

To: Copenhagen Stock Exchange  
Nikolaj Plads 6  
1007 Copenhagen K.

**Interim report for Arkil Holding A/S for the first quarter of 2011**

The Directors of Arkil Holding A/S have today considered and approved the Group's interim report for the period 1 January to 31 March 2011.

**Main points:**

- **Net revenue was DKK 324.6 million compared to 177.1 million for the same period last year – an increase of 83% compared to last year.**
- **The Group's result for the period before taxes showed a loss of DKK 68.0 million compared to a loss of DKK 89.8 million for the same period last year.**
- **The Group's turnover is expected to be approx. DKK 2,300 million for the entire year.**
- **The Group's result for 2011, as stated in the announcement of annual accounts dated 23 March 2011, is expected to be a pre-tax profit of between DKK 10 and 30 million.**

Please direct any questions to Managing Director Jesper Arkil on +45 73225050.

Haderslev, 18 May 2011

Arkil Holding A/S

Niels Arkil  
Chairman of the Board

## Main figures and key ratios

Interim report for 1 January to 31 March 2011

Group key figures (DKK million)	31 Dec, 2010	Jan 1 to March 31 2011	Jan 1 to March 31 2010
<b>Income statement</b>			
Net turnover		324.6	177.1
Primary operating profit (EBIT)		-66.9	-89.3
Net financial items		-1.1	-0.5
Profit/loss before tax		-68.0	-89.8
Profit/loss after tax		-50.6	-65.8
<b>Balance Sheet</b>			
Intangible assets	129.9	129.9	99.9
Tangible assets	517.8	506.4	488.9
Other long-term assets	20.6	17.4	12.0
Short-term assets	792.3	735.9	644.2
<b>Total assets</b>	<b>1,460.7</b>	<b>1,389.6</b>	<b>1,245.0</b>
<b>Equity</b>	<b>645.6</b>	<b>594.9</b>	<b>616.6</b>
Long-term obligations	330.7	320.7	268.8
Short-term obligations	493.8	483.5	370.3
<b>Total obligations</b>	<b>824.5</b>	<b>804.2</b>	<b>639.1</b>
<b>Total liabilities</b>	<b>1,470.2</b>	<b>1,399.2</b>	<b>1,255.7</b>
<b>Cash flow statement</b>			
Cash flows from operating activities		7.0	40.3
Cash flows from investing activities		-11.5	-13.6
Acquisition of companies and new activities		0.0	0.0
Cash flows from financing activities		-0.7	-11.0
<b>Changes in cash flow for the period</b>		<b>-5.2</b>	<b>15.7</b>
<b>Key ratios for the Group</b>			
Profit ratio		-20.6	-50.4
Return on net assets (ROIC)		-5.7	-9.2
Liquidity ratio		152.2	174.0
Equity ratio		42.8	49.5
Return on equity		-8.2	-10.1
<b>Earnings per share (DKK)</b>			
Earnings per DKK 100 share		-103.1	-134.4
Diluted earnings per share at DKK 100		-103.1	-134.4
Average number of shares		1,427	1,241

## Director's report

### Results for the period

The Arkil Group achieved a turnover of DKK 324.6 million compared to DKK 177.1 million for the same period last year, corresponding to an increase of 83.3%. The increase in revenue is mainly attributable to production in the first quarter of 2010 being limited by weather conditions due to a long, hard winter in the Group's main markets.

Primary operating profit (EBIT) for the first quarter of 2011 before tax showed a loss of DKK 66.9 million compared to a loss of DKK 89.3 million for the same period last year.

