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COWIannualreport

2007

“ We aim to develop sustainable solutions for our customers and our business. ”

Klaus H. Ostenfeld
President, CEO


page 54

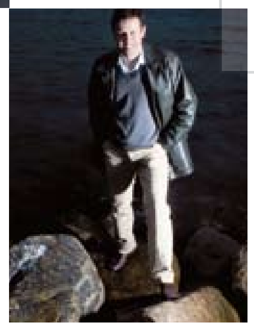

page 58

page 30



page 64


page 78


page 72


page 80

Content Annual report 2007

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COWI is a leading northern European consulting group. We provide state-of-the-art services within the fields of engineering, environmental science and economics with due consideration for the environment and society. COWI is a leader within its fields because COWI's 4,000 employees are leaders within theirs.

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COWI

We are increasingly conducting our international consultancy activities in close collaboration with our customers at local level, a trend which mirrors developments across the international consultancy world. Throughout 2007, we focussed on rolling out our business strategy. A core concept of the strategy is that our regional units can, in dialogue with our customers, draw on the entirety of COWI's international network, competencies and expertise.

Sustainability is the key to our consultancy

New network

In 2007, we transformed our organisation from a large, dominant parent company with a clutch of smaller companies into a "One Company Network" with five strong regions: Denmark, Norway, East EU, the Arabian Gulf and Africa. We have already made excellent headway: we have built a new company structure and introduced new business procedures; our newly developed intranet portal delivers improved communication and knowledge sharing and is one of the most modern in the consultancy sector; we have invested heavily in staff and management development and training; we have acquired and integrated 12 new companies, and the number of staff on the payroll is now more than 4,000.

Demand for our consultancy services – those we offer within local markets and our international specialist services – was extremely high in 2007, and the year showed yet another increase in our customer base, accompanied by our best financial results ever.

Shared values

A conference involving the Group's senior management from around the world saw a debate about our core values. Following this and a subsequent dialogue throughout the organisation, our values were updated and adapted to a new context created by our regionalisation strategy.

Unsatisfied demand

As expected, the market for consultancy services in the first months of 2008 has been less robust than the previous year, a factor which is likely to presage a sluggish pace for the whole year. However, there remain significant demands on the international market, demands which have not yet been met and which represent exciting challenges for our staff. Global climate problems would seem both to illustrate and to exacerbate these demands. We will need to combine expertise from the fields of engineering, economics and environmental science if we are to develop sustainable solutions to these challenging climate problems.

Sustainable solutions

We are committed participants in the UN Global Compact corporate responsibility initiative, whereby we consistently strive to develop sustainable solutions both for our customers and for our own business operations. We look forward to continuing to contribute viable proposals for the onward development of society. It is our aspiration that our staff should perceive COWI as a workplace that provides them with the most beneficial arena in which to achieve professional and personal development and in which to rise to the many challenges faced by society. Our customers should perceive us as their obvious choice of consultants in their endeavours to utilise sustainable solutions.

To all customers, colleagues and other stakeholders – happy reading!

Klaus H. Ostenfeld, President, CEO

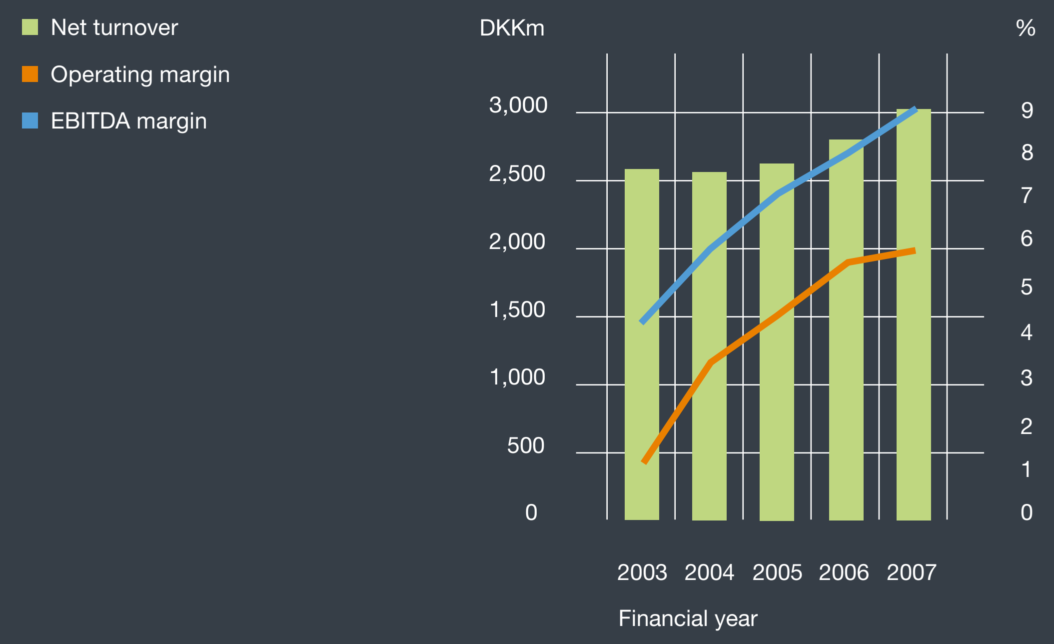
Key figures and financial ratios

for the Group

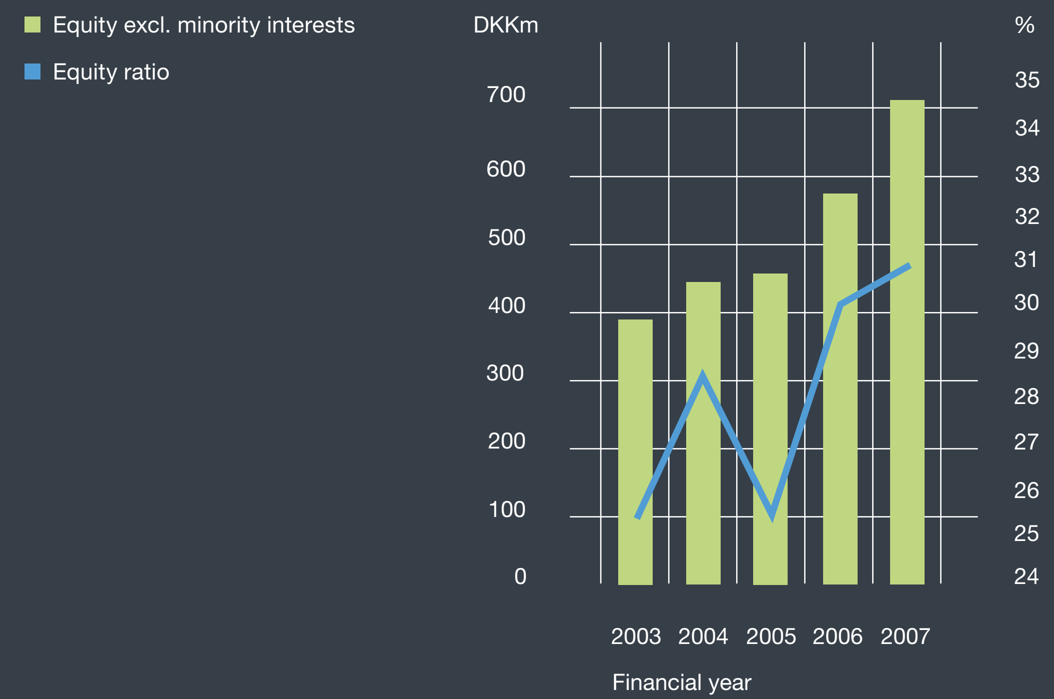
	2003 DKKm	2004 DKKm	*2005 DKKm	2006 DKKm	2007 DKKm	2007 EURm
Key figures						
DKK/EUR exchange rate at 31 December 2007						745.66
Net turnover	**2,605.3**	**2,594.3**	**2,676.5**	**2,808.9**	**3,031.4**	**406.5**
Operating profit before amortisation, depreciation and impairment losses (EBITDA)	113.6	156.1	194.4	225.4	275.8	37.0
Operating profit on ordinary activities	33.9	91.3	117.3	161.8	138.0	18.5
Operating profit (EBIT)	**32.9**	**90.8**	**120.0**	**160.2**	**180.8**	**24.2**
Net financials	7.6	5.9	19.6	16.6	11.5	1.5
Profit before tax	**40.4**	**96.7**	**139.7**	**176.8**	**192.3**	**25.8**
Profit for the year	24.7	62.4	117.0	123.9	155.3	20.8
COWI's share of profit for the year	**22.0**	**60.6**	**115.0**	**120.4**	**154.8**	**20.8**
Group goodwill	242.6	228.9	229.9	216.0	246.1	33.0
Other fixed assets	158.6	144.2	154.4	160.1	276.7	37.1
Current assets	1,118.2	1,189.8	1,398.9	1,569.0	1,797.4	241.0
Total assets	**1,519.4**	**1,562.9**	**1,783.2**	**1,945.1**	**2,320.2**	**311.2**
Share capital	34.8	34.8	34.8	34.8	34.8	4.7
Equity	**390.3**	**446.1**	**455.3**	**587.2**	**716.4**	**96.1**
Provisions	221.1	245.4	367.4	350.3	357.8	48.0
Long-term debt	24.9	14.4	11.0	8.1	28.1	3.8
Short-term debt	867.7	846.1	940.6	988.3	1,215.1	163.0
Cash flow from operating activities	174.5	167.1	208.8	213.9	168.9	22.6
Investment in tangible fixed assets, net	(39.4)	(25.5)	(40.7)	(43.5)	(78.7)	(10.5)
Other investments, net	(150.6)	(12.2)	(30.8)	(21.0)	(103.4)	(13.9)
Cash flow from investing activities, net	(190.0)	(37.7)	(71.5)	(64.5)	(182.0)	(24.4)
Free cash flow	**(15.5)**	**129.4**	**137.3**	**149.4**	**(13.2)**	**(1.8)**
Cash flow from financing activities	(30.2)	(58.8)	(35.6)	(15.2)	0.5	0.1
Total cash flows	**(45.7)**	**70.7**	**101.7**	**134.2**	**(12.6)**	**(1.7)**
Financial ratios						
EBITDA margin	4.4%	6.0%	7.3%	8.0%	9.1%	
Operating margin (EBIT margin)	1.3%	3.5%	4.5%	5.7%	6.0%	
Return on invested capital	3.6%	10.5%	12.7%	16.9%	15.7%	
Equity ratio	25.7%	28.5%	25.5%	30.2%	30.9%	
Return on equity	5.7%	14.5%	25.5%	23.1%	23.8%	
Average number of employees	**3,448**	**3,364**	**3,308**	**3,442**	**3,820**	

* Restated to changed accounting policies

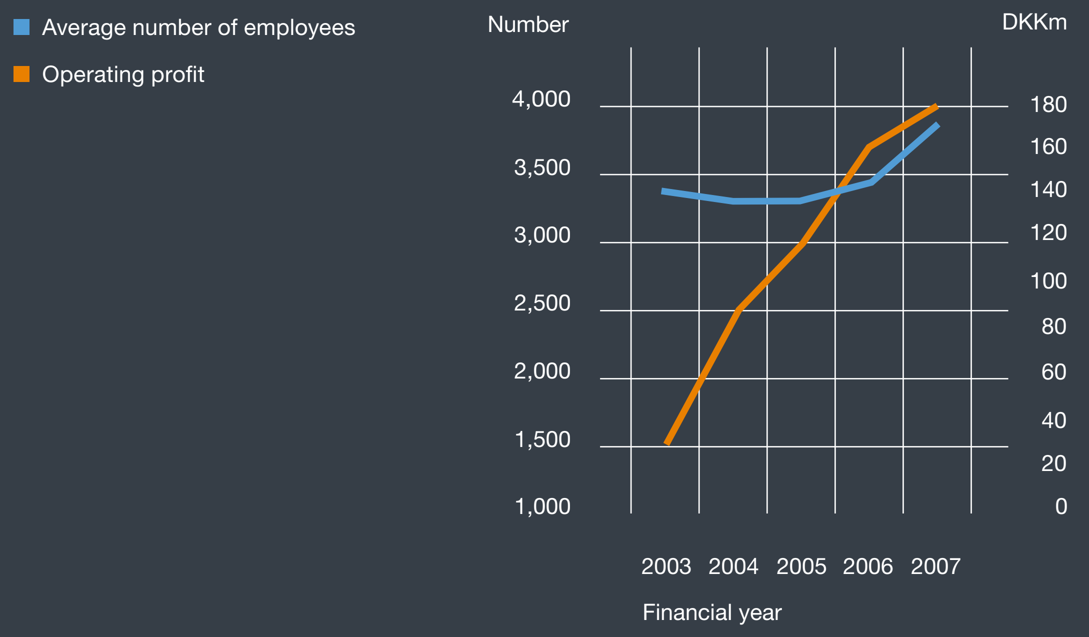
Development in net turnover, operating margin and EBITDA margin



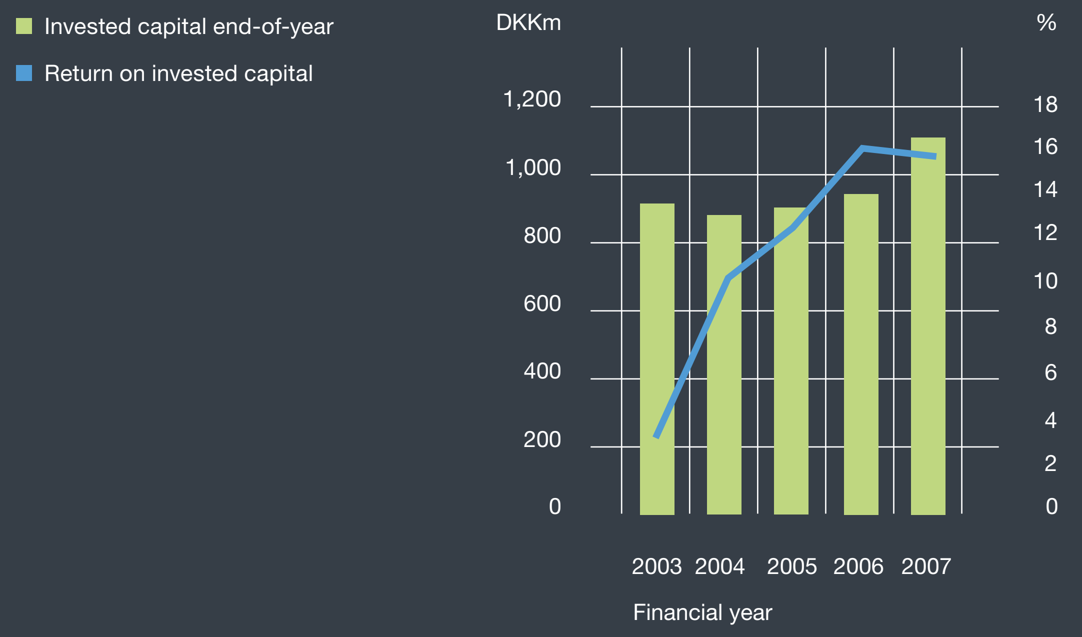
Development in equity and equity ratio



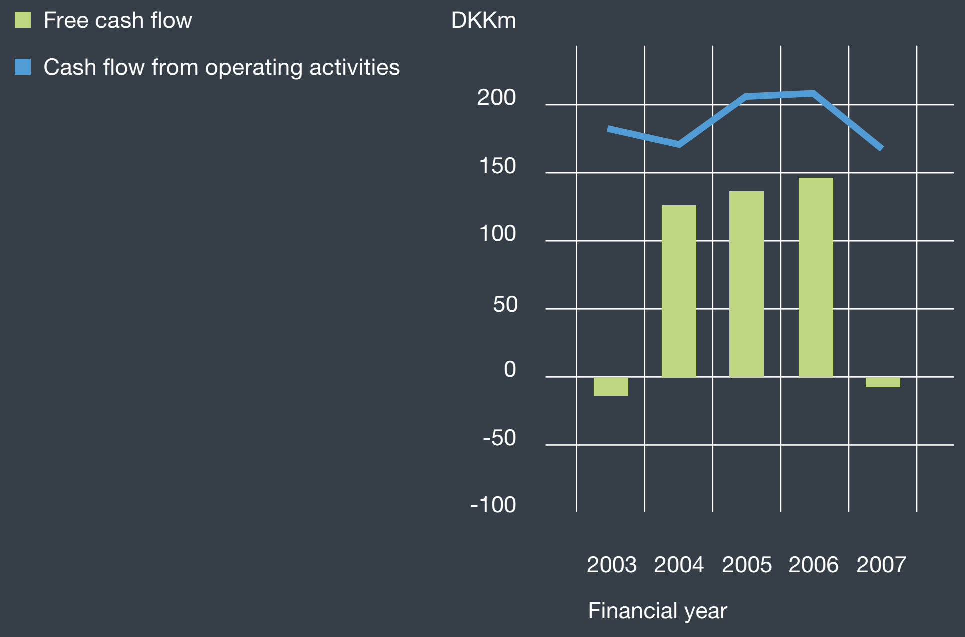
Development in average number of employees and operating profit



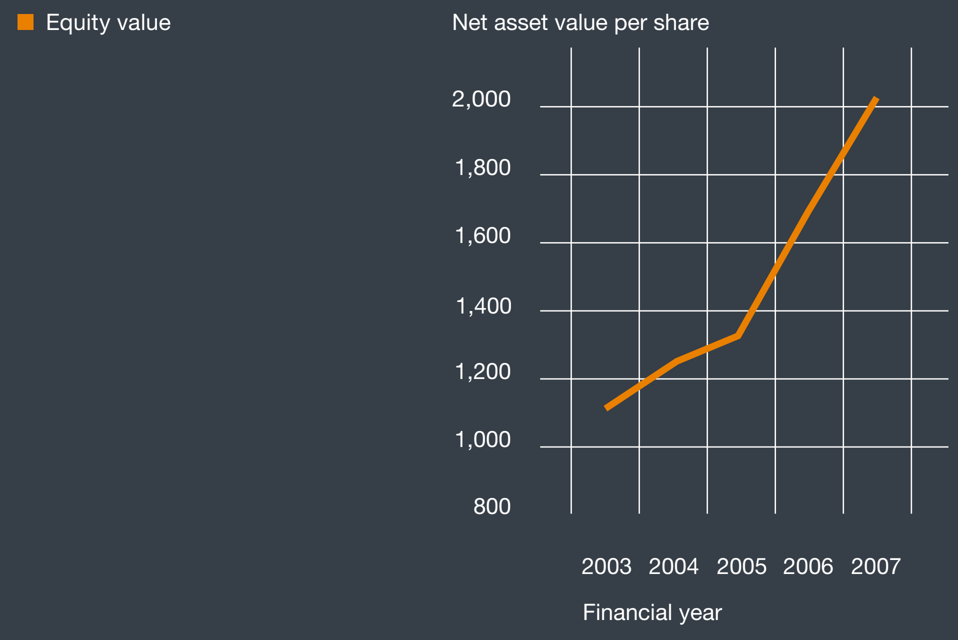
Development in invested capital end-of-year and return on invested capital



Development in cash flow



Development in equity value



Klaus H. Ostenfeld
President, CEO

Management's review

Results for the year

In 2007, the COWI Group achieved a turnover of DKK 3,031.4 million, showing growth of DKK 222.5 million or 7.9 per cent on figures for 2006. The Group's own production increased by DKK 228.7 million or 10.6 per cent.

Overall, economic trends in 2007 were positive, with growth in the economy sparking commensurate increase in demand for consultancy services. We registered this increased demand in most geographic markets and within most of our consultancy areas.

In 2007, COWI achieved organic growth in the region of 12 per cent, which is the highest organic growth we have achieved for many years.

In addition to this organic growth, COWI has expanded through a significant number of acquisitions. In 2007, COWI acquired companies in several countries, purchased the remaining shares in partly owned companies and divested a partly owned company.

The demands associated with rapid organic growth have accentuated the challenges of recent years in appointing new, well-qualified staff. The integration of new companies and staff has also intensified the pressure on COWI's professional organisation, business processes, management and employees.

During the year, the Group welcomed 517 new staff, bringing the headcount to 4,078 by the end of 2007.

COWI's operating profit came to DKK 180.8 million, a DKK 20.6 million or 12.9 per cent improvement. Profit before tax came to DKK 192.3 million, a DKK 15.8 million or 8.8 per cent progress. Operating margin went up from 5.7 per cent in 2006 to 6.0 per cent in 2007.

COWI's results were positively affected by non-recurring income from the sale of a subsidiary and from the restructuring of a pension scheme. The profit for the year was negatively affected by writedown of goodwill.

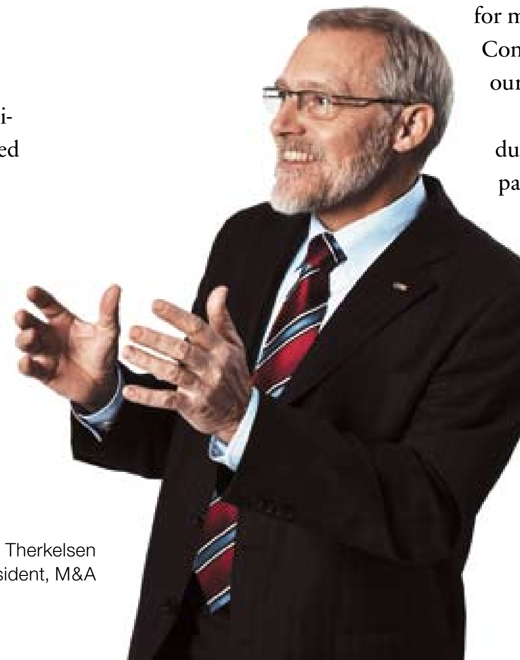
Profit for the year was also affected by the Group's substantial investments in management and staff development as well as business and IT systems in 2007 in accordance with Strategy 2010. Investments in theses areas are expected to strengthen the basis for COWI's development, growth and earnings in years to come.

Profit for the year, after tax and profit attributable to minority shareholders, came to DKK 154.8 million, representing an improvement of DKK 34.5 million or 28.6 per cent on 2006 figures.

COWI's performance, which we consider satisfactory, exceeds our expectations.

