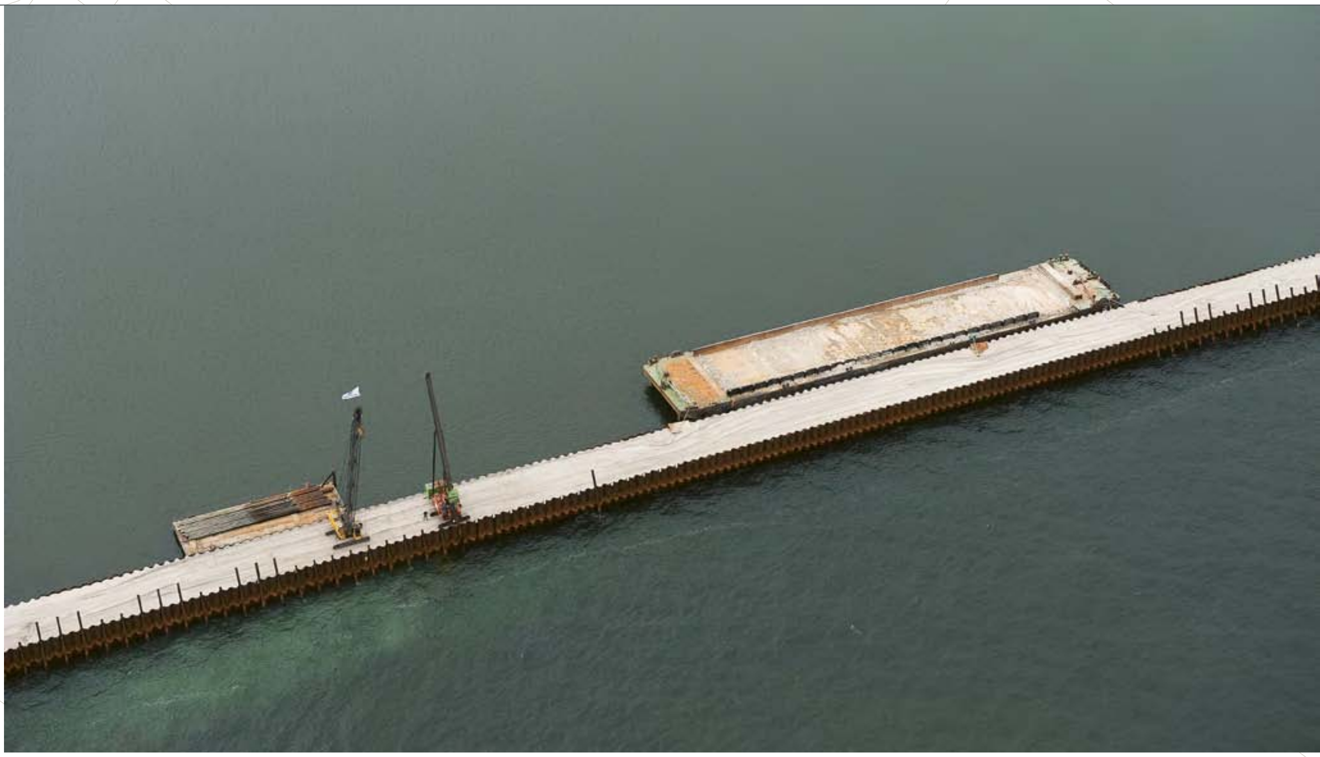
AARSLEFF

ANNUAL REPORT 2007-08

This Annual Report is a translation of Per Aarsleff A/S's official Danish Annual Report. The original Danish text shall take precedence and in case of discrepancy the Danish wording shall prevail.



Sheet pile wall, Køge Harbour.

AARSLEFF SUPPLIES INFRASTRUCTURE
– PROJECTS AND INDUSTRIALISED PROCESSES

A precondition for sound financial growth in society is the existence of the best possible infrastructure; Aarsleff wants to contribute to this. We work as a general infrastructure contractor, and particularly in Construction we focus on infrastructure both in Denmark and abroad. In Pipe Technologies and Piling, we focus on industrialisation.

INFRASTRUCTURE IN DENMARK AND ABROAD

Aarsleff is a general infrastructure contractor. The activities include construction of roads, tunnels, reservoirs and pipelines. Other infrastructure competencies comprise harbours, ferry berths, coastal protection, embankments and offshore foundations. We have more than 40 years of experience in cofferdams and underground structures, and we have built up comprehensive geotechnical qualifications.

Further, Aarsleff specialises in railway work. The extensive experience and competence built up over the years are gathered in Banekonsortiet, which apart from the Parent Company consists of the subsidiaries Petri & Haugsted as and Wicotec A/S.

INDUSTRIALISATION AND OPTIMISATION

Throughout the years, Aarsleff has made a targeted effort to optimise processes. This means that we have industrialised a number of products and services. This concerns piling and trenchless pipe renewal. As regards both areas, we have carried out a cost optimisation of all stages.

JOINT COMPETENCE

Aarsleff has established subsidiaries that are independent companies but at the same time part of the total competence of the Aarsleff Group.

The companies share the goal of exploiting the joint competence and create synergy in the business and product development.

Nationally as well as internationally, Aarsleff makes a targeted effort to establish competent and competitive consortia and working relationships capable of bidding on large jobs in Denmark and abroad.

COOPERATION AND SYNERGY
– OPEN, PROFESSIONAL AND CREATIVE COOPERATION

Foundations for Horns Rev 2.

Aarsleff wants to be a cooperative partner who is highly professional, committed, careful, cost conscious and flexible.

We have built up a number of specialised competencies within Construction, Piling and Pipe Technologies. They are all part of the vision of supplying the best product.

COOPERATION IS A NATURAL THING FOR AARSLEFF

In our experience, the best cooperation is produced when the customer joins forces with the consultant and the contractor to perform a given task.

In addition to the technical qualifications, the cooperative concept is deep-rooted in the individual employee. This is reflected by openness, trust and the will to cooperate professionally on the individual projects. Aarsleff gladly participates as an active sparring partner in framework agreements, partnering and Public Private Partnerships (PPPs).

OPTIMISATION OF PROJECTS

Partners to the Aarsleff Group on complex construction contracts will benefit from the specialised competencies we have built up over many years. We have gathered a team of highly qualified employees with a special expertise in developing and planning optimum projects. We can contribute consultancy and optimisation already in the planning phase.

We want to be successful on each individual project. An important tool in this connection is our project management which is characterised by openness and a flexible attitude to achieve the best result.

SYNERGY YIELDS RESULTS

Aarsleff wants to trade on the synergy between the specialised products and the companies within the Group. The daily effort by which employees share knowledge and cooperate across organisational boundaries yields better solutions. This creates openness and a will to communicate internally as well as externally. An open dialogue promotes innovation and initiative – all preconditions for a sound and forward-looking product development.

ONE COMMON CONTRACTOR'S CULTURE

We are tied together by one common contractor's culture, formulated through a practical set of values. The Aarsleff culture is strong and down-to-earth.

We are characterised by keeping our word, and we are a reliable partner in all situations. We deliver on time and as agreed. Our flexible project organisation makes it possible to adjust the work to most anticipated as well as unforeseen events.

THE EMPLOYEES ARE THE FOUNDATION

Aarsleff is characterised by having competent, flexible, diligent and enterprising employees. These are the values which we find should characterise cooperation at a professional level. This applies to the small details as well as in the overall perspective.

We achieve this by trusting the individual employee and through our project organisation, which picks the best team for the specific jobs.

GLIMPSES OF THE YEAR
COOPERATION AND SYNERGY

NEW OFFSHORE WIND FARM AT RØDSAND
In cooperation with German Bilfinger Berger AG, Aarsleff has entered into a contract with E.ON Sverige AB to execute the foundations for the Rødsand 2 Offshore Wind Farm.

The contract comprises production and installation of 90 concrete foundations each weighing approx. 1,300 tons. The foundations are made as concrete caissons with ballast and will be placed on the seabed at depths of 5-12 metres.

The contract has a value of approx. DKK 600 million.

THE WORLD'S LARGEST OFFSHORE WIND FARM
In 2009, Dong Energy will put the world's largest offshore wind farm, Horns Rev 2, into operation.

The 92 foundations have been produced and installed by Aarsleff in cooperation with German Bilfinger Berger AG. The foundations consist of mono piles in lengths up to 40 metres and a weight of up to 200 tons. An 18-metre-long and 170-tons-heavy transitional piece with a concrete platform at the top has been installed on the mono pile.

SUCCESSFUL COOPERATION IN KALUNDBORG
The construction of a new factory in Kalundborg for the Norwegian pharmaceutical company Pronova BioPharma Danmark A/S was a big, complex project with a brief execution period carried out and completed during the past year.

Aarsleff carried out demolition works, piling, infrastructure, concrete works as well as element installation. The shell structures alone were built in less than six months, and during that period 120 employees have worked on the project.

PARTNERING IN KØGE HARBOUR
In Køge Harbour, the almost two-kilometre-long sheet pile wall is completed, and Køge Soil Deposit is getting ready to receive lightly contaminated soil for depositing in the 40-hectare landfill.

Køge Soil Deposit is being established in connection with the extension of Køge Harbour, and the works are carried out in partnering with Køge Municipality over the next ten years. The contract has a value of DKK 950 million.

INFRASTRUCTURE SPECIALISTS
– INFRASTRUCTURE IS THE FOUNDATION OF SOCIETY

Project Culture Harbour Kronborg.

Aarsleff works as a general infrastructure contractor. We specialise in earthwork and construction work, underground structures and marine construction. Within all three areas, we have many years of experience from big as well as small projects. All three areas are deeply rooted in our contractor's culture.

EARTHWORK AND CONSTRUCTION WORK

Aarsleff possesses special qualifications to build roads, tunnels, gas pipelines and major sewers. We have also built up a specialised knowledge in establishing communication lines and high-tension lines.

MARINE CONSTRUCTION

For more than 40 years, Aarsleff has developed the competence and equipment to build harbours, ferry berths, coastal protection, embankments and offshore foundations. In addition, we execute a number of specialised jobs such as sea crossings and dredging works.

UNDERGROUND STRUCTURES

Since the 1960s, Aarsleff has established cofferdams and underground structures. We handle major, complex assignments which call for a unique specialised knowledge of geotechnical works. The underground structures comprise concrete works in connection with tunnels, reservoirs and underground parking.

GEOTECHNICAL SPECIALITIES AND EQUIPMENT

Aarsleff has translated the geotechnical challenges into a number of special competencies. For instance, we handle groundwater lowering, horizontal drilling, vertical drilling and soil anchors. This requires well-educated employees with a vast experience and special-purpose machines that have been adjusted to the varying conditions.

SYNERGY AND CORPORATE CULTURE

Aarsleff has many years of experience in building up special competencies for a specific infrastructure area. We have a corporate culture by which initiative and adaptability are part of everyday life. Our organisation is flexible and competencies are used across the Group.

There is a natural, close working relationship between the Parent Company and the subsidiaries Petri & Haugsted as, Wicotec A/S and Dan Jord A/S.

We work together to execute large, prestigious contracts, and we are also highly focused on executing minor and medium-sized contracts efficiently and cost-consciously.

GLIMPSES OF THE YEAR
INFRASTRUCTURE SPECIALISTS

PROJECT CULTURE HARBOUR KRONBORG
Kronborg and Elsinore Harbour are changing. From being characterised by the shipyard industry, the area is now being transformed into a cultural centre.

Aarsleff's contract on Project Culture Harbour Kronborg comprises e.g. exposing the fortifications, executing a new ravelin in the harbour, establishing new quays and a new shipyard site. All of these are construction disciplines that reflect our competencies as a specialist contractor.

The contract has a value of DKK 140 million.

NEW RESERVOIRS IN AARHUS
As part of an extensive project, Aarhus Municipality is investing in new reservoirs, most recently in two equalisation basins with capacities of 7,500 cubic metres and 15,000 cubic metres respectively. Having competencies within construction and concrete work, piling as well as geotechnology and design, reservoirs are one of Aarsleff's specialities.

Both basins are constructed as sheet piled construction pits with drilled anchors. Out of consideration to the location close to the city, the sheet piles in one of the basins have been installed with minimum disturbance to the surroundings.

The basins are executed in a partnering agreement between Aarsleff, Aarhus Municipality and the consultants Viggo Madsen A/S and Orbicon.

ACCESS TO THE AARHUS DOCKLANDS
The former container terminal at the northern part of the Aarhus docks is being converted into a completely new neighbourhood. The traffic to and from the docklands will take place through the Nørreport intersection which Aarsleff is currently rebuilding.

The project also involves establishment of a canal and a bike tunnel under the road surfaces and a great deal of construction work such as earth, paving and pipe works as well as concrete works, sheet piling, pile installation, groundwater lowering and anchor drilling.

The complicated conversion in the busy intersection is halfway finished at the turn of the year, then the traffic will be diverted, and Aarsleff will start working on the last part of the project.

RAILWAY WORK
– INFRASTRUCTURE ON RAILS

Renewal of depot tracks, Copenhagen.

For many years now, Aarsleff has contributed a number of solutions to railway works. By the establishment of Banekonsortiet, Aarsleff has taken the consequences of the future major challenges in this area. Here, all competencies of Aarsleff and the subsidiaries Petri & Haugsted as and Wicotec A/S are gathered in a consortium aimed at the growing railway market.

A LARGE MARKET POTENTIAL

The Danish railway system is about to undergo large and ambitious renewal and rehabilitation works. The political ambition is to renew the railway system so that Denmark can be prepared for more traffic, higher speed limits and enhanced safety.

THE CHALLENGES OF THE FUTURE

The railway works are an interesting technical challenge that calls for a wide spectrum of competencies from track work, bridges, traction current, high-tension current, remote control and general safety installations.

Aarsleff has extended its special competence within this area in a fluctuating market in recent years. Banekonsortiet and the gathering of experience and references from the three companies enable Aarsleff to prepare a very competitive team for the challenges ahead.

FUTURE ORGANISATION

Future jobs within railway construction, rehabilitation and maintenance work are to be executed in close cooperation.

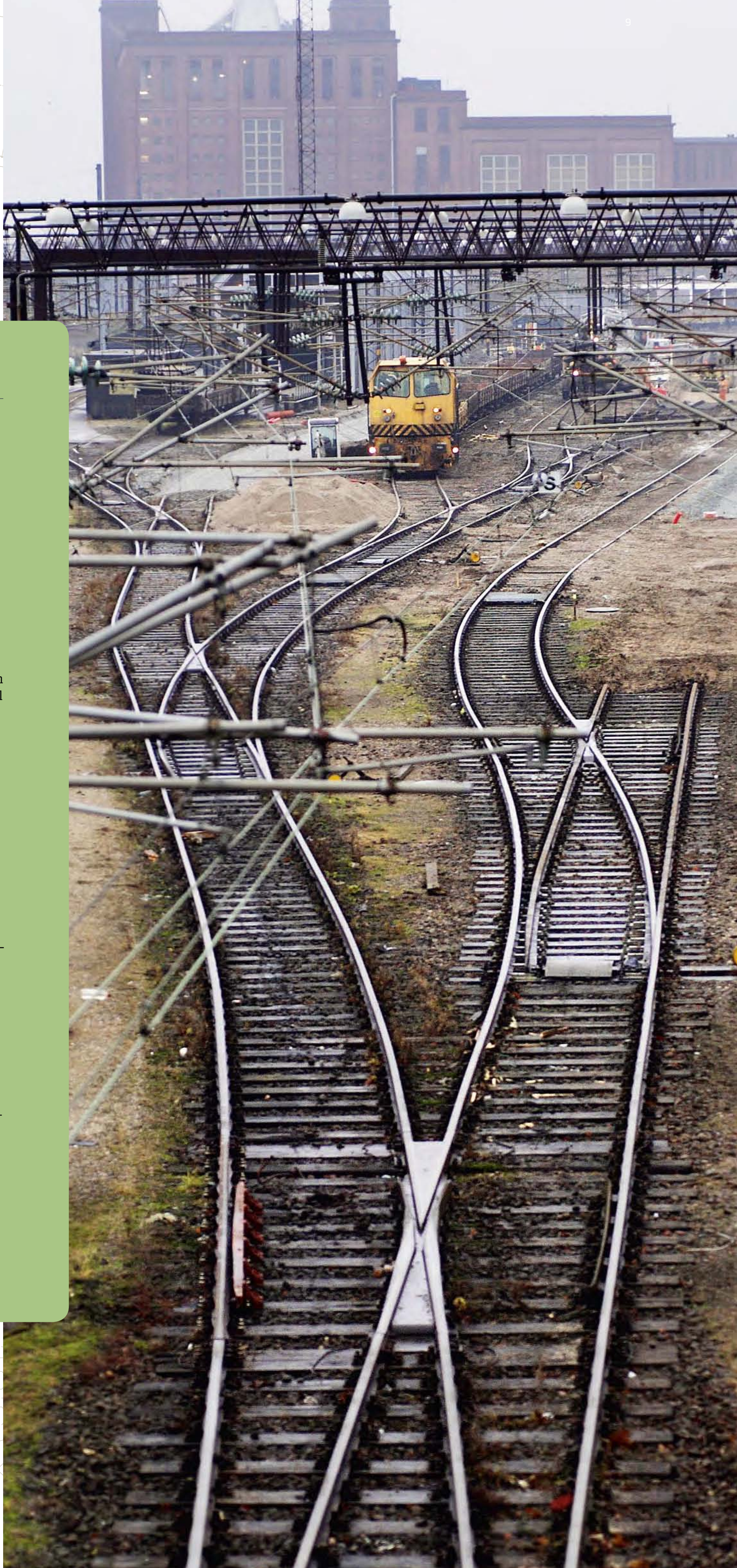
In Banekonsortiet, Aarsleff can ensure that knowledge is shared across the companies. We have a precise knowledge of all employee resources and competencies as well as which type of equipment should be used for the specific jobs. We want to make sure that the expensive special-purpose machines are used in the most optimum way and with the least possible inconvenience to the train passengers.

TOP TRAINING AND INFORMATION

Working with infrastructure on rails places heavy demands on the qualifications and knowledge sharing of the employees. At Aarsleff, we invest many resources in providing the required training to the individual employees of Banekonsortiet.

The targeted organisation of Banekonsortiet reflects the focus Aarsleff has on establishing synergy between the many special competencies of the Group.

GLIMPSES OF THE YEAR
RAILWAY WORK



TRACK RENEWAL IN EASTERN JUTLAND
The team from the consortium Banekonsortiet, which carried out the track renewal of Kystbanen last year, has gone west, and in 2008 it has renewed the stretch between Skanderborg and Aarhus.

It requires detailed 24-7 planning when 20 kilometres of double-track line is to be renewed in 100 days. A total of 60 employees from Banekonsortiet, which consists of Aarsleff and the subsidiaries Wicotec A/S and Petri & Haugsted as, have been engaged in the work.

The track renewal involved replacement of railway sleepers and some tracks with both mechanical and manual track renewal as well as ballast renovation involving replacement of ballasts and toe ballasts.

RENEWAL OF DEPOT TRACKS
The depot track for long-distance trains at the Helgoland depot close to the station Svanemøllen has been renewed.

The renewal consists of three kilometres of track relaying and seven switch renewals, and the work involves a wide spectrum of earth, drainage and pipe works besides the railway technical installations and track work. As an example, the existing sub-layer has been replaced, and we have established a complete, new track as well as a drainage system consisting of three kilometres of drainage and pipes and also transversal routes for the new supply plants.

COPENHAGEN CENTRAL STATION
This summer, the newly renovated Copenhagen Central Station was inaugurated and taken into use. Thus, one of the most complicated and extensive renovation works in Denmark in modern times was completed – according to schedule and on time.

More than 500 craftsmen have been working on the multi-annual renovation project which had a total value of DKK 650 million. The renovation has been carried out by Banekonsortiet which consists of Aarsleff and the subsidiaries Wicotec A/S and Petri & Haugsted as together with E. Pihl & Søn A.S.

INTERNATIONAL ACTIVITIES
– SYNERGY ACROSS FRONTIERS

Cruise jetty, St. Maarten, the Caribbean.

Aarsleff is an international company organised with foreign subsidiaries. As part of the Aarsleff Group any competence of the Group is readily available to the individual subsidiaries. This means that a national working relationship with an Aarsleff subsidiary also constitutes cooperation with an international Group.

SYNERGY ACROSS FRONTIERS

We use our experience from the Danish domestic market to strengthen our position on the foreign markets. Through our subsidiaries we build up a solid foundation which draws on our experience across frontiers.

We aim at establishing a uniform and international project culture. Therefore, we focus on providing training and education to local manpower.

THE WORLD IS OUR MARKET

Aarsleff considers the world our place of work. We especially give a high priority to the countries around the Baltic Sea where we have established subsidiaries.

In addition to this, we will be present around the world and be involved in specific contracts. Aarsleff is prepared to continue the development of the cooperation with Danish as well as foreign partners.

INTERNATIONAL PARTNERSHIPS

Aarsleff is part of international partnerships through which we participate in turnkey contracts and as a specialised contractor on specific projects. We participate in extensive and professional consortia with Danish and foreign co-operative partners.

It is clear that Aarsleff and its employees benefit from cooperating across frontiers in international partnerships and consortia.

