Stock exchange announcement

26 February 2015

MT Højgaard A/S

Enclosed please find MT Højgaard A/S annual report 2014, which is hereby published.

Højgaard Holding A/S holds an ownership interest of 54 % in MT Højgaard.

Yours faithfully,
Højgaard Holding A/S

Ditlev Fløistrup
CEO

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

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MT Højgaard Group: Release of Annual Report 2014
The Board of Directors today considered and approved the consolidated annual report for the year ended 31 December 2014. The financial results were consistent with expectations and have continued to improve.

- Revenue was DKK 7.0 billion.
- Operating profit before special items was DKK 207 million.
- The Group's EBIT was a loss of DKK 201 million due to a DKK 408 million expense from the old offshore litigation, which was settled in 2014.
- For 2015, the Group expects revenue of DKK 7.0-7.5 billion and EBIT of DKK 300-375 million, corresponding to an EBIT margin of 4-5%.
- The strategy framework and the focus on productivity shows good progress in all areas.
- Management retains the target of lifting the EBIT margin to 5% by the end of 2015. This target is being maintained so that an EBIT margin of 5% is expected for 2016, despite the expected termination of Greenland Contractors' service contract on Thule.
- The expectations are based on positive market developments combined with the significant improvements the Group has achieved in terms of risk management, flexibility and customer orientation. Further progress is expected in these areas.

This year, we have prepared a separate CSR report issued as a supplement to the Annual Report. The CSR report is available at mth.com/CSR2014.

Contact

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MT Højgaard Group

Annual report 2014

MTHøjgaard

Notes

Summary

Turnaround with visible results

- The past year was predominantly characterised by a large number of successful projects delivered to customers by the companies in the MT Højgaard Group – on time and with high quality.
- Both when entering into contracts and in the day-to-day activities the emphasis is on close dialogue with both customers and business partners. Fruitful dialogue with our customers increasingly revolves around efficient use of the possibilities offered by information technology.
- The overall profitability and risk profile of new orders – and thus the order book as a whole – have significantly improved. When a new project is assessed and agreed, the focus is on whether it matches the companies' capabilities and resources, whether it is profitable and whether the risks involved have been thoroughly analysed and are compatible with the Group's strategy.
- Internally, the Group has been making a concerted effort in recent years to adapt processes and develop the organisation to meet current and future demands. The Group has also achieved significant improvements in terms of risk management, flexibility and customer orientation and further progress is expected in these areas.

Improved operating profit and cash flows in 2014

- Revenue was DKK 7.0 billion, as expected.
- Operating profit before special items was DKK 207 million – slightly ahead of expectations. The operating margin before special items was 3.0%. Fourth-quarter 2014 operating profit before special items was DKK 118 million, corresponding to an operating margin before special items of 5.8%.
- Special items amounted to an expense of DKK 408 million as a consequence of the old offshore litigation cases having been settled in the past year.
- The Group's EBIT was a loss of DKK 201 million.
- Equity stood at DKK 822 million at the end of the year, corresponding to an equity ratio of 22.5%.
- Cash flows from operations improved significantly, amounting to DKK 428 million in 2014.

Heading for sustainable profitability

- The Group's turnaround has not yet been completed but the financial targets are within reach.
- Revenue for 2015 is expected to be DKK 7.0-7.5 billion.
- EBIT is expected to be a profit of DKK 300-375 million, corresponding to an EBIT margin of 4-5%.
- In recent years, management has announced its target to achieve an EBIT margin of 5% by the end of 2015. This target is being maintained so that an EBIT margin of 5% is expected for 2016, despite the expected termination of Greenland Contractors' service contract on Thule.

Consolidated financial highlights

Amounts in DKK million	2010	2011	2012	2013	2014
Income statement					
Revenue	8,137	9,196	9,700	7,464	6,979
Gross profit	619	396	201	553	693
Operating profit/(loss) before special items	157	-86	-271	105	207
Special items	0	-186	-171	130	-408
Operating profit/(loss) (EBIT)	157	-272	-442	235	-201
Profit/(loss) before tax	165	-272	-445	209	-186
Profit/(loss) for the year	128	-196	-443	107	-252
Cash flows					
Cash flows from operating activities	-249	-187	-68	113	428
Purchase of property, plant and equipment	*-244*	*-128*	*-70*	*-131*	*-106*
Acquisition and disposal of enterprises and activities	*-3*	*-1*	*-9*	*0*	*0*
*Other investments, net**	*482*	*229*	*64*	*107*	*67*
Cash flows from investing activities	235	100	-15	-24	-39
Cash flows from operating and investing activities	-14	-87	-83	89	389
* Portion relating to net investments in securities	337	69	-4	-1	41
Balance sheet					
Non-current assets	1,230	1,188	1,241	1,065	1,028
Current assets	3,404	4,384	3,186	2,949	2,618
Total assets	4,634	5,572	4,427	4,014	3,646
Equity	1,673	1,344	828	1,181	822
Non-current liabilities	312	400	411	511	429
Current liabilities	2,649	3,828	3,188	2,322	2,395
Total equity and liabilities	4,634	5,572	4,427	4,014	3,646
Other information					
Order intake	9,904	8,725	6,991	8,844	5,892
Order book, year end	9,345	8,874	6,165	7,545	6,458
Net interest-bearing deposit/debt (+/-)	348	12	-165	149	387
Invested capital, year end	1,325	1,332	993	1,032	435
Average number of employees	5,270	4,784	4,753	4,057	3,846
Financial ratios					
Gross margin (%)	7.6	4.3	2.1	7.4	9.9
Operating margin before special items (%)	1.9	-0.9	-2.8	1.4	3.0
EBIT margin (%)	1.9	-3.0	-4.6	3.1	-2.9
Pre-tax margin (%)	2.0	-3.0	-4.6	2.8	-2.7
Return on invested capital (ROIC) (%)	14.3	-20.5	-38.0	21.0	-27.4
Return on invested capital after tax (ROIC after tax) (%)	11.1	-14.8	-37.8	10.7	-37.1
Return on equity (ROE) (%)	8.0	-13.5	-43.0	10.2	-31.9
Equity ratio (%)	36.1	24.1	18.7	29.4	22.5
Proposed dividend (DKK million)	50	-	-	-	-

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

The financial ratios used are defined in note 1.

Visible results

After two years of extensive changes in the Group's activities – externally and internally – the results are beginning to show. Our turnaround has not yet been completed, but in 2014 we have shown both ourselves and others that the MT Højgaard Group has a sound future, based on healthy profitability.

During the past year the companies in the MT Højgaard Group delivered a series of successful projects to our customers. The projects were delivered as agreed, on time and with high quality.

Looking ahead, it is important for us to have a large, profitable order book with a healthy risk profile. We have made great strides in this respect, due to our stricter requirements for profitability and risk management as well as improved customer service and market awareness. This is a subject we have been working hard on internally, and these efforts are now bearing fruit in the form of a good intake of new orders. This applies to both the ongoing inflow of relatively small assignments and to the major, often very prestigious projects awarded to us by our customers.

We have become significantly better not just at delivering quality but also at optimising projects so that they can be executed in a manner that benefits both our customers and ourselves. We can now ensure healthier operation from the moment we assess and agree a new project. When doing so, we focus on three points. Firstly we look for projects that are a good match for our capabilities and business model. Secondly we have clear requirements for profitability. And thirdly we pay a great deal of attention to managing risks associated with individual projects. As a result, the overall profitability and risk profile of the order book have greatly improved.

Internally, the initial changes in the Group's turnaround were characterised by focusing, rationalising and aligning the organisation to suit the current and prospective markets. Since then we have concentrated on developing optimum solutions for our customers. This is based on close dialogue between our customers, our competent employees and our business partners as early as possible in the process. We are rapidly increasing the use of information technology as an effective tool in this extremely important dialogue.

Our vision is to contribute increased productivity to the benefit of individual customers, the surrounding community and ourselves. We do this by transforming the wishes and requirements expressed by our customers in attractive and appropriate solutions. Productivity is in focus from the initial idea through to the planning stage and in every single element of the solutions we deliver to customers.

After a few years of completely unsatisfactory results – further burdened by major losses relating to old litigation in the offshore area – we have begun to deliver results from our ongoing operations that are not just positive but steadily growing. In addition, the Group's cash flows from operations are heading in the right direction, but the Group's turnaround has not yet been completed.

We are looking forward to finding solutions to many new projects together with our customers in the years ahead. And we are looking forward to showing our customers, our business partners, our employees and our owners that the MT Højgaard Group is a sound and profitable group with a future-oriented business model.

Torben Biilmann
President and CEO

Strategic development

It is the MT Højgaard Group's vision to be the most productivity-enhancing group in the construction and civil engineering industry.

Productivity is one of the major challenges facing Danish society. The construction and civil engineering industry in particular is characterised by low productivity compared with other sectors.

The MT Højgaard Group intends to help change this situation. This implies that the Group must aim to enhance productivity in all its activities. Higher productivity will help to drive the creation of a healthier economy for both the Group's customers and the Group itself.

The MT Højgaard Group wishes to add value for its customers by delivering optimum solutions based on close dialogue at the earliest possible stage of the process.

The Group's strategic development is structured in a strategy framework that the Group uses as a reference in its internal management and development processes. The strategy framework, including requirements and targets, was launched in December 2013.

Requirements and targets

The Group has set two main requirements for its financial position. The 2014 result shows a positive trend.

The Group strategy requirements

	TARGET	ACTUAL2014
Operating margin before special items	Min. 5%	3.0%
Cash flows from operations (CFFO)	Positive	DKK 428 million

The milestones in the strategy are based on the MT Højgaard company. In 2015, the targets will be extended to include the subsidiaries as well. The Group achieved several of its five main targets in 2014 and generally good progress was made on the remaining targets.

The satisfaction index used:

80-100 ▶	Very high satisfaction
70-79 ▶	High satisfaction
60-69 ▶	Moderate satisfaction
50-59 ▶	Low satisfaction
Under 50 ▶	Very low satisfaction

High customer satisfaction

The MT Højgaard Group wishes to have satisfied customers who feel that working with the Group's employees and business units provides them with sound solutions. This is achieved by ensuring that price and quality go hand in hand.

In 2014, the MT Højgaard company achieved an overall customer satisfaction index of 78 out of 100. This was on a par with 2013, when the index was 77. The figure is based on a response rate of 51% compared with a re-

The Group's strategy framework

Vision
The most productivity-enhancing group within the construction and civil engineering industry

Requirements
- A minimum of 5 percent EBIT in all business areas and subsidiaries
- A positive cash flow

Target
- A customer satisfaction index of 76
- 60 percent revenue generated from key clients
- An employee satisfaction index of 76
- Zero defects and deficiencies
- A maximum of 15 accidents at work per 1 million work hours
- Continuous increase in productivity

Projects from society to operations	Best-in-class approaches and VDC	Exploiting group synergies

Operations under control	Staff, management, culture and values	Project and price optimisation	Markets and customers	Group strategy

sponse rate of 37% in 2013. The Group aims to maintain a high satisfaction index of at least 76, but with a higher response rate in 2015.

Read more about customer satisfaction in the 2014 CSR report.

Increasing revenue from key customers
The Group's business areas are increasingly involved in a future-oriented dialogue with customers about their activities and future needs. The aim is to achieve a greater proportion of repeat business, meaning specifically that 60% of revenue must come from key customers.

In 2014, 48% of revenue came from key customers of the MT Højgaard company. This was a significant increase compared with 2013, when the proportion was 40%.

In the light of its dialogue with customers, the Group is also developing new areas of business and in this connection has set up two new focused business areas, one for the development and construction of high rises and one for the refurbishment of commercial buildings.

Focus on employees
MT Højgaard's results are produced by people – people who improve and share their knowledge. As an employer, the Group is working hard to attract, develop and retain employees. The Group is consequently focusing on job satisfaction and motivation.

In 2014, the MT Højgaard company carried out a survey among the salaried staff, and found a high job satisfaction index of 71 out of 100 with a response rate of 85%. By way of comparison, a more extensive survey in 2013 showed a moderate job satisfaction index of 68 with a response rate of 80%. In the short term, the Group is working to achieve a job satisfaction index of 73 out of 100 in 2015 and raise the index to 76 over the next few years, for instance by stepping up performance management and introducing a new management academy. The management academy is an internal management development course for the whole Group, and 85 middle managers are expected to complete the course each year in 2015 and 2016.

Read more about employee satisfaction in the 2014 CSR report.

No defects or deficiencies
Unfortunately, the Danish construction industry in general is characterised by defects and deficiencies, and this is detrimental to both customers' experience and the economy. The Group is consequently making a concerted effort to reduce the number of defects and deficiencies, partly by using Building Information Modelling (BIM), Virtual Design and Construction (VDC) and tried and tested standard solutions.

In 2014, the MT Højgaard company recorded 3.7 defects per 1,000 m2 of building constructed. This was the first year for which this information has been compiled, consequently no comparative figures are available.

The short-term target has been set at 2 defects per 1,000 m2 of building.

Avoiding occupational injuries
A safe workplace is the top priority in the MT Højgaard Group, partly because it must be safe for the individual employee to go to work, and partly because the injury frequency rate also affects productivity.

In 2014, the Group had a total injury frequency rate of 14.9 – measured by the number of injuries per 1 million hours worked. The Group did not produce a total injury frequency rate for 2013 for comparison. There were no fatal injuries in the Group in either 2013 or 2014.

For the hourly-paid workers alone, in 2014 the MT Højgaard company had an injury frequency rate of 7.7. By way of comparison, the figure for 2013 was 27.4.

The major improvement in 2014 was achieved by a major effort on the part of every single employee, working methodically on workplace culture and 'health and safety weeks' focusing systematically on reducing the number of injuries.

The Group target as set out in the Group's strategy framework, which was to reduce the number of injuries to a total frequency rate of less than 15 injuries per 1 million hours worked, has thus been achieved. Going forward, the Group will endeavour to bring the number down steadily so that, by 2017, all business areas and subsidiaries will record less than 15 injuries per 1 million hours worked, with no fatal or serious injuries.

Read more about the number of occupational injuries in the 2014 CSR report.

Ongoing improvements in productivity
The Group has launched a number of productivity initiatives on an ongoing basis, including a catalogue of standard solutions and products that is used in various fields of construction.

In 2014, the Group also set up and enhanced corporate functions such as procurement, process optimisation, knowledge management and, not least, BIM and VDC. These corporate functions are an integral part of the business activities with the aim of increasing productivity. Greater focus on planning and professionalization means the Group can ensure uniformity of execution, while at the same time using solutions that meet customers' needs and meet the Group's own quality requirements.

Group strategy targets

	TARGET	ACTUAL 2014	
Customer satisfaction	76	78 *	√
Revenue from key customers	60%	48% *	-
Employee satisfaction	76	71 *	-
Defects and deficiencies per 1,000 m_2	Max. 2	3.7 *	-
Injuries	Max. 15	14.9 **	√

* MT Højgaard company ** MT Højgaard Group

Focus areas

The management of the MT Højgaard Group currently has three areas in focus, in particular: Projects from Community to Operation, Best in Class VDC and Group Synergies. These three areas are mutually dependent, with VDC at the centre.

Projects from Community to Operation

Establishing collaboration with clients and other relevant stakeholders as early as possible – preferably in the concept development phase – makes it possible to meet more needs with fewer resources.

The Group is increasingly making use of forms of collaboration such as Public-Private Partnerships (PPP) or collaboration agreements based on dialogue and common goals.

By involving the client early in the process and preferably in the conceptual phase the Group's skills, experience and range of efficient solutions are integrated in the final solutions to a far greater extent than previously. At the same time, the process is simplified and becomes easier for those involved, just as the feasibility and economy of the projects become better for both customers, business partners and the MT Højgaard Group itself.

Best in Class VDC

In 2014, the Group decided to invest considerable resources in a three-year programme for the development and implementation of BIM and VDC. The implementation is going according to plan.

The quality on projects is being developed in collaboration with suppliers and customers. Building projects virtually before they are built in practice creates value for both customers and the Group. If customers have detailed information at an early stage they can choose between a number of solutions and the process can be optimised. This technology helps with factors such as visualisation, technical precision, procurement and supplies, planning and coordination of the many processes involved and continuous monitoring that realisation is in line with plans – technically and financially.

The introduction of BIM/VDC and the potential they offer is the result of future-oriented dialogue between the Group's business areas and its customers. On the basis of the experience gained from individual projects the Group accumulates useful knowledge, which is used in the ongoing development of the best possible processes and standard solutions.

Group Synergies

Centralised corporate initiatives improve cooperation between the companies in the Group. The pooling of experience, skills, projects and types of customer enables the companies to reap many benefits from both strategic and operational cooperation.

Developing common solutions in such areas as IT, risk management and procurement, and drawing on common skills in areas such as law, finance, HR and health and safety, increases the Group's overall knowledge, raises quality, lowers costs and creates a more customer-focused and efficient Group.

Areas for strategic action

The Group's strategic development is divided into five areas for action ('Must Win Battles'):

- Control of operations, including specifically actions to improve the operating results and liquidity of the Group and the individual business areas.
- Employees, management, culture and values. Actions to reinforce the Group's culture, embed its values and support management development and professional development.
- Project and price optimisation. Actions to improve prices, quality and projects.
- Markets and customers. Strong focus has been applied to cultivate attractive markets and segments and to link key customers more closely to the Group.
- Group strategy, where specifically actions to develop long-term resilience and profitability for the Group have been crucial to the Group's positive development.

