



Stock exchange announcement

30 August 2011  
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## **Interim report for January 1 to June 30, 2011 (1st half 2011)**

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 2011.

- The group's revenue was DKK 2.4 billion, up 12% on the same period last year.
- MT Højgaard A/S recorded a loss before tax of DKK 21 million, compared to a profit of DKK 25 million for the same period in the previous year. The results are lower than expected due to increased financial expenses.
- The group recorded a loss before tax of DKK 6 million, compared to a profit of DKK 22 million for the same period in the previous year.
- For 2011, the Højgaard Holding group still expects to achieve a revenue of approximately DKK 5 billion and a pre-tax margin in the region of 1%.

Best regards,  
Højgaard Holding A/S

Helge Israelsen  
Chairman of the board

Berit Lovring  
CEO

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

## Highlights and key figures for the group

DKK million	2011 Year to date	2010 Year to date	2010 Full year
<b>Income statement</b>			
Revenue	2,374	2,125	4,553
Operating profit	-1	17	60
Financial items and profit of associates	-5	5	7
Profit before tax	-6	22	66
Profit after tax	-7	14	42
<b>Balance sheet</b>			
Non-current assets	599	571	584
Current assets	2,383	2,264	2,058
Equity	923	941	963
Liabilities	2,059	1,894	1,679
Balance sheet total	2,982	2,835	2,642
Interest bearing net deposit/debt (+/-)	-83	491	280
Invested capital	1,006	450	683
<b>Cash flows</b>			
Cash flows to/from operating activities	-288	7	-167
Cash flows to/from investment activities			
<i>Net investments other than securities</i>	-39	-18	-54
<i>Net investments in securities</i>	46	-30	183
Cash flow to/from financing activities	-2	-20	-27
Total cash flows	-283	-61	-65
<b>Key figures</b>			
Pre-tax margin (%)	-0.3	1.0	1.5
Dividend paid, DKK million	34	42	42
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	-1.6	3.4	10.1
Book value per share, DKK	220	224	229
Share price at end of period, A-shares	139	212	175
Share price at end of period, B-shares	133	214	173
Total market value, DKK million	578	894	734
Share price/book value	0.6	0.9	0.8
Return on equity for the period, (%)	-0.7	1.5	4.4
Equity ratio, (%)	31.0	33.2	36.5
<b>Other information</b>			
Order book at end of period	4,953	4,350	5,043
Average number of employees	2,625	2,922	2,847

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and additional Danish disclosure requirements for interim reporting by listed companies. The accounting policies applied remain unchanged from the annual report for 2010 apart from the fact that IFRSs and IFRICs with an effective date of 1 January 2011, including IAS 24, amendments to IFRIC 14 and improvements to IFRS (May 2010) have been implemented. The new reporting standards and interpretation contributions have not affected recognition and measurement.

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' guidelines for the calculation of key figures.

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 2012. Højgaard Holding's own cash resources amount to approximately DKK 85 million.

The group's profit before tax was DKK -6 million against DKK 22 million for the same period last year.

In 2011, the group's interest bearing net deposit was reduced by DKK 363 million to DKK -83 million, primarily as a result of a large amount of cash tied up in offshore projects in MT Højgaard. In July, the amount of cash tied up in these projects was significantly reduced.

The group's equity stood at DKK 923 million on 30 June 2011, and the book value corresponds to DKK 220 per share of DKK 20.

### MT Højgaard group

Holding 54%. The following figures are 100%

DKK million	2011 Year to date	2010 Year to date	2010 Full year
Revenue	4,330	3,865	8,303
Profit before tax	-21	25	100
Profit after tax	-20	15	61
Balance sheet total	5,332	5,054	4,698
Equity	1,549	1,584	1,618
Order book	9,114	8,000	9,222
Employees	4,809	5,355	5,217
Pre-tax margin, (%)	-0.5	0.6	1.2

In the 1st half, the MT Højgaard group generated a revenue of DKK 4.3 billion, up 12% on the same period last year and in line with expectations.

Result before tax amount to a loss of DKK 21 million compared to a profit of DKK 25 million for the same period of the previous year, and the pre-tax margin amounts to -0.5% compared to 0.6% in the same period in 2010. The results are lower than expected due to increased financial expenses.

The lower results, despite the increase in revenue, can be attributed to the lower profitability on the order book as a consequence of fiercer competition and price pressure in the market.

The cash flows are negatively affected by a considerable increase in receivables and a higher net value of contract work in progress which are mainly attributable to the unusual large amount of cash tied up in offshore projects. The amount of cash tied up in these projects has subsequently been significantly reduced, and MT Højgaard expects that the cash flow from operating activities for the full year will be positive.

Despite the fact that competition in the Danish market continues to be intense, it has been possible to selectively raise their requirements concerning the contribution margin in selected areas.

The earnings performance in 2011 and expectations of the performance led MT Højgaard to adjust its organisation. The changes are only expected to have a positive effect on results in the coming years.

The MT Højgaard group's order book amounted to DKK 9.1 billion at the end of the 1st half year versus DKK 9.2 billion at the beginning of the year and DKK 8.0 billion at the same time in the previous year.

