


23.11.10  
Stock Exchange Announcement No. 23, 2010

## Interim financial report – Q3 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 September 2010. The interim financial report is unaudited.

Søborg, 23 November 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.

CVR No. 12 61 79 17

Gladsaxevej 300  
2860 Søborg  
Denmark

## Interim financial report – 1 January to 30 September 2010

- **Monberg & Thorsen** reported third-quarter operating profit (EBIT) of DKK 48 million compared with DKK 56 million in 2009. YTD operating profit (EBIT) was consequently DKK 118 million compared with DKK 145 million in the same period in 2009. Profit before tax was DKK 119 million, corresponding to a pre-tax margin of 3%.
- **Dyrup** delivered third-quarter revenue and results in line with expectations. YTD operating profit was DKK 101 million and profit before tax DKK 83 million.
- **MT Højgaard**'s third-quarter results were lower than in 2009 due to the lower level of activity and the fact that market conditions remain difficult. YTD operating profit was DKK 47 million and profit before tax DKK 52 million.

**The full-year 2010 outlook** expressed in the interim financial report for the first half of 2010 is reaffirmed.

## THE GROUP

### Financial highlights for Monberg & Thorsen

DKK million	Q3			YTD		
	2009	2010	Change	2009	2010	Change
Revenue:						
Dyrup	392	<b>416</b>	6%	1,176	<b>1,210</b>	3%
MT Højgaard (46%)	1,017	<b>984</b>	-3%	3,008	<b>2,762</b>	-8%
	<b>1,409</b>	<b>1,400</b>	-1%	<b>4,184</b>	<b>3,972</b>	-5%
Operating profit (loss) (EBIT):						
Dyrup	20	<b>38</b>	18	51	<b>101</b>	50
MT Højgaard (46%)	38	<b>12</b>	-26	99	<b>22</b>	-77
Parent company	(2)	<b>(2)</b>	0	(5)	<b>(5)</b>	0
Operating profit (EBIT)	56	<b>48</b>	-8	145	<b>118</b>	-27
Profit before tax	42	<b>46</b>	4	148	<b>119</b>	-29
Profit after tax	31	<b>33</b>	2	109	<b>86</b>	-23

### Income statement

Overall, consolidated revenue was down 1% in the third quarter and 5% in the first three quarters of the year. As will be seen from the above, Dyrup delivered revenue growth, while MT Højgaard reported a decline in revenue.

At DKK 118 million, operating profit was DKK 27 million down on the first three quarters of 2009.

Operating profit in Dyrup showed a fair improvement again in the third quarter, and YTD operating profit was DKK 101 million, twice as much as in the same period in 2009.

Operating profit in MT Højgaard was down on last year, partly due to the lower level of activity and the previously announced postponement of a few large projects. The market remains difficult and characterised by subdued demand, intense competition for orders and pressure on prices. The individual areas' costs have been aligned to the development in the level of activity.

Net financing costs benefited from lower interest expense in Dyrup and higher interest income in the parent company.

At DKK 119 million and DKK 86 million respectively, YTD profit before and after tax were down on the same period in 2009.

**Dyrup** delivered third-quarter DIY/PRO revenue of DKK 416 million, up 6%, primarily reflecting the acquisition of Malfarb.

YTD, Dyrup delivered DIY/PRO revenue of DKK 1.2 billion, up 8%. The improvement benefited from the acquired Hygæa and Malfarb activities. Revenue was ahead in almost all countries, despite a negative YTD market trend.

Revenue in 2009 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 101 million compared with DKK 51 million in the same period in 2009. The 2009 result included special items amounting to net income of DKK 4 million from the sale of the industrial activities.

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

**MT Højgaard** delivered third-quarter revenue of DKK 2.1 billion, down 3% on the same period last year, and YTD revenue was consequently down 8%.

Operating profit was DKK 47 million compared with DKK 206 million YTD in 2009, and the result before tax was a profit of DKK 52 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. 22 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 activities generated a cash outflow of DKK 117 million, which was significantly lower than in the first three quarters of 2009. The lower cash flows related to MT Højgaard and the generally lower level of activity and results, whereas Dyrup's operating cash flows showed an improvement in 2009.

