2009

ANNUAL REPORT

DALHOFF LARSEN & HORNEMAN A/S

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Supervisory board
Asbjørn Børsting (chairman)
Kristian Kolding (deputy chairman)
Erik Søndergaard
Wilhelm Schnyder
Aksel Lauesgaard Nissen
Jesper Birkefeldt (employee director)
Jens Ulrik Nielsen (employee director)
Johannes Borglykke Sørensen (employee director)

Executive board
Kent Arentoft, President and CEO

Auditors
KPMG
Statsautoriseret Revisionspartnerselskab
Borups Allé 177
DK-2000 Frederiksberg

Annual general meeting
The annual general meeting will be held on Friday, 9 April 2010, at 2 pm at the Quality Hotel Høje Taastrup A/S, Carl Gustavsgade 1, 2630 Taastrup.

This report is available in Danish and English. In the event of any discrepancy between the two versions, the Danish version shall prevail.

dlh.
PASSION FOR WOOD

Changed business model and positive earnings generated in a streamlined, united and market-oriented DLH

DLH's development
In the period from 2000 to 2008 DLH grew through the acquisition of 16 enterprises. At the same time, the value chain was expanded to include forestry and production activities with a view to ensuring reliability of supply and obtaining better base prices.

The financing requirements and debt grew with the acquisitions and made DLH vulnerable when the crisis dramatically reduced the level of building activity in all of DLH's markets and left DLH with substantial funds tied up in inventories and in production facilities that are cost and capital intensive.

2009
Following a weak 2008, the year 2009 became a catastrophic year for DLH that experienced a decline in revenues and prices and considerable inventory write-downs. Towards the end of 2009 we started shutting down and selling a number of facilities and launched efficiency measures. These combined efforts are expected to have a positive full-year effect amounting to DKK 125 million by 2011 at the latest. These measures resulted in considerable restructuring costs in 2009. Overall, the group generated a loss (EBIT) of DKK 609 million in 2009. Net interest-bearing debt (NIBD) was DKK 1,134 million at year-end including subordinated loan.

Back to Black
The situation outlined above is the background for DLH's future strategy which is being presented together with the annual report. We have named our strategy Back to Black; in other words, back to a sound, controllable and profitable enterprise with a dramatically improved gearing ratio between NIBD and EBITDA. The strategy points the way for DLH's progress in the period from 2010 to 2012.

With the aim of releasing funds, reducing risk, facilitating control and focusing our efforts on the wholesale business in which we have our greatest strengths, we will sell off forestry and production activities, including considerable operations in Malaysia, USA, the Netherlands, the Congo and Gabon. The carrying amount of the operations that we expect to dispose of during the first stage of the implementation of the strategy amounts to approximately DKK 300 million.

The strategy is to provide an effective response to the challenging and critical situation in which we find ourselves, yet it is also a proactive measure towards a streamlined, united and market-oriented DLH. The business emerging from the planned divestment and development will be a focused, market-oriented wholesale business experiencing growth and taking an absolutely leading position in selected principal markets in the Nordic countries and the remainder of Europe. In addition, our group has potential in the USA and Russia and supplies customers in the rest of the world with wood products through a dedicated unit for global trading based on back to back trading with no warehousing facilities.

In addition to the disposals, debt will be reduced through an extensive group programme that aims to reduce working capital by at least 3 percentage points, which is considered realistic based on assessments of potential, benchmarkings from previous years and comparisons with other wholesalers selling to the building and construction industry.

The strategic objective is to achieve revenues in the region of DKK 4.2 billion and an EBIT margin in the region of 3% in 2012.

Capital structure
With a view to creating stability and an environment in which we can work in peace, we have secured a new bank deal. It will take us to the year 2011. Moreover, an agreement has been concluded with the group's two major shareholders, DLH-Fonden and Ellen & Knud Dalhoff Larsens Fond, to grant the group a subordinated loan of DKK 50 million. We will regularly review the need for injecting additional capital to consolidate the basis for the group's future growth.

2010 Forecast
We expect that the economic crisis will continue to prevail in 2010. Once the market returns to normal, DLH will direct special attention to high-margin segments and to controlling developments in working capital in connection with future growth. 2010 will thus be characterised by considerable divestments and reductions in working capital. We will also endeavour to make the new market-oriented and streamlined organisation work as well as possible and employ best practice across the organisation, a potential we have not yet realised throughout the far-reaching organisation.

We expect revenue in the region of DKK 3.6-3.8 billion, which is on a par with 2009, and a DKK 500-525 million improvement in EBIT in 2010.

Kent Arentoft
President & CEO

Financial highlights and financial ratios (unaudited)

(DKK million)	2009	2008 [1]	2007 [1]	2006 [1]	2005
	Only continuing operations				All operations
Income statement					
Revenue	3,648	5,013	5,720	5,482	5,363
Gross profit(loss)	357	544	986	896	903
Costs excluding depreciation and amortisation	709	688	650	585	639
Operating profit(loss) before depreciation and amortisation (EBITDA)	(352)	(144)	336	311	264
Earnings before interest, taxes and amortisation (EBITA)	(591)	(241)	254	229	228
Operating profit(loss) (EBIT)	(608)	(315)	244	224	225
Net financials	106	(107)	(86)	(81)	(50)
Profit(loss)for the year from continuing operations before tax (EBT)	(714)	(422)	159	144	175
Profit(loss) for the year from discontinued operations	-	580	47	48	-
Profit(loss) for the year	(752)	227	147	152	119
Balance sheet details					
Total assets	2,108	3,043	4,005	3,661	2,620
Equity	533	1,240	1,172	1,068	827
Average invested capital including goodwill	2,188	2,913	2,641	2,288	1,990
Investet capital, 31 December	1,620	2,497	2,758	2,408	2,130
Average interest-bearing debt, 31 December	1,030	1,251	1,522	1,277	1,203
Investments					
Gross investments, excluding acquisitions	55	134	95	84	69
Net investments in property, plant and equipment	51	111	80	82	67
Gross investments, including acquisitions	55	234	243	412	144
Net investments (carrying amount) excluding acquisitions	39	124	91	48	50
Cash flow					
Cash flow from operating activities (CFFO)	232	(50)	34	87	(107)
Cash flow from operating activities after investments, excluding acquisitions	233	(208)	(53)	51	(133)
Cash flow from operating activities after investments, including acquisitions	233	(298)	(198)	(176)	(317)

1) The financial highlights recognise the Building Materials Division as a discontinuing activity 2006-2008.

Financial highlights and financial ratios for the DLH Group (unaudited)

(DKK million)	2009	2008 [1]	2007 [1]	2006 [1]	2005
	Only continuing operations				All operations
Performance ratios					
Gross margin	9.8%	10.9%	17.2%	16.4%	16.8%
Operating margin (EBIT margin)	(16.7%)	(6.3%)	4.3%	4.1%	4.2%
Return on equity (ROE)	(84.7%)	18.9%	13.2%	15.6%	15.3%
Equity ratio	25.3%	40.8%	29.3%	29.2%	31.6%
Equity ratio including subordinated loan	30.6%	44.4%	32.1%	32.2%	31.6%
Return on invested capital including goodwill (ROIC including goodwill)	(27.0%)	(8.2%)	9.7%	10.1%	11.7%
Average number of employees	3,064	3,688	3,661	3,759	1,782
Stock market ratios: [3]					
Book value per diluted DKK 10 share (BVPS-D), 31 December	30	70	64	58	49
Share price, 31 December (P), DKK	16.50	26.00	90.22	106.89	85.60
Diluted share price / book value (P/BV-D)	0.55	0.37	1.42	1.86	1.75
Earnings per share diluted (EPS-D) of DKK 10 [2]	(42.59)	12.46	7.96	8.29	6.97
Average number of diluted shares in issue (in denominations of 1,000 shares)	17,652	18,179	18,438	18,292	17,065
Cash flow per diluted DKK 10 share (CFPS-D)	13.12	(2.69)	1.87	4.77	(6.23)
Dividend per DKK 10 share (DPS)	-	-	2.00	2.00	1.50
Price earnings diluted (P/E-D)	(0.4)	2.1	11.3	12.9	12.4
Earnings per share (EPS) of DKK 10	(42.59)	12.46	7.96	8.29	6.92

2) Calculated on the basis of the profit(loss) for the reporting period, including discontinued operations.
3) Earnings per share and earnings per share diluted (EPS-D) have been determined in accordance with IAS 33 'Earnings per share'. All other financial ratios have been calculated in accordance with the 'Recommendations & Financial Ratios 2005' issued by the Danish Society of Financial Analysts.

DLH is a leading international wholesale business, supplying the building and construction industry with timber and timber products. About 75% of group revenue is handled by 15 stock-holding sales subsidiaries in the principal markets in Europe, the USA and Russia. The remaining 25% of the group's revenue is created by trading, which refers to sales made directly from manufacturer to customer without involving the sales subsidiaries of DLH.

The products of DLH are purchased in the largest supply regions in the world. In several of these regions, South America, West Africa, the Far East and Russia, the group has a presence in the form of its own procurement offices.

Up to and including 2009 the group was divided into two primary segments: the Hardwood Division, trading in tropical hardwood from South America, Africa and South East Asia as well as in temperate hardwood, primarily from Eastern Europe and North America and the Timber & Board Division, trading in sheet materials and softwood. Sheet materials, which include plywood, MDF and particle boards, are primarily purchased in Russia, South America and northern Europe.

Business development and profit trends in 2009

In 2009 the building and construction industry in most parts of the world was hard hit by the global economic recession. The level of activity in the market fell dramatically, and DLH's sales volume and gross margin declined accordingly. The recession, which affected product categories and markets across the board, resulted in group revenues declining by 27% to DKK 3.6 billion in 2009.

DLH expects the weak market trends to prevail throughout 2010, and with this in mind, the group has implemented extensive adjustments and cut back on its activities, resulting in considerable restructuring costs and impairment losses. There will be additional write-downs in connection with the business restructuring efforts resulting from the group's new strategy, Back to Black.

For this reason, the group realised a loss after tax of DKK 752 million. Of this figure, DKK 270 million is attributable to continuing operations, in other words, operations that form the basis of DLH's new strategy, while DKK 482 million is attributable to discontinued operations. Adjustment and restructuring costs to the tune of DKK 450 million had a serious negative impact on the financial results for the year.

The group's balance sheet total was DKK 2,108 million at year-end, a 31% decline on year-end 2008. 8 percentage points of this decline is attributable to impairment losses on assets.

Correspondingly, invested capital declined by 35% to DKK 1,620 million, 10 percentage points of which are attributable to write-downs while the remaining 25 percentage points are attributable to a decline in the group's working capital, primarily due to reduced inventories and debtors.

The group's equity amounted to DKK 533 million at year-end, a DKK 707 million decline, primarily due to significant impairment losses and provisions.

Due to the release of funds, primarily funds tied up in inventories and outstanding receivables from customers, cash flow from operations after investments was an inflow of DKK 233 million compared with an outflow of DKK 298 million the year before.

DKK million	**2009**	**2008**
Revenue	3,648	5,013
Profit/(loss) after tax	(752)	227 *)
Balance sheet details, year-end	2,108	3,043
Invested capital	1,620	2,497
Equity	533	1,240
Cash flow	233	(298)

*) In 2008 earnings after tax were boosted by a non-recurring income item of DKK 580 million in connection with the sale of the Building Materials Division.

Key events in 2009

Due to the very challenging market conditions prevailing, DLH made a number of major adjustments in non-profitable activities during the year:

- Production discontinued in Poland, Brazil, Denmark and Sweden and closure of a production facility in Congo
- Closure of a number of sales offices in Denmark, the Baltic States, Hungary and the UK
- Transfer of the sales and distribution centre at Hovedgaard, Denmark, to the central warehouse at Kolding
- Discontinuation of the Danish softwood business
- Staff cuts of 27%, corresponding to approximately 1,000 employees
- Kent Arentoft, joined the group as President and CEO on 1 September 2009

Dividend

The supervisory board recommends to the company in general meeting that no dividends be distributed for 2009.

Events occurring after the end of the financial year

DLH has concluded a 1½-year agreement with a number of banks for the refinancing of long-term loans. The group has also been promised short-term credit facilities that will secure the necessary financial latitude for the group's operations in the years ahead.

Income statement
As a result of lower prices and shrinking sales volume, group revenue fell by 27% to DKK 3,648 million in 2009 which is in line with the most recently published forecasts.

External revenues from 2007-2009

DKK million	2009	2008	2007
Hardwood Division	2,364	3,253	3,776
Timber & Board Division	1,284	1,760	1,944
Total	3,648	5,013	5,720

Annual revenue may be broken down into DKK 3,174 million or 87% generated by the group's core business, and DKK 474 million or 13% generated by discontinued operations; of the latter the majority are activities that are prior to the wholesale business in the supply chain.

The group's gross margin fell by 1.1 percentage points to 9.8% in 2009. This in combination with the revenue decline contributed to a decline in gross profit of DKK 187 million.

Costs, including provisions and write-downs incidental to adjustments in business operations and the changed strategy, amounted to DKK 709 million, which is on a par with 2008.

Other operating expenses amounted to DKK 27 million compared to DKK 38 million last year.

Provisions totalled DKK 108 million compared to DKK 105 million last year.

Impairment losses on non-current assets, primarily in connection with the implementation of the new strategy, totalled DKK 149 million compared to DKK 66 million the year before.

EBIT was a loss of DKK 609 million compared to a loss of DKK 315 million last year. The group's operating margin (EBIT-margin) was a negative figure of 16.7%, compared to a negative figure of 6.3% the year before.

The group made a loss before tax of DKK 714 million compared with a comparable loss of DKK 422 million last year. The loss exceeds the most recently published forecast by DKK 100-135 million. The deviation is attributable to impairment losses on assets relating to non core operations as a result of the group's new strategy.

Tax on the loss for the year amounts to DKK 38 million. The expense shown is the product of a more conservative measurement of tax loss carryforwards and uncertainty about the estimation of future earnings of the year and therefore has no impact on cash flow.

Accordingly, the continuing operations produced a loss after tax of DKK 752 million in 2009 compared with a profit of DKK 227 million in 2008. In 2008 the group's earnings were boosted by a non-recurring income item of DKK 580 million from the sale of the Building Materials Division in February 2008.

Balance sheet total and invested capital
The group's balance sheet total was DKK 2,108 million at year-end, down by 31% on year-end 2008. In 2009 the group reduced its tied-up capital, primarily through a considerable reduction in inventories and write-downs.

Equity was DKK 533 million at year-end, down by DKK 707 million.

At year-end 2009 invested capital amounted to DKK 1,620 million compared to DKK 2,497 million the year before on a comparable basis.

Cash flow
Cash flow from operations after investments was a cash inflow of DKK 233 million compared to a cash outflow of DKK 298 million the year before. In comparison with the prior comparative period, funds tied up in inventories and debtors have been reduced, and trade payables and other payables have declined.

The activities of DLH are subject to a number of commercial, financial and insurable risks that are all given high priority in the group's risk management.

Commercial risk

Sensitivity to market fluctuations

In the short term, the business and profit trends of DLH are affected by local trade conditions in the sales markets and supply regions in which the group operates. Developments in the building and renovation industries are of particular importance. Approximately 75% of group revenues are generated through the company's own stock-holding distribution centres, whilst the remaining 25% of revenues are generated through trading. Trading is far more sensitive to market fluctuations than distribution. Conversely, distribution involves a higher exposure risk for inventories. The group endeavours to strike a balance between these two methods of selling.

Market and customer risk

Denmark, Sweden and France are the largest single markets, together accounting for a third of group revenues. Poland and the USA follow with revenue shares of 7% and 5% respectively. Accordingly, the group is only dependent on individual countries to a limited extent.

Western Europe represents the largest regional risk exposure, accounting for 60% of group revenue. Of this figure, the Nordic countries account for 31%. Emerging markets (Eastern Europe, the Far East, the Middle East, Africa and South America) account for 35% of revenues.

Accordingly, country-specific fluctuations in market conditions have limited effect on the business and profit trends of DLH, whereas regional market fluctuations may seriously affect both revenues and profit.

As the group's largest individual customer accounts for less than 3% of revenue, the customer portfolio is not vulnerable to the loss of individual customers.

Supply risk

Many of DLH's key supply areas are located in countries in which political conditions and trading practices, logistics and legislation may differ somewhat from those of the western world. For this reason purchases from such areas are subject to various supply risks. In addition, certain supply countries are subject to political instability and unrest, which may interfere with business operations.

Yet another factor is the climate of the supply countries, which at certain times of the year may result in reduced supplies, such as during the rainy season in the tropics or the winter months in Russia.

The group has succeeded in putting well-functioning systems in place to control quality and delivery, subject to the conditions prevailing in the supply areas. The systems are supported by the group's physical presence in the form of procurement offices in most of these areas.

The suppliers of DLH are generally small, and this ensures good supplier diversification. Often it is possible to substitute a product from one supply region with a product from other supply regions. It is this flexibility of supply combined with the group's active presence in all vital supply regions that sets DLH apart from almost all its competitors.

Following the discontinuation of the group's softwood business with distributors in Denmark in 2009, the majority of softwood intended for international trade is purchased from a few major suppliers in Russia. The DLH Group has been trading with these suppliers for many years.

No single supplier handles more than 3% of the goods purchased by the group, while approximately 6% of the goods consumed are purchased from the group's own concessions in the Congo (13% of the hardwood purchases).

Direct investments in high-risk countries

The group has limited its risk exposure in respect of its largest single investment in the Congo through a guarantee from the previous owners on the one hand and through a special venture capital loan granted to CIB by the Industrialisation Fund for Developing Countries on the other.

Inventories

Capital tied up in inventories is DLH's largest asset item, amounting to DKK 985 million. However, binding sales contracts have been concluded to dispose of a proportion of these inventories. The inventory risk is primarily related to loss due to a decline in prices or changes in foreign exchange rates. The risk of inventory loss in the case of a sudden, permanent fall in prices of 5% in a very competitive market is estimated at approximately DKK 40 to 45 million for all group inventories combined. Close inventory control is maintained.

Financial risk

By far the majority of DLH's financial risk management is handled by its intra-group bank, which operates within fixed confines which means, for instance, that the bank only takes up risk hedging positions. The group primarily uses forward exchange contracts or interest swap agreements for its financial risk management. Please refer to note 23 for a detailed description of DLH's foreign exchange policy and financial risk.

Insurance risk

The insurance policy of DLH determines the framework for the insurance of persons, property and interests affiliated with the group. Insurable risks are regularly assessed, and assets and serious financial losses are insured against according to the following principles:

- Risk analysis (identification)
- Risk assessment (frequency and scope)
- Risk limitation (elimination or prevention)
- Risk financing (own risk or insurance)

As a general rule, no insurance is taken out against losses that are insignificant from the group's point of view or where the costs of insurance are deemed to exceed the risk. The insurance portfolio of DLH consists of global group schemes (extended property insurance, professional indemnity, product liability, transportation and business trips) as well as regional/local policies (vehicles, industrial accident, accidents etc.). As regards general insurance, DLH has joined forces with international insurance broker Willis.

By means of its training policy, DLH aims to create the best possible framework to develop and retain skills which are vital for the group's progress in the light of the toughened competition. With this in mind, DLH's strategy is to attract, retain and develop the best employees in the industry.

The annual performance and development reviews form the basis of education, training and development of DLH's employees. There are ongoing efforts to develop both internal and external training programmes in order to ensure that the knowledge and skills of the staff are up to date.

The DLH Group's intranet is used for written information to the staff. The system is set up in such a way that information may be custom-made according to organisational position, geographical location, job function etc., ensuring that the individual member of staff has access to the very information that he or she needs for the job.

The formal co-operation between staff and management takes place through local consultation committees or teams, and at group level it takes place in group communications teams.

DLH adheres to the basic social values adopted by its founders, values such as credibility, integrity and empathy. In practice DLH makes great allowances for employees who in some way or other suddenly need their employer's empathy and flexibility in the case of serious illness, injuries or similar problems. To this end, a number of the group's employees have an employment contract containing individual flexibility.

DLH is in regular contact with insurance brokers and insurers to ensure that the group's pension schemes and other personal insurances keep up with developments in this field, and the group also offers individual staff members private advice on insurance and pension schemes.

The team spirit of the staff is promoted through participation in social and sports events in the staff associations of the units. These activities receive financial support from the group.

Members of group management receive a renumeration package that consists of a fixed salary, a performance-related bonus and a right to acquire share options. The executive board and other members of group management have been participating in a revolving share option scheme since 2002. At 31 December 2009 the share option scheme comprised a total of 146,738 share options. Each share option entitles its holder to acquire one existing Class B share at DKK 10 in the company. If all share options are exercised, the share option scheme grants holders the right to acquire up to 1.0% of the share capital. The company has repurchased shares equalling this commitment.

Considering DLH's profit trends, the group decided to suspend options for group management and the executive board in the period from 1 April 2009 to 31 March 2010 without compensation. Furthermore, the group has decided to suspend the allocation of options in the period from 1 April 2010 to 31 March 2011. Please also see note 7.

CORPORATE GOVERNANCE

The supervisory board and group management of the DLH Group follow developments in corporate governance and are committed to improving the DLH Group's relationship with its shareholders and other stakeholders.

The recommendations for good corporate governance of August 2005, as amended on 6 February 2008 and 10 December 2008, issued by the committee appointed by the Copenhagen Stock Exchange, remain unchanged from the 2008 annual report and continue to apply. To comply with EU legislation, the DLH Group set up an audit committee in 2009. More detailed information is found below.

Management has not significantly changed its position on any of the recommendations in force.

Management's position on all the recommendations is explained in detail at DLH's website www.dlh-group.com

AUDIT COMMITTEE

Following an increase in the supervisory board's work requirements, partly due to the greater complexity and focus on internal control required by accounting and auditing rules, the supervisory board decided to appoint an audit committee in 2009 in accordance with EU legislation.

It has been decided that the audit committee is to consist of the full supervisory board.

In liaison with the executive board the audit committee monitors the group's internal control systems and the process of financial reporting as well as reviewing interim and annual reports prior to submitting these for approval and publication. Furthermore, the audit committee will evaluate the independence and skills of the auditors and nominate candidates for the position of independent auditor.

The audit committee reviews the group's accounting policies and evaluate key accounting matters. The audit committee will approve fees, deadlines and other terms pertaining to the group's independent auditors, and it will also monitor the audit process.

The independent auditors reports directly to the audit committee with regard to the auditors remarks and other recommendations, on matters pertaining to accounting policies and the reporting process. Auditor remarks and recommendations from the independent auditors are also reviewed by the chief financial officer of the DLH Group to ensure that all vital aspects have been addressed correctly.

ORGANISATION, FINANCIAL REPORTING PROCESS AND INTERNAL CONTROLS

The supervisory and executive boards have the overall responsibility for the group's risk management and internal controls in connection with the financial reporting process. This responsibility includes compliance with relevant legislation and other regulation pertaining to financial reporting.

Management has worked out policies, instructions, manuals, routines and other guidelines for the key aspects of financial reporting, such as accounting and reporting instructions, which are currently kept up to date. The individual group companies' compliance with such guidelines is regularly monitored by the heads of the business divisions and at group level by the group's finance department. Formal confirmation of compliance is requested annually.

Once a year, the supervisory board, the audit committee and the executive board perform a general risk assessment for the group that also includes risks relating to the financial reporting process.

The control activities are based on risk assessment. The objective of the DLH Group's control activities is to ensure compliance with the targets, policies, instructions, routines and other guidelines adopted by management and to ensure the timely prevention, discovery and cure of any errors, deviations or defects. Control activities include manual and physical controls as well as general IT controls and automatic application controls in the IT systems used etc.

The DLH Group's activities have been divided into several regions with a head of region and a region controller. The individual regions include companies in various countries with local management and finance function. The level of skills of the local finance functions is assessed regularly and determined with regard to the significance and complexity of the activities. The individual companies have their own IT systems for their local financial recording. However, all group companies use a common standard reporting and consolidation system.

To some extent, the management of the individual companies determines the scope and routines of their own internal controls. In 2009 the group launched a harmonisation process of the existing risk management and internal controls routines pertaining of key items of the financial reporting process. This work will continue throughout 2010.

The individual group companies report to the group finance department on a monthly basis, which in turn is responsible for preparing interim and annual reports. The finance department is another key contributor to financial reports and is responsible for determining the group's financial assets and financial liabilities.

The monthly reports from the group companies are unaudited, but the financial reports and cash flows are controlled internally, both at group and division level, independently of the business units.

CORPORATE SOCIAL RESPONSIBILITY 2009

This section describes the CSR focus areas of the DLH Group and provides an overview of the environmental and social initiatives implemented and results achieved in 2009. More detailed information on specific projects and a general description of CSR at DLH can be found at www.dlh-group.com, where the DLH Group's CSR reports for 2007 and 2008 are also available for download.

Policies

Since 1992, DLH has had an active environmental policy which has guided the environmental activities and determined how environment and responsibility has been integrated into all DLH business activities.

