



Stock exchange announcement

24 May 2011

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MT Højgaard A/S

Enclosed please find MT Højgaard A/S' report for 1st quarter 2011 (January 1 – March 31, 2011), which is hereby published.

Højgaard Holding A/S holds an ownership interest of 54 % in MT Højgaard A/S.

Best regards,
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.

Interim financial report – First quarter 2011 (1/1 - 31/03 2011)

The Board of Directors of MT Højgaard A/S has today discussed and approved the Company's interim financial report for the first quarter of 2011.

Results for the first quarter of 2011

- First-quarter revenue was DKK 2.1 billion, up 22% on the same period last year
- The pre-tax margin was -0.9% versus 0.3% in the same period in 2010, in line with the outlook for the period
- The result before tax was a loss of DKK 19 million compared with profit before tax of DKK 6 million for the same period in 2010
- Operating activities absorbed DKK 236 million, partly reflecting a large amount of capital tied up in offshore projects

Outlook for 2011 reaffirmed

- Revenue for 2011 is expected to be approximately DKK 9.5 billion, reaffirming the latest announcement
- The full-year pre-tax margin is expected to be around 1%, reaffirming the latest announcement
- The order book stood at DKK 8.8 billion at the end of the first quarter compared with DKK 9.2 billion at the start of the year
- Cash flows from operating activities are expected to be positive

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This announcement is available in Danish and English.

Consolidated financial highlights

Amounts in DKK million	2011 YTD	2010 YTD	2010 Year
Income statement			
Revenue	2,144	1,758	8,303
Operating profit (loss) (EBIT)	-11	-3	94
Net finance costs and profit (loss) of associates	-8	9	7
Profit (loss) before tax	-19	6	100
Profit (loss) after tax	-16	4	61
Balance sheet			
Share capital	220	220	220
Equity	1,604	1,616	1,618
Balance sheet total	4,826	5,139	4,698
Interest-bearing deposit/debt (+/-)	70	895	337
Invested capital	1,534	816	1,281
Cash flows			
Cash flows from operating activities	-236	75	-328
Cash flows for investing activities:			
<i>Net investments excl. securities</i>	-30	-4	-99
<i>Net investments in securities</i>	45	-106	337
Cash flows from financing activities	-4	40	-23
Net increase (decrease) in cash and cash equivalents	-225	5	-113
Financial ratios (%)			
Gross margin	4.2	6.2	6.5
Operating margin (EBIT margin)	-0.5	-0.2	1.1
Pre-tax margin	-0.9	0.3	1.2
Return on invested capital (ROIC) *	-0.8	-0.4	8.7
Return on equity (ROE) *	-1.0	0.2	3.8
Equity ratio	33.2	31.5	34.5
Other information			
Order book, year end	8,754	8,105	9,222
Average number of employees	4,715	5,395	5,217

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 2010 annual report, with the following exceptions: IFRSs and IFRICs with an effective date of 1 January 2011, including IAS 24, amendments to IFRIC 14 and improvements to IFRSs (May 2010), have been implemented. The new accounting standards and interpretations have not had any effect on recognition and measurement.

The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2010'. Financial ratios are defined in the 2010 annual report.

The interim financial report has not been audited or reviewed by the company's auditors.

*) Not converted to full-year figures.

Management's review

Group diagram



The Group is organised into four business areas, separate subsidiaries and Business Support.

Civil Engineering undertakes infrastructure and civil engineering projects in Denmark and internationally, Construction carries out construction projects in Denmark and the North Atlantic region, Major Projects takes care of selected special projects in Denmark and internationally, while Project Development develops projects for or together with investors and clients, primarily in Denmark.

Subsidiaries comprise the Group's subsidiaries and jointly controlled entities with separately profiled capabilities.

Business Support comprises the Group's corporate functions, which ensure cohesion and development.

Income statement

Consolidated first-quarter revenue was DKK 2.1 billion, up 22% on the same period last year. And in line with expectations.

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

Revenue - DKK million	YTD 2011	YTD 2010	Year 2010
Civil Engineering	856	470	2,401
Construction	685	590	2,678
Major Projects	64	72	346
Project Development	4	2	110
Subsidiaries and jointly controlled entities	696	702	3,199
Eliminations/others	-161	-78	-431
MT Højgaard	2,144	1,758	8,303

The first-quarter operating result was a loss of DKK 11 million compared with a loss of DKK 3 million in the first quarter of 2010. The fact that the first-quarter operating result was lower in 2011 than in 2010, despite an increase in revenue, was partly due to lower profitability on the order book as a result of fierce competition as well as price pressure in the market.

