

Message for NASDAQ OMX

Interim report for Arkil Holding A/S for the first quarter of 2014

The Directors of Arkil Holding A/S have this day considered and approved the Group's interim report for 1 January – 31 March 2014.

Key elements:

- **Net revenue was DKK 431.8 million compared to DKK 372.9 million for the same period last year.**
- **As expected, the Group's result before tax for Q1 showed a loss of DKK -57.2 million compared to a loss of DKK -52.3 million for the same period last year.**
- **The Group's revenue is still expected to be approx. DKK 3.0 billion for the entire year, as against DKK 2.8 billion last year.**
- **The Group's result before tax for 2014 is still expected to be a surplus between DKK 50 and 80 million, as against DKK 54.0 million last year.**

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

Haderslev, 27 May 2014

Arkil Holding A/S

Agnete Raaschou-Nielsen
Chairman of the Board

Interim report for 1 January to 31 March 2014

Group key figures (DKK million)	1 Jan to 31 March 2014	1 Jan to 31 March 2013	31 Dec, 2013
Income statement			
Net turnover	431.8	372.9	2,738.3
Primary operating profit (EBIT)	-56.0	-51.2	58.2
Net financial items	-1.2	-1.1	-4.3
Profit/loss before tax	-57.2	-52.3	54.0
Profit/loss after tax	-43.5	-38.8	43.2
Balance Sheet			
Intangible assets	138.6	138.7	138.6
Tangible assets	441.4	422.6	448.8
Other long-term assets	40.1	40.8	42.8
Short-term assets	766.3	727.6	889.4
Total assets	1,386.4	1,329.7	1,519.6
Equity	660.2	623.6	703.7
Long-term obligations	242.9	274.6	281.5
Short-term obligations	483.3	431.5	534.4
Total obligations	726.2	706.1	815.9
Total liabilities	1,386.4	1,329.7	1,519.6
Cash flow statement			
Cash flows from operating activities	11.8	79.7	138.0
Cash flows from investing activities	-11.0	-12.3	-66.3
Acquisition of companies and new activities	0.0	0.0	0.0
Cash flows from financing activities	-24.5	-40.1	-73.7
Changes in cash flow for the period	-23.7	27.3	-2.0
Key ratios for the Group			
Profit ratio	-13.0	-13.7	2.1
Return on net assets (ROIC) incl. goodwill	-6.9	-6.7	6.6
Return on net assets (ROIC) excl. goodwill	-8.2	-8.1	7.7
Liquidity ratio	158.6	168.6	166.4
Equity ratio	47.6	46.9	46.3
Return on equity	-6.4	-6.0	6.3
Earnings per share (DKK)			
Earnings per DKK 100 share	-88.6	-77.6	86.0
Diluted earnings per share at DKK 100	-88.6	-77.6	86.0
Average number of employees	1,611	1,593	1,741

Director's report

Result for the period

In the first quarter of 2014, the Arkil Group achieved revenue of DKK 431.8 million compared to DKK 372.9 million for the same period last year, an increase of 15.8%. The increase in revenue is attributable to an increase in activities across the Group's segments.

Primary operating profit (EBIT) for the first quarter of 2014 showed a loss of DKK 56.0 million compared to a loss of DKK 51.2 million for the same period last year.