Since 1992 the environmental policy has undergone several revisions, most recently in 2008, when a new environmental policy was launched. This policy has now been integrated throughout the group. The work on DLH's new environmental policy continued in 2009 with the development of specific internal targets and goals for the various business units of DLH. This part of the environmental policy is expected to be finalised and launched in the first half of 2010.

The development of DLH's social and human rights policy continued in 2009, and this policy is expected to be finalised and launched in the first half of 2010 as well.

DLH and Corporate Social Responsibility in the future

The planned divestment of activities will not change DLH's general focus on CSR or alter its ambition to be a leader in the global trade in certified tropical hardwood.

Thus, DLH will in the futuure focus on utilising its expertise in cooperation with selected key suppliers aiming to increase the purchased volume of certified timber and timber products. This cooperation will also include cooperation aiming at improving health and safety and human tights among DLH suppliers.

As part of the group's CSR work, DLH will be joining the United Nations' international Global Compact initiative in 2010. The UN Global Compact is the world's largest voluntary network for companies who work actively with CSR. Global Compact consists of ten principles on human rights, the environment and anti-corruption efforts. With this decision, DLH has not only committed itself to continuing its engagement in responsible business practices, but also to supporting international efforts to continually improve environmental and social conditions. In connection with its commitment to the Global Compact, DLH has formulated the DLH Business Integrity Policy. Together with DLH Environment Policy and DLH Social and Human Rights Policy, this policy will form the foundation for our CSR work. The work on the DLH Environment Policy and the DLH Social and Human Rights Policy continues, with finalisation of both policies expected in the first half of 2010.

THE ENVIRONMENT - FROM POLICY TO ACTION

Good Supplier Program

DLH's Good Supplier Program (GSP) is DLH's tool to reach the environmental target of known origin of all purchased timber. The GSP is used to collect and evaluate information on the origin of timber and timber products from all tropical regions as well as from Russia, the Ukraine, Belarus and China.

2009 GSP results

In 2009, DLH had information of the origin for 92% of all timber purchased from the countries covered by its GSP program, an increase of 5% over 2008 result and thus above its 2009 goal of 90% known origin.

In 2009, 97% of DLH's purchases from GSP countries were covered by the GSP programme, which is 5 percentage points above the 92% realised in 2008.

DLH is currently working on a comprehensive revision of its GSP to ensure that the programme continues to meet own and customers' requirements with respect to documented known origin of timber and timber products.

Forests

DLH's forest areas in the Congo under the management of DLH subsidiary Congolaise Industrielle des Bois (CIB) have successfully undergone a re-audit of the areas already FSC-certified, which account for approximately 50% of the total area.

Unfortunately, it was necessary to postpone the FSC audit of the Loundoungou-Toukalaka concession scheduled for 2009. Due to the reduction of production by CIB, there were no forest activities in this area in 2009, which made an FSC audit impossible. The audit has instead been rescheduled to take place in 2010.

Supplier projects
One of the most important tools in DLH's efforts to improve its environmental performance is our cooperation with suppliers in obtaining independent third-party verification of legal origin, legal compliance and/or sustainability of timber and wood products. The first step toward sustainability (full certification) is Verification of Legal Origin (VLO). VLO projects are essential if both DLH and its suppliers are to comply with importing country requirements for proof of legal origin. Such requirements are to an increasing extent mandated by government legislation and no longer based on voluntary schemes. The group's website www.dlh-group.com contains an explanation of VLO and further information on the group's VLO projects.

SUPPLIER PROJECT RESULTS IN 2009

Malaysia
- DLH Malaysia had the most significant rise in the number of VLO suppliers, with an increase from 11 to 15 in 2009
- VLO timber accounts for 25.5% of DLH Malaysia's total sales volume

Indonesia
- In 2009, DLH Indonesia assisted two suppliers in obtaining Rainforest Alliance VLO certification, including chain of custody certification. With this verification in place, DLH Indonesia became the first company in the world to offer our customers Merbau with VLO certification from Indonesia
- DLH Indonesia has three FSC suppliers that supply FSC Bangkirai decking and tiles, FSC Meranti mouldings, and FSC Meranti gluelam

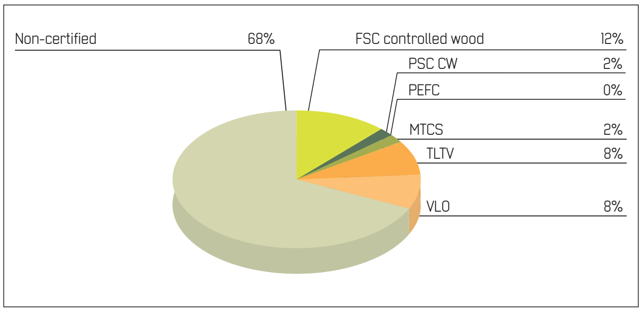
Brazil
- Nordisk Timber Ltda., Brazil continued its collaboration with four suppliers, all of whom are expected to go through their first assessment for VLO in 2010

Africa
- DLH continues to assist its suppliers in Gabon in preparing for their Verification for Legal Compliance (VLC).

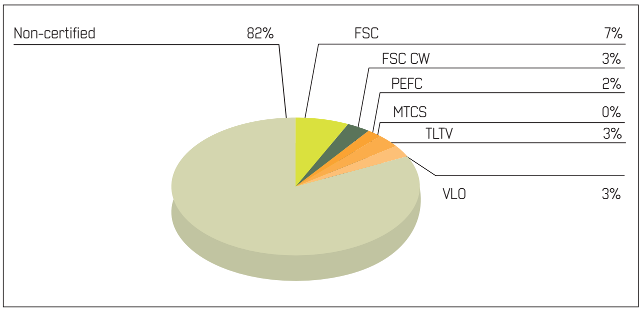
Social conditions
DLH carried out a number of activities in 2009 aimed at improving health and safety for DLH employees the world over. One result was DLH production facilities in Gabon becoming the first DLH unit to obtain ISO 14001 certification. ISO 14001 includes a wide range of health and safety measures.

The most significant progress made in improving social conditions was at DLH's African subsidiary CIB in the Congo, where the year started with the distribution of 10,000 mosquito nets to employees and their families. Malaria is one of the major threats to the general health of CIB employees. The distribution of nets was followed by the launch of a three-year project to step up the fight against HIV/AIDS among our employees and their families and in the wider community. Read more about this project on www.dlh-group.com.

32% of DLH total volume of purchased tropical hardwood is third-party verified



18% of DLH total global volume is third-party verified

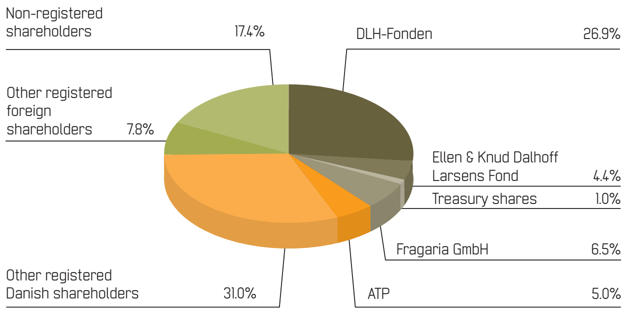


Share Capital

The share capital of DLH amounts to an aggregate nominal value of DKK 178,554,990 divided into Class B shares with a nominal value of 159,804,990 and Class A shares with a nominal value of DKK 18,750,000. The Class B shares are listed by Nasdaq OMX Copenhagen A/S and included in the SmallCap segment. The Class A shares are owned by DLH-Fonden and not listed.

According to the articles of association Class A shares carry 10 votes each and Class B shares carry one vote each.

Composition of shareholders at 1 March 2010



DLH has more than 3,600 shareholders, who can be divided as shown above. DLH-Fonden is subject to the same trading restrictions on the company's shares as are imposed on the company and its supervisory board.

Shareholders with a minimum of 5% share capital

Domicile	Share of share capital	Share of votes
DLH-Fonden, Philip Heymans Allé 7, Box 191, 2900 Hellerup	26.88%	62.41%
Arbejdsmarkedets Tillægspension, Kongens Vænge 8, 3400 Hillerød	5.02%	2.54 %
Fragaria GmbH, Vorwerker Str. 31, 27412 Wilstedt, Germany	6.45%	3.32%

*) Calculated on the basis of voting registered shareholders at 01.03.2010.

Treasury share policy

By authority granted at the general meeting, a maximum of 10% of the share capital may be acquired.

At 31 December 2009 DLH's portfolio of treasury shares had a total nominal value of DKK 1,821,880, corresponding to 1.02% of the share capital.

Share buy-back programme

The share buy-back programme launched in May 2008 ended on 1 March 2009 and resulted in a final value of the shares purchased of DKK 37 million, DKK 3 million of which was attributable to 2009. The repurchased shares were cancelled accordingly and the share capital reduced to DKK 178,554,990.

Listing the DLH share

In the beginning if 2009 the price of DLH's B shares was DKK 29 and during first quarter the price fell to DKK 13 per share. However, during the summer the price reached a price of DKK 40 per share but fell back again in the end of the year to DKK 16 per share, in the perspective of the whole year a 42% price drop. By comparison the SmallCap segment fell by 4% during the same period.

Development in the share price 2009

As a consequence of the falling prices the liquidity of the DLH share declined correspondingly, and the DLH shares were traded at a value of DKK 0.6 million compared to DKK 1.6 million the year before.

On 1 July 2009 the DLH share was transferred from the MidCap+ segment to the SmallCap segment as the market value of the DLH Group had fallen below the level required by Nasdaq OMX Copenhagen A/S to remain in the MidCap segment.

By 2010 the DLH Group had more than 3,600 registered shareholders, corresponding to an increase of 20% compared to the level by 2009. The number of registered foreign shareholders fell by 0.8 percentage point to 13.7% in the same period.

Investor relations

DLH encourages an open and active dialogue with existing and potential investors, financial analysts, and other stakeholders concerning the company's business development and financial position. Our aim is to provide the participants in the share market with the best possible information and thus enable them to make an objective and independent assessment of the company's market value, thereby creating the basis for a fair price formation of the DLH-share.

Investor queries

Queries about the DLH Group, its business divisions and the annual report should be directed to Kent Arentoft, President & CEO. Queries about shareholder matters should be directed to Investor Relations Manager Claus Mejlby Nielsen.

Stock brokers monitoring DLH

Danske Equities	Poul Ernst Jessen	45 12 80 48
Nordea Markets	Carsten Warren Petersen	33 33 39 45

Key stock exchange announcements in 2009

Announcement		Date
Downward adjustment of forecast for 2008	5	February
2008 annual report: Affected by global decline	12	March
Notice to convene annual general meeting	1	April
Pause in the allocation of share options to DLH's management	1	April
Annual general meeting	16	April
Articles of Association	16	April
Weak market in the first quarter of the year, signs of improvement	20	May
Intercompany merger in the DLH Group	25	June
Change of CEO in DLH	26	August
Interim Report at 30 June 2009	26	August
Amendments to the Articles of Association of Dalhoff Larsen & Horneman A/S	26	August
Change in the supervisory board of Dalhoff Larsen & Horneman A/S	17	September
Restructuring and organisational initiatives	5	October
Downward adjustment of revenue and results forecast for 2009	27	October
Further adjustment of organisation and business operations	19	November
New member of Group Management	9	December
New employee representative of the supervisory board of Dalhoff Larsen & Horneman A/S	16	December

Financial Calendar 2010

Thursday 11 March	2009 Annual Report
Friday 9 April at 14:00	Annual General Meeting
Wednesday 19 May	Interim report for the three months ended 31 March 2010
Wednesday 25 August	Interim report for the six months ended 30 June 2010
Wednesday 17 November	Interim report for the nine months ended 30 September 2010

Dividend

The supervisory board will recommend to the shareholders in the general meeting that no dividends be paid for 2009 due to the lack of profit in 2009 as well as the generally increasing difficulties in accessing liquidity in the market.

Asbjørn Børsting
Joined the supervisory board in 2002
Born: 1955

Positions of trust:
CEO of DLG a.m.b.a.
Chairman of the Danish Council for Research Policy. Chairman and member of the supervisory boards of subsidiaries and associated companies of the DLG Group. Member of the supervisory board of DLF-Trifolium A/S. Member of the advisory board of Danske Bank A/S.

Kristian Kolding
Joined the supervisory board in 2008
Born: 1947

Positions of trust:
Chairman of the supervisory boards of Asko Aktieselskab, Alfred Priess A/S, Priess Invest A/S, Nordlux A/S, Nordlux Invest A/S, Gottfred Petersen A/S, Gottfred Pedersen Holding A/S, Incentive Fonden. Member of the supervisory boards of DLH Fonden, Daniamant A/S, Daniamant Holding A/S, Daniamant (UK) Ltd., Alex Gundersen Tobacco Aktieselskab, Assens Tobak Aktieselskab, Silkisif Aktieselskab.

Erik Søndergaard
Joined the supervisory board in 2004
Born: 1945

Positions of trust:
CEO of Epsilon Invest ApS. Chairman of the supervisory board of FORCE Technology. Member of the supervisory boards of Dansk Erhvervsinvestering A/S and Dansk Innovationsinvestering P/S. Member of the committee of representatives in Nykredit.

Wilhelm Schnyder
Joined the supervisory board in 2006
Born: 1943

Positions of trust:
CEO of Fragaria GmbH. Member of the supervisory board of Rhein Treuhand & Consulting AG, Titradeco AG, Exoteak AG, CBA Commerce des Bois Africains SA and Vasto Legno SpA.

Aksel Lauesgaard Nissen
Joined the supervisory board in 2007
Born: 1944

Positions of trust:
Member of the supervisory boards of BRF Kredit A/S and A/S Einar Willumsen. Member of the committee of representatives in Tryg i Danmark smba.

Jesper Birkefeldt
Joined the supervisory board in 2006
Born: 1965
Elected by the employees of the group.

Jens Ulrik Nielsen
Joined the supervisory board in 2008
Born: 1966
Elected by the employees of the group.

Johannes Borglykke Sørensen
Joined the supervisory board in 2010
Born: 1974
Elected by the employees of the group.

Kent Arentoft
President and CEO
Joined in September 2009
Born: 1962

Positions of trust:
Member of the supervisory boards of Solar A/S, Sonion A/S, Eksport Kredit Fonden (EKF), Eksport Kredit Finansiering A/S.

MANAGEMENT STATEMENT

The supervisory and executive boards have today considered and adopted the 2009 annual report of Dalhoff Larsen & Horneman A/S. The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and additional Danish disclosure requirements for annual reports for listed companies.

In our opinion, the accounting policies applied are appropriate and the annual report therefore provides a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 December 2009 as well as of the results of the group's and the parent company's operations and cash flows for the financial year ended 31 December 2009. Furthermore, we believe that the management's review gives a true and fair review of the development in the group's and the parent company's operations and financial matters, the results of the group's and the parent company's operations and financial position as a whole and describes the significant risks and uncertainties pertaining to the group and the parent company.

The annual report is hereby submitted to the general meeting for adoption.

Høje Taastrup, 11 March 2010

Executive Board:

Kent Arentoft

Supervisory Board:

Asbjørn Børsting
(Chairman)

Kristian Kolding
(Deputy Chairman)

Jesper Birkefeldt*

Jens Ulrik Nielsen*

Johannes Borglykke Sørensen*

Aksel Lauesgaard Nissen

Wilhelm Schnyder

Erik Søndergaard

*) Elected by the employees of the group.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Dalhoff Larsen & Horneman A/S
We have audited the consolidated financial statements and the parent company financial statements of Dalhoff Larsen & Horneman A/S for the financial year 1 January – 31 December 2009, pp. 19-77. 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 and notes 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 Danish disclosure requirements for listed companies.

In addition to our audit, we have read the Management's review prepared in accordance with Danish disclosure requirements for listed companies 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 Danish disclosure requirements for listed companies. 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 Danish disclosure requirements for listed companies.

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' judgement, 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 assets, liabilities and 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 Danish disclosure requirements for listed companies.

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.

Høje Taastrup, 11 March 2010

KPMG
Statsautoriseret Revisionspartnerselskab

Kurt Gimsing State Authorised Public Accountant	Per Ejsing Olsen State Authorised Public Accountant

Note	(DKK million)	Group 2009	Group 2008	Parent company 2009	Parent company 2008
3	Revenue	3,648.3	5,013.0	1,170.8	1,657.6
4, 7	Cost of sales	(3,291.1)	(4,468.8)	(1,070.3)	(1,514.1)
	Gross profit(loss)	**357.2**	**544.2**	**100.5**	**143.5**
5	Other operating income	27.3	37.6	16.9	64.5
5	Other operating expenses	(23.2)	(1.3)	(2.4)	(1.8)
6	Other external expenses	(357.9)	(345.8)	(219.1)	(184.1)
7	Other staff costs	(356.0)	(378.4)	(131.3)	(136.8)
	Operating profit(loss) before depreciation and amortisation (EBITDA)	**(352.6)**	**(143.7)**	**(235.4)**	**(114.7)**
8	Depreciation and amortisation	(107.4)	(105.0)	(13.1)	(11.4)
8	Impairment losses	(148.7)	(66.2)	(460.6)	(329.4)
	Operating profit(loss) (EBIT)	**(608.7)**	**(314.9)**	**(709.1)**	**(455.5)**
	Financial items:				
9	Share of profit after tax from investments in joint ventures	0.2	(0.9)	0.2	(0.9)
	Profit on sale of investments	-	-	0.0	643.9
10	Financial income	7.3	27.1	294.9	127.0
11	Financial expenses	(112.4)	(133.4)	(83.4)	(90.6)
	Profit(loss) from continuing operations before tax (EBT)	**(713.6)**	**(422.1)**	**(497.4)**	**223.9**
12	Tax for the year on the profit(loss) from continuing operations	(38.2)	68.7	(12.6)	32.2
	Profit(loss) for the year from continuing operations	**(751.8)**	**(353.4)**	**(510.0)**	**256.1**
30	Profit(loss) for the year from discontinued operations	-	580.0	-	-
	Profit(loss) for the year	**(751.8)**	**226.6**	**(510.0)**	**256.1**
13	**Earnings per share:**				
	Earnings per share (EPS)	(42.59)	12.46		
	Diluted earnings per share (EPS-D)	(42.59)	12.46		
	Earnings per share (EPS) for continuing operations	(42.59)	(19.44)		
	Earnings per share diluted (EPS-D) for continuing operations	(42.59)	(19.44)		
	Recommended appropriation of profits:				
	Dividend proposed 0% (2008: 0%) per share of DKK 10 each			-	-
	Retained earnings			(510.0)	256.1
				(510.0)	256.1

Note	(DKK million)	2009	2008
	Group		
	Foreign currency translation adjustments on conversion of foreign operations	51.1	(102.2)
	Foreign exchange gains on hedging instruments concluded to hedge investments in foreign operations	(11.4)	34.9
	Value adjustment of hedging instruments:		
	Value adjustments for the year	(5.6)	(12.9)
	Value adjustments transferred to revenue	8.7	-
	Value adjustments transferred to cost of sales	4.2	0.3
	Actuarial gains or losses on defined benefit plans	3.0	(2.3)
	Tax on items recognised directly in equity	(2.3)	(4.5)
	Net income recognised directly in equity	**47.7**	**(86.7)**
	Profit(loss) for the year	(751.8)	226.6
	Income and expenses recognised for the year	**(704.1)**	**139.9**
	These may be broken down as follows:		
	Income and expenses recognised for the reporting period, continuing operations	(704.1)	(440.1)
	Income and expenses recognised for the reporting period, discontinued operations	-	580.0
	Parent company		
	Value adjustment of hedging instruments:		
	Value adjustments for the year	(4.8)	-
	Value adjustments transferred to financial items, net	-	0.4
	Tax on items recognised directly in equity	1.2	-
	Net income recognised directly in equity	**(3.6)**	**0.4**
	Profit(loss) for the year	(510.0)	256.1
	Income and expenses recognised for the year	**(513.6)**	**256.5**

	Assets	Group		Parent company	
Note	(DKK million)	2009	2008	2009	2008
	Non-current assets:				
14	**Intangible assets:**				
	Goodwill	132.3	152.0	6.3	6.3
	IT projects	1.0	17.2	1.0	17.2
	Other intangible assets	85.4	77.0	12.2	7.5
		218.7	**246.2**	**19.5**	**31.0**
14	**Property, plant and equipment:**				
	Land and buildings	139.2	236.3	0.2	0.9
	Plant and machinery	30.1	80.4	0.1	0.4
	Fixtures and fittings, other plant and equipment	47.1	100.8	8.2	6.3
	Property, plant and equipment under construction	11.3	23.8	-	-
		227.7	**441.3**	**8.5**	**7.6**
	Other non-current assets:				
15	Investments in subsidiaries	-	-	434.9	880.2
	Receivables from group enterprises	-	-	284.1	280.7
9	Investments in jount ventures	0.6	0.4	0.6	0.4
16	Other investments and securities	3.9	3.8	3.7	3.7
	Other non-current assets	0.2	-	-	-
17	Deferred tax	16.8	80.8	-	17.8
		21.5	**85.0**	**723.3**	**1,182.8**
	Total non-current assets	**467.9**	**772.5**	**751.3**	**1,221.4**
	Current assets:				
	Inventories:				
4	Manufactured goods and goods for resale	984.5	1,414.4	147.9	177.1
	Prepayment for goods	43.4	52.5	25.5	17.7
		1,027.9	**1,466.9**	**173.4**	**194.8**
	Receivables:				
18	Trade receivables	392.5	542.9	110.2	146.5
	Receivables from group enterprises	-	-	435.5	477.3
17	Income taxes receivable	26.1	24.7	0.3	4.7
	Other receivables	68.3	157.8	5.9	121.6
	Prepaid expenses	19.8	21.1	8.7	8.7
		506.7	**746.5**	**560.6**	**758.8**
	Cash	44.1	56.7	1.4	4.6
30	Assets held for sale	61.7	-	0.7	-
	Total current assets	**1,640.4**	**2,270.1**	**736.1**	**958.2**
	Total assets	**2,108.3**	**3,042.6**	**1,487.4**	**2,179.6**

Note	Equity and liabilities	Group		Parent company	
Note	(DKK million)	2009	2008	2009	2008
	Equity:				
	Share capital	178.6	185.8	178.6	185.8
	Hedging reserve	(4.0)	(10.9)	(3.6)	-
	Foreign currency translation adjustment reserve	(48.8)	(87.0)	-	-
	Retained earnings	407.0	1,152.0	345.8	851.6
19	**Total equity**	**532.8**	**1,239.9**	**520.8**	**1,037.4**
	Non-current liabilities:				
20	Pensions and similar provisions	20.9	27.0	-	-
17	Deferred tax	14.9	36.5	-	2.5
21	Provisions	18.1	0.6	18.1	-
22	Subordinated loan	111.6	78.3	111.6	78.3
22	Credit institutions	3.9	44.4	-	-
22	Leasing commitments	0.8	0.5	0.5	-
		170.2	**187.3**	**130.2**	**80.8**
	Current liabilities:				
22	Credit institutions	1,015.2	1,216.6	706.0	701.9
	Trade payables and other payables	324.0	345.4	95.0	151.8
22	Current portion of non-current liabilities	1.6	33.7	1.4	33.5
	Payables to group enterprises	-	-	11.7	170.0
17	Income taxes	4.3	13.2	-	3.3
21	Provisions	55.2	5.4	20.7	0.7
	Deferred income	5.0	1.1	1.6	0.2
		1,405.3	**1,615.4**	**836.4**	**1,061.4**
	Total liabilities	**1,575.5**	**1,802.7**	**966.6**	**1,142.2**
	Total liabilities and equity	**2,108.3**	**3,042.6**	**1,487.4**	**2,179.6**

