices remain at attractive levels in 2010 and we manage to continue to lower our costs, we would expect to improve profits in 2010, as we will also be able to increase slaughtered volumes by up to 15%. Sjøtroll gradually enhanced its efficiency during 2009 and although we haven't quite implemented our current initiatives, it will of course give us a better platform from which to operate in the next couple of years."

BioMar has held an ownership interest in Sjøtroll since 2004. In 2007, the company bought an additional stake, bringing the interest to 51%:

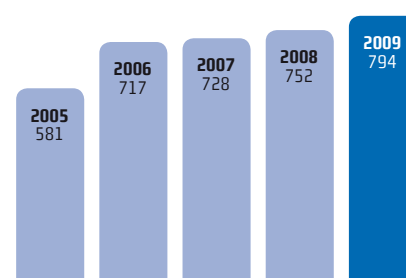
"Having majority ownership means that we can better define the agenda for the business. Sjøtroll has gone through an important period of transformation in which we've made a dedicated effort to enhance its efficiency and added new, strong resources at both management and board level.

BioMar's core activity will always be to produce fish feed. This is the business we want to invest in and grow, and the proceeds from a future sale of Sjøtroll will become an important element in our work to develop our core business activities," explains Torben Svevgård.

Sustainable salmon and trout farming

Sjøtroll is the world's 13th largest producer of salmonids, i.e. salmon and trout, with an annual gross production of just over 30,000 tonnes. Sjøtroll is a Norwegian business based in Hordaland south of Bergen and it employs a total of 240 people. BioMar holds a 51%-stake in Sjøtroll, but as fish farming is not a core strategic activity at BioMar, work is currently ongoing to find a different ownership structure for Sjøtroll.

Revenue (NOK million)



DKK million

2009 2008

INCOME STATEMENT

Revenue	680.9	680.3
Gross profit	343.3	211.6
EBITDA	161.5	10.2
- of which IAS 41 biomass adjustments	34.0	(6.5)
Impairment*	0.0	0.0
EBIT	161.5	10.2
Financial items, net	(51.5)	(15.5)
Profit before tax	110.0	(5.3)
Tax for the period	(32.1)	5.4
Profit for the period	77.9	0.1

CASH FLOW

Cash flow from operating activities	78.4	1.9
Cash flow from investing activities	(31.0)	12.3
Cash flow from financing activities	(45.3)	(12.5)

BALANCE SHEET

Intangible assets**	394.9	334.4
Property, plant and equipment	336.5	254.3
Other non-current assets	4.9	8.8
Cash and cash equivalents	9.1	6.5
Other current assets	462.2	368.4
Total assets	1,207.6	972.4
Equity	699.9	523.1
Interest-bearing debt	323.0	306.5
Other creditors	184.7	142.8
Total liabilities and equity	1,207.6	972.4

FINANCIAL KEY FIGURES

Average number of employees	277	249
EBITDA margin	23.7%	1.5%
EBIT margin	23.7%	1.5%
ROIC	25.7%	1.6%

* Depreciation of businesses classified as discontinuing operations is reversed

** Including goodwill on colidation in BioMar of DKK 97.5 million (2008: DKK 82.5 million)



Fibertex

Financial performance

Fibertex generated revenue of DKK 1,350.1 million in 2009, compared with DKK 1,589.6 million in 2008. The drop in revenue derived from both Fibertex Personal Care and Fibertex Industrial Nonwovens and was mainly due to lower raw materials prices, but also to generally lower sales by Fibertex Industrial Nonwovens.

The performance reflects the different cyclicity of the two businesses. While Fibertex Personal Care has not been materially impacted by the economic downturn and reported decent sales in 2009 when adjusting for the change in raw materials prices, Fibertex Industrial Nonwovens suffered sluggish demand, especially from the furniture and bedding industries and from the automotive industry. Sales of geotextiles for infrastructure projects and sales to the composites industry stabilised gradually as the year progressed.

EBIT for the year was DKK 117.4 million against DKK 88.3 million in 2008. The profit improvement was greater than had been anticipated and derived especially from a positive performance by Fibertex Personal Care. The two main contributing factors of the performance were the plunge in raw materials prices, which spurred earnings early in the year, and the good results reported from Malaysia. Due to the difficult market situation, earnings in Fibertex Industrial Nonwovens were generally under pressure throughout 2009.

Fibertex reduced its working capital by DKK 104.0 million in 2009 to DKK 276.2 million from DKK 380.2 million at December 31, 2008. The company reduced its net interest-bearing debt by DKK 225.7 million during the year to DKK 713.5 million from DKK 939.2 million at December 31, 2008.

The reported profit before tax for 2009 was DKK 91.0 million against DKK 60.4 million in 2008.

Business development

Fibertex Personal Care has production facilities in Denmark and Malaysia and is a well-renowned supplier in both Europe and Asia in terms of quality and innovation. In 2009, Fibertex Personal Care won two customer awards in this respect: a 'Best Supplier'-award from Ontec and a 'Supplier Excellency'-award from Procter & Gamble that is bestowed on only the very best of their suppliers.

In 2008, Fibertex announced a number of new products that were shipped to the market in 2009, including supersoft products, products with high performance leakage barriers, and not least print products that Fibertex can deliver through its partly-owned business Innowoprint in Germany.

Fibertex Personal Care implemented additional production efficiency improvements during 2009, enabling the business to satisfy the increase in demand that occurred during the last part of the year.

Fibertex Industrial Nonwovens has production facilities in Denmark and the Czech Republic. In early 2010, Fibertex Industrial Nonwovens established a factory in South Africa in cooperation with local business partners and IFU, the Industrialisation Fund for Developing Countries, for the purpose of manufacturing and selling needlepunch products, mainly geotextiles, and also to sell other products to South Africa's growing automotive industry.

Fibertex Industrial Nonwovens has thoroughly modernised its production facilities in recent years, launching new and improved products in a bid to enhance its competitive strength. As a result of these efforts, the factories in Denmark and the Czech Republic opened new super-efficient production lines in 2009, and older, redundant production facilities were closed down.

Fibertex Industrial Nonwovens has worked to align operations to the weaker market demand, preparing to capitalise on the growth potential once demand recovers. The market position will



be expanded and strengthened in areas of business growth and geographical growth markets. The core activities are to grow sales of geotextiles for infrastructure projects, match the growth in the composites industry and exploit the potential of the new products launched for the automotive industry.

Fibertex Personal Care and Fibertex Industrial Nonwovens share a number of joint activities that are gradually becoming more efficient. In recent years, this has produced substantial cost savings, in part ranking assignments in a strict list of priorities and outsourcing tasks from Denmark to the Czech Republic or Malaysia.

Outlook

Fibertex' various business areas are exposed to economic developments to different degrees, which has an impact on the company's outlook for 2010.

Fibertex Personal Care's markets are growing, especially in Asia, where the company expects to commence a major capacity expansion in 2010.

Fibertex Industrial Nonwovens projects moderate growth rates in 2010. Market conditions are expected to stabilise and demand is expected to rise gradually during the year, but the market will remain very competitive due to general surplus capacity in Europe.

On the other hand, Fibertex Industrial Nonwovens stands to capitalise in 2010 on the efficiency-improving measures it has implemented and on the new products it has launched in recent years.

As a result, Fibertex expects to generate revenue of approximately DKK 1.5 billion and EBIT in the range of DKK 100-125 million in 2010. Fibertex aims to lift its EBIT margin to around the 12% level over the next three years. Net financials for 2010 are expected to be an expense in the region of DKK 30 million.

DKK million	2009	2008
Revenue	1,350	1,590
Of which from Personal Care	935	1,090
- Denmark	564	664
- Malaysia	371	426
Of which from Industrial Nonwovens	415	500
- Denmark	256	322
- Czech Republic	159	178

DKK million	2009	2008
INCOME STATEMENT		
Revenue	1,350.1	1,589.6
Gross profit	273.5	250.9
EBITDA	250.4	219.2
Depreciation	132.9	130.9
Impairment	0.1	0.0
Operating profit (EBIT)	117.4	88.3
Share of profit from associates	0.0	0.0
Financial items, net	(26.4)	(27.9)
Profit before tax	91.0	60.4
Tax for the period	(22.0)	(12.1)
Profit for the period	69.0	48.3

CASH FLOW		
Cash flows from operating activities	283.1	122.1
Cash flows from investing activities	(57.4)	(131.0)
Cash flows from financing activities	(231.5)	26.4

BALANCE SHEET		
Intangible assets*	31.8	32.3
Property, plant and equipment	1,048.2	1,129.1
Other non-current assets	108.0	85.1
Cash and cash equivalents	18.6	24.4
Other current assets	450.3	538.9
Total assets	1,656.9	1,809.8

Equity	628.2	562.6
Interest-bearing debt	732.1	963.6
Other creditors	296.6	283.6
Total liabilities and equity	1,656.9	1,809.8

FINANCIAL KEY FIGURES		
Average number of employees	719	765
EBITDA margin	18.5%	13.8%
EBIT margin	8.7%	5.6%
ROIC	8.4%	5.9%

* Excluding consolidated goodwill in Schouw & Co. of DKK 80.1 million.

Service and consistent high quality make the difference

Fibertex Personal Care wins customer confidence through close and trusting relationships with innovation high on the agenda.

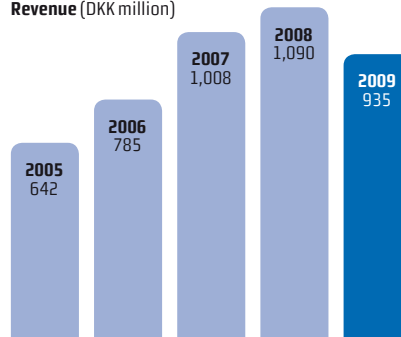


What has it meant for your business to be under Schouw & Co. ownership?

"The ownership has enabled us to go for growth in a capital-intensive industry and given us room and time to concentrate on our business. Confidence has been key in the relationship with our owners."

Mikael Staal Axelsen, CEO, Fibertex Personal Care

Revenue (DKK million)



Fibertex Personal Care's CEO Mikael Staal Axelsen can look back on a year in which his company felt the impact of the global economic crisis, although in a different way than other industrial businesses.

The year began with a plunge in the price of the raw material polypropylene, an oil-based plastics granulate used to produce the light-weight fibres the non-wovens are made from.

"The falling prices were good for us and they provided compensation for the drop in our revenue, but sales were in fact relatively stable during the year. We experienced a setback in China and eastern Europe, but sales were largely unchanged in our established markets of western Europe and Japan. By now, however, the markets have already turned, in both Asia and Europe. We're turning down orders now."

Although its competing suppliers of nonwovens have also felt the effects of the drop in raw materials prices, Fibertex Personal Care has a strong market position, having concentrated for many years on supplying products of exceptional and consistent quality while at the same time building close and trusting relationships with its customers.

This is more than just words, as a couple of events in 2009 show:



All products pre-sold

Fibertex Personal Care manufactures non-wovens, i.e. lightweight fabrics used in the personal care industry in Europe and Asia, mainly in the production of babies' nappies but also for sanitary towels, incontinence products and products for the pharmaceutical industry. Two production lines in Malaysia and three lines at the factory in Aalborg, Denmark, operate 24/7 in five shifts and the entire output is pre-sold. Nothing is manufactured for stock.

Strong growth is expected in this industry going forward, especially in Asia. Today, some 20–30% of Asian babies use disposable nappies, while in Europe the rate is close to 100%. Due to the growth potential, Fibertex Personal Care expanded the capacity of the Malaysian factory, which opened in 2003, by more than 10%.

In March, Fibertex Personal Care was named supplier of the year ahead of 80 other suppliers by Ontex, one of Europe's largest manufacturers of sanitary towels, nappies and incontinence products and a leading manufacturer of private label products. In its motivation, Ontex stressed

Personal Care's high level of service, among other things.

In November, Fibertex Personal Care won an award for the second year running for supplying a quality product to Procter & Gamble, the international consumer goods group whose product range includes Pampers nappies. Only 55 of Procter & Gamble's more than 80,000 suppliers achieved that honour, and once again, the motivation for naming Personal Care was its innovation and cooperation.

Holding a M.Sc. and a Ph.D. in Mechanics of Materials from Aalborg University and having formerly worked

in R&D at Fibertex, Mikael Staal Axelsen is of course very dedicated to innovation and product development:

"We are constantly running a number of development projects in order to spearhead innovation and offer our customers nothing but the best. During the last three years, we have focused on printing, leakage barriers and softness. On the other hand, for most of the things we work on, you have to be a little 'nerdy' to understand it and to find it interesting. A difference in weight of just one gram per square metre fabric can be a revolution for the product; and for profitability."

Fibre colours and patterns galore

Today, the small toy duck on the baby's nappy is printed on a piece of plastic film that is placed inside the material of the nappy. For a couple of years, Fibertex Personal Care has pursued an idea of developing a method for prints and colours to be printed directly on nonwoven materials, which make up the main part of a nappy. That vision is now ready to come true, thanks to the unique development efforts of Fibertex Personal Care and a local German company, Christiansen Print, that started some two years ago.

The challenge was to be able to print dif-

ferent patterns on the light-weight fibre material in an almost never-ending line, and to ensure that the prints are completely harmless and do not rub off and have every conceivable health and safety approval. The mission was accomplished through extensive and diligent efforts and the two parties joined forces to establish a factory in Germany, Innovo Print, which today prints directly on 1,000 of the some 70,000 tonnes of products that Fibertex Personal Care manufactures every year. Print is still used mostly for incontinence products, but the potential is massive:

"Printing on nonwovens is more expensive than

conventional solutions. That's why our development department is working to develop a printing technology that will add value to our products. For example, we can make 3D-designs, we can add a fragrance to a colour and add a print that changes colour," explains Mikael Staal Axelsen.

The latest development project is to develop conductive prints, so that nursing staff can monitor if a continence nappy is wet or dry without having to wake a sleeping patient.



Fit for growth

Fibertex Industrial Nonwovens manufactures needlepunch products for a wide range of industrial applications. Customers include leading manufacturers of furniture, bedding and carpets and sub-contractors to the automotive industry. Geotextiles from Fibertex Industrial Nonwovens are used in construction projects all over the world. The company also produces materials for composites, especially for the wind turbine industry, as well as DIY products for the home and garden and niche market filter and acoustics products.

The company spent 2009 and the preceding years trimming the organisation, upgrading and streamlining the production processes and making the many products lighter, stronger and more standardised. At Aalborg, two lines run around the clock with staff working in five shifts, and four lines are in operation in the Czech Republic. An old Czech factory has been closed down.

In addition, the company recently set up operations in South Africa to produce geotextiles for infrastructure projects and fibre materials for the auto industry.

Focus on growth areas

Focus on geotextiles and highly value-added products for the manufacturing of composites were highlights of a difficult year.

Fibertex Industrial Nonwoven's traditional markets collapsed with a bang in early 2009. Revenue plunged by 35% in the first quarter relative to the same period of 2008.

"With the automotive and the mattress industries making up a large and impor-

tant part of our customer base, it makes sense that we were hit hard by the global economic crisis. But because we had slimmed both our administrative organisation and our production facilities and because throughout the year we'd managed to align our production to demand, we've emerged in good shape on the other side of the downturn," says Jørgen Bech Madsen, CEO, Fibertex Industrial Nonwovens.

Furthermore, all markets recovered somewhat during the year, so our 2009 revenue was down by 17% on 2008. Geotextiles and products for composites did much better than the other product areas, and Jørgen Bech Madsen expects

to see decent growth rates in these areas in 2010, but he projects more moderate growth in the traditional industry markets.

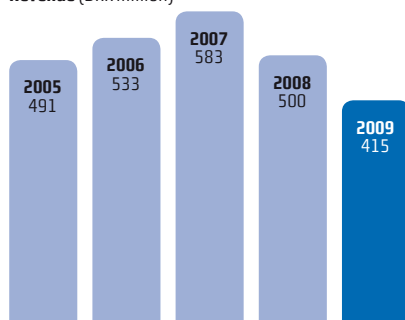
The crisis has triggered a boom in infrastructure projects in a number of European countries where they are an employment-promoting measure.

"And when they build roads and other traffic works, they need our products."

Geotextiles are like large 'covers' rolled out between gravel and sand in roadworks in order to stabilise road structures and make them durable, or they are used for land reclamation, foundations and similar projects.

Another product area experiencing growth is fibre sheets used as an aux-

Revenue (DKK million)





Nanofibres and nonwovens – a marriage made in heaven

Innovations are made in the Fibertex research laboratory. In a corner, there is a machine, appropriately named "Nanospider", producing ultra-thin nanofibres which are subsequently combined with non-woven fibres and turned into products with entirely unique properties.

"The nanotechnology has given us a completely new technological platform which means that we are able to create products that have never been seen before by combining nanofibres with our own more classical fibres. The goal is to develop a whole new business area," explains Jørgen Bech Madsen.

The nano project has generated a number of basic technologies where the combination of nanofibres and nonwovens has resulted in, among other things, the development of materials capable of filtering particles that were previously very expensive – or quite impossible – to filter. One of the first Fibertex combination products is already being used in Asia for the filtering of Influenza A.

iliary material in the production of composite materials, such as for moulding wind turbine blades. The production process becomes much simpler, faster and less expensive, and there is a much smaller need for processing and finishing the composite material.

"This is an innovative and fast-growing field, not least due to the close partnership we have with the manufacturers," says Jørgen Bech Madsen.

What has it meant for your business to be under Schouw & Co. ownership?

"It has provided us with the scope to implement the transition from a traditional industrial business to a modern, innovative business. It means that we have the capital strength to develop and optimise our business."

Jørgen Bech Madsen, CEO, Fibertex Industrial Nonwovens



Fibres trimmed of fat

Trimming the administration at Fibertex created managerial flexibility and scope for value-creating activities.

Until the end of 2007, Fibertex had grown constantly for the preceding twelve years. Revenue had increased five-fold, but costs had also gone up dramatically, so earnings had been falling for five years in a row.

"We had reached a point where we just had to improve our earnings. Administratively, we had become very top-heavy. We had support functions at group level that performed their duties with great expertise but did not add sufficient extra value to the business. We realised that we had to re-establish our focus on our production efficiency, our products and our customers. To achieve that, we had to trim off any unnecessary fat at group level and integrate the functions much deeper in the business-oriented activities," explains Jørgen Bech Madsen.

This realisation resulted in a complete reorganisation of the company. The administrative superstructure was eliminated, the value-creating support functions were integrated in either Fibertex Personal Care or Fibertex Industrial Nonwovens, and there was a much greater focus on business-oriented activities. All reporting was left to IT-based online systems whose sole purpose is to support the business activities. At the same time, a cross-border optimisation process was implemented, as a result of which some finance and IT functions are now based in either the Czech Republic or Malaysia.

In addition to major salary savings, considerable resources were also released in the form of manpower and management potential.

Grene

Financial performance

Since the onset of the economic crisis in the autumn of 2008, Grene has navigated an uncertain and declining market. Europe's agricultural sector is struggling with low settlement prices, debt-ridden farms in Denmark are facing major challenges and most industrial businesses have been hit by dwindling sales. Combined with negative foreign exchange developments, especially for the DKK/PLN rate, this caused Grene to suffer a 12.8% revenue decline from DKK 1,307.5 million in 2008 to DKK 1,140.3 million in 2009.

EBIT for the year was DKK 30.8 million against DKK 54.7 million in 2008. The decline was mainly caused by the Danish companies and was also a result of the costs of establishing and developing operations in the emerging markets of eastern and central Europe.

Grene made a dedicated effort to lower its working capital in 2009, and by the end of the year the working capital had been reduced by DKK 98.4 million to DKK 358.2 million from DKK 456.6 million at December 31, 2008. The company reduced its net interest-bearing debt by DKK 91.4 million during the year to DKK 448.8 million from DKK 540.2 million at December 31, 2008.

The profit for the year before tax fell from DKK 26.5 million in 2008 to DKK 15.1 million in 2009.

Business development

Grene's Agro business operates in the Nordic region, Poland and recently expanded activities to Russia.

The agricultural industry throughout Europe has felt the effects of the economic crisis. Danish agriculture has been espe-

cially hard hit, while the other Scandinavian markets are not quite as affected by the crisis. On the other hand, Poland's agricultural industry has experienced a good performance in certain areas. Grene operates 84 retail outlets and an efficient warehouse in Poland and is well-positioned to exploit the market opportunities. The Polish market is expected to provide both organic and acquisitive growth opportunities.

Through their jointly-owned company Grene Kramp Holding, Grene and its long-standing Dutch business partner Kramp Groep have worked together in recent years to develop the business activities in eastern and central Europe. The efforts have mainly focused on Russia, where the joint venture has completed the construction of a 6,800 m² warehouse and office facility some 50 kilometres south of Moscow, which is expected to be operational in the first half of 2010.

Grene Kramp Holding has also operated a small business in the Czech Republic, which unfortunately did not become sufficiently profitable. Effective at the turn of the year, this Czech-based operation was therefore divested to Kramp Group, which will integrate it with other Kramp activities in the area. The financial consequences of the divestment are recognised in the 2009 financial statements.

Grene Industri-service and Grene Industri-OEM handle the activities in the Industry business area. Grene's ambition in the Industry sector is to become the preferred service partner within industrial maintenance and to further strengthen its position as a supplier to the OEM segment specialising in selected product areas.

The Industry business has been severely hit by the effects of the economic crisis. Output and employment in the field have plunged



during the past year, and there are no certain indications of any general significant improvement occurring in the foreseeable future. However, Grene holds a good position in this business area and has the ability to adapt to the changes in demand patterns.

Outlook

Grene expects to continue to feel the effects of the economic slump in 2010 through persistent subdued demand for the company's goods and services.

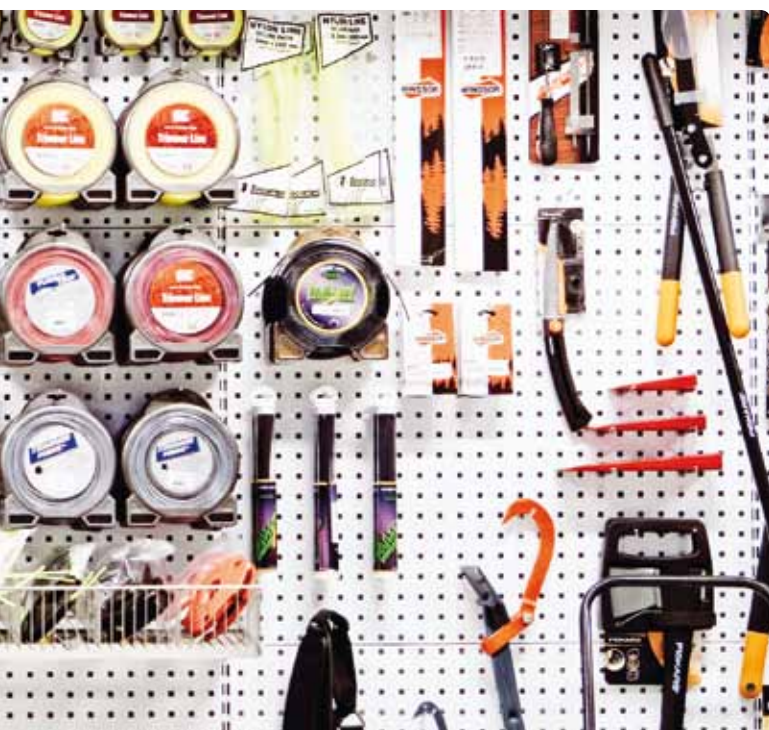
In the Agro business, the company anticipates moderate improvements in the Nordic markets and a continued positive development in the markets of eastern and central Europe. Expectations are very high for the Russian operations, although the new activities are not expected to be a profit contributor in 2010.

In the Industry business area, projections are for a minor revenue improvement in 2010 following the substantial revenue decline suffered in 2009 relative to 2008.

In 2009, Grene implemented the adjustments deemed necessary on the basis of current expectations for future developments, and based on the initiatives already launched, Grene is strongly positioned for when business activity recovers.

Grene expects to generate revenue of approximately DKK 1.2 billion and EBIT in the range of DKK 30-50 million in 2010. Grene aims to lift its EBIT margin to around the 9% level over the next three years.

Net financials for 2010 are expected to be an expense in the region of DKK 20 million.



DKK million	2009	2008
Revenue	1,140	1,307
- of which Industry	305	353
- of which Agro	835	954
- in Denmark	257	289
- in Poland	368	440
- in Sweden	99	114
- in Norway	58	65
- in Finland	27	23
- other Agro	26	23

DKK million	2009	2008
INCOME STATEMENT		
Revenue	1,140.3	1,307.5
Gross profit	348.0	409.2
EBITDA	61.6	81.8
Depreciation	28.3	27.1
Impairment	2.5	0.0
Operating profit (EBIT)	30.8	54.7
Financial items, net	(15.7)	(28.2)
Profit before tax	15.1	26.5
Tax for the period	(6.1)	(7.8)
Profit for the period	9.0	18.7

CASH FLOW		
Cash flows from operating activities	131.5	(21.1)
Cash flows from investing activities	(41.5)	(51.6)
Cash flows from financing activities	(83.1)	75.1

BALANCE SHEET		
Intangible assets	17.4	20.1
Property, plant and equipment	304.1	279.0
Other non-current assets	9.3	5.0
Cash and cash equivalents	15.4	8.5
Other current assets	466.4	574.6
Total assets	812.6	887.2
Equity	218.6	206.3
Interest-bearing debt	464.2	548.8
Other creditors	129.8	132.1
Total liabilities and equity	812.6	887.2

FINANCIAL KEY FIGURES		
Average number of employees	925	943
EBITDA margin	5.4%	6.3%
EBIT margin	2.7%	4.2%
ROIC	4.7%	7.6%

What has it meant for your business to be under Schouw & Co. ownership?
"The Schouw & Co. ownership has eliminated a lot of the pressure we would otherwise have felt in a difficult period. We've been able to focus on looking ahead and thinking about our next step. It's been a huge support in our efforts to develop the company."

