



**Interim financial report –
Third quarter 2014
MT Højgaard Group**

INTERIM FINANCIAL REPORT – THIRD QUARTER 2014

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Contact

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Summary

Third quarter and first three quarters of 2014

The Board of Directors of MT Højgaard A/S has today discussed and approved the Group's interim financial report for the third quarter of 2014.

- The third-quarter operating result before special items was a profit of DKK 72 million compared with DKK 40 million in the third quarter of 2013. The operating margin was 4.2% compared with 2.1% in the same period in 2013.
- The operating result before special items for the first three quarters was a profit of DKK 88 million compared with DKK 23 million in the same period in 2013. The operating margin for the period was 1.8% compared with 0.4% in the same period in 2013.
- The adverse impact on the operating result of the completion of old projects with low profitability continued to decrease.
- The operating result matched management's expectations.
- Third-quarter revenue was DKK 1.7 billion, slightly down on the same period last year. Consolidated revenue was DKK 4.9 billion compared with DKK 5.2 billion in the same period in 2013.
- Special items amounted to a loss of DKK 408 million for the first three quarters of 2014, of which a loss of DKK 213 million related to the third quarter due to the now settled offshore disputes.
- The third-quarter operating result (EBIT) was a loss of DKK 141 million compared with a profit of DKK 40 million in the third quarter of 2013. The operating result for the first three quarters was a loss of DKK 320 million compared with a profit of DKK 23 million in the same period in 2013.
- Operating activities generated a cash inflow of DKK 263 million in the first three quarters compared with an outflow of DKK 185 million in the same period in 2013, primarily reflecting a positive development in working capital. The Group's financial resources totalled DKK 1,154 million at 30 September 2014 compared with DKK 988 million at 30 September 2013. The increase reflected the cash inflow during the first three quarters.
- The order book stood at DKK 6.7 billion at 30 September 2014 compared with DKK 5.5 billion at 30 September 2013.

Outlook for 2014

- Revenue is expected to be around DKK 7.0 billion compared with the previous outlook of DKK 7.0-7.5 billion.
- The operating result before special items for 2014 is expected to be a profit of DKK 175-200 million, equivalent to an operating margin of approx. 2.5%, compared with the previous outlook of DKK 150-225 million (operating margin 2-3%).
- Special items for the year are expected to amount to a loss of approx. DKK 400 million.
- The Group still aims to achieve an operating margin (EBIT) of 5% by the end of 2015.

Consolidated financial highlights

Amounts in DKK million	2014	2013	2014	2013	2013
	Q3	Q3	YTD	YTD	Year
Income statement					
Revenue	1,717	1,865	4,935	5,214	7,464
Gross profit (loss)	180	138	418	327	543
Operating profit (loss) before special items*	72	40	88	23	103
Special items*	-213	0	-408	0	130
Operating profit (loss) (EBIT)	-141	40	-320	23	233
Profit (loss) before tax	-140	33	-319	10	209
Profit (loss) after tax	-157	27	-339	-9	107
Cash flows					
Cash flows from operating activities	96	-25	263	-185	113
<i>Purchase of property, plant and equipment</i>	-17	-24	-93	-99	-131
<i>Other investments, net**</i>	-9	10	19	63	107
Cash flows for investing activities	-26	-14	-74	-36	-24
Cash flows from operating and investing activities	70	-39	189	-221	89
** Portion relating to net investments in securities	-15	1	-7	-6	-1
Balance sheet					
Non-current assets			1,044	1,133	1,065
Current assets			2,600	3,033	2,949
Total assets			3,644	4,166	4,014
Equity			771	1,074	1,181
Non-current liabilities			532	459	511
Current liabilities			2,341	2,633	2,322
Total equity and liabilities			3,644	4,166	4,014
Other information					
Order intake	1,427	1,069	4,057	4,550	8,844
Order book, end of period			6,667	5,501	7,545
Net interest-bearing deposits/debt (+/-)			291	-138	149
Invested capital			480	1,212	1,032
Average number of employees			3,926	4,334	4,058
Financial ratios					
Gross margin (%)	10.4	7.4	8.5	6.3	7.3
Operating profit (loss) before special items margin (%)	4.2	2.1	1.8	0.4	1.4
EBIT margin (%)	-8.2	2.1	-6.5	0.4	3.1
Pre-tax margin (%)	-8.2	1.8	-6.5	0.2	2.8
Return on invested capital (ROIC) (%)***			-42.3	1.9	20.9
Return on invested capital after tax (ROIC after tax) (%)***			-44.8	-2.0	10.6
Return on equity (ROE) (%)***			-34.7	-0.8	9.6
Equity ratio (%)			21.2	25.8	29.4

*) Special items are made up of the effect on profit (loss) of old offshore disputes and Buxton

***) Not converted to full-year figures

Financial highlights have been restated to reflect the changed accounting policy relating to the recognition of jointly controlled entities, see note 1

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts". Financial ratios are defined in the 2013 annual report

Profitable development in operations

The MT Højgaard Group's operations are developing as planned and have produced a positive operating result in the third quarter and for the first three quarters as whole.

