



MT Højgaard Group
Interim financial report –
Third quarter 2015

Summary

Financial results – Third quarter 2015

Rising order intake

DKK 2.0 billion

Positive development continues

Decline in revenue

DKK 1.5 billion

Projects briefly deferred

Operating profit before special items

DKK 145 million

Profitable projects making their mark and Thule one-off

Increase in operating margin before special items

9.4%

After completion of the original Thule contract

Financial results – First three quarters 2015

Rising order intake

DKK 5.4 billion

Ongoing throughout the year

Stable revenue

DKK 4.8 billion

At a temporarily lower level

Operating profit before special items

DKK 267 million

Stable, rising earnings

Increase in operating margin before special items

5.6%

Positive development

Outlook for 2015

Revenue

DKK 6.5-7.0 billion

The development in revenue mainly reflects the effect of delayed project start-ups. The deferred projects are expected to get underway in 2016. Previous outlook around DKK 7 billion.

Operating profit before special items

DKK 325-375 million

Reaffirmed.

Operating margin before special items

Approximately 5%

Reaffirmed.

Special items

Special items are expected to amount to DKK 195 million following the final settlement of the Robin Rigg offshore dispute.

Contact

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CEO
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Consolidated financial highlights

DKK million	2015	2014	2015	2014	2014
	Q3	Q3	YTD	YTD	Year
Income statement					
Revenue	1,532	1,717	4,783	4,935	6,979
Gross profit	258	180	640	418	693
Operating profit before special items	145	72	267	88	207
Special items*	195	-213	195	-408	-408
EBIT	340	-141	462	-320	-201
Profit (loss) before tax	334	-140	482	-319	-186
Profit (loss) after tax	306	-157	423	-339	-252
Cash flows					
Cash flows from operating activities	-149	96	-56	263	428
Purchase of property, plant and equipment	-36	-17	-105	-93	-106
Other investments, incl. investments in securities	2	-9	21	19	67
Cash flows from investing activities	-34	-26	-84	-74	-39
Cash flows from operating and investing activities	-183	70	-140	189	389
Balance sheet					
Non-current assets			1,066	1,044	1,028
Current assets			2,528	2,600	2,618
Equity			1,174	771	822
Non-current liabilities			292	532	429
Current liabilities			2,128	2,341	2,395
Balance sheet total			3,594	3,644	3,646
Other information					
Order intake	2,025	1,427	5,454	4,057	5,892
Order book, end of period			7,129	6,667	6,458
Working capital			-179	-512	-510
Net interest-bearing deposit/debt (+/-)			47	291	387
Invested capital, end of period			1,127	480	435
Average number of employees			4,070	3,926	3,846
Financial ratios					
Gross margin (%)	16.9	10.4	13.4	8.5	9.9
Operating margin before special items (%)	9.4	4.2	5.6	1.8	3.0
EBIT margin (%)	22.2	-8.2	9.7	-6.5	-2.9
Pre-tax margin (%)	21.8	-8.2	10.1	-6.5	-2.7
Return on equity (ROE) (%)			45.4	-34.7	-31.9
Equity ratio (%)			32.7	21.2	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

Profitability in focus

The Group's results for the first three quarters of the year matched expectations. Concerted efforts to ensure profitability in the selection and execution of projects have placed the Group in a significantly stronger position after the turnaround of the last three years.

These efforts, combined with extensive tendering activity to underpin strong order intake as well as the focus on operations, are creating a sustainable improvement in operating profit. There is particular focus on the major projects, such as the finishings to 17 stations for the Metro company, planning for the Silicor project in Iceland and a number of major residential and hospital projects.

The Group's strategy framework, which is based on early dialogue, lifecycle values and the use of digital tools, is resulting in a marked improvement in productivity, both on individual projects and in all the Group's business areas and companies.

The ambitions for profitable growth are underpinned by the continuing reliable intake of new orders. Management thus identifies interesting opportunities on an ongoing basis that are evaluated in relation to the Group's experience and skills.

