

NASDAQ OMX Copenhagen A/S  
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28 August 2014  
Ref.: JSZ/til



## Interim report for the period 1 October 2013-30 June 2014

Today, the Board of Directors of Per Aarsleff A/S has discussed and approved the interim report for the first nine months of the financial year 2013/2014. The interim report has not been audited or reviewed by the company's auditor.

### Results of the first nine months:

- Profit before tax came to DKK 225 million compared to DKK 132 million in the same period last financial year.
- Consolidated revenue came to DKK 5,966 million.
- Construction generated profit before interest of DKK 165 million.
- Pipe Technologies generated profit before interest of DKK 24 million.
- Piling generated profit before interest of DKK 51 million.
- Net interest-bearing debt came to DKK 288 million as at 30 June 2014.

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### Outlook for the financial year 2013/2014:

- The company now expects a profit before tax of DKK 290 million for the full financial year 2013/2014 compared with the previous estimate of DKK 260 million.

Andreas Lundby  
Chairman of the Board of Directors

Ebbe Malte Iversen  
General Manager

### Further information:

General Manager Ebbe Malte Iversen, Per Aarsleff A/S, tel. +45 8744 2222



## Highlights for the Group

Amounts in DKK million

	April quarter		Year to date		Financial year
	2013/2014	2012/2013	2013/2014	2012/2013	2012/2013
<b>Income statement</b>					
Revenue	2,158	1,844	5,966	5,341	7,376
Of this figure, work performed abroad	692	516	2,052	1,797	2,477
Operating profit	112	52	238	141	213
Profit before interest	114	52	240	142	213
Net financials	-6	-4	-15	-10	-16
Profit before tax	108	48	225	132	197
Profit after tax	81	33	167	89	150
<b>Balance sheet</b>					
Non-current assets			1,741	1,737	1,739
Current assets			2,672	2,578	2,798
Total assets			4,413	4,315	4,537
Equity			1,873	1,653	1,724
Non-current liabilities			491	496	486
Current liabilities			2,049	2,166	2,327
Total equity and liabilities			4,413	4,315	4,537
Net interest-bearing debt			288	355	507
Invested capital (IC)			2,146	1,992	2,214
<b>Cash flow statement</b>					
Cash flows from operating activities	-45	-127	426	144	42
Cash flows from investing activities	-65	-185	-188	-322	-370
Of this figure, investment in property, plant and equipment, net	-69	-84	-191	-186	-241
Cash flows from financing activities	-2	1	-25	-27	-24
Change in liquidity for the period	-112	-311	213	-205	-352
<b>Financial ratios</b>					
Gross margin ratio, %	13.3	10.5	12.4	10.5	10.8
Profit margin (EBIT margin), %	5.2	2.8	4.0	2.6	2.9
Net profit ratio (pre-tax margin), %	5.0	2.6	3.8	2.5	2.7
Return on invested capital (ROIC), %			10.9	7.7	11.0
Return on invested capital after tax (ROIC), % *			8.2	5.2	8.4
Return on equity (ROE), %			9.3	5.5	9.0
Equity interest, %			42.4	38.3	38.0
Earnings per share (EPS), DKK	39.9	16.4	82.2	43.8	73.5
Number of employees			4,569	3,965	4,019

Please see page 54 of the 2012/2013 annual report for financial ratio definitions.

\*Not translated into full year figures.



## **Management's review concerning the first nine months of the financial year 2013/2014**

### **Financial development of the Aarsleff Group**

#### **Income statement**

For the first nine months of the financial year 2013/2014, consolidated revenue increased by DKK 625 million or 12% from DKK 5,341 million to DKK 5,966 million. The Danish operations reported a revenue increase of 10%, and the foreign operations reported a revenue increase of 15%.

Administrative expenses and selling costs amounted to 8.5% of revenue against 7.9% last financial year. The main reason for this increase is that Aarsleff Rohrsanierung GmbH, which has a cost structure like the Pipe Technologies segment in general, is now included in the consolidation. Without this effect, the administrative expenses and selling costs would amount to 8%.

Operating profit was a positive DKK 238.3 million against DKK 141.5 million in the first nine months of last financial year.

Net financials were negative at DKK 15.2 million against a negative DKK 10.6 million last financial year.

For the first nine months of the financial year, profit before tax amounted to DKK 224.6 million against a profit before tax of DKK 131.6 million last year.

Consolidated profit after tax came to DKK 167.5 million against a consolidated profit of DKK 89.2 million last financial year.

