



**MT Højgaard Group**  
Interim financial  
report – Second  
quarter 2015

# Summary

## Financial results for the second quarter of 2015

### Increasing order intake

**DKK 2.2 billion**

Continuing the good trend

### Revenue as expected

**DKK 1.6 billion**

Small decline during quarter

### Improved operating profit before special items

**DKK 72 million**

Impact of profitability in the business now being felt

### Improved operating margin before special items

**4.5%**

Control of operations

## Financial results for the first half of 2015

### Strong order intake

**DKK 3.4 billion**

Reflecting the positive trend

### Stable revenue

**DKK 3.3 billion**

Deferred project start-up

### Operating profit before special items

**DKK 122 million**

Increased earnings based on healthy operations

### Stable operating margin before special items

**3.8%**

Rising trend

## Outlook for 2015

### Revenue

**Around DKK 7 billion**

As a result of deferred project start-up and temporary extension of Greenland Contactors' activities at Thule Air Base.

Outlook previously DKK 7.0-7.5 billion

### Operating profit before special items

**DKK 325-375 million**

Previous outlook DKK 300-375 million. The effect of revenue changes and temporary extension of Greenland Contractor's activities on the Thule Air Base

### Operating margin before special items

**Approximately 5%**

Previously 4-5%

### Special items

Special items will be affected positively by approximately DKK 195 million if the opposing party's Robin Rigg appeal is unsuccessful

### Contact

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# Consolidated financial highlights

DKK million	2015	2014	2015	2014	2014
	Q2	Q2	YTD	YTD	Year
<b>Income statement</b>					
Revenue	1,596	1,685	3,251	3,218	6,979
Gross profit	203	156	381	238	693
Operating profit before special items	72	46	122	16	207
Special items*	-	-	-	-195	-408
EBIT	72	46	122	-179	-201
Profit (loss) before tax	68	44	148	-179	-186
Profit (loss) after tax	55	35	117	-182	-252
<b>Cash flows</b>					
Cash flows from operating activities	15	16	93	167	428
<i>Purchase of property, plant and equipment</i>	-29	-44	-69	-77	-106
<i>Other investments, incl. investments in securities</i>	24	14	19	29	67
<i>Cash flows from investing activities</i>	-6	-30	-51	-48	-39
Cash flows from operating and investing activities	9	-14	42	119	389
<b>Balance sheet</b>					
Non-current assets			1,041	1,147	1,028
Current assets			2,347	2,663	2,618
Equity			870	949	822
Non-current liabilities			302	532	429
Current liabilities			2,216	2,329	2,395
Balance sheet total			3,388	3,810	3,646
<b>Other information</b>					
Order intake	2,171	1,816	3,430	2,630	5,892
Order book, end of period			6,637	6,957	6,458
Working capital			-407	-246	-510
Net interest-bearing deposit/debt (+/-)			189	221	387
Invested capital, end of period			681	727	435
Average number of employees			4,048	3,926	3,846
<b>Financial ratios</b>					
Gross margin (%)	12.7	9.2	11.7	7.4	9.9
Operating margin before special items (%)	4.5	2.7	3.8	0.5	3.0
EBIT margin (%)	4.5	2.7	3.8	-5.6	-2.9
Pre-tax margin (%)	4.3	2.6	4.5	-5.6	-2.7
Return on equity (ROE) (%)			14.7	-21.3	-31.9
Equity ratio (%)			25.7	24.9	22.5

\*) Special items represent the impact on profit of legacy offshore disputes. The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2015' published by the Danish Society of Financial Analysts. Financial ratios are defined in the 2014 annual report. Working capital is defined as net working capital excluding sites for sale.












# Operating review

## Turnaround successful

The intake of good new orders combined with strong focus on operations has resulted in an improvement in the Group's operating profit. The work of translating the strategy to projects that match the Group's skills and intelligent solutions is increasing profitability in the order book and enabling the Group's companies to continue to improve the efficiency of their operations.

There is a general improvement in macroeconomic development in Denmark, with a fair increase in investment activity, private consumption, employment and GDP. As a result, the market for construction and civil works projects is generally moving forward and good growth is expected during 2015. The biggest rise is in construction, mainly characterised by the demand for buildings for the health sector, private housing, new head offices and the refurbishment of residential property.

The MT Højgaard Group is one of the leading players in the construction and civil engineering industry in the Nordic countries. The Group's activities cover construction, civil works and services.

