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Stock Exchange Announcement No. 18, 2004

Interim report for the first half 2004

At its meeting today, the Supervisory Board of Monberg & Thorsen A/S approved the interim report for the first half 2004. The interim report is unaudited.

Copenhagen, 27 August 2004
Supervisory Board and Executive Board



Mogens Granborg
Chairman of the Supervisory Board



Erik Søndergaard
President

Questions concerning this announcement should be directed to Erik Søndergaard, President, on telephone +45 35 46 80 00.

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

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

Results up on first half last year

- Monberg & Thorsen delivered profit after tax of DKK 122 million for the first half compared with DKK 62 million in the first half 2003. The sale of the Group's Oslo Plads properties contributed about DKK 50 million to profit after tax for the half year.
- Dyrup reported slightly lower revenue, but held earnings at the same level as in the first half 2003, despite the persistence of difficult market conditions and a cool, wet early summer.
- MT Højgaard contributed a profit slightly ahead of the first half 2003, in line with expectations.
- The profit share from DENERCO OIL was also ahead of the first half 2003.
- The earnings expectations for 2004 are reaffirmed.

THE GROUP

Financial highlights for Monberg & Thorsen

DKKm	Half year		Change	Change %
	2003	2004		
Revenue:				
Dyrup	924	910	-14	-2%
MT Højgaard (46%)	1,833	1,595	-238	-13%
	2,757	2,505	-252	-9%
Operating profit (EBIT)	106	166		
Profit before tax	93	159		
Profit after tax	62	122		

Revenue and earnings matched expectations. Profit was significantly up on the first half 2003 as a consequence of the sale of the Oslo Plads properties.

Operating profit (EBIT) developed as follows:

DKKm	Half year		Change
	2003	2004	
Dyrup	94	89	-5
MT Højgaard (46%)	3	6	3
Oil interests	9	13	4
Parent company and property interests	0	58	58
	106	166	60

Dyrup had a difficult second quarter, which had an adverse impact on sales of wood care products. Revenue amounted to DKK 910 million. Operating profit was DKK 89 million, equivalent to an operating margin of 9.7%, slightly down on the first half 2003.

Dyrup's interim report for the first half 2004 is attached to this announcement. The interim report gives a detailed account of the development within the paint and varnish company.

MT Højgaard recorded production revenue of DKK 3.5 billion and operating profit of DKK 14 million. The level of activity and results were on a par with expectations, in line with the strategy of consolidation and the subdued market conditions.

The half-year results benefited from a continuing satisfactory trend in the contracting business, whereas the subsidiaries delivered a weaker performance than in the same period last year, partly as a consequence of additional costs in connection with the handing-over of the Buxton project.

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

The profit share from **DENERCO OIL** was higher than in the first half 2003, reflecting considerably higher oil production in the half year as a result of the production from the Nini and Cecilie fields, which came on stream in autumn 2003. Oil prices were higher than in the first half 2003; however, measured in DKK, this was offset by the effects of the weak USD. The half-year profit was on a par with the profit for the first quarter only, as higher depreciation than expected was charged for the second quarter.

The parent company's operating profit was similar to the figure achieved in the first half 2003, whereas the property interests had a major impact on profit, as mentioned above.

Ratios for Monberg & Thorsen

The ratios developed as shown below:

	2000	2001	2002	2003	YTD
Financial ratios (%)					
Operating margin	3.1	1.3	(1.0)	3.0	3.7
Return on average invested capital (ROAIC)	27	6	(3)	12	7*
Return on equity (ROE)	24	5	(6)	10	10*
Share ratios (DKK per share)					
Earnings after tax	68	17	(21)	32	34
Net asset value	342	350	316	336	359
Market price**	308	335	340	320	357

*) Not converted to full-year figures.

***) Latest price traded at: 376.

Expectations for 2004

As previously announced, Group profit after tax is still expected to be in the region of DKK 175 million. This includes the accounting effect of about DKK 50 million after tax on the sale of the Oslo Plads properties.

Dyrup reaffirms its full-year profit expectations, which means that the Dyrup Group still expects earnings for 2004 slightly ahead of the 2003 level. Revenue is now expected to be on a par with 2003.

MT Højgaard anticipates revenue of just over DKK 7 billion and pre-tax profit in the region of DKK 75 million, in line with the expectations at the start of the year. Monberg & Thorsen's share amounts to around DKK 35 million.

DENERCO OIL expects pre-tax profit slightly above 2003, despite increased depreciation.

