MONBERG & THORSEN A/S

Stock Exchange Announcement

24.03.10
Announcement No. 7, 2010

Monberg & Thorsen's Supervisory Board approved the annual report for 2009 at its meeting today.

Monberg & Thorsen delivered consolidated revenue of DKK 5.6 billion and operating profit before special items of DKK 102 million compared with DKK 107 million in 2008. Special items, net, related to Dyrup and amounted to income of DKK 16 million, and the consolidated operating result was consequently a profit of DKK 118 million compared with DKK 73 million in 2008.

The result before tax was a profit of DKK 126 million compared with DKK 83 million in 2008, and the result for the year after tax was a profit of DKK 103 million.

Dyrup delivered revenue of DKK 1.4 billion, and the operating result before special items was a loss of DKK 20 million, slightly ahead of expectations after the third quarter. The result before tax was a loss of DKK 25 million compared with DKK 90 million in 2008.

MT Højgaard delivered revenue of DKK 9.1 billion and operating profit of DKK 290 million versus DKK 314 million in 2008. Profit before tax was DKK 307 million, corresponding to a pre-tax margin of 3.4%, slightly ahead of the expected level of 3% after the third quarter.

The Supervisory Board will propose to the shareholders in general meeting that dividend of DKK 6 per DKK 20 share be paid and, for 2008, preferential dividend of 5%, equivalent to DKK 1 per DKK 20 share, to the B shareholders. The A shareholders will consequently receive DKK 6 per share and the B shareholders DKK 7 per share.

Consolidated revenue in the region of DKK 5.5 billion and profit before tax in the region of 2% are anticipated for 2010.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report. The annual report has been published via Nasdaq OMX Copenhagen, and is available on Monberg & Thorsen's website www.monthor.dk. The printed annual report will be available on 7 April 2010.

Søborg, 24 March 2010
Supervisory Board and Executive Board

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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MONBERG & THORSEN A/S

ANNUAL REPORT 2009

THE COMPANY'S FOUNDERS

Axel Monberg
1893 - 1971

Ejnar Thorsen
1890 - 1965

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MONBERG & THORSEN A/S

ANNUAL REPORT 2009

MANAGEMENT'S REVIEW

MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

DYRUP AND MT HØJGAARD

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. 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 annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report and are therefore enclosed in Monberg & Thorsen's annual report. Dyrup's and MT Højgaard's accounting policies follow the Group's accounting policies.

CONSOLIDATED FINANCIAL HIGHLIGHTS 2005-2009

DKK million	2005	2006	2007	2008	**2009**
Income statement					
Revenue					
Dyrup	1,681	1,660	1,696	1,624	1,394
MT Højgaard (46%)	3,806	5,089	5,389	5,139	4,180
Total revenue	5,487	6,749	7,085	6,763	5,574
Operating profit	50	192*	138	73	118
Net financing costs	(21)	(15)	3	10	8
Profit before tax	29	177*	141	83	126
Profit after tax	51	191*	99	56	103
Attributable to equity holders of the parent	49	187*	98	56	103
* Including DKK 171 million gain on sale of oil interests					
Balance sheet					
Interest-bearing assets	347	824	781	647	859
Interest-bearing liabilities	589	565	571	437	427
Invested capital	1,682	1,332	1,339	1,344	1,257
Consolidated equity	1,352	1,502	1,464	1,468	1,568
Attributable to equity holders of the parent	1,343	1,491	1,464	1,468	1,568
Balance sheet total	3,507	4,062	4,050	3,963	4,076
Cash flows					
From operating activities	216	201	53	233	240
For investing activities**	(222)	(123)	135	(208)	(207)
From financing activities	(96)	(66)	(162)	(137)	100
Net increase (decrease) in cash and cash equivalents	(102)	11	26	(112)	133
** Portion relating to property, plant and equipment (gross)	(136)	(155)	(162)	(209)	(199)
Financial ratios (%)					
Operating margin (EBIT margin)	0	0	1	1	2
Pre-tax margin	1	3	2	1	2
Return on invested capital (ROIC)	3	13	10	5	9
Return on equity (ROE)	4	13	7	4	7
Equity ratio	39	37	36	37	38
Share ratios (DKK per share)					
Earnings per share (EPS)	14	52	27	16	29
Cash flows from operating activities	60	56	15	65	67
Proposed dividends	12	36	12	0	7
Book value	375	416	409	410	438
Market price	464	478	498	161	280
Market price/book value	1.2	1.1	1.2	0.4	0.6
Price earnings (P/E)	33	9	18	10	10
Payout ratio (%)	88	69	44	0	24
Market capitalisation in DKK million	1,663	1,714	1,785	577	1,004
Number of employees					
Consolidated enterprises	3,653	3,829	3,991	3,835	3,561

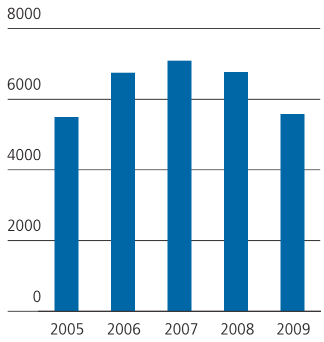
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'. Earnings per share (EPS) has been calculated in accordance with IFRS. The ratios used are defined below.

DEFINITION OF FINANCIAL RATIOS

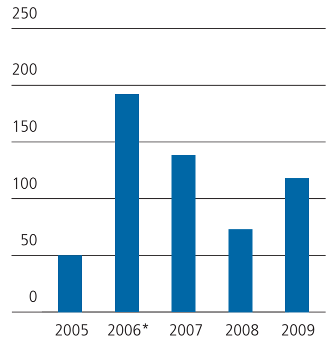
Ratio	Definition
Operating margin (EBIT margin)	$\frac{\text{(Operating profit less share of profit of associates, etc.) x 100}}{\text{Revenue}}$
Pre-tax margin	$\frac{\text{Profit before tax x 100}}{\text{Revenue}}$
Return on invested capital incl. goodwill (ROIC)	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Average invested capital incl. goodwill}}$
Return on equity (ROE)	$\frac{\text{Profit after tax x 100}}{\text{Average equity}}$
Invested capital	Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill.
Equity ratio	$\frac{\text{Equity at year end x 100}}{\text{Total liabilities at year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year attributable to parent}}{\text{Average number of shares}}$
Price earnings (P/E)	$\frac{\text{Market price at year end}}{\text{Earnings per share}}$
Payout ratio	$\frac{\text{Total dividend x 100}}{\text{Profit after tax}}$

Consolidated financial highlights (DKK million)

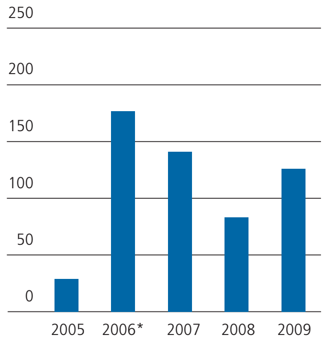
Revenue



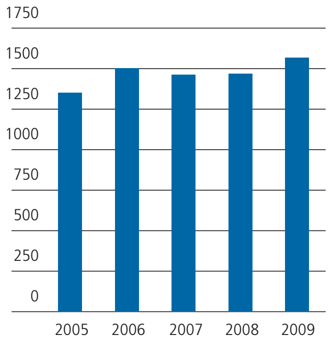
Operating profit (EBIT)



Profit before tax

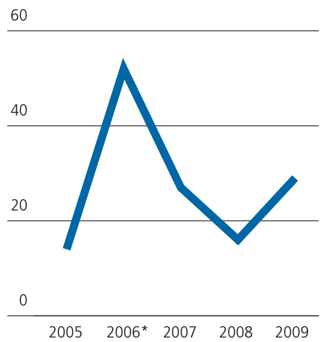


Equity at year end

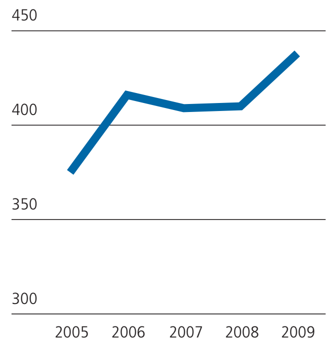


Share ratios (DKK per share)

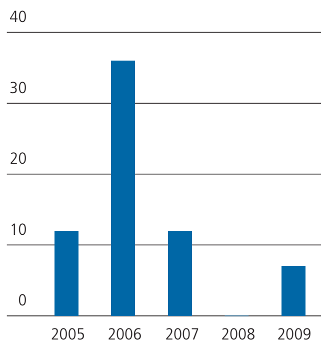
Earnings per share (EPS)



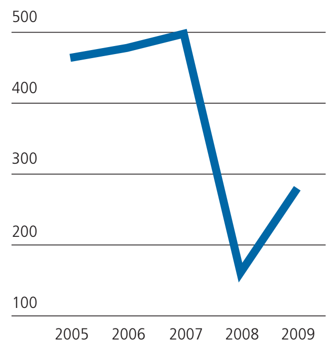
Book value at year end



Dividends



Market price at year end



* Including DKK 171 million gain on sale of oil interests

THE GROUP, BUSINESS CONCEPT AND BUSINESS STRATEGY

MONBERG & THORSEN A/S

Share capital DKK 71.7 million

Dyrup A/S
Share capital DKK 110 million (100%-owned)

MT Højgaard a/s
Share capital DKK 220 million (46%-owned)

BUSINESS CONCEPT

Creating value through long-term business development within building-related activities.

BUSINESS STRATEGY

Monberg & Thorsen is exercising active and significant influence on strategy, acquisition activities, management and finance within its business areas. It is doing so through representation on the Supervisory Boards of the consolidated enterprises and by setting financial requirements and targets. The parent company's functions are taken care of by a small organisation.

The core areas are characterised by a strong market position in their respective sectors. There are no plans to make any acquisitions in related sectors at present.

Dyrup
Dyrup aims to be a strong alternative to the large, global paint and wood care suppliers in Europe.

Dyrup's business model must draw on the local units' market knowledge and flexibility, which, coupled with the international infrastructure and powerful brands, provide a sound platform for value creation.

The financial target is for Dyrup's profitability to match that of the other manufacturers in the European market within a few years.

MT Højgaard
MT Højgaard is Denmark's leading building and civil engineering company.

The Group's foundation has been improved in recent years through significantly tightened focus on profitability and risk management. MT Højgaard wishes to be recognised as a competent and professional business partner and for being the company that sets new standards, thinks outside the box and develops new solutions. The existing international business must be developed. Skills and structures must be strengthened and optimised, both nationally and internationally.

The financial target is for MT Højgaard to be one of the most profitable building and civil engineering companies and for the pre-tax margin to be raised to 5% within a few years.

SUPERVISORY BOARD AND EXECUTIVE BOARD

SUPERVISORY BOARD

Anders Colding Friis (1963)
Chairman
President, Scandinavian Tobacco Group A/S and Skandinavisk Holding A/S
(CB) Dagrofa A/S
(MB) IC Companys A/S
Joined the Supervisory Board in 2004

Torben Ballegaard Sørensen (1951)
Deputy Chairman
(MB) Egmont Fonden
(MB) Lego A/S
(MB) AB Electrolux
(CB) CAT Science A/S
(CB) Pandora Holding A/S
(DCB) Systematic A/S
(MB) AS3-Companies A/S
(MB) Tajco A/S
(MB) Årstiderne Arkitekter A/S
Joined the Supervisory Board in 2008

Jannie Jensen (1960)*
Laboratory Technician, Dyrup A/S
Joined the Supervisory Board in 2009

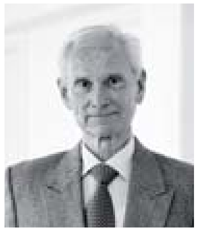
Poul Lind (1952)
CEO, Green Wind Energy A/S
(MB) MT Højgaard a/s
Joined the Supervisory Board in 2006

Michael Nielsen (1969)*
Sales Manager, Dyrup A/S
Joined the Supervisory Board in 2009

Pia Pilmark (1960)*
Bookkeeper, Dyrup A/S
Joined the Supervisory Board in 2009

Christine Thorsen (1958)
Management Consultant, MBA
Dynamic Approach ApS
Joined the Supervisory Board in 2008

Henrik Thorsen (1934)
MSc (Eng)
Joined the Supervisory Board in 1997



Carsten Tvede-Møller (1935)
Lawyer, Plesner
Joined the Supervisory Board in 1971

EXECUTIVE BOARD

Jørgen Nicolajsen (1958)
President and CEO
(DCB) MT Højgaard a/s

CB: Chairman of the Supervisory Board
DCB: Deputy Chairman of the Supervisory Board
MB: Member of the Supervisory Board
* Group representative

CONSOLIDATED RESULTS FOR THE YEAR

Monberg & Thorsen delivered consolidated revenue of DKK 5.6 billion and operating profit of DKK 118 million compared with DKK 73 million in 2008. The results were achieved despite a significantly lower level of activity, a natural consequence of the international economic downturn.

Operating profit before special items was DKK 102 million, to which should be added special items in Dyrup, which amounted to net income of DKK 16 million in 2009, reflecting the sale of the industrial activities and the Kolding property. In 2008, special items consisted exclusively of restructuring costs of DKK 34 million.

The level of net financing costs remained largely unchanged, and the result before tax was a profit of DKK 126 million compared with DKK 83 million in 2008.

The full-year result after tax was a profit of DKK 103 million compared with DKK 56 million in 2008.

Dyrup delivered revenue of DKK 1.4 billion. The operating result before special items was a loss of DKK 20 million. Both revenue and result were significantly better than expected at the start of the year. The result before tax was a loss of DKK 25 million.

MT Højgaard reported revenue of DKK 9.1 billion and operating profit of DKK 290 million, corresponding to an operating margin of 3.2% versus 2.9% in 2008. The improvement in earnings was assisted by the continued focus on the profitability of projects and on the risk management systems. The result before tax was a profit of DKK 307 million, corresponding to a pre-tax margin of 3.4%, exceeding expectations.

Consolidated cash flows from operating activities amounted to an inflow of DKK 240 million compared with DKK 233 million in 2008, primarily attributable to MT Højgaard.

Major highlights during the year

2009 was significantly better than expected at the start of the year, when the international economic downturn was starting to hit hard. As a consequence of the uncertain market environment, the outlook for 2009 was consolidated revenue of DKK 5.8 billion and operating profit before special items of DKK 50 million. Despite the fact that consolidated revenue was only DKK 5.6 billion, operating profit before special items was DKK 102 million, reflecting significantly better results than expected in both Dyrup and MT Højgaard.

Dyrup's results developed positively throughout 2009, partly reflecting the initiatives and projects implemented, and partly the fact that revenue in the DIY and PRO business declined by only 4% compared with the forecast 10-15%.

2009 was an eventful year for Dyrup, which underwent major change.

The year began with the divestment of Dyrup's industrial activities as part of the strategic focusing, and the production property in Kolding was sold in October. In June, Dyrup acquired Hygæa, comprising nine PRO outlets, seven of which were combined with Dyrup's outlets during the autumn, generating the expected cost savings.

At the start of the year, Dyrup launched its new strategy FRESH START, with a key element being a further and necessary reduction of the overall cost base, which was achieved.

MT Højgaard maintained its focus on profitability despite the lower level of activity and increasing price competition in Denmark, and 2009 was a good year for MT Højgaard. At the start of the year, MT Højgaard expected revenue of approx. DKK 10 billion and a pre-tax margin of between 2% and 3%. Revenue was DKK 9.1 billion, but with profit before tax of DKK 307 million, corresponding to a pre-tax margin of 3.4%.

In 2009, MT Højgaard implemented and initiated many initiatives as part of the new vision. An organisational structure was introduced that ensures that resources and skills are optimised across organisation, geography and projects. A new leadership model was introduced, along with many initiatives for expansion of the knowledge system, with key words being quality assurance, problem solving and efficiency.

The development within the Group's core activities

Dyrup's revenue was DKK 1.4 billion, of which industrial revenue for the first four months represented DKK 59 million. DIY and PRO revenue was thus DKK 1.3 billion, down 4%. The acquisition of Hygæa in June 2009 contributed 2% to revenue.

In Denmark, the acquisition of Hygæa led to unchanged revenue compared with 2008, while revenue in the German market was 7% ahead, reflecting a very successful roll-out of new products and concepts tailored to customer wishes. To this should be added the favourable weather conditions for outdoor products in both Germany and Denmark. In Poland, Dyrup delivered 16% growth expressed in local currency, but a decline of 8% expressed in Danish kroner due to the weakening of the Polish zloty. The decline in both France and the Iberian Peninsula was 8%. The international economic and financial crises led to intensified competition in all markets.

Gross profit was DKK 0.6 billion, with an increase in the gross margin to 41%, partly reflecting the divestment of the industrial activities.

Distribution costs were 14% lower than in 2008, reflecting the divestment of Industry and general savings as a result of more efficient marketing. Administrative expenses remained at an unchanged level and affected by the internal resources expended on all the year's projects.

The operating result before special items was a loss of DKK 20 million compared with DKK 22 million in 2008. The operating result before special items was thus on a par with 2008, but with a positive development in the continuing DIY and PRO business in that the divested industrial activities depressed the results in 2009, whereas they had a positive impact on the results in 2008.

Special items consisted of the DKK 34 million gain on the sale of the industrial activities and the property as well as restructuring costs of DKK 18 million, primarily in connection with the alignment of the cost base.

The operating result was consequently a loss of DKK 4 million compared with a loss of DKK 56 million in 2008.

Net financing costs were reduced to DKK 21 million, partly reflecting the effect of the proceeds from the divested industrial activities and the lower interest rate level.

The full-year result before tax was consequently a loss of DKK 25 million compared with a DKK 90 million loss in 2008. The effective tax rate was 33%, which means that the full-year result after tax was a loss of DKK 17 million.

The sale of the industrial activities and the property boosted Dyrup's capital base by approx. DKK 160 million, and operating cash flows benefited from the improved operating result and lower interest expense.

MT Højgaard delivered revenue of DKK 9.1 billion in 2009, down 19% on 2008 due to the general economic downturn. International activities thus represented 33% of revenue in 2009 as opposed to 28% in 2008.

The operating result was a profit of DKK 290 million, corresponding to an operating margin of 3.2% versus 2.9% in 2008, when operating profit was DKK 327 million. The operating result was consequently only down 11%, despite the fact that revenue was down 19%. The improved earnings primarily reflected the focus on improving the profitability of projects.

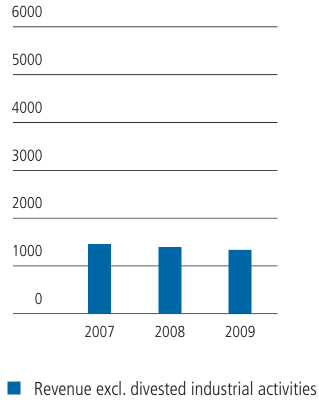
The return on invested capital was in the region of 31% again this year.

Net financing costs in MT Højgaard amounted to net income of DKK 17 million compared with DKK 32 million in 2008. Net financing costs in 2009 were adversely impacted by foreign exchange adjustments, which yielded a net gain in 2008.

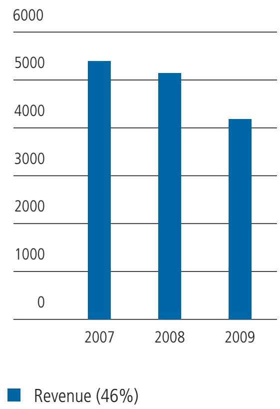
The result before tax was a profit of DKK 307 million, of which Monberg & Thorsen's share was 46%, equivalent to DKK 141 million. The pre-tax margin was 3.4% versus 3.2% in 2008.

MT Højgaard's result after tax was a profit of DKK 223 million compared with DKK 259 million in 2008.

Dyrup (DKKm)



MT Højgaard (DKKm)



Operating cash inflow was around DKK 0.5 billion again in 2009, strengthening the capital base.

The Supervisory Board of MT Højgaard proposes a dividend of DKK 50 million, DKK 23 million of which will be attributable to Monberg & Thorsen.

The order book stood at DKK 7.5 billion at the end of the year, 21% down on last year. The quality of the order book is satisfactory. The order book includes a number of large orders extending over several years.

Outlook for 2010

Consolidated revenue in the region of DKK 5.5 billion and profit before tax in the region of 2% are anticipated for 2010.

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

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

Dyrup acquired the Polish paint manufacturer Malfarb on 12 January 2010. Malfarb generates annual revenue of approx. DKK 85 million. The acquisition strengthens Dyrup's Polish activities. Malfarb is a popular brand in the professional area in Poland, and Malfarb has a broad paint range that complements Dyrup's product range in terms of price and quality.

2010 started off with heavy snow and frost in Poland, Germany, Denmark and France, while the winter in the Iberian Peninsula was cold with a great deal of rain. To this should be added the fact that the economic and financial crises are still putting a damper on consumption and that the decline in the construction market is continuing.

The first few months of 2010 thus got off to a weak start, with revenue on a par with the start of 2009, despite the Hygæa and Malfarb revenue. The outlook for 2010 is consequently uncertain.

It is expected that the DIY market will fall back by 2-4% in 2010, while the PRO market is expected to contract by around 10%. Dyrup expects to hold its market share in its principal markets, as a minimum. Dyrup will continue to develop the measures initiated as part of the FRESH START strategy in a targeted manner in order to strengthen its market positions by launching innovative products and concepts. To this should be added greater focus on expanding and utilising the export potential in Asia and Africa.

The effects of FRESH START, coupled with the acquisitions of Hygæa and Malfarb, are expected to be able to generate growth in DIY and PRO revenue of around 5%, despite the negative market outlook. The operating result is expected to be a profit of around DKK 25 million with a break-even result before tax. No special items are expected in 2010.

MT Højgaard expects the building and civil engineering market in Denmark to be on a par with 2009, overall. Construction activities are expected to remain under pressure in 2010, and the market is expected to be at a level slightly below 2009.

The refurbishment market, on the other hand, is showing a slightly upward trend and is expected to be characterised by a high level of activity in conversion and upgrading projects – especially in the public sector.

Competition in the civil engineering market in Denmark is expected to remain fierce, but with more invitations to tender in 2010 than in 2009. The utility services market experienced a distinct slowdown in 2009, and it looks as if the market will be at a very low level in 2010 due to the energy companies' sharp reduction in the roll-out of the fibre optic network.

The international business, in which MT Højgaard will selectively pick the project opportunities that match its skills and resources, is expected to prosper. Particular attention is being paid to foundations for offshore wind farms - an area in which MT Højgaard is among the most experienced in the world.

The order book stood at DKK 7.5 billion at the start of 2010, of which DKK 5.9 billion is expected to be executed in 2010. MT Højgaard will continue to be highly selective when identifying new projects, focusing on the profitability of the projects within the framework of its risk management.

Revenue for 2010 is expected to amount to approx. DKK 9 billion, which means that, in relative terms, orders for execution in 2010 will be at the same level as at the start of 2009. The international activities are expected to account for a higher proportion of revenue than in 2009.

Selectivity, focusing and targeted risk management are the basic criteria for securing satisfactory earnings. Given the current economic climate, MT Højgaard does not expect to be able to deliver a financial performance in 2010 that quite matches 2009, despite ongoing alignment of costs to the level of activity in 2009.

MT Højgaard estimates that the Group's pre-tax margin for 2010 will be in the region of 2% to 3% compared with 3.4% in 2009, although at a somewhat lower level in the first quarter due to the hard winter.

Financial resources
At the end of 2009, the Group's financial resources totalled DKK 1.4 billion, consisting of cash, securities and undrawn credit facilities. This included the proportionate share of DKK 0.6 billion from MT Højgaard, which, with financial resources totalling DKK 1.3 billion, has strong financial resources that are expected to be maintained in 2010.

Standing at DKK 0.3 billion, Dyrup's financial resources are at a satisfactory level.

The parent company's financial resources total DKK 0.4 billion, consisting primarily of short-term Danish bonds and cash. The Group's overall financial resources are expected to be slightly lower at the end of 2010.

Management information
At the Annual General Meeting on 29 April 2009, the Group representatives Magnus Bertelsen, Jan Munkholm and Gerrit Dirk Toet retired from the Supervisory Board and were replaced by the Group representatives Søren Ladegaard, Allan Wolder and Michael Nielsen. Allan Wolder stepped down from the Supervisory Board in connection with the sale of Dyrup's industrial activities on 30 April 2009, and Per Larsen was elected instead. Jannie Jensen, alternate, joined the Supervisory Board at the end of July, replacing Søren Ladegaard. In November, Per Larsen stepped down from the Supervisory Board and was replaced by Pia Pilmark, alternate.

Knowledge resources
The parent company is a holding company with only two employees. Descriptions of knowledge resources for Dyrup and MT Højgaard are given in these two companies' annual reports, to which reference is made.

Corporate responsibility
Our ethical policy forms the overall framework for all our policies and consequently our activities. We wish to demonstrate corporate responsibility, show consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas.

The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.

In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our actions will create the most value for society and ourselves.

Monberg & Thorsen is a holding company. Its primary activity is its ownership of Dyrup and MT Højgaard. By far the majority of our activities is carried out by these two companies.

The focus in recent years has been on the environment and occupational health and safety, which are described in detail in the annual reports of these two companies. The annual reports form an integral part of Monberg & Thorsen's annual report, and reference is made to these annual reports for further details on our efforts in these areas, which are expected to be stepped up in the years ahead.

Environment

Both companies focus extensively on responsible conduct in relation to the environment, including reduction of their environmental impact, partly by generating less waste and reusing waste, energy savings and eco-friendly products and building materials.

Occupational health and safety

A good, safe working environment is essential to employees and their families, and also for the financial results.

Both companies strive to reduce the number of occupational injuries, partly by using clear safety and work instructions. It is important that all employees feel that we look after their safety and wellbeing properly by providing a good working environment, and consequently also making sure that everyone becomes involved and feels responsible for improving health and safety, including the noise level, ergonomics and the psychological working environment.

Risk factors

The Monberg & Thorsen Group's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

It is considered a critical part of the strategy to continuously minimise the current risks, which are not considered to differ from the normal risks in the market segments in which the consolidated enterprises operate.

The overall framework for managing the risks judged to be critical for the Group is laid down in the business concept and the associated policies for the individual consolidated enterprises.

The Group endeavours to cover, to the greatest possible extent, significant risks outside the enterprises' direct control by taking out relevant insurance policies.

In addition to generally depending on the market trend in the building sector, each consolidated enterprise is exposed to other specific commercial risks. The Monberg & Thorsen Group's financial risks are managed and hedged on a decentralised basis in the individual consolidated enterprises. Detailed information on Dyrup's and MT Højgaard's risk factors and financial risks is given in their annual reports. The Group's financial risks are described in note 39.

DYRUP AND MT HØJGAARD

The Group's activities 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.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report and are therefore enclosed in Monberg & Thorsen's annual report. These companies' accounting policies follow the Group's accounting policies.

As in previous years, a segment overview is included on page 23, and reference is made to the enclosed annual reports for detailed information on these two companies.

REPORT ON CORPORATE GOVERNANCE

Monberg & Thorsen A/S has a clear division of authority and independence between the Supervisory Board and the Executive Board. Duties and responsibilities are determined at overall level through rules of procedure for the Supervisory Board.

The Executive Board is in charge of the day-to-day management of the company, and the Supervisory Board oversees the Executive Board and takes care of overall strategic management tasks. The chairman is the Supervisory Board's principal contact with the Executive Board.

The Monberg & Thorsen Group's activities essentially comprise the activities of MT Højgaard and Dyrup, and as part of the management of the Group's activities, representatives of both Monberg & Thorsen's Supervisory Board and Executive Board are members of the Supervisory Boards and/or Executive Boards of these companies.

Supervisory Board

Composition of the Supervisory Board

The Supervisory Board is elected by the shareholders in general meeting, apart from the Supervisory Board members that are elected pursuant to the Danish Companies Act's rules on Group representation. The members elected by the shareholders in general meeting comprise not less than four and not more than six members, currently six members. To these should be added three Group representatives.

In elections to the Supervisory Board in both the parent company and the consolidated enterprises efforts are made to ensure a professional composition of the Supervisory Board, so that, collectively, the board possesses the necessary knowledge and experience of board work as well as knowledge of social, commercial and cultural factors in the markets in which the Group has its primary business activities. Efforts are also made to achieve a satisfactory composition for the board.

Overall, the existing Supervisory Board satisfies the criteria concerning independence.

An annual self-evaluation procedure has been established for the Supervisory Board.

In connection with the election of a new member to the Supervisory Board, the chairman of the Supervisory Board interviews the selectively chosen candidate in order to ensure that his or her profile suits the vacant seat.

In connection with the notice convening the general meeting a description of the background of the nominated candidates for the Supervisory Board is given, along with information on other Executive Board or Supervisory Board memberships held by them in both Danish and foreign companies as well as any demanding organisational posts. A description is also provided of the candidates' educational background, professional qualifications and the skills that are deemed to be relevant to the Supervisory Board's work.

All members of the Supervisory Board retire by rotation each year. This provides the company's shareholders with an opportunity to discuss the recruitment criteria and the composition and diversity of the Supervisory Board at the annual general meeting.

There are no formal requirements with respect to the number of other Supervisory Board seats the individual board members may hold, but on election it is pointed out to new board members that it is important for them to ensure that they have sufficient time for their duties and that they perform them diligently and conscientiously. In Monberg & Thorsen's experience, board members are rarely absent from board meetings.

According to the Supervisory Board's rules of procedure, Supervisory Board members must retire not later than at the first general meeting following their 72nd birthday, except where special circumstances apply.

The Supervisory Board met a total of eight times in 2009 and, at the present time, expects to meet seven times in 2010. In accordance with the board's rules of procedure, the Supervisory Board must meet at least six times between Annual General Meetings.

Audit Committee

The full Supervisory Board functions as Audit Committee. No other permanent Supervisory

Board committees have been appointed at the present time.

Supervisory Board remuneration

Monberg & Thorsen has not introduced incentive pay for the Supervisory Board. Supervisory Board remuneration remained unchanged at DKK 200,000 for ordinary members of the Supervisory Board, with a supplement for the chairman and the deputy chairman. Besides their normal remuneration, the chairman or members may be paid remuneration for special tasks undertaken by them, although the total remuneration received by a Supervisory Board member may not exceed twice the chairman’s ordinary remuneration. Details concerning total remuneration paid to the Supervisory Board is disclosed in note 10 to the consolidated financial statements.

Executive Board

The Executive Board consists of the President and CEO, whose background and practical experience match the Group's current needs.

Executive Board remuneration

The Executive Board receives a fixed fee plus any bonus in accordance with the guidelines for incentive pay. The pensionable age for members of the Executive Board is 65, and no special retirement benefit plan has been agreed. Details concerning total remuneration paid to the Executive Board is disclosed in note 10 to the consolidated financial statements.

Corporate governance recommendations

Monberg & Thorsen’s B shares are listed on Nasdaq OMX Copenhagen, and Monberg & Thorsen in principle complies with the corporate governance recommendations as set out at www.corporategovernance.dk.

The Supervisory Board is still of the opinion that these recommendations are being practised in the management of the Monberg & Thorsen Group. In a few areas, the principles are only being complied with in part, as the corporate governance recommendations are not all relevant in view of the company’s size and activities. These areas are:

- Proxies for general meetings apply to the general meeting in question only and constitute a general proxy to the Supervisory Board comprising all items on the agenda, as there are rarely special and/or many proposed resolutions for consideration.
- The annual report does not include a profile of the individual Supervisory Board members and their special skills that are relevant to the performance of their duties. The background of each candidate is described in connection with their election to the Supervisory Board.

Monberg & Thorsen has taken a position on all recommendations based on the "comply-or-explain" principle, which is described in further detail on www.monthor.dk, to which reference is made.

Financial reporting process

The Group’s accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Supervisory Board and Executive Board regularly evaluate material risks and internal controls in connection with the Group’s activities and their potential impact on the financial reporting process.

As a consequence of the Group’s structure, policies, procedures and controls have been prepared in key areas related to the financial reporting processes of Dyrup, MT Højgaard and the parent company.

The responsibility for maintaining adequate and effective internal controls and risk management in connection with the financial reporting lies with the Executive Board.

The Supervisory Board monitors the financial reporting process on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, including the manner in which material and/or exceptional items and accounting estimates are accounted for, and the overall disclosure level in Monberg & Thorsen’s financial reporting.

The annual reports of Dyrup and MT Højgaard include detailed descriptions of the financial reporting processes in these companies.

SHAREHOLDER INFORMATION

Ownership

The company has around 1,550 registered shareholders.

Shareholders according to Section 55 of the Danish Companies Act:

Ejnar og Meta Thorsens Fond, Søborg
Anders Monberg, Elsinore
Christine Monberg, USA
Pernille Monberg, Fredensborg
Danish Labour Market Supplementary Pension Fund (ATP), Hillerød
LD Pensions (LD), Copenhagen

Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for around 21% of the total share capital, and around 4% of the B shares, and consequently holds around 74% of the total number of votes. Ejnar og Meta Thorsens Fond is a commercial foundation, the sole object of which is to work for the furtherance of socially beneficial objectives in Denmark or abroad. There are no constraints in the foundation instrument in relation to ownership of shares in Monberg & Thorsen A/S or its consolidated companies. The foundation has advised the Supervisory Board that it wants to be a stable shareholder in the company and does not wish to relinquish its voting rights.

The Supervisory Board considers the ownership structure to be appropriate in view of the Group's present size and market value, with the stable ownership structure securing the long-term value generation. The ownership structure does not prevent continued development of the Group.

A shareholders' agreement has been entered into on ownership of the shares in MT Højgaard a/s. Under this agreement, the completion of a take-over bid for Monberg & Thorsen A/S, if any, may result in changes related to ownership and other terms and conditions for the company's shareholding in MT Højgaard a/s.

Management shareholdings

At 31 December 2009, the Supervisory Board's and Executive Board's shareholdings in the company totalled 97,720 shares, equivalent to 2.7% of the share capital and a market value of DKK 27 million.

The members of the Supervisory Board and Executive Board do not hold either options or warrants.

According to the Group's internal code of conduct relating to trading in securities issued by the company, the members of the company's Supervisory Board and Executive Board may buy and sell such securities only for a period of up to four weeks following the publication of the preliminary announcement of financial statements and interim financial reports.

Annual General Meeting

The Annual General Meeting will be held on 27 April 2010 at 5.00pm at Marriott Hotel, Kalvebod Brygge 5, Copenhagen V, Denmark. According to the Articles of Association, the Annual General Meeting must be convened with at least eight days' notice. In 2010, the Annual General Meeting will be convened with three weeks' notice in accordance with the new rules on convening general meetings.

Articles of Association

The company's Articles of Association can be viewed at www.monthor.dk.

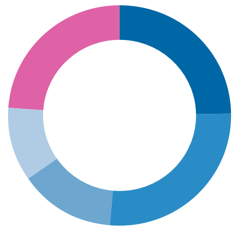
According to the Articles of Association, the A shares are non-negotiable instruments. No restrictions apply to the negotiability of the B shares. All B shares are listed on Nasdaq OMX Copenhagen.

The Articles of Association also stipulate that the Supervisory Board members elected by the shareholders in general meeting retire by rotation each year.

The Supervisory Board has authority to buy back up to 10% of the share capital. The authorisation applies until the next Annual General Meeting. The Supervisory Board also has authority to increase the B share capital by up to DKK 20 million. The increase may be effected without preemption rights for the company's existing shareholders, provided it is effected as consideration for the company's acquisition of a going concern or specific assets. Such acquisition is conditional upon the new B shares being negotiable instruments. The authorisation expires on 23 April 2010.

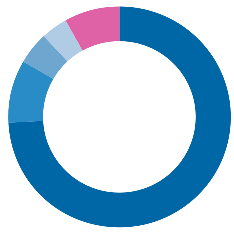
The Supervisory Board will request new similar authorisations at the Annual General Meeting for expiry on 27 April 2015.

Share capital by group of shareholders



- Ejnar og Meta Thorsens Fond (24.9%)
- Founder families (26.5%)
- ATP (14.1%)
- LD (10.7%)
- Others (23.8%)

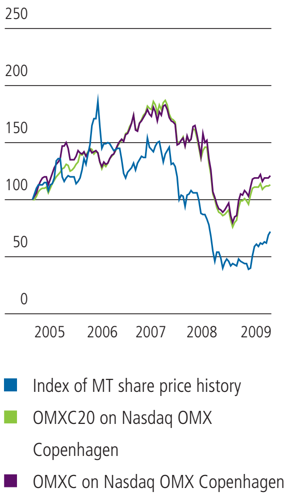
Votes by group of shareholders



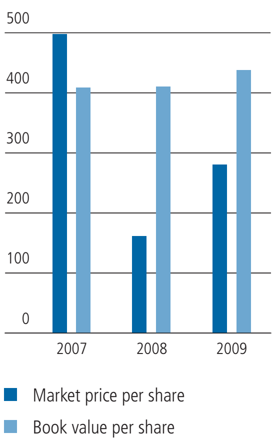
- Ejnar og Meta Thorsens Fond (74.4%)
- Founder families (9.1%)
- ATP (4.8%)
- LD (3.7%)
- Others (8.0%)

SHAREHOLDER INFORMATION

Share price 2005-2009
31.12.03 = Index 100



Monberg & Thorsen Group
Market price and book value (DKK)



Dividends
Dividends on shares registered with VP Securities A/S are paid automatically four banking days after the Annual General Meeting.

The Supervisory Board will propose to the shareholders in general meeting that dividend of DKK 6 per DKK 20 share be paid and, for 2008, preferential dividend to the B shareholders of 5%, corresponding to DKK 1 per DKK 20 share, in accordance with Art. 18 of the Articles of Association.

Share capital
The company's share capital amounts to DKK 71,700,000 divided into

A shares:
768,000 shares of
DKK 20 each DKK 15,360,000
B shares:
2,817,000 shares of
DKK 20 each DKK 56,340,000

Each A share with a nominal value of DKK 20 entitles the holder to ten votes, and each B share with a nominal value of DKK 20 entitles the holder to one vote.

Treasury shares
At 31 December 2009, the company's holding of treasury shares totalled 2,645 shares. The company did not buy or sell any treasury shares in 2009.

According to the company's rules for buying and selling treasury shares, the company may not buy or sell treasury shares in the three weeks preceding the publication of the preliminary announcement of financial statements and interim financial reports.

No subsidiary holds shares in Monberg & Thorsen.

The Monberg & Thorsen share
At the end of 2009, the share price was 280, 74% up on the previous year. A total of approx. 0.7 million shares were traded in 2009 compared with approx. 0.2 million shares in 2008.

Announcements to Nasdaq OMX Copenhagen A/S
The following Stock Exchange announcements were issued in 2009:

1.	21.01.09	Agreement on sale of Dyrup's industrial activities
2.	27.03.09	MT Højgaard's annual report 2008
3.	27.03.09	Monberg & Thorsen's and Dyrup's annual reports 2008
4.	07.04.09	Notice of Annual General Meeting of Monberg & Thorsen
5.	17.04.09	New Supervisory Board members in MT Højgaard a/s
6.	29.04.09	Monberg & Thorsen's Annual General Meeting 2009
7.	30.04.09	Sale of Dyrup's industrial activities
8.	26.05.09	MT Højgaard's interim financial report, Q1 2009
9.	26.05.09	Monberg & Thorsen's interim financial report, Q1 2009
10.	15.06.09	Dyrup acquires Hygæa
11.	31.08.09	MT Højgaard's interim financial report, H1 2009
12.	31.08.09	Monberg & Thorsen's interim financial report, H1 2009
13.	03.09.09	New COO in MT Højgaard a/s
14.	15.10.09	Sale of Dyrup's property in Kolding
15.	24.11.09	MT Højgaard's interim financial report, Q3 2009
16.	24.11.09	Monberg & Thorsen's interim financial report, Q3 2009
17.	24.11.09	Financial calendar for 2010

Information policy

Monberg & Thorsen's information policy is for all stakeholders to receive all price-relevant information on the various companies in the Group at suitable intervals and in a timely and efficient manner within the framework of the Nasdaq OMX Copenhagen A/S code of ethics. One of the ways in which this is achieved is by publication of interim financial reports and the holding of meetings for investors and financial analysts.

In order to ensure compliance with Nasdaq OMX Copenhagen A/S's rules, it has been decided that, for a period of three weeks before a planned interim financial report, Monberg & Thorsen:

- will not comment on analyst reports
- will not discuss the Group's financial position with investors and analysts
- will not participate in meetings with investors and financial analysts

Financial calendar for 2010

Annual General Meeting	27.04.10
Payment of dividend	03.05.10

Expected dates of announcement of interim financial reports:

Q1 2010	28.05.10
Q2 2010	30.08.10
Q3 2010	23.11.10

FINANCIAL REVIEW AND DIVIDEND

The annual report 2009 has been prepared in continuity of previous years in accordance with the accounting policies set out in note 1. The accounting policies comply with the requirements in International Financial Reporting Standards (IFRS) and the Danish disclosure requirements for listed companies.

The activities of Monberg & Thorsen consist of Dyrup, which is wholly-owned, and a 46% ownership interest in the jointly controlled entity MT Højgaard, which has been accounted for in the consolidated financial statements using proportionate consolidation, as in previous years.

In this section, the development in the consolidated financial statements is analysed at Group level. Detailed information on Dyrup and MT Højgaard is given in their respective annual reports, which are enclosed in and form an integral part of Monberg & Thorsen's annual report. These companies' accounting policies follow the Group's accounting policies.

Consolidated income statement

At DKK 5.6 billion, consolidated revenue was down 18% on 2008, primarily due to the current economic climate. The change can be broken down as follows:

	Change	Revenue	Share	%
	%	DKK million	2009	2008
Dyrup	-14	1,394	25	24
MT Højgaard (46%)	-19	4,180	75	76
Total	-18	5,574	100	100

The decline in Dyrup's revenue primarily reflected the sale of its industrial activities with effect from 30 April 2009. The decline in the continuing DIY and PRO business was only 4%, compared with the expectation at the start of the year of a decline in the region of 10-15%. The acquisition of Hygæa in June 2009 contributed 2% to Dyrup's revenue.

