Stock exchange announcement

MT Højgaard a/s

Enclosed please find MT Højgaard a/s' Annual Report 2009, which is hereby published.

Højgaard Holding a/s holds an ownership interest of 54 % in MT Højgaard a/s.

Yours faithfully
Højgaard Holding a|s

Berit Lovring
CEO

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

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24 March 2010

Annual report 2009

The Supervisory Board of MT Højgaard a/s has today discussed and approved the company's 2009 annual report, which is reproduced below in its entirety and with the following summary.

2009 was a good year for MT Højgaard

- The pre-tax margin was 3.4% compared with 3.2% in 2008
- Revenue was DKK 9,087 million, in line with the most recent profit outlook
- The result before tax was a profit of DKK 307 million, which is satisfactory in the current market environment
- Operating cash inflow was DKK 485 million compared with DKK 536 million in 2008
- Equity stood at DKK 1,610 million at the end of 2009 compared with DKK 1,442 million in 2008. This corresponds to an equity ratio of 29.2% versus 27.3% in 2008
- The return on invested capital was 30.7%, on a par with last year
- A dividend of DKK 50 million is proposed.

Outlook for 2010

- Revenue is expected to reach approx. DKK 9 billion in 2010
- Given the current economic climate, we do not, at the present time, expect to be able to achieve the same pre-tax margin in 2010 as in 2009
- The pre-tax margin is expected to be in the region of 2% to 3%, although at an expected lower level in the first quarter due to the hard winter

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- The order book stood at DKK 7.5 billion, with DKK 5.9 billion for execution in 2010

- Continued strong financial resources are anticipated for 2010

Søborg, 24 March 2010

Supervisory Board and Executive Board

Per Møller Chairman of the Supervisory Board	Kristian May President and CEO

Contacts

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ANNUAL REPORT 2009

MTHøjgaard

MANAGEMENT'S REVIEW

MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

OTHER INFORMATION

Preface and summary

2009 was a good year for MT Højgaard. For the third year running, we delivered profit before tax in excess of DKK 300 million. We have consequently made significant headway towards the achievement of our new ambitious vision from 2009 in which we strive to develop together with our customers and exceed the expectations made of us.

It is consequently also satisfying to note that we managed to raise our pre-tax margin to 3.4% in 2009, and that our financial performance was slightly ahead of expectations. These results were assisted by our firm focus on profitability, despite the low level of activity and increasing price competition in Denmark. Helping to address these challenges was our international business, which represents a growing proportion of our overall activities, accounting for approx. 33% in 2009 versus 28% in 2008. An area with further growth potential.

The subsidiaries also generally felt the sharpened competition as a result of the current economic climate. Notwithstanding this, all our companies delivered a profit in 2009, and Enemærke & Petersen and Greenland Contractors outperformed expectations.

As part of our wish to achieve our vision we have set ourselves a number of targets. These include being an attractive employer that can recruit the best talent and being recognised as a competent and professional business partner. By pursuing these targets we will take MT Højgaard to the next level in collaboration with and for the benefit of customers, employees and the business.

As a natural consequence of our strategy we have introduced a new organisational structure that provides a better platform for achieving our targets. The changes are intended to ensure that resources and skills are applied across organisation, geography and projects.

In 2009, we strengthened knowledge sharing internally by focusing on our culture, partly by creating more space for learning and by improving processes and systems. We introduced a new leadership model that all managers were trained and tested in, and we rolled out and tested new intelligent solutions that are able to measure, for example, humidity and temperature in buildings, thereby helping to maintain quality.

Focus areas in our dealings with our surroundings included efforts to reduce environmental impacts, to develop a concept for our customers that enables them to easily form an overview of the future energy consumption of their project and viewing it in relation to construction costs.

Focus areas in 2010 will include the development of our international business in Asia and the Middle East, the ongoing search for new and better solutions in collaboration with our customers, improving the skills of our employees still further through knowledge sharing and further training and education, and securing the delivery of quality, partly by achieving certification in this area. We will continue to strive to be the best in our industry in terms of our key competitive factors, and we will continue to do our best to meet customer wishes and expectations.

In summary, I look back on 2009 as a year characterised by a combination of internal change and a challenging external environment. Against that background, we did well in MT Højgaard, and, on behalf of MT Højgaard, I have every confidence in the future, in the knowledge that we are on the right track to achieve the new long-term targets we have set ourselves. MT Højgaard is in better shape than ever, and we are well positioned to make the most of the opportunities coming our way in the future.

I would like to thank all our employees for their dedication and commitment and our customers, business partners and other stakeholders for their excellent collaboration during this past year.

Kristian May
President and CEO

SUMMARY

RESULT 2009

The pre-tax margin was 3.4% compared with 3.2% in 2008

Revenue was DKK 9,087 million, in line with the most recent profit outlook

The result before tax was a profit of DKK 307 million, which is satisfactory in the current market environment

Operating cash inflow was DKK 485 million compared with DKK 536 million in 2008

Equity stood at DKK 1,610 million at the end of 2009 compared with DKK 1,442 million in 2008. This corresponds to an equity ratio of 29.2% versus 27.3% in 2008

The return on invested capital was 30.7%, on a par with last year

A dividend of DKK 50 million is proposed

OUTLOOK FOR 2010

Revenue is expected to reach approx. DKK 9 billion in 2010

Given the current economic climate, we do not, at the present time, expect to be able to achieve the same **pre-tax margin** in 2010 as in 2009

The pre-tax margin is expected to be in the region of 2% to 3%, although at an expected lower level in the first quarter due to the hard winter

The order book stood at DKK 7.5 billion, with DKK 5.9 billion for execution in 2010

Continued strong financial resources are anticipated for 2010

Consolidated financial highlights

Amounts in DKK million	2005	2006	2007	2008	2009
Income statement					
Revenue	8,273	11,063	11,714	11,171	9,087
Operating profit (EBIT)	107	60	197	327	290
Net financing costs and profit (loss) of associates	-13	-8	114	32	17
Profit before tax	94	52	311	359	307
Profit for the year	78	38	235	259	223
Balance sheet					
Share capital	220	220	220	220	220
Equity attributable to equity holders of the parent	968	997	1,231	1,442	1,610
Equity incl. minority interests	988	1,021	1,231	1,442	1,610
Balance sheet total	3,898	4,824	5,033	5,276	5,504
Interest-bearing deposit/debt (+/-)	-38	53	192	513	824
Invested capital	1,045	988	1,051	1,010	880
Cash flows					
Cash flows from operating activities	341	317	-73	536	485
Cash flows for investing activities*	-169	-240	68	-176	-521
Cash flows from financing activities	-47	-8	-35	-61	-69
Net increase (decrease) in cash and cash equivalents	125	69	-40	299	-105
* Portion relating to property, plant and equipment (gross)	-230	-288	-199	-215	-236
Financial ratios (%)					
Gross margin	5.5	4.0	4.8	6.4	7.6
Operating margin (EBIT margin)	1.3	0.5	1.7	2.9	3.2
Pre-tax margin	1.1	0.5	2.7	3.2	3.4
Return on invested capital (ROIC)	10.1	5.9	19.3	30.7	30.7
Return on equity (ROE)	8.2	3,.7	20.9	19.4	14.6
Equity ratio	25.3	21.2	24.5	27.3	29.2
Other information					
Order book, year end	8,352	10,752	10,687	9,461	7,455
Average number of employees	5,660	6,289	6,494	6,170	5,872

The ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

Gross margin	=	Gross profit/Revenue
Operating margin (EBIT margin)	=	Earnings before interest and tax (EBIT)/Revenue
Pre-tax margin	=	Earnings before tax/Revenue
Return on invested capital incl. goodwill (ROIC)	=	EBIT/Average invested capital incl. goodwill
Return on equity (ROE)	=	Profit after tax/Average equity incl. minorities
Equity ratio	=	Equity incl. minorities, year end/Liabilities, year end
Invested capital	=	Invested capital represents the capital invested in operating activities, i.e. the assets that generate income. Invested capital is measured as the sum of equity, net interest-bearing deposit/debt and goodwill

Strategic platform

In recent years, we have been working on strengthening our:

- strategic development in business areas and subsidiaries
- synergy and collaboration

At the same time, we have improved the Group's foundation through a significantly tightened focus on profitability and risk. Specifically by further professionalising the frameworks for tendering, risk management and training and education; setting profitability requirements; and strengthening our business support functions.

In 2008, our pre-tax margin was 3.2%. This meant that the corporate target of a pre-tax margin of 2-2.5% by 2010 was met. It is satisfying to note that we succeeded in raising our pre-tax margin to 3.4% in 2009.

New ambitious vision and objectives

In 2009, we developed a new vision and new strategic objectives. These are intended to take us to the next level following on from recent years' positive development.

Our new vision is:

"We will outperform industry standards through innovation and operational excellence – together with our customers"

This means that it is our aim to be the company that sets new standards, develops even stronger skills, thinks outside the box and develops new solutions, where appropriate – while at the same time outperforming customer and market expectations. We have consequently set ourselves some ambitious targets:

- Profitability – to be among the most profitable building and civil engineering companies. Raising our pre-tax margin to 5% within a few years
- Customer satisfaction – to continue to be recognised as a competent and professional business partner. Achieving a customer satisfaction level of at least 80% in terms of selected criteria
- Employee satisfaction – to continue to be an attractive employer and to recruit, develop and retain the best talent. Achieving an employee satisfaction level of at least 80% in terms of selected criteria

We aim to achieve these targets by focusing on four selected strategic areas underpinning our new vision:

- Internationalisation – developing our existing international business and utilising skills both nationally and internationally
- Competitive edge – strengthening our competitive advantages, differentiating ourselves still further and putting ourselves even further ahead of the competition
- Commercial excellence – stepping up our efforts and focus in all core processes, ensuring that we make a positive difference for the benefit of both customers and ourselves
- Infrastructure – correct systems, appropriate structures and adequate support, providing the optimum platform for our business and sharpening our competitive edge

New values and culture

On a day-to-day basis, it is our culture and values that ensure that we are continuously striving to achieve our vision and objectives. We consequently identified three new core values in 2009 on which we have been working in the organisation through local and centralised activities under the slogan "Forward as one team". It means that all employees know where we are heading and what is required of them.

These values are:

- collaboration
- respect
- professionalism

In 2009 140 managers completed a management development process consisting of three intensive modules focusing on the company's leadership model and future development. The aim was to strengthen our managers' role in the work on values and to ensure that our culture underpins our vision.

New organisational structure

We introduced a new organisational structure on 1 October 2009.

The new organisation is based on a wish to develop a new and better platform for achieving our strategic targets both nationally and internationally. The changes are intended to ensure that we utilise resources and skills across boundaries while at the same time contributing to ensuring that the right management principles are in place.

Major changes resulting from the new organisation include the following:

- The construction activities of the former business areas Construction and International have been combined to form Construction
- The former business areas Civil Works and International (excl. construction activities) have been combined to form Civil Engineering
- Special projects have been combined in Major Projects
- The former business unit Project Development has been established as a separate business area called Project Development
- In future, the former business unit Design will be a business support function called Design & Engineering

In addition, a Leadership Team consisting of the Executive Board and the CHRO of HR and CSO for Business Development has been established. The reason for this is that the strategic and HR perspectives are key to our efforts to achieve our vision.

Subsidiaries and jointly controlled entities are separate businesses with separately profiled capabilities, markets and strategies. The focal point for the MT Højgaard Group is value creation. We will create value in the way in which we develop our subsidiaries and jointly controlled entities by providing the optimum framework for each enterprise and ensuring that value creation works both ways in the relationship. All subsidiaries and jointly controlled entities work on the basis of long-term strategy plans.

ORGANISATION

	MT Højgaard					Subsidiaries
Business areas	Civil Engineering	Construction	Major Projects	Project Development	Utility Services (Subtera)	Ajos a/s Enemærke & Petersen a/s Lindpro a/s Promecon a/s Scandi Byg a/s Timbra a/s Greenland Contractors I/S (67%) Seth S.A. (60%)
Business support	Business Processes :: Design & Engineering :: Facility Management :: Finance :: HR :: IT Legal & Insurance :: Marketing & Communications :: Purchasing :: QHSE :: Strategy & Business Development					

Group annual review for 2009

Performance versus outlook

MT Højgaard delivered a satisfactory profit before tax of DKK 307 million in 2009 and a pre-tax margin of 3.4% versus 3.2% in 2008.

Profit was slightly ahead of expectations. This primarily reflected the fact that several large projects developed more positively than expected. In the 2008 annual report we stated that we expected revenue of approx. DKK 10 billion and a pre-tax margin between 2% and 3%. In the interim financial report at 31 August, this outlook was changed to revenue of approx. DKK 9 billion and a pre-tax margin of approx. 3%.

On 5 March 2010, we announced that revenue amounted to DKK 9,1 billion and profit before tax just over DKK 300 million, corresponding to a pre-tax margin of 3.4%.

Income statement

We delivered revenue of DKK 9,087 million in 2009, down 19% on last year due to the general economic downturn.

Revenue from international activities represented 28% of revenue in 2008 compared with 33% in 2009.

The MT Højgaard Group recorded operating profit (EBIT) of DKK 290 million in 2009, down DKK 37 million on 2008.

The operating margin (EBIT margin) was 3.2% in 2009, up from 2.9% in 2008.

Net financing costs amounted to net income of DKK 17 million compared with DKK 32 million in 2008. Net financing costs in 2009 were adversely impacted by a net loss on foreign exchange adjustments. Foreign exchange adjustments yielded a net gain in 2008.

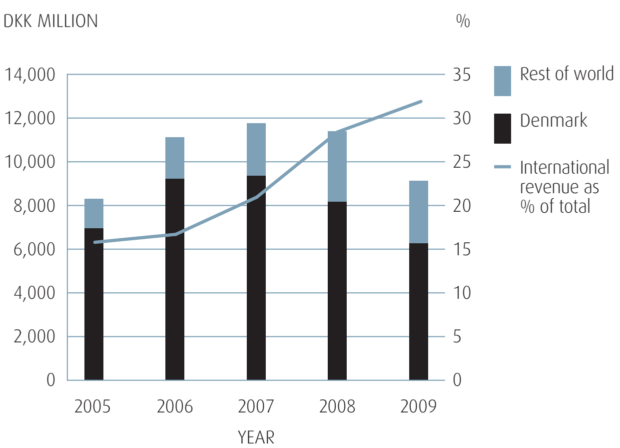
The result before tax, a profit of DKK 307 million, was satisfactory and corresponded to a pre-tax margin of 3.4%, up from 3.2% in 2008. Profit before tax was down DKK 52 million or 14% on last year, and should be viewed in the context of the 19% decline in revenue.

Income tax expense was a net expense of DKK 84 million, providing an effective tax rate of 27% compared with 28% in 2008. The tax was made up of a current tax charge of DKK 58 million and a DKK 26 million change in the Group's deferred taxes. At the end of 2009, the Group's deferred net tax asset was DKK 113 million compared with DKK 140 million in 2008.

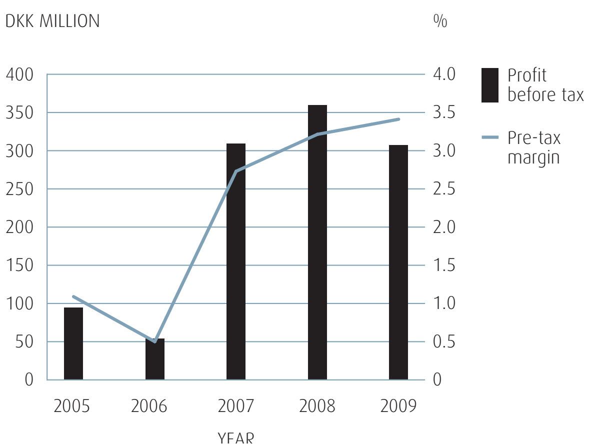
The consolidated result after tax was a profit of DKK 223 million compared with DKK 259 million in 2008.

On the Buxton project, there are no changes to report in relation to what was stated in the 2008 annual report. The claims for extra payments advanced by MT Højgaard are the subject of international arbitration. In accordance with the company's policy, no income has been recognised in the financial statements in this respect.

