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COWI

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COWI is a leading consulting group that creates value for customers, people and society through our unique 360° approach. Based on our world-class competencies within engineering, economics and environmental science, we tackle challenges from many vantage points to create coherent solutions for our customers – and thereby sustainable and coherent societies in the world.

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COVER PHOTO
COWI is an international specialist in light rail engineering and develops efficient and innovative solutions within light rail and infrastructure projects.

CONTENTS

COWI CONTINUES GROWTH AND STRENGTHENS THE BUSINESS IN 2012

COWI's business developed positively with continued growth and greater earnings in all key markets. At the same time, the effect of COWI's PowerHouse 2015 strategy is now reflected in higher productivity, increased order volumes and lower costs. The total financial results for the year are affected by provisions for a single major project which expired in 2012. COWI expects growth and greater earnings in 2013.

Global economic trends place great demands on the consulting companies of the future. The economic stagnation of recent years squeezes prices wherefore only large, efficient and highly specialised companies survive.

2012 was therefore an important year in terms of COWI's ambition to become a consultancy Powerhouse. Based on the PowerHouse 2015 strategy, COWI launched a number of targeted initiatives, which already improved our organisation in 2012, reduced our costs and strengthened our future position.

COWI optimised its organisation in 2012, so that work is increasingly carried out by those specialists who create the highest value for our customers, regardless of where they are in the world. At the same time, the company implemented a series of organisational changes in the business units as well as in business support, supporting the continued optimisation of the company's core processes.

Our competitive position was also strengthened as COWI increased employee competencies through a new Project Management Academy. In 2012, COWI continued its work to develop a global 'Financial Focus' mindset in the organisation, including the roll-out of a new global project, resource and financial management system which provides employees with the full overview of a given project.

Finally, COWI implemented a number of strategic investments in the business. With COWI's acquisition of Jenny Engineering Corporation in North America, we are increasing our focus on growth in the field of tunnels. And with the acquisition of Stormorken & Hamre AS and A-tek AS in Norway, COWI is consolidating its leading position in the construction, industry and energy sectors.

INCREASED TURNOVER AND PROGRESS IN OUR CORE MARKETS

The implementation of our strategy has already generated results. Despite difficult market conditions, we have achieved an increase in turnover and earnings in all COWI's regions and in our major business line, Bridge, Tunnel and Marine Structures.

The COWI Group raised its turnover to DKK 5,118 million in 2012, an increase of DKK 429 million or 9 per cent compared to 2011.

Financial results for the year were negatively affected by a one-off provision of DKK 238 million in connection with the vast expansion of the Muscat and Salalah International Airports in Oman. Despite of COWI completing the design phase and the majority of the supervision phase according to contractual agreements, we had a substantial outstanding balance when the contract expired on 31 December 2012. In 2013, COWI will take necessary steps to retrieve the amount due.

In 2012, COWI launched a range of measures in order to stabilise our business in the Middle East and Central and Eastern Europe. COWI therefore adapted to the size and risk profile of those markets during 2012. This called for considerable resources in 2012, but it is expected to ensure increased earnings and a higher operating margin in COWI CMC (China, Middle East, Central and Eastern Europe) in 2013.

Finally, COWI incurred costs for a ten-year old arbitration case in Denmark which was settled in 2012.

These provisions are the main reason for the decline in the total earnings (EBIT) of the COWI Group from DKK 77 million in 2011 to DKK -199 million in 2012.

CONTINUED GROWTH AND GREATER EARNINGS EXPECTED IN 2013

2012 was an important turning point for the COWI Group with increased earnings and turnover in the company's core markets. Irrespective of developments in the Middle East and in COWI CMC, we still expect to achieve the Group's financial targets by the end of the strategy period in 2015. COWI expects growth in turnover and a solid improvement of earnings in 2013.

COWI is well on its way to becoming a Powerhouse in the consultancy industry in 2015.

Lars-Peter Søbye, President, CEO

KEY FIGURES AND FINANCIAL RATIOS

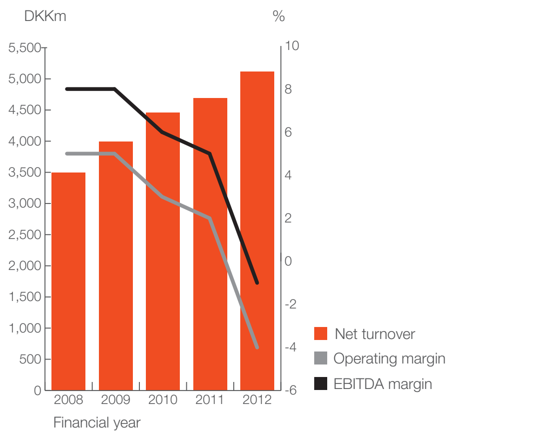
KEY FIGURES AND FINANCIAL RATIOS FOR THE COWI GROUP

	2008 DKKm	2009 DKKm	2010 DKKm	2011 DKKm	2012 DKKm	2012 EURm
KEY FIGURES						
DKK/EUR rate at 31 December 2012						746.04
NET TURNOVER	3,498	3,993	4,462	4,689	5,118	686
Operating profit/loss before amortisation, depreciation and impairment losses (EBITDA)	262	298	267	215	(58)	(8)
Operating profit/loss on ordinary activities	165	188	129	73	(199)	(27)
OPERATING PROFIT/LOSS (EBIT)	167	190	132	77	(199)	(27)
Net financials	9	25	6	(3)	(2)	0
PROFIT/LOSS BEFORE TAX FOR THE YEAR	176	215	138	74	(201)	(27)
Profit/loss for the year	128	154	78	34	(174)	(23)
COWI'S SHARE OF PROFIT/LOSS FOR THE YEAR	78	93	78	34	(174)	(23)
Goodwill	333	560	566	509	506	68
Other non-current assets	299	336	309	333	248	33
Current assets	1,813	1,955	2,066	2,187	2,246	301
TOTAL ASSETS	2,370	2,755	2,850	2,948	3,000	402
Share capital	207	207	268	276	281	38
EQUITY	459	563	875	892	750	101
Provisions	368	415	428	457	472	63
Long-term debt	29	62	189	191	188	25
Short-term debt	1,218	1,358	1,354	1,405	1,588	213
Cash flow from operating activities	150	333	(21)	297	110	15
Investment in property, plant and equipment, net	(40)	(44)	(35)	(54)	(34)	(5)
Other investments, net	(126)	(324)	(43)	(64)	(65)	(9)
Cash flow from investing activities, net	(165)	(368)	(78)	(118)	(99)	(13)
FREE CASH FLOW	(15)	(35)	(99)	178	11	1
Cash flow from financing activities	20	78	(11)	(44)	22	3
CASH FLOW FOR THE YEAR	5	44	(110)	134	33	4
FINANCIAL RATIOS						
EBITDA margin	8%	8%	6%	5%	(1%)	
Operating margin (EBIT margin)	5%	5%	3%	2%	(4%)	
Return on invested capital	30%	27%	14%	7%	(23%)	
Equity ratio	19%	20%	31%	30%	25%)	
Return on equity	18%	18%	11%	4%	(21%)	
Book value per share in DKK		272.6	327.1	327.8	274.5	
AVERAGE NUMBER OF EMPLOYEES	4,475	5,436	6,031	6,114	6,128	

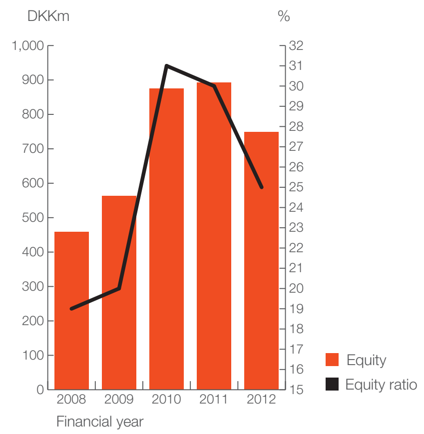
COWI Holding A/S was formed on 7 May 2010. The Group was formed by applying the uniting-of-interests method. Key figures and financial ratios have consequently been prepared on this basis.

Book value per share for 2009 has been calculated based on the company's formation on 7 May 2010.

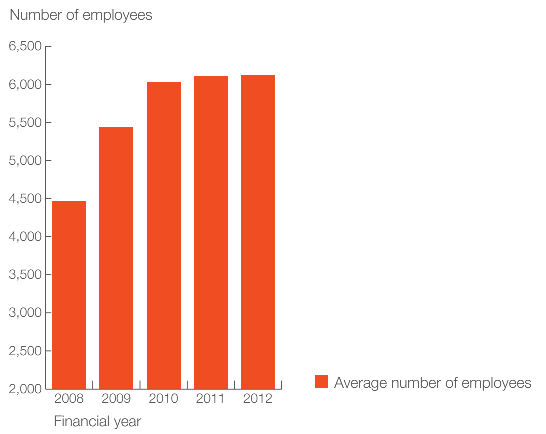
DEVELOPMENT IN NET TURNOVER, OPERATING MARGIN AND EBITDA MARGIN



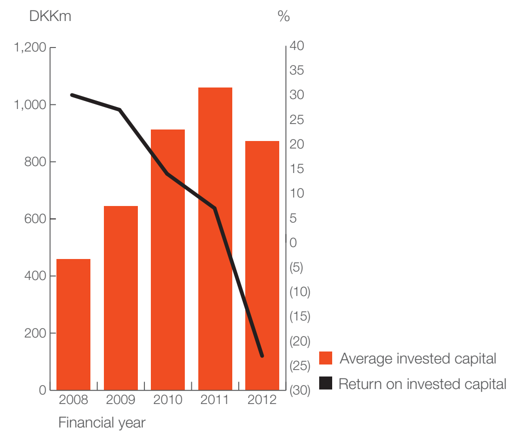
DEVELOPMENT IN EQUITY AND EQUITY RATIO



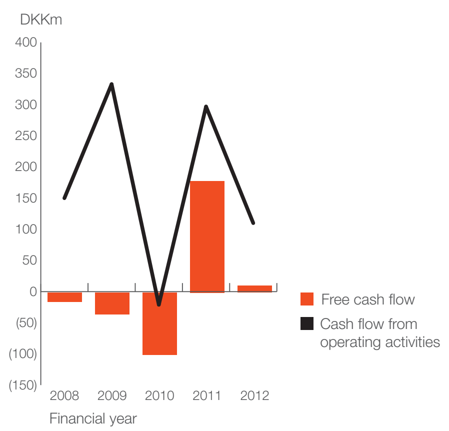
DEVELOPMENT IN AVERAGE NUMBER OF EMPLOYEES



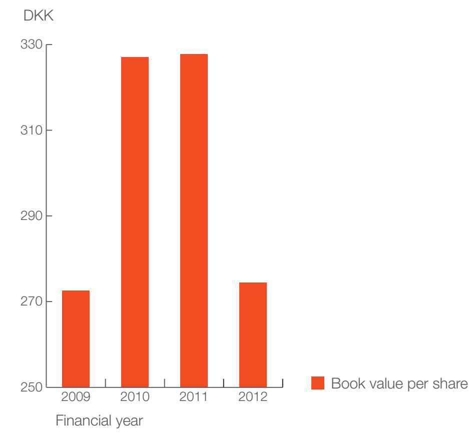
DEVELOPMENT IN AVERAGE INVESTED CAPITAL AND RETURN ON INVESTED CAPITAL



DEVELOPMENT IN CASH FLOW



DEVELOPMENT IN BOOK VALUE PER SHARE



WORLD-CLASS COMPETENCIES

We create value for our customers by applying our 360° approach to tackle their challenges from many vantage points. Thanks to our broad palette of world-class competencies, our global experience and our local presence, we are able to take on the biggest and most complex projects anywhere in the world.

COWI cannot create 360° solutions on its own, so we consider it highly important to close the circle in close cooperation with our customers.

OUR SERVICES

ECONOMICS, MANAGEMENT AND PLANNING
> Economic analyses and tools
> Financial analyses and law
> Evaluation and impact assessment
> Organisational development and social studies
> Communication
> Transport planning and modelling
> Public transport and ITS
> Spatial planning and urban development

WATER AND ENVIRONMENT
> Health, safety and environment
> Water supply and waste water
> Water and natural resources management
> Environmental impact assessment and monitoring
> Solid waste and recycling
> Contaminated sites
> Strategic environmental consultancy

GEOGRAPHICAL INFORMATION AND IT
> GIS and IT
> 3D visualisation and modelling
> Maps and geodata products
> Mapping and data capture
> Surveying
> Property rights and land administration

RAILWAYS, ROADS AND AIRPORTS
> Roads and highways
> Railways
> Light rails
> Metros
> Airports

BRIDGE, TUNNEL AND MARINE STRUCTURES
> Bridges
> Tunnels
> Structures for infrastructure
> Geotechnical engineering
> Marine structures, harbours and coasts
> Operation and maintenance
> Risk management and analysis
> Service life design

BUILDINGS
> Building design
> Sustainable and green buildings
> Fire engineering
> Hospitals and health care
> Project management consultancy
> High-rises
> Master planning and urban development
> Refurbishment and retrofit

INDUSTRY AND ENERGY
> Industry
> Energy
> Oil and gas

COWI'S GROUP STRATEGY 2015

COWI's business is based on our new group strategy, PowerHouse 2015, and its four strategic cornerstones. In 2012, COWI took significant steps to ensure that we succeed in winning the 'must-win battles' and achieve the economic growth targets of the strategy.

The globalised market of the future brings new demands on knowledge consultants like COWI. In the future, projects will grow in size and complexity, wherefore COWI must continue to have the necessary size, effectiveness and relevant world-class competencies to remain competitive. This is the basis of COWI's strategy, which is to turn the company into a consultancy 'Powerhouse' by the end of 2015.

The PowerHouse 2015 strategy consists of four strategic cornerstones and five 'must-win battles', which the company must win to achieve the financial targets. Since the launch of the strategy at the end of 2011, the PowerHouse 2015 strategy has been the foundation of all activities in the COWI Group.

THE FOUR CORNERSTONES OF THE STRATEGY

PowerHouse 2015 rests on four cornerstones aiming to drive COWI's future development. The four cornerstones are: Engage, Earn, Expand and Evolve.

Engage: It is a prerequisite for COWI's strategic framework that we engage with our customers and stakeholders and take an interest in development in societies in general. Consequently, we endeavour to establish long-term partnerships and to match our expectations with cooperating partners. This requires skillful project managers, thus in 2012, we launched a new Project Management Academy, where COWI's project managers are trained in, e.g., customer and stakeholder relations.

Earn: Our solutions shall ensure that both our customers and COWI develop a healthy and sustainable business. To enable us to use our competencies on several continents, we have introduced a new project, resource and financial management system that provides an overview of all employees and the value creation they can offer our customers. This corporate solution has been implemented in Denmark and Qatar and will be rolled out globally in the current strategy period, starting with Norway in 2013.

Expand: In the future, projects will become larger and more complex, so COWI needs to grow to remain an attractive partner. In the coming years, our aim is to achieve solid growth, especially in the Nordic region and North America. Therefore, we have strengthened our competencies, among other things through acquisitions in the Nordic region and North America. COWI also focuses on the BRIC countries where our main international business areas – primarily in the transport, infrastructure, water and energy sectors – are to be our growth drivers.

Evolve: We live in a constantly developing globalised world, so COWI must continue to develop its competencies to meet customer requirements. In 2012, COWI established a global and centralised organisation to strengthen knowledge sharing, business development and innovation within the company across COWI's regions and our major business line, markets and business units.

In 2012, COWI took significant steps to achieve the objectives of our group strategy and strengthened the foundation for future sustainable growth for both our customers and COWI.

360° APPROACH SOLVES THE CHALLENGES OF SOCIETY

The global population is growing and life expectancy is increasing, so to ensure sustainable utilisation of global resources – particularly water and energy – there is a growing need for coherent, long-term solutions. COWI's group strategy and its 360° approach are therefore based on our customers' needs and the complex reality that they are part of. When using COWI's broad palette of competencies to link our customers' requirements to the needs of the societies in which they act, we create sustainable growth.

COWI's ability to identify opportunities and contribute to creating the sustainable society of tomorrow is rooted in our wide range of competencies and innovation within engineering, economics and environmental science. We link disciplines and combine our customers' requirements with the world they operate in. Their success is our success. Together, we realise dreams and create coherent societies in the world.

OUR FOUR STRATEGIC CORNERSTONES
The four cornerstones are the foundation of COWI's new strategy. The cornerstones – Engage, Earn, Expand and Evolve – set the course and mindset for everything we do. Each cornerstone contains a set of actions that must be implemented by 2015.

360

POWERHOUSE

EVOLVE

Evolve through focused innovation on core projects and customers.

EXPAND

Expand from our strongholds to grow powerful and competitive.

ENGAGE

Engage with customers and colleagues to co-create mutual value.

EARN

Earn among the best to be able to expand and invest.

COWI'S FINANCIAL TARGETS

PowerHouse 2015 is a growth strategy that establishes the framework for future growth and earnings:

- An EBIT margin of 5-8 per cent
- Annual growth of 10-15 per cent in turnover
- An annual cash flow from operating activities of more than DKK 300 million
- ROIC of 20-40 per cent.

OUR FIVE 'MUST-WIN BATTLES'

COWI must win its 'must-win battles' by the end of 2015 for the strategy to become a success. And we are already well on our way.

Must-win battle	Initiatives in 2012
> FINANCIAL FOCUS IMPLEMENTATION Financial Focus project fully implemented across the COWI Group. Financial targets achieved at group level.	> Financial Focus and the related Cockpit system were implemented in Qatar and Denmark.
> PROJECT MANAGEMENT ACADEMY AND AUTHORIZATION SYSTEM Group-wide system for project manager education and internal certification aligned with career track and registered.	> COWI's Project Management Academy was launched in 2012.
> GROWTH IN NORWAY AND SWEDEN Double turnover through profitable growth.	> Acquisition of the companies A-tek AS and Stormorken & Hamre AS specialising in construction, industry and energy.
> GROWTH IN THE BRIC COUNTRIES AND NORTH AMERICA Turnover and EBIT targets reached for each country.	> Acquisition of North American tunnel specialist company Jenny Engineering Corporation. > New organisation under centralised management strengthens COWI in North America.
> DISTRIBUTED WORK PLATFORM At least 600 employees within engineering design addressing group business and Indian market 50/50.	> Start-up of business support centre in Lithuania with a staff of 15 and increased use of distributed work platform in India.

FINANCIAL RESULTS FOR THE YEAR

In 2012, the COWI Group achieved growth in all core markets and increased turnover by 9 per cent to DKK 5,118 million and own production by 8 per cent to DKK 4,193 million. Financial results for the year were negatively affected, however, by provisions for a single large project.