MT Højgaard's revenue was down 19%, predominantly due to the downturn in Denmark. Revenue from MT Højgaard's international activities was up from 28% to 33% in 2009.

Total international consolidated revenue was down 12% in 2009, amounting to DKK 2.4 billion, representing 43% of revenue, compared with 40% in 2008.

Operating profit (EBIT) can be broken down as follows:

Operating profit (loss), DKK million	2008	2009
Dyrup	(22)	(20)
MT Højgaard (46%)	144	133
Parent company	(15)	(11)
Operating profit before special items	107	102
Gain on sale of Dyrup's industrial activities	-	15
Gain on sale of a Dyrup property	-	19
Restructuring costs in Dyrup	(34)	(18)
Operating profit (EBIT)	73	118

At DKK 102 million, operating profit before special items was on a par with the previous year, despite the 18% decline in revenue.

Dyrup's operating result before special items was on a par with 2008, but with an underlying positive trend, as the divested industrial activities eroded the results, whereas the continuing DIY and PRO business showed a fair improvement. The gain on the sale of the industrial activities and the Kolding property totalled DKK 34 million. Restructuring costs of DKK 18 million primarily related to the alignment of the cost base.

MT Højgaard's operating result provided an operating margin of 3.2% against 2.9% in 2008. The improvement was the result of, among other things, the continued focus on the profitability of projects and on risk management systems.

As the special items in Dyrup constituted income of DKK 16 million net compared with a charge of DKK 34 million in 2008, Monberg & Thorsen's operating profit showed a fair increase to DKK 118 million.

The consolidated result before tax was a profit of DKK 126 million compared with DKK 83 million in 2008. The result can be broken down as follows:

Profit (loss) before tax, DKK million	2008	2009
Dyrup	(55)	(41)
MT Højgaard (46%)	165	141
Parent company	7	10
Profit before special items	117	110
Gain on sale of Dyrup's industrial activities	-	15
Gain on sale of a Dyrup property	-	19
Restructuring costs in Dyrup	(34)	(18)
Profit before tax	83	126

Dyrup's result before tax benefited from net financing costs, which were DKK 12 million less than in 2008, partly reflecting the effect of the proceeds from the sale of the industrial activities and the property as well as the lower interest rate level.

Due to foreign exchange losses, MT Højgaard's net financial income, on the other hand, was lower than in 2008, when foreign exchange adjustments yielded a net gain.

Monberg & Thorsen delivered consolidated profit after tax of DKK 103 million. The effective tax rate was relatively low at 18%, primarily relating to Dyrup, where part of the international losses are subject to retaxation while other losses have lapsed in connection with the sale of the industrial activities, which is why part of the provision for deferred tax can be recognised as income.

The effective tax rate for 2010 is expected to be slightly higher than the Danish tax rate.

Consolidated balance sheet

The consolidated balance sheet total remained unchanged at the DKK 4.1 billion level, and there were no significant changes in the consolidated enterprises' balance sheets.

Consolidated equity stood at DKK 1.6 billion, corresponding to an equity ratio of 38%, up from 37% at the end of 2008.

Consolidated cash flow statement

Operating cash inflow amounted to DKK 240 million compared with DKK 233 million in 2008. MT Højgaard delivered a good contribution again in 2009 due to the results and a continued positive cash flow on contracts in progress, but Dyrup also developed positively.

Investments in property, plant and equipment remained at a largely unchanged level due to continued relatively high investments in Dyrup in connection with the upgrading of the manufacturing facilities and the expansion of the warehousing facilities in France. In MT Højgaard, investments in property, plant and equipment related primarily to replacement of and new investment in contractor's plant and equipment. The net proceeds from acquisition and sale of activities were DKK 115 million and related primarily to Dyrup's sale of its industrial activities and its acquisition of Hygæa, but MT Højgaard also acquired a couple of small companies. An amount of DKK 167 million net was invested in securities, consisting solely of Danish short-term bonds. Overall, investing activities absorbed DKK 207 million net, with acquisition of securities thus accounting for 81%.

Financing activities generated an inflow of DKK 100 million, primarily from Dyrup's raising of a 20-year mortgage loan.

Monberg & Thorsen did not buy or sell any treasury shares in 2009.

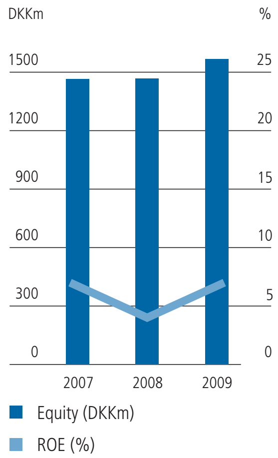
The Group's total cash and cash equivalents at 31 December 2009 amounted to DKK 125 million, to which should be added the securities portfolio and undrawn credit facilities. The cash resources are deemed to be at a satisfactory level in view of the existing strategies for the consolidated enterprises and for the Group as a whole.

Financial instruments

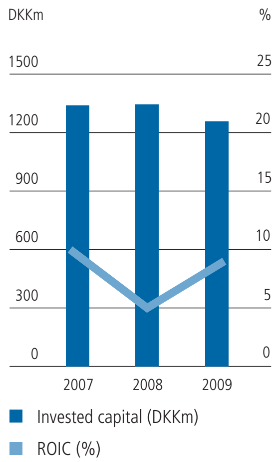
The Monberg & Thorsen Group's activities entail the use of financial instruments in both Danish kroner and foreign currencies, comprising receivables and payables, securities, and deposits, credit and loans with banks.

The primary financial instruments included in the balance sheet are, in principle, measured at fair value. The Group makes limited use of secondary financial instruments, and these are, as a rule, limited to option and forward contracts, the purpose of which has been to hedge the currency risk on international contracts in MT Højgaard as well as interest rate swaps to secure a low, fixed rate, primarily on the non-current debt in Dyrup.

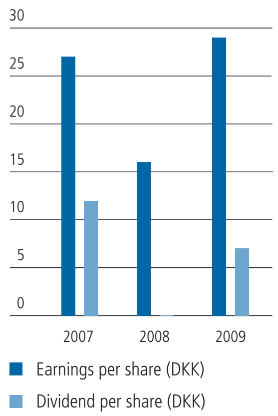
Monberg & Thorsen Group
Equity and ROE



Monberg & Thorsen Group
Invested capital and ROIC



Monberg & Thorsen Group
Earnings and dividend per share



Financial ratios

The operating margin was 2% compared with 1% in 2008. Both companies recorded progress, but it was the progress in MT Højgaard that filtered through to the consolidated figures.

The other financial ratios also showed progress due to the earnings improvement in both companies. The return on invested capital thus increased from 5% in 2008 to 9% in 2009, and the return on equity was 7% compared with 4% in 2008.

Parent company financial statements

The parent company measures investments in subsidiaries and jointly controlled entities at cost. The Group's and the parent company's profits and equity are consequently not identical.

The parent company's primary activity is its ownership of Dyrup and MT Højgaard. Profit primarily reflects dividends from these investments.

The parent company delivered profit in line with expectations.

The parent company's balance sheet total stood at DKK 1.4 billion, with the cost of investments in the owned companies accounting for 69%. The cost of these investments has not been written down.

The parent company's equity amounted to DKK 1.3 billion, giving an equity ratio of 97%.

Dividends

Dividend to the shareholders of DKK 6 per DKK 20 share is proposed for 2009 and, for 2008, preferential dividend to the B shareholders of 5%, equivalent to DKK 1 per DKK 20 share. The A shareholders will consequently receive DKK 6 per share and the B shareholders DKK 7 per share. The overall dividend, DKK 24.3 million in total, will be reserved under proposed dividends under equity.

The dividend largely corresponds to the dividend received by Monberg & Thorsen from MT Højgaard. Monberg & Thorsen's financial resources at the end of 2009 will thus be unaffected by the distribution. It is still relevant to maintain financial resources to underpin Dyrup's strategic development.

The distribution corresponds to 24% of profit for the year after tax. The dividend payment provides a direct return of just under 2% based on the current market price of approx. 340.

Monberg & Thorsen will continue to endeavour to pay dividend of 30-50% of profit after tax. Dividend distributions will be made with due consideration for the Group's financial position, investment opportunities and cash flow.

MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS' REPORT

Statement by the Executive and Supervisory Boards

The Executive and Supervisory Boards have today discussed and approved the annual report of Monberg & Thorsen A/S for 2009.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Group's and the parent company's financial position and a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 24 March 2010

Executive Board

Jørgen Nicolajsen
President and CEO

SUPERVISORY BOARD

Anders Colding Friis *Chairman*	Torben Ballegaard Sørensen *Deputy Chairman*	Jannie Jensen
Poul Lind	Michael Nielsen	Pia Pilmark
Christine Thorsen	Henrik Thorsen	Carsten Tvede-Møller

INDEPENDENT AUDITORS' REPORT

To the shareholders of Monberg & Thorsen A/S

We have audited the consolidated financial statements and the parent company financial statements of Monberg & Thorsen A/S for 2009, pages 23-46. The consolidated financial statements and the parent company financial statements comprise segment information, cash flow statement, income statement and statement of comprehensive income, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In addition to our audit, we have read the Management's review, pages 4-20, which has been prepared in accordance with Danish disclosure requirements for listed companies, and issued a statement in this regard.

Management's responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare and issue a Management's review that gives a fair review in accordance with Danish disclosure requirements for listed companies.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements and the parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 March 2010

KPMG
Statsautoriseret Revisionspartnerselskab

Finn L. Meyer
State Authorised Public Accountant

Ernst & Young
Godkendt Revisionspartnerselskab

Søren Strøm
State Authorised Public Accountant

SEGMENT INFORMATION (DKK million)

	DYRUP		MTHøjgaard*		Others, etc.**		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Income statement								
Revenue	1,394	1,624	4,180	5,139	-	-	5,574	6,763
Gross profit	573	644	318	325	-	-	891	969
Operating profit (loss) before special items	(20)	(22)	133	144	(11)	(15)	102	107
Special items	16	(34)	-	-	-	-	16	(34)
Operating profit (loss) (EBIT)	(4)	(56)	133	144	(11)	(15)	118	73
Financial income	8	10	17	36	21	22	46	68
Financial expenses	(29)	(43)	(9)	(15)	-	-	(38)	(58)
Profit (loss) before tax	(25)	(90)	141	165	10	7	126	83
Income tax	8	22	(39)	(46)	8	(2)	(23)	(26)
Profit (loss) after tax	(17)	(68)	102	119	18	5	103	56
Balance sheet								
Intangible assets	105	93	50	44	-	-	155	137
Property, plant and equipment	499	519	367	343	-	-	866	862
Investments	50	38	60	74	-	-	110	112
Total non-current assets	654	650	477	461	-	-	1,131	1,111
Properties held for resale	-	-	230	218	-	-	230	218
Inventories	236	262	35	37	-	-	271	299
Receivables	237	269	1,349	1,418	-	2	1,586	1,689
Cash and cash equivalents and securities	92	34	441	293	325	319	858	646
Total current assets	565	565	2,055	1,966	325	321	2,945	2,852
Total assets	1,219	1,215	2,532	2,427	325	321	4,076	3,963
Share capital	110	110	101	101	(139)	(139)	72	72
Reserves, etc.	321	339	639	562	536	495	1,496	1,396
Total equity	431	449	740	663	397	356	1,568	1,468
Non-current liabilities	246	86	111	82	9	18	366	186
Current liabilities	542	680	1,681	1,682	(81)	(53)	2,142	2,309
Total equity and liabilities	1,219	1,215	2,532	2,427	325	321	4,076	3,963
Cash flows								
From operating activities	2	(6)	224	247	14	(8)	240	233
For investing activities	34	(110)	(240)	(81)	(1)	(17)	(207)	(208)
From financing activities	109	11	(32)	(28)	23	(120)	100	(137)
Net increase (decrease) in cash and cash equivalents	145	(105)	(48)	138	36	(145)	133	(112)
Portion relating to investment in property, plant and equipment	(90)	(110)	(109)	(99)	-	-	(199)	(209)
Financial ratios %								
Operating margin (EBIT margin)	(1)	(1)	3	3	-	-	2	1
Pre-tax margin	(1)	(1)	3	3	-	-	2	1
Return on invested capital (ROIC)	(2)	(2)	31	31	-	-	9	5
Return on equity (ROE)	(4)	(15)	15	19	-	-	7	4
Equity ratio	35	37	29	27	-	-	38	37

* Comprises 46% of MT Højgaard's figures.
** Others, etc., comprises the parent company, other subsidiaries and eliminations.

Cash flow statement (DKK million)

PARENT COMPANY 2008	PARENT COMPANY 2009		GROUP 2009	GROUP 2008
		Operating activities		
10.7	12.6	Operating profit	118.4	72.8
		Non-cash operating items		
0.1	0	Depreciation, amortisation and impairment losses	112.1	112.6
-	(5.1)	Other	(32.9)	(27.6)
10.8	**7.5**	**Cash flows from operating activities before working capital changes**	**197.6**	157.8
		Working capital changes		
-	-	Inventories	(2.2)	34.3
(83.2)	(5.2)	Receivables excluding construction contracts in progress	45.9	4.1
-	-	Construction contracts in progress	63.6	66.7
(7.4)	0.8	Trade and other current payables	(44.8)	(11.9)
(79.8)	**3.1**	**Cash flows from operations (operating activities)**	**260.1**	251.0
20.1	20.5	Financial income	45.6	62.2
(0.5)	(0.6)	Financial expenses	(38.2)	(57.5)
(60.2)	**23.0**	**Cash flows from operations (ordinary activities)**	**267.5**	255.7
(1.1)	(1.6)	Income taxes paid, net	(28.0)	(22.6)
(61.3)	**21.4**	**Cash flows from operating activities**	**239.5**	233.1
		Investing activities		
-	-	Purchase of intangible assets	(2.2)	(2.9)
-	-	Purchase of property, plant and equipment	(198.5)	(208.9)
-	0.1	Sale of property, plant and equipment	45.8	43.9
-	-	Acquisition/disposal of enterprises and activities	115.3	(19.1)
(100.0)	-	Capital contribution to subsidiary	-	-
(17.1)	(0.5)	Purchase/sale of securities	(167.1)	(21.6)
(117.1)	**(0.4)**	**Cash flows for investing activities**	**(206.7)**	(208.6)
(178.4)	**21.0**	**Cash flows before financing activities**	**32.8**	24.5
		Financing activities		
(43.0)	0	Dividends paid to shareholders	0	(43.0)
-	-	Increase in non-current bank loans, etc.	163.3	-
-	-	Decrease in non-current bank loans, etc.	(63.1)	(93.8)
(43.0)	**0**	**Cash flows from financing activities**	**100.2**	(136.8)
(221.4)	**21.0**	**Net increase (decrease) in cash and cash equivalents**	**133.0**	(112.3)
198.5	(22.9)	Cash and cash equivalents at 01.01.	(8.0)	105.8
-	-	Value adjustments of cash and cash equivalents	-	(1.5)
(22.9)	**(1.9)**	**Cash and cash equivalents at 31.12.**	**125.0**	(8.0)
		consisting of:		
-	1.5	Cash and cash equivalents	274.4	253.8
(22.9)	(3.4)	Current bank loans	(149.4)	(261.8)
(22.9)	**(1.9)**		**125.0**	(8.0)

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

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME (DKK million)

INCOME STATEMENT

PARENT COMPANY 2008	PARENT COMPANY 2009	Note		GROUP 2009	GROUP 2008
		3	**Revenue**	**5,574.0**	6,763.0
		4	Production costs	4,683.1	5,794.5
			Gross profit	**890.9**	968.5
26.0	23.0		Dividends from subsidiaries and jointly controlled entities		
-	-	5	Share of profit after tax of associates	0.1	0
-	-	4	Distribution costs	525.8	595.9
15.3	10.4	4	Administrative expenses	269.2	271.3
-	-	6	Other operating income and expenses	22.5	(28.5)
10.7	**12.6**		**Operating profit**	**118.5**	72.8
22.6	20.5	7	Financial income	45.6	68.0
0.9	0.6	8	Financial expenses	38.2	58.2
32.4	**32.5**		**Profit before tax**	**125.9**	82.6
1.6	(8.0)	9	Income tax	22.5	26.2
30.8	**40.5**		**Profit for the year**	**103.4**	56.4
		10	**Employee information**		
		11	**Earnings per share (EPS) and diluted earnings per share (EPS-D)**	29	16

Profit for the year will be taken to equity

The Supervisory Board is proposing a dividend of DKK 6 per share for 2009 and, for 2008, preferential dividend to the B shareholders of DKK 1 per share for adoption at the Annual General Meeting on 27 April 2010.

STATEMENT OF COMPREHENSIVE INCOME

PARENT COMPANY 2008	PARENT COMPANY 2009	Note		GROUP 2009	GROUP 2008
30.8	**40.5**		**Profit for the year**	**103.4**	56.4
			Other comprehensive income		
-	-		Foreign exchange adjustments, foreign enterprises	1.2	(9.6)
-	-		Value adjustments of hedging instruments	(5.7)	-
-	-		Tax on other comprehensive income	0.8	-
-	-		**Other comprehensive income after tax**	**(3.7)**	(9.6)
30.8	**40.5**		**Total comprehensive income**	**99.7**	46.8

BALANCE SHEET AT 31 DECEMBER (DKK million)

ASSETS

PARENT COMPANY 2008	PARENT COMPANY 2009	Note		GROUP 2009	GROUP 2008
			Non-current assets		
			Intangible assets		
		12	Goodwill	115.1	90.7
		13	Trade marks and distribution rights	34.2	35.1
		14	Development projects	5.3	10.5
		15	In-process development projects	0.1	0.5
			Total intangible assets	**154.7**	136.8
			Property, plant and equipment		
-	-	16	Land and buildings	404.5	424.9
-	-	17	Plant and machinery	332.1	268.8
0.1	0	18	Fixtures and fittings, tools and equipment	96.4	85.1
-	-	19	Property, plant and equipment under construction	33.0	83.4
0.1	**0**		**Total property, plant and equipment**	**866.0**	862.2
			Investments		
500.7	500.7	20	Investments in subsidiaries	-	-
427.0	427.0	21	Investments in jointly controlled entities	-	-
-	-	22	Investments in associates	0.5	0.7
-	-	23	Receivables from associates	7.2	8.9
0	0	24	Other securities and equity investments	0	0.3
-	-	31	Deferred tax assets	102.3	102.2
927.7	**927.7**		**Total investments**	**110.0**	112.1
927.8	**927.7**		**Total non-current assets**	**1,130.7**	1,111.1
			Current assets		
			Inventories		
		25	Inventories	270.7	298.8
		26	Properties held for resale	230.0	217.9
			Total inventories	**500.7**	516.7
			Receivables		
-	-		Trade receivables	1,179.6	1,239.5
-	-	33	Construction contracts in progress	176.2	220.2
82.7	91.6		Receivable from subsidiary	-	-
-	-		Receivables from jointly controlled entities	-	14.8
10.3	6.6		Other receivables	142.5	130.8
-	-		Income tax	14.9	1.9
-	-		Prepayments	73.1	81.9
93.0	**98.2**	**27**	**Total receivables**	**1,586.3**	1,689.1
319.3	**325.0**	**28**	**Securities**	**584.2**	392.3
0	**1.5**		**Cash and cash equivalents**	**274.4**	253.8
412.3	**424.7**		**Total current assets**	**2,945.6**	2,851.9
1,340.1	**1,352.4**		**Total assets**	**4,076.3**	3,963.0

BALANCE SHEET AT 31 DECEMBER (DKK million)

EQUITY AND LIABILITIES

PARENT COMPANY 2008	PARENT COMPANY 2009	Note		GROUP 2009	GROUP 2008
			Equity		
71.7	71.7	29	Share capital	71.7	71.7
-	-		Other reserves	3.6	7.3
1,202.0	1,218.2		Retained earnings	1,468.3	1,389.2
0	24.3		Proposed dividends	24.3	0
1,273.7	**1,314.2**		**Total equity**	**1,567.9**	1,468.2
			Non-current liabilities		
-	-	30	Bank loans, etc.	263.5	110.9
18.6	9.5	31	Deferred tax liabilities	36.6	33.3
-	-	32	Provisions	66.6	41.4
18.6	**9.5**		**Total non-current liabilities**	**366.7**	185.6
			Current liabilities		
-	-	30	Current portion of non-current financial liabilities	14.2	64.1
22.9	3.4	30	Bank loans, etc.	149.4	261.8
-	-	33	Construction contracts in progress	702.5	682.8
-	-		Prepayments received from customers	86.6	61.6
0.9	0.9		Trade payables	598.5	706.2
9.5	9.8		Payables to subsidiaries	-	-
-	-		Payables to jointly controlled entities	5.2	-
11.2	10.7		Income tax	7.1	3.5
3.3	3.9		Other payables	536.6	470.5
-	-		Deferred income	33.2	54.5
-	-	31	Provisions	8.4	4.2
47.8	**28.7**		**Total current liabilities**	**2,141.7**	2,309.2
66.4	**38.2**		**Total liabilities**	**2,508.4**	2,494.8
1,340.1	**1,352.4**		**Total equity and liabilities**	**4,076.3**	3,963.0

STATEMENT OF CHANGES IN EQUITY (DKK million)

Statement of changes in equity	Share capital	Retained earnings	Proposed dividends	Total
Parent company				
Equity at 01.01.08	**71.7**	**1,171.2**	**43.0**	**1,285.9**
Comprehensive income for the year		30.8		30.8
Proposed dividends		0	0	0
Dividends paid			(43.0)	(43.0)
Total changes in equity	0	30.8	(43.0)	(12.2)
Equity at 01.01.09	**71.7**	**1,202.0**	**0**	**1,273.7**
Comprehensive income for the year		40.5		40.5
Proposed dividends		(24.3)	24.3	0
Dividends paid			0	0
Total changes in equity	0	16.2	24.3	40.5
Equity at 31.12.09	**71.7**	**1,218.2**	**24.3**	**1,314.2**

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
Group						
Equity at 01.01.08	**71.7**	**0**	**16.9**	**1,332.8**	**43.0**	**1,464.4**
Comprehensive income for the year			(9.6)	56.4		46.8
Proposed dividends				0	0	0
Dividends paid					(43.0)	(43.0)
Total changes in equity	0	0	(9.6)	56.4	(43.0)	3.8
Equity at 01.01.09	**71.7**	**0**	**7.3**	**1,389.2**	**0**	**1,468.2**
Comprehensive income for the year		(4.9)	1.2	103.4		99.7
Proposed dividends				(24.3)	24.3	0
Dividends paid					0	0
Total changes in equity	0	(4.9)	1.2	79.1	24.3	99.7
Equity at 31.12.09	**71.7**	**(4.9)**	**8.5**	**1,468.3**	**24.3**	**1,567.9**

INDEX OF NOTES

Note 1
Accounting policies

Basis of preparation

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies on Nasdaq OMX Copenhagen A/S and the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the annual report has been prepared in compliance with IFRSs issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2008 annual report, apart from the effects of the factors set out in the following.

The following standards and interpretations have been implemented with effect from 1 January 2009: IAS 1 (revised 2007) Presentation of Financial Statements, IAS 23 (revised 2007) Borrowing Costs, IFRS 2 Share-based Payment: Vesting Conditions and Cancellations, Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation, Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, Amendment to IFRS 7: Improving Disclosures about Financial Instruments, parts of Improvements to IFRSs May 2008, which became effective on 1 January 2009, and IFRICs 13, 15 and 16. IFRICs 15 and 16 have been adopted with different effective dates in the EU than the corresponding IFRICs as issued by the IASB. IFRICs 15 and 16 were implemented on 1 January 2009, in accordance with the IASB effective dates.

IAS 23 means that financing costs must be recognised in cost on measurement of self-constructed qualifying assets. In 2009, DKK 1.3 million was recognised in the cost of property, plant and equipment.

In addition, the amended IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, which has been implemented from 1 January 2009, has resulted in a changed recognition of dividends in the parent company financial statements in that dividends from subsidiaries, jointly controlled entities and associates must always be recognised in the income statement and must not be offset against cost, even though distribution originates from results relating to the period prior to the acquisition date.

The presentation in the income statement of derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities has been changed. Gains and losses on these instruments are now recognised in production costs, whereas they were previously recognised as financial income and expenses.

Apart from this, the new accounting standards and interpretations have not had any effect on recognition and measurement in 2009.

Basis of consolidation
The consolidated financial statements comprise the parent company Monberg & Thorsen A/S and subsidiaries in which the Group holds, directly or indirectly, more than 50% of the voting rights or which it controls in some other way.

Other enterprises in which the Group holds between 20% and 50% of the voting rights and over which it has significant influence, but not control, are accounted for as associates. These enterprises are not consolidated. Enterprises controlled jointly by Monberg & Thorsen A/S and one or more other enterprises are recognised in the consolidated financial statements using proportionate consolidation – including MT Højgaard a/s.

The consolidated financial statements are prepared on the basis of the parent company's and the individual consolidated enterprises' audited financial statements determined in accordance with the Group's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of.

Gains/losses on disposal of subsidiaries, associates and jointly controlled entities are reported by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of discontinued operations
A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale in the individual consolidated enterprises are presented as a separate line item in the income statement with comparative figures. Assets and related liabilities are reported as separate line items in the balance sheet.

Business combinations
Acquisitions of enterprises over which the parent company obtains control are accounted for applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right and the fair value can be measured reliably. The tax effect of the restatements performed is taken into account.

Any excess of the cost of the acquisition over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Any excess of the fair value over the cost of the acquisition (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Minority interests
Minority interests are recognised initially on the basis of the fair values of the acquiree's assets, liabilities and contingent liabilities at the acquisition date.

Subsidiaries' items are fully consolidated in the consolidated financial statements. The minority interests' proportionate share of profit for the year is shown under distribution of profit in the income statement. In the balance sheet, minority interests are recognised as a separate component of equity, separate from equity attributable to equity holders of the parent.

The Group has no minority interests at the present time.

Joint ventures
A joint venture is a jointly controlled operation or a jointly controlled entity over which none of the joint venturers has control.

Investments in jointly controlled operations and entities are recognised in the consolidated financial statements on a proportionate basis in accordance with the contractual arrangement, whereby the proportionate share of assets, liabilities, income and expenses from the jointly controlled operations and entities is recognised in the corresponding items in the financial statements.

Foreign currency translation
The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as financial income and expenses.

On recognition of foreign subsidiaries and associates the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates that do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to a separate translation reserve under equity.

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

Foreign exchange gains and losses on the portion of loans designated as hedges of foreign entities with a different functional currency than the parent company are also taken directly to equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments
The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and similar instruments to hedge financial risks arising from operating activities or non-current financing.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

Changes in the part of the fair value of derivative financial instruments that is classified as and satisfies the criteria for hedges of future cash flows are recognised in equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised initially in the balance sheet at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases
Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the income statement over the lease term.

Government grants
Government grants include grants for projects, investments, etc.

Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or are offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

Income statement

Revenue
In Dyrup, revenue represents goods sold and services rendered. In MT Højgaard, revenue represents completed construction contracts and construction contracts in progress, sale of development projects, and rental income.

Revenue from construction contracts under which assets or plants with a high degree of individual customisation are supplied is recognised in the income statement by reference to the stage of completion so that revenue corresponds to the selling price of the work performed during the year (the percentage of completion method).

Revenue from self-generated project development cases is recognised applying the sales method. Revenue and profit from projects sold are recognised when delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

Revenue relating to goods sold and services rendered is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs
Production costs comprise both direct and indirect costs incurred in generating the revenue for the year, and expected losses on construction contracts in progress.

Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Dividends from investments in the parent company financial statements
Dividends from investments in subsidiaries and joint controlled entities are credited to the parent company's income statement in the financial year in which they are declared; Dividends are recognised under operating profit, as Monberg & Thorsen is a holding company.

The Group's share of profit after tax of associates
The proportionate share of profit of associates is recognised in the consolidated income statement net of tax and after elimination of the proportionate share of profits/losses resulting from intragroup transactions and after deduction of goodwill impairment losses. The profit share is recognised under operating profit, as Monberg & Thorsen is a holding company.

Distribution costs
Distribution costs include freight, tendering, advertising and marketing costs as well as salaries, etc., relating to the sales and marketing departments, and amortisation and impairment losses on trade marks and distribution rights.

Administrative expenses
Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

Other operating income and expenses
Other operating income and expenses comprise rental income and expenses and other items of a non-recurring nature, which are recognised under operating profit, as Monberg & Thorsen is a holding company.

Financial income and expenses
Financial income and expenses comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, as well as finance lease costs and income tax surcharges and refunds.

Financial expenses attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity.

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

The parent company Monberg & Thorsen A/S is taxed jointly with its Danish subsidiaries (national joint taxation). Current Danish taxes for the year are allocated between the jointly taxed companies.

Monberg & Thorsen A/S is the management company and consequently settles all income tax payments to the Danish tax authorities.

Balance sheet

Intangible assets
Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Development costs relating to clearly defined and identifiable products are recognised as development projects to the extent that it is probable that products will generate future economic benefits exceeding cost. Other development costs are recognised in the income statement as an expense as incurred.

Trade marks, distribution rights, completed development projects and other intangible assets are amortised over their expected useful lives, which are 5-20 years.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises purchase price and costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect cost of materials, components, subsuppliers and labour as well as financial expenses attributable to the construction of the assets.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life to the expected residual value. The useful lives of major assets are determined on an individual basis, while the useful lives of other assets are determined for groups of uniform assets.

The expected useful lives are 10-50 years for buildings, 3-20 years for plant and machinery, and 3-10 years for fixtures and fittings, tools and equipment and leasehold improvements.

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the date of acquisition and reviewed annually.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as production costs, distribution costs or administrative expenses and are measured as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Investments in associates in the consolidated financial statements
The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Associates with a negative carrying amount are recognised at nil. If the Group has a legal or constructive obligation to cover an associate's negative balance, the negative balance is offset against the Group's receivables from the associate. Any balance is recognised under liabilities.

Investments in the parent company financial statements
The parent company measures investments in subsidiaries and jointly controlled entities at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments
Other non-current receivables are measured at amortised cost less impairment losses.

Other equity investments are measured at fair value at the balance sheet date.

Impairment of non-current assets
The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than the cost, inventories are written down to this lower value.

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

The cost of finished goods comprises the cost of raw materials, consumables, direct labour and indirect production overheads.

Properties, project development cases in progress and undeveloped sites that are not classified as held for continued future ownership or use are carried as properties held for resale and measured at the lower of cost and net realisable value.

Receivables
Receivables are measured at amortised cost less impairment losses.

Construction contracts in progress
Construction contracts in progress are measured at the selling price of the work performed. A construction contract is a contract under which the assets or plants in question are constructed to customer specifications and requirements in terms of design, function, etc. Moreover, a binding contract under which any termination will lead to penalties or claims is entered into before work commences.

The selling price is measured in proportion to the stage of completion at the balance sheet date and total expected income from each construction contract. The stage of completion is determined on the basis of the costs incurred and the total expected costs.

When it is probable that the total costs on a construction contract in progress will exceed total contract revenue, the total expected loss on the contract is recognised as an expense immediately.

Where the selling price cannot be measured reliably, it is recognised at the lower of costs incurred and net realisable value.

The individual construction contract in progress is recognised in the balance sheet under receivables or current liabilities, depending on the net value of the selling price less progress billings and recognised losses.

Costs in connection with sales work and tendering to secure contracts are recognised as a cost in the income statement under distribution costs in the financial year in which they are incurred.

Prepayments and deferred income
Prepayments are recognised under receivables, and deferred income is recognised under current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years, apart from items relating to construction contracts in progress.

Securities
Listed securities recognised as current assets are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses in the period in which they occur.

Equity
Dividends
Dividends are recognised as a liability at the date of adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item under equity.

Hedging reserve
The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their functional currencies to Danish kroner, and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question and foreign exchange gains and losses on loans designated as hedges of foreign enterprises.

On full or partial realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes and office premises. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax is provided for retaxation of previously deducted losses of jointly taxed and previously jointly taxed foreign subsidiaries in the event of the subsidiaries' being disposed of or withdrawing from the international joint taxation for the MT Højgaard Group.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item under investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations
The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

Provisions
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when the amount can be measured reliably.

Financial liabilities
Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, comprising trade payables, payables to subsidiaries and associates, and other payables, are measured at amortised cost.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on the Group's cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions are recognised in the cash flow statement from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities
Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents
Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

Segment information

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.

The annual reports of Dyrup and MT Højgaard form an integral part of Monberg & Thorsen's annual report and are therefore enclosed in Monberg & Thorsen's annual report. These companies' accounting policies follow the Group's accounting policies.

As in previous years, a segment overview is included on page 23. For detailed information on these two companies, reference is made to the enclosed annual reports, which form an integral part of Monberg & Thorsen's annual report.

Financial ratios

Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

Financial ratios are defined on page 4 of the annual report.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008

Note 2
Accounting estimates and judgements

Estimation uncertainty
Determining the carrying amounts of some assets and liabilities requires estimation of the effects of future events on the carrying amounts of those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the Group are referred to in the group annual review under the section on risk factors and in note 39 on Financial risks.

Estimates that are material for the financial reporting relate primarily to measurement of the selling price of construction contracts in progress.

In connection with impairment testing of investments, goodwill and trade marks, etc., we also use estimates of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied.

Accounting policies
As part of the application of the Group's accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial statements relate to construction contracts in progress, and when income and expenses under contracts with third parties are to be accounted for in accordance with the percentage of completion method or the sales method.

Note 3
Revenue

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Dyrup			1,393.8	1,624.3
MT Højgaard (46%)			4,180.2	5,138.7
Total revenue			5,574.0	6,763.0

Note 4
Depreciation, amortisation and impairment losses

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Intangible assets	-	-	8.4	10.1
Property, plant and equipment	0.1	0	103.7	102.5
Total depreciation, amortisation and impairment losses	0.1	0	112.1	112.6
Depreciation, amortisation and impairment losses are included in:				
Production costs	-	-	75.6	65.4
Distribution costs	-	-	19.1	23.1
Administrative expenses	0.1	0	17.4	20.3
Other operating expenses – impairment losses	-	-	-	3.8
Total depreciation, amortisation and impairment losses	0.1	0	112.1	112.6

Fees paid to auditors appointed at the Annual General Meeting
Total fees to the auditors appointed by the shareholders in Annual General Meeting for the financial year under review

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
KPMG	1.0	0.4	5.2	5.1
Ernst & Young	0.1	0.2	5.4	5.1
Total fees	1.1	0.6	10.6	10.2
Fees to KPMG				
Audit fees	0.4	0.3	2.4	2.6
Other assurance engagements	-	-	0.1	0.1
Tax and VAT advice	0.5	-	0.5	0.8
Non-audit services	0.1	0.1	2.2	1.6
Total fees to KPMG	1.0	0.4	5.2	5.1
Fees to Ernst & Young				
Audit fees	0.1	0.1	3.0	4.6
Other assurance engagements	-	-	0.1	-
Tax and VAT advice	-	-	0.9	-
Non-audit services	-	0.1	1.4	0.5
Total fees to Ernst & Young	0.1	0.2	5.4	5.1

Note 5
Associates

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Share of profit after tax of associates of MT Højgaard			0.1	0

The accounting information concerning MT Højgaard's associates is disclosed in note 13 of MT Højgaard's annual report.

Note 6
Other operating income and expenses, Dyrup

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Gain on sale of the industrial activities			19.0	-
Gain on sale of a property			14.6	-
Other income			7.0	5.6
			40.6	5.6
Restructuring costs, etc.			18.1	34.1
Total other operating income and expenses			22.5	(28.5)

Other operating income relates primarily to rental income. Restructuring costs, etc., relate to termination and closure costs, etc., see note 5 of Dyrup's annual report.

Note 7
Financial income

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Securities	16.0	17.5	26.3	18.8
Cash and cash equivalents	6.6	3.0	13.6	26.5
Foreign exchange gains, etc.	-	-	5.7	22.7
Total financial income	22.6	20.5	45.6	68.0
Portion relating to subsidiaries	-	-	-	-

Note 8
Financial expenses

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Interest expense	0.9	0.6	23.6	42.3
Foreign exchange losses	-	-	14.3	15.4
Miscellaneous	-	-	0.3	0.5
Total financial expenses	0.9	0.6	38.2	58.2
Portion relating to subsidiaries	0.5	0.4	-	-

Note 9
Income tax

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Current tax	1.6	1.1	18.3	12.9
Changes in deferred tax	-	(9.1)	3.2	15.3
Prior year adjustments	-	-	1.0	(2.0)
Total income tax	1.6	(8.0)	22.5	26.2
Reconciliation of tax rate (%)				
Danish tax rate	25	25	25	25
Deviations in foreign enterprises' tax rates	-	(32)	(9)	7
Non-taxable items, etc.	(20)	(18)	1	1
Other, including prior year adjustments	-	-	1	(1)
Effective tax rate (%)	5	(25)	18	32

The effective tax rate was affected by retaxation and lapse of losses in Dyrup's foreign companies, partly as a result of the sale of the industrial activities, enabling the parent company to recognise as income a substantial proportion of the relevant provision for deferred tax.

Note 10
Employee information

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Wages, salaries and remuneration	8.3	6.5	1,278.5	1,411.1
Pension contributions (defined contribution)	0.1	0.1	90.2	101.0
Other social security costs	-	-	81.2	82.0
Total	8.4	6.6	1,449.9	1,594.1
Including salaries and remuneration to the parent company's:				
Supervisory Board	3.0	2.4	3.1	4.0
Executive Board	4.9	3.2	4.2	6.0
Average number of employees	2	2	3,561	3,835

From 2009 onwards, MT Højgaard has included local employees on foreign projects. The comparative figures have been restated accordingly.

Note 11
Earnings per share and diluted earnings per share

	GROUP 2009	GROUP 2008
Profit for the year	103.4	56.4
Average number of shares	3,585,000	3,585,000
Average number of treasury shares	2,645	2,645
	3,582,355	3,582,355
Earnings per share (EPS) and diluted earnings per share (EPS-D)	29	16

Note 12
Goodwill

	GROUP 2009	GROUP 2008
Cost at 01.01.	94.4	87.1
Value adjustments	-	(0.3)
Additions	25.1	7.6
Disposals	(4.4)	-
Cost at 31.12.	115.1	94.4
Impairment losses at 01.01.	3.7	1.3
Impairment losses	(3.7)	2.4
Impairment losses at 31.12.	0	3.7
Carrying amount at 31.12.	115.1	90.7

The carrying amount of goodwill was tested for impairment at 31.12.09. Details of the impairment test are disclosed in note 10 on page 34 of Dyrup's financial statements and note 11 on page 46 of MT Højgaard's financial statements, to which reference is made.

The impairment tests did not give rise to any write-downs of goodwill to recoverable amount in 2009. In 2008, the impairment tests in Dyrup gave rise to a DKK 2.4 million write-down of goodwill, which was recognised under other operating expenses.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 13

Trade marks and distribution rights

	PARENT COMPANY 2008	PARENT COMPANY **2009**	GROUP **2009**	GROUP 2008
Cost at 01.01.			95.2	109.0
Additions			2.8	7.6
Disposals			-	(21.4)
Cost at 31.12.			98.0	95.2
Amortisation at 01.01.			60.1	76.9
Amortisation, disposals			-	(21.0)
Amortisation			3.7	4.2
Amortisation and impairment losses at 31.12.			63.8	60.1
Carrying amount at 31.12.			34.2	35.1

The amounts relate to Dyrup's activities only. The carrying amount of trade marks was tested for impairment at 31.12.09. The impairment test, which did not give rise to any impairment losses in either 2009 or 2008, is described in detail in note 10 on page 34 of Dyrup's financial statements.

Note 14

Development projects

	PARENT COMPANY 2008	PARENT COMPANY **2009**	GROUP **2009**	GROUP 2008
Cost at 01.01.			15.0	7.9
Value adjustments			(0.2)	0.1
Additions			1.8	7.0
Disposals			(3.3)	-
Cost at 31.12.			13.3	15.0
Amortisation at 01.01			4.5	1.0
Amortisation, disposals			(1.2)	-
Amortisation			4.7	3.5
Amortisation and impairment losses at 31.12.			8.0	4.5
Carrying amount at 31.12.			5.3	10.5

The amounts relate to Dyrup's activities only, see note 10 on page 34 of Dyrup's financial statements.

Note 15

In-process development projects

	PARENT COMPANY 2008	PARENT COMPANY **2009**	GROUP **2009**	GROUP 2008
Cost at 01.01.			0.5	5.1
Additions			0.2	0.9
Disposals			(0.6)	(5.5)
Carrying amount at 31.12.			0.1	0.5

The amounts relate to Dyrup's activities only, see note 10 on page 34 of Dyrup's financial statements.

Note 16

Land and buildings

	PARENT COMPANY 2008	PARENT COMPANY **2009**	GROUP **2009**	GROUP 2008
Cost at 01.01.			557.4	522.6
Value adjustments			0.1	(2.5)
Additions			41.8	48.6
Disposals			(79.6)	(11.3)
Cost at 31.12.			519.7	557.4
Depreciation and impairment losses at 01.01.			132.5	126.7
Value adjustments			-	1.6
Depreciation, disposals			(25.8)	(3.7)
Depreciation and impairment losses			8.5	7.9
Depreciation and impairment losses at 31.12.			115.2	132.5
Carrying amount at 31.12.			404.5	424.9
Mortgaged properties:				
Carrying amount			226.6	193.5
Year-end balance, loans			200.4	87.4

Note 17

Plant and machinery

	PARENT COMPANY 2008	PARENT COMPANY **2009**	GROUP **2009**	GROUP 2008
Cost at 01.01.			756.8	712.5
Reclassifications			-	(8.9)
Value adjustments			(0.2)	(6.0)
Additions			152.3	87.0
Disposals			(106.5)	(27.8)
Cost at 31.12.			802.4	756.8
Depreciation and impairment losses at 01.01.			488.0	456.2
Reclassifications			-	(8.9)
Value adjustments			-	(3.2)
Depreciation, disposals			(76.8)	(15.3)
Depreciation and impairment losses			59.1	59.2
Depreciation and impairment losses at 31.12.			470.3	488.0
Carrying amount at 31.12.			332.1	268.8
Carrying amount of assets held under finance leases			5.3	8.9

Note 18

Fixtures and fittings, tools and equipment

	PARENT COMPANY 2008	PARENT COMPANY **2009**	GROUP **2009**	GROUP 2008
Cost at 01.01.	0.9	0.9	314.6	315.0
Reclassifications	-	-	-	5.4
Value adjustments	-	-	-	(1.6)
Additions	-	-	51.8	33.4
Disposals	-	(0.8)	(31.8)	(37.6)
Cost at 31.12.	0.9	0.1	334.6	314.6
Depreciation and impairment losses at 01.01.	0.7	0.8	229.5	228.8
Reclassifications	-	-		5.4
Value adjustments	-	-		(1.0)
Depreciation, disposals	-	(0.7)	(26.3)	(40.0)
Depreciation and impairment losses	0.1	0	35.0	36.3
Depreciation and impairment losses at 31.12.	0.8	0.1	238.2	229.5
Carrying amount at 31.12.	0.1	0	96.4	85.1
Carrying amount of assets held under finance leases			7.4	4.9

Note 19
Property, plant and equipment under construction

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.			83.4	46.8
Additions			77.4	105.9
Disposals			(127.8)	(69.3)
Carrying amount at 31.12.			33.0	83.4

The amount relates primarily to Dyrup's activities.