Carsten Thygesen, CEO, Grene



Moving east with the market

As a spare part supplier to the agricultural sector, Grene maintains a presence in countries with large areas of agricultural land and where unbroken land is still being furrowed. Having a presence in these countries is a must, if Grene is to achieve its growth ambitions.

Although feeling the effects of the economic downturn in 2009, Grene also spent the year preparing for an upcoming economic recovery by optimising the business and making it more efficient, and by focusing on emerging markets.

According to CEO Carsten Thygesen, reality exceeded the concerns that Grene

had had at the start of the year about an economic downturn:

"We've had a tough time in our Industry business and in the Agro business we were hit extremely hard, especially in the Danish market, and even more than we expected. To combat the problem, we've launched a number of programmes to manage costs

Partnership creates a new product area

A decision and two years of hard and intensive preparations preceded the launch of Grene's new product area under the almost poetic name of "Garden, Park and Forest". This area is a supplement to Grene's traditional product areas, Industry and Agro.

In a modest way, the product area was launched to the Danish market with some one thousand items in stock half way through 2009, including replacement blades and belts, spare parts for machinery and motors as well as a variety of equipment for use in gardens, parks and forests. At the same time, great efforts are made for Grene to become sole distributor of a number of brands and spare parts within the product area.

The basic idea of "Garden, Park and Forest" is to give customers the opportunity – also within this product area – to benefit from Grene's core competence: ordering, selling and distributing spare parts in a manner that is both easily accessible and provides security of delivery.

"People outside our industry may well ask what it is that is particularly innovative about creating such a business area. The thing is that

specialist and agricultural machinery suppliers now have a one-stop shop where previously they had to deal with up to 30 manufacturers. And they also have access to all our other products," explains Carsten Thygesen.

The reason why Grene decided to go for this business area is partly massive demand from customers and partly the great success of the company's Dutch partner, Kramp Groep, with a similar venture:

"Our launch is facilitated by the opportunity we have to draw on Kramp's experience; also, during the start-up phase, we are able to cooperate with Kramp and perhaps buy the majority of the products together with or through Kramp," says Carsten Thygesen, who regards 2009 as an introductory year in which the product range is being developed and the necessary adjustments made, so it will be ready for launch in the rest of Scandinavia during 2010.

"Our initiative has been well-received by the Danish market, and we expect that, over time, the area will increase our annual turnover by a not insignificant amount," says Carsten Thygesen.

Any product for any purpose – more or less

Grene is Scandinavia's leading supplier of spare parts and accessories for the agricultural sector and for industry, and now also carries a full range of garden, park and forestry products. The company began as a manufacturer of unoriginal spare parts, but today Grene is a one-stop supplier of anything a farmer needs. As a matter of curiosity, Grene is the only company in Denmark

still manufacturing ready-mounted cutters for combine harvesters.

In the Industry business, Grene supplies components, technical articles and services. Typical customers are small and medium-sized manufacturers and industry players in need of turnkey solutions and not just single products. Grene carries more than 100,000 items in stock.

and align our working capital to the situation."

Throughout 2009, Grene was focused on optimising and enhancing the efficiency of the business. Steps taken included closing down warehouses in Vilnius, Lithuania and Oslo, Norway and relocating the Baltic market office from Denmark to Poland. The company still serves the Nordic region from the warehouse in Skjern, Denmark.

Our warehouses are a huge asset for us. They have to run as efficiently as possible and be used as much as possible. Cutting back is not the key to success in the long term, but with the structural measures we have implemented, we can provide our services much cheaper and that gives us a competitive edge in the markets where we choose to set up operations," says Carsten Thygesen. He believes that the key to growth and success is to focus on the emerging markets of eastern Europe, where indeed many acres of farmland are available and where other-

wise unbroken land is still being furrowed for the first time:

"Danish agriculture and agriculture in the other Nordic countries have run out of expansion opportunities. There is 2.7 million hectares of agricultural land in Denmark. In Russia alone, there is 123 million hectares of cultivated land. That is one of the reasons why we have to go east with the market."

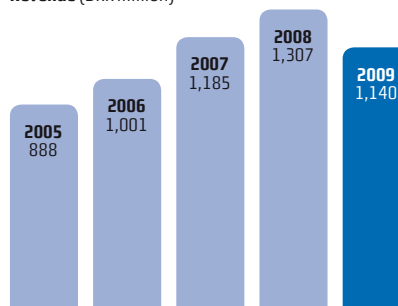
In 2008, Grene and its Dutch partner, Kramp Groep, accepted the consequences of this development and established operations in Russia. The company's new, almost 7,000 sq.m. state-of-the-art warehouse and adjoining office facilities in Chekhov some 50 kilometres south of Moscow was completed in 2009. GreneKramp, the first pure wholesaler of agricultural spare parts in Russia, began selling spare parts in early 2009 and now employs a staff of 25 people.

"This could become bigger than the businesses we run in the western European markets today. Russian agriculture needs

to be modernised and become more efficient, and that process will be ongoing over the coming years. That's why now is the time – crisis or no crisis – that we have to establish a presence in the country," says Carsten Thygesen, who hopes that Russia will turn out as successful as Grene's Polish operations established in 1995, very soon after that market opened and way ahead of the competition.

"Once again, we've taken a counter-cyclical approach and it is certainly not risk-free. We've now become a very well-known brand in Poland, and even now in the midst of a crisis we've had a very good year!"

Revenue (DKK million)



Hydra-Grene

Financial performance

Hydra-Grene generated revenue of DKK 417.2 million in 2009, compared with DKK 531.2 million in 2008. The 21.5% setback was attributable to generally subdued demand in the industry.

EBIT for the year was DKK 62.6 million against DKK 105.7 million in 2008. The lower profit was mainly a logical effect of the revenue decline, but the performance was also suppressed by an increase in the write-down of obsolete stocks.

During the reporting period, Hydra-Grene made a dedicated effort to reduce inventories and adapt to the current situation. The company reduced its working capital by DKK 56.4 million during the year to DKK 160.3 million from DKK 216.7 million at December 31, 2008.

The company reduced its net interest-bearing debt by DKK 61.2 million during the year to DKK 17.4 million from DKK 78.6 million at December 31, 2008. In an assessment of the developments in the net interest-bearing debt, it is also important to note that Hydra-Grene distributed dividends of DKK 48.0 million to Schouw & Co. during the year.

The profit before tax for the year was DKK 60.0 million against DKK 101.9 million in 2008.

Business development

Schouw & Co. usually reviews all the Grene businesses as a single unit, but given the successful development of Hydra-Grene into a leading supplier of hydraulics and related services in recent years, hiving off the business was a natural and logical step.

Accordingly, the company was demerged from the other Grene businesses in 2009. The demerger took effect for accounting purposes at January 1, 2009, but it was formally completed in the second quarter of 2009. The demerger has not resulted in any practical changes to the day-to-day operations of Hydra-Grene or any of the other Grene businesses, but it has naturally brought the business areas more into focus as separate units.

Hydra-Grene continues the work to enhance its ability to follow major customers around the world, including by establishing bridgeheads in relevant markets. For example, the company has started selling products to the wind turbine industry in China and expects to start up production in China on a small scale in the first half of 2010.

Activity was weak in the Indian market, where Hydra-Grene runs a sales office, but activity is expected to pick up in 2010. In addition, Hydra-Grene expects to set up a sales division in the USA during 2010.

In the years prior to 2009, Hydra-Grene extended its production facilities at Skjern, constructing new production premises and investing in new production equipment.

These new activities include in-house production of valve blocks and shipments of complete kits to major industrial customers in Denmark and abroad, production of bent pipes and pipe fitting and flushing (cleaning) of the finished components



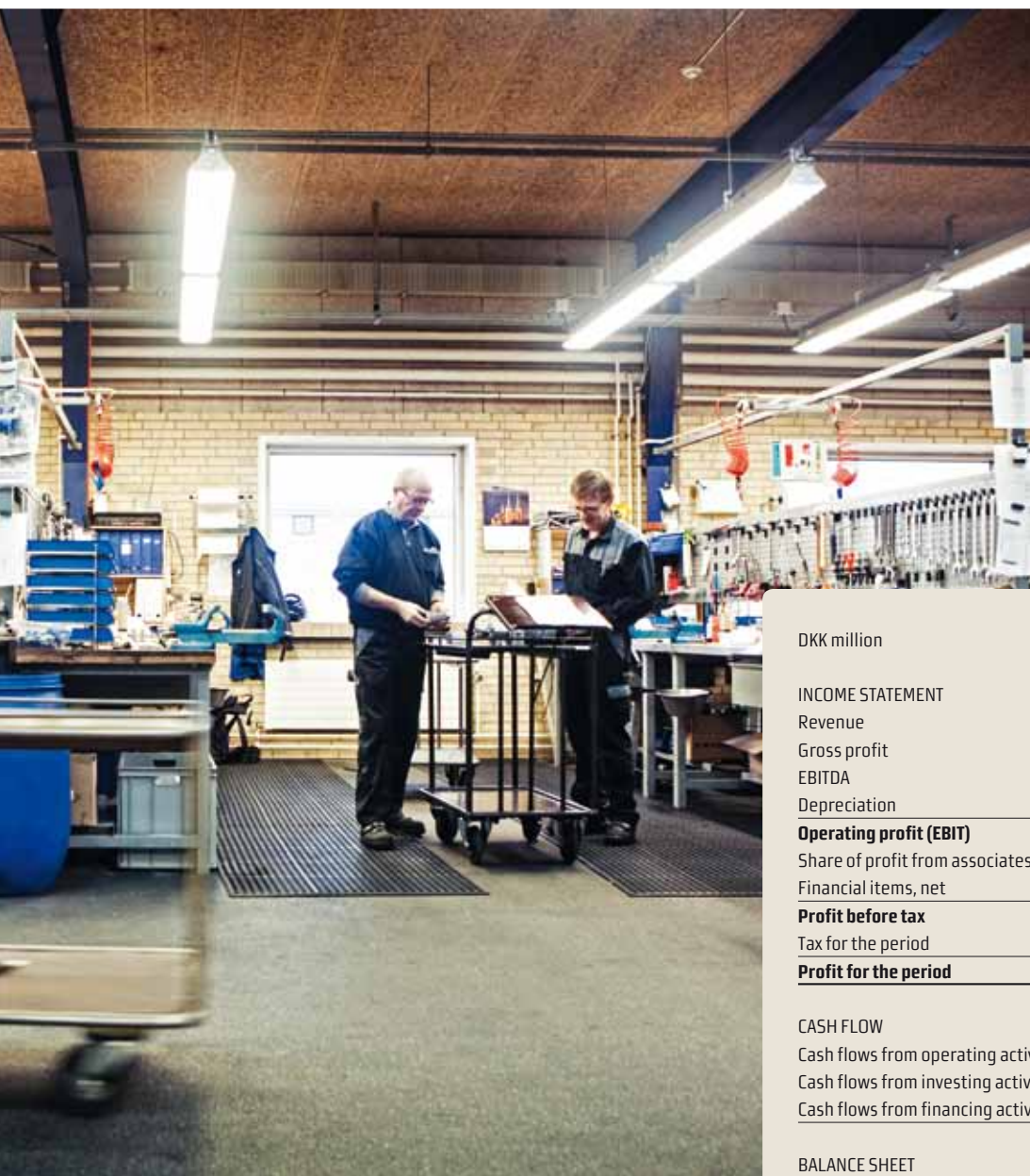
prior to delivery. Some of the special-purpose machines acquired in recent years enable the company to meet the added requirements that customers have for such cleaned components.

Also, the company continues the extensive systems development activities in close collaboration with business partners, which is an important prerequisite for winning future orders.

Its solution-provider capabilities make Hydra-Grene well positioned to meet the growing demand expected to materialise as the situation gradually returns to normal. For example, Hydra-Grene has good opportunities to position itself as a significant international sub-contractor to the wind turbine industry.

Outlook

Hydra-Grene continued to experience fair demand from the wind turbine industry and a few other business areas in 2009, but demand from industry customers was relatively sluggish.



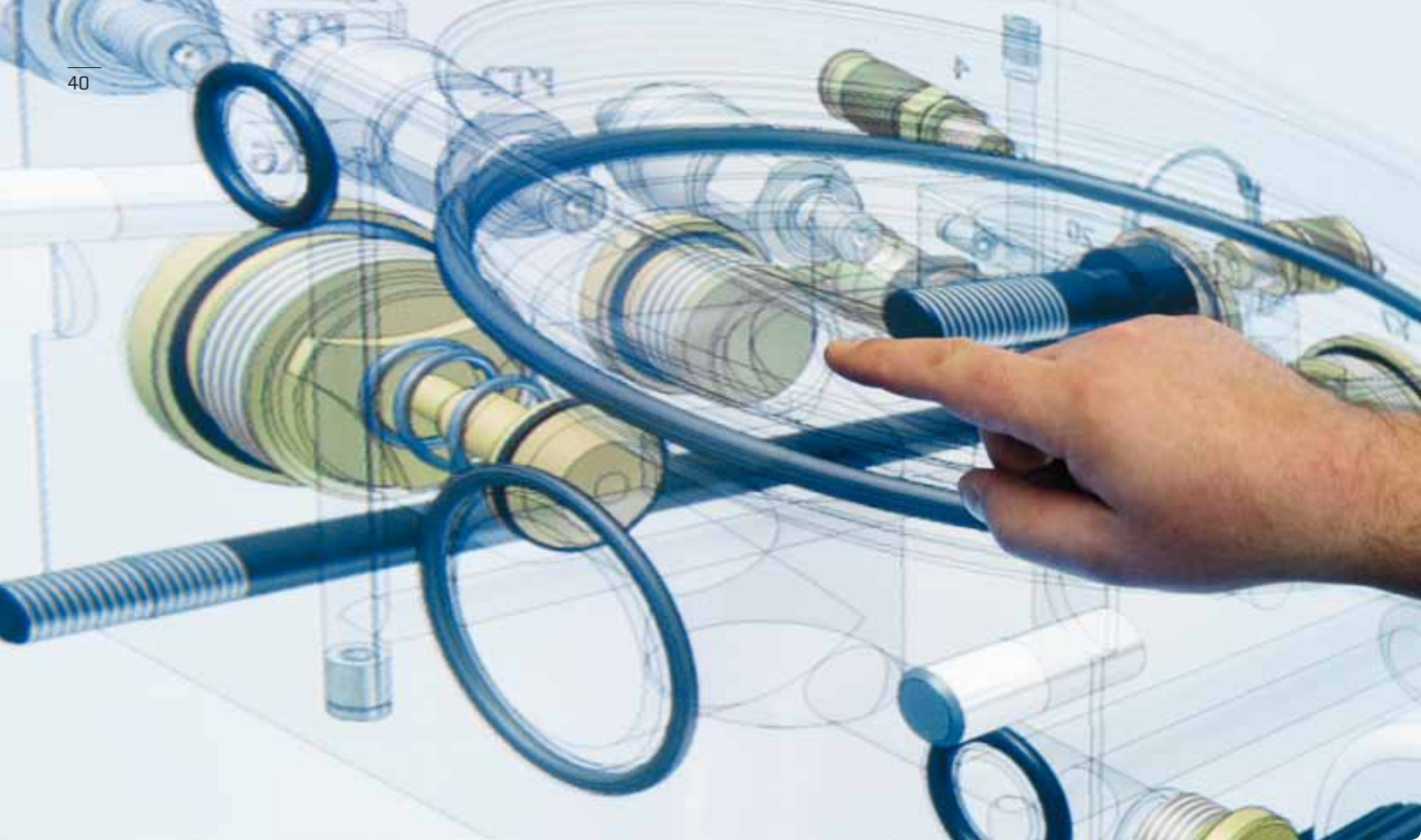
Especially the mobile hydraulics business, which includes manufacturers of lifting equipment and agricultural machinery, was severely affected by the general economic downturn.

Demand from industry customers is expected to remain subdued in 2010, but there are indications of growing activity in a few areas, such as from manufacturers of lifting equipment. Demand from the wind turbine industry is expected to be somewhat below the 2009-level during the first half of 2010, but it is expected to pick up in the third and fourth quarters of the year.

As a result, Hydra-Grene expects to generate revenue of approximately DKK 400–450 million and EBIT in the range of DKK 40-60 million in 2010. Hydra-Grene aims to restore its EBIT margin to above 15% within the next three years.

Net financials for 2010 are expected to be an expense in the region of DKK 5 million.

DKK million	2009	2008
INCOME STATEMENT		
Revenue	417.2	531.2
Gross profit	137.0	184.9
EBITDA	74.0	116.7
Depreciation	11.4	11.0
Operating profit (EBIT)	62.6	105.7
Share of profit from associates	(0.1)	0.6
Financial items, net	(2.5)	(4.4)
Profit before tax	60.0	101.9
Tax for the period	(15.2)	(25.5)
Profit for the period	44.8	76.4
CASH FLOW		
Cash flows from operating activities	113.1	39.6
Cash flows from investing activities	(3.9)	(37.8)
Cash flows from financing activities	(110.6)	0.6
BALANCE SHEET		
Intangible assets	1.6	2.0
Property, plant and equipment	113.9	120.4
Other non-current assets	1.2	1.3
Cash and cash equivalents	20.3	2.3
Other current assets	205.1	263.4
Total assets	342.1	389.4
Equity	247.1	250.2
Interest-bearing debt	37.7	80.9
Other creditors	57.3	58.3
Total liabilities and equity	342.1	389.4
FINANCIAL KEY FIGURES		
Average number of employees	175	176
EBITDA margin	17.7%	22.0%
EBIT margin	15.0%	19.9%
ROIC	20.8%	37.1%



Hydra-Grene primed for growth

Training and quality assurance were key focus areas for the hydraulics business in 2009. The plan is to enhance revenue and earnings by supplying quality products and expert advice, especially to the global wind turbine industry.

"We're ready in the starting blocks, but we're still waiting for the gun to sound."

This is how CEO Erik Lodberg sees Hydra-Grene's current situation. During 2009, the company reduced its working capital, cut back heavily on its inventories and announced a moderate number of redundancies, but at the same time it hired more technical personnel in order to retain the company's innovation power and expert advice capabilities.

"We are confident that business activity will pick up again. We invested a lot of money in 2009 and the preceding years, priming our company for growth," says Erik Lodberg.

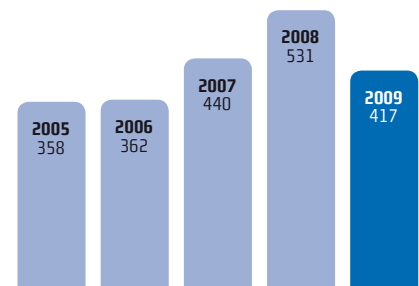
A key element of this process has been to upgrade and train everyone at all levels

of the organisation. Also, the company was certified to the ISO 9000 quality assurance standard during the year.

"We've always supplied quality products. Our customers know that, but in order to live out our ambition of going out into the world, we need to be able to document it. Certification of our quality assurance, which we intend to complement with ISO certifications covering our company's environmental footprint and occupational health and safety issues, has almost become mandatory for companies wanting to attract new customers, especially in international markets."

Until only a few years ago, Denmark was Hydra-Grene's core market for hydraulics

Revenue (DKK million)



and services to manufacturers in the industrial, marine and agricultural sectors. This market has declined during the crisis.

On the other hand, Hydra-Grene is increasingly supplying products to the wind turbine industry outside Denmark, including lubrication, cooling and hydraulic systems, in a market with reasonable demand and a huge potential:

"Especially if we are able to follow the wind turbine industry globally," says Erik Lodberg, emphasising that this is one of the reasons why Hydra-Grene has set up operations in China and will start production there in 2010. Initially, our Chinese business will manufacture finished industrial hoses, hydraulic hoses and pipes and



Tests in a refrigerated container

It looks like a completely ordinary container. But inside is a lubrication unit produced by Hydra-Greene for a wind turbine gearbox, and the temperature inside is below -30 degrees Celsius.

"We are conducting the simulations on a prototype for a gearbox which is going to be used for a 2.1 MW wind turbine that can withstand extreme weather conditions," explains Erik Lodberg. The wind turbine manufacturer contacted the gearbox manufacturer who in turn asked Hydra-Greene to participate in developing the lubrication system:

"They come to us because we have the expertise and we are known for entering into close and constructive cooperation with our business partners, but also because we have proved our innovative skills within this area over a period of many years."

Patience is a virtue when new solutions are developed. This is a long process. First, the parties cooperate on a rough sketch, then the design is developed and finally the prototype is built. It has to pass a large number of tests, and the process may take up to two years.

"The gear oils that are used are very thick and, in effect, they cease being liquid at temperatures below -10 degrees Celsius, so it is clear that the demands on the lubrication, cooling and filtration systems are extremely tough," says Erik Lodberg.

Based on the prototype, a 0-series is produced in 5 to 10 units, and they are then tested for a period of about a year "in the field" - in the real world of harsh reality.

"If the 'field tests' are successful, we will finally have a new product that we can put into production."

provide hose and pipe cleaning services. Subsequently, it will begin to manufacture other products.

Being a supplier to the wind turbine industry is also the reason why Hydra-Greene is currently setting up a sales office in the USA.

"We see a great opportunity and substantial earnings potential in further developing the very close collaboration we already have with the wind turbine industry," says Erik Lodberg, confident that after a year of falling revenue and earnings, his company will generate growth in the next couple of years.

What has it meant for your business to be under Schouw & Co. ownership?

"The human aspect of running a business is important to the people at Schouw & Co. and they have allowed us to have a short chain of command. This has given us the security and freedom we need to develop our business."

Erik Lodberg, CEO, Hydra-Greene



Wind energy generates growth

Hydra-Greene is a trading and engineering company, developing, producing and trading in hydraulic components and full-service solutions for industry in Denmark, and with the ambition to follow its major customers worldwide.

A major supplier of products and know-how to the wind turbine industry, Hydra-Greene expects that the growing demand for climate-friendly wind energy will lead to growing demand for its professional expertise. Hydra-Greene carries about 40,000 items in stock.



Martin

Financial performance

The year 2009 was a dramatic year for Martin. As a direct effect of the global economic crisis, revenue fell from DKK 1,045.2 million in 2008 to DKK 646.8 million in 2009, a drop of 38.1%.

The revenue decline was not as extensive as the decline in general demand. For example, the Moving Head market lost about 60% of its normal volume during the year, driven by a Corporate Event market bereft of demand and a Touring market with new investment nowhere near the volume otherwise suggested by the level of underlying activity.

Obviously, EBIT for the year was impacted by the drastic plunge in revenue as well as material costs and write-downs related to restructuring and adapting to the situation. EBIT was a loss of DKK 200.2 million against a profit of DKK 9.8 million in 2008.

Special attention was given to bringing down the working capital. As a result, it was reduced from DKK 504.5 million at December 31, 2008 to DKK 334.1 million at December 31, 2009, and this contributed to securing a cash inflow from operations.

Viewed separately, the financial result eroded shareholders' equity and the equity ratio, but through two conversions of debt for a total of DKK 175 million, the parent company, Schouw & Co., kept the equity ratio at an acceptable level.

Martin incurred a loss before tax of DKK 231.8 million in 2009, compared with a profit of DKK 5.2 million in 2008, which included a DKK 21.4 million profit from the sale of the subsidiary Martin Security Smoke.

Business development

Martin completed a large number of structural and organisational adjustments in 2009 both in response to the current

situation and following the implementation of the company's transformation strategy. The adjustment measures have resulted in non-recurring costs and impairment write-downs of approx. DKK 100 million, but at the same time, the break-even revenue has been reduced to approximately DKK 850 million at the beginning of 2010, which is the lowest level for ten years.

The number of employees has been reduced sharply as part of the adjustments made. The headcount reduction was not made entirely for capacity-reducing purposes, but was also a result of the strategy to outsource a number of classic production assignments in areas such as print production and metal working.

There is a shift in technology under way in the industry, as conventional lighting technologies are being replaced by LED diodes, as seen within lighting in general. Over the last three years, Martin has focused strongly on developing LED technology in order to retain the technology leadership which, combined with the Martin brand and the strong distribution network, secures the company's competitive strength.

The company is regularly adding new LED products to its product portfolio, including not least new multimedia and video wall solutions. Accordingly, Martin's market position has not deteriorated, but the competitive landscape is constantly changing as new market players turn up, requiring constant monitoring and adjustments to the strategy.

Martin's lights are also used for visual communication of corporate brands, illumination of buildings, bridges, towers and other landmarks, and generally to attract attention and create the right atmosphere. A dedicated marketing effort focusing on specific segments is currently being implemented, and Martin has already gained a good foothold through a number of prestigious projects within theme parks, cruise liners and flagship stores.



The organisation has been aligned to the new sales channels. In addition, the markets have been divided into geographical regions and a new electronic trading platform has been introduced.

Outlook

The effects of the adjustments implemented will make a major contribution to improving profits in the new year. A performance improvement will be further supported by expected improvements to the sales environment, ie growing demand resulting from pent-up demand after a two-year disruption in investments by the company's lease customers. In addition, the cautious optimism surfacing in the Corporate Events market could generate new demand, and the new efforts in the commercial market will also support sales growth.

