

The logo for DLH, consisting of the lowercase letters 'dlh' in a bold, white, sans-serif font. A small yellow square is positioned at the end of the 'h'.

PASSION FOR WOOD

passion for wood
#1 2009

FOR ALL EMPLOYEES IN THE DLH GROUP

A large green log loader is shown in a snowy forest, carrying a large stack of logs on its platform. The loader is positioned in the center-right of the frame, with its tracks and mechanical parts visible. The background is filled with snow-covered evergreen trees under a grey sky.

THROUGH THE CRISIS

IN THE LAST QUARTER OF 2008 THE GLOBAL FINANCIAL CRISIS SERIOUSLY HIT DLH. IN A FEW MONTHS SALES FELL HEAVILY IN ALMOST ALL MARKETS AND THE GROUP HAD TO MAKE A DOWNWARD ADJUSTMENT OF EXPECTATIONS. BUT THERE WILL BE A DAY AFTER THE CRISIS - AND ALSO BRIGHTER TIMES FOR DLH.

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REVISED ENVIRONMENTAL POLICY



DLH has revised its environmental policy so that it is more up-to-date.

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MOSQUITO NETS HAVE REACHED THEIR DESTINATION



Thousands of mosquito nets have now been distributed to CIB's employees and their families in the Congo.

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FACT BOX ABOUT THE FINANCIAL CRISIS

The Executive Board of DLH has implemented a considerable number of initiatives that should contribute to strengthening the company in the present situation, including:

Reduction of stocks: Across the organisation DLH is working hard to reduce stocks and thereby release tied-up capital. A net based item exchange, among other things, has been launched to support this task.

Restructuring: All DLH units have been evaluated in order to strengthen the organisation. A number of adjustments have been made across the organisation in sales and production units as well as at the company head office in Denmark.

Production capacity: The production capacity has been adjusted to better match the sales possibilities of the reduced market activity.

IT/GTS: The roll-out of GTS continues and additional projects for IT support of the business and knowledge sharing have been implemented.

Internal processes: Doing things correctly and in the right order is always important, but especially in hard times. Therefore, programmes for strengthening internal processes have been implemented.

Reporting and financial control: An extended model for financial reporting has been implemented, in order to secure the company against unpleasant surprises.



Black clouds, but with a light

In the last quarter of 2008 the global financial crisis seriously hit DLH. In a few months sales fell heavily in almost all markets and the group had to make a downward adjustment of expectations. But there will be a day after the crisis - and also brighter times for DLH.

For DLH the 4th quarter of 2008 will go down in history as "the black quarter". For the first time in DLH's history as a global company, sales fell significantly in almost all markets - from Asia over Africa and Europe to South America and the USA.

'We have experienced difficulties in individual markets or regions before, but we have never before experienced the entire world coming to a halt so quickly,' says President & CEO, Jørgen Møller-Rasmussen, who, in the fourth quarter, had to make a downward adjustment of expectations of the annual results by more than EUR 13 million.

In Jørgen Møller-Rasmussen's own words, there is no doubt that DLH stood and still stands on a "burning platform". There is a need for action and actions have been made, among other things in the form of some unfortunate but necessary adjustments to the organisation, including having to say goodbye to a large number of good and hard-working employees.





on the horizon

The entire industry is hit

Regardless of the scale and historical dimensions of the crisis, there are also bright spots. One of them is that DLH's competitors have been equally or even harder hit.

'The entire industry is currently under a considerable strain and the strongest will win. And, after all, because of our size, global presence and financial solidity, we are amongst the strongest,' says Jørgen Møller-Rasmussen, who also mentions the added strength of DLH's presence throughout the entire value chain - from forest to end user.

Moreover, DLH's management is among the most experienced in the business.

'We have all gone through periods of crisis, so our hands are not shaking. And one of our first initiatives is to reduce our stocks throughout the world,' says Jørgen Møller-Rasmussen.

The purpose is to release capital, i.e. money, so that the group will be more self-financing and thereby less dependent on credit institutions.

Stocks must be reduced

'We need to reduce our stocks by a minimum of EUR 40 million in order to make us less vulnerable - even if this might mean longer delivery times for certain items,' says Jørgen Møller-Rasmussen, who points out that the cost of borrowing money has increased heavily in the wake of the financial crisis.

However, Jørgen Møller-Rasmussen already sees signs indicating that the crisis is easing off.