Note 20
Investments in subsidiaries

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.	400.7	500.7		
Capital increase	100.0	-		
Cost/carrying amount at 31.12.	500.7	500.7		

Investments in subsidiaries at 31.12.09 consisted of:

Company	Registered office	Ownership interest	Share capital DKK million
Dyrup A/S	Søborg	100 %	110.0
Saabye & Lerche A/S*	Søborg	100 %	3.7
Monberg & Thorsen Oil A/S*	Søborg	100 %	5.0

*The companies did not have any proper operating activities in 2008 or 2009.

An overview of the amounts recognised in respect of Dyrup in the consolidated financial statements is given in the segment overview on page 23. Reference is made to the enclosed annual report for Dyrup, which is regarded as an integral part of Monberg & Thorsen's annual report.

Note 21
Investments in jointly controlled entities

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.	427.0	427.0		
Cost/carrying amount at 31.12.	427.0	427.0		

The jointly controlled entity consists of the 46% ownership interest in MT Højgaard a/s, which has its registered office in Søborg. The share capital amounts to DKK 220 million.

MT Højgaard is a jointly controlled entity under an agreement entered into between the shareholders. MT Højgaard is therefore consolidated in the consolidated financial statements by proportionate consolidation. A detailed overview of the amounts recognised on a proportionate basis is given in the segment overview on page 23. Reference is made to the enclosed annual report from MT Højgaard, which forms an integral part of Monberg & Thorsen's annual report.

Note 22
Investments in associates

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.			0.8	0.9
Additions			-	0.4
Disposals			-	(0.5)
Cost at 31.12.			0.8	0.8
Revaluation/impairment losses at 01.01.			(0.1)	(0.5)
From income statement			0.1	0
Other adjustments			(0.3)	0.4
Revaluation/impairment losses at 31.12.			(0.3)	(0.1)
Carrying amount at 31.12.			0.5	0.7

The amounts relate exclusively to MT Højgaard's activities. The accounting information for these companies is disclosed in note 13 of MT Højgaard's annual report.

Note 23
Receivables from associates

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.			8.9	5.4
Additions/disposals			(1.7)	3.5
Carrying amount at 31.12.			7.2	8.9

Note 24
Other securities and equity investments

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.	0	0	0.2	1.2
Disposals	-	-	(0.2)	(1.0)
Cost at 31.12.	0	0	0	0.2
Revaluation/impairment losses at 01.01.	-	-	0.1	(0.7)
Revaluation/impairment losses	-	-	(0.1)	0.8
Revaluation/impairment losses at 31.12.	0	0	0	0.1
Cost at 31.12.	0	0	0	0.3

Other securities and equity investments relate to MT Højgaard's activities.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 25

Inventories

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Raw materials and consumables			90.1	109.8
Work in progress			7.9	7.5
Finished goods			172.7	181.5
Carrying amount at 31.12.			270.7	298.8
Changes for the year:				
Cost at 01.01.			344.4	347.5
Value adjustments			(0.1)	(2.6)
Additions and disposals, net			(23.0)	(0.5)
Cost at 31.12.			321.3	344.4
Impairment losses at 01.01.			45.6	46.1
Value adjustments			0.2	(0.4)
Impairment losses			6.6	2.4
Reversal of impairment losses			(1.8)	(2.5)
Impairment losses at 31.12.			50.6	45.6
Carrying amount at 31.12.			270.7	298.8
Value of inventories recognised at net realisable value			1.5	1.2

The inventories relate primarily to Dyrup's activities.

Note 26

Properties held for resale

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Cost at 01.01.			224.6	244.3
Reclassifications			-	6.7
Additions			14.1	81.8
Disposals			(0.6)	(108.2)
Cost at 31.12.			238.1	224.6
Adjustments at 01.01.			(6.7)	4.1
Impairment losses			(1.4)	(4.1)
Reversal of impairment losses			-	(6.7)
Adjustments at 31.12.			(8.1)	(6.7)
Carrying amount at 31.12.			230.0	217.9
Value of properties recognised at net realisable value			19.2	18.5
Mortgaged properties:				
Carrying amount			2.6	2.6
Year-end balance, loans			0.5	0.6

Properties held for resale relate to MT Højgaard's activities and consist primarily of undeveloped sites that are held with a view to project development activities, and completed dwellings for resale.

Note 27

Receivables

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Receivables falling due more than one year after the balance sheet date	0	0	3.9	3.5

The fair value of receivables is deemed to correspond to the carrying amount.

Note 28

Securities

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Bonds	319.3	325.0	584.2	392.3
Carrying amount at 31.12.	319.3	325.0	584.2	392.3
Nominal holding	319.6	332.1	589.6	392.6
Bonds maturing more than one year after the balance sheet date (market value)	299.8	325.0	394.3	303.8
Maturity of bond portfolio (years)	1.5	2.9	2.0	1.3
Effective interest rate on bond portfolio (%)	5.1	5.5	4.8	4.8
Bonds deposited as security (market value)	-	-	25.9	19.5
Bonds featuring as registered assets in MTH Insurance a/s (quoted price)	-	-	46.3	-

The parent company and the Group measure the bond portfolio at fair value via the income statement in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are regularly monitored and reported at fair value.

Note 29

Share capital

There were no changes to the share capital in 2009 or the previous four years

	A shares	B shares	Total
Share capital at 31.12.05, 31.12.06, 31.12.07, 31.12.08 and 31.12.09	15.4	56.3	71.7
Number of shares at DKK 20 per share	768,000	2,817,000	3,585,000

Note 30

Interest-bearing liabilities

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Total interest-bearing liabilities can be broken down by commitment type as follows:				
Bank loans, etc.	22.9	3.4	410.2	411.2
Lease commitments (assets held under finance leases)	-	-	16.9	25.6
Consolidated enterprises	9.5	9.8	-	-
Carrying amount at 31.12.	32.4	13.2	427.1	436.8
Interest-bearing liabilities can be broken down by currency as follows:				
DKK	32.4	13.2	73.5	215.9
EUR	-	-	335.6	220.0
Other	-	-	18.0	0.9
Carrying amount at 31.12.	32.4	13.2	427.1	436.8
Interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:				
Fixed-rate debt	-	-	260.5	154.4
Floating-rate debt	32.4	13.2	166.6	282.4
Carrying amount at 31.12.	32.4	13.2	427.1	436.8
Interest-bearing liabilities can be broken down by effective interest rate as follows:				
Less than 5%	32.4	13.2	386.4	227.1
Between 5% and 7%	-	-	40.7	208.9
More than 7%	-	-	0	0.8
Carrying amount at 31.12.	32.4	13.2	427.1	436.8
Weighted average effective interest rate (%)	4.7	4.0	4.0	5.6
Weighted average remaining term (years)	0.5	0.5	5.7	2.1
Interest-bearing liabilities are recognised in the balance sheet as follows:				
Non-current liabilities	-	-	263.5	110.9
Current liabilities	32.4	13.2	163.6	325.9
Carrying amount at 31.12.	32.4	13.2	427.1	436.8
Fair value at 31.12.	32.4	13.2	366.1	424.4

The fair value of the financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.

Note 31

Deferred tax

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Deferred tax net, at 01.01.	18.6	18.6	(68.9)	(84.7)
Changes via income statement	-	(9.1)	3.2	15.3
Other	-	-	-	0.5
Deferred tax net, at 31.12.	18.6	9.5	(65.7)	(68.9)

Deferred tax in the parent company relates solely to the retaxation balance in respect of previously deducted tax losses in Dyrup's foreign subsidiaries. Some of the losses are subject to retaxation and some of the losses have lapsed in connection with the sale of the industrial activities, which means that part of the provision for deferred tax can be recognised as income.

Deferred tax can be broken down as follows:

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Deferred tax assets				
Property, plant and equipment			6.5	10.0
Current assets			29.8	24.1
Non-current liabilities			8.5	7.3
Current liabilities			6.9	5.3
Tax loss carryforwards			147.4	147.5
Non-capitalised portion			(7.9)	(13.2)
Deferred tax assets at 31.12. before set-off			191.2	181.0
Set-off within legal entities and jurisdictions (countries)	-	-	(88.9)	(78.8)
Carrying amount at 31.12.	-	-	102.3	102.2
Deferred tax liabilities				
Intangible assets	-	-	11.2	11.0
Property, plant and equipment	-	-	32.8	15.7
Investments	18.6	9.5	9.5	18.6
Current assets	-		72.0	66.8
Deferred tax liabilities at 31.12. before set-off	18.6	9.5	125.5	112.1
Set-off within legal entities and jurisdictions (countries)	-	-	(88.9)	(78.8)
Carrying amount at 31.12.	18.6	9.5	36.6	33.3
Deferred tax net, at 31.12.	18.6	9.5	(65.7)	(68.9)

Deferred tax has been calculated using the tax rates effective in the respective countries to which the deferred tax relates.

The portion of tax loss carryforwards that is expected to be utilised by set-off against future earnings has been capitalised.

A substantial proportion of the deferred tax asset relating to tax loss carryforwards is attributable to a timing difference between recognition applying tax rules and recognition applying accounting rules, which is primarily reflected in the deferred tax on current assets.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 32
Provisions

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Provisions at 01.01.			45.6	33.2
Additions			32.8	13.4
Utilised in the year			(0.7)	(0.4)
Reversal of unutilised provisions			(2.7)	(0.6)
Carrying amount at 31.12.			75.0	45.6
Provisions are recognised in the balance sheet as follows:				
Non-current liabilities			66.6	41.4
Current liabilities			8.4	4.2
Total			75.0	45.6
Expected maturity dates:				
Less than one year			8.4	4.2
Between one and two years			11.6	6.3
Between two and five years			31.2	18.6
More than five years			23.8	16.5
Total			75.0	45.6

Provisions relate to MT Højgaard's activities and comprise guarantee works, primarily relating to provisions for one-year and five-year guarantee works on completed contracts and employee obligations, primarily consisting of business-related provisions for industrial injury cover that is covered under the MT Højgaard Group's self-insurance programme. A breakdown of the amounts is given in note 19 on page 57 of MT Højgaard's annual report.

Note 33
Construction contracts in progress

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Progress billings			3,666.7	4,194.8
Selling price of construction contracts			(3,140.4)	(3,732.2)
Construction contracts in progress, net			526.3	462.6
Construction contracts in progress are recognised in the balance sheet as follows:				
Current liabilities			702.5	682.8
Receivables			(176.2)	(220.2)
Construction contracts in progress, net			526.3	462.6

Construction contracts in progress relate to MT Højgaard's activities.

Note 34
Security arrangements

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Guarantees have been provided in respect of:				
Subsidiaries	-	159.7	-	-
Customers	-	-	0.4	0.2
Bid bonds	-	-	18.0	8.5
Contracts and supplies in progress	-	-	951.0	947.9
Completed contracts and supplies	-	-	588.1	656.8
Total guarantees provided	-	159.7	1,557.5	1,613.4

The Group's guarantees relate mainly to MT Højgaard's activities, where normal security has also been provided in the form of bank guarantees, guarantee insurances and bond deposits as security for contracts and supplies.

Cash includes an amount of DKK 71 million deposited in a guarantee cover account in connection with Dyrup's sale of its Kolding property. The amount was released in 2010.

In addition, land and buildings have been lodged as security for bank loans, etc., see note 16.

Note 35
Lease commitments

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Finance leases				
Total future minimum lease payments:				
Due within one year			5.7	15.9
Due between two and five years			9.3	9.7
Due after more than five years			3.4	2.2
Total			18.4	27.8
Carrying amount (present value):				
Due within one year			5.2	13.4
Due between two and five years			8.6	8.6
Falling due after more than five years			3.1	1.6
Total			16.9	23.6
Financial expenses			1.5	4.2

Financial expenses have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These financial expenses are recognised in the income statement over the lease term.

Finance leases relate to MT Højgaard's activities.

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Operating leases				
Total future minimum lease payments:				
Due within one year	-	0.1	52.3	43.8
Due between two and five years	-	0.3	94.5	89.7
Falling due after more than five years	-	-	41.7	46.6
Total	-	0.4	188.5	180.1
Lease payments relating to operating leases recognised in the income statement	-	0	47.7	36.5

Operating leases relate to both Dyrup and MT Højgaard.

The Group's finance and operating leases primarily relate to vehicles, operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 15 years. None of the leases features contingent rent.

Note 36
Contingent assets and contingent liabilities

Indemnities

The parent company has provided collateral in respect of Dyrup's long-term loan finance in Denmark and a cash pool agreement of which Dyrup is part.

Pending disputes and litigation

Both the Dyrup Group and the MT Højgaard Group are involved in various disputes and legal and arbitration proceedings. In management's opinion, the outcome of these proceedings is not expected to have any material impact on the Group's financial position.

Monberg & Thorsen A/S is not involved in any litigation.

Note 37
Related parties

The company has a controlling related party relationship with Ejnar og Meta Thorsens Fond.

Related parties with significant influence comprise the members of the companies' Supervisory and Executive Boards.

The parent company's related parties also include subsidiaries and jointly controlled entities in which Monberg & Thorsen has control or significant influence. A list of the consolidated enterprises is given in note 44.

Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and normal management remuneration, no transactions have been effected during the year with major shareholders, members of the Supervisory Board or Executive Board or other related parties. Management remuneration is disclosed in note 10.

The parent company's balances with subsidiaries and jointly controlled entities at 31.12. are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement with subsidiaries and other financial balances on which interest is paid on an arm's length basis. These balances have not been written down.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 7 and 8.

The parent company's dividends from subsidiaries and jointly controlled entities are disclosed in the income statement.

Note 38
Joint ventures

Monberg & Thorsen owns 46% of MT Højgaard, which is a jointly controlled entity. Furthermore, the Group participates, via MT Højgaard, in the latter group's jointly controlled operations and jointly controlled entities. For further details, reference is made to note 25 to the enclosed annual report of MT Højgaard.

Jointly controlled entities are recognised in the consolidated financial statements by proportionate consolidation. The parent company measures the investment in the jointly controlled entity at cost.

A detailed segment specification of the amounts recognised in the consolidated financial statements in respect of MT Højgaard is given on page 23, to which reference is made.

	PARENT COMPANY		GROUP	
	2008	**2009**	**2009**	2008

Note 39

Financial risks

The Group's activities entail various financial risks that may affect the Group's development, financial position and operations.

The risk management of financial risks in MT Højgaard and Dyrup respectively is carried out by these companies on a decentralised basis.

There have been no significant changes in the Group's risk exposure or risk management compared with 2008.

Currency risks

The Group endeavours to minimise currency risks by seeking to match income and expenditure and financial assets and liabilities so that they balance with respect to currency.

Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments in Dyrup and MT Højgaard are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting.

In the consolidated income statement the amount recognised amounted to an expense of DKK 8 million compared with income of DKK 6 million in 2008.

The open forward exchange contracts at 31 December 2009 had a remaining term of up to 5.1 years.

Consolidated revenue denominated in foreign currencies, predominantly EUR, amounted to DKK 2.1 billion in 2009 compared with DKK 2.2 billion in 2008.

The Group's principal currency exposure is mainly related to EUR, PLN, USD, NOK, SEK and GBP.

The hypothetical effect on consolidated profit for the year and equity of reasonable, probable increases in exchange rates against DKK is illustrated below. The parent company does not have any currency exposure. This is a purely mathematical calculation based on the net currency positions at year end.

Currency	Hypothetical change	Group Nominal position DKK million	Effect DKK million
EUR	1 %	(111.2)	(0.9)
PLN	5 %	14.5	0.5
USD	5 %	26.9	1.0
NOK	5 %	(190.8)	(7.2)
SEK	5 %	(16.0)	(0.6)
GBP	5 %	(4.5)	(0.2)

A decrease in the exchange rate would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analysis was based on the financial instruments recognised at 31 December 2009 and an assumption of unchanged production/sales and price level.

Interest rate risks

Interest rate risks relate mainly to cash, securities and interest-bearing debt items.

Cash and securities stood at DKK 859 million at the end of 2009, placed mainly on short-term, fixed-term deposit and in bonds with a maturity of less than three years at the end of 2009.

The Group's interest-bearing liabilities stood at DKK 427 million at the end of 2009, with short-term borrowings accounting for 38%. The average weighted remaining maturity of the Group's interest-bearing debt was 5.7 years, and the weighted average effective interest rate was 4.0 %. Fixed-rate debt accounted for 61 % of the Group's interest-bearing debt.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 5.2 million increase in profit for the year and equity at 31 December 2009 (2008: increase of DKK 2.7 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Changes in cash flows: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash, securities and debt would have been a DKK 4.0 million increase in profit for the year and equity at 31 December 2009 (2008: increase of DKK 3.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Credit risks

Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner.

The credit risk relating to dealings with counterparties other than banks are minimised, to a great extent, by means of guarantees based on individual assessment of each counterparty. MT Højgaard hedges political credit risks on international projects through export credit insurance based on individual assessment.

Write-downs for bad debt losses were at a relatively stable level and related primarily to the activities of Dyrup, which pursues a tight credit policy.

Write-downs included in receivables developed as follows:

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Write-downs at 01.01.			70.0	67.7
Value adjustments			-	(0.6)
Provided in the year, net			(1.6)	2.9
Write-downs at 31.12.			68.4	70.0
Nominal value of written-down receivables			86.1	77.8
Receivables that were past due by more than 90 days at 31 December but are not impaired			98.6	106.2
Security received in respect of receivables			429.8	326.8

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008

Liquidity risks

Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.

The Group's financial resources consist of cash, securities and undrawn credit facilities. At the end of 2009, the financial resources stood at DKK 1.4 billion compared with DKK 1.2 billion at the end of 2008.

Interest-bearing liabilities and trade payables can be broken down as follows:

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Interest-bearing liabilities	32.4	13.2	427.1	436.8
Trade payables	0.9	0.9	598.5	706.2
Total	33.3	14.1	1,025.6	1,143.0

The maturity profile for accounting purposes can be broken down as follows:

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Less than one year	33.3	14.1	762.1	1,032.2
Between one and two years	-	-	12.7	7.9
Between two and five years	-	-	90.3	69.0
More than five years	-	-	160.5	33.9
Total	33.3	14.1	1,025.6	1,143.0

Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.

The Group's borrowing and credit facilities are not subject to any special terms or conditions.

Categories of financial instruments

Carrying amount by category:

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Financial assets measured at fair value via the income statement	319.3	325.0	584.2	398.1
Loans and receivables	93.0	99.7	1,610.1	1,680.6
Financial liabilities measured at fair value via the income statement	0	0	6.8	0
Financial liabilities measured at amortised cost	36.6	18.0	1,768.8	1,816.1

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

The Group's securities are valued based on quoted prices (level 1).

The Group's derivative financial instruments are valued at observable prices (level 2).

Note 40
Capital management

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The objective for the Group's equity ratio is 30-40%. The equity ratio was 38% at the end of 2009 compared with 37% at the end of 2008.

Note 41
New International Financial Reporting Standards and IFRIC Interpretations

The IASB has issued a number of standards and interpretations that are not mandatory for Monberg & Thorsen in connection with the preparation of the annual report for 2009:

IFRS 3, amendments to IAS 27, more amendments to IASs 32 and 39 and IFRIC 9, amendments to IFRS 2, amendments to IFRS 1, some parts of "improvements to IFRSs (May 2008)", improvements to IFRSs (April 2009), IFRICs 17-19, amendment to IFRIC 14, revised IAS 24 and IFRS 9. Amendments to IFRS 2, amendments to IFRS 1, "improvements to IFRSs (April 2009)", IFRIC 19, amendment to IFRIC 14, revised IAS 24 and IFRS 9 have yet to be adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. With the exception of the effect referred to below, none of the new standards or interpretations referred to in the foregoing is expected to have a material effect on the Monberg & Thorsen Group's financial reporting.

IFRS 3 "Business Combinations" (revised) and revised IAS 27 "Consolidation" became effective for financial years beginning on or after 1 July 2009. The technical adjustments to the purchase method in IFRS 3 are only expected to have limited effect on the Monberg & Thorsen Group's financial reporting.

Note 42
Events after the balance sheet date

In January 2010, Dyrup acquired the Polish paint manufacturer Malfarb Sp. z.o.o. to strengthen Dyrup's PRO business in Poland.

So far as management is aware, no other events have occurred between 31 December 2009 and the date of signing of the annual report that will have a material effect on the assessment of the Monberg & Thorsen Group's financial position at 31.12.09, other than the effects that are recognised and referred to in the annual report.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	PARENT COMPANY		GROUP	
	2008	**2009**	**2009**	2008

Note 43
Segment information

A detailed segment breakdown of the consolidated figures in the consolidated financial statements is given on page 23, and the integrated annual reports of Dyrup A/S and MT Højgaard a/s include detailed information about their operations and development.

Geographical breakdown of revenue and non-current assets

	PARENT COMPANY 2008	PARENT COMPANY 2009	GROUP 2009	GROUP 2008
Revenue can be broken down as follows:				
Denmark			3,164.1	4,034.7
Rest of world			2,409.9	2,728.3
			5,574.0	6,763.0
Non-current assets excluding deferred tax assets can be broken down as follows:				
Denmark			717.5	686.3
Rest of world			310.9	322.7
			1,028.4	1,009.0

Note 44
Consolidated enterprises

Companies at 31.12.09

		Registered office		Ownership interest %	Share capital, million	
Monberg & Thorsen A/S		**Søborg**	**DK**		**DKK**	**71.7**
Subsidiaries						
Dyrup A/S		**Søborg**	**DK**	**100.00**	**DKK**	**110.0**
Dyrup S.A.S.		France	FR	100.00	EUR	13.0
Tintas Dyrup, S.A.		Portugal	PT	100.00	EUR	2.6
Dyrup GmbH		Germany	DE	100.00	EUR	0.5
Pinturas Dyrup, S.A.		Spain	ES	100.00	EUR	0.3
Dyrup GmbH		Austria	AU	100.00	EUR	0.1
Dyrup Sp. z.o.o.		Poland	PL	100.00	PLN	4.9
Monberg & Thorsen Oil A/S		**Søborg**	**DK**	**100.00**	**DKK**	**3.7**
Saabye & Lerche A/S		**Søborg**	**DK**	**100.00**	**DKK**	**5.0**
Jointly controlled entities						
MT Højgaard a/s	**(J)**	**Søborg**	**DK**	**46.00**	**DKK**	**220.0**
• Ajos a/s		Hvidovre	DK	100.00	DKK	0.5
• Enemærke & Petersen a/s		Ringsted	DK	100.00	DKK	5.0
• Ringsted Entreprenørforretning ApS		Ringsted	DK	100.00	DKK	0.2
• Bendix Træ & Glas ApS		Hvidovre	DK	100.00	DKK	0.2
• Bode Byg A/S af 1997		Solrød	DK	100.00	DKK	0.5
• Bode Byg Façade A/S		Solrød	DK	100.00	DKK	0.5
• Greenland Contractors I/S	(J)	Copenhagen	DK	66.66	DKK	0
• Lindpro a/s		Glostrup	DK	100.00	DKK	25.0
• Arssarnerit A/S		Greenland	DK	100.00	DKK	2.0
• LN Entreprise A/S		Søborg	DK	100.00	DKK	15.2
• MHF 20061002 a/s		Søborg	DK	100.00	DKK	1.1
• MT (UK) Ltd.		UK	GB	100.00	GBP	0
• MT Atlantic Inc.		USA	US	100.00	USD	0
• MT Højgaard Føroyar P/F		Faroe Islands	DK	100.00	DKK	2.7
• MT Hojgaard (GIB) Ltd.		Gibraltar	GB	100.00	GBP	0
• MT Hojgaard Al Obaidly W.L.L.	(J)	Qatar	QA	49.00	QAR	0.2
• MT Højgaard Grønland ApS		Greenland	DK	100.00	DKK	0.2
• MTH Insurance a/s		Søborg	DK	100.00	DKK	30.0
• OPP Vildbjerg Skole A/S	(A)	Hellerup	DK	50.00	DKK	0.5
• OPP Hobro Tinglysningsret a/s	(A)	Hellerup	DK	33.33	DKK	0.7
• OPP Ørstedskolen a/s	(A)	Hellerup	DK	33.33	DKK	2.4
• Promecon as		Fredericia	DK	100.00	DKK	5.0
• Promecon as		Norway	NO	100.00	NOK	0.5
• Promecon Vietnam Company Limited		Vietnam	VN	100.00	USD	0.1
• Scandi Byg a/s		Løgstør	DK	100.00	DKK	3.0
• Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal	PT	60.00	EUR	4.0
• Timbra a/s		Høje Taastrup	DK	100.00	DKK	0.5

(A) Associates
(J) Jointly controlled entities. These are consolidated on a proportionate basis in the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS IN EURO (EUR million)

The conversion rate is the official exchange rate at 31.12.

INCOME STATEMENT	2009	2008
Revenue	**749.0**	**907.7**
Production costs	629.3	777.7
Gross profit	**119.7**	130.0
Share of profit after tax of associates	-	-
Distribution costs	70.6	80.0
Administrative expenses	36.2	36.4
Other operating income and expenses	3.0	(3.8)
Operating profit	**15.9**	9.8
Financial income	6.1	9.1
Financial expenses	5.1	7.8
Profit before tax	**16.9**	11.1
Income tax	3.0	3.5
Consolidated profit	**13.9**	7.6

CASH FLOW STATEMENT	2009	2008
Cash flows from operating activities	**32.2**	31.3
Investing activities		
Intangible assets	(0.3)	(0.4)
Property, plant and equipment	(20.5)	(22.1)
Acquisition/disposal of enterprises and activities	15.5	(2.6)
Securities	(22.5)	(2.9)
Cash flows for investing activities	**(27.8)**	(28.0)
Cash flows before financing activities	**4.4**	3.3
Financing activities		
Dividends paid to shareholders	-	(5.8)
Change in non-current loans, etc.	13.5	(12.6)
Cash flows from financing activities	**13.5**	(18.4)
Net increase (decrease) in cash and cash equivalents	17.9	(15.1)
Cash and cash equivalents at 01.01.	(1.1)	14.2
Value adjustments	-	(0.2)
Cash and cash equivalents at 31.12.	**16.8**	(1.1)

BALANCE SHEET AT 31 DECEMBER	2009	2008
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	15.5	12.2
Trade marks and distribution rights	4.6	4.7
Development projects	0.7	1.5
	20.8	18.4
Property, plant and equipment		
Land and buildings	54.4	57.0
Plant and machinery	44.6	36.1
Fixtures and fittings, tools and equipment	13.0	11.4
Property, plant and equipment under construction	4.4	11.2
	116.4	115.7
Investments		
Investments in associates	0.1	0.1
Other securities and equity investments, etc.	1.0	1.2
Deferred tax	13.7	13.7
	14.8	15.0
Total non-current assets	**152.0**	149.1
Current assets		
Inventories	67.3	69.4
Receivables	213.1	226.7
Securities	78.5	52.6
Cash and cash equivalents	36.9	34.1
Total current assets	**395.8**	382.8
Total assets	**547.8**	531.9
EQUITY AND LIABILITIES		
Equity		
Share capital	9.6	9.6
Other reserves	0.5	1.0
Retained earnings	197.3	186.5
Proposed dividends	3.3	0
Total equity	**210.7**	197.1
Non-current liabilities	**49.3**	24.9
Current liabilities	**287.8**	309.9
Total equity and liabilities	**547.8**	531.9

The consolidated financial statements in EURO constitute supplementary information to the financial statements only.

DYRUP

DYRUP A/S • ANNUAL REPORT 2009

A member of the Monberg & Thorsen A/S Group


FRESH
START
DY

Contents 2009

If the event of any discrepancy between the meaning of the Danish language version and the English language version of the Annual Report for 2009, the Danish version prevails.

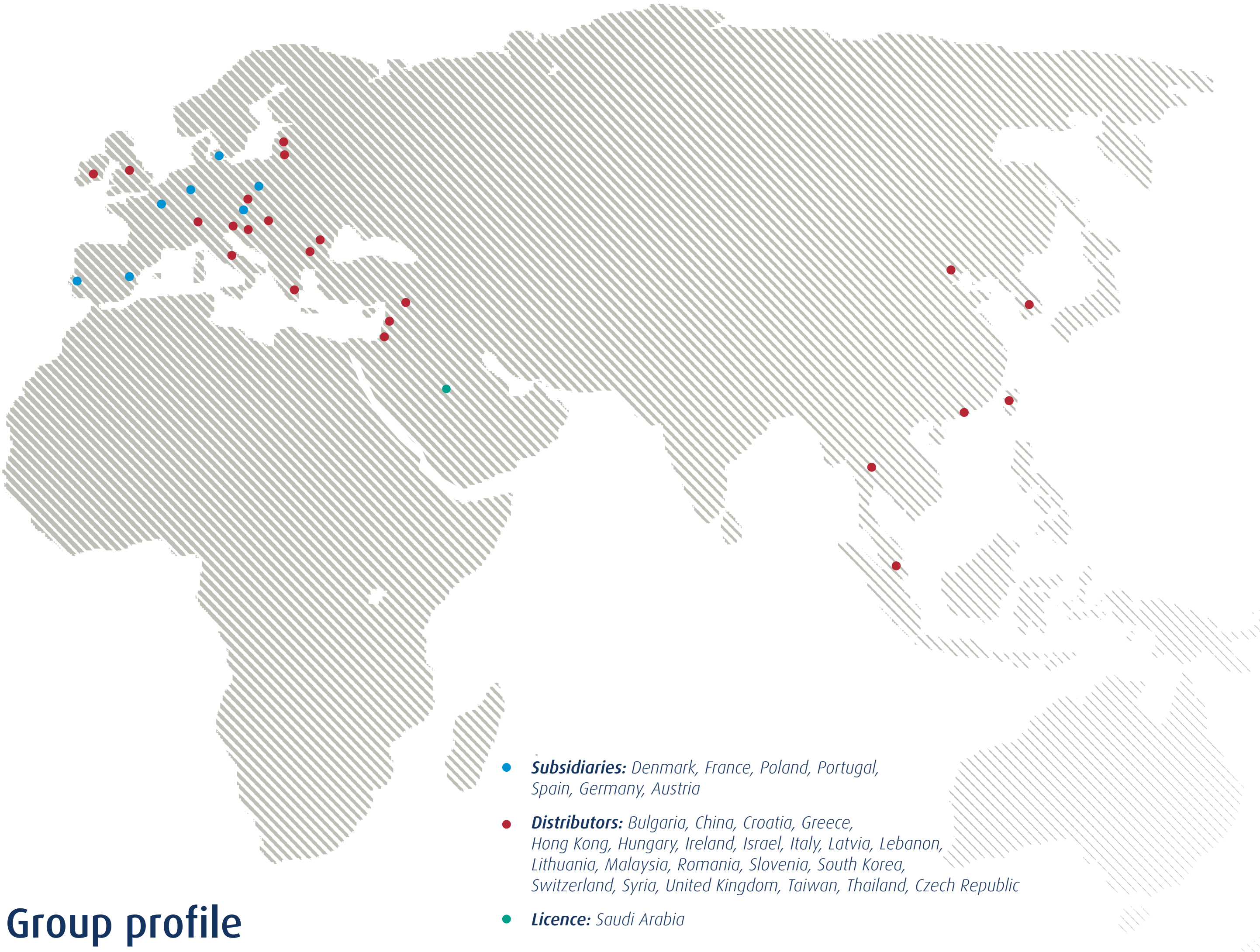
Financial highlights for the years 2005 – 2009 *DKKm*

Group	2005	2006	2007	2008	2009
Income statement					
Revenue	1,681	1,660	1,696	1,624	1,394
Gross profit	703	680	694	644	573
Operating profit (loss) before special items (adjusted EBIT)	16	5	5	(22)	(20)
Net financing costs	(23)	(24)	(20)	(33)	(21)
Profit (loss) before tax	(55)	(66)	(15)	(90)	(25)
Profit (loss) for the year	(26)	(45)	(19)	(68)	(17)
Balance sheet					
Share capital	100	100	100	110	110
Equity	487	442	428	449	431
Balance sheet total	1,274	1,227	1,227	1,215	1,219
Interest-bearing assets	35	51	56	34	92
Interest-bearing liabilities	449	427	434	434	455
Invested capital	980	897	884	927	871
Cash flows					
From operating activities	64	65	70	(6)	2
For investing activities *)	(58)	(27)	(70)	(110)	34
From financing activities	(88)	(20)	(17)	11	109
Net increase (decrease) in cash and cash equivalents	(82)	19	(18)	(105)	145
*) Portion relating to property, plant and equipment (gross)	(38)	(23)	(71)	(110)	(90)
Financial ratios (%)					
Gross margin	42	41	41	40	41
Operating margin (EBIT margin)	1	-	-	(1)	(1)
Pre-tax margin	(3)	(4)	(1)	(6)	(2)
Return on invested capital (ROIC)	2	1	1	(2)	(2)
Return on equity (ROE)	(5)	(10)	(4)	(15)	(4)
Equity ratio	38	36	35	37	35
Other information					
Average number of employees	1,045	961	1,002	994	858
Number of employees at year end	958	954	1,006	926	802

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

Financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Operating margin (EBIT margin)	$\frac{\text{Operating profit before special items x 100}}{\text{Revenue}}$
Pre-tax margin	$\frac{\text{Profit before tax x 100}}{\text{Revenue}}$
Return on invested capital (ROIC)	$\frac{\text{Operating profit before special items x 100}}{\text{Average invested capital}}$
Return on equity (ROE)	$\frac{\text{Profit after tax x 100}}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity x 100}}{\text{Total liabilities}}$
Invested capital	Invested capital represents the capital to be invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill.



Group profile

The industrial activities were sold with effect from 30 April 2009 as part of the strategic focusing of Dyrup. Dyrup's products are now sold via these two channels:

- DIY: the DIY market, where sales are made via paint retailers and builders' merchants
- PRO: the professional market, where sales are made through wholesalers and outlets for professional decorators as well as Dyrup's own paint centres in Denmark and Portugal

The DIY market accounted for 52% of revenue in 2009 and the PRO market for 48%. The PRO activities were strengthened by the acquisitions of Hygæa in mid-2009 and Polish Malfarb at the start of 2010.

With the implementation of the FRESH START strategy and the slogan "Easy to choose - easy to use" as a fundamental element for all products and concepts, 2009 was the year in which Dyrup stepped up its focus on the development of customer-driven products and concepts that are easy to choose and easy to use.

Dyrup places great emphasis on selling products that complement each other, enabling it to offer customers and end users complete solutions. Dyrup also focuses on an eco-friendly profile through the common EU Ecolabel and the development of eco-friendly products and technologies.

Strong brands and quality products in paints and wood care are still a fundamental element of the Group's business concept. Dyrup manufactures and markets a broad range of products in paints, wood care and specialist products. The latter are primarily made up of fillers, damp-proofing products and tools and other related products for professional decorators.

The principal geographical markets are Denmark, France, Germany, Poland and the Iberian Peninsula. These markets account for approx. 90% of revenue. The remaining revenue comes from other European markets, Asia and Africa, where Dyrup primarily sells its products through distributors and, to a lesser extent, its own companies.

In wood care, Dyrup holds strong market positions in Denmark, France and Germany. In paints, Dyrup holds strong market positions in Denmark and Portugal. Wood care products account for 50% of Dyrup's revenue, paint products for 30% and specialist products for the remaining 20%.

Revenue comes predominantly from own production at Dyrup's plants in Denmark, France, Poland and the Iberian Peninsula. Bought-in goods, primarily specialist products, make up a small proportion of revenue. Strong brands are a vital element of Dyrup's strategy, with the strategic brands Dyrup, Bondex, GORI and Xylophene accounting for 80% of revenue.

The average number of employees in the Dyrup Group was approx. 800 at year end.

Management's review

2009 was an eventful year for Dyrup, which underwent major change. It was also the final year in Dyrup's lengthy turnaround process. Although some measures have yet to be fully implemented, Dyrup's fundamental platform has been strengthened, and the company is now positioned for growth in existing as well as new markets, and this will form the focus in the coming years. After five years of unsatisfactory financial results, 2010 is expected to bring a positive operating result, which is a major step in the right direction.

The objective - achieving a profitability for Dyrup within a few years matching that of the other manufacturers in the European market - remains unchanged.

2009 began with the divestment of the industrial activities as part of the strategic focusing of Dyrup, and the production property in Kolding was sold in October. These disposals boosted Dyrup's capital base by approx. DKK 160 million.

Strategy FRESH START was launched at the start of the year, and considerable resources were expended on its implementation and execution, with a key element being a further and necessary reduction of the total cost base, which was achieved.

In June, Dyrup strengthened its PRO activities by acquiring Hygæa. The acquisition included nine outlets, seven of which were located in cities in which Dyrup already had a presence. These outlets were combined in 2009, and this has generated the expected cost savings.

The new ERP platform was implemented in Denmark in May, and Germany went live at the start of 2010. The roll-out in France, the Iberian Peninsula and Poland will be completed in 2011.

The upgrading of the manufacturing facilities in Denmark is behind schedule, but is expected to be completed in the second quarter of 2010. The expansion of the warehousing facilities in France is proceeding to plan, and stock and associated logistics are expected to be insourced in the second half of 2010.

In autumn 2009, resources were expended on the acquisition of Polish Malfarb, which became a reality in January 2010. The acquisition will give the Polish business a considerable boost and provide Dyrup with an excellent platform for growth in an interesting market that is not marred by the economic and financial crises to the same extent as Dyrup's other principal markets.

The operating result before special items, a loss of DKK 20 million, was on a par with 2008, but with a positive development in the continuing DIY and PRO business in that the divested industrial activities depressed the results in 2009, whereas they had a positive impact on the results in 2008. The industrial activities were an integral part of the business in Denmark, Poland, Germany and Austria, and consequently cannot be separated out individually.

Dyrup's results developed positively throughout the year. In the first half, Dyrup expected a decline in revenue of 10-15% in DIY and PRO and an operating loss before special items of around DKK 50-75 million. This changed in both the interim financial reports for the first half and the third quarter, with the outlook in the interim financial report for the third quarter being a decline in revenue of around 5% and a loss of around DKK 25 million. Net special items were expected to be income of approx. DKK 10 million due to the sale of the Kolding property.

Revenue declined by only 4%, and the overall operating result was a loss of DKK 4 million after recognition of net special items.

INCOME STATEMENT

Revenue was DKK 1,394 million, of which industrial revenue for the first four months represented DKK 59 million. DIY and PRO revenue was thus DKK 1,335 million against DKK 1,390 million in 2008, down 4%. The acquisition of Hygæa in June 2009 contributed 2% to revenue.

In Denmark, the acquisition of Hygæa led to unchanged revenue compared with 2008, while revenue in the German market was 7% ahead, reflecting a very successful roll-out of new products and concepts tailored to customer wishes. To this should be added the favourable weather conditions for outdoor products in both Germany and Denmark. In Poland, Dyrup delivered 16% growth expressed in local currency, but a decline of 8% expressed in Danish kroner due to the weakening of the Polish zloty. The decline in both France and the Iberian Peninsula was 8%. The international economic and financial crises led to intensified competition in all markets.

Gross profit was DKK 573 million versus DKK 644 million in 2008, but with an increase in gross margin to 41%, partly reflecting the divestment of the industrial activities.

Distribution costs were 14% lower than in 2008, reflecting the divestment of Industry and general savings in the area as a result of more efficient marketing.

Administrative expenses remained at an unchanged level and affected by the internal resources expended on the year's projects.

The operating result before special items was a loss of DKK 20 million compared with DKK 22 million in 2008. The divested industrial activities eroded the results in 2009, whereas the continuing business showed a fair improvement.

Special items consisted of the DKK 34 million gain on the sale of the industrial activities including the Kolding prop-

erty and restructuring costs of DKK 18 million, primarily in connection with the alignment of the cost base.

The operating result was consequently a loss of DKK 4 million compared with a loss of DKK 56 million in 2008.

Net financing costs were reduced to DKK 21 million, partly due to the effect of the proceeds from the divested industrial activities and the lower interest rate level, which Dyrup has benefited from, as the vast majority of debt at the start of the year consisted of short-term credit facilities. In 2009, debt of DKK 160 million was converted to long-term, fixed-rate debt.

The full-year result before tax was consequently a loss of DKK 25 million compared with a DKK 90 million loss in 2008. The effective tax rate was 33%, which means that the full-year result after tax was a loss of DKK 17 million.

BALANCE SHEET

The consolidated balance sheet total remained unchanged, standing at DKK 1.2 billion at the end of 2009 due to the investments made and because a sum of DKK 71 million was deposited in connection with the sale of the Kolding property that was not released until the start of 2010.

Inventories and receivables were lower than at the end of 2008, primarily as a result of the divestment of the industrial activities.

Equity stood at DKK 431 million, corresponding to an equity ratio of 35% compared with 37% at the end of 2008.

Net interest-bearing debt amounted to DKK 362 million at the end of 2009 compared with DKK 399 million at the end of 2008. The improvement exclusively reflected the divestment of the industrial activities, including the Kolding property. Dyrup has raised a 20-year, floating-rate mortgage loan, which has been hedged at a relatively low interest rate level using a ten-year interest rate swap.

