



Interim report for 1 January to 31 March 2014 (1st Qtr 2014)

The board of directors of Højgaard Holding A/S has today considered and approved this interim report for the period from 1 January to 31 March 2014.

- In accordance with IFRS 11, as of 1 January 2014 the ownership share in the jointly controlled enterprise MT Højgaard is recognised on the basis of the equity method (one-line consolidation) and not on a pro rata basis as previously, see note 1.
- The group's revenue was DKK 19.6 million against DKK 20.7 million for the same period last year.
- The group recorded a loss before tax of DKK 124.2 million, compared to a loss of DKK 28.4 million for the same period in the previous year.
- The jointly controlled enterprise, MT Højgaard (in which Højgaard Holding holds a share of 54%), recorded an operating loss before special items for the period of DKK 30 million, compared to a loss of DKK 59 million for the same period in the previous year. Special items for the period amounted to a loss of DKK 195 million and relate to the provision for the lost offshore dispute case Robin Rigg, which was described in the stock exchange announcement of 15 April 2014. The profit after tax (before minority interests) was a loss of DKK 216 million for the period, compared to a loss of DKK 42 million for the same period last year.
- MT Højgaard maintains its forecast for a revenue at the level of DKK 7.0 to 7.5 billion. An operating profit before special items for the year at the level of DKK 150-225 million is still expected, which corresponds to a margin of 2-3%. Special items for 2014 are expected to be negative by an amount of DKK 195 million, but may still be impacted by the outcome of old dispute cases, most of which are still expected to be settled in 2014.



Interim report 1 January – 31 March 2014

19 May 2014

Page 2 of 13

- For 2014, in addition to our share in the MT Højgaard group's profit after tax and minority interests, the Højgaard Holding group still expects a small positive result before tax.

Best regards
Højgaard Holding A/S

Søren Bjerre-Nielsen
Chairman of the board

Ditlev Fløistrup
CEO

Contacts:

Ditlev Fløistrup, CEO, Højgaard Holding, tel. +45 4520 1500

Torben Biilmann, president and CEO, MT Højgaard, tel. +45 2270 9020

Søren Bjerre-Nielsen, chairman of the board, Højgaard Holding, tel. +45 4520 1500

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

Highlights and key figures for the group

DKK million	2014 1st Qtr	2013 1st Qtr	2013 Full year
Income statement			
Revenue	20	21	72
Operating profit	3	2	11
Financial items	-1	0	-2
Share of profit in jointly controlled enterprise	-126	-30	18
Profit before tax	-124	-28	27
Profit after tax	-125	-29	25
Balance sheet			
Non-current assets	475	550	603
Current assets	17	19	17
Equity	421	488	547
Liabilities	71	81	73
Balance sheet total	492	569	620
Net interest-bearing debt	-54	-58	-53
Invested capital	475	546	600
Cash flows			
Cash flow to/from operating activities	-1	1	6
Cash flow to/from investment activities	0	-66	-66
Cash flow to/from financing activities	-4	67	62
Total cash flows	-5	2	2
Key figures			
Pre-tax margin (%)	-632	-137	37
Dividend paid, DKK million	0	0	0
Average number of shares, million	4	4	4
Number of shares at end of period, million	4	4	4
Earnings and diluted earnings per share (EPS and EPS-D), DKK	-30	-7	6
Book value per share, DKK	100	116	130
Share price at end of period, A-shares	252	102	180
Share price at end of period, B-shares	250	97	182
Total market value, DKK million	1,057	423	759
Share price/book value	2.5	0.9	1.4
Return on equity for the period (%)	-26	-6	5
Equity ratio (%)	86	86	88
Other information			
Average number of employees	30	30	30

The key figures have been calculated in accordance with the Danish Society of Financial Analysts' "Recommendations & Financial Ratios 2010". The definition of the key figures applied can be seen from the annual report for 2013.

The highlights and key figures have been adapted to the changed accounting policies as regards recognition of jointly controlled enterprises, see note 1.



Management's review

Højgaard Holding A/S' main asset is the 54% ownership share of MT Højgaard A/S. For further details regarding MT Højgaard, reference is made to MT Højgaard's interim report which Højgaard Holding has today made public.