A RELIABLE PARTNER

The Aarsleff culture is based on professionalism, initiative and a short chain of command. This characterises our project managers, our employees and the way we work – nationally as well as internationally. We are a reliable partner who implements projects professionally, irrespective of where in the world they take place.

Despite cultural and regional differences there is an unambiguous attitude towards professional contracting and a will to exploit the business-related possibilities of synergy that are in the international market.

Aarsleff makes a targeted effort to establish competent and competitive consortia and working relationships that are able to bid on major international contracts.

GLIMPSES OF THE YEAR
INTERNATIONAL ACTIVITIES

MUUGA PORT IN TALLINN TO BE EXTENDED
In Estonia's capital Tallinn, Aarsleff has started the extension of the container terminal in Muuga Port. The port in Tallinn is among the largest in the Baltic Sea region and consists of several ports of which Muuga is the largest.

The extension is part of a major plan for Muuga Port and consists of the execution of new quays, sand reclamation and dredging. The contract will be carried out in cooperation between the Danish company Rohde Nielsen A/S and Estonian KMG Inseneriehituse AS. Aarsleff is to build 800 metres of new quay wall and carry out the revetment works, while the partners are to execute sand reclamation, dredging and concrete works.

The total contract value is DKK 430 million of which Aarsleff's share is DKK 200 million.

PURE DRINKING WATER IN LATVIA
Pure and healthy drinking water. Less pollution of rivers and the Baltic Sea. That is the result after Aarsleff has supplied a new drinking water plant as well as a new wastewater plant for the almost 40,000 inhabitants of Rezekne in Latvia.

Aarsleff has success in Latvia and is busy with environmental assignments as well as water supply and wastewater projects. The new plants in Rezekne are typical of the projects in Latvia. They are turnkey projects where we carry out the design, supply the equipment and is responsible for the construction.

CRUISE JETTY IN THE CARIBBEAN
On St. Maarten in the Caribbean, the new jetty for the many cruise ships has started to take shape.

The contract comprises building of a new cruise ship jetty installed on piles as well as extension of the quay for freight and containers and for large cruise ships – a total of 4,000 tons of steel, piles and sheet piles. In addition, the contract includes execution of coastal protection and a big stone breakwater with accropode reinforcement weighing up to 40 tons.

The contract has a value of DKK 350 million and is carried out in cooperation with Dutch Ballast Nedam Infra B.V.

INDUSTRIALISATION IN PIPE TECHNOLOGIES

– HI-TECH PRODUCT DEVELOPMENT AND SYNERGY

CIPP lining, Aarhus.

Aarsleff is among the leading companies in the world within trenchless pipe renewal. For more than 25 years, we have built up a specialised knowledge and further developed the trenchless pipe renewal method which is based on the principle of installing a new lining in existing pipes and pipelines.

The method comprises horizontal pipes in the ground and vertical pipes in buildings. We renew wastewater pipes, drinking water pipes, industrial process pipes, vertical pipes and ducts in buildings as well as manholes.

METHOD DEVELOPMENT

Aarsleff currently develops new technology and units that take up minimum space and cause the least possible inconvenience to the traffic and the citizens.

In addition to TV vehicles for inspection and documentation, we use purpose-built units which are small, mobile factories. The mobile units can be used irrespective of the site conditions. This makes it possible for Aarsleff to offer turnkey solutions and install complete, new linings and transitional profiles in places that are normally inaccessible, e.g. narrow backyards, train platforms and basements.

PRODUCT DEVELOPMENT

All materials are produced at our own factory in Hasselager, and Aarsleff's laboratory performs a control of the products that are applied on an ongoing basis. Development of new materials is handled and tested by competent employees. Completed renewal jobs are also inspected and documented by the laboratory.

QUALITY ASSURANCE

Aarsleff is in the lead when it concerns the demands for increased quality. Therefore, Aarsleff in Denmark is affiliated with the DTVK Scheme for TV Inspection, the Control Scheme for Pipeline Rehabilitation and ISO certifications for quality as well as the environment.

The extensive quality assurance is also reflected in laboratory tests and tests of excavated pipes. We expect a service life of minimum 100 years for an Aarsleff CIPP lining.

INDUSTRIALISATION IN PIPE TECHNOLOGIES

The constant development of method, product and quality has produced a highly industrialised product based on a sound economy.

The gain from the industrialisation in Pipe Technologies is a high-quality product with low costs and a high common standard in Denmark and abroad. A development that is strengthened by synergy processes between departments, subsidiaries and through the joint export organisation in Denmark.

GLIMPSES OF THE YEAR
INDUSTRIALISATION IN PIPE TECHNOLOGIES

NEW CURING METHOD FOR CIPP LINING
For the first time, Aarsleff has used a new, in-house developed curing method on a CIPP lining project in Aarhus. Instead of traditional curing with steam, the liner is cured by means of LED.

The method is energy-saving, and we are using label-free resin which is odour-free, more environmentally friendly and easier to handle. In addition, we have easier access to the jobs because the equipment takes up less space. So far, the method is most suitable for short stretches in lengths up to 40-50 metres and in dimensions of DN100-150 millimetres.

PRODUCTION OF GLASS FIBRE PIPES IN RUSSIA
The production at Arpipe in Moscow is now at full speed, and the factory has an annual production of 7.5 kilometres of glass fibre reinforced polyester pipes for renewal of large water and sewer lines in dimensions up to three metres in diameter.

In the Moscow area alone, where the factory is located, the need for renewal is huge. The pipes are spun on a purpose-built machine and produced with the requested cross section. The installation takes place from a manhole or a construction pit into which the pipe sections are lowered and pushed into the defect pipe.

FIRST CIPP LINING IN LATVIA
The first big contract for a CIPP lining has been won in Latvia. The DKK 80 million contract for renewal of 13 kilometres of sewer line in the capital Riga is the biggest of its kind so far in Latvia.

The job was put out to international tender and was won in strong competition with similar contracting companies which, like Aarsleff, see a big market potential for No-Dig pipe renewal in the Baltic countries.

INDUSTRIALISATION IN PILING
– COST-CONSCIOUS PRODUCT DEVELOPMENT

Piling, Z-House, Port of Aarhus.

Today, Aarsleff is the leading and trendsetting contractor in Northern Europe within production and driving of concrete piles, establishment of complete cofferdams as well as installation of sheet piles. We want to keep this position and develop further.

Aarsleff aims at industrialising and standardising a number of piling products. This concerns the production and driving of concrete piles as well as installation of sheet piles.

OWN PRODUCTION OF PILES

As part of this industrialisation, Aarsleff aims at a uniform pile production certified for quality. It is against this background that we have established our own pile factories in Denmark, England, Poland and Sweden.

We continuously work on optimisation of processes and cost minimisation of the production.

INDUSTRIALISATION ON LAND

On land, we have specialised in piling and sheet piling jobs. Our region of operation is Northern Europe where the soil conditions are highly varied and require specific adjustments. The many years of experience enable us to supply an industrialised product which at the same time is flexible and adjustable to the conditions in question. We also carry out a number of foundation activities in connection with wind turbine foundations.

INDUSTRIALISATION AT SEA

We have a wide range of experience from many years of harbour and bridge projects in Denmark and abroad. Our expertise includes sheet piling, which is often executed under very difficult and alternating weather conditions.

MACHINES FOR ALL TYPES OF WORK

We consider it a very important competitive parameter to be able to offer a large and flexible train of machines. We aim at using our experience in the development of new methods and equipment. Therefore, we have allocated many technical resources to the ongoing adjustment of the large train of machinery.

It is important for us to execute our work with an absolute minimum of noise and vibration in consideration of the surrounding environment.

COOPERATION AND SYNERGY

Industrialisation means standardised products that are used across the Aarsleff Group. The primary markets remain in Northern Europe with Denmark, Germany, England, Poland and Sweden as the most important ones. In these countries, we are represented by own subsidiaries.

INDUSTRIALISATION AND FLEXIBILITY

Aarsleff offers a highly industrialised product and tailored solutions to special foundation jobs. The decisive thing for us is to be able to supply the right product at the right price and quality.

GLIMPSES OF THE YEAR
INDUSTRIALISATION IN PILING

PILE FACTORY IN SWEDEN
Close to Gothenburg, Aarsleff has established its own pile factory. The factory, which previously produced concrete elements and was built in 2006, produced its first prefabricated reinforced concrete piles in January, and the aim is to be able to supply piles to Aarsleff's own activities and to other piling contractors in Sweden.

After the Aarsleff takeover, production equipment corresponding to the standard of the equipment of the pile factories in Denmark, England and Poland is being installed.

PILING FOR THE Z-HOUSE
The building of the Z-House on the northern part of the old Aarhus docks has begun. The Z-House will thus become the first of a long number of residential and commercial buildings in the completely new neighbourhood at Port of Aarhus.

In the construction pit for the Z-House, Aarsleff has supplied and installed 950 30×30-centimetre reinforced concrete piles in lengths from 15-18 metres. Up to three piling rigs have been working in the construction pit where the piles have been installed in 1.5 months.

POLAND'S BIGGEST PILE CONTRACT
In Poland, Aarsleff has entered into a contract for the execution of the pile foundation for the new Polish national stadium in Warsaw. The stadium will be built in advance of the 2012 European Football Championship hosted by Poland and Ukraine.

The contract consists of installation of a total of 9,000 concrete piles which will be produced in Aarsleff's pile factory in Poland. The contract has a value of approx. DKK 95 million and is the biggest piling contract in Poland so far.


AARSLEFF
AARSLEFF

HIGHLIGHTS AND FINANCIAL RATIOS FOR THE GROUP

(DKK '000)	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Income statement					
Revenue	2,957,704	3,416,024	3,781,589	4,288,556	5,327,435
Of this figure, work performed abroad	965,044	1,296,020	1,413,949	1,555,906	1,596,572
Operating profit	69,806	66,790	113,967	175,700	288,695
Profit before interest	78,817	69,134	127,120	186,122	301,101
Financials, net	-10,660	-9,379	-16,914	806	-21,009
Profit before tax	68,157	59,755	110,206	186,928	280,092
Profit for the year	42,769	44,730	92,705	148,031	210,250
Balance sheet					
Long-term assets	763,604	841,718	1,006,813	1,059,941	1,248,188
Short-term assets	1,095,169	1,151,203	1,433,212	1,666,622	1,967,146
Total assets	1,858,773	1,992,921	2,440,025	2,726,563	3,215,334
Equity	772,160	825,399	912,140	1,049,979	1,251,639
Non-current liabilities	239,025	214,618	315,206	362,530	398,941
Current liabilities	847,588	952,904	1,212,679	1,314,054	1,564,754
Total equity and liabilities	1,858,773	1,992,921	2,440,025	2,726,563	3,215,334
Cash flow statement					
Cash flows from operating activities	129,046	154,763	117,690	239,853	390,212
Cash flows from investing activities	-150,666	-128,128	-282,232	-171,653	-316,688
Of this figure, investment in property, plant and equipment, net	-144,582	-179,880	-223,468	-166,903	-308,496
Cash flows from financing activities	-28,517	-41,770	78,659	-12,335	-17,261
Change in liquidity for the year	-50,137	-15,135	-85,883	55,865	56,263
Financial ratios					
Gross margin ratio, %	11.8	11.5	12.0	12.7	13.8
Profit margin (EBIT), %	2.4	2.0	3.0	4.1	5.4
Operating margin (before tax), %	2.3	1.7	2.9	4.4	5.3
Return on invested capital (ROIC), %	7.4	6.6	9.7	13.1	19.9
Return on equity (ROE), %	5.7	5.6	10.7	15.1	18.3
Equity interest, %	41.5	41.4	37.4	38.5	38.9
Earnings per share (EPS), DKK	20.98	21.78	44.80	71.54	101.76
Dividend per share, DKK	2.40	2.40	4.80	4.80	4.80
Number of employees	2,271	2,373	2,670	2,839	3,181

Financial ratios for the Group have been calculated in accordance with the "Recommendations and financial ratios of the Danish Society of Investment Professionals 2005". Please see page 55 for financial ratio definitions.

Highlights and financial ratios for 2004/2005, 2005/2006, 2006/2007 and 2007/2008 have been prepared in accordance with IFRS. The comparative figures for 2003/2004 have not been adjusted to the changed accounting policies but have been prepared in accordance with the previous accounting policies according to the Danish Financial Statements Act and Danish accounting standards.

THE YEAR IN BRIEF

The sheet pile wall in Køge Harbour is completed, and Køge Soil Deposit is getting ready to receive lightly contaminated soil for depositing in the landfill.

The consolidated profit for the financial year 2007/2008 was DKK 280 million before tax against DKK 187 million last year. Earnings expectations were DKK 170 million at the beginning of the financial year and have been adjusted during the year. The reason is the high level of activity during the mild winter and a lower realised risk than expected on one-off projects. The profit is considered extraordinarily high.

The latest earnings expectations for the full-year results at DKK 280 million were published in November 2008.

Revenue reached DKK 5,327 million compared to DKK 4,289 million last financial year. Danish revenue was up 36% on last year and reached DKK 3,730 million. The foreign part of revenue amounted to DKK 1,597 million and is on a par with last financial year.

The profit for the year is DKK 210 million after tax.

Cash flows from operating activities with deduction of investments constitute a positive liquidity flow of DKK 74 million. Total investments reached DKK 317 million.

Construction contributes with DKK 167 million before interest against DKK 85 million last year. Pipe Technologies contributes with DKK 4 million before interest against DKK 14 million last financial year. Piling contributes with DKK 130 million before interest against DKK 87 million last financial year.

The operating margin of the Group is 5.3% compared to 4.4% last financial year.

The Board of Directors recommends that the dividend remains unchanged at DKK 4.80 per share corresponding to DKK 11 million.

The number of full-time employees is 3,181 against 2,839 last year.

THE FUTURE

Aarsleff's pile foundation method with prefabricated reinforced concrete piles is becoming increasingly popular in Germany. Here, almost 3,000 piles are being installed in a new industrial area in Northern Germany.

The outlook for the coming financial year is for a profit before tax at DKK 200 million and a slightly decreased level of activity. This is in line with the preliminary expectations stated in the stock exchange announcement of 9 October 2008. If the global economic crisis accelerates and, contrary to expectation, affects public investments negatively, it may influence the consolidated profit during the second half of the financial year.

Investments provided for in the budget amount to DKK 325 million. At the gateway to the new financial year, the backlog is larger than at the same time last year but with a longer time frame.

After a couple of years with a booming Danish building and construction market, there is now a recession. Moreover, in the autumn of 2008, our level of activity has been influenced negatively by the economic crisis – especially within residential building and private-sponsored investments in capital expenditure. However, Aarsleff is mainly dependent on public investments, and therefore the crisis is expected to have a more limited effect on the level of activity – except for the UK where the effects of the crisis have been stronger, and the activities are expected to be loss-making.

Some of the idle capacity from the building sector in Denmark will go to the construction sector and combined with the general recession, this will result in increased competition.

The order intake for construction projects is selective, and the focus is on the areas where the earnings opportunities are proportional to effort and risk. We will continue our work within the Group of ensuring a professional completion of each individual project. The cooperation between sections, divisions and the individual companies will be continued with a view to being able to carry out major, complex construction projects with the most significant project parts as our own production.

We will concentrate the activities within pipe renewal on the future development in Europe. We will continue our work and strengthen the effort within product development and continuously incorporate new technology in the installation process.

Piling will continue to strengthen its leading market positions and exploit the market potentials on its primary markets which are Denmark, England, Germany, Poland and Sweden. We plan to further develop our special geotechnical activities, and we will continue to standardise and make industrial pile manufacturing more efficient.

We will continue to ensure job satisfaction and personal development in a straightforward and open culture in which the employees have freedom, take responsibility and show respect. During the next financial year, we will continue the work to obtain an occupational health and safety certificate.

Capitalisation and dividend policy

Based on the relatively heavy investments in the specialised segments and in growth targets, a long-term dividend policy has been adopted. It consists of a fixed dividend of DKK 4.80 per share of DKK 20. The reason for this is a wish to be able to finance our growth and at the same time be able to maintain our equity interest of 40-45%. If the growth over a period cannot take place in a profitable manner, the investment rate will be changed. Moreover, the dividend and share acquisition policy will be reconsidered.

THE PAST YEAR IN CONSTRUCTION

Segment results came to DKK 167 million before interest or 5.1% of revenue. Revenue grew by 24% to DKK 3,306 million. The profit is extraordinarily high

The primary employment area in Construction is to establish and maintain society's infrastructure. Denmark and the area around Malmö is our platform and the biggest market for the general activities. The order intake for foreign projects is more selective and lies within the area of more specialised activities.

The level of activity exceeded expectations at the beginning of the year due to a mild winter and a stable market in the areas where we have a solid position. In addition, there has been a good order composition, and many of the risks that were included in the contract prices have not been realised to the usual extent.

Throughout the year, we have succeeded in increasing the number of contracts which combine several Aarsleff disciplines. In this way, we have carried out central and risky project parts on big construction projects as own production, and there is a continued tendency that the customers require complex projects executed in one contract.

Project Development & Design, which is Aarsleff's division for specialised geotechnical constructions, plays an important part in the increasing number of contracts which open up possibilities for the contractor to make proposals for complete constructions, execution methods and temporary constructions. We have continuously sought employment on such projects where we are involved at an early stage and thus are able to contribute more to the project, e.g. in connection with the renovation of the Copenhagen Central Station, drainage systems in Odense, wastewater treatment plants in Aarhus, various offshore wind turbine foundations, works in connection with Project Kronborg Culture Harbour and a large industrial plant in Kalundborg.

Our activities abroad comprise the construction of a jetty in St. Maarten in the Caribbean, road construction in Tanzania and water treatment plants in Nicaragua and Sri Lanka.

Subsidiaries

Petri & Haugsted as specialises in cable works and communication lines, and during the financial year, the company has initiated efficiency work to improve its good position. There has been a high employment within service works in connection with railway technical works which have been carried out in close cooperation with Wicotec A/S and the Parent Company. The results exceed expectations.

Wicotec A/S carries out technical installations, including electricity, plumbing and ventilation as well as technical service, pipe works and district heating installations. Together with the subsidiaries E. Klink A/S and Danklima A/S, an increasing number of technical contracts have been carried out during the past year. Within the area of high-voltage current, the work on traction current units in connection with railway works has been further developed. The results exceed expectations.

Dan Jord A/S activities include construction works, paving works, sports fields including golf courses and service works. The operating profit is significantly above expectations and has been further improved due to profit from the sale of a site area.

Brødrene Hedegaard A/S, which was acquired on 1 March 2008, undertakes operation and maintenance assignments for Copenhagen Airports. The company has long experience in operation and maintenance activities, and in the future it will also take interest in similar assignments outside the airport. The operating profit has met expectations.

In Sweden, the operation has generated a loss as a consequence of write-down related to a previously completed harbour project. The activities in the company's primary market area in Malmö have progressed satisfactorily.

The future

In the new financial year, we expect a lower level of activity and a profit before interest of 4% of revenue influenced by an expectation of increased competition.

The forecast of a profit before interest at 4% of revenue is a reflection of the long-term expectations. The long-term revenue development will to a great extent follow the market trends and the market potential as well as the special trends within underlying activities.

The busy Nørreport intersection is currently being rebuilt. The intersection will be the access to the completely new neighbourhood at the old North Harbour in Aarhus.

In the centre of Vejle, the subsidiary Dan Jord A/S has renewed the granite paving, including a new roundabout carried out with granite blocks with lights and fountains.

THE PAST YEAR IN PIPE TECHNOLOGIES

Segment results came to DKK 4 million before interest. The results were influenced by costs in connection with an action against and a settlement with a former licenser in the USA. Furthermore, the activities in Sweden generated a loss

Revenue came to DKK 862 million against 771 million last year.

In Denmark, the municipal market and the market within the housing and industry sector generally developed in line with expectations. A number of new multi-annual framework agreements were made with the municipalities, and as a result it was possible to obtain the efficiency savings of planning and executing a large total volume over a long period. We have now worked with such projects for some time, and the experience shows that it has been possible to obtain the anticipated savings for the benefit of both the contractor and the customer. There is an increasing recognition of a maintenance backlog, and in future years we will aim at drawing the attention to include the privately-owned pipe systems as well.

At the factory in Hasselager, we have further developed and tested new methods for material composition and curing during the year. The raw materials for liner manufacture are products which are based on oil, and price increases over the summer period put a further strain on the economy.

The previously mentioned actions brought by Insituform Technologies, Inc. (ITI) at the court in Memphis have been settled resulting in a payment from Aarsleff to ITI of USD 8.5 million. As a result, we can now without any objection apply the methods and the knowhow which we have used and further developed through the past many years. Together with ITI, Aarsleff remains a 50% partner in the jointly owned subsidiary in Germany. In addition, Aarsleff remains a 25% partner and ITI a 75% partner in a jointly owned factory for semi-manufactured products in England.

In the Baltic countries, the activities concerning the construction of small wastewater treatment plants and water treatment plants continued, and in September, we were awarded the contract for a significant sewer rehabilitation project in Riga. The focus on solving environmental problems in connection with obsolete sewers in the Baltic countries is increasing. In Sri Lanka, we won a contract for the execution of a large water treatment plant.

Subsidiaries

The results in the Swedish company were disappointing and unsatisfactory. A generational change took place in the management, and a reorganisation was carried out, resulting in the integration of a previously acquired subsidiary in the other activities. The company has generated a loss, but we expect that the activities will normalise and be profitable next year.

