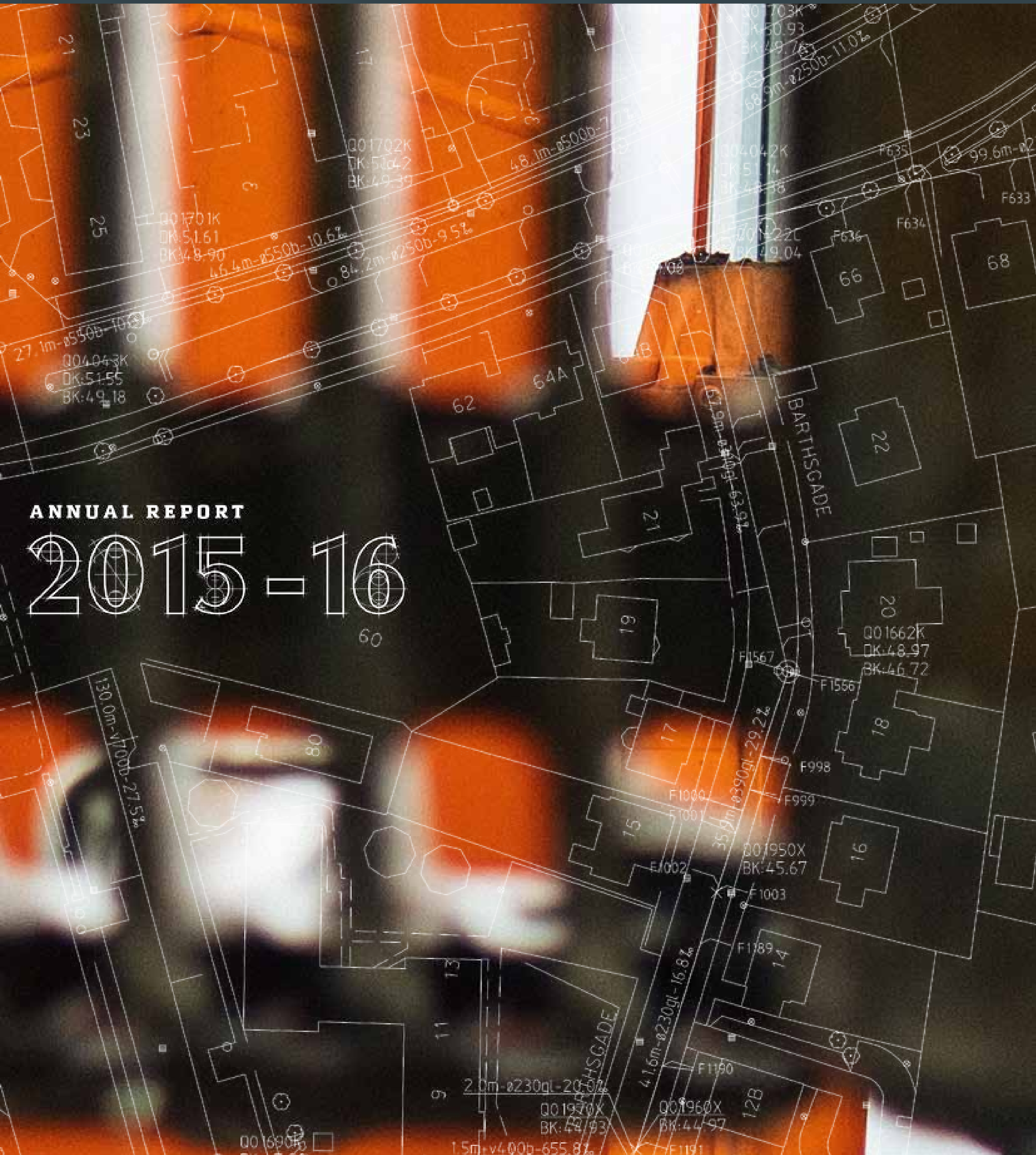
AARSLEFF



ANNUAL REPORT 2015-16

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

Specialists from the Aarsleff Group carry out expansion of Port of Frederikshavn. A total of 640,000 tons of stone are supplied and incorporated.

THE AARSLEFF GROUP

The Aarsleff Group operates at an international level and has a leading position in Denmark. In the financial year 2015/2016, revenue came to DKK 10.4 billion – of which 27% came from abroad.

The Group is organised under Per Aarsleff Holding A/S in independent, competitive companies each with their own specialist expertise. As stated in the Aarsleff Group's mission, vision and values, all companies focus on integrating their specialist expertise across the Group's business units into turnkey solutions with a high degree of own production. We call this One Company, meaning that we seek and exploit synergies to obtain efficiency and competitive advantage. Per Aarsleff A/S plays a special coordinative and leading role in the implementation of the One Company strategy.

We build long-term partnerships with customers by supplying services that create the most value to the customer and add essential value to projects by means of early involvement.

Our high-level expertise makes us specialists in planning and implementing large, complex projects within infrastructure, climate change adaptation, the environment, energy and building construction.

We specialise e.g. in harbour and marine construction, railway work, and execution of technical contracts with subsequent operation and service.

We use our specialist contracting expertise when we carry out turnkey solutions within building construction. We undertake building and renovation projects and enter into contracts for the operation and maintenance of buildings.

We are market leaders with a strong international profile in pile foundation and trenchless pipe renewal, and we have a number of subsidiaries in Denmark and abroad. We seek and exploit the benefits of industrialisation.

The number of employees in the Aarsleff Group is 5,906.

In Copenhagen, Aarsleff has carried out construction pit and shell structure for the Niels Bohr Building. 52,000 square metres of laboratory and teaching facilities for the university of Copenhagen.

HIGHLIGHTS FOR THE GROUP

tDKK	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Income statement					
Revenue	6,676,165	7,375,888	8,527,042	10,253,877	10,419,564
Of this figure, work performed abroad	2,798,975	2,476,654	2,855,178	3,145,279	2,843,331
Operating profit	181,656	213,399	349,077	487,134	417,792
Profit before interest	182,559	213,477	350,951	483,981	415,808
Net financials	-16,622	-16,531	-21,273	-29,218	-16,733
Profit before tax	165,937	196,946	329,678	454,763	399,075
Profit for the year	112,062	149,892	254,609	366,363	304,166
Balance sheet					
Non-current assets	1,619,478	1,738,752	1,739,128	1,939,348	2,420,051
Current assets	2,622,417	2,797,867	3,224,086	4,050,798	4,113,270
Total assets	4,241,895	4,536,619	4,963,214	5,990,146	6,533,321
Equity	1,593,749	1,724,330	1,952,308	2,265,103	2,503,431
Non-current liabilities	500,128	486,048	589,697	725,170	767,234
Current liabilities	2,148,018	2,326,241	2,421,209	2,999,873	3,262,656
Total equity and liabilities	4,241,895	4,536,619	4,963,214	5,990,146	6,533,321
Net interest-bearing debt	149,486	506,611	209,873	-372,867	60,559
Invested capital (IC)	1,674,496	2,214,266	2,144,682	1,880,103	2,554,769
Cash flow statement					
Cash flows from operating activities	374,584	40,949	611,201	1,124,293	430,058
Cash flows from investing activities	-282,758	-370,203	-254,894	-625,865	-781,734
Of this figure, investment in property, plant and equipment, net	-290,758	-241,416	-255,487	-377,052	-571,812
Cash flows from financing activities	-324	-24,334	-29,900	-91,168	-76,927
Change in liquidity for the year	91,502	-353,588	326,407	407,260	-428,603
Financial ratios [1]					
Gross margin ratio, %	10.3	10.8	12.1	11.9	12.0
Profit margin (EBIT margin), %	2.7	2.9	4.1	4.8	4.0
Net profit ratio (pre-tax margin), %	2.5	2.7	3.9	4.4	3.8
Return on invested capital (ROIC), %	11.0	11.0	16.0	24.2	18.8
Return on invested capital (ROIC) after tax, %	7.4	8.4	12.4	19.5	14.4
Return on equity (ROE), %	7.3	9.0	13.9	17.4	12.7
Equity ratio, %	37.6	38.0	39.3	37.8	38.3
Earnings per share (EPS), DKK	5.50	7.32	12.47	17.98	14.84
Share price per share at 30 September, DKK	40	68	97	229	159
Price/equity value, DKK	0.51	0.81	1.01	2.06	1.29
Dividend per share, DKK	1.00	1.00	1.50	3.00	4.00
Number of employees	3,620	4,019	4,532	4,932	5,906

[1] *See page 55 for a definition of financial ratios.*

THE YEAR IN BRIEF

When Denmark's west coast is to be nourished with sand to protect the coastline, the Aarsleff Group has the capacity and experience to handle the large amounts of sand.

Consolidated profit for the financial year 2015/2016 came to DKK 399 million before tax against DKK 455 million the year before. Earnings expectations were DKK 430 million before tax at the beginning of the financial year and were adjusted downwards to DKK 400 million before tax after the second quarter of the financial year.

Revenue came to DKK 10,420 million compared with DKK 10,254 million last financial year.

The Danish operations reported revenue of DKK 7,577 million against DKK 7,109 million last financial year. The foreign operations reported revenue of DKK 2,843 million against DKK 3,145 million last financial year.

The profit for the year was DKK 304 million after tax compared with DKK 366 million last financial year. Total investments in property, plant and equipment as well as subsidiaries amounted to DKK 782 million.

Cash flows from operating activities with deduction of investments came to a negative liquidity flow of DKK 352 million against a positive liquidity flow of DKK 498 million last financial year.

At the end of the financial year, the Group's net interest-bearing debt came to DKK 61 million against a deposit of DKK 373 million at 30 September 2015.

Construction reported EBIT of DKK 248 million against DKK 309 million last financial year. Pipe Technologies reported EBIT of DKK 41 million against DKK 70 million last financial year. Ground Engineering reported EBIT of DKK 129 million against DKK 108 million last financial year.

Total EBIT margin of the Group was 4% compared with 4.8% last financial year. Equity amounted to 38.3% of the balance sheet total against 37.8% at the end of last financial year. Return on equity came to 12.7% against 17.4% last financial year.

The number of full-time employees is 5,906 against 4,932 last financial year.

The Board of Directors proposes a dividend of DKK 4 per share of a nominal value of DKK 2 corresponding to a payment of DKK 82 million.

Special safety precautions are taken when Aarsleff's employees carry out the construction pit on a highly contaminated site in Copenhagen.

THE FUTURE FINANCIAL YEAR AND STRATEGIC FOCUS AREAS

In the future financial year, the Group as a whole expects a level of activity up approx. 5% on 2015/2016. EBIT is expected to amount to DKK 430 million. Previously, expectations for the annual results were stated as profit before tax. To ensure consistency with the announcements of the individual segments and the long-term targets, the outlook for the annual results will henceforward be disclosed as EBIT. Investments are expected to amount to approx. DKK 500 million and are inclusive of Aarsleff's new office building in the southern part of Aarhus and acquisition of equipment for the project concerning electrification of the Danish railway, a total of approx. DKK 120 million.

Construction expects a level of activity up approx. 5% on 2015/2016 and an EBIT margin of approx. 3.5%.The civil engineering market in Denmark is still stable, even though there is a small setback in some areas. There is a high level of activity within new construction as well as building renovation in Denmark. Even though activities will still be affected by the delay of major infrastructure projects, such as the Fehmarnbelt Link, the level of activity is still expected to increase, among other things due to a full inclusion in the financial year of Hansson & Knudsen A/S, acquired in 2015/2016. EBIT will continue to be affected by high tender costs for exceptionally large tenders with extended preparation periods. The integration of the acquired companies will continue in the future financial year to increase the earnings contribution. Level of activity and earnings in connection with large projects abroad are expected to be relatively low due to a reduced number of ongoing projects.

Pipe Technologies expects a level of activity up approx. 5% on last financial year and an EBIT margin of approx. 3%. Pipe Technologies' market potential in Denmark is closely connected to the utility companies' investment level within sewer pipe renewal which is expected to be unchanged. The difficult market conditions in Poland, the Baltic countries and Russia are expected to continue in 2016/2017, and the companies are not expected to contribute significantly to results in spite of the initiated capacity adjustments. The implementation of sewer pipe renewal with our internally developed glass liner is continued gradually and expected to contribute to increased earnings over time.

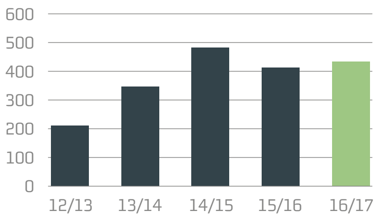
Ground Engineering expects a level of activity up approx. 10% on last financial year and an EBIT margin of approx. 6.5%. Ground Engineering's market potential is good in a stable civil engineering market in Denmark, e.g. in One Company working relationships with Construction on major projects. Also, the potential on the segment's foreign markets in Sweden, the UK, Poland and Germany is expected to be positive. In 2015/2016, the segment benefited from an exceptionally high level of demand on the Danish market. However, in the future financial year, we expect the demand to normalise, but to remain at a high level. The production launch in the new pile factory in Germany and the integration of the activities into the segment's total activities will continue in the future financial year with an expected earnings growth in the future years.

On the threshold of the new financial year, the Group's volume of orders is in line with last year's level.

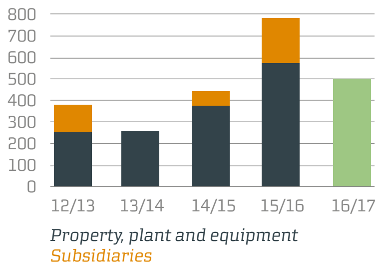
Strategic focus areas

The Aarsleff Group has developed expertise on an international scale, allowing us to participate in large infrastructure projects in Denmark, often in collaboration with international contracting companies. The experience gained from these projects will

EBIT IN DKK MILLION



INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT AND SUBSIDIARIES IN DKK MILLION



be useful in future international business opportunities. The Group has now established a solid activity level within industrial building in the capital area and focuses on exploiting the positive market opportunities within residential building and building renovation. A new organisation west of the Great Belt is being set up to exploit the market opportunities. Large building projects are typically carried out in One Company collaboration with a high degree of own production and with the participation of the Group companies that carry out cofferdams, piling work, underground structures, buildings and total technical contracts.

The Aarsleff Group's business model has proved to be sustainable. Our different types of activities range from single projects to activities with a high degree of repetition and fully industrialised activities in the Pipe Technologies and the Ground Engineering segments.

Aarsleff is an integrated Group with joint, basic principles of management. We combine our specialist contracting expertise into turnkey solutions with a high degree of own production. We call this One Company, and our strategy as a contracting group is underpinned by this principle.

The market for civil works and building construction still provides opportunities of profitable growth. However, it is a basic principle for the Aarsleff Group's development that earnings requirements take priority over growth. Continued improvements with consequent increased competitiveness must make growth a result more than a target.

We anticipate that a consolidated EBIT level of 5% is within reach. This level complies with the long-term targets of our segments.

At www.aarsleff.com About Aarsleff, we account for the Group's business model, mission, vision and values.

Construction will focus on positioning for future major traffic infrastructure projects, the climate and environmental challenges facing the Danish utility companies as well as increased involvement in general building activities.

The number of design and build contracts put out to tender is increasing. This calls for combinations of specialist expertise and early involvement of the contractor in the design phase. Aarsleff combines specialist skills into turnkey solutions by offering a wide range of activities supplied by our divisions and companies in own production. These skills are applied to single construction projects as well as to multi-annual framework agreements on service and maintenance work.

Last financial year, Construction implemented plans to increase the application of digital tools within design, planning and project execution. The implementation of Virtual Design and Construction (VDC) is now increasingly contributing to efficiency improvement and industrialisation in the projects as well as value creation for our customers. The focus on how to exploit this expertise has a high priority.

Pipe Technologies is among the global market leaders in the supply of trenchless pipe renewal which is a highly specialist business area. In Pipe Technologies, the challenge is to constantly industrialise and streamline the installation and production processes. The demands for competitive prices in the market for trenchless pipe renewal must be met. The object is to reduce costs in the value chain from manufacturing to installation of Aarsleff's standard products. This is vital for creating growth on new markets and for maintaining our leading position on existing markets.

Pipe Technologies focuses on future-proofing the business area by current development of a broad product portfolio and a strong technological foundation. This is done in an international framework across country borders from the division's centre of expertise in Hasselager.

Ground Engineering focuses on the incorporation of common standards as well as product and method development. This is done to increase productivity and competitiveness in manufacturing and installation on all markets.

Ground Engineering aims at becoming a market leader in Denmark and taking up a leading position in Germany, the UK, Poland and Sweden. Supply and installation of precast concrete piles have a high priority on all markets. However, other piling skills and methods are developed on the individual markets to exploit the earnings opportunities. Experience, methods and expertise are shared across country borders to continue the development of pile types, machinery as well as new methods and techniques.

Ground Engineering has pile production facilities in Denmark, the UK, Sweden, Poland and Germany. The objective is to have a leading position within production and installation of precast concrete piles on the markets where we are established. The pile production must continuously be optimised by sharing experience and coordinating parts of the production across country borders.

LONG-TERM FINANCIAL TARGETS

The overall financial targets of the Group are an EBIT margin of 5% with significant financial resources and a high solvency ratio to mitigate risks. This will help provide the shareholders with an attractive, long-term, direct return through allocation of surplus capital as dividend payments.

Growth and development

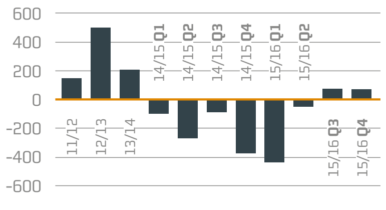
The growth and development of the Group will continue to take place through a combination of organic growth and acquisitions of specialist expertise and with the focus on profitability.

In Construction, we are making the most of the current market potential while considering our policy of selective order intake.

Within the industrial segments Pipe Technologies and Ground Engineering, our growth target is between 5% and 10% per year with the focus on international growth.

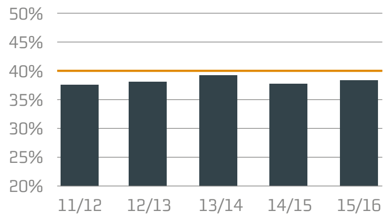
	FINANCIAL YEAR 2015/2016	OUTLOOK 2016/2017	LONG-TERM FINANCIAL TARGETS
EBIT margins:			
Construction	3.4%	3.5%	4.5%
Pipe Technologies	3.0%	3.0%	5.0%
Ground Engineering	7.5%	6.5%	7.0%
The Aarsleff Group	4.0%	4.0%	Approx. 5%
Profit share (Payout ratio)	27%	-	20-30%
Equity ratio of the balance sheet (Solvency ratio)	38.3%	-	Approx. 40%
Net interest-bearing debt (Measured as quarterly average)	Net deposit of DKK 90 million	-	Net debt of DKK 0 million
Return on equity (ROE)	12.7%	-	Minimum 12% per year

NET INTEREST-BEARING DEBT, DKK MILLION



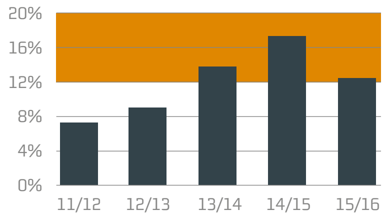
Long-term target = 0

SOLVENCY RATIO



Long-term target = Approx. 40%

RETURN ON EQUITY (ROE)



Long-term target area = Minimum 12% per year

Profit and return on investment
Efficiency and productivity in all phases must contribute to continuous improvements of competitiveness and earnings. Combinations of skills into turnkey solutions together with the focus on efficiency in all phases are to increase margins and earnings.