In 2012, the COWI Group achieved a turnover of DKK 5,118 million. This was an increase of DKK 429 million, or 9 per cent, compared to 2011. The Group's own production grew by DKK 300 million, an increase of 8 per cent. The growth was mainly organic.

The table below shows the development in own production in COWI's regions: Denmark, Norway, Sweden and in CMC (China, Middle East and Central and Eastern Europe) and in our major business line, Bridge, Tunnel and Marine Structures.

DEVELOPMENT IN OWN PRODUCTION FROM 2011 TO 2012 FOR COWI'S REGIONS, CMC AND THE MAJOR BUSINESS LINE

REGIONS, CMC AND MAJOR BUSINESS LINE:	2011 DKKm	2012 DKKm	Growth in per cent	Growth in DKKm
Denmark	1,627	1,687	4%	60
Norway	826	985	19%	159
Sweden	585	658	12%	73
COWI CMC	179	176	(2%)	(3)
Bridge, Tunnel and Marine Structures	676	730	8%	54
Other	0	(43)	-	(43)
Total	3,893	4,193	8%	300

The economic crisis continued to affect the demand for consultancy services in 2012. In spite of this, COWI increased its own production in all business units, however, with a small decline in CMC.

Denmark increased its own production by 4 per cent, driven by growth within infrastructure, industry and energy, water and environment and mapping. In 2011, growth was also 4 per cent in Denmark.

Norway continued the positive development of recent years with an increase in own production of 19 per cent, due in particular to a positive development in the hospital, transport and buildings sectors. In 2011, growth was 15 per cent.

Sweden also continued the positive development of the last few years with growth of 12 per cent in own production. Growth occurred mainly within the industry, buildings and infrastructure sectors. In 2011, growth was 23 per cent.

Bridge, Tunnel and Marine Structures experienced growth of 8 per cent, driven by increasing demand within all the business areas. In 2011, growth was 4 per cent.

CMC, which comprises COWI's companies in China, the Middle East and Central and Eastern Europe, underwent

Client consultancy for Cityringen in Copenhagen, Denmark.

extensive restructuring in 2012 and consequently experienced a small drop in own production of 2 per cent compared to the previous year.

POSITIVE DEVELOPMENT IN COWI'S CORE BUSINESS DESPITE CHALLENGING BUSINESS ENVIRONMENT

In 2012, the COWI Group's operating loss before amortisation, depreciation and impairment losses (EBITDA) amounted to DKK 58 million, compared to an operating profit of DKK 215 million in 2011.

COWI's operating loss (EBIT) was positively affected in 2012 by the increased earnings in COWI's core areas in Norway, Sweden and Denmark as well as in Bridge, Tunnel and Marine Structures. The positive development in the core business was the result of a focused effort to increase profitability throughout the Group.

EBIT was negatively affected by a single large provision of DKK 238 million in connection with the extensive expansion of the Muscat and Salalah International Airports in Oman, where COWI had a substantial outstanding balance at contract expiration on 31 December 2012.

COWI's EBIT in 2012 was also negatively affected by restructuring initiatives in a number of the Group's companies in the CMC business unit. The total loss in CMC was DKK 64 million, of which DKK 15 million are related to Lithuania, DKK 6 million to Turkey and DKK 35 million to Bahrain, where the economic crisis and the Arab Spring have changed business conditions to such an extent that COWI has reduced its activities to solely completing ongoing projects.

The Group's EBIT was also negatively affected by DKK 13 million for the settlement of a ten-year-old arbitration case in Denmark.

Finally, COWI's EBIT was negatively affected by costs of restructuring of the Group's business support functions and for the development, implementation and training in a new corporate solution and IT platform which integrates and optimises the Group's project, resource and financial management.

OPTIMISING THE COMPANY AND POSITIVE CASH FLOW

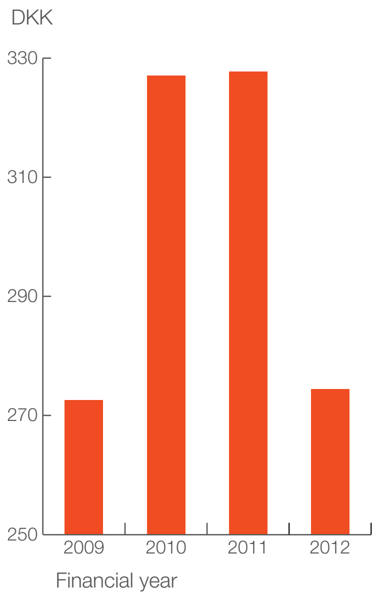
It is anticipated that these restructuring initiatives in the business and business support functions, together with the introduction of new IT and management systems, will significantly contribute to improving the Group's operations and earnings in 2013.

COWI's operating loss (EBIT) in 2012 thus totalled DKK 199 million, compared to an operating profit of DKK 77 million in 2011. EBIT for the Group's core business, i.e. excluding the provisions for Oman, the settlement of a ten-year-old arbitration case and the loss in CMC, amounted to DKK 117 million.

COWI succeeded in 2012 in generating a positive cash flow from operating activities of DKK 110 million, despite the outstanding balance in connection with the airport project in Oman.

At the end of 2012, COWI had 6,089 employees, compared to 6,166 at the end of 2011. The number of employees increased in Norway and Sweden and in our major business line, Bridge, Tunnel and Marine Structures.

Book value per share was DKK 274.5 at the end of 2012, compared to DKK 327.8 at the end of 2011. The chart below shows the development in book value per share. Book value was positively affected by foreign exchange effect and negatively affected by the financial results for the year.



The Board of Directors proposes that a dividend of 3.5 per cent of the share capital be distributed. For 2011, the dividend yield was also 3.5 per cent.

SIGNIFICANT ACHIEVEMENTS

In 2012, COWI rolled out its PowerHouse 2015 strategy and strengthened its competitiveness, organisation and position in the company's key markets. Despite a difficult market, COWI also invested in new competencies through systematic further training of employees, new systems and acquisition of companies in Norway and North America.

COWI's PowerHouse 2015 strategy is characterised by its sharper focus on customers and the development of a competitive high-performance organisation. In 2012, COWI took a host of important steps to fulfil the goals of the four strategic cornerstones and to win the company's five 'must-win battles'.

IMPROVED COMPETITIVENESS

The successful companies of the future must be large, financially strong and thereby capable of competing for the biggest projects all over the world. This puts demands on COWI's profitability.

Our ability to create value lies in efficient project management for the benefit of both our customers and COWI. In 2012, COWI therefore launched a global project, resource and financial management system, Cockpit. Cockpit provides project managers with immediate and full overview of their projects, wherever they are. Cockpit was rolled out in Denmark and Qatar in 2012 and will be rolled out in the rest of COWI's markets over the coming years, starting with Norway in 2013.

At the same time, COWI increased its competitiveness by strengthening employee competencies. In the spring of 2012, we launched our Project Management Academy, where almost 100 project managers have already received further training in efficient project, financial and risk management.

ACCESS TO THE MOST VALUE-CREATING SPECIALISTS

The Cockpit system provides an overview of all the specialists available in COWI's global organisation. This ensures that project managers are able to staff our projects with the employees who create the most value for our customers, wherever they might be in the world.

Not only does this type of distributed work ensure that we can offer our customers the best skills and competitive prices, it also prevents shortages of qualified manpower in important sectors such as infrastructure and transport in the Nordic region and North America. In 2012, COWI established a new business support centre in Lithuania, and the number of employees in Lithuania and India grew considerably.

INITIATIVES SUPPORT CONTINUED GROWTH

In 2012, COWI experienced growth in most business units. Moreover, a range of new strategic initiatives were introduced to ensure that our business and customer relations remain at a high level in the future.

COWI consolidated its leading position in a number of markets through strategic acquisitions of companies contributing new skills. In North America, COWI acquired Jenny Engineering Corporation, an internationally renowned company specialising in planning, design and construction management of tunnels and underground structures. The acquisition adds to COWI's already substantial expertise in the field of tunnels and bridges in North America. In 2012, COWI acquired the Norwegian companies of Stormorken & Hamre AS and A-tek AS, thereby consolidating our competencies and profile in the construction, industry and energy sectors in the Nordic region.

IMPORTANT NEW PROJECTS IN 2012

The many new projects won by COWI in 2012 show that international specialist knowledge in selected fields is the way to growth.

2012 was a busy year for COWI as one of the world's leading consultants in the field of bridges, tunnels and marine structures. For instance, COWI was awarded the role as consultant for the construction of the main spans of the Tappan Zee Bridges in New York, we won the design project for the new oil and gas terminal, tank installation and associated buildings and infrastructure in the port of Ain Sukhna in Egypt. Finally, work on the Izmit Bay Crossing, a large bridge to cross the Sea of Marmara at Izmit Bay in Turkey, also commenced.

In Denmark, we continued to expand our vast portfolio of infrastructure projects with the design of Odense light rail, the extension of Aarhus light rail and the new Cityringen metro line in Copenhagen. In the energy sector, work on Denmark's first second-generation straw-based bioethanol factory continued, and we won the project for an extension of the Danish natural gas grid in South Jutland. We are also going to build a new 40,000 m^2 life science and bioengineering institute at the Technical University of Denmark.

Main consultancy on Denmark's first second-generation straw-based bioethanol factory, Maabjerg Energy Concept, Holstebro, Denmark.

In Norway, COWI continues to develop new world-class hospitals and health-care facilities. In 2012, COWI entered into collaboration with the Norwegian Ministry of Health on the expansion and modernisation of the Norwegian Institute of Public Health. Furthermore, COWI won the largest individual consultancy project ever tendered by the Norwegian Public Roads Administration, the so-called “E16 project Nybakk-Slomarka” at Kongsvinger, where COWI is currently engaged in preliminary planning involving traffic planning analyses.

In Sweden, our energy competencies spearheaded growth in 2012. COWI Sweden won the extension of Malar Energi in Vasteras, which includes the construction of a large incineration plant. In addition, COWI Sweden won a major project for the Perstorp Group to design and build its new VALEROX facility. Finally, the extent of COWI Sweden’s work for Vattenfall increased further in 2012 with the project to renovate and upgrade the Ringhals nuclear power plant.

In Africa, we landed major property registration and mapping projects in Ghana, Lesotho and Namibia and, most recently, an extensive water supply and wastewater project in Benin.

Sustainability and COWI’s 360° approach to projects are important competitive parameters in the market.

In 2012, we won a project for the European Commission to assess all structural fund programmes from 2014 to 2020. The purpose of the project is to ensure sufficient incorporation of the EU climate objectives in EU member state projects.

In China, COWI is paving the way for sustainable urban development in special economic zones outside of the megacity of Nanjing, where we are developing energy and environmental plans and act as strategic consultants in connection with the industrial development of these high-profile areas.

EFFICIENT GLOBAL ORGANISATION AND SUPPORT

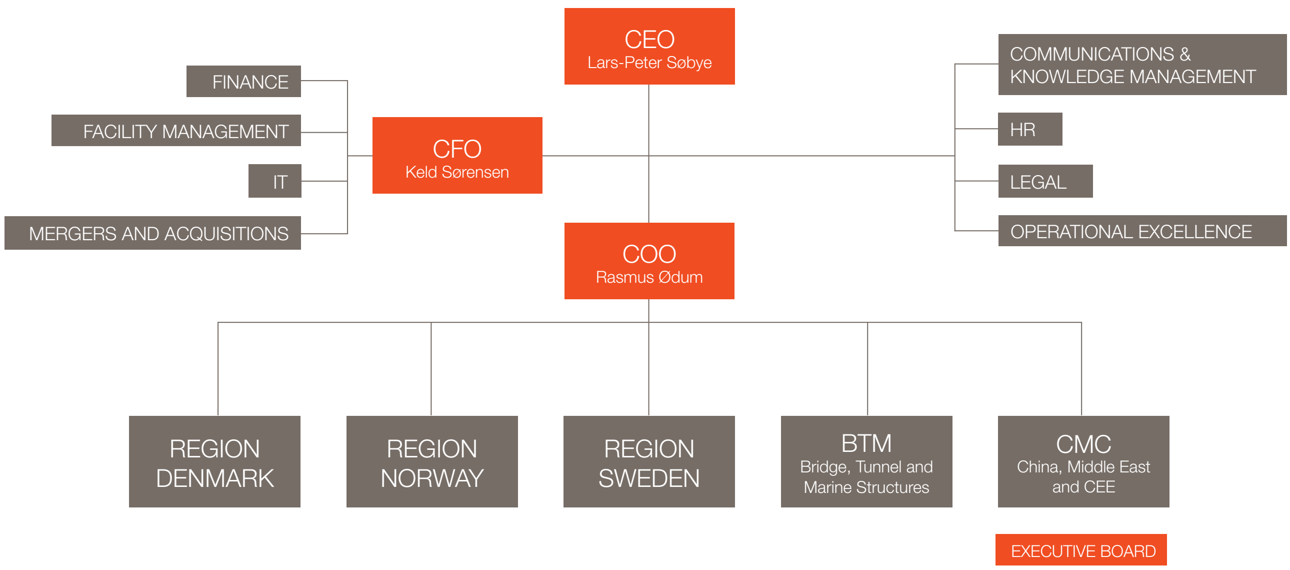
In 2012, we introduced a new shared, global organisational structure for the business units under one Chief Operating Officer in order for COWI to achieve further synergies, knowledge sharing and business development across COWI’s regions and sectors.

COWI’s major business line, Bridge, Tunnel and Marine Structures, combined its activities in North America under one management, which is a major step towards realising COWI’s strategic objective of increased growth in North America.

Furthermore, COWI organised all its business support functions in a new global organisation, which is going to carry on the efforts to centralise and standardise all internal processes in the coming years in order to reduce costs and ensure that all business units get the same efficient and value-creating service all over the world.

In 2012, the Executive Vice President of People Relations and Responsibility stepped down from the Executive Board, thus reducing the number of members to three.

COWI HOLDING A/S



COWI is one of the world's leading tunnel specialist with decades of experience from all over the world in underground structures.

Shared business systems, shared project management tools and shared business support will turn COWI into a high-performance organisation.

BREAKING THE DOWNWARD TREND IN THE MIDDLE EAST AND IN CENTRAL AND EASTERN EUROPE

Financial results for the year were negatively affected by a one-off provision of DKK 238 million in connection with the expansion of the Muscat and Salalah International Airports in Oman. Despite of COWI completing the design phase and the majority of the supervision phase according to contractual agreements, we had a substantial outstanding balance when the contract expired on 31 December 2012.

COWI worked on the vast airport project for seven years, but at the end of the contract period, we were unable to reach an agreement with the client on commercially acceptable conditions for an extension of the project. The final accounts will be prepared in March 2013.

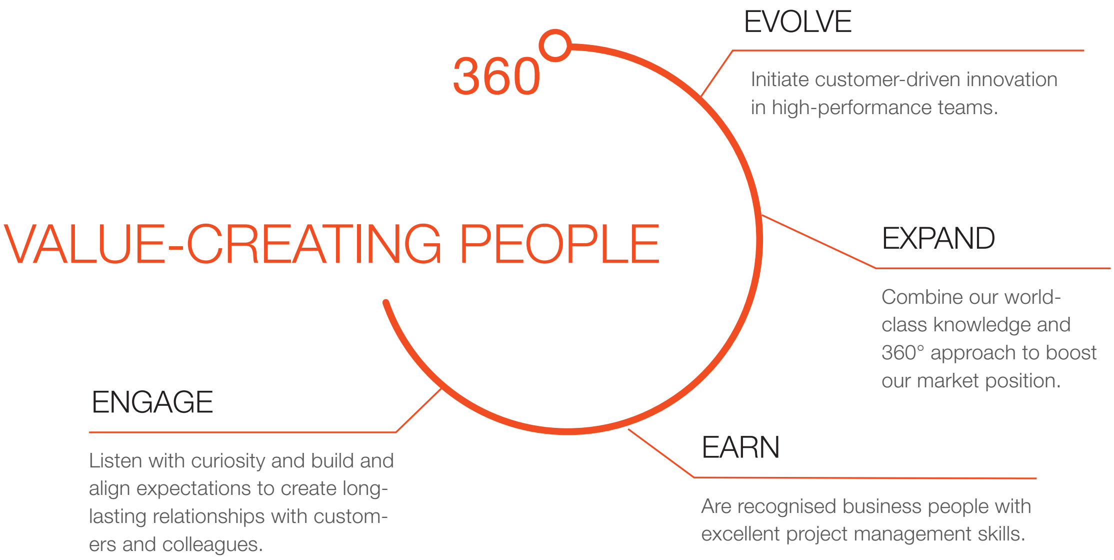
Consequently, COWI will take the necessary steps to ensure that the client fulfils his obligations, so we retrieve the outstanding balance.

In 2012, COWI also stabilised the companies in the few markets that have not experienced growth in recent years. This applies particularly to the Middle East and to Central and Eastern Europe, where the local economies in many countries are particularly affected by the global crisis. We therefore adapted our organisation to the size and risk profile of those markets in 2012. At the same time, we divested 52 per cent of the shares in COWI Hungary to the local management. This called for considerable resources in 2012, but it is expected to ensure increased earnings and a higher operating margin in our business units in 2013.

Finally, COWI incurred costs for a ten-year old arbitration case in Denmark which was settled in 2012.

PEOPLE

A new project management training programme prepares COWI's employees for even larger and more complex projects in the future. And a new global organisation with shared systems and processes gears COWI up for continued growth.



In 2012, COWI took significant steps to ensure that we continue to meet the high demands imposed on our staff and organisation by the globalisation of the consultancy market. While projects are getting larger and more complex, customers expect the right combination of local knowledge and world-class specialist competencies for their specific projects. At the same time, prices are falling in a global market under pressure, which means that we must have efficient internal processes capable of creating value if we are to remain competitive in the future.

PROJECTS ARE AT THE CORE OF COWI'S BUSINESS

With more than 6,000 employees and 15,000 projects in progress at the end of 2012, efficient project management is at the core of COWI's business model. Efficient project management ensures better solutions, satisfied customers and increased profitability for COWI.

COWI already implemented a separate career track for project managers in our career system in 2010. And in 2012, COWI invested in a Project Management Academy where employees can upgrade their competencies within customer relations and project, financial and risk management. The programme is based on e-learning, virtual group work and classroom training and ends with a final examination. We expect to expand the system with a certification and an authorisation in 2013.

In 2012, almost 100 senior project managers from six countries completed the programme, which initially targets COWI's most experienced project managers with responsibility for large, multidisciplinary international projects. A training programme for project managers on smaller projects is being developed and is expected to be launched in 2013.

NEW ORGANISATION SUPPORTS THE STRATEGY

COWI's organisation aims to offer our customers the right combination of local knowledge and world-class global specialist competencies. For this reason, COWI introduced a new global organisation, combining all business units under the management of Rasmus Ødum, our new Chief Operating Officer. COWI also launched a new global business support organisation that unites the company's support functions reporting directly to the COWI Group's Executive Board.

