

Message for NASDAQ OMX

### **Interim report for Arkil Holding A/S for the first half of 2013**

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 2013.

#### **Main points:**

- **Net revenue was DKK 1,161.9 million compared to DKK 1,222.8 million for the same period last year – a decrease of 5.0% compared to last year.**
- **The Group's result before tax for the first six months showed a loss of DKK 28.3 million compared to a loss of DKK 25.7 million for the same period last year.**
- **The group's turnover is still expected to be approx. DKK 2.8 billion for the entire year compared to DKK 2.9 billion last year.**
- **The Group's result before tax for 2013 is still expected to be a surplus between DKK 35 and 60 million compared to DKK 54.8 million last year.**

Please direct any questions to Managing Director Jesper Arkil at +45 73 22 50 50.

Haderslev, 29 August 2013

Arkil Holding A/S

Agnete Raaschou-Nielsen  
Chairman of the Board

# Interim report for 1 January to 30 June 2013

Group key figures (DKK million)	1 April to 30 June 2013	1 April to 30 June 2012	1 Jan to 30 June 2013	1 Jan to 30 June 2012	31 Dec, 2012
<b>Income statement</b>					
Net turnover	782.8	826.5	1,161.9	1,222.8	2,881.8
Primary operating profit (EBIT)	25.2	42.0	-26.0	-22.2	59.8
Net financial items	-1.2	-1.9	-2.3	-3.5	-5.0
Profit/loss before tax	24.0	40.1	-28.3	-25.7	54.8
Profit/loss after tax	16.0	27.2	-22.8	-21.4	40.9
<b>Balance Sheet</b>					
Intangible assets			138.6	138.9	138.8
Tangible assets			424.5	462.1	430.1
Other long-term assets			39.6	17.1	41.8
Short-term assets			952.4	971.6	960.8
<b>Total assets</b>			<b>1,555.1</b>	<b>1,589.7</b>	<b>1,571.5</b>
<b>Equity</b>			<b>633.9</b>	<b>619.5</b>	<b>662.4</b>
Long-term obligations			280.7	285.5	319.9
Short-term obligations			640.5	684.7	589.2
<b>Total obligations</b>			<b>921.2</b>	<b>970.2</b>	<b>909.1</b>
<b>Total liabilities</b>			<b>1,555.1</b>	<b>1,589.7</b>	<b>1,571.5</b>
<b>Cash flow statement</b>					
Cash flows from operating activities	-83.6	-47.0	-0.2	-32.4	115.3
Cash flows from investing activities	-20.6	-11.6	-32.9	-28.6	-31.3
Acquisition of companies and new activities	0.0	0.0	0.0	0.0	0.0
Cash flows from financing activities	-14.5	-9.3	-54.6	-6.5	-40.2
<b>Changes in cash flow for the period</b>	<b>-118.7</b>	<b>-67.9</b>	<b>-87.7</b>	<b>-67.5</b>	<b>43.8</b>
<b>Key ratios for the Group</b>					
Profit ratio	3.2	5.1	-2.2	-1.8	2.1
Return on net assets (ROIC) incl. goodwill	2.8	4.6	-2.9	-2.4	6.8
Return on net assets (ROIC) excl. goodwill	3.3	5.4	-3.4	-2.8	7.9
Liquidity ratio			148.7	141.9	163.1
Equity ratio			40.8	39.0	42.2
Return on equity			-3.5	-3.4	6.3
<b>Earnings per share (DKK)</b>					
Earnings per DKK 100 share	32.5	57.0	-45.1	-41.6	81.0
Diluted earnings per share at DKK 100	32.5	57.0	-45.1	-41.6	81.0
Average number of employees			1,684	1,720	1,766

## Director's report

### Result for the period

In the first six months of 2013, the Arkil Group achieved revenue of DKK 1,161.9 million compared to DKK 1,222.8 million for the same period last year, a decrease of 5.0%. This decrease is attributable to a general decline in activities in the Group segments.

In the second quarter of the year, a revenue of DKK 782.7 million was achieved, compared to DKK 826.5 million for the same period last year, a decrease of 5.3%. Primary operating profit (EBIT) for the second quarter was realised at DKK 25.2 million, compared to DKK 42.0 million for the same period last year.