The Board of Directors recommends payment of a dividend of 30 per cent with the remaining profit being carried forward to next year. The dividend payout has increased from 20 per cent in 2006.

Keld Sørensen
Executive Vice President, Finance



Henning H. Therkelsen
Executive Vice President, M&A

Lars-Peter Søbye
Executive Vice President, Denmark

Significant achievements

COWI's Cityringen contract

On 11 October 2007, COWI and our joint venture partners Arup and Systra signed a contract with Metroselskabet I/S to design all the building and civil works for the Cityringen in Copenhagen. This was the result of a year's work in the prequalification, tendering and negotiation phases. With this contract, we and our partners have won responsibility for yet another of the largest civil engineering projects in Denmark, with an overall project cost of approximately DKK 15 billion. The Cityringen will be an extension of the existing Metro and will be carried in a tunnel under Copenhagen and Frederiksberg. The design project will extend over 11 years and on completion of the project in 2018, 85 per cent of all homes, workplaces and education centres in the densest quarters will be within 600 metres of a Metro or S-train station.

String of strategic acquisitions

As part of the rolling out of our strategy of establishing five regions in close, binding collaboration – a One Company Network – COWI has bought 12 companies in Denmark, Norway, Latvia, Lithuania, Turkey, Mozambique and the USA. We have also acquired residual shares in partly owned companies in Bahrain and India, and sold all our shares in a partly owned company in Norway.

Good corporate governance

The Nørby Committee's recommendations for corporate governance have made a welcome contribution to COWI's historic pursuit of good professional management practice.

Although aimed primarily at listed companies, we have for many years found ourselves in step with the Nørby Committee's recommendations and naturally aligned ourselves to them.

The last few years have therefore seen the introduction of a number of amendments to the company's Articles of Association and business procedures. Alongside these, COWI's management has implemented fresh initiatives to enhance the company's communication, transparency and responsibility in relation to customers, employees and shareholders. In 2007, we carried out the annual appraisal of the working relationship between the Board of Directors and the Executive Board.

On our website, our practice in terms of good corporate governance is weighed up in relation to the Nørby Committee's recommendations.

More women in management

In 2007, Denmark's Minister for Equal Opportunities invited COWI to join a steering group of representatives from the public and private sectors, tasked to work with the Ministry to draw up a charter for women and management. The charter is a voluntary agreement to which public and private businesses and organisations can sign up.

The aim of the charter is:

- to secure equal opportunities for women and men in management positions
- to instigate initiatives in businesses and organisations to increase the numbers of women in management at all levels
- to help public and private businesses make use of all available talents.

By signing the charter, COWI undertakes to incorporate these commitments into our management and talent development programme, which will be one of the strands of the Group's "People" strategy in 2008.

Global Compact

We are about to integrate into our strategy, corporate culture and business conduct the ten principles of the UN Global Compact. Our preparations have been focussed on analysing the appropriate input for COWI in pursuit of each of the ten principles. This analysis has determined many angles from which the company

Lone Hass
Executive Vice President, HR

Christian Nørgaard Madsen
Executive Vice President, Norway

already tackles the ten principles. We have also established that there are areas with room for improvement if we are to ensure that our corporate code and core values are clearly understood and delivered throughout the organisation. In 2008, we will determine which activities we will prioritise for implementation.

COWI's regionalisation strategy

Our aim is to be the customer's preferred choice of consultant. While globalisation has intensified competition, it has also brought greater opportunities where companies have established themselves close to the customer base. Local presence is crucial in a competitive market. We are in the process of exploiting our potential in this respect by regionalising COWI as a strand of the strategy that will take us up to 2010.

Regionalisation

We are moving away from being a large, dominant parent company with a series of satellite companies and towards a group comprising a close-knit, mutually committed network – a One Company Network – of several regional consultancy firms. Having built the regions up through a combination of organic development and acquisition, we are meshing our regional and specialist units together in a network which is united by common goals, values, processes and business systems, knowledge sharing and an exchange of employees.

COWI's regionalisation extends across five regions:

- Denmark
- Norway
- East EU
- The Arabian Gulf
- Africa

We worked hard in 2007 to establish our five new regions firmly and have made great strides in each one.

COWI Denmark

In the autumn of 2007, the COWI Denmark management group presented an overall strategic vision for the period leading up to 2010. COWI Denmark's staff of over 2,100 have subsequently been working to realise this vision in the form, amongst others, of concrete action plans for business and development. By way of a new approach approach we have promoted internal dialogue and employee involvement by arranging informal café meetings at which employees have conferred face to face with the Group Executive Board. We intend to build on this initiative and roll out more of this type of meeting in future.

Our aim is to be the customer's preferred choice of consultant. The vision for COWI Denmark is to provide services of unrivalled quality for all our projects. Our customers need to know that they are working with the best there is, and our employees need to know that there is no better team. We intend to build up partnerships and committed working relationships with our most important stakeholders. Our know-how will shape the future in close collaboration with our customers. We intend to assemble the best expertise within engineering, environmental science and economics and to combine our skills in new, imaginative alignments.

Our ambitions are borne out in three arenas: in Denmark, where we are market leaders; in COWI's four other regions, where our input helps in various ways to develop business; and globally, where we supply professional specialists and share knowledge within the Group.

COWI Norway

COWI Norway's strategy for the period 2004-2008 dovetailed well with the Group strategy. In the second half of 2007 and the first quarter of 2008, we worked on a new Norwegian strategy, taking as its starting point our strong position in the Norwegian market combined with the Group's spearhead competencies and COWI's objective of inter-regional commerce. The main focus of the strategy is on developing our position as a large, attractive, flexible and multi-disciplinary consultancy services company which is the best at grasping "the big picture" and at integrating competencies. We intend to be perceived by markets as consultants who look after their customers and make a positive contribution to society.

COWI East EU

COWI East EU was established in the spring of 2007. COWI was one of the first foreign consultancy firms to set up in East Europe after the fall of the Berlin Wall. Our aim is to use the platforms we have already built in the new EU member states as springboards for providing pre-eminent multidisciplinary consultancy services with a focus on the growth sectors of water and environmental science, transport infrastructure, energy and buildings.

We have now created the organisation that will generate growth and earnings within the selected markets; we have bought companies in Lithuania and Latvia and established offices in Poland; in Hungary we are in the process of expanding an engineering consultancy services business which can provide much-needed focus on economics and management. All company executives in the region go through COWI's leadership development programme, which has consolidated and invigorated leadership across the companies.

COWI Gulf

Having been active in the Arabian Gulf for more than 30 years, COWI is now firmly "on the map" there with offices in Bahrain, Oman, Qatar and the United Arab Emirates. We have built up a strong portfolio of exciting projects in the fields of transport, marine engineering, buildings, environment, oil and gas. By virtue of our well-established collaborations and associations we are well poised to exploit the capacity and competencies within both the region and the Group itself for the customers' benefit.

COWI Africa

COWI Africa was established in the spring of 2007, the product of 40 years of work in the region. The aim is to develop companies which rank amongst the leading national consultants in the fields of public administration, water and roads and which can also work in association with other units in the Group.

With the amalgamation of Austral and COWI Mozambique, we became one of the largest consultancy firms in Mozambique. We have also established COWI Afrique Francophone with offices in Ouagadougou, Burkina Faso, to provide support for our activities in French-speaking West Africa – primarily Burkina Faso, Benin, Mali and Niger.

COWI's new values

Our Strategy 2010 is founded on COWI's core values. In order to ensure shared understanding and endorsement of these values across the Group, we held a conference in 2007 for the Group's 75 top managers entitled "Driving COWI towards 2010 – leadership through values". The conference and follow-up dialogue within the organisation resulted in our values being updated and adjusted to the new context which has been generated by our regionalisation strategy.

Our five core values

The way we work and treat each other and our customers is based on the values we espouse, values honed by decades of experience. They encapsulate the deep-seated integration of high professional and ethical standards with our commercial outlook.

- Integrity
  We act with credibility and integrity in all respects.
- Respect
  We respect those we work with, nature and society. We respect each other in decision-making and implementation. We respect friendships across the organization, independent of the hierarchy.
- Independence
  We attach great importance to our financial independence and the freedom it enables in our work.
- Professional capability
  We are proud of our professional capability. We encourage innovation and professional courage whenever it creates value for our customers.
- Freedom
  We have considerable empowerment in our work. We believe in freedom of thinking and the good dialogue.

Implementation of the "People" strategy

2007 saw the implementation of the inaugural initiatives on the Group's new "People" strategy. Its most important outcome is the participation of more than 120 managers from COWI's five regions in a leadership development programme, which is tailored to provide for our needs as an international knowledge-based company. The focus is on three main areas: management of business per se and organisation; management of employees; and self-management. There is also a significant element of networking across the Group.

We have introduced a concept of personal development plans whereby, by virtue of a systematic approach and focussed dialogue with their manager, all individual employees will have the opportunity to place their own development centre-stage. We expect that within two years, most employees will have their own individual development plan. We want to stimulate innovation and development of knowledge. A central factor in this regard is the employees' own aspirations and interest in working and playing an active role in their continuous development.

New portal for knowledge sharing

We have developed an internal corporate portal which uses the very latest online technology. The COWIportal provides a single, shared platform for communication, knowledge sharing and project execution. The portal will initially be launched in Denmark, Norway and Lithuania, with the remaining companies in the Group joining within the next few years. The portal will reinforce the Group's business units by permitting universal corporate access to COWI's comprehensive, global knowledge base.

The portal is an open system, which customers and associates can interact with. This provides a forum for developing close partnerships for the execution of shared projects.

Market development

COWI Denmark

Trends in COWI's levels of activity and output in the Danish and international markets for consultancy have been positive, with increases in both turnover and earnings. There has also been a sharp rise in the number of employees during this period. A clear willingness to invest has been evident in both the public and private sectors, notably in the second half of the year as a result of the Danish local government reform. We experienced increased demand for our services within the fields of marine engineering, mapping and geographic information, infrastructure and industry. We expect this trend to continue in the coming years.

We have maintained positive momentum within cultural and commercial construction, institutional and industrial buildings, where we experienced growth within project development, client consultancy and Public Private Partnership (PPP). There is encouraging growth in the market for geographic information. Geographic information systems (GIS) are increasingly being integrated as a strand of consultancy services as a whole, which gives rise to a range of new services we can offer our customers. Because we provide GIS services, we differentiate ourselves from our competitors. We have also made great advances within consultancy services for the industry and energy sectors, and notably within the oil and gas markets, having staked out sound professional territory in Denmark (Esbjerg) and Qatar.

Our progress in industry has been excellent, particularly in the fields of slaughterhouses and data centres where we are market leaders. We have also been awarded many projects for Danish customers who operate at international level.

In the health and management consultancy sectors, we sustained our robust performance in the second half of the year and indications are that momentum will continue to gather pace in the years ahead.

We are delighted with the market response to our broad range of specialist services, from overall municipal plans, local plans and strategic environmental audits, including visualisations, through environmental and geological surveys to traffic analyses, site preparation, detail design and supervision.

We have set ourselves the target of becoming the leading consultants within urban, traffic and land planning and within municipal plans. To this end, we bought Sven Allan Jensen A/S, a large, 30-strong firm of urban planners, and with our acquisition of BST Østfyn we reinforced our position in the field of working environment consultancy. In a move to consolidate and improve our consultancy services in Zealand outside Greater Copenhagen, we set up a new regional office in Ringsted.

COWI Denmark also works through a number of international subsidiary companies. We have strengthened our position in the mapping sector in India by acquiring the remaining 24 per cent of the Indian company Kampsax India Limited which, with a staff of approximately 300, accounts for a significant proportion of our production of digital maps, amongst many other products.

We have also set the target of establishing ourselves as international consultants within the field of marine structures and have acquired the American marine structures firm Ocean and Coastal Consultants (OCC) on the east coast of the USA. COWI's other marine structures expertise is concentrated in Denmark, the Arabian Gulf and the west coast of the USA.

We have augmented our presence in Turkey through the acquisition of SNS Consult, which has offices in Ankara and Istanbul and whose expertise lies within planning and design of water, wastewater and waste management systems. This acquisition has brought us 35 employees to grow the promising Turkish market.

COWI Norway

COWI AS has experienced high levels of activity, and we have exceeded our financial targets. This has been a period of even greater improvements in the collaboration within the Group, and we have achieved better market penetration within a number of selected niche areas. We have achieved growth both organically and through the acquisition of three companies.

We intend to become leading consultants in Norway through a process of growth and acquisition. We have taken over Jan Johannesen AS in Stavanger, a company of electronics consultants with a staff of nine. The acquisition is an important step in our progress towards establishing a greater multi-disciplinary professional presence in south-west Norway. We have acquired all the shares in OptiKon AS, a Fredrikstad-based company with a staff of 22. OptiKon brings to us important spearhead competencies in the field of structures and a stronger hold on customer and market segments within industry, oil and gas. As the initial phase of our penetration of the market in Buskerud and Telemark we bought shares in RIE Notodden AS which has a staff of four. We also sold our shares in Lista Flypark AS.

There is a great deal of evidence of the success of the greater concentration on collaboration across the companies within the Group: for example, we were awarded the contract for the feasibility study for Hålogaland bridge, which may become the suspension bridge with the longest main span in Norway. We also won the design contest for a new container terminal at Alnabru in Oslo. The project includes logistics, rail, roads and signals and is the result of collaboration between COWI companies in Germany, Denmark and Norway.

We regularly win new contracts for building and construction within the health sector, the latest being a health sector building in Tromsø.

COWI East EU

COWI East EU includes Lithuania, Latvia, Poland and Hungary. Our goal is to become leading, multi-disciplinary consultants in the region with a focus on construction, energy, water, environment and transport. At the beginning of July 2007, we bought the Lithuanian energy consultants Ekostrategija with a staff of 15. We followed this up with the second acquisition in Lithuania: Miestprojektas, a company of consultants in the fields of construction, traffic systems and physical planning with 80 employees. Coupled with our company COWI Baltic, these acquisitions make us one of the largest multi-disciplinary consultants in Lithuania, with 170 employees and offices in both Vilnius and Kaunas. In Latvia we bought Udens Engineering SIA which will subsequently amalgamate with SIA COWI Latvia. In Wroclaw in Poland, we established the company COWI Polska Sp z o.o. with a staff of ten. COWI Hungary has grown and achieved good profits in the financial year.

In total, we have 220 employees in the companies under the umbrella of COWI East EU. We have achieved all our financial and strategic goals. The private market in the region is very lively, and this is where we have most customers. The EU's structural fund projects are slowly gathering momentum.

COWI Gulf

In 2007, we established our Arabian Gulf region, focussing on Bahrain, Qatar, Oman and the United Arab Emirates with offices in Dubai, Abu Dhabi and Ajman. Having acquired 51 per cent of the shares in COWI-Almoayed Gulf W.L.L. in Bahrain, we now own 100 per cent of the shares. The company has 62 employees and offers consultancy services primarily in the construction and civil engineering sectors, including high-rise construction. We have 262 employees in the region.

We have had offices in Bahrain and Oman for decades. We are building up the region around core services in buildings, marine structures, energy, industry, environment and transport. Our pan-national development of these market segments is rooted in the strengths of our local companies.

We are in the process of establishing branches in Qatar and the United Arab Emirates and are one of the region's leading consultants for marine structures and supervision. Our company in Oman has amassed comprehensive expertise in the field of shopping centres and cultural, commercial and educational construction projects and has over 80 employees in the construction sector alone. In Bahrain, we have augmented our competencies in the high-rise sector and can offer our customers everything they need under one roof. Sustainability and viability are areas on which our customers direct considerable focus.

COWI Africa

Development aid plays a decisive role in expanding the market for consultancy services in large parts of Africa. The international donor community is focused on Africa, and its aid involves important elements including strengthening of national institutions and policies, support for national development programmes, a movement against budget support, harmonisation of the policies of the donor community, coordination and decentralisation of support. COWI has provided consultancy services to several donor organisations in connection with the restructuring of development aid. As a result of this restructuring, project assignments are increasingly offered and executed locally. In order to be amongst the preferred consultants in the local markets, we have reinforced our position in selected countries, which has led not only to growth in turnover but also to a broader customer portfolio.

Other challenges have resulted from the new agenda for development aid. The shortage in many disciplines of highly qualified people with management experience means that for many years to come we will be executing projects in collaborative ventures between our local offices and other business units within the Group. Over the years, collaboration between local offices has been significantly improved, and our order book in Africa has more than tripled. Lack of transparency in the local tendering and pricing processes are among the factors which limit growth considerably.

Having amalgamated COWI Mozambique with the operations of the company Austral, we now operate under the brand AustralCOWI. The company has 70 employees within administration, consultancy, social development and HIV/Aids, economics, private sector development and market research.

Specialist services

We have developed our seven international specialist services: major bridges, tunnels, marine structures, airports, mapping and geodata, environmental due diligence and development planning. In all seven services we are amongst the leading consultants in the international markets.

Major bridges

Last summer, the final section of the main span of the Sutong bridge in China, the longest cable-stayed bridge in the world, was put in place, and we were involved in the project from its very early phases. The bridge has a main span of 1,088 metres. We are still involved in the Chongming project in Shanghai and the Stonecutters bridge project in Hong Kong. In 2007, COWI was appointed to assist the client with the bridge over the QingDao Bay.

In Korea, we are involved in the Incheon bridge and Busan-Geoje projects, which are both proceeding according to plan.

In 2007, we continued to win commissions in Norway thanks to our strong local base teamed with international expertise. COWI was selected to design the Hålogaland bridge near Narvik, Norway's longest suspension bridge with a span of 1,350 metres. We were also chosen to design a dehumidification system for the main cables of the Hardanger bridge, providing an alternative to the traditional corrosion protection. We are in the forefront of offering new, attractively priced technology. In 2007, we also completed the design of the Niederelven bascule bridge in Trondheim.

In Qatar, we concluded the design of marine bridges for the Lusail project. In addition to seven traditional bridges, COWI designed two signature bridges, namely suspension bridges with circular towers. Our bridge design tool IBDAS (Integrated Bridge Design and Analysis System) enabled us to carry out the necessary complex geometric calculations.

By way of extension of our work on Copenhagen's Motorring 3 (M3), which is nearing completion, we were chosen by the Danish Road Directorate to design the bridges on the extension of the Roskilde-Fløng stretch and by the Danish Rail Authority to investigate the modernisation of the railway between Copenhagen and Ringsted. Both are important projects in the upgrading of the infrastructure of Denmark's capital city.

Buckland & Taylor Ltd., Canada

Buckland & Taylor's (B&T) primary sphere of activity is designing major bridges for the North American market. In 2007, the company was heavily involved in one of the largest cable-stayed bridges in the USA, the St. Francisville bridge, Louisiana, and in the Golden Ears bridge in British Colombia, Canada. In Vancouver, B&T designed a bridge for the new metro line to the airport which must be ready for the Winter Olympics in 2010.

COWI Korea

The Korean bridge and infrastructure market has been in decline. Nevertheless, COWI Korea ended the year with no drop in staff numbers. In the past year, in conjunction with COWI, COWI Korea was involved in a number of significant projects such as the Second Incheon bridge, HwaPo bridge and the Busan Fixed Link. COWI Korea works with Korean contractors in the Korean market and has completed a number of design commissions for both permanent and temporary structures.

Marine structures and geotechnics

The positive trend in the hydraulic engineering sector has continued, resulting in several new international projects. We won the commission from Irish Rail to extend a coastal protection project on the east coast of Ireland; in Belgium we are delivering a detail design project for new offshore wind turbines; and we have delivered projects in Qatar for LNG (liquid natural gas) terminals in Port Ras Laffan. We have thereby designed eight terminals in the harbour, which will be the largest in the world for the export of natural gas.

Again in Qatar, we completed a number of harbours, coastal and land reclamation projects such as the Gabbro Berth and Berth 7 in Mesaieed south of Doha; and a beach park development in Wakrah. We continue to provide project supervision of marine and civil engineering contracts in Lusail, the largest land reclamation project in the country. In the United Arab Emirates, we were awarded a number of projects, including the first phase of the two major development projects: Al Zohra in Ajman and The Lagoons in Dubai.

COWI is ranked fourth in the world in terms of international turnover from the marine structures sector and has offices in the USA, Denmark, the Arabian Gulf and India.

Ben C. Gerwick Inc., USA

Ben C. Gerwick Inc.'s (BCG) main sphere of activity for both public customers and contractors is marine structures, sluices, locks and dams as well as foundation works for bridges and tunnels. BCG has been involved in a number of distinctive projects in the USA, and in the international market BCG was awarded a major contract to design sluices for the new Panama Canal. On behalf of Parsons in Dubai, BCG is designing a number of sluices for the Lagoon project. BCG has 35 employees.

Ocean and Coastal Consultant, Inc., USA

In 2007, COWI acquired the American coastal engineering consultants Ocean and Coastal Consultant, Inc. (OCC), with head office in Trumbull, Connecticut. With its 48 employees, the company provides a comprehensive range of services within waterfront, coastal and hydraulic engineering. OCC has one of the largest teams of professional diving engineers in the USA. In the past year, OCC has completed a number of assignments for harbour authorities in the north east states of the USA and is involved in a number of renovation and maintenance projects in New York Harbour. BCG and OCC have been consolidated as COWI US.

Tunnels and underground structures

We have achieved healthy growth in our immersed and bored tunnel sector, in which we have approximately 60 employees internationally.

In Korea, we are working on the Busan immersed tunnel, providing technical follow-up of the construction of one of the largest and most technically complicated immersed tunnels in the world. In Seattle, USA, we are undertaking studies into a new immersed tunnel under a site of special natural interest in the city centre, while in Ireland and Norway we are continuing to assist the client with two immersed tunnel projects currently in progress. At the end of the year, we contracted for the detail design of the immersed Söderström tunnel in Sweden.

The coup of the year was being awarded the contract for the design and technical follow-up of Cityringen in Copenhagen.

We have continued our work in China on the Nanjing tunnel, a bored tunnel with a diameter of 16 metres, and in Sweden we are assisting Banverket on the Hallandsåsen tunnel project.

Airports

Our current commissions in the airport sector range from relatively small local airports to international airports with state-of-the-art terminal buildings and control systems. Our work continues on major commissions in Oman, the Seeb and Salalah airports, in a joint venture with Larsen Architects. We are also involved in commissions in East Europe and Asia.