The purpose of COWI's new organisation is to ensure a high level of efficiency and knowledge sharing, i.e. operational excellence, in all business units. Accordingly, the coming years will see the development of standardised

COWI's Project Management Academy enables the employees to manage larger and more complex projects.

processes by the central functions in close collaboration with the business units. These processes will then be implemented across the organisation.

In recent years, COWI has also developed systems to support cross-border collaboration. In 2012, COWI completed the implementation of a global IT infrastructure, allowing 98 per cent of our employees to work on the same platforms and systems by the end of 2012. COWI also introduced new, shared rules on secondment.

WORD-CLASS COMPETENCIES

COWI is working determinedly to ensure that we maintain our international top ranking within many of our specialist services. Systematic competency development and knowledge sharing are consequently keys to COWI's continued growth.

To ensure that the personal and professional goals of our employees match our overall business goals, each employee has a personal development plan, which typically runs for two or three years.

We also focus on ensuring that COWI is an attractive place to work, so that we can attract the most qualified candidates within our core markets and specialist competencies. Taking fourth place in Denmark and with an overall ranking as number 18, COWI took a great leap upwards on the Universum's list of attractive engineering employers in the Nordic region. So, in 2012, COWI once again improved our employer brand in our largest markets.

Within COWI's international specialist leader services, we maintained our rankings on the international ENR (Engineering News-Record) list, taking third place in the field of bridges, fourth place in the field of marine structures, and sixth place in the field of airports worldwide.

Facts about COWI's employees:

EMPLOYEES

RESOURCES		2011	2012
1	Employees total	6,166	6,089
2	Average age, year	41.0	41.9
3	Women	30%	30%
4	Men	70%	70%

CORPORATE GOVERNANCE

COWI gives priority to corporate governance and follows many of the recommendations of the Committee on Corporate Governance. In 2012, we improved communications with our shareholders and adopted a corporate governance charter for all our subsidiaries.

Although COWI is not listed on the stock exchange, we follow the recommendations of the Committee on Corporate Governance to the widest extent. In 2012, COWI continued to focus on creating greater transparency and openness for the company's stakeholders, based on the 'comply or explain' principle.

IMPROVED COMMUNICATION WITH COWI'S SHAREHOLDERS

Including employees among the owners remains a key condition for COWI's future success. In 2012, COWI therefore began to issue a newsletter to all shareholders, which contains the management's assessment of the company's future development in addition to the accounting figures. The investor relations site on the COWI website remains an important communication channel through which the almost 1,800 shareholders can obtain financial key figures for COWI, read about share price development and receive the most important news from the accounting period.

CORPORATE GOVERNANCE CHARTER FOR COWI'S SUBSIDIARIES

In 2012, the Board of Directors adopted a corporate governance charter for COWI's subsidiaries. The charter sets out the overall guidelines for the composition of the different management levels in each subsidiary and the charter also considers the subsidiaries' boards of directors as well as the responsibility and competencies of the day-to-day management.

GOOD COLLABORATION BETWEEN COWI'S EXECUTIVE BOARD AND BOARD OF DIRECTORS

In accordance with the recommendations for good corporate governance, we have for some years conducted an annual evaluation of the collaboration of the Board of Directors and the Executive Board. As in previous years, the 2012 evaluation of the Board of Directors was carried out by an external consultant. It determined that both the Executive Board and the Board of Directors find that the collaboration is highly satisfactory.

EMBEDDING CORPORATE RISK MANAGEMENT

COWI is a global business undertaking projects in very different markets. This calls for a solid approach to and embedment of the process of corporate risk management. At least once a year, the Executive Board of COWI therefore identifies the most significant business risks associated with the implementation of our strategy and

Oslo's International Airport, Norway.

fulfilment of overall goals as well as the risks of financial reporting. Furthermore, the Executive Board regularly reports to the Board of Directors on developments in the most significant risk areas.

BOARD MEETINGS IN COWI HOLDING A/S IN 2012

The Board of Directors of COWI Holding A/S meets regularly in accordance with an already prepared schedule of meetings and work. In addition to that, the Board of Directors also meets when deemed necessary or expedient. In 2012, the Board of Directors in COWI Holding A/S held eight meetings and one seminar.

REQUIREMENTS FOR THE COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of COWI focuses on ensuring the best possible combination of competencies and experience when establishing the composition of the members of the Board of Directors. COWI has therefore developed a competency profile for the members, which is used when vacancies are to be filled. The members of the Board of Directors of COWI Holding A/S possess competencies in top management of global or Nordic consulting companies, including financial and risk management as well as staff management in knowledge companies. The mandatory retirement age for members of the Board of Directors of COWI Holding A/S is 65.

REMUNERATION OF COWI'S EXECUTIVE BOARD AND BOARD OF DIRECTORS

In March 2012, a new remuneration policy for the Board of Directors and the Executive Board was approved at the general meeting. With the new remuneration policy, COWI wishes to motivate the Board of Directors and the Executive Board to ensure the continued progress of the Group and to create value for the company's shareholders.

The retention and severance programmes agreed with COWI's Executive Board are in accordance with the latest recommendations of the Committee on Corporate Governance. Agreed severance payments cannot amount to more than the value of the past two years' remuneration, and they may only come to that amount in special cases.

The members of the Board of Directors receive a fixed annual remuneration determined by comparison with remunerations in comparable major Danish companies.

The annual general meeting has decided to pay the members of the Board of Directors an annual remuneration of DKK 175,000, although the vice chairman receives DKK 200,000 and the chairman DKK 600,000.

In 2012, the remuneration received by the Board of Directors totalled DKK 2.0 million, while the remuneration received by the Executive Board totalled DKK 11.2 million.

OUTLOOK FOR 2013

COWI also expects progress in 2013, driven especially by positive developments in the Nordic region and North America, and within the transport, industry, water and energy sectors. In 2013, extensive restructuring in the Middle East and Eastern Europe will enter a new phase, and we therefore expect to see an increase in earnings and a higher profit margin in the coming year.

COWI's PowerHouse 2015 strategy aims to realise the significant inherent potential of COWI's basic business model. Due to global population and urbanisation growth, the need for new sustainable solutions for the cities of the future is increasing, e.g. in the transport, energy, industry, infrastructure and water sectors. COWI offers solutions to some of the most urgent challenges to the world society right now and therefore has a positive outlook on the company's long-term development.

In 2013, we will continue our work to consolidate our business to prepare for future sustainable growth. We will thus continue to increase productivity and reduce costs to remain competitive. COWI will invest in competencies and employees to enable us to maintain our leading position within our core services, regions and our major business line, Bridge, Tunnel and Marine Structures.

DEVELOPMENT

COWI expects market conditions in 2013 to be the same as in 2012. COWI's opportunities for growth in the coming year will be determined by the scope and the effect of the initiatives launched by governments, public authorities and private companies to manage and adapt to market conditions.

We anticipate continued growth and positive trends in Norway and Sweden, allowing us to consolidate our already strong position in the Nordic region in 2013. We also foresee positive development within a number of global sectors, including transport, industry, water and energy. Therefore, we expect to expand our position of strength in the transport and infrastructure sectors – particularly in North America.

The restructuring in recent years of our activities in the Middle East and in Central and Eastern Europe has broken the downward trend, so we expect to see an increase in earnings and a higher earning margin in 2013.

At the same time, we expect that recent years' investments in establishing a high-performance organisation and culture will result in a higher level of efficiency for the benefit of our future competitiveness and profitability. In 2011 and 2012, COWI thus implemented a global IT platform, restructured our business support functions, established production centres with lower payroll costs in India and Lithuania and introduced new systems and further training to improve our line management and project management competencies.

These initiatives will increase our focus on performance and reduce our risk exposure, because each project manager will be able to see what it costs to produce our services and thus whether our efforts are matched by our earnings. This will lead to increased customer satisfaction, a higher level of efficiency and greater earnings.

COWI's new global organisation and new systems and tools also allow for enhancement of business development across sectors and national borders. We therefore anticipate a five per cent organic growth in turnover. Furthermore, we expect to increase growth by acquiring businesses within our strategic focus areas. Finally, we will further increase our efforts to optimise cash flow throughout the Group in 2013.

SETTLEMENT AND RISKS

COWI's contract for the Muscat and Salalah International Airports projects in Oman expired at the end of the year. While this considerably reduces COWI's exposure in the Middle East, market conditions and developments in other projects in the region are still expected to pose some risk to COWI in 2013.

COWI expects economic business trends to develop more or less as they did in 2012. If the trends are more negative than anticipated, we will see a drop in demand for COWI's services and therefore lower turnover. Finally, substantial weakening of our primary currencies (NOK, SEK, USD) compared to the Danish krone, or unforeseen problems, sudden suspension or variation in relation to major projects will also have a negative impact on COWI's turnover and earnings in 2013.

Client consultancy for a large incineration plant in Vasteras, Sweden.

CSR AND SUSTAINABILITY

Corporate social responsibility (CSR) and sustainability form integral parts of COWI's business model, vision and mission. In 2012, COWI implemented a dialogue-based sustainability tool and established a forum for sustainable urban development.

COWI aims to create coherence in tomorrow's sustainable societies by creating value for customers, society and the environment. CSR and sustainability thus form integral parts of our 360° mindset, vision and mission and play a key role for COWI as a company as well as for the customers we work for.

In 2012, COWI therefore implemented a host of strategic initiatives that support our continued focus on CSR and sustainability in our business.

SUSTAINABILITY INITIATIVES IN 2012

In 2011, COWI developed a web-based dialogue tool to ensure that our customers give priority to the sustainable solutions that create the most value in relation to the customers' stakeholders and surroundings as well as in relation to their strategies and objectives. In 2012, this dialogue-based tool was used in connection with a series of construction and urban development projects.

SUSTAINABLE BUILDING

Throughout the year, we had strong focus on the development of new services within the field of sustainable building, e.g. sustainability certifications and screenings, green business models, cradle-to-cradle building design and COWI's web-based dialogue tool. In addition, we developed a model tool to calculate total carbon consumption for the erection of buildings, including carbon consumption for the manufacture of construction material.

The development work took place in close collaboration between COWI's different business units, ensuring an optimal, multidisciplinary approach to our projects. Today, all new services are natural elements of our projects in progress.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

COWI is a member of the UN Caring for Climate initiative and the UN Global Compact, whose ten principles constitute the framework of our internal sustainability activities. You can read more about the UN Global Compact at www.cowi.com/sustainability.

COWI's Whistleblower hotline remains open for use by current and former employees, customers and partners. This allows both internal and external parties to anonymously report any conditions that they find unethical. The success of the hotline is based on the confidence among users that the system works and that it is known throughout the Group.

COWIFONDEN

Every year, COWIfonden (the COWIfoundation) donates funds for promoting research and development projects in COWI's fields of activity.

In 2012, COWIfonden supported several projects within energy-efficient and environmentally sound construction, a joint Nordic meeting on remediation of contaminated sites and an international conference on the challenges of creating a sustainable world. The latter includes support to the International Worldwatch Symposium to be held in April 2013 in Copenhagen, Denmark.

COWI'S INTERNAL SUSTAINABILITY AND CSR POLICIES AND TOOLS

In 2011, COWI introduced a number of internal policies and tools to ensure that all business units live up to COWI's ambitions of sustainability and CSR. In 2012, those policies were supplemented with an online tool that specifies the relevance of the individual policies to our employees.

AT THE END OF 2012, COWI HAD POLICIES CONCERNING THE FOLLOWING AREAS:

> Sustainable development	> Diversity and inclusion
> Business integrity	> Whistleblower hotline
> Health and safety	> Responsible supply chain management

Sustainability is an integral part of our 360° consultancy.

FINANCIAL REVIEW

PROFIT AND LOSS ACCOUNT

The COWI Group's net turnover increased in 2012 by DKK 429 million, or 9 per cent, to DKK 5,118 million compared to 2011. The increase was positively affected by a net foreign exchange effect of DKK 126 million. Adjusted for the foreign exchange effect, the increase was 7 per cent.

The growth in turnover occurred in all regions and the major business line, apart from CMC, which saw a small decline.

The Group's own production, which shows the selling price of activities that the Group's employees performed in 2012, increased by 8 per cent, corresponding to an increase in own production from DKK 3,893 million in 2011 to DKK 4,193 million in 2012. The increase was positively affected by a net foreign exchange effect of DKK 102 million. Adjusted for the foreign exchange effect, the increase was 5 per cent.

Norway continued the positive performance of recent years with an increase in own production of 19 per cent.

Sweden continued the positive performance of last year with an increase in own production of 13 per cent.

Bridge, Tunnel and Marine Structures had an increase in own production of 8 per cent.

Denmark had an increase in own production of 4 per cent. As of 1 January 2012, the African companies became part of region Denmark. In 2012, own production in these companies remained at the same level as in 2011.

In CMC, comprising the companies in China, the Middle East and Central and Eastern Europe, own production fell by 2 per cent in 2012.

In 2012, total operating expenses, excluding financial income and expenses, increased by DKK 576 million, or 15 per cent. Part of this amount was due to provisions of DKK 238 million for an outstanding balance of the airport project in Oman. The foreign exchange effect of the total operating expenses was DKK 99 million. Adjusted for provisions for the airport project and for the foreign exchange effect, total operating expenses increased by DKK 239 million, equivalent to 6 per cent.

The most important operating expense, employee expenses, went up by DKK 274 million, corresponding to 9 per cent. This amount includes a foreign exchange effect of DKK 80 million. Adjusted for the foreign exchange effect, the increase was 7 per cent. The increase was primarily attributable to an increase in the head count in Norway, Sweden and Canada.

Total operating expenses also comprise external expenses, which increased by DKK 293 million, corresponding to 45 per cent. The increase is primarily attributable to provisions of DKK 238 million relating to the airport project in Oman. In addition, the amount includes costs incurred in connection with the implementation of a new project, resource and financial management system as well as a number of restructuring costs in our support functions and in our CMC business unit, which are being adjusted to reflect the demands for our services.

Finally, total operating expenses include amortisation, depreciation and impairment losses, which amounted to DKK 141 million. This amount relates primarily to depreciation of technical installations, operating and other equipment, amortisation of goodwill and own-developed mapping products. Furthermore, goodwill in Lithuania was written down by DKK 7 million.

In Norway, we acquired during 2012 the companies Stormorken & Hamre AS, which operates within construction, and A-tek AS, which operates within energy and industry. The total number of employees of the two companies is 26. We also acquired the North American company Jenny Engineering Corporation, which specialises in planning, design and construction management of tunnels and underground structures. The company has 31 employees. In the third quarter of 2012, we divested 52 per cent of our shares in our Hungarian company.

From the end of 2011 to the end of 2012, the head count of the COWI Group decreased by 77 employees.

DEVELOPMENT IN HEAD COUNT

REGIONS AND MAJOR BUSINESS LINE:	2011	2012	CHANGE
Denmark	2,976	2,836	(140)
Norway	839	966	127
Sweden	871	914	43
CMC	677	521	(156)
Bridge, Tunnel and Marine Structures	803	852	49
TOTAL NUMBER OF EMPLOYEES	6,166	6,089	(77)

The increase in head count in Norway and Bridge, Tunnel and Marine Structures is due to a combination of acquisition of enterprises and organic growth as a result of increased demand for consultancy services.

The increase in Sweden reflects an increasing level of activity, while the reduction in Denmark primarily occurred within Geographical Information and IT, Economics and Management, Water and Environment. In CMC, we sold the share majority in our Hungarian company, which has 57 employees. The remaining decrease is primarily attributable to Bahrain, where we chose to reduce our level of activities.

The Group's operating profit (EBIT) fell by DKK 276 million from DKK 77 million in 2011 to an operating loss of DKK 199 million in 2012.

In 2012, COWI's EBIT was positively affected by increased earnings in Norway, Sweden and Denmark and in Bridge, Tunnel and Marine Structures.

EBIT was negatively affected by the CMC business unit, which saw an operating loss of DKK 64 million, including DKK 35 million attributable to Bahrain and DKK 15 million attributable to Lithuania.

Furthermore, the result is negatively affected by provisions for the airport project in Oman of DKK 238 million and costs relating to the settlement of a ten-year old arbitration case in Denmark.

The Group's net financials, showing net expenses of DKK 2 million, decreased by DKK 1 million compared to 2011. Financial expenses include interest payable on subordinate loan capital.

Loss before tax for the year and loss from subsidiaries attributable to minority shareholders amounted to DKK 201 million, compared to a profit of DKK 74 million in 2011.

The Group's tax on ordinary activities in 2012 amounted to a revenue of DKK 27 million, corresponding to an effective tax rate in 2012 of 14, compared to 55 in 2011.

Since 2011, the Group has chosen taxation according to international joint taxation regulations. The management expects to continue with joint taxation throughout the period of commitment, i.e. up to and including 2020. Therefore, no provisions are made for retaxation of losses that are expected to be final.

Loss after tax for the year and loss from subsidiaries attributable to minority shareholders amounted to a loss of DKK 174 million, compared to a profit of DKK 34 million for 2011.

BALANCE SHEET

The Group's total assets at the end of 2012 amounted to DKK 3,000 million, which is an increase of DKK 52 million compared to the previous year.

The Group's accounts receivable from services increased by DKK 13 million to DKK 968 million, primarily as a consequence of an increase in turnover.

Other provisions increased by DKK 94 million, primarily related to provisions for the airport project in Oman.

Short-term debt increased by DKK 182 million, which was due to an increase in the use of bank line facilities, an increase in accrued holiday allowance and VAT payable as a consequence of increased activities.

In the course of 2012, the Group's cash and cash equivalents increased by DKK 33 million, resulting in the Group's total cash and cash equivalents, including the securities portfolio, amounting to DKK 650 million, equivalent to 22 per cent of the Group's total assets.

Equity at 31 December 2012 amounted to DKK 750 million, corresponding to an equity ratio of 25 per cent – a decrease compared to 31 December 2011, when the equity ratio was 30 per cent. Book value per share fell from DKK 327.8 at the end of 2011 to DKK 274.5 at the end of 2012, a fall of 16 per cent.

CASH FLOW STATEMENT

Cash flow from operating activities amounted to DKK 110 million, a decrease of DKK 187 million compared to 2011. Cash flow was significantly affected by the outstanding balance from the airport project in Oman.

Cash flow from investing activities, which in 2012 amounted to net DKK -99 million, relates primarily to investment in an internal project, resource and financial management system and in property, plant and equipment and subsidiares.

Free cash flow amounted to DKK 11 million, a decrease of DKK 167 million compared to 2011.

