

Nasdaq Copenhagen A/S  
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25 February 2016  
Ref.: JSZ/tms



## Interim report for the period 1 October-31 December 2015

Today, the Board of Directors of Per Aarsleff A/S has discussed and approved the interim report for the first quarter of the financial year 2015/2016. The interim report has not been audited or reviewed by the company's auditor.

### First quarter results

- Profit before tax came to DKK 119 million compared to DKK 123 million in the same quarter of last financial year.
- Consolidated revenue came to DKK 2,555 million, on a par with the first quarter of last financial year.
- Construction generated profit before interest of DKK 78 million.
- Pipe Technologies generated profit before interest of DKK 31 million.
- Ground Engineering generated profit before interest of DKK 14 million.
- The Group's net interest-bearing deposit came to DKK 435 million as at 31 December 2015.
- The equity ratio was 43.1% as at 31 December 2015.

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### Outlook for the financial year 2015/2016

- For the financial year 2015/2016, profit before tax of DKK 430 million is anticipated and a slightly increased level of activity compared with the financial year 2014/2015.
- On 7 January 2016, the Danish competition authorities approved the acquisition of Hansson & Knudsen A/S, and the company was thus included from January 2016.

Andreas Lundby  
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 for the Group

Amounts in DKK million

	First quarter		Financial year
	2015/2016	2014/2015	2014/2015
<b>Income statement</b>			
Revenue	2,555	2,545	10,254
Of this figure, work performed abroad	673	861	3,145
Operating profit	123	133	487
Profit before interest	123	131	484
Net financials	-4	-8	-29
Profit before tax	119	123	455
Profit after tax	90	94	366
<b>Balance sheet</b>			
Non-current assets	2,012	1,743	1,939
Current assets	3,445	2,984	4,051
Total assets	5,457	4,727	5,990
Equity	2,353	2,019	2,265
Non-current liabilities	725	592	725
Current liabilities	2,379	2,116	3,000
Total equity and liabilities	5,457	4,727	5,990
Net interest-bearing debt	-435	-91	-373
Invested capital (IC)	1,907	1,915	1,880
<b>Cash flow statement</b>			
Cash flows from operating activities	201	395	1,124
Cash flows from investing activities	-138	-91	-626
Of this figure, investment in property, plant and equipment, net	-138	-74	-377
Cash flows from financing activities	-1	2	-91
Change in liquidity for the period	62	306	407
<b>Financial ratios</b>			
Gross margin ratio, %	12.7	12.3	11.9
Profit margin (EBIT margin), %	4.8	5.1	4.8
Net profit ratio (pre-tax margin), %	4.7	4.8	4.4
Return on invested capital (ROIC), % *	6.5	6.6	24.2
Return on invested capital after tax (ROIC), % *	4.9	5.0	19.5
Return on equity (ROE), % *	3.9	4.8	17.4
Equity ratio, %	43.1	42.7	37.8
Earnings per share (EPS), DKK	4.41	4.61	17.98
Number of employees	5,364	4,726	4,932

Please see page 56 of the 2014/2015 annual report for financial ratio definitions.  
\*Not translated into full year figures.



## **Management's review concerning the first quarter of the financial year 2015/2016**

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

#### **Income statement**

In the first quarter of the financial year 2015/2016, consolidated revenue came to DKK 2,555 million, on a par with last financial year. The Danish operations reported a revenue increase of 12%, while the foreign operations reported a revenue decrease of 22%.

Administrative expenses and selling costs amounted to 7.9% of revenue compared to 7.1% in the first quarter of last financial year.

Operating profit came to DKK 122.8 million against DKK 133.2 million in the same quarter of last financial year.

Net financials were negative at DKK 3.8 million against a negative amount of DKK 7.8 million last financial year.

Profit before tax reached DKK 118.8 million in the first quarter of the financial year against a profit of DKK 123.3 million in the same quarter of last financial year.

Consolidated profit after tax was DKK 90.0 million in the first quarter of the financial year against a profit of DKK 94.0 million last financial year.

