



Stock exchange announcement

23 November 2010

Page 1 of 10

## **Interim report for 1 January to 30 September 2010 (3rd quarter 2010)**

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 September 2010.

- The group's revenue was DKK 3.3 billion, down 8% on the same period last year.
- MT Højgaard A/S' pre-tax profit has been affected by a lower revenue, among other things, and amounted to DKK 52 million versus DKK 221 million for the same period last year.
- The group's pre-tax profit was DKK 39 million versus DKK 134 million for the same period last year.
- For 2010, the Højgaard Holding group still expects to achieve a revenue of approximately DKK 4.5 billion and a pre-tax margin in the region of 1% to 2%.

Best regards,  
Højgaard Holding A/S

Helge Israelsen  
Chairman of the board

Berit Lovring  
CEO

---

Contacts: Berit Lovring, CEO, Højgaard Holding, tel. (+45) 45201507  
Kristian May, president and CEO, MT Højgaard, tel. (+45) 70122400  
Helge Israelsen, chairman of the board, Højgaard Holding, tel. (+45) 45201503

*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

<u>DKK million</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
	<u>Year to date</u>	<u>Year to date</u>	<u>Full year</u>
<b>Income statement</b>			
Revenue	3,295	3,585	4,979
Operating profit	33	120	169
Financial items and profit of associates	6	13	15
Profit before tax	39	134	184
<u>Profit after tax</u>	<u>26</u>	<u>98</u>	<u>134</u>
<b>Balance sheet</b>			
Non-current assets	563	528	560
Current assets	2,028	2,469	2,520
Total assets	2,591	2,997	3,080
Equity	950	930	964
Liabilities	1,641	2,067	2,116
Total equity and liabilities	2,591	2,997	3,080
Interest bearing net deposit	370	557	547
<u>Invested capital</u>	<u>580</u>	<u>373</u>	<u>417</u>
<b>Cash flows</b>			
Cash flow to/from operating activities	-108	256	274
Cash flow to/from investment activities	49	-240	-269
Cash flow to/from financing activities	-26	-61	-57
<u>Total cash flow</u>	<u>-85</u>	<u>-45</u>	<u>-52</u>
<b>Key figures</b>			
Pre-tax margin	1.2	3.7	3.7
Dividend paid, DKK million	42	42	42
Share buy-backs, DKK million	-	5	5
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	6.1	23.1	31.7
Book value per share, DKK	226	221	229
Share price at end of period, A-shares	187	200	178
Share price at end of period, B-shares	181	210	186
Share price/book value	0.8	0.9	0.8
Return on equity for the period, %	2.7	10.9	14.6
<u>Equity ratio, %</u>	<u>36.7</u>	<u>31.0</u>	<u>31.3</u>
<b>Other information</b>			
Order book at end of period	4,495	4,790	4,087
<u>Average number of employees</u>	<u>2,951</u>	<u>3,118</u>	<u>3,201</u>

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. IFRSs and IFRICs with an effective date of 1 January 2010, including IFRS 3 and updated IAS 27, have been implemented. These changes have not had any impact on the preparation of the interim report.

The presentation in the income statement of profits and losses on derivative financial instruments that arise in connection with ordinary operating activities was changed in connection with the annual report for 2009. These items are now reported under production costs. The classification of sales and administration costs has been reassessed. Comparative figures in the interim report have been restated accordingly.

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 the beginning of 2012. The parent company's cash resources amount to approximately DKK 90 million.

The group's profit before tax was DKK 39 million versus DKK 134 million for the same period last year.

Tax on the profit for the period was DKK 13 million, which corresponds to an effective tax rate of 34%.

In 2010, the group's interest bearing net deposit was reduced by DKK 177 million to DKK 370 million, primarily as a result of an increase in cash tied up in working capital in the MT Højgaard group.

The group's equity stood at DKK 950 million on 30 September 2010, and the book value corresponds to DKK 226 per share of DKK 20.

### MT Højgaard group

Holding 54%. The following figures are 100%

DKK million	2010 3rd quarter	2009 3rd quarter	2010 Year to date	2009 Year to date	2009 Full year
Revenue	2,141	2,211	6,005	6,540	9,087
Profit before tax	27	56	52	221	307
Profit after tax	17	41	32	161	223
Total assets			4,597	5,338	5,504
Equity			1,596	1,551	1,610
Order book			8,294	8,843	7,455
Employees			5,409	5,718	5,872
Pre-tax margin, %	1.3	2.5	0.9	3.4	3.4

The MT Højgaard group's revenue for the first three quarters of the year amounts to DKK 6.0 billion, which is 8% less than the same period last year but in line with the most recently announced expectations. The market is still difficult, and the period has been characterised by subdued demand, intense competition for orders and pressure on prices. To this should be added the previously mentioned postponement of a few large projects.

Profit before tax amounts to DKK 52 million versus DKK 221 million for the same period of the previous year, and the realised pre-tax margin amounts to 0.9% compared to 3.4% in the same period in 2009. This reflected a

combination of several factors, including the above effect on revenue, increased tendering costs in a market under pressure and the fact that in selected areas capacity is maintained for the expected future increase in the level of activity.

