ANNUAL REPORT 2014

COWI HOLDING A/S, COMPANY REGISTRATION NO: 32 89 29 73

COWI

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.

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.

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COVER PHOTO
COWI's rope-access team performs main inspections and safety checks on some of the largest bridges in Europe. Traditional methods of inspection often require closing off a part of the bridge, so rope access is both a faster, less expensive and more convenient way of performing inspections. The cover photo was taken during an inspection of Denmark's Farø Bridges.

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A STRONGER, MORE COHERENT COWI DELIVERS BEST RESULT EVER

In 2014, COWI delivered growth in profits from its activities, as a result of the work to create a globally coherent organisation with high-level specialist competencies in core areas.

COWI's strategy, PowerHouse 2015, was launched to secure COWI's position as a competitive and independent player in the global consultancy industry. For three years, we have been strengthening and reorganising our business to best meet market realities and demands, and 2014's financial results are a testament to the validity of this approach.

With a stable turnover, our profit (EBITA) reached DKK 320 million. This is the best financial result in COWI's history, and represents an EBITA margin of six per cent.

A GLOBAL SPECIALIST

The path to great results for COWI in a competitive industry is made up of three interdependent parts, which we continued to build and strengthen in 2014: strong specialist competencies, global organisation of work and a strong Scandinavian home market.

In 2014, we acquired Donaldson Associates Ltd. and Apsilon which added to our competitiveness in important areas such as tunnel work and railway signalling systems. Furthermore, we continued our focus on training world-class project managers in COWI's Project Management Academy. This has among other things enhanced our capabilities within design and production of project bids.

The inclusion of a still greater part of the organisation in our company-wide IT-based project, resource and financial management system, Cockpit, is another factor adding to our ability to function as a global company. We are also increasingly benefitting from our service centres in India and Lithuania, both of which grew during 2014. Furthermore, Scandinavian collaboration increased during 2014, and through the establishment of a Scandinavian Transportation Board, we have experienced a growing hit-rate for our bids.

BOOSTING COMPETITIVENESS

The Danish region and our Bridge, Tunnel and Marine Structures organisation were responsible for the lion's share of our profits in 2014. We see the exceptional performance of these parts of the company in particular as evidence of the validity of our initiatives to strengthen our competitiveness: project management training, implementation of Cockpit and collaboration with colleagues in India, all of which have progressed the furthest in this part of our organisation. This bodes well for the future, as our other business entities are following the same trajectory.

BEING RECOGNISED

The COWI we see today has undergone significant changes compared to the company we were just a few years back. Without a doubt, we are better poised for the challenges of the future.

A change of this magnitude cannot take place without hard work, loyalty and dedication. From my many meetings with employees around the world, it is clear that these qualities are widely present in COWI, along with impressive professional competencies.

This has also been recognised by our peers, as we were included in five categories in the "Engineering News-Record (ENR) Yearly Sourcebook", which annually assesses 250 international companies in our industry. Ranked by revenue, COWI is number 30 on the overall list, which is an improvement of five places compared to 2013. We are ranked as number one in the category of Bridge Design and as number three in the category of Solid Waste, and COWI enters the list in fourth place in the category of Marine and Port Facilities.

THE JOURNEY CONTINUES

In 2015, we will make further progress towards our strategic goals. We will continue our work to strengthen our international business lines and Scandinavian regions. Integration of our US-based companies is also on the list of priorities, as is our interest in acquiring companies with specialist competencies in our focus areas. In total, the combination of our internal focus and market prospects leads me to expect that our turnover and profit will grow in 2015, compared to 2014.

Throughout 2015, we will be preparing the continuation of the PowerHouse 2015 strategy to ensure that COWI will continue to be the highly professional company based on our world-class competencies and our never faltering commitment to providing the best solution to challenges anywhere at any time.

Best regards

Lars-Peter Søbye, President, CEO

In 2014, COWI was ranked number one among bridge-design consultants by the “Engineering News-Record Yearly Sourcebook” – an annual publication that compiles and publishes rankings of the largest construction and engineering firms, measured by international gross revenues. The number-one ranking consolidates COWI’s position as a globally recognised consultant delivering state-of-the-art bridge design and engineering. The picture shows one of COWI’s ongoing bridge projects, the Izmit Bay Bridge in Turkey. COWI has carried out detailed design for the Japanese contractor IHI. The Izmit Bay Bridge will be the fourth longest suspension bridge in the world.

SIGNIFICANT ACHIEVEMENTS

COWI leaves 2014 as a more agile organisation prepared for global competition. Stronger specialist competencies, shared tools connecting the organisation and a customer-centric mind-set enable us to move work to where it is best solved, creating value for end users and customers, for COWI employees and for shareholders.

STRONGER SPECIALIST COMPETENCIES

In 2014, COWI took pivotal steps towards further enabling and coordinating work across geographies. We understand that our future success rests on our ability to traverse boundaries and apply specialist competencies wherever needed.

In that spirit, we continued the strengthening of our international business lines through the acquisition of UK tunnel consultancy firm Donaldson Associates Ltd., and Danish railway consultant Apsilon that specialises in signalling systems.

Global urbanisation is rapidly increasing the demand for underground space in large cities. The acquisition of Donaldson, which is among the largest in COWI's history, strengthened COWI's expertise within tunnel structures and our Bridge, Tunnel and Marine Structures (BTM) business in line with COWI's growth strategy. With the two companies' complementary market coverage, COWI has positioned itself as a leading consultant in tunnel and underground engineering, with more than 300 highly qualified specialists dedicated to this market segment. These are located in the UK, the USA, India, Qatar, Hong Kong, Denmark and Singapore, but will serve customers across our core markets.

Across most of Europe, railway networks will undergo renovation and electrification in the coming decades. As part of this, signals will be replaced to optimise and harmonise railway operations. With the acquisition of Apsilon in 2014, COWI strengthened our competencies in railway modernisation and is now prepared to take on projects requiring highly specialised expertise in signalling systems. Railway modernisation is an area in which COWI saw significant growth in 2014.

With the objective of further focusing our business, we have also finalised the reorganisation and divestiture of a number of offices and companies. Remaining activities are now integrated into the Danish, Swedish and Bridge, Tunnel and Marine organisations.

Accumulated costs from these restructuring activities have been substantial in recent years, but this manoeuvre results in a consolidated COWI with the ability to focus investments in business lines and markets where our presence and prospects are strong.

SCANDINAVIAN HOME MARKET REINFORCED

In line with encouraging market prospects in the Scandinavian countries in the next decade, we have worked to integrate processes and approaches in our Danish, Norwegian and Swedish companies. We have aspired to create an interconnected Scandinavian business, where projects are developed and implemented by cross-border teams. In 2014, we saw this aspiration come to life, crowned with the establishment of a Scandinavian Transportation Board.

The board coordinates our strategic approach to infrastructure projects in the region, ensuring that we at all times set the best possible team across geographies and organisational units.

One example is the project planning of the world's longest floating bridge across the Bjørnafjord Fjord in Norway. The team preparing the winning bid consisted of experts from Norway, Denmark, the USA and Canada, and the work will be carried out by team members from Denmark and Norway.

DISTRIBUTED WORK REALISED

Agility is an important factor to being competitive today and to being able to respond to fluctuations in demand. In 2014, COWI made a great leap forward in succeeding with our distributed work strategy, which will help us stay agile and ensure competitive pricing of our services. The key elements in distributed work have been the establishment of a competency pool in our Indian company and a service centre in Lithuania, as well as a shared management planning and information system.

At the end of 2014, 600 colleagues in COWI India and Lithuania worked on projects around the world. Among other things, this offers access to skilled engineers, which is otherwise a challenge in the Scandinavian talent markets among others; the benefits of speed from working in two time-zones; as well as competitively priced engineering services. Today, many of our large projects include some element of work being performed by employees in COWI's companies in India or Lithuania.

With the implementation of COWI's ERP system, Cockpit, in Sweden, more than 85 per cent of COWI's employees share the same ERP platform for financial, project and resource management. The system strengthens project management

by providing full and up-to-date overviews of costs and progress as well as enabling resource allocation all in a single system, regardless of the employee's geographical location.

Cockpit eases collaboration across COWI and is a critical enabler of financial and economic transparency and coordination across the organisation. With one shared platform, COWI can work faster.

EXCEPTIONAL PERFORMANCE IN THE DANISH BUSINESS

The combination of distributed work, use of specialists from across Scandinavia as well as the increased customer focus ingrained in COWI's market approach over the last couple of years is the explanation for COWI's very good year in Denmark in 2014. This led to the winning of bids on metro, rail, ring road and other large infrastructure projects. In addition to the internal collaboration, we benefit from the ability to integrate competencies from companies with highly specialised resources in our bids and project work.

STILL ACTIVE IN THE MIDDLE EAST

COWI's 50-year history and presence in the Middle East as well as strategic commitment to transport projects in the region remain intact. We are still in the process of negotiating the final account related to the Muscat and Salalah International Airports project in Oman in 2012. Significant uncertainty is still related to this process.

Our activities in the region were strengthened in 2014, when COWI was awarded contracts on the Doha Metro, Qatar, building on the expertise gained from a range of metro projects in other parts of the world. The team working on the metro project is manned with engineers from Qatar, Denmark and India, yet again demonstrating the success of distributed work.

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.

OUR SERVICES

PLANNING AND ECONOMICS

- Economic analyses and tools
- Financial analyses and law
- Evaluations and impact assessments
- Organisational development and social studies
- Transport planning and modelling
- Public transport and ITS
- Spatial planning and urban development
- GIS and IT
- 3D visualisation and modelling
- Maps and geodata products
- Mapping and data capture
- Surveying
- Property rights and land administration
- Communication.

WATER AND ENVIRONMENT

- Health, safety and environment
- Waste water and climate adaptation
- Water supply, water and natural resources management
- Environmental impact assessments and monitoring
- Waste and recycling
- Sustainability and resource efficiency
- Contaminated sites
- Strategic environmental consultancy.

TRANSPORT

- Roads and highways
- Railways
- Light rails
- Metros
- Airports
- Operations consultancy
- 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
- Client consultancy
- Technical due diligence
- Refurbishment and retrofit
- Sustainable and green buildings
- Master planning and urban development
- Fire engineering
- Value engineering
- Company headquarters
- Buildings for cultural purposes
- Hospitals and health care
- Airport buildings
- Residential housing.