Other information

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

Attachments: Financial highlights

Group balance sheet and Statement of changes in equity

Quarterly statements

Interim report for the first half 2004 for Dyrup A/S

Financial highlights

DKK m	Year 2003	Half year 2003 2004	
<i>Income statement</i>			
Revenue:			
Dyrup	1,724	924	910
MT Højgaard (46%)	3,672	1,833	1,595
	5,396	2,757	2,505
Operating profit (EBIT)	181	106	166
Financial items, net	(19)	(13)	(7)
Profit before tax	162	93	159
Profit after tax	117	62	122
Monberg & Thorsen's share of Group profit	114	62	121
<i>Balance sheet</i>			
Interest-bearing assets	366	330	437
Interest-bearing liabilities	614	802	702
Invested capital	1,461	1,636	1,556
Equity	1,212	1,164	1,291
Balance sheet total	3,103	3,400	3,346
<i>Cash flows</i>			
From operating activities	224	(105)	(139)
For investing activities	87	36	(121)
Portion relating to property, plant and equipment	111	36	64
From financing activities	(139)	(52)	(65)
Net cash flows from operating, investing and financing activities	(2)	(193)	(83)
<i>Financial ratios (%)</i>			
Operating margin	3.0	3.5	3.7
Return on average invested capital (ROAIC)	12	7*	7*
Return on equity (ROE)	10	5*	10*
Equity ratio	39	34	39
<i>Share ratios (DKK per DKK 20 share)</i>			
Earnings after tax	32	17	34
Cash flows from operating activities	63	(29)	(39)
Net asset value	336	324	359
Market price	320	300	357
Market price/net asset value	1.0	0.9	1.0
Market capitalisation DKK m (incl. portfolio of treasury shares)	1,147	1,075	1,280

*) Not converted to full-year figures

Group balance sheet and Statement of changes in equity

Group balance sheet (DKKm)	Year	Half year	
	2003	2003	2004
ASSETS			
Intangible assets	148	157	139
Property, plant and equipment	1,018	1,028	885
Investments	143	137	153
Total fixed assets	1,309	1,322	1,177
Inventories	427	476	479
Receivables	1,062	1,332	1,311
Cash and securities	305	270	379
Total current assets	1,794	2,078	2,169
Total assets	3,103	3,400	3,346
EQUITY AND LIABILITIES			
Equity, Monberg & Thorsen's share	1,204	1,160	1,284
Equity, minority interests' share	8	4	7
Total equity	1,212	1,164	1,291
Provisions	115	159	82
Long-term liabilities other than provisions	378	411	362
Contract work in progress, net	152	92	155
Short-term liabilities other than provisions, interest-bearing	236	391	339
Other short-term liabilities other than provisions	1,010	1,183	1,117
Total equity and liabilities	3,103	3,400	3,346

Statement of changes in equity (DKKm)	Year	Half year	
	2003	2003	2004
Monberg & Thorsen's share:			
At beginning of period	1,132	1,132	1,204
Foreign exchange adjustments, etc.	(8)	(1)	1
Share of profit (loss) for the period after tax	114	62	121
Dividend to shareholders	(32)	(32)	(43)
Buyback of treasury shares	0	0	0
Value adjustments of hedging instruments	(2)	(1)	1
At end of period	1,204	1,160	1,284

Quarterly statements

DKKm	2004				
	Q1	Q2	Q3	Q4	Total
Income statement					
Revenue:					
Dyrup	392	518			
MT Højgaard (46%)	741	854			
	1,133	1,372			
Operating profit (loss) (EBIT)					
Dyrup	11	78			
MT Højgaard (46%)	(12)	18			
Oil interests	13	0			
Parent company and property interests	1	57			
Total operating profit	13	153			
Financial items	4	3			
Profit before tax	9	150			
Profit after tax	6	116			
Monberg & Thorsen' share of Group profit	6	115			
Cash flows					
From operating activities	(62)	(77)			
For investing activities	29	(150)			
Portion relating to property, plant and equipment	34	30			
From financing activities	(10)	(55)			
Net cash flows from operating, investing and financing activities	(101)	18			

DKKm	2003				
	Q1	Q2	Q3	Q4	Total
Income statement					
Revenue:					
Dyrup	382	542	490	310	1,724
MT Højgaard (46%)	877	956	875	964	3,672
	1,259	1,498	1,365	1,274	5,396
Operating profit					
Dyrup	10	84	73	(29)	138
MT Højgaard (46%)	(12)	15	6	14	23
Oil interests	7	2	4	8	21
Parent company and property interests	0	0	0	(1)	(1)
Total operating profit (loss)	5	101	83	(8)	181
Financial items	(9)	(4)	(5)	(1)	(19)
Profit (loss) before tax	(4)	97	78	(9)	162
Profit (loss) after tax	(3)	65	53	2	117
Monberg & Thorsen's share of Group profit (loss)	(3)	65	53	(1)	114
Cash flows					
From operating activities	16	(121)	156	173	224
For investing activities	16	20	15	36	87
Portion relating to property, plant and equipment	16	20	15	60	111
From financing activities	(14)	(38)	(1)	(86)	(139)
Net cash flows from operating, investing and financing activities	(14)	(179)	140	51	(2)

Interim report for the first half 2004 – Dyrup A/S

Earnings on a par with first half 2003 despite a difficult second quarter

- A wet, cool early summer had an adverse impact on sales of wood care products
- Earnings were on a par with last year despite falling sales
- Dyrup maintains its favourable development in Poland and Spain

In the half year 2004 the Dyrup Group delivered profit after tax on a par with the half year 2003, despite slightly lower revenue of DKK 910 million compared with DKK 924 million in the same period in 2003.

