

Announcement 2008 no. 22
Aalborg, Denmark, 25 August 2008

INTERIM REPORT

FOR
FIRST HALF OF 2008

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Sanistål 

SUMMARY FOR FIRST HALF OF 2008

The Board of Directors has today approved the interim report for the period 1 January until 30 June 2008.

During the period, the Sanistål Group achieved a profit before tax of DKK 2.8 million compared with DKK 83.5 million for the same period in 2007. Expectations of the first-half result were for a moderate profit. However, results were worse than expected as a result of losses at subsidiary Carl F International A/S and at the Baltic companies, as well as reduced profit at associated company Brødrene A&O Johansen A/S. Profit at the parent company and at the other subsidiaries was as expected.

The accounts for the period are characterised by features including:

- The Sanistål Group's revenue growth was DKK 454.1 million, representing an increase of 15.0%, compared to the same period in 2007. 7.7% of this is organic growth.
- The Construction Industry, Steel Industry and Other Industry segments achieved satisfactory growth and increased market share in Denmark, but the Carl F segment experienced recession.
- Carl F International A/S, which is undergoing reconstruction following the separation of its Danish business, has returned an unsatisfactory loss of DKK 28.3 million. Cost reductions of around DKK 40 million per year have been made and these will take effect from next year.
- Results at other subsidiaries returned a combined profit of DKK 10.6 million, compared with DKK 18.0 million in the first half of 2007.
- A half-year profit before tax of DKK 3.1 million at Brødrene A&O Johansen A/S has meant that the first half of the year has been negatively affected by approx. DKK 10 million as a result of the shareholding in this company.
- The reorganisation into a new logistics structure with two central warehouses is progressing according to schedule, but, as mentioned, with significant additional costs compared with the normal cost level. Logistical expenses as a proportion of gross profit were at a slightly lower level in the first half of 2008 than in the second half of 2007, but were still higher than expected. The first significant reduction in the cost level at the new central warehouse in Billund will be seen in the second half of the year, and not before Q4.
- A positive "steel price development 1)", compared to the same period in 2007, totalled DKK 36.4 million.
 - 1) The "Steel price development" is defined as the difference between earnings on steel in the current year and earnings on steel in the preceding year (the base year), with the calculation for both years being based on the quantity for the base year.

Outlook for the year 2008

Management continues to expect that a limited increase in revenue and satisfactory growth in gross profit can be achieved in the 2008 financial year.

The interim report for Q1 2008 stated an expectation of group profit before tax for the whole of 2008 of around DKK 20-50 million. The following significant changes have taken place in terms of the contribution to this expectation of each individual company:

- The loss at Carl F International A/S in 2008, which is a year of restructuring for the company, is now expected to be DKK 60 million compared with the previous expectation of DKK 30 million.

- It was expected that the shares in A&O Johansen A/S would have been disposed of by now, but it is now thought that they will be held for the entire year. This will negatively affect the interest expenses of the parent company by around DKK 12 million.
- Profits in the Baltic States are expected to be reduced by approx. DKK 10 million as a result of weaker economic development in these countries.
- The parent company's operating profit (excluding interest on the investment in Brødrene A&O Johansen A/S, see above) has been negatively affected by differences in logistical expenses and increased financing costs. Operating profit was positively affected by increased gross profit earnings and by interest capitalisation etc. in the construction period of the plant in Taulov. Overall, operating profit at the parent company is still expected to be in the range of DKK 0-20 million.
- Total profit before tax at the parent company is expected to be somewhat higher, however, as a result of the realisation of gains on the sale of property no longer required following the logistical reorganisation. It is now expected that profits will be achieved in the region of DKK 40-60 million, compared with the significantly lower level previously expected. There is of course some uncertainty attached to both the time and price of sale. So far DKK 12.5 million has been realised in gains on the sale of two properties, which will take effect in the second half of the year.
- Overall, group profit before tax is now expected to be in the region of DKK 0-40 million, of which the operating loss from all the Group's activities is expected to be between DKK 20 and 40 million, while profit on the sale of property is expected to be DKK 40-60 million.

