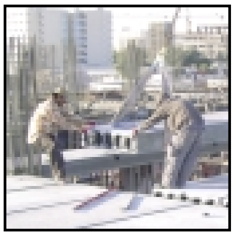
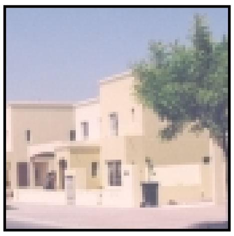
NTR Holding A/S
Annual Report 2003




NTR HOLDING LOOKING AHEAD

Over the last few years, the NTR group has implemented a number of adjustments, disposing off various activities to focus on one single, clearly defined business area.

The board of directors is gratified to find that this aim has now been achieved, and NTR will in future concentrate on developing and extending the precast concrete panel activities in the countries around the Arabian Gulf. The respective countries are still seeing substantial growth, and by virtue of heavy oil and gas reserves this growth would seem secured for many years hence.

For a number of years, the group results have been adversely affected by the discontinuation of the previous contractor activities in Germany. The winding up has not yet been finished but 2003 did carry us a solid step in the right direction, and through the adjustments of the group, NTR has secured a good basis for continuing and completing the winding up.

The 2003 result was affected by the last adjustments of the group, and a couple of the BPC Group plants did not meet expectations. The reason for these deviations has been identified, and the work on it processed, which forms the basis for our expectation that NTR Holding will in 2004 realize a result before and after tax of around DKK 10 million.

Though the 2003 result is not satisfactory viewed on its own, the board of directors is now in a position to present with satisfaction the total results achieved in 2003, and with our existing as well as forthcoming shareholders we hold out further perspectives in the NTR share.

Yours Sincerely,

Niels Heering
Chairman of The Board of Directors

GROUP STRUCTURE - MARCH 2004

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. W.L.L. - Qatar

WOUND UP

R+S Baugesellschaft mbH
Germany

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

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ANNUAL GENERAL MEETING 2004

The ordinary general meeting of the company will be held on Thursday the 29 April 2004, at 3.00 p.m. at the Radisson SAS Scandinavia Hotel, Amager Boulevard 70, DK-2300 Copenhagen S.

Group Highlights

DKK million	1999	2000	2001	2002	2003
Turnover	1,233	1,009	516	408	196
Contribution margin	302	286	153	124	76
Operating profit (loss), continued operations	(36)	(5)	(35)	(19)	0
Share of profit, associated companies	14	12	19	13	3
Financial items, net	(32)	(5)	4	0	(1)
Impact on profit, discontinued operations	(11)	(54)	(84)	7	(12)
Result on ordinary operations before tax	(66)	(52)	(96)	1	(10)
Net profit (loss)	(72)	(55)	(96)	2	(10)
Fixed assets	174	143	162	105	63
Current assets	748	570	452	298	196
Shareholders' equity, year end	198	246	152	144	123
Interest bearing debt (funds) net [1)]	159	6	82	(1)	(73)
Free cash flow	(11)	(26)	(72)	25	17
Investment in tangible fixed assets	9	10	12	2	0
Average number og employees	1,024	795	497	365	173

1) Interest bearing debt less liquid funds and short-term securities

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 acquitistions prior to 1 January 2002 has not been changed. Goodwill on such acquisitions are taken directly to shareholders' equity.

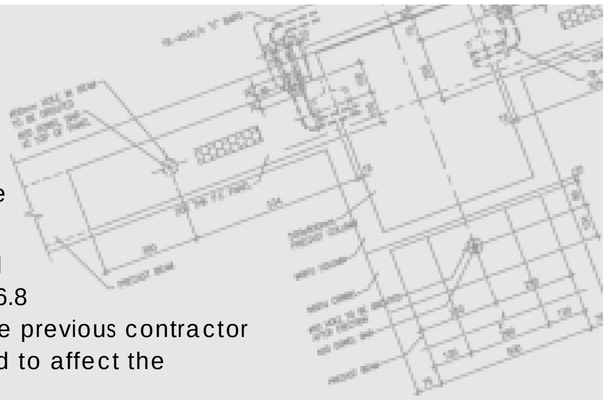
Key Figures

	1999	2000	2001	2002	2003
Profit margin [1)]	(3.0)	(0.5)	(6.8)	(4.6)	0.1
Return on assets [2)]	(1.5)	1.9	(0.1)	0.9	2.0
Return on equity	(32.8)	(24.6)	(48.3)	1.1	(7.3)
Equity ratio	21.5	34.4	24.8	35.7	47.2
Equity per share, year-end	95	118	79	74	63
Average number og shares (1,000)	2,090	2,090	2,090	1,940	1,940
Market price per B-share, year-end	96	87	52	30	42
Dividend per share	0	0	0	0	0
EPS	(34.6)	(26.1)	(46.0)	0.8	(5.0)
P/E ratio, year end	-	-	-	36.4	-

1) Operationg profit (loss), continued operations / turnover * 100
2) (Operating profit (loss), continued operations + financial income + share of profit, associated companies) / average assets * 100

Other key figures are calculated in accordance with Den Danske Finansanalytikerforening's guidelines for the calculation of key performance messures.

2003 Annual Report



2003 IN BRIEF

- The result of the year was a loss of DKK 9.7 million
- The result of the year was burdened by the disposal of the subsidiary of HOH Water Technology A/S to the extent of DKK 12.2 million.
- The group interest bearing debt was in 2003 reduced by 62% to DKK 24.2 million, and liquid assets of DKK 96.8 million will be used to complete the winding up of the previous contractor activities in Germany. The winding up is not expected to affect the consolidated result in 2004, either.
- Earnings from the group precast concrete panel activities around the Arabian Gulf were weaker than expected on account of commissioning costs on a new plant in Qatar as well as a brief earnings shortfall in Dubai and Abu Dhabi.
- For 2004, the NTR group expects a net result of around DKK 10 million. No tax will result.
- NTR has now finalized the restructuring of the group and will in the years ahead focus on developing the precast concrete panel activities in the associated BPC Group and finalizing the winding up in Germany.

A Restructured NTR

Through 2002 and 2003, NTR has been working in a determined manner to reduce the total financial exposure of the group and to reduce the number of business areas. When the disposal of the HOH group was effected in August, 2003, the objectives aimed at had been realized.

During 2003, the group balance sheet amount has thus been reduced by DKK 144.1 million to the current DKK 259.2 million. At an equity capital of DKK 122.5 million by the end of 2003, a solvency of 47.2% has thus been achieved. Further, the interest bearing debt has been reduced by DKK 39.0 million to DKK 24.2 million whereas the liquid funds were DKK 96.8 million by the end of 2003. Finally, off balance financial guarantees in R+S Baugesellschaft have been reduced from DKK 82.9 million to DKK 52.6 million.

NTR will now focus to an even higher degree on the further development of the future business area in precast concrete panels in selected countries around the Arabian Gulf. These activities are conducted through the associated Bahrain Precast Concrete Group (BPC) which has modern production plants in four countries/emirates in the area. The NTR Holding participation in BPC is 49%.

In the previous years, the results from BPC as well as from other activities have been very much eclipsed by heavy losses and provisions on the winding up of the previous contractor activities in R+S Baugesellschaft in Germany. The winding up has in 2003 been proceeding as expected, and all winding up costs have been covered by the provisions allocated in previous years. The winding up has thus not affected the 2003 group operating result.

The winding up has not yet been completed but 2003 saw a heavy reduction in the total exposure. Thus, provisions and external debt commitments have been reduced by DKK 35.5 million while financial guarantees have, as mentioned above, been reduced by 37%.

NTR will in 2004 continue the winding up of R+S Baugesellschaft, and are not planning any other adjustments of the group.

Turnover and results

DKK million	Turnover			Operating profit (loss)	
	2003	2002		2003	2002
Bahrain Precast Concrete Co. W.L.L.	-	-	1)	3.0	11.9
HOH Water Technology A/S (until 26.08.2003)	193	315		3.2	1.1
Winding up of R+S Baugesellschaft	0	0		0.0	(5.2)
NTR Holding A/S	3	4		(15.4)	(8.5)
Union Engineering a/s (until 31.08.2002)	-	89		-	1.1

1) Included in share of profit (loss), associated companies

BPC Group

The four plants now owned by the BPC Group in Bahrain, Dubai, Abu Dhabi, and lately Qatar showed a weaker 2003 result than expected, and the NTR share of this result was DKK 3.0 million. The particular plants operate in local currencies, all pegged to the USD, and the NTR share of the result is thus straightline affected by the development in the rate of the USD. The establishment and commissioning of the new Qatar plant have also put pressure on the total 2003 result.

In addition to the share of the result, NTR Holding receives a resultdependent management fee which was in 2003 DKK 3.1 million.

Bahrain Precast Concrete Company W.L.L.

Participation: 49%

Management: Flemming Nielsen

Bahrain Precast Concrete increased its production capacity in 2002 and was thus in a position to produce at higher capacity throughout 2003. The turnover rose satisfactorily to the tune of 26% but due to fiercer competition and rising prices for raw materials, the result went up by only 12.6% made up in local currency. Converted into DKK, the result fell by 5.5%.

The Bahrain construction business is seeing continuously rising activity in housing as well as industrial construction work. In both areas, hollowcore slabs, the most important product made by the plant, are in demand. Particularly in industrial construction work, there is also a demand for advanced wall panels, and consequently it proved possible to almost double this production in 2003.

BPC is technologically leading and is in a position to offer solutions unrivalled by any of their competitors. One example being that of wall panels for the various buildings on the new Formula-1 track which has just been completed. There, all walls stand at an angle of 7° in relation to vertical – a solution highly demanding on designers and mould builders at the plant, not least at corners and embrasures. This task is not made any easier in that the panels are also supplied with a sand-blast, coloured surface

In industrial construction work, there is a trend towards a demand for ever larger, ever more spectacular projects; in this area, BPC is in a strong

Bahrain Precast Concrete has in 2003 supplied seating panels, walls and stairs for the new Formula 1 track to be inaugurated in April, 2004. This supply covered team & pit buildings as well.

For The Meadows housing area in Dubai, United Precast Concrete, Dubai and Abu Dhabi, has supplied and erected façade panels, hollowcore slabs and stairs for 421 villas.

position, with its high capacity and sophisticated production technology.

The high building industry activity level also attracts new competitors, and it is thus anticipated that the heavy competition will continue and possibly be intensified. In view of this, the Bahrain company expects a 2004 result at level with that of 2003.

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

Participation: 49%
Management: Tom Kjær

The two Dubai and Abu Dhabi plants have been designed to produce different types of precast concrete panels, and they, therefore, work closely together.

At the Dubai plant, the biggest in the group, the year was marked by extremely high activity on account of a large volume of orders held at the beginning of the year. To be able to meet these orders at all within the time horizon agreed, some of the panels had to be sourced from other manufacturers, thus leading to heavy growth in turnover. Even adjusted for this, the plant saw a turnover increase of around 50% in 2003.

