



Stock exchange announcement

24 May 2011  
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## **Interim report for 1 January to 31 March 2011 (1st quarter 2011)**

The board of directors of Højgaard Holding A/S has today considered and approved this interim report for the period from 1 January to 31 March 2011.

- The group's revenue was DKK 1.2 billion, up 21% on the same period last year.
- MT Højgaard A/S recorded a loss before tax of DKK 19 million, compared to a profit of DKK 6 million for the same period in the previous year. The result is in line with expectations.
- The group recorded a loss before tax of DKK 7 million, compared to a profit of DKK 7 million for the same period in the previous year.
- For 2011, the Højgaard Holding group still expects to achieve a revenue of approximately DKK 5 billion and a pre-tax margin in the region of 1%.

Best regards,  
Højgaard Holding A/S

Helge Israelsen  
Chairman of the board

Berit Lovring  
CEO

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*This statement has been translated from the Danish language, and in the event of any discrepancies between the Danish and the English language versions, the Danish language version is the governing text.*



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## Highlights and key figures for the group

<u>DKK million</u>	<b>2011</b>	2010	2010
	<b>1st quarter</b>	1st quarter	Full year
<b>Income statement</b>			
Revenue	1,176	969	4,553
Operating profit	-3	1	60
Financial items and profit of associates	-4	6	7
Profit before tax	-7	7	66
Profit after tax	-7	5	42
<b>Balance sheet</b>			
Non-current assets	591	549	584
Current assets	2,123	2,341	2,058
Equity	957	971	963
Liabilities	1,757	1,919	1,679
Balance sheet total	2,714	2,890	2,642
Interest bearing net deposit	127	584	280
Invested capital	830	387	683
<b>Cash flows</b>			
Cash flow to/from operating activities	-135	39	-167
Cash flow to/from investment activities			
<i>Net investments other than securities</i>	-16	-2	-54
<i>Net investments in securities</i>	23	-59	183
Cash flow to/from financing activities	-2	21	-27
Total cash flow	-130	-1	-65
<b>Key figures</b>			
Pre-tax margin, %	-0.6	0.7	1.5
Dividend paid, DKK million	-	-	42
Average number of shares, million	4.2	4.2	4.2
Number of shares at end of period, million	4.2	4.2	4.2
Earnings and diluted earnings per share (EPS and EPS-D), DKK	-1.6	1.3	10.1
Book value per share, DKK	228	231	229
Share price at end of period, A-shares	166	242	175
Share price at end of period, B-shares	165	244	173
Total market value, DKK million	697	1,020	734
Share price/book value	0.7	1.0	0.8
Return on equity for the period, %	-0.7	0.6	4.4
Equity ratio, %	35.3	33.6	36.5
<b>Other information</b>			
Order book at end of period	4,777	4,423	5,043
Average number of employees	2,573	2,943	2,847

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for interim reporting by listed companies. The accounting policies applied remain unchanged from the annual report for 2010 apart from the fact that IFRSs and IFRICs with an effective date of 1 January 2011, including IAS 24, amendments to IFRIC 14 and improvements to IFRS (May 2010), have been implemented. The new reporting standards and interpretation contributions have not affected recognition and measurement.

MT Højgaard is included in the consolidated accounts on a proportional consolidation basis based on a holding of 54%. The key figures have been calculated in accordance with the Danish Society of Financial Analysts' guidelines for the calculation of key figures.

The interim report has not been audited or reviewed by the company's auditors.



## Management's review

Højgaard Holding A/S' main asset is the 54% ownership share of MT Højgaard A/S. The management contract with Banedanmark held by Højgaard Industri A/S for the production of concrete sleepers at the facility in Fredericia owned by Banedanmark runs until and including February 2012. Højgaard Holding's own cash resources amount to approximately DKK 85 million, after the dividend for 2010 has been paid.

The group's profit before tax was DKK -7.5 million against DKK 7.3 million for the same period last year.

