



Stock exchange announcement

28 August 2013
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Interim report for 1 January to 30 June 2013 (first half 2013)

The board of directors of Højgaard Holding A/S has today considered and approved this interim report for the period from 1 January to 30 June 2013.

- The group's revenue in the first half year was DKK 1.8 billion against DKK 3.0 billion for the same period last year.
- The group recorded a loss before tax in the first half year of DKK 25 million, compared to a loss of DKK 69 million for the same period last year.
- In line with expectations, the MT Højgaard group recorded a positive operating result of DKK 25 million in the second quarter. For the first half year, a loss before tax of DKK 53 million was recorded, compared to a loss of DKK 142 million for the same period last year. The profit for the year is in line with expectations and is, as expected negatively affected by a lower level of activity compared to last year and the weak profitability of the order portfolio at the start of the year.
- For the full 2013, the Højgaard Holding group still expects revenue at the level of DKK 3.8 billion with a small positive result before tax, which, however, may be impacted positive or negative by the outcome of major disputes in MT Højgaard A/S.

Best regards,
Højgaard Holding A/S

Søren Bjerre-Nielsen
Chairman of the board

Ditlev Fløistrup
CEO

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

Highlights and key figures of the group

DKK million	2013 Year to date	2012 Year to date	2012 Full year
Income statement			
Revenue	1,812	3,014	5,333
Operating profit	-19	-74	-265
Financial items and profit of associates	-6	4	0
Profit before tax	-25	-69	-264
Profit after tax	-34	-58	-268
Balance sheet			
Non-current assets	607	617	618
Current assets	1,686	2,425	1,890
Equity	486	727	516
Liabilities	1,807	2,315	1,992
Balance sheet total	2,293	3,042	2,508
Interest bearing net deposit/debt (+/-)	-134	154	1
Invested capital	620	573	515
Cash flows			
Cash flow to/from operating activities	-124	76	-69
Cash flow to/from investment activities			
<i>Net investments other than securities</i>	-9	-13	-5
<i>Net investments in securities</i>	93	-5	-13
Cash flow to/from financing activities	85	-3	-24
Total cash flows	45	55	-111
Key figures			
Pre-tax margin (%)	-1.4	-2.3	-5.0
Dividend paid, DKK million	-	-	-
Average number of shares, million	4.2	4.2	4.2
Number of shares at end of period, million	4.2	4.2	4.2
Earnings and diluted earnings per share (EPS and EPS-D), DKK	-8.0	-13.8	-63.7
Book value per share, DKK	116	173	123
Share price at end of period, A-shares	117	84	76
Share price at end of period, B-shares	115	72	79
Total market value, DKK million	490	338	324
Share price/book value	1.0	0.5	0.6
Return on equity for the period (%)	-6.7	-7.7	-41.1
Equity ratio (%)	21.2	23.9	20.6
Other information			
Order book at end of period	3,411	3,829	3,338
Average number of employees	2,317	2,630	2,561

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU, and Danish disclosure requirements for interim reporting by listed companies. The accounting policies applied remain unchanged from the annual report for 2012 (note 1), with the exception that reporting standards and interpretations with an effective date of 1 January 2013 have been implemented. The new reporting standards and interpretations have not had any effect on recognition and measurement for the Højgaard Holding group. Accounting estimates and judgements have been accounted for in the same way as in the annual report for 2012 (note 2), to which reference is made. MT Højgaard is included in the consolidated accounts on a proportional consolidation basis based on a holding of 54%. The key figures have been calculated in accordance with the Danish Society of Financial Analysts’ “Recommendations & Financial Ratios 2010”. The definition of the key figures applied can be seen from the annual report for 2012. The interim report has not been audited or reviewed by the company’s auditors.

Management's review

Højgaard Holding A/S' main asset is the 54% ownership share of MT Højgaard A/S. The management contract with Banedanmark held by Højgaard Industri A/S for the production of concrete sleepers at the facility in Fredericia owned by Banedanmark runs until and including February 2016 with an option for Banedanmark to extend the contract for another two years. Højgaard Holding A/S' own cash resources amounts to a total of some DKK 2 million.

The group recorded a loss before tax of DKK 25 million, compared to a loss of DKK 69 million for the same period last year. The decrease in the loss compared to the same period last year can be attributed to the improved development in the MT Højgaard group's earnings.

The group's interest bearing debt amounted to DKK 134 million at 30 June 2013, compared to a deposit of DKK 1 million at 31 December 2012. The change mainly relates to the fact that the cash flow from operating activities in the MT Højgaard group is negative.

The group's equity amounts to DKK 486 million at 30 June 2013, and the book value corresponded to DKK 116 per share of DKK 20.

