2002

MONBERG & THORSEN A/S

ANNUAL REPORT

Monberg & Thorsen A/S
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ANNUAL REPORT 2002

Please note.: In the event of any discrepancy between the meaning of the English language version and the Danish language version of the Report, the Danish version will prevail.

FINANCIAL HIGHLIGHTS FOR THE YEARS 1998-2002

DKKm	1998	1999	2000	2001	**2002**
Income statement					
Revenue					
Dyrup	1,528	1,595	1,642	1,670	**1,722**
MT Højgaard (46%)	3,226	3,167	3,601	4,041	**4,448**
Total revenue	4,754	4,762	5,243	5,711	**6,170**
Operating profit (loss) (EBIT)	227	209	407	80	**(45)**
Interest, net	(2)	(10)	26	18	**(21)**
Profit (loss) before tax	225	199	433	98	**(66)**
Profit (loss) after tax	154	131	365	71	**(78)**
Balance sheet					
Interest-bearing assets	542	303	773	493	**499**
Interest-bearing liabilities	616	487	576	776	**858**
Invested capital	1,607	1,767	1,297	1,603	**1,494**
Equity	1,533	1,583	1,494	1,321	**1,135**
Balance sheet total	3,388	3,509	3,488	3,618	**3,477**
Cash flows					
From operating activities	202	234	158	153	**147**
For investing activities	213	334	(866)	313	**136**
Of which in property, plant and equipment	166	141	137	216	**202**
From financing activities	(40)	(73)	(615)	(231)	**(87)**
Financial ratios (%)					
Operating margin	3.3	2.3	3.1	1.3	**(1.0)**
Return on average invested capital (ROAIC)	15	12	27	6	**(3)**
Return on equity (ROE)	10	8	24	5	**(6)**
Equity ratio	45	45	43	37	**33**
Share ratios (DKK per share)					
Earnings after tax	28	25	68	17	**(21)**
Cash flow from operating activities	36	42	29	37	**40**
Dividend	8	9	10	11	**9**
Net asset value	273	282	342	350	**317**
Market price	229	182	308	335	**340**
Market price/net asset value	0.8	0.6	0.9	1.0	**1.1**
Price/Earnings (P/E)	8	7	5	20	**-**
Payout ratio	29	36	15	59	**-**
Market capitalisation in DKKm	1,286	1,022	1,386	1,268	**1,287**
Number of employees					
Group companies	4,108	3,984	3,981	4,128	**4,050**

The ratios have been calculated in accordance with the guidelines of the Danish Society of Financial Analysts on the calculation of ratios.

DEFINITION OF RATIOS

Operating margin: $\frac{\text{(Operating profit less share of profits of associates) x 100}}{\text{Revenue}}$

Return on average invested capital (ROAIC): $\frac{\text{Operating profit x 100}}{\text{Average invested capital}}$

Return on equity (ROE): $\frac{\text{Profit after tax x 100}}{\text{Average equity}}$

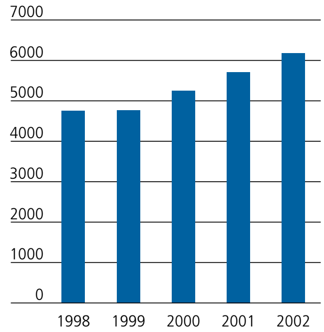
Equity ratio: $\frac{\text{Equity at year end x 100}}{\text{Total liabilities at year end}}$

Price/earnings (P/E): $\frac{\text{Market price at year end}}{\text{Earnings per share}}$

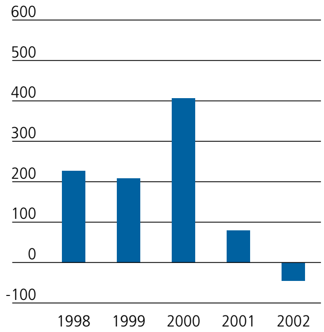
Payout ratio: $\frac{\text{Total dividend x 100}}{\text{Profit after tax}}$

Group financial highlights (DKKm)

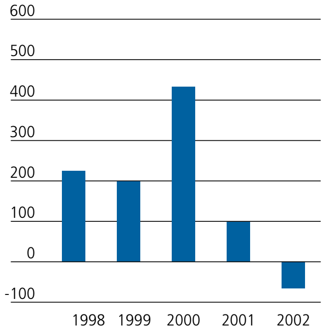
Revenue



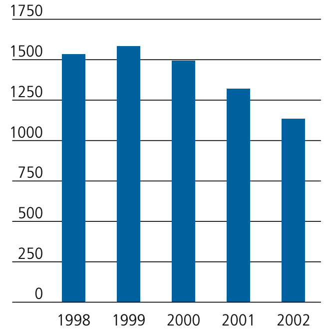
Operating profit



Profit before tax

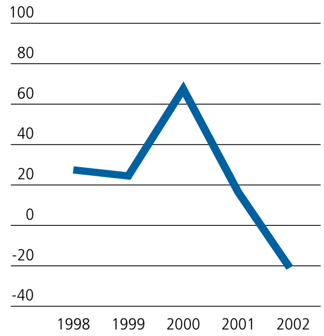


Equity

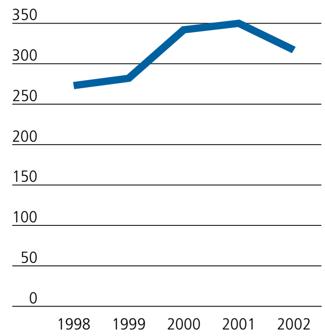


Share ratios (DKK per share)

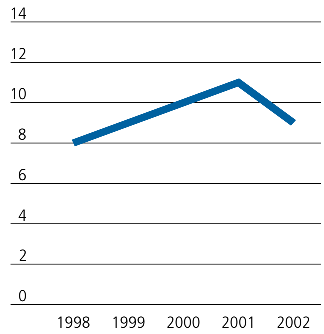
Earnings after tax



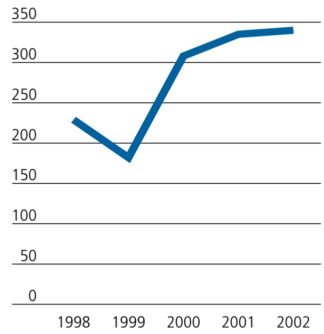
Net assets value



Dividend



Market price



THE GROUP, BUSINESS CONCEPT AND BUSINESS STRATEGY

MONBERG & THORSEN A/S
Share capital DKK 75.7 million

Dyrup A/S
Share capital DKK 100 million
(100%-owned)

MT Højgaard a/s
Share capital DKK 200 million
(46%-owned)

Other companies
(100%-owned)
Monberg & Thorsen Oil A/S
Palais Ostende A/S
Saabye & Lerche A/S
S&L Invest 1 A/S

Dyrup's subsidiaries are listed on page 29 of Dyrup's report.
MT Højgaard's subsidiaries are listed on page 51 of MT Højgaard' report.

BUSINESS CONCEPT

Creating value through long-term business development, mainly within building-related activities.

BUSINESS STRATEGY

Monberg & Thorsen is exercising active and significant influence on strategy, acquisition activities, management, management development and finance within its business areas. It is doing so through representation on the Supervisory Boards of the Group companies and by setting financial requirements and goals.

The Group is organised into a number of autonomous business units. Decentralised management of these, with extensive freedom of action, responsibility and authority, ensures optimum dynamism, result-orientation and motivation in each business area. The parent company's functions are taken care of by a small organisation.

Monberg & Thorsen is open to expansion of the circle of owners in the subsidiaries where this can underpin its commercial development and wants permanent ownership – unless it is deemed that a particular business area can be better developed under different ownership.

The Group comprises mainly building-related activities. The core areas are characterised by a strong market position in their respective sectors. Acquisitions will be made in related sectors only if this can be done on particularly favourable terms.

- Dyrup intends to continue growing significantly in the years ahead through organic growth and acquisitions or alliances.
- MT Højgaard will continue its development and efficiency improvements by focusing on profitable business areas with a view to independent listing when the company is ready for this, the stock market is favourable and there is a real need for listing.
- DENERCO OIL is continuing its strategic development.

SUPERVISORY BOARD AND EXECUTIVE BOARD

SUPERVISORY BOARD

Mogens Granborg, (1947)
Chariman
Executive Vice President,
Danisco A/S
(CSB) DSB

Hans Bennetzen, (1947)
Deputy Chairman
Group Chief Operating Officer,
Group 4 Falck A/S

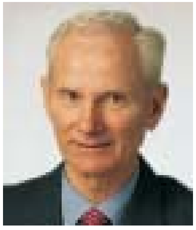
Jan Munkholm*, (1959)
Centre Manager, Dyrup A/S

Kristian Stausholm-Pedersen,
(1938)
Engineer

Jette Sørensen*, (1964)
Recruitment and Information
Consultant, Dyrup A/S

Henrik Thorsen, (1934)
M. Sc. (Eng.)

Gerrit Dirk Toet*, (1954)
Production Worker,
Dyrup A/S



Carsten Tvede-Møller, (1935)
Lawyer, Plesner Svane Grønborg
(MSB) Skandinavisk Tobakskompagni A/S

EXECUTIVE BOARD

Erik Søndergaard, (1945)
President
(CSB) DENERCO OIL A/S
(CSB) FORCE Technology
(MSB) A/S Dansk Erhvervsinvestering

CSB: Chairman of the Supervisory Board
MSB: Member of Supervisory Board
* Employee-elected representatives

THE YEAR 2002

- The full-year result after tax was a loss of DKK 79 million due solely to the strongly unsatisfactory share of MT Højgaard's result. The result is in line with the expectations expressed in our Stock Exchange Announcement dated 27 January 2003.

- **Dyrup** delivered satisfactory earnings growth. Pre-tax profit was DKK 116 million, up more than 6%.

- **MT Højgaards** result was a strongly unsatisfactory loss after tax of DKK 378 million due to a few loss-making contracts, of which the construction of the cement factory in Buxton in the UK was by far the largest.

- **The Group's oil interests** showed satisfactory progress as a result of the higher production volume and the increasing oil price.

- **Monberg & Thorsen** used DKK 70 million on buying own shares in 2002.

The development within the Group's core activities

Dyrup delivered satisfactory revenue growth of 3%, to DKK 1.7 billion, despite the fact that building activity across Europe stagnated or declined in 2002.

Dyrup's operating profit was DKK 139 million, up 14%. In the comparison, adjustment has been made for the non-recurring costs incurred in 2001. Similarly, pre-tax profit rose to DKK 116 million, up more than 6%. The smaller increase here is partly due to an unrealised foreign exchange loss of DKK 5 million under interest expense and similar items compared to a foreign exchange gain of DKK 2 million in 2001 on a currency loan.

The long-term business projects initiated in 2001 contributed to the positive profit development. The business projects are not expected to be fully implemented until in 2004.

MT Højgaard produced revenue of DKK 9.7 billion, up 10%. The result was a strongly unsatisfactory loss of DKK 378 million after tax. The main reason for the unsatisfactory result was the fact that the construction of the cement factory in Buxton was heavily loss-making. Write-downs and provisions in respect of this project eroded the result for 2002 by DKK 454 million. The international activities accordingly showed an operating loss of DKK 455 million against operating profit of DKK 7 million in 2001. The Danish activities generated operating profit of DKK 26 million, up from a loss of DKK 6 million in 2001. The result for the year was adversely affected by write-downs in MT Højgaard on a few projects and extra costs in connection with capacity adjustments, particularly in the fourth quarter. The main Danish subsidiaries developed satisfactorily in 2002.

