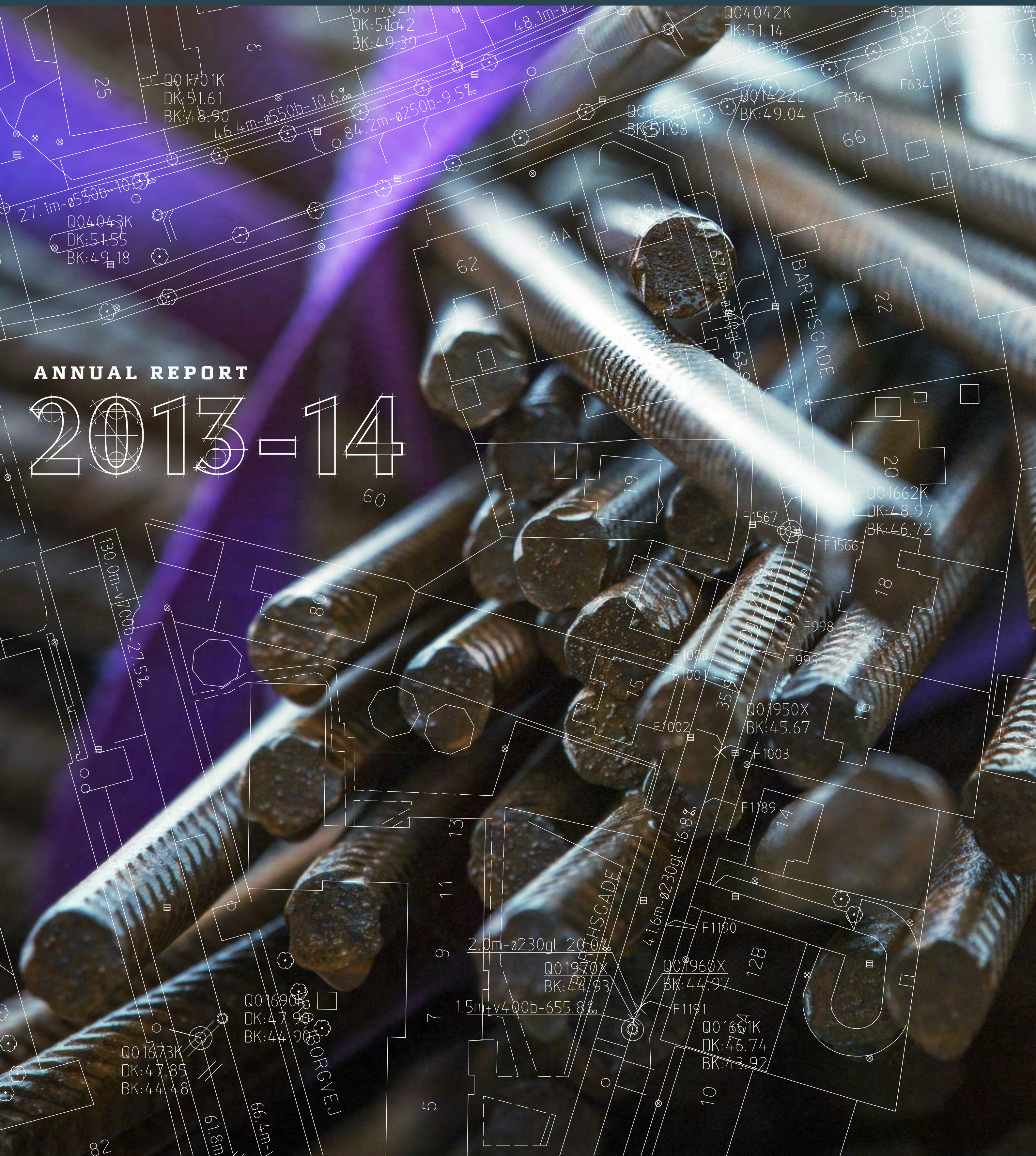
AARSLEFF

ANNUAL REPORT
2013-14



THE AARSLEFF GROUP 3

MANAGEMENT'S REVIEW

HIGHLIGHTS FOR THE GROUP 5
THE YEAR IN BRIEF 6
THE NEW FINANCIAL YEAR AND STRATEGIC FOCUS AREAS 7
LONG-TERM FINANCIAL TARGETS 8
MISSION, VISION AND VALUES 10
THE PAST YEAR IN CONSTRUCTION 12
THE PAST YEAR IN PIPE TECHNOLOGIES 14
THE PAST YEAR IN PILING 16
INFORMATION TO SHAREHOLDERS 18
CORPORATE GOVERNANCE 20
COMMERCIAL RISK ASSESSMENT 22
INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING 24
CORPORATE SOCIAL RESPONSIBILITY 26
EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS 30

MANAGEMENT'S STATEMENT AND INDEPENDENT AUDITOR'S REPORTS

MANAGEMENT'S STATEMENT 32
INDEPENDENT AUDITOR'S REPORTS 32

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL REVIEW 42
CONSOLIDATED FINANCIAL STATEMENTS 43
FINANCIAL STATEMENTS OF THE PARENT COMPANY 80

ADDRESSES 94

Aarsleff extends the fishing port in the village of Myre in Vesterålen in Norway and establishes new stone breakwaters.

THE AARSLEFF GROUP

The Aarsleff Group is an internationally positioned civil engineering contractor. Our annual revenue amounts to DKK 8.5 billion – of which one third comes from abroad. We are specialists in devising, planning and implementing large projects within infrastructure, climate change adaptation, the environment, energy and construction. We have developed specialist expertise within harbour and marine construction, railway work and establishment of offshore wind farms, and we use our specialist contracting expertise when we carry out shell structures or supply turnkey solutions within industrial construction and institutional construction. Moreover, we are market leaders within pile foundation and trenchless pipe renewal. The Aarsleff Group has 4,532 employees.

In the middle of the harbour basin in Vejle, Aarsleff established a 3,000-square metre cofferdam.

HIGHLIGHTS FOR THE GROUP

tDKK	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Income statement					
Revenue	4,337,382	6,147,489	6,676,165	7,375,888	8,522,363
Of this figure, work performed abroad	1,489,609	2,793,218	2,798,975	2,476,654	2,850,499
Operating profit	62,195	136,318	181,656	213,399	350,483
Profit before interest	79,389	152,837	182,559	213,477	350,952
Net financials	-13,590	-19,458	-16,622	-16,531	-21,273
Profit before tax	65,799	133,379	165,937	196,946	329,678
Profit for the year	48,008	97,778	112,062	149,892	254,609
Balance sheet					
Non-current assets	1,402,535	1,587,942	1,619,478	1,738,752	1,737,113
Current assets	2,110,948	2,778,905	2,622,417	2,797,867	3,233,835
Total assets	3,513,483	4,366,847	4,241,895	4,536,619	4,970,948
Equity	1,397,640	1,471,851	1,593,749	1,724,330	1,952,308
Non-current liabilities	384,217	449,019	500,128	486,048	589,697
Current liabilities	1,731,626	2,445,977	2,148,018	2,326,241	2,428,944
Total equity and liabilities	3,513,483	4,366,847	4,241,895	4,536,619	4,970,948
Net interest-bearing debt	100,004	231,094	149,486	506,611	209,873
Invested capital (IC)	1,436,231	1,622,583	1,674,496	2,214,266	2,147,538
Cash flow statement					
Cash flows from operating activities	229,145	330,604	374,584	40,949	612,123
Cash flows from investing activities	-216,541	-428,817	-282,758	-370,203	-255,734
Of this figure, investment in property, plant and equipment, net	-252,408	-278,030	-290,758	-241,416	-256,327
Cash flows from financing activities	-52,865	26,465	-324	-24,334	-29,900
Change in liquidity for the year	-40,261	-71,748	91,502	-353,588	326,489
Financial ratios [1]					
Gross margin ratio, %	12.2	10.0	10.3	10.8	12.1
Profit margin (EBIT margin), %	1.4	2.2	2.7	2.9	4.1
Net profit ratio (pre-tax margin), %	1.5	2.2	2.5	2.7	3.9
Return on invested capital (ROIC), %	4.5	8.9	11.0	11.0	16.1
Return on invested capital (ROIC) after tax, %	3.3	6.5	7.4	8.4	12.4
Return on equity (ROE), %	3.7	6.8	7.3	9.0	13.9
Equity interest, %	39.8	33.7	37.6	38.0	39.3
Earnings per share (EPS), DKK	24.60	47.98	54.97	73.20	124.65
Share price per share of DKK 20 at 30 September, DKK	410	376	397	681	972
Price/equity value, DKK	0.60	0.52	0.51	0.81	1.01
Dividend per share, DKK	4.80	4.80	10.00	10.00	15.00
Number of employees	3,162	3,473	3,620	4,019	4,532

[1] *See page 56 for a definition of financial ratios.*

THE YEAR IN BRIEF

In the railway cutting west of Aarhus Central Station, Aarsleff constructs a 125-metre long bridge leading the city's future light rail transit across six railway tracks.

The consolidated profit for the financial year 2013/2014 was DKK 330 million before tax against DKK 197 million the year before. Earnings expectations were DKK 260 million before tax at the beginning of the financial year and were adjusted to DKK 290 million after the first three quarters of the financial year and again on 14 November 2014 to DKK 330 million.

Revenue came to DKK 8,522 million compared to DKK 7,376 million last financial year – an increase of 16%.

The Danish operations reported revenue of DKK 5,672 million compared with DKK 4,899 million last financial year. The foreign operations reported revenue of DKK 2,850 million against DKK 2,477 million last financial year.

The profit for the year was DKK 255 million after tax compared with DKK 150 million last year. Total investments came to DKK 256 million.

Cash flows from operating activities with deduction of investments came to a positive liquidity flow of DKK 356 million against a negative liquidity flow of DKK 329 million last financial year.

The Group's net interest-bearing debt was DKK 208 million against DKK 507 million at 30 September 2013.

Construction reported profit before interest of DKK 243 million against DKK 101 million last financial year. Pipe Technologies reported profit before interest of DKK 37 million against DKK 51 million last financial year. Piling reported profit before interest of DKK 71 million before interest against DKK 61 million last financial year.

Net profit ratio of the Group was 3.9% compared to 2.7% last financial year. Equity is 39.3% of the balance sheet total against 38% at the end of last financial year. Return on equity came to 13.9% against 9% last financial year.

The number of full-time employees is 4,532 against 4,019 last financial year.

The Board of Directors will propose a dividend of DKK 15 per share corresponding to a payment of DKK 31 million.

THE NEW FINANCIAL YEAR AND STRATEGIC FOCUS AREAS

In the coming financial year, we expect an increasing level of activity, profit before tax of DKK 350 million and investments of DKK 380 million. The results comprise a profit projection of approx. DKK 17 million from sale of property.

The activity in the Danish market for civil engineering projects is stable at a relatively high level but will continue to be characterised by fierce competition from international contracting companies. Construction expects an increasing level of activity and profit before interest in percentage of revenue of 3.5-4%.

Pipe Technologies expects a level of activity on par with last financial year and profit before interest of around 4%.

Piling expects an increased level of activity, particularly on the markets in Denmark and the UK, and profit before interest of around 5.5% of revenue.

On the threshold of the new financial year, the volume of orders is higher than at the same time last year.

The expected investments of DKK 380 million are around DKK 125 million higher than last year. The increase is equally distributed on machinery and buildings. Among other things, we will begin the construction of a new office facility in Aarhus which should be ready for occupation in the autumn of 2016.

Strategic focus areas

The Aarsleff Group's specialist expertise is at a high international level allowing us to participate in large infrastructure projects in Denmark, often in collaboration with international contracting companies. The experience gained from these projects will be useful in future international business opportunities.

The Aarsleff Group's business model and our basic values have proved to be sustainable. Our different types of activities range from execution of one-off projects to implementation of activities with a high degree of repetition and fully industrialised activities.

The Aarsleff Group has decided on a joint corporate strategy which is to continue the development of the Group. Aarsleff is an integrated Group with joint values, vision and mission and common basic principles of management. We combine our specialist contracting expertise into total solutions in accordance with the customers' requirements and with a high degree of own production. We call this "one company", and our strategy as a contracting group is underpinned by this principle.

During the past ten financial years, the Aarsleff Group's revenue has increased by an average of 10% per year. The civil engineering market offers opportunities of continued profitable growth, and we prepare for this by focusing on the Group's strategies.

It is essential for the Aarsleff Group's development that earnings requirements take priority over growth. Continued improvements with consequent increased competitiveness must make growth a result more than a target. We anticipate that a consolidated EBIT target of 5% is within reach. This level also complies with the long-term targets for our segments.

In Construction, we will focus on positioning ourselves for important traffic infrastructure projects, the climate and environmental challenges facing the Danish utility companies as well as energy supply projects and building activities in the years ahead. We maintain our policy of selective order intake, and an important criterion is that earnings potential must be proportional to effort and risk. A highly prioritised focus area is professional project management with a view to obtaining profitability and quality from start to finish.

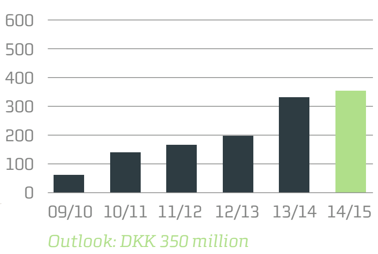
The Aarsleff Group's specialist expertise in traffic infrastructure projects, shell structures, wind turbine foundations and technical contracts will be positioned towards the market potentials. Aarsleff has been prequalified for four contracts to build the Fehmarnbelt Fixed Link. We have commenced the preparation of tenders in cooperation with the respective consortia partners.

An increasing number of turnkey contracts are being put out to tender and consequently, combinations of specialist contracting expertise are required. Aarsleff combines specialist expertise into turnkey solutions by using the wide range of activities which our departments and companies are able to supply in own production. We seek to use our expertise for one-off civil engineering projects as well as for multi-annual framework agreements for the execution of service and maintenance work.

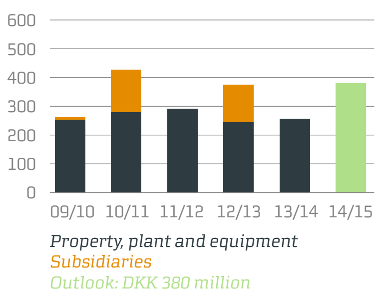
Pipe Technologies is working with a more focused prioritisation to improve the margins. Pipe Technologies is continuously seeking new market opportunities with a view to exploiting the expertise within trenchless pipe renewal. The intense competition places heavy demands on productivity development in manufacturing and installation.

Piling focuses on the incorporation of common standards concurrently with product and method development. This is done to increase productivity and competitiveness in manufacturing and installation on all markets.

PROFIT BEFORE TAX IN DKK MILLION



INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND SUBSIDIARIES IN DKK MILLION



LONG-TERM FINANCIAL TARGETS

The overall financial targets of the Group are:

• Return on equity (ROE)	12% per year
• Net interest-bearing debt	DKK 0
• Average annual growth	5-10% per year

This involves::

• Equity interest of the balance sheet (solvency ratio)	Approx. 45%

The targets will be realised through achievement of the following EBIT margins:

• Construction	4%
• Pipe Technologies	6%
• Piling	6%
• The Group as a whole	4.7%

The company's overall financial target is an attractive, realistic and stable return on equity in consideration of risk. We seek to mitigate risk by having sufficient financial resources and a high solvency ratio. Thus, the net interest-bearing debt is DKK 0 in average for the financial quarters.

Over the past ten years, the company's growth has been slightly above 10% per year. The future growth is expected to be 5 to 10% per year.

Achievement of the targeted return on equity will imply that the expected growth can be financed by future earnings and that liquidity is generated for payment of dividend assessed at 25-30% of the annual profit in the long-term.

The decision on the annual dividend distribution is made on the basis of the company's actual financial situation, comprising net interest-bearing debt, solidity and outlook for the future financial year.

Growth and development

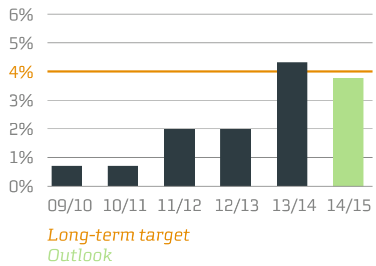
The growth and development of the Group will continue to take place through a combination of organic growth and acquisitions within the field of specialist contracting expertise and with a focus on profitability.

Within the industrial segments Pipe Technologies and Piling, our growth target is between 5% and 10% per year with focus on international growth. In Construction, we are making the most of the current market potential which is subject to the amount of tenders within large-scale infrastructure investments while considering our policy of selective order intake.

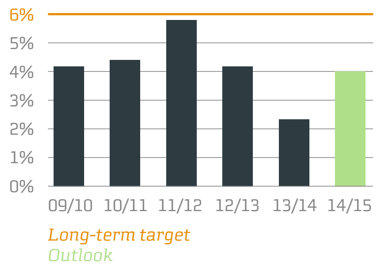
Profit and return on investment

Efficiency and productivity in all phases must contribute to continuous improvements of competitiveness and earnings. Combinations of skills into turnkey solutions of high value to the customer, together with efficiency in all phases, must increase margins and profit.

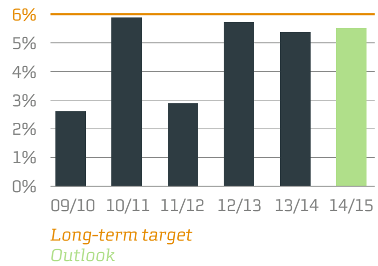
CONSTRUCTION
PROFIT BEFORE INTEREST IN PERCENTAGE OF REVENUE



PIPE TECHNOLOGIES
PROFIT BEFORE INTEREST IN PERCENTAGE OF REVENUE



PILING
PROFIT BEFORE INTEREST IN PERCENTAGE OF REVENUE



Realisation of the stated EBIT margins and targets for net debt and solidity will imply a return on equity of slightly more than 12% per year.

The targeted EBIT margin for the industrial segments is higher than for the Construction segment, as the industrial segments are more capital intensive than the Construction segment. Thus, a higher EBIT margin is required to obtain a satisfactory return on invested capital.

Sound financial resources

Aarsleff undertakes large-scale civil engineering projects for which only consolidated companies with sound financial resources are able to tender. A sound financial position and a high credit ranking allow us to strategically position ourselves for long-term and continuous development of the Group in connection with acquisition of companies as well as internal business development to obtain organic growth.

Aarsleff's ambition to have sound financial resources entails an overall target to balance average net interest-bearing debt around 0 per quarter. This corresponds to a solvency ratio of about 45%.

As the company receives considerable prepayments which often are available for joint ventures only, a net interest-bearing debt of 0 involves continued drawdown on the company's credit facilities.

During growth periods, the company will require new borrowing up to a certain level. However, net interest-bearing debt must not exceed 50% of equity (debt/equity ratio maximum 0.5).

Dividend

For the financial year 2013/2014, the proposed dividend per share is DKK 15.00 against DKK 10.00 per share last year. The dividend corresponds to 12% of the company's profit and is less than the previously stated 25-30%.

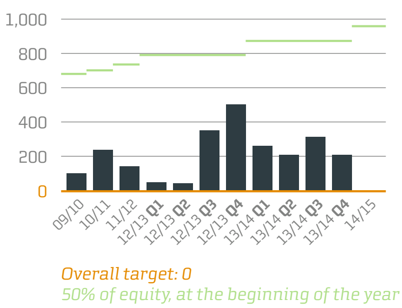
In 2013/2014, the Group has grown by 16%. Earnings have thus primarily been used for financing the growth. In addition, net interest-bearing debt has been reduced from a quarterly average in 2012/2013 of DKK 330 million to a quarterly average of DKK 229 million in 2013/2014.

The Board of Directors' dividend recommendations are based on continued net interest-bearing debt and on an outlook for an increased level of activity.

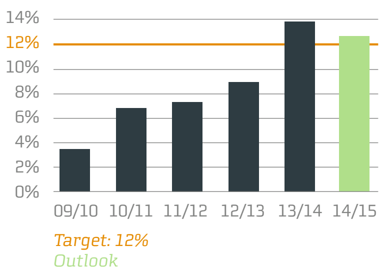
Treasury shares

The holding of treasury shares amounts to 10%. The company is authorised to acquire another 10%. The authorisation will only come into effect in case of a special situation. Distribution to shareholders is expected to take place only in the form of dividend.

NET INTEREST-BEARING DEBT, DKK MILLION



RETURN ON EQUITY (ROE)



MISSION, VISION AND VALUES

OUR MISSION

The Aarsleff Group constructs and maintains the infrastructure and building structures of society. We lay the foundations of a sound financial development of society and create value for the Group's shareholders.

- We obtain flexibility and synergy through joint management and prioritisation. This way, we use the market opportunities and obtain savings.
- We focus on building long-term partnerships when we deliver our services in order to obtain a joint competitive edge and provide high quality and value to our customers.
- We select, calculate, plan and execute our projects with great security in the project management phase.
- We combine our specialist contracting expertise into total services in accordance with the customers' requirements and with a high degree of own production.
- We take a risk if it is well-considered, can be assessed and incorporated into our tenders.
- We are constantly developing, by improving what we already do or by using our good ideas.

