

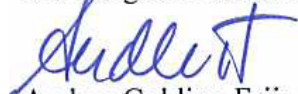
27.08.08  
Stock Exchange Announcement No. 14, 2008

## Interim financial report – First half 2008


At its meeting today, the Supervisory Board of Monberg & Thorsen A/S approved the interim financial report for the period 1 January – 30 June 2008. The interim financial report is unaudited.

Søborg, 27 August 2008  
Supervisory Board and Executive Board

Monberg & Thorsen A/S



Anders Colding Friis  
Chairman



Jørgen Nicolajsen  
President and CEO

Questions relating to this announcement should be directed to Jørgen Nicolajsen, President, on telephone +45 3546 8000.

The interim financial report can also be viewed at [www.monthor.com](http://www.monthor.com)

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

Reg. No. 12 61 79 17

## Sustained profit increase

- **Monberg & Thorsen** reported first-half operating profit (EBIT) of DKK 101 million compared with DKK 84 million in the first half of 2007, despite lower revenue.
- **Dyrup's** revenue was 4% down on the first half of 2007, and first-half operating profit was DKK 29 million compared with DKK 45 million in the first half of 2007.
- **MT Højgaard's** revenue lagged 9% behind the first half of 2007. Despite this, operating profit showed a satisfactory improvement from DKK 95 million in the first half of 2007 to DKK 170 million in the first half of 2008, with Monberg & Thorsen's share amounting to DKK 43 million and DKK 78 million, respectively.

The full-year 2008 outlook was lowered in Stock Exchange Announcement No. 12 on 9 July as a result of the development in Dyrup, which is suffering the effects of the general economic slowdown in Europe. Monberg & Thorsen stated in the Stock Exchange Announcement that operating profit in the region of DKK 100 million before special items was expected, and this outlook is reaffirmed.

## THE GROUP

### Financial highlights for Monberg & Thorsen

DKK million	Q2			First half		
	2007	2008	Change %	2007	2008	Change %
Revenue:						
Dyrup	535	<b>510</b>	-5%	942	<b>904</b>	-4%
MT Højgaard (46 %)	1,406	<b>1,322</b>	-6%	2,724	<b>2,472</b>	-9%
	1,941	<b>1,832</b>	-6%	3,666	<b>3,376</b>	-8%
Operating profit (loss) (EBIT):						
Dyrup	45	<b>35</b>		45	<b>29</b>	
MT Højgaard (46%)	27	<b>43</b>		43	<b>78</b>	
Parent company	(2)	<b>(2)</b>		(4)	<b>(6)</b>	
Operating profit (EBIT)	70	<b>76</b>		84	<b>101</b>	
Profit before tax	74	<b>69</b>		90	<b>95</b>	
Profit after tax	48	<b>50</b>		60	<b>70</b>	

## Income statement

Overall, second-quarter consolidated revenue was down 6% and first-half revenue was down 8%. As outlined above, the decline in revenue was attributable to both Dyrup and MT Højgaard.

Despite the lower revenue, operating profit was ahead due to the increase in earnings in MT Højgaard.

First-half net financing costs amounted to DKK 6 million as a result of higher interest expense in Dyrup and lower interest income in the parent company.

First-half 2008 profit before and after tax amounted to DKK 95 million and DKK 70 million, respectively, which was also higher than the first half of 2007.

**Dyrup** delivered first-half revenue of DKK 904 million, down 4% on the first half of 2007 due to the late start of the wood care season and the decline in the level of activity in the building industry. To this should be added the fact that falling house prices and rising interest rates have led to a general drop in consumer confidence in Europe.

Due to the fall in revenue, operating profit was DKK 29 million compared with DKK 45 million in the first half of 2007. The loss included special items of DKK 3 million in the form of non-recurring costs in connection with the initiated alignment of the cost base.

