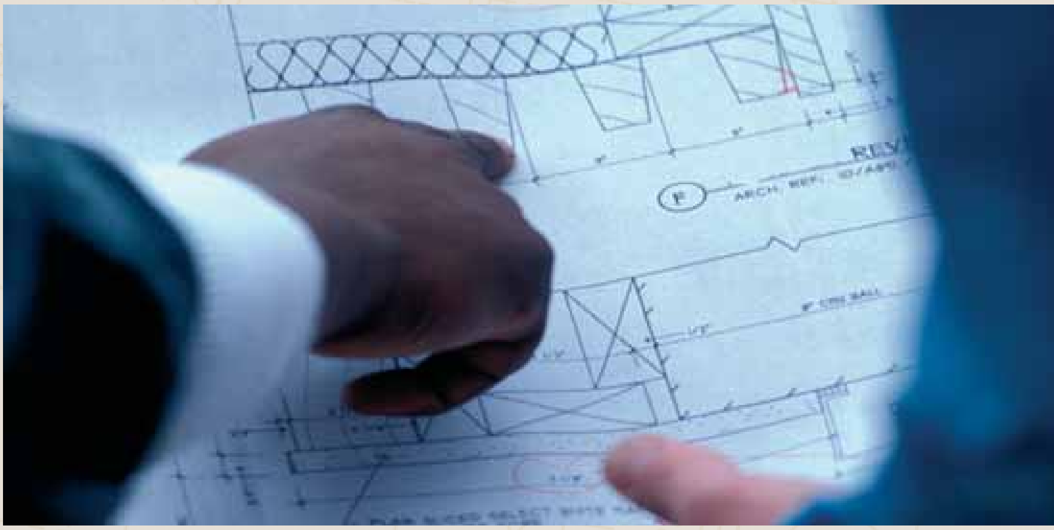
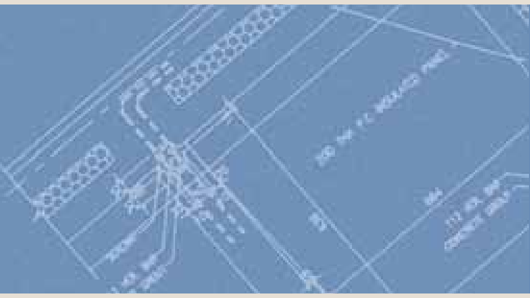
NTR Holding A/S
Annual Report 2004



NTR HOLDING A/S · CVR-NO. 62 67 02 15 · ANNUAL REPORT COVERING 1 JANUARY - 31 DECEMBER 2004

2004 ANNUAL REPORT

ANNUAL REPORT AND NOTES



ANNUAL GENERAL MEETING 2005

The ordinary general meeting of the company will be held on Wednesday the 27 April 2005, at 3.00 p.m. at the Radisson SAS Scandinavia Hotel, Amager Boulevard 70, DK-2300 Copenhagen S.

NTR Holding ready for further growth

Niels Heering
Chairman of
The Board of Directors

With a net profit after tax of DKK 8.0 million, the profit for the year is at the lower end of the Company's expectations, which is due to expenses incurred from running in the BPC Group's newest precast concrete plant in Qatar.

This effect on the result is an expression of costs incurred to create future growth, and, with the economic miracle which is currently taking place in Qatar, NTR's Board of Directors is in no doubt that the Qatar plant will make a positive contribution to the BPC Group's (and thus to NTR Holding's) profits in future. This is in contrast to previous years when the NTR Group's results suffered as a result of substantial provisions for commitments in R+S Baugesellschaft, which related to the past.

The winding up of the former construction activities in Germany is progressing as planned, and we can be pleased that overall exposure was again reduced substantially in 2004. Among other things, the bank debt in R+S Baugesellschaft has now largely been repaid.

NTR Holding can increasingly focus on the further development of the future business in the BPC Group, where a total of four modern precast concrete plants are operating in construction markets which are enjoying substantial growth. The overall growth in the countries concerned is between 5% and 15% per year, with Qatar as a positive exception with even higher rates of growth. A continued rise in revenues from oil and natural gas will ensure that these rates of growth can be maintained in the coming years.

It is thus with full confidence in the future that NTR Holding's Board of Directors presents the profit for the year of DKK 8.0 million and an expectation of growth to around DKK 15 million in 2005.

Group Highlights

DKK million	2000	2001	2002	2003	2004
Turnover	925	660	566	448	214
Operating profit (loss), continued operations	8	(19)	(6)	4	8
Impact on profit, discontinued operations	(54)	(80)	7	(12)	1
Financial items, net	(5)	3	(1)	(2)	0
Result on ordinary operations before tax	(52)	(96)	1	(10)	8
Net profit (loss)	(59)	(96)	2	(10)	8
Fixed assets	117	155	115	82	94
Current assets	679	514	385	314	206
Shareholders' equity	246	152	144	123	125
Invested capital including goodwill	218	202	155	100	100
Free cash flow for equity	(12)	(70)	(9)	(10)	(23)
Investment in tangible fixed assets	17	49	38	22	18
Order backlock	174	176	154	120	167
Average number of employees	1,114	968	1,029	1,386	1,227

The Annual Accounts comply with the Danish Financial Statements Act of 2001. Comparative figures for previous years have been restated correspondingly.
According to exemptions in the Financial Statements Act the policy concerning goodwill on acquisitions prior to 1 January 2002 has not been changed. Goodwill on such acquisitions is taken directly to shareholders' equity.
From 2004 jointly controlled enterprises are recognised in the Group financial statements using pro-rata consolidation. Comparative figures for previous years have been restated correspondingly.

Key Figures	2000	2001	2002	2003	2004
EBIT margin (%) 1)	0.9	(2.8)	(1.0)	1.0	3.5
Return on invested capital including goodwill (%) 2)	3.6	(8.9)	(2.2)	3.4	7.6
Return on equity (%)	(26.7)	(48.3)	1.1	(7.3)	6.4
Equity ratio (%) 3)	30.9	22.8	28.8	31.0	41.6
Gearing of operating activities	0.9	1.3	1.1	0.8	0.8
Equity per share (DKK)	120	82	77	66	67
Market price B-shares (DKK)	87	52	30	42	53
Market cap (DKK millions)	178	97	56	78	99
Dividend per share (DKK)	0	0	0	0	0
Average number of shares issued, diluted (1,000)	2,047	1,957	1,869	1,869	1,869
EPS, actual and diluted (DKK)	(29)	(49)	1	(5)	4
P/E ratio, actual and diluted	-	-	35	-	12
Adjustment factor	1.00	1.00	1.00	1.00	1.00

1) Operating profit (loss), continued operations / turnover * 100
2) Operating profit (loss), continued operations * (1 minus average tax rate) / Average invested capital including goodwill
3) Equity / Total assets
Other key figures are calculated in accordance with the 2005 Guidelines from The Danish Society of Financial Analysts

Company Report 2004

2004 IN BRIEF

The NTR Group's net profit in 2004 was DKK 8.0 million, an improvement of DKK 17.7 million compared with 2003. The profit is at the lower end of the range expected as a result of costs from running in the new plant in Qatar.

The BPC Group more than doubled its net profit from DKK 3.0 million in 2003 to DKK 7.7 million in 2004 in spite of a deficit in Qatar and the substantial negative impact of the large price increases for the main raw materials, cement and reinforcement steel. The trend indicates that a further marked improvement in profits can be anticipated.

Group turnover amounted to DKK 213.6 million. The lower turnover was primarily due to disposals of companies in 2003.

The activities of the NTR Group are now focused on the production of precast concrete in the BPC Group, which operates in Bahrain, the United Arab Emirates and Qatar. All are countries around the Arabian Gulf with considerable economic growth.

The winding up of the former construction activities of R+S Baugesellschaft are still progressing as planned. The costs incurred in connection with this are in line with expectations and are covered by previous years' provisions.

During 2004 commitments covered by provisions were honoured, and short term bank debt was greatly reduced. Nonetheless, the NTR Group still had liquid funds of DKK 56.0 million at the end of the year, of which the majority was in the parent company. The liquid funds guarantee the completion of the winding up of the former construction activities of R+S Baugesellschaft in Germany.

In 2005 the improvement in the profits of the BPC Group is expected to continue, and the NTR Group expects to realise a profit before and after tax of around DKK 15 million.

For the Al Salem Tower on the central Sheik Zayed Road in Dubai, 40.000 m^2 of hollow core slabs have been delivered.

04.04.04 marked the opening of the new Formula 1 Track in Bahrain. Bahrain Precast delivered elements for various buildings on the track, among others the central VIP Tower.

As part of the Dubai International Airport expansion, 17,500 m^2 of elements have been delivered for multi-storey car parks.

Company Report 2004

Turnover and profit/loss

DKK million	Turnover		Ordinary profit/loss before and after tax	
	2004	2003	2004	2003
NTR Holding A/S	4.2	3.1	0.3	(14.4)
BPC Group	211.5	254.0	7.7	3.0
R+S Baugesellschaft mbH	0.0	0.0	0.0	0.0
HOH Water Technology A/S *)		192.6		1.7

*) Sold on 26. August 2003

NTR Holding A/S

PRECAST CONCRETE

- Bahrain Precast Concrete Co. W.L.L.
  KINGDOM OF BAHRAIN, 49%
  - United Precast Concrete Abu Dhabi L.L.C.
    ABU DHABI
  - United Precast Concrete Dubai L.L.C.
    DUBAI
  - United Precast Concrete Co. Qatar W.L.L.
    QATAR

WOUND UP

- R+S Baugesellschaft mbH
  GERMANY

Group structure of March 2005. Companies without independant business activities are not included in the diagramme. Unless anything else stated the companies are wholly-owned.

BPC Group

The NTR Group's activities in 2004 were focused on the production of precast concrete at a total of four plants in selected countries around the Arabian Gulf. The plants are part of the Bahrain Precast Concrete Group (BPC Group), in which NTR Holding has a 49% stake.

The BPC Group's results in 2004 were influenced by strongly rising material prices and costs incurred from running in the newest plant in Qatar. NTR's share in the profit for the year was DKK 7.7 million, which did not live up to expectations. Apart from the share in profits of DKK 7.7 million, NTR Holding received DKK 4.2 million in management fees from the BPC Group in 2004.

In the spring of 2004 Mr. Tom Kjær was appointed as CEO of the combined BPC Group, within which the four companies had previously operated with a large degree of independence. The new management structure improves cooperation across the BPC Group. In addition to the overall management, Tom Kjær is still responsible for managing the BPC Group's companies in Dubai and Abu Dhabi.

The plant in Abu Dhabi has delivered columns, beams, stairs and internal walls for American School. Here wall panels are erected.

In 2005 there is expected to be a substantial improvement in profits, partly because the new plant in Qatar is expected to be over the worst of its teething troubles, and partly because the negative effect of the higher material prices has now been eliminated.

Bahrain Precast Concrete Company W.L.L.

Stake: 49%
Manager: Göran Högberg

The segment result for Bahrain, i.e. the NTR Group's share in the operating profit/loss of the local company together with the management fee which can be attributed to it, was DKK 6.8 million in 2004, which represents a fall of 9% compared with 2003.

In line with the other companies in the Group, Bahrain Precast Concrete was affected by rising materials prices in the spring of 2004. The company generally operates with a smaller order backlog than the other companies, so the effect of the rising materials prices was smaller because the higher materials prices could be passed on to sales prices more quickly. The market in Bahrain is characterised by strong competition – in a market with 650,000 inhabitants there are six precast concrete plants. There are therefore limits as regards how aggressively rising materials prices can be passed on to sales prices.

Bahrain Precast Concrete has a different customer structure to the other companies in the Group because some of the hollowcore slabs are sold to a wide range of private builders. There are therefore a large number of small orders, which gives good flexibility in production planning and a quick order turnover.

As well as private builders, contractors and commercial builders are of increasing importance for the company because an ever increasing number of large projects are being commenced in Bahrain. This concerns substantial new investments in commercial properties and holiday/hotel facilities in particular. In addition, there is a growing market for large, integrated housing projects.

Bahrain has been experiencing satisfactory economic growth in recent years which to some extent is due to the high oil prices. The country does not itself have large oil revenues, but the strong rise in incomes in the region in general also affect investment activity in Bahrain.

Although competition will continue to be tough, the increasing construction activity is expected to create the basis for a satisfactory rise in profits in 2005.

United Precast Concrete Dubai L.L.C.
United Precast Concrete Abu Dhabi L.L.C.

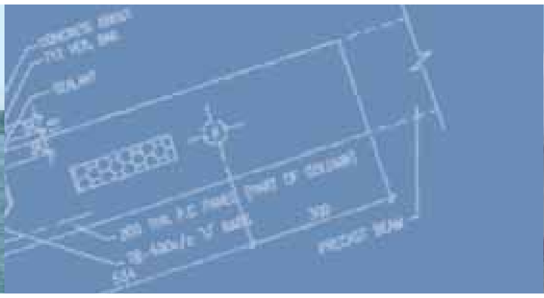
Stake: 49%
Manager: Tom Kjær

The BPC Group's plants in Dubai and Abu Dhabi are both located in the United Arab Emirates. The plants are operated together and until now the Abu Dhabi plant has specialised in only producing wall and facade panels, which, among other things, make up the majority of a number of large housing projects which have been carried through in recent years.

The segment profit for the United Arab Emirates was DKK 14.4 million, compared with DKK 2.3 million in 2003.

The result consisted of a satisfactory profit for the plant in Dubai, because it quickly overcame the pressure on earnings caused by rising prices for, in particular, steel and cement in the spring of 2004. The situation was worse for the plant in Abu Dhabi, which entered 2004 with a large backlog of orders for housing projects for which the prices had been agreed back in 2003. The increase in material prices therefore put a lot of pressure on earnings, and overall the plant achieved a modest profit in 2004.

The higher prices for the most important raw materials are expected to be permanent, which changes the competitive landscape for wall and facade panels – not in relation to other precast concrete plants, but in relation to other forms of construction for which materials costs are lower, but labour costs are higher. There are also qualitative differences which are to the advantage of precast concrete, but it is not possible to fully reflect this higher quality in the form of higher prices. Against this background it was decided in the middle of 2004 to switch part of the production in Abu Dhabi to hollowcore slabs, and at the end of the year one third of the plant's capacity was switched to hollowcore slabs. Of course, this changeover also affected the profit for the year, since production capacity was lower during the conversion period.