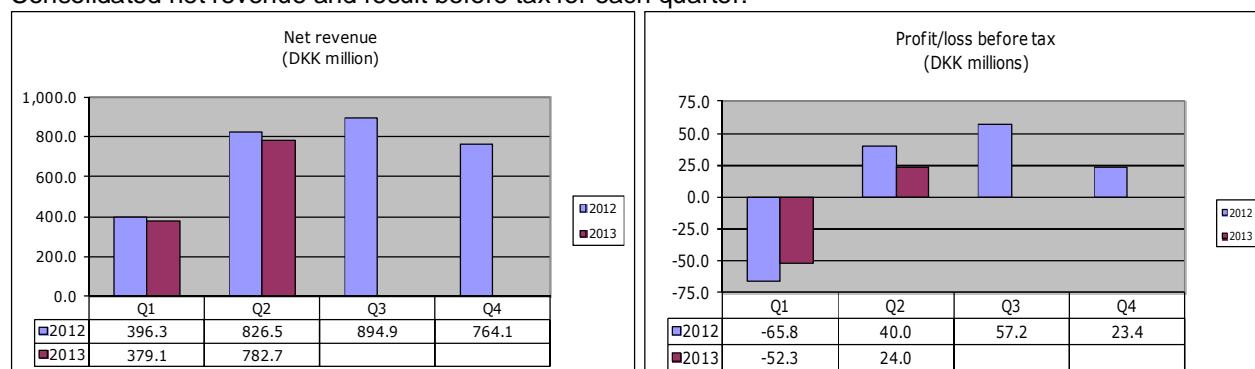
Primary operating profit (EBIT) for the first six months of 2013 showed a loss of DKK 26.0 million compared to a loss of DKK 22.2 million for the same period last year.

Net financial items showed an expenditure of DKK 2.3 million compared to DKK 3.5 million for the same period last year.

Pre-tax profit/loss for the period showed a loss of DKK 28.3 million compared to a loss of DKK 25.7 million for the same period last year.

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

Consolidated net revenue and result before tax for each quarter:



Cash flow from operations in the first six months of 2013 amounts to a total of DKK -0.2 million as against DKK -32.4 million for the same period last year. The most significant item changes from the cash flow from operations stem from adjustments in capital tied up in working capital.

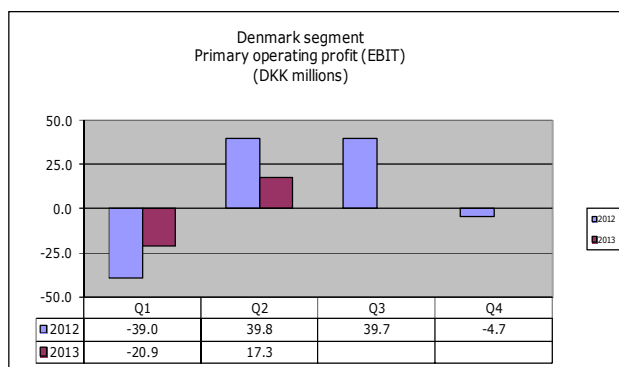
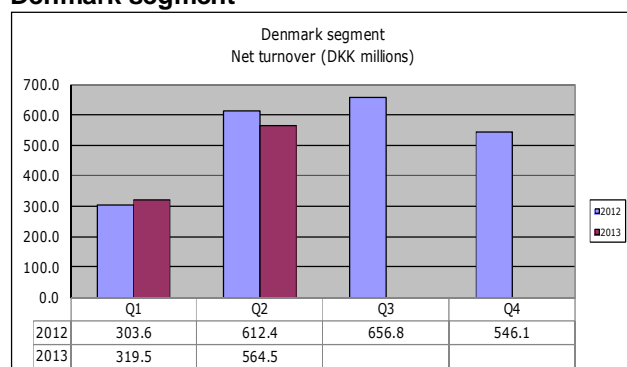
Cash flow from investment activities, acquisition of companies and activities was DKK -32.9 million as against DKK -28.6 million for the same period last year. Investments in machinery and equipment for the period are DKK -36.8 million as against DKK -31.9 million last year.

Cash flow from financing activities was DKK -54.6 million compared to DKK -6.5 million last year.

Liquid holdings at the end of the period have been reduced by DKK 135.4 million to DKK 66.9 million.

During the period the Group's interest-bearing liabilities reduced by DKK 31.7 million to DKK 187.6 million.