For the full 2010, the MT Højgaard group still expects to achieve a revenue of approximately DKK 8.5 billion and a pre-tax margin in the region of 1% to 2%.

The MT Højgaard group's order book amounted to DKK 8.3 billion at the end of the 3rd quarter versus DKK 7.5 billion at the beginning of the year.

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	2010 3rd quarter	2009 3rd quarter	2010 Year to date	2009 Year to date	2009 Full year
Revenue	14.2	16.3	52.2	53.3	71.5
Profit before tax	2.8	3.8	10.8	11.7	14.2
Profit after tax	2.1	2.8	8.1	8.8	10.6
Total assets			28.0	28.0	22.8
Equity			10.1	10.8	12.6

Højgaard Industri a/s holds a management contract for the production of concrete sleepers for Banedanmark at Banedanmark's facility in Fredericia.

The result achieved is as expected. For 2010 as a whole, a lower result than in 2009 is anticipated.

## 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 2010**

Overall, the Højgaard Holding group still expects a revenue of approximately DKK 4.5 billion and a pre-tax margin in the region of 1% to 2%.

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

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, refer to the section "Risk factors" in the Annual Report 2009. 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 for Højgaard Holding A/S for the period from 1 January to 30 September 2010.

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 financial statement provides a true and fair view of the group’s assets, equity and liabilities and financial position on 30 September 2010 and of the results of the group’s activities and cash flows for the accounting period from 1 January to 30 September 2010.

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, 23 November 2010

### **Executive board**

Berit Lovring  
CEO

### **Board of directors**

Helge Israelsen  
Chairman

Jens Jørgen Madsen  
Deputy chairman

Lars Rasmussen

## Group income statement

DKK million	2010 3rd quarter	2009 3rd quarter	2010 Year to date	2009 Year to date	2009 Full year
Revenue	1,170.2	1,210.5	3,295.1	3,584.7	4,978.7
Production costs	1,097.0	1,122.2	3,077.0	3,287.9	4,562.4
<b>Gross profit</b>	<b>73.2</b>	<b>88.3</b>	<b>218.1</b>	<b>296.8</b>	<b>416.3</b>
Sales costs	21.0	12.1	64.7	52.4	82.9
Administration costs	35.9	43.1	120.2	124.3	164.9
<b>Operating profit</b>	<b>16.3</b>	<b>33.1</b>	<b>33.2</b>	<b>120.1</b>	<b>168.5</b>
Share of profit of associated companies after tax	0.0	0.0	0.0	0.0	0.2
Financial items	1.0	1.4	5.7	13.4	15.0
<b>Profit before tax</b>	<b>17.3</b>	<b>34.5</b>	<b>38.9</b>	<b>133.5</b>	<b>183.7</b>
Tax on profit for the period	6.1	9.3	13.3	35.8	49.9
<b>Total profit for the period</b>	<b>11.2</b>	<b>25.2</b>	<b>25.6</b>	<b>97.7</b>	<b>133.8</b>

The profit before tax can be specified as follows:

MT Højgaard group	14.6	30.3	27.9	119.4	165.7
Højgaard Industri a/s	2.8	3.7	10.8	11.7	14.2
Højgaard Holding A/S	-0.1	0.5	0.2	2.4	3.8
<b>Profit before tax</b>	<b>17.3</b>	<b>34.5</b>	<b>38.9</b>	<b>133.5</b>	<b>183.7</b>

Earnings and diluted earnings

per share (EPS and EPS-D), DKK	2.7	6.0	6.1	23.1	31.7
--------------------------------	-----	-----	-----	------	------

## Group statement of comprehensive income

DKK million	2010 3rd quarter	2009 3rd quarter	2010 Year to date	2009 Year to date	2009 Full year
<b>Profit after tax</b>	<b>11.2</b>	<b>25.2</b>	<b>25.6</b>	<b>97.7</b>	<b>133.8</b>
<b>Other comprehensive income</b>					
Exchange adjustments, foreign companies	-2.6	-0.4	0.7	-1.2	0.1
Value adjustments of hedging instruments	0.0	0.0	1.4	0.0	-2.8
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0
<b>Other comprehensive income after tax</b>	<b>-2.6</b>	<b>-0.4</b>	<b>2.1</b>	<b>-1.2</b>	<b>-2.7</b>
<b>Total comprehensive income</b>	<b>8.6</b>	<b>24.8</b>	<b>27.7</b>	<b>96.5</b>	<b>131.1</b>

