Interim report 9 months 2014

dlh.

CONTENTS

Dalhoff Larsen & Horneman A/S
Ellebjergvej 50-52
DK - 2450 Copenhagen SV

CVR no. 34 41 19 13
Tel +45 4350 0100

www.dlh.com

The interim report from Dalhoff Larsen & Horneman A/S, CVR no. 34 41 19 13, was published on 4 November 2014 via NASDAQ Copenhagen.

Design and graphic production meyer & bukdahl as

DIVESTMENT PROCESS MAKES DLH GROUP DEBT FREE

"Over the past few months, we have taken major steps to realise our divestment strategy. Now, closing of these deals have taken place and the Group will become debt free in Q4. " says CEO Kent Arentoft.

- Turnover for the first nine months was DKK 1,118 million against DKK 1,380 million for the same period last year. For Q3, turnover totalled DKK 331 million compared to DKK 455 million for the same period last year.
- The total loss for the first nine months amounts to DKK 72 million against a loss of DKK 57 million for the same period last year. The total loss for Q3 amounts to DKK 17 million against DKK 25 million for the same period last year.
- Net interest bearing debt by the end of Q3 was DKK 182 million against DKK 270 million at the same time last year.
- During Q3, the Group announced the sale of its Polish and Slovakian companies with net proceeds of DKK 100 million. Closing of this transaction and the receipt of proceeds took place on 3 November 2014.
- On 1 October 2014, the Group announced the sale of its Asian Global Sales entities. Closing of this transaction took place on 31 October 2014 and proceeds of DKK 80 million were received on the same day and further app. DKK 40 million are expected as customer receivables are collected.
- The closing of the above two transactions will result in a debt free DLH Group.
- At the end of the period, Group equity was DKK 242 million.
- The Group continues to run structured sales processes in respect of the Nordic Region, Russia and France. In addition, the Group is also working on the disposal of other assets and reducing its obligations in respect of certain leaseholds including the former head office in Hoje Taastrup. By its nature, determining the timing, value and outcome of such processes is difficult.
- The Board of Directors has felt it prudent to reduce the operating costs of the Group's head office. All employees will leave the head office by 30 April 2015 at the latest. The one-off cost of winding down the head office is expected to be in the region of DKK 15 million including redundancy payments, which will be provided for in Q4. At the current level, the quarterly running costs in head office are around DKK 6 million.

The Board of Directors has today approved the interim report for the period 1 January to 30 September 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 for the first nine months of 2014 on continuing operations amounts to DKK 19.7 million compared to DKK 28.0 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 12.9 million compared to DKK 17.8 million for the same period in 2013. The total loss for continuing operations in the first nine months of 2014 amounts to DKK 33.4 million compared to DKK 47.2 million for the same period last year.

The loss on discontinued operations for the first nine months of 2014 amounts to DKK 38.2 million compared to DKK 9.4 million for the first nine months of 2013. Please refer to note 6 for further details. The total loss for the first nine months of 2014 is DKK 71.6 million compared to DKK 56.6 million for the same period in 2013.

Total assets amount to DKK 621 million of which DKK 617 million are classified as "assets held for sale". The company's equity amounts to DKK 242 million and net interest bearing debt at the end of the first nine months of 2014 was DKK 182 million.

	9 months		3rd quarter		Full year
(DKK million) 1)	**2014**	**2013**	**2014**	**2013**	**2013**
Income statement					
Profit/(loss) from continuing operations	(33)	(47)	(9)	(15)	(82)
Profit/(loss) from discontinued operations	(39)	(10)	(8)	(10)	(195)
Profit/(loss)	(72)	(57)	(17)	(25)	(277)
Balance sheet items					
Total assets	621	1,042	621	1,042	754
Equity	242	546	242	546	323
Interest-bearing debt, net	182	270	182	270	204
Cash flow					
Cash flow from operating activities	(38)	(51)	(7)	(12)	(57)
Cash flow from investment activities	-	(1)	0	0	(2)
Cash flow from financing activities	(46)	(14)	(42)	(53)	(74)
Performance ratios					
Return on equity (ROE)	(33.8%)	(13.2%)	(27.8%)	(18.4%)	(60.0%)
Equity ratio	39.0%	52.4%	39.0%	52.4%	42.8%
Average number of employees incl. discontinued operations	376	480	335	471	473
Share based ratios: 1)					
Booked value per diluted DKK 5 share (BVPS-D) at end of the period	4.53	10.23	4.53	10.23	6.04
Share price, end of the period (P), DKK	3.48	3.39	3.48	3.39	5.60
Share price / booked value diluted (P/BV-D)	0.77	0.33	0.77	0.33	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)	(0.71)	(0.95)	(0.13)	(0.23)	(1.06)
Price Earning diluted (P/E-D)	(5.6)	(3.8)	(21.0)	(12.4)	(3.7)
Earnings from continuing operations per DKK 5 share (EPS)	(0.63)	(0.88)	(0.17)	(0.27)	(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 by 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	1,118	-	-	1,118
EBIT	(7)	(20)	-	(27)
NWC	403	(3)	7	407

Sales and earnings trend

Turnover in the first nine months of the year totalled DKK 1,118 million and was 19% 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 3%-points are due to structural decisions in France. The remaining 9%-points are due to lower activity in Sweden, China, France and Russia.

The Group's **gross margin** for the first nine months was slightly higher than for the same period last year at 11.4%. European margins are slightly lower, while Global Sales margins are slightly higher due to the positive impact of the decision of not pursuing major bulk shipments from Africa to China.

In the first nine months of the year, **overhead costs** were reduced by DKK 15 million compared to the same period last year as a result of rationalisation measures implemented to adapt to the lower activity level. In Q3, the reduction in overhead costs was DKK 7 million.

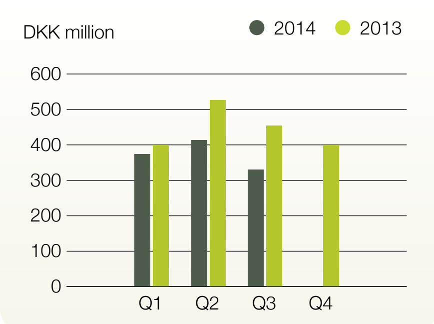
EBIT was minus DKK 27 million in the first nine months of the year against minus DKK 16 million for the same period last year. The EBIT development is mainly explained by the lower revenue being partly absorbed by lower costs.