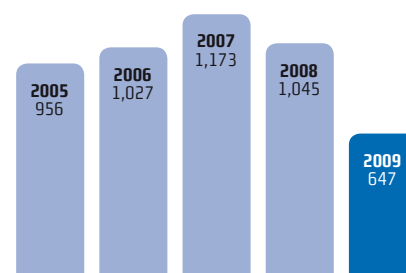
Martin aims to meet its sales forecast through the launch of 14 new products in the first half of 2010, including of LED moving heads and an LED video screen, which is expected to set the new industry standard.

In itself, the implementation of the transformation strategy was not intended to produce a profit in the short term. Revenue for 2010 is expected to increase to DKK 675–775 million.

At this level of activity, EBIT is expected to be a loss of DKK 25–75 million, which is not considered to be an earnings performance reflecting the company's potential. Martin aims to lift the EBIT margin to the 10% level over the next three years.

Net financials for 2010 are expected to be an expense in the region of DKK 20 million.

Revenue (DKK million)



DKK million

2009

2008

INCOME STATEMENT

Revenue	646.8	1,045.2
Gross profit	14.9	273.3
EBITDA	(106.5)	64.1
Depreciation	72.4	54.3
Impairment	21.3	0.0
Operating profit (EBIT)	(200.2)	9.8
Share of profit from associates	(1.2)	0.9
Financial items, net	(30.4)	(26.9)
Profit from divestments	0.0	21.4
Profit before tax	(231.8)	5.2
Tax for the period	54.8	(1.0)
Profit for the period	(177.0)	4.2

CASH FLOW

Cash flows from operating activities	46.6	15.3
Cash flows from investing activities	(47.2)	(97.5)
Cash flows from financing activities	0.7	81.6

BALANCE SHEET

Intangible assets	167.0	178.3
Property, plant and equipment	183.8	220.8
Other non-current assets	30.2	37.6
Cash and cash equivalents	7.3	7.3
Other current assets	502.9	693.8
Total assets	891.2	1,137.8
Equity	247.3	252.3
Interest-bearing debt	475.4	653.4
Other creditors	168.5	232.1
Total liabilities and equity	891.2	1,137.8

FINANCIAL KEY FIGURES

Average number of employees	785	1,073
EBITDA margin	-16.5%	6.1%
EBIT margin	-31.0%	0.9%
ROIC	Neg.	1.2%

From products to concept solutions

Martin Professional is in the midst of a process that will redefine the business and give it access to new and bigger markets compared to the relatively small market currently represented by the entertainment industry.

The year 2009 was just as difficult for the world's leading manufacturer of computer-controlled effect lighting as the company had expected it to be:

"It was even worse than we had anticipated. The market for our products in 2009 was at about 40% of an average year. The market has suffered a sharp and sudden plunge, to an extent never before seen; not even after the terrorist attacks on the World Trade Center in 2001. Everybody in the industry has lost business. That goes for us too, even though we've actually

won market share during the crisis. In the current situation, sales to the rental industry and especially the Corporate Events market such as car shows, product launches, shareholder meetings and the like are virtually non-existent. Normally, Corporate Events account for about 40% of rental industry business," says Martin CEO Christian Engsted.

Due to the current situation, but also due to the fact that lighting for the entertainment industry – even during good times – is a small niche industry, Martin

drew up a strategy already in 2008 intended to help the company gain a foothold in the commercial market. For that purpose, Martin has identified five business areas: theme parks, cruise liners, retail shops and shopping centres, hotels and resorts, and stadiums and arenas. For each of these areas, Martin has appointed skilled and experienced business development managers who know their field, understand the customers and know exactly what they need:

"The commercial market, which unlike the rental market of the entertainment segment consists of permanent installations, is worth about DKK 30 billion per year, making it about ten times as big as our traditional market. The main thing in this market is not selling lights; it's about creating value by getting more customers into a shop and thereby generate more

360 degree light show at 167 metres

Martin Professional has had no small involvement as London's famous BT Tower counts down to the 2012 Olympic Games, which will be hosted by the British capital.

British Telecom, the global communications giant, which previously used Martin's products to illuminate its telecom tower in Central London, also selected Martin for an ambitious upgrade of the illumination of the tower.

The upgrade consists, among other things, of a 360 degree LED video screen measuring over 280 square metres to be positioned at the top of the tower. Measuring five metres in height, the screen will work as a band of information positioned around the tower at 167 metres, so it will be visible from large parts of Central London.

At that height, the screen must be able to withstand extreme weather conditions, including gale-force winds. As a consequence, the screen has been through numerous tests and exposed to rain, snow, high temperatures and gusts of wind of up to 190 km an hour.

"Martin was selected, because our product was the only one in the market that lived up to the requirement specifications and we were also the only company able to meet the requested delivery deadline of only 11 weeks," explains Christian Engsted, who regards the project as particularly significant for Martin, because it is not just a matter of selling lights and technology, it is a complete solution that adds value:

"This project is not just about illuminating a building. It is about creating a landmark which supports British Telecom's brand and image and which creates

awareness and has an active impact on both Londoners and tourists."

As part of the solution, Martin has also constructed and delivered an electronic operating and control system, and Martin will also be in charge of the regular maintenance:

"The project is based on one of our standard products, but it is combined in such a way that the solution becomes unique; it is also constructed with a view to providing opportunities for conceptual solutions that may lead to new assignments," explains Christian Engsted.

For British Telecom, the screen has meant, for example, an increase in the number of hits on the company's website, primetime TV coverage and a place on YouTube.



What has it meant for your business to be under Schouw & Co. ownership? "Schouw & Co. is the reason we're still in business. They supplied us with the necessary financial backing and helped us with management inspiration and guidance in our transformation from a niche manufacturer of computer-controlled effect lighting to a provider of visual communication solutions and experiences for the entertainment industry as well as the commercial market."

Christian Engsted, CEO, Martin Professional

revenue for the owner. We want to provide complete solutions that will attract and retain customers and turn up their spending," explains Christian Engsted. He emphasises that Martin aims to generate new sales growth by developing concepts that can be copied to other parts of a retail chain, to hotel chains, theme parks and so on. In addition, service contracts and subscription services are also among the products sold on the commercial market.

Martin has already gained a secure foothold in its new market. Martin project solutions have been used by a number of theme parks, including Tivoli in Copenhagen, and by the world's largest cruise liner, the Oasis of the Seas, the Armani clothing company, Palms Casino Resort in Las Vegas, the Danish pavilion

at Expo 2010 in Shanghai, and many more.

"2009 was a year of major, profound, but also necessary changes. We've changed the way we focus on our customers and our markets, outsourcing parts of our production. Unfortunately, we've had to let a lot of our employees go, but we've retained our innovative power. That way, we will be ready to meet the competition when demand returns to the market," says Christian Engsted, who also expects 2010 to bring major challenges.

"But I believe that we're now on the right track to future growth."

A world leader in lighting

Martin Professional is the world's largest manufacturer of computer-controlled effect lighting. By far the majority of great artists and concert tours use lighting solutions from Martin.

Martin's lights are used for visual communication of corporate brands, illumination of buildings, bridges, towers and other landmarks, for purposes of attracting attention in theme parks, to hotels and on cruise liners and to create the right atmosphere in restaurants and shopping centres.



Xergi



Financial performance

At the beginning of 2009, Xergi had hoped to install at least one major biogas plant in Denmark, which would have been consistent with the Danish government's official objectives, but unfortunately the political initiatives taken to date have proved inadequate to facilitate the installation of new biogas plants in Denmark.

As a project-driven business, Xergi relies on the specific conditions applying to each individual biogas project. The difficult conditions for raising financing for projects continued to prevail in 2009, causing a number of projects to be postponed for subsequent installation.

Against this background, Xergi generated revenue of DKK 92.5 million in 2009, which was in line with the 2008-figure of DKK 94.3 million.

In terms of the financial performance, the start-up of the company's first order for a biogas plant in the UK and a number of small shipments offset to some extent the lack of a market in Denmark. Capacity adjustments and tight cost management were also major contributors to limiting the effect of the shortfall of orders.

As a result, EBIT for the year was a loss of DKK 11.8 million against a DKK 15.8 million loss in 2008 and Xergi recorded a loss before tax of DKK 13.1 million against a loss of DKK 16.2 million in 2008.

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

Business development

Xergi continued to expand its position and investments in the French market in 2009. This market is still in a start-up phase, and the players' understanding of the technology is increasing day by day. Xergi has set up its own legal unit in France staffed with local em-

employees and thus controls all aspects of shipping and installing its turnkey systems in the country.

The UK market is developing favourably, enjoying the benefits of the British government's efforts to reduce carbon emissions. Xergi has been present in the UK market for energy plants since 1997, and in 2009, the company won its first order for a major biogas plant for delivery in 2010. The company is regularly expanding in collaboration with project developers and utility companies and expects that a good market for its technology will develop in the future.

The company's R&D department, which is based at the Agro Business Park in Foulum, Jutland, is working to document the technology, in which Xergi acquired a 50% interest in 2008. This technology is expected to make manure-based biogas plants profitable for investors.

Xergi adapted to the challenging market conditions prevailing in 2009, especially in Denmark, and is now directing its attention to securing an order inflow from its selected international markets.

Outlook

There is a growing interest in biogas from a number of international markets. From both the EU Commission and at national level in Europe, there is now more attention on the possibility that the organic fraction of waste currently being landfilled can be used in biogas plants.

In spite of the big amount of attention that biogas attracts, Xergi often experiences a wide gap between the political objectives in the field and the practical reality in respect of each individual biogas project.

The substantial uncertainty as to market conditions will continue to prevail in 2010 and has naturally brought attention to all costs. The company remains at a development stage, however, and will have to continue working the markets and pursuing product development, even if sales opportunities in the short term are not quite in line with expectations.

Xergi expects to complete negotiations for orders for biogas projects in the UK, France and possibly one more market in the spring of 2010. The timing of the final approval of these projects will depend on government approvals and financing commitments.

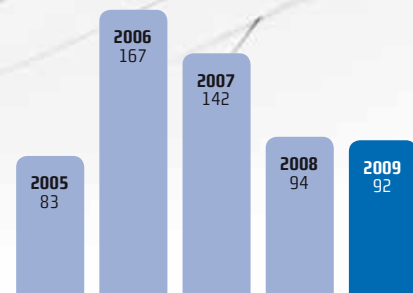
Given the current situation, Xergi expects to generate revenue of around DKK 150 million in 2010. EBIT is expected to improve by a substantial margin from the 2009 loss to around break-even.

Net financials represent a moderate amount and are expected to be an expense of approximately DKK 5 million in 2010.

On a longer term horizon, the prospects for biogas seem very promising. Support for renewable energy is growing, especially for biogas which is making positive contributions to limiting emissions, handling nutrients and to enhancing the security of energy supplies.

Accordingly, Xergi expects that biogas technology can be expanded considerably in a number of countries, but the timing of markets opening is difficult to predict.

Revenue (DKK million)



DKK million

2009 2008

INCOME STATEMENT

Revenue	92.5	94.3
Gross profit	11.6	11.6
EBITDA	(10.0)	(14.3)
Depreciation	1.8	1.5
Operating profit (EBIT)	(11.8)	(15.8)
Share of profit from associates	0.0	0.0
Financial items, net	(1.3)	(0.4)
Profit before tax	(13.1)	(16.2)
Tax for the period	2.7	4.4
Profit for the period	(10.4)	(11.8)

CASH FLOW

Cash flows from operating activities	(23.7)	18.0
Cash flows from investing activities	(2.0)	(18.3)
Cash flows from financing activities	8.6	(1.3)

BALANCE SHEET

Intangible assets*	16.2	14.7
Property, plant and equipment	3.4	4.2
Other non-current assets	30.0	26.6
Cash and cash equivalents	10.4	27.3
Other current assets	48.2	37.0
Total assets	108.2	109.8
Equity	40.3	30.5
Interest-bearing debt	32.4	23.7
Other creditors	35.5	55.6
Total liabilities and equity	108.2	109.8

FINANCIAL KEY FIGURES

Average number of employees	70	70
EBITDA margin	-10.8%	-15.2%
EBIT margin	-12.8%	-16.8%
ROIC	Neg.	Neg.

* Excluding consolidated goodwill in Schouw & Co. of DKK 6.8 million.

Incuba

Schouw & Co. holds a 49.0% ownership interest in the development and venture company Incuba A/S, whose other shareholders are the Aarhus University Research Foundation and NRGi a.m.b.a.

Incuba is engaged in development activities through a 26.9% ownership interest in Østjysk Innovation A/S, a government-approved innovation environment with investments in more than 40 business start-ups, and in the venture capital area through its 32.6% ownership interest in Incuba Venture I K/S, a venture fund in the process of being wound up, and a 45.0% ownership interest in Scandinavian Micro Biodevices ApS, a company producing point-of-care veterinary diagnostic products.

In addition, Incuba holds a 26.3% interest in Incuba Science Park A/S, which runs three science parks in Aarhus, Denmark: the original science park next to the University of Aarhus, the biotech-med science park next to Aarhus University Hospital, and the IT science park at Katrinebjerg. Combined, the three science parks extend over a total floor space of 27,800m² and house more than 130 businesses.

Incuba reported a loss after tax for 2009 of which DKK 9.6 million was recognised in Schouw & Co.'s consolidated financial statements. The loss was due to investment write-downs by the venture capital business and the development activities, while the science park business reported a profit.

For 2010, Incuba anticipates a modest profit exclusive of any value adjustments on venture activities.

Vestas

Schouw & Co. held 4,000,000 shares in Vestas Wind Systems A/S at December 31, 2009, which was unchanged from a year earlier, for a 1.96% ownership interest.

The official share price (all trades) was DKK 304.43 at December 31, 2008, and DKK 314.59 at December 31, 2009. The resulting unrealised DKK 40.6 million value adjustment attributable to 2009 has been recognised under consolidated financial items.

The holding has a market value of DKK 1,258.4 million at December 31, 2009.

The ownership interest in Vestas is rooted in historical developments. Schouw & Co. does not consider the holding of Vestas shares to be a long-term strategic stake, but continues to see a significant potential for the wind turbine industry. Over the years, the commitment to the wind turbine industry has been of considerable importance to Schouw & Co., in part because the proceeds from the accumulated sale of wind turbine shares exceed the total investment by DKK 1,174 million, and in part because the commitment has created sound awareness of the company.

Schouw & Co. has held the shares for so long that value adjustments and capital gains from shares sold have been tax-free to date. However, the tax rules have been amended with effect from January 1, 2010 to the effect that future realised and unrealised value gains in excess of the value at December 31, 2009 will be taxable and any value loss will be tax deductible.

On January 4, 2010, Schouw & Co. transferred the holding of Vestas shares to a custody account held by the wholly owned subsidiary Schouw & Co. Finans A/S. The transfer provides an opportunity for setting off accumulated capital losses of DKK 121 million against future increases. Accordingly, the potential tax savings, which have not been recognised in the financial statements, may amount to as much as DKK 30 million.

The holding of Vestas shares is free of any charge or encumbrance and Schouw & Co. has full and unrestricted possession of the shares.

The wind turbine industry

Schouw & Co. has been involved in the wind turbine industry since 1994, originally as a major shareholder of the then Micon A/S, which became NEG Micon A/S through a 1997 merger with the then listed company Nordtank Energy Group A/S. In 2004, NEG Micon became a part of Vestas and on the occasion of that combination, Schouw & Co. became a less influential shareholder of the new company.



Statement of income and comprehensive income January 1 - December 31

	2009	2008
Note		
2 Revenue	8,439.7	9,821.2
3 Cost of sales	(6,960.0)	(8,071.9)
Gross profit	1,479.7	1,749.3
5 Other operating income	37.6	33.4
3 Distribution costs	(900.5)	(1,024.5)
3,4 Administrative expenses	(420.5)	(419.5)
3,12 Goodwill impairment	(2.5)	(213.1)
5 Other operating expenses	(3.8)	(1.2)
Operating profit (EBIT)	190.0	124.4
6 Income from investments in associates after tax	(11.4)	4.0
7 Profit from divestment of equity investments	0.0	21.4
8 Financial income	77.9	183.9
9 Financial expenses	(155.0)	(1,198.9)
Profit before tax	101.5	(865.2)
10 Tax on profit for the year	(28.5)	(38.3)
Profit for the year from continuing operations	73.0	(903.5)
1,30 Profit for the year from discontinuing operations	77.9	0.1
Profit for the year	150.9	(903.4)
Attributable to:		
Shareholders of Schouw & Co.	112.8	(898.9)
Minority interests	38.1	(4.5)
	150.9	(903.4)
11 Earnings per share (DKK)	4.43	(35.34)
11 Diluted earnings per share (DKK)	4.43	(35.34)
11 Earnings per share from continuing operations (DKK)	2.88	(35.42)
11 Diluted earnings per share from continuing operations (DKK)	2.87	(35.42)
Comprehensive income		
Exchange rate adjustment of foreign subsidiaries etc.	148.0	(226.8)
Value adjustment of hedging instruments recognised during the year	(17.4)	1.8
Value adjustment of securities available for sale	0.0	(37.5)
10 Tax on other comprehensive income	6.3	(0.4)
Other comprehensive income after tax	136.9	(262.9)
Profit for the year	150.9	(903.4)
Total recognised comprehensive income	287.8	(1,166.3)
Attributable to		
Shareholders of Schouw & Co.	208.1	(1,094.9)
Minority interests	79.7	(71.4)
	287.8	(1,166.3)

All amounts in millions of Danish kroner.

Balance sheet • Assets at December 31

	2009	2008
Note		
Goodwill	889.8	850.1
Patents, licences and rights	54.0	47.5
Completed development projects	104.0	107.3
Development projects in progress	23.5	31.0
3, 12 Intangible assets	1,071.3	1,035.9
Land and buildings	1,216.9	1,193.6
Leasehold improvements	10.6	10.9
Plant and machinery	1,102.2	1,216.0
Other fixtures, tools and equipment	96.1	111.5
Assets under construction, etc.	72.8	70.8
3, 13 Property, plant and equipment	2,498.6	2,602.8
6 Equity investments in associates	129.9	108.1
14 Securities	1,294.3	1,247.4
19 Deferred tax	44.5	48.5
16 Receivables	105.9	112.9
Other non-current assets	1,574.6	1,516.9
Total non-current assets	5,144.5	5,155.6
15 Inventories	1,221.9	1,546.8
16 Receivables	1,659.0	2,077.3
24 Income tax receivable	3.8	20.8
17 Construction contracts	5.6	2.6
14 Securities	0.7	0.7
29 Cash and cash equivalents	415.4	377.0
Total current assets	3,306.4	4,025.2
1, 30 Assets held for sale	1,207.6	972.4
Total assets	9,658.5	10,153.2

Balance sheet • Liabilities and equity at December 31

	2009	2008
Note		
18 Share capital	255.0	280.0
Hedge transaction reserve	(14.3)	(1.2)
Exchange adjustment reserve	(79.7)	(181.9)
Fair value adjustment reserve	0.0	0.0
Retained earnings	4,217.0	4,233.8
Proposed dividend	76.5	84.0
Share of equity attributable to the parent company	4,454.5	4,414.7
Minority interests	298.9	220.2
Total equity	4,753.4	4,634.9
19 Deferred tax	145.8	192.9
20 Pensions and similar liabilities	35.6	39.3
21 Credit institutions	1,129.4	1,872.5
21, 22 Other liabilities	54.7	49.5
Non-current liabilities	1,365.5	2,154.2
21 Current portion of non-current debt	499.8	268.7
21 Credit institutions	1,056.7	1,223.9
17 Construction contracts	5.2	9.7
23 Trade payables and other payables	1,420.6	1,408.7
24 Income tax	49.0	12.7
20 Provisions	6.4	8.9
Current liabilities	3,037.7	2,932.6
Total liabilities	4,403.2	5,086.8
1, 30 Liabilities associated with assets classified as held for sale	501.9	431.5
Total liabilities and equity	9,658.5	10,153.2
31-37 Notes without reference		

Cash flow statement January 1 - December 31

	2009	2008
Note		
Profit before tax	101.5	(865.2)
Adjustment for operating items of a non-cash nature, etc.		
3 Depreciation and impairment losses	398.1	632.0
Other operating items, net	(56.3)	32.6
Provisions	(6.3)	(9.0)
Income from investments in associates after tax	11.4	(4.0)
Financial income	(77.9)	(183.9)
Financial expenses	155.0	1,198.9
Cash generated from operations (operating activities) before changes in working capital	525.5	801.4
Changes in working capital	794.4	(305.0)
25 Cash generated from operations (operating activities)	1,319.9	496.4
Interest income received	44.9	52.2
Interest expenses paid	(158.5)	(245.1)
Cash flows from ordinary activities	1,206.3	303.5
24 Income tax paid	(15.1)	(30.5)
Cash flows from operating activities	1,191.2	273.0
26 Purchase of intangible assets	(55.1)	(71.4)
Sale of intangible assets	2.1	1.1
26 Purchase of property, plant and equipment	(207.9)	(328.4)
Sale of property, plant and equipment	41.8	17.9
27 Acquisition of enterprises	0.0	(478.5)
Acquisition of minority interests in subsidiaries	(1.0)	(9.8)
6 Acquisition of associates	(13.8)	(5.0)
28 Divestment of subsidiaries	0.0	14.2
Loan to associates	(5.2)	0.0
Purchase of securities	(13.8)	(1.0)
Sale of securities	6.9	585.5
Cash flows from investing activities	(246.0)	(275.4)
Debt financing:		
Repayment of non-current liabilities	(558.1)	(377.1)
26 Proceeds from incurring financial liabilities	57.2	856.0
Increase (repayment) of debt to credit institutions	(227.8)	(181.8)
Shareholders:		
Costs regarding capital reduction/increase	(0.1)	(1.1)
Additional minority shareholders, net	0.0	0.5
Dividend paid	(76.4)	(85.3)
Purchase / sale of treasury shares, net	(101.3)	(44.4)
Cash flows from financing activities	(906.5)	166.8
Cash flows from discontinuing operations	2.2	1.8
Cash flows for the year	40.9	166.2
Cash and cash equivalents at January 1	383.9	232.2
Value adjustment of cash and cash equivalents	(0.3)	(14.5)
29 Cash and cash equivalents at December 31	424.5	383.9

All amounts in millions of Danish kroner.

Statement of changes in equity

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Fair value adjustment reserve	Retained earnings	Proposed dividend	Total	Minority interests	Total equity
Equity at January 1, 2008	124.7	(5.6)	(7.7)	25.8	4,760.4	74.8	4,972.4	669.1	5,641.5
Changes in equity 2008:									
Total recognised comprehensive income	0.0	4.4	(174.2)	(25.8)	(983.3)	84.0	(1,094.9)	(71.4)	(1,166.3)
Share-based payment	0.0	0.0	0.0	0.0	9.7	0.0	9.7	0.0	9.7
Dividend distributed	0.0	0.0	0.0	0.0	4.8	(74.8)	(70.0)	(15.3)	(85.3)
Bonus shares	124.7	0.0	0.0	0.0	(124.7)	0.0	0.0	0.0	0.0
Capital increase	30.6	0.0	0.0	0.0	611.3	0.0	641.9	0.0	641.9
Addition/disposal of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(362.2)	(362.2)
Treasury shares bought/sold	0.0	0.0	0.0	0.0	(44.4)	0.0	(44.4)	0.0	(44.4)
Changes in equity 2008	155.3	4.4	(174.2)	(25.8)	(526.6)	9.2	(557.7)	(448.9)	(1,006.6)
Equity at December 31, 2008	280.0	(1.2)	(181.9)	0.0	4,233.8	84.0	4,414.7	220.2	4,634.9
Changes in equity 2009:									
Total recognised comprehensive income	0.0	(13.1)	102.2	0.0	42.5	76.5	208.1	79.7	287.8
Share-based payment	0.0	0.0	0.0	0.0	9.5	0.0	9.5	0.0	9.5
Dividend distributed	0.0	0.0	0.0	0.0	7.6	(84.0)	(76.4)	0.0	(76.4)
Reduction of share capital	(25.0)	0.0	0.0	0.0	24.9	0.0	(0.1)	0.0	(0.1)
Addition/disposal of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.0)	(1.0)
Treasury shares bought/sold	0.0	0.0	0.0	0.0	(101.3)	0.0	(101.3)	0.0	(101.3)
Changes in equity 2009	(25.0)	(13.1)	102.2	0.0	(16.8)	(7.5)	39.8	78.7	118.5
Equity at December 31, 2009	255.0	(14.3)	(79.7)	0.0	4,217.0	76.5	4,454.5	298.9	4,753.4

Hedge transaction reserve

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

Exchange adjustment reserve

The exchange adjustment reserve contains all foreign exchange adjustments arising on the translation of financial statements for units that have a functional currency other than Danish kroner, foreign exchange adjustments relating to assets and liabilities representing a part of the Group's net investment in such units, as well as foreign exchange adjustments relating to hedging transactions used to hedge the Group's net investments in such units.

Fair value adjustment reserve

Fair value adjustment reserve includes value adjustments on securities available for sale, recognised directly in equity.

Notes to the financial statements

NOTE 1 - Segment reporting

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 six reporting segments whose financial results, assets or revenue account for 10% or more of the respective consolidated figure. These are all independent reporting segments and they comprise BioMar, Fibertex, Grene, Hydra-Grene, Martin and Sjøtroll.

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 presented for the reporting segment.

All transactions between segments were made on an arm's length basis.

Geographical segment information indicates the group's revenue and assets by national market. The list shows the individual countries in which the group's revenue or assets account for 5% or more of consolidated revenue or consolidated total 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 Europe and other countries' categories.

