



THE DLH GROUP 2006



PASSION FOR WOOD

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THE DLH GROUP 2006

This publication outlines the essential aspects of the development in the DLH-Group's business and finances during 2006, the 2007 forecast and the strategy adopted for the years ahead. The publication includes selected financial ratios and results from the group's annual report for 2006.

ANNUAL REPORT 2006

The full audited annual report for 2006 may be downloaded from our website at www.dlh-group.com or obtained by writing to ir@dlh-group.com or telephoning +45 4350 0162.

ONE OF THE WORLD'S MAJOR TIMBER WHOLESALERS

THE DLH GROUP

One of the world's major timber wholesalers and a leading Danish building materials distributor

- Forecast group revenues of DKK 7.5 billion in 2007
- Largest producer of sustainable tropical hardwood in Africa
- 62% of DLH's revenues are generated outside Denmark
- Sales and procurement offices, warehouses and processing facilities in 33 countries on 5 continents
- 19 timber merchant companies in Denmark, 10 of which have do-it-yourself stores
- Approx. 4,300 employees
- Listed by the Copenhagen Stock Exchange

BUSINESS ACTIVITIES AND BREAKDOWN OF REVENUES 2007



Globalisation creates potential

High rate growth continued throughout 2006, driven by a powerful Danish market and a number of acquisitions in particular. Revenue passed the DKK 7 billion mark, up 34%, and we improved our operating result for the fifth year running. An "all-time high" across the board.

However, even though 2006 turned out to be the best year ever in the history of the group, we consider the annual result a "stake in the ground" result - on our way upwards to higher goals. The fact is that DLH still has great profit potential. One reason for this is that the cost of integrating the acquired businesses was charged against income in 2006, and the acquisitions made tied up management and financial resources. Against this background, we expect improved profits already in 2007.



DLH has great potential in the long term, too. In line with many other raw materials, the supply of timber is subject to temporary shortage of supply, and there is no doubt that DLH will increase its focus on the sourcing of raw materials. In this light the largest acquisition of the year, that of the Swiss tt Timber Group with its extensive forest and sawmill activities in Africa, was of particular strategic importance.

On that occasion our workforce was expanded by more than 2,000, many of whom are employed in the tropical forests of the Republic of the Congo. This places very special demands on us as a responsible enterprise. We wish to accept that responsibility. As a listed company we are particularly visible and therefore have an obligation to take the lead. The acquisition of the tt Timber Group is therefore an obvious occasion on which to strengthen our corporate social responsibility, and we are pleased to note that part of our African activities became FSC certified in 2006, the highest stamp of approval that our activities are handled in a sustainable manner.

Via the stock exchange we can raise capital for the financing of major expansions in our business as we did in 2006, for instance. Due to its size and position DLH is therefore a natural driver for the consolidation of the fragmented industries in which we operate. The fact is that consolidation is necessary, and only by continuing to take an active part in the globalisation of the world trade do we ensure that we add value to our shareholders in the short and the long term.


Jørgen Møller-Rasmussen
President & CEO

GROUP OBJECTIVES

DLH intends to expand its position as one of the world's leading suppliers of timber and timber products sourced from sustainably produced raw materials. Through profitable growth, organic as well as by acquisition, and the effective exploitation of the capital invested, DLH aims to create financial results that will secure shareholders a satisfactory return on their investments.

For further details please refer to the objectives and forecast of DLH on page 11 and 13.

A RESPONSIBLE ENTERPRISE

The DLH Group acknowledges its responsibility to contribute to the sustainable development of global forestry. Through the certification of its own forest concessions and in consultation with the group's customers, suppliers, authorities and environmental and human rights organisations the group has introduced measures to improve conditions for nature and humans in the supply regions of DLH.

For further details please refer to the environmental policy of DLH on page 14-15.

Developments in 2006

HIGHLIGHTS

REALISED IN 2006

DLH achieved revenue of DKK 7,187 million and a pre-tax profit of DKK 211 million, which is slightly higher than the most recently published forecasts.

Revenue: DKK 7,187 million
 EBIT: DKK 301 million
 EBT: DKK 211 million
 Investments: DKK 2.8 billion
 ROIC including goodwill: 10.8%

FOCUS IN 2007

With the acquisition of the tt Timber Group and a number of companies in Scandinavia and Eastern Europe, including Russia, in 2005 and 2006, DLH has consolidated its supply chain and market position dramatically. In 2007 the group will focus on fully benefiting from this new and broader business platform.

FORECAST FOR 2007

Revenue: DKK 7,500 million
 EBIT: DKK 330 million
 EBT: DKK 230 million
 Investments: DKK 2.9 billion
 ROIC including goodwill: 11.5%

REVENUE

DLH's revenue was DKK 7,187 million, up 34% on last year. Aside from organic growth of approximately 5%, this revenue increase is primarily driven by a number of acquisitions.

Generally, 2006 was characterised by great demand in more or less all the markets, which resulted in rising prices for most product groups. However, the great demand also led to a shortage of goods in some areas, and together with outside interruptions in operations in the supply countries this hampered revenue developments.

Of the total revenue increase 29% is attributable to acquisitions. 62% of group revenue was generated outside Denmark in 2006. Here Western Europe accounts for 37% while 10% of the revenue was generated in the USA. The emerging markets, which include the Far and the Middle East, South Africa and Eastern Europe, produced a share of the group's total revenue of 15%.

The group is today represented in 33 countries by subsidiaries or offices.

GROSS MARGIN

DLH improved the gross margin by 1.1 percentage points to 17.9% in 2006. This combined with the revenue increase ensured an improvement in the gross margin of DKK 385 million, up 43% on 2005.

EBIT, OPERATING PROFIT

The increased revenue together with the improvement in the gross margin produced earnings be-

fore interest and tax, EBIT, of DKK 301 million, a 34% improvement. All three group divisions contributed to this improvement in the result. The group's operating margin (EBIT margin) was 4.2%, which is on a par with last year.

The result includes computed costs for employee shares of DKK 21 million, which are, however, offset by excess values of DKK 33 million relative to the cost of the tt Timber Group (negative goodwill). Furthermore, the result includes proceeds from the sale of properties etc. of DKK 17 million, which coincides with last year.

PROFIT

The pre-tax profit for the group was DKK 211 million, up 21%.

The profit after tax was DKK 152 million compared to DKK 119 million the year before, up 28%.

BALANCE SHEET TOTAL AND CASH FLOWS

The group's balance sheet total was DKK 3,661 million at year-end, a 40% increase on year-end 2005, mainly attributable to acquired businesses.

Average invested capital was DKK 2,823 million in 2006 compared to DKK 1,990 million the year before.

Equity was DKK 1,068 million at year-end, representing a DKK 241 million increase.

Cash flow from operations after investments was DKK (153) million compared to DKK (317) million the year before. The improvement is due to a reduction in the funds tied up in working capital in the comparative period as well as a considerably improved result, adjusted for non-cash items, such as depreciation and amortisation.

FINANCIAL OBJECTIVES

The group achieved three out of four of its new long term financial objectives in 2006.

	REALISED	OBJECTIVE
Growth	34%	10.0%
Operating margin	4.2%	5.0%
Value creation (in million DKK)	2.7	> 0
Equity ratio including subordinated loan	32.2%	≥30.0%

With the acquisitions made, the group has ensured the fulfilment of its long term growth targets – average revenue growth of 10% per year within the next couple of years.

ACQUISITIONS 2006

- January 2006: the tt Timber Group, Swiss hardwood business with sustainable tropic forestry operations in Africa, head office in Basle, Switzerland. Annual revenue approx. DKK 1.3 billion.
- September 2006: Ljungbergs, Swedish-owned sheet materials wholesaler with a subsidiary in Norway, head office in Hässleholm, Sweden. Annual revenue approx. DKK 300 million.

