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NASDAQ OMX Copenhagen A/S
Nikolaj Plads 6
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Taastrup, 19 November 2009
Announcement No. 33/2009

Interim Report at 30 September 2009:

FURTHER ADJUSTMENT OF ORGANISATION AND BUSINESS OPERATIONS

Summary: *In a continuing very difficult market DLH's revenue was 30% lower in the first three quarters of the year than in the comparative period last year. EBIT was a loss of DKK 86 million compared with a profit of DKK 5 million for the comparative period last year. Measures to considerably reduce working capital has improved DLH's balance sheet total and secured a substantial cash inflow.*

The Group has today decided on a number of further adjustments of the business, including among other things the dismissal of approximately 775 employees, primarily in the loss-making African operations. Isolated, these new initiatives will ensure improvements of the results of approx. DKK 85 million annually, but will entail restructuring costs and consequent write-downs of additional DKK 280 million this year. Thus, the earnings forecast for the year is reduced to a pre-tax loss of between DKK 580-610 million.

BUSINESS DEVELOPMENT

- DLH has today decided to **reorganise** and **close down** a number of business locations and activities. As a result, 775 staff will leave the Group, the majority in Congo. These new initiatives are expected to ensure improvement of the results of approx. DKK 85 million annually from 2010 and onwards.
- DLH's financial results for 2009 fell considerably below the minimum requirements stipulated for the Group's long term financing. With this in mind, DLH has ongoing negotiations with the main banks concerning the financing of the Group's future business development. For the time being it has been agreed that the bank consortium will provide the credit facilities necessary to tide over the company until re-financing is in place.

FINANCIAL DEVELOPMENT IN THE FIRST THREE QUARTERS OF THE YEAR

- The Group produced **revenue** of DKK 2,796 million, down by 30% on the comparative period of last year.
- **Accumulated costs for the year including depreciation and amortisation** amounted to DKK 512 million. A cut in costs of DKK 80 million, or 14%, stem from staff cuts and a number of other efficiency improvement initiatives.
- **EBIT** (earnings before interest and taxes) year to date was a loss of DKK 86 million compared with a profit of DKK 5 million in the comparative period of 2008. The **EBIT margin** (operating margin) fell by 5.4 percentage points to a negative figure of 6.2%.
- **The pre-tax loss for the year** to date totals DKK 173 million compared with a DKK 71 million loss last year, and the **after-tax loss** amounts to DKK 159 million compared with a loss of DKK 83 million in 2008 (continuing operations).
- **Cash flow from operating activities** amounts to DKK 280 million in the year to date, representing an improvement of DKK 407 million on the comparative period of 2008.

FORECAST

- While we maintain our **full-year revenue forecast** of approximately DKK 3.6 billion, we reduce our **earnings forecast** by DKK 280 million **to a pre-tax loss** of between DKK 580 million and DKK 610 million as a result of restructuring costs and consequent write-downs in connection with the recently decided initiatives.

Financial highlights and financial ratios	**Q 3**		**1 Jan to 30 Sept.**		**Full year**
(DKK million)	**2009**	**2008**	**2009**	**2008**	**2008**
Income statement					
Revenue	945	1,224	2,796	3,973	5,013
Gross profit(loss)	111	164	427	598	544
Costs excluding depreciation and amortisation	148	163	443	516	688
Operating profit(loss) before depreciation and amortisation (EBITDA)	(36)	0	(16)	82	(144)
Earnings before interest, taxes and goodwill amortisation (EBITA)	(55)	(24)	(75)	15	(241)
Operating profit(loss) (EBIT)	(59)	(27)	(86)	5	(315)
Net financials	(4)	(46)	(88)	(76)	(107)
Profit(loss) from continuing operations before tax (EBT)	(63)	(72)	(174)	(71)	(422)
Profit(loss) from discontinued operations	0	0	0	580	580
Profit(loss)	(56)	(66)	(159)	(497)	227
Comprehensive income	(37)	(62)	(109)	502	140
Balance sheet details					
Total assets			2,692	3,606	3,043
Equity			1,128	1,608	1,240
Average invested capital including goodwill	2,166	2,949	2,300	2,960	2,913
Average interest-bearing debt	1,076	1,293	1,199	1,217	1,251
Average interest-bearing debt, end of reporting period			1,026	1,252	1,317
Investments					
Gross investments, excluding acquisitions	14	20	42	110	134
Net investments in property, plant and equipment	12	18	38	95	111
Gross investments, including acquisitions	14	29	42	184	234
Net investments (carrying amount) excluding acquisitions	13	18	33	100	124
Cash flow					
Cash flow from operating activity (CFFO)	90	(30)	280	(127)	(49)
Cash flow from operating activity after investments (excluding acquisitions)	66	(47)	286	(224)	(208)
Cash flow from operating activity after investments (including acquisitions)	66	(61)	286	(302)	(298)
Performance ratios[3)]					
Gross margin	11.8%	13.4%	15.3%	15.1%	10.9%
Operating margin (EBIT margin)	(6.2)%	(2.2)%	(3.1)%	0.1%	(6.3)%
Net operating profit less adjusted taxes (NOPLAT) [1)]	(39)	(19)	(53)	12	(170)
Return on equity (ROE)	(18.8)%	(24.9)%	(17.9)%	30.4%	18.9%
Equity ratio			41.9%	44.6%	40.8%
Equity ratio including subordinated loan			46.1%	47.7%	44.4%
Return on invested capital including goodwill (ROIC including goodwill)	(9.5)%	(3.1)%	(4.3)%	0.6%	(8.2)%
Average number of employees	3,273	3,688	3,400	3,719	3,688
Stock market ratios: [3)]					
Book value per diluted DKK 10 share (BVPS-D), end of reporting period			61	89	70
Share price, end of reporting period (P), DKK			34.30	45.00	26.00
Diluted share price / book value (P/BV-D)			0.56	0.50	0.37
Average number of diluted shares in issue (in denominations of 1,000 shares)			17,779	18,314	18,179
Earnings per share (EPS) of DKK 10	(3.13)	(3.38)	(8.93)	27.18	12.46
Earnings per share diluted (EPS diluted) of DKK 10 [2)]	(3.13)	(3.38)	(8.93)	27.16	12.46
Cash flow per diluted DKK 10 share (CFPS-D)	(5.06)	(1.69)	15.77	(6.93)	(2.69)
Dividend per DKK 10 share (DPS)			0.00	2.00	0.00
Price earnings diluted (P/E-D)			(3.8)	1.7	2.1

