

Stock Exchange announcement07.03.14
Announcement No 3, 2014**Monberg & Thorsen's Board of Directors approved the 2013 annual report at its meeting today****Financial results for 2013**

Monberg & Thorsen reported revenue of DKK 3.4 billion compared with DKK 4.5 billion in 2012 and profit before tax of DKK 32 million compared with a loss of DKK 244 million in 2012.

The result for the year benefited from the conclusion of the Buxton case, etc., and was adversely impacted by a review of the guarantees provided in connection with the divestment of Dyrup. Overall, these factors affected Monberg & Thorsen's result by DKK 35 million, and the result from ordinary activities before tax was therefore a small loss of DKK 3 million.

The result for the year after tax was a loss of DKK 17 million compared with a loss of DKK 255 million in 2012.

MT Højgaard reported revenue of DKK 7.4 billion and the result before tax was a profit of DKK 139 million compared with a loss of DKK 512 million in 2012. The conclusion of the Buxton case and other disputes contributed DKK 130 million to the result. The result was in line with the latest announced outlook.

At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 2 per DKK 20 share be paid.

Outlook for 2014

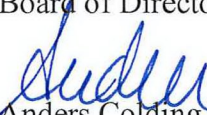
IFRS 11 on the accounting treatment of jointly controlled entities will be adopted with effect from 1 January 2014. Consequently, in 2014 the investment in MT Højgaard must be recognised using the equity method compared with previously proportionate consolidation.

For 2014, the MT Højgaard Group expects revenue of between DKK 7.0 to 7.5 billion and an operating result (EBIT) of DKK 150-225 million, equivalent to 2-3% before special items (old offshore disputes). The consolidated result may still be affected by the outcome of major old offshore disputes. New IFRS rules on the recognition of jointly controlled entities are expected to have a positive effect on the operating result (EBIT), with an expected EBIT effect of approx. DKK 50 million in 2014, which in MT Højgaard's consolidated financial statements will be deducted from the result under non-controlling interests.

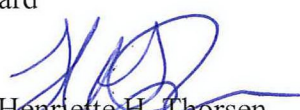
Monberg & Thorsen's share is 46% of the MT Højgaard Group's result after tax and non-controlling interests. From this should be deducted operating expenses in Monberg & Thorsen, which are expected to be around DKK 5 million, to which should be added any further expenses in connection with the indemnities and guarantees provided in connection with the divestment of Dyrup.

The annual report of MT Højgaard forms 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

Søborg, 7 March 2014
Board of Directors and Executive Board



Anders Colding Friis
Chairman



Henriette H. Thorsen
Acting President and CEO

Questions relating to this announcement should be directed to Anders Colding Friis, Chairman of the board, 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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Knud Højgaards Vej 9
2860 Søborg
Denmark

MONBERG & THORSEN A/S



YEAR 2013

MONBERG & THORSEN A/S

ANNUAL REPORT 2013

MANAGEMENT'S REVIEW	
FINANCIAL HIGHLIGHTS 2009-2013	4
COMPANY OVERVIEW	5
BUSINESS CONCEPT AND STRATEGY	5
BOARD OF DIRECTORS AND EXECUTIVE BOARD	6
ANNUAL REVIEW	7
REPORT ON CORPORATE GOVERNANCE	11
SHAREHOLDER INFORMATION	13
<hr/>	
MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT	
STATEMENT BY THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS	16
INDEPENDENT AUDITOR'S REPORT	17
<hr/>	
FINANCIAL STATEMENTS	
SEGMENT INFORMATION	18
STATEMENT OF CASH FLOWS	19
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME	20
BALANCE SHEET	21
STATEMENT OF CHANGES IN EQUITY	23
INDEX OF NOTES	24
NOTES	25
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MT HØJGAARD

Monberg & Thorsen's sole activity is its 46% ownership interest in MT Højgaard and the operation of same. MT Højgaard is owned together with Højgaard Holding and is a jointly controlled entity. It is therefore consolidated in Monberg & Thorsen's individual financial statements (previously referred to as consolidated financial statements) by proportionate consolidation.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report. MT Højgaard's accounting policies are identical to the accounting policies of Monberg & Thorsen.

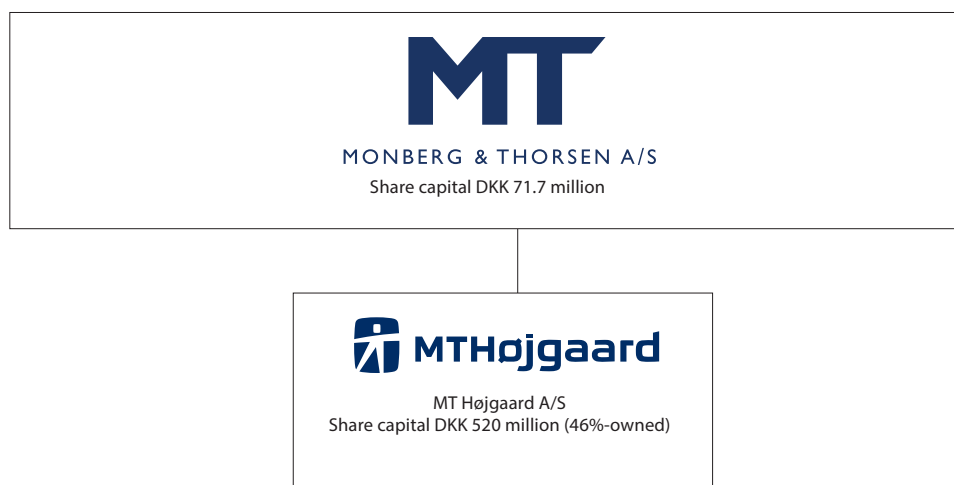
FINANCIAL HIGHLIGHTS 2009-2013

DKK million	2009	2010	2011	2012	2013
Income statement					
Revenue - MT Højgaard (46 %)	4,180	3,819	4,281	4,478	3,385
Operating profit (loss)	123	33	-164	-245	43
Net finance costs	29	21	9	1	-11
Profit (loss) before tax	152	54	-155	-244	32
Profit (loss) after tax from continuing operations	120	35	-120	-243	-17
Profit (loss) after tax from discontinuing operations	-17	15	-288	-12	-
Profit (loss) for the year after tax	103	50	-408	-255	-17
Balance sheet					
Interest-bearing assets	859	643	646	615	480
Interest-bearing liabilities	427	536	187	249	147
Invested capital	386	625	688	413	429
Equity	1,568	1,594	1,146	780	762
Balance sheet total	4,076	3,805	4,306	2,499	2,137
Cash flows					
From operating activities	238	-157	-76	-100	-12
For investing activities**	-241	110	48	162	291
From financing activities	-9	-12	-36	-128	7
Cash flows from discontinuing operations	145	-78	-195	-	-
Net increase (decrease) in cash and cash equivalents	133	-137	-259	-66	286
**Portion relating to inv. in property, plant and equipment (gross)	-109	-111	-58	-31	-59
Financial ratios (%)					
Operating margin (EBIT margin)	2.9	0.9	-3.8	-5.5	1.3
Pre-tax margin	3.6	1.4	-3.6	-5.4	0.9
Return on invested capital (ROIC)	31	7	-25	-44	10
Return on equity (ROE)	7	3	-30	-26	-2
Equity ratio	38	42	27	31	36
Share ratios (DKK per share)					
Earnings per share (EPS) from continuing operations	29	14	-34	-68	-5
Earnings per share	29	14	-114	-71	-5
Cash flows from operating activities of continuing operations	66	-44	-21	-28	-3
Proposed dividends	7	7	30	2	2
Book value	438	444	320	218	213
Market price	280	300	190	142	268
Market price/book value	0.6	0.7	0.6	0.7	1.3
Price earnings (P/E)	10	21	-	-	-
Payout ratio (%)	24	50	-	-	-
Market capitalisation in DKK million	1,004	1,076	681	509	961
Number of employees					
Enterprises, total	3,561	3,361	3,213	2,158	1,829
Enterprises - continuing operations	2,703	2,402	2,181	2,158	1,829

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts. Earnings per share (EPS) has been calculated in accordance with IFRS. Financial ratios are defined in note 1.

Due to the divestment of Dyrup with closing at the start of 2012, Dyrup has been accounted for as a discontinuing operation. The 2011 annual report and the comparative figures for previous years have therefore been restated to present continuing operations separately, while discontinuing operations are recognised in a single line in the income statement and the statement of cash flows up to and including 2012. Operating ratios and invested capital have also been restated to reflect the performance of the continuing operations. Financial highlights are based on the individual financial statements (previously referred to as the consolidated financial statements).

COMPANY OVERVIEW, BUSINESS CONCEPT AND STRATEGY



BUSINESS CONCEPT AND STRATEGY

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

Following the divestment of Dyrup at the start of 2012, Monberg & Thorsen's sole activity is its 46% ownership interest in the jointly controlled entity MT Højgaard.

Monberg & Thorsen has no current plans to engage in other activities.

Together with Højgaard Holding, Monberg & Thorsen will work towards independent listing of MT Højgaard when the conditions for this are right.

It is still our opinion that it will be in the interests of all shareholders not to seek a listing of MT Højgaard until earnings have shown a stable, satisfactory level.

MT Højgaard

The MT Højgaard Group is one of the leading players in the construction and civil engineering industry in the Nordic countries. The Group has the size, experience and capabilities to deliver everything from small construction and civil engineering projects to very large, complex projects.

The MT Højgaard Group defined a new strategy in 2013 in which the vision is:

- to be the most productivity-enhancing group in the construction and civil engineering industry.

The strategy framework, which is to meet the expectations for the Group, is three-pronged. It is designed to ensure that productivity is enhanced and that customers are offered better, faster and more cost-effective solutions:

- Projects from Community to Operation
- Best in Class VDC (Virtual Design Construction)
- Exploiting Group Synergies

The outcome must be the opportunity for both the Group and its business partners to work more efficiently and productively.

The financial requirements are earnings equivalent to an EBIT margin of at least 5% in all business areas and subsidiaries and a positive cash flow.

The strategic targets are:

- Customer satisfaction of at least index 76 out of 100
- 60% of revenue should come from key customers
- Employee satisfaction of at least index 76 out of 100

These are to be achieved by, among other things, handing over projects with zero defects or deficiencies and focusing on ongoing productivity improvement and on health and safety, where the target is maximum 15 injuries per one million hours worked.

BOARD OF DIRECTORS AND EXECUTIVE BOARD

BOARD OF DIRECTORS



Anders Colding Friis (1963)
Chairman
President, Scandinavian Tobacco Group A/S
Anders Colding Friis holds an MSc in Strategy and Financial Planning. His special expertise is general management, branding, marketing and strategy.
(MB) Central Board and Executive Committee of the Confederation of Danish Industry (DI), Denmark
(DCB) IC Companys A/S, Denmark
(MB) Topdanmark, Denmark
(DCB) Industriens Arbejdsgivere i København (IAK), Denmark
(MB) Ejnar og Meta Thorsens Fond, Denmark
Joined the Board of Directors in 2004



Niels Lykke Graugaard (1947)
Deputy Chairman
Niels Lykke Graugaard holds an MSc in Engineering and an MSc in Economics. His special expertise is international and project-oriented management, strategic planning and mergers & acquisitions.
(MB) Gram Equipment A/S, Denmark
(MB) KraussMaffei AG, Germany
(DCB) MT Højgaard A/S, Denmark
Joined the Board of Directors in 2012



Lars Goldschmidt (1955)
Deputy Director General,
Dansk Industri A/S
Lars Goldschmidt holds an MSc in Chemical Engineering from the Technical University of Denmark (DTU), a PhD from DTU and CBS and is an Adjunct Professor at DTU and CBS.
His special expertise is lobbying and management of knowledge organisations.
(CB) Erhvervsskolernes Forlag, Denmark
(MB) European Spallation Source A/S, Denmark
(MB) Campus Bornholm, Denmark
Member of the Danish Council for Technology and Innovation
Joined the Board of Directors in 2010



Curt Germundsson (1944)
BSc Mechanical Engineering, Business Economics
His special expertise is general and international business management.
(MB) MT Højgaard A/S, Denmark
(CB) DevPort AB, Sweden
(MB) EFD Induction ASA, Norway
(MB) Bandak Group A/S, Norway
(MB) Green Landscaping AB, Sweden
(MB) Skamol A/S, Denmark
(MB) Troax AB, Sweden
Executive Advisor FSN Capital AS, Norway
Executive Advisor, Celerant Consulting (Hitachi Consulting), London
Joined the Board of Directors in 2012



Christine Thorsen (1958)
Master of Management of Technology (DTU) and Executive Coach (INSEAD)
Dynamic Approach ApS
Her special expertise is management development, change management and experience from the contracting industry.
(MB) Ejnar og Meta Thorsens Fond, Denmark
Joined the Board of Directors in 2008



Henriette H. Thorsen (1970)
Managing Director,
Belvédère Scandinavia A/S
Henriette H. Thorsen holds an MSc in International Business.
Her special expertise is management, strategy, sales and marketing.
(CB) Ejnar og Meta Thorsens Fond, Denmark
Joined the Board of Directors in 2010

EXECUTIVE BOARD

Henriette H. Thorsen (1970)
Acting President and CEO

CB: Chairman of the Board
DCB: Deputy chairman of the Board
MB: Member of the Board

Management holdings of B shares at 31.12

Number	2012	2013
Anders Colding Friis	1,150	2,350
Christine Thorsen	940	1,940
Henriette H. Thorsen	2,963	3,270
Niels Lykke Graugaard	0	6,799
Curt Germundsson	0	400

ANNUAL REVIEW

INTRODUCTION

Monberg & Thorsen's sole activity is its 46% ownership interest in MT Højgaard A/S.

Profit (loss) for the year in the individual financial statements (previously referred to as the consolidated financial statements)

Monberg & Thorsen reported revenue of DKK 3.4 billion compared with DKK 4.5 billion in 2012 and operating profit of DKK 43 million compared with a loss of DKK 245 million in 2012.

The result for the year benefited from the conclusion of the Buxton case, etc., in MT Højgaard, which contributed DKK 130 million, of which Monberg & Thorsen's share was DKK 60 million. By contrast, Monberg & Thorsen's administrative expenses were impacted by expenses of DKK 25 million relating to a review of the guarantees provided in connection with the divestment of Dyrup. The expenses relate particularly to Dyrup's manufacturing facilities in France, partly because, for several years, Dyrup erroneously did not have the correct CEVESO production permit. The new permit is not expected to be in place until 2015.

Overall, these factors had a positive effect of DKK 35 million on the individual financial statements (previously referred to as the consolidated financial statements). Excluding these factors, the result from ordinary activities before interest was thus a profit of around DKK 7 million with a small loss before tax of DKK 3 million.

The result before tax was a profit of DKK 32 million compared with a loss of DKK 244 million in 2012.

Income tax expense in MT Højgaard was affected by the effect of the reduction of the Danish income tax to 22% in 2016, the assessment of the deferred tax assets and higher income tax on the international activities.

The result for the year after tax was consequently a loss of DKK 17 million compared with a loss of DKK 255 million in 2012.

Performance versus outlook

At the start of 2013, the outlook was consolidated revenue of around DKK 3.2 billion with a small

positive result that might be affected by the outcome of major disputes in MT Højgaard and any expenses related to the indemnities and guarantees provided in connection with the divestment of Dyrup.

Revenue was DKK 3.4 billion, in line with expectations. As stated above, the result from ordinary activities was a small loss of DKK 3 million compared with an expected small profit. The deviation primarily reflected major foreign exchange and securities adjustments.

Financial performance - MT Højgaard

MT Højgaard delivered revenue of DKK 7.4 billion in 2013, which is a decline of DKK 2.4 billion on 2012. The decline was expected and a consequence of, among other things, the fact that Offshore did not have any orders for execution in 2013.

The result from ordinary activities was a profit of DKK 35 million, as expected, to which should be added the effect of the conclusion of the Buxton case and other disputes, which contributed DKK 130 million. The consolidated operating result was consequently a profit of DKK 165 million compared with a loss of DKK 507 million in 2012.

Besides the effect of the Buxton decision, the improved result mainly reflected improved control of operations, and the fact that 2012 was affected by major impairment losses and costs related to reduction of staff numbers, which led to a reduction in costs in 2013.

The financial implications of the disputes in the Offshore area could be substantial. There are still several disputes relating to allocation of liability pending, caused by the original design standard for offshore wind turbine foundations. Like other industry players, the MT Højgaard Group has been using this design standard and therefore is also party to the problem. The challenges are referred to as the 'grout issue'. It is too early to predict the final outcome of the issue of allocation of liability. Against the background of external legal opinions, it is MT Højgaard's opinion that the company is generally in a strong position in the above cases, and therefore provision has only been made for some litigation risk on these cases. MT Højgaard's assessment of the liability issue has not changed materially in 2013.

In 2013, good progress was made in the handling of the disputes, and MT Højgaard expects that most of these will be concluded in 2014, and the first of them already

within a relatively short time.

Finance income and finance costs amounted to a net charge of DKK 28 million, which is higher than in 2012. The increase was due to negative foreign exchange and securities adjustments.

The result before tax was therefore a profit of DKK 139 million, of which Monberg & Thorsen's share was 46%. The pre-tax margin was 1.9% compared with -5.3% in 2012.

Income tax expense was DKK 106 million, of which DKK 41 million was due to the effect of the reduction of the Danish income tax rate from 25% to 22% in the period up to 2016. Furthermore, income tax expense was affected by the assessment of deferred tax assets and a higher income tax rate on some of the international activities, primarily in Greenland.

MT Højgaard's result after tax was a profit of DKK 33 million compared with a loss of DKK 512 million in 2012.

No dividend will be paid for MT Højgaard for 2013.

Statement of cash flows

Cash flows from operating activities were an outflow of DKK 12 million against an outflow of DKK 100 million in 2012. Cash flows in MT Højgaard benefited from the Buxton decision, but were depressed by run-off on the provisions made in 2012, the execution of projects with a lower profitability and payment of foreign taxes.

Investing activities generated a cash inflow of DKK 291 million, partly as a result of a net inflow of DKK 301 million from the sale of securities. MT Højgaard's financial performance was the result of, among other things, a cautious investment approach and sale of property, plant and equipment.

Cash flows from financing activities were an inflow of DKK 7 million due to the raising of non-current debt in MT Højgaard exceeding instalments on non-current debt and the payment of the dividend adopted last year.

The companies' total cash and cash equivalents at 31.12.13 were DKK 356 million net. Cash and cash equivalents included DKK 137 million that had been lodged as security in respect of the liabilities related

to the divestment of Dyrup.

Balance sheet

The balance sheet totalled around DKK 2.1 billion compared with DKK 2.5 billion at 31.12.12. The decline reflected the somewhat lower balance sheet total in MT Højgaard due to a lower level of activity. Equity stood at DKK 0.8 billion, corresponding to an equity ratio of 36% compared with 31% at the end of 2012.

Outlook for 2014

IFRS 11 on the accounting treatment of jointly controlled entities will be adopted with effect from 1 January 2014. Consequently, in 2014 the investment in MT Højgaard must be recognised using the equity method in the individual financial statements compared with previously proportionate consolidation, as discussed in note 36.

For 2014, the MT Højgaard Group expects revenue of between DKK 7.0 to 7.5 billion and an operating result (EBIT) of DKK 150-225 million, equivalent to 2-3% before special items (old offshore disputes). The consolidated result may still be affected by the outcome of major old offshore disputes. New IFRS rules on the recognition of jointly controlled entities are expected to contribute approx. DKK 50 million to the operating result (EBIT) in 2014, which in MT Højgaard's consolidated financial statements will be deducted from the result under non-controlling interests.

Monberg & Thorsen's share is 46% of the MT Højgaard Group's result after tax and non-controlling interests. From this should be deducted operating expenses in Monberg & Thorsen, which are expected to be around DKK 5 million, to which should be added any further expenses in connection with the indemnities and guarantees provided in connection with the divestment of Dyrup.

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 MT Højgaard:

MT Højgaard expects an overall increase in the construction and civil engineering market in

Denmark, especially in construction and refurbishment.

The order book stood at DKK 7.5 billion at the start of 2014, up 26% on the start of 2013. Of this amount, DKK 5.1 billion is expected to be executed in 2014. The order book still includes a number of previously contracted projects with a low profitability.

Based on the order book and the increased profitability requirements for the order intake as well as an expected sustained limited level of activity in the business areas Offshore & Steel Bridges and Greenland & Faroe Islands, the MT Højgaard Group expects revenue of between DKK 7.0 and 7.5 billion in 2014, in line with the 2013 level.

The MT Højgaard Group expects a positive operating result (EBIT) of DKK 150-225 million, equivalent to an EBIT margin of 2-3% before special items (old offshore disputes). The consolidated result may still be affected by the outcome of old offshore disputes. It is expected that most of the pending offshore disputes will be concluded in 2014, and the first of them already within a relatively short time.

The completion of projects with a low profitability is expected to have a negative effect on the operating result, particularly in the first half of 2014.

The expected development in 2014 and the many initiatives put in place in 2013 will have an increasingly positive effect on the operating result and the profitability of the order book over time. MT Højgaard aims to meet its target of an EBIT margin of 5% by the end of 2015.

Financial resources

At the end of 2013, financial resources totalled DKK 0.7 billion, consisting of cash and cash equivalents, securities and undrawn credit facilities. This included the proportionate share of DKK 0.4 billion from MT Højgaard, which had financial resources of just under DKK 1.0 billion versus DKK 0.6 billion at the end of 2012. Of the DKK 1.0 billion, DKK 0.3 billion was tied up in MT Højgaard Insurance, etc.

Monberg & Thorsen's financial resources of approx. DKK 0.3 billion consist of cash and cash equivalents. Of this amount, DKK 137 million had been lod-

ged in an escrow account as security in respect of the indemnities and guarantees provided in connection with the divestment of Dyrup, see note 31.

It is expected that total financial resources will still be at a satisfactory level at the end of 2014.

Dividends

Dividend to shareholders of DKK 2 per DKK 20 share will be proposed for 2013. The total dividend, DKK 7.2 million, will be reserved within Proposed dividends in equity.

The dividend payment will provide a direct return of 0.7% based on the current market price of approx. 270.

In future, Monberg & Thorsen expects, in principle, to distribute dividends from MT Højgaard to its shareholders. Dividend distributions will be made with due consideration for financial position, investment opportunities and cash flow.

Management changes

With effect from 1 January 2014, Jørgen Nicolajsen resigned as President and CEO of Monberg & Thorsen to become Executive Vice President of MT Højgaard. The Board of Directors has appointed Henriette H. Thorsen, member of the Board, as Acting President and CEO pending a permanent solution.

Knowledge resources

Monberg & Thorsen is a holding company with only one employee. Reference is made to the annual report of MT Højgaard, which provides a description of this company's affairs.

Statutory corporate social responsibility report

Our ethical policy forms the overall framework for all our policies and consequently our activities. We want 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 or 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 efforts will create the most

value for society and for ourselves.

Monberg & Thorsen is a holding company. Its sole activity is its ownership interest in MT Højgaard.

The focus in recent years has been on the environment and health and safety. A detailed description of these areas is provided in MT Højgaard's annual report, to which reference is made.

Climate and environment

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

Health and safety

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

MT Højgaard strives 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 psychosocial working environment.

Women in management

We do not discriminate on grounds of gender, race or religion when recruiting, training or promoting employees. At the same time, we want to promote the proportion of women in management at the MT Højgaard Group's management levels. Consequently, a policy on women in management was introduced in the middle of 2013. At the same time, a target was set that, in 2016, a minimum of two of the six externally elected members of MT Højgaard's Board of Directors should be women.

Risk factors

The activities of Monberg & Thorsen and MT Højgaard entail various commercial and financial risks that may affect these companies' development, financial position and operations.

We consider it a critical part of our strategy to con-

stantly mitigate the current risks, which, in our opinion, do not differ from the normal risks in the market segments in which the companies operate.

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

Monberg & Thorsen endeavours to cover, to the greatest possible extent, significant risks outside the companies' direct control by taking out relevant insurance policies.

The companies are affected by the general market conditions in the construction sector, but are also exposed to other, specific commercial risks. Monberg & Thorsen's financial risks are managed and hedged on a decentralised basis. Detailed information on MT Højgaard's risk factors and financial risks is given in its annual report. Further details of financial risks are provided in note 34.

MT HØJGAARD

Monberg & Thorsen's sole activity is its 46% ownership interest in MT Højgaard.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report.

As in previous years, a segment overview is provided on page 18, and reference is made to the integrated annual report for detailed information on MT Højgaard.

STATUTORY REPORT ON CORPORATE GOVERNANCE

Monberg & Thorsen A/S has a clear segregation of duties between the Board of Directors and the Executive Board. Duties and responsibilities are determined at overall level through rules of procedure for the Board of Directors.

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

Following the divestment of Dyrup at the start of 2012, Monberg & Thorsen's sole activity is the activities of MT Højgaard. As part of the management of Monberg & Thorsen's activities, representatives of Monberg & Thorsen's Board of Directors serve on the Board of Directors of MT Højgaard.

Board of Directors

Composition of the Board of Directors

The Board of Directors is elected by the shareholders in general meeting. The Board consists of not less than four and not more than six members, currently six members.

In elections to the Boards of Directors of both Monberg & Thorsen and MT Højgaard, efforts are made to ensure a professionally composed Board of Directors that, collectively, 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 companies have their principal business activities. Efforts are also made to achieve a diverse composition for the Board.

Two of the six Board members are women, and no target has therefore been set for the number of women on the Board of Directors of Monberg & Thorsen.

The current Board complies with the independence criteria, overall, as Niels Lykke Graugaard, Curt Gerundsson and Lars Goldschmidt are independent.

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

In connection with the election of a new member to the Board of Directors, the Chairman of the Board interviews the selectively chosen candidate 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 is given, along with information on memberships of executive boards or boards of directors 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 expertise deemed to be relevant to the Board's work.

All members of the Board elected by the shareholders in general meeting retire by rotation each year. This provides the company's shareholders with an opportunity to discuss the recruitment criteria, composition and diversity of the Board at the Annual General Meeting each year.

There are no formal requirements with respect to the number of seats on other boards of directors 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 Board of Directors' rules of procedure, Board members must retire not later than at the first general meeting following their 70th birthday, except where special circumstances apply.

The Board met a total of eight times in 2013 and at present expects to meet seven times in 2014. In accordance with its rules of procedure, the Board always meets at least six times between Annual General Meetings.

Audit Committee

The full Board functions as Audit Committee.

Remuneration of the Board of Directors

Monberg & Thorsen has not introduced incentive pay for the Board. Board remuneration remained unchanged at DKK 200,000 for ordinary members, 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 Board member may

not exceed twice the Chairman's ordinary remuneration. Details concerning total remuneration paid to the Board are disclosed in note 9 to the financial statements.

Executive Board

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

Remuneration of the Executive Board

The Executive Board receives a fixed fee plus any bonus in accordance with the guidelines for incentive pay. Details concerning total remuneration paid to the Executive Board are disclosed in note 9 to the 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 Board of Directors is still of the opinion that these recommendations are being practised in the management of Monberg & Thorsen. In some areas, the principles are complied with in part only, as the recommendations in Corporate Governance are not all relevant in view of the company's size and activities.

Monberg & Thorsen has taken a position on all recommendations based on the 'comply-or-explain' principle, which is described in further detail at http://www.monthor.com/en/pages/monberg_thorsen_corporate_governance.

Financial reporting process

The 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 Board of Directors and the Executive Board regularly review material risks and internal controls in connection with the companies' activities and their potential impact on the financial reporting process.

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

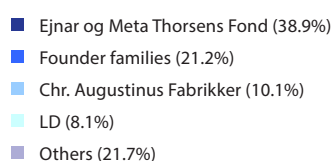
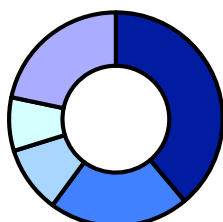
The Board of Directors monitors the financial re-

porting 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.

As a supplement to this report, the annual report of MT Højgaard includes a detailed description of MT Højgaard's financial reporting process.

SHAREHOLDER INFORMATION

Share capital by group of shareholders



Ownership

The company has around 1,400 registered shareholders.

Shareholders according to Section 55 of the Danish Companies Act:

Ejnar og Meta Thorsens Fond, Søborg
Christine Monberg, USA
Chr. Augustinus Fabrikker A/S, Copenhagen
LD, Copenhagen

Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for approx. 21% of the total share capital, and approx. 18% of the B shares, and consequently holds approx. 79% 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 companies. The foundation has advised the Board of Directors that it wants to be a stable shareholder in the company and does not wish to relinquish its voting rights.

The Board of Directors considers the ownership structure to be appropriate in view of the company'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 companies.

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's shareholdings

At 31.12.13, the Board of Directors' and the Executive Board's shareholdings in the company totalled 14,759 shares, equivalent to 0.4% of the share capital and a market value of DKK 4.0 million.

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

According to the internal code of conduct relating to trading in securities issued by the company, the management may buy and sell such securities only for a period of up to four weeks following the publication of the annual report and interim financial reports.

Annual General Meeting

Will be held on 7 April 2014 at 17:00 at Radisson Blu Royal Hotel, Hammerichsgade 1, 1611 Copenhagen V, Denmark. According to the Articles of Association, the Annual General Meeting must be convened with not less than three weeks' notice and not more than five weeks' notice.

Articles of Association

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

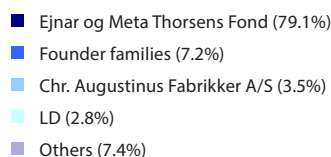
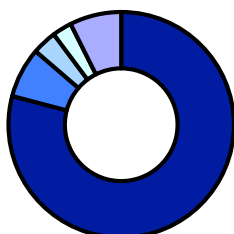
According to the Articles of Association, the A shares are non-negotiable instruments. No restrictions apply to the negotiability of the B shares. All B shares are listed on Nasdaq OMX Copenhagen.

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

The Board of Directors has authority to buy back up to 10% of the share capital. The authorisation expires on 27 April 2015. The Board of Directors also has authority to increase the B share capital by up to DKK 20 million. The increase may be effected without any 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 27 April 2015.

The Board of Directors will not propose any amendments to the Articles of Association at the Annual General Meeting.

Votes by group of shareholders



SHAREHOLDER INFORMATION

Dividends

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

At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 2 per DKK 20 share be paid.

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 31.12.13, the company's holding of treasury shares totalled 2,645 shares. The company did not buy or sell any treasury shares in 2013.

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 annual report and interim financial reports.

The Monberg & Thorsen share

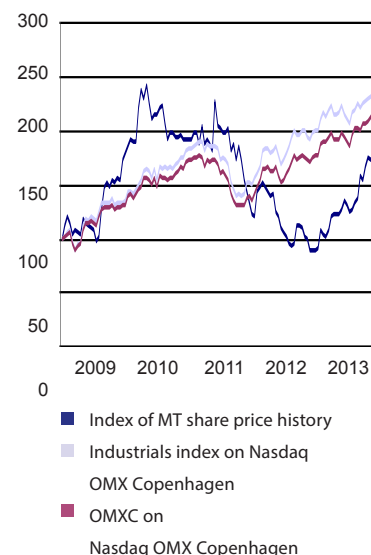
At the end of 2013, the share price was 268, up 89% on the previous year. A total of approx. 0.2 million shares were traded in 2013 compared with approx. 0.2 million shares in 2012.