CONSTRUCTION	CIVIL WORKS	SERVICES
   	 	    

## Construction

The MT Højgaard Group develops, constructs and refurbishes private and public-sector buildings, primarily in Denmark, but also in Norway and the North Atlantic.

The Group anticipates a general increase in the level of construction activity in Denmark in 2015, both in the public and the private-sector markets, and in both new construction and refurbishment.

There have been many projects up for tender in the first half of 2015, and a growing number stress the importance of criteria that match the Group's strategy concerning early dialogue, lifecycle values and the use of digital tools. This is especially true in the health sector, where the Group occupies a central position in the construction of the new regional hospitals.

The project development market is also growing as a result of the demand for projects among investors, especially housing projects around Copenhagen and Aarhus. At the same time, there are a growing number of pro-

jects up for tender in Public Private Partnerships (PPP) and Public Private Collaborations (PPC).

The MT Højgaard company entered into contracts for several large projects, including the construction of a new ward building for Hospital South West Jutland, Åbyhøjgaarden and, in collaboration with DEAS, the PPC project Ny Skovbakkeskole for the Municipality of Odder.

In the second quarter, Enemærke & Petersen won its largest project to date, a conditional contract worth DKK 750 million for the refurbishment of Stadionkvarteret. The project comprises a contracted first phase worth DKK 200 million, and an option for the remaining five phases. Another conditional award was the DKK 400 million contract for the refurbishment of Hjortegården.

Both Enemærke & Petersen and the MT Højgaard company were also awarded several projects that have not yet been contracted.

The challenge in the construction industry has moved from the intake of orders to the start-up of work. This is partly due to delays in approvals from customers, often primarily associated with the final financial agreement of the Danish National Building Fund but also general delays in areas like project development matters due to waiting for financing. The effect of a late start-up of production on new orders is also expected to mean a small reduction in revenue in the second half of 2015 compared with the previous outlook.

Work during the period centred on the construction of a head office for Nordea, the refurbishment of Rosenhøj and Langkærparken, the finishings to 17 metro stations on the new Cityring metro line, and a psychiatric hospital in Vejle. In addition, Egedalsvænge, Vapnagaard and Bestseller were handed over to satisfied customers.

In recent years, the market for electrical installations has been relatively flat after the big drop in activity levels during the financial crisis. The market is now experiencing marginal growth, driven by the major public projects and early signs of optimism in the private sector.

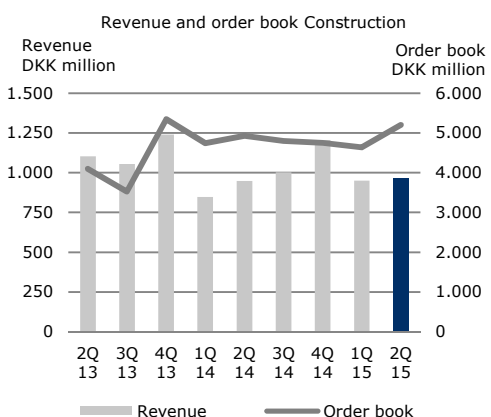
Lindpro improved its market position as a result of the initiatives introduced for closer consultation with customers. The company delivered both a satisfactory operating result and satisfactory revenue.

The modular construction market is growing, and Scandi Byg's position as market leader will ensure that the company participates in all relevant tenders. The level of activity was stable in the second quarter. Scandi Byg worked, among other things, on the Almen-Bolig+ 4th framework contract for the construction of a pool of non-profit housing, and Ryhavnen in Aarhus, generating an operating result for the period that was in line with expectations.

In the North Atlantic market, especially in Greenland, activity in the private sector market is very low, whereas there is a stable, slightly growing public sector market.

There is fierce competition for public tenders, so the MT Højgaard company has focused its resources on winning a conditional contract with the US company Silicor Materials to build a production plant in Iceland worth DKK 1.5 billion.

The construction business in Norway reported lower second-quarter revenue, and a consequent weak operating result.



Overall, the construction companies in the MT Højgaard Group achieved a satisfactory operating result during the period, considering that the level of activity was slightly lower than expected. The reduced activity was mainly due to delays in customer approvals. The impact of delays is also expected to affect revenue in the second half of 2015, but the operating result is expected to remain stable.

### Civil Works

The MT Højgaard company builds roads, bridges and tunnels, extends harbours, constructs large treatment plants and installs foundations for offshore wind turbines. Projects are primarily undertaken in Denmark and Northern Europe, but the Group is also active in Greenland, the Maldives, Qatar, Portugal and parts of Africa.