1) Based on a company tax rate of 29% with the addition of financial net interest rate income from capital invested (receivables etc.).
2) Calculated on the basis of the profit(loss) for the reporting period, including discontinued operations.
3) Earnings per share and earnings per share diluted (EPS diluted) have been determined in accordance with IAS 33 ‘Earnings per share’. All other financial ratios have been calculated in accordance with the ‘Recommendations & Financial Ratios 2005’ issued by the Danish Society of Financial Analysts.

MANAGEMENT'S REVIEW

Group revenue and profit trends

During the third quarter of the financial year DLH saw an ongoing decline in both revenue and realised sales prices. The Group takes the view that the market will continue to be subdued for the remainder of the financial year, and therefore it will not be possible to obtain higher sales prices.

DLH produced **revenue** of DKK 945 million in the third quarter of 2009, down by 22% on the comparative period last year. In the year to date DLH produced revenue of DKK 2,796 million, which is a 30% decline on the comparative period last year.

DLH produced **gross profit** of DKK 111 million in the third quarter of 2009, down by 32% on the comparative period of last year. The gross margin grew from 15.1% in 2008 to 15.3% in the year to date.

Since the autumn of 2008, DLH has launched a number of restructuring and efficiency enhancement initiatives. These initiatives reduced costs by 10% in the third quarter of 2009 relative to the comparative period last year and by 14% in the year to date.

EBIT (earnings before interest and taxes) for the third quarter was a loss of DKK 59 million compared with a loss of DKK 27 million for the comparative period of 2008. EBIT was a loss of DKK 86 million for the year to date compared with a profit of DKK 5 million for the comparative period last year.

The **pre-tax loss** for the third quarter totalled DKK 63 million compared with a loss of DKK 72 million the year before. The accumulated pre-tax loss for the year was DKK 174 million compared with a loss of DKK 71 million in 2008.

The Group's **after-tax loss** for the third quarter totalled DKK 56 million compared with a loss of DKK 66 million for the comparative period of 2008. The Group's after-tax loss for the year to date totalled DKK 159 million compared with a loss of DKK 83 million in 2008 (continuing operations). This profit calculation takes into account the fact that operating losses incurred in a number of countries (especially in Africa) cannot be exploited for the capitalisation of tax losses within the time period anticipated by the Group.

Group profit trend, year to date 2009

	Realised		
DKK million	**2009**	**2008**	**Change**
Revenue	2,796	3,973	(1,177)
Gross profit	427	598	(171)
as a percentage of revenue	*15.3%*	*15.1%*	*(0,2)pp*
Costs	(444)	(516)	72
Depreciation and amortisation	(69)	(77)	8
EBIT	(86)	5	(91)
as a percentage of revenue	*(3.1)%*	*0.1%*	*(3.2)pp*
Financial items	(88)	(76)	(12)
Profit(loss) from continuing operations before tax	(174)	(71)	(103)
Tax	15	(12)	27
Profit(loss) from continuing operations	(159)	(83)	(76)
Profit(loss) from discontinued operations	0	580	(580)
Profit(loss) for the period	(159)	497	(656)

Balance sheet total, cash flow and capital invested

Group **equity** was DKK 1,128 million at the end of the quarter compared with DKK 1,240 million at the end of 2008. The DKK 112 million decline is primarily attributable to the loss of DKK 159 million for the quarter, which is partly counteracted by foreign exchange adjustments in the amount of DKK 47 million.

