



Københavns Fondsbørs A/S  
Nikolaj Plads 6  
Postboks1040

DK-1007 København

Per Aarsleff A/S  
Hovedkontor · Main Office  
Lokesvej 15  
DK-8230 Åbyhøj  
Denmark

Tel +45 8744 2222  
Fax+45 8744 2249

CVR-nr. 24 25 77 97

Kontor Øst · Office Copenhagen  
Industriholmen 2  
DK-2650 Hvidovre  
Denmark

Tel +45 3679 3333  
Fax+45 3679 3300

28 August 2006

Ref.: JSZ/til

## Interim Report for the period 1 October 2005 – 30 June 2006

Today the Board of Per Aarsleff A/S has discussed and adopted the company's report for the first nine months of the financial year 2005/2006. The Interim Report has not been audited or reviewed by the company's auditor.

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

- The interim result came to DKK 81.5 million before tax.
- Consolidated revenue reached DKK 2,782 million.
- Construction contributes a profit before interest at DKK 13 million.
- Pipe Technologies contributes a profit before interest at DKK 42 million.
- Piling contributes a profit before interest at DKK 38 million.
- Cash flows from operating activities with deduction of certain important investments have resulted in a negative DKK 125 million.

### **Outlook for the financial year 2005/2006:**

- The development of the first nine months does not cause a change in the outlook for a profit for the year at DKK 106 million before tax 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.



## Highlights and financial ratios for the Group

Amounts in DKK million

	April quarter		Year to date	
	2006	2005	2005/2006	2004/2005
<b>Income statement</b>				
Net revenue, work performed	962	890	2,782	2,512
Of this figure, work performed abroad	373	352	1,038	930
Foreign activities including shares from associates	445	414	1,212	1,100
Profit on primary operations	31	27	86	68
Profit on associates	4	4	7	0
Profit before interest	35	31	93	68
Finance, net	-5	-2	-12	-6
Profit before tax	30	29	81	62
Profit after tax	26	29	70	51

	30/6 2006	30/9 2005	30/6 2005
<b>Balance sheet</b>			
Intangible assets	45	19	19
Property, plant and equipment	854	751	727
Other long-term assets	79	71	69
Short-term assets	1,381	1,152	1,111
Total assets	2,359	1,993	1,926
Equity	890	825	810
Non-current liabilities	280	186	210
Current liabilities	1,189	982	906
Total liabilities	2,359	1,993	1,926
Assets/Equity	2.6	2.4	2.4

	April quarter		Year to date	
	2006	2005	2005/2006	2004/2005
<b>Cash flow statement</b>				
Operating activities	-62	-14	102	161
Investing activities	-80	-52	-227	-129
Financing activities	-1	1	79	-44
Change in liquidity for the period	-143	-65	-46	-12

The interim financial report for the first nine months of the financial year 2005/2006 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.

As of 1 October 2005, the applied accounting policies have been changed in accordance with the provisions in the international financial reporting standards IFRS. The comparative figures have been changed correspondingly.



## **Management's review concerning the first nine months of the financial year 2005/2006**

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

#### **Income statement**

The consolidated net revenue for the first nine months of the financial year 2005/2006 grew by DKK 270 million compared to the same period of last year. This increase is principally attributable to Construction by DKK 185 million and Piling by DKK 79 million, amounting to 11% in total.

Administrative expenses and selling costs grew by DKK 24.2 million to DKK 256.3 million or by 10.4%.

Profit on primary operations rose from DKK 67.9 million to DKK 86.4 million by 27.2%.

Profit on associates improved by DKK 7 million. Finance, net increased from a negative 6.3 million to a negative 12.1 million as a consequence of increased activities and a rising level of interest.

After this, profit before tax amounts to DKK 81.5 million against DKK 61.6 million for the same period of last year, corresponding to an improvement of DKK 19.9 million.

#### **Balance sheet**

The consolidated balance sheet total came to DKK 2,359 million at 30 June 2006. This equals an increase of DKK 366 million compared to the balance sheet total at 30 September 2005.

On the asset side, the increase is attributable to long-term assets which have grown as a consequence of increased investments in the form of acquisition of subsidiaries as well as investment in property, plant and equipment. The increase in long-term assets came to a total of DKK 137 million.

