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## Interim financial report – First half 2012

The Board of Directors of MT Højgaard A/S has today discussed and approved the Company's interim financial report for the first half of 2012.

### First-half 2012 results

- First-half revenue was DKK 5.5 billion, up 27% on the same period last year
- Second-quarter profit before tax was DKK 10 million. The first-half result before tax was a loss of DKK 142 million due to the considerable downward adjustments on projects and non-recurring costs for restructuring that were expensed in the first quarter
- The second-quarter cash inflow from operating activities was DKK 308 million. The first-half accumulated cash inflow from operating activities was DKK 141 million. During the same period last year, operating activities absorbed DKK 530 million
- The order book stood at DKK 7.0 billion at the end of the first half compared with DKK 8.8 billion at the start of the year

### Outlook for 2012 reaffirmed

- Full-year 2012 revenue is still expected to be in line with 2011, possibly slightly higher
- A profit is forecast for the second half. The full-year 2012 pre-tax margin is still expected to be around -1%
- Financial resources are still expected to be satisfactory and cash flows from operating activities are still expected to be positive

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This announcement is available in Danish and English.

Interim financial report – First half 2012

CVR 12562233

## Consolidated financial highlights

| Amounts in DKK million                                      | 2012<br>Q2 | 2011<br>Q2 | 2012<br>YTD | 2011<br>YTD | 2011<br>Year |
|---|------------|------------|-------------|-------------|--------------|
| <b>Income statement</b>                                     |            |            |             |             |              |
| Revenue   | 3,011      | 2,187      | 5,503       | 4,330       | 9,307        |
| Operating profit (loss) (EBIT)                              | 4          | 1          | -147        | -10         | -332         |
| Net finance costs and profit (loss) of associates           | 6          | -4         | 5           | -12         | -3           |
| Profit (loss) before tax                                    | 10         | -3         | -142        | -21         | -335         |
| Profit (loss) after tax                                     | -1         | -4         | -117        | -20         | -261         |
| <b>Balance sheet</b>  |            |            |             |             |              |
| Share capital   |            |            | 220         | 220         | 220          |
| Equity  |            |            | 1,169       | 1,549       | 1,289        |
| Balance sheet total   |            |            | 5,418       | 5,332       | 5,654        |
| Interest-bearing deposit/debt (+/-)                         |            |            | 107         | -317        | -10          |
| Invested capital  |            |            | 1,061       | 1,866       | 1,299        |
| <b>Cash flows</b>   |            |            |             |             |              |
| Cash flows from operating activities                        |            |            | 141         | -530        | -268         |
| Cash flows for investing activities:                        |            |            |             |             |              |
| <i>Net investments excl. securities</i>                     |            |            | -24         | -73         | 34           |
| <i>Net investments in securities</i>                        |            |            | -4          | 82          | 69           |
| Cash flows from financing activities                        |            |            | -6          | 8           | -72          |
| <b>Net increase (decrease) in cash and cash equivalents</b> |            |            | <b>107</b>  | <b>-513</b> | <b>-237</b>  |
| <b>Financial ratios (%)</b>                                 |            |            |             |             |              |
| Gross margin  | 3.5        | 4.4        | 1.4         | 4.3         | 0.9          |
| Operating margin (EBIT margin)                              | 0.1        | 0.1        | -2.7        | -0.2        | -3.6         |
| Pre-tax margin  | 0.3        | -0.1       | -2.6        | -0.5        | -3.6         |
| Return on invested capital (ROIC) *                         |            |            | -12.4       | -0.6        | -25.7        |
| Return on invested capital after tax (ROIC) *               |            |            | -10.2       | -0.6        | -20.0        |
| Return on equity (ROE) *                                    |            |            | -9.5        | -1.3        | -18.0        |
| Equity ratio  |            |            | 21.6        | 29.0        | 22.8         |
| <b>Other information</b>                                    |            |            |             |             |              |
| Order book, year end  |            |            | 7,036       | 9,114       | 8,751        |
| Average number of employees                                 |            |            | 4,814       | 4,809       | 4,738        |

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 those set out in the 2011 annual report, with the following exceptions: standards and interpretations with an effective date of 1 January 2012, including amendments to IFRSs 1 and 7 and to IAS 12, have been implemented. The new standards and interpretations have not had any effect on recognition and measurement.

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 2011 annual report.