In order to promote operations and development, the Danish building and civil works businesses of the MT Højgaard company were amalgamated in September. Newly-appointed Chief Operating Officer Jesper Nordby has been given responsibility for this area. He joined Group management after making an outstanding contribution to promoting early dialogue with customers and informing them of the advantages of the Group's technological platform.

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

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 expects generally increased activity in residential building between now and 2025, especially around the major Danish cities. The refurbishment market is expected to continue to be attractive and remain the biggest market for the next ten years. Several generations of buildings will need to be refurbished at the same time and the increasing need for energy refurbishment will reinforce this trend. The hospital market is expected to remain at a stable high level until 2020.

The project development market is also growing due to strong interest among investors, especially in residential projects around Copenhagen and Aarhus. At the same time, there is still a satisfactory increase in the number of projects up for tender in Public Private Partnerships (PPP) and Public Private Collaborations (PPC).

In the third quarter, MT Højgaard won and contracted yet another PPP project, the construction and future operation and maintenance of a new maternity ward and bed unit at Slagelse Hospital in Region Zealand, a contract valued at more than DKK 500 million. Other awards were the DKK 130 million contract for the construction of a new head office in Høje Taastrup for Orbicon – a subsidiary of the Danish Heath Society – and a major DKK 145 million fitting-out contract for Herlev Hospital. Also contracted in the third quarter was the DKK 187 million refurbishment project Morbærhaven in Albertslund.

The market for modular construction is growing, and Scandi Byg's position secured the company a contract worth around DKK 40 million for the construction of housing and other facilities for up to 360 refugees in the Hamburg area. The contract was entered into with the German business partner Campus 360, which expects to sell buildings with a total floor area of up to 140,000 m² over the next four years, so the company sees good prospects in this partnership.

Both the MT Højgaard company and the Group's subsidiary Enemærke & Petersen were awarded a number of projects in the third quarter that have not yet been contracted. The effect of a late start-up of production on new orders throughout 2015 led to a small reduction in third-quarter 2015 revenue compared with the previous outlook.

CONSTRUCTION	CIVIL WORKS	SERVICES
   	 	    

The period included the handover of a care facility and health centre in the centre of Albertslund, built for a satisfied client, the Municipality of Albertslund. Work also centred on various major projects, including the finishings to 17 metro stations on the new Cityring line, the construction of a new head office for Nordea, the refurbishment of Rosenhøj and Langkærparken, a psychiatric hospital in Vejle and the refurbishment projects Stadi-onkvarteret and Hjortegården.

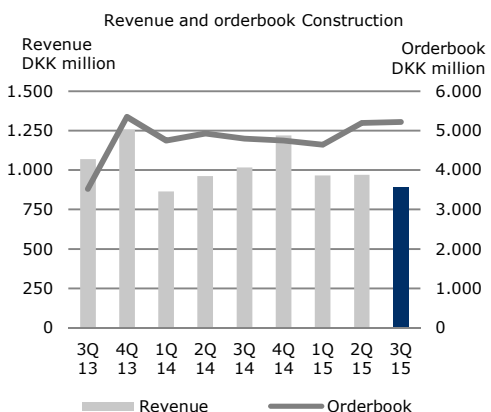
The market for electrical installations has been relatively stable in recent years following the major decline in the wake of the financial crisis. The market is now enjoying moderate growth, driven by the major public projects and growing optimism in the private sector.

Lindpro is improving its market position by putting in place a variety of initiatives aimed at closer consultation with customers. Operationally, the focus was on projects for Mærsk and the construction of the New University Hospital in Aarhus, Knud Højgaards Vej 7 and Nordea's head office jointly with the MT Højgaard company.

During the period, Scandi Byg worked, among other things, on the Almen-Bolig+ 4th framework contract for the construction of a pool of non-profit housing as well as Ryhaven in Aarhus.

The North Atlantic market is on the move again. In Greenland, MT Højgaard thus signed a contract for the construction of three apartment blocks in Nuuk with a floor area of approximately 4,000 m² each. The contract value is just under DKK 230 million.