Monberg & Thorsen's 46% share after tax was a loss of DKK 173 million. A more detailed financial review is given in the enclosed annual report for 2002 for MT Højgaard.

As a result of the unsatisfactory financial performance and the consequently lower equity and equity ratio, the owner companies have committed themselves to strengthening MT Højgaard's capital resources by DKK 300 million, of which Monberg & Thorsen's share amounts to DKK 138 million. The capital increase will be effected at MT Højgaard's Annual General Meeting in April 2003.

A strategy of focus and consolidation was initiated at the end of 2002. As part of the strategy several activities that have proved unprofitable will be discontinued. In addition, a number of strategic projects have been initiated that are intended to assist in ensuring a satisfactory earnings level for MT Højgaard.

Other Group companies

The Group's oil interests, which consist of a 12.5% stake in DENERCO OIL, developed favourably. The share of operating profit was DKK 20 million against DKK 7 million in 2001. After interest charges, pre-tax profit was DKK 17 million versus DKK 6 million in 2001.

The profit generated by DENERCO OIL was substantially ahead of expectations, partly due to acquisition of additional shares in the oil-producing Siri field, with consequently larger production, and partly to the generally rising oil price through the year.

The result of the parent company Monberg & Thorsen, including property interests, was on a par with expectations and lower than in 2001, partly due to buybacks of own shares, which reduces interest income.

THE FUTURE

For 2003 the Group is expected revenue to fall to about DKK 5.7 billion. Group profit after tax is expected to be DKK 90-110 million.

The relatively low profit expectations are primarily due to uncertainty about the general economic trend, and also to uncertainty related to the financial performance of MT Højgaard.

The expectations are based on stable interest rate and exchange rate levels and on the following assumptions for each company.

Dyrup expects a difficult market conditions with consequently fierce competition and pressure on earnings. There is thus still considerable uncertainty with respect to the economic outlook in Europe, and economic growth is not expected until at least the end of 2003, and probably not until 2004.

Dyrup's market is expected to stagnate or show a slightly downward trend. Despite this Dyrup expects modest growth in revenue on a par with the growth for 2002, and similar earnings growth.

Operating margin and return on invested capital are expected to increase still further as a result of the long-term strategy projects initiated in 2001.

In **MT Højgaard**, the completed amalgamation process forms the basis for the continued development in 2003, and realisation of the initiated strategy of focus. The focus on the measures aimed at improved profitability is essential for the entire organisation. The measures are intended to ensure considerable improvements with respect to efficiency and risk management, and thus also earnings.

The general expectations concerning the development in the Danish building and civil engineering market are that there will be a relatively modest fall in the level of activity in 2003. However, the market forecasts are subject to some uncertainty and depend to a great extent on the development in the global economy.

The market outlook, the order book and the order opportunities currently being pursued provide the basis for expectations of revenue of about DKK 8.5 billion in 2003. The decline in the level of activity compared with 2002 is a consequence of the new strategy of focus and the organisational adjustments implemented at the end of 2002 and the subdued market outlook for 2003.

The full effect of the measures initiated with a view to improving profitability will not be felt in 2003. This, coupled with the usual seasonal fluctuations, gives grounds for expecting a negative result for the first part of 2003. Given the generally uncertain market conditions, the full-year result is expected to be a profit of about DKK 50 million before tax.

Other Group companies

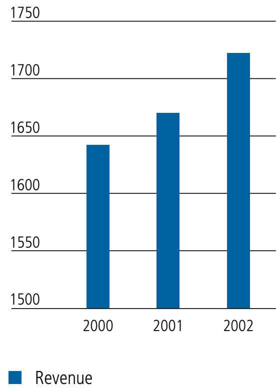
The result from the oil interests is expected to be at a level with the 2002 figure.

The parent company Monberg & Thorsen, including property interests, is expected to generate a lower result in 2003, partly as a result of the buybacks of own shares, and partly as a consequence of the DKK 138 million capital injection in MT Højgaard.

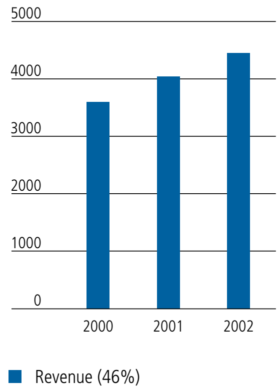
CORPORATE GOVERNANCE

The Supervisory Board is still of the opinion that the key recommendations in the Nørby Committee's report on Corporate Governance are already being practised in the management of the Monberg & Thorsen Group.

Dyrup (DKKm)

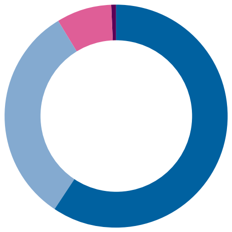


MT Højgaard (DKKm)

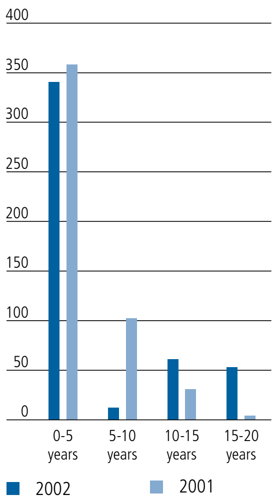


FINANCIAL RISKS

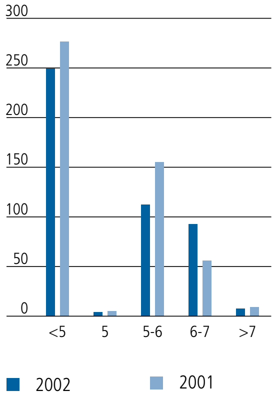
Bond portfolio by coupon



Long-term liabilities
Remaining term and principal (DKKm)



Long-term liabilities
Interest including charges and principal (DKKm)



The Monberg & Thorsen Group's main financial risks can be divided into currency risks and interest rate risks. These risks are hedged locally by the individual subsidiaries. Detailed information about the financial risks of the Dyrup Group and the MT Højgaard Group is given in their annual reports.

The Group's total credit risks are not regarded as unusual, and credit risks are generally managed by regular assessment of major customers and business partners. Risks on other counterparties than banks are minimised to some extent by means of guarantees according to individual assessment of each counterparty. Likewise, the Group's cash flow risks are regarded as insignificant, as cash funds and securities are placed on short-term fixed-term deposit and in Danish bonds. To this should be added sufficient undrawn committed credit facilities and continuous dialogue with the Group's financing sources.

Currency risks
The companies have made limited use of options and forward contracts as the only financial instruments to hedge currency risks. Such instruments are used solely for hedging operating activities.

The Group aims to avoid major losses on exchange rate fluctuations. Both realised and budgeted positions are hedged, although depending on the reliability of the budgets. The Group normally uses forward contracts and currency loans/deposits as a hedge.

Investments in foreign subsidiaries and associates are not normally hedged. Most of the foreign subsidiaries are based in European countries that have joined the European Monetary Union.

As in 2001, the Group's revenue in foreign currencies amounted to DKK 1.7 billion, corresponding to 27% of total Group revenue. Revenue in EUR represented DKK 1.4 billion of this figure, equal to 81% of total foreign revenue.

At the end of the year, the Group had the following open net positions in DKKm ('( )' denotes net debt):

Currency	Net position	Hedged
EUR	58	64
NOK	8	0
PLN	9	0
SEK	3	2
USD	6	(8)
Others	(2)	(1)

Only receivables and budgeted income have been hedged. At the end of 2002 the market and contract value of the Group's forward contracts was DKK 10 million and the average remaining term was 14 months.

Interest rate risks
In 2002 the Group's net liquidity was placed in bonds and on short-term deposit with major banks. The interest risks are therefore mainly related to the development in the Danish interest rate level.

Long-term loans consist primarily of fixed-interest, bullet loans. Long-term loans, including mortgage debt on the Group's properties, are closely monitored with a view to continuous improvement.

Bonds
The bond portfolio consists solely of Danish mortgage credit bonds and government bonds listed on the Copenhagen Stock Exchange. Bonds are recognised at market value at year end. Realised and unrealised gains and losses are recognised in the income statement. In 2002 the carrying amount of the bond portfolio was reduced by DKK 69 million to DKK 203 million.

The duration of the portfolio remained unchanged at 1.3 years at the end of 2002. The duration has been calculated on the basis of the durations calculated by the Copenhagen Stock Exchange. At the end of 2002 a one percentage point interest rate change would have led to a DKK 3 million change in the carrying amount of the bond portfolio.

Long-term liabilities
The Group's long-term liabilities other than provisions are split up between various, mainly Danish credit institutions. Except for DKK 54 million, the loans are all convertible, allowing further restructuring.

CORPORATE GOVERNANCE

In elections to the Supervisory Board in both the parent company and the subsidiaries efforts are made to ensure a professionally composed Supervisory Board that, collectively, possesses the necessary knowledge and experience of Board work as well as knowledge of social, commercial and cultural factors in the markets in which the Group has its primary business activities. Efforts are also made to achieve a balanced composition for the Board with respect to age.

In connection with the election of new members to the Supervisory Board, the Chairman of the Supervisory Board interviews the selectively chosen candidate in order to ensure that the profile suits the vacant seat.

There are no formal requirements about the number of other Supervisory Board seats the individual Board members may hold, but when elected it is pointed out to new Board members that it is important for them to ensure that they have sufficient time for their duties and that they perform them diligently and conscientiously. In Monberg & Thorsen's experience, Board members are rarely absent from Board meetings.

According to the Supervisory Board's rules of procedure, Board members must retire not later than at the first General Meeting following their 70th birthday.

According to the company's Articles of Association, two Board members retire by rotation each year. In practice, this means that Board members are up for election at least every three years. Retirement from the Board is not dependent on the term of office.

A total of seven Board meetings have been held since the Annual General Meeting. At the present time, seven Board meetings are planned for the coming year. In accordance with the Board's rules of procedure a minimum of six Board meetings are held between Annual General Meetings.

The tasks, duties and responsibilities of the Chairman and Deputy Chairman of the Supervisory Board are described in the rules of procedure, which are reviewed annually.

To assist in the Supervisory Board's supervision of the company's activities the Executive Board prepares a detailed report on the Group companys' activities for each Board meeting, which is sent to the members of the Supervisory Board together with the notice of meeting. The report includes information about essential developments in the Group's cash flow, order book, guarantee commitments, significant transactions, financing and significant risks.

At each meeting of the Supervisory Board, the Executive Board reports, on the basis of the issued report, on the Group operations since the last meeting of the Supervisory Board.

The Supervisory Board also ensures that the Executive Board presents at least once a year at a Board meeting a report on the market situation and other special factors in the sectors in which the subsidiaries operate.

DYRUP AND MT HØJGAARD

After the structural changes implemented in the last few years, the primary activities of the Monberg & Thorsen Group consist of Dyrup, which is wholly-owned, and MT Højgaard, in which the Group has a 46% interest. Both companies are engaged in building-related activities, but with different representation in the market.