		Group		Parent company	
Note	(DKK million)	**2009**	**2008**	**2009**	**2008**
	Profit(loss) before tax	(713.6)	(422.1)	(497.4)	223.9
	Adjustment for non-cash operating items etc.:				
	Depreciation and amortisation	256.1	171.2	473.7	340.8
	Inventory write-downs, (incl. prepayments)	132.5	148.8	1.0	20.5
	Provisions for trade receivables	23.4	(3.2)	9.5	(1.2)
	Impairment losses on receivables from subsidiaries	-	-	76.3	-
	Other non-cash operating items, net	(3.6)	0.9	6.5	0.2
	Provisions	57.5	(1.8)	38.1	0.7
	Profit on sale of investment in subsidiaries	-	-	-	(643.9)
	Share of profit(loss) after tax in joint ventures	(0.2)	0.9	(0.2)	1.0
	Financial income	(7.3)	(27.1)	(294.9)	(125.0)
	Financial expenses	112.4	133.4	83.4	90.6
	Cash flow from operating activity before change in working capital	**(142.8)**	**1.0**	**(104.0)**	**(92.4)**
	Change in working capital:				
	Inventories and prepayments	333.8	118.9	20.4	102.4
	Trade receivables	133.1	131.3	26.8	18.4
	Trade and other payables	(10.9)	(66.6)	183.6	(97.4)
	Other operating debt, net	23.5	(38.7)	73.4	(75.4)
	Operating cash flow	**336.7**	**145.9**	**200.2**	**(144.4)**
	Financial income, paid	7.1	27.1	294.9	125.0
	Financial expenses, paid	(96.7)	(158.5)	(84.9)	(141.1)
	Income taxes paid	(15.5)	(64.7)	5.3	14.0
	Cash flow from operating activity	**231.6**	**(50.2)**	**415.5**	**(146.5)**
	Acquisition of subsidiaries	-	-	-	(109.5)
	Acquisition of intangible assets	(3.8)	(23.0)	(2.1)	(20.4)
	Acquisition of property, plant and equipment	(50.7)	(111.0)	(6.5)	(5.2)
	Sale of intangible and tangible assets	15.9	10.6	1.9	7.7
	Sale of subsidiaries	-	-	-	977.8
	Acquisition of enterprises	-	(90.3)	-	-
	Earn-out commitment honoured	-	(36.0)	-	(36.0)
	Capital increase in subsidiaries	-	-	(12.3)	(87.0)
	Realised foreign exchange gains related to hedged net investments denominated in foreign currencies	40.0	1.3	-	-
	Acquisition/sale of securities	(0.5)	0.5	-	-
	Cash flow from investment activity	**0.9**	**(247.9)**	**(19.0)**	**727.4**
	Cash flow from operating activity and after investments	**232.5**	**(298.1)**	**396.5**	**580.9**

Cash flow statement continued

		Group		Parent company	
Note	(DKK million)	**2009**	**2008**	**2009**	**2008**
	Raising of debt to mortgage credit institutions and servicing of leasing commitment	1.8	-	1.8	-
	Raising of bank debt	592.4	-	592.4	-
	Repayment of bank debt	(837.3)	(553.0)	(588.5)	(544.1)
	Raising/repayment of intra-group accounts, net	-	-	(402.4)	36.3
	Acquisition of treasury shares under share buy-back programme	(3.0)	(33.8)	(3.0)	(33.8)
	Acquisition/sale of treasury shares	-	(1.7)	-	(1.7)
	Dividend distributed	-	(37.2)	-	(37.2)
	Cash flow from financing activity	**(246.1)**	**(625.7)**	**(399.7)**	**(580.5)**
	Cash flow from discontinued operations	-	923.3	-	-
	Cash flow for the year	**(13.6)**	**(0.5)**	**(3.2)**	**0.4**
	Cash at 1 January	56.7	56.3	4.6	4.2
	Foreign currency translation adjustment of cash	1.0	0.9	-	-
	Cash at 31 December	44.1	56.7	1.4	4.6

Group (DKK million)	Share capital	Hedging reserve	Trans-lation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2008	185.8	(0.3)	(13.2)	962.7	37.2	1,172.2
Changes in equity in 2008:						
Income and expenses recognised for the year	-	(10.6)	(73.8)	224.3	-	139.9
Dividend distributed to shareholders	-	-	-	-	(37.2)	(37.2)
Dividend treasury shares	-	-	-	0.3	-	0.3
Acquisition/sale of treasury shares	-	-	-	(2.0)	-	(2.0)
Share buy-back programme	-	-	-	(33.8)	-	(33.8)
Actuarial gains or losses on defined benefit plans	-	-	-	0.5	-	0.5
Total changes in equity	**-**	**(10.6)**	**(73.8)**	**189.3**	**(37.2)**	**67.7**
Equity at 31 December 2008	**185.8**	**(10.9)**	**(87.0)**	**1,152.0**	**-**	**1,239.9**
Changes in equity in 2009:						
Income and expenses recognised for the year	-	6.9	38.1	(749.1)	-	(704.1)
Share buy-back programme	-	-	-	(3.0)	-	(3.0)
Capital reduction in connection with share buy-back programme	(7.2)	-	-	7.2	-	0.0
Total changes in equity	**(7.2)**	**6.9**	**38.1**	**(744.9)**	**-**	**(707.1)**
Equity at 31 December 2009	**178.6**	**(4.0)**	**(48.9)**	**407.1**	**-**	**532.8**

Parent company (DKK million)	Share capital	Hedging reserve	Trans-lation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2008	185.8	(0.4)	-	399.4	37.2	622.0
Additions re. merger	-	-	-	231.1	-	231.1
Changes in equity in 2008:						
Income and expenses recognised for the year	-	0.4	-	256.1	-	256.5
Dividend distributed to shareholders	-	-	-	-	(37.2)	(37.2)
Dividend treasury shares	-	-	-	0.3	-	0.3
Acquisition/sale of treasury shares	-	-	-	(2.0)	-	(2.0)
Share buy-back programme	-	-	-	(33.8)	-	(33.8)
Actuarial gains or losses on defined benefit plans	-	-	-	0.5	-	0.5
Total changes in equity	**-**	**0.4**	**-**	**221.1**	**(37.2)**	**184.3**
Equity at 31 December 2008	**185.8**	**-**	**-**	**851.6**	**-**	**1,037.4**
Changes in equity in 2009:						
Income and expenses recognised for the year	-	(3.6)	-	(510.0)	-	(513.6)
Share buy-back programme	-	-	-	(3.0)	-	(3.0)
Capital reduction in connection with share buy-back programme	(7.2)	-	-	7.2	-	-
Total changes in equity	**(7.2)**	**(3.6)**	**0.0**	**(505.8)**	**-**	**(516.6)**
Equity at 31 December 2009	**178.6**	**(3.6)**	**0.0**	**345.8**	**-**	**520.8**

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1 Accounting policies

Dalhoff Larsen & Horneman A/S is a limited liability company domiciled in Denmark. The annual report for the period 1 January to 31 December 2009 consists of the consolidated financial statements of Dalhoff Larsen & Horneman A/S and its subsidiaries (the DLH Group) and the annual report of the parent company.

The 2009 annual report of Dalhoff Larsen & Horneman A/S has been prepared in accordance with International Financial Reporting Standards as approved by the EU and additional Danish disclosure requirements for annual reports of listed companies in accordance with the IFRS order issued in pursuance of the Danish Financial Statements Act.

In addition, the annual report is in compliance with the International Financial Reporting Standards issued by the IASB.

Basis of preparation

The annual report is presented in Danish Kroner million rounded to one decimal point.

The annual report has been prepared under the historical cost convention, except for assets and liabilities relating to derivative financial instruments that are measured at fair value.

Non-current assets and disposal groups held for sale are measured at the carrying amount before the changed classification or the fair value less selling costs, whichever is the lower.

The accounting policies applied, described below, have been used consistently during the financial year and for the comparative figures.

Change in accounting policies

Implementation of new standards

Effective at 1 January 2009 Dalhoff Larsen & Horneman A/S has implemented the following standards: IAS 1 (updated 2007) Presentation of Financial Statements, IAS 23 (updated 2007) Borrowing Costs, IFRS 8 Operating Segments, amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate, amendments to IFRS 7: Improving Disclosures about Financial Instruments, parts of Improvements to IFRSs May 2008 with effective date 1 January 2009 and IFRICs 15 to 17.

IFRIC 16 ('Hedges of a Net Investment in A Foreign Operation') was approved in 2009, with an effective date that was different from the corresponding IFRIC issued by the IASB. To comply with the effective date of the IASB, the DLH Group has implemented this IFRIC early, i.e. as of 1 January 2009.

IAS 1 changes the presentation of the primary financial statements and certain items of information disclosed in the notes, but has no impact on recognition and measurement.

IFRS 8 affects the group's segment disclosure only. According to the standard, the group's segment reporting is based on operating segments. An operating segment is a component of an entity whose results are monitored by group management and for which seperate financial information is reported to key management personnel for the purpose of performance assessment and future resource allocation. In contrast, IAS 14 required the disclosure of business and geographical segments.

According to IAS 23, borrowing costs incidental to funds borrowed specifically and funds borrowed as part of a general pool directly incidental to the construction or development of a qualifying asset (intangible assets, property, plant and equipment as well as inventories that are measured at cost) are attributable to the cost of such an asset. The standard applies to the construction of assets etc., commenced on or after 1 January 2009. In the notes, comparative figures have therefore not been restated. The standard has an impact on the projects commenced in 2009 to construct production facilities in Sweden and in Poland. Capitalised interest expenses amounted to Danish Kroner 0.1 million in 2009.

With the exception of IAS 23, the new financial reporting standards and interpretations have had no impact on recognition and measurement in 2009. In 2009 the new accounting standards and interpretations have had an impact on earnings per share and earnings per share diluted in the amount of Danish Kroner 0.01 per share.

New accounting method for the measurement of inventories

As a consequence of the implementation of a new IT system, the group has changed its accounting policies for measuring inventories. As from 2009, inventories are measured at cost according to the average cost formula (previously the FIFO method) or net realisable value, whichever is the lower. Due to systems limitations and the way in which data are structured in the storage system, a retroactive change in policies has proved impractical. The change in policies will therefore apply to future measurements only with no restatement of comparative figures. The change to the average cost formula has hardly any effect, among other things, due to the cost structure and rate of inventory turnover.

Restatement of comparative figures of Dalhoff Larsen & Horneman A/S

As a consequence of the merger of the Danish companies DLH A/S, DLH Nordisk A/S and OK Træ ApS into Dalhoff Larsen & Horneman A/S at 1 January 2009, the comparative figures for 2008 have been restated.

Consolidated financial statements

The consolidated financial statements comprise the parent company Dalhoff Larsen & Horneman A/S and subsidiaries in which Dalhoff Larsen & Horneman A/S has control, i.e. the power to govern the financial and operating policies so as to benefit from its operations. Control is obtained when the company, directly or indirectly, holds more than 50% of the voting rights in the subsidiary or controls the subsidiary in some other way.

Entities over which the DLH Group exercises joint control, either through ownership or contracts concluded, are treated as joint ventures.

When determining if the parent company has control or joint control over an entity, potential voting rights that can be exercised on the balance sheet date are taken into consideration.

Please refer to page 76 for the group chart.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements prepared according to the DLH Group's accounting policies, eliminating intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on transactions between the consolidated enterprises. Unrealised gains on transactions with joint ventures are eliminated in proportion to the DLH Group's ownership share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains to the extent that impairment has not taken place.

In the consolidated financial statements, accounting items of subsidiaries are recognised in full.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of or closed down are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions. Discontinued operations are presented separately, please see below.

For acquisitions of new enterprises in which Dalhoff Larsen & Horneman A/S obtains control over the acquired enterprise, the purchase method is used. The acquired enterprises' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right, and the fair value can be reliably measured. Deferred tax on the revaluations is recognised.

The acquisition date is the date on which Dalhoff Larsen & Horneman A/S obtains actual control of the acquired entity.

Any positive difference (goodwill) between the cost of the enterprise and the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill under intangible assets. Goodwill is not amortised, but is tested at least once a year for impairment. The first impairment test is performed before the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis of the impairment test. On initial recognition, goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the DLH group's financial statements are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate prevailing at the transaction date. Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The cost of an entity consists of the fair value of the agreed consideration for the acquisition with the addition of costs directly attributable to the acquisition. If parts of the consideration for the acquisition are tied to future events, these parts are included in the cost to the extent that the events are probable and the consideration can be made up reliably.

If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities acquired exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have different fair values at the acquisition date than first assumed, goodwill is adjusted until 12 months after the acquisition. The effect of the adjustments is recognised in the opening balance equity, and the comparative figures are restated accordingly. Subsequently, goodwill is only adjusted as a result of changes in estimates of contingent purchase considerations, except in cases of material error. However, subsequent realisation of the acquired enterprise's deferred tax assets not recognised at the acquisition date will require recognition of the tax benefit in the income statement and simultaneous write-down of the carrying amount of the goodwill to the amount which would have been recognised had the deferred tax asset been recognised as an identifiable asset at the acquisition date.

Gains or losses on disposal or closing of subsidiaries and joint ventures are stated as the difference between the selling price or closing costs and the carrying amount of net assets including goodwill at the date of disposal plus disposal or closing costs.

Foreign currency translation

The DLH Group fixes a functional currency for each of the reporting enterprises. The functional currency is the currency which is applied in the primary economic environment in which the individual reporting entity operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the transaction date. Foreign currency differences arising between the exchange rates prevailing at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the balance sheet date. The difference between the exchange rates prevailing at the balance sheet date and at the date at which the receivable or payable item arose, or was recognised in the latest annual report, is recognised in the income statement as financial income or financial expenses.

On recognition in the consolidated financial statements of enterprises with a functional currency other than Danish Kroner the income statements of such enterprises are translated to the rate prevailing at the transaction date, and the balance sheet items are translated to the rate prevailing at the balance sheet date. An average exchange rate for the month is used as the exchange rate prevailing at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign currency differences arising on translation of the opening balance of equity of such enterprises at the exchange rates prevailing at the balance sheet date and on translation of the income statements from the exchange rates prevailing at the transaction date to the exchange rates prevailing at the balance sheet date are recognised directly in equity under a separate foreign currency translation reserve.

Foreign currency rate adjustments of balances which are considered part of the overall net investment in enterprises with a functional currency other than Danish Kroner are recognised in the consolidated financial statements directly in equity under a separate foreign currency translation reserve. Correspondingly, foreign currency gains and losses on that portion of loans and derivative financial instruments that is designated as an investment hedge in such enterprises and that provides an efficient hedge against corresponding foreign currency gains and losses on the investment in the enterprise are also recognised directly in equity under a separate foreign currency translation reserve in the consolidated financial statements.

When accounting for joint ventures with a functional currency other than Danish Kroner in the consolidated financial statements the share of the profit for the year is translated to average exchange rates, and the share of equity including goodwill is translated to the rate prevailing at the balance sheet date. Foreign currency differences arising on translation of the opening balance of the equity of such joint ventures to the exchange rates prevailing at the balance sheet date and on translation of the share of the profit for the year from the average exchange rates to the exchange rates prevailing at the balance sheet date are recognised directly in equity under a separate foreign currency translation reserve.

Where foreign entities are disposed of in full or in part or where accounts that are considered part of the net investment are settled, the portion of the accumulated foreign currency adjustments that has been taken directly to equity and that is attributable to equity will be recognised in the income statement together with any gains or losses arising in connection with the disposal.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at fair value on the transaction date. Positive or negative fair values of derivative financial instruments are included in other receivables, trade payables and other debts, respectively, and a set-off of positive and negative values is only made when the company has the right and the intention to settle several financial instruments net. Fair values of derivative financial instruments are determined on the basis of current market data and generally accepted methods of measurement.

Fair value hedges

Changes in the fair value of derivative financial instruments designated as and qualifying as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned. Hedging of future cash flows in accordance with an agreement (firm commitment), apart from foreign currency hedges, is treated as a fair value hedge of a recognised asset or liability.

Cash flow hedges

Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge that is an effective hedge of changes in the value of future cash flows are recognised in equity under a separate hedging reserve, until the hedged cash flows have an impact on the income statement. Once there is an impact on the income statement, gains or losses incidental to such hedging transactions are transferred from equity and recognised in the same line item as the hedged item. However, on hedging proceeds from future loans, gains or losses incidental to the hedging transaction will be transferred from the equity over the term of the loan. If a hedging instrument no longer qualifies for hedge accounting, the hedging relationship will cease prospectively. The accumulated change in value recognised in equity will be transferred to the income statement when the hedged cash flows affect the income statement.

If the hedged cash flows are no longer likely to be realised, the accumulated change in value will immediately be taken to the income statement.

Net investment hedges

Changes in the fair value of derivative financial instruments used to hedge net investments in foreign subsidiaries or joint ventures that are effective hedges of currency fluctuations in these enterprises are recognised directly in a separate foreign currency translation reserve under equity in the consolidated financial statements.

Other derivative financial instruments
For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

Revenue
Revenue derived from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery has taken place and the risk has passed to the purchaser before year-end and the income can be reliably measured and is likely to be received.

Revenue is measured at the fair value of the agreed consideration exclusive of value added tax and taxes charged on behalf of a third party. All discounts granted are recognised in revenue.

Cost of sales
Cost of sales comprises costs which are incurred in order to generate the revenue for the year. Trading entities recognise costs of goods sold, and production entities recognise production costs corresponding to the revenue for the year. Production costs include direct and indirect costs of raw materials, auxiliary materials, wages and salaries.

Other operating income and expenses
Other operating income and expenses comprise items secondary to the principal operations of the enterprises, including gains and losses on disposal and replacement of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are determined as the selling price less selling costs and the carrying amount at the selling date.

Other external expenses
Other external expenses comprise the costs of distribution, sale, advertising, administration, premises, loss on debtors etc.

Share of profit after tax in joint ventures
In the consolidated income statement of the DLH Group, the proportional share of the profit in joint ventures after tax and after the elimination of the proportional share of internal gains/losses, is recognised.

Financial items
Financial income and expenses comprise interest income and expenses, gains and losses on securities and impairment of securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities, including leasing commitments, as well as surcharges and refunds under the on-account tax scheme, etc. Furthermore, realised and unrealised gains and losses relating to derivative financial instruments which do not qualify as hedging contracts are also recognised.

Costs incidental to funds borrowed as a general pool or loans that are directly attributable to the acquisition, construction or production of qualifying assets form part of the cost of that asset.

Dividends from investments in subsidiaries are recognised as income in the income statement of the parent company in the financial year in which the dividends are declared. However, to the extent that the dividend distributed exceeds the comprehensive income of subsidiaries in the period in which dividend is distributed, an impairment test is performed.

Tax on profit for the year
Tax for the year, which comprises current tax and changes in deferred tax, is recognised in the income statement at the amount relating to the profit for the year and directly in equity as regards the portion relating to items recognised directly in equity.

If the DLH Group obtains a tax deduction on computation of the taxable income in Denmark or in foreign jurisdictions as a result of share-based payment schemes, the tax effect of the schemes is recognised in tax on the profit/loss for the year. If the total tax deduction exceeds the total accounting cost, the tax benefit for the excess deduction is recognised directly in equity.

BALANCE SHEET

Intangible assets

Goodwill
In the balance sheet, goodwill is initially recognised at cost as described under "Business combinations". Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is allocated to the DLH Group's cash-generating units at the acquisition date. The identification of cash-generating units is based on the management structure and internal financial control. Due to the integration of acquired enterprises into the existing group, management estimates that the smallest cash-generating units to which the carrying amount of goodwill can be allocated are the commercial divisions.

IT projects
Development costs comprise expenses attributable to the company's IT projects.

IT projects that are clearly defined and identifiable, whose technical feasibility, adequate resources and utilisation in the company are evidenced, and that are clearly intended for use, are recognised as intangible assets provided that the cost can be measured reliably. Other IT projects are recognised in the income statement as the costs are incurred.

Recognised IT projects are measured at cost less accumulated amortisation and impairment losses. Cost includes salaries and wages and other costs attributable to the DLH Group's IT projects as well as borrowing costs from funds borrowed specifically and funds borrowed as part of a general pool directly attributable to the development of IT projects.

On completion of the development of the IT projects, development costs are amortised on a straight line basis over the estimated useful life of the assets, commencing at the time when the asset is ready for use. The amortisation period is usually 1 to 5 years. The basis of amortisation is calculated less any impairment losses.

Other intangible assets
Other intangible assets, including intangible assets acquired in connection with business combinations, covering certification costs, forest concessions and the value of customer relations, are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight line basis over the expected useful life of the asset. The amortisation period is usually 5 to 15 years. The basis of amortisation is calculated less any impairment losses.

Intangible assets with indefinite useful lives are not amortised, but tested annually for impairment losses.

Property, plant and equipment
Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition as well as costs directly attributable to the acquisition until the time when the asset is ready for use. With regard to self-constructed assets, cost comprises the direct and indirect cost of materials, components, sub-contractors, wages and borrowing costs incidental to both specifically borrowed funds and funds that are part of a general pool, attributable to the construction of the individual asset.

If the expected useful lives of different parts of a combined asset are not the same, the cost is split into separate parts which are then depreciated separately, using different estimated lives.

The cost of assets held under finance leases is stated at the lower of the fair value of the asset and the present value of the future minimum lease payments. For the calculation of the present value, the interest rate implicit in the lease or the DLH Group's alternative rate of interest is applied as the discount rate.

Subsequent costs, e.g. in connection with the replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the DLH Group. The replaced components are removed from the balance sheet and recognised in the income statement. All other costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Depreciation is charged on a straight-line basis over the expected useful lives of the assets/components under this heading, which are as follows:

Office buildings	20-50 years
Other buildings and plant	20-25 years
Plant and machinery	5-10 years
Rolling stock and equipment	3-7 years
IT equipment	1-5 years

Land is not depreciated.

The depreciation base is determined on the basis of the residual value of the asset less any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Depreciation is discontinued if the residual value exceeds the carrying amount.

When changing the depreciation period or the residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Depreciation, amortisation and impairment losses are recognised under a separate line item in the income statement.

Other non-current assets
Investments in joint ventures
In the consolidated financial statements investments in joint ventures are measured under the equity method, measuring the investment at the proportional share of the entity's equity in the balance sheet, determined in accordance with the DLH Group's accounting policies deducting or adding any proportional share of unrealised intra-group gains or losses and adding any added values from acquisitions, including goodwill. If there is an indication of impairment of the joint ventures, an impairment test is performed.

Joint ventures with a negative carrying amount are measured at zero value. Where the group has an actual or constructive obligation to cover the loss of a joint venture, such obligation will be recognised under liabilities.

Receivables from joint ventures are measured at amortised cost. Bad debts are written down.

Newly acquired investments in joint ventures are recognised according to the purchase method; for details please refer to the description of business combinations below.

Investments in subsidiaries
In the parent company's annual financial statements investments in subsidiaries are measured at cost. If there is an indication of impairment, an impairment test is performed. Where the recoverable amount is lower than the carrying amount, investments are written down to this lower value.

Other investments and securities
Other investments and securities not included in the DLH Group's trading portfolio (available for sale) are recognised under non-current assets at the cost prevailing at the transaction date and are measured at the estimated fair value, corresponding to the market price for listed securities and at the estimated fair value, determined on the basis of current market data and generally accepted valuation methods for unlisted securities. Unrealised value adjustments are recognised directly in equity with the exception of write-downs for impairment that are recognised in the income statement under financial items. On realisation, the accumulated value adjustment recognised in equity is transferred to financial income or financial expenses in the income statement.

Impairment of non-current assets
Goodwill and intangible assets with indefinite useful lives are subject to annual impairment tests, first time before the end of the acquisition year. Similarly, development projects in progress are subject to an annual impairment test.

The carrying amount of goodwill is impairment tested together with the other non-current assets in the cash-generating unit to which goodwill is allocated and written down to the recoverable amount over the income statement if the carrying amount is higher. The recoverable amount is determined as the present value of expected future net cash flows from the enterprise or activity (cash-generating unit) to which goodwill is allocated. Impairment of negative goodwill is shown on a separate line in the income statement.

Deferred tax assets are evaluated annually and are recognised only to the extent that it is probable that the assets will be utilised.

The carrying amount of other non-current assets is tested annually for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of an asset's fair value less expected selling costs or its value in use. The value in use is calculated as the present value of expected future net cash flows from the asset or the cash-generating unit of which the asset is part.

An impairment loss is recognised if 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 under depreciation and amortisation. However, impairment losses on goodwill are shown on a separate line in the income statement.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are only reversed in connection with changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount of the asset after amortisation, had the asset not been impaired.

Inventories
Inventories are measured at cost according to the weighted average cost formula or at net realisable value, whichever is the lower.

The cost of goods for resale and raw materials and auxiliary materials comprises the purchase price plus delivery costs.

The cost of manufactured goods comprises the cost of raw materials, auxiliary materials, direct wages as well as production overheads. Production overheads comprise indirect materials and wages and salaries as well as maintenance of the plant and machinery, buildings and equipment applied in the production process as well as costs of production administration and management.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivables are measured at amortised cost. Receivables are written down to provide for losses where there is objective evidence of impairment. If there is objective evidence of impairment in a specific receivable, a specific impairment provision will be made.

Receivables in respect of which there is no objective evidence of impairment at the individual level are subject to a portfolio-based impairment provision. Portfolios are primarily based on the domicile of debtors and credit ratings in accordance with the DLH Group's credit risk management policy.

The objective indicators applicable to portfolios are based on historical loss records.

Prepaid expenses
Prepaid expenses are recognised under assets, comprising costs paid concerning subsequent financial years and are measured at amortised costs.

EQUITY

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted by the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Interim dividends are recognised as a liability at the date when the decision to pay interim dividends is made.

Treasury shares

Costs of acquisition, sales proceeds and dividends received from treasury shares are recognised directly over retained earnings in equity. A reduction in capital achieved by means of an annulment of the company's treasury shares reduces the share capital by an amount corresponding to the nominal value of the shares.

Proceeds from the sale of treasury shares or issue of shares in the parent company in connection with the exercise of share options or employee shares are recognised directly in equity.

