MONBERG & THORSEN A/S

Stock Exchange Announcement

24.3.2011
Announcement No. 4, 2011

Monberg & Thorsen's Board of Directors approved the annual report for 2010 at its meeting today.

Monberg & Thorsen delivered consolidated revenue of DKK 5.3 billion against DKK 5.6 billion in 2009 and operating profit of DKK 76 million versus DKK 118 million in 2009, matching our expectations.

Profit before tax was DKK 73 million compared with DKK 126 million in 2009. The pre-tax margin was thus 1.4%.

The result after tax was a profit of DKK 50 million compared with DKK 103 million in 2009.

Dyrup delivered revenue of DKK 1.4 billion. The operating result was a profit of DKK 42 million. Both revenue and profit were ahead of expectations. The result before tax was a profit of DKK 20 million.

MT Højgaard delivered revenue of DKK 8.3 billion and operating profit of DKK 94 million versus DKK 290 million in 2009. The lower profit reflected the generally lower level of activity, with intense competition and pressure on prices. Profit before tax was DKK 100 million, corresponding to a pre-tax margin of 1.2%, in line with the latest profit outlook.

At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 7 per DKK 20 share be paid.

The full-year 2011 outlook is consolidated revenue in the region of DKK 5.9 billion, with profit before tax - pre-tax margin - of around 1%.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report.

The annual report has been published via Nasdaq OMX Copenhagen, and is available on Monberg & Thorsen's website www.monthor.dk.

Søborg, 24 March 2011
Board of Directors 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 and CEO, on telephone +45 3546 8000.

The announcement can also be viewed at www.monthor.com

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

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Denmark

MONBERG & THORSEN A/S

ANNUAL REPORT 2010

MONBERG & THORSEN A/S

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MANAGEMENT'S REVIEW

CONSOLIDATED FINANCIAL HIGHLIGHTS 2006-2010 4
THE GROUP 6
BUSINESS CONCEPT AND BUSINESS STRATEGY 6
BOARD OF DIRECTORS AND EXECUTIVE BOARD 7
GROUP ANNUAL REVIEW 8
DYRUP AND MT HØJGAARD 11
STATUTORY REPORT ON CORPORATE GOVERNANCE 12
SHAREHOLDER INFORMATION 14
FINANCIAL REVIEW AND DIVIDEND 17

MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS 20
INDEPENDENT AUDITORS REPORT 21

FINANCIAL STATEMENTS

SEGMENT INFORMATION 22
STATEMENT OF CASH FLOWS 23
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME 24
BALANCE SHEET 25
STATEMENT OF CHANGES IN EQUITY 28
INDEX OF NOTES 29
NOTES 30

CONSOLIDATED FINANCIAL STATEMENTS IN EURO 45

DYRUP AND MT HØJGAARD

The activities of the Monberg & Thorsen Group consist of Dyrup, which is wholly-owned, and MT Højgaard, in which the ownership interest is 46%. Both companies are engaged in building-related activities, but with different representation in the market. MT Højgaard is owned together with Højgaard Holding and is a jointly controlled entity. It is therefore consolidated in Monberg & Thorsen's consolidated financial statements by proportionate consolidation.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report. Dyrup's and MT Højgaard's accounting policies follow the Group's accounting policies.

CONSOLIDATED FINANCIAL HIGHLIGHTS 2006-2010

DKK million	2006	2007	2008	2009	**2010**
Income statement					
Revenue					
Dyrup	1,660	1,696	1,624	1,394	1,440
MT Højgaard (46 %)	5,389	5,389	5,139	4,180	3,819
Total revenue	6,749	7,085	6,763	5,574	5,259
Operating profit	192*	138	73	118	76
Net financing costs	(15)	3	10	8	(3)
Profit before tax	177*	141	83	126	73
Profit after tax	191*	99	56	103	50
Attributable to equity holders of the parent	187*	98	56	103	50
* Including DKK 171 million gain on sale of oil interests					
Balance sheet					
Interest-bearing assets	824	781	647	859	643
Interest-bearing liabilities	565	571	437	427	536
Invested capital	1,332	1,339	1,344	1,257	1,615
Consolidated equity	1,502	1,464	1,468	1,568	1,594
Attributable to equity holders of the parent	1,491	1,464	1,468	1,568	1,592
Balance sheet total	4,062	4,050	3,963	4,076	3,805
Cash flows					
From operating activities	201	53	233	240	(120)
For investing activities**	(123)	135	(208)	(207)	(11)
From financing activities	(66)	(162)	(137)	100	(6)
Net increase (decrease) in cash and cash equivalents	11	26	(112)	133	(137)
**Portion relating to property, plant and equipment (gross)	(155)	(162)	(209)	(199)	(184)
Financial ratios (%)					
Operating margin (EBIT margin)	0	1	1	2	1
Pre-tax-margin	3	2	1	2	1
Return on invested capital (ROIC)	13	10	5	9	5
Return on equity (ROE)	13	7	4	7	3
Equity ratio	37	36	37	38	42
Share ratios (DKK per share)					
Earnings per share (EPS)	52	27	16	29	14
Cash flows from operating activities	56	15	65	67	(33)
Proposed dividends	36	12	0	7	7
Book value	416	409	410	438	444
Market price	478	498	161	280	300
Market price/Book value	1.1	1.2	0.4	0.6	0.7
Price earnings (P/E)	9	18	10	10	21
Payout ratio (%)	69	44	0	24	50
Market capitalisation in DKK million	1,714	1,785	577	1,004	1,076
Number of employees					
Consolidated enterprises	3,829	3,991	3,835	3,561	3,361

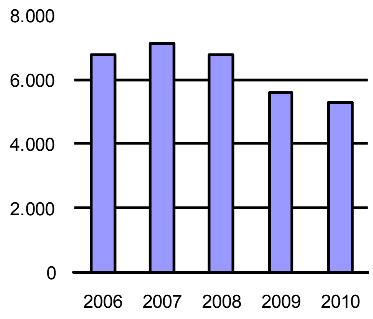
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'. Earnings per share (EPS) has been calculated in accordance with IFRS. The ratios used are defined below.

DEFINITION OF FINANCIAL RATIOS

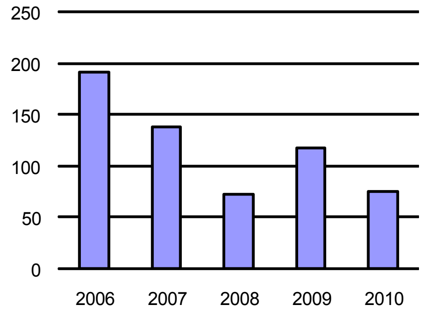
Operating margin (EBIT margin)	$\frac{\text{(Operating profit less share of profit of associates, etc.) x 100}}{\text{Revenue}}$
Pre-tax margin	$\frac{\text{Profit before tax x 100}}{\text{Revenue}}$
Return on invested capital incl. goodwill (ROIC)	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Average invested capital including goodwill}}$
Return on equity (ROE)	$\frac{\text{Profit after tax x 100}}{\text{Average equity}}$
Invested capital	Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill.
Equity ratio	$\frac{\text{Equity at year end x 100}}{\text{Total liabilities at year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year attributable to parent}}{\text{Average number of shares}}$
Price earnings (P/E)	$\frac{\text{Market price at year end}}{\text{Earnings per share}}$
Payout ratio	$\frac{\text{Total dividend x 100}}{\text{Profit after tax}}$

Consolidated financial highlights (DKK million)

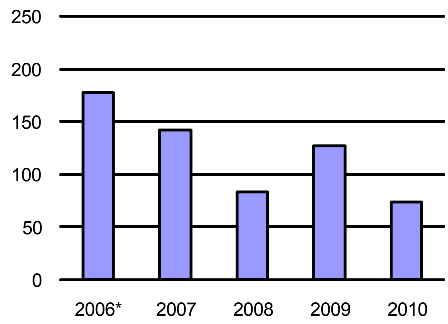
Revenue



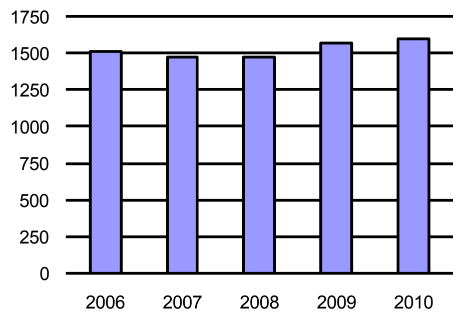
Operating profit (EBIT)



Profit before tax

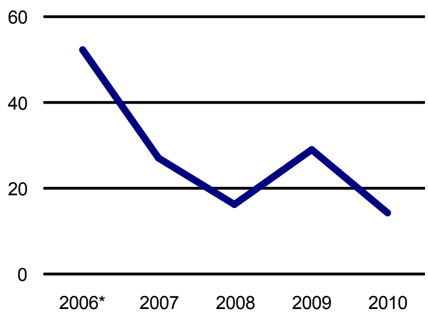


Equity at year end

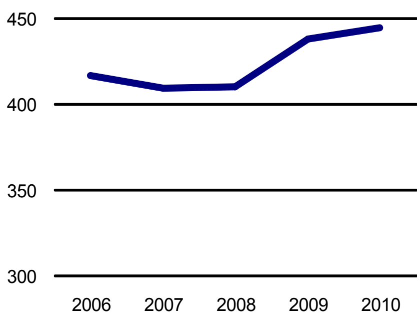


Share ratios (DKK per share)

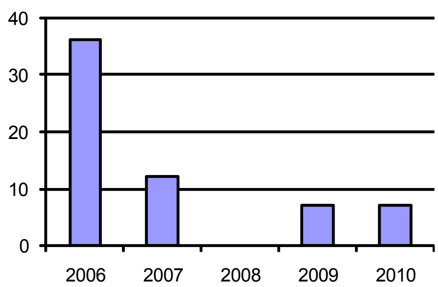
Earnings per share (EPS)



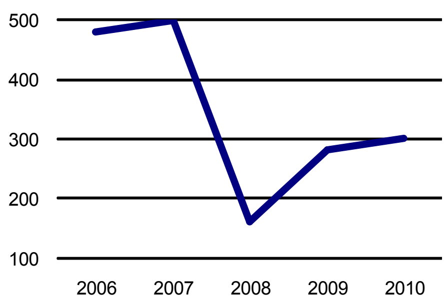
Book value at year end



Dividends

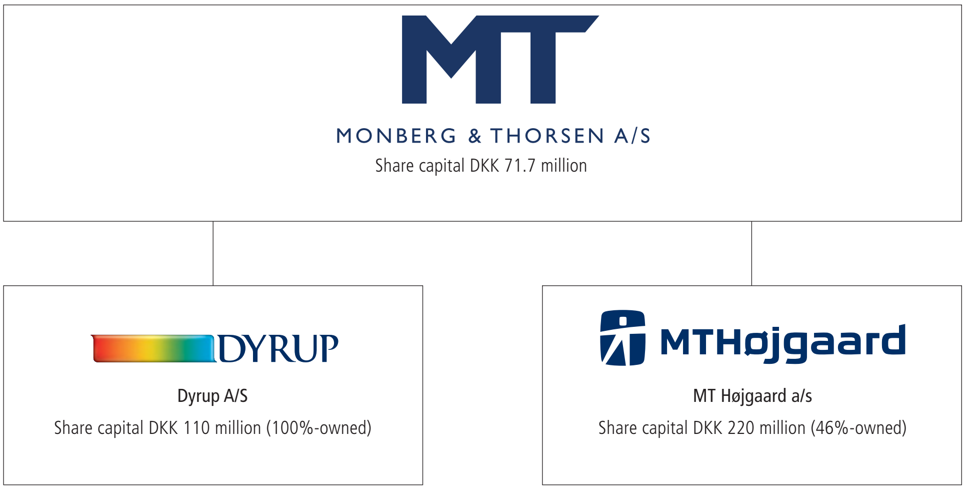


Market price at year end



* Including DKK 171 million gain on sale of oil interests.

THE GROUP, BUSINESS CONCEPT AND BUSINESS STRATEGY



BUSINESS CONCEPT

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

BUSINESS STRATEGY

Monberg & Thorsen is exercising active and significant influence on strategy, acquisition activities, management and finance in its business areas. It is doing so through representation on the Boards of Directors of the consolidated enterprises and by setting financial requirements and targets. The parent company's functions are taken care of by a small organisation.

The core areas are characterised by strong market positions in their respective sectors. There are no plans to make any acquisitions in related sectors at present.

Dyrup
Dyrup aims to be a strong alternative to the large, global paint and wood care suppliers in Europe.

Dyrup's business model must draw on the local units' market knowledge and flexibility, which, coupled with the international infrastructure and powerful brands, provide a sound platform for value creation.

The financial target is for Dyrup's profitability to match that of the other manufacturers in the European market within a few years.

MT Højgaard
MT Højgaard is Denmark's leading building and civil engineering company.

The Group's foundation has been improved in recent years through a significantly tightened focus on profitability and risk management. MT Højgaard wants to be recognised as a competent and professional business partner and for being the company that sets new standards, thinks outside the box and develops new solutions. The existing international business must be developed. Skills and structures must be strengthened and optimised, both nationally and internationally.

The financial target is for MT Højgaard to be one of the most profitable building and civil engineering companies, and for the pre-tax margin to be raised to 5% within a few years.

BOARD OF DIRECTORS AND EXECUTIVE BOARD

BOARD OF DIRECTORS

Anders Colding Friis (1963)
Chairman
President, Scandinavian
Tobacco Group A/S
Anders Colding Friis holds an MSc
in Strategy and Financial Planning.
His special skills are general management,
branding, marketing and strategy.
(CB) Dyrup A/S
(CB) Dagrofa A/S
(MB) International Market Committee of the
Confederation of Danish Industry (DI)
(MB) IC Companys A/S
Joined the Board in 2004

Torben Ballegaard Sørensen (1951)
Deputy Chairman
His special skills are strategic change
management and international business
development, and he has extensive
experience in innovation, marketing and brand
development.
(MB) Egmont Fonden
(MB) Lego A/S
(CB) CAT Science A/S
(DCB) Pandora Holding A/S
(MB) Realfiction ApS
(DCB) Systematic A/S
(MB) AS3-Companies A/S
(MB) Tajco A/S
(MB) Thomas A/S
(MB) Årstiderne Arkitekter A/S
(MB) AB Electrolux, Sweden
Joined the Board in 2008

Lars Goldschmidt (1955)*
Deputy Director General,
Dansk Industri A/S
His special skills are management of
knowledge organisations.
(CB) Copenhagen University College of
Engineering
(MB) Danish Council for International
Development Cooperation.
Joined the Board in 2010

Jannie Jensen (1960)*
Laboratory Technician, Dyrup A/S
Joined the Board in 2009

Poul Lind (1952)
CEO, NPT A/S
His special skills are extensive
international management experience.
(MB) MT Højgaard a/s
(MB) NPT A/S
Joined the Board in 2006

Michael Nielsen (1969)*
Sales Manager, Dyrup A/S
Joined the Board in 2009

Pia Pilmark (1960)*
Book-keeper, Dyrup A/S
Joined the Board in 2009

Christine Thorsen (1958)
Management Consultant, MBA
Dynamic Approach ApS
Her special skills are management
development, change management and
experience from the contracting industry.
Joined the Board in 2008

Henriette H. Thorsen (1970)
Managing Director,
Belvédére Scandinavia A/S
Her special skills are international
sales and marketing and brand
development.
Joined the Board in 2010

Management's holdings of B shares
at 31.12.2010

	Number
Anders Colding Friis	1,150
Poul Lind	1,500
Christine Thorsen	940
Henriette H. Thorsen	2,638
Jørgen Nicolajsen	650

EXECUTIVE BOARD

Jørgen Nicolajsen (1958)
President and CEO
(DCB) MT Højgaard a/s

CB: Chairman of the Board
DCB: Deputy Chairman of the Board
MB: Member of the Board
* Group representative

CONSOLIDATED RESULTS FOR THE YEAR

Monberg & Thorsen delivered consolidated revenue of DKK 5.3 billion against DKK 5.6 billion in 2009 and operating profit of DKK 76 million against DKK 118 million in 2009, matching our expectations.

Profit before tax was DKK 73 million compared with DKK 126 million in 2009. The pre-tax margin was thus 1.4%.

The result after tax was a profit of DKK 50 million compared with DKK 103 million in 2009.

Dyrup delivered revenue of DKK 1.4 billion. The operating result was a profit of DKK 42 million. Both revenue and profit were ahead of expectations. The result before tax was a profit of DKK 20 million.

MT Højgaard delivered revenue of DKK 8.3 billion and operating profit of DKK 94 million versus DKK 290 million in 2009. The lower profit reflected the generally lower level of activity, with intense competition and pressure on prices. Profit before tax was DKK 100 million, corresponding to a pre-tax margin of 1.2%, in line with the latest profit outlook.

Consolidated cash flows from operating activities amounted to an outflow of DKK -120 million against an inflow of DKK 240 million in 2009, as the positive development in Dyrup could not make up for the decline in MT Højgaard, which was due partly to lower earnings, and partly to the lower level of activity at the end of the year.

Results versus outlook

2010 was a tough, challenging year in the building and civil engineering industry for MT Højgaard, whereas Dyrup delivered a sound improvement, reflecting a successful turnaround.

The outlook at the start of 2010 was consolidated revenue in the region of DKK 5.5 billion and profit before tax of around 2% (pre-tax margin). In connection with the first-half interim financial report in August this was changed to revenue in the region of DKK 5.3 billon and a pre-tax margin of around 1.5% due to MT Højgaard's lower revenue and first-half profit.

Revenue was DKK 5.3 billion and the pre-tax margin was 1.4%, in line with our profit outlook.

The development in the Group's core activities

Dyrup again delivered a positive financial performance through the whole of the year, partly reflecting the implemented initiatives and projects related to the FRESH START strategy.

The year began with the acquisition of the Polish paint manufacturer Malfarb, strengthening Dyrup's position in the Polish PRO market. Malfarb's manufacturing and warehouse facilities are being expanded.

The upgrading of the manufacturing facilities in Denmark has been completed, and the new facility for water-based products was inaugurated in May. The focus is now on optimising production.

The French warehouse facilities were also completed, and inventory insourcing with associated logistics is well underway.

Dyrup's revenue of DKK 1.4 billion corresponds to an 8% increase, of which the acquisitions of Malfarb in 2010 and Hygæa in 2009 represented 7%.

Dyrup's organic growth of 1% is regarded as satisfactory considering that the market fell back by around 4% in 2010. In Denmark and Germany, revenue was just over 1% ahead, primarily reflecting new customers, while revenue was up 4% in the Iberian Peninsula. In France, revenue was unchanged from 2009, mirroring the trend in the market. In Poland, revenue increased, to which should be added the effect of the Malfarb acquisition. In the export area, the new focus areas Asia and Africa more than made up for the decline in Dyrup's European export markets.

Gross profit was DKK 0.6 billion, with a 43% increase in the gross margin, primarily driven by the initiatives under the FRESH START strategy.

Distribution costs were 3% lower than in 2009, reflecting the disposal of the industrial activities and general savings. Administrative expenses remained at an unchanged level, partly affected by internal resources expended on all the year's projects.

The operating result was a profit of DKK 42 million compared with a loss before special items of DKK 20 million in 2009. The improvement was also reflected in the EBIT margin and the pre-tax margin, both of which returned to positive figures in 2010, at 3% and 1% respectively.

Net financing costs increased to DKK 23 million, partly reflecting the investments made.

The full-year result before tax was therefore a profit of DKK 20 million compared with a DKK 25 million loss in 2009. The effective tax rate was 25%, making the full-year result after tax a profit of DKK 15 million.

MT Højgaard's outlook for 2010 was not met, as 2010 was a tough year for the building and civil engineering industry. This was reflected in subdued demand, increased tendering costs, intense competition for orders and thus pressure on prices, to which should be added some hard winter months.

The focus was on further development of the company comprising employee skills, the integrated management system and the roll-out of new products and methods in order to provide customers with the optimum solution.

MT Højgaard acquired Carlo Lorentzen A/S with effect from 1 June 2010 in order to strengthen its market coverage in North Zealand. Furthermore, the activities of the former Promecon were wound up, and in that connection its service arm was sold.

MT Højgaard delivered revenue of DKK 8.3 billion in 2010, down 9% on 2009 due to the general economic downturn. International activities accounted for 31% of revenue in 2010 versus 33% in 2009.

The operating result was a profit of DKK 94 million, corresponding to an operating margin of 1.1% versus 3.2% in 2009, when operating profit was DKK 290 million.

The development reflects a combination of several factors, lower revenue due to the subdued demand, intense competition and pressure on prices, which also led to MT Højgaard adjusting its profitability requirements to a lower level. To this should be added increased tendering costs and the fact that capacity was maintained, in selected areas, for the expected increase in the level of activity.

Net financing costs amounted to net income of DKK 7 million versus DKK 17 million in 2009. This was partly due to increased borrowing and decreasing liquidity.

The result before tax was consequently a profit of DKK 100 million, of which 46% was attributable to Monberg & Thorsen. The pre-tax margin was 1.2% versus 3.4% in 2009.

MT Højgaard's result after tax was a profit of DKK 61 million against DKK 223 million in 2009.

The Board of Directors of MT Højgaard proposes a dividend of DKK 50 million, DKK 23 million of which will be attributable to Monberg & Thorsen.

The order book stood at DKK 9.2 billion at the end of the year, 24% ahead of last year. The quality of the order book is satisfactory in the current climate. The order book includes a number of large orders extending over several years.

Outlook for 2011

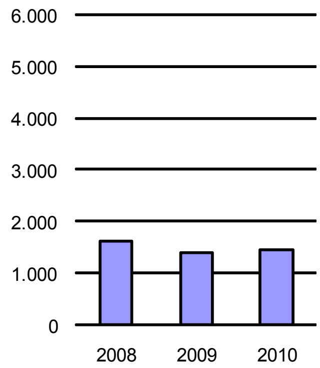
The full-year 2011 outlook is consolidated revenue in the region of DKK 5.9 billion, with profit before tax (pre-tax margin) of around 1%.

The projections concerning future financial performance are subject to uncertainties and risks that may cause the performance to differ materially from the projections.

The projections are based on relatively stable interest rate and exchange rate levels and on the following assumptions for each company:

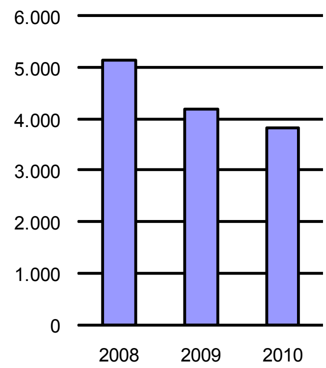
Dyrup expects the DIY market to grow by 1% in 2011, while the PRO market is expected to decline by around 3%. Dyrup expects to hold its market share in its principal markets, as a minimum. Dyrup will continue to develop the measures initiated as part of its FRESH START strategy in a targeted manner in order to strengthen its market positions by launching innovative products and concepts. To this should be added greater focus on expanding and utilising the export potential in Asia and Africa.

Dyrup (DKK million)



Revenue excl. divested industrial activities industriaktiviteter

MT Højgaard (DKK million)



Revenue (46%)

The effects of FRESH START, coupled with the acquisition of Plus Paint A/S in March 2011, are expected to be able to generate growth of around 6% - 7%, more than half of which reflecting expected price increases due to the continued increase in raw material prices.

The rising raw material prices are putting pressure on earnings and mean that, again in 2011, Dyrup will focus on optimising recipes without compromising on the quality of its products. Operating profit is therefore expected to be around DKK 50 million. The pre-tax margin is expected to be around 1% - 2%.

MT Højgaard expects the building and civil engineering market in Denmark to show a slight decline overall in 2011 compared with 2010. However, MT Højgaard expects a higher level of activity than in 2010.

The refurbishment market in Denmark is also expected to show a small decline overall.

In offshore foundations for offshore wind farms - an area in which MT Højgaard is among the most experienced in the world - a higher level of activity is expected in future, although, in reality, the increase in the level of activity will probably not materialise until at the end of 2011 onwards.

MT Højgaard expects competition to remain fierce in the international building and civil engineering markets in which it operates. MT Højgaard will selectively pick the project opportunities that match its capabilities and resources.

The order book stood at DKK 9.2 billion at the start of 2011, approx. 24% ahead of the start of 2010. Of this, DKK 6.7 billion is expected to be executed in 2011. MT Højgaard has adjusted its profitability requirements as a consequence of competition and price pressure, and this is reflected in the order book. MT Højgaard will continue to be highly selective when identifying new projects, focusing on the profitability of the projects within the framework of its risk management.

Revenue is expected to be approx. DKK 9.5 billion in 2011. Due to the declining profitability MT Højgaard does not expect to be able to achieve a pre-tax margin in the current economic climate that differs significantly from that achieved in 2010, despite the increase in revenue. Focusing and targeted risk management will continue to play an important part in securing satisfactory earnings.

MT Højgaard estimates that the pre-tax margin for the Group for 2011 will be around 1%.

Due to the expected increase in the level of activity and positive results MT Højgaard estimates that cash flows from operating activities will be positive.

Financial resources

At the end of 2010, the Group's financial resources totalled DKK 1.2 billion, consisting of cash, securities and undrawn credit facilities. This included the proportionate share of DKK 0.5 billion from MT Højgaard, which had financial resources totalling DKK 1.1 billion versus DKK 1.3 billion in 2009.

Standing at DKK 0.3 billion, Dyrup's financial resources were at the same level as at the end of 2009.

The parent company's financial resources totalled DKK 0.4 billion, consisting primarily of short-term Danish bonds and cash. The Group's overall financial resources are expected to be slightly lower at the end of 2011.

Management information

At the company's Annual General Meeting on 27 April 2010, Henrik Thorsen and Carsten Tvede-Møller retired from the Board of Directors, and Lars Goldschmidt and Henriette Thorsen were elected.

Knowledge resources

The parent company is a holding company with only two employees. Descriptions of knowledge resources for Dyrup and MT Højgaard are given in these two companies' annual reports, to which reference is made.

Statutory corporate social responsibility report

Our ethical policy forms the overall framework for all our policies and consequently our activities. We wish to demonstrate corporate responsibility, show consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas.

The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.

In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our efforts will create the most value for society and for ourselves.

Monberg & Thorsen is a holding company. Its primary activity is its ownership of Dyrup and MT Højgaard. By far the majority of our activities is carried out by these two companies.

The focus in recent years has been on the environment and occupational health and safety, which are described in detail in the annual reports of these two companies. The annual reports form an integral part of Monberg & Thorsen's annual report, and reference is made to these annual reports for further details on our efforts in these areas, which are expected to be stepped up in the years ahead.

Environment

Both companies focus extensively on responsible conduct in relation to the environment, including reduction of their environmental impact, partly by generating less waste and reusing waste, energy savings and eco-friendly products and building materials.

Occupational health and safety

A good, safe working environment is essential to employees and their families and also for the financial results.

Both companies strive to reduce the number of occupational injuries, partly by using clear safety and work instructions. It is important that all employees feel that we look after their safety and wellbeing properly by providing a good working environment, and consequently also making sure that everyone becomes involved and feels responsible for improving health and safety, including the noise level, ergonomics and mental wellbeing in the workplace.

Risk factors

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 constantly minimise the current risks, which are not considered to differ from the normal risks in the market segments in which the consolidated enterprises operate.
The overall framework for managing the risks judged to be critical for the Group is laid down in the business concept and the associated policies for the individual consolidated enterprises.

The Group endeavours to cover, to the greatest possible extent, significant risks outside the enterprises' direct control by taking out relevant insurance policies.

In addition to generally depending on the market trend in the building sector, each consolidated enterprise is exposed to other specific commercial risks. The Monberg & Thorsen Group's financial risks are managed and hedged on a decentralised basis in the individual consolidated enterprises. Detailed information on Dyrup's and MT Højgaard's risk factors and financial risks is given in their annual reports. The Group's financial risks are described in note 39.

DYRUP AND MT HØJGAARD

The Group's activities consist of Dyrup, which is wholly-owned, and MT Højgaard, in which the ownership interest is 46%. Both companies are engaged in building-related activities, but with different representation in the market.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report. These companies' accounting policies follow the Group's accounting policies.

As in previous years, a segment overview is included on page 22, and reference is made to the integrated annual reports for detailed information on these two companies.

Monberg & Thorsen A/S has a clear segregation of duties and independence between the Board of Directors and the Executive Board. Duties and responsibilities are determined at overall level through rules of procedure for the Board of Directors.

The Executive Board is in charge of the day-to-day management of the company, and the Board of Directors oversees the Executive Board and takes care of overall strategic management tasks. The Chairman is the Board of Directors' principal contact with the Executive Board.

The Monberg & Thorsen Group's activities essentially comprise the activities of MT Højgaard and Dyrup, and as part of the management of the Group's activities, representatives of both Monberg & Thorsen's Board of Directors and Executive Board are members of the Boards of Directors and/or Executive Boards of these companies.

Board of Directors

Composition of the Board of Directors

The Board of Directors is elected by the shareholders in general meeting, apart from the Board members that are elected pursuant to the Danish Public Companies Act's rules on Group representation. The members elected by the shareholders in general meeting comprise not less than four and not more than six members, currently six members. To these should be added three Group representatives.

In elections to the Board of Directors in both the parent company and the consolidated enterprises efforts are made to ensure a professional composition of the Board, so that the Board 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 satisfactory composition for the Board.

The current Board complies with the independence criteria, overall, as Torben Ballegaard Sørensen, Poul Lind and Lars Goldschmidt are independent.

An annual self-assessment procedure has been established for the Board.

In connection with the election of a new member to the Board of Directors, the Chairman of the Board interviews the selectively chosen candidate in order to ensure that his or her profile suits the vacant seat.

In connection with the notice convening the general meeting a description of the background of the nominated candidates for the Board is given, along with information on memberships of Executive Boards or Boards of Directors in both Danish and foreign companies as well as any demanding organisational posts. A description is also provided of the candidates' educational background, professional qualifications and the skills that are deemed to be relevant to the Board of Directors' work.

All members of the Board elected by the shareholders in general meeting retire by rotation each year. This provides the company's shareholders with an opportunity to discuss the recruitment criteria and the composition and diversity of the Board at the annual general meeting.

There are no formal requirements with respect to the number of seats on other Boards of Directors the individual Board members may hold, but on election 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 Board of Directors' rules of procedure, Board members must retire not later than at the first general meeting following their 72nd birthday, except where special circumstances apply.

The Board met a total of seven times in 2010 and at present expects to meet eight times in 2011. In accordance with its rules of procedure, the Board must meet at least six times between Annual General Meetings.

Audit Committee

The full Board functions as Audit Committee.

Remuneration of the Board of Directors

Monberg & Thorsen has not introduced incentive pay for the Board of Directors. Board remuneration remained unchanged at DKK 200,000 for ordinary members, with a supplement for the Chairman and the Deputy Chairman. Besides their normal remuneration, the Chairman or members may be paid remuneration for special tasks undertaken by them, although the total remuneration received by a Board member may not exceed twice the Chairman's ordinary remuneration. Details concerning total remuneration paid to the Board are disclosed in note 10 to the consolidated financial statements.

Executive Board

The Executive Board consists of the President and CEO, whose background and practical experience match the Group's current needs.

Executive Board remuneration

The Executive Board receives a fixed fee plus any bonus in accordance with the guidelines for incentive pay. A normal two-year termination benefit plan has been agreed. Details concerning total remuneration paid to the Executive Board are disclosed in note 10 to the consolidated financial statements.

Corporate governance recommendations

Monberg & Thorsen's B shares are listed on Nasdaq OMX Copenhagen, and Monberg & Thorsen in principle complies with the corporate governance recommendations as set out at www.corporategovernance.dk.

The Board of Directors is still of the opinion that these recommendations are being practised in the management of the Monberg & Thorsen Group. In a few areas, the principles are only being complied with in part, as the corporate governance recommendations are not all relevant in view of the company's size and activities. For example, no Nomination Committee or Remuneration Committee has been set up.

Monberg & Thorsen has taken a position on all recommendations based on the 'comply-or-explain' principle, which is described in further detail on www.monthor.dk to which reference is made.

Financial reporting process

The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Board of Directors and the Executive Board regularly evaluate material risks and internal controls in connection with the Group's activities, and their potential impact on the financial reporting process.

As a consequence of the Group's structure, policies, procedures and controls have been prepared in key areas related to the financial reporting processes of Dyrup, MT Højgaard and the parent company.

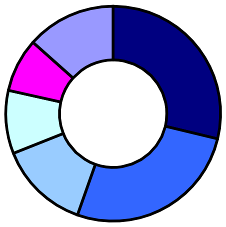
The responsibility for maintaining adequate and effective internal controls and risk management in connection with the financial reporting lies with the Executive Board.

The Board of Directors monitors the financial reporting process on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, including the manner in which material and/or exceptional items and accounting estimates are accounted for, and the overall disclosure level in Monberg & Thorsen's financial reporting.

As a supplement to this account, the annual reports of Dyrup and MT Højgaard include detailed descriptions of the financial reporting processes in these companies.

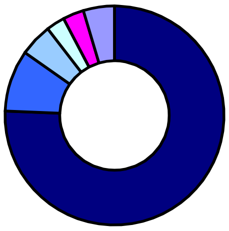
SHAREHOLDER INFORMATION

Share capital by group of shareholders



- Ejnar og Meta Thorsens Fond (28.7%)
- Founder families (26.6%)
- ATP (14.1%)
- Chr. Augustinus Fabrikker (9.5%)
- LD (8.1%)
- Others (13.0%)

Votes by group of shareholders



- Ejnar og Meta Thorsens Fond (75.6%)
- Founder families (9.1%)
- ATP (4.8%)
- Chr. Augustinus Fabrikker A/S (3.1%)
- LD (2.8%)
- Others (4.6%)

Ownership
The company has around 1,400 registered shareholders.

Shareholders according to Section 55 of the Danish Companies Act:

Ejnar og Meta Thorsens Fond, Søborg
The estate of Anders Monberg, Elsinore
Christine Monberg, USA
Pernille Monberg, Fredensborg
Danish Labour Market Supplementary Pension Fund (ATP), Hillerød
Chr. Augustinus Fabrikker A/S, Copenhagen
LD Pensions (LD), Copenhagen

Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for around 21% of the total share capital, and around 9% of the B shares, and consequently holds around 76% of the total number of votes. Ejnar og Meta Thorsens Fond has increased its shareholding after the end of the financial year, so that it now holds approx. 16% of the B shares and thus approx. 77% of the total number of votes.

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 consolidated companies. The foundation has advised the Board of Directors that it wants to be a stable shareholder in the company and does not wish to relinquish its voting rights.

The Board of Directors 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.

A shareholders' agreement has been entered into on ownership of the shares in MT Højgaard A/S. Under this agreement, the completion of a take-over bid for Monberg & Thorsen A/S, if any, may result in changes related to ownership and other terms and conditions for the company's shareholding in MT Højgaard A/S.

Management shareholdings
At 31.12.10, the Board of Directors' and Executive Board's shareholdings in the company totalled 6,878 shares, equivalent to 0.2% of the share capital and a market value of DKK 2.1 million.

The members of the Board of Directors and Executive Board do not hold either options or warrants.

According to the Group's internal code of conduct relating to trading in securities issued by the company, the members of the company's Board of Directors 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 of the annual report and interim financial reports.

Annual General Meeting
Will be held on 27 April 2011 at 5.00pm at Radisson Blu Royal Hotel, Hammerichsgade 1, 1611 Copenhagen V, Denmark. According to the Articles of Association, general meetings must be convened with not less than three weeks' notice and not more than five weeks' notice.

Articles of Association
The company's Articles of Association can be found at www.monthor.dk.

According to the Articles of Association, the A shares are non-negotiable instruments. No restrictions apply to the negotiability of the B shares. All B shares are listed on Nasdaq OMX Copenhagen.

The Articles of Association also stipulate that the members of the Board of Directors elected by the shareholders in general meeting retire by rotation each year.

The Board of Directors has authority to buy back up to 10% of the share capital. The authorisation applies until 27 April 2015. The Board of Directors also has authority to increase the B share capital by up to DKK 20 million. The increase may be effected without preemption rights for the company's existing shareholders, provided it is effected as consideration for the company's acquisition of a going concern or specific assets. Such acquisition is conditional upon the new B shares being negotiable instruments. The authorisation expires on 27 April 2015.

At the Annual General Meeting, the Board of Directors will request authorisation to distribute a possible on account dividend for 2011.

SHAREHOLDER INFORMATION

Dividends
Dividends on shares registered with VP Securities A/S are paid automatically four banking days after the Annual General Meeting.

At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 7 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 10 votes, and each B share with a nominal value of DKK 20 entitles the holder to one vote.

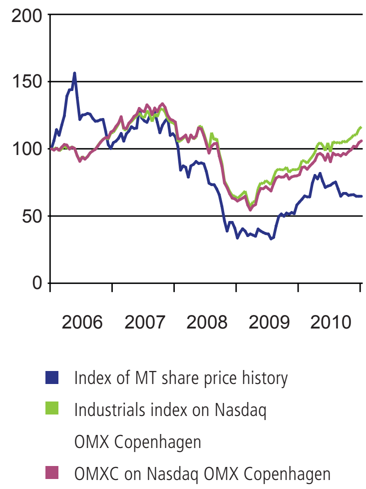
Treasury shares
At 31.12.10, the company's holding of treasury shares totalled 2,645 shares. The company did not buy or sell any treasury shares in 2010.

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

No subsidiary holds shares in Monberg & Thorsen.

The Monberg & Thorsen share
At the end of 2010, the share price was 300, 7% up on the previous year. A total of approx. 0.5 million shares were traded in 2010 compared with approx. 0.7 million shares in 2009.

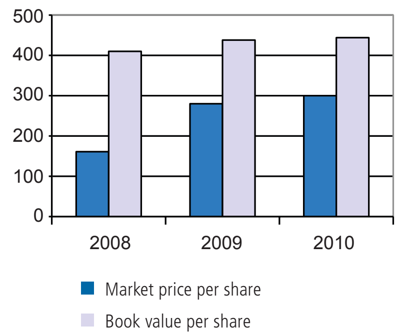
Share price 2006-2010
31.12.05 = Index 100



Announcements to Nasdaq OMX Copenhagen A/S
The following Stock Exchange announcements were issued in 2010:

1. 04.01.10 Revised financial calendar for 2010
2. 13.01.10 Dyrup acquires Polish paint manufacturer - Malfarb Sp.z.o.o.
3. 22.02.10 MT Højgaard a/s wins contract in Bangladesh
4. 05.03.10 Monberg & Thorsen raises profit outlook for 2009
5. 12.03.10 MT Højgaard a/s wins contract for Lincs Offshore Wind Farm Ltd.
6. 24.03.10 MT Højgaard's annual report for 2009
7. 24.03.10 Annual reports of Monberg & Thorsen and Dyrup for 2009
8. 26.03.10 Trading in Monberg & Thorsen A/S shares by insiders
9. 26.03.10 Announcement concerning major shareholder
10. 07.04.10 Notice to convene Monberg & Thorsen's Annual General Meeting 2010
11. 08.04.10 Trading in Monberg & Thorsen A/S shares by insiders
12. 16.04.10 New Chairman of MT Højgaard's Supervisory Board
13. 21.04.10 Major shareholder announcement
14. 22.04.10 Announcement concerning major shareholder
15. 27.04.10 Business transacted at Monberg & Thorsen's Annual General Meeting 2010
16. 28.05.10 MT Højgaard a/s's interim financial report Q1 2010
17. 28.05.10 Monberg & Thorsen's interim financial report Q1 2010
18. 10.06.10 MT Højgaard acquires Carlo Lorentzen A/S
19. 30.08.10 MT Højgaard a/s's interim financial report H1 2010
20. 30.08.10 Monberg & Thorsen's interim financial report H1 2010
21. 10.11.10 Dyrup's CEO has new job
22. 23.11.10 MT Højgaard a/s's interim financial report Q3 2010
23. 23.11.10 Monberg & Thorsen's interim financial report Q3 2010
24. 23.11.10 Financial calendar for 2011
25. 15.12.10 MT Højgaard sells service activities in Promecon A/S
26. 17.12.10 MT Højgaard to manufacture and install offshore foundations for DONG Energy near Anholt

Monberg & Thorsen Group
Market price and book value (DKK)



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 Nasdaq OMX Copenhagen A/S code of ethics. One of the ways in which this is achieved is by publication of interim financial reports and the holding of meetings for investors and financial analysts.

In order to ensure compliance with Nasdaq OMX Copenhagen A/S's rules, it has been decided that, for a period of three weeks before a planned interim financial 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 2011

Annual General Meeting	27.04.11
Payment of dividend	03.05.11

Expected dates of announcements of interim financial reports:

Q1 2011	24.05.11
Q2 2011	30.08.11
Q3 2011	22.11.11

FINANCIAL REVIEW AND DIVIDEND

The 2010 annual report has been prepared in continuity of previous years in accordance with the accounting policies described in note 1. The accounting policies comply with the requirements in International Financial Reporting Standards (IFRS) and the Danish disclosure requirements for listed companies.

The activities of Monberg & Thorsen consist of Dyrup, which is wholly-owned, and a 46% ownership interest in the jointly controlled entity MT Højgaard, which has been accounted for in the consolidated financial statements using proportionate consolidation, as in previous years.

In this section, the development in the consolidated financial statements is analysed at Group level. Detailed information on Dyrup and MT Højgaard is given in their respective annual reports, which are an integral part of Monberg & Thorsen's annual report. These companies' accounting policies follow the Group's accounting policies.

Consolidated income statement
At DKK 5.3 billion, consolidated revenue was down 6% on 2009, primarily due to the current economic climate. The change can be broken down as follows:

	Change	Revenue	Share in %	
	%	DKK million	2010	2009
Dyrup	3	1.440	27	25
MT Højgaard (46 %)	-9	3.819	73	75
Total	-6	5.259	100	100

The actual improvement in Dyrup's revenue in 2010 was 8%, excluding the industrial activities disposed of in 2009. The acquisitions made - Malfarb in 2010 and Hygæa in 2009 - represented 7% of the 8% increase. Dyrup's organic growth of 1% is regarded as satisfactory considering that the market fell back by 4% in 2010.