In 2011, the group's interest bearing net deposit was reduced by DKK 153 million to DKK 127 million, primarily due to financing a higher net value of contract work in progress in the MT Højgaard group.

The group's equity stood at DKK 957 million on 31 March 2011, and the book value corresponds to DKK 228 per share of DKK 20. A dividend of DKK 8 per share for 2010 (in total DKK 33.6 million) was paid at the beginning of May 2011.

### MT Højgaard group

Holding 54 %. The following figures are 100 %

DKK million	2011 1st quarter	2010 1st quarter	2010 Full year
Revenue	2,144	1,758	8,303
Profit before tax	-19	6	100
Profit after tax	-16	4	61
Balance sheet total	4,826	5,139	4,698
Equity	1,604	1,616	1,618
Order book	8,754	8,105	9,222
Employees	4,715	5,395	5,217
Pre-tax margin, %	-0.9	0.3	1.2

In the 1st quarter, the MT Højgaard group generated a revenue of DKK 2.1 billion, up 22 % on the same period last year and in line with expectations.

Results before tax amount to a loss of DKK 19 million versus a profit of DKK 6 million for the same period of the previous year, and the pre-tax margin amounts to -0.9 % compared to 0.3% in the same period in 2010. The results are in line with expectations.

The lower results, despite the increase in revenue, can be attributed to the lower profitability of the order book as a consequence of intense competition, pressure on prices in the market and increasing financial expenses.

The cash flows for the period are negatively affected by the higher financing of the net value of contract work in progress which primarily can be attributed to the unusual high proportion of funds tied up in offshore projects, including the start-up of those projects. Despite the current level MT Højgaard expects that the cash flow from operating activities will turn positive in the course of the year as funds tied up in work in progress are reduced.

For the full 2011, the MT Højgaard group still expects to achieve a revenue of approximately DKK 9.5 billion and a pre-tax margin in the region of 1%.

The MT Højgaard group's order book amounted to DKK 8.8 billion at the end of the 1st quarter versus DKK 9.2 billion at the beginning of the year.

For further details regarding MT Højgaard, reference is made to MT Højgaard's interim report which Højgaard Holding has today made public.

## Højgaard Industri A/S

Holding 100%	2011	2010	2010
DKK million	1st quarter	1st quarter	Full year
Revenue	18.7	19.0	69.3
Profit before tax	3.8	4.1	13.9
Profit after tax	2.8	3.1	10.4
Balance sheet total	29.3	29.5	25.7
Equity	15.2	15.7	12.4

The management contract with Banedanmark held by Højgaard Industri A/S for the production of concrete sleepers at the facility in Fredericia owned by Banedanmark runs until and including February 2012.

The profit before tax for the 1st quarter is in line with expectations. The production capacity is not expected to be fully utilised in 2011, for which reason a somewhat lower profit before tax is expected for the full year than in 2010.



## **Related parties**

Knud Højgaards Fond owns 64% of Højgaard Holding A/S.

Apart from intercompany transactions that have been eliminated in the consolidated financial statements and normal management remuneration, no transactions have been effected during the period with major shareholders, the board of directors, the executive board or other related parties.

Transactions between Højgaard Holding A/S and other consolidated enterprises are made on an arm's length basis.

## **Outlook for 2011**

Overall, the Højgaard Holding group still expects a revenue of approximately DKK 5 billion and a pre-tax margin of around 1%.

The group's effective tax rate is expected to be at a higher level than the Danish corporation tax rate, but at a lower level than in 2010.

The projections for future economic development are by their very nature subject to uncertainties and risks which may result in a development that deviates from expectations. For a description of risks and uncertainties, refer to the section "Risk factors" in the annual report 2010. The significant risks and uncertainties are unchanged from the annual report.



## **Statement by the executive board and the board of directors**

The board of directors and the executive board have today considered and approved this interim report for Højgaard Holding A/S for the period from 1 January to 31 March 2011.

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU, and additional Danish disclosure requirements for interim reporting by listed companies.

