



DLH-GROUP 2009

TABLE OF CONTENTS

2	Back to core business
3	Group business operations
4	Financial highlights and financial ratios 2005-2009
6	2009 Income statement, balance sheet and cash flow
7	Incentive schemes
8	Corporate social responsibility
10	Shareholder information
11	Supervisory and executive boards
12	Income statement
13	Balance sheet
15	Cash flow statement

Changed business model and positive earnings generated in a streamlined, united and market-oriented DLH

DLH's development

In the period from 2000 to 2008 DLH grew through the acquisition of 16 enterprises. At the same time, the value chain was expanded to include forestry and production activities with a view to ensuring reliability of supply and obtaining better base prices.

The financing requirements and debt grew with the acquisitions and made DLH vulnerable when the crisis dramatically reduced the level of building activity in all of DLH's markets and left DLH with substantial funds tied up in inventories and in production facilities that are cost and capital intensive.

2009

Following a weak 2008, the year 2009 became a catastrophic year for DLH that experienced a decline in revenues and prices and considerable inventory write-downs. Towards the end of 2009 we started shutting down and selling a number of facilities and launched efficiency measures. These combined efforts are expected to have a positive full-year effect amounting to DKK 125 million by 2011 at the latest. These measures resulted in considerable restructuring costs in 2009. Overall, the group generated a loss (EBIT) of DKK 609 million in 2009. Net interest-bearing debt (NIBD) was DKK 1,134 million at year-end including subordinated loan.

Back to Black

The situation outlined above is the background for DLH's future strategy which is being presented together with the annual report. We have named our strategy Back to Black; in other words, back to a sound, controllable and profitable enterprise with a dramatically improved gearing ratio between NIBD and EBITDA. The strategy points the way for DLH's progress in the period from 2010 to 2012.

With the aim of releasing funds, reducing risk, facilitating control and focusing our efforts on the wholesale business in which we have our greatest strengths, we will sell off forestry and production activities, including considerable operations in Malaysia, USA, the Netherlands, the Congo and Gabon. The carrying amount of the operations that we expect to dispose of during the first stage of the implementation of the strategy amounts to approximately DKK 300 million.

The strategy is to provide an effective response to the challenging and critical situation in which we find ourselves, yet it is also a proactive measure towards a streamlined, united and market-oriented DLH. The business emerging from the planned divestment and development will be a focused, market-oriented

wholesale business experiencing growth and taking an absolutely leading position in selected principal markets in the Nordic countries and the remainder of Europe. In addition, our group has potential in the USA and Russia and supplies customers in the rest of the world with wood products through a dedicated unit for global trading based on back to back trading with no warehousing facilities.

In addition to the disposals, debt will be reduced through an extensive group programme that aims to reduce working capital by at least 3 percentage points, which is considered realistic based on assessments of potential, benchmarkings from previous years and comparisons with other wholesalers selling to the building and construction industry.

The strategic objective is to achieve revenues in the region of DKK 4.2 billion and an EBIT margin in the region of 3% in 2012.

Capital structure

With a view to creating stability and an environment in which we can work in peace, we have secured a new bank deal. It will take us to the year 2011. Moreover, an agreement has been concluded with the group's two major shareholders, DLH-Fonden and Ellen & Knud Dalhoff Larsens Fond, to grant the group a subordinated loan of DKK 50 million. We will regularly review the need for injecting additional capital to consolidate the basis for the group's future growth.

2010 Forecast

We expect that the economic crisis will continue to prevail in 2010. Once the market returns to normal, DLH will direct special attention to high-margin segments and to controlling developments in working capital in connection with future growth. 2010 will thus be characterised by considerable divestments and reductions in working capital. We will also endeavour to make the new market-oriented and streamlined organisation work as well as possible and employ best practice across the organisation, a potential we have not yet realised throughout the far-reaching organisation.

We expect revenue in the region of DKK 3.6-3.8 billion, which is on a par with 2009, and a DKK 500-525 million improvement in EBIT in 2010.



Kent Arentoft
President & CEO

DLH is a leading international wholesale business, supplying the building and construction industry with timber and timber products. About 75% of group revenue is handled by 15 stock-holding sales subsidiaries in the principal markets in Europe, the USA and Russia. The remaining 25% of the group's revenue is created by trading, which refers to sales made directly from manufacturer to customer without involving the sales subsidiaries of DLH.

The products of DLH are purchased in the largest supply regions in the world. In several of these regions, South America, West Africa, the Far East and Russia, the group has a presence in the form of its own procurement offices.

Up to and including 2009 the group was divided into two primary segments: the Hardwood Division, trading in tropical hardwood from South America, Africa and South East Asia as well as in temperate hardwood, primarily from Eastern Europe and North America and the Timber & Board Division, trading in sheet materials and softwood. Sheet materials, which include plywood, MDF and particle boards, are primarily purchased in Russia, South America and northern Europe.