Aalborg, Denmark, 25 August 2008

Knud Erik Borup
Chairman

Christian B. Lund
Managing Director

FINANCIAL HIGHLIGHTS AND KEY RATIOS FOR THE GROUP

DKK millions	H1 2008	H1 2007	Q2 2008	Q2 2007	2007
Financial highlights:					
Results:					
Net revenue	3,488.4	3,034.3	1,842.8	1,654.5	6,333.3
Gross profit	893.7	747.8	480.2	422.7	1,586.9
Earnings before interest, tax and amortisation (EBITA)	54.2	104.8	41.3	41.5	119.5
Operating profit (EBIT)	48.6	102.5	38.5	39.7	110.7
Net financial items	-45.7	-19.0	-28.1	-14.2	-57.6
Profit/loss before tax	2.8	83.5	10.4	25.5	53.1
Profit/loss for the period	2.4	65.2	8.0	23.5	38.2
Cash flows:					
Cash flow from operation activities	-41.7	-95.6	-88.0	-11.8	-97.2
Cash flow from investment activities	-182.5	-1,042.8	-102.4	-1,015.6	-1,326.8
Free cash flows	-224.2	-1,138.4	-190.4	-1,027.4	-1,424.0
Investment in tangible fixed assets	176.5	123.9	101.9	97.3	405.8
Balance sheet:					
Non-current assets	1,920.7	1,580.8			1,872.1
Current assets	2,694.2	2,448.9			2,235.2
Total assets	4,614.9	4,029.7			4,107.3
Shareholders' equity	973.2	1,022.4			972.1
Interest-bearing debt	2,714.0	2,177.0			2,486.9
Non-interest-bearing debt	927.7	830.3			648.3
Total liabilities and shareholders' equity	4,614.9	4,029.7			4,107.3
Share capital	192.4	192.4			192.4
Key ratios:					
EBITA margin %	1.6	3.5	2.2	2.5	1.9
EBIT margin (profit margin) %	1.4	3.4	2.1	2.4	1.7
Earnings per share after tax (EPS), DKK, basic*	2.5	67.1	17.1	49.3	20.1
Earnings per share after tax (EPS), DKK, diluted *	2.5	66.8	17.1	49.1	20.0
Cash flow per share (CFPS), DKK	-22.1	-50.0	-46.8	-6.2	-50.9
Return on invested capital (ROIC) %*	3.5	9.5	5.3	7.3	5.1
Return on equity %*	0.5	12.8	3.3	9.2	3.9
P/E ratio *	156.0	15.3	22.8	20.8	31.2
Price/book value ratio	0.8	1.9			1.2
Market price per DKK 100 nominal share	390.6	1,027.0			626.5
Book value per DKK 100 nominal share	515.2	536.9			517.5
Equity ratio %	21.1	25.3			23.7

*) The key ratio is calculated on an annual basis.

STATEMENT BY THE BOARD OF DIRECTORS AD THE BOARD OF MANAGEMENT

The Board of Directors and Board of Management have on this date considered and approved the interim report for the period 1 January – 30 June 2008.

The interim report is not audited or reviewed, and has been prepared in accordance with IAS 34 "Presentation of interim reports" as approved by EU and additional Danish disclosure requirements for the preparation of interim reports for listed companies.

We are of the opinion that the interim report gives a true and fair view of assets, liabilities and financial position of the Group as at 30 June 2008 and the financial results from the Group's activities and cash flow for the period 1 January – 30 June 2008.

We are also of the opinion that the Management Report contains a true and fair report of the developments in the Group's activities and financial circumstances, the results for the period and the Group's financial position as a whole and a description of the major risks and uncertain factors facing the Group.

Aalborg, Denmark, 25 August 2008

Board of Management:

Christian B. Lund

Henning Vilslev

Board of Directors:

Knud Erik Borup
Chairman

Steen Gede
Deputy Chairman

Ole Steen Andersen

Ole Enø Jørgensen

Jens Ole Klitgaard

Else L. Kristensen

Jens Jørgen Madsen

Walther V. Paulsen

Matthias Max Schön

Peter Vagn-Jensen

MANAGEMENT REPORT

Sanistål's business concept

The Sanistål Group is a knowledge-based service company whose ultimate purpose is reliable delivery, know-how, products and service concepts in the company's business areas. Sanistål delivers service primarily to customers in the fields of construction, manufacturing and trades, as well as to public institutions. The Group's main activities comprise consultancy services and the distribution of services in the fields of HVAC, Steel & Metal, Tools, Machinery and Technical Products, Electrical Technology, Fittings & Fasteners and Lock and Security Technology, as well as integrated supply and logistics solutions.