Future development

GROUP OPERATIONS 2006

DKK million	2006	2005
Revenue	7,186.5	5,362.5
Gross profit	1,288.3	903.4
	17.9%	16.8%
Costs	(883.1)	(639.4)
Earnings before interest, tax, depreciation and amortisation, EBITDA	405.2	264.0
Depreciation on non-current assets	(103.7)	(39.2)
Earnings before interest and taxes, EBIT	301.5	224.8
	4.2%	4.2%
Net financials	(90.0)	(49.8)
Profit before tax	211.5	175.0
Tax on profit for the year	(59.5)	(56.5)
Profit for the year	152.0	118.5

EBIT CONTRIBUTIONS OF DIVISIONS, 2006

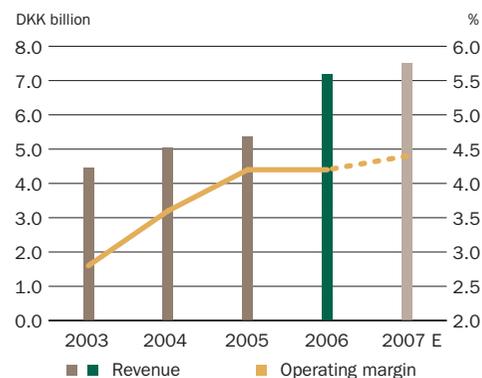
DKK million	2006	2005
Hardwood Division	206.7	114.1
Timber & Board Division	78.1	68.0
Building Materials Division	77.3	62.1
Corporate centre	(60.6)	(19.4)
Total	301.5	224.8



FOCUS IN THE YEARS AHEAD

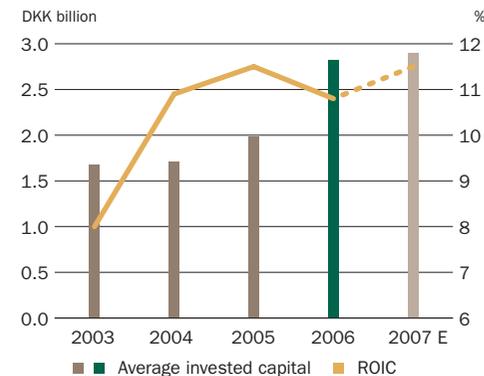
In the years ahead DLH is set to expand, both through organic growth and through acquisitions, with a view to ensuring wider and deeper market coverage. Concurrently, the group will take advantage of opportunities for enhancing the efficiency of operations and improving the employment of capital. Read more on page 13.

REVENUE AND OPERATING MARGIN, 2003-2007*)



DLH's average top line growth from 2003 till 2007 is calculated at 13% per year on average. In view of the expected operating profit of DKK 330 million in 2007, the group's operating margin will be at 4.4%.

RETURN ON INVESTED CAPITAL, ROIC 2003-2007*)



From 2003 to 2007 DLH has increased average invested capital to approximately DKK 2.9 billion. Return on invested capital, ROIC, is expected to be in the region of 11.5% in 2007.

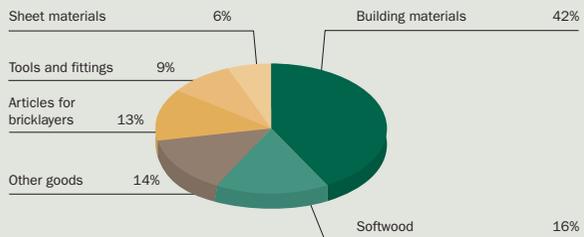
*) The group revenue, operating margin and ROIC shown for 2007 illustrate the group's forecast of business developments for 2007.

BUILDING MATERIALS DIVISION

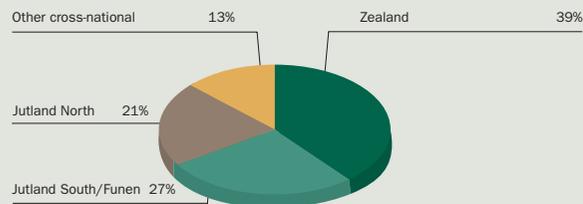
Financial highlights in DKK million	2006	2005	2004
Revenue	1,836.3	1,662.6	1,495.8
Gross profit	391.9	351.8	304.9
Gross margin	21.3%	21.2%	20.4%
Operating profit before depreciation and amortisation (EBITDA)	93.9	78.1	59.6
Operating profit (EBIT)	77.3	62.1	41.6
Operating margin	4.2%	3.7%	2.8%
Average capital invested	535.0	498.9	484.3
ROIC including goodwill	14.4%	12.5%	8.6%

REVENUE BROKEN DOWN BY

Product groups



Sales markets



PROFILE

With its nineteen timber merchant companies the Building Materials Division of DLH is Denmark's third largest capital chain within the industry in terms of revenue and number of outlets. The timber merchant companies supply the local market with softwood, sheet materials and builders' materials as well as tools and fittings. Customers are mainly builders, contractors, institutions and small industrial businesses.

As at 1 January 2007 the division's timber merchant companies joined Denmark's largest building materials chain, XL-BYG, and at the same time changed their names to Horneman. Ten of the timber merchant companies have do-it-yourself stores, which cater for the private sector. Sales to the private sector account for approximately 20% of revenues.

Similarly, eighteen of the companies have an adjacent tool shop, which caters for the trade segment with its extensive range of tools and fittings. Sales from the tool shops account for approximately 10% of revenues.

DEVELOPMENTS IN 2006

The division also continued its positive business trend in all areas throughout 2006. As in previous years, progress is due in

particular to the low level of interest rates and the strong Danish economy, which has really boosted both residential development and refurbishment. In some fields the market was overheated, and this led to quotas and actual shortages for some product groups.

In 2006 the division achieved revenue of DKK 1,836 million, up just over 10% on 2005. A minor part of the said revenue boost is attributable to acquisitions.

The division closed down a small branch in Asnæs in 2006, which did not satisfy the group's demands for added value.

Throughout the year the division carried out a series of efficiency enhancements in the administrative, purchasing and logistics functions, and these have been instrumental in improving the result. Operating profit, or EBIT, for the year was DKK 77 million, up DKK 15 million, or 24%, on 2005.

In 2006 the Building Materials Division's average invested capital was DKK 535 million. The DKK 36 million increase on 2005 is partly attributable to the high level of activity and partly to the acquisition of MLT A/S in the autumn of 2005. Return on average invested capital was 14.4% compared to 12.5% in 2005.



Horneman – a powerful new brand

On 1 January 2007 eighteen of DLH's timber merchant companies and do-it-yourself stores assumed the historic and time-honoured name of Horneman. The name change underlines the fact that, together as well as individually, the timber merchant companies are part of DLH, a solid and professional Danish group with strong specialist skills.

In the course of 2007 an extensive information campaign is set to create awareness of the new name with customers, suppliers and staff. DLH's objective in launching the information campaign is to signify adherence to the values, quality and professionalism affiliated with the almost one hundred year old history of the group.

Simultaneously with the name change DLH's timber merchant companies entered into a marketing co-operation relationship with Denmark's largest building materials chain, the recently established XL-BYG, which is a merger of the three chains: RÅD&DÅD Byggecenter, Byggekrum and PROFFEN. The XL-BYG chain comprises almost 150 outlets located all over the country and has revenues running into the double digit billions. With its eighteen timber merchant companies DLH is the chain's major shareholder.

The recently established co-operation via the chain is expected to bring about great market penetration. For example DLH's building materials outlets will benefit from the shared marketing power.

Moreover, the chain's total purchasing power will pave the way for a more powerful product range at very competitive prices.

HORNEMAN BECAUSE ...

The name of Horneman gathers 550 employees in the Building Materials Division under one brand with a view to creating a powerful sense of belonging, a united front and the framework for a stronger shared culture. The Horneman name links the past and future of DLH. The name dates back to Frees Horneman, one of the pioneers in DLH, and even to this day, the name is closely connected with quality and professionalism.

