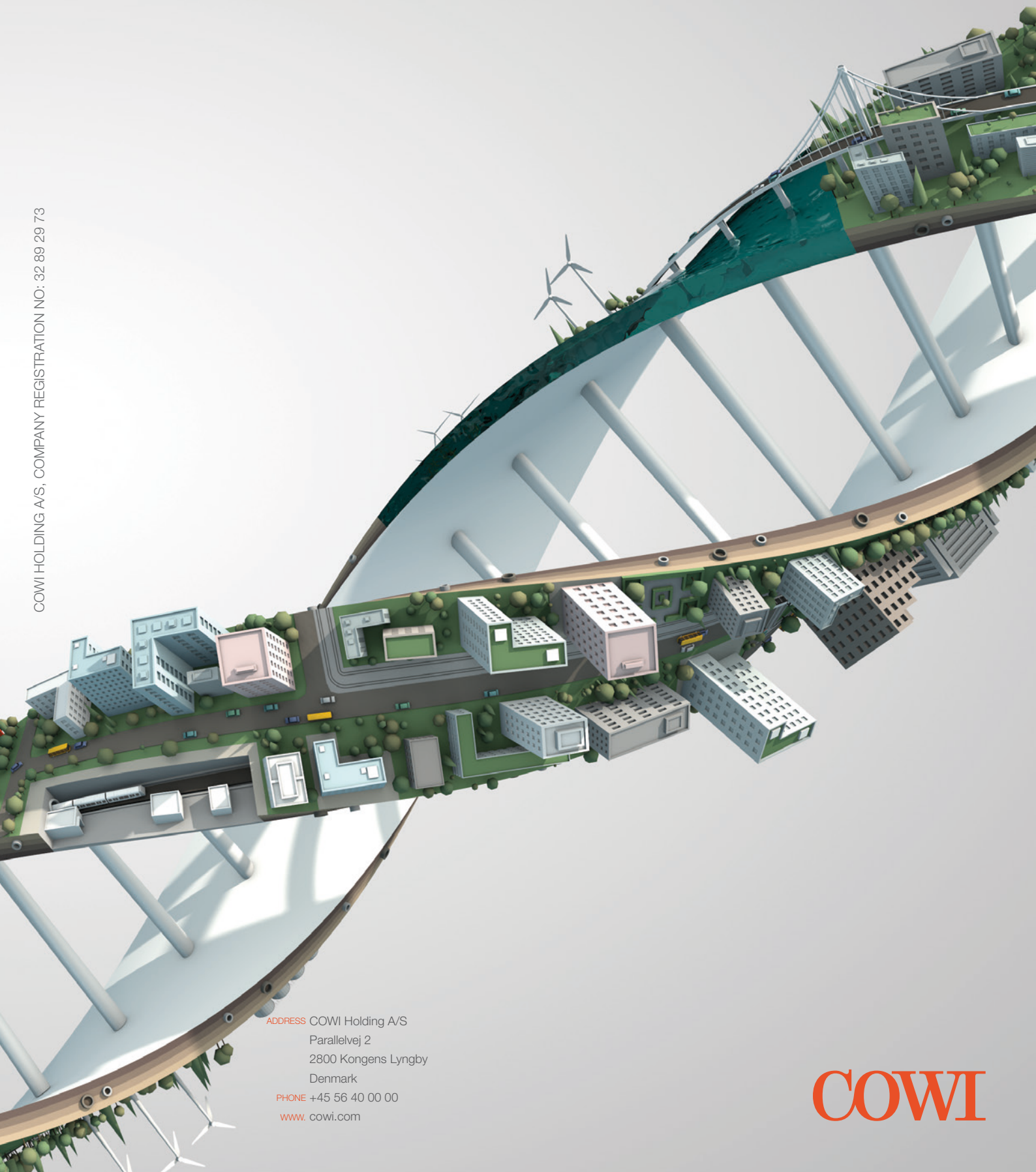


ANNUAL REPORT | 2016

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COWI



03

MANAGEMENT'S REVIEW

06

COWI'S SERVICES

08

FINANCIAL RATIOS

10

FINANCIAL REVIEW

14

OUTLOOK FOR 2017

16

COWI HOLDING A/S
CONSOLIDATED FINANCIAL
STATEMENTS 2016

17 Accounting policies
23 Profit and loss account
24 Balance sheet
26 Statement of changes in equity
27 Cash flow statement
28 Notes

41

COWI HOLDING A/S
(PARENT COMPANY)
FINANCIAL STATEMENTS

42 Accounting policies
43 Profit and loss account
44 Balance sheet
45 Statement of changes in equity
46 Notes

48

STATEMENTS ON THE
ANNUAL REPORT

52

COWI HOLDING A/S
COMPANY INFORMATION

53

COWI'S ORGANISATION

55

COWI'S BOARD OF
DIRECTORS

MANAGEMENT'S REVIEW

COWI's new strategy, One Step Ahead, cements COWI's strong position in Scandinavia with our transportation services as a key driver.

2016 marked the first year of our new five-year strategy, One Step Ahead. One Step Ahead, based on global trends, is driven by our transportation competencies and by further developing COWI's strongholds within buildings, water and environment as well as energy and industry. Our ambition is to continue to grow profitably through our solid Scandinavian presence and through intensifying the introduction of our bridge, tunnel and marine competencies into these markets, while at the same time expanding our presence in the UK and North America. The improved and satisfactory full-year financial results as well as our strong pipeline of projects indicate the strength of the strategy and the ability of the organisation to execute accordingly.

SATISFACTORY RESULTS

In 2016, COWI's turnover grew by six per cent to DKK 5,939 million, compared to last year. Operating profit for the year was DKK 231 million, corresponding to an EBIT margin of 3.9 per cent, which is satisfactory, while operating cash flow increased significantly to DKK 228 million.

With regard to profit, results improved significantly compared to 2015 in line with our long-term ambitions. Business Line Denmark continued its strong performance in almost all sectors, exceeding expectations.

Business Lines Norway and Sweden improved results compared to the previous year, while Business Line Bridge, Tunnel and Marine managed to maintain results at the same level as last year, despite challenges in North America and the United Arab Emirates.

COLLABORATION – A STRATEGIC PRIORITY

In 2016, COWI continued to boost further collaboration across geographical borders and business lines. While a group-wide Transportation Board has been operating for a few years and an Energy Board was established in 2015, boards have now also been set up in two other key COWI areas – buildings and water.

The strategic collaboration taking place within the boards supports the efforts of the business lines to ensure seamless cooperation across the Group and optimisation of competencies offered to customers. The increased focus in 2016 on realising the synergies of COWI's geographical spread and utilising staff available across COWI is enabling COWI to optimise service offerings to customers world-wide.

The realisation of synergies is reflected in the business line collaboration on some of the major wins in 2016, for instance the European Spallation Source and the West Link Project (Västlänken) in Sweden. It also resounded among customers and led to, among other things, increased brand awareness of COWI among young professionals in Sweden.

Collaboration is furthermore fuelled by the use of common systems. COWI's

financial system, Cockpit, is now used by around 90 per cent of COWI's employees. This has improved financial transparency and efficiency considerably across the Group. Furthermore, a joint process-based quality management system has been rolled out COWI-wide, also supporting the implementation of projects across borders.

STRONG PERFORMANCE IN SCANDINAVIA

Business Line Denmark continued to show strong performance throughout the year, largely due to successful infrastructure and energy projects as well as a robust market within buildings. High-profile wins are 'Posten' in Copenhagen, a project where COWI will provide engineering design for all construction works, additional work on the Ring 3 Light Rail project and solid waste management in Egypt. Our capacity to win such projects reflects COWI's 360° approach and ability to team up with strong partners.

Business Line Norway improved performance compared to the previous year. COWI is one of the leading players in the market for buildings in Norway – a position underlined by the prestigious signature win of planning the new emergency response centre for the national police. Two major wins at the end of the year confirmed COWI's strong position in Norway: a terminal at the Gardermoen Airport and the new fighter air force base, Evenes.

Similarly to Norway, Business Line Sweden achieved significantly improved results compared to last year and strengthened its position in the market

considerably, not least through the two aforementioned major wins, the European Spallation Source and the West Link Project. The high-profile win the European Spallation Source is a multi-disciplinary research centre based in Lund. The win was the result of the combined efforts of Business Lines Sweden and BTM (Bridge, Tunnel and Marine).

While BTM is performing well in the Scandinavian markets, the North American and UK-based businesses are experiencing challenges mainly due to lack of scale in some segments. Overall, however, organic growth in BTM is robust, and the business landed a number of high-profile wins during the year, including two projects by the Thames in the UK: the new Thames crossing with a 30-kilometre motorway, and the Thames Tideway Tunnel, which will help solve problems brought on by extreme rainfall. Both projects were won in collaboration with other consulting companies, which confirms COWI's position as a leading specialist player in the UK market, an important growth area for COWI.

WELL-POSITIONED IN SPECIALIST AREAS

In 2016, as in previous years, we secured prominent rankings in the "Engineering News-Record (ENR) Yearly Sourcebook", which assesses annually around 250 international companies in our industry. COWI is ranked number 32 on the overall list, up one place compared to last year. We are ranked number 4 in the categories of Bridge Design and number 3 in Marine and Port Facilities, while we rank number 1 in Solid Waste, another COWI specialist service segment. We see these positions as a confirmation of our successful strategic endeavours to maintain our position as key players within these fields.

REALISING COWI'S GROWTH STRATEGY

Growth through acquisitions is part of the course set in One Step Ahead and therefore a fundamental element in achieving our strategic goals. There is

thus a continuous focus on identifying possible candidates with the right cultural and strategic fit, and COWI's improved cash management in 2016 provides us with the necessary flexibility to pursue this strategy.

2016 saw the acquisition of Bascon, one of Denmark's largest project management consulting companies. Acquiring Bascon was an important step in developing COWI's strategic project management services within buildings. The building sector is one of the four sectors identified in One Step Ahead where we want to grow and further expand our solid position in Scandinavia in the years ahead.

Bascon added 130 new project management consultants in Denmark, bringing COWI's total number of employees to 6,600. The new employees were co-located with their COWI colleagues in 2016. Bascon merged fully with COWI A/S in January 2017.

Finally, COWI continued its robust organic growth in 2016 in all business lines.

