

Interim report 6 months 2015

dlh.



CONTENTS

Report

- 3 Financial highlights and ratios
- 4 Management report
- 6 Outlook
- 6 Events after the end of the period
- 6 Stock Exchange announcements in 2015
- 6 Financial calendar 2015
- 6 Disclaimer

Statement

- 7 Management statement

Interim accounts

- 9 Income statement
- 10 Statement of comprehensive income
- 11 Balance sheet, assets
- 12 Balance sheet, equity and liabilities
- 13 Cash flow statement
- 14 Statement of changes in equity
- 15 Notes

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FINANCIAL HIGHLIGHTS AND RATIOS

(DKK million) ¹⁾	6 months		Full year
	2015	2014	2014
Income statement			
Profit/(loss) from continuing operations	(20)	(24)	(65)
Profit/(loss) from discontinued operations	(27)	(30)	(106)
Profit/(loss)	(47)	(54)	(171)
Balance sheet items			
Total assets	250	709	304
Equity	110	261	152
Interest-bearing debt, net	26	239	13
Cash flow			
Cash flow from operating activities	(10)	(31)	(92)
Cash flow from investment activities	1	-	-
Cash flow from financing activities	17	(3)	(169)
Performance ratios			
Return on equity (ROE)	(71.3%)	(37.1%)	(72.2%)
Equity ratio	44.0%	36.8%	50.0%
Average number of employees incl. discontinued operations	122	396	335
Share based ratios ¹⁾:			
Booked value per diluted DKK 0.5 share (BVPS-D) at end of the period	2.06	4.89	2.84
Share price, end of the period (P), DKK	0.92	4.80	2.68
Diluted share price / booked value (P/BV-D)	0.45	0.98	0.94
Average number of diluted shares issued (in denominations of 1,000 shares)	53,384	53,384	53,384
Cash flow per diluted DKK 0.5 share (CFPS-D)	(0.18)	(0.58)	(1.72)
Price Earning diluted (P/E-D)	(2.4)	(10.5)	(2.2)
Earnings from continuing operations per DKK 0.5 share (EPS)	(0.38)	(0.46)	(1.22)

1) Earning per share has been determined in accordance with IAS 33 "Earnings per share". Other financial ratios have been calculated in accordance with the "Recommendations and Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

MANAGEMENT REPORT

Operations in the first half year were characterised by the fact that the Group's head office continued to be staffed for the first 4-5 months. During May and June, the administrative functions were outsourced to Accountor Denmark.

All Group operating units and assets have been put up for sale and thus appear under the item "discontinued operations".

The Group has two operating units remaining - Nordic Business and the French unit. Ongoing dialogue and activity concerning the sale of the two units continues. Through rigorous cost adjustment, both units have been brought close to a breakeven result at EBITDA level.

For the first half year, turnover in the Nordic unit totalled DKK 240 million against DKK 272 million for the same period last year. Over the past 12 months, the Nordic management has restructured the Danish and Swedish unit and reduced costs in the first half year by DKK 9 million compared with the same period last year. Despite the lower turnover, therefore, the Nordic unit has posted an improved EBITDA of minus DKK 0.8 million against a loss of DKK 2.0 million last year. There is currently a slight improvement in market conditions in Denmark whereas the Swedish market continues to be weak.

Market conditions in France remain difficult, but after a series of cost adjustments, EBITDA totals DKK 0.2 million against last year's loss of DKK 2.4 million. Turnover fell from DKK 114 million to DKK 57 million as a direct consequence of structural changes in the French company, with the closure of the department in Nantes

last year. Working capital was reduced to DKK 48 million against DKK 72 million at the same time last year.

The deal with the Russian company did not succeed within the originally planned time frame. Consequently, DLH had to operate this unit longer than expected and posted an operating loss over the period. The transaction was closed in August and the Russian company transferred to new owners.

Global Sales was sold in October 2014, but there remains a number of receivables to the tune of approximately DKK 5 million. Through the spring, it proved to be difficult to recover outstanding amounts at a satisfactory pace, particularly in China. Consequently, the unit suffered losses and additional provisions have been made. Moreover, as part of this process, the Group has taken consignments back, which have subsequently been sold at below cost price.