For this reason the Horneman name is precisely the sort of reputation the Building Materials Division wishes to retain and enhance. It represents the qualities that characterise DLH's timber merchant companies: personal relationships: great professionalism and local roots.

In this way the new brand creates a balance in relation to the co-operation with the chain of XL-BYG. The trading relationship within the XL-BYG chain focuses on the economies of scale of nationwide co-operation, an intensive marketing effort and a very extensive and competitive product range, while the Horneman brand signifies high-quality advice and great specialist skills.

Growth through development and acquisitions

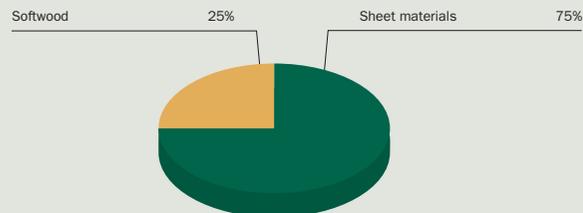
The business concept of the Building Materials Division is based on greater efficiency and synergies through co-operation. The concept is well developed, thoroughly tested and therefore very suitable for supporting the division's strategy for growth. This will take place through organic development and acquisitions in connection with the necessary consolidation of DLH's outlets within the timber merchant and building materials trades.

TIMBER & BOARD DIVISION

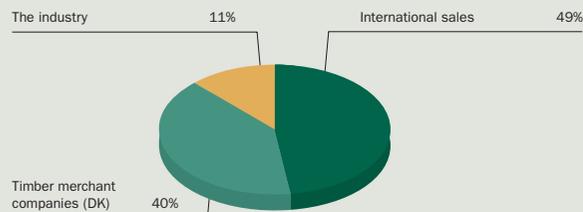
Financial highlights in DKK million	2006	2005	2004
Revenue	1,408.4	1,141.5	1,116.8
Gross profit	194.8	171.9	161.1
Gross margin	13.8%	15.1%	14.4%
Operating profit before depreciation and amortisation (EBITDA)	80.4	69.6	58.4
Operating profit (EBIT)	78.1	68.0	50.2
Operating margin	5.5%	6.0%	4.5%
Average capital invested	228.3	197.1	210.1
ROIC including goodwill	34.2%	34.5%	23.9%

REVENUE BROKEN DOWN BY

Product groups



Sales markets



PROFILE

The Timber & Board Division is engaged in the distribution of sheet materials and softwood. Sheet materials, which include plywood, MDF and particle boards, are primarily purchased in Russia and northern Europe. Softwood products include sawn timber and components of pine, spruce and larch, primarily from Russia and the Nordic countries. Revenue from sheet materials accounts for three quarters of the division's total revenues, while softwood accounts for the remaining fourth.

The Timber & Board Division's largest market is Denmark, where the division is among the leading stockholding wholesalers. The Danish market accounts for approximately half of revenues. With the acquisition of Ljungbergs in 2006 Sweden has now become the division's second largest market. Ljungbergs distributes sheet materials to the timber merchant segment in Sweden and Norway. In addition, the division also services the remaining European market and the USA.

Customers are timber merchant companies, including the group's own outlets in the Building Materials Division, and the timber-consuming industry, such as kitchen and furniture manufacturers.

The Timber & Board Division of DLH is in competition with other importers and small independent agents as well as large sawmills in the supply countries, which also sell to customers direct.

DEVELOPMENTS IN 2006

Following an exceptionally strong market in 2005, the sheet materials market returned to a normal, albeit still satisfactory, level during the first three quarters of 2006. During the fourth quarter demand and prices were again on the increase. This development in the sheet materials market has continued into early 2007.

The softwood market has been enjoying a satisfactory increase throughout the year, and this has also been reflected in the prices.

In 2006 the division achieved revenue of DKK 1,408 million, which corresponds to an increase of DKK 257 million, or 23%, on 2005. Of the increase, the acquisition of Ljungbergs as at 1 September 2006 accounts for DKK 115 million.

The operating profit, or EBIT, was DKK 78 million, representing a DKK 10 million increase on 2005.

The division tied up average invested capital of DKK 228 million in 2006 compared to DKK 197 million the year before. One reason for the increase is the acquisition of Ljungbergs. Return on average invested capital was 34.2% compared to 34.5% in 2005.





Great potential in the USA

For the past six years the Timber & Board Division has built up a considerable volume of plywood sales in the USA. In 2006 the American market accounted for 14% of the division's total sheet materials sales, corresponding to revenue in the region of DKK 147 million.

A combination of know-how and a well-established supply network in Eastern Europe, South America and China has paved the way for our entry into the American market. Acting as the direct link to sheet materials manufacturers worldwide DLH is in a position to satisfy customers' specific requirements of product quality. This has secured the group a solid market position among a number of large customers.

Customers comprise several furniture manufacturers and a number of distributors in the building trade where sheet materials are used extensively for all kinds of building projects. Customers often receive the goods from the sheet materials suppliers "Just in Time" without incurring high storage costs on the way. While this type of delivery require strict control of logistics and service levels, it also spells lower costs and, as a result, greater competitiveness. Here DLH benefits from many years' experience in the European market.

Even though sales in the USA have climbed to a sizeable level in this short time period, the American market continues to hold a great potential for DLH, and the group expects to continue expanding its American activities in the years ahead.

Film faced plywood board creates market

Traditional plywood from Russia, China and South America is at the heart of DLH's American business. Many new products strive to gain a footing in this market. One example is the special film faced plywood board used for formwork in connection with concrete casting in the commercial building and construction industry. The panel, which DLH markets under the registered trade name Xact2form®, is used most extensively where high demands are placed on quality and finish.

Xact2form® is a well known and well reputed niche product among American architects and developers. Xact2form® has been approved for use in federally funded projects and buildings, and DLH expects heightened interest when the group introduces Xact2form® with FSC certification later in 2007.



Acquisition enhanced competitiveness

With the acquisition of Karl Ljungberg AB in September 2006 DLH at one stroke expanded its sheet materials business by about 30%, both in terms of revenue and staff. Ljungbergs is one of Sweden's largest suppliers of sheet materials and also has a good position in Norway. Annual total revenues add up to approximately DKK 300 million. In comparison, DLH's sheet materials business generated revenue of approximately DKK 900 million annually prior to the merger.

Prior to the merger there was very limited geographical overlap between the two companies' operations. On the other hand, DLH and Ljungbergs source their goods in the same countries, and, to some extent, from the same suppliers in Western Europe, Eastern Europe, South America and Asia. The merger has therefore resulted in improved purchasing power and enhanced competitiveness.

At the same time, the joint product range represents enhanced customer choice, especially for DLH's existing customers.

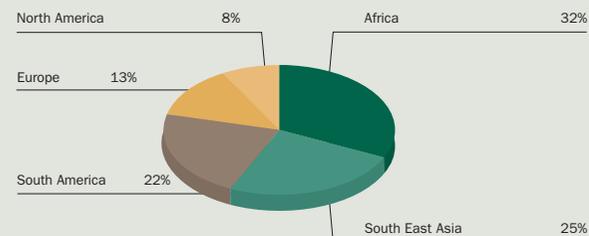
The merger of Ljungbergs and the sheet materials activities of DLH has created one of Scandinavia's largest and most powerful sheet materials wholesalers with broad European market coverage, an important step in DLH's expansion plans for sheet materials activities.

