



Stock exchange announcement

2007-08-29

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## **MT Højgaard a/s**

Enclosed please find MT Højgaard a/s' Report for 1<sup>st</sup> half 2007 (January 1 – June 30, 2007), which is hereby published.

Højgaard Holding a/s holds an ownership interest of 54 % in MT Højgaard a/s.

Yours faithfully,  
Højgaard Holding a/s

Berit Lovring  
CEO

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

29 August 2007

### **Interim financial report – for the first half 2007 (1/1 – 30/6 2007)**

The Supervisory Board of MT Højgaard a/s has today discussed and approved the Company's interim financial report for the first half of 2007.

Søborg, 29 August 2007  
Supervisory Board and Executive Board

Per Møller  
Chairman of the Supervisory Board

Kristian May  
President and CEO

This announcement can also be viewed on MT Højgaard's website:  
[www.mthojgaard.com](http://www.mthojgaard.com).

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This announcement is available in Danish and English. In case of doubt, the Danish version shall prevail.

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### **Progress in the first half matching expectations**

- The operating result for the first half of 2007 was a profit of DKK 111 million, up DKK 79 million on last year.
- First-half revenue was DKK 5,934 million, up 19% on last year. The increase in revenue was mainly attributable to the Contracting business, the international activities of which are increasing.
- Income tax expense for the period was 51 million, equivalent to an effective tax rate of 46%. The item was depressed by a DKK 23 million reduction in the value of the Group's deferred net tax asset as a result of the reduction of the Danish income tax rate from 28% to 25%.
- Cash flows from operating activities were affected by more funds tied up in working capital during the period and amounted to an outflow of DKK 110 million compared with an inflow of DKK 160 million in the first half of 2006. Cash generated from operations was an inflow of DKK 199 million, compared with an inflow of DKK 123 million in the first half of 2006.

### **Outlook for 2007**

- The order book increased by DKK 1,324 million in the first half, standing at DKK 12,076 million at the start of the second half. This corresponds to just over 12 months' production.
- Full-year 2007 revenue is expected to reach approx. DKK 11 billion. The previous forecast of full-year 2007 profit before tax in the region of DKK 225 million is reaffirmed.
- The Group's effective tax rate is expected to be higher than the Danish tax rate due to an adjustment of the Group's deferred net tax asset, see above.

The interim financial report contains forward-looking statements regarding management's expectations concerning revenue and financial performance. By their nature, these expectations concerning the future financial performance are subject to uncertainties and risks that may cause the performance to differ from the expectations expressed in this report. For a description of risks, reference is made to the section 'Risk factors' in the 2006 annual report.

## Consolidated financial highlights

Amounts in DKKm	Q2 2007	Q2 2006	2007 YTD	2006 YTD	2006 Year
<b>Income statement</b>					
Revenue	3,093	2,659	5,934	5,002	11,083
Operating profit (EBIT)	68	21	103	38	59
Net financing costs and profit (loss) of associates	12	(4)	8	(5)	(8)
Profit before tax	80	17	111	32	51
Profit after tax	38	12	60	23	37
<b>Balance sheet</b>					
Share capital			220	220	220
Equity attributable to equity holders of the parent			1,082	1,017	1,024
Equity incl. minority interests			1,082	1,035	1,048
Balance sheet total			4,725	4,556	4,833
Interest-bearing assets			263	389	354
Interest-bearing liabilities			382	403	301
Invested capital			1,221	1,051	1,015
<b>Cash flows</b>					
Cash flows from operating activities			(110)	160	317
Cash flows for investing activities			(23)	(124)	(240)
Cash flows from financing activities			(42)	36	(7)
<b>Net increase (decrease) in cash and cash equivalents</b>					
			(175)	72	70
<b>Financial ratios (%)</b>					
Gross margin	5.2	4.3	4.8	4.3	4.0
Operating margin (EBIT margin)	2.2	0.8	1.7	0.8	0.5
Pre-tax margin	2.6	0.6	1.9	0.6	0.5
Return on invested capital (ROIC) *			9.2	3.5	5.6
Return on equity (ROE) *			5.6	2.3	3.6
Equity ratio			22.9	22.7	21.7
Earnings per share (EPS), DKK **	3.3	0.9	5.4	1.9	2.6
<b>Other information</b>					
Order book, end of period			12,076	9,776	10,752
Average number of employees			6,016	5,689	5,889

The interim financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and additional Danish disclosure requirements for interim financial reports. The interim financial report has not been audited or reviewed by the company's auditors. The accounting policies are unchanged from those set out in the 2006 annual report.

