

Stock Exchange Announcement

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Announcement No. 9, 2004

Monberg & Thorsen A/S annual report 2003

Enclosed please find Monberg & Thorsen A/S's Annual Report 2003. The Annual Reports of Dyrup A/S and MT Højgaard a/s, which were published on 2 April 2004, form an integral part of Monberg & Thorsen A/S's Annual Report. We therefore also refer to Stock Exchange Announcements No. 6 and 7 of 2 April 2004.

Yours faithfully
Monberg & Thorsen A/S



Erik Søndergaard
President

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MONBERG & THORSEN A/S

ANNUAL REPORT 2003

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FINANCIAL HIGHLIGHTS 1999-2003

DKKm	1999	2000	2001	2002	2003
Income statement					
Revenue					
Dyrup	1,595	1,642	1,670	1,722	1,724
MT Højgaard (46%)	3,167	3,601	4,041	4,448	3,672
Total revenue	4,762	5,243	5,711	6,170	5,396
Operating profit (loss) (EBIT)	209	407	80	(45)	181
Financial items, net	(10)	26	18	(21)	(19)
Profit (loss) before tax	199	433	98	(66)	162
Profit (loss) after tax	131	365	71	(78)	117
Monberg & Thorsen shareholders' share of profit (loss) after tax	131	365	71	(79)	114
Balance sheet					
Interest-bearing assets	303	773	493	499	366
Interest-bearing liabilities other than provisions	487	576	776	858	614
Invested capital	1,767	1,297	1,603	1,494	1,461
Equity	1,583	1,494	1,321	1,135	1,212
Balance sheet total	3,509	3,488	3,618	3,477	3,103
Cash flows					
From operating activities	234	158	153	147	224
For investing activities	334	(866)	313	136	87
Portion relating to property, plant and equipment	141	137	216	202	111
From financing activities	(73)	(615)	(231)	(87)	(139)
Financial ratios (%)					
Operating margin	2.3	3.1	1.3	(1.0)	3.0
Return on average invested capital (ROAIC)	12	27	6	(3)	12
Return on equity (ROE)	8	24	5	(6)	10
Equity ratio	45	43	37	33	39
Share ratios (DKK per share)					
Earnings after tax	25	68	17	(21)	32
Cash flows from operating activities	42	29	37	40	63
Dividends	9	10	11	9	12
Net asset value	282	342	349	316	336
Market price	182	308	335	340	320
Market price/net asset value	0.6	0.9	1.0	1.1	1.0
Price/earnings (P/E)	7	5	20	-	10
Payout ratio	36	15	59	-	38
Market capitalisation in DKKm	1,022	1,386	1,268	1,287	1,147
Number of employees					
Group companies	3,984	3,981	4,128	4,050	3,705

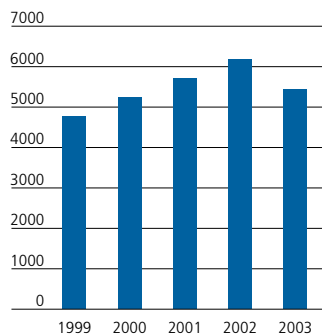
The ratios have been calculated in accordance with the guidelines of the Danish Society of Financial Analysts on the calculation of ratios.

DEFINITION OF RATIOS

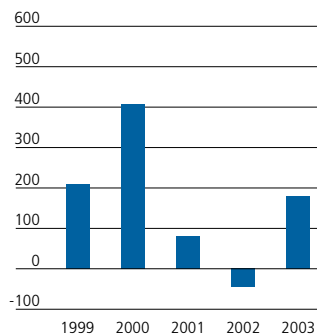
Operating margin	$\frac{(\text{Operating profit less share of profits of associates}) \times 100}{\text{Revenue}}$	Equity ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total liabilities at year end}}$
Return on average invested capital (ROAIC)	$\frac{\text{Operating profit} \times 100}{\text{Average invested capital}}$	Price/earnings (P/E)	$\frac{\text{Market price at year end}}{\text{Earnings per share}}$
Return on equity (ROE)	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$	Payout ratio	$\frac{\text{Total dividend} \times 100}{\text{Profit after tax}}$

Group financial highlights (DKKm)

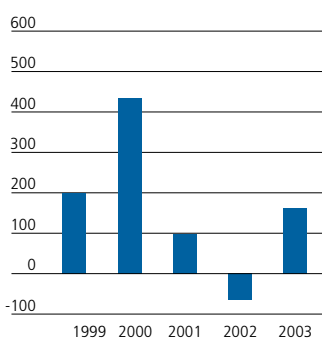
Revenue



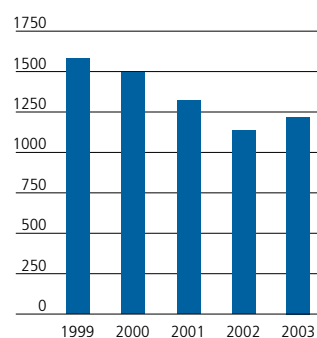
Operating profit (EBIT)



Profit before tax

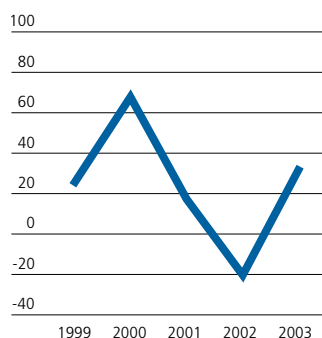


Equity

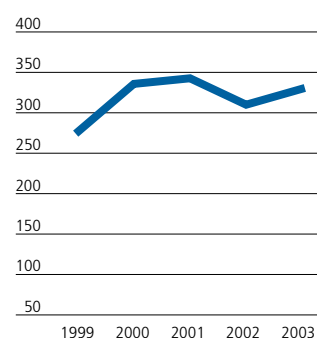


Share ratios (DKK per share)

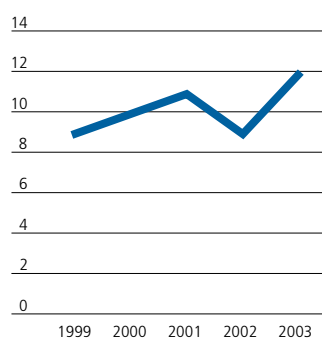
Earnings after tax



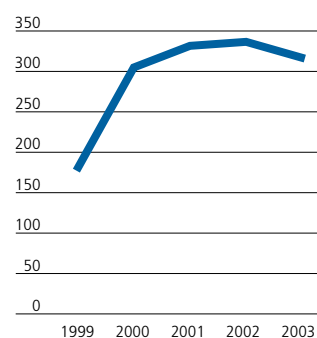
Net assets value



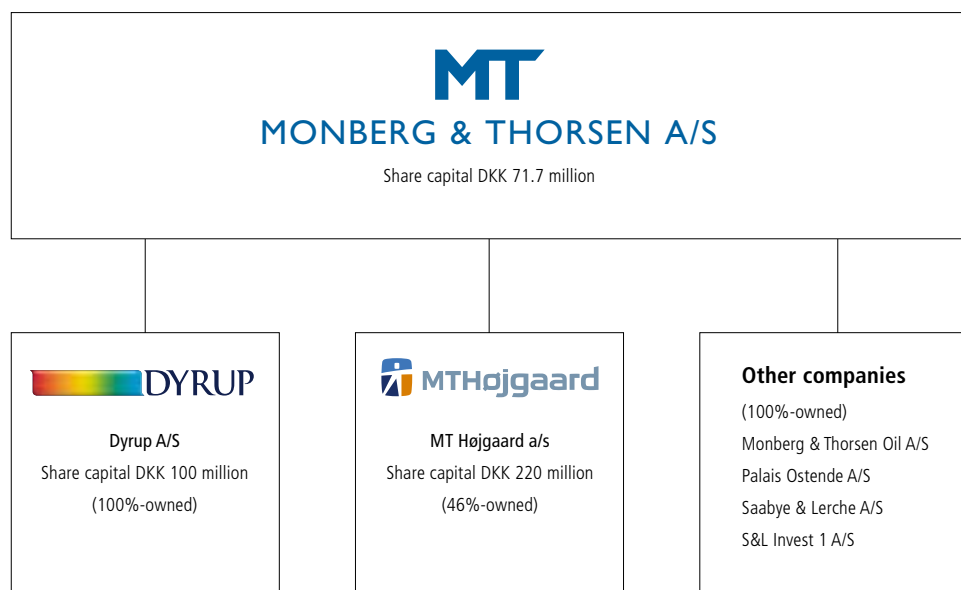
Dividends



Market price



THE GROUP, BUSINESS CONCEPT AND BUSINESS STRATEGY



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

MT Højgaard's subsidiaries are listed on page 42 of MT Højgaard's 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, results-orientation and motivation in each business area. The parent company's functions are taken care of by a small organisation.

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's parent companies are still analysing the possibilities for a public listing of MT Højgaard and agree that a listing is conditional upon a few years with a documented stable and profitable financial performance.
- DENERCO OIL is continuing its strategic development.