## Denmark segment



For the first six months of 2013, the Group's Danish companies experienced a level of activity slightly lower than last year.

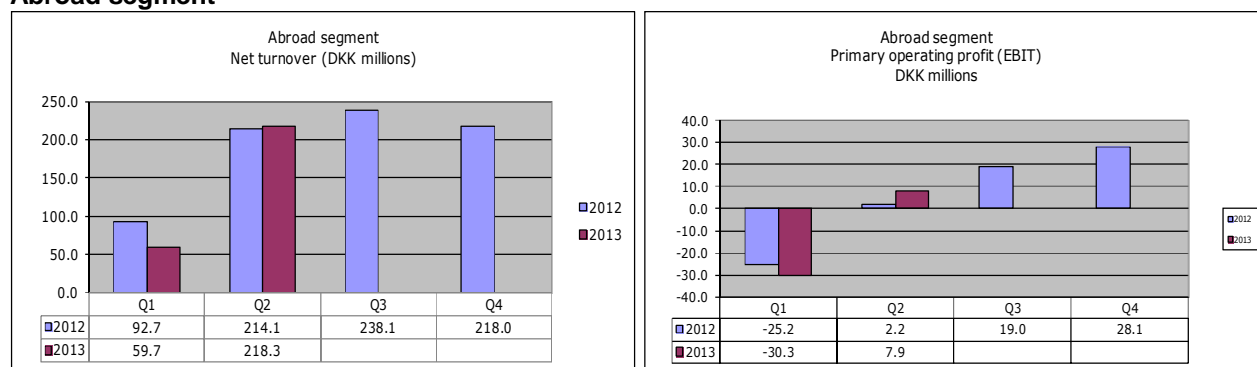
The current market situation as well as the order book status at the beginning of the year contributed to keeping a relatively high level of activity for the first six months.

The level of offering of large projects helps to support activities on the Danish construction market.

The volume of orders for the rest of the year is satisfactory, although marked by still fierce competition for projects.

In the first six months of 2013, turnover for the Denmark segment was DKK 884.0 million compared to DKK 916.0 million for the same period last year. The result (EBIT) was DKK -3.6 million compared to DKK 0.8 million for the same period last year.

## Abroad segment



The Group's companies outside Denmark experienced a level of activity somewhat lower than last year.

Activities in Germany were fewer than for 2012 due to a low level of activity in the first quarter of the year. This was primarily attributable to limitations in production caused by the weather. In view of the current market and order situation, activities at the same level as in 2012 are expected.

As expected, activities in the Irish market are at a slightly lower level than in 2012. The Irish market is still affected by a weak price development, due to a low level of activity and over-capacity.

As expected, activities in Sweden were at the same level as in 2012.

In the first six months of 2013, turnover for the Outside Denmark segment was DKK 278.0 million compared to DKK 306.8 million for the same period last year. The result (EBIT) was DKK -22.4 million compared to DKK -23.0 million for the same period last year.

The volume of orders in total can be considered to be as expected.

### Reconciliation of the pre-tax period result

#### Primary operating profit

Denmark segment

Abroad segment

#### Primary operating profit

Net financial items

#### Profit/loss before tax

	1 April to 30 June 2013	1 April to 30 June 2012	1 Jan to 30 June 2013	1 Jan to 30 June 2012
Denmark segment	17.3	39.8	-3.6	0.8
Abroad segment	7.9	2.2	-22.4	-23.0
<b>Primary operating profit</b>	<b>25.2</b>	<b>42.0</b>	<b>-26.0</b>	<b>-22.2</b>
Net financial items	-1.2	-1.9	-2.3	-3.5
<b>Profit/loss before tax</b>	<b>24.0</b>	<b>40.1</b>	<b>-28.3</b>	<b>-25.7</b>

### Expectations for the financial year 2013

The Group's pre-tax result for 2013 is expected to show a profit between DKK 35 and 60 million, as anticipated in the announcement of the annual accounts from 20 March 2013.

Revenue is expected to be realised around DKK 2,800 million for the entire year.

## Comments on future conditions

The predictions about the future in this interim report reflect the Board's current expectations of future events and financial results. Predictions for the rest of 2013 will, by nature, be 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 development in the financial markets, technological developments, changes to legislation and regulations in the markets where Arkil operates, competition conditions, job tenders within the Group's areas of business, weather and climate conditions in the markets where the Group operates, and the acquisition and sale of activities and companies.

