# Interim report 6 months 2014

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The interim report from Dalhoff Larsen & Horneman A/S, CVR no. 34 41 19 13, was published on 21 August 2014 via NASDAQ OMX Copenhagen.

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# DIVESTMENT PROCESS MATERIALISES AND CONTINUES

"Over the last couple of months, we have had lots of activity concerning our restructuring and divestment processes. Therefore, it was pleasing that during the summer, we concluded three good deals that will yield app. DKK 145 million in proceeds and contribute significantly to lowering the Group's debt and interest expenses" says CEO Kent Arentoft.

- Turnover for the first six months was DKK 832 million against DKK 960 million for the same period last year. For Q2, turnover totalled DKK 439 million, whereas for Q2 last year it was DKK 548 million.

- The fall in turnover of DKK 128 million corresponds to 13% of which:
  - 6 percentage points relate to structural decisions
  - 5 percentage points relate to lower activity
  - 2 percentage points relate to exchange rates

  Turnover in the European stock based business was DKK 87 million or 14% below the first six months last year. Global Sales posted a turnover DKK 41 million or 12% lower than the first six months last year.

- The Group's gross margin for the first six months of the year was slightly higher than the same period last year because European margins are stabilizing and Global Sales margins increasing.

- Overhead costs were reduced by DKK 7 million.

- EBIT for the first six months was minus DKK 13 million against minus DKK 9 million for the same period last year. For Q2, EBIT was minus DKK 2 million (before restructuring costs of DKK 4 million in France) against DKK 5 million last year.

- Net interest bearing debt was DKK 239 million against DKK 347 million at the same time last year.

- The Group continues to run structured sales processes in respect of the Nordic Region, Russia, Global Sales Asia/Africa and France, whereas it has been decided to wind down business units in India, Middle East, Brazil and Czech Republic.

- After the balance sheet date, the Group announced the sale of its Brazilian property with net proceeds and profits of DKK 11 million, the sale of its Polish and Slovakian companies with expected net proceeds of DKK 100 million on closing and the sale of its US trading business with expected net proceeds of DKK 35 million.

  The transactions are expected to reduce NIBD by app. DKK 145 million and thereby bring NIBD below DKK 100 million once completed.


The Board of Directors has today approved the interim report for the period 1 January to 30 June 2014.

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

# FINANCIAL HIGHLIGHTS AND RATIOS

The strategic plan announced in December 2013 has significant implications for the presentation of the financial statements below and on pages 15-25. According to IFRS, all business units in DLH Group must now be classified as discontinued operations. Consequently, the Group income statement and balance sheet now classify the majority of the Group in one line with a specification to be found in note 6. In order to continue to present the business development in 2014 in a manner comparable with the operating business structure, DLH has decided to present supplemental information in the financial review on pages 3 and 5-11 in accordance with this structure. The comments below are the mandatory information directed at the IFRS reporting structure.

The operating loss in the first half of 2014 on continuing operations amounts to DKK 14.5 million compared to DKK 19.9 million for the same period in 2013. The loss reflects the cost of operating the DLH Group head office. Net financial expenses amount to DKK 9.9 million compared to DKK 12.6 million in same period of 2013. The total loss for continuing operations in the first half of 2014 amounts to DKK 24.4 million compared to DKK 32.5 million for the same period last year.

The loss on discontinued operations in the first half of 2014 amounts to DKK 29.7 million compared to a profit of DKK 1.4 million for the first half of 2013. Please refer to note 6 for further details. The loss for the first half of 2014 is DKK 54.1 million compared to DKK 31.1 million for the same period in 2013.

Total assets amount to DKK 709 million of which DKK 707 million are classified as "assets held for sale". The company's equity amounts to DKK 261 million and net interest bearing debt at the end of the first half of 2014 was DKK 239 million.

| | 6 months | | Second quarter | | Full year |
|---|---|---|---|---|---|
| **(DKK million)** [1] | **2014** | **2013** | **2014** | **2013** | **2013** |
| **Income statement** | | | | | |
| Profit/(loss) from continuing operations | (24) | (33) | (11) | (17) | (82) |
| Profit/(loss) from discontinued operations | (30) | 2 | (13) | 7 | (195) |
| Profit/(loss) | (54) | (31) | (24) | (10) | (277) |
| **Balance sheet items** | | | | | |
| Total assets | 709 | 1,180 | 709 | 1,180 | 754 |
| Equity | 261 | 564 | 261 | 564 | 323 |
| Interest-bearing debt, net | 239 | 347 | 239 | 347 | 204 |
| **Cash flow** | | | | | |
| Cash flow from operating activities | (31) | (39) | (15) | (20) | (57) |
| Cash flow from investment activities | 0 | (1) | 0 | (1) | (2) |
| Cash flow from financing activities | (3) | 39 | 19 | 79 | (74) |
| **Performance ratios** | | | | | |
| Return on equity (ROE) | (37.1%) | (10.7%) | (35.0%) | (7.1%) | (60.0%) |
| Equity ratio | 36.8% | 47.7% | 36.8% | 47.7% | 42.8% |
| Average number of employees incl. discontinued operations | 396 | 480 | 378 | 471 | 473 |
| **Share based ratios:** [1] | | | | | |
| Booked value per diluted DKK 5 share (BVPS-D) at end of the period | 4.89 | 10.56 | 6.04 | 10.56 | 6.04 |
| Share price, end of the period (P), DKK | 4.80 | 3.33 | 4.80 | 3.33 | 5.60 |
| Diluted share price / booked value (P/BV-D) | 0.98 | 0.32 | 0.79 | 0.32 | 0.93 |
| Average number of diluted shares issued (in denominations of 1,000 shares) | 53,384 | 53,384 | 53,384 | 53,384 | 53,384 |
| Cash flow per diluted DKK 5 share (CFPS-D) | (0.58) | (0.72) | (0.28) | (0.38) | (1.06) |
| Price Earning diluted (P/E-D) | (10.5) | (5.5) | (23.9) | (10.7) | (3.7) |
| Earnings from continuing operations per DKK 5 share (EPS) | (0.46) | (0.61) | (0.20) | (0.31) | (1.53) |

1) Earning per share has 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 be the Danish Society of Financial Analysts.

# MANAGEMENT REPORT

**Preface**

The financial review has been prepared consistent with the operating structure of the Group. This includes the operating regions and the corporate head quarter. Due to the current strategy plan, the Financial Statements on pages 15-25 of the report must follow a different structure as determined by IFRS 5. The table below shows the link between these two sets of structures. Further reference is made to note 4 of the financial statements.

Link Fin. Statements vs. Financial review

| 2014 (DKK million) | Sum of regions | Cont. Oper. (HQ) | Not allocated | Financial review |
|---|---|---|---|---|
| Turnover | 832 | - | - | 832 |
| EBIT | 1 | (15) | 1 | (13) |
| NWC | 476 | (2) | - | 474 |

**Sales and earnings trend**

In the first six months of the year, DLH experienced continuing difficult European market conditions, but also saw a gradual stabilisation in most countries.

Turnover in the first six months of the year totalled DKK 832 million and was 13% below the same period last year. Approximately 2%-points of the loss were exchange rate related. Another 5%-points relate to the decision of not pursuing major bulk shipments from Africa to China. A further approximately 1%-point is due to structural decisions in France. The remaining 5%-points are due to lower activity in Sweden and Russia.

The Group's gross margin was slightly higher than the same period last year at 11.6%. European margins are stabilizing, while Global Sales margins are increasing due to mix impact of the decision of not pursuing major bulk shipments from Africa to China.

In the first six months of the year, overhead costs were reduced by DKK 7 million compared to the same period last year as a result of rationalisation measures implemented to adapt to the lower activity level. In Q2, the reduction in overhead costs was only DKK 1 million due to restructuring costs of DKK 4 million related to the structural changes in France.

