

Stock Exchange Announcement05.03.13
Announcement No 7, 2013**Monberg & Thorsen's Board of Directors approved the annual report for 2012 at its meeting today.**

Monberg & Thorsen reported consolidated revenue from its continuing operations of DKK 4.5 billion compared with DKK 4.3 billion in 2011, and the result before tax was a loss of DKK 244 million compared with a loss of DKK 155 million in 2011. The pre-tax margin was thus -5.4%, in line with the most recent outlook on 22 January 2013.

The divested operations - Dyrup - had a negative effect on the result after tax, depressing it by DKK 12 million, consisting of value adjustment and costs in connection with closing in 2012.

The result for the year was therefore a loss of DKK 255 million compared with a loss of DKK 408 million in 2011.

MT Højgaard reported consolidated revenue of DKK 9.7 billion and the result before tax was a loss of DKK 512 million compared with a loss of DKK 335 million in 2011. The pre-tax margin was thus -5.3%, in line with the most recent outlook. The loss primarily reflected weak profitability on contracts entered into before 2012, restructuring costs and terminations as well as substantial provisions for projects already handed over. Overall, the Group's subsidiaries made a positive contribution to the result.


At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 2 per DKK 20 share be paid.

Consolidated revenue for 2013 is expected to be around DKK 3.2 billion, with a small positive result from the continuing operations. To this should be added any costs in connection with the indemnities and guarantees provided on the divestment of Dyrup.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report. The annual report has been published via Nasdaq OMX Copenhagen, and is available on Monberg & Thorsen's website www.monthor.dk

Søborg, 5 March 2013
Board of Directors and Executive Board

Monberg & Thorsen A/S



Anders Colding Friis
Chairman



Jørgen Nicolajsen
President and CEO

Questions relating to this announcement should be directed to Jørgen Nicolajsen, President and CEO, on telephone +45 3546 8000.

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

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Denmark

MONBERG & THORSEN A/S



YEAR 2012

MONBERG & THORSEN A/S

ANNUAL REPORT 2012

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MT HØJGAARD

Following the divestment of Dyrup at the start of 2012, the Monberg & Thorsen Group's activities consist exclusively of 46% of the shares in MT Højgaard. MT Højgaard is owned together with Højgaard Holding and is a jointly controlled entity. It is therefore consolidated in Monberg & Thorsen's consolidated financial statements by proportionate consolidation.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report. MT Højgaard's accounting policies follow the Group's accounting policies.

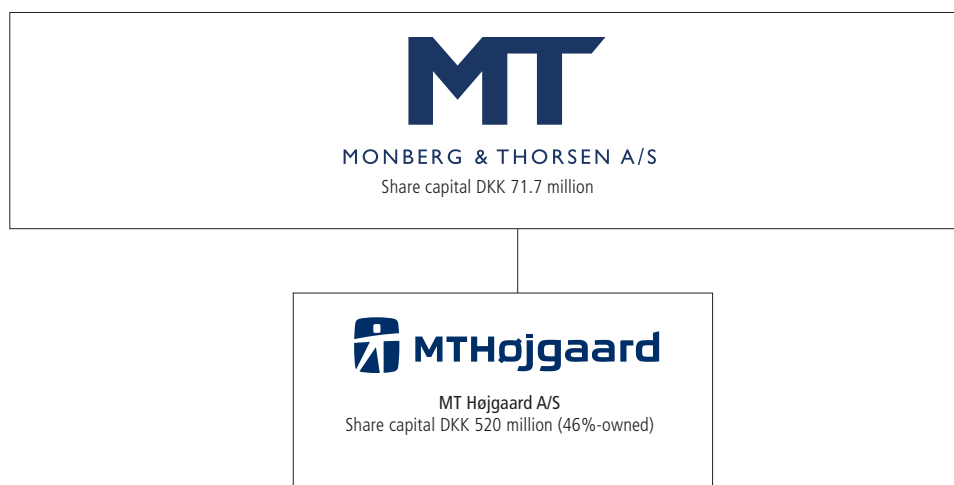
CONSOLIDATED FINANCIAL HIGHLIGHTS 2008-2012

DKK million	2008	2009	2010	2011	2012
Income statement					
Revenue - MT Højgaard (46 %)	5,139	4,180	3,819	4,281	4,478
Operating profit (loss)	136	123	33	-164	-245
Net finance costs	37	29	21	9	1
Profit (loss) before tax	173	152	54	-155	-244
Profit (loss) after tax from continuing operations	124	120	35	-120	-243
Profit (loss) after tax from discontinuing operations	-68	-17	15	-288	-12
Profit (loss) for the year after tax	56	103	50	-408	-255
Attributable to equity holders of the parent	56	103	50	-408	-255
Balance sheet					
Interest-bearing assets	647	859	643	646	615
Interest-bearing liabilities	437	427	536	187	249
Invested capital	417	386	625	688	413
Consolidated equity	1,468	1,568	1,594	1,146	780
Attributable to equity holders of the parent	1,468	1,568	1,592	1,146	780
Balance sheet total	3,963	4,076	3,805	4,306	2,499
Cash flows					
From operating activities	239	238	-157	-76	-100
For investing activities**	-98	-241	110	48	162
From financing activities	-148	-9	-12	-36	-128
Cash flows from discontinuing operations	-105	145	-78	-195	-
Net increase (decrease) in cash and cash equivalents	-112	133	-137	-259	-66
**Portion relating to inv. in property, plant and equipment (gross)	-99	-109	-111	-58	-31
Financial ratios (%)					
Operating margin (EBIT margin)	2.6	2.9	0.9	-3.8	-5.5
Pre-tax margin	3.4	3.6	1.4	-3.6	-5.4
Return on invested capital (ROIC)	31	31	7	-25	-4.4
Return on equity (ROE)	4	7	3	-30	-2.6
Equity ratio	37	38	42	27	31
Share ratios (DKK per share)					
Earnings per share (EPS) from continuing operations	16	29	14	-34	-68
Profit (loss) for the year after tax	16	29	14	-114	-71
Cash flows from operating activities of continuing operations	67	66	-44	-21	-28
Proposed dividends	0	7	7	30	2
Book value	410	438	444	320	218
Market price	161	280	300	190	142
Market price/book value	0.4	0.6	0.7	0.6	0.7
Price earnings (P/E)	10	10	21	-2	-2
Payout ratio (%)	0	24	50	-	-
Market capitalisation in DKK million	577	1,004	1,076	681	509
Number of employees					
Consolidated enterprises, total	3,835	3,561	3,361	3,213	2,158
Consolidated enterprises – continuing operations	2,841	2,703	2,402	2,181	2,158

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts. Earnings per share (EPS) has been calculated in accordance with IFRS. Financial ratios are defined in note 1.

Due to the divestment of Dyrup with closing at the start of 2012, Dyrup has been accounted for as a discontinuing operation. The annual report for 2011 and the comparative figures for previous years have therefore been restated to present continuing operations separately, while discontinuing operations are recognised in a single line in the income statement and the statement of comprehensive income. Operating ratios and invested capital have also been restated to reflect the performance of the continuing operations. Note 41 provides a more detailed specification of the items of the discontinuing operations determined using the Group's principles.

THE GROUP, BUSINESS CONCEPT AND STRATEGY



BUSINESS CONCEPT AND STRATEGY

Creating value through long-term business development within building-related activities.

Following the divestment of Dyrup at the start of 2012, the Group's only activity is its 46% ownership interest in the jointly controlled entity MT Højgaard.

Monberg & Thorsen has no current plans to engage in other activities.

Together with Højgaard Holding, Monberg & Thorsen will work towards independent listing of MT Højgaard when the conditions for this are right.

However, the company's earnings are not satisfactory, and the management of MT Højgaard will therefore need to put all its resources into bringing earnings back on track, creating a solid financial platform for the future. In our opinion, securing adequate earnings in the MT Højgaard Group before seeking to implement an independent listing is in the interests of all shareholders.

MT Højgaard

MT Højgaard is one of the leading providers of construction and civil engineering solutions in the Nordic countries.

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

To achieve its vision, the following three targets are being pursued:

- Profitability – to raise our pre-tax margin to 5%
- Customer satisfaction rating of at least 76 out of 100
- Employee satisfaction rating of at least 76 out of 100

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

The new group executive management team in MT Højgaard has begun the work on a new corporate strategy, which is expected to be adopted in the second half of 2013.

To stand out from the crowd, the focus is on delivering customer projects efficiently, at the agreed price, on time and of the quality required. By engaging in open dialogue and by coordinating expectations, MT Højgaard wants to exceed customer expectations by presenting proposals for optimisation, for example in terms of choice of materials and maintenance, ensuring the customer the best lifecycle costs for the project.

BOARD OF DIRECTORS AND EXECUTIVE BOARD

BOARD OF DIRECTORS



Anders Colding Friis (1963)
 Chairman
 President, Scandinavian Tobacco Group A/S
 Anders Colding Friis holds an MSc in Strategy and Financial Planning. His special expertise is general management, branding, marketing and strategy.
 (CB) Dagrofa A/S
 (MB) Central Board and Executive Committee of the Confederation of Danish Industry (DI)
 (MB) IC Companys A/S
 (MB) Topdanmark
 (DCB) 'Industriens Arbejdsgruppe ' in Copenhagen
 Joined the Board of Directors in 2004



Niels Lykke Graugaard (1947)
 Deputy Chairman
 Chief Operating Officer, GEA Group AG
 Niels Lykke Graugaard holds an MSc in Engineering and an MSc in Economics
 His special expertise is international and project-oriented management, strategic planning and mergers & acquisitions
 (CB) GEA Process Engineering A/S
 Joined the Board of Directors in 2012



Lars Goldschmidt (1955)
 Deputy Director General,
 Dansk Industri A/S
 Lars Goldschmidt holds an MSc in Chemical Engineering from the Technical University of Denmark (DTU), a PhD from DTU and CBS and is an Adjunct Professor at DTU and CBS.
 Lars Goldschmidt's special skills are lobbying and management of knowledge organisations.
 (CB) Erhvervsskolernes Forlag
 (MB) European Spallation Source A/S
 (MB) Campus Bornholm
 Member of the Danish Council for Technology and Innovation
 Joined the Board of Directors in 2010



Curt Germundsson (1944)
 BSc Mechanical Engineering, Business Economics
 His special expertise is general and international business management.
 (CB) DevPort AB, Sweden
 (MB) EFD Induction ASA, Norway
 (MB) Bandak Group A/S, Norway
 (MB) Green Landscaping AB, Sweden
 Executive advisor, FSM Capital AS, Norway
 Executive advisor, Celerant Consulting (Hitachi Consulting), London
 Joined the Board of Directors in 2012

EXECUTIVE BOARD



Christine Thorsen (1958)
 Management Consultant, MBA
 Dynamic Approach ApS
 Her special expertise is management development, change management and experience from the contracting industry.
 (MB) Ejnar & Meta Thorsens Fond
 Joined the Board of Directors in 2008



Henriette H. Thorsen (1970)
 Managing Director,
 Belvédère Scandinavia A/S
 Her special expertise is international sales and marketing.
 (CB) Ejnar & Meta Thorsens Fond
 Joined the Board of Directors in 2010



Jørgen Nicolajsen (1958)
 President and CEO
 (MB) MT Højgaard A/S

CB: Chairman of the Board
 DCB: Deputy chairman of the Board
 MB: Member of the Board

Management holdings of B shares at 31.12.2012	
	Number of shares
Anders Colding Friis	1,150
Christine Thorsen	940
Henriette H. Thorsen	2,963
Jørgen Nicolajsen	650

GROUP ANNUAL REVIEW

INTRODUCTION

Following the divestment of Dyrup in 2011 with closing at the start of 2012, the Group's only activity is its 46% ownership interest in MT Højgaard A/S.

Dyrup A/S has been accounted for in accordance with the rules for discontinuing operations, see the accounting policies in note 1.

The consolidated figures in the income statement and the statement of cash flows have therefore been restated so that they comprise the continuing operations, and the aggregate effect of Dyrup has been recognised in a single figure, which is specified in note 41. In accordance with IFRS, the balance sheet figures for 2010 and previous years have not been restated.

CONSOLIDATED RESULTS FOR THE YEAR

Monberg & Thorsen reported consolidated revenue of DKK 4.5 billion compared with DKK 4.3 billion in 2011, and the operating result was a loss of DKK 245 million compared with a loss of DKK 164 million in 2011.

The result before tax was a loss of DKK 244 million against a loss of DKK 155 million in 2011. The highly unsatisfactory result in MT Højgaard primarily reflected weak profitability on previously contracted projects, restructuring costs and terminations as well as substantial provisions for projects already handed over.

The result for the year after tax from continuing operations was a loss of DKK 243 million compared with a loss of DKK 120 million in 2011.

The overall effect on the result from Dyrup consists of value adjustment and costs related to the closing at the start of January 2012. The final statement of the selling price, including provision for expected costs relating to indemnities and guarantees provided, see note 32, was a loss after tax of DKK 12 million.

The result for the year after tax was consequently a loss of DKK 255 million compared with a loss of DKK 408 million in 2011.

Performance versus outlook

The outlook at the start of 2012 was consolidated revenue in line with revenue in 2011. In May, this was

changed to revenue slightly ahead of 2011, which is in line with actual revenue. In the 2011 annual report, we expected a positive pre-tax margin on the continuing operations. In May 2012 - the interim financial report for the first quarter - this was changed to a pre-tax margin of around -1%, in November - the interim financial report for the third quarter - it was changed to a pre-tax margin of around -2% and, most recently, on 22 January 2013, a pre-tax margin of around -5%, which is in line with the actual pre-tax margin.

The performance since the interim financial report for the third quarter of 2012 is a consequence of the review of the project portfolio, which has resulted in increased provisions for both ongoing projects and projects already handed over. The impairment charges relate primarily to projects contracted before 2012.

Performance, continuing operations - MT Højgaard

The result for 2012 was considerably poorer than expected. The main reason was highly unsatisfactory earnings in MT Højgaard, where all six business areas performed far below expectations, whereas the subsidiaries matched expectations overall, making positive contributions to earnings.

MT Højgaard delivered revenue of DKK 9.7 billion in 2012, up 5%. Revenue benefited from the sale of two property projects developed in-house. International activities accounted for 22% compared with 30% in 2011.

The operating result was a loss of DKK 507 million compared with a loss of DKK 332 million in 2011.

As a result of the unsatisfactory earnings, various measures were put in place during the year to boost MT Højgaard's earnings. These measures included geographical focusing, management changes and strengthening of the organisation, strengthened risk management, tightened profitability requirements and processes efficiencies - especially in connection with tendering, procurement and project management. These processes and requirements were tightened still further in November, after the new President and CEO took up his role. The benefits of the measures implemented will not be felt in earnest until the coming years, as the order portfolio corresponds to almost one year's production.

On the Buxton project, MT Højgaard's claims for extra payments are still the subject of international arbitration. MT Højgaard has positive expectations concer-

ning the outcome of the arbitration. In the financial statements for 2012 no income has been recognised in respect of this case, which is expected to be decided in 2013.

In the offshore industry, there are several disputes relating to allocation of liability pending, brought about by, among other things, problems with the original design standard (DNS-OS-J101) for offshore wind turbine foundations. The financial implications of remedying the problem could be substantial. Like other industry players, the MT Højgaard Group has been using this design standard and therefore is also party to the problem. The challenges are referred to as the 'grout issue'. It is too early to predict the final outcome of the issue of allocation of liability and which technical solutions will be required. Against the background of external legal opinions, it is MT Højgaard's opinion that the company is generally in a strong position in the above cases. MT Højgaard's assessment of the liability issue has not changed in 2012.

Net finance costs amounted to a net charge of DKK 5 million, in line with 2011.

The result before tax was therefore a loss of DKK 512 million, of which Monberg & Thorsen's share was 46%. The pre-tax margin was -5.3% versus -3.6% in 2011.

Income tax expense was nil as tax loss carryforwards have not been fully capitalised in the assessment of deferred tax assets.

MT Højgaard's result after tax was a loss of DKK 512 million compared with a loss of DKK 261 million in 2011. Due to the result, no dividend will be paid for MT Højgaard for 2012.

Due to MT Højgaard's performance, the owner companies decided in January 2013 to strengthen the company's cash position and capital base by making a DKK 300 million cash equity injection in February 2013. Monberg & Thorsen's share was 46%, equivalent to DKK 138 million.

Consolidated statement of cash flows

Cash flows from operating activities of the continuing operations were an outflow of DKK 100 million against an outflow of DKK 76 million in 2011. This was mainly due to the cash flows absorbed by MT

Højgaard's operating activities, including the working capital changes.

Investing activities generated a cash inflow of DKK 162 million, of which sales of securities contributed DKK 28 million net. The final selling price for the shares in Dyrup contributed DKK 137 million, while the effect from MT Højgaard was an outflow of DKK 6 million. MT Højgaard's performance was the result of, among other things, a cautious investment approach as a result of the financial performance and sales of property, plant and equipment.

There was a cash outflow from financing activities of DKK 128 million due to dividend paid of DKK 107 million and a decrease in non-current debt.

The Group's cash and cash equivalents at 31.12.12 totalled DKK 71 million net. Cash and cash equivalents included DKK 150 million that had been lodged as security in respect of the liabilities related to the divestment of Dyrup.

Consolidated balance sheet

The consolidated balance sheet stood at around DKK 2.5 billion compared with DKK 4.3 billion at 31.12.11. The decline reflected partly the divestment of Dyrup, which was recognised in the balance sheet at 31.12.11 with DKK 1.2 billion, and partly a somewhat lower balance sheet total in MT Højgaard due to a lower level of activity at the end of the year.

Consolidated equity stood at DKK 0.8 billion, corresponding to an equity ratio of 31% against 27% at the end of 2011.

Outlook for 2013

Consolidated revenue for 2013 is expected to be around DKK 3.2 billion, with a small positive result from the continuing operations.

To this should be added any costs in connection with the indemnities and guarantees provided on the divestment of Dyrup.

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

The projections are based on relatively stable interest rate and exchange rate levels and on the following assumptions for MT Højgaard:

MT Højgaard expects the construction and civil engineering market in Denmark to be slightly ahead of 2012, overall.

The order book stood at DKK 6.0 billion at the start of 2012, down 31% on the start of 2011. Of this amount, DKK 4.9 billion is expected to be executed in 2013. The decline in the order book was the reflection of, among other things, deselection of a number of international markets and tightened profitability requirements for new projects. The profitability of the order portfolio is not satisfactory as it is affected by previously contracted projects with a weak profitability.

MT Højgaard expects revenue to be around DKK 7 billion, with a small positive result. This is a consequence of two-thirds of revenue for the year being covered by the order portfolio, which includes orders with very low or no earnings. Consequently, a substantial negative result is expected for the first quarter of 2013.

The result for 2013 may be impacted positively or adversely by the outcome of major disputes.

The result for 2014 will also be adversely impacted by the weak profitability of the current order book.

The measures put in place will raise the profitability of the order portfolio considerably in 2013 and 2014, which is a prerequisite for meeting the ambition of a pre-tax margin of 5%.

Financial resources

At the end of 2012, the Group's financial resources totalled DKK 0.7 billion, consisting of cash and cash equivalents, securities and undrawn credit facilities. This included the proportionate share of DKK 0.3 billion from MT Højgaard, which had financial resources totalling DKK 0.6 billion versus DKK 0.9 billion at the end of 2011. Of the DKK 0.6 billion, DKK 0.2 billion was tied up in MT Højgaard Insurance, etc.

The parent company's financial resources of DKK 0.5 billion consisted primarily of short-term Danish bonds and cash and cash equivalents. Of this amount, DKK 150 million had been lodged in an escrow account as security in respect of the indemnities and guarantees provided in connection with the divestment of Dyrup, see note 32.

It is expected that the Group's overall financial resources will still be at a satisfactory level at the end of 2013.

Dividends

A dividend to the shareholders of DKK 2 per DKK 20 share is proposed for 2012, despite the negative result. The total dividend, DKK 7.2 million, will be reserved within proposed dividends in equity.

The dividend payment will provide a direct return of 1.3% based on the current market price of approx. 160.

In future, Monberg & Thorsen expects, in principle, to distribute dividends from MT Højgaard to its shareholders. Dividend distributions will be made with due consideration for the Group's financial position, investment opportunities and cash flow.

Knowledge resources

The parent company is a holding company with only two employees. A description of knowledge resources for MT Højgaard is given in this company's annual report, to which reference is made.

Statutory corporate social responsibility report

Our ethical policy forms the overall framework for all our policies and consequently our activities. We wish to demonstrate corporate responsibility, show consideration for people and the environment, thereby acting in a socially and ethically responsible manner in all business areas.

The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.

In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our efforts will create the most value for society and for ourselves.

Monberg & Thorsen is a holding company. Its only activity is its ownership of MT Højgaard.

The focus in recent years has been on the environment and health and safety. A detailed description of these areas is provided in MT Højgaard's annual report, to which reference is made.

Environment

MT Højgaard focuses extensively on responsible conduct in relation to the environment, including reduction of the company's environmental impact, partly by generating less waste and reusing waste, energy savings and eco-friendly products and building materials.

Health and safety

A good, safe working environment is essential to employees and their families and also for the financial results.

MT Højgaard strives to reduce the number of occupational injuries, partly by using clear safety and work instructions. It is important that all employees feel that we look after their safety and wellbeing properly by providing a good working environment, and consequently also making sure that everyone becomes involved and feels responsible for improving health and safety, including the noise level, ergonomics and the psychological working environment.

Risk factors

The Monberg & Thorsen Group's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

We consider it a critical part of our strategy to constantly minimise the current risks, which, in our opinion, do not differ from the normal risks in the market segments in which the consolidated enterprises operate.

The overall framework for managing the risks judged to be critical for the Group is laid down in the business concept and the associated policies for the individual consolidated enterprises.

The Group endeavours to cover, to the greatest possible extent, significant risks outside the enterprises' direct control by taking out relevant insurance policies.

The Group's activities are affected by the general market conditions in the construction sector, but the Group is also exposed to other, specific commercial risks. The Monberg & Thorsen Group's financial risks are managed and hedged on a decentralised basis. Detailed information on MT Højgaard's risk factors and financial risks is given in its annual report. The

Group's financial risks are described in note 35.

MT HØJGAARD

Following the divestment of Dyrup A/S at the start of 2012, the Group's activities consist exclusively of 46% of the shares in MT Højgaard.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report.

As in previous years, a segment overview is included on page 18, and reference is made to the integrated annual report for detailed information on this company.

STATUTORY REPORT ON CORPORATE GOVERNANCE

Monberg & Thorsen A/S has a clear segregation of duties and independence between the Board of Directors and the Executive Board. Duties and responsibilities are determined at overall level through rules of procedure for the Board of Directors.

The Executive Board is in charge of the day-to-day management of the company, and the Board of Directors oversees the Executive Board and takes care of overall strategic management tasks. The chairman is the Board of Directors' principal contact with the Executive Board.

Following the divestment of Dyrup at the start of 2012, the Monberg & Thorsen Group's activities exclusively comprise the activities of MT Højgaard. As part of the management of the Group's activities, representatives of both Monberg & Thorsen's Board of Directors and Executive Board serve on the Board of Directors of MT Højgaard.

Board of Directors

Composition of Board of Directors

The Board of Directors is elected by the shareholders in general meeting. Following the divestment of Dyrup, there are no longer any Group representatives on the Board. The Board consists of not less than four and not more than six members, currently six members.

In elections to the Board of Directors in both the parent company and the consolidated enterprises, efforts are made to ensure a professional composition of the Board, so that the Board collectively possesses the necessary knowledge and experience of board work as well as knowledge of social, commercial and cultural factors in the markets in which the Group has its primary business activities. Efforts are also made to achieve a diverse composition for the Board.

The current Board complies with the independence criteria, overall, as Niels Graugaard, Curt Germundson and Lars Goldschmidt are independent.

An annual self-assessment procedure has been established for the Board.

In connection with the election of a new member to the Board of Directors, the Chairman of the Board interviews the selectively chosen candidate to ensure that his or her profile suits the vacant seat.

In connection with the notice convening the general meeting, a description of the background of the nominated candidates is given, along with information on memberships of Executive Boards or Boards of Directors in both Danish and foreign companies as well as any demanding organisational posts. A description is also provided of the candidates' educational background, professional qualifications and the skills deemed to be relevant to the Board's work.

All members of the Board elected by the shareholders in general meeting retire by rotation each year. This provides the company's shareholders with an opportunity to discuss the recruitment criteria, composition and diversity of the Board at the Annual General Meeting each year.

There are no formal requirements with respect to the number of seats on other Boards of Directors the individual Board members may hold, but on election it is pointed out to new Board members that it is important for them to ensure that they have sufficient time for their duties and that they perform them diligently and conscientiously. In Monberg & Thorsen's experience, Board members are rarely absent from Board meetings.

According to the Board of Directors' rules of procedure, Board members must retire not later than at the first general meeting following their 70th birthday, except where special circumstances apply.

The Board met a total of six times in 2012 and at present expects to meet seven times in 2013. In accordance with its rules of procedure, the Board always meets at least six times between Annual General Meetings.

Audit Committee

The full Board functions as Audit Committee.

Remuneration of the Board of Directors

Monberg & Thorsen has not introduced incentive pay for the Board. Board remuneration remained unchanged at DKK 200,000 for ordinary members, with a supplement for the Chairman and the Deputy Chairman. Besides their normal remuneration, the Chairman or members may be paid remuneration for special tasks undertaken by them, although the total remuneration received by a Board member may not exceed twice the Chairman's ordinary remuneration. Details concerning total remuneration paid to the Board are disclosed in note 9 to the consolidated financial statements.

Executive Board

The Executive Board consists of the President and CEO, whose background and practical experience match the Group's current needs.

Remuneration of the Executive Board

The Executive Board receives a fixed fee plus any bonus in accordance with the guidelines for incentive pay. Due to the divestment of Dyrup, the service contract has been changed, and a normal one-year termination benefit plan has been agreed. Details concerning total remuneration paid to the Executive Board are disclosed in note 9 to the consolidated financial statements.

Corporate governance recommendations

Monberg & Thorsen's B shares are listed on Nasdaq OMX Copenhagen, and Monberg & Thorsen in principle complies with the corporate governance recommendations as set out at www.corporategovernance.dk.

The Board of Directors is still of the opinion that these recommendations are being practised in the management of the Monberg & Thorsen Group. In a few areas, the principles are only being complied with in part, as the corporate governance recommendations are not all relevant in view of the company's size and activities. For example, no Nomination Committee or Remuneration Committee has been set up.

Monberg & Thorsen has taken a position on all recommendations based on the 'comply-or-explain' principle, which is described in further detail at www.monthor.dk, to which reference is made.

Financial reporting process

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

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

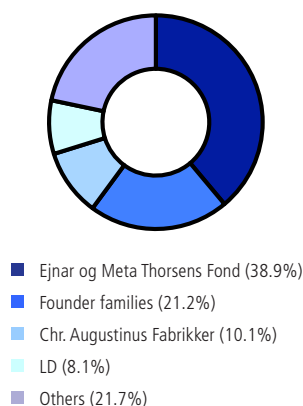
As a consequence of the Group's structure, policies, procedures and controls have been prepared in key areas related to the financial reporting processes of the consolidated companies and the parent company.

The responsibility for maintaining adequate and effective internal controls and risk management in connection with the financial reporting lies with the Executive Board. The Board of Directors monitors the financial reporting process on an ongoing basis, including that applicable legislation is being complied with, that the accounting policies are relevant, including the manner in which material and/or exceptional items and accounting estimates are accounted for, and the overall disclosure level in Monberg & Thorsen's financial reporting.

As a supplement to this report, the annual report of MT Højgaard includes a detailed description of MT Højgaard's financial reporting process.

SHAREHOLDER INFORMATION

Share capital by group of shareholders



Owernship

The company has around 1,500 registered shareholders.

Shareholders according to Section 55 of the Danish Companies Act:

Ejnar og Meta Thorsens Fond, Søborg
Christine Monberg, USA
Chr. Augustinus Fabrikker A/S, Copenhagen
LD Pensions (LD), Copenhagen

Ejnar og Meta Thorsens Fond holds all the company's A shares, which account for approx. 21% of the total share capital, and approx. 18% of the B shares, and consequently holds approx. 79% of the total number of votes.

Ejnar og Meta Thorsens Fond is a commercial foundation, the sole object of which is to work for the furtherance of socially beneficial objectives in Denmark or abroad. There are no constraints in the foundation instrument in relation to ownership of shares in Monberg & Thorsen A/S or its consolidated companies. The foundation has advised the Board of Directors that it wants to be a stable shareholder in the company and does not wish to relinquish its voting rights.