Total reportable segments 2009	BioMar	Fibertex	Grene	Hydra-Grene	Martin	Sjøtroll (Discontinuing activities)	Total
External revenue	4,853.7	1,350.1	1,134.3	394.2	646.6	461.9	8,840.8
Intra-group revenue	0.0	0.0	6.0	23.0	0.2	219.0	248.2
Segment revenue	4,853.7	1,350.1	1,140.3	417.2	646.8	680.9	9,089.0
Depreciation	127.3	132.9	28.3	11.4	72.4	0.0	372.3
Impairment	0.0	0.1	2.5	0.0	21.3	0.0	23.9
Income from investments in associates after tax	(0.5)	0.0	0.0	(0.1)	(1.2)	0.0	(1.8)
Financial income	9.9	5.9	10.0	0.3	12.1	0.2	38.4
Financial expenses	(60.1)	(32.3)	(25.7)	(2.9)	(42.5)	(51.7)	(215.2)
Profit before tax	139.9	91.0	15.1	60.0	(231.8)	110.0	184.2
Segment assets	3,296.6	1,737.1	812.6	342.1	891.2	1,207.6	8,287.2
Of which goodwill	716.9	104.4	13.3	0.0	48.4	97.5	980.5
Equity investments in associates	41.6	20.0	0.0	1.2	8.9	0.0	71.7
Segment liabilities	1,923.6	1,028.7	594.0	95.0	643.8	507.8	4,792.9
Cash flows from operating activities	603.4	283.1	131.5	113.1	46.6	78.4	1,256.1
Cash flows from investing activities	(88.4)	(57.4)	(41.5)	(3.9)	(47.2)	(31.0)	(269.4)
Cash flows from financing activities	(467.4)	(231.5)	(83.1)	(110.6)	0.7	(45.3)	(937.2)
Capital expenditure	93.8	55.7	54.7	4.7	53.0	36.2	298.1
Average number of employees	685	719	925	175	785	277	3,566

Total reportable segments 2008	BioMar	Fibertex	Grene	Hydra-Grene	Martin	Sjøtroll (Discontinuing activities)	Total
External revenue	5,321.3	1,589.6	1,302.9	501.1	1,044.8	381.9	10,141.6
Intra-group revenue	0.0	0.0	4.6	30.1	0.4	298.4	333.5
Segment revenue	5,321.3	1,589.6	1,307.5	531.2	1,045.2	680.3	10,475.1
Depreciation	136.6	130.9	27.1	11.0	54.3	0.0	359.9
Impairment	57.5	0.0	0.0	0.0	213.1	0.0	270.6
Income from investments in associates after tax	0.0	0.0	0.0	0.6	0.9	2.0	3.5
Financial income	47.8	20.6	10.3	0.3	6.6	20.6	106.2
Financial expenses	(103.8)	(48.5)	(38.5)	(4.8)	(33.4)	(38.2)	(267.2)
Profit before tax	33.4	60.4	26.4	101.9	(207.9)	(5.3)	8.9
Segment assets	3,604.3	1,889.9	887.2	389.4	1,137.8	972.4	8,881.0
Of which goodwill	676.2	104.4	14.3	0.0	48.4	82.5	925.8
Equity investments in associates	30.8	0.0	0.0	1.3	8.1	0.0	40.2
Segment liabilities	2,383.1	1,247.2	680.9	139.2	885.5	431.5	5,767.4
Cash flows from operating activities	85.4	122.1	(21.1)	39.6	15.3	1.9	243.2
Cash flows from investing activities	(486.7)	(131.0)	(51.6)	(37.8)	(97.5)	12.3	(792.3)
Cash flows from financing activities	544.8	26.4	75.1	0.6	81.6	(12.5)	716.0
Capital expenditure	64.9	138.1	58.9	38.0	101.3	7.9	409.1
Average number of employees	741	765	944	175	1,073	249	3,947

All amounts in the notes in millions of Danish kroner.

Notes to the financial statements

NOTE 1 - Segment reporting (continued)

Geographical segment	Revenue		Intangible assets and property, plant and equipment	
	2009	2008	2009	2008
Denmark	1,153.9	1,375.7	1,916.3	2,066.1
Norway	2,093.0	2,127.7	322.9	261.5
Chile	925.9	1,382.9	416.7	397.6
UK	759.6	909.8	58.7	63.0
Poland	482.5	543.0	89.2	91.3
Malaysia	102.1	138.8	279.6	308.3
Other Europe	2,138.1	2,373.5	482.4	446.3
Other countries	784.6	969.8	4.1	4.6
Total	8,439.7	9,821.2	3,569.9	3,638.7

The data on revenue by geography are based on customers' geographical location, while data on non-current assets by geography are based the physical location of the assets.

Reconciliation of revenue, profit before tax, assets and liabilities

	2009	2008
Reconciliation of segment revenue:		
Revenue from reporting segments	9,089.0	10,475.1
Revenue from non-reporting segments (Xergi)	46.2	47.2
Revenue from the parent company	17.9	17.3
Group elimination	(32.5)	(38.1)
Revenue from discontinuing activities (Sjötroll)	(680.9)	(680.3)
Group revenue, see consolidated income statement	8,439.7	9,821.2
Reconciliation of profit before tax:		
Profit before tax from reporting segments	184.2	8.9
Profit from non-reporting segments (Xergi etc.)	(6.5)	(7.8)
Profit from the parent company	(110.1)	(1,062.1)
Profit before tax from discontinuing activities (Sjötroll)	(110.0)	5.3
Group elimination	143.9	190.5
Profit before tax, see consolidated income statement	101.5	(865.2)
Reconciliation of segment assets:		
Assets from reporting segments	8,287.2	8,881.0
Assets from non-reporting segments (Xergi etc.)	63.4	63.4
Assets from the parent company	3,994.7	4,190.2
Group elimination	(2,686.8)	(2,981.4)
Assets, see consolidated balance sheet	9,658.5	10,153.2
Reconciliation of segment liabilities:		
Liabilities from reporting segments	4,792.9	5,767.4
Liabilities from non-reporting segments (Xergi etc.)	33.9	39.6
Liabilities from the parent company	397.0	312.9
Group elimination	(318.7)	(601.6)
Liabilities, see consolidated balance sheet	4,905.1	5,518.3

Joint ventures are recognised in the consolidated financial statement with the following amounts: Current assets DKK 29.3 million (2008 DKK 32.2 million), non-current assets DKK 24.8 million (2008 DKK 22.7 million), current liabilities DKK 33.1 million (2008 DKK 39.4 million), non-current liabilities DKK 0.8 million (2008 DKK 0.2 million), revenue DKK 46.2 million (2008 DKK 47.2 million) and expenses DKK 52.1 million (2008 DKK 55.1 million). Xergi A/S is the only joint venture company.

NOTE 2 - Revenue

	2009	2008
Sale of goods	8,368.1	9,750.7
Sale of services	8.2	7.5
Royalty	0.0	0.5
Rental income	17.2	15.3
Market value of work in progress	46.2	47.2
Revenue	8,439.7	9,821.2

Notes to the financial statements

	2009	2008
NOTE 3 - Costs		
Cost of sales		
Cost of sales for the year includes cost of goods sold of	(5,649.8)	(6,763.1)
Cost of sales for the year includes inventory impairments of	(72.7)	(59.8)
Cost of sales for the year includes reversed inventory impairments of	26.7	18.0
Staff costs		
Remuneration to the Board of Directors of Schouw & Co.	(2.7)	(2.2)
Wages and salaries	(936.1)	(1,060.5)
Defined contribution pension plans	(72.4)	(67.1)
Other social security costs	(61.7)	(66.9)
Share-based payment	(9.5)	(9.4)
Other staff costs	(12.4)	(14.5)
Total staff costs	(1,094.8)	(1,220.6)
Including staff costs capitalised and recognised in plant, machinery and development projects	14.8	17.7
Staff costs recognised in the income statement	(1,080.0)	(1,202.9)

Staff costs include salaries and bonuses of DKK 5.6 million (2008: DKK 6.9 million), pension contributions of DKK 0.2 million (2008: DKK 0.2 million) and share-based payment of DKK 1.1 million (2008: DKK 1.3 million) to members of the Executive Management. Members of the Executive Management do not have any unusual employment or contractual terms.

Staff costs include salaries and bonuses of DKK 18.8 million (2008: DKK 18.6 million), pension contributions of DKK 1.6 million (2008: DKK 1.1 million) and share-based payment of DKK 3.4 million (2008: DKK 3.0 million) to the registered executive managements (senior managers) of directly owned subsidiaries.

No severance payments were made to senior managers of the Schouw & Co. Group in 2009 (2008: DKK 2.3 million).

Staff costs are recognised as follows	2009	2008
Production	(522.7)	(619.7)
Distribution	(364.6)	(385.4)
Administration	(192.7)	(197.8)
	(1,080.0)	(1,202.9)
Average number of employees	3,334	3,743
Share-based payment is recognised as follows:		
Production	(3.4)	(3.1)
Distribution	(0.7)	(1.2)
Administration	(5.4)	(5.1)
	(9.5)	(9.4)

Share option programme

The company has set up an incentive programme for the Management and senior managers, including the executive management of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest from the date of grant until the date of exercise.

Outstanding options	Management	Other	Total	Strike price	Fair value in DKK per option ⁽¹⁾	Fair value in total ⁽¹⁾
Granted in 2007 *	48,000	172,000	220,000	225.88	27.35	6.0
Granted in 2008 *	36,000	164,000	200,000	224.85	37.83	7.6
Outstanding options at January 1, 2009	84,000	336,000	420,000			
Expired/forfeited options during the year	(48,000)	(192,000)	(240,000)			
Granted in 2009	36,000	184,000	220,000	78.61	21.27	4.7
Outstanding options at December 31, 2009	72,000	328,000	400,000			

(*) The number of options has been adjusted for bonus share issue.

(1) At the date of grant

Notes to the financial statements

NOTE 3 - Costs - continued

Since January 2003, Schouw & Co. has operated a share-based incentive programme comprising the Executive Management and senior managers, including the executive managements of subsidiaries. No share options were exercised in 2009, as the strike of options expiring in 2009 was substantially above the market price. Accordingly, the share options lapsed without compensation to the holders.

In continuation of the share-based incentive programme, Schouw & Co. awarded, in March 2008 a total of 36,000 share options to members of the Executive Management (two persons) and a total of 164,000 share options to other senior managers, including the executive managements of subsidiaries (thirteen persons.) The share options are exercisable during a 24-month period following the release of Schouw & Co.'s full-year profit announcement for the 2009 financial year at a strike price of DKK 208 immediately after the publication, or at a price of DKK 225 at the end of the 24 month period, equal to the market price of the shares at the time of grant plus a 4% premium per annum.

In addition, Schouw & Co. awarded, in March 2009, another 36,000 share options to members of the Management (two persons) and a total of 184,000 share options to other senior managers, including the executive managements of subsidiaries (thirteen persons). The share options are exercisable during a 24 month period following the release of Schouw & Co.'s full-year profit announcement for the 2010 financial year at a strike price of DKK 73 immediately after the publication, or at a price of DKK 79 at the end of the 24-month period, equal to the market price of the shares at the time of grant plus a 4% premium per annum.

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 a share option holder leaves the company's employ before the date of acquiring the right, 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 fair value of share options is calculated at a theoretical market value at the time of grant using the Black & Scholes formula. The fair values of the 2008 grant and the 2009 grant are DKK 7.6 million and DKK 4.7 million, respectively. The calculated market value is recognised in the income statement over the vesting period.

The following assumptions were applied in calculating the fair value of outstanding share options at the date of grant:

	2009 grant	2008 grant
Expected volatility	56.54%	29.47%
Expected term	48 mths	48 mths
Expected dividend per share	DKK 3	DKK 3
Risk-free interest rate	4.00%	4.00%

The expected volatility is calculated on the basis of 12 months historical volatility based on average prices. All the above numbers have been adjusted for the bonus share issue made in 2008.

Employee shares

In 2009, Schouw & Co. allocated 52.853 of its treasury shares for employee share schemes in Group companies. Employee shares are granted on the basis of a performance-driven model. If the conditions are met, the employees receive a variable number of shares at no consideration equivalent to the estimated performance value. The condition was met for the 2009 financial year and employees have obtained a right to receive shares at a value at the date of grant of DKK 3.6 million, which amount is expensed in the income statement for 2009. The shares are held in blocked accounts until the end of the seventh calendar year following grant.

Research and development costs

Research and development costs expensed and development costs incurred are shown below:

	2009	2008
Research and development costs incurred	(98.2)	(105.7)
Development costs recognised under intangible assets	41.7	61.5
Amortisation and impairment losses on recognised development costs	(50.7)	(23.6)
Research and development costs for the year recognised in the income statement	(107.2)	(67.8)

Depreciation/amortisation and impairment

Amortisation of intangible assets	(52.0)	(33.4)
Impairment of intangible assets	(15.6)	(213.1)
Depreciation of property, plant and equipment	(322.2)	(328.0)
Impairment of property, plant and equipment	(8.3)	(57.5)
	(398.1)	(632.0)

Depreciation/amortisation and impairment is recognised in the income statement as follows:

Production	(331.6)	(357.8)
Distribution	(39.4)	(33.2)
Administration	(24.6)	(27.9)
Goodwill impairment	(2.5)	(213.1)
	(398.1)	(632.0)

Notes to the financial statements

NOTE 4 - Fees to auditors appointed by the general meeting

	2009	2008
Audit fees, KPMG	5.4	5.1
Non-audit fees, KPMG	1.2	2.2
Fees for tax- and VAT-related services, KPMG	1.6	1.4
Fees for other services, KPMG	1.3	1.3
Total fee, KPMG	9.5	10.0
Audit fees, other accountants	1.7	1.8
Non-audit fees, other accountants	0.6	0.3
Fees for tax- and VAT-related services, other accountants	0.7	0.9
Fees for other services, other accountants	0.1	0.2
Total fees, other accountants	3.1	3.2

NOTE 5 - Other operating income and costs

	2009	2008
Gains on the disposal of property, plant and equipment and intangible assets	20.7	9.8
Government grants	9.6	22.6
Other operating income	7.3	1.0
Total other operating income	37.6	33.4
Losses on the disposal of property, plant and equipment and intangible assets	(3.8)	(1.2)
Total other operating costs	(3.8)	(1.2)

Fibertex recognised an investment grant of DKK 5.6 million in 2009 (2008: DKK 21.7 million), related to the establishment of the factory in Malaysia. The grant is primarily subject to Fibertex Malaysia generating a taxable profit over the coming years, which is considered to be very likely. Other grants are not subject to special conditions.

NOTE 6 - Equity investments in associates

	2009	2008
Cost at January 1	115.2	70.2
Additions	26.1	5.0
Disposals	(0.3)	0.0
Additions on acquisitions	0.0	40.0
Cost at December 31	141.0	115.2
Adjustments at January 1	(7.1)	(2.4)
Foreign exchange adjustments	10.9	(8.7)
Elimination of internal profit	(3.8)	0.0
Disposals for the year	0.3	0.0
Share of the profit for the year	(11.4)	4.0
Adjustments at December 31	(11.1)	(7.1)
Carrying amount at December 31	129.9	108.1

2009							Attributable to the group	
Name	Registered office	Ownership interest	Revenue	Profit for the year	Total assets	Liabilities	Equity	Profit for the year
Incuba A/S	Aarhus, Denmark	49.02%	0.0	(19.7)	114.1	5.5	53.2	(9.6)
Martin Professional (HK) Ltd.	Hong Kong, China	46.20%	25.0	0.3	14.0	3.4	4.9	0.1
Beacon AB *	Umeå, Sweden	-	-	-	-	-	-	(0.2)
Martin Professional Japan Ltd.	Tokyo, Japan	40.00%	26.6	(0.3)	13.7	6.6	2.8	(0.1)
Finini ApS	Haarup, Denmark	49.90%	N/A	(5.3)	15.7	13.3	1.2	(1.0)
Dansk Afgratningsteknik A/S	Skjern, Denmark	30.00%	N/A	(0.2)	9.6	5.3	1.2	(0.1)
GFE Patent A/S	Langå, Denmark	25.00%	N/A	0.0	23.3	3.4	5.0	0.0
Alitec Pargua S.A.	Pargua, Chile	50.00%	562.9	(0.9)	237.6	154.5	41.6	(0.5)
Fibertex South Africa Ltd.	Durban, South Africa	26.00%	0.0	0.0	0.0	0.0	20.0	0.0
							129.9	(11.4)

2008							Attributable to the group	
Name	Registered office	Ownership interest	Revenue	Profit for the year	Total assets	Liabilities	Equity	Profit for the year
Incuba A/S	Aarhus, Denmark	49.02%	0.0	5.0	128.6	0.3	62.9	2.5
Martin Professional (HK) Ltd.	Hong Kong, China	46.20%	41.0	0.8	23.0	12.5	4.9	0.4
Beacon AB	Umeå, Sweden	24.00%	9.0	0.7	2.3	1.4	0.2	0.2
Martin Professional Japan Ltd.	Tokyo, Japan	40.00%	29.6	0.8	16.1	8.4	3.0	0.3
Dansk Afgratningsteknik A/S	Skjern, Denmark	30.00%	N/A	2.0	11.4	7.3	1.3	0.6
GFE Patent A/S	Langå, Denmark	25.00%	N/A	0.0	27.0	7.0	5.0	0.0
Alitec Pargua S.A.	Pargua, Chile	50.00%	636.3	0.0	273.2	211.5	30.8	0.0
							108.1	4.0

*Beacon Ab entered into bankruptcy in 2009. Accordingly, the value of the company has been written off. There is no recognised goodwill regarding associates.

Notes to the financial statements

NOTE 7 - Profit from divestment of equity investments

The Group did not divest any equity investment in 2009. Martin divested the subsidiary Martin Security Smoke in 2008, recognising a profit before selling costs of DKK 21.7 million. The total amortised selling price was DKK 25.6 million. As part of the divestment, the company has received cash proceeds of DKK 15.0 million, and advanced a loan of DKK 10.3 million to the buyer of the company. Selling costs incurred in connection with the sale amounted to DKK 0.3 million.

NOTE 8 - Financial income

	2009			
	Interest	Currency transaction adjustment	Fair value adjustment	Total
Financial assets and liabilities measured at fair value through the income statement	0.0	0.0	40.9	40.9
Loans and receivables	13.7	19.2	0.0	32.9
Financial liabilities measured at amortised cost	0.0	0.4	0.0	0.4
Financial assets available for sale	0.0	0.0	0.0	0.0
Non-financial assets or liabilities	3.7	0.0	0.0	3.7
	17.4	19.6	40.9	77.9

	2008			
	Interest	Currency transaction adjustment	Fair value adjustment	Total
Financial assets and liabilities measured at fair value through the income statement	0.0	0.0	98.6	98.6
Loans and receivables	23.2	0.0	0.0	23.2
Financial liabilities measured at amortised cost	0.0	9.3	0.0	9.3
Financial assets available for sale	0.0	0.0	37.1	37.1
Non-financial assets or liabilities	15.7	0.0	0.0	15.7
	38.9	9.3	135.7	183.9

NOTE 9 - Financial expenses

	2009			
	Interest	Currency transaction adjustment	Fair value adjustment	Total
Loans and receivables	0.0	(20.3)	(10.2)	(30.5)
Financial liabilities measured at amortised cost	(114.5)	(8.5)	0.0	(123.0)
Non-financial assets or liabilities	(1.5)	0.0	0.0	(1.5)
	(116.0)	(28.8)	(10.2)	(155.0)

	2008			
	Interest	Currency transaction adjustment	Fair value adjustment	Total
Financial assets and liabilities measured at fair value through the income statement	0.0	0.0	(969.7)	(969.7)
Loans and receivables	0.0	0.0	(4.3)	(4.3)
Financial liabilities measured at amortised cost	(203.4)	(21.5)	0.0	(224.9)
	(203.4)	(21.5)	(974.0)	(1,198.9)

Capitalised borrowing costs amounted to DKK 1,9 million in 2009 based on an average rate of interest of 5,0% p.a. In 2008, capitalised borrowing costs were DKK 3.1 million based on an average rate of interest of 5.0% p.a.

Notes to the financial statements

	2009	2008
NOTE 10 - Tax on the profit for the year		
Tax for the year is composed as follows:		
Tax on the profit for the year	(28.5)	(38.3)
Tax on other comprehensive income	6.3	(0.4)
	(22.2)	(38.7)
Tax on the profit for the year has been calculated as follows:		
Current tax	(60.9)	(22.3)
Deferred tax	35.0	(23.7)
Reduction of Danish corporate income tax from 28% to 25%	0.0	1.0
Adjustment of prior-year tax charge	(2.6)	6.7
	(28.5)	(38.3)
Specification of the tax on the profit for the year:		
Calculated 25% tax of the profit for the year	(25.4)	216.3
Adjustment of calculated tax in foreign subsidiaries relative to 25%	(1.9)	(1.8)
Reduction of corporate income tax rate	0.0	1.0
Tax effect of non-deductible amortisation and impairment of goodwill	(0.9)	(53.3)
Tax effect of non-deductible costs and non-taxable income	6.0	(197.3)
Tax effect of adjustment of prior-year tax charge	(2.6)	6.7
Tax effect of non-capitalised tax asset	(3.7)	(9.9)
	(28.5)	(38.3)
Effective tax rate	28.1%	-4.4%

Non-taxable income and non-deductible costs primarily concerns capital gains on Vestas shares.

	2009		
	Before tax	Tax	After tax
Tax on items taken directly to other comprehensive income			
Exchange adjustments of foreign units, etc.	148.0	2.0	150.0
Value adjustment of hedging instruments for the year	(17.4)	4.3	(13.1)
	130.6	6.3	136.9
	2008		
	Before tax	Tax	After tax
Tax on items taken directly to other comprehensive income			
Exchange adjustments of foreign units, etc.	(226.8)	0.0	(226.8)
Value adjustment of hedging instruments for the year	1.8	(0.4)	1.4
Value adjustment of securities available for sale	(37.5)	0.0	(37.5)
	(262.5)	(0.4)	(262.9)

	2009	2008
NOTE 11 - Earnings per share (DKK)		
Share of the profit for the year attributable to shareholders of Schouw & Co.	112.8	(898.9)
Of which profit for the year from continuing operations	73.2	(900.9)
Of which profit for the year from discontinuing operations	39.6	2.0
Average number of shares	27,082,192	27,046,885
Average number of treasury shares	(1,639,411)	(1,609,305)
Average number of outstanding shares	25,442,781	25,437,580
Average dilutive effect of outstanding share options *	28,023	0
Diluted average number of outstanding shares	25,470,804	25,437,580
Earnings per share in Danish kroner of DKK 10 **	4.43	(35.34)
Diluted earnings per share in Danish kroner of DKK 10 **	4.43	(35.34)
Earnings per share in Danish kroner of DKK 10 from continuing operations **	2.88	(35.42)
Diluted earnings per share in Danish kroner of DKK 10 from continuing operations **	2.87	(35.42)

* See note 3 for information on options that may cause dilution.

** Key ratios per share have been adjusted to reflect the issue of bonus shares.

Notes to the financial statements

NOTE 12 - Intangible assets

	2009				
	Goodwill	Patents, licences and rights	Completed development projects	Development projects in progress	Total
Cost at January 1, 2009	1,065.3	81.3	188.8	31.0	1,366.4
Foreign exchange adjustment	40.7	9.5	0.3	0.1	50.6
Additions	1.5	12.3	0.4	41.3	55.5
Disposals	0.0	(11.0)	(2.1)	(0.1)	(13.2)
Transferred/reclassified	0.0	0.0	48.2	(47.6)	0.6
Cost at December 31, 2009	1,107.5	92.1	235.6	24.7	1,459.9
Amortisation and impairment at January 1, 2009	(215.2)	(33.8)	(81.5)	0.0	(330.5)
Foreign exchange adjustment	0.0	(0.9)	0.0	0.0	(0.9)
Impairment	(2.5)	(0.1)	(11.8)	(1.2)	(15.6)
Amortisation	0.0	(14.3)	(37.7)	0.0	(52.0)
Amortisation of disposed assets	0.0	11.0	0.0	0.0	11.0
Transferred/reclassified	0.0	0.0	(0.6)	0.0	(0.6)
Amortisation and impairment at December 31, 2009	(217.7)	(38.1)	(131.6)	(1.2)	(388.6)
Carrying amount at December 31, 2009	889.8	54.0	104.0	23.5	1,071.3

	2008				
	Goodwill	Patents, licences and rights	Completed development projects	Development projects in progress	Total
Cost at January 1, 2008	504.6	4.8	144.3	50.7	704.4
Foreign exchange adjustment	(51.5)	(12.2)	(1.0)	(0.2)	(64.9)
Additions	0.0	10.0	0.0	61.5	71.5
Additions on company acquisitions	314.9	52.3	1.2	0.0	368.4
Additions on purchase of minority shares	303.6	-	-	-	303.6
Disposals	0.0	(1.7)	(6.4)	(1.1)	(9.2)
Disposals on company divestment	(6.3)	(0.8)	(0.3)	0.0	(7.4)
Transferred/reclassified	0.0	28.9	51.0	(79.9)	0.0
Cost at December 31, 2008	1,065.3	81.3	188.8	31.0	1,366.4
Amortisation and impairment at January 1, 2008	(2.1)	(3.8)	(88.7)	(1.0)	(95.6)
Foreign exchange adjustment	0.0	1.8	0.5	0.0	2.3
Impairment	(213.1)	0.0	0.0	0.0	(213.1)
Amortisation	0.0	(9.8)	(23.6)	0.0	(33.4)
Amortisation of disposed assets	0.0	2.0	6.3	1.0	9.3
Transferred/reclassified	0.0	(24.0)	24.0	0.0	0.0
Amortisation and impairment at December 31, 2008	(215.2)	(33.8)	(81.5)	0.0	(330.5)
Carrying amount at December 31, 2008	850.1	47.5	107.3	31.0	1,035.9

Amortised over 3-15 years 3-7 years

Goodwill

Schow & Co. recognised goodwill of DKK 889.8 million in continuing operations at December 31, 2009. This was a DKK 39.7 million year-on-year increase resulting from an exchange adjustment. Following an impairment test, goodwill in Grene Kramp in the Czech Republic was written down by DKK 2.5 million. The total goodwill of DKK 889.8 million recognised in continuing operations is distributed on: Martin Professional (DKK 48.4 million), Fibertex (DKK 104.4 million), Grene (DKK 13.3 million), BioMar (DKK 716.9 million) and Xergi (DKK 6.8 million).