MT Højgaard's revenue was down 9% in 2010. This reflected subdued demand, intense competition for orders and pressure on prices. Revenue from MT Højgaard's international activities was 31% against 33% in 2009.

Total international consolidated revenue was down 6% in 2010, amounting to DKK 2.3 billion, representing 43% of revenue, as in 2009.

Operating profit (loss) (EBIT) can be broken down as follows:

Operating profit (loss) (EBIT), DKK million	2009	2010
Dyrup	(20)	42
MT Højgaard (46 %)	133	44
Parent company	(11)	(10)
Operating profit before special items	102	76
Gain on sale of Dyrup's industrial activities	15	-
Gain on sale of Dyrup property	19	-
Restructuring costs in Dyrup	(18)	-
Operating profit (EBIT)	118	76

Operating profit before special items was DKK 76 million compared with DKK 102 million in 2009.

Dyrup's operating profit before special items was DKK 62 million ahead, primarily driven by the initiatives under the FRESH START strategy.

MT Højgaard's operating profit provided an operating margin of 1.1% against 3.2% in 2009, reflecting a combination of several factors. Lower revenue due to subdued demand, intense competition and pressure on prices, increased tendering costs, and the fact that capacity has been maintained, in selected areas, for the expected increase in the level of activity.

The consolidated result before tax was a profit of DKK 73 million compared with DKK 126 million in 2009. The result can be broken down as follows:

Profit (loss) before tax (DKK million)	2009	2010
Dyrup	(41)	20
MT Højgaard (46 %)	141	46
Parent company	10	7
Profit before special items	110	73
Gain on sale of Dyrup's industrial activities	15	-
Gain on sale of Dyrup property	19	-
Restructuring costs in Dyrup	(18)	-
Profit before tax	126	73

Dyrup's net financing costs increased slightly, partly due to the investments made, but profit before tax showed a sound improvement due to the increase in operating profit.

MT Højgaard's net financial income was lower than in 2009 due to the decrease in liquidity, including increased borrowing. This, coupled with the lower earnings, meant that profit before tax was somewhat lower than in 2009.

Monberg & Thorsen recorded consolidated profit after tax of DKK 50 million. The effective tax rate was relatively high at 32%, primarily relating to MT Højgaard, which had an effective tax rate of 39% due to tax on activities outside Denmark that are subject to a higher tax rate than in Denmark.

The effective tax rate for 2011 is expected to be slightly higher than the Danish tax rate.

Consolidated balance sheet
The consolidated balance sheet total was around DKK 3.8 billion, and thus slightly down on recent years due to the lower level of activity in MT Højgaard. There were no significant changes in the balance sheet items of the individual consolidated enterprises.

Consolidated equity stood at DKK 1.6 billion, equivalent to an equity ratio of 42% compared with 38% at the end of 2009.

Consolidated statement of cash flows
Cash flows from operating activities amounted to an outflow of DKK 120 million compared with an inflow of DKK 240 million in 2009.

Dyrup's cash flows showed an improvement due to the increase in profit, whereas MT Højgaard's cash flows were negative, partly due to the lower profit, and partly due to the lower level of activity at the end of the year.

Investments in property, plant and equipment were at a slightly lower level despite continued relatively high investments in Dyrup that concerns the expansion of warehouse facilities in France and Poland in 2010. In MT Højgaard, investments in property, plant and equipment primarily related to replacement of and new investment in contractors' plant and equipment, but at a lower level due to the lower level of activity, which also led to increased sales of plant and equipment due to the adjustment to the lower level of activity, especially in equipment hire.

Acquisition and disposal of activities in 2010 amounted to an investment of DKK 38 million, primarily relating to Dyrup's acquisition of the Polish paint manufacturer Malfarb, strengthening Dyrup position in the Polish PRO market. MT Højgaard acquired Carlo Lorentzen A/S to strengthen its market coverage in North Zealand. MT Højgaard disposed of the service arm of the former Promecon A/S, which was wound up.

Securities totalling DKK 155 million net were sold, providing a net cash outflow for investing activities of DKK 11 million compared with DKK 207 million in 2009, when securities totalling DKK 167 million net were purchased in connection with investment of surplus liquidity.

Cash flow from financing activities amounted to an outflow of DKK 6 million, primarily due to the payment of dividend for 2009.

Monberg & Thorsen did not buy or sell any treasury shares in 2010.

The Group's total cash and cash equivalents at 31.12.10 amounted to a negative DKK 14 million, to which should be added the securities portfolio and undrawn credit facilities. Cash resources are deemed to be at a satisfactory level in view of the existing strategies for the consolidated enterprises and for the Group as a whole.

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

The primary financial instruments included in the balance sheet are, in principle, measured at fair value. The Group makes limited use of secondary financial instruments, and these are, as a rule, limited to option and forward contracts, the purpose of which has been to hedge the currency risk on international contracts in MT Højgaard as well as interest rate swaps to secure a low, fixed rate, primarily on the non-current debt in Dyrup.

Financial ratios
Both the operating margin and the pre-tax margin were 1% against 2% in 2009. Dyrup's financial ratios improved as a consequence of the significantly improved financial performance, but it was the impact of MT Højgaard's decline that was felt on these financial ratios due to the relatively large size of this company.

The other financial ratios decreased correspondingly for the same reason. The return on invested capital was thus 5% in 2010 against 9% in 2009, and the return on equity was 3% compared with 7% in 2009.

Parent company financial statements
The parent company measures investments in subsidiaries and jointly controlled entities at cost. The Group's and the parent company's profits and equity are consequently not identical.

The parent company's primary activity is its ownership of Dyrup and MT Højgaard. Profit primarily reflects dividends from these investments.

The parent company delivered profit in line with expectations.

The parent company's balance sheet total stood at DKK 1.3 billion, with the cost of investments in the owned companies accounting for 68%. The cost of these investments has not been written down.

The parent company's equity amounted to DKK 1.3 billion, giving an equity ratio of 98%.

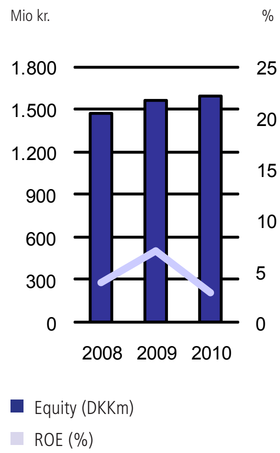
Dividends
A dividend to the shareholders of DKK 7 per DKK 20 share will be proposed for 2010. The overall dividend totalling DKK 25 million will be reserved under proposed dividends under equity.

The dividend largely corresponds to the dividend received by Monberg & Thorsen from MT Højgaard.

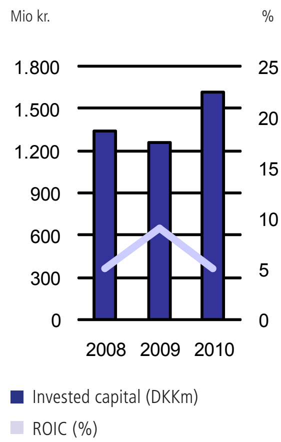
The distribution corresponds to 50% of profit for the year after tax. The dividend payment provides a direct return of just under 2% based on the current market price of approx. 300.

Monberg & Thorsen will continue to endeavour to pay dividend of 30-50% of profit after tax. Dividend distributions will be made with due consideration for the Group's financial position, investment opportunities and cash flow.

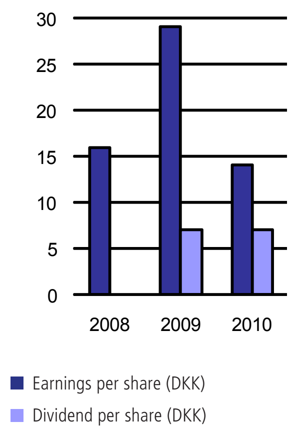
Monberg & Thorsen Group
Equity and ROE



Monberg & Thorsen Group
Invested capital and ROIC



Monberg & Thorsen Group
Earnings and dividend per share



MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS REPORT

Statement by the Executive Board and the Board of Directors

The Executive Board and the Board of Directors have today discussed and approved the annual report of Monberg & Thorsen A/S for the financial year 1 January - 31 December 2010.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2010 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2010.

In our opinion, Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Company's financial position and the financial position as a whole of the companies that are comprised by the consolidated financial statements as well as a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

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

Søborg, 24 March 2011

Executive Board

Jørgen Nicolajsen
President and CEO

Board of Directors

Anders Colding Friis *Chairman*	Torben Ballegaard Sørensen *Deputy Chairman*	Lars Goldschmidt
Jannie Jensen	Poul Lind	Michael Nielsen
Pia Pilmark	Christine Thorsen	Henriette H. Thorsen

INDEPENDENT AUDITORS REPORT

To the shareholders of Monberg & Thorsen A/S
We have audited the consolidated financial statements and the parent company financial statements of Company A/S for the financial year 1 January – 31 December 2010, pages 22-44. The consolidated financial statements and the parent company financial statements comprise [income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes] for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In addition to our audit, we have read the Management's review pages 4-20, which is prepared in accordance with Danish disclosure requirements for listed companies and provided a statement hereon.

Management's responsibility
Management is responsible for the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Management is also responsible for the preparation of a Management's review that includes a fair review in accordance with Danish disclosure requirements for listed companies.

Auditors' responsibility and basis of opinion
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing.

Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2010 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review
Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 March 2011

KPMG
Statsautoriseret Revisionspartnerselskab

Finn L. Meyer
State Authorised Public Accountant

Ernst & Young
Godkendt Revisionspartnerselskab

Henrik Kofoed
State Authorised Public Accountant

SEGMENT INFORMATION (DKK million)

	DYRUP 2010	DYRUP 2009	MTHøjgaard 2010	MTHøjgaard 2009	Other, etc.** 2010	Other, etc.** 2009	Total 2010	Total 2009
Income statement								
Revenue	1,440	1,394	3,819	4,180	-	-	5,259	5,574
Gross profit	622	573	248	318	-	-	870	891
Operating profit (loss) before special items	42	(20)	44	133	(10)	(11)	76	102
Special items	-	16	-	-	-	-	-	16
Operating profit (loss) (EBIT)	42	(4)	44	133	(10)	(11)	76	118
Financial income	4	8	15	17	18	21	37	46
Financial expenses	(26)	(29)	(13)	(9)	(1)	-	40	(38)
Profit (loss) before tax	20	(25)	46	141	7	10	73	126
Income tax	(5)	8	(18)	(39)	0	8	(23)	(23)
Profit (loss) after tax	15	(17)	28	102	7	18	50	103
Balance sheet								
Intangible assets	124	105	57	50	-	-	181	155
Property, plant and equipment	548	499	376	367	-	-	924	866
Investments	62	50	64	60	-	-	126	110
Total non-current assets	734	654	497	477	-	-	1,231	1,131
Properties held for resale	-	-	270	230	-	-	270	230
Inventories	288	236	34	35	-	-	322	271
Receivables	231	237	1,106	1,349	-	-	1,337	1,586
Cash and cash equivalents and securities	51	92	254	441	340	325	645	858
Total current assets	570	565	1,664	2,055	340	325	2,574	2,945
Total assets	1,304	1,219	2,161	2,532	340	325	3,805	4,076
Share capital	110	110	101	101	(139)	(139)	72	72
Reserves, etc.	338	321	643	639	541	536	1,522	1,496
Total equity	448	431	744	740	402	397	1,594	1,568
Non-current liabilities	270	246	146	111	6	9	422	366
Current liabilities	586	542	1,271	1,681	(68)	(81)	1,789	2,142
Total equity and liabilities	1,304	1,219	2,161	2,532	340	325	3,805	4,076
Cash flows								
From operating activities	38	2	(151)	224	(7)	14	(120)	240
For investing activities	(121)	34	109	(240)	1	(1)	(11)	(207)
From financing activities	6	109	(10)	(32)	(2)	23	(6)	100
Net increase (decrease) in cash and cash equivalents	(78)	145	(51)	(48)	(8)	36	(137)	133
Portion relating to investments in property, plant and equipment	(73)	(90)	(111)	(109)	-	-	(184)	(199)
Financial ratios %								
Operating margin (EBIT margin)	3	(1)	1	3	-	-	1	2
Pre-tax margin	1	(1)	1	3	-	-	1	2
Return on invested capital (ROIC)	5	(2)	9	31	-	-	5	9
Return on equity (ROE)	3	(4)	4	15	-	-	3	7
Equity ratio	34	35	35	29	-	-	42	38

* Comprises 46% of MT Højgaard's figures.

** Other, etc., comprises the parent company, other subsidiaries and eliminations.

STATEMENT OF CASH FLOWS (DKK million)

PARENT COMPANY 2009	PARENT COMPANY 2010		GROUP 2010	GROUP 2009
		Operating activities		
12.6	14.2	Operating profit	76.2	118,5
		Non-cash operating items		
0	-	Depreciation, amortisation and impairment losses	113.7	1121
(5.1)	-	Other	1.8	(33,0)
7.5	14.2	**Cash flows from operating activities before working capital changes**	**191.7**	197,6
		Working capital changes		
-	-	Inventories	(73.3)	(2,2)
(5.2)	12.1	Receivables excluding construction contracts in progress	330.1	45,9
-	-	Construction contracts in progress	(437.5)	63,6
0,8	(9.6)	Trade and other current payables	(88.6)	(44,8)
3.1	**16.7**	**Cash flows from operations (operating activities)**	**(77.6)**	260,1
20.5	9.2	Financial income	26.6	45,6
(0.6)	(0.4)	Financial expenses	(39.0)	(38,2)
23.0	**25.5**	**Cash flows from operations (ordinary activities)**	**(90.0)**	267,5
(1.6)	(4.9)	Income taxes paid, net	(29.6)	(28,0)
21.4	**20.6**	**Cash flows from operating activities**	**(119.6)**	239,5
		Investing activities		
-	-	Purchase of intangible assets	(13.4)	(2,2)
-	-	Purchase of property, plant and equipment	(184.1)	(198,5)
0.1	-	Sale of property, plant and equipment	69.0	45,8
-	-	Acquisition/disposal of enterprises and activities	(38.2)	115,3
-	8.4	Winding up of subsidiaries	-	-
(0.5)	0.6	Purchase/sale of securities	155.4	(167,1)
(0.4)	**9.0**	**Cash flows for investing activities**	**(11.3)**	(206,7)
21.0	**29.6**	**Cash flows before financing activities**	**(130.9)**	32,8
		Financing activities		
		Loan financing:		
-	-	Increase in non-current bank loans, etc.	56.7	163,3
-	-	Decrease in non-current bank loans, etc.	(41.0)	(63,1)
		Shareholders:		
0	(24.3)	Dividends paid	(24.3)	0
-	-	Contributions from non-controlling interests	2.6	-
0	**(24.3)**	**Cash flows from financing activities**	**(6.0)**	100,2
21.0	**5.3**	**Net increase (decrease) in cash and cash equivalents**	**(136.9)**	133,0
(22.9)	(1.9)	Cash and cash equivalents at 01.01.	125.0	(8,0)
-	-	Value adjustments of cash and cash equivalents	(1.9)	-
(1.9)	**3.4**	**Cash and cash equivalents at 31.12.**	**(13.8)**	125,0
		consisting of:		
1.5	3.4	Cash and cash equivalents	205.3	274,4
(3.4)	-	Current bank loans	(219.1)	(149,4)
(1.9)	**3.4**		**(13.8)**	125,0

The statement of cash flows cannot be derived from the published material alone.

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME (DKK million)

INCOME STATEMENT

PARENT COMPANY 2009	PARENT COMPANY 2010	Note		GROUP 2010	GROUP 2009
		3	**Revenue**	**5,259.1**	5,574.0
		4	Production costs	4,388.6	4,683.1
			Gross profit	**870.5**	890.9
23.0	24.4		Dividends from subsidiaries and jointly controlled entities	-	-
-	-	5	Share of profit after tax of associates	1.2	0
-	-	4	Distribution costs	522.3	525.8
10.4	10.2	4	Administrative expenses	280.3	269.2
-	-	6	Other operating income and expenses	7.1	22.5
12.6	**14.2**		**Operating profit**	**76.2**	118.5
20.5	17.9	7	Financial income	36.5	45.6
0.6	0.4	8	Financial expenses	39.4	38.2
32.5	31.7		**Profit before tax**	**73.3**	125.9
(8.0)	0.3	9	Income tax	23.1	22.5
40.5	**31.4**		**Profit for the year**	**50.2**	103.4
		10	**Employee information**		
		11	**Earnings per share (EPS) and diluted earnings per share (EPS-D) DKK**	**14**	29
			Attributable to:		
-	0		Non-controlling interests	0	
40.5	**31.4**		Equity holders of the parent	**50.2**	103.4
40.5	**31.4**		**Total**	**50.2**	103.4

Profit for the year will be taken to equity
The Board of Directors is proposing a dividend of DKK X per share for 2010 for adoption at the Annual General Meeting on 27 April 2011.

STATEMENT OF COMPREHENSIVE INCOME

PARENT COMPANY 2009	PARENT COMPANY 2010	Note		GROUP 2010	GROUP 2009
40.5	**31.4**		**Profit for the year**	50,2	103.4
			Other comprehensive income:		
-	-		Foreign exchange adjustments, foreign enterprises	3,1	1.2
-	-		Value adjustments of hedging instruments	(6,1)	(5.7)
-	-		Tax on other comprehensive income	1,0	0.8
-	-		**Other comprehensive income after tax**	**(2,0)**	(3.7)
40.5	**31.4**		**Total comprehensive income**	**48,2**	99.7
			Attributable to:		
-	0		Non-controlling interests	**0**	-
40.5	31.4		Equity holders of the parent	48,2	99.7
40.5	31.4		Total	48,2	99.7

BALANCE SHEET AT 31 DECEMBER (DKK million)

ASSETS

PARENT COMPANY 2009	PARENT COMPANY 2010	Note		GROUP 2010	GROUP 2009
			Non-current assets		
			Intangible assets		
		12	Goodwill	131.0	115.1
		13	Trade marks and distribution rights	45.5	34.2
		14	Development projects	3.9	5.3
		15	In-process development projects	0.2	0.1
			Total intangible assets	**180.6**	154.7
			Property, plant and equipment		
-	-	16	Land and buildings	430.6	404.5
-	-	17	Plant and machinery	374.1	332.1
0	0	18	Fixtures and fittings, tools and equipment	99.1	96.4
-	-	19	Property, plant and equipment under construction	20.1	33.0
0	**0**		**Total property, plant and equipment**	**923.9**	866.0
			Investments		
500.7	491.9	20	Investments in subsidiaries	-	-
427.0	427.0	21	Investments in jointly controlled entities	-	-
-	-	22	Investments in associates	0.5	0.5
-	-	23	Receivables from associates	4.6	7.2
0	0	24	Other securities and equity investments	0	0
-	-	31	Deferred tax assets	121.0	102.3
927.7	**918.9**		**Total investments**	**126.1**	110.0
927.7	**918.9**		**Total non-current assets**	**1,230.6**	1,130.7
			Current assets		
			Inventories		
		25	Inventories	321.6	270.7
		26	Properties held for resale	270.1	230.0
			Total inventories	**591.7**	500.7
			Receivables		
-	-		Trade receivables	901.6	1,179.6
-	-	33	Construction contracts in progress	228.9	176.2
91.6	79.2		Receivable from subsidiary	-	-
-	-		Receivables from jointly controlled entities	0.8	-
6.6	6.9		Other receivables	147.8	142.5
-	-		Income tax	10.3	14.9
-	-		Prepayments	51.1	73.1
98.2	**86.1**	**27**	**Total receivables**	**1,340.5**	1,586.3
325.0	**333.2**	**28**	**Securities**	**437.0**	584.2
1.5	**3.4**		**Cash and cash equivalents**	**205.3**	274.4
424.7	**422.7**		**Total current assets**	**2,574.5**	2,945.6
1,352.4	**1,341.6**		**Total assets**	**3,805.1**	4,076.3

BALANCE SHEET AT 31 DECEMBER (DKK million)

EQUITY AND LIABILITIES

PARENT COMPANY 2009	PARENT COMPANY 2010	Note		GROUP 2010	GROUP 2009
			Equity		
71.7	71.7	29	Share capital	71.7	71.7
-	-		Other reserves	1.6	3.6
1,218.2	1,224.5		Retained earnings	1,493.4	1,468.3
24.3	-		Proposed dividends	25.1	24.3
1,314.2	**1,321.3**		**Attributable to the parent**	**1,591.8**	1,567.9
-	-		Attributable to non-controlling interests	2.6	-
1,314.2	**1,321.3**		**Total equity**	**1,594.4**	1,567.9
			Non-current liabilities		
-	-	30	Bank loans, etc.	291.7	263.5
9.5	5.8	31	Deferred tax liabilities	43.5	36.6
-	-	32	Provisions	86.9	66.6
9.5	**5.8**		**Total non-current liabilities**	**422.1**	366.7
			Current liabilities		
-	-	30	Current portion of non-current financial liabilities	24.7	14.2
3.4	-	30	Bank loans, etc.	219.1	149.4
-	-	33	Construction contracts in progress	324.6	702.5
-	-		Prepayments received from customers	171.5	86.6
0.9	0.8		Trade payables	573.6	598.5
9.8	-		Payables to subsidiaries	-	-
-	-		Payables to jointly controlled entities	-	5.2
10.7	9.7		Income tax	18.5	7.1
3.9	4.0		Other payables	412.3	536.6
-	-		Deferred income	29.1	33.2
-	-	32	Provisions	15.2	8.4
28.7	**14.5**		**Total current liabilities**	**1,788.6**	2,141.7
38.2	**20.3**		**Total liabilities**	**2,210.7**	2,508.4
1,352.4	**1,341.6**		**Total equity and liabilities**	**3,805.1**	4,076.3

STATEMENT OF CHANGES IN EQUITY (DKK million)

Statement of changes in equity	Share capital	Retained earnings	Proposed dividends	Total
Parent company				
Equity at 01.01.09	**71.7**	**1,202.0**	**0**	**1,273.7**
Profit for the year		40.5		40.5
Other comprehensive income				-
Proposed dividends		(24.3)	24.3	0
Dividends paid			0	0
Total changes in equity	0	16.2	24.3	40.5
Equity at 01.01.10	**71.7**	**1,218.2**	**24.3**	**1.314,2**
Profit for the year		31.4		31.4
Other comprehensive income		(25.1)	25.1	0
Proposed dividends				
Dividends paid			(24.3)	(24.3)
Total changes in equity	0	6.3	0.8	7.1
Equity at 31.12.10	**71.7**	**1,224.5**	**25.1**	**1,321.3**

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Attributable to Monberg & Thorsen	Attributable to non-controlling interests	Total
Group								
Equity at 01.01.09	**71.7**	**0**	**7.3**	**1,389,2**	**0**	**1,468.2**	**-**	**1,468.2**
Profit for the year				103.4		103.4	-	103.4
Other comprehensive income:							-	
Foreign exchange adjustments,								
foreign enterprises			1.2			1.2	-	1.2
Value adjustments of hedging instruments		(5.7)				(5.7)	-	(5.7)
Tax on other comprehensive income		0.8				0.8	-	0.8
Proposed dividends				(24.3)	24.3	0	-	0
Dividends paid					0	0	-	0
Total changes in equity	0	(4.9)	1.2	79.1	24.3	99.7	-	99.7
Equity at 01.01.10	**71.7**	**(4.9)**	**8.5**	**1,468.3**	**24.3**	**1,567.9**	**-**	**1,567.9**
Profit for the year				50.2		50.2	0	50.2
Other comprehensive income:								
Foreign exchange adjustments,								
foreign enterprises			3.1			3.1	-	3.1
Value adjustments of hedging instruments		(6.1)				(6.1)	-	(6.1)
Tax on other comprehensive income		1.0				1.0	-	1.0
Capital contributions, non-controlling interests							2.6	2.6
Proposed dividends				(25.1)	25.1	0	-	0
Dividends paid					(24.3)	(24.3)	-	(24.3)
Total changes in equity		**(5.1)**	**3.1**	**25.1**	**0.8**	**23.9**	**2.6**	**26.5**
Equity at 31.12.10	**71.7**	**(10.0)**	**11.6**	**1,483.4**	**25.1**	**1,591.8**	**2.6**	**1,594.4**

INDEX OF NOTES

Note		Side
1	Accounting policies	29
2	Accounting estimates and judgements	33
3	Revenue	33
4	Depreciation, amortisation and impairment losses and fees paid to auditor appointed at the Annual General Meeting	33
5	Share of profit after tax of associates	33
6	Other operating income and expenses	34
7	Financial income	34
8	Financial expenses	34
9	Income tax	34
10	Employee information	34
11	Earnings per share and diluted earnings per share	34
12	Goodwill	35
13	Trade marks and distribution rights	35
14	Development projects	35
15	In-process development projects	35
16	Land and buildings	35
17	Plant and machinery	35
18	Fixtures and fittings, tools and equipment	36
19	Property, plant and equipment under construction	36
20	Investments in subsidiaries	36
21	Investments in jointly controlled entities	36
22	Investments in associates	36
23	Receivables from associates	36
24	Other securities and equity investments	36
25	Inventories	36
26	Properties held for resale	37
27	Receivables	37
28	Securities	37
29	Share capital	37
30	Interest-bearing liabilities	37
31	Deferred tax assets and liabilities	38
32	Provisions	38
33	Construction contracts in progress	39
34	Security arrangements	39
35	Lease commitments	39
36	Contingent assets and contingent liabilities	40
37	Related parties	40
38	Joint ventures	40
39	Financial risks	40
40	Capital management	42
41	New International Financial Reporting Standards and IFRIC Interpretations	42
42	Events after the reporting date	42
43	Segment information	42
44	Consolidated enterprises	43

Note 1
Accounting policies

Basis of preparation
The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies on Nasdaq OMX Copenhagen A/S and the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the annual report has been prepared in compliance with IFRSs issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2009 annual report, apart from the effects of the factors set out in the following.

The following standards and interpretations have been implemented with effect from 1 January 2010: IFRS 3 (revised 2008) Business Combinations. Amendments to IAS 27 (revised 2008) Consolidated and Separate Financial Statements. More amendments to IAS 39 Financial Instruments: Recognition and Measurement, and to IFRIC 9 Reassessment of Embedded Derivatives. Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions. More amendments to IFRS 1 First-time Adoption of IFRS. Parts of improvements to IFRSs May 2008 with an effective date of 1 July 2009. Improvements to IFRSs April 2009. IFRIC 17 Distributions of Non-cash Assets to Owners. IFRIC 18 Transfers of Assets from Customers.

IFRS 3 and IAS 27 are effective for transactions occurring on or after 1 January 2010. One of the effects of the provisions in IFRS 3 is that purchase costs and changes to contingent consideration are recognised directly in the income statement.

Apart from IFRS 3, the new standards and interpretations have not had any effect on recognition and measurement in 2010. The effect of IFRS 3 has reduced profit for the year by DKK 0.9 million.

Basis of consolidation
The consolidated financial statements comprise the parent company Monberg & Thorsen A/S 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.

Other enterprises in which the Group holds between 20% and 50% of the voting rights and over which it has significant influence, but not control, are accounted for as associates. These enterprises are not consolidated. Enterprises controlled jointly by Monberg & Thorsen A/S and one or more other enterprises are recognised in the consolidated financial statements using proportionate consolidation – including MT Højgaard a/s.

The consolidated financial statements are prepared on the basis of the parent company's and the individual consolidated enterprises' audited financial statements determined in accordance with the Group's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of.

Gains/losses on disposal of subsidiaries, associates and jointly controlled entities are reported by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of discontinued operations
A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale in the individual consolidated enterprises are presented as a separate line item in the income statement with comparative figures. Assets and related liabilities are reported as separate line items in the balance sheet.

Business combinations
Acquisitions of enterprises over which the parent company obtains control are accounted for applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. The tax effect of the restatements performed is taken into account.

Any excess of the cost of the acquisition over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Any excess of the fair value over the cost of the acquisition (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Non-controlling interests
Non-controlling interests are recognised initially either at fair value or at the proportionate share of the fair value of the acquiree's assets, liabilities and contingent liabilities at the acquisition date. The method for measuring non-controlling interests is decided on a transaction-by-transaction basis.

Subsidiaries' items are fully consolidated in the consolidated financial statements. The non-controlling interests' proportionate share of profit for the year appears from the income statement. In the balance sheet, non-controlling interests are recognised as a separate component of equity, separate from equity attributable to equity holders of the parent.

Joint ventures
A joint venture is a jointly controlled operation or a jointly controlled entity over which none of the joint venturers has control.

Investments in jointly controlled operations and entities are recognised in the consolidated financial statements on a proportionate basis in accordance with the contractual arrangement, whereby the proportionate share of assets, liabilities, income and expenses from the jointly controlled operations and entities is recognised in the corresponding items in the financial statements.

Foreign currency translation
The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as financial income and expenses.

On recognition of foreign subsidiaries and associates the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates that do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to a separate translation reserve under equity.

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

Foreign exchange gains and losses on the portion of loans designated as hedges of foreign entities with a different functional currency than the parent company are also taken directly to equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments
The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and similar instruments to hedge financial risks arising from operating activities or non-current financing.
For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

Changes in the part of the fair value of derivative financial instruments that is classified as and satisfies the criteria for hedges of future cash flows are recognised in equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised from the trade date and measured in the balance sheet at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases
Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the income statement over the lease term.

Government grants
Government grants include grants for projects, investments, etc.

Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or are offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

Income statement

Revenue
In Dyrup, revenue represents goods sold and services rendered. In MT Højgaard, revenue represents completed construction contracts and construction contracts in progress, sale of development projects, and rental income.

Revenue from construction contracts under which assets or plants with a high degree of individual customisation are supplied is recognised in the income statement by reference to the stage of completion so that revenue corresponds to the selling price of the work performed during the year (the percentage of completion method).
Revenue from self-generated project development cases is recognised applying the sales method. Revenue and profit from projects sold are recognised when delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

Revenue relating to goods sold and services rendered is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs
Production costs comprise both direct and indirect costs incurred in generating the revenue for the year, and expected losses on construction contracts in progress.

Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Dividends from investments in the parent company financial statements
Dividends from investments in subsidiaries and joint controlled entities are credited to the parent company's income statement in the financial year in which they are declared; Dividends are recognised under operating profit, as Monberg & Thorsen is a holding company.

The Group's share of profit after tax of associates
The proportionate share of profit of associates is recognised in the consolidated income statement net of tax and after elimination of the proportionate share of profits/losses resulting from intragroup transactions and after deduction of goodwill impairment losses. The profit share is recognised under operating profit, as Monberg & Thorsen is a holding company.

Distribution costs
Distribution costs include freight, tendering, advertising and marketing costs as well as salaries, etc., relating to the sales and marketing departments, and amortisation and impairment losses on trade marks and distribution rights.

Administrative expenses
Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

Other operating income and expenses
Other operating income and expenses comprise rental income and expenses and other items of a non-recurring nature, which are recognised under operating profit, as Monberg & Thorsen is a holding company.

Financial income and expenses
Financial income and expenses comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, as well as finance lease costs and income tax surcharges and refunds.

Financial expenses attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity.

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

The parent company Monberg & Thorsen A/S is taxed jointly with its Danish subsidiaries (national joint taxation). Current Danish taxes for the year are allocated between the jointly taxed companies.

Monberg & Thorsen A/S is the management company and consequently settles all income tax payments to the Danish tax authorities.

Balance sheet

Intangible assets
Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Development costs relating to clearly defined and identifiable products are recognised as development projects to the extent that it is probable that the products will generate future economic benefits exceeding cost. Other development costs are recognised in the income statement as an expense as incurred.

Trade marks, distribution rights, completed development projects and other intangible assets are amortised over their expected useful lives, which are 5-20 years.

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

Cost comprises purchase price and costs directly attributable 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 as well as financial expenses attributable to the construction of the assets.

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

The expected useful lives are 10-50 years for buildings, 3-20 years for plant and machinery, and 3-10 years for fixtures and fittings, tools and equipment and leasehold improvements.

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the date of acquisition and reviewed annually.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as production costs, distribution costs or administrative expenses and are measured as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Investments in associates in the consolidated financial statements
The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Associates with a negative carrying amount are recognised at nil. If the Group has a legal or constructive obligation to cover an associate's negative balance, the negative balance is offset against the Group's receivables from the associate. Any balance is recognised under provisions.

Investments in the parent company financial statements
The parent company measures investments in subsidiaries and jointly controlled entities at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments
Other non-current receivables are measured at amortised cost less impairment losses.

Other equity investments are measured at fair value at the balance sheet date.

Impairment of non-current assets
The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

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

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

The cost of finished goods comprises the cost of raw materials, consumables, direct labour and indirect production overheads.

Properties, project development cases in progress and undeveloped sites that are not classified as held for continued future ownership or use are carried as properties held for resale and measured at the lower of cost and net realisable value.

Receivables
Receivables are measured at amortised cost. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

Construction contracts in progress
Construction contracts in progress are measured at the selling price of the work performed. A construction contract is a contract under which the assets or plants in question are constructed to customer specifications and requirements in terms of design, function, etc. Moreover, a binding contract under which any termination will lead to penalties or claims is entered into before work commences.

The selling price is measured in proportion to the stage of completion at the balance sheet date and total expected income from each construction contract. The stage of completion is determined on the basis of the costs incurred and the total expected costs.

When it is probable that the total costs on a construction contract in progress will exceed total contract revenue, the total expected loss on the contract is recognised as an expense immediately.

Where the selling price cannot be measured reliably, it is recognised at the lower of costs incurred and net realisable value.

The individual construction contract in progress is recognised in the balance sheet under receivables or current liabilities, depending on the net value of the selling price less progress billings and recognised losses.

Costs in connection with sales work and tendering to secure contracts are recognised as a cost in the income statement under distribution costs in the financial year in which they are incurred.

Prepayments and deferred income
Prepayments are recognised under receivables, and deferred income is recognised under current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years, apart from items relating to construction contracts in progress.

Securities
Listed securities recognised as current assets are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses in the period in which they occur.

Equity
Dividends
Dividends are recognised as a liability at the date of adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item under equity.

Hedging reserve
The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their functional currencies to Danish kroner, and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question and foreign exchange gains and losses on loans designated as hedges of foreign enterprises.

On full or partial realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes and office premises. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax is provided for retaxation of previously deducted losses of jointly taxed and previously jointly taxed foreign subsidiaries in the event of the subsidiaries' being disposed of or withdrawing from the international joint taxation for the MT Højgaard Group.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item under investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations
The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

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 resources embodying economic benefits will be required to settle the obligation and when the amount can be measured reliably.

Provisions are measured based on management's best estimate of the amount that will be required to settle the obligation.

Financial liabilities
Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent 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.

Other liabilities, comprising trade payables, payables to subsidiaries and associates, and other payables, are measured at amortised cost.

Statement of cash flows

The statement of cash flows shows cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions are recognised in the statement of cash flows from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities
Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents
Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

Segment information

The activities of the Monberg & Thorsen Group consist of Dyrup, which is wholly-owned, and MT Højgaard, in which the ownership interest is 46%. Both companies are engaged in building-related activities, but with different representation in the market.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report and are therefore enclosed in Monberg & Thorsen's annual report. These companies' accounting policies follow the Group's accounting policies.

As in previous years, a segment overview is included on page 22. For detailed information on these two companies, reference is made to the integrated annual reports for those companies..

Financial ratios

Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'.

Financial ratios are defined on page 4 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 2

Accounting estimates and judgements

Estimation uncertainty

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of future events on the carrying amounts of those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the Group are referred to in the group annual review under the section on risk factors and in note 39 on Financial risks.

Estimates that are material for the financial reporting relate primarily to measurement of the selling price of construction contracts in progress and the outcome of disputes. This is determined on the basis of, among other things, expected remaining expenses and income. They also include estimates relating to the outcome of disputes in connection with demands for extra payments, etc.

In connection with impairment testing of investments, goodwill and trade marks, etc., we also use estimates of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied.

Accounting policies

As part of the application of the Group's accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial statements relate to construction contracts in progress, and when income and expenses under contracts with third parties are to be accounted for in accordance with the percentage of completion method or the sales method.

Note 3

Revenue

	GROUP 2010	GROUP 2009
Dyrup	1,439.5	1,393.8
MT Højgaard (46 %)	3,819.6	4,180.2
Total revenue	5,259.1	5,574.0

Note 4

Depreciation, amortisation and impairment losses

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Intangible assets	-	-	6.9	8.4
Property, plant and equipment	0	-	106.8	103.7
Total depreciation, amortisation and impairment losses	0	-	113.7	112.1
Depreciation, amortisation and impairment losses are included in:				
Production costs	-	-	79.6	75.6
Distribution costs	-	-	20.7	19.1
Administrative expenses	0	-	13.4	17.4
Total depreciation, amortisation and impairment losses	0	-	113.7	112.1

Fees to auditor appointed at the Annual General Meeting

Total fees to the auditor appointed by the shareholders in Annual General Meeting for the financial year under review

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
KPMG	0.4	0.4	4.0	5.2
Ernst & Young	0.2	0.1	4.1	5.4
Total fees	0.6	0.5	8.1	10.6
Fees to KPMG				
Audit fees	0.3	0.4	2.3	2.4
Other assurance engagements	-	-	0.1	0.1
Tax and VAT advice	-	-	0.3	0.5
Non-audit services	0.1	-	1.3	2.2
Total fees to KPMG	0.4	0.4	4.0	5.2
Fees to Ernst & Young				
Audit fees	0.1	0.1	3.3	3.0
Other assurance engagements	-	-	0.2	0.1
Tax and VAT advice	-	-	0.4	0.9
Non-audit services	0.1	-	0.2	1.4
Total fees to Ernst & Young	0.2	0.1	4.1	5.4

Note 5

Associates

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Share of profit after tax of associates of MT Højgaard			1.2	0

The accounting information concerning MT Højgaard's associates is disclosed in note 13 of MT Højgaard's annual report.

Note 6
Other operating income and expenses, Dyrup

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Gain on sale of the industrial activities			-	19.0
Gain on sale of property			-	14.6
Other income			7.1	7.0
			7.1	40.6
Restructuring costs, etc.			-	18.1
Total other operating income and expenses			7.1	22.5

Other operating income relates primarily to rental income. Restructuring costs, etc., relate to termination and closure costs, etc.

Note 7
Financial income

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Securities - measured at fair value	17.5	15.4	22.4	26.3
Interest, cash and cash equivalents, etc.	3.0	2.5	12.6	13.6
Foreign exchange gains, etc.	-	-	1.5	5.7
Total financial income	20.5	17.9	36.5	45.6
Portion relating to subsidiaries	-	0.3	0	-

Interest, cash and cash equivalents, etc., relates to assets measured at amortised cost.

Note 8
Financial expenses

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Interest	0.6	0.4	33.1	23.6
Foreign exchange losses	-	-	4.8	14.3
Miscellaneous	-	-	1.5	0.3
Total financial expenses	0.6	0.4	39.4	38.2
Portion relating to subsidiaries	0.4	0.4	-	-

Interest relates to interest on loans measured at amortised cost.

Note 9
Income tax

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Current tax	1.1	2.6	31.3	18.3
Change in deferred tax	(9.1)	(2.3)	(10.7)	3.2
Prior year adjustments	-	-	2.5	1.0
Total income tax	(8.0)	0.3	23.1	22.5
Reconciliation of tax rate (%)				
Danish tax rate	25	25	25	25
Deviations in foreign enterprises' tax rates	(32)	-	7	(9)
Non-taxable items, etc.	(18)	(19)	(2)	1
Other, including prior year adjustments	-	(5)	2	1
Effective tax rate (%)	(25)	1	32	18

The effective tax rate in 2009 was affected by retaxation and lapse of losses in Dyrup's foreign companies, partly as a result of the sale of the industrial activities, enabling the parent company to recognise as income a substantial proportion of the relevant provision for deferred tax.

Note 10
Employee information

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Wages, salaries and remuneration	6.5	6.5	1,249.6	1,278.5
Pension contributions (defined contribution)	0.1	0.1	85.7	90.2
Other social security costs	-	-	78.9	81.2
Total	6.6	6.6	1,414.2	1,449.9
Including salaries and remuneration to the parent company's:				
Board of Directors	2.4	2.4	3.6	3.1
Executive Board	3.2	3.7	4.7	4.2
Average number of employees	2	2	3,361	3,561

Note 11
Earnings per share and diluted earnings per share

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Profit for the year			50.2	103.4
Average number of shares			3,585.000	3,585.000
Average number of treasury shares			2,645	2,645
			3,582.355	3,582.355
Earnings per share (EPS) and diluted earnings per share (EPS-D)			14	29

Note 12
Goodwill

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01.			115.1	94.4
Value adjustments			0.5	-
Additions			15.9	25.1
Disposals			-	(4.4)
Cost at 31.12.			131.5	115,1
Impairment losses at 01.01.			0	3.7
Value adjustments			0.2	-
Impairment charge			0.3	(3.7)
Impairment losses at 31.12.			0.5	0
Carrying amount at 31.12.			131.0	115.1

The carrying amount of goodwill was tested for impairment at 31.12.10. Details of the impairment test are disclosed in note 10 on page 34 of Dyrup's financial statements and note 11 on page 46 of MT Højgaard's financial statements, to which reference is made.

The impairment testing did not give rise to any write-downs of goodwill to recoverable amount in 2010, apart from a small impairment loss in MT Højgaard.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 13
Trade marks and distribution rights

	Parent Company 2009	Parent Company 2010	Group 2010	Group 2009
Cost at 01.01.			98.0	95.2
Value adjustments			0.2	-
Additions			22.3	2.8
Cost at 31.12.			120.5	98.0
Amortisation at 01.01.			63.8	60.1
Amortisation, disposals			6.3	-
Amortisation charge			4.9	3.7
Amortisation at 31.12.			75.0	63.8
Carrying amount at 31.12.			45.5	34.2

The amounts relate primarily to Dyrup's activities. The carrying amount of trade marks was tested for impairment at 31.12.10. The impairment test, which did not give rise to any impairment losses in either 2010 or 2009, is described in detail in note 10 on page 34 of Dyrup's financial statements..

