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JSZ/til

Quarterly Report Covering the Period 1 October – 31 December 2002

Today the Board of Per Aarsleff A/S has discussed and approved the Quarterly Report of the Company covering the first quarter of the financial year 2002/2003.

Summary

The quarterly result before tax is DKK 34.1 million compared to DKK 23.8 million over the same period last year. The result is up to expectations.

The Company still forecasts a profit in the financial year 2002/2003 of DKK 80 million before tax as stated in the Annual Report of 2001/2002 which was published on 19 December 2002. The second quarter will generate a minor loss such that the remaining part of the earnings will be generated in the third and fourth quarters.

The Group turnover is DKK 861 million compared to DKK 715 million last year. Exports including shares from associated companies amount to DKK 268 million compared to DKK 279 million last year.

In this quarter Construction contributes with an improved result of DKK 17 million compared to DKK 9 million last year. This is a consequence of a high level of activity in Denmark and the results from the subsidiaries being up to expectations. The turnover for the quarter amounts to DKK 570 million compared to DKK 447 million last year.

Pipe Technologies contributes with a result of DKK 16 million before interest compared to DKK 13 million over the same period last year. A low level of activity and increased competition within renovation of sewer and waste water pipes in the local government sector in Denmark have generated a smaller profit than last year. However, improved results from the export of trenchless pipe rehabilitation as well as the results from the foreign subsidiaries have contributed to a larger profit than last year.



Piling's result of DKK 5 million before interest is at the level of last year. Great activity within foundation of wind turbines in Denmark over the period produced an increased turnover and influenced the result positively, while provisions for a single bad debt in Poland influenced the result negatively.

The cash flow from operating activities with deduction of investments were positive in the first quarter of the financial year and reached DKK 4 million which corresponds to expectations. For the financial year 2002/2003 as a whole a considerably positive cash flow impact is forecasted.

The report states the profit from each of the three fields of activity of the Company. Segment information is provided on page 7.

Palle Svejstrup
Chairman of the Board

Ebbe Malte Iversen
General Manager

Further information can be obtained from:

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



1. Highlights and Key Figures for the Group (DKK million)

Profit and Loss Account	<i>First Quarter</i>	
	<i>2002/2003</i>	<i>2001/2002</i>
Net turnover, work performed	861	715
Of this figure, exports	207	224
Exports, including shares from associated companies	268	279
Profit on primary operations	35	22
Profit on associated companies	3	5
Profit before interest	38	27
Finance, net	-4	-3
Profit before tax	34	24
Profit after tax	23	16
Number of employees	2,273	2,105

Balance Sheet	<i>31/12 2002</i>	<i>30/9 2002</i>	<i>31/12 2001</i>
Intangible fixed assets	28	29	34
Tangible fixed assets	652	699	683
Financial fixed assets	68	64	68
Current assets	960	1,045	859
Total assets	1,708	1,837	1,644
Equity	767	744	727
Provisions	123	119	112
Debt	818	974	805
Total liabilities and shareholders' equity	1,708	1,837	1,644
Solvency ratio, %	45	41	44

Cash Flows	<i>First Quarter</i>	
	<i>2002/2003</i>	<i>2001/2002</i>
From operating activities	-16	86
From investment activities	20	-38
From financing activities	-1	-1
Change in liquidity for the period	3	47

For the preparation of the Quarterly Report the same accounting policies as for the Annual Report of 2001/2002 have been applied.



2. Comments to the Developments of the First Quarter

The turnover of the quarter is DKK 861 million compared to DKK 715 million in the same period last year. The profit before tax is DKK 34.1 million compared to 23.8 million last year. Exports including shares from associated companies amount to DKK 268 million compared to DKK 279 million last year.

Cash flows from operating activities with deduction of investments over the period are positive at DKK 4 million and as such fulfil the expectations of continuing the positive cash flow impact from the financial year 2001/2002.

The investment activities generated a positive cash flow impact of DKK 20 million in the quarter as operating equipment, according to plan, was disposed of in connection with projects completed abroad. This also contributed to reducing the accounts payable. Furthermore, at the beginning of the year the accounts payable were at a very high level as a consequence of major purchases made for projects in the third quarter of 2002. As such, the decrease in operating capital exceeds the cash profit which results in the total effect of operating activities being a negative cash flow impact of DKK 16 million.

Construction – High Level of Activity in Denmark and Positive Developments in Subsidiaries

Construction continues the positive development from the previous financial year. The profit before interest in the quarter is DKK 17 million compared to DKK 9 million in the first quarter of last year.

