

Stock Exchange Announcement

Announcement No. 17

28.11.01

Dear Sirs

Enclosed please find Quarterly Report from MT Højgaard a/s concerning the third quarter 2001 and the nine months to September 2001.

Monberg & Thorsen Holding's Quarterly Report will be published later today.

For the sake of good order, we can advise that Monberg & Thorsen Holding A/S has a 46% interest in MT Højgaard a/s.

Yours faithfully

Monberg & Thorsen Holding A/S

Mogens Granborg

Erik Søndergaard

Chairman of the Board

President

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**Quarterly report - 3<sup>rd</sup> quarter 2001 - Nine months to 30 September 2001**

The Board of Directors of MT Højgaard a/s has considered and adopted the Company's report at 30 September 2001. The report and the accounts are un-audited.

Søborg, 15 November 2001  
Board of Directors and Management

Kristian May  
Chairman of the Board

Jørgen Vorsholt  
President

Any questions relating to this announcement should be directed to Jørgen Vorsholt, President, tel. +45 2270 9220 or to Kristian May, Chairman of the Board, tel. +45 4778 2210.

This announcement can also be viewed on MT Højgaard's homepage:  
**[www.mths.dk](http://www.mths.dk)**.

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## **Progress as expected**

- Production turnover in the 3<sup>rd</sup> quarter totalled DKK 2,189 million, in line with expectations.
- The result after tax for the 3<sup>rd</sup> quarter was a profit of DKK 27 million. This means that the expectation of more satisfactory earnings in the second half, as expressed in the Interim Report, was met in the 3<sup>rd</sup> quarter.
- The order situation also developed favourably in the 3<sup>rd</sup> quarter, the order book growing by DKK 1,023 million to DKK 8,274 million.
- The amalgamation is still proceeding according to plan.
- After the end of the 3<sup>rd</sup> quarter, MT Højgaard's subsidiary BMS has strengthened its position in the mobile crane hire market by acquiring the company Krangården A/S in Jutland. In addition, MT Højgaard has acquired the company Marius Hansen Facader A/S in Århus.

## **Expectations concerning 2001**

- Against the background of the development in the result in the 3<sup>rd</sup> quarter and the favourable order situation, the previously announced expectations concerning the year remain unchanged.
- Full-year production turnover at the DKK 8.8 billion level is expected, together with a break-even result due to the unsatisfactory result in the first six months, which was affected by a number of special factors relating to the amalgamation.

## Group financial highlights and ratios

Amounts in DKKm	3 months to 30.09.01	9 months to 30.09.01	Year to 31.12.00
<b>Profit and loss account</b>			
Production turnover	2,189	6,040	8,107
Operating profit/loss	39	-44	112
Financial items and profit in associated companies	0	2	22
Profit/loss on ordinary activities before tax	38	-42	134
MT Højgaard's share of consolid. profit/loss after tax	27	-30	87
<b>Balance sheet</b>			
Share capital		200	200
Capital and reserves		833	974
Total assets		3,687	3,484
Interest-bearing assets		290	268
Interest-bearing liabilities		533	313
Invested capital		1,076	1,019
<b>Cash flows</b>			
Cash flow from operating activities		-98	-116
Cash flow for investing activities		-170	-304
Cash flow from financing		-22	-8
<b>Total cash flow</b>		-290	-428
<b>Ratios (%)</b>			
Gross margin		3.9	6.2
Operating margin		-0.7	1.4
Profit margin		-0.5	1.1
Return on invested capital		-5.7	12.4
Return on equity after tax		-4.4	9.0
Equity ratio		22.6	28.0
<b>Other information</b>			
Order book, year-end		8,274	5,174
Number of employees		6,353	6,062

The accounts have been prepared in accordance with the Danish Company Accounts Act, Danish Accounting Guidelines and Copenhagen Stock Exchange reporting and presentation requirements for listed companies.

