Interim report
First half 2012

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Design and graphic production meyer & bukdahl as

POSITIVE EBIT DESPITE DETERIORATED EUROPEAN MARKET CONDITIONS

"We have achieved a positive EBIT despite the deterioration in the economic conditions in Europe. The sales conditions remain very difficult. We have succeeded in growing our overseas markets and in the spring and summer we significantly reduced our balance sheet and reduced our debts considerably. We will continue our efforts to trim the balance sheet and adapt our cost structure so that DLH can become profitable even under the prevailing market conditions," says CEO Kent Arentoft.

- Turnover for the first half year amounted to DKK 1,291 million against DKK 1,398 million for the same period last year.
- Growth of 26% in the overseas markets whereas the European markets continue their decline with falls of 16%.
- The lower turnover impacted on profitability for the half year:
  - EBITDA was DKK 16 million against DKK 46 million last year.
  - EBIT was DKK 6 million against DKK 33 million last year.
- Since 31 March 2012 the net interest bearing debt has been reduced by DKK 82 million from DKK 609 million to DKK 527 million.
- The debt reduction has continued after the end of the half year most lately with the announcement on 1 August 2012 of the sale of the group's American warehouse-based hardwood business for DKK 60 million. In addition to this, DLH has entered into an agreement to have DKK 30 million released, which was deposited in connection with the sale of DLH's African forest concessions. In total, this has contributed to a debt reduction of DKK 90 million after the balance sheet date.
- DLH maintains its previously announced expectations for an EBIT margin of around zero percent for the full year 2012. However, the turnover forecast has been adjusted from DKK 2.6-2.7 billion to the level of approx. DKK 2.5 billion.

The Supervisory Board has today approved the interim report for the period 1 January to 30 June 2012.

Contact:
Any enquiries concerning this announcement should be addressed to CEO Kent Arentoft on tel: +45 43 50 01 01.

FINANCIAL HIGHLIGHTS AND RATIOS

	First half year		Second quarter		Full year
(DKK million)	**2012**	**2011**	**2012**	**2011**	**2011**
Income statement:					
Net turnover	1,291	1,398	665	736	2,620
Gross profit	173	209	90	112	399
Costs excl. depreciation and amortisation	(157)	(163)	(80)	(84)	(326)
Operating profit/(loss) before depreciation and amortisation (EBITDA)	16	46	10	29	73
Earnings before interest, tax and amortisation (EBITA)	11	40	8	26	62
Operating profit (EBIT)	6	33	5	22	50
Net financials	(21)	(18)	(13)	(8)	(45)
Profit/(loss) from continuing operations before tax (EBT)	(15)	16	(8)	15	5
Profit/(loss) from continuing operations	(18)	11	(8)	11	8
Profit/(loss) from discontinued operations	(10)	(3)	(10)	1	(6)
Profit/(loss)	(28)	8	(18)	12	2
Balance sheet items:					
Inventory	612	680	612	680	740
Trade receivables	350	452	350	452	350
Total assets	1,577	1,729	1,577	1,729	1,689
Equity	758	784	758	784	776
Average invested capital incl. goodwill	1,201	1,305	1,143	1,311	1,278
Interest-bearing debt, net	527	554	527	554	556
Investments:					
Gross investments, excluding acquisitions	4	10	2	7	20
Hereof investments in tangible assets	2	10	1	7	15
Gross investments, including acquisitions	4	10	2	7	20
Net investments (carrying amount) excluding acquisitions	(3)	10	(1)	7	19
Cash flow:					
Cash flow from operating activities	(53)	(41)	28	40	(59)
Cash flow from investment activities	6	(11)	1	(11)	(20)
Cash flow from financing activities	(30)	(112)	(87)	15	(108)
Performance ratios:					
Gross margin	13.4%	14.9%	13.6%	15.3%	15.2%
Operating margin (EBIT margin)	0.5%	2.4%	0.8%	3.0%	1.9%
Net working capital / turnover	33.0%	35.6%	32.0%	33.9%	36.1%
Return on equity (ROE)	(7.3%)	2.5%	(9.4%)	7.6%	0.2%
Equity ratio	48.0%	45.4%	48.0%	45.4%	45.9%
Return on invested capital including goodwill (ROIC incl. goodwill)	1.9%	6.1%	2.7%	7.8%	4.8%
Average number of employees	572	631	572	631	604
Stock market ratios[1) 2)]:					
Booked value per diluted DKK 5 share (BVPS-D) at end of the period	14	19	14	19	16
Share price, at end of the period (P), DKK	3.78	11.70	3.78	11.70	6.40
Diluted share price / book value (P/BV-D)	0.27	0.61	0.27	0.61	0.39
Average number of diluted shares issued (in denominations of 1,000 shares)	53,566	41,105	53,566	41,105	47,331
Cash flow per diluted DKK 5 share (CFPS-D)	(0.99)	(1.01)	0.53	0.97	(1.25)
Price Earning diluted (P/E-D)	(11.6)	44.5	(11.6)	44.5	39.9
Earnings from continuing operations per DKK 5 share (EPS)	(0.33)	0.26	(0.14)	0.27	0.16

1) Earnings and earnings per share (diluted) have been determined in accordance with IAS 33 "Earnings per share". Other financial ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

2) The denomination of the shares was changed to DKK 5 in connection with the capital increase in April 2011.

MANAGEMENT'S REPORT

Sales and earnings trends
In Q2, DLH experienced a continuation of the difficult market conditions, which began last autumn. A significant slowdown in the group's European main markets means that turnover in the first half year of DKK 1,291 million was 8% below that for the same period last year. In the second quarter the group achieved a turnover of DKK 665 million, which is 10% lower than for the same period last year.

In particular, the group's three large markets, Denmark, Sweden and France, saw a declining turnover. Whereas Europe lay below last year's level the focus on the overseas markets through Global Sales has paid off. Here the group increased its turnover in the first half year by 26% compared to last year despite the fact that the first quarter last year still benefitted from the sale of timber products from the group's own forest concessions.

By and large all markets experienced price pressure across all product categories as a consequence both of the weak market conditions and oversupply. In addition, the relative share of "back-to-back" transactions from the Global Sales business has increased, which means lower margins. This development has resulted in a fall of the gross margin, which in the first half year was 13.4% against 14.9% last year, while in Q2, it was 13.6% against 15.3% last year.

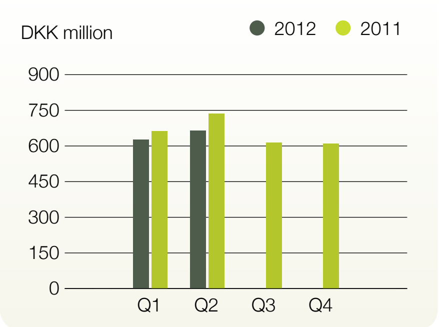
Compared to last year, overhead costs for the half year were reduced by approximately DKK 6 million.

EBIT (earnings before interest and tax) totalled DKK 6 million for the first half year 2012 against DKK 33 million for the same period last year. The group's EBIT margin fell in the half year from 2.4% last year to 0.5% this year.