Business development and profit trends in 2009

In 2009 the building and construction industry in most parts of the world was hard hit by the global economic recession. The level of activity in the market fell dramatically, and DLH's sales volume and gross margin declined accordingly. The recession, which affected product categories and markets across the board, resulted in group revenues declining by 27% to DKK 3.6 billion in 2009.

DLH expects the weak market trends to prevail throughout 2010, and with this in mind, the group has implemented extensive adjustments and cut back on its activities, resulting in considerable restructuring costs and impairment losses. There will be additional write-downs in connection with the business restructuring efforts resulting from the group's new strategy, Back to Black.

For this reason, the group realised a loss after tax of DKK 752 million. Of this figure, DKK 270 million is attributable to continuing operations, in other words, operations that form the basis of DLH's new strategy, while DKK 482 million is attributable to discontinued operations. Adjustment and restructuring costs to the tune of DKK 450 million had a serious negative impact on the financial results for the year.

The group's balance sheet total was DKK 2,108 million at year-end, a 31% decline on year-end 2008. 8 percentage points of this decline is attributable to impairment losses on assets.

Correspondingly, invested capital declined by 35% to DKK 1,620 million, 10 percentage points of which are attributable to write-downs while the remaining 25 percentage points are attributable to a decline in the group's working capital, primarily due to reduced inventories and debtors.

The group's equity amounted to DKK 533 million at year-end, a DKK 707 million decline, primarily due to significant impairment losses and provisions.

Due to the release of funds, primarily funds tied up in inventories and outstanding receivables from customers, cash flow from operations after investments was an inflow of DKK 233 million compared with an outflow of DKK 298 million the year before.

DKK million	2009	2008
Revenue	3,648	5,013
Profit/(loss) after tax	(752)	227 *)
Balance sheet details, year-end	2,108	3,043
Invested capital	1,620	2,497
Equity	533	1,240
Cash flow	233	(298)

*) In 2008 earnings after tax were boosted by a non-recurring income item of DKK 580 million in connection with the sale of the Building Materials Division.

Key events in 2009

Due to the very challenging market conditions prevailing, DLH made a number of major adjustments in non-profitable activities during the year:

- Production discontinued in Poland, Brazil, Denmark and Sweden and closure of a production facility in Congo
- Closure of a number of sales offices in Denmark, the Baltic States, Hungary and the UK
- Transfer of the sales and distribution centre at Hovedgaard, Denmark, to the central warehouse at Kolding
- Discontinuation of the Danish softwood business
- Staff cuts of 27%, corresponding to approximately 1,000 employees
- Kent Arentoft, joined the group as President and CEO on 1 September 2009

Dividend

The supervisory board recommends to the company in general meeting that no dividends be distributed for 2009.

Events occurring after the end of the financial year

DLH has concluded a 1½-year agreement with a number of banks for the refinancing of long-term loans. The group has also been promised short-term credit facilities that will secure the necessary financial latitude for the group's operations in the years ahead.

FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS 2005-2009

Financial highlights and financial ratios (unaudited)	2009	2008 ¹⁾	2007 ¹⁾	2006 ¹⁾	2005 All operations
(DKK million)	Only continuing operations				
Income statement					
Revenue	3,648	5,013	5,720	5,482	5,363
Gross profit(loss)	357	544	986	896	903
Costs excluding depreciation and amortisation	709	688	650	585	639
Operating profit(loss) before depreciation and amortisation (EBITDA)	(352)	(144)	336	311	264
Earnings before interest, taxes and amortisation (EBITA)	(591)	(241)	254	229	228
Operating profit(loss) (EBIT)	(608)	(315)	244	224	225
Net financials	106	(107)	(86)	(81)	(50)
Profit(loss) for the year from continuing operations before tax (EBT)	(714)	(422)	159	144	175
Profit(loss) for the year from discontinued operations	-	580	47	48	-
Profit(loss) for the year	(752)	227	147	152	119
Balance sheet details					
Total assets	2,108	3,043	4,005	3,661	2,620
Equity	533	1,240	1,172	1,068	827
Average invested capital including goodwill	2,188	2,913	2,641	2,288	1,990
Invested capital, 31 December	1,620	2,497	2,758	2,408	2,130
Average interest-bearing debt, 31 December	1,030	1,251	1,522	1,277	1,203
Investments					
Gross investments, excluding acquisitions	55	134	95	84	69
Net investments in property, plant and equipment	51	111	80	82	67
Gross investments, including acquisitions	55	234	243	412	144
Net investments (carrying amount) excluding acquisitions	39	124	91	48	50
Cash flow					
Cash flow from operating activities (CFFO)	232	(50)	34	87	(107)
Cash flow from operating activities after investments, excluding acquisitions	233	(208)	(53)	51	(133)
Cash flow from operating activities after investments, including acquisitions	233	(298)	(198)	(176)	(317)

1) The financial highlights recognise the Building Materials Division as a discontinuing activity 2006-2008.



FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS 2005-2009

Financial highlights and financial ratios for the DLH Group (unaudited)

	2009	2008 ¹⁾	2007 ¹⁾	2006 ¹⁾	2005 All operations
(DKK million)	Only continuing operations				
Performance ratios					
Gross margin	9.8%	10.9%	17.2%	16.4%	16.8%
Operating margin (EBIT margin)	(16.7%)	(6.3%)	4.3%	4.1%	4.2%
Return on equity (ROE)	(84.7%)	18.9%	13.2%	15.6%	15.3%
Equity ratio	25.3%	40.8%	29.3%	29.2%	31.6%
Equity ratio including subordinated loan	30.6%	44.4%	32.1%	32.2%	31.6%
Return on invested capital including goodwill (ROIC including goodwill)	(27.0%)	(8.2%)	9.7%	10.1%	11.7%
Average number of employees	3,064	3,688	3,661	3,759	1,782
Stock market ratios: ³⁾					
Book value per diluted DKK 10 share (BVPS-D), 31 December	30	70	64	58	49
Share price, 31 December (P), DKK	16.50	26.00	90.22	106.89	85.60
Diluted share price / book value (P/BV-D)	0.55	0.37	1.42	1.86	1.75
Earnings per share diluted (EPS-D) of DKK 10 ²⁾	(42.59)	12.46	7.96	8.29	6.97
Average number of diluted shares in issue (in denominations of 1,000 shares)	17,652	18,179	18,438	18,292	17,065
Cash flow per diluted DKK 10 share (CFPS-D)	13.12	(2.69)	1.87	4.77	(6.23)
Dividend per DKK 10 share (DPS)	-	-	2.00	2.00	1.50
Price earnings diluted (P/E-D)	(0.4)	2.1	11.3	12.9	12.4
Earnings per share (EPS) of DKK 10	(42.59)	12.46	7.96	8.29	6.92

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-D) 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.



Income statement

As a result of lower prices and shrinking sales volume, group revenue fell by 27% to DKK 3,648 million in 2009 which is in line with the most recently published forecasts.

External revenues from 2007-2009

DKK million	2009	2008	2007
Hardwood Division	2,364	3,253	3,776
Timber & Board Division	1,284	1,760	1,944
Total	3,648	5,013	5,720

Annual revenue may be broken down into DKK 3,174 million or 87% generated by the group's core business, and DKK 474 million or 13% generated by discontinued operations; of the latter the majority are activities that are prior to the wholesale business in the supply chain.

The group's gross margin fell by 1.1 percentage points to 9.8% in 2009. This in combination with the revenue decline contributed to a decline in gross profit of DKK 187 million.

Costs, including provisions and write-downs incidental to adjustments in business operations and the changed strategy, amounted to DKK 709 million, which is on a par with 2008.

Other operating expenses amounted to DKK 27 million compared to DKK 38 million last year.

Provisions totalled DKK 108 million compared to DKK 105 million last year.

Impairment losses on non-current assets, primarily in connection with the implementation of the new strategy, totalled DKK 149 million compared to DKK 66 million the year before.

EBIT was a loss of DKK 609 million compared to a loss of DKK 315 million last year. The group's operating margin (EBIT-margin) was a negative figure of 16.7%, compared to a negative figure of 6.3% the year before.

The group made a loss before tax of DKK 714 million compared with a comparable loss of DKK 422 million last year. The loss exceeds the most recently published forecast by DKK 100-135 million. The deviation is attributable to impairment losses on assets relating to non core operations as a result of the group's new strategy.

Tax on the loss for the year amounts to DKK 38 million. The expense shown is the product of a more conservative measurement of tax loss carryforwards and uncertainty about the estimation of future earnings of the year and therefore has no impact on cash flow.

Accordingly, the continuing operations produced a loss after tax of DKK 752 million in 2009 compared with a profit of DKK 227 million in 2008. In 2008 the group's earnings were boosted by a non-recurring income item of DKK 580 million from the sale of the Building Materials Division in February 2008.

Balance sheet total and invested capital

The group's balance sheet total was DKK 2,108 million at year-end, down by 31% on year-end 2008. In 2009 the group reduced its tied-up capital, primarily through a considerable reduction in inventories and write-downs.

Equity was DKK 533 million at year-end, down by DKK 707 million.

At year-end 2009 invested capital amounted to DKK 1,620 million compared to DKK 2,497 million the year before on a comparable basis.

Cash flow

Cash flow from operations after investments was a cash inflow of DKK 233 million compared to a cash outflow of DKK 298 million the year before. In comparison with the prior comparative period, funds tied up in inventories and debtors have been reduced, and trade payables and other payables have declined.





Members of group management receive a remuneration package that consists of a fixed salary, a performance-related bonus and a right to acquire share options. The executive board and other members of group management have been participating in a revolving share option scheme since 2002. At 31 December 2009 the share option scheme comprised a total of 146,738 share options. Each share option entitles its holder to acquire one existing Class B share at DKK 10 in the company. If all share options are exercised, the share option scheme grants holders the right to acquire up to 1.0% of the share capi-

tal. The company has repurchased shares equalling this commitment.