Net financials decreased in the first nine months, from DKK 22 million last year to DKK 19 million this year. Interest expenses were lower mainly as a result of the reduction in the Group's net interest bearing debt.

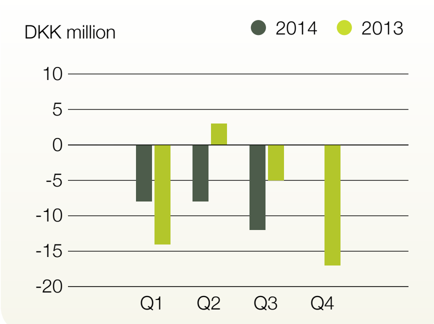
The Group's **result before tax** amounted to minus DKK 46 million for the year's first nine months against minus DKK 38 million for the corresponding period last year.

The Group's discontinued operations posted a loss of DKK 26 million against a loss for the same period last year of DKK 17 million. The result mainly relates to costs in connection with the divestment processes, including stay on bonuses and advisory costs, and wind up costs in Benelux, India, South America, Czech Republic and the Middle East, while gains from divestments of property in Brazil and the US Panels business have impacted positively.

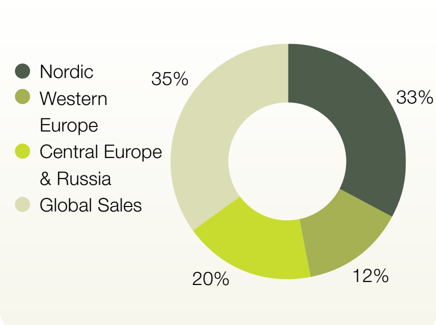
Turnover, quarterly breakdown



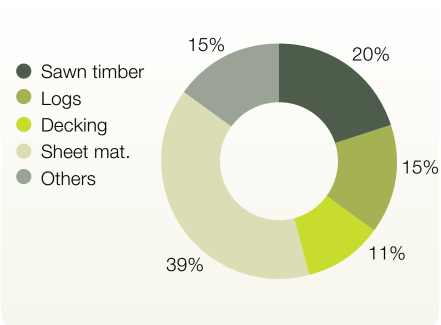
EBIT, quarterly breakdown



Turnover, breakdown for the group



Product mix, breakdown for the group



Balance sheet and cash flow

At the end of the first nine months of 2014, the **consolidated balance sheet** totalled DKK 621 million against DKK 1,042 million last year.

The Group's net interest bearing debt continued its positive trend. At the end of the period, **the net interest bearing** debt totalled DKK 182 million against DKK 270 million at the same time last year and DKK 204 million at the end of 2013.

Financial highlights and ratios for the group

(DKK million)	YTD 2014	YTD 2013	Q3 2014	Q3 2013
Turnover	1,118	1,380	331	455
Gross margin	11.4%	11.3%	10.9%	11.1%
EBIT	(27)	(16)	(12)	(5)
EBIT margin	(2.4%)	(1.1%)	(3.5%)	(1.2%)
Organic growth	(19.0%)	(6.0%)	(27.3%)	(1.3%)
NWC/turnover	27.3%	27.8%	30.8%	28.1%
NWC	407	450	407	450

With the closing after the balance sheet date of the sale of the Polish and Slovakian companies and the closing of the sale of the Asian Global Sales entities, the Group will become debt free.

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.

However, following the two recent divestments, in Q4, the banking facilities will be modified to support the trading activities of the remaining business units.

At the end of the period, Group **equity** was DKK 242 million against DKK 546 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 39.0%.

Following the above divestments, the Group comprises Nordic region, France and Russia. The Group continues to run structured sales processes in respect of these businesses.

The current political situation surrounding Russia adds market uncertainty and creates an uncertain environment for investments.

In addition the Group is also working on the disposal of other assets and reducing obligations in respect of certain leaseholds, including the former head office in Hoje Taastrup.

By its nature, determining the timing, value and outcome of such processes is difficult. However, the Board of Directors has felt it prudent to reduce the operating costs of the Group's head office. At the current level, the quarterly cost is around DKK 6 million. All employees, therefore will leave the head office by 30 April 2015 at the latest. The one-off cost of winding down the head office is expected to be in the region of DKK 15 million, including redundancy payments, which will be provided for in Q4.

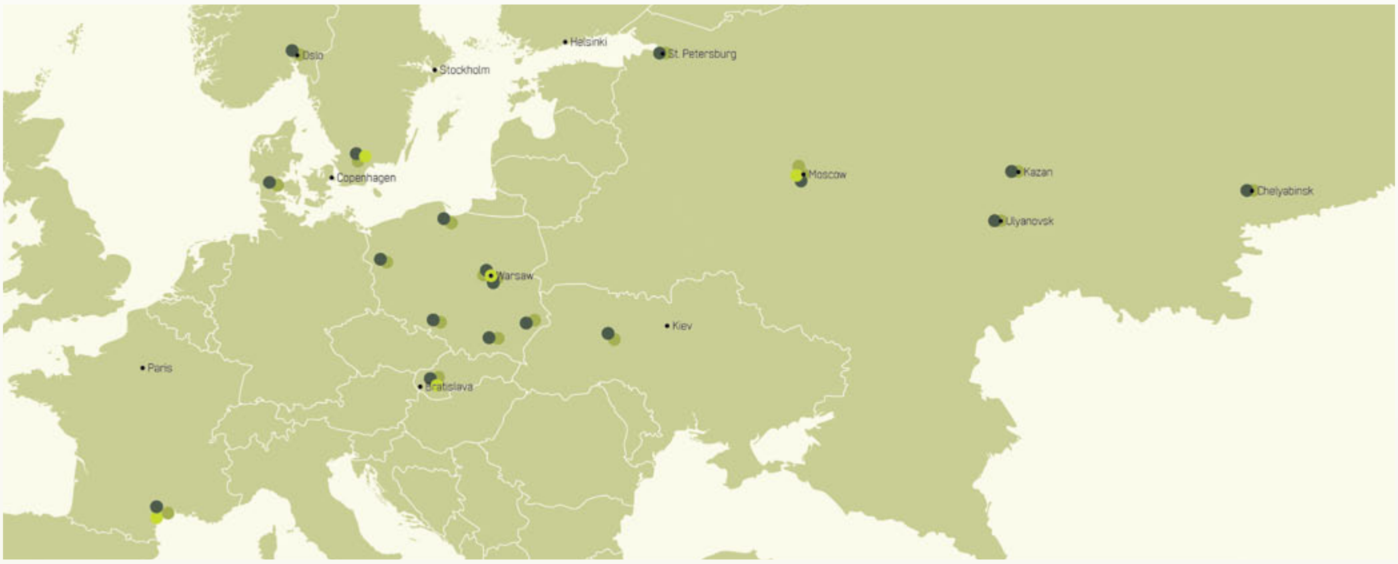
The divestments in Q3 and Q4 have materially changed the Group. Consequently, with effect from the Annual Report 2014, the Group will review the contents of its yearly and quarterly reporting with the aim of simplifying and tailoring it to the new smaller Group.