Partnership-based collaboration with customers, specialist companies and local consultants has proved to be an attractive model whereby we combine international expertise and local knowledge with close dialogue with our airport customers. As airports are increasingly being run as privately owned businesses, we are developing collaboration formats and solutions which cater for the need for incremental expansion of airports, optimisation of investments and flexibility in terms of passenger groups and types of aircraft.

In Europe, it is increasingly the case that site limitations and environmental considerations generate assignments for us in respect of optimisation of airports. Here, we bring concomitant focus to bear on optimising capacity so as to facilitate smooth, adaptable operation, for example in the event of changes to operational procedures.

We have tripled our turnover since 2005 and now rank amongst the leading international airport consultants.

Mapping and geodata

COWI is one of the leading European suppliers of geodata and all forms of 2D and 3D mapping. An extensive business system with subsidiaries in India, Spain, the UK and other countries, combined with access to a wide range of international subcontractors, provides the framework for an efficient production and marketing system with approximately 500 employees. We have our own aircraft and equipment for digital data capture and full digital work-flow in the production lines. We are therefore able to undertake large-scale production of maps and data at competitive prices.

In 2007, we increased our investment in technology and process optimisation, including an aerial laser scanner, which enables us to produce height models and oblique photography systems for visualisation and 3D modelling in urban areas.

In Denmark, we launched a new, national height model. At international level, our work includes technical mapping using satellite images, mapping in Africa and in the UK; and we continue our sound collaboration with the Ordnance Survey of Great Britain until 2009 in close cooperation with our new UK company, COWI Mapping UK. COWI and Google have entered into an agreement to use COWI's digital orthophotos on Google Earth, an agreement which gives worldwide exposure to COWI's aerial photos.

We have acquired full ownership of our Indian subsidiary, Kampsax India Ltd., which has 264 employees and provides the backbone of our mapping production business. The company has consolidated its position as subcontractor for a number of American companies.

In addition to being a sound business in its own right, the mapping business helps to underpin and give a leading edge to the Group's services within environmental and land use planning and major infrastructure projects amongst many others.

Development planning

COWI's focal services as leading international consultants in the sphere of development planning are donor policy and donor interventions, management and assessment of aid work and capacity augmentation. We deliver our consultancy services within our prioritised sectors, namely water supply and sanitation, natural resource management, environment, social research, decentralisation and management.

Our consultancy has extensive ties with international development organisations and local customers in developing countries. Donor harmonisation, decentralisation and local acquisitions have brought us new and exciting opportunities. We have assisted groups of international aid organisations with the harmonisation of their activities within a single programme. In Egypt, we agreed a contract with the European Investment Bank as the lead organisation to promote investment businesses of the order of USD 175 million over the next five years in anti-pollution measures in Egyptian enterprises.

We acted as mediators for an international consortium whose task was to evaluate the health sector in Tanzania (1999-2006). The evaluation dealt with the government in Tanzania and its 21 development partners' joint endeavours within the health sector. The evaluation was financed by a group of six donors. We also won a contract, financed by the World Bank, to introduce a performance-based highways maintenance concept in Tanzania.

As main consultants for an international consortium we entered into a framework agreement to carry out short and long-term assignments for the DFID (the UK's Department for International Development), the British Foreign and Commonwealth Office and the British Ministry of Defence with a particular focus on work in vulnerable countries.

Environmental due diligence

International industries, property investment companies and developers want our assistance with amalgamations, acquisitions and sales. We assess and calculate the costs of environmental obligations, including social and working environmental risks, and advise customers on how to deal with these risks in the context of a transaction. We help to improve the quality of the environmental activities prior to sale and the due diligence process; we provide assistance with risk profile assessment prior to a transaction and on completion of the follow-up process in accordance with the terms and conditions of the acquisition or amalgamation agreement.

COWI is the leading consultancy company for environmental due diligence in Denmark. We have access to a global network of collaboration partners in over 50 countries through our subsidiary CAT Alliance Ltd. and can therefore offer our customers local expertise in connection with transnational transactions. CAT Alliance Ltd. also gives us access to major multinational American customers.

The year's major transactions included assessment of environmental responsibility and assessment of compliance with environmental standards in 36 production facilities around Europe and the USA for Icopal, and portfolios on 80 properties for Teesland IOG Nordic. In the course of the year, we also assisted other high-profile customers, such as Catella, Landic Property, E.C. Harris, Danfoss, Rockwool, A.P. Møller - Mærsk, Scania, Polaris Equity Management and Goldman Sachs International.

Knowledge about customers, markets and employees

COWI's healthy progress continued in 2007 as did the increase in customer numbers. We achieved steady, equal growth in our share of private and international customers, as is clear from the tenth published Intellectual Capital Report (ICR) for the parent company COWI A/S.

The ICR tracks developments and trends in the markets and reports on types of consultancy, customers and employees. Our competencies and fields of knowledge chiefly comprise highly developed professional expertise and social competencies, vested both in our individual employees and in our corporate culture. These are competencies which cannot be quantified, but which come to the fore as circumstances dictate. The ICR therefore covers not just our knowledge-based resources, but also our knowledge-based processes and the results they achieve. The ICR can be found on page 80.

Customers and markets

COWI's customer base has risen by six per cent, with the share of private customers growing so that it now accounts for 45 per cent of the customer base. The number of public customers in Denmark has fallen as a result of the municipal reform, but by way of compensation demand from these customers has risen. The proportion of international customers continues to rise steadily: 22 per cent of our customers and 33 per cent of our projects are international.

Customers want to see more of us

"Consultants in COWI are reliable, trustworthy and highly professional; and they have the multi-disciplinary portfolio just right. But we want to see more of you. You need to get better at follow-up and at project management. You should focus more on innovation, and we need your help with communicating." This, in a nutshell, is the feedback from a comprehensive customer satisfaction survey conducted by COWI in May 2007 amongst approximately 1,800 Danish customers. The survey also revealed that customers expect COWI always to see the "big picture" even though we may initially only have been tasked with a relatively small part of a project. When COWI Norway conducted a corresponding survey amongst its customers in 2004, the feedback was broadly similar to the Danish.

We made use of the findings of the survey to inform the basis of our new strategy for the Danish market.

More employees

2007 saw a rise in the Group's numbers of permanent employees. In Denmark alone, our headcount rose by over 200 employees. We are continuing our external recruitment campaign which is characterised by eye-catching job advertisements.
Numbers have grown as follows:

Number of permanent employees at year-end 2007

	Denmark	The Group
2003	1,960	3,433
2004	1,923	3,294
2005	1,879	3,322
2006	1,969	3,561
2007	2,198	4,078

The percentage of employees with a BSC or an MSC stands at 75.8 per cent. The average age at COWI has fallen to 43.9 years. As many as 57 per cent of our employees have experience in project management and 24 per cent in international project management.

We are taking the lead in branding

The importance of being known for something good, a strong brand as a key to attracting and retaining both customers and employees, is incontestable. The Danish engineering magazine Ingeniøren identifies COWI as the most well-known consultant amongst engineers in Denmark. We are also the most highly ranked consultant on the annual image-based survey of Denmark's largest companies, conducted by the Danish business magazine Berlingske Nyhedsmagasin. In 2007, COWI climbed 15 places from number 59 to number 44.

Risks and risk management

The COWI Group's risks can be divided into market risks, operational risks, financial risks and other risks.

Market risks

We endeavour to minimise risks associated with changes in the political picture and fluctuations in the economic cycle by maintaining balance in our project portfolio. Such balance entails spreading risk across geographic markets, service areas and public/private sectors. Changes on the political scene, notably in politically unstable regions, are a clear risk factor.

Operational risks

We minimise loss on projects by conducting not only a risk assessment of every single project but also such project management and supervision as the assessment requires.

Contracts with sub-suppliers and partners can constitute a risk in the event of failure to deliver on time, within budget or up to expected standards. We endeavour to minimise risks by means of dialogue, careful selection and contract monitoring.

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

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

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

Financial risks

We endeavour to minimise foreign currency risks related to our projects by matching as closely as possible revenue and costs in the same currency in the individual projects. In addition, net currency positions are hedged at company level. There is, in principle, no hedging of the translation risk related to investments in COWI Group companies.

Interest rate risks are limited as a result of COWI's low net interest-bearing debt. Our portfolio of securities forms part of an external portfolio management programme which is managed within set parameters placing main importance on short-lived Danish bonds.

Over the years, we have made several acquisitions and therefore formulated basic methods for valuation and integration to minimise acquisition risk.

Other risks

COWI supplies consultancy services to public and private customers in many parts of the world. Our reliability and trustworthiness as a consultancy firm depends heavily on our commercial integrity. We therefore adhere meticulously to our Business Integrity Management System which sets out a code of conduct for best practice 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 good corporate governance. Overall strategic risk management is based on a risk profile which we draw up once a year for the Board of Directors to assess, discuss and classify. We set 12-month goals for the modifications to risk profiles within five to ten areas of risk.

Events subsequent to the end of the financial year

There were no events after the balance sheet date with material effect on the assessment of the annual report.

Outlook

Following a period of favourable economic trends, the latter part of 2007 and the early part of 2008 brought indications of a slow-down in economic growth. The effects of the "credit crunch" in the USA are having a serious impact, generating insecurity in the financial sector and a decline in growth in the USA. It is to be expected that in the course of 2008 this slump, combined with high oil prices and a falling US dollar rate, will spread to other parts of the world, not least to Europe.

We expect to see decline in demand for consultancy services in the course of 2008, from the high levels achieved across virtually all markets in 2007.

In Denmark, lower economic growth than in 2007 is expected in 2008. We expect demand for our consultancy services in the first part of 2008 to remain healthy, due in part to public investment in infrastructure. Recession may have a negative effect on demand from the private sector, in particular in the course of 2008.

In Norway, continuous healthy growth and high demand for consultancy services are expected. In the course of 2008, growth may be restricted by the shortage of qualified employees.

In East EU, relatively strong economic growth rates are expected, albeit that all countries are grappling with different imbalances in the economy, including high inflation.

In the Arabian Gulf, very high growth rates are expected to continue, boosted by the highest oil prices yet seen. Limited access to a qualified work force represents the greatest obstacle to growth.

In Africa, there is huge disparity between different countries in terms of economic growth. We expect opportunities for growth to continue within selected consultancy areas.

We expect opportunities to sell our international specialist services will continue in 2008, and we intend to promote development of these services.

We will continue to roll out our regionalisation strategy in 2008, investing substantially in building up our new regions, in management development, in developing our business systems, including IT, and in intensified activity in the climate and healthcare consultancy sectors.

The next two global Climate Summits will be held in Poland in 2008 and in Denmark in 2009. Our presence at both will allow us to present our knowledge and expertise in relation to climate change. All COWI's business units are experiencing a sharp rise in demand for services which relate to the impact and significance of climate change within the spheres of engineering, environmental science and economics: for example, new sewer systems, renewable energy and sustainable housing. Expertise within the specialist fields of engineering, economics and environmental science must be pooled in order to develop sustainable solutions for the climate-related challenges faced by society. In recognition of the crucial social significance of climate change, COWI has decided to sponsor the Copenhagen Climate Congress in March 2009, at which researchers from all over the world will assemble to discuss climate change in advance of the Climate Summit later in the year.

We also intend to invest significantly more resources in our short and long-term capacity to recruit, develop and retain employees.

We anticipate continued organic growth combined with acquisitions of companies and activities, according to the targets set out in our strategy. Investment in the implementation of our strategy will affect turnover, earnings, profitability and cash flow in 2008. We expect turnover to rise by seven to nine per cent in 2008 and earnings to drop slightly as a result of investing in business systems, management, employees and new business areas. We expect cash flow from operating activities to remain on a par with 2007 figures, while free cash flow will be reduced as a result of the acquisition of companies and other assets.

General
The 2007 annual report of COWI A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for a large class C enterprise with the adoption of IAS 19 "Employee Benefits" in respect of defined benefit plans.

The accounting policies applied remain unchanged from the previous year.

Profit and loss account
The Group's net turnover rose 7.9 per cent from DKK 2,808.9 million in 2006 to DKK 3,031.4 million in 2007. Adjusted for the sale of the Norwegian consultancy firm Hjellnes COWI AS, growth of 12.8 per cent was achieved. The Group's own production, which reflects the selling price of the activities carried out by the Group's staff in 2007, rose from DKK 2,149.8 million in 2006 to DKK 2,378.5 million, representing a 10.6 per cent increase in own production in 2007. Adjusted for the sale of the Norwegian consultancy firm, growth of 15.5 per cent was achieved.

The rise in own production is due in part to organic growth, primarily in Denmark, Norway and the Arabian Gulf, and in part to the acquisition of companies in Denmark, Lithuania, Norway and the USA.

External expenses for 2007 amounted to DKK 395.6 million as against DKK 329.5 million for 2006, a rise of 20.1 per cent which is attributable in particular to increased expenses relating to our business development, including acquisition of companies, development of business systems, management and employees.

Staff expenses amounted to DKK 1,750.0 million compared with DKK 1,593.3 million in 2006, a rise of 9.8 per cent which is attributable partly to the increased level of activity in Denmark, Norway and the Arabian Gulf and partly to a growing payroll following acquisitions. In the course of 2007, the net increase in the Group's headcount was 517. Staff expenses were impacted by non-recurring income of DKK 9.3 million as a result of the conversion of a Norwegian pension scheme to a contribution-based pension plan.

Other operating income, net, amounted to DKK 42.8 million compared with a negative net amount of DKK 1.6 million in 2006: a rise of DKK 44.4 million of which DKK 28.6 million is attributable to the proceeds from the sale of the Norwegian subsidiary Hjellnes COWI AS. In addition, COWI AS Norway sold two associates, achieving a profit of DKK 10.9 million in total.

Amortisation, depreciation and impairment losses rose 45.5 per cent to DKK 95.0 million. At the closing of the accounts, an impairment test of goodwill was performed, resulting in a writedown by a total of DKK 8.6 million of the carrying amount of goodwill in two subsidiaries. Increased amortisation and depreciation were also due to increased amortisation of own-developed mapping products which are amortised as the products are delivered; and to increased depreciation arising from increased investments in technical installations, operating and other equipment.

The Group's operating profit rose DKK 20.6 million from DKK 160.2 million in 2006 to DKK 180.8 million in 2007. This increase was due to improved earnings in Denmark, Norway and the Arabian Gulf.

The Group's operating margin, calculated as operating profit as a percentage of turnover, amounted to 6.0 per cent compared with 5.7 per cent in the previous year. Consequently, for the fourth consecutive financial year, the Group's operating margin has been increased.

The Group's financial income and expenses show net income of DKK 10.9 million compared with DKK 15.2 million in the previous year. This is due mainly to a DKK 4.1 million rise in exchange losses in 2007 compared with the previous year.

Profit before tax and profits attributable to minority shareholders in subsidiaries amounted to DKK 192.3 million compared with DKK 176.8 million in 2006.

The Group's tax on ordinary activities for 2007 amounted to DKK 37.0 million, corresponding to an effective tax rate for 2007 of 19.3 per cent. In 2006, the effective tax rate was 29.9 per cent. The lower tax rate for 2007 is due to a taxable income of DKK 22.0 million following adjustment of deferred tax as a result of reduction in the Danish corporation tax rate from 28 per cent to 25 per cent.

Profit after tax and profits attributable to minority shareholders in subsidiaries in 2007 amounted to DKK 154.8 million compared with DKK 120.4 million in 2006.

Balance sheet
The Group's total assets at 31 December 2007 amounted to DKK 2,320.2 million, an increase of DKK 375.1 million on the previous year.

The Group's accounts receivable from services rose DKK 161.4 million to DKK 725.0 million, due primarily to increased activity, including the addition of new companies to the Group.

In the course of 2007, the Group's cash and cash equivalents fell by DKK 12.6 million, so that the Group's total holdings of cash (including its securities portfolio at 31 December 2007) amounted to DKK 544.1 million, corresponding to 23.4 per cent of the Group's total assets.

At 31 December 2007, equity amounted to DKK 716.4 million, a rise of DKK 129.2 million. Equity was increased by the profit for the year of DKK 154.8 million and exchange rate adjustment of equity investments of DKK 0.7 million and reduced by modification of plan changes in respect of defined benefit plans amounting to DKK 16.6 million (incl. deferred tax), value adjustment of hedging instruments of DKK 2.9 million and dividends of DKK 6.8 million distributed for the financial year 2006.

The equity ratio in 2007 was 23.8 per cent compared with 23.1 per cent in 2006.

Return on equity rose to 30.9 per cent from 30.2 per cent at the end of 2006.

Cash flow statement
Cash flow from operating activities amounted to DKK 168.9 million, down DKK 45.0 million on 2006. Cash flow from operating activities was adversely affected by an increase in numbers of accounts receivable due in part to individual debtors' changed payment patterns and an increase in receivables from working partnerships. Cash flow from investing activities amounting to a negative DKK 182.0 million was affected primarily by acquisitions in Denmark, Norway, Lithuania and the USA.

Free cash flow amounted to a negative DKK 13.2 million, down DKK 162.5 million on 2006.

The Group's cash and cash equivalents comprising cash and securities amounted to DKK 544.1 million at 31 December 2007. With the addition of committed, but undrawn credit facilities, the Group's financial resources at 31 December 2007 amounted to DKK 722.0 million.

Group and annual accounts

Accounting policies

The 2007 annual report of COWI A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act for a large class C enterprise.

The accounting policies applied remain unchanged from the previous year.

Recognition and measurement
In the profit and loss account, revenue is recognised as earned and includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Similarly, all expenses including amortisation, depreciation and impairment losses are recognised in the profit and loss account.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and when 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 when 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 where constant effective interest is recognised over the maturity. Amortised cost is stated as original cost less any principal payments 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 maturity.

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

Group accounts

Consolidation policy
The annual report includes the parent company, COWI 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, intercompany profits and expenses, shareholdings, dividends and balances as well as realised and unrealised gains and losses on transactions between consolidated enterprises have been eliminated.

The accounts applied for the Group's annual report have been presented in accordance with group accounting policies. The Group's annual report has been prepared on the basis of the accounts of COWI 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 acquisition 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 fixed assets as group goodwill and amortised on a straight-line basis over the expected economic life, however at a maximum of 20 years. Any negative differences are recognised in the balance sheet.

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

Minority interests

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

Corporation tax and deferred tax

The company is jointly taxed with the Danish consolidated enterprises. Foreign subsidiaries are not subject to joint taxation.

COWI A/S functions as the management company. The total Danish tax on the Danish subsidiaries' taxable income is paid by COWI A/S.

The tax effect of the joint taxation with the subsidiaries is distributed on Danish profit- and loss-making enterprises in proportion to their taxable income (full allocation with refund in respect of tax losses). The jointly taxed companies are included in the Danish tax prepayment scheme.

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. Any share of the tax carried in the profit and loss account which arises from profit/loss on extraordinary activities for the year is attributed to the profit and loss account, while the remaining share is attributed to profit/loss on ordinary activities for the year.

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

Deferred tax is accounted for using the balance-sheet liability method in respect of all temporary differences between accounting and tax values of assets and liabilities. However, no deferred tax is recognised in respect of temporary differences concerning amortisable goodwill not deductible 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 accounting and taxable profits. In cases where the computation of the tax value may be made 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 value of tax-loss carryforwards) are recognised at the value at which they are expected utilised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

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.

Translation policies

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

Accounts receivable and payable and other monetary items in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Unrealised exchange gains or losses arising from differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or payable arises are recognised in the profit and loss account. Unrealised exchange gains or losses in respect of accounts receivable are recognised under net turnover in the profit and loss account, while unrealised exchange gains or losses in respect of accounts payable or other monetary items are recognised under financial income or expenses in the profit and loss account.

Fixed 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 at the balance sheet date. Exchange differences arising on translation of the opening equity of foreign subsidiaries to the exchange rates at the balance sheet date and on translation of profit and loss accounts from average exchange rates to the rates 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 applying 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 transaction-date exchange rates. However, items derived from non-monetary items are translated at the historical rates in respect of the non-monetary item.

Exchange adjustments of intercompany balances and transactions with foreign subsidiaries that are considered additions to or deductions from the equity of separate subsidiaries are recognised directly in equity.

Similarly, exchange gains and losses on loans and derivative financial instruments contracted for hedging purposes by independent 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 as 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 and 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 current basis in the profit and loss account.

Segment information

Information is provided on geographical markets. Information on geographical markets is based on the Group's internal financial reporting system.

Incentive schemes

The material provisions of the employee share schemes are disclosed in the notes to the group accounts and have no effect on the profit and loss account. There are no incentive schemes for the current financial year.

Profit and loss account

Net turnover

Net turnover corresponds to an approximate and prudently assessed sales value of work performed for the year. As the completion of the individual projects will generally progress over several accounting periods, the percentage-of-completion method is applied for revenue recognition. Accordingly, profits on work performed are recognised as income and by reference 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 expense 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 as well as profits and losses from the sale of intangible and tangible fixed assets.

Net financials

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

Balance sheet

Intangible fixed assets

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

Rights
Rights are amortised on a straight-line basis over five 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 fixed assets. This applies if sufficient certainty exists that the value in use of the 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 product costs are measured at the lower of cost, less accumulated amortisation and impairment losses or 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
Software is measured at the lower of cost, less accumulated amortisation on a straight-line basis and impairment losses or value in use. The amortisation period is three to five years.

Summary of amortisation periods for intangible fixed assets

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

Tangible fixed assets

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

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

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

Assets held under finance leases
At the inception of the lease, leases in respect of tangible fixed assets in terms of which the individual subsidiaries assume substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the fair value of the leased asset where a fair 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 impaired as the Group's other tangible fixed assets.

The residual lease obligation is capitalised and 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, over the term of the lease.

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 tangible fixed assets

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

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

Fixed asset investments

Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognised and measured using the equity method in the parent company's annual report.

The parent company profit and loss account recognises the proportionate share of the subsidiaries' results before tax for the year under the item "Profit before tax in subsidiaries", while the share of tax in subsidiaries is included in the item "Tax on profit for the year". Group goodwill amortisation is presented separately in the profit and loss account under the item "Goodwill and Group goodwill amortisation".