The Danish civil works market is stable, with a high level of activity but periodic fluctuations due partly to delays in the Femern project and with continued intense price competition for the work from both Danish and foreign competitors.

The MT Højgaard company is experiencing a fair increase in demand for shell contracts and solutions for climate change adaptation. However, the order book and order

intake for the quarter and for the year to date are lower than expected.

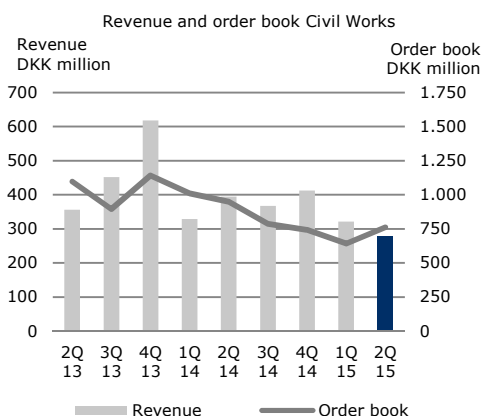
In the first half of 2015, the Group won a number of large civil works projects with a high degree of complexity, including the construction of a shell for a large hospital in Aalborg worth DKK 564 million, although this was not contracted until the third quarter of 2015. The Group also signed a new framework agreement with DONG Energy and won a number of small bridge projects.

In the period under review, the Group worked on the shells for the Nordea and Knud Højgaards Vej 7 head offices, construction work on a motorway bridge near Odense, and digestion tanks at Lynetten.

Growth in steel bridges in the Nordic countries that match the Group's experience and strategy has meant that work on tendering has intensified, whereas the MT Højgaard company is still experiencing a low level of activity in offshore as a result of award procedures and the Group's risk policy.

In the Maldives, the market for resorts is still expanding and the company has strengthened its position as a leading player in the market with an increasing market share. Both the level of activity and the result continued to improve in the Maldives.

Seth is a jointly controlled entity with an ownership interest of 60% and is included in the income statement in 'Share of profit (loss) after tax of joint ventures'. The company is enjoying a period of stable development following a period of low activity on the African projects funded by Danida.



The level of activity was stable for civil works as a whole, although lower than in 2014, and first-half operating profit was in line with expectations.

## Services

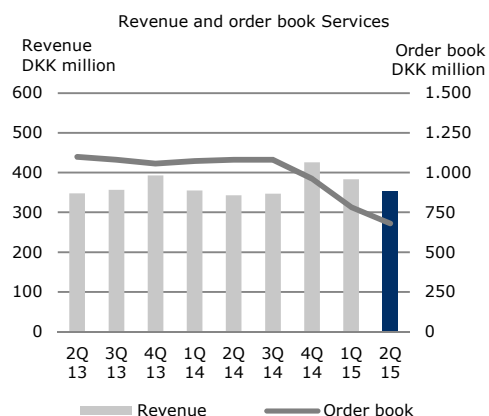
The Group provides services related to the construction, civil works and property markets. Ajos supplies equipment and consultancy services to the construction industry and is one of Denmark's largest companies hiring out specialist equipment. Lindpro provides services in the electrical area for construction projects and the subsequent operation. E&P service is an important provider of operation and maintenance of buildings.

In addition, the MT Højgaard company offers services in connection with PPP and PPC projects.

Greenland Contractors (67%-owned) is expected to continue its activities at Thule Air Base in Greenland after the US Air Force has indicated that it wants to extend its contract with Greenland Contractors under a new interim agreement effective from the previously agreed termination date of 30 September 2015. The interim agreement is expected to be on changed conditions and will extend into 2016. The effect of the agreement has been reflected in the Group's financial outlook for 2015. Work under the existing contract is proceeding as planned and with a satisfactory result for the first half of 2015.

The rising level of activity in the construction and civil works markets means that an increasing number of service contracts are being put out to tender and that competition is intensifying.

Both E&P service and Lindpro's service business recorded stable development in the first half. Ajos is experiencing generally positive development with growth in the construction activities that use Ajos' products, which has resulted in increasing first-half revenue.



The service companies recorded a satisfactory result in the first half of 2015, driven by a stable level of activity.

