

STOCK EXCHANGE ANNOUNCEMENT

Dantherm A/S
Corporate Registration No. 30 21 43 15
Interim Report 1 January – 31 March 2007

Progress for Dantherm in the first quarter 2007

Today, the board of directors of Dantherm A/S approved the company's unaudited accounts for the period 1 January to 31 March 2007.

In connection therewith, we hereby submit the enclosed interim report, from which the activities of this year's first quarter can be summarized as follows:

- The Group's sales for the first three months of the year totalled DKK 751m against DKK 697m last year. The turnover growth of almost 8 % comes from organic growth primarily in the segments Products for Air Handling and Comfort Ventilation & Engineering.
- The total sales in the period exceed expectations, mainly because of high activity in the business segment Comfort Ventilation & Engineering.
- The Group's pretax earnings in the first quarter represent a profit of DKK 0.2m, compared to a loss of DKK 26.4m for the same period last year. Positive operating results and progress have been realised within all three business segments.
- The realised profit in the period is better than expected, which is mainly due to a positive development within the business segment Comfort Ventilation and Engineering.
- Based on experience from the previous years the group expects also in 2007 that the total turnover and earnings will be highest in 2nd half-year compared to 1st half-year.
- As previously informed, a total turnover of between DKK 3,000 – 3,100m and pretax earnings in the interval DKK 20 – 50m are expected for the financial year 2007.

Any queries regarding this announcement may be addressed to CEO Poul Arne Jensen on +45 9914 9010.

Sincerely,

Dantherm A/S

Skive, 9 May 2007

Walther V. Paulsen
Chairman, Board of Directors

Poul Arne Jensen
Chief Executive Officer

In case of doubt the Danish version of this announcement is applicable

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Economic growth for the Group

The Dantherm Group sales for the first quarter of the year have increased by DKK 54m from DKK 697m last year to DKK 751m in 2007, corresponding to a growth of almost 8 %. The turnover growth comes from organic growth primarily in the segments Products for Air Handling and Comfort Ventilation & Engineering. A large part of the total increase in turnover stems from the business segment Products for Air Handling, which had an extraordinary low turnover in the same period last year.

The total sales in the period exceed expectations, mainly because of high activity in the business segment Comfort Ventilation & Engineering.

The Group's pretax earnings in the first quarter of the year represent a profit of DKK 0.2m, against a loss of DKK 26.4m for the same period last year. Positive operating results and progress have been realised within all three business segments.

The operational development will be commented further in the statement of the individual business segments.

Invested capital increased by DKK 16m, compared to the start of the year, totalling DKK 1,065m at the end of March 2007. The decrease in invested capital is primarily due to a reduction of the Group's credit balance.



Key figures for the Group

The interim report for the first quarter of 2007 is unaudited and is submitted in accordance with recognition and measurement provisions of the International Financial Reporting Standards (IFRS) as approved by the EU and other Danish information requirements for financial reporting for publicly listed companies, including Danish information requirements regarding interim reporting.

DKK '000	1/1 – 31/3		Year 2006
	2007	2006	
PRINCIPAL FIGURES			
Income statement:			
Turnover	751.2	697.2	2,958.4
Operating profit (EBIT)	7.5	-21.5	10.0
Financial items, net	-7.3	-4.9	-38.9
Profit before tax	0.2	-26.4	-28.9
Closing balance:			
Balance sheet total	1,774.1	1,743.9	1,866.7
Capital and reserves	509.3	505.1	511.2
Invested capital	1,065.2	1,058.4	1,081.6
KEY FIGURES			
Accounting key figures:			
Growth rate (sales growth)	7.7%	13.4%	2.2%
Profit margin (EBIT-%)	1.0%	-3.1%	0.3%
Return on invested capital (ROIC) ¹⁾	3.7%	5.2%	1.0%
Closing equity ownership, excl. minorities	27.6%	27.9%	26.3%
Median number of staff	3,137	2,937	3,100
Share-related key figures:			
Ending book value per share (DKK/share)	68.2	67.6	68.4
Closing stock market price (DKK/share)	105.9	143.5	104.3
Price/Book value, ending	1.55	2.12	1.52
Number 1000 shares ending at DKK 50	7,191	7,191	7,191

¹⁾ Calculated as average for the previous 12 months.



Segment information

With industrial air handling as its general mission, the Dantherm Group operates in the following three business segments:

- Products for Air Handling
- Comfort Ventilation & Engineering
- Process Ventilation

The following tables show activity and earnings for the period 1/1 – 31/3 by business segment in relation to the same period in 2006.