SUPERVISORY BOARD AND EXECUTIVE BOARDS

SUPERVISORY BOARD



Mogens Granborg (1947)
Chairman
Executive Vice President, Danisco A/S
(CSB) DSB
Joined the Supervisory Board in 1993



Hans Bennetzen (1947)
Deputy Chairman
Group Chief Operating Officer,
Group 4 Falck A/S
Joined the Supervisory Board in 1998



Jan Munkholm* (1959)
Centre Manager, Dyrup A/S
Joined the Supervisory Board in 2001



**Kristian Stausholm-Pedersen
(1938)**
Engineer
Joined the Supervisory Board in 1989



Jette Sørensen* (1964)
Recruitment and Information
Consultant, Dyrup A/S
Joined the Supervisory Board in 2001



Henrik Thorsen (1934)
M. Sc. (Eng.)
Joined the Supervisory Board in 1997



Gerrit Dirk Toet* (1954)
Production Worker, Dyrup A/S
Joined the Supervisory Board in 1998



Carsten Tvede-Møller (1935)
Lawyer, Plesner Svane Grønberg
(MSB) Skandinavisk
Tobakskompagni A/S
Joined the Supervisory Board in 1971

EXECUTIVE BOARD



Erik Søndergaard (1945)
President
(BF) DENERCO OIL A/S
(BF) FORCE Technology
(BM) A/S Dansk Erhvervsinvestering

CSB: Chairman of the Supervisory Board
MSB: Member of the Supervisory Board
* Elected by the employees

MANAGEMENT'S REVIEW

THE YEAR 2003

The result for the year after tax was a satisfactory profit of DKK 114 million, which is slightly better than anticipated during the year. The main reason for the slightly improved result was progress in other companies and the parent company as well as lower income tax.

- **Dyrup** delivered satisfactory revenue and generated pre-tax profit of DKK 115 million, on a par with 2002, despite the persistence of difficult market conditions.
- **MT Højgaard** achieved profit before tax of DKK 48 million. The Danish contracting activities developed satisfactorily throughout the year.
- The Group's **oil interests** showed a slightly better result than expected.
- The Group's operating activities generated a cash inflow of DKK 224 million versus an inflow of DKK 147 million in 2002 – a clear improvement. Both Dyrup and MT Højgaard contributed to this improvement.

The development within the Group's core activities

Dyrup delivered revenue of DKK 1,724 million despite the market development, which was particularly negative in Germany and Portugal - two of Dyrup's largest markets.

Operating profit was only on a par with 2002, due solely to a single, large bad debt related to supplies for a new eco-friendly impregnation method. For the same reason, profit before tax was similar to the 2002 level.

Both gross profit and other expenses benefited from the efficiency improvements and restructuring put in place as part of the long-term business projects initiated in 2001 with completion scheduled for 2004.

The Dyrup Group's operating margin was 8.6% versus 8.9% in 2002. Return on average invested capital was 16.4% compared with 16.7% in 2002.

MT Højgaard achieved revenue of DKK 8.0 billion versus 9.7 billion in 2002. The decline was a consequence of the strategy of focus and the subdued market conditions.

The contracting activities developed favourably in 2003, and the profit for the year benefited from reversal of provisions in connection with agreed settlements and a reduced risk profile on work in progress. The profit was adversely affected by additional costs on the Buxton project. These factors eroded profit for the year by DKK 25 million net.

The Buxton project concerns the construction of a cement factory near the town of Buxton in the UK. Difficult conditions relating to the completion of the project led to increased consumption of resources, and it was also necessary to take on additional tasks to ensure the completion of the project. MT Højgaard's part of the project will be completed at the beginning of 2004.

The claims advanced against MT Højgaard resulting from extra works, delays and disruptions in production are still pending, and provisions have been made in this respect on the basis of an evaluation of these claims. The statement of the total costs on the project is therefore still subject to uncertainty. MT Højgaard has similarly submitted claims for extra payment and extension of time. As these claims are also still pending, no income has been recognised in the financial statements in this respect, in accordance with the company's policy.

MT Højgaard delivered profit of DKK 48 million before tax and minority interests, as expected, with Monberg & Thorsen's share amounting to DKK 22 million.

The favourable result underpins the fact that MT Højgaard's development is following the course charted within the framework of the strategy of focus and consolidation initiated at the end of 2002. One of the outcomes of these projects was the reorganisation in mid-2003, resulting in an organisational structure with fewer management layers in the contracting arm and centralisation of the administrative functions, which were previously centralised as well as decentralised.

The organisation now reflects MT Højgaard's market orientation and focus on building, civil works and refurbishment projects across Denmark and on international projects covered by the company's specialist competencies.

The strategy of focus and consolidation is defined as covering the period 2003 and 2004, and MT Højgaard is now working on the company's strategy for 2005 onwards.

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 21 million against DKK 20 million in 2002. After financial expenses, pre-tax profit was DKK 18 million versus DKK 17 million in 2002.

DENERCO OIL's financial performance was slightly better than expected, primarily as a result of the high oil price through 2003.

The result of the parent company Monberg & Thorsen's operations, including its property interests, was slightly ahead of expectations and higher than in 2002.

THE FUTURE

Group revenue for 2004 is expected to be in the region of DKK 5.1 billion. Group profit after tax is expected to be in the region of DKK 125 million as stated in the Preliminary Announcement dated 19 March 2004. To this should be added a further accounting profit of about DKK 50 million after tax from the sale of the Oslo Plads properties with effect from 1 April 2004, as announced in Stock Exchange Announcement No. 5 dated 24 March 2004.

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

Dyrup expects the difficult market conditions to continue in 2004, and expects its relevant market in Europe to fall by about 1% in 2004 compared with 2003. Favourable growth is predicted for Central and Eastern Europe, whereas the negative growth in the markets in Germany, Portugal and Norway is expected to continue.

The Dyrup Group expects revenue and earnings for 2004 slightly ahead of the 2003 level. Operating margin and return on average invested capital are expected to increase compared with 2003.

MT Højgaard expects continued subdued market conditions for the Danish building and civil works market as well as severe price competition.

The coming years' increased capital spending within areas such as transport will not affect the civil works market in 2004, and the level of activity is expected to show a slightly downward trend. Project opportunities in international

markets are being pursued within selected segments, primarily offshore projects such as wind turbines, lighthouses and similar structures as well as coastal and harbour construction projects.

House building is expected to remain at a stable, high level in 2004. The decline in subsidised building is expected to be offset by the growing willingness to invest among private and institutional investors. Commercial building, in particular, has been hit by the recession, and the increased vacancy rates for office space will affect the market for office building again in 2004. The level of activity within refurbishment is expected to remain stable, although competition is fierce, partly as a result of the decline within new building.

The continued tight market conditions and the organisational adjustments implemented in 2003 affect the expectations concerning revenue in 2004, with revenue expected to be in the region of DKK 7 billion. The efficiency improvements and other measures put in place are expected to boost operating margin in 2004. Pre-tax profit in the region of DKK 75 million is thus expected.

Other Group companies

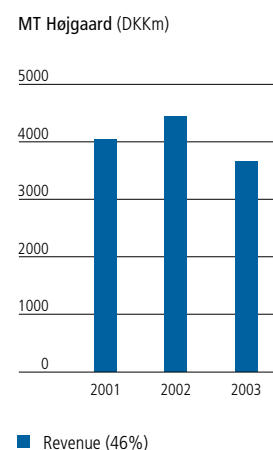
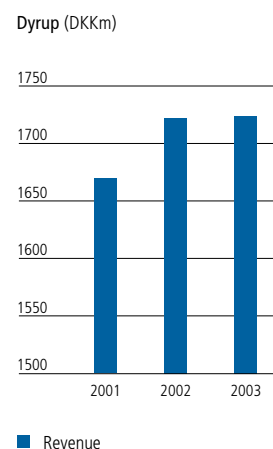
The result from the oil interests is expected to be at a level with the 2003 figure.

The property interests are expected to result in a considerably higher profit after tax, as they have been sold with effect from 1 April 2004, as announced in our Stock Exchange Announcement dated 24 March 2004. The accounting profit will contribute approx. DKK 50 million after tax to Group profit for 2004. This includes reversal of an intra-Group adjustment relating to the properties.

The result of the parent company Monberg & Thorsen's operations is expected to be on a par with the 2003 figure.

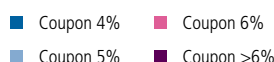
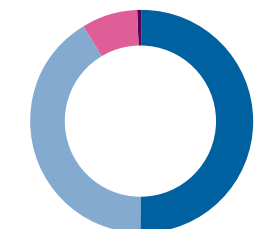
Transition to financial reporting in accordance with IFRS in 2005

The annual report will be prepared in accordance with International Financial Reporting Standards (IFRS) with effect from 2005. The main effect of a transition to IFRS will be a higher degree of detailing in the notes accompanying the financial statements. It is estimated that the transition will not have any material effect on the carrying amount of the Monberg & Thorsen Group's assets and liabilities and result.