The management of Schouw & Co. has tested the value in use of the carrying amounts against goodwill in the above group companies. In the test performed, the executive management of each company was asked to indicate the expected free cash flows for the budget period. The free cash flow after tax has been applied to a discounted cash flow model for the purpose of estimating such company's value and goodwill, which amount was subsequently compared with the carrying amount recognised in the Schouw & Co. consolidated financial statements.

The required rate of return was based on a WACC before tax at the level of from 9.4% to 10.2%. In addition, a growth rate of 2% was used to extrapolate each company's cash flow. Sensitivity analyses have been made to calculate the value subject to each company achieving 100%, 90%, 80% and 70%, respectively, of its forecast cash flow, combined with alternative, higher WACC values (of +0.5 and + 1.0 percentage point). Combinations of lowered EBIT and increased WACC reduce the need for a write-down. The projected earnings levels and required rates of return do not imply a need for write-down. Accordingly, the value of goodwill is unchanged.

Development projects, patents, licenses and proprietary rights

Schow & Co. recognised development costs of DKK 127.5 million and DKK 54.0 million in patents, licenses and rights at December 31, 2009.

An impairment test was performed in 2009 on the carrying amount of completed development projects and of development projects in progress. The test revealed indications of impairment, because the carrying amount was greater than the recoverable amount, as a result of which impairment write-downs of DKK 13.0 million were made. Estimated recoverable amounts are based on calculations determined through the application of projected cash flows on the basis of expectations for 2010-2013.

Notes to the financial statements

NOTE 13 - Property, plant and equipment

	2009					
	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2009	1,510.1	26.6	2,390.0	338.5	70.8	4,336.0
Foreign exchange adjustment	33.6	0.0	83.2	6.0	(0.3)	122.5
Additions	54.8	3.2	48.2	24.2	78.0	208.4
Disposals	(30.1)	(1.4)	(141.1)	(17.5)	0.0	(190.1)
Transferred/reclassified	18.1	0.6	58.0	(0.8)	(75.7)	0.2
Cost at December 31, 2009	1,586.5	29.0	2,438.3	350.4	72.8	4,477.0
Depreciation and impairment at January 1, 2009	(316.5)	(15.7)	(1,174.0)	(227.0)	0.0	(1,733.2)
Foreign exchange adjustment	(15.5)	(0.1)	(59.9)	(4.3)	0.0	(79.8)
Transferred/reclassified	0.0	0.0	(2.1)	2.1	0.0	0.0
Depreciation of disposed assets	19.9	0.3	130.9	14.0	0.0	165.1
Impairment	(8.3)	0.0	0.0	0.0	0.0	(8.3)
Depreciation	(49.2)	(2.9)	(231.0)	(39.1)	0.0	(322.2)
Depreciation and impairment at December 31, 2009	(369.6)	(18.4)	(1,336.1)	(254.3)	0.0	(1,978.4)
Carrying amount at December 31, 2009	1,216.9	10.6	1,102.2	96.1	72.8	2,498.6
Of which assets held under finance lease	0.0	0.0	5.8	2.3	0.0	8.1
Depreciated over	10-50 years	3-10 years	3-12 years	3-8 years		

	2008					
	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2008	1,421.2	21.0	2,250.8	314.9	76.4	4,084.3
Foreign exchange adjustment	(58.1)	(2.0)	(121.3)	(11.9)	(0.4)	(193.7)
Additions on company acquisitions	56.0	0.0	102.0	13.8	1.7	173.5
Additions	42.1	2.9	72.8	35.5	181.9	335.2
Disposals	(3.2)	(0.1)	(28.3)	(30.1)	0.0	(61.7)
Disposals on company divestment	0.0	(0.1)	0.0	(1.5)	0.0	(1.6)
Transferred/reclassified	52.1	4.9	114.0	17.8	(188.8)	0.0
Cost at December 31, 2008	1,510.1	26.6	2,390.0	338.5	70.8	4,336.0
Depreciation and impairment at January 1, 2008	(266.4)	(15.3)	(1,020.4)	(217.7)	0.0	(1,519.8)
Foreign exchange adjustment	22.8	2.0	83.7	8.4	0.0	116.9
Transferred/reclassified	0.4	(0.3)	0.1	(0.2)	0.0	0.0
Depreciation of disposed assets	1.3	0.1	27.4	24.7	0.0	53.5
Impairment	(21.5)	0.0	(32.8)	(3.2)	0.0	(57.5)
Disposals on company divestment	0.0	0.1	0.0	1.6	0.0	1.7
Depreciation	(53.1)	(2.3)	(232.0)	(40.6)	0.0	(328.0)
Depreciation and impairment at December 31, 2008	(316.5)	(15.7)	(1,174.0)	(227.0)	0.0	(1,733.2)
Carrying amount at December 31, 2008	1,193.6	10.9	1,216.0	111.5	70.8	2,602.8
Of which assets held under finance lease	0.0	0.0	7.6	3.2	0.0	10.8
Depreciated over	10-50 years	5-10 years	3-12 years	3-8 years		

Land and buildings include assets classified as investment properties. See note 10 to the parent company financial statements.

In 2009, the group entered into contracts for the purchase of property, plant and equipment for future delivery for an amount of DKK 28.0 million (2008: DKK 34.4 million).

Notes to the financial statements

	2009	2008
NOTE 14 - Securities		
Shares in Vestas Wind Systems A/S	1,258.4	1,217.7
Other securities	36.6	30.4
	1,295.0	1,248.1

At December 31, 2009, the company held 4,000,000 shares in Vestas Wind System recognised at a price of DKK 314.59 (2008 DKK 304.43) per share. At DKK 1,258.4 million, the fair value of the holding corresponded to the market price at December 31, 2009. The shares have an original acquisition cost of DKK 313.4 million. Management continually monitors the fair value of the holding. The holding is measured at fair value and value adjustments are recognised in the income statement as financial income or a financial expense. Other securities are classified as available for sale.

	Current assets		Non-current assets	
	2009	2008	2009	2008
Securities measured at fair value				
Cost at January 1	6.5	12.6	344.3	408.7
Reclassification	0.0	0.0	1.7	1.0
Foreign exchange adjustment	0.0	(1.1)	2.0	(7.5)
Additions	0.0	0.0	13.8	1.5
Disposals	0.0	(4.9)	(7.9)	(59.4)
Cost at December 31	6.5	6.6	353.9	344.3
Adjustments at January 1	(5.8)	33.2	903.1	2,259.6
Reclassification	0.0	0.0	(2.5)	(1.0)
Foreign exchange adjustment	0.1	1.7	(0.3)	0.4
Disposals on divestment	0.0	(37.1)	1.0	(483.7)
Adjustments recognised in the income statement	(0.1)	33.8	39.1	(872.2)
Adjustments recognised in equity	0.0	(37.5)	0.0	0.0
Adjustments at December 31	(5.8)	(5.9)	940.4	903.1
Carrying amount at December 31	0.7	0.7	1,294.3	1,247.4

NOTE 15 - Inventories

Raw materials and consumables	390.9	523.2
Work in progress	49.9	52.0
Finished goods and goods for resale	781.1	971.6
	1,221.9	1,546.8
Cost of inventories for which impairment losses have been recognised	251.1	230.8
Accumulated impairment losses on inventories	(120.8)	(94.3)
Net sales value	130.3	136.5

NOTE 16 - Receivables

Receivables - non current	105.9	112.9
Trade receivables	1,547.3	1,957.0
Other current receivables	85.7	94.8
Receivables from associates	5.2	0.0
Accruals and deferred income	20.8	25.5
	1,764.9	2,190.2

For receivables falling due within one year after the end of the financial year, the nominal value is assessed to correspond to the fair value.

Included in non-current assets is a recognised investment grant with a present value of DKK 82.7 million (2008: DKK 79.8 million). The amount is expected to be received in 2011-2018 concurrently with a taxable profit being recognised in Fibertex Malaysia.

Notes to the financial statements

	2009	2008
NOTE 16 - Receivables (continued)		
Impairment losses on trade receivables		
Impairment losses at January 1	(127.6)	(98.2)
Exchange adjustments	(4.8)	0.0
Additions on company acquisitions	0.0	(21.5)
Reversed impairment losses	7.9	25.9
Impairment losses for the year	(67.2)	(36.6)
Realised loss	3.2	2.8
Impairment losses at December 31	(188.5)	(127.6)

Trade receivables

2009	Not due	Due between			Total
		1-30 days	31-90 days	>91 days	
Trade receivables not considered to be impaired	1,238.3	127.3	45.0	68.7	1,479.3
Trade receivables individually assessed to be impaired	0.6	8.6	17.0	230.3	256.5
Impairment losses on trade receivables	0.0	(1.5)	(3.0)	(184.0)	(188.5)
Trade receivables net	1,238.9	134.4	59.0	115.0	1,547.3

Proportion of the total receivables which is expected to be settled					89.1%
Impairment percentage (of impaired receivables)	0.0%	17.4%	17.6%	79.9%	73.5%

2008	Not due	Due between			Total
		1-30 days	31-90 days	>91 days	
Trade receivables not considered to be impaired	1,456.1	230.0	88.7	86.0	1,860.8
Trade receivables individually assessed to be impaired	32.3	62.8	26.9	101.8	223.8
Impairment losses on trade receivables	(18.2)	(10.5)	(10.0)	(88.9)	(127.6)
Trade receivables net	1,470.2	282.3	105.6	98.9	1,957.0

Proportion of total receivables which is expected to be settled					93.9%
Impairment percentage (of impaired receivables)	56.3%	16.7%	37.2%	87.3%	57.0%

Generally, about 14.8% (2008: 10.7%) of the receivables were impaired to some extent at the balance sheet date. Of impaired receivables, the group depreciated the amount receivable by around 73.5% in 2009. There is a constant focus on follow-up on overdue debtors.

In respect of trade receivables, customers have provided collateral in the amount of DKK 120.4 million (2008: DKK 226.0 million). Most of the DKK 120.4 million collateral provided relates to BioMar. The collateral provided consists mainly of assets such as fish stocks and fish farming equipment.

	2009	2008
Collateral breaks down as shown below:		
Collateral on receivables not due for payment	84.9	67.1
Collateral on receivables due for payment which have not been individually impaired	14.6	70.3
Collateral on receivables due for payment which have been individually impaired	20.9	88.6

NOTE 17 - Construction contracts

Sales value of construction contracts	65.0	63.0
Invoiced on account	(64.6)	(70.1)
	0.4	(7.1)
Construction contracts (assets)	5.6	2.6
Construction contracts (liabilities)	(5.2)	(9.7)
	0.4	(7.1)

Notes to the financial statements

NOTE 18 - Share capital

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally.

The share capital was reduced by 2,500,000 shares in 2009 in connection with a resolution for a capital reduction. In 2008, share capital was increased by 12,470,000 shares in connection with a bonus share issue and 3,060,000 shares in connection with the merger of BioMar Holding A/S and Schouw & Co.

Treasury shares

	Number of shares		Nominal value		Cost		Percentage of share capital	
	2009	2008	2009	2008	2009	2008	2009	2008
January 1	1,760,509	928,734	17,605,090	9,287,340	260.0	216.2	6.29%	7.45%
Bought	1,146,982	544,907	11,469,820	5,449,070	101.3	80.6	4.18%	1.25%
Group employee share scheme	(52,853)	(16,429)	(528,530)	(164,290)	(2.9)	(2.2)	-0.19%	-0.13%
Share option programme	-	(120,000)	-	(1,200,000)	-	(15.0)	0.00%	-0.96%
Bonus shares	-	792,345	-	7,923,450	-	0.0	-	0.00%
Merger with BioMar Holding A/S	-	(369,048)	-	(3,690,480)	-	(19.6)	-	-1.32%
Decrease of share capital	(2,500,000)	-	(25,000,000)	-	(324.6)	-	-8.89%	-
December 31	354,638	1,760,509	3,546,380	17,605,090	33.8	260.0	1.39%	6.29%

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 2,550,000 treasury shares, equal to 10.0% of the share capital. The authorisation is valid until the company's next annual general meeting, at which time a proposal will be made to renew it.

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

Costs incurred in 2009 in connection with the capital reduction amounted to DKK 0.1 million. Costs incurred in 2008 in connection with the capital increase and a bonus share issue in Schouw & Co. amounted to DKK 1.1 million. The amount was charged directly against equity.

The Group's holding of treasury shares had a market value of DKK 33.5 million at December 31, 2009 (2008: DKK 134.2 million)

NOTE 19 - Deferred tax

	2009	2008
Deferred tax at January 1	144.4	115.7
Foreign exchange adjustment	1.0	(2.9)
Deferred tax adjustment at January 1	0.7	(0.6)
Deferred tax for the year recognised in profit for the year	(35.0)	23.7
Effect of lowering of Danish corporate income tax from 28% to 25%	0.0	(1.0)
Transfer of income tax payable, January 1	(5.1)	0.0
Deferred tax for the year recognised in equity	(4.7)	4.9
Addition on acquisition of subsidiary	0.0	5.4
Disposal on the sale of equity investments	0.0	(0.8)
Net deferred tax at December 31	101.3	144.4

Deferred tax is recognised in the balance sheet as follows:

Deferred tax (asset)	(44.5)	(48.5)
Deferred tax (liability)	145.8	192.9
Net deferred tax at December 31	101.3	144.4

Deferred tax pertains to:

Intangible assets	29.4	18.9
Property, plant and equipment	163.7	172.1
Current assets	(27.7)	(11.2)
Equity	(0.6)	0.6
Provisions	(4.1)	(3.3)
Other liabilities	(17.0)	(3.6)
Recaptured losses	13.3	27.8
Tax loss carry-forwards	(55.7)	(56.9)
	101.3	144.4

Tax assets in BioMar of DKK 20.7 million (2008 DKK 31.4 million), Martin of DKK 11.9 million (2008 DKK 8.2 million), Xergi of DKK 8.5 million (2008 DKK 6.6 million) and Grene of DKK 3.2 million (2008: DKK 2.3 million) respectively, have been capitalised. Taxable profit is expected to absorb the tax asset.

There are no deferred tax liabilities that have not been recognised in the balance sheet. Tax assets with a total value of DKK 53.1 million (2008: DKK 61.9 million) have not been recognised, because it is considered unlikely that they will be realised. In addition, a capital loss in Schouw & Co. Finans A/S with a tax base of DKK 30.4 million has not been capitalised.

Notes to the financial statements

NOTE 19 - Deferred tax (continued)

Changes in temporary differences during the year	2009						
	Balance at Jan. 1	Foreign exchange adjustment	Additions on acquisition	Disposals on divestment	Recognised in profit for the year	Recognised in equity	Balance at Dec. 31
Intangible assets	18.9	(0.1)	0.0	0.0	10.6	0.0	29.4
Property, plant and equipment	172.1	2.4	0.0	0.0	(10.8)	0.0	163.7
Receivables	(4.2)	0.0	0.0	0.0	(14.1)	0.0	(18.3)
Inventories	(3.3)	0.3	0.0	0.0	(4.5)	0.0	(7.5)
Other current assets	(3.7)	0.0	0.0	0.0	1.8	0.0	(1.9)
Equity	0.6	0.0	0.0	0.0	(0.6)	(0.6)	(0.6)
Provisions	(3.3)	0.0	0.0	0.0	(0.8)	0.0	(4.1)
Other liabilities	(3.6)	(0.2)	0.0	0.0	(9.1)	(4.1)	(17.0)
Recaptured losses	27.8	0.0	0.0	0.0	(14.5)	0.0	13.3
Tax losses	(56.9)	(1.4)	0.0	0.0	2.6	0.0	(55.7)
	144.4	1.0	0.0	0.0	(39.4)	(4.7)	101.3

	2008						
	Balance at Jan. 1	Foreign exchange adjustment	Additions on acquisition	Disposals on divestment	Recognised in profit for the year	Recognised in equity	Balance at Dec. 31
Intangible assets	19.3	(1.7)	9.9	(1.0)	(7.6)	0.0	18.9
Property, plant and equipment	103.7	(2.1)	17.3	0.2	53.0	0.0	172.1
Receivables	(4.6)	0.0	0.0	0.0	0.4	0.0	(4.2)
Inventories	1.3	(4.0)	(0.4)	0.0	(0.2)	0.0	(3.3)
Other current assets	(7.3)	0.4	(0.1)	0.0	3.3	0.0	(3.7)
Equity	0.1	0.0	0.0	0.0	0.0	0.5	0.6
Provisions	(3.9)	0.0	0.0	0.0	0.6	0.0	(3.3)
Other liabilities	(8.1)	0.3	0.4	0.0	(0.6)	4.4	(3.6)
Recaptured losses	35.6	0.0	0.0	0.0	(7.8)	0.0	27.8
Tax losses	(20.4)	4.2	(21.7)	0.0	(19.0)	0.0	(56.9)
	115.7	(2.9)	5.4	(0.8)	22.1	4.9	144.4

NOTE 20 - Pensions and similiar liabilities

It is group policy to fund all pension liabilities and predominantly to avoid defined benefit plans. The acquisition of the majority holding in BioMar Holding A/S at December 31, 2005 included defined benefit obligations, which were included in the consolidated balance sheet of Schouw & Co. at December 31, 2005.

	2009	2008
Changes in recognised liability:		
Net liability at January 1	26.1	21.6
Paid in	0.0	4.9
Paid out	(1.6)	(0.4)
Net liability at December 31	24.5	26.1

The pension obligation was calculated at DKK 24.5 million at December 31, 2009. The entire amount relates to Schouw & Co.'s liability to fund supplementary pensions under the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at September 30, 2002 and who transferred to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final funding of this liability may impact future financial results in a positive or negative direction.

Amounts recognised in the consolidated income statement in respect of defined contribution plans and defined benefit plans are shown in note 3 to the financial statements.

Provisions

January 1	22.1	36.4
Used during the year	(8.3)	(14.7)
Reversed during the year	(7.4)	(9.9)
Provisions made for the year	11.1	10.3
At December 31	17.5	22.1

Expected to fall due within:		
Current	6.4	8.9
Non-current	11.1	13.2
At December 31	17.5	22.1

Provisions made comprise warranty commitments. For certain products, the Group has a contractual commitment to provide warranties of from 12 to 24 months. Under these warranties, the Group undertakes to replace or repair goods that do not function satisfactorily.

The statement of expected expiry dates is based on previous experience of when claims for repair are typically received or goods are returned.

Notes to the financial statements

	2009	2008
NOTE 21 - Interest-bearing debt		
Debt recognised in the balance sheet:		
Credit institutions (non-current)	887.9	1,664.6
Debt to mortgage-credit institutions (non-current)	241.5	207.9
Other liabilities (non-current)	15.5	8.3
Current portion of non-current liabilities	499.8	268.7
Credit institutions (current)	1,056.7	1,223.9
	2,701.4	3,373.4
Fair value of the interest bearing debt	2,701.8	3,374.1

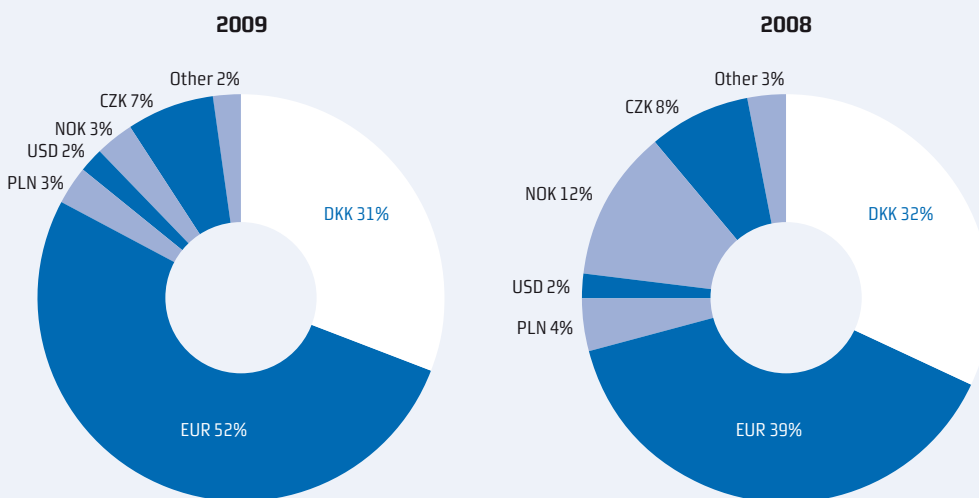
	Payment		Rate of interest		Carrying amount	
	2009	2008	2009	2008	2009	2008
Interest-bearing debt maturity profile						
Overdraft facilities without planned repayment	1,056.7	1,423.9	0.0	0.0	1,056.7	1,423.9
Less than 1 year	545.4	361.5	45.6	92.8	499.8	268.7
1-5 years	954.4	1,545.4	97.6	240.5	856.8	1,304.9
More than 5 years	335.6	482.3	47.5	106.4	288.1	375.9
	2,892.1	3,813.1	190.7	439.7	2,701.4	3,373.4

In the above, the interest rate on variable rate debt is fixed as the spot rate.

Weighted average effective rate of interest of the year was 3.7% (2008: 5.7%)

Weighted average effective rate of interest on the balance sheet date was 2.9% (2008: 5.5%)

Percentage breakdown of total debt by currency



Accordingly, liabilities regarding assets held under finance leases are included under debt to credit institutions:

	Payment		Rate of interest		Carrying amount	
	2009	2008	2009	2008	2009	2008
Expire in						
0-1 year	2.2	3.0	0.3	0.4	1.9	2.6
1-5 years	7.0	8.5	0.5	0.7	6.5	7.8
> 5 years	0.0	0.0	0.0	0.0	0.0	0.0
	9.2	11.5	0.8	1.1	8.4	10.4

The fair value of the liabilities relating to assets held under finance leases corresponds to the carrying amount.

The fair value is an estimate of the present value of future cash flows applying a market rate for similar leases.

Notes to the financial statements

NOTE 21 - Interest-bearing debt (continued)

Interest rate risk

The Group hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity. Hedging normally consists of interest rate swaps and rate caps. All interest rate swaps and rate caps are used to hedge underlying loans/credit facilities.

	2009			2008		
	Fixed rate debt	Floating rate debt	Total	Fixed rate debt	Floating rate debt	Total
Interest bearing debt	300.8	2,400.6	2,701.4	290.7	3,082.7	3,373.4
Hedging	456.9	(456.9)	-	367.6	(367.6)	-
Net exposure	757.7	1,943.7	2,701.4	658.3	2,715.1	3,373.4
Share in per cent	28.0%	72.0%		19.5%	80.5%	

Included in fixed-rate debt are items that are not interest reset within the next 12 months.

If interest rates rise by 1%, the annual interest expense would increase by about DKK 15 million after tax (2008: DKK 20 million).

NOTE 22 - Other liabilities

	2009	2008
Deposits (non-interest bearing)	7.0	3.3
Corporate bonds (interest bearing)	15.5	8.3
Accruals and deferred income	32.2	37.9
	54.7	49.5

At the end of 2009, Schouw & Co. issued a corporate bond in continuation of the established employee bond programme. The bond was issued on December 31, 2009 and matures on December 31, 2014, at which time it will be repaid in cash. The bond has a coupon of 2.5% per annum. As a consequence of the changed tax rules in Denmark, the programme was discontinued at the end of 2009.