Earnings, however, did not follow this encouraging progress in turnover. On one particular large project, more resources and materials than assumed in the bidding phase had to be used, and negotiations with the builder are currently being conducted as to how United Precast Concrete (UPC) is to be compensated for this. The claims disputed have not been allowed for in the result of the year. Also, due to the high level of activity the production became highly sensitive to delays in the last links of the process in the erection on the sites. Because of delays in erection, the panels could not be transported to the sites as planned, and this in turn meant that storage space could not be disengaged. Such delays make an impact right back in the production stage where new panels cannot be moved from the moulds to the store. Due to the limited physical framework, the quantity of stored panels could not be increased.

These problems made themselves felt in the spring, and measures were immediately taken to improve on the situation by strengthening the manning and by introducing new control tools. We are gratified to note that these measures did help, and as from the month of August the plant has again realized positive results. The work on improving the control systems is continuing with a view to preventing any similar problems in future.

Finally, the plant has been hit by price increases for raw materials, particularly reinforcement steel and cement.

Due to the aspects dealt with above, the plant realized a moderately positive result for the whole of 2003.

The Abu Dhabi plant was inaugurated in late summer of 2002, and 2003 thus became the first whole year of production. This plant has been specially organized for production of wall panels, and the work performed in it has been a paramount condition for the two plants totalling a supply of more than 800 villas in 2003.

From the startup of the plant, obtaining sufficient visa for the labour proved difficult, and a considerable number of labour thus had to be hired on a temporary basis from other employers. Despite assurances to the opposite offered by the latter, it turned out that many of the particular labour did not have legal visa for the country, and they thus vanished from the plant without any warning in connection with a general amnesty campaign run by the government in the spring of 2003. This practically put a stop to the production at the plant for a period of time until new labour could be recruited.

An effort is still being made to increase the number of labour on UPC own visa with a view to eliminating any such risk in future.

In a manner similar to that prevailing in Dubai, the Abu Dhabi plant was hit by the rising raw material prices. A matter which will continue to prevail well into 2004 until new contracts can allow for the higher material prices.

After the extremely heavy production decrease in the spring, the plant soon gained momentum; there, too, favourable results have been realized as from August. Overall, the 2003 result was a small profit.

The building market particularly in Dubai is marked by an extremely high level of activity, seeing new, huge projects on the way all over the place – either already launched or at the planning stage. New 3 – 5 billion DKK projects are thus certainly not scarce.

After the production and earning situation at both plants has been stabilized, a marked progress in result is expected in 2004. This view is supported by satisfactory orders in hand as well as by the continued growth in the building activity.

United Precast Concrete Company Qatar W.L.L.

Participation: 49%

Management: Paul Søgaard

Following several years of preparation, the new Qatar plant was ready for production in August, 2003. The subsequent months have been used to run in the production facilities and the new organization, and the first customer orders have been delivered.

The startup of the plant has encountered the difficulties which might be expected but customers have also been reluctant to place orders until it could be verified that the plant could actually produce and deliver. Furthermore one particular large order was postponed on account of site delays.

Erection of one of the first hollowcore assignments from the new Qatar plant.

For Joslin Diabetes Center in Bahrain, 200 mm hollowcore slabs and white, sand-blasted and insulated façade panels have been supplied.

The matters in question have caused the result to become lower than expected; also, in connection with the closing of the year some of the costs accumulated in the building up stage have been expensed. All in all, the new plant burdens the BPC Group result by a substantial loss.

Despite said loss, the decision to establish the plant in Qatar was right as that country is seeing heavy growth in the building sector and a heavy demand which cannot be met by the existing total production capacity. This development is supported by an extremely strong economy and a political requirement to the effect that Qatar should soon develop into one of the leading countries in this region.

This plant will still be in a runin stage in 2004, and it is thus expected that it will only make a moderate contribution to the total profit of the group this year.

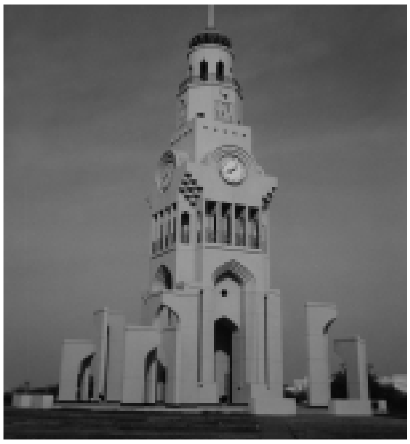
HOH Water Technology A/S

As the last part of the adjustment of the NTR group, HOH Water Technology with its appurtenant subsidiaries was sold by the end of August. This company is included in the NTR group profit and loss account until the time of the disposal, and in the period there was a turnover

Crowding the houses in The Meadows villa area in Dubai.

Around each building, a boundary wall is being built. Obviously calling for a precast concrete solution.

The VIP Tower at Bahrain's Formula 1 track has been erected using Bahrain Precast Concrete hollowcore slabs.



Riffa Clock Tower offers fine evidence of the sophisticated production technique applied by Bahrain Precast Concrete.

of DKK 192.6, making an operating profit of DKK 3.2 million.

As part of the sales agreement, NTR Holding vouches for matters attributable to the period until the time of the disposal. Warranty expenses on projects already delivered are, however, initially to be covered by the provisions made in HOH, and only if these expenses prove higher than expected NTR will have to cover the remaining cost.

Further, in connection with the disposal NTR Holding took under a limited guarantee for the 2003 result. The making up of the final HOH group result for 2003 has not yet been completed but preliminary statements would seem to indicate that the result in the last months of 2003 came out somewhat lower than previously expected, and it may thus be anticipated that NTR will have to cover part of a realized loss.

At the closing of the year, this expected covering of the loss has, of course, been considered along with any further risk on projects previously delivered. An overall view of this aspect has entailed that the provision for these costs has had to be increased. Including direct sales expenses, the disposal of HOH Water Technology has inflicted a loss of DKK 12.2 on NTR. The net result made in the first eight months of the year of DKK 1.7 million is to be deducted from this amount.

Despite this adverse result impact, the disposal triggered a heavy positive liquidity effect since NTR has, on account of the disposal, received around DKK 30 million of liquid funds, even after allowing for the expected covering of the loss for 2003. Also, this disposal entailed a heavy reduction of the NTR group balance and operating risk.

R+S Baugesellschaft mbH

Management: Flemming Holrick

In R+S Baugesellschaft, resources have been focused on selling the remaining houses/flats, collecting receivables, and closing the remaining problem cases. In all areas, good progress has been made in 2003, and we are gratified in finding that it has proved possible to conduct the continued winding up within the provisions made in previous years, in R+S Baugesellschaft as well as in NTR Holding. The continued winding up of the activities has thus not affected the NTR group 2003 profit and loss account.

No new problem cases has emerged during 2003 and in making the closing of the year, all outstanding deficiency cases and receivables have been reviewed. This has not led to any appreciable increases in provisions.

Bahrain Precast Concrete has supplied sandblasted white façade panels for a nine-storey office building.

The grand stand at Bahrain's new Formula 1 track has been erected using miles of prestressed Bahrain Precast Concrete panels.

The NTR group exposure in relation to the previous contractor activities is illustrated by the R+S Baugesellschaft key balance items. The development in these items also provides a picture of the results achieved in 2003.

Balance sheet items
R+S Baugesellschaft

DKK million	2003	2002
Properties for sale	13.1	20.8
Receivables	71.7	97.0
Liquid funds	13.9	15.1
Provisions	36.2	48.4
Bank debt	16.0	33.3
Other Group external commitments	31.5	37.5
Off balance financial guarantees	52.6	82.9

The remaining houses/flats held by the company are being sold currently, and during 2003 about one third of those held has been sold. Sales are delayed by the weak development in German economy due to which many potential buyers are reluctant to act.

The largest R+S Baugeselschaft asset item is constituted by receivables, primarily on projects in which a builder has withheld the final payment, typically because he claims that there are deficiencies in the building work. In some cases, the particular deficiencies are remedied to close the case, and in other cases it has proved necessary to institute legal proceedings to have the builder sentenced to pay the remaining amount. The receivables booked are lower than the total claims against the particular accounts receivable since in evaluating the cases depreciations have been made in the value of such receivables.

During 2003, we have managed to reduce receivables by 26%, equivalent to DKK 25.3 million. The particular receivables have been received by an amount slightly higher than that of the book value, a fact adding to the assumption that the particular receivables have been recognised at a realistic value.

The liquid funds of the company have, for the main part, been deposited as security for the guarantee framework within which the outstanding guarantees have been drawn.

As for liabilities, provisions have been reduced by some 25%, expressing the fact that expenses have been defrayed for the remedying of deficiencies, etc. The provisions will be made whenever a project is handed over since costs will, by experience, occur during the five-year warranty period. Only if it turns out subsequently that there are heavier deficiencies than expected will it be necessary to increase provisions and thus burden current operations. This has largely not been the case in 2003.

The bank debt has been more than halved in 2003; this has been possible particularly by virtue of the reduction in properties for sale and receivables.

In so far as R+S Baugesellschaft itself cannot generate the liquidity required to continue the winding up, such liquidity will be contributed by NTR Holding.

On the delivery of a building project, the contractor will normally provide a five-year warranty for faults and deficiencies. To cover the builder, a financial guarantee will generally also be issued. Such financial guarantees are not included in the company balance even though they do represent a potential risk. In case of any special problems on a building project, the balance will, however, have allowed for a provision for this purpose, and the outstanding guarantees will thus frequently be offset by a whole or partial provision in the balance. The return of financial guarantees after the expiry of the guarantee period has continued in 2003, and the total guarantees have been reduced by 37% to currently DKK 52.6 million.

The financial guarantees issued are to be returned when the warranty period expires but if there is disagreement with the builder on deficiencies or similar, he will typically withhold the guarantee beyond the expiry time agreed, and R+S Baugesellschaft will not be released from its commitment until the guarantee has been returned. A considerable part of the guarantees has thus passed the original date of expiry but have still not been returned by the builder.

The distribution of guarantees after the original expiry date illustrates the extent of this issue.

Outstanding guarantees

Expiry date	DKK million	Share
2003 or before	29.1	55%
2004	4.2	8%
2005	6.4	12%
2006	5.0	10%
2013	7.9	15%

Though the share of guarantees having their expiry dates in 2004 is moderate, the favourable development in the return of guarantees is, however, expected to carry on this year since substantial guarantees for which the expiry date has already been passed are expected to be returned.

The winding up of the total R+S Baugesellschaft exposure is continued in 2004, and though the winding up is, of course, subject to some amount of uncertainty, it is in fact believed that the remaining winding up may be conducted within the framework of the provisions already made. It is thus not expected that the position of R+S Baugesellschaft will affect the 2004 consolidated result. The winding up comprises considerable amounts of both assets and liabilities and temporary changes in the winding up can put the cash position of the Group under pressure, as the main part of the liquid funds are placed as collateral for financial commitments.

NTR Holding A/S

The parent company of NTR Holding A/S made an operating loss of DKK 15.4 million of which the main part refers to the disposal of HOH Water Technology.

As mentioned above, this disposal was made in order to focus on the group activity area and add to its financial strength as it is anticipated that the continued winding up of the activities in R+S Baugesellschaft in the years to come will require contribution of liquidity from the parent company.