The erection team has gone offshore to erect heavy columns, beams and hollowcore slabs on a foundation.

Another of the total of 4,500 m² wall panels is lifted to its final position on American School in Abu Dhabi.

The Bahrain plant has delivered special elements with embossed images of hands for a new fountain.

The Dubai plant, which is the BPC Group's largest, had a more favourable order situation at the time materials prices shot through the roof, so the effect was less marked and a satisfactory profit was achieved for the year as a whole.

The construction market in the United Arab Emirates is growing strongly and Dubai in particular has experienced a long-lasting construction boom in recent years. In spite of this it has not been possible to make full use of production capacity in the course of the year because the market has been complicated by the fact that the projects on offer are very large and have tight timetables. This means that a single large order can take up virtually the entire production capacity of the plant for a period, and, when unavoidable delays occur, production capacity cannot be switched to other projects at short notice.

The current order backlog suggests that it will be possible to maintain satisfactory capacity utilisation in 2005, and for this reason a substantial improvement in profits is expected, not least because the Abu Dhabi plant will again contribute to the overall profit.

United Precast Concrete Company Qatar W.L.L.

Stake: 49%
Manager: Ove Sundall Pedersen (acting)

The BPC Group's newest plant in Qatar started production in late summer 2003, and in the first months of the current year everything suggested that the plant had made satisfactory progress towards breaking even.

The Qatar plant too was hit by the rising prices for raw materials and at times the plant also had problems obtaining the necessary quantities of stone and gravel. The reason was that the country is experiencing strong growth in building and construction activities, while at the same time the materials concerned are no longer extracted locally because the quality is too poor. Therefore adequate import capacity needed to be developed.

Company Report 2004

The order backlog and production rose over the course of the year and, as a larger proportion of the current capacity was utilised, bottlenecks arose at the plant which had to be eliminated in the last few months of the year. The management team is being strengthened markedly.

Overall the result for the year was clearly unsatisfactory with a segment deficit of DKK 7.9 million.

In recent years Qatar has experienced unusual economic growth in the order of 15 to 20% per year. This trend has been driven by growing exports of natural gas in particular, and long-term contracts have already been entered into which will ensure that exports double over the next 5 to 6 years. On top of this there will undoubtedly be a number of new supply contracts.

The development and modernisation of society in Qatar began much later than in other countries in the area and, together with the strong financial position, this has resulted in impressive growth in investments in buildings and other infrastructure. This development is also reflected in the order situation for the plant in Qatar, which in recent months has experienced strong growth in its order backlog.

Together with the normalisation of production, the larger order backlog is expected to lead to a marked improvement in results in 2005, but this will still not be up to the same level as the other plants.

R+S Baugesellschaft mbH

Manager: Flemming Holrick

The winding up of the former construction activities in Germany continued during 2004. The costs associated with the winding up were as expected and were therefore covered by the provisions made previously. The result from winding up the activities was minus DKK 8.1 million, but thanks to the provisions this will not affect NTR's consolidated results for 2004.

The winding up of R+S Baugesellschaft includes the rectification of deficiencies in any construction project for which the company still has an obligation, either because it is less than five years since the building was handed over or because there is a dispute with the developer over the magnitude of or responsibility for the deficiency.

In the course of 2004 the 5-year guarantee expired for a number of projects which, as expected, has led to minor rectifications of deficiencies. These are covered by provisions which were made in connection with the original delivery of the project.

In Dubai the precast concrete elements for a number of VIP Guest Villas have been erected.

The Abu Dhabi plant has delivered various elements for British School, including almost 25,000 m² of wall panels.

For the two side towers of a larger time gate in Dubai BPC Group has delivered curved elements.

The last project was delivered by R+S Baugesellschaft in 2001, and all normal 5-year guarantees will therefore have expired by the middle of 2006. After that there will only be guarantee commitments for specific parts of individual projects for which a longer guarantee was given.

The ongoing winding up of activities in R+S Baugesellschaft is illustrated by developments in the most important balance sheet items.

The company's holding of properties consists of individual apartments in large building projects which were undertaken when a proportion of all the apartments were sold in advance. A number of apartments were sold during 2004, but sales were made difficult by the weak economic development in Germany and, not least, the high unemployment, which led to considerable reticence among buyers. In addition there has for a long time been uncertainty about the future situation with regard to tax and subsidies.

Balance sheet items and finansial guarantees - R+S Baugesellschaft

DKK million	2002	2003	2004
Properties for sale	20.8	13.1	9.6
Accounts receivables	97.0	71.7	58.8
Liquid funds	15.1	13.9	9.3
Provisions for guarantee commitments	48.4	36.2	33.8
Bank debt	33.3	16.0	1.4
Other non-group commitments	37.5	31.5	20.7
Off balance financial guarantees	82.9	52.6	40.9

The accounts receivable are largely a reflection of disputes with developers over payment of the final instalments for construction projects. In such cases R+S Baugesellschaft's claim must be pursued through the courts, and, unfortunately, the German legal system works slowly, so few accounts receivable were received in 2004. The majority of the reduction for the year was due to writedowns made for reasons of prudence in connection with the closure of accounts for 2004. These writedowns were made within the overall framework of provisions and writedowns and did not therefore affect the consolidated results. Most of the total accounts receivable is concentrated on five debtors, and payment of any one of these accounts receivable would therefore entail a substantial reduction in the outstanding amount.

R+S Baugesellschaft's liquid assets are posted as security for the company's limit for financial guarantees. The liquid assets are gradually released as the financial guarantees are returned to the company.

When a project is handed over, a provision is made for the expected guarantee costs during the guarantee period. In addition, there is an individual assessment of the risk when cases arise where the developer makes large claims. Most of the provisions for guarantee commitments are an expression of individual provisions where R+S Baugesellschaft must expect to incur expenses in order to bring the matter to a close. Utilisation of provisions during the year was in line with expectations.

The company's bank debt was largely paid off by the end of 2004. The repayment has been made using funds provided by NTR Holding.

Just as on the asset side where a number of accounts receivable remain, where R+S Baugesellschaft is making claims against developers, there are also a number of cases where developers and sub-contractors have made claims against R+S Baugesellschaft which the company does not believe it should meet. These claims make up the majority of the accounting item "other non-group commitments".

When a building is delivered, the contractor is normally responsible for defects and deficiencies for five years, and, in order to ensure that the contractor meets his obligations, a financial guarantee is issued for part of the contract price. Such guarantees should be returned when the guarantee period has expired, but if the developer wishes to complain about a deficiency he will withhold the guarantee. In a number of the cases where R+S Baugesellschaft has made a provision for a problem case, a financial guarantee will also have been issued at the same time.

The Bahrain plant's deliveries for the Formula 1 Track encompassed vertical slaps for the Grand Stand.

In Qatar too, elements have been delivered to Grand Stands – here on the new Road Racing Track, which opened in October with the first FIM Grand Prix.

Trade Centre marks the start of the impressive sky line along Sheik Zayed Road in Dubai. A marked proof of a fast growing economy.

More than half of the outstanding financial guarantees have passed their original expiry dates, but are being withheld by the developer. In certain cases R+S Baugesellschaft repairs the deficiencies concerned, but in other cases a long legal process is required before the matter is resolved.

Outstanding finansial guarantees

Expiry date	DKK m	Share
2004 or earlier	21.6	53%
2005	6.3	16%
2006	5.0	12%
2013	7.9	19%

Outstanding financial guarantees were reduced by DKK 11.7 million, or 22%, in 2004, which is less than the previous year. A substantial part of the outstanding guarantees are concentrated in large individual guarantees, and the resolving of such a case can thus reduce the outstanding amount substantially.

Over the years NTR Holding has guaranteed a number of R+S Baugesellschaft's commitments. At the end of 2004 NTR Holding still guarantees the outstanding financial guarantees and the bank debt.

NTR Holding A/S

The income of NTR Holding consists of the management fee from the BPC Group and net financial income, while the costs consist of expenses in connection with the recruitment of managers for the BPC Group and administration expenses. Excluding the share in the profits of the BPC Group, NTR Holding recorded a net profit of DKK 0.3 million in 2004.

For many years NTR Holding has worked to wind up the relations to the former construction activities and other companies which previously formed part of the Group. In 2004 a final agreement was entered into with the buyer of HOH Water Technology, which was sold in 2003. The agreement entailed a payment by NTR Holding which was less than the provision made at the end of 2003. The final agreement therefore entailed an accounting gain of DKK 0.9 million. At the same time three associated companies were wound up during the year through solvent liquidation. This led to the fulfilment of guarantees on the part of NTR which were largely in line with the provisions of previous years, and the final winding up of these associated companies burdened the 2004 results by DKK 0.1 million.

The remaining commitments in relation to former activities in Denmark are few in number, and the provisions considered necessary have been made.

In line with the reduction in NTR Holding's former engagements and commitments, there has also been a reduction in the workforce, and the company's organisation has now been adjusted to the future level of activities.

Events after the end of the accounting year

Between the end of the year and the present date, no circumstances have arisen which change the assessment of the annual report.

Expectations for 2005

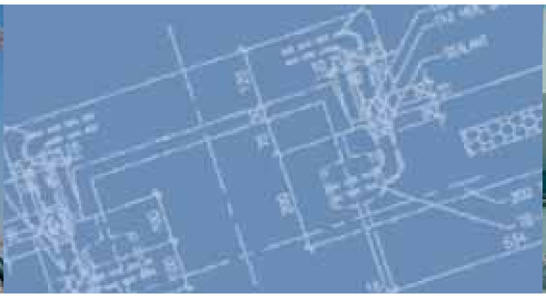
With the change in consolidation method for NTR Holding described below, a proportional share in the turnover of the BPC Group is included in the consolidated profit and loss account, and this turnover represents the majority of the NTR Group's turnover.

Assuming that 2005 does not see marked fluctuations in the exchange rate for the US dollar, turnover is expected to rise to around DKK 250 million, which is an expression of rising activity at all the plants in the BPC Group, particularly in Abu Dhabi, where the conversion work has been completed, and in Qatar, where the plant is still being run in. In addition to exchange rates, turnover may be affected by marked fluctuations in construction activity in the respective countries, but the risk of this is considered to be limited.

The continued winding up of R+S Baugesellschaft is not expected to affect the results in 2005, and the results of the parent company are expected to be largely neutral.

The NTR Group will again pay no tax for 2005, and the Group therefore expects to realise a net profit before and after tax of around DKK 15 million in 2005.

The results for 2004 were strongly influenced by the running in of the plant in Qatar, and this situation is expected to normalise in 2005, which will lead to a substantial improvement in profits for the BPC Group. The performance could be affected by strong fluctuations in the prices of the plants' raw materials in so far as it is not possible to pass on such fluctuations to sales prices. In addition the results could be affected by a delay in the normalisation of earnings in Qatar.



The entrance building for Dubai International Financial Centre, where the Dubai plans has delivered 16,000 m^2 of hollowcore slabs.

Arabian Ranches in Dubai is one of the larger villa projects finalised in 2004. This project covered 219 villas produced on the plant in Abu Dhabi.

Accounting Report 2004

In order to provide a better picture of the Group's activities, NTR Holding has, with effect from 2004, decided to change the form of consolidation of the BPC Group which in future will be treated as a jointly controlled enterprise in that all decisions on strategy, investments, financing and capital will be taken jointly with the co-shareholder. As a jointly controlled enterprise the BPC Group is consolidated according to the pro-rata method. This means that 49% of each individual item in the BPC Group's profit and loss account and balance sheet will be included in the NTR Group. The change in consolidation method does not affect the Group's profit or shareholders' equity, but the change does mean that the consolidated balance sheet total at the end of 2004 is increased by DKK 99.6 million. Anyway a satisfactory equity ratio of 41.6% is maintained. Comparative figures for 2003 have been adjusted in accordance with the new consolidation principle.

The layout of the consolidated balance sheet has also been changed so that the individual balance sheet items can be related directly to the Group's various activities.

Profit and loss account

Group turnover amounted to DKK 213.6 million in 2004, compared with DKK 448.1 million in 2003. The fall was mainly a reflection of the fact that HOH Water Technology was included in the profit and loss account for eight months in 2003, until the company was sold. In addition, the turnover from the BPC Group fell by 9.4% as a result of a fall in the average exchange rate. If a correction is made for this, the fall in turnover was 7.4%. In Dubai the year 2003 was characterised by substantial purchase of elements from sub-contractors, which is why turnover fell in 2004, and in Abu Dhabi there was also a decline in turnover, because part of the production capacity was taken out in connection with the conversion to hollowcore slabs in the second half of 2004. Measured in local currency the plant in Bahrain recorded a small rise in turnover, and the new plant in Qatar had virtually no turnover in 2003, so the increase there was substantial.

The Group's contribution margin was more than halved relative to 2003, but adjusted for changes in exchange rates and the sale of HOH Water Technology there was in fact an improvement of 42%, which was due in particular to a marked improvement in the contribution margin ratio at the Dubai plant.

The operating profit was DKK 8.5 million, representing an improvement of DKK 16.5 million compared with last year, which was affected by the accounting loss on the sale of HOH Water Technology. A small part of this loss was able to be reversed in 2004.

Financial income and expenditure largely corresponded to each other and cover interest expenditure in the BPC Group and R+S Baugesellschaft and interest income in NTR Holding. Exchange rate gains and losses eliminate each other.

Accumulated tax losses combined with the fact that the BPC Group operates in countries without corporation tax means that there is no current or deferred tax. The net profit in both the parent company and the Group for 2004 is thus DKK 8.0 million, which the Board of Directors is proposing to transfer to shareholders' equity.

Balance sheet

As mentioned above the method of consolidation for the BPC Group has been changed, which led to a DKK 99.6 million increase in the balance sheet total at the end of 2004. The comparative figures have been adjusted.

The NTR Group's fixed assets of DKK 76.2 million include the plants in the BPC Group, which fell slightly in 2004 as a result of scheduled depreciation.

As part of an overall settlement, R+S Baugesellschaft entered into an agreement in 2004 concerning the repayment plan for a large account receivable which will be repaid over the next five years. At the same time security was provided for the account receivable. The agreed repayment period means that the account receivable is now included under financial fixed assets, whereas it was previously included under other accounts receivable.

Inventories includes raw materials and consumables in the BPC Group, which increased in 2004, and properties for sale in R+S Baugesellschaft, which is continuing to be reduced and now amounts to DKK 9.6 million. Accounts receivable fell by 24.3% as a result of a reduction in both the BPC Group and R+S Baugesellschaft.