#### **Balance sheet**

The consolidated balance sheet total came to DKK 4,413 million as at 30 June 2014. This corresponds to a decrease of DKK 124 million compared to the balance sheet total of DKK 4,537 million at the end of last financial year.

Consolidated interest-bearing liabilities less interest-bearing assets constituted a net debt of DKK 288 million against a net debt of DKK 507 million at 30 September 2013.

Equity amounted to DKK 1,873 million against DKK 1,724 million at the end of last financial year or 42.4% of the balance sheet total compared with 38% at the beginning of the financial year.

#### **Cash flow statement**

Cash flows from operating activities amounted to DKK 426 million against DKK 144 million in the same period last financial year.

Cash flows from investing activities were negative at DKK 188 million against a negative DKK 322 million in the same period last financial year.

Cash flows from financing activities were negative at DKK 25 million against a negative DKK 27 million in the same period last financial year.

Thus, the change in liquidity for the period was positive at DKK 213 million.



## Segment results

Amounts in DKK million	<b>Construction</b>		<b>Pipe Technologies</b>		<b>Piling</b>		<b>Total</b>	
	First nine months		First nine months		First nine months		First nine months	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Segment revenue	<b>3,855</b>	3,795	<b>1,202</b>	848	<b>956</b>	758	<b>6,013</b>	5,401
Internal revenue	<b>-27</b>	-35	<b>-9</b>	-15	<b>-11</b>	-10	<b>-47</b>	-60
Revenue	<b>3,828</b>	3,760	<b>1,193</b>	833	<b>945</b>	748	<b>5,966</b>	5,341
Of this figure, work performed abroad	<b>613</b>	882	<b>875</b>	491	<b>586</b>	424	<b>2,074</b>	1,797
Operating profit	<b>165</b>	61	<b>23</b>	45	<b>51</b>	35	<b>239</b>	141
Profit in associates	<b>0</b>	0	<b>1</b>	1	<b>0</b>	0	<b>1</b>	1
Profit before interest	<b>165</b>	61	<b>24</b>	46	<b>51</b>	35	<b>240</b>	142
Net financials							<b>-15</b>	-10
Profit before tax							<b>225</b>	132
Profit before interest, %	<b>4.3</b>	1.6	<b>2.0</b>	5.5	<b>5.4</b>	4.7	<b>4.0</b>	2.7
Number of employees	<b>2,981</b>	2,647	<b>865</b>	645	<b>723</b>	673	<b>4,569</b>	3,965

### Construction – profit exceeded expectations and positive development of activities

Revenue for the first nine months of the financial year came to DKK 3,828 million, approximately on a par with last financial year. Revenue generated by the Danish operations was DKK 3,215 million corresponding to an increase of 12% compared with last financial year. Revenue generated by the foreign operations was DKK 613 million against DKK 882 million last financial year.

Profit before interest came to DKK 165 million against DKK 61 million last financial year. Results are above expectations at the beginning of the financial year. The offshore wind farm project DanTysk was financially closed in the third quarter of the financial year, affecting the third-quarter results positively.

In the Danish market for civil engineering projects, the activities of the parent company are in general characterised by a high level of activity and an improved profitability during project implementation. The future mega tenders will attract foreign players. High tender costs are involved when participating in major projects, in particular as regards the Fehmarnbelt Fixed Link and Rail Net Denmark's invitation to tender for the electrification of a major part of the Danish railway network. At the end of the third quarter, the volume of orders is higher than last year.

Overall, the results of Construction's subsidiaries exceeded expectations at the beginning of the financial year.

The development of Wicotek Kirkebjerg A/S follows the targets of the merger two years ago. The company has adopted a new strategy that prioritises technical operation and maintenance work as well as further development of cross-disciplinary expertise within technical installation contracts.

Aarsleff Rail A/S is experiencing an increasing level of activity, and the company is developing as planned.

Results reported for Dan Jord A/S exceeded expectations. In general, the level of activity is high in the Aarhus area, and activities include the construction of the Aarhus Light Rail Transit which Dan Jord A/S carries out in collaboration with the parent company.

Results reported for Petri & Haugsted AS fell short of expectations. The operation activities are now almost stabilised following an adjustment of the company's activities.



The outlook for the entire financial year 2013/2014 is now a level of activity on par with last financial year and a profit before interest of approximately 4% of revenue against previously 3.5%.

### **Pipe Technologies – profit fell short of expectations, mainly due to a challenging Danish market**

Revenue for the first nine months came to DKK 1,193 million against DKK 833 million last financial year. This increase is attributable to the revenue of the German company which was recognised as a 100% owned subsidiary as at 1 June 2013. The foreign operations reported a total revenue increase of DKK 384 million, while the Danish operations reported a revenue decrease of DKK 24 million, corresponding to a decrease of 7%.