Finland has had another good year due to major one-off pipeline rehabilitation projects in Helsinki.

The Polish subsidiary is still experiencing a transition to large pipe renewal projects which contain complete services. These are mainly EU financed projects. Results fall slightly short of expectations.

IRT in Germany (50% owned) experienced a small revenue increase. The market is characterised by many players and increased competition. Results are below expectations.

In Italy, the activities are growing but not enough to generate satisfactory results. In Taiwan, there was a small profit, and in Russia, the activities met expectations.

The future

Pipe Technologies expects a continued growth on a par with 2007/2008, based on active marketing in Denmark and on the European markets. The profit before interest is expected to amount to 3% of revenue in the coming financial year and to reach a level of 6% within a limited number of years.

In the longer run, a revenue development of 5-10% per year is expected.

No-Dig pipe renewal makes the impossible possible. In less than a week, a leaky DN 1,000-millimetre sewer line along Odense River was renewed.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THE PAST YEAR IN PILING

Segment results were DKK 130 million before interest or 11.2% of revenue. Revenue grew by 37%, and the results are exceptionally high

Revenue climbed to DKK 1,159 million which is significantly above expectations at the beginning of the financial year. The high level of activity is a result of the division's good starting point and position on all primary markets for industrial piling as well as the integrated work between Piling and Construction on several large one-off projects, e.g. a number of cofferdams in Copenhagen, Aarhus and Aalborg and in connection with the Horns Rev project in the North Sea where we have installed 91 steel piles as wind turbine foundations.

There has been a great demand for Piling's services, driven by high activity within underground structures in urban areas, e.g. underground parking, reservoirs, tunnels and quay structures where special foundation is required. Piling's specialised section for geotechnical drillings is making good progress, and there has been a high level of activity in connection with preliminary geotechnical investigations and drillings in connection with groundwater lowering systems. As an example, an extensive investigation programme for the City Circle Line in Copenhagen can be mentioned.

The division's standardised pile system is gaining ground and is undergoing continuous development technically and production-wise. For many years, Centrum Pæle A/S has used welding robots for spot welding of stirrups. The technology has been introduced at the factory in Poland during the financial year, and preparations have been made for implementation in Sweden in the beginning of the new year. In England, a new casting form rotation system has been implemented based on the methods that were used in Vejle.

Subsidiaries

Centrum Pæle A/S had a high level of activity and obtained satisfactory results.

In Germany, the revenue was record-breaking, and the results are satisfactory. Our system is becoming more and more recognised on the German market where the competition against other foundation methods is more intense than on the other markets. This is done e.g. by including design so that the customer is offered a guaranteed bearing capacity. The organisation has been expanded and now covers a larger geographic area than earlier.

In Poland, the level of activity was low during the first six months of the financial year whereas the last part of the year was very busy. The results are better than forecasted at the beginning of the financial year. The production facilities are undergoing continued modernisation, and the demand is growing. The activities within railway electrification continue, based on the concept that originally was developed for use in Denmark more than 20 years ago. Especially, at the end of the year, the order intake was higher than usually.

In Sweden, we took over an existing concrete element factory in the spring which was transformed into a pile factory during the summer. The level of activity has been high and is characterised by a large number of construction projects which require pile foundation in our primary market area which is the area around Gothenburg. The results are satisfactory.

In England, the results were generally satisfactory, however, during the last part of the year there was a very significant recession which resulted in stagnation and poor capacity utilisation. The economic crisis has had a serious negative effect on house building. But also infrastructure projects, some of which are private-sponsored, have been affected. Some market players have already resigned, and the situation is expected to result in an operating loss in the future. The activities are being adjusted, e.g. by reorganising the activities towards the construction market.

The future

In the new financial year, we expect a slightly lower level of activity and a profit before interest of 6.5% of revenue.

The long-term expectation is for a profit before interest at 6% of revenue and an average revenue development of 5-10% per year.

Installation of sheet pile wall and profiles prior to the construction of the Danish Poster Museum's new exhibition building in the Old Town in Aarhus.


AARSLEFF
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INFORMATION TO SHAREHOLDERS

Share capital
The share capital is DKK 45.3 million divided into DKK 2.7 million A shares and DKK 42.6 million B shares.

The B share capital is quoted on the Copenhagen Stock Exchange. The B share capital is distributed on shares of a nominal value of DKK 20 and at 30 September 2008 it comprises 2,130,000 shares. The B shares are negotiable instruments issued to bearer but can be registered in the name of the holder in the company's register of shareholders.

The A shares carry 10 times the voting rights compared to the B shares. The A shares are non-negotiable instruments.

Shareholders
All A shares are owned by the fund Per og Lise Aarsleffs Fond.

Shareholders who own more than 5% of the share capital or control 5% of the voting rights are stated at the top of the following page.

As at 19 December 2008, the members of the Board of Directors held a total of 5,545 shares.

As at 19 December 2008, 2,219 shareholders had been registered, which equals approx. 69% of the share capital.

The voting rights at the general meeting are conditional on the shareholders, prior to the convening of the general meeting, having been registered in the company's register of shareholders or having applied for registration and having documented the acquisition of shares.

Treasury shares
At the end of the financial year, the holding of treasury shares amounts to 195,808 B shares of a nominal value of DKK 3.9 million and an acquisition cost of DKK 49.2 million.

The market capitalisation of treasury shares as at 30 September 2008 is DKK 95.5 million.

The holding of treasury shares has been acquired to increase the financial flexibility in connection with future acquisitions.

Market capitalisation
The market capitalisation of the company shares totalled DKK 1,009 million on 30 September 2008.

Dividends
With a view to approval at the coming Annual General Meeting, the Board of Directors of the company proposes that a dividend be set at 24% which equals DKK 4.80 per share of DKK 20.

Shareholders	Number of shares	Percentage of capital	Percentage of votes
Arbejdsmarkedets Tillægspension, Hillerød	226,710	10.01	6.90
Danske Bank, Copenhagen	124,231	5.48	3.78
Danske Invest, Copenhagen	116,506	5.14	3.55
Per og Lise Aarsleffs Fond, Åbyhøj – A shares	135,000	5.96	41.11
Per og Lise Aarsleffs Fond, Åbyhøj – B shares	11,264	0.50	0.34
Treasury shares	195,808	8.64	

Stock exchange announcements

15	October 2007	Aarsleff to build quay on St. Maarten in the Caribbean
15	November 2007	Major shareholder announcement
19	December 2007	Preliminary announcement of the Financial Statements for 2006/2007
30	January 2008	Approval by the Annual General Meeting of the Financial Statements for 2006/2007
30	January 2008	Aarsleff adjusts the expectations upwards
4	February 2008	Major shareholder announcement
19	February 2008	Insider trade
28	February 2008	Preliminary announcement of the Financial Statements for Q1 of 2007/2008
2	April 2008	Aarsleff establishes pile production in Sweden
16	April 2008	Aarsleff enters into agreement on Project Kronborg Culture Harbour
6	May 2008	Aarsleff to execute foundations for the Rødsand 2 Offshore Wind Farm
23	May 2008	Preliminary announcement of the Financial Statements for H1 of 2007/2008
8	July 2008	Aarsleff to carry out extension of Muuga Port in Tallinn
28	August 2008	Preliminary announcement of the Financial Statements for Q3 of 2007/2008
29	August 2008	Aarsleff to build water treatment plant in Sri Lanka
15	September 2008	Breakthrough for Aarsleff in Latvia
22	September 2008	Aarsleff to renovate 150 kilometres of road in Tanzania
9	October 2008	Aarsleff adjusts profit expectations upwards
31	October 2008	Major shareholder announcement
5	November 2008	Major shareholder announcement
7	November 2008	Aarsleff lands Poland's biggest pile contract so far
17	November 2008	Aarsleff and Insituform Technologies, Inc. have reached a settlement
19	December 2008	Preliminary announcement of the Financial Statements for 2007/2008

Financial calendar

29	January 2009	Annual General Meeting is held at the Group headquarters, Lokesvej 15, Åbyhøj, at 15:00
4	February 2009	Dividend paid to shareholders
26	February 2009	Preliminary announcement of the Financial Statements for Q1 of 2008/2009
28	May 2009	Preliminary announcement of the Financial Statements for H1 of 2008/2009
27	August 2009	Preliminary announcement of the Financial Statements for Q3 of 2008/2009
18	December 2009	Preliminary announcement of the Financial Statements for 2008/2009

CORPORATE GOVERNANCE IN AARSLEFF

Aarsleff's Board of Directors and Executive Management attach great importance to good corporate governance. With few exceptions, the Management has therefore decided to follow the recommendations of the Copenhagen Stock Exchange on good corporate governance.

Relations to shareholders

Aarsleff was founded in 1947, and revenue as well as profit have been growing steadily ever since. The company was introduced to the Copenhagen Stock Exchange in 1984. Subsequently, the share capital has been further increased and today totals DKK 45.3 million, distributed on 2.7 million unlisted A shares carrying a voting right of 10 per share and 42.6 million listed B shares carrying a voting right of one per share.

It is the opinion of the Management that such distribution of the voting rights provides the required peace and decision-making competence for the company to reach its strategic goals, the results of which are reflected in the positive development of the company.

The supreme authority of the company is vested in the General Meeting. The Board of Directors convenes the shareholders to the General Meeting with sufficient notice. The convening notice also contains information about the items on the agenda.

Relations to partners

The mission statement of the Aarsleff Group involves a wish to be known for...

- being people who can be trusted
- giving job satisfaction and development a high priority
- possessing the engineering and contracting qualifications of the future
- having high standards of project management and professional cooperation
- being a professional and reliable business partner
- considering the world our place of work.

Aarsleff's mission statement materialises, in relation to our partners, in the professionalism shown in the execution of our work and through our respect for customers, colleagues within the business and our employees. Aarsleff offers attractive work places in which safety, job satisfaction and lifelong development are given pride of place. Through our work, Aarsleff wants to compare with the best within the business. This goes for the professional implementation of our work as well as profitable growth, competitiveness and a sound financial situation.

The Aarsleff Code of Conduct states the general principles of the company's way of working. The Board of Directors of the company has approved the principles, which have subsequently been communicated to the employees. Aarsleff's Code of Conduct can be accessed on Aarsleff's homepage – www.aarsleff.com.

The Aarsleff Code of Conduct determines the rules of good behaviour with respect to employees, environment and ethics as a condition of any cooperation in which Aarsleff participates.

The principles and rules have been prepared in accordance with the UN's Universal Declaration of Human Rights, the ILO Convention and UNICEF's Convention on the Rights of the Child.

Openness and transparency

Aarsleff has established an Investor Relations Policy for the communication of information to shareholders, investors and partners. The policy is available to all interested parties on Aarsleff's homepage – www.aarsleff.com.

The Group publishes quarterly reports on the financial results and communicates on a current basis with investors and other partners.

Aarsleff's homepage – www.aarsleff.com – contains elaborating information on the business areas of the Group as well as on the financial situation in Danish and in English.

Tasks and responsibilities of the Board of Directors

The Board of Directors determines the mission statement as well as the general objectives and strategies for the Aarsleff Group. The Board of Directors handles the managerial control of the company and evaluates the work of the Executive Management on a current basis.

Board meetings are held at least five times a year with the participation of the Executive Management. The chairman and the deputy chairman are responsible for the satisfactory function of the Board of Directors at all times.

In accordance with article 31 of the Danish Act on Registered and State-Authorised Public Accountants, an Audit Committee consisting of three board members has been established. In addition, the Committee's work shall include nomination to the Board of Directors and remuneration to the Board of Directors and the Executive Management. The Committee usually holds three meetings per year.

The business procedure of the Board of Directors is reviewed annually to ensure that it satisfies the demands of the company. Guidelines have been prepared as to the reporting from the Executive Management to the Board of Directors as well as for the communication between the Board of Directors and the Executive Management.

Composition of the Board of Directors

The Board of Directors consists of four external board members, elected by the General Meeting for one year at a time. In addition, there are two board members elected by the staff for a four-year term.

The Board of Directors carries out a self-assessment process once a year along with an annual evaluation of the Executive Management's work and the cooperation between the Executive Management and the Board of Directors.

In the procedures for recommendation of new candidates to the Board of Directors, we try to safeguard the principle of representing all important competences so that the Board can continue to carry out its work in the best possible way.

In the business procedure the company has established an age limit for the work of the board members of the company. Board members cannot be elected or re-elected after the year they turn 70.

Remuneration of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management receive a fixed annual remuneration which is stated in the annual report.

The specific employment terms of the Executive Management are assessed annually by the Committee established for this purpose to ensure that the terms are in accordance with market practice and that they are a reflection of the efforts required by the Executive Management.

No incentive programmes have been established for the Board of Directors, the Executive Management or other executive employees. The Group has no share option schemes or similar. The section on shareholder information in the Annual Report contains information on the Board of Directors' total holding of shares in the company, but the Board of Directors does not consider it useful to disclose information on individual members' holdings.

No extraordinary redundancy schemes or other agreements imposing extraordinary obligations on the company have been made with the Board of Directors, the Executive Management or other executive employees.

The policy on remuneration of the Board of Directors and the Executive Management has not been changed as compared to the last financial year and is not expected to be changed in this present financial year or the coming financial year.

The company has not, in accordance with the recommendations, specified the remuneration to the individual board members or the remuneration to the individual members of the Executive Management, as the Board of Directors does not find such specification relevant and appropriate.

Risk management

The Annual Report includes separate information on the most significant commercial and financial risks that may affect the company.

Audit

For the audit of the Annual Report, the General Meeting of the company elects one state authorized public accountant for a period of one year, following a recommendation from the Board of Directors.

Prior to the recommendation, the Audit Committee performs an assessment of the auditor's competence and independence.

RISK ASSESSMENT

Commercial risks
Within our specialised fields, we execute a number of routine jobs involving a large degree of repetition. One of the effects of the repetition is the possibility to control and reduce errors and risks. A systematic work is carried out to identify and remove sources of error, and the repetition provides an opportunity to monitor, control and inspect the work.

In addition to this, we minimise risks on large one-off projects by entering into joint venture agreements. By doing so, a harmonisation of the organisational capacity as well as reduced effects from unsuccessful projects can be obtained. As far as possible, we cooperate with already known partners. In connection with projects in unknown markets, we frequently seek a local partner for the project in order to minimise the risk of first errors.

A special form of hedging consists in integrating the design and planning. Traditionally, a contractor does not become part of a project until a firm of consulting engineers has completed the design, and the tender phase is over. However, there is a tendency to involve the contractor early when initiating the designing. In some instances, this form of cooperation leads to partnering contracts and in other instances to design and construct contracts. We actively participate in this development process.

Financial risks and policy
The Aarsleff Group has performed a considerable amount of work abroad in recent years. This entails exposure to a number of financial risks concerning both profit and balance sheet. The risks are monitored and controlled centrally within Per Aarsleff A/S in accordance with the fiscal policy adopted by the Board of Directors. The policy involves a low risk profile, so that risks will only occur on the basis of business matters.

Foreign exchange risks
It is the Group's policy to reduce its foreign exchange risks, as individual projects and markets are assessed with a view to hedging. Normally, currency overdraft facilities are established on the basis of a current calculation of the foreign exchange exposure of the most important currencies. Moreover, forward exchange contracts and options are used. Short and long-term receivables from group enterprises are not hedged.

Interest rate risks
At the end of September 2008, Group interest-bearing liabilities and interest-bearing assets totalled approx. DKK 270 million. In order to minimise interest as well as risks, we have entered into cash pool and interest netting agreements in DKK, SEK, EUR and GBP with the Group's Danish bank.

Credit risks
The majority of the Group's customers consist of public or semi-public clients and as such, the exposure to financial losses is at a minimum. The Group's receivables from the sale to other customers have been exposed to the usual credit risk. Therefore a credit rating of the customers is carried out prior to commencement of a contract. To the extent that it is appropriate and possible, receivables from sale are hedged via bank and insurance guarantees and letters of credit.

Liquidity and borrowing risks
It is Group policy to have the necessary liquidity available. The stable and good financial position of the Group entails a high creditworthiness which is reflected in appropriate credit facilities and loan commitments, short-term as well as long-term.

KNOWLEDGE RESOURCES

The foundation of Aarsleff's organisation is versatile civil engineering and contracting competences, combined with an organisation and common contractor's culture that create a platform for exploitation of the synergy potential across the Group.

We continue to focus on the development of the project manager within one-off projects and service contracts as well as on the development of employees and project managers with special competences.

The project manager on one-off projects vouches for the quality and is responsible to the customer. In addition, he is responsible for the technology, economy, time, coordination and cooperation from commencement to completion of the project. We call it the total responsibility of the project manager. We wish to continuously develop a number of highly qualified project managers with general competences for international projects.

The project manager on service contracts or framework agreements, which typically run for several years, also holds a total responsibility. This type of responsibility resembles an operational responsibility. It concerns technical knowledge, prioritisation, planning, budgeting, implementation, reporting and cooperation.

There is an ongoing development of employees with specialist knowhow of technical construction principles, methods of execution, geotechnical conditions, materials and the use of special equipment.

Within foundation, we utilise our knowledge from international activities by exchanging experience and cooperating across the organisations of the individual subsidiaries – both within foundation activities and manufacturing of concrete piles.

Employees with specialist knowledge of trenchless pipe renewals at an international level go through a current development, regarding professional sales and technical competences which enable us to maintain our own product and method development.

HEALTH AND SAFETY, QUALITY AND THE EXTERNAL ENVIRONMENT

It is our policy to carry out all operations in a reliable way with respect to safety and health and to avoid accidents by prevention.

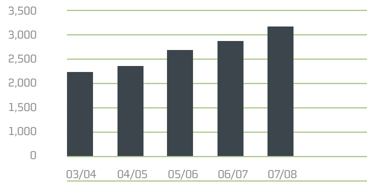
The goal to achieve a reduction in the number of accidents in 2008 was not met. Nor was the goal to be below par with the business.

With a view to meeting the goals in 2009, the work preparing a common occupational health and safety management system for Per Aarsleff A/S is intensified. During 2007/2008, the focus on health and safety at work has been strengthened, and we have worked intensely with improvements on many fronts, among them the solving of occupational health and safety assignments, strategic considerations, initiation of cross-organisational initiatives, strengthening of the work in the safety organisation, and the scope and contents of the occupational health and safety management system has almost been defined.

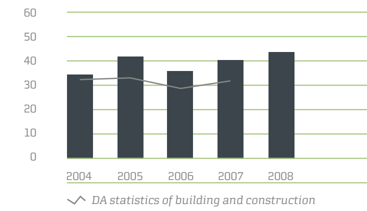
Thus, we are making a targeted effort to obtain an occupational health and safety certificate for Per Aarsleff A/S, and we have chosen to emphasise the importance of involving everyone in the process to ensure that the desired improvements are obtained. We expect that the certificate will be obtained during 2009.

Concurrently with the occupational health and safety certificate work in the Parent Company, the management systems for occupational health and safety, quality and the environment are continuously developed in the Parent Company as well as the subsidiaries Wicotec A/S, Petri & Haugsted as, Dan Jord A/S, Centrum Pæle A/S and Brødrene Hedegaard A/S.

NUMBER OF EMPLOYEES



ACCIDENTS PER MILLION MAN-HOURS
Based on reports at 18 December 2008



POSITIONS HELD BY THE EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT

B.Sc. Eng. (hon). Ebbe Malte Iversen, 57 years old
Dansk Byggeris Eksportsektion (Chairman)

B.Sc. Eng. Lars M. Carlsen, 47 years old
No external managerial posts

BOARD OF DIRECTORS

B.Sc. Eng. Palle Svejstrup, Chairman, 69 years old
Member of Per Aarsleff A/S's Audit Committee
Joined the Board of Directors in 1999
Ege Tæpper A/S (Chairman)
Aarhuus Stiftsbogtrykkeries Fond (Chairman)
Campinggården A/S (Chairman)

State Authorized Public Accountant Niels S. Møller, Deputy Chairman, 64 years old
Chairman of Per Aarsleff A/S's Audit Committee
Joined the Board of Directors in 2001
Erik Dam Holding A/S (Chairman)
Erik Dam A/S (Chairman)
Aarhuus Stiftsbogtrykkeries Fond

Manager Jens Bigum, 70 years old
Member of Per Aarsleff A/S's Audit Committee
Joined the Board of Directors in 1996
Aarhus Universitet (Chairman)
Carlsberg Breweries A/S (Chairman)
Carlsberg A/S (Deputy Chairman)
Toms Gruppen A/S (Chairman)
Gerda og Victor B. Strands Fond

From the left:
Ebbe Malte Iversen,
Lars M. Carlsen and
Palle Svejstrup.

Attorney Carsten Fode, 59 years old
Joined the Board of Directors in 1992
AVK Holding A/S (Chairman)
AVK Gummi A/S
Orifarm A/S
Good Food Group A/S
Carl Hansen & Søn Møbelfabrik A/S (Chairman)
Chris-Invest A/S
BCA Auto Auktion A/S
CICO Invest A/S
Dansk Bygningsanalyse A/S (Chairman)
DMS Invest A/S (Chairman)
Meinertz A/S (Chairman)
Redgreen A/S (Chairman)
Silentor A/S (Chairman)
A/S 48
5. MAJ A/S

Foreman Leif Endersen, staff-elected, 45 years old
Joined the Board of Directors in 2000
No external managerial posts

Plant driver Søren Kristensen, staff-elected, 48 years old
Joined the Board of Directors in 2008
No external managerial posts

ENDORSEMENTS

STATEMENT BY THE EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

Today, the Board of Directors and Executive Management have discussed and approved the Annual Report of Per Aarsleff A/S for 2007/2008.