Financial review

During this financial period the Sanistål Group generated revenue of DKK 3,488.4 million, an increase of DKK 454.1 million (15.0%) on the same period last year.

This increase is attributable to the acquisition of Carl F, which is included in the comparative figures from 1 April 2007, as well as to organic growth of 7.7%.

The profit before tax for the period was DKK 2.8 million, compared to DKK 83.5 million in the same period in 2007. Profit before tax in Q2 2008 was DKK 10.4 million compared with DKK 25.4 million in Q2 2007.

The Group's profit before tax in the interim report compared to the same period in 2007, corrected for the positive "Steel price development" and unusual items, reflects the following trend:

	H1 2008	H1 2007	Variance
DKK millions			
Group pre-tax profit	2.8	83.5	-80.7
"Steel price development	-36.4	-	-36.4
Impact on profits of the acquisition of Carl F	44.9	0.9	44.0
Impact on profits of Brødrene A&O Johansen A/S	10.2	-	10.2
Comparable profit	21.5	84.4	-62.9

The reorganisation into a new logistics structure with two central warehouses is progressing according to schedule. Logistical expenses as a proportion of gross profit were at a lower level in the first half of 2008 than in the second half of 2007, but were still higher than expected.

The difference in expenses results in equal parts from the warehouse operations and distribution business areas.

In the warehouse business area, the months of May and June resulted in a negative deviation from the expected costs, as a result of lower than expected efficiency, particularly in goods receipt and in automated picking processes.

Distribution expenses in the first half of 2008 were negatively affected by approx. DKK 2.4 million as a result of increasing freight and oil prices.

The level of logistical expenses will decrease gradually over the rest of the year as a result of the successive closing down of old warehouses and a gradual increase in efficiency at the warehouse in Billund, which is expected to be achieved in Q4 once new management, the introduction of operating interfaces and staff training have taken effect.

The organisation at the central warehouse in Billund has been significantly strengthened through the employment of experienced and skilled staff at management and middle management level:

- Claus Hjerrild, previously at Danfoss, took up the position of Chief Operations Manager at Billund on 11 August 2008
- Dorte Damgaard Hansen, previously at Velux, took up the position of Logistics Manager on 1 August 2008
- New departmental managers in a number of sections.

The central steel warehouse in Taulov is almost ready and will be brought into operational use in Q4 2008. The organisation at the central warehouse in Taulov is in place with the formation of a management group headed by Chief Operations Manager Dan Allan Nielsen.

Sanistål A/S has until now reported all financing costs as an expense in the financial year in which they are incurred. The establishing of the new central warehouse for steel products in Taulov, which has a total project cost of approximately DKK 475 million, is of such a size and nature, however, that it is considered more appropriate to treat the plant as a qualifying asset in accordance with the current version of IAS 23 and the updated standard, under which capitalisation is compulsory. The company is obligated to adhere to the updated standard from 1 January 2009.

As a result, the financing costs incurred and the internal project costs relating to the establishing of the warehouse for steel products are capitalised. This modified practice means that first-half year financing and internal project costs of DKK 8.0 million and 2.2 million respectively are capitalised as part of the acquisition cost of the construction project.

Other expenses have increased as expected during the first half of 2008, as the cost adjustments will not take effect until the second half of 2008.

The consolidated balance sheet total is DKK 4,614.9 million, compared to DKK 4,029.7 million at the end of June 2007. The growth in the balance sheet total is attributable to capital investments in the central warehouses and activity-based and structural increases in current assets.

As at 30 June 2008, equity totalled DKK 973.2 million, an increase of DKK 1.1 million (after the dividend payment of DKK 9.4 million for 2007) compared to the end of 2007. This change is primarily attributable to the period's profit after tax (DKK 2.4 million) and the positive value adjustment of hedging instruments (DKK 9.5 million). The equity ratio is 21.0%, compared to 23.6% at the end of 2007. This ratio will gradually increase as stocks are reduced and liquidated property assets are realised as a result of the logistical reorganisation.

Cash flow from operations was DKK -41.7 million, compared to DKK -93.6 million for the same period in 2007. Cash flow for investment activities was DKK 182.5 million, which is mainly attributable to the work in progress to establish a central warehouse for steel products in Taulov.

