

## Monberg & Thorsen sells Dyrup to PPG

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Monberg & Thorsen A/S has signed a conditional agreement to sell its wholly-owned subsidiary Dyrup A/S to US company PPG Industries, Inc. (PPG). The selling price is DKK 1,000 million (EUR 135 million) on a net debt-free basis (enterprise value).

The divestment of Dyrup is the result of a structured bid process, in which the participation of several industry players reflected extensive buyer interest. The transaction, which is expected to be completed in the third quarter of 2011, is subject to regulatory approvals and customary closing conditions. As part of the sale, Monberg & Thorsen has undertaken various guarantee commitments, including in relation to the fulfilment of certain operational assumptions for 2011 and risks relating to environmental matters associated with Dyrup's production facilities.

### **A sharp turning point marks successful turnaround**

Since 2006, Dyrup's management has completed a successful turnaround focusing on strengthening Dyrup's market position and business platform in a very competitive industry with growing price pressure.

The completed structural and strategic measures in Dyrup involved acquisitions and development of products and concepts within DIY and PRO, divestment of industry activities together with large cost reductions and efficiency enhancements. The goal was to establish the foundation for a financially robust business with a long-term growth and earnings capacity matching that of its European peers.

In 2010, Dyrup reached a sharp turning point and an important milestone in relation to this goal, generating 8% revenue growth (of which 1% was organic) and winning market presence in a market that contracted by 4%. At the same time, Dyrup generated a very satisfactory performance, turning a DKK 20 million operating loss in 2009 into a DKK 42 million operating profit in 2010.

### **Growth and economies of scale prerequisites for earnings**

The many and substantial initiatives completed in Dyrup in recent years have created a focused business with an attractive European position in paint and wood care products with strong brands, product qualities and great innovative power.

Management believes that achieving critical mass and economies of scale are prerequisites for achieving future growth and increasing profitability.

### **Strong performance and a strategically good match ensures an attractive price for both parties**

By selling to PPG, a global leader in architectural coatings, Monberg & Thorsen contributes to continuing the value-creating industry consolidation. With strong brands and positions in paint and, in particular, wood care products in the DIY and PRO segments in Denmark, France, Germany,

Iberia and Poland, Dyrup complements PPG's solid positions in other European countries. On the other hand, under the ownership of PPG, Dyrup will have much better opportunities to achieve its long-term earnings and growth targets through a strengthened focus on product innovation, sales synergies for both existing and new markets and economies of scale.

The strategically strong match between the business units combined with Dyrup's strong market and financial performance means that Monberg & Thorsen is getting an attractive price for Dyrup. The Board of Directors assesses that by selling Dyrup on the negotiated terms, they will ensure maximum shareholder value while acting in accordance with Dyrup's long-term interests.

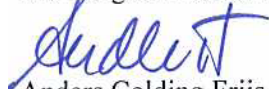
Since Monberg & Thorsen does not plan to establish new business areas, the Board of Directors intends to channel most of the company's proceeds from the divestment of Dyrup back to the shareholders.

### **Profit forecast for 2011 adjusted**

As the 2011 forecasts for MT Højgaard are unchanged, and provided that the transaction takes place in the third quarter of 2011, the divestment of Dyrup will entail that Monberg & Thorsen's forecast consolidated 2011 revenue is now approximately DKK 5.4 billion against previously DKK 5.9 billion. At the same time, the group's forecast operating margin before tax is reduced from 1% to break even, including the impact on profit of the Dyrup divestment.

Yours faithfully

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.

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

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