



Copenhagen Stock Exchange A/S
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2006-03-16
BLO/HVI
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MT Højgaard a/s

Enclosed please find MT Højgaard a/s' preliminary statement for 2005, which is hereby published.

Højgaard Holding a/s holds an ownership interest of 54 % in MT Højgaard a/s.

Yours faithfully,
Højgaard Holding a/s

Per Møller
CEO

This statement has been translated from the Danish language, and in the event of any discrepancies between the Danish and English language versions, the Danish language version is the governing text.

16 March 2006

Preliminary announcement 2005

The Supervisory Board of MT Højgaard a/s has considered and approved the Company's annual report for 2005.

Søborg, 16 March 2006
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.

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

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Profit slightly ahead of expectations

- Pre-tax profit for 2005 improved by DKK 44 million to DKK 125 million, up 54% on 2004.
- Revenue for 2005 increased by DKK 1,100 million to DKK 8,463 million, up 15% on 2004. The level of activity increased in both MT Højgaard and its subsidiaries.
- Income tax expense was a net charge of DKK 25 million, giving an effective tax rate of 20% versus 0% in 2004. The tax item includes a positive adjustment of the tax base of the Group's deferred tax assets.
- Equity including minority interests increased by DKK 99 million, standing at DKK 1,016 million at the end of 2005, equivalent to an equity ratio of 26%.
- Return on invested capital increased to 12.8% in 2005 from 9.2% in 2004.
- There was an operating cash inflow of DKK 341 million compared with DKK 3 million in 2004.

Outlook for 2006

- The order book was strengthened during the past year, standing at DKK 8,352 million at the start of 2006, equivalent to just over ten months' production.
- Market conditions are expected to be positive and stable in 2006, and revenue is expected to increase to approx. DKK 9.5 billion.
- The increased level of activity, coupled with the continued development of the MT Højgaard Group in accordance with the strategy concerning profitable growth, is expected to improve earnings to pre-tax profit in the region of DKK 175 million.

The preliminary announcement 2005 contains forward-looking statements regarding management's expectations concerning revenue and financial performance. By their nature, these expectations concerning the future financial performance are subject to uncertainties and risks that may cause the performance to differ from the expectations expressed in this report. For a description of risks, reference is made to the section 'Risk factors' in the 2004 annual report.

Consolidated financial highlights

Amounts in DKKm	Pro forma *			2004	2005
	2001	2002	2003		
Income statement					
Revenue	8,783	9,668	7,982	7,363	8,463
Operating profit (loss) (EBIT)	11	(419)	42	97	138
Net financing costs and profit (loss) of associates	5	(15)	(1)	(16)	(13)
Profit (loss) before tax	17	(434)	40	81	125
Profit (loss) for the year	14	(364)	26	81	100
Balance sheet					
Share capital	200	200	220	220	220
Equity attributable to equity holders of the parent	866	502	828	902	996
Equity incl. minority interests	872	509	847	917	1,016
Balance sheet total	4,406	4,148	3,560	3,216	3,926
Interest-bearing assets	374	332	436	267	265
Interest-bearing liabilities	709	838	592	411	303
Invested capital	1,217	1,028	1,025	1,080	1,074
Cash flows					
Cash flows from operating activities	9	(9)	107	3	341
Cash flows for investing activities**	(386)	(132)	(112)	(21)	(169)
Cash flows from financing activities	9	107	328	4	(47)
Net increase (decrease) in cash and cash equivalents	(368)	(34)	323	(14)	125
***) Portion relating to property, plant and equipment (gross)	(266)	(319)	(118)	(220)	(230)
Financial ratios (%)					
Gross margin	4.6	0.0	5.5	5.9	5.7
Operating margin (EBIT margin)	0.1	(4.3)	0.5	1.3	1.6
Pre-tax margin	0.2	(4.5)	0.5	1.1	1.5
Return on invested capital (ROIC)	1.1	(37.3)	4.1	9.2	12.8
Return on equity (ROE)	1.5	(52.8)	3.6	9.2	10.3
Equity ratio	19.8	12.3	23.8	28.5	25.9
Earnings per share (EPS), DKK ***	1.2	(33.3)	1.7	7.2	8.5
Other information					
Order book, year end	7,807	5,327	4,797	5,398	8,352
Average number of employees	6,321	6,225	5,535	4,950	5,260

