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Interim financial report H1 2008

- Second-quarter revenue was DKK 404.9 million (2007: DKK 532.6 million). First-half revenue was DKK 821.1 million (2007: DKK 948.7 million)
- Second-quarter EBITDA was DKK 52.2 million (2007: DKK 124.6 million). First-half EBITDA was DKK 121.0 million (2007: DKK 189.8 million)
- Second-quarter profit before tax was DKK 18.7 million (2007: DKK 82.3 million). First-half profit before tax was DKK 52.6 million (2007: DKK 113.7 million)
- The UK capacity will be further adjusted by temporarily closing one factory
- Equity at 30 June 2008 stood at DKK 897.1 million
- Net interest-bearing debt at 30 June 2008 amounted to DKK 786 million
- The outlook for 2008 full-year profit before tax is lowered to the DKK 40-60 million range from previously DKK 140–160 million
- The lowered profit outlook reflects negative development in both sales and pricing of aircrete in the Group's principal markets

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For additional information, please contact:
Hans Gormsen, CEO, or Martin Busk Andersen, CFO, on telephone +45 35 27 02 00.

This is a translation of the company's announcement in Danish. In case of inconsistency between the Danish text and this English translation, the Danish text shall prevail.

FINANCIAL HIGHLIGHTS - H+H GROUP

	Q2		H1		Year
(**DKKm**)	2008	2007	2008	2007	2007
Income statement					
Revenue	404.9	532.6	821.1	948.7	1,850.2
EBITDA	52.2	124.6	121.0	189.8	347.1
EBITA	22.5	95.9	61.8	131.4	230.5
Operating profit (EBIT)	22.5	87.6	61.8	123.1	222.4
Profit before tax	18.7	82.3	52.6	113.7	205.1
Balance sheet					
Non-current assets	1,582.4	1,247.4	1,582.4	1,247.4	1,361.7
Current assets	521.6	519.1	521.6	519.1	422.0
Total assets	2,104.0	1,766.5	2,104.0	1,766.5	1,783.7
Equity	897.1	921.9	897.1	921.9	990.3
Non-current liabilities	154.4	183.3	154.4	183.3	180.0
Current liabilities	1,052.5	661.3	1,052.5	661.3	613.4
Total equity and liabilities	2,104.0	1,766.5	2,104.0	1,766.5	1,783.7
Investments and debt					
Investments on non-current assets during the period	104.3	36.4	266.7	73.3	263.0
Interest-bearing debt (net)	785.7	417.0	785.7	417.0	380.7
Financial ratios					
Earnings per share (EPS)	13.7	53.7	35.9	73.2	137.4
Diluted earnings per share (EPS-D)	13.7	53.5	35.9	72.9	137.0
Return on equity (% p.a.)	6.2%	27.4%	8.6%	18.7%	16.9%
Share price, end of period, DKK	1,130	2,401	1,130	2,401	1,362
Book value, end of period, DKK	773	795	773	795	854
Financial objectives					
Sales growth (organic)	(24.0%)	12.4%	(13.4%)	18.8%	11.3%
Operating margin (EBITA)	5.6%	16.4%	7.5%	13.0%	12.5%
ROIC (% p.a.)	5.2%	21.9%	13.0%	15.8%	16.1%
Solvency ratio	42.6%	52.2%	42.6%	52.2%	55.5%

With respect to recognition and measurement, the interim financial report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and which are expected to apply to the presentation of the full-year financial statements for 2008. The interim financial report is unaudited.

MANAGEMENT'S REVIEW

Second-quarter profit was adversely affected by significantly lower sales in most of the Group's markets.
The second half of the second quarter, in particular, was characterised by a negative sales development.

Revenue

Second-quarter revenue was DKK 404.9 million, down 24% on the same period last year. All the Group's segments delivered considerably lower revenue. The UK segment reported the largest decline in revenue, which was down 38% on the same period last year.

Second-quarter revenue was down 23% measured in local currencies. The development in GBP had a negative effect on recognised revenue and the development in PLN a positive effect.