CASH FLOWS

Operating cash flows benefited from the improved operating result and lower interest expense.

Investing activities generated a cash inflow as a result of the sale of the industrial activities, including the Kolding property, which had a cash flow effect of DKK 160 million. At DKK 90 million, total investments in non-current intangible assets were slightly lower than in 2008 and still extraordinarily affected by the upgrading of the manufacturing and warehousing facilities. In addition, a sum of DKK 37 million in total was used in connection with the acquisition of Hygæa's activities.

Cash flows from financing activities consisted of the raising of the long-term mortgage loan less instalments made and repaid loans, generating a cash inflow of DKK 109 million.

Cash flows for the year amounted to a net inflow of DKK 145 million, reducing net cash and cash equivalents to net debt of DKK 136 million compared with net debt of DKK 280 million at the end of 2008.

Financial resources are deemed to be satisfactory to underpin Dyrup's continued development, including the acquisition of Malfarb's activities, which was partly financed by extending an existing credit facility, which originally expired in 2010.

CHANGES ON THE SUPERVISORY BOARD

At the Annual General Meeting on 29 April 2009, Mogens Granborg did not stand for re-election to the Supervisory Board at his own request. Torben Ballegaard Sørensen was elected to the Supervisory Board.

In connection with the sale of the industrial activities on 30 April 2009, Allan Wolder, employee representative, stepped down and was replaced by Per Larsen, alternate. Elisabeth Nielsen, alternate, joined the Supervisory Board at the end of July, replacing Søren Ladegaard. Per Larsen, stepped down in November.

ACCOUNTING POLICIES

The accounting policies follow the accounting policies applied by the parent company Monberg & Thorsen, which is listed. The annual report has been prepared in accordance with IFRS and applying the same policies as in 2008.

OUTLOOK FOR 2010

On 12 January 2010, Dyrup acquired the Polish paint manufacturer Malfarb with annual revenue of approx. DKK 85 million and operating profit of approx. DKK 7 million.

The acquisition strengthens Dyrup's Polish activities considerably. Malfarb is a popular brand in the professional area in Poland, and has a broad paint range that complements Dyrup's product range in terms of price and quality.

Malfarb was a privately owned paint manufacturer with own manufacturing and warehousing facilities located approx. 130 km from Dyrup's factory in Lodz. Production will be combined in the course of two to three years, and this is expected to yield relatively reasonable cost savings.

Enterprise value was in the order of DKK 60 million and the payback period for the overall investment is expected to be approx. five years.

In the second quarter of 2010, the upgrading of the manufacturing facilities in Søborg will be completed, and, in the first half of 2010, the expansion of the warehousing facilities in France will also have been completed. In 2010, an expansion of Malfarb's warehousing and manufacturing facilities will commence. The total investments in property, plant and equipment are consequently expected to amount to around DKK 80 million.

The year started off with heavy snow and frost in Poland, Germany, Denmark and France, while the winter in the Iberian Peninsula was cold with a great deal of rain. To this should be added the fact that the economic and financial crises are still putting a damper on consumption and that the decline in the construction market is continuing.

The first few months of 2010 got off to a weak start, with revenue on a par with the start of 2009, despite the Hygæa and Malfarb revenue. The outlook for 2010 is consequently uncertain.

It is expected that the DIY market will fall back by 2-4% in 2010, while the PRO market is expected to contract by around 10%. Dyrup expects to hold its market share in its principal markets, as a minimum. Dyrup will continue to develop the measures initiated as part of the FRESH START strategy in a targeted manner in order to strengthen its market positions by launching innovative products and concepts. To this should be added greater focus on expanding and utilising the export potential in Asia and Africa.

The effects of FRESH START, coupled with the acquisitions of Hygæa and Malfarb, are expected to be able to generate growth in DIY and PRO revenue of around 5%, despite the negative market outlook. The operating result is expected to be a profit of around DKK 25 million with a break-even result before tax. No special items are expected in 2010.

The objective - achieving a profitability for Dyrup within a few years matching that of the other manufacturers in the European market - remains unchanged.

The projections concerning future financial performance are subject to significant uncertainties and risks that may cause the performance to differ from the projections expressed in this report.

CORPORATE RESPONSIBILITY

Dyrup is a company with a presence in many different countries and cultures. It is consequently necessary for Dyrup to take an active position on the challenges in the locations in which the company has a presence.

We wish to demonstrate corporate responsibility - by showing consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas. Our ethical policy forms the overall framework for this. The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.

Our ethical policy applies to all employees in the Group. Dyrup wishes to be known as a company with a clear and uniform profile, also with respect to corporate responsibility, to enable us to support our business strategies in all our business units by appearing as a homogeneous, international Group.

In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our efforts will create the most value for society and for Dyrup.

We have positions on other social issues. For example, we have an ethical code of conduct for suppliers that is referred to under the section Other initiatives.

In this section on corporate responsibility we have elected to focus on our policy and action in the environmental and occupational health and safety areas.

Dyrup has long been focusing on environmental responsibility at local level and in its overall product strategy, which has been focusing on products being as eco-friendly as at all possible. Dyrup was thus the first company in Denmark to launch a 100% water-based product.

In the product area, Dyrup is working on a green strategy that more than satisfies the requirements in current environmental legislation. In the sections on Product environment and Innovation, details are given about the early development and efforts in these areas.

Measurement and follow-up in the environmental area has so far been carried out locally in each country, focusing on compliance with local requirements, as a minimum. Standardisation of this work, with company-wide targets and reporting in an overall CSR report (Corporate Social Responsibility), commenced in 2009. These efforts will continue in 2010, when uniform key performance indicators (KPIs) encompassing all the countries in which the Group operates will be defined in relevant areas, and overall corporate targets for these will be set. In the second half of 2010, Dyrup expects to prepare a proper CSR report.

External environment

In Denmark, Dyrup continued the work on a revision of both its environmental permit and its wastewater permit, and final approval and permission for the Søborg factory were granted in March 2010. There are no conditions that Dyrup cannot meet, and the terms will be implemented in their entirety in 2010.

The objective for 2010 is for Dyrup in Denmark to introduce ISO 14001 (Environmental management system) and OHSAS 18001 (Occupational health and safety system). This will be done to ensure ongoing focus on health, safety and the environment and in response to the increasing customer requirements.

The focus on both energy and environment and climate intensified noticeably in 2009. Dyrup wishes to continuously reduce its energy consumption and Dyrup initiated collaboration with an energy consultant in 2009.

In Germany, where Dyrup does not have production, but only warehousing facilities, the focus on reducing energy consumption and increasing reuse of waste has increased. The company ensures, among other things, that damaged tins are reused instead of being disposed of as waste.

Dyrup in Portugal is certified to ISO 14001, and a follow-up audit in 2009 did not show any material deviations. In addition, Dyrup in Portugal improved the efficiency of the operation of its wastewater plant.

In France, where Dyrup has ISO 14001 certification, an annual audit did not result in any comments.

Occupational health and safety
A good, safe working environment is essential to employees and their families and for the financial results.

It is important that all employees feel that we look after their safety and wellbeing properly by providing a good working environment, and consequently also making sure that everyone becomes involved and feels responsible for improving health and safety. In recent years, major efforts have been made locally to reduce the number of occupational injuries. The total number of occupational injuries is minimal, and in several countries there were no occupational injuries whatsoever in 2009.

In connection with the production of paint and wood care products, various chemical raw materials are used, some of which are more hazardous to health than others. We constantly focus on replacing these with raw materials that are less hazardous to health. We also place much emphasis on clear safety and working instructions in relation to the handling of these raw materials, and, where possible, we strive to use these in closed production systems to avoid physical contact to the greatest possible extent.

Furthermore, we focus extensively on initiatives to improve employee wellbeing, including noise level, ergonomics and the psychological working environment.

Other initiatives
Dyrup feels responsible not only for its own initiatives, but also focuses on ensuring that its suppliers adhere

to similar ethical requirements in relation to corporate responsibility. Most of our suppliers are large European companies. In 2009, Dyrup started an evaluation process comprising our largest suppliers, and in 2010 we will be preparing an actual performance specification and decide on the need to control compliance with this.

RISK FACTORS

Dyrup's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

We consider it a critical part of our strategy to continuously minimise the current risks, which are not deemed to differ from the normal risks facing other such companies.

The overall framework for managing the risks judged to be critical for the company is laid down in the business concept and the associated policies.

Dyrup endeavours to cover, to a great extent, significant risks outside our direct control by taking out relevant insurance policies. Insurable risks are insured to ensure that the Group's financial position will not be jeopardised by any damage or acts that give rise to liability. Besides statutory insurances, the Group has taken out business interruption and product liability insurance.

All Dyrup's strategic trade marks are registered and monitored through international trademark agents.

Cyclical fluctuations, etc.
Cyclical fluctuations, political intervention and changing weather conditions can result in fluctuations in demand from one year to the next.

Some of the raw materials used by Dyrup are only available from a handful of suppliers. Wherever possible, Dyrup seeks to obtain guarantees with respect to agreed supply capacity and stable price formation.

The price formation of some raw materials depends, directly or indirectly, on the oil price, a market force that is outside Dyrup's control.

Consolidation among Dyrup's large customers in the DIY market puts pressure on prices, and this may impact on Dyrup's earnings.

Financial risks
Financial risks are described in note 21 to the financial statements.

CORPORATE GOVERNANCE

Dyrup is not listed, but wholly-owned by the listed Monberg & Thorsen. Dyrup's Corporate Governance principles are essentially identical to those applied by Monberg & Thorsen. The current principles are described at www.monthor.dk and in the parent company's annual report, to which reference is made.

In the following, we have chosen to give an account of the key elements of the Group's internal control and risk management systems in connection with the financial reporting process in accordance with the requirements set out in the Danish Financial Statements Act.

FINANCIAL REPORTING PROCESS

The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and to ensure that appropriate accounting policies are defined and applied.

The Supervisory Board and Executive Board regularly evaluate risks and internal controls in connection with the Group's activities, and their potential impact on the financial reporting process.

The Supervisory Board and Executive Board have established policies, procedures and controls in the key areas that relate to the financial reporting process. The basis for this is a clear organisational structure, clear reporting lines, procedures for delegated authorities and approvals, and segregation of duties.

The Executive Board is responsible for ensuring that Dyrup's control environment provides a proper basis for the preparation of the financial reporting. Managers at various levels are responsible in their respective areas. An internal control function has been established that is charged with controlling the financial reporting for both the Danish unit, the foreign subsidiaries and the Group consolidation.

The Executive Board monitors, on an ongoing basis, compliance with relevant legislation and other rules and regulations related to financial reporting (compliance) and regularly reports to the Supervisory Board on this.

Risk assessment
The Supervisory Board and Executive Board carry out an overall assessment of risks related to the financial reporting process at least once a year. As part of this risk assessment, they consider the risk of fraud and the measures that are required to mitigate and/or eliminate these risks. As part of the risk assessment, the Supervisory Board evaluates any opportunities for the day-to-day management to override controls and manipulate the financial reporting.

Control activities
The purpose of the control activities is to prevent, detect and correct any errors or irregularities and to ensure that estimates made are reasonable in the circumstances.

The Executive Board has established a formal corporate reporting process that comprises budget reporting and monthly reporting, including reporting of any deviations, with quarterly updating of estimates for the year. The reporting includes income statement, balance sheet, cash flow statement and relevant financial ratios.

The reporting from the subsidiaries is controlled on an ongoing basis, and procedures have been established that ensure that any errors and omissions in reported data are communicated to and corrected by the subsidiaries.

In connection with the preparation of the financial statements, further analyses and control activities are carried out to ensure that the financial reporting complies with the legislation.

Information and communications
We maintain internal information and communications systems to ensure that the financial reporting is correct and complete taking into account the confidentiality prescribed for listed companies. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring
The Supervisory Board and Executive Board monitor the financial reporting on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, including the manner in which material and/or exceptional items and accounting estimates are accounted for, and the overall disclosure level in Dyrup's financial reporting.

We use comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

The Group applies uniform IFRS rules as set out in the company's financial reporting manual. The manual includes accounting and assessment principles as well as reporting instructions, and is complied with by all companies in the Group. Compliance with the manual is monitored at corporate level. Representation letters are obtained from all subsidiaries on an annually basis.

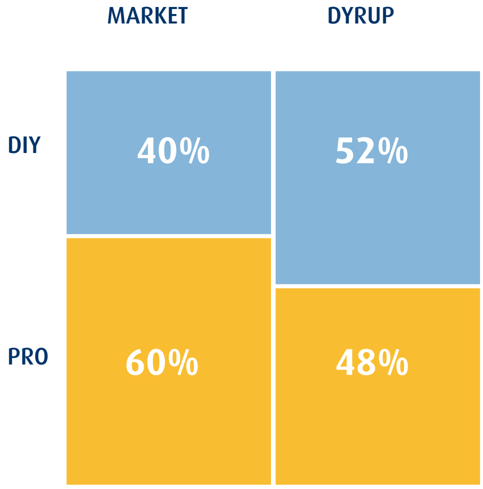
THE DEVELOPMENT IN DYRUP'S MARKETS IN 2009

The economic and financial crises left their clear marks on demand in Dyrup's DIY and PRO markets, which is estimated to have contracted by 10% on average, but with major regional differences. The market declined by around 11% in the first two quarters, and even though the decline in the market was smaller in the third quarter, the market development appeared to be as negative in the fourth quarter as in the first two quarters.

The Spanish market is still the hardest hit, followed by France, Portugal and Denmark, while the impact on Poland and Germany has been less severe.

With the disposal of Dyrup's industrial activities in 2009, Dyrup is focused on the DIY and PRO markets.

RELATIVE SIZES OF SALES CHANNELS 2009



Dyrup sells to the DIY market via paint retailers and builders' merchants, whose primary customers are private consumers. The DIY market shrunk by around 4% overall in 2009, when Dyrup's development was flat, partly as a consequence of growth in Germany, Portugal and Poland, but Denmark and Spain also outperformed the market. DIY represented 52% of DIY and PRO revenue in 2009 versus 50% in 2008.

The economic downturn has intensified competition among our customers, and has increased the focus on custom-made products and concepts that underpin each chain's strategic position in the market. It is estimated that private label represented the same proportion of revenue in 2009 as in 2008, but with major differences in the respective markets.

Dyrup sells to the PRO market through wholesalers specialising in paints, builders' merchants focusing on the building trade and own paint centres in the Danish and Portuguese markets. The downturn in the building sector has had the greatest impact on the PRO market, which is directly dependent on the level of building activity. Overall, this market is estimated to have fallen back by around 12%. In PRO, Dyrup recorded a decline of around 8%, including second-quarter revenue from the acquired Hygæa activities. As a result of this acquisition, Denmark was the only one of the five principal markets that recorded progress in PRO in 2009.

Denmark

The overall Danish DIY and PRO market showed a decline of around 11%. The PRO market, which is still marred by the downturn in the building sector, was hit the hardest. Dyrup estimates that the PRO market contracted by around 15%. Dyrup fared slightly better, to which should be added the effect of the acquired Hygæa revenue, which means that Dyrup saw an overall increase of 3% in 2009.

The DIY market is estimated to have declined by around 6%, whereas Dyrup recorded a 3% decline only, partly due to intensified collaboration with the large chains.

Sales development in both markets was underpinned by new product launches.

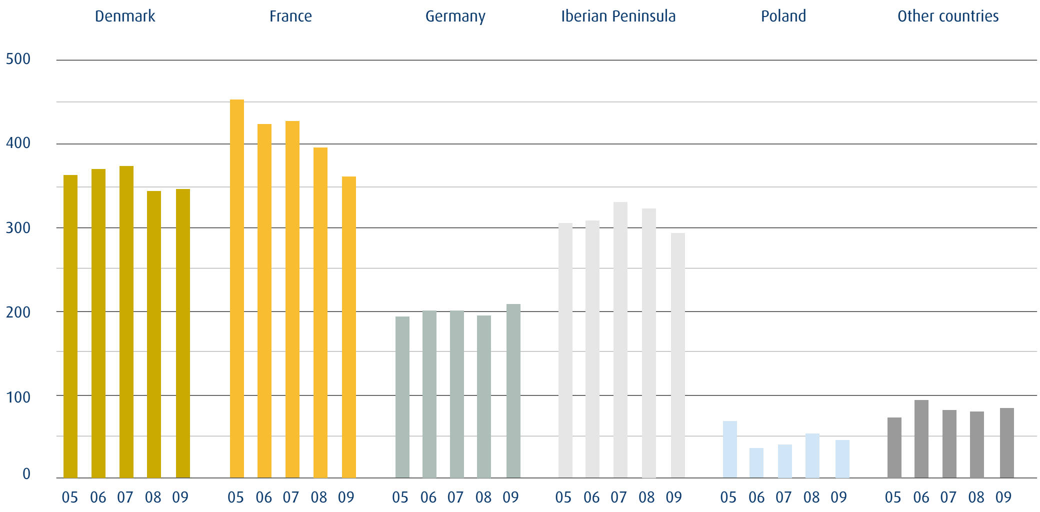
France

Overall, the French market is estimated to have fallen back by around 14%. The professional market, including the market for impregnation products for sawmills, suffered the largest decline, which, overall, is estimated to be around 18%, while the reduction in Dyrup was marginally lower. The DIY market, which in France consists predominantly of chains of builders' merchants, is estimated to have contracted by around 4%, with Dyrup experiencing a corresponding decline. The new, eco-friendly paint range "Ushuaïa by Bondex" has been launched - a product made from natural raw materials.

Germany

Germany is one of the markets that has been less affected by the negative economic climate. Here, the overall market declined by around 3%. In the DIY market, where Dyrup is represented in wood care, Dyrup increased its market share with revenue growth of 12%, and Dyrup is now the market leader. In the PRO market, on the other hand, Dyrup experienced decline, although Dyrup suffered only half the decline suffered by the general market, partly due to good success with wood oils incorporating nanotechnology.

DEVELOPMENT IN REVENUE IN THE DIY AND PRO MARKETS 2005- 2009 *DKKm*



Iberian Peninsula

Among Dyrup's geographical markets, the Iberian Peninsula was the hardest hit by both the downturn in the building sector and the negative economic climate. It is estimated that the PRO market in Spain shrunk by around 23%, while the DIY market declined by around 8%. In Portugal, the market development was also negative, with an overall decline of around 10%. Here, too, the PRO market experienced the largest decline. Notwithstanding this, Dyrup succeeded in maintaining flat growth in the DIY market, partly due to new product and concept launches, whereas PRO revenue largely mirrored the market development.

Poland

The Polish market performed the best, overall. It is estimated that the market contracted by just under 2%, reflecting a slowdown in the PRO market in the second half, while the DIY market remained stable. Expressed in Polish zloty, Dyrup delivered growth of 16%, exclusively reflecting distinctive growth in DIY due to an attractive product portfolio to the large DIY chains. Considering the size of Poland, Dyrup's presence in the PRO market is limited, and Dyrup developed largely in line with the general market. PRO received a significant boost in 2010 with the acquisition of Malfarb, which primarily focuses on this part of the market.

Exports

Dyrup's export markets in Europe were also hard hit by the economic and financial crises. This was largely offset by the new customers in Asia, in particular, as a result of the measures implemented to develop and utilise the export potential in Asia and Africa.

STRATEGY – FRESH START

Dyrup's new strategy, FRESH START, has been implemented on an ongoing basis since its launch in spring 2009.

The FRESH START strategy is designed to ensure that Dyrup can occupy a strong market position, both in the short and the long term, and to form the basis for the development of a robust and financially healthy business. The heightened concentration of management focus and resources on the DIY and PRO area creates the basis for enhancing the organisation's executive power in the years ahead, which will be crucial to the long-term growth and earnings capacity.

Dyrup's strategic justification in the market

Dyrup aims to be a strong alternative to the large, global paint and wood care suppliers in Europe.

It is Dyrup's mission, in close collaboration with our customers, to make the paint and wood care category an exciting experience based on concepts that are easy to choose and easy to use with a successful result.

MISSION

In close partnership with customers, we will continuously develop our category by focusing on helping end users to achieve a successful result every time, as easily as possible.

The slogan "Easy to choose - easy to use" must permeate all thinking behind Dyrup's product range, marketing and sales efforts.

Value creation starts with the end user

Value creation must start with the end user, whether the end user is a private consumer or a professional tradesman.

Strongly decentralised management power

It is vital for Dyrup's growth and profitability that Dyrup positions itself optimally in the local markets. The local organisations must be able to adapt to customer needs quickly and efficiently.

Dyrup's business model must draw on the local units' market knowledge and flexibility, which, coupled with Dyrup's international infrastructure and powerful brands, provide a sound platform for value creation.

Short decision-making paths, local ability to act and a flexible and efficient business system are designed to secure Dyrup's competitiveness. Decisions must be taken as close to customers as possible. A country-based organisation with strong local management is consequently an important criterion.

The journey towards the Dyrup of the future

Strategy FRESH START is based on four cornerstones - "must win battles".

- **Streamlining the value chain** – based on end-customer needs and requirements, we will continuously optimise the overall value chain, from recipe development through to delivery of the finished product to our customers.

- **"Easy to choose – easy to use"** – it is our mantra that Dyrup's products and concepts must be easy to use and easy to choose, and that end users, whether professional tradesmen or private consumers, must always be proud of the result.

- **Growth through New Business** – here focus is on the following two areas:

  1. Developing product portfolios and channels in existing markets
  2. Developing new markets in Europe, Asia and Africa

  Both areas can be developed both organically or through acquisitions or strategic alliances.

- **Organisational focus** – we see our employees as our key asset and believe that they form the foundation for achieving FRESH START. We will only be able to achieve the ambitious targets set in our strategy FRESH START through strong teamwork in the organisation.

  A large part of the organisation has been involved in translating the strategy into specific actions to ensure that every single employee is in no doubt as to what our ambitions, targets and focus are. In the years ahead, we will continue to improve our management system and employee skills so that they can offer the best possible support for our strategy.

Objective

It is Dyrup's objective to outperform the general market.

The target for the next few years is for Dyrup's profitability to match that of the other manufacturers in the European market.

A key sub-objective in the preparation of FRESH START was that Dyrup must deliver a positive operating result (EBIT) in 2010. We currently expect to deliver operating profit of around DKK 25 million for 2010.

PRODUCT INNOVATION

In 2009, Dyrup stepped up a gear in the development and launch of new innovative products and concepts. The focal point was the slogan "Easy to choose - easy to use", which is the fundamental element of Dyrup's strategy. Under this banner, Dyrup will continue to develop creative concepts that match the latest trends in interiors and colour selection while at the same time being in harmony with a growing environmental awareness.

In France, Dyrup launched a range of paints under the name "Ushuaïa by Bondex". The paint, which is extremely eco-friendly, is based on degradable materials. The Ushuaïa concept was launched in three different colour series, drawing on inspiration from Scandinavia, Africa and Australia. In view of the successful launch of these colours in 2009, a further two colour series will be rolled out in 2010.

In Denmark and France, Dyrup launched wood care and facade paints with teflon properties. The use of teflon in products strengthens their surface protection properties by making them more water and dirt repellant. The products have been positively received by the market.

In the PRO market in Denmark, two products were rolled out, boosting Dyrup's position as a full-range supplier. These are a ceiling and wall paint that prevents nicotine stains from bleeding through the paint and an improved enamel product (woodwork paint) that is easier to apply and more robust.

In the DIY market, Dyrup in Denmark has launched a range of paint products carrying the EU Ecolabel (Flower logo). In the coming year, an increasing number of Dyrup's paint and wood care products will be aligned to the Ecolabel requirements.

Dyrup's relaunch in Germany in 2009 of seven wood oils incorporating nanotechnology for use on terraces and garden furniture was a great success. Wood oils is a growth area in the German market, which is a major focus area for Dyrup.

In 2010, the German market will see even more quick-drying water-based wood care products from Dyrup. At the same time, Dyrup in Germany will launch a complete – but simple – range of outdoor wood care products that perfectly fulfils the "Easy to choose - easy to use" objective.

In the Iberian Peninsula, where Dyrup's market position is based on paint to a larger extent, the trend with launches of exciting concepts in decoration continued. 2009 saw the launch of the "Style - by Bondex" range in the market. This range enables consumers to decorate their homes using a number of creative and simple templates, stencils and colours. The launch of wood care products incorporating the teflon technology referred to in the foregoing will be a focus area in the Iberian Peninsula in 2010.

In the Polish market, Dyrup will continue the launch of paint and wood care products aligned to local market requirements in terms of design and product properties. The innovation and development of such paint products have been significantly strengthened by the acquisition of Polish Malfarb in January 2010.

Already in 2008, Dyrup was one of the first manufacturers in the European market to launch products that comply with the VOC 2010 directive on reduction of organic solvents in paint and wood care products. The last products were aligned in spring 2009 so that they comply with the VOC directive, which comes into force in 2010. Dyrup is thus at the forefront in relation to compliance with the tightened legislation.

THE SUPPLY CHAIN

The supply chain covers the activities from the minute the customer's order is received through to delivery of the agreed products and services to the customer.

Dyrup has manufacturing sites in Denmark, France, the Iberian Peninsula and Poland, and warehousing facilities/ distribution depots in several of the European markets in which Dyrup's products are sold. The Group regularly aligns and optimises its supply chain to make sure that its infrastructure remains competitive.

Dyrup has invested in new, highly automated production plants in Denmark and France in recent years. Both investments have led to significant increases in productivity.

A new, fully-automated warehouse will be taken into use in France (Albi) at the end of July 2010.

Following the acquisition of Malfarb, Dyrup now has two factories in Poland. In the course of 2010 and 2011, the logistics and production facilities at Malfarb's location in Ostrow will be combined and Dyrup's factory in Lodz is expected to be sold.

On completion of the warehouse in France and the expansion of warehousing and production facilities in Ostrow, only modest supply chain investments are expected in the coming years.

PRODUCT ENVIRONMENT

Dyrup wishes to operate in an environmentally responsible manner and is working on a green strategy that strives to go beyond the requirements of current environmental legislation. This is manifested, among other things, in the development of products carrying the EU Ecolabel (Flower logo), but also products that will be able to meet even more stringent environmental requirements.

The continued development and alignment of environmental legislation in Europe places high demands on companies that develop and use chemicals. Dyrup is taking the necessary steps in preparation for this by working proactively with the new legislation and is consequently at the forefront of the development.

GHS/CLP

The CLP regulation, which came into effect in January 2009, is a new system for classification, labelling and packaging of chemical substances and mixtures. The legislation introduces an EU-wide new system for classification and labelling of chemicals based on the UN Global Harmonised System (GHS). The development of a global harmonised system is designed to ensure that chemicals are evaluated, classified and labelled in the same way in all countries/regions, although, in practice, there will still be instances in which the system introduced in the EU will differ from the systems in non-EU countries.

Dyrup is responsible for identifying the hazardous properties of a substance or mixture with a view to classifying these in accordance with the criteria set out in the regulation. We have started incorporating these classifications into our product specifications.

REACH

The new regulation on chemicals, REACH, came into force in June 2007 and is being implemented gradually over 15 years. The REACH regulation has introduced a series of new requirements concerning documentation and application of chemical substances as well as risk assessment of the effect of chemical substances on human health and the environment.

Dyrup continued the dialogue with its suppliers in 2009 to ensure that all ingredients in its products are preregistered so that their use can continue. The next step is the registration of the substances that are used in the largest quantities - a process that must be completed by the end of 2010.

REACH results in a requirement concerning increased knowledge about the effect of chemical substances, and more stringent requirements will be made concerning chemical substances and products and their use. Dyrup continuously ensures that its products are aligned to the legislation and that the high quality of its products is maintained.

Ecolabel (Flower logo)

Ecolabel is the EU Ecolabel for products that are the kindest to the environment and human health compared with corresponding products.

The criteria for using the Ecolabel are based on the results of lifecycle assessments, whereby the consumption of resources and emissions are assessed in relation to environmental impact. This applies to the entire process from extraction of raw materials, through manufacture and use of the products, to final disposal.

Dyrup has developed a number of products that have been awarded the EU Ecolabel. The products cover both paints and wood care products for indoor and outdoor use. Dyrup will add more ecolabelled products in the coming year, and is also developing products that comply with even more stringent criteria than prescribed by the Ecolabel.

BPD

The BPD directive is an EU harmonisation of authorisations relating to biocidal wood preservatives. The authorisation procedure is in two parts: the first phase is the authorisation of the individual active substances (biocides) in the EU, and the second phase is the authorisation of biocidal products.

In 2010, most wood care products protecting against fungal attack will require official authorisation. A number of tests were consequently initiated in 2009 that are all aimed at demonstrating that the products are safe for both users and the environment while at the same time being effective.

At a later stage, insecticides will also require EU authorisation, and at that stage an application will also have to be prepared to the national authorities for wood care products containing insecticides. Such products are primarily used in Southern Europe, where there are termites, for example.

Glossary:

CLP:	Classification, Labelling and Packaging
GHS:	Globally Harmonised System of Classification and Labelling of Chemicals
REACH:	Registration, Evaluation and Authorization of Chemicals
Ecolabel:	The EU environmental flower logo
BPD:	Biocidal Products Directive

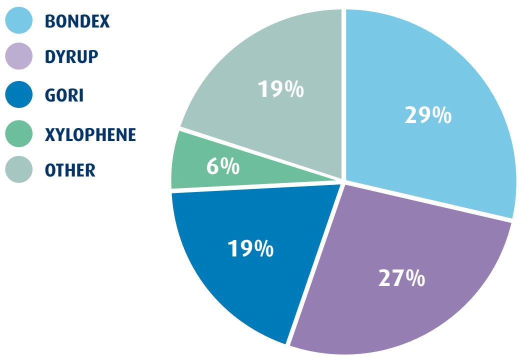
BRANDS

The strategic and international brands Bondex, Dyrup, GORI and Xylophene represent more than 80% of total revenue. To these should be added a number of strong local brands such as French DIP and Veraline, and Danish Hygæa, the latter having been added in 2009, and in 2010 Malfarb was aquired. Dyrup wishes to maintain local brands such as these, as they enjoy a high degree of recognition and preference among end users. Lastly, Dyrup also undertakes private label production on a limited scale when it is profitable and underpins its brands.

Regardless of whether a Dyrup brand is strategic and international or locally rooted, Dyrup strives for a clear positioning and brand awareness among end users. However, common to all brands is that they must reflect the fundamental element of Dyrup's strategy: "Easy to choose – easy to use". It must be easy and safe to choose the right Dyrup product, and it must be easy for the end user to achieve a safe and satisfactory result.

Dyrup's marketing palette consists of a whole range of tools such as mass communications and in-store marketing. Dyrup improved its internet presence in 2009, and, in 2010, will put more resources into digital media. At the same time, efforts to strengthen in-store marketing will continue, and, here too, the focus will be on simplifying the end user's choice of the right product/making it even easier for the end user to choose the right product.

Breakdown of Dyrup´s revenue by brand 2009



HUMAN CAPITAL

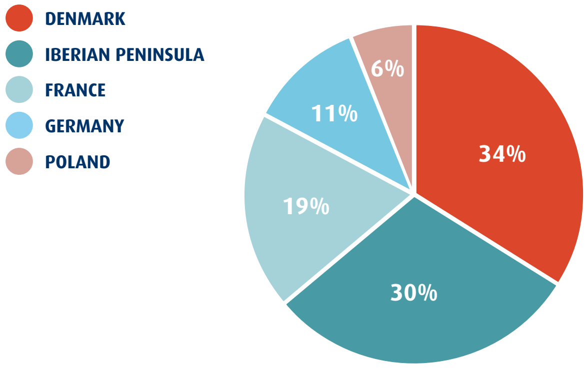
In order for Dyrup to achieve its long-term targets, it is important for Dyrup to have well-qualified employees with the resources to take on the commercial challenges facing the company. The development of employee skills that are honed through challenging work assignments and work-related training supplemented by other courses and education is a key factor in maintaining Dyrup's competitive edge. Skills development improves the employees' ability to adapt as well as each employee's value in the general job market.

The implementation of a new ERP system and new production technology places continuous demands in terms of development of the organisation's skills. The planned development and harmonisation of Dyrup's strategic skills in the areas Key Account Management, Product Management, Trade Marketing and E-marketing at corporate level form an important element of Dyrup's FRESH START strategy. This activity will primarily be implemented in 2010.

On 30 April 2009, Dyrup sold its industrial business to Teknos AB, which involved transferring 126 employees from Denmark, Germany, Poland, the UK, Norway and Sweden to the new owner. With the acquisition of Hygæa in June, Dyrup in Denmark acquired nine outlets and 22 employees, which were integrated into Dyrup's PRO sales organisation during the autumn.

The organisation was aligned again in 2009 as a result of efficiency improvement and in response to the economic and financial crises. As a consequence of this and the transactions completed, the number of employees had been reduced to 800 at the end of the year compared with 926 the previous year. The largest decline was in Denmark, where the total number of employees was down 24% at the end of 2009, partly as a result of the divestment of the industrial activities, and partly as a result of vacant positions not being filled.

Breakdown of employees by Dyrup market 2009



Management statement and Independent auditors' report

Anders Colding Friis

- President, Scandinavian Tobacco Group A/S og Skandinavisk Holding A/S
- (CB) Monberg & Thorsen A/S
- (CB) Dagrofa A/S
- (MB) IC Companys A/S

Torben Ballegaard Sørensen

- (DCB) Monberg & Thorsen A/S
- (MB) Egmont Fonden
- (MB) Lego A/S
- (MB) AB Electrolux
- (CB) CAT Science A/S
- (CB) Pandora Holding A/S
- (DCB) Systematic A/S
- (MB) AS3-Companies A/S
- (MB) Tajco A/S
- (MB) Årstiderne Arkitekter A/S

Elisabeth Nielsen*

- Secretary

Michael Nielsen*

- Sales Manager

Henriette Holmgreen Thorsen

- Managing Director, Belvédère Scandinavia A/S

Carsten Tvede-Møller

- Lawyer, Plesner
- (MB) Monberg & Thorsen A/S

Executive Board

Erik Holm, CEO

- (DCB) SP Group A/S
- (DCB) Arvid Nilsson Fond
- (MB) Investeringskomiteen LD Equity 1 K/S
- (MB) Brødrene A&O Johansen A/S

Jørgen Nicolajsen, CFO

- President, Monberg & Thorsen A/S
- (DCB) MT Højgaard a/s

(CB) Chairman of the Supervisory Board
(DCB) Deputy Chairman of the Supervisory Board
(MB) Member of the Supervisory Board
**Employee representatives*

STATEMENT BY THE EXECUTIVE AND SUPERVISORY BOARDS

The Executive and Supervisory Boards have today discussed and approved the annual report of Dyrup A/S for the financial year 2009.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Group's and the parent company's financial position and a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 24 March 2010

Supervisory Board

Anders Colding Friis *Chairman*	Torben Ballegaard Sørensen *Deputy Chairman*
Michael Nielsen	Elisabeth Nielsen
Henriette Holmgreen Thorsen	Carsten Tvede-Møller

Executive Board

Erik Holm *CEO*	Jørgen Nicolajsen *CFO*

Market holders
Eduardo Cevasco, General Manager, Iberian Peninsula
André Minnerath, General Manager, France
Jürgen David, General Manager, Germany, Austria
Ireneusz Struk, General Manager, Poland
Peter Sørensen, Director, Denmark

Other senior executives
Joao Ribeiro, Corporate Supply Chain
Lars Østerby, Group Marketing & Products

INDEPENDENT AUDITORS' REPORT

To the shareholder of Dyrup A/S

We have audited the consolidated financial statements and the parent company financial statements of Dyrup A/S 2009, pages 24-42. The consolidated financial statements and the parent company financial statements include cash flow statement, income statement, statement of comprehensive income, balance sheet, statement of changes in equity as well as statement and notes, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

In addition to our audit, we have read the Management's review, pages 6-15, which has been prepared in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements, and issued a statement in this regard.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare and issue a Management's review that gives a fair review in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit.

We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other additional procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 March 2010
Ernst & Young
Godkendt Revisionspartnerselskab

Søren Strøm	Kim Kjellberg
State Authorised Public Accountant	*State Authorised Public Accountant*

Cash flow statement *DKKm*

Parent company 2008	Parent company 2009	Note		Group 2009	Group 2008
			Operating activities		
(55.3)	11.9		Operating profit	(4.3)	(56.3)
			Non-cash operating items		
27.8	26.2		Depreciation, amortisation and impairment losses	55.5	57.8
-	(14.0)		Gain on sale of activities	(33.6)	-
(27.5)	**24.1**		**Cash flows from operating activities before working capital changes**	**17.6**	1.5
			Working capital changes		
13.1	9.9		Inventories	8.0	9.7
5.5	(28.0)		Trade receivables	6.3	35.2
(0.4)	1.2		Other receivables and prepayments	0.2	1.1
32.8	5.7		Intragroup balances	(4.8)	4.8
(19.3)	(5.8)		Trade and other current payables	(7.8)	(26.0)
4.2	**7.1**		**Cash flows from operations (operating activities)**	**19.5**	26.3
5.6	3.7		Financial income	7.7	9.8
(26.5)	(18.5)		Financial expenses	(28.5)	(43.0)
(16.7)	**(7.7)**		**Cash flows from operations (ordinary activities)**	**(1.3)**	(6.9)
2.3	2.4		Income taxes paid, net	3.5	1.4
(14.4)	**(5.3)**		**Cash flows from operating activities**	**2.2**	(5.5)
			Investing activities		
-	(37.0)	26	Acquisition of enterprises and activities	(37.0)	-
-	128.1	26	Disposal of enterprises and activities	159.8	-
(1.6)	(0.4)		Purchase of intangible assets	(2.2)	(2.9)
(78.5)	(50.2)		Purchase of property, plant and equipment	(90.0)	(110.1)
0.2	0.9		Sale of property, plant and equipment	3.0	2.6
(65.5)	(33.5)		Investment in financial assets	-	-
1.4	-		Dividends from subsidiaries	-	-
(144.0)	**7.9**		**Cash flows for investing activities**	**33.6**	(110.4)
(158.4)	**2.6**		**Cash flows before financing activities**	**35.8**	**(115.9)**
			Financing activities		
			Loan financing:		
-	159.7		Increase in non-current bank loans, etc.	159.7	-
(0.8)	(50.8)		Decrease in non-current bank loans, etc.	(50.8)	(88.7)
			Shareholders:		
100.0	-		Capital injection	-	100.0
99.2	**108.9**		**Cash flows from financing activities**	**108.9**	11.3
(59.2)	**111.5**		**Net increase (decrease) in cash and cash equivalents**	**144.7**	(104.6)
(167.2)	(226.4)		**Cash and cash equivalents at 1.1.**	(280.4)	(174.3)
-	-		Value adjustments of cash and cash equivalents	-	(1.5)
(226.4)	(114.9)		Cash and cash equivalents at 31.12.	(135.7)	(280.4)
			consisting of:		
0.2	71.0		Cash	92.2	34.4
(226.6)	(185.9)		Current bank loans	(227.9)	(314.8)
(226.4)	(114.9)		Cash and cash equivalents at 31.12.	(135.7)	(280.4)

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

Income statement & statement of comprehensive income *DKKm*

Parent company			Income statement	Group	
2008	2009	Note		2009	2008
726.6	636.7		Revenue	1,393.8	1,624.3
526.3	417.6	3	Production costs	820.8	980.4
200.3	**219.1**		**Gross profit**	**573.0**	643.9
169.9	146.4	3	Distribution costs	459.9	534.1
72.6	75.4	3	Administrative expenses	140.8	138.5
7.6	8.7	4	Other operating income	7.9	6.5
(34.6)	**6.1**		**Operating profit (loss) before special items (restated EBIT)**	**(19.8)**	(22.2)
(20.7)	5.8	5	Special items, net	15.5	(34.1)
(55.3)	**11.9**		**Operating profit (loss)**	**(4.3)**	(56.3)
7.0	3.7	6	Financial income	7.7	9.8
26.4	18.5	7	Financial expenses	28.5	43.0
(74.7)	**(2.9)**		**Profit (loss) before tax**	**(25.1)**	(89.5)
(46.0)	5.3	8	Income tax expense	(8.3)	(21.5)
(28.7)	**(8.2)**		**Profit (loss) for the year**	**(16.8)**	(68.0)
		9	Employee information		
			It is proposed that the profit (loss) for the year be carried forward to next year		
			Statement of comprehensive income		
(28.7)	(8.2)		Profit (loss) for the year	(16.8)	(68.0)
			Other comprehensive income		
-	-		Foreign exchange adjustments, foreign enterprises	1.0	(10.2)
-	(3.3)		Value adjustments of hedging instruments	(3.3)	-
-	0.8		Tax on other comprehensive income	0.8	-
-	(2.5)		Total other comprehensive income after tax	(1.5)	(10.2)
(28.7)	**(10.7)**		**Total comprehensive income**	**(18.3)**	(78.2)

Balance sheet at 31 December *DKKm*

Parent company			Assets	Group	
2008	**2009**	**Note**		**2009**	**2008**
			Non-current assets		
			Intangible assets		
-	18.9	10	Goodwill	71.9	53.7
13.5	13.6	10	Trade marks and distribution rights	27.4	28.3
5.5	2.1	10	Development projects	5.3	10.5
-	-	10	In-process development projects	0.1	0.5
19.0	**34.6**		**Total intangible assets**	**104.7**	93.0
			Property, plant and equipment		
190.8	168.8	11	Land and buildings	234.9	260.8
76.2	121.8	11	Plant and machinery	184.3	138.6
15.4	29.7	11	Fixtures and fittings, tools and equipment	49.1	41.7
71.2	5.8	11	Property, plant and equipment under construction	30.9	77.6
353.6	**326.1**		**Total property, plant and equipment**	**499.2**	518.7
			Investments		
244.6	256.0	12	Investments in subsidiaries	-	-
50.1	12.7	12	Receivables from subsidiaries	-	-
24.0	20.7	16	Deferred tax assets	50.2	38.0
318.7	**289.4**		**Total investments**	**50.2**	38.0
691.3	**650.1**		**Total non-current assets**	**654.1**	649.7
			Current assets		
			Inventories		
38.1	23.1		Raw materials and consumables	55.6	73.0
4.2	4.3		Work in progress	7.9	7.5
53.8	47.8		Finished goods and goods for resale	172.7	181.5
96.1	**75.2**	13	**Total inventories**	**236.2**	262.0
			Receivables		
25.2	48.0		Trade receivables	180.7	218.1
73.5	105.4		Receivables from subsidiaries	-	-
16.0	14.8		Other receivables	21.3	21.7
-	8.2		Income tax	15.4	9.8
-	-		Prepayments	19.5	19.3
114.7	**176.4**	14	**Total receivables**	**236.9**	268.9
0.2	**71.0**	17	**Cash**	**92.2**	34.4
211.0	**322.7**		**Total current assets**	**565.3**	565.3
902.3	**972.8**		**TOTAL ASSETS**	**1,219.4**	1,215.0

Parent company			Equity and liailities	Group	
2008	2009	Note		2009	2008
			Equity		
110.0	110.0		Share capital	110.0	110.0
90.0	87.5		Other reserves	95.0	96.5
162.8	154.6		Total equity	226.1	242.9
362.8	**352.1**		**Total equity**	**431.1**	449.4
			Non-current liabilities		
18.2	167.7	15	Bank loans etc.	219.5	70.9
7.8	20.1	16	Deferred tax liabilities	27.1	14.7
26.0	**187.8**		**Total non-current liabilities**	**246.6**	85.6
			Current liabilities		
47.6	7.2	15	Current portion of non-current financial liabilities	7.2	47.9
150.5	94.3	15	Bank loans etc.	136.3	238.7
76.1	91.6	15	Payable to parent - Cash Pool	91.6	76.1
43.8	38.8		Trade payables	133.6	143.8
125.1	130.7		Payables to consolidated enterprises	-	4.8
1.0	0.8		Income tax	0.6	0.7
69.4	69.5		Other payables	172.4	168.0
513.5	**432.9**		**Total current liabilities**	**541.7**	680.0
539.5	**620.7**		**Total liabilities**	**788.3**	765.6
902.3	**972.8**		**TOTAL EQUITY AND LIABILITIES**	**1,219.4**	1,215.0

Statement of changes in equity *DKKm*

Equity, parent company

	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Total
Equity at 1.1.2008	100.0	-	-	-	298.0	398.0
Opening adjustment, see note 27	-	-	-	-	(106.5)	(106.5)
Comprehensive income for the year	-	-	-	-	(28.7)	(28.7)
Capital increase	10.0	90.0	-	-	-	100.0
Total changes in equity	10.0	90.0	-	-	(135.2)	(35.2)
Equity at 1.1.2009	**110.0**	**90.0**	**-**	**-**	**162.8**	**362.8**
Comprehensive income for the year	-	-	(2.5)	-	(8.2)	(10.7)
Total changes in equity	-	-	(2.5)	-	(8,2)	(10.7)
Equity at 31.12.2009	**110.0**	**90.0**	**(2.5)**	**-**	**154.6**	**352.1**

Equity, Group

	Share capital	Share premium	Hedging reserve	Translation reserve	Retained earnings	Total
Equity at 1.1.2008	100.0	-	-	16.7	310.9	427.6
Comprehensive income for the year	-	-	-	(10.2)	(68.0)	(78.2)
Capital increase	10.0	90.0	-	-	-	100.0
Total changes in equity	10.0	90.0	-	(10.2)	(68.0)	21.8
Equity at 1.1.2009	**110.0**	**90.0**	**-**	**6.5**	**242.9**	**449.4**
Comprehensive income for the year	-	-	(2.5)	1.0	(16.8)	(18.3)
Total changes in equity	-	-	(2.5)	1.0	(16.8)	(18.3)
Equity at 31.12.2009	**110.0**	**90.0**	**(2.5)**	**7.5**	**226.1**	**431.1**

The company's share capital consists of 550,000 A shares of DKK 100 each and 550,000 B shares of DKK 100 each.

