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Stock Exchange Announcement No. 14, 2003

MT Højgaard a/s quarterly report – first quarter 2003


Enclosed please find quarterly report for the first quarter 2003 about the activities during 1 January – 31 March 2003.

For your information Monberg & Thorsen A/S owns 46% of the shares in MT Højgaard a/s.

Med venlig hilsen
Monberg & Thorsen A/S



Mogens Granborg
Bestyrelsesformand



Erik Søndergaard
Adm. direktør

28 May 2003

Quarterly report - First quarter 2003 (1/1 – 31/03 2003)

The Supervisory Board of MT Højgaard a/s has considered and approved the Company's quarterly report for the first quarter 2003. The quarterly report is unaudited.

Søborg, 28 May 2003
Supervisory and Executive Boards

Per Møller
Chairman of the Supervisory Board

Kristian May
President and CEO

Any questions relating to this announcement should be directed to Kristian May, President and CEO, on telephone +45 3954 4000 or to Per Møller, Chairman of the Supervisory Board, on telephone +45 4520 1503.

This announcement can also be viewed on MT Højgaard's website: www.mthojgaard.com.

This announcement is available in Danish and English. In the event of discrepancies, the Danish version shall prevail.

Revenue and result for the first quarter 2003 as expected

- First quarter revenue was DKK 1,905 million, DKK 312 million down on the first quarter 2002.
- The result after tax was a loss of DKK 24 million. The result for the first quarter 2002 was a loss of DKK 4 million.
- The order book stood at DKK 5,046 million at the end of the first quarter, corresponding to about seven months' production, which is satisfactory.
- At the Annual General Meeting on 14 April, the owner companies Monberg & Thorsen and Højgaard Holding strengthened MT Højgaard's capital base by DKK 300 million by subscription for new shares.

Expectations for 2003

- Production revenue of about DKK 8.3 billion is expected for 2003. Pre-tax profit in the region of DKK 50 million is expected, in line with the expectations expressed in the 2002 Annual Report. The Group's effective tax rate is expected to be on a par with the Danish tax rate.

Group financial highlights

(The quarterly report is unaudited)

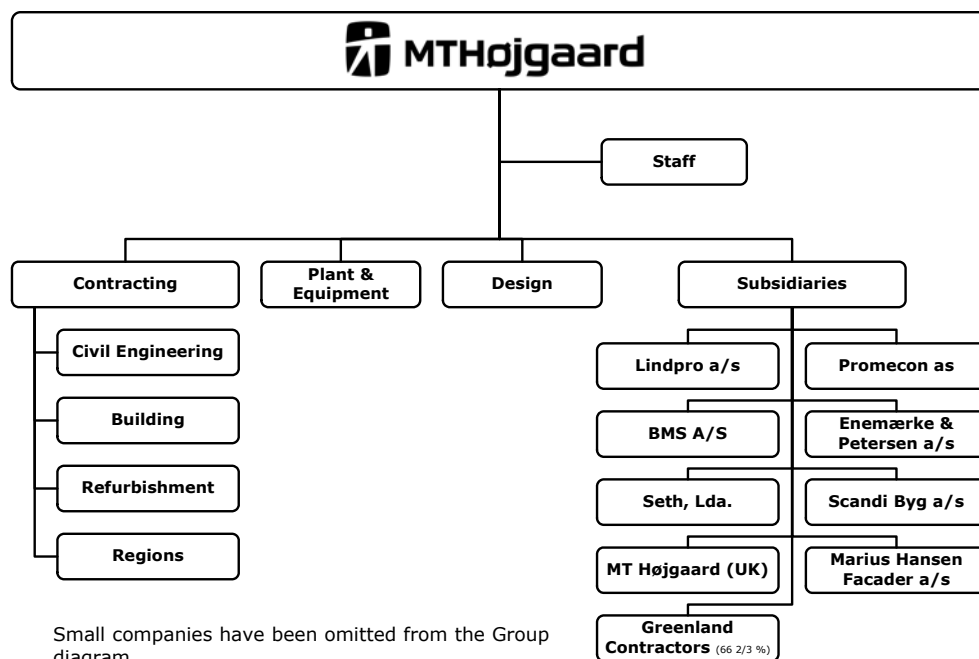
| Amounts in DKKm | 2003 | 2002 | 2002 |
|---|----------|----------|-------------|
| | 31.03 | 31.03 | Year |
| Income statement | | | |
| Revenue | 1,905 | 2,217 | 9,668 |
| Operating profit (loss) (EBIT) | (27) | (5) | (429) |
| Interest income and expense and similar items and profits (losses) of associates | (6) | (1) | (15) |
| Profit (loss) before tax | (33) | (6) | (444) |
| Group share of profit (loss) for the period | (24) | (4) | (378) |
| Balance sheet | | | |
| Share capital | 200 | 200 | 200 |
| Equity | 477 | 861 | 502 |
| Balance sheet total | 3,363 | 3,819 | 3,737 |
| Interest-bearing assets | 298 | 323 | 332 |
| Interest-bearing liabilities | 794 | 662 | 837 |
| Invested capital | 973 | 1,200 | 1,007 |
| Cash flows | | | |
| Cash flows from operating activities | 24 | 8 | (9) |
| Cash flows from investing activities | (14) | (10) | (164) |
| Cash flows from financing activities | (9) | 8 | 107 |
| Net cash flows from operating, investing and financing activities | 1 | 6 | (66) |
| Financial ratios (%) | | | |
| Gross margin | 3.8 | 4.3 | (0.1) |
| Operating margin | (1.4) | (0.2) | (4.4) |
| Profit margin | (1.3) | (0.2) | (3.9) |
| Return on avg. inv. capital (ROAIC) for the period | (2.7) | (0.4) | (38.9) |
| Return on equity after tax (ROE) for the period | (4.9) | (0.5) | (55.3) |
| Equity ratio | 14.2 | 22.6 | 13.4 |
| Other information | | | |
| Order book, end of period | 5,046 | 7,706 | 5,327 |
| Average number of employees | 5,543 | 6,380 | 6,225 |