The third-quarter and YTD order intake and order book are satisfactory.



Construction delivered a satisfactory operating result on revenue for the first three quarters of 2015 that was below the level for the same period in 2014. On the basis of the satisfactory order book, increasing activity is expected in the last quarter of the year.

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 carried out mainly in Denmark and Northern Europe, but the Group is also active in Greenland, the Maldives, Qatar, Portugal and parts of Africa.

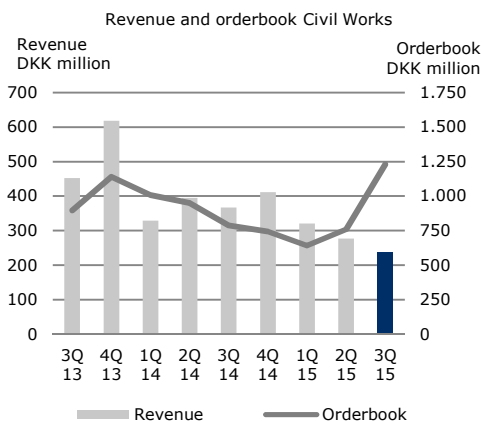
The Group is experiencing growing interest in light rail-ways, with projects now being kicked off in Copenhagen, Odense, Aarhus and Aalborg, and increasing demand for solutions in the field of climate change adaptation.

In the market for shell construction, the Group is experiencing reasonable growth in demand, whereas a number of public infrastructure projects have been delayed. In general, the market is characterised by fierce ongoing price competition from both Danish and foreign competitors.

In previous quarters, order intake for civil works projects was affected by a number of projects that had been awarded but not yet contracted. This trend continues, to a lesser extent, as several projects were contracted during this quarter, including the shell for a large hospital in Aalborg with a value of DKK 564 million. The largest outstanding project is the construction of a production plant in Iceland for Silicor Materials with a value of DKK 1.5 billion. The project has been contracted, but remains conditional upon financing, which is expected to be in place shortly so that the project can get underway in mid-2016 as planned.

The company has tendered successfully for projects with a high degree of complexity that require the specialist capabilities the company is able to offer, including a number of small civil works contracts. For example, a contract for Savstup Å has been signed with the Danish Road Directorate. This project, which has a value of about DKK 90 million, is the second bridge project the company has won in connection with the Herning-Holstebro motorway, where the company is currently constructing seven small bridges.

In the area of civil works as a whole, order intake and the order book showed a positive trend.



In the period under review, the Group worked on the shells for a head office for Nordea and the coming multiflex office in Søborg, construction work on a motorway bridge near Odense, and digestion tanks at Lynetten.

The growth in demand for steel bridges in the Nordic countries that match up well with the Group's experience and strategy has meant that work on tendering has intensified. A major project for the construction of Södra Marieholm Bridge, a new 1.5 km railway bridge connection in Gothenburg, is proceeding according to plan, and a steel bridge weighing 370 tonnes is now in place and is one of a total of five steel bridges on this project.

In the Maldives, the resorts market is stable and the activity level rising. The MT Højgaard company continues to strengthen its position as a leading player in the market and its market share is growing.

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'. In all three quarters, business has been marked by a slow start, but activity is now picking up.

Activity in the civil works area as a whole was increasing during the third quarter, but YTD was lower than expected. Against this background, Civil Works achieved a stable satisfactory operating result in the first three quarters of 2015, due to such activities as the ongoing hospital projects and construction of shell buildings and the positive trend in the Maldives.