First-half revenue was DKK 821.1 million, down 13.4% on the same period last year. First-quarter 2008 revenue was on a par with first-quarter 2007 revenue.

	Q2		H1	
(Amounts in DKKm)	2008	2007	2008	2007
UK	118.2	191.8	246.3	351.7
Germany, Denmark and Benelux	130.3	147.1	243.5	252.3
Eastern Europe	99.3	138.8	240.4	230.7
Nordic countries	71.7	80.4	122.0	144.0
Eliminations and non-allocated items	(14.6)	(25.5)	(31.1)	(30.0)
Total	404.9	532.6	821.1	948.7

Profit before tax

Second-quarter profit before tax was DKK 18.7 million, down DKK 63.6 million on the same period last year. All the Group's segments contributed to the fall in profit before tax, which was due to a decline in sales and intensified price competition.

First-half profit before tax was DKK 52.6 million, down DKK 61.1 million. Total profit before tax for the first quarter of 2008 was in line with profit before tax for the first quarter of 2007.

	Q2		H1	
(Amounts in DKKm)	2008	2007	2008	2007
UK	3.1	19.5	11.5	37.0
Germany, Denmark and Benelux	13.4	28.0	21.8	42.2
Eastern Europe	10.4	29.8	35.8	36.5
Nordic countries	0.1	4.5	(2.6)	2.5
Eliminations and non-allocated items	(8.3)	0.5	(13.9)	(4.5)
Total	18.7	82.3	52.6	113.7

Investments

First-half 2008 investments totalled DKK 266.7 million (2007: DKK 73.3 million). Second-quarter 2008 investments were DKK 104.3 million. Full-year 2008 investments are expected to total around DKK 600 million.

	Q2		H1	
(Amounts in DKKm)	2008	2007	2008	2007
UK	7.3	8.5	10.7	30.7
Germany, Denmark and Benelux	7.9	4.3	39.9	7.8
Eastern Europe	87.6	20.4	213.8	29.3
Nordic countries	1.9	2.6	3.2	4.6
Eliminations and non-allocated items	-0.4	0.6	-0.9	0.9
Total	104.3	36.4	266.7	73.3

Investments consisted predominantly of upgrading of the Gorzkowice factory in Poland, upgrading of the Most factory in the Czech Republic, and the construction of a new factory in St Petersburg.

Test production has begun at the upgraded factories in Poland and the Czech Republic. The factories are expected to be fully operational in the middle of the second half of 2008.

Total investments on upgrading of the Polish factory were around DKK 120 million, as previously announced. Investments on upgrading of the Czech factory were also around DKK 120 million, compared with the previous forecast of DKK 75 million. Capacity at the Czech factory is now expected to exceed the originally planned level.

Total investments on the aircrete factory near St Petersburg are expected to be around EUR 35 million compared with the previous forecast of EUR 25 million. The increase is due to higher costs for construction and production equipment and higher energy supply costs. Test production at the factory is expected to begin in early 2009.

The construction of a new factory in Warsaw, Poland, is still in the planning process. Total investments on the factory are expected to be around EUR 35 million. The factory is expected to be operational by 2010 at the earliest.

A final decision on the construction of an aircrete factory in Rivne in the Ukraine has yet to be made. Investments on construction of the factory are expected to total around EUR 35 million. The factory is expected to be operational by 2010 at the earliest.

At the end of June 2008, the Group had entered into binding agreements on investments totalling DKK 181.2 million.

Financing

Net interest-bearing debt at 30 June 2008 totalled DKK 786 million, up DKK 405 million on 31 December 2007. Net interest-bearing debt is expected to reach around DKK 1,000 million by the end of the year.

The significant increase in net interest-bearing debt reflects substantial investments. Furthermore, the company acquired own B shares at a total purchase price of DKK 100 million, and normal seasonal fluctuations in working capital led to an increase in net interest-bearing debt at the end of June 2008.

Recognised financing costs for the first half totalled DKK 9.2 million compared with DKK 9.4 million for the corresponding period last year. In addition, financing costs totalling DKK 6.8 million were capitalised in the first half in connection with the Group's major investments projects.