HARDWOOD DIVISION

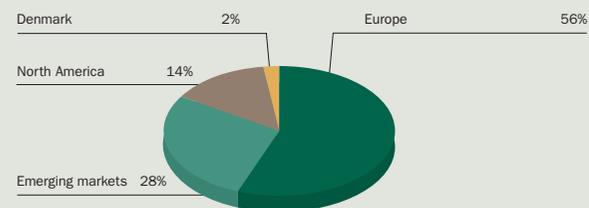
Financial highlights in DKK million	2006	2005	2004
Revenue	4,075.6	2,678.2	2,528.4
Gross profit	700.7	379.7	358.9
Gross margin	17.2%	14.2%	14.2%
Operating profit before depreciation and amortisation (EBITDA)	285.5	130.3	125.9
Operating profit (EBIT)	206.7	114.1	110.5
Operating margin	5.1%	4.3%	4.4%
Average capital invested	2,055.2	1,311.9	1,014.3
ROIC including goodwill	10.1%	8.7%	10.9%

REVENUE BROKEN DOWN BY

Supply regions



Sales markets



PROFILE

The Hardwood Division trades in tropical hardwood from South America, Africa and South East Asia as well as in temperate hardwood, primarily from Eastern Europe and North America. The timber is mainly supplied by local sawmills and manufacturers.

Moreover, the acquisition of the tt Timber Group in 2006 gave the division direct access to extensive sustainable tropical forests in Africa. Today, the division obtains 10% of its supplies from its own forest concessions.

In addition to being engaged in the storage and shipment of raw materials, the Hardwood Division is increasingly becoming involved in the actual processing of the timber in the supply regions, such as the drying and production of flooring strips, decking tiles and planks.

The majority of the division's goods are sold in Europe and North America. Customers are industrial firms in the building and construction sector, such as manufacturers of windows and doors, kitchen elements and flooring, as well as furniture manufacturers and other businesses in the timber industry. The division also supplies timber to other distributors and retailers, such as timber merchant companies and DIY stores. In addition, the division provides large industrial customers with niche goods. The division has a number of major regional competitors as well as a considerable number of local competitors.

DEVELOPMENTS IN 2006

The Hardwood Division produced revenues of DKK 4,076 million, up 52%, which is primarily attributable to acquisitions. 67% of the annual revenue was produced by stockholding sales units in the USA and Europe, including the rapidly increasing Russian market to which DLH gained access through the acquisition of Bohmans in the autumn of 2005. Sales through stockholding sales units ensure relatively stable earnings.

The remaining 33% of the division's revenue is produced by trading. Trading refers to the sale of large quantities of goods with direct delivery to the customer without involving the warehousing facilities of DLH. DLH's trading business is characterised by a low level of costs and low capital requirements, but also by fluctuating revenues, which in good years contribute considerably to the result of the group.

With the acquisition of the tt Timber Group in January 2006 DLH



considerably consolidated its position in the central African countries through the operation of its own forest concessions and own sawmills. The acquisition is of great strategic importance because it has consolidated DLH's reliability of supply and ensured control with the only major source of supply for certified products from African natural forests so far. The acquisition of activities in the first links of the value chain strengthens the group's earnings while only making a modest contribution to the division's total revenue.

The massive growth in business activities in 2006 has resulted in costs for integration and co-ordination of the activities. Nevertheless, the division achieved an operating profit, or EBIT, of DKK 207 million, up 81% on last year. The improvement in the result is attributable to general market trends, but was also helped along by the contribution made by the acquired businesses and added values compared to the purchasing price of the tt Timber Group (negative goodwill) determined in connection with the inclusion of the company in DLH's financial statements in accordance with the IFRS accounting standards.

Average invested capital was DKK 2,055 million, which represents an increase of DKK 743 million on 2005, primarily due to acquisitions. Return on average invested capital was 10.1% compared to 8.7% in 2005.



Processing takes on increasing importance

The Hardwood Division has strategic focus on business opportunities throughout the value chain. This applies even to those links in the value chain that come before the actual wholesale activity. One such link is the processing and subsequent finishing treatment of rough-sawn timber, an area that is increasingly important to DLH.

Processing of the rough-sawn timber includes grading, air and kiln drying, planing and manufacturing of components, such as furniture elements.

To a large extent, processing of tropical hardwood takes place in the country of origin. This is partly due to the fact that several countries have imposed restrictions on the exportation of unprocessed rough-sawn timber, but now also partly due to competitive processing costs in the countries of origin.

To buyers of timber, manufactured products are also attractive, primarily due to potential savings on packaging and transportation costs on wastage, i.e. those parts of the rough sawn timber that are cut or lost in production. In addition, customers often have the option of having goods made exactly to their specifications.

DLH handles an increasing amount of the manufacturing process itself. One of the group's largest processing facilities is located in Belém in Pará, one of the states in Brazil. Here DLH has invested in modern production equipment, such as drying kilns and planing facilities, and the production process includes finger-joints, glue-laminated timber, floor boards, decking tiles and furniture elements of a uniform and consistent quality.

In addition to Brazil, DLH today processes, wholly or in part,

rough-sawn timber in Denmark, Sweden, Poland, the Ukraine, Malaysia, the Republic of the Congo, Gabon and the USA.

The processing activities of DLH call for investments in buildings and production equipment as well as in working capital for the storage of timber, which may take up to 12 weeks to pass through the manufacturing process. With this in mind, the strategic advantage of handling part of the manufacturing process must be balanced with the tied-up capital, since one of DLH's key objectives is to create added value for its shareholders through a satisfactory return on invested capital.



No more thinking in grooves

One of DLH's African forest concessions became FSC-certified in 2006. This certification provides documentary evidence that DLH's forests in the Republic of the Congo are being managed in compliance with the principles of sustainability and with respect for the local community, the forest and animal life.

In sustainable forest management harvesting is arranged so as to secure a critical minimum of each timber species stand. In the short term, this restricts harvesting of a number of species to ensure their long term survival.

In the Congolese forest concessions sustainable production allows for approximately 370,000 cubic metres of timber from among thirty timber species to be produced annually, ten of which belong to the popular so-called primary species.

However, the output may be expanded considerably without compromising the principles of sustainability. The fact is that the African forests contain more than 250 timber species, many of which are not yet utilised commercially. Some of these include species that in all likelihood can be marketed in the near future. These

are referred to as secondary species. If balanced sustainable harvesting of the said species is included, the potential output could be expanded to approximately 500,000 cubic metres a year.

This would, however, depend on the secondary species becoming marketable and thereby also financially viable. In other words, the financial profit derived from the said species must provide a return on the necessary investments. The fact is that investments must be made in research and development of the secondary timber species in order to create a basis for specific marketing which does away with the preconceived notions passed down the generations as to what kind of timber species may be used for what purposes.

DLH expects several secondary species to find their way onto the market in future.

FSC is an abbreviation of Forest Stewardship Council, an international organisation, the objects of which are to promote sustainable forestry the world over, for instance through certification. For more information please refer to www.fsc.org.

The African potential

DLH acquired the tt Timber Group in January 2006 and merged the business with the Hardwood Division. The group thereby gained at one stroke access to its subsidiary, Congolaise Industrielle des Bois (CIB)'s, large tropical forest concessions in the Republic of the Congo in Central Africa, some of which are now FSC certified. Access to CIB's African forest concessions is of great strategic importance to DLH because it ensures direct control of a vital supply source of certified tropical hardwood.

The FSC certification also enables CIB to harvest, process and market lesser known timber species that are suitable for the timber-consuming industry, such as manufacturers of furniture and flooring in the Far East and manufacturers of windows and doors in Eastern Europe.

Moreover, the merger with the tt Timber Group has dramatically expanded DLH's global sales network for tropical hardwood. The consolidated Hardwood Division is today one of the world's largest hardwood wholesalers.

With its own certified forest concessions and an extensive global distribution network DLH will be in a unique position to build up a strong position in the market for certified timber where the demand is growing, but the supply is limited.

Even though the acquisition of the tt Timber Group is of great importance to the group's supply options, DLH endeavours to gain access to additional African forest areas in order to secure future supplies of sustainable tropical timber.

