

Interim financial report – First half 2016

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 2016. 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 2016

The first-half operating result was somewhat lower than expected.

The share of MT Højgaard's result after tax was a loss of DKK 14 million, compared with a profit of DKK 27 million in the first half of 2015.

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

The outlook for the operating result for 2016 has been lowered compared with the outlook in the interim financial report for the first quarter of 2016.

The accounting policies are unchanged from the 2015 annual report.

Financial highlights

DKK million	Year	H1	
	2015	2015	2016
Income statement			
Share of profit/(loss) after tax of jointly controlled entities,			
MT Højgaard (46%)	84	27	-14
Administrative expenses in Monberg & Thorsen	-5	-2	-5
Operating profit/(loss) (EBIT)	79	25	-19
Net financials	4	3	3
Profit/(loss) before tax	83	28	-16
Profit/(loss) for the period	81	28	-16
Balance sheet			
Interest-bearing assets	223	226	183
Interest-bearing liabilities	0	0	0
Invested capital	441	384	424
Equity	663	610	607
Balance sheet total	669	612	609
Cash flows			
From operating activities	6	5	-2
For investing activities**	-1	24	38
From financing activities	-7	-7	-36
Net increase/(decrease) in cash and cash equivalents	-2	22	0
**Portion relating to investments in property, plant and equipment (gross)	0	0	0
Financial ratios (%)			
Return on invested capital (ROIC)	20	7*	-5
Return on equity (ROE)	13	5*	-3
Equity ratio	99	100	100
Share ratios (DKK per DKK 20 share)			
Earnings per share (EPS)	23	8	-5
Cash flows from operating activities	2	1	-1
Book value	185	170	169
Market price	440	380	323
Market price/book value	2.4	2.2	1.9
Market capitalisation in DKK million	1,577	1,362	1,158

*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 2015 published by the Danish Finance Society. Financial ratios are defined in the 2015 annual report.

Management's review

Income statement

MT Højgaard's activity and financial performance in the first half were somewhat lower than last year and somewhat lower than expected. The operating result was a loss of DKK 19 million compared with a profit of DKK 122 million in the first half of 2015, and the operating margin was -0.6% compared with 3.8% in the first half of 2015. This decline was driven by the relatively low activity, because of postponed project start-ups, and the reduced earnings from the operation of Thule Air Base as well as the effect of a write-down on an infrastructure project.

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 xx, 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

Operating cash flow for the period was an outflow of DKK 2 million, primarily reflecting expenses in Monberg & Thorsen. The cash inflow from investing activities related to the redemption and sale of corporate bonds. The portfolio of listed corporate bonds amounted to DKK 162 million. Cash and cash equivalents in Monberg & Thorsen amounted to DKK 21 million, including an amount of DKK 2 million that is still lodged as security in respect of the guarantees provided in connection with the divestment of Dyrup.

Total financial resources were slightly higher than at the end of 2015 and are still considered to be satisfactory.

Balance sheet

At DKK 609 million, the balance sheet total was in line with the end of the first half of 2015 and slightly lower than at 31 December 2015 due to MT Højgaard's operating result. The equity ratio was 100% compared with 99% at 31.12.2015.

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 2015 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 2016

The outlook for the operating result for 2016 has been lowered compared with the outlook in the interim financial report for the first quarter of 2016.

The MT Højgaard Group now expects revenue of around DKK 6.8 billion, compared with the previous outlook of around DKK 7.0 billion, and operating profit (EBIT) of around DKK 225 million, compared with the previous outlook of around DKK 300 million. This is still an improvement on 2015, considering the significantly lower contribution from Greenland Contractors.

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 10 million.

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 2015 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 2,948 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 2016.

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 2016 and of the results of the operations and cash flows for the interim financial period 1 January – 30 June 2016.

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, 19 August 2016

Executive Board

Lars Goldschmidt
CEO

Board of Directors

Niels Lykke Graugaard Christine Thorsen
Chairman

Henriette Holmgreen Thorsen Lars Goldschmidt

Income statement in the individual financial statements (DKK million)	Year	YTD	
	2015	2015	2016
Share of profit/(loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard	84	27	-14
Administrative expenses in Monberg & Thorsen	-5	-2	-5
Operating profit/(loss)	79	25	-19
Net financials	4	3	3
Profit/(loss) before tax	83	28	-16
Tax	-2	0	0
Profit/(loss) for the period	81	28	-16

Statement of comprehensive income in the individual financial statements (DKK million)	Year	YTD	
	2015	2015	2016
Profit/(loss) for the period	81	28	-16
Share of other comprehensive income after tax of jointly controlled entities, MT Højgaard	5	5	-5
Total comprehensive income	86	33	-21

Statement of cash flows in the individual financial statements (DKK million)	Year	YTD	
	2015	2015	2016
Operating profit/(loss)	79	25	-19
Share of profit/(loss) of jointly controlled entities	-84	-27	14
Working capital changes	-1	3	-2
Cash flows from operations (operating activities)	-4	1	-7
Net financials	10	4	5
Cash flows from operating activities	6	5	-2
Purchase/sale of securities	-1	24	38
Cash flows for investing activities	-1	24	38
Cash flows before financing activities	5	29	36
Dividends paid	-7	-7	-36
Cash flows from financing activities	-7	-7	-36
Net increase/(decrease) in cash and cash equivalents for the period	-2	-22	0
Cash and cash equivalents at 01.01.	23	23	21
Cash and cash equivalents at end of period	21	45	21

Balance sheet in the individual financial statements (DKK million)	Year 2015	YTD	
		2015	2016
ASSETS			
Investments in jointly controlled entities, MT Højgaard	441	383	424
Other securities	0	0	0
Total non-current assets	441	383	424
Receivables	5	3	2
Securities	202	181	162
Cash and cash equivalents	21	45	21
Total current assets	228	229	185
Total assets	669	612	609
EQUITY AND LIABILITIES			
Equity	663	610	607
Trade payables	1	0	0
Income tax	2	0	0
Other payables	3	2	2
Total current liabilities	6	2	2
Total equity and liabilities	669	612	609

Statement of changes in consolidated equity in the individual financial statements (DKK million)	Year 2015	YTD	
		2015	2016
Start of period	583	583	663
Comprehensive income for the period	86	33	-21
Other	1	1	1
Dividends to shareholders	-7	-7	-36
End of period	663	610	607