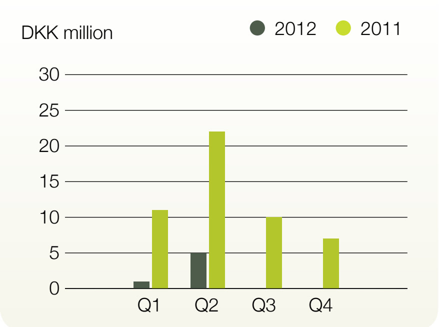
For the first half year net financials increased from DKK 18 million last year to DKK 21 million this year. Last year's financial expenses benefitted from foreign exchange gains of DKK 9 million whereas the current period includes foreign exchange losses of DKK 2 million.

The group's **results after tax** (continuing operations) for the first half year amounted to a loss of DKK 18 million against a profit of DKK 11 million for the equivalent period in 2011.

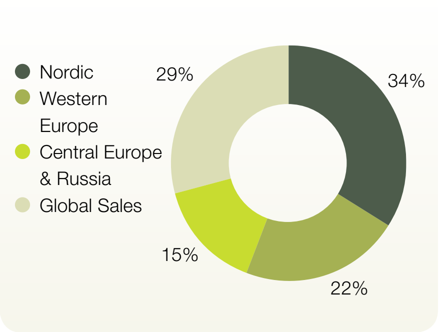
Turnover, quarterly breakdown



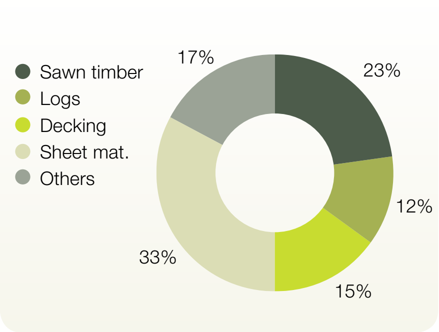
EBIT, quarterly breakdown



Turnover, breakdown for the group



Product mix, breakdown for the group



Cash flow

Cash flow for the period amounted to a minus of DKK 19 million after repayment of subordinate loan and reduction of bank debt totalling DKK 30 million.

Efforts to reduce the assets from discontinued operations continued. A combination of divestments of properties and reduction in working capital contributed with a positive cash flow of DKK 58 million.

Cash flow from investing activities was positive at DKK 6 million due to the low level of investment and the divestment of a number of smaller properties.

Cash flow from primary operations was positive at DKK 3 million while the change in working capital, paid financing expenses and tax contributed negatively at DKK 53 million.

Balance sheet

At the end of the half year the **consolidated balance sheet** was DKK 1,577 million against DKK 1,729 million last year. The group's inventory positions continued to be higher than was desirable as the stock keeping units in Europe saw weaker than planned sales trends in the first half year.

At the end of Q2 2012, the group's **equity** totalled DKK 758 million against equity of DKK 776 million at the end of 2011. By the end of the first half year 2012, **solvency ratio** had increased to 48.0% against 45.4% at the same time last year and 45.9% at the end of the first quarter.

By the end of the half year the group's net interest-bearing debt totalled DKK 527 million – a reduction of DKK 27 million compared to last year and DKK 82 million compared to the previous quarter.

At the balance sheet date, the group had **assets for sale** of DKK 202 million on the balance sheet. This relates, among other things, to a major piece of land in Brazil, some European land and buildings and the American warehouse-based unit, which has been sold after the balance sheet date. In addition inventories and accounts receivable from the group's European Global Sales unit are included.

The item has increased since the last annual accounts in that in Q1 assets amounting to approximately DKK 80 million were transferred from the group's American warehouse-based unit. In addition the decision to close the group's European Global Sales operations resulted in a further DKK 35 million being transferred to assets assigned for sale. The sale of two Swedish properties contributed to a reduction of the item, which overall is at the same level as at the end of Q1.

Financial highlights and ratios for the group

(DKK million)	YTD 2012	YTD 2011	Q2 2012	Q2 2011
Turnover	1,291	1,398	665	736
Gross margin	13.4%	14.9%	13.6%	15.3%
EBIT	6	33	5	22
EBIT margin	0.5%	2.4%	0.8%	3.0%
Organic growth	(7.7%)	(7.7%)	(9.6%)	(11.3%)
NWC/turnover	33.0%	35.6%	32.0%	33.9%
NOA	1,084	1,282	1,084	1,282
ROIC incl. goodwill	1.9%	6.1%	2.7%	7.8%

BUSINESS AREAS

The group's operations are organised into four independent business areas. In three of the independent business areas – the Nordic region, Western Europe and Central Europe & Russia – the group services customers in the industry, DIY centres and, to a lesser extent, the retail sector from its own warehouses. The majority of the turnover derives from Europe. The fourth business area, Global Sales, operates internationally with "back to back" trading in hardwood and sheet materials.

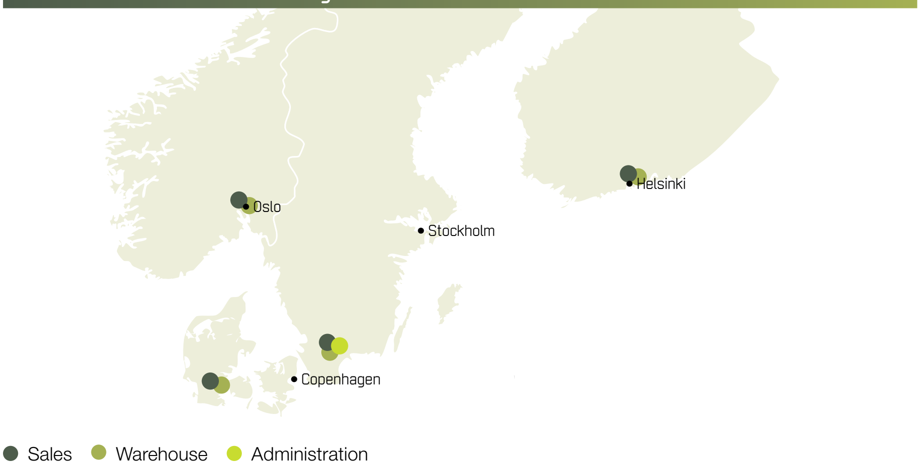
The Nordic region

The slowdown in the Scandinavian market increased in Q2 in both Denmark and Sweden. The region's turnover amounted to DKK 210 million for the second quarter against DKK 274 million for the same period last year, equating to a decline of 23%. For the year to date, turnover for the region fell by 19% from DKK 534 million to DKK 432 million. To a lesser extent, the decline covers the distribution segment whereas the industry segment was harder hit.

Sales in the region were affected by a fire early in the year at a major supplier, which resulted in declining supplies and lower gross margin because compensatory and more expensive goods had to be purchased. Similarly lower sales to the industry segment reduced gross margin. The lower turnover combined with the squeezed gross margin is, to a lesser extent, compensated for by selective price increases and lower overhead costs.

Working capital measured in proportion to turnover rose from 23% to 27% as a consequence of the sharp slowdown in sales in Q2.