The financial statements have been prepared in accordance with the Danish Financial Statements Act, Danish accounting standards and the Copenhagen Stock Exchange financial reporting requirements for listed companies. The accounting policies remain unchanged.

A few reclassifications and changes in the cash flow statement have been made. The comparative figures have been restated accordingly.

The ratios have been calculated in accordance with the Danish Society of Financial Analysts' calculation of ratios.

Group diagram



Organisation

The Group's business units have been restructured with effect from 1 January 2003 so that activities that are not related to MT Højgaard's core areas: building, civil engineering and refurbishment, have been placed in separate entities and subsidiaries.

The business units Plant & Equipment and Design function as independent competence centres for the entire company.

The Group's steel activities are placed in a newly established subsidiary, Promecon. Likewise, the installation activities are separately profiled in the subsidiary Lindpro a/s.

Group performance in the first quarter 2003

Revenue and results

The MT Højgaard Group delivered revenue of DKK 1,905 million in the first quarter compared with 2002 first quarter revenue of DKK 2,217 million. International activities accounted for 8% of revenue compared with 17% in the same period last year. The downturn in the level of activity is in line with expectations and is a consequence of the strategy of focus and the subdued market conditions.

As expected, the operating result (EBIT) for the first quarter was a loss of DKK 27 million, exceeding the loss in the first quarter 2002 as a result of the lower level of activity. To this should be added the fact that the full effect of the restructuring of the organisation implemented at the end of 2002 has yet to be felt. Moreover, resources and non-recurring costs for implementation of the initiated Group projects were incurred in the period under review.

Compared with the first quarter 2002 salaried staff has been cut back by just over 200. Total manpower, including those paid on an hourly basis, was 5,402 at the end of March, 978 fewer than at the same time in 2002.

The Buxton project did not have any effect on the result for the first quarter 2003 as the loss provision remains unchanged compared with the end of 2002. As stated in the annual report 2002, MT Højgaard has advanced claims for extra payments and extension of time. As the outcome of these claims is still to be clarified, no income has been recognised in the financial statements in this respect, in accordance with the company's policy. The statement of the final result of the project is still subject to uncertainty, partly due to the claims referred to above. The project is still expected to be completed in the current year.

The result share from associates was DKK 0 million for the first quarter compared with a negative DKK 1 million in the first quarter 2002. Interest income and expense and similar items for the first quarter amounted to a net expense of DKK 6 million versus a net expense of DKK 0 million in the same period last year.

The result after tax and minority interests for the first quarter was a loss of DKK 24 million compared with a loss of DKK 4 million in the first quarter 2002.