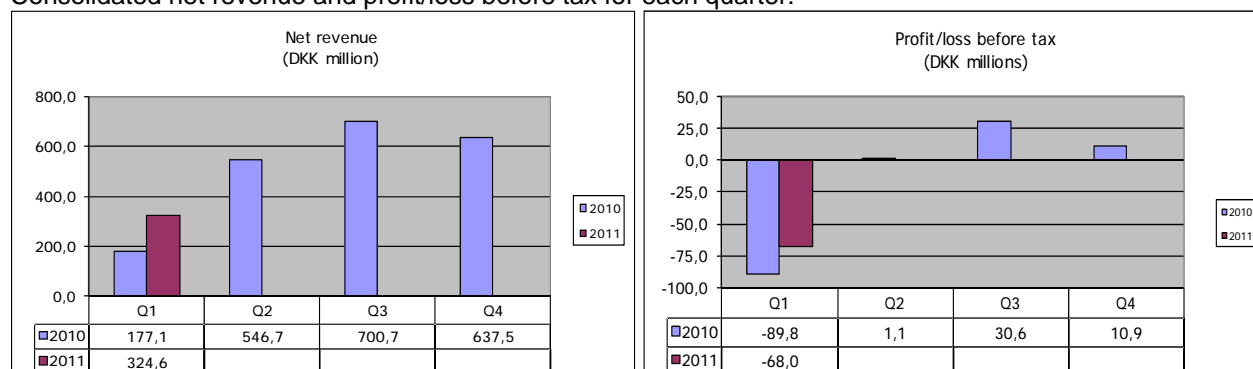
Net financial items showed an expenditure of DKK 1.1 million compared to DKK 0.5 million for the same period last year.

Pre-tax profit/loss for the period showed a loss of DKK 68.0 million compared to a loss of DKK 89.8 million for the same period last year.

The improved profit compared to last year has been achieved due to increased activity.

As mentioned in statements for previous years, the interim results for a company in a seasonal line of business like this cannot be used directly as an indicator for its profit for the year.

Consolidated net revenue and profit/loss before tax for each quarter:



Cash flow from operations in the first quarter of 2011 amounts to a total of DKK 7.0 million as against DKK 40.3 million for the same period last year. The most significant item changes from the cash flow stem from realised loss and a reduction of tied up equity capital.

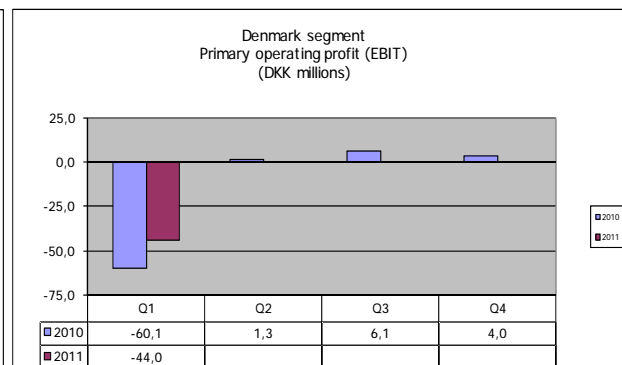
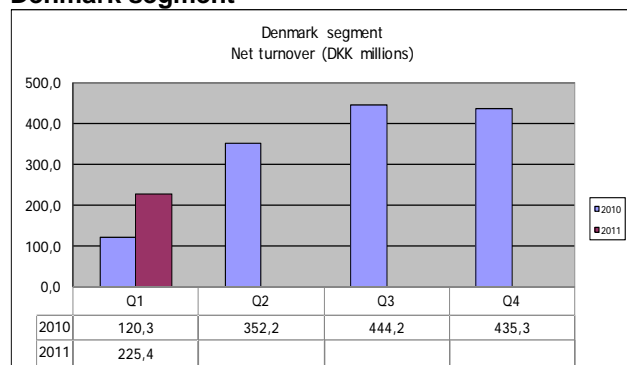
The cash flow from investment activities, the acquisition of companies and activities was DKK -11.5 million as against DKK -13.6 million for the same period last year. Investments in machinery and equipment for the period are 11.5 million as against DKK 13.6 million last year.

Liquid holdings at the end of the period have been reduced by DKK 5.2 million to DKK 190.8 million.

During the period the Group's interest-bearing liabilities were reduced by DKK 2.7 million to DKK 242.9 million.