NOTE 23 - Trade payables and other payables

Trade payables	1,027.8	1,084.8
Customer prepayments	1.1	0.9
Other payables	376.5	312.8
Accruals and deferred income	15.2	10.2
	1,420.6	1,408.7

NOTE 24 - Income tax

Net income tax payable at January 1	(6.3)	12.2
Exchange adjustments at January 1	(0.2)	(0.3)
Current tax for the year including jointly-taxed subsidiaries	60.9	22.3
Prior-year adjustments	2.5	(6.5)
Transferred from deferred tax at January 1	5.0	0.0
Tax payable recognised in equity	(1.6)	(3.5)
Additions on acquisitions	0.0	(1.8)
Corporate income tax paid during the year	(15.1)	(30.5)
Net income tax payable at December 31	45.2	(8.1)

Which is distributed as follows:

Income tax receivable	(3.8)	(20.8)
Income tax payable	49.0	12.7
	45.2	(8.1)

Notes to the financial statements

	2009	2008
NOTE 25 - Changes in working capital		
Change in inventories	358.8	(95.8)
Change in receivables	470.3	(539.5)
Change in trade payables and other payables	(34.7)	330.3
	794.4	(305.0)

NOTE 26 - Adjustment for non-cash transactions

Purchase of intangible assets, see note 12	55.5	71.5
Of which had not been paid at the balance sheet date/adjustment for the year	(0.4)	(0.1)
Amount paid in relation to intangible assets	55.1	71.4
Purchase of property, plant and equipment, see note 13	208.4	335.2
Of which had not been paid at the balance sheet date/adjustment for the year	(0.5)	(6.8)
Of which assets held under finance leases	0.0	0.0
Amount paid in relation to purchase of property, plant and equipment	207.9	328.4
Incurring financial liabilities	57.2	856.0
Of which lease debt	0.0	0.0
Proceeds from incurring financial liabilities	57.2	856.0

NOTE 27 - Acquisition of subsidiaries and business activities

	2009			2008		
	Fair value at time of acquisition	Identified value revisions	Carrying amount prior to acquisition	Fair value at time of acquisition	Identified value revisions	Carrying amount prior to acquisition
Intangible assets	-	-	-	53.5	53.5	0.0
Property, plant and equipment	-	-	-	173.5	41.2	132.3
Financial assets	-	-	-	40.4	0.0	40.4
Inventories	-	-	-	72.1	1.5	70.6
Receivables	-	-	-	266.2	0.0	266.2
Tax asset	-	-	-	9.2	(9.2)	18.4
Cash and cash equivalents	-	-	-	15.9	0.0	15.9
Credit institutions	-	-	-	(233.2)	0.0	(233.2)
Deferred tax	-	-	-	(14.6)	(12.2)	(2.4)
Provisions	-	-	-	0.0	0.0	0.0
Trade payables	-	-	-	(106.8)	0.0	(106.8)
Other liabilities	-	-	-	(84.2)	(0.6)	(83.6)
Contingent liabilities	-	-	-	0.0	0.0	0.0
Net assets acquired	-	-	-	192.0	74.2	117.8
Goodwill	-	-	-	314.9	-	-
Cost	-	-	-	506.9	-	-
Of which cash and cash equivalents	-	-	-	(15.9)	-	-
Cost of continuing operations	-	-	-	491.0	-	-
Share of cost not yet paid	-	-	-	(12.5)	-	-
Cash cost total	-	-	-	478.5	-	-

2009

The group did not acquire any companies in 2009.

Notes to the financial statements

NOTE 27 - Acquisition of subsidiaries and business activities (continued)

2008

Effective February 1, 2008, BioMar acquired Provimi's fish feed operations in Chile, Denmark and Spain. In connection with the acquisition, BioMar revalued assets and liabilities for a total of DKK 73.6 million. The total cash acquisition price for Provimi's fish feed operations was DKK 472.8 million, of which transaction costs related to the acquisition amounted to DKK 6.5 million.

In the second quarter of 2008, Martin acquired R&D International NV, a Belgian company specialising in the research and development of hardware and software for the lighting industry. In connection with the acquisition, Martin revalued assets and liabilities for a total of DKK 0.8 million.

In the fourth quarter of 2008, Martin acquired the remaining 49% of the shares in Martin Germany at a total price of DKK 22.8 million, of which DKK 8.9 million was paid in cash. Goodwill of DKK 13.9 million was capitalised on the acquisition.

Finally, Schouw & Co. acquired the minority interest in BioMar Holding A/S in 2008, see 'Management's report'. Goodwill of DKK 289.7 million was recognised on the merger of Schouw & Co. and BioMar Holding A/S. Since BioMar Holding A/S was already fully consolidated prior the merger, no further assets and liabilities relating to the merger of Schouw & Co. and BioMar Holding A/S are identified in the above table.

NOTE 28 - Divestment of subsidiaries and activities

	2009	2008
Carrying amount at the time of divestment of:		
Intangible assets	-	6.8
Property, plant and equipment	-	0.0
Financial assets	-	0.0
Inventories	-	0.8
Receivables	-	4.8
Tax asset	-	0.0
Cash and cash equivalents	-	0.8
Credit institutions	-	0.0
Deferred tax	-	(0.9)
Provisions	-	0.0
Trade payables	-	(2.1)
Other liabilities	-	(6.3)
Contingent liabilities	-	0.0
Net assets sold	-	3.9
Gain / loss from divestment of equity investments before cost of sale	-	21.7
Selling price	-	25.6
Cost of selling	-	(0.3)
Loan advanced to buyer	-	(10.3)
Of which cash and cash equivalents	-	(0.8)
Cash selling price	-	14.2

No companies were divested in 2009. The group divested Martin Security Smoke in 2008.

NOTE 29 - Cash and cash equivalents

Cash and cash equivalents at December 31 comprise:

Securities with a maturity of less than three months	0.0	0.0
Cash	415.4	377.0
Cash classified as assets held for sale	9.1	6.9
	424.5	383.9

NOTE 30 - Discontinuing operations and assets held for sale

Earnings per share from discontinuing operations (DKK) *	1.55	0.08
Diluted earnings per share from discontinuing operations (DKK) *	1.56	0.08

* Key ratios per share have been adjusted to reflect the issue of bonus shares.

Discontinuing activities in the Schouw & Co. Group consist of the activities in Sjøtroll Havbruk. The activities of Sjøtroll Havbruk have been valued at the lower of book value and the fair value less expected costs to sell.

Notes to the financial statements

	2009	2008
NOTE 31 - Categories of financial assets and liabilities		
Financial assets		
Non-current assets		
Other securities and investments (Vestas)	1,258.4	1,217.7
Fair value recognised in the income statement⁽¹⁾	1,258.4	1,217.7
Other investments and securities (other equity holdings)	36.0	29.6
Available-for-sale financial assets⁽³⁾	36.0	29.6
Other receivables	105.9	112.9
Receivables	105.9	112.9
Current assets		
Trade receivables	1,547.3	1,957.0
Other receivables	90.9	94.8
Cash and cash equivalents	415.5	377.0
Receivables	2,053.7	2,428.8
Other receivables (derivative financial instruments)	0.1	1.1
Trading portfolio⁽²⁾	0.1	1.1
Financial liabilities		
Non-current liabilities		
Debt to mortgage-credit institutions	241.5	207.9
Other debt to credit institutions	887.9	1,664.6
Other liabilities	22.5	11.6
Financial liabilities measured at amortised cost	1,151.9	1,884.1
Current liabilities		
Debt to mortgage-credit institutions	12.8	8.7
Other debt to credit institutions	1,543.7	1,483.9
Trade payables	1,027.8	1,084.8
Financial liabilities measured at amortised cost	2,584.3	2,577.4
Other debt (derivative financial instruments)	28.2	28.4
Trading portfolio⁽²⁾	28.2	28.4

1) Listed shares, stated at market value of shareholding (level 1).

2) Financial instruments stated in accordance with generally accepted valuation techniques based on observable data (level 2) measured by external credit institutions.

3) Unlisted shares, stated at estimated value (level 3).

NOTE 32 - Financial risks

The group's risk management policy

Due to the nature of its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. In addition, the Group is exposed to fluctuations in the price of Vestas shares. Group policy is not to actively conduct speculation in financial risks. Accordingly, the Group's financial management exclusively involves the management of financial risk relating to its operations and investments.

Currency risk

In order to limit currency risk, the group applies a number of financial instruments, mainly forward currency transactions and currency options. The individual group companies manage and hedge current and future currency positions in accordance with guidelines determined by Schouw & Co. It is group policy to hedge material expected currency flows in currencies not closely correlated with EUR 6-12 months forward.

The Group has a number of investments in foreign subsidiaries, for which the translation of equity into Danish kroner is subject to currency risk. Fibertex A/S has raised a loan of CZK 655 million to hedge the net investment in Fibertex a.s. in the Czech Republic. No other net investments have been hedged. Generally, group policy is not to hedge a net investment.

Set out in the table below is the Group's overall exchange risk at December 31, determined by aggregating the gross currency risks of the individual group companies. 'Likely change in exchange rate' is based on historical developments of the exchange rates during the last three years.

Notes to the financial statements

NOTE 32 - Financial risks (continued)

The Group's main foreign exchange risk recognised in the balance sheet at December 31, 2009

	Position before hedging	Hedged by financial instruments ¹⁾	Position after hedging	Likely change in exchange rate ²⁾	Effect on profit for the year ³⁾
Currency					
DKK / EUR	(197.5)	0.0	(197.5)	0.1%	(0.2)
DKK / NOK	(18.9)	0.0	(18.9)	14.0%	(2.6)
EUR / DKK	(282.0)	0.0	(282.0)	0.1%	(0.3)
USD / DKK	(38.0)	0.0	(38.0)	6.0%	(2.3)
CZK / DKK	(26.7)	28.2	1.5	2.0%	0.0
USD / GBP	(36.2)	37.9	1.7	16.0%	0.3
USD / NOK	(61.7)	81.9	20.2	20.0%	4.0
CLP / USD	(13.4)	0.0	(13.4)	18.0%	(2.4)

The Group's main foreign exchange risk recognised in the balance sheet at December 31, 2008

	Position before hedging	Hedged by financial instruments ¹⁾	Position after hedging	Likely change in exchange rate ²⁾	Effect on profit for the year ³⁾
Currency					
EUR / DKK	(884.3)	0.0	(884.3)	0.0%	0.0
MYR / DKK	0.0	22.5	22.5	10.0%	2.3
NOK / DKK	(2.2)	(24.3)	(26.5)	10.0%	(2.7)
USD / DKK	105.9	(8.7)	97.2	10.0%	9.7
CLP / DKK	(11.2)	(60.7)	(71.9)	10.0%	(7.2)

1) Positive principal amounts on forward currency contracts indicate a purchase of the currency in question. Negative principal amounts indicate a sale.

2) Increase in per cent in the currency exchange rate.

3) A decrease in the currency exchange rate would reverse the sign.

The group is only moderately exposed to changes in foreign exchange rates.

Currency hedging agreements regarding future transactions

Net amounts outstanding for currency hedging agreements at December 31, for the Group and the parent company, which satisfy the requirements for hedge accounting and which relate to future transactions

	2009			2008		
	Notional principal ¹⁾	Capital gain/(loss) recognised in equity	Maximum number of months to expiry	Notional principal ¹⁾	Capital gain/(loss) recognised in equity	Maximum number of months to expiry
Currency						
EUR / DKK	0.0	0.0	0	(60.1)	1.6	6
USD / DKK	79.8	(0.5)	2	265.2	14.1	6
SEK / DKK	0.0	0.0	0	3.8	0.0	1
NOK / DKK	0.6	0.6	2	5.0	(0.6)	2
USD / GBP	102.5	0.2	2	0.0	0.0	0
EUR / GBP	3.5	0.2	2	0.0	0.0	0
DKK / GBP	2.2	0.1	2	0.0	0.0	0
USD / NOK	185.2	(1.8)	2	0.0	0.0	0
DKK / NOK	9.2	(0.3)	2	0.0	0.0	0
GBP / EUR	10.8	0.5	2	0.0	0.0	0
EUR / NOK	20.1	(0.2)	2	0.0	0.0	0
		(1.2)			15.1	

1) Positive principal amounts on forward currency contracts indicate a purchase of the currency in question. Negative principal amounts indicate a sale.

Forward currency contracts relate to hedging of goods sold and goods purchased.

Hedging of future cash flows is primarily done in BioMar, which often enters into substantial contracts for the purchase of fish oil and fish meal in currencies other than the functional currency of individual Group companies. At the time of purchase, it is therefore custom to hedge the currency risk on every purchase of raw materials.

	2009	2008
Hedges of future transactions recognised in equity		
Currency hedges	(1.2)	15.1
Interest hedges	(17.8)	(10.2)
Other hedges	0.0	(6.5)
Recognised before tax	(19.0)	(1.6)
Tax on recognised hedge transactions	4.7	0.4
Recognised after tax	(14.3)	(1.2)

Notes to the financial statements

NOTE 32 - Financial risks (continued)

Price of Vestas shares

Schow & Co. is exposed to fluctuations in the price of Vestas shares, which in 2009 resulted in a positive effect on profit of DKK 40.6 million (2008: a negative effect of DKK 871.5 million). The value of Schouw & Co.'s holding of Vestas shares is detailed in note 14.

Risks on raw material

Risk on raw materials prices is not hedged by way of financial instruments.

Interest rate risk

The Group hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Interest rate risk is further described in note 21.

Credit risk

The Group's credit risk is primarily related to trade receivables (see note 16) and cash deposits. The Group is not exposed to significant risks concerning individual customers or business partners. The Group's policy for undertaking credit risks involves an ongoing credit assessment of all major customers. At December 31, 2009, the maximum credit risk considering the collateral provided was DKK 1,842.3 million (trade receivables less collateral + cash).

Liquidity risk

It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/renewal dates and counterparties, with due consideration to costs. The Group's cash reserves consist of cash, readily marketable shares in Vestas and undrawn credit facilities. The Group's objective is to have sufficient cash resources to allow it to continue in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings.

	2009	2008
Breakdown of the Group's cash resources at December 31		
Operating credit facility	2,582.4	2,724.7
Drawn operating credits, see note 21	(1,056.7)	(1,223.9)
Drawn operating credits included in credit institutions (long-term)	0.0	(200.0)
Cash and cash equivalents, see note 29	415.4	377.0
Shares in Vestas	1,258.4	1,217.7
Cash resources	3,199.5	2,895.5

The Group's credit facilities have mainly been raised with large Scandinavian banks, with whom the Group has had a longstanding relationship. Most operating credits can be terminated at short notice, with the exception of credit facilities of DKK 500 million, which are interminable on the part of the bank until June 30, 2013, subject to compliance with covenants. The maturity profile of the Group's interest-bearing debt is shown in note 21.

Capital management

Schow & Co. gives priority to having a high equity ratio in order to ensure financial versatility. The company's significant undrawn credit limits and its highly liquid portfolio of securities means that it has substantial cash resources. See the table above.

The Group's dividend policy normally calls for a pay-out ratio of 20–30%, although it may be less than 20% in years with a large positive value adjustment on the holding of Vestas shares, or it may be higher than 30% in years with large positive cash flows. Otherwise, the dividend declared will always take account of the Group's plans for growth and its liquidity requirements.

Notes to the financial statements

NOTE 33 - Operating leases and rent commitments

	2009				
	Property	Machinery	Ships	Cars	Total
Payments for non-terminable operating leases and rent commitments:					
0-1 year	27.2	18.2	45.3	9.8	100.5
1-5 years	60.3	13.0	79.4	10.1	162.8
> 5 years	18.4	0.1	0.0	0.0	18.5
	105.9	31.3	124.7	19.9	281.8

	2008				
	Property	Machinery	Ships	Cars	Total
Payments for non-terminable operating leases and rent commitments:					
0-1 year	29.0	15.8	56.0	9.9	110.7
1-5 years	46.1	13.2	130.4	12.6	202.3
> 5 years	30.1	0.6	0.0	1.4	32.1
	105.2	29.6	186.4	23.9	345.1

The Group leases tools and equipment under operating leases. Lease periods are typically for 2-8 years with a renewal option on expiry. No contingent rents are payable under the leases.

An amount of DKK 120,3 million (2008: DKK 99.0 million) relating to operating leases was recognised in the consolidated income statement for 2009.

NOTE 34 - Contingent liabilities and guarantees

Contingent liabilities

Guarantee for debt owed to banks and credit institutions was DKK 12.5 million (2008: 24.9 million).

The Schouw & Co. Group is currently a party to a small number of legal disputes. Management believes that the results of these legal disputes will not impact the Group's financial position other than the receivables and liabilities recognised in the balance sheet at December 31, 2009.

Guarantees

The following assets have been provided as security to credit institutions:

	2009	2008
Land and buildings with a carrying amount of	827.5	813.4
Plant and machinery with a carrying amount of	650.6	617.1
Current assets	255.6	184.8
Other guarantees	24.1	17.0

The above guarantees matches the group debt to credit and mortgage-credit institutions of DKK 1,376.3 million (2008: DKK 2,033.6 million).

The Group has secured debt to credit institutions in the form of mortgage collateral of shares in certain subsidiaries. The subsidiaries are recognised in the consolidated financial statements at net assets of DKK 1,286.0 million.

NOTE 35 - Related party transactions

Under Danish legislation, Givesco A/S, Svinget 24, DK-7323 Give, members of the Board of Directors, the Executive Management 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. Pursuant to Section 31 of the Securities Trading Act, the three shareholders Givesco A/S, Direktør Svend Hornsylds Legat and Erling Eskildsen are to be considered as a single shareholder of Aktieselskabet Schouw & Co. The three shareholders hold in aggregate 46.85 % of the shares in Aktieselskabet Schouw & Co. Related parties also comprise subsidiaries and associates, see note 6 to the consolidated financial statements and note 5 to the parent company financial statements, in which Schouw & Co. has a controlling influence, as well as members of the Board of Directors, the Executive Management and senior management in these companies.

Management remuneration and share option programmes are described in note 3.

In 2009, the Group extended a DKK 5.2 million loan to Incuba A/S and received a management fee of DKK 0.1 million. No other related party transactions took place during the year.

NOTE 36 - Events after the balance sheet date

Other than the events described in Management's report, Schouw & Co. is not aware of events occurring after December 31, 2009, which are expected to have a material impact on the Group's financial position or outlook.

NOTE 37 - New accounting regulations

The IASB has issued a series of new and updated IFRS standards (IFRS 1, IFRS 2, IFRS 3, IFRS 9, IAS 24, IAS 27, IAS 32 and IAS 39, parts of Improvements to IFRS May 2008, Improvements to IFRS April 2009) and new and updated interpretations (IFRIC 17-19, amendments to IFRIC 14), are not mandatory for Schouw & Co. when preparing the annual report for 2009. Schouw & Co. expects to implement the new accounting standards and interpretations as they become compulsory under the IASB dates. The amendments to IFRS 3 will have implications for future acquisitions of companies. In addition, none of the new standards or interpretations are expected to have significant impact on the accounting of Schouw & Co.

Statement of income and comprehensive income January 1 - December 31

	2009	2008
Note		
1 Revenue	17.9	17.3
2 Cost of sales	(2.0)	(1.7)
Gross profit	15.9	15.6
4 Other operating income	0.0	3.8
2,3 Administrative expenses	(21.3)	(21.6)
Operating profit (EBIT)	(5.4)	(2.2)
7 Financial income	107.8	202.2
8 Financial expenses	(212.5)	(1,262.1)
Profit before tax	(110.1)	(1,062.1)
9 Tax on profit for the year	(0.2)	1.8
Profit for the year	(110.3)	(1,060.3)
Proposed allocation of profit		
Proposed dividend, DKK 3 per share (2008: DKK 3 per share)	76.5	84.0
Retained earnings	(186.8)	(1,144.3)
	(110.3)	(1,060.3)
Comprehensive income		
Value adjustment of hedging instruments recognised during the year	(1.6)	0.0
Tax on other comprehensive income	0.4	0.0
Net income recognised in other comprehensive income	(1.2)	0.0
Profit for the year	(110.3)	(1,060.3)
Total recognised comprehensive income	(111.5)	(1,060.3)

All amounts in millions of Danish kroner.

Balance sheet • Assets, Liabilities and equity at December 31

	2009	2008
Note		
Land and buildings	14.8	14.8
Investment properties	68.8	69.0
Plant and machinery	0.0	0.0
Other fixtures, tools and equipment	3.1	3.0
10 Property, plant and equipment	86.7	86.8
5 Equity investments in subsidiaries and joint ventures	2,368.4	2,383.8
6 Equity investments in associates	62.4	62.9
13 Deferred tax	1.6	3.5
11 Receivables from subsidiaries	0.0	135.0
12 Securities	2.4	1,220.3
Other non-current assets	2,434.8	3,805.5
Total non-current assets	2,521.5	3,892.3
11 Receivables from subsidiaries	209.4	297.7
11 Other receivables	5.3	0.0
12 Securities	1,258.4	0.0
21 Cash and cash equivalents	0.1	0.2
Total current assets	1,473.2	297.9
Total assets	3,994.7	4,190.2

	2009	2008
Note		
14 Share capital	255.0	280.0
Hedge transaction reserve	(1.2)	0.0
Retained earnings	3,267.4	3,513.3
Proposed dividend	76.5	84.0
Total equity	3,597.7	3,877.3
15 Pensions and similar liabilities	24.5	26.1
16 Credit institutions	88.6	45.6
17 Other liabilities	18.8	11.5
Non-current liabilities	131.9	83.2
16 Current portion of non-current debt	5.0	2.2
16 Credit institutions	188.1	75.3
16 Payables to subsidiaries	35.2	135.4
18 Trade payables and other payables	8.9	6.3
19 Income tax	27.9	10.5
Current liabilities	265.1	229.7
Total liabilities	397.0	312.9
Total liabilities and equity	3,994.7	4,190.2

20 Contingent liabilities and guarantees

23-24 Notes without reference

Cash flow statement January 1 - December 31

	2009	2008
Note		
Profit before tax	(110.1)	(1,062.1)
Adjustment for operating items of a non-cash nature, etc.		
² Depreciation and impairment losses	0.8	0.8
Other operating items, net	0.5	(3.4)
Provisions	(1.7)	4.8
Financial income	(107.8)	(202.2)
Financial expenses	212.5	1,262.1
Cash generated from operations (operating activities) before changes in working capital	(5.8)	0.0
Changes in working capital	(5.3)	5.2
²² Cash generated from operations (operating activities)	(11.1)	5.2
Interest income received	19.0	20.8
Interest expenses paid	(10.3)	(20.8)
Cash flows from ordinary activities	(2.4)	5.2
¹⁹ Joint taxation contribution received and net tax paid	19.5	6.2
Cash flows from operating activities	17.1	11.4
Purchase of property, plant and equipment	(0.7)	(1.2)
Sale of property, plant and equipment	0.0	3.8
Capital increase in subsidiaries and joint ventures	0.0	(46.8)
Acquisition of minority interests in subsidiaries	0.0	(0.9)
Dividend from subsidiaries	48.2	80.5
Sale of securities	0.0	536.8
Purchase of securities	(0.6)	0.0
Loans to associate	(5.2)	0.0
Cash flows from investing activities	41.7	572.2
Debt financing:		
Repayment of non-current liabilities	(3.5)	(3.1)
Proceeds from incurring financial liabilities	57.2	8.3
Increase (repayment) of debt to credit institutions	113.2	(411.6)
Increase (repayment) of intra-group balances	(56.4)	(72.7)
Shareholders:		
Costs regarding capital increase/decrease	(0.1)	(1.1)
Dividend paid	(76.4)	(70.1)
Purchase / sale of treasury shares ect.	(92.9)	(33.1)
Cash flows from financing activities	(58.9)	(583.4)
Cash flows for the year	(0.1)	0.2
Cash and cash equivalents at January 1	0.2	0.0
Value adjustment of cash and cash equivalents	0.0	0.0
²¹ Cash and cash equivalents at December 31	0.1	0.2

Statement of changes in equity

	Share capital	Hedge transaction reserve	Retained earnings	Proposed dividend	Total equity
Equity at January 1, 2008	124.7	0.0	4,197.8	74.8	4,397.3
Changes in equity 2008					
Total recognised comprehensive income	0.0	0.0	(1,144.3)	84.0	(1,060.3)
Share-based payment	0.0	0.0	6.2	0.0	6.2
Dividend distributed	0.0	0.0	4.7	(74.8)	(70.1)
Issue of bonus shares	124.7	0.0	(124.7)	0.0	0.0
Capital increase	30.6	0.0	611.3	0.0	641.9
Treasury shares sold	0.0	0.0	42.9	0.0	42.9
Treasury shares bought	0.0	0.0	(80.6)	0.0	(80.6)
Changes in equity 2008	155.3	0.0	(684.5)	9.2	(520.0)
Equity at December 31, 2008	280.0	0.0	3,513.3	84.0	3,877.3
Changes in equity 2009					
Total recognised comprehensive income	0.0	(1.2)	(186.8)	76.5	(111.5)
Share-based payment	0.0	0.0	5.8	0.0	5.8
Dividend distributed	0.0	0.0	7.6	(84.0)	(76.4)
Capital decrease	(25.0)	0.0	24.9	0.0	(0.1)
Treasury shares sold	0.0	0.0	3.9	0.0	3.9
Treasury shares bought	0.0	0.0	(101.3)	0.0	(101.3)
Changes in equity 2009	(25.0)	(1.2)	(245.9)	(7.5)	(279.6)
Equity at December 31, 2009	255.0	(1.2)	3,267.4	76.5	3,597.7

Hedge transaction reserve

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

Notes to the financial statements

	2009	2008
NOTE 1 - Revenue		
Management fee	3.5	3.0
Sale of wind energy	0.0	0.2
Rental income etc.	14.4	14.1
	17.9	17.3

NOTE 2 - Cost

Staff costs

Remuneration to the Board of Directors of Schouw & Co.	(1.8)	(1.4)
Wages and salaries	(9.0)	(10.6)
Defined contribution pension plans	(0.8)	(0.7)
Share-based payment	(1.4)	(1.7)
	(13.0)	(14.4)

Remuneration to the Board of Directors includes a fee to the audit committee of DKK 0.3 million. The committee was established in 2009 and no fees were paid in 2008. More information on salaries, pensions and share-based payment to the Executive Management of Schouw & Co. is provided in note 3 to the consolidated financial statements.

Staff costs including share-based payment are recognised under administrative expenses.

Average number of employees	10	10
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Share option program

Details of the share option plan are provided in note 3 to the consolidated financial statements.

Employee shares

In 2009, Schouw & Co. allocated 593 of its treasury shares for employee share schemes. Employee shares are granted on the basis of a performance-driven model. If the conditions are met, the employees receive a variable number of shares at no consideration equivalent to the estimated performance value. The condition was met for the 2009 financial year and employees have obtained a right to receive shares at a value of DKK 28 thousand, which amount is expensed in the income statement for 2009. The shares are held in blocked accounts until the end of the seventh calendar year following grant.

