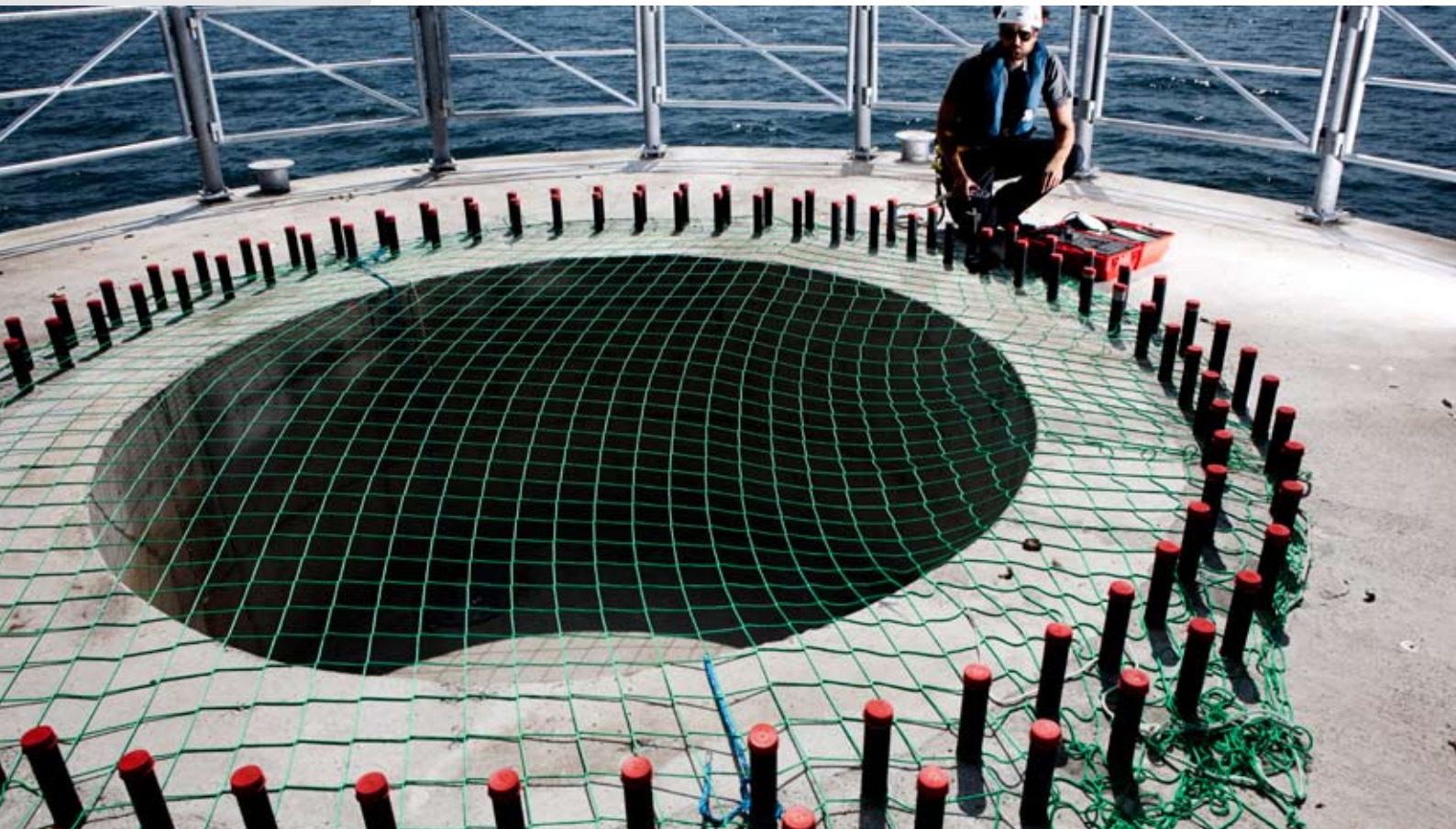


The COWI Group

Interim report, January-June 2009



Lars-Peter Søbye, President and CEO of COWI reviews:

H1 2009 performance is satisfactory. Our turnover and earnings are increasing compared with H1 2008. We continue to see high global demand for our consultancy services, especially within infrastructure, energy and environmental science. We are striving to adapt our focus and resources to areas with growth potential in the short and the long term. The acquisition of Flygfältsbyrå (FB) in Sweden has considerably strengthened COWI's position in and outside the Scandinavian countries. As mentioned in the annual report for 2008, the financial crisis and the economic trends are uncertainty factors for developments in 2009. However, COWI expects considerable growth in turnover and a profit before tax above the 2008 level.