#### **Balance sheet**

The consolidated balance sheet total came to DKK 5,457 million at 31 December 2015. This corresponds to a decrease of DKK 533 million compared to the balance sheet total of DKK 5,990 million at the end of last financial year.

Consolidated interest-bearing liabilities less interest-bearing assets constituted a net deposit of DKK 435 million against a net deposit of DKK 373 million at 30 September 2015.

Equity amounted to DKK 2,353 million against DKK 2,265 million at the end of last financial year or 43.1% of the balance sheet total compared with 37.8% at the beginning of the financial year.

#### **Cash flow statement**

Cash flows from operating activities amounted to DKK 201 million against DKK 395 million in the same quarter of last financial year.

Cash flows from investing activities were negative at DKK 138 million against a negative amount of DKK 91 million in the same quarter of last financial year.

Cash flows from financing activities amounted to a negative amount of DKK 1 million against DKK 2 million in the same quarter of last financial year.

Thus, the change in liquidity for the period was positive at DKK 62 million.



## Segment results

Amounts in DKK million	Construction		Pipe Technologies		Ground Engineering		Total	
	First quarter		First quarter		First quarter		First quarter	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
Segment revenue	<b>1,793</b>	1,736	<b>412</b>	437	<b>372</b>	397	<b>2,577</b>	2,570
Internal revenue	<b>-15</b>	-10	<b>-3</b>	-7	<b>-4</b>	-8	<b>-22</b>	-25
Revenue	<b>1,778</b>	1,726	<b>409</b>	430	<b>368</b>	389	<b>2,555</b>	2,545
Of this figure, work performed abroad	<b>207</b>	318	<b>254</b>	307	<b>212</b>	236	<b>673</b>	861
Operating profit	<b>78</b>	69	<b>31</b>	36	<b>14</b>	28	<b>123</b>	133
Profit/loss in associates and joint ventures	<b>0</b>	0	<b>0</b>	-2	<b>0</b>	0	<b>0</b>	-2
Profit before interest	<b>78</b>	69	<b>31</b>	34	<b>14</b>	28	<b>123</b>	131
Net financials							<b>-4</b>	-8
Profit before tax							<b>119</b>	123
EBIT margin, %	<b>4.4</b>	4.0	<b>7.6</b>	7.9	<b>3.8</b>	7.2	<b>4.8</b>	5.1
Number of employees	<b>3,682</b>	3,159	<b>802</b>	807	<b>880</b>	760	<b>5,364</b>	4,726

### Construction – results were slightly above expectations

First quarter revenue came to DKK 1,778 million against DKK 1,726 million in the same period of last financial year. Revenue generated by the Danish operations increased by 12% to DKK 1,571 million. Revenue generated by the foreign operations decreased by 35% to DKK 207 million; the first quarter of last financial year was characterised by a high level of activity on the new Värtahamnen in Stockholm. First quarter revenue in Ístak hf. came to DKK 79 million. The company was included from 15 May 2015 and thus not included in the first quarter of the financial year 2014/2015.

Profit before interest was DKK 78 million against DKK 69 million last financial year. Results were slightly above expectations at the beginning of the financial year.

Overall, the results of Construction's subsidiaries met the expectations at the beginning of the financial year.

On 7 January 2016, the Danish competition authorities approved the acquisition of Hansson & Knudsen A/S, and the company was thus included in the segment from January 2016.

Our expectations for the full financial year 2015/2016 remain unchanged, corresponding to a profit before interest of approx. 4% of revenue and a slightly increased level of activity compared with last financial year.

### Pipe Technologies – results on a par with expectations at the beginning of the year

First quarter revenue came to DKK 409 million or 5% lower than last financial year. Revenue generated by the Danish operations increased by 26% to DKK 155 million. Revenue generated by the foreign operations decreased by 17% to DKK 254 million.

Profit before interest was DKK 31 million compared to DKK 34 million last financial year, on a par with expectations at the beginning of the financial year.