A number of projects abroad have been completed and the obtained profit is primarily a consequence of a high level of activity on projects in Denmark. The total turnover amounts to DKK 570 million compared to DKK 447 million last year. Exports, including shares from associated companies amount to DKK 16 million compared to DKK 60 million last year.

Some of the most important activities in the quarter comprise the production and installation of 73 concrete foundations for the future Nysted Offshore Wind Farm, land development for a new major slaughterhouse outside Horsens for the client Danish Crown, a number of minor infrastructure jobs in the Copenhagen and Ørestad areas as well as a number of marine construction projects.

The subsidiaries Petri & Haugsted as and Wicotec A/S contribute positively and as expected to the improvement of the profit.

Pipe Technologies – Improvement of Profit Despite Recession in Denmark

Pipe Technologies contributes with a result of DKK 16 million before interest compared to DKK 13 million in the first quarter of the previous financial year. Exports are on the increase. In the quarter under review exports including shares from associated companies reached DKK 191 million compared to DKK 155 million last year.

Activities within trenchless pipe rehabilitation, which is the core competency of the division, have been marked by low activity on the Danish market within the local government sector. As a consequence of this, earnings were lower than for the same period last year. In the previous year Pipe Technologies experienced a recession within the local government sector in the



second quarter of the financial year followed by increased activities in the third and fourth quarters such that the normal level was attained again.

Improvements in the results of the export activities influence the profit positively compared to the same period last year.

Rehabilitation of sewer pipes in the provincial capital Mumbai in India is proceeding satisfactorily and according to plan. The contract price of this job is approx. DKK 140 million. Examples of other material export projects having a high activity in the quarter are rehabilitation of drinking water pipes in Manila in the Philippines, establishment of water treatment plants in Vietnam and water supply projects in Latvia.

In this quarter the work of developing the foreign subsidiaries within the core area of Pipe Technologies has generated growth and improvements in the profit compared to last year.

Piling – Great Activity but Still Difficult Conditions in Germany and Poland

Piling's result of DKK 5 million before interest for the first quarter is at the level of last year.

A high level of activities in the final quarter of the calendar year 2002, primarily in connection with the construction of wind turbines in Denmark, has generated an increased turnover and an improved profit compared to last year.

The positive development from 2001/2002 in the English subsidiary, whose core activity is industrial pile driving and production of prefabricated reinforced concrete piles, continues in the first quarter of the new financial year. In Germany the first quarter is continuously marked by the difficult conditions within the German building industry. In Poland, where in the quarter provisions for a single bad debt were made, market conditions are difficult.

In December 2002 Piling signed a contract on the driving of approx. 28,000 metres reinforced concrete piles for the extension of the production facilities of Airbus Deutschland in Hamburg-Finkenwerder, Germany.



3. Future Prospects

As informed earlier the Company forecasts a profit of DKK 80 million before tax for the financial year 2002/2003. The second quarter will generate a minor loss such that the remaining part of the earnings will be generated in the third and fourth quarters.

The cash flows from operating activities with deduction of investments are expected to yield a considerably positive amount for the entire financial year.

Structural Changes to the Competitive Situation

A new Danish act on invitation to tender combined with the increased tendency to contract out public civil engineering works per se have sharpened competition. The frontiers have become more open and administrative barriers have been reduced.

It has become easier to sell standard contracting work but the prices are more pressed. At the same time there is a demand for contractors who can execute one-off, complete and combined projects. This requires a large and expensive organisation but it is a more effective way to implement a complicated construction project.

We will prepare for the combined projects. We are currently implementing more and more projects on which we assume the complete responsibility for the deeper parts of major civil engineering works. This typically comprises excavation works, cofferdams, if any, groundwater lowering, pipeline works and possible underground concrete constructions. As such, the most difficult and the most risky operations as seen from the client's point of view are gathered under one responsibility.

Finally, we intend to continue efforts to execute a larger degree of civil engineering works as standard services while focusing on improving the efficiency. Pipe Technologies has strengthened its market position and will continue to try reducing the costs of industrial products as well as improving operations on major one-off contracts. Piling makes use of the more open market structure and will continue to develop all aspects of its core activity, which is production and driving of standard reinforced concrete piles.



4. Changes in Equity (DKK million)

	1/10 – 31/12 2002	1/10 – 31/12 2001
Balance at beginning of quarter	744	710
Currency adjustments	0	1
Profit after tax for the period	23	16
Balance at end of quarter	767	727

5. Segment Information on First Quarter of 2002/2003 (DKK million)

The following table shows the three segments of the Group: Construction, Piling and Pipe Technologies. The information in the table comprises the divisions of the parent company, all subsidiaries and associated companies including shares of consortia.