The Board of Directors considers the ownership structure to be appropriate in view of the Group's present size and market value, with the stable ownership structure securing the long-term value generation. The ownership structure does not prevent continued development of the Group.

A shareholders' agreement has been entered into on ownership of the shares in MT Højgaard A/S. Under this agreement, the completion of a take-over bid for Monberg & Thorsen A/S, if any, may result in changes related to ownership and other terms and conditions for the company's shareholding in MT Højgaard A/S.

Management's shareholdings

At 31.12.12, the Board of Directors' and the Executive Board's shareholdings in the company totalled

5,703 shares, equivalent to 0.2% of the share capital and a market value of DKK 0.8 million.

The members of the Board of Directors and Executive Board do not hold either options or warrants.

According to the Group's internal code of conduct relating to trading in securities issued by the company, the management may buy and sell such securities only for a period of up to four weeks following the publication of the annual report and interim financial reports.

Annual General Meeting

Will be held on 10 April 2013 at 5.00pm at Radisson Blu Royal Hotel, Hammerichsgade 1, 1611 Copenhagen V, Denmark. According to the Articles of Association, the Annual General Meeting must be convened with not less than three weeks' notice and not more than five weeks' notice.

Articles of Association

The company's Articles of Association can be viewed at www.monthor.dk.

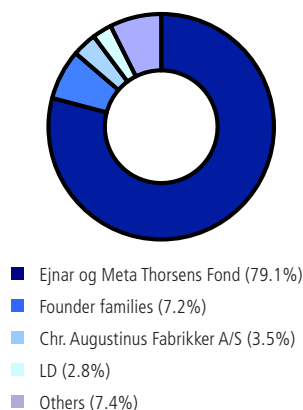
According to the Articles of Association, the A shares are non-negotiable instruments. No restrictions apply to the negotiability of the B shares. All B shares are listed on Nasdaq OMX Copenhagen.

The Articles of Association also stipulate that the members of the Board of Directors elected by the shareholders in general meeting retire by rotation each year.

The Board of Directors has authority to buy back up to 10% of the share capital. The authorisation expires on 27 April 2015. The Board of Directors also has authority to increase the B share capital by up to DKK 20 million. The increase may be effected without any preemption rights for the company's existing shareholders, provided it is effected as consideration for the company's acquisition of a going concern or specific assets. Such acquisition is conditional upon the new B shares being negotiable instruments. The authorisation expires on 27 April 2015.

The Board of Directors will not propose any amendments to the Articles of Association at the Annual General Meeting.

Votes by group of shareholders



SHAREHOLDER INFORMATION

Dividends

Dividends on shares registered with VP Securities A/S are paid automatically four banking days after the Annual General Meeting.

At the Annual General Meeting, the Board of Directors will propose that a dividend of DKK 2 per DKK 20 share be paid.

Share capital

The company's share capital amounts to DKK 71,700,000 divided into:

A shares: 768,000 shares of DKK 20 each
DKK 15,360,000
B shares: 2,817,000 shares of DKK 20 each
DKK 56,340,000

Each A share with a nominal value of DKK 20 entitles the holder to ten votes, and each B share with a nomi-

nal value of DKK 20 entitles the holder to one vote.

Treasury shares

At 31.12.12, the company's holding of treasury shares totalled 2,645 shares. The company did not buy or sell any treasury shares in 2012.

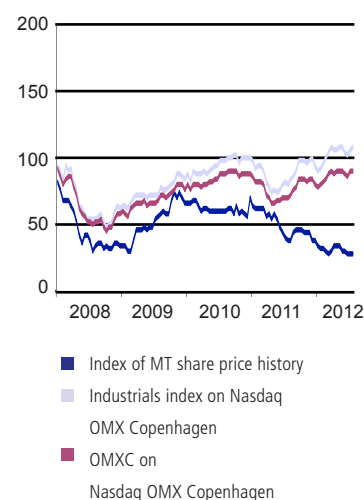
According to the company's rules for buying and selling treasury shares, the company may not buy or sell treasury shares in the three weeks preceding the publication of the preliminary announcement of financial statements and interim financial reports.

No subsidiary holds shares in Monberg & Thorsen.

The Monberg & Thorsen share

At the end of 2012, the share price was 142, down 25% on the previous year. A total of approx. 0.2 million shares were traded in 2012 compared with approx. 0.2 million shares in 2011.

Share price 2008-2012
31.12.07 = Index 100

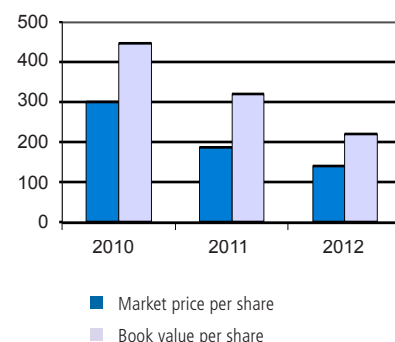


Announcements to Nasdaq OMX Copenhagen A/S

The following Stock Exchange announcements were issued in 2012:

1. 05.01.12 Divestment of Dyrup A/S
2. 14.03.12 MT Højgaard - profit outlook lowered and President and CEO resigns
3. 14.03.12 MT Højgaard's Annual Report 2011
4. 14.03.12 Monberg & Thorsen's Annual Report 2011
5. 16.03.12 Revised Financial Calendar
6. 19.03.12 MT Højgaard, Chief Operating Officer Thorbjørn N. Rasmussen resigns
7. 27.03.12 Notice with agenda for Annual General Meeting 17.04.12
8. 11.04.12 New member of MT Højgaard's Board of Directors
9. 17.04.12 Monberg & Thorsen's Annual General Meeting
10. 19.04.12 MT Højgaard Group, wins big tender
11. 16.05.12 MT Højgaard's Interim Financial Report - Q1 2012
12. 16.05.12 Monberg & Thorsen's Interim Financial Report - Q1 2012
13. 22.05.12 Torben Biilmann to be new President and CEO of MT Højgaard
14. 29.05.12 Announcement concerning major shareholder
15. 06.06.12 Transactions in Monberg & Thorsen shares by insiders
16. 15.06.12 MT Højgaard to refurbish 544 terraced houses in Albertslund
17. 27.08.12 MT Højgaard's Interim Financial Report - H1 2012
18. 27.08.12 Monberg & Thorsen's Interim Financial Report - H1 2012
19. 31.08.12 Transactions in Monberg & Thorsen shares by insiders
20. 30.10.12 MT Højgaard, COO Jens Nyhus resigns
21. 01.11.12 MT Højgaard, Torben Biilmann takes up position as new President and CEO
22. 15.11.12 MT Højgaard's Interim Financial Report - Q3 2012
23. 15.11.12 Monberg & Thorsen's Interim Financial Report - Q3 2012
24. 15.11.12 Financial Calendar for 2013
25. 29.11.12 MT Højgaard expands its Executive Board
26. 14.12.12 MT Højgaard gets new chairman
27. 21.12.12 Announcement concerning major shareholder

The Monberg & Thorsen Group
Market price and book value (DKK)



Information policy

Monberg & Thorsen's information policy is for all stakeholders to receive all price-relevant information on the various companies in the Group at suitable intervals and in a timely and efficient manner within the framework of the Nasdaq OMX Copenhagen A/S code of ethics. One of the ways in which this is achieved is by publication of interim financial reports and the holding of meetings for investors and financial analysts.

In order to ensure compliance with Nasdaq OMX Copenhagen A/S's rules, it has been decided that, for a period of three weeks before a planned interim financial report, Monberg & Thorsen:

- will not comment on analyst reports
- will not discuss financial issues with investors and analysts
- will not participate in meetings with investors and financial analysts.

Financial calendar for 2013

Annual General Meeting	10.04.13
Payment of dividend	16.04.13

Expected dates of announcement of interim financial reports:

Q1 2013	22.05.13
Q2 2013	28.08.13
Q3 2013	11.11.13

MANAGEMENT STATEMENT AND INDEPENDENT AUDITOR'S REPORT

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of Monberg & Thorsen A/S for the financial year 1 January – 31 December 2012.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements for annual reports of listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2012

and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2012.

In our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year, cash flows and financial position as well as a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

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

Søborg, 5 March 2013

Executive Board

Jørgen Nicolajsen
CEO

Anders Colding Friis
Chairman

Niels Lykke Graugaard
Deputy Chairman

Lars Goldschmidt

Curt Germundsson

Christine Thorsen

Henriette H. Thorsen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Monberg & Thorsen A/S**Independent auditor's report on the consolidated financial statements and the parent company financial statements**

We have audited the consolidated financial statements and the parent company financial statements of Monberg & Thorsen A/S for the financial year 1 January – 31 December 2012. The consolidated financial statements and the parent company financial statements comprise segment information, statement of cash flows, income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

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

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

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply

Copenhagen, 5 March 2013

KPMG

Statsautoriseret Revisionspartnerselskab

Jesper Koefoed

State Authorised Public Accountant

with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2012 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review

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

SEGMENT INFORMATION (DKK million)

	DYRUP		MTHøjgaard		Others, etc.**		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
Income statement								
Revenue			4,478	4,281			4,478	4,281
Gross profit (loss)			-29	37			-29	37
Operating profit (loss) (EBIT)			-233	-153	-12	-11	-245	-164
Finance income			12	9	7	10	19	19
Finance costs			-14	-10	-4	0	-18	-10
Profit (loss) before tax			-235	-154	-9	-1	-244	-155
Income tax			0	-35	-1	0	-1	-35
Profit (loss) after tax from continuing operations	-	-	-235	-119	-8	-1	-243	-120
Profit (loss) after tax from discontinuing operations	-12	-288	-	-	-	-	-12	-288
Profit (loss) for the year after tax	-12	-288	-235	-119	-8	-1	-255	-408
Balance sheet								
Intangible assets			68	56	-	-	68	56
Property, plant and equipment			296	342	-	-	296	342
Investments			162	119	-	-	162	119
Total non-current assets	-	-	526	517	-	-	526	517
Properties held for resale			278	434	-	-	278	434
Inventories			37	36	-	-	37	36
Receivables			1,037	1,431	6	7	1,043	1,438
Cash and cash equivalents and securities			161	182	454	463	615	645
Operations held for sale	-	1,236	-	-	-	-	-	1,236
Total current assets	-	1,236	1,513	2,083	460	470	1,973	3,789
Total assets	-	1,236	2,039	2,600	460	470	2,499	4,306
Share capital	-	110	101	101	-29	-139	72	72
Reserves, etc.	-	92	254	492	454	490	708	1,074
Total equity	-	202	355	593	425	351	780	1,146
Non-current liabilities	-	-	188	186	-	5	188	191
Current liabilities	-	-	1,496	1,821	35	114	1,531	1,935
Liabilities relating to operations held for sale	-	1,034	-	-	-	-	-	1,034
Total equity and liabilities	-	1,236	2,039	2,600	460	470	2,499	4,306
Cash flows								
From operating activities	-	-	-65	-123	-35	47	-100	-76
For investing activities	-	-	-6	48	168	0	162	48
From financing activities	-	-	-20	-34	-108	-2	-128	-36
From discontinuing operations	-	-195	-	-	-	-	-	-195
Net increase (decrease) in cash and cash equivalents	-	-195	-91	-109	25	45	-66	-259
Portion relating to inv. in property, plant and equipment	-	-	-31	-58	-	-	-31	-58

* Comprises 46% of MT Højgaard's figures.

** Others, etc., comprises the parent company and eliminations.

STATEMENT OF CASH FLOWS (DKK million)

PARENT COMPANY			GROUP	
2011	2012	Note	2012	2011
		Operating activities		
12.0	-12.1	Operating profit (loss)	-245.4	-163.5
		Non-cash operating items		
-	-	Depreciation, amortisation and impairment losses	58.6	64.4
-	-	Other	89.0	70.7
12.0	-12.1	Cash flows from operating activities before working capital changes	-97.8	-28.4
		Working capital changes		
-	-	Inventories	155.3	-166.4
30.1	65.5	Receivables excluding construction contracts in progress	334.9	-401.2
-	-	Construction contracts in progress	-137.9	367.5
105.2	-92.4	Trade and other current payables	-330.3	169.8
147.3	-39.0	Cash flows from operations (operating activities)	-75.8	-58.7
8.4	7.2	Finance income	17.0	14.7
0	0	Finance costs	-14.2	-9.6
155.7	-31.8	Cash flows from operations (ordinary activities)	-73.0	-53.6
-6.4	-3.2	Income taxes paid, net	-27.2	-22.7
149.3	-35.0	Cash flows from operating activities	-100.2	-76.3
		Investing activities		
-	-	Purchase of intangible assets	-11.9	-
-	-	Purchase of property, plant and equipment	-31.2	-57.5
-	-	Sale of property, plant and equipment	43.0	67.7
-	137.2	Acquisition/disposal of enterprises and activities	133.3	54
0	30.2	Purchase/sale of securities	28.4	32.0
0	167.4	Cash flows for investing activities	161.6	47.6
149.3	132.4	Cash flows before financing activities	61.4	-28.7
		Financing activities		
		<i>Loan financing:</i>		
-	-	Increase in non-current bank loans, etc.	-	-
-	-	Decrease in non-current bank loans, etc.	-20.4	-10.4
		<i>Shareholders:</i>		
-25.1	-107.5	Dividends paid	-107.5	-25.1
-25.1	-107.5	Cash flows from financing activities	-127.9	-35.5
-	-	Cash flows from discontinuing operations	-	-195.3
124.2	24.9	Net increase (decrease) in cash and cash equivalents	-66.5	-259.5
3.4	127.6	Cash and cash equivalents at 01.01.	-273.3	-13.8
-	-	Addition on divestment of activities	410.6	-
127.6	152.5	Cash and cash equivalents at 31.12.	70.8	-273.3
		consisting of:		
127.6	152.5	30 Cash and cash equivalents	238.0	271.1
-	-	Current bank loans	-167.2	-544.4
127.6	152.5		70.8	-273.3
-	-	Of which cash and cash equivalents in assets held for sale	-	-410.6

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

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

(DKK million)

PARENT COMPANY		INCOME STATEMENT		GROUP	
2011	2012	Note		2012	2011
		3	Revenue	4,478.0	4,281.4
		4	Production costs	4,507.0	4,244.4
			Gross profit (loss)	-29.0	37.0
23.0	-		Dividends from subsidiaries and jointly controlled entities	-	-
-	-	4	Distribution costs	58.1	61.9
11.0	12.1	4	Administrative expenses	158.3	138.6
12.0	-12.1		Operating profit (loss)	-245.4	-163.5
-	-	5	Share of profit after tax of associates	0.6	0.5
10.4	7.2	6	Finance income	18.8	17.9
338.6	20.7	7	Finance costs	17.8	9.5
-316.2	-25.6		Profit (loss) before tax	-243.8	-154.6
-0.1	-5.5	8	Income tax expense	-0.5	-34.1
-316.1	-20.1	41	Profit (loss) for the year from continuing operations	-243.3	-120.5
-	-		Profit (loss) for the year after tax from discontinuing operations	-12.2	-287.6
-316.1	-20.1		Consolidated profit (loss) for the year after tax	-255.5	-408.1
		10	Earnings per share (EPS) and diluted earnings per share (EPS-D), DKK	-71	-114

Profit for the year will be taken to equity

The Board of Directors will recommend a dividend of DKK 2 per share for 2012 for adoption at the Annual General Meeting on 10 April 2013.

PARENT COMPANY		STATEMENT OF COMPREHENSIVE INCOME		GROUP	
2011	2012	Note		2012	2011
-316.1	-20.1		Profit (loss) for the year	-255.5	-408.1
			Other comprehensive income:		
-	-		Foreign exchange adjustments, foreign enterprises	-1.6	-9.8
-	-		Value adjustments of hedging instruments	-1.4	-0.9
-	-		Tax on other comprehensive income	0	-1.8
-	-		Other comprehensive income after tax	-3.0	-12.5
-316.1	-20.1		Total comprehensive income	-258.5	-420.6

BALANCE SHEET AT 31 DECEMBER (DKK million)

PARENT COMPANY		ASSETS		GROUP	
2011	2012	Note		2012	2011
			Non-current assets		
			Intangible assets		
-	-	11	Goodwill	53.6	51.5
-	-	12	Trade marks and distribution rights	14.5	4.5
			Total intangible assets	68.1	56.0
			Property, plant and equipment		
-	-	13	Land and buildings	116.8	122.0
-	-	14	Plant and machinery	140.2	171.5
0	0	15	Fixtures and fittings, tools and equipment	37.1	40.8
-	-	16	Property, plant and equipment under construction	1.5	7.4
0	0		Total property, plant and equipment	295.6	341.7
			Investments		
0	-	17	Investments in subsidiaries	-	-
427.0	427.0	18	Investments in jointly controlled entities	-	-
-	-	19	Investments in associates	4.8	4.5
-	-		Receivables from associates	1.6	1.7
0	0	20	Other securities and equity investments	0	0
-	-	27	Deferred tax assets	155.5	113.2
427.0	427.0		Total investments	161.9	119.4
427.0	427.0		Total non-current assets	525.6	517.1
			Current assets		
			Inventories		
-	-	21	Inventories	36.4	35.7
-	-	22	Properties held for resale	278.7	434.2
			Total inventories	315.1	469.9
			Receivables		
-	-		Trade receivables	856.1	1,055.0
-	-	29	Construction contracts in progress	76.6	200.0
-	-		Receivables from associates	1.5	5.5
-	-		Receivables from jointly controlled entities	0.2	0.2
6.9	6.3		Other receivables	69.7	88.7
-	-		Payments on account to suppliers	4.6	52.3
-	-		Income tax	4.7	5.6
-	-		Prepayments	30.0	30.5
6.9	6.3	23	Total receivables	1,043.4	1,437.8
335.2	301.5	24	Securities	377.3	408.3
127.6	152.5	30	Cash and cash equivalents	238.0	237.3
469.7	460.3			1,973.8	2,553.3
202.0	-	41	Operations held for sale	-	1,236.0
671.7	460.3		Total current assets	1,973.8	3,789.3
1,098.7	887.3		Total assets	2,499.4	4,306.4

BALANCE SHEET AT 31 DECEMBER (DKK million)

PARENT COMPANY				GROUP	
2011	2012	Note		2012	2011
			Equity		
71.7	71.7	25	Share capital	71.7	71.7
-	-		Other reserves	-13.9	-10.9
800.9	773.6		Retained earnings	715.1	977.8
107.5	7.2		Proposed dividends	7.2	107.5
<u>980.1</u>	<u>852.5</u>		Total equity	<u>780.1</u>	<u>1,146.1</u>
			Non-current liabilities		
-	-	26	Bank loans, etc.	63.6	77.3
5.0	-	27	Deferred tax liabilities	5.6	7.2
-	-	28	Provisions	119.0	106.8
<u>5.0</u>	<u>-</u>		Total non-current liabilities	<u>188.2</u>	<u>191.3</u>
			Current liabilities		
-	-	26	Current portion of non-current liabilities	17.9	10.1
-	-	26	Bank loans, etc.	167.2	100.0
-	-	29	Construction contracts in progress	402.0	663.2
-	-		Prepayments received from customers	6.6	62.8
14.6	2.4		Trade payables	482.2	653.1
4.0	0.2		Income tax	23.5	14.5
95.0	32.2		Other payables	272.4	329.2
-	-		Deferred income	32.9	16.2
-	-	28	Provisions	126.4	85.9
<u>113.6</u>	<u>34.8</u>			<u>1,531.1</u>	<u>1,935.0</u>
-	-	41	Liabilities relating to assets held for sale	-	1,034.0
<u>113.6</u>	<u>34.8</u>		Total current liabilities	<u>1,531.1</u>	<u>2,969.0</u>
<u>118.6</u>	<u>34.8</u>		Total liabilities	<u>1,719.3</u>	<u>3,160.3</u>
<u>1,098.7</u>	<u>887.3</u>		Total equity and liabilities	<u>2,499.4</u>	<u>4,306.4</u>

STATEMENT OF CHANGES IN EQUITY (DKK million)

	Share capital	Retained earnings	Proposed dividends	Total
Parent company				
Equity at 01.01.11	71.7	1,224.5	25.1	1,321.3
Profit (loss) for the year		-316.1		-316.1
Proposed dividends		-107.5	107.5	0
Dividends paid			-25.1	-25.1
Total changes in equity	0	-423.6	107.5	-341.2
Equity at 01.01.12	71.7	800.9	107.5	980.1
Profit (loss) for the year		-20.1		-20.1
Proposed dividends		-7.2	7.2	0
Dividends paid			-107.5	-107.5
Total changes in equity	0	-27.3	-100.3	-127.6
Equity at 31.12.12	71.7	773.6	7.2	852.5

	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Attributable to Monberg & Thorsen	Attributable to non-controlling interests	Total
Group								
Equity at 01.01.11	71.7	-10.0	11.6	1,493.4	25.1	1,591.8	2.6	1,594.4
Profit (loss) for the year				-408.1		-408.1	0	-408.1
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			-9.8			-9.8		-9.8
Value adjustments of hedging instruments		-0.9				-0.9		-0.9
Tax on other comprehensive income		-1.8				-1.8		-1.8
Disposals, non-controlling interests							-2.6	-2.6
Proposed dividends				-107.5	107.5	0	-	0
Dividends paid					-25.1	-25.1	-	-25.1
Total changes in equity	0	-2.7	-9.8	-515.6	107.5	-445.7	-2.6	-448.3
Equity at 01.01.12	71.7	-12.7	1.8	977.8	107.5	1,146.1	0	1,146.1
Profit (loss) for the year				-255.5		-255.5	-	-255.5
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			-1.6			-1.6		-1.6
Value adjustments of hedging instruments		-1.4				-1.4		-1.4
Tax on other comprehensive income						0		0
Proposed dividends				-7.2	7.2	0		0
Dividends paid					-107.5	-107.5		-107.5
Total changes in equity	0	-1.4	-1.6	-262.7	-100.3	-366.0	-	-366.0
Equity at 31.12.12	71.7	-14.1	0.2	715.1	7.2	780.1	-	780.1

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NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 1

Accounting policies

Basis of reporting

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports of listed companies on Nasdaq OMX Copenhagen A/S and the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from the 2011 annual report apart from the fact that, with effect from 1 January 2012, we have implemented the standards and interpretations that became effective for 2012. This has not affected our recognition or measurement in the consolidated financial statements or the parent company financial statements.

Basis of consolidation

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

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

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

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

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

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

Presentation of discontinued/discontinuing operations

A discontinued operation is a component of an entity

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

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

Cash flows from the operating, investing and financing activities of discontinuing operations are disclosed in a note.

Business combinations

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

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

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

Non-controlling interests

Non-controlling interests are recognised initially either at fair value or at the proportionate share of the fair value of the acquiree's assets, liabilities and contingent liabilities at the acquisition date. The measurement of non-controlling interests is elected on a transaction-by-transaction basis.

Subsidiaries' items are fully consolidated in the consolidated financial statements. Non-controlling interests' proportionate share of profit for the year appears from the income statement. In the balance sheet, non-controlling interests are recognised as a separate component of equity, separate from equity attributable to equity holders of the parent.

Joint ventures

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

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

Foreign currency translation

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

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

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

Foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are recognised in the consolidated financial statements in other comprehensive income and in a separate translation reserve in equity.

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

Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts, interest rate swaps and similar instruments to hedge financial risks arising from operating activities or non-current financing.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as production costs as they occur.

Changes in the portion of the fair value of derivative financial instruments that is designated as and qualifies for recognition as a hedge of future cash flows is recog-

nised in other comprehensive income within a separate hedging reserve under equity. Income and expenses relating to such hedging transactions are transferred from the reserve in equity on realisation of the hedged item and recognised in the same item as the hedged item.

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

Leases

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

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

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

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

Government grants

Government grants include grants for projects, investments, etc.

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

Income statement

Revenue

In MT Højgaard, revenue represents completed construction contracts and construction contracts in progress, sale of development projects, and rental income.

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

Revenue from self-generated project development cases is recognised by applying the sales method. Revenue and profit from projects sold are recognised when delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

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

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

Production costs

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

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

Dividends from investments in the parent company financial statements

Dividends from investments in subsidiaries and joint controlled entities are credited to the parent company's income statement in the financial year in which they are declared. Dividends are recognised in operating profit, as Monberg & Thorsen is a holding company.

Distribution costs

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

Administrative expenses

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

The Group's share of profit after tax of associates

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

Finance income and costs

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

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

Income tax

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

Current tax comprises both Danish and foreign income taxes as well as adjustments relating to prior year taxes.

Until and including 2011, the parent company Monberg & Thorsen A/S was taxed jointly with the Danish subsidiaries (national joint taxation) in the Dyrup Group. Current Danish tax was allocated among the jointly taxed companies.

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

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

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

Trade marks, distribution rights, completed development projects and other intangible assets are amortised over their expected useful lives, which are 5-10 years.

Property, plant and equipment

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

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

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

The expected useful lives are 10-50 years for buildings, 3-12 years for plant and machinery and fixtures and fittings, tools and equipment, and 3-12 years for leasehold improvements.

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

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

Investments in associates in the consolidated financial statements

The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

or minus unrealised intragroup profits/losses, and plus goodwill.

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

Investments in the parent company financial statements

The parent company measures investments in subsidiaries and jointly controlled entities at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other investments

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

Other equity investments are measured at fair value at the balance sheet date.

Impairment of non-current assets

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

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

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

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

Inventories

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

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

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

Receivables

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

Construction contracts in progress

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

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

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

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

The individual construction contract in progress is recognised in the balance sheet in receivables or current liabilities, depending on the net value of the selling price less progress billings and recognised losses.

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

Prepayments and deferred income

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

Securities

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

Equity

Dividends

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

Hedging reserve

The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where

the hedged transaction has yet to be realised.

The reserve is dissolved on realisation of the hedged transaction, if the hedged cash flows are no longer expected to be realised or the hedging relationship is no longer effective.

Translation reserve

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

On full or partial realisation of the net investment, the foreign exchange adjustments are recognised in the income statement. The reserve is also dissolved in the criteria for effective hedging no longer exist.

Current tax and deferred tax

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

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

Deferred tax is provided for retaxation of previously deducted losses of jointly taxed and previously jointly taxed foreign subsidiaries in the event of the subsidiaries' being disposed of or withdrawing from the international joint taxation for the MT Højgaard Group.

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

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

Pension obligations

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

Provisions

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

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

Financial liabilities

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

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

Statement of cash flows

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

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

Cash flows from operating activities

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

Cash flows for investing activities

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

Cash flows from financing activities

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

Cash and cash equivalents

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

Segment information

Following the divestment of Dyrup at the start of 2012, the activities of the Monberg & Thorsen Group consist only of MT Højgaard, in which the ownership interest is 46%.

The annual report of MT Højgaard forms an integral part of Monberg & Thorsen's annual report and is therefore enclosed in Monberg & Thorsen's annual report. MT Højgaard's accounting policies follow the Group's accounting policies.

Like previous years, a segment overview is included, on page 18.

Financial ratios

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

DEFINITIONS OF FINANCIAL RATIOS USED

Operating margin (EBIT margin)	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Pre-tax margin	$\frac{\text{Profit before tax} \times 100}{\text{Revenue}}$
Return on invested capital incl. goodwill (ROIC)	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Average invested capital incl. goodwill}}$
Return on equity (ROE)	$\frac{\text{Profit after tax} \times 100}{\text{Average equity}}$
Invested capital	Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is calculated as the sum of equity, net interest-bearing deposit/debt and goodwill
Equity ratio	$\frac{\text{Equity, year end} \times 100}{\text{Liabilities, year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year attributable to equity holders of the parent}}{\text{Average number of shares}}$
Price earnings (P/E)	$\frac{\text{Market price, year end}}{\text{Earnings per share}}$
Payout ratio	$\frac{\text{Total dividends} \times 100}{\text{Profit after tax}}$

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

Note 2

Accounting estimates and judgements

Estimation uncertainty

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

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the Group are referred to in the group annual review under the section on risk factors and in note 35 on Financial risks.

Estimates that are material to the financial reporting primarily relate to the measurement of the selling price of construction contracts in progress, determination of guarantee commitments, assessment of the outcome of disputes, and recovery of deferred tax assets. The selling price of construction contracts in progress is measured on the basis of, among other things, expected remaining expenses and income. The outcome of disputes is assessed on the basis of, among other things, the stage of negotiations with the other party and an assessment of the likely outcome. Further details of special risks in MT Højgaard are provided in notes 2, 15, 23 and 26 in MT Højgaard's annual report.