Balance sheet and statement of changes in equity

The capital base was strengthened by DKK 300 million at the Annual General Meeting on 14 April 2003 by subscription for new shares by the owner companies Højgaard Holding a/s and Monberg & Thorsen A/S.

The Group balance sheet total stood at DKK 3,363 million at 31 March 2003, down DKK 374 million on the end of 2002, due mainly to a fall in receivables related to operating activities.

Adding the DKK 300 million capital increase at 14 April 2003 to equity of DKK 477 million at 31 March 2003 gives an equity ratio of about 23% instead of 14% at 31 March 2002.

Cash flows and financial matters

Cash flows from operating activities amounted to DKK 24 million in the first quarter against DKK 8 million in the first quarter 2002. The main reason for this change is that less funds were tied up in receivables relating to operating activities.

Cash flows from investing activities amounted to a negative DKK 14 million in the first quarter compared with a negative DKK 10 million in the first quarter 2002. Investments primarily consisted of replacement of and new investment in contractors' plant and equipment, etc.

Cash flows from financing activities were a negative DKK 9 million against DKK 8 million in the same period last year, and were due to a decrease in long-term debt.

Total cash flow in the first quarter was DKK 1 million against DKK 6 million in the first quarter 2002.

The Group's capital resources at 31 March 2003, calculated as net cash, securities and undrawn credit facilities, provide it with satisfactory liquidity of DKK 630 million.

The capital resources include liquid resources in joint ventures of DKK 140 million that are available exclusively to the joint ventures.

Order book

The order book, which was influenced by the subdued market conditions, amounted to DKK 5,046 million at the end of the first quarter.

| DKKm | 31.03 2003 | 31.03 2002 |
|----------------------------------|-----------------------|-----------------------|
| Order book, beginning of period | 5,327 | 7,807 |
| Order intake for the period | 1,624 | 2,116 |
| Production for the period | (1,905) | (2,217) |
| Order book, end of period | 5,046 | 7,706 |

The order book corresponds to on average just over seven months' production, which is satisfactory.

Contracting

MT Højgaard's contracting arm is divided into four business areas: Civil Engineering, Building, Refurbishment and Regions.

The business units Plant & Equipment and Design function as competence centres for the entire company and, together with corporate functions and management, etc., feature under "Others" in the segment information.

Civil Engineering

Business area Civil Engineering comprises MT Højgaard's competencies within civil engineering, infrastructure, utility services and harbour and marine works in the Metropolitan area. Civil Engineering is also responsible for the Group's international activities within its chosen focus areas.

Civil Engineering reported revenue of DKK 0.3 billion in the first quarter 2003, which is on a par with expectations. Operating profit was DKK 10 million, which is somewhat better than anticipated.

The order book stood at DKK 1.1 billion at the end of the first quarter, and Civil Engineering expects revenue of DKK 1.4 billion for 2003.

Building

Business area Building carries out all types of residential and commercial building projects in the Metropolitan area, including concrete and erection works and drilling and cutting works. Building also undertakes project development across Denmark.

Building achieved first quarter revenue of DKK 0.4 billion, which is slightly below expectations. The operating result, a negative DKK 2 million, was on a par with expectations.

The order book stood at DKK 0.9 billion at the end of the first quarter, and Building expects revenue of DKK 1.6 billion in 2003.

Refurbishment

Business area Refurbishment is a new business area, established on the basis of the former Building Trade Division in Building. Refurbishment undertakes all types of refurbishment projects in the Metropolitan area – including conversion and conservation work as well as building trade work on new builds.

Refurbishment reported revenue of DKK 0.2 billion for the first quarter, as expected. Operating profit, at DKK 1 million, exceeded expectations.

The order book stood at DKK 0.4 billion at the end of the first quarter, and Refurbishment anticipates revenue of DKK 0.7 billion in 2003.

Regions

Business area Regions takes care of MT Højgaard's local building and civil engineering activities across Denmark outside the Metropolitan area. The business area is organised into six regions.

Regions delivered revenue of DKK 0.5 billion in the first quarter, which is in line with expectations.

The first quarter operating result, a negative DKK 11 million, was at a slightly lower level than expected as a result of write-downs on a few projects on completion of these.

At the end of the first quarter the order book was DKK 0.9 billion, and Regions expects revenue of DKK 2.0 billion in 2003.