REVENUE



PROFIT BEFORE TAX AND PRE-TAX MARGIN



Balance sheet

The consolidated balance sheet total stood at DKK 5,504 million at 31 December 2009, up 4% on the end of 2008.

Equity stood at DKK 1,610 million. This corresponds to an equity ratio of 29.2% compared with 27.3% at the end of 2008. Besides profit for the year, equity was affected by the payment of DKK 50 million in dividend. The return on equity was 14.6%.

A dividend of DKK 50 million is proposed.

The interest-bearing net deposit increased by DKK 312 million in 2009, standing at DKK 824 million at the end of 2009. The increase primarily reflected positive cash flows from operating activities, which have been invested in interest-bearing securities.

Invested capital amounted to DKK 880 million at the end of 2009 compared with DKK 1,010 million in 2008, and the return on invested capital was 30.7%, in line with 2008.

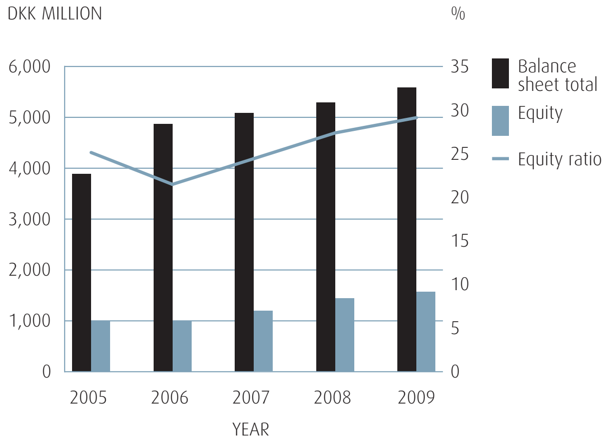
Cash flows and financial resources

Operating cash flows benefited from a satisfactory development in operating profit and a continued positive cash flow from construction contracts in progress, and amounted to an inflow of DKK 485 million compared with DKK 536 million in 2008.

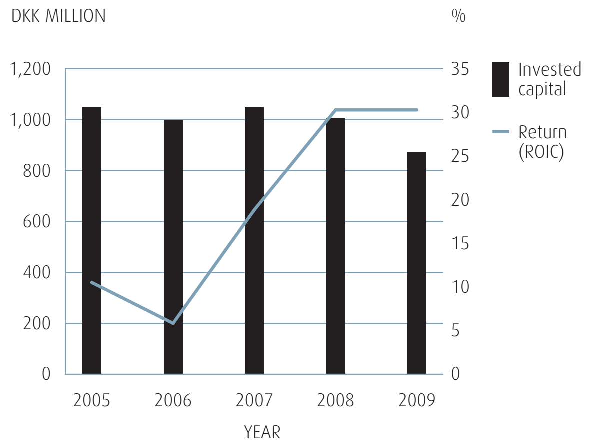
Investing activities absorbed DKK 521 million, of which DKK 362 million related to net investments in securities. Of the remaining DKK 159 million, company acquisitions accounted for DKK 16 million. Net capital expenditure on property, plant and equipment amounted to DKK 143 million versus DKK 125 million in 2008 and related primarily to replacement of and new investment in contractors' plant and equipment.

Cash outflow from financing activities was DKK 69 million versus DKK 61 million last year. The amount related to distribution of dividend and reduction of non-current bank loans, etc.

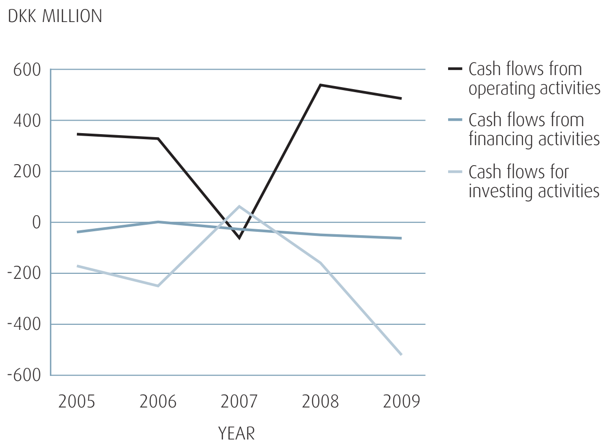
BALANCE SHEET



INVESTED CAPITAL AND RETURN (ROIC)



CASH FLOWS



Cash and cash equivalents decreased by DKK 105 million net in 2009 compared with a net increase of DKK 299 million in 2008. The net cash balance, calculated as cash less current portion of bank loans and similar, amounted to DKK 372 million compared with DKK 476 million at the end of 2008.

The Group's financial resources, calculated as cash, including cash and cash equivalents in joint ventures and jointly controlled entities, and securities and undrawn credit facilities, amounted to DKK 1,307 million at 31 December 2009 compared with DKK 1,141 million last year.

Order book

The order book stood at DKK 7,455 million at the end of 2009, approx. 21% down on last year. The quality of the order book is satisfactory.

DKK million	**2009**	**2008**
Order book, beginning of year	9,461	10,687
Order intake for the year	7,081	9,945
Production during year	-9,087	-11,171
Order book, end of year	**7,455**	**9,461**

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

As already announced in the first quarter of 2010, a DKK 965 million contract for offshore foundations in the UK has been signed and a contract for a waste water treatment plant in Bangladesh, where MT Højgaards share is DKK 313 million.

Acquisitions and disposals of enterprises

With the acquisition of the activities of mh Martin Hansen A/S on 1 May 2009, the subsidiary Lindpro strengthened its core capabilities and market coverage while at the same time gaining strong specialist skills in industry and automation. The acquisition of these activities comprises 90 employees.

The subsidiary Enemærke & Petersen strengthened its position in building maintenance by the acquisitions of Bode Byg A/S and Bode Byg Facade ApS on 1 October 2009. These companies jointly have 30 employees.

Furthermore, four non-active companies were wound up in 2009.

These factors did not have any material impact on consolidated revenue or profit in 2009.

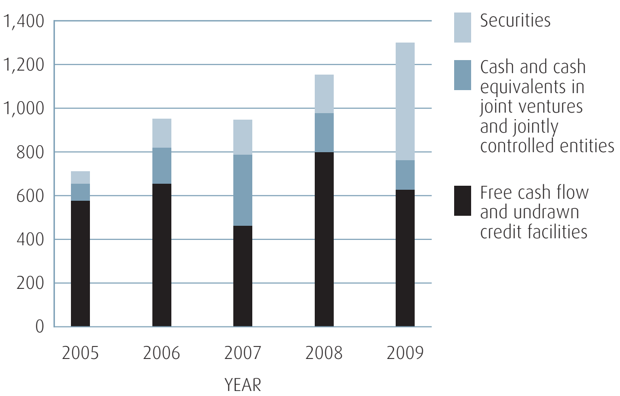
Outlook for 2010

Overall, we expect the building and civil engineering market in Denmark in 2010 to be on a par with 2009. We estimate that approx. DKK 105 billion of the expected total market volume of approx. DKK 160 billion in the professional building and civil engineering market will lie within our sphere of interest.

We expect construction activities to remain under pressure in 2010, and expect the market to end the year at a level slightly below 2009.

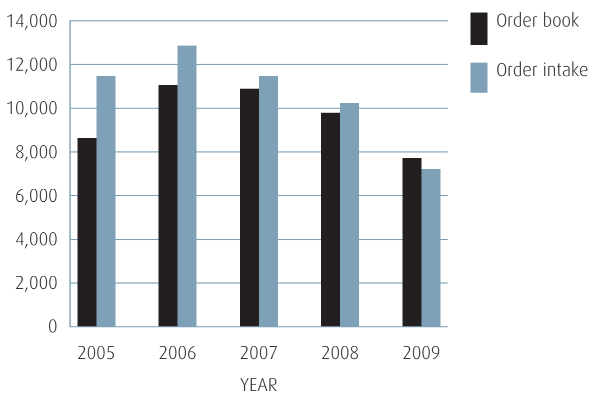
CONSOLIDATED FINANCIAL RESOURCES

DKK MILLION



ORDER BOOK AND ORDER INTAKE

DKK MILLION



The refurbishment market, on the other hand, is showing a slightly upward trend, and we believe that 2010, too, will be characterised by a high level of activity in conversion and upgrading projects – especially in the public sector.

Competition in the civil engineering market in Denmark will remain fierce, although we expect to see more invitations to tender in 2010 than in 2009.

The utility services market experienced a distinct slowdown in 2009. It looks as if the market is still at a very low level in 2010 due to the energy companies' sharp reduction in the roll-out of the fibre optic network.

On the other hand, we believe that our international business will prosper in 2010, when we will be selectively picking the project opportunities that match our skills and resources. We are paying particular attention to foundations for offshore wind farms – an area in which we are among the most experienced in the world.

The order book stood at DKK 7.5 billion at the start of 2010, of which we expect to execute DKK 5.9 billion in 2010. The order book is approx. 21% down on the start of 2009, but the quality has been improved still further. We will continue to be highly selective when identifying new projects, focusing on the profitability of the projects within the framework of our risk management. We expect revenue for 2010 to amount to approx. DKK 9 billion, which means that, in relative terms, orders for execution in 2010 will be at the same level as at the start of 2009. We expect our international activities to account for a higher proportion of revenue than in 2009.

Selectivity, focusing and targeted risk management are the basic criteria for securing satisfactory earnings. Given the current economic climate, we do not expect to be able to deliver a financial performance in 2010 that quite matches 2009, despite ongoing alignment of costs to the level of activity in 2009.

We estimate that the Group's pre-tax margin for the year will be in the region of 2% to 3% compared with 3.4% in 2009, although at an expected lower level in the first quarter due to the hard winter.

We expect the Group's effective tax rate to be at a slightly higher level than the Danish tax rate.

We anticipate a cash inflow from operating activities again in 2010, although at a lower level than in 2009. We also expect to continue to maintain strong financial resources in the form of both cash, securities and credit facilities. Capital expenditure on property, plant and equipment in 2010 will be significantly below the level in 2009.

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

Management changes

At our Annual General Meeting on 17 April 2009 Helge Israelsen and Jens Jørgen Madsen joined the Supervisory Board as new members elected by the shareholders in general meeting. Hans-Henrik Hansen, Torsten Ask Overgaard and Knud Rasmussen joined as employee representatives.

Thorbjørn N. Rasmussen was appointed Vice President of our business area Civil Engineering on 1 October 2009 and will thus be part of the Executive Board under corporate law.

Knowledge and innovation

Innovation, quality assurance, problem solving and efficiency are some of the areas that are given pride of place in MT Højgaard. This requires high calibre employees and an organisation that focuses on knowledge sharing. This will help to make us the best in the areas that we have decided to excel in and that mean the most to our customers.

Employees

Globally, we had an average of 5,872 employees in 2009 compared with 6,170 in 2008. At the end of 2009, we had 5,833 employees. This is 318 fewer than at the same time last year.

Unlike previous years, the statement and comparative figures and the five-year summary include local employees on international projects.

Skills development boosts motivation

In 2009, we focused on the further training and education of our managers – a natural extension of MT Højgaard's new vision. A key element of this was the development of a new leadership model based on leadership and management. All managers were trained in the leadership model and the focus was on topics such as change management, leadership style and operationalisation of our new vision.

In 2009, many employees attended our internal MT Højgaard Academy project manager training. This training aims to give employees a number of tools they can use to guarantee uniform, professional management of projects, for example time planning and stakeholder and risk management. The training also works on attitudes, behaviour, processes and business skills.

During autumn 2009, we implemented a new course system that makes it possible for individual employees to draw up individual development plans and thus enhance their own skills. The course system gives us a clear overview of employees' and thus the company's skills, making it easier for us to deploy the correct team on a given task.

Roles and responsibilities were defined for all employees in the project organisation in 2009. The purpose of this was to guarantee transparency so that it is easy for employees to understand what is expected of them. This also provides a good basis for discussing future career development with each employee.

In the course of the coming year, we will be introducing supervisor training. One of the purposes of this is to give foremen and contract managers training that makes them even more skilled in their roles as supervisors. The training will consist of a wide range of subjects such as the change from tradesman to foreman, agreements and communications.

Knowledge sharing ensures quality

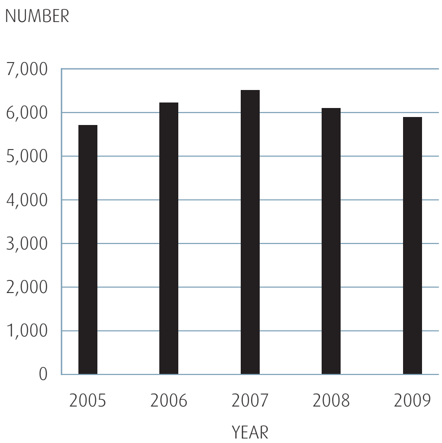
It must be easy for our employees to share and retrieve knowledge, so that they can offer our customers good advice and employ the most expedient methods in their work. Knowledge sharing is therefore constantly in the spotlight and a key factor in our corporate culture, which focuses on sharing positive experiences and preventing recurrence of any mistakes.

We therefore developed our integrated management system still further in 2009. The system describes the processes that must be implemented by the project organisation on a construction project – from sale through to handover, in the areas project management, financial management, quality management, environmental and occupational health and safety management, follow-up and TrimBuild®.

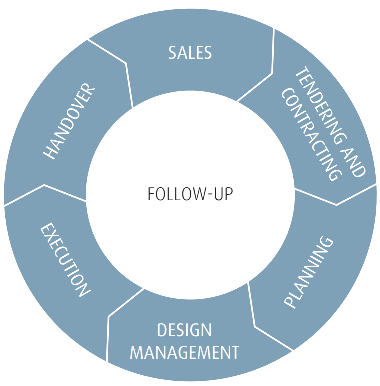
We are also developing a dedicated knowledge organisation, an essential focal point of which is knowledge ambassadors across the organisation. The role of knowledge ambassadors will be to gather and describe positive experiences or any mistakes that we should not repeat. They must also ensure that positive experiences are communicated to colleagues elsewhere across the organisation. These experiences will be described in a Knowledge Bank that will be rolled out in 2010.

In 2009, we implemented a new document management and archiving system. The system allows information sharing and collaboration across the organisation on files, documents, mails, pictures and drawings on a company-wide digital platform. In this manner, the system is a tool that improves the efficiency of and systematises our work processes.

AVERAGE NUMBER OF EMPLOYEES



CORE BUSINESS PROCESS



Innovation differentiates us

We want to be in the lead when it comes to development in building and civil engineering. At the same time we want to excel in the areas that mean the most to our customers. To that end we need to constantly focus on developing new methods and products to enable us to meet customer wishes.

Sustainable building

Heating and power consumption in buildings alone account for 40% of energy consumption in Denmark. We have therefore chosen to be at the forefront of the development in energy-optimised building. In 2009, we developed a model called "the green barometer", which enables customers to form an easy overview of the future energy consumption of a building and viewing it in relation to the construction costs. By using this tool customers can determine the level of sustainability themselves.

We have the advantage of having consultancy, tendering and contracting activities under one roof. For sustainable building to be possible, all these specialised groups need to work closely together.

At the same time our efforts to achieve rights that entitle us to award our projects four of the most prominent labelling schemes available in sustainable building are in full swing. We have already obtained the right to award the certification Green Building, which was awarded to Ørstedskolen and KPMG's head office in the district of Frederiksberg, which we are currently in the process of building. It is our aim to obtain the right to award the remaining three certifications by the first half of 2010.