## Shareholders

Arkil Holding A/S has approx. 1,500 listed shareholders. Of these, as at today's date, the following shareholders are registered in the company's list of shareholders 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 %
Niels Arkil, Tjørnebakken 17, DK-6100 Haderslev	37,313	8.59	13.90	33.55
Investeringsforeningen Danske Invest-gruppen, Parallelvej 17, DK-2800 Kgs. Lyngby	*			
Ellen og Ove Arkils Fond, Åstrupvej 19, DK-6100 Haderslev	24,375	5.67	4.96	2.33
Administrerende direktør Jesper Arkil, Vidarsvej 8, DK-6100 Haderslev	1,349	0.30	6.39	28.96

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

\* Danske Invest-gruppen has 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 2013 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 2013 and of the results of the Group's activities and cash flow during the period 1 January – 30 June 2013.

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, 29 August 2013

Management Board

Jesper Arkil  
(Managing Director)

The Board of Directors

Agnete Raaschou-Nielsen  
(Chairman)

Hans Schmidt-Hansen  
(Deputy Chairman)

Walther V. Paulsen

Birgitte Nielsen

Per Kjærsgaard

# Group statement of profit/loss

Amounts in DKK millions

	1 April to 30 June 2013	1 April to 30 June 2012	1 Jan to 30 June 2013	1 Jan to 30 June 2012
Turnover	782.8	826.5	1,161.9	1,222.8
Production costs	-707.7	-734.3	-1,085.3	-1,144.9
<b>Gross profit</b>	<b>75.1</b>	<b>92.2</b>	<b>76.6</b>	<b>77.9</b>
Administration costs	-52.9	-51.2	-103.2	-98.2
Share of profit after tax in affiliated companies	3.0	1.0	0.6	-1.9
<b>Primary operating profit</b>	<b>25.2</b>	<b>42.0</b>	<b>-26.0</b>	<b>-22.2</b>
Net financial items	-1.2	-1.9	-2.3	-3.5
<b>Profit/loss before tax</b>	<b>24.0</b>	<b>40.1</b>	<b>-28.3</b>	<b>-25.7</b>
Tax on profit/loss for the period	-8.0	-12.9	5.5	4.3
<b>Profit/loss for the period</b>	<b>16.0</b>	<b>27.2</b>	<b>-22.8</b>	<b>-21.4</b>
Earnings per DKK 100 share	32.5	57.0	-45.1	-41.6
Diluted earnings per share at DKK 100	32.5	57.0	-45.1	-41.6



# Statement of comprehensive income

Amounts in DKK millions	1 April to 30 June 2013	1 April to 30 June 2012	1 Jan to 30 June 2013	1 Jan to 30 June 2012
<b>Profit/loss for the period</b>	<b>16.0</b>	<b>27.2</b>	<b>-22.8</b>	<b>-21.4</b>
<b>Other comprehensive income:</b>				
<b>Items which may be reclassified for the income statement:</b>				
Value adjustment of derivatives	-0.7	-3.5	-0.7	-3.5
Tax on other comprehensive income	0.2	0.9	0.2	0.9
Exchange rate adjustments for conversion of foreign entities	0.2	0.1	0.2	0.0
<b>Other comprehensive income after tax</b>	<b>-0.3</b>	<b>-2.5</b>	<b>-0.3</b>	<b>-2.6</b>
<b>Total comprehensive income</b>	<b>15.7</b>	<b>24.7</b>	<b>-23.1</b>	<b>-24.0</b>
Distribution:				
Shareholders of Arkil Holding A/S	15.1	24.5	-21.7	-22.3
Minority interests	0.6	0.2	-1.4	-1.7
<b>Total</b>	<b>15.7</b>	<b>24.7</b>	<b>-23.1</b>	<b>-24.0</b>