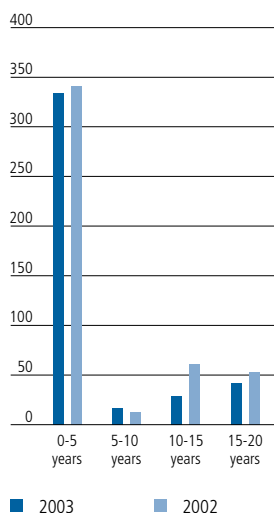
RISK FACTORS

Bond portfolio by coupon



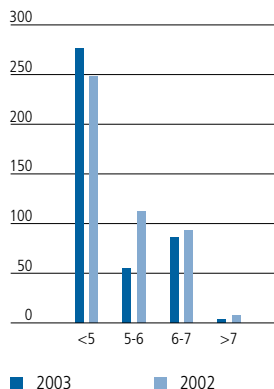
Long-term liabilities

Remaining term and principal (DKKm)



Long-term liabilities

Interest including charges and principal (DKKm)



The Monberg & Thorsen Group's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

It is considered a critical part of the strategy to continuously minimise the current risks, which are not generally deemed to differ from the normal risks within the markets in which the subsidiaries operate.

Commercial risks

In addition to generally depending on the market trend within the building sector, each subsidiary is exposed to other specific commercial risks. Detailed information about Dyrup's and MT Højgaard's commercial and financial risks are given in their annual reports. This section focuses solely on the Group's financial risks.

Financial risks

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.

The Group's total credit risks are not regarded as unusual. Credit risks are generally managed by regular assessment of major customers and business partners. Risks related to dealings with other counterparties than banks are minimised, to some extent, by means of guarantees based on 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 risk

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. Only receivables and budgeted income have been hedged. At the end of 2003 the fair value and contract value of the Group's forward exchange contracts was DKK 42 million and the average remaining maturity was just under 5 months.

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.

The Group's revenue in foreign currencies amounted to DKK 1.6 billion, corresponding to 30% of total Group revenue. Revenue in EUR represented DKK 1.4 billion of this figure, equivalent to 85% of total foreign revenue.

Interest rate risk

In 2003 the Group's net cash was placed in bonds and on short-term deposit with major banks. The interest rate risk is therefore closely linked 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 2003 the carrying amount of the bond portfolio was reduced by DKK 111 million to DKK 93 million.

The portfolio duration at year end was 1.9 years. The duration has been calculated on the basis of the durations calculated by the Copenhagen Stock Exchange. At the end of 2003 a one percentage point interest rate change would have led to a DKK 2 million change in the carrying amount of the bond portfolio.

Long-term debt

The Group's long-term debt is split up between various, mainly Danish credit institutions. New loans were raised in 2003 and existing loans were swapped to fixed-interest loans, including adjustable-rate loans with a term of 5-10 years. The Group is thus ensured relatively low interest expenses in the coming years, even if there is an increase in the general interest rate level. Non-convertible loans make up about 90% of the long-term loans.

MANAGEMENT PRINCIPLES

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 his or her profile suits the vacant seat.

There are no formal requirements with respect to 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 72nd 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 company's 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 company'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

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 keeping with the financial reporting trend towards significantly more segment informa-

tion, 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)	2001	2002	2003
Pre-tax profit	6	17	18
Share capital (nom.)	5	5	5
Equity	25	37	46
Equity ratio	32%	31%	35%

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 shares in DENERCO OIL.

Pre-tax profit was DKK 18 million and profit after tax DKK 11 million. The profit corresponds 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 2004 Monberg & Thorsen Oil expects a profit in line with 2003.

DENERCO OIL A/S delivered a profit of DKK 119 million in 2003 compared with DKK 117 million in 2002, which is slightly better than expected. Profit for the year benefited from a higher oil price, but was adversely affected by the USD exchange rate. Furthermore, the reassessment of the reserves in Cecilie led to higher depreciation. DENERCO OIL's equity stood at DKK 623 million at 31 December 2003.

DENERCO OIL had the following oil and gas-producing fields in 2003:

- The Syd Arne field, in which DENERCO OIL has a 6.6% stake. An additional production well was completed during the year. At the end of the year production was sourced from nine horizontal production wells assisted by five horizontal injection wells.
- Siri with Stine Segment 1 & 2, in which DENERCO OIL has a 20% interest. During the year an additional production well to the eastern part of the Siri field was completed. At the end of the year production was sourced from seven horizontal production wells assisted by two injection wells.

- Nini with Nini Vest and Nini Øst, in which DENERCO OIL has a 30% interest. Oil production commenced on 22 August. At the end of the year production was sourced from two horizontal production wells assisted by one injection well.
- Cecilie with Connie, in which the stake is 61%. Oil production commenced on 25 August. At the end of the year production was sourced from a single horizontal production well without water injection assistance.
- Lulita in which DENERCO OIL participates with 28.2%. The field's production was adversely affected by the lack of water treatment facilities. These are expected to be improved from 2005, enabling production to increase again.

To this should be added DENERCO OIL's 29.9% interest in Amalie gas field. This field is expected to come onstream at the end of 2007 at the earliest.

DENERCO OIL still has a 50% operatorship interest in a German offshore exploration licence, and in 2003 was awarded a 50% interest in and the operatorship of two new exploration licences on the Dutch shelf.

At the end of the year, DENERCO OIL also held participating interests in eight licences in the Danish sector of the greater Central Graben.

DENERCO OIL seeks on average over a five-year period to replace produced reserves by 100% or more. At the end of the year DENERCO OIL's remaining proven and probable reserves were 35.6 million boe. It should be noted that reserves estimates for oil and gas fields are generally subject to uncertainty.

DENERCO OIL invested DKK 924 million in production assets in 2003, primarily for development of the Nini and Cecilie fields. Capital expenditure on production assets in 2004 is expected to be in the region of DKK 300 million.

2004 is expected to result in a considerably higher oil production than for 2003. The oil price is; however, expected to be lower than for 2003 while the USD exchange rate is expected to be on the same level as the exchange rate at the end of 2003. Based on the above assumptions, pre-tax profit for 2004 is expected to be slightly better than in 2003.

PALAIS OSTENDE A/S (100%)

Palais Ostende A/S is a property company that owns and manages three properties in prime locations on Oslo Plads in Copenhagen. The properties are used for residential and office lettings. 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 were carried out in 2003 or the preceding years, and the properties have been recognised at a prudently estimated market price.

Total property income in 2003 was DKK 13 million, and pre-tax profit was DKK 8 million, up from DKK 5 million in 2002.

Monberg & Thorsen expects the property interests to generate profit after tax in the region of DKK 50 million in 2004, as an agreement has been entered into concerning sale of the properties with effect from 1 April 2004.

Highlights (DKKm)	2001	2002	2003
Pre-tax profit	4	5	8
Share capital (nom.)	36	36	36
Equity	92	95	101
Equity ratio	56%	57%	69%

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 2003. Equity stood at DKK 0.8 million at 31.12.03. A small profit is expected for 2004.

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

The company delivered a break-even result for 2003. Equity stood at DKK 0.7 million at 31.12.03. A break-even result is expected again in 2004, as the company is not engaged in any activities.

Supervisory Board

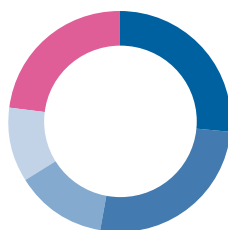
Erik Søndergaard, President (Chairman)
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Executive Board

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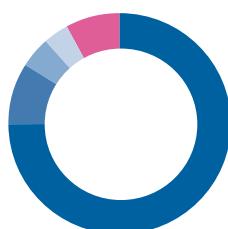
SHAREHOLDER INFORMATION

Share capital by group of shareholders



- Ejnar og Meta Thorsens Fond (26.5%)
- Founder families (26.3%)
- ATP (13.3%)
- LD (10.9%)
- Others (23.0%)

Votes by group of shareholders



- Ejnar og Meta Thorsens Fond (74.9%)
- Founder families (9.0%)
- ATP (4.5%)
- LD (3.7%)
- Others (7.9%)

Ownership

The company has around 1,100 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 21% 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.

Insiders

At 31.12.03 insider shareholdings in the company totalled 110,315 shares, equivalent to 3.1% of the share capital. Insider shareholdings can be broken down as follows:

	Number of shares held	Market value DKKm
Supervisory Board and Executive Board	99,438	31.8
Persons connected to the		
Supervisory and Executive Boards	165	0
Other insiders	10,712	3.4
	110,315	35.2

The members of the Supervisory Board and the Executive Board 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 Board and Executive Board may buy and sell such securities only for a period of up to four weeks following the publication of the preliminary announcement and interim reports.

Annual General Meeting

The Annual General Meeting will be held on 22 April 2004 at 5pm at Industriens Hus, H.C. Andersens Boulevard 18, Copenhagen V. The Annual General Meeting will be convened with at least eight days notice in accordance with the company's Articles of Association.

Dividends

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 12 per DKK 20 share be paid.

Share capital

The company's share capital amounts to DKK 71,700,000 divided into

A shares: 768,000 shares
of DKK 20 each DKK 15,360,000

B shares: 2,817,000 shares
of DKK 20 each DKK 56,340,000

Each A share with a nominal value of DKK 20 entitles the holder to ten votes and each B share with a nominal value of DKK 20 entitles the holder to one vote.

Treasury shares

The holding of treasury shares at 01.01.03 was 202,645 nos. Of these, 200,000 shares were used to reduce the company's share capital as resolved at the Annual General Meeting on 30.04.03. Monberg & Thorsen held 2,645 nos. B shares at 31.12.03.