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

Accounting policies

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

Note 3

Revenue

	GROUP	
	2012	2011
MT Højgaard (46%)	4,478.0	4,281.4
Total revenue	4,478.0	4,281.4

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

Note 4

Depreciation, amortisation and impairment losses

Intangible assets	-	-	1.9	1.3
Property, plant and equipment	-	-	56.7	63.1
Total depr., amortisation and impairm. losses	-	-	58.6	64.4
Depreciation, amortisation and impairment losses are included in:				
Production costs	-	-	54.0	60.7
Administrative expenses	-	-	4.6	3.7
Total depr., amortisation and impairm. losses	-	-	58.6	64.4

Fees paid to auditors appointed at the Annual General Meeting

Total fees to the auditors appointed by the shareholders in Annual General Meeting for the past financial year

KPMG	0.4	0.3	3.0	3.7
Ernst & Young	0.3	-	-	4.4
Total fees	0.7	0.3	3.0	8.1
Fees to KPMG				
Audit fees	0.4	0.3	1.9	2.1
Other assurance engagements	-	-	0.1	0.1
Tax and VAT advice	-	-	0.3	0.5
Other services	-	-	0.7	1.0
Total fees to KPMG	0.4	0.3	3.0	3.7
Fees to Ernst & Young				
Audit fees	0.1	-	-	2.6
Other assurance engagements	-	-	-	-
Tax and VAT advice	-	-	-	0.7
Other services	0.2	-	-	1.1
Total fees to Ernst & Young	0.3	-	-	4.4

Note 5

Associates

Share of profit after tax of associates of MT Højgaard	0.6	0.5
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Accounting information for MT Højgaard's associates is disclosed in note 13 of MT Højgaard's annual report

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

Note 6
Finance income

Securities - measured at fair value	8.6	6.3	9.6	11.8
Interest, cash and cash equivalents, etc.	1.8	0.9	7.2	5.1
Foreign exchange gains, etc.	-	-	2.0	1.0
Total finance income	10.4	7.2	18.8	17.9

Portion relating to subsidiaries - - - -

Interest, cash and cash equivalents, etc., relate to assets measured at amortised cost.

Note 7
Finance costs

Interest expense	-	0.1	10.7	8.5
Foreign exchange losses	-	-	3.5	1.0
Capital losses on securities	-	3.4	3.6	-
Impairment losses, etc., on investments in Dyrup	338.6	17.2	-	-
Total finance costs	338.6	20.7	17.8	9.5

Portion relating to subsidiaries - - - -

Interest relates to interest on loans measured at amortised cost.

Impairment losses, etc., on investments relate to the disposal of Dyrup, where the final determination of selling prices was made in 2012.

Note 8
Income tax

Current tax	0.7	-	39.5	19.3
Changes in deferred tax	-0.8	-5.5	-39.4	-52.7
Prior year adjustments	-	-	-0.6	-0.7
Total income tax	-0.1	-5.5	-0.5	-34.1

Reconciliation of tax rate (%)

Danish tax rate	25	25	25	25
Deviations in foreign enterprises' tax rates	-	-	-4	-3
Non-taxable items, etc.	-25	-2	-	-
Other, including prior year adjustments	-	-2	-21	-
Effective tax rate (%)	0	21	0	22

The effective tax rate was affected by tax on earnings outside Denmark, where the tax burden is higher than the Danish tax rate of 25%, discontinuation of the joint taxation with Dyrup, and the assessment of the tax assets, where tax loss carryforwards in MT Højgaard have not been fully capitalised, as described in note 18 in MT Højgaard's annual report, to which reference is made.

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

Note 9
Employee information

Wages, salaries and remuneration	11.6	6.6	1,005.3	1,256.4
Pension contributions (defined contribution)	0.1	-	73.4	100.6
Other social security costs	-	-	32.8	71.9
Total	11.7	6.6	1,111.5	1,428.8

Of which payroll costs in Dyrup represented DKK 360.7 million in 2011

The total payroll costs included salaries and remuneration to the parent company's:

Board of Directors	2.4	1.8	2.4	3.6
Executive Board	8.8	4.7	7.9	9.8

Average number of employees	2	2	2,158	3,213
Average number of employees, excl. Dyrup	2	2	2,158	2,181

Note 10
Earnings per share and diluted earnings per share

Profit (loss) for the year	-255.5	-408.1
Average number of shares	3,585,000	3,585,000
Average number of treasury shares	2,645	2,645
	3,582,355	3,582,355
Earnings per share (EPS) and diluted earnings per share (EPS-D)	-71	-114
Earnings per share (EPS) and diluted earnings per share from continuing operations	-68	-34

Note 11
Goodwill

Cost at 01.01.	51.8	131.5
Assets - Dyrup	-	-80.2
Additions	2.1	0.5
Disposals	-	-
Cost at 31.12.	53.9	51.8
Impairment losses at 01.01.	0.3	0.5
Impairment losses - Dyrup	-	-0.2
Impairment charge	-	-
Impairment losses at 31.12.	0.3	0.3
Carrying amount at 31.12.	53.6	51.5

The carrying amount of goodwill was tested for impairment at 31.12.12. Details of the impairment test are provided in note 11 in MT Højgaard's annual report, to which reference is made.

The impairment tests in 2012 and 2011 did not give rise to any write-downs of goodwill to recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Note 12				
Trade marks, distribution rights and other intangible assets				
Cost at 01.01.		8.2	120.5	
Assets - Dyrup		-	-112.3	
Value adjustments		0.6	-	
Additions		11.9	-	
Cost at 31.12.		20.7	8.2	
Amortisation at 01.01.		3.7	75.0	
Amortisation - Dyrup		-	-72.5	
Reclassifications		0.6	-	
Amortisation charge		1.9	1.2	
Amortisation at 31.12.		6.2	3.7	
Carrying amount at 31.12.		14.5	4.5	

The carrying amount of intangible assets was tested for impairment at 31.12.12. The impairment test, which did not give rise to any impairment losses in either 2012 or 2011, is described in detail in note 11 in MT Højgaard's annual report.

Note 13

Land and buildings

Cost at 01.01.	164.9	550.0
Assets - Dyrup	-	-354.1
Value adjustments	-	1.2
Additions	1.7	4.8
Disposals	-4.3	-37.0
Cost at 31.12.	162.3	164.9
Depreciation and impairment losses at 01.01.	42.9	119.4
Depreciation - Dyrup	-	-75.7
Value adjustments	-	1.2
Depreciation, disposals	-1.0	-5.7
Depreciation and impairment charge	3.6	3.7
Depreciation and impairment losses at 31.12.	45.5	42.9
Carrying amount at 31.12.	116.8	122.0
Mortgaged properties:		
Carrying amount:	36.6	37.2
Year-end balance, loans	25.6	27.5
Carrying amount of assets held under finance leases	4.7	4.9

Note 14

Plant and machinery

Cost at 01.01.	394.5	852.8
Assets - Dyrup	-	-449.1
Reclassifications	-0.3	-3.2
Additions	23.2	59.0
Disposals	-48.7	-65.0
Cost at 31.12.	368.7	394.5

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Depreciation and impairment losses at 01.01.			223.0	478.7
Depreciation - Dyrup			-	-248.6
Reclassifications			-0.1	-2.7
Depreciation, disposals			-31.0	-46.1
Depreciation and impairment charge			36.6	41.7
Depreciation and impairment losses at 31.12.			228.5	223.0
Carrying amount at 31.12.			140.2	171.5
Carrying amount of assets held under finance leases			44.1	31.3

Note 15

Fixtures and fittings, tools and equipment

Cost at 01.01.	0.1	0.1	131.2	360.4
Assets - Dyrup	-	-	-	-225.1
Reclassifications	-	-	0.3	-0.3
Additions	-	-	14.0	16.0
Disposals	-	-	-9.5	-19.8
Cost at 31.12.	0.1	0.1	136.0	131.2
Depr. and impairment losses at 01.01.	0.1	0.1	90.4	261.3
Depreciation - Dyrup	-	-	-	-170.7
Reclassifications	-	-	0.1	-0.8
Depreciation, disposals	-	-	-8.1	-17.1
Depreciation and impairment charge	-	-	16.5	17.7
Depr. and impairment losses at 31.12.	0.1	0.1	98.9	90.4
Carrying amount at 31.12.	0	0	37.1	40.8
Carrying amount of assets held under finance leases			10.4	9.7

Note 16

Property, plant and equipment under construction

Cost at 01.01.		7.4	20.1
Assets - Dyrup		-	-14.8
Additions		7.7	7.9
Disposals		-13.6	-5.8
Carrying amount at 31.12.		1.5	7.4

Note 17

Investments in subsidiaries

Cost at 01.01.	491.9	-
Disposals/reclassifications	-491.9	-
Cost/carrying amount at 31.12.	0	-

Investments in subsidiaries at 31.12.11 consist of Dyrup A/S with its registered office in Søborg and share capital of DKK 110.0 million, which is wholly-owned by Monberg & Thorsen A/S. In 2011, an agreement was made with American PPG on their acquisition of the shares in Dyrup A/S at the start of 2012. The investment has therefore been reclassified and accounted for as discontinuing operations. Detailed financial information about Dyrup A/S is disclosed in note 41.

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

An overview of the amounts recognised in respect of Dyrup in the consolidated financial statements is given in the segment overview on page 18.

Note 18

Investments in jointly controlled entities

Cost at 01.01.	427.0	427.0		
Cost/carrying amount at 31.12.	427.0	427.0		

The jointly controlled entity consists of the 46% ownership interest in MT Højgaard A/S, which has its registered office in Søborg. The share capital at 31.12.12 was DKK 220 million. In February 2013, the share capital was increased to DKK 520 million by way of a DKK 300 million cash injection, of which Monberg & Thorsen paid 46%.

MT Højgaard is a jointly controlled entity under an agreement entered into between the shareholders. MT Højgaard is therefore consolidated in the consolidated financial statements by proportionate consolidation. A detailed overview of the amounts recognised on a proportionate basis is given in the segment overview on page 18. Reference is made to the annual report of MT Højgaard, which forms an integral part of Monberg & Thorsen's annual report.

Note 19

Investments in associates

Cost at 01.01.		5.5	0.8
Additions		-	4.8
Disposals		-	-0.1
Cost at 31.12.		5.5	5.5
Revaluation/impairment losses at 01.01.		-1.0	-0.3
From the income statement		0.6	0.5
Disposals		-	-0.1
Other adjustments		-0.3	-1.1
Revaluation/impairment losses at 31.12.		-0.7	-1.0
Carrying amount at 31.12.		4.8	4.5

Accounting information for these companies is disclosed in note 13 of MT Højgaard's annual report.

Note 20

Other securities and equity investments

Cost at 01.01. and at 31.12.	0	0	0	0
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Note 21

Inventories

Raw materials and consumables		36.4	35.7
Carrying amount at 31.12.		36.4	35.7
Changes for the year:			
Cost at 01.01.		35.7	373.8
Assets - Dyrup		-	-340.3
Additions and disposals, net		1.2	2.2
Cost at 31.12.		36.9	35.7

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

Impairment losses at 01.01.		0	52.2
Impairment losses - Dyrup		-	-52.2
Impairment charge		0.5	-
Reversal of impairment losses		-	-

Impairment losses at 31.12.		0.5	0
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Carrying amount at 31.12.		36.4	35.7
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Value of inventories recognised at net realisable value		0.6	0.2
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Note 22

Properties held for resale

Cost at 01.01.		434.2	274.1
Additions		129.8	184.0
Disposals		-285.3	-23.9
Cost at 31.12.		278.7	434.2

Adjustments at 01.01.		-	-4.0
Reversal of impairment losses		-	4.0
Adjustments at 31.12.		-	0

Carrying amount at 31.12.		278.7	434.2
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Value of properties recognised at net realisable value		0	0
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Mortgaged properties:			
Carrying amount		2.6	55.6
Year-end balance, loans		0.3	18.2

Properties held for resale consist of undeveloped sites held with a view to project development activities, and completed dwellings for resale.

Note 23

Receivables

Receivables at 31 December 2012 totalled DKK 1.0 billion, primarily relating to MT Højgaard's activities. This figure includes disputed amounts. In the assessment of the amounts recognised, estimates have been made that are based on, among other things, external legal opinions and assessments of the likely outcome of the disputes.

Receivables falling due more than one year after the balance sheet date	-	-	7.5	12.2
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The fair value of receivables is deemed to correspond to the carrying amount, apart from the above non-current receivables, the fair value of which represents approx. 80%.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Note 24				
Securities				
Bonds	335.2	301.5	377.3	408.3
Carrying amount at 31.12.	335.2	301.5	377.3	408.3
Nominal holding	331.5	301.5	375.5	393.5
Bonds maturing more than one year from the balance sheet date (market value)	335.2	0	71.6	402.7
Maturity of bond portfolio (years)	1.0	0	0.5	1.1
Effective interest rate on bond portfolio (%)	2.6	2.6	1.3	2.8
Bonds deposited as security (market price)	-	-	9.6	9.7
Bonds recognised as registered assets in MTH Insurance a/s (quoted price)	-	-	66.1	63.4

The parent company and the Group measure the bond portfolio at fair value through profit or loss in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are monitored on an ongoing basis and reported at fair value.

Note 25 Share capital

There were no changes to the share capital in 2012 or the preceding four years

	A shares	B shares	Total
Share capital at 31.12.	15.4	56.3	71.7
Number of shares at DKK 20 per share	768,000	2,817,000	3,585,000

Note 26 Interest-bearing liabilities

Total interest-bearing liabilities can be broken down by commitment type as follows:

Bank loans, etc.	-	-	192.8	143.8
Lease commitments (assets held under finance leases)	-	-	55.9	43.6
Carrying amount at 31.12.	-	-	248.7	187.4
Interest-bearing liabilities can be broken down by currency as follows:				
DKK	-	-	239.0	172.1
EUR	-	-	9.7	14.9
Other	-	-	-	0.4
Carrying amount at 31.12.	-	-	248.7	187.4

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

Interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:

Fixed-rate debt	-	-	52.9	58.8
Floating-rate debt	-	-	195.8	128.6
Carrying amount at 31.12.	-	-	248.7	187.4

Interest-bearing liabilities can be broken down by effective interest rate as follows:

Less than 5%	-	-	244.0	173.7
Between 5% and 7%	-	-	2.5	10.1
More than 7%	-	-	2.2	3.6
Carrying amount at 31.12.	-	-	248.7	187.4

Weighted average effective interest rate (%)

Weighted average remaining term (years)

Interest-bearing liabilities are recognised in the balance sheet as follows:

Non-current liabilities	-	-	63.6	77.3
Current liabilities	-	-	185.1	110.1
Carrying amount at 31.12.	-	-	248.7	187.4

Fair value at 31.12.

The figures above do not include interest-bearing liabilities in Dyrup, which have been recognised in the item Liabilities relating to assets held for sale. Reference is made to note 41.

The fair value of financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.

Note 27 Deferred tax

Deferred tax, net, at 01.01.	5.8	5.0	-106.0	-77.5
Deferred tax - Dyrup	-	-5.0	-5.0	24.2
Changes through income statement	-0.8	-	-38.9	-52.7
Other	-	-	-	-
Deferred tax, net, at 31.12.	5.0	0	-149.9	-106.0

Deferred tax can be broken down as follows:

Deferred tax assets

Investments		0.5	0.7
Current assets		0.1	0.1
Non-current liabilities		33.9	19.8
Current liabilities		50.3	86.5
Tax loss carryforwards		133.4	58.1
Non-capitalised portion		-49.0	-

Deferred tax assets at 31.12. before set-off

Set-off within legal entities and jurisdictions (countries)

Carrying amount at 31.12.

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Deferred tax liabilities				
Intangible assets	-	-	3.1	4.5
Property, plant and equipment	-	-	1.2	10.8
Investments	5.0	-	0	5.5
Current assets	-	-	15.0	38.4
Deferred tax liabilities at 31.12. before set-off	5.0	-	19.3	59.2
Set-off within legal entities and jurisdictions (countries)	-	-	-13.7	-52.0
Carrying amount at 31.12.	5.0	-	5.6	7.2
Deferred tax, net, at 31.12.	5.0	-	-149.9	-106.0

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

The tax loss carryforwards may be carried forward indefinitely and are expected to be utilised against future earnings.

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

Note 28

Provisions

Provisions at 01.01.	192.7	102.1
Added during the year	103.5	105.8
Utilised during the year	-49.7	-14.9
Reversal of unutilised provisions	-1.1	-0.3
Carrying amount at 31.12.	245.4	192.7
Other provisions are recognised in the balance sheet as follows:		
Non-current liabilities	119.0	106.8
Current liabilities	126.4	85.9
Total	245.4	192.7
Expected maturity dates:		
Less than one year	126.4	85.9
Between one and two years	19.2	22.1
Between two and five years	67.9	61.1
More than five years	31.9	23.6
Total	245.4	192.7

Provisions comprise guarantee works, primarily relating to provisions for guarantee works on completed contracts and employee obligations, primarily consisting of business-related provisions for industrial injury cover that is covered under the MT Højgaard Group's self-insurance programme. A breakdown of the amounts is provided in note 19 in MT Højgaard's annual report.

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Note 29				
Construction contracts in progress				
Progress billings			3,339.0	4,282.9
Selling price of construction contracts			-3,013.6	-3,819.7
Construction contracts in progress (net)			325.4	463.2
Construction contracts in progress are recognised in the balance sheet as follows:				
Current liabilities			402.0	663.2
Receivables			-76.6	-200.0
Construction contracts in progress (net)			325.4	463.2

Note 30

Security arrangements

Guarantees have been provided in respect of:				
Subsidiaries	347.1	-	-	-
Customers	-	-	-	-
Bid bonds	-	-	40.6	3.4
Contracts and supplies in progress	-	-	1,032.8	1,164.4
Completed contracts and supplies	-	-	574.9	549.4
Total guarantees provided	347.1	-	1,648.3	1,717.2

The Group's guarantees relate mainly to MT Højgaard's activities, where normal security has also been provided in the form of bank guarantees, guarantee insurances and bond deposits as security for contracts and supplies.

Cash includes an amount of DKK 150 million deposited in an escrow account at 31.12.12 in connection with the disposal of Dyrup to cover guarantees and indemnities provided, see note 32.

Cash includes an amount of DKK 74 million deposited by the buyer in an escrow account on 31 December 2011 in connection with the acquisition of Dyrup. The amount was released at the start of 2012.

In addition, land and buildings have been lodged as security for bank loans, etc., see note 13.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Note 31				
Lease commitments				
Finance leases				
Total future minimum lease payments:				
Due within one year			13.9	10.7
Due between two and five years			47.7	37.4
Due after more than five years			0.3	1.4
Total			61.9	49.5
Carrying amount (present value):				
Due within one year			11.7	8.5
Due between two and five years			43.9	33.7
Due after more than five years			0.3	1.4
Total			55.9	43.6
Finance costs			6.0	5.8

Finance costs have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These are recognised in the income statement over the lease term.

Operating leases

Total future minimum lease payments:				
Due within one year	0.1	0.2	43.3	33.8
Due between two and five years	-	0.3	83.8	77.4
Due after more than five years	-	-	33.6	41.3
Total	0.1	0.5	160.7	152.5
Lease payments relating to operating leases recognised in the income statement	0.1	0.1	49.1	28.4

The Group's finance and operating leases primarily relate to vehicles and operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 12 years. None of the leases features contingent rent.

Note 32

Contingent assets and contingent liabilities

Indemnities

In relation to the divestment of Dyrup, Monberg & Thorsen has provided normal and customary guarantees to the buyer. The guarantees include a guarantee that Dyrup has been operating its business legally in every respect, i.e. that Dyrup has satisfied all laws and regulations in relation to, for example, working conditions, competition law, indirect and direct taxes, environment, etc. The principal guarantees relating to tax and environmental aspects have a term of up to seven years, i.e. until 5 January 2019. As collateral for the performance of these guarantees, Monberg & Thorsen deposited EUR 20 million of the sales proceeds in an escrow account on 5 January 2012.

Pending disputes and litigation

The MT Højgaard Group is involved in various disputes and legal and arbitration proceedings. In management's opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position. Further details are provided in note 23 in MT Højgaard's annual report.

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

Monberg & Thorsen A/S is not involved in any pending litigation.

Note 33

Related parties

The company has a controlling related party relationship with Ejnar og Meta Thorsens Fond.

Related parties with significant influence comprise the members of the companies' Board of Directors and Executive Boards.

The parent company's related parties also include subsidiaries and jointly controlled entities in which Monberg & Thorsen has control or significant influence. A list of the consolidated enterprises is given in note 40.

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

Management remuneration is disclosed in note 9.

The parent company did not have any balances with subsidiaries and jointly controlled entities at 31.12.2012.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 6 and 7.

The parent company's dividends from subsidiaries and jointly controlled entities are disclosed in the income statement.

Note 34

Joint ventures

Monberg & Thorsen owns 46% of MT Højgaard, which is a jointly controlled entity. Furthermore, the Group participates, via MT Højgaard, in the latter group's jointly controlled operations and jointly controlled entities. For further details, reference is made to note 25 to the enclosed annual report of MT Højgaard.

Jointly controlled entities are recognised in the consolidated financial statements by proportionate consolidation. The parent company measures the investment in the jointly controlled entity at cost.

A detailed segment specification of the amounts recognised in the consolidated financial statements in respect of MT Højgaard is given on page 18, to which reference is made.

Note 35

Financial risks

The Group's activities entail various financial risks that may affect its development, financial position and operations.

Risk management of financial risks in MT Højgaard is carried out independently by MT Højgaard.

There were no significant changes in MT Højgaard's risk exposure or risk management in 2012 compared with 2011. At corporate level, financial risks in 2012 primarily related to MT Højgaard, where, previously, they also related to Dyrup.

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

Currency risks

The Group endeavours to minimise currency risks by seeking to match income and expenditure and financial assets and liabilities so they balance with respect to currency.

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

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

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting.

In the consolidated income statement, the amount recognised amounted to an expense of DKK 4 million compared with income of DKK 5 million in 2011.

The open forward exchange contracts at 31 December 2012 had a remaining term of up to two years (2014).

Consolidated revenue for accounting purposes, denominated in foreign currencies, predominantly EUR, amounted to DKK 0.5 billion in 2012 compared with DKK 1.1 billion in 2011.

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

The hypothetical effect on consolidated profit for the year and equity of reasonable, probable increases in exchange rates against DKK is illustrated below. This is a purely mathematical calculation based on the net currency positions at year end

Currency	Hypothetical change	Group	
		Nominal position DKK million	Effect DKK million
EUR	1%	262.7	2.6
USD	5%	-28.5	-1.4
GBP	5%	-22.3	-0.8
NOK	5%	17.8	0.9
SEK	5%	-0.7	0

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

The sensitivity analysis was based on the financial instruments recognised at 31 December 2012 and an assumption of unchanged production/sales and price level.

Interest rate risks

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

Cash and cash equivalents and securities stood at DKK 615 million at the end of 2012 and were mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than two years at the end of 2012.

The Group's interest-bearing liabilities stood at DKK 249 million at the end of 2012, with short-term borrowings accounting for 74%. As Monberg & Thorsen does not have any interest-bearing liabilities, the figures reflect interest-bearing liabilities in MT Højgaard.

The average weighted remaining maturity of the Group's interest-bearing debt was 1.9 years, and the weighted average effective interest rate was 3.0%. Fixed-rate debt ac-

counted for 21% of the Group's interest-bearing debt.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 1.4 million decrease in the consolidated result for the year and consolidated equity at 31 December 2012 (2011: decrease of DKK 1.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Changes in cash flows: all other conditions being equal, the hypothetical positive effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash and cash equivalents, securities and debt would have been a DKK 3.5 million increase in the consolidated result for the year and consolidated equity at 31 December 2012 (2011: increase of DKK 3.4 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Credit risks

Credit risks are generally managed by regular credit rating of major clients and business partners. The Group has no material risks relating to a single customer or business partner.

The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as the Group requests security in the form of bank guarantees and guarantee insurance or similar to a considerable extent when entering into contracts with private clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.

Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients.

Write-downs included in receivables developed as follows:

Impairment losses at 01.01.	5.9	63.7
Impairment losses - Dyrup	-	-53.9
Adjustments for the year, net	0.3	-3.9
Impairment losses at 31.12.	6.2	5.9
Nominal value of written-down receivables	6.2	6.6
Receivables that were past due by more than 90 days at 31 December but not impaired	44.8	79.4
Security received in respect of receivables (fair value)	130.2	349.5

Liquidity risks

Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.

The Group's financial resources consist of cash, securities and undrawn credit facilities. At the end of 2012, financial resources stood at DKK 0.6 billion, excluding the amount deposited as collateral in respect of indemnities and guarantees in connection with the disposal of Dyrup. At 31.12.2011, financial resources stood at DKK 0.8 billion.

Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.

Of the Group's credit facilities, DKK 105 million in MT Højgaard is subject to financial covenants related to equity ratio and earnings. MT Højgaard violated these financial covenants in 2012, but has received a waiver in this respect.

NOTES TO THE FINANCIAL STATEMENTS (DKK million)

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011
Interest-bearing liabilities and trade payables can be broken down as follows:				
Interest-bearing liabilities, etc.	-	-	248.7	194.0
Trade payables	14.6	2.4	482.2	646.6
Derivative financial liabilities	-	-	2.6	6.5
Total carrying amount	14.6	2.4	733.5	847.1
The maturity profile for accounting purposes can be broken down as follows:				
Less than one year	14.6	2.4	668.3	766.4
Between one and two years	-	-	14.1	13.2
Between two and five years	-	-	37.8	41.2
More than five years	-	-	13.3	52.0
Total cash flows	14.6	2.4	733.5	872.8

Categories of financial instruments

Carrying amount by category:

Financial assets measured at fair value through profit or loss	537.2	301.5	377.3	411.6
Loans and receivables	134.5	158.8	1,193.7	2,686.9
Financial liabilities measured at fair value through profit or loss	0	0	2.6	1,040.5
Financial liabilities measured at amortised cost	109.6	34.5	1,045.8	1,508.5

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

The Group's securities are valued based on quoted prices (Level 1).

The Group's derivative instruments are valued at observable prices (Level 2).

Note 36

Capital management

The need for alignment of the Group's and the individual companies' capital structure is reviewed on an ongoing basis to ensure that the capital position complies with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The objective for the Group's equity ratio is 30-40%. At the end of 2012, the equity ratio was 31% compared with 27% at the end of 2011.

Note 37

New International Financial Reporting Standards and IFRIC Interpretations

The IASB has issued a number of standards and interpretations that are not mandatory for Monberg & Thorsen in connection with the preparation of the annual report for 2012:

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

	PARENT COMPANY		GROUP	
	2011	2012	2012	2011

IFRS 10 changes the criteria determining whether a company must be consolidated. IFRS 10 states that an investor must consolidate another company when it has de facto control of it, even though it does not hold the majority of the votes. We expect this standard to have an effect for the Group, but we have yet to determine the effect. The standard is effective for financial years beginning on or after 1 January 2014.

IFRS 11 relating to Joint Arrangements replaces IAS 31 Joint Ventures. In future, companies will no longer have a choice between proportionate consolidation and the equity method for jointly controlled entities. IFRS 11 divides Joint Arrangements into joint ventures (equity method) and joint operations (proportionate share of underlying assets and liabilities) based on both formal and substance-related factors. The change will not affect MT Højgaard's profit or equity, but may change the presentation of activities in which MT Højgaard is involved in joint ventures and jointly controlled entities. We have yet to determine the potential effect, if any, of this, and we are working on how to structure future activities of this type. After the implementation of the standard, the jointly controlled entity MT Højgaard, which is recognised in Monberg & Thorsen's consolidated financial statements using proportionate consolidation, is expected to be recognised as a joint venture, i.e. with consolidation in a single line. The standard is effective for financial years beginning on or after 1 January 2014.

IFRS 12 contains disclosure requirements relating to both consolidated and non-consolidated enterprises, joint ventures and associates. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014.

Note 38

Events after the balance sheet date

So far as management is aware, no events have occurred between 31 December 2012 and the date of signing of the annual report that will have a material effect on the assessment of the Monberg & Thorsen Group's financial position at 31 December 2012, other than the effects recognised and referred to in the annual report.

Note 39

Segment information

A detailed segment breakdown of the consolidated figures in the consolidated financial statements is given on page 18, and the integrated annual report of MT Højgaard A/S includes detailed information about its operations and performance.

