Stock exchange announcement

14 March 2012

MT Højgaard A/S

Enclosed please find MT Højgaard A/S' annual report 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.

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14 March 2012

Annual report 2011

The Board of Directors of MT Højgaard A/S has today discussed and approved the company's 2011 annual report, which is reproduced below in its entirety and with the following summary.

2011 results

- **Revenue** was DKK 9.3 billion, in line with the most recent outlook
- **The pre-tax margin** was -3.6%, which is significantly less than the most recent outlook of a pre-tax margin of around 0% to -1%
- **Profit before tax** was a loss of DKK 335 million compared with a profit of DKK 100 million in 2010. The loss primarily reflected unsatisfactory earnings in Civil Engineering and Construction, whereas the subsidiaries developed satisfactorily and made positive contributions to the result for the year

  During the final phase of the financial reporting process, the risks on a number of projects have been reviewed. The review has led to a need for further provisions to be made
- **Equity** stood at DKK 1,289 million at the end of 2011 compared with DKK 1,618 million in 2010. The equity ratio was 23% versus 35% in 2010
- **Cash flows from operating activities** were an outflow of DKK 268 million against an outflow of DKK 328 million in 2010
- **Financial resources** stood at DKK 858 million, which is regarded as satisfactory in view of the current level of activity
- No **dividend** is proposed
- On 14 March 2012, Kristian May, President and CEO, stepped down, and was replaced by Jørgen Nicolajsen as acting President and CEO

Outlook for 2012

- **Revenue** for 2012 is expected to be on a par with 2011
- It is estimated that the **pre-tax margin** will be positive, but with a negative result in the first quarter like last year

  The improved profit outlook reflects a number of initiatives that will sharpen management focus, optimise risk management, enhance operational efficiency and reduce costs. We will fo-

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cus our efforts, both geographically and in terms of our capabilities, and we will apply even stricter project selectivity and project management criteria

- **The order book** stood at DKK 8.8 billion at the start of 2012, with DKK 7.3 billion for execution in 2012
- **Cash flows from operating activities** for 2012 are expected to be positive, overall
- **Financial resources** are expected to remain satisfactory in 2012

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

Annual Report 2011

MT Højgaard Group

Annual Report 2011

MANAGEMENT'S REVIEW

MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT

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Letter from the CEO and summary

2011 was an unsatisfactory year for MT Højgaard, with a significant loss. Write-downs on isolated projects have left their mark on the result for the year, overshadowing the good performance of the subsidiaries and several of the divisions in the business areas.

The result before tax was a loss of DKK 335 million compared with a profit of DKK 100 million in 2010. The result reflects the fact that some divisions in the business areas reported thoroughly unsatisfactory results due to isolated projects and provisions for guarantee obligations on completed projects. The other divisions and subsidiaries generally delivered satisfactory results, including many good results to build on.

In 2011, the economy was more predictable than in the previous two years, although several markets, public tenders and investments remained affected by the recession. The project mix was expedient, but the relatively low contribution margin could not make up for the write-downs the Group experienced on isolated projects.

In view of the unsatisfactory performance in 2011, a number of initiatives have been put in place that will provide a clearer management focus, strengthen risk management, enhance operational efficiency and reduce costs. They are designed to ensure a robustness that will mean that the negative fluctuations that will always exist on a few isolated projects will not assume proportions that will affect the overall picture. Efforts will be focused, both geographically and in terms of our capabilities, and project selectivity and project management will be optimised.

One of the main prerequisites for the Group to achieve its potential is for the Group to develop together with the customers. The customer satisfaction surveys in 2011 revealed a very high level of customer satisfaction, placing the Group in a strong position to meet the competition in the future.

I therefore believe that MT Højgaard is in a sound position to deliver a positive result in 2012. The Group is being constantly developed in order to create added value for the customers together with the highly skilled and ambitious team of employees who work hard to meet the objectives.

Jørgen Nicolajsen
Acting President and CEO

Summary

2011 results

Revenue was DKK 9.3 billion, in line with the most recent outlook

The pre-tax margin was -3.6%, which is significantly less than the most recent outlook of a pre-tax margin of around 0% to -1%

Profit before tax was a loss of DKK 335 million compared with a profit of DKK 100 million in 2010. The loss primarily reflected unsatisfactory earnings in Civil Engineering and Construction, whereas the subsidiaries developed satisfactorily and made positive contributions to the result for the year

During the final phase of the financial reporting process, the risks on a number of projects have been reviewed. The review has led to a need for further provisions to be made

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No **dividend** is proposed

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Outlook for 2012

Revenue is expected to be on a par with 2011

It is estimated that the **pre-tax margin** will be positive, but with a negative result in the first quarter like last year

The improved profit outlook reflects a number of initiatives that will sharpen management focus, optimise risk management, enhance operational efficiency and reduce costs. We will focus our efforts, both geographically and in terms of our capabilities, and we will apply even stricter project selectivity and project management criteria.

The order book stood at DKK 8.8 billion at the start of 2012, with DKK 7.3 billion for execution in 2012

Cash flows from operating activities for 2012 are expected to be positive, overall

Financial resources are expected to remain satisfactory in 2012

Consolidated financial highlights

Amounts in DKK million	2007	2008	2009	2010	2011
Income statement					
Revenue	11,714	11,171	9,087	8,303	9,307
Operating profit (EBIT)	197	327	290	94	-332
Net finance costs and profit (loss) of associates	114	32	17	7	-3
Profit (loss) before tax	311	359	307	100	-335
Profit (loss) for the year	235	259	223	61	-261
Balance sheet					
Share capital	220	220	220	220	220
Equity	1,231	1,442	1,610	1,618	1,289
Balance sheet total	5,033	5,276	5,504	4,698	5,654
Net interest-bearing deposit/debt (+/-)	192	513	824	337	-10
Invested capital	1,051	1,010	880	1,281	1,299
Cash flows					
Cash flows from operating activities	-73	536	485	-328	-268
Cash flows for investing activities*					
Net investments excl. securities	129	-166	-159	-99	34
Net investments in securities	-61	-10	-362	337	69
Cash flows from financing activities	-35	-61	-69	-23	-72
Net increase (decrease) in cash and cash equivalents	-40	299	-105	-113	-237
* Portion relating to property, plant and equipment (gross)	-199	-215	-236	-241	-125
Financial ratios					
Gross margin (%)	5.1	6.9	8.1	6.5	0.9
Operating margin (EBIT margin) (%)	1.7	2.9	3.2	1.1	-3.6
Pre-tax margin (%)	2.7	3.2	3.4	1.2	-3.6
Return on invested capital (ROIC) (%)	19.3	30.7	30.7	8.7	-25.7
Return on invested capital after tax (ROIC after tax) (%)	14.6	22.1	22.2	5.2	-20.0
Return on equity (ROE) (%)	20.9	19.4	14.6	3.8	-18.0
Equity ratio (%)	24.5	27.3	29.2	34.5	22.8
Proposed dividend, DKK million	50	50	50	50	0
Other information					
Order book, year end	10,687	9,461	7,455	9,222	8,751
Average number of employees	6,494	6,170	5,872	5,217	4,738

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts.

Gross margin	= Gross profit/ Revenue
Operating margin (EBIT margin)	= Operating profit (EBIT)/ Revenue
Pre-tax margin	= Earnings before tax/ Revenue
Return on invested capital incl. goodwill (ROIC)	= EBIT/ Average invested capital incl. goodwill
Return on equity (ROE)	= Profit after tax/ Average equity incl. non-controlling interests
Equity ratio	= Equity incl. non-controlling interests, year end/ Liabilities, year end
Invested capital	= Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill

The MT Højgaard Group’s strategic platform

The business

MT Højgaard is one of the leading providers of construction and civil engineering solutions in the Nordic countries, with activities in the construction and civil engineering industry. The Group is organised into the company MT Højgaard and a group of specialised subsidiaries. The company MT Højgaard is organised into the two business areas Construction and Civil Engineering, each of which has a number of divisions.

The Group's vision is: "We will outperform industry standards through innovation and operational excellence – together with our customers".

To achieve our vision, we have set ourselves three targets:

- Profitability – to raise our pre-tax margin to 5%
- Customer satisfaction – to achieve a customer satisfaction level at index 76 out of 100
- Employee satisfaction – to achieve an employee satisfaction level at index 76 out of 100

The objective of a pre-tax margin of 5% was set in 2009 and remains our long-term ambition. It will be met by thorough and critical selection of the projects that we undertake, optimum planning and management and focus on the most expedient utilisation of the organisation’s resources.

To stand out from the crowd, our focus is on delivering customer projects efficiently, at the agreed price, on time and of the quality required.

By engaging in open dialogue and coordinating expectations, we want to exceed customer expectations by presenting proposals for optimisation, for example in terms of choice of materials and maintenance, ensuring the customer the best overall economy during the life of the project.

Overall customer satisfaction in MT Højgaard’s business areas was at index 71 in 2011, which means that our objective of achieving index 76 is realistic.

In 2010, we conducted an employee satisfaction survey that showed a job satisfaction level at index 73. The conclusions from this survey will guide our future efforts.

Focus on customers and projects

MT Højgaard has individual strategies for both MT Højgaard's business areas and the subsidiaries. They focus on the various customers and projects in order to optimise profitability.

In MT Højgaard’s business areas, we have adopted four strategic themes that underpin our vision and govern the realisation of our targets:

- Internationalisation – developing our international activities and using our expertise both nationally and internationally

THE MT HØJGAARD GROUP

MT HØJGAARD A/S

carries out civil engineering, construction and refurbishment projects in the business areas Civil Engineering and Construction

AJOS A/S

leases mechanical equipment

ENEMÆRKE & PETERSEN A/S

carries out refurbishment and new build

GREENLAND CONTRACTORS I/S

is responsible for operation at the Thule Air Base (67%)

LINDPRO A/S

carries out electrical installations and services work

SCANDI BYG A/S

produces and builds industrial modular buildings

SETH S.A.

carries out civil works in the area of marine works in Portugal and Africa (60%)

The MT Højgaard Group consists of the company MT Højgaard, four wholly owned subsidiaries and two partly owned subsidiary undertakings.

- Competitive edge – securing competitive edge in the areas that are of real significance to our customers and differentiate us from our competitors
- Commercial excellence – strengthening the processes that underpin our business and strategic development to ensure that we make a positive difference to both our customers and ourselves
- Infrastructure – the right systems, appropriate structures and adequate support, providing the optimum platform for our business and sharpening our competitive edge

Strategic assets

The MT Højgaard Group has the size, experience and capabilities to deliver everything from small construction and civil engineering projects to very large, complex projects. The business areas and the subsidiaries have wide-ranging, strong capabilities. Together with our geographical footprint and our expertise and strengths when it comes to managing special projects, this gives the MT Højgaard Group a solid foundation both in Denmark and internationally.

The business areas are present in relevant markets, both geographically and in terms of capabilities, and with our international business relationships we can form the relevant joint ventures and partnerships as appropriate.

With a sound financial position, we have a strong position in the market for our industry. Our good reputation is based on high customer satisfaction achieved by focusing on quality and delivery reliability.

The Group's business concept

All business areas and companies in the Group must be competitive. The companies become involved in projects for other business areas or subsidiaries in the Group if they add value on competitive terms. We ensure that business areas and subsidiaries are attractive partners for each other and that they make use of the synergies and capabilities in the Group where this enhances overall performance.

The MT Højgaard Group's strategic development in the area of new construction and refurbishment has given it a brand strategy, where the MT Højgaard brand is flanked by the subsidiaries Enemærke & Petersen and Scandi Byg - two independently strong brands. This allows us to deliver competitive products to the entire Danish construction market and parts of the Nordic market.

Current strategic focus areas

Following the unsatisfactory financial performance in 2011, we have carried out a thorough review of the business areas to create the basis for an improved financial performance. Among other things, this has led to a focus on the development of methods for selecting projects and a more efficient risk management model, as well as sharper geographical focus, as we need to concentrate on fewer markets to ensure solid platforms as a basis for sound results.

Management will sharpen the focus on risk management, including risk assessment and portfolio management, as well as business development in the form of active involvement in the development of the business areas and subsidiaries, and acquisitions and disposals of activities derived from this.

Group annual review for 2011

Performance versus outlook

In 2011, the MT Højgaard Group delivered revenue of DKK 9,307 million and a loss before tax of DKK 335 million, corresponding to a pre-tax margin of -3.6%.

The revenue figure was on a par with the outlook in the 2010 annual report, in which the pre-tax margin was expected to be around 1%. This outlook was changed to around 0% to -1% in November 2011. The reported result is therefore significantly lower than our latest profit outlook.

During the final phase of the financial reporting process, the risks on a number of projects have been reviewed. The review has led to a need for further provisions to be made.

The provisions primarily concern completed projects and related potential obligations, including claims advanced as a consequence of disputes concering the allocation of the liability for defects on projects in the offshore area – the so-called 'grout issue'. Management is of the opinion that the Group is in a strong legal position, but that there is always some risk attached to the process in such cases. To this should be added the need for an increase in other provisions, including for the previously mentioned Panama project.

Operating activities generated a cash outflow of DKK 268 million for the year, an improvement of approx. DKK 230 million on the latest outlook. The improvement reflected a generally better than expected development in cash flows from the Group's construction contracts.

The financial performance for 2011 and the outlook for 2012 are commented on at Group level in the following. More detailed information about each business area, subsidiary and jointly controlled entity is provided in the subsequent section "Operating review for 2011".

Income statement

The result for 2011 was a loss. This was primarily due to unsatisfactory earnings in some of the business areas' divisions, while the subsidiaries made a positive contribution.

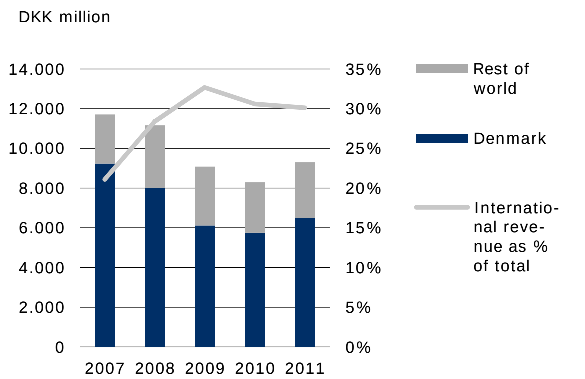
At DKK 9,307 million, consolidated revenue was DKK 1,004 million, or 12%, ahead of 2010. The largest contribution to the increase in revenue came from the activities of the business area Civil Engineering, with DKK 802 million. This was partly due to a large order from DONG Energy for offshore foundations for the Anholt wind farm. Both Construction and subsidiaries experienced a level of activity slightly above the 2010 level.

International activities generated revenue of DKK 2,802 million in 2011, representing 30% of overall revenue versus 31% last year.

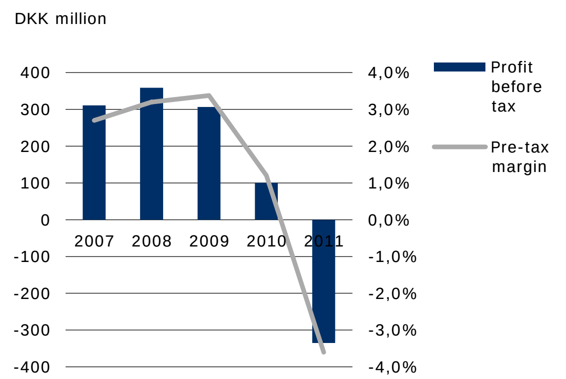
The operating result for 2011 was an unsatisfactory loss of DKK 332 million. In 2010, the operating result was a profit of DKK 94 million. The result for the year was affected by considerable downward adjustments on isolated international projects. Especially two bridge projects in Sweden and a hydro power plant in Panama, but also a generally weak performance by some of the business areas' divisions. To this should be added the provisions referred to above, which primarily relate to Civil Engineering. Furthermore, both Civil Engineering's and Construction's results for the year were adversely affected by lower profitability on their order portfolios. The business areas were aware of this at the start of the year, but were unable to compensate for it to the necessary extent during the year.

Civil Engineering's result was marred by the large downward adjustments and provisions on isolated projects referred to above, which were only partly offset by sound earnings on other projects. Overall, the business area contributed a significant loss.

Revenue



Profit before tax and pre-tax margin



Construction experienced a more stable development through the year, with fewer major negative fluctuations, but due to the insufficient margin, Construction's operating result was also negative.

The subsidiaries generally reported good earnings and, overall, contributed a considerable operating profit.

Due to the loss, the operating margin (EBIT margin) was -3.6% in 2011 compared with 1.1% in 2010.

Net finance costs amounted to DKK 3 million compared with net income of DKK 7 million in 2010. The development reflected drawings on credit facilities and a reduction in cash resources.

The result before tax was a loss of DKK 335 million, a decrease of DKK 435 million on 2010, reflecting the above factors. The pre-tax margin was -3.6% in 2011 versus 1.2% in 2010.

Income tax expense was net income of DKK 74 million, providing an effective tax rate of 22% compared with 39% in 2010. The effective tax rate was affected by tax on profit-making activities outside Denmark, where the tax burden is higher than the Danish tax rate of 25%, and negative income in Denmark. The Group's deferred net tax asset stood at DKK 241 million at the end of 2011 compared with DKK 129 million in 2010.

The consolidated result after tax was a loss of DKK 261 million compared with a profit of DKK 61 million in 2010.