After the balance sheet date, the Group disposed of further assets. The previous head office in Taastrup has been sold. The transaction took place at the value of the property DLH assessed in its 2014 accounts of approximately DKK 33 million. DLH acquired the property from FIH for DKK 54 million as part of a sale and lease-back arrangement entered into in 2007. The property was sold to the property investor group, Actus. In connection with the purchase and resale, DLH obtained a loan from FIH of approximately DKK 21 million, which so far runs until the end of 2016.

In July, the announced transaction with the Group's Brazilian company was completed.

Balance sheet and cash flow

At the end of the first half of 2015, the consolidated balance sheet totalled DKK 250 million against DKK 709 million last year.

At the end of the period, Group equity was DKK 110 million against DKK 261 million at the same time last year. Through the capital reduction implemented in June, the share capital is now DKK 27 million.

The Group's net interest bearing debt amounted to DKK 26 million compared to DKK 239 million last year.

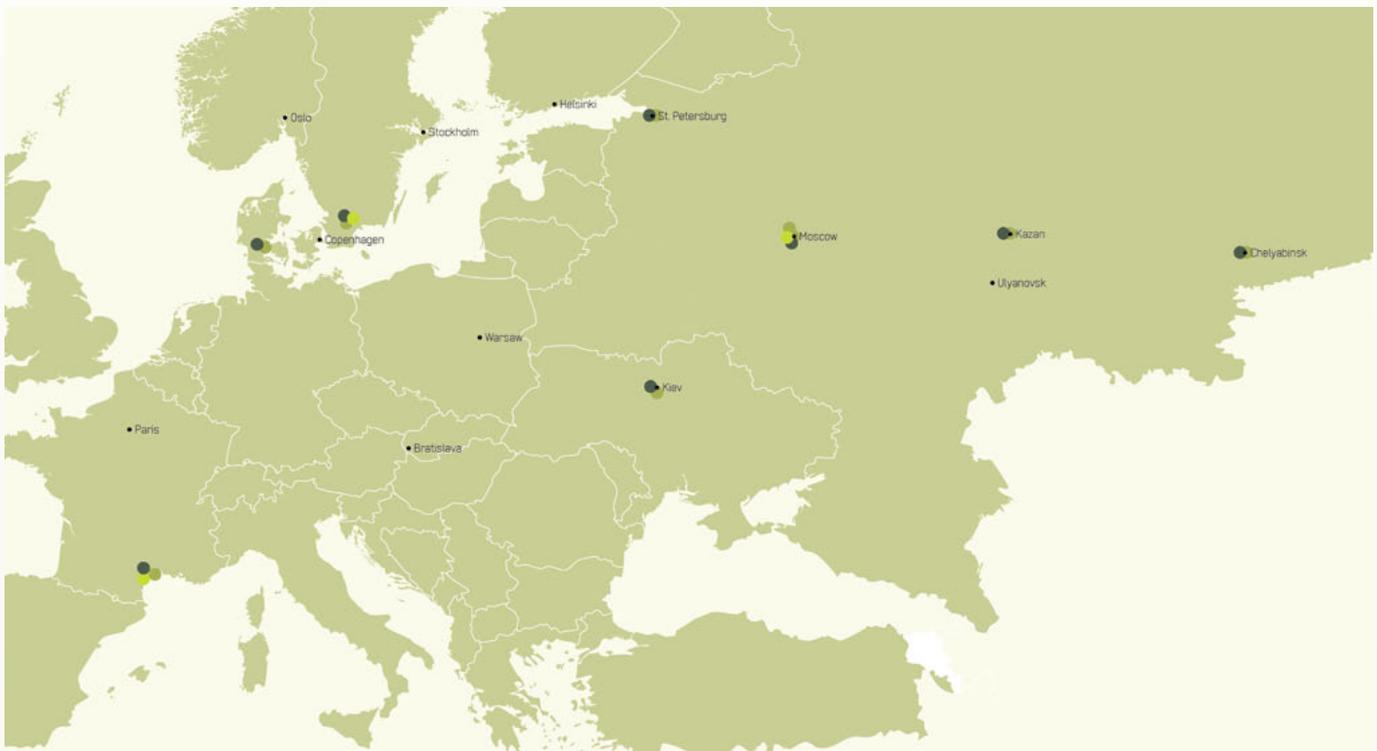
DLH is continuing its efforts to reduce its net interest bearing debt through the divestment of assets and the reduction of working capital.

