



## **Interim report for 1 January to 30 June 2015 (1st half 2015)**

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 2015.

- The group's revenue was DKK 34 million against DKK 36 million for the same period last year.
- The group recorded a profit before tax of DKK 35 million, compared to a loss of DKK 113 million for the same period in the previous year.
- The jointly controlled enterprise MT Højgaard (in which Højgaard Holding A/S holds a share of 54 %) recorded an operating profit before special items for the period of DKK 122 million, compared to a profit of DKK 16 million for the same period in the previous year. Special items amounted to a loss of DKK 195 million in the first half year 2014, which was the effect of settled offshore dispute cases. The profit after tax (before minority interests) was a profit of DKK 117 million for the period, compared to a loss of DKK 182 million for the same period last year.
- MT Højgaard group now expects revenue at the level of DKK 7 billion, compared to a previous outlook at the level of DKK 7.0-7.5 billion, and an operating profit before special items of DKK 325-375 million, compared to a previous outlook for DKK 300-375 million, which, accordingly, corresponds to an operating margin before special items of approx. 5% compared to a previous outlook for 4-5%. As mentioned in the stock exchange announcement of 30 April 2015, the appeal of an old offshore case brought by MT Højgaard was upheld. In May, the opposing party applied for permission to appeal this ruling. Provided that the appeal is not upheld, special items will be positively affected by approx. DKK 195 million.



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- For 2015, in addition to our share of 54% in the MT Højgaard group's profit after tax and minority interests, the Højgaard Holding group still expects a small positive result before tax.

Best regards,  
Højgaard Holding A/S

Søren Bjerre-Nielsen  
Chairman of the board

Ditlev Fløistrup  
CEO

*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.*

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**Contacts:**

Ditlev Fløistrup, CEO, Højgaard Holding, tel. +45 4520 1500

Torben Biilmann, CEO, MT Højgaard, tel. +45 2270 9020

Søren Bjerre-Nielsen, chairman of the board, Højgaard Holding, tel. +45 4520 1500

## Highlights and key figures for the group

| DKK million  | 2015<br>Year to date | 2014<br>Year to date | 2014<br>Full year |
|--|----------------------|----------------------|-------------------|
| <b>Income statement</b>  |                      |                      |                   |
| Revenue  | 34                   | 36                   | 70                |
| Operating profit   | 4                    | 5                    | 10                |
| Financial items  | -1                   | -1                   | -3                |
| Share of profit after tax and minority interests<br>in jointly controlled enterprise | 32                   | -117                 | -181              |
| Profit before tax  | 35                   | -113                 | -174              |
| Profit after tax   | 34                   | -114                 | -176              |
| <b>Balance sheet</b>   |                      |                      |                   |
| Non-current assets   | 451                  | 482                  | 413               |
| Current assets   | 18                   | 17                   | 15                |
| Equity   | 402                  | 429                  | 362               |
| Liabilities  | 67                   | 70                   | 66                |
| Balance sheet total  | 469                  | 499                  | 428               |
| Net interest-bearing debt  | -48                  | -52                  | -50               |
| Invested capital   | 450                  | 481                  | 412               |
| <b>Cash flows</b>  |                      |                      |                   |
| Cash flow to/from operating activities   | 2                    | 1                    | 3                 |
| Cash flow to/from financing activities   | -5                   | -4                   | -6                |
| Total cash flows   | -3                   | -3                   | -3                |
| <b>Key figures</b>   |                      |                      |                   |
| Pre-tax margin (%)   | 102                  | -314                 | -251              |
| Dividend paid, DKK million   | 0                    | 0                    | 0                 |
| Average number and number of shares<br>at end of period, million                     | 4                    | 4                    | 4                 |
| Earnings and diluted earnings<br>per share (EPS and EPS-D), DKK                      | 8                    | -27                  | -42               |
| Book value per share, DKK  | 96                   | 102                  | 86                |
| Share price at end of period, A-shares   | 310                  | 255                  | 207               |
| Share price at end of period, B-shares   | 313                  | 262                  | 208               |
| Total market value, DKK million  | 1,307                | 1,080                | 871               |
| Share price/book value   | 3.2                  | 2.5                  | 2.4               |
| Return on equity for the period (%)  | 9                    | -23                  | -39               |
| Equity ratio (%)   | 86                   | 86                   | 85                |
| <b>Other information</b>   |                      |                      |                   |
| Average number of employees  | 30                   | 30                   | 30                |

The key figures have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2015". The definition of the key figures applied can be seen from the annual report for 2014.

## Management's review

Højgaard Holding A/S' main asset is the 54% ownership share of MT Højgaard A/S. For further details regarding MT Højgaard, reference is made to MT Højgaard's interim report which Højgaard Holding has today made public.

Højgaard Holding A/S' own cash resources are considered satisfactory.