Geographical breakdown of revenue and non-current assets

Revenue can be broken down as follows:

Denmark	3,506.0	2,992.4
Rest of world	972.0	1,289.0
Total	4,478.0	4,281.4

Non-current assets excluding deferred tax assets can be broken down as follows:

Denmark	295.2	286.0
Rest of world	75.0	117.9
Total	370.2	403.9

Note 40**Consolidated enterprises**

Companies at 31 December 2012

		Registered office	Ownership interest %	Share capital million	
Monberg & Thorsen A/S		Søborg DK		DKK	71.7
Jointly controlled entity					
MT Højgaard a/s	(J)	Søborg DK	46.00	DKK	220.0
Ajos A/S		Hvidovre DK	100.00	DKK	500
Enemærke & Petersen A/S		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforetning ApS		Ringsted DK	100.00	DKK	200
E&P Service A/S		Alb.lund DK	100.00	DKK	500
Greenland Contractors I/S	(J)	CpH. DK	66.66	DKK	-
Lindpro A/S		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greenland DK	100.00	DKK	2,000
MT (UK) Ltd.		England GB	100.00	GBP	25
MT Atlantic Inc.		USA US	100.00	USD	10
MT Højgaard Finland Oyj		Finland SU	100.00	EUR	80
MT Højgaard Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Højgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MT Qatar LCC	(1)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MT Højgaard Norge A/S		Norway NO	100.00	NOK	500
MTH Insurance A/S		Søborg DK	100.00	DKK	30,000
MTH Stål Vietnam Company Limited		Vietnam VN	100.00	USD	50
OPP Hobro Tinglysningsret A/S	(A)	Fred.berg DK	33.33	DKK	700
OPP Randers P-hus A/S	(A)	Fred.berg DK	33.33	DKK	4,410
OPP Vildbjerg Skole A/S	(A)	Fred.berg DK	33.33	DKK	500
OPP Ørstedskolen A/S	(A)	Fred.berg DK	33.33	DKK	2,400
OPS Frederikshavn Byskole A/S	(A)	Fred.berg DK	50.00	DKK	18,000
Scandi Byg A/S		Løgstør DK	100.00	DKK	3,000
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal PT	60.00	EUR	4,000

(A) Associates

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

(1) The company is fully consolidated on the basis of a shareholders' agreement that gives MT Højgaard A/S control of and the right to the financial return from the company's activity.

Note 41
Discontinuing operations - Dyrup Group

Discontinuing operations comprise Dyrup A/S with associated subsidiaries. In 2011, a binding agreement was made on the divestment of Dyrup with closing on 5 January 2012.

Dyrup has therefore been accounted for as a discontinuing operation. The annual report for 2011 and the comparative figures for the income statement and the statement of cash flows have therefore been restated. Dyrup's assets and liabilities were recognised in the balance sheet as Assets held for sale and Liabilities relating to assets held for sale.

INCOME STATEMENT (DKK million)

	2012	2011
Revenue	-	1,479.4
Costs and depreciation and amortisation	-	1,504.2
Special items relating to the implementation of the warehouse in Albi France	-	60.1
Profit (loss) before tax	-	-84.9
Income tax expense	-	20.4
Profit (loss) for the year	-	-64.5
Transfer from hedging reserve in equity as a consequence of the divestment	-	-13.4
Impairment losses after tax on classification as discontinuing operation	-	-165.7
Value adjustment after selling costs, etc., incurred	-17.2	-44.0
Adjustment of deferred tax relating to retaxation balances	5.0	-
Value adjustments for the year and profit (loss) after tax from discontinuing operations	-12.2	-287.6
Earnings per share (EPS) and diluted earnings per share (EPS-D) from discontinuing operations	-3	-80

BALANCE SHEET (DKK million)

	2012	2011
Intangible assets	-	128.8
Property, plant and equipment	-	555.8
Investments	-	66.8
Inventories	-	345.0
Receivables	-	271.5
Cash and cash equivalents	-	33.8
Write-down to estimated selling price	-	1,401.7
Assets held for sale	-	1,236.0
Non-current liabilities	-	71.6
Current liabilities	-	962.4
Liabilities relating to assets held for sale	-	1,034.0

CASH FLOWS (DKK million)

	2012	2011
Cash flows from operating activities	-	-130.3
Cash flows from investing activities	-	-68.1
Cash flows from financing activities	-	3.1
Total cash flows from discontinuing operations	-	-195.3

THE COMPANY'S FOUNDERS



Axel Monberg
1893 - 1971



Ejnar Thorsen
1890 - 1965



Monberg & Thorsen A/S

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Annual report 2012
MT Højgaard Group

Annual report 2012

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Group profile

The MT Højgaard Group is one of the leading contractors in the Nordic countries. The MT Højgaard Group has the size, experience and capabilities to deliver everything from small construction and civil engineering projects to very large, complex projects. We are organised into the company MT Højgaard and a group of specialised subsidiaries.

We provide services based on our strong capabilities, which, allied to our geographical footprint, expertise and strengths when it comes to managing special projects, give the Group a solid foundation both in Denmark and internationally.

Our history begins shortly after the First World War, when the two companies Monberg & Thorsen and Højgaard & Schultz had just been founded. The two companies merged in 2001, and the MT Højgaard Group became a reality.

We operate in relevant markets, both geographically and in terms of capabilities, and with our international business relationships we are able to form the relevant joint ventures and partnerships.

Our good reputation is based on satisfied customers achieved by focusing on quality and delivery reliability.

Summary

- A highly unsatisfactory result - a loss of DKK 512 million before tax
- Overall, the Group's subsidiaries made a positive contribution to the Group's result
- The poor performance reflected weak profitability on contracts entered into primarily before 2012, restructuring costs and terminations as well as substantial provisions for projects already handed over
- Geographical focus so that in future we will only take on new projects within our core activities in Denmark, Norway, Greenland, the Maldives and Qatar, while the business areas Steel Bridges and Offshore will also take on new projects in the rest of North West Europe, and the part-owned company Seth will primarily operate in Portugal, the Azores and Africa
- Strengthened risk management, tightened profitability requirements, processes efficiencies and alignment of MT Højgaard by cutting 150 salaried employee jobs
- New President and CEO and strengthened management team with effect in 2013
- In February 2013, the Group's owners increased the share capital by DKK 300 million in the form of a cash injection, strengthening our cash position and capital base
- New strategy for the Group expected to be approved in the second half of 2013. Long-term financial ambition remains a pre-tax margin of 5%

2012 results

Revenue was DKK 9.7 billion and the pre-tax margin -5.3%, in line with the most recent outlook of around -5%

The result before tax was a loss of DKK 512 million compared with a loss of DKK 335 million in 2011

Equity stood at DKK 771 million compared with DKK 1,289 million in 2011. The Group received a DKK 300 million cash capital injection in February 2013. The proforma equity ratio at 31 December 2012 was consequently 24.2% versus 22.8% in 2011

Cash flows from operating activities were an outflow of DKK 142 million against an outflow of DKK 268 million in 2011

No dividend is proposed

Outlook for 2013

For 2013, we expect revenue in the region of DKK 7 billion. The decline on 2012 reflects our tightened profitability requirements

We expect a small positive result before tax in 2013, which is a marked improvement on 2011 and 2012. The result may be impacted positively or adversely by the outcome of major disputes. The outlook is affected by weak profitability on the order portfolio

The order book stood at DKK 6.0 billion at the start of 2013, with DKK 4.9 billion for execution in the coming year

Consolidated financial highlights

Amounts in DKK million	2008	2009	2010	2011	2012
Income statement					
Revenue	11,171	9,087	8,303	9,307	9,735
Operating profit (loss) (EBIT)	327	290	94	-332	-507
Net finance costs and profit (loss) of associates	32	17	7	-3	-5
Profit (loss) before tax	359	307	100	-335	-512
Profit (loss) for the year	259	223	61	-261	-512
Balance sheet					
Share capital	220	220	220	220	220
Equity	1,442	1,610	1,618	1,289	771
Balance sheet total	5,276	5,504	4,698	5,654	4,433
Net interest-bearing deposit/debt (+/-)	513	824	337	-10	-190
Invested capital	1,010	880	1,281	1,299	961
Cash flows					
Cash flows from operating activities	536	485	-328	-268	-142
Cash flows for investing activities*					
<i>Net investments excl. securities</i>	-166	-159	-99	34	-9
<i>Net investments in securities</i>	-10	-362	337	69	-4
Cash flows from financing activities	-61	-69	-23	-72	-44
Net increase (decrease) in cash and cash equivalents	299	-105	-113	-237	-199
* Portion relating to property, plant and equipment (gross)	-215	-236	-241	-125	-68
Financial ratios					
Gross margin (%)	6.9	8.1	6.5	0.9	-0.6
Operating margin (EBIT margin) (%)	2.9	3.2	1.1	-3.6	-5.2
Pre-tax margin (%)	3.2	3.4	1.2	-3.6	-5.3
Return on invested capital (ROIC) (%)	30.7	30.7	8.7	-25.7	-44.9
Return on invested capital after tax (ROIC after tax) (%)	22.1	22.2	5.2	-20.0	-44.9
Return on equity (ROE) (%)	19.4	14.6	3.8	-18.0	-49.7
Equity ratio (%)	27.3	29.2	34.5	22.8	17.4
Proforma equity ratio (%) **	-	-	-	-	24.2
Proposed dividend, DKK million	50	50	50	0	0
Other information					
Order book, year end	9,461	7,455	9,222	8,751	6,042
Average number of employees	6,170	5,872	5,217	4,738	4,688

The financial ratios have been calculated in accordance with 'Recommendations & Financial Ratios 2010' published by the Danish Society of Financial Analysts, except for the financial ratio marked with **.

The financial ratios used are defined in note 1.

* Proforma equity ratio at 31 December 2012 includes DKK 300 million cash capital injection in February 2013. Further details are provided on page 21.

Focus on profitability

The result before tax was a loss of DKK 512 million compared with a loss of DKK 335 million in 2011. This was a highly unsatisfactory result, reflecting a poor performance in MT Højgaard, while the subsidiaries made an overall positive contribution to the consolidated result. As a consequence of the weak financial performance, our two owners increased the Group's equity by DKK 300 million in February 2013.

At the end of the year, we reviewed our portfolio of projects in progress. This led to provisions for both ongoing and previously handed over projects in all of MT Højgaard's business areas. In addition, the development in the fourth quarter on several previously contracted projects has led to considerable impairment charges. The consequence is a significantly poorer result than expected. Clearer, more stringent control mechanisms for financial tracking of the company's projects have now been put in place. In November, these were supplemented by measures to improve risk assessment on the projects we bid for. These measures are to assist the achievement of the Group's target of a pre-tax margin of 5%.

Strengthened organisation

In October, MT Højgaard's poor performance led to an alignment of the company, with 150 salaried employee jobs being cut. Following on from this, we made changes to MT Højgaard's organisation, establishing clear areas of responsibility and targets to be met in future, which will help to ensure a rigorous, thorough approach to and management of projects.

This also means that, going forward, MT Højgaard's organisation will have a strong skills platform in Denmark, and that we have focused our business, so that in future we will only have a permanent presence in Denmark, Norway, Greenland, Qatar and the Maldives, plus on selected steel bridge and offshore projects in North West Europe. We have a wealth of experience in these markets and are optimistic about our prospects.

Focus areas

We have an ambition to be among the leaders in the digitisation of construction and civil engineering in order to optimise projects and ensure we have the best methods for the benefit of our customers, our business partners and ourselves. In 2012, we therefore increased our investment in this area by improving skills and introducing new tools, including BIM (Building Information Modelling), so we are geared up to meet the demand we can see in the market and to provide our customers with the best lifecycle costing for their projects. In 2013, we will focus on systematising our investment in VDC (Virtual Design and Construction) in order to extract maximum value from it.

We share society's growing interest in Public Private Partnerships (PPP). Among the many advantages of these are a common interest in high quality and an idea

of costs well into the future. We have been collaborating in a PPP with DEAS for many years, and in 2012 we expanded this experienced team with the addition of three of Denmark's largest pension funds. Together, we are ready to invest up to DKK 5 billion in PPP projects for municipalities, regions and the state in the coming years.

We are a Group with great expertise and the will and desire to grow. The essentials are in place in the form of our talented, hardworking and loyal employees. Our injury rate is low for the industry and our customers express satisfaction with us in our customer surveys. Historically speaking, we have proved our worth countless times, among other things through the construction of important infrastructure, lifecycle costing on construction projects, and as a supplier of offshore foundations for wind farms. So, together with the new measures we are currently putting in place, we have a solid platform on which to build a strong, healthy Group.

For 2013, we expect revenue of approx. DKK 7 billion and a small positive result, as we have a number of orders with very low or no earnings in our order portfolio again in 2013. The result may be impacted positively or adversely by the outcome of major disputes.

Torben Biilmann
President and CEO

Operating review

Result for 2012 and measures implemented

The result for 2012 was considerably poorer than expected. The main reason was highly unsatisfactory earnings in MT Højgaard, where all six business areas performed far below expectations, whereas our subsidiaries matched expectations overall, making positive contributions to earnings.

The unsatisfactory earnings in MT Højgaard primarily reflected weak profitability on previously contracted projects, restructuring costs and terminations as well as substantial provisions for projects already handed over.

During the year, we put a variety of measures in place to boost MT Højgaard's earnings. These measures included management changes, strengthened risk management, tightened profitability requirements and processes efficiencies - especially in connection with tendering, purchasing and project management. These processes and requirements were tightened still further in November, after the new President and CEO took up his role.

Geographically, we have focused the business so that in future we will offer our core capabilities from four locations: Greenland, Norway, Qatar and the Maldives. The geographical market coverage of the Offshore and Steel Bridges business areas is limited to North West Europe.

We have also delivered savings in a number of areas with a view to improving our competitive position. As a result, MT Højgaard cut 150 salaried employee jobs in both the project organisation and staff functions in October. The organisation has been restructured in continuation of this alignment, with the establishment of clear areas of responsibility and targets.

The measures and cutbacks implemented have resulted in a number of non-recurring costs that depressed financial performance in 2012. The benefits of the measures implemented during 2012 concerning risk management and requirements applying to new orders, which were further tightened in November 2012, will not be felt in earnest until the coming years, as the order portfolio corresponds to almost one year's production.

In 2012, the Group delivered revenue of DKK 9,735 million, DKK 428 million ahead of 2011. A breakdown of revenue is given in the following overview.

Revenue - DKK million	2012	2011
Civil Works	843	890
Construction	3,471	3,265
International	843	575
Offshore	1,395	1,540
Project Development	268	105
Steel Bridges	367	475
Subsidiaries and jointly controlled entities	3,331	3,248
Eliminations/others	-783	-791
MT Højgaard Group	9,735	9,307

Civil Works

The business area Civil Works undertakes civil engineering projects involving specialist capabilities in bridges, roads, tunnels, sewerage and dewatering works and harbour and marine works in Denmark.

Civil Works' earnings were below expectations in 2012. This was because we were unable to generate the anticipated earnings on a number of previously contracted projects that have turned out to be more complex than expected.

We estimate the value of the Danish civil engineering market at almost DKK 39 billion, of which projects representing approx. DKK 15-18 billion are relevant to us. The Danish civil engineering market is still under pressure, although we see a small increase from 2012 to 2013.

The civil engineering market is more active around the metropolitan area than in the rest of Denmark. We are starting to see public sector investments in the civil engineering area, and the coming Femern link is providing projects in the form of related infrastructure assignments. Contracts won in 2012 included phase one of a number of bridges in connection with the Copenhagen-Ringsted line. This was the first in a series of tenders, and we are gearing ourselves up for consideration for some of the coming phases.

In West Denmark, we are still seeing a number of large motorway projects, which will be put out to tender in the coming years, and which we wish to be considered for. Until the end of 2013, we will continue work on the expansion of a three-kilometre stretch of the East Jutland motorway outside Vejle from four to six lanes.

Civil Works is experiencing growing activity in cloudburst protection in large municipalities. In 2012, there was civil engineering work within wastewater plants for DKK 3.3 billion in Denmark. We expect this figure to increase to DKK 6 billion in 2013, of which projects out for tender to a total value of approx. DKK 3 billion are relevant to us.

The higher number of projects led to a higher level of activity in 2012. In that connection we have an edge over other players by boasting capabilities in both earthworks, sewerage works and marine works, which are key capabilities on this type of project. We expect to participate in similar projects in 2013.

We expect a lower level of activity in 2013, but a better result than in 2012.

Construction

The business area Construction is involved in construction and refurbishment projects in Denmark. Capabilities range from residential, commercial and institutional construction to refurbishment, carpentry and concrete projects.

Construction fell short of expectations in 2012. This was partly because planned projects were started up by the client later than expected, and partly because we had to recognise impairment charges on a number of previously contracted projects due to factors such as estimating errors and inadequate management of in-house production, and because we incurred substantial provisions for guarantee works.

In 2012, we closed down offices in Åbenrå, Svendborg, Horsens, Silkeborg and Slagelse. The offices were closed as a result of our focused efforts to ensure greater uniformity in projects across the organisation, and because operating with fewer offices will save us substantial administrative expenses.

In recent years, the overall Danish construction market, including refurbishment, has remained stable at just over DKK 100 billion - although with a small increase. Of these projects, around DKK 49 billion is relevant to us.

In recent years, we have seen an increase in, especially, the number of refurbishment projects, but also a small increase in residential construction. Of the overall refurbishment market of approx. DKK 55 billion, projects totalling approx. DKK 25 billion are relevant to us, whereas, in the case of residential construction, projects for approx. DKK 1.5 billion out of approx. DKK 9 billion are of interest to us.

The refurbishment market is now bigger than the overall newbuild market. We expect that this trend will continue, as several generations' buildings have now become candidates for refurbishment. In the newbuild area, we expect a low or slightly downward trend in demand in the years ahead due to the weak economic development in Denmark.

The portfolio of projects currently consists of approx. two-thirds refurbishment projects and one-third newbuild projects. The refurbishment projects consist partly of concrete renovation, and partly of classic building refurbishment. In 2012, we won several large refurbishment projects, including the refurbishment of 544 terraced

houses in Albertslund, 22 apartment blocks in Lagedårdsparken in Holbæk, 18 apartment blocks in Egedalsvænge in Kokkedal, and the defences at Vestvolden and Dronning Alexandrine's Bridge.

Digitised collaboration with everyone involved has helped enable us to hand over high-quality construction projects. With digitised construction processes, we review the quality of our work to the minutest detail on an ongoing basis. Digital construction entails considerable advantages both to customers and to us as a construction company, as it optimises factors such as manhours, planning and material consumption, improving both efficiency and quality. Digital tools such as BIM can also help visualise, simulate and analyse a project to the benefit of both customer, end user and the business area. In 2012, we optimised our expertise in this area, so that we are equipped for future digital projects.

BIM is also a requirement on coming hospital projects. We won the first project put out to tender, a contract on The New University Hospital in Aarhus, scheduled for handover in 2014. Several hospital projects will be put out to tender in 2013, and we hope to win shares of these.

Another important digitisation area is the handover phase. In 2012, we implemented an electronic management system that contributed to a significant reduction in the number of defects on handover. Several construction projects have been handed over with zero defects, to the customers' great satisfaction.

Geographically, the highest level of activity is in the metropolitan area, especially in new building of large office properties and refurbishment of apartment blocks. In the Aarhus area, we are also seeing investments in head offices, schools and hospitals.

In 2012, we launched a new low-energy concept called Intellifarm® for pig housing units. The concept won the 2012 Agromek prize in the 'Livestock and pigs' category.

We expect a lower level of activity in 2013, but a considerably improved result.

International

The business area International has established itself in four selected countries: Greenland, Norway, Qatar and the Maldives. We also have civil engineering activities in a number of other countries that are still in progress. The Offshore and Steel Bridges business areas also operate outside Denmark. Their activities are reviewed under these two business areas.

In 2012, we focused our international activities, opting to have presence in a handful of countries only. Impairment charges on projects - including the previously mentioned Swedish bridges - and costs related to the closure of offices abroad meant that this business area delivered a lower result than expected.

Our primary focus in Greenland is mining activities, and in 2012 and the preceding years we carried out a number of field investigations and feasibility studies for mining companies with a view to mine establishment. We have developed strong capabilities and close collaboration with our customers over many years, and we are constantly developing and nurturing both. We expect that the many field investigations and feasibility studies will lead to direct mine establishment in the coming years and that we can win projects related to these. In 2012, we strengthened our presence in Greenland by merging our construction and mining activities in Greenland to enable us to make more efficient use of our expertise and resources. We expect a higher level of activity and a better result in Greenland in 2013 than in 2012.

In the Norwegian construction market, we expect a positive trend in the coming years in new building of schools and housing. We have established an office in Oslo and are undertaking construction projects in Oslo and the surrounding area. The overall construction market in this area is around DKK 40 billion, of which DKK 20 billion is relevant to us. In Norway, sustainability certification of houses is in focus, and the Norwegians have made good headway in the utilisation of BIM. In recent years, we have developed considerable expertise in both of these areas. In 2012, we handed over our first construction project in Norway in the form of a community centre in Hurum. We have also won three new projects in Norway for construction in 2013. We expect continued controlled growth in 2013.

In Qatar, our civil engineering activities are experiencing rapid growth due to GDP growth currently exceeding 15% annually. Qatar is about to embark on major development within, for example, infrastructure and marine works, for example harbour construction, water reservoirs and concrete projects - many projects are being accelerated due to the 2022 World Cup, which will be hosted by Qatar. We have good experience with this type of project. In 2012, we won a small project in Qatar, and we expect to expand our portfolio of projects in 2013.

We have had a presence in the Maldives for 13 years. Until 2012, most of our projects were for public sector clients and development funds such as DANIDA. Projects have primarily been harbour and coastal protection. In 2012, we won our first project for a private sector client - a bridge between two islands for a resort owner. We expect that this project will lead to new projects from business customers. One outcome of this project is that our result in the Maldives exceeded expectations. In 2013, several public sector harbour projects will be put out to tender, along with projects financed by funds. We have a clear expectation that we will be chosen for some of these due to our very solid experience in this type of project.

Overall in International, we expect a lower level of activity in 2013 than in 2012, but a considerably better result.

Offshore

The Offshore business area designs, supplies and installs foundations for offshore wind turbines off the coasts of North West Europe. Via the 12 offshore wind farms for which we have so far supplied foundations, we have supplied more offshore foundations than any other supplier in the world - 631 foundations, to be precise.

The execution of existing projects has exceeded expectations. However, significant costs on projects already handed over meant that our overall result was a loss.

In 2012, we completed the installation of foundations both for the Lincs wind farm off the UK coast and the Anholt offshore wind farm off the island of Anholt in Denmark. We completed the installation of 186 foundations, equivalent to 670 MW of green energy.

At the present time, we have no new projects in our order book for 2013. This was partly because a project we had expected to start up in 2013 has been postponed by the client. Furthermore, in 2011 and 2012, there was a general decline in the number of projects put out to tender due to energy policy decisions in the Northern European market.

The market potential for 2013 is expected to show a positive trend with more tenders of both UK and German projects. We also expect several earlier tenders to be put back out to tender. This is because the market started switching to larger turbines in 2012.

We expect a significantly lower level of activity in 2013, and another loss.

Project Development

The Project Development business area develops and builds residential, commercial and retail property projects in Denmark. Projects range from small-scale high-density/low-rise residential buildings to new districts with integrated housing, offices, institutions, shops and infrastructure. We carry out development both independently and in collaboration with site owners, developers and investors.

The result did not match expectations as we did not realise a number of planned sales of existing projects/sites.

We handed over Karlslunde Stationscenter and Nuuk Center in 2012 and sold the remaining 36 apartments in the Frederikskaj housing project in Copenhagen South Harbour.

In 2013, the focus will be on our existing sites in terms of either developing them or selling them. This applies, for example, to a number of sites in Copenhagen South Harbour, where interest has intensified in connection with Aalborg University's new campus in Teglnholm and the plans to accelerate the extension of the Metro to the South Harbour. In Jutland, our efforts will centre on developing our commercial sites in Risskov and Skander-

borg and a commercial/residential site at Horsensvej in Vejle.

Going forward, our Public Private Partnership (PPP) activities will be placed in Project Development. We expect increased activity in this field, especially as we entered into a collaboration agreement with DEAS and three pension companies in 2012. We are very positive about our future PPP prospects and the potential of the agreement entered into, as the advantages to public sector customers are many, partly in the form of a high product quality and knowing the longer-term operation and maintenance costs.

We expect a lower level of activity in Project Development in 2013 than in 2012, but a significantly better result.

Steel Bridges

The Steel Bridges business area builds all forms of bridges in steel, including suspension bridges, cable-stayed bridges and movable bridges, primarily in Northern Europe. We normally have 2-3 large projects and several small projects in our portfolio.

Our result in 2012 reflected various unforeseen issues on projects, which led to impairment charges and the business area failing to match expectations. We have cut back our presence and will primarily operate in Northern Europe in future.

In 2012, we installed the bridge sections on the Hardanger Bridge in Norway, and the finishing works are in progress. The bridge will open to traffic in 2013. We also undertook work on Odin's Bridge near Odense. Both the Hardanger Bridge and Odin's Bridge will be this business area's main projects in 2013.

In 2012, we experienced unforeseen delays on the fabrication and erection of the new bascule section on the Railway Bridge across Limfjorden. The bridge, which was supplied by our supplier in Poland, turned out to be defective and required extensive repairs.

We are experiencing interest in suspension bridges in Norway, a field in which we have extensive experience. We expect that this will lead to tenders in the coming years, and we are following developments closely with a view to remaining active in this market.

We expect a slightly lower level of activity in Steel Bridges in 2013, but a result considerably ahead of 2012.

Subsidiaries and jointly controlled entities

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

Ajos A/S

Ajos is one of the largest hire companies in Denmark specialising in equipment hire to the construction indus-

try. We also offer consultancy services in construction site set-up and hire out portable buildings. We primarily focus on activities that are characterised by a high degree of complexity and require specialist technical skills and a high service level.

Ajos' financial performance matched expectations in 2012.

During the year, we strengthened our position and specialised further in the product categories cranes, hoists, working platform, site offices and other types of site accommodation, construction power and lighting and portable buildings. At the same time, we divested telescopic loaders, as this product category is no longer part of Ajos' strategy.

The overall target for 2012 was to realign the business to projects requiring both modern equipment and a high level of technical skills. In continuation of Ajos' strategy, construction current and construction site set-up have been unbundled into independent business areas, as projects related to these two areas differ from projects related to other equipment hire.

In 2012, the market for equipment and hire of portable buildings was characterised by an unchanged level of activity, and hire prices were still under heavy pressure. However, the year featured several tenders of construction site set-up as separate contracts.

We expect the market for equipment hire for small projects to contract in 2013, but at the same time the outlook for hire of portable buildings and construction site set-up is more positive. We therefore expect a level of activity and result on a par with 2012.

Enemærke og Petersen A/S

Enemærke og Petersen constructs newbuilds and undertakes refurbishment, restoration and building maintenance in the residential and public sectors across Zealand and in Eastern Jutland. In-house production is a fundamental part of our construction project solutions.

The result for 2012 was in line with expectations. After experiencing a larger proportion of newbuild projects than normal in 2011, orders again reflected the normal project composition with a high proportion of refurbishment projects and a smaller proportion of newbuild projects, also reflecting the project composition in the market.

Contracts won in 2012 included a large EU tender for the refurbishment of 57 apartment blocks with 1,738 apartments in Vapnagaard in Elsinore. This DKK 530 million order was our largest ever. The project is estimated to take the next three years to complete and will secure work for around 100 employees during this period.

We have strengthened our position in East Jutland. It is our strategy to continue to expand our market shares in

this market, which offers the prospect of more refurbishment projects.

The subsidiary E&P Service also strengthened its market position. E&P Service undertakes maintenance work for customers such as large property companies and institutions.

We expect to win a share of the increased number of refurbishment projects and consequently expect a higher level of activity and result in 2013.

Lindpro A/S

Lindpro is one of Denmark's largest electrical installation companies with branches across the country and a subsidiary in Greenland. Activities range from Denmark's largest electrical contracts to small service assignments. Lindpro has electrical capabilities in a range of areas such as service, security, intelligent installations and energy optimisation.

The electrical installations market was stable in 2012, with volume remaining unchanged from 2011. Prices are still under intense pressure due to the many players. Where demand was previously within the commercial sector, public sector projects represent a relatively larger proportion than previously. Lindpro's level of activity and result were also on a par with 2011, matching expectations. The service and maintenance business, in particular, is developing positively. The pleasing result also reflected the fact that, in the last few years, we have streamlined our organisation and internal work processes, reducing our cost level.

In Greenland, we have acquired additional activities in electrical installations, strengthening our expertise and market coverage in this market.

In 2013, the focus will continue to be on profitable growth and our core capabilities electrical installations, service and security. Profitable growth will be ensured by, for example, continuously developing the business based on a good understanding of customer demand and needs as well as insight into market dynamics.