The reports concerning segments are changed to better reflect the activities of the Group based on management reports. Comparison figures have been adjusted.

## Denmark segment



In the first quarter, the Group's Danish companies have had a significantly higher activity than last year when production was negatively impacted by weather conditions.

The construction market is showing a positive trend. There is an increase in tendering of new construction work on a large scale and better price setting on the projects landed, but based on the execution of the current order book, which was landed at low prices, the increase in profit is not expected to apply until the second half of the financial year.

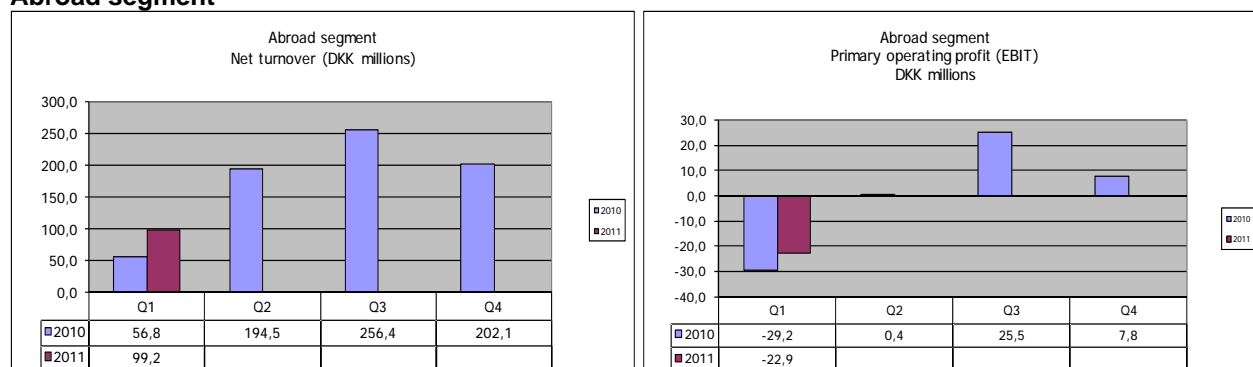
Based on the current market situation, asphalt activities are on a par with last year.

As expected, the Road Servicing activities are at a slightly higher level than in 2010.

In the first quarter of 2011, a turnover for Denmark segment of DKK 2011 million was achieved as against DKK 120.3 million for the same period last year. The result (EBIT) was DKK -44.0 million as against DKK -60.1 million for the same period last year.

Overall, order stock can be said to have conformed to expectations and to exceed that of last year.

## Abroad segment



The Group's companies abroad have enjoyed a significantly higher level of activity than last year.

As expected, the activities in Germany are at a higher level than in 2010, and the German market is showing great stability.

As expected, the activity on the Irish market is at a slightly higher level than in 2010, but the market continues to be impacted by poor price development.

The activities in Germany are at a slightly higher level than in 2010.

In the first quarter of 2011, revenue for Abroad segment amounted to DKK 99.2 million as against DKK 56.8 million for the same period last year. The result (EBIT) was DKK -22.9 million as against DKK -29.2 million for the same period last year.

Overall, order stock conforms to expectations.

### Reconciliation of the pre-tax period result

#### Primary operating profit

Denmark segment

Abroad segment

#### Primary operating profit

Net financial items

#### Profit/loss before tax

	Jan 1 to March 31 2011	Jan 1 to March 31 2010
Denmark segment	-44.0	-60.1
Abroad segment	-22.9	-29.2
<b>Primary operating profit</b>	<b>-66.9</b>	<b>-89.3</b>
Net financial items	-1.1	-0.5
<b>Profit/loss before tax</b>	<b>-68.0</b>	<b>-89.8</b>

### Expectations for the financial year 2011

The Group's result for 2011, as stated in the announcement of annual accounts dated 23 March 2011, is expected to be a pre-tax profit of between DKK 10 and 30 million.

Revenue is still expected to be realised around DKK 2,300 million for the entire year.