Investing activities absorbed DKK 64 million net compared with DKK 224 million in 2009. Investments in the period were affected by acquisitions and disposals of activities and purchase and sale of listed securities. Cash flows for investing activities can be broken down as follows:

DKK million	YTD	
	2009	2010
Net investments in non-current assets	114	89
Acquisitions and disposals of enterprises, etc.	(52)	39
Purchase and sale of listed securities	<u>162</u>	<u>(64)</u>
Total	<u>224</u>	<u>64</u>

Net investments in non-current assets were slightly lower than in the first three quarters of 2009.

YTD 2009 cash flows from acquisitions and disposals of enterprises were positive due to Dyrup's sale of its industrial activities. Investments in 2010 relate primarily to Dyrup's acquisition of Malfarb.

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

The Group's financial resources are still considered to be satisfactory.

## Balance sheet

At DKK 3.9 billion, the balance sheet total was on a par with 31 December 2009. There were no major changes in the balance sheet composition.

The Group's equity ratio was 42% compared with 38% at the end of 2009.

## 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 full-year 2010 outlook expressed in the interim financial report for the first half of 2010 is reaffirmed.

**The Group** consequently still anticipates revenue in the region of DKK 5.3 billion and profit before tax (pre-tax margin) of around 1.5%.

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 a revenue increase of around 8% and operating profit of at least DKK 25 million, with a positive result before tax.

**MT Højgaard** has reaffirmed its outlook of revenue in the region of DKK 8.5 billion and profit before tax (pre-tax margin) in the region of 1% to 2%.

## Other information

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

The financial calendar for 2011 will be issued separately after this interim financial report.

## 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 September 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 September 2010 and of the results of the Group’s operations and cash flows for the period 1 January - 30 September 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, 23 November 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

#### *Appendix: Financial highlights*

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

*Quarterly statements*

*Detailed statement – Third quarter 2010 and YTD – Dyrup A/S*

## Financial highlights

DKK million	Year 2009	YTD	
		2009	2010
<b>Income statement</b>			
Revenue:			
Dyrup	1,394	1,176	<b>1,210</b>
MT Højgaard (46%)	4,180	3,008	<b>2,762</b>
	5,574	4,184	<b>3,972</b>
Gross profit	891	742	<b>713</b>
Operating profit before special items	102	141	<b>118</b>
Special items, etc.	16	4	-
Operating profit (EBIT)	118	145	<b>118</b>
Net financing costs	8	3	<b>1</b>
Profit before tax	126	148	<b>119</b>
Profit after tax	103	109	<b>86</b>
<b>Balance sheet</b>			
Interest-bearing assets	859	790	<b>652</b>
Interest-bearing liabilities	427	435	<b>505</b>
Invested capital	1,257	1,337	<b>1,558</b>
Equity	1,568	1,572	<b>1,626</b>
Balance sheet total	4,076	4,121	<b>3,865</b>
<b>Cash flows</b>			
From operating activities	240	165	<b>(117)</b>
For investing activities**	(207)	(224)	<b>(64)</b>
From financing activities	100	98	<b>(7)</b>
Net increase (decrease) in cash and cash equivalents	133	39	<b>(188)</b>
** Portion relating to investments in property, plant and equipment (gross)	(199)	(114)	<b>(71)</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	11*	<b>8*</b>
Return on equity (ROE)	7	7*	<b>5*</b>
Equity ratio	38	38	<b>42</b>
*) Not converted to full-year figures			
<b>Share ratios (DKK per DKK 20 share)</b>			
Earnings per share (EPS)	29	30	<b>24</b>
Cash flow from operating activities	67	46	<b>(33)</b>
Book value	438	439	<b>454</b>
Market price	280	241	<b>310</b>
Mar price/book value	0.6	0.5	<b>0.7</b>
Market capitalisation in DKK million	1,004	864	<b>1,111</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	YTD	
	2009	2009	2010
<b>ASSETS</b>			
Intangibles	155	173	<b>184</b>
Property, plant and equipment	866	873	<b>902</b>
Investments	110	87	<b>123</b>
Total non-current assets	1,131	1,133	<b>1,209</b>
Inventories	501	489	<b>541</b>
Receivables	1,586	1,709	<b>1,463</b>
Cash and cash equivalents and securities	858	790	<b>652</b>
Total current assets	2,945	2,988	<b>2,656</b>
Total assets	4,076	4,121	<b>3,865</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,568	1,572	<b>1,626</b>
Non-current liabilities, provisions	103	101	<b>121</b>
Non-current liabilities, interest-bearing	264	210	<b>296</b>
Construction contracts in progress	703	649	<b>364</b>
Current liabilities, interest-bearing	164	225	<b>209</b>
Other current payables	1,274	1,364	<b>1,249</b>
Total equity and liabilities	4,076	4,121	<b>3,865</b>