DLH has an agreement with its financial institutions concerning credit facilities. This agreement expires at the end of December 2015. The Group's bank debt is therefore presented as current liabilities.

The Board of Directors has extended the agreement with CEO Peter Thostrup till 30 September 2015.

The business areas

DLH is a European inventory-based business organised into three geographical areas: the Nordic Region, France and Russia. The map below illustrate DLH locations as at 30 June 2015.



● Sales ● Warehouse ● Administration

OUTLOOK

Given the approved and initiated process of the divestment plan, the Board of Directors believes that it is not possible to provide an appropriate outlook on earnings for 2015.

EVENTS AFTER THE END OF THE PERIOD

After the end of the reporting period, the Group announced the sale of its former head office building in Høje Taastrup. In July, the announced transaction with the Group's Brazilian company was completed and in August, the deal with the Group's Russian company was completed. No other significant events occurred after the end of the period.

STOCK EXCHANGE ANNOUNCEMENTS IN 2015

13 February 2015	Financial Calendar 2015 - revised
2 March 2015	DLH disposes of Russian and Brazilian company and will make use of its option to purchase the former HQ office building in Høje Taastrup
11 March 2015	Annual Report 2014
26 March 2015	Notice of Annual General Meeting to be held on 27 April 2015
27 April 2015	Interim Information 3 months 2015
27 April 2015	Information from the Chairman of the Annual General Meeting
29 April 2015	New CEO
16 June 2015	Capital reduction
16 June 2015	Articles of Association
17 June 2015	Correction: Articles of Association
19 June 2015	Correction: Capital reduction
6 July 2015	DLH sells its former head office building in Høje Taastrup

FINANCIAL CALENDAR 2015

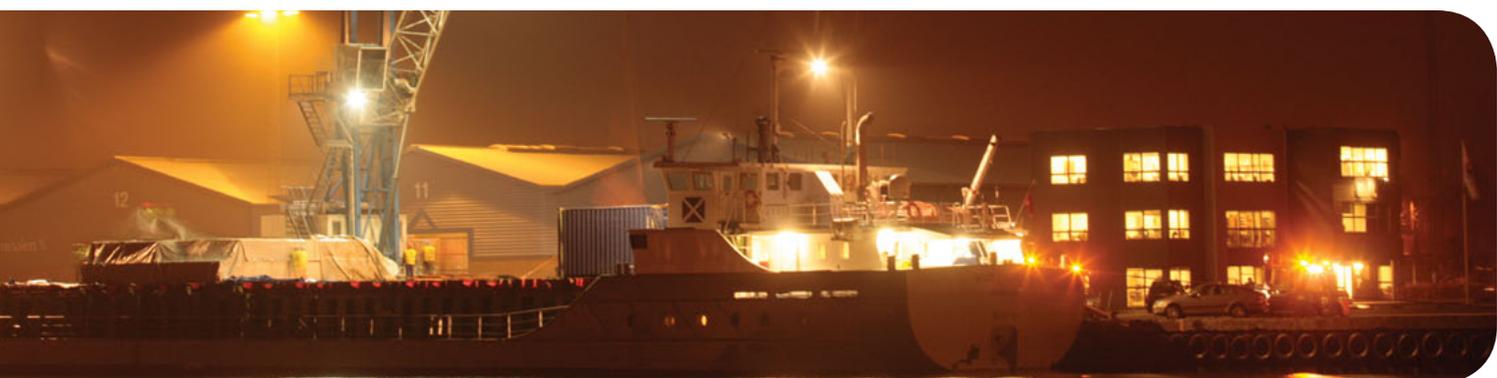
29 October 2015	Interim Information 9 months 2015
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DISCLAIMER

This announcement contains statements regarding expectations for the future development of DLH Group, in particular the direction of future sales, operating profit and business expansion/divestitures.

