MONBERG & THORSEN A/S

MT

21.03.07
Announcement No. 2, 2007

Preliminary announcement 2006

The Supervisory Board of Monberg & Thorsen A/S approved the annual report for the period 1 January - 31 December 2006 at its meeting today.

Copenhagen, 21 March 2007
Supervisory Board and Executive Board

Mogens Granborg 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 preliminary announcement can also be viewed on www.monthor.com

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

Reg. No. 12 61 79 17

CONSOLIDATED FINANCIAL HIGHLIGHTS 2002-2006

	_____Pro forma_____				
DKKm	2002	2003	2004	2005	**2006**
Income statement					
Revenue					
Dyrup	1,722	1,724	1,668	1,681	**1,660**
MT Højgaard (46%)	4,447	3,672	3,387	3,893	**5,098**
Total revenue	6,169	5,396	5,055	5,574	**6,758**
Operating profit (loss) (EBIT)	(39)	175	217	64	**191**
Net financing costs	(21)	(19)	0	(21)	**(15)**
Profit (loss) before tax	(60)	156	217	43	**176**
Profit (loss) after tax	(65)	119	188	62	**191**
Attributable to equity holders of the parent	(66)	116	187	59	**187**
Balance sheet					
Interest-bearing assets	499	366	377	347	**824**
Interest-bearing liabilities	858	614	511	589	**565**
Invested capital	1,575	1,550	1,584	1,695	**1,344**
Consolidated equity	1,135	1,212	1,362	1,365	**1,515**
Attributable to equity holders of the parent	1,132	1,204	1,355	1,356	**1,504**
Balance sheet total	3,666	3,179	3,110	3,520	**4,066**
Cash flows					
From operating activities	147	224	55	216	**201**
For investing activities*	(147)	67	169	(222)	**(123)**
From financing activities	(87)	(139)	(61)	(96)	**(66)**
Net increase (decrease) in cash and cash equivalents	(87)	152	163	(102)	**11**
* Portion relating to property, plant and equipment (gross)	(202)	(111)	(187)	(136)	**(155)**
Financial ratios (%)					
Operating margin (EBIT margin)	(0.8)	3.0	2.7	0.4	**(0.4)**
Return on invested capital (ROIC)	(2)	11	14	4	**13**
Return on equity (ROE)	(5)	10	15	5	**13**
Equity ratio	31	38	44	39	**37**
Share ratios (DKK per share)					
Earnings per share (EPS)	(11)	30	52	16	**52**
Cash flow from operations (CFFO)	40	63	15	60	**56**
Dividends	9	12	16	12	**36**
Book value	316	336	378	378	**420**
Market price	340	320	390	464	**478**
Market price/book value	1.1	1.0	1.0	1.2	**1.1**
Price earnings (P/E)	-	11	8	29	**9**
Payout ratio	-	37	31	73	**69**
Market capitalisation in DKKm	1,287	1,147	1,398	1,663	**1,714**
Number of employees					
Consolidated enterprises	4,050	3,705	3,389	3,469	**3,673**

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

The financial highlights for 2004-2006 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

CONSOLIDATED PROFIT IN LINE WITH THE OUTLOOK IN THE INTERIM REPORT FOR THE THIRD QUARTER

Monberg & Thorsen delivered consolidated revenue of DKK 6.8 billion, and profit after tax of DKK 191 million, matching the level projected most recently in the interim report for the third quarter of 2006. Profit for the year benefited from non-recurring income of DKK 171 million from the sale of the Group's oil interests.

- **Dyrup** showed a loss after tax of DKK 45 million, primarily reflecting the fact that the result for the year was adversely affected, again in 2006, by special items in the region of DKK 47 million for implementation of the strategy and the focusing of Dyrup. The costs related to staff reduction, winding up of loss-making activities, write-downs of fixed assets and selective write-downs of inventories.

- **MT Højgaard** reported operating profit of DKK 59 million compared with DKK 138 million in 2005. The decline in profit primarily reflected a negative development on a few large residential and refurbishment projects in Greater Copenhagen.

- **The Group's oil interests** contributed profit after tax of DKK 43 million as a result of the persistently high oil prices. To this should be added the DKK 171 million gain on sale of the shares in Denerco Oil.

- **Dividend** of DKK 36 per DKK 20 share is proposed for 2006.

Operating cash inflow was DKK 201 million, on a par with 2005.

Consolidated revenue in the region of DKK 6.8 billion is expected for 2007, with profit after tax in the region of DKK 50 million. This should be viewed against a loss after tax of DKK 24 million in 2006, excluding the effect on profit of the oil activities divested in 2006.

THE GROUP

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.

Dyrup's preliminary announcement is attached and reference is made to MT Højgaard's preliminary announcement, which has just been published. 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 YEAR 2006

Consolidated revenue amounted to DKK 6.8 billion, up 21% on 2005. The change in revenue can be broken down as follows:

Revenue DKKm	2005	2006	Change
Dyrup	1,681	1,660	-1%
MT Højgaard (46 %)	3,893	5,098	31%
Total	5,574	6,758	21%

Dyrup delivered revenue slightly down on last year, primarily reflecting decline in France.

MT Højgaard's revenue was up 31% due to a considerably higher level of activity within all the Group's business segments. The increase was predominantly organic.

International consolidated revenue totalled approx. DKK 2.1 billion, equivalent to just under one third of revenue. International activities contributed approx. 16% of MT Højgaard's revenue, and approx. 75% of Dyrup's revenue, corresponding to the 2005 level.