The profit and loss accounts of the Group and of the parent company include the proportionate share of results before tax for the year of associates under the item "Profit on ordinary activities before tax in associates", while the share of tax in associates is included in the item "Tax on profit for the year". Group goodwill amortisation is presented separately in the profit and loss account under the item "Goodwill and Group goodwill amortisation".

Under the item "Investments in associates", the Group's balance sheet includes the relevant equity interest proportion of the net asset value of the associates measured under the parent company's accounting policies subject to deduction or addition of the share of unrealised intercompany profits or losses.

Under the items "Investments in subsidiaries" and "Investments in associates", the parent company's balance sheet includes the relevant equity interest proportion of the net asset value of the enterprises measured under the parent company's accounting policies subject to deduction or addition of the share of unrealised intercompany profits or losses.

Investments in subsidiaries and associates at negative carrying amounts are measured at DKK 0, and any receivable from these enterprises is written down, to the extent estimated to be uncollectible, by the parent company's share of the negative net asset value. Where the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent that the parent company has a legal or constructive obligation to cover the enterprise's negative balance.

The total net revaluation of investments in subsidiaries and associates is transferred in the parent company over the distribution of profit to "Reserve for net revaluation according to the equity method" under equity.

Positive and negative differences are separately included under the item "Group goodwill" both in the parent company's balance sheet and in the group accounts.

Enterprises acquired during the financial year are included in the parent company and group accounts from the time of acquisition, and enterprises disposed of are included until the time of disposal. Comparative figures are generally not adjusted for new acquisitions and disposals.

Any gains or losses on disposal or liquidation of subsidiaries are computed as the difference between the sales sum or the liquidation amount and the carrying amount of net assets at the time of disposal or liquidation, including non-amortised goodwill and expected sales or liquidation expenses. Any gains or losses are recognised in the profit and loss account.

Other investments and participating interests
Other investments and participating interests 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 computed value in use.

Current assets

Stocks
Stocks are measured at cost according to the FIFO method. If the net realisable value is lower than cost, stocks are written down to the lower value.

Cost includes purchase price with addition of landing costs.

The net realisable value of stocks is determined as the selling price less completion costs and costs incurred to execute the sale, and is fixed with due consideration to marketability, obsolescence and movements in expected selling prices.

Receivables
Accounts receivable are measured at the lower of amortised cost or net realisable value corresponding to the nominal value less losses for uncollectibles. Losses on uncollectibles are calculated on the basis of an individual assessment of each account 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 measured 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 current basis by reference to the stage of completion.

The stage of completion is measured by the proportion that project expenses incurred for work performed to date bear to the estimated total project expenses. Where total project expenses are likely to exceed the total revenues 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.

Own shares
Own shares are shares acquired by COWI A/S for use in future allotments to employees. Own shares are measured at cost and tied up in a special reserve under equity. Any gains/losses on disposal are recognised in the profit and loss account.

Current asset investments
Current asset investments 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.

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

The net pension obligation recognised in the balance sheet in relation to benefit plans is the present value of the defined benefits as at the balance sheet date (gross PBO) less the actual value of the pension funds plus payroll tax on net PBO. The pension obligation is calculated annually by an independent actuary using a straight-line vesting period. The present value of the defined benefits is determined by discounting estimated, future benefit payments at the yield of a bond issued by a high-rated company in the same currency as the currency in which the benefits will be paid and with a term to maturity that is approximately the same as the term of the related pension obligation.

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

Changes in the pension plan benefits are recognised in the profit and loss account on a current basis unless, according to the new pension plan, the entitlement depends on the employee remaining employed for a specific period of time (the vesting period). In that case, the cost is amortised to the changed benefit on a straight-line basis over the vesting period.

COWI A/S has made commitments to provide a number of previous and present 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.

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

Equity

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

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 legal obligations etc. on completed projects. Provisions with an expected maturity exceeding one year from the balance sheet date are discounted at the average bond yield. Deferred tax is not discounted to present value.

Financial debts
Fixed-rate loans such as mortgages and loans from credit institutions intended 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 loan period.

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

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

Cash flow statement

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

Cash flow from operating activities
Cash flows from operating activities are calculated as group operating profit adjusted for non-cash operating items such as amortisation, depreciation and impairment losses, provisions as well as net change in working capital with the addition of interest income and expenses and corporation 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 and tangible fixed assets as well as fixed asset investments.

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 own shares and payments of dividend to shareholders.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand as well as securities recognised as current asset investments.

The cash flow statement cannot be immediately derived from the published financial records.

Financial ratios
The financial ratios stated in key figures and financial ratios have been calculated as follows:

EBITDA margin

$$\frac{\text{Operating profit including depreciation and amortisation x 100}}{\text{Net turnover}}$$

Operating margin (EBIT margin)

$$\frac{\text{Operating profit x 100}}{\text{Net turnover}}$$

Return on invested capital

$$\frac{\text{Operating profit x 100}}{\text{Non-financial assets less advance invoicing, year-end}}$$

Equity ratio

$$\frac{\text{Equity excl. minority interests , year-end x 100}}{\text{Total liabilities and equity, year-end}}$$

Return on equity

$$\frac{\text{COWI's share of profit for the year x 100}}{\text{Average equity excl. minority interests}}$$

Profit and loss account

1 January - 31 December

PARENT COMPANY				GROUP	
2006	2007	DKK '000	Note	2007	2006
1,815,490	1,996,032	Net turnover	1	3,031,381	2,808,877
(509,142)	(538,441)	Project expenses		(652,871)	(659,070)
1,306,348	**1,457,591**	**Own production**		**2,378,510**	**2,149,807**
(169,651)	(207,560)	External expenses	2	(395,621)	(329,516)
(992,873)	(1,106,450)	Employee expenses	3	(1,749,965)	(1,593,262)
(32,268)	(43,837)	Amortisation, depreciation and impairment losses	4	(94,965)	(65,259)
111,556	**99,744**	**Operating profit on ordinary activities**		**137,959**	**161,770**
717	18,762	Other operating income	5	45,061	387
(1,175)	(2,083)	Other operating expenses	6	(2,228)	(1,977)
111,098	**116,423**	**Operating profit**		**180,792**	**160,180**
61,418	87,859	Profit before tax in subsidiaries	7	-	-
79	(24)	Profit on ordinary activities before tax in associates	8	641	1,445
(15,354)	(24,535)	Goodwill and group goodwill amortisation	4	-	-
29,096	29,300	Financial income	9	33,456	36,846
(13,753)	(17,729)	Financial expenses	10	(22,573)	(21,649)
172,584	**191,294**	**Profit before tax**		**192,316**	**176,822**
(52,209)	(36,458)	Tax on profit for the year	11	(37,027)	(52,891)
120,375	**154,836**	**Profit for the year**		**155,289**	**123,931**
-	-	Profit/(loss) from subsidiaries attributable to minority shareholders	20	(453)	(3,556)
120,375	**154,836**	**COWI's share of profit for the year**		**154,836**	**120,375**

Proposed distribution of net profit

		DKK '000
6,762	10,125	Proposed dividend at 30%
113,613	144,711	Retained earnings
120,375	**154,836**	

Balance sheet at 31 December

PARENT COMPANY				GROUP	
2006	2007	DKK '000	Note	2007	2006
101,643	106,087	Goodwill and rights		51,373	12,250
114,384	108,213	Group goodwill		246,105	216,027
5,398	6,679	Software		9,026	6,302
10,371	10,986	Own developed products		11,277	10,371
231,796	**231,965**	**Intangible fixed assets**	12	**317,781**	**244,950**
3,936	3,823	Land and buildings		6,198	7,837
78,474	109,627	Technical installations, operating and other equipment		152,189	112,887
296	2,641	Fixed assets in course of construction		2,681	363
82,706	**116,091**	**Tangible fixed assets**	13	**161,068**	**121,087**
163,930	221,586	Investments in subsidiaries	7	-	-
929	904	Investments in associates	8	5,301	5,058
22,433	53,721	Loans to subsidiaries		-	-
266	330	Other investments and participating interests		5,153	5,027
30,448	31,829	Deposits		33,542	31,434
218,006	**308,370**	**Fixed asset investments**	14	**43,996**	**41,519**
532,508	**656,426**	**Total fixed assets**		**522,846**	**407,556**
364	**316**	**Stocks**		**322**	**373**
392,382	503,306	Accounts receivable, services		725,038	563,683
181,522	263,474	Contract work in progress, net	15	387,537	292,521
32,192	45,002	Receivables from subsidiaries		-	-
0	0	Receivables from associates		8,172	6,353
5,865	3,966	Other receivables		28,665	29,781
0	0	Deferred tax assets	21	29,555	33,431
38,848	47,240	Prepayments	16	59,497	41,182
650,809	**862,988**	**Receivables**		**1,238,464**	**966,951**
13,447	**14,461**	**Own shares**	17	**14,461**	**13,447**
189,646	**198,478**	**Current asset investments**	18	**198,868**	**191,297**
209,578	**180,027**	**Cash at bank and in hand**		**345,278**	**365,474**
1,063,844	**1,256,270**	**Total current assets**		**1,797,393**	**1,537,542**
1,596,352	**1,912,696**	**TOTAL ASSETS**		**2,320,238**	**1,945,098**

Balance sheet at 31 December

PARENT COMPANY 2006	PARENT COMPANY 2007	DKK '000	Note	GROUP 2007	GROUP 2006
34,750	34,750	Share capital		34,750	34,750
13,447	14,461	Share premium account		-	-
0	38,548	Reserve for net revaluation according to the equity method		-	-
532,289	618,527	Retained earnings		671,536	545,736
6,762	10,125	Proposed dividend		10,125	6,762
587,248	**716,411**	**Equity excl. minority interests**	**19**	**716,411**	**587,248**
-	**-**	**Minority interests**	**20**	**2,808**	**11,168**
205,693	210,382	Deferred tax	21	215,796	212,426
29,500	29,500	Net pension benefit obligations	22	103,137	99,699
20,080	21,523	Other provisions	23	38,894	38,130
255,273	**261,405**	**Provisions**		**357,827**	**350,255**
7,215	11,192	Credit institutions		28,114	8,108
7,215	**11,192**	**Long-term debt**	**24**	**28,114**	**8,108**
30,462	5,232	Credit institutions		33,329	45,027
27,457	55,697	Amounts owed to subsidiaries		-	-
84,318	87,980	Accounts payable, suppliers		131,955	117,170
44,949	49,766	Taxes and VAT payable		136,536	113,626
359,979	502,477	Amounts invoiced in advance	15	563,105	415,567
148,671	169,448	Accrued holiday allowance		224,281	198,433
41,686	51,578	Other accounts payable		90,938	81,143
9,094	1,510	Deferred income		34,933	17,353
746,616	**923,688**	**Short-term debt**		**1,215,077**	**988,319**
753,831	**934,880**	**Total debt**		**1,243,191**	**996,427**
1,596,352	**1,912,696**	**TOTAL LIABILITIES AND EQUITY**		**2,320,238**	**1,945,098**
		Contingencies and other financial commitments	25		
		Notes without reference	26-28		

Statement of changes in equity

COWI Group

DKK '000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2006	34,750	415,415	5,138	455,303
Distributed dividend			(5,138)	(5,138)
Profit for the year		120,375		120,375
Exchange adjustment, foreign subsidiaries		(7,390)		(7,390)
Value adjustment of investments in foreign subsidiaries		(1,046)		(1,046)
Value adjustment of hedging instruments, year-end		2,952		2,952
Change in estimates/pension plan changes		30,822		30,822
Deferred tax concerning changed estimates/pension plan changes		(8,630)		(8,630)
Proposed dividend		(6,762)	6,762	-
Equity at 1 January 2007	**34,750**	**545,736**	**6,762**	**587,248**
Distributed dividend			(6,762)	(6,762)
Profit for the year		154,836		154,836
Exchange adjustment, foreign subsidiaries		657		657
Value adjustment of investments in foreign subsidiaries		(41)		(41)
Value adjustment of hedging instruments, beginning-of-year		(2,952)		(2,952)
Change in estimates/pension plan changes		(22,987)		(22,987)
Deferred tax concerning changed estimates/pension plan changes		6,412		6,412
Proposed dividend		(10,125)	10,125	-
Equity at 31 December 2007	**34,750**	**671,536**	**10,125**	**716,411**

Statement of changes in equity

Parent company

DKK '000	Share capital	Own shares	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend	Total
Equity at 1 January 2006	34,750	6,420	0	408,995	5,138	455,303
Distributed dividend					(5,138)	(5,138)
Profit for the year				120,375		120,375
Transfer to reserve for own shares		7,027		(7,027)		-
Exchange adjustment, foreign subsidiaries				(7,390)		(7,390)
Value adjustment of investments in foreign subsidiaries				(1,046)		(1,046)
Value adjustment of hedging instruments, year-end				2,952		2,952
Change in estimates/pension plan changes				30,822		30,822
Deferred tax concerning changed estimates/pension plan changes				(8,630)		(8,630)
Proposed dividend				(6,762)	6,762	-
Equity at 1 January 2007	**34,750**	**13,447**	**0**	**532,289**	**6,762**	**587,248**
Distributed dividend					(6,762)	(6,762)
Profit for the year				154,836		154,836
Reserve for net revaluation according to the equity method			38,548	(38,548)		-
Transfer to reserve for own shares		1,014		(1,014)		-
Exchange adjustment, foreign subsidiaries				657		657
Value adjustment of investments in in foreign subsidiaries				(41)		(41)
Value adjustment of hedging instruments, beginning-of-year				(2,952)		(2,952)
Change in estimates/pension plan changes				(22,987)		(22,987)
Deferred tax concerning changed estimates/pension plan changes				6,412		6,412
Proposed dividend				(10,125)	10,125	-
Equity at 31 December 2007	**34,750**	**14,461**	**38,548**	**618,527**	**10,125**	**716,411**

Cash flow statement

Group

DKK '000	Note	2007	2006
Operating profit		180,792	160,180
Amortisation and depreciation for the year as well as profit/(loss) from disposal of fixed assets and subsidiaries		37,249	65,552
Value adjustments etc., net		657	(7,390)
Other provisions for the year		4,202	(27,159)
Operating profit adjusted for non-cash movement		**222,900**	**191,183**
Net financial income received for the year		10,883	15,197
Corporation tax paid		(10,380)	(8,473)
Cash flow from operating activities before change in working capital		**223,403**	**197,907**
Change in stocks		51	(15)
Change in work in progress		52,522	(11,989)
Change in deposits		(2,108)	0
Change in accounts receivable, services		(161,355)	(28,705)
Change in accounts payable, suppliers		14,785	6,482
Change in other receivables and prepayments		(19,018)	1,716
Change in other payables and deferred income		60,589	48,467
Cash flow from operating activities		**168,870**	**213,863**
Acquisition of intangible fixed assets		(18,398)	(14,658)
Acquisition of tangible fixed assets		(91,133)	(47,117)
Disposal of tangible fixed assets		12,479	3,632
Acquisition of subsidiaries and activities		(128,957)	(6,708)
Acquisition of other fixed asset investments		(2,590)	(3,203)
Disposal of subsidiaries		46,600	0
Disposal of fixed asset investments		(27)	3,553
Cash flow from investing activities		**(182,027)**	**(64,501)**
Free cash flow		**(13,157)**	**149,362**
Repayment of financial accounts payable (net)		8,308	(3,000)
Distributed dividend		(6,762)	(5,138)
Purchase of own shares		(1,014)	(7,027)
Cash flow from financing activities		**532**	**(15,165)**
Cash flow for the year		**(12,625)**	**134,197**
Cash and cash equivalents, beginning-of-year		556,771	422,574
Cash and cash equivalents, year-end	28	**544,146**	**556,771**

The cash flow statement cannot be immediately derived from the profit and loss account

Note 1 Segment information

Below, the Group's turnover, operating profit, fixed assets and liabilities are distributed by geographical market into the Danish market and the foreign markets.

GROUP

DKK '000	Danish market	Foreign markets	Total
Net turnover	1,115,632	1,915,749	3,031,381
Operating profit	75,492	105,300	180,792
Fixed assets	126,610	396,235	522,845
Liabilities	751,939	463,418	1,215,357

Note 2 Fees for auditor

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
(1,225)	(1,200)	Audit fee, Price WaterhouseCoopers	(3,065)	(2,349)
0	0	Audit fee, other accountancy firms	(811)	(276)
(1,695)	(2,167)	Fees, services other than audit	(2,647)	(2,127)
(2,920)	**(3,367)**	**Total fees for auditors**	**(6,523)**	**(4,752)**

Note 3 Employee expenses

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
(1,067)	(1,300)	Remuneration for Board of Directors, parent company	(1,300)	(1,067)
(960,478)	(1,069,338)	Salaries and wages	(1,590,468)	(1,439,636)
(4,044)	(2,595)	Pensions and social security	(65,004)	(65,937)
(27,284)	(33,217)	Other employee expenses	(93,193)	(86,622)
(992,873)	**(1,106,450)**	**Employee expenses**	**(1,749,965)**	**(1,593,262)**
(9,615)	(13,965)	Remuneration, Executive Board	(14,309)	(9,615)
1,924	2,084	Average number of employees	3,820	3,442
1,969	**2,198**	**Number of employees at 31 December**	**4,078**	**3,561**

Note 4 Amortisation, depreciation and impairment losses

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
(5,280)	(3,940)	Software	(4,558)	(5,763)
(3,471)	(10,325)	Own developed products	(10,466)	(3,471)
(113)	(113)	Land and buildings	(478)	(267)
(23,404)	(29,459)	Technical installations, operating and other equipment	(47,771)	(38,707)
0	0	Fixed asset investments	(1,080)	0
(32,268)	**(43,837)**		**(64,353)**	**(48,208)**
(6,558)	(7,205)	Goodwill and rights	(4,259)	(1,697)
(8,796)	(17,330)	Group goodwill	(26,353)	(15,354)
(47,622)	**(68,372)**	**Amortisation, depreciation and impairment losses**	**(94,965)**	**(65,259)**

Note 5 Other operating income

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
0	146	Profits from sale of fixed assets	3,867	387
717	261	Royalty income	0	0
0	0	Profit from sale of associates	10,927	0
0	16,947	Profit from sale of subsidiaries	28,596	0
0	1,408	Compensations	1,408	0
0	0	Other operating income	263	0
717	**18,762**	**Other operating income**	**45,061**	**387**

Note 6 Other operating expenses

PARENT COMPANY			GROUP	
2006	2007	DKK' 000	2007	2006
(339)	(566)	Loss from sale of fixed assets	(686)	(680)
(836)	(407)	Removal expenses	(395)	(1,297)
0	(1,110)	Other operating expenses	(1,147)	0
(1,175)	**(2,083)**	**Other operating expenses**	**(2,228)**	**(1,977)**

Note 7 Investments in subsidiaries

Name	Domicile	Ownership %	Share capital	Equity	Profit/(loss) for the year	COWI GROUP'S SHARE Profit before tax	Equity
			(1,000)	DKK '000	DKK '000	DKK '000	DKK '000
AustralCOWI Lda.	Mozambique	100%	6,808 MZN	2,249	778	1,253	2,249
Ben C. Gerwick, Inc.	USA	96.4%	876 USD	16,499	3,511	5,204	15,904
Bruun & Sørensen Energiteknik A/S	Denmark	100%	2,000 DKK	6,654	303	405	6,654
BST Østfyn A/S	Denmark	100%	750 DKK	681	180	141	681
Buckland & Taylor Ltd.	Canada	100%	1,079 CAD	18,475	6,495	9,910	18,475
COMAR Engineers A/S	Denmark	100%	849 DKK	2,517	(4)	271	2,517
COWI & Partners LLC	Oman	100%	20 OMR	5,940	5,328	6,397	5,940
COWI Afrique Francophone S.A. avec A.G.	Burkina Faso	100%	10,000 XOF	94	(20)	(20)	94
COWI SNS Limited	Turkey	100%	160 TRY	8,696	(325)	(187)	8,696
COWI AS	Norway	100%	23,200 NOK	72,820	47,636	67,284	72,820
COWI Belgium SPRL	Belgium	100%	7 EUR	1,308	705	1,129	1,308
COWI Consulting Co. (Beijing) Ltd. Co.	China	100%	4,025 CNY	589	(781)	(801)	589
COWI Consulting Engineers and Planners Ltd.	Tanzania	100%	20,000 TZS	9,297	589	(353)	9,297
COWI d.o.o. Belgrade	Serbia	100%	8,593 CSD	288	(1,032)	(1,038)	288
COWI de El Salvador, S.A. de C.V. *	El Salvador	90%	11 USD	(8,513)	(5,581)	(5,384)	(7,662)
COWI Hungary Ltd.	Hungary	100%	50,000 HUF	5,930	1,340	1,609	5,930
COWI Korea Co., Ltd.	Korea	60%	500,000 KRW	5,406	(60)	(125)	3,244
COWI Mapping UK Limited	UK	100%	2 GBP	948	(42)	4	948
COWI Polska Sp. z o.o.	Poland	100%	570 PLN	1,242	62	188	1,242
COWI Uganda	Uganda	100%	200,000 UGX	736	290	368	736
COWI USA Inc.	USA	100%	1 USD	(962)	(967)	1,719	(962)
COWI Zambia Limited	Zambia	100%	5,000 ZMK	(1,260)	(842)	(865)	(1,260)
COWI-Almoayed Gulf W.L.L. *	Bahrain	90%	20 BHD	7,064	2,610	2,469	6,358
COWIconsult International Ltd.	UK	100%	126 EUR	1,808	316	506	1,808
Danport A/S	Denmark	100%	500 DKK	565	9	12	565
ETC Transport Consultants GmbH	Germany	100%	1,790 EUR	13,819	(8,035)	(8,809)	13,819
Hjellnes COWI AS	Norway	0%	4,376 NOK	0	0	929	0
Kampsax India Private Limited *	India	49%	41,000 INR	9,395	327	776	4,604
KX A/S	Denmark	100%	10,001 DKK	9,328	2,333	34	9,328
Matcon Rådgivende Ingeniørfirma A/S	Denmark	100%	500 DKK	1,722	1	1	1,722
Muusmann A/S Research & Consulting	Denmark	100%	934 DKK	2,308	(3,852)	(6,690)	2,308
SIA COWI Latvia	Latvia	100%	20 LVL	255	(601)	(598)	255
Sia Udens Inzenieri	Latvia	100%	2 LVL	(117)	(271)	(269)	(117)
Studstrup og Østgaard A/S	Denmark	100%	1,125 DKK	2,993	51	68	2,993
Sven Allan Jensen A/S	Denmark	100%	500 DKK	10,878	8,894	11,892	10,878
UAB COWI Baltic	Lithuania	100%	200 LTL	9,453	(150)	429	9,453
						87,859	211,702
For companies with a negative equity, a set-off has been effected in receivables						-	9,884
						87,859	**221,586**

All subsidiaries are separate entities.