In our opinion, the interim report provides a true and fair view of the group’s assets, equity and liabilities and financial position on 31 March 2011 and of the results of the group’s activities and cash flows for the accounting period from 1 January to 31 March 2011.

Further, in our opinion, the management’s review also gives a true and fair description of the development in the group’s activities and financial affairs, the results for the period and the group’s financial position as a whole and describes the significant risks and uncertainties pertaining to the group.

Kgs. Lyngby, 24 May 2011

### **Executive board**

Berit Lovring  
CEO

### **Board of directors**

Helge Israelsen  
Chairman

Jens Jørgen Madsen  
Deputy chairman

Lars Rasmussen



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## Group income statement

DKK million	2011 1st quarter	2010 1st quarter	2010 Full year
Revenue	1,176.3	968.5	4,553.1
Production costs	1,123.0	905.2	4,245.5
<b>Gross profit</b>	<b>53.3</b>	<b>63.3</b>	<b>307.6</b>
Sales costs	20.7	19.1	89.6
Administration costs	36.0	43.0	158.2
<b>Operating profit</b>	<b>-3.4</b>	<b>1.2</b>	<b>59.8</b>
Share of profit of associated companies after tax	0.2	0.0	1.4
Financial items	-4.3	6.1	5.3
<b>Profit before tax</b>	<b>-7.5</b>	<b>7.3</b>	<b>66.5</b>
Tax on profit for the period	0.8	1.9	24.1
<b>Total profit for the period</b>	<b>-6.7</b>	<b>5.4</b>	<b>42.4</b>

The profit before tax can be specified as follows:

MT Højgaard group	-10.0	3.0	54.1
Højgaard Industri A/S	3.8	4.1	13.9
Højgaard Holding A/S	-1.3	0.2	-1.5
<b>Profit before tax</b>	<b>-7.5</b>	<b>7.3</b>	<b>66.5</b>

Earnings and diluted earnings per share (EPS and EPS-D), DKK	-1.6	1.3	10.1
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## Group statement of comprehensive income

DKK million

Profit after tax	-6.7	5.4	42.4
<b>Other comprehensive income</b>			
Exchange adjustments, foreign companies	-0.6	1.4	1.0
Share of other total comprehensive income in associated companies	1.4	0.0	-2.4
Tax on other comprehensive income	0.0	0.0	0.0
<b>Other comprehensive income after tax</b>	<b>0.8</b>	<b>1.4</b>	<b>-1.4</b>
<b>Total comprehensive income</b>	<b>-5.9</b>	<b>6.8</b>	<b>41.0</b>

## Group balance sheet

DKK million	2011 31 March	2010 31 March	2010 31 December
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	66.2	58.9	66.5
Property, plant and equipment	440.1	416.5	441.0
Deferred tax assets	77.9	64.9	70.3
Other investments	6.5	9.0	6.1
<b>Total non-current assets</b>	<b>590.7</b>	<b>549.3</b>	<b>583.9</b>
<b>Current assets</b>			
Inventories	399.0	325.3	360.2
Receivables from sales and services	915.6	985.8	852.2
Construction contracts in progress	370.9	197.8	268.6
Other receivables	157.7	159.5	180.7
Securities	182.5	449.5	207.2
Cash and cash equivalents	97.2	222.9	189.0
<b>Total current assets</b>	<b>2,122.9</b>	<b>2,340.8</b>	<b>2,057.9</b>
<b>Total assets</b>	<b>2,713.6</b>	<b>2,890.1</b>	<b>2,641.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>957.3</b>	<b>971.2</b>	<b>963.2</b>
<b>Non-current liabilities</b>			
Credit institutions, etc.	67.3	73.0	69.8
Other provisions	107.3	80.8	102.0
<b>Total non-current liabilities</b>	<b>174.6</b>	<b>153.8</b>	<b>171.8</b>
<b>Current liabilities</b>			
Credit institutions, etc.	85.3	15.1	46.6
Construction contracts in progress	389.7	720.9	381.0
Suppliers of goods and services	581.6	396.7	511.4
Other current liabilities	525.1	632.4	567.8
<b>Total current liabilities</b>	<b>1,581.7</b>	<b>1,765.1</b>	<b>1,506.8</b>
<b>Total liabilities</b>	<b>1,756.3</b>	<b>1,918.9</b>	<b>1,678.6</b>
<b>Total equity and liabilities</b>	<b>2,713.6</b>	<b>2,890.1</b>	<b>2,641.8</b>