Depreciation/amortisation and impairment

Depreciation of property, plant and equipment	(0.8)	(0.8)
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Depreciation/amortisation and impairment are recognised in the income statement as follows:

Production	(0.2)	(0.3)
Administration	(0.6)	(0.5)
	(0.8)	(0.8)

NOTE 3 - Fees to the auditor appointed by the general meeting

Audit fees, KPMG	(0.3)	(0.3)
Non-audit fees, KPMG	(0.1)	(0.2)
Fees for tax- and VAT-related services, KPMG	(0.2)	(0.1)
Fees for other services, KPMG	(0.4)	(0.5)
Total fee, KPMG	(1.0)	(1.1)

NOTE 4 - Other operating income

Profit from the sale of property, plant and equipment	0.0	3.6
Profit from the sale of fixed asset investment	0.0	0.2
	0.0	3.8

All amounts in the notes in millions of Danish kroner.

Notes to the financial statements

	2009	2008	
NOTE 5 - Investments in subsidiaries/joint ventures			
Cost at January 1	2,669.5	1,978.8	
Capital contributions made during the year	185.0	0.0	
Reclassified during the year	0.8	0.0	
Additions during the year	0.0	690.9	
Disposals during the year	0.0	(0.2)	
Cost at December 31	2,855.3	2,669.5	
Impairment at January 1	(285.7)	(14.9)	
Impairment	(201.2)	(270.8)	
Disposals during the year	0.0	0.0	
Impairment at December 31	(486.9)	(285.7)	
Carrying amount at December 31	2,368.4	2,383.8	
Company	Registered office	Ownership interest 2009	Ownership interest 2008
BioMar Group A/S	Aarhus	100%	100%
Fibertex A/S	Aalborg	100%	100%
Martin Professional A/S	Aarhus	100%	100%
P. Grene A/S	Skjern	100%	100%
Hydra-Grene Holding A/S	Skjern	100%	100%
Aktieselskabet af 1. april 1988	Aarhus	100%	100%
Schouw & Co. Finans A/S	Aarhus	100%	66%
Xergi A/S	Støvring	50%	50%

The share capital of Martin Professional A/S was increased by DKK 175 million through the conversion of receivables.

A decision was made in 2009 to strengthen Xergi's capital base by DKK 20 million, half of which amount will be subscribed by Schouw & Co.

In light of the losses reported by Martin Professional A/S and Xergi A/S in 2009, these investments have been tested for impairment, which resulted in write-downs of DKK 180.0 million and DKK 21.2 million, respectively.

NOTE 6 - Equity investments in associates

Cost at January 1	66.5	66.5	
Additions	0.0	0.0	
Cost at December 31	66.5	66.5	
Adjustments at January 1	(3.6)	(5.7)	
Impairment for the year	(0.5)	0.0	
Reversal of prior-year impairment	0.0	2.1	
Adjustments at December 31	(4.1)	(3.6)	
Carrying amount at December 31	62.4	62.9	
Company	Registered office	Ownership interest 2009	Ownership interest 2008
Incuba A/S	Aarhus	49.02%	49.02%

Investments in associates are measured at the lower of cost and fair value in the parent company's balance sheet.

Notes to the financial statements

NOTE 7 - Financial income

	2009			Total
	Financial assets and liabilities measured at fair value through the income statement	Loans and receivables	Non-financial assets or liabilities	
Interest income, etc.	0.0	0.0	0.5	0.5
Interest income from subsidiaries	0.0	18.4	0.0	18.4
Unrealised capital gains on securities	40.7	0.0	0.0	40.7
Dividends from subsidiaries	0.0	0.0	48.2	48.2
	40.7	18.4	48.7	107.8

	2008			Total
	Financial assets and liabilities measured at fair value through the income statement	Loans and receivables	Non-financial assets or liabilities	
Reversal of write-downs on investments in associates	0.0	0.0	2.1	2.1
Interest income, etc.	0.0	0.1	0.5	0.6
Interest income from subsidiaries	0.0	20.4	0.0	20.4
Realised capital gains on securities	98.2	0.0	0.0	98.2
Unrealised capital gains on securities	0.4	0.0	0.0	0.4
Dividends from subsidiaries	0.0	0.0	80.5	80.5
	98.6	20.5	83.1	202.2

NOTE 8 - Financial expenses

	2009			Total
	Financial assets and liabilities measured at fair value through the income statement	Financial liabilities measured at amortised costs	Non-financial assets or liabilities	
Write-down on investments in subsidiaries	0.0	0.0	(201.2)	(201.2)
Write-down on investments in associates	0.0	0.0	(0.5)	(0.5)
Interest expenses, etc.	0.0	(8.8)	0.0	(8.8)
Interest expenses to subsidiaries	0.0	(2.0)	0.0	(2.0)
	0.0	(10.8)	(201.7)	(212.5)

	2008			Total
	Financial assets and liabilities measured at fair value through the income statement	Financial liabilities measured at amortised costs	Non-financial assets or liabilities	
Write-down on investments in subsidiaries	0.0	0.0	(270.8)	(270.8)
Interest expenses, etc.	0.0	(20.8)	0.0	(20.8)
Interest expenses to subsidiaries	0.0	(0.3)	0.0	(0.3)
Unrealised capital losses on securities	(970.2)	0.0	0.0	(970.2)
	(970.2)	(21.1)	(270.8)	(1,262.1)

Notes to the financial statements

	2009	2008
NOTE 9 - Tax on the profit for the year		
Tax for the year is composed as follows:		
Tax on the profit for the year	(0.2)	1.8
Tax on other comprehensive income	0.4	0.0
	0.2	1.8
Tax on the profit for the year has been calculated as follows:		
Current tax	1.7	5.6
Deferred tax	(1.9)	(5.0)
Prior-year tax adjustments	0.0	1.2
	(0.2)	1.8
Specification of the tax on the profit for the year:		
Calculated 25% tax of the profit for the year	27.5	265.5
Tax effect of non-deductible amortisation and impairment of goodwill	0.0	(67.7)
Tax effect of non-taxable income and non-taxable expenses	(27.7)	(197.2)
Tax effect of adjustment of prior-year tax charge	0.0	1.2
	(0.2)	1.8
Effective tax rate	-0.2%	0.2%

Non-taxable income and non-deductible expenses relate primarily to non-deductible write-downs of subsidiaries, non-taxable dividend from subsidiaries and non-taxable value adjustments on Vestas shares.

Tax included in other comprehensive income

Value adjustment of hedging instruments for the year before tax	(1.6)	0.0
Tax on value adjustment of hedging instruments for the year	0.4	0.0
Value adjustment of hedging instruments for the year after tax	(1.2)	0.0

NOTE 10 - Property, plant and equipment

	2009				
	Land and buildings	Investment properties	Plant and machinery	Other fixtures, tools and equipment	Total
Cost at January 1, 2009	17.6	97.5	0.0	6.6	121.7
Additions	0.0	0.0	0.0	0.7	0.7
Disposals	0.0	0.0	0.0	(0.1)	(0.1)
Cost at December 31, 2009	17.6	97.5	0.0	7.2	122.3
Depreciation and impairment at January 1, 2009	(2.8)	(28.5)	0.0	(3.6)	(34.9)
Depreciation	0.0	(0.2)	0.0	(0.6)	(0.8)
Disposals	0.0	0.0	0.0	0.1	0.1
Depreciation and impairment at December 31, 2009	(2.8)	(28.7)	0.0	(4.1)	(35.6)
Carrying amount at December 31, 2009	14.8	68.8	0.0	3.1	86.7
Depreciated over	25 years	20 years	10 years	3-8 years	
	2008				
	Land and buildings	Investment properties	Plant and machinery	Other fixtures, tools and equipment	Total
Cost at January 1, 2008	17.2	97.5	4.7	6.0	125.4
Additions	0.4	0.0	0.0	0.9	1.3
Disposals	0.0	0.0	(4.7)	(0.3)	(5.0)
Cost at December 31, 2008	17.6	97.5	0.0	6.6	121.7
Depreciation and impairment at January 1, 2008	(2.8)	(28.2)	(4.7)	(3.3)	(39.0)
Depreciation	0.0	(0.3)	0.0	(0.5)	(0.8)
Disposals	0.0	0.0	4.7	0.2	4.9
Depreciation and impairment at December 31, 2008	(2.8)	(28.5)	0.0	(3.6)	(34.9)
Carrying amount at December 31, 2008	14.8	69.0	0.0	3.0	86.8
Depreciated over	25 years	20 years	10 years	3-8 years	

Schouw & Co. owns the following three properties, Chr. Filtenborgs Plads 1, the group's head office (Aarhus), Hovmarken 8 (Lystrup) which, after the sale of Elopak Denmark A/S in 2006 is now treated as an investment property and Sadelmagervej 24 (Vejle), which is also an investment property.

The investment properties produce rental income of DKK 14.7 million at the current rent level and includes operating costs of DKK 1.7 million. When capitalising the net rental income at a discount rate of 7.5% p.a., the fair value of the two investment properties is estimated to be about DKK 170 million. The discount rate is defined as the rate (15-25 years) at 31 December 2009, plus a risk premium of 2.8 percentage points.

Notes to the financial statements

	2009	2008
NOTE 11 - Receivables		
Receivables from subsidiaries	209.4	432.7
Other receivables	5.2	0.0
Accruals and deferred income	0.1	0.0
	214.7	432.7
Breakdown of receivables:		
Long-term receivables	0.0	135.0
Short-term receivables	214.7	297.7
	214.7	432.7

The company recognised no impairment charges on receivables during the financial year.

For receivables falling due within one year after the end of the financial year, the nominal value is assessed to correspond to the fair value.

NOTE 12 - Securities

Cost at January 1,	314.5	366.0
Additions	0.6	0.0
Reclassification	1.7	1.0
Disposals	(1.0)	(52.5)
Cost at December 31	315.8	314.5
Adjustments at January 1	905.8	2,262.1
Reclassification	(2.5)	(1.0)
Disposals on divestment	1.0	(483.7)
Adjustments of the year recognised in the income statement	40.7	(871.6)
Adjustments at December 31	945.0	905.8
Carrying amount at December 31	1,260.8	1,220.3
Recognised in the balance sheet under long-term securities	2.4	1,220.3
Recognised in the balance sheet under short-term securities	1,258.4	0.0
Shares in Vestas Wind Systems A/S	1,258.4	1,217.7
Other securities	2.4	2.6
	1,260.8	1,220.3

At December 31, 2009, the company held 4,000,000 shares in Vestas Wind Systems recognised at a price of DKK 314.59 per share. At DKK 1,258.4 million, the fair value of the holding corresponded to the market price at December 31, 2009. The holding is classified as a holding measured at fair value and for which value adjustments are recognised in the income statement as a financial income or a financial expense. The holding of shares in Vestas Wind Systems is classified as a current asset, because the entire holding was transferred as a non-cash contribution to Schouw & Co. Finans A/S at the beginning of 2010.

NOTE 13 - Deferred tax

	2009	2008
Deferred tax at January 1	(3.5)	12.0
Additions on merger	0.0	(19.9)
Deferred tax adjustment at January 1	0.0	(0.6)
Deferred tax for the year recognised in profit for the year	1.9	5.0
Net deferred tax at December 31	(1.6)	(3.5)
Deferred tax pertains to:		
Property, plant and equipment	5.2	3.4
Other liabilities	(3.2)	(3.2)
Tax losses	(3.6)	(3.7)
	(1.6)	(3.5)

There are no deferred tax liabilities that have not been recognised in the balance sheet.

Notes to the financial statements

NOTE 13 - Deferred tax (continued)

Changes in temporary differences during the year

	2009			
	Balance at Jan. 1	Addition	Recognised in profit for the year	Balance at Dec. 31
Property, plant and equipment	3.4	0.0	1.8	5.2
Other liabilities	(3.2)	0.0	0.0	(3.2)
Tax losses	(3.7)	0.0	0.1	(3.6)
	(3.5)	0.0	1.9	(1.6)

	2008			
	Balance at Jan. 1	Addition on merger	Recognised in profit for the year	Balance at Dec. 31
Property, plant and equipment	11.5	(11.9)	3.8	3.4
Other liabilities	0.5	(3.4)	(0.3)	(3.2)
Tax losses	0.0	(4.6)	0.9	(3.7)
	12.0	(19.9)	4.4	(3.5)

NOTE 14 - Share capital

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally.

In April 2008, the share capital was increased by 12,470,000 shares in connection with a bonus share issue and by 3,060,000 shares on the merger of BioMar Holding A/S and Schouw & Co. Total costs of the capital increase and the bonus share issue amounted to DKK 1.1 million.

The share capital was reduced by 2,500,000 shares in August 2009. Costs in relation to the capital reduction amounted to DKK 0.1 million.

Treasury shares	Number of shares	Nominal value	Cost	Percentage of share capital
January 1, 2008	928,734	9,287,340	216.2	7.45%
Bought	544,907	5,449,070	80.6	1.25%
Group employee share scheme	(16,429)	(164,290)	(2.2)	-0.13%
Share option programme	(120,000)	(1,200,000)	(15.0)	-0.96%
Bonus shares	792,345	7,923,450	0.0	0.00%
Disposal on merger	(369,048)	(3,690,480)	(19.6)	-1.32%
December 31, 2008	1,760,509	17,605,090	260.0	6.29%
Bought	1,146,982	11,469,820	101.3	4.18%
Group employee share scheme	(52,853)	(528,530)	(2.8)	-0.19%
Decrease of share capital	(2,500,000)	(25,000,000)	(324.6)	-8.89%
December 31, 2009	354,638	3,546,380	33.9	1.39%

In 2009, Schouw & Co. sold treasury shares worth DKK 3.9 million in settlement of the Group's employee share scheme.

Schouw & Co. acquired treasury shares worth DKK 101.3 million in 2009.

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 2,550,000 treasury shares, equal to 10.0% of the share capital. The authorisation is valid until the company's next annual general meeting, at which time a proposal will be made to renew it.

The company acquires treasury shares for allocation to the Group's employee share schemes and share option programmes. At December 31, 2009, the holding of treasury shares had a market value of DKK 33.5 million (2008 DKK 134.2 million)

NOTE 15 - Pensions and similar liabilities

It is company policy to fund all pension liabilities, so as predominantly to avoid defined benefit plans. A defined benefit pension liability was assumed by Schouw & Co. in connection with the merger with BioMar Holding.

	2009	2008
Changes in recognised liability:		
Net liability at January 1	26.1	0.0
Additions by merger	0.0	21.5
Paid out	(1.6)	(0.3)
Paid in	0.0	4.9
Net liability at December 31	24.5	26.1

The pension obligation was calculated at DKK 24.5 million at December 31, 2009. The entire amount relates to that company's liability to fund supplementary pensions under the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at September 30, 2002 and who transferred to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final funding of this liability may impact future financial results in a positive or negative direction.

Amounts recognised in the consolidated income statement in respect of defined contribution plans and defined benefit plans are shown in note 3 to the consolidated financial statements.

Notes to the financial statements

	2009	2008
NOTE 16 - Interest bearing debt		
Debt recognised in the balance sheet:		
Credit institutions (long-term)	88.6	45.6
Other liabilities (long-term)	15.5	8.3
Current portion of non-current liabilities	5.0	2.2
Credit institutions (short-term)	188.1	75.3
Payables to subsidiaries (interest bearing)	25.1	135.3
	322.3	266.7
Fair value	322.4	266.7

	Payment		Rate of interest		Carrying amount	
	2009	2008	2009	2008	2009	2008
Interest-bearing debt maturity profile						
Overdraft facilities without planned repayment	213.2	210.6	0.0	0.0	213.2	210.6
Less than 1 year	7.4	4.8	2.4	2.6	5.0	2.2
1-5 years	38.3	19.7	9.2	10.9	29.2	8.8
More than 5 years	84.6	55.9	9.6	10.8	74.9	45.1
	343.5	291.0	21.2	24.3	322.3	266.7

The rate of interest used for variable rate debt is the spot rate.

Weighted average effective rate of interest of the year was 3.1% (2008: 5.2%)

Weighted average effective rate of interest at the balance sheet date was 1.9% (2008: 5.4%)

Distribution of interest-bearing debt by currency: DKK 28%, EUR 72% (2008: DKK 100%, EUR 0%).

Interest rate risk

The parent company hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity. Hedging normally consists of interest rate swaps and rate caps.

	2009			2008		
	Fixed rate debt	Variable rate debt	Total	Fixed rate debt	Variable rate debt	Total
Interest-bearing debt	15.5	306.8	322.3	31.2	235.5	266.7
Hedging	49.9	(49.9)	0.0	0.0	0.0	0.0
Net exposure	65.4	256.9	322.3	31.2	235.5	266.7

An increase in interest rates of 1% point would cause the annual interest expense to rise by about DKK 1.9 million after tax (2008: DKK 1.8 million).

An increase in interest rates of 1% point would cause equity to rise by DKK 2.0 million after tax (2008: DKK 0.0 million). The fair value of the interest rate swap has been calculated using generally accepted valuation techniques on the basis of observable data (level 2). The interest rate swap has a term to maturity of 9.5 years.

Fixed rate debt includes items, for which the rate of interest will not be reset within the next year.

	2009	2008
NOTE 17 - Other liabilities		
Deposits (non-interest bearing)	3.3	3.2
Corporate bonds (interest bearing)	15.5	8.3
	18.8	11.5

NOTE 18 - Trade payables and other payables

Trade payables	1.5	1.0
Other payables	7.4	5.3
	8.9	6.3

Notes to the financial statements

	2009	2008
NOTE 19 - Income tax payable		
Income tax payable at January 1	10.5	10.8
Prior-year adjustments	0.0	(0.9)
Current tax for the year recognised in the income statement	(1.7)	(5.6)
Tax payable recognised in equity	(0.4)	0.0
Joint taxation contribution received and net tax paid	19.5	6.2
Income tax payable at December 31	27.9	10.5

NOTE 20 - Contingent liabilities and guarantees

Contingent liabilities

The parent company is management company for the jointly-taxed Danish subsidiaries.

Guarantees

The following assets have been provided as security to credit institutions:

Land and buildings with a carrying amount of DKK 82.0 million (2008: DKK 83.8 million)

Other guarantees DKK 13.1 million (2008: DKK 13.7 million)

NOTE 21 - Cash and cash equivalents

Cash and cash equivalents	0.1	0.2
	0.1	0.2

NOTE 22 - Changes in working capital

Change in receivables	(6.1)	1.8
Change in trade payables and other payables	0.8	3.4
	(5.3)	5.2

NOTE 23 - Financial risks

The parent company's risk management policy

Due to the nature of its operations, investments and financing, the parent company is exposed to changes in exchange and interest rates. The parent company's financial management exclusively involves the management of financial risk relating to its operations and investments.

For a description of the accounting policies and methods applied, including the recognition criteria and basis of measurement, see the relevant section under accounting policies.

Currency risk

The parent company's foreign exchange risks involve foreign businesses of subsidiaries. The parent company does not hedge these investments. The parent company also has limited exposure to foreign exchange risk relating to EUR-denominated net debt. Considering the relatively small fluctuations in the DKK/EUR exchange rate, however, this is considered to be a limited risk.

The parent company's foreign exchange risks recognised in the balance sheet at December 31, 2009

Currency	Net position before hedging	Hedged by financial instruments	Net position after hedging	Likely change in exchange rate ¹⁾	Effect on profit for the year ²⁾
EUR	104.0	0.0	104.0	0.2%	0.2

1) Increase in per cent in the currency exchange rate.

2) A decrease in the currency exchange rate would reverse the sign.

The parent company's foreign exchange risks recognised in the balance sheet at December 31, 2008

The parent company had no debt or receivables in foreign currencies at the end of 2008.

Credit risk

Parent company credit risk relates primarily to receivables from affiliated companies and secondarily to cash deposits.

Notes to the financial statements

NOTE 23 - Financial risks (continued)

	2009	2008
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Liquidity risks

To ensure that the company always has the necessary cash resources to capitalise on opportunities for investment that may arise and to be able to settle obligations agreed, the company has entered into several agreements with recognised financial institutions, under which they provide credit lines to Schouw & Co. It is company policy to diversify borrowings on short-term drawing facilities and long-term loans from an assessment of its current leverage as well as an assessment of the current and expected future interest rate level. The company's cash resources consist of cash, readily marketable shares in Vestas, short-term receivables from affiliated companies and undrawn credit facilities.

The parent company's cash resources at December 31 were composed as follows

Operating credit facility	856.7	857.5
Drawn operating credits, see note 16	(188.1)	(75.3)
Shares in Vestas (share price end 2009: 314.59; end 2008: 304.43)	1,258.4	1,217.7
Cash and cash equivalents, see note 21	0.1	0.2
Cash resources	1,927.1	2,000.1
Other receivables / debt to group companies:		
Receivables from group companies	200.9	295.3
Current liabilities to group companies	(25.1)	(135.3)
Net receivables (debt)	175.8	160.0

Operating credits can be terminated at one day's notice.

The maturity profile of the parent company's interest-bearing financial liabilities is shown in note 16.

NOTE 24 - Related party transactions

Related parties are described in note 35 to the consolidated financial statements.

Board of Directors, Executive Management and employees

Management remuneration and share option programmes are described in note 3 to the consolidated financial statement.

Associates

Information on trading with associates is provided below:

The parent company has received a management fee of DKK 0.1 million (2008: DKK 0.1 million).

The parent company has a receivable of DKK 5.2 million at December 31, 2009 (2008: DKK 0.0 million).

No dividends were received from associates in 2009 or 2008.

Subsidiaries

Information on trading with subsidiaries is provided below:

The parent company has received a management fee of DKK 3.4 million (2008: DKK 2.9 million).

Parent company receivables from subsidiaries at December 31 are specified in note 11.

Parent company debt to subsidiaries at December 31 is specified in note 16.

The parent company has received dividends of DKK 48.2 million (2008: DKK 80.5 million) from subsidiaries.

Other than as set out above, no transactions were made during the year with members of the Board of Directors, the Executive Management, senior management, major shareholders or any other related parties.

Accounting policies

The annual report of Schouw & Co. for 2009 is presented in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for the annual reports of listed companies, cf. the disclosure requirements imposed by NASDAQ OMX Copenhagen on financial statements of listed companies and the Danish Statutory Order on Adoption of IFRS.

The annual report also complies with the International Financial Reporting Standards (IFRS) issued by IASB.

Apart from as set out below, the accounting policies are unchanged from the policies applied last year.

Schouw & Co. has implemented, in accordance with the IASB implementation dates, new and revised or amended standards (IAS 1, IAS 23, IAS 27, IAS 32, IAS 39, IFRS 1, IFRS 2, IFRS 7, IFRS 8 and parts of the Improvements to IFRS May 2008) as well as new interpretations (IFRIC 15 and 16).

The changes have not affected recognition or measurement. IAS 1 implies a change in the presentation of the primary statements and certain information disclosed in the notes to the financial statements. IFRS 8 affects the Group's segment disclosure.

The annual report is presented in Danish kroner.

BASIS OF PRESENTATION

Basis of consolidation

The financial statements of the Group consolidate the financial statements of Schouw & Co. and subsidiaries controlled by Schouw & Co. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise. Enterprises in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or having the disposal of more than 20%, but less than 50%, of the voting rights. In the determination of whether Schouw & Co. has control or a significant influence, potential voting rights exercisable at the balance sheet date are included.

Schouw & Co. has joint ventures in which it holds 50% of the shares and in which management is a joint responsibility. Such joint ventures are consolidated on a pro rata basis.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company and the individual subsidiaries and joint ventures prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on transactions between the consolidated companies are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Business combinations

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition. Companies divested or wound up are consolidated in the income statement until the date they are divested or wound up. Comparative figures are not adjusted to reflect acquisitions or divestments. Discontinuing operations are presented as a separate item. See below.

The purchase method is applied on acquisitions if the Parent Company gains control of the company acquired. Assets, liabilities and contingent liabilities in companies acquired are measured at their fair value at the date of acquisition. Intangible assets are recognised if they can be separated or arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

For business combinations effected on or after 1 January 2004, any excess of the cost of acquisition over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. In the event of uncertainty regarding measurement, goodwill may be adjusted until 12 months after the acquisition. Goodwill is not amortised, but is tested for impairment annually. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is

transferred to the cash-generating units which will subsequently form the basis for future impairment tests.

Goodwill on acquisition of minority interests in companies already fully consolidated is capitalised.

Any gains or losses on the disposal of subsidiaries and associates are stated as the difference between the sales sum or the proceeds from the winding-up and the carrying amount of net assets, including goodwill, at the date of disposal net of expenses for selling or winding-up.

Foreign currency translation

A functional currency is determined for each of the reporting enterprises of the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognised in the income statement under financial income or financial expenses.

On consolidation of enterprises with functional currencies other than Danish kroner, the income statements are translated at the exchange rates ruling at the transaction date and the balance sheets are translated at the exchange rates ruling at the balance sheet date. The average exchange rate for each individual month is used as the transaction date exchange rate. Exchange differences arising on the translation of such enterprises' opening equity at the exchange rates ruling at the balance sheet date and on the translation of the income statements from the exchange rates ruling at the transaction date to the exchange rates ruling at the balance sheet date are taken directly to equity in a separate exchange adjustment reserve.

Foreign exchange adjustment of balances that are considered as part of the overall net investment in enterprises with

functional currencies other than Danish kroner, are recognised directly in equity in a separate exchange adjustment reserve in the consolidated financial statements. Similarly, exchange gains and losses on the part of loans and derivative financial instruments effectively hedging the net investment in such enterprises are in the consolidated financial statements taken directly to equity in a separate exchange adjustment reserve.

On consolidation of associates with functional currencies other than Danish kroner, the pro-rata share of the results is translated at the exchange rates ruling at the transaction date, and the share of equity including goodwill is translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of such share of foreign associates' opening equity at the exchange rates ruling at the balance sheet date and on the translation of the share of the results from average exchange rates to the exchange rates ruling at the balance sheet date are taken directly to equity in a separate exchange adjustment reserve.