DKK '000	1/1 – 31/3		Year 2006
	2007	2006	
Turnover			
Product for air handling	236.0	187.2	902.1
Comfort ventilation & engineering	266.2	254.1	975.5
Process ventilation	249.0	255.9	1,080.8
Not distributed	0.0	0.0	0.0
Dantherm Group	751.2	697.2	2,958.4
Operational result (EBIT)			
Product for air handling	5.3	-13.1	20.7
Comfort ventilation & engineering	2.6	-7.3	-29.1
Process ventilation	1.3	1.1	23.0
Not distributed	-1.7	-2.2	-4.6
Dantherm Group	7.5	-21.5	10.0
Sales distribution			
Product for air handling	31%	30%	30%
Comfort ventilation & engineering	35%	34%	33%
Process ventilation	33%	36%	37%
Dantherm Group	100%	100%	100%
Profit margin (EBIT-%)			
Product for air handling	2.2%	-7.0%	2.3%
Comfort ventilation & engineering	1.0%	-2.9%	-3.0%
Process ventilation	0.5%	0.4%	2.1%
Dantherm Group	1.0%	-3.1%	0.3%
Invested capital at period end			
Product for air handling	571.4	500.2	556.1
Comfort ventilation & engineering	51.2	142.5	80.4
Process ventilation	358.1	304.4	381.1
Not distributed	84.5	111.3	64.0
Dantherm Group	1,065.2	1,058.4	1,081.6



Business segments & market development

1. Products for Air Handling

In Products for Air Handling, Group turnover increased by 26.1 % compared to the 1st quarter of 2006. In particular, sales by the Danish companies to the telecommunications industry increased compared to the same period last year, where sales within this product area were extraordinary low.

Sales of mobile equipment to the defence and international aid agencies have also been better than in the same period of 2006. This has among other things caused a considerable progress for the Group's Norwegian subsidiary. In the area of dehumidifiers the positive development from 2006 has continued in the first quarter of 2007. In 2006 Dantherm Air Handling introduced a new dehumidifier product series to the market and it has been well received by the customers. The activities in the other product areas of the business segment have been at the same level as in the first quarter of 2006.

The business segment's activities in the United States have had a weak start in 2007. In this market, particularly sales to the telecommunications industry have been lower than in the same period of 2006. For the total year a lower activity than in 2006 is expected on the American market.

In China, where Dantherm Air Handling primarily sells products to the telecommunications industry, the positive growth of 2006 continues. The turnover of the first 3 months of 2007 has almost doubled compared to the same period of 2006.

The operating result for the business segment Products for Air Handling was an operating profit of DKK 5.3m, against a loss of DKK 13.1m for the same period in 2006. This change compared to 2006 can primarily be attributed to the higher activity and an improvement of the contribution ratios. The total result of the business segment for the first quarter of 2007 is equal to the expected.

The invested capital within the business segment Products for Air Handling has increased by DKK 15m compared to end 2006. The increased can be attributed to increased stock holdings.

Dantherm Air Handling has since 2003 invested a considerable amount in commercial utilization of the fuel cell technology, and in the first quarter of 2007 the company has received the first commercial order, in which the technology is used. In the beginning of 2007 a business plan for Dantherm's utilization of the technology has been worked out. Today the board of directors has considered the business plan and decided to make a further effort in this area. In the period to come decision will be made concerning the future organization and financing of the fuel cell area.

2. Comfort Ventilation & Engineering

The Dantherm Group turnover in Comfort Ventilation & Engineering rose during the first quarter of the year by 4 % compared to 2006. The level of activity is well over expectations, and has also been positively influenced by the mild winter in Denmark.

Contrary to previously years the business segment realised a positive operational result in the traditionally weak first quarter. An operational deficit for the first quarter of 2006 of DKK 7.3m has been improved to an operational profit of DKK 2.6m for the first quarter of 2007. The realised result is better than expected.

After a very unsatisfactory result in 2005 a number of rationalisation and controlling activities were initiated in 2006 in Glenco A/S. This hard process has resulted in a reduction of the capacity costs and a business focus towards selected business areas and specialities. The positive development in the first quarter of the year strengthens our belief that this change of strategy will bear fruit in the future.



Invested capital for the business segment is reduced by DKK 29m compared to the end of 2006. For Comfort Ventilation & Engineering the reason for the decrease in the invested capital is primarily a reduction of the receivables.

3. Process Ventilation

The turnover in the first three months of the year for the Dantherm Filtration Group totalled DKK 249m, against DKK 256m for the same period last year. The fall in the activity level of almost 3 % originates primarily from the Danish subsidiary, showing a very high activity level in the first quarter of 2006. The total turnover corresponds fairly well to expectations.

Operating profit for the year's first quarter is in line with operating profit for the corresponding period in 2006. The result of the first quarter of 2006 was influenced by a considerably negative result in the French subsidiary. First quarter of 2007 has shown a clear improvement in the French company compared to the same period of 2006, even though the result does not fully meet the expectations.

The other companies in the group have in the first quarter of 2007 realised results, almost corresponding to expectations, while especially the German subsidiary continues a very positive development. Totally the realised result corresponds fairly well to expectations.

Within Process Ventilation the invested capital has fallen compared to the end of 2006. This is primarily due to a reduction of the Group's receivables.

Share option programme

As informed in stock exchange announcement No. 4/2007 the board has approved a two-year share option programme for the CEO. A corresponding option programme has now also been implemented for 10 leading employees.