Per 31 December 2012, the Group's total financial resources, comprising cash and cash equivalents as well as undrawn committed credit facilities, amounted to DKK 1,062 million. At the end of 2011, the financial resources amounted to DKK 1,147 million.

UNCERTAINTY IN RESPECT OF RECOGNITION AND MEASUREMENT

CONTRACT WORK IN PROGRESS

Measurement of the company's work in progress includes estimates of stages of determination of completion. In particular for large-scale projects, the actual realisation may result in material positive or negative variances in relation to the recognised estimates.

GOODWILL

Goodwill impairment tests require estimates to be made in respect of future cash flows, discount rates and growth rates. A degree of uncertainty attached to such estimates and any changes made to them can have major implications.

DEBTORS

The management makes writedowns for bad and doubtful debts on the basis of the risk of loss resulting from customers' inability to pay. If the customers' financial conditions deteriorate resulting in reduced ability to pay, additional writedowns may be required in the future. As the management continuously assesses customers' creditworthiness, terms of payment and risk of loss, the uncertainty attached to writedowns for bad and doubtful debts is considered to be limited.

TAX ON PROFIT/LOSS FOR THE YEAR

Tax on profit/loss for the year and deferred tax include some uncertainty, especially with regard to the taxation of foreign branches and permanent establishments. The local taxation of branches and permanent establishments may vary materially in relation to the recognised tax on profit for the year and deferred tax liabilities due to the tax administration procedures of the local tax authorities.

RISKS AND RISK MANAGEMENT

The COWI Group's risk exposures fall into: market risks, operational risks, financial risks, liquidity risks and other risks.

MARKET RISKS

We endeavour to minimise risks resulting from changes in the political landscape and in economic trends by maintaining a balanced project portfolio. The balanced portfolio entails spreading risks across geographical markets, service areas and public/private sectors.

Changes in the political landscape, notably in politically unstable regions, constitute a clear risk factor.

OPERATIONAL RISKS

We minimise loss on projects by conducting not only a risk assessment of each individual project and contract, but also by applying such project management and supervisory skills as the assessment requires. Contracts with subcontractors and partners can constitute a risk in the event of failure to deliver on time, within budget and up to expected standards. We endeavour to minimise risks by means of dialogue, careful selection and contract monitoring.

Overcapacity in relation to the scope of projects in progress is a risk which we handle through control systems. These provide greater options for resource management and forecasting.

We use professional liability insurance to limit the risks associated with criteria specified by customers, partners and subcontractors.

We have drawn up an IT security policy and an IT contingency plan to safeguard our central IT systems from physical damage. We review the plan once a year.

FINANCIAL RISKS

We endeavour to minimise foreign exchange risks related to our projects by matching, to the extent possible, the income and expenses in the same currency in the individual projects. In addition, net foreign exchange positions arising from business operations are hedged by currency hedging. The translation risk relating to investments in subsidiaries is generally not hedged. Interest rate risk is limited as a result of COWI's limited net interest-bearing debt. Our securities portfolio forms part of an external portfolio management programme which is managed within set parameters and where investments are primarily made in short-duration Danish bonds. Over the years, we have made several acquisitions and on this basis, we have developed a basic valuation method and integration strategy to minimise acquisition risks.

LIQUIDITY RISKS

Liquidity risk is the risk that adequate liquidity is not available. COWI has a policy determining the short-term and long-term liquidity requirements to ensure that the Group has sufficient liquidity to fund the anticipated development in COWI's volume of business and activities. In the management's opinion, the COWI Group has sufficient liquidity to ensure the continued development of COWI´s activities.

OTHER RISKS

COWI provides services to public and private customers in many parts of the world. Our reliability and trustworthiness as a consultancy firm depend heavily on our commercial integrity. We therefore adhere meticulously to our Business Integrity Management System, which sets out code of conduct defining best practices for all units, managers and employees.

RISK MANAGEMENT

In addition to the above risk management activities, we have guidelines for risk management in our best practice code for corporate governance.

Overall strategic risk management is based on a risk profile which we draw up once a year for the Board of Directors to assess, discuss and classify. We set 12-month goals for modifications to risk profiles within five to ten areas of risk.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Internal control and risk management systems in connection with the financial reporting procedures are described below.

CONTROL ENVIRONMENT

Responsibility and powers are defined in the Board of Directors' instructions to the Executive Board and adopted policies. The Board of Directors approves COWI's primary policy for communications, exchange rate and treasury policy as well as risk management. The Executive Board approves other policies and procedures, and the responsible functions issue guidelines and monitor the use of all policies and procedures. Systems have been established to ensure adequate segregation of duties in the accounting department. The organisational structure and internal guidelines form the control environment.

RISK ASSESSMENT

There is a relatively higher risk of errors for the items in the financial statements based on estimates or generated through complex processes than for other items. A detailed risk assessment with the purpose of identifying these items and specifying the scope of the attached risks is coordinated by the Group's management control function. The high-risk items include primarily work in progress, claims and tax liabilities concerning branches and permanent establishments abroad.

CONTROL ACTIVITIES

The aim of the control activities is to prevent, discover and correct any errors and irregularities. The activities are integrated in COWI's accounting and reporting procedures and include, e.g., procedures for certification, authorisation, approval, reconciliation, analysis of results, segregation of incompatible duties, controls concerning IT applications and general IT controls.
COWI has introduced standards for internal control, i.e. standards for control activities concerning the presentation of financial statements. All risk assessments and related controls are linked to the Group's strategy and goals.

INFORMATION AND COMMUNICATION

COWI maintains information and communication systems to ensure that the presentation of the financial statements is accurate and complete. The Group's accounting rules and procedures for the presentation of the financial statements are set out in specifications and instructions. Accounting and other reporting instructions, including procedures for budgets and monthly financial statements, are updated as needed. They are available – together with other policies which are relevant for internal control of financial reporting such as the policy on project budgeting – on the Group's corporate portal to financial employees and other relevant employees.

MONITORING

COWI uses a management control system to monitor the company's results, and this makes it possible at an early stage to identify and correct any errors and irregularities in the presentation of the financial statements, including disclosed weaknesses in the internal controls, any non-compliance with procedures, policies etc.

Compliance with the Group's accounting policies is monitored on an ongoing basis at group and company level.

EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, it was decided to transfer COWI AS (Norway) and COWI Holding AB (Sweden) from COWI A/S to COWI Holding A/S. The transfers are in line with the plan for transparency that was decided in principle in 2010, according to which all significant subsidiaries are henceforth owned directly by COWI Holding A/S.

No further events have occurred after the balance sheet date which materially affect the assessment of the annual report.

WORLD-WIDE CONSULTANTS

COWI's 360° solutions combine our global presence and our local knowledge. The combination enables us to solve the most complex tasks worldwide.

DENMARK

REGIONAL VICE PRESIDENT	Jens Christoffersen
NET TURNOVER FOR 2012 including intercompany trade (DKK '000)	2,377,338
NUMBER OF EMPLOYEES (including COWI Africa)	2,836

SIGNIFICANT NEW PROJECTS IN 2012
- Design of Odense light rail
- Design of a new sporting and music arena in Copenhagen
- Drafting of participation programme to engage the population of Mozambique in health and education
- 360° design of Maabjerg Energy Concept, a second-generation bioethanol factory.

SPECIALITIES
- Airports and roads
- Economics and management
- Energy
- Industry
- Mapping and land use
- Railways and light rails
- Sustainable buildings
- Water and environment

SUBSIDIARIES
- Caribersa S.L. & Eurocarto S.A. (Spain)
- COWI Belgium SPRL (Belgium)
- COWI India Private Ltd. (India)
- COWI Limited (Uganda)
- COWI Limited (Zambia)
- COWI Mapping UK Ltd. (UK)
- COWI Mozambique Lda. (Mozambique)
- COWI North America Energy, Inc. (USA)
- COWI Tanzania Limited (Tanzania)

NORWAY

PRESIDENT	Terje Bygland Nikolaisen
NET TURNOVER FOR 2012 including intercompany trade (DKK '000)	1,205,304
NUMBER OF EMPLOYEES	966

SIGNIFICANT NEW PROJECTS IN 2012
- Design of a 32 kilometre long four-lane motorway between Nybakk and Slomarka
- Design and client consultancy for the Nortura slaughterhouse in Malvik
- Extension, upgrade and relocation of the Norwegian Institute of Public Health
- Rehabilitation plan for the railway between Etterstad and Lillestrøm.

SPECIALITIES
- Acoustics
- Airports
- Environment and waste
- Fire safety
- Hospital buildings
- Sustainability
- Transport planning

MAJOR BUSINESS LINE BRIDGE, TUNNEL AND MARINE STRUCTURES

SENIOR VICE PRESIDENT	Anton Petersen
NET TURNOVER FOR 2012 including intercompany trade (DKK '000)	921,772
NUMBER OF EMPLOYEES	852

SIGNIFICANT NEW PROJECTS IN 2012
> Design of main spans for the Tappan Zee Bridges in New York, USA
> Design of oil and gas terminal, tank installation, associated buildings and infrastructure in the port of Ain Sukhna, Egypt
> Design of surface and groundwater drainage tunnel in Abu Hamour, Qatar
> Preliminary and detailed design of suspension bridges across Izmit Bay, Turkey.

SPECIALITIES
> Major bridges
> Marine structures
> Tunnels

SUBSIDIARIES
> Ben C. Gerwick, Inc. (USA)
> Buckland & Taylor Ltd. (Canada and USA)
> COWI Gulf A/S (United Arab Emirates)
> COWI India Private Limited (India)
> COWI Korea Co., Ltd. (South Korea)
> Flint & Neill Limited (UK)
> Jenny Engineering Corp., Inc. (USA)
> Ocean & Coastal Consultants, Inc. (USA)

SWEDEN

PRESIDENT	Anders Rydberg
NET TURNOVER FOR 2012 including intercompany trade (DKK '000)	752,629
NUMBER OF EMPLOYEES	914

SIGNIFICANT NEW PROJECTS IN 2012
> Construction of Radisson Blue Riverside Hotel in Gothenburg, Sweden
> Detailed design of a paper factory in South Africa
> Design of harbour project in Alexandria, Egypt, including the construction of buildings and piers
> Design of Västlänken, establishing a new railway tunnel and three new stations under central Gothenburg
> Technical study of operations in the Port of Gothenburg.

SPECIALITIES
> Bridges, harbours and tunnels
> Environment
> Processes and energy
> Risk and safety
> Sustainable buildings

SUBSIDIARIES
> AEC AB (Sweden)
> COWI Management AB

COWI CMC

SENIOR VICE PRESIDENT	Mogens Heering
NET TURNOVER FOR 2012 including intercompany trade (DKK '000)	270,959
NUMBER OF EMPLOYEES	521

SIGNIFICANT NEW PROJECTS IN 2012
> Design of solar collector system for wind turbine factory in Turkey
> Design for Qatar Expressway Programme, Package 13
> Planning of solid waste management in Oman
> Urban planning of Nanjing High Tech Zone Eco and design of exhibition centre for environmentally sound solutions.

SPECIALITIES
> Airports and roads
> Economics and management
> Energy
> Industry
> Mapping and land use
> Railways and light rails
> Solid waste management
> Sustainable buildings
> Water and environment

SUBSIDIARIES
> COWI Consulting (Beijing) Ltd. Co. (China)
> COWI d.o.o. (Serbia)
> COWI Engineering, Environmental and Economic Consulting Ltd. (Russia)
> COWI Gulf A/S (Bahrain)
> COWI Lietuva UAB (Lithuania)
> COWI & Partners LLC (Oman)
> COWI Polska Sp. z o.o. (Poland)
> COWI-SNS MüŞavirlik ve Mühendislik Ltd. Şti. (Turkey)
> Vakaru Projektai UAB (Lithuania)

INTERNATIONAL SPECIALIST LEADER SERVICES

COWI has a broad palette of world-class specialist competencies. Comprising major bridges, tunnels, marine structures, airports and mapping, the palette is to help generate continued growth for COWI and plays a key role in the PowerHouse 2015 group strategy.

AIRPORTS

BUSINESS DEVELOPMENT DIRECTOR
Peter Hostrup Rasmussen

SPECIALITIES

- Interdisciplinary integration and cross-optimisation in connection with planning, design and erection of building and civil engineering works on new or expanding airports.
- Technical consultancy and transaction consultancy in connection with tendering/privatisation of airports.

MAPPING

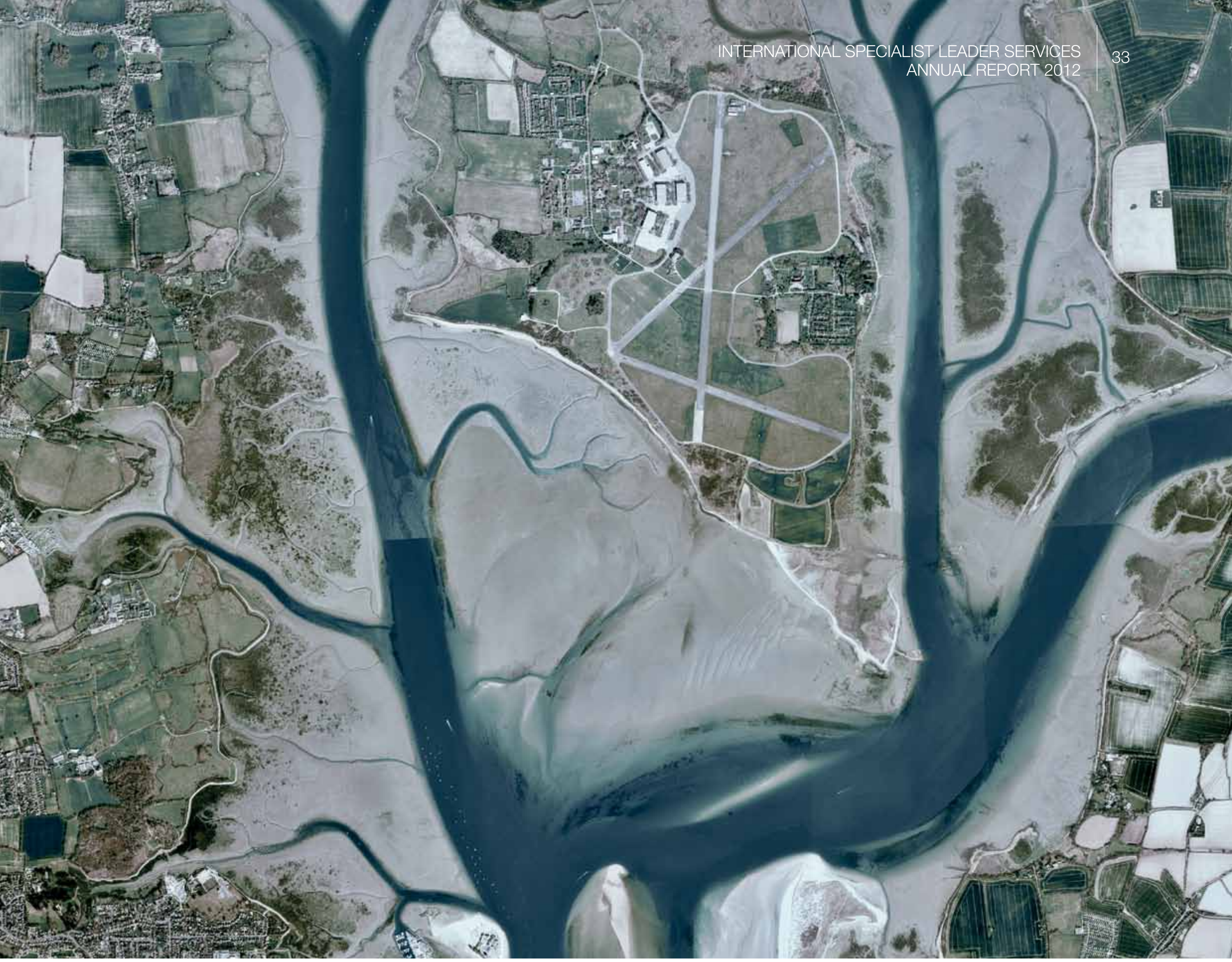
BUSINESS DEVELOPMENT DIRECTOR
Lars Green Lauridsen

SPECIALITIES

- Mapping – from the traditional topographical maps and orthophotos to advanced mapping methods using airborne and terrestrial lasers, 3D models, mobile mapping and thermography.

SUBSIDIARIES

- Caribersa S.L. & Eurocarto S.A. (Spain)
- COWI India Private Ltd. (India)
- COWI Mapping UK Ltd. (UK)



Aerial photograph of Southampton, United Kingdom.

MAJOR BRIDGES

BUSINESS DEVELOPMENT DIRECTOR
Lars Hauge

SPECIALITIES
> Aerodynamics
> Construction supervision
> Re-examination of structures
> Retrofit
> Risk analyses
> Service life design and sustainability
> Ship collision analyses.

SUBSIDIARIES
> Buckland & Taylor Ltd. (Canada and USA)
> COWI Korea Co., Ltd. (South Korea)
> Flint & Neill Limited (UK)

TUNNELS

BUSINESS DEVELOPMENT DIRECTOR
Jotham Vizard

SPECIALITIES
> Bored tunnels
> Building surveys
> Conventional bridges (NATM/Drill & Blast)
> Cut and cover tunnels
> Immersed tunnels
> Life-cycle costs, service life design and sustainability
> Operation and maintenance
> Risk analyses
> Retrofit
> Shafts.

SUBSIDIARIES
> Jenny Engineering Corp., Inc. (USA)

MARINE STRUCTURES

BUSINESS DEVELOPMENT DIRECTOR
Thomas Dahlgreen

SPECIALITIES
> Coastal and waterfront development
> Cooling water systems
> Foundations for offshore wind farms
> Harbours, including container terminals
> Marine terminals for oil, gas and bulk goods
> Offshore wind farms.

SUBSIDIARIES
> Ben C. Gerwick, Inc. (USA)
> COWI Gulf A/S (United Arab Emirates)
> COWI India Private Limited (India)
> Ocean & Coastal Consultants, Inc. (USA)

CONSOLIDATED FINANCIAL STATEMENTS 2012

ACCOUNTING POLICIES

The 2012 annual report of COWI Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for a large class C enterprise with the adoption of IAS 19 'Employee Benefits' in respect of defined benefit plans.

Due to the deviation from the Danish Financial Statements Act as regards defined-benefit plans, the actuarial variations are recognised in the statement of changes in equity rather than in the profit and loss account. For an explanation of the monetary effect, see the statement of changes in equity and note 20, "Net pension benefit obligations".

The accounting policies remain unchanged from the Group's previous accounting policies.

RECOGNITION AND MEASUREMENT

Income is recognised as earned in the profit and loss account. Value adjustments of financial assets and liabilities which are measured at fair value are also recognised in the profit and loss account. The same applies to all expenses, including amortisation, depreciation and impairment losses. Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual item below.