OUR VISION

The Aarsleff Group wants to be a preferred and significant contracting group with international scope, based in Denmark.

- We are an integrated group with a common approach to business, management and projects.
- We realise synergies, as all our business units contribute independently while also contributing to the Group's synergy in one company projects.
- We strive to have a significant position in Denmark.
- We have the expertise within project activities which enables us to operate with a competitive edge internationally.
- We are a predominant player on the markets where we choose to position our industrial activities.
- We have managers who lead the way and take action in time.
- We obtain economies of scale and profitable growth by ongoing development of solutions and standards and improvement of productivity and efficiency.
- We have a long-term view, and we make the difficult and required decisions.

OUR VALUES

Commitment to what we do

- We have a strong commitment – and we work hard
- We are competent – and humble
- We are professional – and cooperative
- We communicate openly, honestly – and directly.

Focus on essential matters

- We have an open mind – and a sharp focus
- We are passionate about our profession – and focus on joint solutions
- We are specialists – and good at collaborating
- We have a broad perspective – and a hands-on approach.

Striving for improvement and renewal

- We are innovative – and reflective
- We are enterprising – and improve what we already do
- We delegate responsibility – and follow up
- We have a joint ambition – and an eye for individual achievements.

Overall **responsibility**

- We have a flair for sound business – and we take corporate social responsibility seriously
- We have strong cultural common features – and we value diversity
- We challenge our employees – and prioritise occupational health and safety
- We are dynamic – and can always be trusted.

THE PAST YEAR IN CONSTRUCTION

Segment results came to DKK 243 million before interest or 4.3% of revenue. Results exceeded expectations. Revenue increased by 11% to DKK 5,632 million. The Danish operations reported a revenue increase of 18% to DKK 4,767 million, while the foreign operations reported a revenue decline of 18% to DKK 865 million

Results were above expectations at the beginning of the financial year, among other things as a result of the positive completion of the offshore wind farm project DanTysk. Generally, civil engineering projects completed during the financial year performed above expectations, and the profit ratio complies with the long-term goal.

At the end of the financial year, the volume of orders is higher than at the end of last financial year.

In the Danish market for civil engineering projects, the activities of the parent company are characterised by a generally high level of activity and a generally higher profitability during project implementation. The future mega tenders will attract foreign players. Significant tender costs are involved when participating in major projects, in particular as regards the Fehmarnbelt Fixed Link, the Storstrøm Bridge and Banedanmark's tender for the electrification of the Danish railway network.

Overall, the results of Construction's subsidiaries exceeded expectations at the beginning of the financial year.

Wicotec Kirkebjerg A/S carries out technical installations in a broad sense, technical service as well as cable work and district heating installations. The development of Wicotec Kirkebjerg A/S follows the targets of the merger two years ago for a profit margin of 3-4% of revenue within a short time frame. In the financial year, the company has adopted a new strategy that prioritises technical operation and service work as well as further development of cross-disciplinary expertise within technical installation contracts. Annual results exceeded expectations at the beginning of the financial year.

The Group's expertise within railway activities is united in Aarsleff Rail A/S. There is an increasing level of activity in the company, and the development is progressing according to plan.

Results for Dan Jord A/S exceeded expectations. In general, the level of activity is high in the Aarhus area, and activities include the establishment of the Light Rail Transit, carried out by Dan Jord A/S in collaboration with the parent company.

Petri & Haugsted AS specialises in cable work and communication lines. Results were below expectations. However, the activities have been stabilised after adjustments in the company.

Østergaard A/S carries out tunnelling, horizontal directional drilling and civil engineering work. The results are in line with expectations at the beginning of the financial year.

VG Entreprenør A/S specialises in coastal protection and other marine work. Results exceeded expectations.

In the new financial year, we expect an increasing level of activity and a profit before interest of 3.5-4% of revenue. Long-term expectations to revenue development will follow economic trends and market potentials. Long-term earnings expectations are 4%.

Aarsleff carries out motorway and bridges for the future motorway near Silkeborg. Here, the section is excavated down to a depth of about five metres below ground level.

THE PAST YEAR IN PIPE TECHNOLOGIES

Segment results came to DKK 37 million before interest or 2.3% of revenue. Results fell short of expectations. Revenue increased by 30% to DKK 1,584 million. The Danish operations reported a revenue decline of 5% to DKK 402 million, while the foreign operations reported a revenue increase of 48% to DKK 1,182 million

Results fell short of expectations at the beginning of the financial year.

In Denmark, the level of activity of the public utility companies has decreased. This is a result of the utility companies' increased focus on investments in climate adaptation. The housing and industry segments performed below expectations, and a more focused prioritisation is under implementation.

Export projects within drinking water supply and wastewater performed below expectations at the beginning of the financial year. The projects primarily concern the primary markets in Russia, Ukraine and the Baltic States. The performance below expectations was due to the reduced level of activity caused by the market situation in the region.

Total results of the subsidiaries fell short of expectations at the beginning of the financial year. Revenue increased considerably due to the fact that Aarsleff is now the sole shareholder in the German No-Dig subsidiary.

The performance of the fully integrated German subsidiary is in line with expectations. The development of the collaboration with the other companies of the Group is still in focus. The order intake and the volume of orders are good, despite the intense competition on the German market.

In Russia, the level of activity within pipe renewal activities continued to be high, and results were above expectations.

The results of the subsidiary in Sweden are in line with expectations at the beginning of the financial year. The company has a stable level of activity and earnings.

The results of the subsidiaries in Poland and Finland fell short of expectations at the beginning of the financial year, and capacity adjustments have been made.

There is an increasing level of activity on the new markets in Norway and the Netherlands.

The competitive situation within trenchless pipe renewal puts increased pressure on the margins. We continue our focus on product and method development with a view to increasing our competitiveness, and Pipe Technologies is continuously seeking new market opportunities.

At our production plant in Hasselager, we manufacture the materials used for pipe renewal. Also, Pipe Technologies' production engineering centre is based in Hasselager. The production engineering centre is the cornerstone of our development and sales support activities.

In the new financial year, we expect revenue on par with this financial year. Pipe Technologies expects a profit before interest of 4% of revenue. Long-term expectations to revenue development are 5 to 10% per year. Long-term earnings expectations are 6%.

Product and method development is still a focus area in Pipe Technologies, e.g. LED technology and other environmentally friendly CO2 reducing solutions with low energy consumption.


KEBABISH
Sukiyaki

THE PAST YEAR IN PILING

Segment results came to DKK 71 million before interest or 5.4% of revenue. Results were slightly above expectations. Revenue increased by 21% to DKK 1,306 million. The Danish operations reported a revenue increase of 12% to DKK 503 million, and the foreign operations reported a revenue increase of 28% to DKK 803 million

The Piling segment consists of highly industrialised activities related to the system of precast concrete piles which is marketed in Denmark, Germany, Poland, Sweden and the UK. In addition, the segment contains related geotechnical services and an increasing number of project-based activities involving foundation work, carried out through integral collaboration with Construction.

The results of the activities in the parent company were above expectations, among other things as a result of high activity within infrastructure projects carried out in cooperation with Construction. Industrial pile foundation activities increased during the financial year.

Total results of the subsidiaries fell short of expectations at the beginning of the financial year, especially due to the performance of the companies in Sweden and the UK. The Polish subsidiary, however, has performed above expectations just as the German subsidiary where the capacity utilisation is high, primarily concerning foundation of onshore wind turbines.

In Sweden, adjustments have been made, the management has been strengthened, and the organisation is now in place.

In the UK, adjustments have also been made. Positive signs are seen, primarily in the housing market and the market for minor construction projects in general. Towards the end of the financial year, the activities were profitable.

In the course of the financial year, we have continued to incorporate the same standards, methods and equipment in the four pile factories in Denmark, the UK, Poland and Sweden.

The specialised section for geotechnical drillings saw a high level of activity during the financial year.

In the new financial year, we expect an increasing level of activity and a profit before interest of around 5.5% of revenue. Long-term expectations to revenue development are 5 to 10% per year. Long-term earnings expectations are 6%.

In Dresden, the church is building a day-care centre. Aarsleff's German subsidiary Centrum Pfähle GmbH carries out the pile foundation.


BANUT-18
CentrumPfähle

INFORMATION TO SHAREHOLDERS

Share capital

The share capital is DKK 45.3 million divided into DKK 2.7 million A shares and DKK 42.6 million B shares.

The B share capital is quoted on NASDAQ OMX Copenhagen A/S. The B share capital is distributed on shares of a nominal value of DKK 20, and at 30 September 2014, it comprised 2,130,000 shares. The B shares are negotiable instruments issued to bearer, but can be registered in the name of the holder in the company's register of shareholders.

The A share holding consists of 135,000 shares and carry 10 times the voting rights compared to the B shares. The A shares are non-negotiable instruments.

Shareholders

All A shares are owned by the fund "Per og Lise Aarsleffs Fond".

The fund "Per and Lise Aarsleffs Fond" possesses 42% of the votes through Per Aarsleff A/S's A shares. The purpose of the fund is to ensure Per Aarsleff A/S's continued existence and development through possession of Per Aarsleff A/S's A share capital.

Shareholders who own more than 5% of the share capital or control 5% of the voting rights are stated at the top of the following page.

As at 19 December 2014, 4,110 shareholders were registered, corresponding to approx. 88% of the share capital.

Shareholders may exercise their voting rights at the Annual General Meeting only after having had their shares entered in the company's register of shareholders or after due notification and documentation of their acquisition of shares prior to the convening of the Annual General Meeting.

Treasury shares

At the end of the financial year, the holding of treasury shares was 226,500 B shares of a nominal value of DKK 4.5 million and an acquisition cost of DKK 63.2 million.

At 30 September 2014, the market capitalisation of the treasury shares was DKK 220 million.

The holding of treasury shares has been acquired to increase the financial flexibility for future acquisitions.

The holding of treasury shares amounted to 10%. At the Annual General Meeting in January 2011, the Board of Directors was authorised for the next five years to allow the company to acquire treasury shares within a total nominal value of 20% of the share capital of the company.

Market capitalisation

At 30 September 2014, the market capitalisation of the company shares was DKK 1,981 million.

Dividend

For the financial year 2013/2014, the proposed dividend per share is DKK 15.00.

Capitalisation and dividend policy

Please see the section Long-term financial targets on page 8.

Shareholders at 19 December 2014	Number of shares	Percentage of capital %	Votes %
Arbejdsmarkedets Tillægspension, Hillerød	226,324	9.99	6.96
Per og Lise Aarsleffs Fond, Åbyhøj – A shares	135,000	5.96	41.49
Per og Lise Aarsleffs Fond, Åbyhøj – B shares	18,179	0.80	0.56
Treasury shares	226,500	10.00	

Stock exchange announcements

14	October 2013	Aarsleff to extend harbour at Lofoten in Norway
25	October 2013	Aarsleff to extend the port of Beirut in Lebanon
11	December 2013	Aarsleff to carry out electricity supply in Mozambique
18	December 2013	Preliminary announcement of financial statements for the financial year 2012/2013
30	January 2014	Annual General Meeting of Per Aarsleff A/S
5	February 2014	Aarsleff to build tunnels on the section between Copenhagen and Ringsted
28	February 2014	Interim report for the period 1 October-31 December 2013
28	May 2014	Interim report for the period 1 October 2013-31 March 2014
25	June 2014	Wicotec Kirkebjerg A/S nominated for a DKK 900 million contract for Psychiatric Center in Skejby
11	July 2014	Aarsleff close to contract for large biogas plant
22	July 2014	Aarsleff to construct workshop and storage facilities at Thule Air Base
23	July 2014	Aarsleff to construct the shell structure for the Niels Bohr Building at the North Campus in Copenhagen
28	August 2014	Interim report for the period 1 October 2013-30 June 2014
28	October 2014	Aarsleff wins project management contract in Ethiopia
14	November 2014	Aarsleff adjusts the expectations to the annual results upwards
4	December 2014	Aarsleff to build shell structure for Novo Nordisk A/S
19	December 2014	Preliminary announcement of financial statements for the financial year 2013/2014

Financial calendar

30	January 2015	Annual general meeting at the Group headquarters, Lokesvej 15, 8230 Aabyhoej, at 15:00
4	February 2015	Dividend paid to shareholders for the financial year 2013/2014
27	February 2015	Preliminary announcement of financial statements for Q1 2014/2015
29	May 2015	Preliminary announcement of financial statements for the first half of the financial year 2014/2015
27	August 2015	Preliminary announcement of financial statements for Q3 2014/2015
21	December 2015	Preliminary announcement of financial statements for the financial year 2014/2015

CORPORATE GOVERNANCE

With a few exceptions, Aarsleff's Management is following the recommendations of NASDAQ OMX Copenhagen A/S on good corporate governance, found on www.corporategovernance.dk.

The exceptions are:

- The company has not, contrary to recommendations, specified the remuneration to the individual members of the Executive Management, cf. the section on remuneration of the Board of Directors and the Executive Management.
- The terms of reference of the nomination committee are less comprehensive than recommended because Management is of the opinion that some of the recommended assignments are most appropriately taken care of directly by the Board of Directors. The deputy chairman of the Board of Directors is chairman of the nomination committee.
- We have set up specific targets for the proportion of women in the Board of Directors. We have prepared a policy to increase the proportion of women at other management levels. No specific targets in respect of this have been set up.

The below statement concerns the recommendations which were updated most recently in May 2013.

An outline of the company's approach to the individual recommendations is available at http://www.aarsleff.com/corporategovernance20132014.

Relations to shareholders

Aarsleff was founded in 1947. The company was introduced to NASDAQ OMX Copenhagen A/S in 1984. Subsequently, the share capital has been further increased and today, the total share capital is DKK 45.3 million, distributed on 2.7 million unlisted A shares carrying a voting right of 10 per share and 42.6 million listed B shares carrying a voting right of one per share.

Management is of the opinion that such distribution of the voting rights provides the required peace and decision-making competence for the company to reach its strategic goals.

Information about the capital structure can be found in the section Information to the shareholders on page 18.

The Board of Directors convenes the shareholders to the Annual General Meeting with sufficient notice. Agenda as well as terms and conditions of power of attorneys etc. will be sent out to registered shareholders on request. Registration can take place at www.aarsleff.com.

The company's articles of association are available at www.aarsleff.com.

The relationship to our stakeholders

Aarsleff wishes to be characterised as a highly respected, professional business partner. Aarsleff's mission, vision and values materialise in relation to our stakeholders, in the professionalism shown in the execution of our work and through the respect for our customers, colleagues within the business and our employees.

The Aarsleff Code of Conduct states the general principles of the company's way of working. The Board of Directors of the company has approved the principles, which have subsequently been communicated to the employees. Aarsleff's Code of Conduct is available at www.aarsleff.com.

The Aarsleff Code of Conduct determines the rules of good behaviour with respect to employees, the environment and ethics essential to each working relationship in which Aarsleff participates.

The principles and rules have been prepared in accordance with the UN's Universal Declaration of Human Rights, the ILO Convention (International Labour Organization) and UNICEF's Convention on the Rights of the Child.

Openness and transparency

Aarsleff has established an investor relations policy for the communication of information to shareholders, investors and other stakeholders. The policy can be seen at www.aarsleff.com.

The Group publishes quarterly reports on the financial results and communicates on a current basis with investors and other stakeholders.

During the course of the year, two investor meetings for analysts and others with particular interest have been held.

The latest presentation is available at www.aarsleff.com.

At www.aarsleff.com, elaborating information in Danish and English can be found on the business areas of the Group as well as on the financial situation.

Tasks and responsibilities of the Board of Directors

The Board of Directors determines the business concept and overall goals and strategies of the Aarsleff Group and deals with the overall management of the company.

During the course of the year, the Board of Directors has held a total of seven meetings attended by the Executive Management. The Chairman and the Deputy Chairman are responsible for the satisfactory function of the Board of Directors at all times.

In accordance with section 31 of the Danish Auditors' Act, an Audit Committee has been established consisting of three board members. The committee also functions as Nomination Committee and Remuneration Committee. During the course of the year, the committee has held three meetings. The terms of reference for the Committee are available at www.aarsleff.com.

The rules of procedure of the Board of Directors are reviewed annually to ensure that the Board of Directors undertakes its most important assignments in relation to the overall strategic management and control of the company and the current assessment of the work of the Executive Management. The duties of the Chairman and the Deputy Chairman are also described in the rules of procedure.

Composition of the Board of Directors

The Board of Directors is composed by four external board members, elected for one year at a time by the Annual General Meeting. In addition, two board members are elected by the staff for a four-year term.

The Board of Directors' work, results and composition are evaluated once a year. The evaluation is conducted by the Chairman of the Board by interviews of the individual board members. The result has been discussed in the entire board.

The Board of Directors believes that the number of members of the Board is appropriate, and that the appropriate composition of essential qualifications in the Board is ensured. The competencies comprise e.g. experience with management of large international companies (Andreas Lundby), including listed companies (Jens Bjerg Sørensen and Peter Arndrup Poulsen), legal insight (Carsten Fode), financial insight (Jens Bjerg Sørensen) and industry insight (Rikke Gulddal Christensen and Søren Kristensen).

In the procedures for recommendation of new candidates to the Board of Directors, we seek to safeguard the principles of diversity and representation of all important qualifications so that the Board can continue to carry out its work in the best possible way. We have set up specific targets for the proportion of women in the Board of Directors, cf. Corporate Social Responsibility on page 26.

In the articles of association, the company has established an age limit for the work of the board members of the company. Board members cannot be elected or re-elected after they have attained the age of 70.

Remuneration of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management receive a fixed annual remuneration which is stated in the annual report.

No incentive programmes have been established for the Board of Directors and the Executive Management. The Group has no share option schemes or similar.

No extraordinary redundancy schemes or other agreements imposing extraordinary obligations on the company have been made with the Board of Directors and the Executive Management.

The policy on remuneration of the Board of Directors and the Executive Management has not been changed as compared to last financial year and is not expected to be changed in the coming financial year.

The current annual remuneration of the individual board members is stated in the section Executive Management and Board of Directors on page 30. The Chairman and the Deputy Chairman do not receive separate remuneration for sitting on the Audit Committee. An ordinary member receives DKK 80,000 as remuneration for sitting on the Audit Committee.

On page 30, the shareholding of each board member is stated as well as the total shareholding of the Executive Management.

Contrary to recommendations, the company has not specified the remuneration to the individual members of the Executive Management, as Management considers this to be irrelevant and inappropriate.

Risk management

The annual report includes separate information on the most significant commercial and financial risks that may affect the company.

Audit

For the audit of the annual report, the Annual General Meeting of the company elects a state authorised public accountant for a period of one year, following a recommendation from the Board of Directors.

Prior to the recommendation, the Audit Committee performs an assessment of the auditor's competence and independence.

In consideration of the size of the Group, the Group has decided not to establish an internal audit. The Group's internal control and risk management systems are instead reviewed regularly by controllers in the parent company's financial function.

COMMERCIAL RISK ASSESSMENT

Commercial risks
The Group's activities involve a number of risks that may affect the operation and financial position of the Group.

Within our specialist fields, we execute a number of routine jobs involving a large degree of repetition. One of the effects of the repetition is the possibility to control and reduce errors and risks. A systematic work is carried out to identify and remove sources of error, and the repetition provides an opportunity to monitor, control and inspect the work.

We often enter into joint venture agreements on major one-off projects, allowing us to harmonise the organisational capacity and reduce the impacts of unsuccessful projects. To the extent possible, we collaborate with trusted business partners. For projects in unknown markets, we frequently seek a local partner to minimise the risk of first errors.

A special form of hedging is integration of design and planning. Traditionally, a contractor does not become part of a project until a firm of consulting engineers has completed the design, and the tender phase is over. However, there is a tendency to involve the contractor already when initiating the design. In some instances, this form of collaboration leads to partnering contracts and in other instances to design and construct contracts. We actively participate in this development process.

Financial risks
The Aarsleff Group has performed a considerable amount of work abroad in recent years. This entails exposure to a number of financial risks concerning both profit and balance sheet. The risks are monitored and controlled centrally in Aarsleff in accordance with the foreign exchange and interest rate policy adopted by the Board of Directors. The policy involves a low risk profile, so that risks will only occur on the basis of business matters.

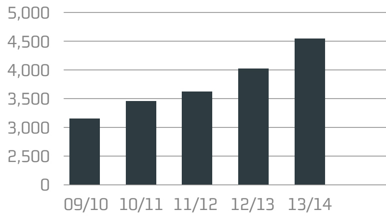
Foreign exchange risks
It is the Group's policy to reduce its foreign exchange risks, as individual projects and markets are assessed with a view to hedging. Normally, currency overdraft facilities are established on the basis of a current calculation of the foreign exchange exposure of the most important currencies. Moreover, forward exchange contracts and options are used.