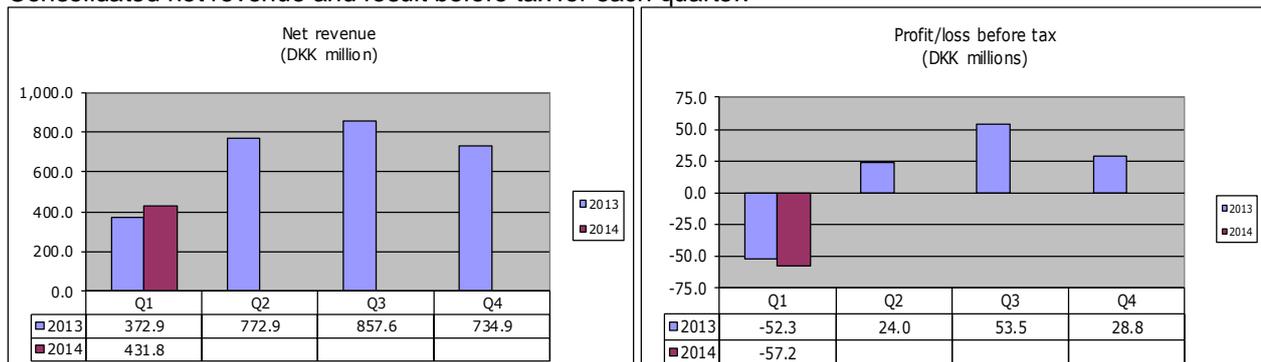
Net financial items showed an expenditure of DKK 1.2 million compared to DKK 1.1 million for the same period last year.

As expected, pre-tax profit/loss for the period showed a loss of DKK 57.2 million compared to a loss of DKK 52.3 million for the same period last year.

The deviation compared to last year can be attributed to the fact that the first quarter of 2013 saw the completion of a number of large contracts, whereas the first quarter of 2014 was marked by a lot of new contract work starting up.

However, as mentioned in statements for previous years, 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 quarter of 2014 amounts to a total of DKK +11.8 million as against DKK +79.7 million for the same period last year. The most significant item changes from the cash flow from operations stem from changes in capital tied up in working capital. The capital tied up in working capital in the month of April is at the same level as last year.

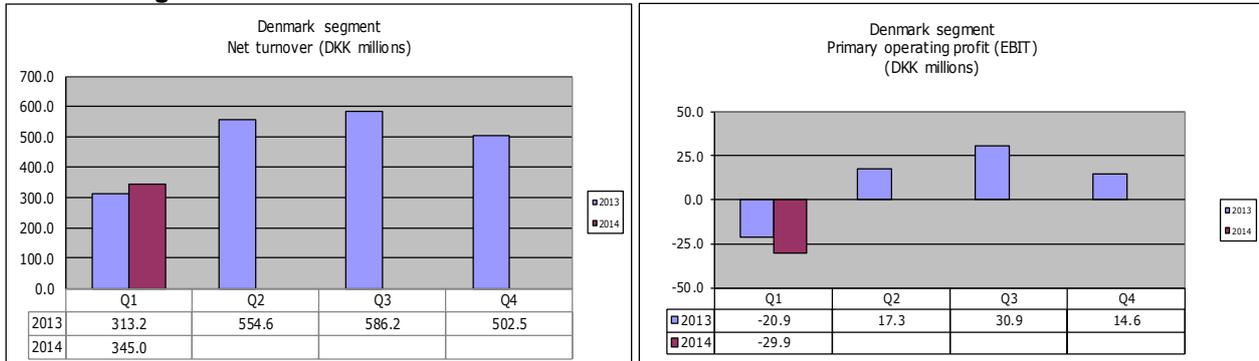
Cash flow from investment activities was DKK -11,0 million compared to DKK -12.3 million for the same period last year. Investments in machinery and equipment for the period are DKK -12.0 million as against DKK -15.3 million last year.

Cash flow from financing activities was DKK -24.5 million compared to DKK -40.1 million last year.

Liquid holdings at the end of the period have been reduced by DKK 16.4 million to DKK 123.5 million.

During the period the Group's interest-bearing liabilities reduced by DKK 15.6 million to DKK 172.7 million.

