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Stock Exchange Announcement No. 18, 2003

Interim report for the first half 2003

At its meeting today, the Supervisory Board of Monberg & Thorsen A/S approved the interim report for the first half 2003. The interim report is unaudited.

Copenhagen, 27 August 2003
Supervisory and Executive Boards

Mogens Granborg
Chairman of the Supervisory Board

Erik Søndergaard
President

Any questions relating to this announcement should be directed to Erik Søndergaard, President, on tel. +45 35 46 80 00.

The interim report can also be viewed at www.monthor.com.

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

Result as expected

- Monberg & Thorsen's pre-tax profit for the first half was DKK 93 million versus DKK 88 million last year – up 6%.
- Dyrup maintained revenue and earnings at the same level as in the first half 2002 despite persistently difficult market conditions.
- MT Højgaard reported pre-tax profit of DKK 2 million as expected.
- The profit share from DENERCO OIL was on a par with expectations.
- The profit forecast for 2003 remains unchanged.

THE GROUP

Financial highlights for Monberg & Thorsen

DKKm	First half		Change	Change %
	2002	2003		
Revenue:				
Dyrup	922	924	2	0
MT Højgaard (46%)	2,244	1,833	-411	-18
	3,166	2,757	-409	-13
Operating profit (EBIT)	99	106	7	7
Profit before tax	88	93	5	6
Profit after tax	60	62	2	3

Revenue and earnings were in line with expectations. Taking into account the persistence of difficult market conditions for both Dyrup and MT Højgaard, the development in earnings is regarded as satisfactory.

The operating profit (EBIT) developed as follows:

DKKm	First half		Change
	2002	2003	
Dyrup	92	94	2
MT Højgaard (46%)	(3)	3	6
Oil interests	11	9	-2
Parent company and property interests	(1)	0	1
	99	106	7

Dyrup continued its favourable trend, reporting revenue of DKK 924 million and operating profit of DKK 94 million, corresponding to an operating margin of 10%.

The report for the first half of 2003 for Dyrup is attached to this interim report. The report gives a detailed account of the development within the paint and varnish company.

MT Højgaard delivered production revenue of DKK 4.0 billion and operating profit of DKK 3 million. The level of activity and earnings were in line with expectations.

The Buxton project did not impact on the result for the first half 2003 as the loss provision remains unchanged compared with the end of 2002.

Stock Exchange Announcement No. 17 on MT Højgaard issued earlier today gives a detailed account of the development within the contracting activities.

The profit share from **DENERCO OIL** was in line with expectations, but lower than in the first half 2002 as a consequence of higher production costs and increasing exploration costs. The development of Nini and Cecilie is proceeding largely to plan, and commencement of production is expected in September. The development in the price of oil and the USD rate of exchange through the remainder of 2003 is still surrounded by considerable uncertainty. DENERCO now expects a profit for 2003 slightly below the 2002 result, partly due to increasing costs for production and exploration. Monberg & Thorsen's stake in DENERCO is 12.5%.

The parent company's operating profit, including property interests, was on a par with the figure for the first half 2002.

Ratios for Monberg & Thorsen

The ratios developed as follows:

	1999	2000	2001	2002	Year to date
Financial ratios (%)					
Operating margin	2.3	3.1	1.3	(1.0)	3.5
Return on average invested capital (ROAIC)	12	27	6	(3)	7*
Return on equity (ROE)	8	24	5	(6)	5*
Share ratios					
(DKK per share)					
Earnings after tax	25	68	17	(21)	17
Net asset value	282	342	350	317	324
Market value**	182	308	335	340	300

*) Not converted to full-year figures.

***) Latest price traded at 314.

Expectations for 2003

Group profit is still expected to be DKK 90-110 million, although the uncertainty relating to the general economic development emphasised in the 2002 annual report is still considerable.

Dyrup's maintains its expectations concerning its full-year profit, i.e. modest growth in revenue in line with the growth for 2002 and corresponding growth in earnings.

MT Højgaard still expects unchanged pre-tax profit in the region of DKK 50 million, of which Monberg & Thorsen's share is 46%. Reference is made to Stock Exchange Announcement No. 17 2003 for a more detailed description of the earnings expectations.

Other information

Monberg & Thorsen did not buy back any of its own shares in the period under review. The portfolio of own shares amounts to 2,645 nos. B shares after 200,000 nos. B shares were used for a DKK 4 million reduction of the share capital as resolved at the Annual General Meeting on 30 April 2003. Following the capital reduction, the share capital stands at DKK 71.7 million.