Operating profit (loss) (EBIT) and profit (loss) before tax developed as follows:

DKKm	Operating profit (loss)		Profit (loss) before tax	
	2005	**2006**	2005	**2006**
Dyrup	16	**5**	(6)	**(19)**
MT Højgaard (46%)	62	**27**	57	**23**
Oil interests after tax	43	**43**	39	**46**
Parent company, etc.	(8)	**(8)**	2	**2**
Total before special items, etc.	113	**67**	92	**52**
Special items	(49)	**(47)**	(49)	**(47)**
Gain on sale of Denerco Oil	-	**171**		**171**
	64	**191**	43	**176**

Operating profit before special items, etc., was in the region of DKK 67 million, considerably down on 2005, reflecting significantly lower earnings in both Dyrup and MT Højgaard.

Dyrup's result was adversely affected, again in 2006, by special items in the region of DKK 47 million. These items related primarily to unusual and significant items in connection with the restructuring and focusing of Dyrup that commenced in 2005.

In **MT Højgaard**, the decline in profit was due to the development in the Contracting business, where significant losses were incurred on, in particular, a few large residential and refurbishment projects in

Greater Copenhagen. The main reasons for the negative development were the historically high level of activity in the industry, which is straining resources, both with respect to materials and labour, and which is adversely affecting planning potential and the access to resources; to this should be added more onerous and more costly contracting with subcontractors than foreseen, leading to cost increases and delays.

The Group's oil interests yielded substantially higher profit than expected at the start of the year due to the persistently high oil prices. Operating profit after tax was DKK 43 million in the period up to the sale of the shares in August 2006. The sale generated non-recurring income of DKK 171 million, and the oil interests thus contributed DKK 214 million, overall, to operating profit.

Monberg & Thorsen delivered consolidated profit after tax of DKK 191 million. The consolidated result before tax amounted to a profit of DKK 176 million.

Major highlights during the year

At the start of the year, consolidated revenue in the region of DKK 6 billion was projected. This outlook was raised to the DKK 6.5 billion level in connection with the interim report for the first half as a result of the increasing level of activity in MT Højgaard. At the start of the year, full-year profit after tax was expected to be in the region of DKK 90 million.

On 11 May, Monberg & Thorsen entered into an agreement on sale of the shares in Denerco Oil that was only subject to the necessary regulatory approvals being obtained. The outlook concerning full-year profit after tax was raised to the DKK 270 million level as a consequence of an expected gain on the sale. The sale of the shares was completed on 11 August 2006.

On 13 November 2006, it was unfortunately necessary to revise the outlook concerning profit after tax downwards from the DKK 270 million level to the DKK 200 million level for both MT Højgaard and Dyrup.

MT Højgaard had to revise its outlook downwards as a result of the overheated construction market from profit before tax in the region of DKK 175 million to profit in the region of DKK 50 million. The main reasons for this were the historically high level of activity in the industry, which is straining resources, leading to cost increases and delays.

In Dyrup, it was found that the implementation of the new strategy is taking longer than originally anticipated. The implementation costs will consequently be higher than originally anticipated, particularly the costs that relate to the focusing of Dyrup, i.e. scaling down of the activities in some markets, including the winding up of loss-making activities. In connection with the interim report for the third quarter it was stated that Dyrup expects a negative result after tax in the region of DKK 30 million.

At DKK 191 million, consolidated profit after tax was in line with the most recent expectations. MT Højgaard delivered the expected level after the downwards adjustment, whereas Dyrup's result, a loss of

DKK 45 million after tax, was somewhat lower than expected in connection with the downwards adjustment. The deviation was due solely to significant write-downs of the assets. Dyrup's result was thus eroded by special items in the region of DKK 47 million.

The development within the Group's core activities

Like 2005, 2006 was a challenging year for **Dyrup** with stagnating sales and a decline in the result. The focusing of Dyrup commenced in 2005 continued in 2006 with a view to improving efficiency and earnings.

The new Executive Board that was put in place in mid-2006 found that the foundation for the strategy was weaker than assumed. The costs for implementation of the strategy are therefore higher than expected, and it has been necessary to make significant write-downs of both fixed assets and inventories.

Dyrup delivered revenue of just under DKK 1.7 billion, which is slightly down both on 2005 and the outlook at the start of the year.

The development in revenue was affected by the difficult market conditions in the DIY area, where private label increased significantly more than the general market growth in 2006. Dyrup's accessible market was consequently reduced, especially within DIY, which accounts for more than 40% of Dyrup's revenue.

In Denmark, revenue was in line with the previous year, while, in France, it was DKK 30 million down, compared with an expected improvement. France, Dyrup's largest market, experienced sharpened competition in 2006, both on the supplier side and the customer side, leading to loss of market shares and lower earnings.

In Germany, recent years' negative trend turned around to a 4% increase in revenue. Dyrup also succeeded in reversing the trend in Portugal compared with 2005, with a small increase in revenue and a profit. The initiatives put in motion in 2005 and 2006 thus reversed the negative trend in both Germany and Portugal.

Persistent pressure on prices and increased raw material prices result in a decreasing gross margin. Conversely, efficiency improvement measures in the production area (Lean) meant that these costs were on a par with the previous year. The total distribution costs were slightly lower than in 2005, primarily reflecting the strategic measures, with formation of regions and the winding up of loss-making activities in several markets. Administrative expenses were cut by approx. 7%, partly as a consequence of the staff reductions in 2005.

Special items related primarily to costs for additional focusing of Dyrup, including staff reductions and termination of the activities within DIY and the professional area in Norway. In addition, additional write-downs of property, plant and equipment were necessary. Inventories were also written down selectively as a consequence of the strategic measures.

The full-year result after tax was consequently a loss of DKK 45 million.

