

Message for NASDAQ OMX

### **Interim report for Arkil Holding A/S for the first half 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 30 June 2011.

#### **Main points:**

- **Net revenue was DKK 354.8 million compared to 723.8 million for the same period last year – an increase of 43% compared to last year.**
- **The Group's result for the period before taxes showed a loss of DKK 46.3 million compared to a loss of DKK 88.6 million for the same period last year.**
- **The Group's turnover is expected to be approx. DKK 2,400 million for the entire year.**
- **The Group's pre-tax profit for 2011 is expected to be as stated in the announcement of the annual accounts of March 2011 – between DKK 10 and 30 million.**

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

Haderslev, 31 August 2011

Arkil Holding A/S

Niels Arkil  
Chairman of the Board

## Main figures and key ratios

Interim report for 1 January to 30 June 2011

Group key figures (DKK million)	April 1 to June 30 2011	April 1 to June 30 2010	Jan 1 to June 30 2011	Jan 1 to June 30 2010	31 Dec, 2010
<b>Income statement</b>					
Net turnover	709.6	546.7	1,034.2	723.8	2,061.9
Primary operating profit (EBIT)	23.8	1.7	-43.1	-87.6	-44.2
Net financial items	-2.1	-0.5	-3.2	-1.0	-3.0
Profit/loss before tax	21.7	1.2	-46.3	-88.6	-47.2
Profit/loss after tax	14.4	-1.3	-36.2	-67.1	-27.5
<b>Balance Sheet</b>					
Intangible assets			139.3	109.6	139.4
Tangible assets			489.0	480.8	517.8
Other long-term assets			19.6	13.8	20.6
Short-term assets			851.9	726.8	792.3
<b>Total assets</b>			<b>1,499.9</b>	<b>1,331.0</b>	<b>1,470.2</b>
<b>Equity</b>			<b>609.1</b>	<b>622.7</b>	<b>645.6</b>
Long-term obligations			277.4	256.4	330.7
Short-term obligations			613.3	451.9	493.8
<b>Total obligations</b>			<b>890.8</b>	<b>708.3</b>	<b>824.5</b>
<b>Total liabilities</b>			<b>1,499.9</b>	<b>1,331.0</b>	<b>1,470.2</b>
<b>Cash flow statement</b>					
Cash flows from operating activities	-144.6	-129.1	-137.6	-88.8	88.6
Cash flows from investing activities	-5.5	-12.4	-17.0	-26.0	-23.5
Acquisition of companies and new activities	0.0	0.0	0.0	0.0	-90.2
Cash flows from financing activities	-28.2	-18.2	-28.9	-29.2	-13.2
<b>Changes in cash flow for the period</b>	<b>-178.4</b>	<b>-159.8</b>	<b>-183.6</b>	<b>-144.1</b>	<b>-38.3</b>
<b>Key ratios for the Group</b>					
Profit ratio	3.4	0.3	-4.2	-12.1	-2.1
Return on net assets (ROIC)	1.6	0.1	-3.0	-7.2	-3.5
Liquidity ratio			138.9	160.8	160.4
Equity ratio			40.6	46.8	43.9
Return on equity			-5.8	-10.3	-4.1
<b>Earnings per share (DKK)</b>					
Earnings per DKK 100 share	27.4	-3.6	-76.2	-138.5	-63.4
Diluted earnings per share at DKK 100	27.4	-3.6	-76.2	-138.5	-63.4
Average number of shares			1,615	1,430	1,623

## Director's report

### Results for the period

In the first half of 2005, the Arkil Group achieved a turnover of DKK 1,034.2 million compared to DKK 723.8 million for the same period last year, corresponding to an increase of 42.9%. The increase in turnover is mainly due to production in the first quarter of 2010 being limited because of a hard long, hard winter in the Group's main markets.

Turnover in the second quarter has been realised with DKK 709.6 million compared to 546.7 for the same period last year, corresponding to an increase of 29.8%. Operating profit/loss (EBIT) in the second quarter has been realised with DKK 23.8 million compared to DKK 1.7 million for the same period last year.

Primary operating profit (EBIT) in the first half of 2011 before tax showed a profit of DKK 43.1 million compared to a profit of DKK 87.6 million for the same period last year.