We expect a slightly rising level of activity and a slightly higher result for Lindpro in 2013.

Scandi Byg A/S

Scandi Byg is the leading Danish company for prefabricated modular buildings. At its factory in Løgstør, modules are assembled for homes, institutions, offices and laboratories. Cables are run; doors, windows, sanitary installations and kitchens fitted; walls rendered and painted; and roofing felt laid.

The market is still under pressure, and we have found it difficult to win new projects. As a consequence, we have aligned our business as we expect a considerable decline in production in the first quarter of 2013. The decline reflects the fact that Scandi Byg has grown rapidly in the past three years, partly due to a historically large order

in housing construction. This project will be completed in spring 2013, and the level will then revert to the previous years' level. Scandi Byg matched expectations in 2012.

In 2013, the focus will still be to sharpen our performance in our prioritised markets, but also in new segments such as healthcare, refurbishment and sustainability. Within precisely refurbishment, we are able to offer alternative solutions in the form of modular extensions. Several property companies have become aware of this, and we expect that this will lead to a number of projects in 2013.

At the same time, we expect to enter the Norwegian market in 2013, initially in collaboration with MT Højgaard, which already has a presence in Norway. The Norwegian market is characterised by the construction of prefabricated houses more than the Danish market, and this market therefore fits well with our modular concepts.

We expect a slightly lower level of activity and a lower result in 2013.

Greenland Contractors I/S (67%)

Greenland Contractors carries out construction projects and maintenance and service tasks at Thule Air Base for the US Air Force. The Greenland Home Rule participates in the collaboration via Greenland Holding A/S, which has a one-third stake in Greenland Contractors. We have been undertaking projects for Thule Air Base since 1952, and won our first service contract there in 1971. Since then, we have won all service contracts for the operation and maintenance of the base - most recently a ten-year contract from 2005.

The level of activity and earnings in 2012 outperformed expectations. For 2013, we expect a lower level of activity and result.

Seth S.A. (60%)

Seth specialises in harbour and marine works, civil engineering, construction and electrification. The company operates in the Portuguese market, on the Azores and in Africa. Customers consist of both private and public sector clients. Seth was formed by MT Højgaard in 1933. Today, MT Højgaard has a 60% stake while senior executives in Seth own the remaining 40%.

The Portuguese market is still marred by stagnation, and we experienced a decrease in revenue and an unsatisfactory result in 2012. Based on specific opportunities in Africa, we expect an increase in Seth's activities in 2013 and a positive result.

Strategic development

Customers today demand lifecycle cost solutions, dialogue and involvement to a much greater extent than previously, and they want us to be responsible for both the production process and the surroundings. We take these demands in our stride, because they fit well with what we consider important and are also prerequisites for us to be able to realise our vision.

The Group's vision is: "We will outperform industry standards through innovation and operational excellence – together with our customers". Our values are cooperation, respect and professionalism.

As a consequence of the Group's unsatisfactory result, we have begun preparing a new corporate strategy, which is expected to be adopted in the second half of 2013. The focus for the strategy will be the achievement of a pre-tax margin of 5% and gearing the company for a future listing.

Until this strategy is approved, we are working with five 'must-win battles' - a number of initiatives that are designed to help ensure the right basis for the Group's strategy. The five must-win battles are:

- control of operations
- employees, management, culture and values
- optimisation of projects and prices
- markets and customers
- group strategy

In addition, we continue to work on achieving the following three targets:

Raising our pre-tax margin to 5%

Our long-term financial ambition remains a pre-tax margin of 5%. This is realistic on the basis of a well-constructed and profitable portfolio of subsidiaries and a number of measures that will help strengthen MT Højgaard. These measures include:

- establishing a far more rigorous, thorough assessment of projects
- considerable focus on the composition of project portfolios
- considerably strengthening the management of individual projects
- simplifying the organisation, with greater focus on independent profit centres
- major management and organisational changes

Customer satisfaction rating of 76 out of 100

We are focused on delivering effective solutions for customer projects at the agreed price, on time and of the required quality. By engaging in open dialogue and by coordinating expectations, we want to exceed customer expectations by optimising areas such as timing, choice

of materials and maintenance, ensuring the customer the best lifecycle costs for the project.

In 2012, MT Højgaard had an overall customer satisfaction rating of 69 out of 100, so we consider the target of achieving a rating of 76 out of 100 to be realistic.

Our ambition is that this target should apply to the whole Group in future.

Employee satisfaction rating of 76 out of 100

In order to achieve a pre-tax margin of 5% and high customer satisfaction, we depend on having talented and committed employees. This means that existing and potential employees must find the company attractive, so we are focusing on employee development.

In 2012, MT Højgaard carried out an employee satisfaction survey among its salaried employees. As was to be expected, the outcome was lower than the outcome of the survey in 2010, as the company had had to restructure in 2012 and we said goodbye to many good colleagues as well as introducing many changes. The employee satisfaction rating was 66 out of 100 compared with 75 out of 100 in 2010. Management continues to focus on employee retention and implementing changes as appropriate, partly by involving employees. We will measure employee satisfaction again in spring 2013.

Our ambition is that this target should apply to the whole Group in future.

Focus on customers and projects

MT Højgaard and its subsidiaries have individual strategies focusing on the company's various customer groups and projects in order to optimise profitability.

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

- Competitive edge – securing competitive edge in the areas that are of real significance to our customers and make us stand out from our competitors
- Commercial excellence – strengthening the processes that underpin our business, including risk management and strategic development, to ensure that we make a positive difference to both our customers and ourselves
- Infrastructure – developing the right skills and systems, such as BIM (Building Information Modelling) and VDC (Virtual Design and Construction), providing the optimum platform for our business and sharpening our competitive edge
- Internationalisation – strengthening our core activities in selected markets in which we have built up positive experience and capabilities and developing our off-shore and steel bridge expertise in North West Europe

Strengthened organisation

In 2012, we strengthened our organisation to reflect our focus areas. This is based on a desire to create new and better frameworks for our efforts to become more competitive as a Group. As a result of the changes, we now have six business areas within MT Højgaard, which have clear aims and responsibilities. Responsibility for project compilation, pricing, contracting and performance is now centred in the individual business area or subsidiary.

In 2012, we narrowed our geographical footprint so that we are now concentrating on fewer markets. In future, we will only have a presence in areas or project types in which we have built up positive experience and capabilities. Our current strategy is to only take on new projects within our core activities in Denmark, Norway, Greenland, the Maldives and Qatar, while the business areas Steel Bridges and Offshore will also take on new projects in the rest of North West Europe, and the part-owned company Seth will primarily operate in Portugal, the Azores and Africa. However, we still have a number of projects in, for example, Sweden that are still in progress.

As a result of our international focus, we have strengthened our position in Greenland by bringing our MT Højgaard activities together in a single division, so that we are ready for expansion and opportunities as they arise. At the same time, closer cooperation between the former construction and mining departments that worked with and in Greenland will ensure that we take full ad-

vantage of synergies such as resources, local presence and the sharing of knowledge and networks. In addition, we have independent activities in Greenland through our subsidiary Lindpro and the part-owned company Greenland Contractors.

Current strategic focus areas in MT Højgaard

In 2012, we worked on a number of areas for development within MT Højgaard. The main improvements are:

- improved risk management
- savings on purchases
- upgrading of project management
- efficient processes, including the use of BIM and VDC

We have improved our risk management, enabling us to manage our risks better and reduce the number of errors. One way in which we are doing this is peer review of tenders, in which we involve relevant specialists from other parts of the organisation who critically review complex tenders and provide input concerning possible improvements and risks.

In November, we set up a contract council, made up of a number of appropriately qualified employees from, for example, the legal, finance and project organisations. The contract council is of key importance when it comes to ensuring that new orders have the right risk profile and fulfil the tightened earnings requirements.

Purchasing constitutes a large part of our costs. Buying

THE MT HØJGAARD GROUP

<p>MT HØJGAARD A/S</p> <p>carries out civil engineering, construction and refurbishment projects</p>	<p>AJOS A/S</p> <p>leases mechanical equipment</p>	<p>ENEMÆRKE & PETERSEN A/S</p> <p>carries out refurbishment and new build</p>	<p>GREENLAND CONTRACTORS I/S</p> <p>is responsible for operation at the Thule Air Base (67%)</p>
	<p>LINDPRO A/S</p> <p>carries out electrical installations and services work</p>	<p>SCANDI BYG A/S</p> <p>produces and builds industrial modular buildings</p>	<p>SETH S.A.</p> <p>carries out civil works in the area of marine works in Portugal and Africa (60%)</p>

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

bigger and better has already enabled us to make substantial savings in 2012. There is now a central department within the organisation with responsibility for all purchasing, which is undertaken by specialist buyers.

We can see that employees who complete our internal training programme for project managers, Academy, perform considerably better than those who do not. We have therefore increased the number of courses and ensured that new employees go through this training when they are appointed.

We have an ambition to be among the leaders in the digitisation of construction and civil engineering in order to optimise projects and ensure we have the best methods for the benefit of our customers, our business partners and MT Højgaard. In 2012, we therefore increased our investment in this area by improving skills and introducing new tools, including BIM (Building Information Modelling), so we are geared up to meet the demand we can see in the market and to provide our customers with the best lifecycle costings for their projects. BIM is both a method of describing the structures, components and materials of the building or installation plus their essential details and properties and an approach to the project that ensures that the right people receive the right project information at the right time. Our aims with BIM include:

- improving the quality and efficiency of the project
- improving all parties' understanding of design, overall economy and timescale
- reducing the need for revisions during the construction phase
- creating safer construction sites

Knowledge resources, organisation and management

Customers

Our work on creating solutions for our customers' projects revolves around ensuring a safe and efficient process. Quality, economy and perception must create a seamless, integrated solution. So we kick off each project with a close dialogue with the customer, because only when we know and understand the customer's expectations can we apply our knowledge and experience to provide suggestions for optimising the project based on the customer's expectations.

We continuously strive to improve customer satisfaction with the services and products we supply. We systematically measure customer satisfaction by sending out questionnaires each time we have completed a project with a value over a certain size. In addition, in 2012, we introduced a midway evaluation for the majority of our projects.

At the end of 2012, MT Højgaard had an average customer satisfaction rating of 69 out of 100. The target is 76. Among other things, our customer surveys show that customers' evaluation of our project managers and health and safety is generally very high. Project managers achieve very high scores in the areas of collaboration and dialogue, which are among our key priority areas.

Our ambition is to draw up a common target for customer satisfaction for the Group as a whole.

Processes, method development and new products

It is important for us to deliver customers' projects without defects or deficiencies. We are constantly working to optimise our efforts to avoid defects and deficiencies, for example through the use of an electronic management system, which has contributed to a significant reduction in the number of defects in delivery and a more efficient process.

In our Construction business area, this has among other things contributed to customers experiencing considerably fewer defects and deficiencies.

We have identified great potential in further improving our BIM skills and our aim is to be among the leaders in this field. BIM allows us to identify potential problems before they develop, consider options at an early stage so they can be implemented and create value, optimise schedules and avoid defects and deficiencies, among many other benefits. So, in 2012, we intensified our investment in BIM by developing skills and tools. This will benefit our customers, our business partners and ourselves.

In 2012, we launched Intellifarm®, a new low-energy concept for pig housing units. This concept is the result of several years of targeted development of new, smarter solutions to the farming industry's environmental and energy problems with cattle and pig housing units. The documented results of the newly developed

technologies are fattener pens with great energy savings and environmental improvements compared with traditional solutions, e.g. 60% energy saving on lighting, heating and ventilation and a 75% reduction in ammonia emissions both inside and outdoors. In 2012, we won the EU environmental award for our concept.

Employees

We depend on having satisfied and motivated employees.

In 2012, the Group had an average of 4,688 employees, compared with 4,738 in 2011.

In 2012, we were obliged to restructure MT Højgaard, cutting 150 salaried employee jobs. As a result, the company had fewer employees and fewer support functions. The adjustments to costs were made following on from the other initiatives put in place to turn MT Højgaard into a sound, competitive business.

The efficiency measures have affected all areas across all of MT Højgaard's business areas and began by eliminating duplication, optimising processes and aligning the organisation to our project portfolio.

In the wake of the many changes we have implemented, in September we decided to carry out a special mini-survey of employee satisfaction among our salaried employees. Compared with the last survey carried out in 2010, the satisfaction rating had fallen considerably from 75 out of 100 to 66 out of 100, which we think is understandable in view of the circumstances described above. We will carry out the next survey in 2013.

Due to a lack of projects, Scandi Byg has also aligned its organisation. Since 2009, the company has been working on a project for the housing associations KAB, Domea and 3B. This will be completed in spring 2013. In that connection we have had to say goodbye to 80 employees in total, both hourly-paid and salaried employees.

There were no large-scale alignments in the other subsidiaries.

Training

Analyses have shown that there is a clear connection between high performance and the completion of MT Højgaard's internal project manager programme, Academy. We have therefore optimised our investment in Academy, starting up extra courses, as a result of which a further 96 employees and managers have completed the first programme module. So far, around 600 of the company's 1,000 salaried employees have completed the first module. The long-term goal is for all the salaried employees to complete the course. In 2013, we expect that 140 employees will complete the first training module.

We have also improved our induction course, so new employees now get a more effective and detailed introduction. Among other things, this means that new em-

ployees complete the first module of Academy in connection with the induction course.

As we see considerable potential in the use of digital solutions such as BIM, in 2012 we ran a number of basic courses in BIM. The aim was to optimise the organisation to meet the increased demand we are expecting for BIM solutions and to reap the project planning benefits that BIM can help to provide for both the customer and MT Højgaard.

Management changes

On 1 November, Torben Biilmann took up the position as President and CEO of MT Højgaard. He comes from the role of CEO of NCC from where he has experience of executing a turnaround. He took over from Acting President and CEO Jørgen Nicolajsen, who has stepped down from MT Højgaard's Executive Board, but is still performing tasks for the Executive Board. Jørgen Nicolajsen was appointed as Acting President and CEO when Kristian May stepped down in March 2012.

Thorbjørn N. Rasmussen, COO, and Jens Nyhus, COO, both stepped down during the year.

Søren Ulslev has been appointed as COO of MT Højgaard from 1 March 2013. He will head Construction, Civil Works and Project Development and will be a member of MT Højgaard's Executive Board. Søren Ulslev comes from the position of director at PensionDanmark Ejendomme.

MT Højgaard's Executive Board will consequently consist of President and CEO Torben Biilmann, CFO Flemming Steen and COO Søren Ulslev.

Flemming Steen, CFO, will step down in summer 2013 at the latest.

Niels Lykke Graugaard joined the Board of Directors in April 2012 as Deputy Chairman, succeeding Jørgen Nicolajsen.

Torben Ask Overgaard, employee representative, resigned from the Board of Directors on 30 November 2012 on leaving the company.

The current Chairman of the Board of Directors, Helge Israelsen, has advised that he will not be standing for re-election at the Annual General Meeting in 2013. It is expected that Søren Bjerre-Nielsen will stand as candidate for the Board and will be proposed as Chairman of the Board.

Corporate social responsibility

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

The Group's CSR policy applies to all employees in MT Højgaard and all wholly-owned companies, while the principles apply to the whole Group. Based on the CSR policy, each company also has a number of independent policies that have been drawn up in relation to its strategy, focus area and organisation. As the various companies in the Group are very different in size and structure, they work independently with the areas to suit their needs as appropriate.

The CSR policy affirms our obligation to act ethically in the execution of our activities in relation to integrity, fairness and corporate social responsibility. We have integrated the UN Global Compact's ten principles in our CSR policy.

Our CSR policy consists of the following main elements:

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

Among other things, the policy states that we condemn bribery, forced labour and child labour and do not tolerate any discrimination. We handle CSR issues in a manner that ensures that all employees in MT Højgaard and the Group's wholly-owned companies and suppliers are aware of our positions and guidelines. We continuously ensure that our procedures and processes support the policy. All standards are integrated in the internal systems of the companies in question, and we conduct regular audits. These also cover our business partners.

In the following, we will report on policies, actions and results in the areas of injury prevention, which is part of employee rights, and the environment. Both prevention of injuries and the environment are essential areas in construction and civil engineering.

In the Group, we have positions on other CSR issues as well. However, we do not have a policy in this area and do not carry out planning, measurement and follow-up to the same extent. For example, we focus on training, recruiting and developing the construction and civil engineering employees of the future.

Prevention of injuries

We will do our best to prevent injuries and work-related illness by ensuring that our employees are trained and instructed to perform their work.

At MT Højgaard, we continuously strive to improve our health and safety performance to enable us to continue to carry out all work in a safe and responsible manner.

MT Højgaard and all our subsidiaries except for Lindpro are certified in accordance with DS/OHSAS 18001:2008. Lindpro expects to be certified in April 2013.

Work on injury prevention is carried out locally by the individual companies in the Group.

Actions, results and objectives

In 2012, we worked on improving the recording of incidents that in other circumstances might easily have led to an occupational injury but in which the employee was fortunate enough not to be injured (near misses). This allows us to take preventive measures to avoid similar incidents resulting in occupational injuries in future. We keep a central record of such incidents and put preventive measures in place where possible.

At MT Højgaard, we focus on drawing up local action plans so that we can address local problems closer to the source and thus make our health and safety action more relevant to the individual divisions.

Several of our subsidiaries are focusing on further developing their existing APV (workplace assessment).

In 2012, MT Højgaard had an injury frequency of 11.7 per one million hours worked. This is an increase on 2011, when it was 8.7. In 2012, MT Højgaard also had a target of reducing the number of lost time injuries involving 1-4 days' absence by 10%. We did not meet that target. We will continue to pursue this target in 2013.

As we focused MT Højgaard's geographical footprint in 2012 and therefore have fewer activities abroad, we expect a higher injury frequency in 2013. This is because the injury frequency has generally been lower on international activities than on our activities in Denmark. The target is therefore 15.

Environment

The Group wants to take care of the environment. The basis for our environmental measures is compliance with applicable legislation in the countries in which we operate and special requirements from our customers.

We want to ensure that our employees are always trained to perform their tasks in an environmentally sound manner.

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

MT Højgaard and Lindpro comply with the principles in the international standard DS/ISO 14001:2004.

Actions, results and objectives

We are working to reduce environmental impact at our construction sites and offices as well as in the completed buildings. Construction, building materials and the resulting waste have far-reaching consequences for the environment. We therefore endeavour to formalise our work on ensuring consideration for the environment and reducing our environmental impact.

The companies in the Group implement various activities that contribute to the improvement of our environmental performance.

At Scandi Byg in 2012 we converted from gas to district heat in the production halls at Himmerlandsvej, and in 2013 we will be replacing the existing lighting with a more up-to-date system equipped with lighting control.

At Enemærke og Petersen and Lindpro, we are currently replacing the car fleets with lower-energy vehicles.

We also focus on sustainability in the individual services we provide. Lindpro optimises energy consumption in existing buildings and provides energy advice when working on new buildings. Ajos's portable buildings meet the requirements of building regulation BR10/BR15. Ajos also advises on energy optimisation in connection with setting up and equipping construction sites and on drawing up green budgets and accounts.

Scandi Byg's prefabricated modular buildings save resources at all stages of the construction process. In addition, we use timber in the company as the load-bearing structure, which releases a great deal less CO₂ into the environment than other materials.

At MT Højgaard, we advise on the options for sustainable building and refurbishment, for example by using our energy calculations and green barometer, and we also offer construction certified in accordance with BREEAM certification (Building Research Establishment Environmental Assessment Method), DGNB (Deutsche Gesellschaft für Nachhaltiges Bauen) and LEED (Leadership in Energy and Environmental Design).

In 2012, MT Højgaard completed the first stage of Valby Maskinfabrik, which will be BREEAM-certified, and we are working on the Hurup Health Centre, which will be DGNB-certified. In addition to this, we are involved in a number of projects built in accordance with energy class 2015 and 2020 – including Novo Nordisk's head office.

We actively participate in the steering committee of Green Building Council Denmark and, in 2012, we made a number of presentations on sustainability and lifecycle costing.

At Ajos, we erected a further 150 cabins with heat pumps in 2012 and the same number with motion sensors. This has resulted in an annual electricity saving of over 50% in the cabins that have been fitted with heat pumps. Ajos has also bought 2,000 strip-light fittings for construction site lighting, copper-plated and with low-energy T5 tubes, which deliver an energy saving of 24% compared with older fittings, or 19 kW per hour.

In 2012, the use of double-sided printing at, among others, Scandi Byg and MT Højgaard, resulted in a reduction of 4% in the consumption of ordinary A4 paper. The reduction in 2011 was 11%.

At MT Højgaard, we intend to reduce the fuel consumption and CO₂ emissions from our company cars. One way in which we are doing this is by evaluating the lifecycle costs of company cars, so that maintenance and fuel consumption are included in the monthly performance that we use for the categorisation of cars that employees entitled to company cars can choose from.

In 2012, this meant that MT Højgaard reduced fuel consumption per kilometre for company cars by about 2%, as the average increase in mileage per litre was around 0.3 km per litre.

One of Lindpro's targets is to achieve and document energy savings corresponding to at least 10% of energy consumption (per employee in 2009) by the end of 2013 and to achieve and document a cut in CO₂ emissions corresponding to at least 20% of emissions (per employee in 2009) by the end of 2013. Achievement and documentation are proceeding to plan.

The whole Group continuously focuses on the potential for further energy optimisation.

Future employees

We consider it important to ensure a qualified workforce for future construction and civil engineering assignments. We therefore offer apprenticeships in various skilled trades, employ rotation engineers and interns and focus on how we can be instrumental in helping young people on their way with training inside the industry.

In 2012, we had around 8% of employees engaged in training, including those on apprenticeships and internships. The success criterion is 10% in so far as this is possible in relation to the economics, safety and quality of training courses offered.

In order to achieve this target, Enemærke og Petersen have collaboration agreements with vocational schools and selected housing associations and municipalities to ensure more apprentices, while Ajos is working together with Lindpro on taking on apprentices for limited periods with a view to giving them the part of the practical training that Ajos can offer.

In connection with an intensive four-month campaign to help young people into work or education, Employment Region Copenhagen & Zealand awarded Enemærke og Petersen a prize for its extraordinary efforts in recruiting young addicts or young offenders. The company took on 12 young people on trial and on work placements during the campaign and subsequently offered three of the young people permanent positions.

At the DM in skills, MT Højgaard was awarded a CSR prize for its work with disadvantaged young people. For more than three years, we have had a young man working for us, who was originally supposed to be here for three weeks as part of a project called 'Fællesskab med mere perspektiv' (Community with more perspective). The three weeks turned into three years.

Financial review

Financial review

In 2012, we delivered revenue of DKK 9,735 million and a highly unsatisfactory loss before tax of DKK 512 million, corresponding to a pre-tax margin of -5.3%.

The reported figures are in line with the most recent outlook for revenue and result before tax in our press release dated 22 January 2013, in which we lowered our 2012 profit outlook significantly.

The lower profit outlook was a consequence of a thorough review of the project portfolio, which resulted in increased provisions for both ongoing projects and projects already handed over. Impairment charges relate primarily to projects contracted before 2012.

The Group's owners - Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%) - have decided to increase the share capital by DKK 300 million. This was effected in February in the form of a cash injection, which therefore strengthened our capital base and cash position immediately. The proforma equity ratio at 31 December 2012 was 24.2%, an improvement of 1.4 percentage points on the start of 2012.

In the following, we comment on the financial performance for 2012 and the outlook for 2013 at Group level. More detailed information about each business area, subsidiary and jointly controlled entity is provided in the section 'Operating review' in the foregoing.

Income statement

The result for 2012 was considerably poorer than expected. The main reason was highly unsatisfactory earnings in MT Højgaard, whereas our subsidiaries matched expectations overall, making positive contributions to earnings.

The unsatisfactory earnings in MT Højgaard primarily reflected weak profitability on previously contracted projects, restructuring costs and terminations as well as

substantial provisions for projects already handed over.

During the year, we put a variety of measures in place to boost MT Højgaard's earnings. These measures included management changes, strengthened risk management, tightened profitability requirements and processes efficiencies - especially in connection with tendering, purchasing and project management.

We have also delivered savings in a number of areas with a view to improving our competitive position. As a result, MT Højgaard cut 150 salaried employee jobs in both the project organisation and staff functions in the autumn.

We have also focused our business geographically, so that in future we will offer our core capabilities from Greenland, Norway, Qatar and the Maldives. The geographical market coverage of the Offshore and Steel Bridges business areas is limited to North West Europe.

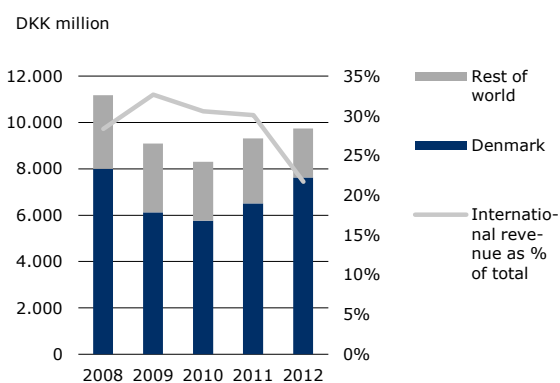
At DKK 9,735 million, consolidated revenue was up DKK 428 million, or 5%, on 2011. Revenue benefited from the sale of two property projects developed in-house.

Our international activities generated revenue of DKK 2,113 million in 2012, representing 22% of overall revenue versus 30% last year. The decline reflected a focusing of our international activities, resulting in a presence in fewer markets, and the fact that our offshore activities represent a lower proportion of international revenue in favour of domestic activities.

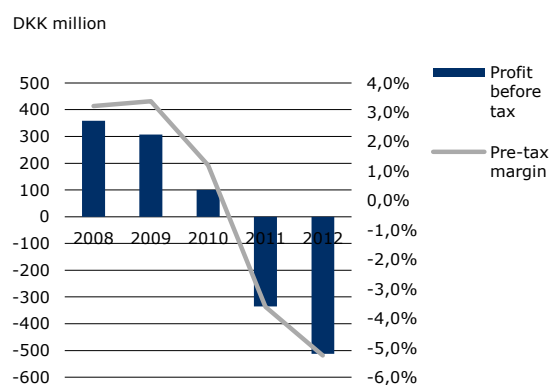
In 2012, the Group's operating result was a loss of DKK 507 million. In 2011, the operating result was a loss of DKK 332 million.

Civil Works' development during the year was affected by several downward adjustments on projects and a level of activity below expectations. The operating result for this business area in 2012 was a loss.

Revenue



Profit before tax and pre-tax margin



The result reported by the Construction business area was affected by many downward adjustments on previously contracted projects, significantly lower revenue than expected and considerable provisions for guarantee works. Overall, this business area contributed a significant loss.

The business area International was considerably affected by impairment losses on previously contracted projects and lack of revenue from the markets in which the Group no longer has a presence due to its geographical focusing. The level of activity within other activities was lower than anticipated. Overall, International's operating result was a substantial loss.

In Offshore, ongoing projects are performing satisfactorily, while considerable additional costs on remedying defects and on provisions for projects already handed over that are subject to pending disputes have led to Offshore unfortunately also making a substantial negative contribution to the operating result.

Project Development did not achieve the expected sales and therefore also reported a loss for the year.

The Steel Bridges business area was unable to achieve the expected revenue and recognised several major impairment losses on individual projects. This business area contributed a significant operating loss.

Furthermore, our administrative expenses were significantly higher than in 2011, reflecting considerable additional costs for restructuring and efficiency projects.

Our subsidiaries reported generally sound earnings again in 2012, contributing a considerable operating profit overall.

Due to the negative result, the operating margin (EBIT margin) was -5.2% in 2012 compared with -3.6% in 2011.

Net finance costs amounted to a net charge of DKK 5 million, in line with 2011.

The result before tax was a loss of DKK 512 million, a deterioration of DKK 177 million on 2011, reflecting the above factors. The pre-tax margin was -5.3% in 2011 versus -3.6% in 2011.

Income tax expense was nil. Income tax expense was affected by the fact that tax loss carryforwards have not been fully capitalised in the assessment of deferred tax assets. They have been capitalised based on expected positive earnings in the next 3-5 years. Non-capitalised deferred tax assets amount to DKK 106.6 million in the Group and DKK 132.5 million in MT Højgaard and relate to tax loss carryforwards that may be carried forward indefinitely. We expect that the value these represent may be recognised as income in future years, when the Group reports the necessary positive results.

The consolidated result after tax was a loss of DKK 512 million compared with a loss of DKK 261 million in 2011.