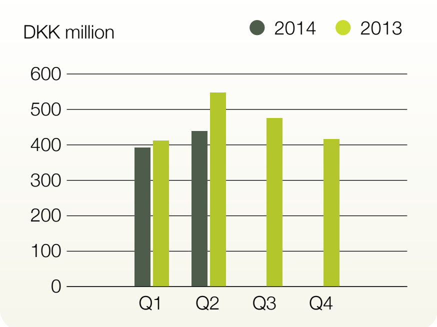
**EBIT** was minus DKK 13 million in the first six months of the year against minus DKK 9 million for the same period last year. The EBIT development is mainly due to the lower revenue being partly absorbed by lower costs despite the DKK 4 million restructuring costs.

**Net financials** decreased in the first six months, from DKK 16 million last year to DKK 14 million this year. Interest expenses were lower as a result of the reduction in the Group's net interest bearing debt.

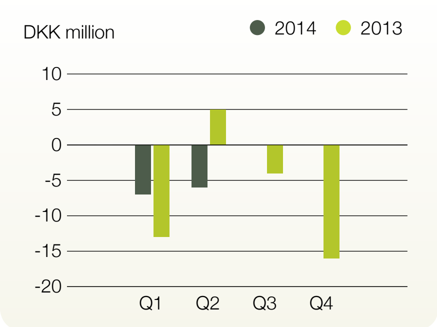
The Group's **result before tax** amounted to minus DKK 28 million for the year's first six months against minus DKK 24 million for the corresponding period last year.

The Group's discontinued operations posted a loss of DKK 25 million against a loss for the same period last year of DKK 4 million. The result mainly relates to costs in connection with the divestment processes, including stay on bonuses, and wind up costs in Benelux, India and the Middle East.

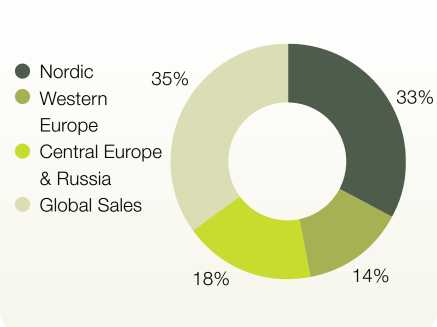
Turnover, quarterly breakdown



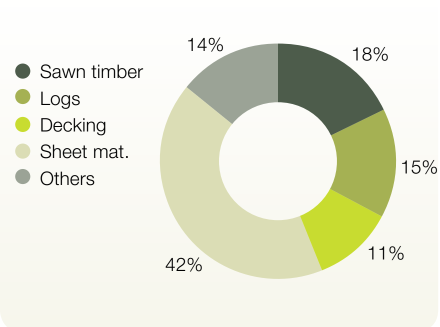

EBIT, quarterly breakdown




Turnover, breakdown for the group




Product mix, breakdown for the group



## Balance sheet and cash flow

At the end of the first half of 2014, the **consolidated balance sheet** totalled DKK 709 million against DKK 1,180 million last year.

At the end of the period, Group **equity** was DKK 261 million against DKK 564 million at the same time last year and DKK 323 million at the beginning of 2014. At the end of the quarter, **the solvency ratio** was 36.8%.

The Group's net interest bearing debt continued its positive trend. At the end of the quarter, **the net interest bearing** debt totalled DKK 239 million against DKK 347 million at the same time last year. Due to normal seasonal factors, net interest bearing debt is DKK 35 million higher than at the beginning of 2014.

DLH is continuing its efforts to reduce its net interest bearing debt through the divestment of assets and the reduction of working capital.

DLH has an agreement with its financial institutions concerning credit facilities. This agreement expires at the end of March 2015. The Group's bank debt is therefore presented as current liabilities.

Financial highlights and ratios for the group

| (DKK million) | YTD 2014 | YTD 2013 | Q2 2014 | Q2 2013 |
|---|---|---|---|---|
| Turnover | 832 | 960 | 439 | 548 |
| Gross margin | 11.6% | 11.4% | 11.4% | 11.5% |
| EBIT | (13) | (9) | (6) | 5 |
| EBIT margin | (1.6%) | (0.9%) | (1.4%) | 0.8% |
| Organic growth | (13.4%) | (7.8%) | (19.8%) | 4.3% |
| NWC/turnover | 28.6% | 36.6% | 27.0% | 32.1% |
| NWC | 474 | 538 | 474 | 538 |

With the announcement in July and August of the sale of the Group's Brazilian property, the sale of the Group's Polish and Slovakian companies and the Group's US trading business, the Group's net interest bearing debt is expected to be reduced by app. DKK 145 million during the third quarter. This will further lower interest expenses in future reporting periods.

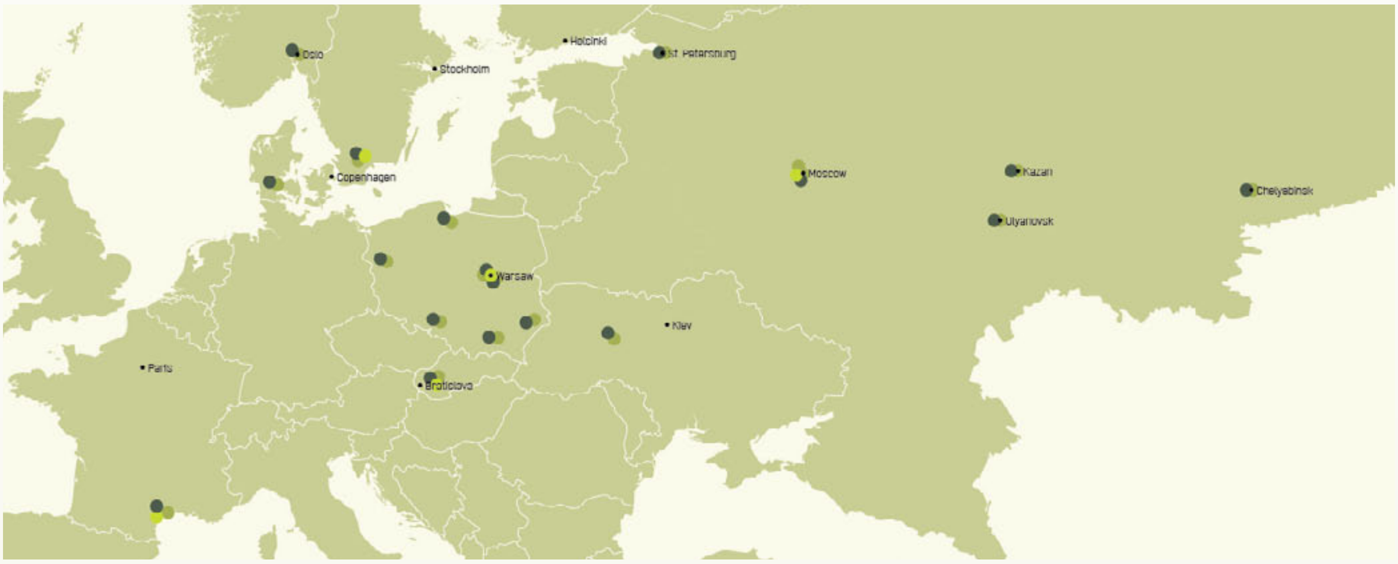
Following these divestments, the Group comprises Nordic region, France, Russia and Global Sales activities in Asia and Africa.

# The business areas

DLH is organised into two main business areas; a European inventory-based business and the Global Sales business area. The below maps illustrate DLH locations as of 30 June 2014.

## European inventory-based business

DLH's European inventory based business services industrial and retail customers from its own warehouses. The majority of the turnover derives from Europe. The business area is organised into the following geographical sales regions: the Nordic area, Western Europe and Central Europe & Russia.




## Global Sales

The Global Sales business area operates internationally with 'back to back' trade in hardwood and sheet materials.

# The Nordic region

The Nordic region delivered a turnover of DKK 273 million in first half of 2014 compared to DKK 324 million in the same period last year.