CSR report and corporate governance

After having reported about corporate social responsibility in the annual accounts, this will now be reported in a separate CSR report 'MT Højgaard Group, CSR report 2014'. By reporting in this manner the Group wishes to strengthen the engagements with sustainability and corporate social responsibility at the same pace as this subject becomes increasingly important to the Group strategy, stakeholders and society. The report can be found on the Group's website at: mth.com/csr2014.

For information on the Group's corporate governance reporting, reference is also made to the website. This information is available at: mth.com/coporate-governance2014.

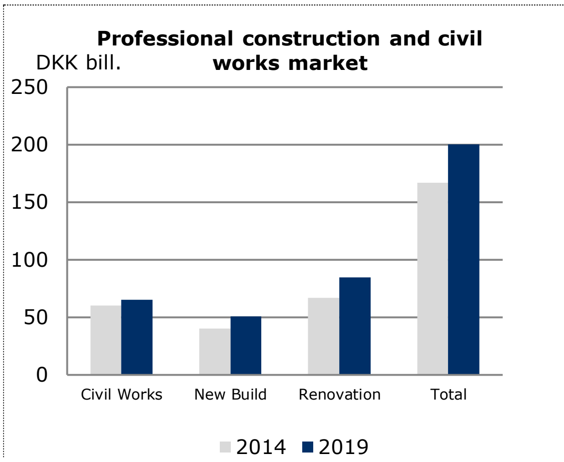
The Group’s activities

The MT Højgaard Group is one of the leading players in the construction and civil engineering industry in the Nordic countries. Projects comprise design, construction, refurbishment of civil works, bridges, housing, commercial buildings and foundations for offshore wind turbines. The Group undertakes projects across Denmark as well as focused activities in other countries.

The MT Højgaard company has activities within civil works, construction, offshore and steel bridges. The subsidiaries also have activities within civil works and construction as well as service assignments within these areas, both for own customers and as suppliers to the rest of the Group.

CIVIL WORKS	CONSTRUCTION	SERVICE	OFFSHORE & STEEL BRIDGES
MTHøjgaard Seth	MTHøjgaard scandibyg Enemærke & Petersen a/s Lindpro	Greenland Contractors Lindpro ajos Enemærke & Petersen a/s	MTHøjgaard

The Group estimates that the Danish professional construction and civil works market totalled around DKK 165 billion in 2014. A little over half of this market is considered to be relevant for the Group.



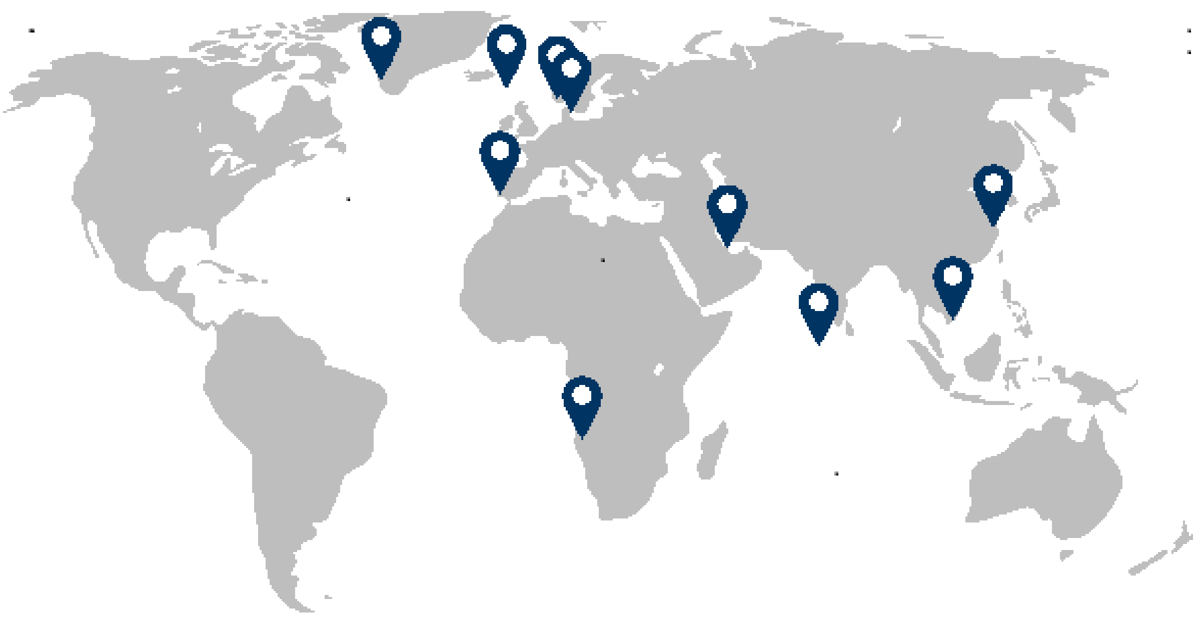
Source: MT Højgaard on the basis of the Danish Construction Association’s trend analysis a. o.

The market is expected to grow in the years ahead, reaching around DKK 200 billion in 2019 and DKK 180 billion in 2016. Limited growth is expected in the civil works area and slightly higher growth in new building and refurbishment.

Civil works

The MT Højgaard company’s civil works business has the capabilities and experience needed to create innovative and effective solutions. These include roads, bridges, tunnels, harbours, coastal and cloudburst protection, large treatment plants, and construction of shell structures and other concrete-related projects.

The Group’s geographical presence



In 2014, the Danish civil works market was characterised by a stable, high level of activity with little fluctuation and fierce price competition. There was increasing demand for harbour construction and cloudburst protection. The market was characterised by the construction of the new super-hospitals, the extension of the rail network on Zealand and a number of harbour and bridge projects.

Civil Works tendered successfully for highly complex projects that require special expertise.

Selected civil works activities in Denmark in 2014:

- Six railway bridges on the Copenhagen-Ringsted line.
- Shell structures for public institutions, including the New University Hospital near Aarhus, Rigshospitalet's Patient Hotel in Copenhagen, two new sections for Copenhagen University (the Niels Bohr Building) and a new research and a laboratory building on the Lyngby campus of the Technical University of Denmark (DTU).
- Shell structures and other concrete works for head office buildings, such as Nordea's new headquarters and Bestseller's head office in Aarhus.
- The new Ballen Ferry Harbour on the island of Samsø.
- Establishment of canal, roads and pedestrian bridges for a new urban district for the client, FredericiaC.

In 2014, the part of the Danish civil works market that is relevant to the MT Højgaard Group was worth approx. DKK 25 billion and this market is expected to grow steadily over the next three years with public investments in trams, shell structures for the large hospitals, shore installations for the Femern Belt Fixed Link and climate change adaptation.

In *Greenland*, exploration and investigation for the extraction of minerals have come to a halt and this has affected the general level of activity. A couple of major construction and civil works projects are expected to be put out to tender in 2015 and MT Højgaard will bid for these.

On *the Faroe Islands*, Civil Works is in close dialogue with clients and consultants concerning a number of major projects that will be put out to tender shortly and match well with the Group's capabilities.

In the *Maldives*, there was a fair increase in the level of activity as a result of increased focus on private resort customers, and collaboration with public customers is also increasing. In the fourth quarter, the company secured its largest order to date amounting to DKK 114 million when a contract was signed with the owners of Gan Airport to build a runway and taxi area.

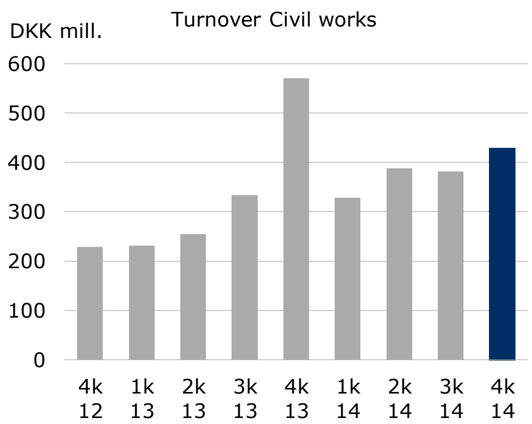
In *Qatar*, Civil Works is working on tenders for a number of projects. The market is expected to grow over the next three years.

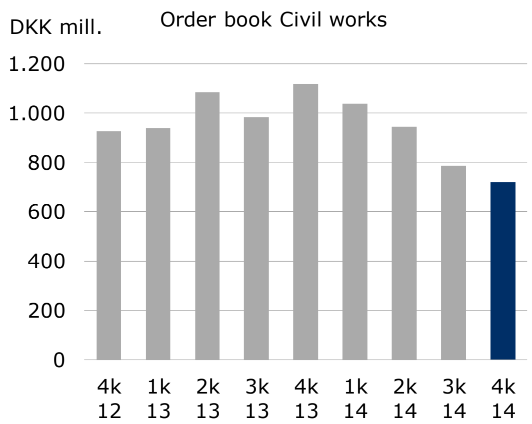
Expected market development, civil works 2015:

MARKET (DKK billion)	OVERALL	RELEVANT	DEVELOPMENT
Denmark	60	25	→
Greenland and Faroe Islands*	2	1	→
Maldives and Qatar	90	45	↗

Source: MT Højgaard on the basis of the Danish Construction Association's trend analysis a. o. *Incl. Construction

In 2014, the Civil Works business area delivered revenue in line with expectations. With its increased focus on profitability and capacity utilisation, the area also reported a satisfactory result. The profitability of the order book increased during the year.





Construction

Construction is MT Højgaard's largest business area, measured by both revenue and number of employees. Together with the Group's other business areas and companies, the construction business can undertake large and complex projects.

The Danish construction market was stable in 2014 and characterised by considerable competition. Steady growth in the market is expected in the years 2015 to 2017, driven particularly by refurbishment projects. MT Højgaard is positioned in the market as a consulting contractor focusing particularly on large, complex projects such as head offices, super-hospitals, distinctive residential buildings and large refurbishment projects.

The market for new building is expected to grow in the next three years. This growth is expected to include both private residential building, especially in the areas around Copenhagen and Aarhus, and public building, including super-hospitals and educational institutions.

The greatest growth is expected in the refurbishment market, as both legal requirements and profitability make refurbishment more attractive.

Project development contracts range from relatively small high-density/low-rise residential building projects to new urban areas with integrated housing, offices, institutions and shops. MT Højgaard develops projects both independently and for customers, often in collaboration with site owners, authorities, tenants and investors.

In the project development market there is increasing demand for housing, especially in Copenhagen and the surrounding area. The market for commercial construction is advancing slightly, with a trend towards customers requesting properties that can be split into a number of tenancies, such as the Multiflex Office being built at Knud Højgaards Vej 7 in Søborg.

The Group has decided to start investing in some of MT Højgaard's development projects in 2015. In a market that is generally stable and positive, this will open up attractive opportunities to meet the Group's requirements concerning earnings and risks under controlled risk conditions.

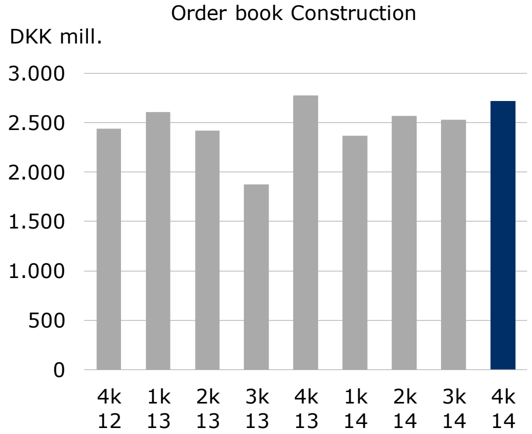
Public-Private Partnerships (PPP) is an area of strategic focus for MT Højgaard. Over the years, the Group has built up extensive experience in PPP and is the company in Denmark that has built the most buildings on a PPP basis. In 2014, the Group started up yet another major PPP project (Vejle Hospital, New Psychiatric Ward), with a total contract value, including the operating agreement, of approx. DKK 930 million. The Group currently has five PPP projects in operation.

MT Højgaard has entered into collaboration with a number of important players with an ambition to secure more PPP projects in both construction and civil works.

The Group established two new focus areas in construction in 2014; high rises and commercial refurbishment, to ensure that the Group has the positioning and expertise to meet the increased demand expected here.

Selected construction projects in Denmark in 2014:

- New head offices for customers such as Nordea and Bestseller. To these should be added the MT Højgaard Group's own new head office, the first major project in a new generation of office buildings.
- Refurbishment of terraced houses and flats in Albertslund Syd, Ladegaardsparken and Egedalsvænge.
- Construction of the New Psychiatric Ward at Vejle Hospital as a PPP project.
- Started the construction of Strandpromenaden, 42 exclusive dwellings on Østerbro in Copenhagen.
- Hand-over of a control and maintenance centre (CMC) for the Copenhagen Metro. Furthermore, commencement of the finishings to 17 stations on the coming Cityringen metro line.



In *Norway*, Construction is working on a number of major projects, including Teglverkstomta, which is a school with an associated multi-purpose hall. In Norway, demand is expected to rise steadily over the next three years.

Expected market development, construction 2015:

MARKET (DKK billion)	OVERALL	RELEVANT	DEVELOP-MENT
Denmark New building	40	20	↗
Denmark Refurbishment	70	35	↗
Denmark PPP	2	2	→
Norway (Oslo) New building	20	10	→

Source: MT Højgaard on the basis of the Danish Construction Association's trend analysis, Prognosesenteret/BNL Norway a.o.

The level of activity in Construction remained steady in 2014. Revenue was slightly lower than expected, especially in West Denmark. However, the increased focus on profitability and steady completion of orders has resulted in an improved operating result for the area in line with expectations. The same focus has also led to an improved contribution margin on this area's order book.

Offshore and steel bridges

MT Højgaard develops projects within offshore and steel bridges in the Northern European market. In 2014, MT Højgaard participated in a joint venture for the development of a new, relatively small offshore project, with a view to reducing the installation costs of erecting foundations.

The relevant market in the *offshore* field is expected to grow over the next three years as this energy source becomes more profitable. However, the level of activity in MT Højgaard continues to be low as a consequence of stricter risk models. MT Højgaard is currently working on a number of bids, which match its strategy in terms of scale and risk.

MT Højgaard is experiencing a stable market for the construction of *steel bridges* in Northern Europe. In 2014, among other things, MT Højgaard completed the Cykelslangen cycle bridge linking Bryggebroen and Dybbølsbro at Fisketorvet in Copenhagen. Another project is Marieholm Bro in Gothenburg, which is being carried out in a joint venture. In the financial statements, joint ventures are only included in the line item 'Share of profit/(loss) after tax of joint ventures'.

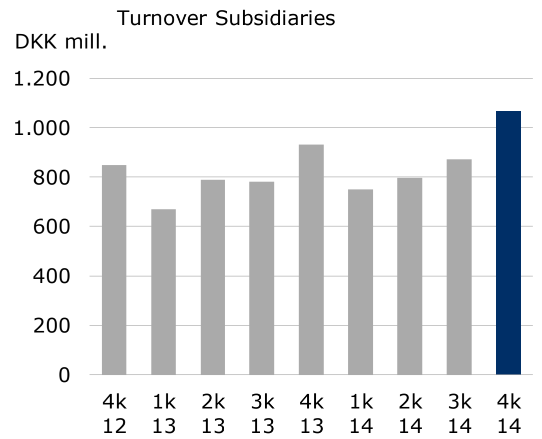
The activities and revenue of Offshore and Steel Bridges were very limited, especially within offshore. This business area consequently contributed a negative operating result in 2014.

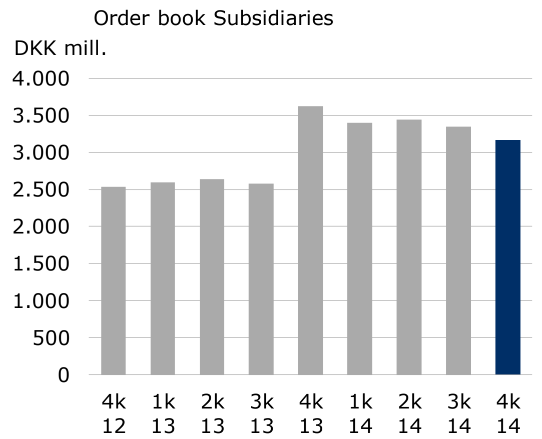
Subsidiaries

The Group comprises a number of companies that have activities in construction and civil works, like the parent company, mainly for customers in selected segments. The companies also work together across the Group to exploit Group synergies.

Enemærke & Petersen primarily undertakes refurbishment contracts, but also new building, primarily within residential properties and public buildings. The company has also built up a service business in recent years that operates and maintains buildings. The company has activities across Denmark, and its increased focus on industrialisation and productivity ensures shorter construction periods, higher quality and improved health and safety.

In the last few years, the company has set up an office





and a workshop in Brabrand. In response to the increase in revenue, the company has also introduced industrialisation in the form of additional manufacturing in Glostrup and Brabrand. On 1 January 2015, Henrik Mielke became the new CEO of Enemærke & Petersen. Henrik Mielke was promoted from within the company and replaces Svend Hartmann.

The company worked on a number of major refurbishment projects during the year, including Rosenhøj and Langkærparken near Aarhus and Vapnagaard in Elsinore. Contracts won by the company for execution in the coming years include assignments related to the refurbishment of Korngården in Ballerup, Birkehegnet in Næstved and Byengen/Nordengen in Kokkedal.

Enemærke & Petersen had a good year in 2014 with a steady high inflow of orders and record revenue, but the result was weakened by a few older less profitable projects.