By the end of 2003, NTR Holding held liquid assets of DKK 82.9 million, to be compared to bank debt and other debt commitments of totally DKK 15.8 million. A considerable part of the liquid assets has been deposited as security for the financial commitments of the group, particularly in relation to R+S Baugesellschaft, and will to a considerable extent be used to reduce these commitments over the next few years. A temporary shift in the winding up of balance sheet items can still impose pressure on the cash position of the group.

In addition to proportional share of profit from the BPC Group, the parent company income consists of management fee income from the same group. We are working currently to adapt the company capacity costs so as to be in a reasonable proportion to that income.

Events after the Closing of the Financial Year

From the turn of the year and up to date, no events have occurred which would unbalance the evaluation of the annual report.

Expectations

The NTR group turnover will in future be limited to the management fee received from the BPC Group. In 2004, the NTR group will thus realize a turnover of around DKK 4 million. This management fee is result-dependent and will consequently depend on whether the BPC Group companies meet expectations for 2004. The BPC Group is associated with the NTR group, and the BPC group turnover of around DKK 450 million is thus not consolidated in the NTR consolidated accounts.

For 2004, the NTR group expects to realize a result before and after tax of app. DKK 10 million. This result will primarily derive from the BPC Group, and will thus depend on whether the group companies may continue the favourable development in earnings seen over the last few months, and on the 2004 activities not being hit by unexpectedly heavy fluctuations in raw material prices. This expectation has been calculated based on the current level of the rate of the USD. Any fluctuations in this will have a largely straight-line effect on the result.

The winding up of the R+S Baugesellschaft is being continued in 2004, a fact not anticipated to affect the NTR result. The winding up includes considerable asset & liability items and is expected to reduce the group liquid assets materially. Since the main part of these assets has been used to secure the current credit and guarantee/warranty lines, a shift in the continued winding up may entail that NTR may have a need of access to financial resources beyond the existing lines. In the opinion of the management, it will be possible to get the necessary commitments to that effect.

2003 Accounting Report

Part of the desert has been allocated for the building of 230 villas in Abu Dhabi. All supplied by the local BPC Group plant.

Profit and Loss Account

In 2003, the NTR group turnover was DKK 195.7 million, thus more than halving the turnover compared to that of 2002. This is due to the disposal of the HOH group by the end of August, combined with the fact that the former subsidiary of Union Engineering was included in the 2002 accounts by eight months of activity.

This lower activity basis is also reflected in marked reductions in production and capacity costs.

Other operating income was DKK 1.7 million, in comparison with DKK 14.2 million in 2002 when a considerable gain was realized on the disposal of HOH group activities. In 2003, the income derives from the disposal of the last NTR Holding real estate property, as well as the disposal of fixed assets after adjustments of the activities.

Other operating expenses were DKK 12.8 million, mainly allocated to the loss on the disposal of HOH Water Technology. Depreciations have been reduced on account of the disposal of the companies in question, and the loss on ordinary operations was thus DKK 12.1 million, as against a deficit of DKK 11.5 million in 2002.

Due to the commissioning of the new Qatar factory and too weak earnings on the Dubai and Abu Dhabi plants, the share of the result deriving from associated companies was only DKK 3.3 million in 2003, as against DKK 12.6 million the year before.

The ordinary result was a loss of DKK 9.7 million, not resulting in taxation.

Balance

The overall group balance is also affected by the disposal of the HOH group. The balance has thus been reduced to DKK 259.2 million, as compared to DKK 403.3 million by the end of 2002.

Fixed assets are now DKK 63.4 million, representing the value of the share of participation in the BPC Group.

Real estate for sale of DKK 13.1 million includes the last R+S Baugesellschaft houses/flats which are sold currently. Receivables from sales and other receivables totalling DKK 72.9 million may also mainly be allocated to R+S Baugesellschaft. Receivables from associated companies consist partly of loans to the BPC Group, partly of earned, not yet settled management fee.

The group liquid funds were DKK 96.8 million as per 31 December 2003.

The shareholders' equity fell during 2003 by DKK 21.6 million, made up of the result of the year of minus DKK 9.7 million as well as an adjustment of the value of the shares in the BPC Group of minus DKK 11.9 million caused by the steep drop in the rate of the USD and thus Bahrain Dinars. By virtue of the substantial reduction of the balance, the consolidated solvency has increased from 35.7% by the end of 2002 to 47.2% by the end of 2003.

Provisions allocated come to DKK 72.8 million, mostly relating to the expected costs of the continued winding up of R+S Baugesellschaft. Assuming that the winding up will run as expected, future costs will not affect NTR Holding results.

Total debt commitments have been reduced to DKK 63.9 million by the end of 2003, as against DKK 168.8 million by the end of 2002. This reduction relates to the disposal of the HOH group as well as to part payments on the bank debt in the remaining group companies.

Cash Flow Analysis

The NTR group has had a positive cash flow from operations of DKK 11.7 million, caused by a heavy reduction in the operating capital tie-up whereas the result of the year as well as dissolution of provisions work in the opposite direction.

Disposal of fixed assets and companies has contributed positive liquidity to the extent of DKK 53.4 million of which the main part has been used to increase the funds deposited serving as collateral for the group credit and guarantee facilities. The net liquidity change of DKK 20.8 million has been used to reduce the group bank debt which has now been reduced to DKK 24.2 million.

From financial year 2005 the annual accounts of NTR Holding will be prepared in accordance with IFRS. The transition will not cause major changes in recognition and measurement.

Markets

Bahrain

Bahrain's welfare is based on proceeds from oil and natural gas of earlier times. The current reserves are modest, and the country is thus dependent on imported oil, particularly from Saudi Arabia. To a certain extent, the country also receives oil by way of actual support. Some 30% of the gross domestic product of the country is oilbased, and refined oil products amount to around 60% of the export of the country.

Through a well developed transport and communication structure, Bahrain has for many years attracted foreign companies which run activities in the Gulf area from there.

In the building industry, the country has seen heavy growth in recent years, in commercial buildings as well as housing. This development is expected to continue in the years ahead, supported by an aim to continue to appear as an attractive place to settle for international companies. Nearly one third of the population is under the age of 15, another fact holding out a great potential for housing in the years to come.

The total building activities are thought to amount to a floorage of appr. 1.4 million m^2 per year out of which BPC is believed to hold a market share of nearly 50%. The production capacity in the precast concrete panel plants of the country is somewhat higher than the demand, a fact leading to stiffer price competition in recent years.

Bahrain - Market Data

(USD million, if not otherwise stated)	2002	Estimat 2003	Estimat 2004
Population ('000)	743		
Share of Population under the age of 15 (%)	28.8		
Population growth rate (%)	1.6		
GDP	8,328		
GDP - per capita (USD)	11,210		
GDP growth rate (%)	5.5	5.7	5.9
Current account	(412)	(512)	(300)
External debt	3,588		
Foreign currency reserves	1,736		
Proved oil reserves (million barrels)	62		
Proved gas reserves (billion m^3)	46		
Standard & Poors sovereign rating	A-		

Source: MEED, London & CIA: The World Factbook

The United Arab Emirates - Market Data

(USD million, if not otherwise stated)	2002	Estimat 2003	Estimat 2004
Population ('000)	3,600		
Share of Population under the age of 15 (%)	26.7		
Population growth rate (%)	1.6		
GDP	71,021		
GDP - per capita (USD)	19,728		
GDP growth rate (%)	1.2	4.0	2.5
Current account	4,100	6,500	4,000
External debt	0		
Foreign currency reserves	14,897		
Proved oil reserves (million barrels)	80,310		
Proved gas reserves (billion m^3)	5,892		
Standard & Poors sovereign rating	na.		

Source: MEED, London & CIA: The World Factbook

The United Arab Emirates

The United Arab Emirates consist of seven emirates of which Dubai and Abu Dhabi are dominant.

By virtue of substantial proceeds from oil and gas, The United Arab Emirates have over the last 25-30 years developed from small, scattered desert towns to modern, well developed social systems. Particularly Dubai continues to aim for heavy development, and this emirate now appears as one of the world's most modern and progressive countries.

In view of their heavy oil and gas reserves there is a basis for a continuation of this development for many years ahead. The heaviest reserves are in Abu Dhabi, and the development in this emirate is thus

Qatar - Market Data

(USD million, if not otherwise stated)	2002	Estimat 2003	2004
Population ('000)	650		
Share of Population under the age of 15 (%)	24.7		
Population growth rate (%)	2.9		
GDP	17,466		
GDP - per capita (USD)	26,871		
GDP growth rate (%)	2.0	4.6	8.5
Current account	4,300	4,300	4,800
External debt	16,000		
Foreign currency reserves	1,720		
Proved oil reserves (million barrels)	14,510		
Proved gas reserves (billion m^3)	17,930		
Standard & Poors sovereign rating	A+		

Source: MEED, London & CIA: The World Factbook

more related to the oil and gas sector than in Dubai, the latter consciously aiming for development and extension of other sectors. To put these reserves in perspective, it may be stated that the similar reserves in the Danish underground amount to 1,230 million barrels of oil and 82 billion m^3 of natural gas.

Particularly Dubai has seen a building boom over a considerable number of years. The total building activities are currently estimated to cover a floorage of 15 million m^2 annually, and the growth in this is expected to continue. The precast concrete panel market in Dubai and Abu Dhabi has not been built up until within the last decade, and the share of building projects using precast concrete panels for floors is thus considerably lower than for instance in Bahrain where hollowcore floors are predominant. At present, only 15-20% of the total building volume is made with hollowcore floors whereas for the remaining part other building methods are applied. This situation holds out a great potential for developing the market position for the most essential product of the BPC Group, that of hollowcore slabs, which are thought to offer a competitive edge on account of quicker building process and a lower material consumption per m^2.

The main product of the Dubai plant is that of hollowcore slabs, and this plant is believed to hold a market share of 25-30%. The new Abu Dhabi plant produces wall panels only, and these are also produced in Dubai. Nevertheless, the market share of the plants for wall panels is thought to be lower than for hollowcore.

Qatar

Several years ago, Qatar was considered one of the coming growth markets in this region, a position offering the background for establishing the latest plant of the BPC Group there.

The development of the Qatar oil and gas industry did not seriously gain ground until during the 1990'es, and the country has still already now turned into a country showing a high gross domestic product per capita coming close to the level of Western industrial countries. Based on huge gas reserves and a gas industry still in a process of heavy extension, this country will in a few years develop into one of the richest social structures of the world. The gas reserves of the country are the third largest in the world and cover more than 5% of the total global reserves.

Along with the development in the oil and gas industry, extension and modernization of buildings and other infrastructure of the country have been launched. Thus, many ministries and other public institutions are moving into new, modern building complexes in these years, and the hotel and tourist industry of the country is being currently extended. Further, the educational sector of the country is being heavily extended. Qatar is hosting the 2006 Asian Games, and this big arrangement has generated several projects on the building and modernization of stadiums and other facilities, and accommodation will also have to be provided for the appr. 10,000 participants, as well as for spectators and the press.

The heavy development of Qatar may be expected to continue for many years ahead, well supported by its extremely strong economy.