Foreign currency translation reserve

The foreign currency translation reserve contains all foreign currency translation adjustments arising on translation of the financial statements of units with a functional currency other than Danish Kroner, foreign currency translation adjustments relating to assets and liabilities that are part of the DLH Group's net investments in such units and foreign currency translation adjustments relating to hedging transactions that hedge the DLH Group's net foreign currency investments in such units.

On full or partial realisation of the net investment, the foreign currency differences are recognised in the income statement.

Hedging reserve

The hedging reserve contains the accumulated net changes in the fair value of hedging transactions that fulfil the criteria for hedging future payment flows in cases where the hedged transaction has not yet been realised.

EMPLOYEE BENEFITS

Pension schemes and similar non-current liabilities

The DLH Group has entered into pension and similar agreements with a majority of the DLH Group's employees.

Liabilities regarding defined contribution plans, where the DLH Group makes agreed pension contributions to independent pension funds are recognised in the income statement in the period when earned, and any payable amounts on the balance sheet date are included in the balance sheet under other payables.

For defined benefit plans an actuarial calculation is made up annually (projected unit credit method) for the present value of the future contributions in accordance with the plan. The present value is determined on the basis of assumptions concerning future developments in factors such as salary development, interest rates, inflation and mortality rates. The present value is calculated only on benefits which employees have earned during their employment with the DLH Group till the present time. The actuarial calculation of the present value less the fair value of any assets relating to the pension plan is recognised under pension liabilities.

In the income statement, pension costs for the year are recognised on the basis of actuarial estimates and financial expectations at the beginning of the year. Differences between the expected developments in assets and liabilities under the pension plan and the actual values at the end of the year are designated as actuarial gains or losses and are recognised directly in equity.

Changes in benefits relating to earnings of former employees will result in changes in the actuarial calculation of the value in use and are considered historical costs. Historical costs are charged to the income statement immediately if employees have gained a right to the changed benefit. Otherwise, the historical cost is recognised for the period in which the right is earned.

If a pension plan is a net asset, the asset is only recognised to the extent that it is offset by future repayments under the plan or will result in future reduced payments into the plan.

Share options

The value of services received as consideration for options allotted is measured at the fair value of the options allotted.

For equity-settled schemes, share options are measured at the fair value at the allotment date and recognised in the income statement under staff costs over the period in which the right was earned (the vesting period). The counter item is recognised directly in equity.

On initial recognition of the share options the company estimates the number of options staff expects to vest as per the service condition described in note 7. Subsequently, the estimate is revised for changes in the number of options vested so that recognition is based on the number of options ultimately vested.

The fair value of options allotted is estimated using an option pricing model. The estimate takes into account the terms and conditions upon which the options were allotted.

Employee shares
When DLH Group employees are offered the possibility of subscribing for shares at a rate lower than the market price, the benefit element is included as cost under staff costs. The counter item is recognised directly in equity. The benefit element is recognised on the date of subscription as the difference between the market price and the subscription price of the shares.

Tax payable and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured according to the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes, apart from business combinations, if such differences arose at the acquisition date without affecting either profit/loss for the year or taxable income. In cases where the tax base may be measured according to alternative tax regulations, deferred tax is measured on the basis of the use of the asset or liability planned by the management.

Deferred tax assets, including the tax base of tax losses carried forward, are recognised under other non-current assets at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Deferred tax assets and tax liabilities are offset if the enterprise has a legal right to offset current tax liabilities and tax assets or intends to redeem current tax liabilities and tax assets on a net basis or to realise assets and liabilities simultaneously.

Deferred tax is adjusted for the elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to materialise as current tax. Any change in deferred tax due to changes in tax rates is recognised in the income statement.

Provisions
Provisions are recognised when, as a result of events arising before or at the balance sheet date, the DLH Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

The amount recognised as a provision is management's best estimate of the expenses required to settle the obligation.

On measuring provisions, costs required to settle the liability are discounted if the effect is material to the measurement of the provision. A pre-tax discount factor that reflects the current market interest rate level as well as risks specific to the liability is applied. Changes in present values during the year are recognised as financial expenses.

Provisions for restructuring costs are recognised when a detailed, formal restructuring plan has been communicated to the persons affected by the plan at the balance sheet date. In connection with business combinations, provisions for restructuring costs in the acquired business are only included in goodwill when a constructive obligation for the acquired entity exists at the date of acquisition.

Provisions for loss-making contracts are made when the expected benefits derived by the DLH Group from a contract are less than the inevitable costs incidental to the contract.

Provisions for the dismantling of production facilities and renovation on vacating rented premises are measured at the present value of the future dismantling and renovation liability as anticipated at the balance sheet date.

Financial liabilities
Amounts owed to credit institutions etc. are recognised at the date of borrowing as the net proceeds received less transaction costs. In subsequent periods, financial liabilities are measured at amortised cost using the "effective rate of interest method" and the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. Financial liabilities also include the capitalised residual commitment under finance leases, measured at amortised cost. Other financial liabilities are measured at amortised cost.

Leasing
For accounting purposes leasing commitments are divided into commitments under finance leases and commitments under operating leases.

A lease is classified as a finance lease when in all material aspects it transfers the risks and rights of ownership of the leased asset. Other leases are classified as operating leases.

The accounting treatment of assets held under finance leases and the associated liability is described in the sections regarding property, plant and equipment or financial liabilities, respectively.

Leasing payments relating to operating leases are recognised in the income statement on a straight line basis over the leasing period.

Deferred income
Deferred income recognised as a liability, comprise payments received relating to income in subsequent years and measured at amortised cost.

Assets held for sale
Assets held for sale comprise non-current assets and disposal groups held for sale. Disposal groups are groups of assets that are to be disposed as a sale or similar transaction. Liabilities relating to assets held for sale are liabilities attached to the said assets which will be transferred in connection with the transaction. Assets are classified as 'held for sale' when the carrying amount of the asset would primarily be recovered by means of a sale within 12 months according to a formal plan rather than through continuing use.

Assets or disposal groups that are held for sale are measured at the carrying amount at the time of the asset being classified as 'held for sale' or the fair value, whichever is the lower, less selling costs. Depreciation and amortisation is not charged for assets from the time when they are classified as 'held for sale'.

Impairment losses arising upon the initial classification as 'held for sale' and gains or losses on the subsequent measurement at carrying amount or fair value less selling costs, whichever is the lower, are recognised in the income statement under the relevant items. Gains and losses are disclosed in the notes.

Assets and related liabilities are presented on separate lines in the balance sheet, and the main items are specified in the notes. Comparative figures in the balance sheet are not restated.

Presentation of discontinued operations
Discontinued operations constitute a significant part of an entity where operations and cash flows, in terms of operations and accounting, can be clearly separated from the remaining business operations and where the entity has either been disposed of or singled out as held for sale, and the sale is expected to be completed within one year in accordance with a formal plan. Discontinued operations also include enterprises that have been classified as 'held for sale' in connection with acquisition.

The profit after tax of discontinued operations and value adjustments after tax on the assets and liabilities as well as gains or losses relating to the discontinued operation are presented on a separate line in the income statement, together with comparative figures. The notes disclose revenue, costs, value adjustments and tax for the discontinued activity. Assets and the related liabilities for discontinued operations are presented on separate lines in the balance sheet without restatement of the comparative figures, please refer to the section "Assets held for sale", and the main items are specified in the notes.

Cash flows from operating, investment and financing activities for the discontinued operations are disclosed in a note.

Cash flow statement
The cash flow statement shows the group's cash flow divided into operating activities, investing activities and financing activities for the year, the change in cash and cash equivalents during the year and the group's cash and cash equivalent balances at the beginning of the year and at the year-end.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows of acquisired enterprises are recognised from the acquisition date in the cash flow statement. Cash flows of enterprises sold are recognised up until the date of disposal.

Cash flows from operating activities are determined according to the indirect method as profit/loss before tax adjusted for non-cash operating items, changes in working capital, interest received and paid, dividends received and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities, intangible assets and of property, plant and equipment and other non-current assets as well as acquisition and disposal of securities not recognised as cash and cash equivalents.

The entering of finance leases are considered non-cash transactions.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, purchase and sale of treasury shares and payment of dividends to shareholders.

Cash flows relating to assets under finance leases are recognised as interest and repayment of debt.

Cash and cash equivalents include cash.

Cash flows in currencies other than the functional currency are translated at average rates of exchange unless these deviate significantly from the rates prevailing on the transaction date.

The cash flow statement cannot be generated from the published financial statements only.

Financial ratios

Earnings per share (EPS) and earnings per share diluted (EPS-D) are determined in accordance with IAS 33

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

Gross margin	$= \frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit for ratio analysis	= Profit on ordinary activities after tax
Operating margin	$= \frac{\text{Operating profit x 100}}{\text{Revenue}}$
Return on equity	$= \frac{\text{Profit for ratio analysis x 100}}{\text{Average equity}}$
Equity ratio	$= \frac{\text{Equity at year-end x 100}}{\text{Consolidated balance sheet total at year-end}}$
Equity ratio including subordinated loan	$= \frac{\text{Equity + subordinated loan x 100}}{\text{Consolidated balance sheet total at year-end}}$
Return on invested capital incl. goodwill (ROIC incl. goodwill)	$= \frac{\text{EBITA}}{\text{Average invested capital incl. goodwill}}$
Book value per diluted share	$= \frac{\text{Equity at year-end}}{\text{Number of diluted shares in issue at year-end}}$
Diluted price/book value (P/BV-D)	$= \frac{\text{Share price (year-end)}}{\text{Book value per diluted share}}$
Earnings per share (EPS)	$= \frac{\text{Profit for ratio analysis}}{\text{Average number of shares in issue}}$
Diluted earnings per share (EPS-D)	$= \frac{\text{Profit for ratio analysis}}{\text{Average number of diluted shares}}$
Cash flow per diluted share in issue	$= \frac{\text{Cash flow from operations}}{\text{Average number of diluted shares in issue}}$
Dividend per share (DPS)	$= \frac{\text{Dividend rate x nominal value of share}}{100}$
Diluted price earnings ratio (P/E-D)	$= \frac{\text{Market price per share}}{\text{Earnings per diluted share}}$

2 Accounting estimates and assessments

Estimation uncertainty
Determining the carrying amounts of certain assets and liabilities requires assessments, estimation and assumptions of future events. The estimates and assumptions made are based on past experience and other factors that are deemed sound by management in view of the circumstances, but which by their very nature are uncertain and unpredictable. Moreover, the assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may arise. The DLH Group is thus subject to risks and uncertainties that may result in actual results deviating from the estimates made. Risks to which the DLH Group is particularly vulnerable are discussed in the management review and in note 23. The notes disclose assumptions for the future and other estimation uncertainties at the balance sheet date where there is a considerable risk of changes being made that may lead to a significant adjustment in the carrying amounts of assets or liabilities within the next financial year.

The above mentioned risks and uncertainties materialised to a significant degree for the DLH Group in 2009. Since the beginning of the global financial crisis in 2008 the DLH Group's markets and financing terms have changed dramatically, and this in turn has considerably increased the uncertainty surrounding the accounting estimates made. Dramatically declining revenues and contribution margins as well as the resulting organisational changes and their impact on financial covenants in loan agreements have called for considerable adjustments in the previous estimates.

The estimation uncertainties that have the greatest impact on the affairs of the DLH Group are outlined below. These include the determination of the net realisable values of non-strategic activities that are to be discontinued, the recoverable amount of goodwill, depreciation, amortisation and impairment losses on non-current assets, inventories, trade receivables, deferred tax and loan agreements as a basis for using the going concern assumption in the presentation of the financial statements and recognition of debt as long-term.

The estimates and assessments represent management's best judgment and evaluation at the balance sheet date.

Capital
The DLH Group's financing is mainly based on a bank deal with a bank agreement concluded with a bank consortium, the terms and conditions of which were updated in March 2010. In addition, the group's activities are financed by subordinated loan capital and small credit facilities with other credit institutions.

The financing agreement contains a number of financial and non-financial covenants. The financial covenants are dependent on the group's operating and cash budgets as well as strategy plans for the term of the agreement, which expires in September 2011.

For this reason, adherence to the group's operating and cash budgets and strategy plans is a key condition for performance of the bank agreement. In case of a breach of any of the covenants, the agreement may have to be re-negotiated, or in a worst-case scenario, would be terminated by the bank consortium.

Whether or not the assumptions materialise is obviously subject to a degree of uncertainty.

Management takes the view that the agreed covenants allow the group sufficient financial latitude, and in that light, the supervisory and executive boards believe that the group has adequate cash resources to finance its day-to-day operations.

Please refer to note 23 for more detailed information on loan agreements, terms and conditions, and credit risk.

Phasing out of non-strategic activities
At the beginning of 2010 the DLH Group adopted a new strategy, focusing on the wholesale business and phasing out forestry and manufacturing. Forestry and manufacturing activities will be discontinued either by selling the business or by controlled discontinuation. The assets are thus recognised at their estimated net realisable value or carrying amount, whichever is the lower.

The assets include properties, rolling stock, sawmill machinery and drying kilns, inventories, receivables and other working capital.

Because of the current market for selling assets in the forestry and timber manufacturing industries and the difficulty in obtaining external confirmation of the values in regulated markets, the estimates of the net realisable values made by management are subject to considerable uncertainty.

Note 14 contains more information on a write-down of DKK 230.5 million to the net realisable value in respect of non-strategic activities.

2 Accounting estimates and assessments (continued)

Goodwill impairment test
During the annual goodwill impairment test or whenever impairment of goodwill is deemed to be necessary, an estimate will be made of the capacity of those parts of the business to which the goodwill is attached (the cash generating units) to generate sufficient cash inflows in future to support the value of the goodwill and other net assets in that part of the business.

Due to the nature of the business, the projected cash flows have to be estimated for many years into the future, which will naturally imply some uncertainty. The uncertainty is reflected in the discount rate applied.

In future, the DLH Group will concentrate on its wholesale business, and the main uncertainty related to the company's impairment test is that of estimating revenues and contribution margins in the various markets and group entities.

For details on the impairment test and related sensitive factors please refer to note 14.

Property, plant and equipment
The estimation uncertainty involving property, plant and equipment is related to the determination of the useful lives and residual values of the assets. The assessment of useful lives is based on the assets' usefulness to the group. The assessment of residual values depends on the expected state of repair and age of the assets upon discontinuation of their use as well as the existence of a market for the used assets.

The estimated useful lives of the assets etc. are shown in note 1, accounting policies applied.

Inventories
The estimation uncertainty involving inventories relates to the write-down to the net realisable value.

The need to write down inventories and the uncertainty involving the estimation of the net realisable value was considerably greater in 2008 and 2009 as a result of declining revenues and selling prices.

Moreover, the need to write down inventories increases with the time individual goods are kept in stock as a certain degree of commercial obsolescence is deemed to exist in old inventories.

Inventories are written down in accordance with the group's general write-down policy, and are also subject to an individual assessment with a view to ascertaining potential losses due to obsolescence, poor quality and market trends. Part of the group's recognised inventories consists of prepayments to suppliers. When determining the net realisable value of inventories the need to write down prepayments is assessed where it is unlikely that the group will derive benefit from the prepayments in the form of goods from suppliers.

In 2009 inventories were written down by DKK 205.8 million. Please refer to note 4 for details on inventory write-downs.

Trade receivables
The estimation uncertainty involving trade receivables relates to write-downs to provide for losses. Write-downs are assessed on the basis of incapacity to pay. The need for a write-down is determined after deducting the portion of the receivables that is covered by credit insurance. In the assessment, customers' past history of payment as well as political, national and economic conditions in the local countries also play an important part. If customers' capacity to pay is impaired, it may be necessary to make additional write-downs in future financial reporting periods.

Trade receivables were written down for DKK 27.6 million in 2009. Note 23 contains information on the assessment of creditworthiness, including the need to write down trade receivables.

Deferred tax
The DLH Group recognises the tax value of tax losses carried forward where management estimates that the tax asset may be offset against future income within the foreseeable future.

Due to the financial crisis and the resulting great uncertainty in estimating future income and thus taxable income, the recognition of tax assets in the individual units is subject to a great deal of uncertainty. Due to the greater uncertainty the DLH Group has written down previously recognised assets in 2009. For further particulars on recognised tax assets please refer to note 17.

Furthermore, a great deal of uncertainty is related to the recognition of the re-taxation liability in Denmark concerning subsidiaries that used to be jointly taxed with the group. Please refer to note 25 on contingent liabilities for details of this uncertainty.

3 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to executive management and the board of directors.

Activities - primary segment
For management reporting purposes, the group operates in two global business segments based on different products:

Hardwood Division
The Hardwood Division trades in tropical hardwood from South America, Africa and South East Asia as well as in temperate hardwood, primarily from Eastern Europe and North America. The timber is mainly supplied by local sawmills and producers. In addition, the division has direct access to vast sustainable tropical forests in Africa, and today obtains 10-15% of its supplies from its own forest concessions.

Timber & Board Division
The Timber & Board Division trades in softwood and sheet materials and is engaged in the distribution of hardwood in the Nordic countries and the Baltic States. Sheet materials, which include plywood, MDF and particle boards, are primarily purchased in Russia, South America and Northern Europe.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit consistent with the consolidated financial statements. Group financing (including financial expenses and financial income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Costs have been split between business segments based on a specific allocation with the addition of a minor number of corporate overheads allocated systematically to the segments. Other operating income has been allocated to the two segments based on the same principle. Segment assets comprise the assets that are applied directly to the activities of the segment, including intangible assets, property, plant and equipment, non-current and financial assets, inventories, trade receivables and other receivables.

No single customer represents more than 10% of the total revenue.

Activities - primary segment

	Hardwood Division		Timber & Board Division		Not allocated incl. Parent Company		Group elimination		Continuing operations		Discontinuing operations		Group elimination		Group Total	
(DKK million)	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	2,370.0	3,276.3	1,294.2	1,784.1	-	-	-	-	3,664.1	5,060.4	-	259.6	-	-	3,664.1	5,320.0
Intra-group revenue	(6.1)	(23.0)	(9.8)	(24.4)	-	-	-	-	(15.9)	(47.4)	-	-	-	-	(15.9)	(47.4)
Revenue to external customers	2,363.9	3,253.3	1,284.4	1,759.7	-	-	-	-	3,648.3	5,013.0	-	259.6	-	-	3,648.3	5,272.6
Gross profit	159.6	315.9	204.6	231.2	(7.0)	-	-	(2.9)	357.2	544.3	-	48.0	-	-	357.2	592.3
Operating profit(loss) before depreciation and amortisation (EBITDA)	(247.5)	(76.9)	(62.6)	(11.7)	(42.5)	(52.2)	-	(2.9)	(352.6)	(143.7)	-	(11.5)	-	-	(352.6)	(155.2)
Depreciation and amortisation	(226.4)	(135.0)	(13.6)	(16.6)	(16.1)	(19.6)	-	-	(256.1)	(171.2)	-	(2.6)	-	-	(256.1)	(173.8)
Operating profit (EBIT)	(476.5)	(211.9)	(76.2)	(28.3)	(56.0)	(71.8)	-	(2.9)	(608.7)	(314.9)	-	(14.1)	-	-	(608.7)	(329.0)
Profit before tax (EBT)	(533.0)	(318.6)	(81.2)	(46.8)	(99.4)	(53.8)	-	(2.9)	(713.6)	(422.1)	-	580.0	-	-	(713.6)	157.9
Segment assets	1,858.5	2,265.7	650.9	784.3	856.9	889.9	(1,258.0)	(897.3)	2,108.3	3,042.6	-	-	-	-	2,108.3	3,042.6

Geography - secondary segment

	Revenue		Assets		Capital expenditure	
(DKK million)	2009	2008	2009	2008	2009	2008
Denmark	463.1	663.1	118.0	489.8	8.6	76.6
Western Europe	1,610.4	2,415.7	478.9	1,330.0	8.9	9.4
USA	233.2	394.6	228.9	248.5	4.9	3.7
Emerging markets *)	1,341.6	1,539.6	1,282.5	974.3	32.1	144.8
Continuing operations	3,648.3	5,013.0	2,108.3	3,042.6	54.5	234.5
Discontinued operations **)	-	259.6	-	-	-	-
Group total	3,648.3	5,272.6	2,108.3	3,042.6	54.5	234.5

*) Emerging markets include the Far and the Middle East, South Africa and Eastern Europe.

**) Discontinued operations relates to the Building Materials Division in Denmark.

	(DKK million)	Group 2009	Group 2008	Parent company 2009	Parent company 2008
4	**Cost of sales:**				
	Inventories at 1 January	1,414.4	1,704.0	177.1	280.6
	Purchased supplies	2,364.1	3,535.9	895.8	1,322.6
	Freight, customs duty, waste, etc.	497.1	643.3	145.3	88.0
	Inventories at 31 December	(984.5)	(1,414.4)	(147.9)	(177.1)
	Cost of sales	3,291.1	4,468.8	1,070.3	1,514.1
	Total write-downs of inventories at 1 January	204.3	46.2	30.0	13.9
	Write-downs during the year	205.8	174.4	10.4	24.7
	Reversals of write-downs during the year	(89.7)	(16.3)	(10.2)	(8.6)
	Total write-downs of inventories at 31 December	320.4	204.3	30.2	30.0
	Reversal of write-downs relate to sales of inventories earlier written down				
	Inventories consist of the following categories:				
	Raw materials	70.0	125.0	-	-
	Work in progress	20.7	63.2	-	-
	Manufactured goods and goods for resale	852.9	1,166.2	147.9	177.1
	Spare parts and consumables	40.9	60.0	-	-
	Total inventories	984.5	1,414.4	147.9	177.1
5	**Other operating income:**				
	Proceeds from the sale of property, plant and equipment	7.2	4.4	0.6	-
	Invoicing of Intra-group services	-	-	4.9	4.8
	Other operating income	20.1	33.2	11.4	59.7
		27.3	37.6	16.9	64.5
	Other operating expenses:				
	Losses on sale of property, plant and equipment	(1.3)	(1.3)	-	-
	Other operating expenses	(21.9)	-	(2.4)	(1.8)
		(23.2)	(1.3)	(2.4)	(1.8)
6	**Other external expenses:**				
	Write-down to market value of trade receivables recognised in the income statement	24.3	0.3	10.0	0.6
	Losses incurred on trade receivables	4.2	2.3	(0.6)	(0.4)
	Credit insurance and similar expenses	4.4	4.6	1.2	1.0
	Total credit expenses	32.9	7.2	10.6	1.2
	Other sales expenses	43.3	59.1	19.0	25.6
	Total sales expenses	76.2	66.3	29.6	26.8
	Distribution expenses	48.1	48.4	3.5	13.9
	Administrative expenses	233.6	231.1	186.0	143.4
		357.9	345.8	219.1	184.1
	Fees to auditors appointed at the annual general meeting:				
	KPMG:				
	Statutory audit	1.6	1.7	1.6	1.7
	Audit-related services	0.1	-	0.1	-
	Tax advisory services	0.6	0.1	0.6	0.1
	Other services	1.2	0.4	1.2	0.4
		3.5	2.2	3.5	2.2

(DKK million)	Group 2009	Group 2008	Parent company 2009	Parent company 2008
7 Staff costs:				
Salaries and wages	376.9	459.3	128.2	129.1
Defined contribution plans, cf. note 20	13.5	23.5	8.0	8.9
Defined benefit plans, cf. note 20	6.8	1.9	-	-
Other social security costs, net of refunds	45.5	53.1	(0.9)	-
Share-based payment	-	0.5	-	0.5
	442.7	538.3	135.3	138.5
Staff costs have been recognised under the following headings:				
Staff costs related to production, continuing operations	86.7	122.8	4.0	1.7
Other staff costs, continuing operations	356.0	378.4	131.3	136.8
Other staff costs, discontinued operations	-	37.1	-	-
	442.7	538.3	135.3	138.5
Number of employees on average for the year	3,064	3,780	215	244
Number of these employed in discontinued operations	-	(92)		
Number of these employed in continuing operations	3,064	3,688		

Remuneration to the supervisory board, management and executive board:

	Group and Parent company					
	2009			2008		
(DKK million)	Supervisory board of parent company	Management of parent company	Other board executives	Supervisory board of parent company	Management of parent company	Other board executives
Salaries	1.8	5.1	10.3	1.9	4.0	8.2
Bonus schemes	-	-	0.1	-	0.5	1.0
Pensions	-	-	-	-	-	0.1
Share-based payment	-	-	-	-	0.3	0.2
	1.8	5.1	10.4	1.9	4.8	9.5

'Other executives' is defined as the group management excluding the executive board. In addition to the executive board, group management consists of five executive vice presidents, employed by the parent company, but costs are paid by their respective divisions.

The executive board and the other members of group management have been participating in a revolving share option scheme since 2002. At 31 December 2009, the scheme comprised a total of 146,738 share options. Each share option entitles its holder to acquire one existing Class B share at the nominal price of DKK 10 in the company. If all share options are exercised, the share option scheme grants participants the right to acquire up to 1.0% of the share capital. The company has repurchased a number of shares equal to this commitment.