Announcements to Nasdaq OMX Copenhagen A/S

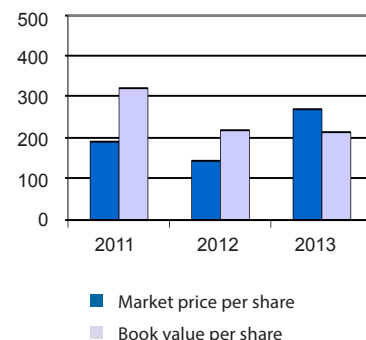
The following Stock Exchange announcements were issued in 2013:

- 16.01.13 MT Højgaard, CFO Flemming Steen resigns - has been offered a new position in another industry
- 22.01.13 Monberg & Thorsen lowers 2012 outlook due to lower outlook in MT Højgaard
- 14.03.13 MT Højgaard A/S, Søren Ulslev takes up the position as COO at MT Højgaard on 1 March
- 18.02.13 MT Højgaard wins order to build part of new hospital complex in Aarhus
- 18.02.13 MT Højgaard to build a school and a multi-purpose hall in Norway
- 05.03.13 Revised financial calendar 2013
- 05.03.13 MT Højgaard's annual report 2012
- 05.03.13 Monberg & Thorsen's annual report 2012
- 08.03.13 Trading in Monberg & Thorsen A/S shares by insider
- 12.03.13 Trading in Monberg & Thorsen A/S shares by insider
- 14.03.13 Transactions in Monberg & Thorsen A/S shares by insider
- 18.03.13 Complete resolutions proposed by the Board of Directors
- 18.03.13 Form of Proxy or Postal Vote - Annual General Meeting
- 18.03.13 Agenda Annual General Meeting on 10th April 2013
- 08.04.13 MT Højgaard A/S - new chairman of the board of directors
- 11.04.13 Monberg & Thorsen's Annual General Meeting
- 12.04.13 CFO in MT Højgaard A/S resigns
- 22.05.13 MT Højgaard's interim financial report - Q1 2013
- 22.05.13 Monberg & Thorsen's interim financial report - Q1 2013
- 24.05.13 Trading in Monberg & Thorsen A/S shares by insider
- 31.05.13 MT Højgaard to build a care centre and a health centre in Albertslund Centrum
- 31.05.13 MT Højgaard appoints new CFO

Share price 2009-2013
31.12.08 = Index 100



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



- 03.06.13 Trading in Monberg & Thorsen A/S shares by insider
- 11.06.13 Trading in Monberg & Thorsen A/S shares by insider
- 13.06.13 MT Højgaard - CFO takes up position earlier than announced
- 19.06.13 Scandi Byg wins large framework agreement
- 16.08.13 Enemærke & Petersen, a subsidiary of the MT Højgaard Group, chosen for major new project
- 28.08.13 MT Højgaard's interim financial report - 1st half 2013
- 28.08.13 Monberg & Thorsen's interim financial report - H1 2013
- 30.08.13 Trading in Monberg & Thorsen A/S shares by insider
- 16.09.13 Trading in Monberg & Thorsen A/S shares by insider
- 24.09.13 Enemærke & Petersen, a subsidiary of the MT Højgaard Group, chosen for new major refurbishment project
- 29.10.13 MT Højgaard builds new headquarters for Nordea Bank
- 06.11.13 MT Højgaard management changes - Søren Ulslev has resigned as Executive Vice President
- 11.11.13 MT Højgaard's interim financial report - Q3 2013
- 11.11.13 Monberg & Thorsen's interim financial report - Q3 2013
- 11.11.13 Financial calendar for 2014
- 12.11.13 MT Højgaard is to complete the construction of BESTSELLER's office building
- 25.11.13 Trading in Monberg & Thorsen A/S shares by insider
- 05.12.13 MT Højgaard - The Buxton case decided
- 06.12.13 Management change in Monberg & Thorsen A/S and in MT Højgaard A/S

Information policy

It is Monberg & Thorsen's information policy to have a high, uniform information level to ensure that all stakeholders receive all price-relevant information on Monberg & Thorsen and MT Højgaard in a timely and efficient manner. Such information is mainly communicated in the form of the publication of company announcements, including quarterly reports.

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 financial issues with investors and analysts
- will not participate in meetings with investors and financial analysts.

Financial calendar for 2014

Annual General Meeting	07.04.14
Payment of dividend	11.04.14

Expected dates of announcement of interim financial reports:

Q1 2014	19.05.14
Q2 2014	29.08.14
Q3 2014	19.11.14

MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of Monberg & Thorsen A/S for the financial year 1 January – 31 December 2013.

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 individual financial statements and the separate financial statements give a true and fair view of the companies' and the company's financial

position at 31 December 2013 and of the results of the companies' and the company's operations and cash flows for the financial year 1 January - 31 December 2013.

In our opinion, the Management's review gives a fair review of the development in the companies' and the company's operations and financial matters, the results for the year, cash flows and financial position as well as a description of the significant risks and uncertainty factors pertaining to the companies.

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

Søborg, 7 March 2014

Executive Board

Henriette H. Thorsen
Acting President and CEO

Board of Directors

Anders Colding Friis
Chairman

Niels Lykke Graugaard
Deputy Chairman

Lars Goldschmidt

Curt Germundsson

Christine Thorsen

Henriette H. Thorsen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Monberg & Thorsen A/S

Independent auditor's report on the individual financial statements and the separate financial statements

We have audited the individual financial statements and the separate financial statements of Monberg & Thorsen A/S for the financial year 1 January – 31 December 2013. The individual financial statements and the separate financial statements comprise segment information, statement of cash flows, income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies for the companies as well as for the company. The individual financial statements and the separate financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the individual financial statements and the separate financial statements

Management is responsible for the preparation of individual financial statements and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of individual financial statements and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the individual financial statements and the separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical

Copenhagen, 7 March 2014

KPMG

Statsautoriseret Revisionspartnerselskab

Jesper Koefoed

State Authorised Public Accountant

requirements and plan and perform the audit to obtain reasonable assurance as to whether the individual financial statements and the separate financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the individual financial statements and the separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the individual financial statements and the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of individual financial statements and separate financial statements that give a true and fair view 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 individual financial statements and the separate 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 has not resulted in any qualification.

Opinion

In our opinion, the individual financial statements and the separate financial statements give a true and fair view of the companies' and the company's financial position at 31 December 2013 and of the results of the companies' and the company's operations and cash flows for the financial year 1 January – 31 December 2013 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 further procedures in addition to the audit of the individual financial statements and the separate financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the individual financial statements and the separate financial statements.

SEGMENT INFORMATION (DKK million)

	DYRUP		MTHøjgaard*		Others, etc.**		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Income statement								
Revenue			3,385	4,478	-	-	3,385	4,478
Gross profit (loss)			280	-29	-	-	280	-29
Operating profit (loss) (EBIT)			76	-233	-33	-12	43	-245
Finance income			7	12	1	7	8	19
Finance costs			-19	-14	-	-4	-19	-18
Profit (loss) before tax			64	-235	-32	-9	32	-244
Income tax			-49	0	0	-1	-49	-1
Profit (loss) after tax from continuing operations			15	-235	-32	-8	-17	-243
Profit (loss) after tax from discontinuing operations		-12	-	-	-	-	-	-12
Profit (loss) for the year after tax	-	-12	15	-235	-32	-8	-17	-255
Balance sheet								
Intangible assets			71	68	-	-	71	68
Property, plant and equipment			262	296	-	-	262	296
Investments			146	162	-	-	146	162
Total non-current assets	-	-	479	526	-	-	479	526
Properties held for resale			256	278	-	-	256	278
Inventories			33	37	-	-	33	37
Receivables			889	1,037	0	6	889	1,043
Cash and cash equivalents and securities			192	161	288	454	480	615
Total current assets	-	-	1,370	1,513	288	460	1,658	1,973
Total assets	-	-	1,849	2,039	288	460	2,137	2,499
Share capital			239	101	-167	-29	72	72
Reserves, etc.			274	254	416	454	690	708
Total equity			513	355	249	425	762	780
Non-current liabilities			230	188	-	-	230	188
Current liabilities			1,106	1,496	39	35	1,145	1,531
Total equity and liabilities	-	-	1,849	2,039	288	460	2,137	2,499
Cash flows								
From operating activities			9	-65	-21	-35	-12	-100
For investing activities			-10	-6	301	168	291	162
From financing activities			151	-20	-144	-108	7	-128
Net increase (decrease) in cash and cash equivalents	-	-	150	-91	136	25	286	-66
Portion relating to inv. in property, plant and equipment	-	-	-59	-31	-	-	-59	-31

* Comprises 46% of MT Højgaard's figures.

** Others, etc., comprises Monberg & Thorsen and eliminations.

STATEMENT OF CASH FLOWS (DKK million)

SEPARATE FIN. STATEMENTS		Note	INDIVIDUAL FIN. STATEMENTS	
2012	2013		2013	2012
		Operating activities		
-12.1	-32.6	Operating profit (loss)	43.3	-245.4
		Non-cash operating items		
-	-	Depreciation, amortisation and impairment losses	51.0	58.6
-	-	Other	50.4	89.0
-12.1	-32.6	Cash flows from operating activities before working capital changes	144.7	-97.8
		Working capital changes		
-	-	Inventories	30.6	155.3
65.5	6.2	Receivables excluding construction contracts in progress	107.6	334.9
-	-	Construction contracts in progress	-85.4	-137.9
-92.4	4.9	Trade and other current payables	-160.2	-330.3
-39.0	-21.5	Cash flows from operations (operating activities)	37.3	-75.8
7.2	0.8	Finance income	6.5	17.0
0	0	Finance costs	-17.6	-14.2
-31.8	-20.7	Cash flows from operations (ordinary activities)	26.2	-73.0
-3.2	0	Income taxes paid, net	-38.3	-27.2
-35.0	-20.7	Cash flows from operating activities	-12.1	-100.2
		Investing activities		
-	-	Purchase of intangible assets	-6.8	-11.9
-	-	Purchase of property, plant and equipment	-58.8	-31.2
-	-	Sale of property, plant and equipment	52.9	43.0
137.2	-	Acquisition/disposal of enterprises and activities	-	133.3
-	-138.0	Capital increase in MT Højgaard	-	-
-	-	Dividends from associates	2.8	-
30.2	301.5	Purchase/sale of securities	301.1	28.4
167.4	163.5	Cash flows for investing activities	291.2	161.6
132.4	142.8	Cash flows before financing activities	279.1	61.4
		Financing activities		
		<i>Loan financing:</i>		
-	-	Decrease in non-current bank loans, etc.	13.7	-20.4
		<i>Shareholders:</i>		
-107.5	-7.2	Dividends paid	-7.2	-107.5
-107.5	-7.2	Cash flows from financing activities	6.5	-127.9
24.9	135.6	Net increase (decrease) in cash and cash equivalents	285.6	-66.5
127.6	152.5	Cash and cash equivalents at 01.01.	70.8	-273.3
-	-	Addition on disposal of activities	-	410.6
152.5	288.1	Cash and cash equivalents at 31.12.	356.4	70.8
		consisting of		
152.5	288.1	29 Cash and cash equivalents	404.8	238.0
-	-	Current bank loans	-48.4	-167.2
152.5	288.1		356.4	70.8

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

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

(DKK million)

SEPARATE FIN. STATEMENTS		INCOME STATEMENT		INDIVIDUAL FIN. STATEMENTS	
2012	2013	Note		2013	2012
		3	Revenue	3,384.8	4,478.0
		4	Production costs	3,104.4	4,507.0
			Gross profit (loss)	280.4	-29.0
-	-		Dividends from jointly controlled entities	-	-
-	-	4	Distribution costs	59.4	58.1
12.1	32.6	4	Administrative expenses	177.7	158.3
-12.1	-32.6		Operating profit (loss)	43.3	-245.4
-	-	5	Share of profit after tax of associates	0.9	0.6
7.2	0.8	6	Finance income	6.5	18.8
20.7	0	7	Finance costs	18.7	17.8
-25.6	-31.8		Profit (loss) before tax	32.0	-243.8
-5.5	0	8	Income tax	48.5	-0.5
-20.1	-31.8		Profit (loss) for the year from continuing operations	-16.5	-243.3
-	-		Profit (loss) for the year after tax from discontinuing operations	-	-12.2
-20.1	-31.8		Profit (loss) for the year after tax	-16.5	-255.5
		10	Earnings per (EPS) and diluted earnings per share (EPS-D), DKK	-5	-71

Profit for the year will be taken to equity

The Board of Directors will recommend a dividend of DKK 2 per share for 2013 for approval at the Annual General Meeting on 7 April 2014.

STATEMENT OF COMPREHENSIVE INCOME

SEPARATE FIN. STATEMENTS		STATEMENT OF COMPREHENSIVE INCOME		INDIVIDUAL FIN. STATEMENTS	
2012	2013	Note		2013	2012
-20.1	-31.8		Profit (loss) for the year	-16.5	-255.5
			Other comprehensive income		
			Items that may be reclassified to the income statement:		
-	-		Foreign exchange adjustments, foreign enterprises	0.6	-1.6
-	-		Value adjustments of hedging instruments	4.8	-1.4
-	-		Tax on other comprehensive income	0	0
-	-		Other comprehensive income (loss) after tax	5.4	-3.0
-20.1	-31.8		Total comprehensive income (loss)	-11.1	-258.5

BALANCE SHEET AT 31 DECEMBER (DKK million)

SEPARATE FIN. STATEMENTS		Note	INDIVIDUAL FIN. STATEMENTS			
2012	2013		2013	2012		
ASSETS						
Non-current assets						
Intangible assets						
-	-	11	Goodwill	53.6	53.6	
-	-	12	Other intangible assets	17.8	14.5	
			Total intangible assets	71.4	68.1	
Property, plant and equipment						
-	-	13	Land and buildings	112.6	116.8	
-	-	14	Plant and machinery	111.4	140.2	
0	0	15	Fixtures and fittings, tools and equipment	35.7	37.1	
-	-	16	Property, plant and equipment under construction	2.6	1.5	
			Total property, plant and equipment	262.3	295.6	
Investments						
427.0	565.0	17	Investments in jointly controlled entities	-	-	
-	-	18	Investments in associates	2.6	4.8	
-	-		Receivables from associates	1.5	1.6	
0	0	19	Other securities and equity investments	0	0	
-	-	26	Deferred tax assets	142.0	155.5	
			Total investments	146.1	161.9	
427.0	565.0	Total non-current assets			479.8	525.6
Current assets						
Inventories						
-	-	20	Inventories	32.5	36.4	
-	-	21	Properties held for resale	256.2	278.7	
			Total inventories	288.7	315.1	
Receivables						
-	-		Trade receivables	801.5	856.1	
-	-	28	Construction contracts in progress	34.1	76.6	
-	-		Receivables from associates	-	1.5	
-	-		Receivables from jointly controlled entities	0.1	0.2	
6.3	0.1		Other receivables	30.3	69.7	
-	-		Payments on account from suppliers	0.7	4.6	
-	-		Income tax	0.4	4.7	
-	-		Prepayments	21.8	30.0	
			Total receivables	888.9	1,043.4	
301.5	-	23	Securities	75.1	377.3	
152.5	288.1	29	Cash and cash equivalents	404.8	238.0	
			Total current assets	1,657.5	1,973.8	
887.3	853.2	Total assets			2,137.3	2,499.4

BALANCE SHEET AT 31 DECEMBER (DKK million)

SEPARATE FIN. STATEMENTS		EQUITY AND LIABILITIES		INDIVIDUAL FIN. STATEMENTS	
2012	2013	Note		2013	2012
			Equity		
71.7	71.7	24	Share capital	71.7	71.7
-	-		Other reserves	-8.5	-13.9
773.6	734.6		Retained earnings	691.4	715.1
7.2	7.2		Proposed dividends	7.2	7.2
<u>852.5</u>	<u>813.5</u>		Total equity	<u>761.8</u>	<u>780.1</u>
			Non-current liabilities		
-	-	25	Bank loans, etc.	80.0	63.6
-	-	26	Deferred tax liabilities	4.6	5.6
-	-	27	Provisions	145.2	119.0
<u>-</u>	<u>-</u>		Total non-current liabilities	<u>229.8</u>	<u>188.2</u>
			Current liabilities		
-	-	25	Current portion of non-current liabilities	18.8	17.9
-	-	25	Bank loans, etc.	48.4	167.2
-	-	28	Construction contracts in progress	274.1	402.0
-	-		Prepayments received from customers	5.2	6.6
2.4	0.4		Trade payables	352.8	482.2
0.2	0.2		Income tax	16.1	23.5
32.2	39.1		Other payables	302.6	272.4
-	-		Deferred income	16.1	32.9
-	-	27	Provisions	111.6	126.4
<u>34.8</u>	<u>39.7</u>		Total current liabilities	<u>1,145.7</u>	<u>1,531.1</u>
<u>34.8</u>	<u>39.7</u>		Total liabilities	<u>1,375.5</u>	<u>1,719.3</u>
<u>887.3</u>	<u>853.2</u>		Total equity and liabilities	<u>2,137.3</u>	<u>2,499.4</u>

STATEMENT OF CHANGES IN EQUITY (DKK million)

	Share capital	Retained earnings	Proposed dividends	Total
Separate financial statements (previously referred to as parent company financial statements)				
Equity at 01.01.12	71.7	800.9	107.5	980.1
Profit (loss) for the year		-20.1		-20.1
Proposed dividends		-7.2	7.2	0
Dividends paid			-107.5	-107.5
Total changes in equity	0	-27.3	-100.3	-127.6
Equity at 01.01.13	71.7	773.6	7.2	852.5
Profit (loss) for the year		-31.8		-31.8
Proposed dividends		-7.2	7.2	0
Dividends paid			-7.2	-7.2
Total changes in equity	0	-39.0	0	-39.0
Equity at 31.12.13	71.7	734.6	7.2	813.5

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
Individual financial statements (previously referred to as consolidated financial statements)						
Equity at 01.01.12	71.7	-12.7	1.8	977.8	107.5	1,146.1
Profit (loss) for the year				-255.5		-255.5
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			-1.6			-1.6
Value adjustments of hedging instruments		-1.4				-1.4
Tax on other comprehensive income						0
Proposed dividends				-7.2	7.2	0
Dividends paid					-107.5	-107.5
Total changes in equity	0	-1.4	-1.6	-262.7	-100.3	-366.0
Equity at 01.01.13	71.7	-14.1	0.2	715.1	7.2	780.1
Profit (loss) for the year				-16.5		-16.5
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			0.6			0.6
Value adjustments of hedging instruments		4.8				4.8
Tax on other comprehensive income						0
Proposed dividends				-7.2	7.2	0
Dividends paid					-7.2	-7.2
Total changes in equity	0	4.8	0.6	-23.7	0	-18.3
Equity at 31.12.13	71.7	-9.3	0.8	691.4	7.2	761.8

INDEX OF NOTES

Note		Page
1	Accounting policies	25
2	Accounting estimates and judgements	29
3	Revenue	29
4	Administrative expenses, including depreciation, amortisation and impairment losses and fees paid to auditor appointed at the Annual General Meeting	29
5	Share of profit after tax of associates	29
6	Finance income	30
7	Finance costs	30
8	Income tax	30
9	Employee information	30
10	Earnings per share and diluted earnings per share	30
11	Goodwill	30
12	Other intangible assets	31
13	Land and buildings	31
14	Plant and machinery	31
15	Fixtures and fittings, tools and equipment	31
16	Property, plant and equipment under construction	31
17	Investments in jointly controlled entities	31
18	Investments in associates	31
19	Other securities and equity investments	32
20	Inventories	32
21	Properties held for resale	32
22	Receivables	32
23	Securities	32
24	Share capital	32
25	Interest-bearing liabilities	32
26	Deferred tax assets and deferred tax liabilities	33
27	Provisions	33
28	Construction contracts in progress	33
29	Security arrangements	34
30	Lease commitments	34
31	Contingent liabilities	34
32	Related parties	34
33	Joint ventures	34
34	Financial risks	35
35	Capital management	36
36	New International Financial Reporting Standards and IFRIC Interpretations	36
37	Events after the balance sheet date	36
38	Segment information	37
39	Enterprises	38

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 1

Accounting policies**General**

Following the divestment of Dyrup at the start of 2012, Monberg & Thorsen and its 46% ownership interest in the jointly controlled entity MT Højgaard are no longer considered to be a Group. The financial statements previously referred to as the consolidated financial statements will therefore in future be referred to as individual financial statements and the financial statements previously referred to as the parent company financial statements will be referred to as separate financial statements. Content and formalities remain unchanged.

The annual reports have 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.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from the 2012 annual report apart from the fact that, with effect from 1 January 2013, we have adopted the standards and interpretations that became effective for 2013 and early adopted amendments to IAS 36. This has not affected our recognition or measurement in the annual reports.

Basis of consolidation

The individual financial statements comprise the financial statements of Monberg & Thorsen A/S and enterprises Monberg & Thorsen holds, directly or indirectly, more than 50% of the voting rights and which it controls in some other way.

Other enterprises in which Monberg & Thorsen 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 with one or more other enterprises are recognised in the individual financial statements using proportionate consolidation – including MT Højgaard A/S.

Individual financial statements are prepared on the basis of the individual enterprises' audited financial statements determined in accordance with the accounting policies.

On consolidation, identical items are aggregated and internal income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from transactions between the consolidated enterprises are also eliminated.

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

Gains and 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/discontinuing 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 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.

Cash flows from the operating, investing and financing activities of discontinuing operations are disclosed in a note.

Business combinations

Acquisitions of enterprises over which the parent company obtains control are accounted for by 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. The tax effect of the restatements performed is taken into account.

Any excess of the cost over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised in intangible assets as goodwill. Any excess of the fair value over the purchase consideration (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 the fair value of identifiable assets, liabilities and contingent liabilities subsequently proves to differ from the fair value assumed at the acquisition date, goodwill may be adjusted for up to twelve months following their acquisition.

Non-controlling interests

Non-controlling interests are recognised initially either at fair value or at the proportionate share of the fair value of the acquiree's assets, liabilities and contingent liabilities at the acquisition date. The measurement of non-controlling interests is elected on a transaction-by-transaction basis.

The enterprises' items are fully consolidated in the individual financial statements. Non-controlling interests' proportionate share of profit (loss) for the year appears from the income statement. In the balance sheet, non-controlling interests are recognised as a separate component of equity, separate from equity attributable to equity holders of Monberg & Thorsen.

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 individual 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 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 finance income and costs.

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, which 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 in equity.

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 recognised in the individual financial statements in other comprehensive income and in a separate translation reserve in 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 enterprises use 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.

Changes in the portion of the fair value of derivative financial instruments that is designated as and qualifies for recognition as a hedge of future cash flows is recognised in other comprehensive income within a separate hedging reserve under equity. Income and expenses relating to such hedging transactions are transferred from the reserve in equity on realisation of the hedged item and recognised in the same item as the hedged item.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Derivative financial instruments are recognised from the trade date and measured in the balance sheet 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 companies assume 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 determined using the interest rate implicit in the lease as the discount rate or an approximated value.

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 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

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 by 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.

Income from construction contracts comprises the agreed contract sum plus or minus agreed variations to contract work, claims for increases or decreases in the scope of work, including any related interest payments, etc.

Revenue relating to rental income, facility management, etc., 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, subcontractor supplies, leasing of capital equipment, design and technical assistance, remedial and guarantee works, subsupplier claims, for example for increases or decreases in the scope of work, including any related interest payments, etc.

Dividends from investments in the separate financial statements

Dividends from investments in jointly controlled entities are credited to the income statement in the financial year in which they are declared. Dividends are recognised in operating profit, as Monberg & Thorsen is a holding company.

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.

Share of profit (loss) after tax of associates

The proportionate share of profit (loss) of associates is recognised in the income statement in the individual financial statements net of tax and after elimination of the proportionate share of profits/losses resulting from internal transactions and after deduction of goodwill impairment losses.

Finance income and costs

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

Finance costs 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 profit for the year or other comprehensive income and consequently directly in equity.

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

Until and including 2011, Monberg & Thorsen A/S was taxed jointly with the Danish subsidiaries (national joint taxation) in the Dyrup Group. Current Danish tax was allocated among 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 through the income statement to the recoverable amount if this is lower than the carrying amount.

Other intangible assets are amortised over their expected useful lives, which are 5-10 years.

Property, plant and equipment

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

Cost comprises purchase price and any 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 finance 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.

The expected useful lives are 10-50 years for buildings, 3-12 years for plant and machinery, 3-12 years for fixtures and fittings, tools and equipment, and 3-10 years for 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 acquisition date 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 individual financial statements

Investments in associates are measured using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the accounting policies, plus or minus unrealised internal profits/losses, and plus goodwill.

Associates with a negative carrying amount are recognised at nil. If the owner company has a legal or constructive obligation to cover an associate's negative balance, the nega-

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

tive balance is offset against receivables from the associate. Any remaining amount is recognised in liabilities.

Investments in the separate financial statements

Investments in jointly controlled entities are measured 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 relating to 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. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

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 by reference 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 total costs on a construction contract in progress will exceed total contract income, 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 in 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 as receivables, and deferred income is recognised as 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, which are monitored, measured and reported at fair value on an ongoing basis in accordance with Monberg & Thorsen's investment practice, are recognised at the trade date at fair value within current assets and subsequently measured at fair value. Changes in fair value are recognised in the income statement as finance income or costs in the period in which they occur.

Equity*Dividends*

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

The reserve is dissolved on realisation of the hedged transaction, if the hedged cash flows are no longer expected to be realised or the hedging relationship is no longer effective.

Translation reserve

The translation reserve in the individual financial statements comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign entities from their functional currencies to Danish kroner and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the 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. The reserve is also dissolved in the criteria for effective hedging no longer exist.

Current tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for taxes 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 to the extent that it is deemed that disposal of the investments or withdrawal from the international joint taxation scheme for the MT Højgaard Group may be relevant.

Deferred tax assets, including the value represented by tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised either 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 within 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 comprehensive income for the year.

Pension obligations

The companies' 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 companies have 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.

Provisions are measured based on management's best estimate of the amount that will be required to settle the obligation.

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.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

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

Statement of cash flows

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

The cash flow effect of acquisitions and disposals of enterprises is disclosed separately in cash flows from investing activities. Cash flows from acquisitions are recognised in the statement of cash flows 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 from 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

Following the divestment of Dyrup at the start of 2012, the activities of Monberg & Thorsen consist solely of MT Højgaard, in which the ownership interest is 46%.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report and is therefore enclosed in Monberg & Thorsen's annual report. This company's accounting policies follow the accounting policies.

Like previous years, a segment overview is provided on page 18.

DEFINITIONS OF FINANCIAL RATIOS USED

Operating margin (EBIT margin)	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Pre-tax margin	$\frac{\text{Profit before tax} \times 100}{\text{Revenue}}$
Return on invested capital incl. goodwill (ROIC)	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Average invested capital inclusive goodwill}}$
Return on equity (ROE)	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$
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	$\frac{\text{Equity, year end} \times 100}{\text{Liabilities, year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year after tax}}{\text{Average number of shares}}$
Price earnings (P/E)	$\frac{\text{Market price, year end}}{\text{Earnings per share}}$
Payout ratio	$\frac{\text{Total dividends} \times 100}{\text{Profit after tax}}$

Financial ratios

Financial ratios have been prepared in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 2

Accounting estimates and judgements
Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effects of future events on 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.

It may be necessary to revise previously made estimates due to changes in underlying factors or due to new knowledge or subsequent events. Special risks for the enterprises are referred to in the annual review under the section on Risk factors and in note 34 on Financial risks.

Estimates that are particularly material to the financial reporting primarily relate to the measurement of the selling price of construction contracts in progress, determination of guarantee commitments, assessment of the outcome of disputes, and recovery of deferred tax assets.

The selling price of construction contracts in progress is recognised and measured on the basis of, among other things, expected remaining expenses and income. The outcome of disputes is assessed on the basis of, among other things, the stage of negotiations with the other party and an assessment of the likely outcome. Provisions for guarantee obligations are assessed individually for each construction contract. The level of provisions is based on experience and the characteristics of each project. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available, in the foreseeable future (3-5 years), against which tax loss carryforwards, etc., can be utilised. Further details of special risks in MT Højgaard are provided in notes 2, 15, 23 and 26 to MT Højgaard's annual report.

In connection with impairment testing of equity investments and goodwill, etc., 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.

Accounting policies

As part of the application of the 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

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
MT Højgaard (46%)			3,384.8	4,478.0
Total revenue			3,384.8	4,478.0

Note 4

Monberg & Thorsen's administrative expenses are affected by expenses of DKK 25 million relating to a review of the guarantees provided in connection with the divestment of Dyrup, see the further details on this provided in note 31. The expenses relate particularly to Dyrup's manufacturing facilities in France, partly because, for several years, Dyrup erroneously did not have the correct CEVESO production permit.

Depreciation, amortisation and impairment losses

Intangible assets			3.4	1.9
Property, plant and equipment			47.6	56.7
Total depreciation, amortisation and impairment losses			51.0	58.6

Depreciation, amortisation and impairment losses are included in:

Production costs			41.8	54.0
Administrative expenses			9.2	4.6
Total depreciation, amortisation and impairment losses			51.0	58.6

Fees paid to auditor appointed at the Annual General Meeting (KPMG)

Audit fees	0.3	0.3	1.9	1.9
Other assurance engagements	-	-	0.1	0.1
Tax and VAT advice	-	-	0.4	0.3
Other services	-	-	0.9	0.7
Total fees to KPMG	0.3	0.3	3.3	3.0

Note 5

Associates

Share of profit after tax of associates of MT Højgaard			0.9	0.6
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Accounting information for MT Højgaard's associates is disclosed in note 13 to MT Højgaard's annual report.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Note 6				
Finance income				
Securities - measured at fair value	6.3	-	2.3	9.6
Interest income, cash and cash equiv., etc.	0.9	0.8	3.0	7.2
Foreign exchange gains, etc.	-	-	1.2	2.0
Total finance income	7.2	0.8	6.5	18.8

Interest income, cash and cash equivalents, etc., relate to assets measured at amortised cost.

Note 7				
Finance costs				
Interest expense	0.1	0	10.1	10.7
Foreign exchange losses	-	-	7.2	3.5
Capital losses on securities	3.4	-	1.4	3.6
Impairment losses, etc., on investments, Dyrup	17.2	-	-	-
Total finance costs	20.7	0	18.7	17.8

Interest expense relates to interest on loans measured at amortised cost.
Impairment losses, etc., on investments relate to the divestment of Dyrup, where the final determination of the selling price was made in 2012.