Interest rate risks
At the end of September 2014, the Group's interest-bearing debt and interest-bearing assets amounted to a net debt of approx. DKK 210 million. In order to minimise both interest and risks, cash pool and interest netting agreements have been entered into with the Group's Danish bank in DKK, SEK, NOK as well as in EUR, USD, RUB, PLN and GBP.

Credit risks
A significant part of the Group's customers comprise public or semi-public clients in respect of whom the exposure to financial losses is minimal. The Group's receivables from the sale to other customers have been exposed to the usual credit risk. Therefore, the customers are credit rated before work is commenced. To the extent this is considered expedient and possible, trade receivables are also hedged by bank and insurance guarantees and letters of credit.

Liquidity and borrowing risks
It is the policy of the Group to have a significant cash reserve. The Group's stable and good solvency entails a high creditworthiness which is reflected in appropriate credit facilities and loan commitments, short-term as well as long-term.

NUMBER OF EMPLOYEES



INTERNAL CONTROL AND RISK MANAGEMENT IN FINANCIAL REPORTING

Aarsleff's internal controls and risk management relating to financial reporting are made with a view to presenting financial statements that comply with International Financial Reporting Standards (IFRS), as adopted by the EU, and additional Danish disclosure requirements for listed companies.

The internal controls and risk management systems have been made with a view to providing reasonable and fair security that errors and defects in the financial statements are discovered and rectified so that the annual report provides a true and fair view without material misstatements and with a view to ensuring that the choice and use of accounting policies are appropriate and that accounting estimates are performed responsibly.

The Aarsleff Group's internal control and risk management systems relating to financial reporting are based on the internationally recognised COSO framework.

Control environment
The Board of Directors has appointed an Audit Committee whose primary purpose is to assist the Board of Directors in monitoring financial reporting and the adequacy of Aarsleff's internal control and risk management systems.

The Audit Committee has supervisory responsibilities and reports to the entire Board of Directors. The responsibility for the day-to-day maintenance of effective internal controls and a risk management system for financial reporting rests with the Executive Management. Managers at different levels are responsible within their respective areas.

Responsibility and powers are defined in the Board of Directors' instructions to the Executive Management, policies, procedures and code. The Board of Directors approves the company's primary policy for communication, treasury and finance policy as well as risk management and the company's code of business conduct.

The Executive Management approves other policies and procedures, and the responsible functions issue guidelines and monitor the use of all policies and procedures. The organisational structure and internal guidelines together with laws and other rules form the control environment.

Risk assessment
An annual risk analysis is prepared with a view to assessing key risks in the financial reporting process, including a separate assessment of the risk of material misstatement of the consolidated financial statements due to fraud.

The risk assessment, which is allocated to items and individual processes in the financial reporting, forms the basis of the determined risk management policy which is to ensure that relevant risks are managed and reduced to an acceptable level.

Control activities
The aim of the control activities is to prevent, discover and correct any errors and irregularities. The activities are integrated in the company's accounting and reporting procedures and include for example procedures for certification, authorisation, approval, reconciliation, analyses of results, separation of incompatible functions, controls concerning IT applications and general IT controls.

Aarsleff's concept of internal controls determines standards for control activities concerning financial reporting. The purpose of these standards is to ensure and maintain a uniform level of internal control concerning financial reporting in the Group.

Information and communication
Aarsleff maintains information and communication systems to ensure that the financial reporting is correct and complete. Accounting policies, procedures and other

reporting instructions are updated as needed and reviewed at least once a year. We find it important that these and other policies relevant for the internal control of financial reporting are always available for relevant employees.

The Aarsleff Group's accounting policies are specified in accounting and reporting instructions submitted to the Group's subsidiaries each year.

Monitoring

Aarsleff uses a comprehensive management control system to monitor the company's results which makes it possible at an early stage to detect and correct any errors and irregularities in financial reporting, including disclosed weaknesses in internal controls, lack of compliance with procedures and policies etc.

Compliance with accounting policies is currently monitored at group level and other operating levels by financial controllers. This includes an annual review and assessment of whether the control design of relevant subsidiaries complies with the standards of the Aarsleff Group's concept for internal controls.

An annual assessment of the control design and the effectiveness hereof is carried out. The Audit Committee is informed of the result. Similarly, the Audit Committee receives observed control weaknesses and recommendations from the auditor elected at the Annual General Meeting. The Audit Committee monitors that the Executive Management reacts efficiently to any weaknesses or shortcomings and that measures relating to risk management and internal controls in connection with the financial reporting are implemented as planned.

CORPORATE SOCIAL RESPONSIBILITY

Statutory account of corporate social responsibility

Aarsleff wishes to operate a responsible and sound business in order to create job satisfaction, growth, results and progress in accordance with the stakeholders' expectations. We are aware that we are an integrated part of society, and we wish to always comply with current norms, requirements, rules and legislation, regardless of where in the world we operate. We respect our surroundings, and we wish to contribute to ongoing efficiency improvements of our solutions. We work in accordance with the values of the Aarsleff Group which are the fundamental principles of all our activities and actions.

In our opinion, our efforts within corporate social responsibility have provided good results.

Aarsleff's Code of Conduct applies to all the companies of the Group

Aarsleff's Code of Conduct, available at www.aarsleff.com, is the overall, ethical set of rules applying to the Group's activities and comprises among other things:

- Environmental responsibility when we produce and contribute to environmental improvements.
- Contributions to establishment of sustainable energy solutions and climate adaptation.
- Requirements to comply with the internationally recognised human rights, including ethical rules concerning child labour.
- Requirements to provide a safe and healthy working environment.
- A basic requirement that we always operate within the framework of the law and international conventions.
- That we always act in accordance with current competition laws, and that we do not give or accept bribery in any form.
- That we have the same requirements as described in Code of Conduct to our business partners and suppliers, as a minimum.

Aarsleff is thus aware that the company's activities are carried out with respect for basic human rights, applying to employees and suppliers. Requirements to comply with human rights and the prohibition of child labour form part of our decision to submit tenders and must be complied with during the implementation of our activities.

The Code of Conduct is further supported by the policies and guidelines of Per Aarsleff A/S, e.g.:

- The values of the Aarsleff Group which were prepared and revised in the financial year and communicated in a new form at the end of 2014
- Investor relations policy
- Handling of inside information
- Anti-corruption policy
- Guidelines on compliance with competition law
- Sponsorship, contributions and donations for charity.

To ensure a continuous development of our corporate social responsibility, we wish to focus on the below-mentioned areas in future years based on the overall policies and targets mentioned above.

Environmental improvements, applying to Per Aarsleff A/S

We wish to support society's interest for environmental improvements, e.g. by reducing energy consumption through the use of environmentally friendly methods and materials.

In the financial year, we have commenced the work on models of calculation for CO2 savings potential by choosing alternatives within materials, methods, procedures and equipment in connection with the execution of sewer work. The first versions of the operational calculation models are now available and used for trenchless sewer renewal in Pipe Technologies and for traditional sewer work in Construction. The models are expected to be further developed in the future financial year by calculations on specific projects in collaboration with customers.

Pipe Technologies has chosen to replace the generators with lithium batteries in all new CCTV vehicles. In addition to saving fuel for the operation of the generator, the noise has disappeared. In the financial year, Pipe Technologies has installed lithium batteries in two CCTV vehicles and two installation units and by the end of the financial year, Pipe Technologies has a total of seven units with minimum energy consumption. In the financial year, we have installed solar cells on two site huts on a test basis.

Construction has planned that all its drivers of vans and passenger cars must complete a course in eco-friendly driving. This is done with a view to reducing fuel consumption and the consequent CO_2 impact. Construction has also decided to become certified in accordance with DS/EN ISO 14001:2004. The aim is to become environmentally certified by the end of 2016.

The policy "Summary of quality, environmental and occupational health and safety management" supports our work with this issue.

In our opinion, our efforts within environmental improvements have provided good results, and we will continue our activities.

Climate adaptations, applying to Per Aarsleff A/S

One of our most important focus areas is to continue developing our products and infrastructure projects to mitigate the negative effects of long-term environmental impacts, e.g. within wastewater handling and coastal and harbour protection.

We want to be an active co-player when projects of benefit to the environment are carried out. An example of this is a South Jutland-based biogas plant which will become the largest in Northern Europe. In collaboration with the customer and the customer's consultant, the project is commenced by a design phase which is expected to be followed by a contract for execution. The plant is constructed for optimum utilisation of raw materials. The energy extraction rate will be high, and the residual product is odour-free and can be spread directly on the fields. The Aarsleff Group has the expertise for the entire building process, from site development to the installation of process equipment.

In our opinion, the implementation of a number of projects has contributed to sustainable climate adaptation solutions, and we will continue our activities.

Development of knowledge in interaction with the outside world, applying to Per Aarsleff A/S

Development of new, simple and more cost-efficient solutions – preferably in collaboration with our customers – is also one of our focus areas. Increased knowledge sharing with our customers takes place through long-term working relationships resulting in joint development of know-how. In collaboration with our customers, we focus on method development, appropriate plans for execution and specific customer preferences to solutions.

The framework agreement on No-Dig renewal with the utility company Aarhus Water is an example of development of knowledge in interaction with the outside world. There is a close collaboration between Pipe Technologies and the client on the project. At semi-annual workshops, we analyse the energy consumption and plan the execution of the work in consideration of the CO_2 targets. Together with Aarhus Water, we have set a target to reduce the CO_2 emission by 10% before 2015. The framework agreement runs from 2010 to 2015 which means that we must save an average of 25 tons of CO_2 per year. In collaboration with Aarhus Water, Pipe Technologies has launched different initiatives relating to the planning of the assignments and methods for execution. In the calendar year 2013, we saved 38 tons of CO_2.

Another example is a project in Brøndby where we carried out a rainwater reservoir extension. From the beginning, the customer planned to carry out the extension in the same way as the former rainwater reservoir, i.e. by a traditional construction of subbase gravel and base course gravel with drainage and well with pumps for water drainage. However, during the planning and design phase, we suggested other solutions to the customer. One of them was to establish the bottom of the reservoir by means of the lime stabilisation method. This meant that drainage and pumps could be left out of the project and thus also the future maintenance of these. It turned out that there was 5,000 tons of contaminated soil of class 2 and 3 in the area which we were able to incorporate on site. As a result, we avoided the environmental impact involved in the transportation of the soil for deposit. During the project, we exchanged knowledge with the client, the consultant and the collaboration partners. The construction work was carried out in half the time which meant that the reservoir was taken into use six months earlier than planned.

In our opinion, a number of cooperative relationships with customers have contributed to the development of new, simple, improved and more cost-efficient solutions. The activities continue.

Training, applying to Per Aarsleff A/S

We believe that one of our social responsibilities is to train young people: apprentices and trainees as well as skilled building operatives and engineers. We wish to develop our collaboration with the educational institutions by increasing the number of traineeships and internships.

Our training responsibility also comprises special training of unskilled workers. This involves holding targeted, internal courses, primarily within the industrialised fields of activities, e.g. Pipe Technologies. As a specialised contractor within the civil engineering business, we find this special training just as important as the apprenticeships, seen from a social perspective.

During the financial year, we have had 65 apprentices and 32 trainees. 55 workers were enrolled in internal, special training for unskilled workers in Pipe Technologies.

We have set up targets for the number of employees from the following three employee groups which are being trained in the company:

- Apprentices 10%. Our basis is this financial year with an average of 65 apprentices. This corresponds to 7% of the hourly paid employees.
- Trainees 5%. Our basis is this financial year with an average of 32 trainees. This corresponds to 4% of the salaried employees.
- Internal, special training of unskilled workers 6%. Our basis is this financial year with an average of 55 unskilled workers enrolled in internal, special training. This corresponds to 6% of the hourly paid employees, meaning that we have reached the desired level which must be maintained.

In our opinion, we have obtained good results, and we will launch plans of action to achieve and maintain the targets.

The policies ”Policy for apprentices” and ”Policy for trainees” support our work with the above.

Staff conditions, working environment and safety, applying to Per Aarsleff A/S

Aarsleff is certified according to OHSAS 18001. We wish that our working environment is characterised by the following: we are the best in the business within occupational health and safety, and a safe working environment has a higher priority than reasons of economy.

In continuation of our occupational health and safety strategy which was implemented at the beginning of the year, we have launched an internal campaign. Among other things, the campaign comprises a training plan which ensures that all employees at all levels of the company will be trained in occupational health and safety. In this current financial year, we have carried out the following courses with the mentioned number of participants:

- Introduction to health and safety: 345 employees, primarily hourly paid employees
- Health and safety for foremen: 52 employees

- Health and safety for OHS site representatives: 37 employees
- Health and safety for managers (in the production as well as in the office area): 135 employees.

As it appears from the graph on this page, we are well underway with our occupational health and safety targets in so far as concerns the accident rate. The number of reported near-miss incidents is increasing; we consider this a positive sign, because it allows us to prevent accidents. Our sickness absence rate, which is exclusive of sickness absence for employees subject to a statutory Danish agreement on refunding of sickness benefits in connection with prolonged or chronic diseases etc., absence due to accidents, child's first day of illness and maternity leave, is satisfactorily low and below our target of 2.5%. In this current financial year, the figure was 2.1%. We wish to maintain a low sickness absence, so we will continue having focus on this parameter.

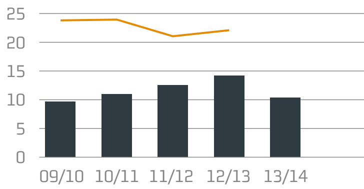
Management training and targets for the underrepresented gender, applying to Per Aarsleff A/S
Aarsleff's target is to continuously develop and strengthen all management levels of the company. Internal courses of development are carried out for current and prospective managers and combined with ongoing strengthening through recruitment. During the past financial year, 30 managers have carried out the internal management development course.

We have set up targets for the underrepresented gender in top management. For the other management levels, we have formulated a policy with the purpose of increasing the number of women in leadership positions.

Our goal is that by 2017, the share of women in the board of directors of Per Aarsleff A/S is to constitute 25% of the shareholder-elected members. The goal is based on four shareholder-elected members, alternatively 20% if it is five members. We will always ensure that the requirements to qualifications for board members are the same, regardless of gender, and that board members are elected on the basis of the qualifications required. The share of the underrepresented gender in the board of directors is 0% at 30 September 2014.

We have formulated a policy for the other management levels in Per Aarsleff A/S with a view to increasing the share of the underrepresented gender. In the financial year, we have employed five new managers at the other management levels; one is a woman. All of them are employed in accordance with criteria in Aarsleff's policy to increase the share of the underrepresented gender. The employments have not significantly changed the gender composition in the company's other management levels. The policy is that we wish to have an open and unbiased culture that allows the individual employee to use his/her qualifications in the best possible way, regardless of gender. The purpose of this policy is to contribute to increasing the total potential for female managers in the business. Per Aarsleff A/S operates in a male-dominated business culture. This is significantly reflected in the number of male and female employees at all levels of the organisation.

ACCIDENT RATE PER MILLION WORKING HOURS, ALL EMPLOYEES
Based on reports at 31 December 2014



DA statistics of building and construction, calculated per calendar year

EXECUTIVE MANAGEMENT AND BOARD OF DIRECTORS

EXECUTIVE MANAGEMENT
Ebbe Malte Iversen, 63 years
General Manager
BSc (Engineering)
Managerial positions:
The Danish Construction Association, export section (Chairman)
Danish Project Export Network (Chairman)
egetæpper a/s (Chairman)
DHI (Deputy Chairman)

Lars M. Carlsen, 53 years
Deputy General Manager
BSc (Engineering)
Managerial positions:
Member of the Board of Directors of the Danish Construction Association

Executive Management's total number of shares in the company held at 19 December 2014: 9,941 (at 18 December 2013: 9,941).

BOARD OF DIRECTORS
Andreas Lundby, 64 years, Chairman of the Board of Directors
Member of Per Aarsleff A/S's Audit Committee
BSc (Economics and Business Administration), Diploma in Business Administration
Joined the Board of Directors in 2009, considered an independent member.
Current board remuneration: DKK 600,000.
Total number of shares in the company held at 19 December 2014: 875 (at 18 December 2013: 875).
Managerial positions:
4-Tune Invest ApS (General Manager)
Arla Foods Ingredients S.A., Argentina, joint venture (Deputy Chairman)
Biolac GmbH & Co. KG, Germany

Jens Bjerg Sørensen, 57 years, Deputy Chairman
Chairman of Per Aarsleff A/S's Audit Committee
Business graduate, Diploma in Business Administration (marketing economics), Insead IEP
Joined the Board of Directors in 2014, considered an independent member.
Current board remuneration: DKK 400,000.
Total number of shares in the company held at 19 December 2014: 0.
Managerial positions:
Aktieselskabet Schouw & Co. (General Manager)
Aida A/S
Alba Ejendomme A/S (Chairman)
BioMar Group A/S (Chairman)
Dansk Supermarked A/S (Deputy Chairman)
Dovista A/S (Chairman)
F. Salling Holding A/S
F. Salling Invest A/S
F.M.J. A/S
Fibertex Nonwovens A/S (Deputy Chairman)
Fibertex Personal Care A/S (Deputy Chairman)
Fonden bag udstilling af skulpturer ved Aarhusbugten
Fonden Aarhus 2017
Hydra-Grene A/S (Chairman)
Incuba Invest A/S
Jens Bjerg Sørensen Datterholding 1 ApS (General Manager)
Jens Bjerg Sørensen Holding ApS (General Manager)
Kramp Groep B.V.
Købmand Herman Sallings Fond (Chairman)
Niels Bohrs Vej A/S
Saltebakken 29 ApS (General Manager)
Schouw & Co. Finans A/S (General Manager)
Xergi A/S (Deputy Chairman)

Carsten Fode, 65 years
Lawyer, Master of Law, LL.M. Harvard Law School
Joined the Board of Directors in 1992, cannot be considered an independent member due to his connection to the company's law firm and his membership of the Board of Directors for more than 12 years.
Current board remuneration: DKK 200,000.
Total number of shares in the company held at 19 December 2014: 1,000 (at 18 December 2013: 1,000).
Managerial positions:
Kromann Reumert (partner)
A/S 48
ARoS Aarhus Art Museum (Chairman)
AVK Holding A/S (Chairman)
B4Restore A/S (Chairman)
Carl Hansen & Søn Møbelfabrik A/S
Chris-Invest A/S
CICO Invest A/S
Dansk Bygningsanalyse A/S
Emballagegruppen A/S
Good Food Group A/S
Silentor A/S (Chairman)

Peter Arndrup Poulsen, 52 years
Member of Per Aarsleff A/S's Audit Committee
Master of Forestry
Joined the Board of Directors in 2010, considered an independent member.
Current board remuneration: DKK 280,000, of which DKK 80,000 constitutes Audit Committee remuneration.
Total number of shares in the company held at 19 December 2014: 285 (at 18 December 2013: 285).
Managerial positions:
Grundfos A/S

Rikke Gulddal Christensen, 43 years, Staff-elected
MSc (Civil Engineering), Diploma in Business Administration
Joined the Board of Directors in 2012, cannot be considered an independent member due to employment in the company.
Current board remuneration: DKK 200,000.
Total number of shares in the company held at 19 December 2014: 46 (at 18 December 2013: 46).
No external managerial positions.

Søren Kristensen, 54 years, Staff-elected
Plant driver
Joined the Board of Directors in 2008, cannot be considered an independent member due to employment in the company.
Current board remuneration: DKK 200,000.
Total number of shares in the company held at 19 December 2014: 20 (at 18 December 2013: 20).
No external managerial positions.

From the left:
Jens Bjerg Sørensen, Peter Arndrup Poulsen, Ebbe Malte Iversen, Andreas Lundby, Carsten Fode, Lars M. Carlsen, Søren Kristensen and Rikke Gulddal Christensen.

MANAGEMENT'S STATEMENT AND INDEPENDENT AUDITOR'S REPORT

MANAGEMENT'S STATEMENT

The Executive Management and Board of Directors have today considered and adopted the annual report of Per Aarsleff A/S for the financial year 1 October 2013 - 30 September 2014.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Financial Statements are prepared in accordance with the Danish Financial Statement Act. Moreover, the Consolidated Financial Statements and the Financial Statements are prepared in accordance with additional Danish disclosure requirements for listed companies. Management's Review is also prepared in accordance with Danish disclosure requirements for listed companies.

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the financial position at 30 September 2014 of the Group and the Company and of the results of the Group and Company operations and consolidated cash flows for the financial year 1 October 2013 - 30 September 2014.

In our opinion, Management's review includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the year and of the financial position of the Group and the company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the annual report be adopted at the Annual General Meeting.