Services

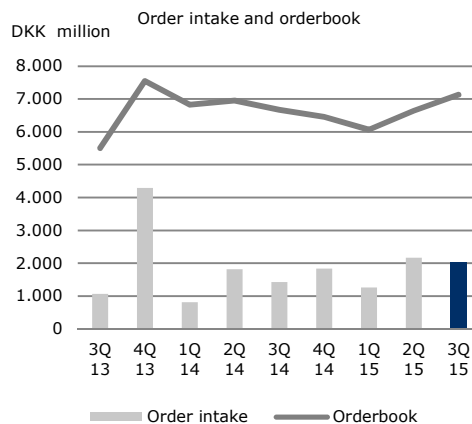
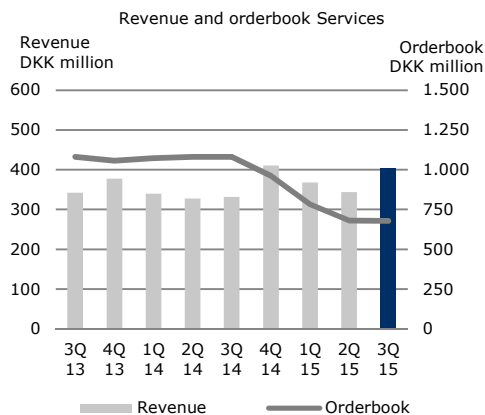
The Group provides services in the construction, civil works and property markets, including project development and engineering. Ajos supplies equipment and consultancy services to the construction industry and is one of Denmark's largest companies hiring out specialist equipment. Lindpro provides services in the electrical area for construction projects and the subsequent operation, and Enemærke & Petersen 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.

Design and engineering is a skill increasingly demanded by customers. In order to promote customer dialogue and MT Højgaard's position in the area of digital solutions, Lars Bork Hansen took up the post of Division Director of Design & Engineering in September 2015. In the third quarter, MT Højgaard entered into an agreement with FLSmidth for the design of the Xuan Thanh cement plant in Vietnam.

In the period under review, Greenland Contractors (67% owned) signed an interim contract with the US Air Force for the continuation of its many years of work at Thule Air Base in Greenland. The contract runs for six months from 1 October 2015 and can be extended for up to a further six months, i.e. until 30 September 2016. Work under the existing contract proceeded as planned in the third quarter and with a satisfactory result.

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 three quarters of the year. Ajos is experiencing generally positive development with growth in the construction activities that use Ajos' products, which has led to increasing YTD revenue.

Overall, the services businesses delivered expected and satisfactory results against the background of satisfactory activity levels.



Order intake and order book

Third-quarter order intake was DKK 2.0 billion compared with DKK 1.4 billion in the third quarter of 2014. Order intake for the first three quarters of the year totalled DKK 5.4 billion compared with DKK 4.1 billion in the same period in 2014.

DKK million	YTD 2015	YTD 2014	2014
Order book, beginning of period	6,458	7,545	7,545
Order intake during period	5,454	4,057	5,892
Production during period	4,783	4,935	6,979
Order book end of period	7,129	6,667	6,458

Like recent quarters, order intake was impacted by a number of projects that had been awarded but not contracted by the end of the quarter. Overall, at the end of the third quarter of 2015, projects totalling DKK 2.7 billion had been awarded but not contracted compared with DKK 0.1 billion at the end of the third quarter of 2014.

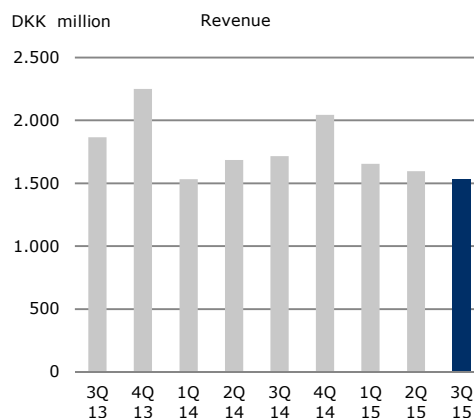
Order intake has been growing over the past two years due to the Group’s more targeted tendering and order strategy, which is translating into both bigger and more new orders.

The order book totalled DKK 7.1 billion at 30 September 2015, up DKK 0.7 billion on the start of the year. The order book includes a number of large orders extending over several years.

