


27.08.04
Stock Exchange Announcement No. 17, 2004

MT Højgaard a/s - Interim report for the first half 2004


Enclosed please find the interim report for the first half 2004 from MT Højgaard a/s about the activities during 1 January – 30 June 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

27 August 2004

Interim report for the first half 2004 (1/1 – 30/6 2004)

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

Søborg, 27 August 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.

Contact:

Kristian May, President and CEO, on telephone +45 3954 4000
and
Per Møller, Chairman of the Supervisory Board, on telephone +45 4520
1503

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

Revenue and earnings developing in line with expectations

- Revenue for the first half was DKK 3,468 million compared with DKK 3,985 million in the first half 2003.
- Pre-tax profit for the first half was DKK 9 million compared with DKK 2 million in the first half 2003.
- The half-year results reflect satisfactory progress in the contracting business, whereas the subsidiaries delivered a weaker performance, overall, than in the same period last year.
- The order book increased by DKK 282 million in the first half, to DKK 5,079 million, equivalent to just over 8 months' production.

Expectations for 2004 reaffirmed

- Revenue for 2004 is expected to amount to just over DKK 7 billion. Pre-tax profit is expected to be in the region of DKK 75 million in accordance with the expectations expressed at the start of the year.

Group financial highlights

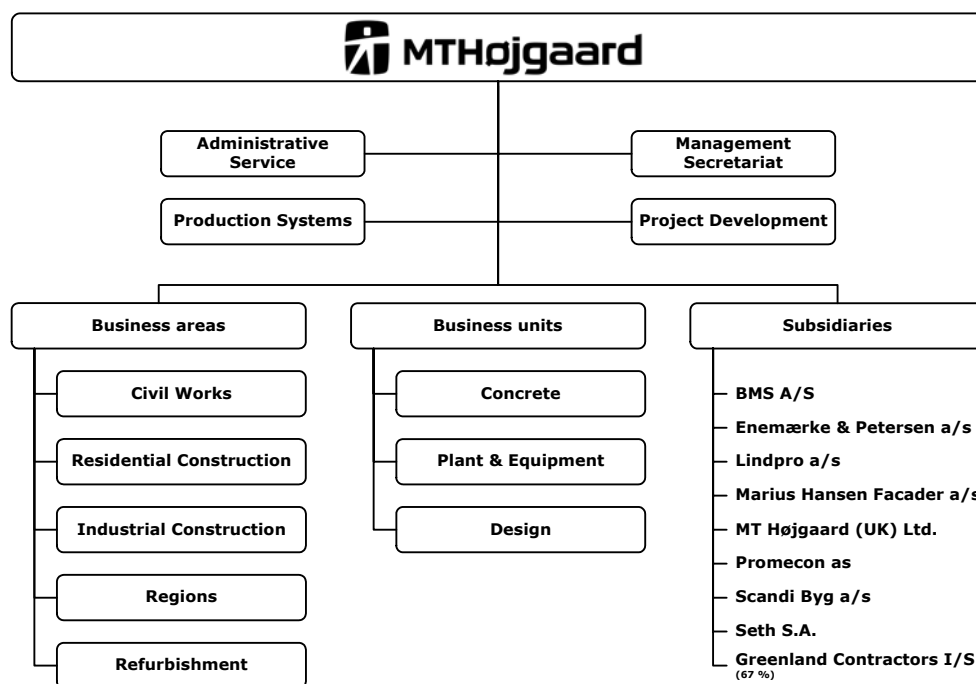
Amounts in DKKm	Q2 2004	Q2 2003	2004 YTD	2003 YTD	2003 Year
Income statement					
Revenue	1,858	2,080	3,468	3,985	7,982
Operating profit (EBIT)	39	32	14	6	50
Financial items and profits (losses) of associates	(2)	3	(4)	(4)	(2)
Profit before tax	37	35	9	2	48
Group share of profit for the period	25	24	5	0	27
Balance sheet					
Share capital			220	220	220
Equity			833	802	828
Balance sheet total			3,281	3,471	3,394
Interest-bearing assets			439	375	436
Interest-bearing liabilities			642	573	592
Invested capital			1,036	1,001	984
Cash flows					
Cash flows from operating activities			(6)	35	107
Cash flows for investing activities			(37)	(28)	(68)
Cash flows from financing activities			(24)	282	328
Total cash flows			(67)	289	367
Financial ratios (%)					
Gross margin	6.6	6.2	5.2	5.1	5.6
Operating margin	2.1	1.6	0.4	0.1	0.6
Profit margin	1.3	1.2	0.2	0.0	0.3
Return on average inv. capital (ROAIC) *			1.4	0.6	5.0
Return on equity after tax (ROE) *			0.6	0.0	3.7
Equity ratio			25.4	23.1	24.4
Other information					
Order book, end of period			5,079	4,941	4,797
Average number of employees			4,868	5,477	5,535

*) Not converted to full-year figures.