Aarhus, 19 December 2014

Executive Management

Ebbe Malte Iversen
General Manager

Lars M. Carlsen

Board of Directors

Andreas Lundby
Chairman of the Board

Jens Bjerg Sørensen
Deputy Chairman

Carsten Fode

Peter Arndrup Poulsen

Rikke Gulddal Christensen
Staff-elected

Søren Kristensen
Staff-elected

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Per Aarsleff A/S
Report on Consolidated Financial Statements and Parent Company Financial Statements
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Per Aarsleff A/S for the financial year 1 October 2013 to 30 September 2014, which comprise income statement, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statements for the Group. The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act. Moreover, the Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for preparing Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 September 2014 and of the results of the Group's operations and cash flows for the financial year 1 October 2013 to 30 September 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 September 2014 and of the results of the Parent Company's operations for the financial year 1 October 2013 - 30 September 2014 in accordance with the Danish Financial Statements Act and Danish disclosure requirements for listed companies.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Aarhus, 19 December 2014

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Michael Nielsson

Claus Lindholm Jacobsen
State Authorised
Public Accountant

Michael Nielsson
State Authorised
Public Accountant


120
LIEBHERR

The railway section across the Great Belt is maintained by Aarsleff Rail A/S. The contract comprises a round-the-clock emergency stand-by and is valid for three years.

Using precast concrete units, Aarsleff carries out the pile-supported bridge deck for the new Värtahamnen in Port of Stockholm.


CROWNE PLAZA
CROWNE PLAZA

Copenhagen Towers in Ørestad where Aarsleff is carrying out the shell structure contract for the 22-storey office tower.

Together with the subsidiary VG Entreprenør A/S, Aarsleff has extended Vedbæk Harbour with new piers, more berths and improved harbour entrance.

PHOTO: STIIG HOUGESEN, SH LUFTFOTO

FINANCIAL REVIEW

The consolidated financial statements of Per Aarsleff A/S for 2013/2014 are prepared in accordance with International Financial Reporting Standards (IFRS) as adapted by the EU and additional Danish disclosure requirements for listed companies, cf. the financial reporting requirements of NASDAQ OMX Copenhagen A/S for listed companies and the IFRS notification issued according to the Danish Financial Statements Act. With a view to improving clarity of the annual report, the financial statements of the parent company have been prepared in accordance with the provisions of the Danish Financial Statements Act.

Income statement

Consolidated revenue for 2013/2014 increased by DKK 1,146 million or 16% from DKK 7,376 million to DKK 8,522 million.

Revenue from our Danish operations increased by DKK 773 million or 16% from DKK 4,899 million to DKK 5,672 million. Work performed abroad increased by DKK 373 million or 15% from DKK 2,477 million to DKK 2,850 million.

Production costs, which comprise direct production costs and other production costs as well as depreciation on plant and profit from the sale of non-current assets, increased from DKK 6,581 million to DKK 7,487 million or by DKK 906 million, corresponding to 14%. The gross profit increased by DKK 241 million, corresponding to an increase of 30% compared with last financial year.

Administrative expenses and selling costs increased from DKK 581 million to DKK 684 million or by DKK 103 million, corresponding to 18%.

Operating profit came to DKK 350.5 million against DKK 213.4 million last financial year or an increase of DKK 137.1 million.

Share of profit after tax in associates increased from DKK 0.1 million last financial year to DKK 0.5 million this year.

Financial income came to DKK 3.4 million this year against DKK 4.6 million last year. Financial expenses amounted to DKK 24.7 million against DKK 21.2 million last year.

Profit before tax came to DKK 329.7 million against DKK 196.9 million last financial year.

Tax on profit for the year amounted to DKK 75.1 million, corresponding to a tax rate of 22.8%. Tax for the year consists of a current tax expense of DKK 23.3 million and an adjustment of deferred taxes and tax assets of DKK 51.8 million. The tax rate is affected by a changed assessment of deferred tax as well as negative foreign income. In some loss-making companies abroad, a tax asset has been recognised. The Group's deferred tax assets have been conservatively assessed based on expectations for realisation by set-off on future earnings.

The consolidated profit for the year was DKK 254.6 million after tax against DKK 149.9 million last year.

Balance sheet

The consolidated balance sheet total came to DKK 4,971 million as at 30 September 2014. This corresponds to an increase of DKK 434 million compared to the balance sheet total of DKK 4,537 million at the end of last financial year.

Receivables increased by DKK 467 million. Cash decreased by DKK 29 million.

Consolidated interest-bearing liabilities less interest-bearing assets constituted a net debt of DKK 210 million against a net debt of DKK 507 million at 30 September 2013.

Equity amounted to DKK 1,952 million at 30 September 2014 against DKK 1,724 million at the end of the previous financial year.

Equity, DKK million	**2013/2014**	**2012/2013**
Equity at the beginning of the year	1,724	1,594
Dividend paid	-20	-20
Exchange rate adjustments of investments in foreign subsidiaries and associates	-8	-13
Exchange rate adjustments of derivative financial instruments	7	4
Transferred from profit for the year	255	149
Tax on changes in equity	-2	-1
Minority interest	-4	11
Equity at year end	**1,952**	**1,724**

Cash flow statement

Cash flows from operating activities amounted to DKK 612 million, against DKK 41 million last financial year or an increase of DKK 571 million.

Cash flows from investing activities were negative at DKK 256 million against a negative DKK 370 million last year.

Cash flows from financing activities were negative at DKK 30 million against a negative DKK 24 million last financial year.

Consequently, liquidity has increased by DKK 326 million in the period.

CONSOLIDATED FINANCIAL STATEMENTS

Page

Table of contents

	Income statement	44
	Statement of comprehensive income	45
	Balance sheet	46
	Cash flow statement	48
	Statement of changes in equity	49

Notes to the consolidated financial statements

1	Accounting policies	50
2	Accounting estimates and assessments	57
3	New accounting standards and interpretations	58
4	Segment information	60
5	Revenue	61
6	Depreciation, amortisation and impairment losses	61
7	Staff costs	61
8	Remuneration to auditors appointed by the Annual General Meeting	62
9	Other operating income and expenses	62
10	Financial income and expenses	62
11	Corporation tax	63
12	Earnings per share	64
13	Intangible assets and property, plant and equipment	65
14	Investments in associates	66
15	Inventories	67
16	Work in progress	67
17	Contracting debtors	67
18	Equity	68
19	Provisions	68
20	Credit, interest rate and currency risks and use of financial instruments	69
21	Contingent liabilities and other financial obligations	74
22	Related party transactions	75
23	Other adjustments – Cash flow statement	76
24	Change in working capital – Cash flow statement	76
25	Liquidity	76
26	Highlights for the Group, EUR	77

	Companies in the Aarsleff Group	78

INCOME STATEMENT

1/10-30/9 GROUP

Note	tDKK	2013/2014	2012/2013
5	**Revenue**	**8,522,363**	**7,375,888**
6, 7	Production costs	-7,487,192	-6,581,223
	Gross profit	**1,035,171**	**794,665**
6, 7, 8	Administrative expenses and selling costs	-684,243	-581,376
6, 9	Other operating income and expenses	-446	110
	Operating profit	**350,482**	**213,399**
14	Profit in associates	469	78
	Profit before interest	**350,951**	**213,477**
10	Financial income	3,393	4,622
10	Financial expenses	-24,666	-21,153
	Profit before tax	**329,678**	**196,946**
11	Tax on profit for the year	-75,069	-47,054
	Profit for the year	**254,609**	**149,892**
	Profit for the year accrues to:		
	Shareholders in Per Aarsleff A/S	254,108	149,202
	Minority shareholders	501	690
	Total	**254,609**	**149,892**
12	**Earnings per share (DKK)**		
	Earnings per share	124.6	73.2
	Earnings per share, diluted	124.6	73.2

STATEMENT OF COMPREHENSIVE INCOME

1/10-30/9

GROUP

Note	tDKK	2013/2014	2012/2013
	Profit for the year	**254,609**	**149,892**
	Items which may be reclassified to the income statement		
	Exchange rate adjustments relating to foreign entities	-7,981	-12,386
	Fair value adjustments of derivative financial instruments, net	7,511	4,174
11	Tax on other comprehensive income	-1,840	-1,042
	Other comprehensive income	-2,310	-9,254
	Total comprehensive income	**252,299**	**140,638**
	Total comprehensive income accrues to:		
	Shareholders of Per Aarsleff A/S	251,798	139,948
	Minority shareholders	501	690
	Total	**252,299**	**140,638**

BALANCE SHEET

ASSETS

GROUP

Note	tDKK	30/9 2014	30/9 2013
	Goodwill	147,349	147,349
	Patents and other intangible assets	17,631	23,780
13	**Intangible assets**	**164,980**	**171,129**
	Land and buildings	540,971	551,090
	Plant and machinery	916,614	905,636
	Other fixtures and fittings, tools and equipment	69,158	63,956
	Property, plant and equipment in progress	26,981	28,806
13	**Property, plant and equipment**	**1,553,724**	**1,549,488**
14	Investments in associates	14,642	16,675
11	Deferred tax	3,767	1,460
	Other non-current assets	**18,409**	**18,135**
	Non-current assets	**1,737,113**	**1,738,752**
15	**Inventories**	**199,256**	**200,879**
17	Contracting debtors	2,047,789	1,701,766
16	Work in progress	537,437	449,319
	Receivables from associates	8,030	12,479
	Other receivables	84,979	48,204
	Corporation tax receivable	13,779	18,199
	Prepayments	19,661	14,982
	Receivables	**2,711,675**	**2,244,949**
25	**Cash**	**322,903**	**352,039**
	Current assets	**3,233,834**	**2,797,867**
	Total assets	**4,970,947**	**4,536,619**

BALANCE SHEET

EQUITY AND LIABILITIES

GROUP

Note	tDKK	30/9 2014	30/9 2013
	Share capital	45,300	45,300
	Reserve for exchange rate adjustments	-33,961	-26,021
	Hedging reserve	4,517	-1,154
	Retained earnings	1,894,893	1,672,536
	Proposed dividend	33,975	22,650
	Equity, shareholders of Per Aarsleff A/S	1,944,724	1,713,311
	Minority interests' share of equity	7,584	11,019
18	**Equity**	**1,952,308**	**1,724,330**
	Mortgage debt	187,820	191,150
	Credit institutions	11,160	17,345
19	Provisions	52,910	15,961
11	Deferred tax	300,397	230,397
	Other debt	37,410	31,195
	Non-current liabilities	**589,697**	**486,048**
	Mortgage debt	3,578	3,746
	Credit institutions	292,808	646,409
16	Work in progress	512,037	295,693
19	Provisions	10,850	20,374
	Trade payables	1,077,048	828,957
	Payables to associates	0	114
	Corporation tax payable	27,867	70,752
	Other debt	504,754	460,196
	Current liabilities	**2,428,942**	**2,326,241**
	Total liabilities	**3,018,639**	**2,812,289**
	Total equity and liabilities	**4,970,947**	**4,536,619**

Notes without reference:

1 Accounting policies
2 Accounting estimates and assessments
3 New accounting standards and interpretations
4 Segment information
20 Credit, interest rate and currency risks and use of financial instruments
21 Contingent liabilities and other financial obligations
22 Related party transactions
26 Highlights for the Group, EUR

CASH FLOW STATEMENT

1/10-30/9

GROUP

Note	tDKK	2013/2014	2012/2013
	Cash flow from operating activities		
	Profit before interest	350,952	213,477
	Depreciation, amortisation and impairment losses	277,936	274,241
23	Other adjustments	5,056	-73,095
24	Change in working capital	45,110	-320,023
	Cash flow from operating activities before net financials and tax	**679,054**	**94,600**
	Interest received	3,393	4,622
	Interest paid	-22,642	-22,479
	Cash flow from ordinary activities	**659,805**	**76,743**
	Corporation tax paid	-47,682	-35,794
	Cash flow from operating activities	**612,123**	**40,949**
	Cash flow from investing activities		
	Investments in subsidiaries	0	-134,632
	Investments in property, plant and equipment	-300,127	-313,942
	Investments in intangible assets	-2,175	-797
	Sale of property, plant and equipment	43,800	72,526
	Dividends from associates	2,768	6,642
	Cash flow from investing activities	**-255,734**	**-370,203**
	Cash flow from financing activities		
	Raising of non-current liabilities	0	2,100
	Repayment of non-current liabilities	-9,515	-6,049
	Dividend paid	-20,385	-20,385
	Cash flow from financing activities	**-29,900**	**-24,334**
	Change in liquidity for the year	**326,489**	**-353,588**
	Opening liquidity	-294,370	57,892
	Exchange rate adjustment of opening liquidity	-2,024	1,326
	Change in liquidity for the year	326,489	-353,588
25	**Closing liquidity**	**30,095**	**-294,370**

STATEMENT OF CHANGES IN EQUITY

GROUP

tDKK	Share capital	Reserve for exchange rate adjust-ments	Hedging reserve	Retained earnings	Proposed dividend	Shareholders, Per Aarsleff A/S, total	Minority share-holders	Total
Equity at 1 October 2012	**45,300**	**-13,629**	**-4,286**	**1,543,713**	**22,650**	**1,593,748**	**0**	**1,593,748**
Total comprehensive income								
Profit for the year				126,552	22,650	149,202	690	149,892
Other total comprehensive income								
Exchange rate adjustments of foreign companies		-12,392		6		-12,386		-12,386
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement			1,764			1,764		1,764
Tax on derivative financial instruments			-441			-441		-441
Fair value adjustments of derivative financial instruments			2,410			2,410		2,410
Tax on derivative financial instruments			-601			-601		-601
Other total comprehensive income	0	-12,392	3,132	6	0	-9,254	0	-9,254
Total comprehensive income	**0**	**-12,392**	**3,132**	**126,558**	**22,650**	**139,948**	**690**	**140,638**
Transactions with owners								
Acquired minority interests							10,329	10,329
Dividend paid					-22,650	-22,650		-22,650
Dividend, treasury shares				2,265		2,265		2,265
Total transactions with owners	**0**	**0**	**0**	**2,265**	**-22,650**	**-20,385**	**10,329**	**-10,056**
Equity at 30 September 2013	**45,300**	**-26,021**	**-1,154**	**1,672,536**	**22,650**	**1,713,311**	**11,019**	**1,724,330**
Total comprehensive income								
Profit for the year				220,133	33,975	254,108	501	254,609
Other total comprehensive income								
Exchange rate adjustments of foreign companies		-7,940		-41		-7,981		-7,981
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement			1,243			1,243		1,243
Tax on derivative financial instruments			-311			-311		-311
Fair value adjustments of derivative financial instruments			6,268			6,268		6,268
Tax on derivative financial instruments			-1,529			-1,529		-1,529
Other total comprehensive income	0	-7,940	5,671	-41	0	-2,310	0	-2,310
Total comprehensive income	**0**	**-7,940**	**5,671**	**220,092**	**33,975**	**251,798**	**501**	**252,299**
Transactions with owners								
Dividend, minority shareholders							-3,936	-3,936
Dividend paid					-22,650	-22,650		-22,650
Dividend, treasury shares				2,265		2,265		2,265
Total transactions with owners	**0**	**0**	**0**	**2,265**	**-22,650**	**-20,385**	**-3,936**	**-24,321**
Equity at 30 September 2014	**45,300**	**-33,961**	**4,517**	**1,894,893**	**33,975**	**1,944,724**	**7,584**	**1,952,308**

ACCOUNTING POLICIES

GROUP

Note

1 **Accounting policies**

Basis of accounting
The annual report of Per Aarsleff A/S for 2013/2014 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for listed companies, cf. the financial reporting requirements of NASDAQ OMX Copenhagen A/S regarding listed companies and the IFRS notification issued according to the Danish Financial Statements Act.

The annual report is presented in Danish Kroner (DKK), which is considered the primary currency of the Group's activities and the functional currency of the parent company.

The annual report is prepared on the basis of historical cost prices, except for certain financial instruments which are measured at fair value. Significant accounting policies are described below.

The accounting policies are unchanged from last year.

Description of significant accounting policies

Consolidated financial statements
The consolidated financial statements comprise the parent company Per Aarsleff A/S and the subsidiaries which are controlled by the parent company. The parent company is considered to be in control when the Group directly or indirectly holds more than 50% of the votes or otherwise is able to exercise or actually exercises control.

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates and are recognised under the equity method.

The consolidated financial statements are prepared on the basis of financial statements for the parent company and the individual subsidiaries by combining accounting items of a uniform nature. At the consolidation, elimination is made of intercompany income and expenses, unrealised intercompany profits/losses, accounts and settlement of internal shareholdings. Investments in subsidiaries are set off against the parent company's share of the fair value of the subsidiaries' identifiable net assets and recognised contingent liabilities at the date of acquisition.

Joint ventures
The Group participates in a number of joint ventures, including consortia and working partnerships, in which none of the participating parties have control.

In joint ventures which are classified as jointly controlled operations, revenue and expenses as well as assets and liabilities relating to the jointly controlled operations are recognised in accordance with the joint venture agreement.

Joint ventures which are classified as jointly controlled entities are recognised as pro rata consolidation in the consolidated financial statements.

Business combinations
Upon acquisition of subsidiaries and associates, the acquisition method is applied. Identifiable assets, liabilities and contingent liabilities of the enterprises are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if these can be separated or are contractually or legally based. Deferred tax on revaluations made is recognised.

The cost of an enterprise consists of the fair value of the remuneration paid. If part of the cost is conditional on future events or the fulfilment of agreed conditions, the part of the cost is recognised at fair value at the acquisition date. Costs related to business combinations are recognised directly in the income statement when these are incurred.

Positive differences between cost and fair value (goodwill) on acquisition of subsidiaries are recognised in intangible assets and are tested for impairment on an annual basis. On acquisition, goodwill is transferred to the cash-generating units, subsequently forming the basis of an impairment test. Positive differences (goodwill) on acquisition of associates are recognised in the balance sheet under investments in associates. Negative differences (negative goodwill) are recognised as income in the income statement at the date of acquisition.

Enterprises acquired are recognised from the date of acquisition, while enterprises sold are recognised up until the date of sale.

Note

1 **Accounting policies (continued)**

If the fair values of assets and liabilities acquired subsequently turn out to deviate from the values calculated at the date of acquisition, goodwill in this respect is adjusted until 12 months after the acquisition.

In connection with each acquisition, goodwill and a non-controlling interest (minority) are recognised according to one of the following methods:

1) Goodwill relating to the enterprise acquired comprises a positive difference, if any, between the total fair value of the enterprise acquired and the fair value of the total net assets for accounting purposes. The non-controlling interest is recognised at the share of the total fair value of the enterprise acquired (full goodwill).

2) Goodwill relating to the enterprise acquired comprises a positive difference, if any, between cost and the fair value of the Group's share of the net assets for accounting purposes of the acquired enterprise at the date of acquisition. The non-controlling interest is recognised at the proportionate share of the net assets acquired (proportionate goodwill).

Foreign currency translation
A functional currency is determined for each of the reporting entities. The functional currency is the currency used in the primary financial environment in which the individual entity is operating. Transactions in currencies other than the functional currency are transactions in foreign currencies, which are translated into the functional currency at the exchange rates at the date of transaction.

Receivables and payables in foreign currencies are translated into the functional currency at the official exchange rates at the balance sheet date. Exchange differences arising between the transaction date rate and the rate at the date of payment and the balance sheet date, respectively, are recognised in financial items, net in the income statement.

The balance sheets and goodwill of foreign consolidated enterprises are translated at the exchange rate at the balance sheet date while the income statements are translated at the exchange rate prevailing at the date of transaction. Exchange differences arising upon translation of the equity of foreign subsidiaries and associates at the beginning of the year at the exchange rates at the balance sheet date as well as at the translation of income statements from the exchange rates prevailing at the date of transaction to the exchange rates at the balance sheet date are taken directly to equity as a special translation reserve.

Derivative financial instruments
Derivative financial instruments are recognised in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and other debt, respectively. Fair values are determined on the basis of market data as well as recognised valuation methods.

Changes in the fair values of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future cash flows are recognised in other comprehensive income. At realisation of the hedged transaction, gains or losses concerning such hedging transactions are transferred from other comprehensive income and recognised in the same accounting item as the hedged instrument.

For derivative financial instruments not qualifying as hedges, changes in the fair value are recognised currently in net financials in the income statement.

Leases
Lease contracts whereby the Group bears substantially all the risks and rewards of ownership are treated as finance leases. Other lease contracts are treated as operating lease contracts. Payments in connection with operating leases are recognised in the income statement over the lease term.

State grants
State grants comprise grants for projects and investments etc. Grants for projects are systematically booked as income in the income statement to offset the expenses for which they compensate. Grants for investments are set off against the costs of the assets for which grants are provided.

Segment information
The segment information has been prepared in accordance with the Group's accounting policies and is in accordance with the Group's internal management reporting.

ACCOUNTING POLICIES

GROUP

Note

1 **Accounting policies (continued)**

Segment income and expenses as well as segment assets and segment liabilities include the items that are directly attributable to the individual segment as well as items that can be allocated to the individual segments on a reliable basis.

Segment assets comprise non-current assets used directly for segment operations, including intangible assets, property, plant and equipment and investments in associates as well as current segment assets used directly for segment operations, including inventories, trade receivables, other receivables and prepayments.

Segment liabilities related to segments comprise liabilities derived from segment operations, including trade payables, provisions and other debt.