In line with the financial reporting trend towards significantly more segment information, the annual reports of Dyrup and MT Højgaard are enclosed, like last year, and should be regarded as an integral part of Monberg & Thorsen's annual report.

As in previous years, a segment overview is included on page 32. For detailed information about these two companies, reference is made to the enclosed annual reports.

OTHER GROUP COMPANIES

Highlights (DKKm)	2000	2001	2002
Pre-tax profit	12	6	17
Share capital (nom.)	5	5	5
Equity	22	25	37
Equity ratio	98%	32%	31%

Supervisory Board

Erik Søndergaard, President (Chairman)
Jørgen Nicolajsen, Vice President, Finance
Birgitte Svenningsen, Chief Accountant

Executive Board

Jørgen Nicolajsen

MONBERG & THORSEN OIL A/S (100%)

Monberg & Thorsen Oil A/S participates with a 50% interest in Danish Petroleum Enterprise I/S, which owns 25% of the share capital in DENERCO OIL.

Pre-tax profit was DKK 17 million, corresponding to the proportionate share of the profit of DENERCO OIL, reduced by amortisation of the goodwill paid in connection with the doubling of the shareholding in 2001 and reduced by interest expenses to finance the acquisition.

For 2003 Monberg & Thorsen Oil A/S expects a profit in line with 2002.

DENERCO OIL's profit for the year was DKK 117 million, up from DKK 55 million in 2001. Profit for the year was substantially higher than originally anticipated as a result of the generally increasing oil price and acquisitions of additional shares in the oil-producing Siri field. The result is considered satisfactory.

DENERCO OIL had the following oil and gas-producing fields in 2002:

- The Syd Arne field, in which DENERCO OIL has a 6.6% stake. During the year one additional production well and three water injection wells were drilled.

- The Siri field with Stine Segment 1 & 2, in which the differences in the ownership percentages in the three fields were equalised during the year. DENERCO OIL thus now owns 20% of the entire licence.

- The Lulita field, in which the installation of a water treatment plant is being considered. The interest was increased to 28.2% during the year.

In addition, DENERCO OIL participates in three fields in which oil and gas deposits have been found. Two of the fields are expected to go on stream in 2003: the Nini oil find, in which the stake is 30%, and the Cecilie oil find, in which the stake is 61%. To this should be added participation in the Amalie gas field, in which DENERCO OIL has a 29.9% interest. Production from the latter is expected to commence at the end of 2006 at the earliest.

An agreement was entered into during the year with the Siri joint venture on the commercial terms for tie-in of the Nini and Cecilie fields with the Siri platform's processing, storage and exporting facilities, and development has been initiated.

DENERCO OIL still has a 50% interest in and the operatorship of a German offshore exploration licence, and still has a 15% interest in a licence in the British sector of the North Sea. At the end of the year, DENERCO OIL also had rights in ten licences in the Danish sector of the Central Graben with adjoining areas.

As part of its strategic development, efforts are still going on to ensure that DENERCO OIL will be ready for listing in 2004, although no decision has yet been made as to when the company will actually be listed.

DENERCO OIL expects higher oil production in 2003 than in 2002. The start-up date for oil production from the Nini and Cecilie fields will be decisive for oil production and thus the size of the profit for 2003. However, it is assumed that the oil price level will be lower than the level through most of 2002. Against that background and as a result of the considerable investments made, pre-tax profit on a par with 2002 is expected for 2003.

DENERCO OIL's investments in 2003 are expected to total about DKK 1 billion, which will be financed via cash flows generated from operations and from committed credit facilities.

PALAIS OSTENDE A/S (100%)

Palais Ostende A/S is a property company that owns and manages three properties in prime locations in the Østerbro district of Copenhagen. The properties are used for residential and office lettings. One property that was undergoing alterations was sold during the year.

Total property income was DKK 11 million, and pre-tax profit was DKK 5 million, up from DKK 4 million in 2001. A slightly higher profit than in 2002 is expected in 2003.

The properties in the company's property portfolio are accounted for as investment properties, and no book depreciation is therefore charged. No value adjustments of the properties have been carried out in the preceding years, and no value adjustments are expected to be carried out in 2003.

Highlights (DKKm)	2000	2001	2002
Pre-tax profit	5	4	5
Share capital (nom.)	36	36	36
Equity	90	92	95
Equity ratio	54%	56%	57%

Supervisory Board
Erik Søndergaard, President (Chairman)
Jørgen Nicolajsen, Vice President, Finance
Birgitte Svenningsen, Chief Accountant

Executive Board
Jørgen Nicolajsen

SAABYE & LERCHE A/S (100%)

The company's core activity is investment in engineering and contracting companies. The company owns 19.5% of the share capital of Ove Arkil Holding A/S.

The company delivered a break-even result for 2002, and equity at 31.12.02 stood at DKK 0.8 million. A break-even result is also expected for 2003.

Supervisory Board
Erik Søndergaard, President (Chairman)
Jørgen Nicolajsen, Vice President, Finance
Birgitte Svenningsen, Chief Accountant

Executive Board
Jørgen Nicolajsen

S&L INVEST 1 A/S (100%)

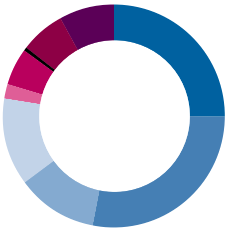
Pre-tax profit for the year was DKK 0.2 million, and equity at 31.12.02 stood at DKK 0.7 million. A small profit is expected for 2003, as the company is currently not engaged in any activities.

Supervisory Board
Erik Søndergaard, President (Chairman)
Jørgen Nicolajsen, Vice President, Finance
Birgitte Svenningsen, Chief Accountant

Executive Board
Jørgen Nicolajsen

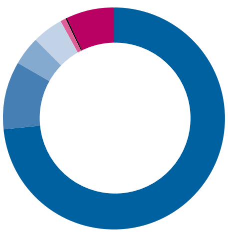
SHAREHOLDER INFORMATION

Share capital by group of shareholders



- Ejnar og Meta Thorsens Fond (25.1%)
- Founder families (28.0%)
- LD (11.8%)
- ATP (12.7%)
- Institutional investors (2.1%)
- Own shares (5.4%)
- Employees (0.5%)
- Others (6.5%)
- Not registered (7.9%)

Votes by group of shareholders



- Ejnar og Meta Thorsens Fond (73.5%)
- Founder families (9.9%)
- LD (4.2%)
- ATP (4.5%)
- Institutional investors (0.8%)
- Employees (0.2%)
- Others (6.9%)

Ownership

The company has around 1,000 registered shareholders.

Shareholders according to Section 28(a) of the Danish Companies Act:

Torben Monberg, Fredensborg
Ejnar og Meta Thorsens Fond, Copenhagen
Danish Labour Market Supplementary Pension Fund (ATP), Hillerød
LD Pensions, Copenhagen

Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for about 20% of the total share capital. Ejnar og Meta Thorsens Fond is a commercial foundation, the sole object of which is to work for the furtherance of socially beneficial objectives in Denmark or abroad. There are no constraints in the foundation instrument in relation to ownership of shares in Monberg & Thorsen A/S or its subsidiaries. The foundation has advised the Supervisory Board that it wants to be a stable shareholder in the company and does not at present wish to relinquish its voting rights.

The Supervisory Board considers the ownership structure to be appropriate in view of the Group's present size and market value, with the stable ownership structure securing the long-term value generation. The ownership structure does not prevent continued development of the Group.

At 31.12.02 the members of the Supervisory and Executive Boards held 99,538 nos. B shares in Monberg & Thorsen A/S, corresponding to a market value of DKK 33.8 million. The members of the Supervisory and Executive Boards do not hold either options or warrants.

According to the Group's internal rules for trading in securities issued by the company, the members of the company's Supervisory and Executive Boards may buy and sell such securities only for a period of up to six weeks following the publication of the preliminary announcement and interim reports.

Annual General Meeting

At the Annual General Meeting on 21 May 2002, a decision was taken to change the company's name from Monberg & Thorsen Holding A/S to Monberg & Thorsen A/S.

The Annual General Meeting will be held on 30 April 2003 at 5pm at Industriens Hus, H.C. Andersens Boulevard 18, Copenhagen V. The Annual General Meeting will be convened with at least two weeks' notice in accordance with the company's Articles of Association.

Dividend

Dividends on shares registered with the Danish Securities Centre will be paid automatically four banking days after the Annual General Meeting.

At the Annual General Meeting the Supervisory Board will propose that a dividend of DKK 9 per DKK 20 share be paid.

Share capital

The company's share capital amounts to DKK 75,700,000 divided into

A shares:	
768,000 shares of	
DKK 20 each	= DKK 15,360,000
B shares:	
3,017,000 shares of	
DKK 20 each	= DKK 60,340,000

Own shares

At 31.12.02, Monberg & Thorsen A/S's holding of own shares consisted of 202,645 nos. B shares.

According to the company's rules for buying and selling own shares, the periods in which the company may not buy or sell own shares include the three weeks preceding the publication of the preliminary announcement and interim reports.

No subsidiary holds shares in Monberg & Thorsen.

The Monberg & Thorsen share

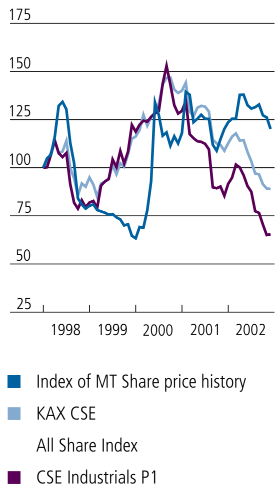
At the end of 2002 the share price was 340, 1.5% up on the previous year. A total of 0.7 million shares were traded in 2002.

Announcements to the Copenhagen Stock Exchange

The following announcements were sent to the Copenhagen Stock Exchange in 2002:

1.	22.03.02	MT Højgaard's preliminary announcement for 2001
2.	22.03.02	Monberg & Thorsen's preliminary announcement for 2001
3.	25.03.02	Management reshuffle in MT Højgaard
4.	11.04.02	New Chairman of the Supervisory Board of MT Højgaard
5.	22.04.02	MT Højgaard's annual report 2001
6.	22.04.02	Dyrup's annual report 2001
7.	07.05.02	Agenda for Monberg & Thorsen's Annual General Meeting
8.	07.05.02	Monberg & Thorsen's annual report 2001
9.	21.05.02	MT Højgaard's interim report, Q1 2002
10.	21.05.02	Monberg & Thorsen's interim report, Q1 2002
11.	21.05.01	Minutes of Annual General Meeting
12.	30.08.02	MT Højgaard's interim report, 6 months 2002
13.	30.08.02	Monberg & Thorsen's interim report, 6 months 2002
14.	09.09.02	Announcement concerning holding of own shares
15.	04.10.02	Announcement concerning holding of own shares
16.	18.11.02	MT Højgaard's interim report, Q3 2002
17.	18.11.02	Monberg & Thorsen's interim report, Q3 2002
18.	20.12.02	Statement of shareholdings

Index share price 1998-2002
31.12.97 = Index 100



Information policy

Monberg & Thorsen's information policy is for all stakeholders to receive all price-relevant information on the Group and its companies at suitable intervals in a timely and efficient manner within the framework of the Copenhagen Stock Exchange code of ethics. One of the ways in which this will be ensured is by means of updated websites, publication of interim reports and the holding of meetings for investors and financial analysts.