'Since the summer 2007 the price of raw materials, including wood, has declined heavily, but now we see signs indicating that these prices will stabilize because producers are simply closing down their plants. Therefore, we expect 2009 results to be slightly better than the results for 2008,' he says and continues:

'This crisis is one of the worst in DLH's recent history and we are severely hit. However, DLH is a very solid company built on strong foundations and the actions we have taken will help equip us to 'weather the storm'. There will come a day when the crisis is over and I believe that DLH will then emerge as an even stronger company.'

Values more important than ever

'Our values are our anchor and are more important today than ever', states President & CEO, Jørgen Møller-Rasmussen in the midst of the financial gale that has hit the world and DLH.

'It is now that we really need to be open - by giving each other insight in our business transactions, e.g. in regard to our stocks, so that we can help each other reduce them for the benefit of the entire group. And it is now that we really need to be professional by assessing our business regularly. On the one hand we cannot afford to take unnecessary risks, but on the other hand our business must not come to a halt. This balance requires a high degree of professionalism and especially entrepreneurship,' he says and points out that in times of crisis it is often the most creative and innovative companies that come off best.

'In our 100th history book there are numerous examples of how the company has been led unscathed through crises by means of these values.'



The impact of the financial crisis on DLH

Hong Kong: General Manager, Flemming Thomsen

'The global crisis reached Asia later than the western world, but we were facing big problems in the last quarter of 2008; demand fell drastically and we were hit by an avalanche of annulments and renegotiation of contracts. In assessing the situation I believe that we took the big losses in 2008 and it seems inconceivable that the prices of wood should decline further than they already have. We also know that many suppliers, including DLH, have cut back production, which has already brought a better balance to the market. It is not unlikely that we will see an increasing demand later in 2009 when stocks have been worked down,' says Flemming Thomsen.

USA: Executive Vice President, Christian Mengel

'The building industry in general has almost come to a halt. It started in the private house building sector but now the industrial and commercial building sector is also suffering from the crisis. The IWPA (International Wood Products Association) has reported that sales in the timber industry are down 35-40 % on last year. Therefore, we expect to see bankruptcies within our sector,' says Christian Mengel.

Poland: Managing Director, Jerzy Karpinski

'The Polish financial institutions have tightened their credit policies, which makes it more difficult for companies to borrow money. This means reduced activity in the building sector and, of course, it is also affecting us. Poland, in my opinion, will suffer less than all other countries. We are one of the most rapidly growing markets and Poland is still a very attractive country for investors. Our currency has been devaluated in consequence of the financial crisis and, being an exporter of wood products, it has actually made us more competitive. It could perhaps lead to new business opportunities in the DLH Group if we take advantage of the situation and put more focus on the export business in Poland,' says Jerzy Karpinski.



Green profile a strength in times of crisis

DLH's green profile is a strength that will make it easier to lead us through 2009 and 2010. That is the opinion of Environmental Manager, Erik Albrechtsen

'The end users' awareness of sustainable wood is growing all the time and, at the same time, the demand for environmentally correct wood is enhanced in both the USA and the EU,' he says.

For DLH, this means that both FSC and VLO certified wood will become more attractive. But also the group's extensive Good Supplier Program promises to be an important competitive parameter when the EU demands that wood importers have effective control systems. The global financial crisis will further accelerate public projects to maintain employment levels and the public sector often demands certified wood.

'We have made the right investments at an early time and, therefore, we are ahead of many of our competitors. We can benefit from this in these difficult times, but even more so when the market has normalised,' says Erik Albrechtsen.



Environmental communication

Sustainability is one of the central values of DLH and many eyes follow our environmental efforts. Therefore, we must be aware of how we communicate.

By CSR and Environment Manager, Peter K. Kristensen, and Environment Manager, Erik Albrechtsen.

Today DLH has an ambitious environmental policy in which we clearly state how we are going to help preserve the forest resources that our company depends on. Openness is vital if you want to have a well-functioning environmental policy, but it is not always an easy task to communicate about DLH's environmental efforts.

Communication and values

Communication is an important precondition for the compliance of DLH's values. After all, the values are all about communication and communicating and acting in the same way. Therefore, there will be an article about communication and values in each issue of Passion for Wood.

Our history shows that the environmental area can be a complex issue and DLH has at times been misunderstood in the press and by NGOs. Therefore, communication is important and we have to be systematic in our external communication.

