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Interim report at 31 March 2009

Weak market in the first quarter of the year, signs of improvement

Summary: *DLH produced revenue of DKK 860 million in the first quarter of 2009, down by 36% on the corresponding period last year. Thanks to tight cost control, EBIT (earnings before interest and taxes) was a loss of DKK 19 million compared with a profit of DKK 28 million the year before. Significant inventory reductions in the first quarter improved DLH's balance sheet total and ensured a positive cash flow.*

Developments in the first quarter of 2009

- Following the very sudden slowdown in the fourth quarter of 2008, global demand for timber and wood products has reached a plateau, and from this lower starting point, DLH has noted a slight improvement in some markets, e.g. Denmark.
- DLH produced **revenue** of DKK 860 million in the first quarter of 2009, down by 36% on the corresponding quarter of last year. The revenue decline is attributable to the dramatic price drops in 2008 as well as diminishing sales.
- **Gross profit** for the period was DKK 153 million, down by 31% on the comparative period.
- **Costs** were DKK 148 million, compared with DKK 170 million in the first quarter of 2008. Cost savings of 13% were achieved among other things by cutting back on staff and introducing other cost-cutting measures which are expected to have a growing impact on the remainder of 2009.
- **EBIT** (earnings before interest and taxes) was a loss of DKK 19 million, compared with a profit of DKK 28 million in the first quarter of 2008. The **EBIT margin** (operating margin) fell by 4.3 percentage points to minus 2.2%.
- **Financing costs** were DKK 66 million, compared with DKK 25 million in the first quarter of 2008. Of this amount, one-off costs incidental to the refinancing of loans account for DKK 34 million.
- The **pre-tax loss** on the continuing operations for the period totalled DKK 85 million, compared with a profit of DKK 3 million the year before. **The loss after tax** amounted to DKK 79 million, compared with a profit of DKK 582 million in 2008. The financial statements for 2008 include a net amount of DKK 580 million in proceeds from the sale of the Building Materials Division.
- Average **invested capital** was reduced by DKK 529 million to DKK 2,411 million in the first quarter, primarily as a result of a sizeable reduction in inventory.
- **Cash flow from operating activities** showed an improvement of DKK 145 million over the corresponding period last year as a result of inventory reductions and investment cutbacks.

Forecast

First-quarter trends support our expectation that demand and market prices will gradually find a stable level in 2009.

As a result, annual revenue is now expected to be in the region of DKK 4 billion in 2009, compared with DKK 5 billion last year and DKK 5.7 billion in 2007. Our revenue forecast was adjusted downwards from previous announcements, but this is offset partly by a higher gross profit and lower overheads than was previously expected. As regards continuing operations, the group maintains its 2009 forecast of a loss before tax, albeit much less of a loss than in 2008.

For 2010, we expect a continuing revenue increase and a profit from operations.