Note 14
Development projects

	Parent Company 2009	Parent Company 2010	Group 2010	Group 2009
Cost at 01.01.			13.3	15.0
Value adjustments			0.1	(0.2)
Additions			0.3	1.8
Disposals			-	(3.3)
Cost at 31.12			13.7	13.3
Amortisation at 01.01			8.0	4.5
Value adjustments			0.2	-
Amortisation, disposals			-	(1.2)
Amortisation charge			1.6	4.7
Amortisation at 31.12.			9.8	8.0
Carrying amount at 31.12.			3.9	5.3

The amounts relate to Dyrup's activities only, see note 10 on page 34 of Dyrup's financial statements.

Note 15
In-process development projects

	Parent Company 2009	Parent Company 2010	Group 2010	Group 2009
Cost at 01.01.			0.1	0.5
Additions			0.3	0.2
Disposals			(0.2)	(0.6)
Carrying amount at 31.12.			0.2	0.1

The amounts relate to Dyrup's activities only, see note 10 on page 34 of Dyrup's financial statements.

Note 16
Land and buildings

	Parent Company 2009	Parent Company 2010	Group 2010	Group 2009
Cost at 01.01.			519.7	557.4
Value adjustments			1.1	0.1
Additions			58.8	41.8
Disposals			(29.6)	(79.6)
Cost at 31.12.			550.0	519.7
Depreciation and impairment losses at 01.01.			115.2	132.5
Value adjustments			0.4	-
Depreciation, disposals			(5.8)	(25.8)
Depreciation and impairment charge			9.6	8.5
Depreciation and impairment losses at 31.12.			119.4	115.2
Carrying amount at 31.12.			430.6	404.5
Mortgaged properties:				
Carrying amount			239.1	226.6
Year-end balance, loans			202.4	200.4

Note 17
Plant and machinery

	Parent Company 2009	Parent Company 2010	Group 2010	Group 2009
Cost at 01.01.			802.4	756.8
Reclassifications			(3.1)	-
Value adjustments			1.5	(0.2)
Additions			130.3	152.3
Disposals			(78.3)	(106.5)
Cost at 31.12.			852.8	802.4
Depreciation and impairment losses at 01.01.			470.3	488.0
Reclassifications			(2.3)	-
Value adjustments			1.5	-
Depreciation, disposals			(52.3)	(76.8)
Depreciation and impairment charge			61.5	59.1
Depreciation and impairment losses at 31.12.			478.7	470.3
Carrying amount at 31.12.			374.1	332.1
Carrying amount of assets held under finance leases			6.4	5.3

Note 18
Fixtures and fittings, tools and equipment

	Parent Company 2009	Parent Company 2010	Group 2010	Group 2009
Cost at 01.01.	0.9	0.1	334.6	314.6
Reclassifications	-	-	3.1	-
Value adjustments	-	-	0.4	-
Additions	-	-	40.2	51.8
Disposals	(0.8)	-	(17.9)	(31.8)
Cost at 31.12.	0.1	0.1	360.4	334.6
Depreciation and impairment losses at 01.01.	0.8	0.1	238.2	229.5
Reclassifications	-	-	2.3	-
Value adjustments	-	-	0.4	-
Depreciation, disposals	(0.7)	-	(14.8)	(26.3)
Depreciation and impairment charge	0	-	35.2	35.0
Depreciation and impairment losses at 31.12.	0.1	0.1	261.3	238.2
Carrying amount at 31.12.	0	0	99.1	96.4
Carrying amount of assets held under finance leases			10.3	7.4

Note 19
Property, plant and equipment under construction

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01.			33,0	83,4
Additions			44,5	77,4
Disposals			(57,4)	(127,8)
Carrying amount at 31.12.			20,1	33,0

The amount relates primarily to Dyrup's activities.

Note 20
Investments in subsidiaries

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01.	500.7	500.7		
Disposals	-	(8.8)		
Cost/carrying amount at 31.12.	500.7	491.9		

Investments in subsidiaries at 31.12.10 consisted of Dyrup A/S with its registered office in Søborg and share capital of DKK 110.0 million, which is wholly-owned by Monberg & Thorsen A/S. The former subsidiaries Saabye & Lerche A/S and Monberg & Thorsen Oil A/S were dissolved during the financial year.

An overview of the amounts recognised in respect of Dyrup in the consolidated financial statements is given in the segment overview on page 22. Reference is made to the annual report of Dyrup, which forms an integral part of Monberg & Thorsen's annual report.

Note 21
Investments in jointly controlled entities

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01.	427.0	427.0		
Cost/carrying amount at 31.12.	427.0	427.0		

The jointly controlled entity consists of the 46% ownership interest in MT Højgaard a/s, which has its registered office in Søborg. The share capital amounts to DKK 220 million.

MT Højgaard is a jointly controlled entity under an agreement entered into between the shareholders. MT Højgaard is therefore consolidated in the consolidated financial statements by proportionate consolidation. A detailed overview of the amounts recognised on a proportionate basis is given in the segment overview on page 22. Reference is made to the annual report of MT Højgaard, which forms an integral part of Monberg & Thorsen's annual report.

Note 22
Investments in associates

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01. and at 31.12			0.8	0.8
Revaluation/impairment losses at 01.01.			(0.3)	(0.1)
From the income statement			-	0.1
Other adjustments			-	(0.3)
Revaluation/impairment losses at 31.12.			(0.3)	(0.3)
Carrying amount at 31.12.			0.5	0.5

The amounts relate to MT Højgaard's activities only. The accounting information for these companies is disclosed in note 13 of MT Højgaard's annual report.

Note 23
Receivables from associates

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01.			7.2	8.9
Additions/disposals			(2.6)	(1.7)
Carrying amount at 31.12.			4.6	7.2

Note 24
Other securities and equity investments

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Cost at 01.01	0	0	0	0.2
Disposals	-	-	-	(0.2)
Cost at 31.12	0	0	0	0
Revaluation/impairment losses at 01.01.	-	-	-	0.1
Revaluation/impairment charge	-	-	-	(0.1)
Revaluation/impairment losses at 31.12.	-	-	-	0
Cost at 31.12.	0	0	0	0

Other securities and equity investments relate to MT Højgaard's activities.

Note 25
Inventories

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Raw materials and consumables			100.6	90.1
Work in progress			10.0	7.9
Finished goods			211.0	172.7
Carrying amount at 31.12.			321.6	270.7
Changes for the year:				
Cost at 01.01.			321.3	344.4
Value adjustments			0.8	(0.1)
Additions and disposals, net			51.7	(23.0)
Cost at 31.12.			373.8	321.3
Impairment losses at 01.01.			50.6	45.6
Value adjustments			0.1	0.2
Impairment charge			3.9	6.6
Reversal of impairment losses			(2.4)	(1.8)
Impairment losses at 31.12.			52.2	50.6
Carrying amount at 31.12.			321.6	270.7
Value of inventories recognised at net realisable value			42.0	43.1

Inventories primarily relate to Dyrup's activities.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 26
Properties held for resale

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Cost at 01.01.			238.1	224.6
Additions			73.5	14.1
Disposals			(37.5)	(0.6)
Cost at 31.12.			274.1	238.1
Adjustments at 01.01.			(8.1)	(6.7)
Impairment charge			-	(1.4)
Reversal of impairment losses			4.1	-
Adjustments at 31.12.			(4.0)	(8.1)
Carrying amount at 31.12.			270.1	230.0
Value of properties recognised at net realisable value			2.1	19.2
Mortgaged properties:				
Carrying amount			62.9	2.6
Year-end balance, loans			17.9	0.5

Properties for resale relate to MT Højgaard's activities and consist primarily of undeveloped sites that are held with a view to project development activities, and completed dwellings for resale.

Note 27
Receivables

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Receivables falling due more than one year after the balance sheet date	-	-	3.2	3.9

The fair value of receivables is deemed to correspond to the carrying amount.

Note 28
Securities

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Bonds	325.0	333.2	437.0	584.2
Carrying amount at 31.12.	325.0	333.2	437.0	584.2
Nominal holding	332.1	331.5	434.9	589.6
Bonds maturing more than one year after the balance sheet date (market value)	325.0	333.2	386.7	394.3
Maturity of bond portfolio (years)	2.9	1.8	1.9	2.0
Effective interest rate on bond portfolio (%)	5.5	4.6	4.3	4.8
Bonds deposited as security (market value)	-	-	24.5	25.9
Bonds recognised as registered assets in MTH Insurance a/s (market value)	-	-	54.5	46.3

The parent company and the Group measure the bond portfolio at fair value via the income statement in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are regularly monitored and are reported at fair value.

Note 29
Share capital

There were no changes to the share capital in 2010 or the previous four years

	A shares	B shares	Total
Share capital at 31.12.06, 31.12.07, 31.12.08, 31.12.09 and 31.12.10	15.4	56.3	71.7
Number of shares at DKK 20 per share	768,000	2,817.000	3,585.000

Note 30
Interest-bearing liabilities

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Total interest-bearing liabilities can be broken down by commitment type as follows:				
Bank loans, etc.	3.4	-	519.5	410.2
Lease commitments (assets held under finance leases)	-	-	16.0	16.9
Consolidated enterprises	9.8	-	-	-
Carrying amount at 31.12.	13.2	-	535.5	427.1
Interest-bearing liabilities can be broken down by currency as follows:				
DKK	13.2	-	100.4	73.5
EUR	-	-	345.9	335.6
Other	-	-	89.2	18.0
Carrying amount at 31.12.	13.2	-	535.5	427.1
Interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:				
Fixed-rate debt	-	-	282.9	260.5
Floating-rate debt	13.2	-	252.6	166.6
Carrying amount at 31.12.	13.2	-	535.5	427.1
Interest-bearing liabilities can be broken down by effective interest rate as follows:				
Less than 5%	13.2	-	442.4	386.4
Between 5% and 7%	-	-	92.5	40.7
More than 7%	-	-	0.6	0
Carrying amout at 31.12.	13.2	-	535.5	427.1
Weighted average effective interest rate (%)	4.0	4.0	4.4	4.0
Weighted average remaining term (years)	0.5	-	5.4	5.7

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Interest-bearing liabilities are recognised in the balance sheet as follows:				
Non-current liabilities	-	-	291.7	263.5
Current liabilities	13.2	-	243.8	163.6
Carrying amount at 31.12.	13.2	-	535.5	427.1
Fair value at 31.12.	13.2	-	474.8	366.1

The fair value of the financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.

Note 31
Deferred tax

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Deferred tax, net, at 01.01.	18.6	95	(65.7)	(68.9)
Changes via income statement	(9.1)	(2.3)	(10.7)	3.2
Other	-	(1.4)	(1.1)	-
Deferred tax, net, at 31.12.	9.5	5.8	(77.5)	(65.7)

Deferred tax in the parent company relates solely to the retaxation balance in respect of previously deducted tax losses in Dyrup's foreign subsidiaries. Some of the losses were subject to retaxation in 2010.

Deferred tax can be broken down as follows:

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Deferred tax assets				
Property, plant and equipment			-	6.5
Current assets			29.3	29.8
Non-current liabilities			20.1	8.5
Current liabilities			3.7	6.9
Tax loss carryforwards			161.9	147.4
Non-capitalised portion			(10.1)	(7.9)
Deferred tax assets at 31.12. before set-off			204.9	191.2
Set-off within legal entities and jurisdictions (countries)			(83.9)	(88.9)
Carrying amount at 31.12.	-	-	121.0	102.3

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Deferred tax liabilities				
Intangible assets	-	-	11.6	11.2
Property, plant and equipment	-	-	46.5	32.8
Investments	9.5	5.8	6.1	9.5
Current assets	-	-	63.2	72.0
Deferred tax liabilities at 31.12. before set-off	9.5	5.8	127.4	125.5
Set-off within legal entities and jurisdictions (countries)	-	-	(83.9)	(88.9)
Carrying amount at 31.12.	9.5	5.8	43.5	36.6
Deferred tax, net, at 31.12.	9.5	5.8	(77.5)	(65.7)

Deferred tax has been calculated using the tax rates effective in the respective countries to which the deferred tax relates.

The portion of tax loss carryforwards that is expected to be utilised by set-off against future earnings has been capitalised.

A substantial proportion of the deferred tax asset relating to tax loss carryforwards is attributable to a timing difference between recognition applying tax rules and recognition applying accounting rules, which is primarily reflected in the deferred tax on current assets.

Note 32
Provisions

	GROUP 2010	GROUP 2009
Provisions at 01.01.	75.0	45.6
Additions	34.4	32.8
Utilised in the year	(6.1)	(0.7)
Reversal of unutilised provisions	(1.2)	(2.7)
Carrying amount at 31.12.	102.1	75.0
Provisions are recognised in the balance sheet as follows:		
Non-current liabilities	86.9	66.6
Current liabilities	15.2	8.4
Total	102.1	75.0
Expected maturity dates:		
Less than one year	15.2	8.4
Between one and two years	13.7	11.6
Between two and five years	49.4	31.2
More than five years	23.8	23.8
Total	102.1	75.0

Provisions relate to MT Højgaard's activities and comprise guarantee works, primarily relating to provisions for one-year and five-year guarantee works on completed contracts and employee obligations, primarily consisting of business-related provisions for industrial injury cover that is covered under the MT Højgaard Group's self-insurance programme. A breakdown of the amounts is given in note 19 on page 57 of MT Højgaard's annual report.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 33

Construction contracts in progress

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Progress billings			3,763,8	3,666.7
Selling price of construction contracts			(3,668,1	(3,140.4)
Construction contracts in progress, net			95.7	526.3
Construction contracts in progress are recognised in the balance sheet as follows:				
Current liabilities			324.6	702.5
Receivables			(228.9)	(176.2)
Construction contracts in progress, net			95.7	526.3

Construction contracts in progress relate to MT Højgaard's activities.

Note 34

Security arrangements

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Guarantees have been provided in respect of:				
Subsidiaries	159.7	159.7	-	-
Customers	-	-	0.4	0.4
Bid bonds	-	-	5.7	18.0
Contracts and supplies in progress	-	-	1,073.0	951.0
Completed contracts and supplies	-	-	490.9	588.1
Total guarantees provided	159.7	159.7	1,570.0	1,557.5

The Group's guarantees relate primarily to MT Højgaard's activities, where normal security has also been provided in the form of bank guarantees, guarantee insurance and bond deposits as security for contracts and supplies.

Cash and cash equivalents at 31 December 2009 include an amount of DKK 71 million deposited in a guarantee cover account in connection with Dyrup's sale of its Kolding property. The amount was released in 2010.

In addition, land and buildings have been lodged as security for bank loans, etc., see note 16.

Note 35

Lease commitments

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Finance leases				
Total future minimum lease payments:				
Due within one year			7.0	5.7
Due between two and five years			8.7	9.3
Due after more than five years			2.0	3.4
Total			17.7	18.4
Carrying amount (present value):				
Due within one year			7.0	5.2
Due between two and five years			8.7	8.6
Due after more than five years			2.0	3.1
Total			17.7	16.9
Financial expenses			0.6	1.5

Financial expenses have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These financial expenses are recognised in the income statement over the lease term.

Finance leases primarily relate to MT Højgaard's activities.

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Operating leases				
Total future minimum lease payments:				
Due within one year	0.1	0.1	48.2	52.3
Due between two and five years	0.3	0.2	89.4	94.5
Due after more than five years	-	-	36.6	41.7
Total	0.4	0.3	174.2	188.5
Lease payments relating to operating leases recognited in the income statement	0	0.1	46.1	47.7

Operating leases relate to both Dyrup and MT Højgaard.

The Group's finance and operating leases primarily relate to vehicles, operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 14 years. None of the leases features contingent rent.

Note 36
Contingent assets and contingent liabilities

Indemnities
The parent company has provided collateral in respect of Dyrup's long-term loan finance in Denmark and a cash pool agreement of which Dyrup is part.

Pending disputes and litigation
Both the Dyrup Group and the MT Højgaard Group are involved in various disputes and legal and arbitration proceedings. In management's opinion, the outcome of these proceedings is not expected to have any material impact on the Group's financial position.

Monberg & Thorsen A/S is not involved in any litigation.

Note 37
Related parties

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

Related parties with significant influence comprise the members of the companies' Supervisory and Executive Boards.

The parent company's related parties also include subsidiaries and jointly controlled entities in which Monberg & Thorsen has control or significant influence. A list of the consolidated enterprises is given in note 44.

All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.

Management remuneration is disclosed in note 10.

The parent company's balances with subsidiaries and jointly controlled entities at 31.12. are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement with subsidiaries and other financial balances on which interest is paid on an arm's length basis. These balances have not been written down.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 7 and 8.

The parent company's dividends from subsidiaries and jointly controlled entities are disclosed in the income statement.

Note 38
Joint ventures

Monberg & Thorsen owns 46% of MT Højgaard, which is a jointly controlled entity. Furthermore, the Group participates, via MT Højgaard, in the latter group's jointly controlled operations and jointly controlled entities. For further details, reference is made to note 25 to the enclosed annual report of MT Højgaard.

Jointly controlled entities are recognised in the consolidated financial statements by proportionate consolidation. The parent company measures the investment in the jointly controlled entity at cost.

A detailed segment specification of the amounts recognised in the consolidated financial statements in respect of MT Højgaard is given on page 22, to which reference is made.

Note 39
Financial risks

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

The risk management of financial risks in MT Højgaard and Dyrup respectively is carried out by these companies on a decentralised basis.

There have been no significant changes in the Group's risk exposure or risk management compared with 2009.

Currency risks
The Group endeavours to minimise currency risks by seeking to match income and expenditure and financial assets and liabilities so that they balance with respect to currency.

Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments in Dyrup and MT Højgaard are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting.

In the consolidated income statement the amount recognised amounted to an expense of DKK 7 million compared with DKK 8 million in 2009.

The open forward exchange contracts at 31 December 2010 had a remaining term of up to 5 years (2016).

Consolidated revenue denominated in foreign currencies, predominantly EUR, amounted to DKK 2.3 billion in 2010 compared with DKK 2.1 billion in 2009.

The Group's principal currency exposure is mainly related to EUR, PLN, USD, NOK, SEK and GBP.

The hypothetical effect on consolidated profit for the year and equity of reasonable, probable increases in exchange rates against DKK is illustrated below. The parent company does not have any currency exposure. This is a purely mathematical calculation based on the net currency positions at year end.

Currency	Hypothetical change	Group Nominal position DKK million	Effect DKK million
EUR	1%	172.8	1.9
PLN	5%	28.8	1.4
USD	5%	(72.6)	(2.7)
NOK	5%	(125.7)	(4.7)
SEK	5%	(18.2)	(0.9)
GBP	5%	(8.6)	(0.3)

A decrease in the exchange rates would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analysis was based on the financial instruments recognised at 31 December 2010 and an assumption of unchanged production/sales and price level.

Interest rate risks
Interest rate risks relate mainly to cash, securities and interest-bearing debt items.

Cash and securities stood at DKK 642 million at the end of 2010, placed mainly on short-term, fixed-term deposit and in bonds with a maturity of less than three years at the end of 2010.

The Group's interest-bearing liabilities stood at DKK 536 million at the end of 2010, with short-term borrowings accounting for 46%. The average weighted remaining maturity of the Group's interest-bearing debt was 5.4 years, and the weighted average effective interest rate was 4.4%. Fixed-rate debt accounted for 53% of the Group's interest-bearing debt.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 2.9 million increase in profit for the year and equity at 31 December 2010 (2009: increase of DKK 5.2 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Changes in cash flows: all other conditions being equal, the hypothetical positive effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash, securities and debt would have been a DKK 4.1 million increase in profit for the year and equity at 31 December 2010 (2009: increase of DKK 4.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Credit risks
Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner.

The credit risk relating to dealings with counterparties other than banks are minimised, to a great extent, by means of guarantees based on individual assessment of each counterparty. MT Højgaard hedges political credit risks on international projects through export credit insurance based on individual assessment.

Write-downs for bad debt losses were at a relatively stable level and related primarily to the activities of Dyrup, which pursues a tight credit policy.

Write-downs included in receivables developed as follows:

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Write-downs at 01.01			68.4	70.0
Value adjustments			0.2	-
Adjustments for the year, net			(4.9)	(1.6)
Wrire-downs at 31.12			63.7	68.4
Nominal value of written-down receivables			65.1	86.1
Receivables that were past due by more than 90 days at 31 December but were not impaired			49.1	98.6
Security received in respect of receivables			387.3	429.8

Liquidity risks
Liquidity risks are managed through established, appropriate credit lines and committed borrowing facilities that match the need for financing planned operating activitiesi and expected investments.

The Group's financial resources consist of cash, securities and undrawn credit facilities. At the end of 2010, the financial resources stood at DKK 1.2 billion compared with DKK 1.4 billion at the end of 2009.

Interest-bearing liabilities and trade payables can be broken down as follows:

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Interest-bearing liabilities	13.2	-	547.0	427.1
Trade payables	0.9	0.8	573.6	598.5
Total carrying amount	14.1	0.8	1,120.6	1,025.6

The maturity profile for accounting purposes can be broken down as follows:

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Less than one year	14.1	0.8	828.7	762.1
Between one year and two years	-	-	84.7	12.7
Between two and five years	-	-	61.8	90.3
More than five years	-	-	212.2	160.5
Total contractual cash flow	14.1	0.8	1,187.4	1,025.6

Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.

The Group's borrowing and credit facilities are not subject to any special terms or conditions.

	PARENT COMPANY 2009	PARENT COMPANY 2010	GROUP 2010	GROUP 2009
Categories of financial instruments				
Carrying amount by category:				
Financial assets measured at fair value via the income statement	325.0	333.2	440.1	584.2
Loans and receivables	99.7	89.5	1,303.0	1,610.1
Financial liabilities measured at fair value via the income statement	0	0	11.5	6.8
Financial liabilities measured at amortised cost	18.0	4.8	1,793.9	1,768.8

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

The Group's securities are valued based on quoted prices (Level 1).

The Group's derivative financial instruments are valued at observable prices (Level 2).

Note 40
Capital management

The need for alignment of the Group's and the subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The objective for the Group's equity ratio is 30-40%. The equity ratio was 42% at the end of 2010 compared with 38% at the end of 2009.

Note 41
New International Financial Reporting Standards and IFRIC Interpretations

The IASB has issued a number of standards and interpretations that are not mandatory for Monberg & Thorsen in connection with the preparation of the annual report for 2010:

IFRS 9, amendments to IFRIC 14, IFRIC 19, revised IAS 24, amendments to IFRS 1, amendments to IFRS 1. IFRS 9, amendments to IFRS 1, IFRS 7 and IAS 12 as well as improvements to IFRS (May 2010) have yet to be adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. With the exception of the effect referred to below, none of the new standards or interpretations referred to in the foregoing is expected to have a material effect on the Monberg & Thorsen Group's financial reporting.

IFRS 9 changes the classification and measurement of financial assets and liabilities (current IAS 39). In future, the main categories for measuring financial assets will be amortised cost and fair value through either the income statement or the statement of comprehensive income. For financial liabilities the provisions will be changed so that changes in own credit risk no longer affect the income statement, and should only be recognised in other comprehensive income. We do not expect this standard to have any material effect for the Group, but have yet to determine the effect. The standard applies to financial years beginning on or after 1 January 2013.

Note 42
Events after the reporting date

So far as management is aware, no events have occurred between 31 December 2010 and the date of signing of the annual report that will have a material effect on the assessment of the Monberg & Thorsen Group's financial position at 31.12.10, other than the effects that are recognised and referred to in the annual report.

Note 43
Segment information

A detailed segment breakdown of the consolidated figures in the consolidated financial statements is given on page 22, and the integrated annual reports of Dyrup A/S and MT Højgaard a/s include detailed information about their operations and development.

	GROUP 2010	GROUP 2009
Geographical breakdown of revenue and non-current assets		
Revenue can be broken down as follows:		
Denmark	2,999.1	3,164.1
Rest of world	2,260.0	2,409.9
Total	5,259.1	5,574.0
Non-current assets excluding deferred tax assets can be broken down as follows:		
Denmark	682.1	717.5
Rest of world	427.5	310.9
Total	1,109.6	1,028.4

Note 44
Consolidated enterprises

Companies at 31 December 2010

		Registered office		Ownership interest %		Share capital million
Monberg & Thorsen A/S		**Søborg**	**DK**		**DKK**	**71,7**
Subsidiaries						
Dyrup A/S		**Søborg**	**DK**	**100,00**	**DKK**	**110,0**
• Dyrup S.A.S.		France	FR	100.00	EUR	13.0
• Tintas Dyrup, S.A.		Portugal	PT	100.00	EUR	2.6
• Dyrup GmbH		Germany	DE	100.00	EUR	0.5
• Pinturas Dyrup, S.A.		Spain	ES	100.00	EUR	0.3
• Dyrup GmbH		Austria	AU	100.00	EUR	0.1
• Dyrup Sp. z.o.o.		Poland	PL	100.00	PLN	4.9
• Malfarb Sp.z.o.o.		Poland	PL	100.000	PLN	10.6
• Tintas BONDEX Angola LDA		Angola	AO	66.67	USD	1.6
• Pigmenta A/S.		Denmark	DK	100.00	DKK	0.5
• Danish Indian Paint Company ApS		Denmark	DK	100.00	DKK	3.3
Jointly controlled entities						
MT Højgaard a/s	(J)	**Søborg**	**DK**	**46,00**	**DKK**	**220,0**
• Ajos a/s		Hvidovre	DK	100.00	DKK	0.5
• CL2010 A/S		Hillerød	DK	100.00	DKK	0.5
• Enemærke & Petersen a/s		Ringsted	DK	100.00	DKK	5.0
• Ringsted Entreprenørforretning ApS		Ringsted	DK	100.00	DKK	0.2
• Bendix Træ & Glas ApS		Hvidovre	DK	100.00	DKK	0.2
• Bode Byg A/S af 1997		Solrød	DK	100.00	DKK	0.5
• Greenland Contractors I/S	(J)	Copenhagen	DK	66.66	DKK	-
• Lindpro a/s		Glostrup	DK	100.00	DKK	25.0
• Arssarnerit A/S		Greenland	DK	100.00	DKK	2.0
• MT Højgaard Finland Oyj		Finland	SU	100.00	EUR	0,1
• MT (UK) Ltd.		England	GB	100.00	GBP	0
• MT Atlantic Inc.		USA	US	100.00	USD	0
• MT Højgaard Føroyar P/F		Faroe Islands	DK	100.00	DKK	2.7
• MT Hojgaard (GIB) Ltd.		Gibraltar	GB	100.00	GBP	0
• MT Hojgaard Al Obaidly W.L.L.	(J)	Qatar	QA	49.00	QAR	0.2
• MT Højgaard Grønland ApS		Greenland	DK	100.00	DKK	0.2
• MT Højgaard Norge A/S		Norway	NO	100.00	NOK	500
• MTH Insurance A/S		Søborg	DK	100.00	DKK	30.0
• MTH Stål A/S		Fredericia	DK	100.00	DKK	5.0
• MTH Stål A/S		Norge	NO	100.00	NOK	0.5
• MTH Stål Vietnam Company Limited		Søborg	DK	100.00	DKK	30.0
• OPP Vildbjerg Skole A/S	(A)	Hellerup	DK	50.00	DKK	0.5
• OPP Hobro Tinglysningsret a/s	(A)	Hellerup	DK	33.33	DKK	0.7
• OPP Ørstedskolen a/s	(A)	Hellerup	DK	33.33	DKK	2.4
• Scandi Byg a/s		Løgstør	DK	100.00	DKK	3.0
• Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal	PT	60.00	EUR	4.0
• Timbra a/s		Høje Taastrup	DK	100.00	DKK	0.5

(A) Associates
(J) Jointly controlled entities. These are consolidated on a proportionate basis in the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS IN EURO (EUR million)

The conversion rate is the official exchange rate at 31.12.

INCOME STATEMENT	2010	2009
Revenue	705.5	749.0
Production costs	588.7	629.3
Gross profit	**116.8**	119.7
Share of profit after tax of associates	0.1	-
Distribution costs	70.1	70.6
Administrative expenses	37.6	36.2
Other operating income and expenses	1.0	3.0
Operating profit	**10.2**	15.9
Financial income	4.9	6.1
Financial expenses	5.3	5.1
Profit before tax	**9.8**	16.9
Income tax	3.1	3.0
Consolidated profit	**6.7**	13.9

STATEMENT OF CASH FLOWS	2010	2009
Cash flows from operating activities	**(16.0)**	32.2
Investing activities		
Intanbible assets	(1.8)	(0.3)
Property, plant and equipment	(15.4)	(20.5)
Acquisition/disposal of enterprises and activities	(5.1)	15.5
Securities	20.8	(22.5)
Cash flows for investing activities	**(1.5)**	(27.8)
Cash flows before financing activities	**(17.5)**	4.4
Financing activities		
Dividends paid to shareholders	(3.3)	-
Change in non-current loans, etc.	2,5	13.5
Cash flows from financing activities	**(0.8)**	13.5
Net increase (decrease) in cash and cash equivalents	(18.3)	17.9
Cash and cash equivalents at 01.01.	16.8	(1.1)
Cash and cash equivalents at 31.12.	**(1.8)**	16.8

BALANCE SHEET AT 31 DECEMBER	2010	2009
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	17.6	15.5
Trade marks and distribution rights	6.1	4.6
Development projects	0.5	0.7
	24.2	20.8
Property, plant and equipment		
Land and buildings	57.8	54.4
Plant and machinery	50.2	44.6
Fixtures and fittings, tools and equipment	13.3	13.0
Property, plant and equipment under construction	2.7	4.4
	124.0	116.4
Investments		
Investments in associates	0.1	0.1
Other securities and equity investments, etc.	0.6	1.0
Deferred tax	16.2	13.7
	16.9	14.8
Total non-current assets	**165.1**	152.0
Current assets		
Inventories	79.4	67.3
Receivables	179.8	213.1
Securities	58.6	78.5
Cash and cash equivalents	27.6	36.9
Total current assets	**345.4**	395.8
Total assets	**510.4**	547.8
EQUITY AND LIABILITIES		
Equity		
Share capital	9.6	9.6
Other reserves	0.2	0.5
Retained earnings	200.7	197.3
Proposed dividends	3.4	3.3
Total equity	**213.9**	210.7
Non-current liabilities	**56.6**	**49.3**
Current liabilities	**239.9**	287.8
Total equity and liabilities	**510.4**	547.8

The consolidated financial statements in EURO constitute supplementary information to the financial statements only.

DYRUP A/S • ANNUAL REPORT 2010

A member of the Monberg & Thorsen A/S Group


FRESH
START
DYRUP

Contents 2010

Financial highlights for the years 2006-2010 04

Group profile 05

Management's review 06

Strategy - FRESH START 16

Product innovation 18

Supply chain 18

Product environment 19

Brands. 20

Human Capital. 20

Management statement & Independent auditor's report 22

Statement of cash flows 24

Income statement & Statement of comprehensive income 25

Balance sheet / Assets 26

Balance sheet / Equity and liabilities 27

Statement of changes in equity 28

Notes 29

Group diagram 42

In the event of any discrepancy between the Danish and the English versions of the Annual Report for 2010, the Danish version shall prevail.

Financial highlights for the years 2006-2010 *DKK million*

Group	2006	2007	2008	2009	2010
Income statement					
Revenue	1.660	1.696	1.624	1.394	1.440
Gross profit	680	694	644	573	622
Operating profit (loss) before special items (adjusted EBIT)	5	5	(22)	(20)	42
Net financing costs	(24)	(20)	(33)	(21)	(22)
Profit (loss) before tax	(66)	(15)	(90)	(25)	20
Profit (loss) for the year	(45)	(19)	(68)	(17)	15
Balance sheet					
Share capital	100	100	110	110	110
Equity attributable to parent	442	428	449	431	445
Equity incl. non-controlling interests	442	428	449	431	448
Balance sheet total	1.227	1.227	1.215	1.219	1.304
Interest-bearing assets	51	56	34	92	51
Interest-bearing liabilities	427	434	434	455	516
Invested capital	897	884	927	871	990
Cash flows					
From operating activities	65	70	(6)	2	38
For investing activities *)	(27)	(70)	(110)	34	(121)
From financing activities	(20)	(17)	11	109	6
Net increase (decrease) in cash and cash equivalents	19	(18)	(105)	145	(78)
*) Portion relating to property, plant and equipment (gross)	(23)	(71)	(110)	(90)	(73)
Financial ratios (%)					
Gross margin	41	41	40	41	43
Operating margin (EBIT margin)	0	0	(1)	(1)	3
Pre-tax margin	(4)	(1)	(6)	(2)	1
Return on invested capital (ROIC)	1	1	(2)	(2)	5
Return on equity (ROE)	(10)	(4)	(15)	(4)	3
Equity ratio	36	35	37	35	34
Other information					
Average number of employees	961	1.002	994	858	959
Number of employees at year end	954	1.006	926	802	945

The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'.

FINANCIAL RATIOS HAVE BEEN CALCULATED AS FOLLOWS:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin (EBIT margin)	$\frac{\text{Operating profit before special items x 100}}{\text{Revenue}}$
Pre-tax margin	$\frac{\text{Profit before tax x 100}}{\text{Revenue}}$
Return on invested capital (ROIC)	$\frac{\text{Operating profit before special items x 100}}{\text{Average invested capital}}$
Return on equity (ROE)	$\frac{\text{Profit after tax x 100}}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity incl. non-controlling interests, year end x 100}}{\text{Total liabilities, year end}}$
Invested capital	Invested capital represents the capital to be invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill.

- Subsidiaries*:* *Denmark, France, Poland, Portugal, Spain, Germany, Austria and Angola*
- ***Distributors:*** *Bulgaria, China, Croatia, Greece, Czech Republic, Hong Kong, Hungary, Ireland, Israel, Italy, Jamaica, Latvia, Lebanon, Lithuania, Malaysia, Romania, Russia, Slovenia, South Africa, South Korea, Switzerland, Syria, Taiwan, Thailand, UK,*
- ***Licence:*** *Saudi Arabia*

Group profile

Dyrup aims to actively contribute to sustainable development, where corporate responsibility for people and the environment goes hand in hand with sound business development.

Dyrup's business activity is the manufacture and sale of quality products in the paint, wood care and specialist products categories. The latter category consists primarily of fillers, products that prevent water penetration and tools for professional painters.

Since 2009, Dyrup has been focusing on two primary sales channels:

- DIY: the DIY market, on which products are sold via paint retailers and builders' merchants.
- PRO: the professional market, on which products are sold via wholesalers and outlets for professional decorators. Dyrup operates its own paint centres in Denmark and Portugal.

The products are sold under the strong international brands Dyrup, Bondex, GORI and Xylophene. These brands account for 80% of revenue. Dyrup also has a number of local brands and the Group manufactures a limited number of private labels, own brand products for retail chains.

In 2010, 50% of revenue was on the DIY market and 50% on the PRO market. PRO activities were boosted in 2010 with the acquisition of the Polish paint manufacturer Malfarb.

The principal geographical markets are Denmark, France, Germany, Portugal, Spain and Poland.

These six markets, on which Dyrup has subsidiaries, account for around 95% of revenue. The remaining revenue comes from export markets in Europe, Asia and Africa. In these countries, Dyrup primarily sells its products via distributors and, to a lesser extent, via its own companies. In 2010, we established a company in Angola, where we can see good potential for growth in the years to come.

Dyrup focuses extensively on constantly improving the environmental impact of the products it manufactures. The Group invests increasing resources in developing technologies that either use new, more eco-friendly raw materials or use the raw materials in a more expedient manner.

Wood care products account for 50% of Dyrup's revenue. Dyrup has a wide range of wood care products for both outdoor and indoor use. Dyrup has a strong market position in wood care in Denmark, France and Germany. Paint products account for 30% of revenue. The Group's market position in this segment is strong in Denmark and Portugal. The remaining 20% comes from a number of specialist products.

Most of the products sold are manufactured at Dyrup's own factories in Denmark, France, Poland, Portugal and Spain. A small proportion is bought-in products, primarily in the specialist products category.

The Dyrup Group had 945 employees at the year end.

Management's review

With a DKK 62 million increase in operating profit, 2010 marked a major turning point for Dyrup.

The year began with the acquisition of the Polish paint manufacturer Malfarb, strengthening Dyrup's position in the Polish PRO market. In 2010, Dyrup worked on the integration of the two companies. By the end of 2011, the manufacturing facilities are thus expected to be concentrated at Malfarb's Ostrów Wielkopolski site, where a major warehouse expansion has just been taken into use. The expansion of the manufacturing facilities is scheduled for completion in April.

The French warehouse facilities were also completed, and inventory insourcing with associated logistics is well underway, although with some initial teething problems. Furthermore, the varnish production in Poland is being relocated to France. This project is scheduled for completion at the end of the first quarter of 2011.

The upgrading of the manufacturing facilities in Denmark has been completed, and the new facility for water-based products was inaugurated in May. The focus is now on optimising production.

The roll-out of the new ERP platform is satisfactorily, although with a slight delay, as this is a highly resource-intensive exercise, and account needs to be taken of the fact that Dyrup is a company with major seasonal fluctuations. Portugal is expected to go live in April 2011, while the Spanish launch has been postponed until just after the peak season. The ambition is that the platform will be fully operational in Poland at the end of 2011 and in France by the end of the first quarter of 2012 at the latest.

The office facilities in Spain will be expanded in the first half of 2011. After this, no major new investments are expected in the coming years.

In November, the company's CEO Erik Holm announced that he would be leaving Dyrup by the end of March 2011. The search has commenced for a new CEO who can continue Dyrup's positive development in the wake of the successful turnaround.

The operating result was a profit of DKK 42 million, significantly exceeding expectations at the start of the year. The result is very clear testimony to the fact that Dyrup is again a profitable company.

The company delivered a positive financial performance throughout the year. The outlook at the start of the year was revenue growth of 5% with operating profit of around DKK 25 million and a break-even result before tax. Halfway through the year, the outlook was changed to growth of around 8%, which corresponds to the growth actually recorded, and operating profit of at least DKK 25 million.

With the achievement of operating profit of DKK 42 million, an important sub-target of Dyrup's FRESH START strategy has been met. The objective is still for Dyrup to achieve a profitability within a few years that matches that of the other manufacturers in the European market.

INCOME STATEMENT

Revenue was DKK 1,440 million against DKK 1,335 million in 2009 in the DIY and PRO business. This corresponds to an 8% increase in revenue, of which the acquisitions of Malfarb in 2010 and Hygæa in 2009 represented 7%.

Dyrup's organic growth of 1% is regarded as satisfactory considering that the market fell back by 4% in 2010. In Denmark and Germany, revenue was just over 1% ahead, primarily reflecting new customers, while revenue was up 4% in the Iberian Peninsula. In France, revenue was unchanged from 2009, mirroring the trend in the market. In Poland, revenue increased, to which should be added the effect of the Malfarb acquisition. In the export area, the new focus areas Asia and Africa more than made up for the decline in our European export markets.

Gross profit was DKK 622 million against DKK 573 million in 2009, with a 43% increase in the gross margin, primarily driven by the initiatives under the FRESH START strategy.

Distribution costs were 3% lower than in 2009, reflecting the disposal of the industrial activities and general savings.

Administrative expenses remained at an unchanged level, partly affected by internal resources expended on all the year's projects.

The operating result was a profit of DKK 42 million compared with a loss before special items of DKK 20 million in 2009. The improvement was also reflected in the EBIT margin and the pre-tax margin, both of which returned to positive figures in 2010, at 3% and 1% respectively.

Net financing costs increased to DKK 23 million, partly reflecting the investments made.

The full-year result before tax was therefore a profit of DKK 20 million compared with a DKK 25 million loss in 2009. The effective tax rate was 25%, making the full-year result after tax a profit of DKK 15 million.

BALANCE SHEET

The consolidated balance sheet total had increased by DKK 0.1 billion, to DKK 1.3 billion, at the end of 2010 due to the investments made.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33
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LASURE D'IMPREGNATION
IMPREGNANTE
IMPREGNEERBEITS
DYRUP

Inventories amounted to DKK 288 million at the end of the year, up DKK 52 million, with the Malfarb acquisition and the establishment in Angola representing around 40%. The remainder reflected factors such as extraordinary inventory build-up related to inventory insourcing in France, including the relocation of varnish production from Poland to France and customer-specific initiatives.

Trade receivables were reduced, despite the addition of the Malfarb customer base, partly due to the continued close focus on tight credit control.

Equity stood at DKK 448 million, corresponding to an equity ratio of 34% compared with 35% at the end of 2009.

Net interest-bearing debt amounted to DKK 465 million at the end of 2010 compared with DKK 362 million at the end of 2009. The increase reflected the investments during the year and the inventory build-up at the end of the year.

CASH FLOWS

Operating cash flows benefited from the improved operating result. However, cash flows were partly tied up in the relatively high inventories at the end of 2010.

Investing activities absorbed DKK 121 million, with the Malfarb acquisition in Poland accounting for DKK 38 million. At DKK 73 million, capital expenditure on property, plant and equipment was slightly lower than in 2009 and is extraordinarily affected by the upgrading of the manufacturing and warehouse facilities in France and Poland.

Cash flows from financing activities consisted of refinancing of loans in connection with the Malfarb acquisition less instalments made and repaid loans, generating a cash inflow of DKK 6 million.

Cash flows for the year amounted to a net outflow of DKK 78 million, reducing net cash and cash equivalents to net debt of DKK 215 million compared with net debt of DKK 136 million at the end of 2009.

The Group's financial resources consist of cash and undrawn credit facilities. At the end of 2010, the financial resources stood at DKK 283 million compared with DKK 308 million in 2009.

The financial resources are considered satisfactory to underpin Dyrup's continued development.

CHANGES ON THE BOARD OF DIRECTORS

At the Annual General Meeting on 27 April 2010, Carsten Tvede-Møller did not stand for re-election to the Board of Directors at his own request. The full Board of Directors was up for election, and the other external members of the Board of Directors were re-elected. Jannie Jensen joined the Board as new employee representative.

ACCOUNTING POLICIES

The accounting policies follow the accounting policies applied by the parent company Monberg & Thorsen, which is listed. The annual report has been prepared in accordance with IFRS and applying the same policies as in 2009.