At the start of 2006, Dyrup launched STRATEGY 2008 with the aim of focusing and creating profitable growth in the lead up to 2009. Acquisitions are an important element of the strategy, as organic growth in itself is not sufficient to secure the earnings targets that have been set. The basic elements of the strategy still stand, but it has been found that the financial targets cannot be met within the strategy period.

No acquisitions were made in 2006, but relevant acquisition candidates are being analysed. These are being addressed to clarify whether it will be possible to implement any acquisitions in the course of 2007 that can strengthen Dyrup's strategic position. Alternatively, relevant business partners are being considered.

Until this has been clarified, Dyrup will work intensively, in accordance with STRATEGY 2008, on securing its basic business, where a focusing of Dyrup's activities will still be required.

MT Højgaard reported revenue of DKK 11 billion in 2006, up 31% on 2005, predominantly reflecting organic growth to which all the Group's business segments contributed, and driven primarily by the very high level of activity in the Danish building and civil works market in 2006.

Operating profit was DKK 59 million compared with DKK 138 million in 2005. The decline in profit was due to the development in the Contracting business, particularly as a result of the losses on a few large residential and refurbishment projects referred to above. The subsidiaries reported profit ahead of expectations. The operating margin dropped to 0.5%, from 1.6% in 2005, as a result of the revenue growth and the decline in profit.

MT Højgaard's organisation, including the management structure within the problem areas, was modified in 2006 with a view to strengthening the management focus, and the requirements concerning risk profile and earnings on new projects were tightened still further. HR efforts focusing on organisational development will be intensified in the coming year.

On the Buxton project, there are no changes to report in relation to what was stated in the 2005 annual report. The claims for extra payments advanced by MT Højgaard are the subject of arbitration. In accordance with the company's policy, no income has been recognised in the financial statements in this respect.

The result before tax for 2006 was a profit of DKK 51 million compared with DKK 125 million in 2005. The Monberg & Thorsen Group's share of profit amounted to 46%, equivalent to DKK 23 million.

The order book stood at DKK 10.8 billion at the end of 2006, compared with DKK 8.4 billion at the end of 2005. The order book corresponds to on average about 12 months' production. The order book includes a number of orders extending over several years.

The high level of activity in the construction industry, which is straining resources and putting prices under pressure, means that it is necessary to be highly selective when choosing new projects, with a reduction in the level of activity in the longer term as a possible and accepted consequence.

MT Højgaard's strategy features a Group revenue target in the order of DKK 12 billion by 2010 and a target of achieving a pre-tax margin of 2.0-2.5% within a few years. In pursuing the first target, MT Højgaard's risk management guidelines must be observed.

Other consolidated enterprises

In August 2006, the Group sold its oil interests at an accounting gain of DKK 171 million, which is recognised in the consolidated operating profit. To this should be added the profit share up to the date of sale, DKK 43 million after amortisation of the premium paid for oil and gas rights in connection with the acquisition of shares in Denerco Oil in prior years.

Profit benefited from the persistently high and increasing oil price up to the date of sale.

Consolidated balance sheet

The balance sheet total increased to the DKK 4.1 billion level, equivalent to a 16% increase compared with the end of 2005. The increase was due solely to the high level of activity in MT Højgaard.

Consolidated equity stood at approx. DKK 1.5 billion, equivalent to an equity ratio of 37% versus 39% at the end of 2005.

Consolidated cash flow statement

Operating cash inflow amounted to DKK 201 million compared with DKK 216 million in 2005. The decline was due primarily to MT Højgaard. Dyrup's operating cash flows were on a par with 2005 as a result of an improvement in the cash operating result.

Investing activities absorbed DKK 123 million net, relating primarily to the increase in property, plant and equipment in MT Højgaard. The DKK 475 million gain on sale of the shares in Denerco Oil was placed in bonds in 2006.

Financing activities generated a cash outflow again in 2006, consisting primarily of DKK 43 million paid in dividends for 2005 and a DKK 21 million decrease in non-current loans. Monberg & Thorsen did not buy back any treasury shares in 2006.

The Group's total cash and cash equivalents at 31.12.06 amounted to DKK 79 million, to which should be added the securities portfolio and undrawn credit facilities. The 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.

THE FUTURE

Consolidated revenue in the region of DKK 6.8 billion is expected for 2007, with profit after tax in the region of DKK 50 million. This should be viewed against a loss after tax of DKK 24 million in 2006, excluding the effect on profit of the oil activities divested in 2006.

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

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

Dyrup

Dyrup expects modest market growth, with Spain and Portugal and the industrial area in general contributing the highest growth.

Dyrup expects, as a minimum, to hold its position in its principal markets and to expand its position in the industrial area, which is also expected to grow in 2007. Dyrup will thus be making a targeted effort to strengthen its position in wood care and to generate growth in the markets in which Dyrup currently enjoys a strong position. This will be achieved, among other things, through the launch of innovative products underpinned by increased marketing initiatives, which will have a beneficial effect in the years ahead.

Dyrup will invest substantial resources again in 2007 in efficiency improvement and improvement of the company’s infrastructure in order to enhance its competitiveness.

Overall, revenue in the region of DKK 1.7 billion is anticipated. Due to a deliberate increase in costs for market communications, product innovation and general skills development, the operating result is expected to show a small loss. The result after tax is consequently expected to be a loss in the region of DKK 20 million compared with a loss after tax of DKK 45 million in 2006.

MT Højgaard

The Danish building and civil works market is expected to stabilise in 2007 at the existing very high level, but with the possibility of a slight decline in the level of activity towards the end of the year as a result of a slowdown in market conditions.