The group recorded a profit before tax of DKK 35 million, compared to a loss of DKK 113 million for the same period in the previous year. The improved results, compared to the same period last year, can be attributed to a general improvement in the income of the jointly controlled enterprise MT Højgaard as well as to the fact that the results for this enterprise for the first half year 2014 included special items which amounted to a loss of DKK 195 million, and which relate to old offshore dispute cases.

At 30 June 2015, the group's net interest bearing debt amounted to DKK 48 million, compared to a debt of DKK 50 million at 31 December 2014.

The group's equity stood at DKK 402 million at 30 June 2015, and the book value corresponds to DKK 96 per share of DKK 20.

### Højgaard Industri A/S

Holding 100 %

| DKK million         | 2015<br>Year to date | 2014<br>Year to date | 2014<br>Full year |
|---------------------|----------------------|----------------------|-------------------|
| Revenue             | 34.3                 | 36.1                 | 69.5              |
| Profit before tax   | 6.3                  | 6.9                  | 13.1              |
| Profit after tax    | 4.8                  | 5.2                  | 9.9               |
| Balance sheet total | 17.0                 | 16.0                 | 19.0              |
| Equity              | 6.8                  | 7.2                  | 11.9              |

The profit for the first half year is in line with expectations. As the factory will be upgraded in 2015 in order to be able to produce high-speed sleepers, a production of sleepers lower than in 2014 and a result before tax below the level of 2014 are expected.

### Outlook for 2015

MT Højgaard group now expects revenue at the level of DKK 7 billion, compared to a previous outlook for DKK 7.0-7.5 billion, and an operating profit before special items of DKK 325-375 million, compared to a previous outlook at the level of DKK 300-375 million, which, accordingly, corresponds to an operating margin before special items of approx. 5% compared to a previous outlook for 4-5%. As mentioned in the stock exchange announcement



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of 30 April 2015, the appeal of an old offshore case brought by MT Højgaard was upheld. In May, the opposing party applied for permission to appeal this ruling. Provided that the appeal is not upheld, special items will be positively affected by approx. DKK 195 million.

For 2015, in addition to our share of 54% in the MT Højgaard group's profit after tax and minority interests, the Højgaard Holding group still expects a small positive result before tax.

The projections concerning future financial performance are subject to uncertainties and risks that may result in a development that deviates substantially from expectations. For a description of risks and uncertainties, reference is made to note 2. The significant risks and uncertainties are, in all material respects, unchanged from the description provided in the latest 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 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 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 2015 and of the results of the group's activities and cash flows for the accounting period from 1 January to 30 June 2015.

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.

Gentofte, 20 August 2015

### **Executive board**

Ditlev Fløistrup  
CEO

### **Board of directors**

Søren Bjerre-Nielsen  
Chairman

Carsten Bjerg  
Deputy chairman

Pernille Fabricius

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## Group income statement

| DKK million   | 2015<br>2nd Qtr | 2014<br>2nd Qtr | 2015<br>Year<br>to date | 2014<br>Year<br>to date | 2014<br>Full<br>year |
|---|-----------------|-----------------|-------------------------|-------------------------|----------------------|
| Revenue   | 15.9            | 16.5            | 34.3                    | 36.1                    | 69.5                 |
| Production costs  | 12.8            | 12.9            | 26.8                    | 28.0                    | 54.0                 |
| <b>Gross profit</b>   | <b>3.1</b>      | <b>3.6</b>      | <b>7.5</b>              | <b>8.1</b>              | <b>15.5</b>          |
| Administration costs  | 1.4             | 1.2             | 3.1                     | 2.7                     | 5.8                  |
| <b>Operating profit</b>   | <b>1.7</b>      | <b>2.4</b>      | <b>4.4</b>              | <b>5.4</b>              | <b>9.7</b>           |
| Share of profit after tax and<br>minority interests in jointly<br>controlled enterprise | 17.7            | 9.0             | 31.5                    | -117.5                  | -181.2               |
| Financial items   | -0.5            | -0.6            | -1.1                    | -1.3                    | -2.7                 |
| <b>Profit before tax</b>  | <b>18.9</b>     | <b>10.8</b>     | <b>34.8</b>             | <b>-113.4</b>           | <b>-174.2</b>        |
| Tax on profit for the period  | 0.2             | 0.4             | 0.7                     | 1.0                     | 1.7                  |
| <b>Total profit for the period<br/>after tax</b>  | <b>18.7</b>     | <b>10.4</b>     | <b>34.1</b>             | <b>-114.4</b>           | <b>-175.9</b>        |