On the Buxton project, our claims for extra payments are still the subject of international arbitration. The latest developments in the arbitration case are judged to be predominantly positive. In the offshore industry, there are several disputes relating to allocation of liability pending, brought about by, among other things, problems with the original design standard (DNS-OS-J101) for offshore wind turbine foundations. The financial implications of remedying the problem could be substantial. Like other industry players, the MT Højgaard Group has been using this design standard and therefore is also party to the problem. The challenges are referred to as the 'grout issue'. It is too early to predict the final outcome of the issue of allocation of liability and which technical solutions will be required. Against the background of external legal opinions, it is our opinion that we are generally in a strong position in the above cases. In accordance with the Group's policy (IFRS), no income has been recognised in the financial statements, but only estimated expenses as a consequence of the disputes referred to above. The Group is involved in other arbitration cases and the overall risk profile for these is deemed to be unchanged from last year.

Balance sheet

The consolidated balance sheet total was DKK 956 million higher than at the end of 2010, standing at DKK 5,654 million. The increase was partly a result of the increase in the level of activity. On the asset side, the increase was primarily due to an increase in trade receivables and a higher value of construction contracts in progress, including contracts that are accounted for as inventories until they are handed over. The above increase was partly financed by a decrease in cash resources and securities, and, on the liabilities side, by an increase in trade payables and construction contracts in progress and drawings on credit facilities.

Equity stood at DKK 1,289 million at the end of 2011. Besides the result for the year, equity was affected by the payment of DKK 50 million in dividend and adjustments of interest swaps, etc., in our associate PPP companies of a negative DKK 18 million. The equity ratio was 22.8% at the end of 2011 against 34.5% at the end of 2010. The lower equity ratio reflected partly the loss for the year, and partly the higher balance sheet total. The return on equity was -18.0% versus 3.8% in 2010.

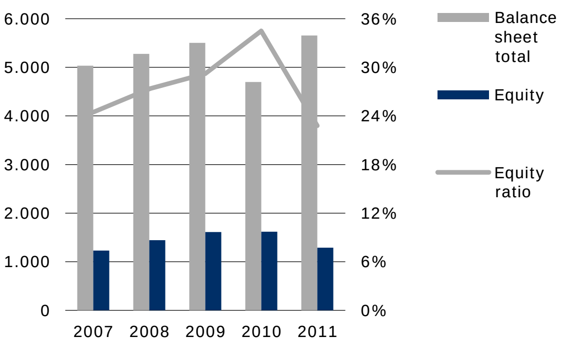
In view of the negative result, no dividend is proposed.

At 31 December 2011, the Group had net interest-bearing debt of DKK 10 million compared with a net interest-bearing deposit of DKK 337 million at the end of 2010. The DKK 347 million decrease was due to drawings on cash resources and securities and higher drawings on credit facilities.

Invested capital amounted to DKK 1,299 million at the end of 2011 compared with DKK 1,281 million in 2010. The return on invested capital before tax was -25.7% versus 8.7% in 2010.

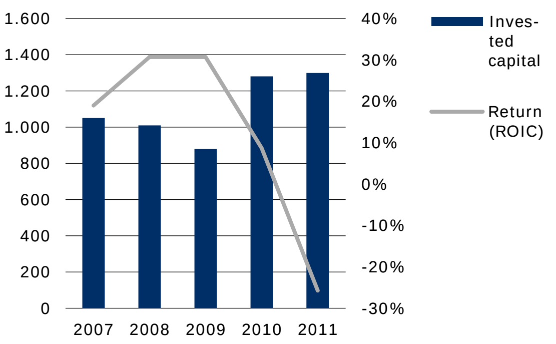
Balance sheet

DKK million



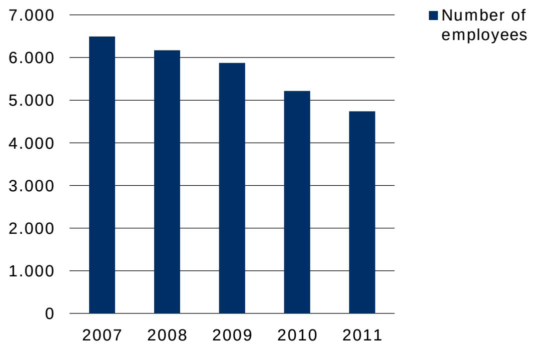
Invested capital and return (ROIC)

DKK million



Average number of employees

DKK million



Cash flows and financial resources

Cash and cash equivalents were DKK 237 million lower at the end of 2011 than at the end of 2010, standing at DKK 21 million at 31 December 2011.

The main draw on cash resources was due to a cash outflow of DKK 268 million from operating activities compared with an outflow of DKK 328 million in 2010. Besides the loss for the year, full-year cash flows from operating activities were affected by a continued high level of funds tied up in the business area Civil Engineering's offshore projects, and the considerable increase in inventories and receivables, which was only partly offset by the increases in trade payables and other non-current liabilities.

Cash flows for investing activities amounted to a cash inflow of DKK 103 million. In 2010, investing activities generated a cash inflow of DKK 238 million. Net sales of securities represented DKK 69 million of the cash inflow for the year. In addition, in 2011, the Group invested DKK 125 million gross in property, plant and equipment, compared with DKK 241 million in 2010. The proceeds from the sale of property, plant and equipment were DKK 147 million, providing an overall net contribution from property, plant and equipment of DKK 22 million. The cautious investment approach was a reflection of, among other things, the financial performance.

Cash flows from financing activities amounted to an outflow of DKK 72 million versus DKK 23 million in 2010. The amount related to the distribution of DKK 50 million in dividend and a DKK 22 million decrease in non-current bank loans, etc.

Cash and cash equivalents decreased by DKK 237 million net in 2011 compared with DKK 113 million in 2010.

The Group's financial resources totalled DKK 858 million at 31 December 2011 compared with DKK 1,092 million last year. Financial resources are calculated as cash, including cash and cash equivalents in joint ventures and jointly controlled entities, securities and undrawn credit facilities. Of the total financial resources, DKK 584 million is available for use by the parent company. The financial resources are satisfactory taking into account the expected level of activity.

Order book

The order book stood at DKK 8,751 million at the end of 2011, down 5% on last year. The quality of the order book is satisfactory in the current climate.

DKK million	2011	2010
Order book, beginning of year	9,222	7,455
Order intake for the year	8,836	10,070
Production during year	-9,307	-8,303
Order book, end of year	**8,751**	**9,222**

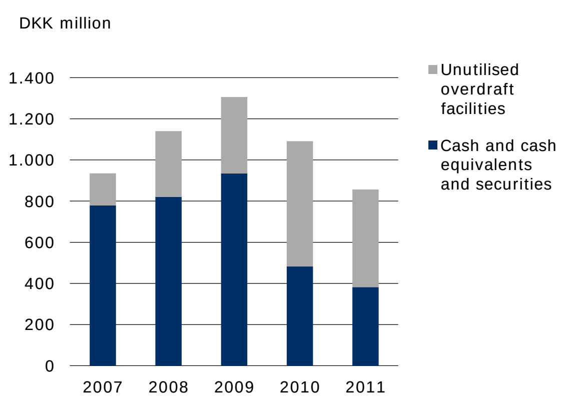
The order book includes a number of large orders extending over several years.

Outlook for 2012

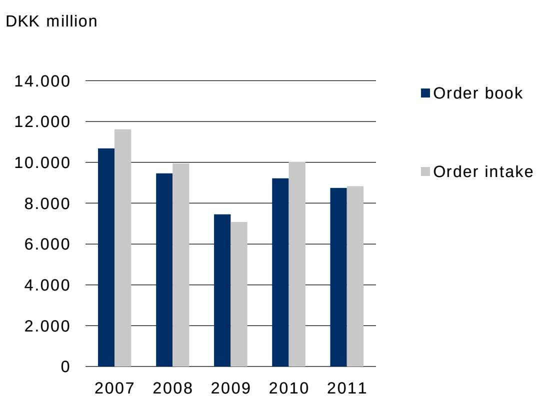
We expect the full-year consolidated pre-tax margin to be positive compared with a pre-tax margin of -3.6% in 2011, but with a loss in the first quarter. The improved profit outlook reflects a number of initiatives that will strengthen our risk management, enhance the efficiency of our operations and reduce our costs. To this should be added a sharpened geographical focus and even stricter project selectivity and project management criteria. The result is expected to be achieved on revenue on a par with 2011.

Overall, we expect the construction and civil engineering market in Denmark to be slightly ahead in 2012 compared with 2011. We estimate that approx. DKK 100 billion of the expected total market volume of approx.

Financial resources



Order book and order intake



DKK 150 billion in the construction and civil engineering market will lie within the Group's sphere of interest.

Outlook for the business area Civil Engineering
The Danish civil engineering market grew in 2011 and we estimate that this will continue in 2012.

In the Middle East, we expect that Civil Engineering will be able to increase revenue from its base in Qatar.

In the offshore market, several new projects are in the pipeline, and we expect Civil Engineering to win a share of these.

Overall, we expect the business area Civil Engineering to round off 2012 with an improved result.

The result is expected to be achieved by applying even stricter project selectivity and risk management criteria.

Outlook for the business area Construction
The activities in the Danish market for construction projects were characterised by continued fierce competition in 2011. However, we saw a small improvement at the end of the year, although the market remains more contracted than in previous years. Internationally, we expect the Construction business area to be able to step up its activities in Norway and Greenland.

Two construction projects will be handed over in 2012. They were built in 2010 and 2011 and, for accounting purposes, have been capitalised as inventories, which will generate revenue of approx. DKK 430 million in 2012.

We therefore expect an improved result due to focus and optimisation of operations.

Outlook for the subsidiaries
We expect the overall level of activity in the subsidiaries for 2012 to be at a slightly higher level than in 2011, with a result in line with 2011.

Despite intense competition in the refurbishment market, we expect Enemærke & Petersen to report a small increase in activity and earnings in 2012. This is based on a good order volume and wider geographical coverage.

Lindpro's activity and earnings are expected to be on a par with 2011. This will be achieved in a market that is expected to remain stable, with continued focus on efficient, cost-conscious management of activities.

We expect an increased level of activity in Scandi Byg again in 2012, partly as a result of orders for prefabricated modular buildings. The result is expected to be in line with 2011.

On the basis of Greenland Contractors' contract with the US Air Force, we expect activity in Greenland Contractors to match 2011, but with a slightly lower result.

The market outlook for Ajos is for activity and a result at a slightly lower level than in 2011. In the Portuguese company Seth, we expect a small increase in both activity and result.

Consolidated outlook
The order book stood at DKK 8.8 billion at the start of 2012, down 5% on the start of 2011. Of this amount, we expect to execute DKK 7.3 billion in 2012 (DKK 6.7 million in 2011). In the Group, we will continue to be highly selective when contracting for new projects and to focus on profitability in the projects within the framework of the geographical and capability-related focus areas, applying targeted risk management. We expect that the Group will deliver revenue in 2012 on a par with 2011, when revenue was DKK 9.3 billion.

The relatively low profitability on our existing order portfolio in the business areas means that we do not expect the Group to achieve a satisfactory pre-tax margin. Focus and targeted risk management will continue to be key to securing satisfactory earnings.

We expect that the consolidated pre-tax margin for 2012 will be positive, with an increasing pre-tax margin as the year proceeds.

We expect the Group's effective tax rate to be at a slightly higher level than the Danish tax rate.

We expect cash flows from operating activities for 2012 to be positive due to the expected positive operating result and a decrease in funds tied up in working capital.

We also expect to continue to maintain satisfactory financial resources in the form of cash and cash equivalents, securities and credit facilities.

The projections concerning future financial performance are subject to uncertainties and risks that may cause the performance to differ from the projections.

Management changes

On 14 March 2012, Kristian May, President and CEO, stepped down, and was replaced by Jørgen Nicolajsen as acting President and CEO. Furthermore, Jens Nyhus, COO, was appointed as COO with responsibility for MT Højgaard A/S's business areas, comprising Construction and Civil Engineering.

During the year, Peter Kofoed, COO, was appointed as CEO of Greenland Contractors, and he has therefore stepped down from the Executive Board. Furthermore, Johnny Rasmussen, COO, has stepped down from the Executive Board. He has been succeeded by Flemming Steen, CFO.

The Executive Board is consequently made up of Jørgen Nicolajsen, acting President and CEO; Flemming Steen, CFO; Jens Nyhus, COO; and Thorbjørn N. Rasmussen, COO.

Customers

Customers are the focal point of the Group, whether the project involves hiring out equipment, refurbishing a building or constructing offshore wind turbine foundations.

To ensure that the Group continues to meet customer expectations, among other things, we ask our customers their views about working with us.

Civil Engineering and Construction had a high customer satisfaction level at the end of 2011, with an average index of over 70 out of 100. The target is 76. In particular, customers set great store by our ability to involve them in projects. They find our project managers competent and our health and safety culture of the highest quality.

Enemærke & Petersen also measures customer satisfaction. The company is characterised by its customers as standing for dialogue, good collaboration with all parties involved in construction, and finished buildings that take the needs of users into account. Customer satisfaction is achieved by various methods, including start-up workshops, midway evaluations on the company's largest projects and maintaining close relations with residents, for example attending residents' meetings when the company refurbishes buildings.

Knowledge resources

The MT Højgaard Group wants to contribute to raising the standard for the construction and civil engineering industry. This requires the right capabilities, dialogue with our customers and the development of methods and products.

Employees

In 2011, the Group had an average of 4,738 employees, against 5,217 in 2010. At the end of 2011, the Group had 5,025 employees, which is the same level as at the end of 2010.

Skills development

In 2011, the business areas worked on roles and responsibilities in the organisation. The aim is to ensure that the organisation has the right skills and that it is easy to put together the right team for each project.

In the Group, we focus constantly on enhancing leadership skills. In 2012, Civil Engineering and Construction will specifically focus on developing project managers' leadership skills via the in-house Academy 3. We will also ensure that employees attend our Academy as soon as possible after they begin employment with the Group, as we can see that they are then better equipped to execute our projects.

Some employees are employed outside Denmark. A number of these have participated in course activities in their local areas. Courses held by Civil Engineering have included internal training in Academy 1 and FIDIC courses as required abroad. The Group also works concertedly to develop individual employees' language skills.

Knowledge sharing

In a Group like MT Højgaard, knowledge sharing is key to the implementation of our projects. This applies both to internal knowledge sharing and knowledge sharing with subcontractors, partners and customers. Therefore, we focus constantly on enhancing and professionalising our organisation and its knowledge tools.

In 2011, the business areas developed and launched MT Højgaard Projektweb. This network allows customers, partners and MT Højgaard to share files and information on a construction project and thus collate all the documentation on the project.

In 2012, the business areas will focus partly on developing the internal integrated management system so that it better matches the individual employee's position in the organisation. Our integrated management system includes a description of quality management procedures in the business areas.

Development of methods

We constantly optimise the approach and methods applied in the Group's projects to ensure that they meet customer requirements. When it creates value, we collaborate across the Group and enter into purchasing agreements that apply to all or several parts of the Group. This may, for example, involve purchases in relation to production or making use of economies of scale in connection with IT projects. For example, in 2011, we outsourced all the Group's IT operations to IBM.

In 2011, the Construction business area gained skills that enable it to provide advice on the sustainable DGNB-International and the future Danish version of DGNB. DGNB analyses a building on the basis of:

- the environment, including consideration of the materials' life cycle and the building's energy consumption
- cost, taking overall economy into account
- social factors, including air quality, acoustics, access conditions and architecture

Construction already has employees who have skills to give advice on the sustainable certification systems LEED and BREEM.

The above skills are being used more frequently in the market as more and more customers ask for sustainable construction. Buildings are constructed as low-energy class 2015 and/or 2020 and also meet other sustainability criteria such as low operating and maintenance costs, low water consumption, attractive indoor climate and much more besides.

In 2011, Construction conducted a number of surveys that revealed that the need for refurbishment will increase for many years to come and that, combined with the Danish desire to be CO_2-neutral by 2050 and the desire to have better buildings, it is important to think in terms of overall costs and sustainability when buildings are refurbished. In 2012, the business area will therefore focus on developing its refurbishment skills to match future refurbishment requirements.

In 2011, Civil Engineering and Construction also intensified their work on the BIM (Building Information Modelling) design method, which utilises the possibilities for modulating and visualising building projects before they are started up. BIM will be incorporated in day-to-day production and collaboration with customers and is intended to contribute to the business areas complying with the strategy to outperform industry standards - and create construction and civil engineering projects that add value for their customers.

The business areas have also started using the DigiTjek digital defect and nonconformity system in continuation of the objective to deliver construction and civil engineering projects without defects and nonconformities. DigiTjek provides an efficient follow-up process and a better overview. Last but not least, it gives the customer the opportunity to follow the process better. The customer can monitor a digital drawing in which the nonconformity is marked with its status.

Process management was improved in Civil Engineering and Construction in 2011 by digitising working processes in a process management system. The system supports a project from tender calculation to final evaluation. The system is designed to contribute to enhancing the efficiency of working hours, managing the process, having a preventive effect in relation to impairment losses, knowledge sharing in the form of all information being centrally located and allowing follow-up.

Corporate social responsibility

The MT Højgaard Group's statutory reporting on corporate social responsibility (CSR) is set out below.

The Group's CSR policy applies to all employees in the business areas and all wholly-owned companies. Each of the business areas and companies also has a number of independent policies based on the CSR policy but drawn up in relation to the strategies, specialist field and organisation of the specific business area or company. As the various companies in the Group are very different in size and structure, they work independently with the areas to suit their needs as appropriate.