- Profitability in the order book continues to improve as old orders are completed and new, healthier projects are started up.
- Cash flows and liquidity are developing satisfactorily as a result of concentrated efforts.
- Productivity is improving gradually, driven by increased use of standard solutions, early involvement of relevant parties, and planning in BIM/VDC.
- The risk profile continues to improve with the meticulous approach of the Group's commercial managers to the assessment of individual projects.
- The Group's order book stood at DKK 6.7 billion at 30 September 2014 compared with DKK 5.5 billion at 30 September 2013. We secured a DKK 1.4 billion increase in our order book in the third quarter. A number of tender processes have been delayed, but there are grounds for expecting that the MT Højgaard Group will be awarded some of these projects in the last quarter of 2014.

The Group still anticipates a stable level of activity in the last quarter of the year, focusing on tender activity in a generally positive market. Demand is characterised, in particular, by projects related to infrastructure, construction for the healthcare sector, head office construction, and refurbishment of residential properties.

Market outlook for 2014

The Group expects that the Danish professional construction and civil works market as a whole will increase in the coming years, reaching around DKK 170 billion in 2015 and DKK 180 billion in 2016. By comparison, the full-year 2014 market is expected to total DKK 165 billion. The Group considers a little over half of this market

to be relevant. The figures reflect expected stable growth in the civil works area and somewhat higher growth in both the new building and refurbishment areas.

Approach to market development

The Group's three-year programme for development and implementation of Building Information Modelling (BIM) and Virtual Design and Construction (VDC) is proceeding to plan and is designed to improve productivity. The quality on projects is being developed in collaboration with suppliers and customers.

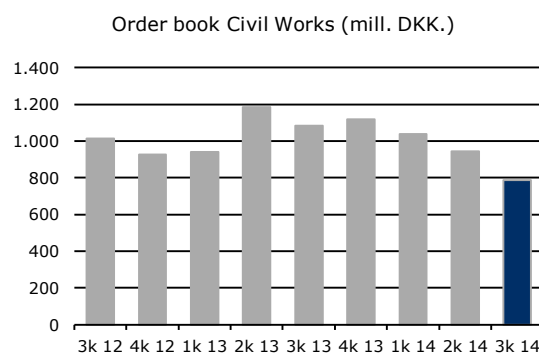
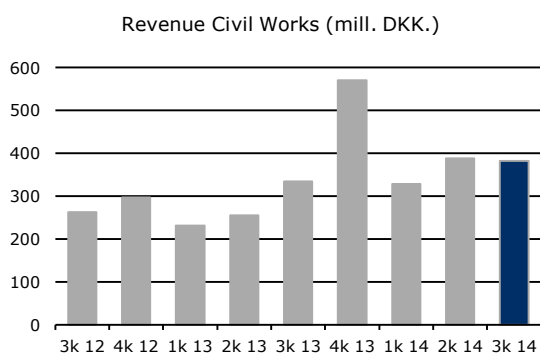
The use of BIM/VDC and the opportunities this creates also form the basis for the forward-looking dialogue between customers and the Group's business units, which also focuses on new business areas and partnerships. This approach has been pursued more intensively since mid-2014 and will continue into 2015, resulting in increasing customer satisfaction and repeat business.

Employee satisfaction in the company MT Højgaard has increased from medium in September 2013 to high according to the latest survey in mid-September 2014, which is a satisfactory development. This is an important step towards meeting the Group's target of a high level of employee satisfaction. The survey reinforces the systematic efforts to ensure that MT Højgaard is an attractive workplace for both existing and future employees.

Civil Works

Generally speaking, the Danish civil works market is characterised by a consistently high level of activity, but there is still fierce price competition for projects. There is increasing demand for port construction and cloudburst protection throughout Denmark, and also for shell structures in East Denmark.

We have tendered successfully for highly complex projects that require special expertise.



Contracts entered into during the period under review include the disposal of two sludge storage tanks of approx. 6,000 square metres each at the Lynetten wastewater treatment plant, and essential interior completion of two new sections, called the Niels Bohr Building, for Copenhagen University.

In Greenland, the level of activity remains low due to stagnation in both the mining area and in construction and civil works projects. In the Faroe Islands, close dialogue continues with clients and consultants in connection with a number of large projects.

In the Maldives, we have won seven new orders, two of which are for coastal protection and five for private resorts. In Qatar, we are working on tenders for a number of relevant projects.