OUTLOOK FOR 2011

We expect the DIY market to grow by 1% in 2011, while the PRO market is expected to decline by around 3%. Dyrup expects to hold its market share in its principal markets, as a minimum. Dyrup will continue to develop the measures initiated as part of its FRESH START strategy in a targeted manner in order to strengthen its market positions by launching innovative products and concepts. To this should be added greater focus on expanding and utilising the export potential in Asia and Africa.

At the start of March, we acquired Plus Paint A/S, which operates the Plus Malergrossisten chain that sells professional paints to the Danish PRO market, primarily own brand.

The acquisition reflects Dyrup's strategy of strengthening its position on the Danish PRO market.

The Plus Paint Group delivered revenue in the region of DKK 60 million in 2009/2010 and a small loss after tax, partly reflecting the start-up in Esbjerg. Dyrup has been producing the chain's own brand, +Plusserien, since June 2010.

The effects of FRESH START, coupled with the acquisition of Plus Paint, are expected to be able to generate growth of around 6% - 7%, more than half of which reflecting expected price increases due to the continued increase in raw material prices. The rising raw material prices are putting pressure on earnings and mean that, again in 2011, Dyrup will focus on optimising recipes without compromising on the quality of our products. Operating profit is therefore expected to be around DKK 50 million. The pre-tax margin is expected to be around 1% - 2%.

The objective - achieving a profitability for Dyrup within a few years matching that of the other manufacturers in the European market - remains unchanged.

The projections concerning future financial performance are subject to significant uncertainties and risks that may cause the performance to differ from the projections expressed in this report.

CORPORATE RESPONSIBILITY

In 2009, Dyrup took the first steps towards preparing a CSR policy, and this was completed in 2010. The CSR policy for 2009 and Dyrup's ethical policy can be read at www.dyrup.com under the section 'Dyrup in society'.

"Dyrup aims to actively contribute to sustainable development, where social responsibility and a high concern for people and the environment go hand in hand with healthy business development."

All our activities comply with this statement as it is important to Dyrup to show the world, its customers and its employees that we also take our corporate responsibility seriously.

Even in times of economic crisis, it is important for Dyrup to be aware of its corporate responsibility, the working environment of its employees and its impact on the environment, for which reason these areas also enjoyed high priority in 2010.

For Dyrup, CSR means that we have a company that behaves decently, safely and sensibly. It is not enough for Dyrup as a company to comply with the rules in the countries in which we do business, so we both want to and will do more! This means that the framework has now been put in place and specific objectives have been set to show exactly what we are aiming for.

The work on CSR is a joint task that involves all subsidiaries, all employees and all departments in the Dyrup Group.

CSR cannot be implemented by just a few responsible individuals. CSR is a matter for everyone and we are all responsible for each other as colleagues, for the environment, for our customers and for the local communities of which we are part.

Dyrup is a company that wants to think globally and act locally. Therefore, several activities take place locally at our subsidiaries.

In Germany, for example, we have applied our 'Easy to choose - Easy to use' strategy to develop a 3D model to illustrate how our products should be used. Production of these 3D models was placed with an organisation that secured work for around 1,500 disabled people, partly as a result of Dyrup's order.

Dyrup also donated the paint that local artists used to decorate artificial Christmas trees in Copenhagen in December. After the end of the exhibition, the Christmas trees were sold and the profit went to a fund supporting African forestry projects, thereby supporting 2,500 African families.

During the year, several of our companies have students that use our facilities in their studies. Disabled people are also offered the opportunity to attend job training under normal working conditions.

The ethical policy forms the basis of the way in which we want both ourselves and our suppliers to behave. The policy is used as the basis for the supplier surveys that Dyrup conducted in 2010 in connection with supplier evaluation in relation to the environment, the working environment and ethics.

CSR targets for 2011

Dyrup wants to continue its CSR work. Therefore, top management have prepared and categorised three specific areas and targets the Group wants to work on in 2011. The three areas and targets are defined as 'the 3 Ps':

People

Processes

Products

The first P, People, means that in 2011 all subsidiaries must set targets for sickness absence, employee turnover, employee satisfaction and employee motivation.

The second P, Processes, means that all subsidiaries must have health and safety certification and ISO14001 environmental certification and we must all have specific targets for reduction of energy consumption. Critical suppliers must also all be evaluated so that we can set requirements for them in relation to CSR. This work has begun in several of the subsidiaries and the expectation is that they will all be certified in accordance with both ISO14001 and OHSAS18001 by the end of 2013. Energy targets have been set for 2011 and the work on supplier evaluation also begins in 2011. A procedure has therefore now been established to ensure that the suppliers with which we spend over a certain amount and all new suppliers are sent our CSR questionnaire and are subsequently assessed in relation to our requirements.

The third P, Products, means that all subsidiaries must set specific targets for the proportion of revenue that will involve the EU Ecolabel and the proportion of R&D resources to be spent on green products and green technology.

The internal and external environments
In Denmark, Dyrup received a new environmental permit and wastewater permit from the public authority concerned. The terms and conditions set in connection with these permits were implemented in 2010 and the company complies with all conditions.

The company was inspected several times by the public authorities in relation to both internal and external environments and no enforcement orders were issued in 2010.

Dyrup in Denmark worked to introduce ISO14001 (environmental management) and OHSAS18001 (occupational health and safety management) in 2010. At a preliminary audit in November, no major non-conformities were identified.

Consequently, it has now been decided that a certification audit will take place in March 2011 for Dyrup in Denmark so that both certificates can be obtained.

To underpin this initiative and involve all employees in both the internal and the external environments, training was introduced in several areas in 2010. E-learning programmes were implemented for employees on which everyone had to answer questions about health and safety and the environment.

Another measure was training for truck drivers in safe truck driving. The company transports a great deal of goods. Truck use is therefore a major component of our day-to-day activities. Driving a truck can represent a serious risk. However, with the right focus and the right training for our truck drivers, we ensure that we are acting to prevent employees suffering injury in this area.

The company has also introduced a 'Green Card'. This card carries the targets for the internal working environment and the external environment on one side and useful, important information on this on the other.

We have also worked to reduce exposure to biocides in powder form, and the number of manual operations handling containers has been minimised to provide employees with better ergonomic conditions.

In connection with handling lids and buckets, we have installed mechanical equipment to ensure that our employees have optimum conditions during the production process.

At the manufacturing sites at which we have already introduced ISO14001 (environmental management), external audits have shown that these are well-functioning systems making dynamic progress in relation to reducing the impact on the environment, supported by a motivated management team.

RISK FACTORS

Dyrup's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

We consider it a critical part of our strategy to continuously minimise the current risks, which are not deemed to differ from the normal risks facing other such companies in our industry.

The overall framework for managing the risks judged to be critical for the company is laid down in the business concept and the associated policies.

Dyrup endeavours to cover, to a great extent, significant risks outside our direct control by taking out relevant insurance policies. Insurable risks are insured to ensure that the Group's financial position will not be jeopardised by any damage or acts that give rise to liability. Besides statutory insurances, the Group has taken out business interruption and product liability insurance.

All Dyrup's strategic trade marks are registered and monitored through international trademark agents.

Cyclical fluctuations, etc.
Cyclical fluctuations, political intervention and changing weather conditions can result in fluctuations in demand from one year to the next.

Some of the raw materials used by Dyrup are only available from a handful of suppliers. Wherever possible, Dyrup seeks to obtain guarantees with respect to agreed supply capacity and stable price formation.

The price formation of some raw materials depends, directly or indirectly, on the oil price, a market force that is outside Dyrup's control.

Consolidation among Dyrup's large customers on the DIY market puts pressure on prices, and this may impact on Dyrup's earnings.

Financial risks
Financial risks are described in note 21 to the financial statements.


DYRUP
DYRUP

CORPORATE GOVERNANCE

Dyrup is not listed, but wholly-owned by the listed Monberg & Thorsen. Dyrup's Corporate Governance principles are essentially identical to those applied by Monberg & Thorsen. The current principles are described at www.monthor.dk and in the parent company's annual report, to which reference is made.

In the following, we have chosen to give an account of the key elements of the Group's internal control and risk management systems in connection with the financial reporting process in accordance with the requirements set out in the Danish Financial Statements Act.

FINANCIAL REPORTING PROCESS

The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Board of Directors and the Executive Board regularly evaluate material risks and internal controls in connection with the Group's activities, and their potential impact on the financial reporting process.

The Board of Directors and Executive Board have established policies, procedures and controls in the key areas that relate to the financial reporting process. The basis for this is a clear organisational structure, clear reporting lines, authorisation and approval procedures, and segregation of duties.

The Executive Board is responsible for ensuring that Dyrup's control environment provides a proper basis for the preparation of the financial reporting. Managers at various levels are responsible in their respective areas. An internal control function has been established that is charged with controlling the financial reporting for both the Danish unit, the foreign subsidiaries and the Group consolidation.

The Executive Board monitors, on an ongoing basis, compliance with relevant legislation and other rules and regulations related to financial reporting (compliance) and regularly reports to the Board of Directors on this.

Risk assessment
The Board of Directors and the Executive Board carry out an overall assessment of risks related to the financial reporting process at least once a year. As part of this risk assessment, they consider the risk of fraud and the measures that are required to mitigate and/or eliminate these risks. As part of the risk assessment, the Board of Directors evaluates any opportunities for the day-to-day management to override controls and manipulate the financial reporting.

Control activities
The purpose of control activities is to prevent, detect and correct any errors or irregularities and to ensure that estimates made are reasonable in the circumstances.

The Executive Board has established a formal corporate reporting process that comprises budget reporting and monthly reporting, including reporting of any deviations, with quarterly updating of estimates for the year. The reporting includes income statement, balance sheet, cash flow statement and relevant financial ratios.

The reporting from the subsidiaries is controlled on an ongoing basis, and procedures have been established that ensure that any errors and omissions in reported data are communicated to and corrected by the subsidiaries.

In connection with the preparation of the financial statements, further analyses and control activities are carried out to ensure that the financial reporting complies with the legislation.

Information and communications
We maintain internal information and communications systems to ensure that the financial reporting is correct and complete within the context of the confidentiality prescribed for listed companies. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring
The Board of Directors and the Executive Board monitor the financial reporting on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, including the manner in which material and/or extraordinary items and accounting estimates are accounted for, and the overall disclosure level in Dyrup's financial reporting.

We use comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

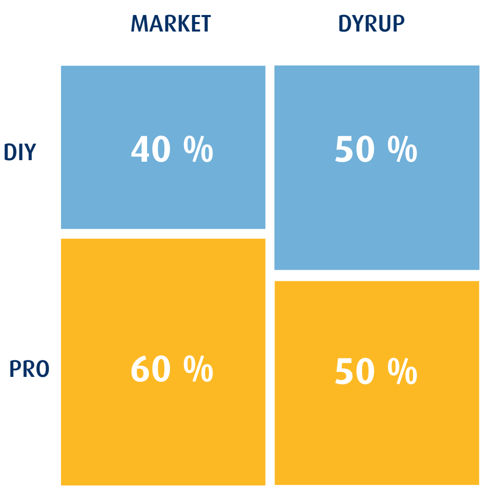
The Group applies uniform IFRS rules as set out in the company's financial reporting manual. The manual includes accounting and assessment principles as well as reporting instructions, and is complied with by all companies in the Group. Compliance with the manual is monitored at corporate level. Representation letters are obtained from all subsidiaries on an annual basis.

THE DEVELOPMENT IN DYRUP'S MARKETS IN 2010

Dyrup estimates that the Group's principal markets declined by 4% on average in 2010 compared with the previous year, but with major regional differences. The Spanish market saw the largest decline, followed by Denmark and Germany, but the Polish market also declined in 2010. France reported a flat trend, overall, while Portugal was the only Dyrup market to show growth in 2010.

The economic and financial crises thus impacted adversely on demand for Dyrup's products again in 2010, although the market trend showed a significant improvement on 2009. Again in 2010, the PRO market saw the largest decline, as a natural reflection of the general slump in the construction sector in all European countries.

RELATIVE SIZES OF SALES CHANNELS 2010



Dyrup sells to the DIY market via paint retailers and DIY stores, whose primary customers are private consumers. The DIY market declined by around 2% overall in 2010, while Dyrup delivered 2% growth, partly reflecting growth in Denmark, Germany, Portugal and Poland. DIY represented 50% of revenue in 2010 against 52% in 2009. The lower proportion was due solely to the Malfarb acquisition, which primarily contributes PRO revenue.

The economic downturn has intensified competition among our customers, increasing the focus on custom-made products and concepts that underpin each chain's strategic position in the market. It is estimated that the proportion accounted for by private label showed a slightly upward trend in 2010, but with major differences on the respective markets.

Dyrup sells to the PRO market through wholesalers specialising in paints, DIY stores focusing on the building trade and own paint centres in the Danish and Portuguese markets. The downturn in the construction sector had the greatest impact on the PRO market, which is directly dependent on the level of construction activity. Overall, this market is estimated to have fallen back by around 5%. In PRO, Dyrup recorded revenue in line with last year before the effect of acquisitions. Including acquisitions, Dyrup reported growth in PRO of around 14%.

Denmark

The DIY and PRO markets declined by around 6% overall, with the PRO market still feeling the effects of the decline in the construction sector. Dyrup estimates that the PRO market contracted by around 9%. Dyrup performed slightly better with a decline of only 3%, due to new customers and the Hygæa revenue acquired in 2009.

The DIY market is estimated to have declined by around 3%, whereas Dyrup reported 5% growth, partly as a result of gaining new customers.

France

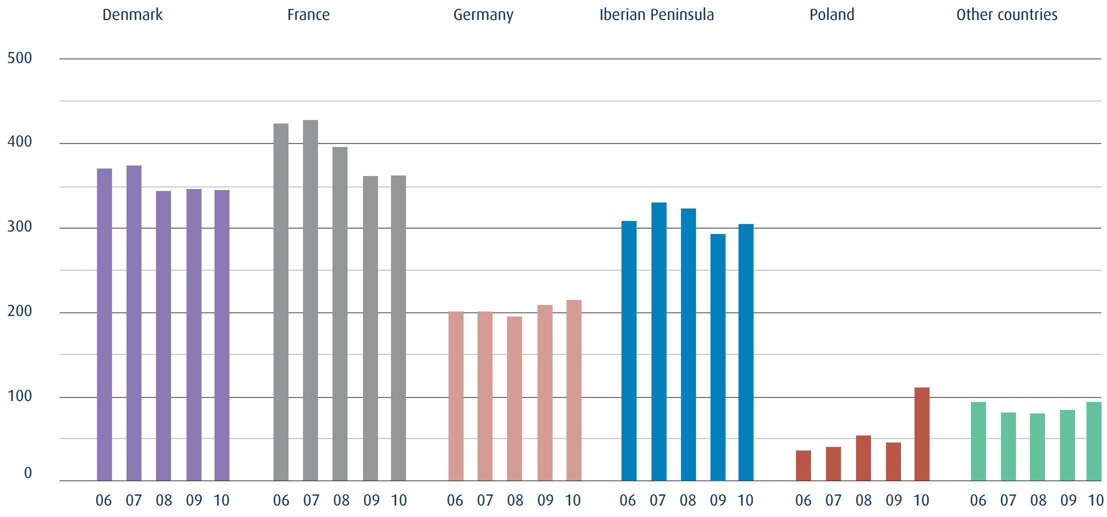
It is estimated that the French market was in line with 2009. Both the DIY and PRO markets were stable, beating Dyrup's expectations at the start of the year. On the DIY market, Dyrup's revenue decreased by around 5%. In spring 2011, Dyrup will relaunch its Bondex wood care range with new products, new packaging design and new communications. This is designed to strengthen Dyrup's position in this segment. At the same time, efforts in paints manufactured from non-petrochemical raw materials will be intensified.

Dyrup showed 9% revenue growth on the PRO market. Dyrup sells to large chains of builders' merchants that have a broad group of tradesmen as their target group. The performance in France was primarily spurred on by the positive trend in paint sales, which was partly assisted by Dyrup's 'Shop-in-Shop' concept. Wood preservatives products also sold well. Here, too, significant progress was made, partly driven by substantial sales of a new product, 'Termifilm'. This product is part of the range of Termi-protective products.

Germany

The overall wood care market in Germany is estimated to have declined by just under 5%. The decline was larger than expected by Dyrup at the start of the year. This was partly due to high levels of precipitation, cutting short the season for sales of outdoor wood care products. Despite this, Dyrup recorded 7% revenue growth in DIY, primarily as a result of gaining a new large chain customer.

DEVELOPMENT IN REVENUE ON THE DIY AND PRO MARKETS 2006 - 2010 *DKK million*



In DIY, Dyrup only has a presence in the wood care category, in which we won market shares in 2010. In the PRO market, Dyrup's revenue was only 2% down, while the general market declined by around 5%

Iberian Peninsula

Portugal was the only of Dyrup's principal markets to post revenue growth. Dyrup estimates that the overall market climbed by around 2%, primarily driven by the PRO market, which is picking up following a major decline in 2009. The DIY market, on the other hand, which is less important in terms of size, declined slightly. The second half of the year was significantly better than the first six months of the year. Dyrup's sales to the DIY market were just under 6% ahead, showing that Dyrup has won market shares. Dyrup also reported revenue growth of around 6% on the PRO market.

Of Dyrup's principal markets, Spain saw the largest decline. Dyrup estimates that the overall market declined by just under 10%. Again, it was the very low level of construction activity that led to a decline of around 12% in the PRO market. Despite this, Dyrup maintained revenue in line with 2009.

Poland

The Polish market is estimated to have declined by 4%, driven by the PRO market. However, Dyrup delivered growth in both DIY and PRO, assisted by the launch of new products and concepts tailored to the individual customers in DIY. On the PRO market, Dyrup strengthened its presence considerably by acquiring the Polish paint manufacturer Malfarb at the start of 2010, reporting considerable overall progress in Poland in 2010.

Exports

Dyrup's export markets in Europe were badly hit by the economic and financial crises again in 2010. This was offset by new customers in Asia and Africa, where we set up a new company in Angola at the end of the year.

STRATEGY – FRESH START

Dyrup's FRESH START strategy was launched at the start of 2009 and is proceeding to plan. Again in 2010, considerable resources were spent on embedding the strategy across the organisation. All strategic group projects and local business plans still underpin the four cornerstones of the strategy, also called 'must-win battles'.

Dyrup believes that the chosen strategy has been crucial in the successful turnaround that is reflected in the Group's financial results. In 2009 and 2010, the main focus was on the three fundamental growth drivers, and now, in 2011, the time has come to place greater emphasis on creating growth.

Dyrup's strategic position in the market

Dyrup wants to be a strong alternative to the large, global paint and wood care manufacturers in Europe.

Mission

In close partnership with customers, we will continuously develop our category by focusing on helping end users to achieve a successful result every time, as easily as possible.

The 'Easy to choose - Easy to use' slogan must permeate all thinking behind Dyrup's product range, product development, marketing and sales work.

Value creation starts with the end user

Value creation must start with the end user, whether the end user is a private consumer or a professional tradesman. This requires a customer-focused organisation that can respond quickly to new trends and needs in the market.

Strong local market knowledge and decision-making power

It is vital for Dyrup's growth and profitability that Dyrup position itself optimally on the local markets. It is the local organisations that must be able to respond to customer needs quickly and efficiently. Decisions must thus be taken as close to customers as possible. This requires a flat organisation and short decision-making paths. Dyrup's business model must draw on the local units' market knowledge, flexibility and decision-making power, coupled with an international infrastructure and powerful brands.

The four cornerstones of Dyrup's strategy

Dyrup's FRESH START strategy is based on four cornerstones, or 'must-win battles'.

- **Streamlining the value chain**
  Based on end user and customer needs, we will continuously optimise the overall value chain. This applies to Dyrup's recipe formulation, production, logistics, administration, sales and marketing.

  As a result of the expected future increases in raw material prices, continued focus on streamlining the value chain remains a top priority for Dyrup to ensure its future competitiveness.

- **'Easy to choose - Easy to use'**
  It must be easy for all customers - both DIY customers and professional decorators - to choose the right solution from Dyrup. This means that it must be easy to choose the right colour and easy to choose and use the right product that gives an optimum result of which the end user can be proud of.

  We also want to make it as easy and convenient as possible to be a customer of Dyrup. This applies, for example, to placing of orders, invoicing, delivery and technical service.

- **Organisational focus**
  Skilled and motivated employees are Dyrup's key asset. Through 2010, Dyrup implemented training of a number of employees, who have been given new responsibilities and assignments as a result of the implementation of FRESH START.

  In 2010, substantial resources were invested in communicating the strategy to all employees to ensure that they are all aware of their targets and responsibilities. This was achieved through continuous information on the status of the strategy and use of uniform business plans and follow-up systems for all subsidiaries and areas of activity.

- **Growth through New Business**
  Dyrup's growth must come from two areas:

  1. Development of the product portfolio, customers and channels in existing markets. This can be achieved by, for example, launching new products and concepts, relaunching existing products and using Dyrup's 'Shop-in-Shop' concept.

  2. Development of new markets in Europe, Asia and Africa. This will primarily be achieved by identifying new distributors, but also through the setting up of own subsidiaries as has been done in Angola.

Both areas can be developed organically through acquisitions or strategic alliances.

Objective

It is Dyrup's objective to outperform the general market.

The target for the next few years is for Dyrup's profitability to match that of the other manufacturers in our industry in the European market.


ARDEX
DYRUP
IsoPro
A 828
HYGÆA
SUPER
PROF VÆG
5

With operating profit of DKK 42 million in 2010, an important sub-objective has been met.

PRODUCT INNOVATION

Dyrup has development laboratories in Denmark, Poland, France and Portugal. This is where Dyrup develops new technologies, tests new raw materials and production methods and develops the final products. Each laboratory specialises in particular areas of expertise, with the result that the resources are coordinated and utilised optimally within the Group.

Launching new products and relaunching existing products are cornerstones of Dyrup's FRESH START strategy. The common denominator of all product innovation is the 'Easy to choose – Easy to use' concept.

The development of new technologies, products and concepts must, therefore, be based on the needs of the end user for a logical product range and fast and easy application.

Another essential driving force behind Dyrup's product innovation is the demand for new green products and green technologies that can be used in the existing products. As an example of the latter, in 2010 Dyrup introduced a new technology in a number of Dyrup's wood care products. This technology markedly reduces the use of fungicide (a substance that counteracts fungal growth on the surface of the wood) while maintaining the high quality and durability of the products.

Dyrup has a number of new technologies in development that can reduce environmental impact. These products will be launched in the years to come. Dyrup will be launching the first major new product already in 2011. This will be in the field of green wood care. The product will be marketed under the name GORI Nature in Denmark and Bondex Côté Nature in France. The new product contains natural raw materials and minerals such as silicon. Silicon is the main component of stone and sand and is used to produce glass. Silicon gives the wood care some unique properties in terms of durability. Both GORI Nature and Bondex Côté Nature have the EU Ecolabel (the flower logo). The former also has the Nordic Ecolabel (the swan logo). The products combine Dyrup's efforts to be end user-focused, to focus on quality and to demonstrate environmental responsibility.

During 2010, Dyrup also launched a number of other products that bear the EU Ecolabel, and more will be launched in 2011. One example of such a launch in 2010 was the product Dyrumat Nature in Portugal, which is an eco-friendly indoor wall paint.

Finally, Dyrup in France introduced the product Xylophene Naturel in 2010. This is an eco-friendly alternative for controlling pests that normally attack wood.

In Germany, Dyrup launched two series of water-based wood care products. Both series have a simple and clear product range and are fast-drying.

SUPPLY CHAIN

The supply chain comprises the activities from when a customer's order is received up to when the agreed products and services have been delivered to the customer.

Dyrup has manufacturing sites in Denmark, France, Poland, Portugal and Spain, warehouse facilities in Germany and distribution depots on a number of the European markets on which Dyrup's products are marketed. The Group constantly aligns and optimises its supply chain to create a competitive and eco-friendly infrastructure.

In recent years, Dyrup has invested in a new, highly automated production system in Denmark and France. Both investments are expected to enhance productivity considerably.

At the end of July 2010, a new, fully-automated warehouse was put into service in France.

Following the acquisition of Malfarb, Dyrup now has two factories in Poland. In 2011, the logistics and production facilities will be combined at Malfarb's Ostrów site, and Dyrup's factory in Lódz is expected to be sold.

On completion of the warehouse in France and the expansion of the warehouse and production facilities in Ostrów, only modest supply chain investments are expected in the coming years.

PRODUCT ENVIRONMENT

Dyrup is leading the 'green trend', focusing on the development of innovative green products based on fewer sustainable raw materials. Fewer raw materials also means that the production process is becoming simpler. We are also removing chemicals that produce undesired properties in our products.

Again in 2010, Dyrup launched several products with the EU Ecolabel (the flower logo) and will go one step further in 2011 with the Nordic Ecolabel (the swan logo). Both labels are officially recognised by the public authorities and are subject to independent control, which guarantees the consumer that the products are among those of their type with the least impact on the environment The products must also meet stringent requirements in terms of quality, functionality and consumer health.

Dyrup has developed a new green product that uses nature's own technology. The product will be launched under the name GORI Nature. A new anti-moss product will be rolled out in France in the spring, as well as new paint removers with sustainable raw materials and several eco-friendly products.

A natural partnership

Because nature is our common life source, Dyrup supports the Danish Society for Nature Conservation and the Danish Outdoor Council in their work to get children and their parents out into the countryside more.

GHS/CLP

The new EU system for classifying, labelling and packaging chemical substances and mixtures, the CLP regulation, is based on the UN Globally Harmonised System (GHS), which forms the basis for harmonisation of rules and regulations on chemicals at national, regional and global levels.

From December 2010, all pure substances must meet CLP requirements and Dyrup prepared for this during 2010. Suppliers are under an obligation to evaluate and label raw materials in accordance with the CLP requirements and Dyrup has begun to implement this, with the necessary information and guidance to everyone concerned.

REACH

REACH, the regulation on chemicals that entered into force in June 2007 and is being implemented gradually over 15 years, requires a high level of documentation and risk assessment of effect on human health and the environment.

Dyrup conducts a continuous dialogue with its suppliers to ensure that all REACH requirements and obligations are met. Dyrup is in the process of preparing the next big step in relation to REACH, i.e. the extended safety data sheets with additional information and exposure scenarios.

These will contribute to the safety and correct use of the chemicals to protect employees and all other people affected by chemicals. Each specific use of the chemicals must be assessed on the basis of the various risks involved in handling them in different situations.

To ensure that these major regulatory requirements can be complied with correctly at Dyrup, we are in the process of implementing an IT system that can manage this.

BPD

The EU BPD directive is a harmonisation of the authorisation of chemical substances and products that protect against microbiological decomposition. Under this legislation, all products that are developed to provide protection must be authorised by national authorities.

In the first phase, this covers impregnation agents against fungal attack. Dyrup has submitted applications for wood care products that protect against fungus to the respective authorities in the various countries.

For a product to be authorised, it must have been tested in a set of effectiveness tests and human and ecotoxicological tests. With these authorisations, end users are guaranteed that the product is both effective and safe in relation to the environment and for those who use the product.

In the next phases, the BPD directive will cover several other groups such as impregnation agents against insects such as termites. Dyrup is constantly at the leading edge of this development and ensures that all necessary steps are taken so that Dyrup's products remain able to meet all the requirements.

Glossary:

CLP:	**Classification, Labelling and Packaging**
GHS:	**Globally Harmonised System of Classification and Labelling of Chemicals**
REACH:	**Registration, Evaluation, Authorisation and restriction of Chemicals**
The 'flower':	**The EU Ecolabel**
The 'swan':	**The Nordic Ecolabel**
BPD:	**Biocidal Products Directive**
SDS:	**Safety Data Sheet**

BRANDS

Dyrup has a strong portfolio of international brands. These are Dyrup, GORI, Bondex and Xylophene, which represent around 80% of total revenue. Dyrup also has a number of strong, local brands such as French DIP, Veraline and Decapex. In 2009, Dyrup acquired Hygæa in Denmark, adding Polish Malfarb in 2010. Lastly, Dyrup undertakes private label production on a limited scale if profitable and if it underpins Dyrup's brands.

Powerful brands and clear positioning of each brand are essential to Dyrup. Common to all brands is that they must reflect the core of Dyrup's strategy: 'Easy to choose – Easy to use'. When developing and marketing products, Dyrup must thus do everything in its power to help its end users choose the right colour and the right product and tell them how to use it correctly.

To intensify our focus on helping the end user achieve a safe and satisfactory result, Dyrup began to use a number of digital media in 2010. For example, Dyrup enhanced its web presence, implemented e-learning (electronic teaching programmes) for a number of customers, launched Dyrup iColour (for iPhones) and launched other digital tools that help customers make the right product and colour choices. Dyrup expects to increase its presence in digital media in the future.

Stores remain essential to Dyrup in relation to marketing. During 2010, Dyrup continued its work to make the choice of products and colours as easy as possible for end users in stores. This takes place in close cooperation with Dyrup's customers and involves remodelling the shelf display, putting up pictograms and grouping the products logically.

HUMAN CAPITAL

Human capital is a concept that covers the intangible values relating to our employees at Dyrup. Dyrup's human capital is thus created by our employees' motivation, knowledge, skills, talent and individual and collective behaviour.

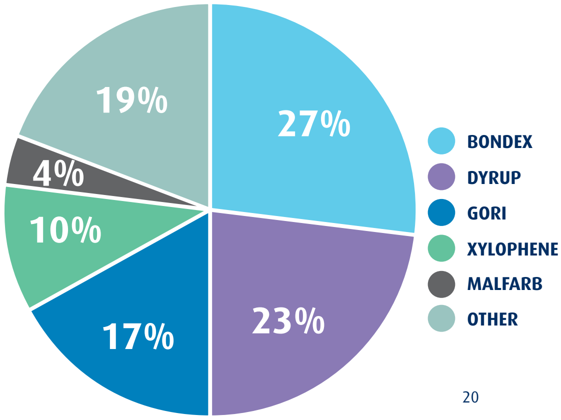
Human capital is enhanced by implementing individual performance reviews, targeted training, job training, coaching and on-the-job learning. The positive development in Dyrup's financial ratios in 2010 had a favourable effect on the human ratios in the form of a reduction in employee turnover in relation to the previous two years. It was important to add new resources to the organisation in a number of key positions with the long-term aim of creating a stable foundation for future business development without jeopardising Dyrup's competitiveness with higher staff costs.

In 2010, the Dyrup Group had an average of 959 employees. The increase of 14% on 2009 was due to the acquisition of the Polish company Malfarb Sp.z.o.o., which added 115 new employees at the start of the year.

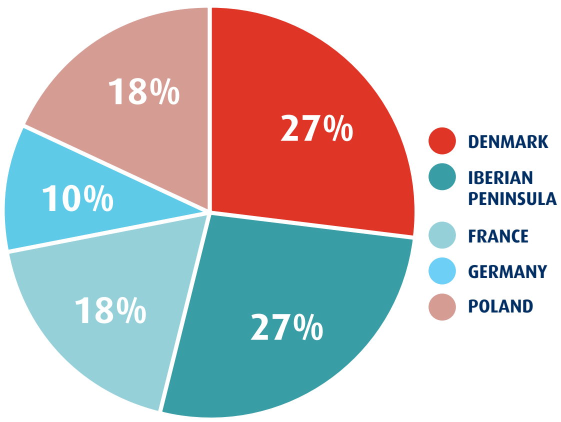
In Denmark an employee satisfaction survey was conducted in the spring. This time it was compared with the most recent survey in 2008 and with the European Employee Index. Despite the staff reductions in recent years, with consequent increases in workload for individual employees, both benchmarks reveal very positive results. Job satisfaction is on a par with the labour market in general in Denmark, as a minimum, and the organisation shows loyalty and belief in the future that are significantly positive in relation to both Danish and European standards.

In continuation of the job satisfaction surveys in the Danish operations and as part of Dyrup's FRESH START strategy, a Group-wide satisfaction survey will be conducted in 2011 in order to identify action and focus areas at employee level that can contribute to creating sustained organisational and commercial development.

Breakdown of Dyrup revenue by brand 2010



Breakdown of employees by Dyrup market




DYRUP

Management statement & Independent auditor's report

Anders Colding Friis

- President, Scandinavian Tobacco Group A/S
- (CB) Monberg & Thorsen A/S
- (CB) Dagrofa A/S
- (MB) IC Companys A/S

Torben Ballegaard Sørensen

- (DCB) Monberg & Thorsen A/S
- (MB) Egmont Fonden
- (MB) Lego A/S
- (CB) CAT Science A/S
- (DCB) Pandora Holding A/S
- (CB) Realfiction ApS
- (DCB) Systematic A/S
- (MB) AS3-Companies A/S
- (CB) Tajco A/S
- (CB) Thomas A/S
- (MB) Årstiderne Arkitekter A/S
- (MB) AB Electrolux, Sweden

Jannie Jensen*

- Laboratory Technician

Michael Nielsen*

- Sales Manager

Henriette Holmgreen Thorsen

- Managing Director, Belvédère Scandinavia A/S

Executive Board

Erik Holm, CEO

- (CB) KK Group A/S
- (DCB) SP Group A/S
- (DCB) Arvid Nilsson Fond
- (MB) AO Invest A/S
- (MB) Investment committee LD Equity 1 K/S
- (MB) Brødrene A&O Johansen A/S

Jørgen Nicolajsen, CFO

- President, Monberg & Thorsen A/S
- (DCB) MT Højgaard A/S

(CB) Chairman of the Board of Directors
(DCB) Deputy Chairman of the Board of Directors
(MB) Member of the Board of Directors
*Employee representative

STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

The Executive Board and the Board of Directors have today discussed and approved the annual report of Dyrup A/S for the financial year 1 January - 31 December 2010.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2010 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2010.

In our opinion, Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Company's financial position and the financial position as a whole of the companies that are comprised by the consolidated financial statements as well as a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

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

Søborg, 24 March 2011

Executive Board

Erik Holm *CEO*	Jørgen Nicolajsen *CFO*

Board of Directors

Anders Colding Friis *Chairman*	Torben Ballegaard Sørensen *Deputy Chairman*
Jannie Jensen	Michael Nielsen
Henriette Holmgreen Thorsen	

Market holders

Eduardo Cevasco, General Manager, Iberian Peninsula
André Minnerath, General Manager, France
Jürgen David, General Manager, Germany, Austria
Ireneusz Struk, General Manager, Poland
Peter Sørensen, Director, Denmark

Other senior executives

Joao Ribeiro, Corporate Supply Chain
Lars Østerby, Group Marketing & Products
Mohammad Asim, Corporate Sourcing

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Dyrup A/S
We have audited the consolidated financial statements and the parent company financial statements of Dyrup A/S for the financial year 1 January 2010 to 31 December 2010, pages 24-42. The consolidated financial statements and the parent company financial statements comprise the cash flow statement, income statement, comprehensive income statement, balance sheet, statement of changes in shareholders equity and notes for the group and the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements.

In addition to our audit, we have read the Management's review, pages 6-15, which has been prepared in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements, and issued a statement in this regard.

Management's responsibility for the consolidated financial statements and the parent company financial statements
Management is responsible for the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view, free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The board of directors and executive management are further responsible for the preparation of a management's review that includes a fair review in accordance with the Danish disclosure requirements.

Auditor's responsibility and basis of opinion
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors and executive management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.The audit did not result in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2010 and of the results of the group's and the parent company's operations and cash flows for the financial year 1 January 2010 to 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements.

Statement on the management's review
The audit has not included the management's review. Pursuant to the Danish Financial Statements Act, we have, however, read the management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements.

On this basis, it is our opinion that the information in the management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 March 2011
Ernst & Young
Godkendt Revisionspartnerselskab

Henrik Kofoed
State Authorised Public Accountant

Kim Kjellberg
State Authorised Public Accountant

Statement of cash flows DKK million

Parent company 2009	Parent company 2010	Note		Group 2010	Group 2009
			Operating activities		
11.9	24.0		Operating profit (loss)	42.2	(4.3)
			Non-cash operating items:		
26.2	25.6		Depreciation, amortisation and impairment losses	56.2	55.5
(14.0)	-		Gain (loss) on sale of activities	-	(33.6)
24.1	**49.6**		**Cash flows from operating activities before working capital changes**	**98.4**	17.6
			Working capital changes		
9.9	(12.0)		Inventories	(42.0)	8.0
(28.0)	(2.6)		Trade receivables	25.5	6.3
1.2	1.0		Other receivables and prepayments	(3.5)	0.2
5.7	(125.5)		Intragroup balances	-	(4.8)
(5.8)	(4.5)		Trade payables and other current payables	(12.9)	(7.8)
7.1	**(94.0)**		**Cash flows from operations (ordinary activities)**	**65.5**	19.5
3.7	5.8		Financial income	4.0	7.7
(18.5)	(20.6)		Financial expenses	(26.6)	(28.5)
(7.7)	**(108.8)**		**Cash flows from operations (ordinary activities)**	**42.9**	(1.3)
2.4	(4.2)		Income taxes paid, net	(5.2)	3.5
(5.3)	**(113.0)**		**Cash flows from operating activities**	**37.7**	2.2
			Investing activities		
(37.0)	-	26	Acquisition of enterprises and activities	(38,3)	(37.0)
128.1	-	26	Disposal of enterprises and activities	-	159.8
(0.4)	(2.8)		Purchase of intangible assets	(13.4)	(2.2)
(50.2)	(22.3)		Purchase of property, plant and equipment	(73.1)	(90.0)
0.9	0.4		Sale of property, plant and equipment	3.6	3.0
(33.5)	-		Investment in financial assets	-	-
-	93.1		Dividends from subsidiaries	-	-
7.9	**68.4**		**Cash flows for investing activities**	**(121.2)**	33.6
2.6	**(44.6)**		**Cash flows before financing activities**	**(83.5)**	35.8
			Financing activities		
			Loan financing:		
159.7	-		Increase in non-current bank loans, etc.	38.4	159.7
(50.8)	(7.4)		Decrease in non-current bank loans, etc.	(35.2)	(50.8)
			Shareholders:		
-	-		Capital contributions from non-controlling interests	2.6	-
108.9	**(7.4)**		Cash flows from financing activities	**5.8**	108.9
111.5	**(52.0)**		**Net increase (decrease) in cash and cash equivalents**	**(77.7)**	144.7
(226.4)	(114.9)		**Cash at 1.1.**	(135.7)	(280.4)
-	-		Addition on acquisition of activities	(1,9)	-
(114.9)	**(166.9)**		**Cash and cash equivalents at 31.12.**	**(215.3)**	(135.7)
			consisting of:		
71.0	28.2		Cash	51.4	92.2
(185.9)	(195.1)		Current bank loans	(266.7)	(227.9)
(114.9)	**(166.9)**		**Cash at 31.12.**	**(215.3)**	(135.7)

The figures in the statement of cash flows cannot be derived from the published accounting records alone.