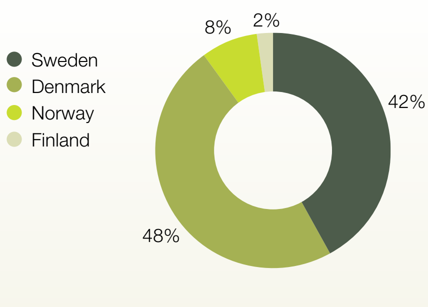
DLH's facilities in the Nordic region as at end June 2012



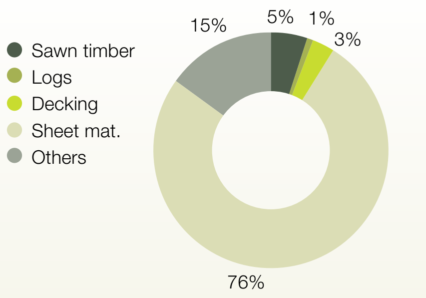
Financial highlights and ratios for the Nordic region

(DKK million)	YTD 2012	YTD 2011	Q2 2012	Q2 2011
Turnover	432	534	210	274
Gross margin	14.5%	16.2%	14.8%	16.3%
EBIT	2	19	1	11
EBIT margin	0.4%	3.5%	0.3%	4.0%
Organic growth	(19.0%)	12.5%	(23.4%)	7.9%
NWC/turnover	27.3%	22.8%	28.1%	22.2%
NOA	444	489	444	489
ROIC	3.9%	11.8%	3.6%	13.5%

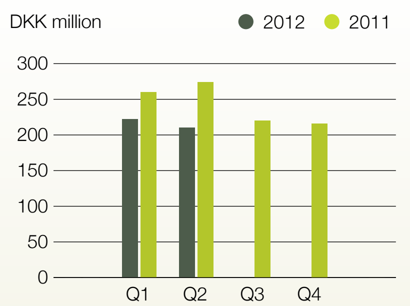
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



Western Europe

The downturn spread in Q2 to encompass all markets in the region, which comprise France, the Netherlands, Belgium, and Germany. Overall the region posted a turnover for the half year of DKK 290 million against DKK 354 million in 2011 which equates to negative organic growth of 18%. Turnover for the quarter totalled DKK 139 million against DKK 185 million last year which equates to negative organic growth of 25%.

The introduction of sheet products in 2011 has contributed positively to the development: sheet products accounted for 8% of the region's total turnover in Q2. All markets experienced continuing price pressure. Combined with growth in the sheet business, which operates with lower gross margin, this has meant that the region's gross margin for the half year fell to 15.1% from 16.7%.

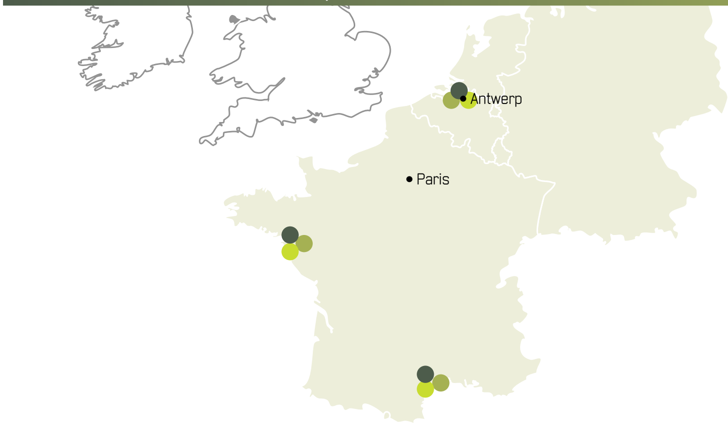
The largest market in the region, France, saw reduced demand from the construction industry while activity in the distribution segment saw only a slight downturn. In general, the French market continued to be characterised by political uncertainty due to the presidential election and the impact of a number of neighbouring countries' difficult economic challenges. Moreover, the half year was negatively affected by a fall in log trading from Africa where the group still had its own forest concessions in Q1 last year.

The Dutch market continued to show signs of weakness and a pending political situation concerning interest deduction entitlement increased the slowdown in the construction sector. The decline also spread to Belgium to some extent, which owing to its broader product portfolio was less affected. The German market, where we supply decking to the distribution segment, experienced a slight slowdown in Q2 primarily against the backdrop of the general uncertainty regarding the European economy and an oversupply of goods in the market.

For the half year, the region's cost level was at the same level as the previous year. The lower sales activity and the falling margin therefore meant that EBIT fell from DKK 31 million to DKK 16 million.

As all markets in the region are classic warehouse sales markets, where purchasing is undertaken in the autumn, capital tie-up is higher than desired. The region, therefore, achieved a lower return on invested capital than for the same period last year.

DLH's facilities in Western Europe as at end June 2012

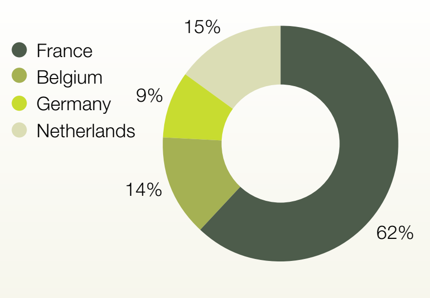


Sales Warehouse Administration

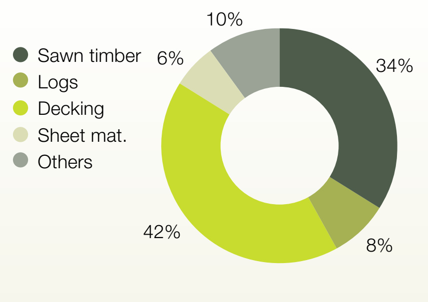
Financial highlights and ratios for Western Europe

(DKK million)	YTD 2012	YTD 2011	Q2 2012	Q2 2011
Turnover	290	354	139	185
Gross margin	15.1%	16.7%	14.8%	17.5%
EBIT	16	31	7	17
EBIT margin	5.4%	8.7%	4.8%	9.4%
Organic growth	(18.2%)	4.1%	(24.7%)	(1.0%)
NWC/turnover	53.1%	41.4%	55.2%	39.6%
NOA	302	281	302	281
ROIC	9.9%	20.4%	8.7%	23.3%

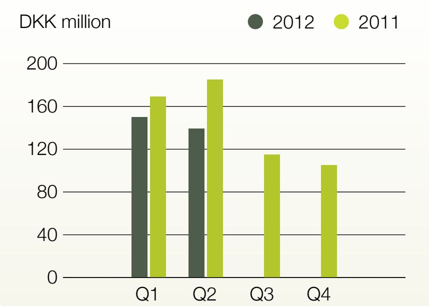
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



Central Europe & Russia

The region's activities cover primarily Poland and Russia, but also include Slovakia, the Czech Republic and Ukraine.

In Poland, the half year showed a decline primarily in the sheet business where both demand and price level were lower than last year. The decking business, however, is showing a highly satisfactory trend following the introduction of new products of larchwood and composite materials.

