



Preliminary statement of accounts 2007

The Board of Directors of Højgaard Holding a/s today considered and approved the Annual Report for 2007 and hereby issues the preliminary statement of accounts.

Summary

- The group's turnover was DKK 6.4 billion, an increase of 6% on 2006.
- The MT Højgaard group made a pre-tax profit of DKK 311 million compared to DKK 52 million in 2006. Included in the profit is a gain of DKK 112 million on the divestment of the ownership interest in the crane company BMS. The result is in line with the most recently announced expectations.
- The group's pre-tax profit was DKK 181 million, which is in line with the most recently announced expectations.
- The group's profit after tax was DKK 137 million, compared to DKK 25 million in 2006.
- For 2008 a pre-tax profit of around DKK 175 million is expected.
- A dividend of DKK 6 per share is proposed, corresponding to DKK 26 million.

Yours faithfully,
Højgaard Holding a/s

Per Møller
Chairman of the Board

Berit Lovring
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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 for the group

DKK million	2003	2004	2005	2006	2007
Income statement					
Net turnover	4,339	3,991	4,512	6,008	6,391
Operating profit/loss	19	69	64	38	115
Financial items and profit/loss of associates	38	4	2	-3	66
Profit/loss before tax, continuing operations	57	73	66	35	181
Profit/loss, discontinued operations	467	13	17	0	0
Profit/loss for the year	506	77	70	25	137
Balance sheet					
Non-current assets	736	650	584	672	535
Current assets	2,137	1,545	1,792	2,032	2,295
Total assets	2,873	2,195	2,376	2,704	2,830
Parent company's share of equity	907	927	778	625	761
Equity including minority interests	917	936	789	638	761
Liabilities	1,956	1,259	1,587	2,066	2,069
Total equity and liabilities	2,873	2,195	2,376	2,704	2,830
Interest-bearing assets	1,034	468	396	283	367
Interest-bearing liabilities	319	223	164	163	162
Invested capital	202	691	557	518	556
Cash flows					
Cash flow to/from operating activities	89	9	198	189	-29
Cash flow to/from investment activities*	1,182	97	92	23	27
Cash flow to/from financing activities	-685	-503	-242	-177	-19
Total cash flows	586	-397	48	35	-21
*) Of which, in property, plant and equipment (gross)	-64	-119	-124	-156	-107
Key figures					
Dividend paid, DKK million	603	26	217	173	-
Share repurchases, DKK million	546	30	-	-	-
Total distributed to shareholders, DKK million	1,149	56	217	173	-
Proposed dividend per share, DKK	6	50	40	-	6
Average number of shares, million	7.4	4.4	4.3	4.3	4.3
Number of shares at end of period, million	4.5	4.3	4.3	4.3	4.3
Earnings per share, DKK	67.9	17.5	15.4	4.7	31.4
Book value per share, DKK	201	214	180	144	176
Share price at end of period, A-shares	148	201	246	228	201
Share price at end of period, B-shares	144	201	239	219	199
Share price/book value	0.7	0.9	1.4	1.6	1.1
Price/earnings ratio	2.2	11.5	15.8	47.4	6.4
Return on equity, %	38.1	8.3	8.2	3.1	19.6
Equity ratio, %	31.9	42.6	33.2	23.6	26.9
Other information					
Order book at end of year	2,619	2,946	4,537	5,867	5,835
Average number of employees	3,019	2,701	2,868	3,204	3,292

The highlights and key figures for 2004-2007 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. For 2003, the highlights and key figures are pro forma; whereby highlights and key figures which were previously based on the Danish Financial Statement Act and Danish accounting standards have essentially been harmonised with IFRS practice. In 2007, the highlights and key figures have been restated to reflect the change of the accounting policy relating to the recognition of project development cases.

MT Højgaard is included in the consolidated accounts on a proportional consolidation basis with a holding of 54%.

Management's review

Group development

Højgaard Holding a/s' main asset is the 54% ownership of MT Højgaard a/s. Cash resources represent approx. DKK 100 million. 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 the beginning of 2012.

The Højgaard Holding group's result will essentially correspond to 54 % of the result for the MT Højgaard group and the dividend for distribution to the shareholders will be dividends received from MT Højgaard a/s.

For 2007, MT Højgaard a/s will distribute a dividend of DKK 50 million, Højgaard Holding a/s' share of which amounts to DKK 27 million. This is the reason for proposing a dividend of DKK 6 per share from Højgaard Holding a/s, which corresponds to DKK 26 million.