The policy confirms the Group's obligation to act ethically in the performance of our activities. It sets out our obligations in relation to integrity, fairness and corporate social responsibility. We have integrated the UN Global Compact's ten principles relating to human rights, labour rights, the environment and good business ethics in our CSR policy.

Our CSR policy consists of the following main elements:

- Business conduct
- Human rights
- Employee rights
- Anti-corruption
- Environment

Among other things, the policy states that the Group condemns bribery, forced labour or child labour and does not tolerate any discrimination.

We handle CSR issues in a manner that ensures that all employees in the Group and suppliers are aware of our positions and guidelines. We continuously ensure that our procedures and processes support the policy. All standards are integrated in the internal systems of the business areas and subsidiaries, and regular audits are conducted. These also cover our partners.

In the following, we will report on policies, actions and results in the areas of health and safety, which are part of labour rights, and the environment. In that connection, we will also report on key aspects of these areas.

In the Group, we have positions on other CSR issues, for example in the areas of human rights and anti-corruption, for which we do not, however, carry out planning, measurement and follow-up to the same extent. For example, we have a Code of Conduct for suppliers and we focus on training, recruiting and developing the construction and civil engineering employees of the future. Our action in these areas is described in the business conduct section.

Prevention of injuries

We want to avoid occupational injuries, among other things by promoting a culture that focuses on the health and safety of employees.

This puts us under an obligation to prevent injuries and work-related illness by ensuring that employees are trained and instructed to perform their work and that the right conditions are present to enable them to perform their tasks.

The work on the prevention of injuries takes place in the business areas or in each subsidiary.

Actions, results and objectives

The business areas and subsidiaries continually strive to improve their health and safety initiatives.

Methods employed include visits and internal audits on construction sites. Health and safety are regularly mapped and systematic risk assessments of our activities in Denmark, Europe and Greenland are carried out.

MT Højgaard, Ajos, Enemærke & Petersen and Scandi Byg have health and safety certification to DS/OHSAS 18001:2008. In this connection, the business areas and subsidiaries are audited by a certification agency twice a year in the Danish market and once a year abroad. Lindpro is working to obtain certification in 2012.

There is a Group focus on individual injury frequencies and the business areas and subsidiaries have independent targets.

In 2011, the business areas set a joint target of achieving an injury frequency of less than 8 per one million hours worked and of reducing the number of lost time injuries time of 1-4 days by 10%.

The target was not met as the injury frequency was 8.7. This is still one of the best results in the industry, but it is not satisfactory as every injury is one too many. The target of reducing lost time injuries of 1-4 days by 10% was achieved with a reduction of 17.5%, partly as a result of focusing on the use of GangSupport.

The business areas consider that the frequency can be reduced further. Therefore, Civil Engineering and Construction will, in future, delegate action and responsibility to the local divisions to a greater extent rather than using the current centralised approach. This will allow the divisions to work more on changing behaviour, making even more progress in preventing injuries.

Moreover, the business areas will focus on targeted induction of and communication to employees, the preparation of instructions, also for small tasks, and the use of GangSupport. They will also focus to a greater extent on assessment health and safety risks in the project planning.

Therefore, Construction and Civil Engineering continue to have an ambitious objective of reducing the injury frequency to less than 5 in the business areas by the end of 2013 and of reducing the number of lost time injuries of 1-4 days by a further 10% in 2012.

Environment

We want to take care of the environment in the Group. We want to ensure that our employees are always trained to perform their tasks in an environmentally sound manner in compliance with the existing rules.

We encourage the development and spread of technologies that promote environmentally sound solutions.

Our environmental measures are based on the need to comply with environmental legislation in the countries in which the Group has a presence and the environmental requirements made by our customers.

Actions, results and objectives

Construction and building materials can have a wide-ranging impact on the environment. Therefore, we have implemented a number of measures to reduce the impact on the environment across the Group.

Measures in 2011 included the installation of 253 new heat pumps to replace the traditional electric heaters in our site huts. The total number of heat pumps is now up to 512 out of a total of 600. This has resulted in an electricity saving of over 50% per annum.

Ajos has been replacing work pavilions with greener versions on a rolling basis. In 2011, the company began using 85 new pavilions. The new pavilions use approximately 50% less electricity for heating than the previous ones.

In 2009, motion sensors were installed in all of Construction's and Civil Engineering's site huts. This produces an annual electricity saving of approximately 50%.

The use of double-sided printing by Scandi Byg, Civil Engineering and Construction, among others, resulted in a 12% reduction in the use of paper in the Group in 2011, equivalent to a saving of 1.6 million sheets of A4 paper, despite the fact that revenue increased considerably.

Several other measures have been introduced within the Group in recent years. In the business areas, these have included the introduction of a new company car policy and the reduction of electricity consumption in the offices, for example via energy saving power strips and energy renovation. Lindpro has changed van supplier to reduce the company's fuel consumption and CO_2 emissions. Scandi Byg is in the process of changing its heating from natural gas to district heating in all production buildings.

Across the Group, the opportunities for further energy efficiency are being considered continuously. In 2012, the business areas expect to implement a new travel policy in order to reduce the number of overseas trips and to promote car sharing and electronic meetings, among other things.

Business conduct

Code of Conduct for suppliers

In the Group, we are ambitious about our own conduct, so we also set requirements for our suppliers. When we make a Group agreement with a supplier of building materials, the supplier undertakes to comply with national legislation and regulations and meet specific requirements for quality, health and safety and the environment. To ensure that our standards are met, the business areas and subsidiaries conduct inspection visits and audits or have them conducted by third-party auditors.

In the event of non-compliance with the Group's standards, we reserve the right to end the business partnership.

Skills development
As a large Group, we have a responsibility to contribute to as many people as possible receiving training. We offer apprenticeships, work experience and job rotation, and the MT Højgaard Group now has just under 8% of its employees in training. We want to increase this figure to 10% at the rate that is possible, considering finances, safety and the quality of the training courses offered.

We also focus on in-service training. For example, 12 local employees in Greenland were offered further training to qualify them to take on more specialist, more responsible jobs when the drilling season begins again next year.

Over several years, Enemærke & Petersen has supported an ambitious school project in the town of Nkwenda in Tanzania via Danmission. The project involves helping 12 local pupils help themselves by sponsoring their training in various trades such as bricklaying, carpentry and joinery. This secures local development and growth.

Retention of older employees
For many years, Enemærke & Petersen has made an extra effort for older employees and has previously been awarded the Danish 'Senior Praksis' prize of the year for the company's policy on older employees.

The purpose of the policy is to make it as attractive as possible for employees to continue their active working lives for as long as they want to. For Enemærke & Petersen, it means that the company retains solid, experienced skills. The activities carried out by the company include an annual conference for older employees, an annual health check and subsidies for sport. The result is that the younger employees can be trained up by more experienced employees to the benefit of the business and to avoid occupational injuries and attrition.

Risk factors

The Group's activities entail a number of commercial and financial risks that may affect growth and the Group's financial position and operations.

We consider it a critical part of our strategy to constantly minimise the current risks, which, in our opinion, do not generally differ from the normal risks facing companies in the construction and civil engineering industry.

The overall framework for managing the risks we judge to be critical for the Group is laid down in the business concept and the associated policies. These are adapted and refined continually.

Projects

In the construction and civil engineering industry, it is usually the case that every project is unique. The design, layout, materials and surroundings vary from project to project. The situation is therefore very different from that in many manufacturing companies. The projects also vary in scope from projects that just involve the execution of construction and civil engineering works on the basis of the client's technical requirements to projects in which we are involved in the process from planning and design to construction to the final use of the project.

Project management is the key to our ability to provide adequate value creation in the Group. The internal integrated management systems of the business areas and subsidiaries contain the procedures and paradigms that our employees require to manage and quality-assure each project from sale and tendering through project execution to handover to the client. Prior to bidding for major projects, we carry out a systematic, structured review of the project to ensure that risk areas are identified and priced, and unforeseen events can be minimised.

Process management during the construction phase is paramount to ensure that construction site activities are efficiently coordinated and optimised. In the Group, we use project management tools in order to enhance the quality and productivity of each project, reducing the risk of delays and budget overruns on individual projects.

In projects in which disputes or arbitration proceedings arise, it is essential for the recognition in the annual report for a specific assessment to be made of the issues and amounts at dispute, based on factors such as the stage of negotiations with the other party and the potential for settlement. We make every effort, via dialogue and negotiations, to settle disputes before they escalate. For major disputes, external legal opinions are a fundamental part of their management.

Purchases of materials and subcontracts account for a considerable portion of the Group's project costs. Close contact and strategic partnership agreements are two of the methods we employ to ensure that we can deliver high, uniform quality on time. This helps reduce our performance risks for these deliveries.

On major projects, we often use joint venture collaboration as a further means of minimising risks.

Risk management

A number of good initiatives have been implemented and have proven to be very worthwhile. One consequence of this has been higher stricter selectivity criteria in relation to the projects undertaken by the Group. However, on some projects, the existing risk management has proved insufficient, and intensified action has therefore been initiated to improve it.

Project development

The risk attached to this activity relates primarily to the development in the market for residential construction and the extent to which dwellings sell prior to start-up of each project.

The start-up of self-generated projects is subject to advance sale of at least 75% to 80% of the project. When starting up several projects at the same time, we focus on balancing the overall risk.

Market conditions

Market conditions have a major impact on the construction and civil engineering industry, and the construction sector is periodically used as a regulating factor in fiscal policy. Fiscal policy initiatives may include both tightening and expansionary measures in the form of subsidy schemes and grants.

The Group's position in the Danish market and the spread of markets, customers and range of capabilities help balance risks under fluctuating economic conditions.

Market trends in the various areas of activity often differ under varying economic framework conditions.

Other risk factors

We endeavour to cover, to the greatest possible extent, significant risks outside our direct control by taking out relevant insurance policies. The Group is self-insured for minor claims, to a certain extent, via its subsidiary MTH Insurance. Catastrophe liability is covered via reinsurance.

We ensure that we attract and retain highly qualified, well-trained employees by providing training, caring for our employees and monitoring employee satisfaction. A high employee skills level is essential if the Group is to perform at the highest level, including reducing the risk of mistakes in its activities.

Financial risks

Financial risks are described in note 26 to the financial statements.

Operating review for 2011

We work exclusively in the construction and civil engineering industry.

At 31 December 2011, the Group was organised into two business areas, the separately profiled subsidiaries and the Group's corporate functions, Business Support.

Subsidiaries comprise the Group's subsidiaries and jointly controlled entities with separately profiled capabilities in the construction and civil engineering business.

The result for 2011 was a loss. This was primarily due to unsatisfactory earnings in some of the business areas' divisions, while the subsidiaries made a positive contribution.

Overall, neither Civil Engineering nor Construction lived up to expectations. The financial statements were affected by impairment losses on a few of Civil Engineering's international civil works projects and provisions for guarantee obligations on completed projects. These were partially compensated for by good earnings on other projects. However, the business area's overall result, a significant loss, was unsatisfactory.

The activities of Construction suffered from pressure on margins with a contribution margin that was unable to offset the impairment losses for the year, although they were relatively few. This business area therefore also reported a loss.

The MT Højgaard Group delivered revenue of DKK 9,307 million in 2011, up DKK 1,004 million on 2010. A breakdown of revenue is given below.

Revenue – DKK million	2011	2010
Civil Engineering	3,549	2,747
Construction	2,871	2,788
Subsidiaries and jointly controlled entities	3,248	3,199
Eliminations/others	-369	-431
MT Højgaard Group	**9,307**	**8,303**

Civil Engineering

The Civil Engineering business area undertakes infrastructure and civil engineering projects in Denmark and in selected international markets. Civil Engineering's specialist capabilities include bridges, piling, earthworks, sewerage works, environmental projects, harbour and marine works and offshore wind farm foundations.

Civil Engineering produced an unsatisfactory loss in 2011. However, most of the business area's divisions achieved good results, while others encountered major challenges. The business area's result was affected in particular by a few major impairment losses on international projects, including the grout issue. Management is of the opinion that the Group is generally in a strong legal position, but that there is always some risk attached to the process in such cases.

The Danish civil engineering market enjoyed a rising level of activity in 2011 compared with 2010. We expect the rising level of activity to continue in 2012, although we continue to experience fierce competition. BaneDanmark and the Danish Road Directorate will be inviting tenders for a number of projects in the next 3-4 years. This means that we take a relatively positive view of the civil engineering market.

In 2011, the business area successfully expanded its concrete renovation division into a nationwide business that renovates structures including balconies, façades, multistorey car parks, bridges and tunnels.

We expect the 2011 high level of activity in earthworks, road, bridge and marine projects to continue. This level rose in 2011 following a period of restraint in 2009 and 2010. In 2012, Civil Engineering will undertake the Esbjerg port extension and another viaduct over the river Gudenå.

In the area of mining in Greenland, preliminary studies, drill samples and various preliminary investigations have been carried out in advance of the establishment of mines. The area had a sound year, with good activity and earnings.

The offshore market is stable after a year characterised by a financing shortfall. Several new projects are in the pipeline, indicating a rising level of activity in the future. In 2012, the business area will continue its work on the installation of wind turbine foundations for the Lincs and Anholt offshore wind farm projects.

Civil Engineering has had to admit that the competitive situation in Asia for civil engineering is very tough. Civil Engineering has therefore scaled back its activities in Asia, instead focusing its capabilities and resources on the countries in the region in which they currently produce value.

The market in the Middle East has been characterised by insufficient financing of projects. However, this situation is looking better at the start of 2012, with the countries with strong economies beginning to invest again. Therefore, we look forward to Civil Engineering having a rising level of activity in this area on the basis of projects in Qatar.

Because of its experience with the complexity of the Swedish civil engineering market, Civil Engineering has opted to focus further on feasibility studiesto avoid the same types of problems as the business area encountered in this market in 2011.

Civil Engineering is currently building the Hardanger Bridge in Norway. The business area expects precisely this type of large steel bridge to result in new projects in the future as it is an area that requires specialist capabilities and in which there are currently several invitations to tender in the Northern European market.

We expect Civil Engineering to report an improved result in 2012. This will be achieved by, among other things, the business area being more selective in its choice of projects and monitoring projects in progress even more closely.

Construction

The Construction business area undertakes construction projects. Capabilities range from residential, commercial and institutional construction to refurbishment and project development.

In 2011, the construction market was characterised by continued tough competition with pressure on prices. However, a small improvement was visible at the end of the year, although the market was still much smaller than in previous years.

The business area did not live up to expectations in 2011 and achieved an unsatisfactory loss. The loss is partly a consequence of a lack of activity in the contract and project development market.

Housing associations invited tenders for several refurbishment projects in 2011. By contrast, there was a fall in public sector projects, which have characterised the market in recent years, for example construction of town halls.

Up to now, Construction's market share of major refurbishment and energy renovation projects has been considerably lower than for new construction projects. In 2012, Construction aims to increase its market share in this area from 6% to 10% in the relevant market for the business area.

In 2011, the business area developed a joint nationwide division that takes on small trade and service projects. The business area sees great future market potential in continuing its partnership with a customer when a major project has been completed, to the benefit of both the customer and Construction.

Construction also completed the construction of new corporate headquarters for DONG Energy and KPMG. The business area continues the series of headquarters construction projects in 2012 with the construction of Novo Nordisk's new corporate headquarters in Bagsværd.

Few PPP projects were put out to tender in 2011. We expect increased interest in the area in 2012, and, given that Construction is the market leader in this field, we see a variety of good prospects for PPP. In 2011, Construction began PPPs on a new school in Frederikshavn and a multistorey car park in Randers.

Construction has had a presence in Greenland for a number of years, achieving positive results. In 2011, the business area also opened an office in Norway, where we expect to benefit from the many projects put out to tender in the Norwegian market, in particular in public construction and commercial and residential construction. Construction thus continues its local presence from Denmark and Greenland, offering customers an approach based on coordination of expectations.

In 2011, the business area focused on defect-free construction, satisfied customers and efficiency in the construction process. Construction has set itself a number of specific targets that it aims to meet in 2013. Results of this focus already started to feed through in 2011. For example, the business area is achieving satisfactory customer satisfaction scores and has made improvements in relation to the number of defects and nonconformities on handover

In 2012, Construction will also concentrate its activities on fewer locations and on mitigating risk factors early in projects.

At the start of 2012, the business area has the highest volume of orders for four years.

In 2012, Construction will also hand over two construction projects that have been executed in the period 2010 to 2012 and have been capitalised as inventories on an ongoing basis. This will result in revenue of around DKK 430 million in 2012.

We expect Construction to achieve an improved result in 2012, overall.

Subsidiaries and jointly controlled entities

The Group's subsidiaries comprise Ajos A/S, Enemærke & Petersen A/S, Lindpro A/S, MTH Insurance A/S, Scandi Byg A/S and the jointly controlled entities Seth S.A. and Greenland Contractors I/S.

Ajos A/S

Ajos specialises in the hire of heavy equipment for construction, civil engineering and refurbishment projects, consultancy on construction site set-up and the hire of pavilions that meet the requirements in the building regulations (BR10/BR15).

In general, the equipment hire market continued to be under severe pressure in 2011, and was characterised by surplus capacity. Therefore, traditional equipment hire was again subject to major pressure on prices. Ajos nevertheless managed to live up to expectations and deliver a satisfactory result.