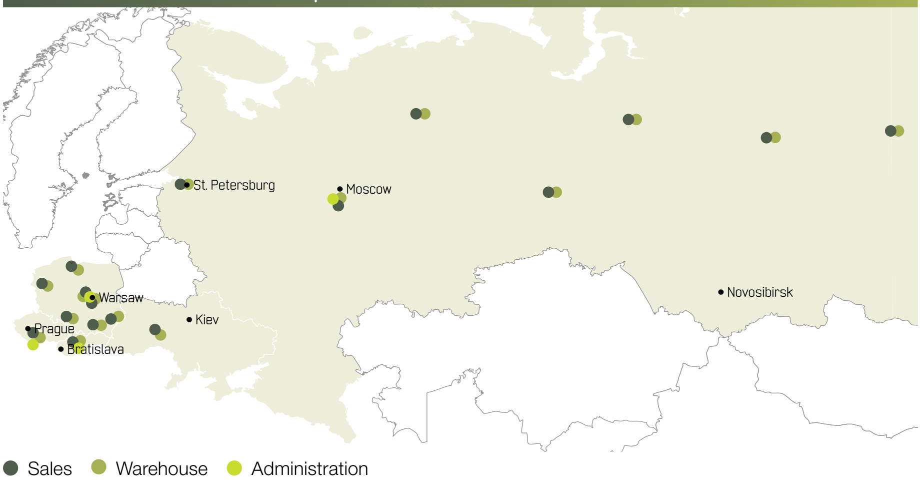
The activity in Russia is on a par with last year, both for the quarter and for the half year. The Russian business continues to largely be based on veneer products for the industry. Efforts are being made to broaden the product portfolio and sheet products increased their share of turnover during the quarter.

Overall the region's turnover for the half year showed negative organic growth of 8% to DKK 199 million. For the second quarter the negative organic growth was 9% to DKK 108 million.

Gross margin was marginally below last year's level largely because of the product mix changes in Russia.

Slightly lower overhead costs compensated only partly for the lower turnover and margin, which is why earnings compared to the same period last year fell by DKK 3 million. The working capital was reduced in both absolute and relative terms.

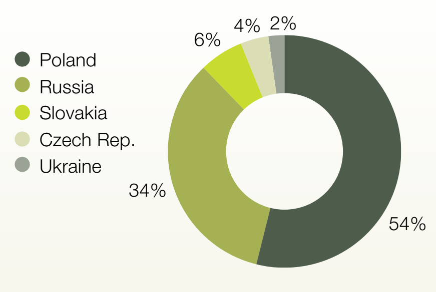
DLH's facilities in Central Europe & Russia as at end June 2012



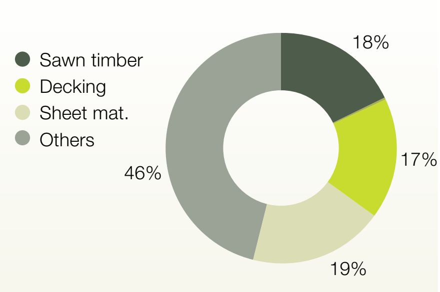
Financial highlights and ratios for Central Europe & Russia

(DKK million)	YTD 2012	YTD 2011	Q2 2012	Q2 2011
Turnover	199	217	108	119
Gross margin	18.7%	19.5%	19.4%	20.5%
EBIT	5	8	4	7
EBIT margin	2.5%	3.6%	3.8%	5.9%
Organic growth	(8.1%)	(2.5%)	(9.3%)	(8.6%)
NWC/turnover	36.5%	39.3%	33.8%	35.9%
NOA	167	204	167	204
ROIC	5.7%	7.8%	9.5%	13.6%

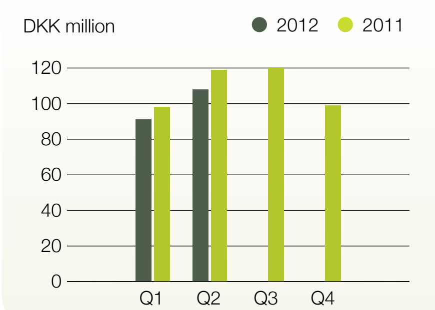
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



Global Sales

Total turnover amounted to DKK 367 million compared to DKK 292 million last year. This was driven by a rise in the second quarter of DKK 50 million to DKK 207 million. In the half year Global Sales achieved organic growth of 26% compared to the same period last year. Vietnam and China accounted for a turnover increase of around 35% and 20% respectively while growth also continued to be achieved in all new focus areas, i.e. India, South America and sheet trading in the US.

In Q2 the Global Sales organisation concluded a major transformation in which a number of logistics and administrative functions were transferred from Denmark to Hong Kong. In addition, new offices in Dubai and the US were established. This has entailed a number of initial costs of around DKK 6 million through the setting up of new offices, redundancy payments and double staffing throughout most of the first half year. The savings from these initiatives will begin to make their impact in the second half year.

In the half year, Global Sales earnings were lower than last year as the effect of the higher turnover was reduced by the lower gross margin and one-off costs. In the first quarter of 2011, the group posted a turnover, especially from logs from its own forest concessions, at a higher margin. In the second quarter 2012, turnover was realised at a higher gross margin and therefore ensures higher earnings than in the same period last year.

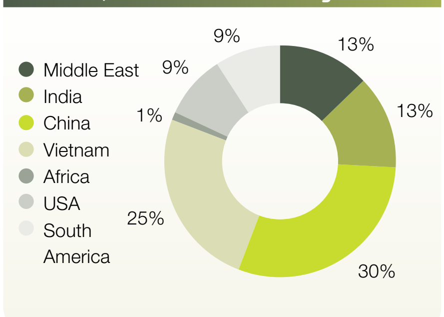
DLH's facilities in Global Sales as at end June 2012

Financial highlights and ratios for Global Sales

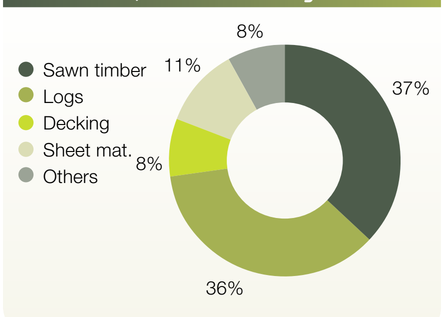
(DKK million)	YTD 2012	YTD 2011	Q2 2012	Q2 2011
Turnover	367	292	207	157
Gross margin	8.1%	8.6%	8.5%	8.2%
EBIT	4	8	5	3
EBIT margin	1.2%	2.7%	2.3%	2.1%
Organic growth	25.9%	(18.0%)	31.9%	(23.1%)
NWC/turnover	20.3%	19.2%	18.0%	17.8%
NOA	148	109	148	109
ROIC	5.8%	17.9%	12.3%	13.6%

The warehouse-based activity in the Global Sales business in Europe has been transferred to discontinued operations (see the paragraph on "discontinued operations".

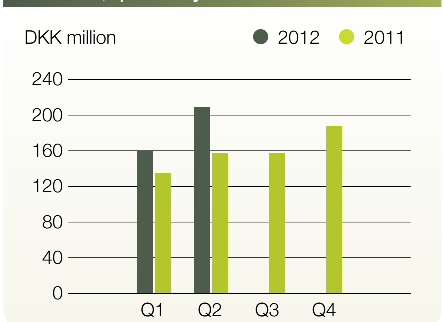
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



DISCONTINUED OPERATIONS

In Q2 two properties in Sweden were sold with proceeds totalling DKK 30 million. One of the properties was sold with a small profit over booked values while the other property was sold at a price below the booked value. Including the associated divestment and closure costs, around DKK 7 million has been expensed.

The European markets, which were served by Global Sales, with the main emphasis on Spain and Portugal, continued to decline as a result of developments in the regional economies and customers' lack of access to finance. These activities, which were built on a stock-based business model, were closed. The result for discontinued activities is affected negatively by some DKK 3 million. On the backdrop of this, assets for DKK 35 million was transferred to discontinued operations. The comparative figures have been restated accordingly.