Sound financial resources
Aarsleff undertakes large-scale civil engineering projects for which only consolidated companies with sound financial resources are able to tender. A sound financial position and thus a high credit ranking allow us to strategically position ourselves for long-term and continuous development of the Group in connection with acquisition of companies as well as internal business development.

Aarsleff's ambition to have sound financial resources entails an overall target to keep net interest-bearing debt at an average of 0 per quarter. This corresponds to a solvency ratio of about 40%.

As the company receives considerable prepayments which often are available for joint ventures only, a net interest-bearing debt of 0 involves continued drawdown on the company's credit facilities.

During growth periods, the company may require new borrowing up to a certain level. However, net interest-bearing debt must not exceed 50% of equity at the beginning of the financial year (debt/equity ratio maximum 0.5).

It is a target to provide return on equity of at least 12% per year. However, realisation of the stated, long-term EBIT targets as well as targets for net debt and solvency ratio will imply a somewhat higher return on equity.

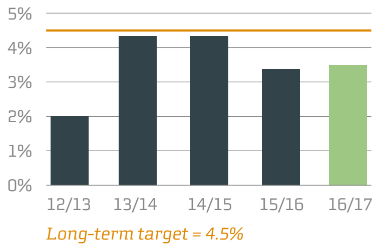
Dividend
Achievement of the targeted return on equity will imply that the expected growth can be financed by future earnings and that liquidity is generated for payment of dividend which is assessed at 20-30% of the annual profit subject to growth.

The decision as to the annual dividend distribution is made on the basis of the company's actual financial situation, comprising net interest-bearing debt, solvency ratio and outlook for the future financial year.

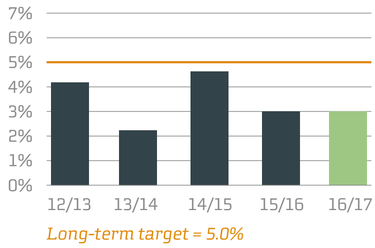
For the financial year 2015/2016, the proposed dividend per share of a nominal value of DKK 2 is DKK 4 against DKK 3 per share last year. This corresponds to 27% of the profit of the company.

Treasury shares
The holding of treasury shares amounts to 10%. At the Annual General Meeting in January 2017, the Board of Directors will ask the shareholders for authorisation for the next five years to allow the company to acquire treasury shares within a total nominal value of 20% of the share capital of the company. The authorisation to acquire another 10% will only come into effect in case of a special situation. Distribution to shareholders is expected to take place only in the form of dividend.

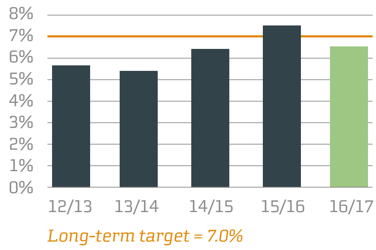
CONSTRUCTION
EBIT, %



PIPE TECHNOLOGIES
EBIT, %



GROUND ENGINEERING
EBIT, %



THE PAST YEAR IN CONSTRUCTION

Segment results (EBIT) came to DKK 248 million or 3.4% of revenue. Revenue increased by 3% to DKK 7,348 million. The Danish operations reported a revenue increase of 5% to DKK 6,357 million, while the foreign operations reported a revenue decline of 9% to DKK 991 million.

At the beginning of the financial year, EBIT was expected to constitute 4% of revenue, but in the middle of the financial year it was adjusted downwards to 3.5%. Results are influenced by the fact that some major tenders have been postponed or not won to the expected degree. Construction is currently working with exceptionally large tenders with extended preparation periods and consequently, tender costs have increased.

Revenue in Ístak hf. came to DKK 404 million against DKK 126 million last financial year. The company was included from May 2015. Revenue in Hansson & Knudsen A/S came to DKK 521 million. The company was included from January 2016.

At the end of the financial year, the volume of orders is in line with last year's level.

The segment's building activities develop positively in a market with many projects put out to tender. Aarsleff's building activities in the Copenhagen area have been stable during the past years, now constituting a significant activity. Aarsleff is now also undertaking building activities west of the Great Belt. The basis of these activities is Per Aarsleff A/S in Aarhus and Hansson & Knudsen A/S in Odense.

As a partner of Femern Link Contractors, Aarsleff signed conditional contracts for three out of the four large tunnel contracts for the Fehmarnbelt Link during the third quarter of the financial year. The total contract value is EUR 3.4 billion, and Aarsleff's share is EUR 0.5 billion. The contracts are subject to the German environmental approval, and the start date of the construction activities is still not known.

Per Aarsleff A/S performed above expectations at the beginning of the financial year. The foreign operations reported a revenue decline compared with last financial year which was characterised by a high activity on the new harbour project Värtahamnen in Stockholm. Examples of new projects during the financial year are construction of a new laboratory and logistics building at the Bispebjerg Hospital in Copenhagen, 28,000 square metres of combined residential and commercial construction at Thomas B. Thriges Gade in Odense and cooperation with the real estate company Project Nord P/S on design, building plans and budgets for development of the area near Bernstorffsgade and Tietgens Bridge in Copenhagen with a total area of approx. 39,000 square metres. In addition, Aarsleff is currently building a new railway bridge over Masnedsund between Vordingborg and the island of Masnedø according to a contract entered into with Banedanmark. All the above projects are carried out in One Company collaboration, i.e. Wicotec Kirkebjerg A/S carries out technical contracts, Aarsleff Rail A/S contributes railway expertise and Hansson & Knudsen A/S contributes expertise within building construction on Funen, in the Triangle Region and in Southern Jutland.

The performance of Wicotec Kirkebjerg A/S deviates significantly from expectations due to impairment of some of the company's projects and there was a small positive contribution to results. Wicotec Kirkebjerg carries out technical installations in a broad sense, technical service as well as cable work and district heating installations. Generally, there is a high level of activity within technical contracts, and the company has a satisfactory order intake. During the financial year, the work on the technical contract at the Psychiatric Center in Aarhus has commenced, and the company will subsequently be the operator of the 25-year facility management contract.

During the financial year, Hansson & Knudsen A/S became part of the Aarsleff Group. Results were below expectations. The integration of the company into the Group has begun and takes longer than expected. Hansson & Knudsen carries out new construction, renovation and building maintenance primarily on Funen, in the Triangle Region and in Southern Jutland.

Aarsleff Rail A/S and Anker AB are the Group's railway specialists. The companies did not perform in line with expectations at the beginning of the financial year. The order intake did not reach the expected level, however order opportunities are good, and the tender activity is high. The contract for electrification of 1,300 kilometres of railway progresses according to plan and will be in force during the next approx. eight years.

The activities of Ístak hf. are loss-making and fell short of expectations. Action plans to strengthen the company and utilise synergies with the Group's other activities are being implemented. During the financial year, the order intake was good in a positive market.

In the summer of 2017, the Maersk Group moves into 13,000 square metres of new office in Copenhagen. The Aarsleff Group has carried out the building in a design and build contract.

Dan Jord A/S performed in line with expectations. Generally, there is a high level of activity in the Aarhus area, e.g. infrastructure work for the development of the harbour area and the establishment of the light rail transit. Another example of completed work is the establishment of sports facilities near Bellahøj in Copenhagen.

Petri & Haugsted AS specialises in cable work and communication lines. Results fell short of expectations. During the financial year, the company renewed the contract with TDC Group for the establishment of customer-ordered fibre connections and error correction of the fibre network in all of Denmark for another three years. Adjustments and action plans have been initiated to streamline and optimise ongoing contracts as well as utilise market opportunities.

Entreprenørfirmaet Østergaard A/S carries out tunnelling, directional drilling and civil engineering work. Results were in line with expectations at the beginning of the financial year. The company is positioning itself for execution of complex tunnelling projects in connection with future climate adaptation projects in One Company collaboration with Per Aarsleff A/S.

VG Entreprenør A/S specialises in coastal protection and other marine work. Results were significantly above expectations. There was a high level of activity, not least on projects carried out in collaboration with Per Aarsleff A/S, e.g. the enlargement of Port of Frederikshavn.

In the new financial year, the level of activity is expected to be approx. 5% higher compared with 2015/2016. The segment expects an EBIT margin of 3.5%. The long-term expectation to revenue development will follow economic trends and market potentials. The long-term expectation to EBIT margin is 4.5%.

THE PAST YEAR IN PIPE TECHNOLOGIES

Segment results (EBIT) came to DKK 41 million or 3% of revenue. Revenue fell by 9% to DKK 1,372 million. The Danish operations reported a revenue increase of 12% to DKK 463 million, while the foreign operations reported a revenue decline of 17% to DKK 909 million.

At the beginning of the financial year, Pipe Technologies expected an EBIT level of 4%, but expectations were adjusted to 3% in the middle of the financial year and to 2.5% after the third quarter of the financial year.

More than ever, Pipe Technologies' challenge is a race to improve efficiency and to ensure competitiveness in a market with decreasing margins and keen competition. A growing share of our installations is carried out with our internally developed LED curing system. Also, we have carried out the first installations with our internally developed glass liner, and a plan for implementation has been launched. An agreement with Uponor was made on the acquisition of Omega-Liner® which is now a part of Aarsleff's product programme.

In Denmark, the activity within sewer pipe renewal of the municipal utility companies and the housing and industry segments exceeded expectations, and earnings were in line with expectations.

Export projects within drinking water supply and wastewater, primarily carried out in Eastern Europe, performed below expectations. The low activity level is caused by the political situation in Ukraine and Russia. Capacity adjustments have been made due to the very difficult market conditions.

The results of the German subsidiary were in line with expectations. Utilisation of potential market opportunities and development of the collaboration with the other companies of the Group are still focus areas.

The companies in Sweden and Finland performed in line with expectations and are developing positively.

The companies in Poland, Russia, Ukraine and Lithuania are strongly affected by the difficult market conditions. The companies in Poland, Russia and Lithuania were loss-making, and in Ukraine, activities have been discontinued. However, we are now seeing the first EU financed tenders in the Baltic countries and in Poland.

On Pipe Technologies' new market in Norway, the activity was satisfactory during the financial year, but results were below expectations. On the new market in the Netherlands, results fell short of expectations.

In the new financial year, a growth in revenue of 5% is expected. The segment expects an EBIT margin of 3% due to the difficult market conditions. The long-term expectation to revenue development is 5 to 10% per year. The long-term expectation to EBIT margin is 5%.

Under the Olympic Park in Munich, Aarsleff is renewing a more than 100-year old pipe with GRP profiles. The impressive structure is 4.2 metres wide and 3.35 metres tall.

At Aarhus University Hospital in Skejby, Aarsleff has commenced the first phase of a four-year renewal plan which is to provide a well-functioning sewer system.

THE PAST YEAR IN GROUND ENGINEERING

Segment results (EBIT) came to DKK 129 million or 7.5% of revenue. Revenue increased by 4% to DKK 1,700 million. The Danish operations reported a revenue increase of 13% to DKK 757 million, while the foreign operations reported a revenue decline of 2% to DKK 943 million.

At the beginning of the financial year, the expectations as to segment results were an EBIT level of 6% of revenue. In the middle of the financial year, these expectations were adjusted upwards to 7% and to 7.5% in the third quarter interim financial report.

The degree of collaboration between the companies of the Ground Engineering segment has been intensified to standardise and improve the efficiency of the segment's central, market-leading precast pile system. In addition, other piling methods will be introduced with a view to meeting requests for complete supplies adjusted to the needs of the individual markets. The production in the newly established pile factory in Southern Germany has now begun. Ground Engineering is now pile contractor as well as concrete pile producer in Denmark, Sweden, the UK, Poland and Germany.

In One Company collaboration with Ístak hf., an agreement on installation of sheet piles and execution of other foundation work for the enlargement of Port of Reykjavik has been entered into during the financial year.

The results of the activities in Denmark were significantly above expectations at the beginning of the financial year driven by exceptionally high levels of demand. The activity within One Company collaboration with the other companies of the Group was high.

The specialised section for geotechnical drillings saw a high level of activity during the financial year.

The companies in the UK and Sweden performed in line with expectations.

The German company performed above expectations at the beginning of the financial year, and the production in our own pile factory has now been launched.

The Polish company performed below expectations, and the market conditions are difficult.

In the new financial year, a 10% higher level of activity is expected and an EBIT margin of 6.5%. The long-term expectation to revenue development is 5 to 10% per year. The long-term expectation to EBIT margin is adjusted to 7% against previously 6.5%.

At Kalvebod Brygge in Copenhagen, Aarsleff has carried out the construction pit for one of Denmark's largest public-private partnership projects.


AARSLEFF

INFORMATION TO SHAREHOLDERS

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

The B share capital is quoted on Nasdaq Copenhagen A/S. In the financial year 2015/2016, a stock split of the B shares was carried out from nominally DKK 20 to DKK 2. At 30 September 2016, the B share capital constituted 21,300,000 shares each of DKK 2. The B shares are negotiable instruments issued to bearer, but can be registered in the name of the holder in the company's register of shareholders.

The A share holding consists of 27,000 shares each of DKK 100 and carry 10 times the voting rights compared to the B shares. The A shares are non-negotiable instruments.

In all calculations of financial ratios, the A shares are calculated into shares of DKK 2 in line with the B shares, corresponding to 1,350,000 A shares.

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

Per og Lise Aarsleffs Fond possesses 42% of the votes through Per Aarsleff Holding A/S's A shares. The purpose of the fund is to ensure the Aarsleff Group's continued existence and development through possession of Per Aarsleff Holding A/S's A share capital.

Shareholders who own more than 5% of the share capital or control more than 5% of the voting rights are stated on the next page.

As at 21 December 2016, 6,781 shareholders were registered, corresponding to approx. 88% of the share capital.

Shareholders may exercise their voting rights at the Annual General Meeting only after having had their shares entered in the company's register of shareholders or after due notification and documentation of their acquisition of shares prior to the convening of the Annual General Meeting.

In connection with the establishment of the holding structure in the Aarsleff Group, Per and Lise Aarsleffs Fond was imposed by the Danish commercial foundations supervisory authority to change its articles of association so that sale of shares in Per Aarsleff A/S is subject to the consent of the board of directors of Per og Lise Aarsleffs Fond and the commercial foundations supervisory authority.

Treasury shares
At the end of the financial year, the holding of treasury shares was 2,265,000 B shares of a nominal value of DKK 4.53 million and an acquisition cost of DKK 63.2 million.

At 30 September 2016, the market capitalisation of the treasury shares was DKK 360 million.

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

The holding of treasury shares amounted to 10%. At the Annual General Meeting in January 2017, the Board of Directors will ask the shareholders for authorisation for the next five years to allow the company to acquire treasury shares within a total nominal value of 20% of the share capital of the company.

Market capitalisation
At 30 September 2016, the market capitalisation of the company's B shares exclusive of treasury shares was DKK 3,027 million.

Dividend
For the financial year 2015/2016, the proposed dividend per share of a nominal value of DKK 2 is DKK 4.

Capitalisation and dividend policy
Please see the section Long-term financial targets on page 10.

Shareholders as of 21 December 2016	Number of shares	Percentage of capital %	Votes %
Per og Lise Aarsleffs Fond, A shares of DKK 100	27,000	5.96	41.49
Per og Lise Aarsleffs Fond, B shares of DKK 2	212,690	0.94	0.65
Arbejdsmarkedets Tillægspension, B shares of DKK 2	1,901,776	8.40	5.85
Treasury shares, B shares of DKK 2	2,265,000	10.00	

Company announcements

12	October 2015	Aarsleff signs conditional agreement for acquisition of the shares in Hansson & Knudsen A/S
12	November 2015	Aarsleff involved in preliminary collaboration on the development of the central post office area in Copenhagen
21	December 2015	Preliminary announcement of financial statements for the financial year 2014/2015
21	December 2015	Stock split to enhance the liquidity of the Aarsleff share
7	January 2016	Aarsleff's acquisition of the shares in Hansson & Knudsen A/S has been approved
18	January 2016	Notification pursuant to section 55 of the Danish Companies Act and section 29 of the Danish law on securities trading etc.
21	January 2016	Establishment of a holding company structure in the Aarsleff Group
29	January 2016	Annual General Meeting of Per Aarsleff A/S
25	February 2016	Interim financial report for the period 1 October-31 December 2015
8	March 2016	Notification pursuant to section 55 of the Danish Companies Act and section 29 of the Danish law on securities trading etc.
8	March 2016	Notification pursuant to section 55 of the Danish Companies Act and section 29 of the Danish law on securities trading etc.
16	March 2016	Notice convening Extraordinary General Meeting of Per Aarsleff A/S
7	April 2016	The Danish Competition and Consumer Authority has commenced an investigation of Hansson & Knudsen A/S
20	April 2016	Notification pursuant to section 55 of the Danish Companies Act and section 29 of the Danish law on securities trading etc.
20	April 2016	Aarsleff company renews contract with TDC Group
9	May 2016	Aarsleff to build new bridge over Masnedsund
30	May 2016	Interim financial report for the period 1 October 2015-31 March 2016
30	May 2016	Aarsleff signs conditional contract for the Fehmarnbelt Link
17	June 2016	Notification pursuant to section 55 of the Danish Companies Act and section 29 of the Danish law on securities trading etc.
24	June 2016	Per Aarsleff Holding A/S expands its Executive Management
1	July 2016	Aarsleff close to signing contract with AP Pension in Odense
8	July 2016	Aarsleff close to signing contract concerning Bispebjerg Hospital
29	August 2016	Interim financial report for the period 1 October 2015-30 June 2016
12	September 2016	Hansson & Knudsen cleared of suspicion
21	December 2016	Preliminary announcement of financial statements for the financial year 2015/2016

Financial calendar

31	January 2017	Annual general meeting at the Group headquarters, Hasselager Allé 5, 8260 Viby J, at 15:00
3	February 2017	Dividend paid to shareholders for the financial year 2015/2016
24	February 2017	Interim financial report for the period 1 October 2016-31 December 2016
22	May 2017	Interim financial report for the period 1 October 2016-31 March 2017
28	August 2017	Interim financial report for the period 1 October 2016-30 June 2017
21	December 2017	Preliminary announcement of financial statements for the financial year 2016/2017

CORPORATE GOVERNANCE

With a few exceptions, Aarsleff's Management is following the recommendations of Nasdaq Copenhagen A/S on good corporate governance, found on www.corporategovernance.dk.

The exceptions are:

- The company has not, contrary to recommendations, specified the remuneration to the individual members of the Executive Management, cf. the section on remuneration of the Board of Directors and the Executive Management.
- The terms of reference of the nomination committee are less comprehensive than recommended because Management is of the opinion that some of the recommended assignments are most appropriately taken care of directly by the Board of Directors. The deputy chairman of the Board of Directors is chairman of the nomination committee.
- We have set up specific targets for the proportion of women in the Board of Directors. A policy has been prepared to increase the proportion of women at other management levels. However, no specific targets in respect of this have been set up.