As a result of the development, further alignment of the cost base to the somewhat lower revenue than previously anticipated has already been initiated. As announced on 9 July, the effect of this is that the number of jobs in the Dyrup Group will be cut by around 75 from approximately 1,000. Together with other cost adjustments, the aim is to reduce the cost base by at least DKK 50 million for the 2009 financial year. In view of the development, Monberg & Thorsen decided on 9 July to inject equity of DKK 100 million into Dyrup.

Dyrup's first-half 2008 results are described in the attached appendix, which gives a detailed account of the development.

**MT Højgaard** delivered revenue of DKK 5.4 billion, down 9% from DKK 5.9 billion in the first half of 2007.

At DKK 170 million, operating profit showed sustained satisfactory improvement. Monberg & Thorsen's share amounted to 46%, equivalent to DKK 78 million.

The intake of new orders is still fair, and the order book stood at DKK 10.7 billion at the end of the first half, corresponding to the level at the end of 2007. The order book includes a number of large orders extending over several years.

Stock Exchange Announcement No. 13 concerning MT Højgaard issued earlier today gives a detailed account of the development within the contracting activities.

**The parent company's** operating result was on a par with expectations

### **Cash flow statement**

First-half operating cash inflow was DKK 17 million, significantly ahead of the first half of 2007. The improvement came from MT Højgaard, which had less funds tied up in receivables and inventories. Dyrup's peak season begins in the second quarter, and operating activities in the first half consequently always generate a cash outflow.

Investing activities in the first half absorbed DKK 110 million, in line with expectations. Investing activities in the first half of 2007 generated a cash inflow of DKK 150 million, as securities to a value of DKK 190 million net were sold.

### **Balance sheet**

At DKK 4.2 billion, the balance sheet total was on a par with the end of the first half of 2007 and at 31 December 2007. There were no major changes in the composition of the balance sheet, and the consolidated equity ratio remained 36%, as at the end of 2007.

### **Accounting policies**

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies are unchanged from those set out in the 2007 annual report.

### **Related parties**

The company has a controlling related party relationship with Ejnar og Meta Thorsens Fond.

Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and normal management remuneration, no significant transactions have been effected during the period with major shareholders, members of the Supervisory Board or Executive Board or other related parties.

Transactions between Monberg & Thorsen and subsidiaries and jointly controlled entities are based on arm's length terms and did not have any effect on Monberg & Thorsen's financial position or results during the period.

## Outlook for 2008

Consolidated operating profit before special items for 2008 is still expected to be in the region of DKK 100 million as stated in Stock Exchange Announcement No. 12 of 9 July compared with the previous profit outlook in the region of DKK 150 million. The change is due to the lowered outlook for Dyrup. To this should be added special items in Dyrup for non-recurring costs of around DKK 30 million in connection with a reduction of the cost base. Revenue is now expected to be around DKK 6.8 billion compared with the previously projected level of around DKK 7 billion.

The projections concerning future financial performance are subject to uncertainties and risks that may cause the performance to differ from the projections expressed in this report. The most significant risks are described in the section "Risk factors" in the 2007 annual report.

The outlook for the individual companies is based on stable interest rate and exchange rate levels and on the following assumptions:

**Dyrup** does not expect the market situation to improve in the second half of 2008. Dyrup's full-year 2008 revenue is therefore expected to be 2-3% lower than in 2007 as stated on 9 July 2008 in connection with the lowering of the results outlook.

The full-year 2008 operating result before special items in Dyrup is consequently expected to be a loss of around DKK 30 million. To this should be added special items for non-recurring costs in the order of DKK 30 million.

**MT Højgaard** has reaffirmed its outlook of revenue of approx. DKK 11 billion and profit before tax in the region of DKK 300 million.

## Other information

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

## Statement by the Executive and Supervisory Boards

The Executive and Supervisory Boards have today discussed and approved the interim financial report of Monberg & Thorsen A/S for the period 1 January – 30 June 2008.