DEVELOPING OUR PEOPLE'S COMPETENCIES

COWI is a people business. All COWI's services rely on the ability and competencies of our employees to gauge the market and supply solutions that create value for our customers. Therefore, developing our people is of paramount importance, also in the global competition to attract and retain the best talents.

COWI Academy continued its successful contribution to enhancing the competencies of COWI employees at all career levels. In 2016, COWI Academy increased its number of online training courses (e-learning, webinars, videos), which allows a growing number of employees flexibility in furthering their competencies and knowledge. 418 project managers completed courses from the Academy in 2016, while 65 managers took part in line management training. We continue to see increased participation by staff in India, the UK and North America.

In total 1,763 individual employees or 27 per cent of COWI's employees completed one or more classroom training sessions arranged by COWI Academy. COWI attaches much importance to creating learning environments where employees representing the breadth of COWI are able to meet each other in person. This allows them to form professional and personal networks across business lines and disciplines, supporting a common business culture and encouraging a 360° approach to customer solutions.

FOCUS ON DIVERSITY AND TALENT

It is COWI's ambition that all staff should have equal opportunities regardless of gender, age, race, religion, nationality, ethnic and social origin, disability, political and sexual orientation. COWI views diversity as a competitive advantage that helps our business achieve the best results. In recent years, the number of nationalities other than Danish has increased considerably, resulting in 42 different nationalities in 2016 at all career levels.

It is also COWI's ambition that the composition of management reflects the diversity of our business and markets. Thus, in 2016, COWI continued its talent management process to identify and build talent as well as improve focus on diversity. We continue to be engaged in a number of mentor programmes with universities.

With the aim of increasing the number of women in management, a key focus in COWI's diversity action plan for 2016, gender diversity became a focal point in leadership training and talent programmes. In addition, COWI included the requirement of gender diversity in framework contracts with search and headhunter agencies. Finally, COWI has included gender as a separate item in its bi-annual People Reporting.

To specify goals and monitor progress on gender equality, COWI set the overall target in 2013 that the share of female managers should reflect the share of female employees. By 2020, the share of

female managers should be at least 25 per cent. In 2015, the share of women in management was 22 per cent, and in 2016, the share was 24 per cent. This indicates that COWI's effort to increase the number of women in management is effective, and we feel confident that, through a persistent focus on gender equality, the goal will be achieved within the set time frame.

In 2013, at board level, COWI set the target that at least two of COWI's six board members should be women by 2017. At the end of 2016, the board did not have any female board members elected by the General Assembly. Consequently, COWI has not been able to meet the goal of two female board members by 2017. It has proven challenging to identify and attract female candidates with a competency and experience profile that fits and properly complements the desired board member structure.

CORPORATE SOCIAL RESPONSIBILITY

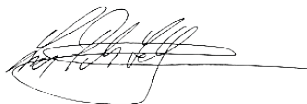
COWI outlines its policies, actions and results within relevant areas of corporate social responsibility in our communication on progress in compliance with the UN Global Compact and

the reporting requirements of the Danish Financial Statements Act on corporate responsibility, section 99A. The report is 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 of remuneration levels in similar major Danish companies. At the annual general meeting in 2016, it was decided to pay members of the Board of Directors an annual remuneration of DKK 200,000. The vice chairman receives DKK 250,000 and the chairman DKK 650,000.

In 2016, 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 2016 were in line with COWI's remuneration policy for the Board of Directors and the Executive Board, adopted at the annual general meeting in March 2016 and available on www.cowi.com.



Lars-Peter Soby, President, CEO

COWI'S SERVICES

COWI is a consulting group providing services within engineering, economics and environmental science. Our competitive edge is the combination of world-class services with a 360° approach offering customers complete solutions.

PLANNING AND ECONOMICS

- › Economic analyses and tools
- › Financial analyses and law
- › Evaluations and impact assessments
- › Transportation planning and modelling
- › Public transportation 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
- › Project and construction management
- › Project control
- › Procurement services
- › Technical and financial due diligence
- › Design management – BIM
- › Method development of digital processes – CAD/BIM
- › Project support – IT/BIM.

WATER AND ENVIRONMENT

- › Occupational health and safety
- › Acoustics, noise and vibration
- › Chemical management
- › Emissions
- › Sustainability
- › Waste and resources
- › Contaminated sites and environmental due diligence
- › Nature
- › Groundwater and geophysics
- › Climate adaptation
- › Water supply
- › Waste water
- › Integrated water resource management
- › Environmental impact assessment
- › Strategic environmental assessments.

TRANSPORTATION

- › Roads and highways
- › Railways
- › Light rails
- › Metros
- › Airports
- › Operations consultancy
- › Bridges
- › Tunnels
- › Geotechnical engineering
- › Underground structures
- › Marine structures and harbours
- › Coastal engineering
- › Operation and maintenance
- › Risk management and analysis
- › Service life design
- › Landscape architecture planning
- › Infrastructure lighting.

BUILDINGS

- › Design management
- › Structures
- › MEP design
- › Project management consultancy services
- › Client consultancy services
- › Architecture
- › Tendering
- › Quantity surveying
- › Risk and time management
- › Urban development
- › Contract management
- › Construction management
- › Facility management
- › Technical consultancy services
- › Fire engineering
- › Commissioning
- › Value engineering
- › Green buildings
- › Building physics and refurbishment
- › BIM management
- › Lighting
- › Indoor climate
- › Due diligence
- › Company headquarters
- › Buildings for cultural and sport purposes
- › Hospitals and health care buildings
- › Schools and university buildings
- › Industrial buildings
- › Airport buildings
- › High-rises
- › Residential housing.

ENERGY AND INDUSTRY

- › Thermal power
- › District heating and cooling
- › Wind energy
- › Renewable energy
- › Bioenergy
- › Nuclear power
- › Energy efficiency
- › Data centres
- › Forestry industry
- › Processing industry
- › Manufacturing industry
- › Food industry
- › Studies and investigations
- › Basic and detailed design
- › Project management
- › Procurement
- › Permit management
- › Process design
- › Pipe design
- › Electrical and automation solutions
- › Building construction
- › Advanced calculations
- › Assembly management.



FINANCIAL RATIOS

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

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

$$\frac{\text{Operating margin (EBIT margin)}}{\text{Operating profit/loss x 100}} \\ \text{Net turnover}$$

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

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

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

$$\frac{\text{Book value per share}}{\text{Equity}} \\ \text{Nominal shareholding (excluding treasury shares)}$$

KEY FIGURES AND FINANCIAL RATIOS

KEY FIGURES AND FINANCIAL RATIOS FOR THE COWI GROUP

	2012 DKKm	2013 DKKm	2014 DKKm	2015 DKKm	2016 DKKm	2016 EURm
KEY FIGURES						
DKK/EUR rate at 31 December 2016						743.44
NET TURNOVER	5,126	5,280	5,313	5,577	5,939	799
Operating profit/loss before amortisation, depreciation and impairment losses (EBITDA)	(50)	323	360	323	396	53
Operating profit/loss before amortisation (EBITA)	(103)	278	320	277	341	46
Operating profit/loss on ordinary activities	(190)	195	222	183	222	30
OPERATING PROFIT/LOSS (EBIT)	(190)	200	223	182	231	31
Net financial items	(10)	(3)	30	23	16	2
PROFIT/LOSS BEFORE TAX FOR THE YEAR	(201)	198	253	205	247	33
PROFIT/LOSS FOR THE YEAR	(174)	140	174	131	162	22
Goodwill	506	549	597	539	590	79
Other non-current assets	248	238	267	309	349	47
Current assets	2,246	2,213	2,282	2,160	2,392	322
TOTAL ASSETS	3,000	3,000	3,145	3,007	3,331	448
Share capital	281	283	283	282	282	38
EQUITY	750	814	898	1,013	1,137	153
Provisions	472	380	289	302	337	45
Long-term debt	188	166	3	2	1	0
Short-term debt	1,588	1,637	1,955	1,690	1,856	250
Cash flow from operating activities	110	251	223	108	228	31
Investment in property, plant and equipment	(34)	(37)	(54)	(70)	(79)	(11)
Other investments, net	(65)	(174)	(198)	(42)	(184)	(25)
Cash flow from investing activities, net	(99)	(211)	(251)	(113)	(262)	(35)
FREE CASH FLOW	11	40	(28)	(4)	(34)	(5)
Cash flow from financing activities	22	(75)	107	(113)	(44)	(6)
CASH FLOW FOR THE YEAR	33	(34)	79	(117)	(78)	(10)
FINANCIAL RATIOS						
EBITDA margin	(1.0%)	6.1%	6.8%	5.8%	6.7%	
Operating margin (EBIT margin)	(3.7%)	3.8%	4.2%	3.3%	3.9%	
Return on invested capital	(22.8%)	26.6%	31.8%	22.6%	21.9%	
Equity ratio	25.0%	27.1%	28.6%	33.7%	34.1%	
Return on equity	(21.2%)	17.9%	20.3%	13.7%	15.1%	
Book value per share in DKK	274.5	295.5	326.3	373.0	413.3	
AVERAGE NUMBER OF EMPLOYEES	6,128	6,096	6,180	6,311	6,475	

FINANCIAL REVIEW

SATISFACTORY RESULTS FOR 2016

Turnover and operating profit grew as anticipated in 2016, whereas cash flow from operating activities was significantly above the level achieved in 2015, though below expectations.

Business Line Denmark continued its strong performance in almost all sectors, exceeding expectations. Business Lines Norway and Sweden improved results compared to the previous year while Business Line Bridge, Tunnel and Marine (BTM) maintained results at the same level as last year.

GROWTH IN TOTAL NET TURNOVER

Net turnover in the COWI Group increased in 2016 by DKK 362 million or six per cent, to DKK 5,939 million compared to 2015. The net foreign exchange impact was a negative DKK 101 million, mainly due to the weak Norwegian krone and British pound. Excluding foreign exchange impact, net turnover grew by eight per cent from 2015 to 2016, while organic growth excluding foreign exchange impact was seven per cent.