Note 8				
Income tax				
Current tax	-	0	35.6	39.5
Changes in deferred tax	-5.5	0	12.5	-39.4
Prior year adjustments	-	0	0.4	-0.6
Total income tax expense	-5.5	0	48.5	-0.5
Reconciliation of tax rate (%)				
Danish tax rate	25	25	25	25
Reduction of Danish income tax rate to 22% in 2016	-	-	59	-
Deviations in foreign enterprises' tax rates	-	-	20	-4
Non-taxable items, etc.	-2	-20	20	-
Other, including prior year adjustments	-2	-5	28	-21
Effective tax rate (%)	21	0	152	0

The effective tax rate was affected by tax on earnings outside Denmark, where the tax burden is higher than the Danish tax rate of 25%, and the reduction of the Danish income tax rate to 22% in 2016 and the assessment of the tax assets, as described in notes 10 and 18 to MT Højgaard's annual report, to which reference is made.

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Note 9				
Employee information				
Wages, salaries and remuneration	6.6	4.2	880.1	1,005.3
Pension contributions (defined contribution)	-	-	62.4	73.4
Other social security costs	-	-	29.6	32.8
Total	6.6	4.2	972.1	1,111.5

The total payroll costs include salaries and remuneration to Monberg & Thorsen:

Board of Directors	1.8	1.8	2.4	2.4
Executive Board	4.7	2.5	4.5	7.9
Average number of employees	1	1	1,829	2,158

Note 10			
Earnings per share and diluted earnings per share			
Profit (loss) for the year		-16.5	-255.5
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)		-5	-71
Earnings per share (EPS) and diluted earnings per share from continuing operations		-5	-68

Note 11			
Goodwill			
Cost at 01.01.		53.9	51.8
Additions		-	2.1
Disposals		-	-
Cost at 31.12.		53.9	53.9
Impairment losses at 01.01.		0.3	0.3
Impairment charge		-	-
Impairment losses at 31.12.		0.3	0.3
Carrying amount at 31.12.		53.6	53.6

The carrying amount of goodwill was tested for impairment at 31.12.13. Details of the impairment test are provided in note 11 to MT Højgaard's annual report, to which reference is made.

The impairment tests in 2013 and 2012 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.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Note 12				
Other intangible assets				
Cost at 01.01.			20.7	8.2
Reclassifications			-	0.6
Additions			6.8	11.9
Cost at 31.12.			27.5	20.7
Amortisation at 01.01.			6.3	3.7
Reclassifications			-	0.6
Amortisation charge			3.4	1.9
Amortisation at 31.12.			9.7	6.2
Carrying amount at 31.12.			17.8	14.5

Further details on other intangible assets are provided in note 11 to MT Højgaard's annual report. Management has not identified any factors indicating a need for impairment testing of other intangible assets.

Note 13				
Land and buildings				
Cost at 01.01.			162.3	164.9
Reclassifications			0.2	-
Additions			6.2	1.7
Disposals			-8.3	-4.3
Cost at 31.12.			160.4	162.3
Depreciation and impairment losses at 01.01.			45.5	42.9
Reclassifications			0.2	-
Depreciation, disposals			-3.1	-1.0
Depreciation and impairment charge			5.2	3.6
Depreciation and impairment losses at 31.12.			47.8	45.5
Carrying amount at 31.12.			112.6	116.8
Mortgaged properties:				
Carrying amount			57.5	36.6
Year-end balance, loans			39.3	25.6
Carrying amount of assets held under finance leases			6.6	4.7

Note 14				
Plant and machinery				
Cost at 01.01.			368.7	394.5
Reclassifications			-0.6	-0.3
Additions			38.6	23.2
Disposals			-107.6	-48.7
Cost at 31.12.			299.1	368.7
Depreciation and impairment losses at 01.01.			228.5	223.0
Reclassifications			-0.7	-0.1
Depreciation, disposals			-65.9	-31.0
Depreciation and impairment charge			25.8	36.6
Depreciation and impairment losses at 31.12.			187.7	228.5
Carrying amount at 31.12.			111.4	140.2
Carrying amount of assets held under finance leases			33.2	44.1

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Note 15				
Fixtures and fittings, tools and equipment				
Cost at 01.01.	0.1	0.1	136.0	131.2
Reclassifications	-	-	1.4	0.3
Additions	-	-	16.7	14.0
Disposals	-	-0.1	-10.4	-9.5
Cost at 31.12.	0.1	0	143.7	136.0
Depr. and impairment losses at 01.01.	0.1	0.1	98.9	90.4
Reclassifications	-	-	1.5	0.1
Depreciation, disposals	-	-0.1	-8.8	-8.1
Depreciation and impairment charge	-	-	16.4	16.5
Depr. and impairment losses at 31.12.	0.1	0	108.0	98.9
Carrying amount at 31.12.	0	0	35.7	37.1
Carrying amount of assets held under finance leases			9.2	10.4

Note 16				
Property, plant and equipment under construction				
Cost at 01.01.			1.5	7.4
Additions			2.6	7.7
Disposals			-1.5	-13.6
Carrying amount at 31.12.			2.6	1.5

Note 17				
Investments in jointly controlled entities				
Cost at 01.01.	427.0	427.0		
Additions	-	138.0		
Cost/carrying amount at 31.12.	427.0	565.0		

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 at 31.12.13 was DKK 520 million.

MT Højgaard is a jointly controlled entity under an agreement entered into between the shareholders. MT Højgaard is therefore consolidated in the individual financial statements by proportionate consolidation. A detailed overview of the amounts recognised on a proportionate basis is provided in the segment overview on page 18. Reference is made to the annual report of MT Højgaard, which forms an integral part of Monberg & Thorsen's annual report.

Note 18				
Investments in associates				
Cost at 01.01.			5.5	5.5
Additions			-	-
Disposals			-2.8	-
Cost at 31.12.			2.7	5.5
Revaluation/impairment losses at 01.01.			-0.7	-1.0
From the income statement			0.9	0.6
Disposals			-	-
Other adjustments			-0.3	-0.3
Revaluation/impairment losses at 31.12.			-0.1	-0.7
Carrying amount at 31.12.			2.6	4.8

Accounting information for these companies is disclosed in note 13 to MT Højgaard's annual report.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS			SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012		2012	2013	2013	2012
Note 19					Note 23				
Other securities and equity investments					Securities				
Cost at 01.01. and at 31.12.	0	0	0	0	Bonds	301.5	-	75.1	377.3
Note 20					Carrying amount at 31.12.				
Inventories					Nominal holding				
Raw materials and consumables			32.5	36.4	Bonds maturing more than one year from the balance sheet date (market value)	301.5	-	72.7	375.5
Carrying amount at 31.12.			32.5	36.4	Maturity of bond portfolio (years)	0	-	68.7	71.6
Changes for the year:					Effective interest rate on bond portfolio (%)	0	-	2.9	0.5
Cost at 01.01.			36.9	35.7	Bonds deposited as security (market price)	2.6	-	2.6	1.3
Additions and disposals, net			-1.6	1.2	Bonds recognised as registered assets in MTH Insurance A/S (market price)	-	-	9.4	9.6
Cost at 31.12.			35.3	36.9	Bonds recognised as registered assets in MTH Insurance A/S (market price)	-	-	65.7	66.1
Write-downs at 01.01.			0.5	0	The bond portfolio is measured at fair value through profit or loss on an ongoing basis in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the financial policy. The bond portfolio consists of listed Danish bonds that are monitored on an ongoing basis and reported at fair value.				
Write-downs for the year			2.3	0.5	Note 24				
Reversal of write-downs			-	-	Share capital				
Write-downs at 31.12.			2.8	0.5		A shares	B shares	Total	
Carrying amount at 31.12.			32.5	36.4	Share capital at 31.12.	15.4	56.3	71.7	
Value of inventories recognised at net realisable value			3.8	0.6	Number of shares at DKK 20 per share	768,000	2,817,000	3,585,000	
Note 21					Note 25				
Properties held for resale					Interest-bearing liabilities				
Cost at 01.01.			278.7	434.2	Total interest-bearing liabilities can be broken down by commitment type as follows:				
Additions			4.8	129.8	Bank loans, etc.		97.9	192.8	
Disposals			-27.3	-285.3	Lease commitm. (assets held u. fin. leases)		49.2	55.9	
Cost at 31.12.			256.2	278.7	Carrying amount at 31.12.		147.1	248.7	
Adjustments at 01.01.			-	-	Interest-bearing liabilities can be broken down by currency as follows:				
Reversal of write-downs for the year			-	-	DKK		140.9	239.0	
Adjustments at 31.12.			-	-	EUR		6.2	9.7	
Carrying amount at 31.12.			256.2	278.7	Other		-	-	
Value of properties recognised at net realisable value			0	0	Carrying amount at 31.12.		147.1	248.7	
Mortgaged properties:					Interest-bearing liab. can be broken down by fixed-rate and floating-rate debt as follo				
Carrying amount			44.2	2.6	Fixed-rate debt		94.7	52.9	
Year-end balance, loans			48.6	0.3	Floating-rate debt		52.4	195.8	
Properties held for resale consist of undeveloped sites held with a view to project de- velopment activities, and completed dwellings for resale.					Carrying amount at 31.12.		147.1	248.7	
Note 22					Note 25				
Receivables					Interest-bearing liabilities				
Receivables at 31 December 2013 totalled DKK 0.9 billion, primarily relating to MT Højgaard's activities. This figure includes disputed amounts. In the assessment of the amounts recognised, estimates have been made that are based on, among other things, external legal opinions.					Total interest-bearing liabilities can be broken down by commitment type as follows:				
Receivables falling due more than one year after the balance sheet date	-	-	6.4	7.5	Bank loans, etc.		97.9	192.8	
The fair value of receivables is deemed to correspond to the carrying amount, except for the above non-current receivables, the fair value of which represents approx. 80%.					Lease commitm. (assets held u. fin. leases)		49.2	55.9	
					Carrying amount at 31.12.		147.1	248.7	
					Interest-bearing liabilities can be broken down by currency as follows:				
					DKK		140.9	239.0	
					EUR		6.2	9.7	
					Other		-	-	
					Carrying amount at 31.12.		147.1	248.7	
					Interest-bearing liab. can be broken down by fixed-rate and floating-rate debt as follo				
					Fixed-rate debt		94.7	52.9	
					Floating-rate debt		52.4	195.8	
					Carrying amount at 31.12.		147.1	248.7	

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Interest-bearing liabilities can be broken down by effective interest rate as follows:				
Less than 5%			146.5	244.0
Between 5% and 7%			-	2.5
More than 7%			0.6	2.2
Carrying amount at 31.12.			147.1	248.7
Weighted average int. rate (%)			3.2	3.0
Weighted average remaining term (yrs)			3.9	1.9
Interest-bearing liabilities are recognised in the balance sheet as follows:				
Non-current liabilities			80.0	63.6
Current liabilities			67.1	185.1
Carrying amount at 31.12.			147.1	248.7
Fair value at 31.12.			142.4	248.5

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

Note 26

Deferred tax

Deferred tax, net, at 01.01.	5.0	0	-149.9	-106.0
Deferred tax - Dyrup	-5.0	-	-	-5.0
Reduction of Danish income tax	-	-	18.8	-
Changes through the income statement	-	-	-6.3	-38.9
Deferred tax, net, at 31.12.	0	0	-137.4	-149.9

Deferred tax can be broken down as follows:

Deferred tax assets

Property, plant and equipment	12.9	-		
Investments	-	0.5		
Current assets	-	0.1		
Non-current liabilities	36.3	33.9		
Current liabilities	28.6	50.3		
Tax loss carryforwards	150.5	133.4		
Non-capitalised portion	-55.9	-49.0		

Deferred tax assets at 31.12. before set-off

Set-off within legal entities and jurisdictions (countries)			-30.4	-13.7
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Carrying amount at 31.12.

Deferred tax liabilities

Intangible assets	7.3	3.1		
Property, plant and equipment	2.6	1.2		
Current assets	25.1	15.0		

Deferred tax liabilities at 31.12. before set-off

Set-off within legal entities			35.0	19.3
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	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
and jurisdictions (countries)			-30.4	-13.7
Carrying amount at 31.12.	-	-	4.6	5.6
Deferred tax, net, at 31.12.	-	-	-137.4	-149.9

Deferred tax has been calculated using the tax rates expected to be effective at the date of realisation in the respective countries to which the deferred tax relates.

The tax loss carryforwards may be carried forward indefinitely and are expected to be utilised against future earnings.

Deferred tax assets relate solely to MT Højgaard. Further details on this are provided in note 18 to MT Højgaard's annual report.

Note 27

Provisions

Provisions at 01.01.	245.4	192.7
Added during the year	58.8	103.5
Utilised during the year	-45.7	-49.7
Reversal of unutilised provisions	-1.7	-1.1

Carrying amount at 31.12.

Other provisions are recognised in the balance sheet as follows:		
Non-current liabilities	145.2	119.0
Current liabilities	111.6	126.4

Total

Expected maturity dates:		
Less than one year	111.6	126.4
Between one and two years	42.7	19.2
Between two and five years	67.5	67.9
More than five years	35.0	31.9

Total

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

Note 28

Construction contracts in progress

Progress billings	2,227.1	3,339.0
Selling price of construction contracts	-1,987.1	-3,013.6

Construction contracts in progress, net

Construction contracts in progress are recognised in the balance sheet as follows:		
Current liabilities	274.1	402.0
Receivables	-34.1	-76.6

Construction contracts in progress, net

Prepayments from customers	31.6	
Payments withheld	25.6	38.7

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Note 29				
Security arrangements				
Guarantees have been provided in respect of:				
Bid bonds			3.1	40.6
Contracts and supplies in progress			777.9	1,032.8
Completed contracts and supplies			688.9	574.9
Total guarantees provided	-	-	1,469.9	1,648.3

The 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 137 million deposited in an escrow account at 31.12.13 in connection with the divestment of Dyrup to cover guarantees and indemnities provided, see note 31.

In addition, land and buildings have been lodged as security for bank loans, etc., see note 13.

Note 30**Lease commitments**

Finance leases				
Total future minimum lease payments:				
Due within one year			13.2	13.9
Due between two and five years			40.5	47.7
Due after more than five years			0	0.3
Total			53.7	61.9
Carrying amount (present value):				
Due within one year			11.6	11.7
Due between two and five years			37.6	43.9
Due after more than five years			-	0.3
Total			49.2	55.9
Finance costs			4.5	6.0

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

Operating leases

Total future minimum lease payments:				
Due within one year	0.2	0.2	43.9	43.3
Due between two and five years	0.3	0.2	85.5	83.8
Due after more than five years	-	-	27.3	33.6
Total	0.5	0.4	156.7	160.7
Lease payments relating to operating leases recognised in the income statement	0.1	0.2	49.5	49.1

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012

The finance and 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 11 years. None of the leases features contingent rent.

MT Højgaard has entered into an agreement on leasing of Knud Højgaards Vej 7, 2860 Søborg, Denmark, for expected occupation on 1 August 2016. The total lease obligation is DKK 230 million, of which 46% corresponds to DKK 106 million, which is not included in the above.

Note 31**Contingent liabilities****Indemnities**

In relation to the divestment of Dyrup, Monberg & Thorsen has provided normal and customary guarantees to the buyer. The guarantees include a guarantee that Dyrup has operated its business legally in every respect, i.e. that Dyrup has complied with all laws and regulations in relation to, for example, working conditions, competition law, indirect and direct taxes, environment, etc. The principal guarantees relating to tax and environmental aspects have a term of up to seven years, i.e. until 5 January 2019. As collateral for the performance of these guarantees, Monberg & Thorsen has deposited EUR 18 million of the sales proceeds in an escrow account at 31.12.13.

Pending disputes and litigation

The MT Højgaard Group is 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 adverse impact on the financial position. Further details are provided in note 23 to MT Højgaard's annual report.

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

Note 32**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' Board of Directors and Executive Boards.

Monberg & Thorsen's related parties also include jointly controlled entities in which Monberg & Thorsen has control or significant influence. A list of these entities is provided in note 39.

All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.

Management remuneration is disclosed in note 9.

Monberg & Thorsen did not have any balances with jointly controlled entities at 31.12.2013.

Monberg & Thorsen's dividends from jointly controlled entities are disclosed in the income statement.

Note 33**Joint ventures**

Monberg & Thorsen owns 46% of MT Højgaard, which is a jointly controlled entity. Furthermore, Monberg & Thorsen 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.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Jointly controlled entities are recognised in the individual financial statements by proportionate consolidation. In the separate financial statements, the investment in the jointly controlled entity is measured at cost.

A detailed segment specification of the amounts recognised in the individual financial statements in respect of MT Højgaard is provided on page 18, to which reference is made.

Note 34

Financial risks

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

Risk management of financial risks in the MT Højgaard Group is carried out independently by MT Højgaard.

There were no significant changes in MT Højgaard's risk exposure or risk management in 2013 compared with 2012. Financial risks in 2013 primarily related to MT Højgaard.

MT Højgaard maintains an overview of currency positions and interest rate sensitivity with a view to mitigating currency risks and maintaining interest rate sensitivity at a low level.

Currency risks

Monberg & Thorsen 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 foreign enterprises, as the individual 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.

Monberg & Thorsen 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.

The amount recognised in the income statement in the individual financial statements was an expense of DKK 3.5 million compared with income of DKK 3.9 million in 2012.

Open forward exchange contracts at 31 December 2013 had a remaining term of up to one year (2014).

Revenue for accounting purposes, denominated in foreign currencies, predominantly NOK, GBP and EUR, amounted to DKK 0.5 billion in 2013 compared with DKK 0.5 billion in 2012.

The 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 against DKK is illustrated below. This is a purely mathematical calculation based on the net currency positions at year end

Currency	Hypothetical change	Nominal position DKKm	Effect DKKm
EUR	1%	164.7	1.2
USD	5%	-13.1	-0.5
GBP	5%	6.6	0.2
SEK	5%	3.2	0.1
NOK	5%	9.6	0.4

A decrease in the exchange rates would have a corresponding opposite effect on profit (loss) for the year and equity.

The sensitivity analysis is based on the financial instruments recognised at 31 December 2013 and an assumption of unchanged production/sales and price level.

Interest rate risks

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

Cash and cash equivalents and securities stood at DKK 480 million at the end of 2013 and were mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than three years at the end of 2013.

Interest-bearing liabilities stood at DKK 147 million at the end of 2013, with short-term borrowings accounting for 46%. As Monberg & Thorsen does not have any interest-bearing liabilities, the figures reflect interest-bearing liabilities in the MT Højgaard Group.

The average weighted remaining maturity of the interest-bearing debt was 3.9 years, and the weighted average effective interest rate was 3.2%. Fixed-rate debt accounted for 64% of interest-bearing debt.

Changes in fair value: All other conditions being equal, the hypothetical effect on profit for the year and equity at 31 December 2013 of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been DKK 3.2 million (2012: DKK 3.1 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 positive effect of a one percentage point increase in relation to the interest rate level realised for the year on the floating-rate cash and cash equivalents, securities and debt would have been a DKK 3.2 million increase in profit for the year and equity at 31 December 2013 (2012: DKK 3.5 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. Monberg & Thorsen has no material risks relating to a single client or business partner.

The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as Monberg & Thorsen requests security in the form of bank guarantees and guarantee insurance or similar to a considerable extent when entering into contracts with private sector 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.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012
Write-downs included in receivables developed as follows:				
Impairment losses at 01.01.			6.2	5.9
Adjustments for the year, net			7.0	0.3
Impairment losses at 31.12.			13.2	6.2
Nominal value of written-down receivables			25.8	6.2
Receivables that were past due by more than 90 days at 31 December but not impaired			76.7	44.8
Security received in respect of receivables (fair value)			116.6	130.2

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.

Financial resources consist of cash, securities and undrawn credit facilities. At the end of 2013, financial resources stood at DKK 0.6 billion, excluding the amount deposited as collateral in respect of indemnities and guarantees in connection with the divestment of Dyrup. Financial resources also stood at DKK 0.6 billion at 31.12.2012.

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

Of the credit facilities, DKK 105 million in MT Højgaard is subject to financial covenants related to equity ratio and earnings.

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

Interest-bearing liabilities, etc.	-	-	147.1	248.7
Trade payables	2.4	0.4	352.8	482.2
Derivative financial liabilities	-	-	0.9	2.6
Total carrying amount	2.4	0.4	500.8	733.5

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

Less than one year	2.4	0.4	420.0	668.3
Between one and two years	-	-	16.5	14.1
Between two and five years	-	-	40.3	37.8
More than five years	-	-	23.1	13.3
Total contractual cash flows	2.4	0.4	499.9	733.5

Categories of financial instruments

Carrying amount by category:

Financial assets measured fair value through profit or loss	301.5	0	75.1	377.3
Loans and receivables	158.8	288.2	1,246.0	1,193.7
Financial liabilities measured at fair value through profit or loss	0	0	0.9	2.6
Financial liabilities measured at amortised cost	34.5	39.5	828.4	1,045.8

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

Securities are valued based on quoted prices (Level 1).

Derivative instruments are valued at observable prices (Level 2).

Note 35**Capital management**

The need for alignment of the individual enterprises' capital structure is reviewed on an ongoing basis to ensure that the capital position complies with current regulations and is aligned to the business concept and the level of activity. According to the internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The objective for the equity ratio is 30-40%. The equity ratio was 36% at the end of 2013 compared with 31% at the end of 2012.

Note 36**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 2013.

With the exception of the early adoption of amendments to IAS 36, the new standards and interpretations are expected to be adopted as they become mandatory for Monberg & Thorsen A/S. Apart from the below, none of the new standards or interpretations is expected to have a material impact on Monberg & Thorsen's financial reporting.

IFRS 10 changes the criteria determining whether a company must be consolidated. IFRS 10 states that an investor must consolidate another company when it has de facto control of it, even though it does not hold the majority of the votes. The standard is effective for financial years beginning on or after 1 January 2014.

IFRS 11 relating to Joint Arrangements replaces IAS 31 Joint Ventures. In future, companies will no longer have a choice between proportionate consolidation and the equity method for jointly controlled entities. IFRS 11 divides Joint Arrangements into joint ventures (equity method) and joint operations (proportionate share of underlying assets and liabilities) based on both formal and substance-related factors. The change will not affect MT Højgaard's profit or equity, but the presentation of activities in which MT Højgaard is involved in joint ventures and jointly controlled entities will be changed. A description of the changes for MT Højgaard is provided in note 28 to MT Højgaard's annual report.

After the implementation of the standard, the jointly controlled entity MT Højgaard, which is recognised in Monberg & Thorsen's individual financial statements using proportionate consolidation, is expected to be recognised as a joint venture, i.e. with consolidation in a single line. The change does not affect profit or equity in the individual financial statements, which will see a marked reduction in the scope of notes. Furthermore, no revenue will be shown. In the statement of cash flows, the change will mean that only changes such as dividend payments and capital increases, etc., between Monberg & Thorsen and MT Højgaard will be included. If the above had been implemented in 2013, the statement of cash flows in the individual financial statements would correspond to the statement of cash flows in the separate financial statements. In the income statement, revenue and gross profit would have been nil, and the share of profit after tax from MT Højgaard would have been recognised in a single line, and the balance sheet total would have been reduced to DKK 801 million. The standard is effective for financial years beginning on or after 1 January 2014.

IFRS 12 contains disclosure requirements relating to both consolidated and non-consolidated enterprises, joint ventures and associates. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	SEPARATE FIN. STATEMENTS		INDIVIDUAL FIN. STATEMENTS	
	2012	2013	2013	2012

Note 37

Events after the balance sheet date

So far as management is aware, no events have occurred between 31 December 2013 and the date of signing of the annual report that will have a material effect on the assessment of Monberg & Thorsen's financial position at 31 December 2013, other than the effects recognised and referred to in the annual report.

Note 38

Segment information

A detailed segment breakdown of the consolidated figures in the individual financial statements is provided on page 18, and the integrated annual report of MT Højgaard A/S includes detailed information about the operations and performance of MT Højgaard.

Geographical breakdown of revenue and non-current assets

Revenue can be broken down as follows:

Denmark	2,769.2	3,506.0
Rest of world	615.6	972.0
Total	3,384.8	4,478.0

Non-current assets excluding deferred tax assets
can be broken down as follows:

Denmark	289.6	295.2
Rest of world	48.3	75.0
Total	337.9	370.2

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 39

Enterprises

Companies at 31 December 2013

		Registered office	Ownership interest %	Share capital million	
Monberg & Thorsen A/S		Søborg DK		DKK	71.7
Jointly controlled entity					
MT Højgaard A/S	(J)	Søborg DK	46.00	DKK	520.0
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
E&P Service A/S		Albertslund DK	100.00	DKK	500
Greenland Contractors I/S	(J)	Copenhagen DK	66.67	DKK	-
Lindpro A/S		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greenland DK	100.00	DKK	2,000
MT (UK) Ltd.		England 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 Højgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MT Qatar LCC	(1)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MT Højgaard Norge A/S		Norway NO	100.00	NOK	500
MTH Insurance A/S		Søborg DK	100.00	DKK	30,000
MTH Maldiverne Ltd.		Maldiv. MV	100.00	MVR	2
MTH Stål Vietnam Company Limited		Vietnam VN	100.00	USD	50
OPP Hobro Tinglysningsret A/S	(A)	Frederiksberg DK	33.33	DKK	700
OPP Randers P-hus A/S	(A)	Frederiksberg DK	33.33	DKK	4,410
OPP Vildbjerg Skole A/S	(A)	Frederiksberg DK	33.33	DKK	500
OPP Ørstedskolen A/S	(A)	Frederiksberg DK	33.33	DKK	2,400
OPS Frederikshavn Byskole A/S	(A)	Frederiksberg DK	50.00	DKK	18,000
Scandi Byg A/S		Løgstør DK	100.00	DKK	3,000
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal PT	60.00	EUR	4,000

(A) Associates

(J) Jointly controlled entities. These are recognised in the individual financial statements by proportionate consolidation.

(1) The company is fully consolidated on the basis of a shareholders' agreement that gives MT Højgaard A/S control of and the right to the financial return from the company's activities.

THE COMPANY'S FOUNDERS



Axel Monberg
1893 - 1971



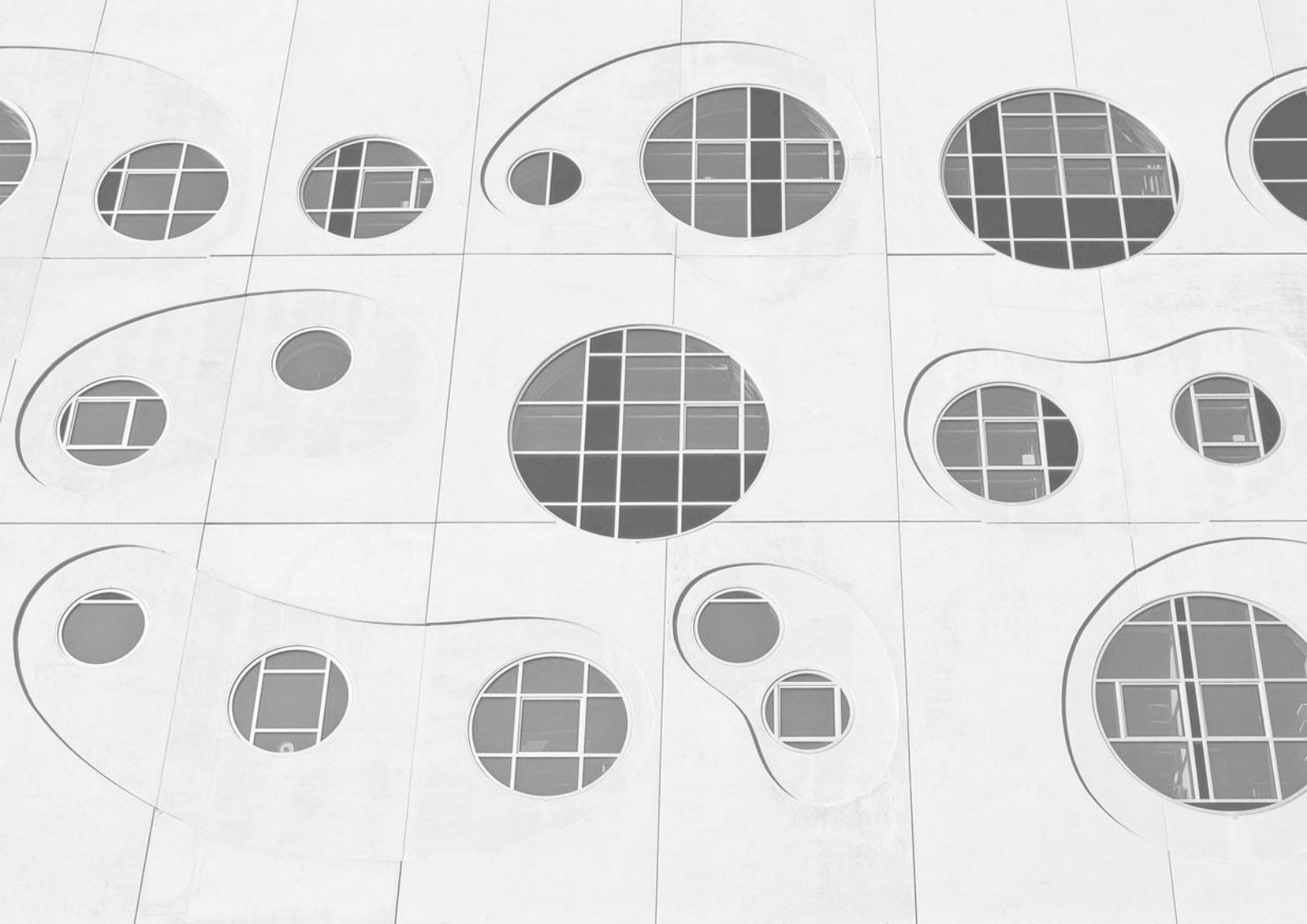
Ejnar Thorsen
1890 - 1965



Monberg & Thorsen A/S

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Annual report 2013
MT Højgaard Group

Annual report 2013

MANAGEMENT'S REVIEW			
Group profile	4	Risk management	27
Summary	5	Risk management as an essential part of the Group	27
Financial results for 2013	5	About risks in the construction and civil engineering industry	27
Outlook for 2014	5	About risk handling in the Group	27
Consolidated financial highlights	6	Our risk management model works	27
Productivity in focus - for our customers and ourselves	7	Paradigm for where the Group bids	28
Strategic platform	8	Risks on project development activities	29
Focus areas	8	Other risk factors	29
Must Win Battles	8	Financial risks	29
Targets	8	Corporate governance	30
Operating review	10	Financial reporting process	31
Construction	10		
Civil works	11	MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT	
Offshore and steel bridges	12	Statement by the Executive Board and the Board of Directors	34
Activities in other enterprises	12	Independent auditor's report	35
Financial review	15	Executive Board	36
Fourth quarter 2013	15	Board of Directors	37
Performance highlights - financial statements 2013	15		
Revenue and earnings	16	FINANCIAL STATEMENTS	
Balance sheet	17	Income statement and statement of comprehensive income	40
Capital, cash resources and financial position	18	Balance sheet	41
Order intake and order book	19	Statement of cash flows	43
Outlook for 2014	20	Statement of changes in equity, parent company	44
Knowledge resources, organisation and management	21	Statement of changes in equity, Group	45
Customers	21	Notes	46
Processes, method development and new products	21		
Employees	21	OTHER INFORMATION	
Strengthening the Group	22	Consolidated financial highlights – EUR	88
Management changes	22		
Corporate social responsibility	23		
Injury prevention	23		
Environment and climate	24		
Women in management	25		
Future workforce	25		
Other CSR initiatives	25		
New initiatives in 2014	25		
Membership of UN Global Compact	26		

Group profile

The MT Højgaard Group is one of the leading players in the construction and civil engineering industry in the Nordic countries. The Group has the size, experience and capabilities to deliver everything from small construction and civil engineering projects to very large, complex projects. We are organised into the company MT Højgaard and a group of specialised wholly-owned and partly owned subsidiaries.