## Comments on future conditions

The future predictions in this interim report reflect the Board's current expectations of future events and financial results. Predictions for the rest of 2011 are, by nature, associated with uncertainty, and the actual results may therefore deviate from expectations.

Factors that could lead to significant deviations from the expected results include – but are not limited to – economic trends and the financial markets, technological developments, changes to legislation and regulation in Arkil's markets, competition conditions, job tenders within the Group's areas of business, weather and climate conditions on the Group's markets, and the acquisition and sale of activities and companies.

## Shareholders

Arkil Holding A/S has approx. 1500 listed shareholders. Of these, the following shareholders were registered in the company's list of shareholders as at today's date in accordance with section 55 of the Danish Companies Act:

Shareholders	No. of Class A and B shares	Proportion of Listed Capital as a %	Proportion of the company's A/S capital as a %	Votes %
Chairman of the Board Niels Arkil, Tjørnebakken 17, 6100 Haderslev, Denmark	37.388	8,59	16,85	47,40
Investeringsforeningen Danske Invest-gruppen, Strødamvej 46, 2100 Copenhagen Ø, Denmark	*			
Danske Bank, Holmens Kanal 2 – 12, 1092 Copenhagen K, Denmark	28.611	6,66	5,82	2,74
Ellen and Ove Arkil's Fond, Åstrupvej 19, 6100 Haderslev, Denmark	24.375	5,67	4,96	2,33
Managing Director Jesper Arkil, Vidarsvej 8, 6100 Haderslev, Denmark	1274	0,30	3,45	15,12

The denomination of all class B shares is DKK 100.  
The denomination of the class A shares varies.

\* Investeringsforeningen Danske Invest-gruppen have informed the Board that they own more than 10% of the company's share capital.

## Endorsement by the board

The Board of Directors and Executive Board have today considered and approved the interim report for the period 1 January to 31 March 2011 for Arkil Holding A/S.

This interim report, which has not been revised or reviewed by the company's accountant, has been prepared in accordance with IAS 34, Presentation of interim reports, as approved by the EU and Danish financial reporting requirements for public listed companies.

In our opinion, this interim report provides a true and fair view of the Group's assets, liabilities, and financial position as of 31. 31 March 2011 and of the results of the Group's activities and cash flow during the period 1 January to 31 March 2011.

In our opinion, the management's review provides a true and fair presentation of the development of the Group's activities and financial situation, the results for the period and of the Group's financial position as a whole as well as a description of the essential risks and factors of uncertainty which the Group is facing.

Haderslev, 18 May 2011

Management Board

Jesper Arkil  
(Managing Director)

The Board of Directors

Niels Arkil      Hans Schmidt-Hansen  
(Chairman)      (Deputy Chairman)

Walther V. Paulsen      Birgitte Nielsen

Per Kjærsgaard      Agnete Raaschou-Nielsen

## Group statement of profit/loss

Amounts in DKK millions

	Jan 1 to March 31 2011	Jan 1 to March 31 2010
Turnover	324.6	177.1
Production costs	-348.2	-222.9
<b>Gross profit</b>	<b>-23.6</b>	<b>-45.8</b>
Administration costs	-41.9	-42.0
Other operating income	1.1	1.2
Share of profit after tax in affiliated companies	-2.5	-2.7
<b>Primary operating profit</b>	<b>-66.9</b>	<b>-89.3</b>
Net financial items	-1.1	-0.5
<b>Profit/loss before tax</b>	<b>-68.0</b>	<b>-89.8</b>
Tax on profit/loss for the period	17.4	24.0
<b>Profit/loss for the period</b>	<b>-50.6</b>	<b>-65.8</b>
Earnings per DKK 100 share	-103.1	-134.4
Diluted earnings per share at DKK 100	-103.1	-134.4