Although all business lines contributed to the organic growth, it was mainly driven by Business Lines BTM and Sweden. The effect of Bascon A/S acquired in May 2016 on Business Line Denmark's turnover was DKK 72 million. The

DEVELOPMENT IN NET TURNOVER FROM 2015 TO 2016 PER BUSINESS LINE

BUSINESS LINE	2015 DKKm	2016 DKKm	GROWTH %	GROWTH DKKm
Denmark	2,319	2,459	6%	140
Bridge, Tunnel and Marine	1,328	1,472	11%	144
Norway	1,198	1,236	3%	38
Sweden	832	917	10%	85
Other	(100)	(145)	-	(45)
Total	5,577	5,939	6%	362

organic growth was negatively impacted by foreign currency effects in Business Line Norway (DKK 45 million), Business Line BTM (DKK 34 million) and Business Line Sweden (DKK 22 million).

HEALTHY INCREASE IN OWN PRODUCTION

The Group's own production increased by seven per cent from DKK 4,564 million in 2015 to DKK 4,866 million in 2016, and was affected negatively by a net foreign exchange impact of DKK 99 million. Excluding the net foreign exchange impact, own production grew by nine per cent.

Denmark experienced an increase in own production of seven per cent, while own production in Norway increased in local currency by five per cent compared to 2015. BTM's own production grew by 11 per cent, but was negatively affected by exchange rates. Sweden's own production grew by ten per cent

measured in local currency compared to 2015.

COWI acquired one company in 2016, Bascon A/S, Denmark, which merged into COWI A/S in January 2017.

EBIT MARGIN

In 2016, the COWI Group posted an operating profit (EBIT) of DKK 231 million compared to DKK 182 million in 2015, corresponding to a 27 per cent increase.

OPERATING EXPENSES

The COWI Group's main operating expense, employee expenses, increased by seven per cent and totalled DKK 3,795 million for 2016. Other external expenses decreased by one per cent and totalled DKK 685 million for 2016. Both employee expenses and external expenses were affected by decreased exchange rates, particularly due to a fall in the Norwegian krone and British pound.

Amortisation and depreciation amounting to DKK 165 million are primarily attributable to depreciation on technical installations, operating and other equipment, as well as amortisation of goodwill.

Total operating expenses amounted to DKK 4,635 million in 2016, which

DEVELOPMENT IN NET TURNOVER

	GROWTH	DKKm
Realised turnover 2015		5,577
Organic growth excl. foreign exchange impact	7%	374
Foreign exchange impact	(2%)	(101)
Acquisition of enterprises	1%	89
Net turnover 2016	6%	5,939

DEVELOPMENT IN HEADCOUNT

BUSINESS LINE INCLUDING BUSINESS SUPPORT	2015	2016	CHANGE
Denmark, including Group Business Support functions	3,021	3,086	65
Bridge, Tunnel and Marine	1,257	1,347	90
Norway	1,077	1,096	19
Sweden	1,009	1,057	48
Total headcount	6,364	6,586	222

is an increase compared to 2015 of six per cent. Thus, adjusted for foreign exchange impact, the increase in operating expenses was four per cent.

DEVELOPMENT IN HEADCOUNT

At the end of 2016, COWI had 6,586 employees compared to 6,364 at the end of 2015, an increase of three per cent.

FINANCIAL INCOME AND TAX

The Group's net financial income decreased by DKK 7 million compared to 2015. Net financial income was DKK 16 million and positively affected by gains from bonds and marketable securities. Profit before tax amounted to DKK 247 million compared to DKK 205 million in 2015.

The Group's tax on ordinary activities in 2016 amounted to an expense of DKK 86 million, corresponding to an effective tax rate in 2016 of 35 per cent, compared to 36 per cent in 2015. 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.

PROFIT AFTER TAX

Profit after tax for the year was DKK 162 million compared to DKK 131 million in 2015. This amounts to an increase in profit of 24 per cent.

BALANCE SHEET

The Group's total assets at the end of 2016 amounted to DKK 3,331 million, an increase of DKK 324 million compared to 2015, corresponding to 11 per cent.

Net working capital as a percentage of net turnover increased to 11 per cent in 2016 compared to nine per cent in

2015. By the end of 2016, total net working capital was DKK 647 million, up from DKK 497 million in 2015.

In the course of 2016, the Group's cash and cash equivalents decreased by DKK 85 million to DKK 203 million, mainly driven by acquisitions and dividends. The Group's total cash and cash equivalents, including the securities portfolio, amounted to DKK 505 million, equivalent to 15 per cent of the Group's total assets.

Equity at 31 December 2016 amounted to DKK 1,137 million, corresponding to an equity ratio of 34.1 per cent. Equity increased due to the financial results for the year of DKK 162 million, and decreased through exchange rate adjustments of DKK 17 million. Hedging instruments after tax affected equity negatively in the order of DKK 2 million, as did distributed dividends of DKK 33 million, while the sale of treasury shares of DKK 14 million affected equity positively. In total, equity increased by DKK 124 million.

CASH FLOW

Cash flow from operating activities amounted to DKK 228 million, a major increase compared to 2015. Cash flow from investing activities amounted to a negative DKK 262 million net in 2016 and related primarily to acquisition of subsidiaries and investments in fixed assets. Free cash flow was negative at DKK 34 million, down by DKK 30 million compared to 2015.

At 31 December 2016, the Group's total financial resources, which comprise cash and cash equivalents as well as undrawn committed credit facilities, amounted to DKK 780 million. At the end of 2015, the financial resources were DKK 825 million.

BOOK VALUE PER SHARE AND DIVIDEND

At the end of 2016, book value per share was DKK 413.3, up from DKK 373.0 at the end of 2015. With an 11 per cent increase, the book value of the share is at its highest level to date.

The Board of Directors proposes that dividends amounting to DKK 18 per share (excluding treasury shares) to be distributed, corresponding to 4.4 per cent of the share price for 2016. Dividends for 2015 amounted to DKK 12 per share (excluding treasury shares), corresponding to 3.2 per cent of the share price for 2015.

CAPITAL AND SHARE STRUCTURE

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

The share capital amounts to DKK 282 million, of which DKK 200 million can be ascribed to class A shares and DKK 82 million to class B shares. Class A shares carry ten votes for each DKK 100 share, while class B 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 engineering.

COWI Holding A/S owns DKK 7 million worth of class B shares, the employees own DKK 45 million worth of class B shares in total, while COWIfonden owns DKK 230 million worth of classes A and B 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 performs writedowns for bad and doubtful debts on the basis of the risk of loss resulting from customers' inability and willingness 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 insignificant.

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.

RISK AND RISK MANAGEMENT

The COWI Group's risk exposure falls 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 where COWI operates, constitute a clear risk factor.

OPERATIONAL RISKS

We minimise losses 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 dedicated project management, screening/due diligence of subcontractors, dialogue with customers, careful selection of projects and contract monitoring.

Overcapacity in relation to the scope of projects in progress is a risk, which we manage through backlog assessment and pipeline management.

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

We have an IT security policy and an IT contingency plan in place to safeguard our central IT systems from damage and threats. We review the plan annually.

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 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 to a large extent made in short-duration Danish bonds. Acquisitions are part of the COWI Group's growth strategy. We have developed a valuation method and integration strategy to minimise acquisition-related risks and follow up on completed acquisitions systematically.

LIQUIDITY RISKS

Liquidity risk is the risk that adequate liquidity is unavailable. 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 operation and 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 consulting company depend heavily on our commercial integrity. We therefore adhere 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 update once a year for the Board of Directors to assess, discuss and classify. We set 12-month goals for modifications to risk profiles within selected 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 authorities are defined in the Board of Directors' instructions to the Executive Board and adopted policies. The Board of Directors approves COWI's communication and financial risk management policies as well as the company's risk management. The Executive Board approves all other policies and procedures, and the responsible functions issue guidelines and monitor the use of all policies and procedures. Systems are in place 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 error for the items in the financial statements that are based on estimates or generated through complex processes, compared to 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 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 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 – to finance employees and other relevant employees on the Group's corporate portal.

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.

OUTLOOK FOR 2017

In 2017, COWI looks to exploit the positive market outlook for Scandinavia and the US, while at the same time concentrating on improving performance and cash flow throughout the business.

The outlook for the global economy in 2017 is more positive than in 2016 although there are challenges and uncertainties. Global GDP growth is edging higher, pushed globally by generous monetary policies. At the same time, uncertainty about the effects of the Trump presidency, Brexit and turmoil in the Middle East is making investment and forecasting less predictable in all of COWI's markets.

In Denmark, we predict an upward trend for the GDP in 2017 and low unemployment. The engineering market is gradually shifting from public infrastructure spending towards private-sector building. The strongest growth is anticipated within new buildings construction, especially residential.

In 2017, we expect the Norwegian economy to pull out of the oil-driven recession, which has depressed the economy for the past two years. Infrastructure spending remains strong, and in 2017, the government will finalise its next infrastructure plan, which is expected to propel it further. The building sector is likely to slow down slightly, with public spending outperforming private, which benefits COWI's project portfolio. In general, total growth is expected to stay robust.

We believe that demographic trends in Sweden will continue to drive substantial growth in the market for residential building, and we expect the market for complex buildings to stabilise over time. The demand for infrastructure will continue to be solid, especially within transportation. Here, the East Link and West Link Projects in Gothenburg as well as the Eastern Ring Road by Stockholm, in particular, will be of importance to COWI.

Brexit, and the uncertainty it has created, is expected to affect demand in the UK negatively. The initial reaction to the referendum was mild, but the outcome is still contingent upon political decisions. We expect weak private-sector investment to stall the market, but civil engineering will remain constant with modest growth in road and rail infrastructure. COWI's UK market position with a transportation focus and international exposure may help shield it from the effects of Brexit.

In North America, the macroeconomic indicators are positively aligned for 2017. We predict high growth, and industrial confidence will drive an optimistic trend. Canada's economy is slightly weaker than the USA's, having been hit hard by deflating resource prices. However, new commitments to infrastructure spending by the Canadian government should counteract this effect. The new US president has promised the largest infrastructure package in history, but there are some uncertainties with regard to timing and priorities. On balance, the North American market is strong, but with more risk factors than a year ago.

For the Group, we expect the positive trend in net turnover to continue as in previous years, and at the same time a positive development in 2017 of the profit for the year.

CROSS-BORDER COLLABORATION

Cross-border collaboration is a key factor to fortifying COWI in an increasingly competitive market, and therefore, COWI will continue its strong focus on promoting the utilisation of all resources across geographies in 2017. The ability to bring COWI's entire workforce into play is key to our financial success.