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 September 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. With the closing on 3 November 2014 of the sale of the Polish and Slovakian business, there is no more ongoing business in these countries.



Global Sales

The Global Sales business area operates internationally with 'back to back' trade in hardwood and sheet materials. With the closing on 31 October 2014 of the sale of the Asian Global Sales entities, there is no more ongoing business in Global Sales.

The Nordic region

The Nordic region delivered a turnover of DKK 387 million for the first nine months of 2014 compared to DKK 468 million for the same period last year.

Market conditions remain challenging especially in Sweden, where a weakening of the macro economy is coupled with a weaker Swedish krone and more intense competition particularly in the retail sector.

In general, the industrial sector is continuing to develop better and shows growth potential in Sweden.

Gross margin for the first nine months of 2014 decreased to 11.9% from 12.9%. This is due to a larger share of direct deliveries and impact from the challenging market conditions. The inventory and logistics optimisation carried out in 2013 continues to increase competitiveness.

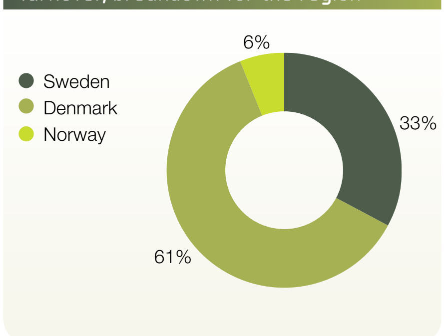
Operational improvements have reduced overhead costs and have partly offset the earnings impact from the lower turnover and margin. EBIT, therefore, totals minus DKK 6 million, which is DKK 5 million below the same period last year.

The region's relative capital utilisation has increased due to the decision to increase the stock of selected strategic products.

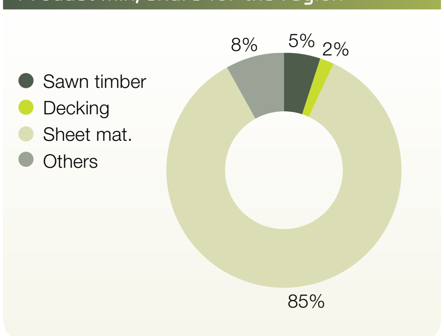
Financial highlights and key ratios for the Nordic region

(DKK million)	YTD 2014	YTD 2013	Q3 2014	Q3 2013
Turnover	387	468	115	145
Gross margin	11.9%	12.9%	11.2%	12.4%
EBIT	(6)	(1)	(2)	(1)
EBIT margin	(1.5%)	(0.1%)	(2.0%)	(0.5%)
Organic growth	(17.3%)	(22.2%)	(20.8%)	(17.2%)
NWC/turnover	27.1%	25.2%	30.5%	27.2%
NWC	140	158	140	158

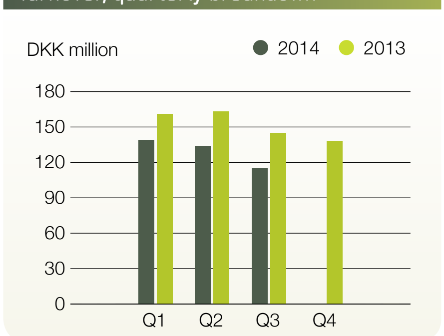
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



Western Europe

The region now only comprises France.

In the report for Q1, 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. This decision has now been implemented and going forward, all business will now be centred at the hub in Sête in Southern France, with the focus being solely 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 nine months of the year amounted to DKK 136 million, 29% less than the same period last year. Approximately DKK 40 million of the decrease is due to the structural decisions, whereas app. DKK 16 million is due to market factors.

Gross margin has increased to 13.1% from 11.0% for 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.

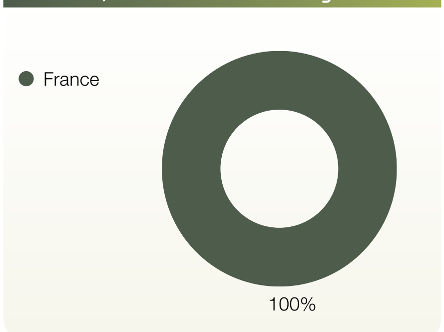
The decreasing turnover is only partly offset by the increasing gross margin. Furthermore, restructuring costs of DKK 4 million have been incurred in 2014. Therefore, EBIT shows a DKK 5 million reduction against the same period last year.

Net Working Capital has been reduced by DKK 43 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.

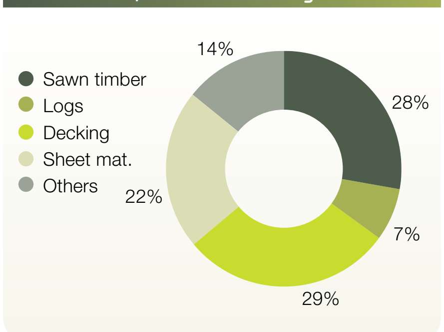
Financial highlights and ratios for Western Europe

(DKK million)	YTD 2014	YTD 2013	Q3 2014	Q3 2013
Turnover	136	192	22	53
Gross margin	13.1%	11.0%	13.6%	10.6%
EBIT	(5)	-	(2)	(2)
EBIT margin	(3.6%)	0.0%	(9.5%)	(3.0%)
Organic growth	(29.2%)	(16.8%)	(58.1%)	3.2%
NWC/turnover	29.4%	37.4%	60.3%	45.3%
NWC	53	96	53	96

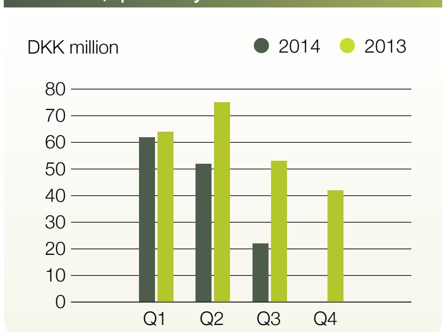
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



Central Europe & Russia

The macro-economic conditions remain weak, but signs of improvement are being seen especially in Poland. Turnover for the first nine months of 2014 shows a decrease of 9% to DKK 228 million. The decline is related to Russia and partly explained by the weakening of the Russian rouble.