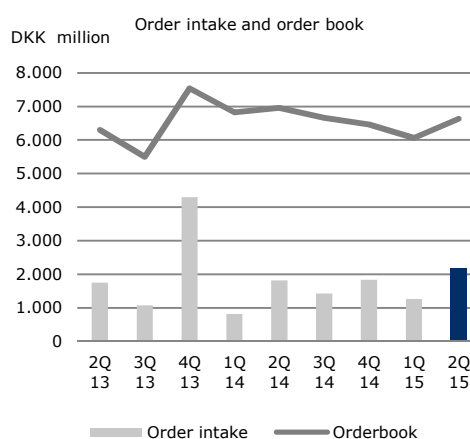
## Order intake and order book

The second-quarter order intake was DKK 2.2 billion compared with DKK 1.8 billion in the second quarter of 2014. The first-half order intake totalled DKK 3.4 billion compared with DKK 2.6 billion in the first half of 2014.

Like recent quarters, the order intake continued to be impacted by a number of projects that had been awarded but not contracted by the end of the quarter, including the largest individual project, the construction of a production plant in Iceland worth DKK 1.5 billion. At the end of the second quarter of 2015, projects totalling DKK 3.4 billion had been awarded but not contracted compared with DKK 0.2 billion at the end of the second quarter of 2014.

DKK million	YTD 2015	YTD 2014	2014
Order book, beginning of period	6,458	7,545	7,545
Order intake during period	3,430	2,630	5,892
Production during period	3,251	3,218	6,979
Order book end of period	6,637	6,957	6,457

The order book totalled DKK 6.6 billion at 30 June 2015, up DKK 0.2 billion on the start of 2015. The order book includes a number of large orders extending over several years.



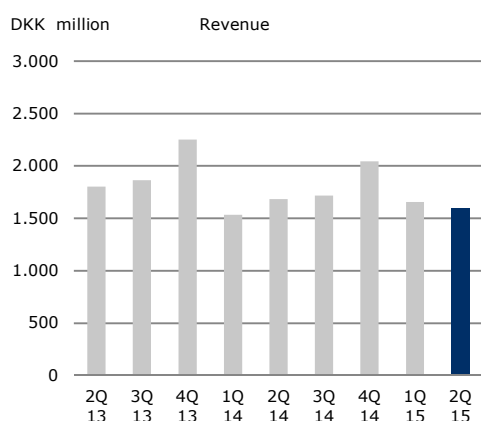
## Revenue and earnings

Second-quarter revenue was DKK 1.6 billion compared with DKK 1.7 billion in the second quarter of 2014. First-half revenue was DKK 3.3 billion compared with DKK 3.2 billion in the same period last year. First-half revenue was slightly lower than the Group expected for the peri-

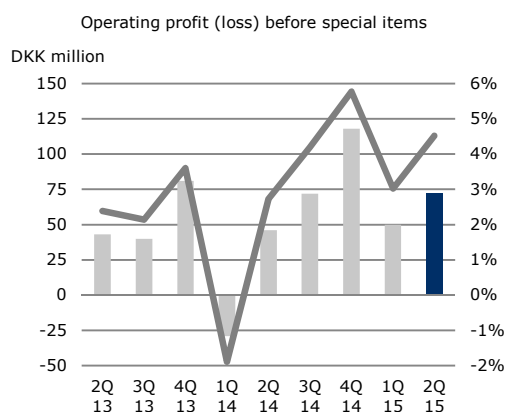
od, partly due to the delays in contracting orders in recent quarters.

Second-quarter operating profit before special items was DKK 72 million, up DKK 26 million on the same period last year. The operating margin before special items was 4.5% compared with 2.7% in the second quarter of 2014.

First-half operating profit before special items was DKK 122 million, a significant improvement of DKK 106 million on the same period last year, driven by the MT Højgaard Group's sustained focus on the quality of new orders and optimising production.



First-half EBIT was DKK 122 million compared with a DKK 179 million loss for the same period in 2014. First-half 2014 EBIT was eroded by special items amounting to an expense of DKK 195 million related to legacy offshore disputes.



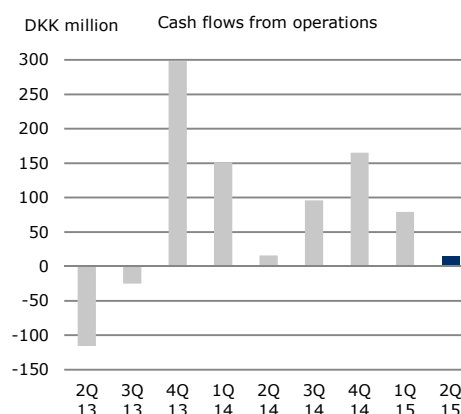
First-half net finance items amounted to income of DKK 26 million compared with costs of DKK 1 million in the

same period last year. This item was boosted by DKK 29 million by a gain on exercise of a currency option in the first quarter of the year.