Financial highlights and financial ratios (million DKK)	**Q1 2009**	**Q1 2008**	**2008**
Revenue	860	1,349	5,013
Gross profit/loss	153	223	544
Costs excluding depreciation and amortisation	148	170	688
Operating profit/loss before depreciation and amortisation (EBITDA)	5	53	(144)
Earnings before interest, taxes and amortisation (EBITA)	(16)	32	(241)
Operating profit/loss (EBIT)	(19)	28	(315)
Net financials	(66)	(25)	(107)
Profit/loss on continuing operations before tax (EBT)	(85)	3	(422)
Profit/loss on discontinued operations	-	580	580
Profit/loss	(79)	582	227
Balance sheet details			
Total assets (in 2008 including discontinued operations)	2,942	3,670	3,043
Equity	1,174	1,748	1,240
Average invested capital including goodwill and excluding discontinued operations	2,411	2,940	2,916
Liabilities relating to discontinued operations	1,256	1,090	1,251
Investments			
Gross investments, excluding acquisitions	17	51	133
Net investment in property, plant and equipment	2	42	111
Gross investments, including acquisitions	17	104	234
Net investments (carrying amount) excluding acquisitions)	16	49	124
Cash flow			
Cash flow from operating activities (CFFO)	48	(97)	(49)
Cash flow from operating activities (excluding acquisitions)	70	(144)	(208)
Cash flow from operating activities after investments (including acquisitions)	70	(208)	(298)
Financial ratios			
Gross margin	17.8%	16.5%	10.9%
Operating margin (EBIT margin)	(2.2%)	2.1%	(6.3%)
Net operating profit/loss less adjusted taxes (NOPLAT) 1)	(11)	23	(170)
Return on equity (ROE)	(26.2%)	40.2%	18.9%
Equity ratio	39.9%	47.6%	40.8%
Equity ratio including subordinated loans	43.7%	50.7%	44.4%
Return on invested capital, including goodwill (ROIC including goodwill)	(2.6%)	4.4%	(8.2%)
Average number of employees	3,511	3,746	3,688
Stock market ratios			
Book value per DKK 10 share (BVPS), end of reporting period	63	95	70
Share price (P) (DKK), end of reporting period	13.80	74.50	26.00
Price/book value (P/BV)	0.22	0.79	0.37
Price earnings basic (per DKK 10 share)	(4.25)	31.54	12.46
Average number of shares in issue (1,000 shares)	18,579	18,443	18,179
Cash flow per DKK 10 share (CFPS)	2.58	(5.26)	(2.69)
Dividend per DKK 10 share (DPS)	0.00	2.00	0.00
Price earnings diluted (P/E diluted)	(3.2)	2.4	2.1

1) Based on an income tax rate of 29% with the addition of financial net income from capital invested (receivables, etc.)
2) Calculated on the basis of the profit/loss for the reporting period, including discontinued operations.

Management's review

Profit trends, first quarter of 2009

DLH's revenue and profit trends in the first quarter of 2009 were characterised by a continued low level of building activity in almost all the group's markets and thus a decline in the demand for timber and wood products. However, slight improvements are noted in certain parts of our worldwide market, especially in the area of maintenance and repairs. For instance, the number of orders placed in the USA is back to normal, although individual orders are considerably smaller in size than is normal. This trend indicates that customers' inventories are nearly depleted but that they still take a short-term view in planning.

Despite the lower level of demand, DLH managed to reduce inventories by DKK 480 million, which is 26% lower compared to the first quarter of 2008.

Thus the group realised **revenue** of DKK 860 million in the first quarter of 2009, a 36% revenue decline on the corresponding period of last year.

Overall, DLH's purchasing prices levelled out during the quarter under review. Continued small declines in prices of certain products are offset by stable and in some cases slightly rising prices of other products.

Gross profit was DKK 153 million in the first quarter of 2009, down by 31% on the corresponding period of last year. **The gross margin** was up: firstly because a higher proportion of group revenue in the first quarter of 2009 stems from sales from our own inventories, which earn a higher profit than trading (direct sales), and, secondly, due to inventory writedowns in 2008.

Since the autumn of 2008, the group has launched a number of restructuring and efficiency enhancement initiatives. These initiatives have cut the group's **costs excluding depreciation** to DKK 148 million for the reporting period, compared with DKK 170 million during the corresponding period of last year. DLH expects the efficiency measures will have a growing impact on cost trends for the remainder of 2009.

EBITDA was calculated at DKK 5 million, compared with DKK 53 million for the corresponding period of last year.

EBIT (earnings before interest and taxes) showed a loss of DKK 19 million, compared with a profit of DKK 28 million in the first quarter of 2008. The **EBIT margin** (operating margin) fell by 4.3 percentage points to minus 2.2%.