The company did not buy any treasury shares in 2003. According to the company's rules for buying and selling of treasury shares, the company may not buy or sell treasury shares in 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 2003 the share price was 320, 6% down on the previous year. A total of 0.2 million shares were traded in 2003.

The share has been admitted to the so-called SmallCap+ segment on the Copenhagen Stock Exchange with effect from 1 January 2004. Already in the first two and a half months of 2004, 0.1 million shares have been traded, and the share is traded at a price of around 360, equivalent to an increase of about 12%.

Announcements to the Copenhagen Stock Exchange

The following announcements were sent to the Copenhagen Stock Exchange in 2003:

1.	03.01.03	Quarterly statement of shareholdings
2.	27.01.03	Monberg & Thorsen adjusts its profit expectations for 2002 downwards
3.	18.02.03	DENERCO OIL's preliminary announcement for 2002
4.	13.03.03	Management change in MT Højgaard
5.	26.03.03	MT Højgaard's preliminary announcement for 2002
6.	26.03.03	Monberg & Thorsen's preliminary announcement for 2002
7.	09.04.02	Dyrup's annual report 2002
8.	10.04.03	MT Højgaard's annual report 2002
9.	14.04.03	MT Højgaard's Annual General Meeting
10.	15.04.03	Agenda for Monberg & Thorsen's Annual General Meeting
11.	15.04.03	Monberg & Thorsen's annual report 2002
12.	30.04.03	Minutes of Annual General Meeting
13.	09.05.03	Quarterly statement of shareholdings
14.	28.05.03	MT Højgaard's interim report, Q1 2003
15.	28.05.02	Monberg & Thorsen's interim report, Q1 2003
16.	10.07.03	Quarterly statement of shareholdings
17.	27.08.03	MT Højgaard's interim report, 6 months 2003
18.	27.08.03	Monberg & Thorsen's interim report, 6 months 2003
19.	25.09.03	Quarterly statement of shareholdings
20.	27.11.03	MT Højgaard's interim report, Q3 2003
21.	27.11.03	Monberg & Thorsen's interim report, Q3 2003

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.

The annual report includes supplementary information on management's attitude to corporate governance, including a description of the management principles applied in the Group.

Further information about the Supervisory Board's work on and attitudes to the Nørby Committee's recommendations is available on www.monthor.com.

Information policy

Monberg & Thorsen's information policy is for all stakeholders to receive all price-relevant information on the various companies in the Group at suitable intervals and in a timely and efficient manner within the framework of the Copenhagen Stock Exchange code of ethics. One of the ways in which this is ensured is by 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

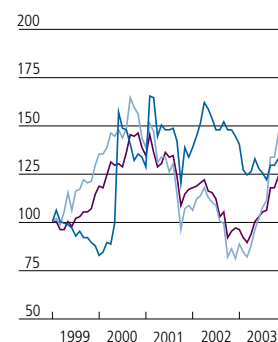
Financial calendar for 2004

Annual General Meeting	22.04.04
Payment of dividend	28.04.04

Expected dates of announcement of financial results:

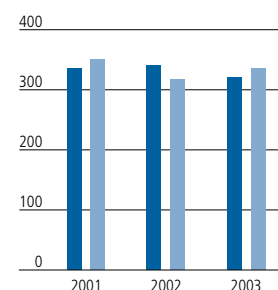
Q1 2004	19.05.04
6 months 2004	27.08.04
Q3 2004	22.11.04

Index share price 1999-2003
31.12.98 = Index 100



■ Index of MT Share price history
■ CSE Industrials P1
■ KAX CSE
■ All Share Index

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



■ Market price per share
■ Net asset value per share

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 in 2002, 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 5.4 billion, 13% down on 2002. The change in revenue can be broken down as follows:

	Change	Revenue	Share
	%	DKKm	%
Dyrup	0	1,724	32
MT Højgaard	(17%)	3,672	68
Total	(13%)	5,396	100

The lower revenue in MT Højgaard was a consequence of the strategy of focus and the subdued market conditions.

Dyrup delivered satisfactory revenue considering the difficult market conditions. Dyrup's revenue outside Denmark still represents about 77%.

International revenue totalled DKK 1.9 billion, equivalent to just over one third of revenue, which is a small increase on 2002.

Operating profit can be broken down as follows:

Operating profit (loss) (DKKm)	2002	2003
Dyrup	139	138
MT Højgaard (46%)	(200)	23
Oil interests	20	21
Parent company and property interests	(4)	(1)
Net operating profit (loss) (EBIT)	(45)	181

The operating result was a profit of DKK 181 million versus a loss of DKK 45 million in 2002, when the result was adversely affected by the share of MT Højgaard's result. In 2003 MT Højgaard delivered a profit share in line with expectations. Dyrup produced operating profit similar to the 2002 level, which is considered satisfactory, partly in view of the difficult market conditions, and partly because profit for 2003 was adversely affected by a single, large bad debt.

The result before tax was a profit of DKK 162 million. The result can be broken down as follows:

Profit (loss) before tax (DKKm)	2002	2003
Dyrup	116	115
MT Højgaard (46%)	(204)	22
Oil interests	17	18
Parent company and property interests	5	7
Net profit (loss) before tax	(66)	162

The profit share from the oil interests was slightly better than anticipated as a consequence of the high oil price throughout the year. The parent company and the property interests also delivered profit slightly ahead of expectations, principally reflecting lower costs and an improved financial return.

As will be seen from note 9, the effective tax rate for the year was 28% versus an expected 32%. The reason for this was a lower effective tax rate in Dyrup.

An effective tax rate of 30% is expected for 2004.

Balance sheet

The balance sheet total was 11% reduced on 31.12.02. The reduction came primarily from MT Højgaard, which increased its focus on operating capital management with a view to minimising capital tied up in items such as work in progress. To this should be added a decrease in operating receivables as a result of the lower level of activity. In addition, both Dyrup and MT Højgaard reduced their overall fixed assets, partly as a result of a relatively low investment level compared with the depreciation charged.

Equity stood at DKK 1.2 billion, corresponding to an equity ratio of 39%, up from 33% at the end of 2002.

Group cash flow statement

Operating cash inflow showed a satisfactory improvement, amounting to DKK 224 million versus DKK 147 million in 2002. The improvement came from both Dyrup and MT Højgaard and is a consequence of their targeted focus on minimising capital tied up in operating assets. Net investment totalled DKK 87 million compared with DKK 136 million in 2002.

Financing activities generated a cash outflow again in 2003, consisting primarily of DKK 32 million paid in dividends for 2002 and a net DKK 112 million decrease in long-term debt, partly as a result of refinancing of loans in Dyrup. Monberg & Thorsen did not buy any treasury shares in 2003.

The Group's total cash and cash equivalents at 31.12.03 amounted to DKK 106 million, to which should be added undrawn credit facilities. The financial resources are deemed to be at a satisfactory level in view of the existing strategies for the Group companies 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 fair value. The Group makes limited use of secondary financial instruments, and these are, as a rule, limited to options and forwards.

Further information about financial risks is given on page 10.

Ratios

Almost all ratios showed a considerable improvement on 2002, when they were affected by the negative result share from MT Højgaard.

Profit appropriation and dividend policy

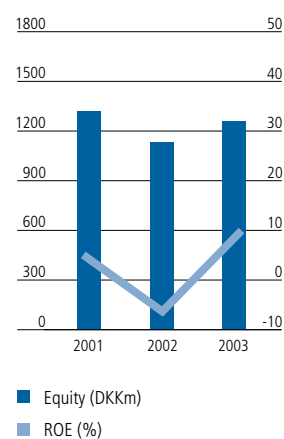
The Supervisory Board proposes that the result for the year, a profit of DKK 114.1 million, be transferred to reserves and revaluation reserves.

The Supervisory Board proposes a dividend to the shareholders of DKK 12 per DKK 20 share, corresponding to DKK 43.0 million in total, which will be reserved under proposed dividends under equity. As in 2003, no reservation has been made in respect of dividends payable on the holding of treasury shares.

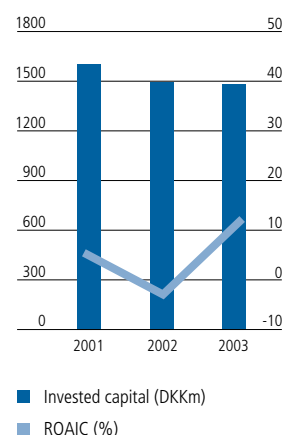
The dividend payment corresponds to about 38% of post-tax profit for the year, and the increase from DKK 9 to DKK 12 should be viewed in the light of the reduction of the dividend for 2002. The dividend payment provides a direct return of about 3.3% in relation to the current market price of about 360.

Monberg & Thorsen will continue to endeavour to pay dividend of 30-50% of the profit before value adjustments but after tax. Dividend distributions will be made with due consideration for the Group's financial position, investment opportunities and cash flow. The Group expects to acquire treasury shares in 2004.

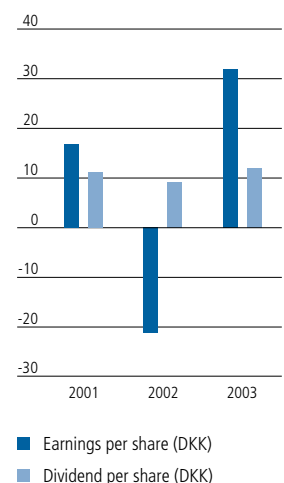
Monberg & Thorsen Group
Equity and ROE



Monberg & Thorsen Group
Invested capital and ROAIC



Monberg & Thorsen Group
Earnings and Dividend per share



MANAGEMENT STATEMENT AND 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 2003.