Intelligent solutions in building

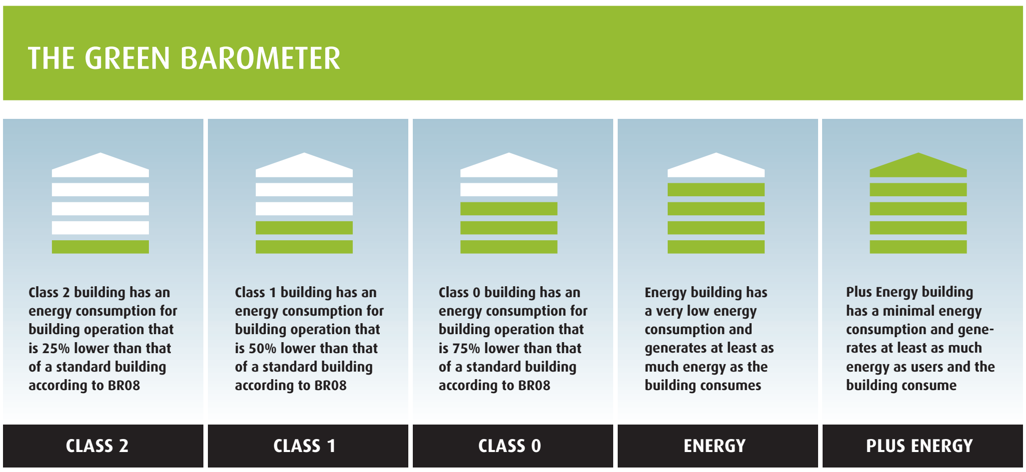
The use of IT processes at offices and construction sites is ever-increasing. In recent years, we have tested intelligent building elements that automatically measure humidity and temperature, for example. RFID, together with 3D models, is one of the new technologies that can ensure quality.

To get the full benefit from these technologies, integration barriers need to be removed through standardisation in the industry – so that relevant information is available to several partners on a building project. To that end we helped to create the technical basis in 2009 for the digitalisation of building in 2010 through the collaboration Digital Convergence.

Agricultural buildings

The large livestock and agricultural buildings of the future call for innovative and high-tech solutions, visionary concepts and the latest knowledge in agricultural building. We have specialised in this area and launched a range of concepts in 2009 that focus on the environment in livestock buildings for the benefit of both livestock, people and nature. We have many years' experience in the construction of agricultural buildings and we are drawing on that experience when we build for the agricultural sector.

At the end of 2009, we participated in the international agricultural trade fair "Agromek Husdyr" in Herning and in that connection won the "new product of the year" prize in livestock farming with a newly developed and patented environmental technology. The system creates a good environment in livestock buildings, both for the animals and for the people working in the buildings, but, above all, it enables the client to live up to the environmental authorities' tightened requirements concerning reduction of ammonia emissions to the surrounding nature.



BR08 stands for the Danish Building Regulations 2008

Corporate responsibility

Our ethical policy forms the overall framework for all our policies and consequently our activities.

This means that we are committed to acting in accordance with our ethical policy in relation to, for example, employees, economy, environment, occupational health and safety, customers, conduct in the market, competitors, business partners and suppliers. The policy states, among other things, that we must comply with local legislation, that we do not accept bribery, forced labour, child labour and discrimination.

Our ethical policy applies to all employees in MT Højgaard a/s and its wholly-owned subsidiaries. In continuation of this policy, we focus especially on the social issues where we can make a difference and where we believe that our actions will create the most value for society and ourselves.

In this section on corporate responsibility we have elected to explain our policy, efforts and performance in the areas:

- environment
- occupational health and safety

We have positions on other social issues where we do not carry out planning, measurement and follow-up to the same extent, however. For example, we have an ethical code of conduct for suppliers. Our performance in this area is described under the section Other initiatives. In addition, our subsidiaries work on corporate responsibility, taking into account each subsidiary's activities and skills.

Environment

Consideration for resources, health and the environment ranks equally in our projects with all other key requirements and wishes for the construction project. Construction and construction materials have extensive consequences for the environment. The many different materials and components each have their own lifecycle, environmental impact, working environment and indoor climate. On completion of a project, construction produces large quantities of waste that must be disposed of in an environmentally acceptable manner.

In 2009, we focused on formalising our processes at MT Højgaard so that we focus on reducing the company's impact on the environment both at construction sites and in offices.

Among other things, we are working on factors such as better sorting and recycling construction site waste as well as savings on water and power.

For example, we regularly install heat pumps in site huts. This measure will cut up to 80% of the huts' heat consumption and can reduce CO_2 emissions by 1,700 tonnes of CO_2 per year. By way of comparison, a Dane emits 10 tonnes of CO_2 per year.

In 2009, we also began the introduction of:

- motion sensors = annual saving of 141 tonnes of CO_2
- AutoPowerOff plug banks for all employees = annual saving of 69 tonnes of CO_2
- power measurements and energy management = annual saving of 132 tonnes of CO_2
- ban on halogen lighting = annual saving of 172 tonnes of CO_2

We have also amended our agreements with our subcontractors so that we charge them for their power and water consumption and are thus able to contribute to reducing their CO_2 emissions. This is expected to result in an annual saving of 266 tonnes of CO_2.

The energy savings will only take effect when the activity has been fully implemented.

The activities will be measured annually via random checks.

Occupational health and safety

A good, safe working environment is essential to employees and their families and also for the financial results. A safe working environment is an important prerequisite for our ability to deploy the correct team on tasks and to win projects, as health and safety are often an important factor in the assessment of a project.

For several years, we have consequently been focusing on promoting employee safety and avoiding occupational injuries. This has resulted in fewer occupational injuries over the past five years.

Among other things, we have formalised training, information and instruction, so that employees can do their jobs safely.

Every year, we issue a folder to all employees describing our health and safety targets, what is expected of them as employees in relation to health and safety and how they should react in the event of an accident. The folder is reviewed at each construction site, where employees must consider how to contribute to achieving the target for the year. All new employees are given a health and safety induction via a film.

We also make inspection visits to individual workplaces. To ensure that we continuously improve our health and safety performance, a certification body measures our health and safety performance and awards us certification. In Denmark, they visit selected construction sites every six months and the rest of the certified area once a year.

We also map health and safety regularly and conduct systematic risk assessments of our activities. In addition, we carry out systematised follow-up of every occupational injury, near miss or any improvement notices from public authorities, both by completing a report and subsequently visiting the site with an information meeting for employees on the site at which we focus on preventing recurrence.

In 2009, we achieved our target of fewer than 25 occupational injuries in Denmark per one million hours worked, with an injury frequency rate of 21.5. This is a significant improvement on last year, and reflects previous years' targeted efforts and attitude shaping in relation to occupational health and safety.

We expect to continue this positive trend by reducing our injury frequency rate still further. Focus areas in 2010 will include injuries involving one to four days' lost time and giving new employees a basic induction course.

Other initiatives – Ethical code of conduct for suppliers

We use a number of suppliers in Denmark, the rest of Europe and China. When we conclude a group agreement with a new supplier of construction materials, the supplier signs to confirm that he complies with national legislation and regulations and meets specific requirements concerning quality, health and safety and the environment.

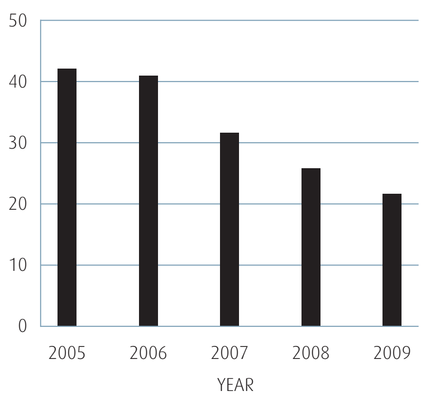
From 2010, we will be conducting an annual audit of Danish suppliers. Audits previously took place via random checks. The focus will be on quality assurance and on ensuring that suppliers have their certification in order.

Our assessment is that the greatest risk of ethical policy being breached is in China. We have consequently decided to escalate audits and check all suppliers when we start a new partnership – typically in connection with the production of the first order. On the basis of this check, we decide what measures are required in the collaboration and whether follow-up checks will be required. An external body carries out anonymous, impartial checks on employees' ages and pay conditions.

In the event of non-compliance with our minimum standards, we reserve the right to end the business relationship.

MT HØJGAARD TOTAL ACCIDENT FREQUENCY FOR DENMARK

NUMBER OF ACCIDENTS PER MILLION HOURS



Risk factors

Commercial risks

MT Højgaard's activities entail various commercial and financial risks that may affect the Group's development, financial position and operations.

We consider it a critical part of our strategy to constantly minimise the current risks, which, in our opinion, do not generally differ from the normal risks facing companies in the building and civil engineering industry.

The overall framework for managing the risks we judge to be critical for the Group is laid down in the business concept and the associated policies.

We endeavour to cover, to the greatest possible extent, significant risks outside our direct control by taking out relevant insurance policies.

Market conditions

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

Our position in the Danish market, coupled with our spread on markets, customers and areas of expertise, helps to balance risks under fluctuating market conditions.

Market trends in the various business areas often differ under varying economic framework conditions.

Projects

Our project management is crucial to ensure satisfactory value creation in the company. Our integrated management system features all the procedures and paradigms that our employees require to enable them to handle each project from sale and tendering to handover to the client. Prior to bidding for major projects, we carry out a systematic, structured review of the project to ensure that risk areas are identified and unforeseen events minimised.

Process management during the construction phase is paramount to ensure that building site activities are efficiently coordinated and optimised. We often use the TrimBuild® project management tool on our projects to enhance quality and productivity, reducing the risk of delays and budget overruns on individual projects.

Partnering is a form of collaboration under which a larger part of the responsibility lies with the contractor through his participation in design and planning. This concept is becoming increasingly popular and enhances the possibilities for optimising risk identification on the individual project.

On major projects, we often use joint venture collaboration as a further means of minimising risks.

We provide standard performance and payment bonds in the form of bank guarantees, guarantee insurances and bond deposits as security for contracts and supplies. Performance and payment bonds, etc., totalled DKK 3,385 million at the end of 2009 compared with DKK 3,506 million in 2008.

Project development

The risk attaching to this activity relates primarily to the development in the market for residential construction and the extent to which dwellings sell prior to start-up of each project.

The start-up of self-generated projects is subject to advance sale of at least 75% to 80% of the project. When starting up several projects at the same time, we focus on balancing the overall risk.

Financial risks

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

Operating review for 2009

We work exclusively in building and civil engineering.

At 31 December 2009, the Group was organised into five business areas, the separate subsidiaries and the Group's corporate functions, Business Support.

Subsidiaries comprise the Group's subsidiaries and jointly controlled entities with separately profiled capabilities in the building and civil engineering business.

MT Højgaard delivered revenue of DKK 9,087 million in 2009, down DKK 2,084 million on 2008. Revenue can be broken down by activity as shown below.

Revenue – DKK million	2009	2008
Civil Engineering	2,334	2,595
Construction	2,847	3,484
Major Projects	152	177
Project Development	258	552
Utility Services	345	693
Subsidiaries and jointly controlled entities	3,619	4,243
Eliminations/other	-468	-573
MT Højgaard Group	**9,087**	**11,171**

Civil Engineering

Civil Engineering undertakes infrastructure and civil engineering projects in Denmark and internationally. Specialist skills include pile-driving, earthworks, sewerage works, environmental projects, harbour and marine works, offshore wind farm foundations, and bridges.

The civil engineering market in Denmark was characterised by cut-throat competition in 2009. We generally saw fewer invitations to tender, more companies bidding for projects, and a downward trend in prices.

The cut-throat competition is persisting in 2010. However, we expect an increase in the number of projects put out to tender. The slowdown we have seen in the commercial market will continue. The number of public tenders will increase, on the other hand. Particular focus will be on infrastructure projects such as motorways, bridges and railway maintenance.

In the offshore sector in 2009, we saw a general slowdown in wind turbine projects on account of difficult financing conditions. However, we implemented the projects we had expected to implement. We anticipate no further slowdown in this sector in 2010, instead we expect the current level to be maintained and raised in the long term.

Going forward, we expect a good market for our mining department in Greenland. This remains a new market for us, and our investments are long-term. We expect 2010 to be exciting as decisions will be made on whether customers' preliminary investigations will result in profitable mining and thus projects.

We also carry out a variety of traditional civil engineering projects such as bridges, motorways and harbours abroad. In 2009, these included a number of exciting harbour projects in Sri Lanka and the Maldives. At the start of 2010, we will be completing a water supply renovation project in Kandy in southern Sri Lanka sponsored by Danida, which will result in 350,000 people in the local area having access to clean drinking water.

In Sweden, we also met a number of interesting engineering challenges in connection with a new railway bridge in Södertälje. With very little space available, a 420-tonne steel bridge was shipped in and lifted into place in the course of 24 hours.

In general, the Civil Engineering business area ended 2009 with a good result, ahead of expectations. However, the result conceals fluctuations in the various areas. The Danish part of the business area, in particular, felt the stiffer competition in 2009. The expectations for 2010 are that it will be another hard year in the Danish market. On the other hand, we anticipate continued good activity abroad and that we will therefore enjoy a slightly higher level of activity in 2010, overall.

In the coming year, the focus will be especially on projects in Asia and the Middle East. We can already see that there will be a number of interesting invitations to tender there. Tenders won in 2009 included a bridge project in Vietnam, RAO2, construction of which will commence in 2010.

Construction

In Construction, we work on construction projects in both Denmark and the North Atlantic region. Our capabilities range from residential and commercial construction, through institution and school construction, to all forms of refurbishment projects.

The construction and refurbishment market generally contracted in 2009. The decline in the market was very obvious in the residential market, which saw virtually no activity in the past year. However, the market development showed some geographical variation and in some local areas we experienced an increase in the level of activity.

The commercial market was generally hit hard, but here, too, we saw a positive trend in some areas. Projects in 2009 included the development of a new head office for Vestas, the work on the extension of DONG Energy's office in Gentofte, and the start-up of construction of KPMG's new headquarters at Flintholm Station in the district of Frederiksberg.

In some geographical areas, growth in the public sector market made up for the lack of growth in the residential market. The refurbishment market fell back slightly, but not nearly as much as the other markets. This trend looks set to continue in the coming year.

Despite a general downturn in the construction and refurbishment market, our performance was satisfactory, accentuating the fact that our ability to manage projects is continuously improving.

In the last part of the year, we saw an increase in interest in Public Private Partnership projects (PPP) from, for example, the Danish Palaces and Properties Agency, for which several projects are in the planning phase. We consequently expect that this area will grow in 2010. In 2009, we handed over the Danish Land Registry PPP project in Hobro and commenced work on Ørsted-skolen on Funen, which is scheduled for completion in 2010.

In 2009, our focus included constantly expanding our local presence. The projects put out to tender are often very locally rooted. We have therefore opened new local offices in Randers and Sakskøbing. For many years, we have had activities in Greenland and the Faroe Islands, and we will be setting up a proper local office in each country in 2010.

In 2010, we expect the construction market to remain under pressure and to end at a level slightly below the 2009 level.

Major Projects

Major Projects takes care of our large projects. These currently include a hydropower project in Panama, which is being carried out in a joint venture, and tendering for other large projects starting up in 2011.

The Panama project includes the planned construction in 2010 of a concrete dam and the completion of a power station and other construction works in the lead up to final completion of the project at the start of 2011.

Projects are defined as Major Projects based on the criteria: economy, complexity, time and risk.

Project Development

Project Development develops projects for or together with investors and clients.

The year was characterised by a hesitant market with several projects at the planning stage that have yet to be realised. This includes the start-up of new residential projects, with the oversupply in Copenhagen still being a challenge. However, we expect project development to pick up again elsewhere in Denmark in 2010, particularly small residential projects. Among other things, we have a large portfolio of attractive sites outside Copenhagen, where we are not experiencing the same oversupply.

The oversupply in Copenhagen has also meant that we did not sell the expected number of dwellings in Copenhagen. This has been overcome by temporary rental, with an option to buy in some cases.

In addition, in 2009 we secured access to attractive new sites, optimised the planning basis on our existing portfolio of sites and developed projects within the retail sector. As part of a major urban development project, we also started up a 32,000-square metre construction project in Frederiksberg. This will be the head-quarters of KPMG.

The expectations for 2010 are that it will be another difficult year, but that we will see a slight improvement on 2009, especially in the retail sector and small residential construction projects.

Utility Services

Utility Services undertakes all forms of assignments within water supply, power supply, district heating supply, gas supply, sewers and fibre optic network.

The utility services market experienced a sharp slowdown in 2009 that happened far more quickly than anticipated. The main reason for this was the sharp reduction in the energy companies' roll-out of the fibre optic network. The slowdown also affected us, and meant that we have had to align our capacity to the market.