At the end of 2004 the NTR Group had liquid funds of DKK 56.0 million, compared with DKK 98.5 million at the end of 2003. Most of the liquid funds are still serving as security for financial commitments, primarily in R+S Baugesellschaft. The reduction of DKK 42.5 million covers the honouring of commitments covered by provisions and the reduction in short term bank debt in NTR Holding and R+S Baugesellschaft. The latter company was almost cleared of interest-bearing debt by the end of 2004.

Accounting Report 2004

The group shareholders' equity was increased from DKK 122.5 million to DKK 125.1 million. The profit for the year of DKK 8.0 million was transferred to shareholders' equity, while exchange rate adjustments on the stake in the BPC Group reduced shareholders' equity by DKK 5.4 million as a result of the sharp fall in the USD exchange rate in the final few months of the year.

Cash flow analysis

The cash flow from the NTR Group's operating activities was strongly affected by the honouring of substantial provisions, and as a result operating activities showed a negative cash flow of DKK 5.6 million.

Investment activities are dominated by capital investments in the BPC Group of just over DKK 18 million. The investments were partly financed through a small increase in long-term debt, but mainly through the release of deposited funds in line with the reduction in financial commitments. The short-term bank debt was thus reduced by DKK 24.8 million during 2004 and now amounts to DKK 13.9 million.

Adoption of IFRS

Like other listed companies NTR Holding will with effect from 1 January 2005 change to presenting accounts in accordance with the international IFRS standards. NTR Holding has decided to follow IFRS standards for both the consolidated accounts and the parent company's accounts.

The accounts for 2005, and the opening balance as at 1 January 2004 and comparative figures for 2004, will be reported in accordance with the standards which will apply at the end of 2005. Notwithstanding the uncertainty which lies in the possibility that there could be changes in certain standards before the end of 2005, the transition to the IFRS standards will have the following effects on the balance sheet and profit and loss account.

	GROUP						
	1 January 2004			2004	31 December 2004		
DKK millions	Assets	Commitments	Shareholders' equity	Profit for the year	Assets	Commitments	Shareholders' equity
Current annual report	395.5	273.0	122.5	8.0	300.3	175.2	125.1
Adjustments							
Liquid funds				(0.2)			
Reported in accordance with IFRS	395.5	273.0	122.5	7.8	300.3	175.2	125.1

	PARENT COMPANY						
	1 January 2004			2004	31 December 2004		
DKK millions	Assets	Commitments	Shareholders' equity	Profit for the year	Assets	Commitments	Shareholders' equity
Current annual report	175.5	53.0	122.5	8.0	145.6	20.5	125.1
Adjustments							
Shareholdings in jointly controlled enterprises	(61.1)		(61.1)	(6.3)	(61.9)		(61.9)
Shareholdings in associated cpmpanies	(0.2)		(0.2)	0.2			
Liquid funds				(0.2)			
Reported in accordance with IFRS	114.2	53.0	61.2	1.7	83.7	20.5	63.2

Shareholdings in jointly controlled enterprises

Jointly controlled enterprises are consolidated in the consolidated accounts in accordance with pro-rata consolidation, which is not changed by the transition to IFRS. However, in the regulatory body, ISAB, consideration is currently being given to whether this form of consolidation will continue, but, if not, it is expected that there will be amended guidelines which give the same picture of the Group's assets, commitments and results. In the consolidated accounts it is expected that the stake in the jointly controlled BPC Group will therefore continue to be measured at its net asset value.

In the parent company's accounts shareholdings in jointly controlled enterprises are measured at their cost price or market value. Jointly controlled enterprises include NTR Holding's 49% stake in BPC Group. Because of, among other things, the size of the stake and the geographic area of activities, an assessment of the market value based on normal valuation methods is considered to be subject to considerable uncertainty, so after transition to IFRS the shareholding will be recognised at its original purchase price. This valuation is not an expression of a realistic value of the shareholding, which, all other factors being equal, is better expressed by the valuation in the consolidated accounts.

In the parent company's accounts the distributed dividend is recognised as the share in profits from jointly controlled enterprises, whereas the pro-rata consolidation in the consolidated accounts still includes a proportional share of the BPC Group's results.

Shareholdings in associated companies

Like shareholdings in jointly controlled enterprises, shareholdings in associated companies will be recognised in the consolidated accounts as a proportional share of shareholders' equity and in the parent company's accounts at their cost price or a lower assessed value. The profit/loss from associated companies will in principle be the distributed dividend, but because all associated companies in the NTR Group were wound up through solvent liquidation during 2004, the profit/loss from associated companies will be the realised gains and losses from these liquidations.

Liquid funds

After the transition to IFRS only securities with a period to maturity of less than three months at the time of purchase will be recognised under liquid funds. Other securities will be recognised as fixed assets or current assets. Securities will continue to be measured at their market value or a lower estimated value. Realised gains/losses on securities will be recognised as financial items, while unrealised gains/losses on securities which are not recognised as liquid funds will be recognised in shareholders' equity and transferred from there to the profit and loss account when they are realised.

In the cash flow statement there will also be a division of securities based on the period to maturity at the time of purchase.

Markets

Bahrain

Bahrain began to exploit its oil reserves early, which laid the basis for its current prosperity. The oil and gas reserves are modest, but in 2004 the country benefited from the substantial income which has generally flowed into the region as a result of rising oil prices. The country's own oil and gas industry accounts for around 15% of the gross domestic product.

In recent years economic growth has been between 6% and 8% p.a., and it is expected that this development will continue. In the construction sector this growth has been expressed in a continued high level of private residential construction which over many years has been one of the cornerstones of Bahrain Precast Concrete's market for hollowcore slabs. As well as individual residential construction, developments are now moving towards the start of large, integrated housing and apartment developments. In addition, an increasing number of projects are developed and started in the area of office construction and the tourist sector.

Over a number of years Bahrain Precast Concrete has been able to maintain a market share for hollowcore slabs of around 50%, and through optimisation of production and expansion of production capacity it is seeking to preserve this market share.

In addition to hollowcore slabs Bahrain Precast Concrete has a highly specialised production of wall panels. In this area the company has a dominant position since none of the other producers possess the same kind of know how in the production of advanced panels. Competition in this area therefore largely comes from other forms of construction, such as glass and steel.

Bahrain - Selected market data

(USD millions, unless otherwise stated)	Estimate 2003	Estimate 2004
Population (thousands)	700	
Gross domestic product	8.803	9.322
Gross domestic product per capita (USD)	11.849	
Known oil reserves (millions of barrels)	125	
Known gas reserves (billions m^3)	46	
Standard & Poors sovereign rating	A-	

Sources: MEED, London & CIA: The World Factbook

United Arab Emirates

The United Arab Emirates consists of seven emirates, of which the main ones are Dubai and Abu Dhabi.

In recent years the United Arab Emirates, and in particular Dubai, have experienced a vigorous construction boom. This development has been brought about by a generally expansive and progressive approach by the Government in which a conscious effort is being made to attract foreign investment. The rising oil prices during 2004 have, of course,

The new plant in Qatar has delivered 750 m of boundary wall for Shuwief School with the logo of the school cast in the surface.

One of the Qatar plant's projects was delivery of 6,500 m^2 hollow core slabs for a Mercedes Showroom.

accelerated this development since the large incomes from oil and gas exports are quickly channelled into new projects, not least in the construction sector.

Growth in the construction sector was around 6% in 2003, and it is thought that it was substantially higher in 2004, and if only a portion of the many new projects which are being proposed are implemented, the high rate of growth will continue in the coming years.

In 2002 Dubai became the first country in the region to permit foreigners to own real estate, and this was the starting gun for a large number of housing projects with both detached houses and high-rise apartment blocks. In parallel there has been an expansion of, among others, the tourist industry in the broadest sense, with a high level of investment in expanding the range of, among other things, sports and shopping facilities. The expected growth in both the number of inhabitants and tourists is also leading to a large number of infrastructure investments.

In addition to the tourist industry, Dubai is aiming through favourable terms to attract activities in the areas of, for example, finance, health and IT, which in turn is contributing to a high level of immigration and an increased demand for housing.

In Abu Dhabi economic development is based more on income from oil and gas since the emirate has substantially higher production levels than Dubai. Here too the substantial income is being channelled into housing, tourism and a general upgrading of the business sector.

United Arab Emirates - Selected market data

(USD millions, unless otherwise stated)	Estimate 2003	Estimate 2004
Population (thousands)	3.600	
Gross domestic product	73.862	78.300
Gross domestic product per capita (USD)	20.517	
Known oil reserves (millions of barrels)	80.310	
Known gas reserves (billions m^3)	5.892	
Standard & Poors sovereign rating	na.	

Sources: MEED, London & CIA: The World Factbook

BPC Group companies in the United Arab Emirates are estimated to have a market share of around 30% for hollowcore slabs. Even if production capacity is increased in 2005, particularly at the plant in Abu Dhabi, this is unlikely to lead to a higher market share because the total market is also expected to grow. At the same time hollowcore slabs only account for a small share of the overall market for floors, while other forms of production account for the rest. In a more mature market like Bahrain hollowcore slabs have a substantially higher share of the total market, so for this reason too there is expected to be substantial growth in the market for hollowcore slabs in the coming years.

Markets

Qatar

Qatar's status as the fastest-growing economy in the region is becoming more and more pronounced.

The economic miracle in Qatar can be seen from the high gross domestic product per capita, which is on a par with Western countries, together with the fact that in the years up to 2003 there was annual growth of 15% p.a. Even higher growth is expected for 2004. This development has been created by income from oil and gas production which was developed in the 1990s. In recent years and in future growth has and will come from the gas sector in particular as Qatar has the world's third largest reserves of natural gas.

At the current time the country has entered into long-term contracts which will lead to a doubling of production by 2010 – 2012. However, it is the Government's intention to expand the sector further in the coming years, so that production increases four or five-fold in that period.

The handling and export of natural gas requires a different infrastructure to oil because, after extraction, gas is stored in liquid form (LNG = Liquified Natural Gas) and is then transported refrigerated and under pressure. When it reaches its destination the LNG is turned back into gas. Large LNG plants have already been established in Qatar and in the most important recipient countries, and several new production facilities are under construction. Because of the large investment requirement, the supply of LNG is based on long-term contracts. Japan and South Korea were the first to enter into such contracts, but in the coming years exports to Europe and the USA will also take off.

At present the oil and gas sector totally dominates Qatar's economy with around 60% of the gross domestic product. Even though the substantial reserves and large investments will ensure income from this source for many years ahead, the country is also trying to develop other industries, including related industries such as petrochemicals and fertilisers. In addition, like the other countries in the region, Qatar is investing in increased tourism and the development of, among others, the financial sector.

Qatar - Selected market data

(USD millions, unless otherwise stated)	Estimate 2003	Estimate 2004
Population (thousands)	700	
Gross domestic product	18.269	21.500
Gross domestic product per capita (USD)	28.107	
Known oil reserves (millions of barrels)	14.510	
Known gas reserves (billions m^3)	17.930	
Standard & Poors sovereign rating	A+	

Sources: MEED, London & CIA: The World Factbook

The strong economic growth has led to a corresponding rapid rise in construction activity, including, among other things, the building of modern and up-to-date facilities for government ministries etc. In addition there is a rapid expansion of hotel capacity, which has been brought about by the fact that the country is to host the Asian Games in 2006. This, of course, also entails large investments in sports facilities and other infrastructure.

Lastly, economic growth has given rise to substantial immigration and thus population growth, which is in turn reflected in a high demand for housing.

The hollowcore slab market in Qatar is still in its infancy, since at the moment there are only two suppliers who can cover no more than 15 – 20% of the total requirement for floors. Production capacity will undoubtedly be increased in the coming years, both at United Precast Concrete Qatar and at existing and future competitors. However, as the total market for floors is also growing rapidly, there will continue to be favourable expansion opportunities.

Since it commenced production in 2003, United Precast Concrete Qatar has worked to create a leading position for itself in the precast concrete market. The order inflow in recent months shows that it is succeeding and that the foundations for strong expansion in the coming years are therefore in place.

Risk Factors

Risks

Any activity involves risks which may affect future results. NTR Holding concentrates on identifying the most significant risks and actively decides whether the risk should be covered.

The following description of and positions taken on specific risks cannot be regarded as an exhaustive account of all risk factors, but NTR is of the opinion that the risks described are those which are most likely to be able to influence future results.

Commercial Risks

Energy prices

With its activities located in selected countries around the Arabian Gulf whose economies are to a greater or lesser degree influenced by the extraction and export of oil and natural gas, the NTR Group may be affected by fluctuations in the price of oil and gas. The energy sector is of greatest importance for Qatar, where it represents around 60% of the gross domestic product. In Abu Dhabi and Bahrain the proportion is somewhat lower, and in Dubai the energy sector accounts for only around 5% of the total economy. In connection with the fact that they have the lowest oil and gas reserves, Dubai and Bahrain are working hard to develop other industries so that dependence on energy exports can be reduced.

Changes in energy prices affect the economies in the opposite way to those in the West since high prices mean high income and thus a stimulation of the economy, as has clearly been seen during 2004. Low oil and gas prices, on the other hand, mean lower income, which puts a damper on the economies.

Raw Materials

The most important ingredients in precast concrete are cement, sand & stone and reinforcement steel. Because contracts for the delivery of precast concrete are generally entered into at a fixed price and with varying delivery times from a matter of weeks to 1 – 1 1/2 years, the price development of the most important raw materials can at times drastically affect profitability. The prices of special cement and steel rose strongly during the first half of 2004, but have now stabilised. The price rises were caused partly by rising world market prices and partly by strong local demand as a result of the high level of construction activity. Sand & stone are extracted locally in the region, but the high demand has also led to substantial price rises. For short periods there can also be supply problems.

We try to counter the effects of fluctuating prices for raw materials by entering into long-term supply contracts, but in an overheated market it is not always possible to maintain these contracts. We try to counter short-term supply problems by building up some stocks of critical raw materials.

Price swings for raw materials are general for the markets concerned, and with the high level of activity it is not too difficult to have changed raw materials prices reflected in new contracts. The risk is therefore concentrated on already existing contracts for later delivery.

Competition

A high level of construction activity naturally attracts other suppliers of precast concrete. The markets in Bahrain and Dubai/Abu Dhabi have therefore been characterised for many years by substantial competition, whereas the market in Qatar is still at a development stage so competition is not so intense there. However, it must be expected that the rapidly increasing activity in Qatar will attract new suppliers and competition will get tougher. With its early entry into the market United Precast Concrete has a head start in the effort to establish and maintain an appropriate competitive position.