We provide services based on our strong capabilities, which, allied to our geographical footprint, expertise and strengths when it comes to managing special projects, give the Group a solid foundation both in Denmark and internationally.

Our history began in 1918, when the two companies Monberg & Thorsen and Højgaard & Schultz were founded. The two companies merged in 2001, and the MT Højgaard Group became a reality.

We operate in selected markets, both geographically and in terms of capabilities, and with our international business relationships we are able to form the relevant joint ventures and partnerships.

Our good reputation is based on satisfied customers achieved by focusing on quality, efficiency and delivery reliability.

Summary

The financial results match expectations and are a marked improvement on the major losses of the two previous years.

- Recent years' losses have been turned around to a profit from ordinary activities of DKK 35 million and a consolidated operating profit (EBIT) of DKK 165 million, matching the outlook at the start of the year. The Buxton case, which is one of several old disputes, was concluded in 2013, and these cases contributed a total of DKK 130 million to the results
- The improvement is due to targeted action, especially in risk management, tightened profitability requirements and process efficiencies
- Several striking projects were handed over to satisfied clients, including Novo Nordisk's new head office, the Hardanger Bridge, the PPP project Stjerneskolén, the motorway bridge near Linå between Aarhus and Silkeborg and the expansion of the E45 motorway near Vejle
- A 26% increase in order intake, partly through a number of large orders such as head offices for Nordea Bank and BESTSELLER; refurbishment of Rosenhøj and Langkærparken; civil works, construction and electrical works on the New University Hospital (DNU); and construction of a care centre and a health centre at the shopping centre Albertslund Centrum

A new strategy framework focusing on profitability was adopted by the Board of Directors in November 2013. We aim to achieve an operating result (EBIT) of 5% by the end of 2015.

Improvement of the financial results in 2014 based on an expected positive market development, a tight risk model and profitability requirements, focus on customer satisfaction and long-term partnerships, but also the fact that the first half of 2014 will continue to be affected by old, unprofitable projects.

Financial results for 2013

- Revenue was DKK 7.4 billion, as expected
- Profit from ordinary activities was DKK 35 million, as expected
- The consolidated operating result (EBIT) was a profit of DKK 165 million compared with a loss of DKK 507 million in 2012. The effect of the conclusion of the Buxton case and other disputes contributed DKK 130 million to consolidated operating profit.
- Equity stood at DKK 1.1 billion compared with DKK 771 million at the end of 2012. In February 2013, the Group received an injection of DKK 300 million in new capital. The equity ratio at 31 December 2013 was consequently 27.8% versus 17.4% in 2012
- Cash flows from operating activities were an inflow of DKK 19 million
- No dividend is proposed

Outlook for 2014

- Expected revenue of between DKK 7.0 and 7.5 billion
- Expected positive operating result (EBIT) of DKK 150-225 million, equivalent to an EBIT margin of 2-3% before special items (old offshore disputes)
- The result may be affected by the outcome of old offshore disputes, most of which are expected to be concluded in 2014, and the first of them already within a relatively short time
- New IFRS rules for jointly controlled entities have a positive impact of around DKK 50 million on the expectations concerning the operating result (EBIT)
- The order book stood at DKK 7.5 billion at the start of 2014, with DKK 5.1 billion expected to be executed in 2014
- Maintenance of satisfactory financial resources in the form of cash and cash equivalents, securities and credit facilities

Consolidated financial highlights

Amounts in DKK million	2009	2010	2011	2012	2013
Income statement					
Revenue	9,087	8,303	9,307	9,735	7,358
Gross profit (loss)	740	541	80	-63	610
Operating profit (loss) (EBIT)	290	94	-332	-507	165
Profit (loss) before tax	307	100	-335	-512	139
Profit (loss) for the year	223	61	-261	-512	33
Cash flows					
Cash flows from operating activities	485	-328	-268	-142	19
<i>Purchase of property, plant and equipment</i>	-236	-241	-125	-68	-128
<i>Acquisition and disposal of enterprises and activities</i>	-16	-3	-1	-9	0
<i>Other investments, net*</i>	-269	482	229	64	106
Cash flows for investing activities	-521	238	103	-13	-22
Cash flows from operating and investing activities	-36	-90	-165	-155	-3
* Portion relating to net investments in securities	-362	337	69	-4	-1
Balance sheet					
Non-current assets	1,036	1,080	1,124	1,143	1,043
Current assets	4,468	3,618	4,530	3,290	2,977
Total assets	5,504	4,698	5,654	4,433	4,020
Equity	1,610	1,618	1,289	771	1,116
Non-current liabilities	240	319	405	409	500
Current liabilities	3,654	2,761	3,960	3,253	2,404
Total equity and liabilities	5,504	4,698	5,654	4,433	4,020
Other information					
Order intake	7,081	10,070	8,836	7,026	8,849
Order book, year end	7,455	9,222	8,751	6,042	7,533
Net interest-bearing deposit/debt (+/-)	824	337	-10	-190	97
Invested capital	880	1,281	1,299	961	1,019
Average number of employees	5,872	5,217	4,738	4,688	3,974
Financial ratios					
Gross margin (%)	8.1	6.5	0.9	-0.6	8.3
EBIT margin (%)	3.2	1.1	-3.6	-5.2	2.2
Pre-tax margin (%)	3.4	1.2	-3.6	-5.3	1.9
Return on invested capital (ROIC) (%)	30.7	8.7	-25.7	-44.9	15.1
Return on invested capital after tax (ROIC after tax) (%)	22.2	5.2	-20.0	-44.9	3.5
Return on equity (ROE) (%)	14.6	3.8	-18.0	-49.7	3.2
Equity ratio (%)	29.2	34.5	22.8	17.4	27.8
Proposed dividend (DKK million)	50	50	0	0	0

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts.

The financial ratios used are defined in note 1.

Productivity in focus - for our customers and ourselves

2013 was a busy year with major changes, both internally and in relation to our customers. Taking this into account, it is satisfying that we delivered a profit from ordinary activities of DKK 35 million and a consolidated operating profit (EBIT) of DKK 165 million, corresponding to a margin of around 2.2% of revenue. The Buxton case, which is one of several old disputes, was concluded in 2013, and these cases contributed a total of DKK 130 million to the results.

This is on a par with expectations and a marked improvement on the major losses of the two previous years.

The improvement was due to a determined effort to restore a healthy financial position. Profitability has already increased, the quality of our order portfolio has greatly improved and our risk profile is healthier. We have thus entered a phase of reasonable, positive development and command confidence from both our customers and our business partners.

The result reflects the fact that we are still completing previous orders with low profitability and this will also be the case for 2014. However, our sights are set on a much better profitability than we have had for many years, in the form of an EBIT margin of 5%, which we aim to achieve by the end of 2015.

In parallel with our work to complete the unprofitable projects, we have been consistently building up a strong, forward-looking platform. We have particularly focused on improving efficiency, organisation and risk management. The effect of all the restructuring is increasingly filtering through in the form of improved profitability in both the day-to-day operations and the intake of new orders.

The focal point of our strategy is productivity. Our task is to improve productivity in all we do. This will ensure a sound financial position for the Group, but optimum productivity is also our guiding principle in every single customer contact, in all our collaborative relationships and on every single project. In this way we will also play our part in increasing productivity in the industry and the community as a whole.

One way in which we are improving our productivity is through our ever-increasing use of information technology. This improves efficiency in our communication concerning individual projects. At the same time, increased digitisation provides good opportunities for continuously coordinating expectations, coordinating the activities of those involved and making the MT Højgaard Group a central unifying point during the course of the project. Customers receive better results and we gain valuable and useful insight, which can be exploited for the future. With the help of stronger collaborative relationships and well-structured partnerships, we also try to become involved in projects at the earliest possible stage. This

results in better quality, increased satisfaction, reasonable project realisation and greater profitability.

We have had problems with earnings, but we have also addressed them, for instance by tightening the profitability requirements for taking on new projects and ensuring a more precise distribution of responsibilities and closer follow-up than previously on the individual projects. This has helped to improve earnings over the past year and has equipped the Group to meet a brighter, more exciting future. However, there is still some uncertainty related to outcomes of the offshore disputes that the Group is involved in and we expect to be concluded in 2014. The first of them already within a relatively short time.

As in other parts of industry, we can see challenges ahead, but also many opportunities. We anticipate that the Danish construction and civil engineering market will grow by approx. 20% overall over the next five years.

We have become much better at bidding for projects that are a good match for us. We have implemented a large number of strategic and organisational initiatives. And last but not least, our customers are expressing their satisfaction with our services.

So, together with our highly skilled and committed employees and managers, I look forward to the Group delivering many good solutions and results in the years ahead.

Torben Biilmann
President and CEO

Strategic platform

The MT Højgaard Group's vision is to be the most productivity-enhancing group in the construction and civil engineering industry. By this we mean that we want to increase productivity in all we do, because productivity is one of the main challenges facing Danish society, where the construction and civil engineering industry in particular is characterised by very low productivity. We are keen to change this, as it will also help to ensure a sound financial position for our customers and ourselves.

The outcome of our daily work must be the opportunity for both us and our business partners to work more efficiently and productively. When we build new head offices, we strive to give our customer's users the opportunity to be productive, for example by ensuring a better indoor climate or space for more production machinery at the same price. And when we build a bridge or a road with more hard-wearing asphalt or extra capacity, we help to create productivity in the community. When we carry out our tasks in a more intelligent way by involving the right people at the right time and thus reducing the input of production, energy and resources, this also helps to promote productivity. In this way our vision embraces everyday tasks and also reaches out into the community.

Focus areas

We have a three-pronged strategy framework, which ensures that we enhance productivity and offer better, faster and more cost-effective solutions: Projects from Community to Operation, Best in Class VDC (Virtual Design Construction) and Exploiting Group Synergies.

Projects from Community to Operation

We focus on establishing collaboration with individual clients and their consultants as early as possible, preferably already in the conceptual phase. In this way, the Group's experience and efficient solution options will play a much bigger part in the final solution and the process will be simpler.

Best in Class VDC

We focus on efficiency in individual projects and in the way we implement individual activities, and on strengthening these by increased use of common information technology. This technology helps with factors such as visualisation, technical precision, procurement and supplies (the right quantities in the right places and at the right times), planning and coordination of the many processes involved and continuous monitoring that realisation is in line with plans – technically and financially. All projects are supported by increased systematisation and standardisation. In the light of experiences with individual projects, we accumulate knowledge, which we can use in developing optimum processes and standard solutions. We call this VDC - Virtual Design Construction.

Exploiting Group Synergies

Our day-to-day work is characterised by cooperation between the companies in the Group in all relevant contexts. We do this via central cross-organisational initia-

tives and ad hoc from project to project. Pooling our experiences and skills, as well as types of projects and customers means that the various members of the Group benefit greatly from each other, both strategically and operationally. Developing common solutions in such areas as IT, risk management and procurement, drawing on common skills in areas such as law, finance and health and safety, increases knowledge, raises quality, lowers costs and creates a more efficient Group.

Must Win Battles

We have identified five action areas that are to help us to achieve our targets. Each of the five areas is made up of a number of actions that help us to implement our strategy.

1. Control of operations
Actions to improve the Group's financial strength
2. Employees, management, culture and values
Actions to reinforce our culture, embed our values and support management development and professional development
3. Project and price optimisation
Actions to improve prices, quality and projects
4. Markets and customers
Actions to cultivate attractive markets and segments and link key customers more closely to the Group
5. Group strategy
Actions to develop long-term robustness and profitability for the Group

Targets

We have set ourselves six operational targets. In the first year, they will only apply to the MT Højgaard company, but beyond 2014 the targets will be extended to cover the whole Group:

Customer satisfaction index 76

We want to have satisfied customers, who feel their collaboration with us provides them with sound solutions. We achieve this by ensuring that price and quality go hand in hand. In 2013, we had an overall customer satisfaction index of 77 out of 100. In 2013, we carried out fewer surveys than previously and had a response rate of 37%. In 2014, we would like to increase this figure to 50% while at the same time maintaining focus on a high degree of satisfaction, at a minimum of 76 out of 100.

60% of revenue from key customers

We have well-functioning partnerships with good customers, who we see great potential in working with again and thus achieving added sales. Those we describe as key customers currently represent 40% of our revenue. We would like to increase this to 60% by the end of

2016, for instance through closer internal collaboration on customers and by building up a better understanding of the customer's needs.

Employee satisfaction index 76

Our employees have to put the strategy into practice and work towards achieving our vision. It is they who will have to secure productivity, so we focus on job satisfaction and motivation for implementing the strategy in practice. In spring 2013, we measured employee satisfaction at MT Højgaard and achieved an overall satisfaction index of 68 out of 100. This was a fall of seven points from the index of 75 in 2010. The fall was expected as a result of the 'turbulence', the adjustments and the speed of the changes that the employees have experienced during the last few years. We are currently focusing on improving the index to 76 by the end of 2016, for instance through management by results and objectives, which will give the employees motivation and direction, and we also expect that the figure will increase when the Group delivers the expected results.

No defects or deficiencies

Defects and deficiencies in building equal poor economy, as they mean that individual tasks have to be performed several times. We therefore wish to ensure that we avoid defects and deficiencies, for instance by using proven standard solutions, in respect of both the methods we use and the actual product we sell.

In recent years, we have been focusing on developing solutions that will ensure we avoid defects and deficiencies. The next step is the implementation of a measurement of the number of defects and deficiencies on projects.

Max. 15 injuries per one million hours worked

The most important reason why we are constantly striving to avoid injuries is that it should be safe to go to work. However, being able to show the lowest possible injury frequency also puts us in a better position with regard to our clients, and injuries are also bad for business as they invariably affect productivity. In 2013, MT Højgaard's injury frequency of 27.4 per one million hours worked among our hourly paid employees was far too high. Over the next three years, we want to bring this down to below 15, with none resulting in fatalities or being of a serious nature (injuries resulting in amputation, bone fractures or extensive bodily injury).

Ongoing improvements in productivity

In collaboration with the Confederation of Danish Industry (DI) we are working on defining a method for measuring productivity in our Group. At the same time, we have launched a number of productivity-enhancing initiatives, including a catalogue of standard solutions and products that we use in various areas of construction technology. We have also set up a corporate staff department called Production Support, in which areas such as procurement, processes, knowledge-sharing and BIM (Building Information Modelling)/VDC (Virtual Design Construction) can all be considered as a whole with a view to enhancing productivity. In this way we ensure uniformity in what we do, and that we use solutions that we know from experience will fulfil customers' needs and meet the quality requirements that we in the Group can vouch for.

Vision The most productivity-enhancing group within the construction and civil engineering industry				
Requirements A minimum of 5 percent EBIT in all business areas and subsidiaries A positive cash flow		Target A customer satisfaction index of 76 60 percent revenue generated from key clients An employee satisfaction index of 76 Zero defects and deficiencies A maximum of 15 accidents at work per 1 million work hours Continuous increase in productivity		
Projects from society to operations		Best-in-class approaches and VDC		Exploiting group synergies
Operations under control	Staff, management, culture and values	Project and price optimisation	Markets and customers	Group strategy

Operating review

MT Højgaard has activities within construction, civil works, offshore and steel bridges. We have extensive experience with Public Private Partnerships (PPPs) and have entered into collaboration with a number of important players. Our ambition is to enter into more collaborative relationships of this type in both construction and civil works.

Our subsidiaries are also active in construction and civil works, either for their own customers or as subcontractors to the rest of the Group.

In 2013, the Group delivered an operating result that was satisfactory in the circumstances. The result matched expectations and reflected the fact that MT Højgaard made a negative contribution to the result, while the subsidiaries as a whole made a positive contribution.

Our activities in 2013 were generally characterised by the fact that we have improved control of the running of projects in progress. This was a result of a determined effort to improve profitability, the quality of our order portfolio and our risk profile. This effort included improving efficiency, for example by extending the use of common information technology and developing thoroughly tested methods and solutions. We also made increased demands for earnings on new orders and introduced clearer distribution of responsibilities.

At the same time, we had fewer impairment losses on projects as a result of having completed the majority of the unhealthy projects won before 2012. We expect to complete the last of these projects in the course of 2014.

According to Statistics Denmark, there were 694 insolvencies in the construction and civil engineering industry in 2013, and the failure of E. Pihl & Søn, in particular, resonated in the public sphere. This led to uncertainty among all stakeholders – including our customers, business partners and employees. These business failures have also brought new opportunities in the form of pro-

jects, for example, we are completing BESTSELLER's new head office in Aarhus, and the opportunity to recruit employees from insolvent companies.

A third consequence we have experienced has been that banks and suppliers have tightened up on lending and credit, and it has become harder to provide the necessary guarantees.

Looking at the industry as a whole, we expect a sharply rising market, especially in construction and refurbishment (see chart below).

Construction

MT Højgaard designs and constructs buildings for all purposes – private or public, primarily in Denmark, but also in Norway.

Projects range from the building of a high-rise block to the extension of a shopping centre to small conversions. As the Danish housing stock ages, several large refurbishment projects have gradually come our way.

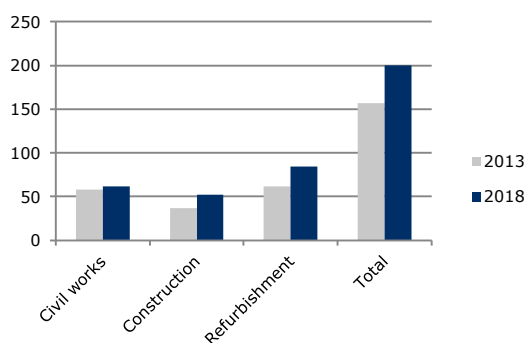
Our capabilities cover everything from residential, commercial and institutional construction to refurbishment and carpentry projects. We also have extensive experience with Public Private Partnerships (PPPs).

Overall, our construction activities have been increasing steadily, with a regular, good inflow of new projects.

In the past year, we have focused on hospital building. This has led to projects in civil works, construction and electrical work. Among other things, we are engaged in two shell construction contracts, one fitting-out contract and various civil works at the New University Hospital near Aarhus to a value of DKK 270 million and at Rigshospitalet in Copenhagen to a value of DKK 111 million.

We have also won several major head office contracts. In Ørestaden in Copenhagen, we will be building a new head office for Nordea to a value of DKK 873 million and in Aarhus one of our projects will be to complete the

We expect that the Danish construction and civil works market will increase in the period up to 2018 (DKK billion).



construction of BESTSELLER's head office to a value of DKK 530 million.

Before signing the contract for Nordea's head office, we had worked together with Nordea for over six months on planning and optimising the project through a collaboration agreement. This form of collaboration fits with our focusing strategy, and we predict increased interest from customers. We hope to see many more of these in the future, as they ensure good, well thought through projects and that the customer receives a quality building with good lifecycle costing.

The volume of the total Danish construction market including refurbishment is expected to be in the order of DKK 100 billion in 2014. Around half of this will be relevant to us. The refurbishment market is still growing and is currently worth DKK 60 billion, half of which is relevant to us.

We are not only engaged in new building and refurbishment, but also in the development and realisation of projects in residential, commercial and retail property in Denmark. We saw a substantial increase in this area in 2013.

The projects in which we have been involved at the development stage range from relatively small dense/low-rise residential building projects to new urban areas with integrated housing, offices, institutions and shops. We develop projects on both our own sites and third party sites in collaboration with site owners, authorities, tenants and investors.

In the area of project development we are experiencing growing demand for housing, especially in Copenhagen and the surrounding area. The commercial market is showing a slightly upward trend towards a desire for properties that can be split into a number of separate tenancies. This applies for example to the construction of an office block at Knud Højgaard's Vej 7 in Søborg, which we are building for PensionDanmark and which will be our first Multiflex Office building. This new office block will be MT Højgaard's future head office and has a value of around DKK 250 million.

We currently have five PPP projects running, and PPP continues to be an area in which we would like to have more work, partly because of the collaboration we established with DEAS and the pension companies PensionDanmark, PKA and Sampension in 2012. We did not sign any new PPP agreements in 2013, but we anticipate entering into more such agreements in 2014.

In Norway, we are carrying out construction work in the Oslo area. We continue to see great potential in this area in residential and public building.

Our level of activity in Norway in 2013 was as expected. We strengthened our position in the market and won a number of major projects in this connection, including a

school and multi-hall – Teglverkstomt – in north-east Oslo worth about DKK 300 million.

We anticipate an increasing level of activity in the Norwegian market in 2014. We will continue our efforts to win a larger share of the market while also focusing on ensuring that we have the necessary professional and management capabilities for the projects and that we involve other companies in the Group.

Civil works

MT Højgaard has almost one hundred years' experience in building roads, bridges and tunnels, extending harbours and building large sewage treatment plants. We build both on and in the ground, and building in water is a challenge we also have the capabilities to undertake. We undertake civil works projects in the Faroe Islands, Greenland, the Maldives and Qatar.

We have the specialised civil engineering capabilities needed for bridges, roads, tunnels, sewerage and dewatering works, harbours and marine construction, and concrete works in connection with construction in Denmark.

We have acquired our experience from a long line of projects – often very large and striking – both in Denmark and in selected countries all over the world.

We have the necessary skills – from the engineer who designs and plans the work to the experienced craftsman who turns the plans into reality and ensures that the quality satisfies the customer.

Our activities in the Danish civil works market in 2013 were characterised by stable operation, with little fluctuation. Growth was particularly good in East Jutland, where we won projects for execution in 2014. By contrast, on Zealand we saw both a number of projects in our field of interest postponed in 2013 and a reduction in our market share.

In 2013, the market was notable for the large hospital projects and the extension of the rail network on Zealand. In 2012, we won the first large contract in connection with the new railway line between Copenhagen and Ringsted, which includes four large road bridges and two small railway bridges and is to be completed in 2015.

We are experiencing a higher level of activity in the civil works area, but also severe price competition. We anticipate that the Danish civil works market will amount to DKK 60 billion in 2014, of which we estimate that projects worth DKK 25 billion will be relevant to us.

In 2013, we moved away from areas with low earning potential to areas with high earning potential in the form of concrete bridges. We have continued to focus on maintaining selective access to the market, thereby ensuring that we win a larger share of the projects we bid for. At the same time, we have worked on improving profitability.

In 2013, our concrete-related activities became part of the Civil Works business area, as they follow on naturally from our in-house production here. Moreover, this will provide opportunities to make better use of internal synergies and raise our level of expertise in the field of concrete.

In the Faroe Islands, we are active in both construction and civil works. Both the market as a whole and MT Højgaard have seen very limited activity. Historically, we have carried out projects in the Faroe Islands for many years. We envisage growing demand in 2014.

In 2013, we completed an 8.3 kilometre-long tunnel after almost four years' work. The tunnel runs through the Faroese mountains and will be used to collect water from mountain streams into a reservoir at the Eiðisvæket hydro-electric power station.

In Greenland, we are involved in construction, civil works and mining activities. We saw very little activity in the market in 2013, so the year was characterised by the completion of projects. The construction market, in particular, is stagnant. On the other hand, we anticipate that a number of major projects, including harbours, will be put out to tender in 2014 and we expect to win a share of these.

We are also seeing fewer jobs in mining but predict that there will be a few assignments in the area of core drilling in 2014. Mining activities are a part of MT Højgaard's long-term strategy, and we are maintaining our presence and position in that market.

In Qatar, we carry out civil works and marine construction projects, such as roads and harbours. We did not have any jobs in 2013, but a focused sales effort is expected to lead to projects in 2014. We are focusing particularly on small civil works assignments through collaboration with other large international players.

In the Maldives, our projects include building harbours, carrying out coastal protection work and constructing breakwaters. We have a considerable market share in marine works with robust production machinery, a good network, well-known solutions and a permanent workforce.

In 2013, there was a lull in public tenders in the Maldives resulting from a change of government. We therefore focused more on the private sector market, where we still see a great willingness to invest in connection with the development and establishment of holiday areas.

Offshore and steel bridges

We are active and have extensive experience in offshore and steel bridges in the Northern European market. Both areas require capabilities in marine works.

We build all types of bridges in steel, including suspension bridges, cable-stayed bridges and movable bridges. In 2013, among other things, we completed the con-

struction of Norway's longest suspension bridge, the Hardanger Bridge, with a value of DKK 674 million, and in 2014 we will be starting work on the Marieholm Bridge in Gothenburg, with a value of DKK 198 million.

The market potential in the steel bridge area is still high, but the competitive environment has also changed in the form of increased international competition, especially from Asia.

We design, supply and install foundations for offshore wind turbines.

Several planned projects were postponed in 2013 because of changed energy policy decisions. At the same time, the year was marked by a number of activities connected with cases concerning historical disputes and guarantee cases that are still pending. This will also be the case in 2014.

The market potential in the field of offshore wind turbines in Northern Europe continues to rise, and we anticipate a high growth market in 2014. These projects are typified by the fact that they have either become considerably larger or been gathered together in larger tenders. This has led to intensified competition, because more contractors are bidding for the projects, but has also led to increased capacity requirements.

In 2013, we worked on developing the next generation of foundations that can be used at greater depths. The market has shown great interest in the project and work will continue in 2014.

Activities in other enterprises

The Group includes a number of subsidiaries in Denmark and two partly-owned enterprises outside Denmark.

The subsidiaries serve their own customers and are subcontractors to other construction and civil engineering companies. Individual subsidiaries often participate in the projects of other parts of the MT Højgaard Group, when this produces the best solutions for the customer, for example through greater security of supply and a shared knowledge of the customer. Collaboration across the Group is also very important for our ability to increase productivity and improve quality in our projects.

Enemærke & Petersen

Enemærke & Petersen undertakes new building, refurbishment, restoration and maintenance of buildings – mainly residential and public buildings on Zealand and in East Jutland. Implementing our solutions involves many of the company's own employees in a number of skilled trades. At our own factories in Glostrup and Brabrand, we produce prefabricated elements and semi-finished products for buildings. This increased focus on industrialisation and productivity ensures shorter construction periods, higher quality and improved health and safety.

Enemærke & Petersen had a good year with its largest ever order intake, despite the fact that we are still en-

countering fierce competition in the market. We see this partly as a reward from our customers, as in our customer satisfaction surveys they express a high degree of satisfaction with our work.

In 2013, we focused more closely on the refurbishment of roofs, windows and façades for housing cooperatives and owners' associations – an area that was the original starting point for our business and one in which we now once again see potential. In connection with these exterior refurbishments we offer various forms of energy optimisation.

In 2013, we won a number of large contracts, including Rosenhøj and Langkærparken near Aarhus for DKK 382 million and DKK 370 million respectively. These projects reflect the fact that Enemærke & Petersen has become established in the East Jutland market, and we therefore expect more projects in 2014. In recent years, the East Jutland market has been one of our focus areas, in which we have opened offices and set up production. It is therefore satisfying that we already have large market shares in this market.

We are currently collaborating with our sister subsidiary Scandi Byg on the construction of 48 social housing units in Copenhagen. Scandi Byg manufactures the homes and erects them on Enemærke & Petersen's foundations.

Lindpro

Lindpro is one of Denmark's largest companies in the fields of electrical engineering and service. We have branches across Denmark and a subsidiary in Greenland. Our activities are diverse, ranging from the largest contracts to smaller service assignments. Lindpro has electrical engineering capabilities in a range of areas such as service, security, intelligent installations and energy optimisation.

In 2013, we won a large order for the New University Hospital in Aarhus for DKK 163 million, where MT Højgaard also has assignments, as mentioned above. Our order covers the specialist areas of electrical installations, plumbing and heating and ventilation and thus draws on our expertise in a number of areas.

Our service business, in particular, showed stable growth in 2013.

The electrical installation market remains relatively flat and subject to strong price competition. We anticipate that this situation will remain unchanged in 2014.

Scandi Byg

Scandi Byg is the leading company in Denmark for pre-fabricated modular buildings. At the factory in Løgstør, modules are assembled for housing, institutions, offices and laboratories. Cables are run and doors, windows, sanitary installations and kitchens fitted. In addition, walls are rendered and painted and roofing felt laid before the modules are transported to the construction site.

In 2013, Scandi Byg won its first contract in the Norwegian market to supply modules for a nursery school being built by MT Højgaard. We are working on setting up our own sales channels in Norway, and this is expected to lead to further projects. We are also focusing on the Faroese market, where we expect to deliver our first project in 2014 in collaboration with MT Højgaard.

In 2013, Scandi Byg won a 4th framework contract with AlmenBolog+, for the construction of a pool of social housing. The contract is expected to cover around 400 homes, spread over five to seven sites in locations such as Copenhagen, Albertslund, Valby, Ishøj and Lyngby. The project is expected to be worth a minimum of DKK 320 million.

Ajos

Ajos supplies equipment and consultancy services to the construction industry. The company is one of Denmark's largest companies hiring out specialist equipment, such as cranes, hoists and site accommodation. We also offer consultancy services and solutions in construction site layout and temporary site power supply and hire out portable buildings for temporary accommodation and offices.

Our primary focus is on activities that are characterised by a high degree of complexity and therefore require specialist technical expertise and a high service level.

Relatively low activity in the construction and civil engineering industry has also meant lower activity for Ajos. At the same time we are still experiencing fierce competition in the hire market and consequently low prices.

In the course of 2013, we made adjustments to our portfolio of equipment for hire and at the same time scaled back certain areas of activity that were not expected to be able to provide sufficient profitability. In 2014, we at Ajos will increasingly focus on expanding in the field of more complex assignments, such as advising on the layout of construction sites, where we can see potential in improving efficiency in logistics management.

Greenland Contractors

Greenland Contractors I/S carries out construction, maintenance and service work at Thule Air Base for the US Air Force. The Greenland Home Rule participates in the collaboration through Greenland Holding A/S, which owns 1/3 of Greenland Contractors. We have been carrying out projects at the base since 1952, and since 1971 we have won all service contracts for the operation and maintenance of the base – most recently a ten-year contract in 2005.

In 2013, the level of activity at Greenland Contractors was higher than expected. It was a year of stable operation and a fair amount of supplementary work, and we achieved a very high level of customer satisfaction.

Our focus in 2014 will be partly on bidding for the next service contract with the base and partly on developing the service business in relation to other customers.

Seth

Seth S.A. specialises in harbour and marine works, civil engineering, construction and electrification. The company works in Portugal, the Azores and Africa. Customers consist of both private and public sector clients. Seth was founded by MT Højgaard in 1933, and today MT Højgaard has a 60% stake while senior executives in Seth own the remaining 40%.

The Portuguese market is still marred by stagnation. However, partly as a result of a recently signed contract in Mozambique for around DKK 160 million, we expect an increase in activity in 2014.