One of the company's focus areas is designing sustainable total solutions for setting up and operating construction sites with good health and safety conditions. Ajos is increasingly seeing the results of its intensive work in recent years to encourage clients and consultants to put construction site set-up and operation out to tender as independent contracts in order to obtain the best solution in terms of both cost-efficiency and logistics.

In the past year, Ajos enhanced its position in the market in the key areas of cranes, hoists, site huts, pavilions, working platforms and construction power, offering customers even better solutions and equipment.

We expect the market to follow the same trends in 2012 as in 2011. Therefore, we expect Ajos to deliver an acceptable financial result in 2012 at a slightly lower level than in 2011.

Enemærke & Petersen A/S
Enemærke & Petersen constructs new buildings, and performs refurbishment, restoration and building maintenance in the residential and public sectors across Zealand and in the Eastern Jutland market.

The construction and refurbishment market was under pressure in 2011, which meant that Enemærke & Petersen experienced intensified competition in the area of refurbishment as several players have moved from the market for new construction to the refurbishment market.

Enemærke & Petersen had a higher level of activity in 2011 and the result matched expectations. The company experienced slightly higher activity in new construction because it won market shares. However, the company maintained its market-leading position in the refurbishment market.

In 2011, Enemærke & Petersen expanded its business to include the East Jutland market. The company is currently working on its third project in Århus and expects to generate some revenue in refurbishment in the new market. In the past eight years, Enemærke & Petersen has refurbished many 1960s buildings in the Copenhagen area. Now it is the turn of Århus, where the market is now ready as the buildings were constructed 7-9 years after those in Copenhagen.

The focus in 2011 was also on industrialising refurbishment. At a factory in Glostrup, the company produces finished façade elements that can be inserted directly into a building after the old elements have been removed. In this way, the residents are inconvenienced as little as possible by the refurbishment of their homes.

Enemærke & Petersen increased its order volume and profitability in 2011. The company is therefore well placed for 2012, which will help take some of the pressure off the intense competition.

We expect the company's level of activity and earnings to be slightly higher in 2012 than in 2011 on account of the high volume of orders Enemærke & Petersen already has.

Lindpro A/S
Lindpro is one of Denmark's largest electrical installation companies with branches across the country and a subsidiary in Greenland. The company has a wide range of activities from the largest electrical contracts in Denmark to small service tasks. Lindpro has electrical capabilities in a range of areas such as service, security, intelligent installations and energy optimisation.

Against the background of a challenging market situation, Lindpro had a positive 2011. The company had a slightly higher level of activity and result than expected.

In 2010, Lindpro initiated a number of measures such as efficiency and cost savings with the aim of improving financial performance and ensuring that it remained competitive in the future. The benefits of these activities filtered through in 2011, contributing actively to the positive result.

The electrical installation market has stabilised by comparison to previous years, and there are early signs of growth in several segments. Lindpro has experienced an increase in activity in both the service and contract markets, although the company continues to see prices under immense pressure.

We have generally positive expectations for Lindpro in 2012. These expectations will be met via a solid volume of orders and efficient management of business. The objective is for Lindpro to maintain a well-run business with the focus on profitable growth and to focus its activities in areas such as service agreements, energy optimisation and security projects. The market situation is not expected to change and the company's earnings for 2012 are expected to be at a similar level to those in 2011.

MTH Insurance A/S
MTH Insurance is the Group's own insurance company. The company functions as any other insurance company and is approved by the Danish Financial Supervisory Authority. The company has issued policies for occupational injury and accident insurance, liability, including commercial liability, product liability and consultant liability, and fire, including all-risks cover for buildings, contents, contracts and equipment. Insurance risk is hedged via reinsurance in the international insurance market.

MTH Insurance had a good year and the result lived up to expectations. In 2012, we expect MTH Insurance to achieve a positive result, although at a lower level than in 2011.

Scandi Byg A/S
Scandi Byg is the leading Danish company for prefabricated modular buildings. At its factory in Løgstør, modules are assembled for homes, institutions, offices and laboratories. Cables are laid, doors and windows fitted, walls filled and painted, and roofing felt laid.

2011 was characterised by intense competition, which meant pressure on prices. Scandi Byg was not unaware of this pressure, but had a good basis on which to start 2011.

The company reported a considerable increase in revenue in 2011. Half of the revenue came from projects in the non-profit housing sector. Scandi Byg expects the construction boom in this sector to end already in 2012, after which it will be a number of years before the non-profit housing sector again has as many projects as in 2010-2012.

In 2009, Scandi Byg won a project for the housing associations KAB, Domea and 3B to construct 520 social housing units on seven selected sites across Denmark. The first 125 were handed over in 2011. The buildings are modular with a supporting structure of wood. The erection work involves a partnership between Scandi Byg, Construction, Lindpro and Ajos. This project took up a great deal of time and resources in 2011 and will continue to do so in 2012.

In 2011, Scandi Byg took the first steps in the direction of automating its basis production of floors and wall and roof elements.

Scandi Byg expects prefabricated modular buildings for hospitals to bring new orders in 2012. Based on an exciting project undertaken for Novo Nordisk in 2011, Modulab by Scandi Byg will be rolled out in 2012. This is a concept developed for laboratory construction.

We expect Scandi Byg to achieve a higher level of activity in 2012 and a result on a par with 2011.

Greenland Contractors I/S (67%)
Greenland Contractors carries out construction projects and maintenance and service tasks at Thule Air Base for the US Air Force.

Revenue and earnings for 2011 outperformed expectations. We expect Greenland Contractors to deliver revenue in 2012 on a par with 2011, but with a slightly lower result.

Seth S.A. (60%)
Seth specialises in harbour and marine works and operates in the Portuguese market, including on the Azores, and in Africa.

The Portuguese market continued to be marred by stagnation, which affected Seth in 2011 and resulted in a small loss. We expect an increase in Seth's activities in 2012 and a modest positive result.

Corporate governance

The MT Højgaard Group is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%), and thus is not listed. Both owners are listed on NASDAQ OMX Copenhagen. The Group does not prepare specific reporting on Corporate Governance. Reference is made to the respective owner companies' annual reports for details of each company's Corporate Governance principles.

MT Højgaard A/S is a jointly controlled entity under an agreement entered into between the shareholders.

In the following, we have chosen to give an account of the key elements of the Group's internal control and risk management systems in connection with the financial reporting process in accordance with the requirements in the Danish Financial Statements Act.

Financial reporting process

Introduction

The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Group's accounting and control systems can only provide reasonable, and not absolute, assurance against material errors and omissions in the financial reporting.

The Board of Directors and the Executive Board regularly evaluate material risks and internal controls in connection with the Group's activities, and their potential impact on the financial reporting process.

Control environment

We consider that management's approach is fundamental to good risk management and internal control in connection with the financial reporting process. The Board of Directors' and the Executive Board's approach to good risk management and internal control in connection with the financial reporting process is consequently constantly being strongly emphasised.

The Executive Board is responsible for ensuring that the Group's control environment provides a proper basis for the preparation of the financial reporting. Managers at various levels are responsible in their respective areas.

The Board of Directors and the Executive Board have defined targets that have been incorporated in values, strategies and business plans. Policies, procedures and controls have been established in key areas in connection with the financial reporting process. The basis for this is a clear organisational structure, clear reporting lines, authorisation and approval procedures, and segregation of duties.

Risk assessment

The risk of errors in the items in the financial statements that are based on estimates or are generated through complex processes is relatively larger than for other items. A risk assessment aimed at identifying such items and the extent of the associated risks is coordinated by the Executive Board.

As a construction and civil engineering group, the principal risks are in the contracting and performance phases of our projects.

Control activities

The purpose of control activities is to prevent, detect and correct any errors or irregularities and to ensure that estimates made are reasonable in the circumstances.

These activities are integrated in the integrated management systems, financial reporting manuals and business procedures of the individual business areas and companies. They include approval procedures for contracting of new projects that ensure initial risk assessment and management involvement at various levels, depending on project size. Procedures are also in place for monthly reviews with the responsible management at overall level, including of the risk assessment on the project and of project stage based on updated accounting records and updated expectations concerning remaining production. Lastly, procedures are in place for verifications, authorisations, approvals, reconciliations, analyses of results, IT application controls, and general IT controls.

Information and communication

The Group maintains internal information and communications systems to ensure that the financial reporting is correct and complete within the context of the confidentiality prescribed for listed companies. Integrated management systems, financial reporting manuals and other reporting instructions are regularly updated, as appropriate. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring

The Board of Directors monitors the financial reporting on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, the manner in which material and exceptional items and estimates are accounted for, and the overall disclosure level in the Group's financial reporting.

In the Group, we use comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

The Group applies uniform IFRS rules as set out in the company's financial reporting manual. The manual includes accounting and assessment principles as well as reporting instructions, and must be complied with by all business areas and companies in the Group. The manual is updated and reviewed on an ongoing basis. Compliance with the manual is monitored at corporate level. Formal confirmations of compliance with the manual and relevant corporate policies are obtained from all subsidiaries annually.

All consolidated enterprises report detailed monthly accounting data. These financial data are analysed and monitored at corporate and other operational levels.

Management statement and Independent auditor’s 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 annual report of MT Højgaard A/S for the financial year 1 January – 31 December 2011.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2011 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2011.

In our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year and the Company's financial position and the financial position as a whole of the companies that are comprised by the consolidated financial statements as well as a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

We recommend that the annual report be approved at the Annual General Meeting.

Søborg, 14 March 2012

Executive Board

Jørgen Nicolajsen
Acting President and CEO

Flemming Steen
CFO

Jens Nyhus
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

Independent auditor's report

To the shareholders of MT Højgaard A/S

Independent auditor's report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard A/S for the financial year 1 January – 31 December 2011. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2011 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 14 March 2012

KPMG
Statsautoriseret Revisionspartnerselskab

Jesper Koefoed	**Merete Kjær Buchgreitz**
State Authorised	State Authorised
Public Accountant	Public Accountant

Executive Board

Executive Board

Jørgen Nicolajsen
Acting President and CEO

President and CEO, Monberg & Thorsen A/S

Flemming Steen
CFO

Member of the board of directors of:
Seth S.A.

Jens Nyhus
COO

Member of the board of directors of:
OPP Hobro Tinglysningsret A/S (CB)
OPP Vildbjerg Skole A/S (CB)
OPP Ørstedskolen A/S (CB)
OPP Randers P-hus A/S (CB)
OPS Frederikshavn Byskole A/S (CB)

Thorbjørn N. Rasmussen
COO

Member of the board of directors of:
Netek IR Systems A/S
Alpha Wind Energy
MT Hojgaard Al Obaidly w.l.l.

Board of Directors

Board of Directors

Helge Israelsen
Chairman

Member of the board of directors of:
Højgaard Holding A/S (CB)

Jørgen Nicolajsen
Deputy Chairman

President and CEO, Monberg & Thorsen A/S
Acting President and CEO, MT Højgaard A/S

Irene Chabior *
HR Development Consultant, HR

Curt Germundsson
Member of the board of directors of:
Bandak Group AS (Norway) (CB)
EFD Induction ASA (Norway)
Alignment Systems AB (Sweden)
Dev Port AB (Sweden)

Hans-Henrik Hansen *
Manager, Construction

Member of the board of directors of:
Knud Højgaards Fond

Poul Lind
CEO, NPT A/S

Member of the board of directors of:
Monberg & Thorsen A/S
NPT A/S

Jens Jørgen Madsen
Member of the board of directors of:
Højgaard Holding A/S (DCB)
Kirk Kapital A/S
Sanistål A/S (DCB)
Velux A/S (CB)
VKR Holding A/S

Torsten Ask Overgaard *
Design Manager, Civil Engineering

Knud Rasmussen *
Section Manager, Civil Engineering

Lars Rasmussen
CEO, Coloplast A/S
(and on the management of six subsidiaries)

Member of the board of directors of:
Højgaard Holding A/S
TDC A/S

*) Employee representative
(CB) Chairman of the board of directors
(DCB) Deputy chairman of the board of directors

Financial state-ments

Income statement and statement of comprehensive income

PARENT COMPANY 2010	PARENT COMPANY 2011	Note	Amounts in DKK million	GROUP 2011	GROUP 2010
			Income statement		
5,342.1	6,182.9	4	Revenue	9,307.4	8,303.4
-5,134.4	-6,498.9	5-6	Production costs	-9,227.0	-7,762.8
207.7	**-316.0**		**Gross profit (loss)**	**80.4**	**540.6**
-136.3	-103.3		Distribution costs	-134.5	-165.9
-124.9	-129.2	5-7	Administrative expenses	-277.4	-281.1
-53.5	**-548.5**		**Operating profit (loss)**	**-331.5**	**93.6**
-	-	13	Share of profit after tax of associates	1.1	2.5
297.9	196.2	8	Finance income	16.3	32.6
-57.6	-62.6	9	Finance costs	-20.8	-28.5
186.8	**-414.9**		**Profit (loss) before tax**	**-334.9**	**100.2**
-29.2	105.5	10	Income tax expense	73.9	-38.8
157.6	**-309.4**		**Profit (loss) for the year**	**-261.0**	**61.4**
			Proposal for distribution of profit		
50.0	0.0		Dividend for the financial year		
107.6	-309.4		Retained earnings		
157.6	**-309.4**		**Total**		
			Statement of comprehensive income		
157.6	**-309.4**		**Profit (loss) for the year**	**-261.0**	**61.4**
			Other comprehensive income		
0.0	0.0		Foreign exchange adjustments, foreign enterprises	-0.1	1.8
-	-		Share of other comprehensive income of associates	-18.2	-4.4
0.0	0.0		Tax on other comprehensive income	0.0	0.0
0.0	**0.0**		**Other comprehensive income after tax**	**-18.3**	**-2.6**
157.6	**-309.4**		**Total comprehensive income**	**-279.3**	**58.8**

Balance sheet

PARENT COMPANY			ASSETS	GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
			Non-current assets		
			Intangible assets		
50.3	50.3	11	Goodwill	112.0	110.9
4.3	2.9	11	Other intangible assets	9.7	12.3
54.6	**53.2**		**Total intangible assets**	**121.7**	**123.2**
			Property, plant and equipment		
114.5	50.6		Land and buildings	265.2	330.8
119.8	102.2		Plant and machinery	372.8	377.4
22.9	16.4		Fixtures and fittings, tools and equipment	88.7	97.1
0.2	0.0		Property, plant and equipment under construction	16.1	11.5
257.4	**169.2**	12	**Total property, plant and equipment**	**742.8**	**816.8**
			Investments		
386.5	367.5	13	Investments in subsidiaries	-	-
50.1	57.6	13	Investments in jointly controlled entities and associates	9.8	1.2
16.4	12.1		Receivables from associates	3.8	10.1
120.0	290.4	18	Deferred tax assets	246.1	128.5
573.0	**727.6**		**Total investments**	**259.7**	**139.8**
885.0	**950.0**		**Total non-current assets**	**1,124.2**	**1,079.8**
			Current assets		
			Inventories		
1.2	1.9	14	Raw materials and consumables	77.6	72.9
519.7	650.9	14	Properties held for resale	944.0	587.1
520.9	**652.8**		**Total inventories**	**1,021.6**	**660.0**
			Receivables		
1.082.4	1,750.3		Trade receivables	2.293.4	1.578.1
413.2	354.2	20	Construction contracts in progress	434.7	497.5
205.4	265.5		Receivables from subsidiaries	-	-
0.0	12.0		Receivables from associates	12.0	0.0
10.1	0.4		Receivables from jointly controlled entities	0.4	1.8
18.0	20.2		Income tax	12.1	8.9
184.7	128.4		Other receivables	177.7	251.9
0.0	113.8		Payments on account to suppliers	113.8	0.0
56.4	59.3		Prepayments	66.4	66.5
1,970.2	**2,704.1**	15	**Total receivables**	**3,110.5**	**2,404.7**
107.4	**21.0**	16	**Securities**	**159.0**	**225.8**
202.4	**145.2**	34	**Cash and cash equivalents**	**238.5**	**327.2**
2,800.9	**3,523.1**		**Total current assets**	**4,529.6**	**3,617.7**
3,685.9	**4,473.1**		**Total assets**	**5,653.8**	**4,697.5**

Balance sheet

PARENT COMPANY			EQUITY AND LIABILITIES	GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
			Equity		
220.0	220.0		Share capital	220.0	220.0
-	-		Other reserves	-23.9	-5.6
1,092.5	783.1		Retained earnings	1,093.0	1,354.0
50.0	0.0		Proposed dividends	0.0	50.0
1,362.5	**1,003.1**		**Total equity**	**1,289.1**	**1,618.4**
			Non-current liabilities		
74.0	59.2	17	Bank loans, etc.	168.1	129.2
0.0	0.0	18	Deferred tax liabilities	4.8	0.0
100.6	129.9	19	Provisions	232.2	188.9
174.6	**189.1**		**Total non-current liabilities**	**405.1**	**318.1**
			Current liabilities		
7.4	3.1	17	Current portion of non-current liabilities	22.0	17.5
66.0	202.8	17	Bank loans, etc.	217.4	68.8
551.1	1,231.7	20	Construction contracts in progress	1,441.7	705.6
330.8	20.1		Prepayments received from customers	136.5	372.7
669.6	1,039.4		Trade payables	1,388.0	940.2
183.1	255.0		Payables to subsidiaries	-	-
0.0	20.5		Income tax	22.9	16.8
291.2	322.0		Other payables	509.2	550.4
49.3	31.8		Deferred income	35.2	55.9
0.3	154.5	19	Provisions	186.7	33.1
2,148.8	**3,280.9**		**Total current liabilities**	**3,959.6**	**2,761.0**
2,323.4	**3,470.0**		**Total liabilities**	**4,364.7**	**3,079.1**
3,685.9	**4,473.1**		**Total equity and liabilities**	**5,653.8**	**4,697.5**