The sharp slowdown contributed to the highly unsatisfactory financial performance.

We expect a low level of activity in this area in 2010.

Subsidiaries

Our subsidiaries comprise Ajos a/s, Enemærke & Petersen a/s, Lindpro a/s, Promecon a/s, Scandi Byg a/s, Timbra a/s and the jointly controlled entities Seth S.A. and Greenland Contractors I/S.

Ajos a/s

Ajos hires out, installs, maintains and dismantles equipment, including cranes, hoists, platforms, site huts, contractors' machinery and technical installations.

The equipment hire sector was marred by cut-throat competition in 2009, with fewer projects and falling prices. Despite showing a profit, Ajos did not meet expectations in 2009.

Ajos is working on winning and maintaining market shares by creating more overall solutions for customers in a targeted manner. In 2009, Ajos worked on a project with Rambøll and Lejerbo to develop complete site set-up solutions. Ajos was in charge of and responsible for fitting out the construction site. Ajos is counting on other customers benefiting from this concept in 2010.

In 2009, Ajos worked on sustainability in construction processes. The aim is to guarantee energy-efficient solutions in the operation of construction sites. For example, heat pumps are installed in site huts and containers. This has a great effect on both the indoor climate and power consumption.

Ajos has long been a major player in the crane sector, in particular. In 2009, Ajos acquired Cramo's 24 tower and semi-mobile cranes, significantly strengthening the company's position in the market. The acquisition of Cramo's cranes gives Ajos even greater opportunity to be involved in the early phase of future construction and refurbishment projects.

On the basis of the current market situation, we expect the level of activity in 2010 to be on a par with 2009.

Enemærke & Petersen a/s

Enemærke & Petersen constructs new buildings, and performs restoration, refurbishment and building maintenance. The company concentrates on housing, schools, institutions and commercial buildings.

The falling level of activity in the construction sector has meant that Enemærke & Petersen's level of activity in 2009 was slightly down on 2008. This was particularly due to the company's projects primarily being won through invitations to tender, where competition was particularly fierce. Despite the lower level of activity, the company outperformed expectations.

In 2009, Enemærke & Petersen increased production of semi-manufactured elements for facades. This boosted the company's in-house production, and the company expects this to be an area that will be developed still further in 2010.

In addition, Enemærke & Petersen focused on improving its dialogue with customers. All employees consequently participated in a number of workshops with the focus on giving customers a better experience. The project resulted in considerably higher customer satisfaction.

Based on a satisfactory order book, the level of activity in 2010 is expected to be in line with 2009.

Lindpro a/s

Lindpro is one of Denmark's largest electrical installations businesses with departments across Denmark and the subsidiary Arssarnerit in Greenland. Its core activity is electrical installations, but its capabilities also include security, intelligent building installations, service, traffic, industrial systems, offshore, automation, telecoms, plumbing and heating and electromechanics.

The electrical installations market was under pressure in 2009, and the pressure was also felt by Lindpro. However, although the market is difficult, and earnings under pressure, Lindpro ended the year with a higher market share and sound earnings.

The subsidiary Arssarnerit in Greenland is developing well and reported a good result in 2009. There are positive expectations of the subsidiary in 2010, when the favourable position in the electrical installations market in Greenland is expected to be reinforced.

Lindpro's objective for 2010 is to maintain a sound, well-run business with the focus on profitable growth and skills development.

The company focuses on and will continue to focus on enhancing the efficiency of its business. The traditional electrical installations business is an important core area that offers great scope for further development. Service, security and intelligent building installations are areas with potential for growth.

In 2009, Lindpro made minor acquisitions in order to strengthen its skills and geographical coverage.

We expect the market to remain under pressure in 2010 and a level of activity on a par with 2009.

Promecon a/s

Promecon delivers steelwork and piping solutions within oil and gas and energy. Among other things, the company designs and installs structural steel, piping and tanks, and services and maintains process plant.

A drastic fall in energy, oil and gas prices has led to a lower propensity to invest in the market and thus few orders.

Despite showing a profit in 2009, Promecon did not quite meet expectations. In 2009, Promecon enjoyed a high level of activity, primarily because the company had a considerable volume of orders from previous years.

The company aligned its level of activity during the year and reduced staff levels.

As a result of the lack of desire to invest in the market, Promecon expects considerably lower revenue in 2010 than in 2009.

Scandi Byg a/s

Scandi Byg specialises in the manufacture and sale of prefabricated modular buildings for applications such as residential buildings, offices, institutions and schools.

Compared with the record year 2008, Scandi Byg experienced a considerable decline in the level of activity in 2009, and consequently lower results. This typified the market in general. The year ended on a good note with an improving order book, and a number of exciting projects are ready for start-up in 2010.

For example, the company has signed a large framework agreement with KAB for the construction of between 500 and 800 dwellings based on the KAB non-profit housing concept (AlmenBolig+koncept) over a period of three to four years. A contract with Novo Nordisk has also boosted the level of activity at the start of 2010.

One of Scandi Byg's focus areas in 2010 will be the establishment of a sustainable profile. The company expects to be able to put itself in the lead in this area based on its existing production platform.

2009 was a year in which Scandi Byg developed its business and optimised its organisation by adding skills that will help to secure continued good results in the future. For example, these initiatives are expected to contribute to a doubling of revenue already in 2010 compared with 2009.

Timbra a/s

The joinery/carpentry company Timbra has capabilities in the areas new building, refurbishment, fitting-out and service.

Timbra was established at the start of 2009 by the hiving off of the joinery/carpentry unit in Copenhagen from MT Højgaard a/s. In a market under pressure, Timbra managed to deliver a positive result, which, however, did not match expectations.

In 2009, in collaboration with MT Højgaard, Timbra developed Genus Glass Walls, which are manufactured in Denmark based on procurement in China. Genus Glass Walls are a future action area for the company and projects on which these have been used include Roskilde Town Hall. The product matches the market's expectations, giving Timbra a competitive edge. Other focus areas are mono acoustic ceilings (spray-rendered ceilings), which the company is certified to perform.

The order book for 2010 is better than at the start of 2009, and Timbra expects a higher level of activity in 2010 than in 2009.

Jointly controlled entities

Greenland Contractors I/S (67%)

Greenland Contractors carries out building projects and maintenance and service tasks at Thule Air Base for the US Air Force. While the US Air Force is the company's principal client, the company also undertakes assignments for the Greenland authorities, private companies and organisations.

Revenue and earnings for 2009 outperformed expectations. We expect revenue for 2010 on a par with 2009.

Seth S.A. (60%)

Seth specialises in harbour and marine works and operates in the Portuguese market, including on the Azores, and in Africa.

In 2009, Seth felt the stagnation that has marred the Portuguese market. At the same time, some of the company's large projects in Africa have been postponed. Overall – despite a positive result – these factors led to significantly lower revenue and results than in 2008.

Seth's market is expected to remain under pressure in 2010, but revenue are expected to exceed the 2009 level.

Business support

Business support comprises the company's corporate functions, which are responsible for ensuring operation and development.

Design & Engineering was previously a business unit. In connection with our new strategy this function has become part of business support. Design & Engineering undertakes design and engineering and its services include consultancy in the environmental area.

To professionalise our administrative functions in connection with the operation of our fixed asset properties, we have combined our various local service functions in a new function called Facility Management. This facility will be operating and optimising maintenance of all our properties and leases, including canteens, cleaning services, call centre, security, reception, office machinery, reprographics and physical safety.

All the company's PCs were replaced in 2009. At the same time we implemented Windows 7 and the latest version of other user software. The purpose of this upgrade was to improve MT Højgaard's performance still further through the latest software, faster troubleshooting and faster response times.

In 2009, we completed the research project "Best Practice – in the management of building and civil engineering projects". The project identified what is required in project management terms to create a good working environment and improving working conditions for tradesmen at our building sites. 13 building and civil engineering projects with positive outcomes in terms of health and safety, economy, quality and process flow were analysed. The result was seven recommendations that can be applied to any building and civil engineering project.

We have had a purchasing office in China since 2007. In connection with our increased focus on internationalisation, it became even more relevant for us to draw on the competitive advantage that purchasing materials in the Chinese market gives us.

Corporate governance

MT Højgaard is not listed, but is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen. MT Højgaard's annual report consequently does not include a separate section on Corporate Governance. Reference is made to the respective owner companies' annual reports for details of each company's Corporate Governance principles.

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

Financial reporting process

Introduction

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

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

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

Control environment

We consider that management's approach is fundamental for good risk management and internal control in connection with the financial reporting process. The Supervisory Board's and Executive Board's approach to good risk management and internal control in connection with the financial reporting process are consequently constantly being strongly emphasised.

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

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

Risk assessment

There is a relatively larger risk of errors in the items in the financial statements that are based on estimates or are generated through complex processes than for other items. A risk assessment, with the aim of identifying these items and the extent of the associated risks, is coordinated by the Executive Board.

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

Control activities

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

The activities form an integral part of MT Højgaard's intergrated management system, financial reporting manual and procedures. These include approval procedures for contracting of new projects that ensure initial risk assessment and management involvement at various levels, depending on project size. Procedures are also in place for monthly reviews with the responsible management at overall level, including of the risk assessment on the project and of project stage based on updated accounting records and updated expectations concerning remaining production. Lastly, procedures are in place for verifications, authotisations, approvals, reconciliations, analyses of results, IT application controls, and general IT controls.

Information and communications

We maintain internal information and communications systems to ensure that the financial reporting is correct and complete within the context of the confidentiality prescribed for listed companies. The intergrated management system, the financial reporting manual and other reporting instructions are regularly updated, as appropriate. Changes in policies and accounting procedures are disclosed and explained on an ongoing basis.

Monitoring

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

We use comprehensive financial, reporting and control systems to monitor the Group's activities, enabling us to detect and correct any errors or irregularities in the financial reporting at an early stage. This includes any weaknesses detected in internal controls or non-compliance with procedures and policies.

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

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

MANAGEMENT STATEMENT AND INDEPENDENT AUDITORS' REPORT

Statement by the Executive and Supervisory Boards

The Executive and Supervisory Boards have today discussed and approved the annual report of MT Højgaard a/s for the financial year 2009.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009.

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

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

Søborg, 24 March 2010

Executive Board

Kristian May
President and CEO

Johnny Rasmussen
CFO

Jens Nyhus
COO

Peter Kofoed
COO

Thorbjørn N. Rasmussen
COO

Supervisory Board

Per Møller
Chairman

Jørgen Nicolajsen
Deputy Chairman

Irene Chabior*

Curt Germundsson

Hans-Henrik Hansen*

Helge Israelsen

Erik D. Jensen

Poul Lind

Jens Jørgen Madsen

Torsten Ask Overgaard*

Knud Rasmussen*

Lars Rasmussen

*) Employee representative

Independent auditors' report

To the shareholders of MT Højgaard a/s

We have audited the consolidated financial statements and the parent company financial statements of MT Højgaard a/s for the financial year 2009, pages 25 – 70. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

In addition to our audit, we have read the Management's review, pages 1 – 18, which has been prepared in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements, and issued a statement in this regard.

Management's responsibility

Management is responsible for the preparation and fair presentation of the consolidated financial statements and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Further, it is the responsibility of Management to prepare and issue a Management's review that gives a fair review in accordance with Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Auditors' responsibility and basis of opinion

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 Danish Standards on Auditing. Those standards require 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 auditors' 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements and the parent company financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2009 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2009 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for consolidated financial statements and parent company financial statements.

Statement on the Management's review

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

Copenhagen, 24 March 2010

KPMG
Statsautoriseret Revisionspartnerselskab

Finn L. Meyer State Authorised Public Accountant	**Jesper Koefoed** State Authorised Public Accountant

Supervisory Board and Executive Board, supervisory board memberships and management positions

Executive Board

Kristian May
President and CEO

Member of the supervisory board of:
BRFkredit A/S

Johnny Rasmussen
CFO

Member of the supervisory board of:
Seth S.A.

Jens Nyhus
COO

Member of the supervisory board of:
OPP Hobro Tinglysningsret a|s (CB)
OPP Vildbjerg Skole A|S (CB)
OPP Ørstedskolen a|s (CB)

Peter Kofoed
COO

Member of the supervisory board of:
Seth S.A.
BMS A/S (CB)
DKBI A/S
GEO
ANT Fonden

Thorbjørn N. Rasmussen
Executive Vice President

Member of the supervisory board of:
Netek IR Systems A/S
Alpha Wind Energy (and of the management of one of their companies, Scandia Wind America)
MT Hojgaard Al Obaidly w.l.l.

Supervisory Board

Per Møller
Chairman

Member of the Supervisory Board of:
Atrium Partners A/S (CB)
Højgaard Holding a/s (CB)
Det Danske Klasselotteri A/S (CB)
BioMar Group A/S (DCB)

Jørgen Nicolajsen
Deputy Chairman

President and CEO, Monberg & Thorsen A/S
President, Dyrup A/S

Irene Chabior *
HR Development Consultant, HR

Curt Germundsson
Member of the supervisory board of:
Kongsberg Automotive ASA (Norway) (CB)
Bandak Group AS (Norway) (CB)
EFD Induction ASA (Norway)
Alignment Systems AB (Sweden)
Dev Port AB (Sweden)

Hans-Henrik Hansen *
Manager, Design & Engineering

Member of the supervisory board of:
Knud Højgaards Fond

Helge Israelsen
Member of the supervisory board of:
Højgaard Holding a/s

Erik D. Jensen
Member of the supervisory board of:
Ejnar og Meta Thorsens Fond
Royal Scandinavia A/S (CB)
Royal Scandinavia II A/S (CB)
Royal Copenhagen A/S (DCB)
Pandora Invest A/S
Pandora Holding A/S
PBI-Holding, Ringsted A/S (CB)
Kærup Erhvervspark A/S (CB)
PBI Dansensor A/S (CB)
PBInge A/S (DCB)
CENS A/S (CB)

Poul Lind
CEO, Green Wind Energy A/S

Member of the supervisory board of:
Monberg & Thorsen A/S

Jens Jørgen Madsen
Member of the supervisory board of:
Højgaard Holding a/s
Color Print A/S
J. Hvidtved Larsen A/S
Kirk Kapital A/S
Sanistål A/S
Velux A/S (CB)
VKR Holding A/S

Torsten Ask Overgaard *
Design Manager, Design & Engineering

Knud Rasmussen *
Section Manager, Civil Engineering

Lars Rasmussen
CEO, Coloplast A/S
(and on the management of 25 subsidiaries)

Member of the supervisory board of:
Højgaard Holding a/s
TDC A/S

*) Employee representative
(CB) Chairman of the Supervisory Board
(DCB) Deputy Chairman of the Supervisory Board

FINANCIAL STATEMENTS

Income statement and statement of comprehensive income

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Income statement		
6,951.5	5,640.6	4	Revenue	9,087.4	11,171.0
-6,682.2	-5,434.4	5-6	Production costs	-8,396.2	-10,452.8
269.3	**206.2**		**Gross profit**	**691.2**	**718.2**
-94.2	-96.9		Distribution costs	-143.2	-134.3
-91.8	-98.6	5-7	Administrative expenses	-258.5	-257.4
83.3	**10.7**		**Operating profit**	**289.5**	**326.5**
-	-	13	Share of profit after tax of associates	0.3	0.0
284.5	228.0	8	Financial income	37.8	64.7
-91.6	-20.2	9	Financial expenses	-20.8	-32.2
276.2	**218.5**		**Profit before tax**	**306.8**	**359.0**
-69.2	-63.2	10	Income tax expense	-84.1	-100.0
207.0	**155.3**		**Profit for the year**	**222.7**	**259.0**
			Proposal for distribution of profit		
50.0	50.0		Dividend for the financial year		
157.0	105.3		Retained earnings		
207.0	**155.3**		**Total**		
			Statement of comprehensive income		
207.0	**155.3**		**Profit for the year**	**222.7**	**259.0**
			Other comprehensive income		
0.0	0.0		Foreign exchange adjustments, foreign enterprises	0.3	1.5
			Value adjustments of hedging instruments	-5.2	0.0
0.0	0.0		Tax on other comprehensive income	0.0	0.0
0.0	**0.0**		**Other comprehensive income after tax**	**-4.9**	**1.5**
207.0	**155.3**		**Total comprehensive income**	**217.8**	**260.5**