Such statements are subject to risks and uncertainties as various factors, many of which are outside the control of DLH Group, may cause the actual development and results to differ materially from the expectations expressed directly or indirectly in this presentation.

Factors that might affect such expectations include, amongst others, changes in demand, overall economic and business conditions, currency fluctuations, political uncertainty, demand for DLH Group's services, competitive factors in the market and uncertainties concerning possible investments/divestitures.



MANAGEMENT STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the interim report for the period 1 January - 30 June 2015 for Dalhoff Larsen & Horneman A/S.

The interim report, which is unaudited and has not been reviewed by the company's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for the interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position as at 30 June 2015 and the results of the Group's operations and cash flow for the period 1 January - 30 June 2015.

Furthermore, in our opinion the management's report gives a true and fair view of the development in the Group's operations and financial matters, the results of the Group's operations for the reporting period and of the Group's financial position as a whole and a true and fair description of the most significant risks and uncertainties pertaining to the Group.

Copenhagen, 19 August 2015

Executive Board:

Peter Thostrup
(CEO)

Board of Directors:

Kurt Anker Nielsen
(Chairman)

Agnete Raaschou-Nielsen
(Vice-Chairman)

Kristian Kolding

Carsten Lønfeldt

John Stær

INTERIM ACCOUNTS

INCOME STATEMENT

Note (DKK million)	6 months		Full year
	2015	2014	2014
Other external expenses	(4.0)	(4.4)	(6.3)
Staff costs	(7.4)	(9.6)	(37.9)
Other operating income	0.1	0.1	0.2
Operating profit/(loss) before depreciation and amortisation (EBITDA)	(11.3)	(13.9)	(44.0)
Depreciation and amortisation	(0.4)	(0.6)	(0.7)
Operating profit/(loss) (EBIT)	(11.7)	(14.5)	(44.7)
Financial items:			
Financial income	-	0.1	0.8
Financial expenses	(8.7)	(10.0)	(21.2)
Profit/(loss) from continuing operations before tax (EBT)	(20.4)	(24.4)	(65.1)
Tax for the period on the profit/(loss) from continuing operations	-	-	-
Profit/(loss) for the period from continuing operations	(20.4)	(24.4)	(65.1)
6 Profit/(loss) for the period from discontinued operations	(26.3)	(29.7)	(106.2)
Profit/(loss) for the period	(46.7)	(54.1)	(171.3)
To be appropriated as follows:			
Shareholders in Dalhoff Larsen & Horneman A/S	(46.7)	(54.1)	(171.3)
Earnings per share:			
Earnings per share (EPS) of DKK 0.5 each	(0.87)	(1.01)	(3.21)
Earnings per share diluted (EPS-D) of DKK 0.5 each	(0.87)	(1.01)	(3.21)
Earnings per share (EPS) for continuing operations of DKK 0.5 each	(0.38)	(0.46)	(1.22)
Earnings per share diluted (EPS-D) for continuing operations of DKK 0.5 each	(0.38)	(0.46)	(1.22)

STATEMENT OF COMPREHENSIVE INCOME

(DKK million)	6 months		Full year
	2015	2014	2014
Profit/(loss) for the period	(46.7)	(54.1)	(171.3)
Other comprehensive income:			
<i>Items that may not be reclassified to the income statement:</i>			
Actuarial gains/(losses) on defined benefit plans	1.4	(0.2)	0.5
Tax	-	-	-
	1.4	(0.2)	0.5
<i>Items that may be reclassified to the income statement:</i>			
Foreign currency translation adjustments on conversion of foreign entities	3.6	(6.1)	(0.7)
Foreign currency adjustments transferred to profit/(loss) for the period from discontinued operations	-	-	1.8
Value adjustments of hedging instruments:			
Value adjustment for the period	-	(0.1)	(0.2)
Value adjustment transferred to turnover	-	(1.8)	(1.8)
Value adjustment transferred to financial items	0.2	0.9	0.9
Tax	-	-	-
	3.8	(7.1)	-
Other comprehensive income after tax	5.2	(7.3)	0.5
Total comprehensive income	(41.5)	(61.4)	(170.8)
This may be broken down as follows:			
Comprehensive income for the reporting period, continuing operations	(20.2)	(24.1)	(64.4)
Comprehensive income for the reporting period, discontinued operations	(21.3)	(37.3)	(106.4)
To be appropriated as follows:			
Shareholders in Dalhoff Larsen & Horneman A/S	(41.5)	(61.4)	(170.8)