The Annual Report was prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. We consider the accounting policies used to be appropriate. Accordingly, the Annual Report gives a true and fair view of the financial position at 30 September 2008 of the Group and Parent Company as well as of the results of the Group and Parent Company operations and cash flows for the financial year 1 October 2007-30 September 2008.

Furthermore, in our opinion Management's review includes a fair review of the development and performance of the activities of the Group and of the Parent Company's activities and of the Group's financial position taken as a whole together with a description of the significant risks and uncertainties that the Group faces.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 19 December 2008

Executive Management

Ebbe Malte Iversen

Lars M. Carlsen

Board of Directors

Palle Svejstrup
Chairman

Niels S. Møller

Jens Bigum

Carsten Fode

Leif Endersen
Staff-elected

Søren Kristensen
Staff-elected

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Per Aarsleff A/S
We have audited the Annual Report of Per Aarsleff A/S for the financial year 1 October 2007-30 September 2008, pages 19-89, which comprises Management's Statement, Management's review, accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statements and notes for the Group as well as for the Parent Company. The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Management's responsibility for the Annual Report
Management is responsible for the preparation and fair presentation of the Annual Report in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on the Annual Report based on our audit. We conducted our audit in accordance with Danish and international Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the

Annual Report 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 Entity'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 Annual Report.

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

Our audit did not result in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the financial position at 30 September 2008 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for the financial year 1 October 2007-30 September 2008 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

Aarhus, 19 December 2008

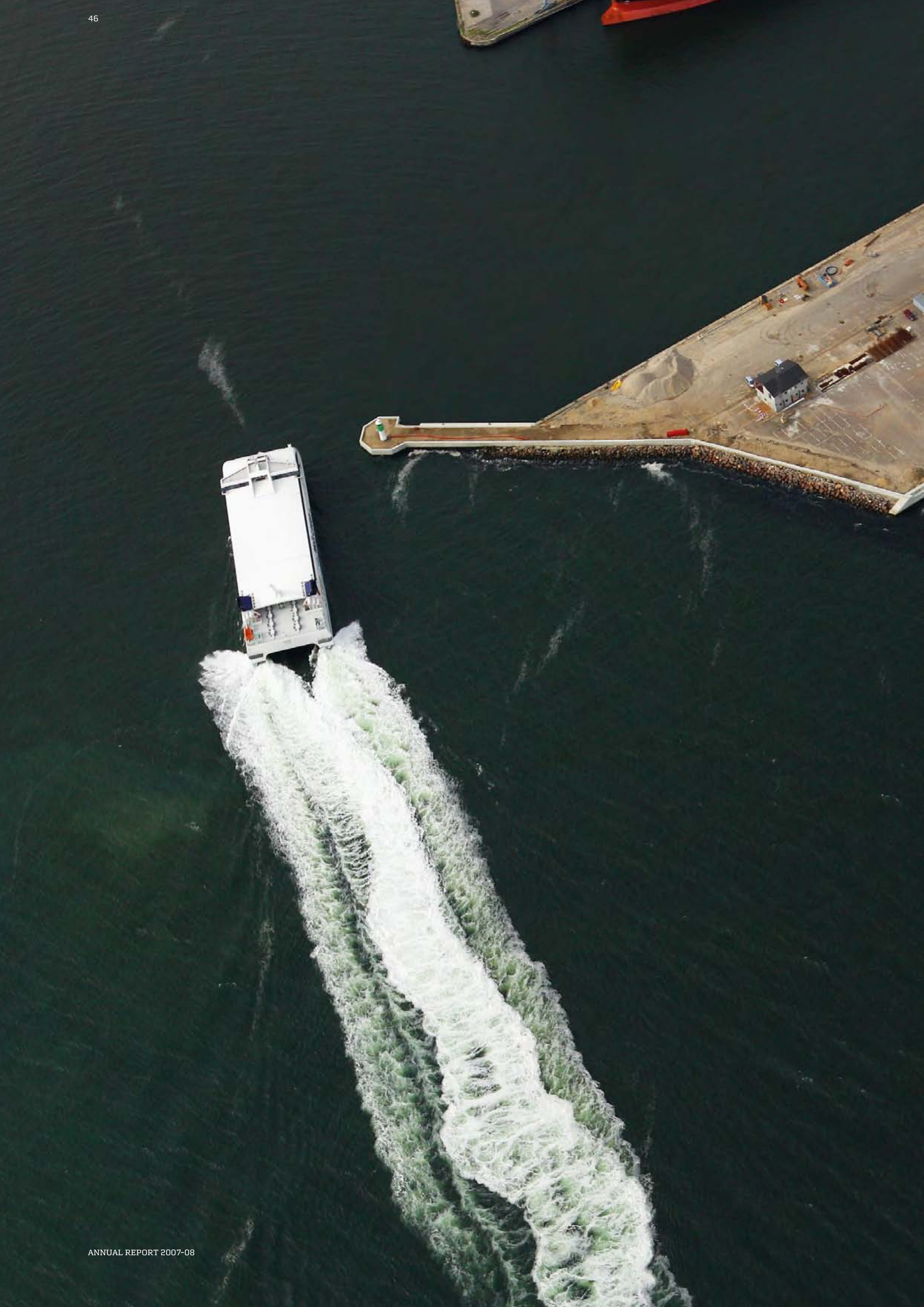
PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Niels Jørgen Lodahl	Claus Lindholm Jacobsen
State Authorized	*State Authorized*
Public Accountant	*Public Accountant*

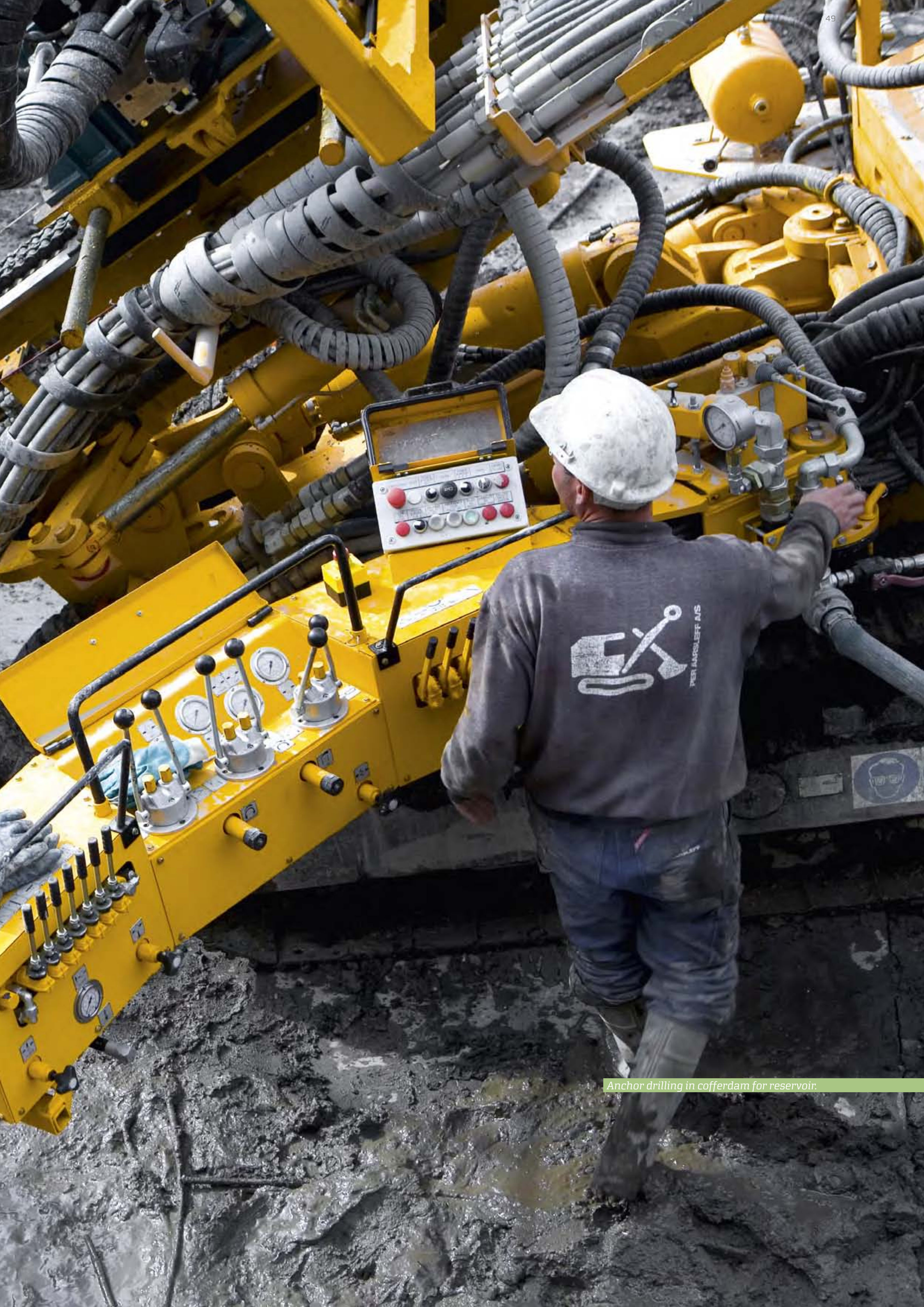
Project Kronborg Culture Harbour, Elsinore.

LED, new curing method for CIPP lining.

Construction of a new pharmaceutical factory in Kalundborg.



Coastal protection of the Aarhus Docklands.



Anchor drilling in cofferdam for reservoir.

ACCOUNTING POLICIES

Basis of accounting

The Annual Report of Per Aarsleff A/S for 2007/2008, comprising the Financial Statements of the Parent Company and the Consolidated Financial Statements, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reporting of listed companies, cf. the financial reporting requirements of the Copenhagen Stock Exchange regarding listed companies and the IFRS notification issued according to the Danish Financial Statements Act. In addition, the Annual Report complies with the International Financial Reporting Standards (IFRS) issued by the IASB.

The Annual Report is presented in Danish kroner (DKK), which is considered the primary currency for the Group's activities and the functional currency for the Parent Company.

The Annual Report was prepared on the basis of historical cost prices, except for certain financial instruments which are measured at fair value. Significant accounting policies are described below.

The accounting policies are unchanged from last year.

Description of significant accounting policies

Consolidated Financial Statements

The Consolidated Financial Statements comprise the Parent Company Per Aarsleff A/S and the subsidiaries which are controlled by the Parent Company. The Parent Company is considered to be in control when the Group directly or indirectly holds more than 50% of the votes or otherwise is able to exercise or actually exercises control.

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates and are recognised at net asset value.

The Consolidated Financial Statements are prepared on the basis of financial statements for the Parent Company and the individual subsidiaries by combining accounting items of a uniform nature. At the consolidation, elimination is made of intercompany income and expenses, unrealised intercompany profits/losses, accounts and settlement of internal shareholdings. Investments in subsidiaries are set off against the Parent Company's share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the date of acquisition.

Joint ventures

The Group participates in a number of joint ventures in which none of the participating parties has controlling interest. All joint ventures are classified as jointly controlled activities. Revenue and expenses as well as assets and liabilities relating to the jointly controlled activities are recognised both in the Financial Statements of the Parent Company and in the Consolidated Financial Statements according to the joint venture agreement.

Business combinations

The purchase method is used for the acquisition of subsidiaries and associates. Identifiable assets, liabilities and contingent liabilities of the enterprises acquired are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they can be separated and the fair value can be calculated reliably. Deferred tax on revaluations made is recognised.

The cost of an enterprise consists of the fair value of the remuneration paid with addition of the expenses directly attributable to the acquisition. If the final fixing of the remuneration is conditional upon one or more future events, these adjustments are recognised in cost only if the event concerned is likely to occur and the effect on the cost can be calculated reliably.

Positive differences between cost and fair value (goodwill) on acquisition of subsidiaries are recognised in intangible assets and are tested for impairment on an annual basis. On acquisition, goodwill is transferred to the cash-generating units, subsequently forming the basis of an impairment test. Positive differences (goodwill) on acquisition of associates are recognised in the balance sheet under investments in associates. Negative differences (negative goodwill) are recognised as income in the income statement at the date of acquisition.

Enterprises acquired are recognised from the date of acquisition, while enterprises sold are recognised up until the date of sale.

If the fair values of assets and liabilities taken over subsequently turn out to deviate from the values calculated at the date of acquisition, goodwill in this respect is adjusted until 12 months after the acquisition.

Translation policies

A functional currency is determined for each of the reporting entities. The functional currency is the currency used in the primary financial environment in which the individual entity is operating. Transactions in other currencies than the functional currency are transactions in foreign currencies, which are translated into the functional currency at the exchange rates at the date of transaction.

Receivables and payables in foreign currencies are translated into the functional currency at the official exchange rates at the balance sheet date. Exchange differences arising between the transaction date rates and the rates at respectively the dates of payment and the balance sheet date are recognised in financials, net in the income statement.

The balance sheets and consolidated goodwill of foreign consolidated enterprises are translated at the exchange rate at the balance sheet date while the income statements are translated at the exchange rate prevailing at the date of transaction. Exchange differences arising upon translation of the equity of foreign subsidiaries and associates at the beginning of the year at the exchange rates at the balance sheet date as well as at the translation of income statements from the exchange rates prevailing at the date of transaction to the exchange rates at the balance sheet date are taken directly to equity as a special reserve for foreign currency translation adjustments.

Derivative financial instruments

Derivative financial instruments are recognised in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other debt respectively. Fair values are determined on the basis of market data as well as generally accepted valuation methods.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future cash flows are recognised directly in equity. At realisation of the hedged transaction, gains or losses concerning such hedging transactions are transferred from equity and recognised in the same accounting item as the hedged instrument.

For derivative financial instruments not qualifying as hedges, changes in the fair value are recognised currently in financials, net in the income statement.

Leases

Lease contracts whereby the Group bears substantially all the risks and rewards of ownership are treated as finance leases. Other lease contracts are treated as operating lease contracts. The Group's lease contracts are all classified as operating leases. Payments in connection with operating leases are recognised in the income statement over the lease period.

State grants

State grants comprise grants for projects and investments etc. Grants for projects are systematically booked as income in the income statement to offset the expenses for which they compensate. Grants for investments are set off against the costs of the assets for which grants are provided.

INCOME STATEMENT

Revenue

Revenue comprises finished contract work and contract work in progress as well as the sale of goods for resale and finished goods.

Revenue on the sale of goods for resale and finished goods is recognised in the income statement if delivery has taken place before the end of the year. Revenue is measured exclusive of value added tax and price reductions directly related to the sale.

Contract work in progress is recognised in revenue at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method).

Production costs

Production costs comprise direct and indirect expenses paid to achieve revenue for the year, including expenses for materials, consumables, wages and salaries, leases, amortisation, depreciation and impairment losses, subcontractor expenses, expenses for planning and submission of tender as well as provision for bad debts in respect of work in progress and warranty obligations for finished contracts.

Administrative expenses and selling costs

Administrative expenses and selling costs comprise expenses for Management and administration, including expenses for administrative staff, Management, office supplies, insurance, sales and marketing as well as depreciation.

Other operating income and expenses

Other operating income and expenses comprise accounting items of a secondary nature in relation to the activities of the company.

Profit/loss on investments in associates in the Consolidated Financial Statements

The share of profit/loss after tax in associates is recognised in the consolidated income statement after adjustment for unrealised intercompany gains/losses and less any impairment of goodwill.

Dividend on investments in subsidiaries and associates in the Financial Statements of the Parent Company

Dividend from investments in subsidiaries and associates are recognised as income in financials, net in the income statement of the Parent Company in the financial year in which the dividend is declared. To the extent dividend exceeds accumulated earnings after the date of acquisition, the dividend is however recognised as write-down of the cost of the investment.

ACCOUNTING POLICIES

Financials, net

Financial income and expenses comprise interest, capital gains and losses on securities as well as accounts and transactions in foreign currencies, amortisation of financial assets and liabilities as well as extra payments and repayment under the on-account taxation scheme etc. Moreover, realised and unrealised gains and losses concerning derivative financial instruments that cannot be classified as hedging agreements are included.

Tax on profit/loss for the year

The Company is comprised by the Danish rules on compulsory joint taxation of the Danish companies of the Group. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statements and until the time when they are excluded from the consolidation.

The Company is the administration company in respect of the joint taxation and consequently settles all payments of corporation tax with the tax authorities.

The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with reimbursement of tax losses). The jointly taxed companies are included in a Danish tax prepayment scheme.

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to profit for the year is recognised in the income statement, whereas the tax attributable to equity entries is recognised directly in equity.

Changes in deferred tax as a consequence of changed tax rates are recognised in the income statement.

BALANCE SHEET

Intangible assets

Goodwill is initially recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, but is tested for impairment once a year and in case there is an indication of impairment, and is written down to the recoverable amount over the income statement if the carrying amount is higher.

The carrying amount of goodwill is allocated to the cash generating units of the Group on the date of acquisition.

Patents and other intangible assets are measured at cost less accumulated amortisation and less any accumulated impairment losses. Amortisation is calculated on a straight-line basis over the period of the agreement or a shorter useful life, at present corresponding to 5-7 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 less any accumulated impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers. Financing expenses in the period of construction are not recognised.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, which are:

Production buildings	20 years
Administration buildings	50 years
Plant and machinery	8-10 years
Other plant, fixtures and operating equipment	5-10 years

No depreciation is made on land.

The basis of depreciation is determined in consideration of the scrap value of the asset and is reduced by any impairment losses. The scrap value is determined at the date of acquisition and is reassessed on an annual basis.

Property, plant and equipment are written down to recoverable amount if this is lower than the carrying amount.

Gains and losses on the sale of property, plant and equipment are recognised in the income statement under production costs or administrative expenses, or other operating income/expenses respectively, and are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of the sale.

Investments in associates in the Consolidated Financial Statements

Investments in associates are measured under the equity method.

In the balance sheet, the investments are measured at the proportionate share of the net asset value of the enterprises with deduction or addition of unrealised intercompany gains and losses, and with addition of the carrying amount of goodwill. Associates with a negative net asset value are measured at DKK 0. Any legal or constructive obligation of the Group to cover the negative balance of the associate is recognised in debt.

Any receivables from associates are written down to the extent the receivable is considered irrecoverable.

Recognition of investments in the Financial Statements of the Parent Company

Investments in subsidiaries and associates are measured at cost. Where the cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount. The cost is written down to the extent that dividend received exceeds accumulated earnings after the date of acquisition.

Impairment of long-term assets

The carrying amounts of intangible assets, property, plant and equipment as well as other long-term assets are assessed at least once a year in order to determine whether there is any indication of impairment. If so, the recoverable amount of the asset is assessed. The recoverable amount of goodwill and intangible assets with indefinite useful lives is however always assessed on an annual basis.

If the asset does not generate cash flows independently, the recoverable amount of the smallest cash-generating unit of which the assets part is determined.

The recoverable amount is the higher of the fair value of an asset less expected selling expenses and value in use, which is the discounted value of expected future cash flows generated by the asset.

Impairment losses are recognised in the income statement when the carrying amount of an asset exceeds the recoverable amount of the asset.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent that there have been changes in the assumptions and estimates resulting in the impairment loss. Impairment losses are only reversed to the extent that the new carrying amount of the asset does not exceed the carrying amount of the asset after amortisation/depreciation, had the asset not been written down.

Receivables from subsidiaries and associates

Receivables under long-term assets held to maturity are measured at amortised cost reduced by any impairment losses.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value for the individual item groups.

The cost of raw materials, consumables and goods for resale equals landed cost.

The cost of finished goods comprises the cost of materials and direct labour with addition of indirect production costs. Financing expenses in the construction period are not recognised.

Receivables

Receivables are measured at amortised cost less provisions for bad and doubtful debts.

Work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and write-downs to meet expected losses.

The selling price is based on the stage of completion at the balance sheet date and the total expected income on the individual work in progress. The stage of completion is determined on the basis of an assessment of the work completed.

When it is probable that total expenses exceed total income from work in progress, provision is made to meet the total expected loss on the contract. When the selling price cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Contracts on which the selling price of the work performed exceeds invoicing on account and expected losses are recognised in receivables. Contracts on which invoicing on account and expected losses exceed the selling price are recognised in debt. Prepayments from customers are recognised in debt.

Financing expenses concerning contracts are not recognised in the value of work in progress.

Expenses relating to sales and tender work to obtain contracts are expensed in the income statement in the financial year in which they are incurred.

Prepayments

Prepayments recognised in short-term assets include expenses incurred concerning subsequent financial years.

Other financial assets

Financial assets (held-to-maturity) are recognised in long-term assets at fair value with addition of transaction costs relating directly to the acquisition. The financial assets are subsequently measured at amortised cost by application of the effective interest method.

Recognition of financial assets ceases when the contractual rights to the asset terminate or the company transfers all material risks and rewards of ownership of the asset.