	Q2		H1	
(Amounts in DKKm)	2008	2007	2008	2007
Financial items, net	8.0	5.3	16.0	9.4
Hereof capitalised interest expenses	(4.2)	-	(6.8)	-
	3.8	5.3	9.2	9.4

Taxation

Income tax expense for the period under review has been partially estimated. The Group's income tax expense determined for the second quarter of 2008 was DKK 4.0 million. Income tax expense for the first half totalled DKK 13.8 million, equivalent to an effective tax rate of 26.2%, on a par with the effective tax rate for the corresponding period last year.

Equity

Consolidated equity decreased by DKK 93.2 million in the first half of 2008. Acquisition of treasury shares in the first quarter depressed equity by DKK 99.7 million. The company did not buy or sell any treasury shares in the second quarter of 2008.

(Amounts in DKKm)	2008	2007
Equity at 1 January	990.3	870.4
Profit for the period	38.8	83.9
Foreign exchange adjustments, foreign companies	8.5	(3.6)
Buyback of treasury shares	(99.7)	(9.2)
Dividend	(32.1)	(22.9)
Other adjustments	(8.7)	3.3
Equity at 30 June	897.1	921.9

SEGMENTS

UK

Second-quarter revenue in the UK amounted to DKK 118.2 million, down 38% on the second quarter of 2007. Expressed in local currency, revenue was down 28%.

Second-quarter sales volume was around 30% down on the same period last year, largely corresponding to the overall decline in the UK aircrete market in the second quarter. The decline was due to a dramatic downturn in the number of new housing starts in the UK. Selling prices matched expectations.

	Q2			H1		
(Amounts in DKKm)	2008	2007	Deviation	2008	2007	Deviation
Revenue	118.2	191.8	(38.4%)	246.3	351.7	(30.0%)
EBITDA	14.3	39.2	(24.9)	33.6	68.1	(34.5)
Profit before tax	3.1	19.5	(16.4)	11.5	37.0	(25.5)

First-half revenue in the UK was DKK 246.3 million, down 30% on the same period last year. Measured in local currency, revenue was almost 20% lower. First-half sales volume lagged around 23% behind last year, largely matching the overall decline in the UK aircrete market in the first half.

The lower sales volume led to a significant reduction in production. Three of the company's UK factories cut back to two-shift operation in the first half, while the fourth factory continued with three shifts.

A decision has been made, at the end of August, to temporarily close one of the company's factories. No write-downs for impairment of production equipment or buildings associated with the factory are planned. The carrying amounts of the factory totalled around DKK 20 million at the end of June 2008. Two of the company's other factories continue with two-shift operation, while the fourth factory continues with three shifts. The production level has been aligned to the sales forecast.

In the fourth quarter of 2007, a DKK 16.5 million provision was made for clean-up of minor oil contamination of a plot of land in the UK that has previously been used as a gravel pit. Analyses performed in the course of the summer showed that the extent of the contamination is less than originally assumed. A final quote for the clean-up operation is not yet available. The provision for clean-up has not been corrected.

Second-quarter profit before tax was DKK 3.1 million compared with DKK 19.5 million for the second quarter of 2007. First-half profit before tax was DKK 11.5 million compared with DKK 37.0 million for the first half of 2007. Second-quarter 2007 profit before tax was eroded by a non-recurring expense of DKK 8.3 million. The fall in profit before tax was primarily driven by the considerable decline in the sales volume. Moreover, price increases of raw materials and energy, which were not fully compensated for by higher selling prices, had an adverse impact on the development in profit before tax for the period under review.

Germany, Denmark and Benelux

Second-quarter revenue for the Germany, Denmark and Benelux segment amounted to DKK 130.3 million, down 11.4% on the corresponding period last year. The lower revenue was due to lower sales in the Danish market and lower sales from the German factories to the Polish market. Total sales to the German market and the markets in Benelux, on the other hand, were slightly ahead of the second quarter of 2007.