Balance sheet

PARENT COMPANY			ASSETS	GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Non-current assets		
			Intangible assets		
33.7	33.7		Goodwill	94.0	80.5
7.1	5.7		Other intangible assets	14.8	14.7
40.8	**39.4**	**11**	**Total intangible assets**	**108.8**	**95.2**
			Property, plant and equipment		
138.1	132.9		Land and buildings	368.7	356.7
40.3	81.7		Plant and machinery	321.3	283.1
11.9	17.4		Fixtures and fittings, tools and equipment	102.9	94.2
0.0	0.0		Property, plant and equipment under construction	4.6	12.5
190.3	**232.0**	**12**	**Total property, plant and equipment**	**797.5**	**746.5**
			Investments		
385.5	379.8	13	Investments in subsidiaries	-	-
47.7	50.1	13	Investments in jointly controlled entities and associates	1.2	1.6
19.3	19.8	13	Receivables from associates	15.4	19.3
0.3	0.0	13	Other equity investments	0.0	0.6
167.4	118.7	18	Deferred tax assets	113.3	139.6
620.2	**568.4**		**Total investments**	**129.9**	**161.1**
851.3	**839.8**		**Total non-current assets**	**1,036.2**	**1,002.8**
			Current assets		
			Inventories		
3.8	2.4	14	Raw materials and consumables	75.1	79.9
466.5	492.7	14	Properties held for resale	500.0	473.8
470.3	**495.1**		**Total inventories**	**575.1**	**553.7**
			Receivables		
1,454.7	1,470.0		Trade receivables	2,171.5	2,220.5
259.0	128.3	20	Construction contracts in progress	383.1	478.6
161.5	418.1		Receivables from subsidiaries	-	-
63.5	0.0		Receivables from associates	0.0	0.0
0.0	0.0		Receivables from jointly controlled entities	0.0	32.1
2.2	13.5		Income tax	16.7	2.4
175.5	182.7		Other receivables	249.1	215.7
117.9	100.3		Prepayments	116.5	135.2
2,234.3	**2,312.9**	**15**	**Total receivables**	**2,936.9**	**3,084.5**
158.6	**462.8**	**16**	**Securities**	**563.4**	**158.6**
432.3	**262.3**	**32**	**Cash and cash equivalents**	**392.7**	**476.8**
3,295.5	**3,533.1**		**Total current assets**	**4,468.1**	**4,273.6**
4,146.8	**4,372.9**		**Total assets**	**5,504.3**	**5,276.4**

PARENT COMPANY			EQUITY AND LIABILITIES	GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Equity		
220.0	220.0		Share capital	220.0	220.0
-	-		Other reserves	-3.0	1.9
879.6	984.9		Retained earnings	1,342.6	1,169.9
50.0	50.0		Proposed dividends	50.0	50.0
1,149.6	**1,254.9**		**Total equity**	**1,609.6**	**1,441.8**
			Non-current liabilities		
23.8	33.6	17	Bank loans, etc.	95.7	86.9
0.0	0.0	18	Deferred tax liabilities	0.0	0.0
64.1	73.3	19	Provisions	144.7	90.1
87.9	**106.9**		**Total non-current liabilities**	**240.4**	**177.0**
			Current liabilities		
1.0	3.3	17	Current portion of non-current financial liabilities	15.3	35.3
0.0	0.0	17	Bank loans, etc.	21.0	0.4
1,202.2	1,314.1	20	Construction contracts in progress	1,527.2	1,484.3
106.4	157.2		Prepayments received from customers	188.1	133.8
801.3	734.2		Trade payables	1,008.6	1,150.6
277.2	240.3		Payables to subsidiaries	-	-
0.0	22.2		Payables to jointly controlled entities	11.3	0.0
0.0	0.0		Income tax	8.7	1.2
445.1	471.1		Other payables	783.5	724.7
75.8	68.4		Deferred income	72.2	118.5
0.3	0.3	19	Provisions	18.4	8.8
2,909.3	**3,011.1**		**Total current liabilities**	**3,654.3**	**3,657.6**
2,997.2	**3,118.0**		**Total liabilities**	**3,894.7**	**3,834.6**
4,146.8	**4,372.9**		**Total equity and liabilities**	**5,504.3**	**5,276.4**
			Notes without reference		
		1	Accounting policies		
		2	Accounting estimates and judgements		
		3	Information on activities		
		21	Security arrangements		
		22	Lease commitments		
		23	Contingent assets and contingent liabilities		
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		25	Joint ventures		
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Cash flow statement

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
			Operating activities		
83.3	10.7		Operating profit	289.5	326.5
3.0	55.7	30	Non-cash operating items	135.8	59.0
86.3	**66.4**		**Cash flows from operating activities before working capital changes**	**425.3**	**385.5**
			Working capital changes:		
17.0	-28.0		Inventories	-22.1	53.5
-196.6	-175.0		Receivables excluding construction contracts in progress	73.7	-68.9
141.6	242.6		Construction contracts in progress	138.3	144.9
200.0	-26.1		Trade and other current payables	-81.7	42.8
248.3	**79.9**		**Cash flows from operations (operating activities)**	**533.5**	**557.8**
55.0	33.1		Financial income	37.8	57.7
-17.9	-15.5		Financial expenses	-20.8	-31.6
285.4	**97.5**		**Cash flows from operations (ordinary activities)**	**550.5**	**583.9**
-27.3	-40.6		Income taxes paid, net	-64.8	-47.5
258.1	**56.9**		**Cash flows from operating activities**	**485.7**	**536.4**
			Investing activities		
-18.0	0.0	31	Acquisition of enterprises and activities	-16.4	-41.4
-91.8	-10.2		Capital contributions to subsidiaries and associates	-	-
-27.4	-69.0	30	Purchase of property, plant and equipment	-235.9	-214.8
1.1	6.2		Sale of property, plant and equipment	92.9	89.8
192.9	194.9		Dividends from subsidiaries and associates	0.0	0.0
-9.6	-454.7		Purchase of securities	-553.5	-9.6
0.0	150.0		Sale of securities	191.5	0.0
47.2	**-182.8**		**Cash flows for investing activities**	**-521.4**	**-176.0**
			Financing activities		
			Loan financing:		
0.0	5.9	30	Increase in non-current bank loans, etc.	7.8	0.0
-10.8	0.0		Decrease in non-current bank loans, etc.	-26.8	-11.1
			Shareholders:		
-50.0	-50.0		Dividends	-50.0	-50.0
-60.8	**-44.1**		**Cash flows from financing activities**	**-69.0**	**-61.1**
244.5	**-170.0**		**Net increase (decrease) in cash and cash equivalents**	**-104.7**	**299.3**
187.8	432.3		Cash and cash equivalents at 01-01	476.4	177.1
432.3	**262.3**	**32**	**Cash and cash equivalents at 31-12**	**371.7**	**476.4**

The figures in the cash flow statement cannot be derived from the published accounting records alone.

Statement of changes in equity

Amounts in DKK million

Equity, parent company	Share capital	Retained earnings	Proposed dividends	Total
2008				
Equity at 01-01	**220.0**	**722.6**	**50.0**	**992.6**
Comprehensive income for the year		207.0		207.0
Proposed dividends		-50.0	50.0	0.0
Dividends paid			-50.0	-50.0
Total changes in equity	**0.0**	**157.0**	**0.0**	**157.0**
Equity at 31-12	**220.0**	**879.6**	**50.0**	**1,149.6**
2009				
Equity at 01-01	**220.0**	**879.6**	**50.0**	**1,149.6**
Comprehensive income for the year		155.3		155.3
Proposed dividends		-50.0	50.0	0.0
Dividends paid			-50.0	-50.0
Total changes in equity	**0.0**	**105.3**	**0.0**	**105.3**
Equity at 31-12	**220.0**	**984.9**	**50.0**	**1,254.9**

At 31 December 2009, MT Højgaard a/s's share capital amounted to DKK 220 million divided into shares of DKK 1,000 each. No shares carry special rights.

Equity, Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividends	Total
2008						
Equity at 01-01	**220.0**	**0.0**	**0.4**	**960.9**	**50.0**	**1,231.3**
Comprehensive income for the year			1.5	259.0		260.5
Proposed dividends				-50.0	50.0	0.0
Dividends paid					-50.0	-50.0
Total changes in equity	**0.0**	**0.0**	**1.5**	**209.0**	**0.0**	**210.5**
Equity at 31-12	**220.0**	**0.0**	**1.9**	**1,169.9**	**50.0**	**1,441.8**
2009						
Equity at 01-01	**220.0**	**0.0**	**1.9**	**1,169.9**	**50.0**	**1,441.8**
Comprehensive income for the year		-5.2	0.3	222.7		217.8
Proposed dividends				-50.0	50.0	0.0
Dividends paid					-50.0	-50.0
Total changes in equity	**0.0**	**-5.2**	**0.3**	**172.7**	**0.0**	**167.8**
Equity at 31-12	**220.0**	**-5.2**	**2.2**	**1,342.6**	**50.0**	**1,609.6**

Notes

Notes

Note

1 Accounting policies

The Group's and the parent company's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports, cf. the statutory order on the adoption of IFRS issued pursuant to the Danish Financial Statements Act.

In addition, the annual report has been prepared in compliance with IFRS issued by the IASB.

The annual report is presented in Danish kroner.

The accounting policies are unchanged from those set out in the 2008 annual report, apart from the effects of the factors set out in the following.

The following have been implemented with effect from 1 January 2009: IAS 1 (revised 2007) Presentation of Financial Statements, IAS 23 (revised 2007) Borrowing Costs, IFRS 2 Share-based Payment: Vesting Conditions and Cancellations, Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation, Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, Amendment to IFRS 7: Improving Disclosures about Financial Instruments, parts of Improvements to IFRSs May 2008, which became effective on 1 January 2009, and IFRICs 13, 15 and 16. IFRICs 15 and 16 have been adopted with different effective dates in the EU than the corresponding IFRICs as issued by the IASB. IFRICs 15 and 16 were implemented on 1 January 2009, in accordance with the IASB effective dates.

IAS 1 changes the presentation of the primary statements and some note disclosures. Apart from this, the new accounting standards and interpretations have not had any effect on recognition and measurement in 2009.

In addition, the amended IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate, which has been implemented from 1 January 2009, has resulted in a changed recognition of dividends in the parent company financial statements in that dividends from subsidiaries, jointly controlled entities and associates must always be recognised in the income statement and must not be offset against cost, even though distribution originates from results relating to the period prior to the acquisition date.

The presentation in the income statement of derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities has been changed. Gains and losses on these instruments are now recognised in production costs, whereas they were previously recognised as financial income and expenses. Comparative figures have been restated.

Basis of reporting

Basis of consolidation
The consolidated financial statements comprise the parent company MT Højgaard a/s and subsidiaries in which the Group holds, directly or indirectly, more than 50% of the voting rights or which it controls in some other way.

Notes

Note

1 Accounting policies (continued)

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

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

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

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

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

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

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

The cash flows attributable to the operating, investing and financing activities of discontinued operations are disclosed in a note.

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

Notes

Note

1 Accounting policies (continued)

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

If there is any uncertainty at the acquisition date concerning the measurement of identifiable assets acquired or liabilities or contingent liabilities assumed, initial recognition is based on provisional fair values. If it is subsequently found that identifiable assets, liabilities and contingent liabilities had a different fair value at the acquisition date than initially assumed, goodwill is adjusted within twelve months of the acquisition date.

Minority interests
Minority interests are recognised initially on the basis of the fair values of the acquiree's assets, liabilities and contingent liabilities at the acquisition date.

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

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

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

Jointly controlled entities are accounted for in the consolidated financial statements applying proportionate consolidation. The parent company measures investments in jointly controlled entities at cost. Investments are written down to the recoverable amount, if this is lower than the carrying amount.

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

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

Notes

Note

1 Accounting policies (continued)

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

In the consolidated financial statements, foreign exchange adjustments of balances with foreign entities that are accounted for as part of the overall net investment in the entity in question are taken directly to a separate translation reserve under equity.

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

Derivative financial instruments

The Group uses derivative financial instruments such as forward exchange contracts and similar instruments to hedge financial risks arising from operating activities.

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

For derivative financial instruments that qualify for cash flow hedge accounting, changes in fair value are recognised in equity as they occur. Income and expenses relating to such hedging transactions are transferred from equity on realisation of the hedged item and recognised in the same item as the hedged item.

Derivative financial instruments are recognised initially in the balance sheet at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. Gains and losses on remeasurement to fair value are recognised as other receivables and other payables, respectively. Fair value is measured on the basis of current market data and recognised valuation methods based on observable exchange rates.

Leases

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

The present value is measured using the interest rate implicit in the lease or an approximation thereof as the discount rate.

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

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

Notes

Note

1 Accounting policies (continued)

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

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

Income statement

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

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

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

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

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

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

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

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

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

Notes

Note

1 Accounting policies (continued)

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

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

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

The parent company recognises dividends from investments in subsidiaries, jointly controlled entities and associates and adjustments of investments at the recoverable amount. Dividends are credited to income in the financial year in which they are declared.

Income tax
Income tax expense, which consists of current tax and changes in deferred tax, is recognised in the income statement except to the extent that it relates to income and expenses recognised directly in equity, in which case it is recognised directly in equity.

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

MT Højgaard a/s is taxed jointly with its Danish and foreign subsidiaries (international joint taxation). Subsidiaries are included in the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements, and up to the date on which they are no longer included in the consolidation.

The parent company MT Højgaard a/s is the management company for the Danish joint taxation and consequently settles all income tax payments to the Danish tax authorities.

Balance sheet

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

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

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over the estimated useful life.

Notes

Note

1 **Accounting policies (continued)**

The amortisation period is normally 5-10 years. The amortisation base is reduced by any impairment losses.

Property, plant and equipment

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

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

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

Expected useful lives:

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

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

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

Investments in associates in the consolidated financial statements

The Group measures investments in associates using the equity method. Accordingly, investments in associates are measured at the proportionate share of the associates' net assets, applying the Group's accounting policies, plus or minus unrealised intragroup profits/losses, and plus goodwill.

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

Investments in the parent company financial statements

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

Subsidiaries, jointly controlled entities and associates with a negative carrying amount are recognised at nil. If the parent company has a legal or constructive obligation to cover the negative balance of a subsidiary, jointly controlled entity or associate, the negative balance is offset against the parent company's receivables from the subsidiary, jointly controlled entity or associate. Any balance is recognised under liabilities.

Notes

Note

1 Accounting policies (continued)

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

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

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

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

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

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

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

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

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

Receivables
Receivables are measured at amortised cost less impairment losses.

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

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

Notes

Note

1 Accounting policies (continued)

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

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

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

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

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

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

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

Hedging reserve
The hedging reserve comprises the accumulated net change in the fair value of hedging transactions that qualify for designation as cash flow hedges, and where the hedged transaction has yet to be realised.

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

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

Notes

Note

1 **Accounting policies (continued)**

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

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

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

Deferred tax is measured on the basis of the tax rules and the tax rates effective in the respective countries at the time the deferred tax is expected to crystallise as current tax. The effect of changes in deferred tax due to changed tax rates is recognised in the income statement, unless the items in question were previously taken to equity.

Pension obligations

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

Provisions

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

Financial liabilities

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

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

Notes

Note

1 Accounting policies (continued)

Cash flow statement

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

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

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

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

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

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

Financial ratios
Financial ratios have been prepared in conformity with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

The financial ratios used are defined under consolidated financial highlights.

Notes

Note

2 Accounting estimates and judgements

Estimation uncertainty

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

The estimates applied are based on assumptions which are sound, in management's opinion, but which, by their nature, are uncertain and unpredictable. The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur. Moreover, the company is subject to risks and uncertainties that may cause the actual results to differ from these estimates. Special risks for the MT Højgaard Group are described in note 26 on "Financial risks" and in the section on "Commercial risks" in the management's review.