Average invested capital was down by DKK 660 million to DKK 2,300 million, primarily as a result of a significant inventory reduction from DKK 1,808 million to DKK 1,150 million, or 36%, compared with the year before.

The inventory reduction combined with a very restrictive investment programme, has ensured a considerable **cash flow from operating activity** totalling DKK 280 million, up DKK 407 million on the comparative period of 2008.

The **Group balance sheet total** was DKK 2,692 million at the end of September compared with DKK 3,606 million last year.

DLH's **equity ratio** (including subordinated loans) was 46.1% at the end of the third quarter of 2009, compared with an equity ratio of 47.7% at the end of the third quarter of 2008.

The Group's **net interest-bearing debt** has been reduced by 22% to DKK 1,031 million since the beginning of the year.

Average invested capital of the divisions (NOA) at 30 September 2009

DKK million	Total	Hardwood Division	Timber & Board Division	Corporate centre
Average NOA year to date	2,300	1,681	603	17
Decline from 2008 average	660	456	208	(4)

Strategic adjustments

At the beginning of the third quarter of 2009 DLH introduced radical efficiency initiatives in the Group and its business routines; for details please consult stock exchange announcement No. 30 of 5 October 2009. As a continuation of the above mentioned efficiency improvements, the Group has today decided to launch a number of additional measures, including:

- **Adjustment of production capacity and staff in the Congo**

  Following negotiations with the Congolese authorities we have agreed to adjust our production capacity and staff in DLH's subsidiary CIB in Congo. At the same time, the production process will be optimised by considerably reducing the number of products manufactured and by having standard production replacing production to order to some extent. As a result, one of the Group's saw mills and its production lines in the city of Kabo, Congo, will close, and in this connection approximately 750 employees will be dismissed. Simultaneously, the production of large items will be commenced at a newly established saw mill in the city of Loundoungou, Congo. The above mentioned saw mill employs 40 to 50 staff.

  DLH will continue to focus on CSR and the ongoing certification projects in CIB, and all concessions in the Congo are expected to be FSC certified in the course of 2010.

- **Closing down sales offices in Eastern Europe**

  Closing down local business operations in the Baltic States and Hungary that have become unprofitable due to the economic recession and that are not expected to pick up within the Group's planning horizon. In future, the Baltic markets will be served by DLH's trading function while the Group's distribution company in the Czech Republic will cover Hungary.

- **Merger of business locations and warehouses in Denmark**

  Adjustment and transfer of DLH’s sales and distribution centre at Hovedgaard to the central warehouse at Kolding.

- **Merger of business locations in the UK**

  Transfer of the sales office in Liverpool to the Group’s London office.

- **Efficiency enhancements at head office**

  Improving the efficiency of administrative routines will lead to a number of jobs being shed at head office in Taastrup by Copenhagen.

- **Discontinuation of the Danish softwood business**

  The softwood business in Denmark is no longer in line with the Group's future business strategy. Moreover, due to the tough competition in the market the softwood activities are no longer profitable in themselves. Against the above background, this part of the softwood business, which has been managed from head office until now, will be discontinued. In future, trading in softwood for markets outside Denmark will continue to be handled by DLH’s trading function.

As a result of the above adjustments in the organisation and its business activities, approximately 775 jobs in total will be shed, out of which approximately 35 in Denmark. DLH expects that these changes will improve its EBITDA by approximately DKK 85 million annually from 2010 and onwards, all other things being equal.

The previous initiatives, described in stock exchange announcement No. 30, are expected to improve the Group’s EBITDA by approximately DKK 40 million annually, once they have been fully implemented in the course of 2010. The positive EBITDA effect of all the initiatives launched is thus expected to total approximately DKK 125 million by 2011 at the latest.

The recently decided measures are expected to incur restructuring costs in the area of DKK 220 million in the fourth quarter, of which DKK 25 million will have cash effect this year. In addition, there is expected consequent write-downs on inventories and debtors in the area of DKK 60 million.

Financing and strategy

Considering the third quarter financial results produced by DLH and the fourth quarter financial results forecast for 2009, DLH has failed to comply with the financial covenants set out in the Group's loan agreements. With this in mind, DLH is conducting negotiations with the Group’s lenders, a consortium consisting of five banks, concerning future financing. For the time being it has been agreed that the bank consortium will provide the credit facilities necessary to tide over the company until re-financing is in place.

In this connection the supervisory board of DLH has decided to formulate a new business strategy and to explore the possibilities of creating a more productive capital structure. Irrespective of the above measures, the supervisory board takes the view that the net interest-bearing debt, which is expected to total DKK 1.2 billion including the subordinated loan, at the end of 2009, must be further reduced, and all avenues must be explored to reach this goal.

Based on the group's core competences the strategy should define DLH's future position in the value chain and select the business fields that are to make up the 's core activities in future.