*Attachments: Financial highlights
Group balance sheet and statement of changes in equity
Quarterly statements
Interim report for the first half 2003 for Dyrup A/S*

Financial highlights

DKKm	Year 2002	First half 2002	2003
Income statement			
Revenue:			
Dyrup	1,722	922	924
MT Højgaard (46%)	4,448	2,244	1,833
	6,170	3,166	2,757
Operating profit (loss) (EBIT)	(45)	99	106
Interest income and expense and similar items, net	(21)	(11)	(13)
Profit (loss) before tax	(66)	88	93
Profit (loss) after tax	(78)	60	62
Monberg & Thorsen's share of Group profit (loss)	(79)	60	62
Balance sheet			
Interest-bearing assets	499	396	330
Interest-bearing liabilities	858	860	802
Invested capital	1,494	1,787	1,636
Equity	1,135	1,323	1,164
Balance sheet total	3,477	3,769	3,400
Cash flows			
From operating activities	147	(78)	(105)
For investing activities	136	52	36
Of which investment in property, plant and equipment	202	37	36
From financing activities	(86)	(37)	(52)
Total cash flow	(75)	(167)	(193)
Financial ratios (%)			
Operating margin	(1.0)	2.8	3.5
Return on average invested capital (ROAIC)	(3)	6*	7*
Return on equity (ROE)	(6)	5*	5*
Equity ratio	33	35	34
Share ratios (DKK per DKK 20 share)			
Earnings after tax	(21)	16	17
Net asset value	317	354	324
Market value	340	360	300
Market value/net asset value	1.1	1.0	0.9
Market capitalisation in DKKm (incl. portfolio of own shares)	1,287	1,363	1,075

*) Not converted to full-year figures.

Group balance sheet and statement of changes in equity

Group balance sheet (DKKm)	Year	First half	
	2002	2002	2003
ASSETS			
Intangible assets	174	186	157
Property, plant and equipment	1,061	1,075	1,028
Investments	131	103	137
Total fixed assets	1,366	1,364	1,322
Inventories	440	470	476
Contract work in progress, net	62	-	-
Receivables	1,170	1,576	1,332
Cash at bank and in hand and securities	439	359	270
Total current assets	2,111	2,405	2,078
Total assets	3,477	3,769	3,400
EQUITY AND LIABILITIES			
Equity, Monberg & Thorsen's share	1,132	1,320	1,160
Equity, minority interests' share	3	3	4
Total equity	1,135	1,323	1,164
Provisions	239	107	159
Long-term liabilities	429	484	411
Contract work in progress, net	-	140	92
Short-term liabilities, interest-bearing	429	376	391
Other short-term liabilities	1,245	1,339	1,183
Total equity and liabilities	3,477	3,769	3,400
Statement of changes in equity (DKKm)	Year	First half	
	2002	2002	2003
Monberg & Thorsen's share:			
At beginning of period	1,319	1,319	1,132
Foreign exchange adjustments, etc.	3	(1)	(1)
Share of profit (loss) for the period after tax	(79)	60	62
Dividend to shareholders	(42)	(42)	(32)
Buyback of own shares	(70)	(16)	0
Value adjustments of hedging instruments, end of period	1	0	(1)
At end of period	1,132	1,320	1,160

Quarterly statements

DKKm	2003				Total
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	
Income statement					
Revenue:					
Dyrup	382	542			
MT Højgaard (46%)	877	956			
	1,259	1,498			
Operating profit (loss) (EBIT)					
Dyrup	10	84			
MT Højgaard (46%)	(12)	15			
Oil interests	7	2			
Parent company and property interests	0	0			
Total	5	101			
Interest income and expense and similar items	(9)	(4)			
Profit (loss) before tax	(4)	97			
Profit (loss) after tax	(3)	59			
Monberg & Thorsen's share of Group profit (loss)	(3)	59			
Cash flows					
From operating activities	16	(121)			
For investing activities	16	20			
Of which investments in property, plant and equipment	16	20			
From financing activities	(14)	(38)			
Total	(14)	(179)			

DKKm	2002				Total
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	
Income statement					
Revenue:					
Dyrup	383	539	495	305	1,722
MT Højgaard (46%)	1,020	1,224	1,087	1,117	4,448
	1,403	1,763	1,582	1,422	6,170
Operating profit (loss) (EBIT)					
Dyrup	8	84	77	(30)	139
MT Højgaard (46%)	(2)	(1)	(48)	(149)	(200)
Oil interests	5	6	4	5	20
Parent company and property interests	(1)	0	1	(4)	(4)
Total	10	89	34	(178)	(45)
Interest income and expense and similar items	(4)	(7)	(6)	(4)	(21)
Profit (loss) before tax	6	82	28	(182)	(66)
Profit (loss) after tax	4	56	18	(156)	(78)
Monberg & Thorsen's share of Group profit (loss)	4	56	18	(157)	(79)
Cash flows					
From operating activities	(62)	(16)	62	163	147
For investing activities	18	34	47	37	136
From financing activities	(13)	(24)	(21)	(28)	(86)
Total	(93)	(74)	(6)	98	(75)

Interim report for the first half 2003 for Dyrup A/S

- Dyrup continued its favourable trend in all markets with the exception of Germany.
- Dyrup improved its earnings performance by 2.5% and the full-year earnings expectations remain unchanged.
- The Group's long-term strategy projects are proceeding to plan.

