

Press release

To the editor

23 December 2004

**Danske Trælast announce the acquisition of two units
from the bankrupted Consenta**

Acquisition of builders merchants

Today the 22nd of December 2004 Danske Trælast can announce the group's acquisition of two builders merchants in respectively Risskov and Horsens. These will be a part of the groups Stark-division with an expected take over of the businesses as per 1st of February 2005. The 2 businesses have a total turnover of around DKK 150 million and they are taken over from the bankrupted Consenta Holding. The acquisition will strengthen the market position of Danske Trælast in Århus and in Horsens and will at the same time assure the continuous operation of the 2 businesses.

Supports growth strategy

In 2003 Danske Trælast acquired six units from Consenta Holding, which all are now fully integrated in the Stark division as operating units. With more than 75 STARK builders' merchant units in Denmark the chain serves a broad customer range, which goes from industry and retailers to craftsmen and the private Do-It-Yourself segment. The acquisition of additional two units supports the group growth strategy which aims for growth within the current divisions and markets.

The take over of the units is expected in the long term to strengthen the operation in the group, which is described in the attached press release regarding 3rd quarter published on the 20th of December 2004.

Further information

President and CEO Steen Weirsøe, Danske Trælast A/S, on +45 39 55 97 00
Group vice president, Lars Hansen, Stark, on +45 89 34 34 34 or
mv@dansketraelast.dk.

To the editor

20 December 2004

3rd quarter results 2004/05:

Danske Trælast group revises forecast for 2004/05 upwards

The group continues to experience the growth recorded in the first two quarters of the financial year from 1 February 2004 – 31 January 2005.

- Increase in group turnover of DKK 507 mill. equivalent to 4% compared to same period last year
- Earnings before interest, tax and amortization (EBITA*) of DKK 687 mill. equivalent to 7% compared to same period last year
- Continued growth in sales, especially to the private DIY market
- Record cash flow of DKK 1.1 bill. before interest and acquisition costs, equivalent to 29% compared to same period last year
- Group full year earnings forecast to be revised upwards before interest, tax and amortization (EBITA*) from DKK 770 - 810 mill. to DKK 780 - 820 mill.

Danske Trælast is the largest dealer and distributor within building materials in the Nordic region. With its 230 outlets, it focuses on sales and distribution to a wide range of customers, from the major Nordic construction companies, craftsmen and consumers, to dealers and industry. Activities are grouped under three main fields: builder's merchants, DIY stores and wholesale. The group is represented by builder's merchants Stark (DK), Beijer Byggmaterial (SE), Neumann Bygg (NO) and Starkki (SF), DIY outlets Silvan (DK and SE) and Cheapy Lågprisbygg (SE), plus 11 wholesale outlets in Denmark, Norway and Sweden. Annual turnover amounts to approx. DKK 16 billion.

Operating profit results for the first three quarters of financial year 2004/2005 contain the following key figures:

	2004	2003	Change
Million DKK (9 months accumulated)			
Turnover	12,340	11,833	4%
EBITA*	687	639	7%
Cash flow before interest and acquisition costs	1,071	830	29%

*EBITA is determined excl. the recognition of profit from sales of real property in 2003 and in 2004 and excl. recognition of special items in 2003 which constituted an expense of DKK 125 mill. If these amounts are recognized, it corresponds to an EBITA in 2003 of DKK 514 mill. compared to an EBITA in 2004 of DKK 715 mill.

Operating profits for group divisions:

Million DKK	1 st – 3 rd quarters 2004		1 st – 3 rd quarters 2003		Change	
	Turnover	EBITA	Turnover	EBITA	Turnover	EBITA
Stark (DK)	4.698	293	4.461	294	5%	0%
Starkki (SF)	2.493	128	2.394	128	4%	0%
Beijer (SE)	2.071	106	2.112	98	-2%	9%
Neumann (NO)	534	30	507	24	5%	22%
Silvan (DK+SE)	1.628	153	1.505	123	8%	25%
Engros (DK)	871	33	811	32	7%	2%

Changed holiday patterns in the building industry

The group notes a positive growth trend in sales to DIY customers and private house builders, due to some extent to the extra disposable income private consumers have available for home improvements, and the increased focus in the media on DIY projects around the home.

Although the DIY market is growing, sales to professional customers has stagnated. This can be attributed to the economic upswing in the building industry not really coming into effect yet, and the introduction of extra holidays in the industry, which are now beginning to make an impact in Denmark. The holidays have been introduced gradually over the last few years, giving some workers four or five extra days in addition to their standard five weeks holiday, causing some building activities to be put back in certain months.

"The extra holidays in Denmark have meant that such days as the Friday after Ascension Day have become a regular holiday for many trade businesses related to the building industry. We have adjusted for this factor in our budgets, but craftsmen beginning to take more of their holidays during the school autumn half-term - as we have seen this year – is something new to us and has affected sales in October and November," says President and CEO Steen Weirsøe.

Highly active autumn

The autumn of 2004 was a particularly active one for Danske Trælast. The relaunch of the group's 75 Danish builder's merchants under the STARK (formerly DDT Detail) brand in October resulted in a better branding and profiling of the division's outlets. The aim was to exploit a common identity and reinforce our position on the market, plus our focus on craftsmen and private builders within Denmark. The 3rd quarter has been affected by large expenses in connection with the introduction of the new concept.

Starkki has recorded an impressive increase in sales to DIY customers, and maintained sales to the professional segment.

Beijer Byggmaterial has increased sales to private customers and maintained its market share to professionals, despite a declining market. The division has also continued its rationalisation program which has made a strong contribution to earnings.

Neumann Bygg has maintained growth to both DIY customers and professionals, achieving an impressive increase in earnings.

Silvan has exploited the upward trend of the Danish market for DIY products, and shows solid progress in operating profits. This division is now reaping the benefits of an aggressive pricing policy and extensive marketing activities.

The wholesale division has increased turnover thanks to increased focus on dealer sales, and a range of O A R D activities designed to improve efficiency are beginning to yield results.

In October, the group revealed its plans to supplement the current 7 Cheapy Lågprisbygg (low-price builder's merchants) with at least 30 new outlets in Sweden within the next 2-3 years. This major expansion is due to huge growth potential and high levels of interest for the low-price concept on the Swedish market.

With effect from 31 August 2004, Danske Trælast sold 20% of its shareholding in the Greenlandic Superbyg Kalaallit Nunaat A/S, to Pisiffik. Consequently, Dagrofa A/S, the owner of Pisiffik and vendor to Greenlandic grocery stores, acquired the majority shareholding in Superbyg Nuuk, which currently consists of seven outlets.

Forecast revision for 2004/05

"Even though we have experienced stagnation in sales to the professional segment, November's turnover looks promising. Just as we were able to revise our forecast for the end of year earnings (EBITA*), thanks to continued growth in the DIY segment and increasing efficiencies in the divisions, we can once again revise our forecast for operating profits to DKK 780 - 820 mill. against our original forecast of DKK 720 – 790 mill. Comparable figures for the 2003/04 financial year are DKK 670 mill.," concludes President and CEO Steen Weirsøe.

Further information

President and CEO Steen Weirsøe, Danske Trælast A/S, on +45 39 55 97 00 or mv@dansketraelast.dk.