OUTLOOK

DLH maintains its previously announced expectations for an EBIT margin of around zero percent for the full year 2012. However, the turnover forecast has been adjusted from DKK 2.6-2.7 billion to approx. DKK 2.5 billion following the transfer of the European Global Sales business area to discontinued activities a.o.

EVENTS AFTER THE END OF THE PERIOD

On 1 August the company announced the sale of its American warehouse-based hardwood business, Inter-Continental Hardwoods Inc. (ICH), for DKK 60 million. The transaction, which is based on sale of assets, will result in an accounting loss of DKK 22 million, which will be expensed in the third quarter under discontinued operations. In addition to this, DLH has entered into an agreement to have DKK 30 million released, which was deposited in connection with the sale of the group's African forest concessions. In total, this has contributed to a debt reduction of DKK 90 million after the balance sheet date.

STOCK EXCHANGE ANNOUNCEMENTS IN 2012

8 March 2012	Annual Report 2011: A landmark year for DLH
12 April 2012	Annual General Meeting
15 May 2012	Q1 2012 Report
1 August 2012	Divestment of American activities
23 August 2012	Q2 2012 Report

FINANCIAL CALENDAR 2012

19 November 2012	Q3 2012 Report

MANAGEMENT'S STATEMENT ON THE INTERIM REPORT

The Supervisory Board and the Executive Board have today considered and adopted the interim report for the period 1 January - 30 June 2012 for Dalhoff Larsen & Horneman A/S.

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

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position as at 30 June 2012 and of the results of the group's operations and cash flow for the period 1 January - 30 June 2012.

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

Høje Taastrup, 23 August 2012

Executive Board:

Kent Arentoft
(CEO)

Supervisory Board:

Kurt Anker Nielsen (Chairman)	Kristian Kolding (Vice-Chairman)	Jesper Birkefeldt
Lars Green	Ann Høy-Thomsen	Aksel Lauesgaard Nissen
Agnete Raaschou-Nielsen	John Stær	

INTERIM ACCOUNTS

INCOME STATEMENT

	First half year		Second quarter		Full year
(DKK million)	**2012**	**2011**	**2012**	**2011**	**2011**
Net turnover	1,290.5	1,397.8	665.2	735.5	2,619.5
Cost of sales	(1,117.7)	(1,188.9)	(575.0)	(623.1)	(2,220.7)
Gross profit	**172.8**	**208.9**	**90.2**	**112.4**	**398.8**
Other external expenses	(75.8)	(77.3)	(38.3)	(40.5)	(155.0)
Staff costs	(84.9)	(87.9)	(42.2)	(45.2)	(175.2)
Other operating income	7.1	3.9	3.0	2.9	10.3
Other operating expenses	(3.5)	(1.6)	(2.8)	(0.9)	(5.7)
Operating profit before depreciation and amortisation (EBITDA)	**15.7**	**46.0**	**9.9**	**28.7**	**73.2**
Depreciation and amortisation	(9.8)	(12.6)	(4.9)	(6.4)	(23.0)
Operating profit/(loss) (EBIT)	**5.9**	**33.4**	**5.0**	**22.3**	**50.2**
Financial items:					
Financial income	0.4	7.2	0.2	0.1	4.0
Financial expenses	(21.5)	(25.1)	(13.1)	(7.9)	(49.0)
Profit/(loss) for continuing operations before tax (EBT)	**(15.2)**	**15.5**	**(7.9)**	**14.5**	**5.2**
Tax for the period on the profit/loss from continuing operations	(2.3)	(4.7)	0.3	(3.6)	2.4
Profit/(loss) for the period for continuing operations	**(17.5)**	**10.8**	**(7.6)**	**10.9**	**7.6**
Profit/(loss) for the period for discontinued operations	(10.5)	(2.7)	(10.5)	1.2	(5.9)
Profit/(loss) for the period	**(28.0)**	**8.1**	**(18.1)**	**12.1**	**1.7**
To be appropriated as follows:					
Shareholders in Dalhoff Larsen & Horneman A/S	(28.0)	8.1	(18.1)	12.1	1.7
Earnings per share:					
Earnings per share (EPS)	(0.52)	0.20	(0.34)	0.29	0.04
Diluted earnings per share (EPS-D)	(0.52)	0.20	(0.34)	0.29	0.04
Earnings per share for continuing operations	(0.33)	0.26	(0.14)	0.27	0.16
Earnings per share diluted for continuing operations	(0.33)	0.26	(0.14)	0.27	0.16

COMPREHENSIVE INCOME STATEMENT

	First half year		Second quarter		Full year
(DKK million)	**2012**	**2011**	**2012**	**2011**	**2011**
Profit/(loss) for the period	**(28.0)**	**8.1**	**(18.1)**	**12.1**	**1.7**
Other comprehensive income:					
Foreign currency translation adjustments on conversion of foreign entities	8.4	(7.7)	2.1	(6.0)	(0.5)
Foreign exchange gains/(losses) on hedging instruments concluded to hedge investments in foreign entities	-	(1.9)	-	-	(1.9)
Foreign currency translation adjustments transferred to profits for the period for discontinued activities	-	5.7	-	-	3.0
Value adjustment of hedging instruments:					
Value adjustment for the period	1.9	(1.6)	(0.8)	0.7	(4.6)
Value adjustment transferred to net financials	(0.3)	3.2	(0.8)	-	3.2
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	(4.3)
Tax on other comprehensive income	-	-	-	-	0.5
Other comprehensive income after tax	**10.0**	**(2.3)**	**0.5**	**(5.3)**	**(4.6)**
Total comprehensive income	**(18.0)**	**5.8**	**(17.6)**	**6.8**	**(2.9)**
This may be broken down as follows:					
Comprehensive income for the period, continuing operations	(14.7)	3.3	(14.0)	8.2	(11.9)
Comprehensive income for the period, discontinued operations	(3.3)	2.5	(3.6)	(1.4)	9.0
To be appropriated as follows:					
Shareholders in Dalhoff Larsen & Horneman A/S	(18.0)	5.8	(17.6)	6.8	(2.9)

BALANCE SHEET

Assets

(DKK million)	Group 30.6.2012	Group 30.6.2011	Group 31.12.2011
Non-current assets:			
Intangible assets:			
Goodwill	145.0	141.0	144.1
Other intangible assets	72.8	75.0	74.9
	217.8	**216.0**	**219.0**
Property, plant and equipment	**73.0**	**141.9**	**106.1**
Other non-current assets:			
Other investments and securities	3.8	3.8	3.8
Deferred tax	43.5	38.7	49.7
	47.3	**42.5**	**53.5**
Total non-current assets	**338.1**	**400.4**	**378.6**
Current assets:			
Inventories:			
Manufactured goods and goods for resale	588.5	642.2	712.0
Prepayments for goods	23.9	37.8	27.7
	612.4	**680.0**	**739.7**
Receivables:			
Trade receivables	350.4	452.3	349.7
Other receivables	46.4	56.0	55.9
	396.8	**508.3**	**405.6**
Cash	27.1	65.8	45.5
Assets held for sale	202.2	74.3	119.3
Total current assets	**1,238.5**	**1,328.4**	**1,310.1**
Total assets	**1,576.6**	**1,728.8**	**1,688.7**