The interim financial report is unaudited and has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the interim financial report gives a true and fair view of the Group’s financial position at 30 June 2008 and of the results of the Group’s operations and cash flows for the period 1 January - 30 June 2008.

Further, in our opinion, the Management’s review gives a true and fair review of the development in the Group’s operations and financial matters, the results of the Group’s operations and the Group’s financial position as a whole and describes the significant risks and uncertainties pertaining to the Group.

Søborg, 27 August 2008

### Executive Board

Jørgen Nicolajsen  
President

### Supervisory Board

Anders Colding Friis  
Chairman

Torben Ballegaard Sørensen  
Deputy Chairman

Magnus Bertelsen  
Employee representative

Poul Lind

Jan Munkholm  
Employee representative

Christine Thorsen

Henrik Thorsen

Gerrit Dirk Toet  
Employee representative

Carsten Tvede-Møller

*Appendices: Financial highlights  
Consolidated balance sheet and Statement of changes in equity  
Quarterly statements  
Detailed statement – First half 2008 – Dyrup A/S*

## Financial highlights

DKK million	Year 2007	First half 2007	2008
<b>Income statement</b>			
Revenue:			
Dyrup	1,696	942	<b>904</b>
MT Højgaard (46%)	5,389	2,724	<b>2,472</b>
	7,085	3,666	<b>3,376</b>
Gross profit	948	348	<b>382</b>
Operating profit before special items	84	84	<b>104</b>
Special items, etc.	54	0	<b>(3)</b>
Operating profit (EBIT)	138	84	<b>101</b>
Net financing costs	3	6	<b>(6)</b>
Profit before tax	141	90	<b>95</b>
Profit after tax	99	60	<b>70</b>
Monberg & Thorsen's share of consolidated profit	98	60	<b>70</b>
<b>Balance sheet</b>			
Interest-bearing assets	781	666	<b>686</b>
Interest-bearing liabilities	571	674	<b>600</b>
Invested capital	1,339	1,517	<b>1,497</b>
Equity	1,464	1,421	<b>1,496</b>
Balance sheet total	4,050	4,111	<b>4,160</b>
<b>Cash flows</b>			
From operating activities	53	(98)	<b>17</b>
For investing activities*	135	149	<b>(110)</b>
From financing activities	(162)	(157)	<b>(126)</b>
Net increase (decrease) in cash and cash equivalents	26	(106)	<b>(219)</b>
* Portion relating to property, plant and equipment (gross)	(162)	(55)	<b>(80)</b>
<b>Financial ratios (%)</b>			
Operating margin (EBIT margin)	1	2	<b>3</b>
Return on invested capital (ROIC)	10	6*	<b>7*</b>
Return on equity (ROE)	7	4*	<b>5*</b>
Equity ratio	36	35	<b>36</b>
<b>Share ratios (DKK per DKK 20 share)</b>			
Earnings per share (EPS)	27	17	<b>20</b>
Cash flow from operating activities	15	(27)	<b>5</b>
Book value	409	397	<b>418</b>
Market price	498	560	<b>395</b>
Market price/book value	1.2	1.4	<b>0.9</b>
Market capitalisation in DKK million	1,785	2,008	<b>1,416</b>

\* Not converted to full-year figures.

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and Danish disclosure requirements for interim financial reports of listed companies. The accounting policies are unchanged from those set out in the 2007 annual report. The comparative figures for the first half of 2007 have been restated to reflect the change of accounting policy for recognition of revenue from project development cases.

The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'. Financial ratios are defined in the 2007 annual report.