* The remaining equity interests are held by COWI A/S' subsidiaries

Note 8 Investments in associates

Name	Domicile	Ownership %	Share capital	Equity	Profit/(loss) for the year	COWI GROUP'S SHARE Profit before tax	Equity
			(1,000)	DKK '000	DKK '000	DKK '000	DKK '000
COWI Larsen JV	Oman	50%	-	-	-	-	-
CAT Alliance Ltd.	UK	33%	100 GBP	1,639	257	35	541
Covitecma S.A.	Spain	25%	180 EUR	1,452	(194)	(59)	363
COWI A/S' investments in associates						**(24)**	**904**
ComputIT AS	Norway	46%	2,173 NOK	6,251	727	556	2,876
Synkarion AS	Norway	34%	100 NOK	307	0	86	104
SDC ANS	Norway	50%	268 NOK	314	0	23	157
Interconsult Bulgaria Limited	Bulgaria	50%	2.67 USD	2,519	0	0	1,260
Zeolite Investments (Private) Limited	Zimbabwe	35%	0.1 ZWD	413	0	0	0
Interconsult Zimbabwe (Private) Limited	Zimbabwe	35%	200 ZWD	62	0	0	0
COWI AS' (Norway) investments in associates						**665**	**4,397**
Investments in associates						**641**	**5,301**

Note 9 Financial income

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
12,979	15,087	Interest, cash at bank and in hand and securities etc.	20,899	18,541
804	2,659	Interest, subsidiaries	-	-
9,888	6,693	Realised and unrealised capital gains, investments	6,693	9,888
5,425	4,861	Foreign exchange gains	5,864	8,417
29,096	**29,300**	**Financial income**	**33,456**	**36,846**

Note 10 Financial expenses

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
(1,953)	(5,480)	Interest, bank and mortgage debt etc.	(9,203)	(5,920)
(382)	(475)	Interest, subsidiaries	-	-
(4,400)	(816)	Realised and unrealised capital loss, investments	(859)	(4,731)
(7,018)	(10,958)	Foreign exchange losses	(12,511)	(10,998)
(13,753)	**(17,729)**	**Financial expenses**	**(22,573)**	**(21,649)**

Note 11 Tax on profit for the year

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
0	0	Current tax	(21,634)	(9,184)
(847)	(2,982)	Current tax, foreign project offices	(2,982)	(847)
(33,782)	(26,728)	Deferred tax	(37,526)	(44,184)
(8,630)	0	Tax on movements in equity	6,412	(8,630)
0	0	Tax in associates	(98)	(282)
(17,285)	(29,025)	Tax in subsidiaries	-	-
0	0	Change of deferred tax due to reduction	-	-
0	22,039	of Danish corporation tax rate	22,523	0
(295)	238	Adjustment in respect of prior periods	2,690	1,606
(60,839)	**(36,458)**	**Tax on profit for the year**	**(30,615)**	**(61,521)**
		broken down as follows:		
(52,209)	(36,458)	Tax on profit for the year	(37,027)	(52,891)
(8,630)	0	Tax on movements in equity	6,412	(8,630)
(60,839)	**(36,458)**	**Total tax on profit for the year**	**(30,615)**	**(61,521)**

to be continued

Note 11 Tax on profit for the year - continued

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
		Tax on profit for the year can be broken down as follows:		
		Tax on profit on ordinary activities		
(48,323)	(47,824)	before tax calculated at 25% (2006: 28%)	(48,079)	(49,510)
		Adjustment in proportion to 25% (2006: 28%) of tax		
(858)	(3,674)	calculated in foreign subsidiaries	(3,674)	(858)
0	(2,982)	Current tax, foreign project offices	(2,982)	0
		Tax effect from:		
(2,639)	(4,331)	Book amortisation of goodwill disallowed for tax purposes	(4,331)	(2,639)
(94)	78	Other costs/other income disallowed for tax purposes	(3,174)	(1,490)
		Change of deferred tax due to reduction		
0	22,038	of Danish corporation tax rate	22,523	0
(295)	238	Tax adjustment in respect of prior periods	2,690	1,606
(52,209)	**(36,458)**		**(37,027)**	**(52,891)**
30.3%	**19.1%**	**Effective tax rate**	**19.3%**	**29.9%**

Note 12 Intangible fixed assets

GROUP DKK '000	Goodwill and rights	Group goodwill	Software	Own developed products	Total
Cost at 1 January 2007	16,558	323,101	60,326	43,667	443,652
Currency adjustment	417	11	96	0	524
Adjusted cost	0	(6,105)	0	0	(6,105)
Additions from acquisitions of subsidiaries	43,499	65,662	337	3	109,501
Additions	0	0	7,026	11,372	18,398
Disposals	(580)	(7,367)	(2,203)	0	(10,150)
Cost at 31 December 2007	**59,894**	**375,302**	**65,582**	**55,042**	**555,821**
Amortisation and impairment losses at 1 January 2007	4,308	107,074	54,024	33,296	198,702
Currency adjustment	(3)	39	177	3	216
Additions from acquisitions of subsidiaries	537	0	0	0	537
Amortisation and impairment losses	4,259	26,353	4,558	10,466	45,636
Disposals	(580)	(4,269)	(2,203)	0	(7,052)
Amortisation and impairment losses at 31 December 2007	**8,521**	**129,197**	**56,557**	**43,765**	**238,039**
Carrying amount at 31 December 2007	**51,373**	**246,105**	**9,026**	**11,277**	**317,781**

PARENT COMPANY DKK '000	Goodwill and rights	Group goodwill	Software	Own developed products	Total
Cost at 1 January 2007	131,153	191,607	51,634	43,667	418,061
Adjusted cost	0	(6,105)	0	0	(6,105)
Additions	11,649	20,362	5,221	10,940	48,172
Disposals	0	(7,014)	0	0	(7,014)
Cost at 31 December 2007	**142,802**	**198,850**	**56,855**	**54,607**	**453,114**
Amortisation and impairment losses at 1 January 2007	29,510	77,223	46,236	33,296	186,265
Amortisation and impairment losses	7,205	17,330	3,940	10,325	38,800
Disposals	0	(3,916)	0	0	(3,916)
Amortisation and impairment losses at 31 December 2007	**36,715**	**90,637**	**50,176**	**43,621**	**221,149**
Carrying amount at 31 December 2007	**106,087**	**108,213**	**6,679**	**10,986**	**231,965**

Note 13 Tangible fixed assets

GROUP	Land and buildings	Technical installations, operating and other equipment	Assets in course of construction	Total
DKK '000				
Cost at 1 January 2007	9,624	363,813	363	373,800
Currency adjustment	(130)	151	1	22
Additions from acquisitions of subsidiaries	1,838	9,846	0	11,684
Additions	0	88,788	2,345	91,133
Disposals	(2,998)	(35,409)	(28)	(38,435)
Cost at 31 December 2007	**8,334**	**427,189**	**2,681**	**438,204**
Depreciation and impairment losses at 1 January 2007	1,787	250,926	0	252,713
Currency adjustment	(7)	(135)	0	(142)
Additions from acquisitions of subsidiaries	617	3,806	0	4,423
Depreciation and impairment losses	478	47,771	0	48,249
Disposals	(739)	(27,368)	0	(28,107)
Depreciation and impairment losses at 31 December 2007	**2,136**	**275,000**	**0**	**277,136**
Carrying amount at 31 December 2007	**6,198**	**152,189**	**2,681**	**161,068**
Of which assets held under finance leases at	**0**	**13,736**	**0**	**13,736**

At 1 January 2007, the official valuation of Danish properties with a carrying amount of DKK 3,823 thousand amounted to DKK 6,650 thousand.

PARENT COMPANY	Land and buildings	Technical installations, operating and other equipment	Assets in course of construction	Total
DKK '000				
Cost at 1 January 2007	5,244	229,986	296	235,526
Additions	0	64,262	2,345	66,607
Disposals	0	(8,690)	0	(8,690)
Cost at 31 December 2007	**5,244**	**285,558**	**2,641**	**293,443**
Depreciation and impairment losses at 1 January 2007	1,308	151,512	0	152,820
Depreciation and impairment losses	113	29,459	0	29,572
Disposals	0	(5,040)	0	(5,040)
Depreciation and impairment losses at 31 December 2007	**1,421**	**175,931**	**0**	**177,352**
Carrying amount at 31 December 2007	**3,823**	**109,627**	**2,641**	**116,091**
Of which assets held under finance leases at	**0**	**13,736**	**0**	**13,736**

At 1 January 2007, the official valuation of Danish properties with a carrying amount of DKK 3,823 thousand amounted to DKK 6,650 thousand.

Note 14 Fixed asset investments

GROUP	Investments in associates	Other investments and participating interests	Deposits	Total
DKK '000				
Cost at 1 January 2007	5,493	3,851	31,434	40,778
Currency adjustment	142	89	0	231
Additions	669	1,921	2,108	4,698
Disposals	(137)	164	0	27
Cost at 31 December 2007	**6,167**	**6,025**	**33,542**	**45,734**
Revaluations at 1 January 2007	545	150	0	695
Additions	35	64	0	99
Disposals	0	0	0	0
Revaluations at 31 December 2007	**580**	**214**	**0**	**794**
Writedowns at 1 January 2007	980	(1,026)	0	(46)
Currency adjustment	(6)	(37)	0	(43)
Additions	472	2,149	0	2,621
Disposals	0	0	0	0
Writedowns at 31 December 2007	**1,446**	**1,086**	**0**	**2,532**
Carrying amount at 31 December 2007	**5,301**	**5,153**	**33,542**	**43,996**

PARENT COMPANY	Investments in subsidiaries	Investments in associates	Loans to subsidiaries	Other investments and participating interests	Deposits	Total
DKK '000						
Cost at 1 January 2007	169,563	555	22,433	116	30,448	223,115
Additions	23,840	0	31,288	0	1,381	56,509
Disposals	(10,015)	0	0	0	0	(10,015)
Cost at 31 December 2007	**183,388**	**555**	**53,721**	**116**	**31,829**	**269,609**
Revaluations at 1 January 2007	42,686	545	0	150	0	43,381
Additions	62,538	35	0	64	0	62,637
Disposals	(9,539)	0	0	0	0	(9,539)
Revaluations at 31 December 2007	**95,685**	**580**	**0**	**214**	**0**	**96,479**
Writedowns at 31 December 2007	48,319	171	0	0	0	48,490
Additions	11,842	60	0	0	0	11,902
Disposals	(2,674)	0	0	0	0	(2,674)
Writedowns at 31 December 2007	**57,487**	**231**	**0**	**0**	**0**	**57,718**
Carrying amount at 31 December 2007	**221,586**	**904**	**53,721**	**330**	**31,829**	**308,370**

Note 15 Contract work in progress, net

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
7,859,252	7,520,136	Selling price of work in progress	9,012,660	9,019,543
(8,037,709)	(7,759,139)	Amounts invoiced in advance	(9,188,228)	(9,142,589)
(178,457)	**(239,003)**	**Contract work in progress, net**	**(175,568)**	**(123,046)**
		Recognised in the balance sheet at:		
181,522	263,474	Contract work in progress	387,537	292,521
(359,979)	(502,477)	Amounts invoiced in advance	(563,105)	(415,567)
(178,457)	**(239,003)**		**(175,568)**	**(123,046)**

COWI A/S 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.

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

DKK '000	2007	2006
Total amount contracted for in working partnerships and joint ventures to which COWI A/S is a party	3,296,741	2,433,516
Stage of completion of the working partnerships and joint ventures	58.50%	66.04%
COWI A/S' share of amounts contracted for through working partnerships and joint ventures	1,253,374	1,094,944
COWI A/S' average stage of completion of own share of contract amounts	60.52%	61.29%

Note 16 Prepayments

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
7,507	6,504	Insurance premiums	11,590	9,550
16,145	17,618	Rent	18,887	12,161
15,196	23,118	Other	29,020	19,471
38,848	**47,240**	**Prepayments**	**59,497**	**41,182**

Note 17 Own shares

PARENT COMPANY DKK '000	Share capital percentage	Nominal value	Acquisition cost
Cost at 1 January 2007	2.7%	940	13,447
Additions for the year	0.2%	60	1,014
Disposals for the year	0	0	0
Portfolio at 31 December 2007	**2.9%**	**1,000**	**14,461**

Note 18 Current asset investments

PARENT COMPANY 2006	2007	DKK '000	GROUP 2007	2006
49,188	49,528	Shares	49,528	49,188
140,458	148,950	Bonds	149,340	142,109
189,646	**198,478**	**Portfolio at 31 December**	**198,868**	**191,297**

Note 19 Share capital

The share capital consists of:

		2007
A shares:		**DKK '000**
2 shares of each DKK	1,000	2
1 share of DKK	2,998,000	2,998
1 share of DKK	7,000,000	7,000
1 share of DKK	10,000,000	10,000
		20,000
B shares:		
147,500 shares of		
each DKK 100	**14,750,000**	**14,750**

Each A share of DKK 100 carries ten votes whereas each B share of DKK 100 carries one vote.

Note 20 Minority interests

DKK '000	GROUP 2007	2006
Minority interests at 1 January	11,168	8,928
Disposals and additions	(8,233)	(1,461)
Share of profit for the year	453	3,556
Currency adjustment	(580)	145
Minority interests at 31 December	**2,808**	**11,168**

Note 21 Deferred tax

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
171,911	205,693	Deferred tax at 1 January	178,995	138,946
0	0	Deferred tax change due to pension adjustment	(6,412)	(4,135)
0	(22,039)	Deferred tax change due to corporation tax rate reduction	(23,868)	0
33,782	26,728	Deferred tax for the year	37,526	44,184
205,693	**210,382**		**186,241**	**178,995**
		Recognised in the balance sheet as:		
0	**0**	**Deferred tax assets**	**29,555**	**33,431**
205,693	**210,382**	**Deferred tax**	**215,796**	**212,426**
205,693	**210,382**		**186,241**	**178,995**
		Deferred tax assets concerns:		
0	0	Intangible fixed assets	307	223
0	0	Tangible fixed assets	1,714	9,854
0	0	Fixed asset investments	189	939
0	0	Current assets	56,518	13,731
0	0	Provisions	37,379	36,949
0	0	Debts	4,305	9,131
0	0	Tax-loss carryforwards	14,857	10,077
0	0	Offset within legal tax entities and jurisdictions	(85,714)	(47,473)
0	**0**		**29,555**	**33,431**
		Deferred tax concerns:		
14,502	13,333	Intangible fixed assets	16,114	15,347
(6,435)	1,314	Tangible fixed assets	1,480	1,313
0	0	Fixed asset investments	0	0
199,065	211,289	Current assets	272,350	217,622
(14,874)	(12,756)	Provisions	11,552	25,417
13,435	(2,798)	Debts	14	200
-	-	Offset within legal tax entities and jurisdictions	(85,714)	(47,473)
205,693	**210,382**		**215,796**	**212,426**

Note 22 Net pension benefit obligations

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

DKK '000	2007	2006
Number of people covered by the benefit plan		
Active staff	347	623
Retired staff	93	109
Total number of people covered by the benefit plan	**440**	**732**
Net pension plan assets and pension benefit obligations		
Estimated pension benefit obligation at 31 December	(229,369)	(277,099)
Plan assets at 31 December	155,731	206,900
Estimated fair value, net obligation at 31 December	**(73,637)**	**(70,199)**

to be continued

Note 22 Net pension benefit obligations - continued

DKK '000	2007	2006
Specification of net pension benefit obligations recognised in the profit and loss account:		
Pension earnings during the year	(10,443)	(15,739)
Interest expenses on accrued benefit obligations	(10,496)	(10,447)
Net pension obligation reduction relating to transition to defined contribution pension plan	9,324	0
Expected return on plan assets	9,986	9,455
Other changes in benefit obligations	(1,138)	(2,448)
Total benefit obligations recognised in the profit and loss account at 31 December	**(2,767)**	**(19,179)**
Benefit calculations are based on the following economic assumptions:		
Discount rate	5.10%	4.65%
Expected return	6.10%	5.65%
Salary adjustments	4.50%	4.00%
Long-term health regulation	4.30%	3.75%
Pension adjustments	2.50%	1.60%
Expected voluntary redundancy before 40 years of age	4.00%	4.00%
Expected voluntary redundancy after 40 years of age	2.00%	2.00%

In previous years, COWI A/S has approved defined benefit plans for a number of former and present members of management.
The value in use of these may be specified as follows:

Benefit obligations to present and former members of management in COWI A/S	**(29,500)**	**(29,500)**

Note 23 Other provisions

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
25,770	12,484	Guarantees at 1 January	19,634	33,692
0	0	Currency adjustment	237	(97)
(13,286)	3,024	Adjustment for the year	967	(13,961)
12,484	**15,508**	**Guarantees at 31 December**	**20,838**	**19,634**
7,596	7,596	Other provisions at 1 January	18,496	19,744
0	0	Currency adjustment	311	(520)
0	(1,581)	Adjustment for the year	(751)	(728)
7,596	**6,015**	**Other provisions made at 31 December**	**18,056**	**18,496**
20,080	**21,523**	**Total other provisions at 31 December**	**38,894**	**38,130**

Note 24 Long-term debt

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
351	1,859	Long-term debt falling due after more than 5 years	2,586	410
6,864	9,333	Long-term debt falling due later than 1 year and not later than 5 years	25,528	7,699
7,215	**11,192**	**Long-term debt at 31 December**	**28,114**	**8,108**

Note 25 Contingencies and other financial commitments

Contingent assets
According to the applied accounting policies, tax on profit for the year has been provided in the annual report based on the profit before tax adjusted for non-taxable items. The tax provided has subsequently been calculated on the basis of the current tax rate, which was 25 per cent at 31 December 2007. As a consequence of changed tax legislation relating to the Danish taxation of permanent establishments and branches abroad, COWI A/S has initiated a changed Danish tax statement of the income from foreign permanent establishments and branches for 2007 and previous years. The changed statement has not yet been finalised. At present, the changed Danish tax statements are expected to result in lower taxation for COWI A/S, but based on the data available it is not possible to quantify the amount. Therefore, the effect of the changed tax statements has not been recognised in the annual report for 2007.

PARENT COMPANY			GROUP	
2006	2007	DKK '000	2007	2006
		Contingent liabilities		
4,016	5,397	Lease commitments (operating leases)	24,642	16,284
191,801	172,299	Rental commitments in the period of termination	373,756	440,773
453,801	447,600	Recourse guarantees and performance bonds	448,393	454,588
37,749	36,468	Other guarantees and charges	72,268	86,606
		COWI A/S is liable for taxes on the Group's jointly-taxed profit		
		By virtue of its business operations, the COWI Group is a party to legal disputes that can be expected in the course of its business operations. Management continuously evaluates and provides for this, and in the opinion of management, no material liabilities are incumbent on the company as a consequence of this.		
		Guarantees		
		The following assets have been provided as guarantees to credit institutions:		
		Technical installations, operating and other equipment		
0	0	at a carrying amount of	22,557	22,300
		For guarantees, the following assets have been provided as security to credit institutions:		
50,577	50,000	Cash and cash equivalents at a carrying amount of	50,000	50,577
189,646	198,478	Securities at a carrying amount of	198,478	189,646

Furthermore, COWI A/S has a total guarantee facility of DKKm 745 on which DKKm 447.6 had been drawn at 31 December 2007 for performance bonds relating to projects in progress.

Note 26 Related party transactions

COWIfonden (the COWI Foundation) owns all A shares in the company and exercises a controlling influence on the company. COWIfonden does not carry on any independent business, and no material transactions are conducted between COWIfonden and the company.

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

Note 27 Board of Directors and Executive Board

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

Board of Directors	Directorships and executive functions in other companies	Shares in COWI A/S, nom. holdings
Ole Steen Andersen, Chairman	Auriga A/S (CB)	0
	BB Electronic A/S (CB)	
	Pharmexa A/S (CB)	
	HedgeCorp A/S (CB)	
	SPEAS A/S (MB)	
	AVK Holding A/S (MB)	
	HTCC Inc. (MB)	
	Sauer-Danfoss Bionics A/S (MB)	
	Sanistål A/S (MB)	
	Sandbjerg Gods (MB)	
Henrik Gürtler, Vice Chairman	Novo A/S (MD), Novozymes A/S (CB)	0
	Copenhagen Airports A/S (CB)	
	Novo Nordisk A/S (MB)	
Lars Hauge		8,800
Mogens Heering	CAT Alliance Ltd. (MB)	10,300
	Covitecma S.A. (MB)	
Victor Danielsen Norman	Samfunns- og næringslivsforskning AS (CB)	0
	Bergshav Shipholding A/S, Grimstad (MB)	
	Umoe AS, Oslo (MB)	
Majken Schultz	CBS, MBA (Professor & Associate Dean)	0
	Danske Bank A/S (MB)	
	Fonden Realdania (MB)	
	Dansk Selskab for Virksomhedsledelse (MB)	
	Reputation Institute, New York (MB)	
Henriette R. Bundgaard*		2,100
Niels Fog *		2,000
Jens Erik B. Jensen*		7,500
Executive Board		
Klaus H. Ostenfeld, President, CEO		17,900
Keld Sørensen, Executive Vice President, Finance		1,300
Henning H. Therkelsen, Executive Vice President, M&A		17,900
Lone Hass, Executive Vice President, HR		0
Lars-Peter Søbye, Executive Vice President, Denmark		7,400
Christian Nørgaard Madsen, Executive Vice President, Norway		0

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

Note 28 Cash and cash equivalents

GROUP DKK '000	2007	2006
Securities	198,868	191,297
Cash at bank and in hand	345,278	365,474
Cash and cash equivalents at 31 December	**544,146**	**556,771**
Committed undrawn credit facilities at 31 December not including guarantee facilities	177,816	184,220
Financial resources at 31 December	**721,962**	**740,991**

Statement by the Board of Directors and 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 2007 of COWI A/S.