BPC Group companies do not aim to use price as a competitive tool, but will of course adapt to the general price levels in the respective markets. Through continuous technological innovation, however, the companies are seeking to make their plants more efficient and thus optimise production costs so that a satisfactory level of income can be maintained. At the same time they maintain a high level of quality and reliable delivery times for their customers.

Other production methods

In periods of high construction activity precast concrete has not been able to satisfy the requirements of all customers for the delivery of especially hollowcore slabs. This has led to the rather paradoxical situation that projects have been changed to use other production methods, which in turn has led to a falling demand for hollowcore slabs. However, hollowcore slabs are still considered to have competitive advantages over other production methods. For this reason the focus on the

Risk Factors

production of hollowcore slabs is being maintained and it is expected that hollowcore slabs will again capture a rising market share when overall demand comes into a natural balance with the industry's production capacity.

For standard wall panels the situation is different in that rising materials prices during 2004 have led to precast concrete becoming less competitive in relation to other construction methods. Even though precast concrete has quality advantages, it has not been possible to have this fully reflected in the obtainable prices. This is why around one third of the production capacity in Abu Dhabi has been converted from wall panels to hollowcore slabs. For more specialised wall panels with, for example, advanced surfaces there has not been the same deterioration in the competitive position. Especially the plant in Bahrain has a strong position in the market for highly specialised wall panels.

Political Risks

Many people immediately associate the Arab world with problem areas – Israel/the Palestinian National Authority and Iraq. In addition, over the past year there have been terrorist attacks in Saudi Arabia. These matters have not affected everyday life in the countries in which the BPC Group operates, and even though Saudi Arabia is close geographically, there are considered to be large social differences and differences in mentality which mean that these terrorist attacks may be regarded as an isolated Saudi Arabian concern.

Traditionally all countries in the Arab world have been characterised by the concentration of a large amount of power in the hands of a few families. Locally there is not considered to be any pressure to change these circumstances, but because of internationalisation through education and the media it is not improbable that pressure will gradually emerge for such a change. It is considered that the leaders of the countries are aware of these developments and will adapt society to the wishes of the peoples.

All the countries in which the BPC Group operates are western-oriented. They are trying at the same time to open up to investment from abroad and increased trade, and there is an ongoing modernisation of the laws. There is therefore not considered to be any significant political risk associated with the activities in the area because the ongoing development and advancement of the countries is in many ways dependent on a future trading relationship with the most important economies in the world.

Financial Risks

The NTR Group's financial risks consist of the risks which are associated with the parent company and R+S Baugesellschaft in Germany and risks which are associated with the BPC Group.

Exchange Rates

BPC Group companies operate in local currencies, all of which are pegged to the US dollar. Overall, the economies of the countries concerned are closely connected to the energy sector, in which the US dollar is also dominant. Because purchases are made mainly in local currencies, the activities are not sensitive to changes in exchange rates to any significant extent. However, some production equipment and thus spare parts are purchased in Europe, so these items are affected by the exchange rate between the euro and the US dollar.

The earnings of the BPC Group make up the lion's share of the NTR Group's earnings, which is thus dependent on developments in the US dollar exchange rate. NTR does not undertake any currency hedging of the current income from the BPC Group.

In addition, NTR Holding has receivables due from the BPC Group. The exchange rate risk on these receivables is hedged on an ongoing basis through foreign exchange forward contracts and borrowing in US dollars.

Assets and liabilities in the BPC Group are denominated in local currencies or US dollars and the NTR Group is thus exposed to the US dollar in proportion to its share of the BPC Group's shareholders' equity, which at the end of 2004 was DKK 62.7 million. Changes in the value of the share stake as a result of exchange rate movements are taken directly to shareholders' equity, and a 10% change in the US dollar exchange rate will thus affect the NTR Group's shareholders' equity by DKK 6.3 million. NTR Holding does not undertake any currency hedging of its share of the shareholders' equity in BPC.

Other assets and liabilities in the parent company and R+S Baugesellschaft are related to the Danish krone and the euro and do not therefore entail any exchange rate risk.

Interest

All borrowing in the Group companies is done at variable interest rates, and, as there may be expected to be a certain correlation between the interest rate and economic activity, the Group is not considered to be exposed to any particular interest rate risks.

Part of NTR Holding's liquid assets are invested in bonds with maturities of one to two years. A one percentage point change in the short-term interest rate will affect the value of these bonds by DKK 0.6 million.

Credit Facilities

BPC Group companies have credit and guarantee facilities with local banks to fund both working capital and part of the substantial capital investments of recent years. The local financial markets have only a limited tradition of providing ongoing financing of operations, and capital investments can only be financed through loans with a repayment period of two to four years. The BPC Group therefore has an ongoing need to refinance part of its bank loans, which it has so far been able to do without problems. It is expected that the BPC Group will also in future be able to refinance its bank loans to the required extent.

NTR Holding and the local partner guarantee on a pro rata basis part of the BPC Group's bank financing.

The bank financing in R+S Baugesellschaft has been gradually reduced over recent years, and in early 2005 the company will no longer have bank loans. In addition, R+S Baugesellschaft has a number of guarantee facilities which are partly unsecured. Because the number of outstanding guarantees is falling and there is no need to issue new ones, they do not represent a real risk in relation to credit facilities.

NTR Holding has ongoing bank financing of DKK 5 to 10 million taken up in US dollars as partial hedging of exchange rate exposures on receivables from the BPC Group. This financing is fully covered through the deposit of liquid assets and the loan does not therefore represent any real credit risk.

Divestment and Discontinuation of Activities

Over recent years NTR Holding has sold a number of companies and activities, the latest being the sale of HOH Water Technology in 2003. All real risks in relation to these sales have been wound up, in that there are only certain tax guarantees remaining. Any change in the taxable income for the years prior to the sales will be able to be fully offset against the substantial accumulated tax loss in NTR Holding.

The winding up of the activities of R+S Baugesellschaft has previously led to large losses and provisions in the NTR Group. There is still a risk that unknown guarantee commitments for R+S Baugesellschaft may emerge, but as it is several years since the last construction projects were completed, this risk is considered to be falling.

In addition, there is a risk related to the evaluation of the assets and the already known commitments in R+S Baugesellschaft. At the closing of the 2004 accounts these factors were evaluated and the necessary writedowns and provisions were made.

Pension Commitments

The NTR Group has no uncovered pension commitments in group companies or jointly controlled enterprises.

Shareholder' Information

Investor Relations Policy

NTR Holding wants to help to spread and increase awareness of the Company and its development, including knowledge of the markets around the Arabian Gulf which is the Group's area of operations.

We strive for an open, consistent information policy which ensures the best level of information and basis for assessment for our partners. The information is prepared in accordance with the Securities Trading Act and the guidelines and recommendations of the Copenhagen Stock Exchange.

Regular information provided by NTR Holding includes
- Financial Calendar
- Announcement of Annual Accounts
- Annual Report
- Interim Reports for the 1st to 3rd Quarters
- Notice of and Report on the Proceedings of the Annual General Meeting

In addition, other information which may be of significance for an evaluation of NTR Holding shares is provided as necessary.

Corporate Governance

The Board of Directors of NTR Holding is aware of developments in the area of corporate governance and aims in so far as possible to comply with the current recommendations in order to ensure the greatest possible openness and transparency about developments in NTR group companies and to give the Company's current and future shareholders the best possible basis for decisions in connection with investment in NTR shares.

According to the Company's articles of association, all shares shall be registered, which in practice means that 90 - 95% of the total share capital is permanently registered. With a view to balancing the information requirements of shareholders with the use of resources, all new shareholders are requested by letter to state what

Financial Calendar 2005	
9 March 2005	Announcement of annual accounts for 2004
10 March 2005	Annual Report 2004 (electronic pdf version)
4 April 2005	Annual Report 2004 (printed version)
27 April 2005	Interim Report, 1st quarter
27 April 2005	Annual General Meeting
11 August 2005	Interim Report, 1st half
17 November 2005	Interim Report, 3rd quarter

Stock Exchange Announcements Issued

DATE	NO.	CONTENT
26 January 2004	1	Financial Calendar 2004
18 March 2004	2	Announcement of annual accounts for 2003
7 April 2004	3	Notice of Annual General Meeting
29 April 2004	4	Interim Report, 1st quarter
29 April 2004	5	Proceedings of Annual General Meeting
30 April 2004	6	Status of insiders' shareholdings
10 June 2004	7	Status of insiders' shareholdings
13 August 2004	8	Reduction of Share Capital and Denomination
17 August 2004	9	Interim Report, 1st half
28 September 2004	10	Status of insiders' shareholdings
16 November 2004	11	Interim Report, 3rd quarter
22 December 2004	12	Insiders' trading in NTR Holding shares
29 December 2004	13	Status of insiders' shareholdings

regular information they wish to receive in future, either by ordinary mail or by e-mail.

All shareholders who have expressed a desire to be invited to the AGM will receive an invitation together with the Annual Report. The invitation is sent around 14 days prior to the AGM, and the date of the AGM is announced in advance via the Financial Calendar. Shareholders are given the opportunity to grant proxy voting rights to another person or to the Board of Directors, and in the latter case the shareholder can state his voting preferences for each point on the Agenda. Reports and minutes of Annual General Meetings are available on the Company's website (www.ntr.dk).

All information to shareholders and the stock exchange is also available on the Company's website in both Danish and English. The website is dedicated exclusively to investor relations.

NTR Holding has A-shares and B-shares. One A-share carries 10 votes and one B-share carries one vote. The shares are divided into classes with different voting powers for historical reasons.

NTR aims for the greatest possible openness about the Group in so far as it can be ensured that everyone receives price-sensitive information at the same time. There may also be information which cannot be disclosed for commercial reasons, and information about the Group's jointly controlled enterprises in the BPC Group is coordinated with the wishes of the co-shareholders.

Apart from the general meeting of shareholders, NTR Holding's most senior governing body is the Board of Directors which regularly discusses and organises the Company's strategic development in cooperation with the management. All the members of the Board of Directors are elected by the AGM for one year at a time. Holders of B-shares are entitled to elect one member, while the other members are elected by all the shareholders. The Board of Directors has three members. NTR Holding does not meet the criteria for the election of employee representatives. No fixed age limit has been set for members of the Board of Directors because the Board of Directors finds it more appropriate to assess on an ongoing basis the active contribution of individual members to the work of the Board of Directors.

The Chairman of the Company's Board of Directors is a partner in the law firm which, on normal terms, advises NTR Holding on complicated legal matters, primarily in connection with the sale of companies. The Chairman does not participate in these consulting tasks and is therefore regarded as free of special interests in line with the other members of the Board of Directors.

The members of the Board of Directors of NTR Holding receive a fixed annual fee of DKK 100,000. The Chairman receives double this fee.

The management also receive fixed salaries agreed each year with the Chairman of the Board of Directors. Neither the Board of Directors nor the management have been allocated any forms of performance-related remuneration.

In advance of the four or five regular Board meetings each year, the Board of Directors receives a written account of the Group's affairs and current position with particular emphasis on strategic adjustments and risk exposure.

Shareholders' Information

Share Price Development

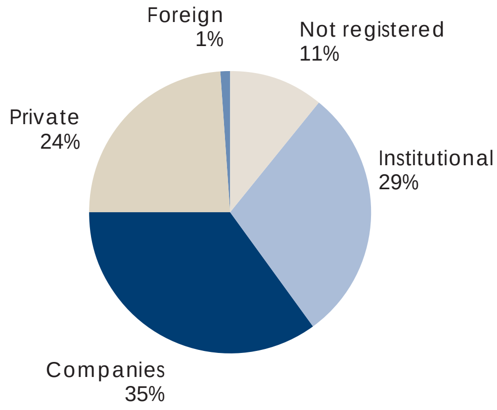
The price of the NTR Holding B-share rose from 42 to 53 during the course of 2004, which corresponds to a rise of 26%. At the beginning of the year the share price rose sharply. This was considered to be due to speculative purchases by short-term, mainly private investors. The effect died down over the course of the first few months of the year, and for the rest of the year the share price developed largely in line with the relevant index for small companies on the Copenhagen Stock Exchange. In the middle of 2004 NTR Holding slipped out of the SmallCap+ index because the share no longer fulfilled the requirement regarding average daily turnover.

Share Capital and Shareholders

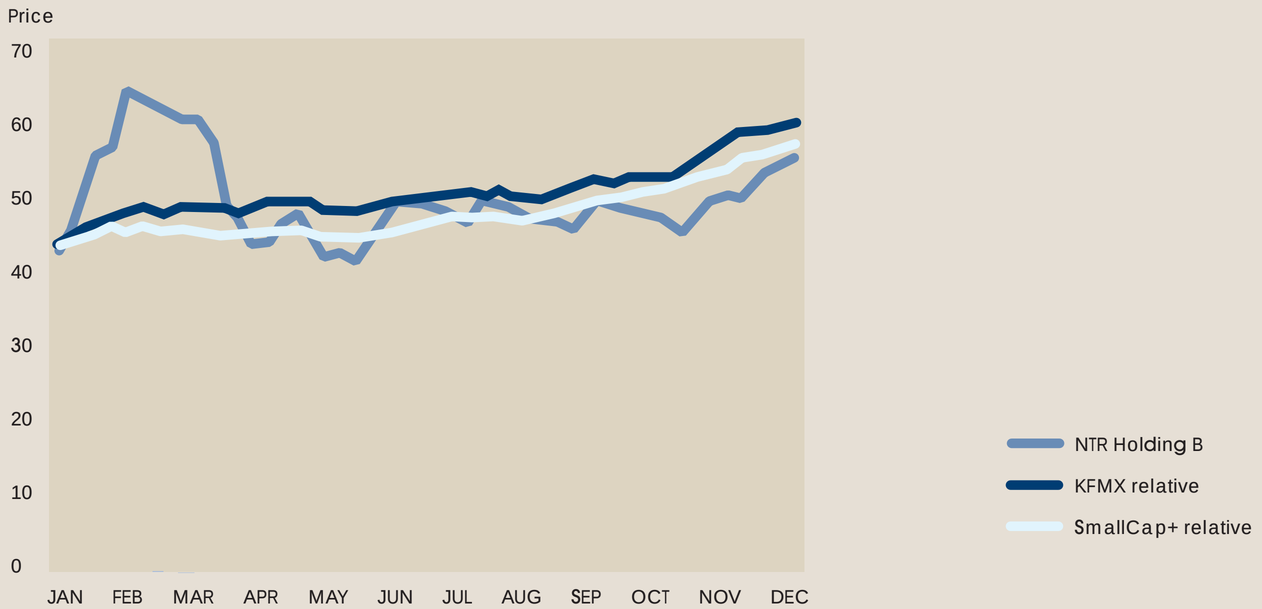
At the AGM in April 2004 it was decided to write down the Company's nominal share capital from DKK 194.0 million to DKK 38.8 million. At the same time it was decided to reduce the nominal value of individual shares from DKK 100 to DKK 20. The capital reduction was carried out in order to create a more natural balance between nominal share capital and shareholders' equity.