Risk Factors

Any activity involves risks which may affect future results. It is not possible or desirable to cover all risks, and NTR thus emphasizes the importance of identifying the most important risk factors and actively decide whether the particular risk is to be hedged.

The following description of and decision-making on specific risks may not be regarded as an exhaustive description of all risk factors but in the view of NTR the risks described are those which will with the highest degree of probability affect future results.

Business Risks

Energy Prices

The activities conducted by NTR are focused on selected countries around the Arabian Gulf, and the future scope of activities will thus be influenced by the economic development in the particular countries which is, to a considerable extent, related to the oil and gas industry. Reduced energy prices will consequently – unlike in the Western world – entail a drop in economic activity or at least a slowdown of economic growth.

Abu Dhabi and Qatar are those most dependent on extraction of oil and gas, and these two countries also have the largest reserves. In Dubai and Bahrain, a smaller part of the economy is energy-based, and these two areas are then, in a most determined manner, endeavouring to turn their economies towards other sectors, thereby attracting other types of investment from abroad.

Raw Materials

Contracts on supply of precast concrete panels operate with greatly varying times of delivery – from just a few weeks up to 12 – 18 months. Such contracts are closed at firm prices, and the BPC Group companies will thus be affected by price changes for the materials used in their production. The most important raw materials are cement, sand & stone, as well as reinforcement steel. Particularly steel and cement have seen heavy price fluctuations in the last year or so, particularly upward. Prices for these materials are to a certain extent influenced by the world market price. Sand & stone are extracted locally in the area but in a heavily growing building market like the prevailing one, there will be price increases for these products, too, and the heavy demand may at times affect supply reliability.

When making large contracts, the most important raw material supplies are sought covered with suppliers but the entire price risk just cannot be fully hedged.

Competitive Situation

Heavy growth in the various markets naturally attracts other suppliers of precast concrete panels, a fact triggering fierce competition. Particularly on new markets such as that of Qatar, competition also offers benefits as competition provides the lowest prices for builders, enhancing their interest in using precast concrete panels.

The BPC Group companies do not aim to get a competitive edge on prices but are seeking technological leadership instead at all times, with a view to keeping a high quality level and reliable times of delivery for the customers. Also, a high technologically level paves the way for the most effective production.

Political Risks

The Arab world seems to be perceived by many as related to the problem areas of Israel/The Palestinian Self-Government, and Iraq. Geographically as well as for mentality, there is a marked difference from these areas to those in which the BPC Group operates. For one thing, last year's Iraqi war was hardly felt, neither in Bahrain, Qatar, nor in the United Arab Emirates. Though some Arab circles do hold out some amount of scepticism in relation to the Western world and particularly the U.S.A., this sort of attitude is not reflected in relation to BPC or its staff. In this connection, it should be borne in mind that the Danish staff represent but a tiny part of the total staffing though they do represent the management. Further, the particular countries are all characterized by a high share of foreigners generally. In the United Arab Emirates, foreign citizens thus cover around two thirds of the population whereas the similar figures for Bahrain and Qatar are estimated to be one third or more.

On the overall political level, all these countries are characterized by the fact that a large share of power is concentrated on one single family, or on a few families only. This aspect is also reflected in the distribution of the financial resources.

In a number of the countries in the area, these years a degree of democratization is seen in the Western world sense of the word; Bahrain is among the leaders in this respect. Thus, a couple of years ago, Bahrain ran direct elections of part of the members of the legislative council, and this democratization process is expected to continue in the years to come.

The high share of foreign citizens forms a risk aspect of its own. The majority of the foreigners come from Asian countries, and they work in the Arab

countries because they can land a higher income there than they would in their particular home countries. Also, the particular Arab countries are dependent on the considerable contribution made by the foreigners for the total workforce, so no special risk is thought to relate to this aspect.

Financial Risks

The NTR financial risks are composed from the risks related to the parent company and to R+S Baugesellschaft in Germany, as well as risks related to the BPC Group.

Rates of Exchange

The BCP Group companies operate in local currencies, all pegged to the USD. Overall, the economies of the particular countries are fairly closely bound up with the energy sector in which the USD is dominating, too. Since buying is mainly done in local currencies or in the USD, their activities are not to any considerable extent sensitive to changes in the rates of exchange. Still, some production equipment, and thus spares, will be bought in Europe so these items are affected by the marked change seen in the relation between the EUR and the USD.

In the years ahead, the total NTR earnings will mainly be based on earnings in the BPC Group, and the results will thus be affected by changes in the rate of the USD. NTR does not make any exchange rate cover of current BPC Group earnings.

Further, NTR Holding has a receivable from the BPC Group. The currency exposure on this receivable is currently covered through corresponding borrowing in USD.

In relation to the BPC Group, the heaviest exposure of the group relates to the value of the shares in BPC. At a current value of DKK 61.8 million, any change in the rate of exchange of DKK 0.10 per USD will cause a change in the value of the shares of just over DKK 1 million. Any such rate change is taken directly to shareholders' equity. NTR Holding does not make any exchange rate hedge of the equity capital participation in BPC.

The remaining winding up activities in Germany are all related to the EUR and thus pose no exchange rate risk.

Interest

All borrowing in the group companies and its associated companies is made at variable rate of interest, and since a certain connection between interest rate level and economic activity may be expected, the group is considered not to be exposed to any special interest risks.

Part of the NTR Holding liquid assets has been invested in one-year bonds which do not represent a real interest rate risk, either.

Credit Facilities

The BPC Group companies have credit & guarantee lines with local banks for funding of working capital as well as part of the capital expenditure of recent years. The considerable growth in activities during recent years, combined with weaker earnings in 2003 has made an increase in credit facilities necessary. The necessary credit facilities are expected to be maintained in future.

At present all credits in NTR Holding and R+S Baugesellschaft are covered by liquid securities, and it is thus thought that there will be no major risk that these cannot be maintained as required.

Further, R+S Baugesellschaft has a number of guarantee facilities, partly unsecured. Since the need for guarantee facilities is declining, and as such facilities are really irrevocable, they do not pose a real risk in relation to credit facilities.

Sale and Discontinuation of Activities

In connection with the sale of HOH Water Technology in August, 2003, NTR Holding has issued normal seller's guarantees which are thought not to entail any appreciable risk. Further, NTR Holding guarantees for guarantee commitments on projects delivered prior to the assignment of the company. Certain costs must be anticipated in relation to these guarantees, and this has been allowed for in closing the 2003 accounts.

The discontinuation of the activities in R+S Baugesellschaft has previously caused heavy losses and provisions in the NTR group. A risk remains that unknown guarantee commitments for R+S Baugesellschaft may crop up but since the last building projects were delivered several years ago, any such risk is considered to be declining.

Further, the valuation of the assets and the already known commitments in R+S Baugesellschaft does entail a risk. In closing the 2003 accounts, these aspects have been considered, and the necessary depreciations and provisions made.

Pension Commitments

The NTR group has no uncovered pension commitments in group companies or associated companies.

Shareholders' Information

Investor Relations Policy

On the admission of NTR Holding in the SmallCap+ index on the Copenhagen Stock Exchange as per January 1, 2004, the company has made its Investor Relations policy more specific:

NTR Holding aims to increase the knowledge of our company and its development; including the knowledge of the markets around the Arabian Gulf, an area which forms the dominant activity area of the group.

Our aim is to provide an open, regular information policy, ensuring optimal information level and evaluation basis for the interested parties. Our information is organized so as to conform to the Securities Trading Act and the Copenhagen Stock Exchange guidelines and recommendations.

Regular information issued by NTR Holding includes our

- Financial Calendar
- Preliminary Statement of Annual Accounts
- Annual Report
- Interim Report after each quarter
- Notice of and briefing on the course of the annual general meeting

Further, other information bearing on the evaluation by shareholders and by other parties of the NTR Holding share will be issued as required.

Corporate Governance

The NTR Holding board of directors are conscious of the development in Corporate Governance and aim to meet as far as at all possible current recommendations with a view to ensuring optimal openness and transparency on the development in the NTR group companies, and provide for the existing and future shareholders of the company the optimal decision-making basis on investment in the NTR share.

Stock Exchange Notifications Issued

Date	No.	Content
16 January 2003	1	Financial calendar 2003
19 March 2003	2	Preliminary announcement of annual accounts for 2002
2 April 2003	3	Notice of annual general meeting
23 April 2003	4	Minutes of annual general meeting
1 May 2003	5	Quarterly statement of shareholdings of insiders
28 May 2003	6	Interim report 1st quarter
9 July 2003	7	Quarterly statement of shareholdings of insiders
22 August 2003	8	Interim report 2nd quarter
26 August 2003	9	Divestment of the HOH Group
29 August 2003	10	Insiders' trading in NTR Holding shares
3 October 2003	11	Quarterly statement of shareholdings of insiders
7 November 2003	12	Interim report 3rd quarter
19 December 2003	13	Quarterly statement of shareholdings of insiders

2004 Financial Calendar

18 March 2004	Preliminary announcement of annual accounts for 2003
13 April 2004	Annual report 2003
29 April 2004	Interim report 1st quarter
29 April 2004	Annual general meeting
17 August 2004	Interim report 2nd quarter
16 November 2004	Interim report 3rd quarter

According to our articles of association, all shares shall be registered to the holder; thus, between 90 and 95% of all shares are permanently registered to the holder. For the purpose of balancing shareholder requirements on information with the resource requirement, all new shareholders are invited by letter to state which information would be required by them in future, either by ordinary mail or electronically.

All shareholders who have expressed their wish to be invited for the annual general meeting shall receive such invitation along with the annual report. We aim at issuing such invitation about a fortnight prior to the annual general meeting, and the meeting date will have been published in advance through the financial calendar. Shareholders are offered to confer power of attorney to others or to the board of directors; in the latter case, the particular shareholder may signify his wishes on voting for each particular item of the agenda.

All information to the shareholders and the stock market will also be available on the company website, in Danish as well as in English. The website is in fact mainly dedicated to Investor Relations purposes.

NTR Holding has A-shares and B-shares, one A-share carrying ten votes, and one B-share one vote. The division into share classes carrying different voting power is historically conditioned.

NTR wants optimal openness on the matters of the group in so far as it may be ensured that price sensitive information will come to the knowledge of all interested parties simultaneously. Further, there may be information which cannot, for commercial reasons, be published, and information on the group associated companies is balanced with the co-shareholder requirements.

In addition to the annual general meeting, the NTR Holding top management body is the board of directors which will currently discuss and organize the strategical development of the company in cooperation with the management. All members of the board of directors will be elected by the annual general meeting for one year at a time, and holders of preference shares have been given the right of electing one member whereas other members will be elected by all shareholders. The board of directors consists of four members the number of which is, in the light of the total size of the group, proposed to be reduced to three at the forthcoming annual general meeting. After the sale of HOH Water Technology in the summer of 2003, no staff representatives have been elected for the NTR Holding board of directors since the company does no longer meet the criteria for this. No fixed age limit has been defined for members of the board of directors as the board of directors deems it more relevant to currently evaluate the active contribution made by the particular member to the work of the board

NTR Holding members of the board will receive a fixed annual fee, to be approved by the annual general meeting. The chairman of the board of directors will receive twice this fee.