BALANCE SHEET

Assets

Note (DKK million)	30.6.2015	30.6.2014	31.12.2014
Non-current assets:			
Property, plant and equipment:	0.4	1.9	1.6
Total non-current assets	0.4	1.9	1.6
Current assets:			
Receivables:			
Trade receivables	5.1	-	12.1
Other receivables	3.8	3.2	22.4
	8.9	3.2	34.5
6 Assets held for sale	241.0	703.9	267.6
Total current assets	249.9	707.1	302.1
Total assets	250.3	709.0	303.7

BALANCE SHEET

Equity and liabilities

Note	(DKK million)	30.6.2015	30.6.2014	31.12.2014
	Equity:			
	Share capital	26.8	267.8	267.8
	Hedging reserve	-	(0.1)	(0.2)
	Currency translation reserve	(21.8)	(32.6)	(25.4)
	Retained earnings	105.2	26.0	(90.5)
	Total equity	110.2	261.1	151.7
	Non-current liabilities:			
10	Provisions	2.2	4.7	3.0
		2.2	4.7	3.0
	Current liabilities:			
	Credit institutions	27.8	178.6	10.8
	Trade payables and other payables	3.6	7.4	18.8
10	Provisions	3.2	2.2	3.3
		34.6	188.2	32.9
6	Liabilities relating to assets held for sale	103.3	255.0	116.1
	Total liabilities	140.1	447.9	152.0
	Total equity and liabilities	250.3	709.0	303.7

CASH FLOW STATEMENT

Note	(DKK million)	6 months		Full year
		2015	2014	2014
	Profit/(loss) before tax from continuing operations	(20.4)	(24.4)	(65.1)
8	Adjustment for non-cash operating items etc.	8.1	8.1	18.8
	Cash flow from operating activities before change in working capital	(12.3)	(16.3)	(46.3)
9	Change in working capital	5.5	(3.7)	(18.1)
	Operating cash flow	(6.8)	(20.0)	(64.4)
	Financial income, received	-	0.1	0.8
	Financial expenses, paid	(2.9)	(11.1)	(28.2)
	Cash flow from operating activities	(9.7)	(31.0)	(91.8)
	Acquisition of tangible assets	-	(0.1)	(0.1)
	Sale of intangible and tangible assets	1.1	0.1	0.1
	Cash flow from investment activities	1.1	-	-
	Cash flow from operating activities and after investments	(8.6)	(31.0)	(91.8)
	Repayment of subordinated loan	-	(18.7)	(18.7)
	Proceeds from credit institutions	16.6	15.3	(150.0)
	Cash flow from financing activity	16.6	(3.4)	(168.7)
6	Cash flow from discontinued operations	(10.6)	17.5	242.6
	Cash flow for the period	(2.6)	(16.9)	(17.9)
	Cash at the beginning of the period	6.5	26.7	26.7
	Foreign currency translation adjustment of cash	0.2	(0.4)	(2.3)
7	Cash at the end of the period	4.1	9.4	6.5