INDUSTRY AND ENERGY

- District heating and cooling
- Renewable energy
- Combined heat and power (CHP)
- Energy efficiency
- Bioenergy
- Forestry industry
- Nuclear power
- Processing industry
- Food industry
- Data centres
- Wind energy
- Thermal power.

PEOPLE

The commitment and determination of COWI's employees around the world formed the basis for the positive results generated in terms of turnover and profit in 2014. Through their dedication, openness to change and hard work demonstrated in the implementation of the PowerHouse 2015 strategy, they not only contributed to the best financial results in COWI's history, but also prepared the company for the future.

With nearly 13,000 ongoing projects at any given time, COWI's business depends on successful project management. Highly competent specialists need to be matched by equally competent project managers to secure profitable and quality delivery of projects.

INVESTMENTS IN COMPETENCY DEVELOPMENT

Since 2012, COWI has run an internal project management academy. At the end of 2014, 340 people had completed this training, up from 230 at the end of 2013. The academy trains participants in the use of the systems and tools available internally to support cross-border planning and distributed work. We will continue our investment in this project in 2015.

The successful implementation of this project management academy ensures upgrading of competencies as well as the creation of a wide-reaching network of relationships across the organisation. We believe both will strengthen competitiveness and risk management activities.

HIGHER PROFITS WITH STABLE HEADCOUNT

The number of people employed by COWI at the end of 2014 amounted to 6,258. In spite of the restructuring of our Norwegian and Swedish organisations, as well as our US Marine organisation, substantial redundancies were avoided through the application of distributed-work principles. The closing down of CMC (China, the Middle East and Central and Eastern Europe) as a separate business unit also had limited effect in terms of headcount, as only 12 persons out of 368 were made redundant as a direct result of the restructuring process.

WOMEN IN MANAGEMENT

It is COWI's ambition that the composition of the management should reflect the diversity of our business and markets. In the light of this, COWI set the target in 2013 for minimum two out of six of COWI's board members to be women within a four-year period. Our aim is that any given management forum shall reflect the diversity of the underlying organisation. Also, equal opportunities shall be given to everyone, regardless of gender, age, race, religion, nationality, ethnic and social origin, disability, political and sexual orientation, as COWI views diversity as a competitive advantage that helps us achieve the best results.

In 2014, one out of the six board members elected at the general meeting was a woman. The share of women in management is 22 per cent* compared to a 29-per cent share of all employees being women. To increase the number of women in management, COWI is a party to Copenhagen's Diversity Charter and participates in an external mentor network in cooperation with other major Danish companies.

CORPORATE SOCIAL RESPONSIBILITY

COWI accounts for its policies, actions and results within relevant areas of corporate social responsibility in our communication on progress towards the UN Global Compact, available at www.cowi.com/sustainability.

REMUNERATION OF THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS

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

At the annual general meeting, it was decided to pay the members of the Board of Directors an annual remuneration of DKK 200,000. However, the vice chairman receives DKK 250,000 and the chairman DKK 650,000.

In 2014, the Board of Directors received a total remuneration of DKK 2 million, and the Executive Board received a total remuneration of DKK 16 million.

Remunerations in 2014 are in line with COWI's remuneration policy for the Board of Directors and the Executive Board, which was adopted at the general meeting in March 2014 and is available at www.cowi.com.

MORE PEOPLE IN 2014

	2013	2014
Total number of employees	6,102	6,258
Average age	41.7	42.0
Women	30%	29%
Men	70%	71%
Women in management*	-	22%

* Based on data on 85 per cent of the employees

< **In December 2014, COWI in a joint venture with Systra was announced the preferred bidder for the design of the Sydhavnen Metro. This latest extension to Copenhagen's metro system has a budgeted construction cost of more than DKK 6.6 billion and will become a vital transport hub between the Danish capital's metro, rail and bus networks. The photo shows the ongoing work at Copenhagen's Cityringen metro line, where COWI is the leading consulting engineer in another joint venture.**

KEY FIGURES AND FINANCIAL RATIOS

KEY FIGURES AND FINANCIAL RATIOS FOR THE COWI GROUP

	2010 DKKm	2011 DKKm	2012 DKKm	2013 DKKm	2014 DKKm	2014 EURm
KEY FIGURES						
DKK/EUR rate at 31 December 2014						744.36
NET TURNOVER	4,450	4,690	5,126	5,280	5,313	714
Operating profit/loss before amortisation, depreciation and impairment losses (EBITDA)	255	216	(50)	323	360	48
Operating profit/loss before amortisation (EBITA)	195	160	(103)	278	320	43
Operating profit/loss on ordinary activities	117	74	(190)	195	222	30
OPERATING PROFIT/LOSS (EBIT)	120	78	(190)	200	223	30
Net financials	18	(4)	(10)	(3)	30	4
PROFIT/LOSS BEFORE TAX FOR THE YEAR	138	74	(201)	198	253	34
Profit/loss for the year	78	34	(174)	140	174	23
COWI'S SHARE OF PROFIT/LOSS FOR THE YEAR	78	34	(174)	140	174	23
Goodwill	566	509	506	549	597	80
Other non-current assets	309	333	248	238	267	36
Current assets	2,066	2,187	2,246	2,213	2,282	307
TOTAL ASSETS	2,850	2,948	3,000	3,000	3,145	423
Share capital	268	276	281	283	283	38
EQUITY	875	892	750	814	898	121
Provisions	428	457	472	380	289	39
Long-term debt	189	191	188	166	3	0
Short-term debt	1,354	1,405	1,588	1,637	1,955	263
Cash flow from operating activities	(21)	297	110	251	223	30
Investment in property, plant and equipment, net	(35)	(54)	(34)	(37)	(54)	(7)
Other investments, net	(43)	(64)	(65)	(174)	(198)	(27)
Cash flow from investing activities, net	(78)	(118)	(99)	(211)	(251)	(34)
FREE CASH FLOW	(99)	178	11	40	(28)	(4)
Cash flow from financing activities	(11)	(44)	22	(75)	107	14
CASH FLOW FOR THE YEAR	(110)	134	33	(34)	79	11
FINANCIAL RATIOS						
EBITDA margin	5.7%	4.6%	(1.0)%	6.1%	6.8%	
Operating margin (EBIT margin)	2.7%	1.7%	(3.7)%	3.8%	4.2%	
Return on invested capital	13.5%	7.3%	(22.8)%	26.6%	31.8%	
Equity ratio	30.7%	30.3%	25.0%	27.1%	28.6%	
Return on equity	10.8%	3.9%	(21.2)%	17.9%	20.3%	
Book value per share in DKK	327.1	327.8	274.5	295.5	326.3	
AVERAGE NUMBER OF EMPLOYEES	6,031	6,114	6,128	6,096	6,180	

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.

ASTAZERO

AstaZero outside Borås, Sweden, is the world's first full-scale testing environment for the road safety solutions of the future.

What makes the facility unique is that its different traffic environments make it possible to test advanced safety systems and their functions for all kinds of traffic and traffic situations. This improves research, development and certification of future road safety systems as the track becomes an international arena open to manufacturers, suppliers, legislators, and researchers from all parts of the world.

COWI handled the detailed project management of the whole facility, covering all disciplines. The assignment included detailed design of the test tracks, the simulated urban environment and the buildings on the site.

AstaZero stands for "Active Safety Test Area Zero" and aims to contribute to the Swedish Transport Administration's "Zero Vision" – a future in which people are not killed or maimed for life on the roads.

UTTAR PRADESH

Uttar Pradesh is India's most populated state with more than 200 million inhabitants. Current waste management practices in the majority of towns in the state are inefficient, incur heavy expenditure and pose a major threat to public health and environmental quality.

The World Bank has assigned COWI as technical consultant to introduce integrated solid waste management in 17 cities in Uttar Pradesh, and the project is carried out by a multidisciplinary team delivering high-level expertise in waste planning, collection and transport system design, landfill engineering, waste-to-energy, composting, agriculture and financial and social issues.

In 2014, Solid Waste and Contaminated Sites was added to the list of COWI's international business lines (IBL), signifying that this is an area where COWI has a solid international foothold and a significant growth potential. This potential was underlined by the 2014 ranking from Engineering News-Record, in which COWI was ranked as number three within solid waste.

HORNS REV 3

In the Danish part of the North Sea, the offshore wind farm Horns Rev 3 is being established. By 2017, Horns Rev 3 will produce enough green energy to power 400,000 Danish households.

From 2013 to 2015, COWI undertook the structural, electrical and mechanical design of the 400 MW offshore transformer platform, which will transport power from the Horns Rev 3 wind farm to the onshore grid.

The two existing wind farms on Horns Rev were put into operation in 2002 and 2009, respectively. Together, they power for 350,000 households. At the time of its inauguration in 2009, Horns Rev 2 was the world's largest wind farm.

OUTLOOK FOR 2015

COWI projects that 2015 will be another year of industry consolidation, competition and price pressure in the consultancy industry, as well as compelling market prospects in our core markets. With the successful pursuit of our PowerHouse 2015 strategy, we are well-positioned to take advantage of opportunities arising.

With the completion of restructuring processes to secure cost and market alignment in main markets in 2014, COWI is strongly positioned for what we expect will be a decade of large infrastructure investments, particularly in Scandinavia.

The journey to optimise and align our activities and organisation to a rapidly changing market will need to continue, as the agility achieved in the past four years needs to be sustained.

ONE STEP FURTHER IN NORTH AMERICA

We will in 2015 take steps to further develop our North American business, among other things by uniting two North American marine services companies under the COWI name with subsequent rebranding initiatives.

COWI's organisation in North America was strengthened in 2014 as a result of appointing a CEO for all of our North American activities at the beginning of the year, and we expect growth in 2015. In addition to the new management structure, we see market requests for expanded services and growing presence in the market for tunnel engineering services in the New York City area. COWI expects to continue its active role in industry consolidation through further acquisitions in North America.

Furthermore, companies in the UK, the USA and India will begin implementing Cockpit in their organisations in early 2015, thus becoming more closely integrated in COWI systems and more able to contribute and take advantage of specialist competencies in the rest of the Group. This will finalise the implementation of Cockpit in COWI, resulting in full coverage.

GROWTH THROUGH SPECIALIST KNOWLEDGE

In 2015, we expect COWI to increase turnover and earnings. Part of this growth we expect to arise from further acquisitions of companies that will strengthen specialist competencies and projects in our international business lines. The critical point in selecting potential candidates is how their competencies can serve as an extension or expansion of the competency base we already possess.