The management will also receive fixed remuneration, to be agreed every year with the chairman of the board of directors. Neither the board of directors nor the management have been given any incentive-promoting forms of remuneration.

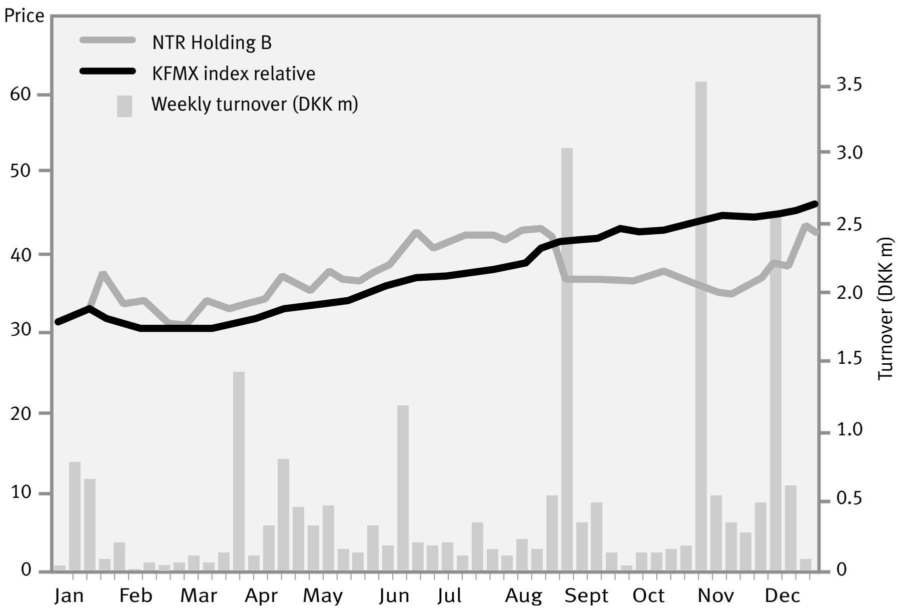
Prior to the four or five regular board meetings, the board of directors will receive a review in writing of the matters and current position of the group, significantly focusing on strategic adjustments/adaptations and the risk exposure.

Price Development

The price of NTR shares developed along with the general development on the stock market from early 2003 to the end of August when it was published that the sale of HOH Water Technology would inflict a loss from the disposal on the company. At the same time, earnings on a couple of the BPC Group plants failed so expectations for the total result of the year were downgraded.

After the disposal of HOH, leading to a strengthening of the group financial position, the share has been attracting increasing interest, resulting in increased turnover and a rising price. By the end of 2003, the price was 42, an increase of 40% in comparison with the position at the beginning of the year.

Movements in share prices 2003



Shareholders' Information

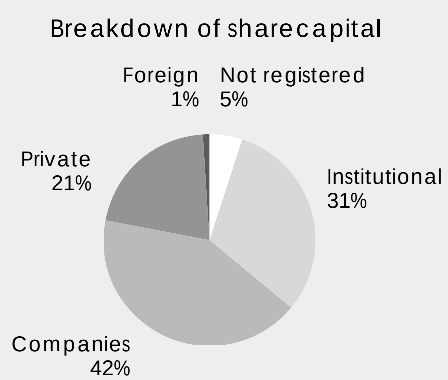
Shareholders

The NTR Holding share capital consists of 1,777,140 listed B-shares and 162,798 non-listed A-shares. The A-shares are held by a narrow circle of shareholders whereas the B-shares are divided on 1,893 registered shareholders.

By the end of the year, the following shareholders held more than 5% of the company share capital:

SHAREHOLDER	Class A shares	Class B shares	Proportion of shares	Proportion of votes
Civilingeniør N. T. Rasmussens Fond H. C. Andersens Boulevard 12 Copenhagen	109,329	950	5.7%	32.1%
Stig Rantsén [1] Dubai & Niels Andersens Vej 5A, Hellerup	27,169	448,640	24.5%	21.2%
Lønmodtagernes Dyrtidsfond Vendersgade 28, Copenhagen	1,000	192,304	10.0%	5.9%
Arbejdsmarkedets Tillægspension Kongens Vænge 8, Hillerød	0	103,580	5.3%	3.0%

[1] Through controlled companies



Own Shares

NTR Holding has a holding of 71,994 own B-shares. This holding is maintained with a view to covering share-based incentive programs for executives in associated companies.

Insiders

NTR Holding currently makes up holdings in the company by insiders, as well as by those closely related to them. By the end of 2003, holdings could be made up as stated below:

Insiders are defined as members of the board of directors and the management, group company executives, as well as general meeting elected accountants. By virtue of its close relations to NTR Holding, Civilingeniør N. T. Rasmussens Fond is also regarded as an insider.

	No. of shares	Market value 31. Dec. 2003 (DKK m)
Board of directors	913	0.0
Management	0	0.0
Other insiders	586,074	24.6

2003 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 2003 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, 18 March 2004

Management

Jens Hørup

Board of directors

Niels Heering
Chairman

Svend Jakobsen

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 2003, pages 2 – 38.

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, pages 2 - 38, 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.

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 2003 in accordance with the Danish Financial Statements Act and Danish Accounting Standards.

Supplementary Information

Reference is made to the section "Expectations" of the annual report with description of liquidity position and credit facilities.

Copenhagen, 18 March 2004

Deloitte
Statsautoriseret Revisionsaktieselskab

Jesper Jørgensen
State Authorised
Public Accountant

Jens-Erik Kollin Nielsen
State Authorised
Public Accountant

Grant Thornton
Statsautoriseret Revisionsaktieselskab

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 2003 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.

The accounting policies are consistent with those applied in last year's financial statements.

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 then 50% of the voting rights or in any other way exercises or can exercise a controlling interest. 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 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 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' 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.

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

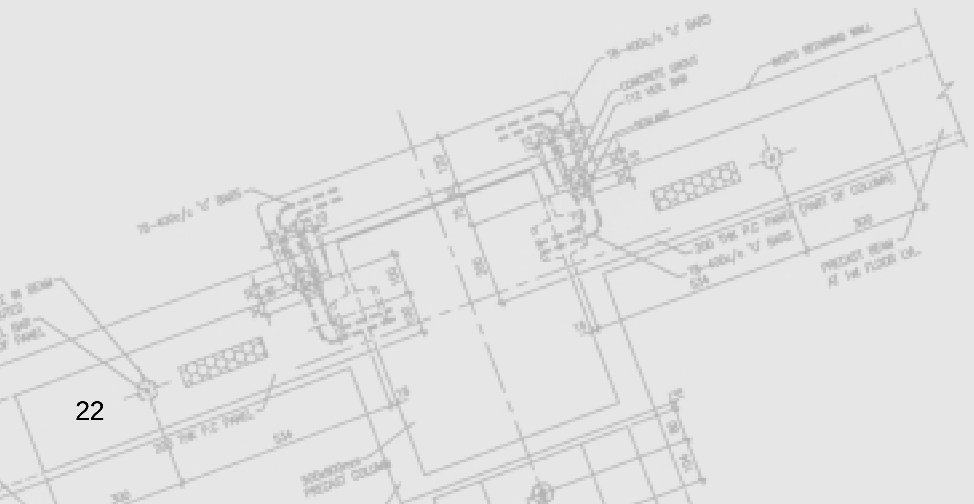
Land and buildings, plant and machinery as well as other fixtures and fittings, tools, and equipment are measured at the lower of cost less accumulated depreciation and estimated recoverable amount.

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 6 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.

Fixed asset investments comprise unlisted securities which are measured at cost.



Investments in Subsidiaries and Associates

Investments in subsidiaries and associates are measured using the equity method. The parent company's share of the particular subsidiary'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 the subsidiaries 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 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 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.

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.

Obligations relating to share option plans are not included in the balance sheet. The value of share options is calculated using the Minimum Value Approach.

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 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 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 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.

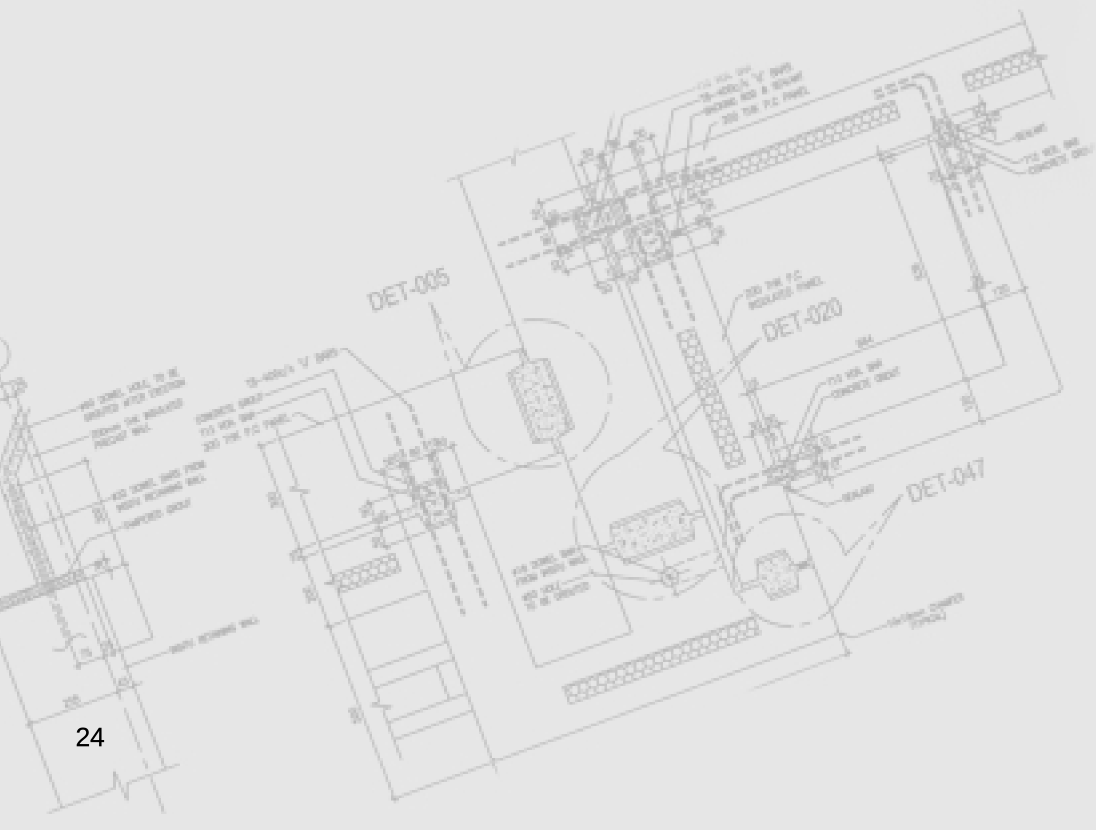
Cash flows from investing activities comprise purchase and divestment of intangible assets, property, plant and equipment, and fixed asset investments as well as payments relating to acquisition and divestment of enterprises and activities.