Income statement & Statement of comprehensive income DKK million

Parent company 2009	Parent company 2010	Note	Income statement	Group 2010	Group 2009
636.7	581.6		Revenue	1,439.5	1,393.8
417.6	358.5	3	Production costs	817.7	820.8
219.1	**223.1**		**Gross profit**	**621.8**	573.0
146.3	135.4	3	Distribution costs	445.9	459.9
75.4	72.5	3	Administrative expenses	141.7	140.8
8.7	8.8	4	Other operating income	8.0	7.9
6.1	**24.0**		**Operating profit (loss) before special items (adjusted EBIT)**	**42.2**	(19.8)
5.8	-	5	Special items, net	-	15.5
11.9	**24.0**		**Operating profit (loss)**	**42.2**	(4.3)
3.7	98.8	6	Financial income	4.0	7.7
18.5	93.7	7	Financial expenses	26.6	28.5
(2.9)	**29.1**		Profit (loss) before tax	**19.6**	(25.1)
5.3	1.0	8	Income tax expense	4.9	(8.3)
(8.2)	**28.1**		**Profit (loss) of the year**	**14.7**	(16.8)
		9	Employee information		
			Attributable to:		
-	-		Non-controlling interests	-	-
(8.2)	28.1		Equity holders of the parent	14.7	(16.8)
(8.2)	28.1			14.7	(16.8)
			Statement of comprehensive income		
(8.2)	28.1		Profit (loss) for the year	14.7	(16.8)
			Other comprehensive income:		
-	-		Foreign exchange adjustments of foreign enterprises	2.3	1.0
(3.3)	(4.1)		Value adjustments of hedging instruments	(4.1)	(3.3)
0.8	1.0		Tax on other comprehensive income	1.0	0.8
(2.5)	(3.1)		Total other comprehensive income after tax	(0.8)	(1.5)
(10.7)	**25.0**		**Total comprehensive income**	**13.9**	(18.3)
			Attributable to:		
-	-		Non-controlling interests	0	-
(10.7)	25.0		Equity holders of the parent	13.9	(18.3)
(10.7)	25.0			13.9	(18.3)

Balance sheet at 31 December DKK million

Parent company 2009	Parent company 2010	Note	Assets	Group 2010	Group 2009
			Non-current assets		
			Intangible assets		
18.9	18.9	10	Goodwill	80.0	71.9
13.6	14.9	10	Trade marks and distribution rights	39.8	27.4
2.1	1.4	10	Development projects	3.9	5.3
0	0.2	10	In-process development projects	0.2	0.1
34.6	**35.4**		**Total intangible assets**	**123.9**	104.7
			Property, plant and equipment		
168.8	171.4	11	Land and buildings	278.4	234.9
121.8	119.7	11	Plant and machinery	200.5	184.3
29.7	29.6	11	Fixtures and fittings, tools and equipment	54.4	49.1
5.8	3.6	11	Property, plant and equipment under construction	14.8	30.9
326.1	**324.3**		**Total property, plant and equipment**	**548.1**	499.2
			Investments		
256.0	182.9	12	Investments in subsidiaries	-	-
12.7	-	12	Receivables from subsidiaries	-	-
20.7	27.8	16	Deferred tax assets	61.9	50.2
289.4	**210.7**		**Total investments**	**61.9**	50.2
650.1	**570.4**		**Total non-current assets**	**733.9**	654.1
			Current assets		
			Inventories		
23.1	22.7		Raw materials and consumables	67.1	55.6
4.3	6.9		Work in progress	10.0	7.9
47.8	57.6		Finished goods and goods for resale	211.0	172.7
75.2	**87.2**	13	**Total inventories**	**288.1**	236.2
			Receivables		
48.0	50.6		Trade receivables	175.7	180.7
105.4	119.9		Receivables from subsidiaries	-	-
14.8	13.7		Other receivables	25.0	21.3
8.3	5.2		Income tax	9.1	15.4
-	-		Prepayments	20.5	19.5
176.5	**189.4**	14	**Total receivables**	**230.3**	236.9
71.0	**28.2**	17	**Cash**	**51.4**	92.2
322.7	**304.8**		**Total current assets**	**569.8**	565.3
972.8	**875.2**		**TOTAL ASSETS**	**1,303.7**	1,219.4

Parent company 2009	Parent company 2010	Note	Equity and liabilities	Group 2010	Group 2009
			Equity		
110.0	110.0		Share capital	110.0	110.0
87.5	84.4		Other reserves	94.2	95.0
154.6	182.7		Retained earnings	240.8	226.1
352.1	**377.1**		**Equity attributable to equity holders of the parent**	**445.0**	431.1
-	-		Equity attributable to non-controlling interests	2.6	-
352.1	**377.1**		Total equity	**447.6**	431.1
			Non-current liabilities		
167.7	160.0	15	Bank loans, etc.	232.3	219.5
20.1	28.0	16	Deferred tax liabilities	37.7	27.1
187.8	**188.0**		**Total non-current liabilities**	**270.0**	246.6
			Current liabilities		
7.2	7.4	15	Current portion of non-current financial liabilities	16.6	7.2
94.3	115.9	15	Bank loans, etc.	187.5	136.3
91.6	79.2	15	Payables to parent - Cash Pool	79.2	91.6
38.8	39.1		Trade payables	140.4	133.6
130.7	6.9		Payables to consolidated enterprises	-	-
0.8	2.0		Income tax	3.9	0.6
69.5	59.6		Other payables	155.1	172.4
-	-		Deferred income	3.4	-
432.9	**310.1**		**Total current liabilities**	**586.1**	541.7
620.7	**498.1**		**Total liabilities**	**856.1**	788.3
972.8	**875.2**		**TOTAL EQUITY AND LIABILITIES**	**1,303.7**	1,219.4

Statement of changes in equity DKK million

Equity, parent company

	Share capital	Share premium	Hedging reserve	Retained earnings	Total
Equity at 1.1.2009	**110.0**	**90.0**	**-**	**162.8**	**362.8**
Profit (loss) for the year				(8.2)	(8.2)
Other comprehensive income:					
Value adjustments of hedging instruments			(3.3)		(3.3)
Tax on other comprehensive income			0.8		0.8
Total changes in equity			(2.5)	(8.2)	(10.7)
Equity at 1.1.2010	**110.0**	**90.0**	**(2.5)**	**154.6**	**352.1**
Profit for the year				28.1	28.1
Other comprehensive income:					
Value adjustments of hedging instruments			(4.1)		(4.1)
Tax on other comprehensive income			1.0		1.0
Total changes in equity			(3.1)	28.1	25.0
Equity at 31.12.2010	**110.0**	**90.0**	**(5.6)**	**182.7**	**377.1**

Equity, Group

	Share capital	Share Premium	Hedging reserve	Translation-reserve	Retained earnings	Attribut-able to Dyrup	Attributable to non-controlling interests	Total
Equity at 1.1.2009	**110.0**	**90.0**	**-**	**6.5**	**242.9**	**449.4**	**-**	**449.4**
Profit (loss) for the year					(16.8)	(16.8)	-	(16.8)
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises				1.0		1.0	-	1.0
Value adjustments of hedging instruments			(3.3)			(3.3)	-	(3.3)
Tax on other comprehensive income			0.8			0.8	-	0.8
Total changes in equity			(2.5)	1.0	(16.8)	(18.3)	-	(18.3)
Equity at 1.1.2010	**110.0**	**90.0**	**(2.5)**	**7.5**	**226.1**	**431.1**	**-**	**431.1**
Capital contributions, non-controlling interests						-	2.6	2.6
Profit for the year					14.7	14.7	0	14.7
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises				2.3		2.3	0	2.3
Value adjustments of hedging instruments			(4.1)			4.1	0	(4.1)
Tax on other comprehensive income			1.0			1.0	0	1.0
Total changes in equity			(3.1)	2.3	14.7	13.9	2.6	16.5
Equity at 31.12.2010	**110.0**	**90.0**	**(5.6)**	**9.8**	**240.8**	**445.0**	**2.6**	**447.6**

The company's share capital consists of 550,000 A shares of DKK 100 each and 550,000 B shares of DKK 100 each.

The whole of the share capital is held by Monberg & Thorsen A/S, Gladsaxe, Denmark.

Dyrup A/S and its subsidiaries are included in Monberg & Thorsen A/S's consolidated financial statements.

Contents Notes

1. Accounting policies 30
2. Accounting estimates and judgements 33
3. Depreciation, amortisation and impairment losses and fees to auditor appointed at the Annual General Meeting . . . 33
4. Other operating income 33
5. Special items, net 33
6. Financial income 33
7. Financial expenses 33
8. Income tax expense 33
9. Staff costs 33
10. Intangible assets 34
11. Property, plant and equipment 35
12. Investments 37
13. Inventories 37
14. Receivables 37
15. Interest-bearing liabilities 37
16. Deferred tax assets and liabilities 38
17. Security arrangements 38
18. Lease commitments 38
19. Contingent liabilities 38
20. Related parties 39
21. Financial risks 39
22. Capital management 40
23. New International Financial Reporting Standards and IFRIC interpretations 40
24. Events after the reporting date 41
25. Information on activities 41
26. Acquisition and disposal of enterprises and activities 41

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports.

In addition, the annual report has been prepared in compliance with IFRSs issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2009 annual report, apart from the effects of the factors set out in the following.

The following standards and interpretations have been implemented with effect from 1 January 2010: IFRS 3 (revised 2008) Business Combinations. Amendments to IAS 27 (revised 2008) Consolidated and Separate Financial Statements. More amendments to IAS 39 Financial Instruments: Recognition and Measurement, and to IFRIC 9 Reassessment of Embedded Derivatives. Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions. More amendments to IFRS 1 First-time Adoption of IFRS. Parts of improvements to IFRSs May 2008 with an effective date of 1 July 2009. Improvements to IFRSs April 2009. IFRIC 17 Distributions of Non-cash Assets to Owners. IFRIC 18 Transfers of Assets from Customers.

IFRS 3 and IAS 27 are effective for transactions occurring on or after 1 January 2010. One of the effects of the provisions in IFRS 3 is that purchase costs and changes to contingent consideration are recognised directly in the income statement.

Apart from IFRS 3, the new standards and interpretations have not had any effect on recognition and measurement in 2010. The effect of IFRS 3 has reduced profit for the year by DKK 0.7 million.

Basis of consolidation
The consolidated financial statements comprise the parent company Dyrup A/S 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.

The consolidated financial statements are prepared on the basis of the parent company's and the individual subsidiaries' audited financial statements determined in accordance with Dyrup's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of.

Gains and losses on disposal of subsidiaries and associates are reported by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of activities
A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale in the individual consolidated enterprises are presented as a separate line item in the income statement with comparative figures. Revenue, expenses and tax of discontinued operations are disclosed in the notes. Assets and related liabilities are reported as separate line items in the balance sheet.

Business combinations
Acquisitions of enterprises over which the parent company obtains control are accounted for applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. The tax effect of the restatements performed is taken into account.

Any excess of the purchase price over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Any excess of the fair value over the purchase price (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Non-controlling interests
Non-controlling interests are recognised initially either at fair value or at the proportionate share of the fair value of the acquiree's assets, liabilities and contingent liabilities at the acquisition date. The method for measuring non-controlling interests is decided on a transaction-by-transaction basis.

Subsidiaries' items are fully consolidated in the consolidated financial statements. Non-controlling interests' proportionate share of profit for the year appears from the income statement. In the balance sheet, non-controlling interests are recognised as a separate component of equity, separate from equity attributable to equity holders of the parent.

Foreign currency translation
The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as financial income and expenses.

On recognition of foreign subsidiaries the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates that do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to a separate translation reserve under equity.

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

Foreign exchange gains and losses on the portion of loans designated as hedges of foreign entities with a different functional currency than the parent company are also taken directly to equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments
The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and similar instruments to hedge financial risks arising from operating activities or non-current financing.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

Changes in the part of the fair value of derivative financial instruments that is classified as and satisfies the criteria for hedges of future cash flows are recognised in equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised from the trade date and measured in the balance sheet at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases
Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the income statement over the lease term.

Government grants
Government grants include grants for projects, investments, etc. Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

INCOME STATEMENT

Revenue
Revenue represents goods sold and services rendered.

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs
Production costs comprise both direct and indirect costs incurred in generating the revenue for the year. Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Distribution costs
Distribution costs include freight, tendering, advertising and marketing costs as well as salaries, etc., relating to the sales and marketing departments, and amortisation and impairment losses on trade marks and distribution rights.

Administrative expenses
Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

Other operating income
Other operating income comprises primarily rental income.

Financial income and expenses
Financial income and expenses comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on payables and transactions denominated in foreign currencies, as well as income tax surcharges and refunds.

Financial expenses attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

The parent company recognises dividends from investments in subsidiaries and adjustments of investments at the recoverable amount.

Dividends from investments in subsidiaries are credited to the parent company's income statement in the financial year in which they are declared;

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity.

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

Dyrup A/S is taxed jointly with its parent company Monberg & Thorsen A/S (management company) and the other Danish subsidiaries. Current Danish taxes for the year are allocated between the jointly taxed companies.

BALANCE SHEET

Intangible assets
Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Development costs relating to clearly defined and identifiable products are recognised as development projects to the extent that it is probable that the products will generate future economic benefits exceeding cost. Other development costs are recognised in the income statement as an expense as incurred.

Trade marks, distribution rights and completed development projects are amortised over their expected useful lives, which are 5-20 years.

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

Cost comprises purchase price and costs directly attributable 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 as well as financial expenses attributable to the construction of the assets.

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

The expected useful lives are 10-50 years for buildings, 3-20 years for plant and machinery, and 3-10 years for fixtures and fittings, tools and equipment and leasehold improvements.

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the date of acquisition and reviewed annually.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as production costs, distribution costs or administrative expenses and are measured as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Investments in the parent company financial statements
The parent company measures investments in subsidiaries at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments
Other non-current receivables are measured at amortised cost less impairment losses.

Impairment of non-current assets
The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

1 ACCOUNTING POLICIES - continued

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

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

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

The cost of finished goods comprises the cost of raw materials, consumables, direct labour and indirect production overheads.

Receivables
Receivables are measured at amortised cost. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

Prepayments and deferred income
Prepayments are recognised under receivables, and deferred income is recognised under current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years.

Equity
Dividends
Dividends are recognised as a liability at the date of adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item under equity.

Share premium
Share premium comprises the excess of monies received in respect of share capital over the nominal value of shares issued in connection with capital increases as well as gains on disposal of treasury shares. The share premium is part of the company's distributable reserves.

Hedging reserve
The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their functional currencies to Danish kroner, and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question and foreign exchange gains and losses on loans designated as hedges of foreign enterprises. On realisation of the net investment the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item under investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations
The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

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 resources embodying economic benefits will be required to settle the obligation and when the amount can be measured reliably.

Provisions are measured based on management's best estimate of the amount that will be required to settle the obligation.

Financial liabilities
Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent 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.

Other liabilities, comprising trade payables, payables to subsidiaries, and other payables, are measured at amortised cost.

STATEMENT OF CASH FLOWS

The statement of cash flows shows cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions are recognised in the statement of cash flows from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities
Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents
Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

FINANCIAL RATIOS

Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'.

Financial ratios are defined on page 4 of the annual report.

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimation uncertainty

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of future events on the carrying amounts of those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in ma nagement's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the Group are referred to in management's review under the section on Risk factors and in note 21 Financial risks.

Estimates that are material for the financial reporting relate primarily to the measurement of intangible assets, inventories and deferred tax assets.

In connection with impairment testing of investments, goodwill and trade marks, etc., estimates are also made of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied. The assumptions for impairment testing of investments, goodwill and trade marks, etc., are described in note 10.

Accounting policies

As part of the application of the Group's accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial state ments relate primarily to intangible assets, inventories and deferred tax assets.

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
3 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES				
Intangible assets	2.4	2.1	5.4	7.3
Property, plant and equipment	23.1	23.4	50.4	47.3
Total depreciation and amortisation	25.5	25.5	55.8	54.6
Losses and gains on replacement	0.7	0.1	0.4	0.9
Total depreciation, amortisation and impairment losses	26.2	25.6	56.2	55.5
Depreciation, amortisation and impairment losses are included in:				
Production costs	12.6	14.2	28.4	22.5
Distribution costs	5.3	7.6	20.7	19.1
Administrative expenses	8.3	3.8	7.1	13.9
Total depreciation, amortisation and impairment losses	26.2	25.6	56.2	55.5
3 FEES TO AUDITOR APPOINTED AT THE ANNUAL GENERAL MEETING (ERNST & YOUNG)				
Audit fees	1.4	1.5	3.2	3.0
Other assurance engagements	-	0.1	0.2	0.1
Tax and VAT advice	0.2	0.1	0.4	0.9
Non-audit fees	1.4	-	0.2	1.4
Total fees	3.0	1.7	4.0	5.4
4 OTHER OPERATING INCOME				
Rental income	5.7	6.6	4.7	3.8
Miscellaneous	3.0	2.2	3.3	4.1
Total other operating income	8.7	8.8	8.0	7.9

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
5 SPECIAL ITEMS, NET				
Gain on sale of property	19.0	-	-	19.0
Gain/loss on sale of industrial activities	(5.0)	-	-	14.6
Total special income	14.0	-	-	33.6
Restructuring costs:				
Termination benefits	6.7	-	-	15.0
Closure of activities	1.0	-	-	2.7
Miscellaneous	0,5	-	-	0.4
Total special expenses	8.2	-	-	18.1
Total special items, net	5.8	-	-	15.5
6 FINANCIAL INCOME				
Dividends from subsidiaries, etc.	-	93.1	-	-
Interest, consolidated enterprises	2.0	3.6	-	-
Interest on cash and cash eqv, etc.	1.7	2.1	3.3	3.5
Foreign exchange gains	-	-	0.7	4.2
Total financial income	3.7	98.8	4.0	7.7
Interest relates to interest on assets measured at amortised cost.				
7 FINANCIAL EXPENSES				
Impairment losses on investments	-	73.1	-	-
Interest, consolidated enterprises	1.0	2.9	-	-
Interest on loans and overdrafts	10.7	16.1	24.2	17.6
Foreign exchange losses	6.8	1.6	2.4	10.9
Total financial expenses	18.5	93.7	26.6	28.5
Interest relates to interest on loans measured at amortised cost.				
8 INCOME TAX EXPENSE				
Current tax	(2.4)	0.8	4.2	(9.0)
Changes in deferred tax	5.5	0.5	(1.4)	0.2
Adjustment of prior year taxes	2.2	(0.3)	2.1	0.5
Total income tax expense	5.3	1.0	4.9	(8.3)
EFFECTIVE TAX RATE				
Danish tax rate	25%	25%	25%	25%
Deviations in foreign enterprises' tax rates	0%	0%	(6%)	15%
Non-taxable income and deductible expenses	(132%)	(17%)	(10%)	(1%)
Prior year adjustments	(48%)	(13%)	3%	2%
Miscellaneous	(28%)	8%	13%	(8%)
Effective tax rate	(183%)	3%	25%	33 %
9 STAFF COSTS				
Wages and salaries, etc.	119.9	108.1	271.1	268.0
Pension contributions (defined contributions)	10.7	9.8	16.6	17.2
Social security costs	2.7	2.3	42.4	38.8
Remuneration, Executive Board*	4.9	5.0	6.1	5.9
Remuneration, Board of Directors	1.6	1.5	1.3	1.6
Total staff costs	139.8	126.7	337.5	331.5
Average number of employees	288	265	959	858

*To this should be added a DKK 5.3 million provision for termination benefit in 2010.

Notes DKK million

	Parent company					Group				
	Goodwill	Trade marks and distribution rights	Develop-ment projects	In-process development projects	Total	Goodwill	Trade marks and distribution rights	Develop-ment projects	In-process development projects	Total
10 INTANGIBLE ASSETS										
Cost at 1.1.2009	2.3	52.2	7.0	-	61.5	57.4	88.1	14.9	0.5	160.9
Value adjustments at 1.1./31.12.	-	-	-	-	-	-	-	(0.1)	-	(0.1)
Additions and improvements	18.9	1.7	0.2	-	20.8	18.9	1.7	1.8	0.2	22.6
Disposals	2.3	-	3.9	-	6.2	4.4	-	3.9	-	8.3
Transfer to (from) other items	-	-	-	-	-	-	-	0.6	(0.6)	-
Cost at 31.12.2009	18.9	53.9	3.3	-	76.1	71.9	89.8	13.3	0.1	175.1
Amortisation and impairm. losses at 1.1.2009	2.3	38.8	1.5	-	42.6	3.7	59.8	4.5	-	68.0
Adjustments to additions and disposals	(2.3)	-	(1.2)	-	(3.5)	(3.7)	-	(1.2)	-	(4.9)
	-	38.8	0.3	-	39.1	-	59.8	3.3	-	63.1
Amortisation and impairment charge	-	1.5	0.9	-	2.4	-	2.6	4.7	-	7.3
Amortisation and impairment losses at 31.12.2009	-	40.3	1.2	-	41.5	-	62.4	8.0	-	70.4
Carrying amount at 31.12.2009	18.9	13.6	2.1	-	34.6	71.9	27.4	5.3	0.1	104.7
Cost at 1.1.2010	18.9	53.9	3.3	-	76.1	71.9	89.8	13.3	0.1	175.1
Value adjustments at 1.1./31.12.	-	-	-	-	-	0.5	0.2	0.1	0.1	0.9
Acquisition of activities	-	-	-	-	-	6.0	8.8	-	-	14.8
Additions and improvements	-	2.7	-	0.2	2.9	1.8	13.5	0.1	0.2	15.6
Disposals	-	-	-	-	-	-	-	-	-	-
Transfer to (from) other items	-	-	-	-	-	-	-	0.2	(0.2)	0
Cost at 31.12.2010	18.9	56.6	3.3	0.2	79.0	80.2	112.3	13.7	0.2	206.4
Amortisation and imp. losses at 1.1.2010	-	40.3	1.2	-	41.5	-	62.4	8.0	-	70.4
Value adjustments at 1.1./31.12.	-	-	-	-	-	0.2	-	0.2	-	0.4
Acquisition of activities	-	-	-	-	-	-	6.3	-	-	6.3
	-	40.3	1.2	-	41.5	0.2	68.7	8.2	-	77.1
Amortisation and impairment losses	-	1.4	0.7	-	2.1	-	3.8	1.6	-	5.4
Amortisation and imp. losses at 31.12.2010	-	41.7	1.9	-	43.6	0.2	72.5	9.8	-	82.5
Carrying amount at 31.12.2010	18.9	14.9	1.4	0.2	35.4	80.0	39.8	3.9	0.2	123.9

The carrying amounts of goodwill and trade marks, etc., were tested for impairment at 31 December 2010. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2010, net cash flows were determined on the basis of the approved budget for 2011 and estimates for the years 2012-2015. The growth in the terminal period was fixed at 1-2%. In 2009, it was 1-2%. The present value was determined using a discount rate before tax of 9% against 8% in 2009. The primary key assumptions are considered to be the growth rates and the EBIT margins applied. The estimates for 2012-2015 were calculated on the basis of previous experience, taking into account management's expectations for the future. The assumptions applied may differ from the experience figures, as previous periods may have been affected by factors that are not expected in the estimates.

The impairment test did not give rise to any write-downs of goodwill or trade marks to recoverable amount in 2010 and 2009.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

Development projects relate solely to direct expenses for necessary recipe changes, testing, recording and documentation in connection with the implementation of the BPD directive. For further details, reference is made to the section on Product environment, page 19.

11 PROPERTY, PLANT AND EQUIPMENT	Parent company				
	Land and buildings	Plant and equipment	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
Cost at 1.1.2009	259.4	185.6	68.1	71.2	584.3
Additions and improvements	30.2	63.8	23.7	36.9	154.6
Disposals	73.7	37.3	7.4	102.3	220.7
Cost at 31.12.2009	215.9	212.1	84.4	5.8	518.2
Depreciation and impairment losses at 1.1.2009	68.6	109.5	52.7	-	230.8
Adjustments, additions and disposals	(25.0)	(31.2)	(5.6)	-	(61.8)
	43.6	78.3	47.1	-	169.0
Depreciation and impairment charge	3.5	12.0	7.6	-	23.1
Depreciation and impairment losses at 31.12.2009	47.1	90.3	54.7	-	192.1
Carrying amount at 31.12.2009	168.8	121.8	29.7	5.8	326.1
Cost at 1.1.2010	215.9	212.1	84.4	5.8	518.2
Additions and improvements	4.4	9.9	6.7	1.2	22.2
Disposals	-	-	1.0	-	1.0
Transfer to (from) other items	1.5	1.9	-	(3.4)	0
Cost at 31.12.2010	221.8	223.9	90.1	3.6	539.4
Depreciation and impairment losses at 1.1.2010	47.1	90.3	54.7	-	192.1
Adjustments, additions and disposals	-	-	(0.4)	-	(0.4)
	47.1	90.3	54.3	-	191.7
Depreciation and impairment charge	3.3	13.9	6.2	-	23.4
Depreciation and impairment losses at 31.12.2010	50.4	104.2	60.5	-	215.1
Carrying amount at 31.12.2010	171.4	119.7	29.6	3.6	324.3

The carrying amount of mortgaged properties was DKK 167.5 million in 2010 versus DKK 164.9 million in 2009, and the year-end balance was DKK 167.4 million against DKK 174.9 million in 2009.

Notes DKK million

	Group				
	Land and buildings	Plant and equipment	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
11 PROPERTY, PLANT AND EQUIPMENT - *continued*					
Cost at 1.1.2009	350.2	377.1	201.5	77.6	1,006.4
Value adjustments at 1.1./31.12.	0.1	(0.2)	-	-	(0.1)
Additions and improvements	30.4	78.9	29.5	71.3	210.1
Disposals	77.2	51.4	25.9	118.0	272.5
Cost at 31.12.2009	303.5	404.4	205.1	30.9	943.9
Depreciation and impairment losses at 31.12.2009	89.4	238.6	159.8	-	487.8
Value adjustments at 1.1./31.12.	-	(0.1)	-	-	(0.1)
Adjustments to additions and disposals	(25.3)	(43.7)	(21.3)	-	(90.3)
	64.1	194.8	138.5	-	397.4
Depreciation and impairment charge	4.5	25.3	17.5	-	47.3
Depreciation and impairment losses at 31.12.2009	68.6	220.1	156.0	-	444.7
Carrying amount at 31.12.2009	234.9	184.3	49.1	30.9	499.2
Carrying amount of assets held under finance leases	-	-	-	-	-
Cost at 1.1.2010	303.5	404.4	205.1	30.9	943.9
Value adjustments at 1.1./31.12.	1.1	1.5	0.4	0.6	3.6
Acquisition of activities	18.8	16.0	4.4	0.4	39.6
Additions and improvements	5.5	6.0	19.2	38.8	69.5
Disposals	0.2	9.3	4.0	-	13.5
Transfer to (from) other items	25.4	30.5	-	(55.9)	0
Cost at 31.12.2010	354.1	449.1	225.1	14.8	1,043.1
Depreciation and impairment losses at 1.1.2010	68.6	220.1	156.0	-	444.7
Value adjustments at 1.1./31.12.	0.4	1.5	0.4	-	2.3
Acquisition of activities	1.6	4.8	2.3	-	8.7
Adjustments to additions and disposals	-	(6.6)	(4.4)	-	(11.0)
	70.6	219.8	154.3	-	444.7
Depreciation and impairment charge	5.1	28.8	16.4	-	50.3
Depreciation and impairment losses at 31.12.2010	75.7	248.6	170.7	-	495.0
Carrying amount at 31.12.2010	278.4	200.5	54.4	14.8	548.1
Carrying amount of assets held under finance leases	-	1.3	0.5	-	1.8

The carrying amount of mortgaged properties was DKK 176.5 million against DKK 164.9 million in 2009 and the year-end balance was DKK 177.6 million against DKK 174.9 million in 2009.

	Parent company	
	Investments in subsidiaries	Receivables from subsidiaries
12 INVESTMENTS		
Cost at 1.1.2009	267.0	50.1
Additions	33.5	0
Disposals	22.1	37.4
Cost at 31.12.2009	278.4	12.7
Impairment losses at 1.1.2009	22.4	-
Impairment losses	-	-
Impairment losses at 31.12.2009	22.4	-
Carrying amount at 31.12.2009	256.0	12.7
Cost at 1.1.2010	278.4	12.7
Disposals	-	(12.7)
Cost at 31.12.2010	278.4	0
Impairment losses at 1.1.2010	22.4	-
Impairment losses	73.1	-
Impairment losses at 31.12.2010	95.5	0
Carrying amount at 31.12.2010	182.9	0

The recoverable amount of investments in subsidiaries has been determined. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In 2010, the present value was determined using a discount rate before tax of 9% against 8% in 2009.

The DKK 73 million impairment loss for the year was recognised under financial expenses. The impairment loss related to Dyrup GmbH, Germany, from which dividend of DKK 93 million was received in 2010, see notes 6 and 7. Investments in subsidiaries were not written down to the recoverable amount in 2009.

A list of consolidated enterprises is given on page 42.

	Parent company		Group	
	2009	**2010**	**2010**	2009
13 INVENTORIES				
Cost at 1.1.	111.1	91.7	286.6	307.5
Value adjustments at 1.1./31.12.	-	-	0.8	(0.1)
Additions and disposals, net	(19.4)	9.1	52.9	(20.8)
Cost at 31.12.	91.7	100.8	340.3	286.6
Impairment losses at 1.1.	15.0	16.5	50.4	45.5
Value adjustments at 1.1./31.12.	-	-	0.1	0.1
Impairment losses	2.2	8.3	12.2	6.6
Reversal of impairment losses	(0.7)	(11.2)	(10.5)	(1.8)
Impairment losses at 31.12.	16.5	13.6	52.2	50.4
Carrying amount at 31.12.	75.2	87.2	288.1	236.2
Value of inventories determined at net realisable value	8.7	6.6	41.8	42.8

14 RECEIVABLES

No receivables fall due more than one year after the balance sheet date.

The fair value of receivables is deemed to correspond to the carrying amount.

	Parent company		Group	
	2009	**2010**	**2010**	2009
15 INTEREST-BEARING LIABILITIES				
Total interest-bearing liabilities can be broken down by commitment type as follows:				
Bank loans, etc.	269.2	283.3	436.4	363.0
Consolidated enterprises	214.2	79.2	79.2	91.6
Carrying amount at 31.12	483.4	362.5	515.6	454.6
Total interest-bearing liabilities can be broken down by currency as follows:				
EUR	139.6	17.5	90.5	121.5
DKK	306.8	328.4	335.9	315.1
Other	36.9	16.6	89.2	18.0
Carrying amount at 31.12	483.3	362.5	515.6	454.6
Total interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:				
Fixed-rate debt	297.6	167.1	238.5	226.4
Floating-rate debt	185.7	195.4	277.1	228.2
Carrying amount at 31.12	483.4	362.5	515.6	454.6
Total interest-bearing liabilities can be broken down by effective interest rate as follows:				
Less than 5%	465.2	345.0	435.3	436.4
Between 5 and 7%	18.2	17.5	80.3	18.2
Carrying amount at 31.12	483.4	362.5	515.6	454.6
Weighted average effective interest rate (%)	3.7	5.2	4.6	3.9
Weighted average remaining term (years)	7.0	4.4	5.5	5.9
Interest-bearing liabilities are recognised in the balance sheet as follows:				
Non-current liabilities	167.7	160.0	232.3	219.5
Current liabilities	315.7	202.5	283.3	235.1
Total carrying amount	483.4	362.5	515.6	454.6
Fair value	429.0	301.1	454.9	394.1

The fair value of financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.

Notes DKK million

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
16 DEFERRED TAX ASSETS AND LIABILITIES				
Deferred tax, net, at 1.1.	(16.2)	(0.6)	(23.1)	(23.3)
Changes via income statement	5.5	0.5	(1.4)	0.2
Changes via equity	(0.8)	(1.0)	(1.0)	(0.8)
Other adjustments, etc.	10.9	1.3	1.3	0.8
Deferred tax, net, at 31.12.	(0.6)	0.2	(24.2)	(23.1)

Breakdown of deferred tax

	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Parent company			
Deferred tax at 31.12.2009			
Intangible assets	-	3.6	3.6
Property, plant and equipment	-	16.5	16.5
Current assets	20.7	-	(20.7)
Carrying amount at 31.12.2009	20.7	20.1	(0.6)
Deferred tax at 31.12.2010			
Intangible assets	-	4.1	4.1
Property, plant and equipment	-	23.9	23.9
Current assets	27.8	-	(27.8)
Carrying amount at 31.12.2010	27.8	28.0	0.2
Group			
Deferred tax at 31.12.2009			
Intangible assets	-	8.2	8.2
Property, plant and equipment	2.2	27.7	25.5
Current assets	28.7	8.4	(20.3)
Tax base of tax losses, net	44.4	-	(44.4)
Non-capitalised tax assets	(7.9)	-	7.9
Deferred tax assets and liabilities	67.4	44.3	(23.1)
Set-off within legal tax entities and jurisdictions	(17.2)	(17.2)	0
Carrying amount at 31.12.2009	50.2	27.1	(23.1)
Deferred tax at 31.12.2010			
Intangible assets	-	8.6	8.6
Property, plant and equipment	-	38.7	38.7
Current assets	27.8	9.6	(18.2)
Tax base of tax losses, net	63.4	-	(63.4)
Non-capitalised tax assets	(10.1)	-	10.1
Deferred tax assets and liabilities	81.1	56.9	(24.2)
Set-off within legal tax entities and jurisdictions	(19.2)	(19.2)	0
Carrying amount at 31.12.2010	61.9	37.7	(24.2)

Deferred tax has been calculated on the basis of the tax rates effective in the respective countries to which the deferred tax relates.

The portion of tax loss carryforwards that is expected to be utilised by set-off against future earnings has been capitalised.

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
17 SECURITY ARRANGEMENTS				
Subsidiaries	121.7	163.0	-	-
Customers	0.4	0.4	0.4	0.4
Total	122.1	163.4	0.4	0.4

In addition, land and buildings have been lodged as security for bank loans, etc., see note 11.

In 2009, cash included an amount of DKK 71 million deposited in a guarantee cover account pending registration of the deed on the Kolding property. The amount was released in 2010.

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
18 LEASE COMMITMENTS				
Finance leases				
Total future minimum lease payments:				
Due within 1 year	-	-	0.6	-
Due between 2 and 5 years	-	-	0.5	-
Due after more than 5 years	-	-	-	-
Total	-	-	1.1	-
Carrying amount				
Due within 1 year	-	-	0.7	-
Due between 2 and 5 years	-	-	0.3	-
Due after more than 5 years	-	-	-	-
Total	-	-	1.0	-
Financial expenses	-	-	0.1	-

Financial expenses have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These financial expenses are recognised in the income statement over the lease term.

The Group's finance leases relate to production equipment, etc., in Malfarb.

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Operating leases				
Total future minimum lease payments:				
Due within 1 year	10.2	8.0	18.1	22.1
Due between 2 and 5 years	12.2	11.4	21.2	22.0
Due after more than 5 years	0.6	0.4	0.8	0.6
Total	23.0	19.8	40.2	44.7
Lease payments relating to operating leases recognised in the income statement	5.5	6.6	19.4	20.4

The Group's operating leases primarily relate to vehicles, operating equipment and leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 3 years. None of the leases features contingent rent.

19 CONTINGENT LIABILITIES

Indemnities

In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries.

Litigation

The Dyrup Group is a party to a few litigation cases. In management's opinion, the outcome of these proceedings is not expected to have any adverse impact on the Group's financial position.

20 RELATED PARTIES

Control

The Group has a controlling related party relationship with its parent company, Monberg & Thorsen A/S.

Significant influence

Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board.

Related parties also include subsidiaries in which Dyrup A/S has control or significant influence. A list of consolidated enterprises is given on page 42.

Intragroup transactions

All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.

Remuneration to the Board of Directors and the Executive Board is disclosed in note 9. In addition to this, remuneration of DKK 0.6 million was paid to Monberg & Thorsen's CEO in both 2009 and 2010.

Intragroup transactions between the parent company and group enterprises can be broken down as follows:

	2009	**2010**
Sales of goods and services	134.4	188.9
Acquisition of group enterprises	4.2	6.4
Balance with principal shareholder	91.6	79.2

The parent company's balances with subsidiaries at 31 December are disclosed in the balance sheet and relate primarily to interest-bearing balances and ordinary business-related balances concerning purchases and sales of goods and services. The latter are non-interest bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. The balance with the principal shareholder relates to the Group's cash pool agreement.

Balances with subsidiaries were not written down in 2010 or 2009. The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 6 and 7.

The parent company's dividends from subsidiaries are disclosed in note 6.

21 FINANCIAL RISKS

Dyrup's activities entail various financial risks that may affect the Group's development, financial position and operations.

There have been no significant changes in the Group's risk exposure or risk management compared with 2009.

Dyrup monitors currency and financial positions on an ongoing basis with a view to mitigating the currency risk and maintaining interest rate sensitivity at a low level.

Currency risks

Currency risks are managed centrally in Dyrup, and the Group endeavours to minimise currency risks by seeking to match income and expenditure and financial assets and liabilities so that they balance with respect to currency.

Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group makes limited use of forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. At the end of 2010, there were no forward exchange contracts.

The open forward exchange contracts at 31 December 2009 had a remaining term of less than one year. The amount recognised in the consolidated and parent company income statements for 2009 was income of DKK 0.1 million.

Consolidated revenue denominated in foreign currencies, predominantly euro, amounted to DKK 1.1 billion in 2010 compared with DKK 1.0 billion in 2009.

The Group's currency exposure is mainly related to euro, Polish zloty and Swedish kroner.

The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below. This is a purely mathematical calculation based on the net currency positions at year end.

		Parent company		**Group**	
Currency	Hypothetical change %	Nominal position, DKKm	Effect DKKm	Nominal position DKKm	Effect DKKm
EUR	1	384.0	3.8	235.3	2.4
PLN	5	16.8	0.8	28.8	1.4
SEK	5	(12.9)	(0.7)	(12.9)	(0.7)

A decrease in the exchange rates would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analysis is based on the financial instruments recognised at 31 December 2010 and an assumption of unchanged production, sales and price level.

Interest rate risks

Interest rate risks relate mainly to interest-bearing debt items and cash.

The Group's interest-bearing liabilities, which are mainly denominated in Danish kroner and euro, amounted to DKK 515.6 million at the end of 2010, with short-term borrowings accounting for 55% of this figure. The average weighted remaining maturity of the Group's interest-bearing debt was 5.5 years, and the weighted average effective interest rate was 4.6%. Fixed-rate interest-bearing debt accounted for 46% of the Group's interest-bearing debt. The parent company's non-current debt is floating-rate, but the interest rate is frozen until 2019 under a ten-year interest rate swap.

Cash stood at DKK 51.4 million at the end of 2009 and is mainly placed on revenue and expenditure accounts and short-term, fixed-term deposit.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 1.0 million decrease in profit for the year and equity at 31 December 2009 (2009: decrease of DKK 1.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Changes in cash flows: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 1.6 million decrease in profit for the year and equity at 31 December 2010 (2009: decrease of DKK 1.6 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Notes DKK million

21 FINANCIAL RISKS - continued

Credit risks

Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner.

Dyrup pursues a tight credit policy, with trade receivables being continually monitored and, in a few markets, partly insured. These measures help to keep bad debt losses down, although, in some markets, these efforts are being hampered by the tradition of extended credit periods.

Write-downs for bad debt losses are at a relatively stable level.

Write-downs included in receivables developed as follows:

	Parent company		Group	
	2009	**2010**	**2010**	2009
Impairment losses at 1.1.	16.0	15.3	60.5	65.8
Value adjustments at 1.1./31.12.	-	-	0.2	-
Provided in the year, net	(0.7)	(3.2)	(6.8)	(5.3)
Impairment losses at 31.12.	15.3	12.1	53.9	60.5
Nominal value of written-down receivables	24.1	13.2	54.2	77.2
Receivables that are past due, but have not been written down:				
Up to 3 months	11.4	17.7	36.7	13.7
3 to 6 months	3.6	1.7	2.2	4.0
More than 6 months	3.7	2.0	10.5	5.2
Total	18.7	21.4	49.4	22.9
Receivables that were past due by more than 90 days at 31 December, but are not impaired	7.3	1.2	5.5	9.2
Security received in respect of receivables	-	-	-	-

Liquidity risks

Liquidity risks are managed through established, appropriate credit lines and committed borrowing facilities that match the need for financing planned operating activities and expected investments.

The Group's financial resources consist of cash and undrawn credit facilities. At the end of 2010, financial resources stood at DKK 283 million compared with DKK 308 million in 2009.

Interest-bearing liabilities and trade payables can be broken down as follows:

	Parent company		Group	
	2009	**2010**	**2010**	2009
Interest-bearing liabilities	483.4	362.5	515.6	454.6
Trade payables	38.8	39.1	140.4	133.6
Other financial liabilities	-	-	1.0	-
Total carrying amount	522.2	401.6	657.0	588.2
The maturity profile for accounting purposes can be broken down as follows:				
Less than 1 year	354.6	246.5	433.5	368.7
Between 1 and 2 years	7.4	12.1	76.7	7.4
Between 2 and 5 years	23.4	35.6	37.8	75.1
More than 5 years	136.8	157.3	166.3	137.0
Total contractual cash flows	522.2	451.5	714.3	588.2

Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.

The Group's borrowing and credit facilities are not subject to any special terms or conditions.

	Parent company		Group	
	2009	**2010**	**2010**	2009
Categories of financial instruments				
Carrying amount broken down by category:				
Financial assets measured at fair value via income statement	0	0	0	0
Loans and receivables	230.4	217.2	281.8	262.2
Financial liabilities measured at fair value via income statement	0	0	0	0
Financial liabilities measured at amortised cost	596.5	464.6	813.0	757.3

Fair value hierarchy for financial instruments measured at fair value in the balance sheet.

The Group's derivative financial instruments are valued at observable prices (Level 2).

22 CAPITAL MANAGEMENT

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity.

According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The objective for the Group's equity ratio is 30-40%. The equity ratio was 34% in 2010 compared with 35% at the end of 2009.

23 NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS AND IFRIC INTERPRETATIONS

The IASB has issued a number of standards and interpretations that are not mandatory for Dyrup in connection with the preparation of the annual report for 2010:

IFRS 9, amendments to IFRIC 14, IFRIC 19; revised IAS 24; amendments to IFRS 1; amendments to IFRS 1, IFRS 9; amendments to IFRS 1, IFRS 7 and IAS 12; and improvements to IFRSs (May 2010) have yet to be adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. With the exception of the effects referred to below, none of the new standards or interpretations referred to in the foregoing is expected to have a material effect on the Dyrup Group's financial reporting.

IFRS 9 changes the classification and measurement of financial assets and liabilities (current IAS 39). In future, the main categories for measuring financial assets will be amortised cost and fair value via either the income statement or the statement of comprehensive income. For financial liabilities, the provisions will be changed so that changes in own credit risk no longer affect the income statement, but are to be recognised in other comprehensive income only. We do not expect the standard to have any material effect on the Group, but we have yet to determine the effect. The standard is effective for financial years beginning on or after 1 January 2013.

24 EVENTS AFTER THE REPORTING PERIOD

In February 2011, Dyrup acquired Plus Paint A/S, which operates the Plus Malergrossisten chain, in order to strengthen Dyrup's Danish PRO business.

So far as management is aware, no events have occurred between 31 December 2010 and the date of signing of the annual report that will have a material effect on the assessment of the Dyrup Group's financial position at 31 December 2010, other than the effects that are recognised and referred to in the annual report.

25 INFORMATION ON ACTIVITIES

The Group operates exclusively in the 'Paint and wood care' segment.

Geographical breakdown of revenue and non-current assets

	Group	
	2010	2009
Revenue can be broken down as follows:		
Denmark	347.8	348.9
Rest of world	1,091.7	1,044.9
Total	1,439.5	1,393.8
Non-current assets excl. deferred tax assets can be broken down as follows:		
Denmark	359.9	360.8
Rest of world	312.1	243.1
Total	672.0	603.9

26 ACQUISITION AND DISPOSAL OF ENTERPRISES AND ACTIVITIES

	Parent company		Group	
	2009	**2010**	**2010**	2009
Intangible assets	1.5	-	8.5	1.5
Property, plant and equipment	2.1	-	30.9	2.1
Investments	-	-	0.3	-
Inventories	14.5	-	9.9	14.5
Cash and cash equivalents	-	-	0.6	-
Receivables	-	-	21.4	-
Non-current liabilities	-	-	(9.7)	-
Current liabilities	-	-	(25.5)	-
Identifiable net assets acquired	**18.1**	**-**	**36.4**	**18.1**
Goodwill	18.9	-	1.9	18.9
Cash purchase price	37.0	-	38.3	37.0
Cash and cash equivalents in acquired enterprises	-	-	1.9	-
Cash purchase price, net	37.0	**-**	**40.2**	37.0

Carrying amount of assets acquired and liabilities and contingent liabilities assumed before the acquisition date:

	Parent company 2009	Parent company 2010	Group 2010	Group 2009
Intangible assets	-	-	2.7	-
Property, plant and equipment	2.5	-	33.6	2.5
Investments	-	-	0.4	-
Inventories	12.9	-	9.4	12.9
Receivables	-	-	23.6	-
Cash and cash equivalents	-	-	(1.9)	-
Non-current liabilities	-	-	(9.9)	-
Current liabilities	-	-	(25.6)	-
Total carrying amount before acquisition	15.4	**-**	**32.3**	15.4

After recognition of identifiable assets and liabilities at fair value, goodwill in connection with acquisitions has been calculated as DKK 1.9 million, which represents the future economic benefits from assets such as customer relations, knowhow and synergies.

