

Interim financial report – First half 2015

At its meeting today, the Board of Directors of Monberg & Thorsen A/S approved the interim financial report for the period 1 January – 30 June 2015. The interim financial report has not been audited or reviewed by the company's auditor.

Questions relating to this announcement should be directed to Niels Lykke Graugaard, Chairman, on telephone +45 3546 8000.

The interim financial report 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.

Yours faithfully

MONBERG & THORSEN A/S

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Denmark

Interim financial report – First half 2015

The first-half operating result was in line with expectations.

The share of MT Højgaard's result after tax was a profit of DKK 27 million compared with a loss of DKK 100 million in the first half of 2014. In 2014, this item included Monberg & Thorsen's share of special items, a loss of DKK 90 million, which related to offshore disputes.

Monberg & Thorsen's administrative expenses were in line with expectations.

The outlook for the operating result for 2015 has been adjusted compared with the outlook in the 2014 annual report, so that MT Højgaard now expects operating profit (EBIT) of DKK 325-375 million, corresponding to approximately 5%, compared with the previous outlook of DKK 300-375 million, corresponding to 4-5%, as described in further detail in the section Outlook for 2015.

The accounting policies are unchanged from the 2014 annual report.

Financial highlights

DKK million	Year	Q2		H1	
	2014	2014	2015	2014	2015
Income statement					
Share of profit (loss) after tax of jointly controlled entities,					
MT Højgaard (46%)	-154	8	15	-100	27
Administrative expenses in Monberg & Thorsen	-10	-2	-1	-3	-2
Operating profit (loss) (EBIT)	-164	6	14	-103	25
Net finance costs	0	0	0	0	3
Profit (loss) before tax	-164	6	14	-103	28
Profit (loss) after tax	-164	6	14	-103	28
Balance sheet					
Interest-bearing assets	230			276	226
Interest-bearing liabilities	0			0	0
Invested capital	353			372	384
Equity	583			648	610
Balance sheet total	587			686	612
Cash flows					
From operating activities	-50	-3	4	-5	5
For investing activities**	-208	0	2	0	24
From financing activities	-7	-7	-7	-7	-7
Net increase (decrease) in cash and cash equivalents	-265	-10	-1	-12	22
**Portion relating to inv. in property, plant and equipment (gross)	0	0	0	0	0
Financial ratios (%)					
Return on invested capital (ROIC)	-40	2*	4*	-24*	7*
Return on equity (ROE)	-24	1*	2*	-15*	5*
Equity ratio	99			94	100
Share ratios (DKK per DKK 20 share)					
Earnings per share (EPS)	-46	2	4	-29	8
Cash flow from operations	-14	-1	0	-1	1
Book value	163			181	170
Market price	260			331	380
Market price/book value	1.6			1.8	2.2
Market capitalisation in DKK million	932			1,187	1,362

*Not converted to full-year figures.

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and Danish disclosure requirements for interim financial reports of listed companies.

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts. Financial ratios are defined in the 2014 annual report.

Management's review

Income statement

MT Højgaard's first-half financial performance matched expectations. The result before special items was a profit of DKK 122 million compared with a profit of DKK 16 million in the first half of 2014, reflecting a satisfactory development considering the fact that revenue was slightly lower than expected. The positive earnings trend reflected the sustained focus on the quality of new orders and optimising production.

A detailed account of the development in the jointly controlled entity **MT Højgaard**, in which Monberg & Thorsen has a 46% ownership interest, is given in Stock Exchange Announcement No 19, which has just been released and to which reference is made.

The parent company's operating result was in line with expectations.

Statement of cash flows

Cash flow from operating activities was an inflow of DKK 5 million, relating mainly to Monberg & Thorsen's interest income. The cash inflow from investing activities related to the redemption of corporate bonds. The portfolio of listed corporate bonds was DKK 181 million. Cash and cash equivalents in Monberg & Thorsen amounted to DKK 45 million, including DKK 4 million that is still lodged as security in respect of the guarantees provided in connection with the divestment of Dyrup.

Total financial resources were largely at the same level as at the end of 2014 and are still considered to be satisfactory.

Balance sheet

At DKK 612 million, the balance sheet was somewhat lower than at the end of the first half of 2014 and slightly higher than at 31 December 2014 due to MT Højgaard's operating result. The equity ratio was 100% against 99% at 31.12.2014.

Accounting policies

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies. The accounting policies are unchanged from the 2014 annual report.

Related parties

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

Related parties with significant influence comprise members of the Board of Directors and Executive Board.

Monberg & Thorsen's related parties also include the jointly controlled entity, MT Højgaard, in which Monberg & Thorsen has significant influence.

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

Outlook for 2015

The outlook for the operating result for 2015 has been adjusted compared with the outlook in the 2014 annual report.

For 2015, the MT Højgaard Group now expects revenue of around DKK 7.0 billion, as against the previous outlook of DKK 7.0-7.5 billion, and operating profit (EBIT) of DKK 325-375 million, corresponding to approximately 5%, as against the previous outlook of DKK 300-375 million, corresponding to 4-5% before special items (legacy offshore disputes). In 2015, the effect of special items will be income of approximately DKK 195 million if the opposing party's Robin Rigg appeal is unsuccessful.