The activities within construction are expected to stagnate, as the progress in the commercial area, particularly within administrative buildings, is not expected to be able to make up for the decline in residential construction, within which a small downturn is expected in both private and subsidised construction.

The refurbishment market will benefit from a high level of activity within conversion and upgrading projects again in 2007.

With a continued high level of investment within the transport sector, the civil works market in Denmark is expected to remain stable. The utility services market is on the increase again in the current year due to the continued high willingness to invest in telecommunications.

As far as concerns the international activities, an increasing level of activity is expected in 2007, with the focus on selective identification of project opportunities in relation to own competencies and resources.

The order book stood at DKK 10.8 billion at the start of 2007, with DKK 8 billion expected to be executed in 2007. With the strengthened order book compared with last year and an expectation of a high level of activity, with continued pressure on resources and prices, MT Højgaard will be highly selective when choosing new projects. Revenue is expected to reach approx. DKK 11 billion in 2007. The proportion accounted for by international revenue is expected to increase to just over 20% of total revenue in 2007, compared with 17% in 2006.

Selectivity and focusing are expected to lead to a significant improvement in earnings in the Contracting business. The progress will be realised successively during 2007 as the written-down projects with a low contribution margin are completed. The subsidiaries are expected to realise satisfactory results again in 2007, albeit at a lower level than in 2006. Pre-tax profit for the MT Højgaard Group is expected to be in the region of DKK 225 million.

Board resolutions and proposals to the Annual General Meeting

A dividend to the shareholders of DKK 36 per DKK 20 share is proposed, corresponding to DKK 129 million in total, which will be reserved under proposed dividends under equity. Like last year, no provision has been made in respect of dividends payable on the holding of treasury shares.

The dividend corresponds to dividend for 2006 of DKK 12 per share, equivalent to DKK 43 million in total, plus extraordinary dividend of DKK 24 per share, or DKK 86 million in total, largely corresponding to half the gain on sale of Denerco Oil.

After payment of the proposed dividend, the parent company will have cash resources of just under DKK 500 million, to which should be added undrawn credit facilities. In view of the current situation, with clarification in 2007 of whether it will be possible for Dyrup to identify relevant acquisition candidates that can underpin Dyrup's strategic development, it is necessary to maintain relatively high cash resources.

The dividend payment corresponds to approx. 69% in total of profit for the year after tax. The dividend payment provides a direct return of 7.2% based on the current market price of approx. 500.

Again this year, the Supervisory Board will request the usual authority from the shareholders to purchase up to 10% of the share capital and will also request an extension of the authority to increase the share capital by nom. DKK 20 million B shares.

Other information

At 31.12.06, the holding of treasury shares totalled 2,645 nos. B shares. The company did not buy back any treasury shares in 2006.

The annual report with auditors' report and the Supervisory Board's complete resolutions to the Annual General Meeting will be available for inspection at the Company's office from Wednesday 4 April 2007.

The printed annual report will be issued on Wednesday 4 April 2007.

The Annual General Meeting will be held on Monday 23 April 2007 at 5.00pm.

Appendices: *Consolidated cash flow statement*
Consolidated income statement
Consolidated balance sheet
Consolidated statement of changes in equity
Segment overview
Quarterly statements
Preliminary announcement for Dyrup A/S

CONSOLIDATED CASH FLOW STATEMENT (DKKm)

	2006	2005
Operating activities		
Operating profit	190.9	63.9
Adjustment for non-cash operating items		
Depreciation, amortisation and impairment losses	162.8	138.0
Share of profit (loss) of associates	(43.4)	(41.8)
Other adjustments	(161.6)	11.2
Cash flows from operating activities before working capital changes	**148.7**	171.3
Working capital changes		
Inventories	35.5	54.2
Receivables excluding work in progress	(289.3)	(142.2)
Work in progress	171.1	(68.6)
Trade payables and other current payables	169.4	243.9
Cash flows from operations (operating activities)	**235.4**	258.6
Interest received, etc.	26.1	19.8
Interest paid, etc.	(42.2)	(42.3)
Cash flows from operations (ordinary activities)	**219.3**	236.1
Income taxes paid, net	(18.6)	(20.5)
Cash flows from operating activities	**200.7**	215.6
Investing activities		
Purchase of intangible assets	(6.4)	(25.3)
Purchase of property, plant and equipment	(154.7)	(135.9)
Sale of property, plant and equipment	33.7	26.5
Acquisition/disposal of enterprises and activities	476.7	(125.1)
Investments	2.3	-
Purchase/sale of securities	(475.0)	37.5
Cash flows for investing activities	**(123.4)**	(222.3)
Cash flows before financing activities	**77.3**	(6.7)
Financing activities		
Dividends paid to shareholders	(43.0)	(57.3)
Minority interests	(2.1)	(0.7)
Increase in non-current bank loans, etc.	-	-
Decrease in non-current bank loans, etc.	(20.8)	(37.5)
Cash flows from financing activities	**(65.9)**	(95.5)
Net increase (decrease) in cash and cash equivalents	**11.4**	(102.2)
Cash and cash equivalents at 01.01.	67.6	169.7
Unrealised value adjustments	0.2	0.1
Cash and cash equivalents at 31.12.	**79.2**	67.6
consisting of:		
Cash and cash equivalents	308.6	306.2
Current bank loans	(229.4)	(238.6)
	79.2	67.6

The figures in the cash flow statement cannot be derived from the published records alone.