The below statement concerns the recommendations which were updated most recently in November 2014.

An outline of the company's approach to the individual recommendations is available at http://www.aarsleff.com/corporategovernance20152016.

Relations to shareholders
Aarsleff was founded in 1947. The company was introduced to Nasdaq Copenhagen A/S in 1984. Subsequently, the share capital has been further increased and today, the total share capital is DKK 45.3 million, distributed on 2.7 million unlisted A shares carrying a voting right of 10 per share and 42.6 million listed B shares carrying a voting right of one per share.

Management is of the opinion that such distribution of the voting rights provides the required peace and decision-making competence for the company to reach its strategic goals.

Information about the capital structure can be found in the section Information to the shareholders on page 18.

The Board of Directors convenes the shareholders to the Annual General Meeting with sufficient notice. Agenda as well as terms and conditions of power of attorneys etc. will be sent out to registered shareholders on request. Registration can take place at www.aarsleff.com.

The company's articles of association are available at www.aarsleff.com.

The relationship to our stakeholders
Aarsleff wishes to be characterised as a highly respected, professional business partner. Aarsleff's mission, vision and values materialise, in relation to our stakeholders, in the professionalism shown in the execution of our work and through the respect for our customers, colleagues within the business and our employees.

The Aarsleff Code of Conduct states the general principles of the company's way of working. The Board of Directors of the company has approved the principles, which have subsequently been communicated to the employees. Aarsleff's Code of Conduct is available at www.aarsleff.com.

The Aarsleff Code of Conduct determines the rules of good behaviour with respect to employees, the environment and ethics essential to each working relationship in which Aarsleff participates.

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

Openness and transparency
Aarsleff has established an investor relations policy for the communication of information to shareholders, investors and other stakeholders. The policy can be seen at www.aarsleff.com.

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

During the course of the year, two investor meetings for analysts and others with particular interest have been held.

The latest presentation is available at www.aarsleff.com.

At www.aarsleff.com, elaborating information in Danish and English can be found on the business areas of the Group as well as on the financial situation.

Tasks and responsibilities of the Board of Directors

The Board of Directors determines the business concept and overall goals and strategies of the Aarsleff Group and deals with the overall management of the company.

During the course of the year, the Board of Directors has held a total of seven meetings attended by the Executive Management. The Chairman and the Deputy Chairman are responsible for the satisfactory function of the Board of Directors at all times.

In accordance with section 31 of the Danish Auditors' Act, an Audit Committee has been established consisting of three board members. The committee also functions as Nomination Committee and Remuneration Committee. During the course of the year, the committee has held three meetings. The terms of reference for the Committee are available at www.aarsleff.com.

The rules of procedure of the Board of Directors are reviewed annually to ensure that the Board of Directors undertakes its most important assignments in relation to the overall strategic management and control of the company and the current assessment of the work of the Executive Management. The duties of the Chairman and the Deputy Chairman are also described in the rules of procedure.

Composition of the Board of Directors

The Board of Directors is composed by four external board members, elected for one year at a time by the Annual General Meeting.

The Board of Directors' work, results and composition are evaluated once a year. The evaluation is conducted by the Chairman of the Board by interviews of the individual board members. The result has been discussed in the entire board.

The Board of Directors believes that the number of members of the Board is appropriate, and that the appropriate composition of essential qualifications in the Board is ensured. The competencies comprise e.g. experience with management of large international companies (Andreas Lundby), including listed companies (Jens Bjerg Sørensen and Peter Arndrup Poulsen), legal insight (Carsten Fode) and financial insight (Jens Bjerg Sørensen).

In the procedures for recommendation of new candidates to the Board of Directors, we seek to safeguard the principles of diversity and representation of all important qualifications so that the Board can continue to carry out its work in the best possible way. We have set up specific targets for the proportion of women in the Board of Directors, cf. Corporate Social Responsibility at www.aarsleff.com.

In the articles of association, the company has established an age limit for the work of the board members of the company. Board members cannot be elected or re-elected after they have attained the age of 70.

Remuneration of the Board of Directors and the Executive Management

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

No incentive programmes have been established for the Board of Directors and the Executive Management. The Group has no share option schemes or similar.

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

The policy on renumeration of the Board of Directors and the Executive Management has not been changed as compared to last financial year.

The current annual remuneration of the individual board members is stated in the section Executive Management and Board of Directors on page 28. The Chairman and the Deputy Chairman do not receive separate remuneration for sitting on the Audit Committee. An ordinary member receives DKK 80,000 as remuneration for sitting on the Audit Committee.

On page 28, the shareholding of each board member is stated as well as the total shareholding of the Executive Management.

Contrary to recommendations, the company has not specified the remuneration to the individual members of the Executive Management, as Management considers this to be irrelevant and inappropriate.

Risk management

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

Whistleblower scheme

During the financial year, a whistleblower scheme has been established.

Auditors

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

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

In consideration of the size of the Group, the Group has decided not to establish an internal audit. The Group's internal control and risk management systems are instead reviewed regularly by controllers in the Group's financial function.

COMMERCIAL RISK ASSESSMENT

Commercial risks
The Group's activities involve a number of risks that may affect the operation and financial position of the Group.

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

We often enter into consortium agreements on major, single projects, allowing us to harmonise the organisational capacity and reduce the impacts of unsuccessful projects. To the extent possible, we collaborate with trusted business partners. For projects in unknown markets, we frequently seek a local partner to minimise the risk of first errors.

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

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

Foreign exchange risks
It is the Group's policy to reduce its foreign exchange risks, as individual projects and markets are assessed with a view to hedging. Normally, currency overdraft facilities are established on the basis of a current calculation of the foreign exchange exposure of the most important currencies. Moreover, forward exchange contracts and options are used.

Interest rate risks
At the end of September 2016, the Group's interest-bearing debt and interest-bearing assets amounted to a net debt of DKK 61 million. In order to minimise both interest and risks, cash pool and interest netting agreements have been entered into with the Group's Danish bank in DKK, SEK, NOK as well as in EUR, USD, RUB, PLN and GBP.

Credit risks
A significant part of the Group's customers comprise public or semi-public clients in respect of whom the exposure to financial losses is minimal. The Group's receivables from the sale to other customers have been exposed to the usual credit risk. Therefore, the customers are credit rated before work is commenced. To the extent this is considered expedient and possible, trade receivables are also hedged by bank and insurance guarantees and letters of credit.

Liquidity and borrowing risks
It is the policy of the Group to have a significant cash reserve. The Group's stable and good solvency entails a high creditworthiness which is reflected in appropriate credit facilities and loan commitments, short-term as well as long-term.

Wicotec Kirkebjerg A/S has carried out the technical contract and the solar panels for the extension of University of Copenhagen.


WICOTEC KIRKEBJERG

INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

Aarsleff's internal controls and risk management relating to financial reporting are made with a view to presenting financial statements that comply with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for listed companies.

The internal controls and risk management systems have been made with a view to providing reasonable and fair security that errors and defects in the financial statements are discovered and rectified so that the annual report provides a true and fair view without material misstatements and with a view to ensuring that the choice and use of accounting policies are appropriate and that accounting estimates are performed responsibly.

The Aarsleff Group's internal control and risk management systems relating to financial reporting are based on the internationally recognised COSO framework.

Control environment
The Board of Directors has appointed an Audit Committee whose primary purpose is to assist the Board of Directors in monitoring financial reporting and the adequacy of Aarsleff's internal control and risk management systems.

The Audit Committee has supervisory responsibilities and reports to the entire Board of Directors. The responsibility for the day-to-day maintenance of effective internal controls and a risk management system for financial reporting rests with the Executive Management. Managers at different levels are responsible within their respective areas.

Responsibility and powers are defined in the Board of Directors' instructions to the Executive Management, policies, procedures and code. The Board of Directors approves the company's primary policy for communication, treasury and finance policy as wells as risk management and the company's code of business conduct.

The Executive Management approves other policies and procedures, and the responsible functions issue guidelines and monitor the use of all policies and procedures. The organisational structure and internal guidelines together with laws and other rules form the control environment.

Risk assessment
An annual risk analysis is prepared with a view to assessing key risks in the financial reporting process, including a separate assessment of the risk of material misstatement of the consolidated financial statements due to fraud.

The risk assessment, which is allocated to items and individual processes in the financial reporting, forms the basis of the determined risk management policy which is to ensure that relevant risks are managed and reduced to an acceptable level.

Control activities
The aim of the control activities is to prevent, discover and correct any errors and irregularities. The activities are integrated in the company's accounting and reporting procedures and include procedures for certification, authorisation, approval, reconciliation, analyses of results, separation of incompatible functions, controls concerning IT applications and general IT controls.

Aarsleff's concept of internal controls determines standards for control activities concerning financial reporting. The purpose of these standards is to ensure and maintain a uniform level of internal control concerning financial reporting in the Group.

Information and communication
Aarsleff maintains information and communication systems to ensure that the financial reporting is correct and complete. Accounting policies, procedures and other reporting instructions are updated as needed and reviewed at least once a year. We find it important that these and other policies relevant for the internal control of financial reporting are always available for relevant employees.

The Aarsleff Group's accounting policies are specified in accounting and reporting instructions submitted to the Group's subsidiaries each year.

Monitoring

Aarsleff uses a comprehensive management control system to monitor the company's results which makes it possible at an early stage to detect and correct any errors and irregularities in financial reporting, including disclosed weaknesses in internal controls, lack of compliance with procedures and policies etc.

Compliance with accounting policies is currently monitored at group level and other operating levels by financial controllers. This includes an annual review and assessment of whether the control design of relevant subsidiaries complies with the standards of the Aarsleff Group's concept for internal controls.

An annual assessment of the control design and the effectiveness hereof is carried out. The Audit Committee is informed of the result. Similarly, the Audit Committee receives observed control weaknesses and recommendations from the auditor elected at the Annual General Meeting. The Audit Committee monitors that the Executive Management reacts efficiently to any weaknesses or shortcomings and that measures relating to risk management and internal controls in connection with the financial reporting are implemented as planned.

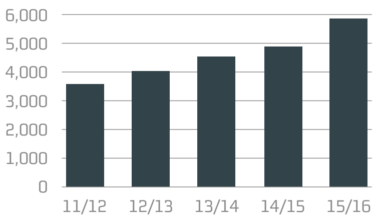
CORPORATE SOCIAL RESPONSIBILITY

The statutory statement for the company's corporate social responsibility, cf. section 99a of the Danish Financial Statement Act, is established for Per Aarsleff Holding A/S and comprises the companies of the Group which must account for the company's corporate social responsibility: Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Hansson & Knudsen A/S. The statement can be seen on http://www.aarsleff.com/corporatesocialresponsibility20152016 and covers the following areas:

- Fair business practices
- Human rights
- Environmental conditions
- Labour conditions
- Consumer conditions
- Responsible social development
- The underrepresented gender - the statutory statement, cf. section 99b of the Danish Financial Statement Act.

The structure of the statement is aligned with the structure of DS 49001.

NUMBER OF EMPLOYEES



Site visit to the Aarsleff Group's new headquarters in Aarhus. On 12 December, 350 employees moved into the new office facilities in Viby J.

EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT

Ebbe Malte Iversen, 65 years
General Manager
BSc (Engineering)
Managerial positions:
The Danish Construction Association, export section (Chairman)
Danish Project Export Network (Chairman)
egetæpper a/s (Chairman)
Stibo-Fonden (Deputy Chairman)

Lars M. Carlsen, 55 years
Deputy General Manager
BSc (Engineering)
Managerial positions:
Member of the Board of Directors of the Danish Construction Association

Mogens Vedel Hestbæk, 44 years
Group Chief Financial Officer
MSc (Economics)
Managerial positions:
No managerial positions

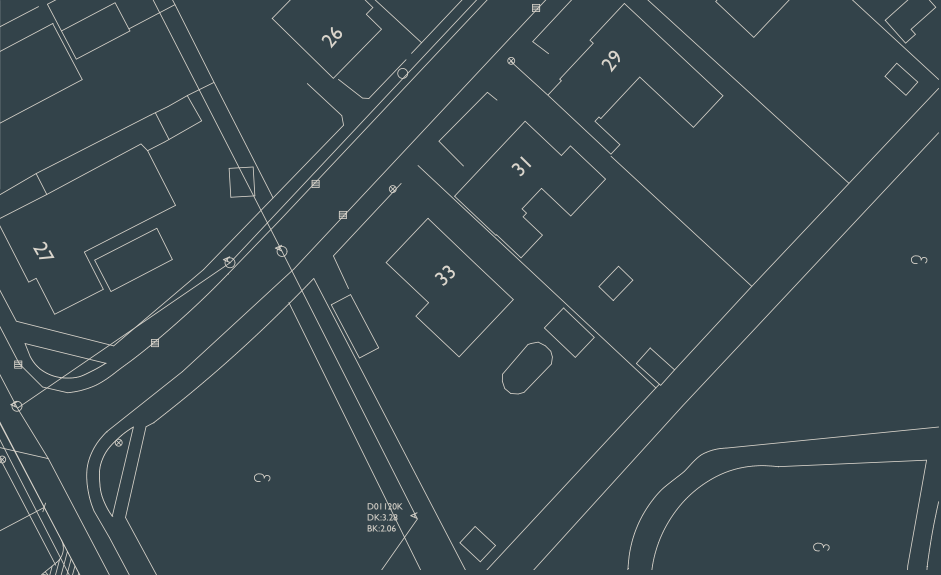
Jesper Kristian Jacobsen, 45 years
Group Director
BSc (Engineering)
Managerial positions:
Danish Construction Association, member of the Board of Directors of the construction section

Executive Management's total number of shares in the company held at 21 December 2016: 100,676 (at 21 December 2015: 99,410)

BOARD OF DIRECTORS

Andreas Lundby, 66 years, Chairman of the Board
Member of Per Aarsleff Holding A/S's Audit Committee
BSc (Economics and Business Administration), Diploma in Business Administration
Joined the Board of Directors in 2009, considered an independent member. Current board remuneration: DKK 600,000.
Total number of shares in the company held at 21 December 2016: 8,750 (at 21 December 2015: 8,750)
Managerial positions:
4-Tune Invest ApS (General Manager)
Arla Foods Ingredients S.A., Argentina, joint venture (Deputy Chairman)
Biolac GmbH & Co. KG, Germany

Jens Bjerg Sørensen, 59 years, Deputy Chairman
Chairman of Per Aarsleff Holding A/S's Audit Committee
Business graduate, Diploma in Business Administration (marketing economics), Insead IEP
Joined the Board of Directors in 2014, considered an independent member. Current board remuneration: DKK 400,000.
Total number of shares in the company held at 21 December 2016: 0 (at 21 December 2015: 0).
Managerial positions:
Aktieselskabet Schouw & Co. (General Manager)
Aida A/S
Alba Ejendomme A/S (Chairman)
BioMar Group A/S (Chairman)
Dansk Supermarked A/S (Deputy Chairman)
Dovista A/S (Chairman)
F. Salling Holding A/S
F. Salling Invest A/S
F.M.J. A/S



Fibertex Nonwovens A/S (Deputy Chairman)
Fibertex Personal Care A/S (Deputy Chairman)
Fonden bag udstilling af skulpturer ved Aarhusbugten
Fonden Aarhus 2017
GPV International A/S (Chairman)
Hydra-Grene A/S (Chairman)
Incuba Invest A/S
Jens Bjerg Sørensen Datterholding 1 ApS (General Manager)
Jens Bjerg Sørensen Holding ApS (General Manager)
Købmand Herman Sallings Fond (Chairman)
Niels Bohrs Vej A/S
Saltebakken 29 ApS (General Manager)
Schouw & Co. Finans A/S (General Manager)
Xergi A/S (Chairman)

Carsten Fode, 67 years
Lawyer, Master of Law, adjunct professor at Aarhus University, LL.M. Harvard Law School
Joined the Board of Directors in 1992, cannot be considered an independent member due to his connection to the company's law firm and his membership of the Board of Directors for more than 12 years.
Current board remuneration: DKK 200,000.
Total number of shares in the company held at 21 December 2016: 18,000 (at 21 December 2015: 10,000)
Managerial positions:
Kromann Reumert (Partner)
A/S 48
ARoS Aarhus Kunstmuseum (Chairman)
AVK Holding A/S (Chairman)
B4Restore A/S (Chairman)
Carl Hansen & Søn Møbelfabrik A/S
Chris-Invest A/S
CICO Invest A/S
Emballagegruppen A/S
Good Food Group A/S
Silentor A/S (Chairman)

Peter Arndrup Poulsen, 54 years
Member of Per Aarsleff Holding A/S's Audit Committee
Master of Forestry
Joined the Board of Directors in 2010, considered an independent member.
Current board remuneration: DKK 280,000, of which DKK 80,000 constitutes Audit Committee remuneration.
Total number of shares in the company held at 21 December 2016: 5,705 (at 21 December 2015: 2,850)
Managerial positions:
Duba-B8 (General Manager)
Danish Crane Building A/S (Chairman)
Grundfos A/S (Advisory board member)
Noble Nordmann A/S (Chairman)

From the left:
Jesper Kristian Jacobsen, Jens Bjerg Sørensen, Peter Arndrup Poulsen, Ebbe Malte Iversen, Andreas Lundby, Carsten Fode, Lars M. Carlsen and Mogens Vedel Hestbæk.

MANAGEMENT'S STATEMENT

MANAGEMENT'S STATEMENT

The Executive Management and Board of Directors have today considered and adopted the Annual Report of Per Aarsleff Holding A/S for the financial year 1 October 2015 - 30 September 2016.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statement Act. Moreover, the Consolidated Financial Statements and the Financial Statements are prepared in accordance with additional Danish disclosure requirements for listed companies. Management's Review is also prepared in accordance with Danish disclosures requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 30 September 2016 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 October 2015 - 30 September 2016.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the year and of the financial position of the Group and the Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

The annual report is submitted for adoption by the general meeting.

Aarhus, 21 December 2016

Executive Management

Ebbe Malte Iversen
General Manager

Lars M. Carlsen
Deputy General Manager

Mogens Vedel Hestbæk
Group Chief Financial Officer

Jesper Kristian Jacobsen
Group Director

Board of Directors

Andreas Lundby
Chairman of the Board

Jens Bjerg Sørensen
Deputy Chairman

Carsten Fode

Peter Arndrup Poulsen

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Per Aarsleff Holding A/S
Report on Consolidated Financial Statements and Parent Company Financial Statements
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Per Aarsleff Holding A/S for the financial year 1 October 2015 - 30 September 2016 which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies for both the Group and the Parent Company, as well as cash flow statement and statement of comprehensive income for the Group. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies, and for such internal control as Management deter-

mines 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 whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing 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 judgment, 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.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 September 2016 and of the results of the Group's operations for the financial year 1 October 2015 - 30 September 2016 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 September 2016 and of the results of the Parent Company's operations for the financial year 1 October 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Aarhus, 21 December 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33771231

Claus Lindholm Jacobsen	Michael Nielsson
State Authorised Public Accountant	*State Authorised Public Accountant*

In September, the Aarsleff Group completed the drilling work for the 3.4-kilometre wastewater reservoir under the Vigerslev Park in Valby. The reservoir has a capacity of 29,000 cubic metres.