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 business and geographical 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)

Note		GROUP		PARENT COMPANY	
		2003	2002	2003	2002
1	Turnover	195.7	407.7	3.1	3.9
2	Production costs	(119.8)	(284.2)	(1.0)	(0.7)
	Contribution margin	75.9	123.5	2.1	3.2
2	Staff costs	(51.1)	(84.8)	(3.5)	(3.7)
	Overheads	(23.7)	(45.5)	(2.2)	(4.2)
3	Other operating income	1.7	14.2	1.1	1.7
4	Other operating expenses	(12.8)	(11.9)	(12.8)	(10.5)
5	Depreciation	(2.1)	(7.0)	(0.1)	(0.1)
	Operating profit (loss)	(12.1)	(11.5)	(15.4)	(13.6)
6	Share of profit (loss) before tax, subsidiaries	-	-	1.7	(2.3)
7	Share of profit (loss) before tax, associates	3.3	12.6	3.1	12.3
8	Financial income	3.3	10.7	3.7	7.6
9	Financial expenses	(4.2)	(10.6)	(2.8)	(2.8)
	Result on ordinary operations before tax	(9.7)	1.2	(9.7)	1.2
10	Tax, ordinary operations	0.0	0.4	0.0	0.4
	Net profit (loss) for the year	(9.7)	1.6	(9.7)	1.6
	It is proposed that the profit for the year be distributed as follows:				
	Transferred to other reserves			(9.7)	1.6
	Total			(9.7)	1.6

Balance Sheet ASSETS AT 31 DECEMBER (DKK MILLION)

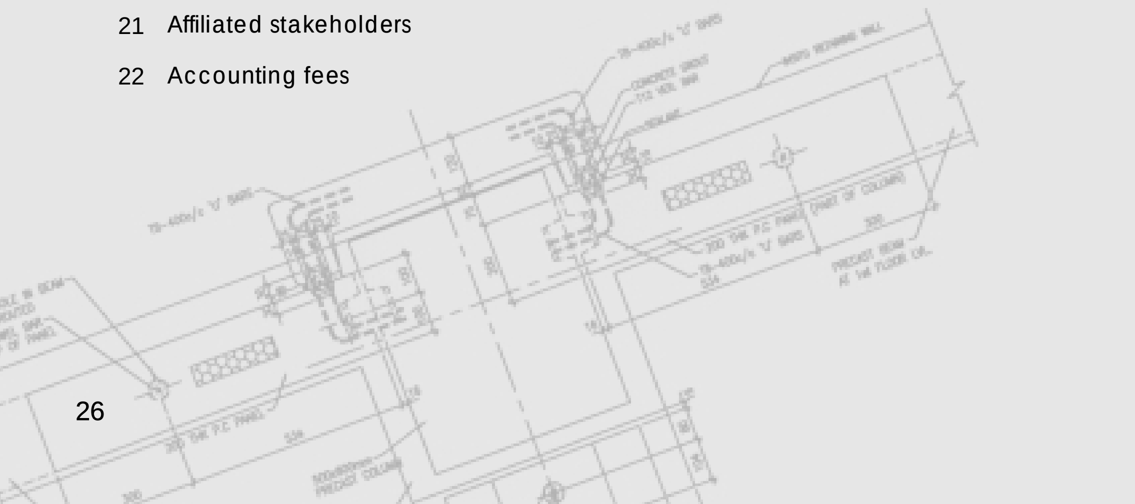
		GROUP		PARENT COMPANY	
Note		2003	2002	2003	2002
	Land and buildings	0.0	0.6		
	Other fixtures and fittings, tools and equipment	0.1	8.1	0.0	0.1
11	Tangible fixed assets	0.1	8.7	0.0	0.1
6	Participating interests in subsidiaries	-	-	0.0	7.2
7	Participating interests in associates	63.3	78.8	63.3	77.2
12	Securities	0.0	17.9		
	Financial fixed assets	63.3	96.7	63.3	84.4
	Total fixed assets	63.4	105.4	63.3	84.5
13	Properties for sale	13.1	24.3	0.0	0.6
	Raw materials and consumables	0.0	34.9		
	Properties and inventories	13.1	59.2	0.0	0.6
	Accounts receivable, sales	51.7	104.2		
14	Work in progress for third parties	0.0	11.3		
6	Amounts owed by subsidiaries	-	-	15.0	59.6
	Amounts owed by associates	13.0	17.3	13.0	16.6
	Other debtors	21.2	41.8	1.2	3.7
	Debtors	85.9	174.6	29.2	79.9
	Liquid funds at disposal	16.4	16.8	13.7	9.2
	Liquid funds deposited as security	80.4	47.3	69.2	22.4
	Liquid funds	96.8	64.1	82.9	31.6
	Total current assets	195.8	297.9	112.1	112.1
	Total assets	259.2	403.3	175.4	196.6

19 Contingent liabilities

20 Currency and interest exposure

21 Affiliated stakeholders

22 Accounting fees



Balance Sheet LIABILITIES AT 31 DECEMBER (DKK MILLION)

Note		GROUP		PARENT COMPANY	
		2003	2002	2003	2002
15	Share capital	194.0	194.0	194.0	194.0
	Other reserves	(71.5)	(49.9)	(71.5)	(49.9)
16	Total shareholders'equity	122.5	144.1	122.5	144.1
17	Non-recourse guarantee commitments	36.2	50.9		
17	Other provisions	36.6	39.2	36.6	36.7
18	Deferred tax	0.0	0.3		
	Total provisions	72.8	90.4	36.6	36.7
	Mortgage debt	0.0	1.1		
	Other long-term debt	0.0	4.5		
	Total long-term debt	0.0	5.6	0.0	0.0
	Long-term debt, due within 12 months	0.0	1.9		
	Bank loan and overdrafts	24.2	55.7	8.2	7.4
	Trade creditors	28.0	55.1	0.2	0.1
14	Payments received on account	0.0	9.8		
	Amounts owed to associates	0.3	1.2	0.3	0.1
	Corporation tax				
	Other debt	11.4	39.5	7.6	8.2
	Total short-term debt	63.9	163.2	16.3	15.8
	Total debt	63.9	168.8	16.3	15.8
	Total liabilities	259.2	403.3	175.4	196.6

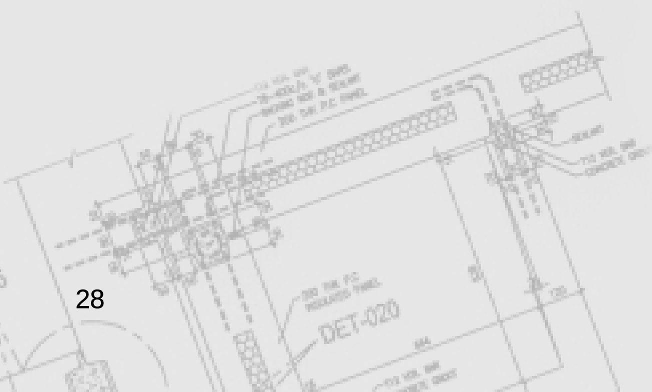
Shareholders' Equity Analysis

GROUP AND PARENT COMPANY (DKK MILLION)

	Share-capital	Other reserves	Total share-holders' equity
2003			
Shareholders' equity at 1 January 2003	194.0	(49.9)	144.1
Net profit (loss) for the year		(9.7)	(9.7)
Goodwill on acquisition and divestment of subsidiaries		0.0	0.0
Exchange differences on translation of overseas operations		(11.9)	(11.9)
Shareholders' equity at 31 December 2003	194.0	(71.5)	122.5
2002			
Shareholders' equity at 1 January 2002	194.0	(41.7)	152.3
Net profit (loss) for the year		1.6	1.6
Goodwill on acquisition and divestment of subsidiaries		5.0	5.0
Exchange differences on translation of overseas operations		(14.8)	(14.8)
Shareholders' equity at 31 December 2002	194.0	(49.9)	144.1

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

Note	Amounts in ( ) signify negative effect on cash flow	GROUP 2003	GROUP 2002
	Group operating result	(12.1)	(11.5)
	Depreciations of the year	2.1	7.0
	Cash flow from provisions	(12.4)	(40.7)
23	Changes in working capital	34.1	57.1
	Cash flow from operations	11.7	11.9
	Investment in intangible and tangible fixed assets	0.0	1.5
	Investment in financial fixed assets	4.9	11.9
	Free cash flow	16.6	25.3
24	Cash flow arising from companies divested	48.5	44.8
	Cash flow from operations and investments	65.1	70.1
	Long-term debt incl. instalments	0.0	(0.7)
	Financial income and expenses, net	(0.9)	0.1
	Change in funds deposited	(43.4)	(35.1)
	Cash flow from financial payments	(44.3)	(35.7)
	Change in net liquidity	20.8	34.4
	Liquid funds including securities, beginning of year	64.1	74.3
	Less deposited funds	(47.3)	(12.2)
	Deposited funds in divested companies	10.3	0.0
	Bank loan and overdraft, beginning of year	(55.7)	(135.4)
	Net liquidity, beginning of year	(28.6)	(73.3)
	Liquid funds including securities, year-end	96.8	64.1
	Less deposited funds	(80.4)	(47.3)
	Bank loan and overdraft, year-end	(24.2)	(55.7)
	Net liquidity, year-end	(7.8)	(38.9)
	Change in net liquidity	20.8	34.4



Segment Information (DKK MILLION)

Segmentation - 2003 Business segments - Primary	Water	CO_2	Precast concrete panels	Discon-tinued ope-rations	Group function	Not consoli-dated	Group
Turnover	192.5		253.9	0.9		(251.6)	195.7
Operating profit (loss)	3.2		7.4	(12.3)	(6.2)	(4.2)	(12.1)
Fixed assets			88.6	0.1		(25.3)	63.4
Total liabilities			176.7	156.1	18.8	(214.9)	136.7
Investment in non-financial fixed assets			29.5	(5.8)		(29.5)	(5.8)
Depreciation	(2.0)		(14.5)	(0.1)	(0.1)	14.6	(2.1)
Write downs and provisions				(7.5)	(0.5)		(8.0)
Cash flow from operations	5.2		(2.0)	(8.6)	(5.8)	22.9	11.7

Segmentation - 2002 Business segments - Primary	Water and other liquids	CO_2	Precast concrete panels	Discon-tinued ope-rations	Group function	Not consoli-dated	Group
Turnover	316.1	87.7	145.6	7.9	0.1	(149.7)	407.7
Operating profit (loss)	0.7	1.5	15.6	(5.2)	(8.5)	(15.6)	(11.5)
Fixed assets	46.9		87.3	0.2	1.7	(30.7)	105.4
Total liabilities	133.4		105.6	186.2	18.9	(190.1)	254.0
Investment in non-financial fixed assets	(9.2)		46.3	(25.9)		(46.3)	(35.1)
Depreciation	(5.4)	(1.5)	(11.6)	(0.3)	(0.1)	11.9	(7.0)
Write downs and provisions	(1.4)			(5.2)	5.6		(1.0)
Cash flow from operations	24.6	1.5	19.0	(15.5)	(48.6)	30.9	11.9

The major part of the precast concrete activities are carried out in associates and are included in the Group annual accounts with share of net profit after tax only. The NTR Group's share of the activity is pro rata included in the business segment specification.