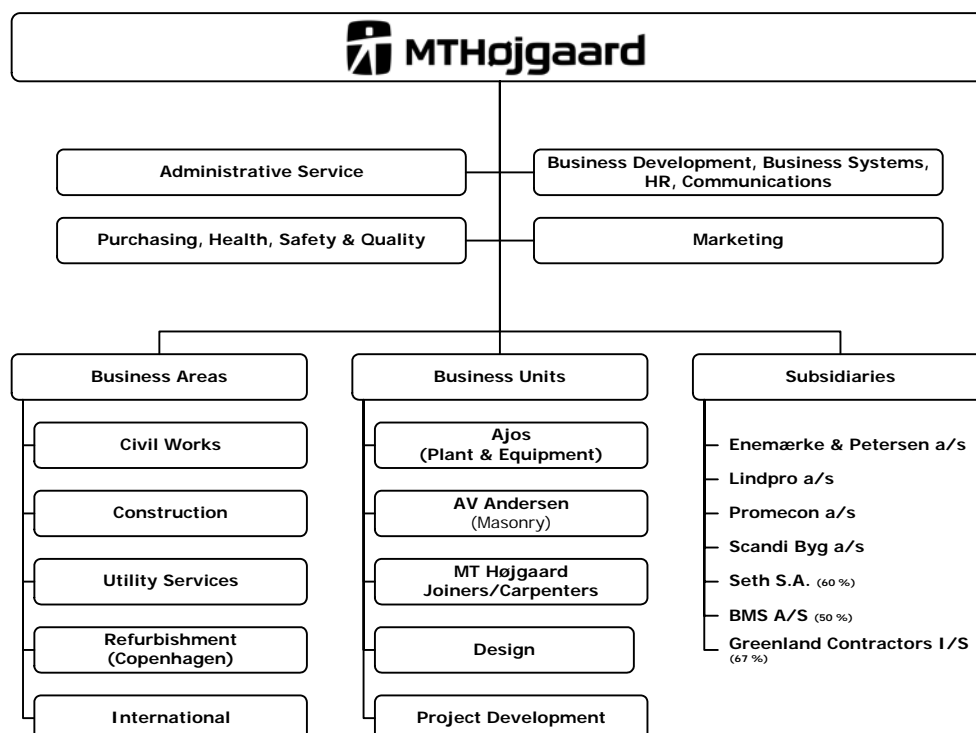
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'. The definitions of the financial ratios used appear from the 2006 annual report.

\*) Not converted to full-year figures.

\*\*) The calculation of EPS is based on share denominations of nominally DKK 20.

In MT Højgaard the result of the measurement of earnings per share (EPS) is identical to diluted earnings per share (EPS-D).

## Group diagram



## The Group's financial performance

Second-quarter 2007 consolidated revenue was DKK 3,093 million versus DKK 2,659 million in the same period last year. First-half revenue was DKK 5,934 million, up 19% on the same period last year. The increase in revenue was mainly attributable to the Contracting business (Business areas and Business units), the international activities of which are increasing.

The second-quarter operating result was a profit of DKK 68 million compared with DKK 21 million in the second quarter of 2006. The first-half operating result was a profit of DKK 103 million, DKK 65 million ahead of last year. The performance was satisfactory, matching expectations.

Net financing costs and share of profits/losses of associates totalled income of DKK 12 million net in the second quarter, and income of DKK 8 million in the first half compared with a charge of DKK 5 million in the same period last year. Net financing costs benefited from non-recurring income totalling DKK 4 million from the sale of shares.

The first-half operating result was a profit of DKK 111 million, up DKK 79 million on last year.

Income tax expense for the period was DKK 51 million, equivalent to an effective tax rate of 46%. Income tax expense is made up of a current tax charge of DKK 28 million for the period and a DKK 23 million tax charge due

to a reduction in the value of the Group's deferred net tax asset in connection with the reduction of the Danish income tax rate from 28% to 25%.

The result after tax was consequently a profit of DKK 60 million compared with a profit of DKK 23 million in the same period last year.