Certain financial assets and liabilities are measured at amortised cost to achieve a constant effective interest rate over the life of the asset or liability. Amortised cost is stated as original cost less any repayments plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way capital losses and gains are amortised over the life of the asset or liability.

Recognition and measurement take into consideration anticipated losses and risks that arise before the time of presentation of the annual report and which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency used is Danish kroner (DKK). All other currencies are considered as foreign currency.

GROUP FINANCIAL STATEMENTS

CONSOLIDATION POLICY

The consolidated financial statements include the parent company, COWI Holding A/S, as well as enterprises in which the parent company directly or indirectly holds the majority of the voting rights or in which the parent company through its shareholding or otherwise exercises a controlling interest. Enterprises in which the Group holds between 20 and 50 per cent of the voting rights and exercises a significant but not controlling interest are treated as associates.

On consolidation, items of a uniform nature will be combined. Intercompany income and expenses, shareholdings, dividends and balances as well as realised and unrealised gains and losses on transactions between consolidated enterprises have been eliminated. The financial statements included in the Group's annual report have been prepared in accordance with group accounting policies. The Group's annual report has been prepared on the basis of the financial statements of COWI Holding A/S and the subsidiaries by combining items of a uniform nature.

Investments in subsidiaries are eliminated at the relevant proportion of the net asset value of the subsidiaries at the time of acquisition.

On acquisition of new enterprises, any differences between the acquisition cost and the net asset value of the enterprise acquired are stated at the time of acquisition after adjusting the individual assets and liabilities at fair value (the purchase method) and allowing for recognition of any reconstruction provisions in respect of the enterprise acquired. Any remaining positive differences are recognised in the balance sheet under intangible assets as group goodwill and amortised on a straight-line basis over the expected economic life, however up to a maximum of 20 years. Any negative differences are recognised in the balance sheet in the equity.

Goodwill from acquired enterprises is adjusted as a result of changes in recognition and measurement of net assets for a period shorter than a full financial year following the time of acquisition.

MINORITY INTERESTS

On statement of group results and group equity, the share of results and equity in subsidiaries that is attributable to minority interests is recognised as separate items in the profit and loss account and the balance sheet. Minority interests are recognised at fair value on the basis of a revaluation of acquired assets and liabilities at the time of acquisition of subsidiaries.

CORPORATE INCOME TAX AND DEFERRED TAX

The company is jointly taxed with the consolidated enterprises, including foreign subsidiaries.

COWI Holding A/S functions as the management company. The total Danish tax on the subsidiaries' taxable income is paid by COWI Holding A/S. The tax effect of the joint taxation with the subsidiaries is distributed on the profit- and loss-making enterprises in proportion to their taxable profits (full allocation with refund concerning tax losses).

Income tax for the year, consisting of current tax and deferred tax for the year, is recognised in the profit and loss account with the share attributable to profit for the year, and is recognised directly in equity with the share attributable to entries recognised directly in equity.

Current tax liabilities and current tax receivable are recognised net in the balance sheet as tax computed on taxable income for the year adjusted for tax on taxable income for previous years.

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences between accounting and tax values of assets and liabilities. However, no provision is made for deferred tax on temporary differences arising from amortisation of goodwill disallowed for tax purposes as well as other items, apart from acquisition of enterprises, where temporary differences have arisen at the time of acquisition without any effect on financial results or the taxable income.

In cases where the tax base can be determined according to alternative tax rules, deferred tax is recognised on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the value at which they are expected to be utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities. Deferred tax assets and liabilities are set off within the same legal tax entity.

Adjustment of deferred tax is made concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured on the basis of the tax rules and tax rates legally effective in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax as a consequence of amendments to tax rates are recognised in the profit and loss account.

As part of international joint taxation, the retaxation liability is recognised at the full retaxation amount or the limited retaxation amount, whichever is smaller, based on the profit expected to be achieved by the sale of assets and debt at market values on cessation of the joint taxation. Furthermore, provision is not made for retaxation of deficits from permanent establishments where the deficit is expected to be rearned through current operation.

TRANSLATION POLICIES

Transactions in foreign currencies are translated by applying standard rates approximating the foreign exchange rates ruling at the transaction dates. In respect of accounts receivable, any exchange differences arising between the exchange rates ruling at the transaction date and the rates prevailing at the date of payment are recognised in the profit and loss account as part of net turnover. For other items, the realised gains or losses are recognised as financial income or financial expenses in the profit and loss account.

Accounts receivable and payable and other monetary items in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Unrealised exchange gains or losses arising from differences between the exchange rates ruling at the balance sheet date and the rates prevailing at the time when the receivable or payable arises are recognised in the profit and loss account.

Unrealised exchange gains or losses in respect of accounts receivable are recognised under net turnover in the profit and loss account, while unrealised exchange gains or losses in respect of accounts payable or other monetary items are recognised under financial income or expenses in the profit and loss account.

Non-current assets acquired in foreign currencies are translated at the rates ruling at the transaction date. On recognition of foreign subsidiaries and associates that are separate legal entities, profit and loss accounts are translated at monthly average exchange rates, and balance sheet items are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on translation of the opening equity of foreign subsidiaries at the exchange rates ruling at the balance sheet date and on translation of profit and loss accounts from average exchange rates to the rates ruling at the balance sheet date are recognised directly in equity.

On recognition of foreign subsidiaries that are integrated entities, monetary items are translated at the exchange rates ruling at the balance sheet date. Non-monetary items are translated at the rates prevailing at the time of acquisition or at the time of any subsequent revaluation or writedown for impairment of the asset.

Profit and loss account items are translated at the exchange rates ruling at the transaction date; however, items derived from non-monetary items are translated at historical rates for the non-monetary item.

Exchange adjustments of intercompany balances and transactions with foreign subsidiaries that are considered additions to or deductions from the equity of separate subsidiaries are recognised directly in equity. Similarly, exchange gains and losses on loans and derivative financial instruments contracted for hedging purposes by separate foreign subsidiaries are recognised directly in equity.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently remeasured at their fair value. Positive and negative fair values of derivative financial instruments are included in prepayments under assets and in deferred income under liabilities, respectively.

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges of a recognised asset or liability are recognised in the profit and loss account together with any changes arising in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments that are designated as and qualify as future asset and liability hedges are recognised in prepayments/deferred income or equity, respectively. Where the forecast transaction results in the recognition of an asset or a liability, amounts that have been deferred in equity are transferred from equity and included in the cost of the asset or the liability, respectively. Where the forecast transaction results in income or expenses, amounts that have been deferred in equity are transferred to the profit and loss account in the period during which the hedged item affects the profit and loss account.

Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised on a continuing basis in the profit and loss account.

SEGMENT INFORMATION

Information is provided on COWI's net turnover and own production, broken down by business area, region and major business line. The information is based on the Group's internal financial reporting.

INCENTIVE SCHEMES

There are no incentive schemes for the current financial year in addition to cash bonus plans. The cash bonus plans are not considered significant in relation to the remuneration of the management. Cash bonus to the Executive Board is recognised in 'Remuneration, Executive Board' in the note 'Employee expenses'.

PROFIT AND LOSS ACCOUNT

NET TURNOVER

Net turnover is determined on the basis of the selling price of work performed for the year. As the completion of the individual projects will generally progress over several accounting periods, the percentage-of-completion method is applied for revenue recognition. Accordingly, profits on work performed are recognised as income and in proportion to the stage of completion.

PROJECT EXPENSES

Project expenses include expenses directly attributable to projects, excluding salaries and including travel expenses, external expenses as well as other expenses.

EXTERNAL EXPENSES

External expenses include administrative expenses, office expenses, marketing expenses as well as other expenses.

OTHER OPERATING INCOME/EXPENSES

Other operating income and other operating expenses include items of a secondary nature compared with the company's core activities, including removal expenses, compensations as well as profits and losses from the disposal of non-current assets etc.

NET FINANCIALS

Financial income and expenses include interest, financial expenses related to finance leases, realised and unrealised foreign exchange adjustments, value adjustments on securities as well as amortisation of long-term receivables.

BALANCE SHEET

INTANGIBLE ASSETS

GOODWILL

Goodwill is amortised over the estimated economic life determined on the basis of the management's experience with the individual business areas. The amortisation period is 5-20 years, the longest period applying to acquired enterprises with a strong market position and an expected long earnings profile.

OWN-DEVELOPED PRODUCTS

Own-developed products that are clearly defined and identifiable, where the technical utilisation rate, sufficient resources and a potential future market or development opportunity in the enterprise can be verified and where the intention is to market or use the project, are recognised as intangible assets. This applies if there is sufficient evidence that the value in use of future earnings can cover the expenses involved. Own-developed products that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the profit and loss account as incurred.

Own-developed products include salaries, amortisation and other expenses that are directly or indirectly attributable to the company's development activities. Capitalised own developed products are measured at the lower of cost, less accumulated amortisation and impairment losses, and the recoverable amount.

On completion of the development work, own-developed products are amortised on a straight-line basis over the period in which the work is expected to generate economic benefits. The amortisation period is two to five years.

SOFTWARE AND LICENSES

Software is measured at the lower of cost, less accumulated amortisation on a straight-line basis and impairment losses, and the value in use. The amortisation period is three to five years.
Licenses include software licenses which are amortised over the contract period.

SUMMARY OF AMORTISATION PERIODS FOR INTANGIBLE ASSETS

Goodwill	5-20 years
Own-developed products	2-5 years
Software	3-5 years

PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Land is measured at cost and is not depreciated. Buildings are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 50 years.

Special installations in buildings are depreciated on a straight-line basis over 10-15 years.

TECHNICAL INSTALLATIONS, OPERATING AND OTHER EQUIPMENT

Technical installations, operating and other equipment, including leasehold improvements, are measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over three to ten years. Aircraft are also included and measured at cost less accumulated depreciation and impairment losses and depreciated on a straight-line basis over 20 years.

ASSETS HELD UNDER FINANCE LEASES

Leases involving property, plant and equipment where the individual group companies assume substantially all the risks and rewards of ownership (finance leases) are initially recognised in the balance sheet at the fair value of the leased asset if such value can be established. Alternatively, the net present value, if lower, of future lease payments at the inception of the lease is applied. When computing the net present value, the interest rate implicit in the lease is applied as the discount rate or an approximated value thereof.

Assets held under finance leases are depreciated and written down according to the same principles as for the Group's other property, plant and equipment.

The capitalised residual lease obligation is recognised in the balance sheet as debt under liabilities, and the interest element on the lease payment is charged to the profit and loss account as incurred. All other leases are considered to be operating leases. Lease payments under operating leases are recognised in the profit and loss account over the term of the lease.

SUMMARY OF DEPRECIATION PERIODS FOR PROPERTY, PLANT AND EQUIPMENT

Buildings	50 years
Special installations in buildings	10-15 years
Technical installations, operating and other equipment, including leasehold improvements	3-10 years
Aircraft	20 years

WRITEDOWN FOR IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment exceeding the writedowns made in connection with general amortisation and depreciation. Where writedown for impairment is required, the asset is written down to the lower recoverable amount. The recoverable amount of the asset is determined as the higher of the net selling price and the value in use. Where it is not possible to determine the recoverable amount of the individual asset, the impairment requirement is assessed in respect of the smallest group of assets for which it is possible to determine the recoverable amount.

FINANCIAL ASSETS

INVESTMENTS IN ASSOCIATES

Investments in associates are recognised using the equity method so that the carrying amount of the investments constitutes the Group's proportional share of the net assets of the enterprises.

Profit after tax of investments in associates has been recognised as a separate line in the profit and loss account.

Associates with negative net asset value are included without any value. Where the Group has a legal or constructive obligation to cover the associate's negative balance, the obligation is recognised under liabilities.

OTHER INVESTMENTS AND SECURITIES

Other investments and securities include bonds and shares measured at fair value at the balance sheet date. Listed securities are measured at the official market price at the balance sheet date. Unlisted securities are measured at selling price based on a calculated value in use.

CURRENT ASSETS

RECEIVABLES

Accounts receivable are measured at the lower of amortised cost and net realisable value corresponding to the nominal value writedowns for bad and doubtful debts.

Writedowns for bad and doubtful debts are calculated on the basis of an individual assessment of each receivable, and an additional general provision is made in respect of trade accounts receivable.

CONTRACT WORK IN PROGRESS

Contract work in progress is recognised in the balance sheet net of amounts invoiced on account.

Gross work in progress is measured at the selling price of the work performed. The selling price is stated in proportion to the stage of completion at the balance sheet date and the total expected profit on the individual projects (the percentage-of-completion method).

Under this principle, the expected profit on the individual projects is recognised in the profit and loss account on a continuing basis by reference to the stage of completion.

The stage of completion is measured by reference to the proportion that project expenses (in hours) incurred for work performed to date bear to the estimated total project expenses (in hours). Where total project expenses are likely to exceed the total turnover from a project, the expected loss is recognised as an expense in the profit and loss account. The share of work in progress etc. performed in working partnerships is included in work in progress.

MARKETABLE SECURITIES

Marketable securities include listed bonds and shares measured at fair value at the balance sheet date. Listed securities are measured at market price. Unlisted securities are measured at selling price based on a calculated value in use.

PREPAYMENTS

End-of-period adjustments required by accrual accounting and recognised as prepayments under assets include payments made in respect of subsequent financial years, typically prepaid rent, insurance premiums, subscriptions etc. as well as adjustments to fair value for derivative financial instruments with a positive fair value.

EQUITY

DIVIDENDS

Dividend is recognised as a liability at the time of adoption by the annual general meeting. Dividend expected to be distributed for the year is recorded in a separate item under equity.

TREASURY SHARES

Purchase and sales amounts for treasury shares are recognised directly in equity.

PROVISIONS

NET PENSION BENEFIT OBLIGATIONS

The Group's Norwegian subsidiaries have entered into a number of defined benefit plans. The plans are financed through contributions to pension funds on the basis of periodic actuarial calculations and in accordance with current applicable rules. A defined benefit plan is a pension scheme defining the benefits payable to an employee on retirement. The retirement benefits will usually depend on one or more factors such as age, number of years with the company and salary level.

The net pension obligation recognised in the balance sheet in relation to benefit plans is the present value of the defined benefits as at the balance sheet date (gross pension benefit obligations or PBO) less the actual value of the pension funds plus payroll tax on net pension benefit obligation (net PBO).

The pension obligation is calculated annually by an independent actuary using a straight-line vesting period. The present value of the defined benefits is determined by discounting estimated, future benefit payments at the yield of a bond issued by a high-rated company in the same currency as the currency in which the benefits will be paid and with a term to maturity that is approximately the same as the term of the related pension obligation.

Differences in estimates attributable to new information or changes in the actuarial assumptions are recognised in the equity for the period in which they occur.

Changes in the pension plan benefits are recognised in the profit and loss account on a continuing basis, unless entitlement under the new pension plan is conditional on the employee continuing in the employment for a specific period of time (the vesting period). In that case, the cost of the benefit changes is amortised on a straight-line basis over the vesting period.

The Group's Swedish subsidiary has also entered into a defined benefit plan, but as the pension fund cannot determine the current net pension obligation, the plan has been recognised as an ordinary defined contribution plan. So, the costs are expensed when payment requests are received from the pension fund. This procedure is in compliance with generally accepted accounting principles, including IFRS.

The Group's Danish subsidiary, COWI A/S, has made commitments to provide a number of former executive employees with defined benefit plans. These pension commitments are recognised concurrently with the pension benefits being earned. The calculation of the pension commitment is based on an actuarial calculation.

OTHER PROVISIONS

Provisions are recognised when, as a consequence of an event before or on the balance sheet date, the Group has a legal or constructive obligation and it is probable that economic benefits must be sacrificed to settle the obligation. Other provisions include potential, legal obligations etc. on completed projects. Provisions with an expected maturity exceeding one year from the balance sheet date are discounted at the average bond yield.

Deferred tax is not discounted to present value.

DEBT

FINANCIAL DEBTS

Fixed-rate loans and loans from credit institutions intended to be held to maturity are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, borrowings are stated at amortised cost corresponding to the capitalised value using the effective interest method; the difference between the proceeds and the nominal value (the capital loss) is recognised in the profit and loss account over the term of the loan.

Initially, subordinate loan capital is recognised at fair value net of transaction costs incurred. Subsequently, subordinate loan capital is recognised at amortised cost so that the difference between the proceeds and the nominal value is recognised in the profit and loss account as interest expenses over the term of the loan.

Other accounts payable are measured at amortised cost, materially corresponding to nominal value.

EMPLOYEE BONDS

In 2008 and 2009, the Group's Danish subsidiary, COWI A/S, issued employee bonds. The issuance was effected at a price of 100, and the bonds will be redeemed at par on 1 January 2014 and on 1 January 2015, respectively.

DEFERRED INCOME AND OTHER LIABILITIES

End-of-period adjustments required by accrual accounting and recognised as deferred income under liabilities include payments received in respect of income in subsequent periods as well as adjustments to fair value of derivative financial instruments with a negative fair value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flow for the year classified by operating, investing and financing activities, net changes for the year in cash and cash equivalents as well as group cash and cash equivalents at the beginning and end of the year.

CASH FLOW FROM OPERATING ACTIVITIES

Cash flows from operating activities are calculated as group operating profit adjusted for non-cash operating items such as amortisation, depreciation and impairment losses, provisions as well as net change in working capital with the addition of interest income and expenses and corporate income tax paid.
Working capital includes current assets less short-term debt, excluding items included in cash and cash equivalents.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flows from investing activities include cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as financial assets.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flows from financing activities include cash flows from the raising and repayment of long-term debt as well as purchase of treasury shares and payments of dividend to shareholders.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash as well as marketable securities recognised as current assets.
The cash flow statement cannot be immediately derived from the published financial records.