COWI'S ENABLERS

In our strategy, we point to four areas that we will focus on to achieve the goals set in One Step Ahead. They are: Leadership, Operational Excellence, Business Mindset and Innovation. We refer to them as our enablers, and they will frame a number of initiatives in 2017.

The spring will see COWI's second engagement survey, which will provide valuable input for developing leadership throughout COWI. COWI Academy will support the Leadership enabler through the design of competency development courses.

In 2017, COWI will introduce its new talent programme, Accelerator, which is part of the One Step Ahead high-performance culture drive. The ambition is to identify, retain and accelerate the development of participants to ensure a COWI based on outstanding services and superior consultancy services.

With the ever-increasing complexity of contracts, the demand for operational excellence, especially within risk management, is high. Therefore, 2017 will see a number of actions to enhance risk identification and mitigation as well as project and contract management. Further alignment of process support within pipeline management, resource management and key account management is planned for 2017.

The progress made in 2016 concerning the Business Mindset enabler provides a solid foundation for continuing our targeted focus, in particular within cash flow management in 2017.

THE INNOVATION ENABLER

COWI will in 2017 implement the Innovation Booster, which is a programme to encourage and enhance commercially viable radical as well as incremental innovation. The programme embraces all of COWI. The first year will see the involvement of approximately 125 employees representing all four business lines.



COWI HOLDING A/S
CONSOLIDATED
FINANCIAL
STATEMENTS
2016

ACCOUNTING POLICIES

The 2016 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 19, "Net pension benefit obligations etc."

As of 1 January 2016, the company implemented Act 738 of 1 June 2015. This entailed the following changes for the recognition and measurement of annual reassessment of the residual value of tangible assets. The residual value of tangible assets is reassessed annually. The company does not have any significant residual value of tangible assets apart from what has been attributed to the company's operational costs. The change is therefore implemented in accordance with section 4 of the transitional executive order solely with future effect as a change in the accounting estimate, and has no effect on equity.

The change has no effect on the figures in the 2016 profit and loss account and balance sheet nor on the comparative figures.

Apart from the above, and new and changed requirements for the presentation of information pursuant to Act 738 of 1 June 2015, the annual accounts have been prepared according to the same accounting policies as last year.

RECOGNITION AND MEASUREMENT

Income is recognised in the profit and loss account as earned. 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 that confirm or invalidate affairs and conditions existing at the balance sheet date.

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

CORPORATE INCOME TAX AND DEFERRED TAX

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

COWI Holding A/S is 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 receivables 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.

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 nonmonetary 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 on business areas, and regional and global business lines. The information is based on the Group's internal financial reporting system.

INCENTIVE SCHEMES

The fair value of short-term and long-term incentive schemes for the Executive Board and Group Management Board are recognised in "Remuneration, Executive Board" in the note "Employee expenses" and a liability is recognised.

The total expense is recognised over the period from the start of employees providing services (under the Performance Share Programme (LTIP), employees provide services in advance of the grant date) until the end of the vesting period, which is the period during which all of the specified vesting conditions are to be satisfied. The Long Term Incentive Plan is a sharebased programme but, from an accounting point of view, a cash settlement programme.

The fair value of the granted performance share units takes into account the conditions attached to that programme regarding the COWI share's performance. Other conditions are included in assumptions about the number of units that are expected to vest.

At the end of each reporting period, the estimated number of share units that are expected to vest are revised.

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 generally progresses 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 lines and the individual case in connection with the acquired enterprises. The economic life of goodwill is estimated based on an assessment of the market position and strength of the brand or operation and thus the estimated expected earnings profile.

Acquired enterprises in both a new market and new service/segment with a strong market position and an expected long earnings profile has an estimated

economic life of 20 years and are thus amortised over a period of 20 years.

Acquired enterprises in both an existing market and existing service/segment that have a strong market position are estimated to have an economic life of 15 years and are thus amortised over a period of 15 years.

Acquired enterprises in both an existing market and existing service/segment that do not have a strong market position are estimated to have an economic life of ten years and are thus amortised over a period of ten years.

Small acquired enterprises are estimated to have an economic life of three years and are thus amortised over a period of three years.

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 standard depreciation period is three to eight years.

Assets acquired during the year that are meant to be interoperable with already acquired assets are amortised over the remaining service life of the main asset.

Licenses include software licenses which are amortised over the contract period.

SUMMARY OF AMORTISATION PERIODS FOR INTANGIBLE ASSETS

Goodwill	3-20 years
Own-developed products	2-5 years
Software and licenses	3-8 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 3-12 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 enterprises 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

The cost of a total asset is divided into separate components which are depreciated separately if the useful life of the individual components is different.

The basis of depreciation is determined by considering the asset's residual value after the end of the useful life of the asset, less any writedowns. The depreciation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the asset's book value, the depreciation discontinues.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under other operating income or other operating expenses, respectively.

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 of 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.

EQUITY

RESERVE FOR DEVELOPMENT COSTS

The reserve for development costs include recognised development costs. The reserve cannot be used for dividends or for covering a loss, if any. The reserve is reduced or dissolved if the recognised development costs are amortised or excluded from the operations of the company. This is carried

out through a direct transfer to the free reserves of equity.

DIVIDENDS

Dividends expected to be distributed for the year are recorded in a separate item under equity.

TREASURY SHARES

Treasury shares are defined as COWI Holding A/S shares owned by COWI Group. Purchase and sales amounts for treasury shares are recognised directly in equity.

PROVISIONS

NET PENSION BENEFIT OBLIGATIONS

The Group's Swedish subsidiary, COWI AB, has 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.

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.

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

CASH FLOW STATEMENT

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

CASH FLOW FROM OPERATING ACTIVITIES

Cash flows from operating activities are calculated as group operating profit adjusted for non-cash operating items such as amortisation, depreciation and impairment losses, provisions as well as net change in working capital with the addition of interest income and expenses and corporate income tax paid.

Working capital includes current assets less short-term debt, excluding items included in cash and cash equivalents.

CASH FLOW FROM INVESTING ACTIVITIES

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

CASH FLOW FROM FINANCING ACTIVITIES

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

CASH AND CASH EQUIVALENTS

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

PROFIT AND LOSS ACCOUNT

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

DKK '000	NOTE	2016	2015
Net turnover	1	5,938,884	5,577,493
Project expenses		(1,072,745)	(1,013,278)
OWN PRODUCTION	1	4,866,139	4,564,215
External expenses		(685,127)	(688,979)
Employee expenses	2	(3,794,791)	(3,551,160)
Amortisation, depreciation and impairment losses	3	(164,607)	(141,186)
OPERATING PROFIT ON ORDINARY ACTIVITIES		221,614	182,890
Other operating income	4	15,769	8,682
Other operating expenses	5	(6,088)	(9,403)
OPERATING PROFIT		231,295	182,169
Profit/loss after tax in associates		(298)	132
Financial income	6	89,017	130,298
Financial expenses	7	(72,691)	(107,323)
PROFIT BEFORE TAX		247,323	205,276
Tax on profit for the year	8	(85,551)	(74,023)
PROFIT FOR THE YEAR		161,772	131,253

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2016	2015
Goodwill		590,480	538,506
Software and licenses		105,330	96,576
Own-developed products		12,324	3,473
Intangible assets in progress		6,114	8,810
INTANGIBLE ASSETS	9	714,248	647,365
Land and buildings		1,202	1,305
Technical installations, operating and other equipment		172,596	151,025
Property, plant and equipment in progress		0	479
PROPERTY, PLANT AND EQUIPMENT	10	173,798	152,809
Investments in associates	11	7,472	7,666
Other investments and securities		605	981
Deposits		43,100	38,228
FINANCIAL ASSETS	12	51,177	46,875
TOTAL NON-CURRENT ASSETS		939,223	847,049
Accounts receivable, services		1,142,542	1,023,807
Contract work in progress	13	529,907	366,745
Receivables from associates		4,151	7,016
Other receivables		31,315	32,936
Tax receivables		42,287	29,007
Deferred tax assets	14	19,363	22,801
Prepayments	15	117,507	95,560
RECEIVABLES		1,887,072	1,577,872
MARKETABLE SECURITIES	16	302,137	293,778
CASH		202,619	288,339
TOTAL CURRENT ASSETS		2,391,828	2,159,989
TOTAL ASSETS		3,331,051	3,007,038

BALANCE SHEET

BALANCE SHEET OF THE COWI GROUP AT 31 DECEMBER

DKK '000	NOTE	2016	2015
Share capital	17	282,201	282,201
Treasury shares	18	(6,974)	(10,733)
Retained earnings		812,641	708,569
Proposed dividend		49,541	32,576
EQUITY		1,137,409	1,012,613
Deferred tax	14	304,869	249,830
Net pension benefit liabilities etc.	19	12,500	13,300
Other provisions	20	19,218	38,749
PROVISIONS		336,587	301,879
Credit institutions		640	2,097
LONG-TERM DEBT	21	640	2,097
Credit institutions		281,764	299,806
Contract work in progress	13	451,406	352,969
Accounts payable, suppliers		260,183	250,145
Amounts owed to group enterprises		0	4,977
Amounts owed to associates		3,489	3,368
Corporate income tax payable		16,233	19,883
Other accounts payable	22	843,340	745,819
Deferred income		0	13,482
SHORT-TERM DEBT		1,856,415	1,690,449
TOTAL DEBT		1,857,055	1,692,546
TOTAL EQUITY AND LIABILITIES		3,331,051	3,007,038
Fees to auditors	23		
Financial instruments	24		
Contingencies and other financial commitments	25		
Related party transactions	26		
Board of Directors and Executive Board	27		
Cash and cash equivalents	28		
Entities in the COWI Group	29		
Events after the balance sheet date	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 2015	283,000	(7,666)	606,526	16,586	898,446
Distributed dividend				(16,586)	(16,586)
Profit for the year			131,253		131,253
Capital decrease	(799)		(1,809)		(2,608)
Foreign exchange adjustment, foreign subsidiaries			17,949		17,949
Value adjustment of hedging instruments			(7,071)		(7,071)
Deferred tax concerning hedging instruments			1,556		1,556
Purchase of treasury shares		(3,067)	(7,259)		(10,326)
Proposed dividend			(32,576)	32,576	0
EQUITY AT 1 JANUARY 2016	282,201	(10,733)	708,569	32,576	1,012,613
Distributed dividend				(32,576)	(32,576)
Profit for the year			161,772		161,772
Foreign exchange adjustment, foreign subsidiaries			(16,731)		(16,731)
Value adjustment of hedging instruments			(1,692)		(1,692)
Sale of treasury shares		3,759	10,264		14,023
Proposed dividend			(49,541)	49,541	0
EQUITY AT 31 DECEMBER 2016	282,201	(6,974)	812,641	49,541	1,137,409