GROUP FORECAST FOR 2007

Following the considerable 34% revenue increase in 2006 the level of activity is expected to increase by approximately 4% from DKK 7.2 billion to approximately DKK 7.5 billion in 2007. The expected improvement applies to all three divisions. The Timber & Board Division accounts for the highest growth because it finalised an acquisition during the autumn of 2006.

The group expects increased earnings for the sixth year running in 2007. EBIT is expected to grow from DKK 301 million in 2006 to approximately DKK 330 million in 2007. This corresponds to an increase in the operating margin of 0.2 percentage points to 4.4%. The group has a long term target of 5.0% for the operating margin. Pre-tax profit is expected to grow from DKK 211 million to approximately DKK 230 million in 2007.

The forecast result for 2007 does not include non-recurring items. In 2006 DLH produced non-recurring income of just under DKK 20 million.

DLH's revenue and result forecast for 2007 is subject to the usual commercial uncertainties (such as market trends and changes in sourcing options) as well as to financial uncertainties (such as variations in interest rates and foreign exchange rates).

For average capital invested at group level a modest increase from approximately DKK 2.8 billion to approximately DKK 2.9 billion is expected.

GROUP	Result 2006	Forecast for 2007
Revenue	DKK 7,187 million	Approx. DKK 7,500 million
Earnings before interest, tax, depreciation and amortisation, EBITDA	DKK 405 million	Approx. DKK 430 million
Earnings before interest and taxes, EBIT	DKK 301 million	Approx. DKK 330 million
Earnings before tax, EBT	DKK 211 million	Approx. DKK 230 million

THE DIVISIONS



HARDWOOD DIVISION

The Hardwood Division expects a moderate 2% revenue increase to approximately DKK 4,150 million. This modest growth is due to the continued uncertainty as to the volume of goods that might be sourced in 2007. The seasonal shortage of goods resulting in higher prices is expected to continue to characterise the market in 2007. The division will therefore make a special effort to strengthen its sourcing base in the countries in which the division already operates as well as in new countries.

In 2007 the division will focus on the integration of the acquired businesses, Bohmans and the tt Timber Group, and on potential synergies.

The division expects improved earnings as the integration is completed. Operating profit is expected to grow by approximately 4% to approximately DKK 215 million.

The division's total invested capital is expected to remain at the 2006 level, at approximately DKK 2,060 million.



TIMBER & BOARD DIVISION

The Timber & Board Division expects a revenue increase from DKK 1,408 million to approximately DKK 1,600 million in 2007. Much of the 14% revenue improvement mentioned above is due to the full-year effect of the acquisition of the sheet materials distributor Ljungbergs, which will only be included in the financial statements for 2006 with four months.

Following a period with rising prices and strong earnings in both the softwood and sheet materials market in 2006, the division's operating profit is expected to remain in the region of DKK 80 million. Due to the acquisition, invested capital is expected to grow from DKK 228 million to approximately DKK 315 million.

The division expects to be able to finalise the implementation of GTS, the group's new IT-system, in 2007. At the same time the division will focus on developing its worldwide sourcing base.



BUILDING MATERIALS DIVISION

The division expects moderate progress in a market that remains favourable. Revenue is expected to rise by just over 3% to DKK 1,900 million, and the operating profit, or EBIT, is expected to remain at approximately DKK 80 million. Investments are anticipated to fall to the modest figure of approximately DKK 525 million.

In 2007 the division will continue to pursue efficiency enhancements with special emphasis on inventory control, logistics and purchasing. Another task will be to continue to pursue the possibility of acquiring timber merchant companies in Denmark as a geographical supplement to the division's existing timber merchant companies.

DLH's value chain for international timber trade

On its way through DLH's international supply chain the timber passes through a number of links from the forests in the timber-producing regions in South America, Africa, Asia, Scandinavia and Russia/Siberia to the end users, who are typically residing in Europe, the USA and the emerging markets, which include the Far and the Middle East, South Africa and Eastern Europe. Each link in the chain adds value to the timber. That is why the chain is referred to as a value chain.

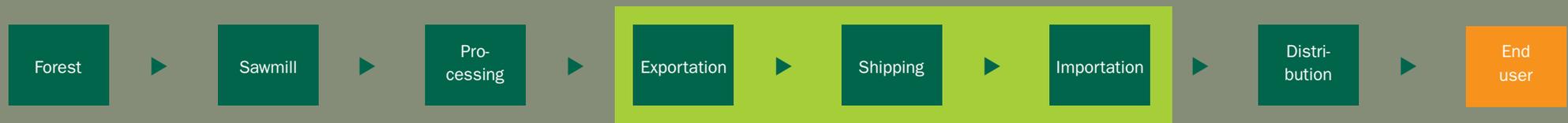
DLH is involved to varying degrees in all links of the value chain, even the links prior to the traditional wholesale business. One reason for this is to secure adequate supplies of the required quality; another is to have better control of the legality and origin of the timber. Also, there is inherent business and earnings potential to be tapped in these links.

The group's strategy is to locate and assess opportunities to acquire business activities along the entire value chain that may

contribute to the expansion of the supply channels, increase reliability of supply or create new profitable business activities directly associated with the value chain, such as expanding the sales potential through new units and channels of distribution.

Acquisitions of businesses with activities in the first links of the value chain would rarely contribute to increased group revenue, but would normally imply an improvement in the earnings margins and the reliability of supply.

VALUE CHAIN *) - INTERNATIONAL TRADE IN HARDWOOD



With the acquisition of the tt Timber Group DLH has already gained access to the only major forest area in Central Africa so far where FSC certified tropical timber is produced today. However, there is a big need for additional supplies of certified tropical goods. The group is therefore considering the acquisition of additional tropical concessions, in Africa as well as in other tropical regions, which may improve the reliability of supply in strategic areas, such as certified timber.

The majority of the rough-sawn timber is cut at local sawmills prior to being sold on. DLH runs its own sawmills in Africa. It will often be necessary to buy or build own local sawmills adjacent to the forest concessions.

Local processing of rough-sawn timber, i.e. drying, cutting, planing, manufacturing of components etc., takes on ever increasing importance to DLH (please refer to the article on page 9). Firstly, setting up a local processing business would equip DLH to exercise better quality control and would also create better opportunities for delivering custom-made products to end customers direct.

The trading and agency business is DLH's original area of competence: purchasing goods in the supply countries, handling transportation and logistics across national frontiers and sales to distributors and individual trade customers.

Today the group has a closely knit network of sales companies, which distribute goods from their own warehouses to trade customers locally, many of whom are small or medium size businesses in the timber-consuming industry.

*) This rough outline of the value chain provides a simplified version of DLH's international timber trade, highlighting a few important aspects of the business. The actual flow of goods implies many variations from the illustration shown, for instance logs sold directly from the forest for exportation, timber sold from sawmill to importers without processing.

STRATEGY AND OBJECTIVES

It is the strategy of DLH to develop its business activities through controlled profitable growth, be it via organic growth or acquisitions, thereby ensuring wider or deeper business commitment in the value chain. At the same time, the group intends to take advantage of the opportunities for enhancing operations and improving the utilisation of capital, for instance through intensive use of IT.

HARDWOOD DIVISION

The division intends to consolidate its global market position through profitable growth in the sales countries, supported by the continued expansion of its position in the supply regions.

Such consolidation includes strategic investments in forest concessions, sawmills and other processing plants as well as committed co-operation with local suppliers with a view to increasing the raw materials supplies and strengthen the environmental safety.

The division aims to become a market leader in FSC certified tropical hardwood.

TIMBER & BOARD DIVISION

For the past few years the Timber & Board Division has been enhancing the efficiency of its operations and improving its use of capital considerably. This improvement must be sustained and accelerated.

Based on the improved business base in Scandinavia following the acquisition of Karl Ljungberg AB in 2006 the division intends to focus on continued profitable growth in both Northern Europe and the USA. This will take place by means of increased sales through distributors and direct sales to the industry.