The accounting policies concerning tax and contracted work in progress have been changed in connection with the amalgamation in conformity with operative Danish Accounting Guidelines. The criterion for recognition of work in progress has been changed from the completed contract method to the percentage-of-completion method. Deferred tax assets and deferred tax liabilities are included in full in the accounts whereas, up to now, provision has been made for deferred tax on current assets.

No comparative figures are available for the 3<sup>rd</sup> quarter 2000.

The ratios have been prepared in accordance with the guidelines of Den Danske Finansanalytikerforening (the Danish Society of Financial Analysts) for calculation of ratios.

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## **The amalgamation of Monberg & Thorsen A/S and Højgaard & Schultz a/s**

Both management and employees have made a tremendous contribution in connection with the amalgamation activities, and the new organisational structure is now fully in place.

The staff relocation has been implemented wherever the existing facilities allow this, and elsewhere activities are in progress to establish the necessary framework.

Overall, the amalgamation activities are proceeding according to plan. The estimated synergies of DKK 60 – 90 million annually will be realised gradually, and, as previously announced, will not filter through to the accounts until 2002.

As at the end of the 3<sup>rd</sup> quarter, DKK 68 million of the DKK 150 million provision for amalgamation costs had been used.

Since the amalgamation, MT Højgaard has experienced a bigger increase in the volume of business than expected.

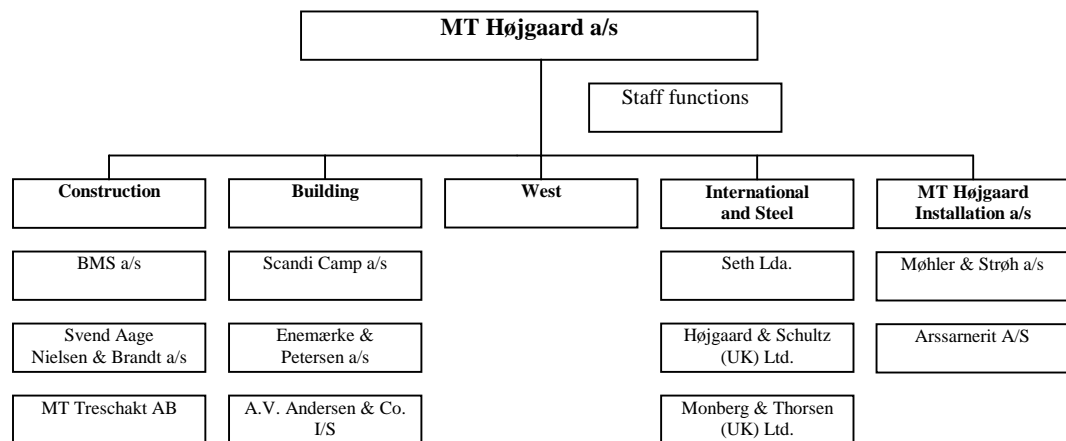
## **The market**

Although the Danish building and construction market appears to be less sensitive to market fluctuations than it used to be, the subdued global economic expectations will probably lead to a number of time lags in the commencement of planned investments.

However, the general trend within commercial building is still characterised by the restructuring between regions and business sectors and by the growth within knowledge-intensive sectors in the metropolitan region. At the same time, public sector building investments within education and the arts remain high.

As expected, the construction market is still suffering from a decline in the level of activity, with ensuing fierce price competition.

## Group structure



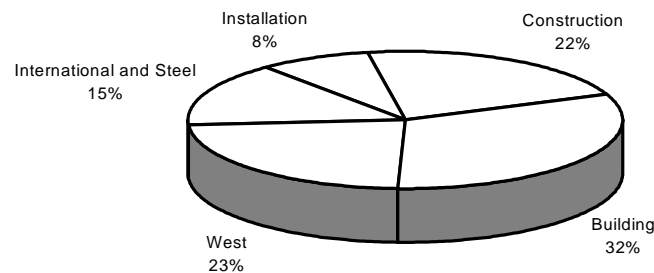
A few smaller companies have been omitted.