Considering DLH's profit trends, the group decided to suspend options for group management and the executive board in the period from 1 April 2009 to 31 March 2010 without compensation. Furthermore, the group has decided to suspend the allocation of options in the period from 1 April 2010 to 31 March 2011. Please also see note 7.

CORPORATE SOCIAL RESPONSIBILITY 2009

This section describes the CSR focus areas of the DLH Group and provides an overview of the environmental and social initiatives implemented and results achieved in 2009. More detailed information on specific projects and a general description of CSR at DLH can be found at www.dlh-group.com, where the DLH Group's CSR reports for 2007 and 2008 are also available for download.

Policies

Since 1992, DLH has had an active environmental policy which has guided the environmental activities and determined how environment and responsibility has been integrated into all DLH business activities.

Since 1992 the environmental policy has undergone several revisions, most recently in 2008, when a new environmental policy was launched. This policy has now been integrated throughout the group. The work on DLH's new environmental policy continued in 2009 with the development of specific internal targets and goals for the various business units of DLH. This part of the environmental policy is expected to be finalised and launched in the first half of 2010.

The development of DLH's social and human rights policy continued in 2009, and this policy is expected to be finalised and launched in the first half of 2010 as well.

DLH and Corporate Social Responsibility in the future

The planned divestment of activities will not change DLH's general focus on CSR or alter its ambition to be a leader in the global trade in certified tropical hardwood.

Thus, DLH will in the future focus on utilising its expertise in cooperation with selected key suppliers aiming to increase the purchased volume of certified timber and timber products. This cooperation will also include cooperation aiming at improving health and safety and human rights among DLH suppliers.

As part of the group's CSR work, DLH will be joining the United Nations' international Global Compact initiative in 2010. The UN Global Compact is the world's largest voluntary network for companies who work actively with CSR. Global Compact consists of ten principles on human rights, the environment and anti-corruption efforts. With this decision, DLH has not only committed itself to continuing its engagement in responsible

business practices, but also to supporting international efforts to continually improve environmental and social conditions. In connection with its commitment to the Global Compact, DLH has formulated the DLH Business Integrity Policy. Together with DLH Environment Policy and DLH Social and Human Rights Policy, this policy will form the foundation for our CSR work. The work on the DLH Environment Policy and the DLH Social and Human Rights Policy continues, with finalisation of both policies expected in the first half of 2010.

THE ENVIRONMENT - FROM POLICY TO ACTION

Good Supplier Program

DLH's Good Supplier Program (GSP) is DLH's tool to reach the environmental target of known origin of all purchased timber. The GSP is used to collect and evaluate information on the origin of timber and timber products from all tropical regions as well as from Russia, the Ukraine, Belarus and China.

2009 GSP results

In 2009, DLH had information of the origin for 92% of all timber purchased from the countries covered by its GSP program, an increase of 5% over 2008 result and thus above its 2009 goal of 90% known origin.

In 2009, 97% of DLH's purchases from GSP countries were covered by the GSP programme, which is 5 percentage points above the 92% realised in 2008.

DLH is currently working on a comprehensive revision of its GSP to ensure that the programme continues to meet own and customers' requirements with respect to documented known origin of timber and timber products.

Forests

DLH's forest areas in the Congo under the management of DLH subsidiary Congolaise Industrielle des Bois (CIB) have successfully undergone a re-audit of the areas already FSC-certified, which account for approximately 50% of the total area.

Unfortunately, it was necessary to postpone the FSC audit of the Loundoungou-Toukalaka concession scheduled for 2009. Due to the reduction of production by CIB, there were no forest activities in this area in 2009, which made an FSC audit impossible. The audit has instead been rescheduled to take place in 2010.

Supplier projects

One of the most important tools in DLH's efforts to improve its environmental performance is our cooperation with suppliers in obtaining independent third-party verification of legal origin, legal compliance and/or sustainability of timber and wood products. The first step toward sustainability (full certification) is Verification of Legal Origin (VLO). VLO projects are essential if both DLH and its suppliers are to comply with importing country requirements for proof of legal origin. Such requirements are to an increasing extent mandated by government legislation and no longer based on voluntary schemes. The group's website www.dlh-group.com contains an explanation of VLO and further information on the group's VLO projects.

SUPPLIER PROJECT RESULTS IN 2009

Malaysia

- DLH Malaysia had the most significant rise in the number of VLO suppliers, with an increase from 11 to 15 in 2009
- VLO timber accounts for 25.5% of DLH Malaysia's total sales volume

Indonesia

- In 2009, DLH Indonesia assisted two suppliers in obtaining Rainforest Alliance VLO certification, including chain of custody certification. With this verification in place, DLH Indonesia became the first company in the world to offer our customers Merbau with VLO certification from Indonesia
- DLH Indonesia has three FSC suppliers that supply FSC Bangkirai decking and tiles, FSC Meranti mouldings, and FSC Meranti gluelam

Brazil

- Nordisk Timber Ltda., Brazil continued its collaboration with four suppliers, all of whom are expected to go through their first assessment for VLO in 2010

Africa

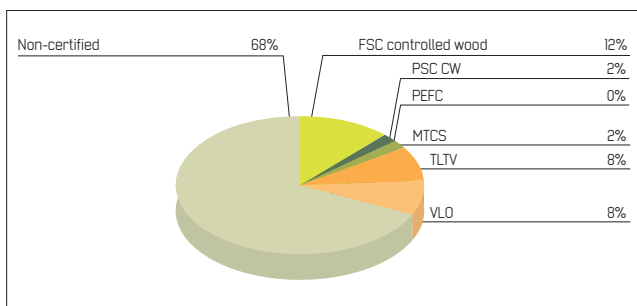
- DLH continues to assist its suppliers in Gabon in preparing for their Verification for Legal Compliance (VLC).