Subsidiaries

The subsidiaries reported combined revenue of DKK 0.7 billion in the first quarter, and operating profit of DKK 3 million, which is slightly less than expected.

The subsidiaries' order book at the end of the first quarter totalled DKK 1.8 billion, and revenue of DKK 2.9 billion is expected for 2003.

Expectations for 2003

As forecast, the Danish building and civil engineering market is showing a slightly downward trend in 2003. This trend reflects weak international market conditions and uncertainty about the economic outlook.

The market trend still points to a somewhat lower level of activity within commercial building, whereas the market situation for the refurbishment segment is slightly better. The housing market still attracts considerable political attention and is showing an upward trend. However, projects are characterised by a drawn-out preparatory period, effectively delaying the launch of actual projects. Again in 2003, the civil engineering market is characterised by a small decline in the level of activity, and this trend must be expected to continue through the rest of the year.

Based on the order book and the expectations concerning the development of the market, which are still subject to some uncertainty, full-year revenue is expected to reach about DKK 8.3 billion against the previously announced expectation of DKK 8.5 billion. The decline of DKK 1.4 billion compared with 2002 is a consequence of the strategy of focus and the subdued market conditions.

Full-year pre-tax profit is still expected to amount to around DKK 50 million. The Group's effective tax rate is estimated to be on a par with the Danish tax rate.

Other information

MT Højgaard a/s is owned by Højgaard Holding a/s (54%) and Monberg & Thorsen A/S (46%), which are both listed on the Copenhagen Stock Exchange.

Group income statement

| Amounts in DKKm | 2003 | 2002 | 2002 |
|---|------------------|---------------|-----------|
| | First quarter | First quarter | Year |
| Revenue | 1,905.4 | 2,217.0 | 9,668.0 |
| Production costs | (1,833.1) | (2,121.7) | (9,674.8) |
| Gross profit (loss) | 72.3 | 95.3 | (6.8) |
| Distribution costs | (28.8) | (28.5) | (123.2) |
| Administrative expenses | (70.1) | (71.6) | (299.5) |
| Operating profit (loss) | (26.6) | (4.8) | (429.5) |
| Share of pre-tax profits (losses) of associates | 0.1 | (0.9) | (4.9) |
| Interest income and expense and similar items | (6.4) | 0.0 | (10.0) |
| Profit (loss) before tax | (32.9) | (5.7) | (444.4) |
| Tax on profit (loss) | 9.1 | 1.7 | 68.4 |
| Profit (loss) before minority interests | (23.8) | (4.0) | (376.0) |
| Minority interests' share of profit (loss) | (0.3) | 0.0 | (2.5) |
| Group share of profit (loss) | (24.1) | (4.0) | (378.5) |

Statement of changes in equity

| Amounts in DKKm | 2003 | 2002 | 2002 |
|---|---------------|---------------|---------|
| | First quarter | First quarter | Year |
| Equity at 1 January | 501.6 | 866.3 | 866.3 |
| Foreign exchange adjustments, etc. | (0.2) | (0.7) | 12.9 |
| Profit (loss) for the period | (24.1) | (4.0) | (378.5) |
| Value adjustments of hedging instruments at 1 January | (0.9) | - | - |
| Value adjustments of hedging instruments at end of period | 0.8 | (0.1) | 0.9 |
| Equity at end of period | 477.2 | 861.5 | 501.6 |

Group cash flow statement

| Amounts in DKKm | 2003 | 2002 | 2002 |
|--|----------------|---------------|---------|
| | First quarter | First quarter | Year |
| Operating activities | | | |
| Operating profit (loss) | (26.6) | (4.8) | (429.5) |
| Non-cash operating items | 58.3 | 38.1 | 484.6 |
| Cash generated from operations (operating activities) before changes in working capital, etc. | 31.7 | 33.3 | 55.1 |
| Changes in working capital, etc. | (8.0) | (25.3) | (63.8) |
| Cash flows from operating activities | 23.7 | 8.0 | (8.7) |
| Cash flows from investing activities | (14.1) | (10.0) | (163.8) |
| Cash flows from financing activities | (8.5) | 7.9 | 106.6 |
| Net cash flows from operating, investing and financing activities | 1.1 | 5.9 | (65.9) |
| Cash and cash equivalents at 1 January | (217.6) | (151.7) | (151.7) |
| Cash and cash equivalents at end of period | (216.5) | (145.8) | (217.6) |