In addition to our acquisitive growth strategy, we will also expand the number of international business lines, under which we offer our services. Already in December 2014, we established a new international business line within solid waste and contaminated sites, an area in which COWI is already a leading player measured on turnover. One reason behind this success is our ability to combine resources from all Scandinavian countries. Another is our extensive experience in delivering services in the Scandinavian markets, which are renowned for high environmental standards as well as a tradition for public-private collaboration, which is turning out to be a competitive factor in this market.

CONTINUED FOCUS ON COST EFFECTIVENESS THROUGH DISTRIBUTED WORK

COWI's strong organisation and customer focus – further strengthened over the last four years – do not insulate us from the powers of global competition.

Planned investments in infrastructure over the next decade in Scandinavia and Europe alone are at a scale that attracts interest from consultancy firms around the world.

Competitive pricing and cost effectiveness have become staple ingredients in the consultancy-industry business model and continue to be at the heart of COWI's activities. In 2015, we will encourage further use of our service centre in Lithuania and the engineering base available in India. We trust that we will succeed in this endeavour, as we possess cross-organisational determination and desire for this to be the established COWI modus operandi.

EVOLVING OUR STRATEGY

2015 is the last year in the current strategy cycle and we will be embarking on the preparation of the next COWI strategy.

The current strategy, PowerHouse 2015, consists of four strategic cornerstones, which are systematically implemented in our activities. The four cornerstones are:

EVOLVE – through focused innovation on core projects and customers.

ENGAGE – with customers and colleagues to co-create mutual value.

EARN – among the best to be able to expand and invest.

EXPAND – from our strongholds to grow powerful and competitive.

With the satisfying results achieved through the PowerHouse 2015 strategy, we expect the next five-year cycle to be an evolution of the existing direction, focusing on application of specialised competencies where they are in demand, one Scandinavian home market, and cost-effectiveness and competitiveness through distributed work.

FINANCIAL REVIEW

COWI presents satisfactory results for 2014. In spite of market challenges in two main regions combined with restructuring costs, our continued focus on creating organisational agility resulted in a stable group turnover and operating profit growth of 11 per cent.

Financial performance made 2014 COWI's best year ever. Results were affected positively by a non-recurring income related to changes in the benefit plan in Norway, and by non-recurring costs from investments in organisational infrastructure and changes.

As such, the lion's share of the year's positive performance derives from our operations in Denmark, which delivered better results than ever before, and from Bridge, Tunnel and Marine Structures, which delivered at its usual high level. In total, it allows for a rise in the share price, which at the end of 2014 was at DKK 326.3.

The main business challenges in 2014 were postponed infrastructure investments in the promising Norwegian market and in North America as well as continuous fierce pricing and competition. Restructuring of the Norwegian organisation and in other entities as well as a planned management change and implementation of COWI's global ERP system in Sweden had a negative effect on the result and equity. Changes in the defined benefit plan in Norway had a positive effect on the result and equity.

SMALL GROWTH IN TOTAL NET TURNOVER

Net turnover in the COWI Group increased in 2014 by DKK 33 million, or one per cent, to DKK 5,313 million compared to 2013. The increase in net turnover was negatively affected by market trends and organisational restructuring in our Norwegian and Swedish subsidiaries as well as a net foreign exchange impact, and positively affected by growth in turnover in Bridge, Tunnel and Marine Structures and in the Danish subsidiary.

OWN PRODUCTION STABLE

The Group's own production, which shows the selling price of activities that the Group's employees performed in 2014, increased by one per cent from DKK 4,369 million in 2013 to DKK 4,412 million in 2014.

Own production was negatively affected by a net foreign exchange impact of DKK 119 million. Adjusted for the foreign exchange impact, the increase was three per cent, including the impact of acquired enterprises. Growth was mainly organic.

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

Denmark experienced an increase in own production of nine per cent, while own production in Norway increased in local currency by three per cent compared to 2013. Sweden's own production is stable in local currency compared to 2013.

DEVELOPMENT IN TURNOVER

	DKKm
Realised turnover 2013	5,280
Foreign exchange effect	(152)
Acquisition of enterprises	32
Organic growth	153
REALISED TURNOVER 2014	5,313

In the process of divesting and reorganising CMC, which comprised the companies in China, the Middle East and Central and Eastern Europe, own production fell by 23 per cent in 2014. As of 1 January 2015, this business unit no longer exists and its activities will in the future be part of the regional business and therefore not be reported on separately in future annual reports.

In 2014, COWI acquired Donaldson Associates, a consulting company specialised in high-end geotechnical design as well as tunnel and underground engineering services. The company has a staff of 134. Early in the year, COWI acquired Apsilon, a Danish railway consultant in train control and signalling systems numbering 14 employees. Neither of these acquisitions affected 2014 turnover or earnings substantially.

DEVELOPMENT IN OWN PRODUCTION FROM 2013 TO 2014 PER REGION, CMC AND MAJOR BUSINESS LINE

REGIONS, CMC AND MAJOR BUSINESS LINE:	2013	2014	Growth	Growth
	DKKm	DKKm	%	DKKm
Denmark	1,543	1,685	9	142
Norway	1,074	1,037	(3)	(37)
Sweden	716	677	(5)	(39)
Bridge, Tunnel and Marine Structures	848	883	4	35
COWI CMC*	159	122	(23)	(37)
Other	29	8	(72)	(21)
TOTAL	4,369	4,412	1	43

* COWI CMC comprised China, the Middle East and Central and Eastern Europe.

< In 2014, COWI won the assignment of mapping the watershed line between Malawi and Mozambique in an international tender by German development cooperation GIZ. The project supports the border programme of the African Union in its endeavour to demarcate all African borders by 2017. Due to the terrain, only aerial data can be used for border determination, and state-of-the-art equipment makes it possible to collect both images and laser data during one single flight session. Photo: © GIZ

EBIT MARGIN GREW

In 2014, the COWI Group posted an operating profit (EBIT) of DKK 223 million, compared with DKK 200 million in 2013, corresponding to an increase of 11 per cent.

The positive development is attributable to substantial improvement of earnings in COWI's core business areas in Region Denmark and in Bridge, Tunnels and Marine Structures. Financial performance in Norway and Sweden was below expectations. EBIT was affected positively by the termination of a defined benefit plan in Norway. EBIT was affected negatively by significant restructuring costs in various business units and the implementation of COWI's global ERP system in Sweden.

The operating margin rose from 3.8 per cent in 2013 to 4.2 per cent in 2014.

EMPLOYEE EXPENSES

The COWI Group's main operating expense, employee expenses, was stable at DKK 3,360 million.

During the year, changes in estimate/pension plan had a negative impact after tax on equity. The termination of the defined benefit plan at year-end entailed a gain as disclosed in note 2. In total, the net equity is positively affected by DKK 54 million as a result of estimate/plan changes during the year and the termination of the plan. The termination of the defined benefit plan has eliminated major future uncertainty in the balance sheet.

Adjusted for the foreign exchange impact, the increase in employee expenses was one per cent.

At the end of 2014, COWI had 6,258 employees, compared with 6,102 at the end of 2013.

OTHER EXPENSES

External expenses fell by DKK four million and is stable compared with last year.

The profit for the year after tax and minority shareholders' interests was DKK 174 million, which is DKK 34 million higher than in 2013.

In 2014, total operating expenses, excluding financial income and expenses, grew by DKK 21 million, or one per cent.

Amortisation, depreciation and impairment losses amounting to DKK 137 million are primarily attributable to depreciation on technical installations, operating and other equipment, amortisation of goodwill and own-developed mapping products.

FINANCIAL INCOME AND TAX

The Group's net financials increased by DKK 33 million compared to 2013. Net income was DKK 30 million. Expenses include interest payable on subordinate loan capital. Profit before tax for the year and loss from subsidiaries attributable to minority shareholders amounted to DKK 253 million against DKK 198 million in 2013.

The Group's tax on ordinary activities in 2014 amounted to an expense of DKK 79 million, corresponding to an effective tax rate in 2014 of 31, compared to 29 in 2013. Since 2011, the Group has chosen taxation according to the 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 re-taxation of losses that are expected to be final.

Profit after tax for the year and profit from subsidiaries attributable to minority shareholders amounted to a profit of DKK 174 million compared to DKK 140 million in 2013.

CASH FLOW

Cash flow from operating activities amounted to DKK 223 million, a decrease of 11 per cent compared to 2013. Cash flow from investing activities, amounting to a negative DKK 251 million net in 2014, relates primarily to the acquisition of companies and activities as well as continued investment in the ERP system, thereby increasing project, resource and financial management and overview. Free cash flow was negative at a rate of DKK 28 million, a decrease of DKK 68 million compared to 2013 due to acquisitions made in 2014.

As of 31 December 2014, the Group's total financial resources, which comprise cash and cash equivalents as well as undrawn committed credit facilities, amounted to DKK 1,069 million. At the end of 2013, the financial resources were DKK 1,133 million.

BALANCE SHEET

The Group's total assets at the end of 2014 amounted to DKK 3,145 million, which is an increase of DKK 145 million compared with 2013.

The Group's accounts receivable from services increased by DKK 69 million to DKK 1,074 million.

Other provisions increased by DKK 6 million.

DEVELOPMENT IN HEADCOUNT

REGIONS, CMC AND MAJOR BUSINESS LINE:	2013	2014	Change
Denmark	2,573	2,663	90
Norway	1,108	1,112	4
Sweden	991	986	(5)
CMC	465	362	(103)
Bridge, Tunnel and Marine Structures	965	1,135	170
TOTAL HEADCOUNT	6,102	6,258	156

The headcount in the COWI Group increased by 156 employees net in 2014.

St Olav's hospital in Trondheim, Norway, took home seven awards from the 2014 Design & Health International Academy Award Show. COWI has been involved in the project since 1996, and has been responsible for all engineering disciplines including technical master plan, indoor climate and fire safety since 2003. Recently, COWI was awarded the contract for the sketch design of the future Stavanger Hospital, consolidating COWI's position as industry leader within hospital planning in Norway. >

Short-term debt grew by DKK 318 million due to a conversion of subordinated loans to short-term debt and financing of acquisitions made.

In the course of 2014, the Group's cash and cash equivalents increased by DKK 79 million, resulting in the Group's total cash and cash equivalents, including the securities portfolio, amounting to DKK 695 million, equivalent to 22 per cent of the Group's total assets.

Equity at 31 December 2014 amounted to DKK 898 million, corresponding to an equity ratio of 28.6 per cent. Equity increased by the financial results for the year of DKK 174 million and was reduced by exchange rate adjustments of DKK 31 million, distributed dividend of DKK 14 million and by DKK 45 million after tax from the restructured benefit plans in Norway.