We expect the work of formulating the new strategy, together with the considerations for adjusting the group's capital structure and the conclusion of a new final agreement with the bank consortium concerning the ’s long term credit facilities to be in place by the publication of the annual report on 11 March 2010 at the latest.

Forecast

The recently decided adjustments in the organisation and business routines of the Group will have no impact on the revenue forecast for the year in the region of DKK 3.6 billion, please see stock exchange announcement No. 32, dated 27 October 2009.

In the above mentioned announcement DLH also forecast a pre-tax loss of DKK 300-330 million plus any restructuring costs in the case of changes to the structure and organisation with a view to recreating the Group's profitability.

In connection with the restructuring initiatives, DLH expects, as mentioned, restructuring costs in the area of DKK 220 million in the fourth quarter. Beside that it is expected that as a consequence there will be write-down costs totalling DKK 60 million on stocks and debtors.

As a consequence to the above restructuring and write-down costs the Group's expected loss before tax will be adjusted to DKK 580 – 610 million.

The Group maintains its forecast of a substantial cash inflow in the region of DKK 100-150 million in 2009.

Divisions

Profit contribution by division, year to date 2009

	Hardwood Division		**Timber & Board Division**		**Corporate centre**	
DKK million	**Realised**	**Change year on year**	**Realised**	**Change year on year**	**Realised**	**Change year on year**
Revenue *Growth year on year*	1,836 *(28.4%)*	(730)	973 *(32.8%)*	(474)	(13)	27
Gross profit *as a percentage of revenue*	254 *13.8%*	(116) *(0.6)pp*	173 *17.8%*	(55) *2.1pp*	0	0
Costs including depreciation and	313	52	172	15	28	12
EBIT *as a percentage of revenue*	(58) *(3.2%)*	(63) *(2.5%)*	1 *0.0%*	(39) *(2.8)pp*	(28)	12

Hardwood Division

The hardwood market is still struggling from the global recession affecting the building industry in most of the world. The market volume is limited, and prices and sales trends vary considerably from region to region and from product to product.

The Hardwood Division realised revenue of DKK 1,836 million in the year to date, representing approximately 65% of Group revenue. The division's revenue was 28% lower than in the comparative period of 2008. The reduced level of activity affects both distribution and trading activities.

The gross margin was deteriorated by 0.6 percentage points to 13.8%.

During the reporting period, the division's costs were down by 14%, or DKK 52 million, on last year as a result of efficiency improvements in the division. EBIT was a loss of DKK 58 million for the reporting period compared with a profit of DKK 5 million for the comparative period.

Timber & Board Division

The global board production capacity has shrunk noticeably since the recession began in the fourth quarter of 2008. This reduction in board supply has resulted in stable – and in some cases moderately rising – prices of board products.

The division had realised revenue of DKK 973 million at 30 September 2009, representing approximately 35% of Group revenue. The division's revenue is 33% below the figure for the comparative period.

The division had improved its gross margin by 2.1 percentage points to 17.8% at 30 September 2009.

During the reporting period, costs fell by DKK 15 million, or 8%, compared with last year. The division made an EBIT-contribution of DKK 1 million in the year to date compared with DKK 40 million last year.

EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Apart from the events outlined in this announcement and stock exchange announcement No. 30 of 5 October 2009, no events have taken place after 30 September 2009 which would materially influence the financial position of the Group.

KEY STOCK EXCHANGE NOTIFICATIONS ISSUED IN 2009

5 February 2009	Downward adjustment of 2008 forecast
12 March 2009	2008 annual report: Affected by global decline
16 April 2009	Annual general meeting
20 May 2009	Interim report at 31 March 2009
25 June 2009	Intercompany merger in the DLH Group
26 August 2009	Change of Chief Executive Officer in DLH
26 August 2009	Amendments to the articles of association of Dalhoff Larsen & Horneman A/S
26 August 2009	Interim report at 30 June 2009
17 September 2009	Change in the supervisory board of Dalhoff Larsen & Horneman A/S
5 October 2009	Restructuring and organisational initiatives
27 October 2009	Downward adjustment of revenue and results for 2009

FINANCIAL CALENDAR 2010

Thursday, 11 March 2010 – 2009 annual report

Management's statement on the interim report

The supervisory and executive boards have today considered and adopted the interim report for the period 1 January to 30 September 2009 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 additional 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 at 30 September 2009 and of the results of the Group's operations and cash flow for the period 1 January to 30 September 2009.

Further, in our opinion, management's review gives a true and fair review 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 significant risks and uncertainties pertaining to the Group.

Høje Taastrup, 19 November 2009

Executive Board:

Kent Arentoft
(President & CEO)

Supervisory board:

Asbjørn Børsting
(Chairman)

Kristian Kolding
(Deputy Chairman)

Morten Bergsten

Jesper Birkefeldt

Jens Ulrik Nielsen

Aksel Lauesgaard Nissen

Wilhelm Schnyder

Erik Søndergaard

Contact

Please direct any inquiries relating to this announcement to the President and CEO of the company, Kent Arentoft, on telephone No. +45 4350 0101.