In the heart of Odense, the Aarsleff Group carries out the shell structure and element contract for the establishment of a new 10,000-square metre underground parking.

Denmark's largest public-private partnership project is being carried out in Copenhagen. Aarsleff carries out the construction pit which has a circumference of 400 metres.

In Germaringen in southern Germany, the Aarsleff Group has commenced the production at the new pile factory. The Aarsleff Group now has pile production facilities in Denmark, Sweden, the UK, Poland and Germany.

FINANCIAL REVIEW

The consolidated financial statements of Per Aarsleff Holding A/S for 2015/2016 are prepared in accordance with International Financial Reporting Standards (IFRS) as adapted by the EU and additional Danish disclosure requirements for listed companies, cf. the financial reporting requirements of Nasdaq Copenhagen A/S for listed companies and the IFRS notification issued according to the Danish Financial Statements Act. With a view to improving clarity of the annual report, the financial statements of the parent company have been prepared in accordance with the provisions of the Danish Financial Statements Act.

Income statement

Consolidated revenue for 2015/2016 increased by DKK 166 million or 2% from DKK 10,254 million to DKK 10,420 million.

Revenue from our Danish operations increased by DKK 468 million or 7% from DKK 7,109 million to DKK 7,577 million. Work performed abroad decreased by DKK 302 million or 10% from DKK 3,145 million to DKK 2,843 million.

Production costs, which comprise direct production costs and other production costs as well as depreciation on plant and profit from the sale of non-current assets, increased from DKK 9,036 million to DKK 9,168 million or by DKK 132 million, corresponding to 1%. The gross profit increased by DKK 33 million, corresponding to an increase of 3% compared with last financial year.

Administrative expenses and selling costs increased from DKK 748 million to DKK 834 million or by DKK 86 million corresponding to an increase of 11%, now constituting 8% of revenue compared with 7.3% last financial year.

Operating profit came to DKK 417.8 million against DKK 487.1 million last financial year or a decrease of DKK 69.3 million.

Share of profit after tax in associates and joint ventures has improved from a loss of DKK 3.2 million last financial year to a loss of DKK 2 million this year.

Financial income came to DKK 9.5 million this year against DKK 3.9 million last year. Financial expenses came to DKK 26.3 million against 33.1 million last financial year.

Profit before tax came to DKK 399.1 million against DKK 454.8 million last financial year.

Tax on profit for the year amounted to DKK 94.9 million corresponding to a tax rate of 23.8%. Tax for the year consists of a current tax of DKK 31.6 million and an adjustment of deferred taxes as well as tax assets of DKK 63.3 million. The Group's deferred tax assets have been conservatively assessed based on expectations for realisation by set-off on future earnings.

The consolidated profit for the year was DKK 304.2 million after tax against a profit of DKK 366.4 million last year.

Balance sheet

The consolidated balance sheet total was DKK 6,533 million as at 30 September 2016. This corresponds to an increase of DKK 543 million compared to the balance sheet total of DKK 5,990 million at the end of last financial year.

Cash decreased by DKK 549 million. Consolidated interest-bearing liabilities less interest-bearing assets constituted a net debt of DKK 61 million against a net deposit of DKK 373 million at 30 September 2015.

Equity amounted to DKK 2,503 million at 30 September 2016 against DKK 2,265 million at the end of last financial year.

Equity, DKK million	2015/2016	2014/2015
Equity, at the beginning of the year	2,265	1,952
Dividend paid	-61	-30
Exchange rate adjustment of foreign companies	-16	-18
Fair value adjustment of derivative financial instruments	14	-5
Profit for the year	304	366
Tax on derivative financial instruments	-3	1
Dividend, minority shareholders	0	-1
Equity at year end	**2,503**	**2,265**

Cash flow statement

Cash flows from operating activities amounted to DKK 430 million against DKK 1,124 million last financial year or a decrease of DKK 694 million.

Cash flows from investing activities were negative at DKK 782 million against a negative DKK 626 million last financial year.

Cash flows from financing activities were negative at DKK 77 million against a negative DKK 91 million last financial year.

Consequently, liquidity has decreased by DKK 429 million in the period.

CONSOLIDATED FINANCIAL STATEMENTS

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Notes to the consolidated financial statements

INCOME STATEMENT

1/10-30/9 GROUP

Note	tDKK	2015/2016	2014/2015
5	**Revenue**	**10,419,564**	**10,253,877**
6, 7	Production costs	-9,168,061	-9,035,795
	Gross profit	**1,251,503**	**1,218,082**
6, 7, 8	Administrative expenses and selling costs	-833,499	-747,667
6, 9	Other operating income and expenses	-212	16,719
	Operating profit	**417,792**	**487,134**
14	Profit in associates and joint ventures	-1,984	-3,153
	Profit before interest	**415,808**	**483,981**
10	Financial income	9,519	3,865
10	Financial expenses	-26,252	-33,083
	Profit before tax	**399,075**	**454,763**
11	Tax on profit for the year	-94,909	-88,400
	Profit for the year	**304,166**	**366,363**
	Profit for the year accrues to:		
	Shareholders in Per Aarsleff Holding A/S	302,182	366,526
	Minority shareholders	1,984	-163
	Total	**304,166**	**366,363**
12	**Earnings per share (DKK)**		
	Earnings per share	14.8	18.0
	Earnings per share, diluted	14.8	18.0

STATEMENT OF COMPREHENSIVE INCOME

1/10-30/9

GROUP

Note	tDKK	2015/2016	2014/2015
	Profit for the year	**304,166**	**366,363**
	Items which may be reclassified to the income statement		
	Exchange rate adjustments relating to foreign entities	-15,854	-18,475
	Fair value adjustments of derivative financial instruments, net	14,312	-4,884
11	Tax on other comprehensive income	-2,842	1,217
	Other comprehensive income	-4,384	-22,142
	Total comprehensive income	**299,782**	**344,221**
	Total comprehensive income accrues to:		
	Shareholders of Per Aarsleff Holding A/S	298,152	344,371
	Minority shareholders	1,630	-150
	Total	**299,782**	**344,221**

BALANCE SHEET

ASSETS

GROUP

Note	tDKK	30/9 2016	30/9 2015
	Goodwill	244,584	147,346
	Patents and other intangible assets	88,164	30,798
13	**Intangible assets**	**332,748**	**178,144**
	Land and buildings	645,768	615,983
	Plant and machinery	1,119,397	993,124
	Other fixtures and fittings, tools and equipment	91,297	67,997
	Property, plant and equipment in progress	212,519	66,302
13	**Property, plant and equipment**	**2,068,981**	**1,743,406**
14	Investments in associates and joint ventures	9,220	12,132
11	Deferred tax	9,102	5,666
	Other non-current assets	**18,322**	**17,798**
	Non-current assets	**2,420,051**	**1,939,348**
15	**Inventories**	**225,432**	**210,726**
17	Contracting debtors	2,553,926	2,154,706
16	Work in progress	678,638	530,874
	Receivables from associates and joint ventures	9,674	10,523
	Other receivables	75,156	53,232
	Corporation tax receivable	23,082	8,076
	Prepayments	34,093	20,636
	Receivables	**3,374,569**	**2,778,047**
	Securities	**195,997**	**196,457**
25	**Cash**	**317,272**	**865,568**
	Current assets	**4,113,270**	**4,050,798**
	Total assets	**6,533,321**	**5,990,146**

BALANCE SHEET

EQUITY AND LIABILITIES

GROUP

Note	tDKK	30/9 2016	30/9 2015
	Share capital	45,300	45,300
	Reserve for exchange rate adjustments	-67,994	-52,494
	Hedging reserve	12,320	850
	Retained earnings	2,415,289	2,196,912
	Proposed dividend	90,600	67,950
	Equity, shareholders of Per Aarsleff Holding A/S	2,495,515	2,258,518
	Minority interests' share of equity	7,916	6,585
18	**Equity**	**2,503,431**	**2,265,103**
	Mortgage debt	171,022	174,857
	Credit institutions	9,242	9,151
19	Provisions	71,786	82,008
11	Deferred tax	452,457	402,416
	Other debt	62,727	56,738
	Non-current liabilities	**767,234**	**725,170**
	Mortgage debt	18,925	18,521
	Credit institutions	311,913	429,890
16	Work in progress	776,542	626,308
19	Provisions	34,412	36,061
	Trade payables	1,376,700	1,312,437
	Corporation tax payable	64,920	3,734
	Other debt	679,244	572,922
	Current liabilities	**3,262,656**	**2,999,873**
	Total liabilities	**4,029,890**	**3,725,043**
	Total equity and liabilities	**6,533,321**	**5,990,146**

Notes without reference:

1 Accounting policies
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CASH FLOW STATEMENT

1/10-30/9 GROUP

Note	tDKK	2015/2016	2014/2015
	Cash flow from operating activities		
	Profit before interest	415,808	483,981
	Depreciation, amortisation and impairment losses	318,217	298,441
23	Other adjustments	-35,286	42,291
24	Change in working capital	-237,398	337,536
	Cash flow from operating activities before net financials and tax	**461,341**	**1,162,249**
	Interest received	9,519	3,865
	Interest paid	-24,536	-31,488
	Cash flow from ordinary activities	**446,324**	**1,134,626**
	Corporation tax paid	-16,266	-10,333
	Cash flow from operating activities	**430,058**	**1,124,293**
	Cash flow from investing activities		
26	Acquisitions	-210,010	-54,856
	Investments in associates and joint ventures	-179	2,500
	Investments in property, plant and equipment	-651,519	-417,732
	Investments in intangible assets	-1,243	0
	Sale of property, plant and equipment	79,707	40,680
	Dividends from associates and joint ventures	1,510	0
	Investment in securities	0	-196,457
	Cash flow from investing activities	**-781,734**	**-625,865**
	Cash flow from financing activities		
	Raising of non-current liabilities	85,607	0
	Repayment of non-current liabilities	-101,379	-60,591
	Dividend paid	-61,155	-30,577
	Cash flow from financing activities	**-76,927**	**-91,168**
	Change in liquidity for the year	**-428,603**	**407,260**
	Opening liquidity	435,678	30,013
	Exchange rate adjustment of opening liquidity	-1,716	-1,595
	Change in liquidity for the year	-428,603	407,260
25	**Closing liquidity**	**5,359**	**435,678**

STATEMENT OF CHANGES IN EQUITY

GROUP

tDKK	Share capital	Reserve for exchange rate adjust-ments	Hedging reserve	Retained earnings	Proposed dividend	Shareholders, Per Aarsleff Holding A/S, total	Minority shareholders	Total
Equity at 1 October 2014	**45,300**	**-33,961**	**4,517**	**1,894,893**	**33,975**	**1,944,724**	**7,584**	**1,952,308**
Total comprehensive income								
Profit for the year				298,576	67,950	366,526	-163	366,363
Other total comprehensive income								
Exchange rate adjustments of foreign companies		-18,533		45		-18,488	13	-18,475
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement			-5,423			-5,423		-5,423
Tax on derivative financial instruments			1,329			1,329		1,329
Fair value adjustments of derivative financial instruments			539			539		539
Tax on derivative financial instruments			-112			-112		-112
Other total comprehensive income	0	-18,533	-3,667	45	0	-22,155	13	-22,142
Total comprehensive income	**0**	**-18,533**	**-3,667**	**298,621**	**67,950**	**344,371**	**-150**	**344,221**
Transactions with owners								
Dividend, minority shareholders							-849	-849
Dividend paid					-33,975	-33,975		-33,975
Dividend, treasury shares				3,398		3,398		3,398
Total transactions with owners	**0**	**0**	**0**	**3,398**	**-33,975**	**-30,577**	**-849**	**-31,426**
Equity at 30 September 2015	**45,300**	**-52,494**	**850**	**2,196,912**	**67,950**	**2,258,518**	**6,585**	**2,265,103**
Total comprehensive income								
Profit for the year				211,582	90,600	302,182	1,984	304,166
Other total comprehensive income								
Exchange rate adjustments of foreign companies		-15,500				-15,500	-354	-15,854
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement			-937			-937		-937
Tax on derivative financial instruments			220			220		220
Fair value adjustments of derivative financial instruments			15,249			15,249		15,249
Tax on derivative financial instruments			-3,062			-3,062		-3,062
Other total comprehensive income	0	-15,500	11,470	0	0	-4,030	-354	-4,384
Total comprehensive income	**0**	**-15,500**	**11,470**	**211,582**	**90,600**	**298,152**	**1,630**	**299,782**
Transactions with owners								
Dividend, minority shareholders							-299	-299
Dividend paid					-67,950	-67,950		-67,950
Dividend, treasury shares				6,795		6,795		6,795
Total transactions with owners	**0**	**0**	**0**	**6,795**	**-67,950**	**-61,155**	**-299**	**-61,454**
Equity at 30 September 2016	**45,300**	**-67,994**	**12,320**	**2,415,289**	**90,600**	**2,495,515**	**7,916**	**2,503,431**

Note

1 **Accounting policies**

Basis of accounting
The annual report of Per Aarsleff Holding A/S for 2015/2016 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for listed companies, cf. the financial reporting requirements of Nasdaq Copenhagen A/S regarding listed companies and the IFRS notification issued according to the Danish Financial Statements Act.

The annual report is presented in Danish Kroner (DKK), which is considered the primary currency of the Group's activities and the functional currency of the parent company.

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

Change in accounting policy

The accounting policies applied are consistent with those of last year.

Description of significant accounting policies

Consolidated financial statements
The consolidated financial statements comprise the parent company Per Aarsleff Holding A/S and the subsidiaries in which Per Aarsleff Holding A/S has control. The Group is considered to have control if it is exposed or has a right 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 whether the Group has control, de facto control and any potential voting rights actually existing at the balance sheet date are taken into account.

Enterprises in respect of which the Group exercises significant influence, but not control, over operational and financial policies are classified as associates. Significant influence exists where the Group directly or indirectly holds or controls between 20% and 50% of the voting rights.

The consolidated financial statements have been prepared on the basis of the financial statements of the parent company and the individual subsidiaries – prepared under the Group's accounting policies – by combining accounting items of a uniform nature. At the consolidation, elimination is made of intercompany income and expenses, unrealised intercompany profits/losses, accounts and settlement of intercompany shareholdings. Unrealised gains on transactions with associates are eliminated in proportion to the Group's ownership share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments in subsidiaries are set off against the parent company's share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the date of acquisition.

The subsidiaries' items are fully consolidated in the consolidated financial statements. Minority interests' share of profit/loss for the year and of equity in subsidiaries that are not fully owned is included as part of the consolidated profit and equity, respectively, but is presented separately.

Joint arrangements
The Group participates in a number of joint arrangements, including consortia and working partnerships, in which the Group has joint control through cooperative agreements with one or more parties. Joint control implies that decisions about the relevant operations require unanimous consent of the parties with joint control.

Joint arrangements are classified as joint operations or joint ventures. Joint operations are arrangements in which the participants have direct rights to assets and direct obligations for liabilities, whereas joint ventures are arrangements in which the participants only have rights to net assets.

Revenues and expenses as well as assets and liabilities relating to joint operations are recognised in accordance with the joint arrangement agreement. Joint ventures are recognised under the equity method.

Note

1 **Accounting policies (continued)**

Business combinations
Upon acquisition of subsidiaries, associates and joint ventures, the acquisition method is applied. Identifiable assets, liabilities and contingent liabilities of the enterprises are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if these can be separated or are contractually or legally based. Deferred tax on revaluations made is recognised.

The cost of an enterprise consists of the fair value of the remuneration paid. If part of the cost is conditional on future events or the fulfilment of agreed conditions, the part of the cost is recognised at fair value at the acquisition date. Costs related to business combinations are recognised directly in the income statement when these are incurred.

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

Enterprises acquired are recognised from the date of acquisition, while enterprises sold are recognised up until the date of sale. The date of acquisition is the date at which Per Aarsleff Holding A/S effectively obtains control over the enterprise acquired.

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

In connection with each acquisition, goodwill and a non-controlling interest (minority) are recognised according to one of the following methods:

1) Goodwill relating to the enterprise acquired comprises a positive difference, if any, between the total fair value of the enterprise acquired and the fair value of the total net assets for accounting purposes. The non-controlling interest is recognised at the share of the total fair value of the enterprise acquired (full goodwill).

2) Goodwill relating to the enterprise acquired comprises a positive difference, if any, between cost and the fair value of the Group's share of the net assets for accounting purposes of the acquired enterprise at the date of acquisition. The non-controlling interest is recognised at the proportionate share of the net assets acquired (proportionate goodwill).

Gains or losses on disposal or winding-up of subsidiaries and associates are calculated as the difference between the consideration received and the carrying amount of net assets including goodwill at the time of sale and expenses to sell or wind up.

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

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

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

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

Note

1 **Accounting policies (continued)**

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

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

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

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

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

Segment information
The segment information has been prepared in accordance with the Group's accounting policies and is in accordance with the Group's internal management reporting.

Segment income and expenses as well as segment assets and segment liabilities include the items that are directly attributable to the individual segment as well as items that can be allocated to the individual segments on a reliable basis.

Segment assets comprise non-current assets used directly for segment operations, including intangible assets, property, plant and equipment and investments in associates as well as current segment assets used directly for segment operations, including inventories, trade receivables, other receivables and prepayments.

Segment liabilities related to segments comprise liabilities derived from segment operations, including trade payables, provisions and other debt.

Transactions between segments are priced according to assessed market values.

Allocation of revenue to geographical areas is stated according to the geographical location of the customers. Information on the allocation of segment assets into geographical segments is stated according to the physical location of the assets and comprises subsidiaries and joint operations abroad.

INCOME STATEMENT

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

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

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

Note

1 **Accounting policies (continued)**

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

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

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

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

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

Tax on profit/loss for the year
Tax for the year which consists of current tax for the year and changes in deferred tax is recognised in profit for the year, other comprehensive income or directly in equity.

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

Per Aarsleff Holding A/S is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated to the jointly taxed enterprises in proportion to their taxable incomes. The jointly taxed enterprises are comprised by the on-account taxation scheme.

BALANCE SHEET

Intangible assets
Goodwill is initially recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses.

The carrying amount of goodwill is allocated to the cash generating units of the Group at the date of acquisition. The determination of cash generating units is based on management structure and internal financial management.

Patents and other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the period of the agreement or the useful life, if this is shorter, at present corresponding to 2-7 years. The basis of amortisation is reduced by impairment losses, if any.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and subsuppliers as well as borrowing costs from specific and general borrowing related to the construction of that asset.

Note

1 **Accounting policies (continued)**

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

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

Land is not depreciated.

The basis of depreciation is determined in consideration of the residual value of the asset less any impairment losses. The residual value is determined at the time of acquisition and is reassessed on an annual basis.

Property, plant and equipment are recorded at the lower of recoverable amount and carrying amount.

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

Investments in associates and joint ventures
Investments in associates and joint ventures are measured under the equity method.

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

Any receivables from associates and joint ventures are written down to the extent these are considered irrecoverable.