BOOK VALUE PER SHARE AND DIVIDEND

Book value per share was DKK 326.3 at the end of 2014, up from DKK 295.5 at the end of 2013, an all-time high for COWI shares and corresponding to a ten-per cent rise.

The Board of Directors proposes that a dividend of six per cent of the share capital be distributed. For 2013, the dividend yield was five per cent.

CAPITAL AND SHARE STRUCTURE

COWI Holding's management finds that the current capital and share structure is appropriate for the shareholders and the company, as it supports the company's strategy and long-term value creation.

The share capital amounts to DKK 283 million, consisting of DKK 200 million worth of class A shares, DKK 71 million worth of class B shares, and DKK 12 million worth of class C shares. The class A shares carry ten votes for each DKK 100 share, whereas class B and C shares carry one vote for each DKK 100 share. All class A shares are owned by COWIfonden (the COWI Foundation), which supports research and development within Danish engineering.

COWI Holding A/S owns DKK 5.2 million worth of class B shares and DKK 2.4 million worth of class C shares, the employees own DKK 47.7 million worth of classes B and C shares in total, while COWIfonden owns DKK 227.7 million worth of classes A, B and C shares in total.

UNCERTAINTY IN RESPECT OF RECOGNITION AND MEASUREMENT

CONTRACT WORK IN PROGRESS

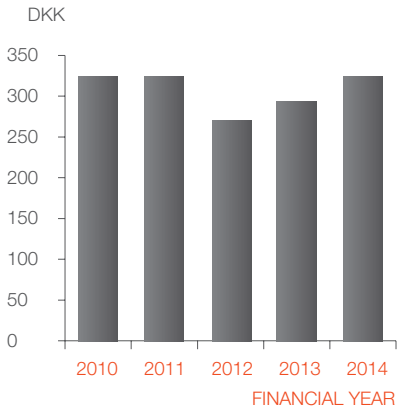
Measurement of the company's work in progress includes estimates of stages of determination of completion. For large-scale projects in particular, the actual realisation may result in material positive or negative variances in relation to the recognised estimates.

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' credit-worthiness, 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 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.



The chart above shows the development in book value per share. Book value was negatively affected by an exchange rate adjustment of DKK 31 million, dividend of DKK 14 million, change in estimate/pension plan (Norway) of net DKK 45 million, and positively affected by the profit for the year of DKK 174 million.

EVENTS AFTER THE BALANCE SHEET DATE

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

RISK 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 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 a 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 Finance 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.

COWI HOLDING A/S CONSOLIDATED FINANCIAL STATEMENTS 2014

ACCOUNTING POLICIES

The 2014 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 the 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.

Intercompany purchases and reconstruction are stated and presented according to the uniting-of-interests method.

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 reearned 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. 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 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 under financial income or expenses.

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 system.

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 turnover 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	3-12 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 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 at 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 DKK 100, and the bonds were either redeemed at par on 1 January 2014 or on 1 January 2015, respectively.

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

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

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	2014	2013
Net turnover	1	5,313,007	5,280,243
Project expenses		(900,608)	(910,835)
OWN PRODUCTION	1	4,412,399	4,369,408
External expenses		(693,371)	(697,463)
Employee expenses	2	(3,359,958)	(3,354,568)
Amortisation, depreciation and impairment losses	3	(137,360)	(122,410)
OPERATING PROFIT ON ORDINARY ACTIVITIES		221,710	194,967
Other operating income	4	10,704	10,344
Other operating expenses	5	(9,530)	(4,926)
OPERATING PROFIT		222,884	200,385
Profit after tax in associates		1,662	1,710
Financial income	6	90,788	61,833
Financial expenses	7	(62,285)	(66,393)
PROFIT BEFORE TAX		253,049	197,535
Tax on profit for the year	8	(79,412)	(57,497)
PROFIT FOR THE YEAR		173,637	140,038
Profit/(loss) from subsidiaries attributable to minority shareholders	18	490	(278)
COWI'S SHARE OF PROFIT FOR THE YEAR		174,127	139,760

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2014	2013
Goodwill		596,591	549,248
Software and licenses		79,245	72,088
Own-developed products		8,223	3,538
Intangible assets in progress		3,487	3,537
INTANGIBLE ASSETS	9	687,546	628,411
Land and buildings		1,345	1,499
Technical installations, operating and other equipment		128,717	104,655
Property, plant and equipment in progress		34	2,451
PROPERTY, PLANT AND EQUIPMENT	10	130,096	108,605
Investments in associates	11	7,353	6,492
Other investments and securities		2,155	1,259
Deposits		36,449	42,271
FINANCIAL ASSETS	12	45,957	50,022
TOTAL NON-CURRENT ASSETS		863,599	787,038
Accounts receivable, services		1,074,163	1,005,252
Contract work in progress	13	332,378	409,022
Receivables from associates		13,710	4,917
Other receivables		41,181	29,218
Tax receivables		16,023	7,323
Deferred tax assets	19	19,708	38,107
Prepayments	14	89,474	103,217
RECEIVABLES		1,586,637	1,597,056
MARKETABLE SECURITIES	15	278,118	265,039
CASH		416,924	350,905
TOTAL CURRENT ASSETS		2,281,679	2,213,000
TOTAL ASSETS		3,145,278	3,000,038

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2014	2013
Share capital	16	283,000	283,000
Treasury shares	17	(7,666)	(7,457)
Retained earnings		606,526	524,777
Proposed dividend		16,586	13,798
EQUITY		898,446	814,118
MINORITY INTERESTS	18	0	3,767
Deferred tax	19	203,159	225,937
Net pension benefit obligations	20	16,300	89,982
Other provisions	21	69,972	63,897
PROVISIONS		289,431	379,816
Subordinated loan capital		0	130,848
Credit institutions		2,659	967
Employee bonds		0	33,892
LONG-TERM DEBT	22	2,659	165,707
Subordinated loan capital	23	130,848	0
Credit institutions		175,317	80,398
Employee bonds		33,846	20,818
Contract work in progress	13	420,797	438,366
Accounts payable, suppliers		307,272	266,019
Amounts owed to group enterprises		5,237	5,644
Amounts owed to associates		45,648	77
Corporate income tax payable		38,002	21,627
Other accounts payable	24	797,775	803,681
SHORT-TERM DEBT		1,954,742	1,636,630
TOTAL DEBT		1,957,401	1,802,337
TOTAL EQUITY AND LIABILITIES		3,145,278	3,000,038
Fees to auditors	25		
Contingencies and other financial commitments	26		
Related party transactions	27		
Board of Directors and Executive Board	28		
Cash and cash equivalents	29		
Entities in the COWI Group	30		

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY OF THE COWI GROUP

DKK '000	SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	DIVIDEND	TOTAL
EQUITY AT 1 JANUARY 2013	280,500	(7,368)	466,944	9,560	749,636
Distributed dividend				(9,560)	(9,560)
Profit for the year			139,760		139,760
Capital increase	2,500		4,363		6,863
Foreign exchange adjustment, foreign subsidiaries			(74,645)		(74,645)
Purchase of own shares		(89)	(153)		(242)
Value adjustment of hedging instruments, beginning of year			(351)		(351)
Value adjustment of hedging instruments, end of year			0		0
Change in estimate/pension plan changes			3,640		3,640
Deferred tax concerning changed estimate/pension plan changes			(983)		(983)
Proposed dividend			(13,798)	13,798	0
EQUITY AT 1 JANUARY 2014	283,000	(7,457)	524,777	13,798	814,118
Distributed dividend				(13,798)	(13,798)
Profit for the year			174,127		174,127
Foreign exchange adjustment, foreign subsidiaries			(30,594)		(30,594)
Change in estimate/pension plan changes			(63,100)		(63,100)
Deferred tax concerning changed estimate/pension plan changes			18,398		18,398
Purchase of own shares		(209)	(496)		(705)
Proposed dividend			(16,586)	16,586	0
EQUITY AT 31 DECEMBER 2014	283,000	(7,666)	606,526	16,586	898,446

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF THE COWI GROUP

DKK '000	NOTE	2014	2013
Operating profit		222,884	200,385
Amortisation, depreciation and impairment loss for the year		137,360	122,410
Value adjustments (net) etc.		(48,260)	(23,430)
Other provisions and allowances for the year		(61,849)	(93,757)
OPERATING PROFIT ADJUSTED FOR NON-CASH MOVEMENT		250,135	205,608
Net financial income received for the year		28,503	(4,558)
Income taxes paid		(77,918)	(59,350)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		200,720	141,700
Change in contract work in progress		57,775	90,532
Change in deposits		5,836	(1,013)
Change in accounts receivable, services		(59,468)	(23,657)
Change in accounts payable, suppliers		33,163	10,375
Change in other receivables and prepayments		(8,709)	3,373
Change in other payables and deferred income		(6,161)	30,076
CASH FLOW FROM OPERATING ACTIVITIES		223,156	251,386
Acquisition of intangible assets		(44,028)	(58,393)
Disposal of intangible assets		0	11,655
Acquisition of property, plant and equipment		(73,077)	(37,321)
Disposal of property, plant and equipment		1,155	537
Acquisition of subsidiaries and activities		(139,152)	(127,446)
Disposal of subsidiaries		2,304	0
Disposal of other fixed asset investments		1,580	0
CASH FLOW FROM INVESTING ACTIVITIES		(251,218)	(210,968)
FREE CASH FLOW		(28,062)	40,418
Raising of bank loan, net		99,721	(57,668)
Employee bonds		(20,896)	31
Distributed dividend		(13,798)	(9,818)
Amounts owed to associates		45,571	(16,707)
Amounts owed to group enterprises		(354)	701
Capital increase		0	6,863
Purchase of treasury shares		(3,084)	1,974
CASH FLOW FROM FINANCING ACTIVITIES		107,160	(74,624)
CASH FLOW FOR THE YEAR		79,098	(34,206)
Cash and cash equivalents, beginning of year		615,944	650,150
CASH AND CASH EQUIVALENTS, END OF YEAR	29	695,042	615,944

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 is distributed on the following business areas as well as regions and major business line, based on the Group's internal financial reporting:

The Group's net turnover distributed on business areas:

DKK '000	2014	2013
Economics, management and planning	316,742	373,832
Water and environment	880,129	851,396
Geographical information and IT	244,333	254,115
Railways, roads and airports	852,365	662,875
Bridge, tunnel and marine structures	1,102,338	1,075,581
Buildings	1,182,077	1,224,766
Industry and energy	678,671	686,368
Not distributed and eliminations	56,352	151,310
Total	5,313,007	5,280,243

The Group's net turnover distributed on regions and major business line:

DKK '000	2014	2013
Denmark	2,245,847	2,083,562
Norway	1,236,632	1,308,048
Sweden	803,035	850,033
CMC (China, the Middle East and Central and Eastern Europe)	182,203	229,228
Bridge, Tunnel and Marine Structures	1,097,592	1,042,222
Other and eliminations	(252,302)	(232,850)
Total	5,313,007	5,280,243

The Group's own production distributed on regions and major business line:

DKK '000	2014	2013
Denmark	1,685,299	1,543,031
Norway	1,037,390	1,074,491
Sweden	677,240	716,238
CMC (China, the Middle East and Central and Eastern Europe)	121,854	159,196
Bridge, Tunnel and Marine Structures	883,344	848,136
Other and eliminations	7,272	28,316
Total	4,412,399	4,369,408

NOTE 2 EMPLOYEE EXPENSES

DKK '000	2014	2013
Salaries and wages	(3,018,006)	(2,886,565)
Pensions	(101,600)	(92,434)
Pensions related to termination of pension obligation in Norway	135,656	0
Social security	(271,827)	(259,773)
Other employee expenses	(104,181)	(115,796)
Employee expenses	(3,359,958)	(3,354,568)

At the end of 2014, COWI terminated a defined benefit plan in COWI AS (Norway). The termination of the defined benefit plan resulted in a gain of DKK 135 million before taxes, which has been set off in employee expenses.