Equity

Proposed dividend

Dividend is recognised in debt at the time of adoption at the General Meeting. Proposed dividend that is expected paid for the financial year is disclosed as a separate equity item.

Treasury shares

Purchase and sales prices as well as dividend for treasury shares are recognised in equity.

ACCOUNTING POLICIES

Reserve for foreign currency translation adjustment
The reserve for foreign currency translation adjustment in the Consolidated Financial Statements comprises exchange differences arisen on the translation of financial statements of foreign entities from their functional currencies to the Group's reporting currency (Danish kroner).

In case of realisation, in whole or in part, of the net investment, exchange rate adjustments are recognised in the income statement.

Provisions
Provisions are recognised when the Group has an obligation in consequence of events occurred in the financial year or in previous years, when it is probable that settlement of the obligation will result in consumption of financial resources and when the obligation can be calculated reliably.

On measurement of provisions, the expenses necessary for settling the obligation are discounted if this has a material effect on the measurement of the obligation.

Warranty obligations in respect of concluded contracts are recognised in the balance sheet as the contracts are completed and are measured based on experience.

Corporation tax and deferred tax
As the administration company, Per Aarsleff A/S takes over the liability for the settlement of the corporation taxes of the subsidiaries with the tax authorities as the subsidiaries effect payment of their joint taxation contributions.

Deferred tax is measured under the balance-sheet liability method of all temporary differences between the carrying amount and the tax base. However, deferred tax is not recognised in respect of temporary differences concerning non-tax depreciable goodwill and other items – apart from business acquisitions – where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and the tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Where the tax base can be determined according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the obligation, respectively.

Provision is made for deferred tax to cover the retaxation of tax losses in foreign companies that are estimated to materialise.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax.

Deferred tax assets and tax liabilities are presented offset within the same legal tax entity.

Financial liabilities
Mortgage debt and payables to credit institutions are recognised at the raising of the loan at the proceeds received less transaction expenses paid. In subsequent periods financial obligations are measured at amortised cost, corresponding to the capitalised value when using the effective interest rate, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities comprising debt to suppliers, group enterprises and associates as well as state grants and other debt are measured at amortised cost.

Deferred income
Deferred income, recognised in liabilities, include payments received concerning income in subsequent financial years.

CASH FLOW STATEMENT

The cash flow statement of the Group is prepared according to the indirect method based on the profit/loss before tax for the year.

The cash flow statement shows the cash flows for the year broken down by operating, investing and financing activities and how these cash flows have affected the cash and cash equivalents of the Group.

Cash flows from operating activities
Cash flows from operating activities are calculated as the profit/loss for the year before tax adjusted for non-cash operating items, changes in working capital, payments concerning financial income and expenses and corporation tax.

Cash flows from investing activities
Cash flows from investing activities comprise purchase and sale of enterprises, purchase and sale of intangible assets, property, plant and equipment and other non-current assets, dividend paid from associates as well as purchase and sale of securities that are not recognised as cash and cash equivalents. Cost is measured including acquisition costs and selling prices less trade charges. Cash flows concerning acquired enterprises are recognised from the date of acquisition, and cash flows concerning sold enterprises are recognised until the time of sale.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size and composition of the Group's share capital, related expenses,

raising of loans and repayment of interest-bearing debt as well as payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash as well as securities with a time to maturity less than three months at the time of acquisition, which can readily be converted into cash and cash equivalents and which only carry an insignificant risk of changes in value.

SEGMENT INFORMATION

Segment information is presented in respect of business segments and geographical segments as primary and secondary segment respectively. The segment information follows the risks, accounting policies and internal financial control of the Group.

Segment assets comprise assets which are used directly in the operation of the segment.

Segment liabilities comprise provisions and non-interest-bearing liabilities derived from the segment operations.

FINANCIAL RATIOS

Earnings per share and diluted earnings per share are calculated in accordance with IAS 33.

Other financial ratios have been prepared in accordance with the "Recommendations and financial ratios of the Danish Society of Investment Professionals 2005".

Definition of financial ratios

Gross margin ratio $= \dfrac{\text{Gross profit}}{\text{Revenue}}$

Profit margin (EBIT margin) $= \dfrac{\text{Operating profit}}{\text{Revenue}}$

Operating margin (before tax) $= \dfrac{\text{Profit before tax}}{\text{Revenue}}$

Return on invested capital (ROIC) $= \dfrac{\text{Operating profit}}{\text{Average invested capital including goodwill and minority interests}}$

Return on equity (ROE) $= \dfrac{\text{Profit for the year exclusive of minority shareholders}}{\text{Average equity exclusive of minority interest}}$

Equity interest $= \dfrac{\text{Equity, at year-end}}{\text{Total liabilities and equity, at year-end}}$

Earnings per share (EPS) $= \dfrac{\text{Parent Company share of profit for the year}}{\text{Average number of shares in circulation}}$

FINANCIAL REVIEW

The Annual Report of Per Aarsleff A/S for 2007/2008, comprising the Financial Statements of the Parent Company and the Consolidated Financial Statements, has been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted by the EU and additional Danish disclosure requirements for annual reporting of listed companies, cf. the financial reporting requirements of the Copenhagen Stock Exchange regarding listed companies and the IFRS notification issued according to the Danish Financial Statements Act. In addition, the Annual Report complies with the International Financial Reporting Standards issued by the IASB.

Income statement

Consolidated revenue for 2007/2008 grew by DKK 1,038 million or 24.2% from DKK 4,289 million to DKK 5,327 million. This increase is above expectations expressed at the beginning of the financial year and is mainly due to a higher level of activity in Denmark.

Danish revenue thus grew by DKK 997 million or 36.4% from DKK 2,733 million to DKK 3,730 million. Work performed abroad increased by DKK 41 million or 2.6% from DKK 1,556 million to DKK 1,597 million in the financial year. The increase in exports primarily concerns Piling with DKK 102 million and Pipe Technologies with DKK 24 million. Construction's exports decreased by DKK 85 million from DKK 504 million to DKK 419 million.

Production costs, which comprise direct production costs and other production costs as well as depreciation on plant and profit from the sale of non-current assets, grew from DKK 3,744 million to DKK 4,591 million or by DKK 847 million corresponding to 22.6%. The gross profit increased by DKK 193 million.

Administrative expenses and selling costs increased from DKK 383 million to DKK 456 million or by DKK 73 million corresponding to 19%. Other operating income and expenses decreased from DKK 14.4 million last year to DKK 8.1 million or by DKK 6.3 million. The item mainly concerns profit from the sale of a site area.

Operating profit came to a positive DKK 289 million against DKK 176 million last year or an improvement of DKK 113 million.

Share of profit after tax in associates increased by DKK 2 million from DKK 10.4 million last year to DKK 12.4 million this year.

Financial income and expenses is a net expense of DKK 21 million compared to a net income of DKK 0.8 DKK last year. The amount for last year included an extraordinary interest income of DKK 20 million from corrections of tax assessments of previous years.

The profit before tax is DKK 280.1 million against DKK 186.9 million last year.

Tax on the profit for the year amounts to DKK 69.8 million corresponding to a tax rate of approx. 25%. Tax for the year consists of a current tax expense of DKK 20.6 million and a tax expense of DKK 49.2 million in the form of adjustments of deferred tax.

The consolidated profit for the year is DKK 210 million after tax against DKK 148 million last year.

Balance sheet

The consolidated balance sheet total amounts to DKK 3,215 million at 30 September 2008. This corresponds to an increase of DKK 488 million compared to the DKK 2,727 million balance sheet total at the end of last financial year.

On the asset side, the increase is attributable to long-term assets by DKK 188 million and to inventory and receivables by a total of DKK 198 million. Cash increased by DKK 103 million.

During the financial year, the consolidated interest-bearing debt less assets decreased from DKK 335 million to DKK 270 million or by DKK 65 million.

Equity amounts to DKK 1,252 million at 30 September 2008 against DKK 1,050 million at the end of the previous financial year.

Equity, DKK million	**2007/2008**	**2006/2007**
Equity at the beginning of the year	1,050	912
Dividend paid	-10	-10
Translation adjustment of investments in foreign subsidiaries and associates	-3	0
Transferred from the profit of the year	210	148
Minority interest	5	0
Equity at year-end	1,252	1,050

Cash flow statement

Cash flows from operating activities amount to DKK 390 million against DKK 240 million last year or an increase of DKK 150 million.

Cash flows from investing activities were negative at DKK 317 million in the financial year compared to a negative amount of DKK 172 million last year.

Cash flows from financing activities were negative at DKK 17 million compared to a negative amount of DKK 12 million last year.

The change in liquidity for the year thus constitutes a positive amount of DKK 56 million.

INCOME STATEMENT

1/10-30/9

Note	(DKK '000)	GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
4	**Revenue**	**5,327,435**	**4,288,556**	**3,147,278**	**2,428,869**
5, 6	Production costs	-4,590,752	-3,744,405	-2,776,353	-2,211,486
	Gross profit	**736,683**	**544,151**	**370,925**	**217,383**
5-7	Administrative expenses and selling costs	-456,086	-382,845	-216,070	-195,845
5, 8	Other operating income and expenses	8,098	14,394	504	11,366
	Operating profit	**288,695**	**175,700**	**155,359**	**32,904**
13	Share of profit after tax in associates	12,406	10,422		
	Profit before interest	**301,101**	**186,122**	**155,359**	**32,904**
9	Financial income	6,817	26,639	33,277	24,264
9	Financial expenses	-27,826	-25,833	-11,527	-14,219
	Profit before tax	**280,092**	**186,928**	**177,109**	**42,949**
10	Tax on the profit for the year	-69,842	-38,897	-37,635	-11,327
	Profit for the year	**210,250**	**148,031**	**139,474**	**31,622**
	The profit for the year accrues to				
	The shareholders of Per Aarsleff A/S	210,560	148,031	139,474	31,622
	Minority shareholders	-310	0		
	In total	**210,250**	**148,031**	**139,474**	**31,622**
	Proposal for profit sharing				
	Dividend to shareholders			10,872	10,872
	Transferred from the profit for the year			128,602	20,750
	In total			**139,474**	**31,622**
11	**Earnings per share (DKK)**				
	Earnings per share	101.8	71.5	67.4	15.3
	Diluted earnings per share	101.8	71.5	67.4	15.3

BALANCE SHEET

ASSETS

Note	(DKK '000)	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
	Goodwill	40,987	44,703	1,116	1,116
	Patents and other intangible assets	9,974	6,879	6,450	2,204
12	**Intangible assets**	**50,961**	**51,582**	**7,566**	**3,320**
	Land and buildings	352,128	325,484	181,859	191,748
	Plant and machinery	641,112	524,346	259,574	282,477
	Other plant, fixtures and operating equipment	50,915	39,331	10,728	7,072
	Property, plant and equipment in progress	41,613	19,264	11,270	6,681
12	**Property, plant and equipment**	**1,085,768**	**908,425**	**463,431**	**487,978**
13	Investments in subsidiaries			328,339	262,684
13	Investments in associates	99,292	91,648	48,394	48,394
	Accounts receivable from subsidiaries			30,918	1,525
	Accounts receivable from associates	6	7	6	7
	Other financial assets	656	467	1	1
10	Deferred tax	11,505	7,812	0	0
	Other long-term assets	**111,459**	**99,934**	**407,658**	**312,611**
	Long-term assets	**1,248,188**	**1,059,941**	**878,655**	**803,909**
14	**Inventories**	**181,313**	**131,213**	**41,056**	**34,880**
20	Contracting debtors	1,183,827	1,072,577	616,996	566,123
15	Work in progress	235,473	197,100	94,946	105,214
	Accounts receivable from subsidiaries			222,001	150,397
	Accounts receivable from associates	3,579	5,772	3,579	5,772
	Other accounts receivable	39,879	40,773	24,194	32,744
	Corporation tax receivable	4,519	6,254	3,171	0
	Prepayments	14,394	11,685	264	418
16	**Receivables**	**1,481,671**	**1,334,161**	**965,151**	**860,668**
	Cash	**304,162**	**201,248**	**285,492**	**167,816**
	Short-term assets	**1,967,146**	**1,666,622**	**1,291,699**	**1,063,364**
	Total assets	**3,215,334**	**2,726,563**	**2,170,354**	**1,867,273**

EQUITY AND LIABILITIES

Note	(DKK '000)	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
	Share capital	45,300	45,300	45,300	45,300
	Reserve for foreign currency translation adjustment	1,236	4,565		
	Hedging reserve	-687	-393	-687	-393
	Retained earnings	1,190,278	989,635	732,739	603,195
	Proposed dividend	10,872	10,872	10,872	10,872
	Equity, shareholders of Per Aarsleff A/S	1,246,999	1,049,979	788,224	658,974
	Minority interests' share of equity	4,640	0		
17	**Equity**	**1,251,639**	**1,049,979**	**788,224**	**658,974**
18	Mortgage debt	139,415	145,700	104,213	109,352
18	Credit institutions	26,204	26,744	26,114	26,090
19	Provisions	50,013	84,537	50,013	73,819
	Other debt	0	506	0	0
10	Deferred tax	183,309	105,043	95,253	43,743
	Non-current liabilities	**398,941**	**362,530**	**275,593**	**253,004**
18	Mortgage debt	1,156	1,485	0	0
18	Credit institutions	408,439	361,788	215,573	242,629
15	Work in progress	278,753	187,944	248,588	150,591
19	Provisions	22,676	10,271	15,126	10,271
	Trade payables	542,500	492,603	317,942	305,449
	Amounts owed to subsidiaries			133,162	110,078
	Amounts owed to associates	69	0	69	0
	Corporation tax payable	4,945	28,269	0	12,893
	Other debt	306,216	231,694	176,077	123,384
	Current liabilities	**1,564,754**	**1,314,054**	**1,106,537**	**955,295**
	Total liabilities	**1,963,695**	**1,676,584**	**1,382,130**	**1,208,299**
	Total equity and liabilities	**3,215,334**	**2,726,563**	**2,170,354**	**1,867,273**

Notes without reference:

1 Accounting estimates and assessments
2 New accounting standards and interpretations
3 Segment information
20 Credit, interest rate and foreign exchange risks and use of financial instruments
21 Contingent liabilities and other financial obligations
22 Related party transactions

CASH FLOW STATEMENT

1/10-30/9

Note	(DKK '000)	GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
	Cash flow from operating activities				
	Profit before interest	301,101	186,122	155,359	32,904
	Depreciation, amortisation and impairment loss	149,860	149,813	69,924	80,561
23	Other adjustments	-43,614	19,708	-20,503	31,345
24	Change in working capital	22,237	-97,569	76,644	-1,847
	Cash flow from operating activities before financials and tax	**429,584**	**258,074**	**281,424**	**142,963**
	Interest received	6,817	26,639	1,299	19,207
	Interest paid	-27,826	-25,833	-11,527	-14,219
	Cash flow from ordinary activities	**408,575**	**258,880**	**271,196**	**147,951**
	Paid corporation tax	-18,363	-19,027	-2,293	-3,828
	Cash flow from operating activities	**390,212**	**239,853**	**268,903**	**144,123**
	Cash flow from investing activities				
26	Investments in subsidiaries	-9,434	-9,007	-65,655	-32,252
	Investments in property, plant and equipment	-367,157	-279,043	-75,811	-156,190
	Investments in intangible assets	-148	-168	-5,344	0
	Investments in other non-current assets	-2,438	1,870	0	0
	Sale of property, plant and equipment	58,661	112,140	33,083	97,223
	Sale of other financial assets	0	359	0	359
	Loans to subsidiaries			-27,376	3,170
	Loans to associates	850	1,702	0	1,491
	Dividends from subsidiaries and associates	2,978	494	31,978	5,252
	Cash flow from investing activities	**-316,688**	**-171,653**	**-109,125**	**-80,947**
	Cash flow from financing activities				
	Repayment and reduction of long-term debt	-7,331	-2,403	-5,115	0
	Dividend paid	-9,930	-9,932	-9,930	-9,932
	Cash flow from financing activities	**-17,261**	**-12,335**	**-15,045**	**-9,932**
	Change in liquidity for the year	**56,263**	**55,865**	**144,733**	**53,244**
	Opening liquidity	-160,540	-216,405	-74,814	-128,058
	Change in liquidity for the year	56,263	55,865	144,733	53,244
25	**Closing liquidity**	**-104,277**	**-160,540**	**69,919**	**-74,814**

STATEMENT OF CHANGES IN EQUITY

GROUP

(DKK '000)	A shares	Share capital B shares	Reserve for foreign currency translation adjustment	Hedging reserve	Retained earnings	Proposed dividend	In total
Equity at 1 October 2006	2,700	42,600	4,432	7	851,529	10,872	912,140
Change in equity 2006/2007							
Foreign currency translation adjustment of foreign companies			133		5		138
Translation adjustment concerning derivative financial instruments				-400			-400
Net gain/losses recognised directly in equity	0	0	133	-400	5	0	-262
Profit for the year					137,159	10,872	148,031
Total comprehensive income	**0**	**0**	**133**	**-400**	**137,164**	**10,872**	**147,769**
Dividend paid						-10,872	-10,872
Dividend, treasury shares					942		942
Total change in equity in 2006/2007	**0**	**0**	**133**	**-400**	**138,106**	**0**	**137,839**
Equity at 30 September 2007	**2,700**	**42,600**	**4,565**	**-393**	**989,635**	**10,872**	**1,049,979**
Change in equity 2007/2008							
Foreign currency translation adjustment of foreign companies			-3,329		13		-3,316
Translation adjustment concerning derivative financial instruments				-294			-294
Net gain/loss recognised directly in equity	0	0	-3,329	-294	13	0	-3,610
Profit for the year exclusive of minority shareholders					199,688	10,872	210,560
Total comprehensive income	**0**	**0**	**-3,329**	**-294**	**199,701**	**10,872**	**206,950**
Dividend paid						-10,872	-10,872
Dividend, treasury shares					942		942
Total change in equity in 2007/2008	**0**	**0**	**-3,329**	**-294**	**200,643**	**0**	**197,020**
Equity, shareholders of Per Aarsleff A/S	**2,700**	**42,600**	**1,236**	**-687**	**1,190,278**	**10,872**	**1,246,999**
Minority interests' share of equity							4,640
Equity at 30 September 2008							**1,251,639**

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

(DKK '000)	A shares	Share capital B shares	Hedging reserve	Retained earnings	Proposed dividend	In total
Equity at 1 October 2006	2,700	42,600	7	581,503	10,872	637,682
Changes in equity 2006/2007						
Translation adjustment concerning derivative financial instruments			-400			-400
Net gain/loss recognised directly in equity	0	0	-400	0	0	-400
Profit for the year				20,750	10,872	31,622
Total comprehensive income	**0**	**0**	**-400**	**20,750**	**10,872**	**31,222**
Dividend paid					-10,872	-10,872
Dividend, treasury shares				942		942
Total changes in equity in 2006/2007	**0**	**0**	**-400**	**21,692**	**0**	**21,292**
Equity at 30 September 2007	**2,700**	**42,600**	**-393**	**603,195**	**10,872**	**658,974**
Changes in equity 2007/2008						
Translation adjustment concerning derivative financial instruments			-294			-294
Net gain/loss recognised directly in equity	0	0	-294	0	0	-294
Profit for the year				128,602	10,872	139,474
Total comprehensive income	**0**	**0**	**-294**	**128,602**	**10,872**	**139,180**
Dividend paid					-10,872	-10,872
Dividend, treasury shares				942		942
Total changes in equity in 2007/2008	**0**	**0**	**-294**	**129,544**	**0**	**129,250**
Equity at 30 September 2008	**2,700**	**42,600**	**-687**	**732,739**	**10,872**	**788,224**

There are no restrictions on equity.

The share premium account of DKK 177.8 million has been transferred to retained earnings.

OVERVIEW OF NOTES

NOTES TO THE ANNUAL REPORT

Note

1 **Accounting estimates and assessments**
At the determination of the carrying amount of certain assets and liabilities, an estimate is required of the impact of future events on the carrying amount of these assets and liabilities at the balance sheet date. Estimates material to the financial reporting are made by stating depreciation and write-downs, selling price of construction contracts, provisions as well as contingent liabilities and assets.

The applied estimates are based on assumptions found justifiable by the Management but which are inherently uncertain and unpredictable. The conditions may be incomplete or inaccurate, and unexpected events or circumstances may occur. Furthermore, the Company is subject to risks and uncertainties which may lead to the actual results deviating from these estimates. Particular risks for the Aarsleff Group are mentioned in the Management's review under Risk assessment on page 32.

As part of the Group's accounting policies, the Management makes assessments, in addition to estimates, which may influence materially the amounts recognised in the Financial Statements. Such assessments comprise when to treat income and expenses according to contracts with third parties and in accordance with the production method.

The Management has assessed that in connection with the financial reporting for the year 2007/2008 with comparative figures for 2006/2007 no assessments have been made concerning the accounting policies apart from the above-mentioned accounting estimates, which have influenced the financial reporting considerably.

2 **New accounting standards and interpretations**
In the Annual Report for 2007/2008, Per Aarsleff A/S has applied all new and amended standards as well as interpretations which have come into force and been adopted by the EU with effect for this financial year.