Social conditions

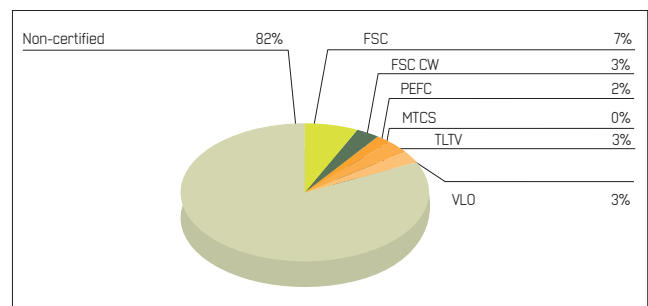
DLH carried out a number of activities in 2009 aimed at improving health and safety for DLH employees the world over. One result was DLH production facilities in Gabon becoming the first DLH unit to obtain ISO 14001 certification. ISO 14001 includes a wide range of health and safety measures.

The most significant progress made in improving social conditions was at DLH's African subsidiary CIB in the Congo, where the year started with the distribution of 10,000 mosquito nets to employees and their families. Malaria is one of the major threats to the general health of CIB employees. The distribution of nets was followed by the launch of a three-year project to step up the fight against HIV/AIDS among our employees and their families and in the wider community. Read more about this project on www.dlh-group.com.

32% of DLH total volume of purchased tropical hardwood is third-party verified



18% of DLH total global volume is third-party verified

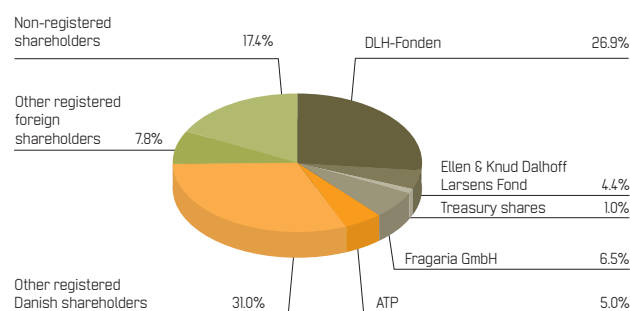


Share Capital

The share capital of DLH amounts to an aggregate nominal value of DKK 178,554,990 divided into Class B shares with a nominal value of 159,804,990 and Class A shares with a nominal value of DKK 18,750,000. The Class B shares are listed by Nasdaq OMX Copenhagen A/S and included in the SmallCap segment. The Class A shares are owned by DLH-Fonden and not listed.

According to the articles of association Class A shares carry 10 votes each and Class B shares carry one vote each.

Composition of shareholders at 1 March 2010



DLH has more than 3,600 shareholders, who can be divided as shown above. DLH-Fonden is subject to the same trading restrictions on the company's shares as are imposed on the company and its supervisory board.

Shareholders with a minimum of 5% share capital

Domicile	Share of share capital	Share of votes
DLH-Fonden, Philip Heymans Allé 7, Box 191, 2900 Hellerup	26.88%	62.41%
Arbejdsmarkedets Tillægspension, Kongens Vænge 8, 3400 Hillerød	5.02%	2.54 %
Fragaria GmbH, Vorwerker Str. 31, 27412 Wilstedt, Germany	6.45%	3.32%

*) Calculated on the basis of voting registered shareholders at 01.03.2010.

Treasury share policy

By authority granted at the general meeting, a maximum of 10% of the share capital may be acquired.

At 31 December 2009 DLH's portfolio of treasury shares had a total nominal value of DKK 1,821,880, corresponding to 1.02% of the share capital.

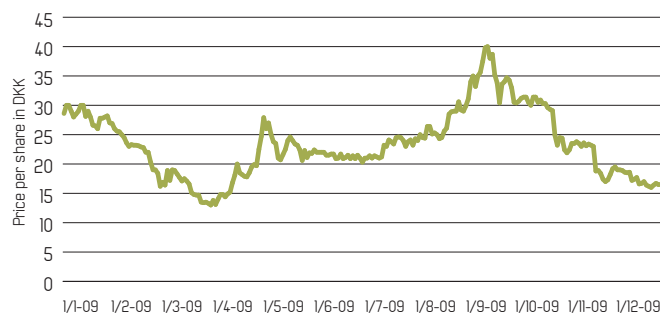
Share buy-back programme

The share buy-back programme launched in May 2008 ended on 1 March 2009 and resulted in a final value of the shares purchased of DKK 37 million, DKK 3 million of which was attributable to 2009. The repurchased shares were cancelled accordingly and the share capital reduced to DKK 178,554,990.