Because the share capital writedown was in proportion to the reduction in the nominal value of individual shares, there was no change in the number of shares, so NTR Holding's share capital still consists of 1,777,140 listed B-shares and 162,798 unlisted A-shares. The A-shares are owned by a small circle of shareholders, while the B-shares are divided among 1,769 registered shareholders.

Breakdown of share capital



Movements in share prices 2004



At the end of the year the following shareholders held more than 5% of the Company's share capital:

SHAREHOLDER	A-shares	B-shares	Share of capital	Share of votes
Civilingeniør N. T. Rasmussens Fond H. C. Andersens Boulevard 12, Copenhagen K	109,329		5.6%	32.1%
Stig Rantsen [1)] Dubai & Niels Andersens Vej 5A, Hellerup	27,169	433,985	23.8%	20.7%
Lønmodtagernes Dyrtidsfond Vendersgade 28, Copenhagen K	1,000	192,304	10.0%	5.9%

[1)] Via controlled companies

NTR Holding keeps a running account of holdings of shares in the Company held by insiders and their close associates. At the end of 2004 the holdings were as follows:

	Number of shares	Market value 31. Dec. 2004 (DKK m)
Board of Directors	800	0.0
Management	0	0.0
Others	570,869	30.9

Insiders are defined as members of the Board of Directors and management, senior employees in group companies and auditors appointed by the AGM. By virtue of its close connections with NTR Holding, Civilingeniør N. T. Rasmussens Fond is also regarded as an insider.

The Company's Board of Directors is authorised until April 2009 to increase the Company's share capital by up to one million new B-shares and a proportionally corresponding number of A-shares. The Board of Directors has no plans at present to issue new shares.

Own Shares

NTR Holding has a holding of 71,994 own B-shares. The holding is maintained in order to cover share-based incentive schemes for senior management in jointly controlled enterprises.

2004 Annual Report

Endorsement and Auditors' Report

Statement of the Board of Directors and the Management

The board of directors and the management have today considered and adopted the annual report for 2004 for NTR Holding A/S.

The annual report has been presented in accordance with Danish Financial Statements Act and the requirements otherwise imposed by the Copenhagen Stock Exchange on the presentation of financial statements for listed companies. In our opinion, the accounting policies elected are appropriate and the financial statements give a true and fair view of the Group's and the parent company's assets and liabilities, financial position and result.

We recommend the Annual General Meeting to adopt the annual report.

Copenhagen, 9 March 2005

Management

Jens Hørup

Board of directors

Niels Heering chairman	Bjørn Petersen	Erik Sprunk-Jansen

Auditors' Report

To the Shareholders of NTR Holding A/S.

We have audited the annual report of NTR Holding A/S for the financial year 1 January - 31 December 2004, which has been presented in accordance with Danish Financial Statements Act, Danish Accounting Standards, and requirements from Copenhagen Stock Exchange for presentation of accounts.

The annual report is the responsibility of the Company's Board of Directors and Management. Our responsibility is to express an opinion on the annual report, based on our audit.

Basis of Opinion

We conducted our audit in accordance with Danish Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual report is free of material misstatement. An audit includes examining, on at test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Board of Directors and the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not given rise to qualifications.

Opinion

In our opinion, the annual report give a true and fair view of the Group's and the parent company's financial position at 31 December 2003 and of the results of the Group's and the parent company's operations and consolidated company cash flows for the financial year 1 January - 31 December 2004 in accordance with the Danish Financial Statements Act, Danish Accounting Standards, and requirements from Copenhagen Stock Exchange for presentation of accounts.

Copenhagen, 9 March 2005

Deloitte Statsautoriseret Revisionsaktieselskab		Grant Thornton Statsautoriseret Revisionsaktieselskab	
Jesper Jørgensen State Authorised Public Accountant	Christian Sanderhage State Authorised Public Accountant	Gert Fisker Tomczyk State Authorised Public Accountant	Stine Grothen State Authorised Public Accountant

Accounting Policies

Basis of Financial Statements

This annual report of NTR Holding A/S for 2004 has been prepared in accordance with the provisions of the Danish Financial Statements Act governing accounting class D enterprises, Danish accounting standards, and the requirements otherwise imposed by the Copenhagen Stock Exchange on the presentation of financial statements of listed companies.

Change in Accounting Policies

Companies in which the NTR Group holds between 20% and 50% of the voting rights and in which NTR Holding has a substantial but not controlling influence have until now been defined as associated companies and reported on one line in the profit and loss account and on the balance sheet.

In connection with the preparation of the Annual Report for 2004 the influence in the 49%-owned Bahrain Precast Concrete Co. (BPC) has been analysed and it has been concluded that the company qualifies as a joint venture/jointly controlled enterprise under the provisions of the Danish Financial Statements Act. Against this background and in order to give a true and fair view of the Group's activity, profit/loss, assets, liabilities and cash flow the consolidation method for BPC has been changed. Previously BPC has been recognised with the proportional share of profit/loss and equity as share of profit/loss associates and participating interests in associates. In future pro-rata consolidation will apply, where each profit and loss and balance sheet item is recognised proportionally "line-by-line". The change in accounting policies is a change of presentation only and has no influence on the profit for the year or on the Group's shareholders' equity, but merely mean that the Group's balance sheet total at the end of 2004 is increased by DKK 99.6 million to DKK 300.3 million. At the end of 2003 the change in policy means an increase in the balance sheet total by DKK 135.7 million to DKK 395.5 million.

The comparative figures for 2003 and key figures for the period 2000 to 2002 have been restated in accordance with the changed accounting policy.

The change in policy has no influence on the parent company's profit and loss account and balance sheet.

As well as the change in accounting policy, the layout of the balance sheet has been changed so that the individual items can be related to the Group's various activities. In addition, the segment information has been changed so that the segmentation now has the geographic markets as the primary segments and the activity types as secondary segments. The comparative figures for 2003 have been adjusted accordingly.

With effect from the 2005 financial year NTR Holding will switch to preparing accounts in accordance with the international IFRS standards. Please refer to the discussion of this in the Accounting Report.

Recognition and Measurement

Assets are recognised in the balance sheet when future economic benefits are likely to flow to the Group, and the value of the particular asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Group has a legal or constructive obligation, and future economic benefits are likely to flow out of the Group, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Some financial assets and liabilities are measured at amortised cost, and a constant effective interest rate is recognised over their term. Amortised cost is measured as initial cost less instalments, if any, and addition/deduction of the accumulated amortisation of the difference between cost and nominal value.

Anticipated risks and losses arising before the time of presentation of the annual report and confirming or invalidating affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement as earned whereas costs are recognised by the amounts attributable to this financial year.

Consolidated Financial Statements

The Consolidated Financial Statements include the parent company, NTR Holding A/S, and subsidiaries in which NTR Holding A/S directly or indirectly holds more than 50% of the voting rights or in any other way exercises or can exercise a controlling interest. Furthermore the Consolidated Financial Statements include the NTR Group's pro rata share of jointly controlled enterprises, where activities are carried on together with other venturers. Jointly controlled enterprises are consolidated using proportionate consolidation. Other enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are regarded as associates.

On consolidation, intra-group income and expenses, shareholdings, accounts, dividends, as well as profits and losses on transactions between the consolidated enterprises are eliminated.

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing any such company. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up. Comparative figures are not restated for newly acquired, divested or wound-up operations. Profit or loss on divestment of subsidiaries, jointly controlled enterprises and associates is recognised in the income statement as other operating income and other operating expenses, respectively.

The purchase method is applied in the acquisition of new enterprises according to which identifiable assets and liabilities of these enterprises are measured at fair value at the takeover date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the enterprise acquired. Allowance is made for the tax effect of the restatements.

Favourable differences in amount (goodwill) between cost and fair value of the assets and liabilities taken over, including restructuring provisions, are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 10 years.

Goodwill and goodwill on consolidation related to acquisitions before 2002 were taken directly to equity and are not covered by the above accounting policy.

Foreign Currency Translation

On initial recognition, foreign currency transactions are translated using the exchange rate at the transaction date. Exchange differences arising between the rate at the transaction date and the one in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange differences arising between the rate at the balance sheet date and the rate at the date of commencement of the receivable or payable or the rate at last year's recognition are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries, jointly controlled enterprises, and associates, the income statements are translated at average exchange rates, and balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries', jointly controlled enterprises', and associates' equity at the beginning of the year using the exchange rates at the balance sheet date as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are taken directly to equity.

Accounting Policies

Other Operating Income and Expenses

Other operating income and expenses comprise income and expenses of a secondary nature to the enterprises' primary activities, including gains and losses on divested intangible assets, property, plant and equipment, as well as impairment losses and provisions relating to discontinued operations.

Income Tax and Deferred Tax

NTR Holding A/S is jointly taxed with its wholly owned subsidiaries.

Tax for the year, consisting of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year, and taken directly to equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement relating to extraordinary profit/loss for the year is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for changes in tax on previous years' taxable income and adjusted for prepaid tax.

Deferred tax is measured using the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax-based value of tax loss carryforwards, are recognised in the balance sheet, if the assets are expected to be utilised in future, either by settlement of tax on future taxable income or as set-off against deferred tax liabilities.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, applying the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Property, Plant and Equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools, and equipment are measured at the lower of cost less accumulated depreciation and estimated recoverable amount.

Cost comprises the acquisition price and costs directly attributable to the acquisition until such time as it is ready to be put into operation.

Straight-line depreciation is made over the estimated useful life based on the estimated useful life of the assets, for buildings maximised at 40 years and for other property, plant and equipment at 3 to 10 years. Leasehold improvements are depreciated over the term of the lease, however, no more than 10 years. Assets costing less than DKK 25,000 per unit are fully recognised as costs in the income statement at the time of acquisition.

Profits and losses from the divestment of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of divestment. Profits or losses are recognised in the income statement under other operating income or expenses

Investments in Subsidiaries, Jointly Controlled Enterprises, and Associates

Investments in subsidiaries, jointly controlled enterprises, and associates are measured using the equity method. The parent company's share of the particular subsidiary's and jointly controlled enterprise's profit/loss on ordinary activities before tax is, after elimination of unrealised intra-group profits and losses, recognised in the income statement. Shares of tax and extraordinary items of subsidiaries and jointly controlled enterprises are recognised under 'Tax, ordinary activities' and 'Extraordinary profit/loss after tax', respectively.

The proportional share of profit/loss before tax in associates after elimination of a proportional share of intra-group profits and losses is recognised in the income statement of the parent company as well as of the Group. The share of tax and extraordinary items of the associates is recognised under 'Tax, ordinary activities' and 'Extraordinary profit/loss after tax', respectively.

The pro rata share of the particular subsidiary's or jointly controlled enterprise's equity less intra-group profits is recognised in the balance sheet of the parent company. The pro rata share of equity of associates after elimination of intra-group profits is recognised in the balance sheet of both the parent company and the Group.

Net revaluation of investments in subsidiaries, jointly controlled enterprises, and associates is taken to reserve for net revaluation applying the equity method if the carrying amount exceeds cost.

Inventories

Inventories are measured at the lower of cost applying the FIFO method and net realisable value.

Cost of goods for resale, raw materials, and consumables consists of purchase price plus landing costs.

Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, and direct labour costs as well as indirect production costs. Indirect production costs comprise indirect materials and labour costs, costs of maintenance of and depreciation on machinery, factory buildings, and equipment used for the manufacturing process as well as costs of factory administration and management. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale, allowing for marketability and obsolescence.

Receivables

Receivables are measured at their individually and conservatively estimated realisable value. Provisions for bad debts are therefore made.

Contract Work In Progress

Contract work in progress is measured at the selling price of the work carried out. The selling price is measured based on the stage of completion at the balance sheet date and the total estimated income from the particular projects in progress.

Each project in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Securities

Securities recognised as current assets are measured at fair value on the balance sheet date. All changes in fair value are recognised in the income statement as financial income or financial expenses.

Accounting Policies

Derivative financial instruments

Derivative financial instruments are included on the balance sheet at their market value. Positive and negative market values of derivative financial instruments are included under other assets and other liabilities respectively, and offsetting of positive and negative values only takes place when the Company has the right and the intention to settle several contracts net.

Changes in market values of derivative financial instruments are included on an ongoing basis in the profit and loss account under financial items.

Own Shares

Acquisition and selling prices of and dividends on own shares are recognised directly in other reserves under shareholders' equity. As a result, gains and losses from sale are not recognised in the income statement.

Provisions

Provisions comprise anticipated costs of guarantee commitments, losses on work in progress, decided and published restructurings, discontinuation of operations, etc. Provisions are recognised when, due to a past event, the Group has a legal or constructive obligation, and outflow of Group economic benefits is likely to be required to settle the obligation.

Guarantee commitments comprise obligations to remedy defects and deficiencies within warranty periods. The provisions are measured and recognised based on previous experience.

Financial Liabilities

At the time of borrowing, debt with mortgage banks and credit institutions is measured at cost equivalent to proceeds received less transaction costs incurred. It is subsequently measured at amortised cost equivalent to the capitalised value applying the effective interest method. As a result, the difference between the proceeds and the nominal value will be recognised in the income statement during the term of the loan.

Other payables comprising trade payables, payables to subsidiaries, jointly controlled enterprises and associates, and other debt are measured at amortised cost.

Cash Flow Statement

The cash flow statement of the Group is presented applying the indirect method and showing cash flows from operating, investing, and financing activities, changes in cash and cash equivalents as well as the Group's cash at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the Group's share of the operating profit/loss adjusted for non-cash operating items, working capital changes, and income taxes paid.