Lindpro is one of Denmark's largest companies in the fields of electrical engineering and service. Lindpro has branches all over Denmark and in Greenland. The company's activities are diverse, ranging from large contracts to small service assignments. Projects on which Lindpro was working in 2014 included the New University Hospital in Aarhus, and the company won a three-year service contract with the Hilton airport hotel in Copenhagen. As a new departure, Lindpro is offering DNA security for shops, bank branches, etc. Objects and parts of buildings are marked with a DNA liquid that leaves traces on a thief's clothing and skin.

Lindpro's service business reported steady progress in 2014, whereas the technical contract area was again characterised by a lower level of activity and intense price competition. In the longer term, Lindpro expects rising activity levels in both areas, but with persistent fierce competition.

Overall, Lindpro contributed a satisfactory result in 2014 based on slightly lower revenue than expected. The company's level of activity historically follows MT Højgaard's as Lindpro is a subcontractor on several of the Group's construction projects.

Scandi Byg is the leading company in Denmark for prefabricated modular buildings. At the factory in Løgstør, modules are assembled for housing, institutions, offices and laboratories. The company enjoyed an increasing level of activity during the year. In 2014, Scandi Byg worked, among other things, on the 4th framework contract of AlmenBolig+ for the construction of a pool of social housing. As a new feature, Scandi Byg commenced the production of modular buildings for the Faroe Islands.

Scandi Byg delivered a satisfactory result in 2014 against the background of slightly lower revenue than expected. The company ended the year with an order book with an improved contribution margin.

Ajos supplies equipment and consultancy services to the construction industry. The company is one of Denmark's largest companies hiring out specialist equipment, such as cranes, hoists, pavilions and site accommodation. Its primary focus is on activities that are characterised by a high degree of complexity and therefore require specialist technical expertise and a high service level. In 2014, Ajos also focused on developing more complex projects such as building site consultancy and management.

Ajos' result reflected the somewhat lower level of activity in the company MT Højgaard A/S, as Ajos acted a subcontractor on several of the Group's projects.

Greenland Contractors I/S, a partly owned company (67%), carries out construction, maintenance and service work at Thule Air Base for the US Air Force. Greenland Contractors enjoyed a higher level of activity in 2014, with good and stable operation, which led to a satisfactory result for the year. The result for the year also benefited from performance bonuses and a financial gain on a currency option that the company purchased in connection with the hedging of its tender for the new service contract on Thule. The company lost the tender and its activities will be scaled down at the end of 2015 as a consequence of the service contract with the US Air Force terminating at the end of the third quarter.

Joint ventures

The Group participates in a number of joint ventures which, overall, are considered less material to the Group. The result is included in the line item 'Share of profit/(loss) after tax of joint ventures'.

Joint ventures include *Seth S.A.*, a partly owned construction company (60%), which specialises in harbour and marine works, civil works, construction and electrification. The company works in Portugal, the Azores and Africa. The company reported a negative result, which did not match expectations due to the late start-up of an individual project

Financial review

Fourth quarter 2014

Fourth-quarter 2014 revenue was DKK 2.0 billion compared with DKK 2.3 billion in the fourth quarter of 2013. Revenue matched management's expectations concerning a satisfactory level of activity, as most of the Group's business areas are engaged in major projects with high production.

Fourth-quarter 2014 operating profit/(loss) before special items was a profit of DKK 118 million compared with DKK 81 million in the fourth quarter of 2013, a satisfactory development driven by the MT Højgaard company's construction business in East Denmark and Lindpro. The fourth-quarter operating margin before special items was 5.8% compared with 3.6% in the fourth quarter of 2013.

Operating and investing activities generated a cash inflow of DKK 178 million in 2014 compared with DKK 310 million in the fourth quarter of 2013. The cash inflow in the fourth quarter of 2013 was primarily due to the effect of the decision in the Buxton case, while settlement of the ruling in the concluded litigation that was announced on 12 October 2014 affected adversely the fourth-quarter 2014 cash flow by DKK 75 million.

The fourth-quarter order intake was DKK 1.8 billion compared with DKK 4.3 billion in the fourth quarter of 2013. Orders included the finishings to 17 metro stations in Copenhagen, upgrading of a runway in the Maldives and two refurbishment projects in Enemærke & Petersen.

Performance highlights – financial statements 2014

- Revenue was DKK 7.0 billion, matching the latest outlook, but at the low end of the originally announced outlook of revenue of DKK 7.0-7.5 billion.
- Operating profit before special items was DKK 207 million, which was slightly better than the latest outlook of operating profit before special items of DKK 175-200 million and in accordance with the original outlook for 2014 of operating profit before special items of DKK 150-225 million. The operating margin before special items was 3.0%, matching the outlook.
- The rulings in old offshore litigation cases had a negative effect of DKK 408 million on special items, in line with expectations.

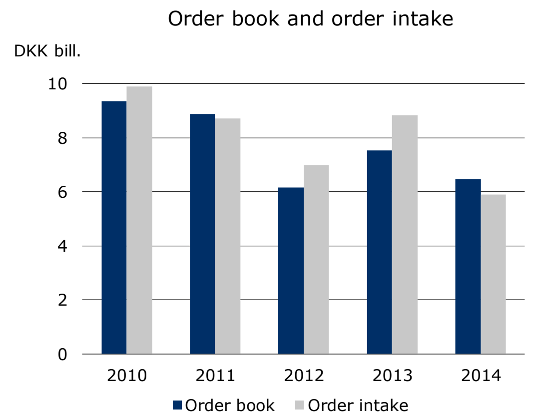
Order intake and order book

The total order intake for 2014 was DKK 5.9 billion compared with DKK 8.8 billion in 2013. In addition, at the end of 2014, the Group won a number of orders for which contracts have yet to be received. This means that the orders have not yet been recorded in the order book. Overall, orders won at the end of 2014 total more than DKK 1.0 billion unlike the end of 2013, when all significant orders had been recorded.

The order book stood at DKK 6.5 billion at the end of 2014 compared with DKK 7.5 billion at the end of 2013. The order book at the end of 2013 was characterised by an unusually high intake of large new individual orders in the fourth quarter.

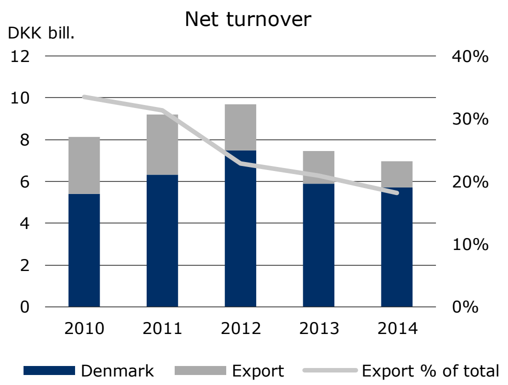
Approx. DKK 4.5 billion of the order book at the end of 2014 is expected to be executed in 2015.

DKK million	Q4 2014	2014	2013
Order intake	1,836	5,892	8,844
Production	2,044	6,979	7,464
Change in order book	(208)	(1,087)	1,380
Year-end order book	6,458	6,458	7,545



Revenue and earnings
Revenue was DKK 7.0 billion in 2014, down DKK 0.5 billion on 2013, mainly due to a low level of activity in Offshore & Steel Bridges and a lower level of activity in the MT Højgaard company's construction business in West Denmark.

Operating profit before special items was a profit of DKK 207 million compared with DKK 105 million in 2013, a satisfactory development. The operating margin before special items rose to 3.0% in 2014 from 1.4% in 2013.



- The improved financial performance mainly reflected three factors: Smaller impact from old projects with low profitability
- Tightened earnings requirements on new projects
- Good order completion on projects in progress

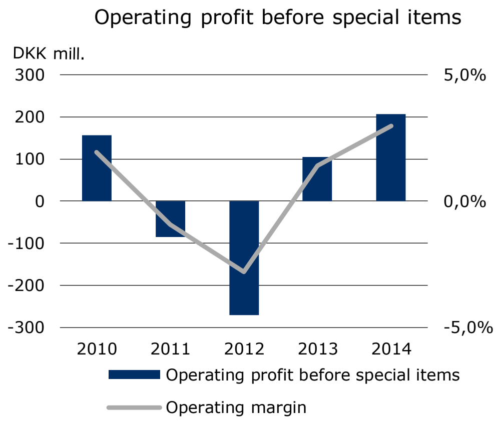
The financial performance also benefited from the ongoing focused efforts in a number of areas, including:

- Continued tight risk management of projects from tender stage through to hand-over
- Clear strategy
- Continued focus on optimising costs and aligning the business
- Focus on key customers
- Increased use of digital solutions

In 2014, the adverse effect on special items of the rulings in several old offshore litigation cases totalled DKK 408 million. In 2013, special items contributed DKK 130 million to profit due to the Buxton decision. With the rulings in April and October 2014, the last of the old offshore litigation cases have been brought to an end. The appeal in the Robin Rigg case is pending, which is expected to be heard by the High Court in London in the first quarter of 2015. Regardless of the outcome of the appeal, the ruling will not have any further adverse impact on the Group's result.

The Group's EBIT was a loss of DKK 201 million compared with a profit of DKK 235 million in 2013.

Net finance items amounted to income of DKK 15 million in 2014 compared with an expense of DKK 26 million in 2013, an improvement of DKK 41 million. As mentioned, a currency option in connection with the tender for the new contract for Greenland Contractors yielded an exchange gain, whereas 2013 was affected by negative foreign exchange adjustments on a number of foreign receivables due. The Group's net finance costs also benefited from the improved cash flow situation in 2014.



Income tax expense was DKK 66 million compared with DKK 102 million in 2013. Income tax expense was affected by a non-capitalised tax asset relating to special items, unlike 2013, when income tax expense was affected by the reduction of the Danish income tax rate to 22% in 2016.

The loss for the year after tax was DKK 252 million compared with a profit of DKK 107 million in 2013.

Balance sheet
The Group's balance sheet totalled DKK 3.6 billion at the end of 2014 compared with DKK 4.0 billion at the end of 2013. The Group's balance sheet items generally developed satisfactorily and in line with the adjusted level of activity and the profitable development. This development was driven in part by the focus on generating positive cash flows and the positive effect of fewer guarantee cases and contract disputes with customers.

Property, plant and equipment at the end of 2014 were in line with the end of 2013, reflecting cautious investing activity.

Trade receivables totalled DKK 1.2 billion at the end of 2014, a decrease of DKK 0.4 billion compared with the end of 2013. The reduction reflected partly closer follow-up on receivables with customers, and partly the consequence of the write-down of receivables due as part of the old, now settled offshore litigation.

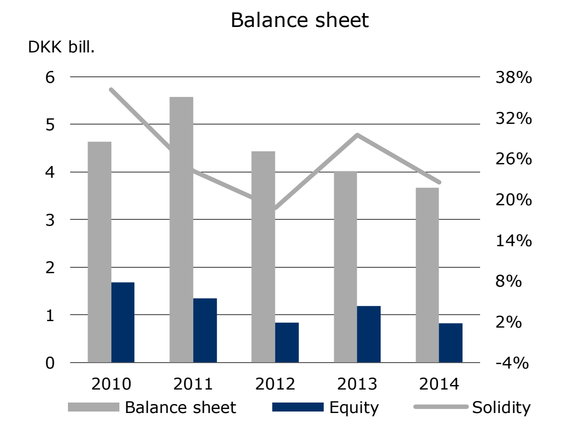
Inventories were an unchanged DKK 0.6 billion at the end of 2014, of which sites for resale amounted to DKK 0.5 billion. At the end of 2014, the Group decided on further focused action to reduce this tie-up of funds through phased construction of dwellings developed in-house on selected sites with a view to sale. This will reduce the tie-up of funds in development sites in the course of the coming years.

Trade payables amounted to DKK 0.9 billion at the end of 2014, an increase of DKK 0.1 billion compared with the end of 2013. This primarily reflected the higher level of activity in the fourth quarter of 2014 on projects in progress, unlike the end of 2013 when a number of large projects were completed at the end of the year.

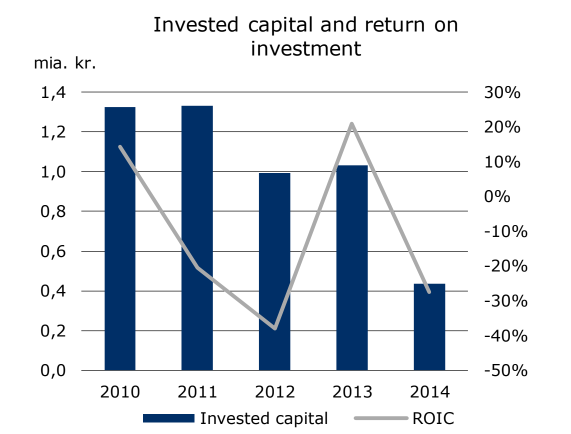
Total current and non-current provisions amounted to DKK 0.6 billion at the end of 2014, an increase of DKK 0.1 billion compared with the end of 2013. The increase mainly reflected a provision in connection with the Robin Rigg ruling, whereas the change between current and non-current liabilities primarily reflected the effect of the expected termination of Greenland Contractors' service contract on Thule at the end of the third quarter of 2015. The contract has consequently been accounted for as current liabilities.

Equity stood at DKK 0.8 billion at the end of 2014 compared with DKK 1.2 billion at the end of 2013. The equity ratio was 22.5% at the end of 2014 compared with 29.4% at the end of 2013.

No dividend is proposed for 2014.



Invested capital was DKK 0.4 billion at the end of 2014 compared with DKK 1.0 billion at the end of 2013. The reduction in invested capital was mainly due to the positive development in operating-related balance sheet items such as trade receivables as well as non-financial current liabilities.



Cash flows and financial resources

Operating activities generated a cash inflow of DKK 428 million in 2014 compared with an inflow of DKK 113 million in 2013. The satisfactory trend reflected a focused effort to generate positive cash flows on projects.

Investing activities was an outflow of DKK 39 million in 2014 compared with an outflow of DKK 24 million in 2013, reflecting a decrease in the sale of property, plant and equipment offset by increased sale of securities. Purchases of property, plant and equipment were reduced by DKK 25 million resulting from tight controls.

Operating and investing activities generated a total cash inflow of DKK 389 million in 2014 compared with DKK 89 million in 2013. Net of distribution to the non-controlling interests in Greenland Contractors, this generated an increase in the Group's net interest-bearing deposit, which was DKK 387 million at the end of 2014 compared with DKK 149 million at the end of 2013. The portfolio of securities and cash and cash equivalents totalled DKK 581 million at the end of 2014 compared with DKK 456 million at the end of 2013.

The Group's financial resources totalled DKK 1.1 billion at the end of 2014 compared with DKK 1.0 billion at the end of 2013. Financial resources are calculated as cash, including cash and cash equivalents in joint ventures, securities and undrawn credit facilities. Of the total financial resources, DKK 0.8 billion was available for use by MT Højgaard A/S at the end of 2014 compared with DKK 0.7 billion at the end of 2013.

Outlook for 2015 and 2016

At the start of 2015, the Group had essentially completed previously contracted orders with low profitability.

The order book of DKK 6.5 billion at the end of 2014 consequently had the desired profitability and risk profile, and approx. DKK 4.5 billion of the order book is expected to be executed in 2015.

Some business areas are still affected by a low order book and limited activity. This applies mainly to Offshore

& Steel Bridges and Greenland & Faroe Islands, and the activities of Greenland Contractors will cease at the end of the third quarter of 2015.

Against this background, the Group expects revenue of DKK 7.0-7.5 billion in 2015.

The effect of the many initiatives implemented in 2013 and 2014, coupled with the fact that the order portfolio with low profitability has now been completed, has now filtered through to the outlook for operating profit for 2015. EBIT for 2015 is consequently expected to be DKK 300-375 million, equivalent to an EBIT margin of 4-5%. In recent years, management has announced its target to achieve an EBIT margin of 5% by the end of 2015. This target is being maintained so that an operating margin of 5% is expected for 2016, despite the expected termination of Greenland Contractors' service contract on Thule.

A lower operating cash inflow is expected in 2015 as the Group expects to tie up funds in the start-up of construction projects developed in-house. At the same time, the execution of Greenland Contractors' final obligations in connection with the expected termination of the service contract on Thule and the potential effect of the ruling in the Robin Rigg appeal will have an adverse impact on operating cash flows. Operating activities are still expected to generate a cash inflow.

The Group's effective tax rate is expected to be around 27%.

Tight focus on positive cash flows on all projects and a good cash flow position at the start of 2015 have secured the Group a satisfactory financial position. The Group focuses on having adequate, optimum financial resources in the form of cash and cash equivalents, securities and credit facilities at all times corresponding to its requirements and costs.

The annual report contains forward-looking statements, including the above projections of financial performance in 2015 and 2016, which, by their nature, involve risks and uncertainties that may cause actual performance to differ materially from that contained in the forward-looking statements.

Risk management

The MT Højgaard Group's position is that all operational risks should, as far as possible, be controlled and that risks and pricing should be in line with one another. In addition, the opportunities implied by the risk factors should be identified and possibly exploited.

The Group continuously focuses on systematically developing its risk management in connection with bidding and entering into contracts. This has led to significantly improved profitability on projects in recent years.

Risks in the construction and civil engineering industry

The projects themselves constitute the main risk in the construction and civil engineering industry. However, less funds are tied up in capital than in other industries, the order book extends over a longer period, and the fixed costs and EBIT margins are generally lower.

Although the trend is towards a higher level of standardisation, industrialisation and prefabrication with consequent increases in procurement volumes, the industry is still characterised by a low level of automation, stagnating productivity and great dependence on employee skills and engagement.