First-half income tax expense was DKK 31 million compared with DKK 2 million in the first half of 2014.

## Cash flows and financial resources

Cash flows from operating activities were an inflow of DKK 15 million in the second quarter compared with DKK 16 million in the same period last year. Cash flows from investing activities were an outflow of DKK 6 million in the second quarter of 2015 against an outflow of DKK 30 million in the same period last year. Cash flows were impacted by a decline in net work in progress, which resulted in a larger tie-up of funds. This was also reflected in changes in working capital.



Cash flows from operating activities were an inflow of DKK 93 million in the first half of 2015 compared with DKK 167 million in the same period last year. Cash flows for the period were impacted by the delayed start-up of production on new orders coinciding with the completion of several large projects.

Investing activities absorbed DKK 51 million in the first half of 2015, primarily investments in property, plant and equipment, compared with an outflow of DKK 48 million in the same period in 2014.

The Group's financial resources totalled DKK 0.7 billion compared with DKK 0.8 billion at the start of the quarter. The Group's financial resources are satisfactory in view of the expected level of activity.

## Balance sheet

Inventories amounted to DKK 653 million at the end of June 2015 compared with DKK 635 million at the end of



2014, including sites for resale and construction projects developed in-house totalling DKK 578 million.

Trade receivables were DKK 1,052 million at the end of June 2015 compared with DKK 1,170 million at the end of 2014. Construction contracts in progress amounted to a liability item of DKK 474 million net at the end of June 2015 compared with a liability item of DKK 542 million at the end of 2014. The decline primarily reflected the completion of a number of large projects.

Trade payables amounted to DKK 747 million at the end of June 2015 compared with DKK 887 million at the end of 2014, reflecting the Group's level of activity in the second quarter of 2015.

Overall, the Group's working capital at the end of June 2015 was lower than at the end of 2014. The Group had negative working capital of DKK 407 million at the end of June 2015 compared with negative working capital of DKK 510 million at the end of 2014.

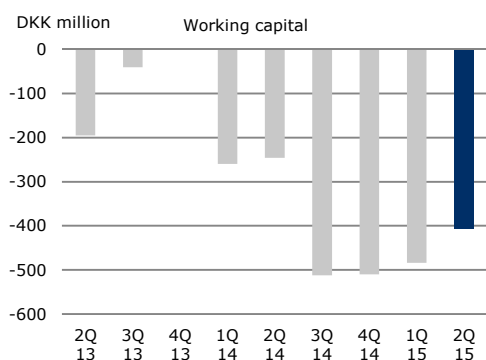
The outlook for operating profit before special items is adjusted to DKK 325-375 million against the previous outlook of DKK 300-375 million, while the outlook for the operating margin before special items is adjusted to approximately 5%, as against the previous outlook of 4-5%.

The management target of an operating margin of 5% by the end of 2015 is expected to be reached.

An operating margin of 5% is still expected for 2016, including the effect of a possible extension of Greenland Contractors' service contract in Thule.

Any further outlook for future targets will be published in the 2015 annual report.

The interim financial report contains forward-looking statements, including the above projections of financial performance in 2015 and 2016, which, by their nature, involve risks and uncertainties that may cause actual performance to differ materially from that contained in the forward-looking statements.



## Legacy disputes

In April 2015, the Court of Appeal in London found in favour of the MT Højgaard Group, ruling that the Group was not liable for costs regarding the grouted connections on the Robin Rigg offshore project. In May, the opposing party sought permission to appeal the ruling. Subject to the appeal being unsuccessful, special items will be affected positively by approximately DKK 195 million.

## Outlook for 2015 and 2016

Revenue in the second half of 2015 is expected to continue to be impacted by the deferred order intake and delayed start-up of new projects, while Greenland Contractors' activities at Thule Air Base are expected to be extended. In the light of this, the full-year revenue outlook has been adjusted to around DKK 7.0 billion, as against the previous outlook of DKK 7.0-7.5 billion.



# 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 June 2015.

The interim financial statements, which have not been audited or reviewed by the company's auditor, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and 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 June 2015 and of the results of the Group's operations and cash flows for the financial period 1 January – 30 June 2015.