Revenue and earnings

Third-quarter revenue was DKK 1.5 billion compared with DKK 1.7 billion in the third quarter of 2014. Revenue for the first three quarters was DKK 4.8 billion compared with DKK 4.9 billion in the same period last year. Again, revenue fell slightly short of the Group’s expectations for the period, partly due to the delays in contracting orders in recent quarters.

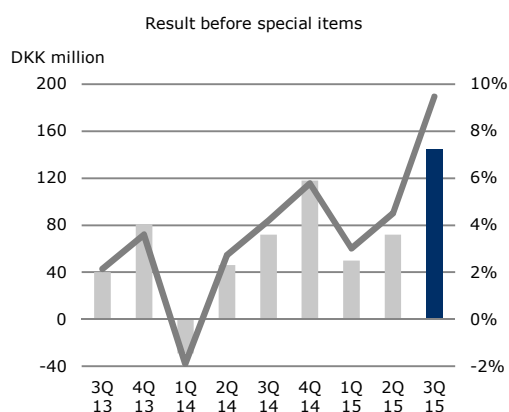
Third-quarter revenue reflected the slight downturn in the level of activity, which begun already in the second quarter of 2015 due to lower order intake at the end of 2014 and the beginning of 2015. The organisation’s resources were focused on higher tendering activity during the period under review.



Third-quarter operating profit before special items was DKK 145 million, up DKK 73 million on the same period

last year. The operating margin before special items was 9.4% for the third quarter of 2015 compared with 4.2% in the third quarter of 2014.

Operating profit and operating margin before special items benefited from the aforementioned changes to the Thule contract, as Greenland Contractors received a bonus in connection with the completion of the original contract with the US Air Force. To this should be added a high activity level on supplementary works, which were completed at the end of the quarter, and the fact that costs for handover to a new supplier were less than estimated as Greenland Contractors is now continuing operations.



For the first three quarters of 2015, operating profit before special items was DKK 267 million, up DKK 179 million on the same period last year. The operating margin before special items was 5.6% for the first three quarters of 2015 compared with 1.8% in the same period last year, because of the aforementioned special impact of the development in the third quarter of 2015 for Greenland Contractors.

Third-quarter EBIT was DKK 340 million compared with a loss of DKK 141 million in the same period last year. EBIT for the first three quarters of 2015 was DKK 462 million compared with a loss of DKK 320 million for the same period in 2014. EBIT for the third quarter benefited from the final settlement of the Robin Rigg offshore dispute, on which income of DKK 195 million has been recognised. EBIT for the first three quarters of 2014 was eroded by special items amounting to an expense of DKK 408 million due to legacy offshore disputes.

Net finance items for the first three quarters of 2015 amounted to income of DKK 20 million compared with DKK 0 million in the same period last year. This item was

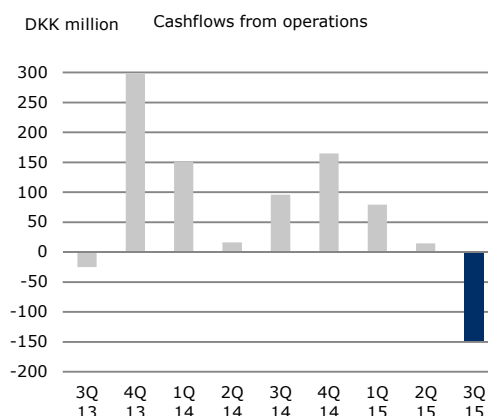
boosted by DKK 29 million by a gain on exercise of a currency option in the first quarter of the year.

Income tax expense for the first three quarters was DKK 59 million compared with DKK 19 million in the same period in 2014. Income tax expense for both 2015 and 2014 benefited from the effect of the changes to special items. For further details, reference is made to note 4.

Cash flows and financial resources

Cash flows from operating activities were an outflow of DKK 149 million in the third quarter compared with an inflow of DKK 96 million in the same period last year. Cash flows from operating activities for the first three quarters of 2015 were an outflow of DKK 56 million compared with an inflow of DKK 263 million in the same period last year. The delayed start-up of production on new orders coupled with the completion of several large projects had a major negative impact on cash flows for the period. In addition, unlike 2014, in the third quarter the Group had capital tied up in the construction of housing developed in-house.