	Q2			H1		
(Amounts in DKKm)	2008	2007	Deviation	2008	2007	Deviation
Revenue	130.3	147.1	(11.4%)	243.5	252.3	(3.5%)
EBITDA	29.3	42.4	(13.1)	52.8	70.3	(17.5)
Profit before tax	13.4	28.0	(14.6)	21.8	42.2	(20.4)

First-half revenue was DKK 243.5 million, down 3.5%. Revenue in the Danish market was at a significantly lower level, while revenue to the overall market in Germany and Benelux was realised at a slightly higher level than in the corresponding period last year. First-half revenue to affiliated companies outside the segment, including primarily sales of aircrete manufactured at the German factories and sold to Poland, was on a par with the first half of 2007.

The company set up a sales subsidiary in Belgium in May. This company is responsible for aircrete sales from the Group's German factories to Belgium and Luxemburg.

Second-quarter profit before tax was DKK 13.4 million compared with DKK 28.0 million for the corresponding period in 2007. First-half profit before tax was DKK 21.8 million compared with DKK 42.2 million for the corresponding period in 2007. The lower profit was due to a lower overall sales volume. Moreover, contrary to expectations, it has not been possible to recover rising production costs through higher selling prices for sales to the German market. Average prices realised in the Danish market were slightly down on the corresponding period in 2007.

Eastern Europe
Second-quarter revenue for the Eastern European segment amounted to DKK 99.3 million, down 28.5% on the second quarter of 2007. The Polish market accounted for more than 90% of revenue in both 2007 and 2008. Measured in local currency, revenue in Poland lagged around 35% behind the same period last year.

The price level realised for the second quarter of 2008 averaged the prices realised for the first quarter of 2008 and was slightly ahead of the second quarter of 2007.

	Q2			H1		
(Amounts in DKKm)	2008	2007	Deviation	2008	2007	Deviation
Revenue	99.3	138.8	(28.5%)	240.4	230.7	4.2%
EBITDA	16.6	37.3	(20.7)	51.1	52.1	(1.0)
Profit before tax	10.4	29.8	(19.4)	35.8	36.5	(0.7)

The second-quarter sales volume in the Polish market was just over 40% down, overall, on the same period last year. The second half of the second quarter saw the largest decline in volume. Production capacity in Poland was approximately 20% lower than in the same period last year due to upgrading of the Gorzkowice factory in 2008. Besides factory upgrading, the lower sales were due to a build-up of inventories at customers in the first quarter of 2008 and intensified price competition.

The Czech factory has undergone upgrading in 2008. Revenue in the Czech market has consequently been at a modest level. Conversely, sales to the Ukrainian market increased considerably in the second quarter of 2008. However, sales in the Ukraine contribute only modestly to consolidated earnings due to transportation costs and customs duties.

First-half revenue amounted to DKK 240.4 million, up 4.2% on the corresponding period last year. Revenue benefited from a considerably higher price level on the sales volume in the Polish market in the first quarter of 2008 compared with the first quarter of 2007. Revenue also received a boost from an increase in the PLN exchange rate of just under 11% from the first half of 2007 to the first half of 2008. Lower production capacity due to the upgrading of the Gorzkowice factory had an adverse effect on revenue. Sales in the first months of the year benefited from very mild weather, both in 2007 and 2008.

Second-quarter profit before tax was DKK 10.4 million compared with DKK 29.8 million for the corresponding period in 2007. The lower profit was primarily the result of the decline in sales. In addition, rising production costs and costs in connection with construction and upgrading of factories in Russia, the Czech Republic and Poland contributed negatively to profit for the period.

First-half profit before tax was DKK 35.8 million compared with DKK 36.5 million for the corresponding period in 2007. First-half 2008 profit benefited from a considerably higher price level on the volume sold in the Polish market in the first quarter of 2008 compared with the first quarter of 2007 and was adversely affected by lower sales.

Nordic countries
Second-quarter 2008 revenue in the Nordic segment was DKK 71.7 million, down 10.8% on the corresponding period last year. The decline in revenue was due to the Swedish and Norwegian markets, while revenue in the Finnish market was on a par with the same period last year.