Upon acquisition of investments in associates and joint ventures, the acquisition method is applied, see description of business combinations.

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

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

The recoverable amount is the higher of the selling price of an asset less the expected costs of disposal or value in use, which is the discounted value of expected future cash flows from the asset.

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

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

The cost of raw materials, consumables and goods for resale comprise the invoiced price with addition of direct costs incurred in connection with the acquisition.

Note

1 **Accounting policies (continued)**

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

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

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

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

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

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

Costs in connection with sales and tender work for obtaining contracts are charged to the income statement in the financial year in which these are incurred. Specific costs directly related to a contract are transferred to the construction contract when these are identifiable and can be measured reliably – and when it is probable that the construction contract will be entered into at the time of incurrence of the costs.

Prepayments
Prepayments recognised as current assets comprise expenses prepaid concerning subsequent financial years.

Securities
Listed bonds, which are monitored on a current basis, measured and reported at fair value in accordance with the Group's investment policy, are recognised at fair value at the trade date under short-term assets and are subsequently measured at fair value. Changes in the fair value are recognised on a current basis in profit/loss under financial income and expenses.

Equity

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

Treasury shares
Purchase and sales sums as well as dividend relating to treasury shares are recognised in equity.

Translation reserve
The translation reserve in the consolidated financial statements comprises exchange adjustments arising on the translation of financial statements of foreign entities from their functional currencies into the Group's reporting currency (Danish Kroner).

Upon full or part realisation of the net investment, exchange adjustments are recognised in the income statement.

Reserve for hedging transactions
The reserve for hedging transactions contains the accumulated net change in the fair value of hedging transactions that meets the criteria for hedging of future payment flows and where the hedged transaction has not yet been realised.

Note

1 **Accounting policies (continued)**

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

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

Warranty provisions are recognised as the contracts are completed and are measured based on experience.

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

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

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

Deferred tax assets, including the tax base of tax-loss carryforwards, are recognised in other non-current assets at the value at which the asset is expected to be realised, either by elimination of tax on future earnings or by set-off against deferred tax liabilities.

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

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

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

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

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

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

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

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

Note

1 **Accounting policies (continued)**

Cash flows from financing activities
Cash flows from financing activities comprise changes to the amount or composition of the Group's share capital, related expenses, raising of loans and repayment of interest-bearing debt as well as distribution of dividend to shareholders.

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

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

Other financial ratios have been prepared as stated below.

Definition of financial ratios

Gross margin ratio	=	Gross profit / Revenue
Profit margin (EBIT margin)	=	Operating profit / Revenue
Net profit ratio (pre-tax margin)	=	Profit before tax / Revenue
Invested capital (IC)	=	Total equity, minority interests and net interest-bearing debt less investments in associates and joint ventures
Return on invested capital (ROIC)	=	Operating profit / Average invested capital
Return on invested capital after tax	=	Operating profit after tax / Average invested capital
Return on equity (ROE)	=	Profit for the year exclusive of minority shareholders / Average equity exclusive of minority interests
Equity ratio	=	Equity, at year-end / Total liabilities and equity, at year-end
Earnings per share (EPS)	=	Profit for the year exclusive of minority shareholders / Average number of shares in circulation
Share price/equity value	=	Share price, at year-end / Equity value, at year-end

Note

2 **Accounting estimates and assessments**

Estimation uncertainty
Determining the carrying amount of some assets and liabilities requires estimates concerning future events. The estimates made are based on assumptions which Management assesses to be reliable but which by their very nature are associated with uncertainty and unpredictability as unexpected events or circumstances may arise which may change the basis of the assumptions made.

Aarsleff is subject to risks and uncertainties which may lead to actual results differing from these estimates. Specific risks for the Aarsleff Group are discussed in the section Commercial Risk Assessment on page 22 of Management's Review. The most significant accounting estimates in the annual report 2015/2016 are presented below:

Construction contracts
An essential prerequisite for using the percentage of completion method is that a reliable assessment of the revenue and expenses of the individual contracts can be made. However, expected revenue and expenses on a construction contract may change as the contract is performed, and uncertainties are resolved. Also, during the execution of the contract, revisions may occur, and the preconditions for the execution of the contract may turn out not to be fulfilled.

Aarsleff's internal business processes, management control and calculation tools together with the project management's knowledge and experience support the reliable measurement of work in progress in accordance with the percentage of completion method.

Impairment test
When testing for indicators of impairment of goodwill and other non-current assets, a number of assumptions are used in the calculations.

Estimates of future expected cash flows are based on budgets and business plans for the next three to five years and projections for subsequent years. Key parameters are revenue development, profit margin, future reinvestments and growth as well as the applied average cost of capital. The current economic situation increases the uncertainty about the assumptions made.

Impairment tests of goodwill are further described in note 13.

Deferred tax assets
Aarsleff recognises deferred tax assets, including the tax value of tax-loss carryforwards, if it is assessed that there is sufficient documentation that these tax assets can be utilised in the foreseeable future.

The assessment is based on budgets and business plans for the coming three years, including planned commercial initiatives which are made in due consideration of actually realised results.

Warranty commitments
The assessment of warranty commitments for completed contracts is based on historical experience with similar work. Aarsleff currently uses new methods and technologies for the execution of construction contracts. In such cases, the extent to which warranty commitments can be expected is specifically assessed.

Contingent liabilities and lawsuits
As part of the contracting business, Aarsleff may become a part in disputes and lawsuits. In such cases, the extent and the probability to which the cases will result in liabilities for Aarsleff are assessed. The assessments are based on available information and legal opinions from consultants. It can be difficult to estimate the final outcome which in the nature of things may deviate from Aarsleff's assessments.

Assessments as part of the applied accounting policies
In applying the Group's accounting policies, assessments as well as accounting estimates are made, which may have a material impact on the amounts recognised in the consolidated financial statements. This applies to leases and joint arrangements.

Note

2 **Accounting estimates and assessments (continued)**

Joint arrangements
Aarsleff participates in a number of joint arrangements, including consortia and working partnerships where the treatment for accounting purposes is subject to the classification of the individual joint arrangement and thus the assessment of the specific contractual relationship and circumstances in general.

The majority of these joint arrangements are established when Aarsleff enters into a construction contract jointly with another contractor. The joint arrangement in question is established simultaneously with conclusion of the construction contract with the builder and therefore does not affect the rights and obligations agreed with the builder. Usually the contractual relationship for the performance of such single contracts implies that the parties have direct rights and direct obligations towards the builder, which implies that the parties have direct rights to arrangement assets and direct obligations for arrangement liabilities. Such joint arrangements are therefore classified as joint operations. Depending on the individual contractual relationship, the assessment as to whether the joint arrangement in question should be classified as joint operations may be based on estimate.

In a few cases, Aarsleff enters into joint arrangements established with a view to a more permanent strategic alliance which is not based on the conclusion of single construction contracts. These are in the nature of a jointly controlled enterprise in which the parties have rights to the net assets. Due to the contractual relationship, such joint arrangements are therefore classified as joint ventures.

Leases
Aarsleff has entered into a number of leases, primarily concerning motorised equipment. The treatment for accounting purposes is subject to the classification of the individual lease. The leases are made on the usual market terms and are classified as operating leases, among other things because the lease term is short compared to the useful life of the assets.

Note

3 **New accounting standards and interpretations**

No new accounting standards have been implemented in the Annual Report for 2015/2016.

Standards not yet effective which have been adopted by the EU:

IFRS 15 "Revenue from Contracts with Customers"
A new comprehensive standard on revenue recognition. The standard may potentially affect revenue recognition in a number of areas including timing of recognition of revenue and recognition of variable consideration. The assessment as to whether the standard will be of importance to the presentation of future financial statements has not yet been finalised.

IFRS 9 "Financial Instruments, Recognition and Measurement"
IFRS 9 is a new standard on financial instruments replacing IAS 39. It provides new guidance in respect of classification of financial instruments and hedge accounting. Finally, the standard introduces an expected loss model for impairment losses on receivables. The standard is not expected to have any material effect on the Annual Report.

Amendments to IFRS 11 "Joint Arrangements"
The amendment clarifies the accounting treatment of the acquisition of additional interests in joint operations. The amendment is not expected to have any material effect on the Annual Report.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"
Methods of depreciation based on revenue can no longer be used. The reason for this is that a method of depreciation based on revenue does not always reflect the consumption of the asset. If it can be demonstrated that the asset is consumed as revenue is earned, the depreciation may be based on consumption instead. The amendments are not expected to have any material effect on the Annual Report.

Amendments to IAS 1 "Presentation of Financial Statements"
The amendment introduces a requirement for presenting subtotals and provides guidance on materiality as well as the order of notes. The amendment is not expected to have any material effect on the Annual Report.

Annual improvements 2012-2014
Comprise minor amendments to IFRS 5, IFRS 7 and IAS 19. The amendments are not expected to have any material effect on the Annual Report.

Moreover, the IASB has issued the following new standards and new interpretations which have not yet been adopted by the EU, and which are relevant to Per Aarsleff Holding A/S:

IFRS 16 "Leases"
IFRS 16 is a new standard on the accounting treatment of leases. Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. The standard will affect the balance sheet, financial ratios, etc. to a limited extent. Reference is made to note 21 for a description of the extent of operating leases.

Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealised Losses"
Amendments clarifying the requirements for recognising deferred tax assets on unrealised losses on securities adjusted to fair value through other comprehensive income. The amendments are not expected to have any material effect on the Annual Report.

Amendments to IAS 7 "Disclosure Initiative"
Additional disclosures on reconciliation of financial liabilities required. Interest-bearing debt to be reconciled from beginning to end of period. No specific reconciliation format requirements. The amendment is not expected to have any material effect on the Annual Report.

Amendments to IFRS 15 "Clarifications"
Clarifications concerning the identification of performance obligations, principal versus agent considerations, licence considerations as well as further illustrative examples. The amendment is not expected to have any material effect on the Annual Report.

Note	mDKK								
4	**Segment information**	**Construction**		**Pipe Technologies**		**Ground Engineering**			**Total**
		2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
	Segment revenue	7,395	7,150	1,380	1,529	1,724	1,677	10,499	10,356
	Internal revenue	-47	-38	-8	-17	-24	-47	-79	-102
	Revenue	7,348	7,112	1,372	1,512	1,700	1,630	10,420	10,254
	Of this figure, work performed abroad	991	1,086	909	1,098	943	961	2,843	3,145
	Operating profit (EBIT)	248	309	41	70	129	108	418	487
	Profit in associates and joint ventures	0	0	-2	-3	0	0	-2	-3
	Profit before interest	248	309	39	67	129	108	416	484
	EBIT margin, %	3.4	4.3	3.0	4.6	7.5	6.4	4.0	4.8
	ROIC, %	23.6	37.4	8.4	12.9	19.0	16.8	18.8	24.2
	ROIC after tax, %	18.1	30.2	6.4	10.4	14.4	13.6	14.4	19.5
	Segment assets	3,956	2,541	837	842	1,195	1,531	5,988	4,914
	Capital expenditure	331	214	65	56	180	107	576	377
	Depreciation, amortisation and impairment losses	167	148	60	62	91	89	318	299
	Investments in associates and joint ventures	0	0	9	12	0	0	9	12
	Goodwill	172	83	65	57	8	7	245	147
	Segment liabilities	2,350	1,592	226	230	425	865	3,001	2,687
	Invested capital (IC)	1,346	755	485	488	724	637	2,555	1,880
	Number of employees:								
	Paid every two weeks	2,868	2,299	465	456	553	510	3,886	3,265
	Engineers, technicians and administrative staff	1,293	994	350	364	377	309	2,020	1,667
	Total	4,161	3,293	815	820	930	819	5,906	4,932

Revenue and profit before interest for reportable segments can be reconciled directly to the income statement of the Group.

Assets		**Total**
	2015/2016	2014/2015
Segment assets for reportable segments	5,988	4,914
Corporation tax receivable	23	8
Deferred tax	9	6
Securities	196	196
Cash	317	866
Consolidated assets	6,533	5,990

Liabilities		**Total**
	2015/2016	2014/2015
Segment liabilities for reportable segments	3,001	2,687
Mortgage debt	191	193
Credit institutions	321	439
Corporation tax payable	65	4
Deferred tax	452	402
Consolidated liabilities	4,030	3,725

Geographical information		**Denmark**		**Abroad**		**Total**
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Revenue	7,577	7,109	2,843	3,145	10,420	10,254
Segment assets, non-current	1,997	1,517	414	416	2,411	1,933

NOTES

GROUP

Note	tDKK	2015/2016	2014/2015
5	**Revenue**		
	Sale of goods	148,114	130,991
	Income from construction contracts	10,271,450	10,122,886
	Total	**10,419,564**	**10,253,877**
6	**Depreciation, amortisation and impairment losses**		
	Depreciation, amortisation and impairment losses, intangible assets	13,864	7,367
	Depreciation, amortisation and impairment losses, property, plant and equipment	304,232	291,876
	Total	**318,096**	**299,243**
	Depreciation, amortisation and impairment losses are included in the income statement as follows:		
	Production costs	275,334	268,042
	Administrative expenses and selling costs	42,762	31,052
	Other operating income and expenses	0	149
	Total	**318,096**	**299,243**
7	**Staff costs**		
	Wages, salaries and remuneration	2,684,517	2,278,860
	Pensions	149,420	135,218
	Other costs, social security costs etc.	142,116	116,706
	Total	**2,976,053**	**2,530,784**
	Of this figure, consideration for:		
	Remuneration, Board of Directors	1,480	1,480
	Remuneration, Executive Management	10,788	8,535
	Total	**12,268**	**10,015**
	Average number of full-time employees	5,906	4,932

Note	tDKK	2015/2016	2014/2015
8	**Remuneration to auditors appointed by the Annual General Meeting**		
	PricewaterhouseCoopers	7,598	6,416
	Other auditors	1,020	1,122
	Total	**8,618**	**7,538**
	Remuneration to PricewaterhouseCoopers can be specified as follows:		
	Statutory audit	3,973	3,274
	Other assurance engagements	305	114
	Tax consultancy	1,901	1,979
	Other services	1,419	1,049
	Total	**7,598**	**6,416**
	Remuneration to other auditors can be specified as follows:		
	Statutory audit	213	372
	Other assurance engagements	59	29
	Tax consultancy	488	16
	Other services	260	705
	Total	**1,020**	**1,122**
9	**Other operating income and expenses**		
	Other operating income	1,348	17,231
	Other operating expenses	-1,560	-512
	Total	**-212**	**16,719**
10	**Financial income and expenses**		
	Fair value adjustment of securities	800	0
	Interest relating to associates	108	109
	Other interest income	8,611	3,756
	Financial income	**9,519**	**3,865**
	Foreign exchange loss, net	4,183	1,963
	Fair value adjustment of securities	0	1,615
	Value adjustment of option on acquisition of minority interest	8,089	16,179
	Borrowing costs recognised in the cost of assets	-911	-825
	Mortgage interest	6,153	7,508
	Other interest costs	8,738	6,643
	Financial expenses	**26,252**	**33,083**
	Net financials	**-16,733**	**-29,218**
	Of this figure, calculated according to the effective interest method	**-11,153**	**-23,687**

Borrowing costs are recognised in the cost of the assets entered with an effective interest rate of 1% (2014/2015: 1-3%), corresponding to the Group's average borrowing costs.

NOTES

GROUP

Note	tDKK	2015/2016	2014/2015
11	**Corporation tax**		
	Total tax for the year can be broken down as follows:		
	Tax on profit for the year	94,909	88,400
	Tax recognised in other total comprehensive income	2,842	-1,217
	Total	**97,751**	**87,183**
	Tax on profit for the year can be broken down as follows:		
	Current tax	31,593	-1,133
	Adjustment of deferred tax and deferred tax asset for the year	63,316	89,533
	Total	**94,909**	**88,400**
	Tax on profit for the year can be broken down as follows:		
	22% tax calculated on profit before tax	87,796	106,869
	Tax effect of:		
	Income from abroad	6,287	-2,237
	Deviation concerning associates	436	741
	Effect of gradual reduction of Danish tax rate	0	-12,404
	Other items	390	-4,569
	Total	**94,909**	**88,400**
	Deferred tax		
	Deferred tax at 1 October	396,750	296,630
	Effect of gradual reduction of Danish tax rate	0	-12,404
	Transferred from current tax	-28,965	20,728
	Additions from investments in subsidiaries	12,254	2,263
	Deferred tax for the year recognised in profit for the year	63,316	89,533
	Deferred tax at 30 September	**443,355**	**396,750**
	Deferred tax is included as follows:		
	Deferred tax (assets)	-9,102	-5,666
	Deferred tax (liabilities)	452,457	402,416
	Total	**443,355**	**396,750**
	Deferred tax assets concern the tax base of tax losses allowed for carryforward which are expected to be utilised by setting off in future taxable income.		
	Deferred tax concerns:		
	Intangible assets	17,832	8,589
	Property, plant and equipment	60,684	43,145
	Work in progress	388,023	332,526
	Other current assets	5,411	8,052
	Provisions	-4,357	-3,111
	Other debt	-157	-2,078
	Tax losses allowed for carryforward	-24,081	9,627
	Deferred tax at 30 September	**443,355**	**396,750**
	Deferred tax to be recovered within 12 months.	199,559	229,313

Note		2015/2016	2014/2015
12	**Earnings per share**		
	Profit for the year exclusive of minority shareholders (tDKK)	302,182	366,526
	Average number of shares (thousands)	22,650	22,650
	Average number of treasury shares (thousands)	2,265	2,265
	Average number of shares in circulation (thousands)	**20,385**	**20,385**
	Average number of diluted shares in circulation (thousands)	**20,385**	**20,385**
	Earnings per share (current)	14.8	18.0
	Earnings per share (diluted)	14.8	18.0

During the financial year, a 1:10 stock split of the company's B shares has been carried out. Number of shares and earnings per share are stated as if the stock split was carried out at the beginning of the year. Moreover, the comparative figures for 2014/2015 are adjusted to the new nominal value.

