


19.05.04  
Stock Exchange Announcement No. 13, 2004


### **MT Højgaard a/s quarterly report – first quarter 2004**

Enclosed please find quarterly report for the first quarter 2004 about the activities during 1 January – 31 March 2004.

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

Yours faithfully  
Monberg & Thorsen A/S

  
Mogens Granborg  
Chairman of the Supervisory Board

  
Erik Søndergaard  
President

19 May 2004

**Quarterly report – First quarter 2004 (1/1 – 31/3 2004)**

The Supervisory Board of MT Højgaard a/s has today considered and approved the Company's quarterly report for the first quarter 2004. The quarterly report is unaudited.

Søborg, 19 May 2004  
Supervisory Board and Executive Board

Per Møller  
Chairman of the Supervisory Board

Kristian May  
President and CEO

This announcement can also be viewed on MT Højgaard's website:  
[www.mthojgaard.com](http://www.mthojgaard.com)

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

## **Revenue and results in the first quarter 2004 matched expectations**

- Revenue for the first quarter was DKK 1,610 million versus DKK 1,905 million in the first quarter 2003.
- The pre-tax result for the first quarter was a loss of DKK 28 million compared to a loss of DKK 33 million in the first quarter 2003.
- Operating cash inflow was DKK 70 million in the first quarter 2004 compared to an inflow of DKK 24 million in the first quarter 2003.
- The results for the period benefited from a continuing satisfactory trend in the contracting business, whereas the subsidiaries delivered a weaker performance in the first quarter 2004 than in the same period last year.
- The order book stood at DKK 4,813 million at the end of the first quarter, equivalent to about eight months' production, which is satisfactory.

## **Unchanged expectations for 2004**

- Revenue for 2004 is expected to amount to about DKK 7 billion. Pre-tax profit is expected to be in the region of DKK 75 million in accordance with the expectations expressed in the 2003 Annual Report.
- The effective tax rate for the Group is expected to be on a par with the Danish tax rate.

## Group financial highlights

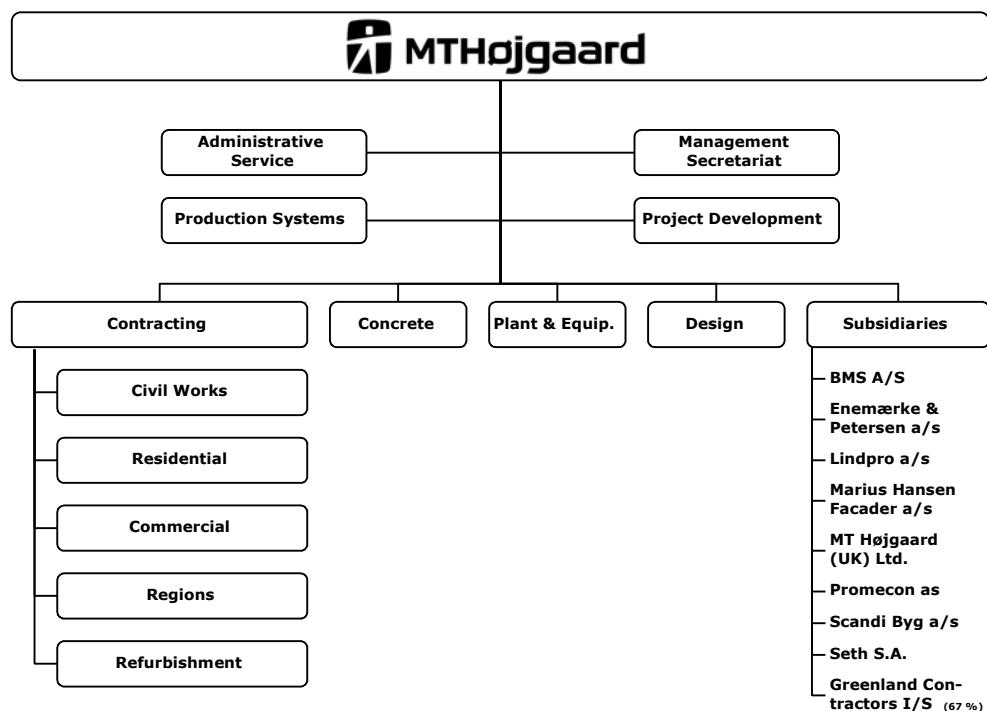
Amounts in DKKm	2004 YTD	2003 YTD	2003 Year
<b>Income statement</b>			
Revenue	1,610	1,905	7,982
Operating profit (loss) (EBIT)	(25)	(27)	50
Financial items and profits (losses) of associates	(3)	(6)	(2)
Profit (loss) before tax	(28)	(33)	48
Group share of profit (loss) for the period	(19)	(24)	27
<b>Balance sheet</b>			
Share capital	220	200	220
Equity	809	477	828
Balance sheet total	3,226	3,363	3,394
Interest-bearing assets	349	298	436
Interest-bearing liabilities	469	794	592
Invested capital	929	973	984
<b>Cash flows</b>			
Cash flows from operating activities	70	24	107
Cash flows from investing activities	(29)	(14)	(68)
Cash flows from financing activities	(18)	(9)	328
<b>Net cash flows from operating, investing and financing activities</b>	<b>23</b>	<b>1</b>	<b>367</b>
<b>Financial ratios (%)</b>			
Gross margin	3.7	3.8	5.6
Operating margin	(1.6)	(1.4)	0.6
Profit margin	(1.2)	(1.3)	0.3
Return on average invested capital (ROAIC)	(2.7)	(2.7)	5.0
Return on equity (ROE)	(2.4)	(4.9)	3.7
Equity ratio	25.1	14.2	24.4
<b>Other information</b>			
Order book, end of period	4,813	5,046	4,797
Average number of employees	4,802	5,543	5,535