FINANCIAL RATIOS

The financial ratios stated in 'Key figures and financial ratios' have been calculated as follows:

EBITDA margin

$$\frac{\text{Operating profit/loss including depreciation and amortisation} \times 100}{\text{Net turnover}}$$

Operating margin (EBIT margin)

$$\frac{\text{Operating profit/loss} \times 100}{\text{Net turnover}}$$

Return on invested capital

$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital including goodwill}}$$

Equity ratio

$$\frac{\text{Equity end of year} \times 100}{\text{Total liabilities, end of year}}$$

Return on equity

$$\frac{\text{COWI's share of profit/loss for the year} \times 100}{\text{Average equity}}$$

Book value per share

$$\frac{\text{Equity}}{\text{Nominal shareholding (excluding treasury shares)}}$$

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT OF THE COWI GROUP FOR 1 JANUARY - 31 DECEMBER

DKK '000	NOTE	2012	2011
Net turnover	1	5,117,907	4,688,705
Project expenses		(924,895)	(795,367)
OWN PRODUCTION	1	4,193,012	3,893,338
External expenses		(941,570)	(648,357)
Employee expenses	2	(3,309,179)	(3,035,036)
Amortisation, depreciation and impairment losses	3	(141,013)	(137,398)
OPERATING PROFIT/LOSS ON ORDINARY ACTIVITIES		(198,750)	72,547
Other operating income	4	5,960	14,170
Other operating expenses	5	(5,836)	(9,424)
OPERATING PROFIT/LOSS		(198,626)	77,293
Profit/loss after tax in associates		780	1,014
Financial income	6	38,815	37,655
Financial expenses	7	(41,825)	(41,837)
PROFIT/LOSS BEFORE TAX		(200,856)	74,125
Tax on profit/loss for the year	8	27,239	(40,379)
PROFIT/LOSS FOR THE YEAR		(173,617)	33,746
Profit/loss from subsidiaries attributable to minority shareholders	18	(510)	(20)
COWI'S SHARE OF PROFIT/LOSS FOR THE YEAR		(174,127)	33,726

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2012	2011
Goodwill		505,667	509,218
Software and licenses		58,005	6,042
Own-developed products		7,335	19,108
Intangible assets in progress		3,205	38,594
INTANGIBLE ASSETS	9	574,212	572,962
Land and buildings		1,644	1,657
Technical installations, operating and other equipment		117,465	134,207
Property, plant and equipment in progress		0	114
PROPERTY, PLANT AND EQUIPMENT	10	119,109	135,978
Investments in associates	11	13,158	8,543
Other investments and securities		6,873	6,699
Deposits		41,051	37,024
FINANCIAL ASSETS	12	61,082	52,266
TOTAL NON-CURRENT ASSETS		754,403	761,206
Accounts receivable, services		968,342	954,554
Contract work in progress	13	453,268	459,207
Receivables from associates		6,298	4,397
Receivables from subsidiaries		473	0
Other receivables		29,314	21,469
Deferred tax assets	19	48,640	39,779
Prepayments	14	89,493	90,559
RECEIVABLES		1,595,828	1,569,965
MARKETABLE SECURITIES	15	254,241	239,177
CASH		395,909	377,919
TOTAL CURRENT ASSETS		2,245,978	2,187,061
TOTAL ASSETS		3,000,381	2,948,267

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2012	2011
Share capital	16	280,500	275,695
Treasury shares	17	(7,368)	(3,509)
Retained earnings		466,944	610,457
Proposed dividend		9,560	9,527
EQUITY		749,636	892,170
MINORITY INTERESTS	18	3,807	3,283
Deferred tax	19	223,820	301,084
Net pension benefit obligations	20	124,194	125,977
Other provisions	21	123,530	29,761
PROVISIONS		471,544	456,822
Subordinated loan capital		130,848	130,848
Credit institutions		2,281	5,253
Employee bonds		54,710	54,807
LONG-TERM DEBT	22	187,839	190,908
Credit institutions		135,879	27,214
Contract work in progress	13	395,208	385,986
Accounts payable, suppliers		253,770	215,302
Loans owed to subsidiaries		5,000	13,000
Amounts owed to associates		16,784	86,272
Corporate income tax payable		28,106	22,139
Other accounts payable	23	642,756	539,800
Deferred income		110,052	115,371
SHORT-TERM DEBT		1,587,555	1,405,084
TOTAL DEBT		1,775,394	1,595,992
TOTAL EQUITY AND LIABILITIES		3,000,381	2,948,267

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STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY

DKK '000	SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	DIVIDEND	TOTAL
EQUITY AT 1 JANUARY 2011	267,801	(129)	598,381	9,369	875,422
Distributed dividend				(9,369)	(9,369)
Profit/loss for the year			33,726		33,726
Capital increase	7,894		17,927		25,821
Foreign exchange adjustment, foreign subsidiaries			1,290		1,290
Purchase of treasury shares		(3,380)	(7,748)		(11,128)
Employee share ownership plan			2,412		2,412
Value adjustment of hedging instruments, beginning of year			(4,538)		(4,538)
Value adjustment of hedging instruments, end of year			5,351		5,351
Change in estimate/pension plan changes			(37,440)		(37,440)
Deferred tax concerning changed estimate/pension plan changes			10,623		10,623
Proposed dividend			(9,527)	9,527	0
EQUITY AT 1 JANUARY 2012	275,695	(3,509)	610,457	9,527	892,170
Distributed dividend				(9,527)	(9,527)
Profit/loss for the year			(174,127)		(174,127)
Capital increase	4,805		10,947		15,752
Foreign exchange adjustment, foreign subsidiaries			35,389		35,389
Purchase of treasury shares		(3,859)	(8,792)		(12,651)
Employee share ownership plan			5,066		5,066
Value adjustment of hedging instruments, beginning of year			(5,351)		(5,351)
Value adjustment of hedging instruments, end of year			351		351
Change in estimate/pension plan changes			3,561		3,561
Deferred tax concerning changed estimate/pension plan changes			(997)		(997)
Proposed dividend			(9,560)	9,560	0
EQUITY AT 31 DECEMBER 2012	280,500	(7,368)	466,944	9,560	749,636

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF THE COWI GROUP

DKK '000	NOTE	2012	2011
Operating profit/loss		(198,626)	77,293
Amortisation, depreciation and impairment loss for the year		141,013	137,398
Value adjustments etc., net		19,511	(20,904)
Other provisions and allowances for the year		286,818	37,882
OPERATING PROFIT/LOSS ADJUSTED FOR NON-CASH MOVEMENT		248,716	231,669
Net financial income received for the year		(3,009)	(4,181)
Income taxes paid		(59,610)	(38,240)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		186,097	189,248
Change in contract work in progress		89,970	(22,579)
Change in deposits		(3,952)	(506)
Change in accounts receivable, services		(222,954)	42,428
Change in accounts payable, suppliers		16,605	47,806
Change in other receivables and prepayments		(11,844)	3,177
Change in other payables and deferred income		56,032	37,093
CASH FLOW FROM OPERATING ACTIVITIES		109,954	296,667
Acquisition of intangible assets		(44,268)	(57,913)
Disposal of intangible assets		0	718
Acquisition of property, plant and equipment		(36,153)	(59,237)
Disposal of property, plant and equipment		2,379	4,827
Acquisition of subsidiaries and activities		(23,612)	(7,028)
Disposal of subsidiaries		2,500	0
CASH FLOW FROM INVESTING ACTIVITIES		(99,154)	(118,633)
FREE CASH FLOW		10,800	178,034
Raising of bank loan, net		106,264	(47,565)
Employee bonds		(97)	(54)
Distributed dividend		(9,527)	(9,369)
Amounts owed to associates		(69,488)	2,847
Amounts owed to group enterprises		(8,000)	(5,001)
Capital increase		15,752	25,821
Purchase of treasury shares		(12,650)	(11,128)
CASH FLOW FROM FINANCING ACTIVITIES		22,254	(44,449)
CASH FLOW FOR THE YEAR		33,054	133,585
Cash and cash equivalents, beginning of year		617,096	483,511
CASH AND CASH EQUIVALENTS, END OF YEAR	28	650,150	617,096

The cash flow statement cannot be directly derived from the balance sheet and the profit and loss account.

NOTES FOR THE COWI GROUP

NOTE 1 SEGMENT INFORMATION

Below, the Group's net turnover and own production are distributed on the following business areas as well as regions and the major business line, based on the Group's internal financial reporting:

The Group's net turnover by business areas:

DKK '000	2012	2011
Economics, Mangement and Planning	366,607	377,222
Water and Environment	751,297	720,349
Geographical Information and IT	275,315	275,870
Railways, Roads and Airports	814,178	746,316
Bridge, Tunnel and Marine Structures	911,666	854,903
Buildings	1,272,665	1,068,549
Industry and Energy	615,317	513,982
Not distributed and eliminations	110,862	131,514
Total	5,117,907	4,688,705

The Group's net turnover by regions and the major business line:

DKK '000	2012	2011
Denmark	2,377,338	2,288,110
Norway	1,205,304	994,991
Sweden	752,629	668,614
China, Middle East and Central and Eastern Europe	270,959	278,836
Bridge, Tunnel and Marine Structures	921,772	823,131
Other eliminations	(410,095)	(364,977)
Total	5,117,907	4,688,705

The Group's own production by regions and the major business line:

DKK '000	2012	2011
Denmark	1,686,751	1,627,089
Norway	984,827	826,428
Sweden	658,373	585,194
China, Middle East and Central and Eastern Europe	175,614	178,523
Bridge, Tunnel and Marine Structures	730,374	675,580
Other eliminations	(42,927)	524
Total	4,193,012	3,893,338

NOTE 2 EMPLOYEE EXPENSES

DKK ’000	2012	2011
Salaries and wages	(2,873,498)	(2,668,157)
Pensions	(86,352)	(77,255)
Social security	(223,466)	(190,935)
Other employee expenses	(125,863)	(98,688)
Employee expenses	(3,309,179)	(3,035,036)
Remuneration, Executive Board	(11,193)	(14,528)
Remuneration, former Executive Board and partners	(7,310)	(4,519)
Remuneration, Board of Directors, parent company	(1,975)	(1,850)

Remuneration to former Executive Board and partners also includes pensions paid in connection with defined benefit plans.

Average number of employees	6,128	6,114
Number of employees at 31 December	6,089	6,166

NOTE 3 AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKK ’000	2012	2011
Goodwill	(54,903)	(67,617)
Software and licenses	(13,824)	(6,917)
Own-developed products	(19,102)	(7,243)
Land and buildings	(81)	(80)
Technical installations, operating and other equipment	(53,103)	(55,541)
Amortisation, depreciation and impairment losses	(141,013)	(137,398)

NOTE 4 OTHER OPERATING INCOME

DKK ’000	2012	2011
Profit from disposal of property, plant and equipment	1,126	2,419
Royalty income	0	47
Profit from disposal of associates	94	706
Compensations	1,049	2,519
Refund of VAT related to meeting activities	0	5,500
Other operating income	3,691	2,979
Other operating income	5,960	14,170

NOTE 5 OTHER OPERATING EXPENSES

DKK ’000	2012	2011
Loss from disposal of property, plant and equipment	(631)	(255)
Removal expenses	(148)	(898)
Loss from disposal of subsidiaries and associates	(981)	(5,630)
Compensations	0	(2,050)
Other operating expenses	(4,076)	(591)
Other operating expenses	(5,836)	(9,424)

NOTE 6 FINANCIAL INCOME

DKK '000	2012	2011
Interest, cash, securities etc.	11,125	14,050
Realised and unrealised capital gains, investments	13,618	14,473
Foreign exchange gains	14,072	9,132
Financial income	38,815	37,655

NOTE 7 FINANCIAL EXPENSES

DKK '000	2012	2011
Interest, bank and mortgage debt etc.	(24,782)	(25,871)
Realised and unrealised capital losses, investments	(2,589)	(10,261)
Foreign exchange losses	(14,454)	(5,705)
Financial expenses	(41,825)	(41,837)

NOTE 8 TAX ON PROFIT/LOSS FOR THE YEAR

DKK '000	2012	2011
Current tax	(51,584)	(47,299)
Current tax, foreign project offices	(7,246)	(2,444)
Deferred tax	85,602	20,011
Tax adjustment in respect of prior periods	(512)	(38)
Tax on profit/loss for the year	26,260	(29,770)
Broken down as follows:		
Tax on profit/loss for the year	27,239	(40,379)
Tax on movements in equity	(979)	10,609
Total tax on profit/loss for the year	26,260	(29,770)
Tax on profit/loss for the year can be broken down as follows:		
Tax calculated at 25% on profit/loss before tax	50,213	(18,278)
Adjustment in proportion to 25% of tax calculated in foreign subsidiaries	(7,441)	(4,042)
Current tax, foreign project offices	(7,246)	(2,444)
Tax effect from:		
Amortisation of goodwill disallowed for tax purposes	(5,564)	(9,787)
Other expenses/other income disallowed for tax purposes	(7,273)	(5,071)
Reassessment of tax assets	(7,640)	(728)
Change of deferred tax due to reduction of corporate income tax	5,843	9
Tax adjustment in respect of prior periods, current tax	512	(38)
Tax adjustment in respect of prior periods, deferred tax	5,835	0
	27,239	(40,379)
Effective tax rate	13.6%	55.2%

NOTE 9 INTANGIBLE ASSETS

DKK '000	Goodwill	Software and licences	Own-developed products	Intangible assets in progress	Total
Cost at 1 January 2012	762,529	21,586	33,317	38,594	856,026
Value adjustment	20,490	197	161	0	20,848
Additions from acquisitions of enterprises	27,771	0	0	0	27,771
Additions	2,718	66,159	7,195	14,004	90,076
Disposals	(8,833)	(5,857)	(79)	(49,393)	(64,162)
Cost at 31 December 2012	804,675	82,085	40,594	3,205	930,559
Amortisation and impairment losses at 1 January 2012	247,481	15,544	14,209	-	277,234
Value adjustment	5,457	198	27	-	5,682
Amortisation and impairment losses	54,903	13,824	19,102	-	87,829
Disposals	(8,833)	(5,486)	(79)	-	(14,398)
Amortisation and impairment losses at 31 December 2012	299,008	24,080	33,259	-	356,347
Carrying amount at 31 December 2012	505,667	58,005	7,335	3,205	574,212

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

DKK '000	Land and buildings	Technical installations, operating and other equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2012	2,172	436,191	114	438,477
Value adjustment	81	8,501	0	8,582
Additions from acquisitions of enterprises	0	1,686	0	1,686
Additions	0	34,777	0	34,777
Disposals	0	(45,520)	(114)	(45,634)
Cost at 31 December 2012	2,253	435,635	0	437,888
Depreciation and impairment losses at 1 January 2012	515	301,984	-	302,499
Value adjustment	13	6,688	-	6,701
Additions from acquisitions of enterprises	0	32	-	32
Depreciation and impairment losses	81	53,102	-	53,183
Disposals	0	(43,636)	-	(43,636)
Amortisation and impairment losses at 31 December 2012	609	318,170	-	318,779
Carrying amount at 31 December 2012	1,644	117,465	0	119,109
Of which assets held under finance leases amount to	0	5,002	0	5,002

NOTE 11 INVESTMENTS IN ASSOCIATES

Name	Domicile	Ownership	Capital	
				('000)
COWI A/S' investments in major joint ventures:				
COWI Arup Systra JV (Cityringen)	Denmark	60%		-
COWI ATKINS JV (Sydbanen)	Denmark	45%		-
COWI DEC JV (Korea Tunnel)	South Korea	65%		-
COWI EHG JV (Healthcare waste)	Serbia	34%		-
COWI KEO STROL JV (Sofia airport)	Bulgaria	56%		-
COWI Larsen JV	Oman	84%		-
ECO CITY (22 partners)	EU	9%		-
ECO Life (24 partners)	EU	7%		-
ECO ORGUT "Lesotho" JV (24 partners)	Lesotho	70%		-
Western Balkan (IPF2)	Serbia	50%		-
COWI A/S' investments in associates:				
CAT Alliance Ltd.	UK	33%	GBP	100
TRENECON COWI Kft	Hungary	48%	HUF	50,000
COWI A/S' (Norway) investments in associates:				
Aviaplan AS	Norway	30%	NOK	101
ComputIT AS	Norway	46%	NOK	2,174
SDC ANS	Norway	50%	NOK	352
Team T AS	Norway	25%	NOK	1,000
Team T3 AS	Norway	30%	NOK	1,000
COWI AB's (Sweden) investments in associates:				
Nebb Engineering AS	Sweden	25%	SEK	877

NOTE 12 FINANCIAL ASSETS

DKK '000	Investments in associates	Other investments and securities	Deposits	Total
Cost at 1 January 2012	7,334	6,396	37,024	50,754
Value adjustment	373	365	(40)	698
Additions from acquisitions of enterprises	28	0	395	423
Additions	3,345	0	3,681	7,026
Disposals	(34)	(169)	(9)	(212)
Cost at 31 December 2012	11,046	6,592	41,051	58,689
Revaluations at 1 January 2012	2,218	334	-	2,552
Value adjustment	173	0	-	173
Additions	1,192	0	-	1,192
Disposals	(412)	(4)	-	(416)
Revaluations at 31 December 2012	3,171	330	-	3,501
Impairment losses at 1 January 2012	1,009	31	-	1,040
Value adjustment	50	0	-	50
Additions	0	18	-	18
Disposals	0	0	-	0
Impairment losses at 31 December 2012	1,059	49	-	1,108
Carrying amount at 31 December 2012	13,158	6,873	41,051	61,082

NOTE 13 CONTRACT WORK IN PROGRESS

DKK '000	2012	2011
Selling price of work in progress	6,925,870	12,610,412
Amounts invoiced in advance	(6,867,810)	(12,537,191)
Contract work in progress, net	58,060	73,221
Recognised in the balance sheet as:		
Contract work in progress (assets)	453,268	459,207
Amounts invoiced in advance (liabilities)	(395,208)	(385,986)
	58,060	73,221

COWI is a party to a number of working partnerships and joint ventures and has assumed joint and several liability for the liabilities of the working partnerships and joint ventures. It is primarily the Group's Danish subsidiary, COWI A/S, which participates in joint ventures.

At the end of the financial year, the Danish subsidiary COWI A/S' commitments through working partnerships and joint ventures of which COWI is the partner can be calculated as follows:

Total amount contracted for in working partnerships and joint ventures to which COWI A/S is a party	3,872,030	3,939,514
Stage of completion of the working partnerships and joint ventures	92.98%	88.12%
COWI A/S' share of amounts contracted for through working partnerships and joint ventures	2,081,916	2,062,925
COWI A/S' average stage of completion of own share of contract amounts	95.74%	92.42%

NOTE 14 PREPAYMENTS

DKK '000	2012	2011
Insurance premiums	16,490	13,600
Rent	30,255	31,638
Other	42,748	45,321
Prepayments	89,493	90,559

NOTE 15 MARKETABLE SECURITIES

DKK '000	2012	2011
Shares	62,920	51,684
Bonds	191,321	187,493
Portfolio at 31 December	254,241	239,177

NOTE 16 SHARE CAPITAL

DKK '000	2012
The share capital consists of:	
Class A shares:	
2,000,000 shares of each DKK 100	200,000
Class B shares:	
627,470 shares of each DKK 100	62,747
Class C shares:	
177,530 shares of each DKK 100	17,753
Share capital in total	280,500

Each class A share of DKK 100 carries ten votes, whereas each class B and class C share of DKK 100 carries one vote. All class A shares are held by COWIfonden (the COWIfoundation), the class B shares may be held by COWIfonden and employees and will as a main rule be sold back to the company when the employee leaves the company. The class C shares were issued in connection with the conversion from COWI A/S shares and are held by present and former employees. All class C shares will be repurchased by June 2015 at the latest.