Cash flows from acquisition and divestment of enterprises are shown separately under cash flows from investing activities. Cash flows from acquired enterprises are recognised in the cash flow statement from the time of their acquisition, and cash flows from divested enterprises are recognised up to the time of divestment.

Cash flows from investing activities comprise purchase and divestment of intangible assets, property, plant and equipment, and fixed asset investments as well as payments relating to acquisition and divestment of enterprises and activities.

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as purchase and sale of own shares. Cash flows from financing activities furthermore comprise the raising of loans, instalments on interest-bearing debt, as well as payment of dividends.

Cash and cash equivalents comprise cash and short-term securities. Short-term securities mainly comprise Danish listed bonds. These bonds involve a risk of price changes but due to the liquid nature of the Danish bond market they are treated as cash and cash equivalents as this is their actual function.

Segment Information

Disclosures are provided on geographical and business segments. The segmental disclosures comply with the Group's internal financial management and accounting policies.

Profit and Loss Account 1 JANUARY - 31 DECEMBER (DKK MILLION)

		GROUP		PARENT COMPANY	
Note		2004	2003	2004	2003
1	Turnover	213.6	448.1	4.2	3.1
2+11	Production costs	(169.3)	(333.9)	(1.2)	(1.1)
	Contribution margin	44.3	114.2	3.0	2.0
2+11	Sales and distribution costs	(8.4)	(10.6)		
2+11	General and administration costs	(28.9)	(99.0)	(5.2)	(5.7)
3	Other operating income	1.5	2.2	0.9	1.1
4	Other operating expenses	0.0	(14.8)	0.0	(12.8)
	OPERATING PROFIT (LOSS)	8.5	(8.0)	(1.3)	(15.4)
5	Share of profit (loss) before tax, subsidiaries	-	-	0.0	1.7
6	Share of profit (loss) before tax, jointly controlled enterprises	-	-	7.7	3.0
7	Share of profit (loss) before tax, associates	(0.1)	0.4	(0.1)	0.1
8	Financial income	3.1	3.2	3.4	3.7
9	Financial expenses	(3.5)	(5.3)	(1.7)	(2.8)
	Result on ordinary operations before tax	8.0	(9.7)	8.0	(9.7)
10	Tax, ordinary operations	0.0	0.0	0.0	0.0
	Net profit (loss) for the year	8.0	(9.7)	8.0	(9.7)
	It is proposed that the profit of the year be distributed as follows:				
	Transferred to other reserves			8.0	(9.7)
	Total			8.0	(9.7)

Balance Sheet ASSETS AT 31 DECEMBER (DKK MILLION)

Note		GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
	Land and buildings, BPC Group	15.7	18.9		
	Plant and equipment, BPC Group	54.3	56.6		
	Other fixtures and fittings, tools and equipment, BPC Group	6.1	5.1		
	Other fixtures and fittings, tools and equipment, R+S Baugesellschaft	0.1	0.1		
11	Tangible fixed assets	76.2	80.7	0.0	0.0
5	Participating interests in subsidiaries	-	-	0.0	0.0
6	Participating interests in jointly controlled enterprises	-	-	62.7	62.2
7	Participating interests in associates, NTR Holding	0.0	1.1	0.0	1.1
12	Other financial fixed assets, R+S Baugesellschaft	17.7	0.0		
	Financial fixed assets	17.7	1.1	62.7	63.3
	Total fixed assets	93.9	81.8	62.7	63.3
13	Properties for sale, R+S Baugesellschaft	9.6	13.1		
	Raw materials and consumables, BPC Group	16.4	14.5		
	Properties and inventories	26.0	27.6	0.0	0.0
	Accounts receivable, sales, BPC Group	67.9	104.0		
	Accounts receivable, sales, R+S Baugesellschaft	32.0	55.4		
5	Amounts owed by subsidiaries	-	-	22.0	15.0
	Amounts owed by jointly controlled enterprises, NTR Holding	9.7	6.6	18.1	13.1
	Other receivables, NTR Holding	2.0	1.4	2.0	1.2
	Other receivables, BPC Group	3.8	3.4		
	Other receivables, R+S Baugesellschaft	9.0	16.8		
	Total receivables	124.4	187.6	42.1	29.3
	Liquid funds at disposal, NTR Holding	6.8	13.7	6.8	13.7
	Liquid funds at disposal, BPC Group	5.1	1.7		
	Liquid funds at disposal, R+S Baugesellschaft	0.5	2.7		
	Liquid funds deposited as security, NTR Holding	34.0	69.2	34.0	69.2
	Liquid funds deposited as security, BPC Group	0.8	0.0		
	Liquid funds deposited as security, R+S Baugesellschaft	8.8	11.2		
	Liquid funds	56.0	98.5	40.8	82.9
	Total current assets	206.4	313.7	82.9	112.2
	Total assets	300.3	395.5	145.6	175.5

LIABILITIES AT 31 DECEMBER (DKK MILLION)

Note		GROUP		PARENT COMPANY	
		2004	2003	2004	2003
14	Share capital	38.8	194.0	38.8	194.0
	Other reserves	86.3	(71.5)	86.3	(71.5)
15	Total shareholders' equity	125.1	122.5	125.1	122.5
	Non-recourse guarantee commitments, BPC Group	12.6	11.0		
	Non-recourse guarantee commitments, R+S Baugesellschaft	33.8	36.2		
	Other provisions, NTR Holding	12.9	36.6	12.9	36.6
	Other provisions, BPC Group	2.7	1.6		
16	Total provisions	62.0	85.4	12.9	36.6
	Long-term debt, BPC Group	23.0	22.6		
	Total long-term debt	23.0	22.6	0.0	0.0
	Long-term debt, due within 12 months, BPC Group	20.9	21.9		
	Short term bank loan and overdraft, NTR Holding	5.5	8.2	5.5	8.2
	Short term bank loan and overdraft, BPC Group	7.0	14.5		
	Short term bank loan and overdraft, R+S Baugesellschaft	1.4	16.0		
	Trade creditors, NTR Holding	0.4	0.2	0.4	0.2
	Trade creditors, BPC Group	29.6	59.6		
	Trade creditors, R+S Baugesellschaft	20.1	27.8		
	Payments received on account, BPC Group	3.4	4.9		
	Amounts owed to jointly controlled enterprises, NTR Holding	0.3	0.4	0.5	0.8
	Other debt, NTR Holding	1.2	7.2	1.2	7.2
	Other debt, BPC Group	0.0	0.1		
	Other debt, R+S Baugesellschaft	0.4	4.2		
	Total short-term debt	90.2	165.0	7.6	16.4
	Total debt	113.2	187.6	7.6	16.4
	Total liabilities	300.3	395.5	145.6	175.5

17 Contingent liabilities
18 Currency and interest exposure
19 Related parties
20 Accounting fees

Cash Flow Statement 1 JANUARY - 31 DECEMBER (DKK MILLION)

Note	Amounts in ( ) signify negative effect on cash flow	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
	Operating result	8.5	(7.9)	(1.3)	(15.3)
	Depreciations of the year	16.3	14.7	0.1	0.1
	Cash flow from provisions	(14.4)	(4.6)	(15.6)	(7.6)
	(Profit)/loss on divestment of companies	(0.8)	5.0	(0.8)	5.0
21	Changes in working capital	(15.2)	1.6	(26.5)	2.5
	Cash flow from operating activities	(5.6)	8.8	(44.1)	(15.3)
	Purchase of tangible fixed assets	(18.6)	(21.7)	(0.3)	
	Sale of tangible fixed assets	0.2		0.2	
22	Divestment of subsidiaries	0.9	33.5	0.9	59.9
	Divestment of associates	1.0	(1.3)	1.0	
	Dividend from subsidiaries, jointly controlled enterprises and associates	1.4	1.4	1.4	4.9
	Cash flow from investing activities	(15.1)	11.9	3.2	64.8
	Long-term borrowings	23.1	22.1		
	Repayment of long-term debt	(20.2)	(12.4)		
	Financial income	3.1	3.2	3.3	3.7
	Financial expenses	(3.6)	(5.3)	(1.7)	(2.8)
	Change in funds deposited	36.7	(43.4)	35.2	(46.8)
	Cash flow from financing activities	39.1	(35.8)	36.8	(45.9)
	Change in net liquidity	18.4	(15.1)	(4.1)	3.6
	Liquid funds including securities, beginning of year	98.5	74.2	82.9	31.6
	Less deposited funds	(80.3)	(47.3)	(69.2)	(22.4)
	Deposited funds in divested companies	0.0	10.3		
	Bank loan and overdraft, beginning of year	(38.7)	(55.7)	(8.2)	(7.3)
	Exchange equalization, beginning of year	0.6	(1.6)		
	Net liquidity, beginning of year	(19.9)	(20.1)	5.5	1.9
	Liquid funds including securities, year-end	56.0	54.8	40.9	82.9
	Less deposited funds	(43.6)	(80.4)	(34.0)	(69.2)
	Bank loan and overdraft, year-end	(13.9)	(9.6)	(5.5)	(8.2)
	Net liquidity, year-end	(1.5)	(35.2)	1.4	5.5
	Change in net liquidity	18.4	(15.1)	(4.1)	3.6

Shareholders' Equity Analysis GROUP AND PARENT COMPANY (DKK MILLION)

	Share capital	Other reserves	Total share-holders equity
2003			
Shareholders' equity at 1 January	194.0	(49.9)	144.1
Net profit (loss) for the year		(9.7)	(9.7)
Exchange differences on translation of overseas operations		(11.9)	(11.9)
Shareholders' equity at 31 December 2003	194.0	(71.5)	122.5
2004			
Shareholders' equity at 1 January	194.0	(71.5)	122.5
Net profit (loss) for the year		8.0	8.0
Reduction of share capital and denomination	(155.2)	155.2	0.0
Exchange differences on translation of overseas operations		(5.4)	(5.4)
Shareholders' equity at 31 December 2004	38.8	86.3	125.1

Segment Information (DKK MILLION)

GEOGRAPHICAL SEGMENTS - Primary 2004	Bahrain	United Arab Emirates	Qatar	Germany	Denmark	Not consoli dated	Group
External sales	53.6	141.5	18.6	0.0	0.0	(2.2)	211.5
Inter-segment sales	0.7	1.3	0.1	0.0	0.0	0.0	2.1
Total turnover	54.3	142.8	18.7	0.0	0.0	(2.2)	213.6
Segment result	6.8	14.4	(7.9)	0.0	(4.4)	(0.5)	8.4
Net result	7.4	12.3	(8.7)	0.0	(2.8)	(0.2)	8.0
Fixed assets	12.7	43.0	20.3	17.8	0.0	0.1	93.9
Current assets	24.0	66.9	9.7	59.9	82.9	(37.0)	206.4
Segment liabilities	16.3	103.8	37.7	95.6	10.7	(88.9)	175.2
Investment in non-financial fixed assets	4.8	9.6	1.4	0.1	0.3	2.4	18.6
Depreciations	(6.0)	(8.1)	(0.2)	0.0	(0.1)	(0.8)	(15.2)
Cash flow from operating activities	10.9	27.8	(7.5)	(26.5)	(2.8)	(7.5)	(5.6)

Activities in jointy controlled enterprises are recognised with the NTR Group's pro-rata share

(continued)

Segment Information (DKK MILLION)

GEOGRAPHICAL SEGMENTS - Primary 2003	Bahrain	United Arab Emirates	Qatar	Germany	Denmark	Not consoli-dated	Group
External sales	58.7	193.9	2.2	0.0	192.6	(0.9)	446.5
Inter-segment sales	0.5	1.0	0.1	0.0	0.0	0.0	1.6
Total turnover	59.2	194.9	2.3	0.0	192.6	(0.9)	448.1
Segment result	7.5	2.3	(4.9)	0.0	(14.1)	1.6	(7.6)
Net result	8.1	(0.4)	(4.9)	0.0	(15.0)	2.5	(9.7)
Fixed assets	16.9	43.9	20.9	0.1	1.2	(1.2)	81.8
Current assets	21.1	102.1	4.2	99.2	112.2	(25.1)	313.7
Segment liabilities	16.9	147.3	28.8	132.8	19.5	(72.3)	273.0
Investment in non-financial fixed assets	7.0	8.4	23.7	0.0	0.0	(17.4)	21.7
Depreciations	(5.7)	(8.8)	(0.7)	(0.1)	(0.1)	0.7	(14.7)
Cash flow from operating activities	22.7	(3.7)	(2.6)	6.7	(6.6)	(7.7)	8.8

BUSINESS SEGMENTS - Secondary 2004	Precast concrete elements	Discon-tinued operations	Group function	Not consoli-dated	Group
External sales	213.7	0.0	0.0	(2.2)	211.5
Inter-segment sales	2.1	0.0	0.0	0.0	2.1
Total turnover	215.8	0.0	0.0	(2.2)	213.6
Segment result	13.3	0.9	(5.3)	(0.5)	8.4
Net result	12.0	0.9	(4.0)	(0.9)	8.0
Fixed assets	75.9	17.8	0.0	0.2	93.9
Current assets	98.5	94.0	48.8	(34.9)	206.4
Segment liabilities	113.4	98.7	7.6	(44.5)	175.2
Investment in non-financial fixed assets	15.7	0.1	0.3	2.5	18.6
Depreciations	(14.3)	0.0	(1.0)	0.1	(15.2)
Cash flow from operating activities	26.2	(27.3)	(2.0)	(2.5)	(5.6)

Activities in jointy controlled enterprises are recognised with the NTR Group's pro-rata share

BUSINESS SEGMENTS - Secondary 2003	Precast concrete elements	Discon-tinued operations	Group function	Not consoli-dated	Group
External sales	254.8	192.6	0.0	(0.8)	446.6
Inter-segment sales	1.5	0.0	0.0	0.0	1.5
Total turnover	256.3	192.6	0.0	(0.8)	448.1
Segment result	6.1	(8.1)	(5.7)	0.1	(7.6)
Net result	5.0	(9.9)	(5.1)	0.3	(9.7)
Fixed assets	81.6	1.2	0.0	(1.0)	81.8
Current assets	124.2	168.4	43.0	(21.9)	313.7
Segment liabilities	143.2	135.9	16.4	(22.5)	273.0
Investment in non-financial fixed assets	39.1	0.0	0.0	(17.4)	21.7
Depreciations	(15.2)	(0.1)	(0.1)	0.7	(14.7)
Cash flow from operating activities	16.3	2.4	(0.0)	(9.9)	8.8

Notes (DKK MILLION)

		GROUP		PARENT COMPANY	
		2004	2003	2004	2003
1	TURNOVER				
	Sales value of production during the year on work in progress for third parties	211.5	334.5		
	Manufacturing and service business	2.1	113.6	4.2	3.1
	Total	213.6	448.1	4.2	3.1
	The turnover is distributed in:				
	Sales Denmark	0.0	89.2		
	Sales international	213.6	358.9	4.2	3.1

		GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
2	STAFF COSTS				
	Remuneration to the Board of Directors (parent company)	(0.4)	(0.7)	(0.4)	(0.7)
	Wages and salaries	(47.9)	(127.7)	(1.8)	(2.7)
	Defined contribution pension plans	(0.1)	(4.3)	(0.1)	(0.1)
	Other social security costs	(1.3)	(6.4)		
	Other staff costs	(14.2)	(11.5)	0.0	(0.1)
	Total staff costs	(63.9)	(150.6)	(2.3)	(3.6)
	Average number of employees during the financial year	1,227	1,386	2	2
	Average number of directors during the financial year			3	6

Staff costs are recognised in: Production costs, Sales and distribution costs and General and administration costs

Staff costs comprise salary to the management of the Parent company DKK 1.0 million and defined contribution pension payments DKK 0.1 million. Furthermore the management of the Parent company has company car and phone at DKK 0.1 million. The parent company can terminate the employment of the management with 12 months' notice.

