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Stock Exchange Announcement No. 20, 2010

## Interim financial report – First half 2010

At its meeting today, the Board of Directors of Monberg & Thorsen A/S approved the interim financial report for the period 1 January - 30 June 2010. The interim financial report is unaudited.

Søborg, 30 August 2010  
Board of Directors and Executive Board

Monberg & Thorsen A/S



Anders Colding Friis  
Chairman



Jørgen Nicolajsen  
President and CEO

Questions relating to this announcement should be directed to Jørgen Nicolajsen, President and CEO, on telephone +45 3546 8000.

The interim financial report can also be viewed at [www.monthor.com](http://www.monthor.com)

This announcement is available in Danish and English. In case of doubt, the Danish version shall prevail.

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## Interim financial report – First half 2010

- **Monberg & Thorsen** reported operating profit (EBIT) of DKK 70 million compared with DKK 89 million in the first half of 2009, and profit before tax of DKK 73 million compared with DKK 106 million in 2009.
- **Dyrup** delivered revenue of DKK 0.8 billion and profit before tax of DKK 51 million. Both revenue and profit were ahead of expectations.
- **MT Højgaard** delivered revenue of DKK 3.9 billion and profit before tax of DKK 25 million, falling short of expectations.

The outlook for 2010 is being lowered as a consequence of the lower level of activity in MT Højgaard in the first half. Consolidated revenue in the region of DKK 5.3 billion is now expected compared with the previous outlook of DKK 5.5 billion, and profit before tax of around 1.5% compared with the previous outlook of around 2%.

## THE GROUP

### Financial highlights for Monberg & Thorsen

DKK million	Q2			H1		
	2009	2010	Change	2009	2010	Change
Revenue:						
Dyrup	438	<b>458</b>	5%	784	<b>794</b>	1%
MT Højgaard (46%)	1,018	<b>969</b>	-5%	1,991	<b>1,778</b>	-11%
	<b>1,456</b>	<b>1,427</b>	-2%	<b>2,775</b>	<b>2,572</b>	-7%
Operating profit (loss) (EBIT):						
Dyrup	43	<b>62</b>	19	31	<b>63</b>	32
MT Højgaard (46%)	31	<b>11</b>	-20	61	<b>10</b>	-51
Parent company	(1)	<b>(1)</b>	0	(3)	<b>(3)</b>	0
Operating profit (EBIT)	73	<b>72</b>	-1	89	<b>70</b>	-19
Profit before tax	80	<b>69</b>	-11	106	<b>73</b>	-33
Profit after tax	59	<b>50</b>	-9	78	<b>53</b>	-25

### Income statement

Overall, second-quarter consolidated revenue was down 2% and first-half revenue down 7%. As will be seen from the above, Dyrup recorded revenue growth, while MT Højgaard's revenue was down 11% on the first half of 2009.

At DKK 72 million, operating profit was on a par with the second quarter of 2009. The first-half operating result was a profit of DKK 70 million, down DKK 19 million on 2009, reflecting the lower first-quarter result.

Operating profit in Dyrup showed a fair improvement again in the second quarter, and first-half operating profit was DKK 63 million, twice as much as in the first half of 2009.

Operating profit in MT Højgaard did not match expectations, partly as a consequence of the lower level of activity and the postponement of a few large projects for which production capacity had been established. The postponed activities have subsequently commenced.

Overall, the first-half operating result for the Monberg & Thorsen Group was a profit of DKK 70 million compared with DKK 89 million in the first half of 2009.

Net financial income was also lower than in the first half of 2009, partly reflecting the lower interest rate level. The result before tax was consequently a profit of DKK 73 million compared with DKK 106 million in the first half of 2009.

**Dyrup** delivered first-half DIY/PRO revenue of DKK 794 million, up 9%. The improvement benefited from the acquired activities in Hygæa and Malfarb. Excluding this revenue, revenue was 4% ahead, despite the fact that the year started out with a hard winter and a cold spring with high levels of rainfall in April and May.