The annual report has been prepared in accordance with the Danish Financial Statements Act. In our opinion, the accounting policies applied are appropriate and the accounting estimates made are adequate. Furthermore, we find the overall presentation of the annual report to be true and fair. In our opinion, the annual report gives a true and fair view of the Group's and the parent company's assets, liabilities, equity, financial position and results of the Group's and the parent company's activities and the Group's cash flows.

The annual report is recommended for approval by the Annual General Meeting.

Kongens Lyngby, 29 February 2008

Executive Board:
Klaus H. Ostenfeld, President, CEO
Keld Sørensen, Executive Vice President, Finance
Henning H. Therkelsen, Executive Vice President, M&A
Lone Hass, Executive Vice President, HR
Lars-Peter Søbye, Executive Vice President, Denmark
Christian N. Madsen,Executive Vice President, Norway

Board of Directors:
Ole Steen Andersen, Chairman
Henrik Gürtler, Vice Chairman
Lars Hauge
Mogens Heering
Victor D. Norman
Majken Schultz
Henriette R. Bundgaard *
Niels Fog *
Jens E. Blumensaadt Jensen *

* Elected by the employees

Independent auditor's report

To the shareholders of COWI A/S

We have audited the annual report of COWI A/S for the financial year 1 January - 31 December 2007, which comprises Management's Statement, Management's Review, significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company and consolidated cash flow statement. The annual report is prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of the annual report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the annual report 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 Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual report.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the financial position at 31 December 2007 of the Group and the parent company and of the results of the Group and parent company operations and consolidated cash flows for the financial year 1 January - 31 December 2007 in accordance with the Danish Financial Statements Act.

Kongens Lyngby, 29 February 2008

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab
Torben Haaning, State Authorised Public Accountant
Jacob F Christiansen, State Authorised Public Accountant

Company information

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DK-2800 Kongens Lyngby
Tel. +45 4597 2211
Fax +45 4597 2212
www.cowi.com
www.cowi.dk
cowi@cowi.dk
Company registration no. (CVR no.) 44 62 35 28
Registered address: Kongens Lyngby

Board of Directors

Ole Steen Andersen, Chairman
Henrik Gürtler, Vice Chairman
Lars Hauge
Mogens Heering
Victor D. Norman
Majken Schultz
Henriette R. Bundgaard
Niels Fog
Jens E. Blumensaadt Jensen

Executive Board

Klaus H. Ostenfeld, President, CEO
Keld Sørensen, Executive Vice President, Finance
Henning H. Therkelsen, Executive Vice President, M&A
Lone Hass, Executive Vice President, HR
Lars-Peter Søbye, Executive Vice President, Denmark
Christian N. Madsen, Executive Vice President, Norway

Auditing

PricewaterhouseCoopers
Strandvejen 44
DK-2900 Hellerup
Torben Haaning and Jacob F Christiansen

Annual General Meeting

The Annual General Meeting will be held on 15 April 2008 at the company address.

Mission

COWI focuses on supplying consultancy services within Engineering, Environment and Economics and activities that are associated with these areas.

Our objective is to deliver consultancy services of the highest quality.

We add significant value to:

- Our clients
  Because interaction with our clients enables us to provide them with the solutions that best meet their business requirements.
- Our employees
  Because we facilitate professional and personal development in an excellent working environment through challenging assignments.
- Our company and shareholders
  Because we create sound financial results and growth.

– with due respect for the environment and society.

Vision

The COWI Group's vision expresses the direction we want the company to take.

Strategic vision for COWI in 2010

COWI is a leading, innovative consultant within the 3 E's (Engineering, Environment and Economics), built on COWI leadership values.

- We work internationally and have a position as leading consultant in selected regions. The units of the Group cooperate in a close network.
- We prioritise the development of competitive, international specialist services, which are marketed by all units of the Group.
- We develop strong, value-generating and professional partnership-like relations with our clients and employees.

Ownership

The share capital amounts to DKK 34.75 million, consisting of DKK 20 million A shares and DKK 14.75 million B shares. The A shares carry ten votes for each DKK 100 share, whereas the B shares carry one vote for each DKK 100 share. All A shares are owned by COWIfonden (the COWI Foundation), which supports research and development within Danish engineering.

The insurance companies Ret til SEB Trygg Liv and Danica each owns DKK 4 million B shares, present and former employees own DKK 5.45 million, while COWIfonden owns DKK 0.36 million and COWI A/S the remaining DKK 0.94 million B shares.

New canal quarter for Copenhagen

During 2008, residents of the new development Sluseholmen in Copenhagen, Denmark, will have water flowing past their homes. Sluseholmen consists of eight man-made islands surrounded by canals. The one thousand residential properties, which were built according to a Dutch model, are of different sizes and colours and range from waterfront town houses to seven-storey apartment blocks. The Dutch architect Sjoerd Soeter, famous for similar projects in Amsterdam, is behind the design together with Danish architects Arkitema and 20 Danish facade architects. COWI delivered the electricity, plumbing and structural design contracts for six of the eight blocks and was responsible for the environmental assessments involved.

COWI DENMARK

Read about significant Danish projects and the vision for the largest region in the Group

COWI Denmark

Subsidiaries:
Ben C. Gerwick, Inc. (USA)
BST Østfyn A/S (Denmark)
Buckland & Taylor Ltd. (Canada)
Caribersa S.L. (Spain)
CAT Alliance Ltd. (UK)
COWI Belgium SPRL
COWI Belgrade Ltd.
COWI Consulting (Beijing) Ltd., Co.
COWI Korea Co., Ltd.
COWI Mapping UK Ltd.
COWI Moscow
COWI SNS Ltd. (Turkey)
Kampsax India Private Ltd.
Muusmann A/S Research & Consulting (Denmark)
Ocean & Coastal Consultants Inc. (USA)

Environmentally aware railway tracks

Denmark's busiest stretch of railway running between Copenhagen and Ringsted, some 70 kilometres south west of the capital, is set to have its capacity expanded. COWI is assisting the National Rail Authority by drafting a decision-making policy document that will take into account, among other things, how the increase in train traffic will impact on the environment and how that impact can best be cushioned. Some of the new track, for example, could be in a tunnel. Two proposals for the expansion are being considered, and the Danish Parliament will make a final decision in 2009.

The Playhouse as an architectural gift

Copenhagen's new Playhouse has received many positive comments from Danish architectural reviewers who consider it an architectural gift. In addition to providing construction management and engineering consultancy services, COWI has also contributed to the project by advising on environmental, hydrogeological, hydraulic engineering as well as energy and cooling technology matters. COWI developed an energy concept operated by seawater and using thermoactive structures in the building's concrete flooring to act as a heating and cooling system. The concept is expected to provide savings of approximately 40 per cent on heating, cooling and hot water.

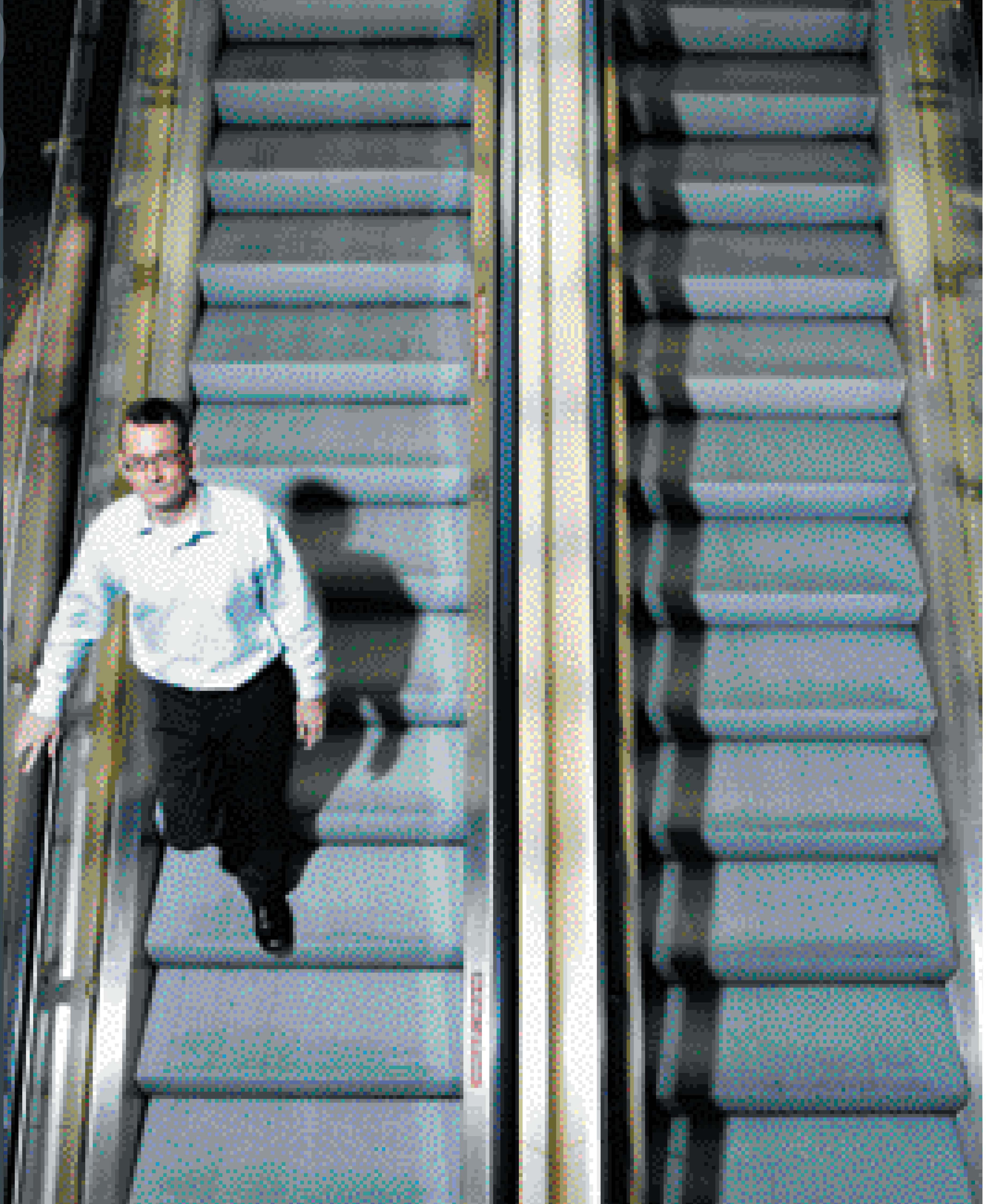
"Our aim is to be the customer's preferred choice of consultant. The vision for COWI Denmark is to provide services of unrivalled quality for all our projects. Our customers need to know that they are working with the best there is, and our employees need to know that there is no better team. Our aim is to build up partnerships and committed collaboration with our most important stakeholders. We aim to command the highest-quality competencies within engineering, environmental science and economics and to devise new, imaginative ways of combining these skills together with our international subsidiaries.

Our ambitions are in three areas:

1. In Denmark, where we are market leaders.
2. In COWI's four other regions, where we use various strategies for developing business.
3. At global level, where we provide professional specialists, develop our international subsidiaries and exchange knowledge within the COWI Group."

LARS-PETER SØBYE
EXECUTIVE VICE PRESIDENT **COWI DENMARK**
LPS@COWI.DK

COWI.DK



Challenges under ground

COWI is one of the consultants on the Cityringen project in Copenhagen, Denmark, a huge project to expand the city's underground railway system. To start with, the project calls for 40 openings to be made around the city

Michael Bindseil, COWI's project director for Cityringen, is rarely under ground himself as there is plenty to attend to above ground. The extension to the Copenhagen Metro is expected to be ready in about 2018. By then, some 300,000 passengers will be transported around under the city every day. The dense city centre, together with the heavy traffic, makes it impossible to bring the Metro up above ground.

COWI has entered into a joint venture with the British Arup and the French Systra companies to design all civil engineering structures for Cityringen. Together, this trio make up the world's most experienced consultants in the field of tunnelling and metro construction.

And experience is also one of the provisos for taking on the task, which in addition to 17 stations and 22 shafts includes 15 kilometres of bored tunnels 20-30 metres beneath Copenhagen. Michael Bindseil himself has previously been involved in designing the existing Metro and the Citytunneln in Malmö.

The great metropolis has to function

There are substantial challenges:

"We need to create more than 40 openings for stations, ventilation and emergency exits while the city still has to function. For this purpose the existing utilities such as phones, water, and eletricity will need to be relocated. We also need to keep a close eye on the groundwater and make sure the foundations of the city's old houses are not damaged," Michael Bindseil says.

A considerable part of his work in the years ahead will consist of coordinating and overseeing people and processes. COWI itself is contributing to the project organisation in the form of some 35 employees. The Cityringen project is one of Denmark's largest to date, amounting to more than EUR 2 billion.

Project director Michael Bindseil is paying a visit below ground. In the coming years, however, most of his time will be spent above ground coordinating people and processes.

More freight by rail

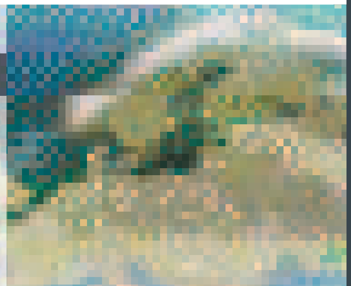
The Alnabru transport terminal in Oslo is a hub for Norway's road and rail transport needs, handling swap bodies, containers and semi-trailers. It has now reached the limits of its capacity, and so a new terminal is planned that will more than double the existing handling capabilities and become the most efficient in Europe.

The terminal will have a completely new logistics system and will be designed for the transhipment of loading units from rail to road and road to rail.

COWI Norway is advising the Norwegian National Rail Administration on the construction and civil engineering contracts.

COWI Norway

Subsidiaries:
Norsas AS (Norway)
OptiKon AS (Norway)



Major train station to be enlarged

Lysaker Station on the outskirts of Oslo is one of the largest railway stations in Norway in terms of passenger numbers. It will soon be expanded from two to four tracks with platforms. Work on the project will proceed while the station continues to operate both regional and local trains as well as an airport shuttle service.

COWI Norway has undertaken the planning and design contracts for the Norwegian National Rail Administration. These include all building and civil engineering works and technical systems except those specific to the running of trains.

COWI NORWAY

Read about significant Norwegian projects and the vision for the Norwegian region

Remote control of oil rigs

Norway's largest company, StatoilHydro, is about to build a futuristic, high-tech administrative complex in Bergen. The 40,000 m² build, which will accommodate 600 employees and include parking facilities, will be a control centre from where the activities of several North Sea oil rigs will be monitored simultaneously.

The building will have advanced communications equipment and will also be used for virtual conferences between employees on land and offshore, who will see each other on large wall-mounted screens and have access to the same data. This will facilitate faster decision-making and mean more efficient and safer operations at sea.

The project is in the clarification phase. COWI Norway is project manager for all building services such as fireproofing, electricity, automation, heating, venting and air conditioning.

“We wish to be one of the biggest and best consulting companies in Norway. This means our customers, partners and employees perceive our size and skills as positive contributions to a high standard of professionalism. COWI AS Norway is a leading and innovative consultancy company within engineering technology, environmental science and economics. We base our work on sound management values. We act responsibly and with a holistic approach in regard to society, our solutions, our competences and our business. We strive for reciprocal relationships with our customers, owners and employees.”

CHRISTIAN NØRGAARD MADSEN
MANAGING DIRECTOR **COWI NORWAY**
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COWI.NO

New hospitals for Norway

Across Norway, cranes tower over hospital construction sites. COWI Norway is involved in designing most of these new hospitals

Norway is currently engaged in a comprehensive programme of hospital construction. From north to south, the sight of heavy cranes in operation is a sign that Norwegians are investing millions of euros in both reconstruction and new construction projects. Norway's hospitals are old and outdated. Patients and staff demand better conditions, while the pressure to reduce operational costs is mounting.

COWI Norway has designed approximately 70 per cent of all recent hospital builds in Norway and is the leading consultant in the field. By far the largest project is the expansion of St. Olavs University Hospital in Trondheim.

Well-managed performance

"We have years of experience with construction projects in the health sector and in multi-disciplinary contracts. We are often winning new contracts because of our specialist competence in, and knowledge of, the processes involved in designing complicated builds. We are safe hands for steering a project from day one through each stage of execution," says Alvin Wehn, coordinator for health sector projects at COWI Norway.

Design and consultancy services related to electrical, plumbing, acoustics and fireproofing contracts are repeatedly entrusted to COWI.

"These builds involve advanced equipment using leading-edge technology, for example in the provision of security and building management systems. We keep abreast of the latest technological developments and provide consultancy from the vantage point of new and emerging knowledge. Our experience at managing projects successfully in terms of time, finances and quality also makes us a force to reckon with," says Alvin Wehn.

The health sector in Norway is undergoing rapid change, and represents a great opportunity for COWI.

"There is no doubt that construction projects for the health services will be one of our major growth areas," predicts Wehn.

COWI NO

"Construction projects in the health sector is a growth area for COWI's Norwegian consultants," says Alvin Wehn, coordinator for health sector projects.

Tallest residential building in Lithuania

From the end of 2008, a 34-storey apartment complex in the Lithuanian port of Klaipeda will offer its residents a unique view across the Baltic Sea. The building will be the tallest residential construction in Lithuania and the first high-rise block in Klaipeda. In charge of the construction is the local firm UAB Plienas, and COWI Baltic is responsible for all internal engineering works. Both fire prevention and the solutions for supplying residents with energy and cost savings reflect new trends within engineering as only very few high-rises have been built in Lithuania.

Better water supply in Latvia

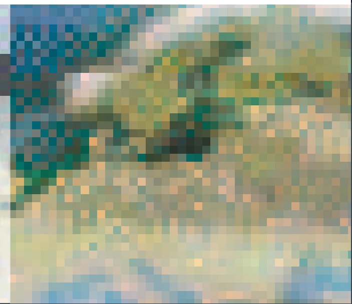
The residents of eight municipalities in the west of Latvia can look forward to enjoying a better and more stable supply of drinking water. The Latvian Ministry of the Environment has chosen COWI Latvia to manage a project to draw up a plan showing how drinking water can be successfully piped to 30,000 residents, irrespective of peak-load demands. Together with the Latvian company Udens Inzenieri – which COWI acquired in March 2007 – COWI will also be providing the hydraulic modelling (mathematical simulation of the water flow) in three of the eight municipalities. The contract is worth EUR 310,000, and the project will be completed by June 2008.

COWI EAST EU

Read about significant projects in Eastern Europe and the vision for COWI East EU

COWI East EU

Latvia
Lithuania
Poland
Hungary



Reform of public transport

The 170,000 citizens of Hungary's fourth largest city, Szeged, are to get more efficient and more environmentally friendly public transport. Those are the intentions behind a collaborative project between the Hungarian government and Szeged Municipality, which has hired COWI Hungary to devise a plan to improve and expand the existing system of trams and trolley buses and to map the projected impact on the environment. On the basis of this, the municipality will be applying for an EU subsidy to carry out the project. According to project manager Zsuzsanna Lehoczki, there has been no similar reform of Szeged's public transport since its tram system was created in 1908.

COWI EAST EU

“ COWI is one of the leading consultancy firms in Latvia, Lithuania, Poland and Hungary. The economic growth in the new EU countries brings a growing need for consultancy services in the fields of transport, water and environment, construction and energy. Our aim is to have established ourselves firmly by 2010 in at least five countries in East EU and employ more than 500 staff. We provide consultancy services to the public sector, at both national and local government levels, to private investors and to utility companies. COWI East EU companies specialise across a broad spectrum but maintain a focus on growth sectors. We can also draw on the international levels of expertise within the COWI Group. We distinguish ourselves at an individual local market level by combining international expertise with knowledge of local market conditions. ”

PETER HOSTRUP RASMUSSEN

VICE PRESIDENT **COWI EAST EU**

PRA@COWI.DK

Big ambitions in Lithuania

2007 rocketed COWI into the big time in Lithuania. Two new companies and 170 employees will be launching the consultants on a trajectory towards increased regional cooperation

Having able Lithuanian specialists who can work anywhere in the world; being a responsible consultant that delivers multi-disciplinary solutions and contributes to the building of Lithuania; and collaborating on world-class projects as part of international teams – that is the vision for the future if you ask COWI's two Managing Directors in Lithuania: Andrius Koncius of COWI Baltic and Edita Pavalkiene of Miestprojektas.

In 2007, steps were taken to turn that vision into more than just castles in the air.

The COWI Group acquired 95 per cent of the shares in Miestprojektas, specialists in architectural design, engineering, transport infrastructure and land-use planning. At the same time, COWI Baltic, the Group's company in Lithuania providing building engineering as well as environment and energy consultancy services, increased its size by acquiring the energy consultancy firm EKOstrategija. COWI Baltic and Miestprojektas now have a combined staff of 170, and the two companies are in the middle of an integration process that will eventually turn them into one company with offices in Lithuania's three largest cities: Vilnius, Kaunas and Klaipeda.

"The companies complement one another nicely, offering broad coverage. Eventually, we also want to offer economics as a service, as this forms part of all modern projects," Andrius Koncius says.

Potential for regional collaboration

Lithuania is one of four countries in COWI East EU. The region also includes companies in Hungary, Latvia and a newly-established company in Poland – and more are expected to follow. According to Andrius Koncius, the challenge in the years ahead will be to expand and enlarge cross-border cooperation within the region, as well as globally.

"Clearly, there is potential for collaboration in the region. The economic situation in the countries is roughly the same, so the difference in price level is not great. We're already collaborating on construction projects in Latvia. The great challenge will be to find a common project language. In most of the locally and EU-funded projects in the region, the project languages are local languages. English would be the obvious choice, but many people in Lithuania don't feel confident using foreign languages," he says.

That is why the companies are offering to send any interested employees on paid English courses, as long as the employees put the time in themselves. And in so doing, the managers hope to be able to boost their employees' self-confidence too.