It is important that we get our message across, but it is equally important that we send out identical messages so there will be no doubt as to what we stand for. We try to ensure this via after-hours meetings, topical stories on the website or in Passion for Wood and, not least, via personal contact.

The Environmental Department arranges road shows, among other things, for DLH sales staff in Europe, where we introduce them to our environmental policy. We inform about DLH's initiatives towards enhancing a sustainable wood production and about political issues in Europe and globally. However, we should not overly sell the environmental message. Communicating our environmental efforts is, very briefly, about telling people what we are doing - and that is a good story.

You can read it on our website, where you will also find our newly revised environmental policy: www.dlh-group.com/Environment.aspx.

The environmental policy should be used

DLH has revised its environmental policy so that it is more up-to-date compared to a DLH that has grown much bigger since the last revision of the environmental policy and also in regard to the climate debate. It also gives more specific directions as to how we as a company and you as an employee in DLH can make an effort in favour of the environment.

Based on the basic DLH values such as Responsibility and Openness, DLH has just revised its environmental policy, which was last revised in 2004. CSR and Environmental Manager Peter K. Kristensen points out that the environmental policy is not just a nice-to-have document, it should also be used and, therefore, the new version has been made more structured and functional.

'It means that we have divided the environmental policy into sections targeted for the individual stakeholders. During the spring we shall also state more specific environmental objectives for individual countries within the DLH Group,' says Peter K. Kristensen.

A living document

The idea is that, in future, the new, revised environmental policy should be a living document on the internet providing up-to-date news and information on how DLH achieves its objectives.

Peter K. Kristensen explains that the environmental policy is built up in two versions. The first part describes the general environmental policy of DLH and it can be downloaded as a PDF-file from the website. The other part is a web based version that contains specific objectives and will be updated regularly.



'The more people who can identify with our environmental policy, the better. This will ensure that the environmental policy has the necessary impact and that it is relevant to the world in general,' says Peter K. Kristensen.



Joint efforts behind the environmental policy

The new environmental policy has gone through a hearing process, internally in DLH and externally with stakeholders.

'The more people who can identify with our environmental policy, the better. This will ensure that the environmental policy has the necessary impact and that it is relevant to the world in general,' says Peter K. Kristensen.

As an example, he mentions that the climate area has its own section in the environmental policy, because the climate debate is now more than ever on the agenda.

The most important new elements of DLH's environmental policy

- The environmental policy has been divided into sections targeted at specific stakeholders
- The environmental policy has been extended with a dynamic document on the website that describes the development of the specific objectives of the environmental policy
- A separate item for the climate area has been included

Therefore DLH needed a new environmental policy

- DLH has doubled its size
- DLH has become a forest owner
- The world has changed - increased focus on the environment and on the rainforest's role in climate issues

Guide to Certification & Verification

In addition to a new environmental policy, the Environmental Department has published the DLH Guide to Certification & Verification. The guide is meant to be a supportive document for DLH sales staff helping them to better understand the concepts of certification and verification. For more information please refer to www.dlh-group.com/Environment.aspx.

Environmentally correct design with FSC

DLH supports the FSC Design Award that aims to bring environmentally correct design into focus. In 2008, design student Jonas Pedersen won the prize for his design of a flexible and lightweight wardrobe system, which can be adjusted to suit individual requirements.

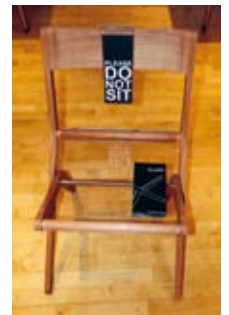
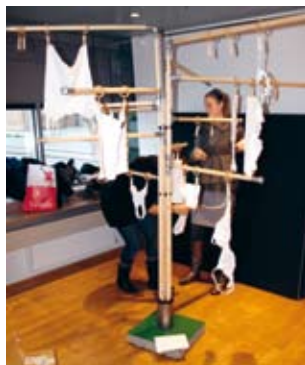
The FSC Design Award, established by FSC Denmark, was held for the third time on 27 November 2008. The objective is to bring focus to sustainability and wood in a new and different way so that architects and designers in future will have better knowledge of sustainable wood and will be conscious of the environmental perspectives when choosing materials. DLH supports the competition by sponsoring all the wood that is used by the participants.