CONSOLIDATED INCOME STATEMENT (DKKm)

	2006	2005
Revenue	**6,757.9**	5,573.5
Production costs	5,874.8	4,647.0
Gross profit	**883.1**	926.5
Share of profit (loss) after tax of associates	43.4	41.8
Distribution costs	605.0	603.0
Administrative expenses	258.3	257.5
Other operating income and expenses	127.7	(43.9)
Operating profit	**190.9**	63.9
Financial income	26.9	20.7
Financial expenses	41.8	41.6
Profit before tax	**176.0**	43.0
Income tax expense	(14.5)	(18.6)
Profit for the year	**190.5**	61.6
Attributable to:		
Minority interests	**3.9**	2.9
Equity holders of the parent	**186.6**	58.7
	190.5	61.6
Earnings and diluted earnings per share (EPS), DKK	**52**	16

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER (DKKm)
ASSETS

	2006	2005
Fixed assets		
Intangible assets		
Goodwill	89.4	87.5
Trade marks and distribution rights	38.5	54.8
In-process development projects	9.2	6.7
Total intangible assets	**137.1**	149.0
Property, plant and equipment		
Land and buildings	401.7	385.9
Plant and machinery	340.7	359.9
Fixtures and fittings, tools and equipment	99.8	115.9
Prepayments and assets in the course of construction	13.5	7.6
Total property, plant and equipment	**855.7**	869.3
Investments		
Investments in jointly controlled entities/associates	0.3	257.8
Receivables from associates	2.6	2.5
Other securities and equity investments	0.4	0.4
Deferred tax assets	148.9	103.8
Total investments	**152.2**	364.5
Total fixed assets	**1,145.0**	1,382.8
Current assets		
Inventories		
Inventories	274.3	273.8
Properties for resale	102.6	139.1
Total inventories	**376.9**	412.9
Receivables		
Trade receivables	1,298.1	1,028.9
Contract work in progress	277.7	216.8
Receivables from associates	2.9	2.7
Other receivables	93.2	70.1
Income tax	4.6	13.3
Prepayments	44.2	45.7
Total receivables	**1,720.7**	1,377.5
Securities	**514.5**	40.4
Cash and cash equivalents	**308.6**	306.2
Total current assets	**2,920.7**	2,137.0
Total assets	**4,065.7**	3,519.8

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER (DKKm)
EQUITY AND LIABILITIES

	2006	2005
Equity		
Share capital	71.7	71.7
Translation reserve	11.5	10.9
Retained earnings	1,291.5	1,230.3
Proposed dividends	129.0	43.0
Equity attributable to equity holders of the parent	**1,503.7**	1,355.9
Equity attributable to minority interests	**10.8**	9.2
Total equity	**1,514.5**	1,365.1
Non-current liabilities		
Bank loans, etc.	282.2	317.6
Deferred tax liabilities	61.3	86.6
Provisions	28.7	26.4
Total non-current liabilities	**372.2**	430.6
Current liabilities		
Current portion of non-current financial liabilities	53.8	32.5
Bank loans	229.4	238.6
Contract work in progress	559.7	316.6
Prepayments received from customers	63.5	47.0
Trade payables	760.9	617.1
Payables to subsidiaries	-	-
Payables to associates	0.2	1.9
Income tax	21.5	4.7
Other payables	460.1	433.1
Deferred income	28.7	31.6
Provisions	1.2	1.0
Total current liabilities	**2,179.0**	1,724.1
Total liabilities	**2,551.2**	2,154.7
Total equity and liabilities	**4,065.7**	3,519.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Translation reserve	Retained earnings	Proposed dividends	Total equity attributable to Monberg & Thorsen	Attributable to minority interests	Total
Equity at 01.01.05	71.7	6.3	1,220.1	57.3	1,355.4	6.9	1,362.3
Profit for the year			58.7		58.7	2.9	61.6
Foreign exchange adjustments		4.6			4.6	0.1	4.7
Other adjustments			(5.5)		(5.5)		(5.5)
Total income and expense for the year		4.6	53.2		57.8	3.0	60.8
Dividends paid				(57.3)	(57.3)	(0.7)	(58.0)
Transfer to proposed dividends			(43.0)	43.0	0		0
Total changes in equity		4.6	10.2	(14.3)	0.5	2.3	2.8
Equity at 01.01.06	71.7	10.9	1,230.3	43.0	1,355.9	9.2	1,365.1
Profit for the year			186.6		186.6	3.9	190.5
Foreign exchange adjustments		0.6			0.6	(0.2)	0.4
Other adjustments			3.6		3.6		3.6
Total income and expense for the year		0.6	190.2		190.8	3.7	194.5
Dividends paid				(43.0)	(43.0)	(2.1)	(45.1)
Transfer to proposed dividends			(129.0)	129.0	0		
Total changes in equity		0.6	61.2	86.0	147.8	1.6	149.4
Equity at 31.12.06	71.7	11.5	1,291.5	129.0	1,503.7	10.8	1,514.5