Listing the DLH share

In the beginning of 2009 the price of DLH's B shares was DKK 29 and during first quarter the price fell to DKK 13 per share. However, during the summer the price reached a price of DKK 40 per share but fell back again in the end of the year to DKK 16 per share, in the perspective of the whole year a 42% price drop. By comparison the SmallCap segment fell by 4% during the same period.

Development in the share price 2009



As a consequence of the falling prices the liquidity of the DLH share declined correspondingly, and the DLH shares were traded at a value of DKK 0.6 million compared to DKK 1.6 million the year before.

On 1 July 2009 the DLH share was transferred from the Mid-Cap+ segment to the SmallCap segment as the market value of the DLH Group had fallen below the level required by Nasdaq OMX Copenhagen A/S to remain in the MidCap segment.

By 2010 the DLH Group had more than 3,600 registered shareholders, corresponding to an increase of 20% compared to the level by 2009. The number of registered foreign shareholders fell by 0.8 percentage point to 13.7% in the same period.

Investor relations

DLH encourages an open and active dialogue with existing and potential investors, financial analysts, and other stakeholders concerning the company's business development and financial position. Our aim is to provide the participants in the share market with the best possible information and thus enable them to make an objective and independent assessment of the company's market value, thereby creating the basis for a fair price formation of the DLH-share.

Investor queries

Queries about the DLH Group, its business divisions and the annual report should be directed to Kent Arentoft, President & CEO. Queries about shareholder matters should be directed to Investor Relations Manager Claus Mejlby Nielsen.

Stock brokers monitoring DLH

Danske Equities	Poul Ernst Jessen	45 12 80 48
Nordea Markets	Carsten Warren Petersen	33 33 39 45

Asbjørn Børsting

Joined the supervisory board in 2002
Born: 1955

Positions of trust:

CEO of DLG a.m.b.a.
Chairman of the Danish Council for Research Policy. Chairman and member of the supervisory boards of subsidiaries and associated companies of the DLG Group. Member of the supervisory board of DLF-Trifolium A/S. Member of the advisory board of Danske Bank A/S.

Kristian Kolding

Joined the supervisory board in 2008
Born: 1947

Positions of trust:

Chairman of the supervisory boards of Asko Aktieselskab, Alfred Priess A/S, Priess Invest A/S, Nordlux A/S, Nordlux Invest A/S, Gottfred Petersen A/S, Gottfred Pedersen Holding A/S, Incentive Fonden. Member of the supervisory boards of DLH Fonden, Daniamant A/S, Daniamant Holding A/S, Daniamant (UK) Ltd., Alex Gundersen Tobacco Aktieselskab, Assens Tobak Aktieselskab, Silkisif Aktieselskab.

Erik Søndergaard

Joined the supervisory board in 2004
Born: 1945

Positions of trust:

CEO of Epsilon Invest ApS. Chairman of the supervisory board of FORCE Technology. Member of the supervisory boards of Dansk Erhvervsinvestering A/S and Dansk Innovationsinvestering P/S. Member of the committee of representatives in Nykredit.

Wilhelm Schnyder

Joined the supervisory board in 2006
Born: 1943

Positions of trust:

CEO of Fragaria GmbH. Member of the supervisory board of Rhein Treuhand & Consulting AG, Titradeo AG, Exoteak AG, CBA Commerce des Bois Africains SA and Vasto Legno SpA.

Aksel Lauesgaard Nissen

Joined the supervisory board in 2007
Born: 1944

Positions of trust:

Member of the supervisory boards of BRF Kredit A/S and A/S Einar Willumsen. Member of the committee of representatives in Tryg i Danmark smba.

Jesper Birkefeldt

Joined the supervisory board in 2006
Born: 1965
Elected by the employees of the group.

Jens Ulrik Nielsen

Joined the supervisory board in 2008
Born: 1966
Elected by the employees of the group.

Johannes Borglykke Sørensen

Joined the supervisory board in 2010
Born: 1974
Elected by the employees of the group.

Kent Arentoft

President and CEO
Joined in September 2009
Born: 1962

Positions of trust:

Member of the supervisory boards of Solar A/S, Sonion A/S, Eksport Kredit Fonden (EKF), Eksport Kredit Finansiering A/S.