## Statement of comprehensive income

Amounts in DKK millions

	Jan 1 to March 31 2011	Jan 1 to March 31 2010
<b>Profit/loss for the period</b>	<b>-50.6</b>	<b>-65.8</b>
Other comprehensive income:		
Exchange rate adjustments for conversion of foreign entities	-0.1	-0.1
<b>Other comprehensive income after tax</b>	<b>-0.1</b>	<b>-0.1</b>
<b>Total income</b>	<b>-50.7</b>	<b>-65.9</b>
Distribution:		
Shareholders of Arkil Holding A/S	-49.2	-64.1
Minority interests	-1.5	-1.8
<b>Total</b>	<b>-50.7</b>	<b>-65.9</b>



## Group balance

Amounts in DKK millions

	Note	31 Dec 2010	31 March 2011	31 March 2010
<b>Assets</b>				
Goodwill	2	129.9	129.9	99.9
Intangible assets		9.5	9.5	10.7
Tangible assets		517.8	506.4	488.9
Other long-term assets		20.6	17.4	12.0
<b>Total long-term assets</b>		<b>677.9</b>	<b>663.2</b>	<b>611.5</b>
Stock on hand		56.1	64.1	52.1
Contract works		63.7	190.1	96.4
Accounts receivable		451.5	267.8	216.6
Securities		22.9	23.1	20.8
Liquid assets		198.1	190.8	258.3
<b>Total short-term assets</b>		<b>792.3</b>	<b>735.9</b>	<b>644.2</b>
<b>Total assets</b>		<b>1,470.2</b>	<b>1,399.2</b>	<b>1,255.7</b>
<b>Equity</b>		<b>645.6</b>	<b>594.9</b>	<b>616.6</b>
Provisions for obligations		147.9	152.8	138.8
Credit institutions		182.8	167.9	130.0
<b>Total long-term obligations</b>		<b>330.7</b>	<b>320.7</b>	<b>268.8</b>
Credit institutions		62.8	75.0	60.9
Contract works		51.1	77.7	25.5
Accounts payable and other debts		379.9	330.8	283.9
<b>Total short-term obligations</b>		<b>493.8</b>	<b>483.5</b>	<b>370.3</b>
<b>Total obligations</b>		<b>824.5</b>	<b>804.2</b>	<b>639.1</b>
<b>Total liabilities</b>		<b>1,470.2</b>	<b>1,399.2</b>	<b>1,255.7</b>

## Group cash flow analysis

Amounts in DKK millions

	Jan 1 to March 31 2011	Jan 1 to March 31 2010
<b>Operation's effect on liquidity</b>		
Profit/loss before tax	-68.0	-89.8
Depreciation and write-downs	25.2	23.5
Other net operating items	1.2	0.9
Changes in working capital	50.9	110.3
Corporation tax paid	-2.3	-4.6
<b>Cash flows from operating activities</b>	<b>7.0</b>	<b>40.3</b>
<b>Effect of investments on liquidity</b>		
Net investments in tangible and intangible assets	-11.5	-13.6
Net investments in subsidiaries	0.0	0.0
<b>Cash flows from investing activities</b>	<b>-11.5</b>	<b>-13.6</b>
<b>External financing</b>		
Repayment of long term debt	-0.7	-11.1
Dividend payments	0.0	0.1
<b>Cash flows from financing activities</b>	<b>-0.7</b>	<b>-11.0</b>
<b>Cash flows for the year</b>	<b>-5.2</b>	<b>15.7</b>
Opening liquid holdings	196.0	234.1
Rate adjustments to liquid holdings	0.0	0.0
<b>Closing liquid holdings</b>	<b>190.8</b>	<b>249.8</b>
Liquid assets	190.8	258.3
Bank loan (bank overdraft)	0.0	-8.5
<b>Closing liquid holdings</b>	<b>190.8</b>	<b>249.8</b>