First-half 2009 revenue included revenue of DKK 59 million related to the industrial activities, which were sold on 30 April 2009.

The operating result was a profit of DKK 63 million compared with DKK 31 million in the first half of 2009. The 2009 result included special items amounting to net income of DKK 8 million from the sale of the industrial activities.

Dyrup's first-half 2010 results are described in the attached appendix, which gives a detailed account of the development.

**MT Højgaard** delivered revenue of DKK 3.9 billion, down 11% on the first half of 2009. The decline in revenue reflected the general decline in the level of activity, the hard winter and the postponement of a few large projects.

Operating profit was DKK 21 million compared with DKK 150 million in the first half of 2009, and the result before tax was a profit of DKK 25 million, with Monberg & Thorsen's share amounting to 46%. The results reflected the lower level of activity, increased tendering costs and the fact that MT Højgaard is still maintaining capacity, in selected areas, for the expected future increase in the level of activity.

Stock Exchange Announcement No. 19 concerning MT Højgaard issued earlier today gives a detailed account of the development within the contracting activities.

**The parent company's** operating result was on a par with expectations.

## Cash flow statement

Operating cash flow for the period was a net cash outflow of DKK 112 million, whereas operating activities generated a net cash inflow of DKK 54 million in the first half of 2009. Dyrup's operating cash flow showed an improvement due to the increase in earnings, but this was insufficient to offset the decrease in operating cash flow in MT Højgaard, which was affected by the lower level of activity, although operating activities still generated a net cash inflow.

Investing activities in the first half absorbed DKK 125 million net compared with DKK 162 million in the first half of 2009. Investments in the first half were affected by acquisitions and disposals of activities and purchase of listed securities in MT Højgaard. Investments can be broken down as follows:

DKK million	H1 2009	H1 2010
Investments in non-current assets	86	61
Acquisitions and disposals of enterprises	(54)	39
Purchase of listed securities	<u>130</u>	<u>25</u>
Total	<u>162</u>	<u>125</u>

Investments in non-current assets were consequently less than in the first half of 2009, partly due to the lower level of activity in MT Højgaard.

Cash flows from financing activities were significantly less than in the first half of 2009, which was affected by the raising of a 20-year mortgage loan in Dyrup.

The Group's financial resources are at the same level as at the end of 2009 and are still considered to be satisfactory.

## Balance sheet

At DKK 4.1 billion, the balance sheet total was on a par with the end of the first half of 2009 and at 31 December 2009. There were no major changes in the composition of the balance sheet, and the consolidated equity ratio was 39% versus 38% at the end of 2009.

## Accounting policies

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. IFRSs and IFRICs with an effective date of 1 January 2010, including IFRS 3 and revised IAS 27, have been implemented. The changes have not had any effect on the presentation of the interim financial report. The accounting policies are unchanged from those set out in the 2009 annual report.

## Related parties

The company has a controlling related party relationship with Ejnar og Meta Thorsens Fond.

Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and normal management remuneration, no significant transactions have been effected during the period with major shareholders, members of the Board of Directors or Executive Board or other related parties.

Transactions between Monberg & Thorsen and subsidiaries and jointly controlled entities are based on arm's length terms and did not have any effect on Monberg & Thorsen's financial position or results during the period.

## Outlook for 2010

**The Group** now expects revenue in the region of DKK 5.3 billion compared with previously in the region of DKK 5.5 billion and profit before tax of around 1.5% compared with previously around 2%, primarily reflecting MT Højgaard's lower revenue and results in the first half, as the Group does not expect to recoup the decline in revenue in the second half.

The projections concerning future financial performance are subject to uncertainties and risks that may cause the performance to differ from the projections. The most significant risks are described in the section "Risk factors" in the 2009 annual report. The main risks and uncertainties remain unchanged compared with the description in the annual report.