CASH FLOW STATEMENT

CASH FLOW STATEMENT OF THE COWI GROUP

DKK '000	NOTE	2016	2015
Operating profit		231,295	182,169
Amortisation, depreciation and impairment loss for the year		164,607	141,186
Value adjustments (net) etc.		(11,511)	748
Other provisions and allowances for the year		7,148	(32,064)
OPERATING PROFIT ADJUSTED FOR NON-CASH MOVEMENT		391,539	292,039
Net financial income received for the year		16,344	22,980
Income taxes paid		(54,680)	(60,751)
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		353,203	254,268
Change in contract work in progress		(59,389)	(94,991)
Change in deposits		(2,918)	(1,826)
Change in accounts receivable, services		(82,505)	37,033
Change in accounts payable, suppliers		3,646	(51,687)
Change in other receivables and prepayments		(17,818)	4,446
Change in other payables and deferred income		34,147	(38,969)
CASH FLOW FROM OPERATING ACTIVITIES		228,366	108,275
Acquisition of intangible assets		(56,874)	(47,522)
Acquisition of property, plant and equipment		(78,619)	(70,171)
Disposal of property, plant and equipment		4,617	1,030
Acquisition of subsidiaries and activities		(132,906)	0
Disposal of subsidiaries and associates		49	2,791
Disposal of other fixed asset investments		1,344	1,372
CASH FLOW FROM INVESTING ACTIVITIES		(262,389)	(112,500)
FREE CASH FLOW		(34,023)	(4,225)
Raising of bank loan, net		(19,887)	123,779
SEB and DANICA loan/subordinate loan		0	(130,848)
Decrease of capital		0	(2,609)
Employee bonds		0	(33,846)
Distributed dividend		(32,576)	(16,582)
Amounts owed to associates		121	(41,923)
Amounts owed to group enterprises		(5,227)	(261)
Purchase/sale of treasury shares		14,023	(10,326)
CASH FLOW FROM FINANCING ACTIVITIES		(43,546)	(112,616)
CASH FLOW FOR THE YEAR		(77,569)	(116,841)
Currency translation adjustments		208	3,916
Cash and cash equivalents, beginning of year		582,117	695,042
CASH AND CASH EQUIVALENTS, END OF YEAR	28	504,756	582,117

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 regional and global business lines, based on the Group's internal financial reporting:

The Group's net turnover distributed on business areas:

DKK '000	2016	2015
Planning and economics	682,327	605,162
Water and environment	764,482	828,366
Transportation	2,555,446	2,234,962
Buildings	1,265,857	1,132,621
Industry and energy	588,795	605,091
Not distributed and eliminations	81,977	171,291
Total	5,938,884	5,577,493

The Group's net turnover distributed on regional and global business lines:

DKK '000	2016	2015
Denmark	2,459,166	2,319,497
Bridge, Tunnel and Marine	1,472,423	1,327,786
Norway	1,235,510	1,197,894
Sweden	916,930	831,904
Other and eliminations	(145,145)	(99,588)
Total	5,938,884	5,577,493

The Group's own production distributed on regional and global business lines:

DKK '000	2016	2015
Denmark	1,852,966	1,729,944
Bridge, Tunnel and Marine	1,195,656	1,077,682
Norway	1,024,879	1,016,235
Sweden	737,314	682,230
Other and eliminations	55,324	58,124
Total	4,866,139	4,564,215

NOTE 2 EMPLOYEE EXPENSES

DKK '000	2016	2015
Salaries and wages	(3,265,148)	(3,086,330)
Pensions	(115,275)	(105,762)
Social security	(291,304)	(268,166)
Other employee expenses	(123,064)	(90,902)
Employee expenses	(3,794,791)	(3,551,160)
Remuneration, Executive Board	(15,586)	(14,237)
Remuneration, former Executive Board and partners	(3,540)	(8,814)
Remuneration, Board of Directors, parent company	(2,300)	(2,250)

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

The Executive Board and the Group Management Board are granted performance share units annually. The value of performance share units granted is calculated as a percentage of the members' base salary depending on their role and the Group's performance. In 2016, the bonus achieved through Long Term Incentive Plan corresponded to approximately 30 per cent of the base salary and is accrued over four years. The yearly accrued value is included in above "Remuneration, Executive Board". Ownership of shares will pass to members only provided the performance share units vest. Performance share units vest three years from the date of granting.

Average number of employees	6,475	6,311
Number of employees at 31 December	6,586	6,364

NOTE 3 AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

DKK '000	2016	2015
Goodwill	(68,853)	(65,823)
Software and licenses	(34,446)	(24,136)
Own-developed products	(6,942)	(5,463)
Land and buildings	(49)	(75)
Technical installations, operating and other equipment	(54,317)	(45,689)
Amortisation, depreciation and impairment losses	(164,607)	(141,186)

NOTE 4 OTHER OPERATING INCOME

DKK '000	2016	2015
Profit from disposal of property, plant and equipment	2,662	416
Reimbursements	2,585	2,695
Other operating income	10,522	5,571
Other operating income	15,769	8,682

NOTE 5 OTHER OPERATING EXPENSES

DKK '000	2016	2015
Loss from disposal of property, plant and equipment	(3,260)	(140)
Removal expenses	(651)	(366)
Loss from disposal of subsidiaries and associates	0	(4,317)
Other operating expenses	(2,177)	(4,580)
Other operating expenses	(6,088)	(9,403)

NOTE 6 FINANCIAL INCOME

DKK '000	2016	2015
Interest, cash, securities etc.	1,462	4,058
Realised and unrealised capital gains, investments	32,455	36,938
Foreign exchange gains	55,100	89,302
Financial income	89,017	130,298

NOTE 7 FINANCIAL EXPENSES

DKK '000	2016	2015
Interest, cash, securities etc.	(5,671)	(13,157)
Realised and unrealised capital losses, investments	(13,083)	(25,024)
Foreign exchange losses	(53,937)	(69,142)
Financial expenses	(72,691)	(107,323)

NOTE 8 TAX ON PROFIT FOR THE YEAR

DKK '000	2016	2015
Current tax	(23,035)	(25,979)
Current tax, foreign project offices	(10,531)	(4,280)
Deferred tax	(45,913)	(33,462)
Change of deferred tax of corporate income tax	(239)	3,479
Tax adjustment in respect of deferred tax, prior periods	(14,235)	(12,287)
Tax adjustment in respect of deferred tax from acquisitions	263	0
Tax adjustment in respect of prior periods	8,616	62
Tax on profit for the year	(85,074)	(72,467)

Broken down as follows:

Tax on profit for the year	(85,551)	(74,023)
Tax on movements in equity	477	1,556
Total tax on profit for the year	(85,074)	(72,467)

Tax on profit for the year can be broken down as follows:

Tax calculated at 22 per cent (2015: 23.5 per cent) on profit before tax	(54,411)	(48,240)
Adjustment in proportion to 22 per cent (2015: 23.5 per cent) of tax calculated in foreign subsidiaries	(1,094)	(1,042)
Current tax, foreign project offices	(10,531)	(4,281)

Tax effect from:

Amortisation of goodwill disallowed for tax purposes	(10,982)	(10,579)
Other expenses/other income disallowed for tax purposes	(2,675)	(4,053)
Difference tax percentage, deferred tax/current tax	(240)	2,918
Change of deferred tax due to change of corporate income tax	0	3,479
Tax adjustment in respect of prior periods, current tax	8,617	62
Tax adjustment in respect of prior periods, deferred tax	(14,235)	(12,287)
	(85,551)	(74,023)

Effective tax rate	34.6%	36.1%
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NOTE 9 INTANGIBLE ASSETS

DKK '000	Goodwill	Software and licences	Own-developed products	Intangible assets in progress	Total
Cost at 1 January 2016	971,142	197,482	20,160	8,810	1,197,594
Value adjustment	(11,131)	1,157	99	0	(9,875)
Additions from acquisitions of enterprises	7,596	8,565	1,001	0	17,162
Additions	127,420	41,924	15,428	2,152	186,924
Disposals	(30,635)	(10,710)	(626)	(4,848)	(46,819)
Cost at 31 December 2016	1,064,392	238,418	36,062	6,114	1,344,986
Amortisation and impairment losses at 1 January 2016	432,636	100,906	16,687	-	550,229
Value adjustment	(4,538)	1,010	51	-	(3,477)
Additions from acquisitions of enterprises	7,596	7,436	684	-	15,716
Amortisation and impairment losses	68,853	34,446	6,942	-	110,241
Disposals	(30,635)	(10,710)	(626)	-	(41,971)
Amortisation and impairment losses at 31 December 2016	473,912	133,088	23,738	-	630,738
Carrying amount at 31 December 2016	590,480	105,330	12,324	6,114	714,248

Development projects concern the development of mapping products (update of map data: images and height survey data), including the development of Streetview, which was launched in 2016, as well as the development of the existing ERP system, Cockpit. Since the mapping products are produced every two years to ensure that customers are offered updated products, their economic life is estimated at two years, after which the products are replaced by updated versions.

The mapping products are expected to be sold in the current market to the company's existing customers as well as to new customers in the existing market, including mortgage credit institutions.

In 2016, the development of the ERP system concerned the development of an app for time registration and integration of project sites. Regular software updates are expected, resulting in an estimated economic life of these projects of 36-60 months. The ERP system is only used internally in COWI.

The development of both mapping products and the ERP system is progressing according to plan, using the development resources allocated by management.