In order to ensure compliance with the Copenhagen Stock Exchange rules, it has been decided that, for a period of three weeks before a planned interim report, Monberg & Thorsen:

- will not comment on analyst reports
- will not discuss the Group's financial position with investors and analysts
- will not participate in meetings with investors and financial analysts.

Financial calendar for 2003

Annual General Meeting	30.04.03
Payment of dividend	06.05.03

Expected dates of announcement of financial results:

Q1 2003	28.05.03
6 months 2003	27.08.03
Q3 2003	27.11.03

Monberg & Thorsen Group
Market price and net asset value (DKK)

FINANCIAL REVIEW AND PROFIT APPROPRIATION

The annual report of the parent company and the Group has been prepared in continuity of previous years in accordance with the accounting policies set out on page 19-21. As a consequence of the new Danish Financial Statements Act the accounting policies have been changed with respect to recognition of dividend, financial assets and liabilities and derivatives. The effect of the changes on profit for the year is insignificant. The changes have increased equity at 01.01.02 by DKK 42 million and equity at 31.12.02 by DKK 33 million.

In addition, a few editorial adjustments have been made that have no effect on the assessment of the present annual report.

As in 2001, MT Højgaard is pro rata consolidated with 46% corresponding to the interest in the jointly managed company. In the comparative figures for 2000 and previous years the realised figures for the former contracting company Monberg & Thorsen A/S are consolidated 100%.

Related parties

Basically, there is no significant trading between Dyrup and MT Højgaard. Bids are, however, obtained from other sister subsidiaries in connection with new building projects and/or major maintenance works. If a sister subsidiary makes the best bid, it is awarded the contract. The scope of this trade is limited. These intra-Group transactions across the sectors are not eliminated in the consolidated financial statements because the works/services are supplied at market prices and in competition with other suppliers within the sector in question.

Income statement

Group revenue was DKK 6.2 billion, 8% ahead of 2001. The change in revenue can be broken down as follows:

	Change %	Revenue DKKm	Share %
Dyrup	+3	1,722	28
MT Højgaard (46%)	+10	4,448	72
Total	+8	6,170	100

Dyrup's revenue outside Denmark still represents 78%. Total international revenue amounts to DKK 2.0 billion, corresponding to one third of revenue, which is the same as in 2001.

The operating profit can be broken down as follows:

Operating profit (loss) (DKKm)	2001	2002
Dyrup before non-recurring costs	122	139
MT Højgaard (46%)	2	(200)
Oil interests	7	20
Parent company and property interests	(5)	(4)
Ordinary operating profit (loss)	126	(45)
Non-recurring costs in Dyrup	(46)	-
Net operating profit (loss)	80	(45)

The operating result was a loss of DKK 45 million, compared with profit of DKK 126 million in 2001 before recognition of non-recurring costs for long-term strategy projects in Dyrup. The development in the result was due to the share of MT Højgaard's loss. Dyrup made good progress of 14% despite the difficult market conditions, partly due to the initiated strategy projects.

The result before tax and non-recurring costs was a loss of DKK 66 million. The result can be broken down as follows:

Profit (loss) before tax (DKKm)	2001	2002
Dyrup before non-recurring costs	109	116
MT Højgaard (46%)	3	(204)
Oil interests	6	17
Parent company and property interests	26	5
Ordinary profit (loss) before tax	144	(66)
Non-recurring costs in Dyrup	(46)	-
Net profit (loss) before tax	98	(66)

As will be seen, Dyrup realised a profit increase of DKK 7 million, up more than 6%. The profit share from the oil interests showed satisfactory progress. As expected, the result for the parent company and the property interests was substantially lower than in 2001, partly due to the substantial acquisitions of own shares and the continued fall in the interest rate level.

As will be seen from note 9, the effective tax rate for the year was -18%, mainly because it is not possible to establish joint taxation with MT Højgaard, which is only partly owned by the Group. The substantial loss on MT Højgaard's international operating activities resulted in a considerably lower tax value of the loss for the year and MT Højgaard therefore realised an effective tax rate of 15%.

An effective tax rate of 32% is expected for 2003.

Balance sheet
The balance sheet total was on a par with 2001, whereas the equity ratio fell from 37% to 33%. The fall is due mainly to buybacks of own shares to a value of DKK 70 million as these are valued at nil in the balance sheet, but also to the negative development in the result.

Property, plant and equipment remained at an unchanged level, partly due a generally lower investment level.

Unlike previous years, the share of the net value of work in progress at MT Højgaard has become an asset against normally a net liability. This is partly due to the fact MT Højgaard has undertaken the financing of three major contracts.

Group cash flow statement
The cash flows from operating activities remained at the same level as in 2001, partly due to a favourable development at Dyrup and the fact that the share of MT Højgaard's loss was affected by substantial provisions on contracts in progress. Total net investments amounted to DKK 136 million compared with DKK 313 million in 2001.

Financing activities generated a cash outflow again in 2002, partly because DKK 70 million was used to buy own shares.

The Group's total liquid resources amounted to DKK 107 million, to which should be added undrawn credit facilities. The financial ressources are deemed to be at a satisfactory level in view of the existing strategies for the Group enterprises and for the Group as a whole.

Financial instruments
The Monberg & Thorsen Group's activities entail the use of financial instruments in both Danish kroner and foreign currencies, comprising receivables and payables, securities, and deposits, credit and loans with banks.

The primary financial instruments included in the balance sheet are basically measured at market value. The Group makes limited use of secondary financial instruments, and these are, as a rule, limited to options and forwards.

More details on financial risks are given in the section on financial risks.

Ratios
Almost all ratios fell considerably compared with 2001. The development was adversely affected by the negative result share from MT Højgaard, which overshadows the progress in Dyrup among other members of the Group. The ratios for Dyrup developed favourably despite the difficult market conditions, and reference is made to the enclosed annual report for Dyrup.

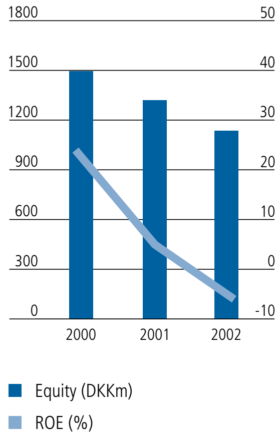
Profit appropriation and dividend policy
The Supervisory Board proposes that the result for the year, a loss of DKK 78.9 million, be transferred to reserves and revaluation reserves.

A dividend to shareholders of DKK 9 per DKK 20 share is proposed, corresponding to DKK 32.2 million in total, which will be reserved as proposed dividend under equity.

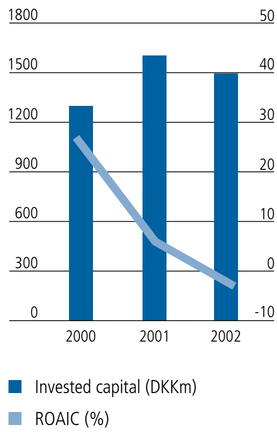
As a result of the loss for the year, the dividend per share has been reduced from DKK 11 to DKK 9 per share. The payment equals a direct return of 3% in relation to the current market price of about 300, and the return thus largely corresponds to the short-term interest rate. The dividend will be paid despite the realised loss, as the Supervisory Board has confidence in the business strategy initiated by MT Højgaard. The dividend level should also be viewed in the light of the buybacks of own shares in 2002 that are expected to be used for a reduction of the share capital. As in 2001, no reservation has been made in respect of dividend payable on the holding of own shares.

Monberg & Thorsen will continue to endeavour to pay dividend of 30-50% of the profit before value adjustments but after tax. Distribution of dividend will be made with due consideration for the Group's financial position, investment opportunities and cash flow. The Group expects to buy back own shares again in 2003.

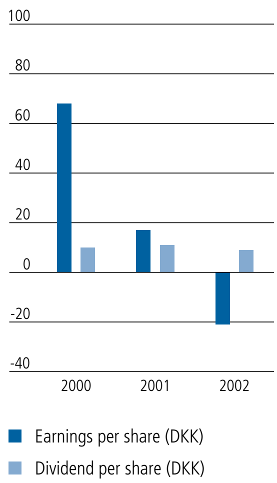
Monberg & Thorsen Group
Equity and ROE



Monberg & Thorsen Group
Invested capital and ROAIC



Monberg & Thorsen Group
Earnings and Dividend per share



MANAGEMENT'S STATEMENT AND INDEPENDENT AUDITORS' REPORT

STATEMENT BY THE SUPERVISORY AND EXECUTIVE BOARDS

The Supervisory and Executive Boards of Monberg & Thorsen A/S have today considered and approved the annual report for 2002.

The annual report has been prepared in accordance with the Danish Financial Statements Act, Danish accounting standards and the Copenhagen Stock Exchange financial reporting requirements for listed companies. We consider the accounting policies applied to be appropriate. Accordingly, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities, financial position and result and of the Group's cash flows.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 26 March 2003

Executive Board	**Supervisory Board**		
Erik Søndergaard *President*	Mogens Granborg *Chairman*	Hans Bennetzen *Deputy Chairman*	
	Jan Munkholm	Kristian Stausholm-Pedersen	Jette Sørensen
	Henrik Thorsen	Gerrit Dirk Toet	Carsten Tvede-Møller

INDEPENDENT AUDITORS' REPORT

To the shareholders of Monberg & Thorsen A/S

We have audited the annual report of Monberg & Thorsen A/S for the financial year 1 January - 31 December 2002.

The annual report is the responsibility of the company's Executive and Supervisory Boards. Our responsibility is to express an opinion on the annual report based on our audit.

Basis of opinion
We conducted our audit in accordance with Danish auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Executive and Supervisory Boards, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2002 and of the results of the Group's and the parent company's operations and the Group's cash flows for the financial year 1 January - 31 December 2002 in accordance with the Danish Financial Statements Act and Danish accounting standards.

Copenhagen, 26 March 2003

KPMG C.Jespersen

Jørgen Peter Bærentsen
State-authorised Public Accountant

Grant Thornton
Statsautoriseret Revisionsaktieselskab

Svend Ørjan Jensen
State-authorised Public Accountant

ACCOUNTING POLICIES

General

The annual report has been prepared in accordance with the provisions applying to class D enterprises under the Danish Financial Statements Act, operative Danish accounting standards and the Copenhagen Stock Exchange financial reporting requirements for listed companies.

The accounting policies have been changed as follows as a result of the new Danish Financial Statements Act:

- Proposed dividends are recognised as a separate item under equity. Previously, dividends were recognised as a liability. The change has increased equity at 31.12.01 by DKK 42 million and equity at 31.12.02 by DKK 32 million.
- Financial assets and liabilities are measured at amortised cost, whereas, previously, they were measured at nominal value. The change has not affected result for the year or equity at 31.12.02.
- Derivatives financial instruments are recognised initially at cost at the transaction date and subsequently at fair value at the balance sheet date. If the instruments are designated as hedges of future transactions, value adjustments are recognised directly in equity until the hedged item is realised. Previously, the value of derivative financial instruments designated as hedges of future transactions was not recognised in the financial statements until the hedged item was realised. The change has increased equity at 31.12.02 by DKK 1 million.