	Q2			H1		
(Amounts in DKKm)	2008	2007	Deviation	2008	2007	Deviation
Revenue	71.7	80.4	(10.8%)	122.0	144.0	(15.3%)
EBITDA	2.6	7.5	(4.9)	2.4	8.2	(5.8)
Profit before tax	0.1	4.5	(4.4)	(2.6)	2.5	(5.1)

First-half revenue was DKK 122.0 million, down 15.3% on the same period last year. The decline in revenue was due to both the Finnish, Swedish and Norwegian markets.

Second-quarter profit before tax was DKK 0.1 million compared with DKK 4.5 million for the corresponding period last year. The first-half result before tax was a loss of DKK 2.6 million compared with a profit before tax of DKK 2.5 million for the first half of 2007. The lower result in both the second quarter and the first half compared with 2007 was due to lower sales and higher direct costs.

Eliminations and non-allocated items
Non-allocated net charges amounted to DKK 8.3 million in the second quarter, equivalent to a DKK 8.8 million increase in net costs on the same period last year. Adjusted for non-recurring income of DKK 5.7 million in 2007, non-allocated net costs increased by DKK 3.1 million in total.

Non-allocated net costs for the first half amounted to DKK 13.9 million compared with DKK 4.5 million for the corresponding period last year. Adjusted for non-recurring income of DKK 5.7 million in 2007, non-allocated net costs increased by DKK 3.7 million in total.

FULL-YEAR PROFIT OUTLOOK

Full-year profit before tax in the region of DKK 40–60 million is expected compared with the latest profit outlook of DKK 140–160 million. The original outlook, as announced in the 2007 annual report, was profit in the region of DKK 180–200 million.

The lowered outlook reflects negative development in both sales and pricing of aircrete in the Group's principal markets.

The downwards adjustment can be summarised as follows:

Profit before tax (DKK million)	
Outlook 27 May 2008	140-160
UK Lower volume and higher costs for closure of production capacity	(20)
Germany, Denmark and Benelux Intensified price competition and lower sales	(35)
Eastern Europe Lower volume and lower selling prices in the Polish market	(35)
Lower production volume on the Czech factory	(5)
Nordic countries Higher direct costs	(5)
Outlook 28 August 2008	40-60

Pressure on the UK housing market has intensified still further, with restricted access to mortgages and low consumer confidence. The number of newbuilt dwellings in the UK in the second half is expected to reach approximately 30% of the level for the corresponding period in 2007. It is now expected that the total UK aircrete sales volume in the second half will be around 45% down on the sales volume in the second half of 2007. The reduction in sales volume matched proportionately the deviation in sales volume realised for June and July. Full-year 2008 sales volume is consequently expected to be 35% down on 2007 compared with the previously announced reduction of 25%. Based on the deterioration in sales, the Group has decided to temporarily close one of its UK factories. The alignment of production capacity will have an adverse effect on the full-year results. Rising energy costs will also impact adversely on the results. The UK activities are now expected to generate a loss before tax of around DKK 15 million for 2008, compared with the previous outlook of profit before tax in the level of DKK 0-10 million.

Price competition in the markets in Germany, Denmark and Benelux has intensified still further during the year. The original anticipation was that increases in raw material and energy prices would be compensated for through higher selling prices in the German market. However, cost increases have been higher than expected to the effect that selling price adjustments have been insufficient. Second-half sales in both Germany and Denmark are expected to be on a par with last year. The activities in Germany, Denmark and Benelux are expected to generate profit before tax of around DKK 40 million for 2008.

In the Polish market, the start of the year saw a positive development in both sales and selling prices. However, sales had fallen to a lower level by the start of the second quarter. At that time, the decline in sales was viewed as temporary, reflecting a build-up of inventories at customers, but sales have continued falling in the second half of the second quarter and the first part of the third quarter. In the corresponding period, selling prices have come under severe pressure. The upgraded factories in Gorzkowice, Poland, and Most, the Czech Republic, respectively, are expected to be fully operational by the middle of the second half of 2008. The factories are not expected to have any significant positive effect on second-half 2008 profit before tax. Profit before tax of around DKK 45 million is anticipated for the activities in the Eastern European segment for 2008.