Share options allotted in 2005 and subsequent years may be exercised for a period of three to six years after the grant. There are no conditions attached to the exercise of the options within the usual trading windows, apart from the period from the announcement of the annual financial statements in March until 1 April and naturally subject to the insider trading provisions applicable. The exercise price corresponds to the allotment price indexed to an increase of 3% p.a. Members of the executive board acquire their entitlement to share options over a 12-months-period from 1 April to 31 March. Special provisions apply to changes in the company's capital structure. It is a condition for the allotment of share options that the potential holder is employed by the company and has not taken or been given notice of resignment.

Considering DLH's profit trends, the group decided to suspend options for group management and the executive board in the period from 1 April 2009 to 31 March 2010 without compensation. Previously allocated share options will not be affected by the above suspension, but will apply on the existing terms as described above.

The fair values of issued, but not exercised, share options amounted to DKK 0 million for the executive board and DKK 0.03 million for the other members of group management, and DKK 0.05 million for resigned employees.

The options have been issued at an exercise price, which has been calculated on the basis of the market price for the company's Class B shares at the time of the allotment.

The options may only be exercised in the form of shares.

7 Staff costs (continued):

Allotted share options 2005 - 2008

	Allotment rate	Management[1]	Other board executives[1]	Resigned employees	Total share options	Fair value per option[2]	Total fair value[2]
	DKK	number	number	number	number	DKK	tDKK
Share options allotted for 2005	49	0	14,640	51,230	65,870	0.2	16
Share options allotted for 2006	112	0	5,580	22,300	27,880	0.1	3
Share options allotted for 2007	110	0	4,046	16,184	20,230	0.4	8
Share options allotted for 2008	75	0	13,401	19,357	32,758	1.4	47
Total outstanding share options			37,667	109,071	146,738		

Share options:

	Management[1]	Other board executives[1]	Resigned employees	Total share options	Average exercise price per option	Fair value per option[2]	Total fair value[2]
	number	number	number	number	DKK	DKK	tDKK
Number of share options, allotted at the beginning of 2008	0	24,266	190,284	214,550	-	-	0
Exercised 2008	0	0	(69,120)	(69,120)	17.7	-	(150)
Allotted for 2008 (issued April 2008)	0	13,401	19,357	32,758	-	16.8	550
Outstanding at the year-end 2008	0	37,667	140,521	178,188		16.8	400
Exercised 2009	0	0	0	0	-	-	-
Expired, unused share options	0	0	(31,450)	(31,450)	-	-	-
Allotted for 2009 (issued April 2009)	0	0	0	0	-	-	-
Outstanding at the year-end 2009	0	37,667	109,071	146,738	-	2.7	400
Numbere of share options that may be excercised at year-end 2009	0	20,220	73,530	93,750	-	-	-
Hereof "in the money"	0	0	0	0			

1) Employed per 31 December 2009
2) At the time of allotment

Resigned employees includes both management and other employees, hereof Jørgen Møller-Rasmussen, former CEO who resigned at 1 September 2009.

No options were exercised in 2009, whereas 31,450 unexercised options relating to 2004 expired. The fair value of share options was recognised in the amount of DKK 0.08 million in 2009.

The fair values determined on allotment are based on the Black Scholes model for the pricing of options, which does not take into account any early exercise of the option.

The assumptions for the determination of the fair values of outstanding share options at the time of allotment are as follows:

	2009	2008
Share price (DKK)	16.5	26.0
Exercise price (DKK) indexed at 3% p.a.	82.5	89.6
Expected volatility	53%	30%
Dividend rate	1.5%	2.7%
Risk free interest rate	3.4%	4.4%

The expected volatility has been calculated as a weighted average of the last three financial years' volatility.

	(DKK million)	Group 2009	Group 2008	Parent company 2009	Parent company 2008
8	**Depreciation, amortisation and impairment losses:**				
	Depreciation and amortisation:				
	IT projects	-	4.5	-	4.5
	Other intangible assets	17.0	9.2	10.4	1.7
	Intangible assets	17.0	13.7	10.4	6.2
	Land and buildings	28.8	21.2	-	-
	Plant and machinery	24.6	27.0	0.1	0.7
	Fixtures and fittings, other plant and equipment	37.0	43.1	2.6	4.5
	Tangible assets	90.4	91.3	2.7	5.2
	Total depreciation and amortisation	107.4	105.0	13.1	11.4
	Impairment losses:				
	Goodwill	31.6	-	-	-
	IT projects	-	11.4	-	11.4
	Other intangible assets	4.8	48.8	3.0	-
	Intangible impairment losses	36.4	60.2	3.0	11.4
	Land and buildings	56.2	3.7	-	-
	Plant and machinery	18.1	2.3	-	2.3
	Fixtures and fittings, other plant and equipment	38.0	-	-	-
	Tangible impairment losses	112.3	6.0	-	2.3
	Investment in subsidiaries	-	-	457.6	315.7
	Other non-current assets impairment losses	-	-	457.6	315.7
	Total impairment losses	148.7	66.2	460.6	329.4
9	**Investments in joint ventures:**				
	Cost at 1 January	1.8	1.8	1.8	1.8
	Additions	-	-	-	-
	Cost at 31 December	1.8	1.8	1.8	1.8
	Adjustments at 1 January	(1.4)	(0.5)	(1.4)	(0.5)
	Foreign currency translation adjustment	-	-	-	-
	Share of profit(loss) for the year	0.2	(0.9)	0.2	(0.9)
	Adjustments at 31 December	(1.2)	(1.4)	(1.2)	(1.4)
	Carrying amount at 31 December	0.6	0.4	0.6	0.4

Investments in joint ventures only include a 50% ownership share in Indochina Wood Limited, a company incorporated in the British Virgin Islands having as its sole object the control of the Vietnamese company, Indochina Wood Co. Ltd., which distributes timber and timber-based products in Vietnam. The investment has been measured according to the equity method.

	Indochina Wood Ltd. 2009	Indochina Wood Ltd. 2008	DLH Group's share 2009	DLH Group's share 2008
Revenue	21.5	10.3	-	-
Profit(loss)	0.4	(1.9)	0.2	(0.9)
Non-current assets	-	0.1		
Current assets	3.5	5.2	-	-
Equity	1.2	0.8	0.6	0.4
Non-current liabilities	-	-		
Current liabilities	2.3	4.5	-	-

		Group		Parent company	
	(DKK million)	**2009**	**2008**	**2009**	**2008**
10	**Financial income:**				
	Interest income from group enterprises on long-term loans	-	-	9.3	33.3
	Interest income from group enterprises	-	-	17.4	13.7
	Foreign currency gains	-	-	-	12.7
	Interest income, cash etc	7.3	27.1	4.4	37.6
	Dividend from subsidiaries	-	-	263.8	29.7
	Total	7.3	27.1	294.9	127.0
11	**Financial expenses:**				
	Interest paid to group enterprises	-	-	(0.5)	(1.6)
	Foreign currency losses and losses by repayment of loans	(11.5)	(23.6)	(7.7)	(35.8)
	Interest paid to credit institutions etc.	(100.9)	(109.8)	(75.2)	(53.2)
	Total	(112.4)	(133.4)	(83.4)	(90.6)
12	**Tax on profit for the year:**				
	Tax for the year may be broken down as follows:				
	Tax on profit for continuing operations	38.2	(68.7)	12.6	32.2
	Tax on equity transactions	2.3	4.5	(1.2)	-
	Tax relating to discontinued operations	-	(4.2)	-	-
		40.5	(68.4)	11.4	32.2
	Tax on profit for the year for the continuing operations may be broken down as follows:				
	Current tax	2.7	26.3	-	(2.5)
	Deferred tax	41.2	(95.0)	16.5	33.3
	Adjustment of tax for previous years	(5.7)	-	(3.9)	1.4
		38.2	(68.7)	12.6	32.2
	Computation of effective tax rate:				
	Calculated 25% tax on profit(loss) for the year	(178.4)	(105.5)	(124.3)	78.0
	Deviation in foreign subsidiaries' tax rates compared to the Danish tax rate (net)	38.3	2.1	-	-
	Regulating not activated deferred losses	174.5	44.6	94.3	1.0
	Tax effect of:				
	Non-tax income	(3.7)	(4.7)	(66.0)	(191.6)
	Non-tax deductible expenses	7.5	0.5	110.2	2.7
	Tax adjustment relating to previous years	-	(5.7)	(1.6)	142.1
		38.2	(68.7)	12.6	32.2
	Effective tax rate	-5.4%	16.3%	(3.0%)	(7.6%)

Tax of other comprehensive income:

Group		2009			2008	
(DKK million)	Before tax	Tax income/ expense	After tax	Before tax	Tax income/ expense	After tax
Foreign currency translation adjustments on conversion of foreign operations	51.1	-	51.1	(102.2)	-	(102.2)
Foreign exchange gains on hedging instruments concluded to hedge investments in foreign operations	(11.4)	3.1	(8.4)	(12.9)	3.9	(9.0)
Actuarial gains or losses on defined benefit plans	3.0	(0.8)	2.3	(2.3)	0.6	(1.7)
	42.7	2.3	45.0	(117.4)	4.5	(112.9)

Parent company		2009			2008	
(DKK million)	Before tax	Tax income/ expense	After tax	Before tax	Tax income/ expense	After taxt
Foreign exchange gains on hedging instruments concluded to hedge investments in foreign operations	4.8	(1.2)	3.6	0.4	-	0.4
	4.8	(1.2)	3.6	0.4	-	0.4

		Group	
	(DKK million)	2009	2008
13	**Earnings per share:**		
	Profit for the year	(751.8)	226.6
	Profit for the year, discontinued operations	-	(580.0)
	Profit for the year, continuing operations	(751.8)	(353.4)
	(Number)		
	Average number of shares issued	18,325	18,578
	Average number of treasury shares	(182)	(182)
	Average number of repurchased shares	(491)	(217)
	Average number of shares in issue	17,652	18,179
	Average dilution effect of outstanding options	-	-
	Average number of shares in issue after dilution	17,652	18,179
	(DKK)		
	Earnings per share (EPS) of DKK 10	(42.59)	12.46
	Earnings per share diluted (EPS-D) of DKK 10	(42.59)	12.46
	Earnings per share (EPS) of DKK 10 for continuing operations	(42.59)	(19.44)
	Earnings per share diluted (EPS-D) of DKK 10 for continuing operations	(42.59)	(19.44)

14 Intangible assets and property, plant and equipment

Group

(DKK million)	Goodwill	IT-projects	Other intangible assets	Total intangible assets
Cost at 1 January 2008	167.4	42.9	80.5	290.8
Foreign currency translation adjustment	(29.6)	-	(16.7)	(46.3)
Additions re. acquisition of subsidiaries	15.5	-	71.8	87.3
Earn-out adjustment re. Acquisitions	(1.3)	-	-	(1.3)
Additions during the year	-	20.3	2.7	23.0
Disposals during the year	-	(13.3)	-	(13.3)
Cost at 31 December 2008	152.0	49.9	138.3	340.2
Depreciation & amortisation at 1 January 2008	-	22.5	4.5	27.0
Foreign currency translation adjustment	-	-	(1.2)	(1.2)
Depreciation & amortisation for the year	-	4.5	9.2	13.7
Impairment losses for the year	-	11.4	48.8	60.2
Reversal of depreciation & amortisation on assets sold	-	(5.7)	-	(5.7)
Depreciation & amortisation at 31 December 2008	-	32.7	61.3	94.0
Carrying amount at 31 December 2008	152.0	17.2	77.0	246.2

(DKK million)	Goodwill	IT-projects	Other intangible assets	Total intangible assets
Cost at 1 January 2009	152.0	49.9	138.3	340.2
Foreign currency translation adjustment	13.3	-	8.0	21.3
Reclassifications	(1.4)	(23.4)	34.2	9.4
Additions during the year	-	2.1	1.6	3.7
Disposals during the year	-	(27.6)	(1.6)	(29.2)
Transferred to assets held for sale	-	-	(2.0)	(2.0)
Cost at 31 December 2009	163.9	1.0	178.5	343.4
Depreciation & amortisation at 1 January 2009	-	32.7	61.3	94.0
Foreign currency translation adjustment	-	-	2.0	2.0
Reclassifications	-	(5.1)	10.7	5.6
Depreciation & amortisation for the year	-	-	17.0	17.0
Impairment losses for the year	31.6	-	4.8	36.4
Reversal of depreciation & amortisation on assets sold	-	(27.6)	(1.6)	(29.2)
Transferred to assets held for sale	-	-	(1.1)	(1.1)
Depreciation & amortisation at 31 December 2009	31.6	0.0	93.1	124.7
Carrying amount at 31 December 2009	132.3	1.0	85.4	218.7

The carrying amount of assets under finance leases for continuing operations amounted to DKK 0 million at 31 December 2009 (2008: DKK 0 million)

14 Intangible assets and property, plant and equipment (continued):

Parent company

(DKK million)	Goodwill	IT-projects	Other intangible assets	Total intangible assets
Cost at 1 January 2008	-	42.9	-	42.9
Additions re. fusion	6.3	-	10.0	16.3
Reclassifications	-	-	-	-
Additions re. acquisition of subsidiaries	-	-	-	-
Earn-out adjustment re. Acquisitions	-	-	-	-
Additions during the year	-	20.3	-	20.3
Disposals during the year	-	(13.3)	-	(13.3)
Cost at 31 December 2008	6.3	49.9	10.0	66.2
Depreciation & amortisation at 1 January 2008	-	22.5	-	22.5
Additions re. fusion	-	-	0.8	0.8
Reclassifications	-	-	-	-
Depreciation & amortisation for the year	-	4.5	1.7	6.2
Impairment losses for the year	-	11.4	-	11.4
Reversal of depreciation & amortisation on assets sold	-	(5.7)	-	(5.7)
Depreciation & amortisation at 31 December 2008	-	32.7	2.5	35.2
Carrying amount at 31 December 2008	6.3	17.2	7.5	31.0

(DKK million)	Goodwill	IT-projects	Other intangible assets	Total intangible assets
Cost at 1 January 2009	6.3	49.9	10.0	66.2
Reclassifications	-	(23.4)	23.7	0.3
Additions re. acquisition of subsidiaries	-	-	-	-
Earn-out regulering ifm. virksomhedskøb	-	-	-	-
Additions during the year	-	2.1	-	2.1
Disposals during the year	-	(27.6)	(1.6)	(29.2)
Cost at 31 December 2009	6.3	1.0	32.1	39.4
Depreciation & amortisation at 1 January 2009	-	32.7	2.5	35.2
Reclassifications	-	(5.1)	5.6	0.5
Depreciation & amortisation for the year	-	-	10.4	10.4
Impairment losses for the year	-	-	3.0	3.0
Reversal of depreciation & amortisation on assets sold	-	(27.6)	(1.6)	(29.2)
Depreciation & amortisation at 31 December 2009	-	-	19.9	19.9
Carrying amount at 31 December 2009	6.3	1.0	12.2	19.5

The carrying amount of assets under finance leases for continuing operations amounted to DKK 0 million at 31 December 2009 (2008: DKK 0 million)

14 **Intangible assets and property, plant and equipment (continued):**

Group

(DKK million)	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
Cost at 1 January 2008	339.8	191.7	185.8	11.3	728.6
Foreign currency translation adjustment	(5.3)	(6.0)	(4.6)	-	(15.9)
Reclassifications	0.9	2.5	(3.4)	-	0.0
Additions re. acquisition of subsidiaries	11.4	0.1	2.90	-	14.4
Additions during the year	17.7	16.2	64.1	13.0	111.0
Disposals during the year	(23.1)	(11.5)	(19.8)	(0.5)	(54.9)
Cost at 31 December 2008	341.4	193.0	225.0	23.8	783.2
Depreciation & amortisation at 1 January 2008	93.0	93.9	106.1	-	293.0
Foreign currency translation adjustment	(1.6)	(1.7)	(3.6)	-	(6.9)
Reclassifications	0.9	2.5	(3.4)	-	(0.0)
Depreciation & amortisation for the year	21.2	27.0	43.1	-	91.3
Impairment losses for the year	3.7	2.3	-	-	6.0
Reversal of depreciation & amortisation on assets sold	(12.1)	(11.4)	(18.0)	-	(41.5)
Depreciation & amortisation at 31 December 2008	105.1	112.6	124.2	-	341.9
Carrying amount at 31 December 2008	**236.3**	**80.4**	**100.8**	**23.8**	**441.3**

(DKK million)	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
Cost at 1 January 2009	341.4	193.0	225.0	23.8	783.2
Foreign currency translation adjustment	8.9	9.3	2.8	0.1	21.1
Reclassifications	0.4	(1.3)	(7.7)	(0.8)	(9.4)
Additions during the year	25.7	8.8	15.6	1.4	51.5
Disposals during the year	(4.5)	(20.2)	(67.2)	(0.1)	(92.0)
Transferred to assets held for sale	(68.4)	(41.0)	(7.7)	-	(117.1)
Cost at 31 December 2009	303.5	148.6	160.8	24.4	637.3
Depreciation & amortisation at 1 January 2009	105.1	112.6	124.2	-	341.9
Foreign currency translation adjustment	3.1	4.5	1.1	-	8.7
Reclassifications	0.2	(0.5)	(5.3)	-	(5.6)
Depreciation & amortisation for the year	28.8	24.6	37.0	-	90.4
Impairment losses for the year	56.2	18.1	24.9	13.1	112.3
Reversal of depreciation & amortisation on assets sold	(2.2)	(16.7)	(62.9)	-	(81.8)
Transferred to assets held for sale	(26.9)	(24.1)	(5.3)	-	(56.3)
Depreciation & amortisation at 31 December 2009	164.3	118.5	113.7	13.1	409.6
Carrying amount at 31 December 2009	**139.2**	**30.1**	**47.1**	**11.3**	**227.7**

The carrying amount of assets under finance leases for continuing operations amounted to DKK 0 million at 31 December 2009 (2008: DKK 0 million)

14 **Intangible assets and property, plant and equipment (continued):**

Parent company

(DKK million)	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
Cost at 1 January 2008	0.7	-	33.4	-	34.1
Additions re. fusion	1.4	13.6	10.2	-	25.2
Reclassifications	-	2.5	(0.8)	-	1.7
Additions during the year	-	-	5.7	-	5.7
Disposals during the year	-	-	0.8	-	0.8
Cost at 31 December 2008	2.1	16.1	49.3	-	67.5
Depreciation & amortisation at 1 January 2008	-	-	30.0	-	30.0
Additions re. fusion	1.2	10.1	8.2	-	19.5
Reclassifications	-	2.6	0.3	-	2.9
Depreciation & amortisation for the year	-	0.7	4.5	-	5.2
Impairment losses for the year	-	2.3	-	-	2.3
Depreciation & amortisation at 31 December 2008	1.2	15.7	43.0	-	59.9
Carrying amount at 31 December 2008	**0.9**	**0.4**	**6.3**	**-**	**7.6**

(DKK million)	Land and buildings	Plant and machinery	Fixtures and fittings, other plant and equipment	Property, plant and equipment under construction	Total property, plant and equipment
Cost at 1 January 2009	**2.1**	**16.1**	**49.3**	**-**	**67.5**
Reclassifications	-	(0.1)	(3.5)	-	(3.6)
Additions re. acquisition of subsidiaries	-	-	-	-	-
Earn-out adjustment re. Acquisitions	-	-	-	-	-
Additions during the year	-	-	6.5	-	6.5
Disposals during the year	(1.1)	(9.8)	(31.4)	-	(42.3)
Transferred to assets held for sale	(0.7)	-	-	-	(0.7)
Cost at 31 December 2009	0.3	6.2	20.9	-	27.4
Depreciation & amortisation at 1 January 2009	1.2	15.7	43.0	-	59.9
Reclassifications	-	1.1	(3.7)	-	(2.6)
Depreciation & amortisation for the year	-	0.1	2.6	-	2.7
Impairment losses for the year	-	-	-	-	-
Reversal of depreciation & amortisation on assets sold	(1.1)	(10.8)	(29.2)	-	(41.1)
Transferred to assets held for sale	-	-	-	-	-
Depreciation & amortisation at 31 December 2009	0.1	6.1	12.7	-	18.9
Carrying amount at 31 December 2009	**0.2**	**0.1**	**8.2**	**-**	**8.5**

The carrying amount of assets under finance leases for continuing operations amounted to DKK 0 million at 31 December 2009 (2008: DKK 0 million)

14 Intangible assets and property, plant and equipment (continued):

Impairment test
At the beginning of 2010 the DLH Group adopted a new strategy, which also involves a different allocation of the group's activities into cash generating units.

The group has decided to focus on its wholesale business and, as a result, all forestry and manufacturing activities will be phased out, wherever possible.

With this in mind, the group's activities have been divided into strategic and non-strategic units. Strategic units have been allocated to six regions, comprising:
- Sourcing
- Distribution divided into the regions USA, Russia, Europe and the Nordic countries
- Trading

Forestry and manufacturing units have been allocated to non-strategic activities that will be phased out, wherever possible.

Impairment test for strategic activities
Management has carried out an impairment test of the carrying amount of goodwill within the strategic cash generating units at 31 December 2009.

As a result of the changed breakdown of the group's activities, goodwill has been allocated to the new cash generating units. The former and present allocation may be illustrated as follows:

(DKK million)	**2009**	**2008**
Previous allocation:		
Hardwood Division	18.3	50.6
Timber & Board Division	114.0	101.4
	132.3	152.0
New allocation:		
Global sourcing and trading	5.9	
Sales Region Russia (after goodwill impairment of DKK 21.8 million)	-	
Sales Region USA	1.2	
Sales Region Europe	10.1	
Sales Region Nordic	114.0	
Activities to be phased out (after goodwill impairment of DKK 9.8 million)	1.1	
	132.3	

The allocation of goodwill in the new structure is in accordance with the legal entities, and for this reason it was not necessary to base the allocation on estimates.

Calculation of recoverable amount and assumptions
The recoverable amount is based on the value in use, which has been determined by applying the expected cash flows for the years 2010-2014. The expected cash flows for the years 2010-2012 have been calculated on the basis of the budgets for the years in question, which have been approved by management. For the years 2013-2014 the expected cash flows have been determined by means of a mathematical projection of the budget for 2012 based on the assumption of stable growth rates at 2% p.a.

The terminal value after 2014 has been determined as 2014 with growth at the rate of 2% p.a.

Key parameters in the calculation of cash flows are revenue trends, EBIT, interest rates, changes in working capital and capital expenditure.

Sourcing activities and the group's overheads are evenly distributed among the other five cash generating units within distribution and trading.

The present value of future cash flows exceeds the carrying amount for all cash generating units.

The impairment test is subject to considerable uncertainty, particularly in respect of the estimated revenue and contribution margin. The realisation of these parameters will to a large extent depend on the outcome of the global financial crisis and developments in the group's key sales markets, especially within the building and construction industry.

Details of the assumptions for the units to which goodwill is attached are outlined below.

14 Intangible assets and property, plant and equipment (continued):

Sales Region Nordic
For Sales Region Nordic revenue of DKK 1,044 million is expected in 2010, in line with 2009. For 2014 revenue of DKK 1,314 million is expected.

The EBIT margin is expected to rise from (1.4%) in 2009 to 0.1% in 2010 and finally to 4.2% in 2014.

The expected cash flows have been discounted at a pre-tax discount rate of 8.8%. The tax rate applied is 27.1% and the discount rate after tax is 6.9% p.a.

The present value of future cash flows exceeds the carrying amount, for which reason it has not been written down for impairment.

Sales Region Europe
For Sales Region Europe revenue of DKK 1,100 million is expected for 2010, which is slightly higher than in 2009. For 2014 we expect revenue of DKK 1,457 million.

The EBIT margin is expected to rise from 0.9% in 2009 to 2.1% in 2010 and finally to 4.2% in 2014.

The expected cash flows have been discounted at a pre-tax discount rate of 9.6%. The tax rate applied is 29.2% and the discount rate after tax is 7.4% p.a.

The present value of future cash flows exceeds the carrying amount, for which reason it has not been written down for impairment.

Sales Region USA
For Sales Region USA we expect revenues of DKK 175 million in 2010, on a par with 2009. For 2014 we expect revenue of DKK 223 million.

The EBIT margin is expected to rise from a negative figure of 1.4% in 2009 to 1.8% in 2010 and finally to 4.8% in 2014.

The expected cash flows have been discounted at a pre-tax discount rate of 8.7%. The tax rate applied is 40.0% and the discount rate after tax is 6.3% p.a.

The present value of future cash flows exceeds the carrying amount, for which reason it has not been written down for impairment.

Sales Region Russia
The activities in Russia were acquired in 2005 in connection with the acquisition of the Bohmans Group. Since the acquisition we have experienced a number of challenges in connection with the Russian subsidiary; initially organisational challenges, and later on market challenges.

Cash flow in the period from 2005 to 2009 was unsatisfactory, and the Russian entity has not adhered to plans and budgets.

