



## Interim report for 1 January to 30 June 2016 (first half 2016)

The board of directors of Højgaard Holding A/S has today considered and approved this interim report for the period from 1 January to 30 June 2016.

- The group's revenue was DKK 39 million against DKK 34 million for the same period last year.
- The group recorded a loss before tax of DKK 12 million, compared to a profit of DKK 35 million for the same period in the previous year.
- The jointly controlled enterprise MT Højgaard (in which Højgaard Holding A/S holds a share of 54 %) recorded an operating loss before special items for the period of DKK 19 million, compared to a profit of DKK 122 million for the same period in the previous year. The development can be attributed to a relatively low level of activity in the period and lower earnings from the operating activities at Thule Air Base as well as the impact of an impairment loss on an infrastructure project. Results after tax (before minority interests) amounted to a loss of DKK 18 million for the period, compared to a profit of DKK 117 million for the same period last year.
- Whereas the MT Højgaard group previously had an outlook for revenue at the level of DKK 7.0 billion and an operating profit (before any special items) at the level of DKK 300 million, this has now been adjusted to an outlook for revenue at the level of DKK 6.8 billion and an operating profit (before any special items) at the level of DKK 225 million.
- For 2016, in addition to our share in the MT Højgaard group's profit after tax and minority interests of 54 %, the Højgaard Holding group still expects a small positive result before tax.

Best regards,  
Højgaard Holding A/S

Søren Bjerre-Nielsen  
Chairman of the board

Ditlev Fløistrup  
CEO

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*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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## Highlights and key figures for the group

DKK million	2016 Year to date	2015 Year to date	2015 Full year
<b>Income statement</b>			
Revenue	39	34	58
Operating profit	5	4	7
Financial items	-1	-1	-2
Share of profit after tax and minority interests in jointly controlled enterprise	-16	32	99
Profit before tax	-12	35	104
Profit after tax	-13	34	103
<b>Balance sheet</b>			
Non-current assets	498	451	519
Current assets	18	18	11
Equity	454	402	472
Liabilities	62	67	58
Balance sheet total	516	469	530
Net interest-bearing debt	-44	-48	-46
<b>Cash flows</b>			
Cash flow to/from operating activities	3	2	3
Cash flow to/from financing activities	-2	-5	-8
Total cash flows	1	-3	-5
<b>Key figures</b>			
Pre-tax margin (%)	-32	102	179
Dividend paid, DKK million	0	0	0
Average number and number of shares at end of period, million	4.2	4.2	4.2
Earnings and diluted earnings after tax per share (EPS and EPS-D), DKK	-3	8	24
Book value per share, DKK	108	96	112
Share price at end of period, A-shares	323	310	385
Share price at end of period, B-shares	315	313	404
Total market value, DKK million	1,349	1,307	1,640
Share price/book value	3	3	3
Return on equity for the period (%)	-3	9	25
Equity ratio (%)	88	86	89
<b>Other information</b>			
Average number of employees	34	30	30

The key figures have been calculated in accordance with the Danish Finance Society's "Recommendations & Financial Ratios 2015". The definition of the key figures applied can be seen from the annual report for 2015.

## Management's review

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

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

The group recorded a loss before tax of DKK 12 million, compared to a profit of DKK 35 million for the same period in the previous year. The lower results, compared to the same period last year, can be attributed to lower results in the jointly controlled enterprise MT Højgaard.

At 30 June 2016, the group's net interest bearing debt amounted to DKK 44 million, compared to a debt of DKK 46 million at 31 December 2015.

The group's equity stood at DKK 454 million at 30 June 2016, and the book value corresponds to DKK 108 per share of DKK 20.

## Højgaard Industri A/S

Holding 100 %

DKK million	<b>2016</b> Year to date	2015 Year to date	2015 Full year
Revenue	<b>38.7</b>	34.3	57.9
Profit before tax	<b>7.0</b>	6.3	10.6
Profit after tax	<b>5.5</b>	4.8	8.1
Balance sheet total	<b>19.8</b>	17.0	16.5
Equity	<b>7.5</b>	6.8	10.1

The profit for the first half year is in line with expectations.