In addition, the Timber & Board Division will focus on expanding the supply sources in Asia and South America.

BUILDING MATERIALS DIVISION

The Building Materials Division is set to consolidate its position among the leading building materials and timber merchant chains in Denmark. This will take place through mergers and acquisitions. By means of additional operational efficiency enhancements, such as the ongoing streamlining of the product range and number of suppliers, the division will ensure improved earnings and deployment of capital.

FINANCIAL OBJECTIVES

Through profitable growth, organic as well as by acquisition, and the effective exploitation of the capital invested, DLH aims to create financial results that will secure shareholders a satisfactory return on their investments.

In the light of the improvement in the results in recent years and the result potential inherent in the latest acquisitions, the group has set itself new and higher financial targets for 2006, please see the table below.

Financial objectives	Group	Hardwood Division	Timber & Board Division	Building Materials Division
Creation of value*	> 0	0.25% of revenue	0.25% of revenue	0.25% of revenue
Annual revenue growth	10%	10%	10%	10%
Operating margin	5%	6%	5%	4.5%
Equity ratio including subordinated loan	≥30%			

*) The creation of shareholder value, i.e. a return on the capital invested which exceeds the cost of the capital employed (Weighted Average Cost of Capital, WACC, currently just below 8% with variations for the three divisions).

The targets should be perceived as an average of the earnings and growth attained during one trade cycle. DLH aims to attain the said financial targets over the next couple of years.



Strengthening of DLH's environmental activities

Following the takeover of the tt Timber Group in 2006, considerable resources were used to strengthen the environmental activities of DLH. As a result, the Environmental Department now has solid regional competences in the three major tropical supply regions, Asia, Africa and South America. At the same time, DLH has reinforced its efforts in the human rights area by adding extra expertise.

The acquisition of the tt Timber Group and the direct involvement in forestry and production in the Republic of the Congo have added a new dimension to the corporate social responsibility (CSR) activities of DLH – especially with regard to the process of FSC certification.

Moreover, DLH has increased its commitment to processing in Malaysia and Brazil significantly. As a result, the CSR activities of DLH increasingly encompass DLH's own companies in addition to the activities already targeted at our suppliers, such as the Good Supplier Program (GSP).

THE TARGET IS SUSTAINABLE PRODUCTS

Sustainability is one of DLH's key objectives, which is why the group focuses on certified products. The general aim of the DLH Group is to become the world's largest distributor of FSC certified

tropical timber within the next three to five years. The FSC certification of one of the forest concessions of DLH's subsidiary, Congolaise Industrielle des Bois (CIB), in the Congo is an important step in this direction.

VERIFICATION OF LEGAL ORIGIN

In some countries the control exercised by the local authorities is not always sufficient to ensure even a minimum level of legal compliance. With this in mind DLH in 2004 adopted the target of known origin of all timber, purchased by DLH, before the end of 2007 from those countries defined by DLH as high risk countries.

However, experience has shown that for some countries, it is very difficult to know the exact origin of the timber. Consequently, more time is needed to meet the target in these countries. For other countries the target of known origin is within reach. Here DLH continues its efforts towards obtaining third party verification of legal origin (VLO). VLO projects involve regular verifications by an independent body of the legal origin of the timber purchased by DLH.

With the aim of creating more visible results of the environmental activities, DLH assigned higher priorities to activities related to the verification of legal origin in 2006. In Malaysia

(Sabah) several VLO projects, involving a number of suppliers, are successfully being implemented, and DLH can today supply considerable quantities of timber with a VLO certificate from Malaysia.

In the Congo, CIB's four concessions, which are not yet FSC certified have obtained VLO certification in accordance with the SGS's TLTV- standard.

Additionally, DLH contributed to a VLO project in Russia managed by the WWF. New VLO projects are expected to be launched in 2007 in Indonesia, Brazil and the Ivory Coast.

THE GOOD SUPPLIER PROGRAM

DLH cannot ensure sustainable forest management on its own, and DLH's own forest concessions can only partly satisfy DLH's demand for timber. Therefore DLH depends on co-operation with its suppliers to ensure sustainably managed forests.

DLH's Good Supplier Program (GSP), an ambitious scheme involving approximately 700 suppliers in 18 countries, is the practical tool used to evaluate suppliers with regards to DLH's environmental policy and their compliance with human rights in countries susceptible to problems. The GSP is currently implemented in tropical countries as well as in Russia, the Ukraine and China. In



the remaining supply countries DLH primarily focuses on certified timber due to the fact that in these countries the legal origin of the timber is assured.

The process of implementing GSP is making progress in some countries, while the process is more complicated in others. Part of the reason is that the implementation of the GSP is especially difficult in countries with complex supply chains, such as Indonesia. Another part is that we have experienced a certain degree of reluctance towards implementing GSP among some suppliers.

Nevertheless, GSP is an important tool to collect information of the group's suppliers as well as in the selection of suppliers eligible for VLO verification or certification projects.

DIALOGUE AND CO-OPERATION

To ensure the sustainability of forests worldwide, joint efforts are required. The many stakeholders, especially the forest owners, the timber industries, the authorities, the local communities and the NGOs must jointly assume their responsibilities to solve the problems. DLH is participating in a number of forums which endeavour to bring about improvements in the environmental field. This includes the FLEGT-process (EU), G-8, Chatham House, the ITTO and the FAO. In addition, DLH operates through the trade organisations in a number of countries.

Furthermore, DLH is a member of Amnesty International Business Forum, FSC Denmark, FSC International, and engages in on-



going dialogue with the WWF. Additionally, DLH co-operates with NGOs such as the Tropical Forest Foundation, the Tropical Forest Trust and the World Conservation Society on specific projects.

HUMAN RIGHTS

The protection of human rights is an essential part of DLH's CSR strategy. During 2006 additional manpower was added to the area, broadening our expertise in this field. The integration of human rights and social issues in DLH's environmental activities is, among other things, vital for the compliance with criteria for FSC certification.

As part of the Good Supplier Program, DLH engages in dialogue with our suppliers on our Basic Values, including working conditions for employees and protecting the rights of indigenous peoples.

Furthermore, CIB activities in the Congo have highlighted the need for access to education and health systems for the CIB staff as well as other inhabitants. Also the prevention and treatment of HIV/AIDS have become items on the agenda of DLH. In 2006, DLH launched an initiative to extend the efforts to combat HIV/AIDS in the Congo in co-operation with Danida.



CORPORATE SOCIAL RESPONSIBILITY IN THE CONGO

With the acquisition of the tt Timber Group in January 2006 and the subsidiary CIB in the Congo, DLH not only acquired the responsibility for an operation employing some 1,700 employees, but also the challenge of managing a forest area of approximately 1.3 million hectares. The forest area includes the towns of Pokola and Kabo, a number of local communities and approximately 20,000 inhabitants. This means that, in addition to the day-to-day operations, CIB has a number of social responsibilities in this remote part of the Congo.

One of these responsibilities is to provide health care to the local communities. With its operating facilities, advanced testing equipment, maternity clinic and a well-stocked pharmacy, the hospital in Pokola is considered the best equipped hospital in the northern part of the country.

The hospital was constructed and is run by CIB. All inhabitants in the forest area are offered free consultation, irrespectively of whether they are employees of the group or not.

The hospital offers treatments for malaria, tuberculosis and diarrhoea etc. and assists the delivery of approximately 60 babies a month. Moreover, the hospital experiences an increasing need for treatment in connection with HIV/AIDS.

The social and health benefits offered by CIB to employees and their families as well as to the local community are playing a small but noteworthy part in the Congolese government's strategy for the creation of basic health services in this isolated region.