For the full 2011, the MT Højgaard group still expects to achieve a revenue of approximately DKK 9.5 billion and a pre-tax margin in the region of 1%. Compared with the first-half result, the expected second-half result is affected by, among other factors, the expected continued positive revenue trend in the second half and the raised contribution margin requirements.

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

## Højgaard Industri A/S

Holding 100%

DKK million	2011 Year to date	2010 Year to date	2010 Full year
Revenue	35.6	38.0	69.3
Profit before tax	6.7	8.1	13.9
Profit after tax	5.0	6.0	10.4
Balance sheet total	21.0	25.1	25.7
Equity	7.0	8.0	12.4

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 2012. Højgaard Industri is prequalified and will apply for the operation of the sleeper factory after February 2012.

The profit before tax for the 1st half is in line with expectations. The production capacity is not expected to be fully utilised in 2011, for which reason a somewhat lower profit before tax is expected for the full year than in 2010.

## **Related parties**

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

Apart from intercompany transactions that have been eliminated in the consolidated financial statements and normal management remuneration, no transactions have been effected during the period with major shareholders, the board of directors, 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.

## **Outlook for 2011**

Overall, the Højgaard Holding group still expects a revenue of approximately DKK 5 billion and a pre-tax margin of around 1%.

The group's effective tax rate is expected to be at a higher level than the Danish corporation tax rate, but at a lower level than in 2010.

The projections for future economic development are by their very nature subject to uncertainties and risks which may result in a development that deviates from expectations. For a description of risks and uncertainties, reference is made to the section "Risk factors" in the annual report 2010. The significant risks and uncertainties are unchanged from the annual report.

## **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 of Højgaard Holding A/S for the period from 1 January 1 to 30 June 2011.

The interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU, and additional 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 on 30 June 2011 and of the results of the group’s activities and cash flows for the accounting period from 1 January to 30 June 2011.

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

Kgs. Lyngby, 30 August 2011

### **Executive Board**

Berit Lovring  
CEO

### **Board of Directors**

Helge Israelsen  
Chairman

Jens Jørgen Madsen  
Deputy Chairman

Lars Rasmussen

## Group income statement

DKK million	2011 2nd quarter	2010 2nd quarter	2011 Year to date	2010 Year to date	2010 Full year
Revenue	1,197.6	1,156.4	2,373.9	2,124.9	4,553.1
Production costs	1,142.2	1,074.7	2,265.2	1,980.0	4,245.5
<b>Gross profit</b>	<b>55.4</b>	81.7	<b>108.7</b>	144.9	307.6
Sales costs	16.9	24.6	37.6	43.7	89.6
Administration costs	35.7	41.4	71.7	84.3	158.2
<b>Operating profit</b>	<b>2.8</b>	15.7	<b>-0.6</b>	16.9	59.8
Share of profit of associates after tax	0.3	0.0	0.5	0.0	1.4
Financial items	-1.6	-1.4	-5.9	4.7	5.3
<b>Profit before tax</b>	<b>1.5</b>	14.3	<b>-6.0</b>	21.6	66.5
Tax on profit for the period	1.6	5.3	0.8	7.2	24.1
<b>Total profit for the period</b>	<b>-0.1</b>	9.0	<b>-6.8</b>	14.4	42.4

The profit before tax can be specified as follows:

MT Højgaard group	-1.4	10.2	-11.4	13.2	54.1
Højgaard Industri A/S	2.9	4.0	6.7	8.1	13.9
Højgaard Holding A/S	0.0	0.1	-1.3	0.3	-1.5
<b>Profit before tax</b>	<b>1.5</b>	14.3	<b>-6.0</b>	21.6	66.5

Earnings and diluted earnings per share (EPS and EPS-D), DKK	0.0	2.1	-1.6	3.4	10.1
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## Group statement of comprehensive income

DKK million

Profit after tax	-0.1	9.0	-6.8	14.4	42.4
<b>Other comprehensive income</b>					
Exchange adjustments, foreign companies	0.3	1.9	-0.3	3.3	1.0
Share of other comprehensive income of associates	-0.8	1.4	0.6	1.4	-2.4
Tax on other compre- hensive income	0.0	0.0	0.0	0.0	0.0
<b>Other comprehensive income after tax</b>	<b>-0.5</b>	3.3	<b>0.3</b>	4.7	-1.4
<b>Total comprehensive income</b>	<b>-0.6</b>	12.3	<b>-6.5</b>	19.1	41.0