Market conditions in the Nordic countries remain challenging especially in Sweden, where the weaker macro economy is coupled with a weaker Swedish krone and more intense competition particularly in the Swedish retail sector. The Danish and Norwegian markets are showing signs of gradual improvement.

In general, the industrial sector continues to develop positively, taking advantage of the joint Nordic sales organisation. Further growth potential in the sector continues to be seen in Sweden and Norway.

Gross margin in first half of 2014 decreased to 12.2% from 13.1%. This is partly due to a larger share of direct deliveries, but also impacted by the challenging market conditions. The inventory and logistics optimisation carried out in 2013 continues to increase competitiveness.

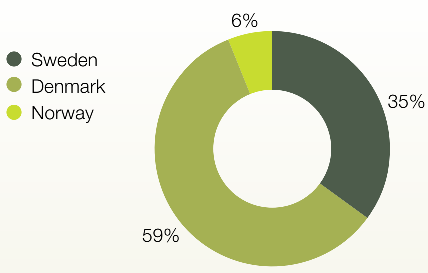
Operational improvements have reduced overhead costs and have partly offset the earnings impact from the lower turnover and margin. EBIT, therefore, totals minus DKK 4 million - DKK 4 million below the same period last year.

The region has continued to reduce its capital utilisation. However, during Q2 a decision has been taken to increase the stock of selected strategic products, which is why NWC has increased in relative terms.

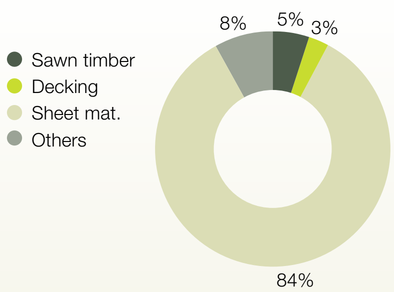
Financial highlights and key ratios for the Nordic region

| (DKK million) | YTD 2014 | YTD 2013 | Q2 2014 | Q2 2013 |
|---|---|---|---|---|
| Turnover | 273 | 324 | 134 | 163 |
| Gross margin | 12.2% | 13.1% | 11.6% | 13.4% |
| EBIT | (4) | - | (2) | 1 |
| EBIT margin | (1.3%) | 0.0% | (1.7%) | 0.8% |
| Organic growth | (15.8%) | (24.3%) | (17.8%) | (21.9%) |
| NWC/turnover | 28.2% | 24.7% | 28.8% | 24.5% |
| NWC | 154 | 160 | 154 | 160 |

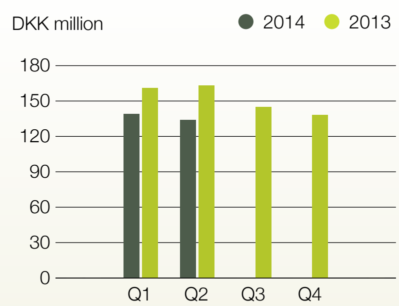
Turnover, breakdown for the region




Product mix, share for the region




Turnover, quarterly breakdown



# Western Europe

The region now only comprises France.

In the first quarter report, the decision to focus on one major product area and eliminate one logistics centre with a view to countering the difficulties in the French economy and market was communicated. The implementation of this decision began in Q2 and going forward, all business will be centred at the hub in Sête in Southern France, and the focus will solely be on tropical hardwood.

The objective is to create a smaller, more cash efficient and cash generating unit with a view to divestment under the current strategy plan.

Turnover in the first half of the year amounted to DKK 114 million, 18% less than the same period last year. Approximately half of the decrease is due to the structural decisions, whereas the other half is due to market factors.

Net Working Capital has been reduced by DKK 53 million partly due to the structural changes, but also because after years with focus on stock reduction, stock has now been brought to the desired level.

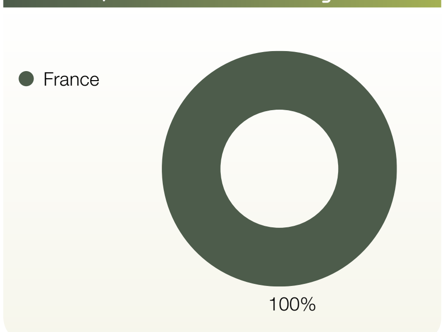
Gross margin has increased to 13.1% from 9.7% in the same period last year. This is mainly due to the lower stock level, which has reduced last year's need to sell at reduced prices to reduce capital employment.

The decreasing turnover is offset by the increasing gross margin. However, the DKK 4 million restructuring costs have resulted in a reduction in EBIT from DKK 2 million to minus DKK 3 million.

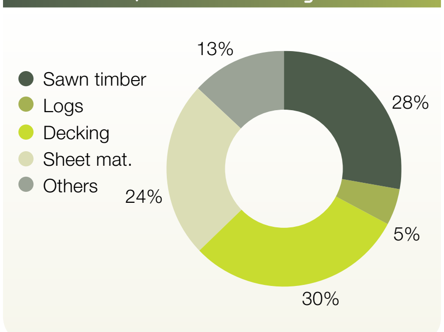
Financial highlights and ratios for Western Europe

| (DKK million) | YTD 2014 | YTD 2013 | Q2 2014 | Q2 2013 |
|---|---|---|---|---|
| Turnover | 114 | 140 | 52 | 75 |
| Gross margin | 13.1% | 9.7% | 12.7% | 10.4% |
| EBIT | (3) | 2 | (4) | 3 |
| EBIT margin | (2.4%) | 1.2% | (8.0%) | 3.9% |
| Organic growth | (18.2%) | (22.5%) | (30.2%) | (11.3%) |
| NWC/turnover | 31.8% | 44.7% | 34.5% | 41.5% |
| NWC | 72 | 125 | 72 | 125 |

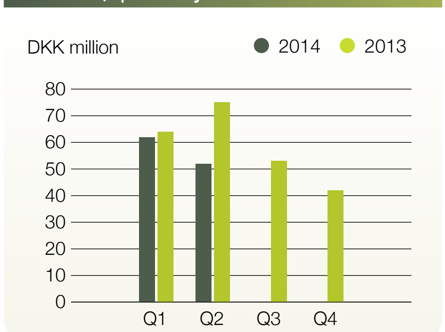
Turnover, breakdown for the region




Product mix, share for the region




Turnover, quarterly breakdown



# Central Europe & Russia

The macro-economic conditions remain weak, but are showing signs of improvement especially in Poland. Turnover for the first half of 2014 shows a decrease of 7% to DKK 150 million. This decline is mainly related to the weakening of the Russian rouble.

Gross margin is on par with same period last year.

The region has improved operating efficiency and has implemented cost reductions that more than compensate for the lower turnover.

EBIT therefore increased by DKK 2 million.

The utilisation of Net Working Capital continues to improve. Net Working Capital was reduced by DKK 12 million and the NWC/Sales ratio was reduced by 1.4 percentage points.

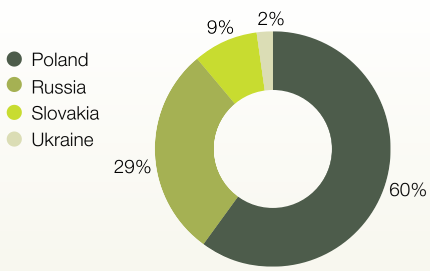
On 16 July 2014, the sale of the Group's Polish and Slovakian entities to Grass Polska was announced. This transaction awaits the approval by the Polish competition authorities and is expected to be finalized in September this year.

The Russian activities mainly consist of domestic sourcing and sales and are therefore currently not influenced by the trade restrictions imposed as a consequence of the Russian-Ukrainian conflict.