All directly attributable income and expenditure have been allocated to the respective segments. As the segments 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 segments on the basis of the drain by the segments on the staff and joint functions.

	Construction		Pipe Technologies		Piling		Total	
	2002/2003	2001/2002	2002/2003	2001/2002	2002/2003	2001/2002	2002/2003	2001/2002
Net turnover, work performed	570	447	196	178	95	90	861	715
Of this figure, exports	14	51	132	109	61	64	207	224
Exports, including shares from associated companies	16	60	191	155	61	64	268	279
Profit on primary operations	17	9	13	8	5	5	35	22
Profit on associated companies	0	0	3	5	0	0	3	5
Profit before interest	17	9	16	13	5	5	38	27
Finance, net							-4	-3
Profit before tax							34	24
Number of employees	1,562	1,446	432	405	279	254	2,273	2,105



Profit and Loss Account for 1/10 – 31/12 2002 (DKK '000) Appendix 1 – page 1

PARENT COMPANY			GROUP	
First Quarter			First Quarter	
2001/2002	2002/2003		2002/2003	2001/2002
486,174	597,966	Net Turnover, Work Performed	860,847	714,901
<u>-418,669</u>	<u>-520,020</u>	Direct production costs	<u>-712,272</u>	<u>-581,485</u>
67,505	77,946	Contribution Margin	148,575	133,416
-1,975	-2,983	Other production costs	-12,981	-12,990
<u>-17,373</u>	<u>-12,759</u>	Depreciation, production plant	<u>-20,764</u>	<u>-23,454</u>
48,157	62,204	Gross Profit	114,830	96,972
-37,865	-41,008	Administration and other overheads	-75,481	-71,061
<u>-1,768</u>	<u>-2,174</u>	Depreciation, administrative equipment etc.	<u>-4,665</u>	<u>-4,547</u>
8,524	19,022	Profit on Primary Operations	34,684	21,364
232	165	Other operating income	194	296
-124	-131	Other operating expenses	-136	-177
		Result of capital participation in affiliated companies before tax:		
12,917	15,207	Subsidiaries		
5,435	3,561	Associated companies	3,395	5,433
<u>-3,204</u>	<u>-3,691</u>	Finance, net	<u>-4,004</u>	<u>-3,136</u>
23,780	34,133	Profit before Tax	34,133	23,780
<u>-7,887</u>	<u>-11,482</u>	Company tax	<u>-11,482</u>	<u>-7,887</u>
<u>15,893</u>	<u>22,651</u>	PROFIT FOR THE PERIOD	<u>22,651</u>	<u>15,893</u>



Balance Sheet as per 31/12 2002 (DKK '000)

Appendix 1 – page 2

PARENT COMPANY		ASSETS	GROUP	
30/9 2002	31/12 2002		31/12 2002	30/9 2002
4,167	3,782	Goodwill	25,846	27,413
1,162	1,107	Patents and similar rights	1,668	1,752
5,329	4,889	Intangible Fixed Assets	27,514	29,165
176,578	173,514	Land and buildings	277,998	281,270
246,690	200,935	Technical plant and machinery	340,961	386,016
11,857	11,586	Cars, furniture and fittings	33,305	31,587
435,125	386,035	Tangible Fixed Assets	652,264	698,873
334,356	342,337	Shares in subsidiaries		
58,003	60,672	Shares in associated companies	60,779	58,269
29,372	24,018	Loans to subsidiaries		
4,900	6,625	Loans to associated companies	6,625	4,900
529	480	Other securities and shares	882	931
427,160	434,132	Financial Fixed Assets	68,286	64,100
867,614	825,056	TOTAL FIXED ASSETS	748,064	792,138
43,270	46,395	Stocks	75,128	70,844
408,780	410,665	Contracting debtors	610,970	630,575
134,290	92,931	Work in progress less interim invoicing	132,133	193,988
72,342	69,203	Accounts receivable from subsidiaries		
19,211	19,978	Accounts receivable from associated companies	20,008	19,248
23,291	19,927	Other debtors	30,270	29,854
13,137	10,758	Tax receivable	14,468	16,569
1,222	1,071	Prepayments	8,961	11,065
672,273	624,533	Debtors	816,810	901,299
290	290	Securities	2,436	2,562
43,061	25,921	Cash Funds	65,205	70,550
758,894	697,139	TOTAL CURRENT ASSETS	959,579	1,045,255
1,626,508	1,522,195	TOTAL ASSETS	1,707,643	1,837,393