The management contract with Banedanmark held by Højgaard Industri A/S for the production of concrete sleepers at the facility in Fredericia owned by Banedanmark runs until and including February 2016 with an option for Banedanmark to extend the contract for another two years.

Højgaard Holding A/S' own cash resources are considered satisfactory.

The group recorded a loss before tax of DKK 124 million, compared to a loss of DKK 28 million for the same period in the previous year. The higher loss, compared to the same period last year, can be attributed to the fact that the results for the jointly controlled enterprise MT Højgaard include special items which amounted to a loss of DKK 195 million in the first quarter, and which relate to the provision for the lost offshore dispute case Robin Rigg. MT Højgaard will seek permission to bring the ruling before the Court of Appeal.

The group's interest bearing debt amounted to DKK 54 million at 31 March 2014, compared to a debt of DKK 53 million at 31 December 2013.

The group's equity stood at DKK 421 million at 31 March 2014, and the book value corresponded to DKK 100 per share of DKK 20.

Højgaard Industri A/S

Holding 100 %

DKK million	2014 1st Qtr	2013 1st Qtr	2013 Full year
Revenue	19.6	20.7	72.2
Profit before tax	3.8	3.5	16.0
Profit after tax	2.9	2.6	12.7
Balance sheet total	27.4	26.3	22.6
Equity	17.6	14.7	14.7

The profit for the first quarter is in line with expectations. For the full 2014, expectations remain unchanged, i.e. a production of sleepers slightly lower than in 2013 and a result before tax below the level of 2013.



Related parties

Knud Højgaards Fond owns 64% of Højgaard Holding A/S.

Apart from intragroup transactions that have been eliminated in the consolidated financial statements and management remuneration, no transactions have been effected during the period with major shareholders, members of the board of directors, members of the executive board or other related parties. Transactions between Højgaard Holding A/S and other consolidated enterprises are made on an arm's length basis.

Company management

At Højgaard Holding A/S' annual general meeting on 9 April, the members of the board of directors Jens Jørgen Madsen and Lars Rasmussen did not offer themselves for re-election. Søren Bjerre-Nielsen was re-elected, and Pernille Fabricius and Carsten Bjerg were elected new members of the board which subsequently has elected Søren Bjerre-Nielsen as chairman of the board and Carsten Bjerg as deputy chairman of the board.

Outlook for 2014

MT Højgaard maintains its forecast for a revenue at the level of DKK 7.0 to 7.5 billion. An operating profit before special items for the year at the level of DKK 150-225 million is still expected, which corresponds to a margin of 2-3%. Special items for 2014 are expected to be negative by an amount of DKK 195 million, but may still be impacted by the outcome of old dispute cases, most of which are still expected to be settled in 2014.

For 2014, in addition to our share in the MT Højgaard group's profit after tax and minority interests, the Højgaard Holding group still expects a small positive result before tax.

It is expected that the group's effective tax rate will be below the Danish tax rate.

The projections concerning future financial performance are subject to uncertainties and risks that may result in a development that deviates substantially from expectations. For a description of risks and uncertainties, reference is made to note 2. The significant risks and uncertainties are unchanged from the description provided in the latest annual report.



Statement by the executive board and the board of directors

The board of directors and the executive board have today considered and approved this interim report for Højgaard Holding A/S for the period from 1 January to 31 March 2014.

The interim financial statements, which have not been audited or reviewed by the company's auditor, have been prepared in accordance with IAS 34 "Interim Financial Reporting", as adopted by the EU, and Danish disclosure requirements for interim reporting by listed companies.

In our opinion, the interim report provides a true and fair view of the group's assets, liabilities and financial position at 31 March 2014 and of the results of the group's activities and cash flows for the accounting period from 1 January to 31 March 2014.

Further, in our opinion, the management's review also gives a true and fair account of the development in the activities and financial affairs of the group, the results for the period and the group's financial position as a whole as well as a description of the significant risks and uncertainties facing the group.