INCOME STATEMENT

Note	(DKK million)	Group		Parent company	
		2009	2008	2009	2008
3	Revenue	3,648.3	5,013.0	1,170.8	1,657.6
4, 7	Cost of sales	(3,291.1)	(4,468.8)	(1,070.3)	(1,514.1)
	Gross profit(loss)	357.2	544.2	100.5	143.5
5	Other operating income	27.3	37.6	16.9	64.5
5	Other operating expenses	(23.2)	(1.3)	(2.4)	(1.8)
6	Other external expenses	(357.9)	(345.8)	(219.1)	(184.1)
7	Other staff costs	(356.0)	(378.4)	(131.3)	(136.8)
	Operating profit(loss) before depreciation and amortisation (EBITDA)	(352.6)	(143.7)	(235.4)	(114.7)
8	Depreciation and amortisation	(107.4)	(105.0)	(13.1)	(11.4)
8	Impairment losses	(148.7)	(66.2)	(460.6)	(329.4)
	Operating profit(loss) (EBIT)	(608.7)	(314.9)	(709.1)	(455.5)
	Financial items:				
9	Share of profit after tax from investments in joint ventures	0.2	(0.9)	0.2	(0.9)
	Profit on sale of investments	-	-	0.0	643.9
10	Financial income	7.3	27.1	294.9	127.0
11	Financial expenses	(112.4)	(133.4)	(83.4)	(90.6)
	Profit(loss) from continuing operations before tax (EBT)	(713.6)	(422.1)	(497.4)	223.9
12	Tax for the year on the profit(loss) from continuing operations	(38.2)	68.7	(12.6)	32.2
	Profit(loss) for the year from continuing operations	(751.8)	(353.4)	(510.0)	256.1
30	Profit(loss) for the year from discontinued operations	-	580.0	-	-
	Profit(loss) for the year	(751.8)	226.6	(510.0)	256.1
13	Earnings per share:				
	Earnings per share (EPS)	(42.59)	12.46		
	Diluted earnings per share (EPS-D)	(42.59)	12.46		
	Earnings per share (EPS) for continuing operations	(42.59)	(19.44)		
	Earnings per share diluted (EPS-D) for continuing operations	(42.59)	(19.44)		
	Recommended appropriation of profits:				
	Dividend proposed 0% (2008: 0%) per share of DKK 10 each			-	-
	Retained earnings			(510.0)	256.1
				(510.0)	256.1

BALANCE SHEET AT 31 DECEMBER

Note	Assets (DKK million)	Group		Parent company	
		2009	2008	2009	2008
	Non-current assets:				
14	Intangible assets:				
	Goodwill	132.3	152.0	6.3	6.3
	IT projects	1.0	17.2	1.0	17.2
	Other intangible assets	85.4	77.0	12.2	7.5
		218.7	246.2	19.5	31.0
14	Property, plant and equipment:				
	Land and buildings	139.2	236.3	0.2	0.9
	Plant and machinery	30.1	80.4	0.1	0.4
	Fixtures and fittings, other plant and equipment	47.1	100.8	8.2	6.3
	Property, plant and equipment under construction	11.3	23.8	-	-
		227.7	441.3	8.5	7.6
	Other non-current assets:				
15	Investments in subsidiaries	-	-	434.9	880.2
	Receivables from group enterprises	-	-	284.1	280.7
9	Investments in joint ventures	0.6	0.4	0.6	0.4
16	Other investments and securities	3.9	3.8	3.7	3.7
	Other non-current assets	0.2	-	-	-
17	Deferred tax	16.8	80.8	-	17.8
		21.5	85.0	723.3	1,182.8
	Total non-current assets	467.9	772.5	751.3	1,221.4
	Current assets:				
	Inventories:				
4	Manufactured goods and goods for resale	984.5	1,414.4	147.9	177.1
	Prepayment for goods	43.4	52.5	25.5	17.7
		1,027.9	1,466.9	173.4	194.8
	Receivables:				
18	Trade receivables	392.5	542.9	110.2	146.5
	Receivables from group enterprises	-	-	435.5	477.3
17	Income taxes receivable	26.1	24.7	0.3	4.7
	Other receivables	68.3	157.8	5.9	121.6
	Prepaid expenses	19.8	21.1	8.7	8.7
		506.7	746.5	560.6	758.8
	Cash	44.1	56.7	1.4	4.6
30	Assets held for sale	61.7	-	0.7	-
	Total current assets	1,640.4	2,270.1	736.1	958.2
	Total assets	2,108.3	3,042.6	1,487.4	2,179.6

BALANCE SHEET AT 31 DECEMBER

Equity and liabilities		Group		Parent company	
		2009	2008	2009	2008
Note	(DKK million)				
Equity:					
	Share capital	178.6	185.8	178.6	185.8
	Hedging reserve	(4.0)	(10.9)	(3.6)	-
	Foreign currency translation adjustment reserve	(48.8)	(87.0)	-	-
	Retained earnings	407.0	1,152.0	345.8	851.6
19	Total equity	532.8	1,239.9	520.8	1,037.4
Non-current liabilities:					
20	Pensions and similar provisions	20.9	27.0	-	-
17	Deferred tax	14.9	36.5	-	2.5
21	Provisions	18.1	0.6	18.1	-
22	Subordinated loan	111.6	78.3	111.6	78.3
22	Credit institutions	3.9	44.4	-	-
22	Leasing commitments	0.8	0.5	0.5	-
		170.2	187.3	130.2	80.8
Current liabilities:					
22	Credit institutions	1,015.2	1,216.6	706.0	701.9
	Trade payables and other payables	324.0	345.4	95.0	151.8
22	Current portion of non-current liabilities	1.6	33.7	1.4	33.5
	Payables to group enterprises	-	-	11.7	170.0
17	Income taxes	4.3	13.2	-	3.3
21	Provisions	55.2	5.4	20.7	0.7
	Deferred income	5.0	1.1	1.6	0.2
		1,405.3	1,615.4	836.4	1,061.4
	Total liabilities	1,575.5	1,802.7	966.6	1,142.2
	Total liabilities and equity	2,108.3	3,042.6	1,487.4	2,179.6