Management and members of the Board of Directors of the Parent Company receive a fixed annual remuneration and have not been given any incentive-promoting remuneration. The chairman of the Board of Directors receive a remuneration twice the remuneration of other board members.

		GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
3	OTHER OPERATING INCOME				
	Profit on disposed fixed assets and activities	0.9	0.9	0.8	0.3
	Profit on properties for sale	0.1	0.7	0.1	0.7
	Sundry	0.5	0.6	0.0	0.1
	Total	1.5	2.2	0.9	1.1

Notes (DKK MILLION)

		GROUP		PARENT COMPANY	
		2004	2003	2004	2003
4	OTHER OPERATING EXPENSES				
	Losses on properties for sale	0.0	(0.5)	0.0	(0.5)
	Pre-operative expenses	0.0	(2.0)		
	Losses and provisions on disposed activities	0.0	(12.3)	0.0	(12.3)
	Total	0.0	(14.8)	0.0	(12.8)
5	PARTICIPATING INTERESTS IN SUBSIDIARIES				
	Purchase price, beginning of year			296.6	388.6
	Additions			0.0	0.0
	Disposals			0.0	(92.0)
	Purchase price, year-end			296.6	296.6
	Revaluations, beginning of year			(328.0)	(405.2)
	Revaluations of the year			0.0	0.0
	Profit (loss) before tax in subsidiaries			(8.1)	(5.9)
	Tax in subsidiaries			0.0	0.0
	Disposals			0.0	83.1
	Revaluations, year-end			(336.1)	(328.0)
	Total equity value			(39.5)	(31.4)
	Offset in amounts owed by subsidiaries			39.5	31.4
	Participating interests in subsidiaries, year end			0.0	0.0
6	PARTICIPATING INTERESTS IN JOINTLY CONTROLLED ENTERPRISES				
	Purchase price, beginning of year			1.9	1.9
	Additions				
	Disposals			(1.1)	0.0
	Purchase price, year-end			0.8	1.9
	Revaluations, beginning of year			60.3	74.2
	Revaluations of the year			(5.4)	(12.0)
	Profit (loss) after tax in subsidiaries			7.7	3.0
	Dividend			(1.4)	(4.9)
	Disposals			0.7	
	Revaluations, year-end			61.9	60.3
	Participating interests in jointly controlled enterprises, year-end			62.7	62.2
	Distribution of equity value:	Stake			
	Bahrain Precast Concrete Co. W.L.L.	49%		62.7	61.8
	A/S Dansk Asfaltfabrik under liquidation	50%		0.0	0.4
	Participating interests in jointly controlled enterprises, year-end			62.7	62.2

A/S Dansk Asfaltfabrik under liquidation was wound up through solvent liquidation in 2004.

	Stake	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
7 PARTICIPATING INTERESTS IN ASSOCIATES					
Purchase price, beginning of year		9.9	9.9	9.9	9.9
Additions					
Disposals		(9.9)		(9.9)	
Purchase price, year-end		0.0	9.9	0.0	9.9
Revaluations, beginning of year		(8.8)	(8.8)	(8.8)	(8.8)
Revaluations of the year			(0.1)		(0.1)
Profit (loss) after tax in subsidiaries		(0.1)	0.1	(0.1)	0.1
Disposals		8.9		8.9	
Revaluations, year-end		0.0	(8.8)	0.0	(8.8)
Participating interests in associates, year-end		0.0	1.1	0.0	1.1
Distribution of equity value:	Stake				
Projektformidling Midt A/S under liquidation	33%	0.0	1.1	0.0	1.1
K/S Mediehuset under liquidation	33%	0.0	0.0	0.0	0.0
Participating interests in associates, year-end		0.0	1.1	0.0	1.1

Projektformidling Midt A/S under liquidation and K/S Mediehuset under liquidation were wound up through solvent liquidation in 2004.

	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
8 FINANCIAL INCOME				
Bonds and liquid funds	1.4	1.2	1.4	1.1
Group companies	0.2	0.2	0.5	1.1
Gains on foreign currencies	1.5	1.8	1.5	1.5
Total	3.1	3.2	3.4	3.7

	GROUP 2004	GROUP 2003	PARENT COMPANY 2004	PARENT COMPANY 2003
9 FINANCIAL EXPENSES				
Losses on foreign currencies	(1.4)	(3.2)	(1.4)	(2.5))
Other interest expenses	(2.1)	(2.1)	(0.3)	(0.3)
Total	(3.5)	(5.3)	(1.7)	(2.8)

	GROUP	PARENT COMPANY

10 TAX

For both Group and Parent company current tax, changes in deferred tax and tax on items taken directly to equity have been calculated at DKK 0 (2003: DKK 0)

NTR Holding and all subsidiaries are included in a tax pooling scheme. As the jointly assessed taxable income of NTR Holding and all subsidiaries included in the pooling scheme is negative, these companies are not liable to current of deferred tax, one reason being carry-over losses from previous years.

	Under tax pooling scheme		Without tax pooling scheme	
	2004	2003	2004	2003
Carry-over losses				
to be utilised in 2004 at the latest	-	16.6	-	3.7
to be utilised in 2005 at the latest	6.1	6.1	0.0	0.0
to be utilised in 2006 at the latest	75.4	75.4	20.0	20.0
without limitation in utilisation	81.8	53.2	12.7	5.4
Total carry-over losses	163.3	151.3	32.7	29.1
Value of impairment losses not charged to the tax scheme	18.2	22.0	2.4	0.9

Out of prudence carry-over losses are not measured as tax assets as it is uncertain, to which extend the carry-over losses can be utilised to offset future taxable income.
As the conditions for internationally pooled taxation are expected to be changed, the tax pooling scheme with international subsidiaries will be reassessed with effect from tax year 2005.

	2004		2003	
RECONCILIATION OF THE DANISH TAX RATE TO THE GROUP'S EFFECTIVE TAX RATE	DKK m	%	DKK m	%
Result on ordinary operations before tax	8.0		(9.7)	
30% corporate tax	(2.4)	30%	2.9	30%
TAX EFFECT FROM:				
Non-taxable income	2.4	(30%)	1.2	13%
Non-deductible expenses	(0.1)	1%	0.0	0%
Profit offset in carry-over tax losses from previous years	0.1	(1%)	0.5	5%
Non-utilised tax losses			(4.6)	(48%)
Total tax, ordinary operations	0.0	0%	0.0	0%

11 TANGIBLE FIXED ASSETS

	GROUP 2003					PARENT COMPANY 2003	
	Land- and buildings	Plant and equipment	Other fixtures and fittings, tools and equipment	Capital work-in progress	Total	Other fixtures and fittings, tools and equipment	Total
Cost price, beginning of year	44.8	67.6	30.3	12.1	154.8	1.8	1.8
Exchange equalization, beginning of year	(6.0)	(10.7)	(1.8)	(1.9)	(20.4)		
Additions	2.8	18.9	4.3	1.2	27.2		
Disposals	(0.4)		(1.3)		(1.7)	(1.3)	(1.3)
Transfer within the note		10.2		(10.2)	0.0		
Disposals through divestment of companies	(6.6)		(16.0)		(22.6)		
Cost price, year-end	34.6	86.0	15.5	1.2	137.3	0.5	0.5
Depreciation and write-downs, beginning of year	(19.9)	(23.9)	(21.9)	0.0	(65.7)	(1.7)	(1.7)
Exchange equalization, beginning of year	2.8	4.8	1.5		9.1		
Depreciation and write-downs of the year	(2.1)	(11.5)	(4.3)		(17.9)	(0.1)	(0.1)
Disposals	0.4		2.5		2.9	1.3	1.3
Disposals through divestment of companies	3.1		11.9		15.0		
Depreciation and write-downs, year-end	(15.7)	(30.6)	(10.3)	0.0	(56.6)	(0.5)	(0.5)
Book value, year-end	18.9	55.4	5.2	1.2	80.7	0.0	0.0
Depreciation periods	5 - 10 yrs	5 - 10 yrs	3 - 5 yrs	5 - 10 yrs		3 - 5 yrs	

	GROUP 2004					PARENT COMPANY 2004	
	Land- and buildings	Plant and equipment	Other fixtures and fittings, tools and equipment	Capital work-in progress	Total	Other fixtures and fittings, tools and equipment	Total
Cost price, beginning of year	34.6	86.0	15.5	1.2	137.3	0.5	0.5
Exchange equalization, beginning of year	(2.8)	(7.0)	(1.1)	(0.1)	(11.0)		
Additions		5.2	3.5	8.6	17.3	0.3	0.3
Disposals			(0.4)		(0.4)	(0.3)	(0.3)
Transfer within the note		0.8	0.4	(1.2)	0.0		
Cost price, year-end	31.8	85.0	17.9	8.5	143.2	0.5	0.5
Depreciation and write-downs, beginning of year	(15.7)	(30.6)	(10.3)	0.0	(56.6)	(0.5)	(0.5))
Exchange equalization, beginning of year	1.4	3.4	0.8		5.6		
Depreciation and write-downs of the year	(1.8)	(12.0)	(2.4)		(16.2)	(0.1)	(0.1)
Disposals			0.2		0.2	0.1	0.1
Disposals through divestment of companies					0.0		
Depreciation and write-downs, year-end	(16.1)	(39.2)	(11.7)	0.0	(67.0)	(0.5)	(0.5)
Book value, year-end	15.7	45.8	6.2	8.5	76.2	0.0	0.0
Depreciation periods	5 - 10 yrs	5 - 10 yrs	3 - 5 yrs	5 - 10 yrs		3 - 5 yrs	

Official rateable value for land and buildings abroad is not available.
The buildings are situated on leased land.

(continued)

		GROUP		PARENT COMPANY	
11	TANGIBLE FIXED ASSETS	2004	2003	2004	2003
	Depreciation and write-downs are included in profit and loss under:				
	Production costs	(12.5)	(14.9)		
	Sales and distribution costs	(0.2)	(0.3)		
	General and administration costs	(3.5)	(2.7)	(0.1)	(0.1)
	Total depreciation and write-downs	(16.2)	(17.9)	(0.1)	(0.1)

12	OTHER FINANCIAL FIXED ASSETS	2004	2003	2004	2003
	Cost price, beginning of year				
	Additions				
	Transferred from current assets	17.7	0.0		
	Cost price, year-end	17.7	0.0	0.0	0.0
	Write-downs, beginning of year				
	Write-downs of the year				
	Write-downs, year-end	0.0	0.0	0.0	0.0
	Book value, year-end	17.7	0.0	0.0	0.0

13 PROPERTIES FOR SALE, R+S BAUGESELLSCHAFT

For properties for sale abroad with a book value of DKK 9.6 million (2003: DKK 13.1 million) no official rateable values are available.

		PARENT COMPANY				
14	SHARE CAPITAL	No. of shares ('000)		Nominal valur (DDK m)		
		A-SHARES	B-SHARES	A-SHARES	B-SHARES	TOTAL
	Share capital at 31 December 1999	162.8	1,927.1	16.3	192.7	209.0
	Share capital at 31 December 2000	162.8	1,927.1	16.3	192.7	209.0
	Write down of share capital 2001		(150.0)		(15.0)	(15.0)
	Share capital at 31 December 2001	162.8	1,777.1	16.3	177.7	194.0
	Share capital at 31 December 2002	162.8	1,777.1	16.3	177.7	194.0
	Share capital at 31 December 2003	162.8	1,777.1	16.3	177.7	194.0
	Write down of share capital 2004 and change of nominal value per share			(13.0)	(142.2)	(155.2)
	Share capital at 31 December 2004	162.8	1,777.1	3.3	35.5	38.8

At the Annual General Meeting on 29 April 2004 the nominal share capital was written down from DKK 194.0 million to DKK 38.8 million. At the same time the nominal value of each share was reduced from DKK 100 til DKK 20, leaving the number of shares unchanged.

15 SHAREHOLDERS' EQUITY - OWN B-SHARES

	No. of shares (´000)	% of total no. of shares	Value (DKK m) Nominal	Purchase/sales revenue
2003				
Holding at 1 January 2003	72.0	3.7%	7.2	
Purchase of own B-shares	0.0	0.0%	0.0	0.0
Sales of own B-shares	0.0	0.0%	0.0	0.0
Holding at 31 December 2003	72.0	3.7%	7.2	
Purchase/sales revenue of the year				0.0
2004				
Holding at 1 January 2004	72.0	3.7%	7.2	
Purchase of own B-shares	0.0	0.0%	0.0	0.0
Sales of own B-shares	0.0	0.0%	0.0	0.0
Write down of share capital 2004 and change of nominal value per share	0.0		(5.8)	
Holding at 31 December 2004	72.0	3.7%	1.4	
Purchase/sales revenue of the year				0.0

At 31 December 2004 market value of own shares amount to DKK 3.8 million (2003: DKK 3.0 million).
Holding of own shares has been established and is maintained to hedge share based incentive programs.

SHAREHOLDERS' EQUITY - SHARE BASED INCENTIVE PROGRAMS

Executives in jointly controlled enterprises are granted options to buy NTR Holding B-shares in the period until 31 December 2007. The number of options is determined from the results achieved in the said companies. No further share based incentive programs are planed.