\*) Not converted to full-year figures.

The quarterly report has been prepared in accordance with the Danish Financial Statements Act, Danish accounting standards and the Copenhagen Stock Exchange rules for listed companies. There have been no changes to the accounting policies compared with the 2003 Annual Report.

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

## Group diagram



Small companies have been omitted from the Group diagram.

## MT Højgaard Group

Group revenue for the first quarter 2004 was DKK 1,610 million versus DKK 1,905 million in the same period last year. The decline in the level of activity was as expected and is a consequence of the adjustments made in 2003 as a result of the subdued market conditions.

The operating result was a loss of DKK 25 million, as expected, an improvement of DKK 2 million on the first quarter 2003.

The results for the period benefited from a continuing satisfactory trend in the contracting business, whereas the subsidiaries delivered a weaker performance in the first quarter than in the same period last year.

In Buxton, the manufacturing facility is in the running-in phase and the last contracting works are being carried out - with a slight delay. As stated in the 2003 Annual Report, the claims advanced against MT Højgaard resulting from extra works, delays and disruptions in production are still pending, and provisions have been made in this respect on the basis of an evaluation of these claims. MT Højgaard has submitted claims for extra payment and extension of time. As these claims are still pending, no income has been

recognised in the financial statements in this respect, in accordance with the company's policy. The statement of the total costs on the project is therefore still subject to uncertainty.

The financial items and shares of the results of associates amounted to a negative DKK 3 million in the first quarter against a negative DKK 6 million in the same period last year.

The pre-tax result was a loss of DKK 28 million compared to a loss of DKK 33 million in the first quarter 2003.

The Group result after tax and minority interests was a loss of DKK 19 million compared to a loss of DKK 24 million in the same period last year.

### **Balance sheet**

The Group balance sheet total stood at DKK 3,226 million at 31 March 2004, down DKK 168 million on the balance sheet total at the end of 2003, due mainly to a reduction in operating receivables.

Equity amounted to DKK 809 million, corresponding to an equity ratio of 25%.

Interest-bearing net debt has been reduced by DKK 36 million in the first quarter 2004, to DKK 120 million, versus DKK 156 million at the end of 2003.

### **Cash flows and financial resources**

Operating cash inflow was DKK 70 million in the first quarter 2004 compared to an inflow of DKK 24 million last year, and benefited from an improved cash flow on work in progress.

Capital expenditure on property, plant and equipment, primarily replacement of and new investment in contractors' plant and equipment, etc., amounted to a net cash outflow of DKK 29 million in respect of investing activities compared to DKK 14 million in the same period last year.