The acquired activities feature with DKK 0.5 million in consolidated profit for 2010.

Consolidated revenue and profit for the year (unaudited), measured as if the acquired activities had been taken over at 1 January 2010, amounted to DKK 1,440 million and DKK 15 million respectively. The acquisition for the year relates to the Polish paint manufacturer Malfarb. No purchase price allocation is as yet available in respect of Plus Paint A/S.

	Parent company		Group	
	2009	**2010**	**2010**	2009
Disposal of enterprises and activities				
Intangible assets	2.7	-	-	3.4
Property, plant and equipment	55.1	-	-	60.4
Investments	22.1	-	-	-
Inventories	25.4	-	-	31.1
Receivables	8.8	-	-	35.8
Cash and cash equivalents	-	-	-	2.7
Non-current liabilities	-	-	-	(1.2)
Current liabilities	-	-	-	(6.0)
Net assets	114.1	**-**	**-**	126.2
Accounting gain/loss	14.0	-	-	33.6
Cash selling price, net	128.1	**-**	**-**	159.8

The disposal in 2009 relates to the industrial activities, including the Kolding property.

Group diagram

Dyrup A/S
Capital DKK 110.0 million

Dyrup S.A.S., France
Capital EUR 13.0 million. Ownership 100%

Dyrup GmbH, Germany
Capital EUR 0.5 million. Ownership 100%

Dyrup Sp. z o.o., Poland
Capital PLN 4.9 million. Ownership 100%

Malfarb Sp. z.o.o., Poland
Capital PLN 10.6 million. Ownership 100%

Tintas Dyrup, S.A., Portugal
Capital EUR 2.6 million. Ownership 100%

Pinturas Dyrup, S.A., Spain
Capital EUR 0.3 million. Ownership 100%

Tintas BONDEX, Angola LDA
Capital USD 1.6 million. Ownership 67%

Dyrup GmbH, Austria
Capital EUR 0.1 million. Ownership 100%

Danish Indian Paint Company ApS
Capital DKK 3.3 million. Ownership100%

Pigmenta A/S
Capital DKK 0.5 million. Ownership 100%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Annual Report 2010

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MTHøjgaard

MANAGEMENT'S REVIEW

Letter from the CEO and summary **3**

Consolidated financial highlights **4**

Strategic platform **6**

Group annual review for 2010 **8**
Performance versus outlook 8
Income statement 8
Balance sheet 9
Cash flows and financial resources 9
Order book 10
Acquisitions and disposals of enterprises 10
Outlook for 2011 10
Management changes 11
Knowledge resources 11
Customers 11
Corporate responsibility 12
Risk factors 14

Operating review for 2010 **15**
Civil Engineering 15
Construction 15
Major Projects 16
Project Development 16
Subsidiaries 16
Jointly controlled entities 18

Corporate governance **19**
Financial reporting process 19

MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT

Statement by the Executive Board and the Board of Directors **22**

Independent auditor's report **23**

Executive Board **24**

Board of Directors **25**

FINANCIAL STATEMENTS

Income statement and statement of comprehensive income **27**

Balance sheet **28**

Cash flow statement **30**

Statement of changes in equity, parent company **31**

Statement of changes in equity, Group **32**

Notes **33**

OTHER INFORMATION

Consolidated financial highlights - EUR **74**

Letter from the CEO and summary

2010 was a tough year, but we are on the right track

2010 was a tough, challenging year for the building and civil engineering industry and for MT Højgaard. The year was characterised by subdued demand, increased tendering costs, intense competition for orders and consequent pressure on prices. To this should be added a hard winter at the start of the year. This was reflected in MT Højgaard's pre-tax result, a profit of DKK 100 million against DKK 307 million in 2009, while the pre-tax margin was 1.2%. Although the result is below our target, we consider it to be acceptable in relation to the prevailing market conditions.

However, the result conceals the fact that some areas reported unsatisfactory results. One of the consequences of this is that we have decided to sell the service arm of our subsidiary MTH Stål A/S (formerly Promecon) and have wound up the rest of this subsidiary's operations. The other subsidiaries generally delivered satisfactory profits. On account of the pressurised market, we have also decided to reduce the profitability requirement on new contracts temporarily on a selective basis. This has reduced earnings but secured an acceptable level of activity.

However, we are optimistic at the start of 2011. Our order book is 24% up on last year. We continue to follow the strategy we established for our various activities and are of the opinion that, coupled with the development of the organisation we began in 2009, it will contribute to us meeting our objectives within a few years.

We work continuously to find new methods to optimise our processes and production and our clients' projects. For us this involves continuously getting better at delivering projects on which our clients get the best value for money throughout the lifecycle of the building. We do this, for example, by finding solutions that are energy-efficient and easy to maintain.

We encounter a widespread perception that energy renovation or energy-efficient building is expensive. It may cost a little more to begin with, but there are savings to be made over a number of years. At mth.dk, we have made it possible to use an energy calculator to find out how much can be saved by setting additional energy requirements in connection with refurbishment of existing buildings and construction of new buildings.

Quality must be second to none. This benefits all parties and is the starting point for all of our projects. In 2010, we received documentation that we comply with the recognised ISO9001 quality management system and that our many years of initiatives to safeguard quality have been a success.

We have an ambitious vision in which we strive to develop along with our customers and to exceed the expectations made of us. In continuation of our vision, we have set ourselves a number of objectives concerning issues such as being an attractive workplace. We are therefore proud that our employee satisfaction survey in 2010 showed that 82% of our employees are satisfied or very satisfied with working for MT Højgaard. This puts us in a good position as demand for skilled employees is expected to increase within a few years.

Looking forward, I therefore believe that MT Højgaard is in a sound position. We constantly develop our operations in order to create added value for our customers. We have a skilled, ambitious team of employees who work hard to meet our objectives. As I said above, 2010 was a tough year. 2011 will be no less challenging, but I believe that we are on the right track.

I would like to thank MT Højgaard's employees for their work and our customers, partners and other stakeholders for working with us over the year.

Kristian May
President and CEO

Summary

2010 results

Revenue was DKK 8.3 billion, in line with the latest outlook

The **pre-tax margin** was 1.2%, within the latest outlook

The **result before tax** was a profit of DKK 100 million against DKK 307 million in 2009

Equity stood at DKK 1,618 million at the end of 2010 compared with DKK 1,610 million in 2009. This corresponds to an equity ratio of 34.5% versus 29.2% in 2009

Cash flows from operating activities amounted to an outflow of DKK 348 million compared with an inflow of DKK 485 million in 2009

Financial resources stood at DKK 1,092 million, which is regarded as satisfactory in view of the current level of activity

A **dividend** of DKK 50 million is proposed.

Outlook for 2011

Revenue is expected to increase to approx. DKK 9.5 billion in 2011

In the current economic climate, we do not expect to be able to achieve a pre-tax margin in 2011 that differs significantly from that achieved in 2010

The **pre-tax margin** is therefore expected to be around 1% in 2011, although at a lower level in the first quarter, like last year

The order book stood at DKK 9.2 billion, with DKK 6.7 billion for execution in 2011

Cash flows from operating activities are expected to be positive

Financial resources are expected to remain satisfactory in 2011

Consolidated financial highlights

Amounts in DKK million	2006	2007	2008	2009	2010
Income statement					
Revenue	11,063	11,714	11,171	9,087	8,303
Operating profit (EBIT)	60	197	327	290	94
Net financing costs and profit (loss) of associates	-8	114	32	17	7
Profit before tax	52	311	359	307	100
Profit for the year	38	235	259	223	61
Balance sheet					
Share capital	220	220	220	220	220
Equity attributable to equity holders of the parent	997	1,231	1,442	1,610	1,618
Equity incl. non-controlling interests	1,021	1,231	1,442	1,610	1,618
Balance sheet total	4,824	5,033	5,276	5,504	4,698
Interest-bearing deposit/debt (+/-)	53	192	513	824	337
Invested capital	988	1,051	1,010	880	1,281
Cash flows					
Cash flows from operating activities	317	-73	536	485	-328
Cash flows for investing activities*					
Net investments excl. securities	-208	129	-166	-159	-99
Net investments in securities	-32	-61	-10	-362	337
Cash flows from financing activities	-8	-35	-61	-69	-23
Net increase (decrease) in cash and cash equivalents	69	-40	299	-105	-113
* Portion relating to property, plant and equipment (gross)	-288	-199	-215	-236	-241
Financial ratios					
Gross margin (%)	4.4	5.1	6.9	8.1	6.5
Operating margin (EBIT margin) (%)	0.5	1.7	2.9	3.2	1.1
Pre-tax margin (%)	0.5	2.7	3.2	3.4	1.2
Return on invested capital (ROIC) (%)	5.9	19.3	30.7	30.7	8.7
Return on equity (ROE) (%)	3.7	20.9	19.4	14.6	3.8
Equity ratio (%)	21.2	24.5	27.3	29.2	34.5
Proposed dividend, DKK million	0	50	50	50	50
Other information					
Order book, year end	10,752	10,687	9,461	7,455	9,222
Average number of employees	6,289	6,494	6,170	5,872	5,217

The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'.

Gross margin	= Gross profit/Revenue
Operating margin (EBIT margin)	= Earnings before interest and tax (EBIT) Revenue
Pre-tax margin	= Earnings before tax/Revenue
Return on average invested capital incl. goodwill (ROIC)	= EBIT/Average invested capital incl. goodwill
Return on equity (ROE)	= Profit after tax/Average equity incl. non-controlling interests
Equity ratio	= Equity incl. non-controlling interests, year end/Liabilities, year end
Invested capital	= Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill

Strategic platform

MT Højgaard consists partly of the parent company with its four business areas Civil Engineering, Construction, Major Projects and Project Development, plus Business Support, and a number of separate subsidiaries.

Our vision is: ”We will outperform industry standards through innovation and operational excellence – together with our customers”.

To achieve our vision, we have set ourselves three targets:

- Profitability – to raise our pre-tax margin to 5% within a few years
- Customer satisfaction – to achieve a customer satisfaction level of at least 80% in terms of selected criteria
- Employee satisfaction – to achieve an employee satisfaction level of at least 80% in terms of selected criteria

Our objectives remain unchanged, regardless of the fact that we are today operating on a market that is under pressure, in terms of competition and prices, and on which margins are consequently low.

In our core business, we have adopted four strategic themes that underpin our vision and govern the realisation of our targets:

- Internationalisation – developing our international activities and utilising our skills both nationally and internationally
- Competitive edge – securing competitive edge in the areas that are of real significance to our customers and differentiate us from our competitors
- Commercial excellence – commercially strengthening the processes that underpin our business and strategic development to ensure that we make a positive difference to both our customers and ourselves
- Infrastructure – correct systems, appropriate structures and adequate support, providing the optimum platform for our business and sharpening our competitive edge

The key words that describe our way of doing business are profitability and risk management. Due to the prevailing market conditions, we have temporarily adjusted our profitability requirement downward to maintain an optimum level of activity.

Business areas in the parent company
The activities of the Construction business area are based on a strategy of having a local presence, partly on the Danish market, and partly, from 2010, also in Greenland, the Faroe Islands and Norway. It is also part of our strategy to actively highlight the advantages to clients of a partnership with us.

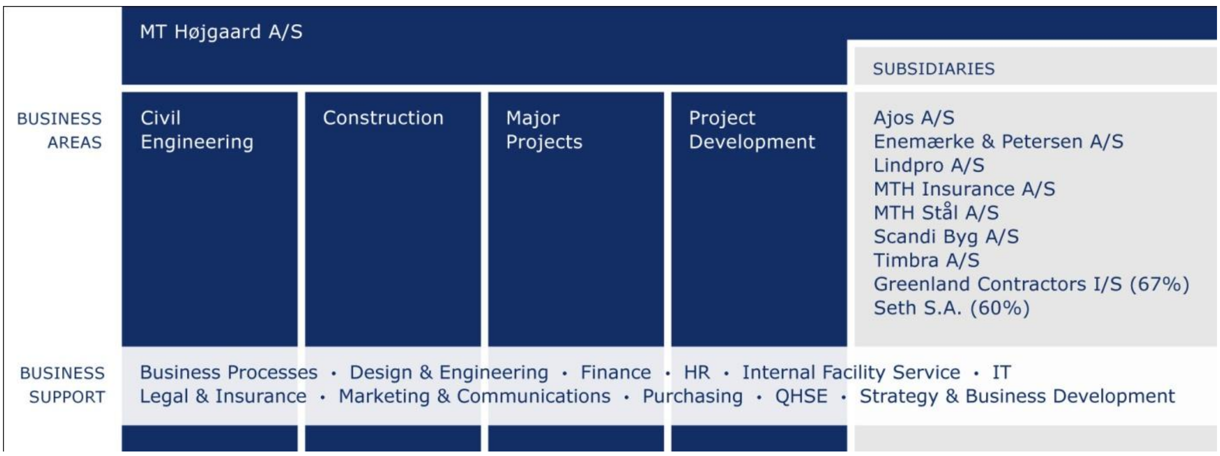
In 2010, we developed a new commercial strategy for this business area that means that we will be extending our activities over more parts of the value chain. We will help customers focus on the overall costs of a building through its entire lifecycle instead of only focusing on the construction costs.

The activities of our Civil Engineering business area are based on our specialist capabilities in, for example, infrastructure, earthworks and roads, piling and steel bridges.

The strategy is to strengthen our specialist capabilities and position on the Danish market and to increase our international revenue in selected geographical areas. In energy and resources, we primarily focus on offshore and mining.

In offshore, where the main focus is on wind turbine foundations, we aim to strengthen our market positions and our relationships with relevant customers. In mining, the focus is on supporting future mining activities in Greenland using our civil engineering capabilities.

In the Major Projects business area, we undertake one-off projects that are special in terms of criteria such as



budget, complexity, timescale and risk and that therefore require special focus.

Project Development develops projects for or together with investors and clients and is operated as a separate business unit with a balanced risk profile.

Subsidiaries
MT Højgaard’s subsidiaries and jointly controlled entities are separate businesses. In our Group, we draw on each other's diverse capabilities and individual strategies to achieve synergies, thereby increasing value creation overall.

MT Højgaard continuously strives to enhance and ensure value creation in all its companies, and the various companies therefore have separate market positions, profiles, strategies and execution models.

Group annual review for 2010

Performance versus outlook

In 2010, MT Højgaard delivered revenue of DKK 8,303 million and profit before tax of DKK 100 million, corresponding to a pre-tax margin of 1.2%.

Revenue and profit were within the latest outlook. In the 2009 annual report we stated that we expected revenue of approx. DKK 9 billion and a pre-tax margin in the region of 2% to 3%. In the interim financial report at 30 August 2010, we changed this outlook to revenue of approx. DKK 8.5 billion and a pre-tax margin in the region of 1% to 2%.

Income statement

We delivered revenue of DKK 8,303 million in 2010, down 9% on last year. This reflected subdued demand, intense competition for orders and pressure on prices.

International activities accounted for 31% of revenue in 2010 versus 33% in 2009.

The MT Højgaard Group reported operating profit (EBIT) of DKK 94 million in 2010, down DKK 196 million on 2009. This reflected a combination of several factors; lower revenue due to the above effects on revenue, which has also led to a downward adjustment of our profitability requirements; increased tendering costs on a market under pressure; and the fact we maintained capacity, in selected areas, for the expected increase in the level of activity.

The operating margin (EBIT margin) was therefore 1.1% in 2010 compared with 3.2% in 2009.

Net financing costs amounted to net income of DKK 7 million versus DKK 17 million in 2009. This was partly due to increased borrowing and decreasing liquidity.

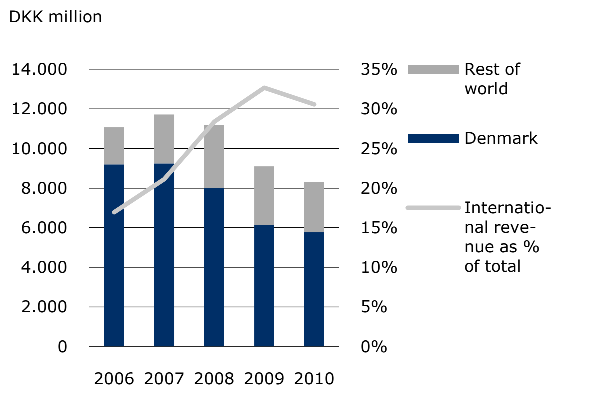
The result before tax was a profit of DKK 100 million, down DKK 207 million on 2009, reflecting the above factors. The pre-tax margin was 1.2% versus 3.4% in 2009.

Income tax expense was a net expense of DKK 39 million, providing an effective tax rate of 39% compared with 27% in 2009. The tax was made up of a current tax charge of DKK 54 million and a DKK 15 million change in the Group's deferred taxes. The effective tax rate was affected by tax on activities outside Denmark, which are subject to a higher tax burden than the Danish tax rate of 25%. The Group's deferred net tax asset was DKK 129 million at the end of 2010 compared with DKK 113 million in 2009.

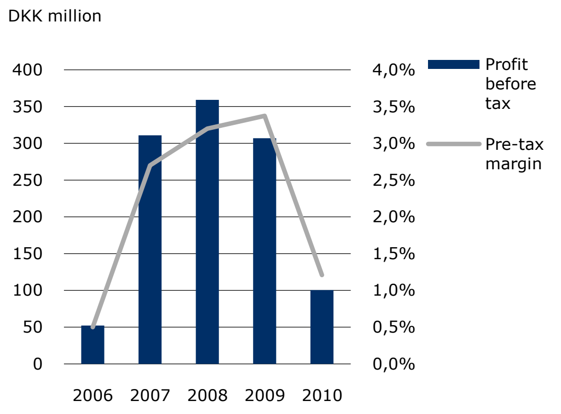
The consolidated result after tax was a profit of DKK 61 million compared with DKK 223 million in 2009.

On the Buxton project, there are no changes to report in relation to what was stated in the 2009 annual report. The claims for extra payments advanced by MT Højgaard are the subject of international arbitration. In accordance with the company's policy, no income has been recognised in the financial statements in this respect.

Revenue



Profit before tax and pre-tax margin



Balance sheet

The consolidated balance sheet total at 31 December 2010 was DKK 4,698 million, equivalent to a decrease of 15% on the end of 2009. This should be viewed in the context of the lower level of activity and the resulting lower level of construction contracts in progress, trade payables and receivables; and drawings on cash balances and securities portfolios.

Equity stood at DKK 1,618 million, corresponding to an equity ratio of 34.5% compared with 29.2% at the end of 2009. Besides profit for the year, equity was affected by the payment of DKK 50 million in dividend. The return on equity was 3.8% compared with 14.6% in 2009.

A dividend of DKK 50 million is proposed.

The interest-bearing net deposit decreased by DKK 487 million in 2010, amounting to DKK 337 million at the end of 2010. This primarily reflected the above drawings on cash balances and securities portfolios, which also affected invested capital.

Invested capital amounted to DKK 1,281 million at the end of 2010 compared with DKK 880 million in 2009, and the return on invested capital was 8.7% versus 30.7% in 2009.

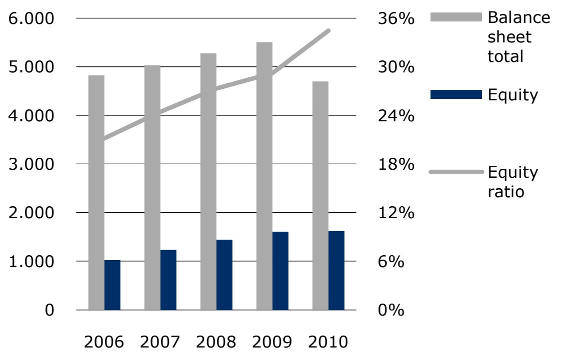
Cash flows and financial resources

Operating activities generated a cash outflow of DKK 328 million in 2010 compared with DKK 485 million in 2009. This reflected lower profits in 2010 and the lower level of activity at the end of the year compared with the level at the start of the year.

Cash flows for investing activities amounted to an inflow of DKK 238 million, of which DKK 337 million related to the sale of short-term securities. Net investments in property, plant and equipment primarily related to replacement of and new investment in contractors' plant and equipment and amounted to DKK 99 million compared with DKK 143 million in 2009. Property, plant and equipment sold totalled DKK 142 million in 2010 compared with DKK 93 million in 2009. This was partly the result of an adjustment of the level of equipment hire in the subsidiary Ajos to the changed market conditions.

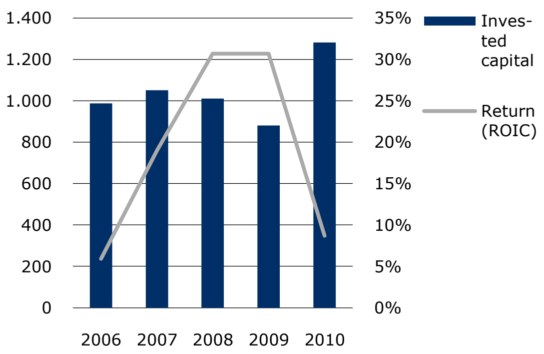
Balance sheet

DKK million



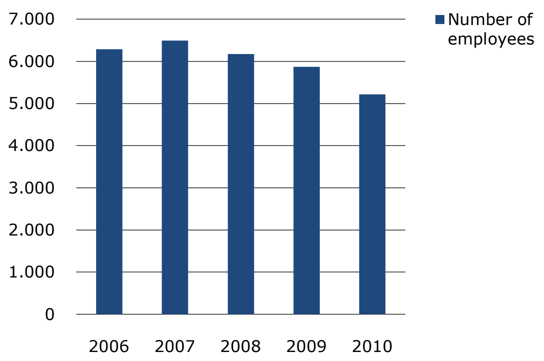
Invested capital and return (ROIC)

DKK million



Average number of employees

DKK million



Cash outflow from financing activities was DKK 23 million versus DKK 69 million last year. The amount related to distribution of dividend and raising of non-current bank loans, etc.

Cash and cash equivalents decreased by DKK 113 million net in 2010 compared with DKK 105 million in 2009.

The Group's financial resources, calculated as cash, including cash and cash equivalents in joint ventures and jointly controlled entities, and securities and undrawn credit facilities, amounted to DKK 1,092 million at 31 December 2010 compared with DKK 1,307 million last year.

Order book

The order book stood at DKK 9,222 million at the end of 2010, approx. 24% up on last year. The quality of the order book is satisfactory in the current climate.

DKK million	2010	2009
Order book, beginning of year	7,455	9,461
Order intake for the year	10,070	7,081
Production during year	-8,303	-9,087
Order book, end of year	**9,222**	**7,455**

The order book includes a number of large orders extending over several years.

Acquisitions and disposals of enterprises

With the acquisition of Carlo Lorentzen A/S on 1 June 2010, MT Højgaard strengthened its market coverage in North Zealand and Roskilde and Sorø.

The activities of the subsidiary MTH Stål A/S (Promecon A/S) were wound up in 2010 and the service arm sold.

These factors did not have any material impact on consolidated revenue or profit in 2010.

Outlook for 2011

Overall, we expect the building and civil engineering market in Denmark to show a slight decline in 2011 compared with 2010. We estimate that approx. DKK 85 billion of the expected total market volume of approx. DKK 140 billion in the building and civil engineering market will lie within our sphere of interest. The activities in the Danish building and civil engineering market remain under pressure in 2011. However, MT Højgaard expects a higher level of activity than in 2010.

We expect the refurbishment market in Denmark to show a small decline overall.

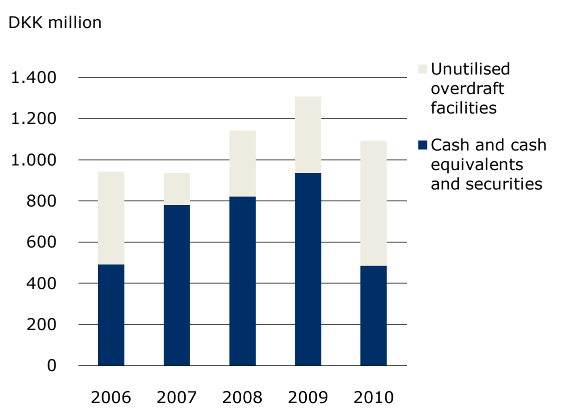
In offshore foundations for offshore wind farms - an area in which we are among the most experienced in the world - we expect a higher level of activity in future, although, in reality, the increase in the level of activity will probably not materialise until at the end of 2011 onwards.

We expect competition to remain fierce in the international building and civil engineering markets in which we operate. We will selectively pick the project opportunities that match our capabilities and resources.

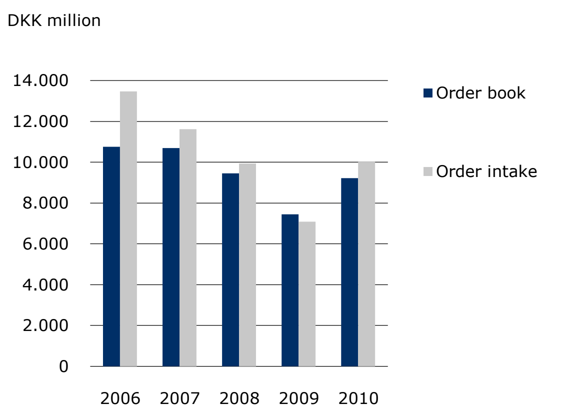
The order book stood at DKK 9.2 billion at the start of 2011, approx. 24% ahead of the start of 2010. Of this, we expect to execute DKK 6.7 billion in 2011. We have adjusted our profitability requirements as a consequence of competition and price pressure, and this is reflected in our order book. We will continue to be highly selective when identifying new projects, focusing on the profitability of the projects within the framework of our risk management. We expect to be able to increase our revenue to approx. DKK 9.5 billion in 2011.

Because of the decline in profitability we do not expect to

Financial resources



Order book and order intake



be able to achieve a significantly higher pre-tax margin than in 2010 in the current climate, despite the increase in revenue. Focusing and targeted risk management will continue to play an important part in securing satisfactory earnings.

We estimate that the pre-tax margin for the Group for the year will be around 1%, although we expect a lower level in the first quarter, like last year.

Due to the expected increase in the level of activity and positive results we estimate that cash flows from operating activities will be positive.

We expect the Group's effective tax rate to be at a slightly higher level than the Danish tax rate, but at a lower level than in 2010.

We also expect to continue to maintain satisfactory financial resources in the form of cash and cash equivalents, securities and credit facilities.

The projections concerning future financial performance are subject to uncertainties and risks that may cause the performance to differ from the projections.

Management changes

At our Annual General Meeting on 16 April 2010, the Board of Directors was reduced from 12 to 10 members.

The Board of Directors consequently consists of: Helge Israelsen (Chairman), Jørgen Nicolajsen (Deputy Chairman), Curt Germundsson, Poul Lind, Jens Jørgen Madsen and Lars Rasmussen, who have been elected by the shareholders in general meeting, and Irene Chabior, Torsten Ask Overgaard, Hans-Henrik H. Hansen and Knud Rasmussen, who have been elected by the employees.

Knowledge resources

MT Højgaard wants to be the best in its industry. This requires skilled employees who are passionate about learning and about sharing knowledge with each other. And it requires continuous focus on the development of new solutions.

Customers

MT Højgaard can only realise its vision if its customers are satisfied. We therefore apply a commercial strategy in our business areas that is designed to create and maintain close relations with our customers.

In this work we help our customers and others on the matters that are important to them. These include focusing on energy-efficient solutions, the costs of buildings throughout their lifecycle, consideration for those living in residential complexes during refurbishment, and innovative solutions for offshore wind turbine foundations.

This means that the investments we make in skills development, knowledge sharing and product and method development are passed on to our customers as some of the many benefits they get from entering into agreements with MT Højgaard. Having a safe working environment is of paramount importance to us, in particular to protect our employees, but also to a great extent because this is required by many of our customers. In brief, we incorporate what our customers need and want into all the initiatives and activities we implement, with the aim of making our customers satisfied.

Employees

Globally, we had an average of 5,217 employees in 2010 compared with 5,872 in 2009. At the end of 2010, we had 4,997 employees, or 836 fewer than at the same time last year.

In 2010, we conducted an employee satisfaction survey. Our vision includes a target of an employee satisfaction level of at least 80% on selected parameters. The survey showed that 82% of employees are satisfied or very satisfied with working at MT Højgaard.

Skills development

Employee development and building our core capabilities are continuous tasks. For individual employees, this takes place in collaboration with their managers and by means of formal internal and external course activities.

Internally, we train our employees in subjects such as project management at the MT Højgaard Academy. The Academy offers an internal modular training path on which employees develop from managing small projects to heading the largest, most complex projects. As an extension of our internationalisation, in 2010 we implemented Academy 1 for employees in Southeast Asia and the Middle East. This should be regarded as the first step in a number of training initiatives at our foreign locations.

In 2010, we launched a supervisor training course. The course is designed to help ensure that our foremen and contract managers have the skills to perform the management tasks entrusted to them.

We have also introduced a new concept for performance reviews in the project organisation. The aim is to be able to evaluate each employee in relation to his or her role and responsibility, thus ensuring that he or she has the right MT Højgaard skills. In 2012, the same concept will be rolled out in the rest of the company. The evaluation will allow us to enhance the organisation and the employees with precisely the skills that enhance our business.

Knowledge sharing

In a large company such as MT Højgaard, effective knowledge sharing is essential to our success. Therefore, we work continuously to professionalise and inform knowledge sharing so that we can always supply the best product to our customers.

To ensure that MT Højgaard's knowledge is developed, gathered and shared optimally, we launched a Knowledge Bank and established a separate knowledge organisation in 2010. This means that a number of employees have been appointed as knowledge-sharing ambassadors in our production activities.

The knowledge organisation works to gather experience from our production activities for our new Knowledge Bank. The aim of the Knowledge Bank is to ensure that knowledge from good experience is shared internally and to avoid repetition of poor solutions and errors in order to optimise efficiency. The topics in the Knowledge Bank initially focus on sharing knowledge of technical solutions that produce better end products for the benefit of our customers, our employees and MT Højgaard. In 2011, we will develop the knowledge organisation and its work still further.

In 2010, we also launched a CV system in the organisation. The system will help us enhance the efficiency of our processes in connection with prequalification and tender documentation so that we can quickly find the right skills and capabilities across the organisation.

Development of products and methods

One of the ways in which we will realise our vision of being the best in the industry is by combining development and innovation with what we are already good at. This means that there must be space to try out new solutions in relation to individual tasks, our working methods and processes and the way in which we are organised.

To make sure that we have an effective, value-creating innovation process, in 2010 we established an innovation unit that will carry good ideas to fruition and help analyse, drive forward and focus on innovation and development projects.

As part of our innovative approach, we are constantly testing intelligent building components. Examples include RFID, which can provide humidity and temperature data, and sensor technology in relation to products and processes in the work on concrete structures.

We believe it is important to work with research institutions. At the moment, we are working with the Danish National Advanced Technology Foundation on two projects concerning new methods for the production of special formwork and the operation of offshore wind turbines in deep water.

We work continuously on sustainability and always seek to develop the best solutions for our customers, whether we are developing a project, building from scratch or carrying out refurbishment. The focus in this connection is on finding the balance between elements such as energy savings, indoor climate, buildability and overall finances. For example, we have developed the Balanced Building concept with Velux. Balanced Building was developed with the aim of generating balance between energy consumption, quality of life and finances.

In the field of sustainability, we also, in 2009-2010, trained assessors in the most commonly used certification systems for sustainability, including LEED and BREEAM.

In 2010, we were awarded ISO 9001 quality certification. We have always focused on doing a proper job and meeting the requirements in the standard. In the future, we will be examined twice a year by an external certification bureau. With this certificate, we commit to continuously demonstrating improvements and ensuring that our quality management is excellent.

Corporate responsibility

Our corporate responsibility policy forms the general framework for all our policies and confirms our obligation to act ethically in the performance of our duties.

This means that we are committed to acting in accordance with our corporate responsibility policy in relation to, for example, employees, finances, environment, occupational health and safety, customers, conduct in the market, competitors, business partners and suppliers.

The policy encompasses our commitments in relation to integrity, fairness and corporate responsibility. We strive to ensure that every part of the Group understands and works constructively with the communities of which it is a part, and that, in the communities in which we perform our activities, we base our actions on respect, responsibility, dialogue and mutually realistic expectations.

The policy states, among other things, that we must comply with local legislation, that we do not use bribery, forced or compulsory labour or child labour and that we do not engage in discrimination. In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our efforts will create the most value for society and for ourselves.

Our ethical policy applies to all employees at MT Højgaard A/S and its wholly-owned subsidiaries.

In the following section we have elected to explain our policy, efforts and performance in the areas:

- health and safety
- environment

We have positions on other corporate responsibility issues where we do not carry out planning, measurement and follow-up to the same extent, however. For example, we have a Code of Conduct for suppliers. Our performance in this area is described in the section Other initiatives. In addition, our subsidiaries work on corporate responsibility, taking into account their activities and the capabilities they each possess.

Health and safety

We have a responsibility to our employees and their families and therefore want to promote a corporate culture that focuses on employee safety and health and on avoiding occupational injuries.

One of the ways in which we actively address this is via continuous training to ensure that our employees perform their tasks safely. We regularly evaluate the working environment and perform systematic risk assessments of our activities in Denmark, the rest of Europe, Greenland and the Faroe Islands. We conduct 1,500 visits and 50 internal audits at our construction sites and permanent workplaces ourselves every year, while an external certification bureau certifies us twice a year in Denmark and once a year in the rest of the certified area.

In 2010, we achieved our target of having fewer than 10 occupational injuries for every one million hours worked. Our injury frequency was 8.5. This is partly the result of focusing in 2010 on injuries resulting in lost time of 1-4 days and ensuring that our employees use our basic instructions.

In 2010, we had a campaign at our construction sites, focusing on recording near-misses. Each time a near-miss is recorded, we can learn from it and prevent it from becoming an incident in which employees are injured. Therefore, we have set up a hotline on which near-misses can be recorded 24 hours a day.

The target for 2011 is to achieve an injury frequency of less than 8. We have seen that focusing on injuries that result in lost time of 1-4 days has an effect. Therefore, this will continue to be the object of our focus in 2011, for which we have set a target to reduce the number of such injuries by 10%.

Environment

We are working to reduce the environmental impact of our construction sites and offices and of the finished buildings. Construction, building materials and the resulting waste have considerable consequences for the environment. Therefore, we are working to formalise our work by incorporating eco-friendly measures and reducing our environmental impact. The requirements we set for ourselves also apply to our subcontractors.

In 2009, we launched many new measures designed overall to help reduce our environmental impact, for example motion sensors, energy saving power strip, heat pumps in site huts and a ban on halogen lighting. In 2010, we worked to implement the various measures at our construction sites and offices and continued to initiate a number of new measures such as compulsory power monitoring at construction sites and an eco-friendly company car policy.

Since 2010, an environmental meeting has been held at the start-up of work on every construction site with a contract price of over DKK 10 million. Six compulsory environmental measures that can contribute to reducing the environmental impact significantly are reviewed at the meeting. These include lights being switched off automatically in site huts and automatic power monitoring. We expect these start-up meetings to contribute to the measures being integrated in activities at the sites. The start-up meeting is attended by the project manager and a representative of the subsidiary Ajos, which specialises in sustainability in connection with construction site organisation and is responsible for fitting out our sites and hiring equipment for them.

In 2010, we also completed energy renovation of our office buildings. The focus was on lighting, server rooms and heat consumption, for example. Energy renovation of our office in Søborg is not expected to be completed until 2011.

We also incorporate environmental considerations in relation to the end user and the finished product. Many people believe that it is much more expensive to make a building energy-efficient than it actually is.

To show clients how much can be saved, we have therefore launched a new online calculator that is freely accessible on our website. At no charge, you can quickly see how much can be saved by setting very strict energy requirements in connection with building refurbishment.

If you are thinking of a new building, the calculator also shows how much can be saved on energy consumption by complying with energy class 2015 or 2020 in accordance with the BR120 building regulations. The focus in this connection is on finding the balance between elements such as energy savings, indoor climate, buildability and overall finances.

Other initiatives – Code of Conduct for suppliers

With our policy for corporate responsibility, we set an ambitious framework for all our activities. Therefore, we also set a number of requirements for the conduct of our suppliers.

In our Code of Conduct for suppliers, we describe our minimum social, environmental and ethical requirements for the Group's suppliers. All new suppliers sign the code to show that they will comply with the requirements.

To ensure that the rules are observed, we conduct ongoing inspection visits and audits at selected suppliers to assess factors such as their working environment and environment work. The visits have generally had a positive effect and have also improved our partnerships with suppliers.

Risk factors

Commercial risks
MT Højgaard's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

We consider it a critical part of our strategy to constantly minimise the current risks, which, in our opinion, do not generally differ from the normal risks facing companies in the building and civil engineering industry.

The overall framework for managing the risks we judge to be critical for the Group is laid down in the business concept and the associated policies.

We endeavour to cover, to the greatest possible extent, significant risks outside our direct control by taking out relevant insurance policies.

Market conditions
Market conditions have a major impact on the building and civil engineering industry, and the building sector is periodically used as a regulating factor in fiscal policy. Fiscal policy initiatives may include both tightening and expansionary measures in the form of subsidy schemes and grants.

Our position on the Danish market, coupled with our spread across markets, customers and areas of expertise, helps to balance risks during fluctuating market conditions.

Market trends in the various areas of activity often differ under varying economic framework conditions.

Projects
Our project management is crucial to ensure satisfactory value creation in the company. Our integrated management system features all the procedures and paradigms that our employees require to enable them to handle each project from sale and tendering to handover to the client. Prior to bidding for major projects, we carry out a systematic, structured review of the project to ensure that risk areas are identified and unforeseen events minimised.

Process management during the construction phase is paramount to ensure that construction site activities are efficiently coordinated and optimised. We often use the TrimBuild® project management tool on our projects to enhance quality and productivity, reducing the risk of delays and budget overruns on individual projects.

Partnering is a form of collaboration under which a larger part of the responsibility lies with the contractor through his participation in design and planning. This concept is becoming increasingly popular and enhances the possibilities for optimising risk identification on the individual project.

On major projects, we often use joint venture collaboration as a further means of minimising risks.

We provide standard performance and payment bonds in the form of bank guarantees, guarantee insurance and bond deposits as security for contracts and supplies. Performance and payment bonds, etc., totalled DKK 3,412 million at the end of 2010 compared with DKK 3,385 million in 2009.

Project development
The risk attaching to this activity relates primarily to the development in the market for residential construction and the extent to which dwellings sell prior to start-up of each project.

The start-up of self-generated projects is subject to advance sale of at least 75% to 80% of the project. When starting up several projects at the same time, we focus on balancing the overall risk.

Financial risks
Financial risks are described in note 26 to the financial statements.

Operating review for 2010

We work exclusively in building and civil engineering.

At 31 December 2010, the Group was organised into four business areas, the separately profiled subsidiaries and the Group's corporate functions, Business Support.

Subsidiaries comprise the Group's subsidiaries and jointly controlled entities with separately profiled capabilities in the building and civil engineering business.

MT Højgaard delivered revenue of DKK 8,303 million in 2010, down DKK 784 million on 2009. Revenue can be broken down as shown below.

Revenue - DKK million	2010	2009
Civil Engineering	2,401	2,679
Construction	2,678	2,847
Major Projects	346	152
Project Development	110	258
Subsidiaries and jointly controlled	3,199	3,619
Eliminations/others	-431	-468
MT Højgaard Group	**8,303**	**9,087**

Civil Engineering

Civil Engineering undertakes infrastructure and civil engineering projects in Denmark and internationally. Our specialist skills include bridges, piling, earthworks, sewerage works, environmental projects, harbour and marine works, offshore wind farm foundations, and mining activities.

Overall, this business area reported revenue in 2010 at a slightly lower level than in 2009. The results, which were not satisfactory, reflected a number of fluctuations in the various areas. For example, we performed better than expected in the local markets in Denmark and Sweden. Although these markets are subject to a high level of competition, we have seen an increase in the number of invitations to tender, accompanied, unfortunately, by a higher number of bidders. Among the contracts we won and commenced were two bridge projects near Stockholm. Completions included an extension of the Port of Helsingborg.

We have high expectations of the Swedish market, in particular, in the coming years. Because of the next ten years' high level of investment activity in Sweden, we consider it relevant to bid on projects with our core capabilities such as harbour construction, concrete work within civil engineering, and bridges.

We expect the tough competition to continue in both the Danish and international markets for traditional civil engineering activities. In general, we are seeing a slow increase in the level of activity on foreign markets, in particular for various types of bridge and harbour construction in Northern Europe and Asia.

In the offshore area, we experienced several projects being postponed in 2010 due to problems with financing. The situation has now improved, and we expect a higher level of activity in this area in, for example, the UK, Germany, the Netherlands and Belgium in the coming years. In 2011, we are working on the installation of 69 foundations for offshore wind turbines off the Lincolnshire coast in the UK. We are also delighted to have won the contract for the installation of 111 foundations for the largest Danish wind farm to date near Anholt.

In addition, interest in mining activities in Greenland continues to increase. A number of preliminary investigations are currently being carried out that are nearing the stage of actual mine establishment. MT Højgaard has a solid foothold in Greenland in terms of mining, and we are assuming a prudent position in relation to the coming mining activities.

Overall, we expect higher results and a higher level of activity in 2011 - especially internationally. Because of the intense competition on the Danish market, we only anticipate a small improvement compared with 2010.

Construction

Construction carries out building projects in Denmark and worldwide. Capabilities range from residential and commercial construction to institution and school construction.

The downward trend on the construction market continued in 2010. Competition is therefore fierce and prices are under pressure. Despite this, our performance was satisfactory in 2010, accentuating the fact that our ability to manage projects is continuously improving for the benefit of our customers.