	No. of options	Weighted average exercise price DDK	Market value DKK m
2003			
Outstanding at 1 January 2003	0		0.0
Granted during the period	9,500	60	0.0
Exercised during the period	0		
Expired during the period	(9,500)		
2004			
Outstanding at 1 January 2003	0		0.0
Granted during the period	9,200	70	0.0
Exercised during the period	0		
Expired during the period	(9,200)		
Exercisable at 31 December 2004	0		0.0

Based on the results achieved in the said companies in 2004, 22,400 options will be granted in 2005 exercisable from 1 May 2005 to31 December 2005 at an exercise price of DKK 80. Market value of these options at year-end 2004 is DKK 0. Market value of options is calculated after a model based on Black & Scholes.
Market value is calculated using the market price of NTR B-shares at the time of calculation an a 1-year historical volatility, which at year-end 2004 was 12%. When calculating the market value a risk-free interest rate of 2.25% is used.

Notes (DKK MILLION)

GROUP

16 PROVISIONS

	Non-recourse guarantee commitments	Discontinued operations and properties for sale	Divested companies	Deferred tax	Other provisions	Total
2003						
Provisions, year-end previous year	59.3	36.6	0.0	0.3	3.8	100.0
Exchange equalization, beginning of year	(1.6)				(0.3)	(1.9)
Provisions of the year (taken to Profit and Loss Account)	9.8	0.1	7.5		0.8	18.2
Provision used during the year	(18.1)	(7.6)			(0.3)	(26.0)
Provisions in companies/activities divested	(2.5)			(0.3)	(2.4)	(5.2)
Provisions, year-end	46.9	29.1	7.5	0.0	1.6	85.1
2004						
Provisions, year-end previous year	46.9	29.1	7.5	0.0	1.6	85.1
Exchange equalization, beginning of year	(1.2)				(0.2)	(1.4)
Provisions of the year (taken to Profit and Loss Account)	12.4				1.7	14.1
Provision used during the year	(11.0)	(16.1)	(6.6)		(0.4)	(34.1)
Reversed provisions (taken to Profit and Loss Account)	(0.7)	(0.1)	(0.9)			(1.7)
Provisions, year-end	46.4	12.9	0.0	0.0	2.7	62.0
Maturity date						
0 - 1 year	24.2	3.1			0.7	28.0
1 - 5 years	22.2	7.9			2.0	32.1
More than 5 years		1.9				1.9
Total provisions 31 December 2004	46.4	12.9	0.0	0.0	2.7	62.0

PARENT COMPANY

	Non-recourse guarantee commitments	Discontinued operations and properties for sale	Divested companies	Deferred tax	Other provisions	Total
2003						
Provisions, beginning of year	0.0	36.6	0.0	0.0	0.0	36.6
Provisions of the year (taken to Profit and Loss Account)		0.1	7.5			7.6
Provision used during the year		(7.6)				(7.6)
Provisions, year-end	0.0	29.1	7.5	0.0	0.0	36.6
2004						
Provisions, beginning of year	0.0	29.1	7.5	0.0	0.0	36.6
Provisions of the year (taken to Profit and Loss Account)						0.0
Provision used during the year		(16.1)	(6.6)			(22.7)
Reversed provisions (taken to Profit and Loss Account)		(0.1)	(0.9)			(1.0)
Provisions, year-end	0.0	12.9	0.0	0.0	0.0	12.9
Maturity date						
0 - 1 year		3.1				3.1
1 - 5 years		7.9				7.9
More than 5 years		1.9				1.9
Total provisions 31 December 2004	0.0	12.9	0.0	0.0	0.0	12.9

(continued))

Non-recourse guarantee commitments comprise commitments to remedy defects within the guarantee period. Provisions are made on a general basis as well as on specific projects, where special needs for remediation are expected. The provisions relate to construction projects in Germany, finalised through previous years and normal guarantee commitments relating to precast concrete elements delivered from the BPC Group.

Discontinued operations and properties for sale primarily comprise expected future costs related to the final winding up of the Group's former construction activities in R+S Baugesellschaft. The winding up was initiated and published several years ago. Furthermore the provision comprises expected costs relating to former real estate engagements in Denmark.

Divested companies comprise estimated risk on seller's representations and warranties related to divested companies and activities.

Deferred tax
To the extend that the tax value of the individual company's loss for carry-over cannot be included in the relevant company's provisions for deferred tax, the amount is out of prudence not capitalised.

		GROUP		PARENT COMPANY	
		2004	2003	2004	2003
17	CONTINGENT LIABILITIES ETC.				
	Commercial warranties				
	Warranties issued for supplies	84.6	108.6		
	Financial warranties				
	Commitments for subsidiaries' liabilities	32.3	44.7	33.7	60.7
	To the extend the secured liabilities are recognised in the Group Balance Sheet they are not included in Group financial warranties.				
	Commitments for jointly controlled enterprises' and associates' liabilities	6.4	24.9	35.7	39.4
	Recognised provision to cover the associated risk	0.0	(6.6)	0.0	(6.6)
	Non-covered commitments for controlled enterprises' and associates' liabilities	6.4	18.3	35.7	32.8
	Commitments for jointly controlled enterprises' and associates' liabilities are made on a pro-rata basis of the said companies' total liabilities calculated from the NTR Group's share of ownership.				
	Commitments related to divested companies	0.0	14.2	0.0	14.2
	Recognised provision to cover the associated risk	0.0	(7.5)	0.0	(7.5)
	Non-covered commitments related to divested companies	0.0	6.7	0.0	6.7
	Other financial warranties	6.5	6.1	6.5	6.1
	Recognised provision to cover the associated risk	(3.1)	(3.1)	(3.1)	(3.1)
	Non-covered other financial warranties	3.4	3.0	3.4	3.0
	Securities				
	As security for financial commitments the following securities have been established				
	Bonds deposited	42.8	53.0	34.0	44.2
	Liquidity deposited	0.8	27.4	0.0	24.9
	Mortgage on tangible fixed assets	22.4	19.3		

(continued)

Notes (DKK MILLION)

	GROUP		PARENT COMPANY	

17 Lease commitments - operational leasing

The Group leases land for production facilities, offices and other fixtures and fittings, tools and equipment under operational lease agreements. Land lease agreements expire within 1 - 14 years. Other lease agreements expire within 1 - 2 years.

	2004	2003	2004	2003
Operational lease fees recognised in Profit and Loss Account	(2.9)	(3.1)	(0.3)	(0.2)
Future lease fees on irrevocable lease agreements are distributed as follows:				
0 - 1 year	(2.3)	(2.5)	(0.3)	(0.2)
1 - 5 years	(4.4)	(4.4)		
More than 5 years	(6.9)	(7.5)		
Total	(13.6)	(14.4)	(0.3)	(0.2)

Joint taxation scheme

The parent company is taxed on a pooled basis with subsidiaries, that were wholly owned throughout 2004.
The companies are jointly and severally liable for the pooled taxable income, which was assessed at DKK 0 for 2004.

18 CURRENCY AND INTEREST RATE RISK

Currency risk at 31 December

Assets, provisions and debt of the Group are denominated in these currencies	GROUP 2004 DKK and EUR	GROUP 2004 USD and BHD
Fixed assets	17.8	76.2
Current assets	102.8	103.6
Provisions	46.8	15.3
Long-term debt	0.0	23.0
Short-term debt	28.9	61.2
Currency derivatives (face value)	0.0	(9.2)
Warranty commitments (contingent liabilities)	76.6	50.1
Lease commitments (contingent liabilities)	1.5	12.1

Interest rate risk

Financial assets and debt of the Group can be shown as follows ranked by interest rate adjustment or maturity dates, whichever comes first	Rate adjustment-/maturity date 0 - 1 year	1 - 5 year	More than 5 years	Fixed rate part	Average effective rate %
Financial fixed assets		17.7		17.7	5.0%
Accounts receivable, sales	102.2				
Amounts owed by jointly controlled enterprises	5.1	3.6	1.0		3.5%
Other receivables	12.4				
Liquid funds	56.0			39.4	2.0%
Long-term debt	(20.9)	(12.9)	(10.1)		4.0%
Short-term bank debt	(13.9)				5.0%
Trade creditors	(50.2)				
Amounts owed to jointly controlled enterprises	(0.3)				
Other debt	(1.5)				
Currency derivatives (face value)	9.2				
Warranty commitments (contingent liabilities)	(101.8)	(11.5)	(13.3)		

Average effective rates are based on actual rates on 31 December 2004.

19 RELATED PARTIES

No related party can exercise direct or indirect control in NTR Holding.
The A-share holders comprise Civilingeniør N. T. Rasmussens Fond, Best Holdings a/s, Lønmodtagernes Dyrtidsfond, Nykredit A/S and Pension Funds related to PKA.
These A-shareholders can exercise common control in NTR Holding.
The A-shareholders have entered into a shareholders agreement stating an intention of unanimously nomination of candidates for the Board of Directors. Furthermore the A-shareholders have a first-right of refusal when A-shares are sold.

Related parties with significant influence in NTR Holding comprise the above A-shareholders, related and jointly controlled enterprises, cf. note 5 and 6 and the Board of Directors and management of the company.
An employee of NTR Holding exercises direct control in Best Holdings a/s.
Besides normal salary NTR Holding has placed at the disposal of the said employee company car, housing, telephone, and health care. Total costs relating to the said employee amount to DKK 0.9 million.

Without charge NTR Holding has offered a minor administrative support for Civilingeniør N. T. Rasmussens Fond.

Amounts owed to and from subsidiaries and jointly controlled enterprises are shown in the Balance Sheet.
At the balance sheet date there are no outstanding accounts with other related parties.
Due to the overall financial situation for R+S Baugesellschaft no interest is charged on outstanding balances with this subsidiary.
Apart from short term balances, balances with jointly controlled enterprises are charged with a variable, market defined interest rate.

NTR Holding receives a performance related management fee from the four companies in the Bahrain Precast Concrete Group.
Management fee is recognised as turnover in the Profit and Loss Account of the parent company.

In 2004 NTR Holding has free of charge performed administrative work for A/S Dansk Asfaltfabrik under liquidation.
The company was wound up through solvent liquidation at the end of 2004.

NTR Holding guarantees and has deposited security for subsidiaries and jointly controlled enterprises, cf. the specification in note 17.

Remuneration for the Board of Directors and management is specified in note 2.

Related parties in jointly controlled enterprises

The co-shareholder in the jointly controlled enterprise, Bahrain Precast Concrete Co. W.L.L., has significant influence in that company.

The co-shareholder has granted loans to the company on equal conditions as NTR Holding and receives management fee from most of the companies in the BPC Group under the same conditions as NTR Holding.

Bahrain Precast Concrete Co. buys raw materials and leases land for production facilities and housing for employees from the said co-shareholder on marked conditions.

Notes (DKK MILLION)

		GROUP		PARENT COMPANY	
20	ACCOUNTING FEES	2004	2003	2004	2003
	Ordinary fees				
	Deloitte Statsautoriseret Revisionsaktieselskab	(0.3)	(1.0)	(0.2)	(0.4)
	Grant Thornton Statsautoriseret Revisionsaktieselskab	(0.1)	(0.2)	(0.1)	(0.2)
	Special assignments				
	Deloitte Statsautoriseret Revisionsaktieselskab	(0.5)	(0.8)	(0.3)	(0.3))
21	CHANGES IN WORKING CAPITAL				
	Changes in properties for sale and inventories	0.4	(0.3)	0.0	0.5
	Changes in balances with jointly controlled enterprises	(4.0)	2.3	(19.9)	2.1
	Changes in other debtors	31.9	(17.0)	(0.8)	2.5
	Changes in trade creditors etc.	(43.5)	16.6	(5.8)	(2.6)
	Total	(15.2)	1.6	(26.5)	2.5
22	CASH FLOW ARISING FROM COMPANIES DIVESTED				
	The subsidiary HOH Water Technology A/S was divested as per 26 August 2003. Assets and liabilities divested amount to:				
	Tangible fixed assets		8.4		
	Financial fixed assets		19.5		
	Inventories and properties for sale		48.6		
	Debtors		46.7		
	Liquid funds		17.4		
	Less deposited funds		(10.3)		
	Provisions		(5.3)		
	Long-term debt		(7.5)		
	Short-term, Group external debt		(59.6)		
	Divestment sum		57.9		
	Less liquid finds		(17.4)		
	Profit/(Loss) on divested companies	0.9	(7.0)		
	Cash flow arising from companies divested	0.9	33.5		

Board of Directors · Group Management · Auditors

BOARD OF DIRECTORS

Niels Heering (chairman)
Age 50
Member of the Board of Directors from 1997
Managing Partner of the law office Gorrissen Federspiel Kierkegaard

Chairman of the board of directors of:
Civilingeniør N. T. Rasmussens Fond
Jeudan A/S
CKBF Invest A/S
Comlex A/S
Ellos A/S
EQT Partners A/S
MRE A/S
Nesdu a/s
Stæhr Holding A/S

Deputy chairman of the board of directors of:
TDC A/S

Member of the board of directors of:
Columbus IT Partner A/S
Danske Private Equity A/S
J. Lauritzen A/S
Mathisen Holding A/S
Ole Mathiesen A/S
Venjo A/S

Bjørn Petersen
Age 62
Member of the Board of Directors from 1998
CEO Fyns Erhvervs Center

Chairman of the board of directors of:
Iron Pump Holding A/S
Team Online A/S

Member of the board of directors of:
Dansk Web Bureau A/S
Hans Jensen Lubricators A/S
Holdingselskabet Strandgade 48 A/S
J. Mertz Holding A/S

Erik Sprunk-Jansen
Age 67
Member of the Board of Directors from 1997

Chairman of the board of directors of:
Sprunk-Jansen A/S

Member of the board of directors of:
Privathospitalet Hamlet A/S

MANAGEMENT

Jens Hørup
Age 49
CEO from 2003

Member of the board of directors of:
Bahrain Precast Concrete Co. W.L.L.

AUDITORS

Deloitte
Statsautoriseret Revisionsaktieselskab
by
State-Authorised Public Accountant Jesper Jørgensen
and
State-Authorised Public Accountant Christian Sanderhage

Grant Thornton
Statsautoriseret Revisionsaktieselskab
by
State-Authorised Public Accountant Stine Grothen
and
State-Authorised Public Accountant Gert Fisker Tomczyk

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