Specification of movements in share capital

DKK '000	2012	2011	2010	2009	2008
Share capital at 1 January	275,695	267,801	206,521	206,521	206,521
Capital increase	4,805	7,894	61,280	0	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	280,500	275,695	267,801	206,521	206,521

NOTE 17 TREASURY SHARES

DKK '000	Nominal value	Share capital percentage
Portfolio at 1 January 2012	3,509	1.27%
Additions for the year	3,859	1.38%
Portfolio at 31 December 2012	7,368	2.63%

Treasury shares consist of class B shares, with a nominal value of DKK 2,703 thousand, and class C shares, with a nominal value of DKK 4,665 thousand.

NOTE 18 MINORITY INTERESTS

DKK '000	2012	2011
Minority interests at 1 January	3,283	3,373
Value adjustment	156	(110)
Disposals and additions	(142)	0
Share of profit for the year	510	20
Minority interests at 31 December	3,807	3,283

NOTE 19 DEFERRED TAX

DKK '000	2012	2011
Deferred tax at 1 January	261,305	278,058
Value adjustments	(523)	3,258
Tax on change in equity	0	(10,618)
Deferred tax for the year	(85,602)	(9,393)
	175,180	261,305
Recognised in the balance sheet as:		
Deferred tax assets	48,640	39,779
Deferred tax	223,820	301,084
	175,180	261,305
Specification of deferred tax assets and deferred tax:		
Intangible assets	38,713	30,789
Property, plant and equipment	(10,498)	(2,665)
Financial assets	(312)	(283)
Current assets	261,686	342,948
Provisions	(53,323)	(24,189)
Debt	(10,320)	(11,508)
Tax-loss carryforward	(63,042)	(90,115)
Reassessment of tax assets	12,276	16,328
	175,180	261,305

NOTE 20 NET PENSION BENEFIT OBLIGATIONS

Until 30 June 2007, the COWI Group's Norwegian subsidiaries operated defined benefit pension plans for all employees. From 1 July 2007, newly appointed employees have been offered defined contribution pension plans only, and at the same time all other employees have been offered transition to such plans. The note below does not include information on the defined contribution pension plans.

	2012	2011
Number of people covered by the benefit plan:		
Active staff	275	280
Retired staff	113	108
Total number of people covered by the benefit plan	388	388

DKK '000	2012	2011
Net pension plan assets and pension benefit obligations:		
Estimated pension benefit obligation at 31 December	390,145	357,114
Plan assets at 31 December	(287,451)	(257,637)
Estimated fair value, net obligation at 31 December	102,694	99,477
Specification of net pension benefit obligations recognised in the profit and loss account:		
Pension earnings during the year	(16,715)	(14,201)
Interest expenses on accrued benefit obligations	(11,714)	(11,773)
Expected return on plan assets	13,101	11,957
Other changes in benefit obligations	(3,465)	(3,037)
Total benefit obligations recognised in the profit and loss account at 31 December	(18,793)	(17,054)
Benefit calculations are based on the following economic assumptions:		
Discount rate	3.60%	3.30%
Expected return	3.60%	4.80%
Salary adjustments	4.00%	3.75%
Long-term health regulation	3.00%	3.75%
Pension adjustments	0.00%	0.70%
Expected voluntary redundancy before 40 years of age	2.00%	2.00%
Expected voluntary redundancy after 40 years of age	2.00%	2.00%

In previous years, the COWI Group's Danish subsidiary, COWI A/S, has made commitments to provide a number of former executive employees with defined benefit plans.

	2012	2011
The value in use of these may be specified as follows:		
Benefit obligations to former members of management in COWI A/S	21,500	26,500
Total net pension benefit obligations	124,194	125,977

NOTE 21 OTHER PROVISIONS

DKK '000	2012	2011
Guarantees at 1 January	23,953	14,946
Value adjustment	718	50
Adjustment for the year	3,716	8,957
Guarantees at 31 December	28,387	23,953
Other provisions at 1 January	5,808	13,622
Currency adjustment	(180)	104
Adjustment for the year	89,515	(7,918)
Other provisions made at 31 December	95,143	5,808
Total other provisions at 31 December	123,530	29,761

NOTE 22 LONG-TERM DEBT

DKK '000	2012	2011
Subordinate loan falling due later than one year and not later than five years	130,848	130,848
Employee bonds falling due later than one year and not later than five years	54,710	54,807
Credit institution loans falling due later than one year and not later than five years	2,281	5,253
Long-term debt at 31 December	187,839	190,908

In 2008 and 2009 the COWI Group's Danish subsidiary, COWI A/S, issued employee bonds falling due on 1 January 2014 and on 1 January 2015, respectively.

Subordinate loan capital:
The COWI Group's Danish subsidiary, COWI A/S, has entered into a loan agreement with SEB Pensionsforsikring A/S and Danica Pension Livsforsikringsaktieselskab, respectively. The loan is an irredeemable bullet loan amounting to DKK 130.8 million. The loan will fall due for payment on 30 June 2015. The subordinate loan capital ranks after all other creditors in the company.

NOTE 23 OTHER ACCOUNTS PAYABLE

DKK '000	2012	2011
Accrued holiday allowance	286,982	264,614
Taxes and VAT payable	217,318	174,257
Other accounts payable	138,456	100,929
Other accounts payable at 31 December	642,756	539,800

NOTE 24 FEES TO AUDITORS

DKK '000	2012	2011
Fee, statutory audit	(3,379)	(3,235)
Assurance engagements	(632)	(867)
Tax consultancy	(2,948)	(1,496)
Services other than audit	(3,343)	(551)
Total fees, PricewaterhouseCoopers	(10,302)	(6,149)

DKK '000	2012	2011
Fee, statutory audit	(1,020)	(810)
Assurance engagements	(12)	(165)
Tax consultancy	(437)	(196)
Services other than audit	(23)	(145)
Total fees, other accountancy firms	(1,492)	(1,316)

NOTE 25 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

DKK '000	2012	2011
Contingent liabilities		
Lease commitments (operating leases) due after less than one year	14,620	17,866
Lease commitments (operating leases) falling due later than one year and not later than five years	32,080	23,114
Lease commitments (operating leases) due after more than five years	235	3,052
Total lease commitments	46,935	44,032
Rental commitments in the period of termination due after less than one year	136,516	149,108
Rental commitments in the period of termination falling due later than one year and not later than five years	483,494	285,587
Rental commitments in the period of termination due after more than five years	458,465	270,748
Total rental commitments	1,078,475	705,443
Recourse guarantees and performance bonds	221,218	326,410
Other guarantees and charges	43,401	11,828

COWI Holding A/S is liable for taxes on the Group's jointly-taxed profit.
By virtue of its business operations, the COWI Group is a party to legal disputes that can be expected in the course of its business operations. The management keeps all such involvement under constant review and makes provisions accordingly. COWI's work in connection with the establishment of the Muscat and Salalah International Airports in Oman was finished at the end of 2012. COWI has claims of outstanding payments and other claims against the customer. The customer may have counterclaims against COWI. Neither COWI's claims for outstanding payments and other claims nor the customer's potential counterclaims are recognised in the annual report, since the size of the amounts and the probability that the amounts will be paid are surrounded by considerable uncertainty. It is uncertain when these matters will be clarified.

Guarantees	2012	2011
The following assets have been provided as guarantees to credit institutions:		
Technical installations, operating and other equipment at a carrying amount of	4,775	6,483
Accounts receivable, services	8,287	110,162
For guarantees, the following assets have been provided as security to credit institutions:		
Cash at a carrying amount of	4,197	1,819
Securities at a carrying amount of	253,049	235,534
Guarantee facility at 31 December	1,130,526	1,012,331
Drawn for performance bonds relating to projects in progress	221,218	326,264

COWI's guarantees through cash and securities can be terminated by the company from day to day.

The Group operates a share ownership programme for present and former employees, and the Group is under a duty to repurchase the employee shares at book value per share. As at 31 December 2012, the employees hold shares at a nominal value of DKK 46.6 million.

NOTE 26 RELATED PARTY TRANSACTIONS

COWIfonden (the COWIfoundation) owns all class A shares in COWI Holding A/S and has a controlling influence in the company. COWIfonden does not carry out any independent business, and no material transactions are conducted between COWIfonden and the company.

Apart from usual intercompany transactions and usual management remuneration, no transactions were made during the year with the Board of Directors, the Executive Board, managerial employees, principal shareholders, subsidiaries or other related parties.

NOTE 27 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The company's directors and members of the Executive Board own the following nominal shareholdings in COWI Holding A/S and, at the end of the financial year, held the following directorships and executive positions in companies other than consolidated COWI companies:

Board of Directors	Directorships and executive positions in other companies	Shares in COWI Holding A/S, nominal holding
Henrik Gürtler, Chairman	Novo A/S (MD) Novozymes A/S (CB) Københavns Lufthavne A/S (CB) Novo Nordisk A/S (MB)	0
Michael Bindseil, Vice Chairman		91,200
Jørgen V. L. Bardenfleth	Strategy Director of Microsoft International GN Store Nord A/S (MB) DHI (CB) Vallø Stift (MB) Copenhagen Capacity (MB) Symbion (CB) The Danish Chamber of Commerce (MB) The Danish Cystic Fibrosis Association (MB)	0
Hans Ole Voigt	Independent management consultant DTZ Egeskov Lindquist A/S (MB) Fonden Godhavn (MB)	0
Thomas Stig Plenborg	Professor and Associate Dean at the Copenhagen Business School Saxo Bank (MB) DSV (MB) Rosemunde (CB) Everyday Luxury Feeling (CB)	0
Kirsti Engebretsen Larssen	RIF (rådgivende ingeniørers forening) (MB)	55,000
Niels Fog*		35,200
Jens Brendstrup*		73,200
Jens Erik Blumensaadt Jensen*		18,700
Executive Board		
Lars Peter Søbye, President, CEO	Mannaz (MB)	232,200
Keld Sørensen, Executive Vice President, CFO		205,200
Rasmus Ødum, Executive Vice President, COO		186,200

(MD) = Managing Director
(CB) = Chairman of the Board of Directors
(MB) = Member of the Board of Directors
* = Elected by the employees

NOTE 28 CASH AND CASH EQUIVALENTS

DKK '000	2012	2011
Marketable securities	254,241	239,177
Cash	395,909	377,919
Cash and cash equivalents at 31 December	650,150	617,096
Undrawn committed credit facilities at 31 December not including guarantee facilities	412,314	529,579
Financial resources at 31 December	1,062,464	1,146,675

NOTE 29 ENTITIES IN THE COWI GROUP

Name	Domicile	Ownership		Share capital ('000)
COWI Holding A/S (parent company)	Denmark	-	DKK	280,500
COWI Invest A/S	Denmark	100%	DKK	500
COWI A/S	Denmark	100%	DKK	34,750
COWI A/S' subsidiaries:				
COMAR Engineers A/S	Denmark	100%	DKK	849
COWI & Partners LLC	Oman	100%	OMR	150
COWI Almoayed Gulf W.L.L.	Bahrain	100%	BHD	20
COWI AS	Norway	100%	NOK	23,200
COWI Belgium SPRL	Belgium	100%	EUR	7
COWI Consulting (Beijing) Ltd. Co.	China	100%	CNY	14,930
COWI d.o.o.	Serbia	100%	CSD	53,736
COWI Engineering, Environmental and Economic Consulting Ltd.	Russia	100%	RUB	3,600
COWI Gulf A/S	Denmark	100%	DKK	2,200
COWI Holding AB	Sweden	100%	SEK	100
COWI India Private Ltd.	India	100%	INR	30,800
COWI Korea Co., Ltd.	South Korea	60%	KRW	500,000
COWI Lietuva UAB	Lithuania	100%	LTL	204
COWI Limited	Uganda	100%	UGX	200,000
COWI Limited	Zambia	100%	ZMK	1,569,373
COWI Mapping UK Ltd.	UK	100%	GBP	85
COWI Mozambique Lda.	Mozambique	100%	MZN	6,808
COWI North America Holding Inc.	USA	100%	USD	1
COWI Polska Sp. z o.o.	Poland	100%	PLN	1,000
COWI Tanzania Limited	Tanzania	100%	TZS	20,000
COWIconsult International Ltd.	UK	100%	EUR	126
COWI-SNS Muşavirlik ve Mühendislik Ltd. Şti.	Turkey	100%	TRY	6,400
Flint & Neill Limited	UK	100%	GBP	100
KX A/S	Denmark	100%	DKK	10,001
Studstrup og Østgaard A/S	Denmark	100%	DKK	1,125
Tripod Wind Energy ApS	Denmark	100%	DKK	200

This note comprises only COWI Holding A/S, COWI Invest A/S and COWI A/S and its subsidiaries.

COWI HOLDING A/S FINANCIAL STATEMENTS

(PARENT COMPANY)

ACCOUNTING POLICIES

The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act.

The accounting policies are the same as those applied for the group financial statements apart from the following policies:

INVESTMENTS IN SUBSIDIARIES
Investments in subsidiaries are measured according to the equity method. Investments are measured at the proportionate share of the equity value of the relevant subsidiary determined in accordance with the Group's accounting policies subject to deduction or addition of unrealised intercompany profits and losses, and subject to addition or deduction of the remaining value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and any receivable from these enterprises are written down to the extent that the receivable is uncollectible. To the extent that the parent company has a legal or constructive obligation to cover a negative balance exceeding the receivable, the remaining amount is recognised under provisions.

CASH FLOW STATEMENT
No separate cash flow statement has been prepared for the parent company – see the group cash flow statement on page 47.

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT OF THE PARENT COMPANY, COWI HOLDING A/S, FOR 1 JANUARY - 31 DECEMBER

DKK '000	NOTE	2012	2011
External expenses	1	(352)	(721)
OPERATING PROFIT/LOSS		(352)	(721)
Profit/loss after tax in subsidiaries		(171,696)	33,970
Financial income	2	414	378
Financial expenses	3	(112)	(22)
PROFIT/LOSS BEFORE TAX		(171,746)	33,605
Tax on profit/loss for the year	4	(2,381)	121
PROFIT/LOSS FOR THE YEAR		(174,127)	33,726

Proposed distribution of profit/loss for the year

DKK '000	2012	2011
Proposed dividend (3.5% of the share capital excluding treasury shares)	9,560	9,527
Retained earnings	(183,687)	24,199
	(174,127)	33,726

BALANCE SHEET

BALANCE SHEET OF THE PARENT COMPANY, COWI HOLDING A/S, AT 31 DECEMBER

DKK ’000	NOTE	2012	2011
Investments in subsidiaries		728,517	871,721
Loans to subsidiaries		17,500	20,301
FINANCIAL ASSETS	5	746,017	892,022
TOTAL NON-CURRENT ASSETS		746,017	892,022
Receivables from subsidiaries		3,661	3,663
Deferred tax assets	6	226	272
RECEIVABLES		3,887	3,935
CASH		168	222
TOTAL CURRENT ASSETS		4,055	4,157
TOTAL ASSETS		750,072	896,179
Share capital	7	280,500	275,695
Treasury shares		(7,368)	(3,509)
Reserve for net revaluation according to the equity method		41,150	184,352
Retained earnings		425,794	426,105
Proposed dividend		9,560	9,527
EQUITY		749,636	892,170
Amounts owed to subsidiaries		290	3,873
Accounts payable, suppliers		60	50
Income tax payable		86	86
SHORT-TERM DEBT		436	4,009
TOTAL DEBT		436	4,009
TOTAL EQUITY AND LIABILITIES		750,072	896,179
Contingencies and other financial commitments	8		
Related party transactions	9		
Board of Directors and Executive Board	10		

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY, COWI HOLDING A/S

DKK '000	SHARE CAPITAL	TREASURY SHARES	RESERVE FOR NET REVALUATION ACCORDING TO THE EQUITY METHOD	RETAINED EARNINGS	DIVIDEND	TOTAL
EQUITY AT 1 JANUARY 2011	267,801	(129)	181,701	416,680	9,369	875,422
Distributed dividend					(9,369)	(9,369)
Dividend received			(9,369)	9,369		0
Profit/loss for the year			33,970	(244)		33,726
Increase of capital	7,894			17,927		25,821
Foreign exchange adjustment, foreign subsidiaries			1,290			1,290
Purchase of treasury shares		(3,380)	352	(8,100)		(11,128)
Employee share ownership plan			2,412			2,412
Value adjustment of hedging instruments, beginning-of-year			(4,538)			(4,538)
Value adjustment of hedging instruments, end-of-year			5,351			5,351
Change in estimate/pension plan changes			(37,440)			(37,440)
Deferred tax concerning changed estimate/pension plan changes			10,623			10,623
Proposed dividend				(9,527)	9,527	0
EQUITY AT 1 JANUARY 2012	275,695	(3,509)	184,352	426,105	9,527	892,170
Distributed dividend					(9,527)	(9,527)
Dividend received			(9,527)	9,527		0
Profit/loss for the year			(171,694)	(2,433)		(174,127)
Increase of capital	4,805			10,947		15,752
Foreign exchange adjustment, foreign subsidiaries			35,389			35,389
Purchase of treasury shares		(3,859)	0	(8,792)		(12,651)
Employee share ownership plan			5,066			5,066
Value adjustment of hedging instruments, beginning-of-year			(5,351)			(5,351)
Value adjustment of hedging instruments, end-of-year			351			351
Change in estimate/pension plan changes			3,561			3,561
Deferred tax concerning changed estimate/pension plan changes			(997)			(997)
Proposed dividend				(9,560)	9,560	0
EQUITY AT 31 DECEMBER 2012	280,500	(7,368)	41,150	425,794	9,560	749,636

NOTES FOR THE PARENT COMPANY, COWI HOLDING A/S

NOTE 1 EXPENSES

Employee expenses

See note 2 to the group financial statements on page 49. The company had no employees during the financial year.

