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## Interim Report for the period 1 October 2006 – 31 March 2007

Today the Board of Per Aarsleff A/S has discussed and adopted the company's report for the first six months of the financial year 2006/2007. The Interim Report has not been audited or reviewed by the company's auditors.

### **Result of the first six months:**

- The interim result came to DKK 81 million before tax.
- Consolidated revenue reached DKK 2,106 million.
- Construction contributes a profit before interest at DKK 34 million.
- Pipe Technologies contributes a profit before interest at DKK 8 million.
- Piling contributes a profit before interest at DKK 49 million.
- Cash flows from operating activities with deduction of investments constitute DKK 138 million.

### **Outlook for the financial year 2006/2007:**

- For the year 2006/2007 the outlook for a profit before tax is DKK 135 million compared to DKK 120 million as previously announced.

Palle Svejstrup  
Chairman of the Board

Ebbe Malte Iversen  
General Manager

### *Further information:*

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





## **Management's review concerning the first six months of the financial year 2006/2007**

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

#### **Income statement**

Net revenue for the first six months of the financial year 2006/2007 grew by DKK 286 million from DKK 1,820 million to DKK 2,106 million. This increase is primarily attributable to the Construction segment and the Piling segment with DKK 198 million and DKK 106 million, respectively. The net revenue increase constitutes a total of 16%.

Administrative expenses and selling costs increased by DKK 14.5 million to DKK 183.9 million, corresponding to 8.5 %.

Profit on primary operations increased from DKK 55.1 million to DKK 86.6 million or by 57 %.

The profit from associates has improved by DKK 1 million. Finance, net has increased from DKK -6.9 million to DKK -9.7 million due to the increasing level of interest rates and borrowings last year.

As such the profit before tax reaches DKK 80.6 million against DKK 51 million for the same period of last year, an improvement of DKK 29.6 million.

#### **Balance sheet**

The consolidated balance sheet total amounts to DKK 2,393 million at 31 March 2007. This corresponds to a decrease of DKK 47 million compared to the balance sheet total of DKK 2,440 million at 30 September 2006.

On the asset side the change is primarily attributable to the increase in long-term assets of DKK 8 million and to inventory of DKK 15 million. Work in progress has increased by DKK 52 million and contracting debtors and other accounts receivable have decreased by DKK 70 million. Cash decreased by DKK 51 million.

Total liabilities have decreased by DKK 91 million from DKK 1,528 million to DKK 1,437 million. Non-current liabilities increased by DKK 20 million while current liabilities decreased by DKK 111 million from DKK 1,212 million to DKK 1,101 million. Of this amount the decrease in payables to credit institutions constitutes DKK 179 million.

The consolidated interest-bearing debt has decreased by DKK 132 million from DKK 394 million to DKK 262 million.

Equity amounts to DKK 956 million against DKK 912 million at the beginning of the financial year.

#### **Cash flow statement**

Cash flows from operating activities amount to DKK 209 million against DKK 164 million in the same period of last year.

Cash flows from investments reach DKK 71 million against DKK 147 million last year.

Cash flows from financing activities amount to DKK -10 million against a positive amount of DKK 80 million during the same period of last year primarily attributable to borrowings.



## Segment results

The following table shows the three business areas of the Group: Construction, Pipe Technologies and Piling. The information in the table comprises the divisions of the Parent Company, all subsidiaries and shares of consortia. Associates are shown separately.

All directly attributable income and expenditure have been allocated to the respective business areas. As the areas are supported by staff and joint functions in the Parent Company, comprising group management, administration, project development and design, and IT support, the costs connected to these functions have been allocated to the areas on the basis of their drain on the staff and joint functions.