Remuneration, Executive Board	(16,193)	(13,594)
Remuneration, former Executive Board and partners	(3,241)	(7,881)
Remuneration, Board of Directors, parent company	(1,767)	(2,025)

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

Average number of employees	6,180	6,096
Number of employees at 31 December	6,258	6,102

NOTE 3 AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKK '000	2014	2013
Goodwill	(60,328)	(49,507)
Software and licenses	(29,195)	(21,234)
Own-developed products	(7,349)	(7,520)
Land and buildings	(74)	(80)
Technical installations, operating and other equipment	(40,414)	(44,069)
Amortisation, depreciation and impairment losses	(137,360)	(122,410)

NOTE 4 OTHER OPERATING INCOME

DKK '000	2014	2013
Profit from disposal of property, plant and equipment	86	171
Profit from disposal of associates	669	3,088
Compensations	198	0
Reimbursements	6,599	2,462
Other operating income	3,152	4,623
Other operating income	10,704	10,344

NOTE 5 OTHER OPERATING EXPENSES

DKK '000	2014	2013
Loss from disposal of property, plant and equipment	(1,622)	(617)
Removal expenses	(3,152)	(483)
Loss from disposal of subsidiaries and associates	(3,489)	(484)
Other operating expenses	(1,267)	(3,342)
Other operating expenses	(9,530)	(4,926)

NOTE 6 FINANCIAL INCOME

DKK '000	2014	2013
Interest, cash, securities etc.	8,655	12,330
Realised and unrealised capital gains, investments	24,146	21,561
Foreign exchange gains	57,987	27,942
Financial income	90,788	61,833

NOTE 7 FINANCIAL EXPENSES

DKK '000	2014	2013
Interest, bank and mortgage debt etc.	(17,236)	(20,129)
Realised and unrealised capital losses, investments	(8,776)	(11,058)
Foreign exchange losses	(36,273)	(35,206)
Financial expenses	(62,285)	(66,393)

NOTE 8 TAX ON PROFIT FOR THE YEAR

DKK '000	2014	2013
Current tax	(39,610)	(52,822)
Current tax, foreign project offices	(8,560)	(4,582)
Deferred tax	(19,338)	(26,216)
Change of deferred tax due to reduction of corporate income tax rate	4,624	12,769
Tax adjustment in respect of deferred tax prior periods	5,364	0
Tax adjustment in respect of prior periods	(3,494)	(78)
Tax for the year	(61,014)	(70,929)
Broken down as follows:		
Tax on profit for the year	(79,412)	(57,497)
Tax on movements in equity	18,398	(13,432)
Total tax on profit for the year	(61,014)	(70,929)
Tax on profit for the year can be broken down as follows:		
Tax calculated at 24.5 per cent (2013: 25 per cent) on profit before tax	(61,997)	(49,384)
Adjustment in proportion to 24.5 per cent (2013: 25 per cent) of tax calculated in foreign subsidiaries	(866)	(6,943)
Current tax, foreign project offices	(8,560)	(4,582)
Tax effect from:		
Amortisation of goodwill disallowed for tax purposes	(13,278)	(4,683)
Other expenses/other income disallowed for tax purposes	(4,059)	(4,597)
Difference tax percentage, deferred tax/current tax	2,853	0
Change of deferred tax due to reduction of corporate income tax	4,624	12,769
Tax adjustment in respect of prior periods, current tax	(3,493)	0
Tax adjustment in respect of prior periods, deferred tax	5,364	(77)
	(79,412)	(57,497)
Effective tax rate	31.4%	29.2%

NOTE 9 INTANGIBLE ASSETS

DKK '000	Goodwill	Software and licences	Own-developed products	Intangible assets in progress	Total
Cost at 1 January 2014	882,648	113,024	17,173	3,537	1,016,382
Value adjustment	(23,885)	18,158	575	0	(5,152)
Additions	123,894	32,632	11,396	0	167,922
Disposals	(37,797)	(4,340)	(9,390)	(51)	(51,577)
Cost at 31 December 2014	944,860	159,474	19,754	3,486	1,127,574
Amortisation and impairment losses at 1 January 2014	333,400	40,936	13,635	-	387,971
Value adjustment	(7,663)	14,257	(63)	-	(6,531)
Amortisation and impairment losses	60,328	29,195	7,349	-	96,872
Disposals	(37,796)	(4,159)	(9,390)	-	(51,345)
Amortisation and impairment losses at 31 December 2014	348,269	80,229	11,531	-	440,028
Carrying amount at 31 December 2014	596,591	79,245	8,223	3,487	687,546

NOTE 10 TANGIBLE ASSETS

DKK '000	Land and buildings	Technical installations, operating and other equipment	Property, plant and equipment in progress	Total
Cost at 1 January 2014	2,168	397,723	2,451	402,342
Value adjustment	(77)	(19,690)	0	(19,768)
Additions from acquisitions of enterprises	0	5,593	0	5,593
Additions	0	72,067	1,010	73,077
Disposals	0	(101,992)	(3,427)	(105,419)
Cost at 31 December 2014	2,091	353,701	34	355,826
Depreciation and impairment losses at 1 January 2014	669	293,068	-	293,737
Value adjustment	3	(13,792)	-	(13,789)
Additions from acquisitions of enterprises	0	4,595	-	4,595
Depreciation and impairment losses	74	40,414	-	40,488
Disposals	0	(99,301)	-	(99,301)
Amortisation and impairment losses at 31 December 2014	746	224,984	-	225,730
Carrying amount at 31 December 2014	1,345	128,717	34	130,096
Of which assets held under finance leases amount to	0	4,032	0	4,032

NOTE 11 INVESTMENTS IN ASSOCIATES

Name	Home	Ownership		Capital ('000)
COWI A/S's (Denmark) investments in major joint ventures:				
COWI Arup Systra JV (Cityringen metro line)	Denmark	60%		-
Western Balkan (IPF4)	Serbia	43%		-
ECO Life (24 partners)	EU	7%		-
CIO JV (Doha Metro, Red Line North)	Qatar	78%		-
COWI SYSTRA JV (The Electrification Programme, "EP")	Denmark	60%		-
COWI-IGIP BJ PPEA II	Benin	55%		-
COWI A/S's (Denmark) investments in associates:				
CAT Alliance Ltd.	UK	33%	GBP	100
CeS COWI Ltd. Belgrade	Serbia	48%	RSD	53,736
COWI AS's (Norway) investments in associates:				
Team T AS	Norway	25%	NOK	1,000
Team T3 AS	Norway	30%	NOK	1,000
COWI North America Inc.'s (USA) investments in associate:				
Consorcio Consultor R&Q	Chile	30%	CLP	348,750

NOTE 12 FINANCIAL ASSETS

DKK '000	Investments in associates	Other investments and securities	Deposits	Total
Cost at 1 January 2014	7,130	966	42,271	50,367
Value adjustment	157	(45)	583	695
Additions	3,718	1,135	2,309	7,162
Disposals	(5,280)	(200)	(8,714)	(14,194)
Cost at 31 December 2014	5,725	1,856	36,449	44,030
Revaluations at 1 January 2014	306	342	-	648
Value adjustment	(190)	0	-	(190)
Additions	4,446	6	-	4,452
Disposals	(1,862)	(49)	-	(1,911)
Revaluations at 31 December 2014	2,700	299	-	2,999
Impairment losses at 1 January 2014	944	49	-	993
Value adjustment	(38)	0	-	(38)
Additions	235	0	-	235
Disposals	(69)	(49)	-	(118)
Impairment losses at 31 December 2014	1,072	0	-	1,072
Accounting value at 31 December 2014	7,353	2,155	36,449	45,957

NOTE 13 CONTRACT WORK IN PROGRESS

DKK '000	2014	2013
Contract work in progress, net	(88,420)	(29,344)
Recognised in the balance sheet as:		
Contract work in progress (assets)	332,377	409,022
Amounts invoiced in advance (liabilities)	(420,797)	(438,366)
	(88,420)	(29,344)

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 as the lead partner.

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

DKK '000	2014	2013
Total amount contracted for in working partnerships and joint ventures to which COWI A/S is a party	2,212,785	4,478,936
Stage of completion of the working partnerships and joint ventures	76.41%	81.81%
COWI A/S's share of amounts contracted for through working partnerships and joint ventures	1,137,016	2,557,715
COWI A/S's average stage of completion of own share of contract amounts	78.55%	82.53%

NOTE 14 PREPAYMENTS

DKK '000	2014	2013
Insurance premiums	20,367	18,517
Rent	23,809	33,985
Other	45,298	50,715
Prepayments	89,474	103,217

NOTE 15 MARKETABLE SECURITIES

DKK '000	2014	2013
Shares	138,852	78,187
Bonds	139,266	186,852
Portfolio at 31 December	278,118	265,039

NOTE 16 SHARE CAPITAL

DKK '000	2014
The share capital consists of:	
A shares:	
2,000,000 shares of each DKK 100	200,000
B shares:	
710,050 shares of each DKK 100	71,005
C shares:	
119,950 shares of each DKK 100	11,995
Share capital in total	283,000

Each class A share of DKK 100 carries ten votes, whereas each class B and 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	2014	2013	2012	2011	2010
Share capital at 1 January	283,000	280,500	275,695	267,801	206,521
Capital increase	0	2,500	4,805	7,894	61,280
Share capital at 31 December	283,000	283,000	280,500	275,695	267,801

NOTE 17 TREASURY SHARES

DKK '000	Nominal value	Share capital percentage
Portfolio at 1 January 2014	7,457	2.6%
Additions for the year	4,636	1.7%
Disposals for the year	(4,427)	(1.6%)
Portfolio at 31 December 2014	7,666	2.7%

Treasury shares consist of class B shares with a nominal value of DKK 5,222 thousand, and class C shares with a nominal value of DKK 2,444 thousand.

