

Nasdaq Copenhagen A/S
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29 August 2016
Ref.: JSZ/tms



Interim financial report for the period 1 October 2015-30 June 2016

Today, the Board of Directors of Per Aarsleff Holding A/S has discussed and approved the interim financial report for the first nine months of the financial year 2015/2016. The interim financial report has not been audited or reviewed by the company's auditor.

Results of the first nine months:

- Profit before tax was DKK 298 million compared with DKK 335 million in the same period last financial year.
- Consolidated revenue came to DKK 7,596 million against DKK 7,516 million in the same period last financial year, corresponding to an increase of 1%.
- Construction generated profit before interest of DKK 181 million.
- Pipe Technologies generated profit before interest of DKK 31 million.
- Ground Engineering generated profit before interest of DKK 97 million.
- The Group's net interest-bearing debt came to DKK 70 million as at 30 June 2016.
- The equity ratio was 41.5% as at 30 June 2016.

Outlook for the financial year 2015/2016

- We maintain our expectations for a profit before tax of DKK 400 million for the financial year and a total level of activity in line with last financial year.

Andreas Lundby
Chairman of the Board

Ebbe Malte Iversen
General Manager

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Highlights for the Group

Amounts in DKK million

	April quarter		Year to date		Financial year
	2015/2016	2014/2015	2015/2016	2014/2015	2014/2015
Income statement					
Revenue	2,705	2,718	7,596	7,516	10,254
Of this figure, work performed abroad	761	832	2,021	2,338	3,145
Operating profit	130	150	312	354	487
Profit before interest	129	150	309	352	484
Net financials	-2	-5	-11	-17	-29
Profit before tax	127	145	298	335	455
Profit after tax	96	112	225	257	366
Balance sheet					
Non-current assets			2,316	1,879	1,939
Current assets			3,485	3,632	4,051
Total assets			5,801	5,511	5,990
Equity			2,410	2,166	2,265
Non-current liabilities			664	599	725
Current liabilities			2,727	2,746	3,000
Total equity and liabilities			5,801	5,511	5,990
Net interest-bearing debt			70	-85	-373
Invested capital (IC)			2,472	2,068	1,880
Cash flow statement					
Cash flows from operating activities	-9	55	236	702	1,124
Cash flows from investing activities	-116	-357	-603	-510	-626
Of this figure, investment in property, plant and equipment, net	-115	-105	-398	-242	-377
Cash flows from financing activities	6	0	-161	-75	-91
Change in liquidity for the period	-119	-302	-529	117	407
Financial ratios					
Gross margin ratio, %	12.7	12.5	12.1	11.9	11.9
Profit margin (EBIT margin), %	4.8	5.5	4.1	4.7	4.8
Net profit ratio (pre-tax margin), %	4.7	5.3	3.9	4.5	4.4
Return on invested capital (ROIC), % *			14.3	16.8	24.2
Return on invested capital after tax (ROIC), % *			10.8	12.9	19.5
Return on equity (ROE), % *			9.7	12.5	17.4
Equity ratio, %			41.5	39.3	37.8
Earnings per share (EPS), DKK	4.70	5.50	11.04	12.62	17.98
Number of employees			5,886	4,773	4,932

Please see page 56 of the 2014/2015 annual report for financial ratio definitions.

*Not translated into full year figures.



Management's review concerning the first nine months of the financial year 2015/2016

Financial development of the Aarsleff Group

Income statement

In the first nine months of the financial year 2015/2016, consolidated revenue increased by DKK 80 million or 1% from DKK 7,516 million to DKK 7,596 million. The Danish operations reported a revenue increase of 8%, and the foreign operations reported a revenue decrease of 14%

Administrative expenses and selling costs amounted to 8% of revenue against 7.2% last financial year.

Operating profit was positive at DKK 311.9 million against DKK 354.2 million in the same period last financial year.

Net financials were negative at DKK 11.4 million against a negative DKK 17 million last financial year.

In the first nine months of the financial year, profit before tax came to DKK 297.8 million against DKK 335.2 million last year.

Consolidated profit after tax was DKK 225.3 million compared with consolidated profit of DKK 257.2 million last financial year.

Balance sheet

The consolidated balance sheet total was DKK 5,801 million as at 30 June 2016. This corresponds to a decrease of DKK 189 million compared with the balance sheet total of DKK 5,990 million at the end of last financial year.

Consolidated interest-bearing liabilities less interest-bearing assets amounted to a net debt of DKK 70 million against a net deposit of DKK 373 million at the end of last financial year.

Equity amounted to DKK 2,410 million against DKK 2,265 million at the end of last financial year or 41.5% of the balance sheet total compared with 37.8% at the beginning of the financial year.