## Group balance sheet

DKK million	<b>2011</b> <b>30 June</b>	2010 30 June	2010 31 December
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	65.8	67.0	66.5
Property, plant and equipment	441.8	429.1	441.0
Deferred tax assets	79.8	64.0	70.3
Other investments	11.3	10.5	6.1
<b>Total non-current assets</b>	<b>598.7</b>	<b>570.6</b>	<b>583.9</b>
<b>Current assets</b>			
Inventories	452.8	325.3	360.2
Receivables from sales and services	1,135.7	1,044.2	852.2
Construction contracts in progress	399.5	134.8	268.6
Other receivables	152.2	184.7	180.7
Securities	159.3	419.0	207.2
Cash and cash equivalents	83.9	156.4	189.0
<b>Total current assets</b>	<b>2,383.4</b>	<b>2,264.4</b>	<b>2,057.9</b>
<b>Total assets</b>	<b>2,982.1</b>	<b>2,835.0</b>	<b>2,641.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>923.1</b>	<b>941.4</b>	<b>963.2</b>
<b>Non-current liabilities</b>			
Credit institutions etc.	101.6	74.0	69.8
Other provisions	107.8	85.5	102.0
<b>Total non-current liabilities</b>	<b>209.4</b>	<b>159.5</b>	<b>171.8</b>
<b>Current liabilities</b>			
Credit institutions etc.	224.3	10.4	46.6
Construction contracts in progress	453.6	610.5	381.0
Suppliers of goods and services	622.8	524.9	511.4
Other current liabilities	548.9	588.3	567.8
<b>Total current liabilities</b>	<b>1,849.6</b>	<b>1,734.1</b>	<b>1,506.8</b>
<b>Total liabilities</b>	<b>2,059.0</b>	<b>1,893.6</b>	<b>1,678.6</b>
<b>Total equity and liabilities</b>	<b>2,982.1</b>	<b>2,835.0</b>	<b>2,641.8</b>



## Group statement of changes in equity

DKK million	Share-capital	Reserve for hedging transactions	Reserve for exchange rate adjustments	Profit carried forward	Proposed dividend	Equity capital
<b>Equity at 1 January 2011</b>	<b>84.1</b>	<b>-5.2</b>	<b>2.1</b>	<b>848.6</b>	<b>33.6</b>	<b>963.2</b>
Profit after tax				-6.8		-6.8
Dividend paid					-33.6	-33.6
Other comprehensive income		0.6	-0.3			0.3
<b>Total changes in equity</b>		<b>0.6</b>	<b>-0.3</b>	<b>-6.8</b>	<b>-33.6</b>	<b>-40.1</b>
<b>Equity 30 June 2011</b>	<b>84.1</b>	<b>-4.6</b>	<b>1.8</b>	<b>841.8</b>	<b>0</b>	<b>923.1</b>
<b>Equity at 1 January 2010</b>	<b>84.9</b>	<b>-2.8</b>	<b>1.1</b>	<b>838.7</b>	<b>42.5</b>	<b>964.4</b>
Profit after tax				14.4		14.4
Other comprehensive income		1.4	3.3			4.7
Dividend paid					-42.5	-42.5
Dividend, own shares				0.4		0.4
<b>Total changes in equity</b>		<b>1.4</b>	<b>3.3</b>	<b>14.8</b>	<b>-42.5</b>	<b>-23.0</b>
<b>Equity at 30 June 2010</b>	<b>84.9</b>	<b>-1.4</b>	<b>4.4</b>	<b>853.5</b>	<b>0</b>	<b>941.4</b>

## Group cash flow statement

DKK million	2011 Year to date	2010 Year to date	2010 Full year
<b>Operations</b>			
Operating profit	-0.6	16.9	59.8
Operating items with no impact on cash flow	35.8	28.8	71.0
<b>Cash flows to/from primary activities before changes in working capital</b>	<b>35.2</b>	<b>45.7</b>	<b>130.8</b>
Changes in working capital	-323.3	-38.3	-297.4
<b>Cash flows to/from operating activities</b>	<b>-288.1</b>	<b>7.4</b>	<b>-166.6</b>
Net investments other than securities	-39.3	-18.5	-53.5
Net investments in securities	46.4	-29.7	182.6
<b>Cash flows to/from investing activities</b>	<b>7.1</b>	<b>-48.2</b>	<b>129.1</b>
<b>Cash flows to/from financing activities</b>	<b>-2.2</b>	<b>-20.3</b>	<b>-27.4</b>
<b>Cash flows, net</b>	<b>-283.2</b>	<b>-61.1</b>	<b>-64.9</b>
Cash and cash equivalents at beginning of period	151.8	216.7	216.7
<b>Cash and cash equivalents at end of period</b>	<b>-131.4</b>	<b>155.6</b>	<b>151.8</b>



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## Segment information

DKK million	2011 Year to date	2010 Year to date	2010 Full year
<b>Revenue</b>			
Construction work	2,338.3	2,086.9	4,483.9
Production	35.6	38.0	69.2
<b>Total revenue</b>	<b>2,373.9</b>	<b>2,124.9</b>	<b>4,553.1</b>
<b>Profit before tax</b>			
Construction work	-11.4	13.2	54.1
Production	6.7	8.1	13.9
Parent company/eliminations	-1.3	0.3	-1.5
<b>Total profit before tax</b>	<b>-6.0</b>	<b>21.6</b>	<b>66.5</b>
<b>Total assets</b>			
Construction work	2,879.3	2,728.9	2,536.6
Production	21.0	25.1	25.7
Parent company/eliminations	81.8	81.0	79.5
<b>Total assets</b>	<b>2,982.1</b>	<b>2,835.0</b>	<b>2,641.8</b>