NOTE 18 MINORITY INTERESTS

DKK '000	2014	2013
Minority interests at 1 January	3,767	3,807
Value adjustment	636	(137)
Disposals	(3,913)	(181)
Share of profit for the year	(490)	278
Minority interests at 31 December	0	3,767

NOTE 19 DEFERRED TAX

DKK '000	2014	2013
Deferred tax at 1 January	187,830	175,180
Value adjustments	(222)	2,848
Tax on change in equity	0	(12,769)
Deferred tax change due to corporate income tax rate reduction	(4,624)	(5,160)
Deferred tax due to acquisition of enterprises	0	1,515
Deferred tax transferred to corporate income tax payable	(13,507)	0
Deferred tax for the year	13,974	26,216
	183,451	187,830
Recognised in the balance sheet as:		
Deferred tax assets	19,708	38,107
Deferred tax	203,159	225,937
	183,451	187,830
Deferred tax concerns:		
Intangible assets	46,844	51,011
Property, plant and equipment	(26,319)	(16,717)
Financial assets	0	135
Current assets	175,395	184,626
Provisions	(26,462)	(20,936)
Debt	21,809	4,027
Tax-loss carryforward, deductible for tax purposes	(7,816)	(14,316)
	183,451	187,830

NOTE 20 NET PENSION BENEFIT OBLIGATIONS

In 2014, the pension benefit obligations of the COWI Group's Norwegian subsidiary, COWI AS, were transferred to an external pensions provider, which entails that COWI AS has no pension benefit obligations from 31 December 2014 and onwards.

	2014	2013
Number of people covered by the benefit plan:		
Active staff	0	251
Retired staff	0	133
Total number of people covered by the benefit plan	0	384

DKK '000		
Net pension plan assets and pension benefit obligations:		
Estimated pension benefit obligation at 31 December	0	343,740
Plan assets at 31 December	0	(273,258)
Estimated fair value, net obligation at 31 December	0	70,482
Specification of net pension benefit obligations recognised in the profit and loss accounts:		
Pension earnings during the year	(13,204)	(16,601)
Interest expenses on accrued benefit obligations	(13,252)	(12,545)
Expected return on plan assets	12,005	9,801
Other changes in benefit obligations	(5,909)	(3,182)
Pension related to termination of pension obligation	135,656	0
Total benefit obligations recognised in the profit and loss accounts at 31 December	115,296	(22,527)

During the year, changes in estimate/pension plan had a negative impact before tax on equity of DKK 63 million.

Benefit during the year is based on the following economic assumptions:		
Discount rate	2.30%	4.00%
Expected return	3.20%	4.20%
Salary adjustments	3.00%	3.50%
Long-term health regulation	2.50%	3.50%
Pension adjustments	0.00%	0.40%
Expected voluntary redundancy before 40 years of age	0.10%	0.10%
Expected voluntary redundancy after 40 years of age	0.10%	0.10%

In previous years, the COWI Group's Danish subsidiary, COWI A/S, has approved defined benefit plans for a number of former members of management.

The value in use of these may be specified as follows:		
Benefit obligations to former members of management in COWI A/S	16,300	19,500
Total net pension benefit obligations	16,300	89,982

NOTE 21 OTHER PROVISIONS

DKK '000	2014	2013
Guarantees at 1 January	9,968	28,387
Value adjustment	(791)	(1,178)
Adjustment for the year	10,666	(17,241)
Guarantees at 31 December	19,843	9,968
Other provisions at 1 January	53,929	95,143
Currency adjustment	(33)	(1,350)
Adjustment for the year	(3,767)	(39,864)
Other provisions made at 31 December	50,129	53,929
Total other provisions at 31 December	69,972	63,897

NOTE 22 LONG-TERM DEBT

DKK '000	2014	2013
Subordinate loan falling due later than one year and not later than five years	0	130,848
Employee bonds falling due later than one year and not later than five years	0	33,892
Credit institution loans falling due later than one year and not later than five years	2,659	967
Long-term debt at 31 December	2,659	165,707

NOTE 23 SUBORDINATE LOAN CAPITAL

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 24 OTHER ACCOUNTS PAYABLE

DKK '000	2014	2013
Accrued holiday allowance	295,179	289,069
Taxes and VAT payable	204,471	202,028
Other accounts payable	298,125	312,584
Other accounts payable at 31 December	797,775	803,681

NOTE 25 FEES TO AUDITORS

DKK '000	2014	2013
Fee, statutory audit	(4,144)	(3,862)
Assurance engagements	(891)	(904)
Tax consultancy	(2,266)	(2,802)
Services other than audit	(959)	(2,073)
Total fees, PricewaterhouseCoopers	(8,260)	(9,641)

DKK '000	2014	2013
Fee, statutory audit	(1,230)	(1,002)
Assurance engagements	(160)	(13)
Total fees, other accountancy firms	(1,390)	(1,015)

NOTE 26 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

DKK '000	2014	2013
Contingent liabilities		
Lease commitments (operating leases) due after less than one year	17,473	14,849
Lease commitments (operating leases) falling due later than one year and not later than five years	31,433	34,414
Lease commitments (operating leases) due after more than five years	4,203	0
Lease commitments (operating leases) in total	53,109	49,263
Rental commitments		
Rental commitments in the period of termination due after less than one year	174,969	150,152
Rental commitments in the period of termination falling due later than one year and not later than five years	448,087	467,308
Rental commitments in the period of termination due after more than five years	262,767	330,569
Rental commitments in total	885,823	948,029
Recourse guarantees and performance bonds	360,152	322,272
Other guarantees and charges	6,404	37,788

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 involvements 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 client. The client may have counterclaims against COWI. Neither COWI's claims for outstanding payments and other claims nor the client'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.

DKK '000	2014	2013
Contingent assets		
Contingent assets related to rental due after less than one year	1,419	0
Contingent assets related to rental falling due later than one year and not later than five years	5,085	0
Contingent assets related to rental due after more than five years	0	0
Contingent assets in total	6,504	0

DKK '000	2014	2013
Guarantees		
For guarantees, the following assets have been provided as security to credit institutions:		
Cash at a carrying amount of	5,917	3,150
Securities at a carrying amount of	272,767	264,301
Guarantee facility at 31 December	902,076	906,260
Drawn for performance bonds relating to projects in progress	314,471	322,272
Drawn for other guarantees	45,681	32,292

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

Guarantees

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 2014, the employees hold shares at a nominal value of DKK 47.7 million.

NOTE 27 RELATED PARTY TRANSACTIONS

COWIfonden (the COWIfoundation) owns all class A shares in COWI Holding A/S and exercises a controlling influence on 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 28 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
Steen Riisgaard, Chairman	ALK-Abelló A/S (CB) Xellia Pharmaceutical A/S (CB) Egmont International Holding A/S (CB) WWF Denmark (CB) Aarhus University (MB) Corbion (MB) Novo A/S (MB) Novo Nordisk Fonden (MB) Willum Fonden (MB)	0
Kirsti Engebretsen Larssen, Vice Chairman	RIF (Association of Consulting Engineers, Norway) (MB)	68,800
Hans Ole Voigt	Independent management consultant DTZ Egeskov Lindquist A/S (MB) Fonden Godhavn (MB) Square One A/S (CB)	0
Thomas Stig Plenborg	Professor at Copenhagen Business School Saxo Bank (MB) DSV (MB) Everyday Luxury Feeling (CB)	0
Lars Green Lauridsen		46,100
Margareta Caroline Magnusson*		70,000
Niels Fog*		35,200
Uffe Sophus Hjort*		4,000
EXECUTIVE BOARD		
Lars-Peter Søbye, President, CEO	Mannaz (MB)	385,000
Keld Sørensen, Executive Vice President, CFO	Brunata International A/S (MB)	304,700
Rasmus Ødum, Executive Vice President, COO	DI Videnrådgiverne (MB)	319,500

(CB) = Chairman of the board of directors
(MB) = Member of the board of directors
* = Elected by the employees

NOTE 29 CASH AND CASH EQUIVALENTS

DKK '000	2014	2013
Marketable securities	278,118	265,039
Cash	416,924	350,905
Cash and cash equivalents at 31 December	695,042	615,944
Undrawn committed credit facilities at 31 December not including guarantee facilities	373,943	517,082
Financial resources at 31 December	1,068,985	1,133,026

NOTE 30 ENTITIES IN THE COWI GROUP

Name	Domicile	Ownership		Share capital ('000)
COWI Holding A/S (parent company)	Denmark		DKK	283,000
COWI A/S	Denmark	100%	DKK	34,750
COWI AS	Norway	100%	NOK	23,200
COWI Holding AB	Sweden	100%	SEK	100
COWI International A/S	Denmark	100%	DKK	1,000
COWI Invest A/S	Denmark	100%	DKK	500
COWI International A/S's subsidiaries:				
COWI GULF A/S	Denmark	100%	DKK	2,400
COWI North America Holding Inc.	USA	100%	USD	1
Donaldson Associates Ltd.	UK	100%	GBP	0
Flint & Neill Limited	UK	100%	GBP	100
COWI A/S's subsidiaries:				
Apsilon A/S	Denmark	100%	DKK	2,000
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 Belgium SPRL	Belgium	100%	EUR	7
COWI Consulting (Beijing) Ltd. Co.	China	100%	CNY	14,930
COWI Engineering, Environmental and Economic Consulting Ltd.	Russia	100%	RUB	3,600
COWI India Private Ltd.	India	100%	INR	30,800
COWI Korea Co., Ltd.	South Korea	100%	KRW	500,000
COWI Lietuva UAB	Lithuania	100%	LTL	205
COWI Limited	Uganda	100%	UGX	220,000
COWI Limited	Zambia	100%	ZMK	1,569
COWI Mapping UK Ltd.	UK	100%	GBP	85
COWI Mozambique Lda.	Mozambique	100%	MZN	29,983
COWI Polska Sp. z o.o.	Poland	100%	PLN	1,000
COWI Tanzania Limited	Tanzania	100%	TZS	20,000
COWI-SNS MüŞavrlik ve Mühendislik Ltd. Şti.	Turkey	100%	TRY	6,400
KX A/S	Denmark	100%	DKK	3,501
Studstrup og Østgaard A/S	Denmark	100%	DKK	1,125
Tripod Wind Energy ApS	Denmark	100%	DKK	200

This note applies to COWI Holding A/S and its subsidiaries as well as to COWI A/S and COWI International A/S and their 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 is 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 33.