Gross margin is lower than last year due to lower margins in Russia.

The region has improved operating efficiency and has implemented cost reduction measures that compensate for the lower turnover.

EBIT therefore remained at DKK 5 million.

The utilisation of Net Working Capital continues to improve. Net Working Capital was reduced by DKK 17 million and the NWC/Sales ratio was reduced by 2.2 percentage points.

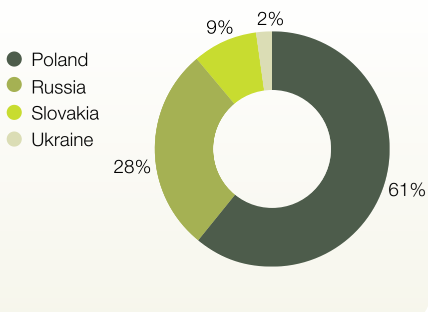
On 3 November 2014, the closing of the sale of the Group's Polish and Slovakian entities to Grass Polska took place. The region, therefore, now mainly consists of Russia.

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

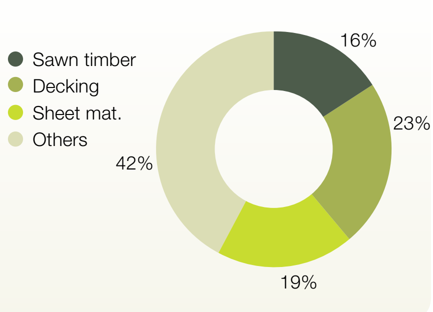
Financial highlights and ratios for Central Europe & Russia

(DKK million)	YTD 2014	YTD 2013	Q3 2014	Q3 2013
Turnover	228	249	77	88
Gross margin	17.6%	18.9%	17.3%	19.2%
EBIT	5	5	2	3
EBIT margin	2.1%	1.9%	2.1%	3.7%
Organic growth	(8.8%)	(15.9%)	(12.4%)	(16.2%)
NWC/turnover	32.6%	34.8%	32.1%	32.9%
NWC	99	116	99	116

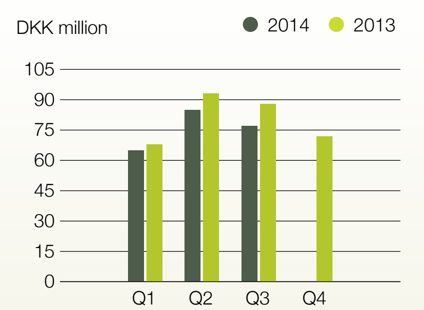
Turnover, breakdown for the region



Product mix, share for the region



Turnover, quarterly breakdown



Global Sales

Global Sales reached a turnover of DKK 368 million compared to DKK 471 million for the same period last year. The decrease is mainly due to the decision of this year not to pursue major bulk shipments from Africa to China.

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

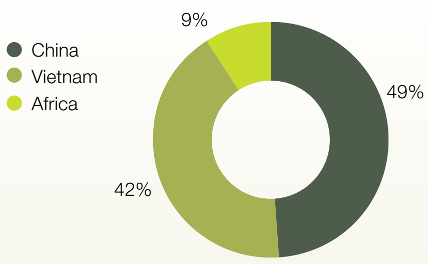
Due to the lower turnover, EBIT fell to minus DKK 1 million from DKK 7 million for the same period last year.

With the closing on 31 October 2014 of the sale of the Asian Global Sales entities, there is no more ongoing business in Global Sales.

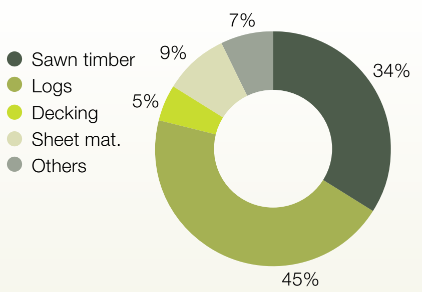
Financial highlights and ratios for Global Sales

(DKK million)	YTD 2014	YTD 2013	Q3 2014	Q3 2013
Turnover	368	471	117	170
Gross margin	7.1%	6.8%	6.6%	7.0%
EBIT	(1)	7	(3)	3
EBIT margin	(0.4%)	1.4%	(2.4%)	1.9%
Organic growth	(21.9%)	38.8%	(31.1%)	30.4%
NWC/turnover	22.5%	13.7%	23.6%	12.7%
NWC	110	86	110	86

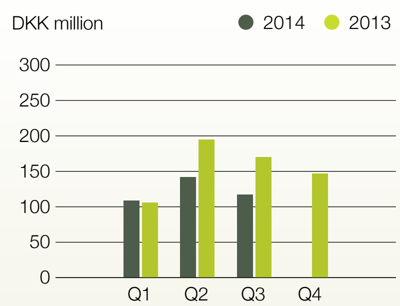
Turnover, breakdown for the region



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, on 1 October 2014, the Group announced the sale of its Asian Global Sales entities and on 31 October 2014, the closing of this transaction was announced. Proceeds of DKK 80 million were received on 31 October 2014 and further 40 million are expected as customer receivables are collected. On 3 November 2014, the closing of the sale of the Polish and Slovakian companies with net proceeds of DKK 100 million was announced. On 10 October the closing of the Group's corporate head quarter by 30 April 2015 at the latest was annonuced. The one-off cost of winding down the head office is expected to be in the region of DKK 15 million including redundancy payments, which will be provided for in Q4. 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
21 August 2014	Interim Report 6 months 2014
1 October 2014	DLH disposes of its Asian Global Sales entities
10 October 2014	DLH takes the next step in its divestment strategy
20 October 2014	Revised Financial Calendar 2014 and Financial Calendar 2015
31 October 2014	DLH completes sales of its Asian Global Sales entities
3 November 2014	DLH completes sales of its Polish and Slovakian entities