In addition to this accounts receivable grew from DKK 930 million to DKK 1,141 million or by DKK 211 million as a consequence of the high level of activity.

The consolidated interest-bearing debt grew from DKK 351 million to DKK 490 million or by DKK 139 million. The total current liabilities grew by DKK 208 million from DKK 981 million to DKK 1,189 million.

Equity amounts to DKK 890 million against DKK 825 million at the beginning of the financial year.

#### **Cash flow statement**

Cash flows from operating activities amount to DKK 102 million against DKK 161 million for the same period of last year.

Cash flows concerning investments make up DKK 228 million against DKK 129 million last year.

Cash flows from financing activities amount to DKK 79 million, which is mainly 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 the estimated drain on the staff and joint functions.

Amount in DKK million	Construction		Pipe Technologies		Piling		Total	
	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005	2005/2006	2004/2005
Net revenue, work performed	<b>1,693</b>	1,508	<b>573</b>	567	<b>516</b>	437	<b>2,782</b>	2,512
Of this figure, work performed abroad	<b>349</b>	299	<b>320</b>	331	<b>369</b>	300	<b>1,038</b>	930
Foreign activities, including shares from associates	<b>349</b>	301	<b>494</b>	499	<b>369</b>	300	<b>1,212</b>	1,100
Profit on primary operations	<b>13</b>	15	<b>35</b>	30	<b>38</b>	23	<b>86</b>	68
Profit on associates	<b>0</b>	0	<b>7</b>	0	<b>0</b>	0	<b>7</b>	0
Profit before interest	<b>13</b>	15	<b>42</b>	30	<b>38</b>	23	<b>93</b>	68
Finance, net							<b>-12</b>	-6
Profit before tax							<b>81</b>	62
Number of employees	<b>1,687</b>	1,634	<b>452</b>	427	<b>439</b>	349	<b>2,578</b>	2,410

### Construction – increasing revenue and a profit below expectations

Revenue for the first nine months of the financial year came to DKK 1,693 million against DKK 1,508 million last year.

The profit before interest was DKK 13 million against DKK 15 million in the previous financial year. This is not up to the outlook expressed at the beginning of the financial year.

The profits of the subsidiaries Dan Jord A/S and Wicotec A/S are better than forecasted while the profit of Petri & Haugsted as is less than expected.

Activities on the domestic market comprise the establishment of a number of underground reservoirs, major sewer projects, harbour construction, cable works, site development, road construction and railway works. The latter comprises the renovation of the Copenhagen Central Station in consortium with E. Pihl & Søn A.S.

Activities abroad comprise water treatment plants in the Dominican Republic and sewer rehabilitation in Sri Lanka. In Malmö the work on the Citytunneln is well underway just as the activities related to a mountain tunnel project at Falkenberg.

For the financial year as a whole the outlook is for a profit before interest at approx. 1% of revenue against a previous 1.5%.

### Pipe Technologies – profit slightly above expectations

Revenue for the first nine months of the financial year came to DKK 573 million against DKK 567 million in the previous financial year.

The profit before interest came to DKK 42 million against DKK 30 million last year. This is slightly better than forecasted at the beginning of the financial year.



Export projects within water treatment and trenchless pipe rehabilitation in the East European markets contribute positively to the result. Activities are on the rise.

The profits of the subsidiaries in Poland and Russia are above expectations. In Finland the result does not live up to expectations. The total profit for the subsidiaries and associates is better than forecasted at the beginning of the financial year.

As stated in the preliminary announcement of the financial statements and the Annual Report 2004/2005 a number of license agreements with Insituform Technologies, Inc. (ITI) have been terminated. Subsequently the remaining agreements for Estonia, Latvia, Lithuania, St Petersburg and Kaliningrad have terminated. In the previously mentioned lawsuit that ITI has filed against Per Aarsleff A/S, ITI has extended their claim to comprise the demand for a shutdown of the factory in Hasselager. The financial claims which ITI has made against Per Aarsleff A/S have still not been determined.

We remain of the opinion that the claim which ITI has made against Per Aarsleff A/S is unwarranted.