- Net turnover up from EUR 228 million to EUR 260 million (up 14 per cent).
- Operating profit up from EUR 12 million to EUR 13 million (up 12 per cent).
- Operating margin (EBIT) unchanged at 5.2 per cent.
- Profit before tax up from EUR 10 million to EUR 15 million (up 51 per cent).
- COWI's share of profit for the period up from EUR 7 million to EUR 10 million (up 45 per cent).
- On 2 July 2009, COWI signed an agreement to acquire the Swedish consultancy firm Flygfältsbyrå (FB), which has 750 employees in Sweden and Norway.

COWI

The COWI Group

Consolidated profit and loss statement	H1 2009	H1 2008	Year.
Amounts in mEUR	(unaudited)	(unaudited)	2008
Net turnover	259.7	228.4	469.5
Project expenses	(47.4)	(45.8)	(94.1)
Own production	212.3	182.6	375.4
External expenses	(32.5)	(28.3)	(61.7)
Staff expenses	(160.1)	(137.0)	(278.9)
Other operating expenses. net	0.6	0.5	0.3
Operating profit before depreciation and writedowns (EBITDA)	20.2	17.8	35.1
Amortisation. depreciation and impairment losses	(6.8)	(5.8)	(12.7)
Operating profit (EBIT)	13.4	12.0	22.5
Profit on ordinary activities before tax in associates	0.0	0.1	0.1
Financial income	3.8	2.2	6.1
Financial expenses	(2.2)	(4.3)	(5.0)
Profit before tax	15.1	9.9	23.7
Tax on profit	(4.6)	(2.8)	(6.5)
Profit after tax	10.4	7.2	17.2
Profit/loss from subsidiaries attributable to minority shareholders	(0.0)	(0.0)	(0.1)
COWI's share of profit for the period	10.4	7.2	17.1
EBITDA margin (net turnover)	7.8%	7.8%	7.5%
EBIT margin (net turnover)	5.2%	5.2%	4.8%
EBIT margin (own production)	6.3%	6.6%	6.0%
Number of employees. average	4,698	4,273	4,475
Number of employees. end-of-period	5,134	4,468	4,872

The COWI Group

Consolidated cash flow statement	H1 2009	H1 2008	Year
Amounts in mEUR	(unaudited)	(unaudited)	2008
Cash flow from operating activities	3.9	(0.3)	15.6
Investing activities	(2.1)	(9.1)	(22.2)
Free cash flow	1.9	(9.3)	(6.6)
Financing activities	7.6	7.6	7.6
Cash flow for the period	9.4	(1.8)	1.0
Cash and cash equivalents. end-of-period	81.0	71.2	73.8

The COWI Group

Consolidated balance sheet

Amounts in mEUR	at 30 June 2009 (unaudited)	at 31 Dec. 2008
Group goodwill	43.8	44.7
Other fixed assets	29.2	30.0
Accounts receivables, services	86.4	97.8
Contract work in progress	66.3	55.9
Other current assets	25.1	18.3
Current asset investments	27.9	25.9
Cash at bank and in hand	53.0	47.8
Total assets	331.7	320.4
Equity	113.6	103.3
Minority interests	0.4	0.4
Provisions	51.2	49.3
Long-term debt	6.9	3.9
Short-term debt to credit institutions	8.4	6.1
Amounts invoiced in advance to customers	58.8	68.9
Other short-term debt	92.4	88.5
Total liabilities and equity	331.7	320.4
Equity ratio	34.3%	32.2%
Return on equity	14.5%	23.8%
Return on invested capital	14.0%	15.7%

The COWI Group

Statement of changes in equity

Amounts in mEUR	at 30 June 2009 (unaudited)	at 31 Dec. 2008
Opening balance	103.4	96.2
Profit for the period	10.4	17.1
Distributed dividend	(1.6)	(1.4)
Investment in subsidiaries	0.0	0.0
Change in estimates/pension plan changes	0.0	(4.4)
Deferred tax concerning changed estimates	0.0	1.1
Value adjustment of hedging instruments	(0.1)	(0.2)
Exchange adjustments	1.6	(5.2)
Closing balance	113.6	103.3

Review of interim results

Growth in turnover

cowi's net turnover increased by EUR 31 million during H1 2009 to EUR 260 million, corresponding to growth of 14 per cent. Excluding exchange rate movements, turnover increased by EUR 35 million, corresponding to growth of 15 per cent. Growth is in particular attributable to Denmark and the Persian Gulf.

Growth in operating profit

Operating profit increased from EUR 12 million to EUR 13 million, up 12 per cent.

Increase in net financials

The Group's net financials increased by EUR 3.8 million to EUR 1.6 million in H1 2009. The trend is primarily attributable to unrealised capital gains on the securities portfolio and foreign exchange holdings.

