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Announcement no. 2/2008

## **Disposal of the Building Materials Division effected**

*Following the approval by the competition authorities and a satisfactory due diligence report the disposal of the Building Materials Division has been effected today. The supervisory board therefore recommends the launch of a share buy-back programme of up to DKK 100 million.*

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Today Dalhoff Larsen & Horneman A/S (DLH) finalised the sale of its shares in DLH Træ & Byg A/S, and thus the Building Materials Division, to Saint-Gobain Distribution Nordic AB, a company in the Saint-Gobain Group, cf. stock exchange announcement no. 13 of 20 December 2007.

The Building Materials Division, which is marketed under the name XL-BYG Horneman, is Denmark's third largest capital chain within the building materials trade. The business activities are expected to produce revenue of DKK 1,815 million and EBIT of approximately DKK 77 million in 2007. The division employs approximately 550 staff in 19 timber merchant companies, eleven of which have an affiliated do-it-yourself store.

The share transfer has now been approved by the competition authorities, and the transaction takes effect as of today. The selling price for the shares in DLH Træ & Byg A/S is provisionally prepared at DKK 825 million. The final price will be calculated when the accounts for the Building Materials Division as of 29 February 2008 are available and is expected not to differ considerably from the provisionally prepared price.

### **Share buy-back programme**

As a result of the disposal of the Building Materials Division, the supervisory board will propose a resolution concerning a share buy-back programme of up to DKK 100 million, the equivalent of almost 8% of the listed Class B share capital based on the current share price, at the annual general meeting on 16 April 2008.

The share buy-back programme will be implemented in accordance with the 'safe-harbour' method approved by the EU. The programme is expected to be launched following the publication of the group's Q1 report on 23 May 2008 and concluded before the end of 2008. The shares will be cancelled following the buy-back.



The share buy-back does not prevent the company from issuing shares at a later stage in connection with large scale acquisitions (as in 2000 and 2006).

It is expected that DLH-Fonden, which owns 25.8% of the total share capital (both Class A and Class B shares), will not dispose any shares in connection with the buy-back programme.

### **New strategy for DLH**

Following the disposal of the Building Materials Division, DLH will direct its strategic focus to the international trade in timber and timber products. With annual revenue from the international timber trading activities of approximately DKK 5.6 billion DLH is already one of the world's largest timber wholesalers with sales and purchasing offices as well as warehousing and processing facilities in more than 30 countries across five continents.

DLH has launched the work of formulating a new strategy with new financial targets for the group's business development. The target of the strategy will be presented in connection with the publication of the group's annual report on 13 March 2008, and the President & CEO of DLH will elaborate on the strategy at an investor meeting at 3 p.m. on the same day.

### **Forecast**

As previously announced, DLH will realise one-off income (after transaction costs and provisions etc.) of approximately DKK 580 million, both before and after tax, in connection with the disposal of the Building Materials Division in 2008. At the same time the group's invested capital (NOA) will be reduced by DKK 550 million on average, while the group's equity ratio will be improved from approximately 30% to more than 50%.

The 2007 annual report and forecast revenue and result for 2008, including the above one-off income item of DKK 580 million both before and after tax, will be published on 13 March 2008.

Please direct any inquiries relating to the announcement to President and CEO Jørgen Møller-Rasmussen on telephone no. +45 43 50 01 01.

Yours sincerely  
DALHOFF LARSEN & HORNEMAN A/S

Asbjørn Børsting  
Chairman of the Supervisory Board

Jørgen Møller-Rasmussen  
President & CEO