Cash flow statement

Cash flows from operating activities came to DKK 236 million against DKK 702 million in the first nine months of last financial year.

Cash flows from investing activities were negative at DKK 603 million against a negative DKK 510 million in the same period last financial year of which DKK 198 million was investment in securities. The investments of the period comprise e.g. the acquisition of Hansson & Knudsen A/S, investments in connection with the current construction of Aarsleff's new office building in Aarhus and acquisition of machinery and equipment for the project concerning electrification of the Danish railway.

Cash flows from financing activities were negative at DKK 161 million against a negative amount of DKK 75 million in the same period last financial year and comprise, among other things, repayment of mortgage loans.

Thus, the change in liquidity for the period constituted a negative amount of DKK 529 million.



Segment results

Amounts in DKK million	Construction		Pipe Technologies		Ground Engineering		Total	
	First nine months		First nine months		First nine months		First nine months	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Segment revenue	5,362	5,215	1,034	1,170	1,254	1,202	7,650	7,587
Internal revenue	-35	-27	-5	-12	-14	-32	-54	-71
Revenue	5,327	5,188	1,029	1,158	1,240	1,170	7,596	7,516
Of this figure, work performed abroad	673	811	662	845	686	682	2,021	2,338
Operating profit	181	219	34	63	97	72	312	354
Profit in associates	0	0	-3	-2	0	0	-3	-2
Profit before interest	181	219	31	61	97	72	309	352
Net financials							-11	-17
Profit before tax							298	335
Profit before interest, %	3.4	4.2	3.0	5.3	7.8	6.2	4.1	4.7
Number of employees	4,147	3,160	825	815	914	798	5,886	4,773

Construction – results in line with expectations and good market opportunities within building activities

Revenue in the first nine months of the financial year came to DKK 5,327 million against DKK 5,188 million in the same period last financial year, corresponding to an increase of 3%. The Danish operations reported a revenue increase of 6% to DKK 4,654 million. The foreign operations reported a revenue decline of 17% to DKK 673 million. The revenue in Ístak hf. came to DKK 288 million against DKK 55 million last financial year – the company was included from May 2015. The revenue in Hansson & Knudsen A/S came to DKK 325 million – the company was included from January 2016.

As expected at the beginning of the financial year, segment results before interest came to DKK 181 million favoured by the market opportunities within construction and building activities.

Per Aarsleff A/S performed above expectations while the total results of the segment's other companies fell short of expectations at the beginning of the financial year. Especially Wicotec Kirkebjerg A/S, Aarsleff Rail A/S and Ístak hf. did not perform in line with expectations.

There is a high level of activity within submission of tenders, resulting in relatively high tender costs. The market opportunities are good, but competition is keen.

The segment's building activities develop positively in a market with many projects put out to tender. Aarsleff's building activities in the Copenhagen area have been stable during the past years, now constituting a significant activity. Aarsleff's building activities now also comprise projects west of the Great Belt Bridge, and the first contracts have been signed. Examples of current projects are the construction of a new laboratory and logistics building at Bispebjerg Hospital in Copenhagen and 28,000 square metres of combined residential and commercial construction at Thomas B. Thriges Gade in Odense.

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



For the full financial year, Construction expects a level of activity in line with 2014/2015. Profit before interest in percentage of revenue is expected to amount to an unchanged 3.5%.

Pipe Technologies – difficult market conditions in Poland, Russia and Ukraine

Revenue in the first nine months of the financial year came to DKK 1,029 million or down 11% on last financial year. Revenue generated by the Danish operations increased by 17% to DKK 367 million. Last financial year, the activity in Denmark was exceptionally low as a result of the utility companies' increased focus on investments in climate adaptation and less focus on sewer renewal. Revenue generated by the foreign operations decreased by 22% to DKK 662 million.

Profit before interest came to DKK 31 million compared to DKK 61 million last financial year and is below expectations at the beginning of the financial year. Last financial year, the Russian company performed extraordinarily well. The market conditions in Poland, Russia and Ukraine are very difficult.

In Denmark, the level of activity within the municipal utility companies and the housing and industry segments exceeded expectations, and earnings are in line with expectations. There is keen competition in the market, resulting in pressure on the margins.

Export projects within drinking water supply and wastewater, primarily carried out in Eastern Europe, performed below expectations, and capacity adjustments were made due to the very difficult market situation.

Total results of the foreign companies were below expectations. The companies in Sweden, Finland and Lithuania are developing steadily, while the companies in Poland, Russia and Ukraine are strongly affected by the difficult market conditions. The companies in Poland and Russia are loss-making, and in Ukraine, activities have been discontinued. However, we are now seeing the first EU financed tenders in the Baltic countries and in Poland. The German company is developing positively and performed in line with expectations.