Gentofte, 19 May 2014

Executive board

Ditlev Fløistrup
CEO

Board of directors

Søren Bjerre-Nielsen
Chairman

Carsten Bjerg
Deputy chairman

Pernille Fabricius

Group income statement

DKK million	2014 1st Qtr	2013 1st Qtr	2013 Year to date
Revenue	19.6	20.7	72.2
Production costs	15.1	16.4	56.2
Gross profit	4.5	4.3	16.0
Administration costs	1.5	1.9	4.7
Operating profit	3.0	2.4	11.3
Share of profit after tax in jointly controlled enterprise	-126.5	-30.4	18.0
Financial items	-0.7	-0.4	-2.5
Profit before tax	-124.2	-28.4	26.8
Tax on profit for the period	0.6	0.4	1.6
Total profit for the period after tax	-124.8	-28.8	25.2

The profit before tax can be specified as follows:

MT Højgaard group (after tax)	-126.5	-30.4	18.0
Højgaard Industri A/S	3.8	3.5	16.0
Højgaard Holding A/S	-1.5	-1.5	-7.2
Profit before tax	-124.2	-28.4	26.8

Earnings and diluted earnings per share (EPS and EPS-D), DKK	-29.7	-6.9	6.0
---	-------	------	-----

Group statement of comprehensive income

DKK million

Profit after tax	-124.8	-28.8	25.2
Other comprehensive income			
Items that can be reclassified to the income statement:			
Share of other comprehensive income in jointly controlled enterprise	-1.7	0.7	6.3
Tax on other comprehensive income	0.0	0.0	0.0
Other comprehensive income after tax	-1.7	0.7	6.3
Total comprehensive income	-126.5	-28.1	31.5

Interim report 1 January – 31 March 2014

19 May 2014

Page 8 of 13

Group balance sheet

DKK million	2014 31 March	2013 31 March	2013 31 December
ASSETS			
Non-current assets			
Deferred tax assets	0.7	0.7	0.7
Investments in jointly controlled enterprise	474.4	548.8	602.7
Total non-current assets	475.1	549.5	603.4
Current assets			
Inventories	3.6	2.3	2.6
Receivables	9.0	7.8	4.7
Cash, cash equivalents and securities	4.1	9.2	9.3
Total current assets	16.7	19.3	16.6
Total assets	491.8	568.8	620.0
EQUITY AND LIABILITIES			
Equity	420.6	487.5	547.1
Non-current liabilities			
Payables to group companies	58.0	67.0	62.0
Total non-current liabilities	58.0	67.0	62.0
Current liabilities			
Suppliers of goods and services	4.7	4.0	3.4
Other current liabilities	8.5	10.3	7.5
Total current liabilities	13.2	14.3	10.9
Total liabilities	71.2	81.3	72.9
Total equity and liabilities	491.8	568.8	620.0

Interim report 1 January – 31 March 2014

19 May 2014

Page 9 of 13

Group statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Reserve for currency rate adjustments	Profit carried forward	Proposed dividend	Total Equity
Equity at 1 January 2013	84.1	-16.7	0.2	448.0	0.0	515.6
Profit after tax				-28.8		-28.8
Other comprehensive income		0.8	-0.1			0.7
Total changes in equity		0.8	-0.1	-28.8		-28.1
Equity at 31 March 2013	84.1	-15.9	0.1	419.2	0.0	487.5
Equity at 1 January 2014	84.1	-11.1	0.9	473.2	0.0	547.1
Profit after tax				-124.8		-124.8
Other comprehensive income		-1.9	0.2			-1.7
Total changes in equity		-1.9	0.2	-124.8		-126.5
Equity at 31 March 2014	84.1	-13.0	1.1	348.4	0.0	420.6

Group cash flow statement

DKK million	2014 1st Qtr	2013 1st Qtr	2013 Full year
Operations			
Operating profit	3.0	2.4	11.3
Cash flow to/from primary activities before changes in working capital	3.0	2.4	11.3
Change in working capital	-4.2	-1.4	-5.2
Cash flow to/from operating activities	-1.2	1.0	6.1
Capital contribution to MT Højgaard	0.0	-162.0	-162.0
Sale of securities, net	0.0	96.3	96.3
Cash flow to/from investing activities	0.0	-65.7	-65.7
Cash flow to/from financing activities	-4.0	67.0	62.0
Cash flows, net	-5.2	2.3	2.4
Cash and cash equivalents at beginning of period	9.2	6.8	6.8
Cash and cash equivalents at end of period	4.0	9.1	9.2

The cash flow statement cannot be determined on the basis of the published material alone.