NOTES

GROUP

Note tDKK

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

	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 October 2015	188,745	103,008	863,731	2,518,098	215,232	66,302
Exchange rate adjustments	-254	-404	-5,415	-22,396	-2,157	-23
Additions relating to acquired companies	97,295	70,006	23,446	21,545	0	0
Additions during the year	0	1,243	31,601	313,136	46,099	260,892
Disposals during the year	0	0	-3,868	-243,592	-24,606	-8,282
Transfers	0	52	5,139	91,609	9,570	-106,370
Cost at 30 September 2016	**285,786**	**173,905**	**914,634**	**2,678,400**	**244,138**	**212,519**
Depreciation, amortisation and impairment losses at 1 October 2015	41,399	72,210	247,748	1,524,974	147,235	
Exchange rate adjustments	-197	-333	-5,551	-16,399	-1,991	
Depreciation and amortisation for the year	0	13,864	26,698	249,187	28,347	
Assets sold during the year	0	0	-29	-198,759	-20,750	
Depreciation, amortisation and impairment losses at 30 September 2016	**41,202**	**85,741**	**268,866**	**1,559,003**	**152,841**	
Carrying amount at 30 September 2016	**244,584**	**88,164**	**645,768**	**1,119,397**	**91,297**	**212,519**

	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 October 2014	188,972	82,599	767,531	2,314,244	199,148	26,981
Exchange rate adjustments	-227	-131	628	-6,210	-353	-45
Additions during the year	0	20,568	82,794	269,664	28,687	130,113
Disposals during the year	0	-28	-9,344	-127,029	-12,250	-1,196
Transfers	0	0	22,122	67,429	0	-89,551
Cost at 30 September 2015	**188,745**	**103,008**	**863,731**	**2,518,098**	**215,232**	**66,302**
Depreciation, amortisation and impairment losses at 1 October 2014	41,623	64,968	226,560	1,398,471	129,990	
Exchange rate adjustments	-224	-98	1,452	-3,887	-192	
Depreciation and amortisation for the year	0	7,368	23,738	240,709	27,429	
Assets sold during the year	0	-28	-4,002	-110,319	-9,992	
Depreciation, amortisation and impairment losses at 30 September 2015	**41,399**	**72,210**	**247,748**	**1,524,974**	**147,235**	
Carrying amount at 30 September 2015	**147,346**	**30,798**	**615,983**	**993,124**	**67,997**	**66,302**

In 2015/2016, damages received concerning property, plant and equipment to the total amount of tDKK 649 against tDKK 677 in 2014/2015 have been recognised as income.

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

Note (tkr.)

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

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

At 30 September 2016, an impairment test of goodwill has been performed. The impairment test was based on the business unit or the segment representing the base level of cash-generating units to which the goodwill on acquisition can be allocated with a fair degree of accuracy. For the acquired activities and companies not being established as independent units but integrated in existing units, it is not possible to perform impairment tests on these individual acquisitions. In the Group's internal reporting, the accounting value of goodwill in the individual cash-generating units has been allocated to the Group's business segments.

In each case, the recoverable amount is calculated as the value-in-use. The value-in-use is calculated as the capital value of the expected net cash flows of the cash-generating units. The value-in-use is compared with the carrying amounts of the net assets. The estimated cash flows are based on budgets for the years 2016/2017-2020/2021 prepared and approved by the Managements of the respective cash-generating units. For financial years after the budget periods (terminal period), cash flows for the latest budget period have been applied, adjusted for expected growth rates.

The tests are based on an expected increase in the cash flows in the terminal period of 1.5% (2014/2015: 1.5%). The growth rate is not assessed to exceed the long-term average growth rate on the company's markets. The distribution by sector and geographical location of the cash-generating units is limited, and thus they are assessed to have identical growth rates.

When calculating the capital value, a discount rate before tax of between 7.6-9.4% is used (2014/2015: 9.5-10.5%).

Besides growth and the applied average capital cost (discount rate), the primary assumptions are found to be revenue development, profit margin and future reinvestments. The preparation of budgets for 2016/2017-2020/2021 is based on previous experience, including the return on the portfolio of orders provided for in the budget, expected orders and planned capacity. Also, consideration has been paid to the announced long-term expectations for a future revenue growth of 5-10 % per year, a profit margin of 4.5%-7.0% and sound financial resources. Uncertainties as to previous profit and possible changes in size or placement of projected cash flows are reflected in the discount rates.

The impairment tests included the cash-generating units Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Centrum Pæle A/S, Entreprenørfirmaet Østergaard A/S, Aarsleff Rail A/S, Aarsleff Rohrsanierung GmbH, VG Entreprenør A/S, Istak hf. and Hansson & Knudsen A/S.

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

Sensitivity tests have been performed to determine the lowest growth or the highest increase in the discount rate for each cash-generating unit without resulting in any impairment losses. Probable changes in the underlying assumptions are not assessed to result in the accounting value of goodwill exceeding the recoverable amount.

Note	tDKK	30/9 2016	30/9 2015
14	**Investments in associates and joint ventures**		
	Associates		
	The Group has investments in three associates in the Pipe Technologies segment which are individually insignificant and measured under the equity method:		
	Total carrying amount	6,497	9,422
	Total share of:		
	Profit after tax	-2,000	-3,000
	Total comprehensive income	-2,000	-3,000
	Joint ventures		
	Besides the above investments in associates, the Group has investments in a joint venture which is individually insignificant and which is also measured under the equity method:		
	Total carrying amount	2,723	2,710
	Total share of:		
	Profit after tax	16	-153
	Total comprehensive income	16	-153

The Aarsleff Group possesses 50% of the votes in Nelis Infra Aarsleff JV. According to the contract between the parties, the collaboration concerns the distribution of different products within the Pipe Technologies segment on the Dutch market. The collaboration is expected to be long-term with the status of a permanent company in which the parties have the rights over the net assets.

Note	tDKK	30/9 2016	30/9 2015
15	**Inventories**		
	Raw materials and consumables	154,924	139,822
	Finished goods	70,508	70,904
	Total	**225,432**	**210,726**
16	**Work in progress**		
	Selling price of construction contracts	13,902,794	11,393,717
	Invoicing on account	-14,000,698	-11,489,151
	Total	**-97,904**	**-95,434**
	The following is recognised:		
	Receivables	678,638	530,874
	Current liabilities	-776,542	-626,308
	Total	**-97,904**	**-95,434**
	Prepayments from customers concerning non-commenced contracts	40,905	1,023
	Retained payments	26,551	24,549
17	**Contracting debtors**		
	The fair value of receivables is considered to correspond to the carrying amount.		
	Write-down, contracting debtors at 1 October	30,409	27,195
	Additions during the year	11,355	5,555
	Disposals during the year:		
	- Used	-11,663	-947
	- Reversed	-1,503	-1,394
	Write-down, contracting debtors at 30 September	**28,598**	**30,409**
	Write-downs included in receivables which are recognised in the income statement	11,355	5,555

Write-down of other receivables has not been made.

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

	30/9 2016	30/9 2015
The balance of contracting debtors falls due as follows:		
Balances not due	1,955,852	1,585,292
Due balances:		
Less than 30 days	321,960	237,268
Between 30 and 90 days	114,890	163,193
More than 90 days	161,224	168,953
Total	**2,553,926**	**2,154,706**
Receivables falling due more than one year after the balance sheet date	0	0

GROUP

Note	tDKK

18 **Equity**

Share capital
The share capital consists of 27,000 A shares at a price of DKK 100 and 21,300,000 B shares at a price of DKK 2. The nominal value is tDKK 2,700 and tDKK 42,600, respectively. The share capital is unchanged compared to 2014/2015, but a 1:10 stock split of the company's B shares has been carried out.

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

See section on Information to shareholders.

	Number of shares		Nominal value (tDKK)		% of share capital	
Treasury shares (B shares)	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Holding at 1 October	2,265,000	226,500	4,530	4,530	10.00	10.00
Additions during the year	0	0	0	0	0.00	0.00
Disposals during the year	0	0	0	0	0.00	0.00
Holding at 30 September	**2,265,000**	**226,500**	**4,530**	**4,530**	**10.00**	**10.00**

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

To carry a motion to amend the articles of association or to dissolve the company, shareholders representing at least two thirds of the votes cast and two thirds of the voting capital represented at the Annual General Meeting shall vote in favour of the resolution.

19 **Provisions**

	30/9 2016	30/9 2015
Provisions at 1 October	118,069	63,760
Completed contracts transferred from work in progress	1,264	8,853
Used during the year	-28,268	-11,242
Reversal of unused warranty commitments	-44,042	-11,701
Provisions for the year	59,175	69,499
Adjustment of provisions to present value	0	-1,100
Total provisions at 30 September	**106,198**	**118,069**
The following is recognised:		
Non-current liabilities	71,786	82,008
Current liabilities	34,412	36,061
Total	**106,198**	**118,069**

Provisions as at 30 September 2016 comprise warranty obligations on completed contracts for which the warranty period runs for up to 5 years from the time of handing over. The provision has been made on the basis of historical warranty expenses and in consideration of known warranty obligations. The majority of the costs are expected to be incurred within a period of 3 years.

Note tDKK

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

Categories of financial instruments

The Group's categories of financial instruments:

	Carrying amount		Fair value [1]	
	30/9 2016	30/9 2015	30/9 2016	30/9 2015
Contracting debtors	2,553,926	2,154,706	2,553,926	2,154,706
Work in progress	678,638	530,874	678,638	530,874
Receivables from associates and joint ventures	9,674	10,523	9,674	10,523
Other receivables	75,156	53,232	75,156	53,232
Cash	317,272	865,568	317,272	865,568
Loans and receivables	**3,634,666**	**3,614,903**	**3,634,666**	**3,614,903**
Securities	195,997	196,457	195,997	196,457
Financial assets measured at fair value through the income statement	**195,997**	**196,457**	**195,997**	**196,457**
Other debt (earn-out)	59,578	51,489	59,578	51,489
Financial liabilities measured at fair value through the income statement	**59,578**	**51,489**	**59,578**	**51,489**
Derivative financial instruments used for hedging of future cash flows	14,084	140	14,084	140
Financial liabilities used as hedging instruments	**14,084**	**140**	**14,084**	**140**
Mortgage debt	189,947	193,378	190,320	194,360
Credit institutions	321,155	439,041	321,155	439,041
Work in progress	776,542	626,308	776,542	626,308
Trade payables	1,376,700	1,312,437	1,376,700	1,312,437
Financial liabilities measured at amortised cost	**2,664,344**	**2,571,164**	**2,664,717**	**2,572,146**

[1] Fair value measurement

The Group uses the fair value principle in connection with certain disclosure requirements and for recognition and measurement of financial instruments. The fair value is defined as the price received when selling an asset or the price paid when transferring a liability in an ordinary transaction between the market participants (exit price). Assets and liabilities which are measured at fair value or where the fair value is stated are categorised in accordance with the fair value hierarchy made up of three levels based on input for the valuation methods used for fair value measurement. To the extent possible, fair value measurement is based on market prices on active markets (level 1) or alternatively on prices derived from observable market information (level 2). To the extent that such observable information is not present or cannot be used without significant modifications, recognised valuation methods and fair estimates are used as the basis of the fair values (level 3).

Current loans and receivables as well as current financial obligations

The fair value of current loans and receivables as well as current financial obligations is not considered to differ significantly from the carrying amount.

Securities

Securities are valued at officially quoted prices or price quotes. This is a fair value measurement in accordance with level 1 of the fair value hierarchy applied.

Mortgage debt

The fair value of mortgage debt has been determined on the basis of the fair value of the underlying bonds. This is a fair value measurement in accordance with level 2 of the fair value hierarchy applied.

Derivative financial instruments

Forward exchange contracts are measured on the basis of externally calculated fair values based on generally accepted valuation methods. This is a fair value measurement in accordance with level 2 of the fair value hierarchy applied.

Note tDKK

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

Contingent acquisition consideration
The fair value of the contingent consideration (earn-out) at the acquisition of Kirkebjerg A/S at 1 October 2012 has been estimated on the basis of the income approach. The estimate is based on weighted probabilities of the expected payments of the earn-out agreement, discounted with a discount rate of 6%. This is a fair value measurement in accordance with level 3 of the fair value hierarchy applied. The change in the fair value of the earn-out agreement has been recognised under financial expenses in the income statement at tDKK 8,089 (2014/2015: tDKK 16,179).

Liquidity risk
It is the policy of the Group to have a significant cash reserve. The Group's stable and good solvency entails high creditworthiness reflected in expedient credit facilities and loan commitments, both in the short and the long term.

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

The Group's liabilities fall due as follows:

30 September 2016	Carrying amount	Contractual cash flow [2]	Within 1 year	1-2 years	2-5 years	After 5 years
Non-derivative financial instruments:						
Mortgage debt	189,947	197,788	20,042	18,877	44,468	114,400
Credit institutions	321,155	321,762	312,598	3,422	5,743	0
Trade payables	1,376,700	1,376,700	1,376,700	0	0	0
Other debt	59,578	59,578	0	0	59,578	0
Derivative financial instruments:						
Derivative financial instruments used for						
hedging of future cash flows	-14,084	-14,084	394	-16,946	629	1,839
Total liabilities	**1,933,296**	**1,941,744**	**1,709,734**	**5,353**	**110,418**	**116,239**

30 September 2015	Carrying amount	Contractual cash flow [2]	Within 1 year	1-2 years	2-5 years	After 5 years
Non-derivative financial instruments:						
Mortgage debt	193,378	217,480	22,609	23,419	56,102	115,350
Credit institutions	439,041	441,593	430,120	1,161	2,066	8,246
Trade payables	1,312,437	1,312,437	1,312,437	0	0	0
Other debt	51,489	51,489	0	0	51,489	0
Derivative financial instruments:						
Derivative financial instruments used for						
hedging of future cash flows	-140	-140	1,786	534	-2,567	107
Total liabilities	**1,996,205**	**2,022,859**	**1,766,952**	**25,114**	**107,090**	**123,703**

[2] All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

The Group's cash outflow can be fully covered by the continuous operating profit and the possibility to make drawdowns on credit facilities and refinancing.

Note tDKK

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

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

Translation adjustment of investments in foreign subsidiaries and associates with a different functional currency than that of the parent company is recognised directly in equity. Related currency risks are not hedged. Short and long-term outstanding amounts in Group enterprises are normally not currency hedged.

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

				30/9 2016	**30/9 2015**
Currency	Financial assets	Financial liabilities	Hedged amount	Net position	Net position
SEK	228,211	-69,936	-9,487	148,788	86,389
PLN	148,511	-109,879	0	38,632	91,920
GBP	44,630	-67,213	0	-22,583	-53,600
USD	132,671	-74,173	-110,047	-51,549	-65,209
RUB	24,864	-8,177	0	16,687	21,537
ISK	125,365	-180,996	0	-55,631	-47,758
NOK	64,878	-16,923	0	47,955	47,785
Other	6,412	912	0	7,324	6,220
Total	775,542	-526,385	-119,534	129,623	87,284
Payment/maturity profile can be specified as follows:					
Less than 1 year	775,542	-462,972	-119,534	193,036	137,070
1-5 years	0	-31,082	0	-31,082	-20,502
More than 5 years	0	-32,331	0	-32,331	-29,284
Total	775,542	-526,385	-119,534	129,623	87,284

Note tDKK

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

An increase of 10% in the currencies specified below against Danish Kroner would have the following isolated effects at 30 September (before tax):

	30/9 2016		30/9 2015	
Currency	Profit/loss	Equity	Profit/loss	Equity
SEK	2,331	14,879	230	8,639
PLN	-784	3,863	1,345	9,192
GBP	445	-2,258	-2,062	-5,360
USD	415	-5,155	-1,203	-6,521
RUB	284	1,669	185	2,154
ISK	0	-5,563	0	-4,776
NOK	67	4,796	1,173	4,779
Other	0	732	0	622
Total	2,758	12,963	-332	8,729

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

A corresponding decline in the exchange rates for the above currencies would have the same but opposite effect for both equity and profit for the year. The differences between the 2015/2016 and 2014/2015 values are solely due to differences in the nominal amounts in the individual currencies.

Derivative financial instruments

The Group has established forward exchange contracts and currency swaps as well as currency overdraft facilities to hedge future cash flows on construction contracts in SEK, ISK, PLN, EUR, NOK, RUB and USD totalling tDKK 265,348 compared to tDKK 260,135 in 2014/2015. At the balance sheet date, these financial instruments have a positive fair value of tDKK 16,552 against a positive fair value of tDKK 140,000 at 30 September 2015 recognised in other comprehensive income. The hedged cash flows are expected to be realised within 21 months compared to 15 months in 2014/2015.

The Group has established currency swaps in EUR and DKK with a view to interest rate optimisation as well as hedging of future cash flows from investing activities at a total amount of tDKK 97,772 against tDKK 0 in 2014/2015. On the balance sheet date, these financial instruments have a negative fair value of tDKK 2,468 against tDKK 0 in 2014/2015. The contracts have a term of up to 57 months.

As regards financial risks, refer to the section on Commerical risk assessment in Management's Review.

Capital management

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

The Group assesses the capital on the basis of the solvency ratio. The Group's target is a solvency ratio of 40%.

Note tDKK

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

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

The Group's interest rate risk is related to the below items. The earliest date of maturity is stated:

		Effective interest rate		Carrying amount		Fair value	
	Fixed/floating	30/9 2016	30/9 2015	30/9 2016	30/9 2015	30/9 2016	30/9 2015
Cash	Floating	0	0	317,272	865,568	317,272	865,568
Securities	Floating	0-2	0-2	195,997	196,457	195,997	196,457
Interest-bearing assets, total				**513,269**	**1,062,025**	**513,269**	**1,062,025**
Mortgage debt and credit institutions, non-current	Fixed	1-3	1-3	106,144	104,872	106,388	105,401
Mortgage debt and credit institutions, non-current	Floating	1-3	1-3	93,045	97,657	93,174	98,110
Credit institutions, current	Floating	1-10	1-10	311,913	429,890	311,913	429,890
Interest-bearing liabilities, total				**511,102**	**632,419**	**511,475**	**633,401**
Net interest-bearing debt				**-2,167**	**-429,606**		
The payment/maturity profile can be specified as follows:							
Less than 1 year				-173,031	-604,445		
1-5 years				53,211	68,047		
More than 5 years				117,653	106,792		
				-2,167	-429,606		

An increase in the interest rate level of 1% compared to the interest rate level at the balance sheet date and the net interest-bearing debt of the balance sheet would, other things being equal, have had a positive effect on the profit/loss before tax and on equity of the Group of tDKK 1,083 (2014/2015: positive effect tDKK 5,345). A decrease in the interest rate level would have had a similar negative effect on profit/loss and equity.

The Group is exposed to credit risks relating to receivables and deposits in banks. It is not assessed that there are any significant credit risks related to cash and cash equivalents, portfolio of securities and derivative financial instruments, as the Group's banks, issuers of bonds as well as counterparties to derivative financial instruments all have a good credit rating. The maximum credit risk corresponds to the carrying amount.

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

The Group does not have any material risks regarding one customer or cooperative partner.

As was the case at 30 September 2015, the Group's write-downs at 30 September 2016 are related alone to financial assets classified as receivables, cf. note 17.

NOTES

GROUP

Note	tDKK	30/9 2016	30/9 2015
21	**Contingent liabilities and other financial obligations**		
	Operating leases		
	Future rent and lease payments under non-cancellable contracts (minimum lease payments):		
	Maturity within 1 year	72,945	79,375
	Maturity between 2 and 5 years	109,116	91,821
	Maturity over 5 years	12,796	0
	Total	**194,857**	**171,196**
	Expensed lease payments for the year	115,979	91,683
	Operating leasing commitments concern cars, technical plant and machinery as well as furniture and fittings. The term of the contracts in the Group is maximum 6 years at 30 September 2016.		
	Capital and purchase commitments		
	Investment in property, plant and equipment	103,238	33,508
	Contingent assets and liabilities		
	Guarantee for bank balances in joint ventures	0	0
	The Aarsleff Group is engaged in various litigation and arbitration proceedings which are not expected to influence future earnings of the Group negatively.		
	Security		
	The carrying amount of land and buildings that are pledged as security for mortgage debt to credit institutions amounts to	333,605	316,905
	The carrying amount of other property, plant and equipment that are pledged as security for mortgage debt to credit institutions amounts to	0	0
	As security for completion of contracts, the usual security in the form of bank guarantees and insurance bonds has been placed.	4,021,308	3,313,269
	Warranty obligations primarily concern completed contracts, which are executed against a warranty of normally up to five years. Obligations have been determined on the basis of historical warranty expenses.		
	The Group participates in joint ventures under a joint and several liability. At 30 September 2016, total payables amount to DKK 767 million against DKK 647 million at 30 September 2015 of which DKK 659 million and DKK 580 million, respectively, are recognised in the consolidated balance sheet. The company does not expect any losses in addition to those included in the consolidated financial statements.		