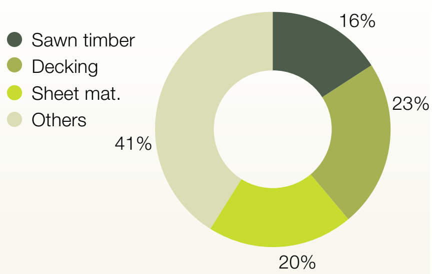
Financial highlights and ratios for Central Europe & Russia

| (DKK million) | YTD 2014 | YTD 2013 | Q2 2014 | Q2 2013 |
|---|---|---|---|---|
| Turnover | 150 | 161 | 85 | 93 |
| Gross margin | 17.8% | 18.7% | 18.7% | 19.8% |
| EBIT | 3 | 1 | 4 | 4 |
| EBIT margin | 2.1% | 0.9% | 4.3% | 4.2% |
| Organic growth | (6.8%) | (15.8%) | (8.3%) | (9.3%) |
| NWC/turnover | 37.1% | 38.5% | 32.7% | 33.4% |
| NWC | 112 | 124 | 112 | 124 |

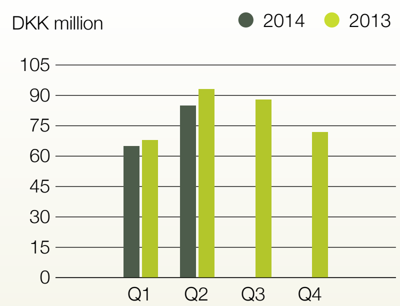
Turnover, breakdown for the region




Product mix, share for the region




Turnover, quarterly breakdown



# Global Sales

Global Sales reached a turnover of DKK 295 million compared to DKK 336 million for the same period last year.

The largest business area in Global Sales consists of Global Sales Asia/Africa, i.e. the Vietnamese, Chinese, Indonesian and African trading business. This unit delivered a turnover of DKK 250 million for the first half year compared to DKK 301 million for the same period last year. The lower turnover relates to this year's decision not to pursue major bulk shipments from Africa to Asia. In addition, the first half of 2014 has seen severe congestion in African commercial ports which has restricted the shipment of goods as required.

The other business area in Global Sales is the US Panels business, which achieved a turnover of DKK 44 million in the first half of 2014 compared to DKK 35 million in the first half of last year. This unit was sold in August 2014.

The South American business is being wound up and is now classified as discontinued operations.

Gross margin increased mainly due to the mix impact of this year not to pursue major bulk shipments from Africa to China at low margins.

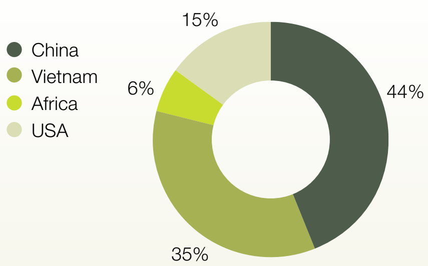
Due to the lower turnover, EBIT fell to DKK 4 million from DKK 5 million in the same period last year. The cost base will be scaled down due to the closure of sales offices in India, the Middle East and Brazil.

The increase in Net Working Capital mainly aimed to support the growth in US.

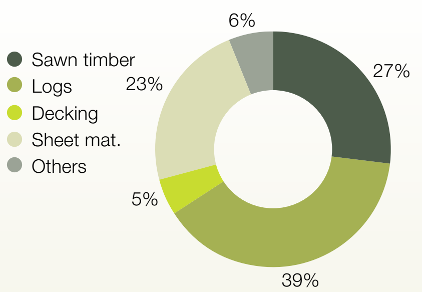
Financial highlights and ratios for Global Sales

| (DKK million) | YTD 2014 | YTD 2013 | Q2 2014 | Q2 2013 |
|---|---|---|---|---|
| Turnover | 295 | 336 | 168 | 217 |
| Gross margin | 7.9% | 7.1% | 7.6% | 6.9% |
| EBIT | 4 | 5 | 3 | 6 |
| EBIT margin | 1.3% | 1.6% | 2.0% | 2.7% |
| Organic growth | (12.2%) | 38.6% | (22.7%) | 67.5% |
| NWC/turnover | 23.4% | 19.3% | 20.6% | 14.9% |
| NWC | 138 | 129 | 138 | 129 |

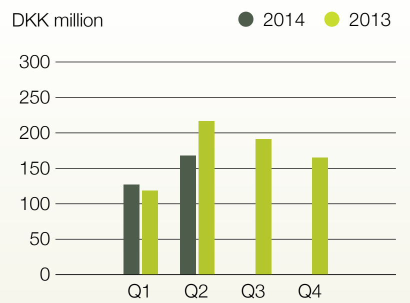
Turnover, breakdown for the region




Product mix, share for the region




Turnover, quarterly breakdown



## OUTLOOK

Given the approved and initiated process of the divestment plan, the Board of Directors believes that it is not possible to provide an appropriate outlook on earnings for 2014.

## EVENTS AFTER THE END OF THE PERIOD

After the end of the reporting period, the Group announced the sale of its property in Brazil with net proceeds and profits of DKK 11 million. The Group also announced the sale of its Polish and Slovakian companies with expected net proceeds of DKK 100 million on closing. Latest, the Group announced the sale of its US trading business with net proceeds of DKK 35 million. No other significant events occurred after the end of the period.

## STOCK EXCHANGE ANNOUNCEMENTS IN 2014

| | |
|---|---|
| 3 January 2014 | Announcement in accordance with the Securities Act §29 |
| 9 January 2014 | Information from the Chairman of the extraordinary general meeting in DLH |
| 20 January 2014 | Articles of association of Dalhoff Larsen & Horneman A/S |
| 30 January 2014 | Announcement in accordance with the Securities Act §29 |
| 14 February 2014 | Establishment of incentive scheme |
| 28 March 2014 | Annual Report 2013 |
| 28 March 2014 | Notice of Annual General Meeting to be held on 28 April 2014 |
| 11 April 2014 | Change in the Board of Directors of DLH |
| 28 April 2014 | Interim Report 3 months 2014 |
| 28 April 2014 | Information from the Chairman of the Annual General Meeting in DLH |
| 2 July 2014 | DLH disposes of property in Belem, Brazil |
| 16 July 2014 | DLH disposes of its Polish and Slovakian entities |
| 4 August 2014 | DLH divests its US trading business |
| 13 August 2014 | Revised financial calendar 2014 |

## FINANCIAL CALENDAR 2014

| | |
|---|---|
| 5 November 2014 | Interim Report 9 months 2014 |

## DISCLAIMER

This announcement contains statements regarding expectations for the future development of DLH Group, in particular the direction of future sales, operating profits and business expansion/divestitures.

Such statements are subject to risks and uncertainties as various factors, many of which are outside the control of DLH Group, may cause the actual development and results to differ materially from the expectations expressed directly or indirectly in this presentation.

Factors that might affect such expectations include, amongst others, changes in demand, overall economic and business conditions, fluctuations in currencies, political uncertainty, demand for DLH Group's services, competitive factors in the market and uncertainties concerning possible investments/divestitures.

# MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the interim report for the period 1 January - 30 June 2014 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 Danish 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 2014 and the results of the Group's operations and cash flow for the period 1 January - 30 June 2014.

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.