The whole of the share capital is held by Monberg & Thorsen A/S, Gladsaxe.

Dyrup A/S and its subsidiaries are included in Monberg & Thorsen A/S's consolidated financial statements.

Contents Notes

Notes *DKKm*

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports, cf. the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the annual report has been prepared in compliance with IFRS issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2008 annual report, apart from the effect of the below factors.

The following standards and interpretations have been implemented with effect from 1 January 2009: IAS 1 (revised 2007) Presentation of Financial Statements, IAS 23 (revised 2007) Financial expenses, IFRS 2 Share-based Payment: Vesting Conditions and Cancellations, Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation, Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, Amendment to IFRS 7: Improving Disclosures about Financial Instruments, parts of Improvements to IFRSs May 2008, which became effective on 1 January 2009, and IFRICs 13, 15 and 16. IFRICs 15 and 16 have been adopted with different effective dates in the EU than the corresponding IFRICs as issued by the IASB. IFRICs 15 and 16 were implemented on 1 January 2009, in accordance with the IASB effective dates.

IAS 1 changes the presentation of the primary statements and some note disclosures.

IAS 23 means that financial expenses costs must be recognised in cost on measurement of self-constructed qualifying assets. In 2009, DKK 1.3 million was recognised in the cost of property, plant and equipment.

In addition, the amended IAS 27, which has been implemented from 1 January 2009, has resulted in a changed recognition of dividends in the parent company financial statements in that dividends from subsidiaries and associates must always be recognised in the income statement and must not be offset against cost, even though distribution originates from results relating to the period prior to the acquisition date.

The presentation in the income statement of derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities has been changed. Gains and losses on these instruments are now recognised in production costs, whereas they were previously recognised as financial income and expenses. Comparative figures have been restated.

Apart from this, the new accounting standards and interpretations have not had any effect on recognition and measurement in 2009.

Basis of consolidation

The consolidated financial statements comprise the parent company Dyrup A/S and subsidiaries in which the Group holds, directly or indirectly, more than 50% of the voting rights or which it controls in some other way.

The consolidated financial statements are prepared on the basis of the parent company's and the individual subsidiaries' audited financial statements determined in accordance with the Group's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of.

Gains and losses on disposal of subsidiaries and associates are reported by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of discontinued operations

A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale in the individual consolidated enterprises are presented as a separate line item in the income statement with comparative figures. Assets and related liabilities are reported as separate line items in the balance sheet.

Business combinations

Acquisitions of enterprises over which the parent company obtains control are accounted for applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right and the fair value can be measured reliably. The tax effect of the restatements performed is taken into account.

Any excess of the cost of the acquisition over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Any excess of the fair value over the cost of the acquisition (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Foreign currency translation

The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as financial income and expenses.

On recognition of foreign subsidiaries and associates the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates that do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to a separate translation reserve under equity.

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

Foreign exchange gains and losses on the portion of loans designated as hedges of foreign entities with a different functional currency than the parent company are also taken directly to equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and similar instruments to hedge financial risks arising from operating activities or non-current financing.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement under production costs as they occur.

Changes in the part of the fair value of derivative financial instruments that is classified as and satisfies the criteria for hedges of future cash flows are recognised in the equity. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised initially in the balance sheet at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases
Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the income statement over the lease term.

Government grants
Government grants include grants for projects, investments, etc. Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

INCOME STATEMENT

Revenue
Revenue represents goods sold and services rendered.

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs
Production costs comprise both direct and indirect costs incurred in generating the revenue for the year. Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Distribution costs
Distribution costs include freight, tendering, advertising and marketing costs as well as salaries, etc., relating to the sales and marketing departments, and amortisation and impairment losses on trade marks and distribution rights.

Administrative expenses
Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

Other operating income
Other operating income comprises primarily rental income.

Financial income and expenses
Financial income and expenses comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on payables and transactions denominated in foreign currencies, as well as income tax surcharges and refunds.

Financial expenses attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

Dividends from investments in subsidiaries are credited to the parent company's income statement in the financial year in which they are declared; The parent company recognises dividends from investments in subsidiaries and adjustments of investments at the recoverable amount.

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

Dyrup A/S is taxed jointly with its parent company Monberg & Thorsen A/S (management company) and the other Danish subsidiaries. Current Danish taxes for the year are allocated between the jointly taxed companies.

BALANCE SHEET

Intangible assets
Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Development costs relating to clearly defined and identifiable products are recognised as development projects to the extent that it is probable that products will generate future economic benefits exceeding cost. Other development costs are recognised in the income statement as an expense as incurred.

Trade marks, distribution rights and completed development projects are amortised over their expected useful lives, which are 5-20 years.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises purchase price and costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect cost of materials, components, subsuppliers and labour as well as financial expenses attributable to the construction of the assets.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life to the expected residual value. The useful lives of major assets are determined on an individual basis, while the useful lives of other assets are determined for groups of uniform assets.

The expected useful lives are 10-50 years for buildings, 3-20 years for plant and machinery, and 3-10 years for fixtures and fittings, tools and equipment and leasehold improvements.

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the date of acquisition and reviewed annually.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as production costs, distribution costs or administrative expenses and are measured as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Investments in the parent company financial statements
The parent company measures investments in subsidiaries at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments
Other non-current receivables are measured at amortised cost less impairment losses.

Impairment of non-current assets
The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

1 ACCOUNTING POLICIES - CONTINUED

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than the cost, inventories are written down to this lower value.

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

The cost of finished goods comprises the cost of raw materials, consumables, direct labour and indirect production overheads.

Receivables
Receivables are measured at amortised cost less impairment losses.

Prepayments and deferred income
Prepayments are recognised under receivables, and deferred income is recognised under current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years.

Equity
Dividends

Dividends are recognised as a liability at the date of adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item under equity.

Share premium
Share premium comprises the excess of monies received in respect of share capital over the nominal value of shares issued in connection with capital increases as well as gains on disposal of treasury shares. The share premium is part of the company's distributable reserves.

Hedging reserve
The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve
The translation reserve in the consolidated financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their functional currencies to Danish kroner, and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question and foreign exchange gains and losses on loans designated as hedges of foreign enterprises. On full or partial realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item under investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations
The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

Provisions
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when the amount can be measured reliably.

Financial liabilities
Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, comprising trade payables, payables to subsidiaries, and other payables, are measured at amortised cost.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on the Group's cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions are recognised in the cash flow statement from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities
Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents
Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

Financial ratios
Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

Financial ratios are defined on page 4 of the annual report.

2 **ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimation uncertainty

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of future events on the carrying amounts of those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the Group are referred to in the management's review under the section on Risk factors and in note 21 Financial risks.

Estimates that are material for the financial reporting relate primarily to the measurement of intangible assets, inventories and deferred tax assets.

In connection with impairment testing of investments, goodwill and trade marks, etc., estimates are also made of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied. The assumptions for impairment testing of investments, goodwill and trade marks, etc., are described in note 10.

Accounting policies

As part of the application of the Group's accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial statements relate primarily to intangible assets, inventories and deferred tax assets.

	Parent company		Group	
	2008	2009	2009	2008
3 DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES				
Intangible assets	5.0	2.4	7.3	9.7
Property, plant and equipment	22.1	23.1	47.3	49.0
Total depreciation and amortisation	27.1	25.5	54.6	58.7
Losses and gains on replacement	0.7	0.7	0.9	(0.9)
Total depr., amortisation and impairment losses	27.8	26.2	55.5	57.8
Depreciation, amortisation and impairment losses are included in:				
Production costs	10.1	12.6	22.5	19.7
Distribution costs	7.5	5.3	19.1	23.1
Administrative expenses	7.8	8.3	13.9	11.2
Special items - impairment losses	2.4	-	-	3.8
Total depr., amortisation and impairment losses	27.8	26.2	55.5	57.8
3 FEES TO AUDITOR APPOINTED AT THE ANNUAL GENERAL MEETING (ERNST & YOUNG)				
Audit fees	1.7	1.4	3.0	4.5
Other assurance engagements	-	-	0.1	-
Tax and VAT advice	-	0.2	0.9	-
Non-audit fees	0.2	1.4	1.4	0.5
Total fees	1.9	3.0	5.4	5.0
4 OTHER OPERATING INCOME				
Rental income	5.6	5.7	3.8	3.8
Miscellaneous	2.0	3.0	4.1	2.7
Total other operating income	7.6	8.7	7.9	6.5

	Parent company		Group	
	2008	2009	2009	2008
5 SPECIAL ITEMS				
Gain on sale of property	-	19.0	19.0	-
Gain/loss on industrial activities	-	(5.0)	14.6	-
Total special income	-	14.0	33.6	-
Restructuring costs:				
Termination benefits	8.0	6.7	15.0	21.4
Closure of activities	6.5	1.0	2.7	6.5
Miscellaneous	6.2	0.5	0.4	6.2
Total special expenses	20.7	8.2	18.1	34.1
Total special items, net	(20.7)	5.8	15.5	(34.1)
6 FINANCIAL INCOME				
Dividends from subsidiaries, etc.	1.4	-	-	-
Interest, consolidated enterprises	3.8	2.0	-	-
Interest on cash and cash equivalents, etc.	1.8	1.7	3.5	4.8
Foreign exchange gains	-	-	4.2	5.0
Total financial income	7.0	3.7	7.7	9.8
7 FINANCIAL EXPENSES				
Interest, consolidated enterprises	0.3	1.0	-	-
Interest on loans and overdrafts	18.1	10.7	17.6	29.8
Foreign exchange losses	8.0	6.8	10.9	13.2
Total financial expenses	26.4	18.5	28.5	43.0
8 INCOME TAX EXPENSE				
Current tax	-	(2.4)	(9.0)	(1.6)
Changes in deferred tax	(18.4)	5.5	0.2	(16.5)
Adjustment of prior year taxes	(27.6)	2.2	0.5	(3.4)
Total income tax expense	(46.0)	5.3	(8.3)	(21.5)
EFFECTIVE TAX RATE				
Danish tax rate	25%	25%	25%	25%
Deviations in foreign enterprises' tax rates	0%	0%	15%	(2%)
Non-taxable income and deductible expenses	(1%)	(132%)	(1%)	(1%)
Prior year adjustments	36%	(48%)	2%	4%
Miscellaneous	1%	(28%)	(8%)	(2%)
Effective tax rate	61%	(183%)	33%	24%
9 STAFF COSTS				
Wages and salaries, etc.	147.1	119.9	268.0	308.7
Pension contributions (defined contribution)	13.0	10.7	17.2	19.6
Social security costs	1.9	2.7	38.8	40.4
Remuneration, Executive Board	3.9	4.9	5.9	4.7
Remuneration, Supervisory Board	1.6	1.6	1.6	1.6
Total staff costs	167.5	139.8	331.5	375.0
Average number of employees	353	288	858	994

Notes *DKKm*

	Parent company					Group				
	Goodwill	Trademarks and distribution rights	Development projects	In-process development projects	Total	Goodwill	Trademarks and distribution rights	Development projects	In-process development projects	Total
10 INTANGIBLE ASSETS										
Cost at 1.1.2008	2.3	73.3	2.7	3.0	81.3	57.7	109.0	7.9	5.1	179.7
Value adjustments at 1.1./31.12.	-	-	-	-	-	(0.3)	-	-	-	(0.3)
Additions and improvements	-	0.3	0.9	0.4	1.6	-	0.5	1.5	0.9	2.9
Disposals	-	21.4	-	-	21.4	-	21.4	-	-	21.4
Transfers to (from) other items	-	-	3.4	(3.4)	-	-	-	5.5	(5.5)	-
Cost at 31.12.2008	2.3	52.2	7.0	-	61.5	57.4	88.1	14.9	0.5	160.9
Amortisation and imp. losses at 1.1.2008	1.3	56.9	0.4	-	58.6	1.3	76.9	1.0	-	79.2
Adjustments to additions and disposals	-	(21.0)	-	-	(21.0)	-	(21.0)	-	-	(21.0)
	1.3	35.9	0.4	-	37.6	1.3	55.9	1.0	-	58.2
Amortisation and impairment losses	1.0	2.9	1.1	-	5.0	2.4	3.9	3.4	-	9.7
Amortisation and imp. losses at 31.12.2008	2.3	38.8	1.5	-	42.6	1.3	59.8	4.4	-	67.9
Carrying amount at 31.12.2008	-	13.5	5.5	-	19.0	53.7	28.3	10.5	0.5	93.0
Cost at 1.1.2009	2.3	52.2	7.0	-	61.5	57.4	88.1	14.9	0.5	160.9
Value adjustments at 1.1./31.12.	-	-	-	-	-	-	-	(0.1)	-	(0.1)
Additions and improvements	18.9	1.7	0.2	-	20.8	18.9	1.7	1.8	0.2	22.6
Disposals	2.3	-	3.9	-	6.2	4.4	-	3.9	-	8.3
Transfers to (from) other items	-	-	-	-	-	-	-	0.6	(0.6)	-
Cost at 31.12.2009	18.9	53.9	3.3	-	76.1	71.9	89.8	13.3	0.1	175.1
Amortisation and imp. losses at 1.1.2009	2.3	38.8	1.5	-	42.6	3.7	59.8	4.5	-	68.0
Value adjustments at start of year/year end	-	-	-	-	-	-	-	-	-	-
Adjustments to additions and disposals	(2.3)	-	(1.2)	-	(3.5)	(3.7)	-	(1.2)	-	(4.9)
	-	38.8	0.3	-	39.1	-	59.8	3.3	-	63.1
Amortisation and impairment losses	-	1.5	0.9	-	2.4	-	2.6	4.7	-	7.3
Amortisation and imp. losses at 31.12.2009	-	40.3	1.2	-	41.5	-	62.4	8.0	-	70.4
Carrying amount at 31.12.2009	18.9	13.6	2.1	-	34.6	71.9	27.4	5.3	0.1	104.7

The carrying amounts of goodwill and trademarks, etc., were tested for impairment at 31 December 2009. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2009, net cash flows were determined on the basis of the approved budget for 2010 and estimates for the years 2011-2014. The growth in the terminal period was fixed at 1-2%. In 2008, it was 0-2%. The present value was determined using a discount rate before tax of 8% against 9% in 2008.

The impairment test did not give rise to any write-downs of goodwill or trademarks to recoverable amount in 2009. In 2008, the impairment test led to goodwill write-downs of DKK 1.0 million in the parent company and DKK 2.4 million in the Group that were recognised under special items.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

Development projects relate solely to direct expenses for necessary recipe changes, testing, recording and documentation in connection with the implementation of the VOC and BPD directives. For further details, reference is made to the section on Product environment, page 19.

	Parent company				
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property and equipment under construction	Total
11 PROPERTY, PLANT AND EQUIPMENT					
Cost at 1.1.2008	232.0	178.1	97.2	29.3	536.6
Additions and improvements	27.5	7.7	2.1	69.4	106.7
Disposals	0.1	0.2	31.2	27.5	59.0
Cost at 31.12.2008	259.4	185.6	68.1	71.2	584.3
Depreciation and impairment losses at 1.1.2008	62.8	97.7	78.5	-	239.0
Adjustments, disposals	2.5	1.1	(34.0)	-	(30.4)
	65.3	98.8	44.5	-	(208.6)
Depreciation and impairment losses	3.3	10.7	8.2	-	22.1
Depreciation and impairment losses at 31.12.2008	68.6	109.5	52.7	-	230.7
Carrying amount at 31.12.2008	190.8	76.2	15.4	71.2	353.6
Cost at 1.1.2009	259.4	185.6	68.1	71.2	584.3
Additions and improvements	30.2	63.8	23.7	36.9	154.6
Disposals	73.7	37.3	7.4	102.3	220.7
Cost at 31.12.2009	215.9	212.1	84.4	5.8	518.2
Depreciation and impairment losses at 1.1.2009	68.6	109.5	52.7	-	230.8
Adjustments, disposals	(25.0)	(31.2)	(5.6)	-	(61.8)
	43.6	78.3	47.1	-	169.0
Depreciation and impairment losses	3.5	12.0	7.6	-	23.1
Depreciation and impairment losses at 31.12.2009	47.1	90.3	54.7	-	192.1
Carrying amount at 31.12.2009	168.8	121.8	29.7	5.8	326.1

The carrying amount of mortgaged properties was DKK 164.9 million versus DKK 138.3 million in 2008, and the year-end balance amounted to DKK 174.9 million compared with DKK 65.8 million in 2008.

A few non-current assets were written down to estimated fair value in 2008 in connection with the closure of loss-making activities. The DKK 1.4 million impairment loss was recognised under special items.

Property, plant and equipment under construction relates primarily to upgrading of the manufacturing facilities in Søborg, which have been partly commissioned. All contractual obligations are recognised under property, plant and equipment under construction.

Notes *DKKm*

11 **PROPERTY, PLANT AND EQUIPMENT**- *continued*	**Group**				
	Land and buildings	**Plant and machinery**	**Fixtures and fittings, tools and equipment**	**Property and equipment under construction**	**Total**
Cost at 1.1.2008	324.7	347.6	226.3	40.9	939.5
Value adjustments at 1.1./31.12.	(2.5)	(6.0)	(1.5)	-	(10.0)
Additions and improvements	28.4	36.1	8.7	97.1	170.3
Disposals	0.4	0.6	31.9	60.4	93.3
Cost at 31.12.2008	350.2	377.1	201.5	77.6	1,006.5
Depreciation and impairment losses at 1.1.2008	83.5	217.7	175.3	-	476.5
Value adjustments at 1.1./31.12.	(0.9)	(4.1)	(1.0)	-	(6.0)
Adjustments, disposals	2.5	1.0	(35.3)	-	(31.7)
	85.1	214.6	139.0	-	438.7
Depreciation and impairment losses	4.3	24.0	20.7	-	49.0
Depreciation and impairment losses at 31.12.2008	89.4	238.6	159.8	-	487.8
Carrying amount at 31.12.2008	260.8	138.6	41.7	77.6	518.7
Cost at 1.1.2009	350.2	377.1	201.5	77.6	1,006.4
Value adjustments at 1.1./31.12.	0.1	(0.2)	-	-	(0.1)
Additions and improvements	30.4	78.9	29.5	71.3	210.1
Disposals	77.2	51.4	25.9	118.0	272.5
Cost at 31.12.2009	303.5	404.4	205.1	30.9	943.9
Depreciation and impairment losses at 1.1.2009	89.4	238.6	159.8	-	487.8
Value adjustments at 1.1./31.12.	-	(0.1)	-	-	(0.1)
Adjustments, disposals	(25.3)	(43.7)	(21.3)	-	(90.3)
	64.1	194.8	138.5	-	397.4
Depreciation and impairment losses	4.5	25.3	17.5	-	47.3
Depreciation and impairment losses at 31.12.2009	68.6	220.1	156.0	-	444.7
Carrying amount at 31.12.2009	234.9	184.3	49.1	30.9	499.2

The carrying amount of mortgaged properties was DKK 164.9 million versus DKK 138.3 million in 2008, and the year-end balance amounted to DKK 174.9 million compared with DKK 65.8 million in 2008.

A few non-current assets were written down to estimated fair value in 2008 in connection with the closure of loss-making activities.
The DKK 1.4 million impairment loss was recognised under special items.

Property, plant and equipment under construction relates primarily to upgrading of the manufacturing facilities in Søborg, which have been partly commissioned and expansion of the warehousing facilities in France. All contractual obligations are recognised under property, plant and equipment under construction.

12 INVESTMENTS	Parent company: Investments in subsidiaries	Parent company: Receivables from subsidiaries
Cost at 1.1.2008	233.5	16.6
Additions	33.5	33.5
Disposals	-	-
Cost at 31.12.2008	267.0	50.1
Impairment losses at 1.1.2008	20.9	-
Impairment losses	1.5	-
Impairment losses at 31.12.2008	22.4	-
Carrying amount at 31.12.2008	244.6	50.1
Cost at 1.1.2009	267.0	50.1
Additions	33.5	-
Disposals	22.1	37.4
Cost at 31.12.2009	278.4	12.7
Impairment losses at 1.1.2009	22.4	-
Impairment losses	-	-
Impairment losses at 31.12.2009	22.4	-
Carrying amount at 31.12.2009	256.0	12.7

In 2009, investments in subsidiaries were not written down to recoverable amount. In 2008, investments in subsidiaries were written down by DKK 1.5 million, which was recognised under special items.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In 2009, the present value was determined using a discount rate before tax of 9% against 8% in 2008.

A list of the consolidated enterprises is given on page 42.

13 INVENTORIES	Parent company 2008	Parent company 2009	Group 2009	Group 2008
Cost at 1.1.	123.4	111.1	307.5	317.8
Value adjustments at 1.1./31.12.	-	-	(0.1)	(2.5)
Additions and disposals, net	(12.3)	(19.4)	(20.8)	(7.7)
Cost at 31.12.	111.1	91.7	286.6	307.5
Impairment losses at 1.1.	14.2	15.0	45.5	46.1
Value adjustments at 1.1./31.12.	-	-	0.1	(0.3)
Impairment losses	0.9	2.2	6.6	2.3
Reversal of impairment losses	(0.1)	(0.7)	(1.8)	(2.6)
Impairment losses at 31.12.	15.0	16.5	50.4	45.5
Carrying amount at 31.12.	96.1	75.2	236.2	262.0
Value of inventories determined at net realisable value	-	-	1.2	1.0

14 RECEIVABLES

No receivables fall due more than one year after the balance sheet date.

The fair value of receivables is deemed to correspond to the carrying amount.

15 INTEREST-BEARING LIABILITIES	Parent company 2008	Parent company 2009	Group 2009	Group 2008
Total interest-bearing liabilities can be broken down by commitment type as follows:				
Bank loans, etc.	216.3	269.2	363.0	357.5
Consolidated enterprises	80.9	214.2	91.6	76.1
Carrying amount at 31.12.	297.2	483.4	454.6	433.6
Total interest-bearing liabilities can be broken down by currency as follows:				
EUR	77.8	139.6	121.5	210.3
DKK	219.3	306.8	315.1	222.4
Other	0.1	36.9	18.0	0.9
Carrying amount at 31.12.	297.2	483.4	454.6	433.6
Total interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:				
Fixed-rate debt	65.8	297.6	226.4	117.7
Floating-rate debt	231.4	185.7	228.2	315.9
Carrying amount at 31.12.	297.2	483.4	454.6	433.6
Total interest-bearing liabilities can be broken down by effective interest rate as follows:				
Less than 5%	74.6	465.2	436.4	181.0
Between 5 and 7%	222.6	18.2	18.2	251.8
More than 7%	-	-	-	0.8
Carrying amount at 31.12.	297.2	483.4	454.6	433.6
Weighted average effective interest rate (%)	5.6	3.7	3.9	5.9
Weighted average remaining term (years)	1.6	7.0	5.9	1.7
Interest-bearing liabilities are recognised in the balance sheet as follows:				
Non-current liabilities	18.2	167.7	219.5	70.9
Current liabilities	279.0	315.7	235.1	362.7
Total carrying amount	297.2	483.4	454.6	433.6
Fair value	290.6	429.0	394.1	422.1

The fair value of the financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as the discount rate.

Notes *DKKm*

16 DEFERRED TAX ASSETS AND LIABILITIES

	Parent company 2008	Parent company 2009	Group 2009	Group 2008
Deferred tax, net, at 1.1.	29.5	(16.2)	(23.3)	(6.9)
Changes via income statement	(45.7)	15.6	0.2	(16.5)
Deferred tax, net, at 31.12	(16.2)	(0.6)	(23.1)	(23.3)

Specification of deferred tax

	Deferred tax assets	Deferred tax liabilities	Deferred tax, net
Parent company			
Deferred tax at 31.12.2008			
Intangible assets	-	3.2	3.2
Property, plant and equipment	-	4.6	4.6
Current assets	24.0	-	(24.0)
Carrying amount at 31.12.2008	24.0	7.8	(16.2)
Deferred tax at 31.12.2009			
Intangible assets	-	3.6	3.6
Property, plant and equipment	-	16.5	16.5
Current assets	20.7	-	(20.7)
Carrying amount at 31.12.2009	20.7	20.1	(0.6)
Group			
Deferred tax at 31.12.2008			
Intangible assets	-	8.1	8.1
Property, plant and equipment	0.5	15.7	15.2
Current assets	23.1	6.9	(16.2)
Tax base of tax losses, net	43.5	-	(43.5)
Non-capitalised tax assets	(13.1)	-	13.1
Deferred tax assets and liabilities	54.0	30.7	(23.3)
Set-off within legal tax entities and jurisdictions	(16.0)	(16.0)	-
Carrying amount at 31.12.2008	38.0	14.7	(23.3)
Deferred tax at 31.12.2009			
Intangible assets	-	8.2	8.2
Property, plant and equipment	2.2	27.7	25.5
Current assets	28.7	8.4	(20.3)
Tax base of tax losses, net	44.4	-	(44.4)
Non-capitalised tax assets	(7.9)	-	7.9
Deferred tax assets and liabilities	67.4	44.3	(23.1)
Set-off within legal tax entities and jurisdictions	(17.2)	(17.2)	-
Carrying amount at 31.12.2009	50.2	27.1	(23.1)

Deferred tax has been calculated on the basis of the tax rates effective in the respective countries to which the deferred tax relates.

The portion of tax loss carryforwards that is expected to be utilised by set-off against future earnings has been capitalised.

17 SECURITY ARRANGEMENTS

	Parent company 2008	Parent company 2009	Group 2009	Group 2008
Subsidiaries	121,8	121,7	-	-
Customers	0,2	0,4	0,4	0,2
Total	122,0	122,1	0,4	0,2

In addition, land and buildings have been lodged as security for bank loans, etc., see note 11.

Cash includes an amount of DKK 71 million deposited in a guarantee cover account pending registration of the deed on the property in Kolding. The amount was released in 2010.

18 LEASE COMMITMENTS

Operating leases

	Parent company 2008	Parent company 2009	Group 2009	Group 2008
Total future minimum lease payments:				
Due within 1 year	11.1	10.2	22.1	20.4
Due between 2 and 5 years	8.9	12.2	22.0	17.5
Due after more than 5 years	1.6	0.6	0.6	1.7
Total	21.6	23.0	44.7	39.6
Lease payments under operating leases recognised in the income statement	8.8	5.5	20.4	14.2

The Group's operating leases primarily relate to vehicles, operating equipment and leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to three years. None of the leases features contingent rent.

19 CONTINGENT LIABILITIES

Indemnities

In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries.

Litigation

The Dyrup Group is a party to a few litigation cases. In management's opinion, the outcome of these proceedings is not expected to have any adverse impact on the Group's financial position.

20 RELATED PARTIES

Control

The Group has a controlling related party relationship with its parent company, Monberg & Thorsen A/S.

Significant influence

Related parties with significant influence comprise the members of the companys' Supervisory and Executive Boards.

Related parties also include subsidiaries in which Dyrup A/S has control or significant influence. A list of the consolidated enterprises is given on page 42.

Intragroup transactions

Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and normal management remuneration, no transactions have been effected during the year with major shareholders, members of the Supervisory Board or Executive Board or other related parties.

Remuneration to the Supervisory Board and Executive Board is disclosed in note 9. In addition to this, remuneration of DKK 0.6 million was paid to Monberg & Thorsen's CEO in both 2008 and 2009.

Transactions with related parties and other consolidated enterprises are based on arm's length terms

Intragroup transactions between the parent company and the other consolidated enterprises can be broken down as follows:

	2008	**2009**
Sales and purchases of goods and services with group enterprises	286.7	130.2

Transactions between consolidated enterprises have been eliminated in the consolidated financial statements.

The parent company's balances with subsidiaries at 31 December are disclosed in the balance sheet and relate primarily to interest-bearing balances and ordinary business-related balances concerning purchases and sales of goods and services. The latter are non-interest bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers.

Balances with subsidiaries were not written down in 2009 or 2008. The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 6 and 7.

The parent company's dividends from subsidiaries are disclosed in note 6.

21 FINANCIAL RISKS

Dyrup's activities entail various financial risks that may affect the Group's development, financial position and operations.

There have been no significant changes in the Group's risk exposure or risk management compared with 2008.

Dyrup monitors currency and financial positions on an ongoing basis with a view to mitigating the currency risk and maintaining interest rate sensitivity at a low level.

Currency risks

Currency risks are managed centrally in Dyrup, and the Group endeavours to minimise currency risks by seeking to match income and expenditure and financial assets and liabilities so that they balance with respect to currency.

Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group makes limited use of forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. The amount recognised in the consolidated income statement was income of DKK 0.1 million (2008: DKK 0 million). The amount recognised in the parent company income statement was income of DKK 0.1 million (2008: DKK 0 million).

The open forward exchange contracts at 31 December 2009 had a remaining term of less than one year.

Consolidated revenue denominated in foreign currencies, predominantly EUR, amounted to DKK 1.0 billion in 2009 compared with DKK 1.2 billion in 2008.

The Group's currency exposure is mainly related to euro, Polish zloty and Swedish kroner.

The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below. This is a purely mathematical calculation based on the net currency positions at year end.

		Parent company		**Group**	
Currency	Hypothetical position %	Nominal position DKK million	Effect DKK million	Nominal position DKK million	Effect DKK million
EUR	1	(37.2)	(0.3)	(197.6)	(1.5)
PLN	5	(15.2)	(0.6)	14.5	0.5
SEK	5	(12.9)	(0.5)	(13.0)	(0.5)

A decrease in the exchange rate would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analysis is based on the financial instruments recognised at 31 December 2009 and an assumption of unchanged production, sales and price level.

Interest rate risks

Interest rate risks relate mainly to interest-bearing debt items and cash.

The Group's interest-bearing liabilities, which are mainly denominated in Danish kroner and euro, amounted to DKK 455 million at the end of 2009, with short-term borrowings accounting for 52% of this figure. The average weighted remaining maturity of the Group's interest-bearing debt was 5.9 years, and the weighted average effective interest rate was 3.9%. Fixed-rate debt accounted for 50% of the Group's interest-bearing debt.

Cash stood at DKK 92.2 million at the end of 2009 and is mainly placed on revenue and expenditure accounts and short-term, fixed-term deposit.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 1.0 million decrease in profit for the year and equity at 31 December 2009 (2008: decrease of DKK 2.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Changes in cash flows: All other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash and cash equivalents and debt would have been a DKK 1.6 million decrease in profit for the year and equity at 31 December 2009 (2008: decrease of DKK 1.1 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Notes DKK million

21 FINANCIAL RISKS - *continued*

Credit risks

Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner.

Dyrup pursues a tight credit policy, with trade receivables being continually monitored and, in a few markets, partly insured. These measures help to keep bad debt losses down, although, in some markets, these efforts are being hampered by the tradition of extended credit periods.

Write-downs for bad debt losses are at a relatively stable level.

Write-downs included in receivables developed as follows:

	Parent company		Group	
	2008	2009	2009	2008
Impairment losses at 1.1.	15.9	16.0	65.8	64.2
Value adjustments at 1.1./31.12.	-	-	-	(0.6)
Provided in the year, net	0.1	(0.7)	(5.3)	2.2
Impairment losses at 31.12.	16.0	15.3	60.5	65.8
Nominal value of written-down receivables	22.3	24.1	77.2	73.4
Receivables that are past due but have not been written down:				
Up to three months	13.3	11.4	13.7	24.5
Three to six months	2.4	3.6	4.0	11.5
More than six months	3.0	3.7	5.2	2.0
Total	18.7	18.7	22.9	38.0
Receivables that were past due by more than 90 days at 31 December, but are not impaired	5.4	7.3	9.2	13.5
Security received in respect of receivables	-	-	-	-

Liquidity risks

Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.

The Group's financial resources consist of cash and undrawn credit facilities. At the end of 2009, the financial resources stood at DKK 308 million compared with DKK 273 million in 2008.

Interest-bearing liabilities and trade payables can be broken down as follows:

	Parent company		Group	
	2008	2009	2009	2008
Interest-bearing liabilities	297.2	483.4	454.6	433.6
Trade payables	43.8	38.8	133.6	143.8
Total carrying amount	341.0	522.2	588.2	577.4
The maturity profile for accounting purposes can be broken down as follows:				
Less than one year	322.9	354.6	368.7	506.5
Between one and two years	0.7	7.4	7.4	0.9
Between two and five years	2.3	23.4	75.1	54.5
More than five years	15.1	136.8	137.0	15.5
Total carrying amount	341.0	522.2	588.2	577.4

Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.

The Group's borrowing and credit facilities are not subject to any special terms or conditions.

	Parent company		Group	
Categories of financial instruments	2008	2009	2009	2008
Carrying amount broken down by category:				
Financial assets measured at fair value via the income statement	0	0	0	0
Loans and receivables	108.6	230.4	262.2	257.7
Financial liabilities measured at fair value via the income statement	0	0	0	0
Financial liabilities measured at amortised cost	425.9	596.5	757.3	750.2

Fair value hierarchy for financial instruments measured at fair value in the balance sheet.

The Group's derivative financial instruments are valued at observable prices (level 2).

22 CAPITAL MANAGEMENT

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and level of activity.

According to the Group's internal policy, equity must, as a rule cover total non-current assets and provide an adequate equity ratio. The objective for the Group's equity ratio is 30-40%. The equity ratio was 35% in 2009 compared with 37% at the end of 2008.

23 NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS AND IFRIC INTERPRETATIONS

The IASB has issued a number of standards and interpretations that are not mandatory for Dyrup in connection with the preparation of the annual report for 2009: IFRS 3, amendments to IAS 27, more amendments to IASs 32 and 39 and IFRIC 9, amendments to IFRS 2, amendments to IFRS 1, some parts of improvements to IFRSs (May 2008), improvements to IFRSs (April 2009), IFRICs 17-19, amendment to IFRIC 14, revised IAS 24 and IFRS 9. Amendments to IFRS 2, amendments to IFRS 1, improvements to IFRSs (April 2009), IFRIC 19, amendments to IFRIC 14, revised IAS 24 and IFRS 9 have yet to be adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. With the exception of the effects referred to below, none of the new standards or interpretations referred to in the foregoing is expected to have a material effect on the Dyrup Group's financial reporting.

IFRS 3 "Business Combinations" (revised) and revised IAS 27 "Consolidation" become effective for financial years beginning on or after 1 July 2009. The technical adjustments to the purchase method in IFRS 3 are only expected to have limited effect on the Dyrup Group's financial reporting.

24 EVENTS AFTER THE BALANCE SHEET DATE

In January 2010, Dyrup acquired the Polish paint manufacturer Malfarb Sp.z.o.o. to strengthen Dyrup's PRO business in Poland.

Management is not aware of any other events that have occurred between 31 December 2009 and the date of signing of the annual report that will have a material effect on the assessment of the Dyrup Group's financial position at 31 December 2009, other than the effects that are recognised and referred to in the annual report.

25 INFORMATION ON ACTIVITIES

The Group operates exclusively in the "Paint and wood care" segment.

Geographical breakdown of revenue and non-current assets

	Group	
	2009	2008
Revenue can be broken down as follows:		
Denmark	348.9	354.0
Rest of world	1,044.9	1,270.3
Total	1,393.8	1,624.3
Non-current assets excl. deferred tax assets can be broken down as follows:		
Denmark	360.8	372.6
Rest of world	243.1	239.3
Total	603.9	611.9

26 ACQUISITION AND DISPOSAL OF ENTERPRISES AND ACTIVITIES

	Parent company		Group	
	2008	2009	2009	2008
Acquisition of enterprises and activities				
Intangible assets	-	1.5	1.5	-
Property, plant and equipment	-	2.1	2.1	-
Investments	-	-	-	-
Inventories	-	14.5	14.5	-
Cash and cash equivalents	-	-	-	-
Receivables	-	-	-	-
Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	-
Identifiable net assets acquired	**-**	**18.1**	**18.1**	**-**
Goodwill	-	18.9	18.9	-
Purchase price	-	37.0	37.0	-
Cash and cash equivalents in acquired enterprises	-	-	-	-
Cash purchase price, net	**-**	**37.0**	**37.0**	**-**

Carrying amount of assets acquired and liabilities and contingent liabilities assumed before the acquisition date:

	Parent company 2008	Parent company 2009	Group 2009	Group 2008
Intangible assets	-	-	-	-
Property, plant and equipment	-	2.5	2.5	-
Investments	-	-	-	-
Inventories	-	12.9	12.9	-
Receivables	-	-	-	-
Cash and cash equivalents	-	-	-	-
Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	-
Total carrying amount before acquisition	**-**	**15.4**	**15.4**	**-**

After recognition of identifiable assets and liabilities at fair value, goodwill in connection with acquisitions has been calculated as DKK 19 million, which represents the future economic benefits from assets such as customer relations, knowhow and synergies.

The acquired activities feature with DKK 0.5 million in consolidated profit for 2009.

Consolidated revenue and result for the year (unaudited), measured as if the acquired activities were taken over at 1 January 2009, amounted to DKK 1,440 million and a loss of DKK 15 million respectively. The year's acquisition related to Hygæa. No purchase price allocation is as yet available in respect of Malfarb.

	Parent company		Group	
	2008	2009	2009	2008
Disposal of enterprises and activities				
Intangible assets	-	2.7	3.4	-
Property, plant and equipment	-	55.1	60.4	-
Investments	-	22.1	-	-
Inventories	-	25.4	31.1	-
Receivables	-	8.8	35.8	-
Cash and cash equivalents	-	-	2.7	-
Non-current liabilities	-	-	(1.2)	-
Current liabilities	-	-	(6.0)	-
Net assets	**-**	**114.1**	**126.2**	**-**
Accounting profit/loss	-	14.0	33.6	-
Cash selling price, net	**-**	**128.1**	**159.8**	**-**

The year's sale related to the industrial activities, including the Kolding property.

27 CORRECTION OF THE PARENT COMPANY FINANCIAL STATEMENTS FOR 2007

The Group's transfer prices for the period 2004-2007 have been changed by the tax authorities. If the corrected prices had been applied to the years in question, the parent company's equity at the end of 2007 would have been DKK 106 million less, and the result for the year after tax for 2007 would have been a profit of DKK 8.3 million. The changes have no effect on the consolidated financial statements.