Transactions between segments are priced according to assessed market values.

Allocation of revenue to geographical areas is stated according to the geographical location of the customers. Information on the allocation of segment assets into geographical segments is stated according to the physical location of the assets and comprises subsidiaries and joint ventures abroad.

INCOME STATEMENT

Revenue
Revenue comprises finished contract work and contract work in progress as well as the sale of goods for resale and finished goods.

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if delivery has taken place before the end of the year. Revenue is measured exclusive of value added tax and price reductions directly related to the sale.

Contract work in progress is recognised in revenue at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method).

Production costs
Production costs comprise direct and indirect expenses paid to achieve revenue for the year, including expenses for materials, consumables, wages and salaries, rent and leases, amortisation, depreciation and impairment losses, subcontractor expenses, expenses for design and submission of tender as well as provision for bad debts in respect of work in progress and warranty obligations for finished contracts.

Administrative expenses and selling costs
Administrative expenses and selling costs comprise expenses for management and administration, including expenses for administrative staff, management, office supplies, insurance, sales and marketing as well as depreciation.

Other operating income and expenses
Other operating income and expenses comprise accounting items of a secondary nature in relation to the activities of the company.

Profit/loss on investments in associates
The share of profit/loss after tax in associates is recognised in the consolidated income statement after adjustment for unrealised intercompany gains/losses and less any impairment of goodwill.

Net financials
Financial income and expenses comprise interest, capital gains and losses on securities as well as balances and transactions in foreign currencies, amortisation of financial assets and liabilities as well as extra payments and repayment under the on-account taxation scheme etc. Moreover, realised and unrealised gains and losses concerning derivative financial instruments that cannot be classified as hedging agreements are included.

Tax on profit/loss for the year
Tax for the year which consists of current tax for the year and changes in deferred tax is recognised in profit for the year, other comprehensive income or directly in equity.

Changes in deferred tax as a consequence of changed tax rates are recognised in the income statement.

BALANCE SHEET

Intangible assets
Goodwill is initially recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses.

Note

1 **Accounting policies (continued)**

The carrying amount of goodwill is allocated to the cash generating units of the Group on the date of acquisition.

Patents and other intangible assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over the period of the agreement or the useful life, if this is shorter, at present corresponding to 2-7 years. The basis of amortisation is reduced by impairment losses, if any.

Property, plant and equipment
Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and subsuppliers as well as borrowing costs from specific and general borrowing related to the construction of that asset.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, which are:

Production buildings	20 years
Administration buildings	50 years
Plant and machinery	8-10 years
Other fixtures and fittings, tools and equipment	5-10 years

Land is not depreciated.

The basis of depreciation is determined in consideration of the residual value of the asset less any impairment losses. The residual value is determined at the time of acquisition and is reassessed on an annual basis.

Property, plant and equipment are recorded at the lower of recoverable amount and carrying amount.

Gains and losses on the sale of property, plant and equipment are recognised in the income statement under production costs or administrative expenses or other operating income/expenses and are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of the sale.

Investments in associates
Investments in associates are measured under the equity method.

In the balance sheet, the investments are measured at the proportionate share of the net asset value of the associates with deduction or addition of unrealised intercompany gains and losses, and with addition of the carrying amount of goodwill. Associates with negative net asset values are measured at DKK 0. Any legal or constructive obligation of the Group to cover the negative balance of the associate is recognised in liabilities.

Any receivables from associates are written down to the extent these are considered irrecoverable.

Impairment of non-current assets
The carrying amount of intangible assets, property, plant and equipment as well as other non-current assets are assessed at least once a year in order to determine whether there is any indication of impairment. If so, the recoverable amount of the asset is assessed. The recoverable amount of goodwill and intangible assets with indefinite useful lives is, however, always assessed on an annual basis.

If the asset does not generate cash flows independently, the recoverable amount of the smallest cash-generating unit of which the asset is part is determined.

The recoverable amount is the higher of the selling price of an asset less the expected costs of disposal or value in use, which is the discounted value of expected future cash flows from the asset.

Impairment losses are recognised in the income statement when the carrying amount of an asset exceeds the recoverable amount of the asset.

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment losses are reversed only to the extent that the new carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Receivables from associates
Receivables under non-current assets held to maturity are measured at amortised cost less impairment losses.

ACCOUNTING POLICIES

GROUP

Note

1 **Accounting policies (continued)**

Inventories
Inventories are measured at the lower of cost under the FIFO method or net realisable value for the individual item groups.

The cost of raw materials, consumables and goods for resale comprise the invoiced price with addition of direct costs incurred in connection with the acquisition.

The cost of finished goods comprises the cost of materials and direct labour with addition of indirect production costs. Financing expenses in the construction period are not recognised.

Receivables
Receivables are measured at amortised cost less provisions for bad and doubtful debts.

Work in progress
Contract work in progress is measured at the selling price of the work performed less invoicing on account and write-downs to meet expected losses.

The selling price is based on the stage of completion at the balance sheet date and the total expected income on the individual work in progress. The stage of completion is determined on the basis of an assessment of the work completed usually calculated as the relationship between costs incurred and the total expected costs on the individual work in progress.

When it is probable that total expenses exceed total income from work in progress, provision is made to meet the total expected loss on the contract. When the selling price cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Construction contracts on which the selling price of the work performed exceeds invoicing on account and expected losses are recognised in receivables. Construction contracts on which invoicing on account and expected losses exceed the selling price are recognised in liabilities. Prepayments from customers are recognised in liabilities.

Costs in connection with sales and tender work for obtaining contracts are charged to the income statement in the financial year in which these are incurred. Specific costs directly related to a contract are transferred to the construction contract when these are identifiable and can be measured reliably – and when it is probable that the construction contract will be entered into at the time of incurrence of the costs.

Prepayments
Prepayments recognised as current assets comprise expenses prepaid concerning subsequent financial years.

Equity

Proposed dividend
Dividend is recognised in liabilities at the time of adoption at the Annual General Meeting. Proposed dividend paid for the financial year is disclosed as a separate equity item.

Treasury shares
Purchase and sales sums as well as dividend relating to treasury shares are recognised in equity.

Translation reserve
The translation reserve in the consolidated financial statements comprises exchange adjustments arising on the translation of financial statements of foreign entities from their functional currencies into the Group's reporting currency (Danish Kroner).

Upon full or part realisation of the net investment, exchange adjustments are recognised in the income statement.

Reserve for hedging transactions
The reserve for hedging transactions contains the accumulated net change in the fair value of hedging transactions that meets the criteria for hedging of future payment flows and where the hedged transaction has not yet been realised.

Provisions
Provisions are recognised when the Group has a legal obligation or constructive obligation as a result of events occurred in the financial year or in previous years when it is probable that the settlement of the obligation will result in consumption of financial resources and when the obligation can be calculated reliably.

Note

1 **Accounting policies (continued)**

On measurement of provisions, the expenses required for settling the obligation are discounted if this has a material effect on the measurement of the obligation.

Warranty provisions are recognised as the contracts are completed and are measured based on experience.

Corporation tax and deferred tax
Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items – apart from business acquisitions – where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective when the deferred tax is expected to crystallise as current tax under the legislation at the balance sheet date. Where the tax base can be determined according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the obligation, respectively.

Provision is made for deferred tax to cover the retaxation of tax losses in foreign companies that are estimated to materialise.

Deferred tax assets, including the tax base of tax-loss carryforwards, are recognised in other non-current assets at the value at which the asset is expected to be realised, either by elimination of tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and tax liabilities are presented offset within the same legal entity.

Financial liabilities
Mortgage debt and payables to credit institutions are recognised at the time of the raising of the loan at the proceeds received less transaction expenses paid. In subsequent periods, financial obligations are measured at amortised cost, corresponding to the capitalised value when using the effective interest rate, so that the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities comprising debt to suppliers, group enterprises and associates as well as state grants and other debt are measured at amortised cost.

Deferred income
Deferred income recognised in liabilities, comprise payments received concerning income in subsequent financial years.

CASH FLOW STATEMENT
The cash flow statement of the Group is prepared according to the indirect method based on the profit/loss before interest for the year.

The cash flow statement shows the cash flows for the year broken down by operating, investing and financing activities and how these cash flows have affected the cash and cash equivalents of the Group.

Cash flows from operating activities
Cash flows from operating activities are calculated as the profit/loss for the year before tax adjusted for non-cash operating items, changes in working capital, payments concerning financial income and expenses and corporation tax.

Cash flows from investing activities
Cash flows from investing activities comprise purchase and sale of enterprises, purchase and sale of intangible assets, property, plant and equipment and other non-current assets, dividend paid from associates as well as purchase and sale of securities that are not recognised as cash and cash equivalents. Cost is measured including acquisition costs and selling prices less trade charges. Cash flows concerning acquired enterprises are recognised from the date of acquisition, and cash flows concerning sold enterprises are recognised until the time of sale.

Cash flows from financing activities
Cash flows from financing activities comprise changes to the amount or composition of the Group's share capital, related expenses, raising of loans and repayment of interest-bearing debt as well as distribution of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash less debt to credit institutions and with the addition of securities with a time to maturity less than three months at the time of acquisition, which can readily be converted into cash and cash equivalents and which only carry an insignificant risk of changes in value.

ACCOUNTING POLICIES

Note

1 **Accounting policies (continued)**

FINANCIAL RATIOS
Earnings per share and diluted earnings per share are calculated in accordance with IAS 33.

Other financial ratios have been prepared as stated below.

Definition of financial ratios

Gross margin ratio	=	Gross profit / Revenue
Profit margin (EBIT margin)	=	Operating profit / Revenue
Net profit ratio (pre-tax margin)	=	Profit before tax / Revenue
Invested capital (IC)	=	Total equity, minority interests and net interest-bearing debt less investments in associates
Return on invested capital (ROIC)	=	Operating profit / Average invested capital
Return on invested capital after tax	=	Operating profit after tax / Average invested capital
Return on equity (ROE)	=	Profit for the year exclusive of minority shareholders / Average equity exclusive of minority interests
Equity interest	=	Equity, at year-end / Total liabilities and equity, at year-end
Earnings per share (EPS)	=	Profit for the year exclusive of minority shareholders / Average number of shares in circulation
Share price/equity value	=	Share price, at year-end / Equity value, at year-end

Note

2 **Accounting estimates and assessments**

Estimation uncertainty
Determining the carrying amount of some assets and liabilities requires estimates concerning future events. The estimates made are based on assumptions which Management assesses to be reliable but which by their very nature are associated with uncertainty and unpredictability as unexpected events or circumstances may arise which may change the basis of the assumptions made.

Aarsleff is subject to risks and uncertainties which may lead to actual results differing from these estimates. Specific risks for the Aarsleff Group are discussed in the section Commercial Risk Assessment on page 22 of the Management's Review. The most significant accounting estimates in the annual report 2013/2014 are presented below:

Construction contracts
An essential prerequisite for using the percentage of completion method is that a reliable assessment of the revenue and expenses of the individual contracts can be made. However, expected revenue and expenses on a construction contract may change as the contract is performed, and uncertainties are resolved. Also, during the execution of the contract, revisions may occur, and the preconditions for the execution of the contract may turn out not to be fulfilled.

Aarsleff's internal business processes, management control and calculation tools together with the project management's knowledge and experience support the reliable measurement of work in progress in accordance with the percentage of completion method.

Impairment test
When testing for indicators of impairment of goodwill and other non-current assets, a number of assumptions are used in the calculations.

Estimates of future expected cash flows are based on budgets and business plans for the next three to five years and projections for subsequent years. Key parameters are revenue development, profit margin, future reinvestments and growth as well as the applied average cost of capital. The current economic situation increases the uncertainty about the assumptions made.

Impairment tests of goodwill are further described in note 13.

Deferred tax assets
Aarsleff recognises deferred tax assets, including the tax value of tax-loss carryforwards, if it is assessed that there is sufficient documentation that these tax assets can be utilised in the foreseeable future.

The assessment is based on budgets and business plans for the coming three years, including planned commercial initiatives which are made in due consideration of actually realised results.

Warranty commitments
The assessment of warranty commitments for completed contracts is based on historical experience with similar work. Aarsleff currently uses new methods and technologies for the execution of construction contracts. In such cases, the extent to which warranty commitments can be expected is specifically assessed.

Contingent liabilities and lawsuits
As part of the contracting business, Aarsleff may become a part in disputes and lawsuits. In such cases, the extent and the probability to which the cases will result in liabilities for Aarsleff are assessed. The assessments are based on available information and legal opinions from consultants. It can be difficult to estimate the final outcome which in the nature of things may deviate from Aarsleff's assessments.

Assessments as part of the applied accounting policies
In applying the Group's accounting policies, assessments as well as accounting estimates are made, which may have a material impact on the amounts recognised in the annual report. This applies to leases and joint venture agreements.

Leases
Aarsleff has entered into a number of leases, primarily concerning motorised equipment. The treatment for accounting purposes is subject to the classification of the individual lease. The leases are made on the usual market terms and are classified as operating leases, among other things because the lease term is short compared to the useful life of the assets.

Joint ventures
Aarsleff has investments in a number of joint ventures, including consortia and working partnerships where the treatment for accounting purposes is subject to the classification of the individual joint venture. In the consolidated financial statements, all joint ventures are classified as jointly controlled operations.

ACCOUNTING POLICIES

GROUP

Note

3 **New accounting standards and interpretations**

In the annual report for 2013/2014, Per Aarsleff A/S has applied all new and amended standards and interpretations which have become effective and endorsed by the EU, as from the current financial period.

The standards and interpretations are as follows:

Amendment to IAS 19 "Employee benefits"
The amendment eliminates the corridor approach and requires calculation of finance costs on a net funding basis.

Amendment to IFRS 7 "Financial instruments: disclosures"
The amendment entails that the company must provide additional note disclosure concerning the right of offsetting the company's financial assets and liabilities.

IFRS 13 "Fair value measurement"
IFRS 13 determines a methodology for estimating the fair value. It replaces the existing guidance for estimating fair value stated in other standards, except IFRS 2 and IAS 17.

Annual improvements to existing standards 2011
The annual improvements to applicable standards entailed minor changes to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

The changes implied layout changes only.

The following standards and interpretations have been adopted by the IASB and endorsed by the EU; however, they have not yet become effective and have therefore not been implemented:

IFRS 10 "Consolidated Financial Statements"
IFRS 10 replaces the existing guidance in IAS 27 and SIC 12 in respect of whether a parent/subsidiary relationship exists. The control concept is adjusted, and the standard has comprehensive guidance in different situations. The standard is not expected to have any material effect on the annual report.

IFRS 11 "Joint Arrangements"
IFRS 11 replaces IAS 31 and SIC 13 and reduces the number of joint arrangements to two: Joint operations and joint ventures. A participant in a joint operation recognises the share of income and expenses, assets and obligations. A participant in a joint venture recognises the share of investment according to the equity method. It has not yet been assessed whether the standard will have any effect on future financial reporting.

IFRS 12 "Disclosure of interest in other entities"
IFRS 12 contains the disclosure requirements for companies holding investments in scope of IFRS 10, IFRS 11 or IAS 28. The implementation of the standard will imply new disclosures in the annual report.

IAS 27 "Consolidated and separate financial statements"
As a result of the issue of IFRS 10, IAS 27 will only contain guidance regarding preparation of separate financial statements. The amendment has no effect on the annual report, as Per Aarsleff A/S presents the annual report of the parent company according to the Danish Financial Statements Act.

IAS 32 "Offsetting financial instruments"
The amendment provides further guidance on when offsetting is permitted. The amendment does not involve actual changes to the right of offsetting, but provides guidance on the interpretation of the standard and is not expected to have any effect on the annual report.

IFRIC 21 "Levies"
The interpretation establishes guidance on when to recognise liabilities related to levies. The interpretation is not expected to have any effect on the annual report.

Note

3 **New accounting standards and interpretations (continued)**

Moreover, IASB has issued the following new standards and new interpretations which have not yet been endorsed by the EU:

IFRS 9 "Financial instruments, recognition and measurement"
IFRS 9 is a new comprehensive standard on recognition and measurement of financial instruments, replacing IAS 39. It provides guidance in respect of classification and measurement of financial instruments and hedge accounting. Finally, the standard introduces an expected loss model for impairment losses. The standard is not expected to have any material effect on the annual report.

IFRS 15 "Revenue for contracts with customers"
A new comprehensive standard on revenue recognition. The standard can potentially affect revenue recognition on a number of areas including timing of recognition of revenue and recognition of variable consideration. An assessment of whether the standard will be of importance to the future presentation of annual accounts is yet to be made.

Annual improvements 2010-2012, 2011-2013 and 2012-2014
Comprises minor amendments to IAS 1, IAS 19, IFRS 1, IFRS 2, IFRS 3, IFRS 5, IFRS 7, IFRS 8, IFRS 13, IAS 1, IAS 7, IAS 12, IAS 16, IAS 24, IAS 34, IAS 36 and IAS 40. The changes are not expected to have any material effect on the annual report.

NOTES

GROUP

Note mDKK

4 **Segment information**

	Construction		Pipe Technologies		Piling		Total	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Segment revenue	5,673	5,188	1,596	1,236	1,328	1,096	8,597	7,520
Internal revenue	-41	-110	-12	-17	-22	-17	-75	-144
Revenue	5,632	5,078	1,584	1,219	1,306	1,079	8,522	7,376
Of this figure, work performed abroad	865	1,053	1,182	796	803	628	2,850	2,477
Operating profit	243	101	37	51	71	61	351	213
Profit in associates	0	0	0	0	0	0	0	0
Profit before interest	243	101	37	51	71	61	351	213
Profit before interest, %	4,3	2,0	2,3	4,2	5,4	5,7	4,1	2,9
ROIC, %	26,9	13,8	5,9	9,7	10,9	8,8	16,1	11,0
ROIC after tax, %	20,8	10,5	4,6	7,4	8,4	6,7	12,4	8,4
Segment assets	2,422	2,063	929	1,015	1,279	1,087	4,630	4,165
Capital expenditure	143	131	55	59	58	51	256	241
Depreciation, amortisation and impairment losses	130	137	69	59	79	79	278	275
Investments in associates	0	0	15	17	0	0	15	17
Goodwill	83	83	57	57	7	7	147	147
Segment liabilities	1,340	964	252	274	604	414	2,196	1,652
Invested capital (IC)	897	915	605	649	646	650	2,148	2,214
Number of employees:								
Paid every two weeks	1,998	1,858	475	380	437	421	2,910	2,659
Engineers, technicians and administrative staff	950	792	368	304	304	264	1,622	1,360
Total	2,948	2,650	843	684	741	685	4,532	4,019

Revenue and profit before interest for reportable segments can be reconciled directly to the income statement of the Group.

Assets	Total	
	2013/2014	2012/2013
Segment assets for reportable segments	4,630	4,165
Corporation tax receivable	14	18
Deferred tax	4	2
Cash	323	352
Consolidated assets	4,971	4,537

Liabilities	Total	
	2013/2014	2012/2013
Segment liabilities for reportable segments	2,196	1,652
Mortgage debt	191	195
Credit institutions	304	664
Corporation tax payable	28	71
Deferred tax	300	230
Consolidated liabilities	3,019	2,812

Geographical information	Denmark		Abroad		Total	
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Revenue	5,672	4,899	2,850	2,477	8,522	7,376
Segment assets, non-current	1,249	1,204	484	533	1,733	1,737

Note	tDKK	2013/2014	2012/2013
5	**Revenue**		
	Sale of goods	196,387	133,014
	Income from construction contracts	8,325,976	7,242,874
	Total	**8,522,363**	**7,375,888**
6	**Depreciation, amortisation and impairment losses**		
	Depreciation, amortisation and impairment losses, intangible assets	8,177	15,487
	Depreciation, amortisation and impairment losses, property, plant and equipment	269,791	259,530
	Total	**277,968**	**275,017**
	Depreciation, amortisation and impairment losses are included in the income statement as follows:		
	Production costs	244,608	241,816
	Administrative expenses and selling costs	33,171	32,570
	Other operating income and expenses	189	631
	Total	**277,968**	**275,017**
7	**Staff costs**		
	Wages, salaries and remuneration	2,022,725	1,662,650
	Pensions	113,795	124,160
	Other costs, social security costs etc.	104,811	78,603
	Total	**2,241,331**	**1,865,413**
	Of this figure, consideration for:		
	Remuneration, Board of Directors	1,880	1,880
	Remuneration, Executive Management	8,006	7,469
	Total	**9,886**	**9,349**
	Average number of full-time employees	4,532	4,019

NOTES

GROUP

Note	tDKK	2013/2014	2012/2013
8	**Remuneration to auditors appointed by the Annual General Meeting**		
	PricewaterhouseCoopers	5,857	5,047
	Other auditors	1,131	2,308
	Total	**6,988**	**7,355**
	Remuneration to PricewaterhouseCoopers can be specified as follows:		
	Statutory audit	3,259	2,359
	Other assurance engagements	264	64
	Tax consultancy	1,519	1,197
	Other services	815	1,427
	Total	**5,857**	**5,047**
	Remuneration to other auditors can be specified as follows:		
	Statutory audit	458	1,368
	Other assurance engagements	150	0
	Tax consultancy	244	290
	Other services	279	650
	Total	**1,131**	**2,308**
9	**Other operating income and expenses**		
	Other operating income	686	1,085
	Other operating expenses	-1,132	-975
	Total	**-446**	**110**
10	**Financial income and expenses**		
	Exchange gains, net	0	1,754
	Interest relating to associates	286	0
	Other interest income	3,107	2,868
	Financial income	**3,393**	**4,622**
	Foreign exchange loss, net	2,579	0
	Value adjustment of option on acquisition of minority interest	4,469	984
	Borrowing costs recognised in the cost of assets	-599	-1,834
	Mortgage interest	6,584	5,721
	Interest concerning associates	0	641
	Other interest costs	11,633	15,641
	Financial expenses	**24,666**	**21,153**
	Net financials	**-21,273**	**-16,531**
	Of this figure, calculated according to the effective interest method	**-12,799**	**-8,296**

Borrowing costs are recognised in the cost of the assets entered with an effective interest rate of 3% (2012/2013: 3%), corresponding to the Group's average borrowing costs.