FINANCIAL CALENDAR 2015

11 March 2015	Annual Report 2014
27 April 2015	Interim Report 3 months 2015
20 August 2015	Interim Report 6 months 2015
30 October 2015	Interim Report 9 months 2015

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 September 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 September 2014 and the results of the Group's operations and cash flow for the period 1 January - 30 September 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, 4 November 2014

Executive Board:

Kent Arentoft
(CEO)

Board of Directors:

Kurt Anker Nielsen
(Chairman)

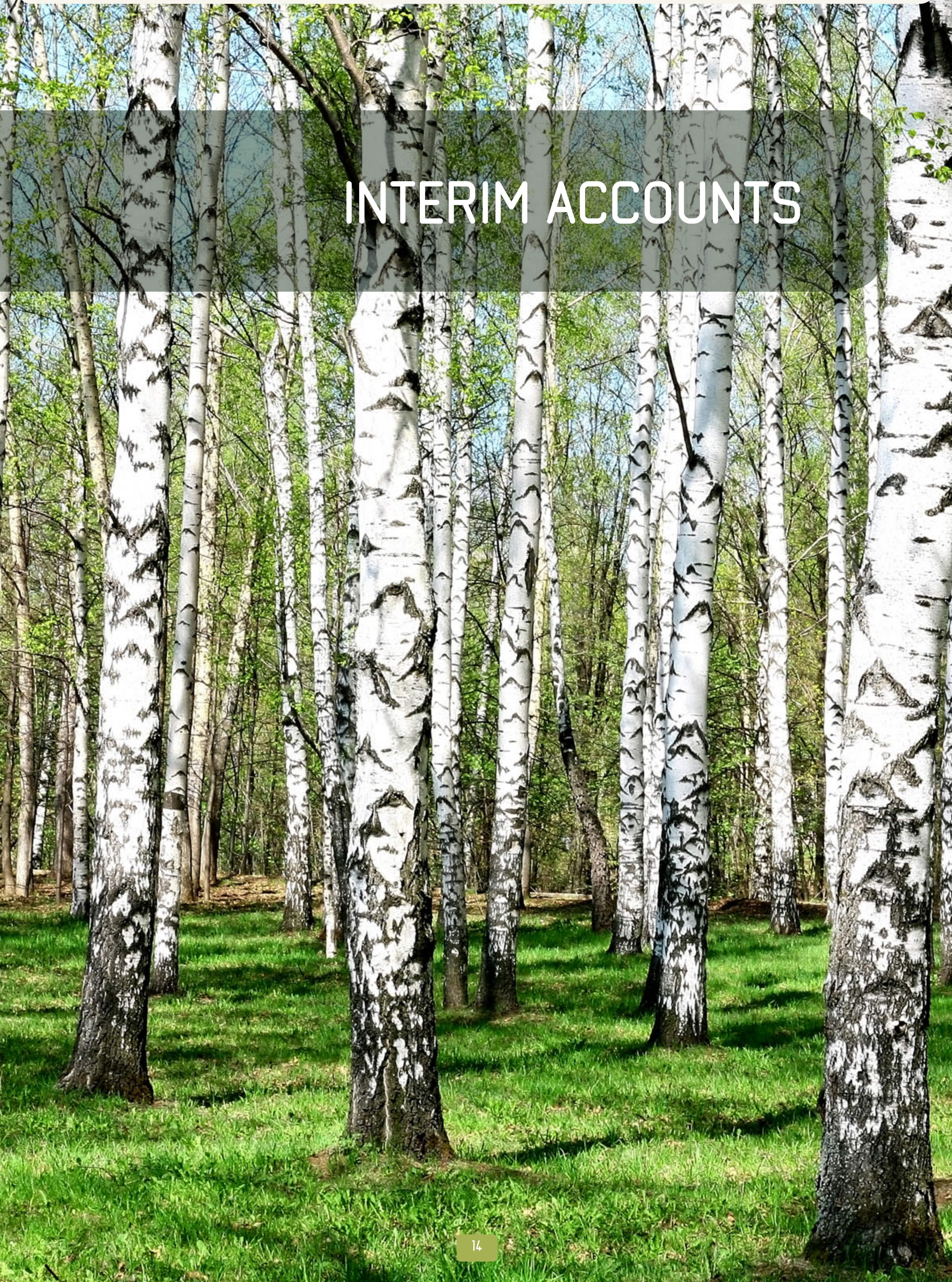
Agnete Raaschou-Nielsen
(Vice-Chairman)

Lars Green

Kristian Kolding

John Stær

INTERIM ACCOUNTS



INCOME STATEMENT

Note	(DKK million)	9 months 2014	9 months 2013	3rd quarter 2014	3rd quarter 2013	Full year 2013
4	Net turnover	-	-	-	-	-
	Cost of sales	-	-	-	-	-
	Gross profit	**-**	**-**	**-**	**-**	**-**
	Other external expenses	(6.1)	(13.1)	(1.7)	(4.4)	(13.0)
	Staff costs	(13.7)	(15.0)	(4.1)	(4.7)	(20.9)
	Other operating income	0.1	0.1	-	-	0.3
	Other operating expenses	-	-	-	-	-
	Operating profit/(loss) before depreciation and amortisation (EBITDA)	**(19.7)**	**(28.0)**	**(5.8)**	**(9.1)**	**(33.6)**
	Depreciation and amortisation	(0.8)	(1.4)	(0.2)	(0.4)	(1.9)
	Impairment losses	-	-	-	-	(0.6)
	Operating profit/(loss) (EBIT)	**(20.5)**	**(29.4)**	**(6.0)**	**(9.5)**	**(36.1)**
	Financial items:					
	Financial income	0.4	0.1	0.3	-	0.1
	Financial expenses	(13.3)	(17.9)	(3.3)	(5.2)	(20.5)
	Profit/(loss) from continuing operations before tax (EBT)	**(33.4)**	**(47.2)**	**(9.0)**	**(14.7)**	**(56.5)**
	Tax for the period on the profit/(loss) from continuing operations	-	-	-	-	(25.2)
	Profit/(loss) for the period from continuing operations	**(33.4)**	**(47.2)**	**(9.0)**	**(14.7)**	**(81.7)**
6	Profit/(loss) for the period from discontinued operations	(38.2)	(9.4)	(8.5)	(10.8)	(194.8)
	Profit/(loss) for the period	**(71.6)**	**(56.6)**	**(17.5)**	**(25.5)**	**(276.5)**
	To be appropriated as follows:					
	Shareholders in Dalhoff Larsen & Horneman A/S	(71.6)	(56.6)	(17.5)	(25.5)	(276.5)
	Earnings per share:					
	Earnings per share (EPS) of DKK 5 each	(1.34)	(1.06)	(0.48)	(0.48)	(5.18)
	Earnings per share diluted (EPS-D) of DKK 5 each	(1.34)	(1.06)	(0.48)	(0.48)	(5.18)
	Earnings per share (EPS) for continuing operations of DKK 5 each	(0.63)	(0.88)	(0.17)	(0.27)	(1.53)
	Earnings per share diluted (EPS-D) for continuing operations of DKK 5 each	(0.63)	(0.88)	(0.17)	(0.27)	(1.53)