CASH FLOW STATEMENT

Note	(DKK million)	Group		Parent company	
		2009	2008	2009	2008
	Profit(loss) before tax	(713.6)	(422.1)	(497.4)	223.9
	Adjustment for non-cash operating items etc.:				
	Depreciation and amortisation	256.1	171.2	473.7	340.8
	Inventory write-downs, (incl. prepayments)	132.5	148.8	1.0	20.5
	Provisions for trade receivables	23.4	(3.2)	9.5	(1.2)
	Impairment losses on receivables from subsidiaries	-	-	76.3	-
	Other non-cash operating items, net	(3.6)	0.9	6.5	0.2
	Provisions	57.5	(1.8)	38.1	0.7
	Profit on sale of investment in subsidiaries	-	-	-	(643.9)
	Share of profit(loss) after tax in joint ventures	(0.2)	0.9	(0.2)	1.0
	Financial income	(7.3)	(27.1)	(294.9)	(125.0)
	Financial expenses	112.4	133.4	83.4	90.6
	Cash flow from operating activity before change in working capital	(142.8)	1.0	(104.0)	(92.4)
	Change in working capital:				
	Inventories and prepayments	333.8	118.9	20.4	102.4
	Trade receivables	133.1	131.3	26.8	18.4
	Trade and other payables	(10.9)	(66.6)	183.6	(97.4)
	Other operating debt, net	23.5	(38.7)	73.4	(75.4)
	Operating cash flow	336.7	145.9	200.2	(144.4)
	Financial income, paid	7.1	27.1	294.9	125.0
	Financial expenses, paid	(96.7)	(158.5)	(84.9)	(141.1)
	Income taxes paid	(15.5)	(64.7)	5.3	14.0
	Cash flow from operating activity	231.6	(50.2)	415.5	(146.5)
	Acquisition of subsidiaries	-	-	-	(109.5)
	Acquisition of intangible assets	(3.8)	(23.0)	(2.1)	(20.4)
	Acquisition of property, plant and equipment	(50.7)	(111.0)	(6.5)	(5.2)
	Sale of intangible and tangible assets	15.9	10.6	1.9	7.7
	Sale of subsidiaries	-	-	-	977.8
	Acquisition of enterprises	-	(90.3)	-	-
	Earn-out commitment honoured	-	(36.0)	-	(36.0)
	Capital increase in subsidiaries	-	-	(12.3)	(87.0)
	Realised foreign exchange gains related to hedged net investments denominated in foreign currencies	40.0	1.3	-	-
	Acquisition/sale of securities	(0.5)	0.5	-	-
	Cash flow from investment activity	0.9	(247.9)	(19.0)	727.4
	Cash flow from operating activity and after investments	232.5	(298.1)	396.5	580.9

CASH FLOW STATEMENT

Cash flow statement continued

Note	(DKK million)	Group		Parent company	
		2009	2008	2009	2008
	Raising of debt to mortgage credit institutions and servicing of leasing commitment	1.8	-	1.8	-
	Raising of bank debt	592.4	-	592.4	-
	Repayment of bank debt	(837.3)	(553.0)	(588.5)	(544.1)
	Raising/repayment of intra-group accounts, net	-	-	(402.4)	36.3
	Acquisition of treasury shares under share buy-back programme	(3.0)	(33.8)	(3.0)	(33.8)
	Acquisition/sale of treasury shares	-	(1.7)	-	(1.7)
	Dividend distributed	-	(37.2)	-	(37.2)
	Cash flow from financing activity	(246.1)	(625.7)	(399.7)	(580.5)
	Cash flow from discontinued operations	-	923.3	-	-
	Cash flow for the year	(13.6)	(0.5)	(3.2)	0.4
	Cash at 1 January	56.7	56.3	4.6	4.2
	Foreign currency translation adjustment of cash	1.0	0.9	-	-
	Cash at 31 December	44.1	56.7	1.4	4.6

Dalhoff Larsen & Horneman A/S
Skagensgade 66
DK - 2630 Taastrup

CVR nr. 34 41 19 13
Tel. +45 43 50 01 00
Fax +45 43 50 01 99

www.dlh.com
dlh@dlh-group.com

FSC-SECR-0146
Please visit our website for
information about our FSC
certificates



Annual general meeting

The annual general meeting will be held on Friday, 9 April 2010, at 2 pm at the Quality Hotel Høje Taastrup A/S, Carl Gustavsgade 1, 2630 Taastrup.