Satisfactory revenue meant that Civil Works achieved a steadily improving operating result before special items for the first three quarters of 2014, partly due to the ongoing hospital projects, the construction of shell structures, and the increased level of activity in the Maldives.

Construction

The stable level of activity in construction in 2014 is expected to be succeeded by increased activity in 2015. MT Højgaard is strategically positioned in relation to this market as a consulting contractor with particular focus on large, complex projects such as new head offices, super-hospitals and distinctive residential projects.

For example, within residential projects, a contract for the construction of Strandpromenaden, consisting of 42 exclusive dwellings in the Østerbro district of Copenhagen, was signed in the third quarter.

At the start of November 2014, MT Højgaard was awarded the contract for the finishings to 17 stations on the Cityringen metro line being built in Copenhagen.

In Norway, we expect rising demand and an increasing

level of activity in the coming periods.

Construction delivered an improved operating result before special items against the background of revenue for the first three quarters of 2014, which was below the level for the same period in 2013. Construction expects an increasing level of activity in the last quarter of the year based on a satisfactory order book.

Offshore and Steel Bridges

Growth in the market for the construction of offshore foundations has picked up again. However, the level of activity in MT Højgaard remains low due to the focus on completing old offshore disputes and changes to the risk model. A number of bids that match MT Højgaard's strategy in terms of size and risk are currently being prepared.

The market for the construction of steel bridges in Northern Europe remains stable. The start-up of Marieholm Bridge in Gothenburg proceeded according to plan. The project is being carried out as a joint venture and consequently only features in the financial statements in the line 'Share of profit (loss) after tax of joint ventures'.

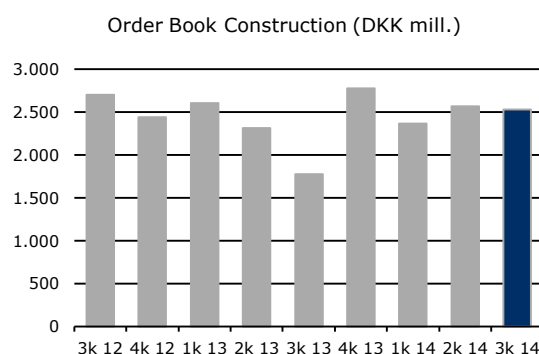
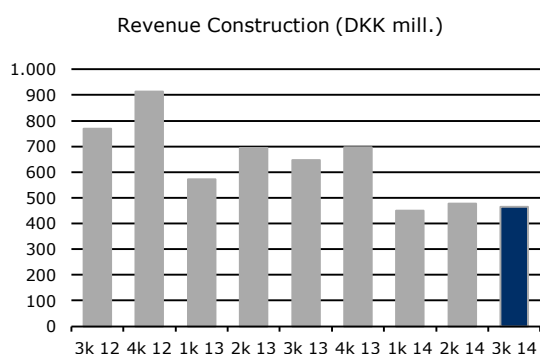
Revenue and operating result were not satisfactory, due to the low order book at the start of 2014.

Subsidiaries, etc.

The Group's subsidiaries also have activities in construction and civil works, mainly for customers in selected segments, but also as subcontractors to the rest of the Group.

Overall, the development in the subsidiaries' revenue and operating result before special items for the first three quarters of 2014 was satisfactory.

Enemærke & Petersen's core segment is the refurbishment of 1960s social housing, which has great potential for growth in the next few years. The period under review saw a high level of activity on the refurbishment



projects at Rosenhøj and Langkærparken in Aarhus and Vapnagaard in Elsinore. The company delivered substantial revenue for the first three quarters of 2014 compared with the same period in 2013, whereas the result was weakened by a few projects with lower profitability, although it was still at a satisfactory level.

In *Lindpro*, there is stable development in the service business, whereas the technical contract area is still characterised by a lower level of activity and generally intense price competition. In the longer term, we expect rising activity levels in both the contract and service areas. Overall, Lindpro reported a satisfactory result in the light of slightly weak revenue due to clients' decisions to postpone the start-up of four major contracts.

Scandi Byg recorded a satisfactory result against the background of a slightly weak level of activity in the first three quarters of 2014. The level of activity rose during the year, and, as a new feature, Scandi Byg commenced production of modular buildings for the Faroe Islands during the period.

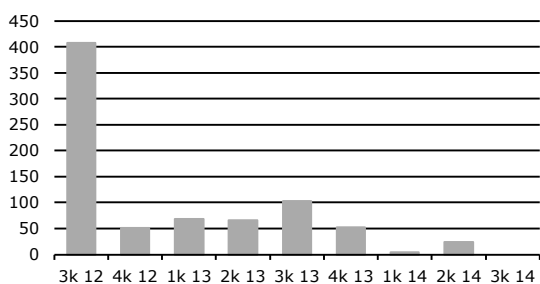
Ajos is affected by the lower activity in MT Højgaard A/S, but is being boosted by a generally good level of activity

in its core products of cranes and hoists, where it has a strong market position. Overall, Ajos delivered a relatively satisfactory operating result.