Sanistål's financing continues to be arranged in such a way that the company has significant credit facilities available.

Group structure

The Sanistål Group consists of the parent company, Sanistål A/S, and the wholly owned subsidiaries Carl F International A/S, Serman & Tipsmark A/S, Max Schön AG (Germany and Poland), Sanistal SIA (Latvia), Sanistal OÜ (Estonia) and UAB Sanistal (Lithuania). The Carl F segment and Carl F International A/S are included in the comparative figures for the first half of 2007 from 1 April 2007.

Profit trend for the Group, First Half of 2008 (First Half of 2007)

DKK millions	Net revenue	Gross profit	Other operating income	Expenses	Profit before tax
Sanistål A/S, parent company	2,811.2	688.8	0.6	668.9	20.5
Sanistål A/S, parent company	2,507.4	597.6	0.7	532.5	65.8
Carl F International A/S	241.9	92.3	1.6	122.2	-28.3
Carl F International A/S (01.04.07-30.06.07)	122.2	48.3	-	48.6	-0.3
Serman & Tipsmark A/S	57.6	16.6	-	12.1	4.5
Serman & Tipsmark A/S	58.2	15.5	-	10.9	4.6
Max Schön AG, Germany /Poland	225.7	53.5	2.2	44.4	11.3
Max Schön AG, Germany/Poland	195.1	47.1	2.1	39.2	10.0
The Baltic States	198.6	42.5	0.3	48.0	-5.2
The Baltic States	196.4	39.3	0.3	36.2	3.4
Elimination of intra-group transactions	-46.6	-	-0.6	-0.6	-
Elimination of intra-group transactions	-45.0	-	-0.6	-0.6	-
Subsidiaries	677.2	204.9	3.5	226.1	-17.7
Subsidiaries	526.9	150.2	1.8	134.3	17.7
Sanistål Group	3,488.4	893.7	4.1	895.0	2.8
Sanistål Group	3,034.3	747.8	2.5	666.8	83.5

Sanistål A/S, parent company

Revenue in the parent company totalled DKK 2,811.2 million, which is DKK 303.8 million or 12.1% more than last year. Organic growth was responsible for 7.5%, while growth is also attributable to the fact that the Danish wholesale arm of Carl F ("the Carl F segment") has been merged with the parent company Sanistål A/S with effect from 1 April 2007. The Construction Industry, Steel Industry and Other Industry segments achieved growth and increased market share.

Gross profit increased by DKK 91.2 million compared to the same period in 2007, totalling DKK 688.8 million. The gross profit margin increased by 0.7 percentage points to 24.5%.

Total operating expenses were DKK 668.9 million, representing an increase of DKK 136.4 million (of which DKK 47.1 million relates to the Carl F segment) or 25.6% compared to the same period in 2007. The main reasons for this increase are:

- The level of activity, measured in terms of the development in gross profits on Stocks/Drop shipments adjusted for the "Steel price development", rose by 10.0%;

- Logistical expenses in the first half of 2008 have increased by DKK 65.0 million compared with the first half of 2007. The increase in expenses can be attributed to warehouse operations and distribution and is to a large extent because the logistics changeover had only just begun in the first half of 2007.
- The integration of the Carl F segment into the parent company increased operating expenses by DKK 33.2 million compared with the first half of 2007, with the Carl F segment included since 1 April 2007.
- Electrical Technology: in 2006, Sanistål created a new business area in the field of electrical items. This new area had a negative impact on the profit in the first half of 2008.

The parent company's operating profit (EBIT) decreased by DKK 25.3 million to DKK 56.3 million. The parent company's profit before tax was DKK 20.5 million, compared to DKK 65.8 in the same period in 2007.

Incentives programme:

With 2008 as the earning year, options can be granted to the Board of Management and senior executives in the Group for acquiring shares with a total maximum market value of DKK 8.0 million, of which 50% is profit-related.

Final determination will take place in April 2009 on the basis of results achieved in 2008 and on the basis of the market value for ten days after the publication of the 2008 annual report.

The fair value (Black-Scholes) of outstanding share options as at 30 June 2008 was DKK 2.9 million (of which DKK 1.0 million for the Board of Management).

Subsidiaries

Summary of the Danish subsidiaries

Carl F International A/S

Carl F International A/S carries out the sale and marketing of d line, other architect-designed products, locks and access control products in Scandinavia and fittings for the door and window industry, primarily in the UK.