Denmark segment



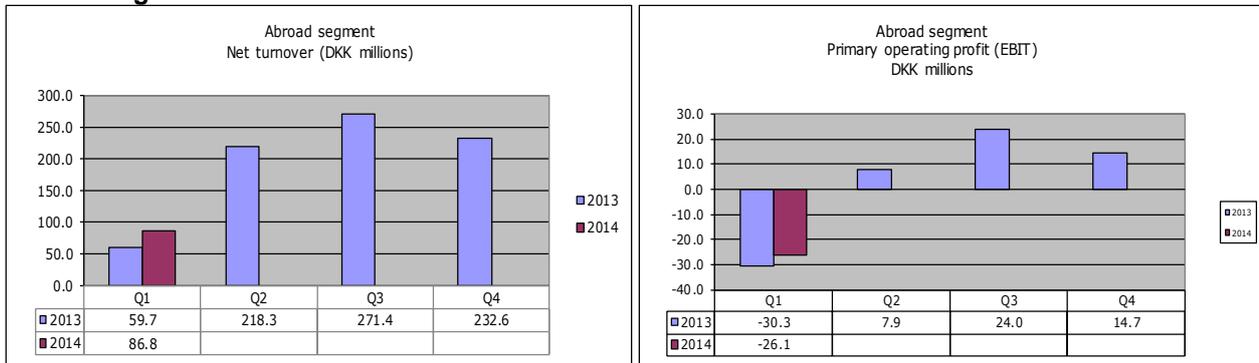
As expected, the Group's Danish companies experienced a level of activity for the first quarter of 2014 slightly higher than last year.

The order book status at the beginning of the year contributed to keeping an unchanged level of activity. The level of offering of large projects contributes to an increase in the level of activity on the Danish construction market.

The orders on hand for the rest of the year are on a satisfactory level.

In the first quarter of 2014, a revenue of DKK 345.0 million was achieved for segment Denmark compared to DKK 313.2 for the same period last year. The result (EBIT) was DKK -29.9 million compared to DKK -20.9 million for the same period last year.

Abroad segment



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

As expected, the number of activities in Germany was higher than in 2013. In view of the current market and order situation, activities at the same level as for 2013 are expected.

As expected, the activity on the Irish market is in line with 2013. The Irish market is still affected by a weak price development, due to a low level of activity and over-capacity. The level of public investment is still marked by the country's weak economy.

Activities in Sweden have been at a slightly lower level than expected and compared to the level realised in 2013.

In the first quarter of 2014, a revenue of DKK 86.8 million was achieved for the Outside Denmark segment compared to DKK 59.7 for the same period last year. The result (EBIT) was DKK -26.1 million compared to DKK -30.3 million for the same period last year.

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

	1 Jan to	1 Jan to
	31 March	31 March
	2014	2013
Reconciliation of the pre-tax period result		
Primary operating profit		
Denmark segment	-29.9	-20.9
Abroad segment	-26.1	-30.3
Primary operating profit	-56.0	-51.2
Net financial items	-1.2	-1.1
Profit/loss before tax	-57.2	-52.3

Expectations for the financial year 2014

The Group's pre-tax result for 2014 is expected to show a profit between DKK 50 and 80 million, as anticipated in the announcement of the annual accounts from 26 March 2014.

Revenue is expected to be realised around DKK 3,000 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 2014 are, by nature, associated with uncertainty, and the 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, 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 %
Managing Director Jesper Arkil, Vidarsvej 8, DK-6100 Haderslev	1,362	0.30	7.71	35.18
Jens Skjøt-Arkil, Tjørnebakken 13, DK-6100 Haderslev	566	0.07	4.99	23.24
Lind Invest Aps, Værkmestergade 25, Niveau 14 DK-8000 Aarhus C	82,507	19.20	16.79	7.90
Niels Arkil, Tjørnebakken 17, DK-6100 Haderslev	37,015	8.59	7.64	4.12
Ellen & Ove Arkil's Fond, Åstrupvej 19, DK-6100 Haderslev	24,375	5.67	4.96	2.33

The denomination of all class B shares is DKK 100.

The denomination of the class A shares varies.

Reference is made to the stock exchange announcement of 14 April 2014.