ESSENTIAL SEGMENT INFORMATION

	Dyrup		MT Højgaard*		Others, etc.**		Total	
Income statement	**2006**	2005	**2006**	2005	**2006**	2005	**2006**	2005
Revenue	1,660	1,681	5,098	3,893	-	-	6,758	5,574
Gross profit	680	703	203	224	-	-	883	927
Operating profit before special items	5	16	27	62	35	35	67	113
Special items	(47)	(49)	-	-	171	-	124	(49)
Operating profit (loss) (EBIT)	(42)	(33)	27	62	206	35	191	64
Financial income	4	7	11	9	12	5	27	21
Financial expenses	(28)	(29)	(14)	(14)	-	1	(42)	(42)
Profit (loss) before tax	(66)	(55)	24	57	218	41	176	43
Income tax	21	29	(7)	(11)	1	1	15	19
Profit (loss) after tax	(45)	(26)	17	46	219	42	191	62
Balance sheet								
Intangible assets	103	117	34	32	-	-	137	149
Property, plant and equipment	438	488	418	381	-	-	856	869
Investments	39	33	113	76	-	256	152	365
Total fixed assets	580	638	565	489	-	256	1,145	1,383
Properties for development and resale	-	-	103	139	-	-	103	139
Inventories	249	250	25	24	-	-	274	274
Receivables	347	351	1,369	1,032	5	(6)	1,721	1,377
Cash and cash equivalents and securities	51	35	161	122	611	190	823	347
Total current assets	647	636	1,658	1,317	616	184	2,921	2,137
Total assets	1,227	1,274	2,223	1,806	616	440	4,066	3,520
Share capital	100	100	101	101	(129)	(129)	72	72
Reserves, etc.	342	387	381	366	720	540	1,443	1,293
Total equity	442	487	482	467	591	411	1,515	1,365
Non-current liabilities	234	278	120	134	18	19	372	431
Current liabilities	551	509	1,621	1,205	7	10	2,179	1,724
Total equity and liabilities	1,227	1,274	2,223	1,806	616	440	4,066	3,520
Cash flows, etc.								
From operating activities	65	64	146	157	(10)	(5)	201	216
For investing activities	(27)	(58)	(110)	(78)	14	(86)	(123)	(222)
From financing activities	(20)	(88)	(3)	(22)	(43)	14	(66)	(96)
Net increase (decrease) in cash and cash equivalents	19	(82)	33	57	(40)	(77)	11	(102)
Portion relating to property, plant and equipment	(23)	(38)	(132)	(98)	-	-	(155)	(136)
Financial ratios (%)								
Operating margin	0	1	1	2	-	-	0	0
Return on invested capital (ROIC)	1	2	6	13	-	-	13	4
Return on equity (ROE)	(10)	(5)	4	10	-	-	13	5
Equity ratio	36	38	22	26	-	-	37	39

* Comprises 46% of MT Højgaard’s figures.

** Others, etc., comprises the parent company, Other consolidated enterprises and eliminations.

QUARTERLY STATEMENTS

DKKm	2006				
	Q1	Q2	Q3	Q4	**Total**
Income statement					
Revenue:					
Dyrup	378	504	471	307	**1,660**
MT Højgaard (46 %)	1,077	1,224	1,355	1,442	**5,098**
	1,455	1,728	1,826	1,749	**6,758**
Operating profit (loss) (EBIT)					
Dyrup	1	36	32	(111)	**(42)**
MT Højgaard (46 %)	8	9	(4)	14	**27**
Oil interests	18	15	182	0	**214**
Parent company's operations, etc.	(2)	(1)	(2)	(4)	**(8)**
Total operating profit (loss) (EBIT)	25	59	208	(101)	**191**
Net financing costs	(5)	(7)	(2)	(1)	**(15)**
Profit (loss) before tax	20	52	206	(102)	**176**
Profit (loss) after tax	20	39	201	(69)	**191**
Monberg & Thorsen's share of consolidated profit	20	38	200	(71)	**187**
Cash flows					
From operating activities	(41)	(11)	67	186	**201**
For investing activities*	(27)	(35)	(26)	(35)	**(123)**
From financing activities	(2)	(33)	(12)	(19)	**(66)**
Net increase (decrease) in cash and cash equivalents	(70)	(79)	29	131	**11**
*Portion relating to property, plant and equipment	(29)	(37)	(30)	(59)	**(155)**

DKKm	2005				
	Q1	Q2	Q3	Q4	Total
Income statement					
Revenue:					
Dyrup	381	527	463	310	1,681
MT Højgaard (46 %)	690	976	1,016	1,211	3,893
	1,071	1,503	1,479	1,521	5,574
Operating profit (EBIT)					
Dyrup	(2)	46	22	(99)	(33)
MT Højgaard (46 %)	(9)	25	22	24	62
Oil interests	6	9	15	13	43
Parent company's operations, etc.	(2)	(1)	(2)	(3)	(8)
Total operating profit (loss) (EBIT)	(7)	79	57	(65)	64
Net financing costs	(3)	(5)	(5)	(8)	(21)
Profit (loss) before tax	(10)	74	52	(73)	43
Profit (loss) after tax	(5)	54	50	(37)	62
Monberg & Thorsen's share of consolidated profit	(5)	54	49	(39)	59
Cash flows					
From operating activities	(113)	(68)	180	217	216
For investing activities*	(43)	(124)	(15)	(40)	(222)
From financing activities	(9)	(70)	(7)	(10)	(96)
Net increase (decrease) in cash and cash equivalents	(165)	(262)	158	167	(102)
*Portion relating to property, plant and equipment	(21)	(23)	(41)	(51)	(136)

- **In connection with the change of management it was found that the foundation for the strategy was weaker than assumed.**
- **The result for the year was adversely affected by costs of DKK 47 million for focusing of Dyrup.**
- **The result for 2007 will also be affected by costs for efficiency improvement measures and increased investment in market communications, product innovation, etc.**
- **Dyrup's foundation must also be strengthened through acquisitions.**