Financing activities absorbed DKK 18 million compared to DKK 9 million in the same period last year.

The net cash inflow for the first quarter was DKK 23 million versus DKK 1 million last year.

The Group's financial resources at 31 March 2004, calculated as cash and cash equivalents, including liquid resources in joint ventures, and securities and undrawn credit facilities, still provide it with satisfactory liquidity of DKK 712 million.

The financial resources include liquid resources in joint ventures of DKK 136 million that are available exclusively to the joint ventures.

### Order book

The order book for the first quarter was satisfactory, standing at DKK 4,813 million at the end of the first quarter.

DKKm	31.03 2004	31.03 2003
Order book at 1 January	4,797	5,327
Order intake during period	1,626	1,624
Production during period	(1,610)	(1,905)
<b>Order book at end of period</b>	<b>4,813</b>	<b>5,046</b>

The order book corresponds to on average about eight months' production.

### The contracting business

MT Højgaard's contracting arm is organised into five business areas: Civil Works, Residential, Commercial, Regions and Refurbishment. Residential and Commercial are reported on as a single business segment.

The contracting business delivered an operating result for the first quarter 2004 that was just over DKK 20 million ahead of the figure recorded for the same period last year.

The development in the level of activity and results in the first quarter within each business segment is focused on in the following.

#### *Civil Works*

Business area Civil Works undertakes infrastructure and civil works projects, primarily east of the Great Belt. Civil Works also undertakes MT Højgaard's international activities – focusing on markets and projects within which MT Højgaard boasts specialist competencies, such as marine and harbour works and offshore wind farms.

Revenue of DKK 263 million was recorded in the first quarter and operating profit of DKK 13 million, exceeding expectations.

The order book stood at DKK 881 million at the end of the first quarter. Full-year revenue of DKK 1.3 billion is anticipated.

#### *Residential/Commercial*

The business areas Residential and Commercial undertake all types of residential, institutional and commercial building projects east of the Great Belt.

Revenue for the first quarter totalled DKK 240 million, and operating profit amounted to DKK 2 million. The profit matched expectations.

The order book stood at DKK 722 million at the end of the first quarter. Full-year revenue of DKK 1.0 billion is expected.

#### *Regions*

Business area Regions carries out civil works, building and refurbishment projects in Jutland and on Funen. Regions has substantial own production within new builds, conversions and extensions. The business area is organised into six regions.

Revenue of DKK 358 million was recorded in the first quarter, and operating profit of DKK 3 million, exceeding expectations.

The order book stood at DKK 1,108 million at the end of the first quarter, and full-year revenue of DKK 1.6 billion is expected.

#### *Refurbishment*

Business area Refurbishment undertakes all types of refurbishment and conversion projects east of the Great Belt, including penthouses. Refurbishment also carries out all forms of carpentry/joinery, masonry and insulation works, also east of the Great Belt.

Refurbishment delivered revenue of DKK 125 million for the first quarter and an operating loss of DKK 2 million.

The order book stood at DKK 331 million at the end of the first quarter, and full-year revenue of DKK 0.6 billion is expected.

#### **Subsidiaries**

The subsidiaries achieved total revenue of DKK 613 million in the first quarter, and an operating loss of DKK 17 million, below expectations.

The subsidiaries closed the first quarter with an order book totalling DKK 1,783 million. Full-year revenue is expected to amount to DKK 2.8 billion.

#### **Expectations for 2004**

The order situation is still satisfactory, the order book standing at DKK 4,813 million, equivalent to about eight months' production.

19 May 2004

The declining trend in the Danish building and civil works has continued in 2004, as expected. This trend is expected to continue throughout the year. An improvement in international market conditions, coupled with fiscal policy measures, is expected to lead to an improved investment climate in the longer term.

The expectation of full-year revenue of about DKK 7 billion is reaffirmed. Pre-tax profit in the region of DKK 75 million is expected, in line with the expectations expressed in the 2003 Annual Report.

The effective tax rate for the Group is expected to be on a par with the Danish tax rate.