## Consolidated balance sheet and Statement of changes in equity

Consolidated balance sheet (DKK million)	Year	First half	
	2007	2007	2008
<b>ASSETS</b>			
Intangibles	130	135	<b>137</b>
Property, plant and equipment	785	848	<b>825</b>
Investments	136	135	<b>117</b>
Total non-current assets	1,051	1,118	<b>1,079</b>
Inventories	550	512	<b>544</b>
Receivables	1,668	1,815	<b>1,851</b>
Cash and cash equivalents and securities	781	666	<b>686</b>
Total current assets	2,999	2,993	<b>3,081</b>
Total assets	4,050	4,111	<b>4,160</b>
<b>EQUITY AND LIABILITIES</b>			
Equity attributable to Monberg & Thorsen	1,464	1,421	<b>1,496</b>
Equity attributable to minority interests	-	0	-
Total consolidated equity	1,464	1,421	<b>1,496</b>
Non-current liabilities, provisions	76	86	<b>83</b>
Non-current liabilities, interest-bearing	126	269	<b>117</b>
Construction contracts in progress	614	533	<b>605</b>
Current liabilities, interest-bearing	445	405	<b>483</b>
Other current liabilities	1,325	1,397	<b>1,376</b>
Total equity and liabilities	4,050	4,111	<b>4,160</b>

Statement of changes in consolidated equity (DKK million)	Year	First half	
	2007	2007	2008
Start of period	1,502	1,502	<b>1,464</b>
Foreign exchange adjustments, etc.	4	(1)	<b>5</b>
Profit after tax for the period	99	60	<b>70</b>
Dividend to shareholders	(129)	(129)	<b>(43)</b>
Disposal, minority interests, etc.	(12)	(11)	-
Buyback of treasury shares	-	-	-
End of period	1,464	1,421	<b>1,496</b>

## Quarterly statements

DKK million	2008				
	Q1	Q2	Q3	Q4	Total
<b>Income statement</b>					
Revenue:					
Dyrup	394	510			904
MT Højgaard (46%)	1,150	1,322			2,472
	1,544	1,832			3,376
<b>Operating profit (loss) (EBIT)</b>					
Dyrup	(6)	35			29
MT Højgaard (46%)	35	43			78
Parent company's operations, etc.	(4)	(2)			(6)
Total operating profit (EBIT)	25	76			101
Net financing costs	1	(7)			(6)
Profit before tax	26	69			95
Profit after tax	20	50			70
Monberg & Thorsen's share of consolidated profit	20	50			70
<b>Cash flows</b>					
From operating activities	102	(85)			17
For investing activities*	(55)	(55)			(110)
From financing activities	(69)	(57)			(126)
Net increase (decrease) in cash and cash equivalents	(22)	(197)			(219)
*Portion relating to property, plant and equipment	(23)	(57)			(80)

DKK million	2007				
	Q1	Q2	Q3	Q4	Total
<b>Income statement</b>					
Revenue:					
Dyrup	407	535	448	306	1,696
MT Højgaard (46%)	1,318	1,406	1,235	1,430	5,389
	1,725	1,941	1,683	1,736	7,085
<b>Operating profit (loss) (EBIT)</b>					
Dyrup	0	45	27	(67)	5
MT Højgaard (46%)	16	27	15	85	143
Parent company's operations, etc.	(2)	(2)	(1)	(5)	(10)
Total operating profit (EBIT)	14	70	41	13	138
Net financing costs	2	4	(6)	3	3
Profit before tax	16	74	35	16	141
Profit after tax	12	48	25	14	99
Monberg & Thorsen's share of consolidated profit	12	48	25	13	98
<b>Cash flows</b>					
From operating activities	(3)	(95)	198	(47)	53
For investing activities*	168	(19)	(35)	21	135
From financing activities	(22)	(135)	8	(13)	(162)
Net increase (decrease) in cash and cash equivalents	143	(249)	171	(39)	26
*Portion relating to property, plant and equipment	(27)	(28)	(38)	(69)	(162)

## Detailed statement – First half 2008

- **Revenue was 4% down on the first half of 2007 due to the late start of the wood care season and the decline in the level of activity in the building industry.**
- **A realignment of the cost level has been initiated with immediate effect.**
- **The results outlook announced on 9 July is reaffirmed.**

Despite the fact that the wood care season got off to a good start in May and June in Germany and Denmark, the Dyrup Group delivered second-quarter revenue of DKK 510 million compared with DKK 535 million in the second quarter of 2007. The decline was due to the decline in the level of activity in the building industry, adversely affecting revenue in the professional market, in particular. To this should be added the fact that falling house prices and rising interest rates have led to a general drop in consumer confidence in Europe.