Balance Sheet as per 31/12 2002 (DKK '000)

Appendix 1 – page 3

PARENT COMPANY		LIABILITIES AND SHAREHOLDERS' EQUITY	GROUP	
30/9 2002	31/12 2002		31/12 2002	30/9 2002
45,300	45,300	Share capital	45,300	45,300
177,835	177,835	Share premium account	177,835	177,835
147,701	158,252	Reserve for write-up of investments to equity		
<u>373,555</u>	<u>385,758</u>	Carried forward to the next period	<u>544,010</u>	<u>521,256</u>
<u>744,391</u>	<u>767,145</u>	Equity	<u>767,145</u>	<u>744,391</u>
71,467	76,467	Deferred tax	114,791	110,855
<u>5,600</u>	<u>5,600</u>	Warranties	<u>8,400</u>	<u>8,400</u>
<u>77,067</u>	<u>82,067</u>	Total Provisions	<u>123,191</u>	<u>119,255</u>
79,481	78,324	Mortgage debt	96,916	98,254
51,992	51,977	Financial institutions	66,877	66,892
<u>0</u>	<u>0</u>	Company tax	<u>4,319</u>	<u>5,872</u>
<u>131,473</u>	<u>130,301</u>	Total Long-Term Debt	<u>168,112</u>	<u>171,018</u>
4,692	4,692	Mortgage debt	5,785	5,883
166,195	156,226	Financial institutions	171,459	179,904
69,182	59,461	Prepayments regarding work in progress	78,415	87,238
267,376	173,828	Trade creditors	242,417	356,377
70,338	57,451	Accounts payable to subsidiaries		
5,094	3,450	Accounts payable to associated companies	3,696	5,335
<u>0</u>	<u>0</u>	Company tax	<u>9,071</u>	<u>10,173</u>
85,728	82,602	Other creditors	133,380	152,847
<u>4,972</u>	<u>4,972</u>	Dividend for the period	<u>4,972</u>	<u>4,972</u>
<u>673,577</u>	<u>542,682</u>	Total Short-Term Debt	<u>649,195</u>	<u>802,729</u>
<u>805,050</u>	<u>672,983</u>	Total Debts	<u>817,307</u>	<u>973,747</u>
<u>1,626,508</u>	<u>1,522,195</u>	Total Liabilities and Shareholders' Equity	<u>1,707,643</u>	<u>1,837,393</u>



Cash Flow Statement for 1/10 – 31/12 2002 (DKK '000)

Appendix 2

PARENT COMPANY			GROUP	
First Quarter			First Quarter	
2001/2002	2002/2003		2002/2003	2001/2002
CASH FLOW FROM OPERATING ACTIVITIES				
26.984	37.824	Profit before interest	38.137	26.915
20.198	18.585	Depreciation	28.418	29.674
-19.333	-22.352	Other adjustments	-6.315	-7.030
43.663	-78.690	Change in operating capital	-65.884	41.191
Cash Flow from Operating Activities				
71.512	-44.633	before Financial Items and Tax	-5.644	90.750
-3.204	-3.691	Finance, net	-4.004	-3.136
68.308	-48.324	Cash Flow from Ordinary Operations	-9.648	87.614
3.894	2.379	Company tax paid	-6.800	-1.009
72.202	-45.945	Cash Flow from Operating Activities	-16.448	86.605
CASH FLOW FROM INVESTMENT ACTIVITIES				
-1.328	55	Patents and similar rights	4	261
-14.555	3.428	Land and buildings	3.036	-17.224
-13.380	31.822	Technical plant and machinery	24.223	-18.481
-640	-776	Cars, furniture and fittings	-4.501	-2.719
-827	2.044	Investment in companies	0	0
34	3.372	Investment in other financial assets	-1.988	-86
-30.696	39.945	Cash Flow from Investment Activities	20.774	-38.249
CASH FLOW FROM FINANCIAN ACTIVITIES				
-1.060	-1.172	Long-term liabilities	-1.353	-1.212
-1.060	-1.172	Cash Flow from Financing	-1.353	-1.212
40.446	-7.172	TOTAL CHANGE IN LIQUIDITY FOR THE PERIOD	2.973	47.144
-190.840	-122.844	Opening liquidity	-106.792	-185.748
40.446	-7.172	Change in liquidity for the period	2.973	47.144
-150.394	-130.016	Closing Liquidity	-103.819	-138.604