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 appropri-

ate. Accordingly, the annual report gives a true and fair view of the Group's and the 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, 19 March 2004

Executive Board

Erik Søndergaard
President

Supervisory Board

Mogens Granborg
Chairman

Hans Bennetzen
Deputy Chairman

Jan Munkholm

Kristian Stausholm-Pedersen Jette Sørensen

Henrik Thorsen

Gerrit Dirk Toet

Carsten Tvede-Møller

AUDITORS' REPORT

To the shareholders of Monberg & Thorsen A/S

We audited the annual report of Monberg & Thorsen A/S for the financial year 1 January - 31 December 2003.

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 did not result in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the Group's and the company's financial position at 31 December 2003 and of the results of the Group's and the company's operations and the consolidated cash flows for the financial year 1 January - 31 December 2003 in accordance with the Danish Financial Statements Act, Danish accounting standards and the Copenhagen Stock Exchange financial reporting requirements for listed companies.

Copenhagen, 19 March 2004

KPMG C.Jespersen
Statsautoriseret Revisionsinteressentskab

Jørgen Peter Bærentsen
State Authorised Public Accountant

Ernst & Young
Statsautoriseret Revisionsaktieselskab

Mogens Lundin
State Authorised Public Accountant

ACCOUNTING POLICIES

Basis of preparation

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.

There have been no changes to the accounting policies during the year; however, a few editorial changes have been made.

Basis of consolidation

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 MT Højgaard and other jointly managed companies, which are consolidated on a pro rata basis in the consolidated 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 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 under Management's review.

Acquisitions of enterprises are accounted for using the purchase method whereby the identifiable assets and liabilities acquired are recognised at their fair values at the date of acquisition. Provision is made for restructuring obligations in the acquired enterprise in respect of restructuring adopted and published 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 an expected 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 enterprise that is controlled jointly by the Group and one or more other companies and in which none of the partners has a controlling interest.

Joint ventures are recognised in the consolidated 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 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' 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 financial items.

On recognition of foreign subsidiaries and associates that are separate entities, the income statements are translated into Danish kroner at average rates that do not deviate significantly from the exchange rates ruling at the transaction date, while the balance sheet items are translated at the exchange rates ruling at the balance sheet date. Foreign exchange differ-

ences arising on translation of the opening net assets 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 enterprises are accounted for as separate entities with the exception of a single subsidiary in MT Højgaard, which was reclassified to an integrated entity in 2003.

On recognition of foreign subsidiaries that are integrated entities, the items in the income statements are translated into Danish kroner at the exchange rates at the transaction date, except for income statement items deriving from non-monetary items, which are translated using the historical rates. Balance sheet items are translated into Danish kroner at the exchange rates ruling at the balance sheet date, except for non-monetary items, which are translated using the exchange rates at the acquisition date or at the date of subsequent value adjustment.

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

Derivative financial instruments

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

Derivative financial instruments that hedge risks related to 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 hedged assets and hedged liabilities 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 by function.

Revenue

In Dyrup 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 MT Højgaard revenue comprises completed construction contracts and construction contracts 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.

Profits/losses from investments in subsidiaries and associates

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

The proportionate share of associates' pre-tax results 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.

Administrative expenses

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

Other operating income and expenses

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

Financial items

Financial items comprise interest income and expense, 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 is 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 recoverable amount if 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 fair value and the present value of future lease payments. On calculation of the present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value.

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 balance sheet according to the equity method. This means that the investments are recognised at the proportionate share of the enterprises' 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.

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 a negative net asset value are recognised at DKK 0, and any receivables from these enterprises are written down by the parent company's share of the negative net asset value. If the negative net asset value exceeds the receivables, the remainder 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.

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

Other securities and investments are measured 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.

The net realisable value of inventories 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

Securities and listed securities are measured at fair value at the balance sheet date.

Work in progress

Contract work in progress is measured 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.

Treasury shares

Treasury shares are recognised at DKK 0, and the cost is written down directly via equity. Sales of and dividends on treasury shares are recognised directly in 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 provisions for losses on work in progress and guarantee commitments.

Financial liabilities

Payables 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 cost, 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, payables 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, broken down by 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 cash flows to and from shareholders as well as increases and decreases in long-term debt.

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 33. 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

The 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)

	2003	2002
Profit (loss) before tax	162.2	(65.8)
Adjustment for non-cash operating items		
Depreciation, amortisation and impairment	156.8	169.3
Share of profits of associates	(20.7)	(17.3)
Provisions	(31.7)	152.4
Other adjustments (including foreign exchange adjustments)	(10.3)	(17.6)
Income taxes paid	<u>(49.8)</u>	<u>(30.0)</u>
	206.5	191.0
 Changes in working capital		
Inventories and receivables	125.1	145.1
Work in progress and provisions	121.8	(217.5)
Prepayments received from customers	(7.5)	(20.2)
Payables and other debt	<u>(222.0)</u>	<u>49.0</u>
Cash flows from operating activities	<u>223.9</u>	<u>147.4</u>
 Investing activities		
Intangible assets	2.1	1.3
Acquisition of property, plant and equipment	111.0	201.8
Disposal of property, plant and equipment	(26.3)	(110.9)
Investments	(0.3)	28.7
Acquisition and disposal of companies	-	0.8
Amalgamation costs	<u>-</u>	<u>14.1</u>
Cash flows for investing activities	<u>86.5</u>	<u>135.8</u>
 Cash flows before financing activities	<u>137.4</u>	<u>11.6</u>
 Financing activities		
Dividends paid to shareholders	(32.2)	(41.5)
Acquisition of treasury shares	-	(70.3)
Minority interests	5.2	1.0
Increase in long-term loans	21.8	54.3
Decrease in long-term loans	<u>(134.2)</u>	<u>(30.3)</u>
Cash flows from financing activities	<u>(139.4)</u>	<u>(86.8)</u>
 Net cash flows from operating, investing and financing activities	(2.0)	(75.2)
 Cash and cash equivalents at 01.01.	107.1	182.3
Unrealised value adjustments of securities	<u>0.5</u>	<u>-</u>
Cash and cash equivalents at 31.12.	<u>105.6</u>	<u>107.1</u>
 consisting of:		
Securities	98.2	211.1
Cash	206.5	227.4
Short-term bank debt	<u>(199.1)</u>	<u>(331.4)</u>
	<u>105.6</u>	<u>107.1</u>

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			GROUP		
2002	2003	Note	2003	2002	
		1	Revenue	5,395.8	6,169.6
		2	Production costs	<u>4,414.5</u>	<u>5,391.4</u>
			Gross profit	981.3	778.2
(68.0)	159.0	3	Share of pre-tax profits (losses) of subsidiaries	-	-
-	-	4	Share of pre-tax profits of associates	20.7	17.3
-	-	2	Distribution costs	554.4	557.8
10.7	8.9	2	Administrative expenses	281.6	296.0
<u>-</u>	<u>-</u>	5	Other operating income	<u>15.1</u>	<u>13.5</u>
(78.7)	150.1		Operating profit (loss)	181.1	(44.8)
12.3	9.4	6	Financial income	23.1	32.7
<u>0.5</u>	<u>0.4</u>	7	Financial expenses	<u>42.0</u>	<u>53.7</u>
(66.9)	159.1	8	Profit (loss) before tax	162.2	(65.8)
<u>12.0</u>	<u>45.0</u>	9	Income tax	<u>45.0</u>	<u>12.0</u>
		10	Group share of the profit (loss) for the year	117.2	(77.8)
			Minority interests	<u>3.1</u>	<u>1.1</u>
<u>(78.9)</u>	114.1		Monberg & Thorsen's share of the profit (loss) for the year	114.1	(78.9)
		11	Employee information		

	2003	2002
Proposal for profit appropriation		
Reserve for net revaluation according to the equity method	114.1	(75.2)
Retained earnings	(43.0)	(35.9)
Proposed dividends	<u>43.0</u>	<u>32.2</u>
	114.1	<u>(78.9)</u>

BALANCE SHEET 31 DECEMBER (DKKm)

ASSETS

PARENT COMPANY		Note	GROUP	
2002	2003		2003	2002
Fixed assets				
Intangible assets				
		12	99.6	110.9
		13	48.0	62.8
			147.6	173.7
Property, plant and equipment				
-	-	14	516.1	530.7
-	-	15	309.9	341.4
0.6	0.6	16	112.1	106.6
-	-	17	58.1	67.3
-	-	18	2.9	2.3
-	-	19	18.4	12.6
<u>0.6</u>	<u>0.6</u>		1,017.5	1,060.9
Investments				
907.6	1,079.9	20	-	-
-	-	21	82.5	70.7
-	-	22	25.0	25.0
<u>0</u>	<u>0</u>	23	35.9	35.3
<u>907.6</u>	<u>1,079.9</u>		143.4	131.0
<u>908.2</u>	<u>1,080.5</u>		1,308.5	1,365.6
Current assets				
Inventories				
		24	246.6	272.1
		25	180.7	168.3
			427.3	440.4
Receivables				
-	-		898.0	958.5
-	-	32	-	61.8
115.0	118.3		-	-
-	-		1.5	0.3
-	-	29	45.7	44.8
5.1	0.6		83.4	130.3
-	-		33.5	36.4
<u>120.1</u>	<u>118.9</u>		1,062.1	1,232.1
<u>172.5</u>	<u>42.4</u>	26	98.2	211.1
<u>0</u>	<u>0</u>		206.5	227.4
<u>292.6</u>	<u>161.3</u>		1,794.1	2,111.0
<u>1,200.8</u>	<u>1,241.8</u>		3,102.6	3,476.6
Security in and pledging of assets				
		27		

STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve according to the equity method	Retained earnings	Proposed dividends	Total
Parent company					
Equity at 01.01.02	75.7	341.4	859.9	41.5	1,318.5
Dividends received/paid		(100.0)	100.0	(41.5)	(41.5)
Profit (loss) for the year			(78.9)		(78.9)
Other adjustments		4.0			4.0
Transferred from net revaluation reserve		(75.2)	75.2		0
Acquisition of treasury shares			(70.3)		(70.3)
Transferred to proposed dividends			(32.2)	32.2	0
Equity at 31.12.02	75.7	170.2	853.7	32.2	1,131.8
Reduction of share capital	(4.0)		4.0		0
Dividends received/paid		(70.0)	70.0	(32.2)	(32.2)
Profit (loss) for the year			114.1		114.1
Transferred to net revaluation reserve		114.1	(114.1)		0
Other adjustments		(9.9)			(9.9)
Transferred to proposed dividends			(43.0)	43.0	0
Equity at 31.12.03	71.7	204.4	884.7	43.0	1,203.8
Group					
Group equity at 01.01.02		75.7	1,203.7	41.5	1,320.9
Dividends paid				(41.5)	(41.5)
Profit (loss) for the year			(77.8)		(77.8)
Value adjustments, etc.			2.9		2.9
Value adjustments of hedging instruments, year end			1.0		1.0
Acquisition of treasury shares			(70.3)		(70.3)
Transferred to proposed dividends			(32.2)	32.3	0
Group equity at 31.12.02		75.7	1,027.3	32.2	1,135.2
Of which minority interests' share			3.4		3.4
Monberg & Thorsen's share of equity at 31.12.02		75.7	1,023.9	32.2	1,131.8
Group equity at 01.01.03		75.7	1,027.3	32.2	1,135.2
Reduction of share capital	(4.0)		4.0		0
Dividends paid				(32.2)	(32.2)
Profit (loss) for the year			117.2		117.2
Value adjustments, etc.			(7.4)		(7.4)
Value adjustments of hedging instruments			(2.4)		(2.4)
Sale of minority shares			2.0		2.0
Transferred to proposed dividends			(43.0)	43.0	0
Group equity at 31.12.03		71.7	1,097.7	43.0	1,212.4
Of which minority interests' share			8.6		8.6
Monberg & Thorsen's share of equity at 31.12.03		71.7	1,089.1	43.0	1,203.8

Accumulated net exchange loss from 01.01.02, recognised directly in equity relating to foreign subsidiaries, amounted to DKK 2.0 million at 31.12.03, and the exchange loss for the year was DKK 7.0 million.

NOTES TO THE FINANCIAL STATEMENTS (DKKm)

	PARENT COMPANY		GROUP		PARENT COMPANY		GROUP	
	2002	2003	2003	2002	2002	2003	2003	2002
Note 1								
Group revenue by geographical area								
Denmark			3,507.1	4,113.8				
Rest of world			<u>1,888.7</u>	<u>2,055.8</u>				
			<u>5,395.8</u>	<u>6,169.6</u>				
Note 2								
Depreciation, amortisation and impairment included in								
Production costs	-	-	102.2	111.6				
Distribution costs	-	-	41.5	41.0				
Administrative expenses	<u>0.2</u>	<u>0.2</u>	<u>13.1</u>	<u>16.7</u>				
	<u>0.2</u>	<u>0.2</u>	<u>156.8</u>	<u>169.3</u>				
Fees paid to auditors appointed at the Annual General Meeting								
Total fees for the financial year under review								
KPMG C.Jespersen	0.2	0.3	5.0	6.9				
Ernst & Young	-	0.1	3.6	-				
Grant Thornton	<u>0.1</u>	-	-	<u>0.1</u>				
	<u>0.3</u>	<u>0.4</u>	<u>8.6</u>	<u>7.0</u>				
of which non-audit fees								
KPMG C.Jespersen	-	0.1	1.8	4.1				
Ernst & Young	-	-	0.8	-				
	-	<u>0.1</u>	<u>2.6</u>	<u>4.1</u>				
Note 3								
The parent company's share of pre-tax profits (losses) of subsidiaries								
Dyrup	116.2	115.2						
MT Højgaard	(205.6)	19.0						
Palais Ostende	4.6	7.6						
Monberg & Thorsen Oil	17.1	17.5						
S&L Invest 1	0.3	-						
Saabye & Lerche	<u>(0.6)</u>	<u>(0.3)</u>						
	<u>(68.0)</u>	<u>159.0</u>						
Note 4								
The Group's share of pre-tax profits (losses) of associates								
Danish Petroleum Enterprise			20.9	19.6				
Others			<u>(0.2)</u>	<u>(2.3)</u>				
			<u>20.7</u>	<u>17.3</u>				
Note 5								
Other operating income								
Property operation, net			8.5	6.4				
Other income			<u>6.6</u>	<u>7.1</u>				
			<u>15.1</u>	<u>13.5</u>				
Note 6								
Financial income								
Securities	8.2	4.5	6.2	14.7				
Cash	0.4	0.3	14.1	13.9				
Subsidiaries	3.7	4.6	-	-				
Miscellaneous	-	-	2.8	4.1				
	<u>12.3</u>	<u>9.4</u>	<u>23.1</u>	<u>32.7</u>				
Note 7								
Financial expenses								
Long-term liabilities	-	-	19.9	22.5				
Short-term liabilities	0.5	0.4	15.6	23.0				
Miscellaneous	-	-	<u>6.5</u>	<u>8.2</u>				
	<u>0.5</u>	<u>0.4</u>	<u>42.0</u>	<u>53.7</u>				
Note 8								
Profit (loss) before tax								
The parent company's profit before share of profits (losses) of subsidiaries and associates								
					0.1	1.1		
Dyrup					115.2	116.2		
MT Højgaard					22.0	(204.4)		
Other companies, etc.					<u>24.9</u>	<u>21.3</u>		
					<u>162.2</u>	<u>(65.8)</u>		
Note 9								
Income tax								
Current tax in Group companies	10.4	42.9	43.7	47.5				
Associates	-	-	6.8	6.3				
Change in deferred tax	1.6	2.1	(0.5)	(39.3)				
Prior year adjustments	-	-	<u>(5.0)</u>	<u>(2.5)</u>				
	<u>12.0</u>	<u>45.0</u>	<u>45.0</u>	<u>12.0</u>				
Reconciliation of tax rate								
Danish tax rate			30%	30%				
Deviation in foreign enterprises' tax rates			-3%	-45%				
Other, including prior year adjustments			<u>-1%</u>	<u>1%</u>				
Effective tax rate before non-tax-deductible amortisation of intangible assets								
			26%	-14%				
Non-deductible amortisation of goodwill and trade mark rights								
			<u>2%</u>	<u>-4%</u>				
Effective tax rate								
			<u>28%</u>	<u>-18%</u>				
The deviation in foreign companies' tax rates in 2002 is primarily due to the fact that joint taxation with MT Højgaard is not possible.								
Note 10								
Group share of profit (loss)								
The parent company's profit before share of profits (losses) of subsidiaries and associates								
					0.1	(3.6)		
Dyrup					84.8	83.8		
MT Højgaard					15.4	(173.0)		
Other companies					<u>16.9</u>	<u>15.0</u>		
					<u>117.2</u>	<u>(77.8)</u>		

NOTES TO THE FINANCIAL STATEMENTS (DKK m)

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 11				
Employee information				
Wages, salaries and remuneration	6.5	5.7	1,246.4	1,365.2
Pension contributions	0.1	0.2	56.1	60.1
Other social security costs	-	-	81.4	74.1
	<u>6.6</u>	<u>5.9</u>	<u>1,383.9</u>	<u>1,499.4</u>

Including salaries and remuneration to the parent company's

Supervisory Board	<u>2.3</u>	<u>1.7</u>	<u>2.7</u>	<u>3.4</u>
Executive Board	<u>1.5</u>	<u>1.5</u>	<u>2.2</u>	<u>2.1</u>
Average number of employees	<u>6</u>	<u>6</u>	<u>3,705</u>	<u>4,050</u>

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 enterprises have introduced bonus pay for the top management levels.

As in 2002, the remuneration for 2003 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 Supervisory Board committees have been appointed at the present time.