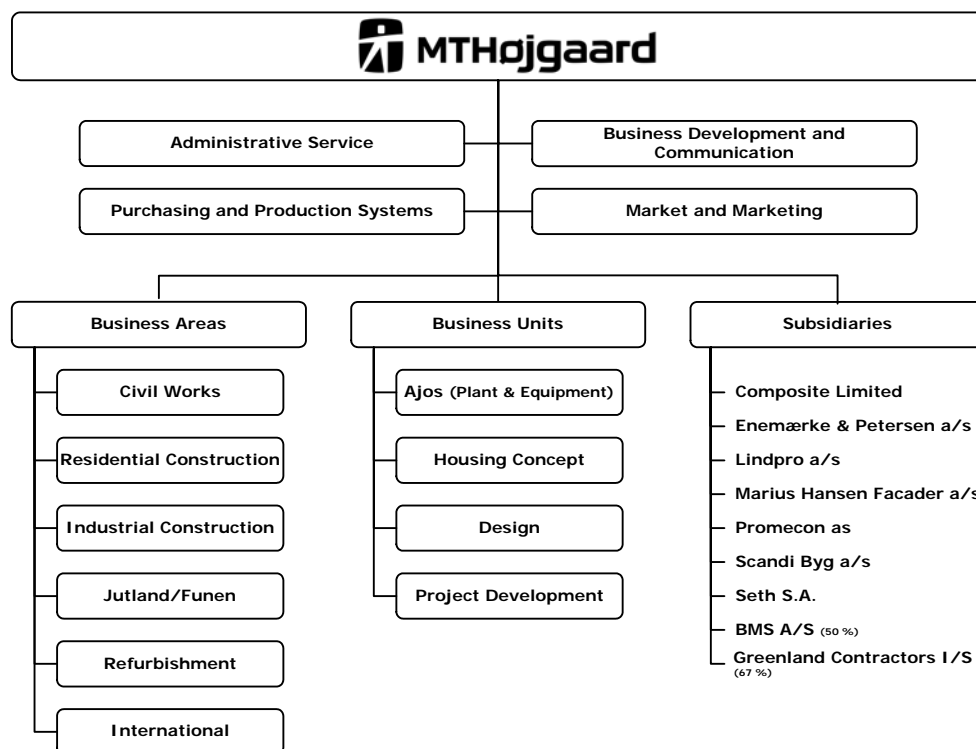
The ratios have been calculated in accordance with the Danish Society of Financial Analysts' 'Recommendations & Financial Ratios 2005'.

The accounting policies were changed on 1 January 2005 to comply with International Financial Reporting Standards (IFRS). The financial highlights for 2004 have been restated accordingly. Reference is made to page 14.

*) The financial highlights for 2001-2003 are pro forma figures, with the financial highlights up to now based on the Danish Financial Statements Act and Danish Accounting Standards having been restated, in all material respects, to comply with IFRS practice. Adjustment has been made in the income statement for the effect of the discontinuation of goodwill amortisation, foreign currency translation relating to foreign subsidiaries and derivative financial instruments, while the balance sheet has only been adjusted for the effect of the reclassifications relating to contract work in progress.

***) The calculation of EPS is based on a share denomination of nominally DKK 20.

Group diagram



Small companies have been omitted from the Group diagram.

Management's review

The Group's development

The MT Højgaard Group delivered a DKK 44 million improvement in pre-tax profit for 2005, which amounted to DKK 125 million, up 54% on 2004.

Pre-tax profit was slightly ahead of the expectations expressed in the interim report for the third quarter 2005 concerning pre-tax profit of just over DKK 100 million. At the start of the year pre-tax profit was estimated to be in the region of DKK 100 million.

Fourth-quarter revenue amounted to DKK 2,632 million and profit before tax was DKK 50 million. Reference is also made to the primary and secondary segment information and the income statement by quarter on pages 20-21.

On the Buxton project there are no changes to report in relation to what was stated in the 2004 annual report, apart from the fact that MT Højgaard has decided to refer its claims to arbitration. The claims raised by MT Højgaard for extra payment are thus still pending. In accordance with the company's policy, no income has therefore been recognised in the financial statements in this respect.

Income statement

Consolidated revenue for 2005 increased by DKK 1,100 million to DKK 8,463 million, up 15% on 2004, with organic growth accounting for 8% and acquisitions of activities accounting for the rest.

The revenue growth, to which most of the Group's business segments contributed, was driven by a high level of activity in the Danish building and civil works market in 2005. International activities accounted for 15.7% of revenue versus 18.9% in 2004.

Operating profit (EBIT) was DKK 138 million in 2005 versus DKK 97 million in 2004, up 42%. The improvement reflected the development within MT Højgaard's business units and subsidiaries. Operating margin (EBIT margin) increased to 1.6%, up from 1.3% in 2004, as a result of the improvement in operating profit.

The share of the results of associates contributed a loss of DKK 3 million versus a loss of DKK 1 million in 2004.

Net financing costs amounted to DKK 10 million compared with DKK 15 million in 2004. The favourable development was due predominantly to a reduction in the Group's average net interest-bearing debt and a lower interest rate level.