INCOME STATEMENT

(in million DKK)	Q3 2009	Q3 2008	1 Jan. to 30 Sept. 2009	1 Jan. to 30 Sept. 2008	Full year 2008
Revenue	945.1	1,224.0	2,796.3	3,972.8	5,013.0
Cost of sales	(833.7)	(1,060.5)	(2,369.4)	(3,374.9)	(4,468.8)
Gross profit(loss)	**111.4**	**163.5**	**426.9**	**598.0**	**544.2**
Other operating income	11.0	16.6	28.9	37.4	37.6
Other operating expenses	(6.8)	(6.1)	(8.3)	(11.5)	(1.3)
Other external expenses	(72.7)	(79.9)	(212.1)	(250.2)	(345.8)
Other staff costs	(79.2)	(93.8)	(251.6)	(291.4)	(378.4)
Operating profit(loss) before depreciation and amortisation(EBITDA)	**(36.3)**	**0.3**	**(16.2)**	**82.3**	**(143.7)**
Depreciation and amortisation	(22.6)	(27.1)	(69.4)	(77.0)	(105.0)
Impairment losses	-	-	-	-	(66.2)
Operating profit(loss) (EBIT)	**(58.9)**	**(26.7)**	**(85.5)**	**5.3**	**(314.9)**
Financial items:					
Share of profit after tax from investments in joint ventures	0.2	-	0.2	-	(0.9)
Financial income	2.8	9.2	4.2	14.1	27.1
Financial expenses	(7.1)	(54.8)	(92.4)	(90.5)	(133.4)
Profit(loss) from continuing operations before tax (EBT)	**(63.0)**	**(72.3)**	**(173.5)**	**(71.1)**	**(422.1)**
Estimated tax for the year on the profit(loss) from continuing operations	7.3	5.9	14.7	(11.5)	68.7
Profit(loss) from continuing operations for the reporting period	**(55.7)**	**(66.4)**	**(158.8)**	**(82.6)**	**(353.4)**
Profit(loss) from discontinued operations for the reporting period	-	-	-	580.0	580.0
Profit(loss) for the reporting period	**(55.7)**	**(66.4)**	**(158.8)**	**497.4**	**226.6**
Earnings per share:					
Earnings per share (EPS)	(3.13)	(3.38)	(8.93)	27.18	12.46
Diluted earnings per share (EPS-D)	(3.13)	(3.38)	(8.93)	27.16	12.46
Earnings per share for continuing operations	(3.13)	(3.38)	(8.93)	27.18	(19.44)
Earnings per share diluted for continuing operations	(3.13)	(3.38)	(8.93)	27.16	(19.44)

STATEMENT OF RECOGNISED INCOME AND EXPENSES

	Q 3		1 Jan. to 30 Sept.		
(in million DKK)	**2009**	**2008**	**2009**	**2008**	**All of 2008**
Foreign currency translation adjustments on conversion of foreign operations	24.0	8.3	48.8	2.2	(102.2)
Foreign exchange gains on hedging instruments concluded to hedge investments in foreign operations	(5.0)	(4.1)	(8.2)	1.0	34.9
Value adjustment of hedging instruments:					
Value adjustments for the reporting period	(4.5)	(1.0)	4.2	(1.0)	(12.9)
Value adjustments transferred to revenue	2.7	-	8.8	-	-
Value adjustments transferred to cost of sales	-	-	(0.1)	0.3	0.3
Value adjustments transferred to financial items	-	-	-	-	-
Actuarial gains or losses on defined benefit plans	-	1.9	-	1.9	(2.3)
Tax on items recognised directly in equity	1.4	(0.3)	(3.4)	-	(4.5)
Net income recognised directly in equity	18.6	4.8	50.1	4.4	(86.7)
Profit(loss) for the reporting period	(55.6)	(66.4)	(158.8)	497.4	226.6
Income and expenses recognised for the reporting period	(37.0)	(61.6)	(108.7)	501.8	139.9
These may be broken down as follows:					
Income and expenses recognised for the reporting period, continuing operations	(37.0)	(61.6)	(108.7)	(78.2)	(440.1)
Income and expenses recognised for the reporting period, discontinued operations	-	-	-	580.0	580.0

BALANCE SHEET

Assets:

(in million DKK)	**Group 30 Sept. 2009**	**Group 30 Sept. 2008**	**Group 31 Dec. 2008**
Non-current assets:			
Intangible assets:			
Goodwill	164.0	182.9	152.0
Customer relations, forest concessions, IT projects	101.2	135.5	94.2
	265.2	**318.4**	**246.2**
Property, plant and equipment	**420.7**	**483.2**	**441.3**
Other non-current assets:			
Other investments and securities	4.7	4.5	4.2
Deferred tax	96.4	20.1	80.7
	101.1	**24.6**	**84.9**
Total non-current assets	**787.0**	**826.2**	**772.4**
Current assets:			
Inventories:			
Manufactured goods and goods for resale	1,094.6	1,735.3	1,414.4
Prepayment for goods	55.2	72.4	52.5
	1,149.8	**1,807.7**	**1,466.9**
Receivables:			
Trade receivables	523.7	706.8	542.9
Other receivables	158.7	155.0	203.7
	682.4	**861.8**	**746.6**
Cash	72.4	109.9	56.7
Total current assets	**1,904.6**	**2,779.4**	**2,270.2**
Total assets	**2,691.6**	**3,605.6**	**3,042.6**