Estimates that are material for the financial reporting relate primarily to measurement of the selling price of construction contracts in progress and the outcome of disputes. This is determined on the basis of, among other things, expected remaining expenses and income. They also include estimates relating to the outcome of litigation in connection with demands for extra payments, etc., which are determined on the basis of, among other things, the stage of negotiations with the counterparty and an evaluation of the likely outcome.

In connection with impairment testing of equity investments and goodwill, we also apply estimates of how the enterprises in question or parts of the enterprise to which the goodwill relates will be able to generate sufficient positive future net cash flows to support the value of the equity investment or goodwill, and other net assets in the part of the enterprise in question. Such estimates are naturally subject to some uncertainty, which is reflected in the discount rate applied. The assumptions for impairment testing of equity investments and goodwill are described in notes 11 and 13 respectively.

Accounting policies

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

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		3	**Information on activities**		
			The MT Højgaard Group works exclusively within building and civil engineering in Denmark and abroad.		
			Internationally, the MT Højgaard Group operates in Europe (the UK, Portugal, Sweden and Norway), the North Atlantic (Faroe Islands and Greenland), South-West Asia and the Middle East (Qatar) as well as South America (Panama).		
			A single customer accounts for 13.5% of total consolidated revenue. In the balance sheet at 31 December 2009, net receivables from this customer accounted for less than 4% of total receivables.		
			Geographical breakdown of revenue and non-current assets		
			Revenue can be broken down as follows:		
			Denmark	6,119.9	8,001.4
			Rest of world	2,967.5	3,169.6
			Total	**9,087.4**	**11,171.0**
			Non-current assets excluding deferred tax assets can be broken down as follows:		
			Denmark	775.5	681.8
			Rest of world	147.4	181.4
			Total	**922.9**	**863.2**
		4	**Revenue**		
			Revenue can be broken down as follows:		
6,486.8	5,427.9		Selling price of the production for the year on construction contracts in progress and completed construction contracts, etc.	8,273.8	9,889.9
464.7	210.0		Revenue from project development cases sold, etc.	210.0	585.4
0.0	2.7		Rental income	603.6	695.7
6,951.5	**5,640.6**		**Total**	**9,087.4**	**11,171.0**
		5	**Depreciation and amortisation**		
0.0	1.4		Intangible assets	2.3	0.8
23.9	27.3		Property, plant and equipment	120.7	118.1
23.9	**28.7**		**Total depreciation and amortisation**	**123.0**	**118.9**
			Deprecation and amortisation are included in the income statement as follows:		
19.7	23.8		Production costs	115.5	99.3
4.2	4.9		Administrative expenses	7.5	19.6
23.9	**28.7**		**Total depreciation and amortisation**	**123.0**	**118.9**

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		6	**Staff costs**		
			The total amount paid in wages and salaries, etc., can be broken down as follows:		
1,043.3	939.4		Wages and salaries, etc.	2,166.3	2,359.9
77.3	70.2		Pension contributions (defined contribution)	158.6	176.9
46.6	40.0		Other social security costs	92.2	90.3
1,167.2	**1,049.6**		**Total**	**2,417.1**	**2,627.1**
3,378	**2,997**		**Average number of employees**	**5,872**	**6,170**
3,264	**2,998**		**Number of employees, year end**	**5,833**	**6,151**
			Total remuneration to the Supervisory Board and the Executive Board:		
2.6	3.0		Supervisory Board	3.0	2.6
13.2	12.2		Executive Board	12.2	13.2
15.8	**15.2**		**Total**	**15.2**	**15.8**
			The total amount paid in remuneration to the members of the Supervisory Board and the Executive Board can be broken down as follows:		
15.8	15.2		Salaries and remuneration, etc.	15.2	15.8
15.8	**15.2**		**Total**	**15.2**	**15.8**
		7	**Fees paid to auditor appointed at the Annual General Meeting (KPMG)**		
1.6	1.6		Audit fees	4.4	4.7
0.1	0.1		Other assurance engagements	0.3	0.2
0.9	0.9		Tax and VAT advice	1.0	0.7
2.3	2.3		Non-audit services	4.7	3.4
4.9	**4.9**		**Total fees**	**10.4**	**9.0**
		8	**Financial income**		
30.6	16.8		Financial income, other	14.1	32.4
6.0	15.4		Interest income, securities	19.1	6.0
0.0	0.0		Capital gains on securities	1.2	0.0
0.2	0.9		Capital gains on sale of equity investments	0.0	0.0
24.7	0.0		Foreign exchange gains	3.4	26.3
65.0	73.0		Dividends from subsidiaries	-	-
127.9	121.9		Dividends from associates and jointly controlled entities	-	-
30.1	0.0		Reversal of impairment loss relating to investments in subsidiaries and associates, etc.	-	-
284.5	**228.0**		**Total financial income**	**37.8**	**64.7**
7.8	8.3		Of which interest received from subsidiaries	-	-

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		9	**Financial expenses**		
17.9	6.0		Interest expense	12.9	26.3
0.6	0.6		Capital losses on securities	0.6	0.6
0.0	0.6		Foreign exchange losses	7.3	4.8
73.1	13.0		Impairment loss relating to investments in subsidiaries and associates, etc.	-	-
0.0	0.0		Value adjustments of other equity investments	0.0	0.5
91.6	**20.2**		**Total financial expenses**	**20.8**	**32.2**
0.0	0.0		Of which interest paid to subsidiaries	-	-
		10	**Income tax expense**		
-27.2	-29.5		Current tax	-57.8	-30.8
-42.0	-33.7		Changes in deferred tax	-26.3	-69.2
-69.2	**-63.2**		**Income tax expense**	**-84.1**	**-100.0**
			Income tax expense can be broken down as follows:		
-69.0	-54.6		Income tax expense before tax measured at Danish tax rate (25%)	-76.7	-89.8
-7.6	-3.2		Deviations in foreign enterprises' tax rates	-7.6	-7.1
55.8	52.4		Non-taxable income	0.0	0.0
-25.3	-3,8		Non-deductible expenses	-0.8	-0,1
-23.1	-54.0		Other, including prior year adjustments and joint taxation	1.0	-3.0
-69.2	**-63.2**		**Income tax expense**	**-84.1**	**-100.0**
25	29		Effective tax rate (%)	27	28
		11	**Intangible assets**		
			Goodwill		
28.0	33.7		Cost at 01-01	80.5	64.0
5.7	0.0		Addition on acquisition of enterprises	13.5	16.5
33.7	33.7		Cost at 31-12	94.0	80.5
0.0	0.0		Impairment losses at 01-01/31-12	0.0	0.0
33.7	**33.7**		**Carrying amount at 31-12**	**94.0**	**80.5**
			Other intangible assets		
0.0	7.1		Cost at 01-01	15.5	0.0
7.1	0.0		Addition on acquisition of enterprises	2.4	15.5
7.1	7.1		Cost at 31-12	17.9	15.5
0.0	0.0		Amortisation and impairment losses at 01-01	0.8	0.0
0.0	1.4		Amortisation	2.3	0.8
0.0	1.4		Amortisation and impairment losses at 31-12	3.1	0.8
7.1	**5.7**		**Carrying amount at 31-12**	**14.8**	**14.7**
40.8	**39.4**		**Total intangible assets**	**108.8**	**95.2**

Notes

Note

11 Intangible assets (continued)

Goodwill

The carrying amounts of goodwill attributable to business area Civil Engineering (DKK 4.0 million), Construction (DKK 24.0 million) and Utility Services (DKK 5.7 million) in MT Højgaard a/s; Enemærke & Petersen a/s (DKK 43.2 million); and Lindpro a/s (DKK 17.2 million), were tested for impairment at 31 December 2009.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. In connection with the test at 31 December 2009 the net cash flows were determined on the basis of the approved budget for 2010 and estimates for the years 2011-2014. The growth in the terminal period was fixed at 1% (2008: 2.5%). A discount rate of 11-12% before tax was used to calculate the present value (2008: 10-12%).

The impairment test did not give rise to any write-downs of goodwill to recoverable amount.

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

Other intangible assets

Other intangible assets comprise customer lists acquired on acquisition of enterprises and activities.

It is estimated that the useful lives of capitalised intangible assets are limited.

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

Notes

PARENT COMPANY 2009

Note	Amounts in DKK million					
12	**Property, plant and equipment**					
		Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
	Cost at 01-01	165.8	115.0	47.9	0.0	**328.7**
	Disposal on addition of assets to subsidiary	-9.4	-0.3	-0.4	0.0	**-10.1**
	Additions	3.0	62.3	9.9	0.0	**75.2**
	Disposals	0.0	-3.2	0.0	0.0	**-3.2**
	Cost at 31-12	159.4	173.8	57.4	0.0	**390.6**
	Depreciation and impairment losses at 01-01	27.7	74.7	36.0	0.0	**138.4**
	Disposal on addition of assets to subsidiary	-3.7	-0.2	0.0	0.0	**-3.9**
	Depreciation, disposals	0.0	-3.1	0.0	0.0	**-3.1**
	Depreciation	2.5	20.7	4.0	0.0	**27.2**
	Depreciation and impairment losses at 31-12	26.5	92.1	40.0	0.0	**158.6**
	Carrying amount at 31-12	**132.9**	**81.7**	**17.4**	**0.0**	232.0
	Mortgaged properties:					
	Carrying amount	47.6				**47.6**
	Year-end balance, loans	17.3				**17.3**
	Assets held under finance leases:					
	Carrying amount	0.0	0.0	6.1	0.0	**6.1**

Notes

PARENT COMPANY 2008

Note	Amounts in DKK million					
12	**Property, plant and equipment (continued)**					
		Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
	Cost at 01-01	160.8	97.4	49.5	1.7	**309.4**
	Addition on acquisition of activities	0.0	5.0	0.0	0.0	**5.0**
	Additions	5.0	17.2	4.1	0.2	**26.5**
	Disposals	0.0	-4.6	-5.7	-1.9	**-12.2**
	Cost at 31-12	165.8	115.0	47.9	0.0	**328.7**
	Depreciation and impairment losses at 01-01	24.9	61.7	37.4	0.0	**124.0**
	Depreciation, disposals	0.0	-3.8	-5.6	0.0	**-9.4**
	Depreciation	2.8	16.8	4.2	0.0	**23.8**
	Depreciation and impairment losses at 31-12	27.7	74.7	36.0	0.0	**138.4**
	Carrying amount at 31-12	**138.1**	**40.3**	**11.9**	**0.0**	**190.3**
	Mortgaged properties:					
	Carrying amount	48.7				**48.7**
	Year-end balance, loans	18.1				**18.1**
	Assets held under finance leases:					
	Carrying amount	0.0	0.0	0.0	0.0	**0.0**

Notes

GROUP 2009

Note	Amounts in DKK million	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
12	**Property, plant and equipment (continued)**					
	Cost at 01-01	450.4	825.2	244.0	12.5	**1,532.1**
	Addition on acquisition of activities	0.0	3.5	0.0	0.0	**3.5**
	Additions	24.9	156.4	48.6	13.4	**243.3**
	Disposals	-5.3	-119.8	-11.2	-21.3	**-157.6**
	Cost at 31-12	470.0	865.3	281.4	4.6	**1,621.3**
	Depreciation and impairment losses at 01-01	93.7	542.1	149.8	0.0	**785.6**
	Depreciation, disposals	-1.0	-71.8	-9.5	0.0	**-82.3**
	Depreciation	8.6	73.7	38.2	0.0	**120.5**
	Depreciation and impairment losses at 31-12	101.3	544.0	178.5	0.0	**823.8**
	Carrying amount at 31-12	**368.7**	**321.3**	**102.9**	**4.6**	**797.5**
	Mortgaged properties:					
	Carrying amount	134.1				**134.1**
	Year-end balance, loans	55.4				**55.4**
	Assets held under finance leases:					
	Carrying amount	0.0	11.5	16.0	0.0	**27.5**

Notes

GROUP 2008

Note Amounts in DKK million

12 Property, plant and equipment (continued)

	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Property, plant and equipment under construction	**Total**
Cost at 01-01	430.3	793.1	191.0	12.7	**1,427.1**
Addition on acquisition of activities	0.0	8.7	0.0	0.0	**8.7**
Reclassifications, etc.	0.0	-19.4	11.7	0.0	**-7.7**
Additions	43.9	101.9	53.7	19.1	**218.6**
Disposals	-23.8	-59.1	-12.4	-19.3	**-114.6**
Cost at 31-12	450.4	825.2	244.0	12.5	**1,532.1**
Depreciation and impairment losses at 01-01	93.9	518.4	114.9	0.0	**727.2**
Reclassifications	0.0	-19.4	11.7	0.0	**-7.7**
Depreciation, disposals	-8.1	-33.3	-10.5	0.0	**-51.9**
Depreciation	7.9	76.4	33.7	0.0	**118.0**
Depreciation and impairment losses at 31-12	93.7	542.1	149.8	0.0	**785.6**
Carrying amount at 31-12	**356.7**	**283.1**	**94.2**	**12.5**	**746.5**
Mortgaged properties:					
Carrying amount	120.1				**120.1**
Year-end balance, loans	46.9				**46.9**
Assets held under finance leases:					
Carrying amount	0.0	19.4	10.7	0.0	**30.1**

Notes

PARENT COMPANY

Note	Amounts in DKK million	Investments in subsidiaries	Investments in jointly controlled entities and associates	Other equity investments	Receivables from associates	Deferred tax assets	Total
13	**Investments**						
	2009						
	Cost at 01-01	553.3	47.7	0.3			
	Additions	3.0	2.4	0.0			
	Addition of assets to subsidiaries	6.1	0.0	0.0			
	Disposals	-52.1	0.0	-0.3			
	Cost at 31-12	510.3	50.1	0.0			
	Adjustments at 01-01	-167.8	0.0	0.0			
	Impairment losses	-13.0	0.0	0.0			
	Disposals	50.3	0.0	0.0			
	Adjustments at 31-12	-130.5	0.0	0.0			
	Carrying amount at 31-12	**379.8**	**50.1**	**0.0**	**19.8**	**118.7**	**568.4**
	2008						
	Cost at 01-01	462.2	47.0	0.2			
	Additions	91.1	0.8	0.1			
	Disposals	0.0	-0.1	0.0			
	Cost at 31-12	553.3	47.7	0.3			
	Adjustments at 01-01	-124.8	0.0	0.1			
	Impairment losses	-73.1	0.0	0.0			
	Reversal of impairment losses	30.1	0.0	0.0			
	Disposals	0.0	0.0	-0.1			
	Adjustments at 31-12	-167.8	0.0	0.0			
	Carrying amount at 31-12	**385.5**	**47.7**	**0.3**	**19.3**	**167.4**	**620.2**

A list of the consolidated enterprises is given in note 33.

In 2009, investments in subsidiaries were written down by DKK 13.0 million to recoverable amount.

The recoverable amount was determined as the value in use, calculated as the present value of the expected future net cash flows from the cash-generating units. A discount rate of 11-12% before tax was used to calculate the present value (2008: 10-12%).

Impairment losses for the year are recognised under financial expenses in note 9.
The impairment losses relate to MT Højgaard Grønland ApS and MT Højgaard Føroyar P/F.
The carrying amounts have been written down to the estimated recoverable amounts.