MT Højgaard group

Holding 54%. The following figures are 100%

DKK million	2013 Year to date	2012 Year to date	2012 Full year
Revenue	3,282	5,503	9,735
Profit before tax	-53	-142	-512
Profit after tax	-68	-117	-512
Balance sheet total	4,213	5,418	4,433
Equity	1,011	1,169	771
Order book	6,316	7,036	6,042
Employees	4,237	4,814	4,688
Pre-tax margin (%)	-1.6	-2.6	-5.3

The MT Højgaard group's revenue in the first half year was DKK 3.3 billion against DKK 5.5 billion for the same period last year. The lower revenue was expected and reflected the fact that the business area Offshore has no orders for execution in 2013, coupled with the initiatives referred to below, which affect the whole MT Højgaard group and result in a lower level of activity, but higher profitability.

As expected, the second quarter operating result was a profit of DKK 25 million and profit before tax was DKK 16 million. The result before tax for the first half year was a loss of DKK 53 million, in line with expectations, and DKK 89

million better than the same period in 2012. As expected, the result was affected by the lower level of activity in the first quarter and the weak profitability of previously contracted projects. Pre-tax margin for the first half year was -1.6% compared to -2.6% in the same period in 2012.

The overall financial performance of the six business areas matched expectations. Overall, subsidiaries and jointly controlled entities delivered slightly lower revenue than expected and profit in line with expectations, making a positive contribution to the consolidated result.

As a consequence of the reduction of the Danish corporation tax rate from 25% to 22% in 2016 the value of the group's deferred tax assets has been reduced by DKK 20 million which was expensed in the second quarter. Income tax expense for the first half year consequently reduced profit for the period by DKK 15 million. Resulting in an after tax loss of DKK 68 million compared to a loss of DKK 117 million in the same period in 2012.

The financial performance during the first half year of 2013 matched expectations. The expectations for the full year is still a revenue at the level of DKK 7 billion and a small positive result before tax.

During the first half year the group undertook a number of initiatives and restructuring of activities, both in relation to customers and internally. Areas of particular focus have been organisation, efficiency improvements and risk management.

Efforts have been focused on the following:

- The way in which individual projects are managed has been improved, including a clearer identification of responsibilities and closer monitoring than previously
- More stringent profitability requirements in connection with the contracting of new projects have been introduced, partly by changing the way in which tendering processes are organised
- A clearer policy for and closer monitoring of the risk composition of the overall project portfolio have been introduced
- A general reduction of the company's costs has been put in place
- A clear management structure has been established, with a clearer identification of responsibilities and new employees in a number of management positions
- A program for serving key customers has been established, encompassing close and extensive cooperation as appropriate
- The use of digital solutions has been improved, in the dialogue with customers, potential customers and business partners as well as inter-

- nally, with a view to transparency and common understanding of projects and efficient performance
- The internal coordination of project pipelines in the group's entities has been improved

The effect of the initiatives put in place has begun to feed through in the form of increased profitability in both the day-to-day operations and the contracting of new orders. The effect will become increasingly evident as previously contracted orders are completed.

In addition, more initiatives and restructuring are being prepared to strengthen the MT Højgaard group's market position and profitability further.

The financial ambition is a pre-tax margin of 5% in the longer term. The work on the new group strategy is proceeding as planned, and MT Højgaard still expect the strategy to be adopted in autumn 2013. The focus of the strategy work is the target of a pre-tax margin of 5% and preparing the MT Højgaard group for separate listing.

At 30 June 2013, the balance sheet total amounted to DKK 4.2 billion which is a DKK 0.2 billion reduction compared to 31 December 2012 and a DKK 1.2 billion reduction compared to 30 June 2012. The reduced balance sheet total is partly due to a lower level of activity and a focused effort to reduce the balance sheet total.

Operating activities generated a cash outflow of DKK 229 million during the first-half year compared to an inflow of DKK 141 million during the same period in 2012. The first-half year operating cash outflow reflected the lower level of activity and the resulting decrease in financing from construction contracts in progress and production from previously contracted orders with low or zero earnings, as well as cash resources for settlement of disputes and provisions for old warranty cases.

The MT Højgaard group's order book amounted to DKK 6,316 million. The order book showed a positive trend, growing by DKK 274 million compared to the end of 2012. The profitability of the order book was higher than at the end of 2012, as expected, partly reflecting the introduction of more stringent profitability requirements in connection with the contracting of new projects and the completion of old orders with lower profitability.

For the full 2013, MT Højgaard still expects to achieve revenue of approx. DKK 7 billion with a small positive result before tax. The profit outlook is affected by previously contracted orders with low or zero earnings, some of which carry over into 2014.

The result may be impacted positive or negative by the outcome of major disputes.