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 2016	1,800	385,524	479	387,803
Value adjustment	(75)	2,078	0	2,003
Additions from acquisitions of enterprises	0	21,675	0	21,675
Additions	0	78,114	0	78,114
Disposals	0	(43,563)	(479)	(44,042)
Cost at 31 December 2016	1,725	443,828	0	445,553
Depreciation and impairment losses at 1 January 2016	495	234,499	-	234,994
Value adjustment	(21)	1,126	-	1,105
Additions from acquisitions of enterprises	0	19,638	-	19,638
Depreciation and impairment losses	49	54,317	-	54,366
Disposals	0	(38,348)	-	(38,348)
Amortisation and impairment losses at 31 December 2016	523	271,232	-	271,755
Carrying amount at 31 December 2016	1,202	172,596	-	173,798
Of which assets held under finance leases amount to	0	2,047	0	2,047

NOTE 11 INVESTMENTS IN ASSOCIATES

Name	Home	Ownership	Capital ('000)
COWI A/S's (Denmark) investments in associate:			
CAT Alliance Ltd.	UK	33%	GBP 100
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:			
Consortio Consultor R&Q	Chile	30%	CLP 348,750

NOTE 12 FINANCIAL ASSETS

DKK '000	Investments in associates	Other invest- ments and securities	Deposits	Total
Cost at 1 January 2016	5,344	686	38,228	44,258
Value adjustment	166	23	144	333
Additions from acquisitions of enterprises	0	0	1,974	1,974
Additions	0	50	4,539	4,589
Disposals	(101)	(432)	(1,785)	(2,318)
Costs at 31 december 2016	5,409	327	43,100	48,836
Revaluations at 1 January 2016	2,629	295	-	2,924
Value adjustment	137	0	-	137
Additions	(321)	(17)	-	(338)
Revaluations at 31 December 2016	2,445	278	-	2,723
Impairment losses at 1 January 2016	307	0	-	307
Value adjustment	8	0	-	8
Disposals	67	0	-	67
Impairment losses at 31 December 2016	382	0	-	382
Accounting value at 31 December 2016	7,472	605	43,100	51,177

NOTE 13 CONTRACT WORK IN PROGRESS

DKK '000	2016	2015
Contract work in progress, net	78,501	13,776
Recognised in the balance sheet as:		
Contract work in progress (assets)	529,907	366,745
Amounts invoiced in advance (liabilities)	(451,406)	(352,969)
	78,501	13,776

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

DKK '000	2016	2015
Total amount contracted for in working partnerships and joint ventures to which COWI A/S and COWI AB is a party	3,483,625	2,809,918
Stage of completion of the working partnerships and joint ventures	71.26%	64.96%
COWI A/S's and COWI AB's share of amounts contracted for through working partnerships and joint ventures	1,906,222	1,357,242
COWI A/S's and COWI AB's average stage of completion of own share of contract amounts	73.34%	68.40%

NOTE 14 DEFERRED TAX

DKK '000	2016	2015
Deferred tax at 1 January	227,029	183,452
Value adjustments	(1,169)	977
Deferred tax change due to corporate income tax rate reduction	239	(3,479)
Deferred tax due to disposal/acquisition of enterprises	(263)	329
Deferred tax for the year	59,670	45,750
	285,506	227,029
<i>Recognised in the balance sheet as:</i>		
Deferred tax assets	19,363	22,801
Deferred tax	304,869	249,830
	285,506	227,029
<i>Deferred tax concerns:</i>		
Intangible assets	38,701	44,281
Property, plant and equipment	(27,716)	(24,180)
Financial assets	(71)	(228)
Current assets	262,176	215,089
Provisions	(23,104)	(39,427)
Debt	41,239	39,212
Tax-loss carryforward, deductible for tax purposes	(5,719)	(7,718)
	285,506	227,029

As of 31 December 2016, the Group recognised tax assets worth a total of DKK 19.3 million. The tax assets are made up of deferrable tax losses of DKK 5.7 million and unused tax deductions by way of timing differences.

On the basis of future budgets, the management considers it likely that future taxable income will be available, and there is no doubt that unused tax losses and unused tax deductions can be used.

NOTE 15 PREPAYMENTS

DKK '000	2016	2015
Insurance premiums	12,620	14,459
Rent	37,123	26,043
Other	67,764	55,058
Prepayments	117,507	95,560

NOTE 16 MARKETABLE SECURITIES

DKK '000	2016	2015
Shares	119,368	122,025
Bonds	182,769	171,753
Portfolio at 31 December	302,137	293,778

NOTE 17 SHARE CAPITAL

DKK '000	2016
<i>The share capital consists of:</i>	
A shares:	
2,000,000 shares of each DKK 100	200,000
B shares:	
822,005 shares of each DKK 100	82,201
Share capital in total	282,201

Each class A share of DKK 100 carries ten votes, whereas each class B share of DKK 100 carries one vote. All class A shares are held by COWIfonden (the COWI Foundation). 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.

Specification of movements in share capital:

DKK '000	2016	2015	2014	2013	2012
Share capital at 1 January	282,201	283,000	283,000	280,500	275,695
Capital increase	0	0	0	2,500	4,805
Capital decrease	0	(799)	0	0	0
Share capital at 31 December	282,201	281,201	283,000	283,000	280,500

NOTE 18 TREASURY SHARES

DKK '000	Nominal value	Share capital percentage
Portfolio at 1 January 2016	10,733	3.8%
Additions for the year	2,959	1.1%
Disposals for the year	(6,718)	(2.4%)
Portfolio at 31 December 2016	6,974	2.5%

Treasury shares consist of class B shares with a nominal value of DKK 6,974 thousand. Additions for the year is due to the Group's obligation to repurchase shares under the Group's employee share programme.

NOTE 19 NET PENSION BENEFIT LIABILITIES ETC.

DKK '000	2016	2015
Benefit obligations to former members of management in COWI A/S etc.	12,500	13,300

NOTE 20 OTHER PROVISIONS

DKK '000	2016	2015
Guarantees at 1 January	13,610	19,843
Value adjustment	79	(134)
Adjustment for the year	(1,986)	(6,099)
Guarantees at 31 December	11,703	13,610
Other provisions at 1 January	25,139	50,129
Currency adjustment	313	(421)
Adjustment for the year	(17,937)	(24,569)
Other provisions at 31 December	7,515	25,139
Total other provisions at 31 December	19,218	38,749

NOTE 21 LONG-TERM DEBT

DKK '000	2016	2015
Leasing loans falling due later than one year and not later than five years	640	2,097
Long-term debt at 31 December	640	2,097

NOTE 22 OTHER ACCOUNTS PAYABLE

DKK '000	2016	2015
Accrued holiday allowance	334,845	296,887
Taxes and VAT payable	211,118	200,128
Other accounts payable	297,377	248,804
Other accounts payable at 31 December	843,340	745,819

NOTE 23 FEES TO AUDITORS

DKK '000	2016	2015
Fee, statutory audit	(3,779)	(3,884)
Assurance engagements	(271)	(716)
Tax consultancy	(1,402)	(2,152)
Services other than audit	(2,663)	(1,250)
Total fees, PricewaterhouseCoopers	(8,115)	(8,002)

DKK '000	2016	2015
Fee, statutory audit	(861)	(892)
Assurance engagements	0	(243)
Tax consultancy	(596)	(118)
Services other than audit	(924)	(53)
Total fees, other accountancy firms	(2,381)	(1,306)

NOTE 24 FINANCIAL INSTRUMENTS

Agreements have been made on derivative financial instruments in the form of currency forward contracts. On the balance sheet day, the total fair market value of the derivative financial instruments was:

DKK '000	2016	2015
Assets	0	0
Liabilities	(21,009)	(8,864)

Currency forward contracts are entered into in order to hedge selected balance sheet items and part of the expected future cash flow. The total fair market value of the derivative financial instruments is a negative DKK 21 million. The duration of the currency forward contracts is between zero and ten months.

The Group hedges larger projects with currency exposure. Besides the project-related balance sheet items stated above, a part of expected future cash flow is hedged. In total DKK 107.5 million of expected future cash flow was hedged as of 31 December 2016. The fair market value hereof was a negative DKK 9.2 million. The loss is recognised in equity.

The Group also uses a combination of currency spot deal and short duration forward contracts, in order to optimise liquidity management. The fair market value is included in the total fair market value of forward contracts.

NOTE 25 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

DKK '000	2016	2015
Contingent liabilities		
Lease commitments (operating leases) due after less than one year	20,665	16,080
Lease commitments (operating leases) falling due later than one year and not later than five years	37,240	24,389
Lease commitments (operating leases) due after more than five years	8,045	8,394
Lease commitments (operating leases) in total	65,950	48,863
Rental commitments		
Rental commitments in the period of termination due after less than one year	157,812	151,729
Rental commitments in the period of termination falling due later than one year and not later than five years	531,915	487,186
Rental commitments in the period of termination due after more than five years	237,823	298,654
Rental commitments in total	927,550	937,569
Recourse guarantees and performance bonds	459,599	530,091
Other guarantees and charges	96,501	91,633

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	2016	2015
Guarantees		
<i>For guarantees, the following assets have been provided as security to credit institutions:</i>		
Cash at a carrying amount of	16,006	14,057
Accounts receivables at a carrying amount of	1,145	0
Securities at a carrying amount of	284,905	277,837
Guarantee facility at 31 December	1,143,322	1,121,788
Drawn for performance bonds relating to projects in progress	459,599	530,091
Drawn for other guarantees	96,501	91,633

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 of 31 December 2016, the employees held shares at a nominal value of DKK 45.2 million.

As part of a joint venture, COWI A/S has signed a consultancy agreement with a client. The consultancy agreement requires each joint venture member, including COWI A/S, at the client's request, to provide a parent company guarantee. If such guarantee is requested, it must cover each joint venture member's obligations towards the client. As the parent company of COWI A/S, this contingent obligation for a parent company guarantee is imposed on COWI Holding A/S.

NOTE 26 RELATED PARTY TRANSACTIONS

COWIfonden (the COWI Foundation) owns all class A shares in COWI Holding A/S and exercises a controlling influence on the company. No other shareholders own more than five per cent of the share capital.

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. Transactions with related parties at arm's length has not been disclosed in accordance with section 98 C(7) of the Danish Financial Statements Act.