Notes

GROUP

Note	Amounts in DKK million	Investments in associates	Other equity investments	Receivables from associates	Deferred tax assets	**Total**
13	**Investments (continued)**					
	2009					
	Cost at 01-01	1.7	0.3			
	Additions	0.0	0.0			
	Disposals	0.0	-0.3			
	Cost at 31-12	1.7	0.0			
	Adjustments at 01-01	-0.1	0.3			
	Share of profit for the year after tax	0.3	-			
	Other adjustments	-0.7	-0.3			
	Adjustments at 31-12	-0.5	0.0			
	Carrying amount at 31-12	**1.2**	**0.0**	**15.4**	**113.3**	**129.9**
	2008					
	Cost at 01-01	2.0	2.5			
	Additions	0.8	0.0			
	Disposals	-1.1	-2.2			
	Cost at 31-12	1.7	0.3			
	Adjustments at 01-01	-1.0	-1.5			
	Other adjustments	0.9	1.8			
	Adjustments at 31-12	-0.1	0.3			
	Carrying amount at 31-12	**1.6**	**0.6**	**19.3**	**139.6**	**161.1**

Associates (the figures represent our ownership interest)	Revenue	Profit for the year	Total assets	Total liabilities	Total contingent liabilities
2009	**4.0**	**0.4**	**158.8**	**146.1**	**0.0**
2008	**6.1**	**0.0**	**64.5**	**75.6**	**0.0**

The following companies are associates:
OPP Hobro Tinglysningsret a/s (33%)
OPP Vildbjerg Skole A/S (50%)
OPP Ørstedskolen a/s (33%)

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		14	**Inventories**		
			Raw materials and consumables		
3.6	3.8		Cost at 01-01	80.3	64.5
0.6	0.3		Additions	70.1	74.2
-0.4	-1.7		Disposals	-74.9	-58.4
3.8	2.4		Cost at 31-12	75.5	80.3
0.0	0.0		Adjustments at 01-01	-0.4	0.0
0.0	0.0		Adjustments for the year	0.0	-0.4
0.0	0.0		Adjustments at 31-12	-0.4	-0.4
3.8	**2.4**		**Carrying amount at 31-12**	**75.1**	**79.9**
0.0	0.0		Value of inventories recognised at net realisable value	0.6	0.4
			Properties held for resale		
489.2	481.0		Cost at 01-01	488.3	531.1
0.0	0.0		Adjustments to start of year	0.0	14.6
177.9	30.7		Additions	30.7	177.9
-186.1	-1.4		Disposals	-1.4	-235.3
481.0	510.3		Cost at 31-12	517.6	488.3
-5.7	-14.5		Adjustments at 01-01	-14.5	8.9
0.0	0.0		Adjustments to start of year	0.0	-14.6
-8.8	-3.1		Impairment losses	-3.1	-8.8
-14.5	-17.6		Adjustments at 31-12	-17.6	-14.5
466.5	**492.7**		**Carrying amount at 31-12**	**500.0**	**473.8**
34.6	35.9		Value of properties recognised at net realisable value	41.7	40.3
			Mortgaged properties:		
0.0	0.0		Carrying amount	5.7	5.7
0.0	0.0		Year-end balance, loans	1.1	1.3

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

Notes

PARENT COMPANY 2008	PARENT COMPANY 2009	Note	Amounts in DKK million	GROUP 2009	GROUP 2008
		15	**Receivables**		
7.5	8.5		Receivables falling due more than one year after the balance sheet date	8.5	7.5
			Receivables falling due more than one year after the balance sheet date relate to rent deposits.		
			The fair value of receivables is deemed to correspond to the carrying amount.		
		16	**Securities**		
158.6	462.8		Bonds	563.4	158.6
158.6	**462.8**		**Total carrying amount**	**563.4**	**158.6**
158.7	462.1		Nominal holding	559.8	158.7
8.7	70.2		Bonds maturing more than one year after the balance sheet date	150.6	8.7
0.2	0.3		Maturity of bond portfolio (years)	0.9	0.2
3.9	2.7		Effective interest rate on bond portfolio (%)	3.5	3.9
42.4	56.3		Bonds lodged as security, contracts (market value)	56.3	42.4
0.0	0.0		Bonds featuring as registered assets in MTH Insurance a/s (quoted price)	100.7	0.0
			The parent company and the Group measure the bond portfolio at fair value via the income statement in accordance with IAS 39, as the portfolio functions as cash flow reserve in accordance with the Group's financial policy. The bond portfolio consists of listed Danish bonds that are regularly monitored and reported at fair value.		

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		17	**Interest-bearing liabilities**		
			Total interest-bearing liabilities can be broken down by commitment type as follows:		
24.8	30.7		Bank loans, etc.	95.3	66.9
0.0	6.2		Lease commitments (assets held under finance leases)	36.7	55.7
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
			Total interest-bearing liabilities can be broken down by currency as follows:		
24.8	36.9		DKK	87.4	101.4
0.0	0.0		EUR	44.6	21.2
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
			Total interest-bearing liabilities can be broken down by fixed-rate and floating-rate debt as follows:		
24.8	36.9		Fixed-rate debt	74.1	79.8
0.0	0.0		Floating-rate debt	57.9	42.8
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
			Total interest-bearing liabilities can be broken down by effective interest rate as follows:		
6.7	18.2		Less than 5%	82.9	79.6
18.1	18.7		Between 5% and 7%	49.0	43.0
0.0	0.0		More than 7%	0.1	0.0
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
5.0	4.2		Weighted average effective interest rate (%)	4.2	4.7
11.6	8.2		Weighted average remaining term (years)	5.0	5.1
			Interest-bearing liabilities are recognised in the balance sheet as follows:		
23.8	33.6		Non-current liabilities	95.7	86.9
1.0	3.3		Current liabilities	36.3	35.7
24.8	**36.9**		**Carrying amount at 31-12**	**132.0**	**122.6**
24.7	**36.3**		**Fair value**	**130.9**	**120.6**

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

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		18	**Deferred tax assets and deferred tax liabilities**		
-209.4	-167.4		Deferred tax (net) at 01-01	-139.6	-209.6
0.0	0.3		Disposal on addition of assets to subsidiary	-	-
42.0	33.7		Changes via income statement	26.3	69.2
0.0	14.7		Other adjustments	0.0	0.8
-167.4	**-118.7**		**Deferred tax (net) at 31-12**	**-113.3**	**-139.6**
			Deferred tax can be broken down as follows:		
			Deferred tax assets		
8.4	10.3		Property, plant and equipment	9.3	20.7
0.0	0.0		Current assets	2.4	2.1
14.4	16.2		Non-current liabilities	18.4	15.8
7.7	10.3		Current liabilities	15.0	11.5
225.6	182.1		Tax loss carryforwards	224.1	226.1
256.1	218.9		Deferred tax assets at 31-12 before set-off	269.2	276.2
-88.7	-100.2		Set-off within legal entities and jurisdictions (countries)	-155.9	-136.6
167.4	**118.7**		**Deferred tax assets at 31-12**	**113.3**	**139.6**
			Deferred tax liabilities		
3.0	2.6		Intangible assets	6.6	6.3
0.0	10.5		Property, plant and equipment	11.1	0.0
85.7	87.1		Current assets	138.2	130.3
88.7	100.2		Deferred tax liabilities at 31-12 before set-off	155.9	136.6
-88.7	-100.2		Set-off within legal entities and jurisdictions (countries)	-155.9	-136.6
0.0	**0.0**		**Deferred tax liabilities at 31-12**	**0.0**	**0.0**
-167.4	**-118.7**		**Deferred tax (net) at 31-12**	**-113.3**	**-139.6**

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

The tax loss carryforwards are not subject to any time limits and are expected to be utilised by set-off against future earnings.

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

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		19	**Provisions**		
45.5	64.4		Guarantee works, etc., at 01-01	98.9	72.1
19.2	9.5		Provided in the year	11.5	29.1
-0.3	-0.3		Utilised in the year	-1.6	-1.0
0.0	0.0		Reversal of unutilised prior year provisions	-5.8	-1.3
64.4	73.6		Guarantee works, etc., at 31-12	103.0	98.9
-	-		Employee liabilities at 01-01	0.0	0.0
-	-		Liability acquired	38.4	0.0
-	-		Provided in the year	21.7	0.0
-	-		Employee liabilities at 31-12	60.1	0.0
-	**-**		**Carrying amount at 31-12**	**163.1**	**98.9**
			Provisions are recognised in the balance sheet as follows:		
64.1	73.3		Non-current provisions	144.7	90.1
0.3	0.3		Current provisions	18.4	8.8
64.4	**73.6**		**Carrying amount at 31-12**	**163.1**	**98.9**
			Expected maturity dates:		
0.3	0.3		Less than one year	18.4	8.8
11.8	13.3		Between one and two years	25.2	13.7
35.2	39.5		Between two and five years	67.8	40.5
17.1	20.5		More than five years	51.7	35.9
64.4	**73.6**		**Carrying amount at 31-12**	**163.1**	**98.9**

Guarantee works, etc., relate primarily to provisions in respect of one-year and five-year guarantee works on completed contracts.

Employee liabilities comprise mainly insurance-related provisions for industrial injury cover that is covered under the Group's self-insurance programme.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		20	**Construction contracts in progress**		
7,045.7	6,453.3		Progress billings	7,971.1	9,119.2
-6,102.5	-5,267.5		Selling price of construction contracts	-6,827.0	-8,113.5
943.2	**1,185.8**		**Construction contracts in progress (net)**	**1,144.1**	**1,005.7**
			Construction contracts in progress are recognised in the balance sheet as follows:		
1,202.2	1,314.1		Current liabilities	1,527.2	1,484.3
-259.0	-128.3		Receivables	-383.1	-478.6
943.2	**1,185.8**		**Construction contracts in progress (net)**	**1,144.1**	**1,005.7**
			Prepayments received from customers are recognised separately in the balance sheet under current liabilities.		
		21	**Security arrangements**		
			Normal security in the form of bank guarantees, guarantee insurances and bond deposits has been provided for contracts and supplies.		
			The guarantees provided relate to:		
14.7	8.5		Bid bonds	39.2	18.4
1,511.8	1,636.1		Contracts and supplies in progress	2,067.4	2,060.6
1,133.2	916.7		Completed contracts and supplies	1,278.4	1,427.8
2,659.7	**2,561.3**		**Total**	**3,385.0**	**3,506.8**

Guarantees in respect of completed contracts and supplies relate to normal one-year and five-year guarantee works.

Similar security has been provided for prepayments received, etc., recognised in the balance sheet as liabilities.

In addition, land and buildings have been lodged as security for bank loans, etc., see notes 12 and 14.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		22	**Lease commitments**		
			Finance leases		
			Total future minimum lease payments:		
0.0	2.4		Due within one year	12.4	34.5
0.0	4.0		Due between two and five years	20.3	21.2
0.0	0.0		Due after more than five years	7.3	4.8
0.0	**6.4**		**Total**	**40.0**	**60.5**
			Carrying amount (present value):		
0.0	2.3		Due within one year	11.3	29.2
0.0	3.9		Due between two and five years	18.6	18.6
0.0	0.0		Due after more than five years	6.8	3.5
0.0	**6.2**		**Total**	**36.7**	**51.3**
0.0	0.2		Financial expenses	3.3	9.2
			Financial expenses have been determined as the difference between total future lease payments and the carrying amount (present value) of finance leases. These financial expenses are recognised in the income statement over the lease term.		
			Operating leases		
			Total future minimum lease payments:		
32.7	36.6		Due within one year	65.4	50.9
96.0	98.4		Due between two and five years	157.0	156.9
41.1	25.8		Due after more than five years	89.3	97.6
169.8	**160.8**		**Total**	**311.7**	**305.4**
32.3	38.9		Lease payments relating to operating leases recognised in the income statement	59.2	48.5
			The Group's finance and operating leases primarily relate to vehicles and operating equipment as well as leased premises. The lease term for vehicles and operating equipment is typically between two and six years with an option to extend the lease. The lease term for leased premises is up to 15 years. None of the leases features contingent rent.		

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008

23 Contingent assets and contingent liabilities

Indemnities

In accordance with normal practice, the parent company has issued indemnities in respect of a few subsidiaries, joint ventures and contracts won by subsidiaries.

Pending disputes and litigation

The MT Højgaard Group is involved in various disputes and legal and arbitration proceedings (expences as well as income). In management's opinion, the outcome of these proceedings is not expected to have any material adverse impact on the Group's financial position.

24 Related parties

Control

The Group has a controlling related party relationship with the principal shareholders in the parent company MT Højgaard a/s. The parent company is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen A/S (46%), both of which are listed on NASDAQ OMX Copenhagen.

Significant influence

Related parties with significant influence comprise the members of the company's Supervisory Board and Executive Board.

The parent company's related parties also include subsidiaries and associates in which MT Højgaard a/s has control or significant influence. A list of the consolidated enterprises is given on page 33.

Intragroup transactions

Apart from intragroup transactions that have been eliminated in the consolidated financial statements, and normal management remuneration, no transactions have been effected during the year with major shareholders, members of the Supervisory Board or Executive Board or other related parties. Remuneration to the Executive Board and Supervisory Board is disclosed in note 6.

Transactions between MT Højgaard a/s and the other group enterprises are based on arm's length terms.

Intragroup transactions between the parent company and the other consolidated enterprises can be broken down as follows:

Parent 2008	Parent 2009		Group 2009	Group 2008
313.0	327.0	Purchases of goods and services from subsidiaries	-	-
17.7	19.0	Sales of goods and services to subsidiaries		
44.0	7.0	Purchases of goods and services from associates and jointly controlled entities	-	-
19.9	1.0	Sales of goods and services to associates and jointly controlled entities	-	-

Transactions between consolidated enterprises have been eliminated in the consolidated financial statements.

Notes

Note Amounts in DKK million

24 Related parties (continued)

The parent company's balances with subsidiaries, associates and jointly controlled entities at 31 December are disclosed in the balance sheet and relate primarily to the Group's cash pool agreement and business-related balances concerning purchases and sales of goods and services. The business-related balances are non-interest bearing and are entered into on the same terms as apply to the parent company's other customers and suppliers. Balances with subsidiaries, associates and jointly controlled entities were not written down in 2009 or 2008.

The parent company's interest income and interest expense relating to balances with subsidiaries are disclosed in notes 8 and 9.

The parent company's dividends from subsidiaries and associates are disclosed in note 8.

The company's independent auditor
The company's independent auditor, KPMG Statsautoriseret Revisionspartner-selskab, has concluded a design-build contract for approx. DKK 900 million with MT Højgaard a/s on the construction of KPMG's new head office at Flintholm Station, Frederiksberg. The construction period is approx. 2 1/2 years, and the building is expected to be handed over in autumn 2011.

The conclusion of this contract and the commencement of the construction work have not given rise to any circumstances that may influence KPMG's independence as auditors of the company elected by the shareholders in general meeting.

25 Joint ventures

The MT Højgaard Group participates in two forms of joint ventures: jointly controlled operations and jointly controlled entities.

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

Jointly controlled entities are recognised in the consolidated financial statements applying proportionate consolidation. The parent company measures investments in jointly controlled entities at cost and recognises them as associates.

Notes

Note

25 Joint ventures (continued)

The Group participates in the following joint ventures.

Joint ventures		Ownership interest	Other joint venturers
Jointly controlled operations			
Aircon JV	*	50.00%	Hoffmann A/S
Changuinola Civil Works JV	*	50.00%	E. Pihl & Søn A/S
EL – FTTH Nord **	*	50.00%	Lindpro a/s
Eidi 2 Konsortiet		50.00%	PF. J&K Contractors
Eidi 2 Sudur Konsortiet		50.00%	PF. J&K Contractors
JV ElSyd **	*	50.00%	Lindpro a/s
KFT-JV	*	50.00%	Hochtief Construction AG
LOKO JV	*	66.00%	M.J. Eriksson Aktieselskab
M3-Konsortiet	*	60.00%	M.J. Eriksson Aktieselskab
M10-Syd-Konsortiet	*	60.00%	M.J. Eriksson Aktieselskab
MT Højgaard – Bravida JV/CTR	*	50.00%	Bravida Danmark A/S
MT Højgaard – Pihl	*	50.00%	E. Pihl & Søn A/S
Nuna Konsortiet	*	40.00%	Atcon Grønland A/S
			Arssarnerit A/S
Jointly controlled entities			
Greenland Contractors I/S	*	66.66%	Greenland Resources A/S
MTHojgaard Al Obaidly W.L.L.		49.00%	OITC W.L.L.
Seth S.A.		60.00%	OPERATIO Lda.

*) With reference to Section 5(1) of the Danish Financial Statements Act, these Danish joint ventures have omitted preparing annual reports as they are recognised in the consolidated financial statements.

**) Intragroup joint ventures that have been eliminated in the consolidated financial statements.

Notes

Note Amounts in DKK million

26 Financial risks

MT Højgaard's activities entail various financial risks that may affect the Group's development, financial position and operations.

There have been no significant changes in the Group's risk exposure or risk management compared with 2008.