## Group balance

Amounts in DKK millions

	Note	30 June 2013	30 June 2012	31 Dec 2012
<b>Assets</b>				
Goodwill	2	129.9	129.9	129.9
Intangible assets		8.7	9.0	8.9
Tangible assets		424.5	462.1	430.1
Other long-term assets		39.6	17.1	41.8
<b>Total long-term assets</b>		<b>602.7</b>	<b>618.1</b>	<b>610.7</b>
Stock on hand		74.9	70.8	72.5
Contract works		310.9	360.7	96.8
Accounts receivable		469.3	468.9	621.4
Tangible assets earmarked for sale		4.4	0.0	4.4
Securities	3	26.0	23.0	23.4
Liquid assets		66.9	48.2	142.3
<b>Total short-term assets</b>		<b>952.4</b>	<b>971.6</b>	<b>960.8</b>
<b>Total assets</b>		<b>1,555.1</b>	<b>1,589.7</b>	<b>1,571.5</b>
<b>Equity</b>		<b>633.9</b>	<b>619.5</b>	<b>662.4</b>
Provisions for obligations		173.2	145.7	179.8
Credit institutions		103.8	136.3	136.3
Employee's bonds		3.7	3.5	3.7
<b>Total long-term obligations</b>		<b>280.7</b>	<b>285.5</b>	<b>319.9</b>
Credit institutions		80.1	89.8	79.3
Contract works		67.9	43.9	51.0
Accounts payable and other debts		492.5	551.0	458.9
<b>Total short-term obligations</b>		<b>640.5</b>	<b>684.7</b>	<b>589.2</b>
<b>Total obligations</b>		<b>921.2</b>	<b>970.2</b>	<b>909.1</b>
<b>Total liabilities</b>		<b>1,555.1</b>	<b>1,589.7</b>	<b>1,571.5</b>

## Group cash flow analysis

Amounts in DKK millions

	1 April to 30 June 2013	1 April to 30 June 2012	1 Jan to 30 June 2013	1 Jan to 30 June 2012
<b>Operation's effect on liquidity</b>				
Profit/loss before tax	23.9	40.1	-28.4	-25.7
Depreciation and write-downs	21.8	23.1	46.6	46.9
Other net operating items	-3.3	-7.6	-4.8	-5.8
Changes in working capital	-125.1	-99.8	-10.4	-42.3
Corporation tax paid	-0.9	-2.8	-3.2	-5.5
<b>Cash flows from operating activities</b>	<b>-83.6</b>	<b>-47.0</b>	<b>-0.2</b>	<b>-32.4</b>
<b>Effect of investments on liquidity</b>				
Net investments in tangible and intangible assets	-20.6	-11.6	-32.9	-28.6
Net investments in subsidiaries	0.0	0.0	0.0	0.0
<b>Cash flows from investing activities</b>	<b>-20.6</b>	<b>-11.6</b>	<b>-32.9</b>	<b>-28.6</b>
<b>External financing</b>				
Repayment of long term debt	-9.1	-10.2	-49.2	-19.9
Proceeds of long-term debt, etc.	0.0	1.3	0.0	13.8
Dividend payments	-5.4	-0.4	-5.4	-0.4
<b>Cash flows from financing activities</b>	<b>-14.5</b>	<b>-9.3</b>	<b>-54.6</b>	<b>-6.5</b>
<b>Cash flows for the year</b>	<b>-118.7</b>	<b>-67.9</b>	<b>-87.7</b>	<b>-67.5</b>
Opening liquid holdings	172.6	97.6	141.6	97.2
Rate adjustments to liquid holdings	-0.1	0.0	-0.1	0.0
<b>Closing liquid holdings</b>	<b>53.8</b>	<b>29.7</b>	<b>53.8</b>	<b>29.7</b>
Liquid assets	66.9	48.2	66.9	48.2
Bank loan (bank overdraft)	-13.0	-18.5	-13.0	-18.5
<b>Closing liquid holdings</b>	<b>53.9</b>	<b>29.7</b>	<b>53.9</b>	<b>29.7</b>