Statement of comprehensive income (DKK million)	Year	YTD	
	2009	2009	2010
Foreign exchange adjustments, foreign enterprises	1	(5)	<b>4</b>
Value adjustments of hedging instruments	(5)	-	<b>(10)</b>
Tax on other comprehensive income	1	-	<b>2</b>
Comprehensive income recognised directly in equity	(3)	(5)	<b>(4)</b>
Profit for the period	103	109	<b>86</b>
Total comprehensive income	100	104	<b>82</b>

Statement of changes in consolidated equity (DKK million)	Year	YTD	
	2009	2009	2010
Start of period	1,468	1,468	<b>1,568</b>
Comprehensive income for the period	100	104	<b>82</b>
Dividend to shareholders	0	0	<b>(24)</b>
Buyback of treasury shares	-	-	<b>-</b>
End of period	1,568	1,572	<b>1,626</b>



## Quarterly statements

DKK million	Q1	Q2	2010 Q3	Q4	Total
<b>Income statement</b>					
Revenue:					
Dyrup	336	458	416		1,210
MT Højgaard (46%)	809	969	984		2,762
	1,145	1,427	1,400		3,972
<b>Operating profit (loss) (EBIT)</b>					
Dyrup	1	62	38		101
MT Højgaard (46%)	(1)	11	12		22
Parent company's operations, etc.	(2)	(1)	(2)		(5)
Total operating profit (EBIT)	(2)	72	48		118
Net financing costs	6	(3)	(2)		1
Profit before tax	4	69	46		119
Profit after tax	3	50	33		86
<b>Cash flows</b>					
From operating activities	(42)	(70)	(5)		(117)
For investing activities*	(113)	(12)	61		(64)
From financing activities	28	(31)	(4)		(7)
Net increase (decrease) in cash and cash equivalents	(127)	(113)	52		(188)
*Portion relating to investments in property, plant and equipment	(26)	(25)	(20)		(71)

DKK million	Q1	Q2	2009 Q3	Q4	Total
<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 (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 - Third quarter of 2010 and YTD

- The positive earnings trend in the first half continued in the third quarter.
- DIY/PRO revenue was 8% ahead of YTD 2009, primarily reflecting the acquisitions of Malfarb and Hygæa.
- Operating profit was DKK 101 million compared with DKK 51 million in 2009.
- The outlook for 2010 is reaffirmed.

The Dyrup Group delivered third-quarter DIY/PRO revenue of DKK 416 million compared with DKK 392 million in the third quarter of 2009, up 6%, primarily driven by the acquisition of Malfarb. YTD, DIY/PRO revenue was consequently 8% ahead of 2009. In 2009, consolidated revenue included DKK 59 million related to the industrial activities, which were sold on 30 April 2009.

YTD revenue increased in almost all countries, despite the fact that the season for outdoor products in Germany was significantly shorter than expected due to high levels of rainfall in the latter part of the third quarter and despite the negative YTD market trend in both channels.

In DIY, Dyrup reported a 2% increase in revenue, partly due to new customers in Germany and Denmark. In DIY, the market is estimated to have declined by around 2%. In PRO, the market is estimated to have declined by around 6%, whereas Dyrup reported an increase of around 1%, excluding the acquired Hygæa and Malfarb revenue. Including this revenue, PRO revenue was up around 17%.

The YTD operating result was a profit of DKK 101 million compared with a profit of DKK 51 million in the same period in 2009, which included positive non-recurring items of DKK 4 million net related to the sale of the industrial activities. The result is still slightly ahead of expectations due to the increase in revenue coupled with the fact that total expenses, excluding the Malfarb acquisition, have been held at the expected level. The integration of Malfarb is proceeding satisfactorily and in accordance with plans.

Net financing costs were in line with expectations. The result before tax for the period was a profit of DKK 83 million compared with a YTD 2009 profit of DKK 33 million, and the result after tax for the period was a profit of DKK 62 million compared with DKK 25 million in 2009.