Financing costs were DKK 66 million, compared with DKK 25 million in the first quarter of 2008. One-off costs incidental to the refinancing of loans account for DKK 42 million, of which DKK 34 million is included in the costs in the first quarter. A large proportion of these one-off costs are 'break costs' from converting previously committed facilities at fixed rates of interest higher than the one currently prevailing. Of the financing costs for the reporting period, another DKK 5 million is attributable to non-recurring foreign exchange adjustments.

The pre-tax results on continuing operations for the reporting period were a loss of DKK 85 million, compared with a profit of DKK 3 million last year.

The after-tax results for the reporting period were a loss of DKK 79 million, versus a profit of DKK 582 million in 2008. In the first quarter of 2008 the after-tax profit includes a net income item of DKK 580 million from the Building Materials Division, which was sold effective the end of February 2008.

Group profit trend, first quarter of 2009

DKK million	Realised 2009	Realised 2008	Change
Revenue	860	1,349	(489)
Gross profit	153	223	(70)
as a percentage of revenue	*17.8%*	*16.5%*	
Costs	(148)	(170)	(22)
Depreciation and amortisation	(24)	(26)	(2)
EBIT	(19)	28	(47)
as a percentage of revenue	*(2.2)%*	*2.1%*	*(4.3)pp*
Financial items	(66)	(25)	(41)
Profit/loss on continuing operations before tax	(85)	3	(88)
Tax	6	(1)	7
Profit/loss on continuing operations	(79)	2	(81)
Profit on discontinued operations	0	580	580

Cash flow, capital invested and balance sheet, first quarter 2009

Cash flow from ordinary operating activities was DKK 48 million in the first quarter, compared with minus DKK 97 million during the comparative period of last year. The favourable trend in liquidity is primarily attributable to the dramatic reduction in inventory and less investment in assets.

Average **invested capital** in the first quarter was DKK 2,411 million, down by DKK 529 million on the year before. The improvement is primarily attributable to a significant inventory reduction from DKK 1,842 to DKK 1,362 million, mainly as a result of declining prices and tightly controlled inventories, helped along by a purchasing freeze for some of the quarter. In addition, the number of debtors was reduced significantly.

The group's bad debts are insignificant.

Average invested capital of the divisions (NOA) at 31 March 2009

DKK million	Total	Hardwood Division	Timber & Board Division	Corporate centre
Average NOA in Q1	2,411	1,775	621	15
Decline from 2008	529	335	205	(11)

The group balance sheet total amounted to DKK 2,942 million at the end of March, compared with DKK 3,670 million last year for continuing operations.

The group’s equity ratio (including subordinated loans) was 43.7% at the end of the first quarter of 2009, compared with an equity ratio of 50.7% at 31 March 2008.

Divisions

Profit contributions by division, first quarter of 2009

DKK million	Hardwood Division Realised	Hardwood Division Change year on year	Timber & Board Division Realised	Timber & Board Division Change year on year	Corporate Centre Realised	Corporate Centre Change year on year
Revenue	560	(306)	303	(202)	(3)	19
Growth year on year	*(35%)*		*(40%)*			
Gross profit	94	(48)	59	(22)	0	0
as a percentage of	*16.8%*	*0.4%*	*19.6%*	*3.6%*		
Costs	107	(14)	57	(2)	7	(7)
EBIT	(13)	(34)	2	(20)	(7)	(7)
as a percentage of	*(2.4%)*	*(4.8%)*	*0.6%*	*(3.6%)*		

Hardwood Division

The Hardwood Division realised revenues of DKK 560 million, representing approximately 65% of group revenue. Accordingly, the Division’s revenues were down 35% from the comparative period and 36% lower after adjustment for acquisitions. The dramatic revenue decline was attributable to a lower activity level and to prices being under pressure. In addition, foreign exchange rates dropped in a number of markets.

The drastic revenue decline is due to lower level of market activity in a number of countries in Western and Northern Europe and the USA. Trading activities are also affected. On the other hand, the Division’s markets in Eastern Europe were not affected as much by the recession (in terms of local currency). Though the recession has resulted in significant price declines in all markets in general from 2008 to 2009 and a negative development in foreign exchange rates in a number of markets.