The positive development in Poland continued in the second quarter of 2008, with growth in the Polish market still being relatively high. The DIY area in Denmark and total Industry sales also developed positively.

First-half revenue was consequently DKK 904 million, down 4%. This was due to the factors set out above and the fact that the 2008 wood care season did not begin until May due to the early Easter and cold weather more or less throughout April.

Competition remains fierce in all markets and has intensified due to the general economic decline. Despite growing competition and higher raw material prices, Dyrup has managed to maintain its gross profit as a result of the improvement initiatives put into effect.

First-half operating profit before special items was DKK 32 million compared with DKK 45 million in the first half of 2007. Corrected for the reduction in revenue, profit was relatively better than expected, primarily due to the savings implemented.

Special items amounted to DKK 3 million in non-recurring costs in connection with the initiated cost base alignment.

Net financing costs rose as a result of investing activities in both 2007 and 2008 and the higher interest rate level.

The first-half result before tax was consequently a profit of DKK 15 million compared with DKK 33 million in the first half of 2007. Profit after tax was DKK 10 million compared with DKK 26 million in the first half of 2007.

First-half capital expenditure was DKK 48 million compared with DKK 13 million in the first half of 2007. Expenditure related primarily to upgrading and modernisation of the water-based production (the water-based plant) in Søborg, the production facilities in Albi in the south of France and the new ERP platform.

## Market conditions

The European paint and wood care market is estimated to have shown a small downturn in the first half of 2008 overall, but with a distinct decline in the level of activity in the second quarter.

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

DKK million	First half 2007	<b>First half 2008</b>	Change %
Denmark	229	<b>197</b>	-14
France	242	<b>223</b>	-8
Germany	148	<b>139</b>	-6
Iberian Peninsula	167	<b>163</b>	-2
Poland	56	<b>69</b>	25

In Denmark, Dyrup's first-half sales declined in all areas, partly due to the late start to the wood care season, and partly due to the generally lower level of activity in the building and civil works market. Revenue was also affected by the fact that some of the Danish industrial customers are relocating production to Poland, boosting Dyrup's revenue in Poland. Second-quarter DIY revenue was 2% ahead, but could not make up for the decline in the professional area, where construction activity has seen a marked downturn.

In France, the market improved within the professional area; however, the progress is still driven by paint products, where Dyrup's presence is very limited. Despite this, Dyrup reported progress within the professional area in the first half. The retail market and consequently the DIY market were adversely affected, on the other hand, and Dyrup experienced decline in this area. As a consequence of this and the cold spring, revenue was 8% down overall on the first half of 2007.

In Germany, the wood care season did not take off until the start of May to which should be added the fact that consumer confidence is falling. Revenue in the first half was consequently 6% down on the first half of 2007, which benefited from high sell-in.

The development in the Portuguese market turned in the second quarter, and both Portugal and Spain are believed to have experienced considerable market decline in the first half – especially Spain, where housing construction fell. Price competition in Portugal, in particular, continued in the second quarter, and Dyrup experienced decline for the Iberian Peninsula overall, largely neutralising first-quarter growth.

The high level of economic activity in Poland is continuing, and Dyrup reported first-half growth of 10% in local currency and 25% in Danish kroner, attributable to DIY and Industry. Within DIY, revenue benefited from new products. Revenue within Industry was affected by

the fact that several Western European window manufacturers are establishing production in Eastern Europe.

