



The Copenhagen Stock Exchange  
Nicolaj Plads 6  
PO Box 1040

DK-1007 Copenhagen K

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

31 August 2005

Ref.: JSZ/psn

## **Quarterly Report for 1 October 2004 – 30 June 2005**

Today the Board of Per Aarsleff A/S has discussed and approved the Quarterly Report of the Company covering the first nine months of the financial year 2004/2005.

### ***Summary***

Profit before tax for the first nine months came to DKK 65.9 million against DKK 50.4 million for the same period of last year.

This corresponds to the forecast expressed at the beginning of the financial year, causing no change in the previously announced forecast for a profit for the year at DKK 80 million before tax.

Group revenue was DKK 2,545 million against DKK 2,125 million last year. Foreign activities including associates amount to DKK 1,100 million compared to DKK 851 million in the previous financial year.

As forecasted at the beginning of the year Construction contributes a profit before interest at DKK 17 million against DKK 5 million last year. Revenue came to DKK 1,535 million compared to last year's DKK 1,236 million. The third quarter is characterised by a level of activity above expectations at the beginning of the financial year.

Pipe Technologies contributes a profit before interest at DKK 32 million against DKK 26 million for the same period of last year. The result is as expected.

Piling contributes a profit before interest at DKK 23 million against DKK 30 million last year which was an extremely good year for the English subsidiary. The result is slightly better than forecasted.

Cash flows from operating activities with deduction of investments amount to DKK 31 million.



The report discloses the income from each of the Company's three business areas. Segment information appears from page 6.

Palle Svejstrup  
Chairman of the Board

Ebbe Malte Iversen  
General Manager

*For further information, please contact:*

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



## 1. Highlights and financial ratios for the Group (DKK million)

	<i>April quarter</i>		<i>Period 1/10 – 30/6</i>	
	<i>2005</i>	<i>2004</i>	<i>2004/2005</i>	<i>2003/2004</i>
<b>Income statement</b>				
Net revenue, work performed	901	752	2,545	2,125
Of this figure, work performed abroad	352	240	930	696
Foreign activities, including shares from associates	414	286	1,100	851
Profit on primary operations	28	27	71	53
Profit on associates	6	2	1	8
Profit before interest	34	29	72	61
Finance, net	-2	-4	-6	-11
Profit before tax	32	25	66	50
Profit after tax	29	16	53	33
Number of employees			2,410	2,216
			<i>30/6 2005</i>	<i>30/9 2004</i>
				<i>30/6 2004</i>
<b>Balance sheet</b>				
Intangible assets		15	16	18
Property, plant and equipment		727	681	641
Investments		64	67	62
Current assets		1,116	1,095	1,014
Total assets		1,922	1,859	1,735
Equity		814	772	762
Provisions		126	120	124
Liabilities other than provision		982	967	849
Total liabilities and equity		1,922	1,859	1,735
Solvency ratio, %		42	42	44
			<i>April quarter</i>	<i>Period 1/10 – 30/6</i>
			<i>2005</i>	<i>2004</i>
			<i>2004/2005</i>	<i>2003/2004</i>
<b>Cash flow statement</b>				
Operating activities	-14	-33	161	59
Investment in property, plant and equipment, net	-50	-27	-131	-76
Other investing activities	-2	0	1	1
Financing activities	0	-25	-44	-32
Change in liquidity for the period	-66	-85	-13	-48

*For the preparation of the Quarterly Report the same accounting policies as for the Annual Report 2003/2004 have been applied.*



## 2. Comments to the developments of the first nine months

Revenue for the first nine months of the financial year came to DKK 2,545 million against DKK 2,125 million last year. The profit before tax reached DKK 65.9 million against last year's DKK 50.4 million.

Revenue from the Danish market was DKK 1,615 million for the period compared to DKK 1,429 million last year.

Revenue abroad, including shares from associates, amounts to DKK 1,100 million against DKK 851 million last year.

At the beginning of the financial year the company expected a slightly increasing level of activity. The trend of the first nine months supports the outlook expressed by the management after the first six months, namely further increases in the level of activity on the Danish construction market as well as abroad.

Cash flows from operating activities with deduction of investments amount to DKK 31 million. In the first nine months of the financial year the net interest payable was DKK 6 million against DKK 11 million in the previous financial year.