Financial review

Fourth quarter 2013

Fourth-quarter revenue was DKK 2.2 billion compared with DKK 2.0 billion in the fourth quarter of 2012. The fourth quarter was consequently the first quarter with higher revenue than in 2012. Fourth-quarter revenue was at a satisfactory level.

The conclusion of the Buxton case had a positive impact on revenue. This case related to the construction of a cement factory near the town of Buxton in the UK and was the subject of international arbitration as we had submitted claims for extra payments. The case was concluded in the fourth quarter of 2013.

As in the two previous quarters, we delivered a positive operating result (EBIT). The consolidated operating result (EBIT) in the fourth quarter was a profit of DKK 186 million, of which the effect of the conclusion of the Buxton case and other disputes accounted for DKK 130 million. This is in line with the announcement in December 2013.

Profit from ordinary activities (adjusted for Buxton and disputes) was DKK 56 million (margin 2.7%). This was in accordance with the expected improvement in earnings, which are affected by the fact that a number of orders with lower profitability are still in progress.

The order intake in the fourth quarter was highly satisfactory at DKK 4.3 billion, including extra works, driven by the signing of contracts for orders such as head offices for Nordea and BESTSELLER and two major refurbishment contracts at Enemærke & Petersen, both in the Aarhus area – Rosenhøj and Langkærparken. The orders all meet the Group's increased requirements concerning risk and earnings and will have a positive impact on the Group's earnings in the coming years. The order book thus improved by DKK 2.0 billion in the fourth quarter of 2013.

Performance highlights - financial statements 2013

Revenue for 2013 was DKK 7.4 billion, matching the latest announced outlook of revenue in the region of DKK 7 billion.

Consolidated profit from ordinary activities was DKK 35 million (margin 0.5%), to which should be added the effect of the conclusion of the Buxton case and other disputes, totalling DKK 130 million for 2013. Total operating profit (EBIT) of DKK 165 million (EBIT margin 2.2%) was thus in line with the latest announced outlook in December 2013. The consolidated profit from ordinary activities for the year met the targets we set for the year.

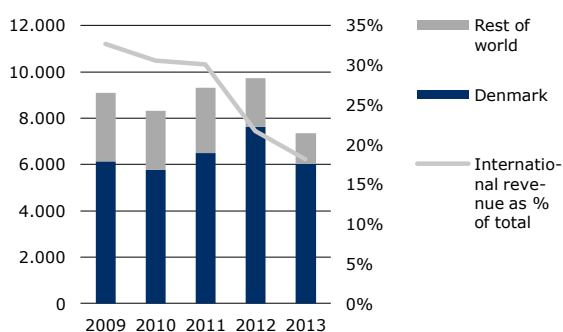
Operating cash flows for the year amounted to a modest inflow of DKK 19 million. Operating cash flows benefited from the conclusion of the Buxton case in December 2013, but were adversely affected by run-off on provisions made in 2012 and the execution of projects with lower profitability. Cash flows from investing activities were DKK 22 million, which should be seen in the context of tight management of investing activities and the divestment of plant abroad. Cash and cash equivalents, including the capital increase implemented in February 2013, increased by DKK 326 million and stood at DKK 149 million at the end of 2013.

The balance sheet was DKK 4.0 billion at the end of 2013, and thus decreased by DKK 0.4 billion compared with last year, primarily due to the lower level of activity, while equity was DKK 1.1 billion, corresponding to an equity ratio of 27.8%.

The quality and risk profile of the order portfolio were significantly improved in 2013. The order portfolio amounted to DKK 7.5 billion at the end of 2013, an increase of DKK 1.5 billion on the end of 2012.

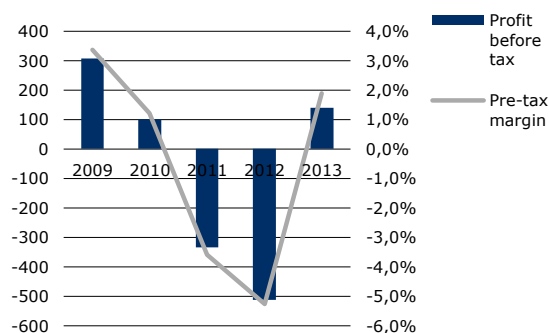
Revenue

DKK million



Profit before tax and pre-tax margin

DKK million



Revenue and earnings

Revenue was DKK 7.4 billion in 2013, down DKK 2.4 billion on 2012.

The decline was expected and a consequence of the fact that we had no offshore orders for execution in 2013, and that revenue in construction was slightly below the expected level, primarily due to delayed order intake in 2013. Overall, this led to a negative operating result (EBIT) in the Construction business area.

The business area Civil Works delivered revenue slightly ahead of expectations, but made savings on costs and salaries. Despite this, Civil Works reported a small negative operating result.

The activities in the Offshore & Steel Bridges business area did not generate the expected revenue level, primarily due to the lack of offshore activity. Furthermore, in 2013, considerable costs were incurred in connection with pending disputes. As a consequence, this business area contributed a negative operating result in 2013.

The activities in the Group's subsidiaries generated revenue in line with expectations and the subsidiaries collectively delivered a healthy, positive operating result.

Consolidated operating profit (EBIT) of DKK 165 million was a marked improvement of DKK 672 million on the DKK 507 million loss in 2012.

This mainly reflected three factors:

- Better control of operations on projects in progress, and that 2012 was affected by major impairment losses on projects
- Overall positive effect of the conclusion of the Buxton case and other disputes in 2013
- In 2012, employee numbers were cut, with a negative effect on the 2012 result and a reduction in costs in 2013

The operating result was also affected by targeted action in a number of areas, including:

- improved follow-up on risk
- clear management structure and distribution of responsibilities
- focus on cost optimisation
- focus on key accounts
- increased use of digital solutions

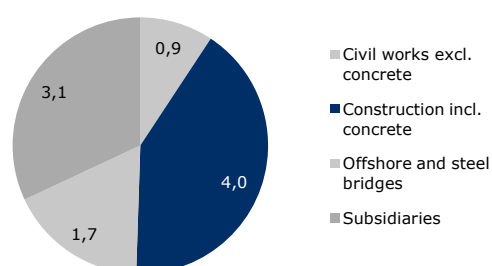
The Buxton case was decided by International Arbitration in December 2013. We had advanced claims for extra payments, and our claims were sustained in part and we were awarded a sum that covered part of the losses incurred as well as legal costs incurred.

In 2013, we worked on concluding several pending disputes, and reviewed the Group's other disputes. The overall positive effect of the above was a profit before interest (EBIT) of DKK 130 million.

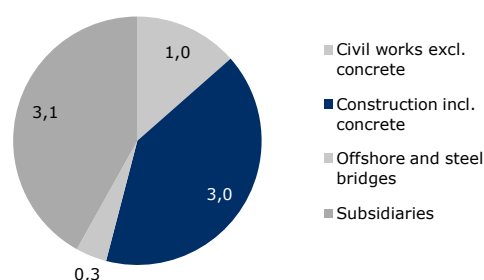
The financial implications of disputes in the offshore area could be substantial. There are still disputes relating to allocation of liability pending, caused by the original design standard for offshore wind turbine foundations. Along with other industry players, we have been using this design standard and therefore are also party to the problem. The challenges are referred to as the 'grout issue'. According to external legal opinions, it is more likely than not that MT Højgaard A/S will not be held liable, and therefore provision has only been made for some litigation risk on these cases in the financial statements. Our assessment of the liability issue has not changed materially in 2013.

We receive external legal opinions in respect of all major disputes on an ongoing basis, and the recognition in the financial statements is based on these opinions; however, the outcome of the disputes is of course subject to some litigation risk. The external legal opinions indicate

Revenue DKK 9.7 billion 2012



Revenue DKK 7.4 billion 2013



that we are generally in a strong position in the above disputes.

In 2013, good progress was made in the handling of the disputes, and we expect that most of these will be concluded in 2014, and the first of them already within a relatively short time.

Finance income and costs amounted to a net charge of DKK 28 million in 2013 compared with a net charge of DKK 5 million in 2012. This was primarily due to negative exchange rate and securities adjustments.

The result before tax was a profit of DKK 139 million, an improvement of DKK 651 million on 2012. The pre-tax margin was 1.9% in 2013 compared with a pre-tax margin of -5.3% in 2012.

Income tax expense was DKK 106 million, of which DKK 41 million was due to the effect of the reduction of the Danish income tax rate from 25% to 22% in the period up to 2016. The fact that tax loss carryforwards were not capitalised in full in connection the assessment of deferred tax assets affected income tax expense by DKK 15 million. Lastly, income tax was affected by an expense of DKK 14 million due to a higher income tax rate on some of the international activities, primarily in Greenland.

The result after tax was a profit of DKK 33 million compared with a loss of DKK 512 million in 2012.

Balance sheet

At 31 December 2013, the balance sheet was DKK 4.0 billion, a DKK 0.4 billion reduction on 2012, primarily due to the lower level of activity that set in primarily in the third quarter of 2012 and has now been stable for the last five quarters.

Property, plant and equipment decreased by DKK 0.1 billion, reflecting cautious investing activity. Trade receivables fell by DKK 0.2 billion compared with 2012 due to the improved management and follow-up on projects and a reduced level of activity. Furthermore, contracts in progress decreased by DKK 0.1 billion.

On the liabilities side, equity was DKK 1.1 billion, an increase of DKK 345 million compared with the end of 2012. Besides profit for the year, the figure was affected by the DKK 300 million capital injection in February 2013. The equity ratio was 27.8% at 31 December 2013 compared with 17.4% at the start of the year.

The capital injection resulted in a DKK 0.2 billion decrease in bank loans, and the Group's new, lower level of activity led to a DKK 0.3 billion decrease in contract work in progress during the period and a DKK 0.3 billion decrease in trade payables.

The Group's interest-bearing net deposit was DKK 0.1 billion at the end of the year, an increase of DKK 0.3 billion on the end of 2012, when it amounted to debt of DKK 0.2 billion. The return on equity was 3.2% compared with a return of -49.7% in 2012.

No dividend is proposed.

Invested capital was DKK 1 billion at 31 December 2013, on a par with 2012. The return on invested capital before tax was 15.1% compared with -44.9% in 2012, reflecting the difference in operating result (EBIT) compared with 2012.

Capital, cash resources and financial position

Cash flows and financial resources

Operating cash flows for the year amounted to a modest inflow of DKK 19 million. Operating cash flows benefited

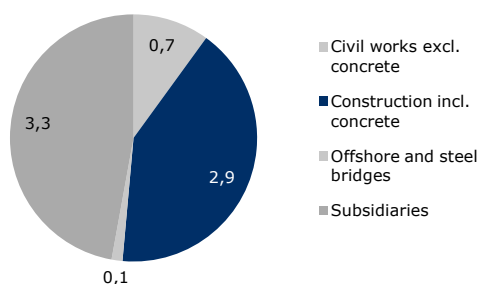
from the conclusion of the Buxton case in December 2013, but were adversely affected by run-off on provisions made in 2012 and the execution of projects with lower profitability. Furthermore, tax paid on the Group's international activities in 2013, DKK 83 million, had a negative cash flow effect.

Cash flows from investing activities were DKK 22 million, which should be seen in the context of tight management of investing activities and the divestment of plant abroad.

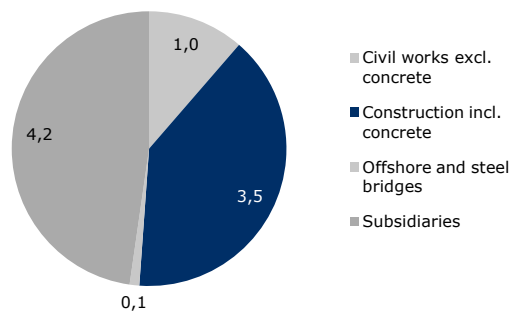
Cash and cash equivalents, including the capital increase implemented in February 2013, increased by DKK 326 million. Cash and cash equivalents stood at DKK 149 million net at the end of 2013 compared with DKK -178 million at the end of 2012.

The Group's financial resources totalled DKK 950 million at 31 December 2013 compared with DKK 620 million in 2012. Financial resources are calculated as cash, including cash and cash equivalents in joint ventures and jointly controlled entities, securities and undrawn credit facilities. Of the total financial resources, DKK 652 million is available for use by MT Højgaard A/S. The financial

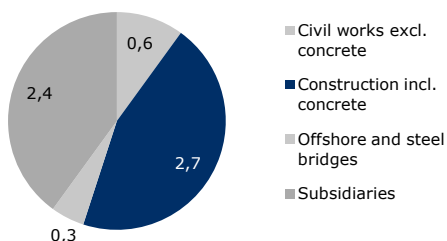
Consolidated order intake DKK 7.0 billion 2012



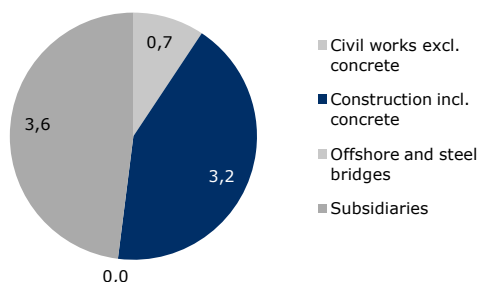
Consolidated order intake DKK 8.8 billion 2013



Consolidated order book DKK 6.0 billion 2012



Consolidated order book DKK 7.5 billion 2013



resources are satisfactory in view of the expected level of activity.

Order intake and order book

The order intake in 2013 was DKK 8.8 billion, of which DKK 2.1 billion was other orders than project orders. This order intake consists mainly of facility management orders, plant and equipment hire and extra works on existing orders.

The order intake within major construction projects showed a satisfactory trend, driven by a number of head office contracts, including Nordea (DKK 873 million) and BESTSELLER (DKK 530 million), and a number of major housing refurbishment contracts in both MT Højgaard and Enemærke & Petersen.

The business area Civil Works had a good intake of new orders.

The business area Offshore & Steel Bridges had no significant orders in 2013, as expected.

The subsidiaries, especially Enemærke & Petersen, re-

corded a healthy increase in new orders in accordance with the targets set.

The Group's profitability requirements were increased in 2013 and viewed in that context the overall order intake was satisfactory. This, coupled with old orders with low profitability in progress in 2013, meant that the profitability of the order book at 31 December was significantly better than in 2012.

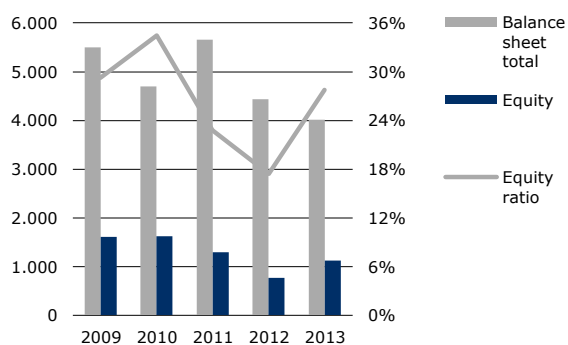
The order book stood at DKK 7.5 billion at 31 December 2013, an increase of DKK 1.5 billion on the end of 2012.

DKK million	2013	2012
Order book, beginning of year	6,042	8,751
Order intake for the year	8,849	7,026
Production during year	-7,358	-9,735
Order book, end of year	7,533	6,042

The order book includes a number of large orders ex-

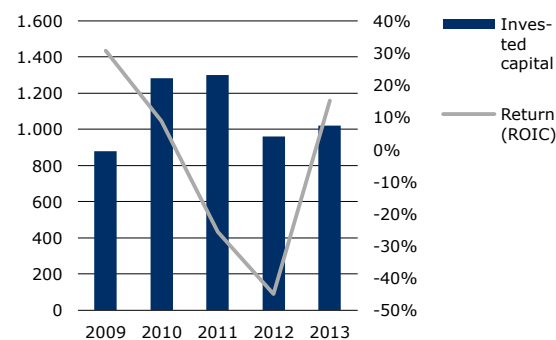
Balance sheet

DKK million



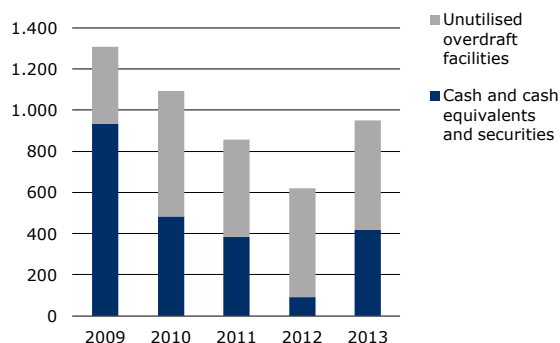
Invested capital and return (ROIC)

DKK million



Financial resources

DKK million



tending over several years.

Outlook for 2014

Consolidated outlook

The order book stood at DKK 7.5 billion at the start of 2014, with DKK 5.1 billion expected to be executed in 2014. The order book still includes a number of previously contracted projects with a low profitability.

Based on the order book and the increased profitability requirements for the order intake as well as an expected sustained limited level of activity in the business areas Offshore & Steel Bridges and Greenland & Faroe Islands, we expect revenue of between DKK 7.0 and 7.5 billion in 2014, in line with the 2013 level.

We expect a positive operating result (EBIT) of DKK 150-225 million, equivalent to an EBIT margin of 2-3% before special items (old offshore disputes). The consolidated result may still be affected by the outcome of old offshore disputes. We expect that most of the pending offshore disputes will be concluded in 2014, and the first of them already within a relatively short time.

We expect the completion of projects with a low profitability to have a negative effect on the operating result, particularly in the first half of 2014.

The cost reductions implemented at the start of 2013 have a positive effect on our outlook for the operating result for 2014. However, the late intake of orders in 2013 means that the effect of the strong order book at the end of 2013 will not be felt until the second half of 2014.

The expected development in 2014 and the many initiatives put in place in 2013 will have an increasingly positive effect on our operations and the profitability of our order book over time. We aim to meet our target of an EBIT margin of 5% by the end of 2015.

The change in the IFRS rules on recognition of jointly controlled entities has a positive impact of approx. DKK 50 million on the above operating result (EBIT), and this sum will be deducted from non-controlling interests in the consolidated financial statements.

Finance costs (net) in 2014 are expected to be considerably lower than in 2013. We expect that the Group's effective tax rate will be around 29%.

We also expect to maintain satisfactory financial resources in the form of cash and cash equivalents, securities and credit facilities.

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

Knowledge resources, organisation and management

Customers

We want to have satisfied customers, who feel their collaboration with us provides them with well thought through solutions. We achieve this by ensuring that price and quality go hand in hand. At MT Højgaard, we carry out a completion survey for projects over DKK 2 million. In 2013, this survey produced an overall customer satisfaction index of 77 out of 100. This is an improvement of 8 index points on the 2012 result of an index of 69. However, we cannot attach great significance to this improvement, as we conducted fewer surveys in 2013 than previously, with a response rate of 37%. By way of comparison, the figure was 54 in 2012 and 74 in 2011. We would like to increase the response rate to 50% in 2014, while at the same time continuing to focus on a high degree of satisfaction with a minimum index of 76 during 2014.

Processes, method development and new products

Quality control and handover with zero defects and deficiencies is an important element in achieving our targets and vision. There is great benefit to be derived from getting things right first time, so we are constantly working on delivering a high quality product.

One way of achieving this is to intensify the use of digital tools. BIM (Building Information Modelling) is already a vital part of our way of building. For example, BIM means that we can ensure that possible problems are resolved in the planning phase, before we start on the actual building. In this way we can save time and money spent on correcting defects on the construction site. In 2013, we worked on ensuring a holistic approach to BIM from sale to handover, which will be highly beneficial for subsequent operation and maintenance.

Another initiative is the use of standard solutions for construction and execution methods. In 2013, we worked on identifying the areas in which we have previously spent a great deal of money on often redoing things. We

have now developed 20 standard solutions for these areas. All the standard solutions meet current requirements. These solutions help to ensure that customers are always provided with a tried and tested quality solution. If a customer wants an alternative, this may in some cases mean that we make reservations with respect to that particular building element.

Employees

In 2013, the Group had an average of 3,974 employees compared with 4,688 in 2012.

We operate in selected markets – geographically and in terms of capabilities – and in addition to Denmark we have offices in Greenland, China, the Maldives, Norway, Qatar and Vietnam.

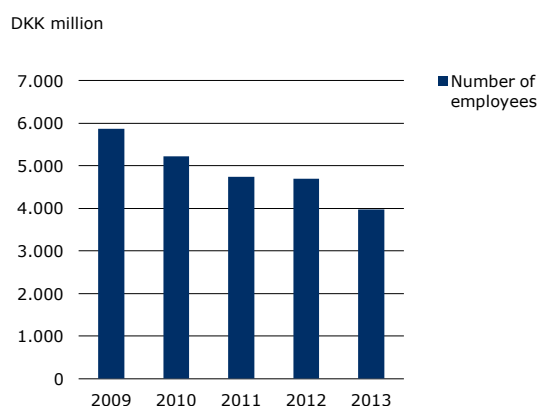
We have carried out a satisfaction survey among the employees at MT Højgaard. Job satisfaction had declined among salaried employees but improved among hourly paid employees. The overall employee satisfaction index was 68, compared with a target of 76. This was not surprising, as the organisation had undergone a number of adjustments and changes in 2012. Generally speaking, the survey showed that commitment remains high and we see this as a good basis for improving the outcome. We will carry out the next satisfaction survey in autumn 2014.

Training

In 2013, 138 employees completed the first module of our Academy training course. This means that some 500 of the company's just under 900 salaried employees have now completed the course. Our long-term aim is for all salaried employees to complete this course.

In addition, we have drawn up a new performance and development dialogue concept, which will be rolled out during 2014 and will involve new training activities focused on management development and retaining talent in the organisation. We are also focusing on ongoing optimisation of our management skills, through activities

Average number of employees



such as courses on planning and project management.

Strengthening the Group

In 2013, we worked on drawing greater benefit from the synergies to be found in the Group, while continuing to respect the fact that there are also differences between us. From a purely organisational point of view, one of the results of this has been that all subsidiaries now have joint representation on the Group's leadership team. Another is that a number of support functions have been brought together in a single function, Production Support, which the individual business areas and subsidiaries can draw on. This makes us more productive, because we can concentrate our development and implementation resources in one location instead of trying to develop the same thing in several parts of the organisation. This gives us a better overview of our development and should ensure that developments will benefit the entire Group.

In the same connection, we have also changed our organisation, simplifying it and clarifying it with respect to responsibilities. In addition to the above, this also means that:

- both Norway and Qatar & Maldives have become independent business areas
- Construction has been split into Construction East and Construction West
- all work relating to concrete has been brought together in the business area Civil Works & Concrete
- all skilled trades have been brought together in Con-

struction West

- our tender function has been divided between the respective business areas
- offshore and steel bridges have been brought together in an Offshore & Steel Bridges business area

In addition, in 2013 we divested our Agri activities, which developed new, smarter solutions to the farming industry's environmental and energy problems with cattle and pig housing units. The reason for the divestment was the lack of the availability of financing in the farming industry, which has meant that it has not been possible to achieve a satisfactory order intake and earnings.

Management changes

Søren Ulslev was appointed as COO on 1 March 2013 and resigned on 6 November 2013. Flemming Steen stepped down as CFO on 30 April 2013.

Egil Mølsted Madsen took up the post of new CFO on 1 September 2013. Egil comes from the position of CFO of DAKO.

Arne Becker and Jørgen Nicolajsen have been appointed as new Executive Vice Presidents on 1 January 2014. Arne Becker will have overall responsibility for production staff. Jørgen Nicolajsen will have primary responsibility for subsidiaries and MT Højgaard's business areas Offshore & Steel Bridges, Greenland & Faroe Islands and Qatar & Maldives.

The Executive Board consequently consists of President and CEO Torben Biilmann and CFO Egil Mølsted Madsen.

MT HØJGAARD carries out civil engineering, construction and refurbishment projects		AJOS A/S leases mechanical equipment and advice on construction site layout	SCANDI BYG A/S produces and builds industrial modular buildings
CIVIL WORKS	NORWAY	ENEMÆRKE & PETERSEN A/S carries out refurbishment and new build	GREENLAND CONTRACTORS I/S is responsible for operation at the Thule Air Base (67%)
CONSTRUCTION WEST	OFFSHORE & STEEL BRIDGES		
CONSTRUCTION EAST	PROJECT DEVELOPMENT & PPP	LINDPRO A/S carries out electrical installations and services work	SETH S.A. carries out civil works in the area of marine works in Portugal and Africa (60%)
GREENLAND & FAROE ISLANDS	QATAR & MALDIVES		

Corporate social responsibility

The sections below constitute the Group's statutory reporting on corporate social responsibility (CSR). The Group's CSR policy applies to all employees in MT Højgaard and the Group's wholly-owned companies, while the principles apply to the whole Group.

Based on the CSR policy, each company in the Group also has a number of independent policies that have been drawn up in relation to the individual company's strategy, focus area and organisation. As the various companies in the Group are very different in size and structure, they work independently with their areas based on what best suits their individual needs.

The Group's CSR policy affirms our commitment to act ethically in the execution of our activities in relation to integrity, fairness and corporate social responsibility. We have integrated the UN Global Compact's ten principles in our CSR policy. Our CSR policy consists of the following main elements:

- Human rights
- Labour rights
- Environment/climate
- Business conduct
- Anti-corruption

Our CSR policy states, among other things, that we do not accept bribery, forced labour, child labour or discrimination.

We continuously ensure that our procedures and processes support our CSR policy. All standards become an integral part of the internal systems of the companies in question. We ensure that all employees in MT Højgaard and the Group's wholly-owned companies and suppliers are aware of our positions and guidelines.

In the following, we report on policies, actions and results for 2013 in the areas of injury prevention, which is part of labour rights, and prevention of environmental impacts, and training and education. Both injury prevention and the environment are essential areas in construction and civil engineering.

In the Group, we also have positions on other CSR issues than those set out above.

However, the Group has not previously had policies in these other CSR areas or planned, measured and followed up on actions in these areas to the same extent as in the case of, for example, the environment and anti-corruption. Consequently, as part of the development of the Group's corporate social responsibility, a development project will be launched in 2013 that is to lead to an updated CSR strategy and associated policies. Further details about this project are provided in the section 'New initiatives in 2014'.

Injury prevention

We continuously strive to improve our health and safety performance. We will do our utmost to prevent injuries and work-related illness by instructing and training our employees to perform their work safely and without risks to health. A great deal of the work on injury prevention is carried out locally by the individual companies, where the activities that may involve a risk of injuries take place.

Actions, results and objectives – injury prevention

In 2013, we continued our efforts to improve recording and communication concerning near misses. These are incidents that in less fortunate circumstances might easily have led to an occupational injury but in which the employee was fortunate enough to avoid injury. The more we learn about the circumstances surrounding these incidents, the better we become at preventing occupational injuries, partly by improving communication with employees about risks in various work situations. Acquisition and recording of knowledge are therefore essential.

At MT Højgaard, we draw up local action plans so that we can address local problems closer to the source and make our health and safety action more relevant to the individual divisions. In several of our subsidiaries we focus on further developing our existing APV (workplace assessment).

In 2013, we worked on initiatives in areas such as fall accidents, clearance and winter protection of building sites, where the risk of injuries may be higher. The companies have run campaigns, held employee meetings and instructed employees in the importance of recording near misses.

In 2013, MT Højgaard had an injury frequency of 27.4 per one million hours worked among our hourly paid employees. This was higher than the expected target of an injury frequency of 15 for hourly paid employees and higher than 2012 when it was 11.7. The increase is primarily made up of less severe injuries. The target is an injury frequency below 15 for hourly paid employees, and this target must be achieved over the coming three years.

The increase reflected the fact that, in 2013, MT Højgaard did not pay enough attention to this area, and specific initiatives will consequently be put in place in 2014 to turn this situation around. Going forward, we will be working with a new, joint figure for both hourly paid and salaried employees. The figure was 14.9 in 2013, and the target for 2014 is 12 for all employees.

The injury frequency fell in three of the four wholly-owned subsidiaries in 2013.

In 2013, MT Højgaard also had a target to reduce the number of lost time injuries involving 1-4 days' absence

by 10%. Unfortunately, we did not meet that target. We will continue to pursue this target in 2014.

Following Lindpro's certification to the international occupational health and safety standard DS/OHSAS 18001:2008 in 2013, MT Højgaard and all the Group's wholly-owned subsidiaries are now certified to this standard.

Environment and climate

The Group wants to take care of the environment and the climate. The construction process, building materials and building waste, as well as the operation of the finished building, have wide-ranging effects on the environment and the climate.

The Group's environmental initiatives are based on the legislation in the countries where we carry out projects. However, the initiatives also take account of special requirements from our customers and initiatives of our own that can help to reduce the environmental impact. We are working on reducing the environmental impact in our offices, on construction sites and in the projects we have completed. We also encourage the development and spread of technologies that facilitate environmentally sound solutions, both internally and in collaboration with clients and other stakeholders. Moreover, we are very conscientious about ensuring that our employees are always trained to perform their tasks in an environmentally sound manner.

MT Højgaard and Lindpro comply with the principles in the international environmental standard DS/ISO 14001:2004.

Actions, results and objectives environment and climate

The companies in the Group implement a number of different activities that help to reduce the environmental and climate impact of our activities.

Scandi Byg's prefabricated modular buildings save resources at all stages of the construction process. In addition, the company uses timber for the load-bearing structure, which saves the climate large quantities of CO₂ compared with other materials. Scandi Byg wants to be at the leading edge of developments in the field of energy labelling and can meet the stricter requirements (e.g. Low Energy Class 2015 and Building Class 2020). Scandi Byg also focuses on green procurement, including for example swan-labelled (eco-labelled) products and timber from FSC/PEFC-certified suppliers.

In 2013, we replaced all the light fittings at Scandi Byg's Tolstrupvej premises in Løgstør. This resulted in a reduction in kWh consumption of about 70% per year. We also set up noise attenuation for the exhaust system. In 2014, we plan to continue the conversion of the heating system from natural gas to district heating in our office building as well as another production hall (conversion in the other production halls was started in 2012).

Lindpro's objective was to be able to document a saving of at least 10% in energy consumption and reduce CO₂ emissions by at least 20% by the end of 2013 in relation to 2009 levels (measured per employee). Lindpro currently estimates that the company has reduced its total energy consumption by the desired 10%. In 2013, Lindpro had an energy check (electricity) carried out on the buildings owned by the company.

In 2013, MT Højgaard reduced its consumption of ordinary A4 paper by 21%. The reduction in the previous year was 4%. A considerable part of the reduction in 2013 must be put down to the lower level of activity and fewer employees.

In general, we would like to reduce fuel consumption and CO₂ emissions from the Group's vehicle fleet. At MT Højgaard, we assess our company cars on lifecycle costs, so the fuel consumption goes into the monthly performance, which determines the categorisation of the vehicles. In 2013, we fitted GPS units in all works vehicles. The GPS units monitor the vehicles' idling, speed, fuel consumption and driving characteristics (using a built-in g meter), so unnecessary fuel consumption can be avoided. Among other things, this has meant that MT Højgaard has reduced fuel consumption per kilometre driven in company vehicles by approximately 10%, as the average increase in the number of kilometres driven per litre was around 1.5 km per litre.

