

Interim financial report - Third quarter 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 September 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 - Third quarter 2015

Operating profit was DKK 146 million compared with a loss of DKK 186 million in the same period last year. The profit figure includes Monberg & Thorsen's share of special items, DKK 90 million, in respect of the reversal of provisions related to the final settlement of the Robin Rigg offshore dispute. In 2014, the operating result included Monberg & Thorsen's share of special items, a loss of DKK 188 million, which related to legacy offshore disputes. Operating profit for the first three quarters of the year was in line with expectations, reflecting a satisfactory performance.

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

The operating profit outlook for 2015 in the interim financial report for the second quarter of 2015 is reaffirmed, while special items in MT Højgaard are now expected to amount to income of DKK 195 million, of which Monberg & Thorsen's share will be 46%.

The accounting policies are unchanged from the 2014 annual report.

Financial highlights

DKK million	Year	Q3		YTD	
	2014	2014	2015	2014	2015
Income statement					
Share of profit (loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard (46%)	-154	-79	122	-179	149
Administrative expenses in Monberg & Thorsen	-10	-4	-1	-7	-3
Operating profit (loss) (EBIT)	-164	-83	121	-186	146
Net finance costs	0	0	-1	0	2
Profit (loss) before tax	-164	-83	120	-186	148
Profit (loss) after tax	-164	-83	120	-186	148
Balance sheet					
Interest-bearing assets	230			275	223
Interest-bearing liabilities	0			0	0
Invested capital	353			288	506
Equity	583			563	729
Balance sheet total	587			604	731
Cash flows					
From operating activities	-50	-1	1	-6	6
For investing activities**	-208	0	-27	0	-3
From financing activities	-7	0	0	-7	-7
Net increase (decrease) in cash and cash equivalents	-265	-1	-26	-13	-4
**Portion relating to inv. in property, plant and equipment (gross)	0	0		0	0
Financial ratios (%)					
Return on invested capital (ROIC)	-40	-25*	27*	-49*	34*
Return on equity (ROE)	-24	-14*	20*	-28*	23*
Equity ratio	99			93	100
Share ratios (DKK per DKK 20 share)					
Earnings per share (EPS)	-46	-23	33	-52	41
Cash flows from operating activities	-14	0	0	-2	2
Book value	163			157	203
Market price	260			283	415
Market price/book value	1.6			1.8	2.0
Market capitalisation in DKK million	932			1,013	1,488

*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 operating profit performance for the period under review matched expectations. Profit before special items was DKK 267 million compared with DKK 88 million in the first three quarters of 2014, reflecting a satisfactory performance in view of the fact that revenue was slightly lower than expected. The positive earnings performance was driven partly by the sustained focus on the quality of new orders and optimising production, and partly by the completion of the original service contract at Thule. Special items amounted to income of DKK 195 million following the final settlement of the Robin Rigg dispute.

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 29, 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 activities generated a cash inflow of DKK 6 million relating mainly to interest income in Monberg & Thorsen, which has DKK 3 million net invested in listed corporate bonds. This portfolio amounted to DKK 204 million at the end of the third quarter of 2015. Cash and cash equivalents in Monberg & Thorsen amounted to DKK 19 million, including an amount of DKK 4 million at 30 September 2015 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 731 million, the balance sheet was somewhat higher than at 31 December 2014 due to the operating profit in MT Højgaard. The equity ratio was 100% compared with 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 MT Højgaard Group now expects full-year revenue of around DKK 6.5-7.0 billion compared with previously around DKK 7 billion, while the operating profit (EBIT) outlook of DKK 325-375 million is reaffirmed, corresponding to approximately 5% before special items. The effect of special items (legacy offshore disputes) is expected to amount to income of DKK 195 million, as the opposing party's application to appeal against the previous ruling related to the Robin Rigg offshore wind farm was rejected, see our Stock Exchange Announcement No 28 dated 5 November 2015.

Monberg & Thorsen's share is 46% of the MT Højgaard Group's profit 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 September 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 September 2015 and of the results of the operations and cash flows for the interim financial period 1 January – 30 September 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, 12 November 2015

Executive Board

Mats Jönsson
CEO

Board of Directors

Niels Lykke Graugaard
Chairman

Henriette Holmgreen Thorsen
Deputy Chairman

Lars Goldschmidt

Christine Thorsen

Income statement in the individual financial statements (DKK million)	Year 2014	Q3		YTD	
		2014	2015	2014	2015
Share of profit (loss) after tax and non-controlling interests in jointly controlled entities, MT Højgaard	-154	-79	122	-179	149
Administrative expenses in Monberg & Thorsen	-10	-4	-1	-7	-3
Operating profit (loss)	-164	-83	121	-186	146
Net finance costs	0	0	-1	0	2
Profit (loss) before tax	-164	-83	120	-186	148
Tax	0	0	0	0	0
Profit (loss) after tax	-164	-83	120	-186	148

Statement of comprehensive income in the individual financial statements (DKK million)	Year 2014	Q3		YTD	
		2014	2015	2014	2015
Profit (loss) after tax	-164	-83	120	-186	148
Share of other comprehensive income after tax of jointly controlled entities, MT Højgaard	-9	-3	-1	-7	4
Total comprehensive income	-173	-86	119	-193	152

Statement of cash flows in the individual financial statements (DKK million)	Year 2014	Q3		YTD	
		2014	2015	2014	2015
Operating profit (loss)	-164	-83	121	-186	146
Share of profit (loss) of jointly controlled entities	-154	79	-122	179	-149
Working capital changes	-41	3	-2	1	1
Cash flows from operations (operating activities)	-51	-1	-3	-6	-2
Net finance costs	1	0	4	0	8
Cash flows from operating activities	-50	-1	1	-6	6
Purchase/sale of securities	-208	0	-27	0	-3
Cash flows for investing activities	-208	0	-27	0	-3
Cash flows before financing activities	-258	-1	-26	-6	3
Dividends paid	-7	0	0	-7	-7
Cash flows from financing activities	-7	0	0	-7	-7
Net increase (decrease) in cash and cash equivalents for the period	-265	-1	-26	-13	-4
Cash and cash equivalents at 01.01.	-288	276	45	288	23
Cash and cash equivalents at end of period	23	275	19	275	19

Balance sheet in the individual financial statements (DKK million)	Year 2014	YTD	
		2014	2015
ASSETS			
Investments in jointly controlled entities, MT Højgaard	351	329	505
Other securities	0	0	0
Total non-current assets	351	329	505
Receivables	6	0	3
Securities	207	0	204
Cash and cash equivalents	23	275	19
Total current assets	236	275	226
Total assets	587	604	731
EQUITY AND LIABILITIES			
Equity	583	563	729
Trade payables	0	0	0
Income tax	0	0	0
Other payables	4	41	2
Total current liabilities	4	41	2
Total equity and liabilities	587	604	731

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	-193	152
Other	1	1	1
Dividends to shareholders	-7	-7	-7
End of period	583	563	729

Quarterly statements

DKK million	Q1	Q2	2015 Q3	Q4	Total
Income statement					
Share of profit (loss) after tax of jointly controlled entities, MT Højgaard	12	15	122		149
Administrative expenses	-1	-1	-1		-3
Operating profit (loss) (EBIT)	11	14	121		146
Net finance costs	3	0	-1		2
Profit (loss) before tax	14	14	120		148
Profit (loss) after tax	14	14	120		148

DKK million	Q1	Q2	2014 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