## The group's development in the 3<sup>rd</sup> quarter 2001

### Turnover and profit development

The MT Højgaard Group realised production turnover of DKK 2,189 million in the 3<sup>rd</sup> quarter 2001. Production turnover for the first nine months of the year totalled DKK 6,040 million, of which international activities accounted for 12%.

Segmented production turnover for the nine months to 30 September 2001						
DKKbn						
Business area	Construction	Building	West	International and Steel	Installation	Total
Turnover	1.3	1.9	1.4	0.9	0.5	6.0



The MT Højgaard Group recorded pre-tax profit of DKK 38 million in the 3<sup>rd</sup> quarter. The expectation of more satisfactory earnings in the second half, as expressed in the Interim Report, was thus met in the 3<sup>rd</sup> quarter. The pre-tax result for the first nine months of 2001 was a loss of DKK 42 million due to the unsatisfactory result in the first six months.

The result after tax and minority interests for the first nine months was a loss of DKK 30 million.

### **Balance sheet and movements in capital and reserves**

The group balance sheet stood at DKK 3,687 million at 30 September 2001, up DKK 203 million on the end-2000 balance sheet total of DKK 3,484 million. Capital and reserves amounted to DKK 833 million at 30 September 2001, corresponding to an equity ratio of 23%.

Besides the DKK 29.7 million loss for the first nine months, capital and reserves were depressed by DKK 1.9 million on account of exchange adjustments.

### **Cash flows**

In the first nine months there was an operating cash outflow of DKK 98 million. The group had a net cash outflow of DKK 290 million in the first nine months.

The cash flow for investing activities in the first nine months, DKK 170 mil-

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lion, consists primarily of replacement of and new investment in contractors' plant and machinery, etc.

Liquid resources, including liquid funds in joint ventures and securities, amounted to DKK 372 million at 30 September 2001, which, combined with unused credit facilities of DKK 352 million, gives satisfactory liquid resources of DKK 724 million.

### Order book

The order book continued to develop favourably in the 3<sup>rd</sup> quarter and, at 30 September 2001, was approx. 60% ahead of the order book at 1 January 2001.

DKKm	9 months to 30.09.01	Year to 31.12.00
Order portfolio 1 January	5,174	4,685
Order intake in the period	9,140	8,596
Production in the period	-6,040	-8,107
Order portfolio at end of period	8,274	5,174

The order portfolio at 30 September 2001 corresponds to on average approx. eleven months' production, providing a good basis for achievement of the estimated production turnover for 2001.

### Post-balance sheet events

MT Højgaard's subsidiary BMS has strengthened its position in the mobile crane hire market by acquiring the company Krangården A/S in Jutland on 1 November 2001.

Krangården, which recorded annual turnover of DKK 120 million in 2000 and has 60 employees, will continue unchanged with its head office in Holstebro and a branch in Copenhagen. The company's sales manager for many years, Fin Vandborg, was appointed managing director of the company in connection with the acquisition.

Krangården is engaged, among other things, within the heavy goods sector, and has built up solid competence within machinery transport. The company has customers within both the building and the construction sector, refineries, the

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process industry, the engineering industry and, in particular, the wind turbine sector.

In addition, on 15 November 2001, MT Højgaard acquired Marius Hansen Facader A/S, which is headquartered in Hasselager in Århus. The company is continuing as a separate company with its own identity, but as a wholly-owned subsidiary of MT Højgaard a/s.

Marius Hansen Facader A/S employs 74 people and expects to record turnover of around DKK 80 million in 2001.

The company supplies and erects balconies, doors, windows, facades and roof structures in metal and glass. Its customers are clients and major contractors.

The acquisition of these two companies will not have any material effect on the financial result for 2001.

### **Expectations concerning 2001**

Against the background of the satisfactory development in the result for the 3<sup>rd</sup> quarter and the favourable order situation, the previously announced full-year expectations remain unchanged.

Full-year production turnover at the DKK 8.8 billion level is expected, together with a break-even result due to the unsatisfactory result in the first six months, which was affected by a number of special factors relating to the amalgamation.