Notes without reference

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Statement of cash flows

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
			Operating activities		
-53.5	-548.5		Operating profit (loss)	-331.5	93.6
27.1	199.7	30	Adjustments in respect of non-cash operating items, etc.	293.6	131.4
-26.4	**-348.8**		**Cash flows from operating activities before working capital changes**	**-37.9**	**225.0**
			Working capital changes:		
-17.5	-131.8		Inventories	-361.7	-68.1
652.8	-790.7		Receivables excluding construction contracts in progress	-765.4	670.4
-1,062.9	739.6		Construction contracts in progress	799.0	-951.1
-213.4	122.2		Trade and other current payables	140.4	-164.9
-667.4	**-409.5**		**Cash flows from operations (operating activities)**	**-225.6**	**-288.7**
17.4	5.1		Finance income	13.6	30.3
-12.3	-14.5		Finance costs	-20.8	-27.9
-662.3	**-418.9**		**Cash flows from operations (ordinary activities)**	**-232.8**	**-286.3**
-20.0	-14.0		Income taxes paid, net	-35.4	-42.0
-682.3	**-432.9**		**Cash flows from operating activities**	**-268.2**	**-328.3**
			Investing activities		
-1.9	0.0	33	Acquisition of enterprises and activities	-1.1	-2.8
0.7	0.0	33	Disposal of enterprises and activities	0.0	3.0
-15.9	-16.3		Capital contributions to subsidiaries and associates	12.8	0.0
-95.3	-40.9	31	Purchase of property, plant and equipment	-125.0	-241.2
61.1	91.5		Sale of property, plant and equipment	147.2	142.1
267.2	185.5		Dividends from subsidiaries and associates	0.0	0.0
-489.2	-35.2		Purchase of securities	-103.0	-639.3
843.5	123.5		Sale of securities	172.5	975.9
570.2	**308.1**		**Cash flows for investing activities**	**103.4**	**237.7**
			Financing activities		
			Loan financing:		
39.9	0.0	32	Increase in non-current bank loans, etc.	0.0	39.9
-3.7	-19.2		Decrease in non-current bank loans, etc.	-22.5	-12.6
			Shareholders:		
-50.0	-50.0		Dividends	-50.0	-50.0
-13.8	**-69.2**		**Cash flows from financing activities**	**-72.5**	**-22.7**
-125.9	**-194.0**		**Net increase (decrease) in cash and cash equivalents**	**-237.3**	**-113.3**
262.3	136.4		Cash and cash equivalents at 01-01	258.4	371.7
136.4	**-57.6**	34	**Cash and cash equivalents at 31-12**	**21.1**	**258.4**

The figures in the statement of cash flows cannot be derived from the published accounting records alone.

Statement of changes in equity, parent company

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Proposed dividends	Total
2010				
Equity at 01-01	**220.0**	**984.9**	**50.0**	**1,254.9**
Profit for the year		107.6	50.0	**157.6**
Transactions with owners:				
Dividends paid			-50.0	**-50.0**
Total changes in equity	**0.0**	**107.6**	**0.0**	**107.6**
Equity at 31-12	**220.0**	**1,092.5**	**50.0**	**1,362.5**
2011				
Equity at 01-01	**220.0**	**1,092.5**	**50.0**	**1,362.5**
Profit (loss) for the year		-309.4	0.0	**-309.4**
Transactions with owners:				
Dividends paid			-50.0	**-50.0**
Total changes in equity	**0.0**	**-309.4**	**-50.0**	**-359.4**
Equity at 31-12	**220.0**	**783.1**	**0.0**	**1,003.1**

At 31 December 2011, MT Højgaard A/S's share capital amounted to DKK 220 million, which is fully paid up. The share capital is divided into shares of DKK 1,000. No shares carry special rights. Dividend distributed in 2011 amounted to DKK 227.27 per share (2010: DKK 227.27).

Statement of changes in equity, Group

Amounts in DKK million

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
2010						
Equity at 01-01	**220.0**	**-5.2**	**2.2**	**1,342.6**	**50.0**	**1,609.6**
Changes in equity:						
Profit for the year				11.4	50.0	**61.4**
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			1.8			**1.8**
Share of other comprehensive income of associates		-4.4				**-4.4**
Tax on other comprehensive income		0.0	0.0			**0.0**
Total other comprehensive income	0.0	-4.4	1.8	0.0	0.0	**-2.6**
Transactions with owners:						
Dividends paid					-50.0	**-50.0**
Total transactions with owners	0.0	0.0	0.0	0.0	-50.0	**-50.0**
Total changes in equity	**0.0**	**-4.4**	**1.8**	**11.4**	**0.0**	**8.8**
Equity at 31-12	**220.0**	**-9.6**	**4.0**	**1,354.0**	**50.0**	**1,618.4**
2011						
Equity at 01-01	**220.0**	**-9.6**	**4.0**	**1,354.0**	**50.0**	**1,618.4**
Changes in equity:						
Profit (loss) for the year				-261.0	0.0	**-261.0**
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			-0.1			**-0.1**
Share of other comprehensive income of associates		-18.2				**-18.2**
Tax on other comprehensive income		0.0	0.0			**0.0**
Total other comprehensive income	0.0	-18.2	-0.1	0.0	0.0	**-18.3**
Transactions with owners:						
Dividends paid					-50.0	**-50.0**
Total transactions with owners	0.0	0.0	0.0	0.0	-50.0	**-50.0**
Total changes in equity	**0.0**	**-18.2**	**-0.1**	**-261.0**	**-50.0**	**-329.3**
Equity at 31-12	**220.0**	**-27.8**	**3.9**	**1,093.0**	**0.0**	**1,289.1**

Notes

Notes

Note

1 **Accounting policies**

The Group and the parent company annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In addition, the annual report has been prepared in compliance with IFRSs issued by the IASB.

The annual report is presented in Danish kroner (DKK million).

The accounting policies remain unchanged from the 2010 annual report, except for the implementation of the factors below, which have not had any impact on recognition and measurement in 2011.

The following standards and interpretations have been implemented with effect from 1 January 2011: Revised IAS 24: Related Party Disclosures; Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement; Amendment to IAS 32 Classification of Rights Issues; Amendment to IFRS 1 First-time Adoption of IFRS: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters; Improvements to IFRSs May 2010; IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments.

Basis of reporting

Basis of consolidation

The consolidated financial statements comprise the parent company MT Højgaard A/S and subsidiaries in which the Group holds, directly or indirectly, more than 50% of the voting rights or which it controls in some other way.

Other enterprises in which the Group holds between 20% and 50% of the voting rights and over which it has significant influence, but not control, are accounted for as associates. These enterprises are not consolidated. However, enterprises controlled jointly by MT Højgaard A/S and one or more other enterprises are recognised in the consolidated financial statements using proportionate consolidation.

The consolidated financial statements are prepared on the basis of the parent company's and the individual enterprises' audited financial statements determined in accordance with the MT Højgaard Group's accounting policies.

On consolidation, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from intragroup transactions are also eliminated.

Newly acquired or newly formed enterprises are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated for newly acquired enterprises or enterprises disposed of.

Gains and losses on disposal of subsidiaries and associates are reported by deducting from the proceeds on disposal the carrying amount of net assets including goodwill at the date of disposal and related selling expenses.

Presentation of discontinued operations

A discontinued operation is a component of an entity the operations and cash flows of which can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity and that has either been disposed of or is classified as held for sale and expected to be disposed of within one year according to a formal plan.

Post-tax profit and value adjustments of discontinued operations and operations classified as held for sale are presented as a separate line item in the income statement with comparative figures. Revenue, expenses and tax of discontinued operations are disclosed in the notes. Assets and related liabilities are reported as separate line items in the balance sheet.

Notes

Note

1 **Accounting policies**

The cash flows attributable to the operating, investing and financing activities of discontinued operations are disclosed in a note.

Business combinations

Acquisitions of enterprises over which the parent company obtains control are accounted for by applying the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. The tax effect of the restatements performed is taken into account.

Any excess of the purchase consideration over the fair value of the assets acquired and liabilities and contingent liabilities assumed (goodwill) is recognised in intangible assets as goodwill. Any excess of the fair value over the purchase consideration (negative goodwill) is credited to the income statement at the acquisition date.

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If the fair value of identifiable assets, liabilities and contingent liabilities subsequently proves to differ from the fair value assumed at the acquisition date, goodwill may be adjusted for up to twelve months following their acquisition.

Joint ventures

A joint venture is a jointly controlled operation or a jointly controlled entity over which none of the joint venturers has control.

Investments in jointly controlled operations are recognised in the parent company and consolidated financial statements on a proportionate basis in accordance with the contractual arrangement, whereby the proportionate share of assets, liabilities, income and expenses from the jointly controlled operations is recognised in the corresponding items in the financial statements.

Jointly controlled entities are accounted for in the consolidated financial statements applying proportionate consolidation. The parent company measures investments in jointly controlled entities at cost, including direct costs of purchase. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Foreign currency translation

The individual business unit's functional currency is determined as the primary currency in the market in which the business unit operates. The predominant functional currency for the Group is Danish kroner.

Transactions denominated in all currencies other than the individual business unit's functional currency are accounted for as transactions in foreign currencies that are translated into the functional currency using the exchange rates at the transaction date. Receivables and payables in foreign currencies are translated using the exchange rates at the balance sheet date. Foreign exchange differences arising between the exchange rate at the transaction date or the balance sheet date and the date of settlement are recognised in the income statement as finance income and costs.

On recognition of foreign subsidiaries and associates, the income statement items determined in the individual enterprises' functional currencies are translated into Danish kroner at average exchange rates, which do not deviate significantly from the exchange rates at the transaction date, while the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of the income statement items from average exchange rates to the exchange rates at the balance sheet date are recognised in other comprehensive income and in a separate translation reserve in equity.

Foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are recognised in the consolidated financial statements in other comprehensive

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Note

1 **Accounting policies**

income and in a separate translation reserve in equity.

On acquisition or disposal of foreign entities, their assets and liabilities are translated at the exchange rates ruling at the acquisition date or the date of disposal.

Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities. For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

For derivative financial instruments that qualify for cash flow hedge accounting, changes in fair value are recognised in other comprehensive income and in a separate hedging reserve in equity. Income and expenses relating to such hedging transactions are transferred from the reserve in equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised from the trade date and measured in the balance sheet at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases

Leases relating to property, plant and equipment in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet as assets. The assets are recognised initially at cost, equivalent to the lower of their fair value and the present value of the future lease payments.

The present value is determined using the interest rate implicit in the lease as the discount rate or an approximated value.

The capitalised residual lease commitment on finance leases is recognised as a liability.

All other leases are accounted for as operating leases. Lease payments under operating leases are recognised in the income statement over the lease term.

Government grants

Government grants include grants for projects, investments, etc.

Grants that compensate the Group for expenses incurred or for the purchase of assets are set up in the balance sheet as deferred income or offset against the carrying amount of the assets and recognised in the income statement in the same periods in which the expenses are incurred or over the periods and in the proportions in which depreciation on the assets is charged.

Income statement

Revenue

Revenue comprises completed construction contracts and construction contracts in progress, sale of development projects, and rental income.

Revenue from construction contracts under which assets or plants with a high degree of individual customisation are supplied is recognised in the income statement by reference to the stage of completion so that revenue corresponds to the selling price of the work performed during the year (the percentage of completion method).

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1 **Accounting policies**

Revenue from self-generated project development cases is recognised by applying the sales method. Revenue and profit from projects sold are recognised when 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.

Revenue relating to rental income is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the income can be measured reliably and its payment is probable.

Revenue is measured net of value added and similar sales-based taxes and trade discounts and rebates.

Production costs

Production costs comprise both direct and indirect costs incurred in generating the revenue for the year, and expected losses on construction contracts in progress.

Production costs include the cost of raw materials and consumables, wages and salaries, depreciation and impairment losses, etc.

Distribution costs

Distribution costs include tendering, advertising and marketing costs as well as salaries etc. relating to the sales and marketing departments.

Administrative expenses

Administrative expenses comprise expenses for administrative staff and management, including salaries, office expenses, depreciation, etc.

The Group's share of profit after tax of associates

The proportionate share of profit of associates is recognised in the consolidated income statement net of tax and after elimination of the proportionate share of profits/losses resulting from intragroup transactions and after deduction of goodwill impairment losses.

Finance income and costs

Finance income and costs comprise interest income and expense, dividends from other equity investments and realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, as well as finance lease costs and income tax surcharges and refunds.

Borrowing costs attributable to the acquisition, construction or development of self-constructed qualifying assets are recognised as part of the cost of those assets.

The parent company recognises dividends from investments in subsidiaries, jointly controlled entities and associates and adjustments of investments at the recoverable amount. Dividends are credited to income in the financial year in which they are declared.

Income tax

Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement, in other comprehensive income or directly in equity.

MT Højgaard A/S is taxed jointly with its Danish and foreign subsidiaries (international joint taxation). Subsidiaries are included in the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they are no longer included in the consolidation. Current tax is allocated among the jointly taxed Danish companies in proportion to their taxable income.

The parent company MT Højgaard A/S is the management company for the Danish joint taxation and consequently

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Note

1 **Accounting policies**

settles all income tax payments to the Danish tax authorities.

Balance sheet

Intangible assets

Goodwill is measured initially at cost as described in the section on business combinations.

Goodwill is not amortised. The carrying amount of goodwill is reviewed, at least annually, and written down via the income statement to the recoverable amount if this is lower than the carrying amount.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life.

The amortisation period is normally 5-10 years. The basis of amortisation is reduced by any impairment losses.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises purchase price and any costs directly attributable to the acquisition until the date the asset is available for use. The cost of self-constructed assets comprises direct and indirect cost of materials, components, subsuppliers and labour as well as borrowing costs attributable to the construction of the assets.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life to the expected residual value. The useful lives of major assets are determined on an individual basis, while the useful lives of other assets are determined for groups of uniform assets.

Expected useful lives:

Buildings	10-50 years
Plant and machinery	3-12 years
Fixtures and fittings, tools and equipment	3-12 years
Leasehold improvements	3-10 years

Land is not depreciated, nor is depreciation charged if the residual value of an asset exceeds its carrying amount. The residual value is determined at the acquisition date and reassessed annually.

Gains and losses on disposal of property, plant and equipment are recognised in the income statement as production costs or administrative expenses and are measured as the difference between the selling price less costs to sell and the carrying amount at the date of disposal.

Investments in associates in the consolidated financial statements

The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Associates with a negative carrying amount are recognised at nil. If the Group has a legal or constructive obligation to cover an associate's negative balance, the negative balance is offset against the Group's receivables from the associate. Any balance is recognised in provisions.

Investments in the parent company financial statements

The parent company measures investments in subsidiaries, jointly controlled entities and associates at cost, includ-

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Note

1 **Accounting policies**

ing direct costs of purchase. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments
Other non-current receivables are measured at amortised cost less impairment losses.

Impairment of non-current assets
The carrying amounts of intangible assets, property, plant and equipment and investments are reviewed, at least annually, to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, the recoverable amount of goodwill is always reviewed annually.

The recoverable amount is the greater of an asset's fair value less expected costs to sell and its value in use, which is the discounted value of the expected future cash flows from the cash-generating unit.

An impairment loss is recognised in the income statement if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Impairment losses relating to goodwill are not reversed. Impairment losses on other assets are reversed to the extent that the assumptions and estimates that led to the recognition of the impairment loss have changed.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than the cost, inventories are written down to this lower value.

The cost of raw materials and consumables comprises purchase price plus expenses incurred in bringing them to their existing location and condition.

Properties, project development cases in progress and undeveloped sites that are not classified as held for continued future ownership or use are carried as properties held for resale and measured at the lower of cost and net realisable value.

Receivables
Receivables are measured at amortised cost. An impairment loss is recognised if there is an objective indication of impairment of a receivable.

Construction contracts in progress
Construction contracts in progress are measured at the selling price of the work performed. A construction contract is a contract under which the assets or plants in question are constructed to customer specifications and requirements in terms of design, function, etc. Moreover, a binding contract under which any termination will lead to penalties or claims is entered into before work commences.

The selling price is measured in proportion to the stage of completion at the balance sheet date and total expected income from each construction contract. The stage of completion is determined on the basis of the costs incurred and the total expected costs.

When it is probable that the total costs on a construction contract in progress will exceed total contract revenue, the total expected loss on the contract is recognised as an expense immediately.

Where the selling price cannot be measured reliably, it is recognised at the lower of costs incurred and net realisable value.

The individual construction contract in progress is recognised in the balance sheet in receivables or current liabilities,

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Note

1 **Accounting policies**

depending on the net value of the selling price less progress billings and recognised losses.

Costs in connection with sales work and tendering to secure contracts are recognised as a cost in the income statement under distribution costs in the financial year in which they are incurred.

Prepayments and deferred income

Prepayments are recognised as receivables, and deferred income is recognised as current liabilities. Prepayments and deferred income include costs incurred or income received during the year in respect of subsequent financial years, apart from items relating to construction contracts in progress.