BALANCE SHEET

Liabilities & equity:

(in million DKK)	Group 30 Sept. 2009	Group 30 Sept. 2008	Group 2008
Equity:			
Share capital	185.8	185.8	185.8
Hedging reserve	2.0	(1.0)	(10.9)
Translation reserve	(49.8)	(8.1)	(87.0)
Retained earnings	990.2	1,431.5	1,152
Dividend proposed	0.0	0.0	0.0
Total equity	**1,128.2**	**1,608.2**	**1,239.9**
Non-current liabilities:			
Pensions and similar liabilities	27.7	27.2	27.6
Deferred tax	41.8	44.1	36.5
Subordinated loan capital	111.7	111.9	78.2
Credit institutions	46.5	651.4	44.5
Leasing commitments	1.1	0.6	0.5
	228.8	**835.2**	**187.3**
Current liabilities:			
Credit institutions	930.8	631.5	1,208.4
Trade and other payables	376.1	475.2	345.4
Current portion of non-current liabilities	13.3	41.9	41.9
Income taxes	9.6	3.8	13.2
Provisions	4.8	9.8	6.5
	1,334.6	**1,162.2**	**1,615.4**
Total liabilities	**1,563.4**	**1,997.4**	**1,802.7**
Total liabilities and equity	**2,691.6**	**3,605.6**	**3,042.6**

Cash flow statement

(in million DKK)	Q 3 2009	Q 3 2008	1 Jan. to 30 Sept. 2009	1 Jan. to 30 Sept. 2008	Full year 2008
Profit(loss) before tax	(63.0)	(72.3)	(173.5)	(71.1)	(422.1)
Adjustment for non-cash operating items etc.:					
Depreciation and amortisation	22.6	27.1	69.4	77.0	171.2
Inventory write-downs, (including prepayments)	(28.2)	(1.6)	(95.2)	(0.8)	148.8
Provisions for trade receivables	6.4	5.6	(0.9)	0.9	(3.2)
Other non-cash operating items, net	4.1	7.1	5.7	(0.9)	0.9
Provisions	1.6	(35.5)	(1.2)	(34.8)	(1.8)
Share of profit(loss) after tax in joint ventures	(0.2)	-	(0.2)	-	0.9
Financial income	(2.8)	(9.2)	(4.2)	(14.1)	(27.1)
Financial expenses	7.1	54.8	92.4	90.6	133.4
Cash flow from operating activity before change in working capital	**(52.4)**	**(24.0)**	**(107.7)**	**46.8**	**1.0**
Change in working capital:					
Inventories and prepayments	131.7	33.6	412.3	7.5	118.9
Trade receivables	56.6	58.4	20.1	(20.8)	131.3
Trade and other payables	(21.1)	(37.2)	15.0	20.0	(66.6)
Other operating debt, net	(15.4)	(7.0)	51.6	(43.4)	(37.4)
Operating cash flow	**99.4**	**23.8**	**391.3**	**10.1**	**147.2**
Financial income, paid	2.8	12.9	4.2	14.1	27.1
Financial expenses, paid	(13.0)	(59.5)	(99.6)	(89.5)	(158.5)
Income taxes paid	0.8	(6.8)	(15.6)	(61.3)	(64.7)
Cash flow from operating activity	**90.0**	**(29.6)**	**280.3**	**(126.6)**	**(48.9)**
Acquisition of intangible assets	(1.9)	(0.4)	(4.8)	(14.3)	(23.0)
Acquisition of property, plant and equipment	(11.7)	(18.8)	(37.5)	(95.3)	(111.0)
Sale of intangible and tangible assets	(0.4)	1.7	9.4	11.3	10.6
Acquisition of companies	-	(13.5)	-	(77.9)	(90.3)
Earn-out commitment honoured	-	-	-	-	(36.0)
Realised foreign exchange gains related to hedged net investments denominated in foreign currencies	(10.8)	-	38.6	-	-
Acquisition/sale of securities	(0.5)	0.2	(0.5)	1.1	0.5
Cash flow from investment activity	**(24.5)**	**(30.8)**	**(5.2)**	**(175.1)**	**(249.2)**
Cash flow from operating activity and after investments	**65.5**	**(60.4)**	**285.5**	**(301.7)**	**(298.1)**
Raising/repayment of debt to mortgage credit institutions and servicing of leasing commitment	(0.1)	0.1	1.3	-	-
Raising/repayment of bank debt	(58.2)	87.1	(268.2)	(502.0)	(553.0)
Acquisition of treasury shares under share buy back programme	-	(16.2)	(3.0)	(26.9)	(33.8)
Acquisition/sale of treasury shares	-	-	-	(1.7)	(1.7)
Dividend distributed	-	-	-	(37.2)	(37.2)
Cash flow from financing activity	**(58.3)**	**71.0**	**(269.9)**	**(567.8)**	**(625.7)**
Cash flow from discontinued operations	-	-	-	923.3	923.3
Cash flow for the year	7.2	10.6	15.6	53.8	(0.5)
Cash at 1 January	65.2	99.5	56.7	56.3	56.3
Price adjustment of cash funds	-	(0.2)	0.1	(0.2)	0.9
Cash at 30 June / 31 December	72.4	109.9	72.4	109.9	56.7