The interim financial report has not been audited or reviewed by the Company's auditor.

\*) Not converted to full-year figures.

## Management's review

### Initiatives undertaken

As mentioned in the interim financial report for the first quarter, the Group's activities have been restructured to provide a stronger focus and boost earnings. Furthermore, in the first half, an extraordinary amount of work has been put into risk management and the processes related to tendering and purchasing. In addition, efficiency improvements and savings have been achieved in a number of areas.

The wide range of initiatives is being implemented to plan and is still expected to have the planned positive effect on the Group's financial performance. Further initiatives aimed at providing a more competitive cost level have been put in motion and will be implemented by the end of the year.

As previously stated, these initiatives will entail significant non-recurring costs in 2012. The full effect on financial performance is therefore not expected to be felt until 2013 and beyond.

### Income statement

Second-quarter revenue was DKK 3.0 billion. First-half revenue was DKK 5.5 billion, in line with expectations and 27% ahead of last year. A considerable part of the increase was due to the handing-over in the second quarter of two construction projects that had been capitalised as inventories, and a higher level of activity in Offshore and subsidiaries and jointly controlled entities.

Revenue can be broken down as shown in the table below.

| Revenue - DKK million                        | 2012<br>YTD  | 2011<br>YTD  | 2011<br>Year |
|--|--------------|--------------|--------------|
| Denmark                                      | 2,137        | 1,710        | 3,877        |
| International                                | 702          | 610          | 1,249        |
| Offshore                                     | 1,126        | 831          | 1,541        |
| Subsidiaries and jointly controlled entities | 1,665        | 1,447        | 3,249        |
| Eliminations/others                          | -127         | -268         | -609         |
| <b>MT Højgaard Group</b>                     | <b>5,503</b> | <b>4,330</b> | <b>9,307</b> |

Net finance costs amounted to income of DKK 5 million versus a charge of DKK 12 million in the same period last year. Last year, net finance costs were significantly affected by foreign exchange losses on receivables due to the falling USD exchange rate and capital losses on the bond portfolio due to the rising interest rate level.

As expected, operating activities in the second quarter of 2012 generated a small profit. The second-quarter result before tax was thus a profit of DKK 10 million. The first-half result before tax was a loss of DKK 142 million. The result was DKK 121 million lower than in the same period last year and the first-half pre-tax margin was -2.6% against -0.5% in the same period in 2011. The first-half result before tax was affected by the considerable downward adjustments on projects and non-recurring costs for restructuring that were expensed in the first quarter.

Adjustment of deferred tax contributed DKK 25 million to the result for the period. The result after tax was consequently a loss of DKK 117 million compared with a loss of DKK 20 million for the same period in 2011.

### **Balance sheet**

The balance sheet total was DKK 236 million lower than at the end of 2011, standing at DKK 5,418 million at 30 June 2012.

Inventories at 30 June 2012 were DKK 749 million versus DKK 1,022 million at the end of 2011. The DKK 273 million reduction primarily reflected the handing over of two construction projects that had previously been capitalised. In addition, there was a net decrease in other operating assets that was partly offset by an increase in cash and cash equivalents.

On the liability side, the development reflected the effect on equity of the negative result for the period and a net decrease in other balance sheet items, partly offset by lower drawings on short-term credit facilities.

Equity stood at DKK 1,169 million at 30 June 2012, equivalent to an equity ratio of 21.6% compared with 21.1% at the end of the first quarter of 2012.

Interest-bearing net assets increased by DKK 117 million during the period, amounting to DKK 107 million at 30 June 2012 – compared with debt of DKK 10 million at 31 December 2011. The increase was due to the increase in cash and cash equivalents (net).

Invested capital was DKK 1,061 million at 30 June 2012, a decrease of DKK 238 million on 31 December 2011.

There are no significant news to report in relation to the special provisions for completed projects in the offshore area – the so-called grout issue. Management is still of the opinion that the Group is in a strong legal position in these cases, but that there is always some risk attached to the process in such cases.

### **Cash flows and financial resources**

Cash and cash equivalents at 30 June 2012 amounted to DKK 129 million, a change of DKK 108 million compared with cash and cash equivalents of DKK 21 million at 31 December 2011. The increase reflected cash inflow from operating activities of DKK 141 million. In the same period last year, operating activities absorbed DKK 530 million.