The projections for the individual companies are based on relatively stable interest rate and exchange rate levels and on the following assumptions for each company:

**Dyrup** still expects the effect of its strategy work, including the acquisitions of Hygæa and Malfarb, to be able to generate growth in DIY/PRO revenue, and, due to the positive development in the first half, an increase in revenue of around 8% is anticipated compared to previously around 5%. Operating profit is similarly expected to be at least DKK 25 million, with a profit before tax, compared with the previous outlook of operating profit of around DKK 25 million and a break-even result before tax.

**MT Højgaard** does not expect to be able to recoup the first-half decline in revenue in the second half, and consequently now expects revenue of approx. DKK 8.5 billion compared with previously approx. DKK 9 billion.

Due to the lower first-half results, full-year profit before tax is now expected to be around 1% to 2% compared with previously 2% to 3%.

## Other information

Monberg & Thorsen did not buy back any treasury shares in the quarter under review. The portfolio of treasury shares is still 2,645 nos.

## Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of Monberg & Thorsen A/S for the period 1 January - 30 June 2010.

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

In our opinion, the interim financial report gives a true and fair view of the Group’s financial position at 30 June 2010 and of the results of the Group’s operations and cash flows for the period 1 January - 30 June 2010.

Further, in our opinion, the Management’s review gives fair review of the development in the Group’s operations and financial matters, the results for the period and the Group’s financial position and a description of the significant risks and uncertainty factors pertaining to the Group.

Søborg, 30 August 2010

### Executive Board

Jørgen Nicolajsen  
President and CEO

### Board of Directors

Anders Colding Friis  
Chairman

Torben Ballegaard Sørensen  
Deputy Chairman

Lars Goldschmidt

Jannie Jensen  
Employee representative

Poul Lind

Michael Nielsen  
Employee representative

Pia Pilmark  
Employee representative

Christine Thorsen

Henriette Holmgreen Thorsen

*Appendices: Financial highlights  
Consolidated balance sheet, Statement of comprehensive income and Statement of changes in consolidated equity  
Quarterly statements  
Detailed statement – First half 2010 – Dyrup A/S*

## Financial highlights

DKK million	Year 2009	H1 2009	2010
<b>Income statement</b>			
Revenue:			
Dyrup	1,394	784	<b>794</b>
MT Højgaard (46%)	4,180	1,991	<b>1,778</b>
	5,574	2,775	<b>2,572</b>
Gross profit	891	497	<b>465</b>
Operating profit before special items	102	81	<b>70</b>
Special items, etc.	16	8	-
Operating profit (EBIT)	118	89	<b>70</b>
Net financing costs	8	17	<b>3</b>
Profit before tax	126	106	<b>73</b>
Profit after tax	103	78	<b>53</b>
<b>Balance sheet</b>			
Interest-bearing assets	859	777	<b>760</b>
Interest-bearing liabilities	427	525	<b>572</b>
Invested capital	1,257	1,408	<b>1,483</b>
Equity	1,568	1,543	<b>1,592</b>
Balance sheet total	4,076	4,110	<b>4,117</b>
<b>Cash flows</b>			
From operating activities	240	54	<b>(112)</b>
For investing activities**	(207)	(162)	<b>(125)</b>
From financing activities	100	99	<b>(3)</b>
Net increase (decrease) in cash and cash equivalents	133	(9)	<b>(240)</b>
** Portion relating to investments in property, plant and equipment (gross)	(199)	(86)	<b>(51)</b>
<b>Financial ratios (%)</b>			
Operating margin (EBIT margin)	2	3	<b>3</b>
Pre-tax margin	2	4	<b>3</b>
Return on invested capital (ROIC)	9	6*	<b>5*</b>
Return on equity (ROE)	7	5*	<b>3*</b>
Equity ratio	38	38	<b>39</b>
* Not converted to full-year figures			
<b>Share ratios (DKK per DKK 20 share)</b>			
Earnings per share (EPS)	29	22	<b>15</b>
Cash flow from operating activities	67	15	<b>(31)</b>
Book value	438	431	<b>444</b>
Market price	280	168	<b>348</b>
Market price/book value	0.6	0.4	<b>0.8</b>
Market capitalisation in DKK million	1,004	602	<b>1,248</b>

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

The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'. Financial ratios are defined in the 2009 annual report.