Pre-tax profit amounted to DKK 125 million versus DKK 81 million in 2004, up 54%. Pre-tax margin was 1.5% compared with 1.1% in 2004.

Income tax expense was a net charge of DKK 25 million, giving an effective tax rate of 20% versus 0% in 2004. Income tax expense is made up of a current tax charge of DKK 24 million and a DKK 1 million tax charge due to a change in the Group's deferred tax. The change in deferred tax benefited from a positive adjustment of the tax base of the Group's deferred tax assets. The Group's deferred net tax asset at the end of 2005 was DKK 130 million versus DKK 131 million in 2004.

Profit after tax increased by DKK 19 million to DKK 100 million, 23% ahead of last year.

Balance sheet

The consolidated balance sheet totalled DKK 3,926 million at 31 December 2005, up 22% from the balance sheet total of DKK 3,216 million at the end of 2004, due primarily to the increase in the level of activity and to the activities acquired from J&B Entreprise.

Equity increased by DKK 99 million, standing at DKK 1,016 million at the end 2005, equivalent to an equity ratio of 26%.

Net interest-bearing debt decreased by DKK 106 million, standing at DKK 38 million at the end of 2005, reflecting an increase in cash operating profit and a reduction in net funds tied up in working capital, more than offsetting

the financing of the acquisition of the activities of J&B Entreprise and the start-up of self-generated housing projects.

Invested capital amounted to DKK 1,074 million at the end of 2005, on a par with last year. Based on the increase in operating profit (EBIT), return on invested capital increased to 12.8% from 9.2% in 2004.

Cash flows and financial resources

Operating cash inflow was DKK 341 million compared with DKK 3 million in 2004, primarily reflecting an improvement in cash operating profit and a reduction in net funds tied up in working capital.

Cash flows for investing activities amounted to DKK 169 million net versus DKK 21 million in 2004. Of this figure, DKK 54 million related to investments in enterprises, while DKK 167 million related to net capital expenditure on property, plant and equipment, and an inflow of DKK 52 million to sale of securities. The capital expenditure on property, plant and equipment related primarily to replacement of and new investment in contractors' plant and equipment and mobile cranes.

Cash flows from financing activities amounted to an outflow of DKK 47 million compared with an inflow of DKK 4 million in 2004 due to decreases in non-current bank loans, etc.

There was a net cash inflow of DKK 125 million compared with an outflow of DKK 14 million last year. The net cash balance, calculated as cash less the current portion of bank loans, etc., amounted to DKK 148 million compared with DKK 22 million at the end of 2004.

The Group's financial resources at 31 December 2005 amounted to DKK 714 million, which is satisfactory. Financial resources are calculated as cash, including cash and cash equivalents in joint ventures, and securities and undrawn credit facilities.

The financial resources include cash and cash equivalents in joint ventures of DKK 89 million, compared with DKK 61 million in 2004, that are available exclusively to the joint ventures.

Order book

The order book developed very satisfactorily in 2005, increasing by 55%, standing at DKK 8,352 million at the end of 2005.

DKKm	2005	2004
Order book at start of year	5,398	4,797
Order intake during year	11,417	7,964
Production during year	(8,463)	(7,363)
Order book at year end	8,352	5,398

The order book corresponds to on average just over ten months' production based on the expectations concerning the level of activity for the coming year. The order book includes several large orders extending over several years.

Employees

The average number of staff employed by the MT Højgaard Group in 2005 was 5,260 compared with 4,950 in 2004, up 6%. The staff number increased during the year, standing at 5,592 at the end of 2005, up 524 employees on the same time last year. The development reflects the increase in the level of activity.

The segments

The MT Højgaard Group's primary format for reporting segment information, as can be seen from the financial statements, follows the overall internal business organisation of the activities and comprises the Contracting business and Other activities (subsidiaries, etc.).

The Contracting business

The Contracting business is organised into six business areas and four business units. The business areas Civil Works, Residential Construction, Industrial Construction and Refurbishment operate east of the Great Belt. Business area Jutland/Funen serves the market west of the Great Belt, and business area International undertakes MT Højgaard's international projects. Civil Works and International are reported on as a single area, and the same applies to Residential Construction and Industrial Construction.

DKKm	2005	2004
Revenue	5,705	4,668
Operating profit	10	89
Average number of employees	2,889	2,538
Order book at year end	6,078	3,530

The Contracting business realised revenue and profit on a par with the most recently announced expectations.

At the end of 2005 the order book was significantly up on the year before, and higher revenue and considerably improved earnings are anticipated for 2006.

Civil Works/International

For the business areas Civil Works/International, revenue matched expectations, overall, while profit was lower than expected.