# Group statement of changes in equity

Amounts in DKK millions

	Share capital	Reserve for exchange rate adjustments	Retained earnings	Suggested dividends	Total	Minority interests	Total
Equity as at 1 January 2011	49.1	0.2	586.1	0.0	635.4	10.2	645.6
Exchange rate adjustments, foreign companies		-0.2			-0.2	0.1	-0.1
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.1</b>	<b>-0.1</b>
Profit/loss for the period			-49.1		-49.1	-1.5	-50.6
<b>Total income</b>	<b>0.0</b>	<b>-0.2</b>	<b>-49.1</b>	<b>0.0</b>	<b>-49.3</b>	<b>-1.4</b>	<b>-50.7</b>
Distributed dividend					0.0		0.0
Dividend, own shares					0.0		0.0
<b>Equity as at 31 March 2011</b>	<b>49.1</b>	<b>0.0</b>	<b>537.0</b>	<b>0.0</b>	<b>586.1</b>	<b>8.8</b>	<b>594.9</b>
	Share capital	Reserve for exchange rate adjustments	Retained earnings	Suggested dividends	Total	Minority interests	Total
Equity as at 1 January 2010	49.1	-1.2	616.9	7.4	672.2	10.3	682.5
Exchange rate adjustments, foreign companies		-0.1			-0.1		-0.1
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.1</b>
Profit/loss for the period			-64.0		-64.0	-1.8	-65.8
<b>Total income</b>	<b>0.0</b>	<b>-0.1</b>	<b>-64.0</b>	<b>0.0</b>	<b>-64.1</b>	<b>-1.8</b>	<b>-65.9</b>
Distributed dividend					0.0		0.0
Dividend, own shares					0.0		0.0
<b>Equity as at 31 March 2010</b>	<b>49.1</b>	<b>-1.3</b>	<b>552.9</b>	<b>7.4</b>	<b>608.1</b>	<b>8.5</b>	<b>616.6</b>

## Note 1. Accounting policies

This interim report has been prepared in accordance with IAS 34, Presentation of interim reports, as approved by the EU and Danish financial reporting requirements for interim reports for public listed companies.

Apart from the impact of the new IAS/IFRS implemented in the period there has been no change in the accounting policies applied compared to the consolidated accounts and the annual accounts for 2010. Please refer to this for more information.

The consolidated accounts and the annual accounts for 2010 include the complete description of the accounting policies applied.

New IAS/IFRS implemented in the period

As of 1 January 2011, Arkil Holding have implemented IAS 24 "Related Party Disclosures" (updated 2009), IFRIC 19, amendments to IFRIC 14 and improvements to IFRS May 2010.

The reporting standards and interpretations have not affected recognition and measurement.

Assumptions and estimates

For the preparation of interim reports, management must make assumptions and estimates which affect the applied accounting policies and the calculated assets, obligations, income and expenditure. The actual results may deviate from these estimates.

The essential estimates made by the management when applying the accounting policies for the Group and the essential uncertainty of these estimates are the same for the preparation of this consolidated interim report as for the preparation of the consolidated accounts and the annual accounts as at 31 December 2010.

## Note 2. Goodwill

Amounts in DKK millions

	31 Dec 2010	31 March 2011	31 March 2010
Cost price beginning of year	99.9	129.9	99.9
Additions through acquisition	30.1	0.0	0.0
Adjustment of purchase sum	0.0	0.0	0.0
Exchange rate adjustment	0.0	0.0	0.0
<b>Cost price end of year</b>	<b>129.9</b>	<b>129.9</b>	<b>99.9</b>
Depreciation beginning of year	0.0	0.0	0.0
Write-downs	0.0	0.0	0.0
Disposals	0.0	0.0	0.0
<b>Depreciation end of year</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Goodwill</b>	<b>129.9</b>	<b>129.9</b>	<b>99.9</b>

## Impairment test

The annual impairment test for goodwill is carried out on 30 September, following completion of budgets and strategic plans for the coming five years. As of 31 March 2011, the management have concluded that there is no indication of value reduction concerning the book value for goodwill and intangible assets with a non-limited life time, which is why no impairment test has been carried out for these assets as of 31. March 2011.