The comparative figures have been restated to reflect the change in accounting policy with respect to recognition of dividends. The comparative figures have not been restated to reflect the other changes, as the effect of these is insignificant.

Apart from these changes and a few editorial changes, including new terminology, the accounting policies have not been changed in 2002.

Consolidated financial statements

The consolidated financial statements comprise the parent company Monberg & Thorsen and subsidiaries in which the Group holds, directly or indirectly, more than 50% of the voting rights or which it controls in some other way including jointly managed companies, which are consolidated on a pro rata basis in the conslidated financial statements.

Enterprises in which the Group holds, directly or indirectly, between 20% and 50% of the voting rights are accounted for as associates. These enterprises are not included in the consolidation.

The consolidated financial statements have been prepared on the basis of audited financial statements prepared in accordance with the Group's accounting policies by aggregation of identical accounting items and elimination of intra-Group accounting items and unrealised profits/losses.

The profits/losses of enterprises acquired or disposed of during the year are recognised in the income statement for the period of ownership. Comparative figures are not restated to reflect enterprises disposed of or enterprises added by acquisition or merger, but information is given in under Management's review.

On acquisition of enterprises, the purchase acquisition method is, as a rule, applied whereby the identifiable assets and liabilities of the acquired enterprises are restated at their fair values at the date of acquisition. Provision is made for costs related to restructuring of the acquired enterprise adopted and announced in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account. Any premium paid over and above the fair market value of the acquired assets and liabilities, including restructuring provisions, is capitalised as goodwill and amortised systematically in the income statement on the basis of individual assessment of the estimated useful life of the asset up to a maximum of 20 years. Where the cost is lower than the fair market value, reflecting unexpected unfavourable development in the enterprises in question, the negative goodwill is recognised in the balance sheet under deferred income and recognised in the income statement as the unfavourable development materialises.

Goodwill and negative goodwill from acquired enterprises may be adjusted until the end of the year following the acquisition.

Joint ventures

A joint venture is an enterprice that is jointly controlled together by one or more other companies and in which none of the partners has a controlling interest.

Joint ventures are recognised in the consolidated and the parent company financial statements according to the pro rata method whereby the appropriate share of the joint ventures' income statement items and balance sheet items is recognised in the corresponding items in the consolidated and the parent company financial statements.

The partners in a joint venture are generally liable on a pro rata basis for performance and payment bonds and jointly and severally liable for the joint venture's debt and obligations. The commitments are disclosed in a note.

Minority interests

Subsidiaries' accounting items are recognised in full in the consolidated financial statements. The minority interests' proportionate shares of the results and equity of subsidiaries are adjusted annually and recognised as separate items in the income statement and balance sheet.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Danish kroner at the exchange rates ruling at the transaction date or, in the case of hedged transactions, at the forward rates.

Receivables and payables in foreign currencies are translated into Danish kroner at the exchange rates ruling at the balance sheet date or, in the case of hedged amounts, at the forward rates.

Foreign exchange differences arising between the exchange rates at the transaction date and the exchange rates at the date of payment or the balance sheet date are recognised in the income statement as interest income or expense and similar items.

On recognition of foreign subsidiaries and associates that are separate entities, the income statements are translated into Danish kroner at average exchange rates, which do not differ significantly from the exchange rates ruling at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity, etc., of foreign enterprises at the exchange rates ruling at the balance sheet date, and on translation of the income statements from average exchange rates to the exchange rates ruling at the balance sheet date, are taken directly to equity. All existing foreign subsidiaries are accounted for as separate entities.

On acquisition or divestment of a foreign entity, the assets and liabilities are translated at the exchange rate ruling at the date of acquisition or divestment.

Derivative financial instruments

Forward contracts and similar derivative financial instruments are used solely to hedge operating activities.

Derivative financial instruments designated as hedges of risks on receivables and payables in foreign currencies are recognised initially at the transaction date at cost and subsequently at fair value at the balance sheet date. Value adjustments of the hedged asset or liability are recognised in the income statement together with the hedged item. Value adjustments of derivative financial instruments designated as hedges of future income and expenses are recognised directly in equity. On realisation of the hedged item, the value adjustment is transferred from equity and recognised in the income statement together with the hedged item.

Income statement

The items in the income statement are accounted for on an accruals basis so that they comprise the financial year. The income statement is based on classification of expenses according to function.

Revenue
Revenue from the sale of goods and services is recognised in the income statement in accordance with the completed contract method in the year in which invoicing and delivery take place.

In the contracting company, revenue comprises completed construction contract and construction contract in progress. Contract work in progress is recognised as revenue in step with completion so that revenue corresponds to the sales value of the work performed during the year (the percentage-of-completion method).

Production costs
Production costs comprise both direct and indirect costs incurred in generating the revenue for the year as well as provisions for expected losses on work in progress and on performance and payment bonds.

Production costs include raw materials and ancillary materials, consumables, labour, rent and leases, and depreciation and impairment of production plant. Production costs also comprise development costs, as these do not qualify for recognition in the balance sheet.

Profit/losses from investments in subsidiaries and associates
The proportionate share of the individual subsidiaries' pre-tax profits/losses is recognised in the parent company's income statement after full elimination of intra-Group profits/losses and after deduction of goodwill amortisation.

The proportionate share of associates' pre-tax profits/losses is recognised in both the parent company and the consolidated income statement after elimination of the proportionate share of intra-Group profits/losses and after deduction of goodwill amortisation.

The share of the taxes of subsidiaries and associates is recognised as income tax.

Distribution costs
Distribution costs comprise tendering and marketing costs, including direct labour for the sales and marketing functions, advertising and exhibition costs, direct delivery costs, and depreciation, amortisation and impairment.

Administrative expenses
Administrative expenses comprise expenses for administrative staff and management, office premises, office expenses, insurance, other corporate costs, and depreciation and impairment.

Other operating income and costs
Other operating income and costs comprise operation of investment properties, rental income, profits and losses on sale of subsidiaries and associates, and non-recurring costs, etc.

Interest income and expense and similar items
Interest income and expense and similar items comprise interest income and dividends, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, finance lease costs, amortisation of financial assets and liabilities, and income tax surcharges and refunds.

Income tax
The parent company is taxed jointly with a number of wholly-owned Danish and foreign subsidiaries. The calculated Danish tax is allocated among the jointly taxed companies in proportion to their taxable income.

The share of the current Danish and foreign income taxes and the change in deferred tax that relates to the profit for the year are recognised in the income statement. The share of the change in deferred tax that relates to items directly recognised in equity is taken directly to equity.

Balance sheet

Intangible assets
Goodwill, trade marks, distribution rights and similar are recognised at cost less accumulated amortisation and impairment. None of the Group companies has incurred product development costs qualifying for recognition in the balance sheet.

Intangible assets are amortised over the estimated useful life determined on the basis of management's experience of the specific business areas. The amortisation period is limited to 20 years and is longest for enterprises with a strong market position and a long-term earnings profile.

On acquisition of enterprises or activities with more than 20 years' documented operation, strong trade marks and a good market position, the intangible assets are amortised over a maximum period of 20 years.

On acquisition of well-established enterprises or activities with 10-20 years' documented operation, the intangible assets are amortised over a maximum period of 10 years. The intangible assets of other enterprises or activities acquired are amortised over up to five years.

The carrying amount of intangible assets is reviewed on an ongoing basis and written down in the income statement to the recoverable amount if this is lower than the carrying amount.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs, excluding interest, directly related to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect cost of materials, components, subsuppliers, and labour.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life to the expected residual value. The useful lives of major assets are estimated on an individual basis, while the useful lives of other assets are estimated for groups of uniform assets.

A few properties are accounted for as investment properties that are measured at fair value. These properties are not depreciated.

Buildings are depreciated over 10-50 years. Land is not depreciated. Other fixed assets are depreciated over a maximum period of 10 years.

Assets with a useful life of three years or less, assets with a low cost, and minor leasehold improvements are expensed in full in the year of acquisition.

Property, plant and equipment are written down to the recoverable amount if there are indications that this is lower than the carrying amount.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as the difference between the selling price less disposal costs and the carrying amount at the date of disposal.

Assets held under finance leases are recognised at the lower of the fair value and the present value of the future lease payments. The present value is calculated using the interest rate implicit in the lease or an approximation thereof as discount rate.

Lease payments under operating leases are charged to the income statement over the term of the lease.

Investments
Investments in subsidiaries are recognised in the parent company's balance sheet according to the equity method. This means that the investments are recognised at the proportionate share of the subsidiaries net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-Group profits/losses, and plus goodwill or minus negative goodwill.

Except in the case of associates that are consolidated on a pro rata basis, investments in associates are recognised in both the parent company balance sheet and the consolidated balance sheet at the proportionate share of the associates' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-Group profits/losses, and plus goodwill or minus negative goodwill.

Subsidiaries and associates with negative net asset values are measured at DKK 0, and any amounts owed by them are written down by the parent company's share of the negative net asset value. If the negative net asset value exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is transferred to the reserve for net revaluation according to the equity method under equity to the extent that the carrying amount exceeds the cost of acqusition.

Receivables, comprising lending of a fixed asset nature and other long-term receivables, including listed bonds, are recognised at amortised cost.

Other securities and investments are recognised at fair value.

Current assets
Inventories
Inventories are measured at cost in accordance with the FIFO method. If the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost plus delivery costs.

Finished goods and work in progress are measured at cost, comprising cost of raw materials, consumables, direct labour and indirect production overheads. Indirect production overheads comprise indirect materials and labour as well as maintenance, depreciation and impairment of the machinery, factory buildings and equipment used in the production process, and factory administration and management. Interest is not recognised.

Properties and undeveloped sites for development and resale are recognised under current assets at the lower of cost and net realisable value.

Net realisable value is calculated as the selling price less completion costs and costs necessary to make the sale, and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables
Receivables are measured at amortised cost less write-downs to meet anticipated losses.

Securities and investments
Listed securities are recognised at fair value at the balance sheet date.

Work in progress
Contract work in progress is recognised at the sales value of the work performed. The sales value is measured in proportion to the stage of completion at the balance sheet date and total expected income from each contract in progress. Where the sales value cannot be measured reliably, it is measured at the lower of incurred costs and net realisable value.

If total costs on a contract in progress are likely to exceed total income, provision is made for the total expected loss on the contract.

Equity
Dividends
Proposed dividends are recognised as a liability at the date of adoption at the Annual General Meeting. The expected dividend payment for the year is disclosed as a separate item under equity.

Own shares
Own shares are recognised at DKK 0, and the cost of own shares is written down via equity. Sales of and dividends on own shares are also taken directly to equity.

Income tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method and comprises all temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes, except for goodwill not deductible for tax purposes and office properties.

Provision is also made for deferred tax on reversal of tax benefits arising from losses in foreign enterprises that is expected to crystallise as tax if the enterprises in question withdraw from joint taxation in Denmark.

No provision is made in the balance sheet for the tax that will crystallise in the event of sale of investments, if the shares are not expected to be sold within the immediate future.

The tax base of tax loss carry-forwards is included in the calculation of deferred tax if it is probable that the losses will be utilised. Tax assets are entered as a separate item in the balance sheet under current assets.

Other provisions
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of the company's financial resources will be required to settle the obligation.