### **Balance sheet**

The consolidated balance sheet stood at DKK 4,725 million at 30 June 2007, down DKK 108 million on the balance sheet total at the end of 2006.

Equity including minority interests was DKK 1,082 million, corresponding to an equity ratio of 23% versus 22% at the end of 2006. Besides profit for the period, equity was affected by a DKK 25 million disposal of minority interests due to changed recognition of the Portuguese contracting business Seth.

Interest-bearing net debt has increased by DKK 172 million in 2007, standing at DKK 119 million at the end of the first half. This reflects a periodic increase in funds tied up in working capital that exceeds the increase in cash operating profit, and the lower level of investment and capital expenditure than in the same period last year.

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

Cash flows from operating activities were affected by more funds tied up in working capital during the period and amounted to an outflow of DKK 110 million compared with an inflow of DKK 160 million in the first half of 2006. Cash generated from operations was an inflow of DKK 199 million, compared with an inflow of DKK 123 million in the first half of 2006.

Investing activities absorbed cash of DKK 23 million net compared with DKK 124 million in the same period last year. First-half cash flows for investing activities benefited from a DKK 68 million cash inflow, DKK 30 million net of which related to acquisitions and disposals of businesses and DKK 38 million to sale of securities. Net capital expenditure on property, plant and equipment amounted to DKK 61 million versus DKK 131 million in the same period last year and related primarily to replacement of and new investment in contractors' plant and equipment and mobile cranes.

Financing activities absorbed DKK 42 million compared with a cash inflow of DKK 36 million in the same period last year.

Cash and cash equivalents decreased by DKK 175 million during the first half, compared with an increase of DKK 72 million last year.

The Group's financial resources, calculated as cash, including cash and cash equivalents in joint ventures, and securities and undrawn credit facilities, stood at DKK 778 million at 30 June 2007, which is considered to be satisfactory.

The financial resources included cash and cash equivalents in joint ventures of DKK 179 million that are available exclusively to the joint ventures, compared with DKK 203 million in the same period in 2006.

### Order book

The order book increased by DKK 1,324 million in the first half, standing at DKK 12,076 million at the start of the second half.

Amounts in DKKm	2007 YTD	2006 YTD	2006 Year
Order book at start of period	10,752	8,352	8,352
Order intake during period	7,258	6,426	13,483
Production during period	(5,934)	(5,002)	(11,083)
<b>Order book at end of period</b>	<b>12,076</b>	<b>9,776</b>	<b>10,752</b>

The order book corresponds to on average just over 12 months' production based on the projected level of activity in 2007. The order book includes a number of large orders extending over several years.

### Segment results

The MT Højgaard Group's primary format for reporting segment information, as can be seen from the financial statements, follows the overall internal business organisation of the Group's activities and comprises the Contracting business, Other activities (subsidiaries) and Corporate functions, etc.

#### Contracting business

The Contracting business is organised into five business areas and five business units. The business areas Civil Works, Construction and Utility Services, which carries out cable works, are countrywide, while Refurbishment operates in Greater Copenhagen. International activities, primarily comprising civil works projects, are taken care of by the business area International.

The business units Ajos, A.V. Andersen, MT Højgaard Joiners/Carpenters, Design and Project Development undertake projects for external clients and for the five business areas.

The corporate staff functions in MT Højgaard feature, together with other non-allocated corporate items, under Corporate functions, etc., in the segment information in the financial statements.

The Contracting business delivered first-half revenue of DKK 4,266 million, up DKK 22% on last year. Revenue can be broken down by activity as illustrated in the table below.

Revenue, DKKm	Q2		YTD	
	2007	2006	2007	2006
<b>Activities</b>				
Business areas				
- Civil Works (Civil Works, Utility Services and International)	980	749	1,875	1,338
- Construction (Construction and Refurbishment)	1,260	1,087	2,401	2,143
Business units	275	290	511	605
Eliminations/other	(263)	(265)	(521)	(596)
<b>Contracting business</b>	<b>2,252</b>	<b>1,861</b>	<b>4,266</b>	<b>3,490</b>

The first-half operating result was a profit of DKK 28 million, up DKK 36 million on the same period last year. First-half operating profit was affected by revenue from previously written-down projects with low contribution margins.

The civil works activities (Civil Works, Utility Services and International) delivered profit ahead of expectations, overall, while the results of the building activities (Construction and Refurbishment) were lower than expected. The business units delivered profit matching expectations.