Group balance sheet

| Amounts in DKKm | 2003 31.03 | 2002 31.03 | 2002 Year |
|--|----------------|----------------|----------------|
| Assets | | | |
| Fixed assets | | | |
| Intangible assets | 54.6 | 64.8 | 57.0 |
| Property, plant and equipment | 998.6 | 1,002.8 | 1,024.0 |
| Investments | 11.1 | 6.5 | 10.9 |
| Total fixed assets | 1,064.3 | 1,074.1 | 1,091.9 |
| Current assets | | | |
| Deferred tax asset | 106.5 | 14.2 | 97.4 |
| Inventories | 401.3 | 476.4 | 398.2 |
| Contract work in progress | 91.2 | - | 134.3 |
| Receivables | 1,401.5 | 1,930.6 | 1,683.0 |
| Securities | 68.1 | 76.2 | 68.6 |
| Cash at bank and in hand | 229.8 | 247.6 | 263.8 |
| Total current assets | 2,298.4 | 2,745.0 | 2,645.3 |
| Total assets | 3,362.7 | 3,819.1 | 3,737.2 |
| Equity and liabilities | | | |
| Equity | 477.2 | 861.5 | 501.6 |
| Minority interests | 7.9 | 5.4 | 7.5 |
| Provisions | | | |
| Deferred tax | 5.3 | 0.0 | 5.3 |
| Other provisions | 290.4 | 59.3 | 363.0 |
| Total provisions | 295.7 | 59.3 | 368.3 |
| Liabilities | | | |
| Long-term liabilities other than provisions | 249.2 | 164.4 | 257.3 |
| Contract work in progress | - | 455.3 | - |
| Other short-term liabilities other than provisions | 2,332.7 | 2,273.2 | 2,602.5 |
| Total liabilities other than provisions | 2,581.9 | 2,892.9 | 2,859.8 |
| Total equity and liabilities | 3,362.7 | 3,819.1 | 3,737.2 |

Segment information

| Amounts in DKKm | 2003 | 2002 | 2002 |
|---|----------------|---------------|-------------|
| | First quarter | First quarter | Year |
| Activities - primary segment | | | |
| Revenue | | | |
| Civil Engineering | 316.1 | 277.8 | 1,409.7 |
| Building | 398.4 | 553.1 | 2,070.4 |
| Refurbishment | 154.1 | 176.1 | 778.5 |
| Regions | 467.7 | 536.2 | 2,555.2 |
| Others/eliminations | (86.5) | (96.3) | (382.8) |
| Contracting | 1,249.8 | 1,446.9 | 6,431.0 |
| Subsidiaries | 655.6 | 770.1 | 3,237.0 |
| MT Højgaard Group | 1,905.4 | 2,217.0 | 9,668.0 |
| Operating profit (loss) (EBIT) | | | |
| Civil Engineering | 10.1 | (4.0) | (1.9) |
| Building | (1.9) | 6.9 | 11.5 |
| Refurbishment | 0.6 | 4.2 | 22.5 |
| Regions | (10.7) | (4.6) | (3.0) |
| Others | (27.8) | (14.7) | (122.4) |
| Contracting | (29.7) | (12.2) | (93.3) |
| Subsidiaries | 3.1 | 7.4 | (366.2) (*) |
| MT Højgaard Group | (26.6) | (4.8) | (429.5) |
| Order book, end of period | | | |
| Civil Engineering | 1,109.6 | 1,407.7 | 1,097.3 |
| Building | 870.3 | 1,551.7 | 1,072.9 |
| Refurbishment | 366.3 | 561.6 | 286.2 |
| Regions | 947.6 | 1,746.4 | 918.0 |
| Other/eliminations | (94.3) | (178.4) | (83.1) |
| Contracting | 3,199.5 | 5,089.0 | 3,291.3 |
| Subsidiaries | 1,846.8 | 2,618.8 | 2,035.7 |
| MT Højgaard Group | 5,046.3 | 7,705.8 | 5,327.0 |
| Geographical - secondary segment | | | |
| MT Højgaard Group | | | |
| Revenue – Denmark | 1,756.1 | 1,835.7 | 8,120.1 |
| Revenue – Rest of world | 149.3 | 381.3 | 1,547.9 |
| MT Højgaard Group | 1,905.4 | 2,217.0 | 9,668.0 |

*) Incl. Buxton project.