Cash flows from operating activities benefited from a generally positive development in the Group's net funds tied up in working capital, including the handing-over of two construction projects and fewer funds tied up in the business area Offshore. Operating activities in the second quarter generated a cash inflow of DKK 308 million.

Cash flows for investing activities amounted to an outflow of DKK 27 million, of which DKK 4 million related to the net purchase of short-term securities. In the same period last year, investing activities generated DKK 9 million.

Financing activities absorbed DKK 6 million compared with a cash inflow of DKK 8 million in the same period last year.

The Group's financial resources, calculated as cash and cash equivalents, including cash and cash equivalents in joint ventures and jointly controlled entities, and securities and undrawn credit facilities, amounted to DKK 838 million at 30 June 2012. Financial resources included DKK 549 million that is available for use by the parent company. The financial resources are satisfactory viewed in the context of the expected level of activity.

### Order book

The order intake in the first half of 2012 was DKK 3,788 million and the order book stood at DKK 7,036 million. The order book was DKK 1,715 million lower than at the end of 2011. The decline was partly driven by a high level of production, which was not offset by new projects, partly due to the focusing of activities and more critical selectivity of projects with the focus on risk.

| <b>Order book – DKK million</b>  | <b>2012<br/>YTD</b> | <b>2011<br/>YTD</b> | <b>2011<br/>Year</b> |
|----------------------------------|---------------------|---------------------|----------------------|
| Order book, beginning of period  | 8,751               | 9,222               | 9,222                |
| Order intake during period       | 3,788               | 4,234               | 8,836                |
| Production during period         | -5,503              | -4,342              | -9,307               |
| <b>Order book, end of period</b> | <b>7,036</b>        | <b>9,114</b>        | <b>8,751</b>         |

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

### Acquisition of activities

The subsidiary Lindpro A/S has acquired additional activities in Greenland, strengthening its capabilities and market coverage in the Greenland market.

The acquisition of these activities does not have any material effect on the Group's revenue or financial position.

### 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 under an agreement entered into between the shareholders.

Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and management remuneration, no transactions have been effected during the period with major shareholders, members of the Board of Directors, members of the Executive Board or other related parties.

Transactions between MT Højgaard A/S and other group enterprises are on an arm's length basis.

### Management information

As announced on 22 May 2012, Torben Biilmann will take up the position of new President and CEO of MT Højgaard A/S on 1 November 2012.

### Outlook for 2012

There have been no developments in the second quarter that change our outlook concerning the level of activity for 2012 as a whole. At the end of the first half the order book was DKK 7.0

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billion, DKK 3.9 billion of which is expected to be performed in 2012. We still expect that the Group will deliver revenue in 2012 in line with 2011, possibly slightly higher.

The outlook concerning the result for the year is also reaffirmed, and we consequently still expect a full-year pre-tax margin of around -1%.

We still expect full-year cash flows from operating activities to be positive and financial resources in the form of cash and cash equivalents, securities and credit facilities to be adequate.

The projections concerning future financial performance are subject to uncertainties and risks that may cause the performance to differ from the projections. For a description of risks and uncertainties, reference is made to the 'Risk factors' section in the 2011 annual report. The significant risks and uncertainties are consistent with those described in the annual report.

## Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the interim financial report of MT Højgaard A/S for the period 1 January – 30 June 2012.

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.

In our opinion, the interim financial statements give a true and fair view of the Group's financial position at 30 June 2012 and of the results of the Group's operations and cash flows for the period 1 January – 30 June 2012.