The Division improved its gross margin by 0.4%, reaching 16.8%, compared with 16.4% last year.

During the reporting period, the Division’s costs were down by 12%, or DKK 14 million, on last year (10% after recognising changes in foreign exchange rates). The cutback on costs reflects the Division’s efficiency improvement measures, which had an impact as early as in the first quarter of the year. EBIT was a loss of DKK 13 million for the reporting period compared with a profit of DKK 21 million last year.

Although demand was weak, the Hardwood Division reduced its inventories considerably in the first quarter. The Division’s average invested capital fell from DKK 2,110 to DKK 1,775 million.

Timber & Board Division

The Timber & Board Division posted revenues of DKK 303 million for the reporting period, which represented approximately 35% of group revenue. Revenues were thus 40% lower than in the period of comparison: 41% lower after adjusting for acquisitions. This revenue decline is attributable to weak demand in general, which reduced trading activities outside the Nordic countries even more drastically.

Timber and sheet materials prices are now stabilising, and this will improve the Division's gross margin. Since trading activities – which usually bring in a relatively low profit – declined the most, the Division's gross margin improved by 3.6 percentage points to reach 19.6% in the first quarter.

During the reporting period, the Timber & Board Division’s costs fell by DKK 2 million, or 3%, compared with last year, and EBIT was DKK 2 million in the first quarter, compared with DKK 22 million the previous year.

Average invested capital fell from DKK 826 to DKK 621 million.

The Timber & Board Division has noted a slight improvement in the market at the beginning of the second quarter, especially in the Danish market and as regards trading outside the Nordic countries.

Corporate centre

The corporate centre EBIT showed a loss of DKK 7 million, compared with a loss of DKK 14 million last year. After adjusting for one-off costs, this amount was DKK 3 million lower than last year.

Adjustments will continue

Since the autumn of 2008, DLH has launched a number of initiatives to counteract the negative impact of market trends and ensure that the group is well equipped to handle future market conditions. The initiatives include for instance:

- Reductions in production capacity and investment
- Structural adjustments in the sales markets
- Restructuring intra-group trading (supply chain)
- Reduction of inventories
- Other cost cuts

As a result of these initiatives, which are described in more detail in the group's 2008 annual report, the group has significantly reduced its costs and tied-up capital.

DLH believes that its ongoing efforts to improve efficiency will have an even greater impact on the group’s costs and tied-up capital as well as the group’s ability to adapt quickly to changes in the market.

New environmental requirements

The EU is in the final stage of approving legislation that will impose strict requirements with respect to the documentary evidence provided by suppliers of timber to be sold in Europe. It is expected that this legislation will be passed before the end of the year. Correspondingly, implementation of the Lacey Act in the USA began on 1 May.

Great Britain has already, as of 1 April 2009, adopted a new public procurement policy which demands that only FSC- and PEFC-certified timber may be used for public building projects. Similar policy tightening is seen in several countries in Europe.

DLH has been following the process closely and preparing the group for the stricter documentation requirements, e.g. by setting up the Good Supplier Programme, which includes the work to ensure third-party verification of legal origin. DLH very recently became the first enterprise in the world to be granted VLO verification by the certification firm Rainforest Alliance in respect of its Merbau supplies from Indonesia. The group also continues its targeted work towards FSC certification of its subsidiary CIB’s tropical forest concessions in the Republic of Congo. Half of the approximately 750,000 hectares have already been FSC-certified.

DLH will stand very strong in the market once these stricter documentation requirements take effect, and we expect them to further consolidate the group's position in the market.

Financing

In March 2009, DLH concluded a two-year financial agreement with a number of banks that will secure the necessary financial latitude for the group.

