

Grene to merge with Dutch peer Kramp

Schouw & Co. has agreed with the owners of Dutch company Kramp to merge Grene and Kramp. Schouw & Co. will contribute the wholly owned subsidiary P. Grene A/S and will have a 20% ownership interest in the merged company. As is customary procedure in such transactions, the agreement is subject to approval by the relevant authorities.

Grene and Kramp are two successful businesses that complement each other in terms of both products and markets. Grene and Kramp already operate a joint venture in Russia. The merger will facilitate a number of important synergies and will strengthen the combined company's market offering.

Employing some 1,500 people, Kramp reported revenue of DKK 3.0 billion and EBITDA of DKK 380 million in 2012. For 2013, the current Kramp business expects to increase revenue and EBITDA. See the attached press release for more information about Grene and Kramp.

As a result of the merger, Grene will no longer be included in the consolidation of the Schouw & Co. financial statements. This means that for 2013, Grene's revenue (of approximately DKK 1.4 billion) and EBIT (DKK 75–85 million) will no longer be included in the consolidated full-year guidance. Instead, Grene will be recognised under "Discontinued operations" until the closing date. With closing expected before the end of the year, profit from discontinued operations, which is stated after tax, will for 2013 include the profit or loss from Grene until the closing date plus an accounting profit to be computed when ownership is transferred to Kramp. With closing anticipated to take place in the fourth quarter of 2013, profit from discontinued operations is expected to be in the region of DKK 250 million.

From the date of closing, the overall business will be recognised as a share of profit after tax from associates and will thus not be recognised in the consolidated revenue and EBIT of the Schouw & Co. Group. The recognised profit will be subject to additional depreciation due to the accounting treatment of any purchase price adjustment. Any such adjustment will have the greatest effect in the initial year and will expectedly decline to a modest amount, but the final amounts have yet to be computed.

Schouw & Co. expects to provide additional information about the financial consequences in its interim report for the third quarter, which is scheduled for release on November 7, 2013.

Aktieselskabet Schouw & Co.

Jørn Ankær Thomsen
Chairman

Jens Bjerg Sørensen
President

Schouw & Co. will be hosting a conference call (in Danish) for analysts, members of the press and other interested parties on Thursday, August 29, 2013 at 10.30. Call +45 32 71 47 68, pin 81823887#, to attend the conference call.

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