DKKm	2005	2004
Revenue	1,685	1,679
Operating profit	11	89
Average number of employees	975	830
Order book at year end	1,980	1,081

Civil Works

2005 brought a high level of activity for Civil Works, but declining, unsatisfactory earnings due to a few projects with a complex, problematic conclusion.

Civil Works masters the traditional disciplines within the civil works area, with the main emphasis on earthworks, sewers and concrete, including concrete renovation and prefabricated construction.

The activities within cable works continue to grow on the electrical side as well as the teledata side and constitute an important element of the overall activities.

The market outlook for 2006 and the coming 2-3 years continues to point towards a high level of activity in the areas within which Civil Works operates, including widening of the ring roads around Copenhagen and Roskilde. The market for cable works, in particular, is expected to show sustained growth across Denmark – mainly due to the electricity companies' broadband projects. The development in the housing market is having a favourable knock-on effect on the activities within concrete for shell structures for in-house and external projects.

In view of the healthy order book at the year end and the immediate opportunities that are emerging, an increasing level of activity is anticipated for 2006.

International

International developed satisfactorily. The order book was relatively low at the start of the year, and International failed to achieve the anticipated revenue. Earnings were higher than expected, despite the reduction in revenue, but lower than the highly satisfactory result in 2004.

The business area focuses primarily on five geographical areas: the Faroe Islands, Greenland, Gibraltar, South East Asia and the Middle East, where civil works projects, mainly offshore and shoreline, and housebuilding projects are undertaken.

International is also a leader within the construction of foundations for offshore wind farms and lighthouses.

The level of activity in International was high at the start of 2006, and the order book was significantly ahead of the same time last year. The substan-

tial order book relates especially to activities in Greenland and to foundations for offshore wind farms, although the order books in South West Asia and Gibraltar are also sound. International consequently expects an increase in revenue for 2006.

Residential Construction/Industrial Construction

Revenue for the business areas Residential Construction/Industrial Construction met expectations, while profit was lower than expected.

DKKm	2005	2004
Revenue	1,215	990
Operating profit	3	13
Average number of employees	151	139
Order book at year end	1,808	1,191

Residential Construction

The low interest rate level and the good employment environment stimulated interest in new dwellings on Zealand in 2005, particularly in the metropolitan area. The projects, which comprise new building of all types of housing east of the Great Belt for private as well as public sector clients, were all completed under design-build contracts and several on a partnering basis. Fees attributable to self-generated projects are recognised in the business unit Project Development.

The growth in the level of activity in Residential Construction continued in 2005, but earnings were somewhat lower in 2005 due to write-downs on a few projects.

The level of activity in the residential construction market is expected to remain unchanged in 2006, with the main emphasis on private housing. In view of its sound order book, Residential Construction anticipates further revenue growth in 2006.

Industrial Construction

Industrial Construction achieved revenue for 2005 on a par with expectations, while earnings were slightly lower than expected.

Industrial Construction builds all forms of industrial facilities as well as schools and institutions east of the Great Belt. The business area undertakes construction projects for private sector clients as well as for state, counties and municipalities.

Recent years' downtrend in industrial construction was replaced in 2005 by signs of a more favourable trend. The first half of 2005 continued to be marred by the low level of activity up to now; however, the backlog in industrial investment and growing optimism among companies provided some positive signals in the second half of the year. There was a renewed willing-

ness to invest, and the market volume was considerably up on 2004. The development also seems to suggest that the market is showing growing interest in close collaborative relationships, often involving partnering.

Based on the encouraging market trend and a sound order book, Industrial Construction expects to achieve considerable growth in revenue in 2006.

Jutland/Funen

Business area Jutland/Funen, formerly Regions, experienced growth in revenue, and earnings matched expectations.

DKKm	2005	2004
Revenue	2,248	1,581
Operating profit	20	4
Average number of employees	924	769
Order book at year end	1,865	1,109

In 2005 MT Højgaard strengthened its position as Denmark's leading building and construction company west of the Great Belt, partly through the acquisition of J&B Entreprise's activities in the second quarter 2005. The acquisition has bolstered MT Højgaard's presence and relations in North and East Jutland and on Funen.

Business area Jutland/Funen, which is divided up geographically into seven regions in Jutland and on Funen, strengthened its local footholds still further by opening a local office in Silkeborg in 2005 and a local office in Svendborg at the start of 2006.

The local presence, comprising 11 offices, is very important for MT Højgaard's future prospects, as small, locally anchored building and refurbishment projects account for the vast majority of MT Højgaard's business in western Denmark. In this market segment being on the spot is vital to MT Højgaard's competitive position.

The business area's regions all boast capabilities within the building and refurbishment area. A division within the business area handles all Jutland/Funen's civil works projects. The business area has in-house production within disciplines such as masonry, carpentry/joinery and concrete works, and each region has its own resources and specialities that are exchanged and utilised on Jutland/Funen's other building sites as appropriate.