### **Construction – a higher level of activity than forecasted at the beginning of the year**

Construction contributes a profit before interest at DKK 17 million against DKK 5 million last year. Revenue came to DKK 1,535 million compared to last year's DKK 1,236 million. A growing level of activity was seen in Denmark as well as abroad.

The first quarter of the financial year was better than forecasted. The second quarter was influenced negatively by winter and onerous activities in Southern Sweden. The third quarter is characterised by a level of activity that is higher than forecasted at the beginning of the financial year. The total profit for the period generated by Construction is as expected at the beginning of the financial year.

Revenue for Denmark was DKK 1,236 million compared to last year's DKK 1,114 million. Construction has increased its activities more than expected. This is partly because of isolated contracts and partly due to a general upward trend.

Foreign activities, including shares from associates, amount to DKK 301 million against DKK 130 million last year. The activities are comprised by general civil engineering works in Southern Sweden as well as isolated overseas projects and are on the increase as forecasted.

The subsidiaries Wicotec A/S and Dan Jord A/S continue their sound growth and contribute, as expected, positively to the result. The subsidiary Petri & Haugsted as did not live up to expectations for the first nine months of the financial year.

### **Pipe Technologies – result lives up to expectations**

Pipe Technologies contributes a profit before interest at DKK 32 million against DKK 26 million for the same period of last year. The result is as expected.

Revenue for Denmark came to DKK 236 million against DKK 214 million last year. The level of activity in the local government sector in Denmark is fairly stable while the housing and industry sectors are growing.



Foreign activities, including shares from associates came to DKK 499 million against DKK 435 million last year.

A number of license agreements with Insituform Technologies, Inc., concerning the use of trademarks and license protection, was formally terminated some six months ago. In reality the license protection has not existed for some years for the contracts in question, and after having worked mainly under our own name for a considerable period of time, it was decided solely to use our own trademark. Insituform Technologies, Inc. has filed a suit based on an unspecified monetary claim, justified in a breach of license agreements. We are of the opinion that the claim is unwarranted.

In Germany we continue our cooperation with Insituform Technologies, Inc. through the jointly owned company Insituform Rohrsanierungstechniken GmbH, just as the cooperation on the English Insituform Linings Plc. continues. License agreements for Estonia, Latvia, Lithuania, St Petersburg, and Kaliningrad remain in force.

### **Piling – high level of activity in Denmark and continued positive development in England**

Piling contributes a profit before interest for the first nine months of the financial year at DKK 23 million against DKK 30 million last year. This is slightly better than forecasted.

Revenue came to DKK 443 million against last year's DKK 387 million. Foreign activities amount to DKK 300 million compared to DKK 286 million in the previous financial year.

The subsidiary in England continues its positive growth while the subsidiaries in Germany and Poland continuously work under difficult market conditions.

Revenue for Denmark reached DKK 143 million against DKK 101 million last year, which saw a low level of activity in the building and construction industry.

## **3. The future**

For the financial year as a whole the company now expects a higher level of activity than forecasted at the beginning of the financial year.

The development of the first nine months of the financial year does not give rise to change the previously announced outlook for a profit for the year at DKK 80 million before tax.



#### 4. Changes in equity (DKK million)

	1/10 2004 – 30/6 2005	1/10 2003 – 30/6 2004
Balance at beginning of period	772	736
Dividend paid	-5	-5
Currency adjustments concerning derivative financial instruments	1	-3
Other currency adjustments	1	1
Exercise of share option agreements	-8	0
Profit after tax for the period	53	33
<b>Balance at end of period</b>	<b>814</b>	<b>762</b>

#### 5. Segment information for the first nine months (DKK million)

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.