For the financial year as a whole the outlook is for a profit before interest at approx. 6.5% of revenue against a previous 6%.

### **Piling – high level of activity and better capacity utilization generate a profit above expectations**

Revenue for the first nine months of the financial year reached DKK 516 million against DKK 437 million last year. The level of activity was high in the third quarter of the financial year.

Revenue abroad reached DKK 369 million compared to DKK 300 million in the previous financial year.

The profit before interest came to DKK 38 million against DKK 23 million in last year. This is better than forecasted.

Abroad the division executes foundation work as part of major harbour projects in Germany just as the division executes considerable activities within groundwater lowering on the Malmö Citytunneln project.

The subsidiaries of Piling contribute as expected to the profit.

For the financial year as a whole, the outlook is for a profit before interest at approx 7% of revenue against a previous 5% as a consequence of the high capacity utilization which is expected to continue into the fourth quarter of the financial year.

### **Applied accounting policies**

As per 1 October 2005 the applied accounting policies were changed to comply with the regulations on recognition and measurement in the International Financial Reporting Standards, IFRS.

The interim financial report is prepared in accordance with the regulations on the Danish reporting requirements for the interim financial reporting of listed companies. All comparative figures in the interim financial report for the financial year 2004/2005 have been adjusted according to the regulations of the IFRS 1.

The effect for the entire financial year 2004/2005 is shown in appendix 1 to the interim financial report, which also gives a more detailed statement of the changes in the accounting policies and the format.

### **Outlook for the financial year 2005/2006**

The development of the first nine months does not cause a change in the outlook for a profit for the year at DKK 106 million before tax, as previously announced.



## 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 2005 to 30 June 2006.

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 30 June 2006 and of the Group activities and cash flows for the accounting period 1 October 2005 to 30 June 2006.

Aarhus, 28 August 2006

### 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

Amounts in DKK '000

	Year to date	
	2005/2006	2004/2005
Net revenue, work performed	2,781,759	2,512,058
Production costs	-2,446,657	-2,212,489
<b>Gross profit</b>	<b>335,102</b>	<b>299,569</b>
Administrative expenses and selling costs	-256,307	-232,125
Other operating income and expenses	7,653	408
<b>Profit on primary operations</b>	<b>86,448</b>	<b>67,852</b>
Profit on associates	7,127	131
<b>Profit before interest</b>	<b>93,575</b>	<b>67,983</b>
Finance, net	-12,124	-6,341
<b>Profit before tax</b>	<b>81,451</b>	<b>61,642</b>
Corporation tax	-11,314	-10,250
<b>Profit for the period</b>	<b>70,137</b>	<b>51,392</b>

## Consolidated balance sheet

Amounts in DKK '000

	30/6 2006	30/9 2005
<b>Assets</b>		
Intangible assets	45,228	18,902
Property, plant and equipment	854,337	750,641
Other long-term assets	78,757	71,578
<b>Long-term assets</b>	<b>978,322</b>	<b>841,121</b>
Stocks	99,756	94,184
Receivables	1,141,290	930,083
Securities	494	597
Cash	138,930	126,936
<b>Short-term assets</b>	<b>1,380,470</b>	<b>1,151,800</b>
<b>Total assets</b>	<b>2,358,792</b>	<b>1,992,921</b>
<b>Liabilities and equity</b>		
<b>Equity</b>	<b>890,408</b>	<b>825,399</b>
Non-current liabilities	279,423	186,263
Current liabilities	1,188,961	981,259
<b>Total liabilities</b>	<b>1,468,384</b>	<b>1,167,522</b>
<b>Total liabilities and equity</b>	<b>2,358,792</b>	<b>1,992,921</b>

## Statement of changes in equity

Amounts in DKK '000

	Year to date	
	2005/2006	2004/2005
Balance at the beginning of the period	825,399	769,827
Dividends distributed	-4,966	-4,892
Foreign currency translation adjustment	162	2,164
Exercise of share option agreements	0	-8,215
Profit after tax for the period	70,137	51,392
<b>Balance at the end of the first nine months</b>	<b>890,408</b>	<b>810,276</b>