At DKK 924 million, the Dyrup Group delivered revenue for the first half 2003 similar to the revenue figure for the same period a year ago. Pre-tax profit amounted to DKK 80 million, up 2.5% on the same period last year.

The revenue was achieved in a market showing a continuing downward trend. The market is fiercely competitive, and the general economic situation requires a tight credit policy, leading to loss of revenue.

Particularly in Germany and Portugal, which are among Dyrup's largest markets, the negative market trend is continuing as a result of economic austerity measures, sagging household consumption and a low level of activity within new building.

Excluding these two markets, Dyrup reported revenue growth of just over 3%. Dyrup enjoyed growth in most markets exceeding the general market growth and thus gained market shares.

Dyrup's development and profit for the first half 2003 are satisfactory in view of the market conditions.

Investment in property, plant and equipment in the first half was DKK 24 million versus DKK 27 million in 2002.

Market conditions

Dyrup's relevant European market for paints and wood stains for decoration and maintenance is estimated to have fallen by just under 3% compared to the first half 2002.

Group revenue for the first half 2003 compared with 2002 can be broken down by principal markets as follows:

DKKm	1 st half		Change %
	2002	2003	
Denmark	201	216	8
France	245	253	3
Germany	162	158	-2
Portugal	143	126	-12

Dyrup continued making progress in the professional market, and in the industrial segment the effect of the increase in new customers has started showing through.

With growth of 3% in the French market, Dyrup's growth is estimated to be higher than the general market growth. The roll-out of paint products for facades and exterior use at the start of the year increased Dyrup's distribution, creating the basis for further growth within colour and decoration.

In Germany, the market is still marred by stagnation, lack of purchasing power among the consumers and a very low level of activity in the building sector. Although the market situation deteriorated still further in the second quarter, Dyrup enjoyed a more favourable development than the market in general.

In Portugal, the results of Dyrup's aggressive market initiatives and activities aimed at increasing productivity are beginning to materialise. Dyrup thus succeeded in delivering revenue for the second quarter on a par with the 2002 figure. Revenue for the first half was 12% down on the same period a year ago, while first-quarter 2003 revenue was 24% lower than for the same period last year.

In Norway, sales to the professional market showed an upward trend, and the number of DIY sales outlets carrying Dyrup's paint products and the shop-in-shop concept increased.

In Poland, Dyrup reported highly satisfactory growth of 28% measured in local currency, which is substantially better than the general market growth.

In June, Dyrup was awarded Clear Channel's (global supplier of outdoor advertising) prize for "the campaign of the month". The prize is awarded each month for the most creative campaign in the 66 countries covered by Clear Channel. It was the combination of coloured railway sleepers and posters at railway stations that was considered to be unique. Dyrup is the first Danish company to win this prize.

Strategy

All Dyrup's long-term strategy projects are proceeding to plan, including the large packaging replacement project. Packaging corresponding to about 50% of Dyrup's revenue has been replaced so far.

Dyrup continues to make a targeted effort on a number of activities aimed at further strengthening sales to the professional sector and to industry in the established markets.

Expectations for the year

Dyrup does not expect the market conditions to improve during the remainder of 2003.

The difficult market conditions restrict the growth potential. Despite the challenging market conditions, Dyrup's full-year profit forecast remains unchanged in view of the ongoing market initiatives and efficiency-improving activities. This means modest growth in revenue in line with the growth for 2002 and corresponding growth in earnings. Dyrup's growth is expected to exceed the average market growth.

Financial highlights for Dyrup A/S

DKKm	Year	Second quarter		First half	
	2002	2002	2003	2002	2003
<i>Income statement</i>					
Revenue	1,722	539	542	922	924
Operating profit before amortisation of goodwill and trade marks	153	88	87	100	101
Amortisation of goodwill and trade marks	(14)	(4)	(3)	(8)	(7)
Operating profit (EBIT)	139	84	84	92	94
Interest income and expense and similar items, net	(23)	(9)	(7)	(14)	(14)
Profit before tax	116	75	77	78	80
Profit after tax	84	49	52	51	54
<i>Balance sheet</i>					
Interest-bearing assets	106			42	40
Interest-bearing liabilities	379			477	486
Invested capital	846			975	1,002
Group equity	573			541	555
Balance sheet total	1,289			1,464	1,472
<i>Cash flows</i>					
Depreciation and impairment - property, plant and equipment	61	15	15	30	30
Investment in property, plant and equipment	51	15	14	27	24
From operating activities	108	(26)	(66)	(76)	(80)
For investing activities	49	15	14	27	23
From financing activities	(124)	(101)	(72)	(112)	(82)
<i>Financial ratios (%)</i>					
Operating margin before amortisation of goodwill and trade marks	8.9	16.2	16.0	10.8	10.9
Operating margin	8.1	15.6	15.4	10.0	10.1
Return on average invested capital (ROAIC)	16.7			10.2*	10.1*
Equity ratio	44			37	38
Number of employees	1,178			1,221	1,186

*) Not converted to full-year figures.