In Denmark, the level of activity of the municipal utility companies and the housing and industry segments exceeded expectations and therefore, the contribution to the results was higher. The quarter included the execution of two major, specialised pipe renewal projects for utility companies.

The level of activity and the performance of export projects within drinking water and wastewater supply and pipe renewal were significantly influenced by the difficult market conditions in Russia, Ukraine and the Baltic countries.

Total results of the subsidiaries were slightly above expectations at the beginning of the financial year. There was a positive development of activities in the companies in Sweden, Finland and Germany.

The outlook for the full financial year 2015/2016 remains unchanged. Pipe Technologies expects revenue to be on a par with last financial year and profit before interest of approx. 4% of revenue.

### **Ground Engineering – results fell short of expectations**

First quarter revenue came to DKK 368 million or 5% lower than the same period of last financial year. Revenue generated by the Danish operations came to DKK 156 million, on a par with last financial year. Revenue generated by the foreign operations decreased by 10% to DKK 212 million.

Profit before interest was DKK 14 million compared to DKK 28 million last financial year and is below expectations at the beginning of the financial year.

The performance of the Danish activities was slightly below expectations. Total results of the subsidiaries fell short of expectations, mainly due to the performance of the companies in Poland and the UK.

For the full financial year, we maintain our expectations for an increasing level of activity and a profit before interest of approx. 6% of revenue.

### **Outlook for the financial year 2015/2016**

For the financial year 2015/2016, profit before tax of DKK 430 million is anticipated and a slightly increased level of activity compared with the financial year 2014/2015.

The expectations concerning the future financial performance are subject to uncertainties and risks that may cause the performance to differ from the expectations. Significant commercial risks are described in Assessment of commercial risks of the annual report of 2014/2015 and note 2 on Estimation uncertainty. Significant risks and uncertainties remain unchanged compared with the description in the annual report.



## Accounting policies

The interim report covering the first quarter of the financial year 2015/2016 has been prepared in accordance with IAS 34 “Interim Financial Reporting” and additional Danish disclosure requirements for interim reports of listed companies.

No interim report has been prepared for the parent company.

The accounting policies of the interim report remain unchanged from the 2014/2015 Annual Report which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies. Please refer to the 2014/2015 Annual Report for a further description of the accounting policies.

Certain new or changed standards or interpretations have become effective for the financial year 2015/2016. It is the Management’s view that these standards and interpretations will have no significant effect on the annual report.

The interim report is presented in Danish kroner (DKK) which is the parent company’s functional currency.



## Management's statement

Today, the Board of Directors and Executive Management have discussed and approved the interim report of Per Aarsleff A/S for the period 1 October-31 December 2015.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and additional Danish disclosure requirements for interim reports of listed companies.

The interim report has not been audited or reviewed by the company's auditor.

We consider the accounting policies used to be appropriate. Accordingly, the interim report gives a true and fair view of the financial position at 31 December 2015 of the Group as well as of the results of the Group's operations and cash flows in the period 1 October-31 December 2015.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the period and of the financial position of the Group as well as a description of the most significant risks and elements of uncertainty facing the Group.

Åbyhøj, 25 February 2016

## Executive Management

Ebbe Malte Iversen  
General Manager

Lars M. Carlsen

## Board of directors

Andreas Lundby  
Chairman of the Board

Jens Bjerg Sørensen  
Deputy Chairman

Carsten Fode

Peter Arndrup Poulsen

Britta Hoier  
Staff-elected

Søren Kristensen  
Staff-elected



## Consolidated income statement

Amounts in tDKK

	First quarter	
	2015/2016	2014/2015
<b>Revenue</b>	<b>2,555,107</b>	<b>2,544,833</b>
Production costs	-2,229,748	-2,231,747
<b>Gross profit</b>	<b>325,359</b>	<b>313,086</b>
Administrative expenses and selling costs	-202,423	-179,973
Other operating income and expenses	-123	49
<b>Operating profit</b>	<b>122,813</b>	<b>133,162</b>
Profit/loss in associates and joint ventures	-194	-2,000
<b>Profit before interest</b>	<b>122,619</b>	<b>131,162</b>
Net financials	-3,796	-7,843
<b>Profit before tax</b>	<b>118,823</b>	<b>123,319</b>
Tax on profit for the period	-28,794	-29,324
<b>Profit after tax</b>	<b>90,029</b>	<b>93,995</b>
Earnings per share (DKK)	4.41	4.61