Other provisions comprise risks on commitments, amalgamation provision, provisions for losses on work in progress and guarantee commitments, restructuring provisions, etc.

Financial liabilities
Amounts owed to mortgage credit institutions and banks are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised costs, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities, comprising trade payables, amounts owed to subsidiaries and associates and other payables, are recognised in the balance sheet at amortised cost.

Cash flow statement

The Group cash flow statement is set up according to the indirect method based on profit before tax.

The cash flow statement shows the Group's cash flows for the year from operating activities, investing activities and financing activities, the year's changes in cash and cash equivalents, and the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the profit before tax, adjusted for non-cash operating items, income taxes paid and changes in working capital.

Cash flows for investing activities comprise acquisitions and disposals of intangible assets, property, plant and equipment and investments, adjusted for changes in receivables and payables relating to the items in question.

Cash flows from financing activities comprise payments to and from shareholders and increases and decreases in long-term liabilities other than provisions.

Cash and cash equivalents at 31.12. comprise securities and cash less short-term bank debt. Cash and cash equivalents include the portfolio of listed bonds, regardless of term to maturity.

Segment information

Information is provided in respect of the main business segments and geographical segments. The segment information follows the Group's accounting policies and internal financial control. A combined segment overview is set out on page 32. The annual reports of Dyrup and MT Højgaard, which form an integral part of Monberg & Thorsen's annual report, include a detailed account of these business segments.

Ratios

Ratios have been calculated in accordance with the guidelines of the Danish Society of Financial Analysts on the calculation of ratios. The key ratios are defined on page 4.

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER (DKKm)

	2002	2001
Profit (loss) before tax	**(65.8)**	98.1
Adjustment for non-cash operating items		
Depreciation, amortisation and impairment	169.3	159.6
Share of profits (losses) of associates	(17.3)	(8.2)
Provisions	152.4	0
Other adjustments (including foreign exchange adjustments)	(17.6)	(13.3)
Income taxes paid	(30.0)	(63.0)
	191.0	173.2
Changes in working capital		
Inventories and receivables	145.1	(117.6)
Contract work in progress	(217.5)	4.5
Payments on accounts from customers	(20.2)	29.3
Payables and other debt	49.0	63.7
Cash flows from operating activities	**147.4**	153.1
Investing activities		
Intangible assets	1.3	36.5
Acquisition of property, plant and equipment	201.8	216.4
Sale of property, plant and equipment	(110.9)	(30.1)
Investments	28.7	9.7
Acquisition and disposal of companies	0.8	25.4
Amalgamation costs	14.1	54.9
Cash flows for operating activities	**135.8**	312.8
Cash flows before financing activities	**11.6**	(159.7)
Financing activities		
Dividend paid to shareholders	(41.5)	(43.7)
Acquisition of own shares	(70.3)	(202.3)
Minority interests	1.0	0.5
Increase in long-term liabilities	54.3	46.7
Decrease in long-term liabilities	(30.3)	(32.0)
Cash flows from financing activities	**(86.8)**	(230.8)
Net cash flows from operating, investing and financing activities	**(75.2)**	(390.5)
Cash and cash equivalents at 01.01.	**182.3**	620.4
Net addition by acquisition and disposal of companies, etc.	-	(48.0)
Unrealised value adjustments of securities	-	0.4
Cash and cash equivalents at 31.12.	**107.1**	182.3
consisting of:		
Securities	211.1	286.1
Liquid resources	227.4	169.2
Short-term bank debt	(331.4)	(273.0)
	107.1	182.3

The figures in the cash flow statement cannot be derived from the published material alone.

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER (DKKm)

PARENT COMPANY 2001	PARENT COMPANY **2002**	Note		GROUP **2002**	GROUP 2001
		1	**Revenue**	**6,169.6**	5,710.6
		2	Production costs	5,391.4	4,789.4
			Gross profit	**778.2**	921.2
75.4	(68.0)	3	Share of pre-tax profits (losses) of subsidiaries	-	-
-	-	4	Share of pre-tax profits of associates	17.3	8.2
-	-	2	Distribution costs	557.8	536.9
10.5	10.7	2	Administrative expenses	296.0	283.9
-	-	5	Other operating income	13.5	17.1
-	-	5	Other operating costs	-	45.6
64.9	**(78.7)**		**Operating profit (loss)**	**(44.8)**	80.1
33.8	12.3	6	Interest income and similar items	32.7	67.6
1.1	0.5	7	Interest expense and similar items	53.7	49.6
97.6	**(66.9)**	8	**Profit (loss) before tax**	**(65.8)**	98.1
26.8	12.0	9	Income tax	12.0	26.8
		10	**Group share of the profit (loss) for the year**	**(77.8)**	71.3
			Minority interests	1.1	0.5
70.8	**(78.9)**		**Monberg & Thorsen's share of the profit (loss) for the year**	**(78.9)**	70.8
		11	**Employee information**		

BALANCE SHEET AT 31 DECEMBER (DKKm)
ASSETS

PARENT COMPANY 2001	PARENT COMPANY 2002	Note		GROUP 2002	GROUP 2001
			Fixed assets		
			Intangible assets		
		12	Goodwill	110.9	124.5
		13	Trade marks and distribution rights	62.8	78.7
				173.7	203.2
			Property, plant and equipment		
-	-	14	Land and buildings	530.7	542.7
-	-	15	Plant and machinery	341.4	326.6
0.6	0.6	16	Fixtures and fittings, tools and equipment	106.6	167.2
-	-	17	Leased property, plant and equipment	67.3	46.7
	-	18	Leasehold improvements, etc.	2.3	0.1
-	-	19	Prepayments and assets in course of construction	12.6	14.4
0.6	**0.6**			**1,060.9**	1,097.7
			Investments		
1,078.8	907.6	20	Investments in subsidiaries	-	-
-	-	21	Investments in associates	70.7	54.1
-	-	22	Amounts owed by associates	25.0	-
0	0	23	Other securities and investments	35.3	37.3
1,078.8	**907.6**			**131.0**	91.4
1,079.4	**908.2**		**Total fixed assets**	**1,365.6**	1,392.3
			Current assets		
			Inventories		
		24	Inventories	272.1	267.7
		25	Properties for development and resale	168.3	186.1
				440.4	453.8
			Receivables		
-	-		Trade receivables	958.5	1,066.1
-	-	26	Contract work in progress	61.8	-
89.3	115.0		Amounts owed by subsidiaries	-	-
-	-		Amounts owed by associats	0.3	1.4
-	-	35	Tax asset	44.8	18.8
6.9	5.1		Other receivables	130.3	209.4
-	-		Prepayments	36.4	19.6
96.2	**120.1**			**1,232.1**	1,315.3
172.6	**172.5**	27	**Securities and investments**	**211.1**	286.9
1.3	**0**		**Cash at bank and in hand**	**227.4**	169.2
270.1	**292.6**		**Total current assets**	**2,111.0**	2,225.2
1,349.5	**1,200.8**		**Total assets**	**3,476.6**	3,617.5
		28	**Security in and pledging of assets**		

BALANCE SHEET AT 31 DECEMBER (DKKm)
EQUITY AND LIABILITIES

PARENT COMPANY				GROUP	
2001	**2002**	Note		**2002**	2001
		29	**Equity**		
75.7	75.7	30	Share capital	75.7	75.7
0	-	31	Revaluation reserve	-	0
341.4	170.2	32	Reserve for net revaluation according to the equity method	-	-
859.9	853.7	33	Retained earnings	1,023.9	1,201.3
41.5	32.2	34	Proposed dividend	32.2	41.5
1,318.5	**1,131.8**		**Monberg & Thorsen's share of equity**	**1,131.8**	1,318.5
			Minority interests' share of equity	**3.4**	2.4
				1,135.2	1,320.9
8.5	**10.1**	35	**Provisions**	**238.8**	121.1
		36	**Long-term liabilities**		
			Mortgage credit institutions	54.5	23.5
			Bank loans, etc.	374.5	450.4
				429.0	473.9
		26	**Contract work in progress**	-	216.9
			Short-term liabilities		
-	-		Current portion of long-term liabilities	97.6	28.6
-	29.9		Bank loans, etc.	331.4	273.0
-	-		Payments on account from customers	32.7	52.9
0.2	0.3		Trade payables	619.6	636.0
-	0.7		Amounts owed to subsidiaries	-	-
-	-		Amounts owed to associates	-	0.3
6.8	15.6		Income tax	27.1	13.3
15.5	12.4		Other payables	505.0	445.7
-	-		Deferred income	60.2	34.9
22.5	**58.9**			**1,673.6**	1,484.7
1,349.5	**1,200.8**		**Total equity and liabilities**	**3,476.6**	3,617.5
		37	**Contingent liabilities, etc.**		

NOTES TO THE FINANCIAL STATEMENTS (DKKm)

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Note 1				
Group revenue by geographical area:				
Denmark			4,113.8	3,828.2
Rest of world			2,055.8	1,882.4
			6,169.6	5,710.6
Note 2				
Depreciation, amortisation and impairment included in				
Production costs	-	-	111.6	100.2
Distribution costs	-	-	41.0	40.4
Administrative expenses	0.2	0.2	16.7	19.0
	0.2	0.2	169.3	159.6
Fees paid to auditors appointed at the Annual General Meeting				
Total fees for the financial year under review				
KPMG	0.2	0.2	6.9	5.7
Grant Thornton	0.1	0.1	0.1	0.1
	0.3	0.3	7.0	5.8
of which non-audit fees				
KPMG	0.1	0	4.1	3.4
Note 3				
The parent company's share of pre-tax profits (losses) of subsidiaries				
Dyrup	63.6	116.2		
MT Højgaard	2.6	(205.6)		
Palais Ostende	3.5	4.6		
Monberg & Thorsen Oil	5.6	17.1		
S&L Invest 1	0	0.3		
Saabye & Lerche	0.1	(0.6)		
	75.4	(68.0)		
Note 4				
The Group's share of pre-tax profits (losses) of associates				
Danish Petroleum Enterprise			19.6	6.7
Others			(2.3)	1.5
			17.3	8.2
Note 5				
Other operating income				
Property operation, net			6.4	5.9
Other income			7.1	11.2
			13.5	17.1
Other operating costs				
Non-recurring costs			-	45.6
Note 6				
Interest income and similar items				
Securities	24.0	8.2	14.7	34.5
Liquid resources	6.8	0.4	13.9	28.5
Subsidiaries	3.0	3.7	-	-
Miscellaneous	-	-	4.1	4.6
	33.8	12.3	32.7	67.6

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Note 7				
Interest expense				
Long-term liabilities	-	-	22.5	25.1
Short-term liabilities	1.1	0.5	23.0	22.1
Miscellaneous	-	-	8.2	2.4
	1.1	0.5	53.7	49.6
Note 8				
Profit (loss) before tax				
The parent company's profit (loss) before share of profits (losses) of subsidiaries and associates			1.1	22.2
Dyrup			116.2	63.6
MT Højgaard			(204.4)	3.1
Other companies, etc.			21.3	9.2
			(65.8)	98.1
Note 9				
Income tax				
Current tax in Group companies	33.8	10.4	47.5	42.0
Associates	-	-	6.3	2.4
Change in deferred tax	(7.0)	1.6	(39.3)	(11.9)
Prior year adjustments	-	-	(2.5)	(5.7)
	26.8	12.0	12.0	26.8
Reconcilition of tax rate				
Danish tax rate			30%	30%
Deviation in foreign companies' tax rates			(45%)	3%
Non-taxable income and deductible expenses			0%	(3%)
Other, including prior year adjustments			1%	(5%)
Effective tax rate before non-tax-deductible amortisation of intangible assets			(14%)	25%
Non-deductible amortisation of goodwill and trade mark rights			(4%)	2%
Effective tax rate			(18%)	27%

As the pre-tax result for the year is a loss and income tax is expensed, the effective tax rate for the year is negative.