Amount in DKK million	Construction		Pipe Technologies		Piling		Total	
	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
Net revenue	<b>1,312</b>	1,114	<b>365</b>	383	<b>429</b>	323	<b>2,106</b>	1,820
Of this figure, work performed abroad	<b>286</b>	230	<b>197</b>	202	<b>298</b>	233	<b>781</b>	665
Profit on primary operations	<b>34</b>	4	<b>4</b>	28	<b>49</b>	23	<b>87</b>	55
Profit on associates	<b>0</b>	0	<b>4</b>	3	<b>0</b>	0	<b>4</b>	3
Profit before interest	<b>34</b>	4	<b>8</b>	31	<b>49</b>	23	<b>91</b>	58
Financials, net							<b>-10</b>	-7
Profit before tax							<b>81</b>	51
Number of employees	<b>1,789</b>	1,709	<b>470</b>	472	<b>560</b>	413	<b>2,819</b>	2,594

### Construction – increased profit and a higher activity

Revenue for the first six months came to DKK 1,312 million against DKK 1,114 million compared to the previous financial year. The increase comprises activities in Denmark as well as abroad.

The segment result was DKK 34 million before interest compared to DKK 4 million last year. The result is more or less as expected.

The work on improving the operating margins has resulted in a significant improvement of the result as compared to the previous financial year. Initiated activities with a view to internal improvement and selective order intake continue.

The profit of the subsidiary Dan Jord A/S is better than forecasted among other things due to a one-off contract. The profits of the subsidiaries Wicotec A/S and Petri & Haugsted as are according to expectations at the beginning of the financial year.

For the financial year as a whole the outlook for a profit before interest of 2.5 % of the revenue is maintained.

### Pipe Technologies – reluctance in the municipal sector

Revenue in the first six months came to DKK 365 million against DKK 383 million last year. As forecasted the municipalities in Denmark are reluctant to execute sewer rehabilitation after the implementation of the municipal reform at the turn of the year.

The segment result came to DKK 8 million against DKK 31 million last year. The result is slightly below expectations at the beginning of the financial year.

The profits of the subsidiaries in Sweden and Finland are better than forecasted. Profits of the other subsidiaries are according to expectations.

Activities within the housing and industrial sectors continue the positive trend. The decreased activity level in the municipal sector in Denmark will influence the activity level during the rest of the financial year. The total level of activity for the entire financial year is expected to be slightly lower than last year.



The previously mentioned lawsuit brought against Per Aarsleff A/S by ITI, Insituform Technologies Inc, has until further notice been postponed for one year at the request of ITI. ITI has extended their complaints with an allegation that Per Aarsleff A/S has reported the basis of the royalty payments incorrectly, contrary to their knowledge. However, we are still of the opinion that the claims by and large are unjustified and thus we have made no further provisions.

The result before interest for the financial year is forecasted to amount to approx. 3-4 % of revenue against 4.5 % as previously announced.

#### **Piling – increased profit and a high activity**

In the first six months revenue reached DKK 429 million against DKK 323 million last year. The segment result came to DKK 49 million against DKK 23 million last year. The result is significantly better than forecasted at the beginning of the year.

In Denmark the level of activity has been higher than expected and piling activities in connection with one-off contracts abroad have exceeded expectations.

The subsidiaries in Germany and England contribute positive results above expectations. In Poland the subsidiary has had an extraordinarily good result. The result in Centrum Pæle A/S is better than forecasted due to an exceptionally high demand for concrete piles in the beginning of the financial year. During the second half of the year the demand is expected to drop to a more normal level.

The result before interest for the entire financial year is expected to amount to approx. 8 % of revenue against 6% as previously announced.

#### **Outlook for the financial year 2006/2007**

For the financial year 2006/2007 a result before tax of DKK 135 million is expected against DKK 120 million as previously announced. Revenue for the first six months grew by 16 % as compared to last year. For the second half year the rise is expected to continue, however to a lesser extent.



## Statement by the Management and Board of Directors

Today the Management and the Board of Directors have discussed and approved the interim financial report of Per Aarsleff A/S covering the period 1 October 2006 to 31 March 2007.

The interim financial report is prepared in accordance with the regulations on recognition and measurement in the International Financial Reporting Standards, IFRS, and Danish reporting requirements for the interim financial reporting of listed companies.

We consider the chosen accounting policies appropriate. The interim financial report thus gives a fair presentation of the Group assets, liabilities and financial position as at 31 March 2007 and of the Group activities and cash flows for the accounting period 1 October 2006 to 31 March 2007.