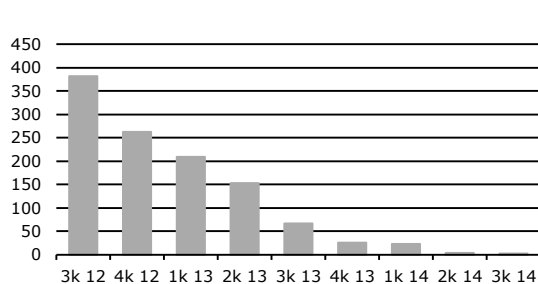
At *Greenland Contractors*, the operation of the Thule Air Base is still proceeding satisfactorily. Next year, activities will be scaled down as the service contract for operation and maintenance for the US Air Force expires on 30 September 2015.

Seth is still affected by start-up delays, especially of the aid-funded projects in Africa, partly due to an epidemic in the region. Seth is only included in the line 'Share of profit (loss) after tax of joint ventures'.

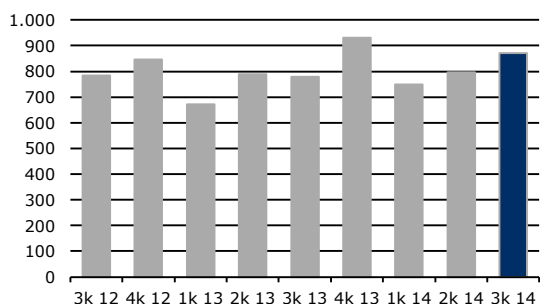
Revenue Offshore and Steel Bridges (DKK mill.)



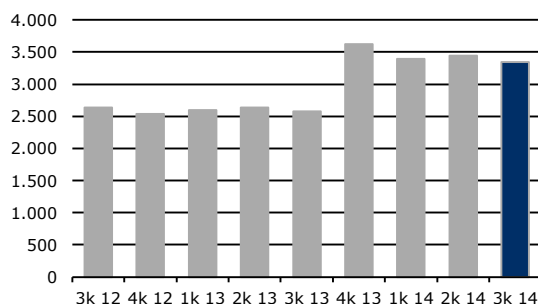
Order book Offshore and Steel Bridges (DKK mill.)



Revenue Subsidiaries (DKK mill.)



Order book Subsidiaries (DKK mill.)



Order book

The order book was DKK 6,667 million at 30 September 2014 compared with DKK 5,501 million at 30 September 2013. The order book was affected by a slightly lower order intake than in the first three quarters of 2013.

DKK million	2014 YTD	2013 YTD	2013 Year
Order book, beginning of period	7,545	6,165	6,165
Order intake during period	4,057	4,549	8,844
Production during period	-4,935	-5,213	-7,464
Order book, end of period	6,667	5,501	7,545

The order book includes a number of large orders extending over several years.

The order book at the beginning and end of the period is affected by the new IFRS rules relating to the recognition of joint ventures, as it no longer includes order books from joint ventures. The order book of Offshore and Steel Bridges, including joint ventures (prorated), was DKK 242 million at 30 September 2014 compared with DKK 67 million at 30 September 2013.

Revenue and earnings

Third-quarter revenue was DKK 1.7 billion, slightly down on revenue of DKK 1.9 billion in the third quarter of 2013. Revenue for the first three quarters was DKK 4.9 billion compared with DKK 5.2 billion for the first three quarters of 2013, falling slightly short of the outlook for 2014.

Revenue – DKK million	2014 YTD	2013 YTD	2013 Year
Civil Works	1,099	822	1,392
Construction	1,391	1,916	2,612
Offshore and Steel Bridges	28	238	290
Subsidiaries total	2,417	2,238	3,170
Group	4,935	5,214	7,464

The third-quarter operating result before special items was a profit of DKK 72 million, an improvement of DKK 32 million on the third quarter of 2013. The operating result before special items was a profit of DKK 88 million for the first three quarters compared with DKK 23 million in the same period in 2013. The positive development reflects the fact that the proportion of projects with low profitability is falling and being replaced by projects with higher contribution margins contracted in 2013.

The third-quarter 2014 operating margin before special items was 4.2% compared with 2.1% in the third quarter

of 2013. The operating margin before special items for the first three quarters of 2014 was 1.8% compared with 0.4% for the same period in 2013.