FINANCIAL HIGHLIGHTS FOR THE DLH GROUP

million DKK)	2006	2005	2004	2003 ¹⁾	2002 ¹⁾
Income statement:					
Revenue	7,187	5,363	5,036	4,451	4,549
Gross profit	1,288	903	825	724	730
Earnings before interest, tax, depreciation and amortisation (EBITDA)	405	264	235	180	174
Operating profit (EBIT)	301	225	183	127	117
Profit before tax (EBT)	211	175	140	74	59
Profit for the year	152	119	90	45	33
Balance sheet items:					
Total assets	3,661	2,620	1,998	1,934	2,026
Equity	1,068	827	719	636	612
Average invested capital	2,823	1,990	1,707	1,677	1,756
Cash flows:					
Cash flow from operating activities (CFFO)	126	(107)	51	197	118
Cash flow from operations after investments excluding acquisitions	75	(133)	53	171	78
Cash flow from operations after investments including acquisitions	(153)	(317)	53	150	(29)
Performance ratios:					
Gross margin	17.9%	16.8%	16.4%	16.3%	16.0%
Operating margin (EBIT margin)	4.2%	4.2%	3.6%	2.8%	2.6%
Net operating profit less adjusted taxes (NOPLAT) ²⁾	214	161	131	94	88
Return on equity (ROE)	15.5%	15.3%	13.3%	7.2%	5.4%
Equity ratio	29.2%	31.6%	36.0%	32.9%	30.2%
Equity ratio including subordinated loan	32.2%	31.6%	36.0%	32.9%	30.2%
Return on invested capital, (ROIC)	10.8%	11.5%	10.9%	8.0%	7.2%
Average number of staff	4,310	1,782	1,695	1,414	1,402
Stock market ratios:					
Book value per share of DKK 10 (BVPS)	58	48	42	37	36
Share price at year-end (P)	DKK 106.9	DKK 85.6	DKK 39.3	DKK 26.2	DKK 15.7
Price / book value (P/BV)	1.86	1.78	0.94	0.71	0.44
EPS basic (per share of DKK 10)	8.38	7.00	5.35	2.66	1.93
Average number of shares in issue (1,000 shares) ³⁾	18.312	17.162	17,162	17,162	17,162
Cash flow per share of DKK 10 (CFPS)	6.85	(6.24)	2.97	11.48	6.88
Dividend per share of DKK 10 (DPS)	2.00	1.50	1.00	0.60	0.60
Price Earnings Basic (P/E Basic)	12.8	12.2	7.4	9.8	8.1

1) Financial highlights for 2004, 2005 and 2006 have been prepared in accordance with IFRS. Comparative figures for 2002 and 2003 have not been restated to the changed accounting policies, but are presented in accordance with the previous accounting policies based on the requirements of the Danish Financial Statements Act and Danish Accounting Standards.

2) Calculated on the basis of a company tax rate of 30% with addition of net financial income on invested capital (receivables etc.) of DKK 4.8 million. For 2006 the tax rate for tax paid was 23.5% (2005: 32.9%) corresponding to a NOPLAT of DKK 234 million.

3) As part payment of the purchase of tt Timber Group in February 2006, 120,000 shares of DKK 100 have been issued.

CONSOLIDATED INCOME STATEMENT AND CASH FLOWS

Consolidated income statement

(million DKK)	2006	2005
Revenue	7,186.5	5,362.5
Cost of sales including salaries and wages related to production	(5,898.2)	(4,459.1)
Gross profit	1,288.3	903.4
	17.9%	16.8%
Costs:		
Other operating income	60.7	26.0
Other external expenses	(389.3)	(257.1)
Staff costs	(554.5)	(408.3)
Operating profit before depreciation and amortisation (EBITDA)	405.2	264.0
Depreciation and amortisation	(103.7)	(39.2)
Operating profit (EBIT)	301.5	224.8
	4.2%	4.2%
Net financials	(90.0)	(49.8)
Profit before tax (EBT)	211.5	175.0
Tax on profit for the year	(59.5)	(56.5)
Profit for the year	152.0	118.5

Parentheses are used to indicate items that are negative or to be deducted.

Cash flow statement

(million DKK)	Group	
	2006	2005
Profit/loss before tax	211.5	175.0
Adjustment for non-cash operating items etc.:	166.7	58.0
	378.2	233.0
Change in working capital:		
Inventories	(92.5)	(154.9)
Trade receivables	(14.2)	(93.3)
Trade and other payables	8.2	50.7
Other operating liabilities, net	(25.0)	(36.0)
Cash flow from operations	254.7	(0.5)
Net financials paid	(79.4)	(49.0)
Income taxes paid	(49.8)	(57.6)
Cash flow from operating activities	125.5	(107.1)
Acquisition of companies	(227.5)	(183.4)
Other investments	(50.9)	(26.1)
Cash flow from operations and after investments incl. acquisitions	(152.9)	(316.6)

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

Assets	As at 31 Dec.	As at 31 Dec.	Liabilities and equity	As at 31 Dec.	As at 31 Dec.
(million DKK)	2006	2005	(million DKK)	2006	2005
Non-current assets:			Total equity	1,068.3	826.9
Goodwill	133.3	99.6	Non-current liabilities:		
IT projects	8.9	11.6	Pensions and similar commitments	11.2	-
Other intangible assets	9.5	-	Deferred tax	23.0	18.9
Land and buildings	354.7	240.8	Provisions	14.5	11.2
Plant and machinery	222.9	94.9	Subordinated loan	111.8	-
Other non-current assets	31.2	28.1	Banks etc.	764.8	354.8
Total non-current assets	760.5	475.0	Leasing commitment	4.9	0.2
Current assets:			Non-current liabilities in total	930.2	385.1
Manufactured goods and goods for resale	1,659.4	1,221.7	Current liabilities:		
Prepayment for goods	109.2	82.4	Mortgage credit institutions etc.	1,097.0	1,040.3
Trade receivables	886.0	673.3	Trade and other payables	531.5	341.2
Prepayments and other receivables	121.7	125.5	Income taxes	26.3	16.4
Cash	124.2	41.8	Deferred income and provisions	7.7	9.8
Total current assets	2,900.5	2,144.7	Total current assets	1,662.5	1,407.7
Total assets	3,661.0	2,619.7	Total liabilities	2,592.7	1,792.8
			Total liabilities and equity	3,661.0	2,619.7

SHAREHOLDERS

SHARE CAPITAL

In connection with the acquisition of the tt Timber Group new Class B shares without pre-emption rights for shareholders were issued with a total nominal value of DKK 12,000,000 in early 2006. In the summer 2006 additional Class B shares with a total nominal value of DKK 2,162,760 were issued to employees. DLH's share capital subsequently amounts to a total nominal value of DKK 185,784,760, of which amount the Class B shares have a total nominal value of DKK 167,034,760, and the Class A shares have a total nominal value of DKK 18,750,000. The Class B shares are listed by the Copenhagen Stock Exchange and included in the Mid-Cap+ Index. The Class A shares are owned by the DLH-Fonden and unlisted.

SHARE SPLIT

In April 2006 the annual general meeting of DLH adopted a resolution to effect a share split in the ratio of 1:10 for both Class A and Class B shares. 3 May 2006 was the first trading day for the new denomination. Following the split, each share has a nominal value of DKK 10. All shares retain their voting rights following the split. A Class A share with a nominal value of DKK 10 thus carries 10 votes, while a Class B share with a nominal value of DKK 10 carries 1 vote.