Profit before interest came to DKK 24 million against DKK 46 million last financial year. Results fell short of expectations at the beginning of the financial year.

In Denmark, the level of activity as regards the public utility companies has decreased in the third quarter of the financial year. This is a result of the utility companies' increased focus on investments in climate adaptation. The results within the housing and industry segments are significantly below expectations, and a more focused prioritisation is under implementation.

Total results of the subsidiaries are below expectations. Results of the now fully integrated German subsidiary and the subsidiary in Russia are in line with expectations. The results in Sweden, Poland and Finland fell short of expectations.

In Germany, the integration is progressing well, focusing on extending the collaboration with the other consolidated companies. The order intake and the volume of orders are good despite the intense competition on the German market. In Russia, the level of activity has been high in the third quarter of the financial year.

Concerning the Swedish company, a profit in line with expectations at the beginning of the financial year is anticipated for the full financial year. In Finland and Poland, capacity adjustments have been made.

The outlook for the entire financial year 2013/2014 is now for a profit before interest of approximately 2% of revenue against previously approximately 3% of revenue.

### **Piling – results up on last financial year, and expectations for the financial year are maintained**

Revenue for the first nine months of the financial year came to DKK 945 million against DKK 748 million last financial year, corresponding to an increase of 26%. Revenue generated by the Danish operations was DKK 359 million, corresponding to an increase of 11% compared with last financial year. Revenue generated by the foreign operations was DKK 586 million, corresponding to an increase of 38%.

Profit before interest came to DKK 51 million compared to DKK 35 million last financial year and is in line with expectations at the beginning of the financial year.

The results of the activities in the parent company were above expectations, among other things as a result of increased activity within infrastructure projects in cooperation with the Construction division. Activities within industrial pile foundation have been increasing towards the end of the period.

The total results of the subsidiaries were significantly below expectations, especially as a result of the performance in Sweden and the UK. However, the Polish subsidiary has performed above expectations.

Results in Germany exceeded expectations. The capacity utilisation is high, primarily concerning foundation of onshore wind turbines.



Results in the UK fell short of expectations. However, positive signs are seen, especially in the third quarter, and this primarily concerns the housing market and the market for minor construction projects in general.

The activities in Sweden have been loss-making. Adjustments have been implemented, the management strengthened, and the organisation is now established. Towards the end of the period, the activities were profitable.

For the full financial year, we maintain our expectations for a profit before interest of approximately 5% of revenue.

### **Outlook for the financial year 2013/2014**

The company now expects a profit before tax of DKK 290 million for the full financial year 2013/2014 compared with the previous estimate of DKK 260 million.

The expectations concerning the future financial performance are subject to uncertainties and risks that may cause the performance to differ from the expectations. Significant commercial risks are described in Assessment of commercial risks of the annual report of 2012/2013 and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.

### **Accounting policies**

The Interim Report covering the first nine months of the financial year 2013/2014 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim reports of listed companies.

No interim report has been prepared for the parent company.

The accounting policies of the interim report remain unchanged from the 2012/2013 Annual Report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. Please refer to the 2012/2013 Annual Report for a further description of the accounting policies.

Certain new or changed standards or interpretations have become effective for the financial year 2013/2014. It is the Management's view that these standards and interpretations will have no significant effect on the annual report.

The interim report is presented in Danish kroner (DKK) which is the parent company's functional currency.



## Management's statement

Today, the Board of Directors and Executive Management have discussed and approved the Interim Report of Per Aarsleff A/S for the period 1 October 2013-30 June 2014.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim reports of listed companies.

The interim report has not been audited or reviewed by the company's auditor.

We consider the accounting policies used to be appropriate. Accordingly, the Interim Report gives a true and fair view of the financial position at 30 June 2014 of the Group as well as of the results of the Group's operations and cash flows in the period 1 October 2013-30 June 2014.