### The profit before tax can be specified as follows:

|   |             |             |             |               |               |
|---|-------------|-------------|-------------|---------------|---------------|
| MT Højgaard group<br>(after tax and minority interests) | 17.7        | 9.0         | 31.5        | -117.5        | -181.2        |
| Højgaard Industri A/S                                   | 2.6         | 3.1         | 6.3         | 6.9           | 13.1          |
| Højgaard Holding A/S                                    | -1.4        | -1.3        | -3.0        | -2.8          | -6.1          |
| <b>Profit before tax</b>                                | <b>18.9</b> | <b>10.8</b> | <b>34.8</b> | <b>-113.4</b> | <b>-174.2</b> |

|   |     |     |     |       |       |
|---|-----|-----|-----|-------|-------|
| Earnings and diluted earnings after tax<br>per share (EPS and EPS-D), DKK | 4.4 | 2.5 | 8.1 | -27.2 | -41.8 |
|---|-----|-----|-----|-------|-------|

## Group statement of comprehensive income

DKK million

|   |             |             |             |               |               |
|---|-------------|-------------|-------------|---------------|---------------|
| <b>Profit after tax</b>   | <b>18.7</b> | <b>10.4</b> | <b>34.1</b> | <b>-114.4</b> | <b>-175.9</b> |
| <b>Other comprehensive income</b>   |             |             |             |               |               |
| Items that can be reclassified to<br>the income statement:                        |             |             |             |               |               |
| Share of other comprehensive income after<br>tax in jointly controlled enterprise | 7.5         | -2.9        | 5.0         | -4.6          | -10.1         |
| <b>Other comprehensive income<br/>after tax</b>                                   | <b>7.5</b>  | <b>-2.9</b> | <b>5.0</b>  | <b>-4.6</b>   | <b>-10.1</b>  |
| <b>Total comprehensive income</b>   | <b>26.2</b> | <b>7.5</b>  | <b>39.1</b> | <b>-119.0</b> | <b>-186.0</b> |

## Group balance sheet

| DKK million   | 2015<br>30 June | 2014<br>30 June | 2014<br>31 December |
|---|-----------------|-----------------|---------------------|
| <b>ASSETS</b>                                       |                 |                 |                     |
| <b>Non-current assets</b>                           |                 |                 |                     |
| Deferred tax assets                                 | 0.7             | 0.7             | 0.7                 |
| <u>Investments in jointly controlled enterprise</u> | <u>450.0</u>    | <u>481.5</u>    | <u>412.5</u>        |
| <b>Total non-current assets</b>                     | <b>450.7</b>    | <b>482.2</b>    | <b>413.2</b>        |
| <b>Current assets</b>                               |                 |                 |                     |
| Inventories   | 4.8             | 3.2             | 2.8                 |
| Receivables   | 10.4            | 7.4             | 6.2                 |
| <u>Cash and cash equivalents</u>                    | <u>3.0</u>      | <u>5.8</u>      | <u>6.2</u>          |
| <b>Total current assets</b>                         | <b>18.2</b>     | <b>16.4</b>     | <b>15.2</b>         |
| <b>Total assets</b>                                 | <b>468.9</b>    | <b>498.6</b>    | <b>428.4</b>        |
| <b>EQUITY AND LIABILITIES</b>                       |                 |                 |                     |
| <b>Equity</b>                                       | <b>402.3</b>    | <b>429.0</b>    | <b>362.2</b>        |
| <b>Non-current liabilities</b>                      |                 |                 |                     |
| <u>Payables to group companies</u>                  | <u>51.0</u>     | <u>58.0</u>     | <u>56.0</u>         |
| <b>Total non-current liabilities</b>                | <b>51.0</b>     | <b>58.0</b>     | <b>56.0</b>         |
| <b>Current liabilities</b>                          |                 |                 |                     |
| Suppliers of goods and services                     | 4.6             | 2.5             | 2.3                 |
| <u>Other current liabilities</u>                    | <u>11.0</u>     | <u>9.1</u>      | <u>7.9</u>          |
| <b>Total current liabilities</b>                    | <b>15.6</b>     | <b>11.6</b>     | <b>10.2</b>         |
| <b>Total liabilities</b>                            | <b>66.6</b>     | <b>69.6</b>     | <b>66.2</b>         |
| <b>Total equity and liabilities</b>                 | <b>468.9</b>    | <b>498.6</b>    | <b>428.4</b>        |