'The competition is perfectly in line with our environmental policy and we would like to improve the knowledge of FSC certified wood. Of course, we are not blind to the fact that, in future, the participants - today's design students - will be working in drawing offices all around the world and they will be the ones to decide what kind of wood should be used for furniture etc.,' says CSR and Environmental Manager, Peter K. Kristensen.

The winning design and nine other designs selected at the FSC Design Award will be displayed at a number of different exhibitions and fairs during 2009.



Judge Tobias Jacobsen together with award winner, Jonas Pedersen, in front of the winning product, Extrude.
Photographer: Michael Daugaard -
Press photo from FSC Denmark



Passion for Wood has become FSC certified

In DLH, it is our objective to ensure that all our publications are printed on FSC certified paper and, of course, this also applies to Passion for Wood.

The decision to print Passion for Wood sustainably means that the magazine in future will be published in size A4 due to the limited supply of FSC certified paper.

'As we are urging our customers to ask for FSC certified wood, it seems only natural to ask for FSC certified products ourselves, particularly when it comes to the paper that Passion for Wood is printed on,' says CSR and Environment Manager, Peter K. Kristensen.

We must be close to our customers

The Hong Kong office functions mainly as a spearhead for the timber trade with China, which is the world's biggest importer of wood. 70 % of the sales of the Hong Kong office are to China and, even if we are facing challenges in connection with the global financial crisis, the Chinese market will continue to offer great potential in future, according to General Manager, Flemming Thomsen. But he also points out that being close to the customers is an important factor for success in Asia.

'It is very important to ensure that working relationships with our Asian customers are conducted on a personal level, therefore we have local offices in Hong Kong and Shanghai and local sales staff in Guangzhou, Jakarta and Kuala Lumpur,' says Flemming Thomsen. 'We profile DLH at fairs and in advertisements in relevant trade magazines, but personal contact is always given top priority.'

The Asian market is constantly changing
According to Flemming Thomsen, a local



General Manager of DLH Hong Kong, Flemming Thomsen, together with some of DLH's sales staff in Asia. From left: Jaffy Lam (Hong Kong), Edi Nugroho (Jakarta), Flemming Thomsen, Jeffrey Kin (Shanghai), Tony Ni (Shanghai) and Shirley Zhang (Guangzhou). The photo was taken during a regional sales meeting, which included a trip to The Peak, one of the highest points in Hong Kong with a view of the financial district.

presence is also important if you want to keep abreast of market trends.

'The Asian markets are very dynamic and DLH's business in Asia is constantly changing. Therefore, we are always looking for new business opportunities whilst at



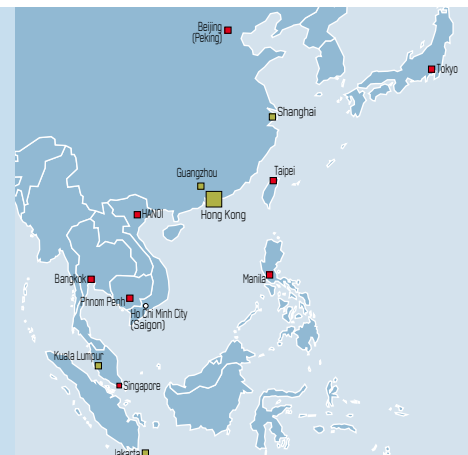
DLH Shanghai staff with Executive Vice President, Robert Hunink, and General Manager, Flemming Thomsen. The photo is from a Chinese New Year dinner hosted by one of DLH's regular customers: Yie Wan Xiang of Tianyi Wood Co., Ltd. (third from the left).

the same time consistently cutting out non-profitable business areas. Our timber business in Asia is developing all the time and therefore it is of utmost importance for DLH that we are present locally,' explains Flemming Thomsen.

ABOUT DLH HONG KONG

The Hong Kong office is DLH's head office for sales to Asia, now also including Vietnam, which is, however, a separate business because of its size. DLH Hong Kong acts as a link between customers in Asia and DLH's own units and procurement offices in Africa and South America, as well as a number of external suppliers in the USA and Europe. DLH sells direct to factories and distributors in Asian countries. The marketing of DLH's products is primarily handled via personal business relationships between DLH's local sales staff and their customers.