The interim 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 Investment Professionals' guidelines on the calculation of ratios.

Group diagram



Small companies have been omitted from the Group diagram.

MT Højgaard Group

Group revenue for the second quarter 2004 was DKK 1,858 million versus DKK 2,080 million in the same period last year. Revenue for the first half was DKK 3,468 million, down DKK 517 million on the first half 2003. The decline in the level of activity was in line with expectations and is a consequence of the adjustments made in 2003 as a result of the subdued market conditions.

Operating profit for the second quarter was DKK 39 million, as expected. Operating profit for the first half 2004 was DKK 14 million, up DKK 8 million on the half-year profit for 2003.

The satisfactory trend in the contracting business continued in the first half, whereas the subsidiaries delivered a weaker performance than in the same period last year, partly as a consequence of additional costs in connection with the handing-over of the Buxton project.

The Buxton plant has now been handed over to the client, and the production of cement is proceeding satisfactorily. 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.

Financial items and the share of the results of associates amounted to a net loss of DKK 4 million in the first half, on a par with the same period last year.

Pre-tax profit for the first half was DKK 9 million compared with DKK 2 million in the first half 2003.

Half-year profit after tax and minority interests was DKK 5 million compared with a break-even result in the same period last year.

Balance sheet

The Group balance sheet total stood at DKK 3,281 million at 30 June 2004, down DKK 113 million on the balance sheet total at the end of 2003. This was due primarily to a reduction in property, plant and equipment as a result of a reduced investment level, which should be viewed in relation to the level of activity, and to a reduction in operating receivables.

Equity stood at DKK 833 million, equivalent to an equity ratio of 25%, compared to 24% at the end of 2003.

Interest-bearing net debt has increased by DKK 47 million in 2004, to DKK 203 million, versus DKK 156 million at the end of 2003.

Invested capital amounted to DKK 1,036 million at the end of the first half compared to DKK 1,001 million at the start of 2004.

Cash flows and financial resources

Net cash from operating activities was an outflow of DKK 6 million in the first half compared with an inflow of DKK 35 million in 2003, mainly reflecting run-off of previously made provisions.

Investing activities absorbed DKK 37 million net, compared with DKK 28 million in the same period last year, covering capital expenditure on property, plant and equipment, primarily replacement of and new investment in contractors' plant and equipment, etc.

There was an outflow of DKK 24 million from financing activities compared to an inflow of DKK 282 million in the same period last year, when the cash flow benefited from the DKK 300 million capital increase.

There was thus a net cash outflow of DKK 67 million for the first half versus an inflow of DKK 289 million last year.

The Group's financial resources at 30 June 2004, calculated as cash and cash equivalents, including liquid resources in joint ventures, and securities and undrawn credit facilities, provide it with satisfactory liquidity of DKK 586 million.

The financial resources include liquid resources in joint ventures of DKK 86 million that are available exclusively to the joint ventures.

Order book

The order intake in the second quarter was satisfactory. The order book thus stood at DKK 5,079 million at the end of the first half, up DKK 282 million on the start of 2004.

DKKm	30.06 2004	30.06 2003
Order book at 1 January	4,797	5,327
Order intake during period	3,750	3,599
Production during period	(3,468)	(3,985)
Order book at 30 June	5,079	4,941

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

The contracting business

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

The contracting business reported revenue of DKK 2,154 million for the first half versus DKK 2,581 million in the first half 2003. Operating profit was DKK 21 million, just over DKK 42 million ahead of the same period last year.

The order book amounted to DKK 2,945 million at the end of the first half and full-year revenue for 2004 is expected to reach DKK 4.7 billion.

The operating and financial performance of the individual business segments in the first half 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.

Civil Works delivered revenue of DKK 577 million in the first half, as expected. Operating profit was DKK 36 million, exceeding expectations, reflecting the favourable completion of several large projects.

The order book stood at DKK 757 million at the end of the first half. Full-year revenue of DKK 1.3 billion is anticipated.

