

21.6.2007

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Announcement no. 7/2007

## **DLH acquires Norwegian and Danish businesses**

*Summary: DLH consolidates its position in the Nordic countries through the acquisition of the Norwegian group Erling Hustvedt, which has a solid position on the Norwegian industrial market for hardwood, veneer and sheet materials. DLH also acquires the Danish sheet materials wholesaler OK Træ ApS. With the two acquisitions DLH increases its revenue by DKK 170 million per year.*

### **Acquisition of the Erling Hustvedt Group in Norway**

DLH has concluded an agreement on the purchase of the 45-year-old Norwegian group Erling Hustvedt, which consists of Erling Hustvedt AS in Oslo, AS Tre og Finer in Bergen and Rolf Vaagsæter AS in Molde. The group, which has 25 employees, is engaged in the distribution of hardwood, veneer and sheet materials to the industrial market in Norway, such as the shipbuilding industry. The acquisition is scheduled to take place as at 1 August 2007. The acquisition is dependent on the approval of the Norwegian competition authorities.

The Erling Hustvedt Group, which has annual revenue of approximately DKK 140 million, will become part of DLH's Hardwood Division. The former owner, Roald Hustvedt (aged 63), will continue as chairman of the supervisory board for the remainder of 2007, and Thor Lindberg (aged 33) will continue as day-to-day manager.

DLH already makes direct sales to Norway in the amount of approximately DKK 25 million per year in Erling Hustvedt's line of business. To this should be added annual revenue from the sale of sheet materials and floors of approximately DKK 50 million generated by Ljungbergs AS, Norway, which was acquired by DLH in 2006.

DLH expects to realise potential purchasing synergies for temperate hardwood, sheet materials and veneer from the merger of Erling Hustvedt and the Hardwood Division.



### **Acquisition of OK Træ ApS in Denmark**

Through the Timber & Board Division Dalhoff Larsen & Horneman A/S is also set to acquire the business of OK Træ ApS in Silkeborg as of today. OK Træ ApS has three employees, including the previous owners, who continue in their employment with the business, which will move to DLH's facilities in Hørning.

OK Træ ApS has annual revenue of approximately DKK 30 million.

### **The strategic perspective**

The two acquisitions are part of the strategy towards consolidating DLH's Nordic market platform. Already in 2005 DLH acquired the Bohmans Group with Swedish and Finnish activities. To this must be added the tt Timber Group's Danish operations, Internationalt Hårdtræ, which was acquired in early 2006 together with the tt Timber Group. Most recently, in the autumn of 2006, DLH acquired Ljungbergs with activities in both Sweden and Norway.

### **Revenue and profit forecasts**

For the full year we expect a result at EBIT level for the acquired businesses of approximately DKK 10 million and NOA (invested capital) is expected to grow by approximately DKK 85 million in total as a result of the two acquisitions.

The acquisitions are expected to have a favourable impact on DLH's revenue and profit in 2007, although the effect will be relatively modest because of taking effect quite late in the year.

DLH therefore still expects total revenue of approximately DKK 7,500 million for 2007 and pre-tax profit of approximately DKK 230 million.

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

Yours sincerely

DALHOFF LARSEN & HORNEMAN A/S

Asbjørn Børsting  
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Jørgen Møller-Rasmussen  
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