For the full financial year, the outlook is for a level of activity which is approx. 5-10% lower than last year. The segment now expects profit before interest in percentage of revenue of approx. 2.5% compared with previous expectations of 3%.

Ground Engineering – positive development

Revenue in the first nine months of the financial year came to DKK 1,240 million or up 6% on the same period last financial year. Revenue generated by the Danish operations was DKK 554 million which is 14% higher than last financial year. Revenue generated by the foreign operations came to DKK 668 million or on par with the same period last financial year.

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

Profit before interest came to DKK 97 million compared to DKK 72 million in the same period last financial year. Results were above expectations at the beginning of the financial year.

The results of the Danish activities were significantly above expectations at the beginning of the financial year, and there is a high level of activity on the Danish market.

Total results of the foreign companies were below expectations, mainly due to the performance of the company in Poland. The companies in the UK and Sweden performed in line with expectations. The German company performed above



expectations at the beginning of the financial year. Increasing levels of activities are expected on all four markets in the last part of the financial year, resulting in profit improvements.

For the full financial year, we expect that the level of activity will be approx. 0-5% higher than last year. Profit before interest in percentage of revenue is now expected to amount to approx. 7.5% compared with previous expectations of 7%.

Outlook for the financial year 2015/2016

We maintain our expectations for a profit before tax of DKK 400 million for the financial year and a total level of activity in line with last financial year.

The expectations for 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 2014/2015 and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.

Procedure for company announcements when entering into large-scale contracts

It has been decided to raise the limit for issuing of company announcements when entering into large-scale contracts. The limit will be raised from the current amount of DKK 200 million to DKK 500 million or more. However, there will always be a specific assessment of the contract's significance for the company.

Accounting policies

The Interim Report covering the first nine months of the financial year 2015/2016 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim reports of listed companies.

No interim financial report has been prepared for the parent company.

The accounting policies of the interim financial report remain unchanged from the 2014/2015 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 2014/2015 Annual Report for a further description of the accounting policies.

Certain new or changed standards or interpretations have become effective for the financial year 2015/2016. 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 financial report of Per Aarsleff Holding A/S for the period 1 October 2015-30 June 2016.

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

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

We consider the accounting policies used to be appropriate. Accordingly, the interim financial report gives a true and fair view of the financial position at 30 June 2016 of the Group as well as of the results of the Group's operations and cash flows in the period 1 October 2015-30 June 2016.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the 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, 29 August 2016

Executive Management

Ebbe Malte Iversen
General Manager

Lars M. Carlsen
Deputy General Manager

Jesper K. Jacobsen
Group Director

Mogens Vedel Hestbæk
Group Chief Financial Officer

Board of directors

Andreas Lundby
Chairman

Jens Bjerg Sørensen
Deputy Chairman

Carsten Fode
Board member

Peter Arndrup Poulsen
Board member



Consolidated income statement

Amounts in tDKK

	April quarter		First nine months	
	2015/2016	2014/2015	2015/2016	2014/2015
Revenue	2,704,736	2,718,460	7,595,960	7,516,265
Production costs	-2,362,216	-2,379,662	-6,675,349	-6,622,268
Gross profit	342,520	338,798	920,611	893,997
Administrative expenses and selling costs	-212,643	-188,818	-608,671	-540,286
Other operating income and expenses	9	198	-66	508
Operating profit	129,886	150,178	311,874	354,219
Profit/loss in associates and joint ventures	-833	0	-2,811	-2,000
Profit before interest	129,053	150,178	309,063	352,219
Net financials	-2,448	-5,073	-11,384	-16,976
Profit before tax	126,605	145,105	297,679	335,243
Tax on profit for the period	-30,740	-33,031	-72,346	-78,046
Profit after tax	95,865	112,074	225,333	257,197
Earnings per share (DKK)	4.70	5.50	11.04	12.62

Statement of comprehensive income

Amounts in tDKK

	April quarter		First nine months	
	2015/2016	2014/2015	2015/2016	2014/2015
Profit after tax	95,865	112,074	225,333	257,197
Items which may become reclassified to the income statement				
Exchange rate adjustment of foreign companies	-13,273	-3,058	-18,581	-5,339
Fair value adjustments of derivative financial instruments, net	-3,748	-3,580	-980	-9,130
Tax on other comprehensive income	825	842	216	2,146
Other total comprehensive income	-16,196	-5,796	-19,345	-12,323
Total comprehensive income	79,669	106,278	205,988	244,874
Total comprehensive income accrues to				
Shareholders of Per Aarsleff Holding A/S	79,544	106,313	205,608	245,009
Minority shareholders	125	-35	380	-135
Total	79,669	106,278	205,988	244,874