The main items in the parent company's balance sheet at the end of 2007 would have been as follows:

Non-current assets	550.1
Current assets	254.7
Total assets	**804.8**
Equity	291.5
Non-current liabilities	49.0
Current liabilities	464.3
Total equity and liabilities	**804.8**

Group diagram

Dyrup A/S

Capital DKK 110.0 million

Dyrup S.A.S., France

Capital EUR 13.0 million. Ownership 100%

Dyrup GmbH, Germany

Capital EUR 0.5 million. Ownership 100%

Dyrup Sp. z o.o., Poland

Capital PLN 4.9 million. Ownership 100%

Tintas Dyrup, S.A., Portugal

Capital EUR 2.6 million. Ownership 100%

Pinturas Dyrup, S.A., Spain

Capital EUR 0.3 million. Ownership 100%

Dyrup GmbH, Austria

Capital EUR 0.1 million. Ownership 100%

Various small or dormant public and private limited companies

Ownership 100%

DYRUP
DYRUP

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ANNUAL REPORT 2009

MTHøjgaard

MANAGEMENT'S REVIEW

MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

Preface and summary

2009 was a good year for MT Højgaard. For the third year running, we delivered profit before tax in excess of DKK 300 million. We have consequently made significant headway towards the achievement of our new ambitious vision from 2009 in which we strive to develop together with our customers and exceed the expectations made of us.

It is consequently also satisfying to note that we managed to raise our pre-tax margin to 3.4% in 2009, and that our financial performance was slightly ahead of expectations. These results were assisted by our firm focus on profitability, despite the low level of activity and increasing price competition in Denmark. Helping to address these challenges was our international business, which represents a growing proportion of our overall activities, accounting for approx. 33% in 2009 versus 28% in 2008. An area with further growth potential.

The subsidiaries also generally felt the sharpened competition as a result of the current economic climate. Notwithstanding this, all our companies delivered a profit in 2009, and Enemærke & Petersen and Greenland Contractors outperformed expectations.

As part of our wish to achieve our vision we have set ourselves a number of targets. These include being an attractive employer that can recruit the best talent and being recognised as a competent and professional business partner. By pursuing these targets we will take MT Højgaard to the next level in collaboration with and for the benefit of customers, employees and the business.

As a natural consequence of our strategy we have introduced a new organisational structure that provides a better platform for achieving our targets. The changes are intended to ensure that resources and skills are applied across organisation, geography and projects.

In 2009, we strengthened knowledge sharing internally by focusing on our culture, partly by creating more space for learning and by improving processes and systems. We introduced a new leadership model that all managers were trained and tested in, and we rolled out and tested new intelligent solutions that are able to measure, for example, humidity and temperature in buildings, thereby helping to maintain quality.

Focus areas in our dealings with our surroundings included efforts to reduce environmental impacts, to develop a concept for our customers that enables them to easily form an overview of the future energy consumption of their project and viewing it in relation to construction costs.

Focus areas in 2010 will include the development of our international business in Asia and the Middle East, the ongoing search for new and better solutions in collaboration with our customers, improving the skills of our employees still further through knowledge sharing and further training and education, and securing the delivery of quality, partly by achieving certification in this area. We will continue to strive to be the best in our industry in terms of our key competitive factors, and we will continue to do our best to meet customer wishes and expectations.

In summary, I look back on 2009 as a year characterised by a combination of internal change and a challenging external environment. Against that background, we did well in MT Højgaard, and, on behalf of MT Højgaard, I have every confidence in the future, in the knowledge that we are on the right track to achieve the new long-term targets we have set ourselves. MT Højgaard is in better shape than ever, and we are well positioned to make the most of the opportunities coming our way in the future.

I would like to thank all our employees for their dedication and commitment and our customers, business partners and other stakeholders for their excellent collaboration during this past year.

Kristian May
President and CEO

SUMMARY

RESULT 2009

The pre-tax margin was 3.4% compared with 3.2% in 2008

Revenue was DKK 9,087 million, in line with the most recent profit outlook

The result before tax was a profit of DKK 307 million, which is satisfactory in the current market environment

Operating cash inflow was DKK 485 million compared with DKK 536 million in 2008

Equity stood at DKK 1,610 million at the end of 2009 compared with DKK 1,442 million in 2008. This corresponds to an equity ratio of 29.2% versus 27.3% in 2008

The return on invested capital was 30.7%, on a par with last year

A dividend of DKK 50 million is proposed

OUTLOOK FOR 2010

Revenue is expected to reach approx. DKK 9 billion in 2010

Given the current economic climate, we do not, at the present time, expect to be able to achieve the same **pre-tax margin** in 2010 as in 2009

The pre-tax margin is expected to be in the region of 2% to 3%, although at an expected lower level in the first quarter due to the hard winter

The order book stood at DKK 7.5 billion, with DKK 5.9 billion for execution in 2010

Continued strong financial resources are anticipated for 2010

Consolidated financial highlights

Amounts in DKK million	2005	2006	2007	2008	2009
Income statement					
Revenue	8,273	11,063	11,714	11,171	9,087
Operating profit (EBIT)	107	60	197	327	290
Net financing costs and profit (loss) of associates	-13	-8	114	32	17
Profit before tax	94	52	311	359	307
Profit for the year	78	38	235	259	223
Balance sheet					
Share capital	220	220	220	220	220
Equity attributable to equity holders of the parent	968	997	1,231	1,442	1,610
Equity incl. minority interests	988	1,021	1,231	1,442	1,610
Balance sheet total	3,898	4,824	5,033	5,276	5,504
Interest-bearing deposit/debt (+/-)	-38	53	192	513	824
Invested capital	1,045	988	1,051	1,010	880
Cash flows					
Cash flows from operating activities	341	317	-73	536	485
Cash flows for investing activities*	-169	-240	68	-176	-521
Cash flows from financing activities	-47	-8	-35	-61	-69
Net increase (decrease) in cash and cash equivalents	125	69	-40	299	-105
* Portion relating to property, plant and equipment (gross)	-230	-288	-199	-215	-236
Financial ratios (%)					
Gross margin	5.5	4.0	4.8	6.4	7.6
Operating margin (EBIT margin)	1.3	0.5	1.7	2.9	3.2
Pre-tax margin	1.1	0.5	2.7	3.2	3.4
Return on invested capital (ROIC)	10.1	5.9	19.3	30.7	30.7
Return on equity (ROE)	8.2	3,.7	20.9	19.4	14.6
Equity ratio	25.3	21.2	24.5	27.3	29.2
Other information					
Order book, year end	8,352	10,752	10,687	9,461	7,455
Average number of employees	5,660	6,289	6,494	6,170	5,872

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

Gross margin	=	Gross profit/Revenue
Operating margin (EBIT margin)	=	Earnings before interest and tax (EBIT)/Revenue
Pre-tax margin	=	Earnings before tax/Revenue
Return on invested capital incl. goodwill (ROIC)	=	EBIT/Average invested capital incl. goodwill
Return on equity (ROE)	=	Profit after tax/Average equity incl. minorities
Equity ratio	=	Equity incl. minorities, year end/Liabilities, year end
Invested capital	=	Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill

Strategic platform

In recent years, we have been working on strengthening our:

- strategic development in business areas and subsidiaries
- synergy and collaboration

At the same time, we have improved the Group's foundation through a significantly tightened focus on profitability and risk. Specifically by further professionalising the frameworks for tendering, risk management and training and education; setting profitability requirements; and strengthening our business support functions.

In 2008, our pre-tax margin was 3.2%. This meant that the corporate target of a pre-tax margin of 2-2.5% by 2010 was met. It is satisfying to note that we succeeded in raising our pre-tax margin to 3.4% in 2009.

New ambitious vision and objectives

In 2009, we developed a new vision and new strategic objectives. These are intended to take us to the next level following on from recent years' positive development.

Our new vision is:

"We will outperform industry standards through innovation and operational excellence – together with our customers"

This means that it is our aim to be the company that sets new standards, develops even stronger skills, thinks outside the box and develops new solutions, where appropriate – while at the same time outperforming customer and market expectations. We have consequently set ourselves some ambitious targets:

- Profitability – to be among the most profitable building and civil engineering companies. Raising our pre-tax margin to 5% within a few years
- Customer satisfaction – to continue to be recognised as a competent and professional business partner. Achieving a customer satisfaction level of at least 80% in terms of selected criteria
- Employee satisfaction – to continue to be an attractive employer and to recruit, develop and retain the best talent. Achieving an employee satisfaction level of at least 80% in terms of selected criteria

We aim to achieve these targets by focusing on four selected strategic areas underpinning our new vision:

- Internationalisation – developing our existing international business and utilising skills both nationally and internationally
- Competitive edge – strengthening our competitive advantages, differentiating ourselves still further and putting ourselves even further ahead of the competition
- Commercial excellence – stepping up our efforts and focus in all core processes, ensuring that we make a positive difference for the benefit of both customers and ourselves
- Infrastructure – correct systems, appropriate structures and adequate support, providing the optimum platform for our business and sharpening our competitive edge

New values and culture

On a day-to-day basis, it is our culture and values that ensure that we are continuously striving to achieve our vision and objectives. We consequently identified three new core values in 2009 on which we have been working in the organisation through local and centralised activities under the slogan "Forward as one team". It means that all employees know where we are heading and what is required of them.

These values are:

- collaboration
- respect
- professionalism

In 2009 140 managers completed a management development process consisting of three intensive modules focusing on the company's leadership model and future development. The aim was to strengthen our managers' role in the work on values and to ensure that our culture underpins our vision.

New organisational structure

We introduced a new organisational structure on 1 October 2009.

The new organisation is based on a wish to develop a new and better platform for achieving our strategic targets both nationally and internationally. The changes are intended to ensure that we utilise resources and skills across boundaries while at the same time contributing to ensuring that the right management principles are in place.

Major changes resulting from the new organisation include the following:

- The construction activities of the former business areas Construction and International have been combined to form Construction
- The former business areas Civil Works and International (excl. construction activities) have been combined to form Civil Engineering
- Special projects have been combined in Major Projects
- The former business unit Project Development has been established as a separate business area called Project Development
- In future, the former business unit Design will be a business support function called Design & Engineering

In addition, a Leadership Team consisting of the Executive Board and the CHRO of HR and CSO for Business Development has been established. The reason for this is that the strategic and HR perspectives are key to our efforts to achieve our vision.

Subsidiaries and jointly controlled entities are separate businesses with separately profiled capabilities, markets and strategies. The focal point for the MT Højgaard Group is value creation. We will create value in the way in which we develop our subsidiaries and jointly controlled entities by providing the optimum framework for each enterprise and ensuring that value creation works both ways in the relationship. All subsidiaries and jointly controlled entities work on the basis of long-term strategy plans.

ORGANISATION

	MT Højgaard					Subsidiaries
Business areas	Civil Engineering	Construction	Major Projects	Project Development	Utility Services (Subtera)	Ajos a/s Enemærke & Petersen a/s Lindpro a/s Promecon a/s Scandi Byg a/s Timbra a/s Greenland Contractors I/S (67%) Seth S.A. (60%)
Business support	Business Processes :: Design & Engineering :: Facility Management :: Finance :: HR :: IT Legal & Insurance :: Marketing & Communications :: Purchasing :: QHSE :: Strategy & Business Development					

Group annual review for 2009

Performance versus outlook

MT Højgaard delivered a satisfactory profit before tax of DKK 307 million in 2009 and a pre-tax margin of 3.4% versus 3.2% in 2008.

Profit was slightly ahead of expectations. This primarily reflected the fact that several large projects developed more positively than expected. In the 2008 annual report we stated that we expected revenue of approx. DKK 10 billion and a pre-tax margin between 2% and 3%. In the interim financial report at 31 August, this outlook was changed to revenue of approx. DKK 9 billion and a pre-tax margin of approx. 3%.

On 5 March 2010, we announced that revenue amounted to DKK 9,1 billion and profit before tax just over DKK 300 million, corresponding to a pre-tax margin of 3.4%.

Income statement

We delivered revenue of DKK 9,087 million in 2009, down 19% on last year due to the general economic downturn.

Revenue from international activities represented 28% of revenue in 2008 compared with 33% in 2009.

The MT Højgaard Group recorded operating profit (EBIT) of DKK 290 million in 2009, down DKK 37 million on 2008.

The operating margin (EBIT margin) was 3.2% in 2009, up from 2.9% in 2008.

Net financing costs amounted to net income of DKK 17 million compared with DKK 32 million in 2008. Net financing costs in 2009 were adversely impacted by a net loss on foreign exchange adjustments. Foreign exchange adjustments yielded a net gain in 2008.

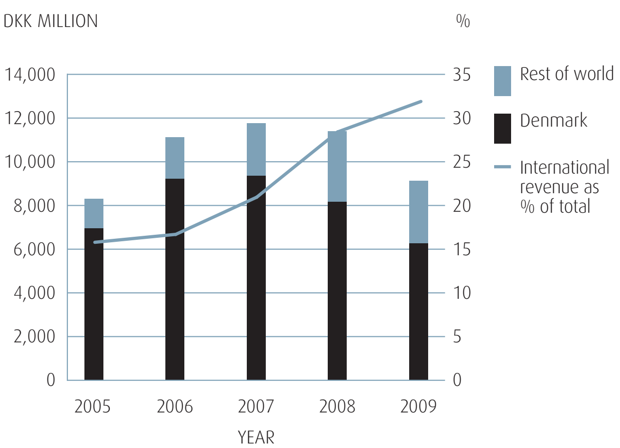
The result before tax, a profit of DKK 307 million, was satisfactory and corresponded to a pre-tax margin of 3.4%, up from 3.2% in 2008. Profit before tax was down DKK 52 million or 14% on last year, and should be viewed in the context of the 19% decline in revenue.

Income tax expense was a net expense of DKK 84 million, providing an effective tax rate of 27% compared with 28% in 2008. The tax was made up of a current tax charge of DKK 58 million and a DKK 26 million change in the Group's deferred taxes. At the end of 2009, the Group's deferred net tax asset was DKK 113 million compared with DKK 140 million in 2008.

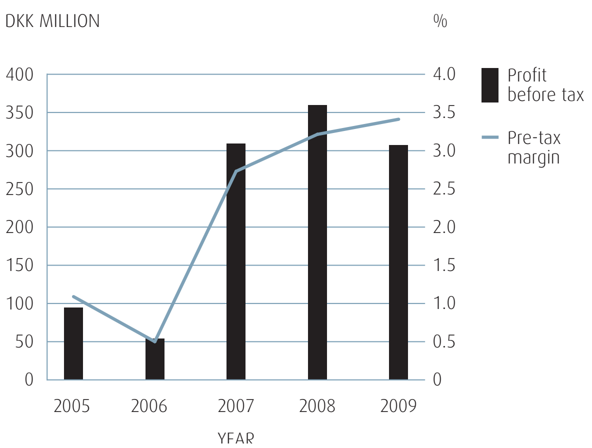
The consolidated result after tax was a profit of DKK 223 million compared with DKK 259 million in 2008.

On the Buxton project, there are no changes to report in relation to what was stated in the 2008 annual report. The claims for extra payments advanced by MT Højgaard are the subject of international arbitration. In accordance with the company's policy, no income has been recognised in the financial statements in this respect.

REVENUE



PROFIT BEFORE TAX AND PRE-TAX MARGIN



Balance sheet

The consolidated balance sheet total stood at DKK 5,504 million at 31 December 2009, up 4% on the end of 2008.

Equity stood at DKK 1,610 million. This corresponds to an equity ratio of 29.2% compared with 27.3% at the end of 2008. Besides profit for the year, equity was affected by the payment of DKK 50 million in dividend. The return on equity was 14.6%.

A dividend of DKK 50 million is proposed.

The interest-bearing net deposit increased by DKK 312 million in 2009, standing at DKK 824 million at the end of 2009. The increase primarily reflected positive cash flows from operating activities, which have been invested in interest-bearing securities.

Invested capital amounted to DKK 880 million at the end of 2009 compared with DKK 1,010 million in 2008, and the return on invested capital was 30.7%, in line with 2008.

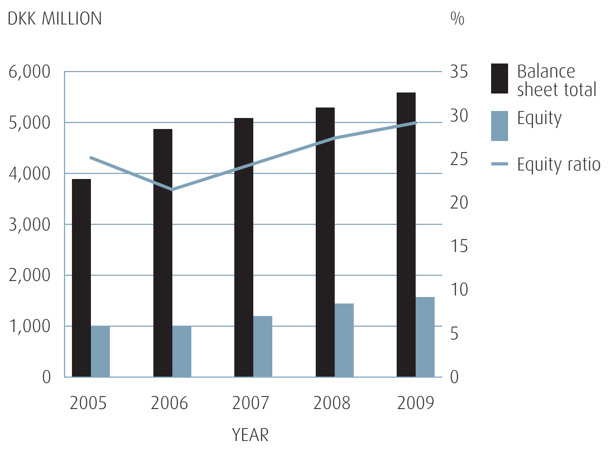
Cash flows and financial resources

Operating cash flows benefited from a satisfactory development in operating profit and a continued positive cash flow from construction contracts in progress, and amounted to an inflow of DKK 485 million compared with DKK 536 million in 2008.

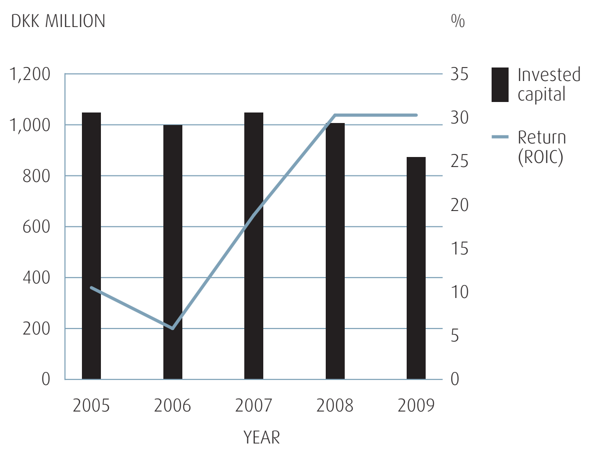
Investing activities absorbed DKK 521 million, of which DKK 362 million related to net investments in securities. Of the remaining DKK 159 million, company acquisitions accounted for DKK 16 million. Net capital expenditure on property, plant and equipment amounted to DKK 143 million versus DKK 125 million in 2008 and related primarily to replacement of and new investment in contractors' plant and equipment.

Cash outflow from financing activities was DKK 69 million versus DKK 61 million last year. The amount related to distribution of dividend and reduction of non-current bank loans, etc.

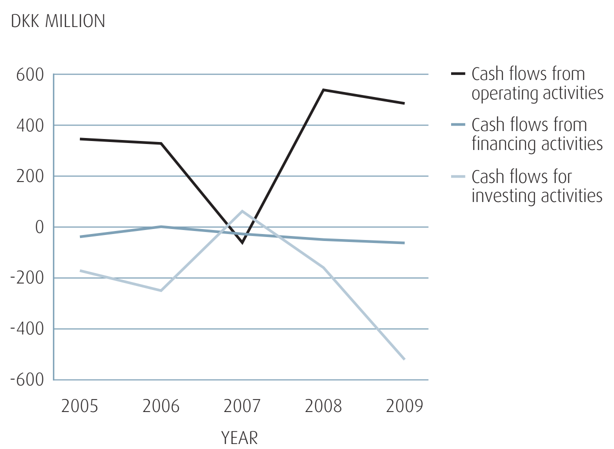
BALANCE SHEET



INVESTED CAPITAL AND RETURN (ROIC)



CASH FLOWS



Cash and cash equivalents decreased by DKK 105 million net in 2009 compared with a net increase of DKK 299 million in 2008. The net cash balance, calculated as cash less current portion of bank loans and similar, amounted to DKK 372 million compared with DKK 476 million at the end of 2008.

The Group's financial resources, calculated as cash, including cash and cash equivalents in joint ventures and jointly controlled entities, and securities and undrawn credit facilities, amounted to DKK 1,307 million at 31 December 2009 compared with DKK 1,141 million last year.

Order book

The order book stood at DKK 7,455 million at the end of 2009, approx. 21% down on last year. The quality of the order book is satisfactory.

DKK million	**2009**	**2008**
Order book, beginning of year	9,461	10,687
Order intake for the year	7,081	9,945
Production during year	-9,087	-11,171
Order book, end of year	**7,455**	**9,461**

The order book includes a number of large orders extending over several years.

As already announced in the first quarter of 2010, a DKK 965 million contract for offshore foundations in the UK has been signed and a contract for a waste water treatment plant in Bangladesh, where MT Højgaards share is DKK 313 million.

Acquisitions and disposals of enterprises

With the acquisition of the activities of mh Martin Hansen A/S on 1 May 2009, the subsidiary Lindpro strengthened its core capabilities and market coverage while at the same time gaining strong specialist skills in industry and automation. The acquisition of these activities comprises 90 employees.

The subsidiary Enemærke & Petersen strengthened its position in building maintenance by the acquisitions of Bode Byg A/S and Bode Byg Facade ApS on 1 October 2009. These companies jointly have 30 employees.

Furthermore, four non-active companies were wound up in 2009.

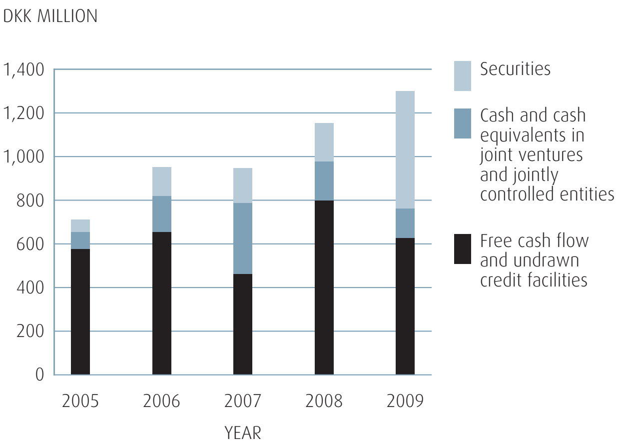
These factors did not have any material impact on consolidated revenue or profit in 2009.

Outlook for 2010

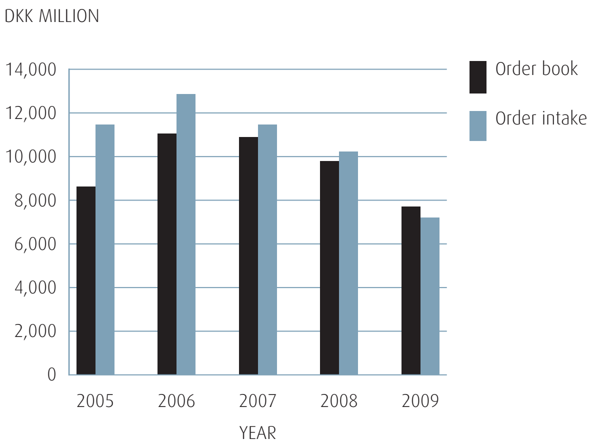
Overall, we expect the building and civil engineering market in Denmark in 2010 to be on a par with 2009. We estimate that approx. DKK 105 billion of the expected total market volume of approx. DKK 160 billion in the professional building and civil engineering market will lie within our sphere of interest.

We expect construction activities to remain under pressure in 2010, and expect the market to end the year at a level slightly below 2009.

CONSOLIDATED FINANCIAL RESOURCES



ORDER BOOK AND ORDER INTAKE



The refurbishment market, on the other hand, is showing a slightly upward trend, and we believe that 2010, too, will be characterised by a high level of activity in conversion and upgrading projects – especially in the public sector.

Competition in the civil engineering market in Denmark will remain fierce, although we expect to see more invitations to tender in 2010 than in 2009.

The utility services market experienced a distinct slowdown in 2009. It looks as if the market is still at a very low level in 2010 due to the energy companies' sharp reduction in the roll-out of the fibre optic network.

On the other hand, we believe that our international business will prosper in 2010, when we will be selectively picking the project opportunities that match our skills and resources. We are paying particular attention to foundations for offshore wind farms – an area in which we are among the most experienced in the world.

The order book stood at DKK 7.5 billion at the start of 2010, of which we expect to execute DKK 5.9 billion in 2010. The order book is approx. 21% down on the start of 2009, but the quality has been improved still further. We will continue to be highly selective when identifying new projects, focusing on the profitability of the projects within the framework of our risk management. We expect revenue for 2010 to amount to approx. DKK 9 billion, which means that, in relative terms, orders for execution in 2010 will be at the same level as at the start of 2009. We expect our international activities to account for a higher proportion of revenue than in 2009.

Selectivity, focusing and targeted risk management are the basic criteria for securing satisfactory earnings. Given the current economic climate, we do not expect to be able to deliver a financial performance in 2010 that quite matches 2009, despite ongoing alignment of costs to the level of activity in 2009.

We estimate that the Group's pre-tax margin for the year will be in the region of 2% to 3% compared with 3.4% in 2009, although at an expected lower level in the first quarter due to the hard winter.

We expect the Group's effective tax rate to be at a slightly higher level than the Danish tax rate.

We anticipate a cash inflow from operating activities again in 2010, although at a lower level than in 2009. We also expect to continue to maintain strong financial resources in the form of both cash, securities and credit facilities. Capital expenditure on property, plant and equipment in 2010 will be significantly below the level in 2009.

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

Management changes

At our Annual General Meeting on 17 April 2009 Helge Israelsen and Jens Jørgen Madsen joined the Supervisory Board as new members elected by the shareholders in general meeting. Hans-Henrik Hansen, Torsten Ask Overgaard and Knud Rasmussen joined as employee representatives.

Thorbjørn N. Rasmussen was appointed Vice President of our business area Civil Engineering on 1 October 2009 and will thus be part of the Executive Board under corporate law.

Knowledge and innovation

Innovation, quality assurance, problem solving and efficiency are some of the areas that are given pride of place in MT Højgaard. This requires high calibre employees and an organisation that focuses on knowledge sharing. This will help to make us the best in the areas that we have decided to excel in and that mean the most to our customers.

Employees

Globally, we had an average of 5,872 employees in 2009 compared with 6,170 in 2008. At the end of 2009, we had 5,833 employees. This is 318 fewer than at the same time last year.

Unlike previous years, the statement and comparative figures and the five-year summary include local employees on international projects.

Skills development boosts motivation

In 2009, we focused on the further training and education of our managers – a natural extension of MT Højgaard's new vision. A key element of this was the development of a new leadership model based on leadership and management. All managers were trained in the leadership model and the focus was on topics such as change management, leadership style and operationalisation of our new vision.

In 2009, many employees attended our internal MT Højgaard Academy project manager training. This training aims to give employees a number of tools they can use to guarantee uniform, professional management of projects, for example time planning and stakeholder and risk management. The training also works on attitudes, behaviour, processes and business skills.

During autumn 2009, we implemented a new course system that makes it possible for individual employees to draw up individual development plans and thus enhance their own skills. The course system gives us a clear overview of employees' and thus the company's skills, making it easier for us to deploy the correct team on a given task.

Roles and responsibilities were defined for all employees in the project organisation in 2009. The purpose of this was to guarantee transparency so that it is easy for employees to understand what is expected of them. This also provides a good basis for discussing future career development with each employee.

In the course of the coming year, we will be introducing supervisor training. One of the purposes of this is to give foremen and contract managers training that makes them even more skilled in their roles as supervisors. The training will consist of a wide range of subjects such as the change from tradesman to foreman, agreements and communications.

Knowledge sharing ensures quality

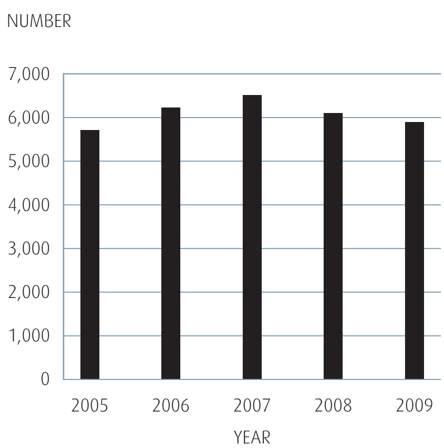
It must be easy for our employees to share and retrieve knowledge, so that they can offer our customers good advice and employ the most expedient methods in their work. Knowledge sharing is therefore constantly in the spotlight and a key factor in our corporate culture, which focuses on sharing positive experiences and preventing recurrence of any mistakes.

We therefore developed our integrated management system still further in 2009. The system describes the processes that must be implemented by the project organisation on a construction project – from sale through to handover, in the areas project management, financial management, quality management, environmental and occupational health and safety management, follow-up and TrimBuild®.

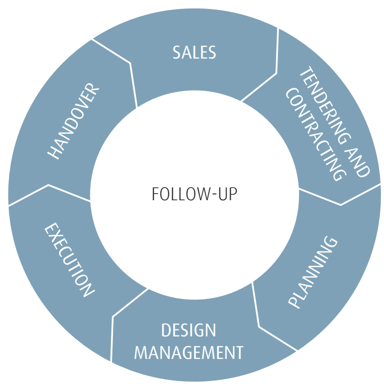
We are also developing a dedicated knowledge organisation, an essential focal point of which is knowledge ambassadors across the organisation. The role of knowledge ambassadors will be to gather and describe positive experiences or any mistakes that we should not repeat. They must also ensure that positive experiences are communicated to colleagues elsewhere across the organisation. These experiences will be described in a Knowledge Bank that will be rolled out in 2010.

In 2009, we implemented a new document management and archiving system. The system allows information sharing and collaboration across the organisation on files, documents, mails, pictures and drawings on a company-wide digital platform. In this manner, the system is a tool that improves the efficiency of and systematises our work processes.

AVERAGE NUMBER OF EMPLOYEES



CORE BUSINESS PROCESS



Innovation differentiates us

We want to be in the lead when it comes to development in building and civil engineering. At the same time we want to excel in the areas that mean the most to our customers. To that end we need to constantly focus on developing new methods and products to enable us to meet customer wishes.

Sustainable building

Heating and power consumption in buildings alone account for 40% of energy consumption in Denmark. We have therefore chosen to be at the forefront of the development in energy-optimised building. In 2009, we developed a model called "the green barometer", which enables customers to form an easy overview of the future energy consumption of a building and viewing it in relation to the construction costs. By using this tool customers can determine the level of sustainability themselves.

We have the advantage of having consultancy, tendering and contracting activities under one roof. For sustainable building to be possible, all these specialised groups need to work closely together.

At the same time our efforts to achieve rights that entitle us to award our projects four of the most prominent labelling schemes available in sustainable building are in full swing. We have already obtained the right to award the certification Green Building, which was awarded to Ørstedskolen and KPMG's head office in the district of Frederiksberg, which we are currently in the process of building. It is our aim to obtain the right to award the remaining three certifications by the first half of 2010.

Intelligent solutions in building

The use of IT processes at offices and construction sites is ever-increasing. In recent years, we have tested intelligent building elements that automatically measure humidity and temperature, for example. RFID, together with 3D models, is one of the new technologies that can ensure quality.

To get the full benefit from these technologies, integration barriers need to be removed through standardisation in the industry – so that relevant information is available to several partners on a building project. To that end we helped to create the technical basis in 2009 for the digitalisation of building in 2010 through the collaboration Digital Convergence.

Agricultural buildings

The large livestock and agricultural buildings of the future call for innovative and high-tech solutions, visionary concepts and the latest knowledge in agricultural building. We have specialised in this area and launched a range of concepts in 2009 that focus on the environment in livestock buildings for the benefit of both livestock, people and nature. We have many years' experience in the construction of agricultural buildings and we are drawing on that experience when we build for the agricultural sector.

At the end of 2009, we participated in the international agricultural trade fair "Agromek Husdyr" in Herning and in that connection won the "new product of the year" prize in livestock farming with a newly developed and patented environmental technology. The system creates a good environment in livestock buildings, both for the animals and for the people working in the buildings, but, above all, it enables the client to live up to the environmental authorities' tightened requirements concerning reduction of ammonia emissions to the surrounding nature.

THE GREEN BAROMETER

CLASS 2	CLASS 1	CLASS 0	ENERGY	PLUS ENERGY
Class 2 building has an energy consumption for building operation that is 25% lower than that of a standard building according to BR08	Class 1 building has an energy consumption for building operation that is 50% lower than that of a standard building according to BR08	Class 0 building has an energy consumption for building operation that is 75% lower than that of a standard building according to BR08	Energy building has a very low energy consumption and generates at least as much energy as the building consumes	Plus Energy building has a minimal energy consumption and generates at least as much energy as users and the building consume

BR08 stands for the Danish Building Regulations 2008

Corporate responsibility

Our ethical policy forms the overall framework for all our policies and consequently our activities.

This means that we are committed to acting in accordance with our ethical policy in relation to, for example, employees, economy, environment, occupational health and safety, customers, conduct in the market, competitors, business partners and suppliers. The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.

Our ethical policy applies to all employees in MT Højgaard a/s and its wholly-owned subsidiaries. In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our actions will create the most value for society and ourselves.

In this section on corporate responsibility we have elected to explain our policy, efforts and performance in the areas:

- environment
- occupational health and safety

We have positions on other social issues where we do not carry out planning, measurement and follow-up to the same extent, however. For example, we have an ethical code of conduct for suppliers. Our performance in this area is described under the section Other initiatives. In addition, our subsidiaries work on corporate responsibility, taking into account each subsidiary's activities and skills.

Environment

Consideration for resources, health and the environment ranks equally in our projects with all other key requirements and wishes for the construction project. Construction and construction materials have extensive consequences for the environment. The many different materials and components each have their own lifecycle, environmental impact, working environment and indoor climate. On completion of a project, construction produces large quantities of waste that must be disposed of in an environmentally acceptable manner.

In 2009, we focused on formalising our processes at MT Højgaard so that we focus on reducing the company's impact on the environment both at construction sites and in offices.

Among other things, we are working on factors such as better sorting and recycling construction site waste as well as savings on water and power.

For example, we regularly install heat pumps in site huts. This measure will cut up to 80% of the huts' heat consumption and can reduce CO_2 emissions by 1,700 tonnes of CO_2 per year. By way of comparison, a Dane emits 10 tonnes of CO_2 per year.

In 2009, we also began the introduction of:

- motion sensors = annual saving of 141 tonnes of CO_2
- AutoPowerOff plug banks for all employees = annual saving of 69 tonnes of CO_2
- power measurements and energy management = annual saving of 132 tonnes of CO_2
- ban on halogen lighting = annual saving of 172 tonnes of CO_2

We have also amended our agreements with our subcontractors so that we charge them for their power and water consumption and are thus able to contribute to reducing their CO_2 emissions. This is expected to result in an annual saving of 266 tonnes of CO_2.

The energy savings will only take effect when the activity has been fully implemented.

The activities will be measured annually via random checks.

Occupational health and safety

A good, safe working environment is essential to employees and their families and also for the financial results. A safe working environment is an important prerequisite for our ability to deploy the correct team on tasks and to win projects, as health and safety are often an important factor in the assessment of a project.

For several years, we have consequently been focusing on promoting employee safety and avoiding occupational injuries. This has resulted in fewer occupational injuries over the past five years.

Among other things, we have formalised training, information and instruction, so that employees can do their jobs safely.

Every year, we issue a folder to all employees describing our health and safety targets, what is expected of them as employees in relation to health and safety and how they should react in the event of an accident. The folder is reviewed at each construction site, where employees must consider how to contribute to achieving the target for the year. All new employees are given a health and safety induction via a film.

We also make inspection visits to individual workplaces. To ensure that we continuously improve our health and safety performance, a certification body measures our health and safety performance and awards us certification. In Denmark, they visit selected construction sites every six months and the rest of the certified area once a year.

We also map health and safety regularly and conduct systematic risk assessments of our activities. In addition, we carry out systematised follow-up of every occupational injury, near miss or any improvement notices from public authorities, both by completing a report and subsequently visiting the site with an information meeting for employees on the site at which we focus on preventing recurrence.

In 2009, we achieved our target of fewer than 25 occupational injuries in Denmark per one million hours worked, with an injury frequency rate of 21.5. This is a significant improvement on last year, and reflects previous years' targeted efforts and attitude shaping in relation to occupational health and safety.

We expect to continue this positive trend by reducing our injury frequency rate still further. Focus areas in 2010 will include injuries involving one to four days' lost time and giving new employees a basic induction course.

Other initiatives – Ethical code of conduct for suppliers

We use a number of suppliers in Denmark, the rest of Europe and China. When we conclude a group agreement with a new supplier of construction materials, the supplier signs to confirm that he complies with national legislation and regulations and meets specific requirements concerning quality, health and safety and the environment.

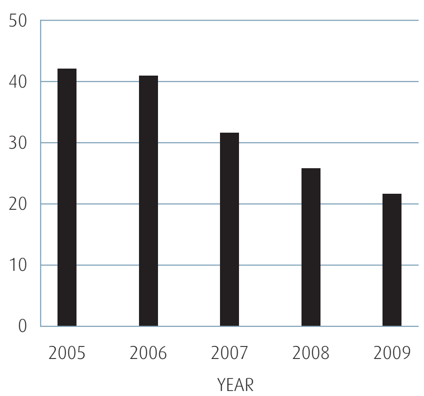
From 2010, we will be conducting an annual audit of Danish suppliers. Audits previously took place via random checks. The focus will be on quality assurance and on ensuring that suppliers have their certification in order.

Our assessment is that the greatest risk of ethical policy being breached is in China. We have consequently decided to escalate audits and check all suppliers when we start a new partnership – typically in connection with the production of the first order. On the basis of this check, we decide what measures are required in the collaboration and whether follow-up checks will be required. An external body carries out anonymous, impartial checks on employees' ages and pay conditions.

In the event of non-compliance with our minimum standards, we reserve the right to end the business relationship.

MT HØJGAARD TOTAL ACCIDENT FREQUENCY FOR DENMARK

NUMBER OF ACCIDENTS PER MILLION HOURS



Risk factors

Commercial risks

MT Højgaard's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

We consider it a critical part of our strategy to constantly minimise the current risks, which, in our opinion, do not generally differ from the normal risks facing companies in the building and civil engineering industry.

The overall framework for managing the risks we judge to be critical for the Group is laid down in the business concept and the associated policies.

We endeavour to cover, to the greatest possible extent, significant risks outside our direct control by taking out relevant insurance policies.

Market conditions

Market conditions have a major impact on the building and civil engineering industry, and the building sector is periodically used as a regulating factor in fiscal policy. Fiscal policy initiatives may include both tightening and expansionary measures in the form of subsidy schemes and grants.

Our position in the Danish market, coupled with our spread on markets, customers and areas of expertise, helps to balance risks under fluctuating market conditions.

Market trends in the various business areas often differ under varying economic framework conditions.

Projects

Our project management is crucial to ensure satisfactory value creation in the company. Our integrated management system features all the procedures and paradigms that our employees require to enable them to handle each project from sale and tendering to handover to the client. Prior to bidding for major projects, we carry out a systematic, structured review of the project to ensure that risk areas are identified and unforeseen events minimised.

Process management during the construction phase is paramount to ensure that building site activities are efficiently coordinated and optimised. We often use the TrimBuild® project management tool on our projects to enhance quality and productivity, reducing the risk of delays and budget overruns on individual projects.

Partnering is a form of collaboration under which a larger part of the responsibility lies with the contractor through his participation in design and planning. This concept is becoming increasingly popular and enhances the possibilities for optimising risk identification on the individual project.

On major projects, we often use joint venture collaboration as a further means of minimising risks.

We provide standard performance and payment bonds in the form of bank guarantees, guarantee insurances and bond deposits as security for contracts and supplies. Performance and payment bonds, etc., totalled DKK 3,385 million at the end of 2009 compared with DKK 3,506 million in 2008.

Project development

The risk attaching to this activity relates primarily to the development in the market for residential construction and the extent to which dwellings sell prior to start-up of each project.

The start-up of self-generated projects is subject to advance sale of at least 75% to 80% of the project. When starting up several projects at the same time, we focus on balancing the overall risk.

Financial risks

Financial risks are described in note 26 to the financial statements.

Operating review for 2009

We work exclusively in building and civil engineering.

At 31 December 2009, the Group was organised into five business areas, the separate subsidiaries and the Group's corporate functions, Business Support.

Subsidiaries comprise the Group's subsidiaries and jointly controlled entities with separately profiled capabilities in the building and civil engineering business.

MT Højgaard delivered revenue of DKK 9,087 million in 2009, down DKK 2,084 million on 2008. Revenue can be broken down by activity as shown below.

Revenue – DKK million	**2009**	**2008**
Civil Engineering	2,334	2,595
Construction	2,847	3,484
Major Projects	152	177
Project Development	258	552
Utility Services	345	693
Subsidiaries and jointly controlled entities	3,619	4,243
Eliminations/other	-468	-573
MT Højgaard Group	**9,087**	**11,171**

Civil Engineering

Civil Engineering undertakes infrastructure and civil engineering projects in Denmark and internationally. Specialist skills include pile-driving, earthworks, sewerage works, environmental projects, harbour and marine works, offshore wind farm foundations, and bridges.

The civil engineering market in Denmark was characterised by cut-throat competition in 2009. We generally saw fewer invitations to tender, more companies bidding for projects, and a downward trend in prices.

The cut-throat competition is persisting in 2010. However, we expect an increase in the number of projects put out to tender. The slowdown we have seen in the commercial market will continue. The number of public tenders will increase, on the other hand. Particular focus will be on infrastructure projects such as motorways, bridges and railway maintenance.

In the offshore sector in 2009, we saw a general slowdown in wind turbine projects on account of difficult financing conditions. However, we implemented the projects we had expected to implement. We anticipate no further slowdown in this sector in 2010, instead we expect the current level to be maintained and raised in the long term.

Going forward, we expect a good market for our mining department in Greenland. This remains a new market for us, and our investments are long-term. We expect 2010 to be exciting as decisions will be made on whether customers' preliminary investigations will result in profitable mining and thus projects.

We also carry out a variety of traditional civil engineering projects such as bridges, motorways and harbours abroad. In 2009, these included a number of exciting harbour projects in Sri Lanka and the Maldives. At the start of 2010, we will be completing a water supply renovation project in Kandy in southern Sri Lanka sponsored by Danida, which will result in 350,000 people in the local area having access to clean drinking water.

In Sweden, we also met a number of interesting engineering challenges in connection with a new railway bridge in Södertälje. With very little space available, a 420-tonne steel bridge was shipped in and lifted into place in the course of 24 hours.