Carl F International A/S has achieved unsatisfactory results in the first half of 2008. Revenue was DKK 241.9 million and results before tax showed a deficit of DKK 28.3 million. From 1 February 2008, the subsidiary has implemented a new standard ERP platform. The implementation of this system caused considerable disruption to operations, which has had a negative impact on revenue. In addition, results in the Danish lock businesses, although improved, remain negative.

On 1 April 2008, Thomas Folmann, former Head of the Construction Industry segment at Sanistål A/S, took up his position as the new CEO of Carl F International A/S. This change of management has gone well.

The strategy and restructuring process underway at Carl F International A/S will have a negative impact on results in 2008. Revenue levels are now expected to remain unchanged compared with 2007 and the loss before tax to be at a level of DKK 60 million for 2008.

Against the background of the profit expectations for 2008, the management has implemented major cost-cutting in the region of DKK 40 million annually in order to achieve profitable operations. A strategic development process to clarify the subsidiary's future activities and earning potential has also been implemented. It is currently the company's expectation that the cost-cutting measures carried out and the development process currently underway on the product and sales sides will turn this into a profitable business. Regular impairment tests are carried out on the value of intangible assets on the basis of the prevailing conditions at any time.

Serman & Tipsmark A/S

Serman & Tipsmark A/S develops, manufactures and markets customised hydraulic solutions. Revenue in the interim accounts totalled DKK 57.6 million (2007: DKK 58.2 million), with a profit before tax of DKK 4.5 million (2007: DKK 4.6 million). The subsidiary has a particularly good volume of orders.

Summary of the foreign subsidiaries

Max Schön AG, Germany and Poland

The activities of the Max Schön Group include the business areas Steel & Pipes, Tools, Machinery and Technical Products.

Revenue totalled DKK 225.7 million (2007: DKK 195.1 million), with a profit before tax of DKK 11.3 million (2007: DKK 10.0 million). Developments are very satisfactory.

The Baltic States

Revenue in the Baltic States in the interim accounts totalled DKK 198.6 million (2007: DKK 196.4 million), with a loss before tax of DKK 5.2 million (2007: DKK 3.4 million profit).

The trend in Latvia continues to be satisfactory. The Baltic States are affected by falling economic growth and by inflation. Costs, which are increasing considerably as a result of large rises in wage levels, cannot be fully covered by sales prices owing to the competitive situation on the market.

Associated company: Brødrene A&O Johansen A/S

In June 2007, Sanistål A/S acquired 39.12% of the shares in the listed company Brødrene A&O Johansen A/S. As Sanistål A/S controls 20.69% of the votes in Brødrene A&O Johansen A/S, the company is treated for accounting purposes as an associated company. Based on the Interim Report for the first half of 2008 for Brødrene A&O Johansen A/S, a profit after tax of DKK 0.9 million is recognised for the first half of 2008, which corresponds to 39.12% of the associated company's profit after tax.

Brødrene A&O Johansen A/S now expects to achieve a profit before tax for 2008, which on its own will have a negative effect of DKK 12.3 million on the profit after tax of Sanistål A/S, assuming that Brødrene A&O Johansen A/S only breaks even in the second half of 2008.

Sanistål A/S's preference share holding in Brødrene A&O Johansen A/S has a book value of DKK 452.3 million, corresponding to an average purchase price of DKK 2,028 per share.

The investment in Brødrene A&O Johansen A/S is a strategic investment to ensure that Sanistål A/S will have a central position in any future consolidation of the Danish wholesale market for HVAC products. Sanistål is also of the opinion that, in a relatively short space of time, the company will be in a position to re-establish its normal high level of earnings, which has been characteristic over a number of years. On the basis of this assumption, an impairment test of the value of the shares has been carried out and against this background the estimated value of the associated company remains at the acquisition price.

Assets and liabilities

During the next 6-12 months, the assets and liabilities within the Group will be restructured with the aim of reducing the balance sheet total, increasing long-term financing and increasing the equity/assets ratio to at least the target rate of 30%.

One aspect of this, which was referred to in the Annual Report for 2007, is the sale of property that is surplus to requirements following the reorganisation of the logistics structure, which is expected to realise around DKK 200 million during the 2008-2009 period.