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 2014 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 March 2014 and of the results of the Group's activities and cash flow during the period 1 January – 31 March 2014.

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, 27 May 2014

Management Board

Jesper Arkil
(Managing Director)

The Board of Directors

Agnete Raaschou-Nielsen
(Chairman)

Hans Schmidt-Hansen
(Deputy Chairman)

Per Kjærsgaard

Walther V. Paulsen

Birgitte Nielsen

Steen Brødbæk

Steffen M. Baungaard

Group statement of profit/loss

Amounts in DKK millions

	1 Jan to 31 March 2014	1 Jan to 31 March 2013
Turnover	431.8	372.9
Production costs	-433.1	-371.9
Gross profit	-1.3	1.0
Administration costs	-53.3	-50.1
Share of profit after tax in affiliated companies	-1.4	-2.1
Primary operating profit	-56.0	-51.2
Net financial items	-1.2	-1.1
Profit/loss before tax	-57.2	-52.3
Tax on profit/loss for the period	13.7	13.5
Profit/loss for the period	-43.5	-38.8
Earnings per DKK 100 share	-88.6	-77.6
Diluted earnings per share at DKK 100	-88.6	-77.6

Statement of comprehensive income

Amounts in DKK millions	1 Jan to 31 March 2014	1 Jan to 31 March 2013
Profit/loss for the period	-43.5	-38.8
Other comprehensive income:		
Items which may be reclassified for the income statement:		
Value adjustment of derivatives	0.0	0.0
Tax on other comprehensive income	0.0	0.0
Exchange rate adjustments for conversion of foreign entities	0.0	0.0
Other comprehensive income after tax	0.0	0.0
Total comprehensive income	-43.5	-38.8
Distribution:		
Shareholders of Arkil Holding A/S	-42.0	-36.8
Minority interests	-1.5	-2.0
Total	-43.5	-38.8

Group balance

Amounts in DKK millions

	Note	31 March 2014	31 March 2013	31 Dec 2013
Assets				
Goodwill	2	130.1	129.9	130.1
Intangible assets		8.5	8.8	8.5
Tangible assets		441.4	422.6	448.8
Deferred tax assets		16.1	18.8	17.1
Investment in affiliated companies and joint ventures		11.5	11.3	12.7
Other long-term assets		12.5	10.7	13.0
Total long-term assets		620.1	602.1	630.2
Stock on hand		71.0	77.2	69.7
Contract works		168.0	186.3	92.8
Accounts receivable		371.8	263.8	556.1
Tangible assets earmarked for sale		4.3	4.4	4.3
Securities	3	27.7	25.9	26.6
Liquid assets		123.5	170.0	139.9
Total short-term assets		766.3	727.6	889.4
Total assets		1,386.4	1,329.7	1,519.6
Equity				
Provisions for obligations		153.0	165.2	166.7
Credit institutions		89.9	105.7	114.8
Employee's bonds		0.0	3.7	0.0
Total long-term obligations		242.9	274.6	281.5
Credit institutions		79.1	79.7	69.7
Contract works		67.2	48.1	41.7
Accounts payable and other debts		337.0	303.7	423.0
Total short-term obligations		483.3	431.5	534.4
Total obligations		726.2	706.1	815.9
Total liabilities		1,386.4	1,329.7	1,519.6

Group cash flow analysis

Amounts in DKK millions

	1 Jan to 31 March 2014	1 Jan to 31 March 2013
Operation's effect on liquidity		
Profit/loss before tax	-57.2	-52.3
Depreciation and write-downs	21.7	24.8
Other net operating items	1.3	-1.8
Changes in working capital	60.9	111.3
Corporation tax paid	-14.9	-2.3
Cash flows from operating activities	11.8	79.7
Effect of investments on liquidity		
Net investments in tangible and intangible assets	-11.0	-12.3
Net investments in subsidiaries	0.0	0.0
Cash flows from investing activities	-11.0	-12.3
External financing		
Repayment of long term debt	-37.1	-40.1
Proceeds of long-term debt, etc.	12.6	0.0
Dividend payments	0.0	0.0
Cash flows from financing activities	-24.5	-40.1
Cash flows for the year	-23.7	27.3
Opening liquid holdings	139.5	136.9
Rate adjustments to liquid holdings	0.0	0.0
Closing liquid holdings	115.8	164.2
Liquid assets	123.5	170.0
Bank loan (bank overdraft)	-7.7	-5.8
Closing liquid holdings	115.8	164.2