Note	tDKK	2013/2014	2012/2013
11	**Corporation tax**		
	Total tax for the year can be broken down as follows:		
	Tax on profit for the year	75,069	47,054
	Tax recognised in other total comprehensive income	1,840	1,042
	Total	**76,909**	**48,096**
	Tax on profit for the year can be broken down as follows:		
	Current tax	23,295	53,760
	Adjustment of deferred tax and deferred tax asset for the year	51,774	-6,706
	Total	**75,069**	**47,054**
	Tax on profit for the year can be broken down as follows:		
	24.5% tax calculated on profit before tax	80,771	49,241
	Tax effect of:		
	Income from abroad	1,215	9,611
	Deviation concerning associates	-117	-20
	Adjustment of tax relating to previous years	0	-64
	Effect of gradual reduction of Danish tax rate	-6,816	-10,522
	Other items	16	-1,192
	Total	**75,069**	**47,054**
	Deferred tax		
	Deferred tax at 1 October	228,937	212,715
	Effect of gradual reduction of Danish tax rate	-6,816	-10,522
	Transferred from current tax	22,735	6,820
	Additions from investments in subsidiaries	0	26,630
	Deferred tax for the year recognised in profit for the year	51,774	-6,706
	Deferred tax at 30 September	**296,630**	**228,937**
	Deferred tax is included as follows:		
	Deferred tax (assets)	-3,767	-1,460
	Deferred tax (liabilities)	300,397	230,397
	Total	**296,630**	**228,937**
	Deferred tax assets concern the tax base of tax losses allowed for carryforward which are expected to be utilised by setting off in future taxable income.		
	Deferred tax concerns:		
	Intangible assets	5,753	7,509
	Property, plant and equipment	58,125	44,555
	Work in progress	247,576	227,426
	Other current assets	7,921	1,877
	Provisions	-4,191	-3,113
	Other debt	-3,459	-4,983
	Tax losses allowed for carryforward	-15,095	-44,334
	Deferred tax at 30 September	**296,630**	**228,937**
	Deferred tax to be recovered within 12 months.	138,120	104,956

NOTES

GROUP

Note		2013/2014	2012/2013
12	**Earnings per share**		
	Profit for the year exclusive of minority shareholders (tDKK)	254,108	149,202
	Average number of shares (thousands)	2,265	2,265
	Average number of treasury shares (thousands)	227	227
	Average number of shares in circulation (thousands)	**2,038**	**2,038**
	Average number of diluted shares in circulation (thousands)	**2,038**	**2,038**
	Earnings per share of DKK 20 (current)	124.6	73.2
	Earnings per share of DKK 20 (diluted)	124.6	73.2

Note tDKK

13 **Intangible assets and property, plant and equipment**

	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 October 2013	189,482	82,569	752,562	2,190,270	192,656	28,806
Exhange rate adjustments	-510	-444	158	-3,017	-68	2
Additions during the year	0	2,175	10,976	183,494	27,690	77,337
Disposals during the year	0	-1,701	-508	-119,257	-30,534	-1,822
Transfers	0	0	4,343	63,595	9,404	-77,342
Cost at 30 September 2014	**188,972**	**82,599**	**767,531**	**2,315,085**	**199,148**	**26,981**
Depreciation, amortisation and impairment losses at 1 October 2013	42,133	58,789	201,472	1,284,634	128,700	
Exchange rate adjustments	-510	-297	1,860	-605	49	
Depreciation and amortisation for the year	0	8,177	23,647	219,603	26,541	
Assets sold during the year	0	-1,701	-419	-105,161	-25,300	
Depreciation, amortisation and impairment losses at 30 September 2014	**41,623**	**64,968**	**226,560**	**1,398,471**	**129,990**	
Carrying amount at 30 September 2014	**147,349**	**17,631**	**540,971**	**916,614**	**69,158**	**26,981**

	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 October 2012	114,413	53,492	668,368	2,061,632	181,305	23,233
Exchange rate adjustments	-224	-273	-4,733	-15,834	-873	-5
Additions during the year	75,290	29,396	40,504	189,110	51,290	132,004
Disposals during the year	0	-44	-1,647	-108,497	-40,412	-11,154
Transfers	3	-2	50,070	63,859	1,346	-115,272
Cost at 30 September 2013	**189,482**	**82,569**	**752,562**	**2,190,270**	**192,656**	**28,806**
Depreciation, amortisation and impairment losses at 1 October 2012	42,357	43,494	185,206	1,160,969	121,280	
Exchange rate adjustments	-224	-150	-1,794	-8,016	-565	
Depreciation and amortisation for the year	0	15,487	19,498	214,114	25,918	
Assets sold during the year	0	-42	-1,438	-82,433	-17,933	
Depreciation, amortisation and impairment losses at 30 September 2013	**42,133**	**58,789**	**201,472**	**1,284,634**	**128,700**	
Carrying amount at 30 September 2013	**147,349**	**23,780**	**551,090**	**905,636**	**63,956**	**28,806**

In 2013/2014 damages received concerning property, plant and equipment to the total amount of DKK 164,000 against DKK 150,000 in 2012/2013 have been recognised as income.

The Group has committed itself to investing in property, plant and equipment; cf. Contingent liabilities and other financial obligations in note 21.

NOTES

GROUP

Note tDKK

13 **Intangible assets and property, plant and equipment (continued)**

Goodwill
Goodwill is the only intangible asset with an indefinite useful life.

At 30 September 2014, an impairment test of goodwill has been performed. The impairment test was based on the business unit or the segment representing the base level of cash-generating units to which the goodwill on acquisition can be allocated with a fair degree of accuracy. For the acquired activities and companies not being established as independent units but integrated in existing units, it is not possible to perform impairment tests on these individual acquisitions. In the Group's internal reporting, the accounting value of goodwill in the individual cash-generating units has been allocated to the Group's business segments.

At the impairment test, the present value of the estimated cash flows from the cash-generating units is compared with the accounting values of the net assets. The estimated cash flows are based on budgets for the years 2014/2015-2018/2019 prepared and approved by Management in the respective cash-generating units. For financial years after the budget periods (terminal period), cash flows for the latest budget period have been applied, adjusted for expected growth rates. The tests are based on an expected increase in cash flows of 1.5% (2012/2013: 1.5%) and a discount rate in the range of 9.6-10.5% before tax (2012/2013: 9.7-10.0%).

The impairment tests have not given rise to impairment of goodwill at the recoverable amount.

Sensitivity tests have been performed to determine the lowest growth or the highest increase in the discount rate for each cash-generating unit without resulting in any indication of impairment. Probable changes in the underlying assumptions are not assessed to result in the accounting value of goodwill exceeding the recoverable amount.

The impairment tests included the cash-generating units Per Aarsleff A/S, Wicotec Kirkebjerg A/S, Centrum Pæle A/S, Østergaard A/S, Aarsleff Rail A/S, Aarsleff Rohrsanierung GmbH and VG Entreprenør A/S. Information on allocation of goodwill to segments can be found in note 4, Segment information.

14 **Investments in associates**

Highlights for significant associates

The Group has the following significant investments in associates in the Pipe Technologies segment:

	Revenue	Profit for the year	Assets	Liabilities
30 September 2014				
Pipe Technologies	0	469	16,420	4,278
30 September 2013				
Pipe Technologies	194,299	78	18,290	4,115

The stated figures have been calculated in proportion to ownership shares.

The most significant associates are PAA International Engineering Corp. (ownership interest 50%), Arpipe Holding A/S (ownership interest 40%) and Ukar-Pipe Holding A/S (ownership interest 50%). All companies are unlisted.

Note	tDKK	30/9 2014	30/9 2013
15	**Inventories**		
	Raw materials and consumables	127,068	150,596
	Finished goods	72,188	50,283
	Total	**199,256**	**200,879**
16	**Work in progress**		
	Selling price of construction contracts	9,682,333	8,189,466
	Invoicing on account	-9,656,933	-8,035,840
	Total	**25,400**	**153,626**
	The following is recognised:		
	Receivables	537,437	449,319
	Current liabilities	-512,037	-295,693
	Total	**25,400**	**153,626**
	Prepayments from customers concerning non-commenced contracts	2,394	7,266
	Retained payments	20,764	35,670
17	**Contracting debtors**		
	The fair value of receivables is considered to correspond to the carrying amount.		
	Write-down, contracting debtors at 1 October	52,095	25,064
	Additions during the year	5,868	31,061
	Disposals during the year:		
	- Used	-30,686	-2,514
	- Reversed	-82	-1,516
	Write-down, contracting debtors at 30 September	**27,195**	**52,095**
	Write-downs included in receivables which are recognised in the income statement	5,868	31,061

Write-down of other receivables has not been made.

Current follow-up is made on outstanding receivables. In case of uncertainty in respect of a customer's ability or will to pay a receivable, and when it is estimated that the receivable is subject to risk, write-down is made to hedge this risk. Individually depreciated contracting debtors and write-downs of these are recorded on separate accounts which are both included in the carrying amount of contracting debtors.

		30/9 2014	30/9 2013
	The balance of contracting debtors falls due as follows:		
	Balances not due	1,708,610	1,243,328
	Due balances:		
	Less than 30 days	152,859	209,319
	Between 30 and 90 days	50,802	163,020
	More than 90 days	135,518	86,099
	Total	**2,047,789**	**1,701,766**
	Receivables falling due more than one year after the balance sheet date	0	0

NOTES

GROUP

Note	tDKK

18 **Equity**

Share capital
The share capital consists of 135,000 A shares at a price of DKK 20 and 2,130,000 B shares at a price of DKK 20. The nominal value is tDKK 2,700 and tDKK 42,600, respectively. The share capital is unchanged compared to 2012/2013.

The A shares carry ten times the voting right of the B shares. The A shares are non-negotiable instruments.

See section on Information to shareholders.

	Number of shares		Nominal value (tDKK)		% of share capital	
Treasury shares (B shares)	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013
Holding at 1 October	226,500	226,500	4,530	4,530	10.00	10.00
Additions during the year	0	0	0	0	0.00	0.00
Disposals during the year	0	0	0	0	0.00	0.00
Holding at 30 September	**226,500**	**226,500**	**4,530**	**4,530**	**10.00**	**10.00**

The purchase of treasury shares has been made to increase the financial flexibility in connection with future acquisitions.

To carry a motion to amend the articles of association or to dissolve the company, shareholders representing at least two thirds of the votes cast and two thirds of the voting capital represented at the Annual General Meeting shall vote in favour of the resolution.

19 **Provisions**

	30/9 2014	30/9 2013
Provisions at 1 October	36,335	95,154
Completed contracts transferred from work in progress	3,399	3,179
Used during the year	-5,171	-66,228
Reversal of unused warranty commitments	-5,190	-9,677
Provisions for the year	34,387	13,907
Total at 30 September	**63,760**	**36,335**
The following is recognised:		
Non-current liabilities	52,910	15,961
Current liabilities	10,850	20,374
Total	**63,760**	**36,335**

Provisions as at 30 September 2014 comprise warranty obligations on completed contracts for which the warranty period runs for up to 5 years from the time of handing over. The provision has been made on the basis of historical warranty expenses and in consideration of known warranty obligations. The majority of the costs are expected to be incurred within a period of 3 years.

Note tDKK

20 **Credit, interest rate and currency risks and use of financial instruments**

Categories of financial instruments

The Group's categories of financial instruments:

	Carrying amount		Fair value [1]	
	30/9 2014	30/9 2013	30/9 2014	30/9 2013
Contracting debtors	2,047,789	1,701,766	2,047,789	1,701,766
Work in progress	537,437	449,319	537,437	449,319
Receivables from associates	8,030	12,479	8,030	12,479
Other receivables	90,572	46,285	90,572	46,285
Cash	322,903	352,039	322,903	352,039
Loan and receivables	**3,006,731**	**2,561,888**	**3,006,731**	**2,561,888**
Other debt (earn-out)	35,310	29,095	35,310	29,095
Financial liabilities measured at fair value through the income statement	**35,310**	**29,095**	**35,310**	**29,095**
Derivative financial instruments used for hedging of future cash flows	5,593	-1,919	5,593	-1,919
Financial liabilities used as hedging instruments	**5,593**	**-1,919**	**5,593**	**-1,919**
Mortgage debt	191,398	194,896	189,785	201,023
Credit institutions	303,968	663,754	303,968	663,754
Work in progress	512,037	295,693	512,037	295,693
Trade payables	1,077,048	828,957	1,077,048	828,957
Payables to associates	0	114	0	114
Financial liabilities measured at amortised cost	**2,084,451**	**1,983,414**	**2,082,838**	**1,989,541**

[1] **Fair value measurement**

The Group uses the fair value principle in connection with certain disclosure requirements and for recognition and measurement of financial instruments. The fair value is defined as the price received when selling an asset or the price paid when transferring a liability in an ordinary transaction between the market participants (exit price). Assets and liabilities which are measured at fair value or where the fair value is stated are categorised in accordance with the fair value hierarchy made up of three levels based on input for the valuation methods used for fair value measurement. To the extent possible, fair value measurement is based on market prices on active markets (level 1) or alternatively on prices derived from observable market information (level 2). To the extent that such observable information is not present or cannot be used without significant modifications, recognised valuation methods and fair estimates are used as the basis of the fair values (level 3).

Current loans and receivables as well as current financial obligations

The fair value of current loans and receivables as well as current financial obligations is not considered to differ significantly from the carrying amount.

Mortgage debt

The fair value of mortgage debt has been determined on the basis of the fair value of the underlying bonds. This is a fair value measurement in accordance with level 2 of the fair value hierarchy applied.

Derivative financial instruments

Forward exchange contracts are measured on the basis of externally calculated fair values based on generally accepted valuation methods. This is a fair value measurement in accordance with level 2 of the fair value hierarchy applied.

Contingent acquisition consideration

The fair value of the contingent consideration (earn-out) at the acquisition of Kirkebjerg A/S at 1 October 2012 has been estimated on the basis of the income approach. The estimate is based on weighted probabilities of the expected payments of the earn-out agreement, discounted with a discount rate of 6%. This is a fair value measurement in accordance with level 3 of the fair value hierarchy applied. The change in the fair value of the earn-out agreement has been recognised under financial expenses in the income statement at tDKK 6,215 (2012/13: tDKK 2,575).

NOTES

GROUP

Note tDKK

20 **Credit, interest rate and currency risks and use of financial instruments (continued)**

Liquidity risk
It is the policy of the Group to have a significant cash reserve. The Group's stable and good solvency entails high creditworthiness which is reflected in expedient credit facilities and loan commitments, both in the short and the long term.

For the majority of the Group's subsidiaries, a cash pool scheme has been set up.

The Group's liabilities fall due as follows:

30 September 2014	Carrying amount	Contractual cash flow [2]	Within 1 year	1-2 years	2-5 years	After 5 years
Non-derivative financial instruments:						
Mortgage debt	191,398	223,104	7,951	12,250	60,163	142,740
Credit institutions	303,968	303,968	293,798	1,628	1,508	7,034
Trade payables	1,077,048	1,077,048	1,077,048	0	0	0
Payables to associates	0	0	0	0	0	0
Other debt	35,310	35,310	0	0	0	35,310
Derivative financial instruments:						
Derivative financial instruments used for hedging of future cash flows	-5,593	-5,593	-5,423	-170	0	0
Total liabilities	**1,602,131**	**1,633,837**	**1,373,374**	**13,708**	**61,671**	**185,084**

30 September 2013	Carrying amount	Contractual cash flow [2]	Within 1 year	1-2 years	2-5 years	After 5 years
Non-derivative financial instruments:						
Mortgage debt	194,896	231,318	8,940	9,196	59,103	154,079
Credit institutions	663,754	664,743	648,268	3,754	1,839	10,882
Trade payables	828,957	828,957	828,957	0	0	0
Payables to associates	114	114	114	0	0	0
Other debt	29,095	36,732	0	0	0	36,732
Derivative financial instruments:						
Derivative financial instruments used for hedging of future cash flows	1,919	1,919	1,245	617	57	0
Total liabilities	**1,718,735**	**1,763,783**	**1,487,524**	**13,567**	**60,999**	**201,693**

[2] All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

The Group's cash outflow can be fully covered by the continuous operating profit and the possibility to make drawdowns on credit facilities and refinancing.

Note tDKK

20 **Credit, interest rate and currency risks and use of financial instruments (continued)**

Currency risks
Currency risks are managed centrally in the Aarsleff Group. It is Group policy to reduce its currency risks, as individual projects and markets are assessed with a view to hedging. Normally, currency overdraft facilities are established on the basis of a current calculation of the foreign exchange exposure of the most important currencies. Moreover, forward exchange contracts and options are used to secure future cash flows in the form of income from construction contracts.

Translation adjustment of investments in foreign subsidiaries and associates with a different functional currency than that of the parent company is recognised directly in equity. Related currency risks are not hedged.

Short and long-term outstanding amounts in Group enterprises are normally not currency hedged.

The Group's balances in foreign currency (excluding currencies in the Euro cooperation) and related hedging transactions are as follows:

				30/9 2014	**30/9 2013**
Currency	Financial assets	Financial liabilities	Hedged amount	Net position	Net position
SEK	317,037	-170,969	-44,564	101,504	-3,986
PLN	122,840	-80,509		42,331	11,570
GBP	108,907	-150,061		-41,154	-27,690
USD	57,625	-42,541	4,798	19,882	894
RUB	56,898	-34,747		22,151	23,376
LVL	53	-38		15	17,212
LTL	12,139	-1,708		10,431	12,282
NOK	35,725	-17,491	-4,846	13,388	10,495
Other	2,155	-1,818		337	7,007
	713,379	-499,882	-44,612	168,885	51,160
Payment/maturity profile can be specified as follows:					
Less than 1 year	713,379	-498,699	-44,612	170,068	53,349
1-5 years	0	-1,183	0	-1,183	-2,189
More than 5 years	0	0	0	0	0
	713,379	-499,882	-44,612	168,885	51,160

Note tDKK

20 **Credit, interest rate and currency risks and use of financial instruments (continued)**

An increase of 10% in the currencies specified below against Danish Kroner, would have the following isolated effects at 30 September (before tax):

	30/9 2014		30/9 2013	
Currency	Profit/loss	Equity	Profit/loss	Equity
SEK	594	10,150	-58	-399
PLN	-119	4,233	-313	1,157
GBP	572	-4,115	-360	-2,769
USD	1,182	1,988	-304	89
RUB	213	2,215	1,400	2,338
LVL	0	2	1,721	1,721
LTL	0	1,043	0	1,228
NOK	-847	1,339	-32	1,050
Other	0	34	0	1,750

The above analysis is based on the assumption that all other variables, interest rates in particular, remain constant. The expectations are based on the market data presently available.

A corresponding decline in the exchange rates for the above currencies would have the same but opposite effect for both equity and profit for the year. The differences between the 2013/2014 and 2012/2013 values are solely due to differences in the nominal amounts in the individual currencies.

Derivative financial instruments

The Group has established currency overdraft facilities and forward exchange contracts to hedge future cash flows on construction contracts in SEK, EUR, RUB and USD totalling tDKK 169,974 compared to tDKK 468,888 in 2012/2013. At the balance sheet date, these financial instruments have a positive fair value of tDKK 5,593 against a negative fair value of tDKK 1,919 at 30 September 2013 recognised in other comprehensive income. The hedged cash flows are expected to be realised within 15 months compared to 27 months in 2012/2013.

With a view to interest rate optimisation, the Group has used currency swaps in USD, EUR, NOK and SEK at a total amount of tDKK 326,000. The fair value of these is negative at tDKK 558, recognised in the income statement.

The gas oil swaps entered into in 2012/2013 as cash flow hedge for the purchase of diesel oil have expired, and the value is thus DKK 0 compared to tDKK 12,570 in 2012/2013. At the balance sheet date, these financial instruments have a negative fair value of DKK 0 against a negative fair value of tDKK 182 in 2012/2013.

