AARSLEFF

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

The Copenhagen Stock Exchange
Nicolaj Plads 6
P.O. Box 1040
DK-1007 Copenhagen K

Åbyhøj, 30 May 2005 Ref.: JSZ/psn

Interim report for the period 1 October 2004 – 31 March 2005

Today the Board of Per Aarsleff A/S has discussed and approved the company's report for the first six months of the financial year 2004/2005.

Summary
The interim result of the company came to DKK 34.1 million before tax compared to DKK 25.2 million over the same period of last year.

The result corresponds to the outlook expressed at the beginning of the financial year. The October quarter was better than forecasted while the January quarter did not live up to expectations. The development of the first six months does not give rise to change the outlook for the year, which as previously announced is for a profit before tax at DKK 80 million.

At the beginning of the year the company expected a slightly increasing level of activity. The trend of the first six months is towards further increases on the Danish construction market as well as abroad. This development supports the forecast of a general increase in the level of activity for the year, as announced by the management after the first quarter.

Group revenue was DKK 1,644 million against DKK 1,373 million last year. Foreign activities, including shares from associates, amount to DKK 686 million compared to DKK 565 million last year.

Construction contributes a profit before interest at DKK 1 million compared to a negative DKK 5 million last year. Revenue came to DKK 970 million compared to DKK 779 million last year. The level of activity has been higher than expected at the beginning of the financial year. However, activities in Southern Sweden generated a loss in the second quarter, which means that the total profit is slightly lower than forecasted.

Pipe Technologies contributes a profit before interest at DKK 24 million against DKK 18 million over the same period of last year. The total profit is as forecasted at the beginning of the financial year.

Piling contributes a profit before interest at DKK 13 million against DKK 19 million over the same period of last year, which saw an extremely good result in the English subsidiary. The result is slightly better than expected.

The cash flows from operating activities with deduction of investments reached a positive DKK 97 million.

The report discloses earnings for each of the company's three business areas. Segment information appears from page 6.

Palle Svejstrup	Ebbe Malte Iversen
Chairman of the Board	General Manager

Further information can be obtained from:
General Manager Ebbe Malte Iversen, Per Aarsleff A/S, tel. +45 8744 2222.

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

	January quarter		*First six months*	
	2005	***2004***	***2004/2005***	***2003/2004***
Income statement				
Net revenue, work performed	677	619	1,644	1,373
Of this figure, work performed abroad	261	209	578	455
Foreign activities, including shares from associates	298	251	686	565
Profit on primary operations	-1	5	43	26
Profit on associates	-2	4	-5	6
Profit before interest	-3	9	38	32
Finance, net	-2	-3	-4	-7
Profit before tax	-5	6	34	25
Profit after tax	-3	5	24	17
Number of employees			2,377	2,164
		31/3 2005	***30/9 2004***	***31/3 2004***
Balance sheet				
Intangible assets		13	16	20
Property, plant and equipment		707	681	638
Investments		60	67	62
Current assets		985	1,095	912
Total assets		1,765	1,859	1,632
Equity		784	772	745
Provisions		125	120	120
Liabilities other than provision		856	967	767
Total liabilities and equity		1,765	1,859	1,632
Solvency ratio, %		44	42	46
	January quarter		*First six months*	
	2005	***2004***	***2004/2005***	***2003/2004***
Cash flow statement				
Operating activities	109	26	175	92
Investment in property, plant and equipment, net	-39	-32	-81	-49
Other investing activities	0	1	3	1
Financing activities	-38	-6	-44	-7
Change in liquidity for the period	32	-11	53	37

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

2. Comments to the developments of the first six months

Revenue for the first six months reached DKK 1,644 million compared to DKK 1,373 million last year. The profit before tax came to DKK 34.1 million against DKK 25.2 million last year. Foreign activities, including shares from associates, amount to DKK 686 million compared to DKK 565 million last year.

At the beginning of the year the company expected a slightly increasing level of activity. The trend of the first six months is towards further increases on the Danish construction market as well as abroad. This development supports the forecast of a general increase in the level of activity for the year, as announced by the management after the first quarter.

Revenue for Denmark reached DKK 1,066 million against DKK 918 million for the first six months of the previous financial year.

The cash flows from operating activities with deduction of investments reached a positive DKK 97 million. The net interest payable for the period was DKK 4 million against DKK 7 million last year.

Construction – higher level of activity but expectations not fulfilled in the second quarter

Construction contributes a profit before interest at DKK 1 million compared to a negative DKK 5 million last year. Revenue for the first six months came to DKK 970 million compared to DKK 779 million last year. The level of activity has been on the increase in Denmark as well as abroad. The October quarter was better than forecasted while the January quarter was influenced negatively by winter. Furthermore, activities in Southern Sweden generated a loss in the second quarter. The total profit of Construction is slightly lower than forecasted for the period.

Revenue for Denmark came to DKK 810 million for the period, compared to DKK 711 million last year. Construction increased the level of activities more than expected in the first six months. This is due to isolated contracts as well as a generally increasing trend.

Foreign activities, including shares from associates, amount to DKK 163 million against DKK 72 million last year. The activities are comprised by general civil engineering activities in Southern Sweden as well as isolated, overseas contracts and are on the increase as expected.