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 2014	49.1	0.8	640.9	4.9	695.8	7.9	703.7
Value adjustment of derivatives					0.0		0.0
Tax on other comprehensive income					0.0		0.0
Exchange rate adjustments, foreign companies					0.0		0.0
Net gains included directly in equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss for the period			-42.0		-42.0	-1.5	-43.5
Total income	0.0	0.0	-42.0	0.0	-42.0	-1.5	-43.5
Distributed dividend					0.0		0.0
Dividend, own shares					0.0		0.0
Equity as at 31 March 2014	49.1	0.8	598.9	4.9	653.8	6.4	660.2

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 2013	49.1	1.2	600.9	4.9	656.1	6.3	662.4
Value adjustment of derivatives					0.0		0.0
Tax on other comprehensive income					0.0		0.0
Exchange rate adjustments, foreign companies					0.0		0.0
Net gains included directly in equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss for the period			-36.8		-36.8	-2.0	-38.8
Total income	0.0	0.0	-36.8	0.0	-36.8	-2.0	-38.8
Distributed dividend					0.0		0.0
Dividend, own shares					0.0		0.0
Equity as at 31 March 2013	49.1	1.2	564.1	4.9	619.3	4.3	623.6

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 issues below, there has been no change in the accounting policies applied compared to the Consolidated Accounts and the Annual Accounts for 2013. Please refer to this for more information.

The Consolidated Accounts and Annual Accounts for 2013 include a complete description of the accounting policies applied.

Changes to accounting policies

With effect from 1 January 2014, Arkil Holding A/S has implemented IFRS 10-12 with the related amendments, IAS 27 (2011), IAS 28 (2011), amendments to IAS 27 (2011), amendments to IAS 32, amendments to IAS 39 as well as IFRIC 21.

IFRS 10 introduces a new control model, which will be applied to all companies in which the Group has an interest and focuses on whether the Group has a controlling interest in another company, is exposed to or has the right to a variable return on its involvement and is capable of using its controlling interest to influence this return.

IFRS 11 divides joint arrangements into either joint operations (pro rata inclusion) or joint ventures (the equity method), depending on the Group's rights to the assets and the obligations in the arrangement.

IFRS 12 includes reporting requirements for both consolidated and non-consolidated companies, joint ventures and affiliated companies.

None of the new accounting standards and interpretations have affected inclusions and measurements in any significant way. IFRS 11 has resulted in a transition from pro rata consolidation to the equity method for joint ventures. This change affects a number of account items in the income statement and balance sheet for the Group. The comparison figures have been adjusted, and the accounting change has no effect on the result and the equity capital.

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 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 2013.

Note 2. Goodwill

Amounts in DKK millions

	31 March 2014	31 March 2013	31 Dec 2013
Cost price beginning of year	130.1	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	0.2
Cost price end of year	130.1	129.9	130.1
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
Depreciation end of year	0.0	0.0	0.0
Goodwill	130.1	129.9	130.1

Impairment test

The annual impairment test for goodwill is carried out as at 31 March, after the completion of budgets and strategic plans for the next 5 years' period. As at 31 March 2014, 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 investment portfolio.

Amounts in DKK million	31 March 2014	
	Fair value	Book value
Financial assets		
Derivative financial instruments classified as hedging instruments – level 2	0.0	0.0
Securities (fair value option) – level 1	27.7	27.7
	27.7	27.7

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 2014.