Third-quarter 2015 cash flows from investing activities were an outflow of DKK 34 million against an outflow of DKK 26 million in the same period last year. Investing activities absorbed DKK 84 million in the first three quarters of 2015, primarily investments in property, plant and equipment, compared with DKK 74 million in the same period in 2014.



The Group's financial resources totalled DKK 0.6 billion compared with DKK 0.7 billion at the start of the quarter. The Group's financial resources are satisfactory in view of the expected level of activity.

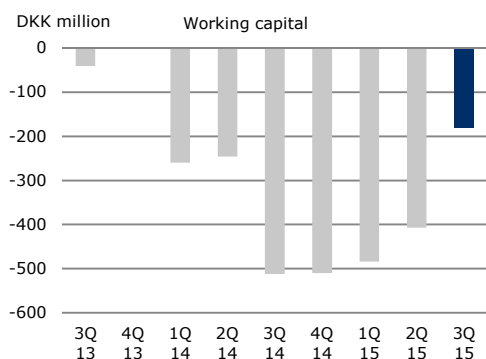
Balance sheet

Inventories amounted to DKK 723 million at the end of September 2015 compared with DKK 635 million at the end of 2014, including sites for resale and construction projects developed in-house for resale totalling DKK 652 million compared with DKK 555 million at the end of 2014. The increase in inventories was thus mainly due to sites for resale and construction projects developed in-house for resale, with the Group having commenced residential projects for private clients.

Trade receivables were DKK 1,267 million at the end of September 2015 compared with DKK 1,170 million at the end of 2014. Construction contracts in progress amounted to a liability item of DKK 456 million net at the end of September 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 759 million at the end of September 2015 compared with DKK 887 million at the end of 2014, reflecting the Group's level of activity in the first three quarters of 2015.

Overall, the Group's working capital at the end of September 2015 was lower than at the end of 2014. At the end of September 2015, the Group had negative working capital of DKK 179 million excluding sites for resale compared with negative working capital of DKK 512 million at the end of 2014. The decrease in working capital reflected a lower level of activity in the second and third quarters of 2015 as well as the completion of several projects.



Legacy disputes

On 6 November 2015, the Supreme Court in London rejected the opposing party's application to appeal against a previous ruling regarding the grouted connections on the Robin Rigg offshore project. The rejection marked the final settlement of the case, and the DKK 195 million provision was recognised as income under special items.

Outlook for 2015 and 2016

Due to delayed start-up of projects, the outlook for full-year revenue is adjusted to DKK 6.5-7.0 billion compared with previously around DKK 7 billion. The deferred projects are expected to get underway in 2016.

The outlook of DKK 325-375 million for operating profit before special items is reaffirmed. The outlook for the operating margin before special items of approximately 5% is reaffirmed.

Special items are expected to amount to DKK 195 million following the settlement of the Robin Rigg offshore dispute.

The operating margin outlook of 5% for 2016 is reaffirmed.

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.