As regards financial risks, refer to the section on Commerical risk assessment in Management's Review.

Capital management

The need to adjust the capital structure of the Group and the individual subsidiaries is assessed on an ongoing basis so that the capital situation complies with current rules and is adjusted to the business foundation and the level of activity.

The Group assesses the capital on the basis of the solvency ratio. The Group's target is a solvency ratio of 40-45%.

Note tDKK

20 **Credit, interest rate and currency risks and use of financial instruments (continued)**

Interest rate risk
The interest rate risk is mainly attributable to interest-bearing debt and cash holdings. In order to minimise both interest and risks, cash pool and interest netting agreements have been entered into with the Group's Danish bank in DKK, SEK, EUR, USD, RUB, PLN, NOK and GBP.

The Group's interest rate risk is related to the below items. The earliest date of maturity is stated:

		Effective interest rate		Carrying amount		Fair value	
	Fixed/ floating	30/9 2014 %	30/9 2013 %	30/9 2014 tDKK	30/9 2013 tDKK	30/9 2014 tDKK	30/9 2013 tDKK
Cash	Floating	0	0	322,903	352,039	322,903	352,039
Interest-bearing assets, total				**322,903**	**352,039**	**322,903**	**352,039**
Mortgage debt and credit institutions, non-current	Fixed	1-3	2-7	156,271	212,241	154,071	218,365
Mortgage debt and credit institutions, non-current	Floating	1-3		46,287	0	46,874	0
Credit institutions, current	Floating	1-10	1-8	292,808	646,409	292,808	646,409
Interest-bearing liabilities, total				**495,366**	**858,650**	**493,753**	**864,774**
Net interest-bearing debt				**172,463**	**506,611**		
The payment/maturity profile can be specified as follows:							
Less than 1 year				-15,125	314,988		
1-5 years				46,910	50,090		
More than 5 years				140,678	141,533		
				172,463	506,611		

An increase in the interest rate level of 1% compared to the interest rate level at the balance sheet date and the net interest-bearing debt of the balance sheet would, other things being equal, have had a positive effect on the profit/loss before tax and on equity of the Group of tDKK 162 (2012/2013: negative effect tDKK 2,944). A decrease in the interest rate level would have had a similar, negative effect on profit/loss and equity.

Credit risk
The Group is exposed to credit risks relating to receivables and deposits in banks. It is not assessed that there are any credit risks related to cash holdings, as the counterparty is banks with good credit rating. The maximum credit risk corresponds to the carrying amount.

A significant part of the Group's customers comprise public or semi-public clients, so the exposure to financial losses is minimal. The trade receivables of the Group from other customers is subject to the usual credit risk. Therefore, the customers are credit rated before work is commenced. To the extent this is considered expedient and possible, trade receivables are also hedged by bank and insurance guarantees and letters of credit.

The Group does not have any material risks regarding one customer or cooperative partner.

As was the case at 30 September 2013, the Group's write-downs at 30 September 2014 are related alone to financial assets classified as receivables, cf. note 17.

NOTES

GROUP

Note	tDKK	30/9 2014	30/9 2013
21	**Contingent liabilities and other financial obligations**		
	Operating leases		
	Future rent and lease payments under non-cancellable contracts (minimum lease payments):		
	Maturity within 1 year	75,920	102,098
	Maturity between 2 and 5 years	115,698	96,779
	Maturity over 5 years	384	409
	Total	**192,002**	**199,286**
	Expensed lease payments for the year	65,229	236,299
	Operating leasing commitments concern cars, technical plant and machinery as well as furniture and fittings. The term of the contracts in the Group is maximum 5 years at 30 September 2014.		
	Capital and purchase commitments		
	Investment in property, plant and equipment	14,456	3,415
	Contingent assets and liabilities		
	Guarantee for bank balances in joint ventures	0	0
	The Aarsleff Group is engaged in various litigation and arbitration proceedings which are not expected to influence future earnings of the Group negatively.		
	Security		
	The carrying amount of land and buildings that are pledged as security for mortgage debt to credit institutions amounts to	298,779	305,926
	The carrying amount of other property, plant and equipment that are pledged as security for mortgage debt to credit institutions amounts to	0	0
	As security for completion of contracts, the usual security in the form of bank guarantees and insurance bonds have been placed.	2,715,701	2,693,005
	Warranty obligations primarily concern completed contracts, which are executed against a warranty of normally up to five years. Obligations have been determined on the basis of historical warranty expenses.		
	The Group participates in joint ventures under a joint and several liability. At 30 September 2014, total payables amount to DKK 630 million against DKK 580 million at 30 September 2013 of which DKK 563 million and DKK 302 million, respectively, are recognised in the consolidated balance sheet. The company does not expect any losses in addition to those included in the consolidated financial statements.		

Note tDKK

22 **Related party transactions**

Group	Associates 2013/2014	Associates 2012/2013	Joint ventures 2013/2014	Joint ventures 2012/2013	Management [1] 2013/2014	Management [1] 2012/2013
Income [2]	5,359	13,641	780,833	394,755	730	40
Expenses [2]	-1,036	-470	-5,458	-35,394	-557	-810
Receivables [3]	8,030	12,479	545,172	394,371	582	0
Liabilities [3]	0	-13,242	-77,609	-116,963	-45	-46

[1] Includes members of the Board of Directors and Executive Management of the parent company. The amount concerns legal assistance fees for Kromann Reumert to which board member Carsten Fode is connected. Management remuneration appears from note 7.
[2] Includes purchase and sale of goods and services.
[3] Includes receivables and liabilities in connection with purchase and sale of goods and services.

The fund Per og Lise Aarsleffs Fond is considered to have control over the Group as a consequence of own shareholding and distribution of other shares. No transactions with the fund took place in 2013/2014 and 2012/2013.

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

No unusual agreements or other transactions have been concluded between the Group and related parties.

NOTES

GROUP

Note	tDKK	2013/2014	2012/2013
23	**Other adjustments – Cash flow statement**		
	Profit in associates	-469	-78
	Provisions	27,425	-60,399
	Profit from sale of non-current assets	-21,900	-12,618
	Total	**5,056**	**-73,095**
24	**Change in working capital – Cash flow statement**		
	Inventories	1,622	-1,566
	Work in progress, net	128,227	-158,992
	Receivables	-386,857	-107,105
	Trade payables, other debt etc.	302,118	-52,360
	Total	**45,110**	**-320,023**
25	**Liquidity**		
	Cash	322,903	352,039
	Bank overdraft	-292,808	-646,409
	Total	**30,095**	**-294,370**
	Cash is combined as follows:		
	Share of cash in joint ventures	284,022	186,550
	Other cash	38,881	165,489
	Total	**322,903**	**352,039**

Share of cash in joint ventures is exclusively available to the joint ventures.

Note

26 **Highlights for the Group, EUR**

tEUR	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Income statement					
Revenue	582,050	826,087	895,468	988,990	1,145,002
Of this figure, work performed abroad	199,897	375,347	375,424	332,080	382,972
Operating profit	8,346	18,318	24,365	28,613	47,088
Profit before interest	10,654	20,538	24,486	28,624	47,151
Net financials	-1,824	-2,615	-2,229	-2,217	-2,858
Profit before tax	8,830	17,923	22,257	26,407	44,293
Profit for the year	6,442	13,139	15,031	20,098	34,207
Balance sheet					
Non-current assets	188,212	213,384	217,219	233,139	233,386
Current assets	283,276	373,423	351,743	375,150	434,474
Total assets	471,488	586,808	568,962	608,289	667,860
Equity	187,555	197,784	213,768	231,205	262,298
Non-current liabilities	51,560	60,338	67,082	65,171	79,227
Current liabilities	232,374	328,685	288,112	311,912	326,335
Total equity and liabilities	471,488	586,808	568,962	608,289	667,860
Net interest-bearing debt	13,420	31,054	20,050	67,929	28,197
Invested capital (IC)	217,741	225,015	296,998	296,898	288,527
Cash flow statement					
Cash flows from operating activities	30,750	44,426	50,243	5,668	82,240
Cash flows from investing activities	-29,058	-57,624	-37,926	-49,638	-34,359
Of this figure, investment in property, plant and equipment, net	-33,872	-37,361	-38,999	-32,370	-34,438
Cash flows from financing activities	-7,094	3,556	-43	-3,263	-4,017
Change in liquidity for the year	-5,403	-9,641	12,273	-47,233	43,865
Financial ratios					
Gross margin ratio, %	12.2	10.0	10.3	10.8	12.1
Profit margin (EBIT margin), %	1.4	2.2	2.7	2.9	4.1
Net profit ratio (pre-tax margin), %	1.5	2.2	2.5	2.7	3.9
Return on invested capital (ROIC), %	4.5	8.9	11.0	11.0	16.1
Return on invested capital (ROIC) after tax, %	3.3	6.5	7.4	8.4	12.4
Return on equity (ROE), %	3.7	6.8	7.3	9.0	13.9
Equity interest, %	39.8	33.7	37.6	38.0	39.3
Earnings per share (EPS), EUR	3.30	6.45	7.38	9.81	16.75
Share price per share at 30 September, EUR	55.02	50.53	53.25	91.31	130.59
Price/equity value, EUR	0.60	0.52	0.51	0.81	1.01
Dividend per share, EUR	0.64	0.65	1.34	1.34	2.02
Number of employees	3,162	3,473	3,620	4,019	4,532
Applied translation rate	*7.4519*	*7.4417*	*7.4555*	*7.4580*	*7.4431*

COMPANIES IN THE AARSLEFF GROUP

COMPANY NAME	DOMICILE			OWNERSHIP INTEREST %
CONSTRUCTION				
Dan Jord A/S	Aarhus	Denmark	Contractor	100
Petri & Haugsted AS	Rødovre	Denmark	Contractor	100
Wicotec Kirkebjerg A/S	Taastrup	Denmark	Contractor	80
E. Klink A/S	Skovlunde	Denmark	Contractor	100
Danklima Entreprise A/S	Aarhus	Denmark	Contractor	100
PAA Project Finance A/S	Hvidovre	Denmark	Contractor	100
Aarsleff Rail A/S	Aarhus	Denmark	Contractor	100 **
Per Aarsleff GmbH	Hamburg	Germany	Contractor	100
Aarsleff Anläggning AB	Limhamn	Sweden	Contractor	100
Aarsleff Contractors AB	Limhamn	Sweden	Contractor	100
VG Entreprenør A/S	Lemvig	Denmark	Contractor	100
Lemvig Transport A/S	Lemvig	Denmark	Contractor	67
Østergaard A/S	Vejle	Denmark	Contractor	100
Per Aarsleff Grønland ApS	Nuuk	Greenland	Contractor	100
Per Aarsleff East Africa A/S	Aarhus	Denmark	Contractor	100
PIPE TECHNOLOGIES				
Danpipe A/S	Aarhus	Denmark	Contractor	100
Aarsleff Rörteknik AB	Stockholm	Sweden	Contractor	100
Aarsleff OY	Helsinki	Finland	Contractor	100
Per Aarsleff ZAO	St Petersburg	Russia	Contractor	100
Per Aarsleff Polska Sp. z o.o.	Warsaw	Poland	Contractor	100
UAB Aarsleff	Kaunas	Lithuania	Contractor	100
Aarsleff Rohrsanierung GmbH	Nuremberg	Germany	Contractor	100
Aarsleff AS	Oslo	Norway	Contractor	100
PAA International Engineering Corp.	Taichung	Taiwan	Contractor	50 *
Ukar-Pipe Holding A/S	Aarhus	Denmark	Holding company	50 *
Arpipe Holding A/S	Aarhus	Denmark	Holding company	40 *
PILING				
Centrum Pæle Holding A/S	Vejle	Denmark	Holding company	100
Centrum Pfähle GmbH	Hamburg	Germany	Contractor	100
Centrum Pæle A/S	Vejle	Denmark	Pile production	100
CP Test A/S	Vejle	Denmark	Vibration and noise measurements	100
Per Aarsleff (UK) Limited	Newark	United Kingdom	Contractor	100
Centrum Pile Limited	Newark	United Kingdom	Pile production	100
Aarsleff Sp. z o.o.	Warsaw	Poland	Contractor	100
KPB Kutno Sp. z o.o.	Kutno	Poland	Pile production	100
Metris Sp. z o.o. Instytut Badańńdla Budownictwa	Kutno	Poland	Contractor	100
Aarsleff Grundläggnings AB	Gunnilse	Sweden	Contractor	100
Centrum Påle AB	Älvängen	Sweden	Pile production	100
DORMANT COMPANIES				
Aarsleff S.r.l.	Milan	Italy	Contractor	100
Aarsleff, S.L.U.	Barcelona	Spain	Contractor	100

* Associate
** Owned by Per Aarsleff A/S (67%) and the 100% owned subsidiary Wicotec Kirkebjerg A/S (33%)

JOINT VENTURES	GROUP		PARENT COMPANY	
	OWNERSHIP INTEREST %	LEAD PARTNER	OWNERSHIP INTEREST %	LEAD PARTNER
Banekonsortiet Vedligehold I/S	100	Yes	57	Yes
BW Rock Group Swinoujsci – Spolka Cywilna	40	Yes	40	Yes
Fredericia St. Syd I/S	50	Yes		
Geo Aarsleff JV I/S	50		50	
JV Aarsleff-Streicher-Bunte I/S	30	Yes	30	Yes
JV Värtahamnen HB I/S	100	Yes	100	Yes
LNG – Breakwater, Civil Group JV – Spolka Cywilna	43		35	
Malmö Citytunnel Group HB	25		25	
NCC-Aarsleff Norvikudden (Stockholm)	50		50	
Nelis Infra-Aarsleff JV	50		50	
Pihl-Banekonsortiet I/S	50			
Pihl-Aarsleff Brokonsortie I/S	50		Yes	
Samsøkonsortiet Aarsleff-Kremmer JV I/S	50	Yes	50	Yes
Strukton Aarsleff Denmark I/S	50	Yes		
Strukton-Aarsleff JV I/S	50	Yes		
Østergaard-Aarsleff JV I/S	100	Yes	50	Yes
Aarsleff-BAM International Joint Venture V.O.F.	50		50	
Aarsleff Bane & Anlæg I/S	100	Yes	80	Yes
Aarsleff-Bejstrup I/S	75	Yes	75	Yes
Aarsleff Bilfinger Berger JV Dan-Tysk	50		50	
Aarsleff Bilfinger Berger JV EQ I/S	50	Yes	50	Yes
Aarsleff Bilfinger Berger JV I/S	50	Yes	50	Yes
Aarsleff Bilfinger Berger JV London Array	50	Yes	50	Yes
Aarsleff-Dan Jord JV I/S	100	Yes	60	Yes
Aarsleff-Interbeton J.V. I/S	50	Yes	50	Yes
Aarsleff-Kamco J.V. I/S	50	Yes	50	Yes
Aarsleff Langelinie JV I/S	100	Yes	95	Yes
Aarsleff-NCC Vejanlæg (Split Joint Venture)	54	Yes	54	Yes
Aarsleff Nørreport I/S	100	Yes	25	Yes
Aarsleff/Permagreen Konsortium I/S	73	Yes		
Aarsleff-Petri & Haugsted JV I/S	100	Yes	50	Yes
Aarsleff Rail Nørreport I/S	100	Yes	25	Yes
Aarsleff-Salcon J.V. I/S (Split Joint Venture)	60	Yes	60	Yes
Aarsleff-Seth J.V. I/S	50	Yes	50	Yes
Aarsleff-VG J.V. I/S	100	Yes	50	Yes
Aarsleff-Wicotec Kirkebjerg J.V. I/S	100	Yes	50	Yes

According to section 5 (1) of the Danish Financial Statements Act, partnerships in which Per Aarsleff A/S is lead partner have omitted to prepare financial statements, as these partnerships are included in the consolidated financial statements of Per Aarsleff A/S.

JOINT VENTURE PARTNERS

Ab Tallqvist Oy
Arkil A/S
Ballast Nedam Dredging
BAM International B.V.
Bejstrup Holding ApS
Bilfinger Berger AG
Boskalis International bv
Damacon A/S
Doraco Sp. z o.o.
Geo
Hochtief Construction AG
Interbeton bv
Kamco A/S
Kremmer Jensen ApS
Leonhard Weiss GmbH & Co. KG
NCC Construction Sverige AB
NCC Danmark A/S
Permagreen Grønland A/S
Salcon Engineering Berhad
Seth SA
Strukton Rail A/S

FOREIGN BRANCH OFFICES

Beirut, Lebanon
Colombo, Sri Lanka
Kaunas, Lithuania
Kiev, Ukraine
Nuuk, Greenland
Porto, Portugal
Riga, Latvia
Szczecin, Poland

FINANCIAL STATEMENTS OF THE PARENT COMPANY

		Page
	Table of contents	
	Accounting policies	81
	Income statement	83
	Balance sheet	84
	Statement of changes in equity	86
	Notes	
1	Net revenue	87
2	Staff costs	87
3	Fees to auditors appointed by the Annual General Meeting	87
4	Other operating income and expenses	88
5	Financial income and expenses	88
6	Corporation tax	88
7	Intangible assets and property, plant and equipment	89
8	Investments in subsidiaries and associates	90
9	Inventories	90
10	Equity	91
11	Other provisions	91
12	Time of maturity, short-term debt and long-term debt	91
13	Contingent liabilities and other financial obligations	92
14	Related party transactions	93
15	Currency and interest rate risks and the use of derivative financial instruments	93

Basis of accounting

The financial statements of the parent company Per Aarsleff A/S have been prepared in accordance with the provisions of the Danish Financial Statements Act (DK GAAP) applying to enterprises of reporting class D as well as the requirements laid down by NASDAQ OMX Copenhagen A/S in respect of the financial reporting of companies listed on the stock exchange.

For accounting policies refer to note 1 to the consolidated financial statements on page 50. The denomination of the items in the parent company's financial statements complies with the requirements of the DK GAAP but conforms to the content of the accounting policies according to IFRS. Refer to the section Terminology on the next page for a description of the main differences between DK GAAP and IFRS in the denomination of the items.

The accounting policies applied are unchanged from those applied in the previous year.

Supplementary accounting policies for the parent company

Intangible assets

At the initial recognition, goodwill is included at cost in the item Goodwill or in the item Investments in subsidiaries. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is amortised over the estimated useful life not exceeding 20 years.

Investments

Investments in subsidiaries and associates are recognised and measured under the equity method.

In the income statement, the proportionate share of the profit after tax for the year less goodwill amortisation is included in the items Share of profit in subsidiaries and Share of profit in associates.

The items Investment in subsidiaries and Investments in associates in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated under the accounting policies of the parent company with deduction or addition of unrealised intercompany profits or losses and with addition of any remaning value of goodwill.

Subsidiaries and associates with a negative net asset value are measured at DKK 0. Any legal or constructive obligation of the parent company to cover the negative balance of the company is recognised in provisions.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to Reserve under the equity method under equity. The reserve is reduced by means of distribution of dividends to the parent company and is adjusted with other changes in equity in subsidiaries and associates.

Joint ventures

The parent company participates in a number of joint ventures, including consortia and working partnerships, in which none of the participating parties have control.

Joint ventures that are subject to joint liability or proportionate liability are recognised as pro rata consolidation. Other joint ventures are recognised under the equity method.

Corporation tax

Per Aarsleff A/S is comprised by the Danish rules on compulsory joint taxation of the Danish companies of the Group. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statements and until the time when they are excluded from the consolidation.

Per Aarsleff A/S is the administrative company for the joint taxation and as a result, the company settles corporation tax obligations with the tax authorities.

The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with reimbursement of tax losses). The jointly taxed companies are included in a Danish tax prepayment scheme.

As the administrative company, Per Aarsleff A/S takes over the liability in respect of the corporation taxes of the subsidiaries towards the tax authorities, as the subsidiaries pay their joint taxation contribution.

Cash flow statement

No separate cash flow statement has been prepared for the parent company in accordance with the exemption clause of section 86(4) of the Danish Financial Statements Act.