STATEMENT OF CHANGES IN EQUITY

(DKK million)	Share capital	Hedging reserve	Currency translation reserve	Retained earnings	Total
Equity at 1 January 2014	267.8	0.9	(26.5)	80.3	322.5
Comprehensive income in 2014:					
Profit/(loss) for the period	-	-	-	(54.1)	(54.1)
Other comprehensive income:					
Foreign currency translation adjustments on conversion of foreign entities	-	-	(6.1)	-	(6.1)
Value adjustment of hedging instruments:					
Value adjustment for the period	-	(0.1)	-	-	(0.1)
Value adjustment transferred to turnover	-	(1.8)	-	-	(1.8)
Value adjustment transferred to financial items	-	0.9	-	-	0.9
Actuarial gains (losses) on defined benefit plans	-	-	-	(0.2)	(0.2)
Tax on other comprehensive income	-	-	-	-	-
Total other comprehensive income	-	(1.0)	(6.1)	(0.2)	(7.3)
Total comprehensive income for the period	-	(1.0)	(6.1)	(54.3)	(61.4)
Total transactions with owners	-	-	-	-	-
Equity at 30 June 2014	267.8	(0.1)	(32.6)	26.0	261.1
Equity at 1 January 2015	267.8	(0.2)	(25.4)	(90.5)	151.7
Comprehensive income in 2015:					
Profit/(loss) for the period	-	-	-	(46.7)	(46.7)
Other comprehensive income:					
Foreign currency translation adjustments on conversion of foreign entities	-	-	3.6	-	3.6
Value adjustment of hedging instruments:					
Value adjustment transferred to financial items	-	0.2	-	-	0.2
Actuarial gains/(losses) on defined benefit plans	-	-	-	1.4	1.4
Total other comprehensive income	-	0.2	3.6	1.4	5.2
Total comprehensive income for the period	-	0.2	3.6	(45.3)	(41.5)
Transactions with owners:					
Capital reduction	(160.7)	-	-	160.7	-
Capital reduction	(80.3)	-	-	80.3	-
Total transactions with owners	(241.0)	-	-	241.0	-
Equity at 30 June 2015	26.8	-	(21.8)	105.2	110.2

NOTES

Note 1 Accounting policies applied

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for the interim reports of listed companies.

Apart from what has been set out below, the accounting policies remain unchanged compared to the 2014 consolidated financial statements and annual report to which reference is made.

The 2014 consolidated financial statements and annual report contain the full details of the accounting policies applied.

Changes in accounting policies:

DLH Group has implemented the standards and interpretations effective as from 1 January 2015.

The new financial reporting standards and interpretations have no impact on recognition and measurement.

Note 2 Accounting assessments and estimates

The preparation of interim reports requires management to make estimates and assessments that will affect the application of the Group's accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from these estimates.

The significant assessments made by the management when applying the Group's accounting policies and related estimation uncertainty are identical for the preparation of the interim report and the consolidated financial statements and annual report of 31 December 2014.

The most significant assessment uncertainty relates to the determination of the exact outcome of the divestiture process. The uncertainty relates to the following items: non-current assets, inventories, trade receivables and provisions.

The parent company of the Group carries accumulated tax losses of approximately DKK 600 million. These are not recognised in the balance sheet as it is not expected that they can be off-set against future earnings under the current strategy.

Note 3 Risks and risk management policies

DLH's activities are exposed to a number of commercial, financial and insurable risks. The risks and risk management policies are generally unchanged compared to the 2014 consolidated financial statements and annual report. Reference is made to pages 13-18 of the 2014 annual report.

NOTES

Note 4 Segment information

6 months 2015

(DKK million)	Nordic	Western Europe	Central Europe & Russia	Global Sales	Sum of regions	Other discontinued operations	Not allocated/eliminations	Group eliminations	Discontinued operations
Turnover	239.6	56.8	14.5	(0.1)	310.8	-	-	-	310.8
Intra-group turnover	-	(0.3)	-	-	(0.3)	-	-	-	(0.3)
Turnover to external customers	239.6	56.5	14.5	(0.1)	310.5	-	-	-	310.5
Operating profit (EBIT)	(2.0)	(0.2)	(9.4)	(6.7)	(18.3)	(3.8)	-	-	(22.1)
NWC	117.9	48.2	6.1	(0.7)	171.5	(24.3)	0.5	-	147.7

6 months 2014

(DKK million)	Nordic	Western Europe	Central Europe & Russia	Global Sales	Sum of regions	Other discontinued operations	Not allocated/eliminations	Group eliminations	Discontinued operations
Turnover	272.6	114.7	150.7	294.9	832.9	82.1	-	-	915.0
Intra-group turnover	(0.1)	(0.7)	(0.3)	-	(1.1)	(5.2)	-	-	(6.3)
Turnover to external customers	272.5	114.0	150.4	294.9	831.8	76.9	-	-	908.7
Operating profit (EBIT)	(3.5)	(2.7)	3.2	3.7	0.7	(29.8)	0.5	-	(28.6)
NWC	153.8	72.5	111.6	138.3	476.2	18.4	-	-	494.6

Note 5 Seasonal issues

The Group's operations are seasonal and are influenced by, among other things, weather conditions.