Note tDKK

22 **Related party transactions**

Group	Associates and joint ventures 2015/2016	2014/2015	Management [1] 2015/2016	2014/2015
Income [2]	25,898	31,503	56	1,088
Expenses [2]	1,553	0	4,243	525
Receivables [3]	10,936	10,606	25	1
Liabilities [3]	2,543	0	129	9

[1] Includes members of the Board of Directors and Executive Management of the parent company. The amount concerns legal assistance fees for Kromann Reumert to which board member Carsten Fode is connected. Management remuneration appears from note 7.
[2] Includes purchase and sale of goods and services.
[3] Includes receivables and liabilities in connection with purchase and sale of goods and services.

The fund Per og Lise Aarsleffs Fond is considered to have control over the Group as a consequence of own shareholding and distribution of other shares. No transactions with the fund took place in 2015/2016 and 2014/2015.

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

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

	2015/2016	2014/2015
23 **Other adjustments – Cash flow statement**		
Profit in associates	1,984	3,153
Provisions	-18,372	54,311
Profit from sale of non-current assets	-18,898	-15,173
Total	**-35,286**	**42,291**
24 **Change in working capital – Cash flow statement**		
Inventories	-10,651	-6,225
Work in progress, net	-36,925	121,729
Receivables	-267,339	-46,725
Trade payables, other debt etc.	77,517	268,757
Total	**-237,398**	**337,536**
25 **Liquidity**		
Cash	317,272	865,568
Bank overdraft	-311,913	-429,890
Total	**5,359**	**435,678**
Cash is combined as follows:		
Share of cash in joint operations	171,268	202,418
Other cash	146,004	663,150
Total	**317,272**	**865,568**

Note	tDKK

26 **Acquisitions**

2015/2016

In the financial year 2015/2016, Per Aarsleff Holding A/S has made the following acquisitions :

As at 13 January 2016, Per Aarsleff Holding A/S has acquired the contracting company Hansson & Knudsen A/S. The total consideration came to DKK 231.6 million, and DKK 195.7 million was a cash consideration. Identifiable assets and liabilities etc. are recognised at fair value. Intangible assets comprise value of name, customers and order intake. After recognition of identifiable assets and liabilities at fair value, goodwill has been calculated at DKK 86.7 million which has been allocated to the Construction segment (Hansson & Knudsen A/S). Goodwill represents the value of synergies in connection with the integration of the Group's One Company strategy as well as staff and knowhow. The recognised goodwill is non-deductible for tax purposes.

Fair value at the date of acquisition	Hansson & Knudsen A/S	Others
Intangible assets	70,231	1,306
Property, plant and equipment	40,956	4,035
Inventories	3,791	264
Receivables	187,770	317
Cash	38,827	685
Non-current liabilities	-33,381	-32
Short-term bank loan	-2,900	-156
Other current liabilities	-160,385	-626
Net assets acquired	144,909	5,793
Goodwill	86,696	9,068
Acquisition cost	231,605	14,861
Of this figure, cash/bank loan	-35,927	-529
Purchase consideration in cash	**195,678**	**14,332**
The nominal value of the above receivables is	187,770	317

External costs of investment in subsidiaries amount to tDKK 2,473.

Revenue and profit/loss for the acquired companies included in the consolidated financial statements since the acquisition amount to DKK 521 million and DKK 1.8 million, respectively. Revenue and profit/loss for the Group for 2015/2016, calculated pro forma as if Hansson & Knudsen A/S was acquired as at 1 October 2015, amount to DKK 10,574 million and DKK 301.8 million, respectively. The calculation of the pro forma figures is based on the actual cost and the cost price allocation at the day of acquisition but so that depreciation etc. is calculated from 1 October 2015.

Note tDKK

26 **Acquisitions (continued)**

2014/2015
In the financial year 2014/2015, Per Aarsleff A/S (Aarsleff Group) has made the following acquisitions:

As at 1 October 2014, Aarsleff Rail A/S has acquired the Swedish company Anker AB which executes, services and maintains the Swedish railways. The total consideration came to DKK 17.7 million, and DKK 13,1 million was a cash consideration. Identifiable assets and liabilities etc. are recognised at fair value.

As at 15 May 2015, Per Aarsleff A/S has acquired the contracting company Ístak hf. The total consideration came to DKK 15.1 million, and DKK 41.7 million was a cash consideration. Identifiable assets and liabilities etc. are recognised at fair value.

Fair value at the date of acquisition	Anker AB	Ístak hf.
Intangible assets	8,879	11,310
Property, plant and equipment	1,862	91,659
Inventories	496	4,747
Receivables	16,883	44,634
Cash	1,411	44
Non-current liabilities	-2,040	-51,031
Short-term bank loan	0	-26,632
Other current liabilities	-9,791	-59,603
Acquisition cost	17,700	15,128
Of this figure, cash/bank loan	-1,411	26,588
Deferred contingent consideration	-3,149	0
Purchase consideration in cash	**13,140**	**41,716**
The nominal value of the above receivables is	21,169	44,634

External costs of investment in subsidiaries amount to tDKK 282.

Revenue and profit/loss for the acquired companies included in the consolidated financial statements since the acquisition amount to DKK 173 million and DKK -2.1 million, respectively.

In the centre of Aarhus, Aarsleff has carried out a construction pit with sheet piles and secant pile wall and cast the base slab for a new block of flats.

Note (tEUR)

27 **Highlights for the Group, EUR**

tEUR	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Income statement					
Revenue	895,468	988,990	1,145,002	1,374,551	1,398,355
Of this figure, work performed abroad	375,424	332,080	382,972	421,630	381,589
Operating profit	24,365	28,613	47,088	65,301	56,070
Profit before interest	24,486	28,624	47,151	64,879	55,803
Net financials	-2,229	-2,217	-2,858	-3,917	-2,246
Profit before tax	22,257	26,407	44,293	60,962	53,558
Profit for the year	15,031	20,098	34,207	49,112	40,821
Balance sheet					
Non-current assets	217,219	233,139	233,386	259,973	324,782
Current assets	351,743	375,150	434,474	543,017	552,020
Total assets	568,962	608,289	667,860	802,990	876,803
Equity	213,768	231,205	262,298	303,641	335,972
Non-current liabilities	67,082	65,171	79,227	97,210	102,966
Current liabilities	288,112	311,912	326,335	402,139	437,864
Total equity and liabilities	568,962	608,289	667,860	802,990	876,803
Net interest-bearing debt	20,050	67,929	28,197	-49,984	8,127
Invested capital (IC)	296,998	296,898	288,527	252,031	342,862
Cash flow statement					
Cash flows from operating activities	50,243	5,668	82,240	150,714	57,716
Cash flows from investing activities	-37,926	-49,638	-34,359	-83,898	-104,912
Of this figure, investment in property, plant and equipment, net	-38,999	-32,370	-34,438	-50,545	-76,740
Cash flows from financing activities	-43	-3,263	-4,017	-12,221	-10,324
Change in liquidity for the year	12,273	-47,233	43,865	54,594	-57,521
Financial ratios					
Gross margin ratio, %	10.3	10.8	12.1	11.9	12.0
Profit margin (EBIT margin), %	2.7	2.9	4.1	4.8	4.0
Net profit ratio (pre-tax margin), %	2.5	2.7	3.9	4.4	3.8
Return on invested capital (ROIC), %	11.0	11.0	16.1	24.2	18.8
Return on invested capital (ROIC) after tax, %	7.4	8.4	12.4	19.5	14.4
Return on equity (ROE), %	7.3	9.0	13.9	17.4	12.7
Equity ratio, %	37.6	38.0	39.3	37.8	38.3
Earnings per share (EPS), EUR	0.74	0.98	1.67	2.41	1.99
Share price per share at 30 September, EUR	5.32	9.13	13.06	30.71	21.34
Price/equity value, EUR	0.51	0.81	1.01	2.06	1.29
Dividend per share, EUR	0.13	0.13	0.20	0.40	0.54
Number of employees	3,620	4,019	4,532	4,932	5,906
Applied translation rate	*7.4555*	*7.4580*	*7.4431*	*7.4598*	*7.4513*

COMPANIES IN THE AARSLEFF GROUP

GROUP

COMPANY NAME	REGISTERED OFFICE			OWNERSHIP SHARE %
CONSTRUCTION, PIPE TECHNOLOGIES, GROUND ENGINEERING				
Per Aarsleff A/S	Aarhus	Denmark	Contractor	100
CONSTRUCTION				
Dan Jord A/S	Aarhus	Denmark	Contractor	100
Petri & Haugsted AS	Rødovre	Denmark	Contractor	100
Wicotec Kirkebjerg A/S	Taastrup	Denmark	Contractor	80
E. Klink A/S	Skovlunde	Denmark	Contractor	100
Danklima Entreprise A/S	Aarhus	Denmark	Contractor	100
PAA Project Finance A/S	Hvidovre	Denmark	Contractor	100
Aarsleff Rail A/S	Aarhus	Denmark	Contractor	100 **
Anker AB	Varberg	Sweden	Contractor	100
Per Aarsleff GmbH	Hamburg	Germany	Contractor	100
Aarsleff Anläggning AB	Limhamn	Sweden	Contractor	100
VG Entreprenør A/S	Lemvig	Denmark	Contractor	100
Lemvig Transport A/S	Lemvig	Denmark	Contractor	67
Entreprenørfirmaet Østergaard A/S	Vejle	Denmark	Contractor	100
Per Aarsleff Grønland ApS	Nuuk	Greenland	Contractor	100
Per Aarsleff East Africa A/S	Aarhus	Denmark	Contractor	100
Ístak hf.	Mosfellsbær	Iceland	Contractor	100
Hansson & Knudsen A/S	Odense	Denmark	Contractor	100
Håndværkergården A/S	Odense	Denmark	Contractor	100
PH Byg Faaborg A/S	Faaborg	Denmark	Contractor	100
Aarsleff Biz Sp. z o.o.	Swinoujscie	Poland	Contractor	100
PIPE TECHNOLOGIES				
Danpipe A/S	Aarhus	Denmark	Contractor	100
Aarsleff Rörteknik AB	Stockholm	Sweden	Contractor	100
Aarsleff OY	Helsinki	Finland	Contractor	100
Per Aarsleff ZAO	St Petersburg	Russia	Contractor	100
Per Aarsleff Polska Sp. z o.o.	Warsaw	Poland	Contractor	100
UAB Aarsleff	Kaunas	Lithuania	Contractor	100
Aarsleff Rohrsanierung GmbH	Nuremberg	Germany	Contractor	100
Bluelight GmbH	Nuremberg	Germany	Contractor	100
Aarsleff Hulín s.r.o.	Hlohovec	Slovakia	Contractor	51
Aarsleff AS	Oslo	Norway	Contractor	100
Ukar-Pipe Holding A/S	Aarhus	Denmark	Holding company	50 *
Arpipe Holding A/S	Aarhus	Denmark	Holding company	50 *
GROUND ENGINEERING				
Centrum Pæle Holding A/S	Vejle	Denmark	Holding company	100
Aarsleff Grundbau GmbH	Hamburg	Germany	Contractor	100
Centrum Pfähle GmbH	Germaringen	Germany	Pile production	100
Centrum Pæle A/S	Vejle	Denmark	Pile production	100
CP Test A/S	Vejle	Denmark	Vibration and noise measurements	100
Aarsleff Ground Engineering Limited	Newark	United Kingdom	Contractor	100
Centrum Pile Limited	Newark	United Kingdom	Pile production	100
A & J Geotechnical Services Ltd.	Doncaster	United Kingdom	Contractor	100
Aarsleff Sp. z o.o.	Warsaw	Poland	Contractor	100
Centrum Pali Sp. z o.o.	Kutno	Poland	Pile production	100
Metris Sp. z o.o. Instytut Badań dla Budownictwa	Kutno	Poland	Vibration and noise measurements	100
Aarsleff Grundläggning AB	Gunnilse	Sweden	Contractor	100
Centrum Påle AB	Älvängen	Sweden	Pile production	100
INsteel AB	Nykvarn	Sweden	Contractor	100
DORMANT COMPANIES				
Aarsleff S.r.l.	Milan	Italy	Contractor	100
Aarsleff, S.L.U.	Barcelona	Spain	Contractor	100
PAA International Engineering Corp.	Taichung	Taiwan	Contractor	50 *

* Associate
** Owned by Per Aarsleff Holding A/S (67%) and Wicotec Kirkebjerg A/S (33%)

	GROUP, OWNERSHIP SHARE % CONSTRUCTION	GROUP, OWNERSHIP SHARE % PIPE TECHNOLOGIES	GROUP, OWNERSHIP SHARE % GROUND ENGINEERING	LEAD PARTNER
JOINT OPERATIONS				
Banekonsortiet Vedligehold I/S	100			Yes
BW Rock Group Swinoujscie – Spolka Cywilna (Poland)	40			Yes
Electrification Programme Aarsleff I/S	75		25	Yes
FLC Tunnel Group North I/S	11			
FLC Tunnel Group South I/S	11			
FLC Portals Group I/S	31			
Fredericia St. Syd I/S	50			Yes
Geo Aarsleff JV I/S	9		41	
JV Aarsleff-Streicher-Bunte I/S	30			Yes
JV Värtahamnen HB I/S (Sweden)	75		25	Yes
LNG – Breakwater, Civil Group JV – Spolka Cywilna (Poland)	50			
Malmö Citytunnel Group HB (Sweden)	25			
NCC-Aarsleff Norvikudden (Sweden)	50			
Pihl-Banekonsortiet I/S	50			
Pihl-Aarsleff Brokonsortie I/S	50			Yes
Strukton Aarsleff Denmark I/S	50			Yes
Strukton-Aarsleff JV I/S	50			Yes
Wicotec Kirkebjerg-Dan Jord I/S	100			Yes
Østergaard-Aarsleff JV I/S	83		17	Yes
Aarsleff-BAM International Joint Venture V.O.F. (Tanzania)	50			
Aarsleff Bane & Anlæg I/S	77		23	Yes
Aarsleff-Bejstrup I/S	43		22	Yes
Aarsleff Bilfinger Berger JV Dan-Tysk	50			
Aarsleff Bilfinger Berger JV EQ I/S	50			Yes
Aarsleff Bilfinger Berger JV I/S	37		13	Yes
Aarsleff Bilfinger Berger JV London Array	50			Yes
Aarsleff-Dan Jord JV I/S	94		6	Yes
Aarsleff-Interbeton J.V. I/S (Tanzania)	50			Yes
Aarsleff-Ístak I/S	100			Yes
Aarsleff-Kamco J.V. I/S	50			Yes
Aarsleff Langelinie JV I/S	85		15	Yes
Aarsleff-NCC Vejanlæg (Split Joint Venture)	54			Yes
Aarsleff Nørreport I/S	100			Yes
Aarsleff/Permagreen Konsortium I/S	73			Yes
Aarsleff-Petri & Haugsted JV I/S	70		30	Yes
Aarsleff Rail Nørreport I/S	100			Yes
Aarsleff-Seth J.V. I/S (Mozambique)	50			Yes
Aarsleff-Spietzke Konsortium I/S	50			Yes
Aarsleff-VG J.V. I/S	100			Yes
Aarsleff-Wicotec Kirkebjerg J.V. I/S	100			Yes
JOINT VENTURES				
Nelis Infra-Aarsleff JV (the Netherlands)		50		

According to section 5 (1) of the Danish Financial Statements Act, partnerships in which Per Aarsleff A/S is lead partner have omitted to prepare financial statements, as these partnerships are included in the consolidated financial statements of Per Aarsleff Holding A/S.

PARTNERS

Arkil A/S
BAM Infra B.V.
BAM International B.V.
Bejstrup Holding ApS
Bilfinger Berger AG
Boskalis International bv
CFE SA
Damacon A/S
Doraco Sp. z o.o.
Geo
Hochtief Construction AG
Interbeton bv
Kamco A/S
Max Bögl Stiftung & Co. KG
NCC Construction Sverige AB
NCC Danmark A/S
Permagreen Grønland A/S
Seth SA
Solétanche-Bachy International S.A.S.
Spietzke SE Danmark
Strukton Rail A/S
Vinci Construction Grands Projets GP
Wayss & Freytag Ingenieurbau AG

FOREIGN BRANCH OFFICES

Beirut, Lebanon
Kaunas, Lithuania
Malmö, Sweden
Nuuk, Greenland
Oslo, Norway
Porto, Portugal
Riga, Latvia
Szczecin, Poland

FINANCIAL STATEMENTS OF THE PARENT COMPANY

ACCOUNTING POLICIES

Basis of accounting
The financial statements of the parent company Per Aarsleff Holding A/S have been prepared in accordance with the provisions of the Danish Financial Statements Act (DK GAAP) applying to enterprises of reporting class D as well as the requirements laid down by Nasdaq Copenhagen A/S in respect of the financial reporting of companies listed on the stock exchange.

For accounting policies refer to note 1 to the consolidated financial statements on page 48. The denomination of the items in the parent company's financial statements complies with the requirements of the DK GAAP but conforms to the content of the accounting policies according to IFRS. Refer to the section Terminology on the next page for a description of the main differences between DK GAAP and IFRS in the denomination of the items.

The accounting policies applied are unchanged from those applied in the previous year.

Supplementary accounting policies for the parent company

Intangible assets
At the initial recognition, goodwill is included at cost in the item Goodwill or in the item Investments in subsidiaries. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is amortised over the estimated useful life not exceeding 20 years.

Investments
Investments in subsidiaries and associates are recognised and measured under the equity method.

In the income statement, the proportionate share of the profit after tax for the year less goodwill amortisation is included in the items Share of profit in subsidiaries and Share of profit in associates.

The items Investment in subsidiaries and Investments in associates in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of any remaning value of goodwill.

Subsidiaries and associates with a negative net asset value are measured at DKK 0. Any legal or constructive obligation of the parent company to cover the negative balance of the company is recognised in provisions.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to Reserve under the equity method under equity. The reserve is reduced by means of distribution of dividends to the parent company and is adjusted with other changes in equity in subsidiaries and associates.

Corporation tax
Per Aarsleff Holding A/S is comprised by the Danish rules on compulsory joint taxation of the Danish companies of the Group. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statements and until the time when they are excluded from the consolidation.

Per Aarsleff Holding A/S is the administrative company for the joint taxation and as a result, the company settles corporation tax obligations with the tax authorities.

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

As the administrative company, Per Aarsleff Holding A/S takes over the liability in respect of the corporation taxes of the subsidiaries towards the tax authorities, as the subsidiaries pay their joint taxation contribution.

Cash flow statement
No separate cash flow statement has been prepared for the parent company in accordance with the exemption clause of section 86(4) of the Danish Financial Statements Act.