# Group statement of changes in equity

Amounts in DKK millions

	Share capital	Reserve for exchange rate adjustments	Retained earnings	Suggested dividends	<b>Total</b>	Minority interests	<b>Total</b>
Equity as at 1 January 2013	49.1	1.2	600.9	4.9	<b>656.1</b>	6.3	<b>662.4</b>
Value adjustment of derivatives			-0.7		<b>-0.7</b>		<b>-0.7</b>
Tax on other comprehensive income			0.2		<b>0.2</b>		<b>0.2</b>
Exchange rate adjustments, foreign companies		0.2			<b>0.2</b>		<b>0.2</b>
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>0.2</b>	<b>-0.5</b>	<b>0.0</b>	<b>-0.3</b>	<b>0.0</b>	<b>-0.3</b>
Profit/loss for the period			-21.4		<b>-21.4</b>	-1.4	<b>-22.8</b>
<b>Total income</b>	<b>0.0</b>	<b>0.2</b>	<b>-21.9</b>	<b>0.0</b>	<b>-21.7</b>	<b>-1.4</b>	<b>-23.1</b>
Distributed dividend				-4.9	<b>-4.9</b>	-0.6	<b>-5.5</b>
Dividend, own shares			0.1		<b>0.1</b>		<b>0.1</b>
<b>Equity as at 30 June 2013</b>	<b>49.1</b>	<b>1.4</b>	<b>579.1</b>	<b>0.0</b>	<b>629.6</b>	<b>4.3</b>	<b>633.9</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 2012	49.1	-0.1	585.0	0.0	634.1	9.8	643.9
Value adjustment of derivatives			-3.5		-3.5	0.0	-3.5
Tax on other comprehensive income			0.9		0.9	0.0	0.9
Exchange rate adjustments, foreign companies					0.0		0.0
<b>Net gains included directly in equity</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.6</b>	<b>0.0</b>	<b>-2.6</b>	<b>0.0</b>	<b>-2.6</b>
Profit/loss for the period			-19.7		-19.7	-1.7	-21.4
<b>Total income</b>	<b>0.0</b>	<b>0.0</b>	<b>-22.3</b>	<b>0.0</b>	<b>-22.3</b>	<b>-1.7</b>	<b>-24.0</b>
Distributed dividend					0.0		0.0
Dividend, own shares					0.0	-0.4	-0.4
<b>Equity as at 30 June 2012</b>	<b>49.1</b>	<b>-0.1</b>	<b>562.7</b>	<b>0.0</b>	<b>611.8</b>	<b>7.7</b>	<b>619.5</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 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 2012. Please refer to this for more information.

The Consolidated Accounts and Annual Accounts for 2012 include a complete description of the accounting policies applied.

**New IAS/IFRS implemented in the period**

Commencing on 1 January 2013, Arkil Holding implemented Amendments to IAS 1, Amendments IFRS 7, IFRS 13, IAS 19 (amended 2011) and Annual improvements to IFRSs 2009-2011.

The changes to IAS 19 enter into force for financial years commencing 1 July 2012 or later. Previously, expected return from pension assets were included in the result, but in future, earned interest from pension assets shall be calculated using the same interest rate used on discounting the pension obligation. The change only has a slight impact on the Group.

IFRS 13 changes the principles for calculating fair value for both financial and non-financial assets and liabilities and introduces a number of new reporting requirements. Arkil Holding A/S already follows the principles for calculation of fair value from IFRS 13, which means that the standard will only have an impact on the reporting requirements.

Apart from IAS 19, none of the new accounting standards and interpretations has affected inclusions and measurements.

The new accounting standards and interpretations have not affected inclusions and measurements.

**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 2012.

## Note 2. Goodwill

Amounts in DKK millions

	30 June 2013	30 June 2012	31 Dec 2012
Cost price beginning of year	129.9	129.9	129.9
Additions through acquisition	0.0	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>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>129.9</b>	<b>129.9</b>

### Impairment test

The annual impairment test for goodwill is carried out as at 30 September, after the completion of budgets and strategic plans for the next 5 years' period. As at 31 March 2013, Management assesses that there is no indication of a reduction in the value of the accounting values for goodwill and intangible assets with non-limited service life.

## Note 3. Fair value measurement for financial instruments

Below are listed the reporting requirements relevant to the Arkil Holding A/S Group related to the Group's interest rate swaps and investment portfolio.

The interest rate swap is classified as level 2 in the fair value hierarchy with recurring fair value measurements.

30 June 2013

Amounts in DKK million	Fair value	Book value
<b>Financial assets</b>		
Derivative financial instruments classified as hedging instruments – level 2	0.1	0.1
Securities (fair value option) – level 1	25.9	25.9
	<b>25.9</b>	<b>25.9</b>

It is the policy of the Group to include transfers between the different categories from the time when an event or change in conditions implies a change in the classification. There were no transfers between individual levels in the first six months of 2013.

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