The following standards and interpretations are involved:

IFRS 7 "Financial Instruments, Disclosures and Presentation"
Introduces new information improving the disclosure relating to financial instruments, including quantitative aspects of the Group's risk exposure and methods applied for risk management. The disclosure is based on the information applied in the management reporting. The qualitative and quantitative disclosures cover the Group's exposure to credit risk, liquidity risk and market risk, including sensitivity analyses in respect of the market risk. The new disclosure requirements are implemented in this Annual Report. The implementation has no impact on equity and profit/loss.

Amendment to IAS 39 "Financial Instruments" and IFRS 7
The amendment to IAS 39 results in exemption of the provisions relating to the time when, after initial recognition, a financial instrument may be transferred from one category (fair value over the income statement, available for sale, etc.) to another. The amendment has had no impact on this Annual Report. Consequently, the amendments to IFRS 7 concerning disclosure relating to reclassification had no impact either.

IAS 1 "Presentation of Annual Reports"
The amendment relates to disclosure of capital resources. According to the standard, further information is required about the Group's capital resources and how the capital is controlled. The new disclosure requirements have been implemented in this Annual Report. The implementation has no impact on equity and profit/loss.

IFRIC 10 "Interim Financial Reporting and Impairment"
The interpretation entails that impairment of goodwill made in an interim report cannot be reversed when the Annual Report is prepared. The interpretation has not had any impact on this Annual Report.

IFRIC 11 "IFRS 2 – Transactions with Group Shares and Treasury Shares"
The interpretation addresses share-based remuneration in the Group. As at the present time, the Group does not apply share-based remuneration, the interpretation has no impact on this Annual Report.

The following standards and interpretations were adopted by IASB and the EU, but have not yet come into force and have therefore not yet been implemented.

IFRS 8 "Segment Reporting"
The standard entails that in future segment information must be provided on the basis of the Company's management reporting. The standard is not expected to result in material changes to the Group's segment reporting.

Furthermore, IASB has issued the following amendments to standards and new interpretations, which have not yet been adopted by the EU:

IAS 1 "Presentation of Financial Statements"
The standard provides a possibility of presenting a new income statement and includes requirements for presentation of a statement of comprehensive income. Besides changed possibilities and requirements for presentation, the amendment has no impact on equity and profit/loss.

Note

2 **New accounting standards and interpretations (continued)**
IAS 23 ”Loan Expenses”
The amendment entails requirements for capitalisation of loan expenses relating to qualifying assets. As the amendment must be implemented from 2009 onwards, the amendment is expected only to have an impact on the fixed assets, if any, which are implemented or produced as from 2009.

IAS 27 ”Consolidated and Separate Financial Statements”
The amendment entails that, if the Company makes or sells investments in a subsidiary without losing the controlling interest, the difference between the purchase price and the carrying amount of this is disclosed as an equity transaction. The application of the amended standard is not expected to have a material impact on the Annual Report for the coming financial years.

IAS 32 Financial Instruments Disclosure”
Relates to the accounting treatment of financial instruments which may be requested redeemed and obligations which arise at liquidation. The application of the amended standard is not expected to have a material impact on the Annual Report for the coming financial years.

IAS 39 “Financial Instruments”
The amendment states that it is not possible to have the time value of an option reflect the risk hedged and that it is only possible to hedge the inflation element of financial income and expenses when this is contractually determined. The application of this amended standard is not expected to have a material impact on the Annual Report for the coming financial years.

IFRS 2 “Share-based Remuneration”
Addresses the distinction between earnings conditions and restrictions and the accounting treatment of cancellations. As at the present time, the Group does not apply share-based remuneration, the standard is not expected to have a material impact on the Annual Report for the coming financial years.

IFRS 3 “Business Combinations”
The amendment to IFRS 3 includes rules on a statement of the remuneration for the enterprise taken over, statement of goodwill and on existing relations between the buyer and the enterprise taken over now also shall be stated at fair value.

Furthermore, the standard includes amendments relating to recognition and measurement of identifiable assets and liabilities as well as new and additional disclosure requirements.

Application of the amended standard will have no material impact on the Annual Report for the coming financial years.

IFRIC 12 “Service Concession Arrangements”
The interpretation includes provisions on takeover of infrastructure assets from public authorities. The interpretation is not expected to have any impact on the Group’s equity and profit/loss.

IFRIC 13 “Customer Loyalty Programmes”
The interpretation addresses customer loyalty programmes and is not expected to have any impact on the Group’s equity and profit/loss.

IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”
The interpretation addresses limitation in the recognition of pension assets. As at the present time, the Group has no defined benefit plans, the interpretation is not expected to have any impact.

IFRIC 15 “Agreements for the construction of Real Estate”
The interpretation addresses the rules for when the percentage-of-completion method can be applied at construction of real property. The interpretation is not expected to have any impact.

IFRIC 16 “Hedging of Foreign Entity”
Addresses the accounting treatment of the hedging of the foreign exchange risk in a foreign entity. The interpretation is not expected to have any impact.

IFRIC 17 “Distribution of Non-cash Assets to Owners”
Entails that dividend distributed as non-cash assets must be measured at fair value. The interpretation is not expected to have any impact.

NOTES TO THE ANNUAL REPORT

Note (million)

3 **Segment information**

The following table shows the three business areas of the Group: Construction, Pipe Technologies and Piling. The information in the table comprises the divisions of the Parent Company, all subsidiaries and shares of joint ventures. Associates are shown separately.

All directly attributable income and expenditure have been allocated to the respective areas. As the areas are supported by staff and joint functions in the Parent Company, comprising group management, administration, Project Development & Design and IT support, the costs connected to these functions have been allocated to the areas on the basis of their drain on the staff and joint functions.

Equity has been assessed as the value of the property, plant and equipment, subsidiaries, goodwill etc. as well as an allocation of other assets and liabilities. Capital expenditure comprises tangible and intangible additions, including additions relating to business combinations.

The segment assets comprise the total assets of the Group less corporation tax receivable, other financial assets and cash. Segment liabilities comprise the total liabilities of the Group less mortgage debt, credit institutions, corporation tax payable and deferred tax.

Activities	**Construction**		**Pipe Technologies**		**Piling**		**Group in total**	
Primary segment	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Segment revenue	3,378	2,722	915	776	1,164	881	5,457	4,379
Internal revenue	-72	-48	-53	-5	-5	-37	-130	-90
Revenue	3,306	2,674	862	771	1,159	844	5,327	4,289
Of this figure, work performed abroad	419	504	489	465	689	587	1,597	1,556
Operating profit	167	85	-8	4	130	87	289	176
Profit on associates			12	10			12	10
Profit before interest	167	85	4	14	130	87	301	186
Financials, net							-21	1
Profit before tax							280	187
Segment assets	1,305	1,271	666	588	924	653	2,895	2,512
Capital expenditure	79	60	60	45	178	71	317	176
Depreciation, amortisation and impairment loss	63	68	39	23	48	59	150	150
Investments in associates			99	92			99	92
Goodwill	33	31	1	7	7	7	41	45
Equity at year-end	471	362	357	330	424	358	1,252	1,050
Segment liabilities	748	747	234	167	220	93	1,202	1,007
Number of employees:								
Paid every two weeks	1,494	1,318	276	253	439	368	2,209	1,939
Engineers, technicians and administrative staff	517	476	257	219	198	205	972	900
In total	2,011	1,794	533	472	637	573	3,181	2,839

Geographical	**Denmark**		**Abroad**		**Group in total**	
Secondary segment	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
Revenue	3,730	2,733	1,597	1,556	5,327	4,289
Segment assets	2,001	1,758	894	754	2,895	2,512
Capital expenditure	177	125	140	51	317	176

Segment assets and capital expenditure abroad comprise subsidiaries and joint ventures abroad.

Note	(DKK '000)	GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
4	**Revenue**				
	Sale of goods	169,951	145,050	0	0
	Income from construction contracts	5,157,484	4,143,506	3,147,278	2,428,869
	In total	**5,327,435**	**4,288,556**	**3,147,278**	**2,428,869**
5	**Depreciation, amortisation and impairment loss**				
	Amortisation and impairment loss, intangible assets	8,470	1,652	1,098	469
	Depreciation, property, plant and equipment	141,390	149,073	68,826	80,092
	In total	**149,860**	**150,725**	**69,924**	**80,561**
	Depreciation, amortisation and impairment loss are included in the income statement as follows:				
	Production costs	124,493	135,407	63,552	73,984
	Administrative expenses and selling costs	25,204	15,155	6,209	6,414
	Other operating income and expenses	163	163	163	163
	In total	**149,860**	**150,725**	**69,924**	**80,561**
6	**Staff costs**				
	Wages, salaries and remuneration	1,260,790	1,047,418	663,494	526,880
	Pensions	77,850	64,614	35,928	27,927
	Other costs, social security costs etc.	49,371	43,751	16,290	15,820
	In total	**1,388,011**	**1,155,783**	**715,712**	**570,627**
	Of this figure, consideration for:				
	Directors' remuneration	1,926	2,000	1,926	2,000
	Remuneration for the Executive Management	5,533	4,744	5,533	4,744
	In total	**7,459**	**6,744**	**7,459**	**6,744**
	Average number of full-time employees	3,181	2,839	1,396	1,254

NOTES TO THE ANNUAL REPORT

Note	(DKK '000)	GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
7	**Remuneration for the auditors appointed by the General Meeting**				
	PricewaterhouseCoopers	2,974	3,085	1,761	2,016
	Other auditors	1,077	1,177	0	0
	In total	**4,051**	**4,262**	**1,761**	**2,016**
	Of this figure, other services than audit:				
	PricewaterhouseCoopers	1,160	1,451	907	1,197
	Other auditors	191	235	0	0
	In total	**1,351**	**1,686**	**907**	**1,197**
8	**Other operating income and expenses**				
	Other operating income	8,910	14,684	667	11,656
	Other operating expenses	-812	-290	-163	-290
	In total	**8,098**	**14,394**	**504**	**11,366**
	Profit from the sale of land	6,746	2,486	0	0
	Profit from the sale of a concrete coating factory	0	11,014	0	11,014
9	**Financial income and expenses**				
	Bond yields	50	34	0	0
	Interest regarding subsidiaries			419	772
	Interest regarding associates	731	300	515	300
	Other interest income	6,036	6,173	365	317
	Interests from excess tax payments	0	20,132	0	17,823
	Dividend from subsidiaries			29,000	4,758
	Dividend from associates			2,978	294
	Financial income	**6,817**	**26,639**	**33,277**	**24,264**
	Capital loss on other financial assets	35	34	0	0
	Foreign exchange losses	2,141	647	788	526
	Mortgage interest	6,406	5,648	4,850	4,064
	Interest regarding subsidiaries			842	810
	Other interest costs	19,244	19,504	5,047	8,819
	Financial expenses	**27,826**	**25,833**	**11,527**	**14,219**
	Financials, net	**-21,009**	**806**	**21,750**	**10,045**

Note	(DKK '000)	GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
10	**Corporation tax**				
	Tax on the profit for the year can be split as follows:				
	Tax on the profit for the year	69,842	38,897	37,635	11,327
	In total	**69,842**	**38,897**	**37,635**	**11,327**
	Tax on the profit for the year results from:				
	Current tax	20,625	30,478	-8,757	13,549
	Adjustment of deferred tax as a consequence of a change in the Danish corporation tax rate from 28% to 25%	0	-8,955	0	-4,925
	Adjustment of deferred tax and deferred tax asset for the year	49,217	17,374	46,392	2,703
	In total	**69,842**	**38,897**	**37,635**	**11,327**
	Tax on the profit for the year can be explained as follows:				
	25% tax calculated on the profit before tax	70,023	46,732	44,278	10,737
	Tax impact of:				
	Income from abroad	189	8,315	189	8,315
	Deviation concerning subsidiaries	1,056	-2,547	-8,508	-758
	Deviation concerning associates	-3,102	-2,606	0	0
	Adjustment of deferred tax as a consequence of a change in the Danish corporation tax rate from 28% to 25%	0	-8,955	0	-4,925
	Adjustment of tax regarding prior years	349	2,145	349	2,145
	Other items	1,327	-4,187	1,327	-4,187
	In total	**69,842**	**38,897**	**37,635**	**11,327**
	Deferred tax				
	At the beginning of the year	97,231	94,644	43,743	50,490
	Transferred from current tax	25,356	-6,058	4,083	-4,525
	Investment in subsidiary			1,350	0
	Deferred tax for the year recognised in the profit for the year	49,217	17,600	46,077	2,703
	Adjustment of deferred tax as a consequence of a change in the Danish corporation tax rate from 28% to 25%	0	-8,955	0	-4,925
	In total at 30 September	**171,804**	**97,231**	**95,253**	**43,743**
	The following is recognised in the balance sheet:				
	Deferred tax (asset)	-11,505	-7,812	0	0
	Deferred tax (liability)	183,309	105,043	95,253	43,743
	In total	**171,804**	**97,231**	**95,253**	**43,743**
	Deferred tax concerns:				
	Intangible assets	3,509	3,383	9	-617
	Property, plant and equipment	34,686	34,332	17,822	19,142
	Work in progress	174,964	136,844	111,898	92,981
	Other short-term assets	-249	333	-158	-239
	Provisions	154	-1,617	0	-145
	Tax loss allowed for carryforward	-41,260	-76,044	-34,318	-67,379
	Deferred tax at 30 September	**171,804**	**97,231**	**95,253**	**43,743**

NOTES TO THE ANNUAL REPORT

Note		GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
11	**Earnings per share**				
	Profit for the year (DKK '000)	210,560	148,031	139,474	31,622
	Average number of shares (thousands)	2,265	2,265	2,265	2,265
	Average number of treasury shares (thousands)	196	196	196	196
	Average number of shares in circulation (thousands)	**2,069**	**2,069**	**2,069**	**2,069**
	Average dilution effect of outstanding share options (thousands)	0	0	0	0
	Average number of diluted shares in circulation (thousands)	**2,069**	**2,069**	**2,069**	**2,069**
	Earnings per share of DKK 20 (current)	101.8	71.5	67.4	15.3
	Earnings per share of DKK 20 (diluted)	101.8	71.5	67.4	15.3
	Proposed dividend per share (DKK)			4.8	4.8

Note (DKK '000)

12 **Intangible assets and property, plant and equipment**

Parent Company at 30 September 2008	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipment	Property, plant and equipment in progress
Cost at 1 October 2007	7,754	3,337	252,181	709,259	32,722	6,681
Foreign currency translation adjustments	0	0	0	-3,444	0	0
Additions during the year	0	5,400	12,475	41,518	5,205	72,200
Disposals during the year	0	-56	-23,431	-126,121	-1,222	-15,444
Transfers	0	0	0	49,522	2,645	-52,167
Cost at 30 September 2008	**7,754**	**8,681**	**241,225**	**670,734**	**39,350**	**11,270**
Depreciation, amortisation and impairment losses at 1 October 2007	6,638	1,133	60,433	426,782	25,650	
Foreign currency translation adjustments	0	0	0	-748	0	
Depreciation and amortisation during the year	0	1,098	7,277	58,110	3,439	
Assets sold during the year	0	0	-8,344	-72,984	-467	
Depreciation, amortisation and impairment losses at 30 September 2008	**6,638**	**2,231**	**59,366**	**411,160**	**28,622**	
Carrying amount at 30 September 2008	**1,116**	**6,450**	**181,859**	**259,574**	**10,728**	**11,270**

Group at 30 September 2008	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipment	Property, plant and equipment in progress
Cost at 1 October 2007	79,926	13,221	419,437	1,216,845	112,826	19,264
Foreign currency translation adjustments	-505	79	-2,401	-230	1,594	753
Additions from acquisition of subsidiary	2,633	5,400	0	400	417	0
Additions during the year	0	158	61,370	217,296	24,928	119,321
Disposals during the year	0	-56	-29,730	-169,913	-9,951	-19,219
Transfers	0	46	764	74,568	3,128	-78,506
Cost at 30 September 2008	**82,054**	**18,848**	**449,440**	**1,338,966**	**132,942**	**41,613**
Depreciation, amortisation and impairment losses at 1 October 2007	35,223	6,342	93,953	692,499	73,495	
Foreign currency translation adjustments	-135	41	-379	-1,420	497	
Depreciation, amortisation and impairment losses for the year	5,979	2,491	12,926	112,769	15,695	
Assets sold during the year	0	0	-9,188	-105,994	-7,660	
Depreciation, amortisation and impairment losses at 30 September 2008	**41,067**	**8,874**	**97,312**	**697,854**	**82,027**	
Carrying amount at 30 September 2008	**40,987**	**9,974**	**352,128**	**641,112**	**50,915**	**41,613**

In 2007/2008 damages received concerning property, plant and equipment to the total amount of DKK 211,000 against DKK 276,000 in 2006/2007 have been recognised as income. The Parent Company has not received any damages concerning property, plant and equipment in 2007/2008 and 2006/2007.

The Group has committed itself to investing in property, plant and equipment; cf. Contingent liabilities and other financial obligations in note 21.

Note (DKK '000)

12 **Intangible assets and property, plant and equipment (continued)**

Goodwill
Goodwill is the only intangible asset with an indefinite useful life.

As per 30 September 2008, an impairment test of goodwill has been performed. The impairment test was based on the business unit or the segment representing the base level of cash-generating units to which the goodwill on acquisition can be allocated with a fair degree of accuracy. For the acquired activities and companies not being established as independent units but integrated in existing units, it is not possible to perform impairment tests on these individual acquisitions. In the Group's internal reporting, the accounting value of goodwill in the individual cash-generating units has been allocated to the Group's business segments.

At the impairment test, the present value of the estimated cash flows from the cash-generating units is compared with the accounting values of the net assets. The estimated cash flows are based on budgets for the years 2008/2009-2012/2013 prepared and approved by Management in the respective cash-generating units, and on forecasts for the years 2013/2014-2017/2018. The forecasts were elaborated for a 10-year period, as decisions on acquisitions are made on the basis of 10-year forecasts. The tests are based on an expected increase in cash flows of 3-5% and a discount rate of 8.2% after tax.

Aarsleff Rörteknik AB, which is a part of the Pipe Technologies segment, has decided to go through with a merger with its wholly-owned subsidiary Sacrab Installation AB. In this connection, impairment of goodwill related hereto has been performed at a carrying amount of DKK 6.0 million as a consequence of lack of expectation to future earnings in the Sacrab operation.

The impairment tests have not otherwise given rise to impairment of goodwill at the recoverable amount.

The impairment tests included the cash-generating units Per Aarsleff A/S, Wicotec A/S, Aarsleff Rörteknik AB and Centrum Pæle A/S. Information on allocation of goodwill to segments can be found in note 3, Segment information.

Note (DKK '000)

12 **Intangible assets and property, plant and equipment (continued)**

Parent Company at 30 September 2007	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipment	Property, plant and equipment in progress
Cost at 1 October 2006	7,754	4,720	226,625	736,249	34,925	18,407
Additions during the year	0	0	38,118	95,478	2,861	30,631
Disposals during the year	0	-1,383	-12,562	-154,117	-5,064	-10,708
Transfers	0	0	0	31,649	0	-31,649
Cost at 30 September 2007	**7,754**	**3,337**	**252,181**	**709,259**	**32,722**	**6,681**
Depreciation, amortisation and impairment losses at 1 October 2006	6,638	1,826	55,423	433,226	26,475	
Depreciation and amortisation for the year	0	469	7,605	68,256	4,231	
Assets sold during the year	0	-1,162	-2,595	-74,700	-5,056	
Depreciation, amortisation and impairment losses at 30 September 2007	**6,638**	**1,133**	**60,433**	**426,782**	**25,650**	
Carrying amount at 30 September 2007	**1,116**	**2,204**	**191,748**	**282,477**	**7,072**	**6,681**

Group at 30 September 2007	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipment	Property, plant and equipment in progress
Cost at 1 October 2006	71,953	12,197	390,591	1,164,917	102,525	22,058
Foreign currency translation adjustments	54	18	-408	2,740	500	190
Additions from purchase of subsidiary	8,844	2,000	0	0	1,241	0
Additions during the year	0	389	43,310	183,099	20,354	43,214
Disposals during the year	-925	-1,383	-14,068	-169,006	-11,853	-11,032
Transfers	0	0	12	35,095	59	-35,166
Cost at 30 September 2007	**79,926**	**13,221**	**419,437**	**1,216,845**	**112,826**	**19,264**
Depreciation, amortisation and impairment losses at 1 October 2006	35,208	5,841	83,805	654,740	67,167	
Foreign currency translation adjustments	15	11	-57	762	307	
Depreciation and amortisation for the year	0	1,652	12,930	122,055	14,088	
Assets sold during the year	0	-1,162	-2,725	-85,171	-7,954	
Transfers	0	0	0	113	-113	
Depreciation, amortisation and impairment losses at 30 September 2007	**35,223**	**6,342**	**93,953**	**692,499**	**73,495**	
Carrying amount at 30 September 2007	**44,703**	**6,879**	**325,484**	**524,346**	**39,331**	**19,264**

NOTES TO THE ANNUAL REPORT

Note	(DKK '000)		
13	**Investments in subsidiaries and associates**		

	30/9 2008 Investments in subsidiaries	**30/9 2007** Investments in subsidiaries
Parent Company		
Cost at 1 October	262,684	230,432
Additions during the year	65,655	32,252
Disposals during the year	0	0
Cost at 30 September	**328,339**	**262,684**
Carrying amount at 30 September	**328,339**	**262,684**

Highlights for considerable associates and joint ventures.
The Group has the following considerable investments in associates in the Pipe Technologies segment:

	Revenue	Profit for the year	Assets in total	Liabilities in total
30 September 2008				
Pipe Technologies	306,651	12,406	153,189	53,897
30 September 2007				
Pipe Technologies	288,593	10,422	141,801	50,153

The most significant associates are Insituform Rohrsanierungstechniken GmbH (ownership interest 50%), PAA International Engineering Corp. (ownership interest 50%), Insituform Linings Plc. (ownership interest 25%) and Arpipe Holding A/S (ownership interest 35%).
All companies are unlisted.