Ajos is also in the process of fitting GPS units in its service vehicles. Both MT Højgaard and Ajos have rules for limiting idling. Enemærke & Petersen have a vehicle policy with a minimum requirement for fuel consumption. Lindpro has opted for service vehicles with lower fuel consumption and in 2013 they introduced a speed limit of 120 km/h for yellow plate (tax relieved) vehicles. Both companies have an ongoing programme for replacing their vehicle fleets with more energy-efficient vehicles.

Throughout the Group there is also continual focus on opportunities for further energy optimisation.

One of these is the environmental and climate impact of the Group's 'own' activities. The Group also pays great attention to environmental sustainability in the services we supply to our customers.

Lindpro carries out energy optimisation on existing buildings and offers consultancy services in this area when new buildings are being erected.

Ajos focuses closely on energy optimisation in the building phase and advises on sustainability measures in connection with the layout and set-up of construction sites, green budgets and accounts, and offers customers the opportunity to have their energy consumption measured with a view to reducing, for example, CO₂ emissions. Ajos' portable buildings consume very little energy and have been improved by intelligent energy consumption management, e.g. control of lighting, heating, venti-

lation and external awnings. In collaboration with MT Højgaard, Ajos has systematised sustainable measures to ensure that all major projects in Denmark comply with MT Højgaard's sustainability measures.

MT Højgaard advises its business partners on opportunities for sustainable building and refurbishment. For verification of both sustainability and the associated financial consequences for clients, MT Højgaard has developed a user-friendly energy calculator and a green barometer.

Both for the benefit of its own customers and also on its own behalf, the Group offers construction certified in accordance with sustainability certification from BREEAM (Building Research Establishment Environmental Assessment Method), the Danish DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) and LEED (Leadership in Energy and Environment Design). In 2013, MT Højgaard completed the Hurup Health Centre, which was awarded DGNB 'Silver' certification. We are currently building Valby Maskinfabrik, which will be completed in 2014 and will be awarded BREEAM 'Good' certification and the new Nordea head office on Amager (scheduled completion in 2015), which is being built to LEED 'Platinum' certification.

We participate actively in the steering group and committee of the Green Building Council Denmark, and in 2013 we gave a number of presentations on sustainability and lifecycle costing in this and other contexts.

Women in management

In the Group, we do not discriminate on grounds of gender, race or religion when recruiting, training or promoting employees. At Board level, a target has been set that a minimum of 33% of the members of the Board of Directors that are elected by the shareholders in general meeting should be women, from and including the 2016 general meeting. There are currently no women among the six Board members elected at the general meeting, and a target has been set that there should be a minimum of two externally elected women in 2016.

At the same time, we want to increase the proportion of women in management at other levels in the Group by introducing a number of initiatives. In the middle of 2013, the Group introduced a policy on women in management, which focuses on equal opportunities for all and endeavours to respect differences and promote a more equitable distribution of men and women at all levels. We hope to achieve this by such means as recruitment, career development and return-to-work discussions, usually in connection with maternity leave.

From 2014, we expect to be able to measure the proportion of women in management across the whole Group.

Future workforce

We consider it important to ensure we have a qualified workforce for future construction and civil engineering

projects and to help young people to receive training and pursue careers in the industry. We therefore offer apprenticeships in various skilled trades and employ rotation engineers and interns.

Actions, results and objectives – future workforce

In 2013, the Group had 6.3% of employees in positions as apprentices, interns and trainees. We have a target of 10% at the rate at which this is possible. To achieve this target, we at MT Højgaard will make a determined effort to raise the figure by one percentage point per annum in the coming years, depending on the economics, safety and quality of the training courses offered.

Ajos works together with Lindpro on accepting apprentices for limited periods with a view to providing them with the part of their practical training that Ajos can offer.

Enemærke & Petersen has policies and initiatives to support the number of apprentices, 'seniors' and individuals with a need for job training. Among the ways of achieving this target, Enemærke & Petersen has collaboration agreements with vocational colleges, selected housing associations, such as Boligforeningen Aarhus Omegn, and local authorities, including the City of Copenhagen to secure more apprentices. In 2014, Enemærke & Petersen will continue to work on creating apprenticeships, internships and job training places at the company's construction sites and offices and at their Smedeland factory.

Other CSR initiatives

In 2013, Scandi Byg donated a holiday cottage to the association Familier med kræftramte børn (Families with Children with Cancer). The cottage was fitted out in collaboration with the association and the TopCamp Henne Strand campsite, where it was then erected. It was designed and produced at Scandi Byg's factory in Løgstør.

Enemærke & Petersen is collaborating with a technical school in Tanzania, where the company pays for the training of 12 apprentices in carpentry and bricklaying.

New initiatives in 2014

Motivation and principles for our CSR work

We in the Group want to further develop our CSR work as a natural, essential and integral part of our operations and activities.

We therefore initiated a development project in 2013, which during 2014 is intended to lead to a revised strategy and a new CSR policy, which we expect to be able to report on in our 2014 annual report.

One of the objectives of a new CSR strategy is to formalise in specific terms the Group's position on those social issues on which we have significant influence, and to endeavour to ensure that in future the Group will be able

to plan, measure and follow up on these issues at the same level and using the same systems.

Membership of UN Global Compact

The ten principles of the UN Global Compact have been integrated into the Group's CSR policy since 2011. In view of this, we see it as a natural step to formally join the Global Compact in the course of 2014 and accept the commitments this implies.

Setting up GRI reporting

To consolidate the work of the Group as a whole on environmental, social and economic sustainability, we would like to improve our knowledge, documentation and reporting about the various areas. Corporate social responsibility is first and foremost a question of action, but we anticipate that a broader data basis and more systematic documentation will give the Group greater insight into and awareness of our impact on society. Data and documentation can be used for performance management in respect of our CSR policy and can also make our efforts more visible to internal and external stakeholders as well as the general public.

We have chosen Global Reporting Initiative (GRI) for our reporting standard, because it matches the Group's requirements. The standard covers most of the relevant areas with regard to sustainability. It is a well-tested international standard, which will give the Group the chance to benchmark itself internationally against others inside and outside the industry. In addition, the organisation behind GRI has developed a set of supplementary indicators for Construction, which will also form the basis of the reporting.

As a first step, we in the Group have identified a number of indicators covering environment and climate, labour market conditions, social factors and the construction industry more specifically, which will form the basis of our CSR reporting in the years to come. Work began in 2013 and by the end of 2014 we will map and develop the data basis internally with a view to being able to document and report our corporate social responsibility in relation to GRI indicators in 2015.

Further development of the guidelines for suppliers and employees (Codes of Conduct)

As part of the development project, in 2014 we want to review and if necessary strengthen our guidelines for sustainable conduct, which our suppliers, employees and business partners must comply with as part of their collaboration with us. The Group already has a set of guidelines, a Code of Conduct, for suppliers, which suppliers are expected to follow. The guidelines for employee conduct/behaviour are currently covered by the general conditions of employment and personnel policies, which all employees receive instruction on and have a duty to familiarise themselves with regularly and comply with in their day-to-day work.

While we are updating our CSR policy, there may also be a need to explain and clarify which of the CSR guidelines employees employed by the Group or by suppliers and other business partners must comply with in order to underpin the Group's CSR performance in their day-to-day work. We therefore intend to draw up a separate Code of Conduct for employees, which will be integrated into the general personnel policies. An independent code of this type will help to make all employees aware of the Group's overall objectives in the CSR area.

Whistleblowing procedure

The Group's Board of Directors has decided to implement a formal whistleblowing procedure throughout the Group. The procedure gives employees the opportunity to report wrongdoings or illegal practices such as fraud, bribery or corruption within the Group anonymously. Anonymity will ensure that an employee can report improper conduct without fear of reprisals. This may be particularly relevant if the improper conduct involves the employee's superiors. It is crucially important for us that a whistleblowing procedure should function in conjunction with – not as a replacement for – the Group's other HR systems, including close cooperation between employees and managers in the established joint committees. The whistleblowing procedure will be covered by clear rules and transparency.

Our whistleblowing procedure will follow a model in which employees' or business partners' reports of wrongdoings or breach of regulations will be made to an external third party in the form of an independent law firm that will scrupulously examine the report and thoroughly evaluate the facts and documentation of the case before passing them on to the Group, who will make a decision about possible consequences.

Before the introduction of the procedure, which is expected to be in mid-2014, we will therefore inform all employees, business partners, etc., about why the procedure is being brought in, what it entails, and how it can be applied. Implementation is currently awaiting approval by the Danish Data Protection Agency, who will ensure that sensitive personal information is handled and stored in conformity with the legislation.

Risk management

Risk management as an essential part of the Group

Constant focus and ongoing development of our risk management are fundamental to our efforts to become a profitable Group. Not all risks need to be avoided. It is all about identifying, handling and pricing the risks we choose to take.

About risks in the construction and civil engineering industry

The risk profile in construction and civil engineering differs from other industries. Less funds are tied up in capital, the order book extends over a longer period and fixed costs and EBIT margins are lower. Risks therefore primarily exist on projects that are unique in terms of construction, functionality or location.

In addition, the industry still has a low level of automation and is highly dependent of employee skills and commitment. The trend is towards a higher level of standardisation, industrialisation and prefabrication, providing large procurement volumes that require us to focus on monitoring and quality assurance of materials to avoid any errors arising and recurring.

About risk handling in the Group

The larger the project and/or uncertainty, the greater our need to control and be able to manage risks in all phases of projects before deciding to take on a project. Being able to select the projects that match our capabilities, values, capacity, experience, etc., is crucial to the

Group's future.

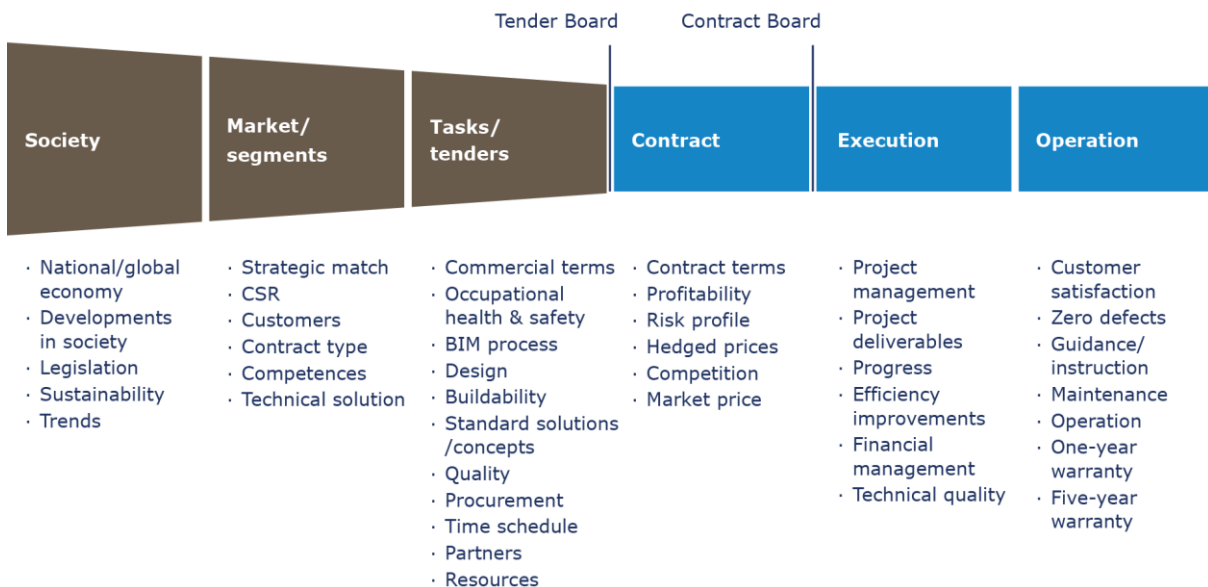
Risk management in the Group involves:

- selecting and qualifying the many potentially interesting projects
- ensuring a reasonable spread on geography, types and segments
- rejecting projects where we are unable to guarantee an appropriate result
- incorporating risks in tenders professionally
- ensuring price transparency in our procurement, whether equipment or in relation to business partners
- managing and mitigating risks in all project phases through planning, monitoring groups and preventive action
- taking challenges seriously and acting on them in a specific, action-oriented and timely manner
- optimising our projects with common information technology in order to convert risks to opportunities

Our risk management model works

During the year we worked systematically on further developing our risk assessment of new projects. Our efforts have paid off and we are now seeing a significant improvement in profitability on the projects we have taken on. The following initiatives have contributed to

Project selection and risk management



these results:

- selectivity on markets and geography
- thorough assessment of all new projects, first by a tender board and then by a contract board. Assessment takes in all aspects of projects and is carried out by a broad spectrum of skills
- the composition of our project portfolio. Efficient ongoing management ensures that our portfolio matches the desired risk profile
- our management of the execution of individual projects has been considerably enhanced to ensure that projects develop as planned in terms of delivery times, quality and finances. This is ensured through dialogue with monitoring groups
- a firm approach to the management of problem projects to minimise potential losses while making every effort to implement projects efficiently

We will continue further developing our risk management in 2014.

Paradigm for where the Group bids

Both generally and in terms of individual projects, we choose not to take on projects if they represent risks we are unable to cover. To manage this, we have developed a paradigm that clearly indicates the areas within which we bid and those that are excluded. Areas we take into account here include geography, markets, customers, project types, legal obligations and safety.

If we choose to proceed with a project within the paradigm and it still represents significant risks, these must be covered and hedged in the form of additional earnings requirements. If not, the project is not right for us.

Tender board and contract board

The Group submits many tenders every year. This requires structured processes that cannot be just mechanical. They have to be able to take into account aspects such as how the outside world is developing, and the nature and size of the tenders.

To take care of the screening of our many projects we have a tender board and a contract board. It is their role to:

- ensure sound and profitable tenders and contracts
- identify and capitalise risk profiles on projects
- evaluate selected working methods and solutions
- avoid impairment losses
- comply with our procedures and policies for conclusion of contracts
- ensure that the contract basis is unambiguous

The individual business areas carry out risk assessments and determine prices. The tender is then evaluated by

the contract board, which is able to approve or reject it and apply conditions to it. The final decision on whether a tender will be submitted is made formally by the Executive Board and in some cases the Board of Directors. The contract board reviews and analyses all potential tenders over DKK 50 million. The board was set up at the end of 2012 and on average processed more than ten projects a month in 2013.

BIM limits risks

When we review building projects applying our expertise at building using BIM (Building Information Modelling) and when we use the information in the BIM model, we reduce the risk of losing both time and money. At MT Højgaard we have therefore been using BIM on all our projects since the start of 2013.

Procurement

Our costs largely consist of purchases of materials and subcontracts. To reduce our execution risks on such supplies, we work closely with our sub-suppliers and usually enter into long-term strategic partnership agreements with them. We mitigate risks by using standardisation and industrialisation with large procurement volumes. This requires us to focus on knowledge acquisition and analysis of purchases.

Project execution risk

The risks associated with the execution of projects relate particularly to the nature of the project, the location, the skills/experience required and the specific solutions chosen.

In the initial phase of the project, we cover significant risks related to planning and ensure the right expertise is available. Generally speaking, specific risk pools must be allocated to identified risks and a general risk reserve that varies according to the nature of the project.

The risks of the project are reviewed at least once a month. The review involves preparing specific action plans to manage these risks and allocating adequate funding.

We can also see a strong link between individual skills and the results generated in the execution phase. As a result, we work constantly to improve the skills of our project managers. With respect to training, the execution phase is a major focus area in our internal Academy.

Standard solutions and experience gathering

By evaluating projects systematically, we gather and analyse risks and gather experience to help us to develop the standard solutions of the future. By using well-tested methods, we mitigate risks, ensure timely delivery and quality and secure volume in our procurement. We now have more than 20 standard solutions available in our integrated management system, and we aim to double this figure next year.

Disputes

On projects on which disputes or arbitration proceedings arise, it is essential for the recognition in the annual report that a specific legal and financial assessment is made of each case. We make every effort, via dialogue and negotiations, to settle disputes before they escalate. For major disputes, external legal opinions are a fundamental part of the assessment.

Contract types

The level of risk we assume on a project is based partly on the complexity of the obligations we assume. Our projects range from small production projects to projects where we manage all phases from designing and building to taking responsibility for the results in the longer term, for example on PPP projects.

Because our activities involve various types of contractual mechanism, the risk level may vary a great deal. These include various price models. We strive to work on the basis of continuous charging, which allows some price increases to be passed on to the customer. On procurement projects, usually with public sector customers, it is standard to have fixed-price contracts. Some contracts contain indexation clauses that make it possible to pass on a part of any changes in price.

Market conditions

Market conditions have a major impact on the construction and civil engineering industry, and the construction 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.

The Group's position in the Danish market and the spread on other markets, customers and capabilities help balance risks under fluctuating economic conditions.

Seasonal effects

In many of the markets in which we operate, weather-related seasonal fluctuations present a risk that we need to handle and price. This applies in particular to cold winters in which construction work cannot take place, for example in Scandinavia and Greenland. These projects typically have a slightly higher margin.

Risks on project development activities

The start-up of self-generated projects is subject to advance sale to customers/tenants of a specific proportion of the project. When starting up several projects in parallel, we focus on balancing the overall risk. This means that new projects cannot be started up in the event of maximum exposure.

Other risk factors

We endeavour to cover significant risks outside our direct control by taking out relevant insurance policies, as far as possible. The Group is self-insured for minor claims,

to some extent, via its subsidiary MTH Insurance. Catastrophe liability is covered via reinsurance.

Financial risks

Financial risks are described in note 26 to the financial statements.

Corporate governance

MT Højgaard A/S is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%). Both companies are listed on NASDAQ OMX Copenhagen and are therefore subject to the disclosure requirements to comply with a number of recommendations from the Committee on Corporate Governance or explain any non-compliance. The Group does not prepare specific reporting on corporate governance, and reference is therefore made to the respective owner companies' annual reports for details of each company's corporate governance.

MT Højgaard is a jointly controlled entity under an agreement entered into between the shareholders.

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 as required by the Danish Financial Statements Act.

Communications

The Group publishes information on an ongoing basis taking into account commercial and strategic interests as well as the fact that the two owners are listed and therefore subject to disclosure requirements. The Group thus publishes annual reports and interim financial reports with a form and content in line with the requirements for listed companies.

Announcements are published in both Danish and English.

Tasks and responsibilities

The Board of Directors determines the Group's overall strategy at least once a year with a view to sustaining value creation in the Group.

In this connection the Board, in cooperation with the Executive Board, discusses and ensures that the necessary qualifications and financial resources are in place to enable the Group to achieve its strategic targets.

At least once a year, the Board defines its most important tasks related to the financial and managerial control of the Group, including how to supervise the work of the Executive Board.

The Board of Directors discusses the Group's activities annually to ensure diversity at the Group's management levels, including equal opportunities for both sexes, and that the supreme governing body sets measurable objectives.

The Board reviews its rules of procedure annually to ensure that they are adequate and match the activities and needs of the Group. The rules of procedure were updated at the end of September 2013.

The Board also reviews and approves rules of procedure for the Executive Board annually, including establishing requirements for the Executive Board's timely, accurate and adequate reporting to the Board of Directors and for

any other communication between the Executive Board and the Board of Directors.

The Board of Directors appoints a Chairman and a Deputy Chairman. The Deputy Chairman acts as Chairman in the Chairman's absence and also acts as an effective sounding board for the Chairman.

A description specifying the tasks, duties and responsibilities of the Chairman and Deputy Chairman has been prepared.

The Chairman organises, convenes and chairs meetings to ensure efficiency in the Board's work and to create the best possible working conditions for the members, individually and collectively.

Composition and organisation of Board of Directors

The members of the Board of Directors are elected by the shareholders in general meeting based on recommendations by the two owners. The recommendations reflect the owners' assessments of the skills the Board should have to best perform its tasks.

When assessing its composition and nominating new candidates, the Board also takes into consideration the need for both integration of new talent and diversity in relation to international experience, gender and age, etc.

The annual report contains an account of the composition of the supreme governing body, including any special skills possessed by the individual members.

On joining the Board, new members receive an induction to the Group.

At least once a year ahead of the Annual General Meeting, the Board assesses whether the number of members is adequate in relation partly to the Group's needs, and partly to allow a constructive debate and an effective decision-making process enabling all members to play an active role.

The members of the Board elected by the shareholders in general meeting are chosen by the two owners and are thus independent with respect to the recommendations' definition of this.

The annual report states which members have been elected among the Group's employees in accordance with the Danish Companies Act's rules on employee representatives.

The Board meets at regular intervals according to a predetermined meeting and work schedule or when meetings are deemed necessary or appropriate as required by the Group. In 2013, the Board held six ordinary meetings and one lengthy strategy meeting, to which should be added telephone meetings on current topics.

For each Board member, the annual report states position, other management positions and age.

The annual report also states when each member joined the Board, whether the member was re-elected and when the current election period expires.

In its Articles of Association, the Group has set an age limit of 70 for members of the Board of Directors.

The Board has not set up an audit committee, a nomination committee or a remuneration committee.

The Board has not set up a formalised, recurring procedure for evaluation of the performance and results of the full Board, the individual members or the Executive Board.

Management remuneration

The Board of Directors has set a remuneration policy for the Board of Directors and the Executive Board. The policy is presented to and approved by the shareholders in general meeting. The policy includes an exhaustive description of remuneration components, reasons for selecting each component and a description of the criteria on which the balance between the individual components is based.

The members of the Board of Directors do not receive remuneration in the form of share or subscription option schemes.

Remuneration agreements with members of the Executive Board comply with the recommendations from the Committee on Corporate Governance.

The remuneration policy has not been published. See note 6 to the financial statements.

Risk management and control

The most important business risks associated with the realisation of the Group's strategy and overall goals as well as the risks associated with the financial reporting are identified at least once every year.

The Executive Board reports to the Board of Directors on a continuous basis on the development within the most important areas of risk and compliance with any adopted policies, frameworks, etc., in order to enable the Board of Directors to track the development and make the necessary decisions.

The Board of Directors has approved a whistleblowing procedure, which is expected to be implemented in mid-2014.

The Management's review in the annual report includes information about the Group's management of business risks.

Audit

The Board of Directors ensures ongoing dialogue and exchange of information with the Group's auditor.

Agreements on audit services and fees for same are entered into between the Board and the auditor.

The Board meets with the auditor at least once every year without the Executive Board present.

The Board has elected not to set up an internal audit function.

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, including that the accounting policies are adequate.

The Group's accounting and control systems provide reasonable, but not absolute, assurance against material errors and omissions in the financial reporting.

The Board of Directors and the Executive Board regularly review material risks and internal controls in connection with the Group's activities and their potential impact on the financial reporting process.

Control environment

The Board of Directors considers that management's approach is fundamental to good risk management and internal control in connection with the financial reporting process. The Board of Directors and the Executive Board therefore continuously endeavour to ensure good risk management and internal control in connection with the financial reporting process.

The Executive Board is responsible for ensuring that the Group's control environment provides a proper basis for preparing the financial reporting. Managers at various levels are responsible in their respective areas.

The Board of Directors and the Executive Board have defined targets that have been 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

The risk of errors in the items in the financial statements that are based on estimates or are generated through complex processes is relatively larger than for other items. A risk assessment aimed at identifying such items and the extent of the associated risks is coordinated by the Executive Board.

As a construction and civil engineering group, the principal risks are in the contracting and execution phases of our projects.

Control activities

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

These activities are integrated in the integrated management systems, financial reporting manuals and business procedures of the individual business areas and subsidiaries. They 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 of the individual projects and of project stage based on updated accounting records and updated expectations concerning remaining production.

A special controller function that is independent of operations participates in project reviews in order to verify that the reporting of income and expenses on projects presents a true and fair view.

The assessment of claims and disputes recognised in the financial statements is based on assessments and reports from our internal legal department. External lawyers are involved in assessments on major claims and disputes.

Lastly, procedures are in place for verifications, authorisations, approvals, reconciliations, analyses of results, IT application controls, and general IT controls.

Information and communications

The Group maintains 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. Integrated management systems, financial reporting manuals and other reporting instructions are regularly updated. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring

The Board of Directors 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 the Group's financial reporting.

The Group uses comprehensive financial, reporting and control systems to monitor 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 IFRS rules as set out in the financial reporting manual. The manual and the accounting policies include accounting and assessment principles as well as reporting instructions, and must be complied with by all business areas and subsidiaries. The manual is updated and reviewed on an ongoing basis. Compliance with the manual is monitored at corporate level. Formal confirmations of compliance with accounting policies are obtained annually from all subsidiaries, and requirements

concerning compliance with relevant corporate policies are incorporated in the companies' rules of procedure.

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
auditor's report

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of MT Højgaard A/S for the financial year 1 January – 31 December 2013.

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

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 2013 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 2013.

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, cash flows and financial position as well as 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, 7 March 2014

Executive Board

Torben Biilmann
President and CEO

Egil Mølsted Madsen
CFO

Board of Directors

Søren Bjerre-Nielsen
Chairman

Niels Lykke Graugaard
Deputy Chairman

Curt Germundsson

Jens Jørgen Madsen

Lars Rasmussen

Irene Chabior

John Sommer

Vinnie Sunke Heimann

Independent auditor's report

To the shareholders of MT Højgaard A/S

Independent auditor's report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard A/S for the financial year 1 January – 31 December 2013. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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 International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing audit 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 auditor's judgement, 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 auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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 has not resulted 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 2013 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 2013 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

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 further 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 provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 7 March 2014

KPMG

Statsautoriseret Revisionspartnerselskab

Jesper Koefoed
State Authorised Public
Accountant

Mona Blønd
State Authorised Public
Accountant

Executive Board

Executive Board



Torben Billmann
President and CEO

Born 1956, MSc (Civil Engineering)

Other management positions:

- Executive Committee of the Confederation of Danish Industry (DI) (MB)



Egil Mølsted Madsen
CFO

Born 1965, MSc (Business Economics and Auditing) and State Authorised Public Accountant

Board of Directors



Søren Bjerre-Nielsen
Chairman

Born 1952, MSc (Economics and Business Administration) and State Authorised Public Accountant On the Board of Directors since 2013. Term of office expires in 2014.

Other management positions:

- Chairman of Danmarks Nationalbank's Board of Directors and Committee of Directors (CB), Denmark
- Højgaard Holding A/S (CB), Denmark
- VKR-Holding A/S (MB), Denmark

Special expertise:

General and international management, economic and financial management, risk management, strategic business development, stock exchange issues and listed companies.



Curt Germundsson
Executive Advisor FSN Capital

Born 1944. BSc (Mechanical Engineering), BSc (Business Economics). On the Board of Directors since 2008.

Other management positions:

- Monberg & Thorsen A/S (MB), Denmark
- EFD Induction ASA (MB), Norway
- Bandak Group AS (MB), Norway
- DevPort AB (CB), Sweden
- Green Landscaping AB (MB), Sweden
- Executive Advisor FSN Capital AS, Norway
- Executive Advisor, Celerant Consulting (Hitachi Consulting), London
- Skamol A/S (MB), Denmark
- Troax AB (MB), Sweden

Special expertise:

General and international business management, production management.



Niels Lykke Graugaard
Deputy Chairman

Born 1947. MSc (Engineering) and MSc (Economics). On the Board of Directors since 2012. Term of office expires in 2014.

Other management positions:

- Gram Equipment A/S (MB), Denmark
- KraussMaffei AG (MB), Germany
- Monberg & Thorsen A/S (DCB), Denmark

Special expertise:

International and project-oriented management, strategic planning, mergers & acquisitions.



Jens Jørgen Madsen

Born 1949. MSc (Economics and Business Administration). On the Board of Directors since 2009.

Other management positions:

- Sanistål A/S (DCB), Denmark
- Højgaard Holding A/S (DCB), Denmark
- Kirk Kapital A/S (MB), Denmark

Memberships:

Member of Advisory Board - Business and Social Sciences, Aarhus University

Special expertise:

General and international management, strategy development and implementation, international business

development, mergers & acquisitions, economic and financial management, risk management.



Lars Rasmussen
CEO, Coloplast A/S

Born 1959. BSc (Engineering). On the Board of Directors since 2007.

Other management positions:

- Højgaard Holding A/S (MB), Denmark
- TDC A/S (MB), Denmark
- H. Lundbeck A/S (MB), Denmark
- Chairman of the Committee on Labour Market Issues under the Confederation of Danish Industry (DI)

Special expertise:

International business management, stock exchange issues, risk management, efficiencies and internationalisation.



John Sommer*

Sales Director, Customers & Markets

Born 1968. Carpenter, Engineer, HD (BCom) and E*MBA. On the Board of Directors since 2013. Election period expires in 2017.



Irene Chabior *
HR Development Consultant, HR

Born 1959. Primary and lower secondary school teacher and HRD. On the Board of Directors since 2001. Re-elected in 2005, 2009 and 2013. Election period expires in 2017.



Vinnie Sunke Heimann *
QHSE Director, QHSE

Born 1967. BSc (Engineering). On the Board of Directors since 2013. Election period expires in 2017.