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

Aabyhoej, 28 August 2014

## Executive Management

Ebbe Malte Iversen  
General Manager

Lars M. Carlsen

## Board of Directors

Andreas Lundby  
Chairman of the Board

Jens Bjerg Sørensen  
Deputy Chairman

Carsten Fode

Peter Arndrup Poulsen

Rikke Gulddal Christensen  
Staff-elected

Søren Kristensen  
Staff-elected



## Consolidated income statement

Amounts in tDKK

	April quarter		First nine months	
	2013/2014	2012/2013	2013/2014	2012/2013
<b>Revenue</b>	<b>2,157,819</b>	<b>1,843,701</b>	<b>5,965,970</b>	<b>5,341,083</b>
Production costs	-1,871,151	-1,650,066	-5,223,603	-4,779,636
<b>Gross profit</b>	<b>286,668</b>	<b>193,635</b>	<b>742,367</b>	<b>561,447</b>
Administrative expenses and selling costs	-174,395	-142,528	-504,486	-421,981
Other operating income and expenses	-16	638	436	2,005
<b>Operating profit</b>	<b>112,257</b>	<b>51,745</b>	<b>238,317</b>	<b>141,471</b>
Profit in associates	1,469	108	1,469	752
<b>Profit before interest</b>	<b>113,726</b>	<b>51,853</b>	<b>239,786</b>	<b>142,223</b>
Net financials	-6,099	-4,365	-15,228	-10,602
<b>Profit before tax</b>	<b>107,627</b>	<b>47,488</b>	<b>224,558</b>	<b>131,621</b>
Tax on profit for the period	-26,374	-14,096	-57,089	-42,411
<b>Profit after tax</b>	<b>81,253</b>	<b>33,392</b>	<b>167,469</b>	<b>89,210</b>
Earnings per share (DKK)	39.9	16.4	82.2	43.8

## Statement of comprehensive income

Amounts in tDKK

	April quarter		First nine months	
	2013/2014	2012/2013	2013/2014	2012/2013
<b>Profit after tax</b>	<b>81,253</b>	<b>33,392</b>	<b>167,469</b>	<b>89,210</b>
<b>Items which may become reclassified to the income statement</b>				
Exchange rate adjustment of foreign companies	13	-15,557	-4,608	-17,754
Fair value adjustments of derivative financial instruments, net	3,652	13,661	13,570	8,080
Tax on other comprehensive income	-845	0	-3,325	0
Other total comprehensive income	2,820	-1,896	5,637	-9,674
<b>Total comprehensive income</b>	<b>84,073</b>	<b>31,496</b>	<b>173,106</b>	<b>79,536</b>
<b>Total comprehensive income accrues to</b>				
Shareholders of Per Aarsleff A/S	84,023	31,496	172,700	79,536
Minority shareholders	50	0	406	0
<b>Total</b>	<b>84,073</b>	<b>31,496</b>	<b>173,106</b>	<b>79,536</b>



## Consolidated balance sheet

Amounts in tDKK

	30/6 2014	30/9 2013	30/6 2013
<b>Total assets</b>			
Intangible assets	166,031	171,129	172,640
Property, plant and equipment	1,554,298	1,549,488	1,546,679
Other non-current assets	20,337	18,135	17,595
<b>Non-current assets</b>	<b>1,740,666</b>	<b>1,738,752</b>	<b>1,736,914</b>
Inventories	205,722	200,879	194,607
Contracting debtors	1,666,035	1,701,766	1,389,799
Work in progress	448,528	449,319	484,107
Other receivables	120,905	93,864	108,174
Cash	231,260	352,039	401,834
<b>Current assets</b>	<b>2,672,450</b>	<b>2,797,867</b>	<b>2,578,521</b>
<b>Total assets</b>	<b>4,413,116</b>	<b>4,536,619</b>	<b>4,315,435</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>1,873,126</b>	<b>1,724,330</b>	<b>1,652,899</b>
Mortgage debt and credit institutions	202,962	208,495	204,664
Other debt and provisions	58,494	47,156	39,728
Deferred tax	229,798	230,397	251,358
<b>Non-current liabilities</b>	<b>491,254</b>	<b>486,048</b>	<b>495,750</b>
Mortgage debt and credit institutions	316,168	650,155	552,172
Work in progress	422,425	295,693	361,227
Trade payables	787,995	828,957	785,554
Other liabilities	522,148	551,436	467,833
<b>Current liabilities</b>	<b>2,048,736</b>	<b>2,326,241</b>	<b>2,166,786</b>
<b>Total liabilities</b>	<b>2,539,990</b>	<b>2,812,289</b>	<b>2,662,536</b>
<b>Total equity and liabilities</b>	<b>4,413,116</b>	<b>4,536,619</b>	<b>4,315,435</b>