Consolidated balance sheet

Amounts in tDKK

	30/6 2016	30/9 2015	30/6 2015
Assets			
Intangible assets	330,729	178,144	176,773
Property, plant and equipment	1,969,572	1,743,406	1,686,340
Other non-current assets	15,957	17,798	15,427
Non-current assets	2,316,258	1,939,348	1,878,540
Inventories	218,031	210,726	211,982
Contracting debtors	1,975,583	2,154,706	2,001,964
Work in progress	738,479	530,874	551,970
Other receivables	97,833	92,467	80,174
Securities	196,004	196,457	197,699
Cash	258,590	865,568	588,689
Current assets	3,484,520	4,050,798	3,632,478
Total assets	5,800,778	5,990,146	5,511,018
Equity and liabilities			
Equity	2,409,936	2,265,103	2,165,770
Mortgage debt and credit institutions	95,826	184,008	196,264
Other debt and provisions	116,275	138,746	92,717
Deferred tax	451,507	402,416	310,029
Non-current liabilities	663,608	725,170	599,010
Mortgage debt and credit institutions	369,236	448,411	455,612
Work in progress	748,179	626,308	558,853
Trade payables	857,565	1,312,437	1,128,611
Other payables	752,254	612,717	603,162
Current liabilities	2,727,234	2,999,873	2,746,238
Total liabilities	3,390,842	3,725,043	3,345,248
Total equity and liabilities	5,800,778	5,990,146	5,511,018



Consolidated cash flow statement

Amounts in tDKK

	First nine months	
	2015/2016	2014/2015
Cash flow from operating activities		
Profit before interest	309,063	352,219
Depreciation, amortisation and impairment losses	224,155	221,082
Other adjustments	-269,204	137,326
Net financials	-11,384	-16,976
Corporation tax paid	-16,686	8,195
Cash flows from operating activities	235,944	701,846
Cash flow from investing activities		
Net investment in property, plant and equipment and intangible assets	-407,326	-241,712
Net investment in subsidiaries	-197,483	-70,056
Net investment in associates and joint ventures	1,515	0
Net investment in securities	0	-197,699
Cash flows from investing activities	-603,294	-509,467
Cash flow from financing activities	-161,363	-75,231
Cash flows from financing activities	-161,363	-75,231
Change in liquidity for the period	-528,713	117,148
Opening liquidity	435,678	30,095
Change in liquidity for the period	-528,713	117,148
Closing liquidity	-93,035	147,243



Statement of changes in equity, Group

Amounts in tDKK

	Share capital	Translation reserve	Hedging reserve	Retained earnings	Proposed dividend	Total shareholders of Per Aarsleff Holding A/S	Minority shareholders	Total
Equity at 1 October 2014	45,300	-33,961	4,517	1,894,893	33,975	1,944,724	7,584	1,952,308
Total comprehensive income								
Profit for the year				257,332		257,332	-135	257,197
Other total comprehensive income								
Exchange rate adjustments of foreign companies		-5,339				-5,339		-5,339
Fair value adjustments of derivative financial instruments			-9,130			-9,130		-9,130
Tax on derivative financial instruments			2,146			2,146		2,146
Other total comprehensive income	0	-5,339	-6,984	0	0	-12,323	0	-12,323
Total comprehensive income	0	-5,339	-6,984	257,332	0	245,009	-135	244,874
Transactions with owners								
Dividend paid					-33,975	-33,975		-33,975
Dividend, treasury shares				3,398		3,398		3,398
Dividend, minority shareholders							-835	-835
Total transactions with owners	0	0	0	3,398	-33,975	-30,577	-835	-31,412
Equity at 30 June 2015	45,300	-39,300	-2,467	2,155,623	0	2,159,156	6,614	2,165,770
Equity at 1 October 2015	45,300	-52,494	850	2,196,912	67,950	2,258,518	6,585	2,265,103
Total comprehensive income								
Profit for the year				224,953		224,953	380	225,333
Other total comprehensive income								
Exchange rate adjustments of foreign companies		-18,581				-18,581		-18,581
Fair value adjustments of derivative financial instruments			-980			-980		-980
Tax on derivative financial instruments			216			216		216
Other total comprehensive income	0	-18,581	-764	0	0	-19,345	0	-19,345
Total comprehensive income	0	-18,581	-764	224,953	0	205,608	380	205,988
Transactions with owners								
Dividend paid					-67,950	-67,950		-67,950
Dividend, treasury shares				6,795		6,795		6,795
Total transactions with owners	0	0	0	6,795	-67,950	-61,155	0	-61,155
Equity at 30 June 2016	45,300	-71,075	86	2,428,660	0	2,402,971	6,965	2,409,936



Company announcements published this current financial year

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

See www.aarsleff.com for further information.

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