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

Pipe Technologies – result as expected for the first six months

Pipe Technologies contributes a profit before interest at DKK 24 million against DKK 18 million over the same period of last year. As usual the level of activity was high in the Danish market in the first quarter of the financial year. However, revenue and profit for the January quarter did not quite live up to expectations. Pipe Technologies' total profit for the first six months corresponds to the forecast at the beginning of the financial year.

Revenue for Denmark in the period reached DKK 157 million against DKK 152 million last year. The level of activity in the local government sector is generally stable and the housing and industry sectors are growing.

Foreign activities, including shares from associates, amount to DKK 328 million against DKK 291 million in the previous financial year.

The first six months in the Polish subsidiary were extraordinarily positive.

The project-related activities are concentrated on the East European market. Furthermore a number of isolated, overseas pipe rehabilitation contracts are being executed. In this connection a DKK 148 million large order was obtained in Sri Lanka and test jobs have been carried out in Shanghai.

Until recently Aarsleff owned a company in Italy in association with the American partner ITI. However, the cooperation terminated and Aarsleff now independently continues to develop the Italian market.

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

Piling contributes a profit before interest at DKK 13 million for the first six months, compared to DKK 19 million in the previous financial year. The result is slightly better than forecasted.

Revenue came to DKK 294 million against DKK 257 last year. Foreign activities amount to DKK 195 million against DKK 202 million last year where a major one-off project in Kazakhstan influenced revenue. The English subsidiary continues the positive growth while the subsidiaries in Germany and Poland continue to work under difficult market conditions.

Revenue for Denmark reached DKK 99 million against DKK 55 million last year in which revenue was influenced by a low level of activity in the building and construction industry.

3. The future

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

At the beginning of the financial year the company forecasted a slightly increasing level of activity. The development of the first six months combined with the current volume of orders supports this outlook.

4. Decisions made by the Board of Directors

With a view generally to establish closer ties between the employees and the company as well as to strengthen the share culture established through previous employee share option schemes, it has been decided to offer shares to employees of the parent company and Group subsidiaries. According to specific rules employees of the Danish companies in the Group will be allowed to purchase 20 B-shares at the favourable price of DKK 21 per share. The shares shall be tied up for five years.

It is expected that the scheme, which is planned for implementation in September 2005, will result in a total sale of company shares to the employees corresponding to 35,000.

5. Changes in equity (DKK million)

	1/10 2004 – 31/3 2005	1/10 2003 – 31/3 2004
Balance at beginning of period	772	736
Dividend paid	-5	-5
Currency adjustments concerning derivative financial instruments	1	-3
Exercise of share option agreements	-8	0
Profit after tax for the period	24	17
Balance at end of period	**784**	**745**

6. Segment information on first six months of 2004/2005 (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	970	779	380	337	294	257	1,644	1,373
Of this figure, work performed abroad	160	68	223	185	195	202	578	455
Foreign activities, including	163	72	328	291	195	202	686	565
Profit on primary operations	1	-8	29	15	13	19	43	26
Profit on associates	0	3	-5	3	0	0	-5	6
Profit before interest	1	-5	24	18	13	19	38	32
Finance, net							-4	-7
Profit before tax							34	25
Number of employees	1,617	1,475	417	402	343	287	2,377	2,164

Income statement for 1/10 2004 – 31/3 2005 (DKK ’000)   Appendix 1 – page 1

PARENT COMPANY			GROUP	
First six months			First six months	
2003/2004	2004/2005		2004/2005	2003/2004
823,405	980,261	**Net revenue, work performed**	1,643,581	1,372,826
-745,718	-875,454	Production costs	-1,453,640	-1,210,004
77,687	104,807	**Gross profit**	189,941	162,822
-73,019	-79,044	Administrative expenses	-147,297	-137,145
4,668	25,763	**Profit on primary operations**	42,644	25,677
210	370	Other operating income and expenses	452	478
		Result of capital participation in affiliated companies before tax:		
18,275	15,267	Subsidiaries		
5,839	-4,929	Associates	-4,980	5,766
28,992	36,471	**Profit before interest**	38,116	31,921
-3,796	-2,326	Finance, net	-3,971	-6,725
25,196	34,145	**Profit before tax**	34,145	25,196
-8,582	-10,534	Corporation tax	-10.534	-8,582
16,614	23,611	**PROFIT FOR THE PERIOD**	23,611	16,614

Balance sheet as per 31/3 2005 (DKK ’000)