In the second quarter of 2010, there was an increase both in the number of projects put out to tender and the number of negotiated projects. In particular, there is increased interest in residential construction and we expect that this will result in new projects in 2011.

In Public Private Partnerships (PPP), we also saw an increase in projects put out to tender at the end of 2010, particularly by the Danish Palaces and Properties Agency. We have extensive experience of PPP and hope, therefore, that we will be awarded some of these projects. In 2010, we handed over Ørsted School on Langeland. Besides being an PPP project, this is also an energy-efficient building, which was awarded the Green Building certificate.

The refurbishment market, which normally remains constant, is also showing a downward trend. In 2010, we suffered from the downward market trend, but we expect to capture a larger share of the market already in 2011.

In 2011, we will start the biggest energy renovation project in Denmark, for the housing association Brabrands Boligforening. This renovation will reduce energy consumption by 80% in residential blocks built in the 1960s.

In 2010, we developed a new commercial strategy for construction and refurbishment that means that we will be extending our activities over more parts of the value chain. We will help customers focus on the overall costs of a building through its entire lifecycle instead of only focusing on the construction costs. This will give our customers an overall financial view and show that the savings on operation and maintenance are higher than the potential additional cost in the construction phase if they choose good quality materials that require a minimum of maintenance and minimise the future energy consumption of the building. In this connection too, we have established a facility management department, allowing us to offer our customers the opportunity to have their buildings operated and maintained by us.

Construction is locally rooted, with offices across Denmark. In 2010, we strengthened our local profile by opening new offices in Randers and Sakskøbing and acquiring the construction firm Carlo Lorentzen A/S in North Zealand. In 2010, we expanded our local presence outside Denmark with offices in Greenland and the Faroe Islands. Our expansion will continue in 2011 in Norway with the opening of an office in Oslo at the start of the year.

In 2010, we continued to develop our prize-winning agricultural products. In 2011. we begin construction of the first livestock building. The concept involves a wider livestock building with an integrated air exchange and purification system that considerably reduces ammonia emissions and odours to the benefit of both the working environment and animal welfare. And all functions can be controlled with a PDA or smartphone.

The construction market remains under pressure in 2011, although we expect gradual stabilisation and consequently also a higher level of activity for MT Højgaard. Due to the prevailing market conditions, we expect slightly lower results than in 2010.

Major Projects

Major Projects undertakes selected large projects.

In 2010, we continued to work on a major hydro power project in Panama, where the construction of a dam is progressing well. The entire installation will be handed over to the client in 2011.

In 2010, we submitted a tender for the future Metro Cityring in Copenhagen as part of a joint venture. The preparatory work for the tender was based on extensive design and estimating work. The tender was not successful.

In 2010, we also carried out the preliminary work on our tender for the future Fehmarnbelt Fixed Link. We currently have joint venture and consultancy agreements in place, and the preparations for a number of other major future infrastructure projects have begun.

Project Development

In Project Development we develop residential, commercial and retail projects. We develop projects both independently and in partnership with landowners and investors.

The year was characterised by a hesitant market. However, in the second half of the year, the market relaxed, resulting in the realisation of several residential and commercial projects in Greater Copenhagen and Jutland.

The housing market in Copenhagen remains characterised by an oversupply. We have therefore chosen to continue the short-term letting of the remaining dwellings in our Frederikskaj residential project in Copenhagen South Port. However, the remaining homes in our Humlebæk project have been sold.

In Frederiksberg, shops are being constructed below our biggest development project to date - the 32,000-square metre headquarters for KPMG. At the end of 2010, we acquired a neighbouring site for the development and construction of another approximately 6,000 square metres of retail space and offices.

In 2010, we also secured access to attractive new sites and optimised the planning basis for our existing portfolio of sites.

Overall, the expectations for 2010 were met. Despite the continued major focus on price and long decision-making processes, we expect the positive trend in the second half of 2010 to continue so that we will see a slightly upward trend in the level of activity in 2011 in relation to 2010 as a whole.

Subsidiaries

Our subsidiaries comprise Ajos A/S, Enemærke & Petersen A/S, Lindpro A/S, MTH Insurance A/S, MTH Stål A/S, Scandi Byg A/S, Timbra A/S and the jointly controlled entities Seth S.A. and Greenland Contractors I/S.

Ajos A/S

Ajos hires out equipment for building, civil engineering and refurbishment projects, but also undertakes projects for public institutions, industrial enterprises, festival organisers and retail companies.

In the last few years, the company has been focusing on developing its construction site set-up capabilities. In 2011, we will continue to work on enhancing this area as holistic solutions in connection with construction site set-up give both the client and the contractors many advantages, for example sustainable building, energy optimisation, a safe working environment and good day-to-day operation.

The equipment hire market had a historically bad year in 2010. However, Ajos ended the year with a profit, despite lower revenue than expected.

The profit was partly the result of the company having adjusted its level of activity in 2010, and partly because Ajos is focusing on combining equipment hire with strong professional and personal expertise.

In 2010, Ajos, together with one of MT Højgaard's other subsidiaries, Scandi Byg, developed a new pavilion system. Both companies expect the system to bring new projects in 2011.

The equipment hire market has now become stable. We therefore expect that, in 2011, Ajos will have activities on a par with 2010 and improved financial results.

Enemærke & Petersen A/S
Enemærke & Petersen constructs new buildings, and performs refurbishment and restoration as well as building service and maintenance in the residential sector, institutions and commercial buildings.

The company finished 2010 with a level of activity and results slightly ahead of expectations. This was partly due to efficient implementation of several large refurbishment projects. Enemærke & Petersen increased its level of activity in energy construction, energy renovation projects and construction of new zero-energy dwellings in 2010.

In 2011, the company's projects will include construction of the biggest zero-energy project in Denmark, HP - Huset og Plejecenter Trekroner, for Roskilde Municipality.

In 2010, Enemærke & Petersen concentrated all maintenance and service activities in a new subsidiary, E&P Service. The activities of the subsidiary include a 24-hour call centre.

Enemærke & Petersen expects the same level of activity in 2011 as in 2010, although with lower earnings.

Lindpro A/S
Lindpro's core activity is electrical and service contracts. The company also has activities in intelligent building installations, industrial systems, offshore, automation, fire alarm systems, intruder alarm systems, access control systems, PA systems, CCTV, telecoms, traffic, service, plumbing and heating and electro-mechanics.

The electrical installations industry was characterised by a declining level of activity, tough competition on prices and surplus capacity in 2010. Lindpro was also affected by this development and had to adjust its business by reducing the number of staff. It also reinforced its focus on optimisation and enhancement of the efficiency of the company's internal processes.

The company ended 2010 with a profit, although lower than expected.

Traditional electrical installations work has been undergoing major changes in recent years. Therefore, in 2010, Lindpro focused on its service business, energy optimisation and security assignments such as access control, fire alarm systems and CCTV - areas in which the company is enjoying a higher level of activity. These are also areas on which Lindpro will focus in 2011.

Many of the factors that influence Lindpro's demand and competitive situation are still regarded as uncertain. The expectation is for the level of activity to stabilise and for the results for 2011 to be higher than for 2010.

MTH Insurance A/S
MTH Insurance is the MT Højgaard Group's own insurance company. The company functions as every other insurance company and is approved by the Danish Financial Supervisory Authority. The company has issued policies for occupational injury and accident insurance, liability, including public liability, product liability and consultant liability, fire and secondary lines, including all-risks cover for buildings, contents, contracts and equipment. The insurance risk is hedged via reinsurance on the international insurance market.

Profit for 2010 was slightly lower than expected, mainly because the level of activity in the Group's other companies was lower than expected. Profit for 2011 is expected to be at a higher level than for 2010.

MTH Stål A/S (formerly Promecon A/S)
MT Højgaard sold the steel and piping company Promecon's service activities on 15 December 2010. On the same date, the company changed its name to MTH Stål A/S. The company's activities were no longer compatible with MT Højgaard's focus. As the market for conventional steel projects has at the same time been showing a downward trend in recent years, we have wound up our few remaining activities.

The company reported negative, unsatisfactory results in 2010. The company is expected to be merged with MT Højgaard A/S in 2011.

Scandi Byg A/S
Scandi Byg's core activity is the sale, manufacture and installation of prefabricated modular buildings. Projects range from the construction of schools and institutions, offices, hospitals and laboratories and homes to the manufacture and sale of site huts for the building and civil engineering industry.

2010 was generally characterised by low demand. In the first half of the year, in particular, it was difficult to obtain sufficient orders to maintain the necessary production rate. The year was also negatively influenced by the postponement of the start-up of production on a major residential project.

We consider the result to be satisfactory in view of the trend in 2010 and market conditions in general.

In 2010, the company developed several new concepts in its priority business areas. Together with the focus on sustainability and enhancement of the efficiency of production, these will contribute to the generation of new projects in 2011.

The expectations for 2011 are positive. The company has a sound order book and thus expectations of a higher level of activity, higher revenue and a higher profit than in 2010.

Timbra A/S
Timbra is a joinery and carpentry business working primarily east of the Great Belt. Activities range from major fitting-out projects to minor service assignments and refurbishment projects.

The company reported unsatisfactory results in 2010.

With effect from 1 January 2011, Timbra was merged with MT Højgaard, which has taken over all obligations and liability for the company.

Timbra will function as an in-house production unit and also focus on projects for selected clients.

Jointly controlled entities

Greenland Contractors I/S (67%)
Greenland Contractors carries out building projects and maintenance and service tasks at Thule Air Base for the US Air Force. While the US Air Force is the company's principal client, the company also undertakes assignments for the Greenland authorities, private companies and organisations.

Revenue and earnings for 2010 outperformed expectations. We expect revenue for 2011 on a par with 2010, but slightly lower results.

Seth S.A. (60%)
Seth specialises in harbour and marine works and operates in the Portuguese market, including on the Azores, and in Africa.

In 2010, Seth increasingly felt the stagnation that has marred the Portuguese market. Against that background, the results for the year are considered to be satisfactory.

We expect a positive financial performance in 2011 based on both recently awarded and expected orders, mainly in Africa.

Corporate governance

MT Højgaard is not listed, but is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen. MT Højgaard's annual report consequently does not include a separate section on Corporate Governance. Reference is made to the respective owner companies' annual reports for details of each company's Corporate Governance principles.

MT Højgaard A/S is a jointly controlled entity under an agreement entered into between the shareholders.

In the following, we have chosen to give an account of the key elements of the Group's internal control and risk management systems in connection with the financial reporting process in accordance with the requirements set out in the Danish Financial Statements Act.

Financial reporting process

Introduction
The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Group's accounting and control systems can only provide reasonable, and not absolute, assurance against material errors and omissions in the financial reporting.

The Board of Directors and the Executive Board regularly evaluate material risks and internal controls in connection with the Group's activities, and their potential impact on the financial reporting process.

Control environment
We consider that management's approach is fundamental to good risk management and internal control in connection with the financial reporting process. The Board of Directors' and the Executive Board's approach to good risk management and internal control in connection with the financial reporting process is therefore constantly being strongly emphasised.

The Executive Board is responsible for ensuring that MT Højgaard's control environment provides a proper basis for the preparation of the financial reporting. Managers at various levels are responsible in their respective areas.

The Board of Directors and the Executive Board have defined targets that are incorporated in values, strategies and business plans. Policies, procedures and controls have been established in key areas in connection with the financial reporting process. The basis for this is a clear organisational structure, clear reporting lines, authorisation and approval procedures, and segregation of duties.

Risk assessment
The risk of errors in the items in the financial statements that are based on estimates or are generated through complex processes is relatively larger than for other items. A risk assessment aimed at identifying such items and the extent of the associated risks is coordinated by the Executive Board.

As a building and civil engineering group, the principal risks are in the contracting and performance phases of our projects.

Control activities
The purpose of control activities is to prevent, detect and correct any errors or irregularities and to ensure that estimates made are reasonable in the circumstances.

These activities have been integrated into our integrated management system, financial reporting manual and procedures. They include approval procedures for contracting of new projects that ensure initial risk assessment and management involvement at various levels, depending on project size. Procedures are also in place for monthly reviews with the responsible management at overall level, including of the risk assessment on the project and of project stage based on updated accounting records and updated expectations concerning remaining production. Lastly, procedures are in place for verifications, authorisations, approvals, reconciliations, analyses of results, IT application controls, and general IT controls.

Information and communications
We maintain internal information and communications systems to ensure that the financial reporting is correct and complete within the context of the confidentiality prescribed for listed companies. The integrated management system, the financial reporting manual and other reporting instructions are regularly updated, as appropriate. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring
The Board of Directors monitors the financial reporting on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, the manner in which material and exceptional items and estimates are accounted for, and the overall disclosure level in MT Højgaard's financial reporting.

We use comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

The Group applies uniform IFRS rules as set out in the company's financial reporting manual. The manual includes accounting and assessment principles as well as reporting instructions, and must be complied with by all companies in the Group. The manual is updated and reviewed on an ongoing basis. Compliance with the manual is monitored at corporate level. Formal confirmations of compliance with the manual and relevant corporate policies, so-called representation letters, are obtained from all subsidiaries annually.

All consolidated enterprises report detailed monthly accounting data. These financial data are analysed and monitored at corporate and other operational levels.

Management statement and Independent auditor’s report

Statement by the Executive Board and the Board of Directors

The Executive Board and the Board of Directors have today discussed and approved the annual report of MT Højgaard A/S for the financial year 1 January - 31 December 2010.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2010 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2010.

In our opinion, Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Company's financial position and the financial position as a whole of the companies that are comprised by the consolidated financial statements as well as a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

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

Søborg, 24 March 2011

Executive Board

Kristian May
President and CEO

Johnny Rasmussen
CFO – Chief Financial Officer

Jens Nyhus
COO – Chief Operating Officer

Peter Kofoed
COO - Chief Operating Officer

Thorbjørn N. Rasmussen
COO - Chief Operating Officer

Board of Directors

Helge Israelsen
Chairman

Jørgen Nicolajsen
Deputy Chairman

Irene Chabior*

Curt Germundsson

Hans-Henrik Hansen*

Poul Lind

Jens Jørgen Madsen

Torsten Ask Overgaard*

Knud Rasmussen*

Lars Rasmussen

*) Employee representative

Independent auditor's report

To the shareholders of MT Højgaard A/S
We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard A/S for the financial year 1 January - 31 December 2010, pages 26-72. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

In addition to our audit, we have read Management's review, pages 3-20, which has been prepared in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements, and issued a statement in this regard.

Management's responsibility
Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare and issue a Management's review that gives a fair review in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Auditor's responsibility and basis of opinion
Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements and the parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion
In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2010 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2010 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Statement on management's review
Pursuant to the Danish Financial Statements Act, we have read management's review. We have not performed any other procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 March 2011

KPMG
Statsautoriseret Revisionspartnerselskab

Finn L. Meyer
State Authorised Public Accountant

Jesper Koefoed
State Authorised Public Accountant

Executive Board

Executive Board

Kristian May
President and CEO

Member of the board of directors of:
BRFkredit A/S

Johnny Rasmussen
CFO – Chief Financial Officer

Member of the board of directors of:
Seth S.A.

Jens Nyhus
COO - Chief Operating Officer

Member of the board of directors of:
OPP Hobro Tinglysningsret A/S (CB)
OPP Vildbjerg Skole A/S (CB)
OPP Ørstedskolen A/S (CB)

Peter Kofoed
COO - Chief Operating Officer

Member of the board of directors of:
Seth S.A. (CB)
BMS A/S (CB)
Dansk Konstruktions- og Beton Institut A/S
GEO (DCB)
ANT Fonden

Thorbjørn N. Rasmussen
COO - Chief Operating Officer

Member of the board of directors of:
Netek IR Systems A/S
Alpha Wind Energy
MT Hojgaard Al Obaidly w.l.l.

Board of Directors

Board of Directors

Helge Israelsen
Chairman

Member of the board of directors of:
Højgaard Holding A/S (CB)

Jørgen Nicolajsen
Deputy Chairman

President and CEO, Monberg & Thorsen A/S
President, Dyrup A/S

Irene Chabior *
HR Development Consultant, HR

Curt Germundsson
Member of the board of directors of:
Kongsberg Automotive ASA (Norway) (CB)
Bandak Group AS (Norway) (CB)
EFD Induction ASA (Norway)
Alignment Systems AB (Sweden)
Dev Port AB (Sweden)

Hans-Henrik Hansen *
Manager, Design & Engineering

Member of the board of directors of:
Knud Højgaards Fond

Poul Lind
CEO, NPT A/S

Member of the board of directors of:
Monberg & Thorsen A/S
NPT A/S

Jens Jørgen Madsen

Member of the board of directors of:
Højgaard Holding A/S (DCB)
Kirk Kapital A/S
Sanistål A/S (DCB)
Velux A/S (DCB)
VKR Holding A/S

Torsten Ask Overgaard *
Design Manager, Design & Engineering

Knud Rasmussen *
Section Manager, Civil Engineering

Lars Rasmussen
CEO, Coloplast A/S
(and on the management of 25 subsidiaries)

Member of the board of directors of:
Højgaard Holding A/S
TDC A/S

*) Employee representative
(CB) Chairman of the board of directors
(DCB) Deputy chairman of the board of directors

Financial statements

Income statement and statement of comprehensive income

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
			Income statement		
5,640.6	5,342.1	4	Revenue	8,303.4	9,087.4
-5,386.0	-5,134.4	5-6	Production costs	-7,762.8	-8,347.8
254.6	**207.7**		**Gross profit**	**540.6**	**739.6**
-107.3	-136.3		Distribution costs	-165.9	-153.6
-136.6	-124.9	5-7	Administrative expenses	-281.1	-296.5
10.7	**-53.5**		**Operating profit (loss)**	**93.6**	**289.5**
-	-	13	Share of profit after tax of associates	2.5	0.3
228.0	297.9	8	Financial income	32.6	37.8
-20.2	-57.6	9	Financial expenses	-28.5	-20.8
218.5	**186.8**		**Profit before tax**	**100.2**	**306.8**
-63.2	-29.2	10	Income tax expense	-38.8	-84.1
155.3	**157.6**		**Profit for the year**	**61.4**	**222.7**
			Proposal for distribution of profit		
50.0	50.0		Dividend for the financial year		
105.3	107.6		Retained earnings		
155.3	**157.6**		**Total**		
			Statement of comprehensive income		
155.3	**157.6**		**Profit for the year**	**61.4**	**222.7**
			Other comprehensive income		
0.0	0.0		Foreign exchange adjustments, foreign enterprises	1.8	0.3
			Share of other comprehensive income of associates	-4.4	-5.2
0.0	0.0		Tax on other comprehensive income	0.0	0.0
0.0	**0.0**		**Other comprehensive income after tax**	**-2.6**	**-4.9**
155.3	**157.6**		**Total comprehensive income**	**58.8**	**217.8**

Balance sheet

PARENT COMPANY			ASSETS	GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
			Non-current assets		
			Intangible assets		
33.7	50.3	11	Goodwill	110.9	94.0
5.7	4.3	11	Other intangible assets	12.3	14.8
39.4	**54.6**		**Total intangible assets**	**123.2**	**108.8**
			Property, plant and equipment		
132.9	114.5		Land and buildings	330.8	368.7
81.7	119.8		Plant and machinery	377.4	321.3
17.4	22.9		Fixtures and fittings, tools and equipment	97.1	102.9
0.0	0.2		Property, plant and equipment under construction	11.5	4.6
232.0	**257.4**	12	**Total property, plant and equipment**	**816.8**	**797.5**
			Investments		
379.8	386.5	13	Investments in subsidiaries	-	-
50.1	50.1	13	Investments in jointly controlled entities and associates	1.2	1.2
19.8	16.4		Receivables from associates	10.1	15.4
118.7	120.0	18	Deferred tax assets	128.5	113.3
568.4	**573.0**		**Total investments**	**139.8**	**129.9**
839.8	**885.0**		**Total non-current assets**	**1,079.8**	**1,036.2**
			Current assets		
			Inventories		
2.4	1.2	14	Raw materials and consumables	72.9	75.1
492.7	519.7	14	Properties held for resale	587.1	500.0
495.1	**520.9**		**Total inventories**	**660.0**	**575.1**
			Receivables		
1,470.0	1,082.4		Trade receivables	1,578.1	2,171.5
128.3	413.2	20	Construction contracts in progress	497.5	383.1
418,1	205,4		Receivables from subsidiaries	-	-
0.0	10.1		Receivables from jointly controlled entities	1.8	0.0
13.5	18.0		Income tax	8.9	16.7
182.7	184.7		Other receivables	251.9	249.1
100.3	56.4		Prepayments	66.5	116.5
2,312.9	**1,970.2**	15	**Total receivables**	**2,404.7**	**2,936.9**
462.8	**107.4**	16	**Securities**	**225.8**	**563.4**
262.3	**202.4**	32	**Cash and cash equivalents**	**327.2**	**392.7**
3,533.1	**2,800.9**		**Total current assets**	**3,617.7**	**4,468.1**
4,372.9	**3,685.9**		**Total assets**	**4,697.5**	**5,504.3**

Balance sheet

PARENT COMPANY			EQUITY AND LIABILITIES	GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
			Equity		
220.0	220.0		Share capital	220.0	220.0
-	-		Other reserves	-5.6	-3.0
984.9	1,092.5		Retained earnings	1,354.0	1,342.6
50.0	50.0		Proposed dividends	50.0	50.0
1,254.9	**1,362.5**		**Total equity**	**1,618.4**	**1,609.6**
			Non-current liabilities		
33.6	74.0	17	Bank loans, etc.	129.2	95.7
73.3	100.6	19	Provisions	188.9	144.7
106.9	**174.6**		**Total non-current liabilities**	**318.1**	**240.4**
			Current liabilities		
3.3	7.4	17	Current portion of non-current financial liabilities	17.5	15.3
0.0	66.0	17	Bank loans, etc.	68.8	21.0
1,314.1	551.1	20	Construction contracts in progress	705.6	1,527.2
157.2	330.8		Prepayments received from customers	372.7	188.1
734.2	669.6		Trade payables	940.2	1,008.6
240,3	183,1		Payables to subsidiaries	-	-
22.2	0.0		Payables to jointly controlled entities	0.0	11.3
0.0	0.0		Income tax	16.8	8.7
471.1	291.2		Other payables	550.4	783.5
68.4	49.3		Deferred income	55.9	72.2
0.3	0.3	19	Provisions	33.1	18.4
3,011.1	**2,148.8**		**Total current liabilities**	**2,761.0**	**3,654.3**
3,118.0	**2,323.4**		**Total liabilities**	**3,079.1**	**3,894.7**
4,372.9	**3,685.9**		**Total equity and liabilities**	**4,697.5**	**5,504.3**

Notes without reference

1	Accounting policies
2	Accounting estimates and judgements
3	Information on activities
21	Security
22	Lease commitments
23	Contingent assets and contingent liabilities
24	Related parties
25	Joint ventures
26	Financial risks
27	Capital management
28	New International Financial Reporting Standards and IFRIC Interpretations
29	Events after the reporting period
33	Company overview

Statement of cash flows

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
			Operating activities		
10.7	-53.5		Operating profit (loss)	93.6	289.5
55.7	27.1	30	Non-cash operating items	131.4	135.8
66.4	**-26.4**		**Cash flows from operating activities before working capital changes**	**225.0**	**425.3**
			Working capital changes:		
-28.0	-17.5		Inventories	-68.1	-22.1
-175.0	652.8		Receivables excluding construction contracts in progress	670.4	73.7
242.6	-1,062.9		Construction contracts in progress	-951.1	138.3
-26.1	-213.4		Trade and other current payables	-164.9	-81.7
79.9	**-667.4**		**Cash flows from operations (operating activities)**	**-288.7**	**533.5**
33.1	17.4		Financial income	30.3	37.8
-15.5	-12.3		Financial expenses	-27.9	-20.8
97.5	**-662.3**		**Cash flows from operations (ordinary activities)**	**-286.3**	**550.5**
-40.6	-20.0		Income taxes paid, net	-42.0	-64.8
56.9	**-682.3**		**Cash flows from operating activities**	**-328.3**	**485.7**
			Investing activities		
0.0	-1.9	31	Acquisition of enterprises and activities	-2.8	-16.4
0.0	0.7	31	Disposal of enterprises and activities	3.0	0.0
-10.2	-15.9		Capital contributions to subsidiaries and associates	-	-
-69.0	-95.3	30	Purchase of property, plant and equipment	-241.2	-235.9
6.2	61.1		Sale of property, plant and equipment	142.1	92.9
194.9	267.2		Dividends from subsidiaries and associates	0.0	0.0
-454.7	-489.2		Purchase of securities	-639.3	-553.5
150.0	843.5		Sale of securities	975.9	191.5
-182.8	**570.2**		**Cash flows for investing activities**	**237.7**	**-521.4**
			Financing activities		
			Loan financing:		
5.9	39.9	30	Increase in non-current bank loans, etc.	39.9	7.8
0.0	-3.7		Decrease in non-current bank loans, etc.	-12.6	-26.8
			Shareholders:		
-50.0	-50.0		Dividends	-50.0	-50.0
-44.1	**-13.8**		**Cash flows from financing activities**	**-22.7**	**-69.0**
-170.0	**-125.9**		**Net increase (decrease) in cash and cash equivalents**	**-113.3**	**-104.7**
432.3	262.3		Cash and cash equivalents at 01-01	371.7	476.4
262.3	**136.4**	32	**Cash and cash equivalents at 31-12**	**258.4**	**371.7**

The figures in the statement of cash flows cannot be derived from the published accounting records alone.

Statement of changes in equity, parent company

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Proposed dividends	Total
2009				
Equity at 01-01	**220.0**	**879.6**	**50.0**	**1,149.6**
Profit for the year		105.3	50.0	**155.3**
Transactions with owners:				
Dividends paid			-50.0	**-50.0**
Total changes in equity	**0.0**	**105.3**	**0.0**	**105.3**
Equity at 31-12	**220.0**	**984.9**	**50.0**	**1,254.9**
2010				
Equity at 01-01	**220.0**	**984.9**	**50.0**	**1,254.9**
Profit for the year		107.6	50.0	**157.6**
Transactions with owners:				
Dividends paid			-50.0	**-50.0**
Total changes in equity	**0.0**	**107.6**	**0.0**	**107.6**
Equity at 31-12	**220.0**	**1,092.5**	**50.0**	**1,362.5**

At 31 December 2010, MT Højgaard A/S's share capital amounted to DKK 220 million divided into shares of DKK 1,000 each. No shares carry special rights. Dividend distributed in 2010 per share amounted to DKK 227.27 (2009: DKK 227.27).

Statement of changes in equity, Group

Amounts in DKK million

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
2009						
Equity at 01-01	**220.0**	**0.0**	**1.9**	**1,169.9**	**50.0**	**1,441.8**
Profit for the year				172.7	50.0	**222.7**
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			0.3			**0.3**
Share of other comprehensive income of associates		-5.2				**-5.2**
Tax on other comprehensive income		0.0	0.0			**0.0**
Transactions with owners:						
Dividends paid					-50.0	**-50.0**
Total changes in equity	**0.0**	**-5.2**	**0.3**	**172.7**	**0.0**	**167.8**
Equity at 31-12	**220.0**	**-5.2**	**2.2**	**1,342.6**	**50.0**	**1,609.6**
2010						
Equity at 01-01	**220.0**	**-5.2**	**2.2**	**1,342.6**	**50.0**	**1,609.6**
Profit for the year				11.4	50.0	**61.4**
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			1.8			**1.8**
Share of other comprehensive income of associates		-4.4				**-4.4**
Tax on other comprehensive income		0.0	0.0			**0.0**
Transactions with owners:						
Dividends paid					-50.0	**-50.0**
Total changes in equity	**0.0**	**-4.4**	**1.8**	**11.4**	**0.0**	**8.8**
Equity at 31-12	**220.0**	**-9.6**	**4.0**	**1,354.0**	**50.0**	**1,618.4**

Notes

Note		Page
1	Accounting policies	34
2	Accounting estimates and judgements	43
3	Information on activities	44
4	Revenue	44
5	Depreciation and amortisation	44
6	Staff costs	45
7	Fees paid to auditor appointed at the Annual General Meeting	45
8	Financial income	45
9	Financial expenses	46
10	Income tax expense	46
11	Intangible assets	46
12	Property, plant and equipment	48
13	Investments in subsidiaries, jointly controlled entities and associates	52
14	Inventories	54
15	Receivables	55
16	Securities	55
17	Interest-bearing liabilities	56
18	Deferred tax assets and deferred tax liabilities	57
19	Provisions	58
20	Construction contracts in progress	59
21	Security	59
22	Lease commitments	60
23	Contingent assets and contingent liabilities	61
24	Related parties	61
25	Joint ventures	63
26	Financial risks	64
27	Capital management	69
28	New International Financial Reporting Standards and IFRIC Interpretations	69
29	Events after the reporting period	69
30	Non-cash operating items	70
31	Acquisition and disposal of enterprises and activities	70
32	Cash and cash equivalents	71
33	Company overview	72

Notes

Note

1 **Accounting policies**

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports.

In addition, the annual report has been prepared in compliance with IFRSs issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2009 annual report, apart from the effects of the factors set out in the following.

The following standards and interpretations have been implemented with effect from 1 January 2010: IFRS 3 (revised 2008) Business Combinations. Amendments to IAS 27 (revised 2008) Consolidated and Separate Financial Statements. More amendments to IAS 39 Financial Instruments: Recognition and Measurement, and to IFRIC 9 Reassessment of Embedded Derivatives. Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions. More amendments to IFRS 1 First-time Adoption of IFRS. Parts of improvements to IFRSs May 2008 with an effective date of 1 July 2009. Improvements to IFRSs April 2009. IFRIC 17 Distributions of Non-cash Assets to Owners. IFRIC 18 Transfers of Assets from Customers.

IFRS 3 and IAS 27 are effective for transactions occurring on or after 1 January 2010. One of the effects of the provisions in IFRS 3 is that purchase costs and changes to contingent consideration are recognised directly in the income statement.

Apart from IFRS 3, the new standards and interpretations have not had any effect on recognition and measurement in 2010. The effect of IFRS 3 has reduced profit for the year by DKK 0.5 million.

The classification of administrative expenses, distribution costs and production costs has been reviewed to give a fair picture and comparative figures have been restated. The change has had the following effects on the comparative figures for 2009: administrative expenses have been increased by DKK 38.0 million, distribution costs have been increased by DKK 10.4 million, and production costs have been reduced by DKK 48.4 million.

Basis of reporting

Basis of consolidation
The consolidated financial statements comprise the parent company MT Højgaard A/S 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.

Other enterprises in which the Group holds between 20% and 50% of the voting rights and over which it has significant influence, but not control, are accounted for as associates. These enterprises are not consolidated. however, enterprises controlled jointly by MT Højgaard A/S and one or more other enterprises are recognised in the consolidated financial statements using proportionate consolidation.

The consolidated financial statements are prepared on the basis of the parent company's and the individual enterprises' audited financial statements determined in accordance with the MT Højgaard Group's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of. Gains and losses on disposal of subsidiaries and associates are reported by deducting from the proceeds on disposal

Notes

Note

1 **Accounting policies**

the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of discontinued operations
A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale are presented as a separate line item in the income statement with comparative figures. Revenue, expenses and tax of discontinued operations are disclosed in the notes. Assets and related liabilities are reported as separate line items in the balance sheet.

The cash flows attributable to the operating, investing and financing activities of discontinued operations are disclosed in a note.

Business combinations
Acquisitions of enterprises over which the parent company obtains control are accounted for applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. The tax effect of the restatements performed is taken into account.

Any excess of the purchase price over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Any excess of the fair value over the purchase price (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Non-controlling interests
Non-controlling interests are recognised initially either at fair value or at the proportionate share of the fair value of the acquiree's assets, liabilities and contingent liabilities at the acquisition date. The method for measuring non-controlling interests is decided on a transaction-by-transaction basis.

Subsidiaries' items are fully consolidated in the consolidated financial statements. Non-controlling interests' proportionate share of profit for the year appears from the income statement. In the balance sheet, non-controlling interests are recognised as a separate component of equity, separate from equity attributable to equity holders of the parent.

Joint ventures
A joint venture is a jointly controlled operation or a jointly controlled entity over which none of the joint venturers has control.

Investments in jointly controlled operations are recognised in the parent company and consolidated financial statements on a proportionate basis in accordance with the contractual arrangement, whereby the proportionate share of assets, liabilities, income and expenses from the jointly controlled operations is recognised in the corresponding items in the financial statements.

Jointly controlled entities are accounted for in the consolidated financial statements applying proportionate consolidation. The parent company measures investments in jointly controlled entities at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Notes

Note

1 **Accounting policies**

Foreign currency translation

The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as financial income and expenses.

On recognition of foreign subsidiaries and associates the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates that do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to a separate translation reserve under equity.

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities. For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

For derivative financial instruments that qualify for cash flow hedge accounting, changes in fair value are recognised in equity as they occur. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised from the trade date and measured in the balance sheet at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases

Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the

Notes

Note

1 **Accounting policies**

income statement over the lease term.

Government grants

Government grants include grants for projects, investments, etc.

Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

Income statement

Revenue

Revenue comprises completed construction contracts and construction contracts in progress, sale of development projects, and rental income.

Revenue from construction contracts under which assets or plants with a high degree of individual customisation are supplied is recognised in the income statement by reference to the stage of completion so that revenue corresponds to the selling price of the work performed during the year (the percentage of completion method).

Revenue from self-generated project development cases is recognised applying the sales method. Revenue and profit from projects sold are recognised when delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

Revenue relating to rental income is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs

Production costs comprise both direct and indirect costs incurred in generating the revenue for the year, and expected losses on construction contracts in progress.

Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Distribution costs

Distribution costs include tendering, advertising and marketing costs as well as salaries, etc., relating to the sales and marketing departments.

Administrative expenses

Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

The Group’s share of profit after tax of associates

The proportionate share of profit of associates is recognised in the consolidated income statement net of tax and after elimination of the proportionate share of profits/losses resulting from intragroup transactions and after deduction of goodwill impairment losses.

Notes

Note

1 **Accounting policies**

Financial income and expenses
Financial income and expenses comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, as well as finance lease costs and income tax surcharges and refunds.

Borrowing costs attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

The parent company recognises dividends from investments in subsidiaries, jointly controlled entities and associates and adjustments of investments at the recoverable amount. Dividends are credited to income in the financial year in which they are declared.

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity.

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

MT Højgaard A/S is taxed jointly with its Danish and foreign subsidiaries (international joint taxation). Subsidiaries are included in the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements, and up to the date on which they are no longer included in the consolidation.

The parent company MT Højgaard A/S is the management company for the Danish joint taxation and consequently settles all income tax payments to the Danish tax authorities.

Balance sheet

Intangible assets
Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life.

The amortisation period is normally 5-10 years. The amortisation base is reduced by any impairment losses.

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

Cost comprises purchase price and costs directly attributable 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 as well as borrowing costs attributable to the construction of the assets.

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

Notes

Note

1 **Accounting policies**

Expected useful lives:

Buildings	10-50 years
Plant and machinery	3-12 years
Fixtures and fittings, tools and equipment	3-12 years
Leasehold improvements	3-10 years

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the date of acquisition and reviewed annually.

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

Investments in associates in the consolidated financial statements

The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Associates with a negative carrying amount are recognised at nil. If the Group has a legal or constructive obligation to cover an associate's negative balance, the negative balance is offset against the Group's receivables from the associate. Any balance is recognised under provisions.

Investments in the parent company financial statements

The parent company measures investments in subsidiaries, jointly controlled entities and associates at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments

Other non-current receivables are measured at amortised cost less impairment losses.

Impairment of non-current assets

The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

Inventories

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

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

Properties, project development cases in progress and undeveloped sites that are not classified as held for continued

Notes

Note

1 **Accounting policies**

future ownership or use are carried as properties held for resale and measured at the lower of cost and net realisable value.

Receivables
Receivables are measured at amortised cost. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

Construction contracts in progress
Construction contracts in progress are measured at the selling price of the work performed. A construction contract is a contract under which the assets or plants in question are constructed to customer specifications and requirements in terms of design, function, etc. Moreover, a binding contract under which any termination will lead to penalties or claims is entered into before work commences.

The selling price is measured in proportion to the stage of completion at the balance sheet date and total expected income from each construction contract. The stage of completion is determined on the basis of the costs incurred and the total expected costs.

When it is probable that the total costs on a construction contract in progress will exceed total contract revenue, the total expected loss on the contract is recognised as an expense immediately.

Where the selling price cannot be measured reliably, it is recognised at the lower of costs incurred and net realisable value.

The individual construction contract in progress is recognised in the balance sheet under receivables or current liabilities, depending on the net value of the selling price less progress billings and recognised losses.

Costs in connection with sales work and tendering to secure contracts are recognised as a cost in the income statement under distribution costs in the financial year in which they are incurred.

Prepayments and deferred income
Prepayments are recognised under receivables, and deferred income is recognised under current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years, apart from items relating to construction contracts in progress.

Securities
Listed securities recognised as current assets are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses in the period in which they occur.

Equity
Dividends
Dividends are recognised as a liability at the date of adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item under equity.

Hedging reserve
The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their

Notes

Note

1 **Accounting policies**

functional currencies to Danish kroner and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question. On realisation of the net investment the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes and office premises. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax is provided for retaxation of previously deducted losses of jointly taxed foreign subsidiaries to the extent that it is deemed that disposal of the investment or withdrawal from the international joint taxation scheme may be relevant.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item under investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations

The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

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 resources embodying economic benefits will be required to settle the obligation and when the amount can be measured reliably.

Provisions are measured based on management's best estimate of the amount that will be required to settle the obligation.

Financial liabilities

Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent 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.

Other liabilities, comprising trade payables, payables to subsidiaries, jointly controlled entities and associates, and other payables, are measured at amortised cost.

Notes

Note

1 **Accounting policies**

Statement of cash flows

The statement of cash flows shows cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions are recognised in the statement of cash flows from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities
Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents
Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

Financial ratios

Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'.

The financial ratios used are defined under consolidated financial highlights.

Notes

Note

2 **Accounting estimates and judgements**

Estimation uncertainty

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of future events on the carrying amounts of those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the MT Højgaard Group are described in note 26 on "Financial risks" and in the section on "Commercial risks" in management's review.

Estimates that are material for the financial reporting relate primarily to measurement of the selling price of construction contracts in progress and the outcome of disputes. This is determined on the basis of, among other things, expected remaining expenses and income. They also include estimates relating to the outcome of litigation in connection with demands for extra payments, etc., which are determined on the basis of, among other things, the stage of negotiations with the counterparty and an evaluation of the likely outcome.

In connection with impairment testing of equity investments and goodwill, we also apply estimates of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the equity investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied. The assumptions for impairment testing of equity investments and goodwill are described in notes 11 and 13 respectively.

Accounting policies

As part of the application of the Group's accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial statements primarily relate to construction contracts in progress, and when income and expenses under contracts with third parties are to be accounted for in accordance with the percentage of completion method or the sales method.