STATEMENT OF COMPREHENSIVE INCOME

	9 months		3rd quarter		Full year
(DKK million)	**2014**	**2013**	**2014**	**2013**	**2013**
Profit/(loss) for the period	**(71.6)**	**(56.6)**	**(17.5)**	**(25.5)**	**(276.5)**
Other comprehensive income:					
Items that may not be reclassified to the income statement:					
Actuarial gains/(losses) on defined benefit plans	(0.3)	(0.3)	(0.1)	(0.1)	(0.9)
Tax	-	-	-	-	
	(0.3)	**(0.3)**	**(0.1)**	**(0.1)**	**(0.9)**
Items that may be reclassified to the income statement:					
Foreign currency translation adjustments on conversion of foreign entities	(5.1)	2.2	1.0	6.7	(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	(2.6)	0.9	(2.5)	1.4	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	-	-	-	-	-
	(8.6)	**3.9**	**(1.5)**	**8.1**	**0.8**
Other comprehensive income after tax	**(8.9)**	**3.6**	**(1.6)**	**8.0**	**(0.1)**
Total comprehensive income	**(80.5)**	**(53.0)**	**(19.1)**	**(17.5)**	**(276.6)**
This may be broken down as follows:					
Comprehensive income for the reporting period, continuing operations	(32.9)	(46.1)	(8.8)	(15.8)	(78.1)
Comprehensive income for the reporting period, discontinued operations	(47.6)	(6.9)	(10.3)	(1.7)	(198.5)
To be appropriated as follows:					
Shareholders in Dalhoff Larsen & Horneman A/S	(80.5)	(53.0)	(19.1)	(17.5)	(276.6)

BALANCE SHEET

Assets

Note	(DKK million)	30.9.2014	30.9.2013	31.12.2013
	Non-current assets:			
	Intangible assets:			
	Goodwill	-	145.9	-
	Other intangible assets	-	4.0	-
		-	**149.9**	**-**
	Property, plant and equipment:	**1.7**	**64.7**	**2.1**
	Other non-current assets:			
	Other investments and securities	-	3.8	-
	Deferred tax	-	29.7	-
		-	**33.5**	**-**
	Total non-current assets	**1.7**	**248.1**	**2.1**
	Current assets:			
	Inventories:			
	Manufactured goods and goods for resale	-	334.1	-
	Prepayment for goods	-	27.1	-
		-	**361.2**	**-**
	Receivables:			
	Trade receivables	-	254.0	-
	Other receivables	2.0	37.4	2.1
		2.0	**291.4**	**2.1**
8	Cash	-	13.5	-
6	Assets held for sale	617.4	128.1	749.6
	Total current assets	**619.4**	**794.2**	**751.7**
	Total assets	**621.1**	**1,042.3**	**753.8**

BALANCE SHEET

Equity and liabilities

Note	DKK million)	30.9.2014	30.9.2013	31.12.2013
	Equity:			
	Share capital	267.8	267.8	267.8
	Hedging reserve	(2.6)	0.9	0.9
	Currency translation reserve	(31.6)	(23.4)	(26.5)
	Retained earnings	8.4	300.8	80.3
	Total equity	**242.0**	**546.1**	**322.5**
	Non-current liabilities:			
	Pensions and similar provisions	-	5.6	-
	Deferred tax	-	7.7	-
11	Provisions	4.1	10.3	5.9
	Leasing obligations	-	0.2	-
		4.1	**23.8**	**5.9**
	Current liabilities:			
	Credit institutions	136.0	264.9	161.3
7	Trade payables and other payables	10.3	148.9	9.8
	Subordinated loan	-	18.7	18.6
	Corporate income taxes	-	2.5	-
11	Provisions	2.2	4.6	2.7
	Accruals and deferred income	-	0.3	-
		148.5	**439.9**	**192.4**
6	Liabilities relating to assets held for sale	226.5	32.5	233.0
	Total liabilities	**379.1**	**496.2**	**431.3**
	Total equity and liabilities	**621.1**	**1,042.3**	**753.8**