At the end of the first half, the order book in the Contracting business totalled DKK 9,114 million. Full-year 2007 revenue is expected to amount to approx. DKK 8 billion.

#### **Other activities - subsidiaries**

This segment comprises the MT Højgaard Group's subsidiaries and jointly controlled entities with separately profiled competencies within areas such as electrical installations (Lindpro), steel structures (Promecon) and crane and lift hire (BMS).

The subsidiaries and the jointly controlled entities reported first-half revenue of DKK 1,668 million, up 10% on the same period last year. Operating profit was DKK 102 million, as forecast, DKK 31 million above the same period last year.

The steel fabrication company Promecon and the crane company BMS performed better than expected during the period, whereas the contracting companies Enemærke & Petersen and Seth, the electrical installations business Lindpro, and Scandi Byg, which manufactures prefabricated wooden modular buildings, reported results slightly short of expectations. The other subsidiaries performed in line with expectations.

At the end of the first half, the order book totalled DKK 2,948 million. Full-year 2007 revenue is expected to reach approx. DKK 3 billion.



### **Acquisitions and disposals of businesses**

In the second quarter of 2007 the local management of the Portuguese contracting business Seth acquired a further 15% of the company's share capital, reducing MT Højgaard's ownership interest to 60%. In accordance with the changed shareholders' agreement, Seth is consequently recognised in the consolidated financial statements as a jointly controlled entity whereas it was previously recognised as a subsidiary.

This transaction had no material impact on consolidated revenue or profit.

### **Outlook for 2007**

The high level of activity in the Danish building and civil works market in the first half is expected to continue for the rest of the year, but with the possibility of a slight decline towards the end of the year as a result of the slowdown in the housing market. The upturn in the industrial construction market is expected to be able to partly make up for this.

The order book and market outlook at the start of the second half hold out prospects of a sustained high level of activity, and full-year revenue is consequently expected to reach approx. DKK 11 billion. Full-year 2007 profit before tax is expected to be in the region of DKK 225 million, which is unchanged from the outlook at the start of the year, as most recently reaffirmed in the interim financial report for the first quarter of 2007.

The Group's effective tax rate is expected to be higher than the Danish tax rate due to an adjustment of the Group's deferred net tax asset.

### **Ownership**

MT Højgaard a/s is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen A/S (46%), both of which are listed on the Copenhagen Stock Exchange.

## **Statement by the Executive and Supervisory Boards**

The Executive and Supervisory Boards have today discussed and approved the interim financial report of MT Højgaard a/s for the period 1 January – 30 June 2007.

The interim financial report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim financial reports.

We consider the accounting policies applied to be appropriate. Accordingly, the interim financial report gives a true and fair view of the Group’s financial position at 30 June 2007 and of the results of the Group’s operations and the consolidated cash flows for the accounting period 1 January – 30 June 2007.