LISTING OF THE DLH-SHARE

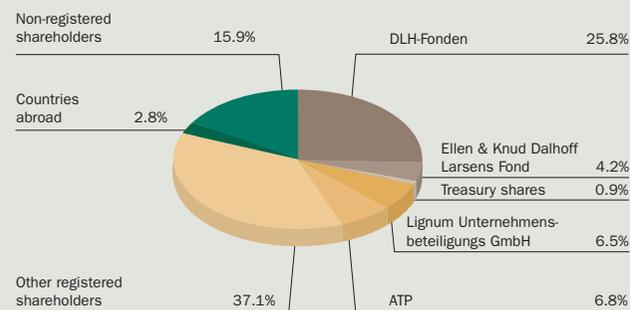
The price of DLH's Class B share rose by 25% in 2006 and stood at DKK 106.89 at year-end (per share of DKK 10). In comparison the MidCap+ Index rose by 49% while the SmallCap+ Index rose by 32%. As at 2 October the DLH share changed from the SmallCap+ Index to the MidCap+ Index in connection with the launch of the new OMX listing at the Copenhagen Stock Exchange. On average DLH shares were traded for DKK 5.2 million a day in 2006 compared to DKK 3.0 million the year before.

At the beginning of 2007 the group had more than 3,000 registered shareholders, twice the number in early 2006.

EMPLOYEE SHARES

In April 2006 the annual general meeting of DLH adopted a resolution to grant the company's employees the right to subscribe for

COMPOSITION OF SHAREHOLDERS AS AT 19.03.2007



DLH has more than 3,000 shareholders, the composition of which is shown in the graph 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.

shares at a favourable price. Subsequently 634 employees subscribed for 216,276 Class B shares (nominal value DKK 2,162,760) at DKK 10.50 per share, corresponding to 1.2% of the share capital before the subscription. The new Class B shares carry full dividend and moreover carry the same rights as the existing Class B shares and are listed by the Copenhagen Stock Exchange.

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 assessment of the company's market value, thereby creating the basis for a fair price formation of the DLH share.

CORPORATE GOVERNANCE

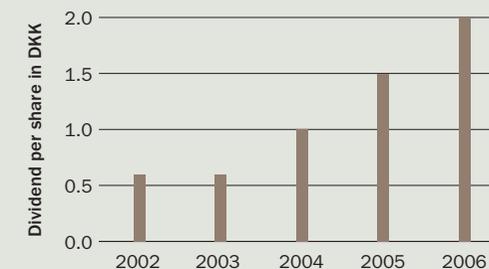
DLH has adopted by far the majority of the recommendations on good corporate governance made by the committee appointed by the Copenhagen Stock Exchange. Please refer to the company's website and the annual report 2006 for a comprehensive overview of the group's attitude to the individual recommendations.

STOCK BROKERS MONITORING DLH

Danske Equities	Stig Frederiksen	+45 33 44 05 24
Nordea	Carsten Warren Petersen	+45 33 33 39 45
Capinordic Bank A/S	Kristian Marthedal	+45 88 16 31 34

DIVIDEND

The supervisory board recommends to the general meeting that a dividend amounting to DKK 37.2 million, corresponding to DKK 2.00 per issued share, is distributed for 2006, which represents an increase of DKK 0.50 per share relative to 2005. The dividend for the year corresponds to approximately 24% of the profit after tax.



The supervisory board intends for dividend to be paid to shareholders annually at the rate of approx. 25% of the profit for the year after tax with due regard to the development plans of the group and its need for consolidation.

INVESTOR INQUIRIES

Queries concerning the DLH Group, the business divisions and the annual report should be directed to Jørgen Møller-Rasmussen, President & CEO. Queries concerning shareholder issues should be directed to Claus Mejlbj Nielsen, IR Manager.

FINANCIAL CALENDAR 2007

21.03.2007	Notification of Annual Report for 2006
18.04.2007	Annual general meeting
23.05.2007	Report for the three months ended 31 March 2007
23.08.2007	Report for the six months ended 30 June 2007
21.11.2007	Report for the nine months ended 30 September 2007

EXECUTIVE BOARD AND SUPERVISORY BOARD

EXECUTIVE BOARD



Jørgen Møller-Rasmussen
President & CEO



Carsten Vindnæs
Executive Vice President
Finance & IT



Martin Grome
Executive Vice President
Hardwood Division



Robert Hunink
Executive Vice President
Hardwood Division



Jørgen Ipsen
Executive Vice President
Timber & Board Division



Arnold D. Johansen
Executive Vice President
Building Materials Division

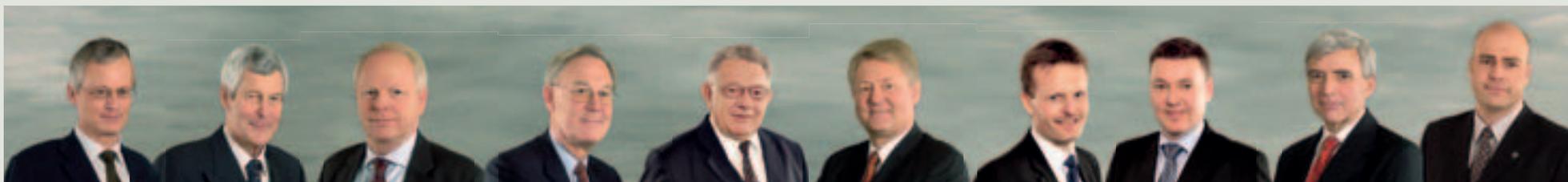
ORGANISATION

In terms of function, the three divisions of DLH each amount to a subgroup headed by one Executive Vice President. However, the Hardwood Division is headed by two Executive Vice Presidents. The functional organisational structure is different from the legal structure of DLH.

The Finance & IT, Logistics, Personnel and Forestry & Environment functions are shared by all three divisions. Legally, the shared functions belong under Dalhoff Larsen & Horneman A/S, which is the parent company of the DLH Group. The parent company also performs general management duties.

Group management consists of the President & CEO, the Executive Vice President of Finance & IT and the Executive Vice Presidents of each of the three divisions.

SUPERVISORY BOARD:



Asbjørn Børsting
Chairman

Arne Vierø
Deputy Chairman

Erik Søndergaard

Niels Oluf Kyed

Wilhelm Schnyder

Stig Christensen

Jesper Birkefeldt
Elected by the
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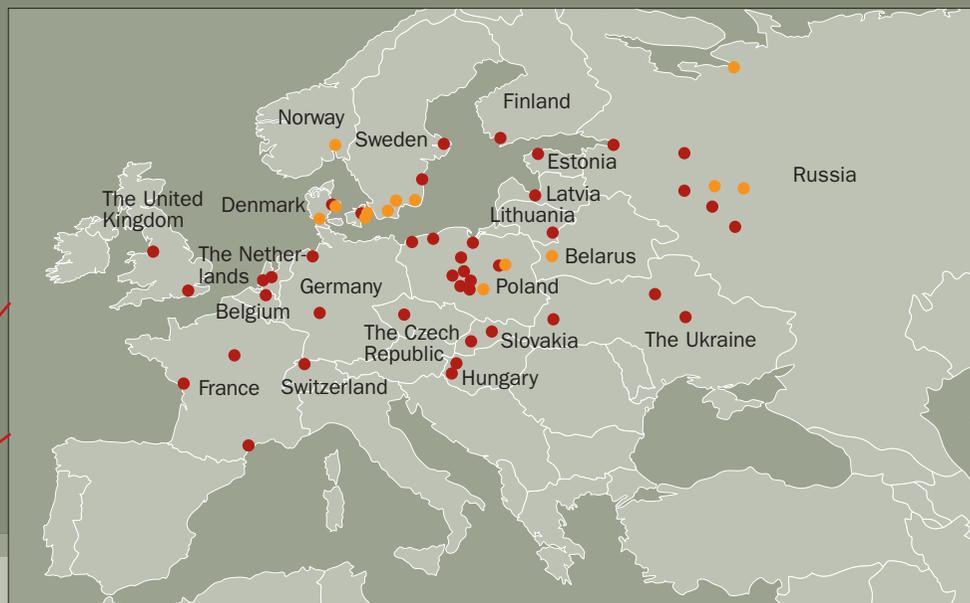
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