BALANCE SHEET

Equity and liabilities

(DKK million)	Group 30.6.2012	30.6.2011	Group 31.12.2011
Equity:			
Share capital	267.8	267.8	267.8
Hedging reserve	(3.0)	(1.6)	(4.6)
Foreign currency translation adjustment reserve	(32.6)	(45.5)	(41.0)
Retained earnings	525.3	563.6	553.7
Total equity	**757.5**	**784.3**	**775.9**
Non-current liabilities:			
Pensions and similar liabilities	13.5	10.3	13.1
Deferred tax	20.3	30.0	20.5
Provisions	14.9	16.7	17.4
Subordinated loan capital	18.6	37.3	37.2
Credit institutions	515.5	545.7	534.5
Leasing commitments	0.6	0.8	0.7
	583.4	**640.8**	**623.4**
Current liabilities:			
Trade and other payables	180.2	226.0	222.2
Current portion of non-current liabilities	18.6	19.0	18.8
Corporate income tax	5.3	(3.0)	12.8
Provisions	5.4	14.6	9.5
Deferred income	0.1	3.1	0.7
	209.6	**259.7**	**264.0**
Liabilities relating to assets held for sale	26.1	44.0	25.4
Total liabilities	**819.1**	**944.5**	**912.8**
Total equity and liabilities	**1,576.6**	**1,728.8**	**1,688.7**

CASH FLOW STATEMENT

		First half year		Second quarter		Full year
Note	**(DKK million)**	**2012**	**2011**	**2012**	**2011**	**2011**
	Profit/(loss) before tax for continuing operations	(15.2)	15.5	(7.9)	14.5	5.2
8	Adjustment for non-cash operating items etc.	17.9	1.2	15.9	6.8	(12.2)
	Cash flow from operating activities before change in working capital	**2.7**	**16.7**	**8.0**	**21.3**	**(7.0)**
9	Change in working capital	(32.6)	2.7	33.6	47.1	39.7
	Operating cash flow	**(29.9)**	**19.4**	**41.6**	**68.4**	**32.7**
	Financial income, received	0.4	7.2	0.2	0.1	4.0
	Financial expenses, paid	(20.6)	(49.3)	(11.5)	(17.9)	(68.2)
	Income taxes paid/refunded	(2.9)	(18.7)	(2.0)	(10.7)	(27.9)
	Cash flow from operating activities	**(53.0)**	**(41.4)**	**28.3**	**(39.9)**	**(59,4)**
	Acquisition of intangible assets	(1.9)	(0.3)	(0.7)	(0.3)	(4.8)
	Acquisition of tangible assets	(1.8)	(9.6)	(0.7)	(6.9)	(15.0)
	Sale of intangible and tangible assets	10.1	0.7	2.7	0.6	1.4
	Realised foreign exchange gains/(losses) on hedged net investments denominated in foreign currencies	-	(1.9)	-	(4.2)	(1.9)
	Cash flow from investment activities	**6.4**	**(11.1)**	**1.3**	**(10.8)**	**(20.3)**
	Cash flow from operating activities and after investments	**(46.6)**	**(52.5)**	**29.6**	**29.1**	**(79.7)**
	Repayment of leasing commitments	(0.3)	(0.2)	(0.2)	(0.1)	(0.5)
	Repayment of subordinated loan	(18.6)	(106.0)	-	(106.0)	(106.0)
	Capital increase	-	249.0	-	249.0	249.0
	Sale of treasury shares	-	1.9	-	-	1.9
	Repayment of debt from credit institutions	(11.5)	(256.3)	(86.9)	(127.8)	(252.5)
	Cash flow from financing activities	**(30.4)**	**(111.6)**	**(87.1)**	**15.1**	**(108.1)**
6	Cash flow from discontinued operations	58.5	167.7	47.7	(3.5)	171.6
	Cash flow for the period	**(18.5)**	**3.6**	**(9.8)**	**40.7**	**(16.2)**
	Cash at 1 January	51.4	68.3	43.1	31.1	68.3
	Foreign currency translation adjustment of cash	0.3	(0.2)	(0.1)	(0.1)	(0.7)
7	Cash at 30 June / 31 December	33.2	71.7	33.2	71.7	51.4

STATEMENT OF CHANGES IN EQUITY

(DKK million)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2011	**178.6**	**(3.2)**	**(41.6)**	**393.7**	**-**	**527.5**
Comprehensive income for 2011:						
Profit/(loss) for the period	-	-	-	8.1	-	8.1
Other comprehensive income:						
Foreign currency translation adjustments on conversion of foreign entities	-	-	(7.7)	-	-	(7.7)
Foreign exchange gains/(losses) on hedging instruments concluded to hedge investments in foreign entities	-	-	(1.9)	-	-	(1.9)
Foreign currency adjustments transferred to profit/loss, discontinued operations	-	-	5.7	-	-	5.7
Value adjustment of hedging instruments:						
Value adjustments for the period	-	(1.6)	-	-	-	(1.6)
Value adjustments transferred to financial items	-	3.2	-	-	-	3.2
Other comprehensive income in total	**-**	**1.6**	**(3.9)**	**-**	**-**	**(2.3)**
Total comprehensive income for the period	**-**	**1.6**	**(3.9)**	**8.1**	**-**	**5.8**
Transactions with owners:						
Sale of subscription rights on treasury shares	-	-	-	1.9	-	1.9
Capital reduction	(89.3)	-	-	89.3	-	-
Capital increase	178.5	-	-	98.3	-	276.8
Expenses connected to capital increase	-	-	-	(27.8)	-	(27.8)
Other	-	-	-	0.4	-	0.4
Total transactions with owners	**89.2**	**-**	**-**	**162.1**	**-**	**251.3**
Equity at 30 June 2011	**267.8**	**(1.6)**	**(45.5)**	**563.6**	**-**	**784.3**

STATEMENT OF CHANGES IN EQUITY

(DKK million)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2012	**267.8**	**(4.6)**	**(41.0)**	**553.7**	**-**	**775.9**
Comprehensive income for the period:						
Profit/(loss) for the period	-	-	-	(28.0)	-	(28.0)
Other comprehensive income:						
Foreign currency translation adjustments on conversion of foreign operations	-	-	8.4	-	-	8.4
Value adjustment of hedging instruments:						
Value adjustments for the period	-	1.9	-	-	-	1.9
Value adjustments transferred to financial items	-	(0.3)	-	-	-	(0.3)
Other comprehensive income in total	**-**	**1.6**	**8.4**	**-**	**-**	**10.0**
Total comprehensive income for the period	**-**	**1.6**	**8.4**	**(28.0)**	**-**	**(18.0)**
Transactions with owners:						
Share-based remuneration	-	-	-	(0.4)	-	(0.4)
Total transactions with owners	**-**	**-**	**-**	**(0.4)**	**-**	**(0.4)**
Equity at 30 June 2012	**267.8**	**(3.0)**	**(32.6)**	**525.3**	**-**	**757.5**

NOTES

Note 1 Accounting policies applied

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional disclosure requirements for the interim reports of listed companies.

Apart from what has been set out below, the accounting policies remain unchanged compared to the 2011 consolidated financial statements and annual report to which reference is made.

The 2011 consolidated financial statements and annual report contain the full details of the accounting policies applied.

Change in accounting policies:
With effect from 1 January, 2012, DLH has implemented Amendments to IFRS 7, IFRS 1 and IAS 12.

The new financial reporting standards and interpretations have no impact on recognition and measurement.