Søborg, 29 August 2007

### **Executive Board**

Kristian May  
President and CEO

Jens Bak-Nyhus

Peter Kofoed

Johnny Rasmussen

### **Supervisory Board**

Per Møller  
Chairman

Jørgen Nicolajsen  
Deputy Chairman

Irene Chabior  
Employee representative

Jette Grabow  
Employee representative

Stefan Hansen  
Employee representative

Morten Iversen

Erik D. Jensen

Poul Lind

Bent Pedersen

Lars Rasmussen

**Consolidated income statement**

Amounts in DKKm	2007 Q2	2006 Q2	2007 YTD	2006 YTD	2006 Year
Revenue	<b>3,092.8</b>	2,658.7	<b>5,933.5</b>	5,001.5	11,082.5
Production costs	<b>(2,932.6)</b>	(2,545.2)	<b>(5,648.9)</b>	(4,784.7)	(10,640.8)
<b>Gross profit</b>	<b>160.2</b>	113.5	<b>284.6</b>	216.8	441.7
Distribution costs	<b>(38.2)</b>	(31.6)	<b>(66.0)</b>	(58.4)	(129.0)
Administrative expenses	<b>(54.3)</b>	(61.2)	<b>(116.1)</b>	(120.8)	(254.1)
<b>Operating profit</b>	<b>67.7</b>	20.7	<b>102.5</b>	37.6	58.6
Share of profit (loss) after tax of associates	<b>0.0</b>	0.0	<b>0.0</b>	0.0	0.0
Net financing costs	<b>11.8</b>	(4.1)	<b>8.0</b>	(5.2)	(7.6)
<b>Profit before tax</b>	<b>79.5</b>	16.6	<b>110.5</b>	32.4	51.0
Income tax expense	<b>(42.0)</b>	(4.7)	<b>(50.6)</b>	(9.1)	(14.3)
<b>Profit after tax</b>	<b>37.5</b>	11.9	<b>59.9</b>	23.3	36.7
<b>Attributable to</b>					
Equity holders of MT Højgaard a/s	<b>36.8</b>	10.3	<b>58.9</b>	21.2	28.2
Minority shareholders	<b>0.7</b>	1.6	<b>1.0</b>	2.1	8.5
<b>Total</b>	<b>37.5</b>	11.9	<b>59.9</b>	23.3	36.7
<b>Earnings per share (EPS), DKK</b>	<b>3.3</b>	0.9	<b>5.4</b>	1.9	2.6

## Consolidated balance sheet

	2007	2006	2006
Amounts in DKKm	30.06	30.06	31.12
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	74.5	73.2	73.6
Property, plant and equipment	914.5	880.9	908.5
Deferred tax assets	188.3	144.2	238.9
Other investments	7.3	12.1	7.2
<b>Total fixed assets</b>	<b>1,184.6</b>	1,110.4	1,228.2
<b>Current assets</b>			
Inventories	266.9	389.5	277.3
Trade receivables	2,164.8	1,889.5	2,192.1
Contract work in progress	689.6	647.4	603.7
Other receivables	156.6	130.3	179.6
Securities	49.9	51.7	87.9
Cash and cash equivalents	213.0	337.6	263.8
<b>Total current assets</b>	<b>3,540.8</b>	3,446.0	3,604.4
<b>Total assets</b>	<b>4,725.4</b>	4,556.4	4,832.6
<b>Equity and liabilities</b>			
Equity attrib. to equity holders of the parent	1,082.0	1,017.3	1,024.4
Minority interests	0.0	17.3	23.6
<b>Total equity</b>	<b>1,082.0</b>	1,034.6	1,048.0
<b>Non-current liabilities</b>			
Bank loans, etc.	165.3	249.9	174.3
Deferred tax liabilities	21.5	23.8	24.1
Provisions	65.4	63.4	62.3
<b>Total non-current liabilities</b>	<b>252.2</b>	337.1	260.7
<b>Current liabilities</b>			
Bank loans, etc.	217.0	152.6	127.1
Contract work in progress	1,160.1	1,000.8	1,216.8
Trade payables	1,283.8	1,264.1	1,282.6
Other current liabilities	730.3	767.2	897.4
<b>Total current liabilities</b>	<b>3,391.2</b>	3,184.7	3,523.9
<b>Total liabilities</b>	<b>3,643.4</b>	3,521.8	3,784.6
<b>Total equity and liabilities</b>	<b>4,725.4</b>	4,556.4	4,832.6

### Consolidated statement of changes in equity

Amounts in DKKm	2007 YTD	2006 YTD	2006 Year
Equity at start of period	1,048.0	1,016.3	1,016.3
Foreign exchange adjustments, etc.	(1.3)	(0.3)	(0.4)
Profit for the period	59.9	23.3	36.7
<b>Total income and expense for the period</b>	<b>58.6</b>	23.0	36.3
Adjustment of minority interests	(24.6)	(4.7)	(4.6)
<b>Total changes in equity</b>	<b>34.0</b>	18.3	31.7
<b>Equity at end of period</b>	<b>1,082.0</b>	1,034.6	1,048.0

### Consolidated cash flow statement

Amounts in DKKm	2007 YTD	2006 YTD	2006 Year
<b>Operating activities</b>			
Operating profit	102.5	37.6	58.6
Non-cash operating items	96.4	85.0	179.7
<b>Cash generated from operating activities before changes in working capital, etc.</b>	<b>198.9</b>	122.6	238.3
Working capital changes, etc.	(309.1)	37.7	78.8
<b>Cash flows from operating activities</b>	<b>(110.2)</b>	160.3	317.1
Net investments excl. securities	(61.1)	(130.5)	(208.1)
Net investments in securities	38.0	6.6	(31.7)
<b>Cash flows for investing activities</b>	<b>(23.1)</b>	(123.9)	(239.8)
<b>Cash flows from financing activities</b>	<b>(42.0)</b>	35.2	(7.5)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(175.3)</b>	71.6	69.8
Cash and cash equivalents at start of period	217.5	147.7	147.7
<b>Cash and cash equivalents at end of period</b>	<b>42.2</b>	219.3	217.5