Two smaller properties have been sold as expected, with a completion date in the second half of 2008, and have recorded a book value gain of DKK 12.5 million.

Outlook for the year 2008

Management continues to expect that a limited increase in revenue and satisfactory growth in gross profit can be achieved in the 2008 financial year.

The interim report for Q1 2008 stated an expectation of group profit before tax for the whole of 2008 of around DKK 20-50 million. The following significant changes have taken place in terms of the contribution to this expectation of each individual company:

- The loss at Carl F International A/S in 2008, which is a year of restructuring for the company, is now expected to be DKK 60 million compared with the previous expectation of DKK 30 million.
- It was expected that the shares in A&O Johansen A/S would have been disposed of by now, but it is now thought that they will be held for the entire year. This will negatively affect the interest expenses of the parent company by around DKK 12 million.
- Profits in the Baltic States are expected to be reduced by approx. DKK 10 million as a result of weaker economic development in these countries.
- The parent company's operating profit (excluding interest on the investment in Brødrene A&O Johansen A/S, see above) has been negatively affected by differences in logistical expenses and increased financing costs. Operating profit was positively affected by increased gross profit earnings and by interest capitalisation etc. in the construction period of the plant in Taulov. Overall, operating profit at the parent company is still expected to be in the range of DKK 0-20 million.
- Total profit before tax at the parent company is expected to be somewhat higher, however, as a result of the realisation of gains on the sale of property no longer required following the logistical reorganisation. It is now expected that profits will be achieved in the region of DKK 40-60 million, compared with the significantly lower level previously expected. There is of course some uncertainty attached to both the time and price of sale. So far DKK 12.5 million has been realised in gains on the sale of two properties, which will take effect in the second half of the year.
- Overall, group profit before tax is now expected to be in the region of DKK 0-40 million, of which the operating loss from all the Group's activities is expected to be between DKK 20 and 40 million, while profit on the sale of property is expected to be DKK 40-60 million.

CONSOLIDATED INCOME STATEMENT

DKK thousands	Note	H1 2008	H1 2007	Q2 2008	Q2 2007
Net revenue		3,488,377	3,034,308	1,842,825	1,654,517
Cost of goods sold		-2,594,725	-2,286,516	-1,362,644	-1,231,781
Gross profit		893,652	747,792	480,181	422,736
Other operating income		4,124	2,472	1,458	1,357
Other external expenses		-309,298	-232,529	-163,659	-137,174
Staff costs		-500,208	-385,888	-259,262	-230,357
Operating profit before depreciation		88,270	131,847	58,718	56,562
Depreciation and write-downs		-39,678	-29,365	-20,215	-16,892
Operating profit (EBIT)		48,592	102,482	38,503	39,670
Share of profit after tax in associated companies		865	-	-3,536	-
Financial income		14,020	11,127	7,608	5,850
Financial expenses		-60,630	-30,129	-32,132	-20,075
Profit/loss before tax		2,847	83,480	10,443	25,445
Tax on profit/loss for the period		-496	-18,242	-2,395	-1,992
Profit/loss for the period		2,351	65,238	8,048	23,453
Average number of shares		1,923,784	1,923,784	1,923,784	1,923,784
Average number of own shares		45,233	23,227	45,026	22,491
Average number of shares, basic		1,878,551	1,900,557	1,878,758	1,901,293
Diluting effect of outstanding share options		3,711	8,938	3,096	10,181
Average number of shares, diluted		1,882,262	1,909,495	1,881,854	1,911,474
Earnings per share after tax (EPS), basic		2.50	68.65	17.13	49.34
Earnings per share after tax (EPS), diluted		2.50	66.33	17.11	49.08