Performance compared to expectations

The Højgaard Holding group's pre-tax profit was DKK 181 million, which is in line with the most recently announced expectations.

In the preliminary statement of accounts for 2006, we expected a pre-tax profit of around DKK 130 million, which was adjusted to a pre-tax profit of around DKK 110 million in the interim report of November 21, 2007 due to changes in the accounting policy regarding the recognition of project development cases.

In the stock exchange announcement of November 29, 2007, expectations of the pre-tax profit were adjusted upwards to around DKK 170 million as a consequence of MT Højgaard a/s' divestment of the ownership interest in the crane company BMS.

Turnover

The group's turnover amounted to DKK 6.4 billion, against DKK 6.0 billion in 2006 – an increase of 6%. Nearly all turnover is realised in the MT Højgaard group.

Results

The **MT Højgaard group** made a pre-tax profit of DKK 311 million, compared to DKK 52 million in 2006. Included in the profit is a gain of DKK 112 million on the divestment of the ownership interest in the crane company BMS. The result is in line with the most recently announced expectations.

In 2007 the production capacity of **Højgaard Industri a/s** was utilised fully, which was not the case in 2006.

In 2006, **Højgaard NewCo a/s** concluded the remaining warranty cases, resulting in a previous provision of DKK 1 million being recognised as income. It is anticipated that the company will be liquidated in 2008.

The parent company **Højgaard Holding a/s'** financial income was higher than in 2006 when there was a decline in the prices of the bond portfolio.

Pre-tax profits were DKK 181 million, compared to DKK 35 million in 2006.

The tax on this year's profits amounts to DKK 44 million, which corresponds to an effective tax rate of just under 25%. The item is affected by a DKK 13 million reduction in the value of the group's deferred net tax assets as a consequence of the lowering of the Danish tax rate from 28% to 25%. This is offset by the fact that MT Højgaard a/s' gain on the divestment of its ownership interest in BMS is non-taxable.

The group's overall profit after tax was DKK 137 million, compared to DKK 25 million in 2006.

Balance sheet and change in equity

The Højgaard Holding group's total assets increased to DKK 2,830 million at the end of 2007 from DKK 2,704 million at the end of 2006, which can be attributed to increasing activity within the MT Højgaard group.

As at 31 December, 2007, the group's equity was DKK 761 million, compared to DKK 638 million the year before. The book value of the shares as at December 31, 2007 is DKK 176 per share of DKK 20.

Cash flow statement

Cash flows from operating activities, which were affected by a larger amount tied up in receivables and inventories in the MT Højgaard group, represent DKK -29 million, compared to DKK 189 million in 2006.

Investment activities constituted DKK 27 million net, compared to DKK 23 million in 2006. Divestment of activities amounted to DKK 146 million while net investment in property, plant and equipment constituted DKK 76 million and net purchase of securities amounted to DKK 43 million.

The cash flows of DKK 19 million to financing activities are attributable mainly to the reduction of debts.

Overall, the group's liquid assets fell by DKK 21 million to DKK 105 million.

MT Højgaard group

Holding 54%. The following figures are 100%.

DKK million	2007	2006
Net turnover	11,714	11,063
Pre-tax profit	311	52
Result for the year	235	38
Total assets	5,033	4,824
Equity	1,231	1,021
Order book	10,687	10,752
Employees	6,044	5,889

In 2007, the MT Højgaard group generated turnover of DKK 11,714 million, which is 6% higher than last year. The growth is due in particular to an increase in activities abroad.

Pre-tax profit amounted to DKK 311 million, compared to DKK 52 million in 2006. Included in the profit is a gain of DKK 112 million on the divestment of the ownership interest in the crane company BMS. The result is in line with the most recently announced expectations.

The pre-tax margin represents 2.7%, compared to 0.5% in 2006. The pre-tax margin, excluding non-recurring income from the sale of shares in subsidiaries, can be calculated as 1.7%.

As regards the Buxton project, there are no changes to report in relation to what was stated in the 2006 annual report. The claims raised by MT Højgaard for extra payments are subject to international arbitration and, in accordance with the company's policy, no income has been recognised in the financial statements in this respect.

A dividend of DKK 50 million is proposed, Højgaard Holding a/s' share amounting to DKK 27 million.

The order book represented DKK 10.7 billion at the end of 2007, with DKK 7.9 billion of the work expected to be carried out in 2008.

Turnover in 2008 is expected to be approx. DKK 11 billion. In 2008, turnover abroad is expected to increase to a level of 25% of the total turnover, compared to 21% in 2007.