## Consolidated balance sheet, Statement of comprehensive income and Statement of changes in consolidated equity

Consolidated balance sheet (DKK million)	Year	H1	
	2009	2009	2010
<b>ASSETS</b>			
Intangibles	155	171	<b>185</b>
Property, plant and equipment	866	873	<b>910</b>
Investments	110	94	<b>104</b>
Total non-current assets	1,131	1,138	<b>1,199</b>
Inventories	501	491	<b>532</b>
Receivables	1,586	1,704	<b>1,626</b>
Cash and cash equivalents and securities	858	777	<b>760</b>
Total current assets	2,945	2,972	<b>2,918</b>
Total assets	4,076	4,110	<b>4,117</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,568	1,543	<b>1,592</b>
Non-current liabilities, provisions	103	98	<b>110</b>
Non-current liabilities, interest-bearing	264	214	<b>298</b>
Construction contracts in progress	703	692	<b>520</b>
Current liabilities, interest-bearing	164	311	<b>274</b>
Other current payables	1,274	1,252	<b>1,323</b>
Total equity and liabilities	4,076	4,110	<b>4,117</b>

Statement of comprehensive income (DKK million)	Year	H1	
	2009	2009	2010
Foreign exchange adjustments, foreign enterprises	1	(3)	<b>3</b>
Value adjustments of hedging instruments	(5)	-	<b>(11)</b>
Tax on other comprehensive income	1	-	<b>3</b>
Comprehensive income recognised directly in equity	(3)	<b>(3)</b>	<b>(5)</b>
Profit for the period	103	<b>78</b>	<b>53</b>
Total comprehensive income	100	<b>75</b>	<b>48</b>

Statement of changes in consolidated equity (DKK million)	Year	H1	
	2009	2009	2010
Start of period	1,468	1,468	<b>1,568</b>
Comprehensive income for the period	100	75	<b>48</b>
Dividend to shareholders	0	0	<b>(24)</b>
Buyback of treasury shares	-	-	-
End of period	1,568	1,543	<b>1,592</b>



## Quarterly statements

DKK million	2010				Total
	Q1	Q2	Q3	Q4	
<b>Income statement</b>					
Revenue:					
Dyrup	336	458			794
MT Højgaard (46%)	809	969			1,778
	1,145	1,427			2,572
<b>Operating profit (loss) (EBIT)</b>					
Dyrup	1	62			63
MT Højgaard (46%)	(1)	11			10
Parent company's operations, etc.	(2)	(1)			(3)
Total operating profit (loss) (EBIT)	(2)	72			70
Net financing costs	6	(3)			3
Profit before tax	4	69			73
Profit after tax	3	50			53
<b>Cash flows</b>					
From operating activities	(42)	(70)			(112)
For investing activities*	(113)	(12)			(125)
From financing activities	28	(31)			(3)
Net increase (decrease) in cash and cash equivalents	(127)	(113)			(240)
*Portion relating to investments in property, plant and equipment	(26)	(25)			(51)

DKK million	2009				Total
	Q1	Q2	Q3	Q4	
<b>Income statement</b>					
Revenue:					
Dyrup	346	438	392	218	1,394
MT Højgaard (46%)	973	1,018	1,017	1,172	4,180
	1,319	1,456	1,409	1,390	5,574
<b>Operating profit (loss) (EBIT)</b>					
Dyrup	(12)	43	20	(55)	(4)
MT Højgaard (46%)	30	31	38	34	133
Parent company's operations, etc.	(2)	(1)	(2)	(6)	(11)
Total operating profit (loss) (EBIT)	16	73	56	(27)	118
Net financing costs	10	7	(14)	5	8
Profit (loss) before tax	26	80	42	(22)	126
Profit (loss) after tax	19	59	31	(6)	103
<b>Cash flows</b>					
From operating activities	140	(86)	111	75	240
For investing activities*	(181)	19	(62)	17	(207)
From financing activities	(8)	107	(1)	2	100
Net increase (decrease) in cash and cash equivalents	(49)	40	48	94	133
*Portion relating to investments in property, plant and equipment	(48)	(38)	(28)	(85)	(199)