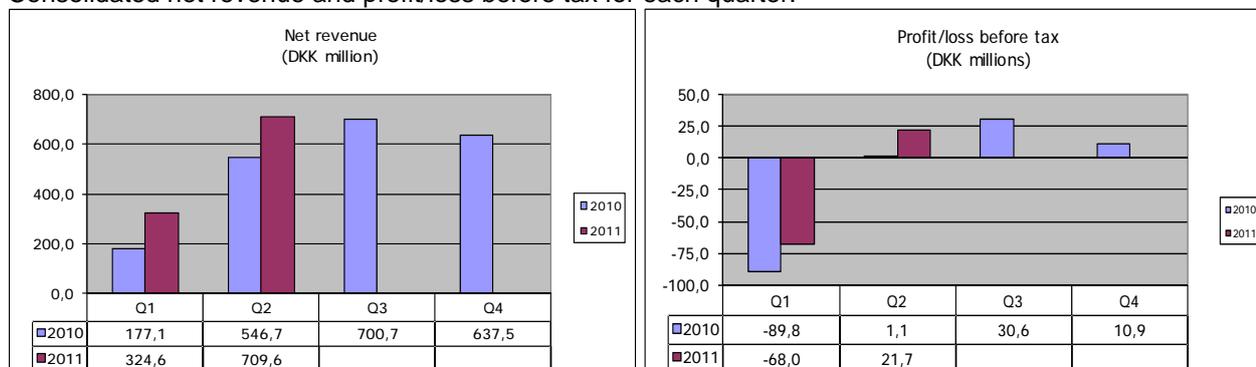
Net financial items showed an expenditure of DKK 3.2 million compared to DKK 1.0 million for the same period last year.

Pre-tax profit/loss for the period showed a loss of DKK 46.3 million compared to a loss of DKK 88.6 million for the same period last year.

The profit increase compared to last year is 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 half of 2011 amounts to a total of DKK -137.6 million as against DKK -88.8 million for the same period last year. The most significant item changes included in cash flow from operations stem from realised loss as well as changes in funds tied up in working capital.

The cash flow from investment activities, the acquisition of companies and activities amounted to DKK -17.0 million as against DKK -26.0 million for the same period last year. Investments in machinery and equipment for the period are DKK 17.0 million as against DKK 26.0 million last year.

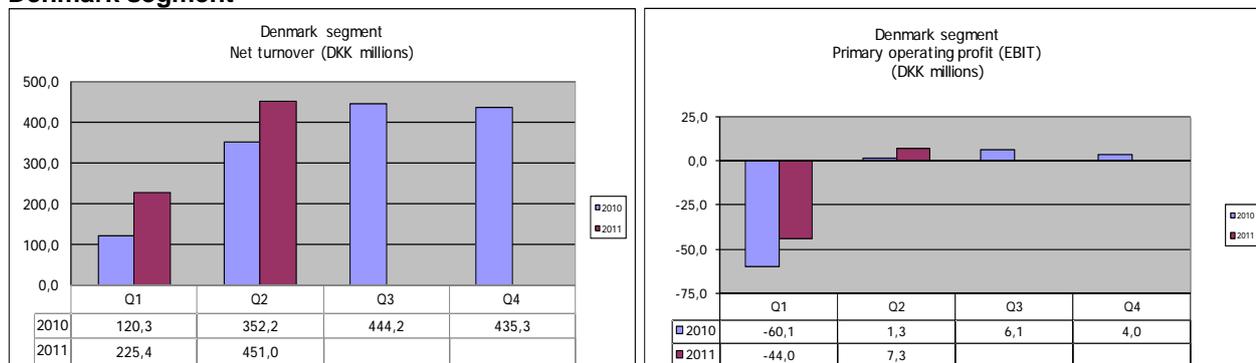
Liquid holdings at the end of the period have been reduced by DKK 183.6 million to DKK 12.4 million.

During the period the Group's interest-bearing liabilities were reduced by DKK 14.4 million to DKK 231.2 million.



Reports concerning segments have been changed so as to better reflect the activities of the Group based on management reports. Comparative figures have been adjusted.

## Denmark segment



In the first half year, the Group's Danish companies have had significantly higher activity than last year where weather conditions had a negative influence on production.

Generally speaking, the construction market shows a positive development. Large construction contracts are on the rise, and price setting on landed projects has improved, but based on the execution of the current order book, which was landed at low prices, the improvement in profit margin is not expected to be felt until the second half of the financial year.