It is expected that pre-tax profit of around DKK 300 million can be achieved, corresponding to a pre-tax margin of 2.7%. Højgaard Holding a/s' share is 54%.

For more details concerning MT Højgaard please refer to MT Højgaard's preliminary statement of accounts 2007.

Højgaard Industri a/s Holding 100%

DKK million	2007	2006
Pre-tax profit	13.8	9.9
Result for the year	10.4	7.5
Total assets	21	15
Equity	12	10

Højgaard Industri a/s holds a management contract for the production of concrete sleepers for Banedanmark at Banedanmark's facility in Fredericia. In 2007 the contract was extended and now runs until the beginning of 2012.

In 2007 the production capacity of the concrete sleeper facility was utilised fully, which was not the case in 2006.

A slight decrease in production and a slightly lower profit are expected for 2008.

Accounting policies

The annual report has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for annual reports.

The accounting policy applied remain unchanged from the annual report for 2006, except for the MT Højgaard group's method of recognition for turnover from project development cases, as announced in the interim report for the 3rd quarter of 2007.

The accounting policy for the recognition of project development cases, which consists of self-generated housing construction projects, has been changed from the percentage of completion method to the sales method. The change in accounting policy means that turnover and profit on projects sold will not be recognised until delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

The comparative figures have been restated in accordance with the changed accounting policy.

The policy change has reduced the pre-tax profit for the year by DKK 24 million, compared with a positive effect of DKK 1 million in 2006. The accumulated effect as at December 31, 2007 is a reduction of equity by DKK 34 million, compared with DKK 15 million in 2006.

Implementation of new standards (IFRS/IAS) and interpretations (IFRIC), which apply for the accounting year beginning on or after January 1, 2007, have only led to changes in the scope of the notes to the accounts.

Events occurring after the close of the financial year

Other than the events and developments described and recognised in this preliminary statement, the management is not aware of any other events occurring after December 31, 2007 which will have a significant impact on the financial position or future expectations of the Højgaard Holding group.

Annual General Meeting

The Annual General Meeting will take place on **Thursday, April 24, 2008 at 3:00 p.m.** at Birkemosesalen, Borups Allé 177, Copenhagen.

The Board of Directors proposes a dividend of DKK 6 per share, corresponding to DKK 26 million.

Furthermore, the Board of Directors proposes that the authorisation to have the company acquire own shares equivalent to up to 10% of the share capital be prolonged.

The entire Board of Directors comes up for re-election every year. The Board of Directors proposes that Per Møller, Bent Pedersen and Lars Rasmussen be re-elected. The members of the Board of Directors of Højgaard Holding a/s are also members of the Board of Directors of MT Højgaard a/s.

The company's Annual Report is expected to be available by mid April 2008.

Expectations for 2008

The MT Højgaard group is expecting a turnover of approx. DKK 11 billion and a pre-tax profit of around DKK 300 million. Corresponding to its holding, 54% of this will be included in Højgaard Holding's profit.

Overall, the Højgaard Holding group expects a turnover of approx. DKK 6 billion and a pre-tax profit of around DKK 175 million.

The group's effective tax rate is expected to be at the level of the Danish tax rate.

This preliminary statement contains forward-looking statements concerning the management's expectations for turnover and financial results. The projections for future economic development are by their very nature subject to uncertainty and risks which may result in development deviating from expectations. For a description of risks, refer to the section "Risk factors" in the Annual Report 2006.

Group income statement

DKK million	2007	2006
Net turnover	6,391.4	6,008.1
Production costs	6,077.4	5,758.9
Gross profit	314.0	249.2
Sales costs	68.8	69.6
Administration costs	130.3	141.9
Operating profit/loss	114.9	37.7
Share of profit/loss after tax of associates	0.0	0.0
Financial income	88.1	19.7
Financial expenses	21.9	22.9
Profit/loss before tax	181.1	34.5
Tax on profit for the year	44.4	9.3
Profit/loss for the year	136.7	25.2

Profit/loss for the year can be broken down as follows:

Shareholders in Højgaard Holding a/s	136.2	20.6
Minority shareholders	0.5	4.6
Total	136.7	25.2

Profit/loss for the year can be specified as follows:

MT Højgaard group	127.0	20.3
Højgaard Industri a/s	10.4	7.5
Højgaard NewCo a/s	0.4	0.8
Højgaard Holding a/s	-1.1	-3.4
Profit for the year	136.7	25.2

Statement of equity

The change in equity can be specified as follows:

Equity 01-01	652.4	803.7
Change in accounting policy	-14.7	-15.2
Adjusted equity 01-01	637.7	788.5
Dividend paid	0.0	-173.4
Profit/loss for the year	136.7	25.2
Minority interest adjustment	-13.3	-2.5
Exchange rate adjustments	-0.1	-0.1
Equity 31-12	761.0	637.7

Group balance sheet

DKK million	2007	2006
Assets		
Non-current assets		
Intangible assets		
Goodwill	34.5	39.7
Total intangible assets	34.5	39.7
Property, plant and equipment		
Land and buildings	181.6	193.0
Production, plant and machinery	148.4	240.3
Other plant, machinery and equipment	41.2	42.3
Property, plant and equipment under construction	6.8	15.0
Total property, plant and equipment	378.0	490.6
Investments		
Investments in associates	0.5	0.4
Receivables from associates	6.3	3.0
Other investments	1.2	1.9
Deferred tax assets	114.9	136.4
Total investments	122.9	141.7
Total non-current assets	535.4	672.0
Current assets		
Inventories		
Raw materials and consumables	37.9	30.1
Real property	291.6	236.8
Total inventories	329.5	266.9
Receivables		
Receivables from sales and services	1,203.9	1,185.0
Construction contracts in progress	230.1	199.5
Receivables from associates	0.0	3.4
Corporation tax	0.7	0.0
Other receivables	91.3	54.0
Prepayments	72.3	41.9
Total receivables	1,598.3	1,483.8
Securities	173.3	130.9
Cash and cash equivalents	193.9	150.9
Total current assets	2,295.0	2,032.5
Total assets	2,830.4	2,704.5

Group balance sheet

DKK million	2007	2006
Equity and liabilities		
Equity		
Share capital	86.7	86.7
Reserve for exchange rate adjustments	0.2	-1.5
Retained earnings	648.1	539.7
Proposed dividend	26.0	0.0
Parent company's share of equity	761.0	624.9
Minority interests	0.0	12.8
Total equity	761.0	637.7
Non-current liabilities		
Credit institutions etc.	62.7	94.4
Deferred tax liabilities	0.4	13.0
Other provisions	37.3	33.6
Total non-current liabilities	100.4	141.0
Current liabilities		
Current share of non-current liabilities	9.5	43.7
Credit institutions etc.	89.3	25.1
Construction contracts in progress	721.0	657.1
Prepayments received from customers	91.9	84.8
Suppliers of goods and services	585.2	693.9
Payables to associates	0.0	0.2
Corporation tax	3.0	22.1
Other liabilities	385.5	365.3
Deffered income	82.0	32.1
Other provisions	1.6	1.5
Total current liabilities	1,969.0	1,925.8
Total liabilities	2,069.4	2,066.8
Total equity and liabilities	2,830.4	2,704.5

Group cash flow statement

DKK million	2007	2006
Operations		
Operating profit/loss	114.9	37.7
Operating items with no impact on cash flow	64.6	97.3
Cash flow to/from primary operations before change in working capital	179.5	135.0
Changes in working capital:		
Inventories	-63.7	29.8
Receivables excluding construction contracts in progress	-159.3	-312.3
Construction contracts in progress	13.2	211.6
Supplier and other current liabilities	30.2	148.3
Cash flow to/from primary operations	-0.1	212.4
Financial income	20.9	19.7
Financial expenses	-21.4	-17.7
Cash flow to/from ordinary operations	-0.6	214.4
Corporation tax paid	-27.9	-25.2
Cash flow to/from operating activities	-28.5	189.2
Investments		
Acquisition of companies and activities	-0.1	-3.7
Divestment of companies and activities	146.0	6.8
Acquisition of property, plant and equipment	-106.4	-155.3
Divestment of property, plant and equipment	29.9	37.0
Dividends from associates	0.0	2.7
Acquisition of securities	-225.5	-153.4
Divestment of securities	182.6	289.2
Cash flow to/from investment activities	26.5	23.3
Financing		
Loan financing:		
Minority interests	-4.0	-2.5
Increase in non-current liabilities to credit institutions, etc.	3.1	24.7
Repayment and reduction of non-current liabilities to credit institutions, etc.	-18.3	-26.3
Shareholders:		
Dividend	0.0	-173.4
Cash flow to/from financing activities	-19.2	-177.5
Cash flows for the year, net	-21.2	35.0
Cash and cash equivalents 01-01	125.8	90.8
Cash and cash equivalents 31-12	104.6	125.8