## **Ownership**

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

19 May 2004

## Group income statement

Amounts in DKKm	2004 Q1	2003 Q1	2003 Year
Revenue	1,610.2	1,905.4	7,982.0
Production costs	(1,550.3)	(1,833.1)	(7,537.7)
<b>Gross profit</b>	<b>59.9</b>	72.3	444.3
Distribution costs	(21.9)	(28.8)	(112.5)
Administrative expenses	(63.4)	(70.1)	(281.8)
<b>Operating profit (loss)</b>	<b>(25.4)</b>	(26.6)	50.0
Share of pre-tax profits (losses) of associates	(0.1)	0.1	(0.4)
Financial items	(2.4)	(6.4)	(1.7)
<b>Profit (loss) before tax</b>	<b>(27.9)</b>	(32.9)	47.9
Tax on profit (loss)	8.4	9.1	(14.4)
<b>Profit (loss) before minority interests</b>	<b>(19.5)</b>	(23.8)	33.5
Minority interests' share of profit (loss)	0.0	(0.3)	(6.7)
<b>Group share of profit (loss)</b>	<b>(19.5)</b>	(24.1)	26.8

## Group balance sheet

Amounts in DKKm	2004 31.03	2003 31.03	2003 31.12
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	44.7	54.6	47.2
Property, plant and equipment	893.2	998.6	943.5
Investments	10.9	11.1	10.9
<b>Total fixed assets</b>	<b>948.8</b>	1,064.3	1,001.6
<b>Current assets</b>			
Deferred tax asset	107.7	106.5	99.3
Inventories	456.1	401.3	423.8
Contract work in progress	-	91.2	-
Receivables	1,364.7	1,401.5	1,433.0
Securities	113.8	68.1	113.1
Cash	235.1	229.8	323.1
<b>Total current assets</b>	<b>2,277.4</b>	2,298.4	2,392.3
<b>Total assets</b>	<b>3,226.2</b>	3,362.7	3,393.9
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>809.3</b>	477.2	828.3
<b>Minority interests</b>	<b>13.9</b>	7.9	18.8
<b>Provisions</b>			
Deferred tax	2.9	5.3	2.9
Other provisions	57.4	290.4	93.5
<b>Total provisions</b>	<b>60.3</b>	295.7	96.4
<b>Liabilities other than provisions</b>			
Long-term liabilities other than provisions	261.5	249.2	269.7
Contract work in progress	423.7	-	331.1
Other short-term liabilities other than provisions	1,657.5	2,332.7	1,849.6
<b>Total liabilities other than provisions</b>	<b>2,342.7</b>	2,581.9	2,450.4
<b>Total equity and liabilities</b>	<b>3,226.2</b>	3,362.7	3,393.9

## Statement of changes in Group equity

Amounts in DKKm	2004 YTD	2003 YTD	2003 Year
Equity at 1 January	828.3	501.6	501.6
Capital increase	-	-	300.0
Foreign exchange adjustments, etc.	0.5	(0.3)	(0.1)
Profit (loss) for the period	(19.5)	(24.1)	26.8
<b>Equity at end of period</b>	<b>809.3</b>	<b>477.2</b>	<b>828.3</b>

## Group cash flow statement

Amounts in DKKm	2004 YTD	2003 YTD	2003 Year
<b>Operating activities</b>			
Operating profit (loss)	(25.4)	(26.6)	50.0
Non-cash operating items	47.4	58.3	89.3
<b>Cash generated from operations (operating activities) before changes in working capital, etc.</b>	<b>22.0</b>	<b>31.7</b>	<b>139.2</b>
Changes in working capital, etc.	48.1	(8.0)	(32.5)
<b>Cash flows from operating activities</b>	<b>70.1</b>	<b>23.7</b>	<b>106.7</b>
Cash flows from investing activities	(29.5)	(14.1)	(67.6)
Cash flows from financing activities	(17.6)	(8.5)	327.9
Net cash flows from operating, investing and financing activities	23.0	1.1	367.0
Cash and cash equivalents at 1 January	149.4	(217.6)	(217.6)
<b>Cash and cash equivalents at end of period</b>	<b>172.4</b>	<b>(216.5)</b>	<b>149.4</b>