Egil Mølsted Madsen will take up the position of CFO on 1 September 2013. MT Højgaard's Executive Board will then consist of President and CEO Torben Biilmann, CFO Egil Mølsted Madsen and COO Søren Ulslev.

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

Højgaard Industri A/S

Holding 100%

DKK million	2013	2012	2012
	Year to date	Year to date	Full year
Revenue	39.2	42.8	76.7
Profit before tax	7.3	7.9	13.5
Profit after tax	5.5	6.0	10.1
Balance sheet total	21.0	26.2	24.6
Equity	7.5	8.0	12.1

The management contract with Banedanmark held by Højgaard Industri A/S for the production of concrete sleepers at the facility in Fredericia owned by Banedanmark runs until and including February 2016 with an option for Banedanmark to extend the contract for another two years.

The profit for the first half year is in line with expectations. For the full 2013, a production of sleepers at the same level as in 2012 and a result before tax somewhat below the level of 2012 is still expected.

Related parties

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

As reported in the stock exchange announcement of 25 February 2013, Højgaard Holding A/S has obtained a loan of DKK 67 million from Knud Højgaards Fond, on market terms, as part of the increase of the share capital of MT Højgaard A/S.

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

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



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Outlook for 2013

Overall, the Højgaard Holding group still expects revenue at the level of DKK 3.8 billion with a small positive result before tax, which, however, may be impacted positive or negative by the outcome of major disputes in the MT Højgaard group.

We expect that the group's effective tax rate will be above the Danish tax rate.

The projections concerning future financial performance are by their very nature subject to uncertainties and risks that may result in a development that deviates from expectations. For a description of risks and uncertainties, reference is made to the section "Risk management" in the annual report for 2012. The significant risks and uncertainties are unchanged from the annual report.



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Statement by the executive board and the board of directors

The board of directors and the executive board have today considered and approved this interim report for Højgaard Holding A/S for the period from 1 January to 30 June 2013.

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

In our opinion, the interim report provides a true and fair view of the group’s assets, liabilities and financial position at 30 June 2013 and of the results of the group’s activities and cash flows for the accounting period from 1 January to 30 June 2013.

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

Kgs. Lyngby, 28 August 2013

Executive board

Ditlev Fløistrup
CEO

Board of directors

Søren Bjerre-Nielsen
Chairman

Jens Jørgen Madsen
Deputy chairman

Lars Rasmussen

Group income statement

DKK million	2013 2nd quarter	2012 2nd quarter	2013 Year to date	2012 Year to date	2012 Full year
Revenue	974.8	1,645.9	1,811.6	3,014.2	5,333.5
Production costs	900.2	1,584.7	1,718.0	2,964.7	5,351.9
Gross profit	74.6	61.2	93.6	49.5	-18.4
Sales costs	15.7	18.3	30.2	35.2	68.2
Administration costs	42.7	38.6	82.6	87.8	178.2
Operating profit	16.2	4.3	-19.2	-73.5	-264.8
Share of profit of associates after tax	0.4	0.0	0.6	0.2	0.7
Financial items	-6.1	3.9	-6.1	3.9	-0.3
Profit before tax	10.5	8.2	-24.7	-69.4	-264.4
Tax on profit for the period	-15.3	7.1	8.9	-11.3	3.5
Total profit for the period	-4.8	1.1	-33.6	-58.1	-267.9

The profit before tax can be specified as follows:

MT Højgaard group	8.7	5.4	-28.5	-76.5	-276.3
Højgaard Industri A/S	3.8	3.1	7.3	7.9	13.5
Højgaard Holding A/S	-2.0	-0.3	-3.5	-0.8	-1.6
Profit before tax	10.5	8.2	-24.7	-69.4	-264.4

Earnings and diluted earnings per share (EPS and EPS-D), DKK	-1.1	0.3	-8.0	-13.8	-63.7
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Group statement of comprehensive income

DKK million

Profit after tax	-4.8	1.1	-33.6	-58.1	-267.9
Other comprehensive income					
<i>Items that can be reclassified to the income statement:</i>					
Currency adjustments, foreign companies	0.9	-0.8	0.8	-0.9	-1.8
Value adjustment of hedging instruments in associates	2.6	-2.8	3.4	-1.2	-1.7
Tax on other compr. income	0.0	0.0	0.0	0.0	0.0
Other compr. income after tax	3.5	-3.6	4.2	-2.1	-3.5
Total comprehensive income	-1.3	-2.5	-29.4	-60.2	-271.4