Note 1 – Accounting policies applied

The interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”, as adopted by the EU, and Danish disclosure requirements for interim reporting by listed companies.

Apart from the changes described below, the accounting policies applied remain unchanged from those described in note 1 in the annual report for 2013, to which reference is made. The annual report for 2013 includes a full description of the accounting policies applied.

Changes in the accounting policies applied

With an effective date of 1 January 2014, IFRS 10, 11 and 12 have been implemented, including the accompanying amendments, IAS 27 (2011), IAS 28 (2011), amendments to IAS 27 (2011), amendments to IAS 32, amendments to IAS 39 and IFRIC 21.

IFRS 10 introduces a change to the basis of consolidation. In accordance with IFRS 10, it is a requirement that an investor, in future, consolidates another enterprise if it controls the relevant activities that generate variable returns.

IFRS 11 Joint Arrangements replaces IAS 31 Joint Ventures. As from 1 January 2014 companies no longer have a free choice between consolidation on a pro rata basis and the equity method for jointly controlled enterprises. IFRS 11 classifies Joint Arrangements as either joint ventures (the equity method) or joint operations (proportionate share of underlying assets and liabilities) based on circumstances related to both form and substance.

In consequence of IFRS 11, as of 1 January 2014 the group recognises the jointly controlled enterprise MT Højgaard as a joint venture, i.e. on the basis of the equity method (one-line consolidation), whereas it was earlier recognised on a pro rata basis.

IFRS 12 includes disclosure requirements for both consolidated and non-consolidated enterprises, joint ventures and associates.

The effect of the changes is recognised in the opening balance sheet as at 1 January 2013 in accordance with the transitional provisions in IFRS 11.

In the presentation, the group’s share of profit after tax in the MT Højgaard group is recognised in the income statement in a separate item designated “Share of profit after tax in jointly controlled enterprise”, and in the balance sheet the equity value of the MT Højgaard group is recognised under “Investments in jointly controlled enterprise”.

Accounting effects of the implementation

The accounting effects of the implementation of IFRS 11 for the group are as follows:

DKK million	1st Qtr 2013			Full 2013		
	Current practice	Adjustments	New practice	Current practice	Adjustments	New practice
Statement of comprehensive income						
Revenue	836.8	-816.1	20.7	4,045.6	-3,973.4	72.2
Production costs	817.8	-801.4	16.4	3,700.5	-3,644.3	56.2
Sales costs	14.5	-14.5	0.0	69.6	-69.6	0.0
Administration costs	39.9	-38.0	1.9	175.1	-170.4	4.7
Share of profit after tax in associates	0.2	-0.2	0.0	1.0	-1.0	0.0
Share of profit after tax in jointly controlled enterprise	0.0	-30.4	-30.4	0.0	18.0	18.0
Interest, net	0.0	-0.4	-0.4	-17.7	15.2	-2.5
Tax on net profit or loss for the period	-6.4	6.8	0.4	58.5	-56.9	1.6
Profit for the period		0.0			0.0	
Other comprehensive income		0.0			0.0	
Comprehensive income for the period		0.0			0.0	
Cash flow statement						
Operating activities	-53.3	54.3	1.0	16.5	-10.4	6.1
Investing activities	91.9	-157.6	-65.7	84.3	-150.0	-65.7
Financing activities	62.7	4.3	67.0	77.9	-15.9	62.0
Cash flow at beginning of year	-89.2	96.0	6.8	-89.2	96.0	6.8
Cash flow for the period		-3.0			-80.3	
DKK million	31 March 2013			31 December 2013		
	Current practice	Adjustments	New practice	Current practice	Adjustments	New practice
Balance sheet						
Intangible assets	79.1	-79.1	0.0	83.9	-83.9	0.0
Property, plant and equipment	334.9	-334.9	0.0	307.9	-307.9	0.0
Deferred tax assets	194.9	-194.2	0.7	167.4	-166.7	0.7
Investments in jointly controlled enterprise	0.0	548.8	548.8	0.0	602.7	602.7
Other financial assets	7.6	-7.6	0.0	4.8	-4.8	0.0
Inventories	377.0	-374.7	2.3	341.5	-338.9	2.6
Receivables from sales and services	873.2	-873.2	0.0	945.3	-945.3	0.0
Contracts in progress	89.7	-89.7	0.0	40.1	-40.1	0.0
Other receivables	92.7	-84.9	7.8	62.8	-58.1	4.7
Securities	95.4	-95.3	0.1	88.2	-88.1	0.1
Cash and cash equivalents	123.0	-113.9	9.1	146.2	-137.0	9.2
Total assets		-1,698.7			-1,568.1	
Credit institutions etc., long-term	73.5	-73.5	0.0	93.9	-93.9	0.0
Deferred tax liabilities	6.6	-6.6	0.0	5.4	-5.4	0.0
Provisions for liabilities	144.4	-144.4	0.0	170.4	-170.4	0.0
Credit institutions etc., short-term	128.8	-128.8	0.0	78.8	-78.8	0.0
Contracts in progress	444.8	-444.8	0.0	321.7	-321.7	0.0
Suppliers of goods and services	488.7	-484.7	4.0	417.1	-413.7	3.4
Other current liabilities	426.2	-415.9	10.3	491.7	-484.2	7.5
Total equity and liabilities		-1,698.7			1,568.1	