Against this background management takes the view that the present budget for the strategy period of 2010 to 2012 for the Russian entity is subject to a great deal of uncertainty.

In carrying out the impairment test, management has therefore built a safety margin into the present budget, which has called for the write-off in full of the DKK 21.8 million goodwill attached to the entity. Goodwill is therefore recognised at zero value.

Management takes the view that the future cash flow will be sufficient to cover for the carrying amounts of property, plant and equipment, inventories and other working capital.

14 **Intangible assets and property, plant and equipment (continued):**

Impairment test for non-strategic activities
As a result of the new strategy, a number of forestry and manufacturing activities have been designated to non-strategic activities that are to be sold off or phased out through controlled discontinuation.

Accordingly, management has decided to recognise these units and operations at their estimated net realisable value.

The assets include properties, rolling stock, sawmill machinery and drying kilns, inventories, receivables and other working capital.

Because the current market for selling assets in the forestry and timber manufacturing industries and the difficulty in obtaining external confirmation of the values in regulated markets, the estimates of the net realisable values made by management are subject to considerable uncertainty.

In determining the net realisable value management has assumed that the activities will be phased out under current market conditions, but in a controlled process.

The estimates have resulted in significant impairment losses on assets. The amounts written off and the carrying amounts after write-downs for impairment at 31 December 2009 may be summarised as follows:

(DKK million)	Write-down	Carrying amount
Goodwill and other intangible non-current assets	9.8	-
Property, plant and equipment	114.7	87.4
Inventories	92.0	209.4
Other net assets	14.0	(64.2)
Total operational net assets and liabilities	230.5	232.6

Management will launch a process for phasing out and selling off non-strategic activities. Management expects to realise the assets at least to the carrying amount.

Parent company (DKK million)		2009	2008
15	**Investments in group enterprises:**		
	Cost at 1 January	1,269.9	691.3
	Addition re. merger	-	395.3
	Additions	12.3	196.4
	Disposals	-	(13.1)
	Cost at 31 December	1,282.2	1,269.9
	Impairment losses 1 January	389.7	-
	Addition re. merger	-	87.1
	Additions	457.6	315.7
	Disposals	-	(13.1)
	Impairment losses 31 December	847.3	389.7
	Carrying amount at 31 December	**434.9**	**880.2**

Investments in subsidiaries at 31 December 2009 include the companies listed on page 77 under "Legal Structure".

		Group		Parent company	
	(DKK million)	2009	2008	2009	2008
16	**Other investments and securities:**				
	Carrying amount at 1 January	3.8	3.7	3.7	3.7
	Foreign currency translation adjustment	0.1	0.1	-	-
	Carrying amount at 31 December	3.9	3.8	3.7	3.7

Investments include a 5.6% ownership share in a forestry project in Brazil. Investments have been measured at cost as there is either no well-functioning market in place for these or the negotiability of the underlying shares is otherwise limited.

Carrying amount for the Group's forest project Pataua in Brazil is DKK 0 million (2008: DKK 0 million).

(DKK million)	Group 2009	Group 2008	Parent company 2009	Parent company 2008
17 Tax in the balance sheet:				
Tax receivable (income taxes due) at 1 January	11.5	(30.9)	1.4	(5.7)
Taken over in connection with acquired companies	-	(0.4)	-	-
Financial instruments, transferred via equity	-	0.4	-	(0.4)
Foreign currency translation adjustment	3.2	4.1	-	-
Current tax for the year	(2.7)	(26.3)	-	(2.5)
Adjustment of tax for previous years	(5.7)	-	3.9	(1.4)
Paid (refund of) income taxes for the year	15.5	64.6	(5.0)	11.4
At 31 December	21.8	11.5	0.3	1.4
Consists of:				
Tax receivable	26.1	24.7	0.3	4.7
Income taxes due	(4.3)	(13.2)	-	(3.3)
	21.8	11.5	0.3	1.4
Deferred tax, net asset/(net liability):				
Deferred tax at 1 January	44.2	(20.9)	17.7	(24.4)
Foreign currency translation adjustment	1.2	(2.8)	-	-
Deferred tax for the year recognised in the profit for the year	(41.2)	95.0	(16.5)	33.3
Deferred tax for the year recognised in the equity	(2.3)	(4.4)	(1.2)	6.4
Additions on the acquisition of enterprises	-	(22.7)	-	-
At 31 December	1.9	44.2	0.0	15.3
Consists of:				
Deferred tax asset	16.8	80.7	-	17.8
Deferred tax liability	(14.9)	(36.5)	-	(2.5)
	1.9	44.2	-	15.3
Deferred tax relates to:				
Intangible assets	(0.4)	(27.5)	-	(7.3)
Property, plant and equipment	16.3	-	-	9.3
Current assets	25.7	15.7	-	(4.0)
Provisions	(13.4)	0.2	-	0.2
Other liabilities	(33.4)	(5.3)	-	0.0
Tax losses carried forward (capitalised)	7.1	61.1	-	17.1
	1.9	44.2	-	15.3
Deferred tax assets not recognised in the balance sheet relate to:				
Temporary differences	23.6	-	23.7	-
Tax losses	153.5	44.6	70.6	30.5
	177.1	44.6	94.3	30.5

No provision is made for contingent tax relating to the retaxation liability arising in respect of the Brazilian subsidiary, please refer to note 25 on Contingent liabilities.

Deferred tax has been calculated at the rates applicable in the countries in which the tax relates to.

Tax losses eligible to be carried forward have been recognised to the extent that they are expected to be capable of being off-set against future earnings.

17 **Tax in the balance sheet (continued):**

Movements in temporary differences during the year:

Group (DKK million)	Balance sheet 1 January 2008	Foreign currency translation adjustment	Additions on the acquisition of enterprises	Recognised in the income statement	Recognised to liabilities in net equity	Balance sheet 31 December 2008
Intangible assets	(18.8)	(2.5)	(21.7)	15.5	-	(27.5)
Property, plant and equipment	(7.7)	(1.0)	(1.0)	9.7	-	-
Current assets	8.7	1.1	-	10.3	(4.4)	15.7
Provisions	0.1	-	-	0.1	-	0.2
Other liabilities	(6.2)	(0.8)	-	1.7	-	(5.3)
Tax losses carried forward	3.0	0.4	-	57.7	-	61.1
	(20.9)	(2.8)	(22.7)	95.0	(4.4)	44.2

Movements in temporary differences during the year:

Group (DKK million)	Balance sheet 1 January 2009	Foreign currency translation adjustment	Additions on the acquisition of enterprises	Recognised in the income statement	Recognised to liabilities in net equity	Balance sheet 31 December 2009
Intangible assets	(27.5)	0.8	-	26.3	-	(0.4)
Property, plant and equipment	-	0.5	-	15.8	-	16.3
Current assets	15.7	0.4	-	11.9	(2.3)	25.7
Provisions	0.2	(0.4)	-	(13.2)	-	(13.4)
Other liabilities	(5.3)	(0.8)	-	(27.3)	-	(33.4)
Tax losses carried forward	61.1	0.7	-	(54.7)	-	7.1
	44.2	1.2	-	(41.2)	(2.3)	1.9

	Group		**Parent company**	
(DKK million)	**2009**	**2008**	**2009**	**2008**
18 **Receivables:**				
Trade receivables	392.5	542.9	110.2	146.5
	392.5	542.9	110.2	146.5
Write-downs included in the above receivables have developed as follows:				
Write-down at 1 January	15.4	18.6	5.2	6.4
Write-downs for the year	27.6	2.9	10.9	0.4
Realised during the year	(1.1)	(2.6)	(0.1)	0.1
Reversed	(2.4)	(2.8)	(1.3)	(1.7)
Foreign currency translation adjustment	(0.7)	(0.7)	-	-
Write-down at 31 December	38.8	15.4	14.7	5.2

19 Equity:

Share capital in the group and the parent company:

	Shares issued			
	Number of shares (nominal value DKK 10 each)		Nominal value (DKK million)	
	2009	2008	2009	2008
Class A shares at 1 January and at 31 December	1,875,000	1,875,000	18.8	18.8
Class B shares at 1 January	16,703,476	16,703,476	167.0	167.0
Reduction of share capital	-722,977	0	-7.2	0.0
Class B shares at 31 December	15,980,499	16,703,476	159.8	167.0
Total Class A and Class B shares	17,855,499	18,578,476	178.6	185.8

In the period from 26 May 2008 till 1 March 2009 DLH implemented a share buy-back programme covering the repurchase of 722,977 shares in total for the price of DKK 36.8 million. At the annual general meeting, shareholders passed a resolution to reduce the company's Class B share capital by an amount corresponding to the value of the repurchased shares. The capital reduction itself was implemented and registered in the month of August.

No capital increases have been effected over the past three years.

In accordance with the articles of association each Class A share carries 10 votes, while Class B shares carry one vote each.

	Number of shares		Nominal value (DKK'000)		Percentage of share capital 31.12.	
	2009	2008	2009	2008	2009	2008
Portfolio of treasury shares:						
Balance at 1 January	789,380	186,660	7,894	1,867	4.4%	1.0%
Purchase to cover option scheme	-	37,000	-	370	-	0.2%
Applied in connection with the exercise of share options	-	(41,472)	-	(415)	-	(0.2%)
Purchase in accordance with share buy-back programme	115,785	607,192	1,158	6,072	0.6%	3.4%
Applied for reduction of share capital	(722,977)	-	(7,230)	-	(4.0%)	-
Treasury shares at 31 December	182,188	789,380	1,822	7,894	1.0%	4.4%

By authority granted by the general meeting, a maximum of 10% of the share capital may be acquired.
The authority is needed to acquire treasury shares with a view to covering the company's obligations under the incentive scheme set up for group management, and it is also part of the share buy-back programme, which was, however, terminated in March 2009. In 2009, 115,785 shares were acquired at the average price of DKK 26.1 per share, corresponding to a total purchase sum of DKK 3.0 million. By comparison, in 2008, 644,192 shares were acquired at the average price of DKK 56.7 per share, corresponding to a total purchase sum of DKK 36.5 million. The company's equity has been reduced by an amount corresponding to the value of the shares.

20 Pensions and similar liabilities:

In respect of defined contributions plans DLH as the employer is obliged to make a certain contribution (for instance a fixed amount or a fixed percentage of the salary). In respect of a defined contribution plan the group does not have the risk of future developements in interest rates, inflation, mortality and disability.

In respect of defined benefit plans DLH as the employer is obliged to pay for a certain benefit (for instance a retirement pension as a fixed amount or a fixed percentage of the final salary). In respect of a defined benefit plan the group have the risk of future developments in rates of interest, inflation, mortality and disability.

The pension liability of the paretn company and the other Danish entities are insured. The majority of the foreign entities' pension liabilities are also insured. In a few foreign entities in which the liabilities are not insured or only insured in part, the liability is recognised at the present value at the balance sheet date, based on an actuarial calculation. In the consolidated financial statements DKK 20.9 million have been recognised under liabilities (2008: DKK 27.0 million) relating to the group's committments to existing and former employees after making a deduction for the corresponding plan assets.

Pensions and similar liabilities relate to continuing operations only.

The following items are recognised in the group's consolidated income statement:

(DKK million)	**2009**	**2008**
Defined contribution plans	13.5	23.5
Defined benefit plans	6.8	1.9
	20.3	25.4
Present value of defined benefit plans	(72.1)	(80.1)
Fair value of pension assets	51.2	53.1
Net liability recognised in the balance sheet	**(20.9)**	**(27.0)**
Developement in present value of defined benefit liability:		
Liability at 1 January	80.1	82.0
Foreign currency translation adjustment	2.8	-
Pension costs relating to the current financial year	7.7	2.8
Calculated interest relating to liability	2.6	2.5
Actuarial (gains)/losses	0.7	(4.7)
Pensions paid out	(22.0)	(3.9)
Additions from acquisitions	0.0	1.3
Other	0.2	0.1
Liability at 31 December	**72.1**	**80.1**
Development in fair value of pension assets:		
Pension assets at 1 January	53.1	55.8
Foreign currency translations adjustments	1.5	2.2
Expected return on pension assets	2.5	2.5
Actuarial gains/(losses)	2.2	(7.7)
Paid in by the DLH Group	3.9	2.7
Pensions paid out	(11.9)	(2.0)
Addition from acquisitions	0.0	-
Other	(0.1)	(0.4)
Pension assets at 31 December	**51.2**	**53.1**

(DKK million)	2009	2008
20 Pensions and similar liabilities (continued):		
Pension cost recognised in the income statement:		
Pension cost relating to the current financial year	7.7	2.8
Calculated interest relating to liability	2.6	2.5
Expected return on pension assets	(2.5)	(2.5)
Other costs	(1.0)	(0.9)
Total recognised for the defined benefit plans	6.8	1.9
Total recognised for the defined contribution plans	13.5	23.5
Total recognised in the income statement	20.3	25.4
Pension costs recognised in the income statement:		
Pension costs incidental to production	1.5	1.7
Other staff costs	18.8	21.3
Costs incidental to discontinued operations	-	2.4
	20.3	25.4
In the statement of recognised income and expenses the following accumulated actuarial gains/(losses) have been recognised:		
Accumulated actuarial gains/(losses) 1 January	(3.1)	(0.2)
Foreign currency translation adjustments	(0.3)	0.1
Actuarial gains/(losses) for the year	1.5	(3.0)
Accumulated actuarial gains/(losses) 31 December	(1.9)	(3.1)
Pension assets can be divided as follows:		
Securities	15.0	11.8
Cash and cash equivalents	26.1	1.4
Assets belonging to the DLH Group	0.0	21.0
Other assets	10.1	18.9
Total pension assets	51.2	53.1
Return on pension assets:		
Actual return on pension assets	4.7	(5.2)
Expected return on pension assets	(2.5)	(2.5)
Actuarial gains/(losses) on pension assets	2.2	(7.7)

Pension assets do not include shares in Dalhoff Larsen & Horneman A/S.

The group expects to pay DKK 1.7 million on defined benefit plans in 2010.

20 Pensions and similar liabilities (continued):

The individual companies, apart from the companies in Africa, have made actuarial calculations at the balance sheet date. The underlaying assumptions are:

	Sweden		Belgium		Switzerland		Norway	
	2009	2008	2009	2008	2009	2008	2009	2008
Discount rate	4.0%	4.5%	5.0%	4.5%	3.3%	3.3%	4.4%	4.5%
Expected rate of return on pension plan assets	0.0%	-	4.3%	4.5%	4.5%	4.5%	5.6%	6.5%
Future rate of increase in salaries and wages	3.1%	3.3%	3.0%	3.0%	1.0%	1.0%	4.3%	4.5%

The expected return on pension plan assets has been fixed on the basis of the composition of the assets and general forecasts of economic trends.

The African companies have defined benefit severance schemes. These schemes are recognised as a liability item in the amount of DKK 9.8 million (2008: DKK 13.1 million), corresponding to the liability that would arise if all members of staff resigned immediately. The liability has thus been calculated without applying actuarial assumptions. Management takes the view that, calculated in accordance with IAS 19, the liability would be less than the amount recognised, but not significantly different from the method currently applied.

The pension liabilities of the Group have arisen from business acquisitions made in and after 2006. For this reason, only information relating to the year 2006 and onwards is included in the 5-year summary.

	2009	**2008**	**2007**	**2006**
Pension liabilities based on actuarial calculation	(72.1)	(80.1)	(82.0)	(64.8)
Pension plan assets	51.2	53.1	55.8	53.6
Funding surplus / (funding deficit)	(20.9)	(27.0)	(26.2)	(11.2)
Expectation adjustments relating to pension liabiities	-	3.6	(0.5)	-
Expectation adjustments relating to pension assets	0.7	(4.8)	(0.7)	-

21 Provisions:

In 2006 the group vacated the parent company's property in Gadstrup. In 2009 provisions of DKK 1.1 million (2008: DKK 0.7 million) were made to cover any costs incidental to claims that the purchaser of the property might subsequently raise.

In Malaysia provisions of DKK 0.8 million were made in 2008 to cover expected costs of closing down individual operations. The provision has been used in 2009.

One of the group's companies in the Ivory Coast is involved in a legal action relating to payment for supplies. A settlement has been concluded between the parties, and the provisions to cover the expected loss has been used in 2009.

In Cameroon one of the group's companies has a legal action pending concerning the payment of value added tax. Provisions to cover the expected loss of the legal action have been made in the amount of DKK 0.1 million (2008: DKK 0.3 million).

The group's Russian company is the subject of a tax audit in respect of the years 2005-2008. Due to the uncertainties surrounding previous tax payments in Russia, the group has decided to make provisions of DKK 2.7 million (2008: DKK 2.3 million) for potential additional tax payments.

According to the management review, the group has made provisions for DKK 67.9 million to cover restructuring costs within the group. These costs primarily represent severance pay to staff laid off as well as costs incurred in connection with the closure and disposal of the companies affected, including vacating costs. Of the DKK 67.9 million, provisions in companies abroad amount to DKK 30.9 million.

The group has made provisions for DKK 1.5 million (2008: 1.5 million) to cover other minor cases in Denmark and the Ivory Coast.

	Group		**Parent company**	
(DKK million)	**2009**	**2008**	**2009**	**2008**
Provisions:				
Provisions at 1 January	6.0	45.1	0.7	-
Provisions made for the year	69.4	1.7	38.1	0.7
Paid	(2.1)	(37.0)	-	-
Reversal	-	(3.8)	-	-
Provisions at 31 December	**73.3**	**6.0**	**38.8**	**0.7**
The provisions are expected to fall due as:				
Non-current liabilities	55.2	5.4	20.7	0.7
Current liabilities	18.1	0.6	18.1	-
Provisions at 31 December	**73.3**	**6.0**	**38.8**	**0.7**

(DKK million)	Group 2009	Group 2008	Parent company 2009	Parent company 2008
22 Long term loans:				
Loans to credit institutions:				
Subordinated loan	111.6	111.8	111.6	111.8
Credit institutions	1,019.1	1,261.1	706.4	701.9
Leasing commitments	2.4	0.7	1.9	-
Total	1,133.1	1,373.6	819.9	813.7
Long-term loans:				
Subordinated loan	111.6	78.3	111.6	78.3
Credit institutions	3.9	44.4	-	-
Leasing commitments	0.8	0.5	0.5	-
Total	116.3	123.2	112.1	78.3
Portion falling due within one year:				
Subordinated loan	-	33.5	-	33.5
Credit institutions	1,015.2	1,216.6	706.0	701.9
Leasing commitments	1.6	0.2	1.4	-
Total	1,016.8	1,250.3	707.4	735.4

The balance of the funds deposited in an escrow account until February 2013 as collateral for any claims in connection with the disposal of the Building Materials Division, amounting to DKK 20 million, has been offset against the item 'debt to credit institutions'. The funds may be released at the request of DLH in return for a bank guarantee on corresponding terms.

In connection with the agreement to acquire the tt Timber Group in 2006 the seller deposited DKK 112 million (euro 15 million) of the purchase price as a subordinated loan in Dalhoff Larsen & Horneman A/S. The loan term is ten years and, following the re-finance in March 2009, instalment-free until 2011. The loan carries interest at the rate of 50% of the DLH Group's annual return on equity after tax, but not lower than 4% p.a. and not higher than 8% p.a.

The seller has provided a DKK 112 million (EUR 15 million) guarantee for losses due to political matters or unrest in the Congo. The guarantee sum, which will be reduced to half the amount after two years and expire after four years, is secured on the subordinated loan.

The group has concluded a number of interest rate swaps to cover its interest rate risk, cf. note 23.

Leasing commitments:
The present value of leasing commitments, broken down by term, is as follows:

	2009			2008		
	Minimum lease payments	Interest element	Present value	Minimum lease payments	Interest element	Present value
0-1 year	1.6	-	1.6	0.2	-	0.2
1-5 years	0.8	(0.1)	0.9	0.5	(0.1)	0.4
> 5 years	-	-	-	-	-	-
	2.4	(0.1)	2.5	0.7	(0.1)	0.6

The group's finance leases primarily relate to IT equipment (hardware). The carrying amount recognised amounts to DKK 0 million.

23 Financial risk and financial instruments:

The group's risk management policy
Due to the nature of the DLH Group's activities, investments and financing, it is exposed to a number of financial risks, especially foreign exchange, interest rate and liquidity risk as well as the risk involved in granting credit to customers.

The DLH Group manages financial risk centrally. The general framework for the group's financial risk management is laid down in the group's foreign exchange, investment, financing and credit policies, which contain descriptions of approved financial instruments and risk framework.

The foreign currency risk related to euro-denominated transactions is not hedged in the Danish parent company because the Danish Krone is pegged to the Euro.

A clear majority of DLH's financial risk management is handled by DLH's intra-group bank. Financial risk is mainly hedged through forward exchange contracts and interest rate swaps. The intra-group bank operates according to firm policies determined by the supervisory board.

The DLH Group does not actively speculate in financial risk. Financial risk management is thus only concerned with the management and reduction of financial risk that is directly related to the DLH Group's operations, investments and financing.

DLH's net investments in subsidiaries abroad are hedged unless the costs incurred are deemed to considerably exceed the risk of losses. Investments denominated in Euro are not hedged. Euro is considered the DLH Group's functional currency with regard to major investments in Western and Central Africa and with regard to the company's investment in Switzerland. With the exception of the Brazilian Real and Russian Rouble (50% of RUB being hedged at the balance sheet date), other major investments denominated in foreign currencies were hedged in 2009. With this in mind, and because the value for tax purposes of the foreign currency hedging is not usually recognised in the actual hedging contract, our foreign currency policy may result in adjustments in equity.

For a description of the accounting policies and methods applied, including recognition criteria and basis of measurement, please refer to the section on accounting policies applied in note 1.

With the exception of the increased risk involving credit sales, no major changes have occurred in the group's risk exposure or risk management since last year.

Financial assets and liabilities
The carrying amount of financial assets and liabilities corresponded to the fair value at the balance sheet date. At year-end 2009 the carrying amount of debt to credit institutions was DKK 637.6 million while the fair value was DKK 662.9 million. All other financial assets and liabilities corresponded to their fair value.

Forward exchange contracts and interest rate swaps are measured according to generally accepted valuation methods based on relevant observable swap curves and foreign exchange rates. All derivative financial instruments are included at level 2 of the fair value hierarchy.

Foreign currency risk
The DLH Group is exposed to foreign exchange rate fluctuations since individual intra-group entities make purchasing and sales transactions and have outstanding receivables and debt denominated in currencies other than their own functional currency.

The group's foreign currency risk is hedged by matching income and expenses, receivables and commitments denominated in foreign currencies by means of derivative financial instruments. Future cash flows are only hedged when binding contracts have been concluded for the sale or purchase of goods. As an exception to this policy 70% of expected cash flows denominated in BRL were hedged in 2008, covering all of 2009.

The companies that use the group's central ERP-system (GTS) hedge their foreign currency transactions directly with the intra-group bank, while it is up to group entities using local systems to contact the intra-group bank with a view to hedging the foreign currency risk related to purchasing and selling in currencies other than the company's functional currency. Goods purchased to keep in stock are hedged/translated into the functional currency when confirming the purchase contract or, at the very latest, on receipt of the goods. With respect to goods sold, these are hedged once the customer has accepted the sales contract. Direct supplies are hedged when the purchasing or selling price respectively has been fixed and orders are confirmed.

The group's foreign exchange exposure is divided into financial instruments related to the financing activity and receivables and debt related to the group's agreements to purchase and sell goods settled in currencies other than the respective intra-group companies' functional currencies. The sum total of these represents the DLH Group's transactions denominated in foreign currencies. At the balance sheet date, the DLH Group's principal foreign currency exposure related primarily to USD. An isolated calculation of USD in the event of a 10% decline in the dollar rate would have a total negative impact on operations to the tune of DKK 1.4 million, and on equity in the amount of DKK 3.5 million (2008: positive in the amount of DKK 5.8 million and DKK 5.1 million respectively). A rise in foreign exchange rates would have a corresponding converse effect in the opposite direction.