Residential Construction/Industrial Construction

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

Revenue of DKK 482 million was recorded in the first half and operating profit of DKK 5 million, exceeding expectations.

The order book stood at DKK 845 million at the end of the first half. Full-year revenue of DKK 1.0 billion is expected for 2004.

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.

Regions delivered revenue of DKK 770 million for the first half and operating profit of DKK 10 million.

The order book stood at DKK 1,031 million at the end of the first half, 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 reported revenue of DKK 272 million for the first half and an operating loss of DKK 2 million.

The order book stood at DKK 341 million at the end of the first half. Full-year revenue of DKK 0.6 billion is expected for 2004.

Subsidiaries

The subsidiaries reported revenue of DKK 1,314 million for the first half compared with DKK 1,404 million in the first half 2003. The operating result was a loss of DKK 8 million, which is below expectations, partly as a result of additional costs in connection with the handing-over of the Buxton project.

The subsidiaries closed the first half with an order book totalling DKK 2,134 million. Full-year revenue for 2004 is expected to total DKK 2.8 billion.

Expectations for 2004

The Danish building market appears to have stabilised in the first half 2004, whereas the declining trend in the civil works market continues. The order intake was satisfactory, and the DKK 5 billion order book corresponds to just over eight months' production. Although it would appear that the economy is showing signs of picking up, this is not expected to lead to any noticeable improvement of the investment climate until in the longer term.

Revenue of just over DKK 7 billion is anticipated for 2004. Pre-tax profit is expected to be in the region of DKK 75 million, in line with the expectations expressed at the start of the year.

Ownership

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

Group income statement

Amounts in DKKm	2004 Q2	2003 Q2	2004 YTD	2003 YTD	2003 Year
Revenue	1,857.8	2,079.5	3,468.0	3,984.9	7,982.0
Production costs	(1,735.7)	(1,950.0)	(3,286.0)	(3,783.1)	(7,537.7)
Gross profit	122.1	129.5	182.0	201.8	444.3
Distribution costs	(21.5)	(24.6)	(43.4)	(53.4)	(112.5)
Administrative expenses	(61.5)	(72.5)	(124.9)	(142.6)	(281.8)
Operating profit	39.1	32.4	13.7	5.8	50.0
Share of pre-tax profits (losses) of associates	(0.1)	(0.2)	(0.2)	(0.1)	(0.4)
Financial items	(1.8)	2.8	(4.2)	(3.6)	(1.7)
Profit before tax	37.2	35.0	9.3	2.1	47.9
Tax on profit	(11.2)	(10.3)	(2.8)	(1.2)	(14.4)
Profit for the year	26.0	24.7	6.5	0.9	33.5
Minority interests share of profit (loss)	(1.2)	(0.5)	(1.2)	(0.8)	(6.7)
Group share of profit (loss)	24.8	24.2	5.3	0.1	26.8

Group balance sheet

	2004	2003	2003
Amounts in DKKm	30.06	30.06	31.12
Assets			
Fixed assets			
Intangible assets	42.2	52.1	47.2
Property, plant and equipment	867.9	977.4	943.5
Investments	11.0	10.6	10.9
Total fixed assets	921.1	1,040.1	1,001.6
Current assets			
Deferred tax asset	96.6	96.1	99.3
Inventories	451.8	411.8	423.8
Contract work in progress	-	-	-
Receivables	1,372.5	1,548.4	1,433.0
Securities	112.2	66.1	113.1
Cash	327.0	308.8	323.1
Total current assets	2,360.1	2,431.2	2,392.3
Total assets	3,281.2	3,471.3	3,393.9
Equity and liabilities			
Equity	833.3	802.2	828.3
Minority interests	15.0	8.3	18.8
Provisions			
Deferred tax	2.9	5.3	2.9
Other provisions	29.2	189.0	93.5
Total provisions	32.1	194.3	96.4
Liabilities other than provisions			
Long-term liabilities other than provisions	255.0	243.0	269.7
Contract work in progress	336.6	200.0	331.1
Other short-term liabilities other than provisions	1,809.2	2,023.5	1,849.6
Total liabilities other than provisions	2,400.8	2,466.5	2,450.4
Total equity and liabilities	3,281.2	3,471.3	3,393.9