Share buy-back programme

In accordance with a resolution adopted by the shareholders in general meeting, DLH launched a share buy-back programme in May 2008 which has now been completed. The group has repurchased a total of 722,977 of its Class B shares for the sum total of DKK 36.8 million, corresponding to an average purchase price of approximately DKK 51 per share. On 16 April 2009, the company in general meeting decided to write down its Class B share capital by an amount corresponding to the value of the repurchased shares. The required notice to creditors has been issued.

Forecast

First quarter developments support the group's expectations that demand and market prices will gradually find a stable level in the course of 2009.

As a result, annual revenue is now expected to be in the region of DKK 4 billion in 2009 compared with DKK 5 billion last year and DKK 5.7 billion in 2007. The previously issued revenue forecast has been adjusted downwards, but this is counteracted partly by a higher gross profit and lower overheads than was previously expected. As regards the continuing operations, the group maintains its 2009 forecast of a loss before tax, albeit much less of a loss than in 2008.

For 2010 we expect the revenue increase to continue and a profit from operations.

Events occurring after the end of the interim period

There have been no significant events.

Key stock exchange announcements in 2009

5 February 2009	Downward adjustment of forecast for 2008
12 March 2009	2008 annual report: Affected by global decline
16 April 2009	General meeting

2009 financial calendar

Wednesday, 26 August 2009	Report for the six months ended 30 June 2009
Friday, 20 November 2009	Report nine months ended 30 September 2009

Management's statement on the interim report

The supervisory and executive boards have today considered and adopted the interim report for the period 1 January to 31 March 2009 of Dalhoff Larsen & Horneman A/S.

The interim report, which is unaudited and has not been reviewed by the group's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for the interim financial reports of listed companies.

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position at 31 March 2009 and of the results of the group's operations and cash flow for the period 1 January to 31 March 2009.

Further, in our opinion, the management's review gives a true and fair review of the development in the group's operations and financial matters, the results of the group's operations for the reporting period and of the group's financial position as a whole and a true and fair description of the significant risks and uncertainties pertaining to the group.

Høje Taastrup, 20 May 2009

Executive board:

Jørgen Møller-Rasmussen
(President & CEO)

Supervisory board:

Asbjørn Børsting (Chairman)	Kristian Kolding (Deputy Chairman)	Henrik Kaa Andersen
Morten Bergsten	Jesper Birkefeldt	Jens Ulrik Nielsen
Aksel Lauesgaard Nissen	Wilhelm Schnyder	Erik Søndergaard

Contact

Please direct any inquiries relating to this announcement to the President and CEO of the company, Jørgen Møller-Rasmussen, on telephone no. +45 4350 0101.

INCOME STATEMENT

(DKK million)	Q1 2009	Q1 2008	All of 2008
Revenue	860.5	1,349.3	5,013.0
Cost of sales	(707.0)	(1,126.1)	(4,468.8)
Gross profit	**153.5**	**223.2**	**544.2**
Other operating income	9.0	9.6	37.6
Other operating expenses	(2.7)	(4.6)	(1.3)
Other external expenses	(66.6)	(79.0)	(345.8)
Other staff costs	(88.1)	(95.8)	(378.4)
Operating profit / loss before depreciation and amortisation(EBITDA)	**5.1**	**53.4**	**(143.7)**
Depreciation and amortisation	(23.6)	(25.3)	(105.0)
Impairment losses	-	-	(66.2)
Operating profit / loss (EBIT)	**(18.5)**	**28.1**	**(314.9)**
Financial items:			
Share of profit/loss after tax on investments in joint ventures	-	-	(0.9)
Financial income	1.0	1.5	27.1
Financial expenses	(67.2)	(27.0)	(133.4)
Profit / loss on continuing operations before tax (EBT)	**(84.7)**	**2.6**	**(422.1)**
Estimated tax for the year on the profit/loss of continuing operations	5.8	(0.9)	68.7
Profit / loss on continuing operations for the reporting period	**(78.9)**	**1.7**	**(353.4)**
Profit/loss on continuing operations for the reporting period	-	580.0	580.0
Profit / loss for the reporting period	**(78.9)**	**581.7**	**226.6**
Earnings per share:			
Earnings per share (EPS)	(4.25)	31.56	12.46
Earnings per share diluted (EPS-D)	(4.25)	31.54	12.46
Earnings per share for continuing operations	(4.25)	0.09	(19.44)
Earnings per share diluted for continuing operations	(4.25)	0.09	(19.44)