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

Currency risks

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

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

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

The Group primarily uses forward exchange contracts to hedge contractual and budgeted cash flows. Changes in the value of derivative financial instruments are recognised in the income statement under production costs as they arise, as they do not qualify for hedge accounting. In the consolidated income statement the amount recognised amounted to an expense of DKK 17.3 million (2008: income of DKK 12.6 million). In the parent company income statement the amount recognised amounted to an expense of DKK 14.4 million (2008: income of DKK 12.6 million).

The open forward exchange contracts at 31 December 2009 had a remaining term of up to 5 years (2015).

Consolidated revenue denominated in foreign currencies, predominantly EUR, amounted to DKK 2.4 billion in 2009 (2008: DKK 2.2 billion).

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

The hypothetical effect on profit for the year and equity of reasonable, probable increases in exchange rates is shown below:

Notes

PARENT COMPANY				GROUP	
		Note	Amounts in DKK million		
		26	**Financial risks (continued)**		
Hypotheti-cal effect on profit for the year and equity	Nominal cash and cash equiv-alents, and financial liabilities			Nominal cash and cash equiv-alents, and financial liabilities	Hypotheti-cal effect on profit for the year and equity
1.3	167.9		EUR/DKK, probable change in exchange rate 1%	187.9	1.4
6.7	177.4		USD/DKK, probable change in exchange rate 5%	58.5	2.2
-0.8	-21.4		GBP/DKK, probable change in exchange rate 5%	-9.8	-0.4
-0.2	-6.6		SEK/DKK, probable change in exchange rate 5%	-6.6	-0.2
-15.6	-414.7		NOK/DKK, probable change in exchange rate 5%	-414.7	-15.6
	-97.4			**-184.7**	

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

The sensitivity analyses are based on the financial instruments recognised at 31 December 2009 and an assumption of unchanged production/sales and price level.

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

Cash/securities stood at DKK 956.1 million at the end of 2009 and is mainly placed on short-term, fixed-term deposit and in bonds with a maturity of less than one year at the end of 2009.

The Group’s interest-bearing liabilities stood at DKK 132.0 million at the end of 2009, with short-term borrowings accounting for 28%. The average weighted remaining maturity of the Group’s interest-bearing debt was 5.0 years, and the weighted average effective interest rate was 4.2%. Fixed-rate debt accounted for 56% of the Group’s interest-bearing debt.

Changes in fair value: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level at the balance sheet date would have been a DKK 3.5 million decrease in profit for the year and equity at 31 December 2009 (2008: decrease of DKK 0.3 million). A one percentage point decrease in the interest rate level would have had a corresponding positive effect.

Changes in cash flows: all other conditions being equal, the hypothetical effect of a one percentage point increase in relation to the interest rate level realised for the year on the Group’s floating-rate cash/securities and debt would have been a DKK 2.9 million increase in profit for the year and equity at 31 December 2009 (2008: increase of DKK 2.0 million). A one percentage point decrease in the interest rate level would have had a corresponding opposite effect.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		26	**Financial risks (continued)**		
			Credit risks		
			Credit risks are generally managed by regular credit rating of major clients and business partners. Excluding security received, the maximum credit risk on receivables corresponds to the amounts recognised in the balance sheet. The Group has no material risks relating to a single customer or business partner.		
			The credit risk exposure relating to dealings with counterparties other than banks is estimated to be limited, as the Group requests security in the form of bank guarantees and guarantee insurances or similar to a considerable extent when entering into contracts with private clients. Political credit risks on international projects are hedged through export credit insurance based on individual assessment.		
			Write-downs for bad and doubtful debts consequently constitute an insignificant amount and are due to compulsory winding-up or expected compulsory winding-up of clients.		
			Write-downs included in receivables developed as follows:		
1.4	1.2		Carrying amount at 01-01	9.2	7.7
0.2	1.3		Provided in the year	9.3	3.1
-0.4	-0.9		Utilised in the year	-1.4	-0.3
0.0	0.0		Reversal of unutilised prior year provisions	0.0	-1.3
1.2	**1.6**		**Carrying amount at 31-12**	**17.1**	**9.2**
1.2	1.6		Nominal value of written-down receivables	19.3	9.5
140.9	181.3		Receivables that were past due by more than 90 days at 31 December but not impaired	194.4	201.6
707.8	916.4		Security received in respect of receivables	934.4	710.4

Notes

PARENT COMPANY 2008	PARENT COMPANY 2009	Note	Amounts in DKK million	GROUP 2009	GROUP 2008
		26	**Financial risks (continued)**		
			Liquidity risks		
			Liquidity risks are managed through established, appropriate credit lines and committed facilities that match the need for financing planned operating activities and expected investments.		
			The Group's financial resources consist of cash, securities and undrawn credit facilities. At the end of 2009, the financial resources stood at DKK 1,307 million compared with DKK 1,141 million in 2008.		
			A cash pool agreement has been established for the parent company and most of the Group's subsidiaries.		
			Interest-bearing liabilities and trade payables can be broken down as follows:		
24.8	36.9		Interest-bearing liabilities	132.0	122.6
801.3	734.2		Trade payables	1,008.6	1,150.6
826.1	**771.1**		**Total carrying amount**	**1,140.6**	**1,273.2**
			The maturity profile for accounting purposes can be broken down as follows:		
802.3	737.6		Less than one year	1,044.9	1,186.3
0.9	3.3		Between one and two years	11.5	15.3
9.9	18.4		Between two and five years	33.1	31.3
13.0	11.8		More than five years	51.1	40.3
826.1	**771.1**		**Total carrying amount**	**1,140.6**	**1,273.2**
			Based on the Group's expectations concerning the future operations and the Group's current cash resources, no material liquidity risks have been identified.		
			The Group's borrowing and credit facilities are not subject to any special terms or conditions.		
			Categories of financial instruments		
			Carrying amount by category:		
171.2	462.8		Financial assets measured at fair value via the income statement	563.4	171.2
2,404.2	2,431.8		Loans and receivables	2,912.7	3,070.8
0.0	12.8		Financial liabilities measured at fair value via the income statement	14.7	0.0
1,718.0	1,717.5		Financial liabilities measured at amortised cost	2,181.0	2,237.6
			Fair value hierarchy for financial instruments measured at fair value in the balance sheet		
			The Group's securities are valued based on quoted prices (level 1).		
			The Group's derivative financial instruments are valued at observable prices (level 2).		

Notes

Note | Amounts in DKK million

27 Capital management

The need for alignment of the Group's and the individual subsidiaries' capital structure is reviewed on an ongoing basis to ensure that the capital position is in accordance with current regulations and matches the business concept and the level of activity. According to the Group's internal policy, equity must, as a rule, cover total non-current assets and provide an adequate equity ratio. The equity ratio was 29% in 2009 compared with 27% at the end of 2008.

28 New International Financial Reporting Standards and IFRIC Interpretations

The IASB has issued a number of standards and interpretations that are not mandatory for MT Højgaard in connection with the preparation of the annual report for 2009: IFRS 3, amendments to IAS 27, more amendments to IASs 32 and 39 and IFRIC 9, amendments to IFRS 2, amendments to IFRS 1, some parts of improvements to IFRSs (May 2008), improvements to IFRSs (April 2009), IFRIC 17-19, amendment to IFRIC 14, revised IAS 24 and IFRS 9. Amendments to IFRS 2, amendments to IFRS 1, improvements to IFRSs (April 2009), IFRICs 19, amendment to IFRIC 14, revised IAS 24 and IFRS 9 have yet to be adopted by the EU.

The new standards and interpretations are expected to be implemented from their mandatory effective dates. Apart from the standards set out below, none of the new standards or interpretations referred to above is expected to have any material effect on the MT Højgaard Group's financial reporting.

IFRS 3 "Business Combinations" (revised) and revised IAS 27 "Consolidation" became effective for financial years beginning on or after 1 July 2009. The technical adjustments to the purchase method in IFRS 3 are only expected to have limited effect on the MT Højgaard Group's financial reporting.

29 Events after the balance sheet date

So far as management is aware, no events have occurred between 31 December 2009 and the date of signing of the annual report that will have a material effect on the assessment of MT Højgaard Group's financial position at 31 December 2008, other than the effects recognised and referred to in the annual report.

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		30	**Non-cash operating items**		
			Non-cash operating items		
26.2	29.9		Depreciation and impairment losses – property, plant and equipment	122.6	125.3
-23.2	25.8		Other adjustments	13.2	-66.3
3.0	**55.7**		**Total non-cash operating items**	**135.8**	**59.0**
-27.4	-75.2		Purchase of property, plant and equipment, including assets held under finance leases	-243.2	-214.8
0.0	6.2		Portion relating to lease commitments	7.3	0.0
-27.4	**-69.0**		**Purchase of property, plant and equipment**	**-235.9**	**-214.8**
0.0	12.1		Increase in bank loans, etc., including lease commitments	15.1	0.0
0.0	-6.2		Portion relating to lease commitments	-7.3	0.0
0.0	**5.9**		**Increase in non-current bank loans, etc.**	**7.8**	**0.0**
		31	**Acquisition of enterprises and activities**		
			Acquisition of enterprises and activities		
7.1	0.0		Intangible assets	2.4	15.5
5.0	0.0		Property, plant and equipment	3.5	8.7
0.2	0.0		Inventories	2.3	2.7
0.0	0.0		Receivables	8.4	6.6
0.0	0.0		Cash and cash equivalents	1.9	0.0
0.0	0.0		Non-current liabilities	-0.6	-2.2
0.0	0.0		Current liabilities	-12.0	-6.4
12.3	**0.0**		**Identifiable net assets acquired**	**5.9**	**24.9**
5.7	0.0		Goodwill	12.4	16.5
18.0	**0.0**		**Purchase price**	**18.3**	**41.4**
0.0	0.0		Cash and cash equivalents in acquired enterprises	-1.9	0.0
18.0	**0.0**		**Cash purchase price, net**	**16.4**	**41.4**
			Carrying amount of assets acquired and liabilities and contingent liabilities assumed before the acquisition date:		
7.1	0.0		Intangible assets	0.0	0.0
5.0	0.0		Property, plant and equipment	2.4	8.7
0.2	0.0		Inventories	2.3	2.7
0.0	0.0		Receivables	8.4	6.6
0.0	0.0		Cash and cash equivalents	1.9	0.0
0.0	0.0		Non-current liabilities	0.0	-0.2
0.0	0.0		Current liabilities	-12.0	-6.4
12.3	**0.0**		**Total carrying amount before acquisition**	**4.1**	**11.4**

Notes

PARENT COMPANY				GROUP	
2008	2009	Note	Amounts in DKK million	2009	2008
		31	**Acquisition of enterprises and activities (continued)**		

In connection with the acquisition of enterprises and activities customer relations have been acquired that have been recognised at fair value on acquisition.

After recognition of identifiable assets and liabilities at fair value, goodwill in connection with acquisitions was calculated as DKK 12.4 million, which represents the future economic benefits from assets such as knowhow and synergies. The acquired activities feature with DKK 0.1 million in consolidated profit for 2009.

Consolidated revenue and profit for the year (unaudited), measured as if the acquired activities were taken over at 1 January 2009, amounted to DKK 9,109.8 million and DKK 223.1 million respectively.

For further details of the enterprises acquired, reference is made to the separate section on this in the management's review.

2008	2009	Note	Amounts in DKK million	2009	2008
		32	**Cash and cash equivalents**		
			Cash and cash equivalents at 31-12 can be broken down as follows:		
249.8	230.0		Distributable cash	358.7	292.0
182.5	32.3		Share of cash and cash equivalents in joint ventures	34.0	184.8
432.3	**262.3**		**Cash and cash equivalents**	**392.7**	**476.8**
0.0	0.0		Current portion of bank loans, etc.	-21.0	-0.4
432.3	**262.3**		**Total cash and cash equivalents**	**371.7**	**476.4**

Share of cash and cash equivalents in joint ventures is available exclusively to the joint ventures.

Notes

33 Company overview

Subsidiaries, jointly controlled entities and associates at 31 December 2009

Companies		Registered office	Ownership interest %	Share capital ('000)	
MT Højgaard a/s					
Ajos a/s		Hvidovre DK	100.00	DKK	500
Enemærke & Petersen a/s		Ringsted DK	100.00	DKK	5,000
Ringsted Entreprenørforretning ApS		Ringsted DK	100.00	DKK	200
Bendix Træ & Glas ApS		Hvidovre DK	100.00	DKK	200
Bode Byg A/S af 1997		Solrød DK	100.00	DKK	500
Bode Byg Facade A/S		Solrød DK	100.00	DKK	500
Greenland Contractors I/S	(J)	Copenhagen DK	66.66	DKK	-
Lindpro a/s		Glostrup DK	100.00	DKK	25,000
Arssarnerit A/S		Greenland DK	100.00	DKK	2,000
LN Entreprise A/S		Søborg DK	100.00	DKK	15,216
MHF 20061002 a/s		Søborg DK	100.00	DKK	1,101
MT (UK) Ltd.		UK GB	100.00	GBP	25
MT Atlantic Inc.		USA US	100.00	USD	10
MT Højgaard Føroyar P/F		Faroe Islands DK	100.00	DKK	2,700
MT Hojgaard (GIB) Ltd.		Gibraltar GB	100.00	GBP	2
MT Hojgaard Al Obaidly W.L.L.	(J)	Qatar QA	49.00	QAR	200
MT Højgaard Grønland ApS		Greenland DK	100.00	DKK	200
MTH Insurance a/s		Søborg DK	100.00	DKK	30,000
OPP Vildbjerg Skole A/S	(A)	Hellerup DK	50.00	DKK	500
OPP Hobro Tinglysningsret a/s	(A)	Hellerup DK	33.33	DKK	700
OPP Ørstedskolen a/s	(A)	Hellerup DK	33.33	DKK	2,400
Promecon as		Fredericia DK	100.00	DKK	5,000
Promecon as		Norway NO	100.00	NOK	500
Promecon Vietnam Company Limited		Vietnam VN	100.00	USD	50
Scandi Byg a/s		Løgstør DK	100.00	DKK	3,000
Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A., (Seth)	(J)	Portugal PT	60.00	EUR	4,000
Timbra a/s		Høje Taastrup DK	100.00	DKK	500

(A) associates.

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

OTHER INFORMATION

Consolidated financial highlights – EUR

Amounts in EUR million	2005	2006	2007	2008	2009
Income statement					
Revenue	1,112	1,487	1,574	1,501	1,221
Operating profit (EBIT)	14	8	26	44	39
Net financing costs and profit (loss) of associates	-2	-1	16	4	2
Profit before tax	13	7	42	48	41
Profit for the year	10	5	32	35	30
Balance sheet					
Share capital	30	30	30	30	30
Equity attributable to equity holders of the parent	130	134	165	194	216
Equity incl. minority interests	133	137	165	194	216
Balance sheet total	524	648	676	709	740
Interest-bearing deposit/debt (+/-)	-5	7	26	69	111
Invested capital	140	133	141	136	118
Cash flows					
Cash flows from operating activities	46	43	-10	72	65
Cash flows for investing activities	-23	-32	9	-24	-70
Cash flows from financing activities	-6	-1	-5	-8	-9
Net increase (decrease) in cash and cash equivalents	17	9	-5	40	-14
Financial ratios (%)					
Gross margin	5.5	4.0	4.8	6.4	7.6
Operating margin (EBIT margin)	1.3	0.5	1.7	2.9	3.2
Pre-tax margin	1.1	0.5	2.7	3.2	3.4
Return on invested capital (ROIC)	10.1	5.9	19.3	30.7	30.7
Return on equity (ROE)	8.2	3.7	20.9	19.4	14.6
Equity ratio	25.3	21.2	24.5	27.3	29.2
Other information					
Order book, year end	1,123	1,445	1,436	1,272	1,002
Average number of employees	5,660	6,289	6,494	6,170	5,872

The consolidated financial highlights in EUR are supplementary information to the financial statements, and have not been prepared in compliance with IFRS.

Income statement, balance sheet and cash flow statement items for all years have been translated from DKK into EUR using Danmarks Nationalbank's official exchange rate at 31 December 2009 of 7.44.

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