*) Employee representative
(MB) Member of the board of directors
(CB) Chairman of the board of directors
(DCB) Deputy chairman of the board of directors

Financial statements

Income statement and statement of comprehensive income

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
Income statement					
6,146.5	3,760.0	4	Revenue	7,358.2	9,734.7
-6,587.3	-3,582.7	5-6	Production costs	-6,748.7	-9,797.8
-440.8	177.3		Gross profit (loss)	609.5	-63.1
-92.2	-101.8		Distribution costs	-129.0	-126.3
-160.9	-137.2	5-7	Administrative expenses	-315.5	-317.8
-693.9	-61.7		Operating profit (loss) (EBIT)	165.0	-507.2
-	-	13	Share of profit (loss) after tax of associates	1.9	1.3
207.5	178.9	8	Finance income	12.6	25.1
-28.4	-42.8	9	Finance costs	-40.7	-30.9
-514.8	74.4		Profit (loss) before tax	138.8	-511.7
0.0	-65.2	10	Income tax expense	-105.5	0.0
-514.8	9.2		Profit (loss) for the year	33.3	-511.7
Proposal for distribution of profit					
-514.8	9.2		Transfer to retained earnings		
-514.8	9.2		Total		
Statement of comprehensive income					
-514.8	9.2		Profit (loss) for the year	33.3	-511.7
Other comprehensive income					
Items that may be reclassified to the income statement:					
-	-		Foreign exchange adjustments, foreign enterprises	1.3	-3.4
-	-		Share of other comprehensive income (loss) of associates	10.6	-3.2
0.0	0.0		Tax on other comprehensive income	0.0	0.0
0.0	0.0		Other comprehensive income (loss) after tax	11.9	-6.6
-514.8	9.2		Total comprehensive income (loss)	45.2	-518.3

Balance sheet

PARENT COMPANY		ASSETS		GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
			Non-current assets		
			Intangible assets		
50.3	50.3		Goodwill	116.6	116.6
0.0	6.5		Other intangible assets	38.8	31.5
50.3	56.8	11	Total intangible assets	155.4	148.1
			Property, plant and equipment		
48.1	38.6		Land and buildings	244.8	254.0
75.5	18.4		Plant and machinery	242.1	304.8
12.2	11.7		Fixtures and fittings, tools and equipment	77.7	80.7
0.0	0.0		Property, plant and equipment under construction	5.6	3.3
135.8	68.7	12	Total property, plant and equipment	570.2	642.8
			Other non-current assets		
362.8	383.8	13	Investments in subsidiaries	-	-
57.6	51.6	13	Investments in jointly controlled entities and associates	5.6	10.4
10.8	10.8		Receivables from associates	3.4	3.4
309.4	300.1	18	Deferred tax assets	308.6	338.0
740.6	746.3		Total other non-current assets	317.6	351.8
926.7	871.8		Total non-current assets	1,043.2	1,142.7
			Current assets		
			Inventories		
1.9	1.9	14	Raw materials and consumables	70.6	79.3
504.3	455.6	14	Properties held for resale	557.0	605.8
506.2	457.5		Total inventories	627.6	685.1
			Receivables		
1,284.7	1,049.0		Trade receivables	1,742.3	1,860.8
96.4	24.9	20	Construction contracts in progress	74.2	166.7
124.3	178.0		Receivables from subsidiaries	-	-
3.2	0.0		Receivables from associates	0.0	3.2
0.4	0.3		Receivables from jointly controlled entities	0.3	0.4
35.8	14.4		Income tax	0.8	10.2
75.2	24.0		Other receivables	65.7	138.0
9.4	0.0		Payments on account to suppliers	1.6	10.1
62.8	44.3		Prepayments	47.4	65.2
1,692.2	1,334.9	15	Total receivables	1,932.3	2,254.6
20.9	20.4	16	Securities	163.2	164.8
70.7	69.4	33	Cash and cash equivalents	253.6	185.7
2,290.0	1,882.2		Total current assets	2,976.7	3,290.2
3,216.7	2,754.0		Total assets	4,019.9	4,432.9

Balance sheet

PARENT COMPANY		EQUITY AND LIABILITIES		GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
			Equity		
220.0	520.0		Share capital	520.0	220.0
-	-		Other reserves	-18.6	-30.5
268.3	277.5		Retained earnings	614.6	581.3
488.3	797.5		Total equity	1,116.0	770.8
			Non-current liabilities		
11.0	16.2	17	Bank loans, etc.	173.9	138.3
0.0	0.0	18	Deferred tax liabilities	9.9	12.2
134.3	165.1	19	Provisions	315.7	258.7
145.3	181.3		Total non-current liabilities	499.5	409.2
			Current liabilities		
10.9	8.9	17	Current portion of non-current liabilities	40.8	38.9
359.9	105.1	17	Bank loans, etc.	105.1	363.5
665.1	411.7	20	Construction contracts in progress	595.8	874.0
4.0	0.8		Prepayments received from customers	11.3	14.4
693.8	445.3		Trade payables	766.1	1,043.0
254.0	181.7		Payables to subsidiaries	-	-
37.9	27.7		Income tax	34.6	50.6
279.6	341.2		Other payables	573.1	522.3
44.2	32.0		Deferred income	35.1	71.5
233.7	220.8	19	Provisions	242.5	274.7
2,583.1	1,775.2		Total current liabilities	2,404.4	3,252.9
2,728.4	1,956.5		Total liabilities	2,903.9	3,662.1
3,216.7	2,754.0		Total equity and liabilities	4,019.9	4,432.9

Statement of cash flows

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
			Operating activities		
-693.9	-61.7		Operating profit (loss)	165.0	-507.2
191.2	-10.9	30	Adjustments in respect of non-cash operating items, etc.	220.5	320.9
-502.7	-72.6		Cash flows from operating activities before working capital changes	385.5	-186.3
			Working capital changes:		
146.5	48.8		Inventories	66.4	337.7
769.8	292.2		Receivables excluding construction contracts in progress	220.5	585.7
-308.8	-181.9		Construction contracts in progress	-185.7	-299.8
-465.4	-253.2		Trade and other current payables	-358.9	-517.6
-360.6	-166.7		Cash flows from operations (operating activities)	127.8	-80.3
10.4	4.0		Finance income	12.6	21.2
-18.4	-21.8		Finance costs	-38.2	-30.7
-368.6	-184.5		Cash flows from operations (ordinary activities)	102.2	-89.8
-16.7	-44.2		Income taxes paid, net	-83.2	-52.0
-385.3	-228.7		Cash flows from operating activities	19.0	-141.8
			Investing activities		
0.0	0.0	34	Acquisition of enterprises and activities	0.0	-8.7
0.0	-7.2		Purchase of intangible assets	-14.7	-25.9
-4.2	-22.2		Capital changes in subsidiaries and associates	0.0	0.3
-12.7	-9.0	31	Purchase of property, plant and equipment	-127.9	-67.9
14.9	70.4		Sale of property, plant and equipment	115.1	93.5
196.0	147.0		Dividends from subsidiaries and associates	6.0	0.0
0.0	0.0		Investments in securities, net	-0.8	-3.9
194.0	179.0		Cash flows for investing activities	-22.3	-12.6
			Financing activities		
			Loan financing:		
0.0	7.7	32	Increase in non-current bank loans, etc.	56.7	0.0
-40.3	-4.5		Decrease in non-current bank loans, etc.	-27.1	-44.5
			Shareholders:		
0.0	300.0		Capital increase	300.0	0.0
-40.3	303.2		Cash flows from financing activities	329.6	-44.5
-231.6	253.5		Net increase (decrease) in cash and cash equivalents	326.3	-198.9
-57.6	-289.2		Cash and cash equivalents at 01-01	-177.8	21.1
-289.2	-35.7	33	Cash and cash equivalents at 31-12	148.5	-177.8

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

Statement of changes in equity, parent company

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Total
2012			
Equity at 01-01	220.0	783.1	1,003.1
Profit (loss) for the year		-514.8	-514.8
Transactions with owners:			
Dividends paid			0.0
Total changes in equity	0.0	-514.8	-514.8
Equity at 31-12	220.0	268.3	488.3
2013			
Equity at 01-01	220.0	268.3	488.3
Profit for the year		9.2	9.2
Transactions with owners:			
Capital increase	300.0		300.0
Dividends paid			0.0
Total changes in equity	300.0	9.2	309.2
Equity at 31-12	520.0	277.5	797.5

Statement of changes in equity, Group

Amounts in DKK million

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Total
2012					
Equity at 01-01	220.0	-27.8	3.9	1,093.0	1,289.1
Changes in equity:					
Profit (loss) for the year				-511.7	-511.7
Other comprehensive income:					
Foreign exchange adjustments, foreign enterprises			-3.4		-3.4
Share of other comprehensive income (loss) of associates		-3.2			-3.2
Tax on other comprehensive income		0.0	0.0		0.0
Total other comprehensive income (loss)	0.0	-3.2	-3.4	0.0	-6.6
Transactions with owners:					
Dividends paid					0.0
Total transactions with owners	0.0	0.0	0.0	0.0	0.0
Total changes in equity	0.0	-3.2	-3.4	-511.7	-518.3
Equity at 31-12	220.0	-31.0	0.5	581.3	770.8
2013					
Equity at 01-01	220.0	-31.0	0.5	581.3	770.8
Changes in equity:					
Profit for the year				33.3	33.3
Other comprehensive income:					
Foreign exchange adjustments, foreign enterprises			1.3		1.3
Share of other comprehensive income of associates		10.6			10.6
Tax on other comprehensive income		0.0	0.0		0.0
Total other comprehensive income	0.0	10.6	1.3	0.0	11.9
Transactions with owners:					
Capital increase	300.0				300.0
Dividends paid					0.0
Total transactions with owners	300.0	0.0	0.0	0.0	300.0
Total changes in equity	300.0	10.6	1.3	33.3	345.2
Equity at 31-12	520.0	-20.4	1.8	614.6	1,116.0

Notes

Note		Page
1	Accounting policies	47
2	Accounting estimates and judgements	56
3	Information on activities	58
4	Revenue	58
5	Depreciation and amortisation	58
6	Staff costs	59
7	Fees paid to auditor appointed at the Annual General Meeting	59
8	Finance income	59
9	Finance costs	60
10	Income tax expense	60
11	Intangible assets	60
12	Property, plant and equipment	62
13	Other non-current assets	66
14	Inventories	68
15	Receivables	69
16	Securities	69
17	Interest-bearing liabilities	70
18	Deferred tax assets and deferred tax liabilities	71
19	Provisions	72
20	Construction contracts in progress	73
21	Security arrangements	73
22	Lease commitments	74
23	Contingent liabilities	75
24	Related parties	76
25	Joint ventures	77
26	Financial risks	78
27	Capital management	83
28	New International Financial Reporting Standards and IFRIC Interpretations	83
29	Events after the balance sheet date	83
30	Adjustments in respect of non-cash operating items, etc.	84
31	Purchase of property, plant and equipment	84
32	Increase in non-current bank loans, etc.	84
33	Cash and cash equivalents	84
34	Acquisition and disposal of enterprises and activities	85
35	Company overview	86

Notes

Note

1 Accounting policies

Basis of preparation, etc.

The Group and the parent company annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

On 7 March 2014, the Board of Directors and the Executive Board discussed and approved the annual report of MT Højgaard A/S for the financial year 1 January – 31 December 2013. The annual report will be presented to the shareholders of MT Højgaard A/S for approval at the Annual General Meeting on 2 April 2014.

The annual report is presented in Danish kroner (DKK million).

The accounting policies are unchanged from the 2012 annual report apart from the fact that, with effect from 1 January 2013, we have adopted the standards and interpretations that became effective for 2013 and early adopted amendments to IAS 36. These have not had any impact on recognition and measurement for the MT Højgaard Group.

General

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.

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.

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.

Notes

Note

1 Accounting policies

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 by 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. The tax effect of the restatements performed is taken into account.

Any excess of the purchase consideration over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised in intangible assets as goodwill. Any excess of the fair value over the purchase consideration (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 the fair value of identifiable assets, liabilities and contingent liabilities subsequently proves to differ from the fair value assumed at the acquisition date, goodwill may be adjusted for up to twelve months following their acquisition.

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, including direct costs of purchase. 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 finance income and costs.

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, which 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 recognised in other comprehensive income and in a separate translation reserve in equity.

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 recognised in the consolidated financial statements in other comprehensive

Notes

Note

1 Accounting policies

income and in a separate translation reserve in 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 other comprehensive income and in a separate hedging reserve in equity. Income and expenses relating to such hedging transactions are transferred from the reserve in equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised from the trade date and measured in the balance sheet 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 determined using the interest rate implicit in the lease as the discount rate or an approximated value.

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 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).

Notes

Note

1 Accounting policies

Revenue from self-generated project development cases is recognised by 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.

Income from construction contracts comprises the agreed contract sum plus or minus agreed variations to contract work, claims for increases or decreases in the scope of work, including any related interest payments, etc.

Revenue relating to rental income, facility management, etc., 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.

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, subcontractor supplies, leasing of capital equipment, design and technical assistance, remedial and guarantee works, subsupplier claims, for example for increases or decreases to the scope of work, including any related interest payments, 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.

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.

Finance income and costs

Finance income and costs comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on financial assets and 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, in other comprehensive income or directly in equity.

Notes

Note

1 Accounting policies

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. Current tax is allocated among the jointly taxed Danish companies in proportion to their taxable income.

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 through 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.

The amortisation period is normally 5-10 years. The basis of amortisation 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 any 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, sub-suppliers 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	3-12 years
Fixtures and fittings, tools and equipment	3-12 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 acquisition date 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

Notes

Note

1 Accounting policies

to cover an associate's negative balance, the negative balance is offset against the Group's receivables from the associate. Any balance is recognised in provisions.

Investments in the parent company financial statements

The parent company measures investments in subsidiaries, jointly controlled entities and associates at cost, including direct costs of purchase. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other non-current assets

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 other non-current assets 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 relating to 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, including non-current receivables, are measured at amortised cost. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

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 by reference 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 costs incurred and total expected costs.

When it is probable that total costs on a construction contract in progress will exceed total income, the total ex-

Notes

Note

1 Accounting policies

pected 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 in 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 as receivables, and deferred income is recognised as 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, which are monitored, measured and reported at fair value on an ongoing basis in accordance with the Group's investment practice, are recognised at the trade date at fair value within current assets and subsequently measured at fair value. Changes in fair value are recognised in the income statement as finance income or costs in the period in which they occur.

Equity

Dividends

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

The reserve is dissolved on realisation of the hedged transaction, if the hedged cash flows are no longer expected to be realised or the hedging relationship is no longer effective.

Translation reserve

The translation reserve comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign entities 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 realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

The reserve is dissolved on disposal of foreign entities or if the criteria for effective hedging are no longer met.

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

Notes

Note

1 Accounting policies

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 the tax base of tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised either 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 within other non-current assets.

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 comprehensive income for the year.

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.

Provisions are measured based on management's best estimate of the amount that will be required to settle the obligation.

Financial liabilities

Bank loans, etc., are recognised at inception at fair value 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.

Statement of cash flows

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

The cash flow effect of acquisitions and disposals of enterprises is disclosed separately in cash flows from investing activities. Cash flows from acquisitions are recognised in the statement of cash flows 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 finance costs and income taxes paid.

Notes

Note

1 Accounting policies

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 other non-current assets 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 accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts.

Definitions of financial ratios used:

Gross margin	=	Gross profit/Revenue
EBIT margin	=	Operating profit (EBIT)/Revenue
Pre-tax margin	=	Profit before tax/Revenue
Return on invested capital incl. goodwill (ROIC)	=	EBIT/Average invested capital incl. goodwill
Return on invested capital incl. goodwill after tax (ROIC after tax)	=	EBIT - tax on EBIT (EBIT has been adjusted for non-operating income and expenses and net interest after tax)/Average invested capital incl. goodwill
Return on equity (ROE)	=	Profit after tax/Average equity incl. non-controlling interests
Equity ratio	=	Equity incl. non-controlling interests, 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 calculated as the sum of equity (incl. goodwill), net interest-bearing deposit/debt

Notes

Note

2 Accounting estimates and judgements

Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effects of future events on 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.

It may be necessary to revise previously made estimates due to changes in underlying factors or due to new knowledge or subsequent events.

Estimates that are critical to the financial reporting are primarily made in connection with measurement of the selling price of construction contracts in progress, determination of guarantee commitments, assessment of the outcome of disputes, and recovery of deferred tax assets. Key accounting estimates are also made when assessing the need for impairment charges in connection with the recognition of equity investments and goodwill.

Special risks for the Group are also described in note 26 on 'Financial risks', in the 'Risk management' section in the Management's review and in notes 15 and 23.

Construction contracts, including disputes

The recognition and measurement of work in progress are based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disputes. The assessment of stage, income and expenses, including disputes, is made jointly by the Executive Board and the project management on a project-by-project basis.

The assessment of disputes relating to extra works, extensions of time, demands concerning liquidated damages, etc., are based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disputes, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disputes may change as the cases proceed.

Actual results may therefore differ from expectations. For further details on these, reference is made to the Management's review.

At 31 December 2013, the Group was involved in major disputes, especially within offshore. For further details on this, reference is made to notes 15 and 23.

Provisions for guarantee obligations

Provisions for guarantee obligations are assessed individually for each construction contract. The level of provisions is based on experience and the characteristics of each project.

Notes

Note

2 Accounting estimates and judgements (continued)

Recovery of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available, in the foreseeable future (3-5 years), against which tax loss carryforwards, etc., can be utilised. The amount to be recognised as deferred tax assets is determined on the basis of an estimate of the probable timing and amount of future taxable profits and taking into account current tax legislation.

We have updated the projections of future profits in the enterprises in which the losses can be utilised. At 31 December 2013, the management of MT Højgaard A/S assessed the extent to which, under current tax legislation, taxable profits can be realised in the foreseeable future, and the tax rates that will apply at the date of utilisation. Against this background, the recognition of deferred tax assets has been reviewed.

Further details are provided in notes 10 and 18.

Impairment testing of equity investments and goodwill

In connection with impairment testing of equity investments and goodwill, we apply estimates of how the relevant enterprises 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 relevant part of the enterprise. 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 respectively are described in notes 11 and 13.

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 primarily 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.

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		3	Information on activities		
			The Group is engaged in construction and civil engineering activities in Denmark and internationally.		
			In 2013, the Group was engaged in international activities in Europe (the UK, Portugal, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), Asia, the Middle East and Africa.		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Denmark	6,020.0	7,621.8
			Rest of world	1,338.2	2,112.9
			Total	7,358.2	9,734.7
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Denmark	629.6	641.6
			Rest of world	105.0	163.1
			Total	734.6	804.7
		4	Revenue		
			Revenue can be broken down as follows:		
			Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	6,646.7	8,767.0
5,878.5	3,655.5		Revenue from project development cases sold, etc.	94.6	370.0
257.4	94.6		Rental income, facility management, etc.	616.9	597.7
10.6	9.9		Total	7,358.2	9,734.7
6,146.5	3,760.0				
		5	Depreciation and amortisation		
			Intangible assets	7.4	4.1
2.9	0.7		Property, plant and equipment	103.4	123.3
35.4	12.5		Total depreciation and amortisation	110.8	127.4
38.3	13.2				
			Depreciation and amortisation are recognised in the income statement as follows:		
			Production costs	90.9	117.4
32.9	8.4		Administrative expenses	19.9	10.0
5.4	4.8		Total depreciation and amortisation	110.8	127.4
38.3	13.2				

Notes

• PARENT COMPANY					• GROUP	
2012	2013	Note	Amounts in DKK million		2013	2012
		6	Staff costs			
			The total amount paid in wages and salaries, etc., can be broken down as follows:			
1,190.5	862.7		Wages and salaries, etc.		1,902.6	2,169.6
85.4	59.5		Pension contributions (defined contribution)		135.6	159.5
35.0	23.2		Other social security costs		64.3	71.3
1,310.9	945.4		Total		2,102.5	2,400.4
2,533	1,708		Average number of employees		3,974	4,688
2,100	1,487		Number of employees, year end		3,978	4,374
			Total remuneration (salaries and remuneration, etc.) to the Board of Directors and the Executive Board:			
2.6	2.4		Board of Directors		2.4	2.6
30.9	21.5		Executive Board		21.5	30.9
33.5	23.9		Total		23.9	33.5
			The 2013 amounts above include termination benefit of DKK 2.7 mil. to former Executive Board members against DKK 19.5 mil. in 2012.			
			During the first 18 months of his employment, the President and CEO participates in a bonus scheme based on period of employment. The scheme will then be replaced by a performance-based bonus scheme. The agreement with the President and CEO on the option to subscribe for phantom shares was discontinued in 2013 and the President and CEO has received one-off compensation in this respect, included in the Executive Board remuneration above. The CFO has a bonus scheme which, for 2014, will provide no less than three and no more than six months' salary based on the achievement of financial targets.			
			The Group also has a bonus scheme for senior executives based on the achievement of both financial and qualitative targets.			
		7	Fees paid to auditor appointed at the Annual General Meeting (KPMG)			
1.6	1.6		Audit fees		3.4	3.4
0.2	0.2		Other assurance engagements		0.3	0.3
0.6	0.8		Tax and VAT advice		1.0	0.7
1.4	1.5		Non-audit services		1.9	1.5
3.8	4.1		Total fees		6.6	5.9
		8	Finance income			
9.8	3.4		Interest inc., other (balance sheet items recogn. at amortised cost)		5.0	13.8
0.6	0.6		Interest inc., securities (balance sheet items recogn. at fair value)		5.0	4.9
0.0	0.0		Capital gains on securities		0.0	2.1
0.0	0.0		Foreign exchange gains		2.6	4.3
62.0	17.0		Dividends from subsidiaries		-	-
134.0	130.0		Dividends from associates and jointly controlled entities		-	-
1.1	27.9		Reversal of impairment loss relating to investments in subsidiaries and associates, etc.		0.0	0.0
207.5	178.9		Total finance income		12.6	25.1
2.8	4.2		Portion relating to interest received from subsidiaries		-	-

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		9	Finance costs		
14.8	11.9		Interest expense (balance sheet items recognised at amortised cost)	22.0	28.3
0.1	0.5		Capital losses on securities	3.0	0.1
4.8	10.0		Foreign exchange losses	15.7	7.7
9.9	20.4		Impairment loss relating to subsidiaries and associates	0.0	0.0
-1.2	0.0		Borrowing costs recognised in the cost of assets*	0.0	-5.2
28.4	42.8		Total finance costs	40.7	30.9
1.1	0.8		Of which interest paid to subsidiaries	-	-
			* On recognition of borrowing costs in cost, an effective interest rate of around 3.5% has been used (2012: 3.5%)		
		10	Income tax expense		
19.0	55.9		Current tax	78.4	84.5
-19.0	9.3		Changes in deferred tax	27.1	-84.5
0.0	65.2		Income tax expense	105.5	0.0
			Income tax expense can be broken down as follows:		
-128.7	18.6		Income tax expense before tax calculated at 25%	34.7	-127.9
	36.9		Reduction of Danish income tax rate from 25% to 22% in the period up to 2016	40.9	
19.6	16.9		Deviations in foreign enterprises' tax rates	14.1	22.3
-49.2	-43.7		Non-taxable income	-0.6	-0.5
2.8	5.3		Non-deductible expenses	0.4	0.8
132.5	-6.9		Non-capitalised tax loss carryforward	15.0	106.6
23.0	38.1		Other, including prior year adjustments and joint taxation	1.0	-1.3
0.0	65.2		Income tax expense	105.5	0.0
0.0	87.6		Effective tax rate (%)	76.0	0.0
			Tax on other comprehensive income in the parent company and the Group was DKK 0.		
			Income tax expense for the Group was affected by a total expense of DKK 55.9 million due to the reduction of the Danish income tax rate from 25% to 22% in the period up to 2016 and the assessment of tax assets. In the parent company, the effect was an expense of DKK 30.0 million, as stated in note 18 and the financial review.		
			Current tax relates primarily to tax in some foreign entities in which tax payment is determined based on local rules.		
		11	Intangible assets		
			Goodwill		
50.3	50.3		Cost at 01-01	117.3	112.7
0.0	0.0		Addition on acquisition of enterprises	0.0	4.6
50.3	50.3		Cost at 31-12	117.3	117.3
0.0	0.0		Impairment losses at 01-01 and 31-12	0.7	0.7
50.3	50.3		Carrying amount at 31-12	116.6	116.6

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		11	Intangible assets (continued)		
			Other intangible assets		
7.1	7.1		Cost at 01-01	45.1	17.9
0.0	0.0		Reclassifications, etc.	0.0	1.3
0.0	7.2		Additions	14.7	25.9
7.1	14.3		Cost at 31-12	59.8	45.1
4.2	7.1		Amortisation and impairment losses at 01-01	13.6	8.2
0.0	0.0		Reclassifications	0.0	1.3
2.9	0.7		Amortisation charge	7.4	4.1
7.1	7.8		Amortisation and impairment losses at 31-12	21.0	13.6
0.0	6.5		Carrying amount at 31-12	38.8	31.5

The carrying amounts of goodwill attributable to Civil Works (DKK 5.7 million), Construction (DKK 44.6 million) in MT Højgaard A/S; Enemærke & Petersen A/S (DKK 43.2 million); and Lindpro A/S (DKK 23.1 million), were tested for impairment at 31 December 2013.

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 2013, net cash flows were determined on the basis of the approved budget for 2014 and estimates for the years 2015-2018. The terminal value growth rate was set at 2.0% (2012: 1.0%). The present value was determined using a discount rate before tax of 9-10% (2012: 9-10%). The primary key assumptions are estimated to be the growth rates and the EBIT margins applied. The 2014 budget and 2015-2018 estimates have been prepared based on previous experience, including budgeted returns on the order portfolio and on anticipated orders and planned capacity, and taking into account management's expectations for the future, including a prudently assessed effect of the initiatives put in place to enhance the order portfolio and capacity basis. The assumptions applied may differ from the experience figures, as previous periods may have been affected by factors that are not expected in the estimates. 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 primarily comprise ERP system and other IT systems. Additions primarily relate to investment in a new ERP system in Lindpro A/S and data warehouse and CRM system in MT Højgaard A/S. 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					2013	
Note	Amounts in DKK million					
	Property, plant and equipment	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
12						
	Cost at 01-01	60.4	200.6	55.0	0.0	316.0
	Reclassifications, etc.	0.0	-0.8	0.8	0.0	0.0
	Additions	1.7	2.2	5.2	0.0	9.1
	Disposals	-16.7	-147.4	-7.2	0.0	-171.3
	Cost at 31-12	45.4	54.6	53.8	0.0	153.8
	Depreciation and impairment losses at 01-01	12.3	125.1	42.8	0.0	180.2
	Reclassifications, etc.	0.0	-0.8	0.8	0.0	0.0
	Depreciation, disposals	-5.7	-95.6	-6.3	0.0	-107.6
	Depreciation charge	0.2	7.5	4.8	0.0	12.5
	Depreciation and impairment losses at 31-12	6.8	36.2	42.1	0.0	85.1
	Carrying amount at 31-12	38.6	18.4	11.7	0.0	68.7
	Mortgaged properties:					
	Carrying amount	27.0				27.0
	Year-end balance, loans	9.8				9.8
	Assets held under finance leases:					
	Carrying amount			2.4		2.4

Notes

PARENT COMPANY					2012	
Note	Amounts in DKK million					
	Property, plant and equipment (continued)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
12						
	Cost at 01-01	64.2	209.1	60.1	0.0	333.4
	Reclassifications, etc.	0.0	-0.6	0.6	0.0	0.0
	Additions	0.0	9.9	2.0	0.0	11.9
	Disposals	-3.8	-17.8	-7.7	0.0	-29.3
	Cost at 31-12	60.4	200.6	55.0	0.0	316.0
	Depreciation and impairment losses at 01-01	13.6	106.9	43.7	0.0	164.2
	Reclassifications, etc.	0.0	-0.3	0.3	0.0	0.0
	Depreciation, disposals	-2.0	-10.8	-6.6	0.0	-19.4
	Depreciation charge	0.7	29.3	5.4	0.0	35.4
	Depreciation and impairment losses at 31-12	12.3	125.1	42.8	0.0	180.2
	Carrying amount at 31-12	48.1	75.5	12.2	0.0	135.8
	Mortgaged properties:					
	Carrying amount	7.9				7.9
	Year-end balance, loans	2.5				2.5
	Assets held under finance leases:					
	Carrying amount			5.9		5.9

Notes

GROUP							2013
Note	Amounts in DKK million						
	Property, plant and equipment (continued)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total	
12							
	Cost at 01-01	352.9	801.6	295.5	3.4	1,453.4	
	Reclassifications, etc.	0.5	-1.4	3.1	0.1	2.3	
	Additions	13.4	84.0	36.4	5.6	139.4	
	Disposals	-18.1	-233.9	-22.4	-3.3	-277.7	
	Cost at 31-12	348.7	650.3	312.6	5.8	1,317.4	
	Depreciation and impairment losses at 01-01	98.9	496.8	214.8	0.1	810.6	
	Reclassifications, etc.	0.5	-1.5	3.2	0.1	2.3	
	Depreciation, disposals	-6.9	-143.3	-18.9	0.0	-169.1	
	Depreciation charge	11.4	56.2	35.8	0.0	103.4	
	Depreciation and impairment losses at 31-12	103.9	408.2	234.9	0.2	747.2	
	Carrying amount at 31-12	244.8	242.1	77.7	5.6	570.2	
	Mortgaged properties:						
	Carrying amount	125.0				125.0	
	Year-end balance, loans	85.5				85.5	
	Assets held under finance leases:						
	Carrying amount	14.4	72.2	20.1		106.7	

Notes

GROUP		2012				
Note	Amounts in DKK million					
	Property, plant and equipment (continued)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
12						
	Cost at 01-01	358.5	857.6	285.0	16.1	1,517.2
	Addition on acquisition of activities	0.0	3.4	0.0	0.0	3.4
	Reclassifications, etc.	0.2	-0.6	0.6	0.0	0.2
	Additions	3.7	47.1	30.5	16.8	98.1
	Disposals	-9.5	-105.9	-20.6	-29.5	-165.5
	Cost at 31-12	352.9	801.6	295.5	3.4	1,453.4
	Depreciation and impairment losses at 01-01	93.3	484.8	196.3	0.0	774.4
	Reclassifications, etc.	0.0	-0.3	0.3	0.1	0.1
	Depreciation, disposals	-3.0	-67.0	-17.2	0.0	-87.2
	Depreciation charge	8.6	79.3	35.4	0.0	123.3
	Depreciation and impairment losses at 31-12	98.9	496.8	214.8	0.1	810.6
	Carrying amount at 31-12	254.0	304.8	80.7	3.3	642.8
	Mortgaged properties:					
	Carrying amount	79.5				79.5
	Year-end balance, loans	55.6				55.6
	Assets held under finance leases:					
	Carrying amount	10.3	95.8	22.7		128.8

Notes

PARENT COMPANY

Note	Amounts in DKK million		
	Other non-current assets	Investments in subsidiaries	Investments in jointly controlled entities and associates
13			
	2013		
	Cost at 01-01	488.8	57.8
	Additions	28.2	0.0
	Disposals	-0.6	-6.0
	Cost at 31-12	516.4	51.8
	Adjustments at 01-01	-126.0	-0.2
	Impairment charge	-6.8	0.0
	Disposals	0.2	0.0
	Other adjustments	0.0	0.0
	Adjustments at 31-12	-132.6	-0.2
	Carrying amount at 31-12	383.8	51.6
	2012		
	Cost at 01-01	502.8	60.3
	Additions	10.0	0.0
	Disposals	-24.0	-2.5
	Cost at 31-12	488.8	57.8
	Adjustments at 01-01	-135.3	-2.7
	Impairment charge	-9.9	0.0
	Disposals	19.2	2.5
	Adjustments at 31-12	-126.0	-0.2
	Carrying amount at 31-12	362.8	57.6

A list of consolidated enterprises is provided in note 35.

In 2013, we determined investments in subsidiaries and investments in jointly controlled entities and associates at the 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. The present value was determined using a discount rate before tax of 9-10% (2012: 9-10%).

The impairment charge for the year, DKK 6.8 million, has been recognised in finance costs in note 9. The impairment charge relates to MT Højgaard Føroyar P/F and MTH Gibraltar Ltd.