PROFIT AND LOSS ACCOUNT

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

DKK '000	NOTE	2014	2013
External expenses	1	(801)	(729)
Employee expenses	1	(17,455)	(17,147)
OPERATING PROFIT		(18,256)	(17,876)
Profit after tax in subsidiaries		199,807	165,677
Financial income	2	209	368
Financial expenses	3	(14,728)	(14,465)
PROFIT BEFORE TAX		167,032	133,704
Tax on profit for the year	4	7,095	6,056
PROFIT FOR THE YEAR		174,127	139,760

Proposed distribution of profit for the year

DKK '000		
Proposed dividend (six per cent of the share capital excluding treasury shares)	16,586	13,798
Reserve for net revaluation according to the equity method	205,678	165,677
Retained earnings	(48,137)	(39,715)
	174,127	139,760

BALANCE SHEET

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

DKK '000	NOTE	2014	2013
Investments in subsidiaries		1,192,469	888,670
Loans to subsidiaries		240,000	24,250
FINANCIAL ASSETS	5	1,432,469	912,920
TOTAL NON-CURRENT ASSETS		1,432,469	912,920
Receivables from subsidiaries		208	48,021
Receivable company tax		1,278	0
RECEIVABLES		1,486	48,021
CASH		1,302	1,048
TOTAL CURRENT ASSETS		2,788	49,069
TOTAL ASSETS		1,435,257	961,989
Share capital	7	283,000	283,000
Treasury shares		(7,666)	(7,457)
Reserve for net revaluation according to the equity method		0	0
Retained earnings		606,526	524,777
Proposed dividend		16,586	13,798
EQUITY		898,446	814,118
Deferred tax	6	11,904	5,307
PROVISIONS		11,904	5,307
Loans from COWI Group companies		384,580	0
Subordinated loan capital		0	130,847
LONG-TERM DEBT		384,580	130,847
Subordinated loan capital		130,847	0
Amounts owed to subsidiaries		1,933	0
Accounts payable, suppliers		64	120
Other accounts payable		7,483	11,597
SHORT-TERM DEBT		140,327	11,717
TOTAL DEBT		524,907	142,564
TOTAL LIABILITIES AND EQUITY		1,435,257	961,989
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 2013	280,500	(7,368)	41,150	425,794	9,560	749,636
Distributed dividend					(9,560)	(9,560)
Received dividend			(198,826)	198,826		0
Profit for the year			165,677	(25,917)		139,760
Increase of capital	2,500			4,363		6,863
Foreign exchange adjustment, foreign subsidiaries			(74,645)			(74,645)
Value adjustment of hedging instruments, beginning-of-year			(351)			-351
Value adjustment of hedging instruments, year-end			0			
Purchase of treasury shares		(89)		(153)		(242)
Change in estimate/pension plan changes			3,640			3,640
Deferred tax concerning changed estimate/pension plan changes			(983)			(983)
Other transfers			64,338	(64,338)		0
Proposed dividend				(13,798)	13,798	0
EQUITY AT 1 JANUARY 2014	283,000	(7,457)	0	524,777	13,798	814,118
Distributed dividend					(13,798)	(13,798)
Profit for the year			205,678	(31,551)		174,127
Foreign exchange adjustment, foreign subsidiaries			(30,594)			(30,594)
Purchase of treasury shares		(209)		(496)		(705)
Change in estimate/pension plan changes			(63,100)			(63,100)
Deferred tax concerning changed estimate/pension plan changes			18,398			18,398
Other transfers			130,382	130,382		0
Proposed dividend				(16,586)	16,586	0
EQUITY AT 31 DECEMBER 2014	283,000	(7,666)	0	606,526	16,586	898,446

NOTES FOR THE PARENT COMPANY, COWI HOLDING A/S

NOTE 1 EXPENSES

Fee, auditor elected at the annual general meeting:

DKK '000	2014	2013
Fee, statutory audit	(125)	(175)
Total fees, PricewaterhouseCoopers	(125)	(175)

Employee expenses:

DKK '000	2014	2013
Salaries and wages	(14,974)	(14,928)
Pensions	(2,475)	(2,210)
Social security	(6)	(9)
Employee expenses	(17,455)	(17,147)

See note 2 to the group financial statements on page 35 for information on remuneration of the Executive Board and the Board of Directors. The company had three employees during the financial year.

NOTE 2 FINANCIAL INCOME

DKK '000	2014	2013
Interest, subsidiaries	208	368
Foreign exchange gains	1	0
Financial income	209	368

NOTE 3 FINANCIAL EXPENSES

DKK '000	2014	2013
Interest, subsidiaries	(8,740)	(1,898)
Interest, cash, securities etc.	(5,888)	(12,528)
Foreign exchange losses	(100)	(39)
Financial expenses	(14,728)	(14,465)

NOTE 4 TAX ON PROFIT FOR THE YEAR

DKK '000	2014	2013
Deferred tax	7,365	7,993
Change of deferred tax due to change of corporate income tax rate	(428)	108
Tax adjustment in respect of prior periods	158	(2,045)
Tax on profit for the year	7,095	6,056
Broken down as follows:		
Tax on profit for the year	7,095	6,056
Tax of changes in equity	0	0
Total tax on profit for the year	7,095	6,056
Tax on profit for the year can be broken down as follows:		
Tax calculated at 24.5 per cent on profit before tax excluding profit after tax in subsidiaries	9,468	9,461
Other expenses/other income disallowed for tax purposes	(2,103)	(1,468)
Change of deferred tax due to reduction of corporate income tax	(428)	108
Tax adjustment in respect of prior periods	158	(2,045)
	7,095	6,056

NOTE 5 FINANCIAL ASSETS

DKK '000	Investments in subsidiaries	Loans to subsidiaries	Total
Cost at 1 January 2014	953,011	24,250	977,261
Additions	420,982	240,000	660,982
Disposals	0	(24,250)	(24,250)
Cost at 31 December 2014	1,373,993	240,000	1,613,993
Revaluations at 1 January 2014	19,861	0	19,861
Additions	819	0	819
Disposals	(11,168)	0	(11,168)
Revaluations at 31 December 2014	9,512	0	9,512
Impairment losses at 1 January 2014	(84,202)	0	(84,202)
Additions	(106,834)	0	(106,834)
Disposals	0	0	0
Impairment losses at 31 December 2014	(191,036)	0	(191,036)
Book value at 31 December 2014	1,192,469*	240,000	1,432,469

* Of this, added value amounts to DKK 46,968 thousand.

See note 30 to the group financial statements on page 46 for information on investments in subsidiaries.

NOTE 6 DEFERRED TAX ASSETS

DKK '000	2014	2013
Deferred tax at 1 January	(5,307)	226
Deferred tax adjustment in respect of prior periods	0	(13,634)
Deferred tax change due to change in corporate income tax rate	(428)	108
Deferred tax for the year	(6,169)	7,993
	(11,904)	(5,307)
Specification of deferred tax assets and deffered tax:		
Debt	(19,269)	(13,141)
Tax-loss carryforward	7,365	7,833
	(11,904)	(5,308)
Recognised in the balance are:		
Deferred tax	(11,904)	(5,308)
	(11,904)	(5,308)

NOTE 7 SHARE CAPITAL

See note 16 to the group financial statements on page 40 for information on share capital.

NOTE 8 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

The Danish companies in the Group are jointly and severally liable for taxes on the Group's jointly-taxed income etc. COWI Holding A/S functions as the management company in terms of joint taxation, and total amount is stated in the annual report.

See note 26 to the group financial statements on page 44 for further information on contingencies and other financial commitments.

NOTE 9 RELATED PARTY TRANSACTIONS

See note 27 to the group financial statements on page 44 for information on related party transactions.

NOTE 10 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

See note 28 to the group financial statements on page 45 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 2014 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 financial statements 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 2014 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 at the annual general meeting.

Kongens Lyngby, 27 February 2015

EXECUTIVE BOARD:

LARS-PETER SØBYE
President, CEO

KELD SØRENSEN
Executive Vice President, CFO

RASMUS ØDUM
Executive Vice President, COO

BOARD OF DIRECTORS:

STEEN RIISGAARD
Chairman

KIRSTI ENGEBRETSEN LARSSEN
Vice Chairman

HANS OLE VOIGT

LARS GREEN LAURIDSEN

THOMAS STIG PLENBORG

CAROLINE MAGNUSSON*

NIELS FOG*

SOPHUS HJORT*

* Elected by the employees.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of COWI Holding A/S.

REPORT ON CONSOLIDATED FINANCIAL STATEMENTS AND PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of COWI Holding A/S for the financial year 1 January 2014-31 December 2014, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes for both the Group and the parent company, as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

The management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation standards. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

OPINION

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the company at 31 December 2014 and of the results of the Group and company operations as well as the consolidated cash flows for the financial year 1 January 2014-31 December 2014 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 of the financial statements and the consolidated financial statements. On this basis, in our opinion, the information provided in the management's review is consistent with the consolidated financial statements and parent company financial statements.

Kongens Lyngby, 27 February 2015

PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab

KIM FÜCHSEL
State Authorised Public Accountant

JACOB F CHRISTIANSEN
State Authorised Public Accountant

COWI HOLDING A/S COMPANY INFORMATION

COMPANY INFORMATION

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www.cowi.com
www.cowi.dk
www.cowiholding.com
cowi@cowi.dk
Company registration number
32 89 29 73

BOARD OF DIRECTORS

Steen Riisgaard, Chairman
Kirsti Engebretsen Larssen, Vice Chairman
Hans Ole Voigt
Lars Green Lauridsen
Thomas Plenborg
Caroline Magnusson
Niels Fog
Sophus Hjort

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 26 March 2015 at the company address.