## Group balance sheet

DKK million	2010 30 September	2009 30 September	2009 31 December
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	66.5	53.6	58.8
Property, plant and equipment	420.6	416.4	430.6
Deferred tax assets	65.4	45.8	62.0
Other investments	10.6	12.1	8.9
<b>Total non-current assets</b>	<b>563.1</b>	<b>527.9</b>	<b>560.3</b>
<b>Current assets</b>			
Inventories	337.0	311.6	313.0
Receivables from sales and services	786.0	1,073.0	1,172.8
Construction contracts in progress	274.2	271.7	206.9
Other receivables	178.6	191.4	209.0
Securities	316.0	385.4	390.2
Cash and cash equivalents	136.0	236.2	228.0
<b>Total current assets</b>	<b>2,027.8</b>	<b>2,469.3</b>	<b>2,519.9</b>
<b>Total assets</b>	<b>2,590.9</b>	<b>2,997.2</b>	<b>3,080.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>950.0</b>	<b>929.8</b>	<b>964.4</b>
<b>Non-current liabilities</b>			
Credit institutions etc.	72.3	45.5	51.7
Other provisions	98.6	79.8	78.2
<b>Total non-current liabilities</b>	<b>170.9</b>	<b>125.3</b>	<b>129.9</b>
<b>Current liabilities</b>			
Credit institutions, etc.	10.0	19.2	19.6
Construction contracts in progress	427.8	762.4	824.7
Suppliers of goods and services	484.5	561.4	547.6
Other current liabilities	547.7	599.1	594.0
<b>Total current liabilities</b>	<b>1,470.0</b>	<b>1,942.1</b>	<b>1,985.9</b>
<b>Total liabilities</b>	<b>1,640.9</b>	<b>2,067.4</b>	<b>2,115.8</b>
<b>Total equity and liabilities</b>	<b>2,590.9</b>	<b>2,997.2</b>	<b>3,080.2</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 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				25.6		25.6
Other comprehensive income		1.4	0.7			2.1
Dividend paid					-42.5	-42.5
Dividend own shares				0.4		0.4
Capital reduction	-0.8			0.8		
<b>Total changes in equity</b>	<b>-0.8</b>	<b>1.4</b>	<b>0.7</b>	<b>26.8</b>	<b>-42.5</b>	<b>-14.4</b>
<b>Equity at 30 September 2010</b>	<b>84.1</b>	<b>-1.4</b>	<b>1.8</b>	<b>865.5</b>		<b>950.0</b>
<b>Equity at 1 January 2009</b>	<b>86.7</b>		<b>1.0</b>	<b>749.4</b>	<b>43.3</b>	<b>880.4</b>
Profit after tax				97.7		97.7
Other comprehensive income			-1.2			-1.2
Purchase of own shares				-5.1		-5.1
Dividend paid					-43.3	-43.3
Dividend, own shares				1.3		1.3
Capital reduction	-1.8			1.8		
<b>Total changes in equity</b>	<b>-1.8</b>		<b>-1.2</b>	<b>95.7</b>	<b>-43.3</b>	<b>49.4</b>
<b>Equity at 30 September 2009</b>	<b>84.9</b>		<b>-0.2</b>	<b>845.1</b>	<b>0</b>	<b>929.8</b>

## Group cash flow statement

DKK million	2010 Year to date	2009 Year to date	2009 Full year
<b>Operations</b>			
Operating profit	33.2	120.1	168.5
Operating items with no impact on cash flow	53.8	53.7	73.3
<b>Cash flow to/from primary operations before changes in working capital</b>	<b>87.0</b>	<b>173.8</b>	<b>241.8</b>
Changes in working capital	-195.2	81.7	32.6
<b>Cash flow to/from operating activities</b>	<b>-108.2</b>	<b>255.5</b>	<b>274.4</b>
Net investments other than securities	-24.1	-61.1	-86.1
Net investments in securities	73.2	-178.5	-183.1
<b>Cash flow to/from investing activities</b>	<b>49.1</b>	<b>-239.6</b>	<b>-269.2</b>
<b>Cash flow to/from financing activities</b>	<b>-25.6</b>	<b>-61.3</b>	<b>-57.4</b>
<b>Cash flows, net</b>	<b>-84.7</b>	<b>-45.4</b>	<b>-52.2</b>
Cash and cash equivalents at beginning of period	216.7	268.9	268.9
<b>Cash and cash equivalents at end of period</b>	<b>132.0</b>	<b>223.5</b>	<b>216.7</b>

## Segment information

DKK million	<b>2010 Year to date</b>	2009 Year to date	2009 Full year
<b>Revenue</b>			
Construction work	<b>3,242.9</b>	3,531.4	4,907.2
Production	<b>52.2</b>	53.3	71.5
<b>Total revenue</b>	<b>3,295.1</b>	3,584.7	4,978.7
<b>Profit before tax</b>			
Construction work	<b>27.9</b>	119.4	165.7
Production	<b>10.8</b>	11.7	14.2
Parent company/eliminations	<b>0.2</b>	2.4	3.8
<b>Total profit before tax</b>	<b>38.9</b>	133.5	183.7
<b>Total assets</b>			
Construction work	<b>2,482.3</b>	2,882.3	2,972.3
Production	<b>28.0</b>	28.0	22.8
Parent company/eliminations	<b>80.6</b>	86.9	85.1
<b>Total assets</b>	<b>2,590.9</b>	2,997.2	3,080.2