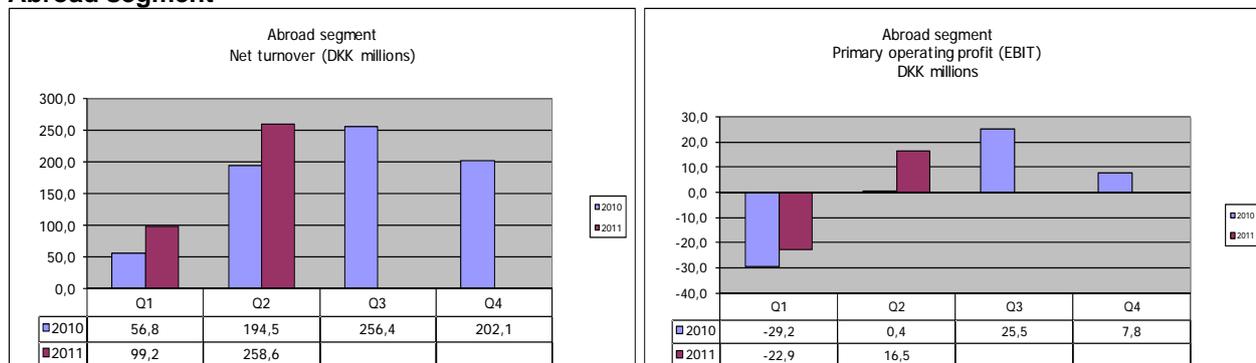
Because of current market conditions, asphalt activities are on a par with last year.

As expected, the Road Servicing activities are a little higher than in 2010.

In the first half of 2011, a turnover for Denmark segment of DKK 676.4 million was achieved compared to DKK 472.5 million for the same period last year. The result (EBITA) was DKK -36.7 million compared to DKK -58.8 million for the same period last year.

On the whole, order stock can be described as adhering to expectations and better than this time last year.

## Abroad segment



The Group's foreign companies have experienced significantly higher activity than last year.

As expected, activities in Germany have increased since 2010, and the German market shows great stability.

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

As expected, activities in Sweden are a little higher than in 2010.

In the first half of 2011, a turnover for Foreign segment of DKK 357.8 million was achieved compared to DKK 251.3 million for the same period last year. The result (EBITA) was DKK -6.4 million compared to DKK -28.8 million for the same period last year.

On the whole, order stock can be considered in accordance with expectations.

### Reconciliation of the pre-tax period result

	April 1 to June 30 2011	April 1 to June 30 2010	Jan 1 to June 30 2011	Jan 1 to June 30 2010
<b>Primary operating profit</b>				
Denmark segment	7.3	1.3	-36.8	-58.8
Abroad segment	16.5	0.4	-6.4	-28.8
<b>Primary operating profit</b>	<b>23.8</b>	<b>1.7</b>	<b>-43.1</b>	<b>-87.6</b>
Net financial items	-2.1	-0.5	-3.2	-1.0
<b>Profit/loss before tax</b>	<b>21.7</b>	<b>1.2</b>	<b>-46.3</b>	<b>-88.6</b>

### Expectations for the financial year 2011

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

Revenue is expected to be realised in the region of DKK 2,400 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. 1,500 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 class A shares varies.

\* Investeringsforeningsforeningen 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 30 June 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 30 June 2011 and of the results of the Group's activities and cash flow during the period 1 January – 30 June 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, 31 August 2011