The deviation in foreign companies' tax rates is partly due to the fact that joint taxation with MT Højgaard is not possible.

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Note 10				
Group share of profit (loss) after tax				
The parent company's profit before share of profits (losses) of subsidiaries and associates			(3.6)	20.2
Dyrup			83.8	43.1
MT Højgaard			(173.0)	2.0
Other companies			15.0	6.0
			(77.8)	71.3

Note 11
Employee information

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Wages, salaries and remuneration	6.3	6.5	1,365.2	1,316.5
Pension contributions	0.1	0.1	60.1	59.7
Other social security costs	-	-	74.1	76.0
	6.4	6.6	1,499.4	1,452.2
Including salaries and remuneration to the parent company's:				
Supervisory Board	2.4	2.3	3.4	3.7
Executive Board	1.4	1.5	2.1	2.0
Average number of employees	7	6	4,050	4,128

Monberg & Thorsen has not introduced performance-related pay for the Supervisory or Executive Boards. The members of the Executive Board are paid a fixed salary. The pensionable age for members of the Executive Board is 65, and no severance scheme has been agreed. The Group companies have introduced bonus pay for the top management levels.

As in 2001, the remuneration for 2002 was DKK 150,000 for ordinary members of the Supervisory Board, with a supplement for the Chairman and the Deputy Chairman. Besides the normal remuneration, the Chairman or members may be paid a fee for special tasks undertaken by them, although no Board member may receive a total fee of more than twice the ordinary remuneration.

No permanent Board committees have been appointed at the present time.

Note 12
Goodwill

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Cost at 01.01.			206.5	194.0
Adjustment at 01.01.			-	(21.0)
Value adjustments			(0.9)	-
Additions			1.4	40.5
Disposals			(4.5)	(7.0)
Cost at 31.12.			202.5	206.5
Amortisation at 01.01.			82.0	97.3
Adjustment at 01.01.			-	(21.0)
Value adjustments			(0.8)	-
Amortisation of disposals			(3.3)	(6.8)
Amortisation			13.7	12.5
Amortisation at 31.12.			91.6	82.0
Balance sheet value at 31.12.			110.9	124.5

Note 12-16: Adjustment at 01.01. in 2001 concerns restatement of cost figures in Dyrup in connection with the company's delisting in 1996 and the amalgamation of the contracting activities in 2001.

Note 13
Trade marks and distribution rights

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Cost at 01.01.			120,1	194,7
Adjustment at 01.01.			-	(81,2)
Value adjustments			(0,2)	(0,4)
Additions			1,3	7,0
Cost at 31.12.			121,2	120,1
Depreciation and impairment at 01.01.			41,4	104,9
Adjustment at 01.01.			-	(81,2)
Value adjustments			(0,1)	(0,2)
Charge for the year			17,1	17,9
Depreciation and impairment at 31.12.			58,4	41,4
Balance sheet value at 31.12.			62,8	78,7

Note 14
Land and buildings

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Cost at 01.01.			641.4	464.3
Adjustment at 01.01.			-	147.5
Value adjustments			(2.2)	0.2
Additions			39.9	33.3
Disposals			(46.5)	(3.9)
Cost at 31.12.			632.6	641.4
Revaluation at 01.01.			-	361.6
Adjustment at 01.01.			-	(361.6)
Revaluation at 31.12.			-	0
Depreciation and impairment at 01.01.			98.7	271.5
Adjustment at 01.01.			-	(194.9)
Value adjustments			(0.6)	(0.3)
Depreciation and impairment of disposals			(12.9)	(1.3)
Charge for the year			16.7	23.7
Depreciation and impairment at 31.12.			101.9	98.7
Balance sheet value at 31.12.			530.7	542.7

Land and buildings include investment properties with a carrying amount of DKK 143 million.

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Property valuations:				
Foreign properties:				
Carrying amount			114.1	138.2
Danish properties:				
Cash value at 01.01.			388.5	376.6
Additions as yet unvalued			-	-
			502.6	514.8

NOTES TO THE FINANCIAL STATEMENTS (DKKm)

Note 15
Plant and machinery

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.			724.5	840.7
Adjustment at 01.01.			-	(174.0)
Reclassifications			61.9	-
Value adjustments			(4.3)	0.2
Additions			104.5	111.4
Disposals			(105.1)	(53.8)
Cost at 31.12.			781.5	724.5
Revaluation at 01.01.			-	24.7
Adjustment at 01.01.			-	(24.7)
Revaluation at 31.12.			-	0
Depreciation and impairment at 01.01.			397.9	558.2
Adjustment at 01.01.			-	(198.6)
Reclassifications			18.6	-
Value adjustments			(1.2)	(0.5)
Depreciation and impairment of disposals			(56.8)	(37.0)
Charge for the year			81.6	75.8
Depreciation and impairment at 31.12.			440.1	397.9
Balance sheet value at 31.12.			341.4	326.6

Note 16
Fixtures and fittings, tools and equipment

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.	1.4	1.2	294.2	261.5
Adjustment at 01.01.	-	-	-	(73.8)
Reclassifications	-	-	(56.9)	-
Value adjustments	-	-	(2.2)	-
Additions	-	0.2	24.2	118.9
Disposals	(0.2)	-	(26.4)	(12.4)
Cost at 31.12.	1.2	1.4	232.9	294.2
Revaluation at 01.01.			-	4.2
Adjustment at 01.01.			-	(4.2)
Revaluation at 31.12.			-	0
Depreciation and impairment at 01.01.	0.6	0.6	127.0	160.1
Adjustment at 01.01.	-	-	-	(78.0)
Reclassifications	-	-	(14.5)	-
Value adjustments	-	-	(2.1)	-
Depreciation and impairment of disposals	(0.2)	-	(17.0)	(5.3)
Charge for the year	0.2	0.2	32.9	50.2
Depreciation and impairment at 31.12.	0.6	0.8	126.3	127.0
Balance sheet value at 31.12.	0.6	0.6	106.6	167.2

Note 12-16: Adjustment at 01.01. in 2001 concerns restatement of cost figures in Dyrup in connection with the company's delisting in 1996 and the amalgamation of the contracting activities in 2001.

Note 17
Leased property, plant and equipment

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.			62.0	44.9
Additions			29.4	27.1
Disposals			(0.7)	(10.0)
Cost at 31.12.			90.7	62.0
Depreciation and impairment at 01.01.			15.3	16.7
Depreciation and impairment of disposals			(0.4)	(8.7)
Charge for the year			8.5	7.3
Depreciation and impairment at 31.12.			23.4	15.3
Balance sheet value at 31.12.			67.3	46.7

Note 18
Leasehold improvements, etc.

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.			6.0	5.8
Value adjustments			(0.4)	-
Additions			2.4	0.2
Cost at 31.12.			8.0	6.0
Depreciation and impairment at 01.01.			5.9	5.5
Value adjustments			(0.4)	-
Charge for the year			0.2	0.4
Depreciation and impairment at 31.12.			5.7	5.9
Balance sheet value at 31.12.			2.3	0.1

Note 19
Prepayments and assets in course of construction

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.			14.4	14.2
Additions			12.6	13.0
Disposals			(14.4)	(12.8)
Balance sheet value at 31.12.			12.6	14.4

Note 20
Investments in subsidiaries

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01. and at 31.12.	762.2	762.2		
Revaluation/impairment at 01.01.	266.9	316.6		
Changes in accounting policy	140.4	-		
Dividend received	(40.4)	(100.0)		
From income statement	(49.4)	(75.2)		
Value adjustments	-	5.9		
Other adjustments	(0.9)	(1.9)		
Revaluation/impairment at 31.12.	316.6	145.4		
Balance sheet value at 31.12.	1,078.8	907.6		
Parent company's carrying amount of equity in				
Dyrup	591.7	572.7		
MT Højgaard	398.5	230.7		
Palais Ostende	92.2	95.5		
Monberg & Thorsen Oil	25.1	37.1		
Other companies	1.3	1.6		
	1,108.8	937.6		
Inter-Group adjustments	(30.0)	(30.0)		
Balance sheet value at 31.12.	1,078.8	907.6		

Note 21

Investments in associates

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.			52.4	32.2
Additions			4.1	24.1
Disposals			(0.9)	(3.9)
Cost at 31.12.			55.6	52.4
Revaluation/impairment at 01.01.			1.7	(2.7)
Disposals			(0.1)	(0.1)
From income statement			12.1	6.6
Other adjustments			1.4	(2.1)
Revaluation/impairment at 31.12.			15.1	1.7
Balance sheet value at 31.12.			70.7	54.1

Note 22

Amounts owed by associates

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.			-	-
Addition, subordinated loan capital			25.0	-
Balance sheet value at 31.12.			25.0	-

Note 23

Other securities and investments

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Cost at 01.01.	0.7	0	35.3	35.9
Additions	-	-	-	0.9
Disposals	(0.7)	-	(2.4)	(1.5)
Cost at 31.12.	0	0	32.9	35.3
Revaluation/impairment at 01.01.			2.0	2.2
Revaluation/impairment			0.4	(0.2)
Revaluation/impairment at 31.12.			2.4	2.0
Balance sheet value at 31.12.	0	0	35.3	37.3

Note 24

Inventories

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Raw materials and consumables			76.7	73.1
Work in progress			9.8	9.9
Finished goods			185.6	184.7
Balance sheet value at 31.12.			272.1	267.7

Note 25

Properties for development and resale

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Balance sheet value at 01.01.			186.1	201.6
Additions			4.6	34.7
Disposals			(22.4)	(50.2)
Balance sheet value at 31.12.			168.3	186.1

Note 26

Contract work in progress

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Progress billings			2,480.6	2,663.4
Contract work in progress (sales value)			(2,542.4)	(2,446.5)
Balance sheet value at 31.12.			(61.8)	216.9

Note 27

Securities and investments

Consisting primarily of listed bonds

Note 28

Security in and pledging of assets in addition to mortgage debt

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Bonds			5.2	14.6
Owner's mortgages			131.8	101.8
Carrying amount of mortgaged properties			159.2	116.1

Note 29

Equity

	Parent company 2001	Parent company 2002	Group 2002	Group 2001
Equity at 01.01.	1,450.7	1,318.5	1,320.9	1,453.2
Changes in accounting policy	43.7	-	-	43.7
Value adjustments, etc.	(0.7)	4.0	2.9	(1.3)
Profit (loss) for the year	70.8	(78.9)	(77.8)	71.3
Dividend to shareholders	(43.7)	(41.5)	(41.5)	(43.7)
Buyback of own shares	(202.3)	(70.3)	(70.3)	(202.3)
Value adjustments of hedging instruments, year end	-	-	1.0	-
Equity at 31.12.	1,318.5	1,131.8	1,135.2	1,320.9

At 01.01.02 the holding of own shares was 8,873 nos. During the year, the company bought back a further 193,772 nos. At 31.12.02, the holding of own shares was 202,645 nos., corresponding to 5.4% of the share capital.