Aarhus, 30 May 2007

### Management

Ebbe Malte Iversen  
General Manager

Lars M. Carlsen

### Board of Directors

Palle Svejstrup  
Chairman of the Board

Niels S. Møller

Jens Bigum

Carsten Fode

Boris Andersen  
Elected by the Employees

Leif Endersen  
Elected by the Employees

Jens. M. Jørgensen  
Elected by the Employees



## Consolidated income statement

Amount in DKK '000

	First six months	
	2006/2007	2005/2006
Net revenue	2,105,634	1,820,092
Production costs	-1,835,617	-1,603,065
<b>Gross profit</b>	<b>270,017</b>	<b>217,027</b>
Administrative expenses and selling costs	-183,882	-169,372
Other operating income and expenses	438	7,483
<b>Profit on primary operations</b>	<b>86,573</b>	<b>55,138</b>
Profit on associates	3,741	2,750
<b>Profit before interest</b>	<b>90,314</b>	<b>57,888</b>
Financials, net	-9,732	-6,884
<b>Profit before tax</b>	<b>80,582</b>	<b>51,004</b>
Corporation tax	-26,347	-6,593
<b>Profit for the period</b>	<b>54,235</b>	<b>44,411</b>

## Consolidated balance sheet

Amount in DKK '000

	31/3 2007	30/9 2006
<b>Assets</b>		
Intangible assets	42,422	43,101
Property, plant and equipment	879,784	874,379
Other long-term assets	92,448	89,333
<b>Long-term assets</b>	<b>1,014,654</b>	<b>1,006,813</b>
Inventories	121,631	106,642
Contracting debtors	765,946	862,906
Work in progress	288,238	236,664
Other accounts receivable	83,659	56,761
Cash	119,127	170,239
<b>Short-term assets</b>	<b>1,378,601</b>	<b>1,433,212</b>
<b>Total assets</b>	<b>2,393,255</b>	<b>2,440,025</b>
<b>Liabilities and equity</b>		
<b>Equity</b>	<b>956,289</b>	<b>912,140</b>
Mortgage debt and credit institutions	173,593	174,199
Other debt and provisions	42,856	42,855
Deferred tax	119,179	98,152
<b>Non-current liabilities</b>	<b>335,628</b>	<b>315,206</b>
Credit institutions	207,813	386,644
Work in progress	274,806	175,597
Trade payables	372,380	408,689
Other debt	246,339	241,749
<b>Current liabilities</b>	<b>1,101,338</b>	<b>1,212,679</b>
<b>Total liabilities</b>	<b>1,436,966</b>	<b>1,527,885</b>
<b>Total liabilities and equity</b>	<b>2,393,255</b>	<b>2,440,025</b>



## Statement of changes in equity

Amount in DKK '000

	First six months	
	2006/2007	2005/2006
Balance at the beginning of the period	912,140	825,399
Dividend paid	-9,932	-4,966
Foreign currency translation adjustment	-154	167
Profit after tax for the period	54,235	44,411
<b>Balance at the end of the first six months</b>	<b>956,289</b>	<b>865,011</b>

## Consolidated cash flow statement

Amount in DKK '000

	First six months	
	2006/2007	2005/2006
<b>Cash flow from operating activities</b>		
Profit before tax	80,582	51,004
Depreciation	70,970	64,581
Other adjustments	70,240	57,508
Corporation tax paid	-12,324	-8,560
<b>Cash flow from operating activities</b>	<b>209,468</b>	<b>164,533</b>
<b>Cash flow from investing activities</b>		
Net investments in long-term assets	-71,211	-91,637
Investments in companies	0	-55,569
<b>Cash flow from investing activities</b>	<b>-71,211</b>	<b>-147,206</b>
<b>Cash flow from financing activities</b>		
Non-current liabilities	-606	84,733
Dividend paid	-9,932	-4,966
<b>Cash flow from financing activities</b>	<b>-10,538</b>	<b>79,767</b>
<b>Change in liquidity for the period</b>	<b>127,719</b>	<b>97,094</b>
Opening liquidity	-216,405	-130,522
Change in liquidity for the period	127,719	97,094
<b>Closing liquidity</b>	<b>-88,686</b>	<b>-33,428</b>