Increase in profits before and after tax

Profit before tax increased by EUR 5 million to EUR 15 million, up 51 per cent. Furthermore, profit after tax for the period and minority shareholders increased by EUR 3 million to EUR 10 million, corresponding to 45 per cent.

Increasing equity

cowi's equity stood at EUR 114 million at the end of the period compared to EUR 103 million at the end of 2008. The change in equity for the period can be attributed to the H1 profit, changes in foreign exchange rates and distributed dividend.

Positive cash flow

Cash flow from operating activities was positive at EUR 4 million. The free cash flow was positive at EUR 2 million, an improvement of EUR 11 million compared with H1 2008 when investments of EUR 9 million were made in connection with the acquisitions of companies. The Group's cash and cash equivalents comprising cash and securities amounted to EUR 81 million. With the addition of committed, but undrawn credit facilities, the Group's financial resources as of 30 June 2009 amounted to EUR 127 million.

Increased headcount

At the end of H1 2009, the cowi Group had 5,134 employees compared with 4,468 employees at the end of H1 2008. During H1 2009, the cowi Group's headcount rose by 262 employees.

Outlook

As mentioned in the annual report for 2008, the effects of the financial crisis and the economic trends are uncertain for cowi throughout 2009. We expect an increase in turnover and earnings. The increase can be attributed to organic growth and the acquisition of the Swedish company Flygfältsbyrån, which will influence turnover and earnings from the formal acquisition date on 1 September 2009.

Accounting policies

The cowi Group 2009 interim report (unaudited) 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'.

Applied accounting policies remain unchanged from the annual report for 2008.

Market and business trends

COWI Denmark

COWI Denmark's activities span a wide range of consultancy services delivered to the Danish and international markets. The international market consists of services exported from Denmark as well as consultancy provided by international subsidiaries which are owned by COWI Denmark. The first half of 2009 saw positive developments in trade together with the other COWI regions. During the same period, staff numbers at COWI Denmark, including its subsidiaries, increased by 138 to 3,303.

Growth in Danish market despite financial crisis

COWI's Danish operations have only felt a limited impact of the financial crisis, which has otherwise had a far-reaching impact on the Danish business sector across the board. Our building consultancy service is the area which has observed the most noticeable repercussions of the economic downturn. Overall, our order books are fuller than at the same stage last year in terms of both the Danish and the international markets, with increased public sector investment paving the way for a noticeable increase in infrastructure projects.

Infrastructure commissions and sustainable building

Demand for our services has in general been consistently high in several business sectors including roads, railways, bridges, industry, energy, environmental science and climate. A high level of activity also typifies COWI Denmark's international subsidiaries, particularly in the sectors of bridges and marine structures in North America and the UK.

In the spring of 2009 and in conjunction with, amongst others, the German company Obermeyer, COWI won the contract to design a bridge over the Fehmarnbelt. We were awarded one of the two tendered projects involved in the fixed link, and in three years' time it will be decided whether the fixed link will take the form of a bridge or a tunnel.

Work on the Cityringen expansion of Copenhagen's metro has featured heavily in the first six months, and we have just been appointed client consultants on the stretch of road between the Danish towns of Funder and Låsby, which is part of the planned motorway through Silkeborg in Jutland. There are also other major infrastructure projects in the pipeline.

The business unit for buildings has recently been awarded several large-scale projects on the strength of our success in factoring sustainability, amongst other qualities, into buildings. For a growing number of clients, sustainability is an essential criterion, a fact which has secured COWI several substantial, prestigious commissions.

Demand for more climate consultancy

In 2009 we are also focussing on strengthening our position as one of the leading climate consultancy firms in Denmark and on the international stage. Both mitigation of and adaptation to climate change form a significant strand of our consultancy services. In the last half year we have acted as climate consultants for 22 Danish municipalities, in projects including adaptation to climate change, elevation models, CO₂ mapping, heat production plans, climate plans and CO₂ reduction projects.

Our climate strategy also comprises a long series of other commercial initiatives. Our ventures included sponsoring the international scientific research conference at the University of Copenhagen in March 2009 and holding various well-attended events for customers where climate change was the focus. COWI has also won a green IT award.

The international market

In spite of the financial crisis, the level of activity on the international market is still satisfactory, particularly as far as our services for bridges, tunnels, mapping and roads are concerned, and we have been awarded several major projects in the last six months.

In Sweden, we are about to team up with a partner to produce a digital terrain model of Sweden for the Swedish mapping authorities. Activity in the marine structures sector has also remained high in the Persian Gulf, and in partnership with COWI Africa we have won several highway design projects in Africa.