STATEMENT OF RECOGNISED INCOME AND EXPENSES

(DKK million)	Q1 2009	Q1 2008
Foreign currency translation adjustments on conversion of foreign operations	7.7	(9.8)
Foreign exchange gains on hedging instruments concluded to hedge investments in foreign operations	2.3	1.1
Value adjustment of hedging instruments:		
Value adjustments for the year	(4.8)	0.5
Value adjustments transferred to revenue	12.3	
Value adjustments transferred to cost of sales	(0.3)	0.3
Value adjustments transferred to financial items		
Actuarial gains or losses on defined benefit plans		
Tax on items recognised directly in equity	(1.5)	1.0
Net income recognised directly in equity	16.0	(6.9)
Profit/loss for the year	(78.9)	581.7
Income and expenses recognised for the year	(62.9)	574.8
These may be broken down as follows:		
Income and expenses recognised for the year, continuing operations	(62.9)	(5.2)
Income and expenses recognised for the year, discontinued operations	-	580.0

BALANCE SHEET

Assets:

(DKK million)	Group 31 Mar. 2009	Group 31 Mar. 2008	Group 31 Dec. 2008
Non-current assets:			
Intangible assets:			
Goodwill	156.3	177.4	152.0
Customer relations, forest concessions, IT projects	100.0	131.1	94.2
	256.3	**308.5**	**246.2**
Property, plant and equipment	**431.6**	**462.3**	**441.3**
Other non-current assets:			
Other investments and securities	3.2	4.8	4.2
Deferred tax	73.0	23.2	80.7
	76.2	**28.0**	**84.9**
Total non-current assets	**764.1**	**798.8**	**772.4**
Current assets:			
Inventories:			
Manufactured goods and goods for resale	1,311.3	1,760.8	1,414.4
Prepayment for goods	50.8	81.3	52.5
	1,362.1	**1,842.1**	**1,466.9**
Receivables:			
Trade receivables	571.6	789.7	542.9
Other receivables	177.4	139.8	203.7
	749.0	**929.5**	**746.6**
Cash	66.3	99.2	56.7
Total current assets	**2,177.4**	**2,870.8**	**2,270.2**
Total assets	**2,941.5**	**3,669.6**	**3,042.6**

BALANCE SHEET

Liabilities & equity:

(DKK million)	Group 31 Mar. 2009	Group 31 Mar. 2008	Group 2008
Equity:			
Share capital	185.8	185.8	185.8
Hedging reserve	(4.3)	0.6	(10.9)
Reserve for foreign currency translation adjustments	(77.6)	(21.0)	(87.0)
Retained earnings	1,070.1	1,545.0	1,152
Dividend proposed	0.0	37.2	0.0
Total equity	**1,174.0**	**1,747.6**	**1,239.9**
Non-current liabilities:			
Pensions and other provisions	26.7	61.3	27.6
Deferred tax	37.1	46.0	36.5
Subordinated loan capital	111.7	111.9	78.2
Banks	648.1	675.2	44.5
Leasing commitments	1.7	0.6	0.5
	825.3	**895.0**	**187.3**
Current liabilities:			
Banks	547.0	472.5	1,208.4
Trade payables and other payables	373.8	527.0	345.4
Current portion of non-current liabilities	8.7	5.2	41.9
Income taxes	9.0	12.8	13.2
Provisions	3.7	9.5	6.5
	942.2	**1,027.0**	**1,615.4**
Total liabilities	**1,767.5**	**1,922.0**	**1,802.7**
Total liabilities and equity	**2,941.5**	**3,669.6**	**3,042.6**