CONSOLIDATED CASH FLOW STATEMENT

DKK thousands	Note	H1 2008	H1 2007
Operating profit (EBIT)		48,592	102,482
Adjustment for non-liquid operating items etc.:			
Depreciation and write-downs		39,678	29,365
Total provisions		-1,741	-
Other operating items		1,495	900
Exchange rate adjustments, etc.		-3,016	808
Interest income, paid		14,020	11,127
Interest expenses, paid		-60,630	-30,129
Cash flow from operating activities before changes in working capital		38.398	114.553
Changes in accounts receivable		-273,539	-185,978
Changes in inventories		-71,208	-183,143
Changes in trade accounts payable and other debt commitments		282.689	174.998
Corporation tax paid		-17,999	-14,062
Cash flow from operating activities		-41,659	-93,632
Acquisition of intangible assets		-4,912	-2,608
Acquisition of tangible assets		-176,467	-125,824
Acquisition of associated companies		-206	-916,186
Other non-current assets		-977	-146
Cash flow from investment activities		-182,562	-1,044,764
Free cash flows		-224,221	-1,138,396
Debt financing:			
Repayments to credit institutions		-10,160	-11,468
Proceeds from borrowing		33,244	787,276
Drawings on operating lines of credit		203,950	417,473
Shareholders:			
Dividend payment		-9,392	-37,992
Sale of shares to employees		148	588
Cash flow from financing		217,790	1,155,877
Cash flow for the period		-6,431	17,481
Cash and cash equivalents as at 1 January		38,546	13,759
Cash and cash equivalents as at 30 June		32,115	31,240

The figures in the cash flow statement cannot be derived exclusively from the published accounting records.

CONSOLIDATED BALANCE

DKK thousands	Note	30 June 2008	31. December 2007	30 June 2007
ASSETS				
Non-current assets				
Intangible assets				
Goodwill		359,547	355,080	367,732
Brand names		117,187	120,312	98,750
Customer base		21,875	23,125	-
Software		5,979	6,733	8,560
		504,588	505,250	475,042
Tangible assets				
Land and buildings		373,837	460,395	440,361
Plant and machinery, fixtures and fittings		266,341	216,782	156,498
Tangible assets under construction		310,264	226,038	51,700
		950,442	903,215	648,559
Other non-current assets				
Investments in associated companies		452,291	451,220	446,056
Property rental deposits		13,378	12,401	11,126
		465,669	463,621	457,182
Total non-current assets		1,920,699	1,872,086	1,580,783
Current assets				
Inventories		1,347,097	1,275,889	1,344,082
Accounts receivable		1,128,638	841,787	1,041,684
Prepayments and accrued income		26,312	26,911	19,275
Corporation tax		48,386	35,553	-
Cash and cash equivalents		32,115	38,546	31,240
Assets held for sale		111,621	16,486	12,675
Total current assets		2,694,169	2,235,172	2,448,956
TOTAL ASSETS		4,614,868	4,107,258	4,029,739

CONSOLIDATED BALANCE

DKK thousands	Note	30 June 2008	31 December 2007	30 June 2007
LIABILITIES				
Shareholders' equity				
Share capital		192,378	192,378	192,378
Reserve for hedging transactions		23,779	14,244	21,105
Exchange rate adjustment reserve		-5,911	-2,895	-2,915
Retained profit		762,941	758,947	811,856
Proposed dividend		-	9,392	-
Total shareholders' equity		973,187	972,066	1,022,424
Liabilities				
Long-term liabilities				
Deferred tax		66,162	67,655	13,986
Total provisions		-	-	8,340
Credit institutions		822,494	936,965	913,699
		888,656	1,004,620	936,025
Short-term liabilities				
Credit institutions		1,838,198	1,542,820	1,255,654
Trade accounts payable and other debt commitments		850,283	567,593	788,697
Corporation tax		-	-	12,647
Total provisions		11,259	13,000	6,660
Liabilities related to assets held for sale		53,285	7,159	7,632
		2,753,025	2,130,572	2,071,290
Total liabilities		3,641,681	3,135,192	3,007,315
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,614,868	4,107,258	4,029,739

STATEMENT OF SHAREHOLDERS' EQUITY – GROUP

	Share capital	Reserve for hedging transactions	Exchange rate adjustment reserve	Retained profit	Proposed dividend	Total
Shareholders' equity as at 1 January 2007	192,378	6,541	-3,723	745,130	37,992	978,318
Exchange rate adjustment, foreign subsidiaries			808			808
Value adjustment of hedging instruments		19,639				19,639
Value adjustment transferred to financial income		-220				-220
Tax on equity movements		-4,855				-4,855
Share-based remuneration				900		900
Net gains recognised directly in equity		14,564	808	900		16,272
Profit for the year				65,238		65,238
Total earnings		14,564	808	66,138		81,510
Allotted dividend					-37,992	-37,992
Sale of own shares in connection with incentives programme				588		588
Total equity movements	-	14,564	808	66,726	-37,992	44,106
Shareholders' equity as at 30 June 2007	192,378	21,105	-2,915	811,856	-	1,022,424