The operating result (EBIT) for the third quarter of 2014 was a loss of DKK 141 million compared with a profit of DKK 40 million for the third quarter of 2013. The operating result (EBIT) for the first three quarters of 2014 was a loss of DKK 320 million compared with a profit of DKK 23 million for the same period in 2013. Special items amounted to a loss of DKK 408 million and related to the rulings in the old offshore disputes.

Income tax expense for the first three quarters of 2014 was DKK 19 million, in line with the same period in 2013 (DKK 19 million). Income tax expense for 2014 is adversely affected by DKK 100 million as the tax base of the special items has not been recognised in the Group's tax asset based on a specific assessment of the probability of the tax asset being utilised in the foreseeable future.

Balance sheet

The balance sheet total was DKK 3.6 billion at 30 September 2014. This was a reduction of DKK 0.6 billion compared with 31 December 2013. The lower balance sheet total primarily reflected a reduction in receivables.

Equity stood at DKK 771 million at 30 September 2014. The equity ratio was 21.2% compared with 29.4% at the end of 2013 and 25.8% at the end of September 2013.

Interest-bearing net deposits were DKK 291 million at 30 September 2014 compared with DKK 149 million at 31 December 2013. The improvement primarily reflects a satisfactory development in the Group's working capital due to a reduction in receivables coupled with a satisfactory development in work in progress.

Invested capital was DKK 480 million at 30 September 2014 compared with DKK 1,032 million at 31 December 2013. The development mainly reflected the above reduction in working capital.

Cash flows and financial resources

Operating activities generated a cash inflow of DKK 96 million in the third quarter of 2014 compared with a third-quarter 2013 outflow of DKK 25 million.

Operating activities generated a cash inflow of DKK 263 million in the first three quarters of 2014, an improvement of DKK 448 million on the same period in 2013. This reflected the positive development in working capital, mainly as a consequence of partly the focus on cash flows on projects in progress, and partly receivables.

Cash flows for investing activities in the first three quarters of 2014 amounted to DKK 74 million compared with DKK 36 million in the same period in 2013 due to higher disposals of non-current assets in 2013. Capital expendi-

ture for the first three quarters of 2014 was in line with the same period in 2013.

The Group's financial resources totalled DKK 1,154 million at 30 September 2014 compared with DKK 988 million at 31 December 2013. The increase reflects the cash inflow during the first three quarters. The financial resources are satisfactory in view of the expected level of activity.

Old offshore disputes

The last of the old offshore litigations and disputes were settled at the beginning of the fourth quarter. It is expected that the Robin Rigg dispute will be heard by the Court of Appeal in London in spring 2015, but the ruling will not have any further adverse impact on the Group's result or equity.

The overall effect of old offshore disputes has been recognised in special items.

Outlook for 2014

As already mentioned, the order book at 30 September 2014 stood at DKK 6.7 billion, with DKK 1.8 billion expected to be executed in 2014.

Revenue is expected to be around DKK 7.0 billion compared with the previous outlook of DKK 7.0-7.5 billion.

The operating result before special items for 2014 is expected to be a profit of DKK 175-200 million, equivalent to an operating margin of approx. 2.5%, compared with the previous outlook of DKK 150-225 million (operating margin 2-3%).

Special items for the year are expected to amount to a loss of approx. DKK 400 million.

For the full year, we expect a tax rate on the operating result before special items at the lower end of the Danish tax rate.

The Group still aims to achieve an operating margin (EBIT) of 5% by the end of 2015.

This announcement contains forward-looking statements, including the above projections of financial performance in 2014, which, by their nature, involve risks and uncertainties that may cause actual performance to differ significantly from the expected.

Management statement

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of MT Højgaard A/S for the period 1 January – 30 September 2014.

The interim financial statements, which have not been audited or reviewed by the company's auditor, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for interim financial reports.

In our opinion, the interim financial statements give a true and fair view of the Group's financial position at 30

September 2014 and of the results of the Group's operations and cash flows for the period 1 January – 30 September 2014.