CASH FLOW STATEMENT

(DKK million)	31 Mar. 2009	Group 31 Mar. 2008	All of 2008
Profit/loss before tax	(84.7)	2.6	(422.1)
Adjustment for non-cash operating items etc.:			
Depreciation and amortisation	23.7	25.3	171.2
Inventory write-downs (incl. prepayments)	(47.7)	(2.0)	148.8
Provisions for trade receivables	(4.7)	(1.4)	(3.2)
Other non-cash operating items, net	-	6.1	0.9
Provisions	(2.6)	1.6	(1.8)
Share of profit/loss after tax in joint ventures	-	-	0.9
Financial income	(1.0)	(1.5)	(27.1)
Financial expenses	67.2	27.0	133.4
Operating cash flow before changes in working capital	**(49.7)**	**57.7**	**1.0**
Changes in working capital:			
Inventories and prepayments	152.5	(35.7)	118.9
Trade receivables	(24.0)	(106.4)	131.3
Trade payables and other payables	1.5	77.7	(66.6)
Other operating debt, net	51.2	(31.9)	(37.4)
Operating cash flow	**131.4**	**(38.6)**	**147.2**
Financial income, paid	1.0	1.5	27.1
Financial expenses, paid	(65.9)	(25.0)	(158.5)
Income taxes paid	(18.5)	(34.8)	(64.7)
Cash flow from operating activity	**48.0**	**(96.9)**	**(48.9)**
Acquisition of intangible assets	(1.6)	(9.2)	(23.0)
Acquisition of property, plant and equipment	(15.4)	(41.7)	(111.0)
Sale of intangible assets and property, plant and equipment	2.5	3.5	10.6
Acquisition of businesses	-	(64.5)	(90.3)
Earn-out commitment paid off	-	-	(36.0)
Realised capital gain re. covering of net investments in foreign currency	35.5	-	-
Acquisition of securities	0.9	0.4	0.5
Cash flow from investment activity	**21.9**	**(111.5)**	**(249.2)**
Cash flow from operations and after investments	**69.9**	**(208.4)**	**(298.1)**
Raising/repayment of debt to mortgage credit institutions and servicing of leasing commitment	1.5	-	-
Raising/repayment of bank debt	(59.1)	(672.0)	(553.0)
Acquisition/sale of treasury shares	(3.0)	-	(33.8)
Acquisition/sale of treasury shares	-	-	(1.7)
Dividend distributed	-	-	(37.2)
Cash flow from financing activity	**(60.6)**	**(672.0)**	**(625.7)**
Cash flow from discontinued operations	-	923.3	923.3
Cash flow for the year	9.3	42.9	(0.5)
Cash at 1 March	56.7	56.3	56.3
Foreign currency translation adjustment of cash funds	0.3	-	0.9
Cash at 31 March / 31 December	66.3	99.2	56.7
Discontinued operations hereof	-	-	-