The organisation consists of the headquarters in Hong Kong with four employees, an office in Shanghai also with four employees and three local employees in Guangzhou, Jakarta and Kuala Lumpur. Sales for 2008 were approx. EUR 40 million, including sales from Africa which are mostly recorded in tt Timber in Basle but where DLH Hong Kong handles the actual sales.





DLH's office in Hong Kong has existed as a trading office since 1996 and, as a result of the expansion of the Chinese economy in recent years, there remains great potential here for DLH.



Tony Ni of DLH Shanghai looking at logs from Gabon at the Port of Zhangjiagang, the world's largest port of embarkation for tropical timber.



The head office of DLH Hong Kong is on the 16th floor of a building in the middle of Hong Kong. Lin and Flemming's apartment is situated in Discovery Bay on the island of Lantau outside Hong Kong and each day they take the ferry to Hong Kong to go to work. There is a population of 17,000 residents in Discovery Bay, which is traffic-free and very popular among expatriates. The ferry has wireless Internet that enables the passengers to work during the 25-minute journey. In the photo you see Flemming Thomsen, who had just arrived on the Hong Kong Island by ferry from Discovery Bay.



FLEMMING THOMSEN, GENERAL MANAGER OF DLH HONG KONG:

Flemming is 43 years old and was originally business trained with EAC. He has been stationed in Asia since 1988 where, in 1998, he established EAC's timber office in Hong Kong. After DLH's takeover of EAC's timber business, Flemming was appointed General Manager of DLH Hong Kong.

Privately, Flemming is married to Lin, who is from Malaysia and works for a recruitment agency in Hong Kong. In his spare time, Flemming likes to play squash for a club team playing in the 1st Division Masters (40+). 'It is a socially based team, although many of the players played at a high level in their younger days and when the game is on, they play to win,' says Flemming Thomsen. Sometimes, he also plays friendly matches against DLH colleagues during his trips around the world or when they are visiting Hong Kong.

THE DLH VALUES, PROFESSIONALISM AND RESPONSIBILITY, ARE OF GREAT IMPORTANCE IN ASIA

'DLH's values are of great importance to the sale of wood in Asia, especially DLH's professionalism, and our efforts towards sustainability create respect with our customers when they meet with our sales staff.

The history of China's private business sector is short so, of course, it has a positive effect when we mention our 100 years of experience in the timber business. Our environmental efforts also underline the fact that our forestry management is based on a long term perspective. In this connection, we naturally point out that we are the owner of the world's biggest certified rainforest,' says Flemming Thomsen, who also expects increased sales of certified timber in Asia in the future as a consequence of the general focus on protecting the world's resources.

DLH's status as a global, professional player is substantiated by the fact that DLH has the widest range of timber in Asia and can often function as a 'one stop shop' for the customers.

GOOD CUSTOMER RELATIONS TO CHINA

Even though China is a big producer and consumer of wood products, the country has limited resources itself and, therefore, it is necessary to import the majority of the wood for the Chinese processing industry. China is one of the world's biggest exporters of wood products and the country has had an enormous export growth in the last decade. Furniture and panel products account for 70 % of the export, but there is also a significant industry for flooring products in China. The total Chinese production is 250 million M² a year and one third is exported.

DLH Hong Kong also handles the trading of flooring and table tops from China to DLH Poland and DLH UK.

'Generally, we try to encourage DLH units to use China as a supplier of processed wood products because, when we can sell the raw wood and buy it back as processed products, it helps us create stronger relationships with the Chinese producers. It is a good model for everyone because of the cheap labour in China,' says Flemming Thomsen, who expects that China's large domestic market will continue to increase, which will strengthen DLH's sale of wood to China even more.

Mosquito nets

for all CIB employees in the Congo



Thousands of mosquito nets have now been distributed to CIB's employees and their families in the Congo. It is the result of the collection that took place in connection with DLH's 100th anniversary.

By CSR-Coordinator Rikke Jensen



Wearing recognizable blue T-shirts a team of six people from DLH, CIB and the mosquito net producer, Vestergaard Frandsen, worked hard on distributing mosquito nets to all CIB employees and their families in the Congo.

Handing out of the nets took place in the two large cities of Pokola and Kabo and in the villages of Mokobo, Ndoki and Loundoungou. CIB employees were invited inside in groups and were trained in how to hang up the nets and how to clean them; both factors are important if the mosquito nets are to function as intended.