Fee, auditor elected by the annual general meeting

DKK '000	2012	2011
Fee, statutory audit	(60)	(50)
Services other than audit	0	0
Total fees, PricewaterhouseCoopers	(60)	(50)

NOTE 2 FINANCIAL INCOME

DKK '000	2012	2011
Interest, cash	0	3
Interest, subsidiaries	414	375
Financial income	414	378

NOTE 3 FINANCIAL EXPENSES

DKK '000	2012	2011
Interest, subsidiaries	(112)	(18)
Foreign exchange losses	0	(4)
Financial expenses	(112)	(22)

NOTE 4 TAX ON PROFIT/LOSS FOR THE YEAR

DKK '000	2012	2011
Current tax	0	0
Deferred tax	(46)	91
Tax adjustment in respect of prior periods	(2,335)	30
Tax on profit/loss for the year	(2,381)	121
Broken down as follows:		
Tax on profit/loss for the year	(2,381)	121
Total tax on profit/loss for the year	(2,381)	121
Tax on profit/loss for the year can be broken down as follows:		
Tax calculated at 25% on profit/loss before tax excluding profit/loss after tax in subsidiaries	12	91
Other expenses/other income disallowed for tax purposes	(58)	0
Tax adjustment in respect of prior periods	(2,335)	30
	(2,381)	121

NOTE 5 FINANCIAL ASSETS

DKK '000	Investments in subsidiaries	Loans to subsidiaries	Total
Cost at 1 January 2012	687,369	20,301	707,670
Disposals	0	(2,801)	(2,801)
Cost at 31 December 2012	687,369	17,500	704,869
Revaluations at 1 January 2012	184,352	0	184,352
Disposals	(143,204)	0	(143,204)
Revaluations at 31 December 2012	41,148	0	41,148
Carrying amount at 31 December 2012	728,517	17,500	746,017

See note 29 to the group financial statements on page 60 for information on investments in subsidiaries.

NOTE 6 DEFERRED TAX ASSETS

DKK '000	2012	2011
Deferred tax at 1 January	272	181
Deferred tax for the year	(46)	91
	226	272
Deferred tax assets concern:		
Tax-loss carryforward	226	272

NOTE 7 SHARE CAPITAL

See note 16 to the group financial statements on page 54 for information on share capital.

NOTE 8 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

COWI Holding A/S is liable for taxes on the Group's jointly-taxed profit.

See note 25 to the group financial statements on page 58 for further information on contingencies and other financial commitments.

NOTE 9 RELATED PARTY TRANSACTIONS

See note 26 to the group financial statements on page 58 for information on related party transactions.

NOTE 10 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

See note 27 to the group financial statements on page 59 for information on the Board of Directors and the Executive Board.

STATEMENTS ON THE ANNUAL REPORT

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

Today, the Board of Directors and the Executive Board considered and approved the annual report for the financial year 1 January - 31 December 2012 of COWI Holding A/S. The annual report has been prepared in accordance with the Danish Financial Statements Act. In our opinion, the accounting policies applied are appropriate and the accounting estimates made are adequate.

Furthermore, we find the overall presentation of the annual report and the consolidated financial statements to be true and fair. In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities, equity, financial position and results of the Group's and the parent company's activities and the Group's cash flows for the financial year 1 January - 31 December 2012 in accordance with the Danish Financial Statements Act.

In our opinion, the management's review gives a fair presentation of the issues covered and describes the Group's most material risks and uncertainties.

The annual report is recommended for approval by the annual general meeting.

Kongens Lyngby, 27 February 2013

EXECUTIVE BOARD:

LARS-PETER SØBYE
President, CEO

KELD SØRENSEN
Executive Vice President, CFO

RASMUS ØDUM
Executive Vice President, COO

BOARD OF DIRECTORS:

HENRIK GÜRTLER
Chairman

MICHAEL BINDSEIL
Vice Chairman

HANS OLE VOIGT

JØRGEN V. L. BARDENFLETH

THOMAS STIG PLENBORG

KIRSTI ENGEBRETSEN LARSSEN

JENS BRENDSTRUP*

NIELS FOG*

JENS ERIK BLUMENSAADT JENSEN*

*Elected by the employees

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF COWI HOLDING A/S

We have audited the financial statements, the consolidated financial statements of COWI Holding A/S for the financial year 1 January 2012 - 31 December 2012. The financial statements and the consolidated financial statements comprise profit and loss account, balance sheet, statement of changes in equity, consolidated cash flow statement, notes and accounting policies. The financial statements and the consolidated financial statements are prepared in accordance with the Danish Financial Statements Act. The management's review, which is not comprised by the audit, is prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S RESPONSIBILITY

The management is responsible for the preparation and fair presentation of the financial statements and the consolidated financial statements in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and consolidated financial statements that are free from material misstatement, whether due to fraud or error. The responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. Furthermore, the management is responsible for preparing a management's review that includes a true and fair account in accordance with the Danish Financial Statements Act.

AUDITOR'S RESPONSIBILITY AND BASIS OF OPINION

Our responsibility is to express an opinion on the financial statements and the consolidated financial statements and the management's review based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements, the consolidated financial statements and management's review are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements and the consolidated financial statements 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 financial statements and the consolidated financial statements.

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

Our audit has not resulted in any qualification.

OPINION

In our opinion, the financial statements and the consolidated financial statements give a true and fair view of the financial position of the company and the Group at 31 December 2012 and of the results of the company and the Group operations and consolidated cash flows for the financial year 1 January 2012 - 31 December 2012 in accordance with the Danish Financial Statements Act.

STATEMENT ON THE MANAGEMENT'S REVIEW

We have read the management's review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit performed of the financial statements and the consolidated financial statements. On this basis, in our opinion, the information provided in the management's review is in accordance with the financial statements and the consolidated financial statements.

Kongens Lyngby, 27 February 2013

PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab

Kim Füchsel
State Authorised Public Accountant

Jacob F Christiansen
State Authorised Public Accountant

COWI HOLDING A/S
COMPANY INFORMATION

COMPANY INFORMATION
COWI Holding A/S
Parallelvej 2
2800 Kongens Lyngby
Denmark
Tel. +45 56 40 00 00
Fax +45 46 40 99 99
www.cowi.com
www.cowi.dk
www.cowiholding.com
cowi@cowi.dk
Company registration number
32 89 29 73

BOARD OF DIRECTORS
Henrik Gürtler, Chairman
Michael Bindseil, Vice Chairman
Jørgen V. L. Bardenfleth
Hans Ole Voigt
Thomas Stig Plenborg
Kirsti Engebretsen Larssen
Jens Brendstrup
Niels Fog
Jens Erik Blumensaadt Jensen

EXECUTIVE BOARD
Lars-Peter Søbye, President, CEO
Keld Sørensen, Executive Vice President, CFO
Rasmus Ødum, Executive Vice President, COO

AUDITING
PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup
Denmark
State Authorised Public Accountants
Kim Füchsel and Jacob F Christiansen

ANNUAL GENERAL MEETING
The annual general meeting will be held on 21 March 2013 at the company address.

OWNERSHIP
The share capital amounts to DKK 280.5 million, consisting of DKK 200 million worth of class A shares, DKK 62.7 million worth of class B shares, and DKK 17.8 million worth of class C shares. The class A shares carry ten votes for each DKK 100 share, whereas classes B and C shares carry one vote for each DKK 100 share. All class A shares are owned by COWIfonden (the COWIfoundation), which supports research and development within Danish engineering.

COWI Holding A/S owns DKK 2.7 million worth of class B shares and DKK 4.7 million worth of class C shares, the employees own DKK 46.6 million worth of classes B and C shares in total, while COWIfonden owns DKK 226.5 million worth of classes A, B and C shares in total.

MISSION

We are consultants creating significant value for customers, people and society through our knowledge and 360° approach by:

> Involving and engaging customers and stakeholders in co-creating optimum solutions

> Applying world-class knowledge and experience globally and locally based on engineering, economics and environmental science

> Creating prosperity and opportunities for customers, employees, shareholders and other stakeholders.

VISION

Our vision is to create coherence in tomorrow's sustainable societies.

We want to be:

> An industry top player
We are a top earner in the industry creating substantial value to enable growth and innovation

> The customer's first choice
COWI is the customer's partner of choice when it comes to creating innovation and sustainable value

> The best people
We have the highest level of competencies and knowledge sharing in the industry based on our high performance teams

> A leading brand
COWI is the strongest brand and the preferred consultant in all of our designated markets

> World-class international specialists
We are recognised as the world leader within our international business lines

> Excellent operations
Our continuous improvement efforts benchmark with the best.

COWI'S ORGANISATION at 27 February 2013

BOARD OF DIRECTORS

EXECUTIVE BOARD

LARS-PETER SØBYE
President, CEO

KELD SØRENSEN
Executive Vice President, CFO

RASMUS ØDUM
Executive Vice President, COO

SHARED SERVICES

REGIONS

COWI DENMARK

JENS CHRISTOFFERSEN
Regional Vice President

- Planning and Economics
- Water and Environment
- Railways, Roads and Airports
- Buildings
- Industry and Energy

SUBSIDIARIES
- Caribersa S.L. & Eurocarto S.A. (Spain)
- COWI Belgium SPRL (Belgium)
- COWI India Private Ltd. (India)
- COWI Limited (Uganda)
- COWI Limited (Zambia)
- COWI Mapping UK Ltd. (UK)
- COWI Mozambique Lda. (Mozambique)
- COWI North America Energy, Inc. (USA)
- COWI Tanzania Limited (Tanzania)

DANISH REGIONS
- Central Jutland
- South
- North Jutland
- Zealand

COWI NORWAY

TERJE BYGLAND NIKOLAISEN
President

- Water
- Environment and Social Planning
- Industry and Energy
- Buildings
- Transport

COWI SWEDEN

ANDERS RYDBERG
President

- Buildings
- Industry
- Infrastructure
- Environment

SUBSIDIARIES
- AEC AB (Sweden)
- COWI Management AB (Sweden)

MAJOR BUSINESS LINE

ANTON PETERSEN
Senior Vice President

- Tunnels
- Major Bridges
- Marine Structures

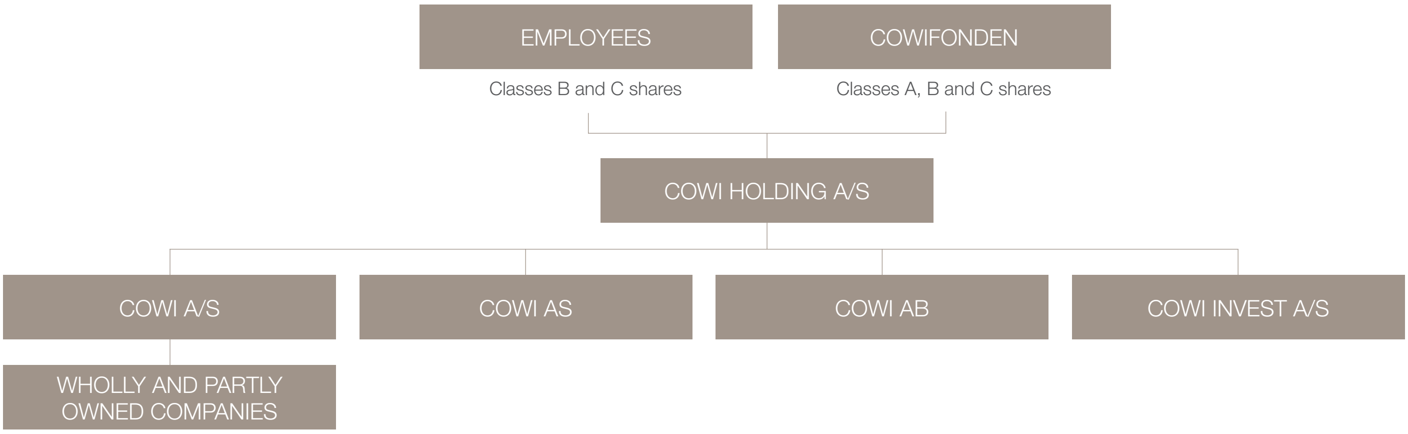
SUBSIDIARIES
- Ben C. Gerwick, Inc. (USA)
- Buckland & Taylor Ltd. (Canada and USA)
- COWI Gulf A/S (United Arab Emirates)
- COWI India Private Ltd. (India)
- COWI Korea Co., Ltd. (South Korea)
- Flint & Neill Limited (UK)
- Jenny Engineering Corp., Inc. (USA)
- Ocean & Coastal Consultants, Inc. (USA)

COWI CMC

MOGENS HEERING
Senior Vice President

- China
- Bahrain
- Oman
- Qatar
- Lithuania
- Poland
- Russia
- Serbia
- Turkey

SUBSIDIARIES
- COWI Consulting (Beijing) Ltd. Co. (China)
- COWI d.o.o. (Serbia)
- COWI Engineering, Environmental and Economic Consulting Ltd. (Russia)
- COWI Gulf A/S (Bahrain)
- COWI Lietuva UAB (Lithuania)
- COWI & Partners LLC (Oman)
- COWI Polska Sp.z o.o. (Poland)
- COWI-SNS Müşavirlik ve Mühendislik Ltd. Şti. (Turkey)
- Vakaru Projektai UAB (Lithuania)



COWI's group structure after the balance sheet date, cf. section "Events after the Balance sheet date", page 29.

COWI SUBSIDIARIES AND THEIR OFFICES

BAHRAIN
COWI Gulf A/S
Manama

BELGIUM
COWI Belgium Sprl
Brussels

CANADA
Buckland & Taylor Ltd.
North Vancouver
Edmonton, Alberta
Halifax, Nova Scotia

CHINA
COWI Consulting (Beijing) Ltd. Co.
Beijing

DENMARK
COWI A/S, Denmark
Lyngby (head office)
Esbjerg
Holstebro
Odense
Ringsted
Roskilde
Silkeborg
Svendborg
Vejle
Viborg
Aabenraa
Aalborg
Aarhus

INDIA
COWI India Private Ltd.
Delhi (Gurgaon)
Chennai

LITHUANIA
COWI Lietuva UAB
Kaunas
Vilnius

Vakaru Projektai UAB
Klaipeda

MOZAMBIQUE
COWI Mozambique Lda.
Maputo

NORWAY
COWI AS, Norway
Oslo
Bergen
Bodø
Drammen
Flekkefjord
Frederikstad
Førde
Hamar
Haugesund
Hønefoss
Kongsberg
Kristiansand S
Kristiansund
Larvik
Levanger
Lillehammer
Narvik
Norheimsund
Notodden
Sogndal
Stavanger
Tromsø
Trondheim
Voss

OMAN
COWI & Partners LLC
Muscat

POLAND
COWI Polska Sp. Z O.O.
Wroclaw
Bielsko - Biala
Warsaw

QATAR
COWI A/S
Doha

RUSSIA
COWI Engineering, Environmental and Economic Consulting Ltd.
Moscow
Yaroslavl

SERBIA
COWI d.o.o.
Belgrade

SOUTH KOREA
COWI Korea Co., Ltd.
Seoul

SPAIN
Caribersa S.L. & Eurocarto S.A.
Madrid

SWEDEN
COWI AB, Sweden
Gothenburg
Helsingborg
Herrljunga
Jönköping
Karlstad
Kristianstad
Linköping
Malmö
Skövde
Stenungsund
Stockholm
Vänersborg
Ystad
Örnsköldsvik

AEC AB
Gothenburg
Stockholm

COWI Management AB
Gothenburg
Stockholm

TANZANIA
COWI Tanzania Limited
Dar Es Salaam

TURKEY
COWI-SNS Müsavirlik ve Mühendi$lik Ltd. Şti.
Istanbul
Ankara

UGANDA
COWI Limited
Kampala

UNITED ARAB EMIRATES
COWI Gulf A/S
Dubai
Abu Dhabi

UNITED KINGDOM
COWI Mapping UK Ltd.
Stroud

Flint & Neill Limited
London
Stone

USA
Ben C. Gerwick, Inc.
Oakland, California
Long Beach, California
New Orleans, Louisiana
San Francisco, California
Seattle, Washington

Buckland & Taylor, Inc.
Seattle, Washington
New York, New York

COWI North America Energy, Inc.
Trumbull, Connecticut

Jenny Engineering Corp., Inc.
Springfield Township, New Jersey

Ocean & Coastal Consultants, Inc.
Trumbull, Connecticut
Gibbsboro, New Jersey
Marshfield, Massachusetts
Mount Pleasant, South Carolina

ZAMBIA
COWI Limited
Lusaka

BOARD OF DIRECTORS

HENRIK GÜRTLER
Chairman

Born 1953. MSc (Engineering) and Managing Director of Novo A/S. On the Board of COWI A/S since 2000 until 2012. On the Board of COWI Holding A/S since its formation in 2010. Independent of COWI.

MICHAEL BINDSEIL
Vice Chairman

Born 1959. MSc (Engineering) and Senior Vice President (Railways, Roads and Airports) at COWI A/S. With COWI since 1991. On the Board of COWI A/S since 2010. On the Board of COWI Holding A/S since its formation in 2010.

JØRGEN V. L. BARDENFLETH

Born 1955. MSc (Electronic Engineering) and MBA. Strategy Director of Microsoft International. On the Board of COWI A/S since 2008 until 2012. On the Board of COWI Holding A/S since its formation in 2010. Independent of COWI.

THOMAS PLENBORG

Born 1967. MSc (Economics and Business Administration) and PhD. Professor at Copenhagen Business School. On the Board of COWI A/S since 2010 until 2012. On the Board of COWI Holding A/S since 2010. Independent of COWI.

HANS OLE VOIGT

Born 1952. MSc (Chemical Engineering) and independent management consultant. On the Board of COWI A/S since 2011 until 2012. On the Board of COWI Holding A/S since 2011. Independent of COWI.

KIRSTI ENGEBRETSEN LARSSEN

Born 1967. BSc (Engineering) and Senior Vice President (Buildings) at COWI Norway. With COWI since 2003. On the Board of COWI A/S in 2012. On the Board of COWI Holding A/S since the general meeting on 29 March 2012.

JENS BRENDSTRUP
Elected by the employees

Born 1951. BSc (Engineering), Project Manager and Restoration Specialist (Buildings) at COWI A/S. With COWI since 1986. On the Board of COWI A/S since 2010. On the Board of COWI Holding A/S since its formation in 2010.

NIELS FOG
Elected by the employees

Born 1960. MSc (Engineering) and QA Manager (Industry and Energy) at COWI A/S. With COWI since 1996. On the Board of COWI A/S since 2006. On the Board of COWI Holding A/S since its formation in 2010.

JENS ERIK BLUMENSAADT JENSEN
Elected by the employees

Born 1956. MSc (Engineering) and Chief Project Manager (Occupational Health & Safety, Noise Acoustics). With COWI since 1987. On the Board of COWI A/S since 2006. On the Board of COWI Holding A/S since its formation in 2010.

EXECUTIVE BOARD

LARS-PETER SØBYE
President, CEO.

Born 1960. MSc (Engineering) and with COWI since 1986.

KELD SØRENSEN
Executive Vice President, CFO.

Born 1956. MSc (Political Science) and Graduate Diploma in Business Administration (Management Accounting). With COWI since 2000.

RASMUS ØDUM
Executive Vice President, COO.

Born 1965. MSc (Agricultural Economics) and with COWI since 1997.

POWERING YOUR 360° SOLUTIONS

COWI is a leading consulting group that creates value for customers, people and society through our unique 360° approach. Based on our world-class competencies within engineering, economics and environmental science, we tackle challenges from many vantage points to create coherent solutions for our customers – and thereby sustainable and coherent societies in the world.

COWI