Notes

PARENT COMPANY 2009	PARENT COMPANY 2010	Note	Amounts in DKK million	GROUP 2010	GROUP 2009
		3	**Information on activities**		
			The MT Højgaard Group works exclusively in building and civil engineering in Denmark and abroad.		
			Internationally, the MT Højgaard Group operates in Europe (the UK, Portugal, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), Asia and the Middle East as well as South America (Panama).		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Danmark	5,763.7	6,119.9
			Rest of world	2,539.7	2,967.5
			Total	**8,303.4**	**9,087.4**
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Danmark	700.4	775.5
			Rest of world	250.9	147.4
			Total	**951.3**	**922.9**
		4	**Revenue**		
			Revenue can be broken down as follows:		
5,427.9	5,233.1		Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	7,608.6	8,273.8
210.0	103.8		Revenue from project development cases sold, etc.	103.8	210.0
2.7	5.2		Rental income, etc.	591.0	603.6
5,640.6	**5,342.1**		**Total**	**8,303.4**	**9,087.4**
		5	**Depreciation and amortisation**		
1.4	1.4		Intangible assets	3.2	2.3
27.3	31.6		Property, plant and equipment	121.8	120.7
28.7	**33.0**		**Total depreciation and amortisation**	**125.0**	**123.0**
			Deprecation and amortisation are included in the income statement as follows:		
23.8	23.8		Production costs	111.2	115.5
4.9	9.2		Administrative expenses	13.8	7.5
28.7	**33.0**		**Total depreciation and amortisation**	**125.0**	**123.0**

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		6	**Staff costs**		
			The total amount paid in wages and salaries, etc., can be broken down as follows:		
939.4	897.6		Wages and salaries, etc.	2,085.6	2,166.3
70.2	65.1		Pension contributions (defined contribution)	150.2	158.6
40.0	31.1		Other social security costs	79.2	92.2
1,049.6	**993.8**		**Total**	**2,315.0**	**2,417.1**
2,997	**2,769**		**Average number of employees**	**5,217**	**5,872**
2,998	**2,571**		**Number of employees, year end**	**4,997**	**5,833**
			Total remuneration (salaries and remuneration, etc.) to the Board of Directors and the Executive Board:		
3.0	2.7		Board of Directors	2.7	3.0
12.2	15.0		Executive Board	15.0	12.2
15.2	**17.7**		**Total**	**17.7**	**15.2**
		7	**Fees paid to auditor appointed at the Annual General Meeting (KPMG)**		
1.6	1.7		Audit fees	4.2	4.4
0.1	0.0		Other assurance engagements	0.2	0.3
0.9	0.5		Tax and VAT advice	0.7	1.0
2.3	1.3		Non-audit services	2.7	4.7
4.9	**3.5**		**Total fees**	**7.8**	**10.4**
		8	**Financial income**		
16,8	9,4		Interest income, other (balance sheet items recognised at amortised cost)	15.5	14.1
15,4	10,3		Interest income, securities (balance sheet items recognised at fair value)	14.1	19.1
0,0	0,0		Capital gains on securities	1.1	1.2
0,9	0,0		Gains on sale of equity investments	0.0	0.0
0,0	0,0		Foreign exchange gains	1.9	3.4
73,0	75,7		Dividends from subsidiaries	-	-
121,9	192,2		Dividends from associates and jointly controlled entities	-	-
0,0	10,3		Reversal of impairment loss on investments in subsidiaries and associates, etc.	0.0	0.0
228,0	**297,9**		**Total financial income**	**32.6**	**37.8**
8,3	8,3		Of which interest received from subsidiaries	-	-

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		9	**Financial expenses**		
6.0	4.8		Interest expense (balance sheet items recognised at amortised cost)	20.0	12.9
0.6	3.2		Capital losses on securities	3.2	0.6
0.6	5.0		Foreign exchange losses	5.3	7.3
13.0	44.6		Impairment loss on investments in subsidiaries and associates, etc.	0.0	0.0
20.2	**57.6**		**Total financial expenses**	**28.5**	**20.8**
0.0	0.8		Of which interest paid to subsidiaries	-	-
		10	**Income tax expense**		
-29.5	-30.2		Current tax	-54.0	-57.8
-33.7	1.0		Changes in deferred tax	15.2	-26.3
-63.2	**-29.2**		**Income tax expense**	**-38.8**	**-84.1**
			Income tax expense can be broken down as follows:		
-54.6	-46.7		Income tax expense before tax measured at Danish tax rate (25%)	-25.0	-76.7
-3.2	-3.6		Deviations in foreign enterprises' tax rates	-11.9	-7.6
52.4	87.4		Non-taxable income	0.0	0.0
-3.8	-37.5		Non-deductible expenses	-1.1	-0.8
-54.0	-28.8		Other, including prior year adjustments and joint taxation	-0.8	1.0
-63.2	**-29.2**		**Income tax expense**	**-38.8**	**-84.1**
28.9	15.6		Effective tax rate (%)	38.7	27.4
		11	**Intangible assets**		
			Goodwill		
33.7	33.7		Cost at 01-01	94.0	80.5
0.0	16.6		Addition on acquisition of enterprises	17.6	13.5
33.7	50.3		Cost at 31-12	111.6	94.0
0.0	0.0		Impairment losses at 01-01	0.0	0.0
0.0	0.0		Disposals	0.0	0.0
0.0	0.0		Impairment charge	0.7	0.0
0.0	0.0		Impairment losses at 31-12	0.7	0.0
33.7	**50.3**		**Carrying amount at 31-12**	**110.9**	**94.0**

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		11	**Intangible assets (continued)**		
			Other intangible assets		
7.1	7.1		Cost at 01-01	17.9	15.5
0.0	0.0		Addition on acquisition of enterprises	0.0	2.4
7.1	7.1		Cost at 31-12	17.9	17.9
0.0	1.4		Amortisation and impairment losses at 01-01	3.1	0.8
1.4	1.4		Amortisation charge	2.5	2.3
1.4	2.8		Amortisation and impairment losses at 31-12	5.6	3.1
5.7	**4.3**		**Carrying amount at 31-12**	**12.3**	**14.8**

Goodwill

The carrying amounts of goodwill attributable to business area Civil Engineering (DKK 9.7 million) and Construction (DKK 40.6 million) at MT Højgaard A/S; Enemærke & Petersen A/S (DKK 43.2 million); and Lindpro A/S (DKK 17.4 million), were tested for impairment at 31 December 2010.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2010, the net cash flows were determined on the basis of the approved budget for 2011 and estimates for the years 2012-2015. The growth in the terminal period was fixed at 1.0% (2009: 1.0%). A discount rate of 10-11% before tax was used to calculate the present value (2009: 11-12%). The primary key assumptions are estimated to be the growth rates and the EBIT margins applied. The estimates for 2012-2015 were calculated on the basis of previous experience, taking into account management's expectations for the future. The assumptions applied may differ from the experience figures, as previous periods may have been affected by factors that are not expected in the estimates.

The impairment test did not give rise to any write-downs of goodwill to recoverable amounts, except for a small write-down relating to an acquired activity in the subsidiary Lindpro.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

Other intangible assets

Other intangible assets comprise customer lists acquired on acquisition of enterprises and activities. It is estimated that the useful lives of capitalised intangible assets are limited.

Management has not identified any factors indicating a need for impairment testing of other intangible assets.

Notes

PARENT COMPANY 2010

Note	Amounts in DKK million					
12	**Property, plant and equipment**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	159.4	173.8	57.4	0.0	**390.6**
	Addition on acquisition of activities	8.3	1.1	0.0	0.0	**9.4**
	Reclassifications, etc.	0.0	-6.9	6.9	0.0	**0.0**
	Additions	4.4	71.4	13.1	0.2	**89.1**
	Disposals	-37.4	-27.2	-14.4	0.0	**-79.0**
	Cost at 31-12	134.7	212.2	63.0	0.2	**410.1**
	Depreciation and impairment losses at 01-01	26.5	92.1	40.0	0.0	**158.6**
	Reclassifications, etc.	0.0	-5.2	5.2	0.0	**0.0**
	Depreciation, disposals	-9.2	-14.0	-14.3	0.0	**-37.5**
	Depreciation charge	2.9	19.5	9.2	0.0	**31.6**
	Depreciation and impairment losses at 31-12	20.2	92.4	40.1	0.0	**152.7**
	Carrying amount at 31-12	**114.5**	**119.8**	**22.9**	**0.2**	**257.4**
	Mortgaged properties:					
	Carrying amount	54.3				**54.3**
	Year-end balance, loans	19.0				**19.0**
	Assets held under finance leases:					
	Carrying amount		0.6	12.2		**12.8**

Notes

PARENT COMPANY 2009

Note

Note	Property, plant and equipment (continued)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
12						
	Cost at 01-01	165.8	115.0	47.9	0.0	**328.7**
	Addition of assets to subsidiaries	-9.4	-0.3	-0.4	0.0	**-10.1**
	Additions	3.0	62.3	9.9	0.0	**75.2**
	Disposals	0.0	-3.2	0.0	0.0	**-3.2**
	Cost at 31-12	159.4	173.8	57.4	0.0	**390.6**
	Depreciation and impairment losses at 01-01	27.7	74.7	36.0	0.0	**138.4**
	Addition of assets to subsidiaries	-3.7	-0.2	0.0	0.0	**-3.9**
	Depreciation, disposals	0.0	-3.1	0.0	0.0	**-3.1**
	Depreciation charge	2.5	20.7	4.0	0.0	**27.2**
	Depreciation and impairment losses at 31-12	26.5	92,1	40.0	0.0	**158.6**
	Carrying amount at 31-12	**132.9**	**81.7**	**17.4**	**0.0**	**232.0**
	Mortgaged properties:					
	Carrying amount	47.6				**47.6**
	Year-end balance, loans	17.3				**17.3**
	Assets held under finance leases:					
	Carrying amount			6.1		**6.1**

Notes

GROUP						2010
Note	Amounts in DKK million					
12	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	470.0	865.3	281.4	4.6	**1,621.3**
	Addition on acquisition of activities	8.3	1.1	0.0	0.0	**9.4**
	Reclassifications, etc.	0.0	-6.7	6.7	0.0	**0.0**
	Additions	11.4	168.1	36.0	10.3	**225.8**
	Disposals	-63.8	-150.2	-30.2	-3.4	**-247.6**
	Cost at 31-12	425.9	877.6	293.9	11.5	**1,608.9**
	Depreciation and impairment losses at 01-01	101.3	544.0	178.5	0.0	**823.8**
	Reclassifications, etc.	0.0	-5.0	5.0	0.0	**0.0**
	Depreciation, disposals	-16.1	-109.8	-27.5	0.0	**-153.4**
	Depreciation charge	9.9	71.0	40.8	0.0	**121.7**
	Depreciation and impairment losses at 31-12	95.1	500.2	196.8	0.0	**792.1**
	Carrying amount at 31-12	**330.8**	**377.4**	**97.1**	**11.5**	**816.8**
	Mortgaged properties:					
	Carrying amount	136.1				**136.1**
	Year-end balance, loans	54.0				**54.0**
	Assets held under finance leases:					
	Carrying amount		11.1	21.4	0.0	**32.5**

Notes

GROUP						2009
Note	Amounts in DKK million					
12	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	450.4	825.2	244.0	12.5	**1,532.1**
	Addition on acquisition of activities	0.0	3.5	0.0	0.0	**3.5**
	Additions	24.9	156.4	48.6	13.4	**243.3**
	Disposals	-5.3	-119.8	-11.2	-21.3	**-157.6**
	Cost at 31-12	470.0	865.3	281.4	4.6	**1,621.3**
	Depreciation and impairment losses at 01-01	93.7	542.1	149.8	0.0	**785.6**
	Depreciation, disposals	-1.0	-71.8	-9.5	0.0	**-82.3**
	Depreciation charge	8.6	73.7	38.2	0.0	**120.5**
	Depreciation and impairment losses at 31-12	101.3	544.0	178.5	0.0	**823.8**
	Carrying amount at 31-12	**368.7**	**321.3**	**102.9**	**4.6**	**797.5**
	Mortgaged properties:					
	Carrying amount	134.1				**134.1**
	Year-end balance, loans	55.4				**55.4**
	Assets held under finance leases:					
	Carrying amount		11.5	16.0		**27.5**

Notes

PARENT COMPANY

Note	Amounts in DKK million		
13	**Investments**	Investments in subsidiaries	Investments in jointly controlled entities and associates
	2010		
	Cost at 01-01	510.3	50.1
	Additions	141,2	0,0
	Disposal on merger with subsidiaries*	-60.5	0.0
	Cost at 31-12	591.0	50.1
	Adjustments at 01-01	-130.5	0.0
	Disposal on merger with subsidiaries*	44.1	0.0
	Impairment charge	-128,4	0,0
	Reversal of impairment losses	10.3	0.0
	Adjustments at 31-12	-204.5	0.0
	Carrying amount at 31-12	**386.5**	**50.1**
	* Comprises the merger with the two wholly-owned companies without any activities.		
	2009		
	Cost at 01-01	553.3	47.7
	Additions	3.0	2.4
	Addition of assets to subsidiaries	6.1	0.0
	Disposals	-52.1	0.0
	Cost at 31-12	510.3	50.1
	Adjustments at 01-01	-167.8	0.0
	Impairment charge	-13.0	0.0
	Disposals	50.3	0.0
	Adjustments at 31-12	-130.5	0.0
	Carrying amount at 31-12	**379.8**	**50.1**

A list of the consolidated enterprises is given in note 33.

In 2010, we determined investments in subsidiaries at the recoverable amount. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. A discount rate of 10-11% before tax was used to calculate the present value (2009: 11-12%).

The impairment loss for the year, DKK 128.4 million, and the reversed impairment loss of DKK 10.3 million have been recognised in financial items in notes 9 and 8. The impairment loss for the year related to MT Hojgaard (GIB), MTH Stål A/S, Timbra A/S and CL 2010 A/S. The reversed impairment loss related to MTH Grønland ApS.

Additions for the year included a DKK 103.8 million capital injection for MT Hojgaard (GIB) Ltd. that was used to repay a previously written-down loan. The write-down was reversed with DKK 103.6 million and recognised under financial items in note 9.

Notes

GROUP

Note	Amounts in DKK million	Investments in associates
13	**Investments (continued)**	
	2010	
	Cost at 01-01	1.7
	Disposals	0.0
	Cost at 31-12	1.7
	Adjustments at 01-01	-0.5
	Share of profit for the year after tax	2.5
	Other adjustments	-2.5
	Adjustments at 31-12	-0.5
	Carrying amount at 31-12	**1.2**
	2009	
	Cost at 01-01	1.7
	Disposals	0.0
	Cost at 31-12	1.7
	Adjustments at 01-01	-0.1
	Share of profit for the year after tax	0.3
	Other adjustments	-0.7
	Adjustments at 31-12	-0.5
	Carrying amount at 31-12	**1.2**

Associates (the figures represent our ownership interest)	2010	2009
Revenue	6.6	4.0
Profit for the year	2.5	0.4
Total assets	173.0	158.8
Total liabilities	161.3	146.1
Total contingent liabilities	0.0	0.0

The following companies are associates:

OPP Hobro Tinglysningsret A/S (33%)

OPP Vildbjerg Skole A/S (50%)

OPP Ørstedskolen A/S (33%)

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		14	**Inventories**		
			Raw materials and consumables		
3.8	2.4		Cost at 01-01	75.5	80.3
0.3	4.2		Additions	110.5	70.1
-1.7	-5.4		Disposals	-113.1	-74.9
2.4	1.2		Cost at 31-12	72.9	75.5
0.0	0.0		Adjustments at 01-01	-0.4	-0.4
0.0	0.0		Reversal of impairment losses	0.4	0.0
0.0	0.0		Adjustments at 31-12	0.0	-0.4
2.4	**1.2**		**Carrying amount at 31-12**	**72.9**	**75.1**
0.0	0.0		Value of inventories recognised at net realisable value	0.5	0.6
			Properties held for resale		
481.0	510.3		Cost at 01-01	517.6	488.3
30.7	99.6		Additions	159.7	30.7
-1.4	-81.5		Disposals	-81.5	-1.4
510.3	528.4		Cost at 31-12	595.8	517.6
-14.5	-17.6		Adjustments at 01-01	-17.6	-14.5
-3.1	0.0		Impairment charge	0.0	-3.1
0.0	8.9		Reversal of impairment losses	8.9	0.0
-17.6	-8.7		Adjustments at 31-12	-8.7	-17.6
492.7	**519.7**		**Carrying amount at 31-12**	**587.1**	**500.0**
35.9	4.6		Value of properties recognised at net realisable value	4.6	41.7
			Mortgaged properties:		
0.0	130.9		Carrying amount	136.7	5.7
0.0	38.1		Year-end balance, loans	39.0	1.1

Properties for resale consist mainly of undeveloped sites that are held with a view to project development activities, in-process in-house development projects and completed dwellings for resale.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		15	**Receivables**		
8.5	7.0		Receivables falling due more than one year after the balance sheet date	7.0	8.5
			Receivables falling due more than one year after the balance sheet date relate to rent deposits.		
			The fair value of receivables is deemed to correspond to the carrying amount.		
		16	**Securities**		
462.8	107.4		Bonds	225.8	563.4
462.8	**107.4**		**Total carrying amount**	**225.8**	**563.4**
462.1	107.1		Nominal holding	224.8	559.8
70.2	20.4		Bonds maturing more than one year after the balance sheet date	116.4	150.6
0.3	0.6		Maturity of bond portfolio (years)	2.4	0.9
2.7	2.5		Effective interest rate on bond portfolio (%)	3.6	3.5
56.3	53.2		Bonds lodged as security (market value). The return, etc., accrue to MT Højgaard and the maturity is up to five years.	53.2	56.3
0.0	0.0		Bonds featuring as registered assets in MTH Insurance a/s (quoted price). The return, etc., accrues to MTH Insurance A/S.	118.4	100.7

The parent company and the Group measure the bond portfolio at fair value via the income statement in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are regularly monitored and reported at fair value.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		17	**Interest-bearing liabilities**		
			Total interest-bearing liabilities can be broken down by commitment type as follows:		
30.7	136.5		Bank loans, etc.	180.6	95.3
6.2	10.9		Lease commitments (assets held under finance leases)	34.9	36.7
36.9	**147.4**		**Carrying amount at 31-12**	**215.5**	**132.0**
			Total interest-bearing liabilities can be broken down by currency as follows:		
36.9	147.4		DKK	193.7	87.4
0.0	0.0		EUR	21.8	44.6
36.9	**147.4**		**Carrying amount at 31-12**	**215.5**	**132.0**
			Total interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:		
36.9	81.4		Fixed-rate debt	96.5	74.1
0.0	66.0		Floating-rate debt	119.0	57.9
36.9	**147.4**		**Carrying amount at 31-12**	**215.5**	**132.0**
			Total interest-bearing liabilities can be broken down by effective interest rate as follows:		
18.2	129.8		Less than 5%	187.5	82.9
18.7	16.2		Between 5% and 7%	26.6	49.0
0.0	1.4		More than 7%	1.4	0.1
36.9	**147.4**		**Carrying amount at 31-12**	**215.5**	**132.0**
4.2	3.5		Weighted average effective interest rate (%)	3.6	4.2
8.2	9.2		Weighted average remaining term (years)	5.1	5.0
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
33.6	74.0		Non-current liabilities	129.2	95.7
3.3	73.4		Current liabilities	86.3	36.3
36.9	**147.4**		**Carrying amount at 31-12**	**215.5**	**132.0**
36.3	**146.9**		**Fair value**	**215.5**	**130.9**
			The fair value of the financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group’s current borrowing rate for similar maturities has been used as discount rate.		

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		18	**Deferred tax assets and deferred tax liabilities**		
-167.4	-118.7		Deferred tax (net) at 01-01	-113.3	-139.6
0.3	0.0		Disposal on addition of assets to subsidiary	-	-
0.0	-0.3		Addition on merger with subsidiaries	-	-
33.7	-1.0		Changes via income statement	-15.2	26.3
-118.7	**-120.0**		**Deferred tax (net) at 31-12**	**-128.5**	**-113.3**
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
10.3	0.0		Property, plant and equipment	0.0	9.3
0.0	0.0		Current assets	3.2	2.4
16.2	31.2		Non-current liabilities	43.6	18.4
10.3	1.7		Current liabilities	8.0	15.0
182.1	181.1		Tax loss carryforwards	214.3	224.1
218.9	214.0		Deferred tax assets at 31-12 before set-off	269.1	269.2
-100.2	-94.0		Set-off within legal entities and jurisdictions (countries)	-140.6	-155.9
118.7	**120.0**		**Deferred tax assets at 31-12**	**128.5**	**113.3**
			Deferred tax liabilities		
2.6	2.3		Intangible assets	6.5	6.6
10.5	2.9		Property, plant and equipment	17.0	11.1
0.0	0.6		Investments	0.6	0.0
87.1	88.2		Current assets	116.5	138.2
100.2	94.0		Deferred tax liabilities at 31-12 before set-off	140.6	155.9
-100.2	-94.0		Set-off within legal entities and jurisdictions (countries)	-140.6	-155,.9
0.0	**0.0**		**Deferred tax liabilities at 31-12**	**0.0**	**0.0**

Deferred tax has been calculated using the tax rates effective in the respective countries to which the deferred tax relates.

The tax loss carryforwards are not subject to any time limits and are expected to be utilised by set-off against future earnings.

A substantial proportion of the deferred tax asset relating to tax loss carryforwards is attributable to a timing difference between recognition applying tax rules and recognition applying accounting rules, which is primarily reflected in the deferred tax on current assets.

Tax relating to distributable reserves in foreign subsidiaries that are subject to higher taxation if distributed amounted to DKK 11 million (2009: DKK 10 million). These liabilities have not been recognised, as the Group checks whether they will crystallise. It is likely that the liabilities will not crystallise in the foreseeable future.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		19	**Provisions**		
64.4	73.6		Guarantee works, etc., at 01-01	103.0	98.9
9.5	27.6		Provided in the year	52.0	11.5
-0.3	-0.3		Utilised in the year	-3.2	-1.6
0.0	0.0		Reversal of unutilised prior year provisions	-2.7	-5.8
73.6	100.9		Guarantee works, etc., at 31-12	149.1	103.0
-	-		Employee liabilities at 01-01	60.1	0.0
-	-		Liability acquired	0.0	38.4
-	-		Provided in the year	22.8	21.7
-	-		Utilised in the year	-10.0	0.0
-	-		Employee liabilities at 31-12	72.9	60.1
-	-		**Carrying amount at 31-12**	**222.0**	**163.1**
			Provisions are recognised in the balance sheet as follows:		
73.3	100.6		Non-current provisions	188.9	144.7
0.3	0.3		Current provisions	33.1	18.4
73.6	**100.9**		**Carrying amount at 31-12**	**222.0**	**163.1**
			Expected maturity dates:		
0.3	0.3		Less than one year	33.1	18.4
13.3	18.8		Between one and two years	29.8	25.2
39.5	55.9		Between two and five years	107.3	67.8
20.5	25.9		More than five years	51.8	51.7
73.6	**100.9**		**Carrying amount at 31-12**	**222.0**	**163.1**

Guarantee works, etc., relate primarily to provisions for guarantee works on completed contracts.

Employee liabilities comprise mainly insurance-related provisions for industrial injury cover that is covered under the Group's self-insurance programme.

Notes

PARENT COMPANY 2009	PARENT COMPANY 2010	Note	Amounts in DKK million	GROUP 2010	GROUP 2009
		20	**Construction contracts in progress**		
6,453.3	7,252.6		Progress billings	8,182.2	7,971.1
-5,267.5	-7,114.7		Selling price of construction contracts	-7,974.1	-6,827.0
1,185.8	**137.9**		**Construction contracts in progress (net)**	**208.1**	**1,144.1**
			Construction contracts in progress are recognised in the balance sheet as follows:		
1,314.1	551.1		Current liabilities	705.6	1,527.2
-128.3	-413.2		Receivables	-497.5	-383.1
1,185.8	**137.9**		**Construction contracts in progress (net)**	**208.1**	**1,144.1**
			Prepayments received from customers are recognised separately in the balance sheet under current liabilities.		
		21	**Security**		
			Normal security in the form of bank guarantees, guarantee insurance and bond deposits has been provided for contracts and supplies.		
			The guarantees provided relate to:		
8.5	5.9		Bid bonds	12.4	39.2
1,636.1	1,860.4		Contracts and supplies in progress	2,332.5	2,067.4
916.7	731.1		Completed contracts and supplies	1,067.1	1,278.4
2,561.3	**2,597.4**		**Total**	**3,412.0**	**3,385.0**
			Guarantees in respect of completed contracts and supplies relate to normal one-year and five-year guarantee works.		
			Similar security has been provided for prepayments received, etc., recognised in the balance sheet as liabilities.		
			In addition, land and buildings have been lodged as security for bank loans, etc., see notes 12 and 14.		

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		22	**Lease commitments**		
			Finance leases		
			Total future minimum lease payments:		
2.4	6.4		Due within one year	13.8	12.4
4.0	4.7		Due between two and five years	17.9	20.3
0.0	0.0		Due after more than five years	4.3	7.3
6.4	**11.1**		**Total**	**36.0**	**40.0**
			Carrying amount:		
2.3	6.3		Due within one year	13.5	11.3
3.9	4.6		Due between two and five years	17.3	18.6
0.0	0.0		Due after more than five years	4.1	6.8
6.2	**10.9**		**Total**	**34.9**	**36.7**
0.2	0.2		Financial expenses	1.1	3.3
			Financial expenses have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These financial expenses are recognised in the income statement over the lease term.		
			Operating leases		
			Total future minimum lease payments:		
36.6	39.8		Due within one year	65.0	65.4
98.4	101.7		Due between two and five years	147.9	157.0
25.8	26.4		Due after more than five years	77.8	89.3
160.8	**167.9**		**Total**	**290.7**	**311.7**
38,9	32,2		Lease payments relating to operating leases recognised in the income statement	57,7	59,2

The Group's finance and operating leases primarily relate to vehicles and operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 14 years. None of the leases features contingent rent.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009

23 Contingent assets and contingent liabilities

Indemnities

In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, joint ventures and contracts won by subsidiaries.

Pending disputes and litigation

The MT Højgaard Group is involved in various disputes and legal and arbitration proceedings (expenses as well as income). In management’s opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position.

24 Related parties

Control

The Group has a controlling related party relationship with the shareholders in the parent company MT Højgaard A/S. The parent company is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen.

MT Højgaard A/S is a jointly controlled entity under an agreement entered into between the shareholders.

Significant influence

Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board.

The parent company's related parties also include subsidiaries, jointly controlled entities and associates in which MT Højgaard A/S has control or significant influence. A list of the consolidated enterprises is given in note 33.

The company's independent auditor

The company's independent auditor, KPMG Statsautoriseret Revisionspartnerselskab, has concluded a design-build contract for approx. DKK 900 million with MT Højgaard A/S for the construction of KPMG's new head office at Flintholm Station, Frederiksberg. The construction period is approx. 2 ½ years, and the building is expected to be handed over in autumn 2011.

The conclusion of this contract and the execution of the construction work have not given rise to any circumstances that may influence KPMG's independence as auditors of the company elected by the shareholders in general meeting.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		24	**Related parties (continued)**		
			Related party transactions		
			All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.		
			Related party transactions comprised:		
327.0	394.0		Purchases of goods and services from subsidiaries	-	-
19.0	6.1		Sales of goods and services to subsidiaries	-	-
7.0	0.6		Purchases of goods and services from jointly controlled entities	0.9	7.0
1.0	16.8		Sales of goods and services to jointly controlled entities	20.4	0.0
0.0	0.0		Purchases of goods and services from associates	0.0	0.0
0.0	42.1		Sales of goods and services to associates	42.1	0.0
0.0	0,4		Purchases of goods and services from shareholders	0,4	0.0
0.0	1,9		Sales of goods and services to shareholders	1,9	0.0
0.0	0,0		Balance with shareholders (- = debt)	0,0	0.0
0.0	0.0		Purchases of goods and services from the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Sales of goods and services to the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Balance with the Board of Directors and the Executive Board (- = debt)	0.0	0.0

Remuneration to the Board of Directors and the Executive Board is set out in note 6.

Balances with subsidiaries, associates and jointly controlled entities at 31 December are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement and business-related balances concerning purchases and sales of goods and services. The business-related balances are non-interest bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. Balances with subsidiaries, associates and jointly controlled entities were not written down in 2010 or 2009.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 8 and 9.

The parent company's dividends from subsidiaries and associates are disclosed in note 8.

Notes

Note	Amounts in DKK million

25 **Joint ventures**

The MT Højgaard Group participates in two forms of joint ventures: jointly controlled operations and jointly controlled entities.

Joint ventures		Ownership interest	Other joint venturers
Jointly controlled operations			
Aircon JV	*	50%	Dyrup A/S
Changuinola Civil Works JV	*	50%	E. Pihl & Søn A/S
EL - FTTH Nord **	*	50%	Lindpro A/S
Eidi 2 Konsortiet		50%	PF. J&K Contractors
Eidi 2 Sudur Konsortiet		50%	PF. J&K Contractors
JV ElSyd **	*	50%	Lindpro A/S
KFT-JV	*	50%	Hochtief Construction AG
MT Hojgaard-Züblin JV	*	50%	Züblin A/S
M3-Konsortiet	*	60%	M.J. Eriksson Aktieselskab
M10-Syd-Konsortiet	*	60%	M.J. Eriksson Aktieselskab
MT Højgaard - Pihl	*	50%	E. Pihl & Søn A/S
Jointly controlled entities			
Greenland Contractors I/S	*	67%	Greenland Resources A/S
MTHojgaard Al Obaidly WLL		49%	OITC W.L.L.
Seth S.A.		60%	OPERATIO Lda.

*) With reference to Section 5(1) of the Danish Financial Statements Act, these Danish joint ventures have omitted preparing annual reports as they are recognised in the consolidated financial statements.

**) Intragroup joint ventures that have been eliminated in the consolidated financial statements.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009

26 **Financial risks**

MT Højgaard’s activities entail various financial risks that may affect the Group’s development, financial position and operations.

There have been no significant changes in the Group's risk exposure or risk management compared with 2009.

MT Højgaard maintains an overview of the Group's currency positions and interest rate sensitivity with a view to mitigating currency risks and maintaining interest rate sensitivity at a low level.

Currency risks

Currency risks are managed centrally in MT Højgaard with a view to mitigating the effects of currency fluctuations. On projects, MT Højgaard strives to minimise risks by seeking to match income to expenditure so that they balance with respect to currency and by using forward exchange contracts.

Currency fluctuations do not have any material effect on the Group’s foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. In the consolidated income statement the amount recognised amounted to an expense of DKK 15.4 million (2009: expense of DKK 17.3 million). In the parent company income statement the amount recognised amounted to an expense of DKK 15.4 million (2009: expense of DKK 14.4 million).

The open forward exchange contracts at 31 December 2010 had a remaining term of up to 5 years (2016).

Consolidated revenue denominated in foreign currencies, predominantly EUR, was DKK 1.9 billion in 2010 (2009: DKK 2.4 billion).

The Group's principal currency exposure is mainly related to EUR, USD, GBP, NOK and SEK.

Notes

PARENT COMPANY					GROUP
		Note	Amounts in DKK million		
		26	**Financial risks (continued)**		
			The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below:		
Hypothetical effect on profit for the year and equity	Nominal position of cash and cash equivalents, receivables and financial liabilities			Nominal position of cash and cash equivalents, receivables and financial liabilities	Hypothetical effect on profit for the year and equity
-1.1	-147.7		EUR/DKK, probable change in exchange rate 1%	-135.8	-1.0
-1.6	-42.7		USD/DKK, probable change in exchange rate 5%	-157.9	-5.9
-1.2	-32.5		GBP/DKK, probable change in exchange rate 5%	-18.7	-0.7
-0.4	-11.6		SEK/DKK, probable change in exchange rate 5%	-11.6	-0.4
-10.4	-276.2		NOK/DKK, probable change in exchange rate 5%	-273.3	-10.2
	-510.7			**-597.3**	

A decrease in the exchange rates would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analysis was based on the financial instruments recognised at 31 December 2010 and an assumption of unchanged production/sales and price level.

Interest rate risks

Interest rate risks relate mainly to cash/securities and interest-bearing debt items.

Cash/securities stood at DKK 553.0 million at the end of 2010 and was mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than three years at the end of 2010.

The Group's interest-bearing liabilities stood at DKK 215.5 million at the end of 2010, with short-term borrowings accounting for 40%. The average weighted remaining maturity of the Group’s interest-bearing debt was 5.1 years, and the weighted average effective interest rate was 3.6%. Fixed-rate debt accounted for 45% of the Group’s interest-bearing debt.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		26	**Financial risks (continued)**		
			Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 3.9 million decrease in profit for the year and equity at 31 December 2010 (2009: decrease of DKK 3.5 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.		
			Changes in cash flows: All other conditions being equal, the hypothetical positive effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash/securities and debt would have been a DKK 2.0 million increase in profit for the year and equity at 31 December 2010 (2009: increase of DKK 2.9 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.		
			Credit risks		
			Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner.		
			The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as the Group requests security in the form of bank guarantees and guarantee insurance or similar to a considerable extent when entering into contracts with private clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.		
			Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients.		
			Write-downs included in receivables developed as follows:		
1.2	1.6		Carrying amount at 01-01	17.1	9.2
1.3	2.8		Provided in the year	5.5	9.3
-0.9	-0.5		Utilised in the year	-1.4	-1.4
1.6	3.9		**Carrying amount at 31-12**	21.2	17.1
1.6	3.9		Nominal value of written-down receivables	23.8	19.3
181.3	61.0		Receivables that were past due by more than 90 days at 31 December but not impaired	95.5	194.4
916,4	831,4		Security received in respect of receivables (fair value)	842,0	934,4

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		26	**Financial risks (continued)**		
			Liquidity risks		
			Liquidity risks are managed through established, appropriate credit lines and committed borrowing facilities that match the need for financing planned operating activities and expected investments.		
			The Group’s financial resources consist of cash, securities and undrawn credit facilities. At the end of 2010, the financial resources stood at DKK 1,092 million compared with DKK 1,307 million in 2009.		
			A cash pool agreement has been established for the parent company and most of the Group’s subsidiaries.		
			Financial liabilities can be broken down as follows:		
36.9	147.4		Interest-bearing liabilities	215.5	132.0
22.2	0.0		Payables to jointly controlled entities	0.0	11.3
734.2	669.6		Trade payables	940.2	1,008.6
12.8	24.9		Derivative financial liabilities	24.9	14.7
806.1	**841.9**		**Total carrying amount**	**1,180.6**	**1,166.6**
			Maturity profile for financial liabilities:		
760,6	744,9		Less than one year	1.029,0	1.057,8
3.6	6.1		Between one and two years	17.3	12.5
21.5	30.0		Between two and five years	52.1	38.6
17.7	58.3		More than five years	99.7	76.8
803.4	**839.3**		**Total contractual cash flows**	**1,198.1**	**1,185.7**
			Maturity profile for derivative financial liabilities:		
-0.8	13.6		Less than one year	13.6	-0.8
13.0	9.5		Between one and two years	9.5	13.0
0.6	1.8		Between two and five years	1.8	0.6
0.0	0.0		More than five years	0.0	1.9
12.8	**24.9**		**Total contractual cash flows**	**24.9**	**14.7**
			Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.		
			The Group's borrowing and credit facilities are not subject to any special terms or conditions.		

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		26	**Financial risks (continued)**		
			Categories of financial instruments		
			Carrying amount by category:		
462.8	107.4		Financial assets measured at fair value via the income statement	232.4	563.4
2,431.8	1,753.2		Loans and receivables	2,197.7	2,912.7
12.8	24.9		Financial liabilities measured at fair value via the income statement	24.9	14.7
1,717.5	1,654.5		Financial liabilities measured at amortised cost	2,121.9	2,181.0
			Fair value hierarchy for financial instruments measured at fair value in the balance sheet		
			The Group's securities are valued based on quoted prices (Level 1).		
			The Group's derivative financial instruments are valued at observable prices (Level 2).		

Notes

Note

27 **Capital management**

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The equity ratio was 35% in 2010 against 29% at the end of 2009.

28 **New International Financial Reporting Standards and IFRIC Interpretations**

The IASB has issued a number of standards and interpretations that are not mandatory for MT Højgaard in connection with the preparation of the annual report for 2010: IFRS 9, amendment to IFRIC 14, IFRIC 19; revised IAS 24, amendments to IFRS 1, amendment to IFRS 7, amendment to IAS 32 and improvements to IFRSs (May 2010), amendments to IAS 12 and amendments to IFRS 1. IFRS 9, amendments to IFRS 1, IFRS 7 and IAS 12 and improvements to IFRS (May 2010) have not been adopted by the EU as yet.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. With the exception of the effect referred to below, none of the new standards or interpretations referred to in the foregoing is expected to have a material effect on the MT Højgaard Group's financial reporting.

IAS 34: Interim Financial Reporting will be amended as part of Annual Improvement 2010. The standard will only affect the Group's information in interim financial statements. The information required by the standard will extend the disclosure requirements. The amendments apply to financial years beginning on or after 1 January 2011.

IFRS 9 changes the classification and measurement of financial assets and liabilities (current IAS 39). In future, the main categories for measurement of financial assets will be amortised cost and fair value through either the income statement or the statement of comprehensive income. For financial liabilities, the provisions will be amended so that changes in own credit risk no longer affect the income statement, but are only to be recognised in other comprehensive income. We do not expect the standard to have any material effect on the Group, but we have yet to determine the effect. The standard is effective for financial years beginning on or after 1 January 2013.

29 **Events after the reporting period**

So far as management is aware, no events have occurred between 31 December 2010 and the date of signing of the annual report that will have a material effect on the assessment of the MT Højgaard Group's financial position at 31 December 2010, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		30	**Non-cash operating items**		
			Non-cash operating items		
29.9	35.1		Depreciation and impairment losses - property, plant and equipment	127.6	122.6
25.8	-8.0		Other adjustments	3.8	13.2
55.7	**27.1**		**Total non-cash operating items**	**131.4**	**135.8**
-75.2	-100.0		Purchase of property, plant and equipment, including assets held under finance leases	-245.9	-243.2
6.2	4.7		Portion relating to lease commitments	4.7	7.3
-69.0	**-95.3**		**Purchase of property, plant and equipment**	**-241.2**	**-235.9**
12.1	44.6		Increase in bank loans, etc., including lease commitments	44.6	15.1
-6.2	-4.7		Portion relating to lease commitments	-4.7	-7.3
5.9	**39.9**		**Increase in non-current bank loans, etc.**	**39.9**	**7.8**
		31	**Acquisition and disposal of enterprises and activities**		
			Acquisition of enterprises and activities		
0.0	0.0		Intangible assets	0.0	2.4
0.0	9.4		Property, plant and equipment	9.4	3.5
0.0	0.1		Inventories	0.1	2.3
0.0	52.1		Receivables	52.1	8.4
0.0	1.5		Cash and cash equivalents	1.5	1.9
0.0	-10.6		Non-current liabilities	-10.6	-0.6
0.0	-47.6		Current liabilities	-47.6	-12.0
0.0	**4.9**		**Identifiable net assets acquired**	**4.9**	**5.9**
0.0	16.6		Goodwill	17.6	12.4
0.0	**21.5**		**Cash purchase price**	**22.5**	**18.3**
0.0	-19.6		Cash and cash equivalents in acquired enterprises	-19.7	-1.9
0.0	**1.9**		**Cash purchase price, net**	**2.8**	**16.4**

Notes

PARENT COMPANY				GROUP	
2009	2010	Note	Amounts in DKK million	2010	2009
		31	**Acquisition and disposal of enterprises and activities (continued)**		
			In connection with the acquisition of enterprises and activities customer relations have been acquired that have been recognised at fair value on acquisition.		
			After recognition of identifiable assets and liabilities at fair value, goodwill in connection with acquisitions was calculated as DKK 17.6 million, which represents the future economic benefits from assets such as knowhow and synergies.		
			The acquired activities feature with DKK 1.3 million in consolidated profit for 2010.		
			Disposal of enterprises and activities		
0.0	0.1		Property, plant and equipment	1.9	0.0
0.0	0.6		Inventories	1.1	0.0
0.0	**0.7**		**Net assets**	**3.0**	**0.0**
0.0	0.0		Accounting profit/loss	0.0	0.0
0.0	**0.7**		**Selling price**	**3.0**	**0.0**
0.0	0.0		Cash and cash equivalents in enterprises disposed of	0.0	0.0
0.0	**0.7**		**Cash selling price, net**	**3.0**	**0.0**
			Further details are provided in the section ”Acquisitions and disposals of enterprises” in management’s review.		
		32	**Cash and cash equivalents**		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
230.0	190.2		Distributable cash	312.5	358.7
32.3	12.2		Share of cash and cash equivalents in joint ventures	14.7	34.0
262.3	**202.4**		**Cash and cash equivalents**	**327.2**	**392.7**
0.0	-66.0		Current portion of bank loans, etc.	-68.8	-21.0
262.3	**136.4**		**Total cash and cash equivalents**	**258.4**	**371.7**
			Share of cash and cash equivalents in joint ventures is available exclusively to the joint ventures.		

Notes

Note

33 Company overview

Subsidiaries, jointly controlled entities and associates at 31 December 2010

Companies		Registered office	Ownership interest		Share capital ('000)
MT Højgaard A/S					
Ajos A/S		Hvidovre DK	100.00	DKK	500
CL2010 A/S		Hillerød DK	100.00	DKK	500
Enemærke & Petersen A/S		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforretning ApS		Ringsted DK	100.00	DKK	200
Bendix Træ & Glas ApS		Hvidovre DK	100.00	DKK	200
Bode Byg A/S		Solrød DK	100.00	DKK	500
Greenland Contractors I/S	(J)	Cph DK	66.66	DKK	-
Lindpro A/S		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greenland DK	100.00	DKK	2,000
MT (UK) Ltd.		England GB	100.00	GBP	25
MT Atlantic Inc.		USA US	100.00	USD	10
MT Hojgaard Finland Oyj		Finland SU	100.00	EUR	80
MT Højgaard Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Hojgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MT Hojgaard Al Obaidly W.L.L.	(J)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MT Højgaard Norge A/S		Norway NO	100.00	NOK	500
MTH Insurance A/S		Søborg DK	100.00	DKK	30,000
OPP Vildbjerg Skole A/S	(A)	Hellerup DK	50.00	DKK	500
OPP Hobro Tinglysningsret A/S	(A)	Hellerup DK	33.33	DKK	700
OPP Ørstedskolen A/S	(A)	Hellerup DK	33.33	DKK	2,400
MTH Stål A/S		Fredericia DK	100.00	DKK	5,000
MTH Stål A/S		Norway NO	100.00	NOK	500
MTH Stål Vietnam Company Limited		Vietnam VN	100.00	USD	50
Scandi Byg A/S		Løgstør DK	100.00	DKK	3,000
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A.,(Seth)	(J)	Portugal PT	60.00	EUR	4,000
Timbra A/S		Taastrup DK	100.00	DKK	500

(A) associates.

(J) jointly controlled entities. These are consolidated on a proportionate basis in the consolidated financial statements.

OTHER INFORMATION

Consolidated financial highlights - EUR

Amounts in EUR million	2006	2007	2008	2009	2010
Income statement					
Revenue	1,484	1,571	1,499	1,219	1,114
Operating profit (EBIT)	8	26	44	39	13
Net financing costs and profit (loss) of associates	-1	15	4	2	1
Profit before tax	7	42	48	41	13
Profit for the year	5	32	35	30	8
Balance sheet					
Share capital	30	30	30	30	30
Equity attributable to equity holders of the parent	134	165	193	216	217
Equity incl. non-controlling interests	137	165	193	216	217
Balance sheet total	647	675	708	738	630
Interest-bearing deposit/debt (+/-)	7	26	69	111	45
Invested capital	133	141	135	118	172
Cash flows					
Cash flows from operating activities	43	-10	72	65	-44
Cash flows for investing activities:					
Net investments excl. securities	-28	17	-22	-21	-13
Net investments in securities	-4	-8	-1	-49	45
Cash flows from financing activities	-1	-5	-8	-9	-3
Net increase/(decrease) in cash and cash equivalents	-39	-5	40	-14	-15
Financial ratios					
Gross margin (%)	4.0	5.1	6.9	8.1	6.5
Operating margin (EBIT margin) (%)	0.5	1.7	2.9	3.2	1.1
Pre-tax margin (%)	0.5	2.7	3.2	3.4	1.2
Return on invested capital (ROIC) (%)	5.9	19.3	30.7	30.7	8.7
Return on equity (ROE) (%)	3.7	20.9	19.4	14.6	3.8
Equity ratio (%)	21.2	24.5	27.3	29.2	34.5
Proposed dividend (EUR million)	0	7	7	7	7
Other information					
Order book, year end	1,442	1,434	1,269	1,000	1,237
Average number of employees	6,289	6,494	6,170	5,872	5,217

The consolidated financial highlights in EUR are supplementary information to the financial statements.

Items in the income statement, the balance sheet and the statement of cash flows for all the years have been translated from DKK into EUR using Danmarks Nationalbank's official exchange rate at 31 December 2010 of 7.4544.

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