In a number of the markets in which the Group operates, activity is dependent on the season and the weather. This is particularly true of this year with cold winters, which hampered or prevented civil engineering work in areas like Scandinavia, Greenland and the Faroe Islands. The Group endeavours to cover these risks by means of the estimated contribution margins.

Market conditions have a major impact on the construction and civil engineering industry in general, 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 in other markets, customers and capabilities help to balance risks under fluctuating market conditions.

The Group's risk model

The responsible business managers are responsible for assessing and estimating costs on individual tenders and projects. Contracts for a project are only signed if it has a sound risk profile and matches the Group's earnings requirements. The ability to choose the projects that match the Group's capabilities, values, capacity, experience, etc., is of crucial importance for the Group's results.

The Group has clear guidelines on which areas to tender in and those which are excluded. Among other things, the guidelines cover geography, markets, customers, project types, legal obligations and safety.

At both the general level and individual project level, projects will be turned down if they represent risks that cannot be satisfactorily quantified or be covered.

The Group manages risks in every phase of the individual projects and in the portfolio as a whole by focusing particularly on the following points:

- Selection by markets, geography, types and segments.
- The composition of the project portfolio.
- Including all risks when bidding, and securing agreed prices and capabilities in procurement.
- Thorough assessment of all new projects by a tender board and a contract board.
- Optimising projects with the help of information technology.
- The use of planning, monitoring groups and preventive actions in project execution.
- Firm management of challenging projects, dealing with problems in a specific, action-oriented and timely manner.
- Actively minimising potential losses, while making every effort to implement projects efficiently.

The Group's leadership team deals with strategic, financial, operational and legal risks, with support from staff.

The Group submits many tenders every year. This requires structured processes, which are uniform in principle but must also be able to take into account aspects such as how the outside world is developing and the nature and size of the tenders.

Tender and contract board

A tender and contract board is responsible for screening the individual projects submitted by the relevant commercial units. Its purpose is to

- ensure sound and profitable tenders and contracts
- identify and capitalise risks in projects
- evaluate selected working methods and solutions
- comply with procedures and policies for the conclusion of contracts
- ensure that the contract basis is unambiguous to customers and subcontractors

The individual business areas carry out risk assessments and set prices. The tender is then reviewed by the contract board, which can approve or reject whether a tender should be submitted and under what conditions.

The final decision on whether a tender is to be submitted is taken by the Executive Board and in some cases the Board of Directors.

As a minimum, the contract board reviews and analyses all the Group's tenders over DKK 50 million.

Risk mitigation
When reviewing a construction project with the help of the Group's expertise in Building Information Modelling (BIM), all the experience entered as information in the BIM model is used. This reduces the risk of loss of quality, time and money. BIM has been used on all appropriate projects in the MT Højgaard company since the start of 2013.

The majority of the Group's costs are made up of purchases of materials and subcontracts. To reduce execution risks on such supplies, the Group works in close collaboration with subcontractors and usually enters into long-term agreements with them.

Risks are also mitigated by using standardised components and industrialisation with large procurement volumes. Acquisition of knowledge and analysis of purchases are key areas for action in this respect.

Execution risk
The risks associated with the execution of projects are particularly associated with the nature and location of the project, the skills/experience required and the specific solutions chosen.

In the initial phase of the project significant risks are covered through planning, which ensures that the right skills are available. Specific risk pools are allocated to identified risks as well as a general execution risk that varies according to the nature and type of the individual project.

A review of the risks of each project is carried out at least once a month and specific action plans are drawn up.

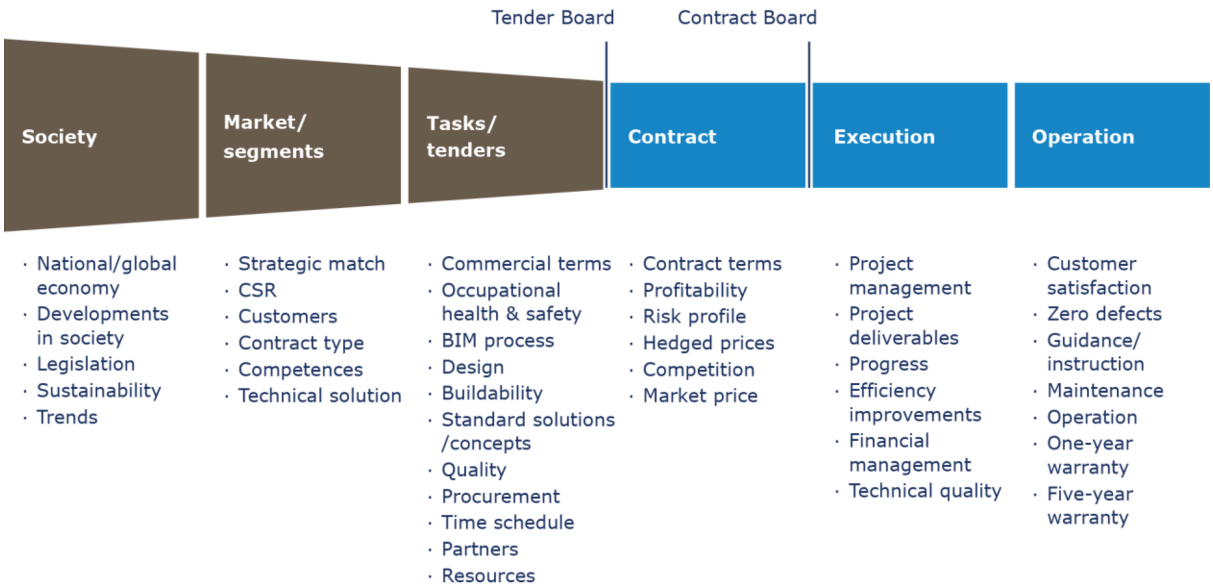
Experience gathering
There is a close link between the skills employed and the results generated, which is why we the Group is constantly striving to improve the skills of its project managers.

Systematic evaluation of projects enables the Group to gather and analyse risks, and the Group collects data to help in the development of future standard solutions. The use of tried and tested methods reduces risks and ensures quality and delivery on time and provides volume in procurement for the Group.

Contract types and disputes
The risks assumed by the Group in connection with a project are partly determined by the complexity of the related obligations. Projects range from relatively small production projects to large, composite projects, where the Group manages every aspect, from design and construction to future operation in the longer term, for example on PPP projects.

Because the Group's activities involve several different types of contractual mechanisms, the risk level may vary a great deal. These mechanisms include different price models. The Group strives to work on the basis of con-

Project selection and risk management



tinuous invoicing, which enables some of the possible external price increases to be passed on to the customer, for example those based on indexation clauses. On procurement projects with public customers it is customary to have fixed-price contracts.

There is usually a requirement to ensure that a certain proportion of self-generated projects is sold to customers or tenants found before start-up. When several projects are started up in parallel it is important that the overall risk is balanced and proportionate to the expected earnings and the increase in capital tied up. This means that new projects cannot be started up at times of maximum exposure, even if they are attractive in themselves.

The Group always endeavours to settle disagreements through dialogue and negotiation before they escalate. On projects where disputes or arbitration cases nevertheless arise, it is essential for the recognition in the Group's financial statements that a specific legal and financial assessment is made. External legal opinions are involved in the assessment of cases of major disputes.

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

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 2014.

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 2014 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 2014.

In our opinion, the Management's review gives a fair review of the development in the Group's and the 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 Company.

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

Søborg, 26 February 2015

Executive Board

Torben Biilmann CEO	Egil Mølsted Madsen CFO

Board of Directors

Søren Bjerre-Nielsen Chairman	Niels Lykke Graugaard Deputy Chairman	Curt Germundsson
Carsten Bjerg	Pernille Fabricius	Mats Jönsson
John Sommer	Vinnie Sunke Heimann	Irene Chabior

Independent auditor's reports

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 2014. 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 as 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 2014 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 2014 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, 26 February 2015

Ernst & Young
Godkendt Revisionspartnerselskab

Jesper Koefoed State Authorised Public Accountant	Mona Blønd State Authorised Public Accountant

Executive Board

Torben Biilmann
CEO

Born 1956, MSc (Civil Engineering)

Other management positions:

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

Egil Mølsted Madsen
CFO

Born 1965, MSc (Business Economics and Auditing) and State Authorised Public Accountant

Board of Directors

Søren Bjerre-Nielsen
Chairman

Born 1952, MSc (Economics and Business Administration) and State Authorised Public Accountant On the Board of Directors since 2013.

Other management positions:

- Chairman of the Board and of the Committee of Directors, Danmarks Nationalbank (CB), Denmark
- Højgaard Holding A/S (CB), Denmark
- VKR-Holding A/S (CB), Denmark
- Velux A/S (CB), Denmark

Special expertise:

General and international management, economic and financial management, risk management, strategic business development, stock exchange issues and listed companies.

Niels Lykke Graugaard
Deputy Chairman

Born 1947, MSc (Engineering) and MSc (Economics and Management). On the Board of Directors since 2012.

Other management positions:

- Gram Equipment A/S (MB), Denmark
- KraussMaffei AG (MB), Germany
- Monberg & Thorsen A/S (DCB), Denmark
- Weiss Partners A/S (CB), Denmark

Special expertise:

International business management, project management, strategic planning, and mergers & acquisitions.

Carsten Bjerg
Born 1959, BSc (Engineering). On the Board of Directors since 2014.

Other management positions:

- Højgaard Holding A/S (DCB), Denmark
- Markedsmodningsfonden (CB), Denmark
- Rockwool International A/S (DCB), Denmark
- Vestas Wind Systems A/S (MB), Denmark

Special expertise:

In-depth knowledge of management of an international group, including specialised knowledge of R&D, manufacturing and strategic management.

Pernille Fabricius
Industry advisor to Silverfleetcapital and TPG Capital.

Born 1966, MSc (Business Economics and Auditing), MSc (Finance), LLM (EU law) and MBA. On the Board of Directors since 2014.

Other management positions:

- Højgaard Holdings A/S (MB), Denmark
- Ipes Ltd. (CB), England
- Royal Greenland A/S (MB), Greenland
- Silverfleetcapital (CB), England

Special expertise:

Financial reporting and auditing, financing/refinancing and mergers & acquisitions.

Curt Germundsson
Executive Advisor FSN Capital

Born 1944, BSc (Mechanical Engineering), BSc (Business Economics). On the Board of Directors since 2008.

Other management positions:

- DevPort AB (CB), Sweden
- EFD Induction ASA (MB), Norway
- Green Landscaping AB (MB), Sweden
- Monberg & Thorsen A/S (MB), Denmark
- Skamol A/S (MB), Denmark
- Troax AB (MB), Sweden

Special expertise:

General and international business management, production management.

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, 2009 and 2013. Election period expires in 2017.

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

Mats Jönsson
CEO, Monberg & Thorsen

Born 1957, MSc (Engineering). On the Board of Directors since 2014.

Other management positions:

- Coor Service Management (MB), Sweden
- Infratek A/S (MB), Norway
- Logent AB (CB), Sweden

Special expertise:

General and international business management within construction and service, mergers & acquisitions.

Vinnie Sunke Heimann *
QHSE Director, QHSE

Born 1967, BSc (Engineering). On the Board of Directors since 2013. Election period expires in 2017.

John Sommer*
Sales Director, Market Cultivation and Sustainability

Born 1968, Engineer, Carpenter, HD (BCom) and E*MBA. On the Board of Directors since 2013. Election period expires in 2017.

Income statement and statement of comprehensive income

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
			Income statement		
3,760.0	3,016.0	4	Revenue	6,979.4	7,464.3
-3,687.7	-2,834.4	5-6	Production costs	-6,286.6	-6,911.1
72.3	**181.6**		**Gross profit**	**692.8**	**553.2**
-101.8	-90.3		Distribution costs	-110.8	-125.4
-137.2	-150.5	5-7	Administrative expenses	-338.2	-321.9
-166.7	**-59.2**		**Profit/(loss) before share of profit/(loss) of joint ventures**	**243.8**	**105.9**
-	-	14	Share of profit/(loss) after tax of joint ventures	-36.8	-0.9
-166.7	**-59.2**		**Operating profit/(loss) before special items**	**207.0**	**105.0**
130.0	-408.0	8	Special items	-408.0	130.0
-36.7	**-467.2**		**EBIT**	**-201.0**	**235.0**
154.9	215.0	9	Finance income	31.1	11.8
-42.8	-48.3	10	Finance costs	-16.2	-38.3
75.4	**-300.5**		**Profit/(loss) before tax**	**-186.1**	**208.5**
-65.2	-44.3	11	Income tax expense	-65.6	-102.0
10.2	**-344.8**		**Profit/(loss) for the year**	**-251.7**	**106.5**
			Attributable to:		
			Shareholders of MT Højgaard A/S	-335.6	33.3
			Non-controlling interests	83.9	73.2
			Total	**-251.7**	**106.5**
			Proposal for distribution of profit/(loss)		
10.2	-344.8		Transfer to retained earnings		
10.2	**-344.8**		**Total**		
			Statement of comprehensive income		
10.2	**-344.8**		**Profit/(loss) for the year**	**-251.7**	**106.5**
			Other comprehensive income		
			Items that may be reclassified to the income statement:		
-	-		Foreign exchange adjustments, foreign enterprises	-0.1	1.3
-	-		Share of other comprehensive income of joint ventures	-18.6	10.6
-	-		Tax on other comprehensive income	-	-
0.0	**0.0**		**Other comprehensive income after tax**	**-18.7**	**11.9**
10.2	**-344.8**		**Total comprehensive income**	**-270.4**	**118.4**
			Attributable to:		
			Shareholders of MT Højgaard A/S	-354.3	45.2
			Non-controlling interests	83.9	73.2
0.0	**0.0**		**Total**	**-270.4**	**118.4**

Balance sheet

PARENT COMPANY				ASSETS	GROUP		
2013-01-01	2013	2014	Note	Amounts in DKK million	2014	2013	2013-01-01
				Non-current assets			
				Intangible assets			
50.3	50.3	50.3		Goodwill	116.6	116.6	116.6
-	6.5	13.8		Other intangible assets	40.5	38.8	31.5
50.3	**56.8**	**64.1**	12	**Total intangible assets**	**157.1**	**155.4**	**148.1**
				Property, plant and equipment			
48.1	38.6	35.4		Land and buildings	197.4	229.2	237.8
75.5	18.4	10.9		Plant and machinery	242.5	232.6	291.5
12.2	11.7	20.5		Fixtures and fittings, tools and equipment	73.7	86.7	94.9
-	-	-		Property, plant and equipment under construction	4.4	5.5	3.4
135.8	**68.7**	**66.8**	13	**Total property, plant and equipment**	**518.0**	**554.0**	**627.6**
				Other non-current assets			
377.2	398.2	418.2	14	Investments in subsidiaries	-	-	-
43.2	37.2	37.5	14	Interests in joint ventures	29.7	43.7	50.9
10.8	10.8	10.8		Receivables from joint ventures	3.4	3.4	3.4
309.4	300.1	297.8	11	Deferred tax assets	320.2	308.6	335.8
740.6	**746.3**	**764.3**		**Total other non-current assets**	**353.3**	**355.7**	**390.1**
926.7	**871.8**	**895.2**		**Total non-current assets**	**1,028.4**	**1,065.1**	**1,165.8**
				Current assets			
				Inventories			
1.9	1.9	1.9	15	Raw materials and consumables	79.2	83.6	96.5
504.3	455.6	132.4	15	Properties held for resale	555.5	555.4	604.1
506.2	**457.5**	**134.3**		**Total inventories**	**634.7**	**639.0**	**700.6**
				Receivables			
1,253.2	961.2	563.3		Trade receivables	1,169.7	1,642.4	1,812.4
96.4	24.9	31.0	20	Construction contracts in progress	90.9	72.2	162.3
124.3	178.0	484.6		Receivables from subsidiaries	-	-	-
79.1	74.0	0.1		Receivables from joint ventures	0.1	73.9	79.1
35.8	14.4	12.1		Income tax	-	0.4	9.9
28.7	20.2	48.7		Other receivables	95.0	39.5	67.8
9.4	-	-		Payments on account to suppliers	5.1	1.1	9.3
62.8	21.8	32.9		Prepayments	41.5	24.9	65.2
1,689.7	**1,294.5**	**1,172.7**	16	**Total receivables**	**1,402.3**	**1,854.4**	**2,206.0**
20.9	**20.4**	**11.5**	17	**Securities**	**121.7**	**163.1**	**164.7**
55.8	**61.7**	**141.5**	33	**Cash and cash equivalents**	**459.3**	**292.4**	**189.7**
2,272.6	**1,834.1**	**1,460.0**		**Total current assets**	**2,618.0**	**2,948.9**	**3,261.0**
3,199.3	**2,705.9**	**2,355.2**		**Total assets**	**3,646.4**	**4,014.0**	**4,426.8**