## **Development within the group's segments**

### **Construction**

The business area Construction undertakes construction and concrete activities east of the Great Belt, and the nation-wide plant and machinery hire activities.

The area also includes special projects and heavy building projects east of the Great Belt.

Production turnover in the 3<sup>rd</sup> quarter was DKK 0.4 billion, as expected, while the result for the quarter was slightly lower than expected, primarily reflecting an unsatisfactory development of the Swedish activities.

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The subsidiaries BMS a/s and Svend Aage Nielsen & Brandt a/s turned in satisfactory financial performances in the 3<sup>rd</sup> quarter.

Construction has received a number of large orders in the 3<sup>rd</sup> quarter to the effect that the order book had increased to DKK 2.1 billion at end-September. Overall, full-year turnover for Construction is expected to reach DKK 1.9 billion.

### **Building**

The business area Building undertakes project development and new building and building trade activities east of the Great Belt.

Building achieved production turnover of DKK 0.6 billion in the 3<sup>rd</sup> quarter 2001.

Building's earnings for the 3<sup>rd</sup> quarter 2001 did not match expectations due to downwards revisions of the results on a few projects, although the results recorded by the subsidiaries Enemærke & Pedersen a/s and Scandi Camp a/s in the 3<sup>rd</sup> quarter exceeded expectations.

The order intake in the 3<sup>rd</sup> quarter was satisfactory and the order book amounted to DKK 2.6 billion at the end of September. Building expects full-year turnover of DKK 2.6 billion.

### **West**

The business area West is engaged in construction and building projects, including self-generated projects, west of the Great Belt.

Production turnover in the 3<sup>rd</sup> quarter was DKK 0.6 billion, as expected. Earnings in the 3<sup>rd</sup> quarter fell slightly short of expectations.

The order book was DKK 1.3 billion at the start of the 4<sup>th</sup> quarter, and West expects full-year turnover of just under DKK 2.0 billion.

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### **International and Steel**

The business area International and Steel undertakes building and construction projects internationally and steel structures and other steel projects for industry.

International and Steel achieved turnover of DKK 0.4 billion in the 3<sup>rd</sup> quarter, which was slightly lower than expected, but recorded an operating result in the 3<sup>rd</sup> quarter which exceeded expectations.

International and Steel had an order book totalling DKK 1.8 billion at the end of September, and expects combined turnover in 2001 of DKK 1.5 billion.

### **Installation**

MT Højgaard Installation, one of Denmark's largest nation-wide installation companies, supplies a broad range of services to industry, the power station sector and the building sector within electrical and plumbing and heating installations, instrumentation works, electromechanical service and repairs, as well as safety systems, BMS systems and process installations.

Installation realised turnover of DKK 0.2 billion in the 3<sup>rd</sup> quarter in line with expectations, and earnings for the quarter were ahead of expectations.

The order book stood at DKK 0.5 billion at the start of the 4<sup>th</sup> quarter. Turnover for 2001 is expected to reach DKK 0.8 billion.

### **Other information**

MT Højgaard a/s is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen Holding A/S (46%), both of which are listed companies.

## Group profit and loss account

Amounts in DKKm	3 months to 30.09.01	9 months to 30.09.01	Year to 31.12.00
Production turnover	2,189.2	6,040.4	8,107.3
Production costs	2,056.0	5,805.4	7,607.4
<b>Gross profit</b>	133.2	235.0	499.9
Selling costs	33.7	95.4	122.6
Administrative expenses	60.9	184.0	264.9
<b>Operating profit/loss</b>	38.6	-44.4	112.4
Share of pre-tax profit of associated companies	0.5	1.6	3.9
Financial items	-0.6	0.4	18.0
<b>Profit/loss on ordinary activities before tax</b>	38.5	-42.4	134.3
Tax on profit/loss on ordinary activities	-11.6	12.7	-45.6
<b>Profit/loss before minority interests</b>	26.9	-29.7	88.7
Minority interests' share of profit/loss	-0.2	0.0	-2.2
<b>The group's share of the profit/loss</b>	26.7	-29.7	86.5