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 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 September 2015 and of the results of the Group's operations and cash flows for the financial period 1 January – 30 September 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, 12 November 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	Q3	Q3	YTD	YTD	Year
Income statement					
Revenue	1,531.8	1,716.9	4,783.2	4,935.0	6,979.4
Production costs	-1,273.4	-1,537.2	-4,143.5	-4,517.0	-6,286.6
Gross profit	258.4	179.7	639.7	418.0	692.8
Distribution costs	-37.9	-26.1	-124.9	-81.6	-110.8
Administrative expenses	-83.5	-77.2	-258.9	-235.9	-338.2
Profit before share of profit (loss) of joint ventures	137.0	76.4	255.9	100.5	243.8
Share of profit (loss) after tax of joint ventures	7.7	-3.9	11.0	-11.8	-36.8
Operating profit before special items	144.7	72.5	266.9	88.7	207.0
Special items	195.0	-213.0	195.0	-408.0	-408.0
EBIT	339.7	-140.5	461.9	-319.3	-201.0
Net finance costs	-6.1	0.5	19.6	-0.1	14.9
Profit (loss) before tax	333.6	-140.0	481.5	-319.4	-186.1
Income tax expense	-28.1	-17.0	-58.6	-19.1	-65.6
Profit (loss) after tax	305.5	-157.0	422.9	-338.5	-251.7
Attributable to:					
Shareholders of MT Højgaard A/S	266.1	-171.1	324.5	-388.7	-335.6
Non-controlling interests	39.4	14.1	98.4	50.2	83.9
Total	305.5	-157.0	422.9	-338.5	-251.7
Statement of comprehensive income					
Profit (loss) after tax	305.5	-157.0	422.9	-338.5	-251.7
Other comprehensive income after tax	-1.7	-5.5	7.5	-14.1	-18.7
Total comprehensive income	303.8	-162.5	430.4	-352.6	-270.4
Attributable to:					
Shareholders of MT Højgaard A/S	264.4	-176.6	332.0	-402.8	-354.3
Non-controlling interests	39.4	14.1	98.4	50.2	83.9
Total	303.8	-162.5	430.4	-352.6	-270.4

Balance sheet

	2015	2014	2014
DKK million	Q3	Q3	Year
Assets			
Non-current assets			
Intangible assets	167.7	147.6	157.1
Property, plant and equipment	524.0	541.9	518.0
Deferred tax assets	331.4	323.3	320.2
Other investments	42.7	30.8	33.1
Total non-current assets	1,065.8	1,043.6	1,028.4
Current assets			
Inventories	723.1	651.4	634.7
Trade receivables	1,267.0	1,276.8	1,169.7
Construction contracts in progress	138.3	90.7	90.9
Other receivables	111.4	78.3	141.7
Securities	-	172.1	121.7
Cash and cash equivalents	288.6	330.9	459.3
Total current assets	2,528.4	2,600.2	2,618.0
Total assets	3,594.2	3,643.8	3,646.4
Equity and liabilities			
Equity attributable to shareholders of MT Højgaard	1,098.0	715.1	763.8
Non-controlling interests	76.3	56.2	57.9
Total equity	1,174.3	771.3	821.7
Non-current liabilities			
Bank loans, etc.	128.7	175.1	159.3
Deferred tax liabilities	10.0	10.0	9.0
Provisions	152.9	347.3	260.8
Total non-current liabilities	291.6	532.4	429.1
Current liabilities			
Bank loans, etc.	112.8	37.4	34.9
Construction contracts in progress	594.2	712.0	632.8
Trade payables	758.5	705.0	887.3
Other current liabilities	662.8	885.7	840.6
Total current liabilities	2,128.3	2,340.1	2,395.6
Total liabilities	2,419.9	2,872.5	2,824.7
Total equity and liabilities	3,594.2	3,643.8	3,646.4

Statement of cash flows

	2015	2014	2015	2014	2014
DKK million	Q3	Q3	YTD	YTD	Year
Operating activities					
EBIT	339.7	-140.6	461.9	-319.8	-201.0
Adjustments in respect of non-cash operating items, etc.	10.7	30.6	74.1	199.2	274.3
Cash flows from operating activities before working capital changes	350.4	-110.0	536.0	-120.6	73.3
Working capital changes:					
Inventories	-70.5	-13.2	-88.4	-4.7	12.0
Receivables excl. construction contracts in progress	-215.4	221.3	-66.8	427.9	434.5
Construction contracts in progress	-18.0	-63.8	-86.0	101.5	48.1
Trade and other current payables	-180.7	66.8	-342.6	-112.6	-91.3
Cash flows from operations (operating activities)	-134.2	101.1	-47.8	291.5	476.6
Net finance costs	-6.2	1.3	19.5	-1.7	15.3
Cash flows from operations (ordinary activities)	-140.4	102.4	-28.3	289.8	491.9
Income taxes paid, net	-8.4	-6.8	-27.2	-26.9	-63.5
Cash flows from operating activities	-148.8	95.6	-55.5	262.9	428.4
Investing activities					
Purchase of property, plant and equipment	-35.5	-16.7	-104.8	-93.3	-105.5
Other investments, net	1.8	-9.5	20.5	19.6	66.2
Cash flows from investing activities	-33.7	-26.2	-84.3	-73.7	-39.3
Cash flows from financing activities	-8.6	-22.9	-107.5	-46.1	-117.4
Net increase (decrease) in cash and cash equivalents	-191.1	46.5	-247.3	143.1	271.7
Cash and cash equivalents at start of period	402.8	283.9	459.0	187.3	187.3
Cash and cash equivalents at end of period	211.7	330.4	211.7	330.4	459.0