## Consolidated cash flow statement

Amounts in DKK '000

	Year to date	
	2005/2006	2004/2005
<b>Cash flow from operating activities</b>		
Profit before tax	81,451	61,642
Depreciation	98,819	91,710
Other adjustments	-66,986	19,379
Corporation tax paid	-10,837	-11,485
<b>Cash flow from operating activities</b>	<b>102,447</b>	<b>161,246</b>
<b>Cash flow from investing activities</b>		
Net investments in long-term assets	-171,998	-131,679
Investments in companies	-55,569	2,254
<b>Cash flow from investing activities</b>	<b>-227,567</b>	<b>-129,425</b>
<b>Cash flow from financing activities</b>	<b>79,386</b>	<b>-44,225</b>
<b>Cash flow from financing activities</b>	<b>79,386</b>	<b>-44,225</b>
<b>Change in liquidity for the period</b>	<b>-45,734</b>	<b>-12,404</b>
Opening liquidity	-130,522	-115,387
Change in liquidity for the period	-45,734	-12,404
<b>Closing liquidity</b>	<b>-176,256</b>	<b>-127,791</b>



## Changes in applied accounting policies

As of 1 October 2005 the applied accounting policies were changed to comply with the regulations on recognition and measurement in the International Financial Reporting Standards, IFRS.

The interim financial report has been prepared in accordance with the Danish reporting requirements for the interim financial reporting of listed companies. All comparative figures in the interim financial report for the financial year 2004/2005 have been restated in accordance with the regulations of the IFRS 1 concerning the first-time adoption of IFRSs.

This implies:

- that no restatement is made retroactively of business combinations made before 1 October 2004. This means that the carrying amounts of assets and liabilities, including goodwill, as per 30 September 2004 will be applied.
- that exchange differences arising from translation of foreign entities are reset on the opening day, 1 October 2004.
- that no restatement is made retroactively of share option agreements (cash-settled share-based payment arrangements), where settlement took place prior to 1 January 2005.

The transition to the IFRSs will influence the following areas of Aarsleff's consolidated financial statements:

### Consortia

So far proportionate consolidation of a proportionate share of the consolidated income statement and balance sheet items has been carried out in the financial statements. In the future consolidation takes place by full elimination.

### Employee shares and share options

Up to the present the Group's expenses related to employee share agreements and share option agreements (cash-settled share-based payment agreements) have been recognised directly in equity. In the future the expenses will be recognised in the income statement.

### Result of investments in associates

In the future the proportionate share of the result of the associates will be reduced by their share of tax for the year. After this, tax concerning associates is no longer included in the item "Tax on the profit for the year".

### Goodwill

Goodwill acquired from acquisitions is no longer amortised. Previously goodwill was amortised over the useful life. In the future goodwill will be tested annually to ensure that the value of the asset does not exceed the recoverable amount.

### Securities

Securities classified as short-term assets will only be included in cash and cash equivalents in the cash flow statement if they have a life shorter than three months. Cash flow from securities that have a life of more than three months will be included in the cash flow from investing activities.

### Provisions etc.

The principal item "Provisions", which so far has included Provision for deferred tax and Warranty commitments, is abolished. Deferred tax liabilities will be entered in non-current liabilities, and deferred tax assets which up to the present have been entered in current assets will be entered in long-term assets in the future. Warranty commitments will be classified as respectively non-current and current liabilities, depending on the estimated maturity.



## Changes in applied accounting policies

### Consolidated income statement for 2004/2005

Amounts in DKK '000

	Prior to adjustment 2004/2005	IFRS adjustment	IFRS 2004/2005
Net revenue, work performed	3,464,226	-48,202	3,416,024
Production costs	-3,068,462	44,635	-3,023,827
<b>Gross profit</b>	<b>395,764</b>	<b>-3,567</b>	<b>392,197</b>
Administrative expenses and selling costs	-308,257	-17,666	-325,923
Other operating income and expenses	516		516
<b>Profit on primary operations</b>	<b>88,023</b>	<b>-21,233</b>	<b>66,790</b>
Profit on associates	6,965	-4,621	2,344
<b>Profit before interest</b>	<b>94,988</b>	<b>-25,854</b>	<b>69,134</b>
Finance, net	-9,379		-9,379
<b>Profit before tax</b>	<b>85,609</b>	<b>-25,854</b>	<b>59,755</b>
Corporation tax	-26,429	11,404	-15,025
<b>Profit for the year</b>	<b>59,180</b>	<b>-14,450 *</b>	<b>44,730</b>