Appendix 1 – page 2

PARENT COMPANY			GROUP	
30/9 2004	31/3 2005	**ASSETS**	31/3 2005	30/9 2004
1,115	315	Goodwill	12,254	15,189
719	609	Patents and similar rights	794	795
1,834	924	**Intangible assets**	13,048	15,984
167,581	165,642	Land and buildings	270,940	270,059
231,361	259,483	Technical plant and machinery	410,007	382,481
9,807	7,861	Cars, furniture and fittings	25,706	28,159
408,749	432,986	**Property, plant and equipment**	706,653	680,699
380,292	373,265	Shares in subsidiaries		
64,796	57,766	Shares in associates	57,867	64,948
15,124	15,786	Loans to subsidiaries		
773	806	Loans to associates	806	773
672	1,072	Other securities and shares	1,600	1,200
461,657	448,695	**Investments**	60,273	66,921
872,240	882,605	**TOTAL FIXED ASSETS**	779,974	763,604
40,360	42,279	**Stocks**	93,440	85,687
374,811	314,201	Contracting debtors	525,057	689,078
59,644	70,182	Work in progress less invoicing on account	137,103	116,060
35,615	36,126	Accounts receivable from subsidiaries		
14,064	9,012	Accounts receivable from associates	9,817	14,681
12,484	14,864	Other debtors	23,231	18,095
8,495	11,734	Corporation tax	15,827	12,393
0	0	Deferred tax assets	4,886	4,394
513	7,966	Prepayments	16,925	15,113
505,626	464,085	**Debtors**	732,846	869,814
49,439	49,389	**Securities**	50,016	50,298
58,387	85,135	**Cash funds**	108,263	89,370
653,812	640,888	**TOTAL CURRENT ASSETS**	984,565	1,095,169
1,526,052	1,523,493	**TOTAL ASSETS**	1,764,539	1,858,773

Balance sheet as per 31/3 2005 (DKK ’000)

Appendix 1 – page 3

PARENT COMPANY			GROUP	
30/9 2004	31/3 2005	**LIABILITIES AND EQUITY**	31/3 2005	30/9 2004
45,300	45,300	Share capital	45,300	45,300
		Reserve for net revaluation under		
171,288	159,261	the equity method		
550,680	579,570	Carried forward to the next period	738,831	721,968
4,892	0	Proposed dividend	0	4,892
772,160	784,131	**Total equity**	784,131	772,160
60,110	66,910	Provision for deferred tax	107,892	101,471
16,284	14,524	Warranties	16,974	18,734
76,394	81,434	**Total provisions**	124,866	120,205
51,610	51,512	Mortgage debt	62,919	67,935
52,080	26,072	Financial institutions	40,972	66,980
0	0	Corporation tax	0	2,639
103,690	77,584	**Total long-term debt**	103,891	137,554
325	325	Mortgage debt	833	1,636
139,436	115,338	Financial institutions	170,265	204,757
93,659	181,720	Prepayments regarding work in progress	200,937	112,929
203,662	138,093	Trade creditors	216,857	331,250
50,500	60,200	Accounts payable to subsidiaries		
1,629	1,010	Accounts payable to associates	1,010	1,629
0	0	Corporation tax	16,537	10,490
84,597	83,658	Other creditors	145,212	166,163
573,808	580,344	**Total short-term debt**	751,651	828,854
677,498	657,928	**Total liabilities other than provisions**	855,542	966,408
1,526,052	1,523,493	**TOTAL LIABILITIES AND EQUITY**	1,764,539	1,858,773

Cash flow statement for 1/10 2004 – 31/3 2005 (DKK ’000)

Appendix 2

PARENT COMPANY First six months 2003/2004	PARENT COMPANY First six months 2004/2005		GROUP First six months 2004/2005	GROUP First six months 2003/2004
		CASH FLOWS FROM OPERATING ACTIVITIES		
28,992	36,471	Profit before interest	38,116	31,921
35,289	40,143	Depreciation	62,321	56,569
-27,881	-16,556	Other adjustments	-837	-8,769
30,893	74,346	Change in operating capital	85,234	26,320
67,293	134,404	**Cash flows from operating activities before financial items and tax**	184,834	106,041
-3,796	-2,326	Finance, net	-3,971	-6,725
63,497	132,078	**Cash flows from ordinary operations**	180,863	99,316
-1,266	-3,239	Corporation tax paid	-6,131	-7,707
62,231	128,839	**Cash flows from operating activities**	174,732	91,609
		CASH FLOWS FROM INVESTING ACTIVITIES		
111	110	Patents and similar rights	-13	-361
-329	-973	Land and buildings	-4,774	-1,995
-24,612	-57,769	Technical plant and machinery, net	-73,568	-42,846
-982	-380	Cars, furniture and fittings, net	-2,927	-2,876
0	-1,240	Capital increases in subsidiaries	0	0
22,989	19,247	Dividend received	947	1,221
-59	2,175	Investment in other financial assets	2,836	-238
-2,882	-38,830	**Cash flows from investing activities**	-77,499	-47,095
		CASH FLOWS FROM FINANCING ACTIVITIES		
-2,008	-26,106	Long-term liabilities	-31,024	-2,475
-4,892	-4,892	Dividend paid	-4,892	-4,892
0	-8,215	Exercise of share option agreements	-8,215	0
-6,900	-39,213	**Cash flows from financing activities**	-44,131	-7,367
52,449	50,796	**TOTAL CHANGE IN LIQUIDITY FOR THE PERIOD**	53,102	37,147
-15,400	-31,610	Opening liquidity	-65,089	-14,952
52,449	50,796	Change in liquidity for the period	53,102	37,147
37,049	19,186	**Closing liquidity**	-11,987	22,195