## Segment information

Amounts in DKKm	2007 Q2	2006 Q2	2007 YTD	2006 YTD	2006 Year
<b>Business segments</b>					
<b>Revenue</b>					
Contracting business	2,251.8	1,860.9	4,265.7	3,490.2	7,770.1
Other activities – subsidiaries	841.0	797.8	1,667.8	1,511.3	3,312.4
<b>MT Højgaard Group</b>	<b>3,092.8</b>	2,658.7	<b>5,933.5</b>	5,001.5	11,082.5
<b>Operating profit (loss) (EBIT)</b>					
Contracting business	18.8	(16.7)	27.9	(7.7)	(132.4)
Other activities – subsidiaries	60.9	48.0	101.7	70.1	243.1
Corporate functions, etc.	(12.0)	(10.6)	(27.1)	(24.8)	(52.1)
<b>MT Højgaard Group</b>	<b>67.7</b>	20.7	<b>102.5</b>	37.6	58.6
<b>Order book, end of period</b>					
Contracting business			9,113.6	7,159.6	8,194.5
Other activities – subsidiaries			2,947.9	2,517.3	2,557.3
<b>MT Højgaard Group</b>			<b>12,075.9</b>	9,775.9	10,751.8
<b>Geographical segments</b>					
<b>Revenue</b>					
Denmark	2,487.6	2,227.0	4,736.2	4,167.2	9,239.8
Rest of world	605.2	431.7	1,197.3	834.3	1,842.7
<b>MT Højgaard Group</b>	<b>3,092.8</b>	2,658.7	<b>5,933.5</b>	5,001.5	11,082.5

## Consolidated income statement by quarter

Amounts in DKKm	2007				Total
	Q1	Q2	Q3	Q4	
Revenue	2,840.7	3,092.8			
Production costs	(2,716.3)	(2,932.6)			
<b>Gross profit</b>	124.4	160.2			
Distribution costs	(27.8)	(38.2)			
Administrative expenses	(61.8)	(54.3)			
<b>Operating profit</b>	34.8	67.7			
Share of profit after tax of associates	0.0	0.0			
Net financing costs	(3.8)	11.8			
<b>Profit before tax</b>	31.0	79.5			
Income tax expense	(8.6)	(42.0)			
<b>Profit after tax</b>	22.4	37.5			
<b>Attributable to</b>					
Equity holders of MT Højgaard a/s	22.1	36.8			
Minority shareholders	0.3	0.7			
<b>Total</b>	22.4	37.5			

Amounts in DKKm	2006				Total
	Q1	Q2	Q3	Q4	
Revenue	2,342.8	2,658.7	2,946.0	3,135.0	11,082.5
Production costs	(2,239.5)	(2,545.2)	(2,867.1)	(2,989.0)	(10,640.8)
<b>Gross profit</b>	103.3	113.5	78.9	146.0	441.7
Distribution costs	(26.8)	(31.6)	(30.1)	(40.5)	(129.0)
Administrative expenses	(59.6)	(61.2)	(57.5)	(75.8)	(254.1)
<b>Operating profit (loss)</b>	16.9	20.7	(8.7)	29.7	58.6
Share of profit after tax of associates	0.0	0.0	0.0	0.0	0.0
Net financing costs	(1.1)	(4.1)	(2.3)	(0.1)	(7.6)
<b>Profit (loss) before tax</b>	15.8	16.6	(11.0)	29.6	51.0
Income tax expense	(4.4)	(4.7)	3.1	(8.3)	(14.3)
<b>Profit (loss) after tax</b>	11.4	11.9	(7.9)	21.3	36.7
<b>Attributable to</b>					
Equity holders of MT Højgaard a/s	10.9	10.3	(11.0)	18.0	28.2
Minority shareholders	0.5	1.6	3.1	3.3	8.5
<b>Total</b>	11.4	11.9	(7.9)	21.3	36.7