Revenue for the Finnish, Swedish and Norwegian markets is expected to be higher in the second half of 2008 than in the second half of 2007. However, an increased cost level will have a negative effect on profit before tax. Full-year 2008 profit before tax of around DKK 5 million is now expected for the Nordic activities.

(Amounts in DKKm)	H1 2008 realised	H1 2007 realised	H2 2008 forecast	H2 2007 realised	Year 2008 forecast	Year 2007 realised
UK	11.5	37.0	(26.5)	30.9	(15.0)	67.9
Germany, Denmark and Benelux	21.8	42.2	18.2	25.5	40.0	67.7
Eastern Europe	35.8	36.5	9.2	40.3	45.0	76.8
Nordic countries	(2.6)	2.5	7.6	8.4	5.0	10.9
Eliminations and non-allocated items	(13.9)	(4.5)	(11.1)	(13.7)	(25.0)	(18.2)
Total	52.6	113.7	(2.6)	91.4	50.0	205.1

STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS

The Executive and Supervisory Boards have today considered and approved the interim financial report of H+H International A/S for the period 1 January - 30 June 2008.

The interim financial report for the first half of 2008 is presented in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group's financial position at 30 June 2008 and of the results of the Group's operations and cash flows for the period 1 January - 30 June 2008. Further, in our opinion, the Management's review gives a true and fair view of the development in the Group's operations and financial matters and describes the significant risks and uncertainties pertaining to the Group.

Executive Board

Hans Gormsen
CEO

Michael Witthohn
Executive Vice President

Supervisory Board

Anders C. Karlsson
Chairman

Morten Amtrup

Kresten Andersen Bergsøe

Christian Harlang

Henrik Lind

Peer Munkholt

Lars Bredo Rahbek

Lars Adam Rehof

Forward-looking statements:
The forward-looking statements in this interim financial report reflect management's current expectations for certain future events and financial results. Statements regarding the future are, of course, subject to risks and uncertainties which may result in material deviations from expectations. Factors that may cause the actual results to deviate materially from expectations include but are not limited to general economic developments and developments in the financial markets, changes in pricing for aircrete products, the market's acceptance of new products, introduction of competing products and the integration of company acquisitions.

H+H International A/S is only required to update and adjust the expectations presented when this is required under Danish law, including the Danish Securities Trading, etc., Act.

INCOME STATEMENT

(Amounts in DKKm)	Group				
	Q2 2008	Q2 2007	H1 2008	H1 2007	Year 2007
Revenue	404.9	532.6	821.1	948.7	1,850.2
EBITDA	**52.2**	**124.6**	**121.0**	**189.8**	**347.1**
Depreciation and amortisation	(29.7)	(28.7)	(59.2)	(58.4)	(116.6)
EBITA	**22.5**	**95.9**	**61.8**	**131.4**	**230.5**
Impairment losses	0.0	(8.3)	0.0	(8.3)	(8.1)
EBIT	**22.5**	**87.6**	**61.8**	**123.1**	**222.4**
Net financing costs	(3.8)	(5.3)	(9.2)	(9.4)	(17.3)
Profit before tax	**18.7**	**82.3**	**52.6**	**113.7**	**205.1**
Income tax expense	(4.0)	(20.8)	(13.8)	(29.8)	(47.6)
Profit for the period	**14.7**	**61.5**	**38.8**	**83.9**	**157.5**