NOTE 27 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

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

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)	100,000
Lars Green Lauridsen, Vice Chairman		77,800
Hans Ole Voigt	Partner Associate Square One A/S Newsec Egeskov Lindquist A/S (MB) Fonden Godhavn (MB) Square One A/S (CB)	100,000
Thomas Stig Plenborg	Professor at Copenhagen Business School Saxo Bank (MB) DSV (MB) Everyday Luxury Feeling (CB)	1,400,000
Jukka Pertola	Siemens A/S, CEO Siemens A/S (MB) Siemens Wind Power A/S (CB) GomSpace (CB) Industrial Employers Association Copenhagen (MB) LEO Pharma A/S (CB) Industriens Pensionsforsikring A/S (MB) Baltic Development Forum (MB) Confederation of Danish Industries (MB)	70,000
Torbjörn Spetz		18,600
Caroline Magnusson*		70,000
Niels Fog*		42,200
Sophus Hjort*		11,000
EXECUTIVE BOARD		
Lars-Peter Søbye, President, CEO	Mannaz (MB) BLOXHUB (CB)	730,000
Tomas Bergendahl, Executive Vice President, CFO		134,000
Rasmus Ødum, Executive Vice President, COO	DI Rådgiverne (MB)	452,800

(CB) = Chairman of the board of directors

(MB) = Member of the board of directors

* = Elected by the employees

NOTE 28 CASH AND CASH EQUIVALENTS

DKK '000	2016	2015
Marketable securities	302,137	293,778
Cash	202,619	288,339
Cash and cash equivalents at 31 December	504,756	582,117
Undrawn committed credit facilities at 31 December not including guarantee facilities	275,606	242,782
Financial resources at 31 December	780,362	824,899

NOTE 29 ENTITIES IN THE COWI GROUP

Name	Domicile	Ownership		Share capital ('000)
COWI Holding A/S (parent company)	Denmark	DKK		282,201
COWI A/S	Denmark	100%	DKK	26,505
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
<i>COWI International A/S's subsidiaries:</i>				
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
<i>COWI A/S's subsidiaries:</i>				
Apsilon A/S	Denmark	100%	DKK	2,000
Bascon A/S	Denmark	100%	DKK	1,500
COMAR Engineers A/S	Denmark	100%	DKK	849
COWI & Partners LLC	Oman	100%	OMR	150
COWI Belgium SPRL	Belgium	100%	EUR	7
COWI Consulting (Beijing) Ltd. Co.	China	100%	CNY	14,930
COWI India Private Ltd.	India	100%	INR	30,800
COWI Korea Co., Ltd.	South Korea	100%	KRW	500,000
COWI Lietuva UAB	Lithuania	100%	EUR	59
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 Mühavrlık 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.

NOTE 30 EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred since the balance sheet date that have a material impact on the company's financial position at 31 December 2016.

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 to 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 27.

PROFIT AND LOSS ACCOUNT

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

DKK '000	NOTE	2016	2015
External expenses	1	(672)	(844)
Employee expenses	1	(19,458)	(21,229)
OPERATING PROFIT		(20,130)	(22,073)
Profit after tax in subsidiaries		182,540	156,165
Financial income	2	3,629	4,516
Financial expenses	3	(5,431)	(12,575)
PROFIT BEFORE TAX		160,608	126,033
Tax on profit for the year	4	1,164	5,220
PROFIT FOR THE YEAR		161,772	131,253
Proposed distribution of profit for the year			
DKK '000			
Proposed dividend (DKK 18 per share excluding treasury shares)		49,541	32,576
Retained earnings		112,231	98,677
		161,772	131,253

BALANCE SHEET

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

DKK '000	NOTE	2016	2015
Investments in subsidiaries		1,269,697	1,282,542
FINANCIAL ASSETS	5	1,269,697	1,282,542
TOTAL NON-CURRENT ASSETS		1,269,697	1,282,542
Receivables from subsidiaries		16,540	4,020
Receivable company tax		814	1,858
Loans to subsidiaries		190,000	240,000
Other receivables		0	9
RECEIVABLES		207,354	245,887
CASH		0	1,986
TOTAL CURRENT ASSETS		207,354	247,873
TOTAL ASSETS		1,477,051	1,530,415
Share capital	6	282,201	282,201
Treasury shares		(6,974)	(10,733)
Retained earnings		812,641	708,569
Proposed dividend		49,541	32,576
EQUITY		1,137,409	1,012,613
Deferred tax	7	25,570	18,179
Net pension benefit liabilities etc.		1,400	0
PROVISIONS		26,970	18,179
Amounts owed to subsidiaries		2,770	2,018
Loans from COWI Group enterprises		306,610	492,452
Accounts payable, suppliers		0	65
Other accounts payable		3,292	5,088
SHORT-TERM DEBT		312,672	499,623
TOTAL DEBT		312,672	499,623
TOTAL LIABILITIES AND EQUITY		1,477,051	1,530,415
Contingencies and other financial commitments	8		
Related party transactions	9		
The Board of Directors and the 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 2015	283,000	(7,666)	0	606,526	16,586	898,446
Distributed dividend					(16,586)	(16,586)
Profit for the year			162,036	(30,783)		131,253
Foreign exchange adjustment, foreign subsidiaries			17,949			17,949
Purchase of treasury shares		(3,067)		(7,259)		(10,326)
Capital decrease	(799)			(1,809)		(2,608)
Value adjustment of hedging instruments				(7,071)		(7,071)
Deferred tax concerning hedging instruments				1,556		1,556
Other transfers			(179,985)	179,985		0
Proposed dividend				(32,576)	32,576	0
EQUITY AT 1 JANUARY 2016	282,201	(10,733)	0	708,569	32,576	1,012,613
Distributed dividend					(32,576)	(32,576)
Profit for the year			188,411	(26,639)		161,772
Foreign exchange adjustment, foreign subsidiaries			(16,731)			(16,731)
Sale of treasury shares		3,759		10,264		14,023
Value adjustment of hedging instruments			(1,692)			(1,692)
Other transfers			(169,988)	169,988		0
Proposed dividend				(49,541)	49,541	0
EQUITY AT 31 DECEMBER 2016	282,201	(6,974)	0	812,641	49,541	1,137,409

NOTES FOR THE PARENT COMPANY, COWI HOLDING A/S

NOTE 1 EXPENSES

See note 2 to the group financial statements on page 29. The company had three employees during the financial year.

Fee, auditor elected at the annual general meeting		
DKK '000	2016	2015
Fee, statutory audit	(75)	(75)
Services other than audit	(20)	0
Total fees, PricewaterhouseCoopers	(95)	(75)

Employee expenses:		
DKK '000	2016	2015
Salaries and wages	(16,696)	(18,711)
Pensions	(2,750)	(2,502)
Social security	(12)	(16)
Employee expenses	(19,458)	(21,229)

NOTE 2 FINANCIAL INCOME

DKK '000	2016	2015
Interest, subsidiaries	3,592	3,813
Interest, bank accounts	8	11
Foreign exchange gains	29	692
Financial income	3,629	4,516

NOTE 3 FINANCIAL EXPENSES

DKK '000	2016	2015
Interest, subsidiaries	(5,389)	(7,025)
Interest, cash, securities etc.	(4)	(16)
Foreign exchange losses	(37)	(712)
Other financial expenses	(1)	(4,822)
Financial expenses	(5,431)	(12,575)

NOTE 4 TAX ON PROFIT FOR THE YEAR

DKK '000	2016	2015
Deferred tax	4,826	6,928
Change in deferred tax due to reduction of corporate income tax	0	265
Tax adjustment in respect of prior periods	(3,662)	(1,973)
Tax on profit for the year	1,164	5,220

Broken down as follows:

Tax on profit for the year	1,164	5,220
Total tax on profit for the year	1,164	5,220

Tax on profit for the year can be broken down as follows:

Tax calculated at 22% on profit before tax excl. profit after tax in subsidiaries	6,116	8,460
Other expenses/other income disallowed for tax purposes	(1,290)	(1,532)
Change of deferred tax due to reduction of corporate income tax	0	265
Tax adjustment in respect of prior periods	(3,662)	(1,973)
	1,164	5,220

NOTE 5 FINANCIAL ASSETS

DKK '000	Investments in subsidiaries
Costs at 1 January	1,373,993
Additions	50,000
Costs at 31 December	1,423,993
Value adjustments at 1 January	(91,450)
Foreign exchange adjustments	(17,920)
Profit for the year	188,411
Dividends	(225,774)
Value adjustment of hedging instruments	(1,692)
Amortisation of goodwill	(5,871)
Value adjustments at 31 December	(154,296)
Book value at 31 December 2016	1,269,697

See note 29 to the group financial statements on page 40 for information on investments in subsidiaries.

NOTE 6 SHARE CAPITAL

See note 17 to the group financial statements on page 34 for information on share capital.

NOTE 7 DEFERRED TAX

DKK '000	2016	2015
Deferred tax at 1 January	(18,179)	(11,904)
Deferred tax change due to corporate income tax rate reduction	0	264
Deferred tax for the year	(7,391)	(6,539)
	(25,570)	(18,179)
<i>Specification of deferred tax assets and deferred tax:</i>		
Debt	308	(24,807)
Tax-loss carryforward	4,518	6,628
Provision for retaxation	(30,396)	0
	(25,570)	(18,179)
<i>Recognised in the balance is:</i>		
Deferred tax	(25,570)	(18,179)
	(25,570)	(18,179)

NOTE 8 CONTINGENCIES AND OTHER FINANCIAL COMMITMENTS

COWI Holding A/S is liable for taxes on the Group's jointly-taxed profit. 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 the total amount is stated in the annual report.

See note 25 to the group financial statements on page 38 for further information on contingencies and other financial commitments.

NOTE 9 RELATED PARTY TRANSACTIONS

See note 26 to the group financial statements on page 38 for information on related party transactions.

NOTE 10 THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

See note 27 to the group financial statements on page 39 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 2016 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 the 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 2016 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, 28 February 2017

EXECUTIVE BOARD:



LARS-PETER SØBYE
President, CEO



TOMAS BERGENDAHL
Executive Vice President, CFO

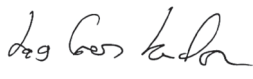


RASMUS ØDUM
Executive Vice President, COO

BOARD OF DIRECTORS:



STEEN RIISGAARD
Chairman



LARS GREEN LAURIDSEN
Vice Chairman



HANS OLE VOIGT



TORBJØRN SPETZ



THOMAS STIG PLENBORG



JUKKA PERTOLA



NIELS FOG*



SOPHUS HJORT*



CAROLINE MAGNUSSON*

* Elected by the employees.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of COWI Holding A/S

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 Parent Company at 31 December 2016, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of COWI Holding A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("financial statements").

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- > Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.

- > Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- > Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- > Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- > Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 28 February 2017

PricewaterhouseCoopers

Statsautoriseret

Revisionspartnerselskab

CVR No 33 77 12 31



KIM FÜCHSEL
State Authorised
Public Accountant



JESPER MØLLER LANGVAD
State Authorised
Public Accountant



COWI HOLDING A/S COMPANY INFORMATION

COMPANY INFORMATION

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

BOARD OF DIRECTORS

Steen Riisgaard, Chairman
Lars Green Lauridsen, Vice Chairman
Caroline Magnusson
Jukka Pertola
Niels Fog
Sophus Hjort
Hans Ole Voigt
Thomas Stig Plenborg
Torbjörn Spetz

EXECUTIVE BOARD

Lars-Peter Søbye, President, CEO
Tomas Bergendahl, Executive Vice President, CFO
Rasmus Ødum, Executive Vice President, COO

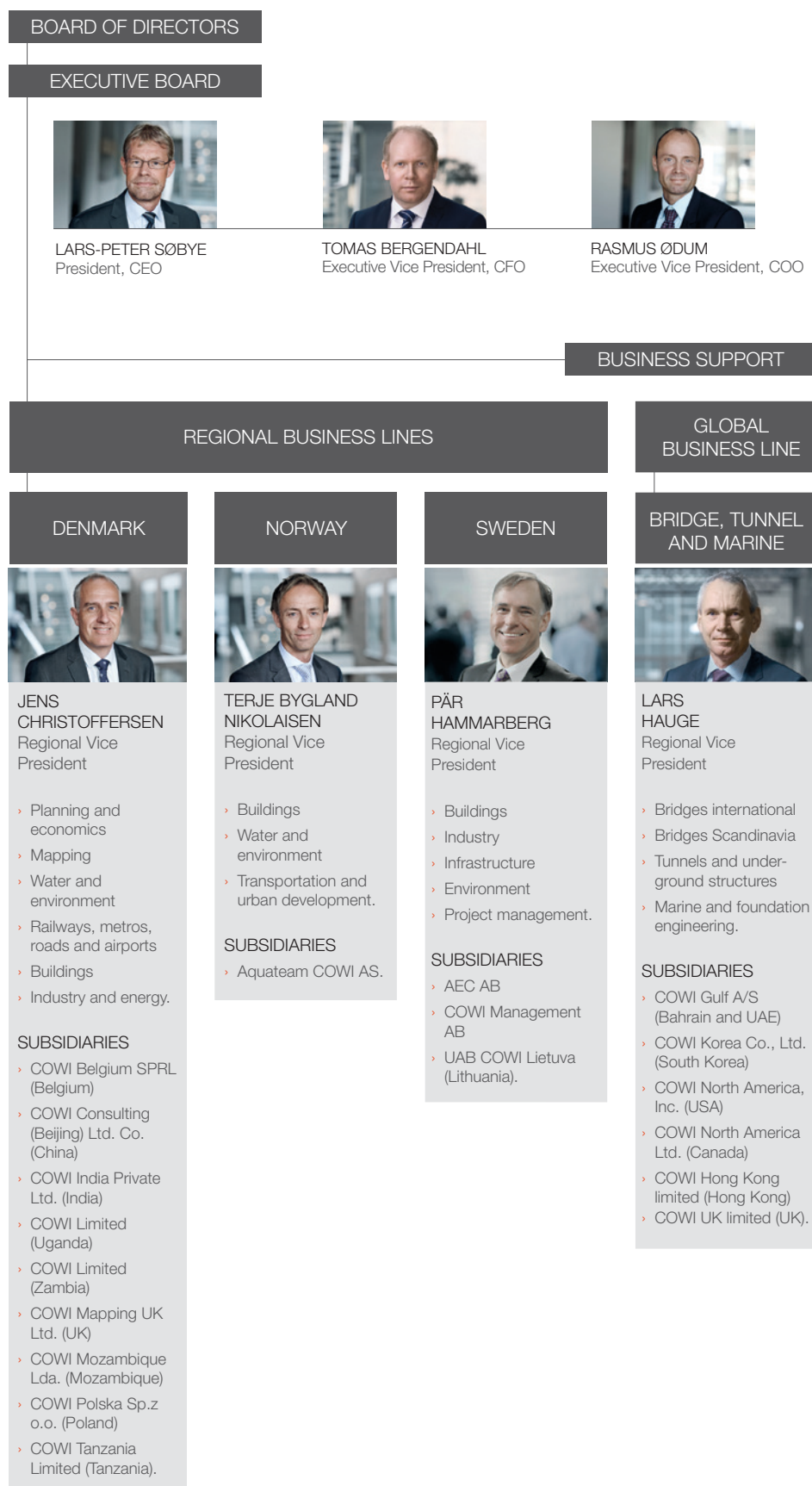
AUDITING

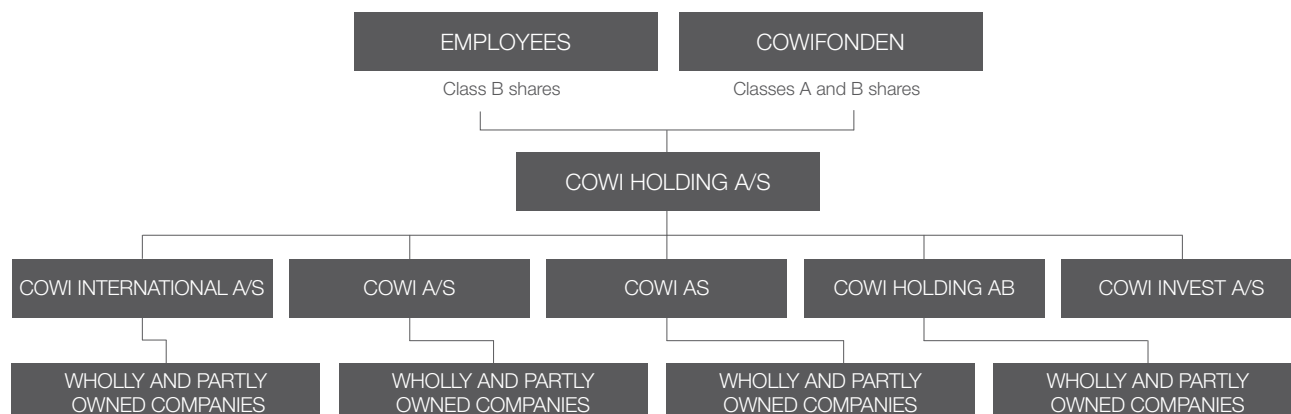
PricewaterhouseCoopers
Strandvejen 44
2900 Hellerup
Denmark
State Authorised Public Accountants
Kim Fücksel and Jesper Møller Langvad

ANNUAL GENERAL MEETING

The annual general meeting will be held on 30
March 2017 at the company address.

COWI'S ORGANISATION AT 28 FEBRUARY 2017





COWI SUBSIDIARIES, BRANCHES AND THEIR OFFICES AT 28 FEBRUARY 2017

BAHRAIN

COWI GULF A/S Bahrain Branch Office
 › Manama.

BELGIUM

COWI Belgium SPRL
 › Brussels.

CANADA

COWI North America Ltd.
 › Edmonton, Alberta
 › Halifax, Nova Scotia
 › North Vancouver, British Columbia.

CHINA

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

DENMARK

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

GERMANY

COWI A/S Hamburg Branch Office
 › Hamburg.

HONG KONG

COWI Hong Kong 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
 › Frederikstad
 › Hamar
 › Haugesund
 › Hønefoss
 › Kongsberg
 › Kristiansund S
 › Kristiansund
 › Larvik
 › Levanger
 › Lillehammer
 › Oslo
 › Stavanger
 › Tromsø
 › Trondheim.

Aquateam COWI AS
 › Oslo.

TDA COWI AS
 › Oslo.

OMAN

COWI & Partners LLC
 › Muscat.

POLAND

COWI Polska Sp. z o.o.
 › Bielsko - Biala
 › Wrocław.

QATAR

COWI A/S Qatar Branch
 › Doha.

SINGAPORE

COWI A/S Singapore Branch
 › Singapore.

SOUTH KOREA

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

SWEDEN

COWI AB
 › Gothenburg
 › Helsingborg
 › Jönköping
 › Karlstad
 › Kristianstad
 › Linköping
 › Luleå
 › Malmö
 › Skövde
 › Stenungsund
 › Stockholm
 › Vänersborg
 › Västerås.

AEC AB

› Gothenburg
 › Stockholm
 › Växjö.

COWI Management AB
 › Gothenburg
 › Stockholm.

TANZANIA

COWI Tanzania Limited
 › Dar es Salaam.

TURKEY

COWI-SNS Müsavirlik ve Mühendislik Ltd. Şti.
 › İstanbul.

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.

COWI UK Limited

› Derby
 › Glasgow
 › London
 › Utttoxeter
 › York
 › Bristol.

USA

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

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 relations management; people management in knowledge-based companies; M&A or alliance experience; and business development.



LARS GREEN LAURIDSEN
Vice Chairman

Born 1961. MSc (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 relations management; people management in knowledge-based companies; operational excellence in service companies; M&A or alliance experience; and business development.



TORBJÖRN SPETZ

Born 1968. MSc (Civil Engineering) and Senior Vice President (Infrastructure) at COWI AB. With COWI since 1988. On the Board of COWI Holding A/S since 2016.

Competencies in compliance with the adopted competency profile: Senior management of global companies; customer relations 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 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.



JUKKA PERTOLA

Born 1960. MSc (Electrical Engineering). President and CEO, Siemens Denmark. On the Board of COWI Holding A/S since 2015. Independent of COWI.

Competencies in compliance with the adopted competency profile: Corporate governance; financial and risk management experience from global companies; customer relations management, including sales, marketing and branding; people management in knowledge-based companies; operational excellence in service companies; and M&A or alliance experience.



HANS OLE VOIGT

Born 1952. MSc (Engineering) and independent management consultant. 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 relations management; people management in knowledge-based companies; operational excellence in service companies; M&A or alliance experience; and business development.



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 communication; and diversity in business experience, geographical experience and gender.



SOPHUS HJORT

Elected by the employees. Born 1967. MSc (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 relations 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 communication; and diversity in business experience, geographical experience and gender.



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 relations 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 communication; and diversity in business experience, geographical experience and gender.