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 uncertainties pertaining to the Group.

Søborg, 20 August 2015

## Executive Board

Torben Biilmann  
CEO

Egil Mølsted Madsen  
CFO

## Board of Directors

Søren Bjerre-Nielsen  
Chairman

Niels Lykke Graugaard  
Deputy Chairman

Carsten Bjerg

Pernille Fabricius

Ole Røsdahl

Mats Jönsson

Irene Chabior

John Sommer

Vinnie Sunke Heimann

# Income statement and statement of comprehensive income

	2015	2014	2015	2014	2014
DKK million	Q2	Q2	YTD	YTD	Year
<b>Income statement</b>					
Revenue	1,595.9	1,685.3	3,251.4	3,218.1	6,979.4
Production costs	-1,392.8	-1,529.6	-2,870.1	-2,979.8	-6,286.6
<b>Gross profit</b>	<b>203.1</b>	<b>155.7</b>	<b>381.3</b>	<b>238.3</b>	<b>692.8</b>
Distribution costs	-49.2	-24.8	-87.0	-55.5	-110.8
Administrative expenses	-87.9	-81.3	-175.4	-158.7	-338.2
<b>Profit before share of profit (loss) of joint ventures</b>	<b>66.0</b>	<b>49.6</b>	<b>118.9</b>	<b>24.1</b>	<b>243.8</b>
Share of profit (loss) after tax of joint ventures	6.2	-3.9	3.3	-7.9	-36.8
<b>Operating profit before special items</b>	<b>72.2</b>	<b>45.7</b>	<b>122.2</b>	<b>16.2</b>	<b>207.0</b>
Special items	-	-	-	-195.0	-408.0
<b>EBIT</b>	<b>72.2</b>	<b>45.7</b>	<b>122.2</b>	<b>-178.8</b>	<b>-201.0</b>
Net finance costs	-4.0	-2.1	25.7	-0.6	14.9
<b>Profit (loss) before tax</b>	<b>68.2</b>	<b>43.6</b>	<b>147.9</b>	<b>-179.4</b>	<b>-186.1</b>
Income tax expense	-13.2	-9.1	-30.5	-2.1	-65.6
<b>Profit (loss) after tax</b>	<b>55.0</b>	<b>34.5</b>	<b>117.4</b>	<b>-181.5</b>	<b>-251.7</b>
Attributable to:					
Shareholders of MT Højgaard A/S	32.8	16.8	58.4	-217.6	-335.6
Non-controlling interests	22.2	17.7	59.0	36.1	83.9
<b>Total</b>	<b>55.0</b>	<b>34.5</b>	<b>117.4</b>	<b>-181.5</b>	<b>-251.7</b>
<b>Statement of comprehensive income</b>					
Profit (loss) after tax	55.0	34.5	117.4	-181.5	-251.7
Other comprehensive income after tax	13.9	-5.5	9.2	-8.6	-18.7
<b>Total comprehensive income</b>	<b>68.9</b>	<b>29.0</b>	<b>126.6</b>	<b>-190.1</b>	<b>-270.4</b>
Attributable to:					
Shareholders of MT Højgaard A/S	46.7	11.3	67.6	-226.2	-354.3
Non-controlling interests	22.2	17.7	59.0	36.1	83.9
<b>Total</b>	<b>68.9</b>	<b>29.0</b>	<b>126.6</b>	<b>-190.1</b>	<b>-270.4</b>