In April a final statement of the number of granted options regarding 2006 has been made. The granted number of options amounts to 35,823 pcs (including 6,064 pcs for the CEO) at a basic rate of 106.13, which will be increased by 5% per year until the time of utilisation. The value of the granted options regarding 2006 is DKK 1.0m based on a theoretical market value calculated according to the Black-Scholes model.

For 2007 we expect a granting of options for the CEO and managing employees at a total maximum value of DKK 2.3m. Final granting will take place in April 2008 and will depend on the results reached in 2007 and the average stock rate for 10 days after publication of the annual report of 2007.

There are no other outstanding share options, as the programme must be renegotiated in 2008.

For an elaboration of the contents of the share option programme and the preconditions in the used calculations we refer to stock exchange announcement No. 4/2007.



Expectations for 2007

For the financial year 2007 we expect, as previously mentioned, a total turnover in the interval DKK 3,000-3,100m and pre-tax earnings in the interval DKK 20-50m.

The Group operates to a wide extent as a sub-supplier on the OEM market with a very short time frame for the placing of an order from the customers. In addition, a considerable part of the Group's turnover is project sales. Based on this fact and the Group's influence on the cyclical fluctuations the future expectations will always be subject to a considerable uncertainty.

Statement by the executive and supervisory boards

On this day, the board of directors and the executive board approved the interim report for the period 1 January – 31 March 2007 for Dantherm A/S.

The interim report is unaudited and submitted in accordance with recognition and measurement provisions of the International Financial Reporting Standards (IFRS) as approved by the EU and other Danish information requirements for financial reporting for publicly listed companies, including Danish information requirements regarding interim reporting.

We consider the chosen accounting practice to be appropriate and the interim report to be an accurate reflection of the Group's assets, liabilities and financial position at 31 March 2007 and of the Group's activities for the period 1 January – 31 March 2007.

Skive, 9 May 2007

Executive:



Poul Arne Jensen
Chief Executive Operator

Board of Directors:



Walther V. Paulsen
Chairman



Kresten Dyhrberg Nielsen
Deputy Chairman



Niels Kr. Agner




Jørgen Møller-Rasmussen



Hans R. Olsen



Nils R. Olsen



Johannes Poulsen



Flemming Henriksen



Børge H. Brandt



Jens Jørn Hansen



Per F. Pedersen



Financial calendar, 2007

Date	Subject
22-08	Interim Report 1. half-year 2007
21-11	Quarterly Report Q1-3 2007

Stock exchange announcements, 2007

Date	Subject
12-04	Share option programme for CEO Poul Arne Jensen
11-04	Course of the annual general assembly 6 April 2007
28-03	Convening of the annual general assembly Wednesday 11 April 2007
22-03	Annual report 2006
03-01	Financial calendar 2007

Consolidated income statement

(DKK '000)	1/1 – 31/3		Year
	2007	2006	2006
Turnover	751,173	697,231	2,958,402
Turnover before depreciation and amortisation	22,106	-8,682	67,353
Depreciation amortisation and impairment losses; property, plant and equipment, as well as intangible assets	14,568	12,813	57,333
Profit on primary operations (EBIT)	7,538	-21,495	10,020
Financial items, net	-7,323	-4,940	-38,932
Profit before tax	215	-26,435	-28,912

Consolidated balance sheet

(DKK '000)	31/3 2007	31/3 2006	31/12 2006
Intangible assets	193,824	181,116	190,698
Tangible assets	437,053	443,583	439,379
Other non-current assets	78,578	90,979	80,414
Total non-current assets	709,455	715,678	710,491
Stock on hand	365,769	416,536	318,362
Receivables	659,896	559,161	795,526
Cash and cash equivalents	39,005	52,500	42,323
Total current assets	1.064,670	1.028,197	1.156,211
Total assets	1.774,125	1.743,875	1.866,702
Share capital	359,528	359,528	359,528
Other equity	129,945	126,319	132,279
	489,473	485,848	491,807
Minority interests	19,837	19,219	19,442
Total equity	509,310	505,067	511,249
Total non-current liabilities	327,898	342,226	309,192
Debt to banks	345,593	354,547	371,921
Accounts payable	268,996	205,987	293,249
Other current liabilities	322,328	336,048	381,091
Total current liabilities	936,917	896,582	1,046,261
Total liabilities	1.264,815	1.238,808	1.355,453
Total liabilities	1.774,125	1.743,875	1.866,702

Statement of changes in consolidated equity

(DKK '000)	31/3 2007	31/3 2006
Capital and reserves at 1.1.	491,807	506,057
Price adjustments etc.	-2,510	-866
Sale of own shares	0	29
Profit for the period after tax	176	-19,372
Capital and reserves at 31.03.	489,473	485,848

Minority interests

(DKK '000)	31/3 2007	31/3 2006
Minority interests at 1.1.	19,442	19,191
Share of profit for the period	395	28
Minority interests at 31.03.	19,837	19,219