STATEMENT OF CHANGES IN EQUITY

(DKK million)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2008	**185.8**	**(0.3)**	**(13.2)**	**962.7**	**37.2**	**1,172.2**
Income and expenses recognised for the reporting period	**-**	**0.9**	**(7.8)**	**581.7**	**-**	**574.8**
Acquisition/sale of treasury shares	-	-	-	0.6	-	0.6
Equity at 31 March 2008	**185.8**	**0.6**	**(21.0)**	**1,545.0**	**37.2**	**1,747.6**
Equity at 1 April 2008	**185.8**	**0.6**	**(21.0)**	**1,545.0**	**37.2**	**1,747.6**
Income and expenses recognised for the reporting period	**-**	**(11.5)**	**(66.0)**	**(357.4)**	**-**	**(434.9)**
Dividend distributed to shareholders	-	-	-	-	(37.2)	(37.2)
Dividend treasury shares	-	-	-	0.3	-	0.3
Acquisition/sale of treasury shares	-	-	-	(2.6)		(2.6)
Share buy-back programme	-	-	-	(33.8)		(33.8)
Share-based payment/options	-	-	-	0.5		0.5
Equity at 31 December 2008	**185.8**	**(10.9)**	**(87.0)**	**1,152.0**	**-**	**1,239.9**
Equity at 1 January 2009	**185.8**	**(10.9)**	**(87.0)**	**1,152.0**	**-**	**1,239.9**
Income and expenses recognised for the year						
Costs	**-**	**6.6**	**9.4**	**(78.9)**	**-**	**(62.9)**
Share buy-back programme	-	-	-	(3.0)		(3.0)
Equity at 31 March 2009	**185.8**	**(4.3)**	**(77.6)**	**1,070.1**	**0.0**	**1,174.0**

Notes

Note 1 Accounting policies applied

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and additional Danish disclosure requirements for the interim reports of listed companies.
The accounting policies remain unchanged compared with the 2008 annual report, to which reference is made.
The 2008 annual report contains the full particulars of the accounting policies applied.

With effect from 1 January 2009 DLH has implemented IAS 1 "Presentation of financial statements", IAS 23 "Borrowing costs" and IFRS 8 "Operating segments". The new accounting standards and interpretation have not affected the recognition and measurement in the accounts. Only IAS 1 and IFRS 8 have entailed changes in the presented notes and accounts. Comparative figures in the notes have been adjusted.

Note 2 Accounting estimates and assessments

In its preparation of the interim report the management is called upon to make estimates and assessments that will affect the application of the group's accounting policies and recognised assets, liabilities, income and costs. Actual results may deviate from these estimates.

The significant estimates made by the management when applying the group's accounting policies and the related estimation uncertainty are identical in the preparation of the interim report and in the preparation of the annual report at 31 December 2008.

The significant estimation uncertainties relate to the following items: inventories, trade receivables and deferred tax.

Note 3 – Segment information

(DKK million)	Hardwood Division		Timber & Board Division		Not allocated parent company		Group elimination		Group total	
1st quarter	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	560.1	865.6	303.0	504.9	-	-	-	-	863.1	1,370.5
Intra-group revenue	(0.7)	(9.3)	(1.9)	(11.9)	-	-	-	-	(2.6)	(21.2)
Revenue to external customers	559.4	856.3	301.1	493.0	-	-	-	-	860.5	1,349.3
Earnings before tax (EBIT)	(36.3)	(2.2)	(2.3)	15.9	(46.1)	(11.1)	-	-	(84.7)	2.6
Segment assets	2,298.6	2,637.9	775.1	984.3	884.0	1.240.8	(1,016.2)	(1.193.4)	2,941.5	3,669.6

Note 4 Discontinued operations and assets held for sale

With effect from 29 February 2008 DLH finalised the sale of its shares in DLH Træ & Byg A/S, and thus the Building Materials Division, to Saint-Gobain Distribution Nordic AB, a company in the Saint-Gobain Group.

Key figures for discontinued operations (DKK million)

	Q1 2009	Q1 2008
Revenue	-	256.6
Costs	-	(263.0)
Profit/loss before tax for the reporting period	-	(6.4)
Tax on the profit/loss for the reporting period	-	1.8)
Profit/loss after tax for the reporting period	-	(4.6)
Proceeds from sale	-	584.6
Profit/loss on discontinued operations for the reporting period	-	580.0

Note 5

The members of the executive board and other members of group management have been participating in a revolving share option scheme since 2002. The scheme is described in detail in the 2008 annual report (note 7). At 1 April 2009 the executive board and other members of group management waived their share options without receiving any compensation (April 2008: 32,758).