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

Søborg, 19 November 2014

Executive Board

Torben Billmann
President and CEO

Egil Mølsted Madsen
CFO

Board of Directors

Søren Bjerre-Nielsen
Chairman

Niels Lykke Graugaard
Deputy Chairman

Carsten Bjerg

Pernille Fabricius

Curt Germundsson

Mats Jönsson

Irene Chabior

John Sommer

Vinnie Sunke Heimann

Consolidated financial statements

Income statement and statement of comprehensive income

	2014	2013	2014	2013	2013
Amounts in DKK million	Q3	Q3	YTD	YTD	Year
Consolidated income statement					
Revenue	1,716.9	1,865.2	4,935.0	5,213.5	7,464.3
Production costs	-1,537.2	-1,727.5	-4,517.0	-4,886.9	-6,921.1
Gross profit (loss)	179.7	137.7	418.0	326.6	543.2
Distribution costs	-26.1	-27.7	-81.6	-82.0	-125.4
Administrative expenses	-77.2	-71.1	-235.9	-215.0	-311.9
Profit (loss) before share of profit (loss) of joint ventures	76.4	38.9	100.5	29.6	105.9
Share of profit (loss) after tax of joint ventures	-4.0	1.1	-12.3	-7.1	-2.8
Operating profit (loss) before special items	72.2	40.0	88.2	22.5	103.1
Special items	-213.0	0.0	-408.0	0.0	130.0
Operating profit (loss) (EBIT)	-140.6	40.0	-319.8	22.5	233.1
Share of profit (loss) after tax of associates	0.1	0.3	0.5	1.5	1.9
Net finance costs	0.5	-7.1	-0.1	-14.4	-26.5
Profit (loss) before tax	-140.0	33.2	-319.4	9.6	208.5
Income tax expense	-17.0	-6.5	-19.1	-18.5	-102.0
Profit (loss) after tax	-157.0	26.7	-338.5	-8.9	106.5
Attributable to:					
Shareholders of MT Højgaard A/S	-171.1	10.6	-388.7	-56.9	33.3
Non-controlling interests	14.1	16.1	50.2	48.0	73.2
	-157.0	26.7	-338.5	-8.9	106.5
Consolidated statement of comprehensive income					
Profit (loss) after tax	-157.0	26.7	-338.5	-8.9	106.5
Other comprehensive income					
<i>Items that may be reclassified to the income statement:</i>					
Foreign exchange adjustments, foreign enterprises	-1.7	0.1	-2.5	1.6	1.3
Value adjustments of hedging instruments in associates	-3.8	2.6	-11.6	9.0	10.6
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0
Other comprehensive income after tax	-5.5	2.7	-14.1	10.6	11.9
Total comprehensive income	-162.5	29.4	-352.6	1.7	118.4
Attributable to:					
Shareholders of MT Højgaard A/S	-176.6	13.3	-402.8	-46.3	45.2
Non-controlling interests	14.1	16.1	50.2	48.0	73.2
	-162.5	29.4	-352.6	1.7	118.4

Balance sheet

	2014	2013	2013
Amounts in DKK million	Q3	Q3	Year
Assets			
Non-current assets			
Intangible assets	147.6	148.9	155.4
Property, plant and equipment	541.9	593.6	554.0
Deferred tax assets	323.3	342.5	308.6
Other investments	30.8	48.0	47.0
Total non-current assets	1,043.6	1,133.0	1,065.0
Current assets			
Inventories	651.4	674.5	639.0
Trade receivables	1,276.8	1,669.7	1,642.4
Construction contracts in progress	90.7	159.7	72.2
Other receivables	78.3	161.9	139.9
Securities	172.1	167.5	163.1
Cash and cash equivalents	330.9	200.0	292.4
Total current assets	2,600.2	3,033.3	2,949.0
Total assets	3,643.8	4,166.3	4,014.0
Equity and liabilities			
Equity attributable to shareholders of MT Højgaard	715.1	1,024.5	1,116.0
Non-controlling interests	56.2	49.8	65.0
Total equity	771.3	1,074.3	1,181.0
Non-current liabilities			
Bank loans, etc.	175.1	169.6	163.4
Deferred tax liabilities	10.0	12.2	9.9
Provisions	347.3	277.1	337.8
Total non-current liabilities	532.4	458.9	511.1
Current liabilities			
Bank loans, etc.	37.4	336.3	142.9
Construction contracts in progress	712.0	725.4	591.9
Trade payables	705.0	891.9	735.7
Other current liabilities	885.7	679.5	851.4
Total current liabilities	2,340.1	2,633.1	2,321.9
Total liabilities	2,872.5	3,092.0	2,833.0
Total equity and liabilities	3,643.8	4,166.3	4,014.0