Securities

Listed securities recognised as current assets are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as finance income or costs in the period in which they occur.

Equity

Dividends

Dividends are recognised as a liability at the date of their adoption at the Annual General Meeting. Proposed dividends are disclosed as a separate item in equity.

Hedging reserve

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

Translation reserve

The translation reserve comprises foreign exchange differences after 1 January 2004 that have arisen from the translation of the financial statements of foreign enterprises from their functional currencies to Danish kroner and foreign exchange adjustments of balances with foreign entities that are accounted for as part of the Group's overall net investment in the entity in question. On realisation of the net investment, the foreign exchange adjustments are recognised in the income statement.

Current tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account, etc.

Deferred tax liabilities and deferred tax assets are measured using the balance sheet liability method, providing for all temporary differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The following temporary differences are not provided for: goodwill not deductible for tax purposes and office premises. The measurement is based on the planned use of the asset or settlement of the liability, and on the relevant tax rules.

Deferred tax is provided for retaxation of previously deducted losses of jointly taxed foreign subsidiaries to the extent that it is deemed that disposal of the investment or withdrawal from the international joint taxation scheme may be relevant.

Deferred tax assets, including tax loss carryforwards, are recognised at the value at which it is expected that they can be utilised by set-off against deferred tax liabilities or by elimination against tax on the future earnings of the subsidiary or the parent company and the other jointly taxed subsidiaries in the same country. Deferred tax assets are entered as a separate line item within investments.

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed

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Note

1 **Accounting policies**

tax rates is recognised in comprehensive income for the year.

Pension obligations

The Group's pension plans are insured (defined contribution). Contributions to defined contribution plans are recognised in the income statement in the period to which they relate, and any costs payable are recognised in the balance sheet as other payables.

Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured based on management's best estimate of the amount that will be required to settle the obligation.

Financial liabilities

Bank loans, etc., are recognised at inception at the proceeds received net of transaction costs incurred. Subsequent to initial recognition, financial liabilities are measured at amortised cost, equivalent to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, comprising trade payables, payables to subsidiaries, jointly controlled entities and associates, and other payables, are measured at amortised cost.

Statement of cash flows

The statement of cash flows shows cash flows for the year, broken down by operating, investing and financing activities, and the effects of these cash flows on cash and cash equivalents.

The cash flow effect of acquisitions and disposals of enterprises is disclosed separately in cash flows from investing activities. Cash flows from acquisitions are recognised in the statement of cash flows from the date of acquisition and cash flows from disposals are recognised up to the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are determined using the indirect method, whereby operating profit is adjusted for the effects of non-cash operating items, changes in working capital, and net financing costs and income taxes paid.

Cash flows for investing activities

Cash flows for investing activities comprise payments in connection with acquisition and disposal of enterprises and activities and purchase and sale of intangible assets, property, plant and equipment and investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities

Cash flows from financing activities comprise payments to and from shareholders, including payment of dividends and increases and decreases in non-current borrowings.

Cash and cash equivalents

Cash and cash equivalents comprise cash and cash equivalents less current portion of bank loans, etc.

Notes

Note

1 **Accounting policies**

Financial ratios

Financial ratios have been prepared in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts.

The financial ratios used are defined under consolidated financial highlights.

Notes

Note

2 **Accounting estimates and judgements**

Estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effects of future events on those assets and liabilities at the balance sheet date.

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates.

Estimates that are material for the financial reporting are primarily made by measurement of the selling price of construction contracts in progress, determination of guarantee commitments and assessment of the outcome of disputes. The selling price of construction contracts in progress is measured on the basis of, among other things, expected remaining expenses and income. The outcome of disputes is assessed on the basis of, among other things, the stage of negotiations with the other party and an assessment of the likely outcome.

Special risks for the MT Højgaard Group are described in note 26 on "Financial risks", in the "Risk factors" section in the Management’s review and in notes 15 and 23.

In connection with impairment testing of equity investments and goodwill, we also apply estimates of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the equity investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied. The assumptions for impairment testing of equity investments and goodwill are described in notes 11 and 13 respectively.

Accounting policies

As part of the application of the Group’s accounting policies, management makes judgements, in addition to estimates, that may have a material effect on the amounts recognised in the financial statements. The judgements that have the greatest impact on the amounts recognised in the financial statements primarily relate to construction contracts in progress, and when income and expenses under contracts with third parties are to be accounted for in accordance with the percentage of completion method or the sales method.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		3	**Information on activities**		
			The MT Højgaard Group works exclusively in construction and civil engineering in Denmark and internationally.		
			Internationally, the MT Højgaard Group operates in Europe (the UK, Portugal, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), Asia and the Middle East as well as South America (Panama).		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Denmark	6,505.2	5,763.7
			Rest of world	2,802.2	2,539.7
			Total	**9,307.4**	**8,303.4**
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Denmark	621.7	700.4
			Rest of world	256.4	250.9
			Total	**878.1**	**951.3**
		4	**Revenue**		
			Revenue can be broken down as follows:		
5,233.1	6,077.5		Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	8,595.4	7,608.6
103.8	92.2		Revenue from project development cases sold, etc.	92.2	103.8
5.2	13.2		Rental income, etc.	619.8	591.0
5,342.1	**6,182.9**		**Total**	**9,307.4**	**8,303.4**
		5	**Depreciation and amortisation**		
1.4	1.4		Intangible assets	2.7	3.2
31.6	48.6		Property, plant and equipment	137.2	121.8
33.0	**50.0**		**Total depreciation and amortisation**	**139.9**	**125.0**
			Depreciation and amortisation are recognised in the income statement as follows:		
23.8	46.0		Production costs	131.9	111.2
9.2	4.0		Administrative expenses	8.0	13.8
33.0	**50.0**		**Total depreciation and amortisation**	**139.9**	**125.0**

Notes

PARENT COMPANY 2010	PARENT COMPANY 2011	Note	Amounts in DKK million	GROUP 2011	GROUP 2010
		6	**Staff costs**		
			The total amount paid in wages and salaries, etc., can be broken down as follows:		
977.8	1,101.9		Wages and salaries, etc.	2,064.5	2,127.6
65.1	85.8		Pension contributions (defined contribution)	159.0	150.3
31.1	33.5		Other social security costs	71.5	79.2
1,074.0	**1,221.2**		**Total**	**2,295.0**	**2,357.1**
2,769	**2,638**		**Average number of employees**	**4,738**	**5,217**
2,571	**2,678**		**Number of employees, year end**	**5,025**	**4,997**
			Total remuneration (salaries and remuneration, etc.) to the Board of Directors and the Executive Board:		
2.7	2.6		Board of Directors	2.6	2.7
15.0	15.1		Executive Board	15.1	15.0
17.7	**17.7**		**Total**	**17.7**	**17.7**
		7	**Fees paid to auditor appointed at the Annual General Meeting (KPMG)**		
1.7	1.7		Audit fees	3.7	4.2
0.0	0.0		Other assurance engagements	0.2	0.2
0.5	1.0		Tax and VAT advice	1.1	0.7
1.3	1.8		Other services	2.2	2.7
3.5	**4.5**		**Total fees**	**7.2**	**7.8**
		8	**Finance income**		
9.4	9.5		Interest income, other (balance sheet items recognised at amortised cost)	7.1	15.5
10.3	0.9		Interest income, securities (balance sheet items recognised at fair value)	4.8	14.1
0.0	0.3		Capital gains on securities	2.2	1.1
0.0	0.0		Foreign exchange gains	2.2	1.9
75.7	55.5		Dividends from subsidiaries	-	-
192.2	130.0		Dividends from associates and jointly controlled entities	-	-
10.3	0.0		Reversal of impairment loss relating to investments in subsidiaries and associates, etc.	0.0	0.0
297.9	**196.2**		**Total finance income**	**16.3**	**32.6**
8.3	5.3		Of which interest received from subsidiaries	-	-

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		9	**Finance costs**		
4.8	17.4		Interest expense (balance sheet items recognised at amortised cost)	22.5	20.0
3,2	0.0		Capital losses on securities	0.0	3.2
5.0	1.5		Foreign exchange losses	2.3	5.3
44.6	44.2		Impairment loss relating to subsidiaries and associates	0.0	0.0
0.0	-0.5		Borrowing costs recognised in the cost of assets*	-4.0	0.0
57.6	**62.6**		**Total finance costs**	**20.8**	**28.5**
0.8	3.8		Of which interest paid to subsidiaries	-	-
			* On recognition of borrowing costs in cost, an effective interest rate of around 3.5% has been used		
		10	**Income tax expense**		
-30.2	-36.1		Current tax	-38.9	-54.0
1.0	141.6		Changes in deferred tax	112.8	15.2
-29.2	**105.5**		**Income tax expense**	**73.9**	**-38.8**
			Income tax expense can be broken down as follows:		
-46.7	103.7		Income tax expense before tax measured at Danish tax rate (25%)	83.7	-25.0
-3.6	2.4		Deviations in foreign enterprises' tax rates	-11.6	-11.9
87.4	46.4		Non-taxable income	0.6	0.0
-37.5	-9.7		Non-deductible expenses	-0.4	-1.1
-28.8	-37.3		Other, including prior year adjustments and joint taxation	1.6	-0.8
-29.2	**105.5**		**Income tax expense**	**73.9**	**-38.8**
15.6	25.4		Effective tax rate (%)	22.1	38.7
		11	**Intangible assets**		
			Goodwill		
33.7	50.3		Cost at 01-01	111.6	94.0
16.6	0.0		Addition on acquisition of enterprises	1.1	17.6
50.3	50.3		Cost at 31-12	112.7	111.6
0.0	0.0		Impairment losses at 01-01	0.7	0.0
0.0	0.0		Impairment losses at 31-12	0.7	0.7
50.3	**50.3**		**Carrying amount at 31-12**	**112.0**	**110.9**

Addition in 2011 related to a correction of an activity acquired in 2010.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		11	**Intangible assets (continued)**		
			Other intangible assets		
7.1	7.1		Cost at 01-01	17.9	17.9
7.1	7.1		Cost at 31-12	17.9	17.9
1.4	2.8		Amortisation and impairment losses at 01-01	5.6	3.1
1.4	1.4		Amortisation charge	2.6	2.5
2.8	4.2		Amortisation and impairment losses at 31-12	8.2	5.6
4.3	**2.9**		**Carrying amount at 31-12**	**9.7**	**12.3**

Goodwill

The carrying amounts of goodwill attributable to Civil Engineering (DKK 9.7 million), Construction (DKK 40.6 million) in MT Højgaard A/S; Enemærke & Petersen A/S (DKK 43.2 million); and Lindpro A/S (DKK 18.5 million), were tested for impairment at 31 December 2011.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2011, the net cash flows were determined on the basis of the approved budget for 2012 and estimates for the years 2013-2016. The growth in the terminal period was fixed at 1.0% (2010: 1.0%). The present value was determined using a discount rate before tax of 9-10% (2010: 10-11%). The primary key assumptions are estimated to be the growth rates and the EBIT margins applied. The estimates for 2013-2016 were calculated on the basis of previous experience, taking into account management's expectations for the future. The assumptions applied may differ from the experience figures, as previous periods may have been affected by factors that are not expected in the estimates.

The impairment test did not give rise to any write-downs of goodwill to recoverable amount.

Management estimates that probable changes in the underlying assumptions will not result in the carrying amount of goodwill exceeding its recoverable amount.

Other intangible assets

Other intangible assets comprise customer lists acquired on acquisition of enterprises and activities. It is estimated that the useful lives of capitalised intangible assets are limited.

Management has not identified any factors indicating a need for impairment testing of other intangible assets.

Notes

PARENT COMPANY 2011

Note	Amounts in DKK million					
12	**Property, plant and equipment**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	134.7	212.2	63.0	0.2	**410.1**
	Addition on merger with subsidiaries	9.4	0.3	2.8	0.0	**12.5**
	Additions	0.4	39.5	0.9	0.0	**40.8**
	Disposals	-80.3	-42.9	-6.6	-0.2	**-130.0**
	Cost at 31-12	64.2	209.1	60.1	0.0	**333.4**
	Depreciation and impairment losses at 01-01	20.2	92.4	40.1	0.0	**152.7**
	Addition on merger with subsidiaries	4.3	0.3	1.3	0.0	**5.9**
	Depreciation, disposals	-12.5	-25.0	-5.6	0.0	**-43.1**
	Depreciation charge	1.6	39.2	7.9	0.0	**48.7**
	Depreciation and impairment losses at 31-12	13.6	106.9	43.7	0.0	**164.2**
	Carrying amount at 31-12	**50.6**	**102.2**	**16.4**	**0.0**	**169.2**
	Mortgaged properties:					
	Carrying amount	8.0				**8.0**
	Year-end balance, loans	2.6				**2.6**
	Assets held under finance leases:					
	Carrying amount			7.7		**7.7**

Notes

PARENT COMPANY						2010
Note						
12	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	159.4	173.8	57.4	0.0	**390.6**
	Addition on acquisition of activities	8.3	1.1	0.0	0.0	**9.4**
	Reclassifications, etc.	0.0	-6.9	6.9	0.0	**0.0**
	Additions	4.4	71,.4	13.1	0.2	**89.1**
	Disposals	-37.4	-27.2	-14.4	0.0	**-79.0**
	Cost at 31-12	134.7	212.2	63.0	0.2	**410.1**
	Depreciation and impairment losses at 01-01	26.5	92.1	40.0	0.0	**158.6**
	Reclassifications	0.0	-5.2	5.2	0.0	**0.0**
	Depreciation, disposals	-9.2	-14.0	-14.3	0.0	**-37.5**
	Depreciation charge	2.9	19.5	9.2	0.0	**31.6**
	Depreciation and impairment losses at 31-12	20.2	92.4	40.1	0.0	**152.7**
	Carrying amount at 31-12	**114.5**	**119.8**	**22.9**	**0.2**	**257.4**
	Mortgaged properties:					
	Carrying amount	54.3				**54.3**
	Year-end balance, loans	19.0				**19.0**
	Assets held under finance leases:					
	Carrying amount		0.6	12.2		**12.8**

Notes

GROUP							2011
Note	Amounts in DKK million						
12	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	425.9	877.6	293.9	11.5	**1,608.9**
	Reclassifications, etc.	2.6	-6.9	-0.7	0.0	**-5.0**
	Additions	10.4	128.2	34.7	17.1	**190.4**
	Disposals	-80.4	-141.3	-42.9	-12.5	**-277.1**
	Cost at 31-12	358.5	857.6	285.0	16.1	**1,517.2**
	Depreciation and impairment losses at 01-01	95.1	500.2	196.8	0.0	**792.1**
	Reclassifications, etc.	2.6	-5.8	-1.8	0.0	**-5.0**
	Depreciation, disposals	-12.5	-100.2	-37.2	0.0	**-149.9**
	Depreciation charge	8.1	90.6	38.5	0.0	**137.2**
	Depreciation and impairment losses at 31-12	93.3	484.8	196.3	0.0	**774.4**
	Carrying amount at 31-12	**265.2**	**372.8**	**88.7**	**16.1**	**742.8**
	Mortgaged properties:					
	Carrying amount	80.9				**80.9**
	Year-end balance, loans	59.8				**59.8**
	Assets held under finance leases:					
	Carrying amount	10.7	68.0	21.1		**99.8**

Notes

GROUP						2010
Note	Amounts in DKK million					
12	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	470.0	865.3	281.4	4.6	**1,621.3**
	Addition on acquisition of activities	8.3	1.1	0.0	0.0	**9.4**
	Reclassifications, etc.	0.0	-6.7	6.7	0.0	**0.0**
	Additions	11.4	168.1	36.0	10.3	**225.8**
	Disposals	-63.8	-150.2	-30.2	-3.4	**-247.6**
	Cost at 31-12	425.9	877.6	293.9	11.5	**1,608.9**
	Depreciation and impairment losses at 01-01	101.3	544.0	178.5	0.0	**823.8**
	Reclassifications	0.0	-5.0	5.0	0.0	**0.0**
	Depreciation, disposals	-16.1	-109.8	-27.5	0.0	**-153.4**
	Depreciation charge	9.9	71.0	40.8	0.0	**121.7**
	Depreciation and impairment losses at 31-12	95.1	500.2	196.8	0.0	**792.1**
	Carrying amount at 31-12	**330.8**	**377.4**	**97.1**	**11.5**	**816.8**
	Mortgaged properties:					
	Carrying amount	136.1				**136.1**
	Year-end balance, loans	54.0				**54.0**
	Assets held under finance leases:					
	Carrying amount		11.1	21.4		**32.5**

Notes

PARENT COMPANY

Note	Amounts in DKK million	Investments in subsidiaries	Investments in jointly controlled entities and associates
13	**Investments**		
	2011		
	Cost at 01-01	591.0	50.1
	Addition on merger with subsidiaries*	2.5	0.0
	Additions	7.3	10.5
	Disposal on merger with subsidiaries*	-96.6	0.0
	Disposals	-1.4	-0.3
	Cost at 31-12	502.8	60.3
	Adjustments at 01-01	-204.5	0.0
	Disposal on merger with subsidiaries*	96.6	0.0
	Impairment charge	-27.4	-2.5
	Other adjustments	0.0	-0.2
	Adjustments at 31-12	-135.3	-2.7
	Carrying amount at 31-12	**367.5**	**57.6**

* Comprises the merger with the two wholly-owned companies MTH Stål A/S and Timbra A/S with limited activities

		Investments in subsidiaries	Investments in jointly controlled entities and associates
	2010		
	Cost at 01-01	510.3	50.1
	Additions	141.2	0.0
	Disposal on merger with subsidiaries**	-60.5	0.0
	Cost at 31-12	591,0	50.1
	Adjustments at 01-01	-130.5	0.0
	Disposal on merger with subsidiaries**	44.1	0.0
	Impairment charge	-128.4	0.0
	Reversal of impairment losses	10.3	0.0
	Adjustments at 31-12	-204.5	0.0
	Carrying amount at 31-12	**386.5**	**50.1**

** Comprises the merger with two wholly-owned companies without any activities.

A list of the consolidated enterprises is given in note 35.