Copenhagen, 21 August 2014

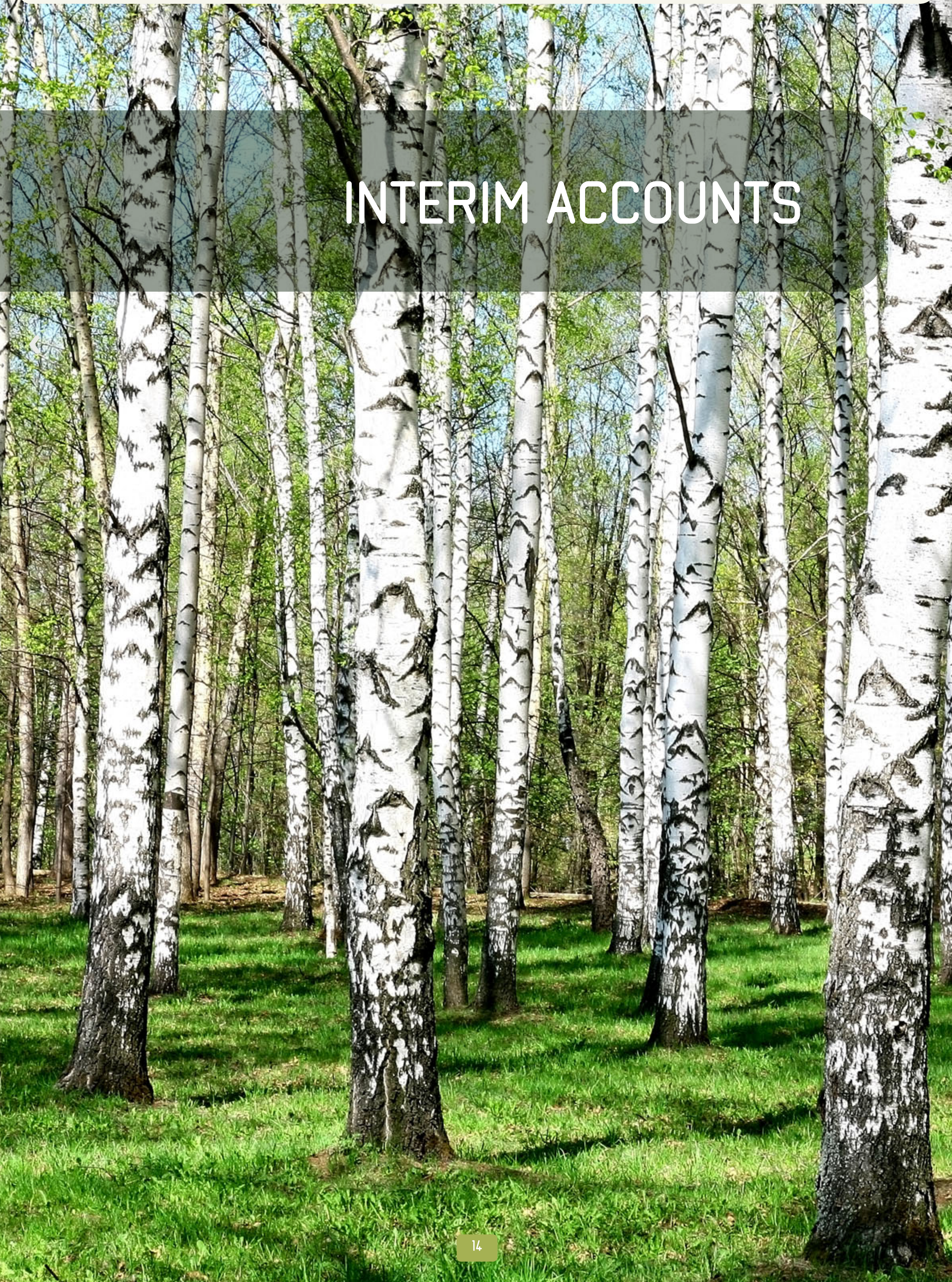
**Executive Board:**

Kent Arentoft
(CEO)

**Board of Directors:**

| | | |
|---|---|---|
| Kurt Anker Nielsen<br>(Chairman) | Agnete Raaschou-Nielsen<br>(Vice-Chairman) | Lars Green |
| Kristian Kolding | John Stær | |

# INTERIM ACCOUNTS



# INCOME STATEMENT

| | | 6 months | | Second quarter | | Full year |
|---|---|---|---|---|---|---|
| **Note** | **(DKK million)** | **2014** | **2013** | **2014** | **2013** | **2013** |
| 4 | Net turnover | - | - | - | - | - |
| | Cost of sales | - | - | - | - | - |
| | **Gross profit** | **-** | **-** | **-** | **-** | **-** |
| | Other external expenses | (4.4) | (8.7) | (2.0) | (4.8) | (13.0) |
| | Staff costs | (9.6) | (10.3) | (4.4) | (5.0) | (20.9) |
| | Other operating income | 0.1 | 0.1 | - | - | 0.3 |
| | Other operating expenses | - | - | - | - | - |
| | **Operating profit/(loss) before depreciation and amortisation (EBITDA)** | **(13.9)** | **(18.9)** | **(6.4)** | **(9.8)** | **(33.6)** |
| | Depreciation and amortisation | (0.6) | (1.0) | (0.3) | (0.4) | (1.9) |
| | Impairment losses | - | - | - | - | (0.6) |
| | **Operating profit/(loss) (EBIT)** | **(14.5)** | **(19.9)** | **(6.7)** | **(10.2)** | **(36.1)** |
| | **Financial items:** | | | | | |
| | Financial income | 0.1 | 0.1 | - | - | 0.1 |
| | Financial expenses | (10.0) | (12.7) | (4.0) | (6.4) | (20.5) |
| | **Profit/(loss) from continuing operations before tax (EBT)** | **(24.4)** | **(32.5)** | **(10.7)** | **(16.6)** | **(56.5)** |
| | Tax for the period on the profit/(loss) from continuing operations | - | - | - | - | (25.2) |
| | **Profit/(loss) for the period from continuing operations** | **(24.4)** | **(32.5)** | **(10.7)** | **(16.6)** | **(81.7)** |
| 6 | Profit/(loss) for the period from discontinued operations | (29.7) | 1.4 | (13.3) | 6.5 | (194.8) |
| | **Profit/(loss) for the period** | **(54.1)** | **(31.1)** | **(24.0)** | **(10.1)** | **(276.5)** |
| | | (0.7) | 0.0 | (0.7) | 0.0 | - |
| | **To be appropriated as follows:** | | | | | |
| | Shareholders in Dalhoff Larsen & Horneman A/S | (54.1) | (31.1) | (24.0) | (10.1) | (276.5) |
| | **Earnings per share:** | | | | | |
| | Earnings per share (EPS) of DKK 5 each | (1.01) | (0.58) | (0.45) | (0.19) | (5.18) |
| | Earnings per share diluted (EPS-D) of DKK 5 each | (1.01) | (0.58) | (0.45) | (0.19) | (5.18) |
| | Earnings per share (EPS) for continuing operations of DKK 5 each | (0.46) | (0.61) | (0.20) | (0.31) | (1.53) |
| | Earnings per share diluted (EPS-D) for continuing operations of DKK 5 each | (0.46) | (0.61) | (0.20) | (0.31) | (1.53) |

# STATEMENT OF COMPREHENSIVE INCOME

| | 6 months | | Second quarter | | Full year |
|---|---|---|---|---|---|
| **(DKK million)** | **2014** | **2013** | **2014** | **2013** | **2013** |
| **Profit/(loss) for the period** | **(54.1)** | **(31.1)** | **(24.0)** | **(10.1)** | **(276.5)** |
| **Other comprehensive income:** | | | | | |
| *Items that may not be reclassified to the income statement:* | | | | | |
| Actuarial gains/(losses) on defined benefit plans | (0.2) | (0.2) | (0.1) | (0.2) | (0.9) |
| Tax | - | - | - | - | |
| | **(0.2)** | **(0.2)** | **(0.1)** | **(0.2)** | **(0.9)** |
| *Items that may be reclassified to the income statement:* | | | | | |
| Foreign currency translation adjustments on conversion of foreign entities | (6.1) | (4.5) | (1.9) | (10.5) | (0.9) |
| Foreign currency adjustments transferred to profit/(loss) for the period from discontinued operations | - | - | - | - | - |
| **Value adjustments of hedging instruments:** | | | | | |
| Value adjustment for the period | (0.1) | (0.5) | (0.4) | 2.5 | 0.9 |
| Value adjustment transferred to turnover | (1.8) | (1.0) | - | - | (1.0) |
| Value adjustment transferred to cost of sales | - | - | - | - | - |
| Value adjustment transferred to financial items | 0.9 | 1.8 | - | - | 1.8 |
| Tax | - | - | - | - | - |
| | **(7.1)** | **(4.2)** | **(2.3)** | **(8.0)** | **0.8** |
| **Other comprehensive income after tax** | **(7.3)** | **(4.4)** | **(2.4)** | **(8.2)** | **(0.1)** |
| **Total comprehensive income** | **(61.4)** | **(35.5)** | **(26.4)** | **(18.3)** | **(276.6)** |
| This may be broken down as follows: | | | | | |
| Comprehensive income for the reporting period, continuing operations | (24.1) | (30.3) | (10.5) | (14.7) | (78.1) |
| Comprehensive income for the reporting period, discontinued operations | (37.3) | (5.2) | (15.9) | (3.6) | (198.5) |
| **To be appropriated as follows:** | | | | | |
| Shareholders in Dalhoff Larsen & Horneman A/S | (61.4) | (35.5) | (26.4) | (18.3) | (276.6) |