Notes

GROUP

Note	Amounts in DKK million		
	Other non-current assets (continued)	Investments in associates	
13			
	2013		
	Cost at 01-01	11.9	
	Disposals	-6.0	
	Cost at 31-12	5.9	
	Adjustments at 01-01	-1.5	
	Share of profit for the year after tax	1.9	
	Other adjustments	-0.7	
	Adjustments at 31-12	-0.3	
	Carrying amount at 31-12	5.6	
	2012		
	Cost at 01-01	11.9	
	Cost at 31-12	11.9	
	Adjustments at 01-01	-2.1	
	Share of profit for the year after tax	1.3	
	Other adjustments	-0.7	
	Adjustments at 31-12	-1.5	
	Carrying amount at 31-12	10.4	
	Associates (the figures represent 100%)	2013	2012
	Revenue	39.0	201.4
	Profit for the year	9.0	3.9
	Total assets	569.0	569.9
	Total liabilities	620.6	619.7
	Total contingent liabilities	0.0	0.0

The following companies are associates:

- OPP Hobro Tinglysningsret A/S (33%), Frederiksberg, DK
- OPP Ørstedskolen A/S (33%), Frederiksberg, DK
- OPP Vildbjerg Skole A/S (33%), Frederiksberg, DK
- OPP Randers P-hus A/S (33%), Frederiksberg, DK
- OPS Frederikshavn Byskole A/S (50%), Frederiksberg, DK

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		14	Inventories		
			Raw materials and consumables		
1.9	1.9		Cost at 01-01	80.3	77.6
1.6	1.6		Additions	71.3	92.0
-1.6	-1.6		Disposals	-75.0	-89.3
1.9	1.9		Cost at 31-12	76.6	80.3
0.0	0.0		Adjustments at 01-01	-1.0	0.0
0.0	0.0		Write-downs for the year	-5.0	-1.0
0.0	0.0		Adjustments at 31-12	-6.0	-1.0
1.9	1.9		Carrying amount at 31-12	70.6	79.3
0.0	0.0		Value of inventories recognised at net realisable value	8.2	1.2
			Properties held for resale		
650.9	504.3		Cost at 01-01	605.8	944.0
80.5	10.5		Additions	10.5	282.1
-227.1	-59.2		Disposals	-59.3	-620.3
504.3	455.6		Cost at 31-12	557.0	605.8
0.0	0.0		Adjustments at 01-01	0.0	0.0
0.0	0.0		Reversal of write-downs for the year	0.0	0.0
0.0	0.0		Adjustments at 31-12	0.0	0.0
504.3	455.6		Carrying amount at 31-12	557.0	605.8
0.0	0.0		Value of properties recognised at net realisable value	0.0	0.0
			Mortgaged properties:		
0.0	0.0		Carrying amount	96.1	5.7
0.0	0.0		Year-end balance, loans	105.7	0.7

Properties for resale include undeveloped sites held with a view to project development activities, and completed dwellings for resale.

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		15	Receivables		
			Receivables falling due more than one year after the balance sheet date		
16.4	13.9			13.9	16.4
			Receivables falling due more than one year after the balance sheet date relate primarily to rent deposits.		
			The fair value of receivables is deemed to correspond to the carrying amount, apart from the above non-current receivables, the fair value of which represents approx. 80%.		
13.1	11.1			11.1	13.1
			In the balance sheet at 31 December 2013, consolidated receivables were DKK 1,932.3 million (parent company DKK 1,334.9 million). Like previous years, the Group is involved in various disputes and legal proceedings. As a consequence of this, consolidated receivables above include amounts subject to disputes. For disputes involving significant sums, we obtain external legal opinions, and the recognition in the financial statements is based on these opinions; however, the outcome of the disputes is of course subject to some litigation risk.		
		16	Securities		
			Bonds		
20.9	20.4			163.2	164.8
20.9	20.4		Total carrying amount	163.2	164.8
			Nominal holding		
20.2	20.2			158.1	160.9
			Bonds maturing more than one year after the balance sheet date		
20.9	11.7			149.4	155.7
			Maturity of bond portfolio (years)		
1.6	0.6			2.9	2.5
			Effective interest rate on bond portfolio (%)		
0.4	0.5			2.6	3.2
			Price sensitivity of bond portfolio in the event of a one percentage point interest rate change		
0.3	0.1			5.3	4.1
			Bonds lodged as security (market value). Returns, etc., accrue to MT Højgaard A/S, and the maturity is up to five years.		
20.9	20.4			20.4	20.9
			Bonds recognised as registered assets in MTH Insurance A/S (market value). Returns, etc., accrue to MTH Insurance A/S.		
0.0	0.0			142.8	143.8
			The parent company and the Group measure the bond portfolio at fair value through profit or loss 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 monitored on an ongoing basis and reported at fair value.		

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		17	Interest-bearing liabilities		
			Interest-bearing liabilities can be broken down by commitment type as follows:		
375.7	128.3		Bank loans, etc.	212.8	419.2
6.1	1.9		Lease commitments (assets held under finance leases)	107.0	121.5
381.8	130.2		Carrying amount at 31-12	319.8	540.7
			Interest-bearing liabilities can be broken down by currency as follows:		
381.8	130.2		DKK	306.3	519.7
0.0	0.0		EUR	13.5	21.0
0.0	0.0		USD	0.0	0.0
381.8	130.2		Carrying amount at 31-12	319.8	540.7
			Interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:		
21.9	130.2		Fixed-rate debt	205.9	115.1
359.9	0.0		Floating-rate debt	113.9	425.6
381.8	130.2		Carrying amount at 31-12	319.8	540.7
			Interest-bearing liabilities can be broken down by effective interest rate as follows:		
376.9	128.9		Less than 5%	318.5	530.4
0.0	0.0		Between 5% and 7%	0.0	5.4
4.9	1.3		More than 7%	1.3	4.9
381.8	130.2		Carrying amount at 31-12	319.8	540.7
2.9	2.9		Weighted average effective interest rate (%)	3.2	3.0
1.1	2.2		Weighted average remaining term (years)	3.9	1.9
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
11.0	16.2		Non-current liabilities	173.9	138.3
370.8	114.0		Current liabilities	145.9	402.4
381.8	130.2		Carrying amount at 31-12	319.8	540.7
380.3	129.1		Fair value	309.6	540.3
			The fair value of 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	
2012	2013	Note	Amounts in DKK million	2013	2012
		18	Deferred tax assets and deferred tax liabilities		
-290.4	-309.4		Deferred tax (net) at 01-01	-325.8	-241.3
-	36.9		Reduction of Danish income tax rate from 25% to 22% in the period up to 2016	40.9	-
-19.0	-27.6		Other changes through the income statement	-13.8	-84.5
-309.4	-300.1		Deferred tax (net) at 31-12	-298.7	-325.8
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
18.4	32.3		Property, plant and equipment	28.1	0.0
0.0	0.0		Other non-current assets	0.0	1.0
0.0	0.0		Current assets	0.0	0.3
51.1	60.2		Non-current liabilities	78.9	73.8
95.2	57.8		Current liabilities	62.2	109.2
155.8	163.0		Tax loss carryforwards	205.6	183.5
320.5	313.3		Deferred tax assets at 31-12 before set-off	374.8	367.8
-11.1	-13.2		Set-off within legal entities and jurisdictions (countries)	-66.2	-29.8
309.4	300.1		Deferred tax assets at 31-12	308.6	338.0
			Deferred tax liabilities		
2.8	2.8		Intangible assets	15.8	6.7
0.0	0.0		Property, plant and equipment	5.6	2.7
8.3	10.4		Current assets	54.6	32.6
0.0	0.0		Current liabilities	0.1	0.0
11.1	13.2		Deferred tax liabilities at 31-12 before set-off	76.1	42.0
-11.1	-13.2		Set-off within legal entities and jurisdictions (countries)	-66.2	-29.8
0.0	0.0		Deferred tax liabilities at 31-12	9.9	12.2

Deferred tax has been calculated using the tax rates effective at the expected date of realisation in the respective countries to which the deferred tax relates.

Tax loss carryforwards may be carried forward indefinitely and are expected to be utilised against future earnings.

Like last year, tax loss carryforwards have not been fully capitalised in the assessment of deferred tax assets. They have been capitalised based on expected positive earnings in the next 3-5 years. Non-capitalised tax assets amount to DKK 121.6 million in the Group and DKK 125.6 million in the parent company and relate to tax losses that may be carried forward indefinitely. They may be recognised as income when the Group reports the necessary positive results. The deferred tax assets are also affected by reductions of DKK 40.9 million in the Group and DKK 36.9 million in the parent company based on an assessment of the expected effect of the reduction of the income tax rate to 22% in the period up to 2016. For details on this, we refer to the financial review.

Tax relating to distributable reserves in foreign subsidiaries that are subject to higher taxation if distributed amounted to DKK 6.0 million (2012: DKK 6.1 million). These liabilities have not been recognised, as the Group checks whether they will crystallise. It is probable that the liabilities will not crystallise in the foreseeable future.

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		19	Provisions		
			Breakdown of provisions by type:		
284.4	368.0		Guarantee works, etc., at 01-01	436.5	337.2
166.2	81.0		Provided in the year	110.1	194.0
-82.6	-63.1		Utilised during the year	-78.5	-92.2
0.0	0.0		Reversal of unutilised prior year provisions	-3.8	-2.5
368.0	385.9		Guarantee works, etc., at 31-12	464.3	436.5
-	-		Employee liabilities at 01-01	96.9	81.7
-	-		Provided in the year	17.8	31.1
-	-		Utilised during the year	-20.8	-15.9
-	-		Employee liabilities at 31-12	93.9	96.9
368.0	385.9		Carrying amount at 31-12	558.2	533.4
			Provisions are recognised in the balance sheet as follows:		
134.3	165.1		Non-current provisions	315.7	258.7
233.7	220.8		Current provisions	242.5	274.7
368.0	385.9		Carrying amount at 31-12	558.2	533.4
			Expected maturity dates:		
233.7	220.9		Less than one year	242.5	274.7
27.0	33.0		Between one and two years	92.8	41.7
80.5	99.0		Between two and five years	146.8	147.7
26.8	33.0		More than five years	76.1	69.3
368.0	385.9		Carrying amount at 31-12	558.2	533.4
			Guarantee works, etc., relate primarily to provisions for guarantee works on completed contracts.		
			Employee liabilities comprise primarily insurance-related provisions for industrial injury cover that is covered under the Group's self-insurance programme.		

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		20	Construction contracts in progress		
5,248.9	3,116.5		Progress billings	4,841.5	7,258.7
-4,680.2	-2,729.7		Selling price of construction contracts	-4,319.9	-6,551.4
568.7	386.8		Construction contracts in progress (net)	521.6	707.3
			Construction contracts in progress are recognised in the balance sheet as follows:		
665.1	411.7		Current liabilities	595.8	874.0
-96.4	-24.9		Receivables	-74.2	-166.7
568.7	386.8		Construction contracts in progress (net)	521.6	707.3
	56.7		Prepayments from customers	68.6	
84.1	50.6		Payments withheld	55.6	84.1
		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:		
83.4	0.2		Bid bonds	6.7	88.2
1,612.5	976.6		Contracts and supplies in progress	1,691.1	2,245.3
887.7	1,104.2		Completed contracts and supplies	1,497.6	1,249.7
2,583.6	2,081.0		Total	3,195.4	3,583.2
			Guarantees in respect of completed contracts and supplies relate to normal one-year and five-year guarantee works.		
			In addition, land and buildings have been lodged as security for bank loans, etc., see notes 12 and 14.		

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		22	Lease commitments		
			Finance leases		
			Total future minimum lease payments:		
5.1	1.9		Due within one year	28.7	30.2
2.0	0.1		Due between one and five years	88.0	103.8
0.0	0.0		Due after more than five years	0.0	0.6
7.1	2.0		Total	116.7	134.6
			Carrying amount:		
4.1	1.8		Due within one year	25.2	25.4
2.0	0.1		Due between one and five years	81.8	95.5
0.0	0.0		Due after more than five years	0.0	0.6
6.1	1.9		Total	107.0	121.5
1.0	0.1		Finance costs	9.7	13.1
			Finance costs have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These finance costs are recognised in the income statement over the lease term.		
			Operating leases		
			Total future minimum lease payments:		
72.6	66.9		Due within one year	95.1	93.8
146.7	127.1		Due between one and five years	185.4	181.4
73.0	58.9		Due after more than five years	59.4	73.0
292.3	252.9		Total	339.9	348.2
80.3	76.6		Lease payments relating to operating leases recognised in the income statement	107.3	106.4
			The Group's finance and operating leases primarily relate to vehicles, operating equipment, IT and leased premises. The lease term for vehicles, operating equipment and IT is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 11 years. None of the leases features contingent rent.		
			An agreement on leasing of Knud Højgaards Vej 7, 2860 Søborg, Denmark, has been entered into for expected occupation on 1 August 2016. The total lease obligation, DKK 230 million, is not included in the above figures.		

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		23	Contingent liabilities		
			Indemnities		
			In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, jointly controlled entities, joint ventures and contracts won by subsidiaries. In management's opinion, these indemnities will not have a material negative impact on the Group's financial position.		
			Pending disputes and litigation		
			The Group is 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 adverse impact on the Group's financial position.		
			There are still disputes relating to allocation of liability pending, caused by the original design standard (DNS-OS-J101) for offshore wind turbine foundations. Along with other industry players, we have been using this design standard and therefore are also party to the problem. The challenges are referred to as the 'grout issue'. According to external legal opinions, it is more likely than not that MT Højgaard A/S will not be held liable, and therefore provision has only been made for some litigation risk on these cases in the financial statements. Our assessment of the liability issue has not changed materially in 2013.		
			The financial implications of the above and other disputes in the offshore area could be substantial. We receive external legal opinions in respect of all major disputes on an ongoing basis, and the recognition in the financial statements is based on these opinions; however, the outcome of the disputes is of course subject to some litigation risk. The external legal opinions indicate that we are generally in a strong position in the above disputes.		
			In 2013, good progress was made in the handling of the disputes, and we expect that most of these will be concluded in 2014, and the first of them already within a relatively short time.		
			Joint taxation		
			MT Højgaard A/S is taxed jointly with other Danish companies in the MT Højgaard Group. As management company, MT Højgaard A/S has unlimited and joint and several liability with the other Danish companies with respect to Danish income taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2013, the total known net liability on payable Danish income taxes and withholding taxes in the joint taxation circle was DKK 0 million. Any subsequent corrections of joint taxation income and withholding taxes, etc., may result in the company's liability being higher.		

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		24	Related parties		
			Joint control		
			The Group's related parties with joint control comprise the 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 CPH.		
			MT Højgaard A/S is a jointly controlled entity under an agreement entered into between the shareholders.		
			Significant influence		
			Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board.		
			The parent company's related parties also include subsidiaries, jointly controlled entities and associates in which MT Højgaard A/S has control or significant influence. A list of consolidated enterprises is provided in note 35.		
			Related party transactions		
			All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.		
			Related party transactions comprised:		
253.2	267.8		Purchases of goods and services from subsidiaries	-	-
8.0	2.3		Sales of goods and services to subsidiaries	-	-
0.0	0.0		Purchases of goods and services from jointly controlled entities	9.0	0.0
14.3	15.1		Sales of goods and services to jointly controlled entities	16.0	15.5
0.0	0.0		Purchases of goods and services from associates	0.0	0.0
148.8	1.1		Sales of goods and services to associates	1.1	148.8
0.0	0.0		Purchases of goods and services from shareholders	0.0	0.0
1.4	6.5		Sales of goods and services to shareholders	6.5	1.4
0.1	0.1		Balance with shareholders (- = debt)	0.1	0.1
0.0	0.0		Purchases of goods and services from the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Sales of goods and services to the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Balances with the Board of Directors and the Executive Board (- = debt)	0.0	0.0
			Remuneration to the Board of Directors and the Executive Board is disclosed in note 6.		
			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 Group's Danish companies are jointly taxed. In 2013, transfers of joint taxation contributions between the companies were DKK 27.0 million (2012: DKK 33.8 million).		

Notes

Note Amounts in DKK million

24 Related parties (continued)

Balances with subsidiaries, associates and jointly controlled entities at 31 December 2013 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 2013 or 2012.

25 Joint ventures

The Group participates in two forms of joint ventures: jointly controlled operations and jointly controlled entities.

Joint ventures	Ownership interest	Other venturers
----------------	-----------------------	-----------------

Jointly controlled operations

Contracts in progress:

Eidi 2 Sudur Konsortiet	50%	PF. J&K Contractors
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Completed contracts. Will be discontinued on expiry of guarantee period:

Changuinola Civil Works JV	*	50%	(the estate of Pihl & Søn A/S)
KFT-JV	*	50%	Hochtief Construction AG
Züblin - MTH JV, Navitas	*	50%	Züblin A/S
MT Hojgaard-Züblin JV	*	50%	Züblin A/S
M3-Konsortiet	*	60%	M.J. Eriksson Aktieselskab
M10-Syd-Konsortiet	*	60%	M.J. Eriksson Aktieselskab

Jointly controlled entities

Greenland Contractors I/S	*	67%	Greenland Holding A/S
Seth S.A.		60%	OPERATIO Lda.

*) With reference to Section 5(1) of the Danish Financial Statements Act, these Danish joint ventures have omitted to prepare annual reports as they are recognised in the consolidated financial statements.

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		26	<p>Financial risks</p> <p>The Group's activities entail various financial risks that may affect the Group's development, financial position and operations.</p> <p>There have been no significant changes in the Group's risk exposure or risk management compared with 2012.</p> <p>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.</p> <p>Currency risks</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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. The amount recognised in the consolidated income statement was an expense of DKK 7.6 million (2012: DKK 8.5 million expense). The amount recognised in the parent company income statement was an expense of DKK 7.6 million (2012: DKK 8.5 million expense).</p> <p>Open forward exchange contracts at 31 December 2013 had a remaining term of up to one year.</p> <p>Consolidated revenue denominated in foreign currencies was DKK 0.9 billion in 2013 (2012: DKK 1.0 billion), predominantly in NOK, GBP and EUR.</p> <p>The Group's principal currency exposure is mainly related to EUR, USD, GBP, NOK and SEK.</p>		

Notes

PARENT COMPANY			GROUP	
	Note	Amounts in DKK million		
26 Financial risks (continued)				
The hypothetical effect on profit (loss) for the year and equity of reasonable, probable increases in exchange rates is shown below:				
Hypothetical effect on profit (loss) for the year and equity	Nominal position of cash and cash equivalents, receivables and financial liabilities		Nominal position of cash and cash equivalents, receivables and financial liabilities	Hypothetical effect on profit (loss) for the year and equity
0.4	59.9	EUR/DKK, probable increase in exchange rate 1%	60.7	0.5
-2.7	-72.8	USD/DKK, probable increase in exchange rate 5%	-28.5	-1.1
0.1	2.5	GBP/DKK, probable increase in exchange rate 5%	14.4	0.5
0.3	6.9	SEK/DKK, probable increase in exchange rate 5%	6.9	0.3
0.7	18.6	NOK/DKK, probable increase in exchange rate 5%	20.8	0.8
	15.1		74.3	

A decrease in the exchange rates would have a corresponding opposite effect on profit (loss) for the year and equity.

The sensitivity analysis was based on the financial instruments recognised at 31 December 2013 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.

At the end of 2013, cash/securities stood at DKK 416.8 million and were mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than three years at the end of 2013.

The Group's interest-bearing liabilities stood at DKK 319.8 million at the end of 2013, with short-term borrowings accounting for 46%. The average weighted remaining maturity of the Group's interest-bearing debt was 3.9 years, and the weighted average effective interest rate was 3.2%. Fixed-rate debt accounted for 64% of the Group's interest-bearing debt.

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		26	Financial risks (continued)		
			<p>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 decrease of DKK 4.0 million in consolidated profit (loss) for the year and consolidated equity at 31 December 2013 (2012: DKK 3.1 million decrease). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.</p> <p>Changes in cash flows: all other conditions being equal, the hypothetical negative 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 0.4 million decrease in consolidated profit (loss) for the year and consolidated equity at 31 December 2013 (2012: DKK 1.1 million decrease). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.</p> <p>Credit risks</p> <p>Credit risks are generally managed by regular credit rating of major clients and business partners. The Group has no material risks relating to a single client or business partner.</p> <p>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 insurance or similar to a considerable extent when entering into contracts with private sector clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.</p> <p>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.</p> <p>Write-downs recognised in receivables developed as follows:</p>		
0.1	0.4		Carrying amount at 01-01	13.6	12.9
0.3	3.9		Provided in the year	20.8	0.8
0.0	-0.1		Utilised during the year	-0.4	-0.1
0.0	0.0		Reversal of unutilised prior year provisions	-5.3	0.0
0.4	4.2		Carrying amount at 31-12	28.7	13.6
0.5	4.2		Nominal value of written-down receivables	56.0	13.6
52.6	86.8		Receivables that were past due by more than 90 days at 31 December but not impaired	166.7	97.4
280.8	252.8		Security received in respect of receivables (fair value)	253.5	283.0

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		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.		
			At the end of 2013, the Group's financial resources stood at DKK 950 million, consisting of cash and cash equivalents and securities of DKK 417 million and undrawn credit facilities of DKK 533 million. Of the total financial resources, DKK 652 million is available to MT Højgaard A/S.		
			Of the Group's other facilities, DKK 105 million is subject to financial covenants related to equity ratio and earnings.		
			Based on the Group's expectations concerning the future operations and the Group's current financial resources, no material liquidity risks have been identified.		
			A cash pool agreement has been established for the parent company and most of the Group's subsidiaries.		
			Financial liabilities can be broken down as follows:		
381.8	130.2		Interest-bearing liabilities	319.8	540.7
693.8	445.3		Trade payables	766.1	1,043.0
5.7	1.9		Derivative financial liabilities	1.9	5.7
1,081.3	577.4		Total carrying amount	1,087.8	1,589.4
			Maturity profile for financial liabilities:		
1,064.6	559.3		Less than one year	912.0	1,442.1
8.7	7.4		Between one and two years	35.9	30.6
0.7	1.6		Between two and five years	87.7	82.1
1.6	7.2		More than five years	50.3	28.9
1,075.6	575.5		Total contractual cash flows	1,085.9	1,583.7
			Maturity profile for derivative financial liabilities:		
5.7	1.9		Less than one year	1.9	5.7
0.0	0.0		Between one and two years	0.0	0.0
0.0	0.0		Between two and five years	0.0	0.0
0.0	0.0		More than five years	0.0	0.0
5.7	1.9		Total contractual cash flows	1.9	5.7

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		26	Financial risks (continued)		
			Categories of financial instruments		
			Carrying amount by category:		
20.9	20.4		Financial assets measured at fair value through profit or loss	163.2	164.8
1,630.3	1,360.8		Loans, receivables and cash and cash equivalents	2,082.2	2,249.8
5.7	1.9		Financial liabilities measured at fair value through profit or loss	1.9	5.7
1,651.7	1,131.2		Financial liabilities measured at amortised cost	1,715.3	2,198.4
			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 instruments are valued at observable prices (Level 2).		
			It is the Group's policy to recognise transfers between the various categories from the date on which an event or a change in circumstances results in a change of classification. No transfers were made between levels in 2013.		

Notes

Note

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 complies with current regulations and is aligned to 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. At 31 December 2013, the equity ratio was 27% versus 17% at the end of 2012.

At 31 December 2013, MT Højgaard A/S's share capital amounted to DKK 520 million, which is fully paid up. The share capital is divided into shares of DKK 1,000. No shares carry special rights. Dividends distributed in 2013 amounted to DKK 0 per share (2012: DKK 0).

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 A/S in connection with the preparation of the annual report for 2013.

With the exception of the early adoption of amendments to IAS 36, the new standards and interpretations are expected to be adopted as they become mandatory for MT Højgaard A/S. Apart from the below, none of the new standards or interpretations is expected to have a material impact on the MT Højgaard Group's financial reporting.

IFRS 10 changes the criteria determining whether a company must be consolidated. IFRS 10 states that, in future, an investor must consolidate another company when it controls the relevant activities that generate variable returns. The standard, which has been adopted by the EU, is effective in the EU for financial years beginning on or after 1 January 2014.

IFRS 11 relating to Joint Arrangements replaces IAS 31 Joint Ventures. In future, companies will no longer have a choice between proportionate consolidation and the equity method for jointly controlled entities. IFRS 11 divides Joint Arrangements into joint ventures (equity method) and joint operations (proportionate share of underlying assets and liabilities) based on both formal and substance-related factors. The standard, which has been adopted by the EU, is effective in the EU for financial years beginning on or after 1 January 2014.

The amendments to IFRS 10 and 11 will increase consolidated revenue, EBIT, profit (loss) for the year and equity, as, in future, Greenland Contractors I/S must be fully consolidated and a non-controlling interest determined, whereas Greenland Contractors I/S was previously recognised on a proportionate basis at 66.67%. MT Højgaard A/S's share of EBIT, profit (loss) for the year and equity will not be affected. In addition, the amendments will reduce consolidated revenue, which will no longer include revenue from Seth S.A. and joint ventures, as our ownership interests in Seth S.A. and joint ventures must be recognised one-line in future, whereas they were previously recognised on a proportionate basis. For 2014, the overall effect on revenue will be positive.

If the above had applied in 2013, the effect would have been a DKK 106.2 million increase in consolidated revenue for 2013, a DKK 68.0 million increase in consolidated EBIT and a DKK 73.2 million increase in the consolidated profit (loss) for the year. MT Højgaard A/S's share of profit (loss) for the year and equity will not be affected.

IFRS 12 contains disclosure requirements relating to both consolidated and non-consolidated enterprises, joint ventures and associates. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014.

29 Events after the balance sheet date

So far as management is aware, no events have occurred between 31 December 2013 and the date of signing of the annual report that will have a material effect on the assessment of the Group's financial position at 31 December 2013, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		30	Adjustments in respect of non-cash operating items, etc.		
			Depreciation and amortisation of intangible assets and property, plant and equipment	111.0	128.6
39.0	13.2				
152.2	-24.1		Other adjustments	109.5	192.3
191.2	-10.9		Total	220.5	320.9
		31	Purchase of property, plant and equipment		
			Purchase of property, plant and equipment, including assets held under finance leases	-135.8	-99.5
-12.7	-9.0				
0.0	0.0		Portion relating to assets held under finance leases	7.9	31.6
-12.7	-9.0		Total	-127.9	-67.9
		32	Increase in non-current bank loans, etc.		
			Increase in bank loans, etc., including lease commitments	64.6	30.4
0.0	7.7				
0.0	0.0		Portion relating to lease commitments	-7.9	-30.4
0.0	7.7		Total	56.7	0.0
		33	Cash and cash equivalents		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
			Distributable cash	119.1	102.3
53.3	59.2				
17.4	10.2		Cash and cash equivalents that are not available to the whole Group	134.5	83.4
70.7	69.4		Cash and cash equivalents	253.6	185.7
-359.9	-105.1		Current portion of bank loans, etc.	-105.1	-363.5
-289.2	-35.7		Total cash and cash equivalents	148.5	-177.8
			Cash and cash equivalents that are not available to the whole Group comprise cash in jointly controlled entities and joint ventures, which, as a rule, is only available to these entities and joint ventures.		

Notes

PARENT COMPANY				GROUP	
2012	2013	Note	Amounts in DKK million	2013	2012
		34	Acquisition and disposal of enterprises and activities		
			Acquisition of enterprises and activities		
0.0	0.0		Property, plant and equipment	0.0	3.4
0.0	0.0		Inventories	0.0	1.1
0.0	0.0		Current liabilities	0.0	-0.4
0.0	0.0		Identifiable net assets acquired	0.0	4.1
0.0	0.0		Goodwill	0.0	4.6
0.0	0.0		Cash purchase price	0.0	8.7
0.0	0.0		Cash and cash equivalents in acquired enterprises	0.0	0.0
0.0	0.0		Cash purchase price, net	0.0	8.7
			Addition in 2012 relates to an acquisition in Greenland by the subsidiary Lindpro A/S		

Notes

 Note

35 Company overview

Subsidiaries, jointly controlled entities and associates at 31 December 2013

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
E&P Service A/S		Alb.lund DK	100.00	DKK 500
Greenland Contractors I/S	(J)	Cph. DK	66.67	DKK -
Lindpro A/S		Glostrup DK	100.00	DKK 25,000
Arssarnerit A/S		Greenland DK	100.00	DKK 2,000
MT (UK) Ltd.		England 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 Højgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP 2
MTH Qatar LCC	(1)	Qatar QA	49.00	QAR 200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK 200
MT Højgaard Norge A/S		Norway NO	100.00	NOK 500
MTH Insurance A/S		Søborg DK	100.00	DKK 30,000
MTH Maldiverne Ltd		Maldiv. MV	100.00	MVR 2
MTH Stål Vietnam Company Limited		Vietnam VN	100.00	USD 50
OPP Hobro Tinglysningsret A/S	(A)	Fred.berg DK	33.33	DKK 700
OPP Randers P-hus A/S	(A)	Fred.berg DK	33.33	DKK 4,410
OPP Vildbjerg Skole A/S	(A)	Fred.berg DK	33.33	DKK 500
OPP Ørstedskolen A/S	(A)	Fred.berg DK	33.33	DKK 2,400
OPS Frederikshavn Byskole A/S	(A)	Fred.berg DK	50.00	DKK 18,000
Scandi Byg A/S		Løgstør DK	100.00	DKK 3,000
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A.,(Seth)	(J)	Portugal PT	60.00	EUR 4,000

(A) associates.

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

(1) The company is fully consolidated on the basis of a shareholders' agreement that gives MT Højgaard A/S control of and the right to the financial return from the company's activity.

OTHER INFORMATION

Consolidated financial highlights – EUR

Amounts in EUR million	2009	2010	2011	2012	2013
Income statement					
Revenue	1,218	1,113	1,248	1,305	986
Gross profit (loss)	99	73	11	-8	82
Operating profit (loss) (EBIT)	39	13	-45	-68	22
Profit (loss) before tax	41	13	-45	-69	19
Profit (loss) for the year	30	8	-35	-69	4
Cash flows					
Cash flows from operating activities	65	-44	-36	-19	3
<i>Purchase of property, plant and equipment</i>	-32	-32	-17	-9	-17
<i>Acquisition and disposal of enterprises and activities</i>	-2	0	0	-1	0
<i>Other investments, net*</i>	-36	65	31	9	14
Cash flows for investing activities	-70	33	14	-1	-3
Cash flows from operating and investing activities	-5	-11	-22	-20	0
Portion relating to net investments in securities	-49	45	9	-1	0
Balance sheet					
Non-current assets	139	145	151	153	140
Current assets	599	485	607	441	399
Total assets	738	630	758	594	539
Equity	216	217	173	103	150
Non-current liabilities	32	43	54	55	67
Current liabilities	490	370	531	436	322
Total equity and liabilities	738	630	758	594	539
Other information					
Order intake	949	1,350	1,184	942	1,186
Order book, year end	999	1,236	1,173	810	1,010
Interest-bearing deposits/debt (+/-)	110	45	-1	-25	13
Invested capital	118	172	174	129	137
Average number of employees	5,872	5,217	4,738	4,688	3,974
Financial ratios					
Gross margin (%)	8.1	6.5	0.9	-0.6	8.3
EBIT margin (%)	3.2	1.1	-3.6	-5.2	2.2
Pre-tax margin (%)	3.4	1.2	-3.6	-5.3	1.9
Return on invested capital (ROIC) (%)	30.7	8.7	-25.7	-44.9	15.1
Return on invested capital after tax (ROIC after tax) (%)	22.2	5.2	-20.0	-44.9	3.5
Return on equity (ROE) (%)	14.6	3.8	-18.0	-49.7	3.2
Equity ratio (%)	29.2	34.5	22.8	17.4	27.8
Proposed dividend (EUR million)	7	7	0	0	0

The consolidated financial highlights in EUR are supplementary information to the financial statements.

Items in the income statement, the balance sheet and the statement of cash flows for all the years have been translated from DKK into EUR using Danmarks Nationalbank's official exchange rate at 31 December 2013 of 7.4603.

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