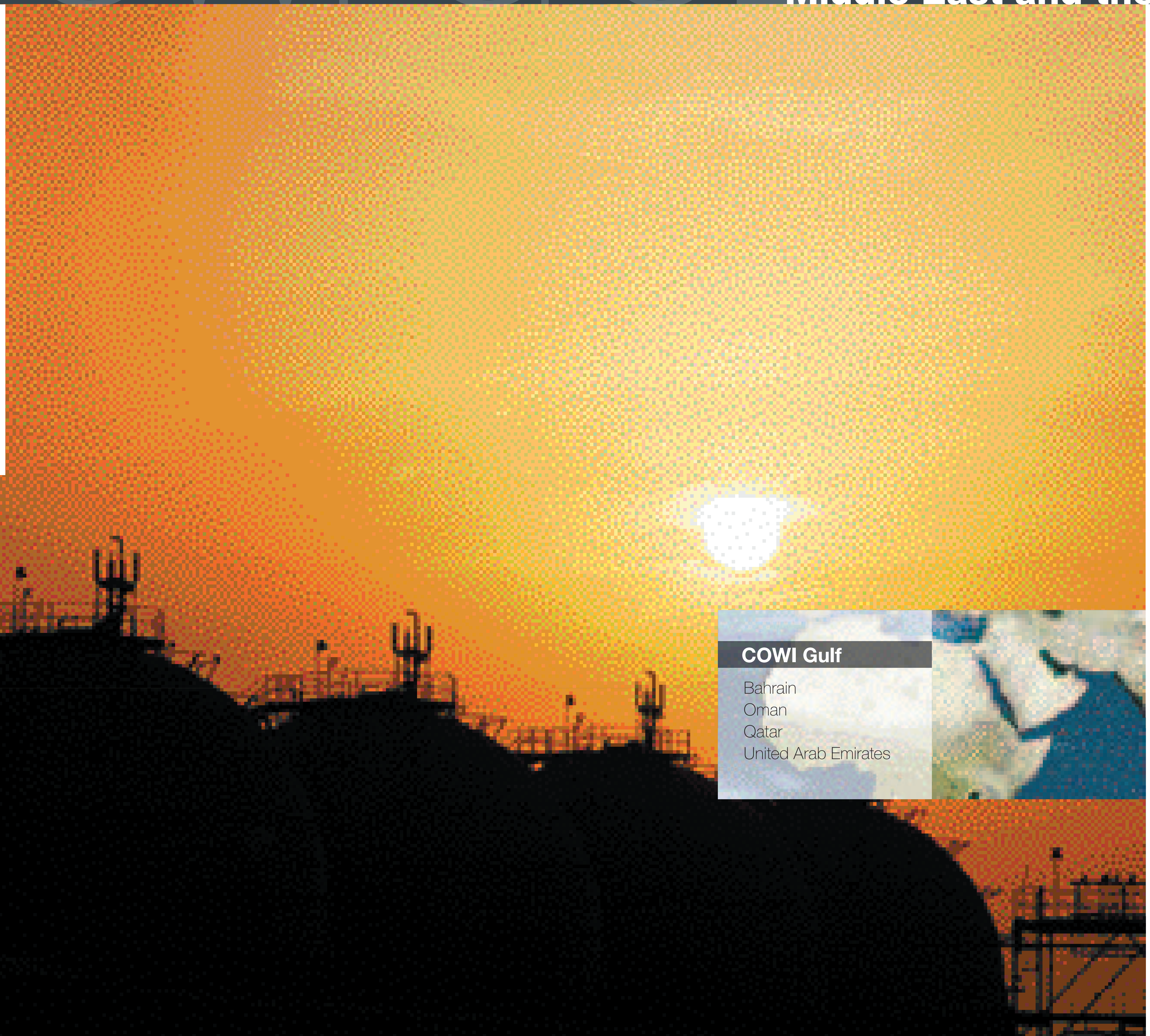
Andrius Koncius and Edita Pavalkiene, COWI's two Managing Directors in Lithuania, are looking forward to boosting their employees' self-confidence by improving their English skills.

COWI GULF

Read about significant projects in the Middle East and the vision for the Gulf

"Greenhouse gases" to be recovered

A project for Qatar Petroleum analyses the possibilities of recovering volatile organic compounds or "greenhouse gases" found in crude oil in the tank farm and terminal at Mesaieed, south of Qatar's capital, Doha. In part, the gas escapes when the oil is stored at a high temperature and loaded onto tankers, creating a smell nuisance and impacting on the ozone layer in the same harmful way as, say, CO_2. COWI has quantified the gas emissions during storing and loading. Based on calculations and a study of the whole supply chain from well-head to ship loading, COWI will propose solutions on how to handle vapour loss in the most cost efficient way while complying with international environmental standards.



Double dry-dock in the sea off Qatar

Eight kilometres offshore, Qatar Petroleum is building a giant double dry-dock, due for completion in 2010. The dry-dock – Nakilat Ship Repair Yard – lies off the port of Ras Laffan and will be capable of receiving the very largest vessels sailing with LNG, Liquefied Natural Gas. The project has a total value of USD 450 million. COWI is working on the project in a joint venture with Royal Haskoning UK and is responsible for the offshore design – including quays, foundation piles and block walls for the dry-dock – and the design of onshore buildings, project coordination and supervision.

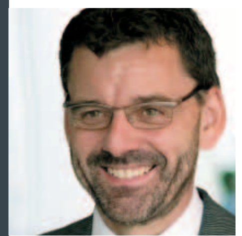
Twisting towers in Bahrain

Three unique twisting towers form the focal point of the luxurious Villamar waterfront residential development at the Bahrain Financial Harbour in Manama, Bahrain. Up to 52 stories high, the towers are flanked by elevated “sky villas”, landscaped with pools, waterfalls and parks. The USD 650 million development is financed by Residential South Real Estate Development Company S.P.C., and COWI is involved as structural consultant with specialist high-rise services being supplied by sub-consultant Van De Mer. COWI’s services include liaising with authorities to comply with local building regulations and applying for approval permits, structural design services, durability design, post-contract supervision and the design of entrance and exits from the Villamar site. The project is to be completed by 2010.

COWI GULF

“Our core competences are in engineering, environmental science and economics. We are putting these to use on many large, complex and dynamic projects in the Gulf region. The way we operate, our customer relations and our teamwork are key to us. A high standard of professionalism and ethics are two sides of the same coin: good teamwork means good business. In order to maintain this, we are constantly developing our project people, growing their specialist skills and supporting them with ongoing improvements to our internal infrastructure. We offer our customers on-time delivery and high-quality services for every project or activity.”

ERVIN NORDAHL HAUKROGH
VICE PRESIDENT **COWI GULF**
ENH@COWI.DK



"Given COWI's position in the growing market for waterfront development in the Gulf, the sky is the limit," says Jesper Damgaard, Managing Director of COWI's offices in the United Arab Emirates.

Experts in man-made islands

Fantastically shaped artificial islands, glamorous new districts on reclaimed land, and lagoons and luxurious marinas are mushrooming in the Gulf at an explosive rate

The Pearl of the Gulf. Lusail. The Lagoons. Al Zorah. The names of some of the large-scale land reclamation and construction projects in progress in the Gulf States are just as exotic as the projects themselves. These are prestigious, multi-billion dollar ventures.

"In the Gulf, money goes looking for projects, not vice versa. In particular, high oil prices have meant that the Gulf is enjoying colossal growth. There is a strong desire to invest money and a political will to force projects through. We are seeing development within hydraulic and marine engineering, properties, infrastructure as well as oil and gas," says Jesper Damgaard, Managing Director of COWI's offices in the United Arab Emirates (UAE).

Some of the most eye-catching of these projects are waterfront developments, i.e. land reclamations and man-made islands, and here COWI occupies a very strong position in the market. Through local offices and companies in Bahrain, Oman, Qatar and the UAE, COWI is involved in several of the really big waterfront assignments.

"We've had a presence in the Gulf for over 30 years, so we can offer customers a combination of profound technical expertise, local knowledge and cultural appreciation," Jesper Damgaard says.

"We're familiar with the local issues that projects run up against, such as great pressure of time because the investors are impatient to get a return on their investment, or changes to the project base while the project is in progress. We've been in the Gulf long enough to be able to work on those terms. That is reassuring for our customers, who are typically focused on limiting or controlling their risks."

Unlimited perspective

It looks like the many artificial islands emerging from the ocean will not be the last. The UAE has earmarked USD 500 billion for leisure projects. Since coastal locations have a high appeal in the Emirates, more money is likely to be spent on waterfront development.

"Given the position in the market COWI has now, the sky is the limit for the future. The main restriction to realising it is not being able to recruit enough qualified staff. Even though we are looking worldwide, it is still a challenge to find employees that meet our standards," Jesper Damgaard says.

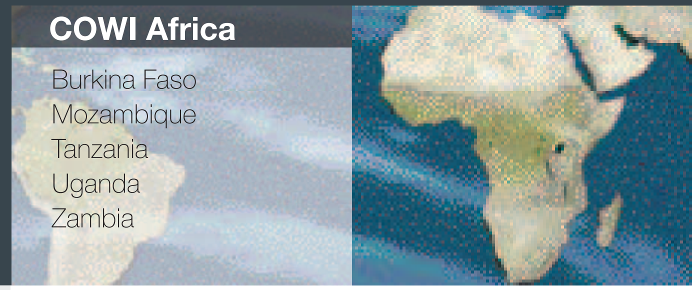
He himself is spending much of his time right now setting up more new COWI offices in the UAE. The local presence that has given COWI its present position in the Gulf is set to remain at least as important in the future.

Read about significant projects in Africa and the vision for the African region

COWI AFRICA

COWI Africa

Burkina Faso
Mozambique
Tanzania
Uganda
Zambia



Water sharing in the Kagera River Basin

How will the valuable water resources in the Kagera River Basin in central Africa be shared and protected in the future? A study undertaken by COWI Uganda is reviewing the legal, political, institutional, environmental and sociological trans-boundary issues concerning the Kagera River. The river is shared by Rwanda, Burundi, Tanzania and Uganda. The objective of the study is to prepare a joint co-operative framework between the four countries that can manage and develop shared resources and minimise and mitigate conflicts owing to differing legal, political and institutional climates. The project is run by the Nile Basin Initiative, a regional group of nine countries with Sweden's SIDA and Norway's NORAD as key donors.

More power to the citizens

A new initiative worth USD 13 million is intended to enable Mozambique's citizens to monitor and interact with those in power. Even by African standards, Mozambique has a weak civil society, and its poorest citizens struggle to influence political decisions that affect their own lives and futures. That is why the Civil Society Support Mechanism (CSSM) provides support to civil society organisations seeking, in one way or another, to foster democratic governance in Mozambique. AustralCOWI administers the scheme, which is funded by the British government's Department for International Development (DFID) along with Irish Aid. The project will run for five years.

Better roads for Tanzania

Traffic is increasing along Tanzania's "Great Northern Corridor", which runs from the Kenyan border in the north to the TANZAM highway at Iringa in Tanzania. Two sections of just under 400 kilometre road have deteriorated to a point where they are being considered for rehabilitation and upgrading.

The road projects are intended, among other things, to stimulate economic development in the country by improving access to markets and health services. COWI is in charge of the preliminary and detailed design. The projects have been put out to tender by the Tanzania National Roads Agency (TANROADS) with financial support from the Nordic Development Fund (NDF).

THE VISION FOR COWI AFRICA

"We wish to be a leading consultant in development assistance, advising bi- and multilateral assistance organisations. With more than 40 years' presence in Africa, we have a particularly good knowledge of the challenges facing the development process. In the countries in which we are represented, we rank among the top players in the local business environment, in addition to which the whole of the COWI Group's international expertise is available to our customers. Our customers must know us as a consultant with an in-depth knowledge of the international agenda for development aid, and they must perceive that they are collaborating with the best in the business. Employees must perceive that they are being given the best opportunities for developing professionally and working in an international environment."

COWI AFRICA

JAN M. KIELER
VICE PRESIDENT **COWI AFRICA**
JMK@COWI.DK

"Our vision is to cultivate COWI companies in Africa which have their roots firmly planted in the continent's red soil, but with leaves stretching towards the sky," says Marcus Wattam, Managing Director of COWI Uganda.

COWI AFRICA

From hunters to farmers

Africa is changing, and as consultants we must change as well in order to retain a foothold in the market place

In the past, being an international consultant in Africa was rather like being a hunter. You tracked down a contract, moved in with some experts, hired some locals temporarily, and when it was all over you left with the trophies. Arrive, hunt, dine and move on to new pastures. Today, the situation is quite different. More and more "hunters" tend to become "farmers" who remain in Africa, develop local affiliations and nurture the market. This is the image Marcus Wattam, Managing Director of COWI Uganda, conjures up when describing the major changes currently being experienced by international consultants.

"Africa is changing. It is becoming more peaceful, and in the long term it is expected to become a continent with high economic growth. Our sponsors are indicating a willingness to increase their donations to Africa. This means that the market is developing, which is encouraging us to develop more companies in Africa," says Wattam.

In 2007, COWI launched a new strategy that focused on strengthening our national presence on the continent. The COWI Group already has companies in Uganda, Tanzania, Mozambique, Burkina Faso, Zimbabwe and Zambia. In these and other locations, COWI has acquired national businesses, is investing in developing human resources and is increasing the number of employees. In Uganda, where COWI has been represented for 17 years, Marcus Wattam intends to double the size of his staff from 20 to 40.

"We are sending a strong signal by taking on permanent staff. It shows the market and potential employees that we see a future in the country and are willing to take a risk."

One of the greatest challenges Uganda faces is the shortage of management competencies. COWI is therefore offering management training, such as project management, to employees in Uganda. The company is also generating synergy and cooperation between the COWI companies in Africa as well as those in the rest of the COWI Group. According to Marcus Wattam, things are progressing very quickly:

"Just over a year ago we completed a water sector project in Uganda for the Global Partnership for Output Based Aid, where we combined national knowledge with expertise from Denmark. Now COWI is running a similar project in Tanzania – this time with COWI Uganda providing quality assurance. The experience we gained in Uganda can now be used in other parts of Africa and further afield."

The new COWIportal is COWI's lifeblood, and Henrik Steen Pedersen believes it will strengthen the company's collaborative spirit and effectiveness across countries, companies and business areas.

CUSTOMERS AND MARKETS

RESOURCES

1 Public-sector customers
2 Semi-public customers
3 Private customers
4 Other customers
5 Individual customers
6 International projects
7 International customers

New portal strengthens cooperation

COWIportal, the new internal platform that integrates a number of IT systems, will improve cooperation between staff and customers. So believes Henrik Steen Pedersen who has been involved in the development of the project part of the portal

"We don't know of any other player in the consultancy sector that has developed as extensive a portal as the COWIportal," explains Henrik Steen Pedersen who has helped to develop the project side of the new, internal platform that integrates several IT systems at COWI, from the intranet and financial control to project pages and e-mail. He continues: "In project terms, the new portal is unique because all phases of a project are gathered in the same place. Previously, data was spread across different systems depending on the status of the project. Now, everyone at COWI can follow a project from start to end, and project managers can keep a much closer eye on finances than before."

By 2010, all 4,000 employees in COWI's regions around the world will be connected to the portal. Initially, it will be accessible in Denmark, Norway and Lithuania with other companies and regions following suit over time. The portal is an internal tool for news, project overviews and employee communication, but customers and collaboration partners will also have access to it.

"External partners previously had access to selected COWI project pages via a special section of the website. With the advent of the portal, external parties will have access to additional elements, including the e-mail and calendar functions. The advantage is that everyone involved in a project will have access to the same schedule and the same up-to-date documents. This means, for instance, that minutes won't go out by e-mail in 12 different versions."

Henrik Steen Pedersen is convinced that the benefits of the COWIportal will quickly become evident:

"Gathering all the information in one place where it can be accessed by all employees in different countries, companies and business areas will strengthen our working procedures, collaborative spirit and effectiveness."

2007

CUSTOMERS AND MARKETS

	Accounts	2007	2006	2005
Resources	1 Public-sector customers	35%	37%	40%
	2 Semi-public customers	8%	7%	9%
	3 Private customers	45%	44%	42%
	4 Other customers	12%	12%	9%
	5 Individual customers, number	2,069	1,726	1,634
	6 International projects	33%	33%	32%
	7 International customers	22%	20%	19%
Processes	8 Lectures per 100 employees, number	30	33	34
	9 Publications per 100 employees, number (*)	4	4	9
Results	10 Customer inflow	46%	34%	30%
	11 Customer outflow	16%	21%	20%

Customers and markets

1–4 Share of the year's project salary costs by customer category. "Other customers" includes international organisations, joint ventures etc.

5 Customers in the year with independent organisational status – own CVR number (Denmark) or VAT number (elsewhere).

6 Share of the year's project salary costs incurred on projects located/delivered outside Denmark.

7 Share of the year's project salary costs incurred on projects for non-Danish customers.

8 Number of external lectures per 100 employees recorded in the course of the year.

9 Number of publicly available publications per 100 employees recorded in the course of the year.

10 Share of customers in the year who are either new to COWI or former customers for whom COWI did not work in the preceding year. The number refers to the number of customers at the end of the preceding year.

11 Share of customers in the preceding year for whom COWI did not work in the financial year. See note 10.

General
A. Unless otherwise stated in the notes to the indicators, figures are as per the end of the accounting period.
B. Units are specified in the table by the title of the indicator or in the notes to the indicators.

Accounting policies
C. This Intellectual Capital Report (ICR) relates to the parent company, COWI A/S.
D. The accounting period tracks the financial year: 1 January to 31 December.
E. As in 2006, the ICR is structured according to the legal entities: staff, customers and company; and according to what we possess (resources), what we do (processes) and what we achieve (results).
F. All customers, projects and employees who have a contractual relationship with COWI are included, irrespective of geographical location or type of contact, but excluding staff at local offices outside Denmark.
G. Indicators are – unless marked (*) – based on transaction data on customers, projects and employees held in COWI's central administrative systems.
H. Data has been collected and consolidated during a period after the end of the financial year, after which the ICR was closed. The final indicators are stated as at 20 January 2008.
I. The ICR includes post-entries for the financial year 2006. Transactions in 2007, which are not included, will be post-entered in 2008.
J. The basic data is consistent with the financial accounts.
K. The externally published ICR is consistent with internal ICRs at department, business unit and company levels.
L. The ICR has not been externally audited. All definitions, calculations and results have been documented for administrative purposes.
(*) See note G

INTELLECTUAL CAPITAL REPORT

Previously, Laila Krytz would wait for the customers to call her. Now, she picks up the phone herself and offers consultancy services – also outside her own area of expertise.

ORGANISATION

PROCESSES

18 Interdisciplinary collaboration: technical training
19 Interdisciplinary collaboration: natural sciences
20 Interdisciplinary collaboration: social sciences
21 Trading within COWI Group
22 Staff exchange within COWI Group
23 Long-term postings
24 Development activity, externally funded
25 Development activity, internally funded

Business match-makers enhance our performance

An internal, business matchmaking course has improved Senior Project Manager Laila Krytz's direct sales approach and helped her spot opportunities for consultancy services outside her own sphere of operation

Senior Project Manager Laila Krytz feels she has learned to "break down professional borders and think outside the box" after taking part in the business matchmaking course, a one-year internal training programme at COWI:

"I used to find it difficult to think outside my own area – namely roads – when trying to come up with new ideas for consultancy services for existing or potential customers. Now, however, because I met colleagues from other business areas during the course and got to know the skills they possess, I automatically think consultancy services such as environment, planning, visualisation and economics into a tender."

The aim of the business matchmaking course has been to bring employees together across COWI's seven business units in order to get them to collaborate on new or combined services. Participants were also trained to improve their direct sales techniques.

In addition to expanding her professional network at work, Laila Krytz has become far bolder in her approach to customers.

"I have had a tendency to wait for customers to call me. And whenever I was the one doing the calling, I would have prepared carefully in advance what I could offer customers in terms of services in my own area of expertise. Now, I start with the premise that I can't know everything. By talking to customers, however, I can get a feel for their needs and then draw on my expanded network to prepare a proposal containing a broad offering of consultancy services."

She has put her new skills to the test with a new potential customer:

"I have overall responsibility for road projects in Africa. I contacted a previous customer in Zambia to learn more about their plans in the country. As a result of this, we have agreed that they will visit our Zambia office to discuss potential collaboration opportunities."

She believes the business matchmaking course has had a huge effect. "I have become a better consultant, and I believe our customers see us as even more competent players."

2007

ORGANISATION

	Accounts	2007	2006	2005
Resources	12 Specialist networks, number (*)	40	59	58
	13 Staff participation in specialist networks (*)	27	21	20
	14 "Best practice" on the Intranet, number (*)	1,228	1,197	1,022
	15 Projects per employee, number	17	17	18
	16 Active projects, number	6,422	6,573	5,326
	17 Average turnover per project (DKK 1,000)	1,138	1,123	1,167
Processes	18 Interdisciplinary collaboration: technical	16%	14%	15%
	19 Interdisciplinary collaboration: natural sciences	53%	50%	51%
	20 Interdisciplinary collaboration: social sciences	46%	44%	45%
	21 Trading within COWI Group	4.9%	6.3%	8.6%
	22 Staff exchange within COWI Group	0,6%	0.7%	0.2%
	23 Long-term postings	9,2%	8.9%	7.9%
	24 Development activity, externally funded	6.9%	6.9%	6.3%
	25 Development activity, internally funded	1.2%	1.2%	1.0%
Results	26 QA audits per 100 employees, number	2.2	3.3	4.6
	27 Costs arising from external errors	1.3%	0.1%	0.4%

Organisation

12 Number of registered, internal specialist networks at corporate level or within individual business units.

13 Proportion of employees forming part of one or more registered internal specialist networks.

14 Number of "best practice" statements which can be accessed on COWI's Intranet.

15 Average number of active external projects worked on by an employee during the year.

16 Number of active external projects.

17 Average budgeted fee (in DKK 1,000) per project, excl. VAT and reimbursables, incl. the year's active projects.

18 Average share of project activity for economists, biologists etc. on projects involving employees with technical qualification(s).

19 Average share of project activity for economists, engineers etc. on projects involving employees with natural sciences qualification(s).

(*) See note G on page 82

20 Average share of project activity for engineers, biologists etc. on projects involving employees with social sciences qualification(s).