# BALANCE SHEET

## Assets

| Note | (DKK million) | 30.6.2014 | 30.6.2013 | 31.12.2013 |
|---|---|---|---|---|
| | **Non-current assets:** | | | |
| | **Intangible assets:** | | | |
| | Goodwill | - | 144.7 | - |
| | Other intangible assets | - | 4.3 | - |
| | | **-** | **149.0** | **-** |
| | **Property, plant and equipment:** | **1.9** | **65.9** | **2.1** |
| | **Other non-current assets:** | | | |
| | Other investments and securities | - | 3.8 | - |
| | Deferred tax | - | 38.7 | - |
| | | **-** | **42.5** | **-** |
| | **Total non-current assets** | **1.9** | **257.4** | **2.1** |
| | **Current assets:** | | | |
| | **Inventories:** | | | |
| | Manufactured goods and goods for resale | - | 488.9 | - |
| | Prepayment for goods | - | 28.7 | - |
| | | **-** | **517.6** | **-** |
| | **Receivables:** | | | |
| | Trade receivables | - | 334.6 | - |
| | Other receivables | 3.2 | 42.5 | 2.1 |
| | | **3.2** | **377.1** | **2.1** |
| 8 | Cash | - | 12.4 | - |
| 6 | Assets held for sale | 703.9 | 15.9 | 749.6 |
| | **Total current assets** | **707.1** | **923.0** | **751.7** |
| | **Total assets** | **709.0** | **1,180.4** | **753.8** |

# BALANCE SHEET

## Equity and liabilities

| Note | (DKK million) | 30.6.2014 | 30.6.2013 | 31.12.2013 |
|---|---|---|---|---|
| | **Equity:** | | | |
| | Share capital | 267.8 | 267.8 | 267.8 |
| | Hedging reserve | (0.1) | (0.5) | 0.9 |
| | Currency translation reserve | (32.6) | (30.1) | (26.5) |
| | Retained earnings | 26.0 | 326.4 | 80.3 |
| | **Total equity** | **261.1** | **563.6** | **322.5** |
| | **Non-current liabilities:** | | | |
| | Pensions and similar provisions | - | 7.1 | - |
| | Deferred tax | - | 8.5 | - |
| 11 | Provisions | 4.7 | 12.6 | 5.9 |
| | Leasing obligations | - | 0.2 | - |
| | | **4.7** | **28.4** | **5.9** |
| | **Current liabilities:** | | | |
| | Credit institutions | 178.6 | 341.0 | 161.3 |
| 7 | Trade payables and other payables | 7.4 | 198.8 | 9.8 |
| | Subordinated loan | - | 18.7 | 18.6 |
| | Corporate income taxes | - | 2.1 | - |
| 11 | Provisions | 2.2 | 5.0 | 2.7 |
| | Accruals and deferred income | - | 0.1 | - |
| | | **188.2** | **565.7** | **192.4** |
| 6 | Liabilities relating to assets held for sale | 255.0 | 22.7 | 233.0 |
| | **Total liabilities** | **447.9** | **616.8** | **431.3** |
| | **Total equity and liabilities** | **709.0** | **1,180.4** | **753.8** |

# CASH FLOW STATEMENT

| | | 6 months | | Second quarter | | Full year |
|---|---|---|---|---|---|---|
| **Note** | **(DKK million)** | **2014** | **2013** | **2014** | **2013** | **2013** |
| | Profit/(loss) before tax from continuing operations | (24.4) | (32.5) | (10.7) | (16.6) | (56.5) |
| 9 | Adjustment for non-cash operating items etc. | 8.1 | 12.1 | 1.8 | 6.1 | 17.9 |
| | **Cash flow from operating activities before change in working capital** | **(16.3)** | **(20.4)** | **(8.9)** | **(10.5)** | **(38.6)** |
| 10 | Change in working capital | (3.7) | (4.2) | (0.6) | 0.1 | 0.1 |
| | **Operating cash flow** | **(20.0)** | **(24.6)** | **(9.5)** | **(10.4)** | **(38.5)** |
| | Financial income, paid | 0.1 | 0.1 | - | 0.1 | 0.1 |
| | Financial expenses, paid | (11.1) | (14.0) | (5.4) | (9.8) | (18.5) |
| | Corporate income taxes paid/refunded | - | - | - | - | 0.1 |
| | **Cash flow from operating activities** | **(31.0)** | **(38.5)** | **(14.9)** | **(20.1)** | **(56.8)** |
| | Acquisition of intangible assets | - | (0.2) | - | (0.2) | (0.3) |
| | Acquisition of tangible assets | (0.1) | (0.3) | (0.1) | (0.3) | (1.7) |
| | Sale of intangible and tangible assets | 0.1 | - | - | - | - |
| | **Cash flow from investment activities** | **0.0** | **(0.5)** | **(0.1)** | **(0.5)** | **(2.0)** |
| | **Cash flow from operating activities and after investments** | **(31.0)** | **(39.0)** | **(15.0)** | **(20.6)** | **(58.8)** |
| | Repayment of subordinated loan | (18.7) | (18.6) | - | (18.6) | (18.7) |
| | Proceeds from credit institutions | 15.3 | 57.4 | 18.8 | 97.2 | (55.4) |
| | **Cash flow from financing activity** | **(3.4)** | **38.8** | **18.8** | **78.6** | **(74.1)** |
| 6 | Cash flow from discontinued operations | 17.5 | (86.2) | (10.8) | (60.5) | 60.2 |
| | **Cash flow for the period** | **(16.9)** | **(86.4)** | **(7.0)** | **(2.5)** | **(72.7)** |
| | Cash at the beginnning of the period | 26.7 | 99.4 | 16.9 | 15.5 | 99.4 |
| | Foreign currency translation adjustment of cash | (0.4) | - | (0.5) | - | - |
| 8 | Cash at the end of the period | 9.4 | 13.0 | 9.4 | 13.0 | 26.7 |