Statement of cash flows

	2014	2013	2014	2013	2013
Amounts in DKK million	Q3	Q3	YTD	YTD	Year
Operating profit (loss) (EBIT)	-140.6	40.0	-319.8	22.5	233.1
Adjustments in respect of non-cash operating items, etc.	30.6	24.8	199.2	89.0	235.1
Cash flows from operating activities before working capital changes	-110.0	64.8	-120.6	111.5	468.2
Working capital changes:					
Inventories	-13.2	18.9	-4.7	26.2	70.5
Receivables excluding construction contracts in progress	221.3	-53.5	427.9	211.5	252.1
Construction contracts in progress	-63.8	88.2	101.5	-143.6	-189.6
Trade and other current payables	66.8	-133.2	-112.6	-360.9	-381.4
Cash flows from operations (operating activities)	101.1	-14.8	291.5	-155.3	219.8
Net finance costs	1.3	-3.7	-1.7	-10.9	-24.0
Cash flows from operations (ordinary activities)	102.4	-18.5	289.8	-166.2	195.8
Income taxes paid, net	-6.8	-6.7	-26.9	-19.0	-83.3
Cash flows from operating activities	95.6	-25.2	262.9	-185.2	112.5
Purchase of property, plant and equipment	-16.7	-24.5	-93.3	-99.1	-131.0
Other investments, net	-9.5	10.2	19.6	63.4	107.5
Cash flows for investing activities	-26.2	-14.3	-73.7	-35.7	-23.5
Cash flows from financing activities	-22.9	-18.7	-46.1	288.3	268.5
Net increase (decrease) in cash and cash equivalents	46.5	-58.2	143.1	67.4	357.5
Cash and cash equivalents at start of period	283.9	-44.6	187.3	-170.2	-170.2
Cash and cash equivalents at end of period	330.4	-102.8	330.4	-102.8	187.3

Statement of changes in equity

Amounts in DKK million	Share capital	Hedging reserve	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
2013							
Equity at 01-01-2013	220.0	-31.0	0.5	581.3	770.8	0.0	770.8
Changes in accounting policies					0.0	56.8	56.8
New equity at 01-01-2013	220.0	-31.0	0.5	581.3	770.8	56.8	827.6
Comprehensive income for the period							
Profit (loss) after tax				-56.9	-56.9	48.0	-8.9
Other comprehensive income		9.0	1.6		10.6		10.6
Total comprehensive income	0.0	9.0	1.6	-56.9	-46.3	48.0	1.7
Transactions with owners							
Capital increase in February 2013	300.0				300.0		300.0
Dividends paid					0.0	-55.0	-55.0
Total transactions with owners	300.0	0.0	0.0	0.0	300.0	-55.0	245.0
Equity at 30-09-2013	520.0	-22.0	2.1	524.4	1,024.5	49.8	1,074.3
2014							
Equity at 01-01-2014	520.0	-20.4	1.8	614.6	1,116.0	0.0	1,116.0
Changes in accounting policies					0.0	65.0	65.0
New equity at 01-01-2014	520.0	-20.4	1.8	614.6	1,116.0	65.0	1,181.0
Comprehensive income for the period							
Profit (loss) after tax				-388.7	-388.7	50.2	-338.5
Other comprehensive income		-11.6	-2.5		-14.1		-14.1
Total comprehensive income	0.0	-11.6	-2.5	-388.7	-402.8	50.2	-352.6
Transactions with owners							
Capital injection, warrant programme				1.9	1.9		1.9
Dividends paid					0.0	-59.0	-59.0
Total transactions with owners	0.0	0.0	0.0	1.9	1.9	-59.0	-57.1
Equity at 30-09-2014	520.0	-32.0	-0.7	227.8	715.1	56.2	771.3

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Notes

Note

1 Accounting policies

The interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for interim financial reports.

Except as stated below, the accounting policies are unchanged from the 2013 annual report, to which reference is made (note 1). A full description of accounting policies is provided in the 2013 annual report.

Changes in accounting policies

IFRS 10-12 with associated amendments, IAS 27 (2011), IAS 28 (2011), amendments to IAS 27 (2011), amendments to IAS 32, amendments to IAS 39 as well as IFRIC 21 have been implemented with effect from 1 January 2014. The effect of the changes is set out in note 1 to the interim financial report for the first quarter of 2014 dated 19 May 2014.

Comparative figures for the third quarter and the full year have been restated accordingly.

Accounting effect of implementation

The accounting effect of the implementation of IFRS 10 and 11 for the Group is as follows:

Amounts in DKK million	Q3 2013			YTD 2013		
	Current practice	Adjustments	New practice	Current practice	Adjustments	New practice
Statement of comprehensive income						
Revenue	1,836.3	28.9	1,865.2	5,118.5	95.0	5,213.5
Production costs	-1,711.7	-15.8	-1,727.5	-4,836.8	-50.1	-4,886.9
Distribution costs	-28.8	1.1	-27.7	-84.8	2.8	-82.0
Administrative expenses	-71.9	0.8	-71.1	-217.5	2.5	-215.0
Share of profit (loss) of joint ventures	0.0	1.1	1.1	0.0	-7.1	-7.1
Interest, net	-6.5	-0.3	-6.8	-14.7	1.8	-12.9
Income tax expense	-6.8	0.3	-6.5	-21.6	3.1	-18.5
Profit (loss) for the period		16.1			48.0	
Other comprehensive income		0.0			0.0	
Comprehensive income for the period		16.1			48.0	
Statement of cash flows						
Operating activities				-271.5	86.3	-185.2
Investing activities				-36.0	0.3	-35.7
Financing activities				339.8	-51.5	288.3
Cash and cash equivalents at start of period				-177.8	7.6	-170.2
Cash and cash equivalents at end of period					42.7	

The full-year effect for 2013 is set out in the interim financial report for the first quarter of 2014 dated 19 May 2014.