STATEMENT OF SHAREHOLDERS' EQUITY – GROUP

	Share capital	Reserve for hedging transactions	Exchange rate adjustment reserve	Retained profit	Proposed dividend	Total
Shareholders' equity as at 1 January 2008	192,378	14,244	-2,895	753,767	9,392	966,886
Exchange rate adjustment, foreign subsidiaries			-3,016	5,180		2,164
Value adjustment of hedging instruments		14,221				14,221
Value adjustment transferred to financial income		-1,508				-1,508
Tax on equity movements		-3,178				-3,178
Share-based remuneration				1,495		1,495
Net gains recognised directly in equity		9,535	-3,016	6,675		13,194
Profit for the year				2,351		2,351
Total earnings		9,535	-3,016	9,026		15,545
Allotted dividend					-9,392	-9,392
Sale of own shares in connection with incentives programme				148		148
Total equity movements	-	9,535	-3,016	9,174	-9,392	6,301
Shareholders' equity as at 30 June 2008	192,378	23,779	-5,911	762,941	0	973,187

NOTES - GROUP

Note 1 – Accounting policies applied

This interim report has been produced in accordance with IAS 34 “Interim Financial Reporting” as approved by the EU and additional Danish disclosure requirements for the interim reports of listed companies.

Sanistål A/S has until now reported financing costs as an expense in the financial year in which they are incurred. The establishing of the new central warehouse for steel products in Taulov is of such a size and nature, however, that it is considered more appropriate to treat the plant as a qualifying asset. As a result, the financing costs incurred and the internal project costs relating to the establishing of the warehouse for steel products are capitalised. Comparative figures have been adjusted to the new accounting policy. The new policy complies with the current version of IAS 23 and the updated standard, under which capitalisation is compulsory. The updated standard comes into force on 1 January 2009.

In all other respects, the accounting policies applied are the same as those used in the 2007 annual report.

The 2007 annual report contains a full description of the accounting policies applied.

Note 2 - Segmental reporting

DKK thousands	Construc- tion Industry	Steel Industry	Other Industry	Carl F Carl F	Carl F Inter- national	Non- allocated	Group
Activities – primary segment First Half of 2008 (First Half of 2007)							
Net revenue	949,378	1,310,855	750,507	235,745	241,852	-	3,488,337
Net revenue	843,724	1,234,015	711,587	122,797	122,185	-	3,034,308
Gross profit	230,856	243,842	242,134	84,553	92,267	-	893,652
Gross profit	207,888	214,290	225,448	51,898	48,268	-	747,792
Other operating income	-	-	-	-	1,576	2,548	4,124
Other operating income	-	-	-	-	-	2,472	2,472
Profit Brødrene A&O Johansen A/S	-	-	-	-	-	865	865
Profit Brødrene A&O Johansen A/S	-	-	-	-	-	-	-
External expenses	60,952	36,032	60,705	21,315	49,121	127,783	355,908
External expenses	46,905	30,106	45,535	16,577	19,721	92,687	251,531
Staff costs	100,630	43,891	95,858	44,438	69,596	145,795	500,208
Staff costs	87,084	42,447	85,715	27,570	27,754	115,318	385,888
Depreciation/amortisation	2,248	1,338	3,866	295	3,404	28,527	39,678
Depreciation/amortisation	2,545	1,284	3,284	2,950	1,103	18,199	29,365
Segment contribution	67,026	162,581	81,705	18,505	-28,278	-298,692	2,847
Segment contribution	71,354	140,453	90,914	4,801	-310	-223,732	83,480

The comparative figures are adjusted to actual distribution of customers in the segments and to allocation of the expenses in the retail network to the segments.

NOTES - GROUP

Note 3 – Assets held for sale

Assets held for sale totalling DKK 111.6 million and associated liabilities of DKK 53.3 million represent four logistics properties that are no longer required following the reorganisation of the logistics structure. Of these, two smaller properties have been sold, with a completion date in the second half of 2008.

Note 4 – Fixed assets

The acquisition of tangible fixed assets in the amount of DKK 166.2 million in the first half of 2008 can mainly be attributed to the establishing of the central warehouse for steel products in Taulov and a central warehouse for supplying Estonia, Latvia and Lithuania in Riga, Latvia.