23 Financial risk and financial instruments (continued):

The DLH Group's net exposure and the hypothetical impact on the profit(loss) for the year and on equity due to changes in foreign exchange rates that are likely to occur is shown below:

Group	2009							
	Nominal position					Sensitivity		
	Cash, cash equivalents and receivables	Financial liabilities (not derivatives)	Hedged purchasing and sales contracts	Derivative financial instruments for hedging future cash flows	Total	Probable change in foreign exchange rate	Hypothetical impact on profit(loss)	Hypothetical impact on equity
EUR/DKK	349.1	(589.7)	4.2	238.6	2.2	1%	-	-
USD/DKK	256.1	(150.6)	20.7	(91.3)	34.9	10%	1.4	3.5
GBP/DKK	35.8	-	-	(34.0)	1.8	10%	0.2	0.2
NOK/DKK	35.2	(0.4)	-	(29.6)	5.2	5%	0.3	0.3
PLN/DKK	-	(0.3)	-	-	(0.3)	10%	-	-
SEK/DKK	40.9	(2.4)	1.0	(25.9)	13.6	5%	0.6	0.7
Other currencies	29.9	-	0.8	(39.5)	(8.9)	10%	1.0	0.9
Total*	747.0	743.5	26.7	18.3	48.5			

Group	2008							
	Nominal position					Sensitivity		
	Cash, cash equivalents and receivables	Financial liabilities (not derivatives)	Hedged purchasing and sales contracts	Derivative financial instruments for hedging future cash flows	Total	Probable change in foreign exchange rate	Hypothetical impact on profit(loss)	Hypothetical impact on equity
EUR/DKK	403.6	(843.1)	-	1.5	(437.9)	1%	4.4	4.4
USD/DKK	355.8	(195.3)	6.5	(218.3)	(51.3)	10%	5.8	5.1
GBP/DKK	44.5	(41.6)	-	-	2.9	10%	0.3	0.3
NOK/DKK	16.2	(5.7)	-	-	10.5	5%	0.5	0.5
PLN/DKK	0.2	(0.6)	-	-	(0.4)	10%	-	-
SEK/DKK	2.8	(2.2)	-	-	0.5	5%	-	-
Other currencies	(79.5)	(127.5)	-	-	(206.9)	10%	20.7	20.7
Total*	743.7	1,215.9	6.5	216.8	682.5			

23 Financial risk and financial instruments (continued):

The parent company's net exposure and the hypothetical impact on the profit(loss) for the year and on equity due to changes in foreign exchange rates that are likely to occur is shown below:

Parent	2009							
	Nominal position					Sensitivity		
	Cash, cash equivalents and receivables	Financial liabilities (not derivatives)	Hedged purchasing and sales contracts	Derivative financial instruments for hedging future cash flows	Total	Probable change in foreign exchange rate	Hypothetical impact on profit(loss)	Hypothetical impact on equity
EUR/DKK	260.8	(603.6)	4.2	238.6	(99.9)	1%	1.0	1.0
USD/DKK	263.7	(151.2)	(3.1)	(91.4)	18.0	10%	2.1	1.8
GBP/DKK	41.7	(5.9)	-	(34.0)	1.8	10%	0.2	0.2
NOK/DKK	38.4	(3.5)	-	(29.6)	5.2	5%	0.3	0.3
PLN/DKK	0.1	(0.5)	-	-	(0.4)	10%	-	-
SEK/DKK	40.9	(2.4)	0.6	(25.9)	13.2	5%	0.6	0.7
Other currencies	118.7	(51.8)	-	(39.5)	27.3	10%	2.7	2.7
Total*	764.3	818.9	1.7	18.2	34.7			

Parent	2008							
	Nominal position					Sensitivity		
	Cash, cash equivalents and receivables	Financial liabilities (not derivatives)	Hedged purchasing and sales contracts	Derivative financial instruments for hedging future cash flows	Total	Probable change in foreign exchange rate	Hypothetical impact on profit(loss)	Hypothetical impact on equity
EUR/DKK	162.8	(717.2)	(11.3)	(90.2)	(655.8)	1%	6.4	6.6
USD/DKK	422.8	(178.4)	11.6	(207.6)	48.4	10%	3.7	4.8
GBP/DKK	44.4	(41.6)	-	(3.8)	(1.0)	10%	0.1	0.1
NOK/DKK	13.2	(5.7)	-	(5.3)	2.2	5%	0.1	0.1
PLN/DKK	0.2	(0.5)	-	-	(0.3)	10%	-	-
SEK/DKK	5.5	(29.9)	1.3	39.5	16.4	5%	0.8	0.8
Other currencies	107.2	(54.4)	-	3.8	56.6	10%	5.7	5.7
Total*	756.0	1,027.5	1.7	263.6	533.5			

*) The figures show the actual value without prefixes.

Assumptions for the sensitivity analysis

- The sensitivities shown have been calculated on the premise of unchanged market conditions.
- Sensitivities related to financial instruments have been calculated on the basis of the financial instruments recognised at 31 December.
- The calculated expected fluctuations are based on the average annual volatility of the underlying risk.
- The derivative financial instruments to hedge future cash flows include instruments that have a direct impact on the profit(loss) and equity.

Interest rate risk

Due to its financing activities the DLH Group is exposed to risk arising from fluctuations in the interest rate level in Denmark and abroad. The primary interest rate exposure is related to fluctuations in short-term money market rates in the group's functional currencies. It is the DLH Group's policy to hedge the interest rate risk on loans when the group deems that interest payments may be fixed at a satisfactory level. Hedging normally takes the form of concluding interest rate swaps where loans carrying variable rates of interest are converted to fixed interest rate loans. Please refer to the section below on hedge accounting.

At year-end 2009 DLH's interest-bearing debt net amounted to approximately DKK 1,130 million. The debt is primarily denominated in Euro (DKK 625 million), US dollar (DKK 200 million) and Polish Zloty (DKK 130 million). Exposures on loans denominated in foreign currencies are included in the overall hedging policy of the DLH Group, and the above amount is therefore not an expression of the group's foreign currency exposure. Of the interest-bearing debt approximately DKK 1,000 million is variable interest rate debt. To reduce the interest rate risk, the group has outstanding interest rate swaps corresponding to DKK 740 million at the balance sheet date, at an average rate of interest of 1.79% and a weighted time to maturity of 1.5 years.

23 **Financial risk and financial instruments (continued):**

On an annual basis, a simultaneous change in the interest rate of 1 percentage point on all loans in foreign currencies on the whole interest-bearing debt would reduce the group's pre-tax profit(loss) by approximately DKK 2.5 million at the current level of activity and with the existing capital structure.

The group's interest rate risk is related to the following items:

Group 2009

	Re-assessment or maturity, if earlier				Broken down by interest rate intervals				
(DKK million)	0-1 years	1-5 years	>5 years	Total	0-2%	2-4%	4-6%	6-8%	>8%
Subordinated loan capital	-	111.6	-	111.6	-	-	-	111.6	-
Long-term debt to credit institutions	-	3.9	-	3.9	-	3.9	-	-	-
Short-term debt to credit institutions	1,015.2	-	-	1,015.2	-	801.9	208.7	1.8	2.8
Interest rate swaps	-	-	-	-	-	(739.9)	739.9	-	-
Leasing commitments	1.6	0.8	-	2.4	-	-	-	2.4	-
Total	1,016.8	116.3	-	1,133.1	-	65.9	948.6	115.8	2.8

Group 2008

	Re-assessment or maturity, if earlier				Broken down by interest rate intervals				
(DKK million)	0-1 years	1-5 years	>5 years	Total	0-2%	2-4%	4-6%	6-8%	>8%
Subordinated loan capital	33.5	44.8	33.5	111.8	-	-	-	111.8	-
Long-term debt to credit institutions	-	28.9	15.6	44.5	-	5.8	-	38.7	-
Short-term debt to credit institutions	1,216.6	-	-	1,216.6	-	271.3	645.8	299.5	-
Leasing commitments	0.2	0.5	-	0.7	-	-	-	0.7	-
Total	1,250.3	74.2	49.1	1,373.6	-	277.1	645.8	450.7	-

Parent company 2009

	Re-assessment or maturity, if earlier				Broken down by interest rate intervals				
(DKK million)	0-1 years	1-5 years	>5 years	Total	0-2%	2-4%	4-6%	6-8%	>8%
Subordinated loan capital	-	111.6	-	111.6	-	-	-	111.6	-
Long-term bank debt	-	-	-	-	-	-	-	-	-
Short-term debt to credit institutions	706.0	-	-	706.0	-	671.2	671.2	1.8	-
Interest rate swaps	-	-	-	-	-	(739.9)	739.9	-	-
Leasing commitments	1.4	0.5	-	1.9	-	-	-	1.9	-
Total	707.4	112.1	-	819.5	-	(68.7)	772.9	115.3	-

Parent company 2008

	Re-assessment or maturity, if earlier				Broken down by interest rate intervals				
(DKK million)	0-1 years	1-5 years	>5 years	Total	0-2%	2-4%	4-6%	6-8%	>8%
Subordinated loan capital	33.5	44.8	33.5	111.8	-	-	-	111.8	-
Long-term bank debt	-	-	-	-	-	-	-	-	-
Short-term debt to credit institutions	701.9	-	-	701.9	-	124.0	525.8	52.1	-
Leasing commitments	-	-	-	-	-	-	-	-	-
Total	820.9	44.8	33.5	899.2	-	124.0	611.3	163.9	-

The maturity analysis is based on all undiscounted cash flows.

With respect to interest-bearing debt the carrying amounts equal the fair values (2008: a negative figure of DKK 25.3 million). The change relative to 2008 is due to refinancing in the spring of 2009 at which time a sizeable fixed interest rate debt was converted to debt carrying a variable rate of interest. Upon the above conversion, foreign exchange losses were incurred in the process of re-paying the DKK 20 million debt item.

Raw materials risk

As a result of the DLH Group's business model the DLH Group is exposed to the risk of price changes on goods held in stock with a view to the current sale and distribution to customers. Periods with dramatic price changes may have either a positive or a negative effect on gross profit. No effective market exists to hedge this risk.

23 **Financial risk and financial instruments (continued):**

Liquidity risk

The liquidity risk reflects the risk that loans, including re-financing, are raised on less favourable terms and/or at higher than usual cost or, in a worst case scenario, that the group is unable to obtain sufficient cash resources for the company's operating and investment activities.

DLH's cash resources primarily consist of unused credit facilities with the group's bankers. The group aims to have sufficient cash resources to make suitable dispositions in case of unforeseen fluctuations in its cash resources.

With a view to re-financing existing senior debt, DLH obtained long-term standing loan facilities totalling DKK 600 million in March 2009. The loans took the form of committed credit facilities with an original term of two years and were granted as a club deal by the group's principal bankers. Under the agreement DLH was to maintain a minimum equity ratio and minimum earnings for the term of the loan. The group was also subject to restrictions with regard to investments and interest payments. The financial covenants in the loan agreement were to be calculated and tested on a quarterly basis. As reported in connection with the publication of the interim report at 30 September 2009, DLH's 2009 profit trend was considerably below the minimum requirements agreed with its principal bankers, and the group was thus in breach of the financial covenants. Thus already during the third quarter, DLH commenced negotiations with its bankers concerning continued financing. Initially, it was agreed that the bank consortium would provide necessary and adequate credit facilities until DLH's management had adopted a new strategy and until re-financing had been re-negotiated.

In March DLH concluded a new loan agreement with its principal bankers. Under the loan agreement the banks grant DLH a credit limit totalling DKK 1.2 billion at the time of concluding the agreement. The credit facilities are divided into a long-term credit facility of DKK 450-600 million under a club deal, which will expire on 30 September 2011, and short-term operating loans of DKK 600-750 million with bilateral documentation. To a large extent, both credit arrangements are based on the original documentation underlying the facilities that have now been refinanced.

The loan agreements are subject to a number of financial and non-financial covenants, and a back-end fee is payable to the consortium when the loan becomes due for payment or upon early repayment of the loan. The financial covenants are tied to the group's operating and cash budgets as well as strategy plans for the term of the agreement, which expires in September 2011. The loans are accompanied by a collateral package under which the group pledges shares in its major subsidiaries and a registered security in inventories and debtors etc. in a number of companies in Europe, the USA and Malaysia. For the parent company, security has also been provided in intra-group balances of group enterprises.

DLH has agreed with its bankers that both the debt and the credit facilities must be reduced as the company sells off the assets intended for disposal in accordance with the new strategy.

In connection with the re-financing of bank debt it has also been agreed that the subordinated loan of DKK 111.6 million is not to be repaid until 31 October 2011 at the earliest. In order to further consolidate the capital base, the principal shareholder, the DLH-Fonden, has granted DLH a new subordinated loan of DKK 40 million, and Ellen & Knud Dalhoff Larsens Fond has granted DLH a loan of DKK 10 million on equal terms. Repayment on neither of these loans may begin before 31 October 2011. If the company decides to increase its share capital before that time, the loans may be converted to shares at the subscription price then prevailing.

Following refinancing the group's long-term committed debt (excluding the subordinated loan) amounts to roughly 60% of the group's interest-bearing debt of DKK 1,022 million at the balance sheet date. The table below includes debt to credit institutions at the balance sheet date.

23 Financial risk and financial instruments (continued):

Group 2009

(DKK million)	Carrying amount	Contractual cash flows	Within one year	1-3 years	3-5 years	>5 years
Non-derivative financial instruments:						
Credit institutions and subordinated loan capital	1,130,7	1,186.6	1,058.7	88.5	39.4	-
Finance leases	2.4	2.5	1.6	0.9	-	-
Trade payables	324.0	324.0	324.0	-	-	-
Derivative financial instruments:						
Forward exchange contracts used as hedges (net settlement)	(5.1)	(5.1)	(5.1)	-	-	-
Total	**1,452.0**	**1,508.0**	**1,379.2**	**89.4**	**39.4**	**-**

Group 2008

(DKK million)	Carrying amount	Contractual cash flows	Within one year	1-3 years	3-5 years	>5 years
Non-derivative financial instruments:						
Credit institutions and subordinated loan capital	1,372.8	1,457.6	1,315.2	76.4	66.0	-
Finance leases	0.7	0.7	0.2	0.5	-	-
Trade payables	345.4	345.4	345.4	-	-	-
Derivative financial instruments:						
Forward exchange contracts used as hedges (net settlement)	14.2	14.2	14.2	-	-	-
Total	**1,733.1**	**1,817.9**	**1,675.0**	**76.9**	**66.0**	**-**

Parent company 2009

(DKK million)	Carrying amount	Contractual cash flows	Within one year	1-3 years	3-5 years	>5 years
Non-derivative financial instruments:						
Credit institutions and subordinated loan capital	817.6	848.5	722.6	86.5	39.4	-
Finance leases	1.9	2.0	1.5	0.5	-	-
Trade payables	95.0	95.0	95.0	-	-	-
Derivative financial instruments:						
Forward exchange contracts used as hedges (net settlement)	(5.1)	(5.1)	(5.1)	-	-	-
Total	**909.4**	**940.4**	**814.0**	**87.0**	**39.4**	**-**

Parent company 2008

(DKK million)	Carrying amount	Contractual cash flows	Within one year	1-3 years	3-5 years	>5 years
Non-derivative financial instruments:						
Credit institutions and subordinated loan capital	813.7	870.0	775.5	44.9	49.6	-
Trade payables	151.8	151.8	151.8	-	-	-
Derivative financial instruments:						
Forward exchange contracts used as hedges (net settlement)	14.2	14.2	14.2	-	-	-
Total	**979.7**	**1,036.0**	**941.5**	**44.9**	**49.6**	**-**

23 Financial risk and financial instruments (continued):

Credit risk

Due to the nature of its operations and certain financing activities the DLH Group is exposed to credit risk. The group's credit risk is primarily related to trade receivables, prepayments for goods and receivables from derivative financial instruments (forward exchange contracts and interest rate swaps) and, to a lesser extent, from bank deposits.

Trade receivables

Trade receivables represent the second-largest asset item in the balance sheet, amounting to DKK 392.5 million. Credit is granted according to an active credit policy, to a wide extent being covered by credit insurance.

The economic slowdown in a number of countries has increased the credit risk. The increased risk induces credit insurers to reduce the insurance limits imposed on the company's customers, and in a worst case scenario, terminate these. DLH's own risk in relation to uninsured customers is increased. Sales on credit granted to customers who cannot be insured or in respect of whom no other security is obtainable, will be judged on a case by case basis. At the same time, costs of credit rating and credit insurance are expected to rise considerably.

Realised and unrealised losses on debtors including costs of credit insurance amounted to DKK 33 million or 0.9% of revenue in 2009 (2008: 0.14%).

At the balance sheet date, just under 55% (2008: 70%) of the DLH Group's trade receivables were covered by credit insurance or secured in other ways, for instance by letters of credit or payment against documents. The group's maximum risk on trade receivables was DKK 174.7 million excluding value added tax at year-end 2009 (2008: DKK 173.2 million). The maximum risk before hedging is DKK 430.6 million.

Prepayments to suppliers

Prepayment to suppliers is an important parameter in securing supplies from Africa, South America and Eastern Europe. This carries an inherent risk of losses and calls for tight control. Some of the prepayments do, however, represent financing of already existing inventories built up by suppliers. At year-end 2009 the group's prepayments to suppliers was DKK 43.4 million (2008: DKK 52.5 million), an amount for which security has only been provided in part by pledges or other ways.

At the balance sheet date the risk profile was as shown below:

Group

	Trade receivables		Prepayments	
(DKK million)	**2009**	**2008**	**2009**	**2008**
Credit risk:				
Nominal value	431.3	558.3	61.1	58.3
Write-down	(38.8)	(15.4)	(17.7)	(5.8)
Carrying amount	392.5	542.9	43.4	52.5
Less credit insurance, net	(182.5)	(344.0)	-	-
Less other security	(35.3)	(25.7)	(3.7)	(4.0)
Maximum credit risk	174.7	173.2	39.7	48.5

Some of the prepayments are secured by collateral in the production plant and moveable property.

Breakdown of trade receivables in terms of creditworthiness (DKK million)	**2009**	**2008**
Denmark	21.4	47.6
Remainder of Scandinavia	66.4	69.5
Western Europe	155.2	223.0
Eastern Europe	44.6	61.6
North America	21.1	26.5
Africa	20.1	44.6
Asia	36.4	43.3
Other regions	27.3	26.8
Total	**392.5**	**542.9**

23 **Financial risk and financial instruments (continued):**

Trade receivables that were overdue at 31 December 2009, but had not been written down are recognised as follows (DKK million):	2009	2008
Maturity:		
Up to 6 months	107.5	146.2
Between 6 and 9 months	2.4	4.5
Between 9 and 12 months	0.6	0.7
In excess of 12 months	1.8	6.8
Total	**112.3**	**158.2**

Of the trade receivables that were overdue at the balance sheet date, DKK 84.5 million was covered by credit insurance or hedged in other ways, for instance by letters of credit or similar trade financing.

Parent company

	Trade receivables		Prepayments	
(DKK million)	**2009**	**2008**	**2009**	**2008**
Credit risk:				
Nominal value	124.9	151.7	28.0	19.4
Write-down	(14.7)	(5.2)	(2.5)	(1.7)
Carrying amount	110.2	146.5	25.5	17.7
Less credit insurance, net	(58.3)	(58.6)	-	-
Less other security	(31.4)	(7.3)	-	-
Maximum credit risk	20.5	80.6	25.5	17.7

Prepayments are to some extent secured by collateral in the production plant and moveable property.

Breakdown of trade receivables in terms of creditworthiness (DKK million):	2009	2008
Denmark	21.4	47.6
Remainder of Scandinavia	1.7	4.3
Western Europe	37.0	35.4
Eastern Europe	2.5	3.1
North America	8.0	8.6
Africa	7.6	20.5
Asia	17.4	19.7
Other regions	14.6	7.3
Total	**110.2**	**146.5**

Trade receivables that were overdue at 31 December 2009, but had not been written down are recognised as follows (DKK million):	2009	2008
Maturity:		
Up to 6 months	52.2	75.8
Between 6 and 9 months	2.0	-
Between 9 and 12 months	0.3	-
In excess of 12 months	1.8	-
Total	**56.3**	**75.8**

Of the trade receivables that were overdue at the balance sheet date, DKK 52.5 million was covered by credit insurance or hedged in other ways, for instance by letters of credit or similar trade financing.

23 **Financial risk and financial instruments (continued):**

Hedge accounting
The DLH Group applies a number of derivative financial instruments to hedge financial risk related to financial instruments and the group's operations. The group does not actively speculate in financial risk. The group's financial risk management is thus only concerned with managing and reducing financial risk directly related to the group's operations, investments and financing. For additional information about the DLH Group's risk management, please see above.

As mentioned in the section on accounting policies applied, hedging is used for foreign exchange rate fluctuations related to financial instruments and to non-financial assets to hedge cash flows.

Cash flow hedges
The DLH Group applies interest rate and foreign exchange rate swaps as well as forward exchange contracts to hedge the group's risk related to fluctuations in cash flow as a result of fluctuating interest rates and foreign exchange rates. As in 2008, the group has only used derivative financial instruments to hedge foreign currency risk.

The effective part of the fair values of outstanding forward exchange contracts and interest rate swaps at 31 December that qualify and are used as hedging instruments for future transactions are recognised directly in equity until the hedged transactions are recognised in the income statement.

	2009				**2008**			
(DKK million)	Notional amount	Value adjustments recognised directly in equity	Fair value	Weighted time to maturity (months)	Notional amount	Value adjustments recognised directly in equity	Fair value	Weighted time to maturity (months)
Foreign currency risk:								
USD	0.9	-	-	2	6.4	0.3	0.3	5
BRL	-	-	-	-	57.5	(8.7)	(8.7)	12
Total	0.9	-	-	2	63.9	(8.4)	(8.4)	6
Interest rate risk:								
Interest rate swaps	739.9	(4.8)	(5.7)	19	-	-	-	-

The 2009 income statement was affected by ineffectiveness relating to foreign currency hedging in respect of goods sold and purchased in the amount of DKK 0.5 million (2008: DKK 1.3 million).

Capital management
At the end of 2009 the company realised an equity ratio of 25.3% (30.6% when including the subordinated loan) compared with 40.8% in 2008 (44.4% when including the subordinated loan). No target has been set for DLH's equity ratio, but the supervisory board takes the view that the group's capital structure must be optimised. With this in mind, the supervisory board thus intends to increase the equity ratio and reduce net interest-bearing debt relative to earnings to a level reflecting DLH's risk profile and comparable companies.

24 Assets charged and collateral:

The following assets are collateral to the group's loans to credit institutions:

Legal entity	collateral	Registered amount
DLH Belgium N.V., Antwerp, Belgium	Company charge	EUR 11,500,000
DLH Nederland BV., Baarn, the Netherlands	Company charge	
DLH France S.A.S., Nantes, France	Shares charged	
DLH Germany GmbH, Nordenham, Germany	Company charge	
DLH Poland Sp. z o.o., Warsaw, Poland	Company charge	
Dalhoff Larsen & Horneman A/S, Høje Taastrup, Denmark	Company charge	DKK 315,000,000
AB Bohmans Fanerfabrik, Oskarshamn, Sweden	Company charge	SEK 50,000,000
DLH Sverige AB, Hässleholm, Sweden	Company charge	SEK 100,000,000
Olle Zettergren AB, Norsborg, Sweden	Company charge	SEK 30,000,000
Palma Byggrossisten AB, Sundsvall, Sweden	Company charge	SEK 20,000,000
tt Timber International AG, Basel, Switzerland	Company charge	
tt Timber International AG, Basel, Switzerland	Shares charged	
HustvedtGruppen AS, Oslo, Norway	Company charge	DKK 48,000,000
Ljungberg AS, Frogner, Norway	Company charge	DKK 15,000,000
DLH Finland OY, Turku (Åbo), Finland	Company charge	EUR 15,000,000
DLH Nordisk Inc., Greensboro, USA	Company charge	
PW Hardwood LLC, Greensboro, USA	Company charge	
Inter-Continental Hardwoods Inc., Currie, USA	Company charge	
Carl Ronnow (Malaysia) Sdn. Bhd, Kota Kinabalu, Malaysia	Company charge	
DLH UK Limited., Westerham, UK	Company charge	

The assets have been charged as collateral for debt to the bank consortium. The debt to the bank consortium amounted to DKK 898.3 million at 31 December 2009. No collateral for debt to credit institutions was provided in 2008.

	Group		Parent company	
(DKK million)	**2009**	**2008**	**2009**	**2008**
Bills of exchange:				
Discounted with foreign credit institutions	7.1	10.5	-	-

25 Contingent liabilities:

	Group 2009	Group 2008	Parent company 2009	Parent company 2008
No deferred tax provision is made in the balance sheet in respect of contingent tax relating to the re-taxation liability arising in respect of the 'shadow-taxed' Brazilian subsidiary as the group has taken precautions that prevent the deferred tax from crystallising.	89.0	89.0	-	-
Guarantee commitments in favour of group enterprises	-	-	305.0	470.0
Guarantee commitments in favour of others, maximum	7.9	22.5	7.9	22.5

An amount of DKK 35.7 million (2008: DKK 41.9 million) relating to operating leases has been recognised under the item 'other external costs' in the income statement.

A small part of the office building at the group's headquarters at Skagensgade 66 has been let under a lease that is non-terminable until 2011.

Breakdown of non-terminable rental income:

(DKK million)	**2009**	**2008**
0-1 years	0.3	-
1-5 years	0.2	-
>5 years	-	-

26 Related parties:

Related parties with controlling influence:
DLH-Fonden, Philip Heymans Allé 7, P.O. Box 191, DK-2900 Hellerup.

No transactions have been conducted with DLH-Fonden in 2009.

Further reference is made to page 14 under the section on shareholders.

Related parties with a significant influence:
Comprises the company's supervisory board, group management and group enterprises as outlined in the group chart on page 77.

Related party transactions:

Group:
Apart from intra-group transactions, which have been eliminated in the consolidated financial statements, and the customary remuneration of the supervisory and executive boards, no transactions have been performed during the year with the supervisory or executive board, major shareholders or group enterprises.