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## Group statement of changes in equity

DKK million	Share-capital	Reserve for hedging transactions	Reserve for exchange rate adjustments	Profit carried forward	Proposed dividend	Equity capital
<b>Equity at 1 January 2011</b>	<b>84.1</b>	<b>-5.2</b>	<b>2.1</b>	<b>848.6</b>	<b>33.6</b>	<b>963.2</b>
Profit after tax				-6.7		-6.7
Other comprehensive income		1.4	-0.6			0.8
<b>Total changes in equity</b>		<b>1.4</b>	<b>-0.6</b>	<b>-6.7</b>		<b>-5.9</b>
<b>Equity at 31 March 2011</b>	<b>84.1</b>	<b>-3.8</b>	<b>1.5</b>	<b>841.9</b>	<b>33.6</b>	<b>957.3</b>
<b>Equity at 1 January 2010</b>	<b>84.9</b>	<b>-2.8</b>	<b>1.1</b>	<b>838.7</b>	<b>42.5</b>	<b>964.4</b>
Profit after tax				5.4		5.4
Other comprehensive income			1.4			1.4
<b>Total changes in equity</b>			<b>1.4</b>	<b>5.4</b>		<b>6.8</b>
<b>Equity at 31 March 2010</b>	<b>84.9</b>	<b>-2.8</b>	<b>2.5</b>	<b>844.1</b>	<b>42.5</b>	<b>971.2</b>

## Group cash flow statement

DKK million	2011 1st quarter	2010 1st quarter	2010 Full year
<b>Operations</b>			
Operating profit	-3.4	1.2	59.8
Operating items with no impact on cash flow	13.0	14.4	71.0
<b>Cash flow to/from primary operations before changes in working capital</b>	<b>9.6</b>	<b>15.6</b>	<b>130.8</b>
Changes in working capital	-144.4	23.1	-297.4
<b>Cash flow to/from operating activities</b>	<b>-134.8</b>	<b>38.7</b>	<b>-166.6</b>
Net investments other than securities	-16.2	-1.9	-53.5
Net investments in securities	22.9	-58.7	182.6
<b>Cash flow to/from investing activities</b>	<b>6.7</b>	<b>-60.6</b>	<b>129.1</b>
<b>Cash flow to/from financing activities</b>	<b>-1.9</b>	<b>21.4</b>	<b>-27.4</b>
<b>Cash flows, net</b>	<b>-130.0</b>	<b>-0.5</b>	<b>-64.9</b>
Cash and cash equivalents at beginning of period	151.8	216.7	216.7
<b>Cash and cash equivalents at end of period</b>	<b>21.8</b>	<b>216.2</b>	<b>151.8</b>



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## Segment information

DKK million	2011 1st quarter	2010 1st quarter	2010 Full year
<b>Revenue</b>			
Construction work	1,157.6	949.5	4,483.9
Production	18.7	19.0	69.2
<b>Total revenue</b>	<b>1,176.3</b>	<b>968.5</b>	<b>4,553.1</b>
<b>Profit before tax</b>			
Construction work	-10.0	3.0	54.1
Production	3.8	4.1	13.9
Parent company/eliminations	-1.3	0.2	-1.5
<b>Total profit before tax</b>	<b>-7.5</b>	<b>7.3</b>	<b>66.5</b>
<b>Total assets</b>			
Construction work	2,605.9	2,775.2	2,536.6
Production	29.3	29.5	25.7
Parent company/eliminations	78.4	85.4	79.5
<b>Total assets</b>	<b>2,713.6</b>	<b>2,890.1</b>	<b>2,641.8</b>