Note 12

Goodwill

Cost at 01.01.			202.5	206.5
Value adjustments			(0.3)	(0.9)
Additions			-	1.4
Disposals			(0.5)	(4.5)
Cost at 31.12.			<u>201.7</u>	<u>202.5</u>
Amortisation at 01.01.			91.6	82.0
Value adjustments			(0.4)	(0.8)
Amortisation of disposals			(0.6)	(3.3)
Charge for the year			<u>11.5</u>	<u>13.7</u>
Amortisation at 31.12.			<u>102.1</u>	<u>91.6</u>
Balance sheet value at 31.12.			<u>99.6</u>	<u>110.9</u>

Note 13

Trade marks and distribution rights

Cost at 01.01.			121.2	120.1
Value adjustments			0.2	(0.2)
Additions			<u>2.1</u>	<u>1.3</u>
Cost at 31.12.			<u>123.5</u>	<u>121.2</u>
Depreciation and impairment at 01.01.			58.4	41.4
Value adjustments			0.2	(0.1)
Charge for the year			<u>16.9</u>	<u>17.1</u>
Depreciation and impairment at 31.12.			<u>75.5</u>	<u>58.4</u>
Balance sheet value at 31.12.			<u>48.0</u>	<u>62.8</u>

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002

Note 14

Land and buildings

Cost at 01.01.			632.6	641.4
Reclassifications, etc.			(2.6)	-
Value adjustments			(1.4)	(2.2)
Additions			6.7	39.9
Disposals			<u>(8.1)</u>	<u>(46.5)</u>
Cost at 31.12.			<u>627.2</u>	<u>632.6</u>
Depreciation and impairment at 01.01.			101.9	98.7
Value adjustments			(0.8)	(0.6)
Depreciation and impairment of disposals			(7.0)	(12.9)
Charge for the year			<u>17.0</u>	<u>16.7</u>
Depreciation and impairment at 31.12.			<u>111.1</u>	<u>101.9</u>
Balance sheet value at 31.12.			<u>516.1</u>	<u>530.7</u>

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

Property valuations

Foreign properties:				
Carrying amount			108.3	114.1
Danish properties:				
Cash value at 01.01.			402.5	388.5
Additions as yet unvalued			-	-
			<u>510.8</u>	<u>502.6</u>

Note 15

Plant and machinery

Cost at 01.01.			781.5	724.5
Reclassifications, etc.			(14.3)	61.9
Value adjustments			(5.0)	(4.3)
Additions			63.0	104.5
Disposals			<u>(58.7)</u>	<u>(105.1)</u>
Cost at 31.12.			<u>766.5</u>	<u>781.5</u>
Depreciation and impairment at 01.01.			440.1	397.9
Reclassifications, etc.			(7.3)	18.6
Value adjustments			(1.0)	(1.2)
Depreciation and impairment of disposals			(47.9)	(56.8)
Charge for the year			<u>72.7</u>	<u>81.6</u>
Depreciation and impairment at 31.12.			<u>456.6</u>	<u>440.1</u>
Balance sheet value at 31.12.			<u>309.9</u>	<u>341.4</u>

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 16				
Other fixtures and fittings, tools and equipment				
Cost at 01.01.	1.2	1.4	232.9	294.2
Reclassifications, etc.	-	-	14.5	(56.9)
Value adjustments	-	-	(1.2)	(2.2)
Additions	0.2	0.4	33.0	24.2
Disposals	-	(0.3)	(23.9)	(26.4)
Cost at 31.12.	<u>1.4</u>	<u>1.5</u>	<u>255.3</u>	<u>232.9</u>
Depreciation and impairment at 01.01.	0.6	0.8	126.3	127.0
Reclassifications, etc.	-	-	8.0	(14.5)
Value adjustments	-	-	(0.9)	(2.1)
Depreciation and impairment of disposals	-	(0.1)	(20.6)	(17.0)
Charge for the year	<u>0.2</u>	<u>0.2</u>	<u>30.4</u>	<u>32.9</u>
Depreciation and impairment at 31.12.	<u>0.8</u>	<u>0.9</u>	<u>143.2</u>	<u>126.3</u>
Balance sheet value at 31.12.	<u>0.6</u>	<u>0.6</u>	<u>112.1</u>	<u>106.6</u>

Note 17
Leased property, plant and equipment

Cost at 01.01.			90.7	62.0
Additions			2.1	29.4
Disposals			(4.9)	(0.7)
Cost at 31.12.			<u>87.9</u>	<u>90.7</u>
Depreciation and impairment at 01.01.			23.4	15.3
Depreciation and impairment of disposals			(4.1)	(0.4)
Charge for the year			<u>10.5</u>	<u>8.5</u>
Depreciation and impairment at 31.12.			<u>29.8</u>	<u>23.4</u>
Balance sheet value at 31.12.			<u>58.1</u>	<u>67.3</u>
consisting of				
Land and buildings			2.2	3.2
Plant and machinery			52.5	61.1
Other fixtures and fittings, tools and equipment			<u>3.4</u>	<u>3.0</u>
			<u>58.1</u>	<u>67.3</u>

Note 18
Leasehold improvements, etc.

Cost at 01.01.			8.0	6.0
Value adjustments			(0.2)	(0.4)
Additions			<u>0.8</u>	<u>2.4</u>
Cost at 31.12.			<u>8.6</u>	<u>8.0</u>
Depreciation and impairment at 01.01.			5.7	5.9
Value adjustments			(0.3)	(0.4)
Charge for the year			<u>0.3</u>	<u>0.2</u>
Depreciation and impairment at 31.12.			<u>5.7</u>	<u>5.7</u>
Balance sheet value at 31.12.			<u>2.9</u>	<u>2.3</u>

Note 19
Prepayments and assets in course of construction

Cost at 01.01.			12.6	14.4
Additions			13.5	12.6
Disposals			(7.7)	(14.4)
Balance sheet value at 31.12.			<u>18.4</u>	<u>12.6</u>

Note 20
Investments in subsidiaries

Cost at 01.01.	762.2	762.2		
Additions	-	138.0		
Cost at 31.12.	<u>762.2</u>	<u>900.2</u>		
Revaluation/impairment at 01.01.	316.6	145.4		
Dividends received	(100.0)	(70.0)		
From income statement	(75.2)	114.1		
Value adjustments	5.9	(9.8)		
Other adjustments	(1.9)	0		
Revaluation/impairment at 31.12.	<u>145.4</u>	<u>179.7</u>		
Balance sheet value at 31.12.	<u>907.6</u>	<u>1,079.9</u>		

Parent company's carrying amount of equity in

Dyrup	572.7	580.5		
MT Højgaard	230.7	381.0		
Palais Ostende	95.5	101.2		
Monberg & Thorsen Oil	37.1	45.7		
Other companies	<u>1.6</u>	<u>1.5</u>		
	937.6	1,109.9		
Intra-Group adjustments	<u>(30.0)</u>	<u>(30.0)</u>		
Balance sheet value at 31.12.	<u>907.6</u>	<u>1,079.9</u>		

Note 21
Investments in associates

Cost at 01.01.			55.6	52.4
Additions			-	4.1
Disposals			(0.6)	(0.9)
Cost at 31.12.			<u>55.0</u>	<u>55.6</u>
Revaluation/impairment at 01.01.			15.1	1.7
Disposals			-	(0.1)
From income statement			16.2	12.1
Other adjustments			(3.8)	1.4
Revaluation/impairment at 31.12.			<u>27.5</u>	<u>15.1</u>
Balance sheet value at 31.12.			<u>82.5</u>	<u>70.7</u>

Note 22
Receivables from associates

Cost at 01.01.			25.0	-
Addition, subordinated loan capital			-	25.0
Balance sheet value at 31.12.			<u>25.0</u>	<u>25.0</u>

Note 23
Other securities and investments

Cost at 01.01.	0	0	32.9	35.3
Additions	-	-	-	-
Disposals	-	-	-	(2.4)
Cost at 31.12.	<u>0</u>	<u>0</u>	<u>32.9</u>	<u>32.9</u>
Revaluation/impairment at 01.01.			2.4	2.0
Revaluation/impairment for the year			<u>0.6</u>	<u>0.4</u>
Revaluation/impairment at 31.12.			<u>3.0</u>	<u>2.4</u>
Balance sheet value at 31.12.	<u>0</u>	<u>0</u>	<u>35.9</u>	<u>35.3</u>

NOTES TO THE FINANCIAL STATEMENTS (DKK m)

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 24				
Inventories				
Raw materials and consumables		66.6	76.7	
Work in progress		5.2	9.8	
Finished goods		<u>174.8</u>	<u>185.6</u>	
Balance sheet value at 31.12.		<u>246.6</u>	<u>272.1</u>	

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 25				
Properties for development and resale				
Balance sheet value at 01.01.		168.3	186.1	
Reclassifications, etc.		6.1	-	
Additions		19.1	4.6	
Disposals		<u>(12.8)</u>	<u>(22.4)</u>	
Balance sheet value at 31.12.		<u>180.7</u>	<u>168.3</u>	

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 26				
Securities and investments*				
Consisting primarily of listed bonds.				