NOTES

Note 6 Discontinued operations

(DKK million)	6 months		Full year
	2015	2014	2014
Turnover	310.5	908.7	1,464.8
Cost of sales	(281.2)	(806.8)	(1,338.6)
Gross profit	29.3	101.9	126.2
Other operating items, net	1.1	2.3	6.7
Other external expenses	(24.3)	(55.7)	(123.8)
Staff costs	(27.0)	(74.3)	(101.1)
Operating profit before depreciation and amortisation (EBITDA)	(20.9)	(25.8)	(92.0)
Impairment losses	(1.2)	(2.8)	(5.2)
Operating profit/(loss) (EBIT)	(22.1)	(28.6)	(97.2)
Financial items:			
Financial income	-	-	0.1
Financial expenses	(7.7)	(1.4)	(14.5)
Profit/(loss) before tax (EBT)	(29.8)	(30.0)	(111.6)
Tax on profit for the period	-	0.8	0.1
Profit for the period	(29.8)	(29.2)	(111.5)
Profit/(loss) from sale of discontinued operations	3.5	(0.5)	5.3
Profit for the period from discontinued operations	(26.3)	(29.7)	(106.2)
Earnings per share for discontinued operations:			
Earnings per share (EPS)	(0.49)	(0.56)	(1.99)
Earnings per share diluted (EPS-D)	(0.49)	(0.56)	(1.99)
Cash flow from discontinued operations, net:			
Cash flow from operating activities	(8.9)	(10.3)	29.4
Cash flow from investment activities	4.6	8.2	194.9
Cash flow from financing activities	(6.3)	19.6	18.3
Total	(10.6)	17.5	242.6
(DKK million)	30.6.2015	30.6.2014	31.12.2014
Tangible assets	26.5	61.9	28.1
Other non-current assets	4.5	9.5	4.5
Inventories	107.2	370.2	153.0
Trade receivables	82.7	218.1	54.0
Other receivables	16.0	34.8	21.5
Cash and banks	4.1	9.4	6.5
Assets held for sale	241.0	703.9	267.6
Credit institutions	2.0	66.7	8.2
Provisions	26.2	29.5	30.6
Trade and other payables	75.1	158.8	77.3
Liabilities relating to assets held for sale	103.3	255.0	116.1

NOTES

Note 7 Cash

(DKK million)	30.6.2015	30.6.2014	31.12.2014
Cash classified as assets held for sale	4.1	9.4	6.5
Cash total	4.1	9.4	6.5

Note 8 Non-cash operating items etc.

(DKK million)	6 months		Full year
	2015	2014	2014
Depreciation, amortisation and impairment losses	0.4	0.6	0.7
Provisions/(reversals)	(0.8)	(1.7)	(2.3)
Other non-cash operating items, net	(0.2)	(0.7)	-
Financial income	-	(0.1)	(0.8)
Financial expenses	8.7	10.0	21.2
Non-cash operating items etc. total	8.1	8.1	18.8

Note 9 Change in working capital

(DKK million)	6 months		Full year
	2015	2014	2014
Trade receivables	7.0	-	(12.1)
Trade and other payables	(20.2)	(2.6)	14.4
Other operating debt, net	18.7	(1.1)	(20.4)
Change in working capital total	5.5	(3.7)	(18.1)

Note 10 Provisions

At the beginning of the financial year the group had provisions for DKK 36.9 million relating to severance payments for employees, rent etc. in connection with decided restructuring measures. At the end of June 2015 total provisions amount to DKK 31.6 million.