For the full 2016, expectations remain unchanged, i.e. a production of sleepers somewhat above the level of 2015 and results before tax above the level of 2015.



## **Outlook for 2016**

Whereas the MT Højgaard group previously had an outlook for revenue at the level of DKK 7.0 billion and an operating profit (before any special items) at the level of DKK 300 million, this has now been adjusted to an outlook for revenue at the level of DKK 6.8 billion and an operating profit (before any special items) at the level of DKK 225 million.

For 2016, in addition to our share in the MT Højgaard group's profit after tax and minority interests of 54 %, the Højgaard Holding group still expects a small positive result before tax.

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



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## **Statement by the executive board and the board of directors**

The board of directors and the executive board have today considered and approved this interim report for Højgaard Holding A/S for the period from 1 January to 30 June 2016.

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

In our opinion, the interim report provides a true and fair view of the group's assets, liabilities and financial position at 30 June 2016 and of the results of the group's activities and cash flows for the period from 1 January to 30 June 2016.

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

Gentofte, 19 August 2016

### **Executive board**

Ditlev Fløistrup  
CEO

### **Board of directors**

Søren Bjerre-Nielsen  
Chairman

Carsten Bjerg  
Deputy chairman

Pernille Fabricius

## Group income statement

DKK million	2016 Year to date	2015 Year to date	2015 Full year
Revenue	38.7	34.3	57.9
Production costs	30.5	26.8	45.9
<b>Gross profit</b>	<b>8.2</b>	7.5	12.0
Administration costs	3.1	3.1	4.9
<b>Operating profit</b>	<b>5.1</b>	4.4	7.1
Share of profit after tax and minority interests in jointly controlled enterprise	-16.4	31.5	99.1
Financial items	-1.0	-1.1	-2.2
<b>Profit before tax</b>	<b>-12.3</b>	34.8	104.0
Tax on profit for the period	0.9	0.7	1.2
<b>Total profit for the period after tax</b>	<b>-13.2</b>	34.1	102.8

### The profit before tax can be specified as follows:

MT Højgaard group (after tax and minority interests)	-16.4	31.5	99.1
Højgaard Industri A/S	7.0	6.3	10.6
Højgaard Holding A/S	-2.9	-3.0	-5.7
<b>Profit before tax</b>	<b>-12.3</b>	34.8	104.0

Earnings and diluted earnings after tax per share (EPS and EPS-D), DKK	-3.1	8.1	24.4
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## Group statement of comprehensive income

DKK million

<b>Profit after tax</b>	<b>-13.2</b>	34.1	102.8
<b>Other comprehensive income</b>			
Items that can be reclassified to the income statement:			
Share of other comprehensive income after tax in jointly controlled enterprise	-6.1	5.0	5.4
<b>Other comprehensive income after tax</b>	<b>-6.1</b>	5.0	5.4
<b>Total comprehensive income</b>	<b>-19.3</b>	39.1	108.2



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## Group balance sheet

DKK million	2016 30 June	2015 30 June	2015 31 December
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	0.4	0.7	0.4
Investments in jointly controlled enterprise	497.3	450.0	518.4
<b>Total non-current assets</b>	<b>497.7</b>	<b>450.7</b>	<b>518.8</b>
<b>Current assets</b>			
Inventories	2.8	4.8	3.6
Receivables	13.3	10.4	6.2
Cash and cash equivalents	2.4	3.0	1.2
<b>Total current assets</b>	<b>18.5</b>	<b>18.2</b>	<b>11.0</b>
<b>Total assets</b>	<b>516.2</b>	<b>468.9</b>	<b>529.8</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>454.0</b>	<b>402.3</b>	<b>471.8</b>
<b>Non-current liabilities</b>			
Payables to group companies	46.5	51.0	48.5
<b>Total non-current liabilities</b>	<b>46.5</b>	<b>51.0</b>	<b>48.5</b>
<b>Current liabilities</b>			
Suppliers of goods and services	6.5	4.6	3.6
Other current liabilities	9.2	11.0	5.9
<b>Total current liabilities</b>	<b>15.7</b>	<b>15.6</b>	<b>9.5</b>
<b>Total liabilities</b>	<b>62.2</b>	<b>66.6</b>	<b>58.0</b>
<b>Total equity and liabilities</b>	<b>516.2</b>	<b>468.9</b>	<b>529.8</b>