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 27				
Security in and pledging of assets in addition to mortgage debt				
Bonds		0.2	5.2	
Owner's mortgages		147.4	131.8	
Carrying amount of mortgaged properties		<u>179.7</u>	<u>159.2</u>	

Note 28
The share capital and changes in the share capital in 2003 and the previous four years can be broken down as follows

	A shares	B shares	Total
Share capital at 01.01.1999	15.4	96.9	112.3
Reduction adopted on 29.08.2000	<u>0</u>	<u>(22.2)</u>	<u>(22.2)</u>
Share capital at 31.12.2000	15.4	74.7	90.1
Reduction adopted on 02.05.2001	<u>0</u>	<u>(8.5)</u>	<u>(8.5)</u>
Reduction adopted on 19.12.2001	<u>0</u>	<u>(5.9)</u>	<u>(5.9)</u>
Share capital at 31.12.2001 and 31.12.2002	15.4	60.3	75.7
Reduction adopted on 30.04.2003	<u>0</u>	<u>(4.0)</u>	<u>(4.0)</u>
Share capital at 31.12.2003	<u>15.4</u>	<u>56.3</u>	<u>71.7</u>
Number at DKK 20 per share	<u>768,000</u>	<u>2,817,000</u>	<u>3,585,000</u>

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 29				
Deferred tax				
Deferred tax at 01.01.	8.5	10.1	71.8	85.3
Change concerning profit (loss) for the year	1.6	2.1	(0.6)	(39.3)
Prior year adjustments	-	-	-	(0.2)
Of which capitalised	<u>-</u>	<u>-</u>	<u>0.9</u>	<u>26.0</u>
Deferred tax at 31.12.	<u>10.1</u>	<u>12.2</u>	<u>72.1</u>	<u>71.8</u>

* Further information on financial instruments, etc., is given under Financial review on page 17 and under Financial risks on page 10.

	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Specification of deferred tax for the Group			
Intangible assets	2.1	11.9	9.8
Property, plant and equipment	29.8	68.8	39.0
Investments	0	13.6	13.6
Current assets	1.8	38.8	37.0
Provisions	5.6	-	(5.6)
Liabilities other than provisions	63.8	-	(63.8)
Tax losses	<u>3.6</u>	<u>-</u>	<u>(3.6)</u>
Tax assets and tax liabilities, gross	106.7	133.1	26.4
Set-off	<u>61.0</u>	<u>61.0</u>	<u>0</u>
Balance sheet value at 31.12.	<u>45.7</u>	<u>72.1</u>	<u>26.4</u>

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 30				
Provisions				
Risks on commitments			38.8	165.2
Others			<u>4.3</u>	<u>1.8</u>
Balance sheet value at 31.12.			<u>43.1</u>	<u>167.0</u>

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 31				
Long-term liabilities other than provisions*				
Due after more than five years			82.5	120.4

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 32				
Contract work in progress				
Progress billings			2,573.3	2,480.6
Contract work in progress (sales value)			<u>(2,421.0)</u>	<u>(2,542.4)</u>
Balance sheet value at 31.12.			<u>152.3</u>	<u>(61.8)</u>

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 33				
Contingent liabilities, etc.				
Commitments under operating leases, primarily in MT Højgaard, cf. note 23 in the attached annual report			163.8	163.8
Guarantee commitments			0.9	0.9
Performance and payment bonds			1,202.0	1,368.9

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 works.

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Joint ventures				
Figures for the various contracting joint ventures in which the Group participates:				
Total liabilities			137.6	166.5
Of which recognised in the balance sheet			<u>74.3</u>	<u>85.7</u>

The joint ventures' assets exceed their liabilities.

	PARENT COMPANY		GROUP	
	2002	2003	2003	2002
Note 34				
Financial instruments*				
Market value of openforward exchange contracts			42.6	11.0



These consist exclusively of hedging instruments.

CONSOLIDATED FINANCIAL STATEMENTS IN EURO (EURm)

The conversion rate is the official exchange rate at 31.12.

INCOME STATEMENT	2003	2002	BALANCE SHEET AT 31 DECEMBER	2003	2002
Revenue	724.8	831.0	ASSETS		
Production costs	<u>593.0</u>	<u>726.2</u>	Fixed assets		
Gross profit	131.8	104.8	Intangible assets		
Share of pre-tax profits of associates	2.8	2.3	Goodwill	13.4	14.9
Distribution costs	74.5	75.1	Trade marks and distribution rights	<u>6.4</u>	<u>8.5</u>
Administrative expenses	37.8	39.8		19.8	23.4
Other operating income	<u>2.0</u>	<u>1.8</u>	Property, plant and equipment		
Operating profit (loss)	24.3	(6.0)	Land and buildings	69.3	71.5
Financial income	3.1	4.4	Plant and machinery	41.6	46.0
Financial expenses	<u>5.7</u>	<u>7.3</u>	Other fixtures and fittings, tools and equipment	15.1	14.3
Profit (loss) before tax	21.7	(8.9)	Leased property, plant and equipment	7.8	9.1
Income tax	<u>6.0</u>	<u>1.6</u>	Leasehold improvements, etc.	0.4	0.3
Group share of the profit (loss) for the year	15.7	(10.5)	Prepayments and assets in course of construction	<u>2.5</u>	<u>1.7</u>
				136.7	142.9
			Investments		
			Investments in associates	11.1	9.5
			Other securities and investments	<u>8.2</u>	<u>8.1</u>
				19.3	17.6
CASH FLOW STATEMENT			Total fixed assets	175.8	183.9
Cash flows from operating activities	30.1	19.9	Current assets		
Investing activities			Inventories	57.4	59.3
Intangible assets	0.3	0.2	Work in progress	-	8.3
Property, plant and equipment	11.4	12.2	Receivables	142.7	157.7
Investments	-	3.9	Securities and investments	13.2	28.4
Amalgamation costs, etc.	<u>-</u>	<u>2.0</u>	Cash	<u>27.7</u>	<u>30.7</u>
Cash flows used in investing activities	11.7	18.3	Total current assets	241.0	284.4
Cash flows before financing activities	18.4	1.6	Total assets	416.8	468.3
Financing activities			EQUITY AND LIABILITIES		
Dividends paid to shareholders	(4.3)	(5.6)	Equity		
Acquisition of treasury shares	-	(9.4)	Share capital	9.6	10.2
Change in long-term loans	<u>(14.4)</u>	<u>3.3</u>	Other reserves	146.3	137.9
Cash flows from financing activities	(18.7)	(11.7)	Proposed dividends	5.8	4.3
Net cash flows from operating, investing and financing activities	(0.3)	(10.1)	Minority shareholders	<u>1.2</u>	<u>0.5</u>
Unrealised value adjustments	0.1	-	Total equity	162.9	152.9
Cash and cash equivalents at 01.01.	<u>14.4</u>	<u>24.5</u>	Provisions	15.5	32.2
Cash and cash equivalents at 31.12.	14.2	14.4	Long-term liabilities other than provisions	50.8	57.8
			Work in progress	20.4	0
			Short-term liabilities other than provisions	167.2	225.4
			Total equity and liabilities	416.8	468.3

ESSENTIAL SEGMENT INFORMATION (DKKm)

					Other companies	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Income statement						
Revenue	1,724	1,722	3,672	4,448		
Operating profit (loss) before amortisation of goodwill and trade marks	149	153	28	(195)		
Amortisation of goodwill and trade marks	(11)	(14)	(5)	(5)		
Operating profit (loss)	138	139	23	(20)	30	26
Financial income	5	7	12	15	1	2
Financial expenses	(28)	(30)	(13)	(19)	(6)	(7)
Profit (loss) before tax	115	116	22	(204)	25	21
Income tax	(30)	(32)	(7)	31	(8)	(6)
Profit (loss) after tax	85	84	15	(173)	17	15
Balance sheet						
Intangible assets	101	120	22	26	25	27
Property, plant and equipment	470	477	434	471	143	143
Investments	-	-	5	5	138	126
Total fixed assets	571	597	461	502	306	296
Properties for development and resale	-	-	180	168	-	-
Inventories	233	257	14	15	-	-
Work in progress	-	-	-	62	-	-
Receivables	366	329	705	819	3	18
Cash and securities	58	106	201	153	4	8
Total current assets	657	692	1,100	1,217	7	26
Total assets	1,228	1,289	1,561	1,719	313	322
Share capital	100	100	101	92	42	42
Reserves, etc.	481	473	289	142	106	92
Total equity	581	573	390	234	148	134
Provisions	55	56	44	169	4	4
Long-term liabilities – interest-bearing	254	311	124	118	-	-
Short-term liabilities – interest-bearing	50	69	148	267	154	178
Other liabilities	288	280	703	931	7	6
Work in progress	-	-	152	-	-	-
Total equity and liabilities	1,228	1,289	1,561	1,719	313	322
Cash flows, etc.						
Depreciation (property, plant and equipment)	55	61	75	79	-	-
Net investment (property, plant and equipment)	53	47	31	56	-	-
From operating activities	154	108	49	(4)	23	6
For investing activities	56	49	31	75	-	12
From financing activities	(130)	(124)	151	49	-	-
Financial ratios in %						
Dividends	70	70	0	0	-	-
Operating margin before amortisation	9	9	1	(4)	-	-
Return on average invested capital (ROAIC)	16	17	5	(39)	11	11
Return on equity (ROE)	15	14	4	(55)	12	12
Equity ratio	47	44	25	14	47	42

* Comprises 46% of MT Højgaard's figures

THE COMPANY'S FOUNDERS



Axel Monberg
1893 - 1971



Ejnar Thorsen
1890 - 1965



MONBERG & THORSEN A/S