## Statement of comprehensive income

Amounts in tDKK

	First quarter	
	2015/2016	2014/2015
<b>Profit after tax</b>	<b>90,029</b>	<b>93,995</b>
<b>Items which may become reclassified to the income statement</b>		
Exchange rate adjustments relating to foreign entities	2,058	-23,424
Fair value adjustments of derivative financial instruments, net	-5,589	-3,120
Tax on other comprehensive income	1,230	0
Other comprehensive income recognised directly in equity	-2,301	-26,544
<b>Total comprehensive income</b>	<b>87,728</b>	<b>67,451</b>
<b>Total comprehensive income accrues to</b>		
Shareholders of Per Aarsleff A/S	87,528	67,531
Minority shareholders	200	-80
<b>Total</b>	<b>87,728</b>	<b>67,451</b>



## Consolidated balance sheet

Amounts in tDKK

	31/12 2015	30/9 2015	31/12 2014
<b>Total assets</b>			
Intangible assets	176,906	178,144	172,108
Property, plant and equipment	1,817,788	1,743,406	1,556,338
Other non-current assets	17,560	17,798	14,472
<b>Non-current assets</b>	<b>2,012,254</b>	<b>1,939,348</b>	<b>1,742,918</b>
Inventories	219,366	210,726	195,686
Contracting debtors	1,700,213	2,154,706	1,879,694
Work in progress	524,829	530,874	348,134
Other receivables	78,256	92,467	99,973
Securities	196,236	196,457	0
Cash	726,047	865,568	460,207
<b>Current assets</b>	<b>3,444,947</b>	<b>4,050,798</b>	<b>2,983,694</b>
<b>Total assets</b>	<b>5,457,201</b>	<b>5,990,146</b>	<b>4,726,612</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>2,352,831</b>	<b>2,265,103</b>	<b>2,018,910</b>
Mortgage debt and credit institutions	185,244	184,008	198,115
Other debt and provisions	131,280	138,746	92,919
Deferred tax	408,268	402,416	300,541
<b>Non-current liabilities</b>	<b>724,792</b>	<b>725,170</b>	<b>591,575</b>
Mortgage debt and credit institutions	246,534	448,411	127,400
Work in progress	623,275	626,308	530,024
Trade payables	894,204	1,312,437	945,488
Other payables	615,565	612,717	513,215
<b>Current liabilities</b>	<b>2,379,578</b>	<b>2,999,873</b>	<b>2,116,127</b>
<b>Total liabilities</b>	<b>3,104,370</b>	<b>3,725,043</b>	<b>2,707,702</b>
<b>Total equity and liabilities</b>	<b>5,457,201</b>	<b>5,990,146</b>	<b>4,726,612</b>



## Consolidated cash flow statement

Amounts in tDKK

	First quarter	
	2015/2016	2014/2015
<b>Cash flow from operating activities</b>		
Profit before interest	122,619	131,162
Depreciation, amortisation and impairment losses	71,591	69,977
Other adjustments	10,492	194,718
Net financials	-3,796	-7,843
Corporation tax paid	-401	6,918
<b>Cash flows from operating activities</b>	<b>200,505</b>	<b>394,932</b>
<b>Cash flow from investing activities</b>		
Net investment in property, plant and equipment and intangible assets	-138,497	-74,355
Net investment in subsidiaries	0	-16,289
Net investment in associates and joint ventures	930	0
<b>Cash flows from investing activities</b>	<b>-137,567</b>	<b>-90,644</b>
<b>Cash flow from financing activities</b>	<b>-864</b>	<b>2,313</b>
<b>Cash flows from financing activities</b>	<b>-864</b>	<b>2,313</b>
<b>Change in liquidity for the period</b>	<b>62,074</b>	<b>306,601</b>
Opening liquidity	435,678	30,095
Change in liquidity for the period	62,074	306,601
<b>Closing liquidity</b>	<b>497,752</b>	<b>336,696</b>