\* Adjustments in the income statement are specified as follows:

Employee shares	-13,416
Exercised share options	-13,194
Goodwill, amortisation discontinued	5,377
Tax, associates	-4,621
Tax effect of adjustments	11,404
<b>Adjustments in total</b>	<b>-14,450</b>



## Changes in applied accounting policies

### Consolidated balance sheet

Amounts in DKK '000

	Prior to adjustment 2004/2005	IFRS adjustment	IFRS 2004/2005
<b>Assets</b>			
Intangible assets	13,525	5,377	18,902
Property, plant and equipment	750,641		750,641
Other long-term assets	69,109	2,469	71,578
<b>Long-term assets</b>	<b>833,275</b>	<b>7,846</b>	<b>841,121</b>
Stocks	94,184		94,184
Receivables	932,552	-2,469	930,083
Securities	597		597
Cash funds	126,936		126,936
<b>Short-term assets</b>	<b>1,154,269</b>	<b>-2,469</b>	<b>1,151,800</b>
<b>Total assets</b>	<b>1,987,544</b>	<b>5,377</b>	<b>1,992,921</b>
<b>Liabilities and equity</b>			
<b>Equity</b>	<b>832,523</b>	<b>-7,124*</b>	<b>825,399</b>
<b>Provisions</b>	<b>113,713</b>	<b>-113,713</b>	<b>0</b>
Non-current liabilities	93,171	93,092	186,263
Current liabilities	948,137	33,122	981,259
<b>Total liabilities</b>	<b>1,041,308</b>	<b>126,214</b>	<b>1,167,522</b>
<b>Total liabilities and equity</b>	<b>1,987,544</b>	<b>5,377</b>	<b>1,992,921</b>

\* Adjustments in equity are specified as follows:

Amortisation of goodwill	5,377
Amounts due concerning share options	-16,435
Tax effect of adjustments	3,934
<b>Adjustments in total</b>	<b>-7,124</b>

### Statement of changes in equity

Amounts in DKK '000

	2004/2005
Balance 1 October 2004	769,827
Distributed dividends	-4,892
Exercise of share option agreements	-8,523
Treasury shares used for employee shares	14,060
Translation adjustments of derivative financial instruments	1,030
Translation adjustments of foreign subsidiaries and associates	7,127
Transferred from the profit for the year	44,730
Tax on equity items	2,040
<b>Balance 30 September 2005</b>	<b>825,399</b>



## Changes in applied accounting policies

### Consolidated cash flow statement for 2004/2005

Amounts in DKK '000

	Prior to adjustment 2004/2005	IFRS adjustment	IFRS 2004/2005
<b>Cash flow from operating activities</b>			
Profit before tax	85,609	-25,854	59,755
Depreciation	131,871	-5,377	126,494
Other adjustments	-34,855	17,815	-17,040
Corporation tax paid	-14,446		-14,446
<b>Cash flow from operating activities</b>	<b>168,179</b>	<b>-13,416</b>	<b>154,763</b>
<b>Cash flow from investing activities</b>			
Net investments in long-term assets	-177,829		-177,829
Net disposals relating to securities		49,701	49,701
<b>Cash flow from investing activities</b>	<b>-177,829</b>	<b>49,701</b>	<b>-128,128</b>
<b>Cash flow from financing activities</b>	<b>-55,186</b>	<b>13,416</b>	<b>-41,770</b>
<b>Cash flow from financing activities</b>	<b>-55,186</b>	<b>13,416</b>	<b>-41,770</b>
<b>Change in liquidity for the year</b>	<b>-64,836</b>	<b>49,701</b>	<b>-15,135</b>
Opening liquidity	-65,089	-50,298	-115,387
Change in liquidity for the year	-64,836	49,701	-15,135
<b>Closing liquidity</b>	<b>-129,925</b>	<b>-597</b>	<b>-130,522</b>