## Consolidated cash flow statement

Amounts in tDKK

	First nine months	
	2013/2014	2012/2013
<b>Cash flow from operating activities</b>		
Profit before interest	239,786	142,223
Depreciation, amortisation and impairment losses	204,716	199,859
Other adjustments	36,925	-162,379
Net financials	-15,228	-10,602
Corporation tax paid	-39,836	-24,775
<b>Cash flows from operating activities</b>	<b>426,363</b>	<b>144,326</b>
<b>Cash flow from investing activities</b>		
Net investment in property, plant and equipment and intangible assets	-191,317	-185,714
Net investment in subsidiaries	0	-143,146
Net investment in associates	2,770	6,642
<b>Cash flows from investing activities</b>	<b>-188,547</b>	<b>-322,218</b>
<b>Cash flow from financing activities</b>	<b>-24,608</b>	<b>-26,970</b>
<b>Cash flows from financing activities</b>	<b>-24,608</b>	<b>-26,970</b>
<b>Change in liquidity for the period</b>	<b>213,208</b>	<b>-204,862</b>
Opening liquidity	-294,370	57,892
Change in liquidity for the period	213,208	-204,862
<b>Closing liquidity</b>	<b>-81,162</b>	<b>-146,970</b>



## Statement of changes in equity, Group

Amounts in tDKK

	A shares	Share capital B shares	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total
<b>Equity at 1 October 2012</b>	<b>2,700</b>	<b>42,600</b>	<b>-13,629</b>	<b>-4,286</b>	<b>1,543,713</b>	<b>22,650</b>	<b>1,593,748</b>
<b>Total comprehensive income</b>							
Profit for the period					89,210		89,210
<b>Other total comprehensive income</b>							
Exchange rate adjustment of foreign companies			-17,754				-17,754
Fair value adjustments of derivative financial instruments				8,080			8,080
Other total comprehensive income	0	0	-17,754	8,080	0	0	-9,674
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-17,754</b>	<b>8,080</b>	<b>89,210</b>	<b>0</b>	<b>79,536</b>
<b>Transactions with owners</b>							
Dividend paid						-22,650	-22,650
Dividend, treasury shares					2,265		2,265
Total transactions with owners	0	0	0	0	2,265	-22,650	-20,385
<b>Equity at 30 June 2013</b>	<b>2,700</b>	<b>42,600</b>	<b>-31,383</b>	<b>3,794</b>	<b>1,635,188</b>	<b>0</b>	<b>1,652,899</b>
<b>Equity at 1 October 2013</b>	<b>2,700</b>	<b>42,600</b>	<b>-26,021</b>	<b>-1,154</b>	<b>1,672,536</b>	<b>22,650</b>	<b>1,713,311</b>
<b>Total comprehensive income</b>							
Profit for the period					167,063		167,063
<b>Other total comprehensive income</b>							
Exchange rate adjustment of foreign companies			-4,608				-4,608
Fair value adjustments of derivative financial instruments				13,570			13,570
Tax on derivative financial instruments				-3,325			-3,325
Other total comprehensive income	0	0	-4,608	10,245	0	0	5,637
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-4,608</b>	<b>10,245</b>	<b>167,063</b>	<b>0</b>	<b>172,700</b>
<b>Transactions with owners</b>							
Dividend paid						-22,650	-22,650
Dividend, treasury shares					2,265		2,265
Total transactions with owners	0	0	0	0	2,265	-22,650	-20,385
<b>Equity, shareholders of Per Aarsleff A/S</b>	<b>2,700</b>	<b>42,600</b>	<b>-30,629</b>	<b>9,091</b>	<b>1,841,864</b>	<b>0</b>	<b>1,865,626</b>
Minority interests' share of equity							7,500
<b>Equity at 30 June 2014</b>							<b>1,873,126</b>



## Company announcements published this current financial year

14.10.2013	Aarsleff to extend harbour at Lofoten in Norway
25.10.2013	Aarsleff to extend the port of Beirut in Lebanon
11.12.2013	Aarsleff to carry out electricity supply in Mozambique
18.12.2013	Preliminary announcement of financial statements for the financial year 2012/2013
08.01.2014	Notice of annual general meeting
30.01.2014	Aarsleff's annual general meeting
05.02.2014	Aarsleff to build tunnels on the section between Copenhagen and Ringsted
28.02.2014	Interim report for the period 1 October-31 December 2013
28.05.2014	Interim report for the period 1 October 2013-31 March 2014
25.06.2014	Wicotec Kirkebjerg A/S nominated for a DKK 900 million contract for Psychiatric Center in Skejby
11.07.2014	Aarsleff close to contract for large biogas plant
22.07.2014	Aarsleff to construct workshop and storage facilities at Thule Air Base
23.07.2014	Aarsleff to construct the shell structure for the Niels Bohr Building at the North Campus in Copenhagen
28.08.2014	Interim report for the period 1 October 2013-30 June 2014

See [www.aarsleff.com](http://www.aarsleff.com) for further information.