Note 2 Accounting assessments and estimates

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

The significant assessments made by the management when applying the group's accounting policies and related estimation uncertainty are identical in the preparation of the interim report and in the preparation of the consolidated financial statements and annual report of 31 December 2011.

The most significant assessment uncertainties relate to the following items: goodwill, inventories, trade receivables, provisions and deferred tax.

Note 3 Risk management policies

Financial risks and risk management policies are generally unchanged compared to the 2011 consolidated financial statements and annual report to which reference is made.

NOTES

Note 4 Segment information

(DKK million) First half year 2012	Nordic	Western Europe	Central Europe & Russia	Global Sales	Non-allocated/ eliminations	Group total
Turnover	432.6	292.8	199.1	367.4	14.8	1,306.7
Intra-group turnover	(0.2)	(3.1)	(0.1)	-	(12.8)	(16.2)
Net turnover to external customers	432.4	289.7	199.0	367.4	2.0	1,290.5
Operating profit/(loss) (EBIT)	1.9	15.7	5.0	4.3	(21.0)	5.9
Profit/(loss) before tax (EBT)	(3.7)	11.8	(0.5)	12.0	(34.8)	(15.2)
NOA	443.6	301.7	166.6	148.1	24.4	1,084.4

(DKK million) First half year 2011	Nordic	Western Europe	Central Europe & Russia	Global Sales	Non-allocated/ eliminations	Group total
Turnover	539.6	356.8	216.9	295.6	54.4	1,463.3
Intra-group turnover	(5.5)	(2.6)	(0.3)	(3.7)	(53.4)	(65.5)
Net turnover to external customers	534.1	354.2	216.6	291.9	1.0	1,397.8
Operating profit/(loss) (EBIT)	18.9	31.0	7.8	7.9	(32.2)	33.4
Profit/(loss) before tax (EBT)	15.1	27.0	2.8	5.3	(34.7)	15.5
NOA	488.9	281.4	204.0	108.7	199.3	1,282.3

(DKK million) Second quarter 2012	Nordic	Western Europe	Central Europe & Russia	Global Sales	Non-allocated/ eliminations	Group total
Turnover	210.1	142.3	107.6	207.2	5.9	673.1
Intra-group turnover	-	(2.9)	-	-	(5.0)	(7.9)
Net turnover to external customers	210.1	139.4	107.6	207.2	0.9	665.2
Operating profit/(loss) (EBIT	0.6	6.7	4.0	4.7	(11.0)	5.0
Profit/(loss) before tax (EBT)	(3.1)	4.4	0.8	12.5	(22.5)	(7.9)

NOTES

Note 4 Segment information – continued

(DKK million) Second quarter 2011	Nordic	Western Europe	Central Europe & Russia	Global Sales	Non-allocated/ eliminations	Group total
Turnover	276.9	186.5	118.9	157.5	4.5	744.3
Intra-group turnover	(2.8)	(1.4)	(0.2)	(0.4)	(4.0)	(8.8)
Net turnover to external customers	274.1	185.1	118.7	157.1	0.5	735.5
Operating profit/(loss) (EBIT)	11.1	17.4	7.0	3.4	(16.6)	22.3
Profit/(loss) before tax (EBT)	9.6	14.7	4.4	1.9	(16.1)	14.5

Note 5 Seasonal issues

The group's activities are seasonal and influenced by the weather a.o.

Note 6 Discontinued operations and assets held for sale

In 2010, the group announced that it would seek to sell all forest and production operations. As a consequence, these activities were recognised as discontinued operations. These activities mainly comprised forestry and production activities in Africa and Malaysia, but also production operations in other countries, including Brazil, Sweden, Poland, the Netherlands and USA.

A number of sales companies, including those in Germany, the UK and the Baltics, which handled the sale of timber from own production, as well as head office functions, were consequently sold or wound up and were, therefore, also included in discontinued operations in 2010.

In 2010 sales of operations in Malaysia, Holland and the US were completed.

Early January 2011, sales of operations in Africa and later in the first half of that year, the sale of operations in the UK and Germany were completed. However, the sale of a number of properties linked to previous production activities was not completed. In 2011 discontinued operations within forestry and production operations contain an adjustment of provisions for guarantee commitments, operations in the UK and Germany in the period until the sale in the first half year 2011, costs relating to unsold production facilities in Sweden, Poland and Brazil and costs relating to the share of the head office, which was associated previously with the forestry and production segment.

In 2011 DLH decided to wind up its operations within sales to the distribution segment in Norway and within sales to the distribution and industry segment in Finland. As the operations constituted reporting entities in separate geographical areas, they are recognised as discontinued activities, which in 2011 comprise normal operations until the wind-up, as well as provisions for severance and other special costs connected to the wind-up.

In total, discontinued operations in 2011 thus comprise remaining operations from forestry and production, including Germany, the UK and the unsold production properties as well as activities within sales in Norway and Finland.

On 8 March 2012 the group announced that it would sell its American warehouse-based business, Inter-Continental Hardwoods Inc.

The warehouse-based European Global Sales unit is to be phased out and has, therefore, now been transferred to discontinued activities.

In total, the discontinued operations contributed with a loss of DKK 10 million in the first half year 2012 against a loss of DKK 3 million in 2011.

NOTES

Note 6 Discontinued operations and assets held for sale – continued

(DKK million)	First half year 2012	First half year 2011	Second quarter 2012	Second quarter 2011	Full year 2011
Net turnover	128.3	291.2	51.3	116.6	468.1
Cost of sales	(110.6)	(252.2)	(45.5)	(97.7)	(404.9)
Gross profit	**17.7**	**39.0**	**5.8**	**18.9**	**63.2**
Other operating income, net	(4.9)	5.0	(5.3)	0.6	6.7
Other external expenses	(20.4)	(21.0)	(11.0)	(9.1)	(48.0)
Staff costs	(14.8)	(11.1)	(7.8)	(5.2)	(26.9)
Operating profit/(loss) before depreciation and amortisation (EBITDA)	**(22.4)**	**11.9**	**(18.3)**	**5.2**	**(5.0)**
Depreciation and amortisation	(2.1)	(1.6)	(1.3)	(0.6)	(3.3)
Operating profit/(loss) (EBIT)	**(24.5)**	**10.3**	**(19.6)**	**4.6**	**(8.3)**
Financial items:					
Financial income	1.0	1.3	0.6	0.1	2.7
Financial expenses	(4.5)	(4.6)	(3.6)	(1.9)	(10.3)
Profit/(loss) before tax (EBT)	**(28.0)**	**7.0**	**(22.6)**	**2.8**	**(15.9)**
Estimated tax on results for the period	1.3	(2.6)	0.6	(1.3)	(2.1)
Profit/(loss) for the period	**(26.7)**	**4.4**	**(22.0)**	**1.5**	**(18.0)**
Loss/gain from sale of discontinued operations	16.2	(7.1)	11.5	(0.3)	12.1
Profit/(loss) for the period for discontinued operations	(10.5)	(2.7)	(10.5)	1.2	(5.9)
Earnings per share for discontinued operations:					
Earnings per share (EPS)	(0.19)	(0.06)	(0.20)	0.02	(0.12)
Earnings per share diluted (EPS-D)	(0.19)	(0.06)	(0.20)	0.02	(0.12)
Cash flow from discontinued operations, net:					
Cash flow from operating activities	42.0	(25.7)	25.5	(12.9)	(24.3)
Cash flow from investment activities	26.2	243.2	27.8	(0.3)	255.5
Cash flow from financing activities	(9.7)	(49.8)	(5.6)	9.7	(59.6)
Total	**58.5**	**167.7**	**47.7**	**(3.5)**	**171.6**