On the Buxton project - which relates to a cement factory built near the town of Buxton in the UK - our claims for extra payments are still the subject of international arbitration, and we still expect a positive outcome from the arbitration. In the financial statements no income has been recognised in respect of this case, which we expect will be decided in the course of 2013.

In the offshore industry, there are several disputes relating to allocation of liability pending due to problems with the original design standard (DNS-OS-J101) for offshore wind turbine foundations. The financial implications of remedying the problem could be substantial. Like other industry players, we have been using this design standard and therefore are also party to the problem. The challenges are referred to as the 'grout issue'. It is too early to predict the final outcome of the issue of allocation of liability and which technical solutions will be required. Against the background of external legal opinions, it is our opinion that we are generally in a strong position in the above cases. Our assessment of the liability issue has not changed in 2012.

Balance sheet

The balance sheet total has fallen by DKK 1,221 million since the start of the year. The balance sheet stood at DKK 4,433 million at 31 December 2012. The significant reduction reflected, among other things, the changed approach to the market and the resulting lower level of activity at the end of the year.

Our property, plant and equipment amounted to DKK 643 million compared with DKK 743 million at the start of the year. The decline was partly due to divestment of equipment in connection with the withdrawal from a number of markets abroad, and our generally cautious investment approach.

Inventories amounted to DKK 685 million at the end of the year, a fall of DKK 337 million, due mainly to the sale of two property projects being developed in-house at the start of the year.

Our trade receivables also fell markedly, by DKK 433 million, as a consequence of the falling level of activity, and stood at DKK 1,861 million at the end of the year.

The fall in equity and liabilities was due to the negative impact of the result for the year on equity, which stood at DKK 771 million at the end of 2012. The equity ratio was 17.4% at 31 December 2012. Equity was increased by DKK 300 million at the start of 2013 in the form of a cash injection by the owners. The proforma equity ratio at 31 December 2012 was therefore 24.2%, an improvement of 1.4 percentage points on the start of 2012.

Work in progress fell by DKK 568 million during the period under review, and trade payables also fell, by DKK

345 million, as a consequence of the falling level of activity.

The overall decrease in working capital was primarily funded by drawing on credit facilities, and the Group's net interest-bearing debt therefore rose by DKK 180 million, amounting to DKK 190 million at the end of 2012.

Our return on equity was -49.7% versus -18.0% in 2011.

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

Invested capital amounted to DKK 961 million at the end of 2012 compared with DKK 1,299 million in 2011. The return on invested capital before tax was -44.9% versus -25.7% in 2011.

Capital, cash position, financial position

Cash flows and financial resources

Cash and cash equivalents were DKK 199 million lower at the end of 2012 than at the end of 2011, standing at

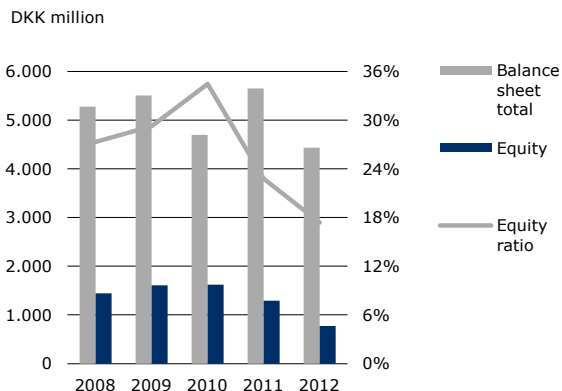
DKK -178 million at 31 December 2012.

The main draw on cash resources was the DKK 142 million cash outflow from operating activities compared with an outflow of DKK 268 million in 2011. Besides the loss for the year, operating cash flows were affected by significant changes in inventories, receivables, construction contracts in progress and trade payables. The changes reflected a lower level of activity, and the net effect was DKK 106 million.

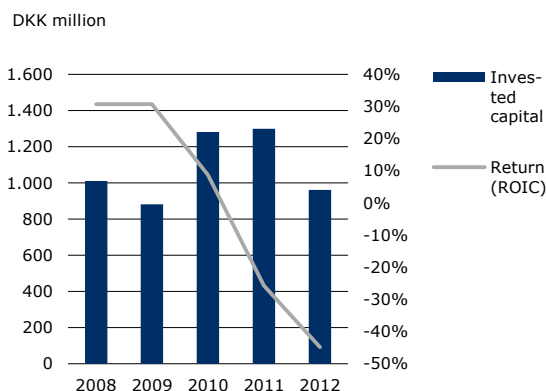
Investing activities absorbed DKK 13 million. In 2011, investing activities absorbed DKK 103 million. In addition, in 2012, the Group invested DKK 68 million gross in property, plant and equipment, compared with DKK 125 million in 2011. The proceeds from the sale of property, plant and equipment were DKK 94 million, providing an overall net contribution from property, plant and equipment of DKK 26 million. The cautious investment approach was a reflection of, among other things, the financial performance.

Financing activities absorbed DKK 44 million compared with an outflow of DKK 73 million in 2011. The amount

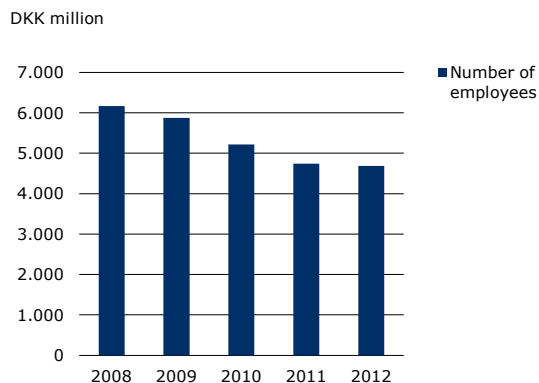
Balance sheet



Invested capital and return (ROIC)



Average number of employees



represents instalments and repayment of non-current bank loans.

Cash and cash equivalents decreased by DKK 199 million net in 2012 compared with DKK 237 million in 2011.

The Group's financial resources totalled DKK 620 million at 31 December 2012 compared with DKK 858 million last year. Financial resources are calculated as cash, including cash and cash equivalents in joint ventures and jointly controlled entities, securities and undrawn credit facilities. Of the total financial resources, DKK 371 million is available for use by MT Højgaard A/S. Our credit facilities are at the same level as last year, and the decline in financial resources mainly reflected the negative impact on cash and cash equivalents of operating activities and instalments on non-current bank loans. Since the end of the year, our cash position - and therefore our financial resources - has been strengthened significantly. In February 2013, the Group's owners made a DKK 300 million cash capital injection, and a settlement has been reached on a project, strengthening our cash position by a further DKK 100 million. Our financial resources are satisfactory in relation to the expected level of activity.

Order book

Our order book stood at DKK 6,042 million at the end of 2012, down 31% on the start of the year. The decline is a consequence of several measures put in place. We have tightened the profitability requirements for projects, and we select projects so that they match our capabilities and desired risk profile. In addition, we have narrowed our geographical market coverage.

Another reason for the decline in the order portfolio was that we did not have any projects in progress in the offshore area at the end of 2012. The profitability of the order book is affected by impairment losses on projects in progress and is therefore not at a satisfactory level.

DKK million	2012	2011
Order book, beginning of year	8,751	9,222
Order intake for the year	7,026	8,836
Production during year	-9,735	-9,307
Order book, end of year	6,042	8,751

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

Acquisition of activities

Our subsidiary Lindpro has acquired additional activities in Greenland, strengthening its capabilities and market coverage in the Greenland market.

The acquisition of these activities does not have any significant effect on consolidated revenue or the financial position.

Performance versus outlook

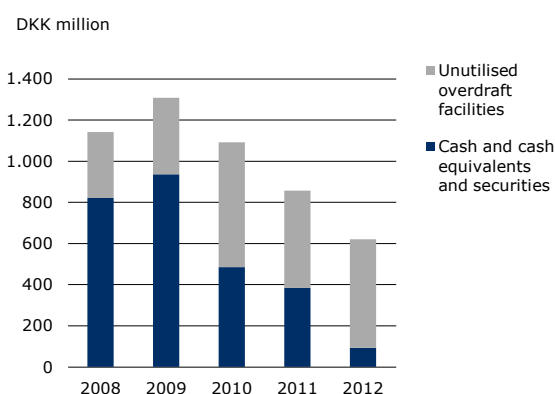
Revenue was DKK 9,735 million and the result before tax was a loss of DKK 512 million, corresponding to a pre-tax margin of -5.3%.

The revenue figure for 2012 was in line with the outlook. In the 2011 annual report, we expressed an expectation of revenue for 2012 on a par with 2011. In May 2012, we changed the outlook to slightly higher revenue than in 2011.

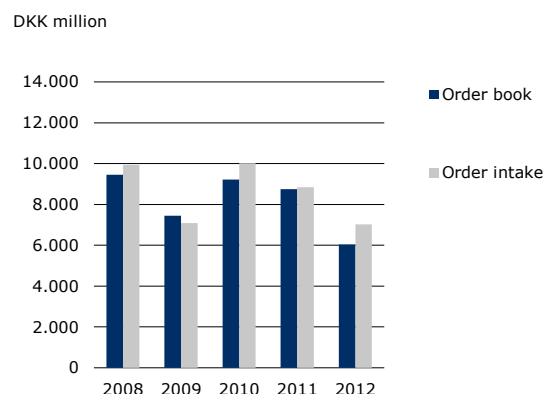
In the 2011 annual report we expected a profit. In May 2012, this outlook was changed to a pre-tax margin of around -1%, and, in November 2012, it was changed to a pre-tax margin of around -2%, and most recently in January it was changed to a pre-tax margin of around -5%, which is in line with the actual pre-tax margin.

The performance since the latest interim financial report in November 2012 is a consequence of the review of the

Financial resources



Order book and order intake



project portfolio, which has resulted in increased provisions for both ongoing projects and projects already handed over. The impairment charges relate primarily to projects contracted before 2012.

Outlook for 2013

Consolidated outlook

The order book stood at DKK 6,042 million at the start of 2013, down 31% on the start of 2012. The decline was the reflection of, among other things, our deselection of a number of international markets and our tightened profitability requirements for new projects. The profitability of the order portfolio is not satisfactory as it is affected by previously contracted projects with a low profitability. We expect to execute DKK 4.9 billion of our order portfolio in 2013. We expect that the measures put in place will raise the profitability of our order portfolio considerably in 2013 and 2014, which is a prerequisite for meeting our ambition of a pre-tax margin of 5%.

Tightened profitability requirements, fewer international activities, coupled with an expectation of very limited activity in the offshore area, mean that we expect revenue in the region of DKK 7 billion in 2013.

We expect a small positive result before tax in 2013. This is a consequence of two-thirds of revenue for the year being covered by the order portfolio, which includes orders with very low or no earnings. Consequently, we expect a substantial negative result in the first quarter of 2013, and do not expect the result to be positive until the second half of 2013. The result in 2013 may be impacted positively or adversely by the outcome of major disputes.

The result for 2014 will also be adversely impacted by the weak profitability of the current order book.

We expect that the Group's effective tax rate will be above the Danish tax rate.

We expect to maintain satisfactory financial resources in the form of cash and cash equivalents, securities and credit facilities, supported by the Group's owners - Højgaard Holding A/S and Monberg & Thorsen A/S, who have injected DKK 300 million in share capital after the balance sheet date, strengthening our cash position.

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

In the following, we have outlined our expectations for 2013 in greater detail.

Civil Works

For the Danish civil engineering market, we expect a small increase in 2013 compared with 2012. We see good project opportunities around the metropolitan area, in particular - including in connection with the Copenha-

gen-Ringsted line - but activity is also rising in cloudburst protection.

Overall, we expect the business area Civil Works to deliver slightly lower revenue and an improved result in 2013.

Construction

Overall, we estimate the Danish market for construction projects to be relatively stable, although with a shift from a falling newbuild market towards a growing refurbishment market.

We expect lower revenue for 2013, but a significantly better result.

International

The activities in International are undertaken from our four permanent locations. In Greenland, we focus on mining activities, and in Qatar and the Maldives, it is the market for civil engineering projects that appeals to us. In Norway, we have capabilities within construction projects.

We generally judge our potential in the markets in question to be positive, and we expect International to report lower revenue in 2013, but a considerably better result.

Offshore

We expect the market for offshore foundations to show a positive trend, with more tenders of both UK and German projects. Offshore projects generally take a long time to mature, and we therefore do not expect any significant revenue in this business area in the coming year. We expect that the result will be a loss, but significantly lower than in 2012, which was characterised by considerable costs for remedying defects.

Project Development

The activities in Project Development in 2013 will centre on development and sale from the existing portfolio of properties for resale, consisting primarily of development sites. Based on specific project opportunities, we expect revenue below 2012, but a better result.

Steel Bridges

We expect the market for large steel bridges in Northern Europe to be stable, and we are pursuing specific project opportunities in Norway, where we already have a presence.

We expect revenue to be slightly lower than in 2012, while we expect a considerably higher result.

Subsidiaries

Overall, we expect the subsidiaries to deliver revenue and results for 2013 in line with 2012.

For Ajos, we expect activity and result for 2013 on a par with 2012. We expect the market for equipment hire to contract in 2013, but that this will be offset by activities within the hire of portable buildings and construction site set-up.

Despite intense competition in the refurbishment market, we expect Enemærke & Petersen to report a small increase in activity and a better result in 2013. This is based on a good order volume and wider geographical coverage.

Lindpro's activity and earnings are expected to be slightly higher than in 2012. The electrical installations market is deemed to be stable, and Lindpro continues to focus on efficient, cost-conscious management of activities.

The outlook for Scandi Byg is for revenue and a result at a slightly lower level than in 2012. Scandi Byg ends spring 2013 with a historically large order in residential construction, and the level of activity will therefore subsequently fall.

Greenland Contractors expects activity and result at a slightly lower level than in 2012.

For Seth, we expect an increase in both activity and result. The background to this is specific project opportunities in Africa.

Risk management

Improved risk management is a key element of our efforts to become a profitable Group. For us, risk management does not mean avoiding all risks. It is about identifying, managing and assessing the risks we choose to take.

The greater our commitment, the greater our need to control and manage the risks in all phases of projects. Being able to do this is essential to the future of the Group and to our ability to choose the right projects.

Risk management in the Group involves:

- saying no to projects we cannot implement with an appropriate result
- incorporating risks in costings professionally
- managing and minimising risks throughout a project by planning and implementing preventive action

Risk management is the key to profitability

We have been working continuously to develop systematic risk assessment of new projects. This has not had the desired effect as we have been experiencing growing losses on projects and our operating margin has deteriorated. Consequently, at the start of 2012, we tightened our risk management and made sure that agreed procedures were complied with. This work was further enhanced at the end of 2012, when the Group's new President and CEO took up his role. As we still have a number of projects in our project portfolio that were contracted in 2011 or earlier, the effects of our tighter risk management did not filter through to the result for 2012.

The most important of the tightened risk management measures have been as follows:

- A paradigm for the areas in which we operate. One consequence we have already noticed is that we are now taking on significantly fewer projects than in previous years. This results in a slimmer order book and lower revenue, but a healthier operating economy
- We have established a far more rigorous, thorough assessment of new projects with the introduction of a contract council. Assessment covers all aspects of projects
- We now focus heavily on the composition of our project portfolio. Efficient ongoing management ensures that our portfolio matches the desired risk profile
- Management of individual projects has also been considerably enhanced to ensure that they develop as planned in terms of delivery times, quality and finances
- We take a firm approach to the management of problem projects to ensure that potential losses are minimised and every attempt is made to implement the projects efficiently

As the effects of these measures begin to filter through, the Group's profitability will improve significantly.

Paradigm for where the Group bids

Both generally and in terms of individual projects, we choose not to take on projects if they represent risks we are unable to cover. To manage this, we have developed a paradigm that clearly indicates the areas within which we bid and those that are excluded. The areas we take into account here include geography, markets, customers, project types, legal obligations and safety.

If we choose to proceed with a project within the paradigm and it still contains significant risks, they must be covered and hedged by additional earnings requirements. Otherwise, we do not bid.

Contract council

The Group submits a large number of tenders every year. This requires structured processes that cannot be just mechanical. They have to be able to take into account aspects such as how external factors are developing, and the nature and size of the tenders.

We have set up a contract council to screen our large number of projects at MT Højgaard. The contract council reviews and analyses all potential tenders over a certain size. The council was set up at the end of 2012 and is expected to assess between 5 and 10 proposals a month. The council evaluates all projects on the basis of criteria relating to earnings, risk and buildability.

Each business area carries out risk assessments and determines the price. The tender is subsequently evaluated by the contract council, which is able to approve or reject a bid and set conditions for it. The final decision on whether a tender will be submitted is made formally by the Executive Board and in some cases by the Board of Directors.

MT Højgaard has the following procedure for identifying and managing risks:

BIM limits risks

When we scrutinise a building project, applying our expertise at building using BIM (Building Information Modelling), and use the information in the BIM model, we reduce the risk of losing both time and money. Consequently, we have decided that BIM must be used on all MT Højgaard's projects in 2013.

Purchases

Our revenue largely consists of purchases of materials and subcontracts. To reduce our performance risks on such supplies, we work closely with our subsuppliers and usually enter into long-term strategic partnership agreements with them. Risks are mitigated by using standardisation and industrialisation with large purchase volumes. This requires us to focus on knowledge gathering and analysis of purchases.

Performance risk

The risks associated with the performance of projects particularly involve the nature of the task, its location, the skills/experience required and the specific solutions chosen.

In the initial phase of the project, we cover significant risks related to planning and ensure the right expertise is available for the task. Generally speaking, specific risk pools must be allocated to identified risks and a general risk reserve that varies according to the nature of the project.

The risks of the project are reviewed at least once a month. The review involves the preparation of specific action plans to manage these risks and the allocation of adequate funding.

We can also see a strong link between individual skills and the results generated in the performance phase. Consequently, we work constantly to improve the skills of our project managers. In 2012, we expanded our internal Academy in order to enhance proficiency and professionalism.

Experience gathering

We gather and analyse risks by means of systematic evaluation of projects. The purpose of the analyses is to become better at identifying risk areas and managing risks throughout the course of the project from sale to handover. In this way we secure knowledge that can improve our tendering process and performance by supporting risk assessment and management.

Disputes

On projects in which disputes or arbitration proceedings arise, it is essential for the recognition in the annual report for a specific legal and financial assessment to be made of each case. We make every effort, via dialogue and negotiations, to settle disputes before they escalate. For major disputes, external legal opinions are a fundamental part of the assessment.

Contract types

The level of risk we assume on a project is based partly on the complexity of the obligations we assume. Our projects range from small production projects to projects in which we manage all aspects from designing and building to taking responsibility for the results in the longer term, for example on PPP projects.

Our activities involve various types of contractual mechanism. This means that the level of risk may vary a great deal. These types of mechanism include different responsibility models. We strive to work on the basis of continuous charging, which allows price increases to be passed on to the customer. On procurement projects, usually with public sector customers, it is standard to have fixed-price contracts. Some contracts contain indexation clauses that make it possible to pass on a part of any changes in price.

Market conditions

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

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

Seasonal effects

Weather-related seasonal fluctuation presents a risk on many of the markets on which we operate. We have to manage this in relation to the distribution of income and results. This applies in particular to cold winters in which construction work cannot take place, for example in Scandinavia and Greenland. These projects typically have a slightly higher margin.

Risks on project development activities

The start-up of self-generated projects is subject to advance sale of a specific proportion of the project. When starting up several projects in parallel, we focus on balancing the overall risk. In the event of maximum exposure, new projects cannot be started up.

Other risk factors

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

Financial risks

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

Corporate governance

MT Højgaard A/S is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%). Both companies are listed on NASDAQ OMX Copenhagen and are therefore subject to the disclosure requirements to comply with a number of recommendations from the Committee on Corporate Governance or explain any non-compliance. The Group does not prepare specific reporting on Corporate Governance, and reference is therefore made to the respective owner companies' annual reports for details of each company's Corporate Governance.

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

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

Financial reporting process

The Group's accounting and control systems are designed to ensure that internal and external financial reporting gives a true and fair view without material misstatement, including that the accounting policies are suitable.

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

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

Control environment

The Board of Directors considers that management's approach is fundamental to good risk management and internal control in connection with the financial reporting process. The Board of Directors and the Executive Board therefore continuously endeavour to ensure good risk management and internal control in connection with the financial reporting process.

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

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

Risk assessment

The risk of errors in the items in the financial statements that are based on estimates or are generated through

complex processes is relatively larger than for other items. A risk assessment aimed at identifying such items and the extent of the associated risks is coordinated by the Executive Board.

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

Control activities

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

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

A separate controller function participates in project reviews in order to verify that the reporting of income and expenses on projects presents a true and fair view.

The assessment of claims and disputes recognised in the financial statements is based on assessments and reports from our internal legal department. In the case of major claims and disputes, external lawyers are involved in the assessments.

Lastly, procedures are in place for verifications, authorisations, approvals, reconciliations, analyses of results, IT application controls, and general IT controls.

Information and communication

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

Monitoring

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

The Group uses comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities

in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

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

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

Management
statement and
Independent
auditor's report

Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of MT Højgaard A/S for the financial year 1 January – 31 December 2012.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2012 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January - 31 December 2012.

In our opinion, the Management's review gives a fair review of the development in the Group's and the parent company's operations and financial matters, the results for the year, cash flows and financial position as well as a description of the significant risks and uncertainty factors pertaining to the Group and the parent company.

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

Søborg, 5 March 2013

Executive Board

Torben Biilmann
President and CEO

Flemming Steen
CFO

Søren Ulslev
COO

Board of Directors

Helge Israelsen
Chairman

Niels Lykke Graugaard
Deputy Chairman

Irene Chabior

Curt Germundsson

Hans-Henrik H. Hansen

Jens Jørgen Madsen

Jørgen Nicolajsen

Knud Rasmussen

Lars Rasmussen

Independent auditor's report

To the shareholders of MT Højgaard A/S

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

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard A/S for the financial year 1 January – 31 December 2012. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

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

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

Auditor's responsibility

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

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in

the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2012 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Statement on the Management's review

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

Copenhagen, 5 March 2013

KPMG

Statsautoriseret Revisionspartnerselskab

Jesper Koefoed
State Authorised
Public Accountant

Mona Blønd
State Authorised
Public Accountant

Executive Board

Executive Board



Torben Biilmann
President and CEO

Born 1956, MSc (Civil Engineering)

Other management positions:

- Executive Committee of the Confederation of Danish Industry (DI) (MB)



Flemming Steen
CFO

Born 1966, MSc (Economics and Business Administration) and MBA (F)

Other management positions:

- Seth S.A. (MB)



Søren Ulslev
COO

Born 1955, BSc (Engineering)

Other management positions:

- Verner Overgaards Familiefond (MB), Denmark
- Musikkens Hus (MB), Denmark
- Den Blå Planet (MB), Denmark

Board of Directors



Helge Israelsen

Chairman

Born 1948. MSc (Engineering). On the Board of Directors since 2009. Re-elected in 2011. Term of office expires in 2013

Other management positions:

- Højgaard Holding A/S (CB), Denmark
- DSB (MB), Denmark

Special expertise:

General business management



Niels Lykke Graugaard

Deputy Chairman

Chief Operating Officer, GEA Group AG

Born 1947. MSc (Engineering) and MSc (Economics). On the Board of Directors since 2012. Term of office expires in 2013

Other management positions:

- Monberg & Thorsen A/S (DCB)

Special expertise:

International and project-oriented management, strategic planning, mergers & acquisitions



Irene Chabior *

HR Development Consultant, HR

Born 1959. Primary and lower secondary school teacher and HRD. On the Board of Directors since 2001. Re-elected in 2005 and 2009. Term of office expires in 2013



Curt Germundsson

Executive advisor, FSN Capital

Born 1944. BSc (Mechanical Engineering), BSc (Business Economics). On the Board of Directors since 2008

Other management positions:

- Monberg & Thorsen A/S (MB), Denmark
- EFD Induction ASA (MB), Norway
- Bandak Group AS (MB), Norway
- DevPort AB (CB), Sweden
- Green Landscaping AB (MB), Sweden
- Executive advisor, FSN Capital AS, Norway
- Executive advisor, Celerant Consulting (Hitachi Consulting), London

Special expertise:

General and international business management, production management

*) Employee representative

(MB) Member of the board of directors

(CB) Chairman of the board of directors

(DCB) Deputy chairman of the board of directors



Hans-Henrik Hansen *

Manager, MT Højgaard Construction

Born 1968. MSc (Civil Engineering) and EBA. On the Board of Directors since 2009. Term of office expires in 2013

Other management positions:

Employee representative on the board of directors of Knud Højgaards Fond



Jens Jørgen Madsen

Born 1949. MSc (Economics and Business Administration). On the Board of Directors since 2009

Other management positions:

- VELUX A/S (CB), Denmark
- Sanistål A/S (DCB), Denmark
- Højgaard Holding A/S (DCB), Denmark
- Kirk Kapital A/S (MB)
- Memberships:
- Member of Advisory Board - Business and Social Sciences, Aarhus University

Special expertise:

General and international management, strategy development and implementation, international business development, mergers & acquisitions, economic and financial management, risk management



Jørgen Nicolajsen

President and CEO, Monberg & Thorsen A/S

Born 1958. State-authorized public accountant. On the Board of Directors since 2005

Special expertise:

Management and finance in a listed/international company, strategy, mergers & acquisitions, accounting issues



Knud Rasmussen *

Section Manager, Civil Works

Born 1953. BSc (Engineering). On the Board of Directors since 2009. Term of office expires in 2013



Lars Rasmussen

CEO, Coloplast A/S

Born 1959. BSc Engineering. On the Board of Directors since 2007

Other management positions:

- Højgaard Holding A/S (B)
- TDC A/S M(B), Denmark
- Chairman of the committee on labour market issues under the Confederation of Danish Industry (DI)

Special expertise:

International business management, stock exchange issues, risk management, efficiencies and internationalisation

Financial state- ments

Income statement and statement of comprehensive income

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
Income statement					
6,182.9	6,146.5	4	Revenue	9,734.7	9,307.4
-6,498.9	-6,587.3	5-6	Production costs	-9,797.8	-9,227.0
-316.0	-440.8		Gross profit (loss)	-63.1	80.4
-103.3	-92.2		Distribution costs	-126.3	-134.5
-129.2	-160.9	5-7	Administrative expenses	-317.8	-277.4
-548.5	-693.9		Operating profit (loss)	-507.2	-331.5
-	-	13	Share of profit (loss) after tax of associates	1.3	1.1
196.2	207.5	8	Finance income	25.1	16.3
-62.6	-28.4	9	Finance costs	-30.9	-20.8
-414.9	-514.8		Profit (loss) before tax	-511.7	-334.9
105.5	0.0	10	Income tax expense	0.0	73.9
-309.4	-514.8		Profit (loss) for the year	-511.7	-261.0
Proposal for distribution of profit					
-309.4	-514.8		Transfers to retained earnings		
-309.4	-514.8		Total		
Statement of comprehensive income					
-309.4	-514.8		Profit (loss) for the year	-511.7	-261.0
Other comprehensive income					
-	-		Foreign exchange adjustments, foreign enterprises	-3.4	-0.1
-	-		Share of other comprehensive income of associates	-3.2	-18.2
0.0	0.0		Tax on other comprehensive income	0.0	0.0
0.0	0.0		Other comprehensive income after tax	-6.6	-18.3
-309.4	-514.8		Total comprehensive income	-518.3	-279.3

Balance sheet

PARENT COMPANY		ASSETS		GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
			Non-current assets		
			Intangible assets		
50.3	50.3		Goodwill	116.6	112.0
2.9	0.0		Other intangible assets	31.5	9.7
53.2	50.3	11	Total intangible assets	148.1	121.7
			Property, plant and equipment		
50.6	48.1		Land and buildings	254.0	265.2
102.2	75.5		Plant and machinery	304.8	372.8
16.4	12.2		Fixtures and fittings, tools and equipment	80.7	88.7
0.0	0.0		Property, plant and equipment under construction	3.3	16.1
169.2	135.8	12	Total property, plant and equipment	642.8	742.8
			Other non-current assets		
367.5	362.8	13	Investments in subsidiaries	-	-
57.6	57.6	13	Investments in jointly controlled entities and associates	10.4	9.8
12.1	10.8		Receivables from associates	3.4	3.8
290.4	309.4	18	Deferred tax assets	338.0	246.1
727.6	740.6		Total non-current assets	351.8	259.7
950.0	926.7		Total non-current assets	1,142.7	1,124.2
			Current assets		
			Inventories		
1.9	1.9	14	Raw materials and consumables	79.3	77.6
650.9	504.3	14	Properties held for resale	605.8	944.0
652.8	506.2		Total inventories	685.1	1,021.6
			Receivables		
1,750.3	1,284.7		Trade receivables	1,860.8	2,293.4
354.2	96.4	20	Construction contracts in progress	166.7	434.7
265.5	124.3		Receivables from subsidiaries	-	-
12.0	3.2		Receivables from associates	3.2	12.0
0.4	0.4		Receivables from jointly controlled entities	0.4	0.4
20.2	35.8		Income tax	10.2	12.1
128.4	75.2		Other receivables	138.0	177.7
113.8	9.4		Payments on account to suppliers	10.1	113.8
59.3	62.8		Prepayments	65.2	66.4
2,704.1	1,692.2	15	Total receivables	2,254.6	3,110.5
21.0	20.9	16	Securities	164.8	159.0
145.2	70.7	33	Cash and cash equivalents	185.7	238.5
3,523.1	2,290.0		Total current assets	3,290.2	4,529.6
4,473.1	3,216.7		Total assets	4,432.9	5,653.8