Note 2 – Accounting estimates and assessments

The preparation of the interim financial statements requires that the management makes accounting estimates and assessments that affect the accounting policies applied and the recognition of assets, liabilities, income and expenses. The actual financial performance may deviate from those estimates.

The decision in the case concerning the offshore wind farm Robin Rigg which was delivered by the High Court in London on 15 April, and which, contrary to expectations, went against the MT Højgaard group, has led the MT Højgaard group to reassess the estimated recognition of the dispute case which has impacted the profit for the period negatively with a provision of DKK 195 million. The provision also has an impact on the tax rate for the period in the MT Højgaard group as the tax base of the DKK 195 million provision has not been recognised in the MT Højgaard group's tax asset, based on a specific assessment of the probability of the tax asset being utilised in the foreseeable future.

The ruling, which is based on the assumption that MT Højgaard can be held liable as a result of an unintended wording in the contract, also means that, it has been estimated that there will not be any knock-on effect on the group's other offshore disputes, but the outcome of the cases obviously involves a certain risk of litigation.

Apart from the above, the preparation of the interim financial statements has been based on the same significant estimates and assessments made by the management in connection with the application of the group's accounting policies, and the significant estimation uncertainty related hereto, as those on which the preparation of the consolidated financial statements and the financial statements for 2013 was based, which were specified in note 2 in the annual report for 2013.

Note 3 - Measurement of financial instruments at fair value

Below, the disclosure requirements that are relevant for the Højgaard Holding group in relation to financial instruments recognised at fair value are listed.

The methods used to determine the fair value of financial instruments are unchanged from the annual report for 2013.

Securities are measured based on quoted prices (Level 1). At the end of the period, the fair value and the book value was DKK 0.1 million.

It is the group's policy to recognise transfers between the different categories from the date on which an event or a change in circumstances caused the classification to be changed. No transfers between the levels were made in 2014.

Note 4 – Segment information

DKK million	2014 1st Qtr	2013 1st Qtr	2013 Full year
Revenue			
Production	19.6	20.7	72.2
Total revenue	19.6	20.7	72.2
Profit before tax			
Production	3.8	3.5	16.0
Jointly controlled enterprise, etc.	-128.0	-31.9	10.8
Total profit before tax	-124.2	-28.4	26.8
Total assets			
Production	27.4	26.3	22.6
Jointly controlled enterprise, etc.	464.4	542.5	597.4
Total assets	491.8	568.8	620.0
Total liabilities			
Production	9.8	11.6	7.9
Parent company, etc.	61.4	69.7	65.0
Total liabilities	71.2	81.3	72.9