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, 27 August 2012

### Executive Board

Jørgen Nicolajsen  
Acting President and CEO

Flemming Steen  
CFO

Jens Nyhus  
COO

### Board of Directors

Helge Israelsen  
Chairman

Niels Lykke Graugaard  
Deputy Chairman

Irene Chabior\*

Curt Germundsson

Hans-Henrik Hansen\*

Jens Jørgen Madsen

Jørgen Nicolajsen

Torsten Ask Overgaard \*

Knud Rasmussen\*

Lars Rasmussen

\*) Employee representative

### Consolidated income statement and statement of comprehensive income

| Amounts in DKK million                                | 2012<br>Q2   | 2011<br>Q2 | 2012<br>YTD   | 2011<br>YTD | 2011<br>Year |
|---|--------------|------------|---------------|-------------|--------------|
| <b>Consolidated income statement</b>                  |              |            |               |             |              |
| Revenue   | 3,010.5      | 2,186.5    | 5,502.7       | 4,330.2     | 9,307.4      |
| Production costs                                      | -2,903.9     | -2,090.0   | -5,427.6      | -4,142.9    | -9,227.0     |
| <b>Gross profit</b>                                   | <b>106.6</b> | 96.5       | <b>75.1</b>   | 187.3       | 80.4         |
| Distribution costs                                    | -34.1        | -31.5      | -65.3         | -69.7       | -134.5       |
| Administrative expenses                               | -68.5        | -63.8      | -156.6        | -127.3      | -277.4       |
| <b>Operating profit (loss)</b>                        | <b>4.0</b>   | 1.2        | <b>-146.8</b> | -9.7        | -331.5       |
| Share of profit after tax of associates               | 0.0          | 0.5        | 0.3           | 0.9         | 1.1          |
| Net finance costs                                     | 6.0          | -4.4       | 4.8           | -12.4       | -4.5         |
| <b>Profit (loss) before tax</b>                       | <b>10.0</b>  | -2.7       | <b>-141.7</b> | -21.2       | -334.9       |
| Income tax expense                                    | -11.0        | -1.6       | 25.2          | 1.1         | 73.9         |
| <b>Profit (loss) after tax</b>                        | <b>-1.0</b>  | -4.3       | <b>-116.5</b> | -20.1       | -261.0       |
| <b>Consolidated statement of comprehensive income</b> |              |            |               |             |              |
| Profit (loss) after tax                               | -1.0         | -4.3       | -116.5        | -20.1       | -261.0       |
| <b>Other comprehensive income</b>                     |              |            |               |             |              |
| Foreign exchange adjustments,<br>foreign enterprises  | -1.4         | 0.5        | -1.8          | -0.7        | -0.1         |
| Share of other comprehensive<br>income of associates  | -5.3         | -1.3       | -2.3          | 1.1         | -18.2        |
| Tax on other comprehensive income                     | 0.0          | 0.0        | 0.0           | 0.0         | 0.0          |
| Other comprehensive income after tax                  | -6.7         | -0.8       | -4.1          | 0.4         | -18.3        |
| <b>Total comprehensive income</b>                     | <b>-7.7</b>  | -5.1       | <b>-120.6</b> | -19.7       | -279.3       |



**Consolidated balance sheet**

|                                      | <b>2012</b>    | <b>2011</b>  | <b>2011</b>  |
|--------------------------------------|----------------|--------------|--------------|
| <b>Amounts in DKK million</b>        | <b>30.06</b>   | <b>30.06</b> | <b>31.12</b> |
| <b>Assets</b>                        |                |              |              |
| <b>Non-current assets</b>            |                |              |              |
| Intangible assets                    | 125.0          | 121.9        | 121.7        |
| Property, plant and equipment        | 709.8          | 818.2        | 742.8        |
| Deferred tax assets                  | 292.1          | 146.2        | 246.1        |
| Other investments                    | 13.9           | 21.0         | 13.6         |
| <b>Total non-current assets</b>      | <b>1,140.8</b> | 1,107.3      | 1,124.2      |
| <b>Current assets</b>                |                |              |              |
| Inventories                          | 748.5          | 831.1        | 1,021.6      |
| Trade receivables                    | 2,049.9        | 2,088.1      | 2,293.4      |
| Construction contracts in progress   | 567.5          | 739.9        | 434.7        |
| Other receivables                    | 352.1          | 279.7        | 382.4        |
| Securities                           | 162.7          | 141.7        | 159.0        |
| Cash and cash equivalents            | 396.1          | 144.5        | 238.5        |
| <b>Total current assets</b>          | <b>4,276.8</b> | 4,225.0      | 4,529.6      |
| <b>Total assets</b>                  | <b>5,417.6</b> | 5,332.3      | 5,653.8      |
| <b>Equity and liabilities</b>        |                |              |              |
| Share capital                        | 220.0          | 220.0        | 220.0        |
| Other equity items                   | 948.5          | 1,328.7      | 1,069.1      |
| <b>Total equity</b>                  | <b>1,168.5</b> | 1,548.7      | 1,289.1      |
| <b>Non-current liabilities</b>       |                |              |              |
| Bank loans etc.                      | 161.5          | 188.2        | 168.1        |
| Deferred tax liabilities             | 4.8            | 0.0          | 4.8          |
| Provisions                           | 265.3          | 199.6        | 232.2        |
| <b>Total non-current liabilities</b> | <b>431.6</b>   | 387.8        | 405.1        |
| <b>Current liabilities</b>           |                |              |              |
| Bank loans etc.                      | 290.0          | 415.4        | 239.4        |
| Construction contracts in progress   | 1,194.6        | 840.1        | 1,441.7      |
| Trade payables                       | 1,635.0        | 1,146.8      | 1,388.0      |
| Other current liabilities            | 697.9          | 993.5        | 890.5        |
| <b>Total current liabilities</b>     | <b>3,817.5</b> | 3,395.8      | 3,959.6      |
| <b>Total liabilities</b>             | <b>4,249.1</b> | 3,783.6      | 4,364.7      |
| <b>Total equity and liabilities</b>  | <b>5,417.6</b> | 5,332.3      | 5,653.8      |