Terminology

Net revenue (DK GAAP):
Revenue (IFRS)

Fixed assets (DK GAAP):
Non-current assets (IFRS)

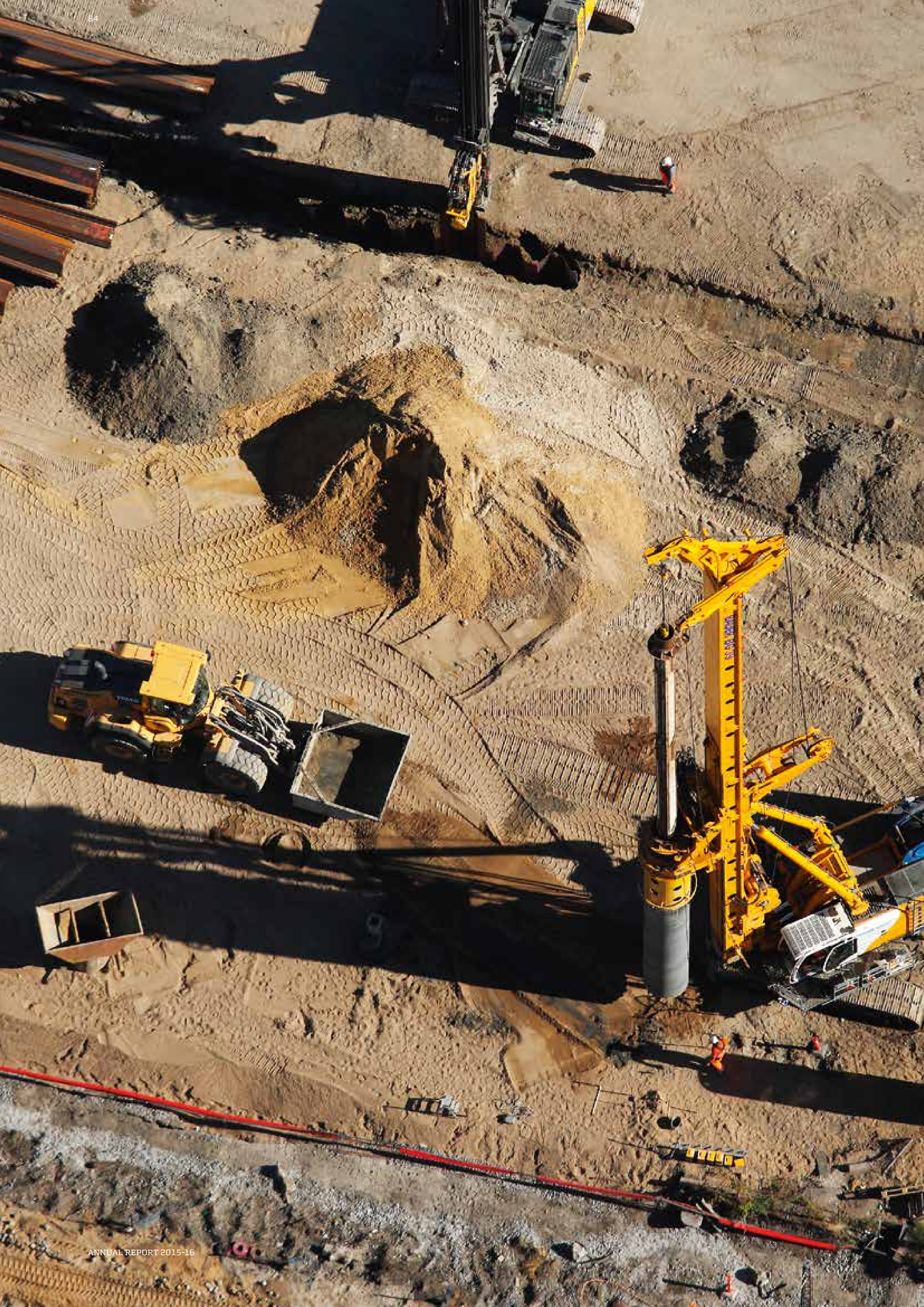
Fixed asset investments (DK GAAP):
Other non-current assets (IFRS)

Current assets (DK GAAP):
Current assets (IFRS)

Provisions (DK GAAP):
Non-current and current liabilities (IFRS)

Long-term debt (DK GAAP):
Non-current liabilities (IFRS)

Short-term debt (DK GAAP):
Current liabilities (IFRS)



INCOME STATEMENT

1/10-30/9

PARENT COMPANY

Note	tDKK	2015/2016	2014/2015
	Net revenue	**6,138**	**5,061,483**
	Production costs	0	-4,599,412
	Gross profit	**6,138**	**462,071**
1, 2	Administrative expenses and selling costs	-20,535	-274,737
	Other operating income and expenses	0	15,038
	Operating profit	**-14,397**	**202,372**
5	Share of profit in subsidiaries	299,474	197,191
5	Share of profit in associates	-2,000	-3,000
	Profit before interest	**283,077**	**396,563**
3	Financial income	895	2,944
3	Financial expenses	-700	-8,677
	Profit before tax	**283,272**	**390,830**
4	Tax on profit for the year	5,389	-30,378
	Profit for the year	**288,661**	**360,452**
	Proposed distribution of profit		
	Reserve for net revaluation under the equity method	218,961	108,727
	Transferred from the profit for the year	-20,900	183,775
	Dividend to shareholders	90,600	67,950
	Total	**288,661**	**360,452**

BALANCE SHEET

ASSETS

PARENT COMPANY

Note	tDKK	30/9 2016	30/9 2015
	Patents and other intangible assets	0	338
	Intangible assets	**0**	**338**
	Land and buildings	0	289,866
	Plant and machinery	0	423,127
	Other fixtures and fittings, tools and equipment	0	13,293
	Property, plant and equipment in progress	0	56,830
	Property, plant and equipment	**0**	**783,116**
5	Investments in subsidiaries	2,770,383	1,302,562
5	Investments in associates	6,497	9,422
	Receivables from subsidiaries	0	2,306
	Fixed asset investments	**2,776,880**	**1,314,290**
	Total fixed assets	**2,776,880**	**2,097,744**
	Inventories	**0**	**65,941**
	Contracting debtors	0	900,634
	Work in progress	0	151,287
	Receivables from subsidiaries	403,374	316,687
	Receivables from associates	8	10,523
	Corporation tax receivable	4,013	741
	Other receivables	5,688	24,231
	Total receivables	**413,083**	**1,404,103**
	Securities	**0**	**196,457**
	Cash	**98,682**	**721,382**
	Total current assets	**511,765**	**2,387,883**
	Total assets	**3,288,645**	**4,485,627**

BALANCE SHEET

EQUITY AND LIABILITIES

PARENT COMPANY

Note	tDKK	30/9 2016	30/9 2015
	Share capital	45,300	45,300
	Reserve for net revaluation under the equity method	599,971	381,010
	Retained earnings	1,681,136	1,699,625
	Proposed dividend	90,600	67,950
6	**Equity**	**2,417,007**	**2,193,885**
4	Deferred tax	12,431	221,634
	Other provisions	0	101,794
	Total provisions	**12,431**	**323,428**
	Mortgage debt	0	77,449
	Total long-term debt	**0**	**77,449**
	Mortgage debt	0	5,590
	Credit institutions	152,475	346,665
	Work in progress	0	379,940
	Trade payables	454	733,623
	Payables to subsidiaries	698,527	196,935
	Other liabilities	7,751	228,112
	Total short-term debt	**859,207**	**1,890,865**
7	**Total debt**	**859,207**	**1,968,314**
	Total equity and liabilities	**3,288,645**	**4,485,627**

Notes without reference:

8 Contingent liabilities and other financial obligations

9 Related party transactions

10 Currency and interest rate risks and the use of derivative financial instruments

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

tDKK	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 October 2015	**45,300**	**381,010**	**1,699,625**	**67,950**	**2,193,885**
Changes in equity 2015/2016					
Exchange rate adjustments of foreign companies			-15,854		-15,854
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement (net financials)			-937		-937
Exhange rate adjustments of derivative financial instruments			15,249		15,249
Tax on derivative financial instruments			-2,842		-2,842
Net gain/loss recognised directly in equity	**0**	**0**	**-4,384**	**0**	**-4,384**
Dividend paid				-67,950	-67,950
Dividend, treasury shares			6,795		6,795
Profit for the year		218,961	-20,900	90,600	288,661
Total changes in equity in 2015/2016	**0**	**218,961**	**-18,489**	**22,650**	**223,122**
Equity at 30 September 2016	**45,300**	**599,971**	**1,681,136**	**90,600**	**2,417,007**

Note	tDKK	2015/2016	2014/2015
1	**Staff costs**		
	Wages, salaries and remuneration	13,566	957,972
	Pensions	110	47,130
	Other costs, social security costs etc.	31	23,055
	Total	**13,707**	**1,028,157**
	Of this figure, consideration for:		
	Remuneration, Board of Directors	1,480	1,880
	Remuneration, Executive Management	10,788	8,535
	Total	**12,268**	**10,415**
	Average number of full-time employees	3	1,765
2	**Fees to auditors appointed by the Annual General Meeting**		
	PricewaterhouseCoopers	650	2,599
	Other auditors	0	466
	Total	**650**	**3,065**
	Fees to PricewaterhouseCoopers can be specified as follows:		
	Statutory audit	100	830
	Other assurance engagements	37	7
	Tax assistance	384	1,387
	Other services	129	375
	Total	**650**	**2,599**
	Fees to other auditors can be specified as follows:		
	Other services	0	466
	Total	**0**	**466**

NOTES

PARENT COMPANY

Note	tDKK	2015/2016
3	**Financial income and expenses**	
	Other interest income	895
	Financial income	**895**
	Foreign exchange loss, net	9
	Other interest costs	691
	Financial expenses	**700**
	Net financials	**195**
4	**Corporation tax**	
	Tax on profit for the year can be broken down as follows:	
	Current tax	-3,364
	Adjustment of deferred tax for the year	-2,025
	Total	**-5,389**
	Total tax for the year can be broken down as follows:	
	Tax on profit for the year	-5,389
	Tax on changes in equity	2,842
	Total	**-2,547**
	Deferred tax concerns:	
	Other current assets	12,431
	Deferred tax at 30 September	**12,431**

Note	tDKK

5 **Investments in subsidiaries and associates**

	Investments in subsidiaries	Investments in associates
Cost at 1 October 2015	967,173	16,489
Additions during the year	1,259,337	179
Cost at 30 September 2016	**2,226,510**	**16,668**
Value adjustment at 1 October 2015	335,389	-7,067
Profit after tax	326,170	-2,000
Amortisation of goodwill	-15,229	0
Amortisation of other intangible assets	-9,206	0
Received dividend	-87,986	-1,510
Translation adjustments concerning derivative financial instruments	10,854	0
Exchange rate adjustments	-16,119	406
Value adjustment at 30 September 2016	**543,873**	**-10,171**
Carrying amount at 30 September 2016	**2,770,383**	**6,497**
Of this figure, goodwill amounts to	**130,751**	

The legal entities in the Aarsleff Group are listed on pages 80-81 of the consolidated financial statements.

6 **Equity**

Share capital

The composition of share capital and treasury shares is stated in note 18 to the consolidated financial statements.

7 **Time of maturity, short-term debt and long-term debt**

The parent company's short-term debt and long-term debt fall due as follows:

30 September 2016	Carrying amount	Within 1 year
Credit institutions	152,475	152,475
Trade payables	454	454
Payables to subsidiaries	698,527	698,527
Other debt	7,751	7,751
Total short-term debt and long-term debt	**859,207**	**859,207**

The parent company's cash outflow can be fully covered by the continuous operating profit and the possibility to make drawdowns on credit facilities and refinancing.

NOTES

PARENT COMPANY

Note	tDKK	30/9 2016
8	**Contingent liabilities and other financial obligations**	
	Operating leases	
	Future rent and lease payments under non-cancellable contracts (minimum lease payments):	
	Maturity within 1 year	307
	Maturity between 2 and 5 years	282
	Maturity over 5 years	0
	Total	**589**
	Expensed lease payments for the year	273

Operating leasing commitments concern cars, technical plant and machinery as well as furniture and fittings. The term of the contracts in the parent company is maximum 5 years at 30 September 2016.

Capital and purchase commitments	
Investment in property, plant and equipment	0
Contingent assets and liabilities	
Guarantees for liabilities of subsidiaries	113,059

Per Aarsleff Holding A/S is engaged in various litigation and arbitration proceedings which are not expected to influence future earnings of the company negatively.

With a view to complying with the going concern concept, Per Aarsleff Holding A/S has issued a limited letter of support in connection with the presentation of financial statements of the following subsidiaries:

- Per Aarsleff Polska Sp. z o.o.
- Ukar-Pipe Holding A/S

The Group's Danish companies are jointly and severally liable for tax of the Group's jointly taxed income etc. Through the Danish joint taxation, a subsidiary has used losses in foreign subsidiaries. The resulting retaxation liability has been provided for on the basis of a specific assessment, taking into consideration the relationship between using tax losses abroad and retaxation in Denmark.

Security	
The carrying amount of land and buildings that are pledged as security for mortgage debt to credit institutions amounts to	0

Note tDKK

9 **Related party transactions**

For transactions with related parties refer to note 22 to the consolidated financial statements.

10 **Currency and interest rate risks and the use of derivative financial instruments**

For the use of derivative financial instruments as well as risks and capital management refer to note 20 to the consolidated financial statements.

ADDRESSES

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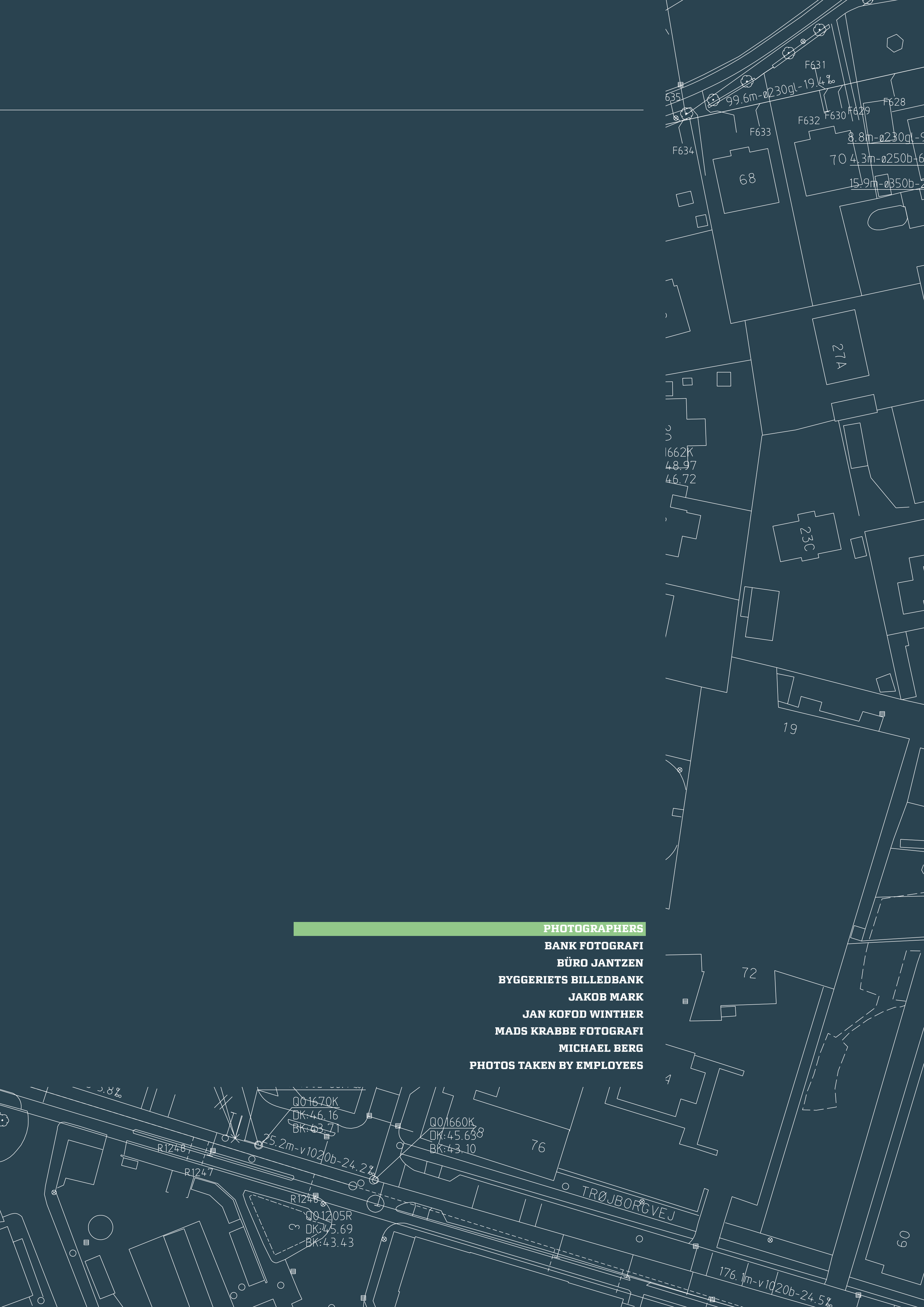

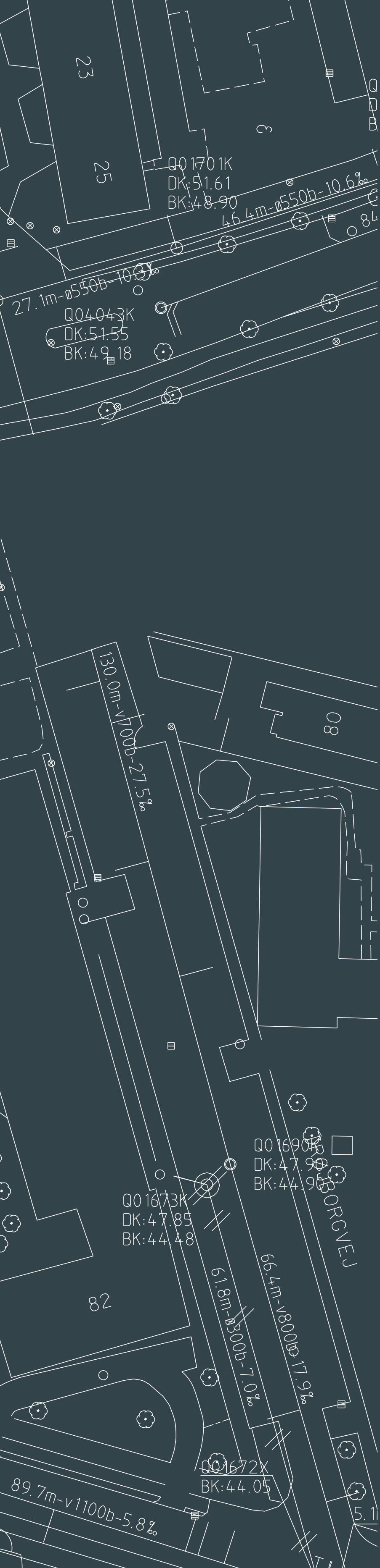

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