Impairment of non-current assets

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, the first time before the end of the year of acquisition. Development projects in progress are also tested for impairment annually.

The carrying amount of goodwill is tested for impairment together with the other long-term assets of the cash-generating unit to which the goodwill has been allocated.

The recoverable amount is generally calculated as the present value of the future net cash flows expected to be derived from the business or activity (cash-generating unit) to which the goodwill relates.

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised.

The carrying amounts of other non-current assets are tested annually to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use.

An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment losses are recognised in the income statement

as production costs, distribution costs or administrative expenses. However, goodwill write-downs are recognised as a separate item in the income statement.

Impairment write-downs of goodwill are not reversed. Impairment of other assets is reversed to the extent changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

Derivative financial instruments

Derivative financial instruments are measured at fair value and recognised in the balance sheet under other receivables or other payables, respectively. The fair value of derivative financial instruments is calculated on the basis of current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments that effectively hedge the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the value of the hedged asset or hedged liability. Hedging of future cash flows under agreements are treated as hedging of the fair value of a recognised asset or a recognised liability.

Changes in the part of the fair value of derivative financial instruments effectively hedging future cash flows are recognised in equity in a separate reserve for hedge transactions. On realisation of the hedged transaction, any gains or losses relating to such hedge transactions are transferred from equity and included in the same item as the hedged item.

Changes in the fair value of derivative financial instruments effectively hedging net investments in foreign subsidiaries or associates are recognised directly in equity in a separate hedging transaction reserve.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised as interest income or expenses and similar items in the income statement as they occur.

INCOME STATEMENT

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if transfer of risk to the buyer has taken place before year-end and if the income can be reliably measured.

Revenue is measured excluding VAT and other taxes and duties charged on behalf of third parties. All discounts granted are recognised in revenue.

Construction contracts involving plant that is to a large degree individually designed are included in revenue in proportion to the work completed, so that revenue is matched with the sales value of the work carried out during the year (the percentage of completion method).

Cost of sales

Cost of sales comprises costs defrayed to achieve the year's revenue. The trading companies recognise the cost of goods sold and manufacturing companies recognise production costs corresponding to the year's revenue, including direct and indirect costs for raw materials and consumables, wages and salaries, rent and leasing, as well as depreciation and impairment losses on production equipment.

Cost of sales also includes research costs and development costs that do not meet the criteria for capitalisation, as well as amortisation and impairment of capitalised development costs.

Distribution costs

Distribution costs include costs incurred for distribution of goods sold and for sales campaigns, etc. during the year. This includes the cost of sales staff, advertising and exhibition costs, as well as depreciation/amortisation and impairment.

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment.

Administrative expenses also comprise write-downs on receivables.

Employee benefits

SHARE OPTION PROGRAMME Equity-settled share options are measured at fair value at the grant date and their value is recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, changes in the estimated number of vested options are adjusted to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of options granted is estimated using a valuation model that

takes into account the terms and conditions of the options granted.

EMPLOYEE SHARES The value of employee shares granted is recognised under staff costs. The balancing item is recognised directly in equity.

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature relative to the companies' activities, including gains and losses on replacement of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are computed as the difference between the selling price and the net book value at the date of disposal.

Government grants

Government grants include grants for and funding of development work and grants for investments, etc. Grants for research and development costs recognised directly in the income statement are included in other operating income.

Investment grants in the form of certain tax-privileged schemes in individual countries are recognised in the balance sheet under receivables and under accruals and deferred income. Grants are recognised in the income statement under other operating income as the underlying investments are depreciated. The receivable is reduced as the grant is received and the accruals and deferred income item is reduced as the grant is recognised in the income statement.

Share of profit/loss after tax in associates in the consolidated financial statements

The proportionate share of the profit or loss of associates after tax and minorities and elimination of the proportionate share of intra-group gains or losses is recognised in the consolidated income statement.

Profit/loss from divestment of equity investments in the consolidated financial statements

Profit/loss from divestment of equity investments is recognised in the consolidated income statement. The profit/loss is calculated as the selling price less the carrying amount of the equity investment plus or minus foreign exchange adjustments taken to equity which relate directly to the equity investment in question and less selling costs.

On the divestment of a company, the profit/loss is recognised under profit/loss from the divestment of equity invest-

ments if the company sold does not represent an independent segment and if its revenue, profit/loss or assets represent less than 10% of consolidated revenue, consolidated profit/loss or consolidated assets.

Profit from the sale of other companies is recognised in profit from discontinuing operations. See separate section on the presentation of discontinuing operations.

Financial income and expenses

Financial income and expenses include interest, capital gains and losses on and write-downs of securities, payables and transactions in foreign currency, amortisation of financial assets and liabilities, as well as additions and reimbursements under the on-account tax scheme, etc. Financial items also include realised and unrealised gains and losses concerning derivative financial instruments that are not classified as hedges.

Financial expenses relating to the construction of non-current assets are recognised as part of the cost of the asset.

Dividend on investments in subsidiaries and associates is recognised in the parent company's income statement in the financial year in which the dividend is adopted.

Tax on profit for the year

Schow & Co. is taxed jointly with all its Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income. Companies utilising tax losses in other companies pay joint taxation contributions to the parent company equal to the tax value of the utilised losses, while companies whose tax losses are utilised by other companies receive joint taxation contributions from the parent company equal to the tax value of the utilised losses (full allocation). The jointly taxed companies pay tax under the Danish on-account tax scheme.

Tax for the year, consisting of the year's current tax and movements in deferred tax, is recognised in the income statement as regards the amount that can be attributed to the profit/loss for the year and posted directly in equity as regards the amount that can be attributed to movements taken directly to equity.

To the extent the Schouw & Co. Group benefits from a deduction in the determination of taxable income in Denmark due to share-based incentive programmes, the tax effect of such programmes is included in income tax. Any tax deduction exceeding the accounting cost is recognised directly in equity.

BALANCE SHEET

Intangible assets

GOODWILL On initial recognition, goodwill is recognised in the balance sheet at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and the in-house financial management.

DEVELOPMENT PROJECTS, PATENTS, LICENCES, ETC. Development costs comprise salaries, amortisation and depreciation and other costs attributable to the company's development activities.

Clearly defined development projects are recognised as intangible assets where the technical feasibility of the project, the availability of adequate resources and a potential future market or application opportunity in the company can be demonstrated and where the intention is to manufacture, market or use the project if the cost can be measured reliably and it is probable that the future earnings or the net selling prices can cover production and selling expenses, administrative expenses as well as the development costs. Other development costs are recognised in the income statement when incurred.

Recognised development costs are measured at cost less accumulated depreciation and impairment.

On completion of the development work, the development project is amortised on a straight-line basis over the estimated useful life. The usual amortisation period is three to seven years. The basis of amortisation is reduced by any impairment write-downs.

Patents and licenses are measured at cost less accumulated amortisation and write-downs. Patents and licences are amortised on a straight-line basis over the shorter of the remaining term of the patent or the agreement and the useful life.

Property, plant and equipment

Land and buildings, investment property, plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost encompasses the purchase price and costs directly associated with the purchase until the time when the asset is ready to be brought into use. For assets produced in-house, cost comprises direct

and indirect costs of materials, components, third-party suppliers and labour. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which the asset was used. The cost of a total asset is divided into separate components that are depreciated separately if such components have different useful lives.

Interest expense of constructing a new asset and incurred during the construction period is recognised in the cost of the asset.

The cost of assets held under finance leases is determined as the lower of the fair value of the assets and the present value of future minimum lease payments. The present value is calculated using the interest rate implicit in the lease as the discount factor, or an approximate value.

Subsequent costs, such as the cost of replacing components of property, plant and equipment, are included in the asset's carrying amount. The replaced components are no longer recognised in the balance sheet, and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognised in the income statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets/components, which are expected to be as follows:

Buildings	10-50 years
Investment properties	20 years
Plant and machinery	3-12 years
Leasehold improvements	3-10 years
Other fixtures and fittings, tools and equipment	3-8 years

Land is not depreciated

The basis of depreciation is calculated with due consideration to the asset's scrap value, reduced by any impairment losses. The residual value is determined at the date of acquisition and revalued each year. Where the scrap value exceeds the carrying amount of the asset, the asset ceases to be depreciated.

If the depreciation period or the scrap value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs or administrative expenses.

Investments in associates in the consolidated financial statements

Investments in associates are measured in the balance sheet at the proportionate

share of the companies' net asset value calculated in accordance with the Group's accounting policies with the deduction or addition of the proportionate share of unrealised intra-group gains and losses and with the addition of the carrying amount of goodwill.

Associates with a negative equity value are recognised at nil value.

Receivables from associates are written down to the extent they are deemed to be irrecoverable.

Investments in subsidiaries and associates in the parent company's financial statements

Investments in subsidiaries and associates are measured at cost. Where the recoverable amount is lower than cost, the investments are written down to this lower value.

Securities

Security holdings which do not enable the company to exercise control or a significant influence, and other securities are measured at fair value.

Value adjustment of listed securities for which changes in fair value are regularly monitored are recognised under financial items in the income statement when they occur.

Unlisted securities for which the fair value is not regularly monitored are classified as available for sale. Securities are measured at fair value and value adjustments are taken to equity. On realisation, accumulated value adjustments are taken from equity to financial items in the income statement.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Inventories are written down to the lower of cost and net realisable value.

The cost of goods for resale, raw materials and consumables comprise the purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and indirect production costs. Indirect costs of production include indirect materials and labour as well as maintenance of and depreciation and impairment of the machines, factory buildings and equipment used in the manufacturing process as well as factory management and administrative expenses.

The net realisable value of inventories is calculated as the selling price less costs of conversion and costs incurred to execute the sale and is determined having regard to marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost. Receivables are written down for anticipated losses. Impairment write-downs on receivables are recognised in the income statement under administrative expenses

Construction contracts

Receivables are measured at the sales value of the work performed less progress billings and expected losses.

The sales value is measured on the basis of the percentage of completion at the balance sheet date and the aggregate income expected from each individual contract. The percentage of completion is determined on the basis of an assessment of the work performed, which is normally calculated as the ratio of costs incurred to total expected costs of the particular contract.

When it is likely that the total costs of a construction contract will exceed the total expected contract revenue, the expected loss on the construction contract is recognised immediately as an expense.

When the profit or loss from a construction contract cannot be reliably estimated, the fair value is measured only for costs incurred to the extent that it is likely such costs will be recovered.

Construction contracts for which the sales value of the work performed exceeds progress billings and expected losses are recognised as receivables. Construction contracts for which progress billings and expected losses exceed the sales value are recognised as liabilities.

Customer prepayments are recognised as liabilities.

Prepayments and accrued income

Prepayments and accrued income include expenses paid in respect of subsequent financial years.

Equity

HEDGE TRANSACTION RESERVE The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

TRANSLATION RESERVE The translation reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments consid-

ered to be a part of the net investment or as hedging of the net investment.

On full or partial realisation of a net investment, foreign exchange adjustments are recognised in the income statement.

FAIR VALUE ADJUSTMENT RESERVE The fair value adjustment reserve comprises value adjustments of available-for-sale securities that are not regularly monitored. On realisation, accumulated value adjustments are taken from equity to financial items in the income statement.

TREASURY SHARES The purchase and sale sums of treasury shares and dividends thereon are taken directly to retained earnings under equity. Proceeds from the sale of treasury shares in Schouw & Co. in connection with the exercise of share options or employee shares are taken directly to equity.

DIVIDEND Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is calculated in accordance with the balance sheet liability method on all timing differences between the accounting and tax value of assets and liabilities. However, no deferred tax is recognised on timing differences regarding non-deductible goodwill and other items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised under other non-current assets at the value at which they are expected to be used, either by setting off tax on future earnings or by setting off deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax adjustments are made regarding eliminations of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected

to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Pension liabilities and similar long-term liabilities

The Group has entered into pension agreements and similar agreements with most of the Group's employees.

Liabilities relating to defined contribution plans are recognised in the income statement in the period in which they are earned, and payments due are recognised in the balance sheet under other payables.

For defined benefit plans relating solely to activities in BioMar, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of salary, interest, inflation and mortality rates, among other things. The net present value is only calculated for those benefits earned by the employees through their employment with the Group to date. The actuarial calculation of the net present value less the fair value of any assets related to the plan is recognised in the balance sheet as pension obligations. See below.

Pension costs for the year are recognised in the income statement based on actuarial estimates and financial forecasts at the start of the year. Differences between the expected development of pension assets, liabilities and the realised values are termed actuarial gains and losses and are recognised directly in equity.

In connection with a change in benefits regarding the employees' employment in the enterprise to date, there is a change in the actuarial calculation of the net present value, which is considered historical costs. Historical costs are expensed immediately if the employees have already earned the right to the changed benefits. Otherwise, they are recognised in the income statement over the period during which the employees earn the right to the changed benefits.

Provisions

Provisions are recognised when, as a consequence of an event that has occurred before or on the balance sheet date, the Group has a legal or constructive obligation, and it is likely that economic benefits must be given up to meet the obligation.

In the measurement of provisions, the costs necessary to settle the liability are discounted. The changes in present values for the financial year are recognised in financial expenses.

Warranty commitments are recognised as the sale of goods and services is effected, based on incurred warranty costs from prior financial years.

Provisions are recognised in respect of loss-making contracts when the unavoidable costs under a contract exceed the expected benefits to the Group from the contract.

Financial liabilities

Debt to credit institutions is recognised at the raising of a loan as the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortised cost, applying the "effective interest rate method", to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan.

In addition, the capitalised residual lease liability under finance leases is recognised under financial liabilities.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises payments received relating to income in subsequent financial years, including investment grants.

Assets and liabilities held for sale

Assets held for sale comprise non-current assets and disposal groups held for sale. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as "held for sale" if their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups held for sale are measured at the lower of the carrying amount at the date when the assets were classified as held for sale and fair value less costs to sell. Assets are not depreciated or amortised as from the date they are classified as "held for sale".

Presentation of discontinuing operations

Discontinuing operations form a substantial part of a business if its activities and cash flows can be clearly distinguished, operationally or for financial reporting purposes, from the rest of the entity and where the entity has either been divested or separated out as held for sale and

such sale pursuant to a formal plan is expected to take place within 12 months. Discontinuing operations also comprise entities which in relation to an acquisition have been classified as "held for sale".

Profit on discontinuing operations after tax and value adjustments of related assets and liabilities after tax and gains/losses from a sale are reported under a separate line item in the income statement.

CASH FLOW STATEMENT

The cash flow statement shows the cash flows for the year distributed on operating, investing, financing and discontinuing activities, net changes for the year in cash as well as cash and cash equivalents at the beginning and end of the year.

The cash effect of acquisitions and divestments is shown separately under cash flows from investing activities. In the cash flow statement, cash flows concerning acquired companies are recognised from the date of acquisition, while cash flows concerning divested companies are recognised until the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit for the year before tax adjusted for non-cash operating items, changes in working capital, interest paid and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of companies and operations and the acquisition and disposal of intangible assets, property, plant and equipment as well as the purchase and sale of securities not recognised under cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities include payments to and from shareholders and related expenses as well as the raising of loans, repayments on interest-bearing debt and the purchase and sale of treasury shares.

Cash flows from discontinuing activities

Cash flows from discontinuing activities comprise cash flows from operating, investing and financing activities in the discontinuing entity.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as securities with a maturity of less than three months

at the time of acquisition that can immediately be converted into cash and that involve insignificant risk of value fluctuations.

SEGMENT REPORTING

Segment reporting is consistent with the internal management reporting.

Segment income and segment costs as well as segment assets and liabilities comprise those items that can be directly attributed to each individual segment and those items that can be allocated to the individual segments on a reliable basis. Unallocated items mainly comprise assets and liabilities as well as income and costs relating to the Group's administrative functions, investing activities, income tax, etc.

Long-term assets in a segment comprise long-term assets used directly in the operations of the segment, including intangible assets, property, plant and equipment and investments in associates.

Current assets in a segment comprise current assets used directly in the operations of the segment, including inventories, trade debtors, other debtors, prepayments and cash.

Segment liabilities comprise obligations that have arisen out of the segment operations, including trade payables and other liabilities.

DEFINITIONS OF 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 2005" issued by the Danish Society of Financial Analysts.

The key ratios in the annual report are calculated in the following manner:

Return on equity	$\frac{\text{Profit for the year excluding minorities}}{\text{Avg. equity excluding minorities}}$
Return on invested capital (ROIC)	$\frac{\text{EBITA ex. goodwill impairment}}{\text{Avg. invested capital excluding goodwill}}$
Equity ratio	$\frac{\text{Equity at year end}}{\text{Total liabilities and equity at year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year excluding minorities}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Diluted earnings excluding minorities}}{\text{Diluted average number of shares in circulation}}$
Net asset value per share	$\frac{\text{Equity at year end, excluding minority interests}}{\text{Number of shares at year end excluding treasury shares}}$
Price/net asset value (P/NAV)	$\frac{\text{Market capitalisation at year end}}{\text{Equity at year end, excluding minority interests}}$
Price Earnings ratio (PE)	$\frac{\text{Share price at December 31}}{\text{Earnings per share}}$
Market capitalisation	Number of shares, excluding treasury shares, multiplied by share price

Statement by the Board of Directors and the Management

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and the Executive Management have today reviewed and approved the annual report of Aktieselskabet Schouw & Co. for the 2009 financial year.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at December 31, 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year ended December 31, 2009.

Furthermore, in our opinion, the management's report includes a fair review of developments in the operations and financial position of the Group and the parent company, the financial results for the year and of the Group's and the parent company's financial position in general and describes significant risk and uncertainty factors that may affect the Group and the parent company.

We recommend that the annual report be adopted by the shareholders in general meeting.

Aarhus, March 11, 2010

MANAGEMENT



Jens Bjerg Sørensen
President



Peter Kjær

BOARD OF DIRECTORS



Jørn Ankær Thomsen
Chairman



Erling Eskildsen
Deputy Chairman



Niels Kristian Agner



Erling Lindahl



Kjeld Johannesen



Jørgen Wisborg

Independent auditors' report

To the shareholders of Aktieselskabet Schouw & Co.

We have audited the consolidated financial statements and the parent company financial statements of Aktieselskabet Schouw & Co. for the financial year 1 January – 31 December 2009, pp. 49-93. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, notes and accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In addition to our audit, we have read the Management's review prepared in accordance with the Danish Financial Statements Act and issued a statement in this regard.

Management's responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare a Management's review that gives a fair review in accordance with disclosure requirements in the Danish Financial Statements Act.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judge-

ment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements and the parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.


Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, March 11, 2010

KPMG

Statsautoriseret Revisionspartnerselskab



Jes Lauritzen
State Authorised
Public Accountant



Kim R. Mortensen
State Authorised
Public Accountant

Group overview selected companies as of December 31, 2009

COMPANY NAME	DOMICILE	COUNTRY	OWNERSHIP
BioMar Group A/S	Aarhus	Denmark	100%
BioMar A/S	Brande	Denmark	100%
BioMar Sp.z o.o.	Zielona Góra	Poland	100%
Oy BioMar Ab	Vaasa	Finland	100%
BioMar AB	Insjön	Sweden	100%
Dana Feed A/S	Horsens	Denmark	100%
Dana Feed Sp.z o.o.	Koszalin	Poland	100%
Dana Feed Srl	Treviso	Italy	100%
BioMar S.A.S.	Nersac	France	100%
BioMar Srl	Monastier	Italy	100%
BioMar Iberia S.L.	Madrid	Spain	100%
ProAqua Nutrcion S.A.	Duenas	Spain	100%
BioMar Hellenic S.A.	Volos	Greece	100%
BioMar AS	Myre	Norway	100%
Sjøtroll Havbruk AS	Austevoll	Norway	50.9%
BioMar Ltd.	Grangemouth	Scotland	100%
BioMar A/S Chile Holding S.A.	Puerto Montt	Chile	100%
BioMar Chile SA	Puerto Montt	Chile	100%
Alitec Pargua S.A.	Pargua	Chile	50.0%
Fibertex A/S	Aalborg	Denmark	100%
Fibertex Nonwovens Sdn Bhd	Nilai	Malaysia	100%
Fibertex, a.s.	Svitavy	Czech Rep.	100%
Fibertex France S.A.R.L.	Beauchamp	France	100%
Elephant Nonwovens - Nao Tecidos U.P., Lda.	Estoril	Portugal	100%
Fibertex Elephant Espana. S.L.	Sant Cugat del Vallés	Spain	100%
Fibertex South Africa Ltd.	Durban	South Africa	26.0%
Innowo Print AG	Ilsenburg	Germany	15.0%
P. Grene A/S	Skjern	Denmark	100%
Chr. C. Grene A/S	Skjern	Denmark	100%
Grene Industri-service A/S	Skanderborg	Denmark	100%
Grene AB	Eslöv	Sweden	100%
Grene AS	Oslo	Norway	100%
Grene OY	Kimito	Finland	100%
Grene Sp.z o.o.	Konin	Poland	97.6%
UAB Grene Siauliai	Vilnius	Lithuania	100%
Grene Kramp Holding A/S	Skjern	Denmark	50.0%
Grene Kramp Russia B.V.	Moskva	Russia	80.0%
Hydra-Grene Holding A/S	Skjern	Denmark	100%
Hydra-Grene A/S	Skjern	Denmark	100%
Hydra Grene Hydraulics Equipm. Accessory Co., Ltd	Tianjin	China	100%
Dansk Afgratningsteknik A/S	Skjern	Denmark	30.0%
Martin Professional A/S	Aarhus	Denmark	100%
Martin Professional Scandinavia A/S	Aarhus	Denmark	100%
Martin Professional Inc.	Sunrise, FL	USA	100%
Martin Professional Ltd.	Louth	UK	100%
Martin Professional France S.A.	Lisses	France	100%
Martin Professional Italy Spa	Bergamo	Italy	100%
Martin Professional Pte. Ltd.	Singapore	Singapore	100%
Martin Professional GmbH	Karlsfeld	Germany	100%
Martin Professional (HK) Ltd.	Hong Kong	China	46.2%
Martin Professional Japan Ltd.	Tokyo	Japan	40.0%
Martin Manufacturing (UK) Ltd.	Louth	UK	100%
Martin Manufacturing Zhuhai Ltd.	Zhuhai	China	100%
Martin Professional Middle East Ltd.	Beirut	Lebanon	16.7%
Martin Professional Argentina S.A.	Buenos Aires	Argentina	20.0%
R&D International NV	Landen	Belgium	100%
Finini ApS	Haarby	Denmark	49.9%
Xergi A/S	Støvring	Denmark	50.0%
Xergi, Ltd.	London	UK	100%
Xergi Services Ltd.	London	UK	80.0%
Danish Biogas Technology A/S	Støvring	Denmark	100%
Xergi GmbH	Bad Saarow	Germany	100%
Xergi Biogas B.V.	Zuidlaren	Holland	100%
Xergi S.A.S.	Paris	France	100%
GFE Patent A/S	Langå	Denmark	50.0%
Incuba A/S	Aarhus	Denmark	49.0%
Helsingforsgade 25 Aarhus A/S	Aarhus	Denmark	34.0%
Incuba Science Park A/S	Aarhus	Denmark	26.3%
Østjysk Innovation A/S	Aarhus	Denmark	26.9%
Incuba Venture I K/S	Aarhus	Denmark	32.6%
Inventure Capital A/S	Aarhus	Denmark	25.0%
Scandinavian Micro Biodevices ApS	Farum	Denmark	45.0%

BioMar Group A/S

Værkmestergade 25, 6
 DK-8000 Aarhus C
 Phone +45 86 20 49 70
 Telefax +45 86 14 43 88
 E-mail info@biomar.com
www.biomar.com

Fibertex A/S

Svendborgvej 2
 DK-9220 Aalborg Øst
 Phone +45 96 35 35 35
 Telefax +45 98 15 85 55
 E-mail fibertex@fibertex.com
www.fibertex.com

P. Grene A/S

Kobbervej 6
 DK-6900 Skjern
 Phone +45 96 80 85 00
 Telefax +45 96 80 85 80
 E-mail grene@grene.dk
www.grene.dk

Hydra-Grene A/S

Bækgårdsvej 36
 DK-6900 Skjern
 Phone +45 97 35 05 99
 Telefax +45 97 35 37 37
 E-mail hg-vest@hydra.dk
www.hydra.dk

Aktieselskabet Schouw & Co.

Chr. Filtenborgs Plads 1
 DK-8000 Aarhus C
 Phone +45 86 11 22 22
 Telefax +45 86 11 33 22
 E-mail schouw@schouw.dk
www.schouw.dk

**Company registration (CVR)
 no. 63965812**

Martin Professional A/S

Olof Palmes Allé 18
 DK-8200 Aarhus N
 Phone +45 87 40 00 00
 Telefax +45 87 40 00 10
 E-mail info@martin.dk
www.martin.com

Xergi A/S

Hermesvej 1
 DK-9530 Støvring
 Phone +45 99 35 16 00
 Telefax +45 99 35 16 99
 E-mail mail@xergi.com
www.xergi.com

Incuba A/S

Chr. Filtenborgs Plads 1
 DK-8000 Aarhus C
 Phone +45 86 11 22 22
 Telefax +45 86 11 33 22
 E-mail schouw@schouw.dk
www.schouw.dk

schouw+co

Chr. Filtenborgs Plads 1 · DK-8000 Aarhus C
Phone +45 86 11 22 22 · Telefax +45 86 11 33 22
E-mail schouw@schouw.dk · www.schouw.dk