COWI Norway

The effect of the financial crisis on COWI's activities in Norway in the first half of 2009 has been less serious than forecast, and both turnover and earnings have exceeded our expectations. Our relatively good results are attributable to the consistently high level of activity in the areas of infrastructure and health sector building. We stepped up our activities in these areas before the crisis began to affect the private building sector.

Our exceptionally strong position in the health sector building market was highlighted yet again when we were awarded the contract for the Nordland Hospital in Bodø – a project which includes planning and design of more than 50,000 m².

COWI Norway took on some 50 new employees in the first half of the year. We are also achieving growth as a result of the strategic acquisition of the Swedish company Flygfältsbyrå (FB), whose Norwegian subsidiary has specialist skills in the industrial and mapping sectors. This means a further 34 new employees for COWI in Norway.

Collaborations across the COWI Group have brought us several mapping commissions in 2009. Good corporate cooperation helped to ensure that we were on the winning team when a group of architects and consulting engineers won the prestigious project to develop the new Terminal 2 for Oslo Airport, Gardermoen.

Arising out of a long-term ambition to build up a vigorous division specialising in economics, we have set up a new business unit and appointed a Director of Economics at COWI Norway. We intend to develop this market area, working closely with the Group's extremely strong international specialist team. We are finding that the scale of framework agreements is increasing, not least as a result of the emergence of new specialist and service areas. This applies above all to large-scale industrial organisations and the public sector.

COWI Central & Eastern Europe

The first half of 2009 was a challenging period for COWI Central & Eastern Europe, which now employs a staff of 350. The countries in the region have in general been hard hit by the financial crisis, with the Baltic states, for example, feeling the impact particularly keenly. It will be difficult to reach our financial targets for 2009, whereas we are making satisfactory progress towards other targets such as strengthening the organisation in the field of socio-economic consultancy. This service enables us to absorb the heavy demand expected when countries prepare applications to the EU Social Cohesion and Structural Funds for EU grants.

In spite of the sharply declining markets in the Baltic region, we have been in a position to acquire two new companies in Lithuania and one in Latvia with a view to reinforcing the organisation in new local areas or within new fields of competency.

COWI Polska enjoyed a good start to the year with the opening of a new office in Wroclaw in addition to other success stories. The company is yet again exceeding its targets and has also opened a Warsaw office focussing primarily on transport planning and economics. We have also received a number of interesting new contracts in the wind turbine industry. Our Russian company, COWI Consulting LLC, continues to grow across its designated segments.

COWI Hungary's business is making solid progress as well, achieving steady expansion and winning a good number of major new projects. Serbia is still hampered by bureaucracy and difficult business conditions, making it difficult to achieve our commercial goals. Our projects include providing process consultancy for the Luka Group, which has plans to develop a 450-hectare harbour area in Belgrade. COWI-SNS in Turkey is on budget and has, amongst other developments, been awarded a number of international projects in the Balkans.

Cooperation within the Group has been intensified around delivering projects in those countries in Central and Eastern Europe in which we do not own companies. We are also maintaining focus on training staff and developing management competencies.

COWI Gulf

The global financial instability has impacted COWI's business unevenly across the Gulf region. Although we have witnessed some cancellations as well as delays in the progress of projects and floating tenders, the number of employees has nevertheless increased by 8.1 per cent since December 2008. The region now comprises 824 staff permanently based in the Gulf, including staff on our two major projects, Muscat & Salalah International Airports in Oman and the Qatar-Bahrain causeway.

The slowdown in privately-funded projects has been offset by an increase in public infrastructure activities, and COWI has been awarded contracts for traffic planning studies, transport infrastructure and marine engineering.

Our strategy combining strong local presence, cutting-edge expertise, and capacity and competence sharing within the Gulf region to create a tightly-knit regional network has paid off. It allows us to assist our customers in their cross-border development such as in the Kingdom of Saudi Arabia where we are now represented in Jeddah. We have also provided state-of-the-art LIDAR (Light Detection And Ranging) surveying in Oman for road design and 3D data modelling in Qatar.

COWI Africa

COWI Africa had a good first half in 2009. In spite of the financial crisis, activity levels in Africa are high. Despite the financial difficulties among international donor nations, aid levels have been maintained in Africa. In our three priority sectors – water, roads and economics – we have seen a dramatic growth in the number of commissions being offered at a local level. Working in conjunction with the business units in COWI Denmark, we have secured new assignments which have provided not only a healthy income in the first half of the year but also a good basis for a high level of activity during the second half.

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Front cover photo:

Seventy-two sea-based wind turbines off the Lolland coast in Denmark are to be joined in 2010 by another 90, making it one of the largest sea wind farms in the world. Here, the surveyor is taking measurements for the north and south bolt coordinates. COWI undertook the structural design. Photo: Ulrik Jantzen