In 2005 Jutland/Funen was involved in the construction of several harbours, and activities also included roads, bridges, major refurbishment projects, housing and education and commercial and industrial buildings.

Jutland/Funen won market shares in 2005, consolidated its geographical presence and created the basis for revenue growth in 2006.

Refurbishment

Business area Refurbishment had a satisfactory year in 2005, with growth in revenue and profit somewhat ahead of expectations.

DKKm	2005	2004
Revenue	704	622
Operating profit	16	12
Average number of employees	443	441
Order book at year end	607	229

Refurbishment, which carries out all MT Højgaard's conversion, extension and refurbishment projects east of the Great Belt, is characterised by undertaking relatively many small projects, including new housing projects with relatively few units. Based on core competencies within project management, contract management and good workmanship, almost five hundred projects were completed under design-build, main and/or trade contracts – from the largest total conversions to the smallest service assignments.

Refurbishment projects are often extremely complex, featuring many open questions that are resolved along the way in close cooperation between the design engineers and the tradesmen performing the work. In 2005, the business area's strength by virtue of the collaboration between project managers and in-house tradesmen within carpentry/joinery, masonry and insulation works was felt in the form of a commercially viable concept in relation to both complex refurbishment tasks and the growing number of projects undertaken on a partnering basis. A focused development of the carpentry/joinery and masonry disciplines has given MT Højgaard a strong position within residential construction.

The masonry section, A.V. Andersen, held its position within its specialty, restoration, in 2005, while also building up good revenue within refurbishment and brick-facing of new commercial and residential buildings.

Refurbishment will continue developing its in-house competencies and consolidating its collaboration with customers and consultants still further. Against this background Refurbishment expects to continue its favourable trend and, through organic growth, to increase its market share in 2006.

Business units

The business units Ajos (plant and equipment hire), Design and Project Development undertake projects for external clients and for the six business areas.

The business units delivered a highly satisfactory performance in 2005. Profit, which significantly exceeded expectations, benefited from the increase in the level of activity. The order book was strengthened during 2005, and both revenue and earnings are expected to continue to improve in 2006.

DKKm	2005	2004
Revenue	657	352
Operating profit	66	20
Average number of employees	271	247
Order book at year end	524	332

Project Development develops projects for clients and investors and generates building projects for MT Højgaard's Contracting business. 2005 saw an increasing level of activity, particularly in the housing area. On the Tegllholms Have owner-occupier project in Copenhagen South Port, the last phase, comprising 45 apartments, was sold, and the overall project, consisting of 135 apartments, is under construction. A project comprising 65 apartment blocks and terraced houses in Høje Tåstrup was designed and sold, and construction has commenced. In Copenhagen South Port another owner-occupier project, Frederikskaj, comprising 152 owner-occupier dwellings, was designed. It is expected that 75-80% of the project will be advance sold during spring 2006, following which construction will commence. Also at Tegllholmen in Copenhagen South Port, a 657-space multi-storey car park was designed and sold. Construction commenced at the end of 2005. There is still considerable interest in the housing sector, and there are signs of growing interest in the market for commercial and industrial buildings. In 2005 MT Højgaard secured more attractive development opportunities through acquisitions, options and development collaboration.

MT Højgaard's plant and equipment hire activities for in-house use and for external customers were brought together under the name Ajos on 1 January 2005. The product programme, which is among the strongest in the market, comprises a fleet of contracting machinery, cranes, hoists, workmen's cabins, site generators and other building site equipment. The activities, which benefited from a healthy market in 2005, are carried on from a country-wide network of plant hire centres.

Design is MT Højgaard's competence centre within consulting engineering and design services relating to civil works, buildings, concrete and steel structures for heavy industrial installations and environmental consultancy. These competencies were broadened in 2005 to include heating and plumbing installations. Having an in-house function with consulting engineers allows MT Højgaard to optimise production and provide clients with a complete package.

Other activities - subsidiaries, etc.

This segment comprises the MT Højgaard Group's subsidiaries and jointly controlled entities with separately profiled competencies.

DKKm	2005	2004
Revenue	2,758	2,696
Operating profit	128	9
Average number of employees	2,371	2,412
Order book at year end	2,274	1,868

The subsidiaries and the jointly controlled entities realised revenue in line with expectations. Profit, which amounted to DKK 128 million, exceeded expectations.

The UK contracting firm Composite Limited, the contracting company Enemærke & Petersen, the Portuguese contracting company Seth, Greenland Contractors and the crane company BMS all delivered a financial performance exceeding expectations, whereas the facade contractor Marius Hansen Facader and Scandi Byg, which manufactures prefabricated wooden modular buildings, all reported lower than anticipated results. The electrical installations company Lindpro, the steel fabrication company Promecon and the other Danish and foreign subsidiaries produced results for 2005 that matched expectations.