## Detailed statement – First half 2010

- The positive earnings trend in the first quarter continued in the second quarter.
- DIY/PRO revenue was 9% ahead of the first half of 2009, 4% reflecting organic growth and 5% the acquisitions of Hygæa and Malfarb.
- Operating profit was DKK 63 million compared with DKK 31 million in 2009.
- Outlook for 2010 slightly more positive than previously announced.

The Dyrup Group delivered second-quarter DIY/PRO revenue of DKK 458 million compared with DKK 422 million in the second quarter of 2009, up 8% and exceeding expectations. YTD, DIY/PRO revenue was consequently 9% ahead of the first half of 2009. First-half 2009 consolidated revenue included DKK 59 million related to the industrial activities, which were sold on 30 April 2009.

Excluding the effect of the acquired companies in Hygæa and Malfarb, first-half organic growth was 4%, despite the fact that the year started with a hard winter across Europe and a cold spring with high levels of rainfall in April and May. All countries delivered revenue growth and, overall, also the Iberian Peninsula, where market conditions remain extremely difficult.

In DIY, Dyrup reported a 2% increase in revenue, partly due to new customers in Germany, France and Denmark. In DIY, the market is estimated to have declined by around 3%. In PRO, the market is estimated to have declined by around 6%, whereas Dyrup reported an increase of around 1%, excluding the acquired revenue in Hygæa and Malfarb. Including this revenue, PRO revenue was around 15% ahead.

The first-half operating result was a profit of DKK 63 million against a profit of DKK 31 million in the first half of 2009, which included positive non-recurring items of DKK 8 million net in connection with the sale of the industrial activities. The result was slightly ahead of expectations due to the increase in revenue. At the same time, total expenses, excluding the Malfarb acquisition, were held at the expected level, which was lower than last year, reflecting the effect of the initiatives put in place. The integration of Malfarb is proceeding satisfactorily and in accordance with plans.

Net financing costs were on a par with expectations. The result before tax for the period was a profit of DKK 51 million compared with a profit of DKK 21 million in the first half of 2009, and the result after tax for the period was a profit of DKK 38 million compared with DKK 16 million in the first half of 2009.

## Market conditions

Consolidated DIY/PRO revenue in the principal markets can be broken down as follows:

DKK million	H1 2009	H1 2010	Change %
Denmark	182	<b>185</b>	1
France	206	<b>205</b>	0
Germany	127	<b>140</b>	10
Iberian Peninsula	142	<b>143</b>	1
Poland	23	<b>67</b>	288
Other	45	<b>54</b>	20
<b>Total</b>	725	<b>794</b>	9

In Denmark, Dyrup delivered DIY revenue on a par with last year despite the continued decline in demand, partly reflecting a good wood care season in June. In PRO, revenue was 3% ahead due to the revenue in Hygæa. Excluding this, revenue was down due to a lower level of activity in the building sector. Overall, Dyrup reported 1% growth. Dyrup experienced an increased intake of new customers during the summer that will generate revenue already in the second half.

In France, Dyrup experienced a decline in DIY of around 6% that exceeded the general decline in the market. On the other hand, PRO was 2% ahead, outperforming the market and primarily reflecting success with new products and product programmes within, for example, termite protection.

In Germany, the success in 2009 was followed up by new product concepts and customers, resulting in marked progress in both DIY and PRO, despite the fact that the market declined in both channels.

Despite continued decline in the markets in the Iberian Peninsula in the first half, Dyrup delivered revenue on a par with 2009.