## Market conditions

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

DKK million	YTD 2009	YTD 2010	Change %
Denmark	286	<b>291</b>	2
France	300	<b>296</b>	-1
Germany	191	<b>196</b>	3
Iberian Peninsula	234	<b>243</b>	4
Poland	38	<b>106</b>	276
Other	68	<b>78</b>	15
<b>Total</b>	<b>1,117</b>	<b>1,210</b>	<b>8</b>

In Denmark, Dyrup reported DIY revenue 7% ahead of last year, partly reflecting a good wood care season and the influx of new customers. In PRO, revenue declined in line with the general market due to the lower level of activity in the building sector. Dyrup reported overall growth of 2%.

In France, Dyrup experienced a decline in DIY of around 7% that exceeded the general decline in the market. On the other hand, PRO was 11% 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 an overall increase of 3% in DIY and PRO, despite the fact that the market declined in both channels. However, revenue was down in the third quarter due to high levels of rainfall and an early end to the season.

In the Iberian Peninsula, the Portuguese market improved in the third quarter, whereas the decline in the Spanish market continued. Overall, Dyrup delivered a 4% increase YTD, which is estimated to significantly exceed the general market trend.

Revenue in Poland, excluding Malfarb revenue, was up 3% in Polish zloty, overall, driven by sound sales to DIY. Converted to Danish kroner, revenue was up 7% due to the strengthened Polish currency. Including Malfarb's revenue, 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 23% ahead, which is estimated to significantly exceed the development in the respective markets.

### **Cash flows**

Operating activities generated a cash outflow of DKK 13 million, on a par with expectations.

Partly due to the acquisition of Malfarb, YTD cash flows for investing activities were significantly higher than in the same period in 2009, when cash flows were affected by the sale of the industrial activities.

Investments in property, plant and equipment amounted to DKK 52 million and related primarily to the completion of the production facilities for water-based products in Denmark and the warehousing facilities in France as well as the expansion of Malfarb's warehousing facilities.

Net interest-bearing debt was DKK 506 million compared with DKK 468 million at 30 September 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 1.4 billion was higher than at 30 September 2009, primarily reflecting the acquisition of Malfarb.

Equity stood at DKK 488 million, corresponding to an equity ratio of 35%.

### **Outlook for 2010 reaffirmed**

Dyrup still expects a revenue increase of around 8%, with operating profit of at least DKK 25 million and a profit before tax.

## Financial highlights for Dyrup A/S

Financial highlights in DKK million	Year	Q3		YTD	
	2009	2009	2010	2009	2010
<b>Income statement</b>					
Revenue	1,394	392	<b>416</b>	1,176	<b>1,210</b>
Gross profit	573	172	<b>189</b>	501	<b>538</b>
Operating profit (loss) before special items	(20) 16	24 (4)	<b>38</b> -	47 4	<b>101</b> -
Special items					
Operating profit (loss)	(4)	20	<b>38</b>	51	<b>101</b>
Net financing costs	(21)	(8)	<b>(6)</b>	(18)	<b>(18)</b>
Profit (loss) before tax	(25)	12	<b>32</b>	33	<b>83</b>
Profit (loss) after tax	(17)	9	<b>24</b>	25	<b>62</b>
<b>Balance sheet</b>					
Interest-bearing assets	92			19	<b>13</b>
Interest-bearing liabilities	455			488	<b>519</b>
Invested capital	871			1,018	<b>1,073</b>
Consolidated equity	431			470	<b>488</b>
Balance sheet total	1,219			1,342	<b>1,412</b>
<b>Cash flows</b>					
From operating activities	2	77	<b>99</b>	(59)	<b>(13)</b>
For investing activities**	34	(17)	<b>(22)</b>	(11)	<b>(107)</b>
From financing activities	109	(48)			<b>3</b>
Net increase (decrease) in cash and cash equivalents	145	12	<b>77</b>	40	<b>(117)</b>
**Portion relating to investments in property, plant and equipment	(90)	(17)	<b>(16)</b>	(63)	<b>(52)</b>
<b>Financial ratios (%)</b>					
Gross margin	41	44	<b>45</b>	43	<b>44</b>
Operating margin (EBIT margin)	(1)	6	<b>9</b>	4	<b>8</b>
Pre-tax margin	(2)			3	<b>7</b>
Return on invested capital (ROIC)	(2)			5*	<b>10*</b>
*) Not converted to full-year figures.					
Equity ratio	35			35	<b>35</b>