The order book at the start of 2006 was satisfactorily high, and slightly higher revenue is anticipated for 2006.

Strategic platform

The strategic work for the period 2005-2010 is headed 'profitable growth'. Profitability is still a priority over growth.

The MT Højgaard Group's strategy for profitable growth features a Group revenue target in the order of DKK 12 billion by 2010 and a target of achieving a pre-tax margin of 2-2.5% within a few years. In pursuing the first target, the MT Højgaard Group's risk management guidelines must be observed.

It is anticipated that the growth can be achieved through:

- Organic growth, which is not expected to exceed 10% a year in the business areas
- Strengthening of the project development activities
- Broadening of the geographical coverage in Denmark
- Further development of the international activities within MT Højgaard's core competencies
- Development of concepts and conceptualisation of existing activities
- Development of the subsidiaries with focus on further consolidation

- Strategic acquisitions that will broaden MT Højgaard's market coverage in Denmark.

The common denominator behind the strategy is an increasingly stronger market orientation.

Implementation of the strategy plan continued in 2005, with the following results:

- Revenue increased by 15% in 2005, partly as a result of organic growth, and partly as a result of acquisitions
- The project development activities were strengthened in 2005. Projects in progress or at tender stage total 548 dwellings and a multi-storey car park
- The geographical coverage was expanded in 2005 with the acquisition of J&B Entreprise's activities in Jutland and on Funen and the opening of a new local office in Silkeborg
- Conceptualisation is a key element of the strategy of profitable growth. In 2005 a collaboration model for use on PPP projects was developed and adopted. In addition, MT Højgaard developed a new housing concept and, at the start of 2006, established the business unit Housing Concept. The idea behind the housing concept is to build quality buildings, based on customer needs, applying the same production methods for three selected target groups among the Danish population. The concept, which is based on well-proven methods, results in greater efficiency in the building process
- Participation in consolidation of the market for mobile crane and lift hire through the combination of BMS and Kran Ringen
- The Group strengthened its market position within plant and equipment hire in 2005 by profiling Ajos as a brand for MT Højgaard's hire activities in the contracting market.

Accounting policies

This is the first time the annual report is presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. IFRS 1 'First-time Adoption of IFRS' has been applied in making the transition. Reference is made to the annual report for 2004 for a more detailed account of accounting policies and changes in the opening balance sheet and comparative figures.

The main effect on the result is that goodwill amortisation ceases. With unchanged accounting policies for 2005, profit would have been reduced by goodwill amortisation of approx. DKK 10 million.

The future

The order book, which was strengthened during the past year, stood at DKK 8.4 billion at the start of 2006. Of this figure, it is expected that just under DKK 7 billion will be completed in the current year.

The outlook for 2006 for the Danish building and civil works market still points towards stable market conditions at a high level. The overall volume is estimated to amount to approx. DKK 175 billion, including just under DKK 100 billion that is estimated to lie within the areas within which the MT Højgaard Group operates.

The housing and refurbishment market is estimated to be at a high level. The positive economic conditions, which are underpinned by favourable forms of financing, among other things, have created very advantageous conditions for private sector residential construction. Subsidised building is expected to stagnate again in 2006.

The market for commercial and industrial construction, which is stable at a low level, is expected to benefit in 2006 from the general economic upturn in Denmark, with growing employment and a fall in the number of vacant leases.

The level of activity in the market for major civil works projects is estimated to be stable, assisted in part by increased investment in transportation in the metropolitan area and a high willingness to invest within telecommunications.

In the international markets, MT Højgaard will continue to focus on project opportunities within its key competencies, which comprise all forms of off-shore and shoreline construction, such as bridges, tunnels, wind turbine foundations, harbours, coastal protection and lighthouses.

Based on the robust order book at the start of 2006 and the favourable and stable market outlook, revenue for 2006 is expected to increase by approx. DKK 1 billion to approx. DKK 9.5 billion. The increase covers progress in both MT Højgaard and its subsidiaries. The increased level of activity and the continued development of the MT Højgaard Group in accordance with the strategy concerning profitable growth are expected to generate improved earnings. Pre-tax profit in the region of DKK 175 million is consequently anticipated.

The Group's effective tax rate 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.