	Pro forma				
Amounts in DKKm	2002	2003	2004	2005	2006
Income statement					
Revenue	1,722	1,724	1,668	1,681	1,660
Gross profit	781	777	748	703	680
Operating profit before special items (EBIT)	147	142	101	16	5
Net financing costs	(23)	(22)	(14)	(23)	(24)
Profit (loss) before tax	123	120	87	(55)	(66)
Profit (loss) for the year	91	90	61	(26)	(45)
Balance sheet					
Share capital	100	100	100	100	100
Equity	573	581	579	487	442
Balance sheet total	1,289	1,228	1,312	1,274	1,227
Interest-bearing assets	106	58	42	35	51
Interest-bearing liabilities	379	304	392	449	427
Invested capital	921	906	1.008	980	897
Cash flows, etc.					
From operating activities	108	154	64	64	65
For investing activities *)	(49)	(56)	(97)	(58)	(27)
From financing activities	(124)	(130)	(90)	(88)	(20)
Net increase (decrease) in cash and cash equivalents	(65)	(32)	(123)	(82)	19
*) portion relating to property, plant and equipment (gross)	(51)	(56)	(86)	(38)	(23)
Financial ratios (%)					
Gross margin	45.4	45.1	44.8	41.8	41.0
Operating margin (EBIT margin)	8.5	8.3	6.0	1.0	0.3
Pre-tax margin	7.2	7.0	5.2	(3.3)	(4.0)
Return on invested capital (ROIC)	16	16	11	2	1
Return on equity (ROE)	16	16	10	(5)	(10)
Equity ratio	44	47	44	38	36
Earnings per share of DKK 20 (EPS), DKK	18	18	12	(5)	(9)
Other information					
Average number of employees	1,178	1,152	1,107	1,045	961

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

MANAGEMENT'S REVIEW

Like 2005, 2006 was a challenging year for Dyrup with stagnating sales and a declining result. The focusing of Dyrup commenced in 2005 continued in 2006 with a view to improving efficiency and earnings.

The new Executive Board that was put in place in mid-2006 found that the foundation for the strategy was weaker than assumed. The costs for implementation of the strategy are therefore higher than expected, and it has been necessary to make significant write-downs of both fixed assets and inventories.

At DKK 1,660 million, revenue was slightly down on 2005 and the outlook at the start of the year. Like 2005, the result for the year was affected by special items in the region of DKK 47 million, which meant that the consolidated result after tax was a loss of DKK 45 million.

Income statement

The development in revenue was affected by the difficult market conditions in the DIY area, where private label increased significantly more than the general market growth in 2006. Dyrup's accessible market was consequently reduced, especially within DIY, which accounts for more than 40% of Dyrup's revenue.

In Denmark, revenue was in line with the previous year, while, in France, it was DKK 30 million down, compared with an expected improvement. France, Dyrup's largest market, experienced sharpened competition in 2006, both on the supplier side and the customer side, leading to loss of market shares and lower earnings.

In Germany, recent years' negative trend turned around to a 4% increase in revenue. Dyrup also succeeded in reversing the trend in Portugal to a small increase in revenue and a profit compared with 2005. Despite a first half in which the negative trend from 2005 continued, the trend was reversed to an improvement in the second half. The initiatives put in motion in 2005 and 2006 thus reversed the negative trend in both Germany and Portugal.

Persistent pressure on prices and increased raw material prices result in a decreasing gross margin. Conversely, efficiency improvement measures in the production area (Lean) meant that these costs could be kept on a par with the previous year. Overall, gross profit was DKK 680 million compared with DKK 703 million in 2005. The gross margin thus fell from 41.8% to 41.0%

The total distribution costs were slightly lower than in 2005, primarily reflecting the strategic measures, with formation of regions and the winding up of loss-making activities in several markets. Administrative expenses were cut by approx. 7%, partly as a consequence of the staff reductions in 2005.

The operating result before special items was consequently a profit of DKK 5 million compared with DKK 16 million the previous year. It has thus not been possible to fully reduce costs in step with the fall in revenue and gross profit.

The special items in 2006 amounted to DKK 47 million after set-off of non-recurring income of DKK 16 million from the sale of trade mark rights in Egypt. These items related primarily to unusual and significant items in connection with the restructuring of Dyrup that commenced in 2005. During 2006 it was found that the implementation of the strategy and the focusing of Dyrup are more time-consuming and the costs involved significantly higher than first assumed. This applies, first and foremost, to costs for winding up of loss-making activities.

The special items include costs for additional focusing of Dyrup, including staff reductions and termination of the activities within DIY and the professional area in Norway. In addition, additional write-downs of property, plant and equipment were necessary. Inventories were also written down selectively as a consequence of the strategic measures. The full-year result after tax was consequently a loss of DKK 42 million.

Net financing costs increased to DKK 24 million. The result before tax was consequently a loss of DKK 66 million, and the result after tax a loss of DKK 45 million.

Balance sheet

The consolidated balance sheet total closed the year in the region of DKK 1.2 billion compared with DKK 1.3 billion in 2005. The decline was due primarily to the fixed assets, where capital expenditure was only DKK 23 million, at the same time as depreciation and impairment losses rose to DKK 90 million, with impairment losses accounting for DKK 18 million.

Inventories were at the same level as the previous year. Total receivables showed a small decrease.

Equity stood at DKK 442 billion, equivalent to an equity ratio of 36%, up from 38% at the end of 2005.

Net interest-bearing debt stood at DKK 376 million at the end of 2006 compared with DKK 414 million at the end of 2005. In view of the result for the year, the development in operating cash flows was satisfactory.

Cash flows

Operating cash inflow was DKK 65 million, on a par with 2005. Total investments and capital expenditure were down by DKK 30 million on 2005 to DKK 27 million, overall. Property, plant and equipment accounted for most of capital expenditure in 2006.

In 2006, cash flows for financing activities related solely to a DKK 20 million decrease in non-current financial liabilities.

The net cash flow for the year was an inflow of DKK 19 million, largely corresponding to the increase in cash and cash equivalents. Net cash and cash equivalents consequently amounted to DKK (157) million.