## Movements in group capital and reserves

Amounts in DKKm	At 30.09.01	Year to 31.12.00
Opening capital and reserves, cf. official accounts	801.5	753.5
Hiving off of activities in Germany	-5.0	-5.0
Adjustment and change of accounting policies	177.9	162.0
Restructuring provision after tax, allocated in opening balance sheet	-110.0	-
<b>Adjusted opening capital and reserves</b>	864.4	910.5
Exchange adjustment, etc.	-1.9	0.0
Profit/loss	-29.7	86.5
Dividend	0.0	-22.6
<b>Closing capital and reserves</b>	832.8	974.4

### Accounting figures

The accounting figures for 2000 for the MT Højgaard Group have been prepared by amalgamation of the official annual accounts of Monberg & Thorsen A/S and Højgaard & Schultz a/s (less the activities in Germany hived off by Højgaard & Schultz a/s), and adjusted to the continuing company's accounting policies and the changes in accounting policies relating to tax and the percentage-of-completion method.

## Group balance sheet

### Assets

Amounts in DKKm	At 30.09.01	Year to 31.12.00
<b>Fixed assets</b>		
<b>Intangible assets</b>		
Goodwill	46.4	52.9
<b>Total intangible assets</b>	46.4	52.9
<b>Tangible assets</b>		
Land and buildings	350.3	353.4
Plant and machinery	454.1	395.9
Other fixtures and fittings, tools and equipment	57.7	64.2
Tangible assets held under leases	62.4	51.0
<b>Total tangible assets</b>	924.5	864.5
<b>Financial assets</b>		
Investments in associated companies	10.3	9.8
Other securities and investments	0.3	0.4
<b>Total financial assets</b>	10.6	10.2
<b>Total fixed assets</b>	981.5	927.6
<b>Current assets</b>		
<b>Deferred tax asset</b>	34.4	0.0
<b>Stocks</b>		
Raw materials and consumables	67.3	61.7
Real property	428.8	438.4
<b>Total stocks</b>	496.1	500.1
<b>Debtors</b>		
Trade debtors	1,539.7	1,398.2
Amounts owed by affiliated companies	1.4	0.3
Amounts owed by associated companies	0.9	11.1
Other debtors	252.0	197.2
Prepayments and accrued income	9.2	6.2
<b>Total debtors</b>	1,803.2	1,613.0
<b>Securities</b>	104.5	108.7
<b>Liquid resources</b>	267.7	334.4
<b>Total current assets</b>	2,705.9	2,556.2
<b>Total assets</b>	3,687.4	3,483.8

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## Group balance sheet

### Liabilities

Amounts in DKKm	At 30.09.01	Year to 31.12.00
<b>Capital and reserves</b>		
Share capital	200.0	200.0
Share premium account	354.7	354.7
Reserves	278.1	419.7
<b>Total capital and reserves</b>	832.8	974.4
<b>Minority interests</b>	4.4	4.3
<b>Provisions</b>		
Deferred tax	0.0	13.3
Other provisions	83.8	2.2
<b>Total provisions</b>	83.8	15.5
<b>Creditors</b>		
<b>Long-term debt</b>	95.1	87.2
<b>Short-term debt</b>		
<b>Contracted work in progress</b>	361.6	469.2
<b>Other short-term debt</b>		
Credit institutions, etc.	437.7	225.9
Prepayments received	97.1	51.4
Trade creditors	1,109.4	958.7
Amounts owed to affiliated companies	0.0	29.2
Amounts owed to associated companies	0.0	2.0
Corporation tax	4.7	18.1
Other creditors	643.2	616.0
Accruals and deferred income	17.6	9.3
Dividend	0.0	22.6
<b>Other short-term debt, total</b>	2,309.7	1,933.2
<b>Total short-term debt</b>	2,671.3	2,402.4
<b>Total creditors</b>	2,766.4	2,489.6
<b>Total liabilities</b>	3,687.4	3,483.8