Note 30

The share capital and changes in the share capital in 2002 and the previous four years can be broken down as follows

	A shares	B shares	Total
Share capital at 01.01.98	15.4	96.9	112.3
Reduction adopted on 29.08.00	0	(22.2)	(22.2)
Share capital at 31.12.00	15.4	74.7	90.1
Reduction adopted on 02.05.01	0	(8.5)	(8.5)
Reduction adopted on 19.12.01	0	(5.9)	(5.9)
Share capital at 31.12.01 and 31.12.02	15.4	60.3	75.7
Number of shares of DKK 20 each	768,000	3,017,000	3,785,000

NOTES TO THE FINANCIAL STATEMENTS (DKKm)

Note 31
Revaluation reserve

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Balance sheet value at 01.01.	1.5	-	-	208.5
Adjustment at 01.01.	-	-	-	(206.2)
Changes in accounting policy	(1.5)	-	-	(2.3)
Balance sheet value at 31.12.	0	-	-	0

Adjustment at 01.01. concerns primarily Dyrup and MT Højgaard as described under the fixed asset notes. The change in accounting policy is a consequence of the new Danish Financial Statements Act, which does not require unrealised capital gains to be tied up under revaluation reserve.

Note 32
Reserve for net revaluation according to the equity method

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Balance sheet value at 01.01.	291.7	341.4		
Changes in accounting policy	140.4	-		
Dividend received	(40.4)	(100.0)		
Profit (loss) for the year	(49.4)	(75.2)		
Other adjustments	(0.9)	4.0		
Balance sheet value at 31.12.	341.4	170.2		

Note 33
Retained earnings

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Balance sheet value at 01.01.	1,067.4	859.9	1,203.7	1,154.6
Adjustment at 01.01.	-	-	-	206.2
Changes in accounting policy	(138.9)	-	-	2.3
Dividend from subsidiaries	40.4	100.0	-	-
Profit (loss) for the year	70.8	(78.9)	(77.8)	71.3
Transfer from reserve for net revaluation according to the equity method	49.4	75.2	-	-
Acquisition of own shares	(202.3)	(70.3)	(70.3)	(202.3)
Value adjustments of hedging instruments, year end	-	-	1.0	-
Used for reduction of share capital	14.4	-	-	14.4
Value adjustments, etc.	0.2	-	2.9	(1.3)
Transfer to proposed dividend	(41.5)	(32.2)	(32.2)	(41.5)
Balance sheet value at 31.12.	859.9	853.7	1,027.3	1,203.7
Including minority interests			(3.4)	(2.4)
Balance sheet value at 31.12.			1,023.9	1,201.3

See the comment to note 31 concerning Adjustment at 01.01. for 2001.

Note 34
Proposed dividend

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Balance sheet value at 01.01.	-	41.5	41.5	-
Changes in accounting policy	43.7	-	-	43.7
Distributed	(43.7)	(41.5)	(41.5)	(43.7)
Proposed dividend	41.5	32.2	32.2	41.5
Balance sheet value at 31.12.	41.5	32.2	32.2	41.5

Note 35
Provisions

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Risks on commitments	-	-	165.2	20.7
Amalgamation provision	-	-	-	14.1
Deferred tax	8.5	10.1	71.8	85.3
Other provisions	-	-	1.8	1.0
Balance sheet value at 31.12.	8.5	10.1	238.8	121.1

Deferred tax

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Deferred tax at 01.01.	15.5	8.5	85.3	72.4
Change concerning profit (loss) for the year	(7.0)	1.6	(39.3)	(11.9)
Tax concerning acquired/sold companies, etc.	-	-	-	7.5
Prior year adjustments	-	-	(0.2)	(1.5)
Of which capitalised	-	-	26.0	18.8
Deferred tax at 31.12.	8.5	10.1	71.8	85.3

Specification of deferred tax for the Group	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Intangible assets	3.1	14.1	11.0
Property, plant and equipment	26.2	67.9	41.7
Investments	0	10.1	10.1
Current assets	2.5	17.0	14.5
Provisions	41.9	-	(41.9)
Liabilities	7.8	-	(7.8)
Tax losses	0.6	-	(0.6)
Tax assets and tax liabilities, gross	82.1	109.1	27.0
Set-off	37.3	37.3	0
Balance sheet value at 31.12.	44.8	71.8	27.0

Note 36
Long-term liabilities

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Due after more than five years			120.4	141.0

Note 37
Contingent liabilities, etc.

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Commitments under operating leases, primarily in MT Højgaard, cf. note 23 in the attached annual report			163.8	156.8
Guarantee commitments			0.9	6.6
Performance and payment bonds			1,368.9	1,351.8

Until 2008 Monberg & Thorsen guarantees MT Højgaard's fulfilment of its obligations on the Great Belt tunnel within the normal 20-year guarantee period for civil engineering works.

Joint ventures
Figures for the various contracting joint ventures in which the Group participates:

	PARENT COMPANY 2001	PARENT COMPANY 2002	GROUP 2002	GROUP 2001
Total liabilities			166.5	178.6
Of which recognised in the balance sheet			85.7	92.6

The joint ventures' assets exceed liabilities.

GROUP FINANCIAL STATEMENTS IN EURO (EURm)

The conversion rate is the official exchange rate at 31.12.

INCOME STATEMENT	2002	2001
Revenue	831.0	767.9
Production costs	726.2	644.0
Gross profit	**104.8**	123.9
Share of pre-tax profits of associates	2.3	1.1
Distribution costs	75.1	72.2
Administrative expenses	39.8	38.2
Other operating income	1.8	2.3
Other operating costs	-	6.1
Operating profit (loss)	**(6.0)**	10.8
Interest income and similar items	4.4	9.1
Interest expense and similar items	7.3	6.7
Profit (loss) before tax	**(8.9)**	13.2
Income tax	1.6	3.6
Consolidated profit (loss)	**(10.5)**	9.6

CASH FLOW STATEMENT

Cash flows from operating activities	**19.9**	20.6
Investing activities		
Intangible assets	0.2	4.9
Property, plant and equipment	12.2	25.1
Investments	3.9	1.3
Acquisition and disposal of companies	2.0	10.7
Cash flows for investing activities	**18.3**	42.0
Cash flows before financing activities	**1.6**	(21.4)
Financing activities		
Dividend paid to shareholders	(5.6)	(5.9)
Acquisition of own shares	(9.4)	(27.2)
Change in long-term liabilities	3.3	2.0
Cash flows from financing activities	**(11.7)**	(31.1)
Net cash flows from operating, investing and financing activities	(10.1)	(52.5)
Price changes, etc.	-	(6.1)
Cash and cash equivalents at 01.01.	24.5	83.1
Cash and cash equivalents at 31.12.	**14.4**	24.5

BALANCE SHEET AT 31 DECEMBER	2002	2001
ASSETS		
Fixed assets		
Intangible assets		
Goodwill	14.9	16.7
Trade marks and distribution rights	8.5	10.6
	23.4	27.3
Property, plant and equipment		
Land and buildings	71.5	73.0
Plant and machinery	46.0	43.9
Fixtures and fittings, tools and equipment	14.3	22.5
Leased property, plant and equipment	9.1	6.3
Leasehold improvements, etc.	0.3	0
Prepayments and assets in course of construction	1.7	1.9
	142.9	147.6
Investments		
Investments in associates	9.5	7.3
Other securities and investments	8.1	5.0
	17.6	12.3
Total fixed assets	**183.9**	187.2
Current assets		
Inventories	59.3	61.0
Contract work in progress	8.3	-
Receivables	157.7	176.9
Securities and investments	28.4	38.6
Cash at bank and in hand	30.7	22.7
Total current assets	**284.4**	299.2
Total assets	**468.3**	486.4

EQUITY AND LIABILITIES		
Equity		
Share capital	10.2	10.2
Other reserves	142.7	167.4
Total equity	**152.9**	177.6
Provisions	**32.2**	16.3
Long-term liabilities	**57.8**	63.7
Contract work in progress	**0**	29.2
Short-term liabilities	**225.4**	199.6
Total equity and liabilities	**468.3**	486.4

ESSENTIAL SEGMENT INFORMATION (DKKm)

	DYRUP 2002	DYRUP 2001	MTHøjgaard 2002 *	MTHøjgaard 2001*	Other companies 2002	Other companies 2001
Income statement						
Revenue	1,722	1,670	4,448	4,041		
Operating profit (loss) before non-recurring costs and amortisation of goodwill and trade marks	153	136	(195)	7		
Amortisation of goodwill and trade marks	(14)	(14)	(5)	(5)		
Operating profit (loss)	139	122	(200)	2	26	13
Non-recurring costs	-	(46)	-	-		
Interest income and similar items	7	15	15	20	2	2
Interest expense and similar items	(30)	(27)	(19)	(19)	(7)	(6)
Profit (loss) before tax	116	64	(204)	3	21	9
Income tax	(32)	(21)	31	(1)	(6)	(3)
Profit (loss) after tax	84	43	(173)	2	15	6
Balance sheet						
Intangible assets	120	144	26	31	27	29
Property, plant and equipment	477	494	471	480	143	152
Investments	-	-	5	4	126	86
Total fixed assets	597	638	502	515	296	267
Properties for development and resale	-	-	168	186	-	-
Inventories	257	238	15	29	-	-
Contract work in progress	-	-	62	-	-	-
Receivables	329	323	819	1,008	18	1
Cash at bank and in hand and securities	106	155	153	114	8	12
Total current assets	692	716	1,217	1,337	26	13
Total assets	1,289	1,354	1,719	1,852	322	280
Share capital	100	100	92	92	42	42
Reserves, etc.	473	492	142	309	92	77
Total equity	573	592	234	401	134	119
Provisions	56	60	169	49	4	4
Long-term liabilities – interest-bearing	311	336	118	78	-	60
Short-term liabilities – interest-bearing	69	52	267	248	178	91
Other liabilities	280	314	931	859	6	6
Contract work in progress	-	-	-	217	-	-
Total equity and liabilities	1,289	1,354	1,719	1,852	322	280
Cash flows, etc.						
Depreciation (property, plant and equipment)	61	60	79	70	-	-
Net investments (property, plant and equipment)	47	84	56	102	-	-
From operating activities	108	122	(4)	13	6	56
For investing activities	49	91	75	181	12	53
From financing activities	(124)	(29)	49	4	-	-
Financial ratios in % **						
Dividend	70	100	0	0	-	-
Operating margin before amortisation	9	8	(4)	0	-	-
Return on average invested capital (ROAIC)	17	15	(39)	0	-	-
Return on equity (ROE)	14	7	(55)	0	-	-
Equity ratio	44	44	14	22	-	-

* Comprises 46% of MT Højgaard's figures

** The ratios in Dyrup have been calculated before non-recurring costs (2001)

THE COMPANY'S FOUNDERS

Axel Monberg
1893 - 1971

Ejnar Thorsen
1890 - 1965

MONBERG & THORSEN A/S