In general, the Civil Engineering business area ended 2009 with a good result, ahead of expectations. However, the result conceals fluctuations in the various areas. The Danish part of the business area, in particular, felt the stiffer competition in 2009. The expectations for 2010 are that it will be another hard year in the Danish market. On the other hand, we anticipate continued good activity abroad and that we will therefore enjoy a slightly higher level of activity in 2010, overall.

In the coming year, the focus will be especially on projects in Asia and the Middle East. We can already see that there will be a number of interesting invitations to tender there. Tenders won in 2009 included a bridge project in Vietnam, RAO2, construction of which will commence in 2010.

Construction

In Construction, we work on construction projects in both Denmark and the North Atlantic region. Our capabilities range from residential and commercial construction, through institution and school construction, to all forms of refurbishment projects.

The construction and refurbishment market generally contracted in 2009. The decline in the market was very obvious in the residential market, which saw virtually no activity in the past year. However, the market development showed some geographical variation and in some local areas we experienced an increase in the level of activity.

The commercial market was generally hit hard, but here, too, we saw a positive trend in some areas. Projects in 2009 included the development of a new head office for Vestas, the work on the extension of DONG Energy's office in Gentofte, and the start-up of construction of KPMG's new headquarters at Flintholm Station in the district of Frederiksberg.

In some geographical areas, growth in the public sector market made up for the lack of growth in the residential market. The refurbishment market fell back slightly, but not nearly as much as the other markets. This trend looks set to continue in the coming year.

Despite a general downturn in the construction and refurbishment market, our performance was satisfactory, accentuating the fact that our ability to manage projects is continuously improving.

In the last part of the year, we saw an increase in interest in Public Private Partnership projects (PPP) from, for example, the Danish Palaces and Properties Agency, for which several projects are in the planning phase. We consequently expect that this area will grow in 2010. In 2009, we handed over the Danish Land Registry PPP project in Hobro and commenced work on Ørsted-skolen on Funen, which is scheduled for completion in 2010.

In 2009, our focus included constantly expanding our local presence. The projects put out to tender are often very locally rooted. We have therefore opened new local offices in Randers and Sakskøbing. For many years, we have had activities in Greenland and the Faroe Islands, and we will be setting up a proper local office in each country in 2010.

In 2010, we expect the construction market to remain under pressure and to end at a level slightly below the 2009 level.

Major Projects

Major Projects takes care of our large projects. These currently include a hydropower project in Panama, which is being carried out in a joint venture, and tendering for other large projects starting up in 2011.

The Panama project includes the planned construction in 2010 of a concrete dam and the completion of a power station and other construction works in the lead up to final completion of the project at the start of 2011.

Projects are defined as Major Projects based on the criteria: economy, complexity, time and risk.

Project Development

Project Development develops projects for or together with investors and clients.

The year was characterised by a hesitant market with several projects at the planning stage that have yet to be realised. This includes the start-up of new residential projects, with the oversupply in Copenhagen still being a challenge. However, we expect project development to pick up again elsewhere in Denmark in 2010, particularly small residential projects. Among other things, we have a large portfolio of attractive sites outside Copenhagen, where we are not experiencing the same oversupply.

The oversupply in Copenhagen has also meant that we did not sell the expected number of dwellings in Copenhagen. This has been overcome by temporary rental, with an option to buy in some cases.

In addition, in 2009 we secured access to attractive new sites, optimised the planning basis on our existing portfolio of sites and developed projects within the retail sector. As part of a major urban development project, we also started up a 32,000-square metre construction project in Frederiksberg. This will be the head-quarters of KPMG.

The expectations for 2010 are that it will be another difficult year, but that we will see a slight improvement on 2009, especially in the retail sector and small residential construction projects.

Utility Services

Utility Services undertakes all forms of assignments within water supply, power supply, district heating supply, gas supply, sewers and fibre optic network.

The utility services market experienced a sharp slowdown in 2009 that happened far more quickly than anticipated. The main reason for this was the sharp reduction in the energy companies' roll-out of the fibre optic network. The slowdown also affected us, and meant that we have had to align our capacity to the market.

The sharp slowdown contributed to the highly unsatisfactory financial performance.

We expect a low level of activity in this area in 2010.

Subsidiaries

Our subsidiaries comprise Ajos a/s, Enemærke & Petersen a/s, Lindpro a/s, Promecon a/s, Scandi Byg a/s, Timbra a/s and the jointly controlled entities Seth S.A. and Greenland Contractors I/S.

Ajos a/s

Ajos hires out, installs, maintains and dismantles equipment, including cranes, hoists, platforms, site huts, contractors' machinery and technical installations.

The equipment hire sector was marred by cut-throat competition in 2009, with fewer projects and falling prices. Despite showing a profit, Ajos did not meet expectations in 2009.

Ajos is working on winning and maintaining market shares by creating more overall solutions for customers in a targeted manner. In 2009, Ajos worked on a project with Rambøll and Lejerbo to develop complete site set-up solutions. Ajos was in charge of and responsible for fitting out the construction site. Ajos is counting on other customers benefiting from this concept in 2010.

In 2009, Ajos worked on sustainability in construction processes. The aim is to guarantee energy-efficient solutions in the operation of construction sites. For example, heat pumps are installed in site huts and containers. This has a great effect on both the indoor climate and power consumption.

Ajos has long been a major player in the crane sector, in particular. In 2009, Ajos acquired Cramo's 24 tower and semi-mobile cranes, significantly strengthening the company's position in the market. The acquisition of Cramo's cranes gives Ajos even greater opportunity to be involved in the early phase of future construction and refurbishment projects.

On the basis of the current market situation, we expect the level of activity in 2010 to be on a par with 2009.

Enemærke & Petersen a/s

Enemærke & Petersen constructs new buildings, and performs restoration, refurbishment and building maintenance. The company concentrates on housing, schools, institutions and commercial buildings.

The falling level of activity in the construction sector has meant that Enemærke & Petersen's level of activity in 2009 was slightly down on 2008. This was particularly due to the company's projects primarily being won through invitations to tender, where competition was particularly fierce. Despite the lower level of activity, the company outperformed expectations.

In 2009, Enemærke & Petersen increased production of semi-manufactured elements for facades. This boosted the company's in-house production, and the company expects this to be an area that will be developed still further in 2010.

In addition, Enemærke & Petersen focused on improving its dialogue with customers. All employees consequently participated in a number of workshops with the focus on giving customers a better experience. The project resulted in considerably higher customer satisfaction.

Based on a satisfactory order book, the level of activity in 2010 is expected to be in line with 2009.

Lindpro a/s

Lindpro is one of Denmark's largest electrical installations businesses with departments across Denmark and the subsidiary Arssarnerit in Greenland. Its core activity is electrical installations, but its capabilities also include security, intelligent building installations, service, traffic, industrial systems, offshore, automation, telecoms, plumbing and heating and electromechanics.

The electrical installations market was under pressure in 2009, and the pressure was also felt by Lindpro. However, although the market is difficult, and earnings under pressure, Lindpro ended the year with a higher market share and sound earnings.

The subsidiary Arssarnerit in Greenland is developing well and reported a good result in 2009. There are positive expectations of the subsidiary in 2010, when the favourable position in the electrical installations market in Greenland is expected to be reinforced.

Lindpro's objective for 2010 is to maintain a sound, well-run business with the focus on profitable growth and skills development.

The company focuses on and will continue to focus on enhancing the efficiency of its business. The traditional electrical installations business is an important core area that offers great scope for further development. Service, security and intelligent building installations are areas with potential for growth.

In 2009, Lindpro made minor acquisitions in order to strengthen its skills and geographical coverage.

We expect the market to remain under pressure in 2010 and a level of activity on a par with 2009.

Promecon a/s

Promecon delivers steelwork and piping solutions within oil and gas and energy. Among other things, the company designs and installs structural steel, piping and tanks, and services and maintains process plant.

A drastic fall in energy, oil and gas prices has led to a lower propensity to invest in the market and thus few orders.

Despite showing a profit in 2009, Promecon did not quite meet expectations. In 2009, Promecon enjoyed a high level of activity, primarily because the company had a considerable volume of orders from previous years.

The company aligned its level of activity during the year and reduced staff levels.

As a result of the lack of desire to invest in the market, Promecon expects considerably lower revenue in 2010 than in 2009.

Scandi Byg a/s

Scandi Byg specialises in the manufacture and sale of prefabricated modular buildings for applications such as residential buildings, offices, institutions and schools.

Compared with the record year 2008, Scandi Byg experienced a considerable decline in the level of activity in 2009, and consequently lower results. This typified the market in general. The year ended on a good note with an improving order book, and a number of exciting projects are ready for start-up in 2010.

For example, the company has signed a large framework agreement with KAB for the construction of between 500 and 800 dwellings based on the KAB non-profit housing concept (AlmenBolig+koncept) over a period of three to four years. A contract with Novo Nordisk has also boosted the level of activity at the start of 2010.

One of Scandi Byg's focus areas in 2010 will be the establishment of a sustainable profile. The company expects to be able to put itself in the lead in this area based on its existing production platform.

2009 was a year in which Scandi Byg developed its business and optimised its organisation by adding skills that will help to secure continued good results in the future. For example, these initiatives are expected to contribute to a doubling of revenue already in 2010 compared with 2009.

Timbra a/s

The joinery/carpentry company Timbra has capabilities in the areas new building, refurbishment, fitting-out and service.

Timbra was established at the start of 2009 by the hiving off of the joinery/carpentry unit in Copenhagen from MT Højgaard a/s. In a market under pressure, Timbra managed to deliver a positive result, which, however, did not match expectations.

In 2009, in collaboration with MT Højgaard, Timbra developed Genus Glass Walls, which are manufactured in Denmark based on procurement in China. Genus Glass Walls are a future action area for the company and projects on which these have been used include Roskilde Town Hall. The product matches the market's expectations, giving Timbra a competitive edge. Other focus areas are mono acoustic ceilings (spray-rendered ceilings), which the company is certified to perform.

The order book for 2010 is better than at the start of 2009, and Timbra expects a higher level of activity in 2010 than in 2009.

Jointly controlled entities

Greenland Contractors I/S (67%)

Greenland Contractors carries out building projects and maintenance and service tasks at Thule Air Base for the US Air Force. While the US Air Force is the company's principal client, the company also undertakes assignments for the Greenland authorities, private companies and organisations.

Revenue and earnings for 2009 outperformed expectations. We expect revenue for 2010 on a par with 2009.

Seth S.A. (60%)

Seth specialises in harbour and marine works and operates in the Portuguese market, including on the Azores, and in Africa.

In 2009, Seth felt the stagnation that has marred the Portuguese market. At the same time, some of the company's large projects in Africa have been postponed. Overall – despite a positive result – these factors led to significantly lower revenue and results than in 2008.

Seth's market is expected to remain under pressure in 2010, but revenue are expected to exceed the 2009 level.

Business support

Business support comprises the company's corporate functions, which are responsible for ensuring operation and development.

Design & Engineering was previously a business unit. In connection with our new strategy this function has become part of business support. Design & Engineering undertakes design and engineering and its services include consultancy in the environmental area.

To professionalise our administrative functions in connection with the operation of our fixed asset properties, we have combined our various local service functions in a new function called Facility Management. This facility will be operating and optimising maintenance of all our properties and leases, including canteens, cleaning services, call centre, security, reception, office machinery, reprographics and physical safety.

All the company's PCs were replaced in 2009. At the same time we implemented Windows 7 and the latest version of other user software. The purpose of this upgrade was to improve MT Højgaard's performance still further through the latest software, faster troubleshooting and faster response times.

In 2009, we completed the research project "Best Practice – in the management of building and civil engineering projects". The project identified what is required in project management terms to create a good working environment and improving working conditions for tradesmen at our building sites. 13 building and civil engineering projects with positive outcomes in terms of health and safety, economy, quality and process flow were analysed. The result was seven recommendations that can be applied to any building and civil engineering project.

We have had a purchasing office in China since 2007. In connection with our increased focus on internationalisation, it became even more relevant for us to draw on the competitive advantage that purchasing materials in the Chinese market gives us.

Corporate governance

MT Højgaard is not listed, but is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen. MT Højgaard's annual report consequently does not include a separate section on Corporate Governance. Reference is made to the respective owner companies' annual reports for details of each company's Corporate Governance principles.

In the following, we have chosen to give an account of the key elements of the Group's internal control and risk management systems in connection with the financial reporting process in accordance with the requirements set out in the Danish Financial Statements Act.

Financial reporting process

Introduction

The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and to ensure that appropriate accounting policies are defined and applied.

The Group's accounting and control systems can only provide reasonable, and not absolute, assurance against material errors and omissions in the financial reporting.

The Supervisory Board and Executive Board regularly evaluate material risks and internal controls in connection with the Group's activities, and their potential impact on the financial reporting process.

Control environment

We consider that management's approach is fundamental for good risk management and internal control in connection with the financial reporting process. The Supervisory Board's and Executive Board's approach to good risk management and internal control in connection with the financial reporting process are consequently constantly being strongly emphasised.

The Executive Board is responsible for ensuring that MT Højgaard's control environment provides a proper basis for the preparation of the financial reporting. Managers at various levels are responsible in their respective areas.

The Supervisory Board and Executive Board have defined targets that are incorporated in values, strategies and business plans. Policies, procedures and controls have been established in key areas in connection with the financial reporting process. The basis for this is a clear organisational structure, clear reporting lines, authorisation and approval procedures, and segregation of duties.

Risk assessment

There is a relatively larger risk of errors in the items in the financial statements that are based on estimates or are generated through complex processes than for other items. A risk assessment, with the aim of identifying these items and the extent of the associated risks, is coordinated by the Executive Board.

As a building and civil engineering group the principal risks are in the contracting and performance phases of our projects.

Control activities

The purpose of the control activities is to prevent, detect and correct any errors or irregularities and to ensure that estimates made are reasonable in the circumstances.

The activities form an integral part of MT Højgaard's intergrated management system, financial reporting manual and procedures. These include approval procedures for contracting of new projects that ensure initial risk assessment and management involvement at various levels, depending on project size. Procedures are also in place for monthly reviews with the responsible management at overall level, including of the risk assessment on the project and of project stage based on updated accounting records and updated expectations concerning remaining production. Lastly, procedures are in place for verifications, authotisations, approvals, reconciliations, analyses of results, IT application controls, and general IT controls.

Information and communications

We maintain internal information and communications systems to ensure that the financial reporting is correct and complete within the context of the confidentiality prescribed for listed companies. The intergrated management system, the financial reporting manual and other reporting instructions are regularly updated, as appropriate. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring

The Supervisory Board monitors the financial reporting on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, the manner in which material and exceptional items and estimates are accounted for, and the overall disclosure level in MT Højgaard's financial reporting.

We use comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

The Group applies uniform IFRS rules as set out in the company's financial reporting manual. The manual includes accounting and assessment principles as well as reporting instructions, and must be complied with by all companies in the Group. The manual is updated and reviewed on an ongoing basis. Compliance with the manual is monitored at corporate level. Formal confirmations of compliance with the manual and relevant corporate policies, so-called representation letters, are obtained from all subsidiaries annually.

All consolidated enterprises report detailed monthly accounting data. These financial data are analysed and monitored at corporate and other operational levels.

MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS' REPORT

Statement by the Executive and Supervisory Boards

The Executive and Supervisory Boards have today discussed and approved the annual report of MT Højgaard a/s for the financial year 2009.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Group's and the parent company's financial position and a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 24 March 2010

Executive Board

Kristian May
President and CEO

Johnny Rasmussen
CFO

Jens Nyhus
COO

Peter Kofoed
COO

Thorbjørn N. Rasmussen
COO

Supervisory Board

Per Møller
Chairman

Jørgen Nicolajsen
Deputy Chairman

Irene Chabior*

Curt Germundsson

Hans-Henrik Hansen*

Helge Israelsen

Erik D. Jensen

Poul Lind

Jens Jørgen Madsen

Torsten Ask Overgaard*

Knud Rasmussen*

Lars Rasmussen

*) Employee representative

Independent auditors' report

To the shareholders of MT Højgaard a/s

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard a/s for the financial year 2009, pages 25 – 70. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

In addition to our audit, we have read the Management's review, pages 1 – 18, which has been prepared in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements, and issued a statement in this regard.

Management's responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare and issue a Management's review that gives a fair review in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements and the parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 24 March 2010

KPMG
Statsautoriseret Revisionspartnerselskab

Finn L. Meyer	**Jesper Koefoed**
State Authorised	State Authorised
Public Accountant	Public Accountant

Supervisory Board and Executive Board, supervisory board memberships and management positions

Executive Board

Kristian May
President and CEO

Member of the supervisory board of:
BRFkredit A/S

Johnny Rasmussen
CFO

Member of the supervisory board of:
Seth S.A.

Jens Nyhus
COO

Member of the supervisory board of:
OPP Hobro Tinglysningsret a|s (CB)
OPP Vildbjerg Skole A|S (CB)
OPP Ørstedskolen a|s (CB)

Peter Kofoed
COO

Member of the supervisory board of:
Seth S.A.
BMS A/S (CB)
DKBI A/S
GEO
ANT Fonden

Thorbjørn N. Rasmussen
Executive Vice President

Member of the supervisory board of:
Netek IR Systems A/S
Alpha Wind Energy (and of the management of one of their companies, Scandia Wind America)
MT Hojgaard Al Obaidly w.l.l.

Supervisory Board

Per Møller
Chairman

Member of the Supervisory Board of:
Atrium Partners A/S (CB)
Højgaard Holding a/s (CB)
Det Danske Klasselotteri A/S (CB)
BioMar Group A/S (DCB)

Jørgen Nicolajsen
Deputy Chairman

President and CEO, Monberg & Thorsen A/S
President, Dyrup A/S

Irene Chabior *
HR Development Consultant, HR

Curt Germundsson
Member of the supervisory board of:
Kongsberg Automotive ASA (Norway) (CB)
Bandak Group AS (Norway) (CB)
EFD Induction ASA (Norway)
Alignment Systems AB (Sweden)
Dev Port AB (Sweden)

Hans-Henrik Hansen *
Manager, Design & Engineering

Member of the supervisory board of:
Knud Højgaards Fond

Helge Israelsen
Member of the supervisory board of:
Højgaard Holding a/s

Erik D. Jensen
Member of the supervisory board of:
Ejnar og Meta Thorsens Fond
Royal Scandinavia A/S (CB)
Royal Scandinavia II A/S (CB)
Royal Copenhagen A/S (DCB)
Pandora Invest A/S
Pandora Holding A/S
PBI-Holding, Ringsted A/S (CB)
Kærup Erhvervspark A/S (CB)
PBI Dansensor A/S (CB)
PBInge A/S (DCB)
CENS A/S (CB)

Poul Lind
CEO, Green Wind Energy A/S

Member of the supervisory board of:
Monberg & Thorsen A/S

Jens Jørgen Madsen
Member of the supervisory board of:
Højgaard Holding a/s
Color Print A/S
J. Hvidtved Larsen A/S
Kirk Kapital A/S
Sanistål A/S
Velux A/S (CB)
VKR Holding A/S

Torsten Ask Overgaard *
Design Manager, Design & Engineering

Knud Rasmussen *
Section Manager, Civil Engineering

Lars Rasmussen
CEO, Coloplast A/S
(and on the management of 25 subsidiaries)

Member of the supervisory board of:
Højgaard Holding a/s
TDC A/S

*) Employee representative
(CB) Chairman of the Supervisory Board
(DCB) Deputy Chairman of the Supervisory Board

FINANCIAL STATEMENTS

Income statement and statement of comprehensive income

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Income statement		
6,951.5	5,640.6	4	Revenue	9,087.4	11,171.0
-6,682.2	-5,434.4	5-6	Production costs	-8,396.2	-10,452.8
269.3	**206.2**		**Gross profit**	**691.2**	**718.2**
-94.2	-96.9		Distribution costs	-143.2	-134.3
-91.8	-98.6	5-7	Administrative expenses	-258.5	-257.4
83.3	**10.7**		**Operating profit**	**289.5**	**326.5**
-	-	13	Share of profit after tax of associates	0.3	0.0
284.5	228.0	8	Financial income	37.8	64.7
-91.6	-20.2	9	Financial expenses	-20.8	-32.2
276.2	**218.5**		**Profit before tax**	**306.8**	**359.0**
-69.2	-63.2	10	Income tax expense	-84.1	-100.0
207.0	**155.3**		**Profit for the year**	**222.7**	**259.0**
			Proposal for distribution of profit		
50.0	50.0		Dividend for the financial year		
157.0	105.3		Retained earnings		
207.0	**155.3**		**Total**		
			Statement of comprehensive income		
207.0	**155.3**		**Profit for the year**	**222.7**	**259.0**
			Other comprehensive income		
0.0	0.0		Foreign exchange adjustments, foreign enterprises	0.3	1.5
			Value adjustments of hedging instruments	-5.2	0.0
0.0	0.0		Tax on other comprehensive income	0.0	0.0
0.0	**0.0**		**Other comprehensive income after tax**	**-4.9**	**1.5**
207.0	**155.3**		**Total comprehensive income**	**217.8**	**260.5**

Balance sheet

PARENT COMPANY			ASSETS	GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Non-current assets		
			Intangible assets		
33.7	33.7		Goodwill	94.0	80.5
7.1	5.7		Other intangible assets	14.8	14.7
40.8	**39.4**	**11**	**Total intangible assets**	**108.8**	**95.2**
			Property, plant and equipment		
138.1	132.9		Land and buildings	368.7	356.7
40.3	81.7		Plant and machinery	321.3	283.1
11.9	17.4		Fixtures and fittings, tools and equipment	102.9	94.2
0.0	0.0		Property, plant and equipment under construction	4.6	12.5
190.3	**232.0**	**12**	**Total property, plant and equipment**	**797.5**	**746.5**
			Investments		
385.5	379.8	13	Investments in subsidiaries	-	-
47.7	50.1	13	Investments in jointly controlled entities and associates	1.2	1.6
19.3	19.8	13	Receivables from associates	15.4	19.3
0.3	0.0	13	Other equity investments	0.0	0.6
167.4	118.7	18	Deferred tax assets	113.3	139.6
620.2	**568.4**		**Total investments**	**129.9**	**161.1**
851.3	**839.8**		**Total non-current assets**	**1,036.2**	**1,002.8**
			Current assets		
			Inventories		
3.8	2.4	14	Raw materials and consumables	75.1	79.9
466.5	492.7	14	Properties held for resale	500.0	473.8
470.3	**495.1**		**Total inventories**	**575.1**	**553.7**
			Receivables		
1,454.7	1,470.0		Trade receivables	2,171.5	2,220.5
259.0	128.3	20	Construction contracts in progress	383.1	478.6
161.5	418.1		Receivables from subsidiaries	-	-
63.5	0.0		Receivables from associates	0.0	0.0
0.0	0.0		Receivables from jointly controlled entities	0.0	32.1
2.2	13.5		Income tax	16.7	2.4
175.5	182.7		Other receivables	249.1	215.7
117.9	100.3		Prepayments	116.5	135.2
2,234.3	**2,312.9**	**15**	**Total receivables**	**2,936.9**	**3,084.5**
158.6	**462.8**	**16**	**Securities**	**563.4**	**158.6**
432.3	**262.3**	**32**	**Cash and cash equivalents**	**392.7**	**476.8**
3,295.5	**3,533.1**		**Total current assets**	**4,468.1**	**4,273.6**
4,146.8	**4,372.9**		**Total assets**	**5,504.3**	**5,276.4**

PARENT COMPANY			EQUITY AND LIABILITIES	GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Equity		
220.0	220.0		Share capital	220.0	220.0
-	-		Other reserves	-3.0	1.9
879.6	984.9		Retained earnings	1,342.6	1,169.9
50.0	50.0		Proposed dividends	50.0	50.0
1,149.6	**1,254.9**		**Total equity**	**1,609.6**	**1,441.8**
			Non-current liabilities		
23.8	33.6	17	Bank loans, etc.	95.7	86.9
0.0	0.0	18	Deferred tax liabilities	0.0	0.0
64.1	73.3	19	Provisions	144.7	90.1
87.9	**106.9**		**Total non-current liabilities**	**240.4**	**177.0**
			Current liabilities		
1.0	3.3	17	Current portion of non-current financial liabilities	15.3	35.3
0.0	0.0	17	Bank loans, etc.	21.0	0.4
1,202.2	1,314.1	20	Construction contracts in progress	1,527.2	1,484.3
106.4	157.2		Prepayments received from customers	188.1	133.8
801.3	734.2		Trade payables	1,008.6	1,150.6
277.2	240.3		Payables to subsidiaries	-	-
0.0	22.2		Payables to jointly controlled entities	11.3	0.0
0.0	0.0		Income tax	8.7	1.2
445.1	471.1		Other payables	783.5	724.7
75.8	68.4		Deferred income	72.2	118.5
0.3	0.3	19	Provisions	18.4	8.8
2,909.3	**3,011.1**		**Total current liabilities**	**3,654.3**	**3,657.6**
2,997.2	**3,118.0**		**Total liabilities**	**3,894.7**	**3,834.6**
4,146.8	**4,372.9**		**Total equity and liabilities**	**5,504.3**	**5,276.4**
			Notes without reference		
		1	Accounting policies		
		2	Accounting estimates and judgements		
		3	Information on activities		
		21	Security arrangements		
		22	Lease commitments		
		23	Contingent assets and contingent liabilities		
		24	Related parties		
		25	Joint ventures		
		26	Financial risks		
		27	Capital management		
		28	New International Financial Reporting Standards and IFRIC Interpretations		
		29	Events after the balance sheet date		
		33	Company overview		

Cash flow statement

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Operating activities		
83.3	10.7		Operating profit	289.5	326.5
3.0	55.7	30	Non-cash operating items	135.8	59.0
86.3	**66.4**		**Cash flows from operating activities before working capital changes**	**425.3**	**385.5**
			Working capital changes:		
17.0	-28.0		Inventories	-22.1	53.5
-196.6	-175.0		Receivables excluding construction contracts in progress	73.7	-68.9
141.6	242.6		Construction contracts in progress	138.3	144.9
200.0	-26.1		Trade and other current payables	-81.7	42.8
248.3	**79.9**		**Cash flows from operations (operating activities)**	**533.5**	**557.8**
55.0	33.1		Financial income	37.8	57.7
-17.9	-15.5		Financial expenses	-20.8	-31.6
285.4	**97.5**		**Cash flows from operations (ordinary activities)**	**550.5**	**583.9**
-27.3	-40.6		Income taxes paid, net	-64.8	-47.5
258.1	**56.9**		**Cash flows from operating activities**	**485.7**	**536.4**
			Investing activities		
-18.0	0.0	31	Acquisition of enterprises and activities	-16.4	-41.4
-91.8	-10.2		Capital contributions to subsidiaries and associates	-	-
-27.4	-69.0	30	Purchase of property, plant and equipment	-235.9	-214.8
1.1	6.2		Sale of property, plant and equipment	92.9	89.8
192.9	194.9		Dividends from subsidiaries and associates	0.0	0.0
-9.6	-454.7		Purchase of securities	-553.5	-9.6
0.0	150.0		Sale of securities	191.5	0.0
47.2	**-182.8**		**Cash flows for investing activities**	**-521.4**	**-176.0**
			Financing activities		
			Loan financing:		
0.0	5.9	30	Increase in non-current bank loans, etc.	7.8	0.0
-10.8	0.0		Decrease in non-current bank loans, etc.	-26.8	-11.1
			Shareholders:		
-50.0	-50.0		Dividends	-50.0	-50.0
-60.8	**-44.1**		**Cash flows from financing activities**	**-69.0**	**-61.1**
244.5	**-170.0**		**Net increase (decrease) in cash and cash equivalents**	**-104.7**	**299.3**
187.8	432.3		Cash and cash equivalents at 01-01	476.4	177.1
432.3	**262.3**	**32**	**Cash and cash equivalents at 31-12**	**371.7**	**476.4**

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

Statement of changes in equity

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Proposed dividends	Total
2008				
Equity at 01-01	**220.0**	**722.6**	**50.0**	**992.6**
Comprehensive income for the year		207.0		207.0
Proposed dividends		-50.0	50.0	0.0
Dividends paid			-50.0	-50.0
Total changes in equity	**0.0**	**157.0**	**0.0**	**157.0**
Equity at 31-12	**220.0**	**879.6**	**50.0**	**1,149.6**
2009				
Equity at 01-01	**220.0**	**879.6**	**50.0**	**1,149.6**
Comprehensive income for the year		155.3		155.3
Proposed dividends		-50.0	50.0	0.0
Dividends paid			-50.0	-50.0
Total changes in equity	**0.0**	**105.3**	**0.0**	**105.3**
Equity at 31-12	**220.0**	**984.9**	**50.0**	**1,254.9**

At 31 December 2009, MT Højgaard a/s's share capital amounted to DKK 220 million divided into shares of DKK 1,000 each. No shares carry special rights.

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
2008						
Equity at 01-01	**220.0**	**0.0**	**0.4**	**960.9**	**50.0**	**1,231.3**
Comprehensive income for the year			1.5	259.0		260.5
Proposed dividends				-50.0	50.0	0.0
Dividends paid					-50.0	-50.0
Total changes in equity	**0.0**	**0.0**	**1.5**	**209.0**	**0.0**	**210.5**
Equity at 31-12	**220.0**	**0.0**	**1.9**	**1,169.9**	**50.0**	**1,441.8**
2009						
Equity at 01-01	**220.0**	**0.0**	**1.9**	**1,169.9**	**50.0**	**1,441.8**
Comprehensive income for the year		-5.2	0.3	222.7		217.8
Proposed dividends				-50.0	50.0	0.0
Dividends paid					-50.0	-50.0
Total changes in equity	**0.0**	**-5.2**	**0.3**	**172.7**	**0.0**	**167.8**
Equity at 31-12	**220.0**	**-5.2**	**2.2**	**1,342.6**	**50.0**	**1,609.6**

Notes

Notes

Note

1 **Accounting policies**

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports, cf. the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the annual report has been prepared in compliance with IFRS issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2008 annual report, apart from the effects of the factors set out in the following.

The following have been implemented with effect from 1 January 2009: IAS 1 (revised 2007) Presentation of Financial Statements, IAS 23 (revised 2007) Borrowing Costs, IFRS 2 Share-based Payment: Vesting Conditions and Cancellations, Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation, Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, Amendment to IFRS 7: Improving Disclosures about Financial Instruments, parts of Improvements to IFRSs May 2008, which became effective on 1 January 2009, and IFRICs 13, 15 and 16. IFRICs 15 and 16 have been adopted with different effective dates in the EU than the corresponding IFRICs as issued by the IASB. IFRICs 15 and 16 were implemented on 1 January 2009, in accordance with the IASB effective dates.

IAS 1 changes the presentation of the primary statements and some note disclosures. Apart from this, the new accounting standards and interpretations have not had any effect on recognition and measurement in 2009.

In addition, the amended IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, which has been implemented from 1 January 2009, has resulted in a changed recognition of dividends in the parent company financial statements in that dividends from subsidiaries, jointly controlled entities and associates must always be recognised in the income statement and must not be offset against cost, even though distribution originates from results relating to the period prior to the acquisition date.

The presentation in the income statement of derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities has been changed. Gains and losses on these instruments are now recognised in production costs, whereas they were previously recognised as financial income and expenses. Comparative figures have been restated.

Basis of reporting

Basis of consolidation

The consolidated financial statements comprise the parent company MT Højgaard a/s and subsidiaries in which the Group holds, directly or indirectly, more than 50% of the voting rights or which it controls in some other way.

Notes

Note

1 **Accounting policies (continued)**

Other enterprises in which the Group holds between 20% and 50% of the voting rights and over which it has significant influence, but not control, are accounted for as associates. These enterprises are not consolidated; however, enterprises controlled jointly by MT Højgaard a/s and one or more other enterprises are recognised in the consolidated financial statements using proportionate consolidation.

The consolidated financial statements are prepared on the basis of the parent company's and the individual enterprises' audited financial statements determined in accordance with the MT Højgaard Group's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of.

Gains and losses on disposal of subsidiaries and associates are reported by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of discontinued operations
A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale are presented as a separate line item in the income statement with comparative figures. Revenue, expenses and tax of discontinued operations are disclosed in the notes. Assets and related liabilities are reported as separate line items in the balance sheet.

The cash flows attributable to the operating, investing and financing activities of discontinued operations are disclosed in a note.

Business combinations
Acquisitions of enterprises over which the parent company obtains control are accounted for applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right and the fair value can be measured reliably. The tax effect of the restatements performed is taken into account.

Notes

Note

1 **Accounting policies (continued)**

Any excess of the cost of the acquisition over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised as goodwill under intangible assets. Any excess of the fair value over the cost of the acquisition (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Minority interests

Minority interests are recognised initially on the basis of the fair values of the acquiree's assets, liabilities and contingent liabilities at the acquisition date.

Subsidiaries' items are fully consolidated in the consolidated financial statements. The minority interests' proportionate share of profit for the year appears from the income statement. In the balance sheet, minority interests are recognised as a separate component of equity, separate from equity attributable to equity holders of the parent.

Joint ventures

A joint venture is a jointly controlled operation or a jointly controlled entity over which none of the joint venturers has control.

Investments in jointly controlled operations are recognised in the parent company and consolidated financial statements on a proportionate basis in accordance with the contractual arrangement, whereby the proportionate share of assets, liabilities, income and expenses from the jointly controlled operations is recognised in the corresponding items in the financial statements.

Jointly controlled entities are accounted for in the consolidated financial statements applying proportionate consolidation. The parent company measures investments in jointly controlled entities at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Foreign currency translation

The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as financial income and expenses.

Notes

Note

1 Accounting policies (continued)

On recognition of foreign subsidiaries and associates the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates that do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to a separate translation reserve under equity.

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

For derivative financial instruments that qualify for cash flow hedge accounting, changes in fair value are recognised in equity as they occur. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised initially in the balance sheet at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases

Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the income statement over the lease term.

Notes

Note

1 **Accounting policies (continued)**

Government grants
Government grants include grants for projects, investments, etc.

Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

Income statement

Revenue
Revenue comprises completed construction contracts and construction contracts in progress, sale of development projects, and rental income.

Revenue from construction contracts under which assets or plants with a high degree of individual customisation are supplied is recognised in the income statement by reference to the stage of completion so that revenue corresponds to the selling price of the work performed during the year (the percentage of completion method).

Revenue from self-generated project development cases is recognised applying the sales method. Revenue and profit from projects sold are recognised when delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

Revenue relating to rental income is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs
Production costs comprise both direct and indirect costs incurred in generating the revenue for the year, and expected losses on construction contracts in progress.

Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Distribution costs
Distribution costs include tendering, advertising and marketing costs as well as salaries, etc., relating to the sales and marketing departments.

Administrative expenses
Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

Notes

Note

1 Accounting policies (continued)

The Group's share of profit after tax of associates
The proportionate share of profit of associates is recognised in the consolidated income statement net of tax and after elimination of the proportionate share of profits/losses resulting from intragroup transactions and after deduction of goodwill impairment losses.

Financial income and expenses
Financial income and expenses comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, as well as finance lease costs and income tax surcharges and refunds.

Borrowing costs attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

The parent company recognises dividends from investments in subsidiaries, jointly controlled entities and associates and adjustments of investments at the recoverable amount. Dividends are credited to income in the financial year in which they are declared.

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity.

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

MT Højgaard a/s is taxed jointly with its Danish and foreign subsidiaries (international joint taxation). Subsidiaries are included in the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements, and up to the date on which they are no longer included in the consolidation.

The parent company MT Højgaard a/s is the management company for the Danish joint taxation and consequently settles all income tax payments to the Danish tax authorities.

Balance sheet

Intangible assets
Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life.

Notes

Note

1 **Accounting policies (continued)**

The amortisation period is normally 5-10 years. The amortisation base is reduced by any impairment losses.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises purchase price and costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect cost of materials, components, subsuppliers and labour as well as borrowing costs attributable to the construction of the assets.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life to the expected residual value. The useful lives of major assets are determined on an individual basis, while the useful lives of other assets are determined for groups of uniform assets.

Expected useful lives:	
Buildings	10-50 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-10 years

Land is not depreciated. Nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the date of acquisition and reviewed annually.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as production costs or administrative expenses and are measured as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Investments in associates in the consolidated financial statements
The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Associates with a negative carrying amount are recognised at nil. If the Group has a legal or constructive obligation to cover an associate's negative balance, the negative balance is offset against the Group's receivables from the associate. Any balance is recognised under provisions.

Investments in the parent company financial statements
The parent company measures investments in subsidiaries, jointly controlled entities and associates at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Subsidiaries, jointly controlled entities and associates with a negative carrying amount are recognised at nil. If the parent company has a legal or constructive obligation to cover the negative balance of a subsidiary, jointly controlled entity or associate, the negative balance is offset against the parent company's receivables from the subsidiary, jointly controlled entity or associate. Any balance is recognised under liabilities.

Notes

Note

1 Accounting policies (continued)

Other investments
Other non-current receivables are measured at amortised cost less impairment losses.

Other equity investments are measured at fair value at the balance sheet date.

Impairment of non-current assets
The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than the cost, inventories are written down to this lower value.

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

Properties, project development cases in progress and undeveloped sites that are not classified as held for continued future ownership or use are carried as properties held for resale and measured at the lower of cost and net realisable value.

Receivables
Receivables are measured at amortised cost less impairment losses.

Construction contracts in progress
Construction contracts in progress are measured at the selling price of the work performed. A construction contract is a contract under which the assets or plants in question are constructed to customer specifications and requirements in terms of design, function, etc. Moreover, a binding contract under which any termination will lead to penalties or claims is entered into before work commences.

The selling price is measured in proportion to the stage of completion at the balance sheet date and total expected income from each construction contract. The stage of completion is determined on the basis of the costs incurred and the total expected costs.

Notes

Note

1 Accounting policies (continued)

When it is probable that the total costs on a construction contract in progress will exceed total contract revenue, the total expected loss on the contract is recognised as an expense immediately.

Where the selling price cannot be measured reliably, it is recognised at the lower of costs incurred and net realisable value.

The individual construction contract in progress is recognised in the balance sheet under receivables or current liabilities, depending on the net value of the selling price less progress billings and recognised losses.

Costs in connection with sales work and tendering to secure contracts are recognised as a cost in the income statement under distribution costs in the financial year in which they are incurred.

Prepayments and deferred income

Prepayments are recognised under receivables, and deferred income is recognised under current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years, apart from items relating to construction contracts in progress.

Securities

Listed securities recognised as current assets are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses in the period in which they occur.

Equity

Dividends

Proposed dividends are recognised as a liability at the date of adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item under equity.

Hedging reserve

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve

The translation reserve in the consolidated financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their functional currencies to Danish kroner and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question. On full or partial realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Notes

Note

1 Accounting policies (continued)

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes and office premises. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax is provided for retaxation of previously deducted losses of jointly taxed foreign subsidiaries to the extent that it is deemed that disposal of the investment or withdrawal from the international joint taxation scheme may be relevant.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item under investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations
The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

Provisions
A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when the amount can be measured reliably.

Financial liabilities
Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, comprising trade payables, payables to subsidiaries, jointly controlled entities and associates, and other payables, are measured at amortised cost.

Notes

Note

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on the Group's cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is shown separately under cash flows from investing activities. Cash flows from acquisitions are recognised in the cash flow statement from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities
Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities
Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents
Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

Financial ratios
Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

The financial ratios used are defined under consolidated financial highlights.

Notes

Note

2 Accounting estimates and judgements

Estimation uncertainty

Determining the carrying amounts of some assets and liabilities requires estimation of the effects of future events on the carrying amounts of those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the MT Højgaard Group are described in note 26 on "Financial risks" and in the section on "Commercial risks" in the management's review.

Estimates that are material for the financial reporting relate primarily to measurement of the selling price of construction contracts in progress and the outcome of disputes. This is determined on the basis of, among other things, expected remaining expenses and income. They also include estimates relating to the outcome of litigation in connection with demands for extra payments, etc., which are determined on the basis of, among other things, the stage of negotiations with the counterparty and an evaluation of the likely outcome.

In connection with impairment testing of equity investments and goodwill, we also apply estimates of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the equity investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied. The assumptions for impairment testing of equity investments and goodwill are described in notes 11 and 13 respectively.