Terminology

Net revenue (DK GAAP):
Revenue (IFRS)

Fixed assets (DK GAAP):
Non-current assets (IFRS)

Fixed asset investments (DK GAAP):
Other non-current assets (IFRS)

Current assets (DK GAAP):
Current assets (IFRS)

Provisions (DK GAAP):
Non-current and current liabilities (IFRS)

Long-term debt (DK GAAP):
Non-current liabilities (IFRS)

Short-term debt (DK GAAP):
Current liabilities (IFRS)

INCOME STATEMENT

1/10-30/9

PARENT COMPANY

Note	tDKK	2013/2014	2012/2013
1	**Net revenue**	**4,241,036**	**3,646,700**
2	Production costs	-3,803,640	-3,321,775
	Gross profit	**437,396**	**324,925**
2, 3	Administrative expenses and selling costs	-261,493	-228,950
4	Other operating income and expenses	150	96
	Operating profit	**176,053**	**96,071**
8	Share of profit in subsidiaries	105,171	73,010
8	Share of profit in associates	469	78
	Profit before interest	**281,693**	**169,159**
5	Financial income	1,442	2,142
5	Financial expenses	-7,742	-7,243
	Profit before tax	**275,393**	**164,058**
6	Tax on profit for the year	-34,559	-25,230
	Profit for the year	**240,834**	**138,828**
	Proposed distribution of profit		
	Reserve for net revaluation under the equity method	12,815	-39,946
	Transferred from the profit for the year	194,044	156,124
	Dividend to shareholders	33,975	22,650
	Total	**240,834**	**138,828**

BALANCE SHEET

ASSETS

PARENT COMPANY

Note	tDKK	30/9 2014	30/9 2013
	Patents and other intangible assets	493	0
7	**Intangible assets**	**493**	**0**
	Land and buildings	281,312	287,235
	Plant and machinery	408,569	387,203
	Other fixtures and fittings, tools and equipment	18,593	11,211
	Property, plant and equipment in progress	20,026	4,423
7	**Property, plant and equipment**	**728,500**	**690,072**
8	Investments in subsidiaries	1,060,213	1,061,154
8	Investments in associates	12,142	14,175
	Receivables from subsidiaries	2,329	2,425
	Fixed asset investments	**1,074,684**	**1,077,754**
	Total fixed assets	**1,803,677**	**1,767,826**
9	**Inventories**	**62,416**	**57,084**
	Contracting debtors	951,314	605,818
	Work in progress	226,274	170,028
	Receivables from subsidiaries	297,396	373,925
	Receivables from associates	8,030	12,479
	Other receivables	67,066	29,613
	Total receivables	**1,550,080**	**1,191,863**
	Cash	**271,291**	**252,113**
	Total current assets	**1,883,787**	**1,501,060**
	Total assets	**3,687,464**	**3,268,886**

BALANCE SHEET

EQUITY AND LIABILITIES

PARENT COMPANY

Note	tDKK	30/9 2014	30/9 2013
	Share capital	45,300	45,300
	Reserve for net revaluation under the equity method	272,283	259,468
	Retained earnings	1,534,607	1,340,608
	Proposed dividend	33,975	22,650
10	**Equity**	**1,886,165**	**1,668,026**
6	Deferred tax	159,143	101,407
11	Other provisions	54,791	28,808
	Total provisions	**213,934**	**130,215**
	Mortgage debt	133,115	135,031
	Total long-term debt	**133,115**	**135,031**
	Mortgage debt	1,886	1,834
	Credit institutions	180,371	506,834
	Work in progress	300,653	176,077
	Trade payables	577,702	353,649
	Payables to subsidiaries	175,174	97,248
	Payables to associates	0	0
	Corporation tax payable	13,463	52,428
	Other liabilities	205,001	147,544
	Total short-term debt	**1,454,250**	**1,335,614**
12	**Total debt**	**1,587,365**	**1,470,645**
	Total equity and liabilities	**3,687,464**	**3,268,886**

Notes without reference:

13 Contingent liabilities and other financial obligations

14 Related party transactions

15 Currency and interest rate risks and the use of derivative financial instruments

STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY

tDKK	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 October 2013	**45,300**	**259,468**	**1,340,608**	**22,650**	**1,668,026**
Changes in equity 2013/2014					
Exchange rate adjustments of foreign companies			-7,981		-7,981
Reversal of fair value adjustments of derivative financial instruments, transferred to the income statement (net financials)			1,243		1,243
Exhange rate adjustments of derivative financial instruments			6,268		6,268
Tax on derivative financial instruments			-1,840		-1,840
Net gain/loss recognised directly in equity	**0**	**0**	**-2,310**	**0**	**-2,310**
Dividend paid				-22,650	-22,650
Dividend, treasury shares			2,265		2,265
Profit for the year		12,815	194,044	33,975	240,834
Total changes in equity in 2013/2014	**0**	**12,815**	**193,999**	**11,325**	**218,139**
Equity at 30 September 2014	**45,300**	**272,283**	**1,534,607**	**33,975**	**1,886,165**

Note	tDKK	2013/2014	2012/2013
1	**Net revenue**		
	Income from construction contracts	4,241,036	3,646,700
	Total	**4,241,036**	**3,646,700**
	Business segments		
	Construction	2,908,486	2,496,576
	Piling	534,172	411,518
	Pipe Technologies	798,378	738,606
	Total	**4,241,036**	**3,646,700**
	Geographical allocation		
	Denmark	2,894,998	2,310,330
	Abroad	1,346,038	1,336,370
	Total	**4,241,036**	**3,646,700**
2	**Staff costs**		
	Wages, salaries and remuneration	898,215	716,331
	Pensions	44,223	35,267
	Other costs, social security costs etc.	21,588	19,113
	Total	**964,026**	**770,711**
	Of this figure, consideration for:		
	Remuneration, Board of Directors	1,880	1,880
	Remuneration, Executive Management	8,006	7,469
	Total	**9,886**	**9,349**
	Average number of full-time employees	1,696	1,430
3	**Fees to auditors appointed by the Annual General Meeting**		
	PricewaterhouseCoopers	2,324	2,318
	Other auditors	388	258
	Total	**2,712**	**2,576**
	Fees to PricewaterhouseCoopers can be specified as follows:		
	Statutory audit	757	744
	Other assurance engagements	63	29
	Tax assistance	1,067	548
	Other services	437	997
	Total	**2,324**	**2,318**
	Fees to other auditors can be specified as follows:		
	Tax assistance	227	228
	Other services	161	30
	Total	**388**	**258**

NOTES

PARENT COMPANY

Note	tDKK	2013/2014	2012/2013
4	**Other operating income and expenses**		
	Other operating income	540	992
	Other operating expenses	-390	-896
	Total	**150**	**96**
5	**Financial income and expenses**		
	Foreign exchange gain, net	0	1,326
	Other interest income	1,442	816
	Financial income	**1,442**	**2,142**
	Foreign exchange loss, net	2,024	0
	Mortgage interest	4,358	4,383
	Other interest costs	1,360	2,860
	Financial expenses	**7,742**	**7,243**
	Net financials	**-6,300**	**-5,101**
6	**Corporation tax**		
	Tax on profit for the year can be broken down as follows:		
	Current tax	92,295	53,950
	Effect of gradual reduction of Danish tax rate	-55,666	-18,198
	Merger adjustment	-2,070	0
	Effect of changed tax rate	0	-10,522
	Total	**34,559**	**25,230**
	Total tax for the year can be broken down as follows:		
	Tax on profit for the year	34,559	25,230
	Tax on changes in equity	1,840	1,042
	Total	**36,399**	**26,272**
	Deferred tax concerns:		
	Intangible assets	297	693
	Property, plant and equipment	23,069	20,608
	Work in progress	136,192	121,384
	Other current assets	3,443	1,597
	Other debt	-61	0
	Tax losses allowed for carryforward	-3,797	-42,875
	Deferred tax at 30 September	**159,143**	**101,407**

Note tDKK

7 **Intangible assets and property, plant and equipment**

	Goodwill	Patents and other intangible assets	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
Cost at 1 October 2013	7,754	3,281	390,403	1,033,151	61,760	4,423
Merger adjustments				9,762	1,708	
Additions during the year		623	1,527	93,002	5,046	64,633
Disposals during the year				-83,374	-13,289	-1,822
Transfers			4,343	33,461	9,404	-47,208
Cost at 30 September 2014	**7,754**	**3,904**	**396,273**	**1,086,002**	**64,629**	**20,026**
Depreciation, amortisation and impairment losses at 1 October 2013	7,754	3,281	103,168	645,948	50,549	
Merger adjustments				4,375	1,220	
Depreciation and amortisation during the year		130	11,793	99,305	7,400	
Assets sold during the year				-72,195	-13,133	
Depreciation, amortisation and impairment losses at 30 September 2014	**7,754**	**3,411**	**114,961**	**677,433**	**46,036**	
Carrying amount at 30 September 2014	**0**	**493**	**281,312**	**408,569**	**18,593**	**20,026**

NOTES

PARENT COMPANY

Note tDKK

8 **Investments in subsidiaries and associates**

	Investments in subsidiaries	Investments in associates
Cost at 1 October 2013	832,807	16,489
Merger adjustment	-6,986	
Additions during the year	500	
Cost at 30 September 2014	**826,321**	**16,489**
Value adjustment at 1 October 2013	228,347	-2,314
Merger adjustment	-16,727	
Transferred to write-down of other receivables	425	
Profit after tax	114,899	469
Amortisation of goodwill	-8,727	
Amortisation of other intangible assets	-1,001	
Received dividend	-75,119	-2,767
Exchange rate adjustments	-8,205	265
Value adjustment at 30 September 2014	**233,892**	**-4,347**
Carrying amount at 30 September 2014	**1,060,213**	**12,142**
Of this figure, goodwill amounts to	**68,011**	

As at 1 October 2013, Per Aarsleff A/S has merged with its 100% owned subsidiary Brødrene Hedegaard A/S. The merger is carried out according to the uniting-of-interests method.

The legal entities in the Aarsleff Group are listed on pages 78-79 of the consolidated financial statements.

		30/9 2014	30/9 2013
9	**Inventories**		
	Raw materials and consumables	62,416	57,084
	Total	**62,416**	**57,084**

Note	tDKK
10	**Equity**

Share capital

The composition of share capital and treasury shares is stated in note 18 to the consolidated financial statements.

11 **Other provisions**

	30/9 2014	30/9 2013
Other provisions at 1 October	28,808	88,901
Completed contracts transferred from work in progress	3,217	2,858
Used during the year	-3,541	-64,734
Reversal of unused warranty commitments	-4,465	-9,844
Provisions for the year	30,772	11,627
Other provisions at 30 September	**54,791**	**28,808**
Other provisions falling due for payment less than one year after the balance sheet date	6,851	15,147

Provisions at 30 September 2014 comprise warranty commitments on completed contracts for which the warranty period runs for up to 5 years from the date of handing over. The provisions have been stated on the basis of historical warranty expenses and in consideration of known warranty commitments. The majority of the expenses are expected to be incurred wihin 3 years.

12 **Time of maturity, short-term debt and long-term debt**

The parent company's short-term debt and long-term debt fall due as follows:

30 September 2014	Carrying amount	Within 1 year	1-5 years	After 5 years
Mortgage debt	135,001	1,886	33,838	99,277
Credit institutions	180,371	180,371		
Trade payables	577,702	577,702		
Payables to subsidiaries	175,174	175,174		
Total short-term debt and long-term debt	**1,068,248**	**935,133**	**33,838**	**99,277**

30 September 2013	Carrying amount	Within 1 year	1-5 years	After 5 years
Mortgage debt	136,865	1,834	25,548	109,483
Credit institutions	506,834	506,834		
Trade payables	353,649	353,649		
Payables to subsidiaries	97,248	97,248		
Total short-term debt and long-term debt	**1,094,596**	**959,565**	**25,548**	**109,483**

The parent company’s cash outflow can be fully covered by the continuous operating profit and the possibility to make drawdowns on credit facilities and refinancing.

NOTES

PARENT COMPANY

Note	tDKK	30/9 2014	30/9 2013
13	**Contingent liabilities and other financial obligations**		
	Operating leases		
	Future rent and lease payments under non-cancellable contracts (minimum lease payments):		
	Maturity within 1 year	19,237	69,091
	Maturity between 2 and 5 years	35,835	34,100
	Maturity over 5 years	0	0
	Total	**55,072**	**103,191**
	Expensed lease payments for the year	22,440	209,474
	Operating leasing commitments concern cars, technical plant and machinery as well as furniture and fittings. The term of the contracts in the parent company is maximum 5 years at 30 September 2014.		
	Capital and purchase commitments		
	Investment in property, plant and equipment	11,400	1,315
	Contingent assets and liabilities		
	Guarantees for liabilities of subsidiaries	67,584	135,458

Per Aarsleff A/S is engaged in various litigation and arbitration proceedings which are not expected to influence future earnings of the company negatively.

With a view to complying with the going concern concept, Per Aarsleff A/S has issued a limited letter of support in connection with the presentation of financial statements of the following subsidiaries:

- Per Aarsleff Polska Sp. z o.o.
- Aarsleff Sp. z o.o.
- Danpipe A/S
- Aarsleff Rail A/S
- Per Aarsleff (UK) Limited
- Aarsleff Grundläggnings AB

The Group's Danish companies are jointly and severally liable for tax of the Group's jointly taxed income etc. Through the Danish joint taxation, a subsidiary has used losses in foreign subsidiaries. The resulting retaxation liability has been provided for on the basis of a specific assessment, taking into consideration the relationship between using tax losses abroad and retaxation in Denmark.

	30/9 2014	30/9 2013
Security		
The carrying amount of land and buildings that are pledged as security for mortgage debt to credit institutions amounts to	182,353	185,589

Warranty obligations primarily concern completed contracts, which are executed against a warranty of normally up to five years. Obligations have been determined on the basis of historical warranty expenses.

Per Aarsleff A/S participates in joint ventures under a joint and several liability. At 30 September 2014, total payables amount to DKK 563 million against DKK 510 million at 30 September 2013 of which DKK 335 million and DKK 267 million, respectively, are recognised in the balance sheet. The company does not expect any losses in addition to those included in the financial statements.

Note tDKK

14 **Related party transactions**

For transactions with related parties refer to note 22 to the consolidated financial statements.

15 **Currency and interest rate risks and the use of derivative financial instruments**

For the use of derivative financial instruments as well as risks and capital management refer to note 20 to the consolidated financial statements.

ADDRESSES

Per Aarsleff A/S
Lokesvej 15
8230 Aabyhoej, Denmark
Tel. +45 8744 2222
Fax +45 8744 2249
info@aarsleff.com
www.aarsleff.com

Dan Jord A/S
Viengevej 8
8240 Risskov, Denmark
Tel. +45 8621 2655
Fax +45 8621 1728
danjord@danjord.dk
www.danjord.dk

Petri & Haugsted AS
Islevdalvej 181
2610 Rødovre, Denmark
Tel. +45 4488 7700
Fax +45 4488 7701
info@petri-haugsted.dk
www.petri-haugsted.dk

Wicotec Kirkebjerg A/S
Roskildevej 338
PO Box 10
2630 Taastrup, Denmark
Tel. +45 4422 0000
Fax +45 4332 4252
info@wk-as.dk
www.wk-as.dk

PAA Project Finance A/S
Industriholmen 2
2650 Hvidovre, Denmark
Tel. +45 3634 4550
Fax +45 3634 4559
kkc@aarsleff.com
www.paaprojectfinance.dk

Aarsleff Rail A/S
Lokesvej 15
8230 Aabyhoej, Denmark
Tel. +45 8734 3000
Fax +45 8626 1362
info@aarsleffrail.com
www.aarsleffrail.com

Østergaard A/S
Sverigesvej 4
7100 Vejle, Denmark
Tel. +45 7582 3455
Fax +45 7583 8114
mail@oestergaardas.dk
www.oestergaardas.dk

VG Entreprenør A/S
Rugmarken 8
7620 Lemvig, Denmark
Tel. +45 9664 0910
Fax +45 9664 1910
vg@vg-e.dk
www.vg-e.dk

Per Aarsleff Grønland ApS
Imaneq 18
PO Box 319
3900 Nuuk, Greenland
Tel. +45 8744 2222

Aarsleff Rohrsanierung GmbH
Sulzbacher Straße 47
90552 Röthenbach/Pegnitz, Germany
Tel. +49 911 95773 0
Fax +49 911 95773 33
info@aarsleff-gmbh.de
www.aarsleff-gmbh.de

Danpipe A/S
Birkemosevej 32
8361 Hasselager, Denmark
Tel. +45 3288 4600
info@danpipe.dk
www.danpipe.dk

Aarsleff Rörteknik AB
Box 7092
192 07 Sollentuna, Sweden
(Visiting address: Kung Hans Väg 8,
192 68 Sollentuna)
Tel. +46 8 594 764 00
Fax +46 8 594 764 01
info@aarsleff.se
www.aarsleffpipe.se

Aarsleff Oy
Alhonniituntie 6
01900 Nurmijärvi, Finland
Tel. +358 9 290 2280
aarsleff@aarsleff.fi
www.aarsleff.fi

Per Aarsleff ZAO
Shpalernaya str. 36
191123 St Petersburg, Russia
Tel. +7 812 329 57 91
Fax +7 812 329 57 74
office@aarsleff.ru
www.aarsleff.ru

Per Aarsleff Polska Sp. z o.o.
ul. Wiertnicza 131
02 952 Warsaw, Poland
Tel. +48 2265 16972
Fax +48 2265 16972
biuro@aarsleff.pl
www.aarsleff.pl

UAB Aarsleff
Raudondvario pl. 141
47192 Kaunas, Lithuania
Tel. +370 37 370717
Fax +370 37 370717
info@aarsleff.lt

Per Aarsleff A/S Latvijas filiale
Uriekstes str. 3, 2.
1005 Riga, Latvia
Tel. +371 67382 392
Fax +371 67382 229
aarsleff@aarsleff.lv

Aarsleff AS
Bregneveien 28
1664 Rolvsøy, Norway
Tel. +47 47 707 452
shh@aarsleff.com
www.aarsleffpipe.com

Centrum Pæle A/S
Grønlandsvej 96
7100 Vejle, Denmark
Tel. +45 7583 0111
Fax +45 7572 0546
info@centrumpaele.dk
www.centrumpaele.dk

Centrum Pfähle GmbH
Friedrich-Ebert-Damm 111
22047 Hamburg, Germany
Tel. +49 40 69672 0
Fax +49 40 69672 222
info@centrum.de
www.centrum.de

Per Aarsleff (UK) Limited
Hawton Lane, Balderton
Newark, Nottinghamshire
NG24 3BU, UK
Tel. +44 1636 611140
Fax +44 1636 611142
info@aarsleff.co.uk
www.aarsleff.co.uk

Aarsleff Sp. z o.o.
ul. Al. Wyścigowa 6
02 681 Warsaw, Poland
Tel. +48 2264 88835
Fax +48 2264 88836
aarsleff@aarsleff.com.pl
www.aarsleff.com.pl

Aarsleff Grundläggning AB
Äsperedsgatan 9
424 57 Gunnilse, Sweden
Tel. +46 31 330 32 30
Fax +46 31 330 32 39
grundlaggning@aarsleff.com
www.aarsleff.se

PHOTOGRAPHERS

CHILI FOTO & ARKIV

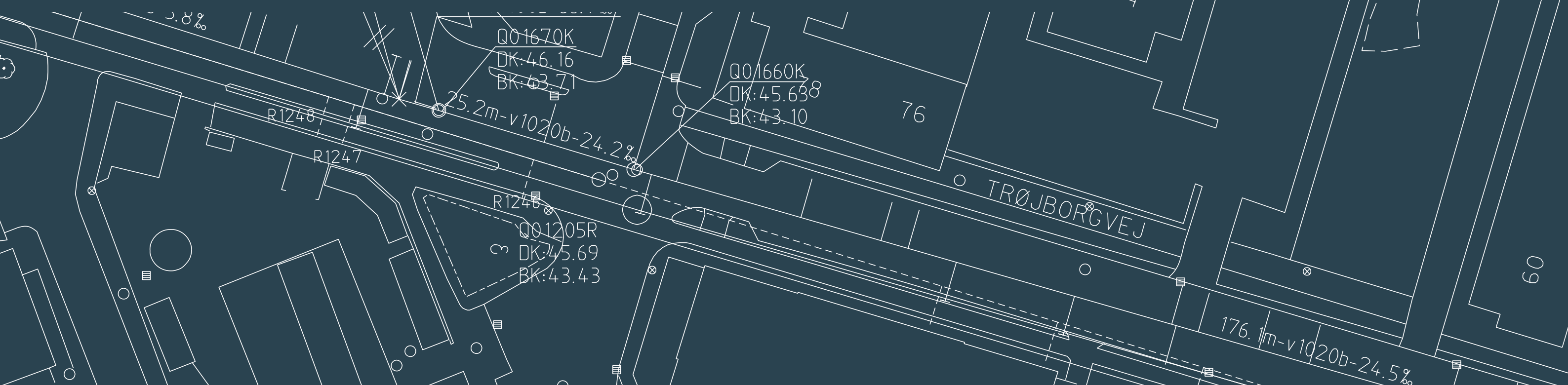
JAKOB MARK

JAKOB RICHTER

JAN KOFOD WINTHER

STIIG HOUGESEN, SH LUFTFOTO

PHOTOS TAKEN BY EMPLOYEES



Per Aarsleff A/S
Main office
Lokesvej 15
DK-8230 Aabyhoej
Denmark

Tel +45 8744 2222
Fax +45 8744 2249

CVR-no. 24 25 77 97

Copenhagen office
Industriholmen 2
DK-2650 Hvidovre
Denmark

Tel +45 3679 3333
Fax +45 3679 3300

info@aarsleff.com
www.aarsleff.com