	Construction		Pipe Technologies		Piling		Total	
	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004	2004/2005	2003/2004
Net revenue, work performed	1,535	1,236	567	502	443	387	2,545	2,125
Of this figure, work performed abroad	299	122	331	288	300	286	930	696
Foreign activities, including shares from associates	301	130	499	435	300	286	1,100	851
Profit on primary operations	17	2	31	21	23	30	71	53
Profit on associates	0	3	1	5	0	0	1	8
Profit before interest	17	5	32	26	23	30	72	61
Finance, net							-6	-11
Profit before tax							66	50
Number of employees	1,634	1,534	427	394	349	288	2,410	2,216


**Income statement for 1/10 2004 – 30/6 2005 (DKK '000)** Appendix 1 – page 1

PARENT COMPANY			GROUP	
Period 1/10 – 30/6			Period 1/10 – 30/6	
2003/2004	2004/2005		2004/2005	2003/2004
1,259,884	1,539,584	<b>Net revenue, work performed</b>	2,545,058	2,124,530
<u>-1,147,713</u>	<u>-1,377,215</u>	Production costs	<u>-2,249,935</u>	<u>-1,864,001</u>
112,171	162,369	<b>Gross profit</b>	295,123	260,529
<u>-111,038</u>	<u>-120,493</u>	Administrative expenses	<u>-224,460</u>	<u>-207,420</u>
1,133	41,876	<b>Profit on primary operations</b>	70,663	53,109
329	296	Other operating income and expenses	408	704
		Result of capital participation in affiliated companies before tax:		
48,132	26,098	Subsidiaries		
<u>7,338</u>	<u>1,283</u>	Associates	<u>1,131</u>	<u>7,207</u>
56,932	69,553	<b>Profit before interest</b>	72,202	61,020
<u>-6,516</u>	<u>-3,692</u>	Finance, net	<u>-6,341</u>	<u>-10,604</u>
50,416	65,861	<b>Profit before tax</b>	65,861	50,416
<u>-17,224</u>	<u>-12,783</u>	Corporation tax	<u>-12,783</u>	<u>-17,224</u>
<u><u>33,192</u></u>	<u><u>53,078</u></u>	<b>PROFIT FOR THE PERIOD</b>	<u><u>53,078</u></u>	<u><u>33,192</u></u>



## Balance sheet as per 30/6 2005 (DKK '000)

Appendix 1 – page 2

PARENT COMPANY		ASSETS	GROUP	
30/9 2004	30/6 2005		30/6 2005	30/9 2004
1,115	0	Goodwill	10,871	15,189
719	3,756	Patents and similar rights	3,920	795
1,834	3,756	<b>Intangible assets</b>	14,791	15,984
167,581	166,221	Land and buildings	278,813	270,059
231,361	268,341	Technical plant and machinery	422,003	382,481
9,807	6,876	Cars, furniture and fittings	26,374	28,159
408,749	441,438	<b>Property, plant and equipment</b>	727,190	680,699
380,292	383,409	Shares in subsidiaries		
64,796	61,478	Shares in associates	61,478	64,984
15,124	15,513	Loans to subsidiaries		
773	1,153	Loans to associates	1,153	773
672	1,072	Other securities and shares	1,530	1,200
461,657	462,625	<b>Investments</b>	64,161	66,921
872,240	907,819	<b>TOTAL FIXED ASSETS</b>	806,142	763,604
40,360	40,855	<b>Stocks</b>	87,211	85,687
374,811	331,253	Contracting debtors	645,803	689,078
59,644	91,736	Work in progress less invoicing on account	164,404	116,060
35,615	56,227	Accounts receivable from subsidiaries		
14,064	18,886	Accounts receivable from associates	18,886	14,681
12,484	17,260	Other debtors	27,329	18,095
8,495	8,494	Corporation tax	12,347	12,393
0	0	Deferred tax assets	4,841	4,394
513	4,401	Prepayments	12,102	15,113
505,626	528,257	<b>Debtors</b>	885,712	869,814
49,439	49,376	<b>Securities</b>	49,986	50,298
58,387	70,390	<b>Cash funds</b>	92,550	89,370
653,812	688,878	<b>TOTAL CURRENT ASSETS</b>	1,115,459	1,095,169
1,526,052	1,596,697	<b>TOTAL ASSETS</b>	1,921,601	1,858,773