CASH FLOW STATEMENT

		9 months		3rd quarter		Full year
Note	**(DKK million)**	**2014**	**2013**	**2014**	**2013**	**2013**
	Profit/(loss) before tax from continuing operations	(33.4)	(47.2)	(9.0)	(14.7)	(56.5)
9	Adjustment for non-cash operating items etc.	11.5	15.4	3.4	3.3	17.9
	Cash flow from operating activities before change in working capital	**(21.9)**	**(31.8)**	**(5.6)**	**(11.4)**	**(38.6)**
10	Change in working capital	0.3	(2.4)	4.0	1.8	0.1
	Operating cash flow	**(21.6)**	**(34.2)**	**(1.6)**	**(9.6)**	**(38.5)**
	Financial income, paid	0.4	0.1	0.3	-	0.1
	Financial expenses, paid	(16.9)	(16.6)	(5.8)	(2.6)	(18.5)
	Corporate income taxes paid/refunded	-	-	-	-	0.1
	Cash flow from operating activities	**(38.1)**	**(50.7)**	**(7.1)**	**(12.2)**	**(56.8)**
	Acquisition of intangible assets	-	(0.3)	-	(0.1)	(0.3)
	Acquisition of tangible assets	-	(0.6)	-	(0.3)	(1.7)
	Sale of intangible and tangible assets	-	-	-	-	-
	Cash flow from investment activities	**-**	**(0.9)**	**-**	**(0.4)**	**(2.0)**
	Cash flow from operating activities and after investments	**(38.1)**	**(51.6)**	**(7.1)**	**(12.6)**	**(58.8)**
	Repayment of subordinated loan	(18.7)	(18.6)	-	-	(18.7)
	Proceeds from credit institutions	(27.1)	4.6	(42.4)	(52.8)	(55.4)
	Cash flow from financing activity	**(45.8)**	**(14.0)**	**(42.4)**	**(52.8)**	**(74.1)**
6	Cash flow from discontinued operations	71.5	(19.4)	54.0	66.8	60.2
	Cash flow for the period	**(12.4)**	**(85.0)**	**4.5**	**1.4**	**(72.7)**
	Cash at the beginnning of the period	26.7	99.4	9.4	13.0	99.4
	Foreign currency translation adjustment of cash	(0.5)	-	(0.1)	-	-
8	Cash at the end of the period	13.8	14.4	13.8	14.4	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	-	-	-	(56.6)	(56.6)
Other comprehensive income:					
Foreign currency translation adjustments on conversion of foreign entities	-	-	2.2	-	2.2
Value adjustment of hedging instruments:					
Value adjustment for the period	-	0.9	-	-	0.9
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	-	-	-	(0.3)	(0.3)
Tax on other comprehensive income	-	-	-	-	-
Total other comprehensive income	**-**	**1.7**	**2.2**	**(0.3)**	**3.6**
Total comprehensive income for the period	**-**	**1.7**	**2.2**	**(56.9)**	**(53.0)**
Transactions with owners:					
Share based remuneration	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**-**
Equity at 30 September 2013	**267.8**	**0.9**	**(23.4)**	**300.8**	**546.1**
Equity at 1 January 2014	**267.8**	**0.9**	**(26.5)**	**80.3**	**322.5**
Comprehensive income in 2014:					
Profit/(loss) for the period	-	-	-	(71.6)	(71.6)
Other comprehensive income:					
Foreign currency translation adjustments on conversion of foreign entities	-	-	(5.1)	-	(5.1)
Value adjustment of hedging instruments:					
Value adjustment for the period	-	(2.6)	-	-	(2.6)
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	-	-	-	(0.3)	(0.3)
Total other comprehensive income	**-**	**(3.5)**	**(5.1)**	**(0.3)**	**(8.9)**
Total comprehensive income for the period	**-**	**(3.5)**	**(5.1)**	**(71.9)**	**(80.5)**
Equity at 30 September 2014	**267.8**	**(2.6)**	**(31.6)**	**8.4**	**242.0**

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 requires 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 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 divestment process. The uncertainty primarily relates to Assets held for sale and liabilities relating to assets held for sale. The uncertainty in these mainly concerns the following items: Non-current assets, inventories, trade receivables and provisions.

The agreements on the sale of companies and activities include certain guarantees provided by DLH. In determining gains and losses related to these divestments, provisions were made for these guarantees based on management's assessment of associated risks. Management's estimates of this risk are subject to high uncertainty.

The parent company of the Group carries accumulated tax losses of DKK 550 million. These are not recognised in the balance sheet as it is not expected that they can be off-set against future earnings under the current strategy.

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

9 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	387.2	137.8	227.7	367.6	1,120.3	136.7	-	-	1,257.0		1,257.0
Intra-group turnover	(0.1)	(1.6)	(0.3)	-	(2.0)	(5.1)	-	-	(7.1)		(7.1)
Turnover to external customers	387.1	136.2	227.4	367.6	1,118.3	131.6	-	-	1,249.9	-	1,249.9
Operating profit (EBIT)	(5.8)	(4.8)	4.8	(1.3)	(7.1)	(36.8)	0.5	-	(43.4)	(20.5)	(63.9)
NWC	140.0	53.4	98.9	110.4	402.7	8.3	7.2	-	409.7	(2.8)	415.4

9 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	468.4	193.9	253.1	470.5	1,385.9	326.0	-	-	1,711.9		1,711.9
Intra-group turnover	(0.2)	(1.6)	(3.8)	-	(5.6)	(5.3)	-	-	(10.9)		(10.9)
Turnover to external customers	468.2	192.3	249.3	470.5	1,380.3	320.7	-	-	1,701.0	-	1,701.0
Operating profit (EBIT)	(0.6)	-	4.7	6.8	10.9	(4.3)	2.8	-	9.4	(29.4)	(20.0)
NWC	157.6	95.8	115.8	86.2	455.4	167.4	(1.2)	-	621.6	(4.4)	617.2

3rd 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	114.6	23.1	77.0	116.7	331.4	10.6	-	-	342.0		342.0
Intra-group turnover	-	(0.9)	-	-	(0.9)	0.1	-	-	(0.8)		(0.8)
Turnover to external customers	114.6	22.2	77.0	116.7	330.5	10.7	-	-	341.2	-	341.2
Operating profit (EBIT)	(2.3)	(2.1)	1.6	(2.8)	(5.6)	(9.2)	-	-	(14.8)	(6.0)	(20.8)
NWC	140.0	53.4	98.9	110.4	402.7	8.3	7.2	-	409.7	(2.8)	415.4

3rd 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	144.8	53.4	89.4	169.5	457.1	104.7	-	-	561.8		561.8
Intra-group turnover	(0.2)	(0.6)	(1.4)	-	(2.2)	(1.2)	-	-	(3.4)		(3.4)
Turnover to external customers	144.6	52.8	88.0	169.5	454.9	103.5	-	-	558.4	-	558.4
Operating profit (EBIT)	(0.7)	(1.6)	3.3	3.2	4.2	(4.8)	-	-	(0.6)	(9.5)	(10.1)
NWC	157.6	95.8	115.8	86.2	455.4	167.4	(1.2)	-	621.6	(4.4)	617.2

NOTES

Note 4 Segment information (continued)