Management Board

Jesper Arkil  
*(Managing Director)*

The Board of Directors

Niels Arkil  
*(Chairman)*

Hans Schmidt-Hansen  
*(Deputy Chairman)*

Walther V. Paulsen

Birgitte Nielsen

Per Kjærsgaard

Agnete Raaschou-Nielsen

### Group statement of profit/loss

Amounts in DKK millions

	April 1 to June 30 2011	April 1 to June 30 2010	Jan 1 to June 30 2011	Jan 1 to June 30 2010
Turnover	709.6	546.7	1,034.2	723.8
Production costs	-638.0	-500.8	-986.2	-723.7
<b>Gross profit</b>	<b>71.6</b>	<b>45.9</b>	<b>48.0</b>	<b>0.1</b>
Administration costs	-51.7	-48.5	-93.6	-90.5
Other operating income	0.9	1.2	2.0	2.4
Share of profit after tax in affiliated companies	3.0	3.1	0.5	0.4
<b>Primary operating profit</b>	<b>23.8</b>	<b>1.7</b>	<b>-43.1</b>	<b>-87.6</b>
Net financial items	-2.1	-0.5	-3.2	-1.0
<b>Profit/loss before tax</b>	<b>21.7</b>	<b>1.2</b>	<b>-46.3</b>	<b>-88.6</b>
Tax on profit/loss for the period	-7.3	-2.5	10.1	21.5
<b>Profit/loss for the period</b>	<b>14.4</b>	<b>-1.3</b>	<b>-36.2</b>	<b>-67.1</b>
Earnings per DKK 100 share	27.4	-3.6	-76.2	-138.5
Diluted earnings per share at DKK 100	27.4	-3.6	-76.2	-138.5

### Statement of comprehensive income

Amounts in DKK millions

	April 1 to June 30 2011	April 1 to June 30 2010	Jan 1 to June 30 2011	Jan 1 to June 30 2010
<b>Profit/loss for the period</b>	<b>14.4</b>	<b>-1.3</b>	<b>-36.2</b>	<b>-67.1</b>
Other comprehensive income:				
Exchange rate adjustments for conversion of foreign entities	0.1	0.3	0.0	0.2
<b>Other comprehensive income after tax</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.2</b>
<b>Total income</b>	<b>14.5</b>	<b>-1.0</b>	<b>-36.2</b>	<b>-66.9</b>
Distribution:				
Shareholders of Arkil Holding A/S	13.1	-1.4	-36.1	-65.5
Minority interests	1.4	0.4	-0.1	-1.4
<b>Total</b>	<b>14.5</b>	<b>-1.0</b>	<b>-36.2</b>	<b>-66.9</b>

## Group balance

Amounts in DKK millions

	Note	30 June 2011	30 June 2010	31 Dec 2010
<b>Assets</b>				
Goodwill	2	129.9	99.7	129.9
Intangible assets		9.4	9.9	9.5
Tangible assets		489.0	480.8	517.8
Other long-term assets		19.6	13.8	20.6
<b>Total long-term assets</b>		<b>648.0</b>	<b>604.2</b>	<b>677.9</b>
<b>Stock on hand</b>				
Stock on hand		64.0	53.9	56.1
Contract works		324.2	214.4	63.7
Accounts receivable		412.0	338.3	451.5
Securities		23.2	20.8	22.9
Liquid assets		28.5	99.4	198.1
<b>Total short-term assets</b>		<b>851.9</b>	<b>726.8</b>	<b>792.3</b>
<b>Total assets</b>		<b>1,499.9</b>	<b>1,331.0</b>	<b>1,470.2</b>
<b>Equity</b>				
<b>Provisions for obligations</b>				
Provisions for obligations		117.4	138.4	147.9
Credit institutions		160.1	118.0	182.8
<b>Total long-term obligations</b>		<b>277.4</b>	<b>256.4</b>	<b>330.7</b>
<b>Short-term obligations</b>				
Credit institutions		71.1	63.5	62.8
Contract works		77.2	21.4	51.1
Accounts payable and other debts		465.1	367.0	379.9
<b>Total short-term obligations</b>		<b>613.3</b>	<b>451.9</b>	<b>493.8</b>
<b>Total obligations</b>		<b>890.8</b>	<b>708.3</b>	<b>824.5</b>
<b>Total liabilities</b>		<b>1,499.9</b>	<b>1,331.0</b>	<b>1,470.2</b>