Segmentation - 2003 Geographical segments - Secondary	Denmark	Rest of Scandi-navia	Rest of Europe	Rest of world	Not consoli-dated	Group
Turnover	123.2	55.8	6.7	261.6	(251.6)	195.7
Fixed assets			0.1	88.6	(25.3)	63.4
Total liabilities	18.8		156.1	176.7	(214.9)	136.7

Segmentation - 2002 Geographical segments - Secondary	Denmark	Rest of Scandi-navia	Rest of Europe	Rest of world	Not consoli-dated	Group
Turnover	207.1	95.8	61.2	193.3	(149.7)	407.7
Total liabilities	104.3	38.7	190.2	110.9	(190.1)	254.0

Activities in associates are included with the NTR Group's pro rata share.

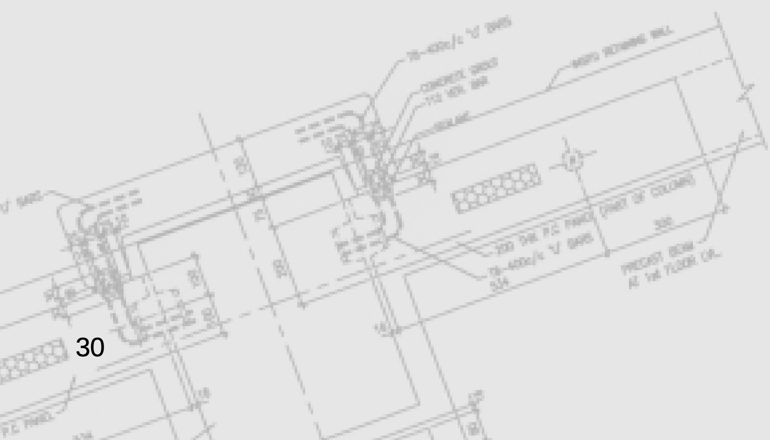
Fixed assets are not divided into secondary segments in 2002 as they cannot uniquely be related to one segment.

Notes (DKK MILLION)

	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
1 TURNOVER				
Sales value of production during the year on work in progress for third parties	80.5	204.9		
Manufacturing and service business	115.2	202.8	3.1	3.9
Total	195.7	407.7	3.1	3.9
2 STAFF COSTS				
Remuneration to the Board of Directors (parent company)	(0.7)	(0.8)	(0.7)	(0.8)
Remuneration to the Group management (parent company)	(1.1)	(1.6)	(1.1)	(1.6)
Wages and salaries to other employees	(76.5)	(123.6)	(1.7)	(1.3)
Social security costs	(4.8)	(7.2)		
Total staff costs	(83.1)	(133.2)	(3.5)	(3.7)
Staff costs included in production costs	32.0	48.4		
Staff costs according to Profit and Loss Account	(51.1)	(84.8)	(3.5)	(3.7)
Average number of employees during the financial year	173	365	2	3
Average number of directors during the financial year			6	7

Both Management as members of the Board of Directors in the Parent company receive a fixed annual fee and have not been given any incentive-promoting remuneration. The chairman of the Board of Directors receives a fee twice the fee of other board members.

	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
3 OTHER OPERATING INCOME				
Profit on disposed fixed assets and activities	0.9	12.9	0.3	0.4
Profit on properties for sale	0.7	1.1	0.7	1.1
Sundry	0.1	0.2	0.1	0.2
Total	1.7	14.2	1.1	1.7
4 OTHER OPERATING EXPENSES				
Loss on disposed fixed assets	0.0	(4.0)	0.0	(4.0)
Losses and provisions on discontinued operations	(12.3)	(7.0)	(12.3)	(5.6)
Losses on properties for sale	(0.5)	(0.9)	(0.5)	(0.9)
Total	(12.8)	(11.9)	(12.8)	(10.5)



	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
5 DEPRECIATION				
Land and buildings	0.0	(0.8)		
Other fixtures and fittings, tools and equipment	(2.0)	(6.1)	(0.1)	(0.1)
Properties for sale, current assets	(0.1)	(0.1)		
Total	(2.1)	(7.0)	(0.1)	(0.1)

	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
6 PARTICIPATING INTERESTS IN SUBSIDIARIES				
Purchase price, beginning of year			388.6	552.7
Additions			0.0	44.4
Disposals			(92.0)	(208.5)
Purchase price, year-end			296.6	388.6
Revaluations, beginning of year			(405.2)	(552.7)
Revaluations of the year			0.0	(1.6)
Profit (loss) before tax in subsidiaries			(5.9)	(40.4)
Tax in subsidiaries			0.0	(7.4)
Divestments			83.1	196.9
Revaluation, year-end			(328.0)	(405.2)
Total equity value			(31.4)	(16.6)
Offset in amounts owed by subsidiaries			31.4	23.8
Participating interests in subsidiaries, year-end			0.0	7.2

	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
7 PARTICIPATING INTERESTS IN ASSOCIATES				
Purchase price, beginning of year	15.0	15.6	11.8	11.8
Additions				
Disposals	(3.2)	(0.6)		
Purchase price, year-end	11.8	15.0	11.8	11.8
Revaluations, beginning of year	63.8	68.3	65.4	70.3
Revaluations of the year	(12.1)	(13.6)	(12.1)	(13.3)
Profit after tax in associates	3.3	12.6	3.1	12.3
Dividend	(4.9)	(3.9)	(4.9)	(3.9)
Divestments	1.4	0.4		
Revaluation, year-end	51.5	63.8	51.5	65.4
Participating interests in associates	63.3	78.8	63.3	77.2

The equity value at 31 December is distributed as follows:	Shareholding	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
Bahrain Precast Concrete Co. W.L.L.	49%	61.8	75.7	61.8	75.7
Other minor participating interests		1.5	3.1	1.5	1.5
Participating interests in associates, year-end		63.3	78.8	63.3	77.2

		GROUP		PARENT COMPANY	
		2003	2002	2003	2002
8	FINANCIAL INCOME				
	Bonds and liquid funds	1.1	3.0	1.0	1.6
	Group companies	-	-	0.8	1.6
	Dividend	0.0	2.4	0.0	2.4
	Gains on foreign currencies	1.9	4.8	1.6	1.5
	Other financial income	0.3	0.5	0.3	0.5
	Total	3.3	10.7	3.7	7.6
9	FINANCIAL EXPENSES				
	Mortgage interest	0.0	(1.0)		
	Losses on foreign currencies	(3.2)	(5.2)	(2.5)	(2.4)
	Other interest expenses	(1.0)	(4.4)	(0.3)	(0.4)
	Total	(4.2)	(10.6)	(2.8)	(2.8)
10	TAX				
	Tax payable, ordinary operations				
	Change in deferred tax				
	Sudsidiaries	-	-		
	Adjustments concerning previous years	0.0	0.4	0.0	0.4
	Tax, ordinary operations	0.0	0.4	0.0	0.4
	Tax from shareholders' equity movements				
	Total tax, ordinary operations	0.0	0.4	0.0	0.4

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

	GROUP			
	2003		2002	
RECONCILIATION OF THE DANISH TAX RATE TO THE GROUP'S EFFECTIVE TAX RATE	DKK m	%	DKK m	%
Result on ordinary operations before tax	(9.7)		1.2	
30% corporate tax	2.9	30%	(0.4)	30%
Tax effect from:				
Non-taxable income	1.2	13%	4.0	(333%)
Non-deductible expences	0.0	0%	(0.1)	11%
Adjustments concerning previous years	0.0	0%	0.4	(35%)
Profit offset in carry-over tax losses from previous years	0.5	5%	3.3	(277%)
Non-utilised tax losses	(4.6)	(48%)	(6.7)	554%)
Other adjustments	0.0	0%	(0.1)	17%
Total tax, ordinary operations	0.0	0%	0.4	(33%)

	GROUP		PARENT COMPANY
	2003		2003
11 TANGIBLE FIXED ASSETS	Land and buildings	Other fixtures and fittings, tools and equipment	Other fixtures and fittings, tools and equipment
Purchase price, beginning of year	0.6	25.5	1.8
Exchange equalization, beginning of year		0.1	
Additions at cost			
Disposals at cost		(2.7)	(1.3)
Disposals through divestment of companies	(0.6)	(20.3)	
Purchase price, year-end	0.0	2.6	0.5
Depreciation and write-downs, beginning of year	0.0	(17.4)	(1.7)
Exchange equalization, beginning of year		(0.1)	
Depreciation and write-downs of the year		(2.1)	(0.1)
Disposals		2.7	1.3
Disposals through divestment of companies		14.4	
Depreciation and write-downs, year-end	0.0	(2.5)	(0.5)
Book value, year-end	0.0	0.1	0.0

The official rateable value for land and buildings is DKK 0 million (2002: DKK 1.6 million).

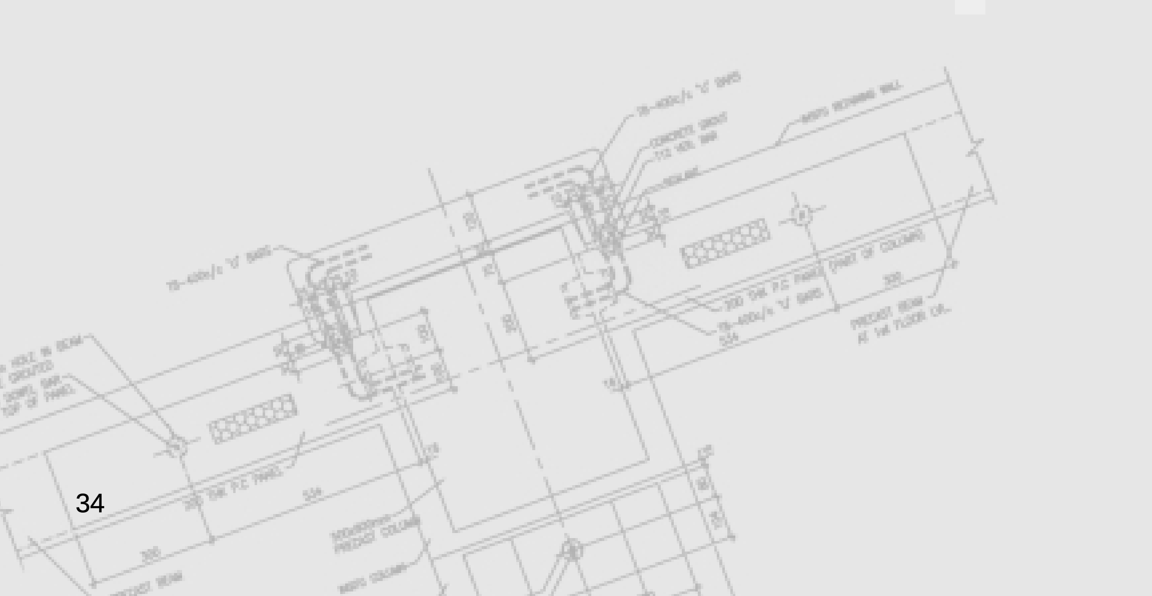
	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
12 SECURITIES				
Purchase price, beginning of year	21.6	29.9	3.7	19.7
Revaluations, beginning of year	0.0	0.1		
Additions				
Disposals		(0.8)		(16.0)
Disposals through divestment of companies	(17.9)	(7.6)		
Purchase price, year-end	3.7	21.6	3.7	3.7
Write-downs, beginning of year	(3.7)	(3.7)	(3.7)	(3.7)
Disposals				
Disposals through divestment of companies				
Write-downs, year-end	(3.7)	(3.7)	(3.7)	(3.7)
Book value, year-end	0.0	17.9	0.0	0.0

13 PROPERTIES FOR SALE, GROUP

The official rateable value for real estate is DKK 0 (2002: DKK 4.8 million)
For real estate abroad with a book value of DKK 13.1 million no official rateable values are available.