Net finance costs amounted to DKK 8 million versus net income of DKK 9 million in the same period last year. A large proportion of net finance costs, which were higher than expected, was due to capital losses on the bond portfolio due to the rising interest rate level and exchange losses on receivables due to the falling USD rate.

The first-quarter result before tax was a loss of DKK 19 million, a decline of DKK 25 million on the same period last year. The result was in line with expectations. The pre-tax margin was therefore -0.9% versus 0.3% in the same period in 2010.

Income tax expense amounted to income of DKK 3 million.

Accordingly, the result after tax was a loss of DKK 16 million compared with profit of DKK 4 million in the same period last year.

Balance sheet

The consolidated balance sheet total at 31 March 2011 was DKK 4,826 million, an increase of DKK 128 million on the end of 2010, primarily reflecting a higher net value of construction contracts in progress, including contracts that are recognised for accounting purposes as inventories until they are handed over.

Equity stood at DKK 1,604 million, giving an equity ratio of 33.2% against 34.5% at the end of 2010. Equity included dividend of DKK 50 million for 2010, which was paid in April 2011.

In 2011, the net interest-bearing deposit has been reduced by DKK 267 million to DKK 70 million, primarily to finance the higher net value of work in progress referred to above.

Cash flows and financial resources

Operating activities absorbed DKK 236 million compared with a cash inflow of DKK 75 million in the same period last year. The movements in the period should be viewed in the context of the higher financing of the net value of work in progress referred to above, which reflected, in particular, an unusually high proportion of funds tied up in offshore projects, including start-up. Despite the current level, we expect cash flows from operating activities to be positive during the year as funds tied up in work in progress are reduced.

Cash flows for investing activities amounted to an inflow of DKK 15 million, of which DKK 45 million related to a net sale of short-term securities. In the same period last year, investing activities absorbed DKK 110 million.

Financing activities absorbed DKK 4 million compared with a cash inflow of DKK 40 million in the same period last year.

Cash and cash equivalents decreased by DKK 225 million net in the first quarter compared with a net increase of DKK 5 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 820 million at 31 March 2011.

Order book

The order book stood at DKK 8,754 million at the start of the second quarter, compared with DKK 9,222 million at the start of the year.

DKK million	2011 YTD	2010 YTD	2010 Year
Order book, beginning of period	9,222	7,455	7,455
Order intake during period	1,670	2,408	10,070
Production during period	-2,138	-1,758	-8,303
Order book, end of period	8,754	8,105	9,222

The first-quarter 2011 order intake was DKK 1,670 million compared with DKK 2,408 million for the same period last year. The latter period included a DKK 965 million order relating to the Lincs offshore project. The order book

was DKK 468 million lower than at 31 December 2010, but DKK 649 million higher than at the same date last year. The order book includes a number of large orders extending over several years.

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 normal 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.

Outlook for 2011

The development since the presentation of the 2010 annual report has not changed our outlook concerning the level of activity or the market development for 2011.

Our activities on the Danish market are still under pressure.

On the international markets, which accounted for 31% of revenue in 2010, competition is expected to remain intense.

The structure of the business areas will be adapted so as to underpin expected financial performance in 2011, and Business Support will be aligned to the business areas' needs. These changes will be implemented on a continuous basis.

We will be selective when identifying new projects, focusing on the profitability and cash flow of the projects within the framework of our risk management. Based on our order book and the market outlook at the start of the second quarter, we still expect revenue for 2011 to be in the region of DKK 9.5 billion.

Focus and targeted risk management will continue to be key to securing satisfactory earnings.

We estimate that we will achieve a full-year pre-tax margin of around 1%.

We expect the Group's effective tax rate to be at a higher level than the Danish income tax rate, but at a lower level than in 2010.

We 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 satisfactory.

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 and uncertainties, reference is made to the 'Risk factors' section in the 2010 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 - 31 March 2011.

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 31 March 2011 and of the results of the Group's operations and cash flows for the period 1 January – 31 March 2011.