Balance sheet

PARENT COMPANY				EQUITY AND LIABILITIES	GROUP		
2013-01-01	2013	2014	Note	Amounts in DKK million	2014	2013	2013-01-01
				Equity			
220.0	520.0	520.0		Share capital	520.0	520.0	220.0
-	-	-		Other reserves	-37.3	-18.6	-30.5
266.8	277.0	-65.7		Retained earnings	281.1	614.6	581.3
-	-	-		Proposed dividends	-	-	-
486.8	**797.0**	**454.3**		**Equity attributable to shareholders**	**763.8**	**1,116.0**	**770.8**
-	-	-		Non-controlling interests	57.9	65.0	56.8
486.8	**797.0**	**454.3**		**Total equity**	**821.7**	**1,181.0**	**827.6**
				Non-current liabilities			
11.0	16.2	6.8	18	Bank loans, etc.	159.3	163.4	126.8
-	-	-	11	Deferred tax liabilities	9.0	9.9	12.2
134.3	165.1	137.5	19	Provisions	260.8	337.8	272.2
145.3	**181.3**	**144.3**		**Total non-current liabilities**	**429.1**	**511.1**	**411.2**
				Current liabilities			
10.9	8.9	7.1	18	Current portion of non-current liabilities	34.6	37.8	33.0
359.9	105.1	0.3	18	Bank loans, etc.	0.3	105.1	359.9
665.1	411.7	532.3	20	Construction contracts in progress	632.8	591.9	871.8
4.0	0.8	0.8		Prepayments received from customers	0.9	12.9	13.0
687.1	440.7	524.5		Trade payables	887.3	775.7	1,013.7
254.0	181.7	185.4		Payables to subsidiaries	-	-	-
37.9	27.7	40.0	11	Income tax	48.5	33.4	48.7
270.4	298.2	174.7		Other payables	380.4	530.6	505.6
44.2	32.0	39.2		Deferred income	41.9	32.0	67.7
233.7	220.8	252.3	19	Provisions	368.9	202.5	274.6
2,567.2	**1,727.6**	**1,756.6**		**Total current liabilities**	**2,395.6**	**2,321.9**	**3,188.0**
2,712.5	**1,908.9**	**1,900.9**		**Total liabilities**	**2,824.7**	**2,833.0**	**3,599.2**
3,199.3	**2,705.9**	**2,355.2**		**Total equity and liabilities**	**3,646.4**	**4,014.0**	**4,426.8**

Statement of cash flows

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
			Operating activities		
-36.7	-467.2		Operating profit/(loss)	-201.0	235.0
-38.8	74.0	30	Adjustments in respect of non-cash operating items, etc.	274.3	233.2
-75.5	**-393.2**		**Cash flows from operating activities before working capital changes**	**73.3**	**468.2**
			Working capital changes:		
48.8	330.8		Inventories	12.0	70.5
295.3	255.6		Receivables excluding construction contracts in progress	434.5	252.1
-181.9	114.5		Construction contracts in progress	48.1	-189.6
-250.1	-94.7		Trade and other current payables	-91.3	-381.4
-163.4	**213.0**		**Cash flows from operations (operating activities)**	**476.6**	**219.8**
4.0	5.3		Finance income	32.5	11.8
-21.8	-5.1		Finance costs	-17.2	-35.8
-181.2	**213.2**		**Cash flows from operations (ordinary activities)**	**491.9**	**195.8**
-44.2	-40.9		Income taxes paid, net	-63.5	-83.3
-225.4	**172.3**		**Cash flows from operating activities**	**428.4**	**112.5**
			Investing activities		
-7.2	-10.6		Purchase of intangible assets	-13.4	-14.7
-22.2	-164.7		Capital changes in joint ventures and subsidiaries	-22.9	-3.5
-9.0	-27.0	31	Purchase of property, plant and equipment	-105.5	-131.0
70.4	7.8		Sale of property, plant and equipment	61.4	116.6
150.9	207.3		Dividends from joint ventures and subsidiaries	-	9.9
-	8.7		Investments in securities, net	41.1	-0.8
182.9	**21.5**		**Cash flows from investing activities**	**-39.3**	**-23.5**
			Financing activities		
			Loan financing:		
7.7	-	32	Increase in non-current bank loans, etc.	-8.9	56.7
-4.5	-11.3		Decrease in non-current bank loans, etc.	-19.6	-23.2
			Shareholders:		
-	-		Dividends, non-controlling interests	-91.0	-65.0
300.0	2.1		Capital increase	2.1	300.0
303.2	**-9.2**		**Cash flows from financing activities**	**-117.4**	**268.5**
260.7	**184.6**		**Net increase (decrease) in cash and cash equivalents**	**271.7**	**357.5**
-304.1	-43.4		Cash and cash equivalents at 01-01	187.3	-170.2
-43.4	**141.2**	33	**Cash and cash equivalents at 31-12**	**459.0**	**187.3**

Statement of changes in equity, parent company

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Total
2013			
Equity at 01-01	**220.0**	**268.3**	**488.3**
Changes in accounting policies		-1.5	**-1.5**
New equity at 01-01	**220.0**	**266.8**	**486.8**
Profit/(loss) for the year		10.2	**10.2**
Transactions with owners:			
Capital contribution	300.0		**300.0**
Dividends paid			-
Total changes in equity	**300.0**	**10.2**	**310.2**
Equity at 31-12	**520.0**	**277.0**	**797.0**
2014			
Equity at 01-01	**520.0**	**277.5**	**797.5**
Changes in accounting policies		-0.5	**-0.5**
New equity at 01-01	**520.0**	**277.0**	**797.0**
Profit/(loss) for the year		-344.8	**-344.8**
Transactions with owners:			
Capital contribution, warrant programme - purchased		1.7	**1.7**
Capital contribution, warrant programme - granted		0.4	**0.4**
Dividends paid			-
Total changes in equity	**0.0**	**-342.7**	**-342.7**
Equity at 31-12	**520.0**	**-65.7**	**454.3**

Statement of changes in equity, Group

Amounts in DKK million

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
2013								
Equity at 01-01	**220.0**	**-31.0**	**0.5**	**581.3**	**0.0**	**770.8**	**0.0**	**770.8**
Changes in accounting policies				-		-	56.8	**56.8**
New equity at 01-01	**220.0**	**-31.0**	**0.5**	**581.3**	**0.0**	**770.8**	**56.8**	**827.6**
Profit/(loss) for the year				33.3	-	**33.3**	73.2	**106.5**
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			1.3			1.3	-	**1.3**
Share of other comprehensive income of joint ventures		10.6				10.6	-	**10.6**
Tax on other comprehensive income		-	-			-	-	**-**
Total other comprehensive income	-	10.6	1.3	-	-	11.9	-	**11.9**
Transactions with owners:								
Capital contribution	300.0				-	300.0		**300.0**
Dividends paid					-	-	-65.0	**-65.0**
Total transactions with owners	300.0	0.0	0.0	0.0	0.0	300.0	-65.0	**235.0**
Total changes in equity	**300.0**	**10.6**	**1.3**	**33.3**	**0.0**	**345.2**	**8.2**	**353.4**
Equity at 31-12	**520.0**	**-20.4**	**1.8**	**614.6**	**0.0**	**1,116.0**	**65.0**	**1,181.0**
2014								
Equity at 01-01	**520.0**	**-20.4**	**1.8**	**614.6**	**0.0**	**1,116.0**	**0.0**	**1,116.0**
Changes in accounting policies				0.0			65.0	**65.0**
New equity at 01-01	**520.0**	**-20.4**	**1.8**	**614.6**	**0.0**	**1,116.0**	**65.0**	**1,181.0**
Profit/(loss) for the year				-335.6	0.0	**-335.6**	83.9	**-251.7**
Other comprehensive income:								
Foreign exchange adjustments, foreign enterprises			-0.1			-0.1	-	**-0.1**
Share of other comprehensive income of joint ventures		-18.6				-18.6	-	**-18.6**
Tax on other comprehensive income		-	-	-		0.0	-	**0.0**
Total other comprehensive income	0.0	-18.6	-0.1	0.0	0.0	-18.7	0.0	**-18.7**
Transactions with owners:								
Capital contribution, warrant programme – purchased				1.7		1.7		**1.7**
Capital contribution, warrant programme – granted				0.4		0.4		**0.4**
Dividends paid					0.0	**0.0**	-91.0	**-91.0**
Total transactions with Owners	0.0	0.0	0.0	2.1	0.0	2.1	-91.0	**-88.9**
Total changes in equity	**0.0**	**-18.6**	**-0.1**	**-333.5**	**0.0**	**-352.2**	**-7.1**	**-359.3**
Equity at 31-12	**520.0**	**-39.0**	**1.7**	**281.1**	**0.0**	**763.8**	**57.9**	**821.7**

Notes

Notes

Note

1 **Accounting policies**

The Group and the parent company annual report for 2014 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 26 February 2015, 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 2014. The annual report will be presented to the shareholders of MT Højgaard A/S for approval at the Annual General Meeting on 16 March 2015.

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

The accounting policies described below have been applied consistently to the financial year and the comparative numbers.

General

Changes in accounting policies

IFRSs 10-12 with associated amendments, IAS 27 (2011), IAS 28 (2011), amendments to IAS 27 (2011), amendments to IAS 32, amendments to IAS 39 as well as IFRIC 21 have been implemented with effect from 1 January 2014.

IFRS 10 changes the criteria determining whether a company must be consolidated. According to IFRS 10, an investor must consolidate another company when it controls the relevant activities that generate variable returns.

IFRS 11 relating to Joint Arrangements replaces IAS 31 Joint Ventures. From 1 January 2014, 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. IFRS 12 contains disclosure requirements relating to both consolidated and non-consolidated enterprises and joint ventures.

As a result of the amendments to IFRS 10 and IFRS 11 from 1 January 2014, the Group has fully consolidated Greenland Contractors I/S and determined a non-controlling interest, whereas this company was previously recognised on a prorated basis at 66.67%. These changes also affect the recognition of Seth S.A. and other joint ventures, as the Group must recognise these applying the equity method from 1 January 2014, whereas they were previously recognised on a prorated basis.

In the opening balance sheet at 1 January 2013, the effect of the change was recognised in accordance with the transitional provisions in IFRS 10 and IFRS 11. In terms of presentation, the Group's share of profit/(loss) after tax of Seth S.A. and joint ventures is recognised in the income statement in a separate item designated 'Share of profit/(loss) after tax of joint ventures', and in the balance sheet the net asset values of these entities are recognised in the item 'Investments in joint ventures'.

Change in presentation

In terms of presentation, a new item, 'Special items', has also been incorporated in the income statement. This item includes sums that constitute the effect on profit/(loss) of old offshore litigation.

Comparative figures, including the five-year overview, have been restated accordingly.

Notes

Note

1 **Accounting policies**

	PARENT COMPANY 2013			GROUP 2013		
Amounts in DKK million	Previous practice	Adjust-ments	New practice	Previous practice	Adjust-ments	New practice
Statement of comprehensive income						
Revenue	3,760.0	-	3,760.0	7,358.2	106.1	7,464.3
Production costs	-3,582.7	-105.0	-3,687.7	-6,748.7	-172.4	-6,921.1
Distribution costs	-101.8	-	-101.8	-129.0	3.6	-125.4
Administrative expenses	-137.2	-	-137.2	-315.5	3.6	-311.9
Share of profit/(loss) after tax on investment at net asset value	-	-	-	1.9	-2.8	-0.9
Special items	-	130.0	130.0	-	130.0	130.0
Finance income	178.9	-24.0	154.9	12.6	-0.8	11.8
Finance costs	-42.8	-	-42.8	-40.7	2.4	-38.3
Income tax expense	-65.2	-	-65.2	-105.5	3.5	-102.0
Profit/(loss) for the period		1.0			73.2	
Other comprehensive income		-			-	
Comprehensive income for the period	**9.2**	**1.0**	**10.2**	**33.3**	**73.2**	**106.5**
Statement of cash flows						
Operating activities	-228.7	3.3	-225.4	19.0	93.5	112.5
Investing activities	179.0	3.9	182.9	-22.3	-1.2	-23.5
Financing activities	303.2	-	303.2	329.6	-61.1	268.5
Cash and cash equivalents at start of period	-289.2	-14.9	-304.1	-177.8	7.6	-170.2
Cash and cash equivalents at end of period	**-35.7**	**-7.7**	**-43.4**	**148.5**	**38.8**	**187.3**

Notes

Note

1 **Accounting policies**

	PARENT COMPANY 2013			GROUP 2013		
Amounts in DKK million	Previous practice	Adjust-ments	New practice	Previous practice	Adjust-ments	New practice
Balance sheet						
Intangible assets	56.8	-	56.8	155.4	-	155.4
Property, plant and equipment	68.7	-	68.7	570.2	-16.2	554.0
Other non-current assets	310.9	-	310.9	312.0	-	312.0
Investments in subsidiaries	383.8	14.4	398.2	-	-	-
Interests in joint ventures	51.6	-14.4	37.2	5.6	38.1	43.7
Inventories	457.5	-	457.5	627.6	11.4	639.0
Trade receivables	1,049.0	-87.8	961.2	1,742.3	-99.9	1,642.4
Construction contracts in progress	24.9	-	24.9	74.2	-2.0	72.2
Receivables from subsidiaries	178.0	-	178.0	-	-	-
Receivables from joint ventures	0.3	73.7	74.0	0.3	73.6	73.9
Income tax	14.4	-	14.4	0.8	-0.4	0.4
Other receivables	24.0	-3.8	20.2	65.7	-26.2	39.5
Payments on account to suppliers	-	-	-	1.6	-0.5	1.1
Prepayments	44.3	-22.5	21.8	47.4	-22.5	24.9
Securities	20.4	-	20.4	163.2	-0.1	163.1
Cash and cash equivalents	69.4	-7.7	61.7	253.6	38.8	292.4
Total assets	2,754.0	-48.1	2,705.9	4,019.9	-5.9	4,014.0
Bank loans, etc., long-term	16.2	-	16.2	173.9	-10.5	163.4
Deferred tax liabilities	-	-	-	9.9	-	9.9
Provisions	165.1	-	165.1	315.7	22.1	337.8
Current portion of non-current liabilities	8.9	-	8.9	40.8	-3.0	37.8
Bank loans, etc.	105.1	-	105.1	105.1	-	105.1
Construction contracts in progress	411.7	-	411.7	595.8	-3.9	591.9
Prepayments received from custom-ers	0.8	-	0.8	11.3	1.6	12.9
Trade payables	445.3	-4.6	440.7	806.1	-30.4	775.7
Income tax	27.7	-	27.7	34.6	-1.2	33.4
Payables to subsidiaries	181.7	-	181.7	-	-	-
Other payables	341.2	-43.0	298.2	573.1	-42.5	530.6
Deferred income	32.0	-	32.0	35.1	-3.1	32.0
Provisions	220.8	-	220.8	242.5	-	242.5
Total liabilities	1,956.5	-47.6	1,908.9	2,903.9	-70.9	2,833.0
Equity	797.5	-	797.5	1,116.0	-	1,116.0
Equity at 01-01-2012		-1.5			-	
Adjustment 2013 result		1.0			-	
Non-controlling interests		-			65.0	
Total equity and liabilities	2,754.0	-48.1	2,705.9	4,019.9	-5.9	4,014.0

Notes

Note

1 **Accounting policies**

Consolidated financial statements

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.

The consolidated financial statements comprise the parent company MT Højgaard A/S and subsidiaries controlled by the Group. The Group controls an enterprise when it is exposed to, or has rights to, variable returns from its involvement with the enterprise and has the ability to affect those returns through its power over the enterprise.

When assessing control, the Group takes into account de facto control and potential voting rights that are substantive at the reporting date.

Joint arrangements are operations or entities over which the Group has joint control through contractual agreements with one or more parties. Joint control means that decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified as joint ventures or joint operations. Joint operations are activities whereby the parties have direct rights to the assets, and obligations for the liabilities, while joint ventures are activities whereby the parties have rights to the net assets only.

On preparation of the consolidated financial statements, identical items are aggregated and intragroup income and expenses, shareholdings, balances and dividends are eliminated. Unrealised gains and losses arising from transactions between the consolidated enterprises are also eliminated.

Subsidiaries' items are fully consolidated in the consolidated financial statements. Non-controlling interests' share of profit/(loss) for the year and of equity in subsidiaries that are not wholly-owned is recognised as part of the Group's profit/(loss) or equity but is presented separately.

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 joint ventures are determined by deducting from the proceeds on disposal the net present value of net assets including goodwill at the date of disposal and related selling expenses.

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, and the fair value can be determined reliably. 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 is recognised in intangible assets as goodwill.

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 such identifiable assets, liabilities and contingent liabilities subsequently proves to differ from the fair value assumed at the acquisition date, goodwill may be adjusted within twelve months following their acquisition.

Non-controlling interests

On initial recognition, non-controlling interests are measured either at the fair value of the non-controlling interests' equity interest or at their proportionate share of the fair value of the acquiree's identifiable assets acquired and liabilities and contingent liabilities assumed.

Foreign currency translation

For each of the reporting enterprises in the Group, the functional currency is determined as the primary currency in the market in which the enterprise operates. The functional currency for the parent company is Danish kroner. Transactions denominated in all currencies other than the functional currencies 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 reporting date. Foreign exchange differences arising between the exchange

Notes

Note

1 **Accounting policies**

rate at the transaction date or the reporting date and the date of settlement are recognised in the income statement as finance income and costs.

On recognition of foreign subsidiaries and joint ventures, 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 reporting date. Foreign exchange differences arising on translation of the opening equity of foreign enterprises at the exchange rates at the reporting date and on translation of the income statement items from average exchange rates to the exchange rates at the reporting date are recognised in other comprehensive income and in a separate translation reserve in equity.

Foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are recognised in the consolidated financial statements in other comprehensive 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 finance costs or finance income 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 to the income statement at the date on which the hedged cash flows affect profit/(loss) and are 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, and the lease payments are recognised in the income statement over the term of the lease.

Government grants
Government grants include grants for projects, investments, etc.

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

Notes

Note

1 **Accounting policies**

Income statement

Revenue

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

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).