Accounting policies

As part of the application of the Group's accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial statements relate primarily to construction contracts in progress, and when income and expenses under contracts with third parties are to be accounted for in accordance with the percentage of completion method or the sales method.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		3	**Information on activities**		
			The MT Højgaard Group works exclusively within building and civil engineering in Denmark and abroad.		
			Internationally, the MT Højgaard Group operates in Europe (the UK, Portugal, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), South-West Asia and the Middle East (Qatar) as well as South America (Panama).		
			A single customer accounts for 13.5% of total consolidated revenue. In the balance sheet at 31 December 2009, net receivables from this customer accounted for less than 4% of total receivables.		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Denmark	6,119.9	8,001.4
			Rest of world	2,967.5	3,169.6
			Total	**9,087.4**	**11,171.0**
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Denmark	775.5	681.8
			Rest of world	147.4	181.4
			Total	**922.9**	**863.2**
		4	**Revenue**		
			Revenue can be broken down as follows:		
6,486.8	5,427.9		Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	8,273.8	9,889.9
464.7	210.0		Revenue from project development cases sold, etc.	210.0	585.4
0.0	2.7		Rental income	603.6	695.7
6,951.5	**5,640.6**		**Total**	**9,087.4**	**11,171.0**
		5	**Depreciation and amortisation**		
0.0	1.4		Intangible assets	2.3	0.8
23.9	27.3		Property, plant and equipment	120.7	118.1
23.9	**28.7**		**Total depreciation and amortisation**	**123.0**	**118.9**
			Deprecation and amortisation are included in the income statement as follows:		
19.7	23.8		Production costs	115.5	99.3
4.2	4.9		Administrative expenses	7.5	19.6
23.9	**28.7**		**Total depreciation and amortisation**	**123.0**	**118.9**

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		6	**Staff costs**		
			The total amount paid in wages and salaries, etc., can be broken down as follows:		
1,043.3	939.4		Wages and salaries, etc.	2,166.3	2,359.9
77.3	70.2		Pension contributions (defined contribution)	158.6	176.9
46.6	40.0		Other social security costs	92.2	90.3
1,167.2	**1,049.6**		**Total**	**2,417.1**	**2,627.1**
3,378	**2,997**		**Average number of employees**	**5,872**	**6,170**
3,264	**2,998**		**Number of employees, year end**	**5,833**	**6,151**
			Total remuneration to the Supervisory Board and the Executive Board:		
2.6	3.0		Supervisory Board	3.0	2.6
13.2	12.2		Executive Board	12.2	13.2
15.8	**15.2**		**Total**	**15.2**	**15.8**
			The total amount paid in remuneration to the members of the Supervisory Board and the Executive Board can be broken down as follows:		
15.8	15.2		Salaries and remuneration, etc.	15.2	15.8
15.8	**15.2**		**Total**	**15.2**	**15.8**
		7	**Fees paid to auditor appointed at the Annual General Meeting (KPMG)**		
1.6	1.6		Audit fees	4.4	4.7
0.1	0.1		Other assurance engagements	0.3	0.2
0.9	0.9		Tax and VAT advice	1.0	0.7
2.3	2.3		Non-audit services	4.7	3.4
4.9	**4.9**		**Total fees**	**10.4**	**9.0**
		8	**Financial income**		
30.6	16.8		Financial income, other	14.1	32.4
6.0	15.4		Interest income, securities	19.1	6.0
0.0	0.0		Capital gains on securities	1.2	0.0
0.2	0.9		Capital gains on sale of equity investments	0.0	0.0
24.7	0.0		Foreign exchange gains	3.4	26.3
65.0	73.0		Dividends from subsidiaries	-	-
127.9	121.9		Dividends from associates and jointly controlled entities	-	-
30.1	0.0		Reversal of impairment loss relating to investments in subsidiaries and associates, etc.	-	-
284.5	**228.0**		**Total financial income**	**37.8**	**64.7**
7.8	8.3		Of which interest received from subsidiaries	-	-

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		9	**Financial expenses**		
17.9	6.0		Interest expense	12.9	26.3
0.6	0.6		Capital losses on securities	0.6	0.6
0.0	0.6		Foreign exchange losses	7.3	4.8
73.1	13.0		Impairment loss relating to investments in subsidiaries and associates, etc.	-	-
0.0	0.0		Value adjustments of other equity investments	0.0	0.5
91.6	**20.2**		**Total financial expenses**	**20.8**	**32.2**
0.0	0.0		Of which interest paid to subsidiaries	-	-
		10	**Income tax expense**		
-27.2	-29.5		Current tax	-57.8	-30.8
-42.0	-33.7		Changes in deferred tax	-26.3	-69.2
-69.2	**-63.2**		**Income tax expense**	**-84.1**	**-100.0**
			Income tax expense can be broken down as follows:		
-69.0	-54.6		Income tax expense before tax measured at Danish tax rate (25%)	-76.7	-89.8
-7.6	-3.2		Deviations in foreign enterprises' tax rates	-7.6	-7.1
55.8	52.4		Non-taxable income	0.0	0.0
-25.3	-3,8		Non-deductible expenses	-0.8	-0,1
-23.1	-54.0		Other, including prior year adjustments and joint taxation	1.0	-3.0
-69.2	**-63.2**		**Income tax expense**	**-84.1**	**-100.0**
25	29		Effective tax rate (%)	27	28
		11	**Intangible assets**		
			Goodwill		
28.0	33.7		Cost at 01-01	80.5	64.0
5.7	0.0		Addition on acquisition of enterprises	13.5	16.5
33.7	33.7		Cost at 31-12	94.0	80.5
0.0	0.0		Impairment losses at 01-01/31-12	0.0	0.0
33.7	**33.7**		**Carrying amount at 31-12**	**94.0**	**80.5**
			Other intangible assets		
0.0	7.1		Cost at 01-01	15.5	0.0
7.1	0.0		Addition on acquisition of enterprises	2.4	15.5
7.1	7.1		Cost at 31-12	17.9	15.5
0.0	0.0		Amortisation and impairment losses at 01-01	0.8	0.0
0.0	1.4		Amortisation	2.3	0.8
0.0	1.4		Amortisation and impairment losses at 31-12	3.1	0.8
7.1	**5.7**		**Carrying amount at 31-12**	**14.8**	**14.7**
40.8	**39.4**		**Total intangible assets**	**108.8**	**95.2**

Notes

Note

11 Intangible assets (continued)

Goodwill

The carrying amounts of goodwill attributable to business area Civil Engineering (DKK 4.0 million), Construction (DKK 24.0 million) and Utility Services (DKK 5.7 million) in MT Højgaard a/s; Enemærke & Petersen a/s (DKK 43.2 million); and Lindpro a/s (DKK 17.2 million), were tested for impairment at 31 December 2009.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2009 the net cash flows were determined on the basis of the approved budget for 2010 and estimates for the years 2011-2014. The growth in the terminal period was fixed at 1% (2008: 2.5%). A discount rate of 11-12% before tax was used to calculate the present value (2008: 10-12%).

The impairment test did not give rise to any write-downs of goodwill to recoverable amount.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

Other intangible assets

Other intangible assets comprise customer lists acquired on acquisition of enterprises and activities.

It is estimated that the useful lives of capitalised intangible assets are limited.

Management has not identified any factors indicating a need for impairment testing of other intangible assets.

Notes

PARENT COMPANY 2009

Note	Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
12	**Property, plant and equipment**					
	Cost at 01-01	165.8	115.0	47.9	0.0	**328.7**
	Disposal on addition of assets to subsidiary	-9.4	-0.3	-0.4	0.0	**-10.1**
	Additions	3.0	62.3	9.9	0.0	**75.2**
	Disposals	0.0	-3.2	0.0	0.0	**-3.2**
	Cost at 31-12	159.4	173.8	57.4	0.0	**390.6**
	Depreciation and impairment losses at 01-01	27.7	74.7	36.0	0.0	**138.4**
	Disposal on addition of assets to subsidiary	-3.7	-0.2	0.0	0.0	**-3.9**
	Depreciation, disposals	0.0	-3.1	0.0	0.0	**-3.1**
	Depreciation	2.5	20.7	4.0	0.0	**27.2**
	Depreciation and impairment losses at 31-12	26.5	92.1	40.0	0.0	**158.6**
	Carrying amount at 31-12	**132.9**	**81.7**	**17.4**	**0.0**	232.0
	Mortgaged properties:					
	Carrying amount	47.6				**47.6**
	Year-end balance, loans	17.3				**17.3**
	Assets held under finance leases:					
	Carrying amount	0.0	0.0	6.1	0.0	**6.1**

Notes

PARENT COMPANY 2008

Note Amounts in DKK million

12 Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
Cost at 01-01	160.8	97.4	49.5	1.7	**309.4**
Addition on acquisition of activities	0.0	5.0	0.0	0.0	**5.0**
Additions	5.0	17.2	4.1	0.2	**26.5**
Disposals	0.0	-4.6	-5.7	-1.9	**-12.2**
Cost at 31-12	165.8	115.0	47.9	0.0	**328.7**
Depreciation and impairment losses at 01-01	24.9	61.7	37.4	0.0	**124.0**
Depreciation, disposals	0.0	-3.8	-5.6	0.0	**-9.4**
Depreciation	2.8	16.8	4.2	0.0	**23.8**
Depreciation and impairment losses at 31-12	27.7	74.7	36.0	0.0	**138.4**
Carrying amount at 31-12	**138.1**	**40.3**	**11.9**	**0.0**	**190.3**
Mortgaged properties:					
Carrying amount	48.7				**48.7**
Year-end balance, loans	18.1				**18.1**
Assets held under finance leases:					
Carrying amount	0.0	0.0	0.0	0.0	**0.0**

Notes

GROUP 2009

Note	Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
12	**Property, plant and equipment (continued)**					
	Cost at 01-01	450.4	825.2	244.0	12.5	**1,532.1**
	Addition on acquisition of activities	0.0	3.5	0.0	0.0	**3.5**
	Additions	24.9	156.4	48.6	13.4	**243.3**
	Disposals	-5.3	-119.8	-11.2	-21.3	**-157.6**
	Cost at 31-12	470.0	865.3	281.4	4.6	**1,621.3**
	Depreciation and impairment losses at 01-01	93.7	542.1	149.8	0.0	**785.6**
	Depreciation, disposals	-1.0	-71.8	-9.5	0.0	**-82.3**
	Depreciation	8.6	73.7	38.2	0.0	**120.5**
	Depreciation and impairment losses at 31-12	101.3	544.0	178.5	0.0	**823.8**
	Carrying amount at 31-12	**368.7**	**321.3**	**102.9**	**4.6**	**797.5**
	Mortgaged properties:					
	Carrying amount	134.1				**134.1**
	Year-end balance, loans	55.4				**55.4**
	Assets held under finance leases:					
	Carrying amount	0.0	11.5	16.0	0.0	**27.5**

Notes

GROUP 2008

Note Amounts in DKK million

12 Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
Cost at 01-01	430.3	793.1	191.0	12.7	**1,427.1**
Addition on acquisition of activities	0.0	8.7	0.0	0.0	**8.7**
Reclassifications, etc.	0.0	-19.4	11.7	0.0	**-7.7**
Additions	43.9	101.9	53.7	19.1	**218.6**
Disposals	-23.8	-59.1	-12.4	-19.3	**-114.6**
Cost at 31-12	450.4	825.2	244.0	12.5	**1,532.1**
Depreciation and impairment losses at 01-01	93.9	518.4	114.9	0.0	**727.2**
Reclassifications	0.0	-19.4	11.7	0.0	**-7.7**
Depreciation, disposals	-8.1	-33.3	-10.5	0.0	**-51.9**
Depreciation	7.9	76.4	33.7	0.0	**118.0**
Depreciation and impairment losses at 31-12	93.7	542.1	149.8	0.0	**785.6**
Carrying amount at 31-12	**356.7**	**283.1**	**94.2**	**12.5**	**746.5**
Mortgaged properties:					
Carrying amount	120.1				**120.1**
Year-end balance, loans	46.9				**46.9**
Assets held under finance leases:					
Carrying amount	0.0	19.4	10.7	0.0	**30.1**

Notes

PARENT COMPANY

Note	Amounts in DKK million	Investments in subsidiaries	Investments in jointly controlled entities and associates	Other equity investments	Receivables from associates	Deferred tax assets	Total
13	**Investments**						
	2009						
	Cost at 01-01	553.3	47.7	0.3			
	Additions	3.0	2.4	0.0			
	Addition of assets to subsidiaries	6.1	0.0	0.0			
	Disposals	-52.1	0.0	-0.3			
	Cost at 31-12	510.3	50.1	0.0			
	Adjustments at 01-01	-167.8	0.0	0.0			
	Impairment losses	-13.0	0.0	0.0			
	Disposals	50.3	0.0	0.0			
	Adjustments at 31-12	-130.5	0.0	0.0			
	Carrying amount at 31-12	**379.8**	**50.1**	**0.0**	**19.8**	**118.7**	**568.4**
	2008						
	Cost at 01-01	462.2	47.0	0.2			
	Additions	91.1	0.8	0.1			
	Disposals	0.0	-0.1	0.0			
	Cost at 31-12	553.3	47.7	0.3			
	Adjustments at 01-01	-124.8	0.0	0.1			
	Impairment losses	-73.1	0.0	0.0			
	Reversal of impairment losses	30.1	0.0	0.0			
	Disposals	0.0	0.0	-0.1			
	Adjustments at 31-12	-167.8	0.0	0.0			
	Carrying amount at 31-12	**385.5**	**47.7**	**0.3**	**19.3**	**167.4**	**620.2**

A list of the consolidated enterprises is given in note 33.

In 2009, investments in subsidiaries were written down by DKK 13.0 million to recoverable amount.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. A discount rate of 11-12% before tax was used to calculate the present value (2008: 10-12%).

Impairment losses for the year are recognised under financial expenses in note 9.
The impairment losses relate to MT Højgaard Grønland ApS and MT Højgaard Føroyar P/F.
The carrying amounts have been written down to the estimated recoverable amounts.

Notes

GROUP

Note	Amounts in DKK million	Investments in associates	Other equity investments	Receivables from associates	Deferred tax assets	Total
13	**Investments (continued)**					
	2009					
	Cost at 01-01	1.7	0.3			
	Additions	0.0	0.0			
	Disposals	0.0	-0.3			
	Cost at 31-12	1.7	0.0			
	Adjustments at 01-01	-0.1	0.3			
	Share of profit for the year after tax	0.3	-			
	Other adjustments	-0.7	-0.3			
	Adjustments at 31-12	-0.5	0.0			
	Carrying amount at 31-12	**1.2**	**0.0**	**15.4**	**113.3**	**129.9**
	2008					
	Cost at 01-01	2.0	2.5			
	Additions	0.8	0.0			
	Disposals	-1.1	-2.2			
	Cost at 31-12	1.7	0.3			
	Adjustments at 01-01	-1.0	-1.5			
	Other adjustments	0.9	1.8			
	Adjustments at 31-12	-0.1	0.3			
	Carrying amount at 31-12	**1.6**	**0.6**	**19.3**	**139.6**	**161.1**

Associates (the figures represent our ownership interest)	Revenue	Profit for the year	Total assets	Total liabilities	Total contingent liabilities
2009	**4.0**	**0.4**	**158.8**	**146.1**	**0.0**
2008	**6.1**	**0.0**	**64.5**	**75.6**	**0.0**

The following companies are associates:
OPP Hobro Tinglysningsret a/s (33%)
OPP Vildbjerg Skole A/S (50%)
OPP Ørstedskolen a/s (33%)

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		14	**Inventories**		
			Raw materials and consumables		
3.6	3.8		Cost at 01-01	80.3	64.5
0.6	0.3		Additions	70.1	74.2
-0.4	-1.7		Disposals	-74.9	-58.4
3.8	2.4		Cost at 31-12	75.5	80.3
0.0	0.0		Adjustments at 01-01	-0.4	0.0
0.0	0.0		Adjustments for the year	0.0	-0.4
0.0	0.0		Adjustments at 31-12	-0.4	-0.4
3.8	**2.4**		**Carrying amount at 31-12**	**75.1**	**79.9**
0.0	0.0		Value of inventories recognised at net realisable value	0.6	0.4
			Properties held for resale		
489.2	481.0		Cost at 01-01	488.3	531.1
0.0	0.0		Adjustments to start of year	0.0	14.6
177.9	30.7		Additions	30.7	177.9
-186.1	-1.4		Disposals	-1.4	-235.3
481.0	510.3		Cost at 31-12	517.6	488.3
-5.7	-14.5		Adjustments at 01-01	-14.5	8.9
0.0	0.0		Adjustments to start of year	0.0	-14.6
-8.8	-3.1		Impairment losses	-3.1	-8.8
-14.5	-17.6		Adjustments at 31-12	-17.6	-14.5
466.5	**492.7**		**Carrying amount at 31-12**	**500.0**	**473.8**
34.6	35.9		Value of properties recognised at net realisable value	41.7	40.3
			Mortgaged properties:		
0.0	0.0		Carrying amount	5.7	5.7
0.0	0.0		Year-end balance, loans	1.1	1.3

Properties for resale consist mainly of undeveloped sites that are held with a view to project development activities, and completed dwellings for resale.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		15	**Receivables**		
7.5	8.5		Receivables falling due more than one year after the balance sheet date	8.5	7.5
			Receivables falling due more than one year after the balance sheet date relate to rent deposits.		
			The fair value of receivables is deemed to correspond to the carrying amount.		
		16	**Securities**		
158.6	462.8		Bonds	563.4	158.6
158.6	**462.8**		**Total carrying amount**	**563.4**	**158.6**
158.7	462.1		Nominal holding	559.8	158.7
8.7	70.2		Bonds maturing more than one year after the balance sheet date	150.6	8.7
0.2	0.3		Maturity of bond portfolio (years)	0.9	0.2
3.9	2.7		Effective interest rate on bond portfolio (%)	3.5	3.9
42.4	56.3		Bonds lodged as security, contracts (market value)	56.3	42.4
0.0	0.0		Bonds featuring as registered assets in MTH Insurance a/s (quoted price)	100.7	0.0
			The parent company and the Group measure the bond portfolio at fair value via the income statement in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are regularly monitored and reported at fair value.		

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		17	**Interest-bearing liabilities**		
			Total interest-bearing liabilities can be broken down by commitment type as follows:		
24.8	30.7		Bank loans, etc.	95.3	66.9
0.0	6.2		Lease commitments (assets held under finance leases)	36.7	55.7
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
			Total interest-bearing liabilities can be broken down by currency as follows:		
24.8	36.9		DKK	87.4	101.4
0.0	0.0		EUR	44.6	21.2
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
			Total interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:		
24.8	36.9		Fixed-rate debt	74.1	79.8
0.0	0.0		Floating-rate debt	57.9	42.8
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
			Total interest-bearing liabilities can be broken down by effective interest rate as follows:		
6.7	18.2		Less than 5%	82.9	79.6
18.1	18.7		Between 5% and 7%	49.0	43.0
0.0	0.0		More than 7%	0.1	0.0
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
5.0	4.2		Weighted average effective interest rate (%)	4.2	4.7
11.6	8.2		Weighted average remaining term (years)	5.0	5.1
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
23.8	33.6		Non-current liabilities	95.7	86.9
1.0	3.3		Current liabilities	36.3	35.7
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
24.7	**36.3**		**Fair value**	**130.9**	**120.6**
			The fair value of the financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.		

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		18	**Deferred tax assets and deferred tax liabilities**		
-209.4	-167.4		Deferred tax (net) at 01-01	-139.6	-209.6
0.0	0.3		Disposal on addition of assets to subsidiary	-	-
42.0	33.7		Changes via income statement	26.3	69.2
0.0	14.7		Other adjustments	0.0	0.8
-167.4	**-118.7**		**Deferred tax (net) at 31-12**	**-113.3**	**-139.6**
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
8.4	10.3		Property, plant and equipment	9.3	20.7
0.0	0.0		Current assets	2.4	2.1
14.4	16.2		Non-current liabilities	18.4	15.8
7.7	10.3		Current liabilities	15.0	11.5
225.6	182.1		Tax loss carryforwards	224.1	226.1
256.1	218.9		Deferred tax assets at 31-12 before set-off	269.2	276.2
-88.7	-100.2		Set-off within legal entities and jurisdictions (countries)	-155.9	-136.6
167.4	**118.7**		**Deferred tax assets at 31-12**	**113.3**	**139.6**
			Deferred tax liabilities		
3.0	2.6		Intangible assets	6.6	6.3
0.0	10.5		Property, plant and equipment	11.1	0.0
85.7	87.1		Current assets	138.2	130.3
88.7	100.2		Deferred tax liabilities at 31-12 before set-off	155.9	136.6
-88.7	-100.2		Set-off within legal entities and jurisdictions (countries)	-155.9	-136.6
0.0	**0.0**		**Deferred tax liabilities at 31-12**	**0.0**	**0.0**
-167.4	**-118.7**		**Deferred tax (net) at 31-12**	**-113.3**	**-139.6**

Deferred tax has been calculated using the tax rates effective in the respective countries to which the deferred tax relates.

The tax loss carryforwards are not subject to any time limits and are expected to be utilised by set-off against future earnings.

A substantial proportion of the deferred tax asset relating to tax loss carryforwards is attributable to a timing difference between recognition applying tax rules and recognition applying accounting rules, which is primarily reflected in the deferred tax on current assets.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		19	**Provisions**		
45.5	64.4		Guarantee works, etc., at 01-01	98.9	72.1
19.2	9.5		Provided in the year	11.5	29.1
-0.3	-0.3		Utilised in the year	-1.6	-1.0
0.0	0.0		Reversal of unutilised prior year provisions	-5.8	-1.3
64.4	73.6		Guarantee works, etc., at 31-12	103.0	98.9
-	-		Employee liabilities at 01-01	0.0	0.0
-	-		Liability acquired	38.4	0.0
-	-		Provided in the year	21.7	0.0
-	-		Employee liabilities at 31-12	60.1	0.0
-	**-**		**Carrying amount at 31-12**	**163.1**	**98.9**
			Provisions are recognised in the balance sheet as follows:		
64.1	73.3		Non-current provisions	144.7	90.1
0.3	0.3		Current provisions	18.4	8.8
64.4	**73.6**		**Carrying amount at 31-12**	**163.1**	**98.9**
			Expected maturity dates:		
0.3	0.3		Less than one year	18.4	8.8
11.8	13.3		Between one and two years	25.2	13.7
35.2	39.5		Between two and five years	67.8	40.5
17.1	20.5		More than five years	51.7	35.9
64.4	**73.6**		**Carrying amount at 31-12**	**163.1**	**98.9**

Guarantee works, etc., relate primarily to provisions in respect of one-year and five-year guarantee works on completed contracts.

Employee liabilities comprise mainly insurance-related provisions for industrial injury cover that is covered under the Group's self-insurance programme.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		20	**Construction contracts in progress**		
7,045.7	6,453.3		Progress billings	7,971.1	9,119.2
-6,102.5	-5,267.5		Selling price of construction contracts	-6,827.0	-8,113.5
943.2	**1,185.8**		**Construction contracts in progress (net)**	**1,144.1**	**1,005.7**
			Construction contracts in progress are recognised in the balance sheet as follows:		
1,202.2	1,314.1		Current liabilities	1,527.2	1,484.3
-259.0	-128.3		Receivables	-383.1	-478.6
943.2	**1,185.8**		**Construction contracts in progress (net)**	**1,144.1**	**1,005.7**
			Prepayments received from customers are recognised separately in the balance sheet under current liabilities.		
		21	**Security arrangements**		
			Normal security in the form of bank guarantees, guarantee insurances and bond deposits has been provided for contracts and supplies.		
			The guarantees provided relate to:		
14.7	8.5		Bid bonds	39.2	18.4
1,511.8	1,636.1		Contracts and supplies in progress	2,067.4	2,060.6
1,133.2	916.7		Completed contracts and supplies	1,278.4	1,427.8
2,659.7	**2,561.3**		**Total**	**3,385.0**	**3,506.8**

Guarantees in respect of completed contracts and supplies relate to normal one-year and five-year guarantee works.

Similar security has been provided for prepayments received, etc., recognised in the balance sheet as liabilities.

In addition, land and buildings have been lodged as security for bank loans, etc., see notes 12 and 14.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		22	**Lease commitments**		
			Finance leases		
			Total future minimum lease payments:		
0.0	2.4		Due within one year	12.4	34.5
0.0	4.0		Due between two and five years	20.3	21.2
0.0	0.0		Due after more than five years	7.3	4.8
0.0	**6.4**		**Total**	**40.0**	**60.5**
			Carrying amount (present value):		
0.0	2.3		Due within one year	11.3	29.2
0.0	3.9		Due between two and five years	18.6	18.6
0.0	0.0		Due after more than five years	6.8	3.5
0.0	**6.2**		**Total**	**36.7**	**51.3**
0.0	0.2		Financial expenses	3.3	9.2
			Financial expenses have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These financial expenses are recognised in the income statement over the lease term.		
			Operating leases		
			Total future minimum lease payments:		
32.7	36.6		Due within one year	65.4	50.9
96.0	98.4		Due between two and five years	157.0	156.9
41.1	25.8		Due after more than five years	89.3	97.6
169.8	**160.8**		**Total**	**311.7**	**305.4**
32.3	38.9		Lease payments relating to operating leases recognised in the income statement	59.2	48.5

The Group's finance and operating leases primarily relate to vehicles and operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 15 years. None of the leases features contingent rent.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		23	**Contingent assets and contingent liabilities**		
			Indemnities		
			In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, joint ventures and contracts won by subsidiaries.		
			Pending disputes and litigation		
			The MT Højgaard Group is involved in various disputes and legal and arbitration proceedings (expences as well as income). In management's opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position.		
		24	**Related parties**		
			Control		
			The Group has a controlling related party relationship with the principal shareholders in the parent company MT Højgaard a/s. The parent company is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen.		
			Significant influence		
			Related parties with significant influence comprise the members of the company's Supervisory Board and Executive Board.		
			The parent company's related parties also include subsidiaries and associates in which MT Højgaard a/s has control or significant influence. A list of the consolidated enterprises is given on page 33.		
			Intragroup transactions		
			Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and normal management remuneration, no transactions have been effected during the year with major shareholders, members of the Supervisory Board or Executive Board or other related parties. Remuneration to the Executive Board and Supervisory Board is disclosed in note 6.		
			Transactions between MT Højgaard a/s and the other group enterprises are based on arm's length terms.		
			Intragroup transactions between the parent company and the other consolidated enterprises can be broken down as follows:		
313.0	327.0		Purchases of goods and services from subsidiaries	-	-
17.7	19.0		Sales of goods and services to subsidiaries		
44.0	7.0		Purchases of goods and services from associates and jointly controlled entities	-	-
19.9	1.0		Sales of goods and services to associates and jointly controlled entities	-	-
			Transactions between consolidated enterprises have been eliminated in the consolidated financial statements.		

Notes

Note Amounts in DKK million

24 Related parties (continued)

The parent company's balances with subsidiaries, associates and jointly controlled entities at 31 December are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement and business-related balances concerning purchases and sales of goods and services. The business-related balances are non-interest bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. Balances with subsidiaries, associates and jointly controlled entities were not written down in 2009 or 2008.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 8 and 9.

The parent company's dividends from subsidiaries and associates are disclosed in note 8.

The company's independent auditor
The company's independent auditor, KPMG Statsautoriseret Revisionspartner-selskab, has concluded a design-build contract for approx. DKK 900 million with MT Højgaard a/s on the construction of KPMG's new head office at Flintholm Station, Frederiksberg. The construction period is approx. 2 1/2 years, and the building is expected to be handed over in autumn 2011.

The conclusion of this contract and the commencement of the construction work have not given rise to any circumstances that may influence KPMG's independence as auditors of the company elected by the shareholders in general meeting.

25 Joint ventures

The MT Højgaard Group participates in two forms of joint ventures: jointly controlled operations and jointly controlled entities.

Jointly controlled operations are recognised in the parent company and consolidated financial statements on a proportionate basis in accordance with the contractual arrangement, whereby the proportionate share of assets, liabilities, income and expenses from the jointly controlled operations is recognised in the corresponding items in the financial statements.

Jointly controlled entities are recognised in the consolidated financial statements applying proportionate consolidation. The parent company measures investments in jointly controlled entities at cost and recognises them as associates.

Notes

Note

25 Joint ventures (continued)

The Group participates in the following joint ventures.

Joint ventures		Ownership interest	Other joint venturers
Jointly controlled operations			
Aircon JV	*	50.00%	Hoffmann A/S
Changuinola Civil Works JV	*	50.00%	E. Pihl & Søn A/S
EL – FTTH Nord **	*	50.00%	Lindpro a/s
Eidi 2 Konsortiet		50.00%	PF. J&K Contractors
Eidi 2 Sudur Konsortiet		50.00%	PF. J&K Contractors
JV ElSyd **	*	50.00%	Lindpro a/s
KFT-JV	*	50.00%	Hochtief Construction AG
LOKO JV	*	66.00%	M.J. Eriksson Aktieselskab
M3-Konsortiet	*	60.00%	M.J. Eriksson Aktieselskab
M10-Syd-Konsortiet	*	60.00%	M.J. Eriksson Aktieselskab
MT Højgaard – Bravida JV/CTR	*	50.00%	Bravida Danmark A/S
MT Højgaard – Pihl	*	50.00%	E. Pihl & Søn A/S
Nuna Konsortiet	*	40.00%	Atcon Grønland A/S
			Arssarnerit A/S
Jointly controlled entities			
Greenland Contractors I/S	*	66.66%	Greenland Resources A/S
MTHojgaard Al Obaidly W.L.L.		49.00%	OITC W.L.L.
Seth S.A.		60.00%	OPERATIO Lda.

*) With reference to Section 5(1) of the Danish Financial Statements Act, these Danish joint ventures have omitted preparing annual reports as they are recognised in the consolidated financial statements.

**) Intragroup joint ventures that have been eliminated in the consolidated financial statements.

Notes

Note Amounts in DKK million

26 Financial risks

MT Højgaard's activities entail various financial risks that may affect the Group's development, financial position and operations.

There have been no significant changes in the Group's risk exposure or risk management compared with 2008.

MT Højgaard maintains an overview of the Group's currency positions and interest rate sensitivity with a view to mitigating currency risks and maintaining interest rate sensitivity at a low level.

Currency risks
Currency risks are managed centrally in MT Højgaard with a view to mitigating the effects of currency fluctuations. On projects, MT Højgaard strives to minimise risks by seeking to match income to expenditure so that they balance with respect to currency and by using forward exchange contracts.

Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. In the consolidated income statement the amount recognised amounted to an expense of DKK 17.3 million (2008: income of DKK 12.6 million). In the parent company income statement the amount recognised amounted to an expense of DKK 14.4 million (2008: income of DKK 12.6 million).

The open forward exchange contracts at 31 December 2009 had a remaining term of up to 5 years (2015).

Consolidated revenue denominated in foreign currencies, predominantly EUR, amounted to DKK 2.4 billion in 2009 (2008: DKK 2.2 billion).

The Group's principal currency exposure is mainly related to EUR, USD, GBP, NOK and SEK.

The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below:

Notes

PARENT COMPANY				GROUP	
		Note	Amounts in DKK million		
		26	**Financial risks (continued)**		
Hypothetical effect on profit for the year and equity	Nominal cash and cash equivalents, and financial liabilities			Nominal cash and cash equivalents, and financial liabilities	Hypothetical effect on profit for the year and equity
1.3	167.9		EUR/DKK, probable change in exchange rate 1%	187.9	1.4
6.7	177.4		USD/DKK, probable change in exchange rate 5%	58.5	2.2
-0.8	-21.4		GBP/DKK, probable change in exchange rate 5%	-9.8	-0.4
-0.2	-6.6		SEK/DKK, probable change in exchange rate 5%	-6.6	-0.2
-15.6	-414.7		NOK/DKK, probable change in exchange rate 5%	-414.7	-15.6
	-97.4			**-184.7**	

A decrease in the exchange rate would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analyses are based on the financial instruments recognised at 31 December 2009 and an assumption of unchanged production/sales and price level.

Interest rate risks
Interest rate risks relate mainly to cash/securities and interest-bearing debt items.

Cash/securities stood at DKK 956.1 million at the end of 2009 and is mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than one year at the end of 2009.

The Group's interest-bearing liabilities stood at DKK 132.0 million at the end of 2009, with short-term borrowings accounting for 28%. The average weighted remaining maturity of the Group's interest-bearing debt was 5.0 years, and the weighted average effective interest rate was 4.2%. Fixed-rate debt accounted for 56% of the Group's interest-bearing debt.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 3.5 million decrease in profit for the year and equity at 31 December 2009 (2008: decrease of DKK 0.3 million). A one percentage point decrease in the interest rate level would have had a corresponding positive effect.

Changes in cash flows: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash/securities and debt would have been a DKK 2.9 million increase in profit for the year and equity at 31 December 2009 (2008: increase of DKK 2.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		26	**Financial risks (continued)**		
			Credit risks Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner. The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as the Group requests security in the form of bank guarantees and guarantee insurances or similar to a considerable extent when entering into contracts with private clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment. Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients. Write-downs included in receivables developed as follows:		
1.4	1.2		Carrying amount at 01-01	9.2	7.7
0.2	1.3		Provided in the year	9.3	3.1
-0.4	-0.9		Utilised in the year	-1.4	-0.3
0.0	0.0		Reversal of unutilised prior year provisions	0.0	-1.3
1.2	**1.6**		**Carrying amount at 31-12**	**17.1**	**9.2**
1.2	1.6		Nominal value of written-down receivables	19.3	9.5
140.9	181.3		Receivables that were past due by more than 90 days at 31 December but not impaired	194.4	201.6
707.8	916.4		Security received in respect of receivables	934.4	710.4

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		26	**Financial risks (continued)**		
			Liquidity risks		
			Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.		
			The Group's financial resources consist of cash, securities and undrawn credit facilities. At the end of 2009, the financial resources stood at DKK 1,307 million compared with DKK 1,141 million in 2008.		
			A cash pool agreement has been established for the parent company and most of the Group's subsidiaries.		
			Interest-bearing liabilities and trade payables can be broken down as follows:		
24.8	36.9		Interest-bearing liabilities	132.0	122.6
801.3	734.2		Trade payables	1,008.6	1,150.6
826.1	**771.1**		**Total carrying amount**	**1,140.6**	**1,273.2**
			The maturity profile for accounting purposes can be broken down as follows:		
802.3	737.6		Less than one year	1,044.9	1,186.3
0.9	3.3		Between one and two years	11.5	15.3
9.9	18.4		Between two and five years	33.1	31.3
13.0	11.8		More than five years	51.1	40.3
826.1	**771.1**		**Total carrying amount**	**1,140.6**	**1,273.2**
			Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.		
			The Group's borrowing and credit facilities are not subject to any special terms or conditions.		
			Categories of financial instruments		
			Carrying amount by category:		
171.2	462.8		Financial assets measured at fair value via the income statement	563.4	171.2
2,404.2	2,431.8		Loans and receivables	2,912.7	3,070.8
0.0	12.8		Financial liabilities measured at fair value via the income statement	14.7	0.0
1,718.0	1,717.5		Financial liabilities measured at amortised cost	2,181.0	2,237.6
			Fair value hierarchy for financial instruments measured at fair value in the balance sheet		
			The Group's securities are valued based on quoted prices (level 1).		
			The Group's derivative financial instruments are valued at observable prices (level 2).		

Notes

Note Amounts in DKK million

27 Capital management

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The equity ratio was 29% in 2009 compared with 27% at the end of 2008.

28 New International Financial Reporting Standards and IFRIC Interpretations

The IASB has issued a number of standards and interpretations that are not mandatory for MT Højgaard in connection with the preparation of the annual report for 2009: IFRS 3, amendments to IAS 27, more amendments to IASs 32 and 39 and IFRIC 9, amendments to IFRS 2, amendments to IFRS 1, some parts of improvements to IFRSs (May 2008), improvements to IFRSs (April 2009), IFRIC 17-19, amendment to IFRIC 14, revised IAS 24 and IFRS 9. Amendments to IFRS 2, amendments to IFRS 1, improvements to IFRSs (April 2009), IFRICs 19, amendment to IFRIC 14, revised IAS 24 and IFRS 9 have yet to be adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. Apart from the standards set out below, none of the new standards or interpretations referred to above is expected to have any material effect on the MT Højgaard Group's financial reporting.

IFRS 3 "Business Combinations" (revised) and revised IAS 27 "Consolidation" became effective for financial years beginning on or after 1 July 2009. The technical adjustments to the purchase method in IFRS 3 are only expected to have limited effect on the MT Højgaard Group's financial reporting.

29 Events after the balance sheet date

So far as management is aware, no events have occurred between 31 December 2009 and the date of signing of the annual report that will have a material effect on the assessment of MT Højgaard Group's financial position at 31 December 2008, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		30	**Non-cash operating items**		
			Non-cash operating items		
26.2	29.9		Depreciation and impairment losses – property, plant and equipment	122.6	125.3
-23.2	25.8		Other adjustments	13.2	-66.3
3.0	**55.7**		**Total non-cash operating items**	**135.8**	**59.0**
-27.4	-75.2		Purchase of property, plant and equipment, including assets held under finance leases	-243.2	-214.8
0.0	6.2		Portion relating to lease commitments	7.3	0.0
-27.4	**-69.0**		**Purchase of property, plant and equipment**	**-235.9**	**-214.8**
0.0	12.1		Increase in bank loans, etc., including lease commitments	15.1	0.0
0.0	-6.2		Portion relating to lease commitments	-7.3	0.0
0.0	**5.9**		**Increase in non-current bank loans, etc.**	**7.8**	**0.0**
		31	**Acquisition of enterprises and activities**		
			Acquisition of enterprises and activities		
7.1	0.0		Intangible assets	2.4	15.5
5.0	0.0		Property, plant and equipment	3.5	8.7
0.2	0.0		Inventories	2.3	2.7
0.0	0.0		Receivables	8.4	6.6
0.0	0.0		Cash and cash equivalents	1.9	0.0
0.0	0.0		Non-current liabilities	-0.6	-2.2
0.0	0.0		Current liabilities	-12.0	-6.4
12.3	**0.0**		**Identifiable net assets acquired**	**5.9**	**24.9**
5.7	0.0		Goodwill	12.4	16.5
18.0	**0.0**		**Purchase price**	**18.3**	**41.4**
0.0	0.0		Cash and cash equivalents in acquired enterprises	-1.9	0.0
18.0	**0.0**		**Cash purchase price, net**	**16.4**	**41.4**
			Carrying amount of assets acquired and liabilities and contingent liabilities assumed before the acquisition date:		
7.1	0.0		Intangible assets	0.0	0.0
5.0	0.0		Property, plant and equipment	2.4	8.7
0.2	0.0		Inventories	2.3	2.7
0.0	0.0		Receivables	8.4	6.6
0.0	0.0		Cash and cash equivalents	1.9	0.0
0.0	0.0		Non-current liabilities	0.0	-0.2
0.0	0.0		Current liabilities	-12.0	-6.4
12.3	**0.0**		**Total carrying amount before acquisition**	**4.1**	**11.4**

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		31	**Acquisition of enterprises and activities (continued)**		
			In connection with the acquisition of enterprises and activities customer relations have been acquired that have been recognised at fair value on acquisition.		
			After recognition of identifiable assets and liabilities at fair value, goodwill in connection with acquisitions was calculated as DKK 12.4 million, which represents the future economic benefits from assets such as knowhow and synergies. The acquired activities feature with DKK 0.1 million in consolidated profit for 2009.		
			Consolidated revenue and profit for the year (unaudited), measured as if the acquired activities were taken over at 1 January 2009, amounted to DKK 9,109.8 million and DKK 223.1 million respectively.		
			For further details of the enterprises acquired, reference is made to the separate section on this in the management's review.		
		32	**Cash and cash equivalents**		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
249.8	230.0		Distributable cash	358.7	292.0
182.5	32.3		Share of cash and cash equivalents in joint ventures	34.0	184.8
432.3	**262.3**		**Cash and cash equivalents**	**392.7**	**476.8**
0.0	0.0		Current portion of bank loans, etc.	-21.0	-0.4
432.3	**262.3**		**Total cash and cash equivalents**	**371.7**	**476.4**
			Share of cash and cash equivalents in joint ventures is available exclusively to the joint ventures.		

Notes

33 Company overview

Subsidiaries, jointly controlled entities and associates at 31 December 2009

Companies		Registered office	Ownership interest %	Share capital ('000)	
MT Højgaard a/s					
Ajos a/s		Hvidovre DK	100.00	DKK	500
Enemærke & Petersen a/s		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforretning ApS		Ringsted DK	100.00	DKK	200
Bendix Træ & Glas ApS		Hvidovre DK	100.00	DKK	200
Bode Byg A/S af 1997		Solrød DK	100.00	DKK	500
Bode Byg Facade A/S		Solrød DK	100.00	DKK	500
Greenland Contractors I/S	(J)	Copenhagen DK	66.66	DKK	-
Lindpro a/s		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greenland DK	100.00	DKK	2,000
LN Entreprise A/S		Søborg DK	100.00	DKK	15,216
MHF 20061002 a/s		Søborg DK	100.00	DKK	1,101
MT (UK) Ltd.		UK GB	100.00	GBP	25
MT Atlantic Inc.		USA US	100.00	USD	10
MT Højgaard Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Hojgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MT Hojgaard Al Obaidly W.L.L.	(J)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MTH Insurance a/s		Søborg DK	100.00	DKK	30,000
OPP Vildbjerg Skole A/S	(A)	Hellerup DK	50.00	DKK	500
OPP Hobro Tinglysningsret a/s	(A)	Hellerup DK	33.33	DKK	700
OPP Ørstedskolen a/s	(A)	Hellerup DK	33.33	DKK	2,400
Promecon as		Fredericia DK	100.00	DKK	5,000
Promecon as		Norway NO	100.00	NOK	500
Promecon Vietnam Company Limited		Vietnam VN	100.00	USD	50
Scandi Byg a/s		Løgstør DK	100.00	DKK	3,000
Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal PT	60.00	EUR	4,000
Timbra a/s		Høje Taastrup DK	100.00	DKK	500

(A) associates.

(J) jointly controlled entities. These are consolidated on a proportionate basis in the consolidated financial statements.

OTHER INFORMATION

Consolidated financial highlights – EUR

Amounts in EUR million	2005	2006	2007	2008	2009
Income statement					
Revenue	1,112	1,487	1,574	1,501	1,221
Operating profit (EBIT)	14	8	26	44	39
Net financing costs and profit (loss) of associates	-2	-1	16	4	2
Profit before tax	13	7	42	48	41
Profit for the year	10	5	32	35	30
Balance sheet					
Share capital	30	30	30	30	30
Equity attributable to equity holders of the parent	130	134	165	194	216
Equity incl. minority interests	133	137	165	194	216
Balance sheet total	524	648	676	709	740
Interest-bearing deposit/debt (+/-)	-5	7	26	69	111
Invested capital	140	133	141	136	118
Cash flows					
Cash flows from operating activities	46	43	-10	72	65
Cash flows for investing activities	-23	-32	9	-24	-70
Cash flows from financing activities	-6	-1	-5	-8	-9
Net increase (decrease) in cash and cash equivalents	17	9	-5	40	-14
Financial ratios (%)					
Gross margin	5.5	4.0	4.8	6.4	7.6
Operating margin (EBIT margin)	1.3	0.5	1.7	2.9	3.2
Pre-tax margin	1.1	0.5	2.7	3.2	3.4
Return on invested capital (ROIC)	10.1	5.9	19.3	30.7	30.7
Return on equity (ROE)	8.2	3.7	20.9	19.4	14.6
Equity ratio	25.3	21.2	24.5	27.3	29.2
Other information					
Order book, year end	1,123	1,445	1,436	1,272	1,002
Average number of employees	5,660	6,289	6,494	6,170	5,872

The consolidated financial highlights in EUR are supplementary information to the financial statements, and have not been prepared in compliance with IFRS.

Income statement, balance sheet and cash flow statement items for all years have been translated from DKK into EUR using Danmarks Nationalbank's official exchange rate at 31 December 2009 of 7.44.

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