Consolidated income statement

Amounts in DKKm	2005	2004
Revenue	8,462.9	7,363.1
Production costs	(7,977.0)	(6,925.3)
Gross profit	485.9	437.8
Distribution costs	(116.8)	(96.0)
Administrative expenses	(231.2)	(244.4)
Operating profit	137.9	97.4
Share of profit (loss) after tax of associates	(2.9)	(0.4)
Financial income	19.4	15.4
Financial expenses	(29.5)	(31.1)
Profit before tax	124.9	81.3
Income tax expense	(25.0)	(0.5)
Profit for the year	99.9	80.8
Attributable to		
Equity holders of MT Højgaard a/s	93.7	78.8
Minority interests	6.2	2.0
Total	99.9	80.8
Proposal for distribution of profit		
Retained earnings	99.9	80.8
Total	99.9	80.8
Changes in equity		
Equity at 01-01	916.9	847.1
Foreign exchange adjustments, etc.	1.0	(6.0)
Adjustment of minority interests	(1.5)	(5.0)
Profit for the year	99.9	80.8
Equity at 31-12	1,016.3	916.9

Consolidated balance sheet

Amounts in DKKm	2005	2004
Assets		
Fixed assets		
Intangible assets		
Goodwill	69.2	44.4
Total intangible assets	69.2	44.4
Property, plant and equipment		
Land and buildings	322.8	323.9
Plant and machinery	419.0	386.0
Fixtures and fittings, tools and equipment	71.2	54.3
Property, plant and equipment under construction	15.1	0.0
Total property, plant and equipment	828.1	764.2
Investments		
Investments in associates	5.7	8.1
Receivables from associates	5.5	0.0
Other investments	0.8	0.7
Deferred tax assets	153.3	155.3
Total investments	165.3	164.1
Total fixed assets	1,062.6	972.7
Current assets		
Inventories		
Raw materials and consumables	52.9	32.2
Properties for resale	302.3	391.3
Total inventories	355.2	423.5
Receivables		
Trade receivables	1,647.5	1,265.2
Contract work in progress	471.4	172.9
Receivables from associates	5.9	-
Income tax	1.0	1.8
Other receivables	57.4	48.4
Prepayments	60.8	49.1
Total receivables	2,244.0	1,522.3
Securities	58.3	110.7
Cash and cash equivalents	206.3	156.5
Total current assets	2,863.8	2,243.0
Total assets	3,926.4	3,215.7

Consolidated balance sheet

Amounts in DKKm	2005	2004
Equity and liabilities		
Equity		
Share capital	220.0	220.0
Translation reserve	(2.5)	(3.3)
Retained earnings	778.9	685.2
Total equity attributable to equity holders of the parent	996.4	901.9
Minority interests	19.9	15.0
Total equity	1,016.3	916.9
Non-current liabilities		
Bank loans, etc.	210.3	237.1
Deferred tax liabilities	23.8	24.3
Provisions	57.3	35.4
Total non-current liabilities	291.4	296.8
Current liabilities		
Current portion of non-current financial liabilities	34.0	40.1
Bank loans, etc.	58.6	134.1
Contract work in progress	688.2	523.3
Prepayments received from customers	102.3	20.0
Trade payables	1,053.1	711.1
Payables to associates	4.1	3.4
Income tax	8.7	3.3
Other payables	602.5	525.9
Deferred income	64.9	36.9
Provisions	2.3	3.9
Total current liabilities	2,618.7	2,002.0
Total liabilities	2,910.1	2,298.8
Total equity and liabilities	3,926.4	3,215.7

Consolidated cash flow statement

Amounts in DKKm	2005	2004
Operating activities		
Operating profit	137.9	97.4
Non-cash operating items	169.8	122.6
Cash generated from operating activities before changes in working capital	307.7	220.0
Working capital changes:		
Inventories	86.5	26.9
Receivables excluding contract work in progress	(405.1)	29.1
Contract work in progress	(149.2)	(20.5)
Trade and other current payables	532.5	(219.7)
Cash generated from operations (operating activities)	372.4	35.8
Interest received, etc.	17.5	11.8
Interest paid, etc.	(29.5)	(31.1)
Cash generated from operations (ordinary activities)	360.4	16.5
Income taxes paid, net	(19.7)	(13.5)
Cash flows from operating activities	340.7	3.0
Investing activities		
Acquisition of enterprises and activities	(54.4)	(19.2)
Disposal of enterprises and activities	0.0	112.3
Purchase of property, plant and equipment	(211.9)	(219.9)
Sale of property, plant and equipment	45.3	103.5
Purchase/sale of securities	52.5	2.4
Cash flows for investing activities	(168.5)	(20.9)
Financing activities		
Loan financing:		
Minority interests	(1.5)	(4.9)
Increase in non-current bank loans, etc.	-	8.9
Decrease in non-current bank loans, etc.	(45.4)	-
Cash flows from financing activities	(46.9)	4.0
Net increase (decrease) in cash and cash equivalents	125.3	(13.9)
Cash and cash equivalents at 01-01	22.4	36.3
Cash and cash equivalents at 31-12	147.7	22.4

The figures in the cash flow statement cannot be directly derived from the published accounting records alone.