	9 months 2014					9 months 2013				
(DKK million)	**Income statement**	**Discontinued operations, note 6**	**Elimination impairment etc.**	**Other discontinued, note 4**	**Pro-forma income 9 mths 2014**	**Income statement**	**Discontinued operations, note 6**	**Elimination impairment etc.**	**Other discontinued, note 4**	**Pro-forma income 9 mths 2013**
Turnover	-	1,249.9		131.6	1,118.3	-	1,701.1		320.7	1,380.4
Gross profit	-	127.3	2.3	1.7	127.9	-	193.9	(5.1)	32.4	156.4
Gross margin					11.4%					11.3%
EBITDA	(19.7)	(39.6)		(37.4)	(21.9)	(28.0)	16.0		(3.5)	(8.5)
EBIT	(20.5)	(43.4)		(36.8)	(27.1)	(29.4)	9.4	-	(4.2)	(15.8)
Financial items, net	(12.9)	(6.9)		(1.0)	(18.8)	(17.8)	(9.9)		(5.8)	(21.9)
EBT	(33.4)	(50.3)	-	(37.8)	(45.9)	(47.2)	(0.5)	-	(10.0)	(37.7)
Tax	-	(1.4)	(2.0)	(0.2)	0.8	-	(8.9)		(6.8)	(2.1)
Profit on sale	-	13.5		13.5	-		-			-
Discontinued operations	(38.2)		38.2	-	-	(9.4)		9.4		-
Profit/(loss) for the year	(71.6)	(38.2)	36.2	(24.5)	(45.1)	(56.6)	(9.4)	9.4	(16.8)	(39.8)

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

	9 months		3rd quarter		Full year
(DKK million)	**2014**	**2013**	**2014**	**2013**	**2013**
Turnover	1,249.9	1,701.1	341.2	558.5	2,209.3
Cost of sales	(1,122.6)	(1,507.2)	(307.7)	(499.5)	(1,973.3)
Gross profit	**127.3**	**193.9**	**33.5**	**59.0**	**236.0**
Other operating items, net	3.1	2.8	0.8	0.1	4.5
Other external expenses	(79.1)	(87.1)	(24.6)	(27.6)	(128.3)
Staff costs	(90.9)	(93.6)	(23.5)	(30.3)	(128.3)
Operating profit before depreciation and amortisation (EBITDA)	**(39.6)**	**16.0**	**(13.8)**	**1.2**	**(16.1)**
Depreciation and amortisation	(3.8)	(6.6)	(1.0)	(1.8)	(11.3)
Impairment losses	-	-	-	-	(141.9)
Operating profit/(loss) (EBIT)	**(43.4)**	**9.4**	**(14.8)**	**(0.6)**	**(169.3)**
Financial items:					
Financial income	0.2	0.4	0.2	0.1	1.0
Financial expenses	(7.1)	(10.3)	(5.7)	(3.0)	(17.2)
Profit/(loss) before tax (EBT)	**(50.3)**	**(0.5)**	**(20.3)**	**(3.5)**	**(185.5)**
Tax on profit for the period	(1.4)	(8.9)	(2.2)	(7.8)	(9.3)
Profit for the period	**(51.7)**	**(9.4)**	**(22.5)**	**(11.3)**	**(194.8)**
Profit/(loss) from sale of discontinued operations	13.5	-	14.0	0.5	-
Profit for the period from discontinued operations	**(38.2)**	**(9.4)**	**(8.5)**	**(10.8)**	**(194.8)**
Earnings per share for discontinued operations:					
Earnings per share (EPS)	(0.71)	(0.18)	(0.16)	(0.21)	(3.65)
Earnings per share diluted (EPS-D)	(0.71)	(0.18)	(0.16)	(0.21)	(3.65)
Cash flow from discontinued operations, net:					
Cash flow from operating activities	35.7	36.1	46.0	97.0	115.1
Cash flow from investment activities	25.5	0.4	17.3	(0.7)	0.7
Cash flow from financing activities	10.3	(55.9)	(9.3)	(29.5)	(55.6)
Total	**71.5**	**(19.4)**	**54.0**	**66.8**	60.2

(DKK million)	**30.9.2014**	**30.9.2013**	**31.12.2013**
Tangible assets	60.0	11.7	74.4
Other non-current assets	6.7	1.0	9.5
Inventories	346.7	85.5	390.4
Trade receivables	152.2	25.3	219.0
Other receivables	38.0	3.7	29.6
Cash and banks	13.8	0.9	26.7
Assets held for sale	**617.4**	**128.1**	**749.6**
Credit institutions	57.1	0.0	49.3
Provisions	25.4	0.0	29.4
Trade payables	130.2	5.0	89.4
Other payables	13.8	27.5	64.9
Liabilities relating to assets held for sale	**226.5**	**32.5**	**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 0.8 million at 30 September 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 represent an immaterial part of the value of the derivative financial instruments at 30 September 2014, which is why level 2 of the fair value hierarchy is used.

Note 8 Cash

Note (DKK million)	30.9.2014	30.9.2013	31.12.2013
Cash	-	13.5	-
Cash classified as assets held for sale	13.8	0.9	26.7
Cash total	**13.8**	**14.4**	**26.7**

Note 9 Non-cash operating items etc.

	9 months		3rd quarter		Full year
(DKK million)	**2014**	**2013**	**2014**	**2013**	**2013**
Depreciation, amortisation and impairment losses	0.8	1.4	0.2	0.4	2.5
Provisions/(reversals)	(2.3)	(4.1)	(0.6)	(2.3)	(5.3)
Other non-cash operating items, net	0.1	0.3	0.8	-	0.3
Financial income	(0.4)	(0.1)	(0.3)	-	(0.1)
Financial expenses	13.3	17.9	3.3	5.2	20.5
Non-cash operating items etc. total	**11.5**	**15.4**	**3.4**	**3.3**	**17.9**

Note 10 Change in working capital

	9 months		3rd quarter		Full year
(DKK million)	**2014**	**2013**	**2014**	**2013**	**2013**
Inventories	-	-	-	-	-
Trade receivables	-	-	-	-	-
Trade and other payables	0.1	(4.2)	2.7	1.4	(2.1)
Other operating debt, net	0.2	1.8	1.3	0.4	2.2
Change in working capital total	**0.3**	**(2.4)**	**4.0**	**1.8**	**0.1**

Note 11 Provisions

At the beginning of the financial year, the Group had provisions for DKK 38.0 million relating to severance payments for employees, rent etc. in connection with decided restructuring measures. At the end of September 2014 total provisions amount to DKK 31.7 million.