

20.12.2007

<https://cns.omxgroup.com>

OMX Den Nordiske Børs København A/S
Nikolaj Plads 6
1069 Copenhagen K



Announcement no. 13/2007

DLH sells the Building Materials Division to enhance its focus on the international timber trade

DLH is to sell its Danish building materials activities to French Saint-Gobain in order to strengthen its international wholesale business. The sale will generate one-off proceeds of approx. DKK 600 million once the transaction has been completed in the first quarter of 2008.

Meeting for the press and analysts today at 1.30 pm at Hotel Marriott in Copenhagen, please see below.

Dalhoff Larsen & Horneman A/S, DLH, has today concluded an agreement to sell the Building Materials Division to Saint-Gobain Distribution Nordic AS, a company in the Saint-Gobain Group. The Building Materials Division will thereby become part of the Scandinavian activities of Saint-Gobain, which include the timber merchant chain of Optimera in Norway and Sweden.

The Building Materials Division, whose parent is DLH Træ & Byg A/S, is Denmark's third largest capital chain within the building materials trade. The business activities are expected to produce revenue of approximately DKK 1,850 million and EBIT of approximately DKK 80 million in 2007. The division employs approximately 550 staff in 19 timber merchant companies, eleven of which have an affiliated DIY store.

The transaction

The transfer agreement is subject to the outcome of a due diligence process and the approval of the competition authorities. The transaction is expected to be completed in the first quarter of 2008.

The selling price for the shares in DLH Træ & Byg A/S is expected to be approximately DKK 840 million. DLH will thereby realise one-off income (after transaction costs and provisions etc.) of approximately DKK 600 million, both before and after tax, upon the final transfer in 2008.

In connection with the transaction the group's invested capital (NOA) will be reduced by DKK 500-550 million and the group's equity ratio will be increased from approximately 30% to more than 50%.

The parties have agreed that the division shall continue to use the name of Horneman for marketing purposes for a period of time. The division is also expected to continue its membership of the purchasing organisation Ditas and the marketing co-operation XL-BYG.

The head of the Building Materials Division, Arnold Johansen, continues to be responsible for the building materials activities. For the time being the management and staff functions will remain at DLH's head office in Taastrup and benefit from the corporate functions of the DLH Group (such as IT and HR). DLH therefore expects no immediate staff cuts in connection with the transaction.

The intra-group trade with the Building Materials Division and the remainder of DLH will amount to approximately DKK 120 million in 2007. DLH expects to maintain this level in the future.

The strategic perspective for DLH

The divestment of the Building Materials Division will considerably reduce DLH's dependency on the Danish market. The revenue contribution of the group's Danish activities will be reduced from approximately 36% to approximately 17%.

At the same time DLH will direct its strategic focus to the international trade in timber and timber products. With annual revenue from the international timber trading activities of approximately DKK 5.6 billion DLH is already one of the world's largest timber wholesalers with sales and purchasing offices as well as warehousing and processing facilities in more than 30 countries across five continents. In addition, the group will now considerably enhance its financial and strategic potential.

DLH will proactively use this potential to continue the expansion of the past few years, focusing on additional expansion of the geographical sales platform and strengthening the value chain "from forest to end user", including:

- strengthening the sourcing capacity via own forestry and saw mill operation, in existing as well as in new locations
- expansion of the processing capacity
- strengthening the sales and distribution capacity, for instance by means of acquisitions, geographically as well as in relation to end customers
- strengthening environmental activities to secure DLH's leading position as a supplier of sustainable products.

During the past two years DLH has completed a number of important strategic acquisitions of both hardwood activities and timber and sheet materials activities: the Bohmans Group (hardwood and veneer in Scandinavia and Eastern Europe) in 2005, the tt Timber Group (global hardwood activities, including forest production in the Congo) and Karl Ljungberg (sheet materials activities in Sweden and Norway) in 2006 and Olle Zettergren and Palma Byggrossisten (sheet materials activities in Sweden) and the Hustvedt Group (hardwood and sheet materials activities in Norway) in 2007 – with the very aim of strengthening the group's geographical sales platform and value chain.

DLH has begun formulating a new focused strategy with new financial targets for the group's business development that utilise the new financial potential. The new strategy will be to concentrate more on acquisitions that may improve the group's profitability. The result of the strategy efforts will be presented in connection with the publication of the group's annual report in March 2008 at the latest.

Forecast for 2007

Since the divestment of the Building Materials Division will not have any impact on the accounts until the final transfer in the first quarter of 2008, DLH continues to expect total revenues of approximately DKK 7.3 billion, EBIT of approximately DKK 330 million and a pre-tax profit of approximately DKK 230 million in 2007. This forecast remains unchanged compared to the most recently published forecast.

However, according to IFRS, the financial development of the building materials activities must be reported as a discontinued activity in future. For *the continuing activities* in 2007 the group expects a revenue contribution of DKK 5.6 billion, an EBIT of approximately DKK 250 million and a pre-tax result of DKK 165 million. The group's expected total after-tax result in 2007 will hardly be affected by the transaction.

Forecast for 2007

	Previously	Changed in acc. with IFRS
Revenue	DKK 7.3 billion	DKK 5.6 billion
EBIT	DKK 330 million	DKK 250 million
Profit before tax	DKK 230 million	DKK 165 million
Profit after tax (at the company tax rate of 30%)	DKK 160 million	DKK 160 million

The forecast revenue and result for 2008, including the above one-off income item of approximately DKK 600 million both before and after tax, will be published in the group's annual report in March 2008.

Press and investor meeting with web cast Thursday 20 December 2007 at 1.30 PM

A meeting will be held for the press, analysts and investors at Hotel Marriott, Kalvebod Brygge 5, 1560 Copenhagen K today at 1.30 pm where DLH's President & CEO Jørgen Møller-Rasmussen will present and put today's agreement into perspective. Group CEO, Saint-Gobain Distribution Nordic and Chairman of the Board of Optimera, Kåre Malo and CEO of Optimera Harald Tyrdal, will give a short presentation of the new owners of the Building Materials Division.

The meeting, which will be held in Danish and Norwegian, will be interpreted simultaneously into English and transmitted direct via web cast from DLH's website www.dlh-group.com.

Please direct any inquiries relating to the notification to the President and CEO of the company, Jørgen Møller-Rasmussen on telephone no. +45 4350 0101.

Yours sincerely
DALHOFF LARSEN & HORNEMAN A/S

Asbjørn Børsting
Chairman of the Supervisory Board

Jørgen Møller-Rasmussen
President & C.E.O.