STATEMENT OF CHANGES IN EQUITY

(DKK million)	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total
Equity at 1 January 2008	**185.8**	**(0.3)**	**(13.2)**	**962.7**	**37.2**	**1,172.2**
Income and expenses recognised for the reporting period						
	-	**(0.7)**	**5.1**	**497.4**	**-**	**501.8**
Dividend distributed to shareholders	-	-	-	-	(37.2)	(37.2)
Dividend treasury shares	-	-	-	0.3	-	0.3
Acquisition/sale of treasury shares	-	-	-	(2.0)	-	(2.0)
Share buy-back programme	-	-	-	(26.9)	-	(26.9)
Equity at 30 September 2009	**185.8**	**(1.0)**	**(8.1)**	**1,431.5**	**-**	**1,608.2**
Equity at 1 October 2008	**185.8**	**(1.0)**	**(8.1)**	**1,431.5**	**-**	**1,608.2**
Income and expenses recognised for the reporting period						
	-	**(9.9)**	**(78.9)**	**(273.1)**	**-**	**(361.9)**
Share buy-back programme	-	-	-	(6.9)	-	(6.9)
Share-based payment/options	-	-	-	0.5	-	0.5
Equity at 31 December 2008	**185.8**	**(10.9)**	**(87.0)**	**1,152.0**	**-**	**1,239.9**
Equity at 1 January 2009	**185.8**	**(10.9)**	**(87.0)**	**1,152.0**	**-**	**1,239.9**
Income and expenses recognised for the year						
	-	**12.9**	**37.2**	**(158.8)**	**-**	**(108.7)**
Share buy-back programme	-	-	-	(3.0)	-	(3.0)
Equity at 30 September 2009	**185.8**	**2.0**	**(49.8)**	**990.2**	**-**	**1,128.2**

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 additional Danish disclosure requirements for the interim reports of listed companies.

The accounting policies remain unchanged compared with the 2008 annual report, to which reference is made. The 2008 annual report contains the full particulars of the accounting policies applied.

Change in accounting policies:
DLH has implemented IAS 1 (updated 2007) 'Presentation of financial statements', IAS 23 (updated 2007) 'Borrowing costs' and IFRS 8 'Operating segments' with effect from 1 January 2009.

With the exception of IAS 23, the new financial reporting standards and interpretations have no impact on recognition and measurement. IAS 1 and IFRS 8 merely introduce a change in the disclosure of information contained in notes and in formats. In the notes, comparative figures have been restated accordingly.

As a consequence of the implementation of a new IT system, the Group has changed its accounting policies as regards the measurement of inventories. Inventories are measured at cost according to the weighted average cost formula (previously the FIFO method) or net realisable value, whichever is the lower. The effect of the change is negligible.

IAS 1 has changed the presentation of the principal statements. The standard gives an entity the option of presenting a single statement of comprehensive income (a comprehensive income statement) or two statements (an income statement and a statement of comprehensive income including profit or loss for the reporting period and components of other comprehensive income recognised in that period). In addition, owner-related changes in equity must be presented in a separate statement.

DLH presents the principal statements as two statements (an income statement and a comprehensive income statement).

IAS 23 requires that borrowing costs incidental to funds borrowed specifically and funds borrowed as part of a general pool relating to the construction of qualifying assets be recognised in the cost of such assets. The standard has an impact on the projects launched to construct production facilities in Sweden and in Poland. In the first nine months of the financial year 2009 capitalisations totalled DKK 0.4 million. Capitalised interest expenses for the whole of 2009 are expected to come to DKK 0.5 million in total.

According to IFRS 8, the Group's segment reporting must be based on internal operating segments that are regularly reviewed in respect of products/services, geographical areas, major customers and major subsidiaries. Operating segments are those segments whose operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated and to assess their performance. In contrast, IAS 14 required an entity to identify two sets of segments, business and geographical.

DLH has two reportable segments: the Hardwood Division and the Timber & Board Division.

Note 2: Accounting estimates and assessments

In its preparation of the interim report management is called upon 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 estimates made by management when applying the Group's accounting policies and the related estimation uncertainty are identical in the preparation of the interim report and in the preparation of the annual report at 31 December.