Monberg & Thorsen's share is 46% of the MT Højgaard Group's result after tax and non-controlling interests. From this should be deducted Monberg & Thorsen's operating expenses, which are still expected to be around DKK 5 million, to which should be added any further expenses related to the indemnities and guarantees provided in connection with the divestment of Dyrup.

The projections concerning future financial performance involve uncertainties and risks that may cause the performance to differ materially from the projections. Significant risks are described in the 'Risk factors' section in the 2014 annual report. Significant risks and uncertainties remain unchanged compared with the description in the annual report. The outlook is based on relatively stable interest rate and exchange rate levels.

Other information

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

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of Monberg & Thorsen A/S for the period 1 January – 30 June 2015.

The interim financial statements, which have not been audited or reviewed by the company's auditor, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for interim financial reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the financial position at 30 June 2015 and of the results of the operations and cash flows for the interim financial period 1 January – 30 June 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters, the results for the period and the company's financial position and a description of the significant risks and uncertainties pertaining to the company.

Søborg, 20 August 2015

Executive Board

Mats Jönsson
CEO

Board of Directors

Niels Lykke Graugaard
Chairman

Henriette Holmgreen Thorsen
Deputy Chairman

Christine Thorsen

Lars Goldschmidt

Income statement in the individual financial statements (DKK million)	Year	Q2		YTD	
	2014	2014	2015	2014	2015
Share of profit (loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard	-154	8	15	-100	27
Administrative expenses in Monberg & Thorsen	-10	-2	-1	-3	-2
Operating profit (loss)	-164	6	14	-103	25
Net finance costs	0	0	0	0	3
Profit (loss) before tax	-164	6	14	-103	28
Tax	0	0	0	0	0
Profit (loss) after tax	-164	6	14	-103	28

Statement of comprehensive income in the individual financial statements (DKK million)	Year	Q2		YTD	
	2014	2014	2015	2014	2015
Profit (loss) after tax	-164	6	14	-103	28
Share of other comprehensive income after tax of jointly controlled entities, MT Højgaard	-9	-3	7	-4	5
Total comprehensive income	-173	3	21	-107	33

Statement of cash flows in the individual financial statements (DKK million)	Year	Q2		YTD	
	2014	2014	2015	2014	2015
Operating profit (loss)	-164	6	14	-103	25
Share of profit (loss) of jointly controlled entities	-154	-8	-15	100	-27
Working capital changes	-41	-1	3	-2	3
Cash flows from operations (operating activities)	-51	-3	2	-5	1
Net finance costs	1	0	2	0	4
Cash flows from operating activities	-50	-3	4	-5	5
Purchase/sale of securities	-208	0	2	0	24
Cash flows for investing activities	-208	0	2	0	24
Cash flows before financing activities	-258	-3	6	-5	29
Dividends paid	-7	-7	-7	-7	-7
Cash flows from financing activities	-7	-7	-7	-7	-7
Net increase (decrease) in cash and cash equivalents for the period	-265	-10	-1	-12	-22
Cash and cash equivalents at 01.01.	288	286	46	288	23
Cash and cash equivalents at end of period	23	276	45	276	45

Balance sheet in the individual financial statements (DKK million)	Year 2014	YTD	
		2014	2015
ASSETS			
Investments in jointly controlled entities, MT Højgaard	351	410	383
Other securities	0	0	0
Total non-current assets	351	410	383
Receivables	6	0	3
Securities	207	276	181
Cash and cash equivalents	23		45
Total current assets	236	276	229
Total assets	587	686	612
EQUITY AND LIABILITIES			
Equity	583	648	610
Trade payables	0	1	0
Income tax	0	0	0
Other payables	4	37	2
Total current liabilities	4	38	2
Total equity and liabilities	587	686	612

Statement of changes in consolidated equity in the individual financial statements (DKK million)	Year 2014	YTD	
		2014	2015
Start of period	762	762	583
Comprehensive income for the period	-173	-107	33
Other	1	0	1
Dividends to shareholders	-7	-7	-7
End of period	583	648	610

Quarterly statements

DKK million	2015				
	Q1	Q2	Q3	Q4	Total
Income statement					
Share of profit after tax of jointly controlled entities, MT Højgaard	12	15			27
Administrative expenses	-1	-1			-2
Operating profit (EBIT)	11	14			25
Net finance costs	3	0			3
Profit before tax	14	14			28
Profit after tax	14	14			28

DKK million	2014				
	Q1	Q2	Q3	Q4	Total
Income statement					
Share of profit (loss) after tax of jointly controlled entities, MT Højgaard	-108	8	-79	25	-154
Administrative expenses	-1	-2	-4	-3	-10
Operating profit (loss) (EBIT)	-109	6	-83	22	-164
Net finance costs	0	0	0	0	0
Profit (loss) before tax	-109	6	-83	22	-164
Profit (loss) after tax	-109	6	-83	22	-164