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, 24 May 2011

Executive Board

Kristian May
President and CEO

Johnny Rasmussen
CFO

Jens Nyhus
COO

Peter Kofoed
COO

Thorbjørn N. Rasmussen
COO

Board of Directors

Helge Israelsen
Chairman

Jørgen Nicolajsen
Deputy Chairman

Irene Chabior*

Curt Germundsson

Hans-Henrik Hansen*

Poul Lind

Jens Jørgen Madsen

Torsten Ask Overgaard *

Knud Rasmussen*

Lars Rasmussen

*) Employee representative

Income statement

Amounts in DKK million	2011 YTD	2010 YTD	2010 Year
Revenue	2,143.7	1,758.4	8,303.4
Production costs	-2,052.9	-1,649.6	-7,762.8
Gross profit	90.8	108.8	540.6
Distribution costs	-38.2	-35.5	-165.9
Administrative expenses	-63.5	-76.4	-281.1
Operating profit (loss)	-10.9	-3.1	93.6
Share of profit after tax of associates	0.4	0.0	2.5
Net finance costs	-8.0	8.7	4.1
Profit before (loss) tax	-18.5	5.6	100.2
Income tax expense	2.7	-1.6	-38.8
Profit (loss) after tax	-15.8	4.0	61.4

Statement of comprehensive income

Profit (loss) after tax	-15.8	4.0	61.4
Other comprehensive income			
Foreign exchange adjustments, foreign enterprises	-1.2	2.7	1.8
Share of other comprehensive income of associates	2.4	0.0	-4.4
Tax on other comprehensive income	0.0	0.0	0.0
Other comprehensive income after tax	1.2	2.7	-2.6
Total comprehensive income	-14.6	6.7	58.8

Balance sheet

	2011	2010	2010
Amounts in DKK million	31.03	31.03	31.12
Assets			
Non-current assets			
Intangible assets	122.5	109.0	123.2
Property, plant and equipment	815.1	771.2	816.8
Deferred tax assets	142.6	118.8	128.5
Other investments	12.1	16.7	11.3
Total non-current assets	1,092.3	1,015.7	1,079.8
Current assets			
Inventories	732.3	597.8	660.0
Trade receivables	1,671.7	1,807.4	1,578.1
Construction contracts in progress	686.9	366.3	497.5
Other receivables	290.1	293.4	329.1
Securities	179.0	669.5	225.8
Cash and cash equivalents	173.5	389.1	327.2
Total current assets	3,733.5	4,123.5	3,617.7
Total assets	4,825.8	5,139.2	4,697.5
Equity and liabilities			
Share capital	220.0	220.0	220.0
Other equity items	1,383.8	1,396.3	1,398.4
Total equity	1,603.8	1,616.3	1,618.4
Non-current liabilities			
Bank loans etc.	124.7	135.4	129.2
Provisions	198.7	149.6	188.9
Total non-current liabilities	323.4	285.0	318.1
Current liabilities			
Bank loans etc.	158.0	27.9	86.3
Construction contracts in progress	721.7	1,335.0	705.6
Trade payables	1,068.6	727.4	940.2
Other current liabilities	950.3	1,147.6	1,028.9
Total current liabilities	2,898.6	3,237.9	2,761.0
Total liabilities	3,222.0	3,522.9	3,079.1
Total equity and liabilities	4,825.8	5,139.2	4,697.5

Statement of changes in equity

Amounts in DKK million	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total equity
Equity at 01-01-2010	220.0	-5.2	2.2	1,342.6	50.0	1,609.6
Profit after tax				4.0		4.0
Other comprehensive income			2.7			2.7
Total changes in equity	0.0	0.0	2.7	4.0	0.0	6.7
Equity at 31-03-2010	220.0	-5.2	4.9	1,346.6	50.0	1,616.3
Equity at 01-01-2011	220.0	-9.6	4.0	1,354.0	50.0	1,618.4
Profit (after tax)				-15.8		-15.8
Other comprehensive income		2.4	-1.2			1.2
Total changes in equity	0.0	2.4	-1.2	-15.8	0.0	-14.6
Equity at 31-03-2011	220.0	-7.2	2.8	1,338.2	50.0	1,603.8

Statement of cash flows

Amounts in DKK million	2011 YTD	2010 YTD	2010 Year
Operating profit (loss)	-10.9	-3.1	93.6
Non-cash operating items	24.0	26.6	131.4
Cash flows from operating activities before working capital changes	13.1	23.5	225.0
Working capital changes	-248.7	51.2	-553.3
Cash flows from operating activities	-235.6	74.7	-328.3
Net investments excl. securities	-30.0	-3.5	-98.9
Net investments in securities	44.6	-106.1	336.6
Cash flows for investing activities	14.6	-109.6	237.7
Cash flows from financing activities	-3.6	39.6	-22.7
Net increase (decrease) in cash and cash equivalents	-224.6	4.7	-113.3
Cash and cash equivalents at start of period	258.4	371.7	371.7
Cash and cash equivalents at end of period	33.8	376.4	258.4