Group statement of changes in equity

Amounts in DKKm	2004 YTD	2003 YTD	2003 Year
Equity at 1 January	828.3	501.6	501.6
Capital increase	-	300.0	300.0
Foreign exchange adjustments, etc.	(0.3)	0.5	(0.1)
Profit for the period	5.3	0.1	26.8
Equity at end of period	833.3	802.2	828.3

Group cash flow statement

Amounts in DKKm	2004 YTD	2003 YTD	2003 Year
Operating activities			
Operating profit	13.7	5.8	50.0
Non-cash operating items	74.2	95.2	89.3
Cash generated from operations (operating activities) before changes in working capital, etc.	87.9	101.0	139.2
Changes in working capital, etc.	(94.2)	(66.5)	(32.5)
Cash flows from operating activities	(6.3)	34.5	106.7
Cash flows for investing activities	(37.0)	(27.9)	(67.6)
Cash flows from financing activities	(24.1)	281.9	327.9
Net cash flows from operating, investing and financing activities	(67.4)	288.5	367.0
Cash and cash equivalents at 1 January	149.4	(217.6)	(217.6)
Cash and cash equivalents at end of period	82.0	70.9	149.4

Segment information

Amounts in DKKm	2004	2003	2004	2003	2003
	Q2	Q2	YTD	YTD	Year
Activities – primary segment					
Revenue					
Civil Works	314.3	358.0	577.4	674.1	1,359.8
Residential/Industrial Construction	241.2	301.0	481.7	644.4	1,197.9
Regions	411.3	537.3	769.7	1,005.0	1,942.5
Refurbishment	147.6	142.6	272.3	296.7	614.8
Other/eliminations	42.2	(7.7)	52.7	(39.2)	(10.5)
Contracting activities	1,156.6	1,331.2	2,153.8	2,581.0	5,104.5
Subsidiaries	701.2	748.3	1,314.2	1,403.9	2,877.5
MT Højgaard Group	1,857.8	2,079.5	3,468.0	3,984.9	7,982.0
Operating profit (loss)(EBIT)					
Civil Works	22.9	20.0	35.8	30.1	61.0
Residential/Industrial Construction	3.5	(24.9)	5.3	(30.5)	(39.1)
Regions	6.5	20.0	9.7	10.4	24.8
Refurbishment	0.3	3.5	(2.0)	4.1	19.2
Others	(4.0)	(9.7)	(27.5)	(34.9)	(7.1)
Contracting activities	29.2	8.9	21.3	(20.8)	58.8
Subsidiaries*) **)	9.9	23.5	(7.6)	26.6	(8.8)
MT Højgaard Group	39.1	32.4	13.7	5.8	50.0
Order book, end of period					
Civil Works			757.3	1,021.6	966.5
Residential/Industrial Construction			844.9	829.0	731.2
Regions			1,030.6	957.3	1,019.1
Refurbishment			341.2	307.5	270.5
Other/eliminations			(28.9)	(3.6)	(8.0)
Contracting activities			2,945.1	3,111.8	2,979.3
Subsidiaries			2,133.7	1,828.9	1,818.2
MT Højgaard Group			5,078.8	4,940.7	4,797.5
Geographical - secondary segment					
MT Højgaard Group					
Revenue – Denmark	1,534.1	1,840.7	2,894.5	3,596.8	6,756.8
Revenue – Rest of world	323.7	238.8	573.5	388.1	1,225.2
MT Højgaard Group	1,857.8	2,079.5	3,468.0	3,984.9	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	1,857.8			
Production costs	(1,550.3)	(1,735.7)			
Gross profit	59.9	122.1			
Distribution costs	(21.9)	(21.5)			
Administrative expenses	(63.4)	(61.5)			
Operating profit (loss)	(25.4)	39.1			
Share of pre-tax profits (losses) of associates	(0.1)	(0.1)			
Financial items	(2.4)	(1.8)			
Profit (loss) before tax	(27.9)	37.2			
Tax on profit (loss)	8.4	(11.2)			
Profit (loss) before minority interests	(19.5)	26.0			
Minority interests' share of profit (loss)	0.0	(1.2)			
Group share of profit (loss)	(19.5)	24.8			

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)
Gross profit	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)
Operating profit (loss)	(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)
Profit (loss) before tax	(32.9)	35.0	14.4	31.4	47.9
Tax on profit (loss)	9.1	(10.3)	(4.5)	(8.7)	(14.4)
Profit (loss) before minority interests	(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)
Group share of profit (loss)	(24.1)	24.2	9.2	17.5	26.8