(DKK million)	30.6.2012	30.6.2011	31.12.2011
Intangible assets	2.5	-	1.1
Tangible assets	64.4	40.9	73.6
Other non-current assets	8.2	-	0.4
Inventories	59.8	4.6	13.7
Trade receivables	28.3	12.5	3.2
Other receivables	32.9	10.4	21.4
Cash	6.1	5.9	5.9
Assets held for sale in total	**202.2**	**74.3**	**119.3**
Credit institutions	6.6	-	3.8
Trade payables	4.3	0.6	2.6
Other liabilities	15.2	43.4	19.0
Payables relating to assets held for sale in total	**26.1**	**44.0**	**25.4**

NOTES

Note 7 Cash

(DKK million)	30.6.2012	30.6.2011	31.12.2011
Cash	27.1	65.8	45.5
Cash classified as assets held for sale	6.1	5.9	5.9
Cash total	**33.2**	**71.7**	**51.4**

Note 8 Non-cash operating items etc.

	First half year		Second quarter		Full year
(DKK million)	2012	2011	2012	2011	2011
Depreciation, amortisation and impairment losses	9.8	12.6	4.9	6.4	23.0
Inventory write-downs, (incl. prepayments)	(1.1)	(29.2)	3.0	(15.2)	(63.5)
Provisions/(reversals) for trade receivables	(0.2)	(1.1)	0.4	(0.7)	(3.6)
Other non-cash operating items, net	(6.3)	15.3	(4.7)	8.2	7.6
Provisions/(reversals)	(5.4)	(14.3)	(0.6)	0.3	(20.7)
Financial income	(0.4)	(7.2)	(0.2)	(0.1)	(4.0)
Financial expenses	21.5	25.1	13.1	7.9	49.0
Non-cash operating items etc. total	**17.9**	**1.2**	**15.9**	**6.8**	**(12.2)**

Note 9 Change in working capital

Inventories (incl. prepayments)	38.4	102.1	35.1	81.3	48.3
Trade receivables	(36.8)	(125.0)	14.2	(46.4)	(40.7)
Trade and other payables	(34.8)	10.6	(9.7)	9.7	12.5
Other operating debt, net	0.6	15.0	(6.0)	2.5	19.6
Change in working capital total	**(32.6)**	**2.7**	**33.6**	**47.1**	**39.7**

Note 10 Provisions

In December 2011, the group made further restructuring provisions totalling DKK 7.6 million. The restructuring plan includes severance payments to employees, rent etc. and at the end of 2011, totalled DKK 26.9 million. In the first half year of 2012, DKK 6.6 million of the provision was used in accordance with the restructuring plan.

APPENDIX

Appendix 1 Consolidated financial highlights and ratios divided into business areas

Financial highlights and ratios for the Nordic region (DKK million)	**Q1 2012**	**Q1 2011**	**Q2 2012**	*Q2 2011*	*Q3 2011*	*Q4 2011*
Turnover	222	260	210	*274*	*220*	216
Gross margin	14.2%	16.1%	14.8%	*16.3%*	*16.4%*	15.3%
EBIT	1	8	1	*11*	*7*	(1)
EBIT margin	0.6%	3.0%	0.3%	*4.0%*	*3.4%*	(0.3%)
Organic growth	(14.4%)	17.9%	(23.4%)	*7.9%*	*(8.9%)*	(8.4%)
NWC/turnover	26.3%	27.7%	28.1%	*22.2%*	*28.1%*	23.7%
NOA	464	533	444	*489*	*476*	453
ROIC excl. goodwill	4.1%	10.1%	3.6%	*13.5%*	*10.3%*	*2.3%*

Financial highlights and ratios for Western Europe (DKK million)						
Turnover	151	169	139	*185*	*115*	*105*
Gross margin	15.4%	15.8%	14.8%	*17.5%*	*18.2%*	*17.6%*
EBIT	9	14	7	*17*	*7*	4
EBIT margin	6.0%	8.0%	4.8%	*9.4%*	*5.6%*	3.5%
Organic growth	(11.1%)	10.2%	(24.7%)	*(1.0%)*	*(4.3%)*	(11.3%)
NWC/turnover	56.2%	49.0%	55.2%	*39.6%*	*59.0%*	70.9%
NOA	336	324	302	*281*	*267*	294
ROIC excl. goodwill	11.2%	17.5%	8.7%	*23.3%*	*9.9%*	*5.0%*

Financial highlights and ratios for Central Europe & Russia (DKK million)						
Turnover	91	98	108	*119*	*120*	*100*
Gross margin	17.9%	18.3%	19.4%	*20.5%*	*20.2%*	18.6%
EBIT	1	1	4	*7*	*8*	3
EBIT margin	1.0%	0.8%	3.8%	*5.9%*	*6.3%*	3.0%
Organic growth	(6.7%)	6.2%	(9.3%)	*(8.6%)*	*(10.1%)*	(6.7%)
NWC/turnover	43.4%	40.8%	33.8%	*35.9%*	*33.0%*	37.7%
NOA	180	195	167	*204*	*187*	179
ROIC excl. goodwill	2.1%	1.7%	9.5%	*13.6%*	*15.8%*	*6.5%*

APPENDIX

Appendix 1 Consolidated financial highlights and ratios divided into business areas – continued

Financial highlights and ratios for Global Sales (DKK million)	**Q1 2012**	**Q1 2011**	**Q2 2012**	*Q2 2011*	*Q3 2011*	*Q4 2011*
Turnover	160	135	207	*157*	*157*	*188*
Gross margin	7.7%	9.1%	8.5%	*8.2%*	*8.1%*	*8.2%*
EBIT	(1)	5	5	*3*	*4*	*2*
EBIT margin	(0.3%)	3.4%	2.3%	*2.1%*	*2.5%*	*0.9%*
Organic growth	18.8%	(11.2%)	31.9%	*(23.1%)*	*(18.7%)*	*5.0%*
NWC/turnover	22.2%	15.2%	18.0%	*17.8%*	*21.1%*	*20.0%*
NOA	144	79	148	*109*	*130*	*150*
ROIC excl. goodwill	(1.2%)	23.4%	12.3%	*13.6%*	*13.2%*	*4.5%*

Financial highlights and ratios for the group (DKK million)						
Turnover	626	662	665	*736*	*613*	*609*
Gross margin	13.2%	14.6%	13.6%	*15.3%*	*15.2%*	*15.9%*
EBIT	1	11	5	*22*	*10*	*7*
EBIT margin	0.1%	1.7%	0.8%	*3.0%*	*1.7%*	*1.1%*
Organic growth	(5.6%)	(3.2%)	(9.6%)	*(11.3%)*	*(18.4%)*	*31.5%*
NWC/turnover	37.8%	38.2%	32.0%	*33.9%*	*37.7%*	*38.9%*
NOA	1,203	1,313	1,084	*1,282*	*1,218*	*1,233*
ROIC incl. goodwill	1.1%	4.4%	2.7%	*7.8%*	*3.9%*	*3.1%*