21 Share of the COWI Group's total turnover invoiced from or to a foreign enterprise in the COWI Group. Most of our trading is with Kampsax A/S and affiliated enterprises.

22 Proportion of employees posted to or from a foreign enterprise in the COWI Group.

23 Proportion of employees on long-term postings to a foreign company in the COWI Group, permanent COWI offices or project offices abroad.

24–25 Overall development activity on external or internal projects by comparison with overall project activity.

26 Number of internal and external quality audits per 100 employees.

27 Share of turnover used for rectifying external errors and omissions reported in the year, i.e. after project approval.

Knowledge sharing makes for clever marketing

When Senior Project Manager Per Tybjerg Aldrich chooses to publish his articles on COWI's website, he does so both to share knowledge and to brand the company

Knowledge sharing is an important prerequisite for Senior Project Manager Per Tybjerg Aldrich's work. "When you're involved in research and development in the context of the working environment, as I am, much of your work is dependent on others being willing to share their knowledge. In return, they expect you to do the same."

Since 2001, when he started at COWI, he has shared his knowledge with others by uploading 20 of his publications to COWI's website where selected reports and articles written by COWI's employees can be found. These publications also form part of the company's Intellectual Capital Report (ICR).

The subjects of Aldrich's articles range from seniors in the workplace, stress and the costs associated with the working environment – topics that have led to a number of enquiries from journalists, students, potential customers and knowledge institutions. The publications have also resulted in several lectures.

"In 2007 alone, I gave ten lectures on the basis of a report on occupational health and safety management accounting, which I prepared for the Danish Working Environment Council." He acknowledges that interest in the articles is due not just to the fact that his publications are accessible on COWI's website, but also on customers' websites, as customers are generally also interested in results being distributed widely. He believes that knowledge sharing not only creates synergy, but is a way for both him and COWI to brand themselves.

"When COWI's expertise is made available in the form of research reports, we signal that we're at the forefront of our field. That makes us more attractive to potential customers and collaboration partners. That's intelligent marketing, because the data in reports is more credible and applicable than the information found in newsletters and service data sheets."

Aldrich believes there is another aspect, too: "By sharing our knowledge with others, we contribute to the development of our society and show that we are not just interested in profits."

RESULTS

EMPLOYEES

Per Tybjerg Aldrich's many articles are available on the Internet. He has received a lot of positive feedback, which indicates that COWI stands out from the competition as a result of our focus on the working environment.

EMPLOYEES

	Accounts	2007	2006	2005
Resources	28 Employees, number	2,196	1,969	1,879
	29 Women	34%	32%	32%
	30 Men	66%	68%	68%
	31 Average age, years	43.9	44.2	44.5
	32 Length of education/training, years	5.6	6.0	6.3
	33 Length of education/training, written down	3.7	3.9	4.1
	34 Employees with top qualifications	4.0%	4.0%	4.1%
	35 Higher education, technical	55%	56%	54%
	36 Higher education, natural sciences	6%	5%	5%
	37 Higher education, social sciences	9%	10%	9%
	38 Other higher education	6%	6%	5%
	39 Work experience, years	16.8	17.5	17.2
	40 Length of service with COWI, years	9.5	10.4	10.9
	41 Project management capacity, all projects	57%	60%	61%
	42 Project management capacity, major projects	35%	38%	40%
	43 Project management capacity, internat. projects	24%	26%	26%
	44 International travel for COWI	22%	24%	25%
Processes	45 Ongoing training activity (*)	1.1%	0.5%	0.8%
	46 Travel activities abroad	6.1%	5.4%	6.8%
Results	47 Employee inflow	26%	18%	11%
	48 Employee outflow	14%	13%	13%
	49 Employee satisfaction index (*)	n/a	67,3%	n/a
	50 Sick leave	2.6%	2.5%	2.5%
	51 Employees with shares in COWI (*)	31%	37%	42%
	52 Engineering students' favourite employer, rank (*)	5	13	7
	53 Soc. sciences students' favourite employer, rank (*)	42	52	39
	54 Employee flexibility	6%	5%	6%
	55 Company flexibility	7%	6%	6%

2007

Employees

28–31 Number of employees, gender and average age.

32 Average length of formal education/training after compulsory education.

33 Average length of education/training written down to 50 per cent of initial value after 35 years.

34 Proportion of employees with top qualifications (LLB/PhD or other doctorate, MBA/MPA).

35–38 Proportion of employees with higher educational qualifications in technical disciplines, natural or social sciences or other top qualifications (BSc or MSc).

39 Employees' average work experience since leaving formal education.

40 Employees' average length of service with COWI.

41 Proportion of employees who have been project managers within COWI.

42 Proportion of employees who have managed COWI projects with a fee in excess of DKK 1 million.

43 Proportion of employees who have been project managers on international projects within COWI.

44 Average foreign travel activities since joining COWI. Employees reach 100 per cent at 200 travel days.

45 Ongoing training and development activities (courses, conferences etc.) as a proportion of total fixed working hours.

46 Proportion of fixed working hours spent as travel days abroad. Baseline: 220 working days per full-time employee per annum.

47-48 Inflow and outflow of employees in the year as a proportion of the number of employees at the end of the preceding financial year, incl. project-specific staff.

49 Employee satisfaction index based on weighted average of employees' responses to climate survey. The index is derived from weighting satisfaction against the importance of a given issue. No satisfaction index was calculated in 2005.

50 Sick leave as a proportion of total fixed working hours. Excludes maternity/paternity leave and leave for first day of child's sickness.

51 Proportion of current staff with shares in COWI.

52 COWI's place on the list of "Students' favourite employer" according to a Universum survey of engineering students.

53 COWI's place on the list of "Students' favourite employer" according to a Universum survey of students of business studies and social sciences.

54 Working hours over and above the standard number of hours in relation to the daily norm. Every day in the period is analysed.

55 Working hours falling short of the standard hours, as a proportion of the daily norm. Every day in the period is analysed.

(*) See note G on page 82

COWI'S ORGANISATION AND PHOTO GALLERY OF COWI'S MANAGEMENT

>

COWI'S ORGANISATION

Board of Directors

Executive Board

Central services

COWI Denmark

COWI Norway
- Region Central/ North
- Region West
- Region East
- Norsas AS
- OptiKon AS

COWI Gulf
- COWI UAE
- COWI GULF W.L.L. (Bahrain)
- COWI & Partners LLC (Oman)
- COWI A/S Qatar

COWI East EU
- UAB COWI Baltic (Lithuania)
- COWI Hungary
- COWI Latvia
- COWI Polska
- AB Miestprojektas (Lithuania)

COWI Africa
- Development Planning
- AustralCOWI Lda. (Mozambique)
- COWI Afrique Francophone (Burkina Faso)
- COWI Tanzania
- COWI Uganda
- COWI Zambia

Economics and Management	COWI Belgium SPRL, COWI Belgrade Ltd., COWI Moscow, COWI SNS Ltd. (Turkey), Muusmann A/S Research & Consulting (Denmark)
Water and Environment	BST Østfyn A/S (Denmark), CAT Alliance Ltd. (UK)
Geographical Information and IT	Caribersa S.L. (Spain), COWI Mapping UK Ltd., Kampsax India Private Ltd.
Railways, Roads and Airports	
Bridge, Tunnel and Marine Structures	Ben C. Gerwick, Inc. (USA), Buckland & Taylor Ltd. (Canada), COWI Korea Co., Ltd., Ocean & Coastal Consultants Inc. (USA)
Building and Operation	
Industry and Energy	COWI Consulting (Beijing) Ltd., Co.

Danish regions:
Mid Jutland
North Jutland
South
Zealand

COWI GROUP

Employees – B shares

COWIfonden (the COWI Foundation) – A shares

SEB Trygg Liv and Danica – B shares

Danish offices

Lyngby *(head office)*

Esbjerg
Holstebro
Kolding
Odense
Ringsted
Silkeborg

Svendborg
Vejle
Viborg
Århus
Aabenraa
Aalborg

Wholly and partly owned companies

AustralCOWI Lda.
Maputo, Mozambique (100%)

Ben C. Gerwick, Inc.
San Francisco, California (96.4%)

BST Østfyn A/S
Odense, Denmark (100%)

Buckland & Taylor Ltd.
Vancouver, Canada (100%)

Caribersa S.L.
Madrid, Spain (100%)

CAT Alliance Ltd.
London, UK (33%)

ComputIT AS
Trondheim, Norway (46%)

Covitecma S.A.
Madrid, Spain (25%)

COWI & Partners LLC
Ruwi, Oman (65%)

COWI AB
Gothenburg, Sweden (100%)

COWI Afrique Francophone
Ouagadougou, Burkina Faso (100%)

COWI AS
Oslo, Norway (100%)

UAB COWI Baltic Consulting Engineers and Planners
Vilnius, Lithuania (100%)

COWI Belgium SPRL
Brussels, Belgium (100%)

COWI Belgrade Ltd.
Belgrade, Serbia (100%)

COWI Consulting (Beijing) Ltd., Co.
Beijing, China (100%)

COWI Consulting Engineers and Planners Ltd.
Dar es Salaam, Tanzania (100%)

COWI GULF W.L.L.
Manama, Bahrain (90%)

COWI Hungary Ltd.
Budapest, Hungary (100%)

COWI Korea Co., Ltd.
Seoul, Korea (60%)

SIA COWI Latvia
Riga, Latvia (100%)

COWI Mapping UK Ltd.
Stroud, UK (100%)

COWI Moscow, representative office of COWIconsult International Ltd.
Moscow, Russia (100%)

COWI Polska Sp. z o.o.
Wroclaw, Poland (100%)

COWI SNS Ltd.
Istanbul/Ankara, Turkey (100%)

COWI Uganda Ltd.
Kampala, Uganda (100%)

COWI Zambia Ltd.
Lusaka, Zambia (100%)

ETC Transport Consultants GmbH
Berlin, Germany (100%)

Kampsax India Private Ltd.
New Delhi, India (100%)

AB Miestprojektas
Kaunas, Lithuania (96%)

Muusmann A/S Research & Consulting
Copenhagen, Denmark (100%)

Norsas AS
Oslo, Norway (100%)

Ocean & Coastal Consultants Inc.
Trumbull, Connecticut, USA (100%)

OptiKon AS
Gamle Fredrikstad, Norway (100%)

Sven Allan Jensen A/S
Aalborg, Denmark (100%)

Synkarion AS
Kråkerøy, Norway (34%)

COWI's management

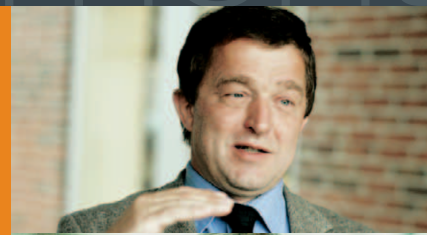
2007

BOARD OF DIRECTORS

Ole Steen Andersen
Chairman
Born 1946. MSc (Engineering) and Vice President of Danfoss.
Board member since 1992.

Henrik Gürtler
Vice Chairman
Born 1953. MSc (Chemistry) and Managing Director of Novo A/S.
Chairman of the Boards of Directors of Copenhagen Airports A/S and Novozymes A/S.
Member of the Board of Directors of Novo Nordisk A/S.
Board member since 2000.

Lars Hauge
Born 1962. MSc (Engineering) and with COWI since 1990.
Board member since 2006.



Mogens Heering
Born 1950. BSc (Engineering, Hons) and with COWI since 1976.
Board member since 2007.

Victor Danielsen Norman
Born 1946. MA (Economics) and PhD (Education, Learning and Productivity).
Professor at the Norwegian School of Economics and Business Administration.
Board member since 2006.

Majken Schultz
Born 1958. MA (Political Science) and PhD.
Professor and Associate Dean at the Copenhagen Business School and partner in Reputation Institute.
Board member since 2005.

Henriette R. Bundgaard
Elected by the employees
Born 1968. Graduate Diploma in Business Administration (Accounting). With COWI since 1993 and board member since 1998.

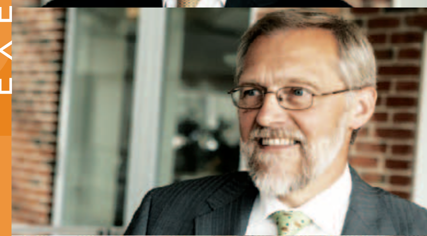
Niels Fog
Elected by the employees
Born 1960. MSc (Engineering) and with COWI since 1996.
Board member since 2006.

Jens Erik Blumensaadt Jensen
Elected by the employees
Born 1956. MSc (Engineering) and with COWI since 1987.
Board member since 2006.

EXECUTIVE BOARD

Klaus H. Ostenfeld
President, CEO
Born 1943. MSc (Engineering).
With COWI from 1966-70 and again since 1977.

Keld Sørensen
Executive Vice President, Finance
Born 1956. MSc (Political Science) and Graduate Diploma in Management Accounting.
With COWI since 2000.



Henning H. Therkelsen
Executive Vice President, M&A
Born 1946. MSc (Engineering), PhD and with COWI since 1977.

Lone Hass
Executive Vice President, HR
Born 1962. MSc (Business Economics and International Development) and PhD.
With COWI from 1990-93 and again since 2007.

Lars-Peter Søbye
Executive Vice President, Denmark
Born 1960. MSc (Engineering) and with COWI since 1986.

Christian Nørgaard Madsen
Executive Vice President, Norway
Born 1963. MSc (Engineering) and with COWI since 2003.

COWI DENMARK

Lars-Peter Søbye
Executive Vice President, Denmark
Born 1960. MSc (Engineering)
and with COWI since 1986.

Stig P. Christensen
R&D Director, COWI Denmark
Born 1954. MSc (Mathematics and
Economics) and with COWI since 1980.

Knud Erik Christensen
Vice President, Economics and Management
Born 1962. MSc (Agricultural Economics)
and with COWI since 1999.

Mogens Heering
Vice President, Water and Environment
Born 1950. BSc (Engineering, Hons)
and with COWI since 1976.

Rasmus Ødum
Vice President,
Geographical Information and IT
Born 1965. MSc (Agricultural Economics)
and with COWI since 1997.

Jens Christoffersen
Vice President, Railways, Roads and Airports
Born 1968. MSc (Engineering), PhD
and Graduate Diploma in Finance.
With COWI since 1995.

Anton Petersen
Vice President, Bridge, Tunnel
and Marine Structures
Born 1950. MSc (Engineering)
and with COWI since 1975.

Steffen Gøth
Vice President, Building and Operation
Born 1952. MSc (Engineering), PhD
and with COWI since 1995.

Birgitte Brinch Madsen
Vice President, Industry and Energy
Born 1963. MA (Economics and Finance)
and with COWI since 1996.

2007

DANISH REGIONS

John Dyrlund
Regional Director, South
Born 1952. BSc (Engineering)
and with COWI since 1976.

Torben Søgaard Jensen
Regional Director, North Jutland
Born 1949. BSc (Engineering, Hons)
and with COWI since 1983.

Brian Seeberg Larsen
Regional Director, Mid Jutland
Born 1963. BSc (Engineering)
and with COWI since 1989.

Peter Terman Petersen
Regional Director, Zealand
(outside Greater Copenhagen)
Born 1959. BSc (Engineering, Hons)
and with COWI since 1985.

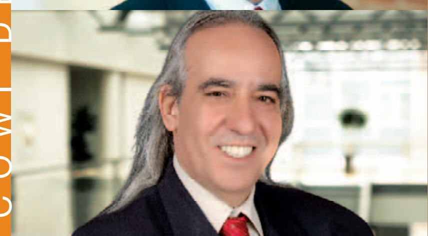
2007

COWI DENMARK SUBSIDIARIES

Sergey Stephanischev
Managing Director, COWI Moscow,
representative office of COWIconsult
International Ltd., Russia
Born 1962. MSc (Hydrogeology and
Engineering Geology) and PhD (Hydrogeology).
With COWI since 1995.

Raphael Zayat
Managing Director,
COWI Belgium SPRL, Belgium
Born 1966. MSc (Transport, Economics)
and with COWI since 2002.

Mirko Radovanac
Managing Director,
COWI Belgrade Ltd., Serbia
Born 1949. MSc (Transport)
and with COWI since 2005.



Merih Kerestecioglu
Managing Director,
COWI SNS Ltd., Turkey
Born 1955. MSc (Environmental Engineering)
and PhD (Environmental Engineering).
With COWI since 2005.

2007

COWI DENMARK SUBSIDIARIES

Claus Primdal Sørensen
Managing Director,
CAT Alliance Ltd., UK
Born 1968. MSc (Engineering)
and with COWI since 2001.

Rasmus Ødum
Acting Managing Director,
Kampsax India Private Ltd., India
Born 1965. MSc (Agricultural Economics)
and with COWI since 1997.

Juan Antonio Martínez
Managing Director,
Caribersa S.L., Spain
Born 1953. MSc (Engineering)
and MBA. With COWI since 2002.

William Michael McKay
Managing Director,
COWI Mapping UK Ltd., UK
Born 1948. BA (Chartered Surveyor)
and with COWI since 2006.

Robert Bittner
President, Ben C. Gerwick, Inc., USA
Born 1946. MSc (Engineering)
and with COWI since 1996.

Man Seop Lee
Managing Director,
COWI Korea Co., Ltd., Korea
Born 1955. MSc (Engineering)
and with COWI since 2003.

Jorge Torrejon
President,
Buckland & Taylor Ltd., Canada
Born 1945. MSc (Engineering)
and with COWI since 1998.

Stanley White
Managing Director,
Ocean & Coastal Consultants Inc.
and President, COWI USA, Inc., USA
Born 1950. MSc (Engineering)
and Degree of Civil Engineer MIT.
With COWI since 2007.

Mads Jensen Møller
Managing Director,
COWI Consulting (Beijing) Ltd., Co., China
Born 1973. MSc (Geophysics) and Graduate
Diploma in Business Administration
(Organisation and Management).
With COWI since 2001.

COWI NORWAY

Christian Nørgaard Madsen
Managing Director, COWI AS, Norway
Born 1963. MSc (Engineering)
and with COWI since 2003.

Egil Bøckmann
Vice President, Region East
Born 1952. MSc (Engineering)
and with COWI since 1976.

Terje Bygland Nikolaisen
Vice President,
Region Central/North
Born 1968. MSc (Engineering)
and with COWI since 2005.

Svein Otto Sande
Vice President, Region West
Born 1941. MSc (Engineering)
and with COWI since 1973.

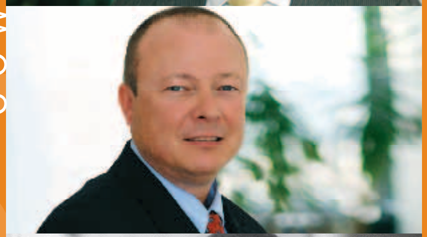
Barbro Sørlid Engh
Managing Director,
Norsas AS, Norway
Born 1959. MSc (Engineering)
and with COWI since 2003.

Henning Johansen
Managing Director,
OptiKon AS, Norway
Born 1965. MSc (Engineering)
and with COWI since 2007.

2007

COWI GULF

Ervin Nordahl Haukrogh
Vice President, COWI Gulf
Born 1955. MSc (Engineering)
and with COWI since 1985.



Anthony J. Carpenter
Managing Director,
COWI GULF W.L.L., Bahrain
Born 1962. Chartered Structural
Engineer (B.Eng, C.Eng, MIStructE)
and with COWI since 1997.

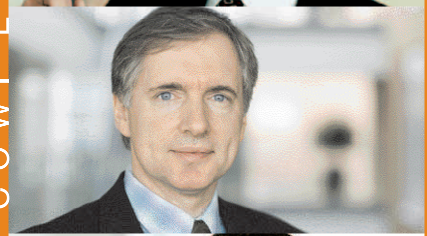
Jesper S. Damgaard
Managing Director, Branch Office
of COWI GULF W.L.L., UAE
Born 1965. MSc (Engineering)
and with COWI since 2007.

David McCann
Managing Director,
COWI & Partners LLC, Oman
Born 1965. BSc (Engineering, Hons)
and with COWI since 1997.

Torkel Cornelis Rørstrand
Managing Director,
Branch Office of COWI A/S, Qatar
Born 1974. BEc/BSc
and with COWI since 2004.

COWI EAST EU

Peter Hostrup Rasmussen
Vice President, COWI East EU
Born 1965. BSc (Engineering, Hons)
and Graduate Diploma in
Business Administration (Marketing).
With COWI since 1989.



Jacek Jedrys
Managing Director,
COWI Polska Sp. z o.o., Poland
Born 1965. MSc (Engineering)
and with COWI since 1991.

Uldis Kaknens
Managing Director,
SIA COWI Latvia, Latvia
Born 1975. MSc (Economics)
and with COWI since 2006.

Andrius Koncius
Managing Director,
UAB COWI Baltic, Lithuania
Born 1953. MSc (Physics)
and with COWI since 1992.

Zsuzsanna Lehoczki
Managing Director,
COWI Hungary Ltd., Hungary
Born 1958. MA (Economics)
and with COWI since 1997.

Edita Pavalkiene
Managing Director,
AB Miestprojektas, Lithuania
Born 1960. Architect
and with COWI since 2007.

COWI AFRICA

Jan M. Kieler
Vice President, COWI Africa
Born 1953. MSc (Geography)
and with COWI since 1985.

Michael Lorentzen
Managing Director, COWI Consulting
Engineers and Planners Ltd., Tanzania
Born 1967. MSc (Engineering)
and with COWI since 1996.

Luis Magaco
Managing Director,
AustralCOWI, Lda., Mozambique
Born 1966. MBA (Applied Finance)
and with COWI since 2007.

Leonard Magara
Managing Director,
COWI Zambia Ltd., Zambia
Born 1963. BSc (Engineering, Hons)
and with COWI since 2006.

Pierre de Rancourt
Managing Director, COWI Afrique
Francophone, Burkina Faso
Born 1958. MSc (Engineering)
and with COWI since 1997.

Marcus J. Wattam
Managing Director,
COWI Uganda Ltd., Uganda
Born 1972. MSc (Engineering
for Development)
and with COWI since 2005.

ETC

Gernot Steinbrink
Managing Director, ETC Transport
Consultans GmbH, Germany
Born 1955. MSc (Engineering)
and with COWI since 2001.