Training was conducted in the local lan-

guage, Lingala, and everybody was given the opportunity to ask clarifying questions. After the training, each employee received three nets plus a brochure with drawings and explanations in French and Lingala.

'Recipients were also informed about the mosquito nets before distribution took place. We had, for instance, made a training film in Lingala, where local actors showed and explained in a humorous way how to use the nets,' says Project Manager and CSR Coordinator, Rikke Jensen.

The film has been shown several times on the local TV station, Canal Pokola. The night before the hand out of the first nets

in Pokola, the distribution was publicised again, and this time the entire 'mosquito net team' were also shown on local TV.

Malaria claims many lives

The distribution of mosquito nets is an important part of malaria prevention in the area, but following up on the effect of the nets is equally important - partly to check if the nets are being used in the proper way, and partly to measure if the number of malaria cases is reducing.

CIB and DLH will, therefore, in cooperation with Vestergaard Frandsen, follow up on the project over the next three years.



The mosquito nets are handed over.

It required good organisation to ensure that everyone received their net. In the photo you see the piles of mosquito nets and the registering of recipients.



Urma Sabo trains the recipients in Lingala.

'After a week, we shall start polling the villagers, and after a month, we will implement the first big poll, which will include 200 households. We have developed the questionnaire in cooperation with Vestergaard Frandsen, who will also handle the information,' explains Rikke Jensen.

Parallel to this, the hospital in Pokola will register the number of malaria cases in order to assess the actual effect of the mosquito nets. The hope is that the cooperation between CIB, DLH and Vestergaard Frandsen will contribute new knowledge to the research and prevention of malaria, a disease that claims many lives in the area every year.



This is what the mosquito nets look like - and the nice T-shirts designed by Vestergaard Frandsen and DLH.



The mosquito team announce the distribution on Canal Pokola the night before the handout. In the photo you see representatives from Vestergaard Frandsen, CIB's Socio-Economic Team and DLH.

Timber Exchange across DLH stocks

A new tool has opened new possibilities in our efforts to reduce DLH's stocks. Via a simple, Internet based portal every DLH unit can gain insight and deal in each other's stocks.



Trading between DLH's subsidiaries has traditionally been reactive and only based on specific inquiries. Timber Exchange can change this by making the subsidiaries' stocks more transparent.

It is one of the quickest projects to be implemented in DLH for a long time, and one of the most simple. However, it seems that the new Timber Exchange will become a useful tool in our efforts to reduce the group's stocks.

'Timber Exchange opens the possibility for us all, across subsidiaries, countries and cultures, to see each other's slowly marketable inventories and thereby we can help each other reduce stocks,' says Executive Vice President Hroar Bay-Smidt.

According to Hroar Bay-Smidt, Timber Exchange is a good example of the fact that every crisis holds opportunities.

'Our companies are already today exchanging information about stocked items but it has been used reactively and only in connection with specific inquiries. Therefore, we took the decision about the portal two days before Christmas. On 13 January, the project took off and after three weeks only we registered more than 70 users, more than 660 items and a lot of activity. It has been positive to see the backing that there has been to this first part of the initiative,' he says and he emphasises the importance of acting quickly in times like these.

The litmus test will come when we are actually helping each other get rid of stocks. Different specifications across borders and extra transport costs might limit the possibilities for a sale

Wiki: Sapele

The wiki concept has its origins in the Internet, where it means a work of reference in the style of an encyclopedia. "Wiki wiki" is Hawaiian for "quick": so a wiki is quick information.

The wood specie Sapele has a special place within DLH because we have traded in Sapele since the mid 1950'ies. Sapele is the main wood specie in Africa and also in DLH's forest concession, CIB, in the Congo. Due to its dominant role, Sapele is a trend indicator for the market development of tropical wood from Africa.

Sapele is part of the mahogany tree group and grows throughout the tropical rainforest belt in Africa. It can reach a height of more than 50 metres and a diameter of 80-140 cm. Some trees can grow to more than two metres in diameter. Most trees that are felled are 150-250 years old. Sapele is used for veneer and plywood, but most of the wood is processed into sawn timber and used for doors, window frames, panels, furniture and floors etc.





Access to Timber Exchange requires a login, which you can get by sending an e-mail to Supply Chain Manager, Henrik Larsen: henrik.larsen@dlh-group.com.

for some sales units, but the more you try the better you get at it and we really need to focus on the sales task right now,' says Hroar Bay-Smidt.