# STATEMENT OF CHANGES IN EQUITY

| (DKK million) | Share capital | Hedging reserve | Currency translation reserve | Retained earnings | Total |
|---|---|---|---|---|---|
| **Equity at 1 January 2013** | **267.8** | **(0.8)** | **(25.6)** | **357.7** | **599.1** |
| **Comprehensive income in 2013:** | | | | | |
| Profit/(loss) for the period | - | - | - | (31.1) | (31.1) |
| **Other comprehensive income:** | | | | | |
| Foreign currency translation adjustments on conversion of foreign entities | - | - | (4.5) | - | (4.5) |
| Value adjustment of hedging instruments: | | | | | |
| Value adjustment for the period | - | (0.5) | - | - | (0.5) |
| Value adjustment transferred to turnover | - | (1.0) | - | - | (1.0) |
| Value adjustment transferred to financial items | - | 1.8 | - | - | 1.8 |
| Actuarial gains (losses) on defined benefit plans | - | - | - | (0.2) | (0.2) |
| Tax on other comprehensive income | - | - | - | - | - |
| **Total other comprehensive income** | **-** | **0.3** | **(4.5)** | **(0.2)** | **(4.4)** |
| **Total comprehensive income for the period** | **-** | **0.3** | **(4.5)** | **(31.3)** | **(35.5)** |
| **Total transactions with owners** | **-** | **-** | **-** | **-** | **-** |
| **Equity at 30 June 2013** | **267.8** | **(0.5)** | **(30.1)** | **326.4** | **563.6** |
| **Equity at 1 January 2014** | **267.8** | **0.9** | **(26.5)** | **80.3** | **322.5** |
| **Comprehensive income in 2014:** | | | | | |
| Profit/(loss) for the period | - | - | - | (54.1) | (54.1) |
| **Other comprehensive income:** | | | | | |
| Foreign currency translation adjustments on conversion of foreign entities | - | - | (6.1) | - | (6.1) |
| Value adjustment of hedging instruments: | | | | | |
| Value adjustment for the period | - | (0.1) | - | - | (0.1) |
| Value adjustment transferred to turnover | - | (1.8) | - | - | (1.8) |
| Value adjustment transferred to financial items | - | 0.9 | - | - | 0.9 |
| Actuarial gains/(losses) on defined benefit plans | - | - | - | (0.2) | (0.2) |
| **Total other comprehensive income** | **-** | **(1.0)** | **(6.1)** | **(0.2)** | **(7.3)** |
| **Total comprehensive income for the period** | **-** | **(1.0)** | **(6.1)** | **(54.3)** | **(61.4)** |
| **Equity at 30 June 2014** | **267.8** | **(0.1)** | **(32.6)** | **26.0** | **261.1** |

# 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 Danish 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 2013 consolidated financial statements and annual report to which reference is made.

The 2013 consolidated financial statements and annual report contain the full details of the accounting policies applied.

*Change in accounting policies:*
With effect from 1 January, 2014, DLH has implemented IFRS 10-12 with amendments, IAS 27 (2011), IAS 28 (2011), amendments to IAS 27 (2011), amendments to IAS 32, amendments to IAS 39 as well as IFRIC 21.

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

## Note 2 Accounting assessments and estimates

The preparation of interim reports require management 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 2013.

The most significant assessment uncertainty relates to the determination of the exact outcome of the divestiture process. The uncertainty relates to the following items: Non-current assets, inventories, trade receivables and provisions.

## Note 3 Risks and risk management policies

DLH's activities are exposed to a number of commercial, financial and insurable risks. The risks and risk management policies are generally unchanged compared to the 2013 consolidated financial statements and annual report. Reference is made to pages 20-25 in the 2013 annual report.

# NOTES

## Note 4 Segment information

**6 months 2014**

| (DKK million) | Nordic | Western Europe | Central Europe & Russia | Global Sales | Sum of regions | Other discon-tinued-opera-tions | Not allocated/ elimina-tions | Group elimina-tions | Discon-tinued opera-tions | Con-tinuing opera-tions | Group total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Turnover | 272.6 | 114.7 | 150.7 | 294.9 | 832.9 | 82.1 | - | - | 915.0 | - | 915.0 |
| Intra-group turnover | (0.1) | (0.7) | (0.3) | - | (1.1) | (5.2) | - | - | (6.3) | - | (6.3) |
| Turnover to external customers | 272.5 | 114.0 | 150.4 | 294.9 | 831.8 | 76.9 | - | - | 908.7 | - | 908.7 |
| Operating profit (EBIT) | (3.5) | (2.7) | 3.2 | 3.7 | 0.7 | (29.8) | 0.5 | - | (28.6) | (14.5) | (43.1) |
| NWC | 153.8 | 72.5 | 111.6 | 138.3 | 476.2 | 18.4 | - | - | 494.6 | (2.3) | 492.3 |

**6 months 2013**

| (DKK million) | Nordic | Western Europe | Central Europe & Russia | Global Sales | Sum of regions | Other discon-tinued-opera-tions | Not allocated/ elimina-tions | Group elimina-tions | Discon-tinued opera-tions | Con-tinuing opera-tions | Group total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Turnover | 323.6 | 140.5 | 163.7 | 335.8 | 963.6 | 186.5 | - | - | 1,150.1 | - | 1,150.1 |
| Intra-group turnover | - | (1.0) | (2.4) | - | (3.4) | (4.1) | - | - | (7.5) | - | (7.5) |
| Turnover to external customers | 323.6 | 139.5 | 161.3 | 335.8 | 960.2 | 182.4 | - | - | 1,142.6 | - | 1,142.6 |
| Operating profit (EBIT) | 0.1 | 1.6 | 1.4 | 5.4 | 8.5 | (1.3) | 2.8 | - | 10.0 | (19.9) | (9.9) |
| NWC | 159.6 | 124.7 | 124.2 | 129.3 | 537.8 | 167.1 | 2.6 | - | 707.5 | (3.4) | 704.1 |

**Second quarter 2014**

| (DKK million) | Nordic | Western Europe | Central Europe & Russia | Global Sales | Sum of regions | Other discon-tinued-opera-tions | Not allocated/ elimina-tions | Group elimina-tions | Discon-tinued opera-tions | Con-tinuing opera-tions | Group total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Turnover | 133.7 | 52.8 | 85.4 | 167.9 | 439.8 | 21.9 | - | - | 461.7 | - | 461.7 |
| Intra-group turnover | - | (0.4) | (0.3) | - | (0.7) | (2.0) | - | - | (2.7) | - | (2.7) |
| Turnover to external customers | 133.7 | 52.4 | 85.1 | 167.9 | 439.1 | 19.9 | - | - | 459.0 | - | 459.0 |
| Operating profit (EBIT) | (2.3) | (4.2) | 3.7 | 3.3 | 0.5 | (14.2) | - | - | (13.7) | (6.7) | (20.4) |
| NOA | 153.8 | 72.5 | 111.6 | 138.3 | 476.2 | 18.4 | - | - | 494.6 | (2.3) | 492.3 |

**Second quarter 2013**

| (DKK million) | Nordic | Western Europe | Central Europe & Russia | Global Sales | Sum of regions | Other discon-tinued-opera-tions | Not allocated/ elimina-tions | Group elimina-tions | Discon-tinued opera-tions | Con-tinuing opera-tions | Group total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Turnover | 162.7 | 75.9 | 94.4 | 217.1 | 550.1 | 105.9 | - | - | 656.0 | - | 656.0 |
| Intra-group turnover | - | (0.7) | (1.5) | - | (2.2) | (1.7) | - | - | (3.9) | - | (3.9) |
| Turnover to external customers | 162.7 | 75.2 | 92.9 | 217.1 | 547.9 | 104.2 | - | - | 652.1 | - | 652.1 |
| Operating profit (EBIT) | 1.3 | 3.0 | 3.9 | 5.9 | 14.1 | (0.2) | 0.8 | - | 14.7 | (10.2) | 4.5 |
| NWC | 159.6 | 124.7 | 124.2 | 129.3 | 537.8 | 167.1 | 2.6 | - | 707.5 | (3.4) | 704.1 |

# NOTES

## Note 4 Segment information (continued)

| | 6 months 2014 | | | | | 6 months 2013 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **(DKK million)** | **Income statement** | **Discontinued operations, note 6** | **Elimination impairment etc.** | **Other discontinued, note 4** | **Pro-forma income 6 mths 2014** | **Income statement** | **Discontinued operations, note 6** | **Elimination impairment etc.** | **Other discontinued, note 4** | **Pro-forma income 6 mths 2013** |
| Turnover | - | 908.7 | | 76.9 | 831.8 | - | 1,142.6 | | 182.4 | 960.2 |
| Gross profit | - | 101.9 | (8.0) | (2.2) | 96.1 | - | 145.6 | (15.3) | 20.8 | 109.5 |
| Gross margin | | | | | 11.6% | | | | | 11.4% |
| EBITDA | (13.9) | (25.8) | - | (30.0) | (9.7) | (18.9) | 14.8 | (0.1) | (0.7) | (3.5) |
| EBIT | (14.5) | (28.6) | - | (29.8) | (13.3) | (19.9) | 10.0 | - | (1.3) | (8.6) |
| Financial items, net | (9.9) | (1.4) | | 3.0 | (14.3) | (12.6) | (7.0) | - | (4.0) | (15.6) |
| EBT | (24.4) | (30.0) | - | (26.8) | (27.6) | (32.5) | 3.0 | - | (5.3) | (24.2) |
| Tax | - | 0.8 | | 2.0 | (1.2) | | (1.1) | | 1.4 | (2.5) |
| Profit on sale | - | (0.5) | | (0.5) | - | | (0.5) | | (0.5) | - |
| Discontinued operations | (29.7) | | 29.7 | | - | 1.4 | | (1.4) | | - |
| Profit/(loss) for the year | (54.1) | (29.7) | 29.7 | (25.3) | (28.8) | (31.1) | 1.4 | (1.4) | (4.4) | (26.7) |

## Note 5 Seasonal issues

The Group's operations are seasonal and are influenced by, among other things, weather conditions.