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Group balance sheet

DKK million	2013 30 June	2012 30 June	2012 31 December
ASSETS			
Non-current assets			
Intangible assets	80.4	67.5	80.0
Property, plant and equipment	335.4	383.3	347.2
Deferred tax assets	183.9	158.5	183.2
Other investments	7.1	7.5	7.4
Total non-current assets	606.8	616.8	617.8
Current assets			
Inventories	370.1	409.1	374.8
Receivables from sales and services	898.9	1,121.3	1,009.0
Construction contracts in progress	126.1	306.4	90.0
Other receivables	88.7	191.2	123.9
Securities	92.6	176.2	185.6
Cash and cash equivalents	109.4	220.9	107.1
Total current assets	1,685.8	2,425.1	1,890.4
Total assets	2,292.6	3,041.9	2,508.2
EQUITY AND LIABILITIES			
Equity	486.2	726.8	515.6
Non-current liabilities			
Credit institutions, etc.	100.0	87.2	74.7
Deferred tax liabilities	6.6	2.6	6.6
Payables to group companies	62.0	0.0	0.0
Other provisions	140.2	143.3	139.7
Total non-current liabilities	308.8	233.1	221.0
Current liabilities			
Credit institutions, etc.	173.2	156.6	217.3
Construction contracts in progress	383.5	645.1	471.9
Suppliers of goods and services	566.7	891.3	568.7
Other current liabilities	374.2	389.0	513.7
Total current liabilities	1,497.6	2,082.0	1,771.6
Total liabilities	1,806.4	2,315.1	1,992.6
Total equity and liabilities	2,292.6	3,041.9	2,508.2

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Group statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Reserve for currency rate adjustments	Profit carried forward	Proposed dividend	Equity capital total
Equity at 1 January 2013	84.1	-16.7	0.2	448.0	0.0	515.6
Profit after tax				-33.6		-33.6
Other comprehensive income		3.4	0.8			4.2
Total changes in equity		3.4	0.8	-33.6		-29.4
Equity at 30 June 2013	84.1	-13.3	1.0	414.4	0.0	486.2
Equity at 1 January 2012	84.1	-15.0	2.0	715.9	0.0	787.0
Profit after tax				-58.1		-58.1
Other comprehensive income		-1.2	-0.9			-2.1
Total changes in equity		-1.2	-0.9	-58.1		-60.2
Equity at 30 June 2012	84.1	-16.2	1.1	657.8	0.0	726.8

Group cash flow statement

DKK million	2013 Year to date	2012 Year to date	2012 Full year
Operations			
Operating profit	-19.2	-73.5	-264.8
Adjusted for non-cash operating items	24.1	45.0	173.2
Cash flow to/from primary activities before changes in working capital	4.9	-28.5	-91.6
Changes in working capital	-129.1	104.4	22.2
Cash flow to/from operating activities	-124.2	75.9	-69.4
Net investments other than securities	-9.3	-12.7	-4.7
Net investments in securities	92.6	-5.2	-12.8
Cash flow to/from investing activities	83.3	-17.9	-17.5
Cash flow to/from financing activities	85.6	-3.4	-24.0
Cash flows, net	44.7	54.6	-110.9
Cash and cash equivalents at beginning of period	-89.2	21.7	21.7
Cash and cash equivalents at end of period	-44.5	76.3	-89.2

Segment information

DKK million	2013 Year to date	2012 Year to date	2012 Full year
Revenue			
Construction work	1,772.4	2,971.4	5,256.8
Production	39.2	42.8	76.7
Total revenue	1,811.6	3,014.2	5,333.5
Profit before tax			
Construction work	-28.5	-76.5	-276.3
Production	7.3	7.9	13.5
Parent company/eliminations	-3.5	-0.8	-1.6
Total profit before tax	-24.7	-69.4	-264.4
Total assets			
Construction work	2,275.1	2,925.5	2,393.8
Production	21.0	26.2	24.6
Parent company/eliminations	-3.5	90.2	89.8
Total assets	2,292.6	3,041.9	2,508.2
Total liabilities			
Construction work	1,729.1	2,294.6	1,977.5
Production	13.5	18.2	12.5
Parent company/eliminations	63.8	2.3	2.6
Total liabilities	1,806.4	2,315.1	1,992.6



Measurement of financial instruments at fair value

Below, the disclosure requirements that are relevant for the Højgaard Holding group in relation to financial instruments recognised at fair value are listed.

The methods used to determine the fair value of financial instruments are unchanged from the annual report for 2012.

Securities are measured based on quoted prices (Level 1). At the end of the period, the fair value and the book value was DKK 92.6 million.

Derivative financial instruments include forward exchange contracts which are measured based on observable exchange rates (Level 2). At the end of the period, the fair value and the book value was DKK 2.0 million.

It is the group's policy to recognise transfers between the different categories from the date on which an event or a change in circumstances caused the classification to be changed. No transfers between the levels were made during the first half year of 2013.