Note	(DKK '000)	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
14	**Inventories**				
	Raw materials and consumables	125,155	92,440	41,056	34,880
	Finished goods	56,158	38,773	0	0
	In total	**181,313**	**131,213**	**41,056**	**34,880**
15	**Work in progress**				
	Selling price of construction contracts	4,098,114	3,294,204	2,977,702	2,186,608
	Invoicing on account	-4,141,394	-3,285,048	-3,131,344	-2,231,985
	In total	**-43,280**	**9,156**	**-153,642**	**-45,377**
	The following is recognised:				
	Receivables	235,473	197,100	94,946	105,214
	Current liabilities	-278,753	-187,944	-248,588	-150,591
	In total	**-43,280**	**9,156**	**-153,642**	**-45,377**
	Prepayments from customers concerning non-commenced contracts	73,352	0	73,170	0
	Retained payments	32,314	15,162	23,237	14,903
16	**Receivables**				
	The fair value of receivables is considered to correspond to the carrying amount.				
	Write-down, contracting debtors at 1 October	14,438	9,942	3,024	1,794
	Additions during the year	10,987	8,162	4,963	1,567
	Disposals during the year:				
	- Used	-4,565	-3,418	-11	-333
	- Reversed	-908	-248	-378	-4
	Write-down, contracting debtors at 30 September	**19,952**	**14,438**	**7,598**	**3,024**
	Write-down of other receivables has not been made.				
	Write-downs included in receivables which are recognised in the income statement	9,823	7,929	4,800	1,476
	Receivables falling due over a year after the balance sheet date	393	38,145	0	37,691

Note

17 **Equity**

Share capital
The share capital consists of 135,000 A shares at a price of DKK 20 and 2,130,000 B shares at a price of DKK 20. The nominal value is respectively DKK 2.7 million and DKK 42.6 million. The share capital is unchanged compared to 2006/2007.

The A shares carry ten times the voting right of the B shares. The A shares are non-negotiable instruments.

See section on Information to shareholders.

	Number of shares		Nominal value DKK ('000)		% of share capital	
Treasury shares (B shares)	2007/2008	2006/2007	2007/2008	2006/2007	2007/2008	2006/2007
Holding at 1 October	195,808	195,808	3,916	3,916	8.64	8.64
Additions during the year	0	0	0	0	0.00	0.00
Disposals during the year	0	0	0	0	0.00	0.00
Holding at 30 September	**195,808**	**195,808**	**3,916**	**3,916**	**8.64**	**8.64**

The purchase of treasury shares has been made to increase the financial flexibility in connection with future acquisitions.

To carry a motion to amend the Articles of Association or to dissolve the company, shareholders representing at least two thirds of the votes cast and two thirds of the voting capital represented at the general meeting shall vote in favour of the resolution.

Note	(DKK '000)	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
18	**Mortgage debt and credit institutions**	**575,214**	**535,717**	**345,900**	**378,071**
	The following is recognised:				
	Non-current liabilities	165,619	172,444	130,327	135,442
	Current liabilities	409,595	363,273	215,573	242,629
	In total	**575,214**	**535,717**	**345,900**	**378,071**
	Fair value[1]	573,446	533,978	344,132	376,331
	Nominal value	575,214	535,717	345,900	378,071
	Non-current liabilities are payable as follows[2]:				
	1-2 years	1,350	1,755	0	0
	2-5 years	29,356	30,026	26,114	26,090
	After 5 years	134,913	140,663	104,213	109,352
	In total	**165,619**	**172,444**	**130,327**	**135,442**

[1] The fair value of financial liabilities is calculated using discounted cash flow models based on the market interest rates and credit terms applicable at the balance sheet date.
[2] All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

Note	(DKK '000)	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
19	**Provisions**				
	Balance at 1 October	94,808	49,852	84,090	44,945
	Completed contracts transferred from work in progress	1,102	17,844	1,102	17,844
	Used during the year	-40,028	-2,460	-36,351	-2,460
	Reversal of unused warranty commitments	-7,539	-3,889	-7,539	-3,889
	Provisions for the year	24,346	33,461	23,837	27,650
	In total at 30 September	**72,689**	**94,808**	**65,139**	**84,090**
	The following is recognised:				
	Non-current liabilities	50,013	84,537	50,013	73,819
	Current liabilities	22,676	10,271	15,126	10,271
	In total	**72,689**	**94,808**	**65,139**	**84,090**

Provisions comprise warranty obligations as well as litigation and arbitration proceedings. The information which according to IAS 37 normally should have been disclosed in the Annual Report has not been included, as the Management finds that such information would be harmful to the Company.

Note (DKK '000)

20 **Credit, interest rate and foreign exchange risks and use of financial instruments**

Credit risk
The Parent Company and the Group are exposed to credit risks relating to receivables and deposits in banks. It is not assessed that there are any credit risks related to cash holdings as the counterparty is banks with good credit rating. The maximum credit risk corresponds to the carrying amount.

By far, the most material part of the Parent Company's and the Group's customers comprise public or semi-public clients in respect of whom the exposure to financial losses is minimal. The trade receivables of the Parent Company and the Group from other customers are subject to the usual credit risk. Therefore, the customers are credit rated before work is commenced. To the extent this is considered expedient and possible, trade receivables are also hedged by bank and insurance guarantees and letters of credit.

Current follow-up is made on outstanding receivables. In case of uncertainty in respect of a customer's ability or will to pay a receivable, and when it is estimated that the receivable is subject to risk, write-down is made to hedge this risk. Individually depreciated contracting debtors and write-downs of these are recorded on separate accounts which are both included in the carrying amount of contracting debtors.

The balance of contracting debtors falls due as follows:

	Group		Parent Company	
	30/9 2008	30/9 2007	30/9 2008	30/9 2007
Balances not due	910,595	752,141	508,143	451,336
Due balances:				
Less than 30 days	132,627	162,414	27,820	41,675
Between 30 and 90 days	57,068	68,330	18,834	34,506
More than 90 days	103,489	104,130	69,797	41,630
	1,203,779	1,087,015	624,594	569,147
Write-down	-19,952	-14,438	-7,598	-3,024
Total	**1,183,827**	**1,072,577**	**616,996**	**566,123**

Liquidity risk
It is the Parent Company's and the Group's policy to have the necessary liquidity available. The Group's stable and good solvency entails high creditworthiness which is reflected in expedient credit facilities and loan commitments, both in the short and the long term.

For the Parent Company and the majority of the Group's subsidiaries, a cash pool scheme has been set up.

For a list of due dates etc. for financial obligations, we refer to note 18, Mortgage debt and credit institutions.

Interest rate risk
The interest rate risk is mainly attributable to interest-bearing debt and cash holdings. In order to minimise both interest and risks, cash pool and interest netting agreements have been entered into with the Group's Danish bank in DKK, SEK as well as EUR and GBP.

Note (DKK '000)

20 **Credit, interest rate and foreign exchange risks and use of financial instruments (continued)**

A The Parent Company interest rate risk is tied to the following items. The earliest date of maturity is stated:

		Effective interest rate		Accounting value		Fair value	
	Fixed/ floating	30/9 2008 %	30/9 2007 %	30/9 2008 DKK '000	30/9 2007 DKK '000	30/9 2008 DKK '000	30/9 2007 DKK '000
Cash	Floating	1-6	1-5	285,492	167,816	285,492	167,816
Interest-bearing assets in total				**285,492**	**167,816**	**285,492**	**167,816**
Mortgage debt and credit institutions, non-current	Fixed	3-7	3-6	130,327	135,442	128,559	133,701
Credit institutions, current	Floating	3-9	3-7	215,573	242,629	215,573	242,630
Interest-bearing liabilities in total				**345,900**	**378,071**	**344,132**	**376,331**
Net interest-bearing debt less assets				**60,408**	**210,255**		
The payment/maturity profile can be specified as follows:							
Less than 1 year				-69,919	74,813		
1-5 years				26,114	26,090		
More than 5 years				104,213	109,352		
				60,408	210,255		

An increase in the interest rate level of 1% compared to the interest rate level at the balance sheet date and the net interest-bearing debt of the balance sheet would, other things being equal, have had a positive effect on the profit/loss before tax and on equity of the Parent Company of DKK 0.7 million (2006/2007: negative effect DKK 0.7 million). A decrease in the interest rate level would have had a similar, negative effect on profit/loss and equity.

B The Group interest rate risk is tied to the below items. The earliest date of maturity is stated:

		Effective interest rate		Accounting value		Fair value	
	Fixed/ floating	30/9 2008 %	30/9 2007 %	30/9 2008 DKK '000	30/9 2007 DKK '000	30/9 2008 DKK '000	30/9 2007 DKK '000
Cash	Floating	1-6	1-5	304,162	201,248	304,162	201,248
Other financial assets	Fixed	2-4	2-4	656	431	656	431
Interest-bearing assets in total				**304,818**	**201,679**	**304,818**	**201,679**
Mortgage debt and credit institutions, non-current	Fixed	3-7	3-6	166,775	173,929	165,007	172,190
Credit institutions, current	Floating	3-9	3-7	408,439	361,788	408,439	361,788
Other interest-bearing liabilities	Fixed		3-6	0	506	0	506
Interest-bearing liabilities in total				**575,214**	**536,223**	**573,446**	**534,484**
Net interest-bearing debt less assets				**270,396**	**334,544**		
The payment/maturity profile can be specified as follows:							
Less than 1 year				106,126	163,855		
1-5 years				29,356	30,026		
More than 5 years				134,914	140,663		
				270,396	334,544		

An increase in the interest rate level of 1% compared to the interest rate level at the balance sheet date and the net interest-bearing debt of the balance sheet would, other things being equal, have had a negative effect on the profit/loss before tax and on equity of the Group of DKK 1.0 million (2006/2007: negative effect DKK 1.6 million). A decrease in the interest rate level would have had a similar, positive effect on profit/loss and equity.

NOTES TO THE ANNUAL REPORT

Note (DKK '000)

20 **Credit, interest rate and foreign exchange risks and use of financial instruments (continued)**

Foreign exchange risks
Foreign exchange risks are monitored centrally in the Aarsleff Group. It is Group policy to reduce its foreign exchange risks, as individual projects and markets are assessed with a view to hedging. Normally, currency overdraft facilities are established on the basis of a current calculation of the foreign exchange exposure of the most important currencies. Moreover, forward exchange contracts and options are used to secure future cash flows in the form of income from construction contracts.

Exchange adjustment of investments in foreign subsidiaries and associates with a different functional currency than that of the Parent Company is recognised directly in equity. Related foreign exchange risks are not hedged.

Short and long-term outstanding amounts in Group enterprises are normally not currency hedged.

A The Parent Company balances in foreign currency (excluding currencies in the Euro cooperation) and related hedging transactions are as follows:

			30/9 2008	**30/9 2007**
Currency	Financial assets	Financial liabilities	Net position	Net position
SEK	36,906	-43,815	-6,909	-28.820
GBP	8,193	-3,175	5,018	-3.838
USD	19,880	-39,728	-19,848	908
LVL	8,882	-5,132	3,750	23.080
Other	15,431	-13,395	2,036	25.771
	89,292	-105,245	-15,953	17.101
Payment/maturity profile can be specified as follows:				
Less than 1 year	89,292	-105,245	-15,953	17,101
1-5 years	0	0	0	0
More than 5 years	0	0	0	0
	89,292	-105,245	-15,953	17,101

The isolated effects at 30 September of an increase in exchange rates of 10% against Danish kroner are specified as follows (amounts before tax):

		30/9 2008		**30/9 2007**
Currency	Profit/loss	Equity	Profit/loss	Equity
SEK	-691	-691	-2,882	-2,882
GBP	502	502	-384	-384
USD	-1,985	-1,985	91	91
LVL	375	375	2,308	2,308
Other	204	204	2,577	2,577
	-1,595	-1,595	1,710	1,710

The above analysis is based on the assumption that all other variables, especially the interest rate, remain constant. The expectations are based on the market data presently available.

A similar decrease in the exchange rates of the above currencies will have the same effect with opposite sign for both profit/loss and equity. The differences between the effects of 2007/2008 and 2006/2007 are exclusively due to differences in the nominal amounts in the individual currencies.

Note (DKK '000)

20 **Credit, interest rate and foreign exchange risks and use of financial instruments (continued)**

B The Group balances in foreign currency (excluding currencies in the Euro cooperation) and related hedging transactions are as follows:

			30/9 2008	30/9 2007
Currency	Financial assets	Financial liabilities	Net position	Net position
SEK	135,515	-165,573	-30,058	54,942
PLN	175,710	-235,043	-59,333	-4,892
GBP	30,783	-43,930	-13,147	22,170
USD	20,151	-39,727	-19,576	908
RUB	7,319	-12,696	-5,377	8,722
LVL	8,882	-5,132	3,750	22,812
THB	0	-14	-14	-14
Other	12,263	-1,572	10,691	17.827
	390,623	-503,687	-113,064	122,475
Payment/maturity profile can be specified as follows:				
Less than 1 year	390,623	-503,597	-112,974	124,140
1-5 years	0	-90	-90	-1,665
More than 5 years	0	0	0	0
	390,623	-503,687	-113,064	122,475

The isolated effects at 30 September of an increase in exchange rates of 10% against Danish kroner are specified as follows (amounts before tax):

	30/9 2008		30/9 2007	
Currency	Profit/loss	Equity	Profit/loss	Equity
SEK	-3,006	-3,006	5,494	5,494
PLN	-5,933	-5,933	-489	-489
GBP	-1,315	-1,315	2,217	2,217
USD	-1,958	-1,958	91	91
RUB	-538	-538	872	872
LVL	375	375	2,281	2,281
THB	-1	-1	-1	-1
Other	1,069	1,069	1,783	1,783
	-11,307	-11,307	-12,248	-12,248

The above analysis is based on the assumption that all other variables, especially the interest rate, remain constant. The expectations are based on the market data presently available.

A similar decrease in the exchange rates of the above currencies will have the same effect with opposite sign for both profit/loss and equity. The differences between the effects of 2007/2008 and 2006/2007 are exclusively due to differences in the nominal amounts in the individual currencies.

The Group and the Parent Company have established currency overdraft facilities and forward exchange contracts to hedge future cash flows on construction contracts in EEK and USD totalling DKK 158.0 million. At the balance sheet date, these financial instruments have a negative fair value of DKK 0.7 million, which has been recognised in equity. The hedged cash flows are expected to be realised within ten months.

As regards financial risks, see section on Risk assessment in the Management's Review.

Capital management
The need to adjust the capital structure of the Group and the individual subsidiaries is assessed on an ongoing basis so that the capital situation complies with current rules and is adjusted to the business activities and the level of activity.

The Group assesses the capital on the basis of the solvency ratio, which is calculated in accordance with the "Recommendations and financial ratios of the Danish Society of Investment Professionals 2005". The Group aims at reaching a solvency ratio of at least 40%.

NOTES TO THE ANNUAL REPORT

Note	(DKK '000)	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
21	**Contingent liabilities and other financial obligations**				
	Operating leases				
	Future rent and lease payments under non-cancellable contracts (minimum lease payments):				
	Maturity within 1 year	48,049	27,245	32,105	14,743
	Maturity between 2 and 5 years	71,755	38,028	62,551	36,159
	Maturity over 5 years	1,971	2,768	1,859	2,768
	In total	**121,775**	**68,041**	**96,515**	**53,670**
	Expensed lease payments for the year	23,784	16,231	20,577	15,997

Operating leasing commitments concern cars, technical plant and machinery as well as furniture and fittings. The term of the contracts in the Parent Company is maximum 7 years at 30 September 2008 as well as at 30 September 2007. The maximum term of the contracts in the Group is 7 years at 30 September 2008 as well as at 30 September 2007.

	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
Capital and purchase commitments				
Investment in property, plant and equipment	76,598	66,455	38,937	0
Contingent liabilities				
Guarantee for bank debt of subsidiaries			192,016	115,968
Guarantee for bank balances in joint ventures	9,523	10,000	9,523	10,000

Per Aarsleff A/S is jointly and severally liable with the other Danish jointly taxed companies for the total tax payable under the joint taxation until and including the tax year 2005. From 2006 the Company is only liable for payments received on account from the subsidiaries. Through the Danish joint taxation a subsidiary has used losses in a foreign subsidiary. The resulting retaxation liability has been provided for on the basis of a specific assessment, taking into consideration the relationship between using tax losses abroad and retaxation in Denmark.

The Aarsleff Group is engaged in various litigation and arbitration proceedings which are not expected to influence future earnings of the Group negatively.

	GROUP 30/9 2008	GROUP 30/9 2007	PARENT COMPANY 30/9 2008	PARENT COMPANY 30/9 2007
Collateral				
The carrying amount of land and buildings that are pledged as security for mortgage debt to credit institutions amounts to	184,459	201,459	130,320	146,826

Warranty obligations primarily concern completed contracts, which are executed against a warranty of normally up to 5 years. Obligations have been determined on the basis of historical warranty expenses.

The Company participates in joint ventures under a joint and several liability. At 30 September 2008 total payables amount to DKK 662.3 million against DKK 698.3 million at 30 September 2007. The Company does not expect any losses in addition to those included in the financial statements.

Note (DKK '000)

22 **Related party transactions**

Parent Company	Subsidiaries 2007/2008	Subsidiaries 2006/2007	Associates 2007/2008	Associates 2006/2007	Joint ventures 2007/2008	Joint ventures 2006/2007	Management[1] 2007/2008	Management[1] 2006/2007
Income[2]	141,117	162,372	2,998	9,524	253,310	137,963	0	0
Expenses[2]	-120,138	-112,062	-6,388	-2,362	0	-197	-2,633	-3,635
Receivables[3]	222,001	150,397	3,579	5,772	138,624	97,633	0	0
Liabilities[3]	-133,162	-110,078	-69	0	-102,958	-56,588	-303	-1,283

[1] Includes members of the Board of Directors and Executive Management of the Parent Company. The amount concerns fees for Attorney Carsten Fode of Kromann Reumert for various legal assistance. Remuneration for the Management appears from note 6.
[2] Includes purchase and sale of goods and services.
[3] Includes receivables and liabilities in connection with purchase and sale of goods and services.

The financial income and expenses of the Parent Company concerning balances with subsidiaries and associates appear from note 9.

The Parent Company's balance with subsidiaries primarily concerns ordinary trade balances concerning purchase and sale of goods and services. Balances do not carry interest and are entered into on the same terms as with the other customers and suppliers of the Parent Company.

The dividend received by the Parent Company from subsidiaries and associates appears from note 9.

Group	Associates 2007/2008	Associates 2006/2007	Joint ventures 2007/2008	Joint ventures 2006/2007	Management[1] 2007/2008	Management[1] 2006/2007
Income[2]	2,998	9,524	309,223	174,569	0	0
Expenses[2]	-6,388	-2,362	-10,968	-1,033	-2,931	-4,166
Receivables[3]	3,579	5,772	163,571	116,514	0	0
Liabilities[3]	-69	0	-108,248	-58,230	-303	-1,283

[1] Includes members of the Board of Directors and Executive Management of the Parent Company. The amount concerns fees for Attorney Carsten Fode of Kromann Reumert for various legal assistance. Remuneration for the Management appears from note 6.
[2] Includes purchase and sale of goods and services.
[3] Includes receivables and liabilities in connection with purchase and sale of goods and services.

The fund Per og Lise Aarsleffs Fond is considered to have control over the Group as a consequence of own shareholding and distribution of other shares. No transactions with the Fund took place in 2006/2007 and 2007/2008.

Transactions with subsidiaries have been eliminated in the Consolidated Financial Statements in accordance with the accounting policies.

No unusual agreements or other transactions have been concluded between the Group and related parties.

NOTES TO THE ANNUAL REPORT

Note	(DKK '000)	GROUP 2007/2008	GROUP 2006/2007	PARENT COMPANY 2007/2008	PARENT COMPANY 2006/2007
23	**Other adjustments – Cash flow statement**				
	Share of profit after tax in associates	-12,406	-10,422		
	Provisions	-22,119	44,200	-18,951	39,145
	Profit from sale of non-current assets	-9,089	-14,070	-1,552	-7,800
	In total	**-43,614**	**19,708**	**-20,503**	**31,345**
24	**Change in working capital – Cash flow statement**				
	Inventories	-50,100	-23,167	-6,176	-264
	Work in progress, net	52,436	51,991	108,265	55,930
	Receivables	-97,407	-209,240	-113,470	-179,553
	Creditors, other debt etc.	117,308	82,847	88,025	122,040
	In total	**22,237**	**-97,569**	**76,644**	**-1,847**
25	**Liquidity – Cash flow statement**				
	Cash	304,162	201,248	285,492	167,816
	Bank overdraft	-408,439	-361,788	-215,573	-242,630
	In total	**-104,277**	**-160,540**	**69,919**	**-74,814**
	Cash is combined as follows:				
	Share of cash in joint ventures	199,689	132,624	195,695	131,260
	Other cash	104,473	68,624	89,797	36,556
	In total	304,162	201,248	285,492	167,816

Note (DKK '000)

26 **Acquisitions**

2007/2008
In the financial year 2007/2008, the Aarsleff Group has made the following acquisition:

As per 1 March 2008, Per Aarsleff A/S acquired 100% of the shares of Brødrene Hedegaard A/S, Kastrup.
The company is engaged in property service as well as building and construction.