# Balance sheet

	2015	2014	2014
DKK million	Q2	Q2	Year
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	162.9	150.5	157.1
Property, plant and equipment	520.5	553.6	518.0
Deferred tax assets	319.2	330.8	320.2
Other investments	38.3	111.5	33.1
<b>Total non-current assets</b>	<b>1,040.9</b>	<b>1,146.4</b>	<b>1,028.4</b>
<b>Current assets</b>			
Inventories	652.6	638.3	634.7
Trade receivables	1,051.7	1,429.2	1,169.7
Construction contracts in progress	128.1	75.5	90.9
Other receivables	111.1	73.5	141.7
Securities	-	157.4	121.7
Cash and cash equivalents	403.3	289.2	459.3
<b>Total current assets</b>	<b>2,346.8</b>	<b>2,663.1</b>	<b>2,618.0</b>
<b>Total assets</b>	<b>3,387.7</b>	<b>3,809.5</b>	<b>3,646.4</b>
<b>Equity and liabilities</b>			
Equity attributable to shareholders of MT Højgaard	833.3	891.5	763.8
Non-controlling interests	36.9	57.1	57.9
<b>Total equity</b>	<b>870.2</b>	<b>948.6</b>	<b>821.7</b>
<b>Non-current liabilities</b>			
Bank loans, etc.	129.8	182.6	159.3
Deferred tax liabilities	10.0	10.0	9.0
Provisions	162.0	339.3	260.8
<b>Total non-current liabilities</b>	<b>301.8</b>	<b>531.9</b>	<b>429.1</b>
<b>Current liabilities</b>			
Bank loans, etc.	43.7	42.8	34.9
Construction contracts in progress	602.0	760.6	632.8
Trade payables	747.3	641.2	887.3
Other current liabilities	822.7	884.4	840.6
<b>Total current liabilities</b>	<b>2,215.7</b>	<b>2,329.0</b>	<b>2,395.6</b>
<b>Total liabilities</b>	<b>2,517.5</b>	<b>2,860.9</b>	<b>2,824.7</b>
<b>Total equity and liabilities</b>	<b>3,387.7</b>	<b>3,809.5</b>	<b>3,646.4</b>

# Statement of cash flows

	2015	2014	2015	2014	2014
DKK million	Q2	Q2	YTD	YTD	Year
<b>Operating activities</b>					
EBIT	72.2	45.7	122.2	-178.8	-201.0
Adjustments in respect of non-cash operating items, etc.	35.9	31.4	63.4	168.3	274.3
<b>Cash flows from operating activities before working capital changes</b>	<b>108.1</b>	<b>77.1</b>	<b>185.6</b>	<b>-10.5</b>	<b>73.3</b>
<b>Working capital changes:</b>					
Inventories	-10.1	3.7	-17.9	8.5	12.0
Receivables excl. construction contracts in progress	87.1	-118.9	148.6	206.6	434.5
Construction contracts in progress	-63.0	164.3	-68.0	165.3	48.1
Trade and other current payables	-96.4	-95.8	-161.9	-179.4	-91.3
<b>Cash flows from operations (operating activities)</b>	<b>25.7</b>	<b>30.4</b>	<b>86.4</b>	<b>190.5</b>	<b>476.6</b>
Net finance costs	-4.0	-2.8	25.7	-3.0	15.3
<b>Cash flows from operations (ordinary activities)</b>	<b>21.7</b>	<b>27.6</b>	<b>112.1</b>	<b>187.5</b>	<b>491.9</b>
Income taxes paid, net	-7.0	-11.0	-18.8	-20.1	-63.5
<b>Cash flows from operating activities</b>	<b>14.7</b>	<b>16.6</b>	<b>93.3</b>	<b>167.4</b>	<b>428.4</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment	-29.2	-43.8	-69.3	-76.6	-105.5
Other investments, net	23.6	14.3	18.7	29.1	66.2
<b>Cash flows from investing activities</b>	<b>-5.6</b>	<b>-29.5</b>	<b>-50.6</b>	<b>-47.5</b>	<b>-39.3</b>
<b>Cash flows from operating and investing activities</b>	<b>9.1</b>	<b>-12.9</b>	<b>42.7</b>	<b>119.9</b>	<b>389.1</b>
<b>Cash flows from financing activities</b>	<b>-65.4</b>	<b>-33.2</b>	<b>-98.9</b>	<b>-23.2</b>	<b>-117.4</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-56.3</b>	<b>-46.1</b>	<b>-56.2</b>	<b>96.7</b>	<b>271.7</b>
Cash and cash equivalents at start of period	459.1	330.1	459.0	187.3	187.3
<b>Cash and cash equivalents at end of period</b>	<b>402.8</b>	<b>284.0</b>	<b>402.8</b>	<b>284.0</b>	<b>459.0</b>