## Group cash flow analysis

Amounts in DKK millions

	April 1 to June 30 2011	April 1 to June 30 2010	Jan 1 to June 30 2011	Jan 1 to June 30 2010
<b>Operation's effect on liquidity</b>				
Profit/loss before tax	21.7	1.3	-46.3	-88.6
Depreciation and write-downs	24.7	23.3	49.8	46.8
Other net operating items	4.0	-4.7	5.2	-3.8
Changes in working capital	-191.7	-147.6	-140.8	-37.3
Corporation tax paid	-3.3	-1.4	-5.6	-6.0
<b>Cash flows from operating activities</b>	<b>-144.6</b>	<b>-129.1</b>	<b>-137.6</b>	<b>-88.8</b>
<b>Effect of investments on liquidity</b>				
Net investments in tangible and intangible assets	-5.5	-12.5	-17.0	-26.0
Net investments in subsidiaries	0.0	0.0	0.0	0.0
<b>Cash flows from investing activities</b>	<b>-5.5</b>	<b>-12.5</b>	<b>-17.0</b>	<b>-26.0</b>
<b>External financing</b>				
Repayment of long term debt	-27.8	-10.3	-28.5	-21.4
Dividend payments	-0.4	-7.9	-0.4	-7.8
<b>Cash flows from financing activities</b>	<b>-28.2</b>	<b>-18.2</b>	<b>-28.9</b>	<b>-29.2</b>
<b>Cash flows for the year</b>	<b>-178.3</b>	<b>-159.8</b>	<b>-183.6</b>	<b>-144.1</b>
Opening liquid holdings	190.8	249.8	196.0	234.1
Rate adjustments to liquid holdings	0.0	0.1	0.0	0.1
<b>Closing liquid holdings</b>	<b>12.4</b>	<b>90.0</b>	<b>12.4</b>	<b>90.0</b>
Liquid assets	28.5	99.4	28.5	99.4
Bank loan (bank overdraft)	-16.1	-9.4	-16.1	-9.4
<b>Closing liquid holdings</b>	<b>12.4</b>	<b>90.0</b>	<b>12.4</b>	<b>90.0</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	<b>635.4</b>	10.2	<b>645.6</b>
Exchange rate adjustments, foreign companies		0.0			<b>0.0</b>	0.0	<b>0.0</b>
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Profit/loss for the period			-36.1		<b>-36.1</b>	-0.1	<b>-36.2</b>
<b>Total income</b>	<b>0.0</b>	<b>0.0</b>	<b>-36.1</b>	<b>0.0</b>	<b>-36.1</b>	<b>-0.1</b>	<b>-36.2</b>
Distributed dividend					<b>0.0</b>	-0.3	<b>-0.3</b>
Dividend, own shares					<b>0.0</b>		<b>0.0</b>
<b>Equity as at 31 March 2011</b>	<b>49.1</b>	<b>0.2</b>	<b>549.9</b>	<b>0.0</b>	<b>599.2</b>	<b>9.9</b>	<b>609.1</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	630.7	7.4	<b>686.0</b>	11.4	<b>697.4</b>
Exchange rate adjustments, foreign companies		0.2			<b>0.2</b>	0.0	<b>0.2</b>
<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>0.0</b>	<b>0.2</b>
Profit/loss for the period			-65.7		<b>-65.7</b>	-1.4	<b>-67.1</b>
<b>Total income</b>	<b>0.0</b>	<b>0.2</b>	<b>-65.7</b>	<b>0.0</b>	<b>-65.5</b>	<b>-1.4</b>	<b>-66.9</b>
Distributed dividend				-7.4	<b>-7.4</b>	-0.6	<b>-8.0</b>
Dividend, own shares			0.2		<b>0.2</b>		<b>0.2</b>
<b>Equity as at 31 March 2010</b>	<b>49.1</b>	<b>-1.0</b>	<b>565.2</b>	<b>0.0</b>	<b>613.3</b>	<b>9.4</b>	<b>622.7</b>

## Note 1. Accounting policies applied

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

### New IAS/IFRS implemented in the period

Effective 1 January 2011, Arkil Holding have implemented IAS 24 "Information concerning closely related parties" (updated in 2009), IFRIC 19, amendments to IFRIC 14 and improvements for IFRS May 2010.

The new reporting standards and interpretations have not affected measurement and inclusions.

### 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, liabilities, 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

	30 June 2011	30 June 2010	31 Dec 2010
Cost price beginning of year	129.9	99.9	99.9
Additions through acquisition	0.0	0.0	30.1
Adjustment of purchase sum	0.0	0.0	0.0
Exchange rate adjustment	0.0	-0.2	0.0
<b>Cost price end of year</b>	<b>129.9</b>	<b>99.7</b>	<b>129.9</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>99.7</b>	<b>129.9</b>

### Impairment test

The annual impairment test for goodwill is carried out on 30 September, following the completion of budgets and strategic plans for the coming five years. As of June 30 2011, management have assessed that there is no indication of value reduction concerning the accounting 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 at 30 June 2011.