	Fair value at the date of acquisition	Accounting value before acquisition
Intangible assets	5,400	0
Property, plant and equipment	817	817
Other long-term assets	104	104
Receivables	8,518	8,518
Cash and cash equivalents	1,602	1,602
Non-current liabilities	-1,504	-154
Current liabilities	-6,534	-6,534
Net assets acquired	8,403	4,353
Goodwill	2,633	
Acquisition cost	11,036	
Of this figure, cash	-1,602	
Cash acquisition cost/net cash flow at acquisition cf. Cash flow statement	9,434	

From the date of acquisition, the acquired company contributes to consolidated revenue with DKK 97.6 million and to the profit for the year with DKK 3.5 million.

Revenue and profit for the year 2007/2008, calculated as if the acquisition had taken place effective from 1 October 2007, amount to DKK 5,397 million and DKK 212.7 million, respectively.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill has been determined at DKK 2.6 million. Goodwill represents the value of existing staff, knowhow and expected synergies from the uniting of interests with the Aarsleff Group.

Note (tkr.)

26 **Acquisitions (continued)**

2006/2007
In the financial year 2006/2007, the Aarsleff Group has made the following acquisitions:

As per 1 May 2007, E. Klink A/S acquired 100% of the shares of Danklima Entreprise A/S. The company is engaged in ventilation.

As per 1 May 2007, Sacrab Installation AB took over the activities of Sydspol Rörteknik AB, Sweden. The company is engaged in trenchless pipe renewal.

	Fair value at the date of acquisition	Accounting value before acquisition
Intangible assets	2,000	0
Property, plant and equipment	1,241	1,241
Other long-term assets	1,504	1,504
Inventories	1,404	1,404
Receivables	9,305	9,305
Cash and cash equivalents	11,365	11,365
Non-current liabilities	-2,652	-2,152
Current liabilities	-12,639	-12,639
Net assets acquired	11,528	10,028
Goodwill	8,844	
Acquisition cost	20,372	
Of this figure, cash	-11,365	
Cash acquisition cost/net cash flow at acquisition cf. Cash flow statement	9,007	

From the date of acquisition, the acquired companies contribute to consolidated revenue with DKK 9.1 million and to the profit for the year with DKK 0.2 million.

Revenue and consolidated profit for the year 2006/2007 calculated as if the acquisitions had taken place effective from 1 October 2006, amount to DKK 4,310 million and DKK 148.5 million, respectively.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill has been determined at DKK 8.8 million. Goodwill represents the value of existing staff, knowhow and expected synergies from the uniting of interests with the Aarsleff Group.

HIGHLIGHTS AND FINANCIAL RATIOS FOR THE GROUP (EURO)

(EUR '000)	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008
Income statement					
Revenue	397,455	457,765	507,079	575,305	714,028
Of this figure, work performed abroad	129,682	173,614	189,598	208,723	213,986
Operating profit	9,381	8,950	15,282	23,570	38,693
Profit before interest	10,591	9,264	17,046	24,968	40,356
Financials, net	-1,432	-1,257	-2,268	108	-2,816
Profit before tax	9,159	8,007	14,778	25,076	37,540
Profit for the year	5,747	5,994	12,431	19,858	28,180
Balance sheet					
Long-term assets	102,613	112,715	134,940	142,190	167,293
Short-term assets	147,169	154,347	192,246	223,576	263,653
Total assets	249,782	267,062	327,186	365,766	430,946
Equity	103,763	110,608	122,310	140,854	167,755
Non-current liabilities	32,120	28,760	42,266	48,633	53,469
Current liabilities	113,899	127,694	162,610	176,279	209,722
Total equity and liabilities	249,782	267,062	327,186	365,766	430,946
Cash flow statement					
Cash flows from operating activities	17,341	20,739	15,781	32,176	52,300
Cash flows from investing activities	-20,247	-17,170	-37,845	-23,027	-42,445
Of this figure, investment in property, plant and equipment, net	-19,429	-24,105	-29,965	-22,390	-41,347
Cash flows from financing activities	-3,832	-5,597	10,547	-1,655	-2,313
Change in liquidity for the year	-6,738	-2,028	-11,516	7,494	7,542
Financial ratios					
Gross margin ratio, %	11.8	11.5	12.0	12.7	13.8
Profit margin (EBIT), %	2.4	2.0	3.0	4.1	5.4
Operating margin (before-tax), %	2.3	1.7	2.9	4.4	5.3
Return on invested capital (ROIC), %	7.4	6.6	9.7	13.1	19.9
Return on equity (ROE), %	5.7	5.6	10.7	15.1	18.3
Equity interest, %	41.5	41.4	37.4	38.5	38.9
Earnings per share (EPS), DKK	20.98	21.78	44.80	71.54	101.76
Dividend per share, DKK	2.40	2.40	4.80	4.80	4.80
Number of employees	*2,271*	*2,373*	*2,670*	*2,839*	*3,181*
Applied translation rate	*7.4416*	*7.4624*	*7.4576*	*7.4544*	*7.4611*

Financial ratios for the Group have been calculated in accordance with the "Recommendations and financial ratios of the Danish Society of Investment Professionals 2005". Please see page 55 for financial ratio definitions.Translations from DKK to EUR have been made at the rate ruling at the balance sheet date.

Highlights and financial ratios for 2004/2005, 2005/2006, 2006/2007 and 2007/2008 have been prepared in accordance with IFRS. The comparative figures for 2003/2004 have not been adjusted to the changed accounting policies but have been prepared in accordance with the previous accounting policies according to the Danish Financial Statements Act and Danish accounting standards.

COMPANIES IN THE AARSLEFF GROUP

COMPANY NAME	DOMICILE			OWNERSHIP INTEREST %
CONSTRUCTION				
Dan Jord A/S	Aarhus	Denmark	Contractors	100
Petri & Haugsted as	Rødovre	Denmark	Contractors	100
Wicotec A/S	Taastrup	Denmark	Contractors	100
E. Klink A/S	Skovlunde	Denmark	Contractors	100
Danklima Entreprise A/S	Aarhus	Denmark	Contractors	100
Brødrene Hedegaard A/S	Kastrup	Denmark	Contractors	100
Atlas A/S	Aarhus	Denmark	Contractors	67
Per Aarsleff GmbH	Hamburg	Germany	Contractors	100
Aarsleff Bygg- och Anläggnings AB	Limhamn	Sweden	Contractors	100
PIPE TECHNOLOGIES				
Danpipe A/S	Aarhus	Denmark	Contractors	100
Aarsleff Rörteknik AB	Stockholm	Sweden	Contractors	100
Sacrab Installation AB	Stockholm	Sweden	Contractors	100
Aarsleff OY	Helsinki	Finland	Contractors	100
Per Aarsleff ZAO	St Petersburg	Rusland	Contractors	100
Per Aarsleff Polska Sp. z o.o.	Warsaw	Poland	Contractors	100
UAB Aarsleff	Kaunas	Litauen	Contractors	100
Aarsleff S.r.l.	Milan	Italy	Contractors	100
Aarsleff, S.L.U.	Barcelona	Spain	Contractors	100
Insituform Rohrsanierungstechniken GmbH	Nuremberg	Germany	Contractors	50*
PAA International Engineering Corp.	Taichung	Taiwan	Contractors	50*
Insituform Linings Plc.	Northants	United Kingdom	Manufacturing firm	25*
Arpipe Holding A/S	Aarhus	Denmark	Holding company	35*
PILING				
Centrum Pæle Holding A/S	Vejle	Denmark	Holding company	100
Centrum Pfähle GmbH	Hamburg	Germany	Contractors	100
Centrum Pæle A/S	Vejle	Denmark	Pile production	100
CP Test A/S	Vejle	Denmark	Vibration and noise measurements	100
Per Aarsleff (UK) Limited	Newark	United Kingdom	Contractors	100
Centrum Pile Limited	Newark	United Kingdom	Pile production	100
Aarsleff Sp. z o.o.	Warsaw	Poland	Contractors	100
KPB Kutno Sp. z o.o.	Kutno	Poland	Pile production	100
Aarsleff Grundläggnings AB	Gunnilse	Sweden	Contractors	100
Centrum Påle AB	Älvängen	Sweden	Pile production	100
DORMANT				
Aarsleff Holding Ltd.	Hong Kong	China		100
Aarsleff (Thailand) Ltd.	Bangkok	Thailand		100
European Pipeline Contractors Limited	London	United Kingdom		33*

*Associate

	GROUP		PARENT COMPANY	
JOINT VENTURES	**OWNERSHIP INTEREST %**	**SPONSOR**	**OWNERSHIP INTEREST %**	**SPONSOR**
A.S.R. Projekts	33		33	
Afcons Aarsleff Joint Venture I/S	50	Yes	50	Yes
APH Konsortiet J.V.	100	Yes	50	Yes
Arge Dalbensteg Seelandkai Lübeck	33		33	
Arge Eurogate HWS-Liegeplatz 2	50		50	
Arge Fino II	50			
Arge HWS Deichtor/Stadtdeich	28		28	
Arge HWS Oberhafen	28		28	
Arge HWS Schluisgrover Hauptdeich	33		33	
Arge Jemnitzschleuse Börgerende	50		50	
Arge Mittelmole-Marine Warnemünde	50		50	
Arge Naßbaggerung Liegeplatz 8 Rostock	33		33	
Arge Neubau Liegeplatz 35 Rostock	33		33	
Arge Naubau Liegeplatz 36 Rostock	33		33	
Arge Predöhlkai-Liegeplatz 2	50		50	
Arge Schutzmole Süd Marinestützpunkt Warnemünde	50		50	
Arge Seelandkai Lübeck	33		33	
Arge Strassenbau Stadtdeich	33		33	
Arge Veringkanal	33		33	
Arge Wasserbau LP8 Warnemünde	40		40	
Ballast Nedam-Per Aarsleff Joint Venture V.O.F.	50		50	
Banekonsortiet	100	Yes	47	Yes
Costain-China Harbour-Aarsleff JV	33*		33*	
EOD-Gruppen J.V.	40	Yes	40	Yes
Fourcon J.V.	50	Yes	50	Yes
Gasbyggarna Sveapipe	50	Yes	50	Yes
Geo Aarsleff JV I/S	50		50	
J.V. K.K. Nielsen A/S og Per Aarsleff A/S	50	Yes	50	Yes
JV Streicher, Aarsleff & Tallqvist	33	Yes	33	
KMG-PAA-RN Consortium	47		47	
Malmö Citytunnel Group HB	25		25	
Minegruppen I/S (Split Joint Venture)	53	Yes	53	Yes
Motorvejskonsortiet Arkil-Aarsleff I/S	50	Yes	50	Yes
Norra Länken NL21	40			
Pihl-Banekonsortiet I/S	50		17	
Pihl-Aarsleff J.V.	50	Yes	50	Yes
Samsøkonsortiet Aarsleff-Kremmer JV I/S	50	Yes	50	Yes
Svea Tunnel Joint Venture	50	Yes		
Vejcon Fyn I/S	30		30	
ØMJV-Konsortiet (Split Joint Venture)	40	Yes	40	Yes
Aarsleff & Bodo J.V.	50	Yes	50	
Aarsleff Bilfinger Berger JV I/S	50	Yes	50	Yes
Aarsleff-Brückner J.V. I/S	50	Yes	50	Yes
Aarsleff-Gruppen I/S	100	Yes	33	Yes
Aarsleff-Interbeton J.V. I/S	50	Yes	50	Yes
Aarsleff-Kamco J.V. I/S	50	Yes	50	Yes
Aarsleff-Salcon J.V. I/S	50	Yes	50	Yes
Aarsleff-VG J.V. I/S	50	Yes	50	Yes
Aarsleff-Wicotec J.V. I/S	100	Yes	50	Yes
Aarsleff/NCC Modulvogntog I/S (Split Joint Venture)	50	Yes	50	Yes

*Voting rights

According to s 5 (1) of the Danish Financial Statements Act, partnerships in which Per Aarsleff A/S is sponsor have abstained from preparing financial statements as these partnerships are included in the Consolidated Financial Statements of Per Aarsleff A/S.

JOINT VENTURE PARTNERS

Ab Tallqvist Oy
Afcons Infrastructure Limited
Arkil A/S
Aug. Prien Bauunternehmung GmbH & Co. KG
Ballast Nedam Dredging
Beton- und Monierbau Gesellschaft m.b.H.
Bilfinger Berger AG
Brückner Grundbau GmbH
China Harbour Engineering Company (Group)
Costain Building & Civil Engineering Limited
Damacon A/S
Demex Rådgivende Ingeniører A/S
E. Pihl & Søn A.S.
Ed. Züblin AG
Fr. Holst GmbH & Co. KG
Geo
Great Lakes Dredge & Dock Co.
Interbeton bv
Kamco A/S
KMG Inseneriehituse AS
Kremmer Jensen ApS
Ludwig Freytag GmbH & Co. KG
Max Streicher GmbH & Co. KG
NCC Danmark A/S
Petri & Haugsted as
RBS Skals Joint Stock Company
Rohde Nielsen A/S
Salcon Engineering Berhad
Skonto buve SIA
Strabag AG
VG Entreprenør A/S
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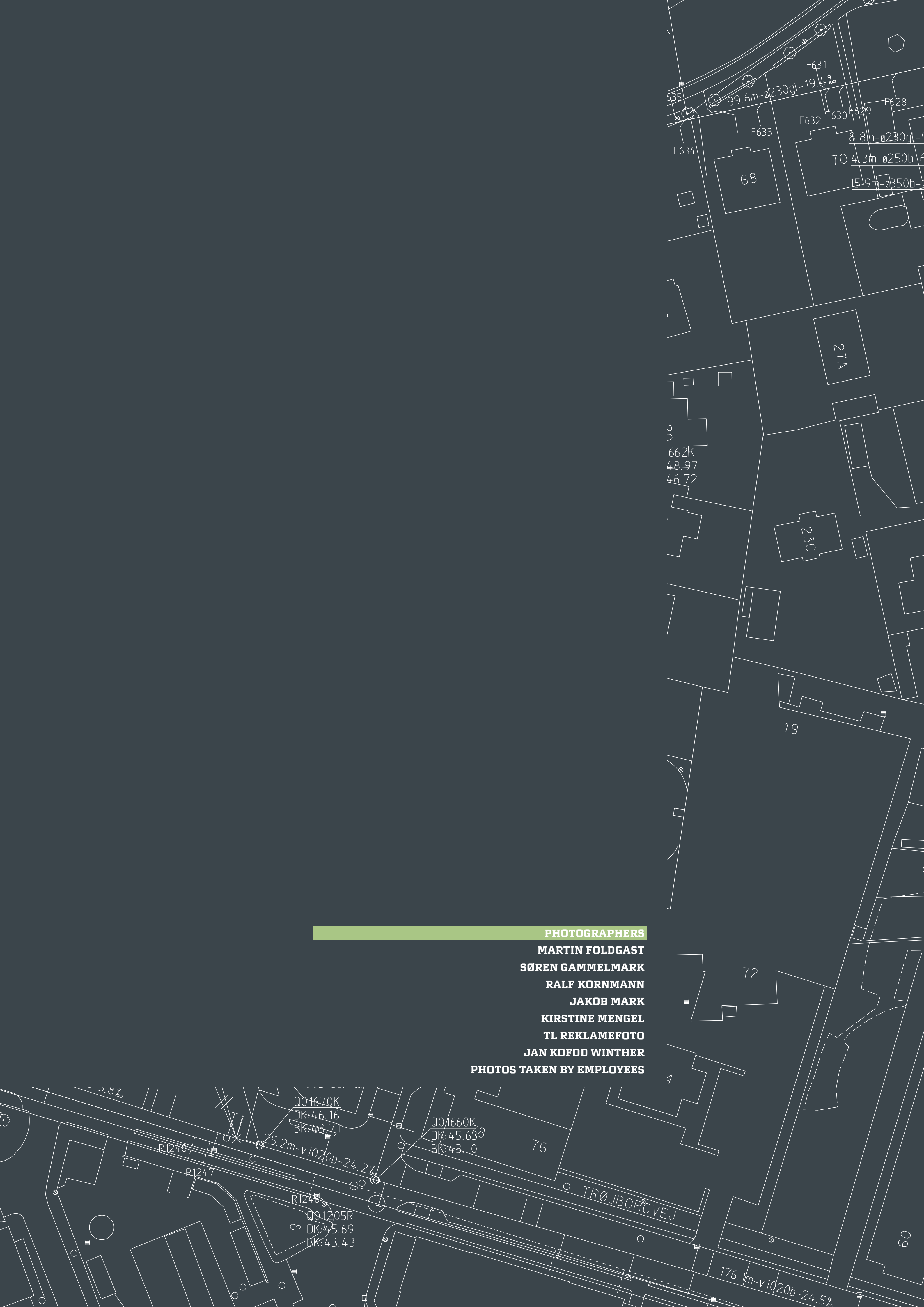
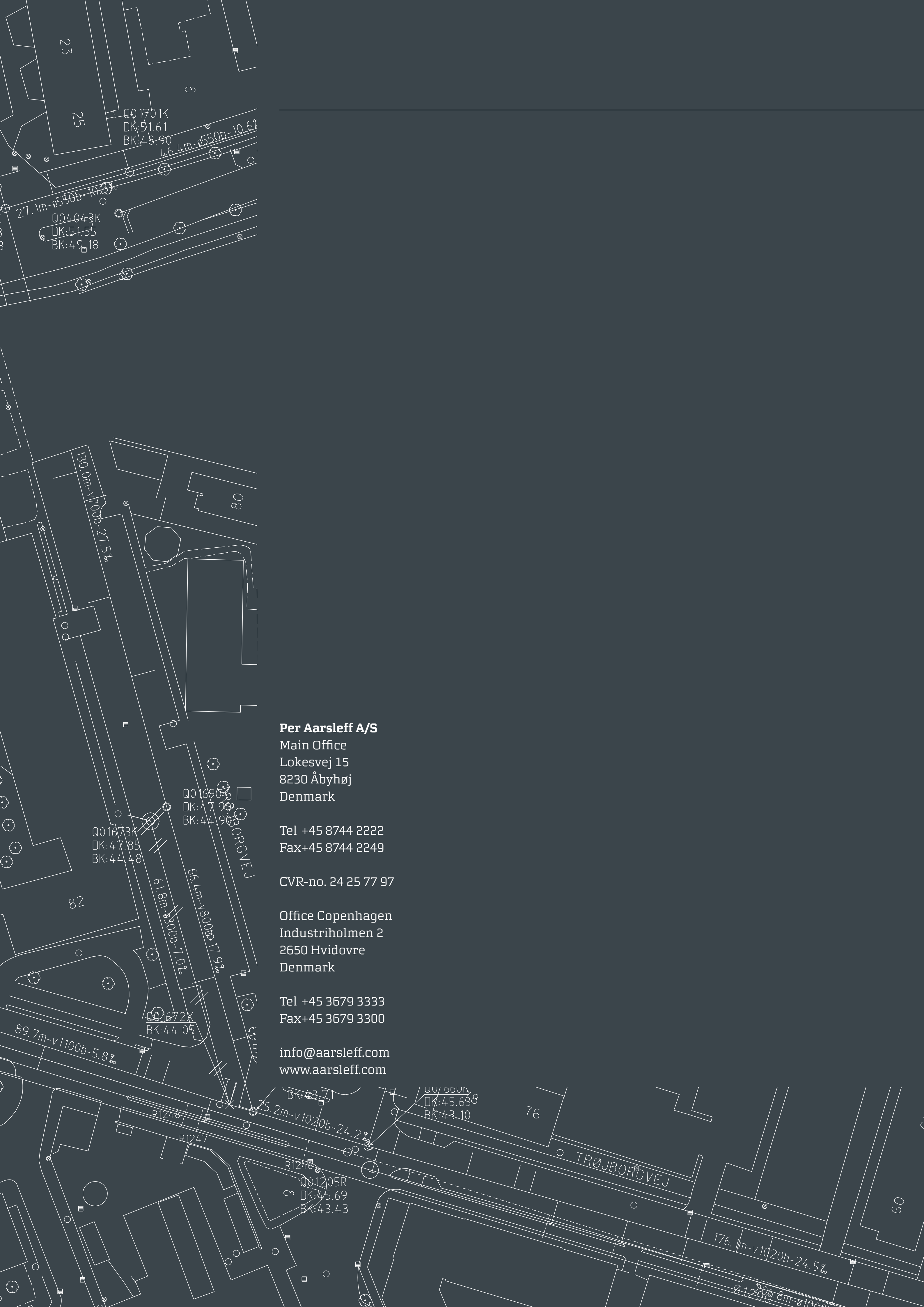
PHOTOS TAKEN BY EMPLOYEES





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