Income from construction contracts comprises the agreed contract sum plus or minus agreed variations to contract work, claims for increases or decreases in the scope of work, and any related interest payments, etc.

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, facility management, etc., 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, subcontractor supplies, leasing of capital equipment, design and technical assistance, remedial and guarantee works as well as subsupplier claims, for example for increases or decreases in the scope of work, including any related interest payments, 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.

Special items

Special items comprise material income and expenses that constitute the effect on profit/(loss) of old offshore court cases and the Buxton litigation. The item is presented separately to give a true and fair view of the Group's operating profit/(loss).

The Group's share of profit/(loss) after tax of joint ventures

The proportionate share of profit/(loss) of joint ventures is recognised in the consolidated income statement net of tax and after elimination of intragroup gains and 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 financial assets, 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 assets are recognised as part of the cost of those assets.

Income tax

Income tax expense, consisting of current tax and changes in deferred tax, is recognised in profit or loss for the year, other comprehensive income or equity.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the

Notes

Note

1 **Accounting policies**

year, adjusted for taxes paid on account, etc.

The parent company 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 consolidated financial statements and up to the date on which they are no longer included. Current Danish tax is allocated among the jointly taxed Danish companies in proportion to their taxable income.

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.

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

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

Deferred tax 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 the income statement, unless the items in question have previously been recognised in equity.

Deferred tax assets, including the value represented by 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 tax on future profits or losses of 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.

Balance sheet

Intangible assets

Goodwill is measured initially at cost as described in the section on business combinations. Goodwill is not amortised. The book value 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, 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. Useful lives are determined on an individual basis for major assets, while the useful lives of other assets are determined for groups of uniform assets.

Expected useful lives:

Buildings	10-50 years
Plant and machinery	3-10 years
Fixtures and fittings, tools and equipment	3-10 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.

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Note

1 **Accounting policies**

The residual value is determined at the acquisition date and reviewed annually.

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

Investments in joint ventures in the consolidated financial statements
The Group measures investments in joint ventures using the equity method. Accordingly, investments are measured at the proportionate shares of the joint ventures' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

Joint ventures with a negative carrying amount are recognised at nil. If the Group has a legal or constructive obligation to cover a joint venture's negative balance, the negative balance is offset against the Group's receivables from the enterprise. Any balance is recognised in other provisions.

Investments in subsidiaries and joint ventures in the parent company financial statements
The parent company measures investments in subsidiaries and joint ventures at cost, including costs of purchase. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

Subsidiaries and joint ventures with a negative carrying amount are recognised at nil. If the parent company has a legal or constructive obligation to cover an enterprise's negative balance, the negative balance is offset against the parent company's receivables from the enterprise. Any balance is recognised in other provisions.

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

Other equity investments are measured at fair value at the reporting 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 determined annually.

The recoverable amount is the greater of an asset's or cash-generating unit'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, the carrying amount is 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 measured at the lower of cost and net realisable value and are carried as properties held for resale.

Receivables
Receivables are measured at amortised cost less impairment losses.

Construction contracts in progress
Construction contracts in progress are measured at the selling price of the work performed. A construction contract is characterised by the fact that the assets or plants in question are constructed to customer specifications and requirements in terms of design, function, etc., and that a binding contract under which any termination will lead to

Notes

Note

1 **Accounting policies**

penalties or claims is entered into before work commences.

The selling price is measured by reference to the total expected income from each construction contract and the stage of completion at the reporting date. The stage of completion is determined on the basis of the costs incurred and the total expected costs. When it is probable that total costs on a construction contract in progress will exceed total contract income, 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 selling price less progress billings and recognised losses.

Costs in connection with sales work and tendering to secure contracts are recognised as distribution costs in the income statement 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 recognised at the trade date and measured initially and subsequently at fair value. Changes in fair value are recognised in the income statement as finance income or costs in the period in which they occur.

Equity
Hedging reserve
The hedging reserve in the consolidated financial statements comprises changes in the fair value of hedging transactions that qualify for designation as hedges of future cash flows and where the hedged transaction has yet to be realised.

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.

Share-based payment transactions
The value of services received as consideration for share-based payment is measured at fair value.

Share-based payment is classified as either an equity-settled or a cash-settled arrangement. The classification is based on whether the transaction is settled by the issuance of shares or by cash settlement. If the form of settlement is based on future criteria, the programme is classified on the basis of management's expectations concerning the probability of these future criteria occurring.

If, on initial recognition, it is considered more probable that the arrangement will have to be settled in shares, the programme will be classified as an equity-settled arrangement. For equity-settled arrangements, the fair value is measured at the date of grant and recognised in the income statement as staff costs over the service period. The recognised expense is taken to equity. If the length of the service period is uncertain at the date of grant, it is estimated based on management's best estimate of the date on which the share-based payment will vest. Subsequent to initial recognition, the total programme costs are adjusted for changes to the estimate of the number of grants that will vest. If the estimate of the length of the service period changes, the proportion of the programme costs that has not yet been expensed will be recognised proportionately over the revised service period.

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Note

1 **Accounting policies**

If it is deemed to be more probable that the outcome of the future criteria will mean that the programme will have to be cash-settled, it must be classified as a cash-settled arrangement. On initial recognition, the liability is measured at fair value at the date of grant and recognised through the income statement as a staff cost on a continuous basis as the employees render service. The fair value of the liability is subsequently remeasured at each reporting date until settled. Changes in the fair value of the liability are recognised in the income statement as staff costs based on the proportion of the service period that has been rendered. The offsetting entry is recognised in liabilities.

Provisions

Provisions comprise expected costs for guarantee obligations, losses on work in progress, provisions for disputes/litigation and other liabilities. Provisions for guarantee obligations are made on the basis of guarantee claims received where it has not been possible to make a final determination of the amount, and on the basis of known defects in connection with one-year and five-year reviews and, for some contracts, assessed costs in connection with longer guarantee periods.

Financial liabilities

Bank loans, etc., are recognised at inception at fair value net of transaction costs incurred. Subsequent to initial recognition, the liabilities are measured at amortised cost using the effective interest rate method. Accordingly, the difference between the proceeds (net) 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 joint ventures, and other payables, are measured at amortised cost.

Segment information

Because the Group only has activities in a single business segment, information is only provided on the geographical distribution of the Group’s revenue and non-current assets.

This segmentation follows the Group’s management control and internal control. Segment information has been prepared in accordance with the Group’s accounting policies.

Statement of cash flows

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

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 finance 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 investments as well as purchase and sale of securities that are not recognised as cash and cash equivalents.

Cash flows from financing activities

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

Cash and cash equivalents

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

Notes

Note

1 **Accounting policies**

Financial ratios

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

Definitions of financial ratios used:

Gross margin	=	Gross profit/Revenue
EBIT margin	=	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
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 (incl. goodwill), net interest-bearing deposit/debt

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 reporting 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 MT Højgaard Group are described in the relevant section in the Management's review and in the notes.

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 Group are also described in note 26 on 'Financial risks' and in the 'Risk management' section in the Management's review.

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. For further details on these, reference is made to the Management's review.

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.

Notes

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 and taking into account current tax legislation.

We have updated the projections of future profits in the enterprises in which the losses can be utilised. At 31 December 2014, the management of MT Højgaard A/S assessed the extent to which, under current tax legislation, taxable profits can be realised in the foreseeable future, and the tax rates that will apply at the date of utilisation. Against this background, the recognition of deferred tax assets has been reviewed.

Further details are provided in note 11.

Impairment testing of equity investments and goodwill

In connection with impairment testing of equity investments and goodwill, we make 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 12 and 14.

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	
2013	2014	Note	Amounts in DKK million	2014	2013
		3	**Information on activities**		
			The Group is engaged in construction and civil engineering activities in Denmark and internationally.		
			In 2014, the Group was engaged in international activities in Europe (France, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), Asia and the Middle East.		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Denmark	5,714.8	6,024.9
			Rest of world	1,264.6	1,439.4
			Total	**6,979.4**	**7,464.3**
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Denmark	642.1	667.8
			Rest of world	66.1	88.7
			Total	**708.2**	**756.5**
		4	**Revenue**		
			Revenue can be broken down as follows:		
3,655.5	2,970.7		Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	6,044.6	6,533.9
94.6	22.7		Revenue from project development cases sold, etc.	30.5	94.6
9.9	22.6		Rental income, facility management, etc.	904.3	835.8
3,760.0	**3,016.0**		**Total**	**6,979.4**	**7,464.3**
		5	**Depreciation and amortisation**		
0.7	3.3		Intangible assets	11.7	7.4
12.5	12.3		Property, plant and equipment	99.9	106.0
13.2	**15.6**		**Total depreciation and amortisation**	**111.6**	**113.4**
			Depreciation and amortisation are recognised in the income statement as follows:		
8.4	7.3		Production costs	96.6	93.4
4.8	8.3		Administrative expenses	15.0	20.0
13.2	**15.6**		**Total depreciation and amortisation**	**111.6**	**113.4**

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		6	**Staff costs**		
			The total amount paid in wages and salaries, etc., can be broken down as follows:		
862.7	741.6		Wages and salaries, etc.	1,799.8	1,970.3
59.5	51.5		Pension contributions (defined contribution)	134.0	140.5
23.2	22.0		Other social security costs	60.5	62.7
-	0.4		Share-based payment (warrants)	0.4	-
945.4	**815.5**		**Total**	**1,994.7**	**2,173.5**
1,708	**1,526**		**Average number of employees**	**3,846**	**4,057**
1,487	**1,529**		**Number of employees, year end**	**3,989**	**4,061**
			Total remuneration (salaries and remuneration, etc.) to the Board of Directors and the Executive Board:		
2.4	2.4		Board of Directors	2.4	2.4
21.5	17.2		Executive Board – salary and bonus	17.2	21.5
-	0.3		Executive Board – share-based payment (warrants)	0.3	-
23.9	**19.9**		**Total**	**19.9**	**23.9**

On 1 May 2014, the CEO transferred to a normal performance-based bonus scheme, entitling him to maximum six months' salary based on the achievement of financial targets. The CFO has a similar bonus agreement and, for 2014, is guaranteed a minimum bonus equivalent to three months' salary.
For 2015, the Executive Board has a bonus scheme that will provide no less than three and no more than six months' salary based on the achievement of financial targets. Other senior executives are also comprised by bonus schemes that depend, among other things, on profit/(loss) for the year.

In April 2014, the Group set up a warrant programme for the five members of the Group's leadership team. Under the warrant programme, participants are entitled to purchase warrants annually until 2019. For each warrant purchased, the holder will be allocated one warrant free of charge. Exercise of purchased and allocated warrants is subject to listing of the parent company. If the parent company is not listed, the programme will be settled by cash payment. Each warrant entitles the holder to subscribe for shares in the parent company. The programme is capped at 5% of the company's share capital.

The fair value of the programme was DKK 1.7 million at the grant date and has been determined using an option valuation model. The fair value will be expensed on a straight-line basis over the expected three-year service period. At the end 2014, an amount of DKK 0.4 million was expensed. At 31 December 2014, the number of outstanding warrants was 10,606 nos with a nominal value of DKK 1,000 each.

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		7	**Fees paid to auditor appointed at the Annual General Meeting (EY)**		
1.6	1.3		Audit fees	3,5	3.5
0.2	0,4		Other assurance engagements	0.5	0.3
0.8	0,9		Tax and VAT advice	1.0	1.0
1.5	0,8		Non-audit services	0,9	1.9
4.1	**3,4**		**Total fees**	**5,9,**	**6.7**
		8	**Special items**		
			Special items relate to litigation and disputes in respect of Buxton and old offshore projects in the UK.		
			The old offshore litigation was essentially concluded in 2014. In 2013, disputes consisted partly of receivables due from the projects, partly of provisions made as part of provisions for accounting purposes, and partly of information included under contingent liabilities (note 23).		
130.0	**-408.0**		**Total special items**	**-408.0**	**130.0**
		9	**Finance income**		
3.4	7.5		Interest income, other (balance sheet items recognised at amortised cost)	2.2	4.7
0.6	0.2		Interest income, securities (balance sheet items recognised at fair value)	4.6	5.0
-	-		Capital gains on securities	0.1	-
-	-		Foreign exchange gains	24.2	2.1
147.0	207.0		Dividends from subsidiaries	-	-
3.9	0.3		Dividends from joint ventures	-	-
154.9	**215.0**		**Total finance income**	**31.1**	**11.8**
4.2	6.9		Portion relating to interest received from subsidiaries	-	-
		10	**Finance costs**		
11.9	6.5		Interest expense (balance sheet items recognised at amortised cost)	13.8	20.9
0.5	0.2		Capital losses on securities	0.4	3.0
10.0	1.1		Foreign exchange losses	2.0	14.4
20.4	40.5		Impairment and adjustment of liabilities related to subsidiaries and joint ventures, etc.	-	-
42.8	**48.3**		**Total finance costs**	**16.2**	**38.3**
0.8	2.5		Of which interest paid to subsidiaries	-	-

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		11	**Income tax**		
			Tax on other comprehensive income in the parent company and the Group was DKK 0.		
			Income tax expense for the Group and the parent company was affected by an expense of DKK 117.4 million due to the reduction of the Danish income tax rate from 24.5% to 22% in the period up to 2016 and the assessment of the tax asset, primarily as a consequence of the non-capitalised negative effect of special items on profit/(loss).		
			Current tax relates primarily to tax in some foreign entities in which tax payment is determined based on local rules.		
55.9	42.1		Current tax	78.1	77.1
9.3	2.2		Changes in deferred tax	-12.5	24.9
65.2	**44.3**		**Income tax expense**	**65.6**	**102.0**
			Income tax expense can be broken down as follows:		
18.6	-73.6		Income tax expense before tax calculated at 24.5%	-45.6	52.1
36.9	12.0		Reduction of Danish income tax rate from 24.5% to 22% in the period up to 2016	12.0	40.9
16.9	10.4		Deviations in foreign enterprises' tax rates	10.2	10.2
-43.7	-50.8		Non-taxable income	-18.6	-17.6
5.3	2.1		Non-deductible expenses	0.8	0.4
-6.9	105.4		Unrecognised share of the tax asset for the year	105.4	15.0
38.1	38.8		Other, including prior year adjustments and joint taxation	1.4	1.0
65.2	**44.3**		**Income tax expense**	**65.6**	**102.0**
86.5	-14.7		Effective tax rate (%)	-35.2	48.9

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 and taking into account current tax legislation.

We have updated the projections of future profits in the enterprises in which the losses can be utilised. At 31 December 2014, the management of MT Højgaard A/S assessed the extent to which, under current tax legislation, taxable profits can be realised in the foreseeable future, and the tax rates that will apply at the date of utilisation. Against this background, the recognition of deferred tax assets has been reviewed.

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

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		11	**Income tax (continued)**		
			The tax loss carryforwards may be carried forward indefinitely and are expected to be utilised against future earnings.		
			Like last year, 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 tax assets amount to DKK 227.0 million in the Group and DKK 230.0 million in the parent company and relate to tax losses that can be carried forward indefinitely. They may be recognised as income when the Group reports the necessary positive results. The deferred tax assets are also affected by a reduction of DKK 12.0 million in the Group and the parent company based on an assessment of the expected effect of the reduction of the income tax rate to 22% in the period up to 2016.		
			Tax relating to distributable reserves in foreign subsidiaries that are subject to higher taxation if distributed amounted to DKK 5.8 million. (2013: DKK 6.0 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.		
			Deferred tax assets and deferred tax liabilities		
309.4	300.1		Deferred tax (net) at 01-01	298.7	323.6
-36.9	-12.0		Reduction of Danish income tax rate from 24.5% to 22% in the period up to 2016	-12.0	-40.9
27.6	9.7		Other changes through the income statement	24.5	16.0
300.1	**297.8**		**Deferred tax (net) at 31-12**	**311.2**	**298.7**
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
32.3	53.0		Property, plant and equipment	39.0	28.1
-	-		Other non-current assets	0.5	-
60.2	51.2		Non-current liabilities	73.9	78.9
57.8	46.9		Current liabilities	55.1	62.2
163.0	180.0		Tax loss carryforwards	232.6	205.6
313.3	331.1		Deferred tax assets at 31-12 before set-off	401.1	374.8
-13.2	-33.3		Set-off within legal entities and jurisdictions (countries)	-80.9	-66.2
300.1	**297.8**		**Deferred tax assets at 31-12**	**320.2**	**308.6**
			Deferred tax liabilities		
-2.8	-5.9		Intangible assets	-16.6	-15.8
-	-		Property, plant and equipment	-4.7	-5.6
-10.4	-27.4		Current assets	-67.5	-54.6
-	-		Current liabilities	-1.1	-0.1
-13.2	-33.3		Deferred tax liabilities at 31-12 before set-off	-89.9	-76.1
13.2	33.3		Set-off within legal entities and jurisdictions (countries)	80.9	66.2
0.0	**0.0**		**Deferred tax liabilities at 31-12**	**-9.0**	**-9.9**

Notes

PARENT COMPANY 2013	PARENT COMPANY 2014	Note	Amounts in DKK million	GROUP 2014	GROUP 2013
		12	**Intangible assets**		
			Goodwill		
50.3	50.3		Cost at 01-01	117.3	117.3
50.3	50.3		Cost at 31-12	117.3	117.3
			Impairment losses at 01-01 and 31-12	0.7	0.7
50.3	**50.3**		**Carrying amount at 31-12**	**116.6**	**116.6**
			Other intangible assets		
7.1	14.3		Cost at 01-01	58.5	43.8
7.2	10.6		Additions	13.4	14.7
14.3	24.9		Cost at 31-12	71.9	58.5
7.1	7.8		Amortisation and impairment losses at 01-01	19.7	12.3
0.7	3.3		Amortisation charge	11.7	7.4
7.8	11.1		Amortisation and impairment losses at 31-12	31.4	19.7
6.5	**13.8**		**Carrying amount at 31-12**	**40.5**	**38.8**

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 & Petersen A/S (DKK 43.2 million); and Lindpro A/S (DKK 23.1 million), were tested for impairment at 31 December 2014.