Statement of changes in equity

DKK million	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total	Attributable to non-controlling interests	Total
2014								
Equity at 01-01	520.0	-20.4	1.8	614.6	-	1,116.0	65.0	1,181.0
Profit (loss) after tax				-388.7		-388.7	50.2	-338.5
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			-2.5			-2.5		-2.5
Share of other comprehensive income of joint ventures		-11.6				-11.6		-11.6
Tax on other comprehensive income						-		-
Total other comprehensive income	-	-11.6	-2.5	-	-	-14.1	-	-14.1
Transactions with owners:								
Capital increase, warrant programme - purchased				1.9		1.9		1.9
Capital increase, warrant programme - granted				-		-		-
Dividends paid						-	-59.0	-59.0
Total transactions with owners	-	-	-	1.9	-	1.9	-59.0	-57.1
Total changes in equity	-	-11.6	-2.5	-386.8	-	-400.9	-8.8	-409.7
Equity at 30-09	520.0	-32.0	-0.7	227.8	-	715.1	56.2	771.3
2015								
Equity at 01-01	520.0	-39.0	1.7	281.1	-	763.8	57.9	821.7
Profit (loss) after tax				324.5		324.5	98.4	422.9
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			1.0			1.0		1.0
Share of other comprehensive income of joint ventures		6.5				6.5		6.5
Total other comprehensive income	-	6.5	1.0	-	-	7.5	-	7.5
Transactions with owners:								
Capital increase, warrant programme - purchased				1.4		1.4		1.4
Capital increase, warrant programme - granted				0.8		0.8		0.8
Dividends paid						-	-80.0	-80.0
Total transactions with owners	-	-	-	2.2	-	2.2	-80.0	-77.8
Total changes in equity	-	6.5	1.0	326.7	-	334.2	18.4	352.6
Equity at 30-09	520.0	-32.5	2.7	607.8	-	1,098.0	76.3	1,174.3

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 then five members of the Group management. 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.

In the first three quarters of 2015, a total of 8,810 warrants with a nominal value of DKK 1,000 each and a fair value of DKK 1.4 million were issued.

The fair value of the programme totalled DKK 2.0 million at 30 September 2015. The fair value will be expensed on a straight-line basis over the expected three-year service period. The warrant programme impacted the income statement for the first three quarters of 2015 by DKK 0.8 million.

At the end of September 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

Third-quarter and YTD income tax expense benefited from income of DKK 45.8 million in the form of a reduction of a previously non-capitalised tax asset of the tax value of special items of DKK 195 million.

	2015	2014
DKK million	YTD	YTD
Income tax expense before tax calculated at 23.5%	-113.1	78.3
Reduction of Danish income tax rate from 23.5% to 22% in the period up to 2016	2.9	-10.2
Deviations in foreign enterprises' tax rates	-14.0	-7.0
Non-taxable income (primarily non-allocated tax on non-controlling interests' share of income from partnerships)	24.1	9.9
Non-deductible expenses	-0.2	-0.1
Unrecognised share of the tax asset for the period	42.9	-89.8
Other, including prior year adjustments and joint taxation	-1.2	-0.2
Income tax expense	-58.6	-19.1

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