Difficult market conditions continued in the second quarter, reflecting the fact that there were still no signs of an economic rebound in Europe.

Dyrup's largest product categories cover wood care and outdoor applications. A spell of weather characterised by rain and cold consequently impacts adversely on Dyrup's sales.

Although revenue was down, half-year profit was on a par with last year, partly due to the implemented strategic business projects and to financial items developing favourably.

Capital expenditure amounted to DKK 46 million in the half year compared with DKK 24 million in 2003. The higher level of capital expenditure in 2004 was due to the ongoing expansion of the white spirits-based production facility in Søborg, where it has been planned to centralise all Danish white spirits-based production by the end of the year.

Market conditions

Dyrup estimates that the European market for paints and wood care products is still showing a slightly downward trend.

Group revenue by principal market compared with the half year 2003:

DKKm	Half year 2003	Half year 2004	Change %
Denmark	216	218	1
France	253	240	-5
Germany	158	149	-6
Portugal	126	122	-3

Dyrup developed satisfactorily within all market areas in Denmark, although the unfavourable weather had an adverse impact on DIY sales. The professional area is still developing satisfactorily.

In France, the difficult conditions within the retail trade are having a major impact on Dyrup's sales, although there were signs of optimism among the French consumers in the second quarter, especially in June.

The German market is still showing a slightly negative trend, although to a lesser extent than in previous years. Dyrup has extended its distribution; however, as Dyrup's assortment in the German market consists mainly of wood care products for outdoor applications, the poor weather led to a decline in sales.

In Portugal, the half year was marred by unrest in the labour market due to the government's economic intervention. The economic situation called for a tight credit policy, leading to lower sales.

Dyrup is continuing its favourable development in the Spanish market, with Dyrup showing growth of 12% in the half year, well ahead of the general market growth.

In the Polish market, Dyrup generated half-year growth of 25% measured in local currency and just over 16% measured in DKK. Dyrup has strengthened its position in the Polish market.

Strategy

All Dyrup's long-term business projects are proceeding according to plan.

The large packaging replacement project is expected to be completed by the end of the year as planned. The project has helped to enhance Dyrup's image and visibility in the market, underpinning Dyrup's internationalisation objective. Structured efforts to disseminate Dyrup's colour competencies to customers, end-users and employees also underpin its image and visibility.

Continued targeted efforts to strengthen sales to the professional and industrial areas, coupled with enhanced focus on high-technology product categories, are intended to support Dyrup's future growth.

Expectations for 2004

Despite signs of a slight economic recovery and some optimism among the consumers in some of Dyrup's European markets, this improvement is not expected to have any major impact on market conditions in 2004.

Against this background, and as a consequence of the difficult sales conditions for wood care products in the early summer, Dyrup now expects revenue similar to last year. Despite this, Dyrup still expects profit slightly ahead of the 2003 level.

Financial highlights for Dyrup A/S

DKKm	Year	Q2		Half year	
	2003	2003	2004	2003	2004
<i>Income statement</i>					
Revenue	1,724	542	518	924	910
Operating profit before amortisation of goodwill and trade marks	149	87	81	101	95
Amortisation of goodwill and trade marks	(11)	(3)	(3)	(7)	(6)
Operating profit	138	84	78	94	89
Financial items, net	(22)	(7)	(4)	(14)	(9)
Profit before tax	115	77	74	80	80
Profit after tax	85	52	50	54	54
<i>Balance sheet</i>					
Interest-bearing assets	58			40	22
Interest-bearing liabilities	304			486	507
Invested capital	827			1,002	1,052
Equity, Group	581			555	567
Balance sheet total	1,228			1,472	1,508
<i>Cash flows</i>					
Depreciation and impairment – property, plant and equipment	55	15	15	30	29
Capital expenditure - property, plant and equipment	56	14	25	24	46
From operating activities	154	(66)	(36)	(80)	(124)
For investing activities	56	14	25	23	45
From financing activities	(130)	(72)	(80)	(82)	(81)
<i>Ratios (%)</i>					
Operating margin before amortisation of goodwill and trade marks	8.6	16.0	15.5	10.9	10.4
Operating margin	8.0	15.4	14.9	10.1	9.7
Return on average invested capital	16.4			10.1*	9.4*
Equity ratio	47			38	38
Number of employees	1,152			1,186	1,128

*) Realised year to date.