Segment information

Amounts in DKKm	2005 Q4	2004 Q4	2005 Year	2004 Year
Business segments				
Revenue				
Civil Works/International	566.9	467.3	1,684.9	1,679.2
Residential/Industrial Construction	382.6	279.2	1,214.9	990.0
Jutland/Funen	653.7	454.2	2,248.5	1,581.3
Refurbishment	226.7	175.2	704.0	622.0
Business units	252.4	129.7	656.7	351.8
Others/eliminations	(302.9)	(183.9)	(804.3)	(556.7)
Contracting business	1,779.4	1,321.7	5,704.7	4,667.6
Other activities – subsidiaries	852.5	663.4	2,758.2	2,695.5
MT Højgaard Group	2,631.9	1,985.1	8,462.9	7,363.1
Operating profit (loss) (EBIT)				
Civil Works/International	9.6	32.7	10.6	89.4
Residential/Industrial Construction	1.3	2.9	2.9	13.3
Jutland/Funen	7.0	(5.5)	20.1	4.3
Refurbishment	5.1	10.4	15.6	12.2
Business units	23.0	13.7	65.6	20.4
Others	(36.5)	2.1	(105.0)	(50.9)
Contracting business	9.5	56.3	9.8	88.7
Other activities – subsidiaries *	44.1	(6.7)	128.1	8.7
MT Højgaard Group	53.6	49.6	137.9	97.4
Order book at end of period				
Civil Works/International			1,979.7	1,081.0
Residential/Industrial Construction			1,808.0	1,191.0
Jutland/Funen			1,865.4	1,109.0
Refurbishment			607.2	229.3
Business units			524.3	332.4
Others/eliminations			(706.2)	(413.0)
Contracting business			6,078.4	3,529.7
Other activities – subsidiaries			2,273.6	1,868.0
MT Højgaard Group			8,352.0	5,397.7
Geographical segments				
Revenue				
Denmark	2,104.7	1,726.8	7,133.8	5,971.8
Rest of world	527.2	258.3	1,329.1	1,391.3
MT Højgaard Group	2,631.9	1,985.1	8,462.9	7,363.1

*) Incl. Buxton project.

Consolidated income statement by quarter (unaudited)

Amounts in DKKm	2005				
	Q1	Q2	Q3	Q4	Total
Revenue	1,500.8	2,121.6	2,208.6	2,631.9	8,462.9
Production costs	(1,438.8)	(1,976.7)	(2,078.8)	(2,482.7)	(7,977.0)
Gross profit	62.0	144.9	129.8	149.2	485.9
Distribution costs	(26.8)	(33.5)	(21.4)	(35.1)	(116.8)
Administrative expenses	(54.3)	(55.5)	(60.9)	(60.5)	(231.2)
Operating profit (loss)	(19.1)	55.9	47.5	53.6	137.9
Share of profit (loss) after tax of associates	(0.2)	(0.2)	(0.1)	(2.4)	(2.9)
Net financing costs	(2.4)	(3.3)	(2.8)	(1.6)	(10.1)
Profit (loss) before tax	(21.7)	52.4	44.6	49.6	124.9
Income tax expense	6.5	(15.1)	(6.4)	(10.0)	(25.0)
Profit (loss) after tax	(15.2)	37.3	38.2	39.6	99.9
Attributable to:					
Equity holders of MT Højgaard a/s	(15.4)	36.3	37.2	35.6	93.7
Minority interests	0.2	1.0	1.0	4.0	6.2
Total	(15.2)	37.3	38.2	39.6	99.9

Amounts in DKKm	2004				
	Q1	Q2	Q3	Q4	Total
Revenue	1,607.5	1,857.8	1,912.7	1,985.1	7,363.1
Production costs	(1,543.9)	(1,733.7)	(1,801.7)	(1,846.0)	(6,925.3)
Gross profit	63.6	124.1	111.0	139.1	437.8
Distribution costs	(21.9)	(21.5)	(20.8)	(31.8)	(96.0)
Administrative expenses	(63.4)	(61.5)	(61.8)	(57.7)	(244.4)
Operating profit (loss)	(21.7)	41.1	28.4	49.6	97.4
Share of profit (loss) after tax of associates	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Net financing costs	(2.4)	(1.8)	(2.4)	(9.1)	(15.7)
Profit (loss) before tax	(24.2)	39.2	25.9	40.4	81.3
Income tax expense	8.3	(11.2)	(6.8)	9.2	(0.5)
Profit (loss) after tax	(15.9)	28.0	19.1	49.6	80.8
Attributable to:					
Equity holders of MT Højgaard a/s	(15.9)	26.8	19.6	48.3	78.8
Minority interests	0.0	1.2	(0.5)	1.3	2.0
Total	(15.9)	28.0	19.1	49.6	80.8