### **Strategic initiatives are paying off, but further alignment of the cost base is required**

Dyrup has been initiating and implementing substantial restructuring of the company since 2006, with constant focus on efficiency improvements and savings across the value chain. Significant ongoing projects include the upgrading of the manufacturing facilities for water-based products in Denmark, the establishment of a new ERP platform, and optimisation of warehousing and distribution. All projects and initiatives are proceeding to plan, and Dyrup expects the positive effects of these to feed through as their implementation is completed in 2009.

However, the reversal in the general state of the market has made it necessary to align the cost level still further so that it matches the somewhat lower revenue than previously forecast. As announced on 9 July, the effect of this is that the number of jobs in the Dyrup Group will be cut by around 75 from approximately 1,000. Coupled with other cost adjustments, Dyrup aims to reduce its cost base by at least DKK 50 million for the 2009 financial year.

As will be known, Dyrup's STRATEGY 2008, which has been the focal point of the restructuring and focusing implemented in the last few years with a view to creating profitable growth in the company, comes to an end at the close of 2008. Dyrup is in the process of preparing a new strategy for the years ahead that will be published at the start of 2009.

### **Outlook for 2008**

The market situation is not expected to pick up in the second half of 2008. Dyrup's full-year 2008 revenue is therefore expected to be 2-3% lower than in 2007 as announced on 9 July 2008 in connection with the lowering of the full-year results outlook.

Besides lower revenue, Dyrup's gross profit is being adversely impacted by rising prices, especially on packaging and raw materials affected by the oil price. Price rises that are not expected to be fully offset by price increases.

As announced on 9 July 2008, the development means that Dyrup's full-year 2008 operating result before special items is expected to be a loss in the region of DKK 30 million. To this should be added special items in the order of DKK 30 million for non-recurring costs in connection with planned measures. This outlook is reaffirmed and will have corresponding consequences for the results before and after tax.

As a result of the lower results and in view of Dyrup's strategic challenges and ongoing measures, Monberg & Thorsen A/S has injected equity of DKK 100 million into Dyrup after 30 June 2008.

## Financial highlights for Dyrup A/S

Financial highlights in DKK million	Year	Q2		First half	
	2007	2007	2008	2007	2008
<b>Income statement</b>					
Revenue	1,696	535	<b>510</b>	942	<b>904</b>
Gross profit	694	233	<b>222</b>	397	<b>380</b>
Operating profit before special items	5	45	<b>38</b>	45	<b>32</b>
Special items	-	-	<b>(3)</b>	-	<b>(3)</b>
Net financing costs	(20)	(8)	<b>(9)</b>	(12)	<b>(15)</b>
Profit (loss) before tax	(15)	37	<b>27</b>	33	<b>15</b>
Profit (loss) after tax	(19)	29	<b>19</b>	26	<b>10</b>
<b>Balance sheet</b>					
Interest-bearing assets	56			36	<b>19</b>
Interest-bearing liabilities	434			498	<b>591</b>
Invested capital	884			1,010	<b>1,094</b>
Consolidated equity	428			468	<b>441</b>
Balance sheet total	1,227			1,438	<b>1,457</b>
<b>Cash flows</b>					
Depreciation - property, plant and equipment	47	10	<b>14</b>	22	<b>25</b>
Capital expenditure - property, plant and equipment	71	6	<b>30</b>	13	<b>46</b>
Cash flow from operating activities	70	(14)	<b>(56)</b>	(74)	<b>(146)</b>
Cash flow for investing activities	(70)	(7)	<b>(31)</b>	(13)	<b>(48)</b>
Cash flow from financing activities	(17)	(7)	<b>(9)</b>	(9)	<b>(76)</b>
<b>Financial ratios (%)</b>					
Gross margin	41	44	<b>44</b>	42	<b>42</b>
Operating margin (EBIT margin)	0	8	<b>8</b>	5	<b>4</b>
Return on invested capital (ROIC)	1			5*	<b>3*</b>
Equity ratio	35			32	<b>30</b>

\*) Not converted to full-year figures