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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 | Total equity  |
|---|---------------|----------------------------------|---------------------------------------|------------------------|---------------|
| <b>Equity at 1 January 2014</b>                             | <b>84.1</b>   | <b>-11.1</b>                     | <b>0.9</b>                            | <b>473.2</b>           | <b>547.1</b>  |
| Profit after tax  |               |                                  |                                       | -114.4                 | -114.4        |
| Other   |               |                                  |                                       | 0.9                    | 0.9           |
| Other comprehensive income in jointly controlled enterprise |               | -4.2                             | -0.4                                  |                        | -4.6          |
| Tax on other comprehensive income                           |               |                                  |                                       |                        |               |
| <b>Total changes in equity</b>                              |               | <b>-4.2</b>                      | <b>-0.4</b>                           | <b>-113.5</b>          | <b>-118.1</b> |
| <b>Equity at 30 June 2014</b>                               | <b>84.1</b>   | <b>-15.3</b>                     | <b>0.5</b>                            | <b>359.7</b>           | <b>429.0</b>  |
| <b>Equity at 1 January 2015</b>                             | <b>84.1</b>   | <b>-21.2</b>                     | <b>0.9</b>                            | <b>298.4</b>           | <b>362.2</b>  |
| Profit after tax  |               |                                  |                                       | 34.1                   | 34.1          |
| Other   |               |                                  |                                       | 1.0                    | 1.0           |
| Other comprehensive income in jointly controlled enterprise |               | 3.5                              | 1.5                                   |                        | 5.0           |
| Tax on other comprehensive income                           |               |                                  |                                       |                        |               |
| <b>Total changes in equity</b>                              |               | <b>3.5</b>                       | <b>1.5</b>                            | <b>35.1</b>            | <b>40.1</b>   |
| <b>Equity at 30 June 2015</b>                               | <b>84.1</b>   | <b>-17.7</b>                     | <b>2.4</b>                            | <b>333.5</b>           | <b>402.3</b>  |

## Group cash flow statement

| DKK million   | 2015<br>Year<br>to date | 2014<br>Year<br>to date | 2014<br>Full<br>year |
|---|-------------------------|-------------------------|----------------------|
| <b>Operations</b>   |                         |                         |                      |
| Operating profit  | 4.4                     | 5.4                     | 9.7                  |
| <b>Cash flow to/from primary activities before changes in working capital</b> | <b>4.4</b>              | <b>5.4</b>              | <b>9.7</b>           |
| Change in working capital   | -2.6                    | -4.9                    | -6.8                 |
| <b>Cash flow to/from operating activities</b>                                 | <b>1.8</b>              | <b>0.5</b>              | <b>2.9</b>           |
| <b>Cash flow to/from financing activities</b>                                 | <b>-5.0</b>             | <b>-4.0</b>             | <b>-6.0</b>          |
| <b>Cash flows, net</b>  | <b>-3.2</b>             | <b>-3.5</b>             | <b>-3.1</b>          |
| Cash and cash equivalents at beginning of period                              | 6.1                     | 9.2                     | 9.2                  |
| <b>Cash and cash equivalents at end of period</b>                             | <b>2.9</b>              | <b>5.7</b>              | <b>6.1</b>           |

The cash flow statement cannot be determined on the basis of the published material alone.

### Note 1 - Accounting policies applied

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.

The accounting policies applied remain unchanged from those described in note 1 in the annual report for 2014, to which reference is made. The annual report for 2014 includes a full description of the accounting policies applied.

### Note 2 – Accounting estimates and assessments

The preparation of the interim financial statements requires that the management makes accounting estimates and assessments that affect the accounting policies applied and the recognition of assets, liabilities, income and expenses. The actual financial performance may deviate from those estimates.

Estimates made and the related estimation uncertainty, which are considered usual and in all material respects unchanged, are described in note 2 to the consolidated financial statements and the financial statements for 2014.

### Note 3 - Segment information

| DKK million                         | 2015<br>Year to date | 2014<br>Year to date | 2014<br>Full year |
|-------------------------------------|----------------------|----------------------|-------------------|
| <b>Revenue</b>                      |                      |                      |                   |
| Production                          | 34.3                 | 36.1                 | 69.5              |
| <b>Total revenue</b>                | <b>34.3</b>          | <b>36.1</b>          | <b>69.5</b>       |
| <b>Profit before tax</b>            |                      |                      |                   |
| Production                          | 6.3                  | 6.9                  | 13.1              |
| Jointly controlled enterprise, etc. | 28.5                 | -120.3               | -187.3            |
| <b>Total profit before tax</b>      | <b>34.8</b>          | <b>-113.4</b>        | <b>-174.2</b>     |
| <b>Total assets</b>                 |                      |                      |                   |
| Production                          | 17.0                 | 16.0                 | 19.0              |
| Jointly controlled enterprise, etc. | 451.9                | 482.6                | 409.4             |
| <b>Total assets</b>                 | <b>468.9</b>         | <b>498.6</b>         | <b>428.4</b>      |
| <b>Total liabilities</b>            |                      |                      |                   |
| Production                          | 10.2                 | 8.8                  | 7.1               |
| Parent company, etc.                | 56.4                 | 60.8                 | 59.1              |
| <b>Total liabilities</b>            | <b>66.6</b>          | <b>69.6</b>          | <b>66.2</b>       |