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 2014, net cash flows were determined on the basis of the approved budget for 2015 and estimates for the years 2016-2019. The growth in the terminal period was fixed at 2.0% (2013: 2.0%). The present value was determined using a discount rate before tax of 9-10% (2013: 9-10%). The primary key assumptions are estimated to be the growth rates and the EBIT margins applied, which depend on the general economic development and the Group’s risk management on individual projects. The 2015 budget and 2016-2019 estimates have been prepared on the basis of previous experience, including budgeted returns on the order portfolio and on anticipated orders and planned capacity, and taking into account management’s expectations for the future, including its expectations concerning an EBIT margin of 5% and a positive cash flow. The Group has prepared sensitivity analyses that show that the value in use will exceed the carrying amount even with growth of between 0-2% in the terminal period.

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013

12 **Intangible assets (continued)**

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 primarily comprise ERP and other IT systems. The addition for the year relates to investment in BIM/VDC, see the Management's review. Amortisation is charged on a straight-line basis over the estimated useful life, normally 5-10 years.

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

Notes

PARENT COMPANY						2014
Note	Amounts in DKK million					
13	**Property, plant and equipment**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
	Cost at 01-01	45.4	54.6	53.8	**153.8**
	Reclassifications, etc.	9.4	-0.7	0.1	**8.8**
	Additions	-	2.8	19.6	**22.4**
	Disposals	-8.2	-12.0	-25.6	**-45.8**
	Cost at 31-12	46.6	44.7	47.9	**139.2**
	Depreciation and impairment losses at 01-01	6.8	36.2	42.1	**85.1**
	Reclassifications, etc.	4.9	-0.7	0.1	**4.3**
	Depreciation, disposals	-0.6	-7.6	-21.1	**-29.3**
	Depreciation charge	0.1	5.9	6.3	**12.3**
	Depreciation and impairment losses at 31-12	11.2	33.8	27.4	**72.4**
	Carrying amount at 31-12	**35.4**	**10.9**	**20.5**	**66.8**
	Mortgaged properties:				
	Carrying amount	19.6			**19.6**
	Year-end balance, loans	7.2			**7.2**

Notes

PARENT COMPANY					2013
Note	Amounts in DKK million				
13	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
	Cost at 01-01	60.4	200.6	55.0	**316.0**
	Reclassifications, etc.	-	-0.8	0.8	**-**
	Additions	1.7	2.2	5.2	**9.1**
	Disposals	-16.7	-147.4	-7.2	**-171.3**
	Cost at 31-12	45.4	54.6	53.8	**153.8**
	Depreciation and impairment losses at 01-01	12.3	125.1	42.8	**180.2**
	Reclassifications, etc.	-	-0.8	0.8	**-**
	Depreciation, disposals	-5.7	-95.6	-6.3	**-107.6**
	Depreciation charge	0.2	7.5	4.8	**12.5**
	Depreciation and impairment losses at 31-12	6.8	36.2	42.1	**85.1**
	Carrying amount at 31-12	**38.6**	**18.4**	**11.7**	**68.7**
	Mortgaged properties:				
	Carrying amount	27.0			**27.0**
	Year-end balance, loans	9.8			**9.8**
	Assets held under finance leases:				
	Carrying amount			2.4	**2.4**

Notes

GROUP						2014
Note	Amounts in DKK million					
13	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	326.9	589.4	369.7	5.5	**1,291.5**
	Reclassifications, etc.	9.4	-0.7	0.1	-	**8.8**
	Additions	8.9	67.4	37.1	8.4	**121.8**
	Disposals	-71.1	-29.5	-42.2	-9.5	**-152.3**
	Cost at 31-12	274.1	626.6	364.7	4.4	**1,269.8**
	Depreciation and impairment losses at 01-01	97.7	356.8	283.0	-	**737.5**
	Reclassifications, etc.	4.9	-0.7	0.1	-	**4.3**
	Depreciation, disposals	-34.5	-21.4	-34.0	-	**-89.9**
	Depreciation charge	8.6	49.4	41.9	-	**99.9**
	Depreciation and impairment losses at 31-12	76.7	384.1	291.0	-	**751.8**
	Carrying amount at 31-12	**197.4**	**242.5**	**73.7**	**4.4**	**518.0**
	Mortgaged properties:					
	Carrying amount	119.9				**119.9**
	Year-end balance, loans	49.2				**49.2**
	Assets held under finance leases:					
	Carrying amount	-	93.2	16.6		**109.8**

Notes

GROUP						2013
Note	Amounts in DKK million					
13	**Property, plant and equipment (continued)**	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
	Cost at 01-01	331.1	737.4	350.0	3.4	**1,421.9**
	Reclassifications, etc.	0.5	-1.7	3.4	-	**2.2**
	Additions	13.4	82.4	37.6	5.5	**138.9**
	Disposals	-18.1	-228.7	-21.3	-3.4	**-271.5**
	Cost at 31-12	326.9	589.4	369.7	5.5	**1,291.5**
	Depreciation and impairment losses at 01-01	93.3	445.9	255.1	-	**794.3**
	Reclassifications, etc.	0.5	-1.5	3.2	-	**2.2**
	Depreciation, disposals	-6.9	-139.7	-18.4	-	**-165.0**
	Depreciation charge	10.8	52.1	43.1	-	**106.0**
	Depreciation and impairment losses at 31-12	97.7	356.8	283.0	-	**737.5**
	Carrying amount at 31-12	**229.2**	**232.6**	**86.7**	**5.5**	**554.0**
	Mortgaged properties:					
	Carrying amount	125.0				**125.0**
	Year-end balance, loans	85.5				**85.5**
	Assets held under finance leases:					
	Carrying amount	-	71.7	19.9		**91.6**

Notes

PARENT COMPANY

Note	Amounts in DKK million		
14	**Other non-current assets**	Investments in subsidiaries	Interests in joint ventures
	2014		
	Cost at 01-01	530.8	37.4
	Additions	31.4	33.0
	Cost at 31-12	562.2	70.4
	Adjustments at 01-01	-132.6	-0.2
	Write-downs for the year	-11.4	-32.7
	Adjustments at 31-12	-144.0	-32.9
	Carrying amount at 31-12	**418.2**	**37.5**
	2013		
	Cost at 01-01	503.2	43.4
	Additions	28.2	-
	Disposals	-0.6	-6.0
	Cost at 31-12	530.8	37.4
	Adjustments at 01-01	-126.0	-0.2
	Impairment charge	-6.8	-
	Disposals	0.2	-
	Adjustments at 31-12	-132.6	-0.2
	Carrying amount at 31-12	**398.2**	**37.2**

A list of consolidated enterprises is provided in note 34.

In 2014, we determined investments in subsidiaries and joint ventures 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% (2013: 9-10%).

Impairment losses in joint ventures primarily relate to losses on individual contracts where the joint venture has been established purely with a view to completing the contract and will be terminated on completion of the contract.

Notes

GROUP

Note	Amounts in DKK million		
14	**Other non-current assets (continued)**		Interests in joint ventures
	2014		
	Cost at 01-01		44.2
	Cost at 31-12		44.2
	Adjustments at 01-01		-0.5
	Share of profit/(loss) for the year after tax		-36.8
	Other adjustments		22.1
	Foreign exchange adjustments		0.7
	Adjustments at 31-12		-14.5
	Carrying amount at 31-12		**29.7**
	2013		
	Cost at 01-01		46.7
	Additions		3.5
	Disposals		-6.0
	Cost at 31-12		44.2
	Adjustments at 01-01		4.2
	Share of profit/(loss) for the year after tax		-0.9
	Dividends paid		-4.1
	Other adjustments		0.3
	Adjustments at 31-12		-0.5
	Carrying amount at 31-12		**43.7**
	Joint ventures (the figures represent 100%), see note 34	2014	2013
	Revenue	257.1	238.7
	Profit/(loss) for the year	-37.7	5.2
	Total assets	702.2	987.5
	Total liabilities	745.0	973.1

The MT Højgaard Group owns 60% of the voting rights in Soc. De Empreitadas e Trabalhos Hidráulicos, S.A. (Seth).
Under the contract between the parties, decisions concerning the relevant activities in the enterprise require unanimous consent between the parties.
MT Højgaard Group and Operatio SGPS, S.A., consequently have joint control over the arrangement. Because of the contractual arrangement, the parties have rights to net assets only, and Seth is consequently accounted for as a joint venture.
MT Højgaard A/S is part of several PPP companies, which are all recognised as joint ventures in accordance with IFRS 11. According to the contractual arrangements, decisions require the unanimous consent of all parties. For further details on ownership, reference is made to notes 25 and 34.

Notes

PARENT COMPANY 2013	PARENT COMPANY 2014	Note	Amounts in DKK million	GROUP 2014	GROUP 2013
		15	**Inventories**		
			Raw materials and consumables		
1.9	1.9		Cost at 01-01	91.7	97.5
1.6	1.6		Additions	119.6	96.1
-1.6	-1.6		Disposals	-121.3	-102.0
1.9	1.9		Cost at 31-12	90.0	91.6
-	-		Adjustments at 01-01	-8.0	-1.0
-	-		Write-downs for the year	-2.8	-7.0
0.0	0.0		Adjustments at 31-12	-10.8	-8.0
1.9	**1.9**		**Carrying amount at 31-12**	**79.2**	**83.6**
0.0	0.0		Value of inventories recognised at net realisable value	6.1	12.3
			Properties held for resale		
504.3	455.6		Cost at 01-01	555.4	604.1
10.5	12.7		Additions	17.9	10.5
-59.2	-335.9		Disposals	-17.8	-59.2
455.6	132.4		Cost at 31-12	555.5	555.4
-	-		Adjustments at 01-01	-	-
0.0	0.0		Adjustments at 31-12	0.0	0.0
455.6	**132.4**		**Carrying amount at 31-12**	**555.5**	**555.4**
-	-		Value of properties recognised at net realisable value	-	-
			Mortgaged properties:		
-	-		Carrying amount	86.9	96.1
-	-		Year-end balance, loans	0.3	105.7

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

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		16	**Receivables**		
13.9	12.1		Receivables falling due more than one year after the reporting date	12.3	13.9
			Receivables falling due more than one year after the reporting date relate primarily to rent deposits.		
11.1	9.7		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%.	9.8	11.1
			In the balance sheet at 31 December 2014, consolidated receivables were DKK 1,402.3 million (parent company DKK 1,172.7 million). These only include minor amounts that are subject to normal contract disputes.		
		17	**Securities**		
20.4	11.5		Bonds	121.7	163.1
20.4	**11.5**		**Total carrying amount**	**121.7**	**163.1**
20.2	11.5		Nominal holding	120.8	158.1
11.7	-		Bonds maturing more than one year after the reporting date	-	149.4
0.6	-		Maturity of bond portfolio (years)	0.3	2.9
0.5	-		Effective interest rate on bond portfolio (%)	1.1	2.6
0.1	0.0		Price sensitivity of bond portfolio in the event of a one percentage point interest rate change	0.4	5.3
20.4	11.5		Bonds lodged as security (market value). Returns, etc., flow to MT Højgaard A/S.	11.5	20.4
-	-		Bonds recognised as registered assets in MTH Insurance A/S (market value). Returns, etc., accrue to MTH Insurance A/S.	110.2	142.8

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.

Bonds provided as security for employee bonds were redeemed on 2 January 2015.

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		18	**Interest-bearing liabilities**		
			Interest-bearing liabilities can be broken down by commitment type as follows:		
128.3	14.2		Bank loans, etc.	76.8	206.4
1.9	-		Lease commitments (assets held under finance leases)	117.4	99.9
130.2	**14.2**		**Carrying amount at 31-12**	**194.2**	**306.3**
			Interest-bearing liabilities are only denominated in DKK		
			Interest-bearing liabilities can be broken down by fixed and floating-rate debt as follows:		
130.2	13.9		Fixed-rate debt	110.8	205.8
-	0.3		Floating-rate debt	83.4	100.5
130.2	**14.2**		**Carrying amount at 31-12**	**194.2**	**306.3**
			Interest-bearing liabilities can be broken down by effective interest rate as follows:		
114.1	12.4		Less than 3%	157.9	231.6
12.2	1.8		Between 3% and 5%	36.3	71.1
3.6	-		More than 5%	-	3.6
130.2	**14.2**		**Carrying amount at 31-12**	**194.2**	**306.3**
2.9	2.8		Weighted average effective interest rate (%)	2.8	3.2
2.2	2.8		Weighted average remaining term (years)	5.0	3.9
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
16.2	6.8		Non-current liabilities	159.3	163.4
114.0	7.4		Current liabilities	34.9	142.9
130.2	**14.2**		**Carrying amount at 31-12**	**194.2**	**306.3**
129.1	**13.8**		Fair value	**174.0**	**296.5**
			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	
2013	2014	Note	Amounts in DKK million	2014	2013
		19	**Provisions**		
			Breakdown of provisions by type:		
368.0	385.9		Guarantee works, etc., at 01-01	486.1	449.8
81.0	58.5		Provided in the year	109.6	80.1
-63.1	-54.6		Utilised during the year	-69.7	-80.0
-	-		Reversal of unutilised prior year provisions	-3.8	-3.8
385.9	389.8		Guarantee works, etc., at 31-12	522.2	446.1
-	-		Employee liabilities at 01-01	94.2	97.0
-	-		Provided in the year	27.7	18.2
-	-		Utilised during the year	-14.4	-21.0
-	-		Employee liabilities at 31-12	107.5	94.2
385.9	**389.8**		**Carrying amount at 31-12**	**629.7**	**540.3**
			Provisions are recognised in the balance sheet as follows:		
165.1	137.5		Non-current provisions	260.8	337.8
220.8	252.3		Current provisions	368.9	202.5
385.9	**389.8**		**Carrying amount at 31-12**	**629.7**	**540.3**
			Expected maturity dates:		
220.9	252.3		Less than one year	368.9	202.5
33.0	27.5		Between one and two years	40.4	115.2
99.0	82.5		Between two and five years	124.0	146.5
33.0	27.5		More than five years	96.4	76.1
385.9	**389.8**		**Carrying amount at 31-12**	**629.7**	**540.3**

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.

Provisions due in less than one year include a provision for the termination of Greenland Contractors' service contract and liabilities related to the Robin Rigg grout ruling from April 2014.

In the first quarter of 2015, an agreement was closed on portfolio transfer of the Group's captive insurance programme and sickness and repatriation insurance to Tryg. The transfer is offset by a corresponding decrease in undistributable securities.

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		20	**Construction contracts in progress**		
3,116.5	4,543.0		Progress billings	7,169.9	5,052.6
-2,729.7	-4,041.7		Selling price of construction contracts	-6,628.0	-4,532.9
386.8	**501.3**		**Construction contracts in progress (net)**	**541.9**	**519.7**
			Construction contracts in progress are recognised in the balance sheet as follows:		
411.7	532.3		Current liabilities	632.8	591.9
-24.9	-31.0		Receivables	-90.9	-72.2
386.8	**501.3**		**Construction contracts in progress (net)**	**541.9**	**519.7**
56.7	124.1		Prepayments from customers	134.8	66.3
50.6	97.4		Payments withheld	101.5	54.8
		21	**Security arrangements**		
			Normal security in the form of bank guarantees and guarantee insurances has been provided for contracts and supplies.		
2,081.0	**1,880.7**		**Total**	**2,939.2**	**3,121.2**
			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 note 14.		

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		22	**Lease commitments**		
			Finance leases		
			Total future minimum lease payments:		
1.9	-		Due within one year	34.5	27.2
0.1	-		Due between one and five years	92.9	82.2
-	-		Due after more than five years	-	-
2.0	**-**		**Total**	**127.4**	**109.4**
			Carrying amount:		
1.8	-		Due within one year	31.2	23.8
0.1	-		Due between one and five years	86.2	76.1
-	-		Due after more than five years	-	-
1.9	**-**		**Total**	**117.4**	**99.9**
0.1	-		Finance costs	10.0	9.5
			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:		
66.9	49.5		Due within one year	81.5	94.6
127.1	103.6		Due between one and five years	164.5	184.7
58.9	44.3		Due after more than five years	44.5	59.4
252.9	**197.4**		**Total**	**290.5**	**338.7**
76.6	52.4		Lease payments relating to operating leases recognised in the income statement	84.1	106.7

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 11 years. None of the leases features contingent rent.

An agreement on leasing of Knud Højgaards Vej 7, 2860 Søborg, Denmark, has been entered into for expected occupation on 1 August 2016. The total lease obligation, DKK 230 million, is not included in the above figures.

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		23	**Contingent assets and contingent liabilities**		

Indemnities

In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, joint ventures and contracts won by subsidiaries. In management's opinion, these indemnities will not have a material negative impact on the Group's financial position.

Pending disputes and litigation

Due to the nature of its business, the Group is naturally involved in various disputes, legal and arbitration proceedings, etc. In management's opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position.