Balance sheet

PARENT COMPANY		EQUITY AND LIABILITIES		GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
			Equity		
220.0	220.0		Share capital	220.0	220.0
-	-		Other reserves	-30.5	-23.9
783.1	268.3		Retained earnings	581.3	1,093.0
0.0	0.0		Proposed dividends	0.0	0.0
1,003.1	488.3		Total equity	770.8	1,289.1
			Non-current liabilities		
59.2	11.0	17	Bank loans, etc.	138.3	168.1
0.0	0.0	18	Deferred tax liabilities	12.2	4.8
129.9	134.3	19	Provisions	258.7	232.2
189.1	145.3		Total non-current liabilities	409.2	405.1
			Current liabilities		
3.1	10.9	17	Current portion of non-current liabilities	38.9	22.0
202.8	359.9	17	Bank loans, etc.	363.5	217.4
1,231.7	665.1	20	Construction contracts in progress	874.0	1,441.7
20.1	4.0		Prepayments received from customers	14.4	136.5
1,039.4	693.8		Trade payables	1,043.0	1,388.0
255.0	254.0		Payables to subsidiaries	-	-
20.5	37.9		Income tax	50.6	22.9
322.0	279.6		Other payables	522.3	509.2
31.8	44.2		Deferred income	71.5	35.2
154.5	233.7	19	Provisions	274.7	186.7
3,280.9	2,583.1		Total current liabilities	3,252.9	3,959.6
3,470.0	2,728.4		Total liabilities	3,662.1	4,364.7
4,473.1	3,216.7		Total equity and liabilities	4,432.9	5,653.8

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Statement of cash flows

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
			Operating activities		
-548.5	-693.9		Operating profit (loss)	-507.2	-331.5
199.7	191.2	30	Adjustments in respect of non-cash operating items, etc.	320.9	293.6
-348.8	-502.7		Cash flows from operating activities before working capital changes	-186.3	-37.9
			Working capital changes:		
-131.8	146.5		Inventories	337.7	-361.7
-790.7	769.8		Receivables excluding construction contracts in progress	585.7	-765.4
739.6	-308.8		Construction contracts in progress	-299.8	799.0
122.2	-465.4		Trade and other current payables	-517.6	140.4
-409.5	-360.6		Cash flows from operations (operating activities)	-80.3	-225.6
5.1	10.4		Finance income	21.2	13.6
-14.5	-18.4		Finance costs	-30.7	-20.8
-418.9	-368.6		Cash flows from operations (ordinary activities)	-89.8	-232.8
-14.0	-16.7		Income taxes paid, net	-52.0	-35.4
-432.9	-385.3		Cash flows from operating activities	-141.8	-268.2
			Investing activities		
0.0	0.0	34	Acquisition of enterprises and activities	-8.7	-1.1
0.0	0.0		Purchase of intangible assets	-25.9	0.0
-16.3	-4.2		Capital contributions to subsidiaries and associates	0.3	12.8
-40.9	-12.7	31	Purchase of property, plant and equipment	-67.9	-125.0
91.5	14.9		Sale of property, plant and equipment	93.5	147.2
185.5	196.0		Dividends from subsidiaries and associates	0.0	0.0
-35.2	0.0		Purchase of securities	-143.0	-103.0
123.5	0.0		Sale of securities	139.1	172.5
308.1	194.0		Cash flows for investing activities	-12.6	103.4
			Financing activities		
			Loan financing:		
0.0	0.0	32	Increase in non-current bank loans, etc.	0.0	0.0
-19.2	-40.3		Decrease in non-current bank loans, etc.	-44.5	-22.5
			Shareholders:		
-50.0	0.0		Dividends	0.0	-50.0
-69.2	-40.3		Cash flows from financing activities	-44.5	-72.5
-194.0	-231.6		Net increase (decrease) in cash and cash equivalents	-198.9	-237.3
136.4	-57.6		Cash and cash equivalents at 01-01	21.1	258.4
-57.6	-289.2	33	Cash and cash equivalents at 31-12	-177.8	21.1

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

Statement of changes in equity, parent company

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Proposed dividends	Total
2011				
Equity at 01-01	220.0	1,092.5	50.0	1,362.5
Profit (loss) for the year		-309.4	0.0	-309.4
Transactions with owners:				
Dividends paid			-50.0	-50.0
Total changes in equity	0.0	-309.4	-50.0	-359.4
Equity at 31-12	220.0	783.1	0.0	1,003.1
2012				
Equity at 01-01	220.0	783.1	0.0	1,003.1
Profit (loss) for the year		-514.8	0.0	-514.8
Transactions with owners:				
Dividends paid			0.0	0.0
Total changes in equity	0.0	-514.8	0.0	-514.8
Equity at 31-12	220.0	268.3	0.0	488.3

At 31 December 2012, MT Højgaard A/S's share capital amounted to DKK 220 million, which is fully paid up. The share capital is divided into shares of DKK 1,000. No shares carry special rights. Dividends distributed in 2012 amounted to DKK nil per share (2011: DKK 227.27).

Proforma equity at 31-12*	788.3
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* Proforma equity at 31 December 2012 includes DKK 300 million cash capital injection in February 2013.

Statement of changes in equity, Group

Amounts in DKK million

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
2011						
Equity at 01-01	220.0	-9.6	4.0	1,354.0	50.0	1,618.4
Changes in equity:						
Profit (loss) for the year				-261.0	0.0	-261.0
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			-0.1			-0.1
Share of other comprehensive income of associates		-18.2				-18.2
Tax on other comprehensive income		0.0	0.0			0.0
Total other comprehensive income	0.0	-18.2	-0.1	0.0	0.0	-18.3
Transactions with owners:						
Dividends paid					-50.0	-50.0
Total transactions with owners	0.0	0.0	0.0	0.0	-50.0	-50.0
Total changes in equity	0.0	-18.2	-0.1	-261.0	-50.0	-329.3
Equity at 31-12	220.0	-27.8	3.9	1,093.0	0.0	1,289.1
2012						
Equity at 01-01	220.0	-27.8	3.9	1,093.0	0.0	1,289.1
Changes in equity:						
Profit (loss) for the year				-511.7	0.0	-511.7
Other comprehensive income:						
Foreign exchange adjustments, foreign enterprises			-3.4			-3.4
Share of other comprehensive income of associates		-3.2				-3.2
Tax on other comprehensive income		0.0	0.0			0.0
Total other comprehensive income	0.0	-3.2	-3.4	0.0	0.0	-6.6
Transactions with owners:						
Dividends paid					0.0	0.0
Total transactions with owners	0.0	0.0	0.0	0.0	0.0	0.0
Total changes in equity	0.0	-3.2	-3.4	-511.7	0.0	-518.3
Equity at 31-12	220.0	-31.0	0.5	581.3	0.0	770.8
Proforma equity at 31-12*						1,070.8

* Proforma equity at 31 December 2012 includes DKK 300 million cash capital injection in February 2013.

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Notes

Note

1 Accounting policies

Basis of preparation, etc.

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

On 5 March 2013, the Board of Directors and the Executive Board discussed and approved the annual report of MT Højgaard A/S for the financial year 1 January – 31 December 2012. The annual report will be presented to the shareholders of MT Højgaard A/S for approval at the Annual General Meeting on 8 April 2013.

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

The accounting policies are unchanged from the 2011 annual report apart from the fact that, with effect from 1 January 2012, we have implemented the standards and interpretations that became effective for 2012. These have not had any impact on recognition and measurement for the MT Højgaard Group.

General

Basis of consolidation

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

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

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

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

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

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

Presentation of discontinued operations

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

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

Notes

Note

1 Accounting policies

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

Business combinations

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

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

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

Joint ventures

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

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

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

Foreign currency translation

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

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

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

Notes

Note

1 Accounting policies

Foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are recognised in the consolidated financial statements in other comprehensive income and in a separate translation reserve in equity.

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

Derivative financial instruments

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

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

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

Leases

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

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

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

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

Government grants

Government grants include grants for projects, investments, etc.

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

Income statement

Revenue

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

Revenue from construction contracts under which assets or plants with a high degree of individual customisation are supplied is recognised in the income statement by reference to the stage of completion so that revenue corresponds

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Note

1 Accounting policies

to the selling price of the work performed during the year (the percentage of completion method).

Revenue from self-generated project development cases is recognised by applying the sales method. Revenue and profit from projects sold are recognised when delivery has been made and risk has been transferred to the buyer and provided the income can be measured reliably and is expected to be received.

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

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

Production costs

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

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

Distribution costs

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

Administrative expenses

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

The Group's share of profit after tax of associates

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

Finance income and costs

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

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

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

Income tax

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

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

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Note

1 Accounting policies

The parent company MT Højgaard A/S is the management company for the Danish joint taxation and consequently settles all income tax payments to the Danish tax authorities.

Balance sheet

Intangible assets

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

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

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

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

Property, plant and equipment

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

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

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

Expected useful lives:

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

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

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

Investments in associates in the consolidated financial statements

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

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

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Note

1 Accounting policies

Investments in the parent company financial statements

The parent company measures investments in subsidiaries, jointly controlled entities and associates at cost, including direct costs of purchase. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Other non-current assets

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

Impairment of non-current assets

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

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

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

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

Inventories

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

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

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

Receivables

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

Construction contracts in progress

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

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

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

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1 Accounting policies

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

The individual construction contract in progress is recognised in the balance sheet in receivables or current liabilities, depending on the net value of the selling price less progress billings and recognised losses.

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

Prepayments and deferred income

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

Securities

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

Equity

Dividends

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

Hedging reserve

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

The reserve is dissolved on realisation of the hedged transaction, if the hedged cash flows are no longer expected to be realised or the hedging relationship is no longer effective.

Translation reserve

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

The reserve is dissolved on disposal of foreign entities or if the criteria for effective hedging are no longer met.

Current tax and deferred tax

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

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

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

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Note

1 Accounting policies

be relevant.

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

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

Pension obligations

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

Provisions

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

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

Financial liabilities

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

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

Statement of cash flows

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

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

Cash flows from operating activities

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

Cash flows from investing activities

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

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Note

1 Accounting policies

Cash flows from financing activities

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

Cash and cash equivalents

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

Financial ratios

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

Definitions of financial ratios used:

Gross margin	=	Gross profit/Revenue
Operating margin (EBIT margin)	=	Operating profit (EBIT)/Revenue
Pre-tax margin	=	Profit before tax/Revenue
Return on invested capital incl. goodwill (ROIC)	=	EBIT/Average invested capital incl. goodwill
Return on invested capital incl. goodwill after tax (ROIC after tax)	=	EBIT - tax on EBIT (EBIT has been adjusted for non-operating income and expenses and net interest after tax)/Average invested capital incl. goodwill
Return on equity (ROE)	=	Profit after tax/Average equity incl. non-controlling interests
Equity ratio	=	Equity incl. non-controlling interests, year end/Liabilities, year end
Proforma equity ratio	=	Calculated as above with the addition of DKK 300 million injection of equity
Invested capital	=	Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill

Notes

 Note

2 Accounting estimates and judgements

Estimation uncertainty

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

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

It may be necessary to revise previously made estimates due to changes in underlying factors or due to new knowledge or subsequent events.

Estimates that are critical to the financial reporting are primarily made in connection with measurement of the selling price of construction contracts in progress, determination of guarantee commitments, assessment of the outcome of disputes, and recovery of deferred tax assets. Key accounting estimates are also made when assessing the need for impairment charges in connection with the recognition of equity investments and goodwill.

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

Construction contracts, including disputes

The recognition and measurement of work in progress are based on an assessment of the stage of each project and expectations concerning the remaining progress towards completion of each contract, including the outcome of disputes. The assessment of stage, income and expenses, including disputes, is made jointly by the Executive Board and the project management on a project-by-project basis.

The assessment of disputes relating to extra works, extensions of time, demands concerning liquidated damages, etc., are based on the nature of the circumstances, knowledge of the client, the stage of negotiations, previous experience and consequently an assessment of the likely outcome of each case. For major disputes, external legal opinions are a fundamental part of the assessment.

Estimates concerning the remaining progress towards completion depend on a number of factors, and project assumptions may change as the work is being performed. Likewise, the assessment of disputes may change as the cases proceed.

Actual results may therefore differ from expectations. This was the case in 2012, when, in particular, contracts and disputes in MT Højgaard A/S differed from expectations in a negative respect. For further details on this, reference is made to the Management's review.

At 31 December 2012, the Group was involved in major disputes, especially in the business area Offshore. For further details on this, reference is made to notes 15 and 23.

Provisions for guarantee obligations

Provisions for guarantee obligations are assessed individually for each construction contract. The level of provisions is based on experience and the characteristics of each project.

Due to a negative trend in recent years' provisions for guarantee obligations, a review has been carried out that has led to an increase in provisions.

 Note

2 Accounting estimates and judgements (continued)

Recovery of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available, in the foreseeable future (3-5 years), against which tax loss carryforwards, etc., can be utilised. The amount to be recognised as deferred tax assets is determined on the basis of an estimate of the probable timing and amount of future taxable profits.

We have updated the projections of future profits in the companies in which the losses can be utilised. At 31 December 2012, the management of MT Højgaard A/S has assessed the extent to which taxable profits will be available in the foreseeable future. Against this background, a limited amount of tax has been recognised as income based on

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the loss for the year.

Further details are provided in notes 10 and 18.

Impairment testing of equity investments and goodwill

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

Accounting policies

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

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		3	Information on activities		
			The MT Højgaard Group is involved in construction and civil engineering in Denmark and internationally.		
			In 2012, the MT Højgaard Group was involved in international activities in Europe (the UK, Portugal, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), Asia and the Middle East as well as Central America (Panama).		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Denmark	7,621.8	6,505.2
			Rest of world	2,112.9	2,802.2
			Total	9,734.7	9,307.4
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Denmark	641.6	621.7
			Rest of world	163.1	256.4
			Total	804.7	878.1
		4	Revenue		
			Revenue can be broken down as follows:		
6,077.5	5,878.5		Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	8,767.0	8,595.4
92.2	257.4		Revenue from project development cases sold, etc.	370.0	92.2
13.2	10.6		Rental income, etc.	597.7	619.8
6,182.9	6,146.5		Total	9,734.7	9,307.4
		5	Depreciation and amortisation		
1.4	2.9		Intangible assets	4.1	2.7
48.6	35.4		Property, plant and equipment	123.3	137.2
50.0	38.3		Total depreciation and amortisation	127.4	139.9
			Depreciation and amortisation are recognised in the income statement as follows:		
46.0	32.9		Production costs	117.4	131.9
4.0	5.4		Administrative expenses	10.0	8.0
50.0	38.3		Total depreciation and amortisation	127.4	139.9

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PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		6	Staff costs		
			The total amount paid in wages and salaries, etc., can be broken down as follows:		
1,101.9	1,190.5		Wages and salaries, etc.	2,169.6	2,064.5
85.8	85.4		Pension contributions (defined contribution)	159.5	159.0
33.5	35.0		Other social security costs	71.3	71.5
1,221.2	1,310.9		Total	2,400.4	2,295.0
2,638	2,533		Average number of employees	4,688	4,738
2,678	2,100		Number of employees, year end	4,374	5,025
			Total remuneration (salaries and remuneration, etc.) to the Board of Directors and the Executive Board:		
2.7	2.6		Board of Directors	2.6	2.7
15.0	30.9		Executive Board	30.9	15.0
17.7	33.5		Total	33.5	17.7
			The above amount for 2012 includes termination benefit of DKK 19.5 million to former Executive Board members.		
			During his first 18 months with the company, the President and CEO participates in a bonus scheme based on period of employment. The scheme will then be replaced by a performance-based bonus scheme. The company's President and CEO also has the option to subscribe for phantom shares. The precise conditions for this have yet to be determined.		
			The Group also has a bonus scheme for senior executives based on achievement of both financial and qualitative targets.		
		7	Fees paid to auditor appointed at the Annual General Meeting (KPMG)		
1.7	1.6		Audit fees	3.4	3.7
0.0	0.2		Other assurance engagements	0.3	0.2
1.0	0.6		Tax and VAT advice	0.7	1.1
1.8	1.4		Non-audit services	1.5	2.2
4.5	3.8		Total fees	5.9	7.2
		8	Finance income		
9.5	9.8		Interest income, other (balance sheet items recognised at amortised cost)	13.8	7.1
0.9	0.6		Interest income, securities (balance sheet items recognised at fair value)	4.9	4.8
0.3	0.0		Capital gains on securities	2.1	2.2
0.0	0.0		Foreign exchange gains	4.3	2.2
55.5	62.0		Dividends from subsidiaries	-	-
130.0	134.0		Dividends from associates and jointly controlled entities	-	-
0.0	1.1		Reversal of impairment loss relating to investments in subsidiaries and associates, etc.	0.0	0.0
196.2	207.5		Total finance income	25.1	16.3
5.3	2.8		Of which interest received from subsidiaries	-	-

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PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		9	Finance costs		
17.4	14.8		Interest expense (balance sheet items recognised at amortised cost)	28.3	22.5
0.0	0.1		Capital losses on securities	0.1	0.0
1.5	4.8		Foreign exchange losses	7.7	2.3
44.2	9.9		Impairment loss relating to subsidiaries and associates	0.0	0.0
-0.5	-1.2		Borrowing costs recognised in the cost of assets*	-5.2	-4.0
62.6	28.4		Total finance costs	30.9	20.8
3.8	1.1		Of which interest paid to subsidiaries	-	-
			* On recognition of borrowing costs in cost, an effective interest rate of around 3.5% has been used (2011: 3.5%)		
		10	Income tax expense		
-36.1	-19.0		Current tax	-84.5	-38.9
141.6	19.0		Changes in deferred tax	84.5	112.8
105.5	0.0		Income tax expense	0.0	73.9
			Income tax expense can be broken down as follows:		
103.7	128.7		Income tax expense before tax measured at Danish tax rate (25%)	127.9	83.7
2.4	-19.6		Deviations in foreign enterprises' tax rates	-22.3	-11.6
46.4	49.2		Non-taxable income	0.5	0.6
-9.7	-2.8		Non-deductible expenses	-0.8	-0.4
0.0	-132.5		Non-capitalised tax loss carryforward	-106.6	0.0
-37.3	-23.0		Other, including prior year adjustments and joint taxation	1.3	1.6
105.5	0.0		Income tax expense	0.0	73.9
25.4	0.0		Effective tax rate (%)	0.0	22.1
			Tax on other comprehensive income was DKK nil in the parent company and the Group.		
			Tax for the year was affected by the assessment of the tax assets, see note 18.		
			The Group uses international joint taxation. The Group's current income tax relates to tax in some foreign entities in which tax payment is determined based on local rules.		
		11	Intangible assets		
			Goodwill		
50.3	50.3		Cost at 01-01	112.7	111.6
0.0	0.0		Addition on acquisition of enterprises	4.6	1.1
50.3	50.3		Cost at 31-12	117.3	112.7
0.0	0.0		Impairment losses at 01-01 and 31-12	0.7	0.7
50.3	50.3		Carrying amount at 31-12	116.6	112.0

Addition in 2012 relates to an acquisition in Greenland by the subsidiary Lindpro A/S

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		11	Intangible assets (continued)		
			Other intangible assets		
7.1	7.1		Cost at 01-01	17.9	17.9
0.0	0.0		Reclassifications, etc.	1.3	0.0
0.0	0.0		Additions	25.9	0.0
7.1	7.1		Cost at 31-12	45.1	17.9
2.8	4.2		Amortisation and impairment losses at 01-01	8.2	5.6
0.0	0.0		Reclassifications	1.3	0.0
1.4	2.9		Amortisation charge	4.1	2.6
4.2	7.1		Amortisation and impairment losses at 31-12	13.6	8.2
2.9	0.0		Carrying amount at 31-12	31.5	9.7

Goodwill

The carrying amounts of goodwill attributable to Civil Works (DKK 5.7 million), Construction (DKK 44.6 million) in MT Højgaard A/S; Enemærke og Petersen A/S (DKK 43.2 million); and Lindpro A/S (DKK 23.1 million), were tested for impairment at 31 December 2012.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2012, the net cash flows were determined on the basis of the approved budget for 2013 and estimates for the years 2014-2017. The growth in the terminal period was fixed at 1.0% (2011: 1.0%). The present value was determined using a discount rate before tax of 9-10% (2011: 9-10%). The primary key assumptions are estimated to be the growth rates and the EBIT margins applied. The estimates for 2014-2017 were calculated on the basis of previous experience, taking into account management's expectations for the future. The assumptions applied may differ from the experience figures, as previous periods may have been affected by factors that are not expected in the estimates.

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

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

Other intangible assets

Other intangible assets comprise ERP system and customer lists acquired on acquisition of enterprises and activities. Additions primarily relate to investment in a new ERP system in Lindpro A/S. It is estimated that the useful lives of capitalised intangible assets are limited.

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

Notes

PARENT COMPANY					2012
Note	Amounts in DKK million				
	Property, plant and equipment				Total
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	
12					
Cost at 01-01	64.2	209.1	60.1	0.0	333.4
Reclassifications, etc.	0.0	-0.6	0.6	0.0	0.0
Additions	0.0	9.9	2.0	0.0	11.9
Disposals	-3.8	-17.8	-7.7	0.0	-29.3
Cost at 31-12	60.4	200.6	55.0	0.0	316.0
Depreciation and impairment losses at 01-01	13.6	106.9	43.7	0.0	164.2
Reclassifications, etc.	0.0	-0.3	0.3	0.0	0.0
Depreciation, disposals	-2.0	-10.8	-6.6	0.0	-19.4
Depreciation charge	0.7	29.3	5.4	0.0	35.4
Depreciation and impairment losses at 31-12	12.3	125.1	42.8	0.0	180.2
Carrying amount at 31-12	48.1	75.5	12.2	0.0	135.8
Mortgaged properties:					
Carrying amount	7.9				7.9
Year-end balance, loans	2.5				2.5
Assets held under finance leases:					
Carrying amount			5.9		5.9

Notes

PARENT COMPANY					2011	
Note						
	Property, plant and equipment (continued)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
12						
	Cost at 01-01	134.7	212.2	63.0	0.2	410.1
	Addition on merger with subsidiaries	9.4	0.3	2.8	0.0	12.5
	Additions	0.4	39.5	0.9	0.0	40.8
	Disposals	-80.3	-42.9	-6.6	-0.2	-130.0
	Cost at 31-12	64.2	209.1	60.1	0.0	333.4
	Depreciation and impairment losses at 01-01	20.2	92.4	40.1	0.0	152.7
	Addition on merger with subsidiaries	4.3	0.3	1.3	0.0	5.9
	Depreciation, disposals	-12.5	-25.0	-5.6	0.0	-43.1
	Depreciation charge	1.6	39.2	7.9	0.0	48.7
	Depreciation and impairment losses at 31-12	13.6	106.9	43.7	0.0	164.2
	Carrying amount at 31-12	50.6	102.2	16.4	0.0	169.2
	Mortgaged properties:					
	Carrying amount	8.0				8.0
	Year-end balance, loans	2.6				2.6
	Assets held under finance leases:					
	Carrying amount			7.7		7.7

Notes

GROUP		2012				
Note	Amounts in DKK million					
Property, plant and equipment (continued)	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total	
12						
Cost at 01-01	358.5	857.6	285.0	16.1	1,517.2	
Addition on acquisition of activities	0.0	3.4	0.0	0.0	3.4	
Reclassifications, etc.	0.2	-0.6	0.6	0.0	0.2	
Additions	3.7	47.1	30.5	16.8	98.1	
Disposals	-9.5	-105.9	-20.6	-29.5	-165.5	
Cost at 31-12	352.9	801.6	295.5	3.4	1,453.4	
Depreciation and impairment losses at 01-01	93.3	484.8	196.3	0.0	774.4	
Reclassifications, etc.	0.0	-0.3	0.3	0.1	0.1	
Depreciation, disposals	-3.0	-67.0	-17.2	0.0	-87.2	
Depreciation charge	8.6	79.3	35.4	0.0	123.3	
Depreciation and impairment losses at 31-12	98.9	496.8	214.8	0.1	810.6	
Carrying amount at 31-12	254.0	304.8	80.7	3.3	642.8	
Mortgaged properties:						
Carrying amount	79.5				79.5	
Year-end balance, loans	55.6				55.6	
Assets held under finance leases:						
Carrying amount	10.3	95.8	22.7		128.8	

Notes

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

Notes

PARENT COMPANY

Note	Amounts in DKK million		
	Other non-current assets	Investments in subsidiaries	Investments in jointly controlled entities and associates
13			
	2012		
	Cost at 01-01	502.8	60.3
	Additions	10.0	0.0
	Disposals	-24.0	-2.5
	Cost at 31-12	488.8	57.8
	Adjustments at 01-01	-135.3	-2.7
	Write-downs for the year	-9.9	0.0
	Disposals	19.2	2.5
	Other adjustments	0.0	0.0
	Adjustments at 31-12	-126.0	-0.2
	Carrying amount at 31-12	362.8	57.6
	2011		
	Cost at 01-01	591.0	50.1
	Addition on merger with subsidiaries	2.5	0.0
	Additions	7.3	10.5
	Disposals on merger with subsidiaries	-96.6	0.0
	Disposals	-1.4	-0.3
	Cost at 31-12	502.8	60.3
	Adjustments at 01-01	-204.5	0.0
	Disposals on merger with subsidiaries	96.6	0.0
	Impairment charge	-27.4	-2.5
	Other adjustments	0.0	-0.2
	Adjustments at 31-12	-135.3	-2.7
	Carrying amount at 31-12	367.5	57.6

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

In 2012, we determined investments in subsidiaries and investments in jointly controlled entities and associates at the recoverable amount. The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. The present value was determined using a discount rate before tax of 9-10% (2011: 9-10%).

The impairment charge for the year, DKK 9.9 million, has been recognised in finance costs in note 9. The impairment charge relates to MT Højgaard Føroyar P/F and MT Højgaard Finland Oyj.

