

Stock Exchange Announcement09.07.08
Announcement No. 12, 2008**Monberg & Thorsen A/S lowers its outlook for 2008 as a consequence of the development in Dyrup A/S, which is being hit hard by the cyclical downturn and rising raw material prices**

Despite the fact that the wood care season got off to a good start in May and June in Germany and Denmark, preliminary sales figures for the Dyrup Group for the first half of 2008 show that total revenue is down approx. 4 per cent on the same period in 2007.

This is due to the sharp slowdown and decline in the level of activity in the construction sector, which is having an adverse effect on revenue in the professional market, in particular. To this should be added the fact that falling house prices and rising interest rates have led to a general drop in consumer confidence in Europe. This has hit Dyrup's large markets in France, Germany and the Iberian Peninsula, in particular.

Besides lower revenue, Dyrup's gross profit is being adversely impacted by rising raw material prices, especially on the raw materials that are affected by the oil price. Price rises that cannot be fully offset by price increases.

The positive development in Poland continued in the second quarter of 2008, with growth in the Polish market still being relatively high. The DIY area in Denmark and Industry have also developed positively.

Strategic initiatives are paying off, but need for further alignment of the cost base

Dyrup has been initiating and implementing substantial restructuring of the company since 2006, with constant focus on efficiency improvements and savings across the value chain. Significant ongoing projects include the upgrading of the manufacturing facilities for water-based products in Denmark, the establishment of a new ERP platform, and optimisation of warehousing and distribution. All projects and initiatives are proceeding to plan, and Dyrup expects the positive effects of these to feed through as their implementation is completed in 2009.

However, the reversal in the general state of the market has made it necessary to align the cost level still further so that it matches the somewhat lower revenue than previously forecast. This means that the number of jobs in the Dyrup Group will be cut by around 75. Together with the other cost adjustments, the aim is to reduce total costs by at least DKK 50 million for the 2009 financial year.

As will be known, Dyrup's STRATEGY 2008, which has been the focal point of the restructuring and focusing implemented in the last few years with a view to creating profitable growth in the company, comes to an end at the close of 2008. Dyrup is preparing a new strategy for the years ahead that will be published at the start of 2009.

"STRATEGY 2008 has been instrumental in improving the basis for Dyrup's financial development. However, in view of the immediate economic and market conditions, we will be taking even more significant action on the cost side", says Jørgen Nicolajsen, President and CEO of Monberg & Thorsen A/S, adding: "We will therefore continue focusing on streamlining processes across the company, and we will continue working on consolidating the industry."

Capital increase in Dyrup

"In view of Dyrup's strategic challenges and ongoing initiatives, the Supervisory Board has decided to inject DKK 100 million in equity to strengthen Dyrup's capital structure," says Anders Colding Friis, Chairman of the Supervisory Board of Monberg & Thorsen A/S.

Outlook for 2008 lowered

Management expects that the market outlook will not improve in the second half of 2008, and Dyrup's full-year revenue for 2008 is consequently expected to be 2-3 per cent down on 2007 compared with the most recent outlook of approx. 3 per cent growth in revenue relative to the 2007 level.


Due to the decline in sales, Dyrup's operating result for the 2008 financial year, which, in connection with the interim financial report for the first quarter of 2008, was expected to be at the lower end of the DKK 20-25 million range, is now expected to be a loss in the region of DKK 30 million. To this should be added special items in the form of non-recurring costs in the order of DKK 30 million in connection with the planned initiatives.

As a consequence of the lowered outlook for Dyrup, Monberg & Thorsen's operating profit before special items is now expected to be a figure in the region of DKK 100 million compared with the previously projected DKK 150 million, although the outlook concerning the contribution to profit from MT Højgaard's contracting activities is reaffirmed.

Monberg & Thorsen expects to publish its interim financial report for the first half of 2008 on 27 August. The report will include further details of the development in Dyrup.

Yours faithfully,

Monberg & Thorsen A/S



Anders Colding Friis
Chairman



Jørgen Nicolajsen
President and CEO

Questions relating to this announcement should be directed to:
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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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