In line with DLH's values

In addition to the possibility for technical cooperation, the exchange generates a hitherto unseen transparency and dialogue between subsidiaries and departments across continents.

'The philosophy behind Timber Exchange is right and it is a good example of the fact that values like openness and transparency support the business and thereby the company's cash flow, which is in focus in these times,' says Hroar Bay-Smidt.



'Timber Exchange opens the possibility for us all, across subsidiaries, countries and cultures, to see each other's slowly marketable inventories and thereby we can help each other reduce stocks,' says Executive Vice President Hroar Bay-Smidt.



New head office of DLH Finland Oy

DLH took over the hardwood activities of the Finnish business of Puukeskus OY in June 2008. When it was merged with the existing wood business, Viilukeskus Oy, DLH's Finnish wood business changed its name to DLH Finland Oy and a new head office for the unit in Helsinki has now been established. There are ten employees in Helsinki and seven in Turku, who are all headed by Country Manager, Ritva Saari, who says that everyone in Helsinki is pleased with the new premises.

'The new head office and new name have really made us feel part of the DLH Group,' says Ritva Saari.

Watch the DLH film on the website

The anniversary film about DLH has now been made in a revised version "DLH company profile - Passion for Wood". The revised film has been made with the purpose of profiling DLH and is targeted at investors, job seekers, customers and the press. It gives a total picture of DLH as a worldwide group both within the timber trade and as a company that is focusing especially on Corporate Social Responsibility (CSR).

It is an English language film, because English is the company's corporate language. Watch it on the website: http://www.dlh-group.com/About-the-DLH-Group/Profile/DLH_video.aspx.



Seeing things from different perspectives

Christian Mengel, Executive Vice President in the USA, has been in the timber business since 1971, and even though he is a Dane and a Danish citizen he hasn't lived in Denmark since 1973. During all the years abroad he has gained insight into many different cultures and values around the world.

That might be the reason why DLH's global and multicultural values are very important to Christian Mengel.

'We are a global and multicultural company. It means that we, as employees in DLH, should see things from different perspectives when we are cooperating with colleagues from other countries, with other languages and other cultures,' says Christian Mengel.

He mentions as an example that an e-mail sent from a Brazilian supplier to the department in the USA would obviously not be written in perfect English, and thus the text should perhaps be understood in a slightly different way than if the e-mail was sent from a co-operator in the USA.

Seeing the business in a global perspective

Global understanding is, according to Christian Mengel, not just important for our daily communications but also for DLH's business in general.

'It is important that we open up our eyes to possibilities in other countries. We must see things in the wider perspective - even if we are placed locally and have local budgets,' says Christian Mengel, who thought "globally" when he visited the Philippines after a business trip to Ho Chin Minh City in Vietnam last year.

'Here, I saw some products that would not be interesting to us in the USA, but that I thought could be used in Vietnam. Therefore, I suggested that the supplier should contact DLH in Vietnam in order to start up cooperation,' says Christian Mengel.



ABOUT DLH USA

DLH Nordisk, Inc. was established in 1986 and has 20 employees, two of which are working for the Timber & Board Division. The US office is situated in Greensboro, which by its 250,000 citizens is the third largest city in the state of North Carolina (NC). DLH's unit in the USA is thus a so-called "wholesale importer", selling wood throughout the USA from warehouses in Savannah/Statesboro Georgia, Huntersville NC and recently also in Los Angeles. They are trading in goods from within four product groups:

- Rough sawn timber (33 %) from Africa and Brazil
- Decking products (30 %) from Brazil and Asia
- Flooring (27 %) from South America
- Machined timber (10 %) primarily from Asia

DLH has two other companies in the USA: Inter-Continental Hardwoods in Currie, NC, and PW Hardwood in Brookville, Pennsylvania.

NEXT STOP: FINLAND

Christian Mengel has chosen to pass on the baton to Country Manager of DLH Finland, Ritva Saari, in Helsinki. "Ritva is one of the leading and most successful timber traders in Finland. She is the head of DLH offices in Finland and the Baltic States. Ritva can contribute to DLH with a number of new special products," says Christian Mengel.