Revenue in Poland, excluding revenue in Malfarb, increased by 6% in Polish zloty, overall, driven by sound sales to DIY. Converted to Danish kroner, revenue was up 19%, as the Polish currency strengthened. Including Malfarb's revenue, the progress was significant.

Besides Austria, other markets include exports to a number of countries in the Far East, Africa and Europe. Revenue in the export markets was approx. 20% ahead, which is estimated to significantly exceed the development in the respective markets.

## Cash flows

Operating activities generated a cash outflow of DKK 112 million, which was slightly better than expected.

Partly due to the acquisition of Malfarb, cash flows for investing activities were significantly higher than in the first half of 2009, which was affected by the sale of the industrial activities and the acquisition of Hygæa.

Investments in property, plant and equipment in the first half were DKK 36 million and related primarily to the completion of the production facilities for water-based products in Denmark and the warehousing facilities in France.

Net interest-bearing debt was DKK 582 million compared with DKK 532 million at the end of the first half of 2009. The increase primarily reflected the acquisition of Malfarb.

Financial resources are still considered to be satisfactory to underpin Dyrup's continued development.

### **Balance sheet**

The balance sheet total of DKK 1.5 billion was higher than at the end of the first half of 2009, primarily reflecting the acquisition of Malfarb.

Equity stood at DKK 460 million, corresponding to an equity ratio of 32%.

### **Outlook for 2010**

Market declines are still expected, overall, in both DIY and PRO, even though a few markets showed a slightly positive trend in the second quarter.

Dyrup still expects the effects of its strategy work, including the acquisitions of Hygæa and Malfarb, to be able to generate growth in DIY/PRO revenue, and revenue growth of around 8% is anticipated compared to previously around 5%, reflecting the positive trend in the first half.

Operating profit is similarly now expected to be at least DKK 25 million, with a profit before tax, compared with previously operating profit of around DKK 25 million and a break-even result before tax.

<b>Financial highlights in DKK million</b>	Year	Q2	<b>2010</b>	H1	
	2009	2009		2009	2010
<b>Income statement</b>					
Revenue	1,394	438	<b>458</b>	784	<b>794</b>
Gross profit	573	190	<b>214</b>	328	<b>349</b>
Operating profit (loss) before special items	(20)	33	<b>62</b>	23	<b>63</b>
Special items	16	10	-	8	-
Operating profit (loss)	(4)	43	<b>62</b>	31	<b>63</b>
Net financing costs	(21)	(3)	<b>(6)</b>	(10)	<b>(12)</b>
Profit (loss) before tax	(25)	40	<b>56</b>	21	<b>51</b>
Profit (loss) after tax	(17)	30	<b>42</b>	16	<b>38</b>
<b>Balance sheet</b>					
Interest-bearing assets	92			31	<b>12</b>
Interest-bearing liabilities	455			563	<b>594</b>
Invested capital	871			1,074	<b>1,122</b>
Consolidated equity	431			462	<b>460</b>
Balance sheet total	1,219			1,392	<b>1,455</b>
<b>Cash flows</b>					
From operating activities	2	(18)	<b>(30)</b>	(136)	<b>(112)</b>
For investing activities**	34	28	<b>(21)</b>	6	<b>(85)</b>
From financing activities	109	119	<b>(7)</b>	158	<b>3</b>
Net increase (decrease) in cash and cash equivalents	145	129	<b>(58)</b>	28	<b>(194)</b>
** Portion relating to investment in property, plant and equipment	(90)	(26)	<b>(12)</b>	(46)	<b>(36)</b>
<b>Financial ratios (%)</b>					
Gross margin	41	43	<b>47</b>	42	<b>44</b>
Operating margin (EBIT margin)	(1)	8	<b>14</b>	3	<b>8</b>
Return on invested capital (ROIC)	(2)			*2	<b>*6</b>
*Not converted to full year figures					
Equity ratio	35			33	<b>32</b>