The financial resources are considered satisfactory to underpin Dyrup's continued development, which will entail major investments in the coming years.

Management information

On 1 June 2006, Erik Holm took up the post of new CEO of Dyrup. Erik Holm came from the post of CEO of Louis Poulsen Holding A/S.

Hanne Lund, Executive Vice President, Finance, stepped down from the Executive Board on 4 September 2006.

Market development in 2006

The markets in which Dyrup is represented with paints and wood care showed a small improvement in 2006, overall. The general market trend was thus slightly more positive than anticipated at the start of the year.
The general market growth is driven primarily by the industrial market and also by the professional market. Good market conditions and growth in construction have a positive effect on both of these market areas.

The overall DIY market increased only marginally, whereas the share accounted for by private label is still increasing to the effect that the market for branded products is diminishing year on year. The increase in private label in 2006 was significantly higher than the market growth, especially in the DIY area, which accounts for more than 40% of Dyrup's revenue. This increasing trend was most pronounced in France, to which should be added intensified competition between the manufacturers, which has been instrumental in reducing earnings. Progress was made in both the professional and the industrial areas.

Denmark
Dyrup's revenue in Denmark was in line with 2005. A sustained high level of activity in the construction sector generated progress in excess of 8% in the professional trade, which is estimated to be on a par with the market growth. The DIY market is considered to be flat. Here, Dyrup realised revenue below the previous year's level. Dyrup retained its market share within the industrial area in Denmark.

France
In France, Dyrup experienced a substantial fall in sales due to a very difficult market situation. A falling and price-sensitive DIY market, coupled with extremely fierce competition between the large chains of

builders merchants, led to an overall decline and a loss of market shares, partly due a steep increase in private label. In the professional and industrial markets, Dyrup delivered revenue in line with the previous year. Revenue was thus down on the general market development.

Germany

In the stagnating German market, Dyrup recorded a sales increase of just under 4%, overall. The increase was attributable to the DIY market, where Dyrup focused its efforts on wood care, strengthening its market leading position significantly during year, so that Dyrup is now again No. 1 in DIY wood care. Efforts in the professional area were reorganised during the year, and there is a sound basis for an improvement in 2007 compared with the decline in revenue experienced in 2006. The growth in the industrial area was satisfactory in a falling market.

Portugal

After several years of a negative market trend in the professional market, it was a positive sign that the decline in 2006 was limited. However, Dyrup lost some ground at the start of the year in a slightly falling market, although recent years' decline was reversed in the second half, especially on the earnings front. The DIY market is increasing its share of the overall market, but is still somewhat smaller than the professional market. In the DIY market, Dyrup's sales development significantly outperformed the general market growth, primarily reflecting the launch of several innovative products and concepts. Overall, Dyrup's sales were slightly ahead of the previous year.

Spain

Dyrup is primarily a supplier to the professional market, but with a good position within the growing, but still restricted DIY market. Dyrup has made good progress in the DIY market thanks to a number of product launches within paints. At the same time, the development in the professional market was satisfactory and ahead of the market development. Overall, Dyrup recorded a 5% increase in sales in the Spanish market.

Poland

Dyrup's sales to industrial customers again considerably outperformed the still growing industrial market. Dyrup's growth in the industrial market thus secured overall growth in the Polish business, despite the decline in sales to DIY and the professional market being higher than the decline in the general market.

Outlook for 2007

Dyrup expects modest market growth in its markets in 2007, with Spain and Portugal and the industrial area in general contributing the highest growth.

Dyrup expects, as a minimum, to hold its position in its principal markets and to expand its position in the industrial area, which is also expected to grow in 2007. Dyrup will thus be making a targeted effort to strengthen its position in wood care and to generate growth in the markets in which Dyrup currently enjoys a strong position. This will be achieved, among other things, through the launch of innovative products underpinned by increased marketing, which will have a beneficial effect in the years ahead.

Dyrup will invest substantial resources again in 2007 in efficiency improvement and improvement of the company's infrastructure in order to enhance its competitiveness.

Overall, revenue in the region of DKK 1.7 billion is anticipated. Due to the deliberate increase in costs for market communications, product innovation and general skills development, the operating result is expected to show a small loss. The result after tax is consequently expected to be a loss in the region of DKK 20 million compared with a loss after tax of DKK 45 million in 2006.

Strategy deliberations

At the start of 2006, Dyrup launched STRATEGY 2008 with the aim of focusing Dyrup and creating profitable growth in the lead up to 2009.

The basic elements of the strategy still stand. However, the development in 2006 has shown that the implementation of the strategy is taking longer, and that the costs will be significantly higher than expected, especially in connection with the winding up of loss-making activities. To this should be added the fact that the market development in 2006, with persistent severe competition and intensified price pressure, has generally led to lower earnings in several of Dyrup's principal markets, particularly France, where the proportion accounted for by private label has also been rising steeply.

It must thus be concluded that the financial targets in STRATEGY 2008 cannot be achieved within the strategy period.

Acquisitions are an important element of the strategy, as organic growth in itself is not sufficient to secure the earnings targets that have been set. No acquisitions were made in 2006, but relevant acquisition candidates are being analysed to clarify whether it will be possible to implement any acquisitions in 2007 that can strengthen Dyrup's strategic position. Alternatively, relevant business partners are being considered.

Until this has been clarified, Dyrup will work intensively, in accordance with STRATEGY 2008, on securing its basic business, where a focusing of Dyrup's activities and strengthening of its foundation will still be required.

A revised strategy for the coming three years will then be prepared in which new financial targets will be set. The main strategic elements of STRATEGY 2008 will still apply for the current core business.