Notes

GROUP			
Note	Amounts in DKK million		
13	Other non-current assets (continued)	Investments in associates	
	2012		
	Cost at 01-01	11.9	
	Cost at 31-12	11.9	
	Adjustments at 01-01	-2.1	
	Share of profit for the year after tax	1.3	
	Other adjustments	-0.7	
	Adjustments at 31-12	-1.5	
	Carrying amount at 31-12	10.4	
	2011		
	Cost at 01-01	1.7	
	Additions	10.4	
	Disposals	-0.2	
	Cost at 31-12	11.9	
	Adjustments at 01-01	-0.5	
	Share of profit for the year after tax	1.1	
	Disposals	-0.3	
	Other adjustments	-2.4	
	Adjustments at 31-12	-2.1	
	Carrying amount at 31-12	9.8	
	Associates (the figures represent 100%)		
		2012	
		2011	
	Revenue	201.4	36.9
	Profit for the year	3.9	2.5
	Total assets	569.9	563.2
	Total liabilities	619.7	566.0
	Total contingent liabilities	0.0	0.0

The following companies are associates:

OPP Hobro Tinglysningsret A/S (33), Frederiksberg, DK

OPP Ørstedskolen A/S (33), Frederiksberg, DK

OPP Vildbjerg Skole A/S (33), Frederiksberg, DK

OPP Randers P-hus A/S (33), Frederiksberg, DK

OPS Frederikshavn Byskole A/S (50), Frederiksberg, DK

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		14	Inventories		
			Raw materials and consumables		
1.2	1.9		Cost at 01-01	77.6	72.9
2.6	1.6		Additions	92.0	104.5
-1.9	-1.6		Disposals	-89.3	-99.8
1.9	1.9		Cost at 31-12	80.3	77.6
0.0	0.0		Adjustments at 01-01	0.0	0.0
0.0	0.0		Write-downs for the year	-1.0	0.0
0.0	0.0		Adjustments at 31-12	-1.0	0.0
1.9	1.9		Carrying amount at 31-12	79.3	77.6
0.0	0.0		Value of inventories recognised at net realisable value	1.2	0.5
			Properties held for resale		
528.4	650.9		Cost at 01-01	944.0	595.8
174.3	80.5		Additions	282.1	400.0
-51.8	-227.1		Disposals	-620.3	-51.8
650.9	504.3		Cost at 31-12	605.8	944.0
-8.7	0.0		Adjustments at 01-01	0.0	-8.7
8.7	0.0		Reversal of impairment losses	0.0	8.7
0.0	0.0		Adjustments at 31-12	0.0	0.0
650.9	504.3		Carrying amount at 31-12	605.8	944.0
0.0	0.0		Value of properties recognised at net realisable value	0.0	0.0
			Mortgaged properties:		
115.2	0.0		Carrying amount	5.7	120.9
38.7	0.0		Year-end balance, loans	0.7	39.5

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

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		15	Receivables		
			Receivables falling due more than one year after the balance sheet date.		
17.2	16.4			16.4	26.5
			Receivables falling due more than one year after the balance sheet date relate primarily to rent deposits.		
			The fair value of receivables is deemed to correspond to the carrying amount, apart from the above non-current receivables, the fair value of which represents approx. 80%.		
13.8	13.1			13.1	21.2
			Like previous years, the MT Højgaard Group is involved in various disputes and legal proceedings. In the balance sheet at 31 December 2012, receivables totalled DKK 2,254.6 million (parent company DKK 1,692.2 million). This figure includes disputed amounts. In the assessment of the amounts recognised, estimates have been made that are based on, among other things, external legal opinions and assessments of the likely outcome of the disputes.		
		16	Securities		
			Bonds		
21.0	20.9			164.8	159.0
21.0	20.9		Total carrying amount	164.8	159.0
			Nominal holding		
20.2	20.2			160.9	134.8
			Bonds maturing more than one year after the balance sheet date		
21.0	20.9			155.7	146.8
			Maturity of bond portfolio (years)		
3.4	1.6			2.5	1.8
			Effective interest rate on bond portfolio (%)		
2.5	0.4			3.2	3.9
			Price sensitivity of bond portfolio in the event of a one percentage point interest rate change		
0.7	0.3			4.1	2.8
			Bonds lodged as security (market value). Returns, etc., accrue to MT Højgaard A/S, and the maturity is up to five years.		
21.0	20.9			20.9	21.0
			Bonds recognised as registered assets in MTH Insurance A/S (quoted price). Returns, etc., accrue to MTH Insurance A/S.		
0.0	0.0			143.8	137.9
			The parent company and the Group measure the bond portfolio at fair value through profit or loss in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are monitored on an ongoing basis and reported at fair value.		

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		17	Interest-bearing liabilities		
			Interest-bearing liabilities can be broken down by commitment type as follows:		
257.0	375.7		Bank loans, etc.	419.2	312.7
8.1	6.1		Lease commitments (assets held under finance leases)	121.5	94.8
265.1	381.8		Carrying amount at 31-12	540.7	407.5
			Interest-bearing liabilities can be broken down by currency as follows:		
265.1	381.8		DKK	519.7	374.1
0.0	0.0		EUR	21.0	32.4
0.0	0.0		USD	0.0	1.0
265.1	381.8		Carrying amount at 31-12	540.7	407.5
			Interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:		
62.3	21.9		Fixed-rate debt	115.1	127.9
202.8	359.9		Floating-rate debt	425.6	279.6
265.1	381.8		Carrying amount at 31-12	540.7	407.5
			Interest-bearing liabilities can be broken down by effective interest rate as follows:		
257.3	376.9		Less than 5%	530.4	377.6
0.0	0.0		Between 5% and 7%	5.4	22.1
7.8	4.9		More than 7%	4.9	7.8
265.1	381.8		Carrying amount at 31-12	540.7	407.5
3.6	2.9		Weighted average effective interest rate (%)	3.0	3.6
3.5	1.1		Weighted average remaining term (years)	1.9	4.2
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
59.2	11.0		Non-current liabilities	138.3	168.1
205.9	370.8		Current liabilities	402.4	239.4
265.1	381.8		Carrying amount at 31-12	540.7	407.5
267.5	380.3		Fair value	540.3	408.9
			The fair value of financial liabilities has been determined as the present value of expected future instalments and interest payments. The Group's current borrowing rate for similar maturities has been used as discount rate.		

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		18	Deferred tax assets and deferred tax liabilities		
-120.0	-290.4		Deferred tax (net) at 01-01	-241.3	-128.5
-28.8	0.0		Addition on merger with subsidiaries	-	-
-141.6	-19.0		Changes through the income statement	-84.5	-112.8
-290.4	-309.4		Deferred tax (net) at 31-12	-325.8	-241.3
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
0.0	18.4		Property, plant and equipment	0.0	0.0
0.0	0.0		Other non-current assets	1.0	1.5
0.0	0.0		Current assets	0.3	0.3
36.6	51.1		Non-current liabilities	73.8	43.0
182.9	95.2		Current liabilities	109.2	188.1
107.3	155.8		Tax loss carryforwards	183.5	126.2
326.8	320.5		Deferred tax assets at 31-12 before set-off	367.8	359.1
-36.4	-11.1		Set-off within legal entities and jurisdictions (countries)	-29.8	-113.0
290.4	309.4		Deferred tax assets at 31-12	338.0	246.1
			Deferred tax liabilities		
5.2	2.8		Intangible assets	6.7	9.9
0.5	0.0		Property, plant and equipment	2.7	23.5
0.0	0.0		Other non-current assets	0.0	1.0
30.7	8.3		Current assets	32.6	83.4
36.4	11.1		Deferred tax liabilities at 31-12 before set-off	42.0	117.8
-36.4	-11.1		Set-off within legal entities and jurisdictions (countries)	-29.8	-113.0
0.0	0.0		Deferred tax liabilities at 31-12	12.2	4.8

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

The tax loss carryforwards may be carried forward indefinitely and are expected to be utilised against future earnings.

Tax loss carryforwards have not been fully capitalised in the assessment of deferred tax assets. They have been capitalised based on expected positive earnings in the next 3-5 years. The earnings expectations are positive as a result of, among other things, the measures put in place by the Group. For details on this, we refer to the Management's review. Non-capitalised tax assets amount to DKK 106.6 million in the Group and DKK 132.5 million in the parent company and relate to tax loss carryforwards that may be carried forward indefinitely. They may thus be recognised as income when the Group reports the necessary positive results.

Tax relating to distributable reserves in foreign subsidiaries that are subject to higher taxation if distributed amounted to DKK 6.1 million (2011: DKK 12.9 million). These liabilities have not been recognised, as the Group checks whether they will crystallise. It is probable that the liabilities will not crystallise in the foreseeable future.

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		19	Provisions		
			Breakdown of provisions by type:		
100.9	284.4		Guarantee works, etc., at 01-01	337.2	149.1
183.8	166.2		Provided in the year	194.0	207.2
-0.3	-82.6		Utilised during the year	-92.2	-18.4
0.0	0.0		Reversal of unutilised prior year provisions	-2.5	-0.7
284.4	368.0		Guarantee works, etc., at 31-12	436.5	337.2
-	-		Employee liabilities at 01-01	81.7	72.9
-	-		Provided in the year	31.1	22.9
-	-		Utilised during the year	-15.9	-14.1
-	-		Employee liabilities at 31-12	96.9	81.7
284.4	368.0		Carrying amount at 31-12	533.4	418.9
			Provisions are recognised in the balance sheet as follows:		
129.9	134.3		Non-current provisions	258.7	232.2
154.5	233.7		Current provisions	274.7	186.7
284.4	368.0		Carrying amount at 31-12	533.4	418.9
			Expected maturity dates:		
154.5	233.7		Less than one year	274.7	186.7
31.8	27.0		Between one and two years	41.7	48.0
66.6	80.5		Between two and five years	147.7	132.9
31.5	26.8		More than five years	69.3	51.3
284.4	368.0		Carrying amount at 31-12	533.4	418.9
			Guarantee works, etc., relate primarily to provisions for guarantee works on completed contracts.		
			Employee liabilities comprise mainly insurance-related provisions for industrial injury cover that is covered under the Group's self-insurance programme.		

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		20	Construction contracts in progress		
7,237.9	5,248.9		Progress billings	7,258.7	9,310.7
-6,360.4	-4,680.2		Selling price of construction contracts	-6,551.4	-8,303.7
877.5	568.7		Construction contracts in progress (net)	707.3	1,007.0
			Construction contracts in progress are recognised in the balance sheet as follows:		
1,231.7	665.1		Current liabilities	874.0	1,441.7
-354.2	-96.4		Receivables	-166.7	-434.7
877.5	568.7		Construction contracts in progress (net)	707.3	1,007.0
	84.1		Payments withheld	84.1	
		21	Security arrangements		
			Normal security in the form of bank guarantees, guarantee insurances and bond deposits has been provided for contracts and supplies.		
			The guarantees provided relate to:		
1.7	83.4		Bid bonds	88.2	7.4
2,010.4	1,612.5		Contracts and supplies in progress	2,245.3	2,531.3
887.0	887.7		Completed contracts and supplies	1,249.7	1,194.4
2,899.1	2,583.6		Total	3,583.2	3,733.1
			Guarantees in respect of completed contracts and supplies relate to normal one-year and five-year guarantee works.		
			In addition, land and buildings have been lodged as security for bank loans, etc., see notes 12 and 14.		

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		22	Lease commitments		
			Finance leases		
			Total future minimum lease payments:		
4.9	5.1		Due within one year	30.2	23.2
6.0	2.0		Due between one and five years	103.8	81.2
0.0	0.0		Due after more than five years	0.6	3.1
10.9	7.1		Total	134.6	107.5
			Carrying amount:		
3.1	4.1		Due within one year	25.4	18.5
5.0	2.0		Due between one and five years	95.5	73.3
0.0	0.0		Due after more than five years	0.6	3.0
8.1	6.1		Total	121.5	94.8
2.8	1.0		Finance costs	13.1	12.7
			Finance costs have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These finance costs are recognised in the income statement over the lease term.		
			Operating leases		
			Total future minimum lease payments:		
52.3	72.6		Due within one year	93.8	73.1
136.8	146.7		Due between one and five years	181.4	168.4
89.7	73.0		Due after more than five years	73.0	89.7
278.8	292.3		Total	348.2	331.2
44.1	80.3		Lease payments relating to operating leases recognised in the income statement	106.4	61.4
			The Group's finance and operating leases primarily relate to vehicles, operating equipment, IT and leased premises. The lease term for vehicles, operating equipment and IT is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 12 years. None of the leases features contingent rent.		

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		23	Contingent assets and contingent liabilities		
			Indemnities		
			In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, jointly controlled entities, joint ventures and contracts won by subsidiaries.		
			Pending disputes and litigation		
			The MT Højgaard Group is involved in various disputes and legal and arbitration proceedings (expenses as well as income). In management's opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position.		
			On the Buxton project - which relates to a cement factory built near the town of Buxton in the UK - our claims for extra payments are still the subject of international arbitration, and we still expect a positive outcome from the arbitration. In the financial statements for 2012 no income has been recognised in respect of this case, which we expect to be decided in the course of 2013.		
			In the offshore industry, there are several disputes relating to allocation of liability pending due to problems with the original design standard (DNS-OS-J101) for offshore wind turbine foundations. The financial implications of remedying the problem could be substantial. Like other industry players, we have been using this design standard and therefore are also party to the problem. The challenges are referred to as the 'grout issue'. It is too early to predict the final outcome of the issue of allocation of liability, and which technical solutions will be required. Against the background of external legal opinions, it is our opinion that we are generally in a strong position in the above cases. Our assessment of the liability issue has not changed in 2012.		

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		24	Related parties		
			Control		
			The Group has a controlling related party relationship with the shareholders in the parent company MT Højgaard A/S. The parent company is owned by Højgaard Holding A/S (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen.		
			MT Højgaard A/S is a jointly controlled entity under an agreement entered into between the shareholders.		
			Significant influence		
			Related parties with significant influence comprise the members of the company's Board of Directors and Executive Board.		
			The parent company's related parties also include subsidiaries, jointly controlled entities and associates in which MT Højgaard A/S has control or significant influence. A list of the consolidated enterprises is given in note 35.		
			Related party transactions		
			All related party transactions during the year were entered into in the ordinary course of business and based on arm's length terms.		
			Related party transactions comprised:		
244.4	253.2		Purchases of goods and services from subsidiaries	-	-
24.5	8.0		Sales of goods and services to subsidiaries	-	-
0.0	0.0		Purchases of goods and services from jointly controlled entities	0.0	0.0
13.2	14.3		Sales of goods and services to jointly controlled entities	15.5	13.2
0.0	0.0		Purchases of goods and services from associates	0.0	0.0
75.7	148.8		Sales of goods and services to associates	148.8	75.7
0.1	0.0		Purchases of goods and services from shareholders	0.0	0.1
1.6	1.4		Sales of goods and services to shareholders	1.4	1.6
0.0	0.1		Balance with shareholders (- = debt)	0.1	0.0
0.0	0.0		Purchases of goods and services from the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Sales of goods and services to the Board of Directors and the Executive Board	0.0	0.0
0.0	0.0		Balance with the Board of Directors and the Executive Board (- = debt)	0.0	0.0
			Remuneration to the Board of Directors and the Executive Board is disclosed in note 6.		
			The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 8 and 9.		
			The parent company's dividends from subsidiaries and associates are disclosed in note 8.		

Notes

Note Amounts in DKK million

24 Related parties (continued)

Balances with subsidiaries, associates and jointly controlled entities at 31 December 2012 are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement and business-related balances concerning purchases and sales of goods and services. The business-related balances are non-interest-bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. Balances with subsidiaries, associates and jointly controlled entities were not written down in 2012 or 2011.

25 Joint ventures

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

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

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

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		26	<p>Financial risks</p> <p>MT Højgaard's activities entail various financial risks that may affect the Group's development, financial position and operations.</p> <p>There have been no significant changes in the Group's risk exposure or risk management compared with 2011.</p> <p>MT Højgaard maintains an overview of the Group's currency positions and interest rate sensitivity with a view to mitigating currency risks and maintaining interest rate sensitivity at a low level.</p> <p>Currency risks</p> <p>Currency risks are managed centrally in MT Højgaard with a view to mitigating the effects of currency fluctuations. On projects, MT Højgaard strives to minimise risks by seeking to match income to expenditure so that they balance with respect to currency and by using forward exchange contracts.</p> <p>Currency fluctuations do not have any material effect on the Group's foreign enterprises, as the individual consolidated enterprises settle both income and expenses in their functional currencies.</p> <p>Where major currency positions arise in currencies outside the euro zone, these are normally hedged using forward exchange contracts. The currency exposure therefore mainly relates to the value of foreign investments, which is not normally hedged.</p> <p>The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. The amount recognised in the consolidated income statement was an expense of DKK 8.5 million (2011: income of DKK 10.7 million). The amount recognised in the parent company income statement was an expense of DKK 8.5 million (2011: income of DKK 10.7 million).</p> <p>Open forward exchange contracts at 31 December 2012 had a remaining term of up to two years (2014).</p> <p>Consolidated revenue denominated in foreign currencies was DKK 1.0 billion in 2012 (2011: DKK 2.4 billion), predominantly in EUR.</p> <p>The Group's principal currency exposure is mainly related to EUR, USD, GBP, NOK and SEK.</p>		

Notes

PARENT COMPANY			GROUP	
	Note	Amounts in DKK million		
26 Financial risks (continued)				
The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below:				
Hypothetical effect on profit for the year and equity	Nominal position of cash and cash equivalents, receivables and financial liabilities		Nominal position of cash and cash equivalents, receivables and financial liabilities	Hypothetical effect on profit for the year and equity
1.8	245.1	EUR/DKK, probable increase in exchange rate 1%	245.9	1.8
-2.3	-62.3	USD/DKK, probable increase in exchange rate 5%	-62.0	-2.3
-2.3	-60.5	GBP/DKK, probable increase in exchange rate 5%	-48.6	-1.8
-0.1	-1.6	SEK/DKK, probable increase in exchange rate 5%	-1.6	-0.1
1.4	36.6	NOK/DKK, probable increase in exchange rate 5%	38.8	1.5
	157.3		172.5	

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

The sensitivity analysis was based on the financial instruments recognised at 31 December 2012 and an assumption of unchanged production/sales and price level.

Interest rate risks

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

Cash/securities stood at DKK 350.5 million at the end of 2012 and were mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than two years at the end of 2012.

The Group's interest-bearing liabilities stood at DKK 540.7 million at the end of 2012, with short-term borrowings accounting for 74%. The average weighted remaining maturity of the Group's interest-bearing debt was 1.9 years, and the weighted average effective interest rate was 3.0%. Fixed-rate debt accounted for 21% of the Group's interest-bearing debt.

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		26	Financial risks (continued)		
			<p>Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 3.1 million decrease in consolidated profit for the year and consolidated equity at 31 December 2012 (2011: decrease of DKK 2.1 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.</p> <p>Changes in cash flows: all other conditions being equal, the hypothetical negative effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group's floating-rate cash/securities and debt would have been a DKK 1.1 million decrease in consolidated profit for the year and consolidated equity at 31 December 2012 (2011: DKK 0.6 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.</p> <p>Credit risks</p> <p>Credit risks are generally managed by regular credit rating of major clients and business partners. The Group has no material risks relating to a single customer or business partner.</p> <p>The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as the Group requests security in the form of bank guarantees and guarantee insurance or similar to a considerable extent when entering into contracts with private clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.</p> <p>Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients.</p> <p>Write-downs recognised in receivables developed as follows:</p>		
3.9	0.1		Carrying amount at 01-01	12.9	21.2
0.0	0.3		Provided in the year	0.8	0.0
-3.8	0.0		Utilised during the year	-0.1	-6.8
0.0	0.0		Reversal of unutilised prior year provisions	0.0	-1.5
0.1	0.4		Carrying amount at 31-12	13.6	12.9
3.9	0.5		Nominal value of written-down receivables	13.6	14.4
130.0	52.6		Receivables that were past due by more than 90 days at 31 December but not impaired.	97.4	172.5
759.6	280.8		Security received in respect of receivables (fair value)	283.0	759.8

Notes

PARENT COMPANY			GROUP		
2011	2012	Note	Amounts in DKK million	2012	2011
		26	Financial risks (continued)		
			Liquidity risks		
			Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.		
			At the end of 2012, the Group's financial resources stood at DKK 620 million, consisting of cash and cash equivalents and securities of DKK 350 million and undrawn credit facilities of DKK 270 million.		
			Of the Group's other facilities, DKK 105 million is subject to financial covenants related to equity ratio and earnings. MT Højgaard A/S violated these financial covenants in 2012, but has received a waiver in this respect.		
			Based on the Group's expectations concerning the future operations, the capital injection in 2013 and the Group's current financial resources, no material liquidity risks have been identified.		
			A cash pool agreement has been established for the parent company and most of the Group's subsidiaries.		
			Financial liabilities can be broken down as follows:		
265.1	381.8		Interest-bearing liabilities	540.7	407.5
1,039.4	693.8		Trade payables	1,043.0	1,388.0
14.2	5.7		Derivative financial liabilities	5.7	14.2
1,318.7	1,081.3		Total carrying amount	1,589.4	1,809.7
			Maturity profile for financial liabilities:		
1,251.1	1,064.6		Less than one year	1,442.1	1,634.2
11.6	8.7		Between one and two years	30.6	28.7
15.3	0.7		Between two and five years	82.1	89.6
78.6	1.6		More than five years	28.9	113.1
1,356.6	1,075.6		Total contractual cash flows	1,583.7	1,865.6
			Maturity profile for derivative financial liabilities:		
12.1	5.7		Less than one year	5.7	12.1
2.1	0.0		Between one and two years	0.0	2.1
0.0	0.0		Between two and five years	0.0	0.0
0.0	0.0		More than five years	0.0	0.0
14.2	5.7		Total contractual cash flows	5.7	14.2

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		26	Financial risks (continued)		
			Categories of financial instruments		
			Carrying amount by category:		
21.0	20.9		Financial assets measured at fair value through profit or loss	164.8	166.1
2,454.4	1,630.3		Loans, receivables and cash and cash equivalents	2,249.8	2,861.8
14.2	5.7		Financial liabilities measured at fair value through profit or loss	5.7	14.2
2,493.2	1,651.7		Financial liabilities measured at amortised cost	2,198.4	3,041.0
			Fair value hierarchy for financial instruments measured at fair value in the balance sheet		
			The Group's securities are valued based on quoted prices (Level 1).		
			The Group's derivative financial instruments are valued at observable prices (Level 2).		

Notes

Note

27 Capital management

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position complies with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. At 31 December 2012, the equity ratio was 17% versus 25% at the end of 2011. The proforma equity ratio including the DKK 300 million capital injection in February 2013 was 24%.

28 New International Financial Reporting Standards and IFRIC Interpretations

The IASB has issued a number of standards and interpretations that are not mandatory for MT Højgaard in connection with the preparation of the annual report for 2012.

MT Højgaard A/S expects to adopt the new standards and interpretations as they become mandatory. With the exception of the effect referred to below, none of the new standards or interpretations is expected to have a material impact on the MT Højgaard Group's financial reporting.

IFRS 10 changes the criteria determining whether a company must be consolidated. IFRS 10 states that an investor must consolidate another company when it has de facto control of it, even though it does not hold the majority of the votes. We expect this standard to have effect for the Group, but we have yet to determine the effect. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014.

IFRS 11 relating to Joint Arrangements replaces IAS 31 Joint Ventures. In future, companies will no longer have a choice between proportionate consolidation and the equity method for jointly controlled entities. IFRS 11 divides Joint Arrangements into joint ventures (equity method) and joint operations (proportionate share of underlying assets and liabilities) based on both formal and substance-related factors. The change will not affect the Group's profit or equity, but may change the presentation of activities in which the Group are involved in joint ventures and jointly controlled entities. We have yet to determine the potential effect, if any, of this, and we are working on how to structure future activities of this type. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014.

IFRS 12 contains disclosure requirements relating to both consolidated and non-consolidated enterprises, joint ventures and associates. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014. IFRS 13 replaces the guidance on measurement of fair value in the individual IFRSs. The standard, which has been adopted by the EU, is effective for financial years beginning on or after 1 January 2014.

29 Events after the balance sheet date

So far as management is aware, no events have occurred between 31 December 2012 and the date of signing of the annual report that will have a material effect on the assessment of the MT Højgaard Group's financial position at 31 December 2012, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		30	Adjustments in respect of non-cash operating items, etc.		
50.0	39.0		Depreciation - property, plant and equipment	128.6	140.3
149.7	152.2		Other adjustments	192.3	153.3
199.7	191.2		Total	320.9	293.6
		31	Purchase of property, plant and equipment		
-40.9	-12.7		Purchase of property, plant and equipment, including assets held under finance leases	-99.5	-191.0
0.0	0.0		Portion relating to assets held under finance leases	31.6	66.0
-40.9	-12.7		Total	-67.9	-125.0
		32	Increase in non-current bank loans, etc.		
0.0	0.0		Increase in bank loans, etc., including lease commitments	30.4	65.9
0.0	0.0		Portion relating to finance lease debt	-30.4	-65.9
0.0	0.0		Total	0.0	0.0
		33	Cash and cash equivalents		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
107.1	53.3		Distributable cash	165.6	199.4
38.1	17.4		Share of cash and cash equivalents in joint ventures	20.1	39.1
145.2	70.7		Cash and cash equivalents	185.7	238.5
-202.8	-359.9		Current portion of bank loans, etc.	-363.5	-217.4
-57.6	-289.2		Total cash and cash equivalents	-177.8	21.1

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

Notes

PARENT COMPANY				GROUP	
2011	2012	Note	Amounts in DKK million	2012	2011
		34	Acquisition and disposal of enterprises and activities		
			Acquisition of enterprises and activities		
0.0	0.0		Property, plant and equipment	3.4	0.0
0.0	0.0		Inventories	1.1	0.0
0.0	0.0		Current liabilities	-0.4	0.0
0.0	0.0		Identifiable net assets acquired	4.1	0.0
0.0	0.0		Goodwill	4.6	1.1
0.0	0.0		Cash purchase price	8.7	1.1
0.0	0.0		Cash and cash equivalents in acquired enterprises	0.0	0.0
0.0	0.0		Cash purchase price, net	8.7	1.1
			Addition in 2012 relates to an acquisition in Greenland by the subsidiary Lindpro A/S		

Notes

 Note

35 Company overview

Subsidiaries, jointly controlled entities and associates at 31 December 2012

Companies		Registered office	Ownership interest		Share capital ('000)
MT Højgaard A/S					
Ajos A/S		Hvidovre DK	100.00	DKK	500
Enemærke og Petersen A/S		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforretning ApS		Ringsted DK	100.00	DKK	200
E&P Service A/S		Alb.lund DK	100.00	DKK	500
Greenland Contractors I/S	(J)	Cph. DK	66.66	DKK	-
Lindpro A/S		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greenland DK	100.00	DKK	2,000
MT (UK) Ltd.		England GB	100.00	GBP	25
MT Atlantic Inc.		USA US	100.00	USD	10
MT Højgaard Finland Oyj		Finland SU	100.00	EUR	80
MT Højgaard Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Højgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MTH Qatar LCC	(1)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MT Højgaard Norge A/S		Norway NO	100.00	NOK	500
MTH Insurance A/S		Søborg DK	100.00	DKK	30,000
MTH Stål Vietnam Company Limited		Vietnam VN	100.00	USD	50
OPP Hobro Tinglysningsret A/S	(A)	Fred.berg DK	33.33	DKK	700
OPP Randers P-hus A/S	(A)	Fred.berg DK	33.33	DKK	4,410
OPP Vildbjerg Skole A/S	(A)	Fred.berg DK	33.33	DKK	500
OPP Ørstedskolen A/S	(A)	Fred.berg DK	33.33	DKK	2,400
OPS Frederikshavn Byskole A/S	(A)	Fred.berg DK	50.00	DKK	18,000
Scandi Byg A/S		Løgstør DK	100.00	DKK	3,000
Soc. de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal PT	60.00	EUR	4,000

(A) associates.

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

(1) The company is fully consolidated on the basis of a shareholders' agreement that gives MT Højgaard A/S control of and the right to the financial return from the company's activity.

OTHER INFORMATION

Consolidated financial highlights – EUR

Amounts in EUR million	2008	2009	2010	2011	2012
Income statement					
Revenue	1,497	1,218	1,113	1,248	1,305
Operating profit (loss) (EBIT)	44	39	13	-45	-68
Net finance costs and profit (loss) of associates	4	2	1	0	-1
Profit (loss) before tax	48	41	13	-45	-69
Profit (loss) for the year	35	30	8	-35	-69
Balance sheet					
Share capital	29	29	29	29	29
Total equity	193	216	217	173	103
Balance sheet total	707	738	630	758	594
Net interest-bearing deposit/debt (+/-)	69	110	45	-1	-25
Invested capital	135	118	172	174	129
Cash flows					
Cash flows from operating activities	72	65	-44	-36	-19
Cash flows for investing activities:					
Net investments excl. securities	-22	-21	-13	5	-1
Net investments in securities	-1	-49	45	9	-1
Cash flows from financing activities	-8	-9	-3	-10	-6
Net increase (decrease) in cash and cash equivalents	40	-14	-15	-32	-27
Financial ratios					
Gross margin (%)	6.9	8.1	6.5	0.9	-0.6
Operating margin (EBIT margin) (%)	2.9	3.2	1.1	-3.6	-5.2
Pre-tax margin (%)	3.2	3.4	1.2	-3.6	-5.3
Return on invested capital (ROIC) (%)	30.7	30.7	8.7	-25.7	-44.9
Return on invested capital after tax (ROIC after tax) (%)	22.1	22.2	5.2	-20.0	-44.9
Return on equity (ROE) (%)	19.4	14.6	3.8	-18.0	-49.7
Equity ratio (%)	27.3	29.2	34.5	22.8	17.4
Proforma equity ratio (%)*	-	-	-	-	24.2
Proposed dividend, EUR million	7	7	7	0	0
Other information					
Order book, year end	1,268	999	1,236	1,173	810
Average number of employees	6,170	5,872	5,217	4,738	4,688

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

Items in the income statement, the balance sheet and the statement of cash flows for all the years have been translated from DKK into EUR using Danmarks Nationalbank's official exchange rate at 31 December 2012 of 7.4604.

* Proforma equity ratio at 31 December 2012 includes cash capital injection of DKK 300 million in February 2013. Further details are provided on page 21.

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