In addition, at the end of 2013, the Group was also a party to litigation or arbitration proceedings in the offshore area. These proceedings were concluded in 2014, depressing the financial statements by DKK 408 million, which has been recognised in special items. For further details, reference is made to the Management's review and note 8. The final ruling in the appeal before the High Court in London related to Robin Rigg grout is pending, but the outcome will not have any further adverse impact on the Group's profit/(loss). Still pending is the final settlement of a few cases and the expiry of guarantee periods.

Joint taxation

MT Højgaard A/S is taxed jointly with other Danish companies in the MT Højgaard Group. As management company, MT Højgaard A/S has unlimited and joint and several liability with the other Danish companies with respect to Danish income taxes and withholding taxes on dividends, interest and royalties in the joint taxation group. At 31 December 2014, the total known net liability on payable Danish income taxes and withholding taxes in the joint taxation circle was DKK 2.2 million. Any subsequent corrections of joint taxation income and withholding taxes, etc., may result in the company's liability being higher.

Notes

PARENT COMPANY 2013	PARENT COMPANY 2014	Note	Amounts in DKK million	GROUP 2014	GROUP 2013
		24	**Related parties**		
			Joint control		
			The Group's related parties with joint control comprise 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.		
			Subsidiaries and joint ventures		
			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 consolidated enterprises is provided in note 34.		
			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:		
267.8	197.4		Purchases of goods and services from subsidiaries	-	-
17.3	3.5		Sales of goods and services to subsidiaries	-	-
-	0.1		Purchases of goods and services from joint ventures	0.1	-
1.1	-		Sales of goods and services to joint ventures	-	1.1
-	-		Purchases of goods and services from shareholders	-	-
6.5	1.0		Sales of goods and services to shareholders	1.0	6.5
0.1	0.1		Balance with shareholders (- = debt)	0.1	0.1
-	-		Purchases of goods and services from the Board of Directors and the Executive Board	-	-
-	-		Sales of goods and services to the Board of Directors and the Executive Board	-	-
-	-		Balance with Board of Directors and Executive Board (- = debt)	-	-
			Remuneration to the Board of Directors and the Executive Board as well as share option programmes are disclosed in note 6.		
			The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 9 and 10.		
			The parent company's dividends from subsidiaries and joint ventures are disclosed in note 9.		
			The Group's Danish companies are jointly taxed. In 2014, transfers of joint taxation contributions between the companies were DKK 27.5 million (2013: DKK 27.0 million.)		

Notes

Note	Amounts in DKK million

24 **Related parties (continued)**

Balances with subsidiaries and joint ventures at 31 December 2014 are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement, trading balances concerning purchases and sales of goods and services, and intragroup loans. The trading balances are non-interest-bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. Interest on intragroup loans is charged at the Group’s internal interest rate. Balances with subsidiaries and joint ventures were not written down in 2014 or 2013.

25 **Joint ventures**

Activities in progress:			
Seth S.A.		60%	OPERATIO Lda.
OPP Vejle		50%	DEAS
OPP Hobro Tinglysningsret A/S		33%	DnB, DEAS
OPP Randers P-hus A/S		33%	DnB, DEAS
OPP Vildbjerg Skole A/S		33%	DnB, DEAS
OPP Ørstedskolen A/S		33%	DnB, DEAS
OPS Frederikshavn Byskole A/S		50%	DEAS
Fe Camp Met Mast		56%	Eiffrage, Seatower
Marieholm		30%	Skanska
Eidi 2 Sudur Konsortiet		50%	PF. J&K Contractors
Completed activities. Will be terminated on expiry of the guarantee period:			
Changuinola Civil Works JV	*	50%	(The estate of Pihl & Søn A/S)
KFT-JV	*	50%	Hochtief Construction AG
Züblin - MTH JV, Navitas	*	50%	Züblin A/S
MT Hojgaard-Züblin JV	*	50%	Züblin A/S
M3-Konsortiet	*	60%	M.J. Eriksson Aktieselskab
M10-Syd-Konsortiet	*	60%	M.J. Eriksson Aktieselskab

*) 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	
2013	2014	Note	Amounts in DKK million	2014	2013

26 **Financial risks**

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

There have been no significant changes in the Group's risk exposure or risk management compared with 2013.

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

Currency risks

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

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

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

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. The amount recognised in the consolidated income statement was income of DKK 16.9 million (2013: expense of DKK 7.6 million). The amount recognised in the parent company income statement was an expense of DKK 0.6 million (2013: expense of DKK 7.6 million).

Open forward exchange contracts at 31 December 2014 had a remaining term of up to one year.

Consolidated revenue denominated in foreign currencies was DKK 0.5 billion in 2014 (2013: DKK 0.9 billion), predominantly in the Group’s foreign subsidiaries in NOK, USD, SEK and EUR.

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

Notes

PARENT COMPANY				GROUP	
		Note	Amounts in DKK million		
		26	**Financial risks (continued)**		
			The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below:		
Hypothetical effect on profit for the year and equity	Nominal position of cash and cash equivalents, receivables and financial liabilities			Nominal position of cash and cash equivalents, receivables and financial liabilities	Hypothetical effect on profit for the year and equity
-0.8	-111.5		EUR/DKK, probable increase in exchange rate 1%	-111.5	-0.8
0.1	0.7		USD/DKK, probable increase in exchange rate 10%	23.1	1.7
-1.4	-18.3		GBP/DKK, probable increase in exchange rate 10%	-18.8	-1.4
-1.6	-21.5		SEK/DKK, probable increase in exchange rate 10%	-21.5	-1.6
-1.2	-16.0		NOK/DKK, probable increase in exchange rate 10%	-0.9	-0.1
	-166.6			**-129.6**	

A decrease in the exchange rates would have a corresponding opposite effect on profit/(loss) for the year and equity.

The sensitivity analysis was based on the financial instruments recognised at 31 December 2014 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.

At the end of 2014, cash/securities stood at DKK 581.0 million and were mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than three years at the end of 2014.

The Group's interest-bearing liabilities stood at DKK 194.2 million at the end of 2014, with short-term borrowings accounting for 18%. The average weighted remaining maturity of the Group’s interest-bearing debt was 5.0 years, and the weighted average effective interest rate was 2.8%. Fixed-rate debt accounted for 57% of the Group’s interest-bearing debt.

Notes

PARENT COMPANY 2013	PARENT COMPANY 2014	Note	Amounts in DKK million	GROUP 2014	GROUP 2013
		26	**Financial risks (continued)**		
			Changes in fair value: All other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the reporting date would have been a DKK 0.3 million decrease in consolidated profit for the year and consolidated equity at 31 December 2014 (2013: decrease of DKK 4.0 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 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 2.1 million increase in consolidated profit for the year and consolidated equity at 31 December 2014 (2013: decrease of DKK 0.2 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 clients and business partners. The Group has no material risks relating to a single client 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 sector clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.		
			Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients.		
			Write-downs recognised in receivables developed as follows:		
0.4	4.2		Carrying amount at 01-01	26.2	10.1
3.9	1.5		Provided in the year	13.2	20.9
-0.1	-0.2		Utilised during the year	-4.9	-0.4
-	-		Reversal of unutilised prior year provisions	-1.5	-4.4
4.2	**5.5**		**Carrying amount at 31-12**	**33.0**	**26.2**
4.2	5.5		Nominal value of written-down receivables	76.4	56.0
86.8	145.7		Receivables that were past due by more than 90 days at 31 December but not impaired.	227.9	158.7
252.8	243.6		Security in the form of guarantees received in respect of receivables (fair value)	244.9	253.5

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		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 2014, the Group's financial resources stood at DKK 1,123 million, consisting of cash and cash equivalents and securities of DKK 581 million and undrawn credit facilities of DKK 542 million. Of the total financial resources, DKK 797 million is available to MT Højgaard A/S.

Of the Group's other facilities, DKK 92 million is subject to financial covenants related to equity ratio and earnings. MT Højgaard A/S breached these financial covenants in 2014, but has received a waiver in this respect.

Based on the Group's expectations concerning the future operations 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.

PARENT COMPANY 2013	PARENT COMPANY 2014	Amounts in DKK million	GROUP 2014	GROUP 2013
		Financial liabilities can be broken down as follows:		
130.2	14.2	Interest-bearing liabilities	194.2	306.3
440.9	524.5	Trade payables	857.3	735.7
1.9	1.3	Derivative financial liabilities	1.3	1.9
573.0	**540.0**	**Total carrying amount**	**1,052.8**	**1,043.9**
		Maturity profile for financial liabilities:		
554.9	531.9	Less than one year	892.2	878.6
7.4	0.4	Between one and two years	62.8	35.9
1.6	1.1	Between two and five years	59.1	77.2
7.2	5.3	More than five years	37.4	50.3
571.1	**538.7**	**Total contractual cash flows**	**1,051.5**	**1,042.0**
		Maturity profile for derivative financial liabilities:		
1.9	1.3	Less than one year	1.3	1.9
-	-	Between one and two years	-	-
-	-	Between two and five years	-	-
-	-	More than five years	-	-
1.9	**1.3**	**Total contractual cash flows**	**1.3**	**1.9**

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		26	**Financial risks (continued)**		
			Categories of financial instruments		
			Carrying amount by category:		
20.4	11.5		Financial assets measured at fair value through profit or loss	121.7	163.1
1,239.0	1,200.6		Loans, receivables and cash and cash equivalents	1,755.7	1,974.4
1.9	1.3		Financial liabilities measured at fair value over income statement	1.3	1.9
1,081.9	938.8		Financial liabilities measured at amortised cost	1,475.7	1,625.5

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 financial instruments are valued on the basis of recognised valuation methods in the form of discount models and observable market data such as interest rate curves and exchange rates.

It is the Group's policy to recognise transfers between the various categories from the date on which an event or a change in circumstances results in a change of classification. No transfers were made between levels in 2014.

Notes

Note

27 **Capital management and share capital**

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 is aligned to 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 2014, the equity ratio was 23% versus 29% at the end of 2013.

At 31 December 2014, MT Højgaard A/S's share capital amounted to DKK 520 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 2014 amounted to DKK 0 per share (2013: DKK 0).

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 A/S in connection with the preparation of the annual report for 2014.

The new standards and interpretations are expected to be implemented as they become mandatory for MT Højgaard A/S. The analysis of the expected effect of the implementation of IFRS 9 and IFRS 15 has yet to be completed, see below, but none of the new standards or interpretations is expected to have a material impact on recognition and measurement in the MT Højgaard Group.

IFRS 9 'Financial Instruments', which replaces IAS 39, changes the classification and resulting measurement of financial assets and liabilities.

Changes in the fair value of financial liabilities that relates to fair value and are attributable to a change in own credit risk must be recognised in other comprehensive income.

At the same time, simpler provisions on hedge accounting are introduced, and a new model for writing down loans and receivables.

IFRS 15 'Revenue from Contracts with Customers' is a new joint standard on recognition of revenue. The standard introduces a new revenue recognition model that is expected to affect MT Højgaard in terms of the timing of the recognition of income, allocation of revenue from multiple-element contracts and contract acquisition costs.

MT Højgaard has yet to carry out an in-depth analysis of the effect of the new standard on the Group.

29 **Events after the reporting date**

So far as management is aware, no events have occurred between 31 December 2014 and the date of signing of the annual report that will have a material effect on the assessment of the Group's financial position at 31 December 2014, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY				GROUP	
2013	2014	Note	Amounts in DKK million	2014	2013
		30	**Adjustments in respect of non-cash operating items, etc.**		
13.2	15.6		Depreciation and amortisation of intangible assets and property, plant and equipment	111.6	113.7
-52.0	58.4		Other adjustments	162.7	119.5
-38.8	**74.0**		**Total**	**274.3**	**233.2**
		31	**Purchase of property, plant and equipment**		
-9.0	-27.0		Purchase of property, plant and equipment, including assets held under finance leases	-126.7	-138.9
-	-		Portion relating to assets held under finance leases	21.2	7.9
-9.0	**-27.0**		**Total**	**105.5**	**-131.0**
		32	**Increase in non-current bank loans, etc.**		
7.7	-		Increase in bank loans, etc., including lease commitments	12.3	64.6
-	-		Portion relating to lease commitments	-21.2	-7.9
7.7	**-**		**Total**	**-8.9**	**56.7**
		33	**Cash and cash equivalents**		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
61.7	141.5		Distributable cash	255.5	109.2
-	-		Cash and cash equivalents that are not available to the whole Group	203.8	183.2
61.7	**141.5**		**Cash and cash equivalents**	**459.3**	**292.4**
-105.1	-0.3		Current portion of bank loans, etc.	-0.3	-105.1
-43.4	**141.2**		**Total cash and cash equivalents**	**459.0**	**187.3**

Cash and cash equivalents that are not available to the whole Group comprise cash in jointly controlled entities and joint ventures, which, as a rule, is only available to these entities and joint ventures.

Notes

34 **Company overview**

Companies		Registered office	Ownership interest (%)		Capital '000
MT Højgaard A/S					
Ajos A/S		Hvidovre DK	100.00	DKK	500
Enemærke & Petersen A/S		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforretning ApS		Ringsted DK	100.00	DKK	200
E&P Service A/S		Alb.lund DK	100.00	DKK	500
Greenland Contractors I/S		Cph DK	66.67	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 Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Hojgaard (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 Maldiverne Ltd		Maldiv. MV	100.00	MVR	2
MT Hojgaard Vietnam Company Limited		Vietnam VN	100.00	USD	50
AC Meyers Vænge, København ApS		Cph DK	100.00	DKK	60,000
Birkekær/Teglvænget, Roskilde ApS		Roskilde DK	100.00	DKK	55,000
Horsensvej, Vejle APS		Vejle DK	100.00	DKK	51,000
Høje Taastrup Boulevard, Høje Taastrup ApS		Taastrup DK	100.00	DKK	55,000
Nivåvej, Nivå ApS		Nivå DK	100.00	DKK	60,000
Nordre Jernbanevej, Hillerød ApS		Hillerød DK	100.00	DKK	51,000
Nordre Mellemvej, Roskilde ApS		Roskilde DK	100.00	DKK	55,000
Sjællandsbroen, København ApS		Cph DK	100.00	DKK	60,000
Strandvejen, Korsør ApS		Korsør DK	100.00	DKK	52,000
Projekt 1 ApS		Søborg DK	100.00	DKK	50,000
Projekt 2 ApS		Søborg DK	100.00	DKK	50,000
Projekt 3 ApS		Søborg DK	100.00	DKK	50,000
Projekt 4 ApS		Søborg DK	100.00	DKK	50,000
OPP Vejle A/S	(J)	Fred.berg DK	50.00	DKK	500
OPP Hobro Tinglysningsret A/S	(J)	Fred.berg DK	33.33	DKK	700
OPP Randers P-hus A/S	(J)	Fred.berg DK	33.33	DKK	4,410
OPP Vildbjerg Skole A/S	(J)	Fred.berg DK	33.33	DKK	1,224
OPP Ørstedskolen A/S	(J)	Fred.berg DK	33.33	DKK	2,400
OPS Frederikshavn Byskole A/S	(J)	Fred.berg DK	50.00	DKK	6,000
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

(J) Joint ventures

(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 activities. For joint ventures not in corporate form, reference is made to note 25.

Consolidated financial highlights – EUR

Amounts in EUR million	2010	2011	2012	2013	2014
Income statement					
Revenue	1,093	1,235	1,303	1,003	938
Gross profit	83	53	27	74	93
Operating profit/(loss) before special items	21	-12	-36	14	28
Special items	0	-25	-23	17	-55
Operating profit/(loss) (EBIT)	21	-37	-59	32	-27
Profit/(loss) before tax	22	-37	-60	28	-25
Profit/(loss) for the year	17	-26	-60	14	-34
Cash flows					
Cash flows from operating activities	-33	-25	-9	15	57
Purchase of property, plant and equipment	*-33*	*-17*	*-9*	*-18*	*-14*
Acquisition and disposal of enterprises and activities	*0*	*0*	*-1*	*0*	*0*
*Other investing activities, net**	*65*	*31*	*9*	*14*	*9*
Cash flows for investing activities	32	14	-1	-4	-5
Cash flows from operating and investing activities	-1	-11	-10	11	52
Portion relating to net investments in securities	45	9	-1	0	6
Balance sheet					
Non-current assets	165	160	167	143	138
Current assets	457	589	428	396	352
Total assets	622	749	595	539	490
Equity	225	181	111	159	110
Non-current liabilities	42	54	55	69	58
Current liabilities	356	514	428	312	322
Total equity and liabilities	623	749	594	540	490
Other information					
Order intake	1,331	1,172	939	1,188	792
Order book, year end	1,255	1,192	828	1,014	868
Interest-bearing deposits/debt (+/-)	47	2	-22	20	52
Invested capital	178	179	133	139	58
Average number of employees	5,270	4,784	4,753	4,057	3,846
Financial ratios					
Gross margin (%)	7.6	4.3	2.1	7.4	9.9
Operating margin before special items (%)	1.9	-0.9	-2.8	1.4	3.0
EBIT margin (%)	1.9	-3.0	-4.6	3.1	-2.9
Pre-tax margin (%)	2.0	-3.0	-4.6	2.8	-2.7
Return on invested capital (ROIC) (%)	14.3	-20.5	-38.0	21.0	-27.4
Return on invested capital after tax (ROIC after tax) (%)	11.1	-14.8	-37.8	10.7	-37.1
Return on equity (ROE) (%)	8.0	-13.5	-43.0	10.2	-31.9
Equity ratio (%)	36.1	24.1	18.7	29.4	22.5
Proposed dividend (EUR million)	7	0	0	0	0

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 2014 of 7.4436.

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