# Statement of changes in equity

DKK million	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total	Attributable to non-controlling interests	Total
<b>2014</b>								
<b>Equity at 01-01</b>	<b>520.0</b>	<b>-20.4</b>	<b>1.8</b>	<b>614.6</b>	<b>-</b>	<b>1,116.0</b>	<b>65.0</b>	<b>1,181.0</b>
Profit (loss) after tax				-217.6		-217.6	36.1	<b>-181.5</b>
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			-0.8			-0.8		<b>-0.8</b>
Share of other comprehensive income of joint ventures		-7.8				-7.8		<b>-7.8</b>
Tax on other compr. income						-		<b>-</b>
Total other comprehensive income	-	-7.8	-0.8	-	-	-8.6	-	<b>-8.6</b>
Transactions with owners:								
Capital increase, warrant programme - purchased				1.7		1.7		<b>1.7</b>
Capital increase, warrant programme - granted				-		-		<b>-</b>
Dividends paid						-	-44.0	<b>-44.0</b>
Total transactions with owners	-	-	-	1.7	-	1.7	-44.0	<b>-42.3</b>
<b>Total changes in equity during period</b>	<b>-</b>	<b>-7.8</b>	<b>-0.8</b>	<b>-215.9</b>	<b>-</b>	<b>-224.5</b>	<b>-7.9</b>	<b>-232.4</b>
<b>Equity at 30-06</b>	<b>520.0</b>	<b>-28.2</b>	<b>1.0</b>	<b>398.7</b>	<b>-</b>	<b>891.5</b>	<b>57.1</b>	<b>948.6</b>
<b>2015</b>								
<b>Equity at 01-01</b>	<b>520.0</b>	<b>-39.0</b>	<b>1.7</b>	<b>281.1</b>	<b>-</b>	<b>763.8</b>	<b>57.9</b>	<b>821.7</b>
Profit (loss) after tax				58.4		58.4	59.0	<b>117.4</b>
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			2.7			2.7		<b>2.7</b>
Share of other comprehensive income of joint ventures		6.5				6.5		<b>6.5</b>
Tax on other comprehensive income						-		<b>-</b>
Total other comprehensive income	-	6.5	2.7	-	-	9.2	-	<b>9.2</b>
Transactions with owners:								
Capital increase, warrant programme - purchased				1.4		1.4		<b>1.4</b>
Capital increase, warrant programme - granted				0.5		0.5		<b>0.5</b>
Dividends paid						-	-80.0	<b>-80.0</b>
Total transactions with owners	-	-	-	1.9	-	1.9	-80.0	<b>-78.1</b>
<b>Total changes in equity during period</b>	<b>-</b>	<b>6.5</b>	<b>2.7</b>	<b>60.3</b>	<b>-</b>	<b>69.5</b>	<b>-21.0</b>	<b>48.5</b>
<b>Equity at 30-06</b>	<b>520.0</b>	<b>-32.5</b>	<b>4.4</b>	<b>341.4</b>	<b>-</b>	<b>833.3</b>	<b>36.9</b>	<b>870.2</b>

# Notes

## 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.

The accounting policies are unchanged from the 2014 annual report. A full description of accounting policies is provided in the 2014 annual report.

## 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.

Accounting estimates and the associated estimation uncertainty, which are considered customary and essentially unchanged, are described in note 2 to the 2014 annual report.

## 3. Share-based payment transactions

In April 2014, the Group set up a warrant programme for the five members of the Group's leadership team. Under the programme, participants are entitled to purchase warrants annually until 2019. For each warrant purchased, the holder will be allocated one warrant free of charge. Exercise of purchased and allocated warrants is subject to listing of the parent company. If the parent company is not listed, the programme will be settled by cash payment. Each warrant entitles the holder to subscribe for shares in the parent company. The programme is capped at 5% of the company's share capital.

For the first half of 2015, 8,810 warrants with a nominal value of DKK 1,000 each and a market value of DKK 1.4 million were issued.

The fair value of the programme totalled DKK 2.3 million. The fair value will be expensed on a straight-line basis over the expected three-year service period. The warrant programme impacted the first-half income statement by DKK 0.5 million.

At the end of the first half of 2015, the number of outstanding warrants was 19,416 with a nominal value of DKK 1,000 each.

## 4. Income tax expense and deferred tax

	2015	2014
DKK million	YTD	YTD
Income tax expense before tax calculated at 23.5%	-34.8	44.0
Reduction of Danish income tax rate from 23.5% to 22% in the period up to 2016	-	-4.9
Deviations in foreign enterprises' tax rates	-8.4	-5.0
Non-taxable income (primarily non-allocated tax on non-controlling interests' share of income from partnerships)	14.0	7.2
Non-deductible expenses	-0.1	-0.1
Unrecognised share of the tax asset for the period	-	-42.9
Other, including prior year adjustments and joint taxation	-1.2	-0.4
<b>Income tax expense</b>	<b>-30.5</b>	<b>-2.1</b>

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