### Consolidated statement of changes in equity

| Amounts in DKK million         | Share capital | Hedging reserve | Translation reserve | Retained earnings | Proposed dividends | Total equity   |
|--------------------------------|---------------|-----------------|---------------------|-------------------|--------------------|----------------|
| <b>Equity at 01-01-2011</b>    | <b>220.0</b>  | <b>-9.6</b>     | <b>4.0</b>          | <b>1,354.0</b>    | <b>50.0</b>        | <b>1,618.4</b> |
| Profit (loss) after tax        |               |                 |                     | -20.1             |                    | -20.1          |
| Other comprehensive income     |               | 1.1             | -0.7                |                   |                    | 0.4            |
| Dividends paid                 |               |                 |                     |                   | -50.0              | -50.0          |
| <b>Total changes in equity</b> | <b>0.0</b>    | <b>1.1</b>      | <b>-0.7</b>         | <b>-20.1</b>      | <b>-50.0</b>       | <b>-69.7</b>   |
| <b>Equity at 30-06-2011</b>    | <b>220.0</b>  | <b>-8.5</b>     | <b>3.3</b>          | <b>1,333.9</b>    | <b>0.0</b>         | <b>1,548.7</b> |
| <b>Equity at 01-01-2012</b>    | <b>220.0</b>  | <b>-27.8</b>    | <b>3.9</b>          | <b>1,093.0</b>    | <b>0.0</b>         | <b>1,289.1</b> |
| Profit (loss) after tax        |               |                 |                     | -116.5            |                    | -116.5         |
| Other comprehensive income     |               | -2.3            | -1.8                |                   |                    | -4.1           |
| <b>Total changes in equity</b> | <b>0.0</b>    | <b>-2.3</b>     | <b>-1.8</b>         | <b>-116.5</b>     | <b>0.0</b>         | <b>-120.6</b>  |
| <b>Equity at 30-06-2012</b>    | <b>220.0</b>  | <b>-30.1</b>    | <b>2.1</b>          | <b>976.5</b>      | <b>0.0</b>         | <b>1,168.5</b> |

### Consolidated statement of cash flows

| Amounts in DKK million   | 2012<br>YTD  | 2011<br>YTD | 2011<br>Year |
|--|--------------|-------------|--------------|
| Operating profit (loss)  | -146.8       | -9.7        | -331.5       |
| Adjustments in respect of non-cash operating items, etc.                   | 83.3         | 66.5        | 293.6        |
| <b>Cash flows from operating activities before working capital changes</b> | <b>-63.5</b> | 56.8        | -37.9        |
| Working capital changes  | 204.7        | -587.0      | -230.3       |
| <b>Cash flows from operating activities</b>                                | <b>141.2</b> | -530.2      | -268.2       |
| Net investments excl. securities   | -23.6        | -72.8       | 33.9         |
| Net investments in securities  | -4.0         | 82.2        | 69.5         |
| <b>Cash flows for investing activities</b>                                 | <b>-27.6</b> | 9.4         | 103.4        |
| <b>Cash flows from financing activities</b>                                | <b>-6.2</b>  | 8.3         | -72.5        |
| <b>Net increase (decrease) in cash and cash equivalents</b>                | <b>107.4</b> | -512.5      | -237.3       |
| Cash and cash equivalents at start of period                               | 21.1         | 258.4       | 258.4        |
| <b>Cash and cash equivalents at end of period</b>                          | <b>128.5</b> | -254.1      | 21.1         |