## Note 6 Discontinued operations

In December 2013, the Board of Directors and Management concluded that the interests of the shareholders and employees are best served by a disposal of the Group's companies and operations. The Board of Directors therefore decided that the company should explore the possibility of disposing of individual business areas with the aim of delivering the greatest possible cash proceeds to the company's shareholders.

Consequently, all companies and operations are classified as discontinued operations in the financial statements. Only head quarter activities remain classified as continuing operations.

An important accounting implication of the decision is that all assets of the operations must now be valued in accordance with IFRS 5, i.e. at the lower of book value and fair value less costs to sell.

# NOTES

## Note 6 Discontinued operations

| (DKK million) | 6 months 2014 | 6 months 2013 | Second quarter 2014 | Second quarter 2013 | Full year 2013 |
|---|---|---|---|---|---|
| Turnover | 908.7 | 1,142.6 | 459.0 | 652.1 | 2,209.3 |
| Cost of sales | (806.8) | (997.0) | (405.5) | (570.3) | (1,973.3) |
| **Gross profit** | **101.9** | **145.6** | **53.5** | **81.8** | **236.0** |
| Other operating items, net | 2.3 | 2.7 | 1.9 | 0.8 | 4.5 |
| Other external expenses | (55.7) | (62.1) | (28.8) | (31.8) | (128.3) |
| Staff costs | (74.3) | (71.4) | (39.0) | (33.8) | (128.3) |
| **Operating profit before depreciation and amortisation (EBITDA)** | **(25.8)** | **14.8** | **(12.4)** | **17.0** | **(16.1)** |
| Depreciation and amortisation | (2.8) | (4.8) | (1.3) | (2.3) | (11.3) |
| Impairment losses | - | - | - | - | (141.9) |
| **Operating profit/(loss) (EBIT)** | **(28.6)** | **10.0** | **(13.7)** | **14.7** | **(169.3)** |
| **Financial items:** | | | | | |
| Financial income | - | 0.3 | (0.1) | (0.4) | 1.0 |
| Financial expenses | (1.4) | (7.3) | (0.4) | (5.3) | (17.2) |
| **Profit/(loss) before tax (EBT)** | **(30.0)** | **3.0** | **(14.2)** | **9.0** | **(185.5)** |
| Tax on profit for the period | 0.8 | (1.1) | 0.9 | (2.1) | (9.3) |
| **Profit for the period** | **(29.2)** | **1.9** | **(13.3)** | **6.9** | **(194.8)** |
| Profit/(loss) from sale of discontinued operations | (0.5) | (0.5) | - | (0.4) | - |
| **Profit for the period from discontinued operations** | **(29.7)** | **1.4** | **(13.3)** | **6.5** | **(194.8)** |
| **Earnings per share for discontinued operations:** | | | | | |
| Earnings per share (EPS) | (0.56) | 0.03 | (0.25) | 0.12 | (3.65) |
| Earnings per share diluted (EPS-D) | (0.56) | 0.03 | (0.25) | 0.12 | (3.65) |
| **Cash flow from discontinued operations, net:** | | | | | |
| Cash flow from operating activities | (10.3) | (60.9) | (21.7) | (35.6) | 115.1 |
| Cash flow from investment activities | 8.2 | 1.1 | (0.1) | (0.2) | 0.7 |
| Cash flow from financing activities | 19.6 | (26.4) | 11.0 | (24.7) | (55.6) |
| **Total** | **17.5** | **(86.2)** | **(10.8)** | **(60.5)** | **60.2** |

| Note (DKK million) | 30.6.2014 | 30.6.2013 | 31.12.2013 |
|---|---|---|---|
| Tangible assets | 61.9 | 10.2 | 74.4 |
| Other non-current assets | 9.5 | 0.0 | 9.5 |
| Inventories | 370.2 | 0.0 | 390.4 |
| Trade receivables | 218.1 | 2.0 | 219.0 |
| Other receivables | 34.8 | 3.1 | 29.6 |
| Cash and banks | 9.4 | 0.6 | 26.7 |
| **Assets held for sale** | **703.9** | **15.9** | **749.6** |
| Credit institutions | 66.7 | 0.0 | 49.3 |
| Provisions | 29.5 | 0.0 | 29.4 |
| Trade payables | 91.1 | 0.4 | 89.4 |
| Other payables | 67.7 | 22.3 | 64.9 |
| **Liabilities relating to assets held for sale** | **255.0** | **22.7** | **233.0** |

# NOTES

## Note 7 Fair value measurement of financial instruments

DLH applies interest rate swaps and 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.

Fair value of interest rate swaps and forward exchange contracts amount to a debt of DKK 0.6 million at 30 June 2014.

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.

Unobservable market data represents an immaterial part of the value of the derivative financial instruments at 30 June 2014, which is why level 2 of the fair value hierarchy is used.

## Note 8 Cash

| Note (DKK million) | 30.6.2014 | 30.6.2013 | 31.12.2013 |
|---|---|---|---|
| Cash | - | 12.4 | - |
| Cash classified as assets held for sale | 9.4 | 0.6 | 26.7 |
| **Cash total** | **9.4** | **13.0** | **26.7** |

## Note 9 Non-cash operating items etc.

| | 6 months | | Second quarter | | Full year |
|---|---|---|---|---|---|
| **(DKK million)** | **2014** | **2013** | **2014** | **2013** | **2013** |
| Depreciation, amortisation and impairment losses | 0.6 | 1.0 | 0.3 | 0.4 | 2.5 |
| Provisions/(reversals) | (1.7) | (1.8) | (0.8) | (0.8) | (5.3) |
| Other non-cash operating items, net | (0.7) | 0.3 | (1.7) | 0.1 | 0.3 |
| Financial income | (0.1) | (0.1) | - | 0.0 | (0.1) |
| Financial expenses | 10.0 | 12.7 | 4.0 | 6.4 | 20.5 |
| **Non-cash operating items etc. total** | **8.1** | **12.1** | **1.8** | **6.1** | **17.9** |

## Note 10 Change in working capital

| | 6 months | | Second quarter | | Full year |
|---|---|---|---|---|---|
| **(DKK million)** | **2014** | **2013** | **2014** | **2013** | **2013** |
| Inventories | - | - | - | - | - |
| Trade receivables | - | - | - | - | - |
| Trade and other payables | (2.6) | (5.6) | (1.2) | (1.8) | (2.1) |
| Other operating debt, net | (1.1) | 1.4 | 0.6 | 1.9 | 2.2 |
| **Change in working capital total** | **(3.7)** | **(4.2)** | **(0.6)** | **0.1** | **0.1** |

## Note 11 Provisions

At the beginning of the financial year the Group had provisions of DKK 38.0 million relating to severance payments for employees, rent etc. in connection with the decided restructuring measures. At the end of June 2014 total provisions amount to DKK 36.4 million.