COWI'S ORGANISATION AT 27 FEBRUARY 2015

BOARD OF DIRECTORS

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.

BUSINESS SUPPORT

REGIONS

COWI DENMARK

JENS CHRISTOFFERSEN
Regional Vice President

- Railways, light rail and metros
- Mapping and land administration
- Airports and roads
- Economics and management
- Water and environment
- Buildings
- Energy
- Industry.

SUBSIDIARIES
- COWI Belgium SPRL (Belgium)
- COWI Consulting (Beijing) Ltd. Co.
- COWI India Private Ltd. (India)
- COWI Limited (Uganda)
- COWI Limited (Zambia)
- COWI Mapping UK Ltd. (UK)
- COWI Mozambique Lda. (Mozambique)
- COWI Polska Sp. z o.o. (Poland)
- COWI Tanzania Limited (Tanzania).

COWI NORWAY

TERJE BYGLAND NIKOLAISEN
Regional Vice President

- Large, complex infrastructure projects
- Planning and design of hospital buildings
- Planning and design of airports
- Sustainable urban and regional planning
- Foodstuffs industry
- Bioenergy and district heating systems
- Water and drain technology
- Environmental and waste consultancy.

SUBSIDIARIES
- Aquateam COWI AS.

COWI SWEDEN

PÄR HAMMARBERG
Regional Vice President

- Bridges, harbours and tunnels
- Sustainable buildings
- Environment
- Energy
- Industry
- Risk and safety
- Fire consultancy
- Urban and regional planning
- Project management.

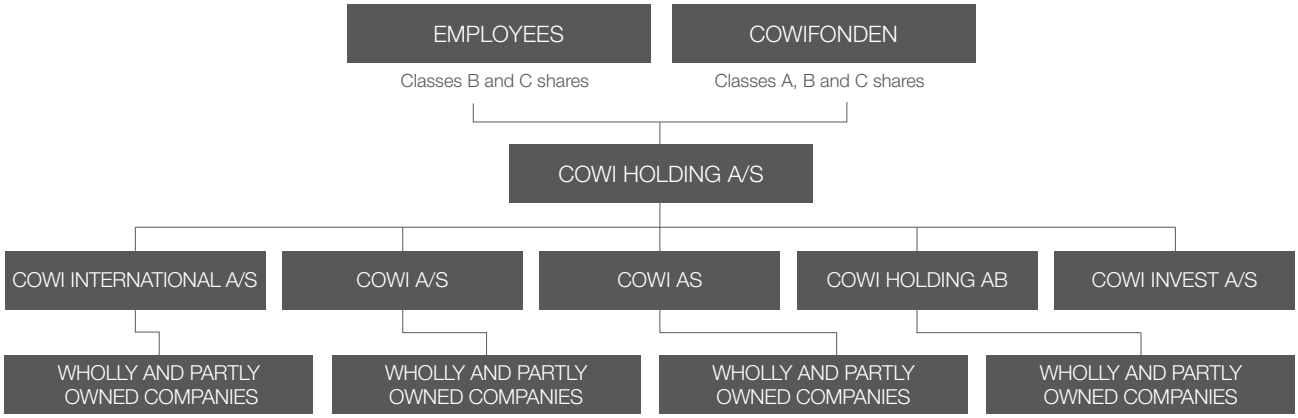
SUBSIDIARIES
- AEC AB
- COWI Management AB
- UAB COWI Lietuva (Lithuania).

MAJOR BUSINESS LINE

LARS HAUGE
Regional Vice President

- Bridges
- Tunnels
- Marine structures.

SUBSIDIARIES
- Buckland & Taylor Ltd. (Canada and USA)
- COWI Gulf A/S (Bahrain and UAE)
- COWI Korea Co., Ltd. (South Korea)
- COWI North America, Inc. (Canada and USA)
- Donaldson Associates Limited (UK)
- Flint & Neill Limited (UK)
- Jenny Engineering Corp., Inc. (USA).



COWI SUBSIDIARIES, BRANCHES AND THEIR OFFICES AT 27 FEBRUARY 2015

BAHRAIN
COWI GULF A/S Bahrain Branch Office
› Manama.

BELGIUM
COWI Belgium SPRL
› Brussels.

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

CHINA
COWI Consulting (Beijing) Ltd. Co.
› Beijing.

DENMARK
COWI A/S
› Esbjerg
› Holstebro
› Lyngby (head office)
› Odense
› Ringsted
› Roskilde
› Silkeborg
› Vejle
› Viborg
› Aalborg
› Aarhus.

GEORGIA
UAB COWI Lietuva Branch in Georgia
› Tbilisi.

HONG KONG
Donaldson Associates (Asia) Limited
› Hong Kong.

INDIA
COWI India Private Ltd.
› Bangalore
› Chennai
› Delhi (Gurgaon).

LITHUANIA
UAB COWI Lietuva
› Vilnius.

MOZAMBIQUE
COWI Mozambique Lda.
› Maputo.

NORWAY
COWI AS
› Bergen
› Bodø
› Drammen
› Flekkefjord
› Frederikstad
› Førde
› Hamar
› Haugesund
› Hønefoss
› Kongsberg
› Kristiansand S
› Kristiansund
› Larvik
› Levanger
› Lillehammer
› Norheimsund
› Notodden
› Oslo
› Stavanger
› Trondheim
› Voss.

Aquateam COWI AS
› Oslo.

OMAN
COWI & Partners LLC
› Muscat.

POLAND
COWI Polska Sp. z o.o.
› Bielsko - Biala
› Wroclaw.

QATAR
COWI A/S Qatar Branch
› Doha.

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

SOUTH KOREA
COWI Korea Co., Ltd.
› Bundang (Seoul).

SWEDEN
COWI AB
› Gothenburg
› Helsingborg
› Herrljunga
› Jönköping
› Karlstad
› Kristianstad
› Linköping
› Malmö
› Skövde
› Stenungsund
› Stockholm
› Vänersborg.

AEC AB
› Gothenburg
› Stockholm.

COWI Management AB
› Gothenburg
› Stockholm.

TANZANIA
COWI Tanzania Limited
› Dar es Salaam.

TURKEY
COWI-SNS Müsavirlik MühendiŞlik Ltd. Şti.
› Istanbul.

UAE
COWI GULF A/S Abu Dhabi Branch Office
› Abu Dhabi.

COWI GULF A/S Dubai Branch Office
› Dubai.

UGANDA
COWI Limited
› Kampala.

UNITED KINGDOM
COWI Mapping UK Ltd.
› Taunton.

Donaldson Associates Limited
› Derby
› Glasgow
› London
› Uttoxeter
› York.

Flint & Neill, Ltd
› Erskine
› London
› Stone.

USA
COWI North America, Inc.
› Gibbsboro, New Jersey
› Long Beach, California
› Marshfield, Massachusetts
› Mount Pleasant, South Carolina
› New Orleans, Louisiana
› New York, New York
› Oakland, California
› Seattle, Washington
› Trumbull, Connecticut.

Buckland & Taylor, Inc.
› New York, New York
› Oakland, California
› Seattle, Washington.

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

ZAMBIA
COWI Limited
› Lusaka.

BOARD OF DIRECTORS

STEEN RIISGAARD
Chairman

Born 1951. MSc. On the Board of COWI Holding A/S since 2013. Independent of COWI.

Competencies in compliance with the adopted competency profile: Corporate governance; senior management of global companies; customer relation management; people management in knowledge-based companies; M&A or alliance experience; and business development.

KIRSTI ENGEBRETSEN LARSSEN
Vice Chairman

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

Competencies in compliance with the adopted competency profile: Senior management of global companies; people management in knowledge-based companies; M&A or alliance experience; and business development.

HANS OLE VOIGT

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

Competencies in compliance with the adopted competency profile: Corporate governance; senior management of global companies; customer relation management; people management in knowledge-based companies; operational excellence in service companies; M&A or alliance experience; and business development.

LARS GREEN LAURIDSEN

Born 1961. MSc in Geodesy and Cadastral Science and Senior Vice President (Planning and Economics) at COWI A/S. With COWI since 2007. On the Board of COWI Holding A/S since 2014.

Competencies in compliance with the adopted competency profile: Corporate governance; senior management of global companies; customer relation management; people management in knowledge-based companies; operational excellence in service companies; M&A or alliance experience; and business development.

THOMAS STIG PLENBORG

Born 1967. MSc (Economics and Business Administration) and PhD. Professor at Copenhagen Business School. On the Board of COWI A/S from 2010 to 2014. On the Board of COWI Holding A/S since its formation in 2010. Independent of COWI.

Competencies in compliance with the adopted competency profile: Global financial and risk management; operational excellence in service companies; M&A or alliance experience; and business development.

CAROLINE MAGNUSSON

Elected by the employees. Born 1956. MSc and Vice President (Infrastructure) at COWI AB. With COWI since 2008. On the Board of COWI Holding A/S since 2014.

Competencies in compliance with the adopted competency profile: Corporate governance; customer relation management; people management in knowledge-based companies; operational excellence in service companies; and business development.

Special competencies for employee-elected members, in compliance with the adopted competency profile: Experience and broad knowledge of how the company works and what goes on among employees; ability to balance employee and business perspective; ability to advise on appropriate forms of communications; and diversity in business experience, geographical experience and gender.

NIELS FOG

Elected by the employees. Born 1960. MSc (Engineering) and QA Manager (Industry) at COWI A/S. With COWI since 1996. On the Board of COWI A/S from 2006 to 2014. On the Board of COWI Holding A/S since its formation in 2010.

Competencies in compliance with the adopted competency profile: Corporate governance; global financial and risk management; customer relation management; M&A or alliance experience; and business development.

Special competencies for employee-elected members, in compliance with the adopted competency profile: Experience and broad knowledge of how the company works and what goes on among employees; ability to balance employee and business perspective; ability to advise on appropriate forms of communications; and diversity in business experience, geographical experience and gender.

SOPHUS HJORT

Elected by the employees. Born 1967. MSc (Eng.) in Civil Engineering and Chief Project Manager (Transport Infrastructure) at COWI A/S. With COWI since 1992. On the Board of COWI Holding A/S since 2014.

Competencies in compliance with the adopted competency profile: Customer relation management; people management in knowledge-based companies; M&A or alliance experience; and business development.

Special competencies for employee-elected members, in compliance with the adopted competency profile: Experience and broad knowledge of how the company works and what goes on among employees; ability to balance employee and business perspective; ability to advise on appropriate forms of communications; and diversity in business experience, geographical experience and gender.