In 2011, we determined investments in subsidiaries and investments in jointly controlled entities and associates at the recoverable amount. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. The present value was determined using a discount rate before tax of 9-10% (2010: 10-11%).
The impairment charges for the year, DKK 27.4 million and DKK 2.5 million, have been recognised in finance costs in note 9. The impairment charges relate to MT Højgaard Føroyar P/F, CL 2010 A/S and MT Hojgaard Al Obaidly W.L.L.

Notes

GROUP

Note	Amounts in DKK million	Investments in associates
13	**Investments (continued)**	
	2011	
	Cost at 01-01	1.7
	Additions	10.4
	Disposals	-0.2
	Cost at 31-12	11.9
	Adjustments at 01-01	-0.5
	Share of profit for the year after tax	1.1
	Disposals	-0.3
	Other adjustments	-2.4
	Adjustments at 31-12	-2.1
	Carrying amount at 31-12	**9.8**
	2010	
	Cost at 01-01	1.7
	Cost at 31-12	1.7
	Adjustments at 01-01	-0.5
	Share of profit for the year after tax	2.5
	Other adjustments	-2.5
	Adjustments at 31-12	-0.5
	Carrying amount at 31-12	**1.2**

Associates (the figures represent our ownership interest)	2011	2010
Revenue	12.4	6.6
Profit for the year	1.1	2.5
Total assets	196.2	173.0
Total liabilities	194.3	161.3
Total contingent liabilities	0.0	0.0

The following companies are associates:

OPP Hobro Tinglysningsret A/S (33%)

OPP Ørstedskolen A/S (33%)

OPP Vildbjerg Skole A/S (33%)

OPP Randers P-hus A/S (33%)

OPS Frederikshavn Byskole A/S (50%)

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		14	**Inventories**		
			Raw materials and consumables		
2.4	1.2		Cost at 01-01	72.9	75.5
4.2	2.6		Additions	104.5	110.5
-5.4	-1.9		Disposals	-99.8	-113.1
1.2	1.9		Cost at 31-12	77.6	72.9
0.0	0.0		Adjustments at 01-01	0.0	-0.4
0.0	0.0		Reversal of impairment losses	0.0	0.4
0.0	0.0		Adjustments at 31-12	0.0	0.0
1.2	**1.9**		**Carrying amount at 31-12**	**77.6**	**72.9**
0.0	0.0		Value of inventories recognised at net realisable value	0.5	0.5
			Properties held for resale		
510.3	528.4		Cost at 01-01	595.8	517.6
99.6	174.3		Additions	400.0	159.7
-81.5	-51.8		Disposals	-51.8	-81.5
528.4	650.9		Cost at 31-12	944.0	595.8
-17.6	-8.7		Adjustments at 01-01	-8.7	-17.6
8.9	8.7		Reversal of impairment losses	8.7	8.9
-8.7	0.0		Adjustments at 31-12	0.0	-8.7
519.7	**650.9**		**Carrying amount at 31-12**	**944.0**	**587.1**
4.6	0.0		Value of properties recognised at net realisable value	0.0	4.6
			Mortgaged properties:		
130.9	115.2		Carrying amount	120.9	136.7
38.1	38.7		Year-end balance, loans	39.5	39.0

Of the year-end carrying amount of DKK 944.0 million (parent company: DKK 650.9 million), DKK 365.9 million (parent company: DKK 80.1 million) related to in-process, in-house development projects. This type of project is only started up when at least 75-80% has been sold/contracted. The sold portion will be handed over in 2012.

Properties for resale also include undeveloped sites that are held with a view to project development activities, and completed dwellings for resale.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		15	**Receivables**		
7.0	17.2		Receivables falling due more than one year after the balance sheet date.	26.5	7.0
			Receivables falling due more than one year after the balance sheet date relate primarily to rent deposits.		
5.6	13.8		The fair value of receivables is deemed to correspond to the carrying amount, apart from the above non-current receivables, the fair value of which represents approx. 80%.	21.2	5.6
			Like previous years, the MT Højgaard Group is involved in various disputes and legal proceedings. In the balance sheet at 31 December 2011, receivables totalled DKK 3,110.5 million (parent company: DKK 2,704.1 million). This figure includes disputed amounts. In the assessment of the amounts recognised, estimates have been made that are based on, among other things, external legal opinions and assessments of the likely outcome of the disputes.		
		16	**Securities**		
107.4	21.0		Bonds	159.0	225.8
107.4	**21.0**		**Total carrying amount**	**159.0**	**225.8**
107.1	20.2		Nominal holding	134.8	224.8
20.4	21.0		Bonds maturing more than one year after the balance sheet date	146.8	116.4
0.6	3.4		Maturity of bond portfolio (years)	1.8	2.4
2.5	2.5		Effective interest rate on bond portfolio (%)	3.9	3.6
53.2	21.0		Bonds lodged as security (market value). Returns, etc., accrue to MT Højgaard and the maturity is up to five years.	21.0	53.2
0.0	0.0		Bonds recognised as registered assets in MTH Insurance A/S (quoted price). Returns, etc., accrue to MTH Insurance A/S.	137.9	118.4
			The parent company and the Group measure the bond portfolio at fair value via the income statement in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are regularly monitored and reported at fair value.		

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		17	**Interest-bearing liabilities**		
			Interest-bearing liabilities can be broken down by commitment type as follows:		
136.5	257.0		Bank loans, etc.	312.7	180.6
10.9	8.1		Lease commitments (assets held under finance leases)	94.8	34.9
147.4	**265.1**		**Carrying amount at 31-12**	**407.5**	**215.5**
			Interest-bearing liabilities can be broken down by currency as follows:		
147.4	265.1		DKK	374.1	193.7
0.0	0.0		EUR	32.4	21.8
0.0	0.0		USD	1.0	0.0
147.4	**265.1**		**Carrying amount at 31-12**	**407.5**	**215.5**
			Interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:		
81.4	62.3		Fixed-rate debt	127.9	96.5
66.0	202.8		Floating-rate debt	279.6	119.0
147.4	**265.1**		**Carrying amount at 31-12**	**407.5**	**215.5**
			Interest-bearing liabilities can be broken down by effective interest rate as follows:		
129.8	257.3		Less than 5%	377.6	187.5
16.2	0.0		Between 5% and 7%	22.1	26.6
1.4	7.8		More than 7%	7.8	1.4
147.4	**265.1**		**Carrying amount at 31-12**	**407.5**	**215.5**
3.5	3.6		Weighted average effective interest rate (%)	3.6	3.6
9.2	3.5		Weighted average remaining term (years)	4.2	5.1
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
74.0	59.2		Non-current liabilities	168.1	129.2
73.4	205.9		Current liabilities	239.4	86.3
147.4	**265.1**		**Carrying amount at 31-12**	**407.5**	**215.5**
146.9	**267.5**		Fair value	**408.9**	**215.5**
			The fair value of the financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group’s current borrowing rate for similar maturities has been used as discount rate.		

Notes

PARENT COMPANY 2010	PARENT COMPANY 2011	Note	Amounts in DKK million	GROUP 2011	GROUP 2010
		18	**Deferred tax assets and deferred tax liabilities**		
-118.7	-120.0		Deferred tax (net) at 01-01	-128.5	-113.3
0.0	0.0		Disposal on addition of assets to subsidiary	-	-
-0.3	-28.8		Addition on merger with subsidiaries	-	-
-1.0	-141.6		Changes via income statement	-112.8	-15.2
-120.0	**-290.4**		**Deferred tax (net) at 31-12**	**-241.3**	**-128.5**
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
0.0	0.0		Investments	1.5	0.0
0.0	0.0		Current assets	0.3	3.2
31.2	36.6		Non-current liabilities	43.0	43.6
1.7	182.9		Current liabilities	188.1	8.0
181.1	107.3		Tax loss carryforwards	126.2	214.3
214.0	326.8		Deferred tax assets at 31-12 before set-off	359.1	269.1
-94.0	-36.4		Set-off within legal entities and jurisdictions (countries)	-113.0	-140.6
120.0	**290.4**		**Deferred tax assets at 31-12**	**246.1**	**128.5**
			Deferred tax liabilities		
2.3	5.2		Intangible assets	9.9	6.5
2.9	0.5		Property, plant and equipment	23.5	17.0
0.6	0.0		Investments	1.0	0.6
88.2	30.7		Current assets	83.4	116.5
94.0	36.4		Deferred tax liabilities at 31-12 before set-off	117.8	140.6
-94.0	-36.4		Set-off within legal entities and jurisdictions (countries)	-113.0	-140.6
0.0	**0.0**		**Deferred tax liabilities at 31-12**	**4.8**	**0.0**

Deferred tax has been calculated using the tax rates effective in the respective countries to which the deferred tax relates.

The tax loss carryforwards are not subject to any time limits and are expected to be utilised by set-off against future earnings.

A substantial proportion of the deferred tax asset relating to tax loss carryforwards is attributable to a timing difference between recognition applying tax rules and recognition applying accounting rules, which is primarily reflected in the deferred tax on current assets.

Tax relating to distributable reserves in foreign subsidiaries that are subject to higher taxation if distributed amounted to DKK 12.9 million (2010: DKK 11.0 million). These liabilities have not been recognised, as the Group checks whether they will crystallise. It is probable that the liabilities will not be incurred in the foreseeable future.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		19	**Provisions**		
			Breakdown of provisions by type:		
73.6	100.9		Guarantee works, etc., at 01-01	149.1	103.0
27.6	183.8		Provided in the year	207.2	52.0
-0.3	-0.3		Utilised in the year	-18.4	-3.2
0.0	0.0		Reversal of unutilised prior year provisions	-0.7	-2.7
100.9	284.4		Guarantee works, etc., at 31-12	337.2	149.1
-	-		Employee liabilities at 01-01	72.9	60.1
-	-		Provided in the year	22.9	22.8
-	-		Utilised in the year	-14.1	-10.0
-	-		Employee liabilities at 31-12	81.7	72.9
100.9	284.4		**Carrying amount at 31-12**	**418.9**	**222.0**
			Provisions are recognised in the balance sheet as follows:		
100.6	129.9		Non-current provisions	232.2	188.9
0.3	154.5		Current provisions	186.7	33.1
100.9	**284.4**		**Carrying amount at 31-12**	**418.9**	**222.0**
			Expected maturity dates:		
0.3	154.5		Less than one year	186.7	33.1
18.8	31.8		Between one and two years	48.0	29.8
55.9	66.6		Between two and five years	132.9	107.3
25.9	31.5		More than five years	51.3	51.8
100.9	**284.4**		**Carrying amount at 31-12**	**418.9**	**222.0**

Guarantee works, etc., relate primarily to provisions for guarantee works on completed contracts.

Employee liabilities comprise mainly insurance-related provisions for industrial injury cover that is covered under the Group's self-insurance programme.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		20	**Construction contracts in progress**		
7,252.6	7,237.9		Progress billings	9,310.7	8,182.2
-7,114.7	-6,360.4		Selling price of construction contracts	-8,303.7	-7,974.1
137.9	**877.5**		**Construction contracts in progress (net)**	**1,007.0**	**208.1**
			Construction contracts in progress are recognised in the balance sheet as follows:		
551.1	1,231.7		Current liabilities	1,441.7	705.6
-413.2	-354.2		Receivables	-434.7	-497.5
137.9	**877.5**		**Construction contracts in progress (net)**	**1,007.0**	**208.1**
		21	**Security arrangements**		
			Normal security in the form of bank guarantees, guarantee insurances and bond deposits has been provided for contracts and supplies.		
			The guarantees provided relate to:		
5.9	1.7		Bid bonds	7.4	12.4
1,860.4	2,010.4		Contracts and supplies in progress	2,531.3	2,332.5
731.1	887.0		Completed contracts and supplies	1,194.4	1,067.1
2,597.4	**2,899.1**		**Total**	**3,733.1**	**3,412.0**

Guarantees in respect of completed contracts and supplies relate to normal one-year and five-year guarantee works.

In addition, land and buildings have been lodged as security for bank loans, etc., see notes 12 and 14.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		22	**Lease commitments**		
			Finance leases		
			Total future minimum lease payments:		
6.4	4.9		Due within one year	23.2	13.8
4.7	6.0		Due between one and five years	81.2	17.9
0.0	0.0		Due after more than five years	3.1	4.3
11.1	**10.9**		**Total**	**107.5**	**36.0**
			Carrying amount:		
6.3	3.1		Due within one year	18.5	13.5
4.6	5.0		Due within one and five years	73.3	17.3
0.0	0.0		Due after more than five years	3.0	4.1
10.9	**8.1**		**Total**	**94.8**	**34.9**
0.2	2.8		Finance costs	12.7	1.1
			Finance costs have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These finance costs are recognised in the income statement over the lease term.		
			Operating leases		
			Total future minimum lease payments:		
39.8	52.3		Due within one year	73.1	65.0
101.7	136.8		Due between one and five years	168.4	147.9
26.4	89.7		Due after more than five years	89.7	77.8
167.9	**278.8**		**Total**	**331.2**	**290.7**
32.2	44.1		Lease payments relating to operating leases recognised in the income statement	61.4	57.7
			The Group's finance and operating leases primarily relate to vehicles and operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 13 years. None of the leases features contingent rent.		

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010

23 **Contingent assets and contingent liabilities**

Indemnities

In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, jointly controlled entities, joint ventures and contracts won by subsidiaries.

Pending disputes and litigation

The MT Højgaard Group is involved in various disputes and legal and arbitration proceedings (expenses as well as income). In management's opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position.

On the Buxton project, our claims for extra payments are still the subject of international arbitration. The latest developments in the arbitration case are judged to be predominantly positive. In the offshore industry, there are several disputes relating to allocation of liability pending, brought about by, among other things, problems with the original design standard (DNS-OS-J101) for offshore wind turbine foundations. The financial implications of remedying the problem could be substantial. Like other industry players, the MT Højgaard Group has been using this design standard and therefore is also party to the problem. It is too early to predict the final outcome of the issue of allocation of liability and which technical solutions will be required. Against the background of external legal opinions, it is our opinion that we are generally in a strong position in the above cases. In accordance with the Group's policy (IFRS), no income has been recognised in the financial statements, but only estimated expenses as a consequence of the disputes referred to above. The Group is involved in other arbitration cases and the overall risk profile for these is deemed to be unchanged from last year.

24 **Related parties**

Control

The Group has a controlling related party relationship with the shareholders in the parent company MT Højgaard A/S. The parent company 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.

Significant influence

Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board.

The parent company's related parties also include subsidiaries, jointly controlled entities and associates in which MT Højgaard A/S has control or significant influence. A list of the consolidated enterprises is given in note 35.

Related party transactions

All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.

Notes

PARENT COMPANY 2010	PARENT COMPANY 2011	Note	Amounts in DKK million	GROUP 2011	GROUP 2010
		24	**Related parties (continued)**		
			Related party transactions comprised:		
394.0	244.4		Purchases of goods and services from subsidiaries	-	-
6.1	24.5		Sales of goods and services to subsidiaries	-	-
0.6	0.0		Purchases of goods and services from jointly controlled entities	0.0	0.9
16.8	13.2		Sales of goods and services to jointly controlled entities	13.2	20.4
0.0	0.0		Purchases of goods and services from associates	0.0	0.0
42.1	75.7		Sales of goods and services to associates	75.7	42.1
0.4	0.1		Purchases of goods and services from shareholders	0.1	0.4
1.9	1.6		Sales of goods and services to shareholders	1.6	1.9
0.0	0.0		Balance with shareholders (- = debt)	0.0	0.0
0.0	0.0		Purchases of goods and services from the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Sales of goods and services to the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Balance with the Board of Directors and the Executive Board (- = debt)	0.0	0.0

Remuneration to the Board of Directors and the Executive Board is disclosed in note 6.

Balances with subsidiaries, associates and jointly controlled entities at 31 December are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement and business-related balances concerning purchases and sales of goods and services. The business-related balances are non-interest-bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. Balances with subsidiaries, associates and jointly controlled entities were not written down in 2011 or 2010.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 8 and 9.

The parent company's dividends from subsidiaries and associates are disclosed in note 8.

The company's independent auditor

The company's independent auditor, KPMG Statsautoriseret Revisionspartnerselskab, has concluded a design-build contract for approx. DKK 900 million with MT Højgaard A/S for the construction of KPMG's new head office at Flintholm Station, Frederiksberg. The construction period was approx. 2 ½ years, and the building has been handed over.

The conclusion of this contract and the execution and handover of the construction work have not given rise to any circumstances that may influence KPMG's independence as auditors of the company elected by the shareholders in general meeting.

Notes

Note	Amounts in DKK million

25 **Joint ventures**

The MT Højgaard Group participates in two forms of joint ventures: jointly controlled operations and jointly controlled entities.