The significant estimation uncertainties relate to the following items: goodwill, inventories, trade receivables and deferred tax.

Note 3: Segment information

(DKK million)	Hardwood Division		Timber & Board Division		Not allocated parent company		Group elimination		Group total	
Q 3	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Revenue	616.2	802.8	335.9	429.3	-	-	-	-	952.1	1,232.1
Intra-group revenue	(4.9)	(6.3)	(2.1)	(1.8)	-	-	-	-	(7.0)	(8.1)
Revenue to external customers	611.3	796.5	333.8	427.5	-	-	-	-	945.1	1,224.0
Profit(loss) before tax (EBT)	(52.0)	(48.9)	(3.7)	(6.0)	(7.3)	(17.4)	-	-	(63.0)	(72.3)
At 30 September	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Revenue	1,835.8	2,566.3	973.2	1,446.7	-	-	-	-	2,809.0	4,013.0
Intra-group revenue	(7.4)	(19.9)	(5.3)	(20.3)	-	-	-	-	(12.7)	(40.2)
Revenue to external customers	1,828.4	2,546.4	967.9	1,426.4	-	-	-	-	2,796.3	3,972.8
Profit(loss) before tax (EBT)	(101.5)	(69.3)	(10.1)	22.6	(61.9)	(24.4)	-	-	(173.5)	(71.1)
Segment assets	2,049.9	2,567.1	733.4	983.2	888.2	1,252.0	(979.9)	(1,196.7)	2,691.6	3,605.6

Note 4: Discontinued operations and assets held for sale

With effect from 29 February 2008, DLH finalised the sale of its shares in DLH Træ & Byg A/S, and thus the Building Materials Division, to Saint-Gobain Distribution Nordic AB, a company in the Saint-Gobain Group.

Key figures for discontinued operations (DKK million)

	Q 3		At 30 Sept.	
	2009	**2008**	**2009**	**2008**
Revenue	-	-	-	256.6
Costs	-	-	-	(263.0)
Profit(loss) before tax for the reporting period	-	-	-	(6.4)
Tax on the profit(loss) for the reporting period	-	-	-	1.8
Profit(loss) after tax for the reporting period	-	-	-	(4.6)
Proceeds from sale	-	-	-	584.6
Profit(loss) on discontinued operations for the reporting period	-	-	-	580.0

Note 5: Property, plant and equipment

Acquisition and sale of property, plant and equipment
At 30 September 2009 the Group had acquired assets totalling DKK 39 million (DKK 95 million at 30 September 2008). Acquisition in the period until 30 September 2009 primarily relate to warehouses in Sweden and Poland and various production equipment. At 30 September 2009 the assets sold amount to DKK 9 million.

Impairment test
The annual impairment test for goodwill is normally conducted on 30 September following the preparation of budgets and strategy plans for the next three years. Effective at 30 September 2009, management decided that it was not possible to conduct an impairment test since budgets and strategy plans for the next three-year period had not been finally approved. DLH is in the process of implementing radical improvements in the organisation and its business routines, which will have a major impact on budgets in the next few years. Management takes the view that these initiatives will not result in additional write-downs of the carrying amounts to what have already been recognised in the earnings forecast for the year.

Note 6: Share-based remuneration
Members of the executive board and other members of Group management have been participating in a revolving share option scheme since 2002. The scheme is described in detail in the 2008 annual report (note 7). At 1 April 2009 the executive board and other members of Group management waived the grant of share options without receiving any compensation (April 2008: 32,758).

Note 7: Capital
As disclosed in stock exchange announcement no. 19 of 20 May 2009, DLH concluded a loan agreement with a term of two years with a number of banks in March 2009. Considering the current and expected financial results for 2009, DLH has failed to comply with the financial covenants set out in the Group's loan agreements. With this in mind, DLH is conducting negotiations with the Group's principal lenders, a consortium consisting of five banks, concerning future financing. For the time being it has been agreed that the bank consortium will provide the credit facilities necessary to tide over the company until re-financing is in place.

Concurrently with these negotiations DLH's supervisory board has decided to formulate a new business strategy and to explore the possibilities of creating a more productive capital structure.

Irrespective of the above measures, the supervisory board takes the view that the Group's net interest-bearing debt, which is expected to total DKK 1.2 billion including the subordinated loan, at the end of 2009, must be further reduced, and all avenues will be explored to reach this goal.

We expect the work of formulating the new strategy, together with considerations for adapting the capital structure and conclude a new final agreement with the bank consortium concerning the Group's long term credit facilities to be in place by the publication of the annual report on 11 March 2010 at the latest.

Note 8: Contingent liabilities

No major changes have occurred in respect of contingent liabilities and contingent assets since the publication of the 2008 annual report.

Note 9: Related parties

Supervisory and executive boards
No transactions have been conducted with the executive and supervisory boards apart from the remuneration and share option schemes disclosed in note 7.