## Segment information

Amounts in DKKm	2004 Q1	2003 Q1	2003 Year
<b>Activities – primary segment</b>			
<b>Revenue</b>			
Civil Works	263.1	316.1	1,359.8
Residential/Commercial	240.5	343.4	1,197.9
Regions	358.4	467.7	1,942.5
Refurbishment	124.7	154.1	614.8
Other/eliminations	10.5	(31.5)	(10.5)
<b>Contracting activities</b>	<b>997.2</b>	1,249.8	5,104.5
Subsidiaries	613.0	655.6	2,877.5
<b>MT Højgaard Group</b>	<b>1,610.2</b>	1,905.4	7,982.0
<b>Operating profit (loss) (EBIT)</b>			
Civil Works	12.9	10.1	61.0
Residential/Commercial	1.8	(5.6)	(39.1)
Regions	3.2	(9.6)	24.8
Refurbishment	(2.3)	0.6	19.2
Others	(23.5)	(25.2)	(7.1)
<b>Contracting activities</b>	<b>(7.9)</b>	(29.7)	58.8
Subsidiaries *) **)	(17.5)	3.1	(8.8)
<b>MT Højgaard Group</b>	<b>(25.4)</b>	(26.6)	50.0
<b>Order book, end of year</b>			
Civil Works	881.2	1,109.6	966.5
Residential/Commercial	721.7	792.3	731.2
Regions	1,108.4	947.6	1,019.1
Refurbishment	331.1	366.3	270.5
Other/eliminations	(12.6)	(16.3)	(8.0)
<b>Contracting activities</b>	<b>3,029.8</b>	3,199.5	2,979.3
Subsidiaries	1,783.4	1,846.8	1,818.2
<b>MT Højgaard Group</b>	<b>4,813.2</b>	5,046.3	4,797.5
<b>Geographical- secondary segment</b>			
<b>MT Højgaard Group</b>			
Revenue – Denmark	1,360.4	1,756.1	6,756.8
Revenue – Rest of world	249.8	149.3	1,225.2
<b>MT Højgaard Group</b>	<b>1,610.2</b>	1,905.4	7,982.0

\*) Incl. Buxton project.

\*\*) The option to the management of MT Højgaard (UK) Ltd. referred to in the 2003 Annual Report is no longer relevant, and account has been taken of this in the accounting treatment.

## Group income statement broken down by quarter (unaudited)

Amounts in DKKm	2004				Total
	Q1	Q2	Q3	Q4	
Revenue	1,610.2				
Production costs	(1,550.3)				
<b>Gross profit</b>	59.9				
Distribution costs	(21.9)				
Administrative expenses	(63.4)				
<b>Operating profit (loss)</b>	(25.4)				
Share of pre-tax profits (losses) of associates	(0.1)				
Financial items	(2.4)				
<b>Profit (loss) before tax</b>	(27.9)				
Tax on profit (loss)	8.4				
<b>Profit (loss) before minority interests</b>	(19.5)				
Minority interests' share of profit (loss)	0.0				
<b>Group share of profit (loss)</b>	(19.5)				

Amounts in DKKm	2003				Total
	Q1	Q2	Q3	Q4	
Revenue	1,905.4	2,079.5	1,901.2	2,095.9	7,982.0
Production costs	(1,833.1)	(1,950.0)	(1,794.6)	(1,960.0)	(7,537.7)
<b>Gross profit</b>	72.3	129.5	106.6	135.9	444.3
Distribution costs	(28.8)	(24.6)	(27.0)	(32.1)	(112.5)
Administrative expenses	(70.1)	(72.5)	(66.7)	(72.5)	(281.8)
<b>Operating profit (loss)</b>	(26.6)	32.4	12.9	31.3	50.0
Share of pre-tax profits (losses) of associates	0.1	(0.2)	(0.2)	(0.1)	(0.4)
Financial items	(6.4)	2.8	1.7	0.2	(1.7)
<b>Profit (loss) before tax</b>	(32.9)	35.0	14.4	31.4	47.9
Tax on profit (loss)	9.1	(10.3)	(4.5)	(8.7)	(14.4)
<b>Profit (loss) before minority interests</b>	(23.8)	24.7	9.9	22.7	33.5
Minority interests' share of profit (loss)	(0.3)	(0.5)	(0.7)	(5.2)	(6.7)
<b>Group share of profit (loss)</b>	(24.1)	24.2	9.2	17.5	26.8