## Balance sheet as per 30/6 2005 (DKK '000)

Appendix 1 – page 3

PARENT COMPANY		LIABILITIES AND EQUITY	GROUP	
30/9 2004	30/6 2005		30/6 2005	30/9 2004
45,300	45,300	Share capital	45,300	45,300
171,288	174,226	Reserve for net revaluation under the equity method		
550,680	594,769	Carried forward to the next period	768,995	721,968
4,892	0	Proposed dividend	0	4,892
<u>772,160</u>	<u>814,295</u>	<b>Total equity</b>	<u>814,295</u>	<u>772,160</u>
60,110	66,103	Provision for deferred tax	108,472	101,471
16,284	14,936	Warranties	17,386	18,734
<u>76,394</u>	<u>81,039</u>	<b>Total provisions</b>	<u>125,858</u>	<u>120,205</u>
51,610	51,429	Mortgage debt	62,833	67,935
52,080	26,064	Financial institutions	40,964	66,980
0	0	Corporation tax	0	2,639
<u>103,690</u>	<u>77,493</u>	<b>Total long-term debt</b>	<u>103,797</u>	<u>137,554</u>
325	325	Mortgage debt	833	1,636
139,436	156,318	Financial institutions	220,341	204,757
93,659	144,491	Prepayments regarding work in progress	177,080	112,929
203,662	171,715	Trade creditors	265,413	331,250
50,500	44,592	Accounts payable to subsidiaries		
1,629	2,078	Accounts payable to associates	2,078	1,629
0	0	Corporation tax	6,827	10,490
84,597	104,351	Other creditors	205,079	166,163
<u>573,808</u>	<u>623,870</u>	<b>Total short-term debt</b>	<u>877,651</u>	<u>828,854</u>
<u>677,498</u>	<u>701,363</u>	<b>Total liabilities other than provisions</b>	<u>981,448</u>	<u>966,408</u>
<u>1,526,052</u>	<u>1,596,697</u>	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>1,921,601</u>	<u>1,858,773</u>



## Cash flow statement for 1/10 2004 – 30/6 2005 (DKK '000)

Appendix 2

PARENT COMPANY			GROUP	
Period 1/10 – 30/6			Period 1/10 – 30/6	
2003/2004	2004/2005		2004/2005	2003/2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
56,932	69,553	Profit before interest	72,202	61,020
51,901	62,131	Depreciation	96,156	83,979
-60,133	-37,338	Other adjustments	-10,172	-11,133
<u>-25,082</u>	<u>11,084</u>	Change in operating capital	<u>20,887</u>	<u>-50,297</u>
<b>Cash flows from operating activities</b>				
23,618	105,430	<b>before financial items and tax</b>	179,073	83,569
<u>-6,516</u>	<u>-3,692</u>	Finance, net	<u>-6,341</u>	<u>-10,604</u>
17,102	101,738	<b>Cash flows from ordinary operations</b>	172,732	72,965
<u>-3,877</u>	<u>1</u>	Corporation tax paid	<u>-11,485</u>	<u>-13,905</u>
<u>13,225</u>	<u>101,739</u>	<b>Cash flows from operating activities</b>	<u>161,247</u>	<u>59,060</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
166	-3,037	Patents and similar rights	-3,146	-158
-1,792	-3,009	Land and buildings	-14,594	-6,183
-42,166	-81,503	Technical plant and machinery, net	-109,685	-63,555
-1,018	-505	Cars, furniture and fittings, net	-6,257	-6,065
-62	-1,108	Capital increases in subsidiaries	0	0
22,989	19,247	Dividend received	947	1,221
398	2,538	Investment in other financial assets	2,998	146
<u>-21,485</u>	<u>-67,377</u>	<b>Cash flows from investing activities</b>	<u>-129,737</u>	<u>-74,594</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
-26,719	-26,197	Long-term liabilities	-31,118	-27,381
-4,892	-4,892	Paid dividend	-4,892	-4,892
0	-8,215	Exercise of share option agreements	-8,215	0
<u>-31,611</u>	<u>-39,304</u>	<b>Cash flows from financing activities</b>	<u>-44,225</u>	<u>-32,273</u>
<b>TOTAL CHANGE IN LIQUIDITY FOR THE PERIOD</b>				
<u><u>-39,871</u></u>	<u><u>-4,942</u></u>		<u><u>-12,715</u></u>	<u><u>-47,807</u></u>
-15,400	-31,610	Opening liquidity	-65,089	-14,952
<u>-39,871</u>	<u>-4,942</u>	Change in liquidity for the period	<u>-12,715</u>	<u>-47,807</u>
<u><u>-55,271</u></u>	<u><u>-36,552</u></u>	<b>Closing liquidity</b>	<u><u>-77,804</u></u>	<u><u>-62,759</u></u>