Joint ventures		Ownership interest	Other venturers
Jointly controlled operations			
Aircon JV	*	50%	Hoffmann A/S
Changuinola Civil Works JV	*	50%	E. Pihl & Søn A/S
EL - FTTH Nord **	*	50%	Lindpro A/S
Eidi 2 Sudur Konsortiet		50%	PF. J&K Contractors
KFT-JV	*	50%	Hochtief Construction AG
Züblin - MTH JV, Navitas	*	50%	Züblin A/S
MT Hojgaard-Züblin JV	*	50%	Züblin A/S
M3-Konsortiet	*	60%	M.J. Eriksson Aktieselskab
M10-Syd-Konsortiet	*	60%	M.J. Eriksson Aktieselskab
Jointly controlled entities			
Greenland Contractors I/S	*	67%	Greenland Resources A/S
MTHojgaard Al Obaidly WLL		49%	OITC W.L.L.
Seth S.A.		60%	OPERATIO Lda.

*) With reference to Section 5(1) of the Danish Financial Statements Act, these Danish joint ventures have omitted to prepare annual reports as they are recognised in the consolidated financial statements.

**) Intragroup joint ventures that have been eliminated in the consolidated financial statements.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010

26 **Financial risks**

MT Højgaard’s activities entail various financial risks that may affect the Group’s development, financial position and operations.

There have been no significant changes in the Group's risk exposure or risk management compared with 2010.

MT Højgaard maintains an overview of the Group's currency positions and interest rate sensitivity with a view to mitigating currency risks and maintaining interest rate sensitivity at a low level.

Currency risks

Currency risks are managed centrally in MT Højgaard with a view to mitigating the effects of currency fluctuations. On projects, MT Højgaard strives to minimise risks by seeking to match income to expenditure so that they balance with respect to currency and by using forward exchange contracts.

Currency fluctuations do not have any material effect on the Group’s foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.

Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. The amount recognised in the consolidated income statement was income of DKK 10.7 million (2010: expense of DKK 15.4 million). The amount recognised in the parent company income statement was income of DKK 10.7 million (2010: expense of DKK 15.4 million).

The open forward exchange contracts at 31 December 2011 had a remaining term of up to 3 years (2014).

Consolidated revenue denominated in foreign currencies was DKK 2.4 billion in 2011, predominantly EUR (2010: DKK 1.9 billion).

The Group’s principal currency exposure is mainly related to EUR, USD, GBP, NOK and SEK.

Notes

PARENT COMPANY				GROUP	
		Note	Amounts in DKK million		
		26	**Financial risks (continued)**		
			The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below:		
Hypothetical effect on profit for the year and equity	Nominal position of cash and cash equivalents, receivables and financial liabilities			Nominal position of cash and cash equivalents, receivables and financial liabilities	Hypothetical effect on profit for the year and equity
0.1	8.0		EUR/DKK, probable change in exchange rate 1%	18.8	0.1
-3.1	-83.7		USD/DKK, probable change in exchange rate 5%	-83.5	-3.1
-1.9	-51.9		GBP/DKK, probable change in exchange rate 5%	-37.6	-1.4
-0.9	-23.0		SEK/DKK, probable change in exchange rate 5%	-18.0	-0.7
-6.7	-178.2		NOK/DKK, probable change in exchange rate 5%	-175.0	-6.6
	-328.8			**-295.3**	

A decrease in the exchange rate would have a corresponding opposite effect on profit for the year and equity.

The sensitivity analysis was based on the financial instruments recognised at 31 December 2011 and an assumption of unchanged production/sales and price level.

Interest rate risks

Interest rate risks relate mainly to cash/securities and interest-bearing debt items.

Cash/securities stood at DKK 397.5 million at the end of 2011 and was mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than two years at the end of 2011.

The Group's interest-bearing liabilities stood at DKK 407.5 million at the end of 2011, with short-term borrowings accounting for 59%. The average weighted remaining maturity of the Group's interest-bearing debt was 4.2 years, and the weighted average effective interest rate was 3.6%. Fixed-rate debt accounted for 31% of the Group's interest-bearing debt.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		26	**Financial risks (continued)**		
			Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 2.1 million decrease in consolidated profit for the year and consolidated equity at 31 December 2011 (2010: decrease of DKK 3.9 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.		
			Changes in cash flows: all other conditions being equal, the hypothetical positive effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash/securities and debt would have been a DKK 0.6 million increase in consolidated profit for the year and consolidated equity at 31 December 2011 (2010: increase of DKK 2.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.		
			Credit risks		
			Credit risks are generally managed by regular credit rating of major clients and business partners. The Group has no material risks relating to a single customer or business partner.		
			The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as the Group requests security in the form of bank guarantees and guarantee insurance or similar to a considerable extent when entering into contracts with private clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.		
			Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients.		
			Write-downs recognised in receivables developed as follows:		
1.6	3.9		Carrying amount at 01-01	21.2	17.1
2.8	0.0		Provided in the year	0.0	5.5
-0.5	-3.8		Utilised in the year	-6.8	-1.4
0.0	0.0		Reversal of unutilised prior year provisions	-1.5	0.0
3.9	0.1		**Carrying amount at 31-12**	12.9	21.2
3.9	3.9		Nominal value of written-down receivables	14.4	23.8
61.0	130.0		Receivables that were past due by more than 90 days at 31 December but not impaired	172.5	95.5
831.4	759.6		Security received in respect of receivables (fair value)	759.8	842.0

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		26	**Financial risks (continued)**		
			Liquidity risks		
			Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.		
			The Group's overall financial resources consist of cash, securities and undrawn credit facilities. At the end of 2011, the financial resources stood at DKK 858 million versus DKK 1,092 million in 2010. Of this amount, DKK 584 million was available for use by the parent company.		
			A cash pool agreement has been established for the parent company and most of the Group's subsidiaries.		
			Financial liabilities can be broken down as follows:		
147.4	265.1		Interest-bearing liabilities	407.5	215.5
669.6	1,039.4		Trade payables	1,388.0	940.2
24.9	14.2		Derivative financial liabilities	14.2	24.9
841.9	**1.318.7**		**Total carrying amount**	**1,809.7**	**1,180.6**
			Maturity profile for financial liabilities:		
744.9	1,251.1		Less than one year	1,634.2	1,029.0
6.1	11.6		Between one and two years	28.7	17.3
30.0	15.3		Between two and five years	89.6	52.1
58.3	78.6		More than five years	113.1	99.7
839.3	**1,356.6**		**Total contractual cash flows**	**1,865.6**	**1,198.1**
			Maturity profile for derivative financial liabilities:		
13.6	12.1		Less than one year	12.1	13.6
9.5	2.1		Between one and two years	2.1	9.5
1.8	0.0		Between two and five years	0.0	1.8
0.0	0.0		More than five years	0.0	0.0
24.9	**14.2**		**Total contractual cash flows**	**14.2**	**24.9**
			Based on the Group's expectations concerning the future operations and the Group's current financial resources, no material liquidity risks have been identified.		
			The Group's borrowing and credit facilities are not subject to any special terms or conditions.		

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		26	**Financial risks (continued)**		
			Categories of financial instruments		
			Carrying amount by category:		
107.4	21.0		Financial assets measured at fair value via the income statement	166.1	232.4
1,753.2	2,454.4		Loans and receivables	2,861.8	2,197.7
24.9	14.2		Financial liabilities measured at fair value via the income statement	14.2	24.9
1,654.5	2,493.2		Financial liabilities measured at amortised cost	3,041.0	2,121.9
			Fair value hierarchy for financial instruments measured at fair value in the balance sheet		
			The Group's securities are valued based on quoted prices (Level 1).		
			The Group's derivative financial instruments are valued at observable prices (Level 2).		

Notes

Note

27 **Capital management**

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. At 31 December 2011, the equity ratio was 23% versus 35% at the end of 2010.

28 **New International Financial Reporting Standards and IFRIC Interpretations**

The IASB has issued a number of standards and interpretations that are not mandatory for MT Højgaard in connection with the preparation of the annual report for 2011: IFRIC 20, IFRS 9-13, IAS 27 (2011) and 28 (2011), amendments to IFRS 1 and 7, and amendments to IAS 1, 12, 19 and 32. None of these has been adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. With the exception of the effect referred to below, none of the new standards or interpretations referred to in the foregoing is expected to have a material effect on the MT Højgaard Group's financial reporting.

IFRS 9 changes the classification and measurement of financial assets and liabilities (current IAS 39). In future, the main categories for measurement of financial assets will be amortised cost and fair value through either the income statement or the statement of comprehensive income. For financial liabilities, the provisions will be amended so that changes in own credit risk no longer affect the income statement, but are only to be recognised in other comprehensive income. We do not expect this standard to have any material effect for the Group, but we have yet to determine the effect. The standard is effective for financial years beginning on or after 1 January 2015.

IFRS 10 changes the criteria for whether a company is to be consolidated. IFRS 10 states that an investor must consolidate another company when it has de facto control of it, even though it does not hold the majority of the votes. We do not expect this standard to have any material effect for the Group, but we have yet to determine the effect. The standard is effective for financial years beginning on or after 1 January 2013.

IFRS 11 relating to Joint Arrangements replaces IAS 31 Joint Ventures. In future, companies will no longer have a choice between proportionate consolidation and the equity method for jointly controlled entities. IFRS 11 divides Joint Arrangements into joint ventures (equity method) and joint operations (proportionate share of underlying assets and liabilities) based on both formal and substance-related factors. The change will not affect the Group's profit or equity, but may change the presentation of activities in which the Group are engaged in joint ventures and jointly controlled entities. We have yet to determine the potential effect, if any, of this, and we are working on how to structure future activities of this type. The standard is effective for financial years beginning on or after 1 January 2013.

IFRS 12 contains disclosure requirements relating to both consolidated and non-consolidated enterprises, joint ventures and associates. IFRS 13 replaces the guidance on measurement of fair value that can be found in each IFRS. The standards will only affect the disclosure requirements in MT Højgaard A/S. The standards are effective for financial years beginning on or after 1 January 2013.

29 **Events after the balance sheet date**

So far as management is aware, no events have occurred between 31 December 2011 and the date of signing of the annual report that will have a material effect on the assessment of the MT Højgaard Group's financial position at 31 December 2011, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY 2010	PARENT COMPANY 2011	Note	Amounts in DKK million	GROUP 2011	GROUP 2010
		30	**Adjustments in respect of non-cash operating items, etc.**		
35.1	50.0		Depreciation and impairment losses - property, plant and equipment	140.3	127.6
-8.0	149.7		Other adjustments	153.3	3.8
27.1	**199.7**		**Total**	**293.6**	**131.4**
		31	**Purchase of property, plant and equipment**		
-100.0	-40.9		Purchase of property, plant and equipment, including assets held under finance leases	-191.0	-245.9
4.7	0.0		Portion relating to assets held under finance leases	66.0	4.7
-95.3	**-40.9**		**Total**	**-125.0**	**-241.2**
		32	**Increase in non-current bank loans, etc.**		
44.6	0.0		Increase in bank loans, etc., including lease commitments	65.9	44.6
-4.7	0.0		Portion relating to finance lease debt	-65.9	-4.7
39.9	**0.0**		**Total**	**0.0**	**39.9**
		33	**Acquisition and disposal of enterprises and activities**		
			Acquisition of enterprises and activities		
9.4	0.0		Property, plant and equipment	0.0	9.4
0.1	0.0		Inventories	0.0	0.1
52.1	0.0		Receivables	0.0	52.1
1.5	0.0		Cash and cash equivalents	0.0	1.5
-10.6	0.0		Non-current liabilities	0.0	-10.6
-47.6	0.0		Current liabilities	0.0	-47.6
4.9	**0.0**		**Identifiable net assets acquired**	**0.0**	**4.9**
16.6	0.0		Goodwill	1.1	17.6
21.5	**0.0**		**Cash purchase price**	**1.1**	**22.5**
-19.6	0.0		Cash and cash equivalents in acquired enterprises	0.0	-19.7
1.9	**0.0**		**Cash purchase price, net**	**1.1**	**2.8**

Addition in 2011 related to correction of an operation acquired in 2010.

Notes

PARENT COMPANY				GROUP	
2010	2011	Note	Amounts in DKK million	2011	2010
		33	**Acquisition and disposal of enterprises and activities (continued)**		
			Disposal of enterprises and activities		
0.1	0.0		Property, plant and equipment	0.0	1.9
0.6	0.0		Inventories	0.0	1.1
0.7	**0.0**		**Net assets**	**0.0**	**3.0**
0.0	0.0		Accounting profit/loss	0.0	0.0
0.7	**0.0**		**Selling price**	**0.0**	**3.0**
0.0	0.0		Cash and cash equivalents in enterprises disposed of	0.0	0.0
0.7	**0.0**		**Cash selling price, net**	**0.0**	**3.0**
		34	**Cash and cash equivalents**		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
190.2	107.1		Distributable cash	199.4	312.5
12.2	38.1		Share of cash and cash equivalents in joint ventures	39.1	14.7
202.4	**145.2**		**Cash and cash equivalents**	**238.5**	**327.2**
-66.0	-202.8		Current portion of bank loans, etc.	-217.4	-68.8
136.4	**-57.6**		**Total cash and cash equivalents**	**21.1**	**258.4**

Share of cash and cash equivalents in joint ventures is available exclusively to the joint ventures.

Notes

Note

35 Company overview

Subsidiaries, jointly controlled entities and associates at 31 December 2011

Companies		Registered office	Ownership interest		Share capital ('000)
MT Højgaard A/S					
Ajos A/S		Hvidovre DK	100.00	DKK	500
CL2010 A/S		Hillerød DK	100.00	DKK	500
Enemærke & Petersen A/S		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforretning ApS		Ringsted DK	100.00	DKK	200
E&P Service A/S		Alb.lund DK	100.00	DKK	500
Greenland Contractors I/S	(J)	Cph. DK	66.66	DKK	-
Lindpro A/S		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greennland DK	100.00	DKK	2,000
MT (UK) Ltd.		England GB	100.00	GBP	25
MT Atlantic Inc.		USA US	100.00	USD	10
MT Hojgaard Finland Oyj		Finland SU	100.00	EUR	80
MT Højgaard Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Hojgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MT Hojgaard Al Obaidly W.L.L.	(J)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MT Højgaard Norge A/S		Norway NO	100.00	NOK	500
MT Höjgaard Sverige AB		Sweden SE	100.00	SEK	50
MTH Insurance A/S		Søborg DK	100.00	DKK	30,000
MTH Stål Vietnam Company Limited		Vietnam VN	100.00	USD	50
OPP Hobro Tinglysningsret A/S	(A)	Hellerup DK	33.33	DKK	700
OPP Randers P-hus A/S	(A)	Hellerup DK	33.33	DKK	4,410
OPP Vildbjerg Skole A/S	(A)	Hellerup DK	33.33	DKK	500
OPP Ørstedskolen A/S	(A)	Hellerup DK	33.33	DKK	2,400
OPS Frederikshavn Byskole A/S	(A)	Hellerup DK	50.00	DKK	18,000
Scandi Byg A/S		Løgstør DK	100.00	DKK	3,000
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A.,(Seth)	(J)	Portugal PT	60.00	EUR	4,000

(A) associates.

(J) jointly controlled entities. These are consolidated on a proportionate basis in the consolidated financial statements.

OTHER INFORMATION

Consolidated financial highlights – EUR

Amounts in EUR million	2007	2008	2009	2010	2011
Income statement					
Revenue	1,576	1,503	1,222	1,117	1,252
Operating profit (loss) (EBIT)	26	44	39	13	-45
Net finance costs and profit of associates	15	4	2	1	0
Profit (loss) before tax	42	48	41	13	-45
Profit (loss) for the year	32	35	30	8	-35
Balance sheet					
Share capital	30	30	30	30	30
Total equity	166	194	217	218	173
Balance sheet total	677	710	740	632	761
Net interest-bearing deposit/debt (+/-)	26	69	111	45	-1
Invested capital	141	136	118	172	175
Cash flows					
Cash flows from operating activities	-10	72	65	-44	-36
Cash flows for investing activities:					
Net investments excl. securities	17	-22	-21	-13	5
Net investments in securities	-8	-1	-49	45	9
Cash flows from financing activities	-5	-8	-9	-3	-10
Net increase (decrease) in cash and cash equivalents	-39	40	-14	-15	-32
Financial ratios					
Gross margin (%)	5.1	6.9	8.1	6.5	0.9
Operating margin (EBIT margin) (%)	1.7	2.9	3.2	1.1	-3.6
Pre-tax margin (%)	2.7	3.2	3.4	1.2	-3.6
Return on invested capital (ROIC) (%)	19.3	30.7	30.7	8.7	-25.7
Return on invested capital after tax (ROIC after tax) (%)	14.6	22.1	22.2	5.2	-20.0
Return on equity (ROE) (%)	20.9	19.4	14.6	3.8	-18.0
Equity ratio (%)	24.5	27.3	29.2	34.5	22.8
Proposed dividend, EUR million	7	7	7	7	0
Other information					
Order book, year end	1,438	1,273	1,003	1,240	1,177
Average number of employees	6,494	6,170	5,872	5,217	4,738

The consolidated financial highlights in EUR are supplementary information to the financial statements.

Items in the income statement, the balance sheet and the statement of cash flows for all the years have been translated from DKK into EUR using Danmarks Nationalbank's official exchange rate at 31 December 2011 of 7.4342.

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