## Statement of changes in equity, Group

Amounts in tDKK

	Share capital	Reserve for exchange rate adjustments	Hedging reserve	Retained earnings	Proposed dividend	Total share- holders of Per Aarsleff A/S	Minority shareholders	Total
<b>Equity at 1 October 2014</b>	<b>45,300</b>	<b>-33,961</b>	<b>4,517</b>	<b>1,894,893</b>	<b>33,975</b>	<b>1,944,724</b>	<b>7,584</b>	<b>1,952,308</b>
<b>Total comprehensive income</b>								
Profit for the year				94,075		94,075	-80	93,995
<b>Other total comprehensive income</b>								
Exchange rate adjustments of foreign companies		-23,424				-23,424		-23,424
Fair value adjustments of derivative financial instruments			-3,120			-3,120		-3,120
Other total comprehensive income	0	-23,424	-3,120	0	0	-26,544	0	-26,544
<b>Total comprehensive income</b>	<b>0</b>	<b>-23,424</b>	<b>-3,120</b>	<b>94,075</b>	<b>0</b>	<b>67,531</b>	<b>-80</b>	<b>67,451</b>
<b>Equity at 31 December 2014</b>	<b>45,300</b>	<b>-57,385</b>	<b>1,397</b>	<b>1,988,968</b>	<b>33,975</b>	<b>2,012,255</b>	<b>6,655</b>	<b>2,018,910</b>
<b>Equity at 1 October 2015</b>	<b>45,300</b>	<b>-52,494</b>	<b>850</b>	<b>2,196,912</b>	<b>67,950</b>	<b>2,258,518</b>	<b>6,585</b>	<b>2,265,103</b>
<b>Total comprehensive income</b>								
Profit for the year				89,829		89,829	200	90,029
<b>Other total comprehensive income</b>								
Exchange rate adjustments of foreign companies		2,058				2,058		2,058
Fair value adjustments of derivative financial instruments			-5,589			-5,589		-5,589
Tax on derivative financial instruments			1,230			1,230		1,230
Other total comprehensive income	0	2,058	-4,359	0	0	-2,301	0	-2,301
<b>Total comprehensive income</b>	<b>0</b>	<b>2,058</b>	<b>-4,359</b>	<b>89,829</b>	<b>0</b>	<b>87,528</b>	<b>200</b>	<b>87,728</b>
<b>Equity at 31 December 2015</b>	<b>45,300</b>	<b>-50,436</b>	<b>-3,509</b>	<b>2,286,741</b>	<b>67,950</b>	<b>2,346,046</b>	<b>6,785</b>	<b>2,352,831</b>



## Company announcements published this current financial year

12 October 2015	Aarsleff signs conditional agreement for acquisition of the shares in Hansson & Knudsen A/S
12 November 2015	Aarsleff involved in preliminary collaboration on the development of the central post office area in Copenhagen
21 December 2015	Preliminary announcement of financial statements for the financial year 2014/2015
21 December 2015	Stock split to enhance the liquidity of the Aarsleff share
06 January 2016	Notice convening the Annual General Meeting of Per Aarsleff A/S
07 January 2016	Aarsleff's acquisition of the shares in Hansson & Knudsen A/S has been approved
18 January 2016	Notification pursuant to section 55 of the Danish Companies Act and section 29 of the Danish law on securities trading etc.
21 January 2016	Establishment of a holding company structure in the Aarsleff Group
29 January 2016	Annual General Meeting of Per Aarsleff A/S
22 February 2016	Extraordinary General Meeting in Per Aarsleff A/S

See [www.aarsleff.com](http://www.aarsleff.com) for further information.



This interim report is a translation of Per Aarsleff A/S's official Danish interim report. The original Danish text shall take precedence and in case of discrepancy, the Danish wording shall prevail.