Notes

 Note

1 Accounting policies (continued)

Amounts in DKK million	30 September 2013			31 December 2013		
	Current practice	Adjustments	New practice	Current practice	Adjustments	New practice
Balance sheet						
Intangible assets	149.0	-0.1	148.9	155.0	0.0	155.0
Property, plant and equipment	610.7	-17.1	593.6	570.2	-16.2	554.0
Other investments	14.8	33.2	48.0	9.0	38.0	47.0
Inventories	661.3	13.2	674.5	627.6	11.4	639.0
Trade receivables	1,732.7	-63.0	1,669.7	1,742.3	-99.9	1,642.4
Construction contracts in progress	165.0	-5.3	159.7	74.2	-2.0	72.2
Other receivables	141.9	20.0	161.9	115.8	24.1	139.9
Securities	167.6	-0.1	167.5	163.2	-0.1	163.1
Cash and cash equivalents	168.9	31.1	200.0	253.6	38.8	292.4
Total assets		11.9			-5.9	
Bank loans, etc., long-term	181.0	-11.4	169.6	173.9	-10.5	163.4
Provisions	259.1	18.0	277.1	315.7	22.1	337.8
Bank loans, etc., short-term	350.4	-14.1	336.3	145.9	-3.0	142.9
Construction contracts in progress	727.9	-2.5	725.4	595.8	-3.9	591.9
Trade payables	916.4	-24.5	891.9	766.1	-30.4	735.7
Other current liabilities	682.9	-3.4	679.5	896.6	-45.2	851.4
		-37.9			-70.9	
Non-controlling interests		49.8			65.0	
Total equity and liabilities		11.9			-5.9	

Notes

Note

2 Accounting estimates and judgements

The preparation of interim financial statements requires management to make accounting estimates and judgements that affect the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may differ from these estimates.

The special offshore disputes have been settled in 2014, significantly reducing estimation uncertainty. The other estimates and the associated estimation uncertainty, which are considered customary and essentially unchanged, are described in note 2 to the consolidated financial statements and the financial statements for 2013.

3 Share-based payment

At 30 September 2014, the number of outstanding warrants was 10,606 nos with a nominal value of DKK 1,000 each. Reference is also made to the further details provided in the interim financial report for the first half of 2014.

4 Fair value measurement of financial instruments

The methods used to determine the fair value of financial instruments are unchanged compared with the 2013 annual report.

Securities are valued based on quoted prices (Level 1). Fair value and carrying amount stood at DKK 172.1 million at the end of the period.

Derivative instruments comprise forward exchange contracts, which are valued at observable prices (Level 2). Fair value and carrying amount stood at DKK 845 million at the end of the period.

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 2014.

Notes

Note

5 Income tax expense and deferred tax

Income tax was affected by DKK 100 million as the tax base of special provisions, an expense of DKK 408 million, relating to the offshore disputes referred to above has not been recognised in the Group's tax asset, based on a specific assessment of the probability of the tax asset being utilised in the foreseeable future.

Income tax expense was DKK 19.1 million and can be explained as follows:

	2014	2013
Amounts in DKK million	YTD	YTD
Income tax expense before tax calculated at 24.5%/25%	78.3	-2.4
Reduction of Danish income tax rate from 25% to 22% in the period up to 2016	-10.2	-20.0
Deviations in foreign enterprises' tax rates	-7.0	-6.1
Non-taxable income*	9.9	10.1
Non-deductible expenses	-0.1	-0.1
Non-capitalised tax loss carryforward	-89.8	0.0
Other, including prior year adjustments and joint taxation	-0.2	0.0
Income tax expense	-19.1	-18.5

* Consists primarily of non-controlling interests' share of income in Greenland Contractors I/S, as Greenland Contractors I/S is not a separate tax object and no provision has consequently been made for tax on the non-controlling interests' share of profit (loss) in the consolidated financial statements or for tax on their share of profit (loss) after tax in joint ventures and associates.

Tax losses may be carried forward indefinitely and are expected to be utilised against future earnings. As in previous periods, tax losses 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 around DKK 212 million and relate to tax losses that may be carried forward indefinitely. They may be recognised as income when the Group delivers the necessary positive results.

6 Related parties

MT Højgaard A/S is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen. MT Højgaard A/S is a jointly controlled entity according to an agreement between the shareholders.

Normal management remuneration has been paid and intragroup transactions have been eliminated in the consolidated financial statements. Transactions between MT Højgaard A/S and consolidated enterprises are on an arm's length basis.

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