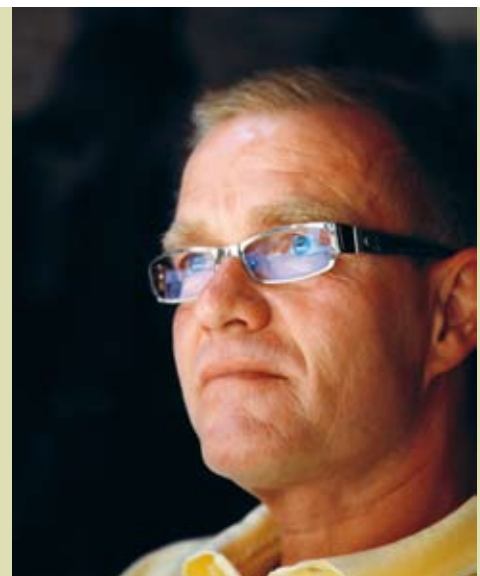
Photos taken at Inter-Continental Hardwoods, Currie, North Carolina.



CHRISTIAN MENGEL

Christian Mengel has been Executive Vice President of DLH Nordisk, Inc. since 1999 and is primarily responsible for procurement from Asia. He is 56 years old and started his career with EAC in Denmark from where he was then stationed in Hamburg, Singapore, Malaysia, England and Brazil. He has lived in the USA since 1989 and for the last year he has worked as chairman of IWPA, an international trade association for the North American imported wood products industry.

Christian is married to Norwegian-born Benedicte, who is a non-working housewife. In their spare time they enjoy the outdoor life in beautiful Greensboro in the state of North Carolina: walking the dog Sophie, sailing on one of the nearby lakes and skiing in the mountains two hours' drive away from Greensboro.



President in good and bad times

As the head of DLH, Jørgen Møller-Rasmussen has successfully led and expanded the company for many good years. Today, in these uncertain and rapidly changing times, he and the Executive Board of DLH are facing their biggest challenges. The President & CEO is in the "hot chair".



JØRGEN MØLLER-RASMUSSEN
IN THE HOT CHAIR

How can DLH go from a record high profit and good times to suddenly being in a crisis?

Lately, the financial crisis has developed into an outright economic depression, where the building sector in particular has been severely hit. This, of course, affects DLH directly because we supply large amounts of wood to the building sector. In addition, the price of raw materials, including wood, fell dramatically in 2008.

Last, but not least, the financial crisis has meant that there is a lack of cash everywhere in the international community. Therefore, the financing even of sound and solid businesses has become notably more expensive over a short period, which has meant that our large and extensive inventories are now burdening the group's financial situation unnecessarily severely.

All this together has meant that we expect a big loss in 2008.

Can the staff in DLH be confident that the Executive Board will lead DLH safe through the crisis?

Yes. It would be very hard to find a management, with more expertise and more experience in both good and bad times, than the present Executive Board of DLH.

Not only are we very determined to lead the DLH Group to the other side of this crisis as a strong, solid and adaptable company, we are also well aware of what it will take to achieve this. We started long ago to adapt the company to the market and we shall continue to do so to whatever extent is felt necessary.

Shouldn't we cut down on green initiatives first?

No. Over the years we have invested millions in sustainability and social responsibility and we have no intention of gambling with that investment. Our green profile is becoming a more and more valuable asset for us and it is, no doubt, one of the parameters that will set us apart from competitors in the future. So let it be said once and for all: DLH is and will be an environmentally conscious and green company - in good and in bad times.

What can we expect in the future?

It is not possible to lay down a precise plan for what will happen. But everyone can expect us to do what is necessary



to respond to developments and safeguard our company. This also means that colleagues must prepare themselves for changes, because we will be facing a turbulent time characterized by change. On the other hand it will also be an interesting time where everyone will be given the chance to prove themselves.

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Peter Engelsted Jonassen (HR) (resp.),
Peter K. Kristensen (Environment),
Martin Rolander and Helle Esbensen (Marketing),
Natalie Graf (Hardwood Division),
Gitte H. Reimer (Timber & Board Division),
Michael Klockmann Nielsen and Lars Bo Kirk (external).
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DO YOU HAVE A CONTRIBUTION FOR PASSION FOR WOOD?

If you have any suggestions for good stories or any comments or ideas for the magazine, we would very much like to hear from you. Please forward your suggestion to Helle Esbensen, the DLH Group, Skagensgade 66, DK-2630 Taastrup, Denmark or by e-mail: helle.esbensen@dlh-group.com.