Please refer to page 16, outlining positions of trust held by members of the supervisory and executive boards.

The group's sales to the 50% owned joint venture, Indochina Wood Ltd., amounted to DKK 2.5 million (2008: DKK 9.8 million) and total receivable at year-end amounted to DKK 0.7 million (2008: DKK 4.0 million) and are included in trade receivables.

Parent company:
The parent company has made long-term loans to, has receivables from or payables to group enterprises.

(DKK million)	**2009**	**2008**
Long-term loans	284.1	280.6
Interest-bearing receivables	376.1	(23.0)
Liabilities	47.7	300.4

At the balance sheet date interest-bearing receivables carry interest at rates between 2,2% and 8,2%, and interest-bearing loans carry interest at rates between 3,4% and 7,0%, depending on the currency. Interest rates are fixed on the basis of the company's own interest rate arrangements with the bank.

Interest rates relating to group enterprises are stated in notes 10 and 11.

The parent company has received DKK 263.8 million in dividend from subsidiaries in 2009 (2008: DKK 29.7 million).

The parent company defrays most of the IT expenses for all the DLH Group enterprises, expenses incidental to running certain properties in Denmark and corporate functions at the head office in Taastrup. The individual group enterprises have been invoiced as follows for their share of the use of these services:

(DKK million)	**2009**	**2008**
IT expenses	4.9	4.8
	4.9	4.8

The parent company has provided guarantees for group enterprises' bank loans, please see note 25.

No other transactions have been carried out involving members of the supervisory or executive boards or other executives, major shareholders or other related parties in the course of the year.

27 Acquisition of businesses

There is no acquired businesses to the DLH Group in 2009. Below are shown acquired businesses in 2008.

Names of acquired businesses	Principal activity	Acquisition date	Acquired investments
Palma Byggrossisten AB	Sheet materials distribution	1 February 2008	100%
Compagnie Forestière des Abeilles	Forrest concessions	1 May 2008	100%
Puukeskus	Hardwood operations from Puukeskus	1 June 2008	-

In the opinion of the management the values of individual acquisitions are immaterial and therefore carrying amounts prior to acquisition and the fair values upon transfer are recognised as a consolidated amount.

(DKK million)	2008	
	Carrying amount prior to acquisition	Fair value at acquisition date
Intangible assets	3,4	71,8
Property, plant and equipment	11,5	14,4
Financial assets	0,5	0,5
Inventories	21,9	21,3
Receivables	17,7	17,7
Cash	28,1	28,1
Loans	(1,9)	(1,9)
Deferred tax	-	(22,7)
Trade payables	(8,3)	(8,3)
Pension liabilities	(1,4)	(1,4)
Other payables	(16,0)	(16,6)
Net assets	55,5	102,9
Goodwill		15,5
Cash funds taken over		(28,1)
Cash acquisition price		90,3

Palma Byggrossisten AB

On 1 February 2008 the Timber & Board Division acquired full ownership of the Swedish company Palma Byggrossisten AB. Until now, the latter has been engaged in the importation and distribution of sheet materials and building materials to the Swedish timber merchant market, primarily north of Stockholm.

The fair value adjustment relates to a revaluation of the company's property in Sweden. While allocating the purchase price to net assets the DLH Group identified customer relations which is recognised as an intangible asset. Deferred tax is calculated at the rate of 28%, which is the current tax rate for Palma Byggrossisten. The difference between the balance of the purchase price and the net assets, determined at fair value, is recognised as goodwill. The goodwill recognised relates to the purchase of market shares in existing business units, including the existing organisation, and expected purchasing synergies from the amalgamation of the supplier network.

Palma Byggrossisten AB generates annual revenue of DKK 100 million with an EBIT of approximately DKK 8 million. In the ownership period from 1 February to 31 December 2008 Palma Byggrossisten generated revenue of DKK 86.9 million with an EBIT of DKK 7.5 million.

Compagnie Forestière des Abeilles (CFA)

On 1 May 2008 the Hardwood Division acquired full ownership of the Gabonese company, Compagnie Forestière des Abeilles (CFA). This company owns approximately 200,000 hectares of forest concessions, and the company is a long-standing sub-contractor and trading partner of the DLH Group's other companies in Gabon.

The DLH Group has measured the fair values of the company's assets and liabilities, concluding that no fair value adjustments had to be made, apart from adjustments in respect of forest concessions. The full purchase price has been attributed to these concessions and recognised as an intangible asset. Deferred tax attaches to the recognition of the concessions. Deferred tax is calculated at the rate of 35%, which is the current tax rate for Compagnie Forestière des Abeilles. No goodwill is recognised relating to the acquisition of Companies Forestière des Abeilles.

27 Acquisition of businesses (continued):

To a large extent, Compagnie Forestière des Abeilles will continue to be a sub-contractor to the DLH Group's companies in Gabon, and there would therefore only be a modest increase in external revenues. CFA generates annual revenue of DKK 64 million with an EBIT of approximately DKK 8 million. In the ownership period from 1 May to 31 December 2008 CFA generated revenue of DKK 26.6 million with an EBIT of DKK 0.4 million.

Puukeskus

The Finnish branch of the Timber & Board Division acquired the operations of the Finnish business Puukeskus OY on 1 June 2008, which was owned by the private equity fund Triton. The acquired business is based in Helsinki while DLH's existing operations are situated in Åbo. The two operations have been integrated into the group's Finnish company.

The DLH Group has measured the fair value of the net assets involved in the acquisition of the Puukeskus operations, concluding that there were no fair value adjustments to be made. However, the final take-over resulted in inventory reductions and the identification of a liability. The balance between the purchase price and the net assets has been allocated to customer relations in full, which were the main reason for acquiring Puukeskus. This has been recognised as an intangible asset. Deferred tax attaches to the recognition of customer relations. Deferred tax is calculated at the rate of 26%, which is the current tax rate in Finland.

The Puukeskus operations generate annual revenue of DKK 60 million with an EBIT of approximately DKK 3.0 million. In the ownership period from 1 June to 31 December 2008 the Puukeskus operations generated revenue of DKK 22.0 million with an EBIT of DKK (1.4) million.

Full-year effect

Group revenue and EBIT generated by the continuing operations determined on a pro forma basis as if all acquisitions had been made on 1 January in the year of acquisition amount to:

(DKK million)	**2008**
Revenue	5,013.0
Full-year effect of	
- Palma Byggrossisten AB	13.1
- CFA	37.4
- Puukeskus	38.0
Revenue, pro forma	**5,103.5**
EBIT	(314.9)
Full-year effect of	
- Palma Byggrossisten AB	0.5
- CFA	7.6
- Puukeskus	4.4
EBIT, pro forma	**(302.4)**

28 Events occurring after the end of the financial year

DLH has concluded a 1½-year agreement with a number of banks for the refinancing of long-term loans. The group has also been promised short-term credit facilities that will secure the necessary financial latitude for the group's operations in the years ahead. Please refer to note 23 for more information on the re-financing.

Otherwise, no significant event have taken place after 31 December 2009.

29 New financial reporting standards

The IASB has issued the following new financial reporting standards (IAS and IFRS) and interpretations (IFRIC), which the DLH Group is not obliged to comply with in the preparation of its 2009 annual report: IFRS 3, amendments to IAS 27, amendments to IAS 32 and 39 and IFRIC 9, amendments to IFRS 2, amendments to IFRS 1, parts of "improvements to IFRSs (May 2008), improvements to IFRSs (April 2009)", IFRIC 17-19, amendment to IFRIC 14, revised IAS 24 and IFRS 9. Amendments to IFRS 2, amendments to IFRS 1, improvements to IFRS (April 2009), IFRIC 19, amendment to IFRIC 14, revised IAS 24 and IFRS 9 has not yet been approved by the European Union.

The DLH Group expects to implement the new accounting standards and interpretations once they become mandatory. Standards and interpretations that are approved with an effective date in the EU which is different from the effective dates stipulated by the IASB will be implemented early in order to be in compliance with the IASB effective date. With the exception of the above, the new standards and interpretations are not expected to have a major impact on the financial reporting of the DLH Group.

- IFRS 3, i.e. 'Business Combinations', (and the simultaneous updating of IAS 27, i.e. 'Consolidated and Separate Financial Statements', applies to financial years starting on 1 July 2009 or later. Under the standard, acquisition costs and changes to any conditional consideration payable in connection with business acquisitions must be recognised directly in the income statement. Furthermore, implementation of the standard may result in a change in accounting policies, as regards the recognition of the goodwill of minority interests related to the share of businesses acquired, and as regards gradual acquisitions of enterprises and gradual disposals of investments in subsidiaries.

30 Discontinued operations and assets held for sale:

(DKK million)	Group 2009	Group 2008
Profit for the year for the Building Materials Division before tax:		
Revenue	-	259.6
Cost of sales	-	(211.6)
Gross profit	-	48.0
Other operating income, net	-	0.1
Other external expenses	-	(22.5)
Other staff costs	-	(37.1)
Operating profit before depreciation (EBITDA)	-	(11.5)
Depreciation and amortisation	-	(2.6)
Operating profit (EBIT)	**-**	**(14.1)**
Financial items:		
Financial income	-	0.8
Financial expenses	-	(2.5)
	-	(1.7)
Profit before tax (EBT)	**-**	**(15.8)**
Tax on profit for the year	-	4.2
Profit for the year	-	(11.6)
Profit on sale of discontinued operations	-	591.6
Profit for the year on discontinued operations	**-**	**580.0**
Earnings per share for discontinued operations:		
Earnings per share (EPS)	-	(0.63)
Earnings per share diluted (EPS-D)	-	(0.63)
Cash flow from discontinued operations, net:		
Cash flow from operating activities	-	8.1
Cash flow from investment activities	-	(4.9)
Cash flow from financing activities	-	920.1
Total	-	923.3

The sale of the Building Materials Division was completed on 29 February 2008.

	Group		Parent company	
(DKK million)	2009	2008	2009	2008
Intangible assets	0.9	-	-	-
Property, plant and equipment	60.8	-	0.7	-
Total assets held for sale	61.7	-	0.7	-

Due to dramatic adjustments in non-profitable activities, the production activities in Poland, Brazil, Denmark and Sweden have been discontinued. Intangible assets and property, plant and equipment related to these activities have been put up for sale and are therefore classified as assets 'held for sale'. Please refer to note 14 for an asset class breakdown.

Dalhoff Larsen & Horneman A/S
Skagensgade 66
2630 Taastrup
Denmark

Forestry

SAT - Société d'Approvisionnements et de Transits
Ancien Immeuble Transcap, B.P. 4409, Douala, Bonanjo, **Cameroon**

CIB - Congolaise Industrielle des Bois
BP 41, Ouesso, **the Republic of the Congo**

CIB - Congolaise Industrielle des Bois
BP 145, Brazzaville, **the Republic of the Congo**

CIB Bureau de Liaison france
B.P. 21263, 11492 Castelnaudary Cedex, **France**

CIB - Commerce et Industrie du Bois
B.P. 51, Port-Gentil, **Gabon**

GIB - Gabonaise Industrielle des Bois
B.P. 51, Port-Gentil, **Gabon**

CFA - Compagnie Forestiére des Abeilles
B.P. 13 937, Libreville, **Gabon**

SICL – Société Industrielle des Chutes de Lalite
B.P. 51, Port-Gentil, **Gabon**

Global Sourcing

DLH A/S
Zamkovaja Str., office 302, 230023 Grodno, **Belarus**

Nordisk Timber Ltda.
Rodovia Augusto Montenegro, km 11 – Icoaracy,
CEP 66.820.000 Belém, Pará, **Brazil**

Alameda Frei Romon no 1010
Bairro : Centro
CEP 68.800-000, Breves, Pará, **Brazil**

Av. Sete de Setembro, 5011, Edificio Tokyo,
14th Floor, Batel, CEP 80240-000
Curitiba, Paraná, **Brazil**

Rua Governador Manoel Ribas 1400,
Bairro Industrial CEP 83221-560
Paranagua, Paraná, **Brazil**

Av. João Goulart,1510,Bairro Nossa Senhora da Graças,
Porto Velho, Rondonia, **Brazil**

Pataua Forest projekt
Rodovia PA - 150 km 31, Estrada do centrão km 24,
Brazil

DLH Kinshasa sprl
Immeuble Vodacom, Boulevard du 30 Juin, n°3157,
La Gombé,
Kinshasa, **the Democratic Republic of the Congo**

DLH Guyana, Inc.
Lot 13, Bel Air Springs, Georgetown – E.C.D., **Guyana**

DLH Indonesia
Graha Aktiva – Suite 603,
Jl. HR. Rasuna Said Blok X-1 Kav. 03,
Jakarta 12950, **Indonesia**

DLH Côte d'Ivoire S.A.
Rue Saint Jean - Cocody, 01 B.P. 2648 Abidjan 01,
the Ivory Coast

01 B.P. 391, San Pedro, **the Ivory Coast**

DLH Nordisk A/S
Na Stepnici 1379, SK 960 01 Zvolen, **Slovakia**

Global Trading

DLH Nordisk A/S
Unit A, 16/F, World Trust Tower,
50 Stanley Street, Central, Hong Kong, **China**

DLH Nordisk A/S
Suite 1602, Building K, 343 Huaihai West Road,
200030 Shanghai, **China**

DLH Nordisk A/S
Skagensgade 66, 2630 Taastrup, **Denmark**

DLH Nordisk A/S
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New Delhi, 110 001, **India**

DLH (Italy) SRL
Via Pasquale Paoli, 8A, 35122 Padova, **Italy**

DLH Timber Industries Sdn Bhd
Kampung Melawa, 14.5 Km, Jalan Sepangar Bag,
88950 Menggatal,
Locked Bay 20. 88990 Kota Kinabalu, Sabah, **Malaysia**

Carl Ronnow (Malaysia) Sdn Bhd
310, Level 3, Block A, Kelana Business Centre,
97 Jalan SS7/2, Kelana Jaya, 47301 Petaling Jaya,
Selangor Darul Ehsan, **Malaysia**

Carl Ronnow (Malaysia) Sdn Bhd
Kampung Melawa, 14.5 Km, Jalan Sepangar Bay,
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DLH A/S Arkhangelsk
Lomonosova ave. 135, 5-th Floor, 163000 Archangel,
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DLH Russia 000
Lomonosova ave. 135, 5-th Floor, 163000 Archangel,
Russia

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Pyatnitskaya str., 39/1, Office No. 26, 156000 Kostroma,
Russia

DLH A/S
Karatuzskiy Line, 48A, 660661 Krasnoyarsk, **Russia**

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19th Floor, No. 1 Thibault Square
Cape Town 8001, **South Africa**

tt Timber International AG
Elisabethenanlage 11, P.O. Box 631, 4010 Basle,
Switzerland

DLH Nordisk A/S
9th Floor, Melody Tower
#422-424 Ung Van Khiem Street, Ward 25,
Binh Thanh District,
Ho Chi Minh City, **Vietnam**

Sales Region USA

DLH Nordisk, Inc.
2307 W. Cone Blvd., Suite 200, Greensboro,
NC 27408, **USA**

6600 Caballero Blvd., Buena Park, CA 90620, **USA**

17156 Highway 301 North, Statesboro, GA 30458, **USA**

PW Hardwood
11424 Route 36, Brookville, PA 15825-0459, **USA**

36 Frost Street, Brattleboro, VT 05301, **USA**

Inter Continental Hardwoods Inc.
P.O. Box 119, 6841 Malpass Corner Road, Currie,
NC 28435, **USA**

Sales Region Nordic

DLH Danmark A/S
Skagensgade 66, 2630 Taastrup, **Denmark**

Nordkajen 21, 6000 Kolding, **Denmark**

Industriområdet 15, 8732 Hovedgård, **Denmark**

Väärispuu & Spooni AS
Sära tee 4/6, Peetri Küla, Rae Vald, 75312 Harjumaa,
Estonia

DLH Finland OY
Heidehofintie 4, FIN-01300 Vantaa, **Finland**

Latokarinkatu 4, FIN-20200 Turku, **Finland**

Bohmans Finieri Sia
Biekerniekuiela 121, LV-1021 Riga, **Latvia**

Bohmans Ltd
Meistru g. 8A, LT-02189 Vilnius, **Lithuania**

DLH Norge AS
Årvollveien 72, Postboks 70, Årvoll, 0515 Oslo, **Norway**

Lønningsshaugen 6, Postboks 54, Blomsterdalen, 5268
Bergen, **Norway**

Farexveien 7, Lindeberg, 2016 Frogner, **Norway**

DLH Sverige AB
Box 2014, Industrigatan, 281 02 Hässleholm, **Sweden**

Gesällvägen 6, 14563 Norsborg, **Sweden**

Norra Strandgatan 13, Box 544, 572 25 Oskarshamn,
Sweden

Nacksta Nya Industriområde, Box 866,
851 24 Sundsvall, **Sweden**

Sales Region Russia

000 Bohmans
74 km MKAD, Building 3, 141400 Khimki, Moscow Region,
Russia

Bohmans St Petersburg (South)
Syzranskaya Street 23A, 196105 St. Petersburg, **Russia**

Bohmans St Petersburg (North)
Kolomiazhskiy pr. 13, St Petersburg, **Russia**

Bohmans Moscow - Central Warehouse
Promyshlennaya Street, 11B, Domodedovo,
Moscow Region, **Russia**

Bohmans Chelyabinsk
Traktovaya Street, 26-B, 454087, Chelyabinsk, **Russia**

Bohmans Kazan
1-st Volskaya Street 32, 420053 Kazan, **Russia**

Bohmans Novosibirsk
Bolshaya Street 256A bld. 2, Novosibirsk, 630032,
Russia

Bohmans Nizhiny Novgorod
Yablonevaya Street, 18, bld. 5, 603039, Nizhniy
Novgorod, **Russia**

Bohmans Samara
Gornaya Street 8, Samara, 443902, **Russia**

Bohmans Rostov-on-Don
Dovatora Street 158/5, Rostov-on-Don, 344041, **Russia**

Sales Region Europe

DLH Belgium n.v.
Noorderlaan 125, 2030 Antwerp, **Belgium**

DLH Czech, s.r.o.
Na Hurce 1091/8, 161 00 Prague 6, **the Czech Republic**

DLH France
Rue de l'Ile Botty, Zone Industrielle de Cheviré,
B.P. 70105, 44101 Nantes Cedex 4, **France**

DLH France
1, Z.A.C. de l'Ancien Pont, La Peyrade,
34110 Frontignan, **France**

DLH Germany GmbH
Asbestosstrasse 1, 26954 Nordenham, **Germany**

DLH Germany GmbH
Im Hollergrund 3, 28195 Bremen, **Germany**

Bohmans Furnier GmbH
Postfach 1105, 97829 Frammersbach, **Germany**

DLH Hungary Kft.
Óradna u. 9, 1044 Budapest, **Hungary**

DLH Nordisk (Holland) B.V.
Denemarkenweg 1, 4389 PE Ritthem, **the Netherlands**

DLH Nederland BV
Eemweg 8, 3742 LB Baarn, **the Netherlands**

DLH Nordisk Sp.z.o.o.
ul. Kolobrzeska 3, 78-203 Karlino, **Poland**

DLH Poland Sp. z.o.o.
ul. Chlapowskiego 45, 63-400 Ostrów Wielkopolski,
Poland

ul. Sosnkowskiego 1D, 02-495 Warsaw, **Poland**

ul. Modlinska 231, 03-120 Warsaw, **Poland**

ul. Kopijników 77, 03-274 Warsaw, **Poland**

ul. Andrzeja Struga 42, 70-784 Szczecin, **Poland**

ul. Rozdzienskiego 95, 40-203 Katowice, **Poland**

ul. Grudziadzka 122A, 87-100 Torun, **Poland**

ul. Bukowska 12, 62-081 Wysogotowo, **Poland**

ul. Starogardzka 4, 83-010 Straszyn, **Poland**

ul. Wyscigowa 58, 53-012 Wroclaw, **Poland**

ul. Rokicinska 142, 92 - 412 Lodz, **Poland**

ul. Zawila 56, 30-390 Kraków, **Poland**

DLH Romania
Principala str. nr. 8, 507270 Vulcan, jud. Brasov,
Romania

DLH Slovakia s.r.o.
Logistické centrum, 900 21 Svätý Jur, **Slovakia**

DP II Bohmans-Ku
Promyshlenaja 3, 01013 Kiev, **Ukraine**

DLH Nordisk Derevo Ltd,Ukrainska st. 5,
Potash station, Manikivka area,
Cherkassy Oblast, **Ukraine**

Representative Office in Ukraine, Grabovskogo 11/316,
79000 Lviv, **Ukraine**

DLH UK Limited
The Crown, London Road, Westerham,
Kent TN16 1DL, **United Kingdom**

At 31.December 2009

The DLH Group	Currency	Share Capital	Ownership Share
Dalhoff Larsen & Horneman A/S, Høje Taastrup	DKK	178,554,990	
DLH UK Limited, Westerham, United Kingdom	GBP	2.3 mio.	100%
DLH Nordisk Inc., Greensboro, USA	USD	0.5 mio.	100%
PW Hardwood LLC, Brookville, USA	USD	1.0 mio.	100%
DLH Guyana Inc.; Georgetown, Guyana (former British Guiana)	GYD	0.5 mio.	100%
Inter-Continental Hardwoods Inc, Currie, USA	USD	0.035 mio.	100%
Indufor N.V. Antwerp, Belgium	EUR	2.5 mio.	100%
DLH Nordisk (Holland) B.V., Ritthem, Holland	EUR	0.057 mio.	100%
DLH Nederland B.V., Baarn, Holland	EUR	2.0 mio.	100%
DLH Germany GmbH, Nordenham, Germany	EUR	1,023 mio.	100%
Bohmans Furnier GmbH, Karlstadt, Germany	EUR	0.3 mio.	100%
DLH France SAS, Frontignan, France	EUR	0.75 mio.	100%
DLH Italy SRL, Padova, Italy	EUR	0.05 mio.	100%
DLH Poland Sp. z o.o., Warsaw, Poland	PLN	2,385 mio.	100%
DLH Nordisk Sp. Z o.o., Karlino, Poland	PLN	1,989 mio.	100%
DLH Czech s.r.o., Prague, Czech Republic	CZK	50.2 mio.	100%
DLH Slovakia s.r.o., Bratislava, Slovak Republic	EUR	0.007 mio.	100%
DLH Nordisk Derevo, Uman, Ukraine	UAH	1.09 mio.	100%
DLH Hungary Kft., Budapest, Hungary	HUF	360 mio.	100%
Nordisk Timber Ltda., Belem, Brazil	BRL	33.1 mio.	100%
DLH Côte d'Ivoire AG., Abidjan, Ivory Coast	XAF	150 mio.	100%
Carl Ronnow (Malaysia) Sdn. Bhd, Kota Kinabalu, Malaysia	MYR	2.5 mio.	100%
DLH Timber Industries Sdn. Bhd., Kota Kinabalu, Malaysia	MYR	0.5 mio.	100%
DLH Sverige AB, Hässleholm, Sweden	SEK	5.0 mio.	100%
DLH Norge AS, Oslo, Norway	NOK	0.55 mio.	100%
DLH Finland OY, Vantaa, Finland	EUR	0.003 mio.	100%
Väärispuu ja Spooni AS, Harjumaa, Estonia	EEK	0.4 mio.	100%
Bohmans Finieri SIA, Riga, Latvia	LVL	0.002 mio.	100%
DLH Lietuva, UAB, Vilnius, Lithuania	LTL	0.2 mio.	100%
DP II Bohmans KU, Kiev, Ukraine	USD	0.206 mio.	100%
OOO Bohmans, Khimki, Russia	RUB	80.05 mio.	100%
DLH Russia OOO, Arkhangelsk, Russia	RUB	0.1 mio.	100%
Indochina Wood Limited, Tortola, British Virgin Islands	USD	0.05 mio.	50%
tt Timber International AG, Basel	CHF	20.0 mio.	100%
CFA-Abeilles Holding S.A., Basel, Switzerland	CHF	1.6 mio.	100%
Congolaise Industrielle des Bois AG, Quesso, the Congo	XAF	2,370 mio.	100%
Soc. D'Approvisionnement et de Transits AGRL, Douala, Cameroun	XAF	75.0 mio.	100%
Soc. Industrielle des Chutes de Lalitié AG, Libreville, Gabon	XAF	10.0 mio.	100%
Commerce et Industrie de Bois AG, Port-Gentil, Gabon	XAF	1,000 mio.	100%
Gabonaise Industrielle des Bois, AG, Port-Gentil, Gabon	XAF	2,000 mio.	100%
Compagnie Forestière de Abeilles, Libreville, Gabon	XAF	400 mio.	100%
Liberian Trade & Timber Industries, Inc. LTTI, Liberia	USD	0.01 mio.	100%
DLH-KINSHASA SPRL, the Democratic Republic of the Congo	USD	0.0006 mio.	100%