BALANCE SHEET

(Amounts in DKKm)	Group			
ASSETS	30 June 2008	31 December 2007	30 June 2007	31 December 2006
Non-current assets				
Intangible assets	128.7	107.9	104.8	103.1
Property, plant and equipment	1,432.5	1,233.8	1,124.3	1,120.4
Other non-current assets	21.2	20.0	18.3	24.9
Total non-current assets	**1,582.4**	**1,361.7**	**1,247.4**	**1,248.4**
Current assets				
Inventories	241.6	189.6	192.1	172.5
Receivables	252.8	220.2	321.4	211.6
Cash and cash equivalents	27.2	12.2	5.6	5.7
Total currents assets	**521.6**	**422.0**	**519.1**	**389.8**
TOTAL ASSETS	**2,104.0**	**1,783.7**	**1,766.5**	**1,638.2**
EQUITY AND LIABILITIES				
Equity				
Share capital	116.0	116.0	116.0	116.0
Retained earnings	781.1	839.5	805.9	731.2
Proposed dividend	-	34.8	-	23.2
Total equity	**897.1**	**990.3**	**921.9**	**870.4**
Liabilities				
Non-current liabilities	154.4	180.0	183.3	180.9
Current liabilities	1,052.5	613.4	661.3	586.9
Total liabilities	**1,206.9**	**793.4**	**844.6**	**767.8**
TOTAL EQUITY AND LIABILITIES	**2,104.0**	**1,783.7**	**1,766.5**	**1,638.2**
Net interest-bearing debt	785.7	380.7	417.0	353.1

Notes

1 Accounting policies
2 Segment information
3 Post-balance sheet events

CASH FLOW STATEMENT

(Amounts in DKKm)	Q2 2008	Q2 2007	H1 2008	H2 2007
Operating activities	(38.5)	55.9	(8.3)	39.4
Investing activities	(103.1)	(35.4)	(264.9)	(72.3)
Financing activities	141.8	(21.1)	287.8	32.8
Net increase (decrease) in cash and cash equivalents	**0.2**	**(0.6)**	**14.6**	**(0.1)**
Cash and cash equivalents opening	26.8	6.2	12.2	5.7
Foreign exchange adjustments of cash and cash equivalents	0.2	0.0	0.4	0.0
Cash and cash equivalents at 30 June	**27.2**	**5.6**	**27.2**	**5.6**

STATEMENT OF CHANGES IN EQUITY

(Amounts in DKKm)	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2008	**116.0**	**-0.4**	**3.2**	**836.7**	**34.8**	**990.3**
Changes in equity in 2008						
Foreign exchange adjustments, foreign companies		8.5				8.5
Share-based payment				0.8		0.8
Tax on changes in equity		(3.2)	2.5			(0.7)
Net gains recognised directly in equity			(8.8)			(8.8)
Profit for the period				38.8		38.8
Total recognised income and expense for the period	**0.0**	**5.3**	**(6.3)**	**39.6**	**0.0**	**38.6**
Dividend paid					(34.8)	(34.8)
Buyback of treasury shares				(99.7)		(99.7)
Dividend, treasury shares				2.7		2.7
Total changes in equity in 2008	**0.0**	**5.3**	**-6.3**	**(57.4)**	**(34.8)**	**(93.2)**
Equity at 30 June 2008	**116.0**	**4.9**	**-3.1**	**779.3**	**0.0**	**897.1**
Equity at 1 January 2007	**116.0**	**12.4**	**(1.9)**	**720.7**	**23.2**	**870.4**
Changes in equity in 2007						
Foreign exchange adjustments, foreign companies		(3.7)				(3.7)
Share-based payment				0.7		0.7
Tax on changes in equity		0.3				0.3
Net gains recognised directly in equity			2.3			2.3
Profit for the period				83.9		83.9
Total recognised income and expense for the period	**0.0**	**-3.4**	**2.3**	**84.6**	**0.0**	**83.5**
Dividend paid					(23.2)	(23.2)
Buyback of treasury shares				(9.2)		(9.2)
Dividend, treasury shares				0.4		0.4
Total changes in equity in 2007	**0.0**	**(3.4)**	**2.3**	**75.8**	**(23.2)**	**51.5**
Equity at 30 June 2007	**116.0**	**9.0**	**0.4**	**796.5**	**0.0**	**921.9**

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1 Accounting policies

The interim financial report for the period 1 January – 30 June 2008 is presented in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The application of IAS 34 means that the presentation is more limited than the presentation of a complete annual report, and that recognition and measurement principles in the international financial reporting standards (IFRS) have been complied with. The interim financial report has not been audited or reviewed by the company's auditors.