## Group statement of changes in equity

DKK million	Share capital	Reserve for hedging transactions	Reserve for currency rate adjustments	Profit carried forward	Total equity
<b>Equity at 1 January 2015</b>	<b>84.1</b>	<b>-21.2</b>	<b>0.9</b>	<b>298.4</b>	<b>362.2</b>
Profit after tax				34.1	34.1
Other comprehensive income in jointly controlled enterprise		3.5	1.5		5.0
Tax on other comprehensive income					
Other				1.0	1.0
<b>Total changes in equity</b>		<b>3.5</b>	<b>1.5</b>	<b>35.1</b>	<b>40.1</b>
<b>Equity at 30 June 2015</b>	<b>84.1</b>	<b>-17.7</b>	<b>2.4</b>	<b>333.5</b>	<b>402.3</b>
<b>Equity at 1 January 2016</b>	<b>84.1</b>	<b>-18.2</b>	<b>3.3</b>	<b>402.6</b>	<b>471.8</b>
Profit after tax				-13.2	-13.2
Other comprehensive income in jointly controlled enterprise		-5.9	-0.2		-6.1
Tax on other comprehensive income					
Other				1.5	1.5
<b>Total changes in equity</b>		<b>-5.9</b>	<b>-0.2</b>	<b>-11.7</b>	<b>-17.8</b>
<b>Equity at 30 June 2016</b>	<b>84.1</b>	<b>-24.1</b>	<b>3.1</b>	<b>390.9</b>	<b>454.0</b>

## Group cash flow statement

DKK million	2016 Year to date	2015 Year to date	2015 Full year
<b>Operations</b>			
Operating profit	5.1	4.4	7.1
<b>Cash flow to/from primary activities before changes in working capital</b>	<b>5.1</b>	<b>4.4</b>	<b>7.1</b>
Change in working capital	-1.9	-2.6	-4.6
<b>Cash flow to/from operating activities</b>	<b>3.2</b>	<b>1.8</b>	<b>2.5</b>
<b>Cash flow to/from financing activities</b>	<b>-2.0</b>	<b>-5.0</b>	<b>-7.5</b>
<b>Cash flows, net</b>	<b>1.2</b>	<b>-3.2</b>	<b>-5.0</b>
Cash and cash equivalents at beginning of period	1.1	6.1	6.1
<b>Cash and cash equivalents at end of period</b>	<b>2.3</b>	<b>2.9</b>	<b>1.1</b>

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



## Note 1 - Accounting policies applied

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

The accounting policies applied remain unchanged from those described in note 1 to the annual report for 2015, to which reference is made. The annual report for 2015 includes a full description of the accounting policies applied.

## Note 2 – Accounting estimates and assessments

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

Estimates made and the related estimation uncertainty, which are considered customary and in all material respects unchanged, are described in note 2 to the consolidated financial statements and the financial statements for 2015.

## Note 3 - Segment information

DKK million	2016 Year to date	2015 Year to date	2015 Full year
<b>Revenue</b>			
Production	38.7	34.3	57.9
<b>Total revenue</b>	<b>38.7</b>	<b>34.3</b>	<b>57.9</b>
<b>Profit before tax</b>			
Production	7.0	6.3	10.6
Jointly controlled enterprise, etc.	-19.3	28.5	93.4
<b>Total profit before tax</b>	<b>-12.3</b>	<b>34.8</b>	<b>104.0</b>
<b>Total assets</b>			
Production	19.8	17.0	16.5
Jointly controlled enterprise, etc.	496.4	451.9	513.3
<b>Total assets</b>	<b>516.2</b>	<b>468.9</b>	<b>529.8</b>
<b>Total liabilities</b>			
Production	12.3	10.2	6.4
Parent company, etc.	49.9	56.4	51.6
<b>Total liabilities</b>	<b>62.2</b>	<b>66.6</b>	<b>58.0</b>