The accounting polices are consistent with those applied in the 2007 annual report. The 2007 annual report includes a full description of the accounting policies.

2 Segment information

(Amounts in DKKm)	UK		Germany, Denmark and Benelux*		Eastern Europe		Nordic countries		Eliminations and non-allocated items**		Group total	
Q2	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue, external	118.2	189.5	117.4	124.0	99.3	138.8	70.0	80.3	0.0	0.0	404.9	532.6
Revenue, internal	0.0	2.3	12.9	23.1	0.0	0.0	1.7	0.1	(14.6)	(25.5)	0.0	0.0
EBITDA	14.3	39.2	29.3	42.4	16.6	37.3	2.6	7.5	(10.6)	(1.8)	52.2	124.6
Depreciation and amortisation	(9.6)	(10.5)	(12.6)	(11.7)	(5.6)	(4.6)	(1.7)	(1.7)	(0.2)	(0.2)	(29.7)	(28.7)
EBITA	4.7	28.7	16.7	30.7	11.0	32.7	0.9	5.8	(10.8)	(2.0)	22.5	95.9
Impairment losses	0.0	(8.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(8.3)
EBIT	4.7	20.4	16.7	30.7	11.0	32.7	0.9	5.8	(10.8)	(2.0)	22.5	87.6
Net financing costs	(1.6)	(0.9)	(3.3)	(2.7)	(0.6)	(2.9)	(0.8)	(1.3)	2.5	2.5	(3.8)	(5.3)
Profit before tax	3.1	19.5	13.4	28.0	10.4	29.8	0.1	4.5	(8.3)	0.5	18.7	82.3

(Amounts in DKKm)	UK		Germany, Denmark and Benelux*		Eastern Europe		Nordic countries		Eliminations and non-allocated items**		Group total	
H1	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Revenue, external	246.3	349.4	216.3	224.7	240.4	230.7	118.1	143.9	0.0	0.0	821.1	948.7
Revenue, internal	0.0	2.3	27.2	27.6	0.0	0.0	3.9	0.1	(31.1)	(30.0)	0.0	0.0
EBITDA	33.6	68.1	52.8	70.3	51.1	52.1	2.4	8.2	(18.9)	(8.9)	121.0	189.8
Depreciation and amortisation	(19.4)	(21.3)	(24.7)	(23.1)	(11.2)	(10.0)	(3.5)	(3.6)	(0.4)	(0.4)	(59.2)	-58.4
EBITA	14.2	46.8	28.1	47.2	39.9	42.1	(1.1)	4.6	(19.3)	(9.3)	61.8	131.4
Impairment losses	0.0	(8.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(8.3)
EBIT	14.2	38.5	28.1	47.2	39.9	42.1	(1.1)	4.6	(19.3)	(9.3)	61.8	123.1
Net financing costs	(2.7)	(1.5)	(6.3)	(5.0)	(4.1)	(5.6)	(1.5)	(2.1)	5.4	4.8	(9.2)	(9.4)
Profit before tax	11.5	37.0	21.8	42.2	35.8	36.5	(2.6)	2.5	(13.9)	(4.5)	52.6	113.7

* A company was set up in Belgium in the second quarter of 2008. The company functions as sales subsidiary for German-produced products.

** Eliminations consist of inter-segment transactions. Intra-group trading is on an arm's length basis.

The H+H companies are geographically divided into four segments: UK with four factories; Germany, Denmark and Benelux with three factories in Germany and a sales office in Denmark and Belgium; Eastern Europe with five factories in Poland, one factory in the Czech Republic, a sales office in Ukraine and a sales office in Latvia. In addition, a factory is under construction in St Petersburg. The Nordic segment consists of a factory in Finland and sales offices in Sweden and Norway.

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3 Post-balance sheet events

At the company's Annual General Meeting on 16 April 2008, a resolution was passed authorising the reduction of the share capital by nominally DKK 7,000,000 by cancellation of 70,000 own B shares. The capital reduction was effected on 31 July 2008, and the share capital now amounts to DKK 109,000,000.

No other events have occurred after the balance sheet date that will have a material effect on the company's financial standing.