	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
14 WORK IN PROGRESS FOR THIRD PARTIES				
Direct costs	0.0	47.4		
Attributable profit	0.0	11.2		
Sales value of work in progress	0.0	58.6		
Payments on account	0.0	(57.1)		
	0.0	1.5		
Work in progress for third parties is included in the Annual Report this way:				
Work in progress for third parties (Assets)	0.0	11.3		
Payments received on account (Liabilities)	0.0	(9.8)		
Recognized value net	0.0	1.5	0.0	0.0

	PARENT COMPANY				
	No. of shares ('000)		Nominal value (DKK m)		
15 SHARE CAPITAL	A-shares	B-shares	A-shares	B-shares	Total
Share capital at 31 December 1998	162.8	1,927.1	16.3	192.7	209.0
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 31. december 2003	162.8	1,777.1	16.3	177.7	194.0



	PARENT COMPANY			
	No. of shares ('000.)	% of total no. of shares	Value (DKK m) Nominal	Purchase/ sales revenue

16 SHAREHOLDERS' EQUITY - OWN B-SHARE

2003	No. of shares ('000.)	% of total no. of shares	Nominal	Purchase/ sales revenue
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

At 31 December 2003 market value of own shares amount to DKK 3.0 million (2001: DKK 2.2 million)

Holding of own shares has been established and is maintained to hedge share based incentive programs.

2002	No. of shares ('000.)	% of total no. of shares	Nominal	Purchase/ sales revenue
Holding at 1 January 2002	71.3	3.7%	7.1	
Purchase of own B-shares	0.7	0.0%	0.1	0.0
Sales of own B-shares	0.0	0.0%	0.0	0.0
Holding at 31 December 2002	72.0	3.7%	7.2	
Purchase/sales revenue of the year				0.0

SHAREHOLDERS' EQUITY - SHARE BASED INCENTIVE PROGRAMS

Executives in associates are granted options to buy NTR Holding B-shares from 30 April 2004 to 31 December 2007. The number of options is determined from the results achieved in the said companies. Options for 9,200 B-shares can be exercised in 2004 at a price of DKK 70 per share. According to the Minimum Value Approach the value of the options is DKK 0.

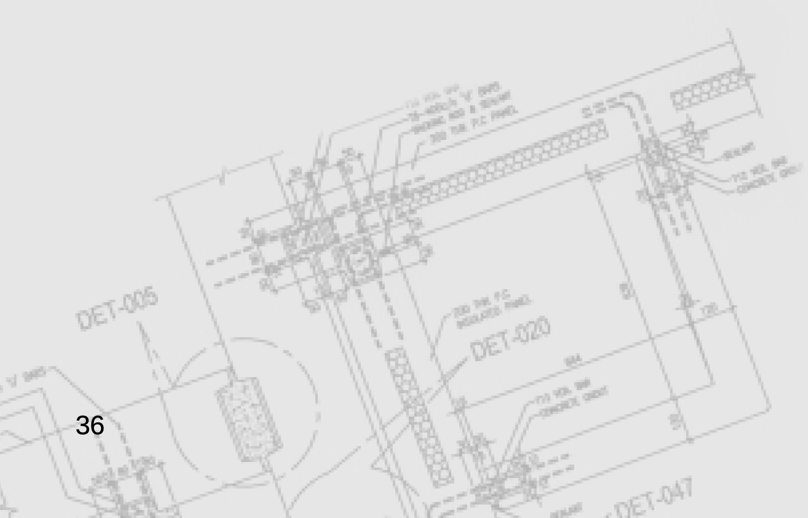
Notes (DKK MILLION)

	GROUP 2003		PARENT COMPANY 2003
	Non-recourse guarantee commit-ments	Other provisions	Other provisions
17 PROVISIONS			
Provisions, beginning of year	50.9	39.2	36.7
Provisions made during the year			
(charged to Profit and Loss Account)	1.8	7.6	7.6
Provisions used during the year	(14.0)	(7.7)	(7.7)
Provisions in companies/activities divested	(2.5)	(2.5)	
Provisions, year-end	36.2	36.6	36.6
Maturity date			
0 - 1 year	22.5	11.1	11.1
1 - 5 years	13.7	20.5	20.5
More than 5 years		5.0	5.0

Non-recurse 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 remedation are expected. The provisions relate to construction projects i Germany, finalised through previous years.
Other provisions primarily comprise expected future costs related to the final winding up of the Group's activities within construction industry, mainly in Germany, and estimated risk on seller's representations and warranties related to the divestment of companies and activities.

	2003	2002	2003	2002
	GROUP		PARENT COMPANY	
18 DEFERRED TAX				
Deferred tax, beginning of year	0.3	0.3		
Deferred tax concerning companies acquired and divested, beginning of year	(0.3)			
Deferred tax, year-end	0.0	0.3	0.0	0.0

To the extent that the tax value of the individual company’s loss for carryover cannot be included in the relevant company’s provisions for deferred tax, the amount is out of prudence not capitalised.



	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
19 CONTINGENT LIABILITIES ETC.				
Commercial warranties				
Warranties issued for supplies	52.8	121.7		
Financial warranties	19.8	10.8	19.8	10.0
Securities				
As securitiy for financial commitments and mortgage debt the following securities have been established				
Bonds deposited	53.0	8.8	44.2	0.0
Liquidity deposited	27.4	38.5	24.9	22.4
Mortage deeds registered to the Group itself, nominal value	0.0	0.6		
Mortage on properties at a total book value of	0.0	2.9		
Other assets	0.0	9.4	0.0	23.2
The parent company guarantees subsidiaries' and associated companies' debt to banks and other liabilities amounting to			100.6	196.5
Lease commitment, operating leases	13.3	54.7	0.2	0.3

Joint taxation scheme

The parent company is taxed on a pooled basis with subsidiaries, that were wholly owned throughout 2003.
The companies are jointly and severally liable for the pooled taxable income, which was assessed at DKK 0 for 2003.

20 CURRENCY AND INTEREST RISK

Currency risk

Assets, provision and debt of the Group are denominated in these currencies	GROUP 2003 DKK and EUR	GROUP 2003 USD and related
Fixed assets	0.1	63.3
Current assets	182.8	13.0
Provisions	72.8	
Short-term debt	55.7	8.2

USD related currency comprices Bahrain Dinar (BHD) as BHD is pegged to USD.

Interest 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 years	More than 5 years	Fixed rate part	Effective rate (%)
Debtors	50.3	35.6		0.0	0 - 5%
Liquid funds	23.7	73.1		0.0	2 - 4%
Mortgage and credit institutions	(17.5)	(6.7)		0.0	4 - 6%
Other short-term debt	(19.3)	(20.3)	(0.1)	0.0	0%

Notes (DKK MILLION)

21 AFFILIATED STAKEHOLDERS

In 2003 the NTR Group has to a minor extent performed administrative work for Civilingeniør N. T. Rasmussens Fond, Copenhagen.

Stig Rantsen is employed in NTR Holding on normal conditions.

	GROUP		PARENT COMPANY	
	2003	2002	2003	2002
22 ACCOUNTING FEES				
Ordinary fees				
Deloitte Statsautoriseret Revisionsaktieselskab	(0.8)	(1.4)	(0.4)	(0.3)
Grant Thornton Statsautoriseret Revisionsaktieselskab	(0.2)	(0.2)	(0.2)	(0.2)
Special assignments				
Deloitte Statsautoriseret Revisionsaktieselskab	(0.8)	(0.8)	(0.3)	(0.1)

23 CHANGES IN WORKING CAPITAL

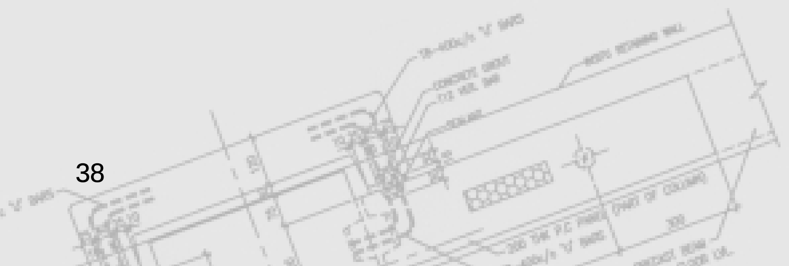
	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
Changes in inventories	9.4	(0.7)		
Changes in debtors	31.5	75.3		
Changes in trade creditors etc.	(6.8)	(17.5)		
Total	34.1	57.1		

24 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:

	GROUP 2003	GROUP 2002	PARENT COMPANY 2003	PARENT COMPANY 2002
Tangible fixed assets	6.4	31.5		
Financial fixed assets	19.5	0.0		
Properties and inventories	37.3	11.8		
Debtors	57.3	66.3		
Liquid funds	17.4	16.2		
Provisions	(4.9)	(3.6)		
Long-term debt	(5.6)	(8.2)		
Short-term, Group external debt	(76.6)	(88.1)		
Less bank debt	15.1	35.2		
Divestment sum	65.9	61.1		
Less liquid funds	(17.4)	(16.3)		
Cash flow arising form companies divested	48.5	44.8		



Board of Directors · Group Management · Auditors

Board of Directors

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

Chairman of the board of directors of:
Civilingeniør N. T. Rasmussens Fond
Columbus IT Partner A/S
Jeudan A/S
CKBF Invest A/S
Comlex A/S
Ellos A/S
EQT Partners A/S
Mahé Holding A/S
Mahé Real Estate A/S
Nesdu a/s
Plaza Ure & Smykker A/S
Stæhr Holding A/S

Member of the board of directors of:
Dansk Kapitalanlæg Aktieselskab
TDC A/S
Danske Private Equity A/S
J. Lauritzen A/S
Mathisen Holding A/S
Ole Mathiesen A/S
Venjo A/S

Svend Jakobsen
Member of the Board of Directors from 1996

Chairman of the board of directors of:
Lokalbanen A/S

Member of the board of directors of:
DFDS A/S
Ejendomsaktieselskabet Hermes

Bjørn Petersen
Member of the Board of Directors from 1998

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
J. Mertz Holding A/S

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

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

Management

Jens Hørup
CEO from 2003

Member of the board of directors of:
A/S Dansk Asfaltfabrik
Projektformidling Midt A/S

Auditors

Deloitte
Statsautoriseret Revisionsaktieselskab
by
State-Authorised Public Accountant
Jesper Jørgensen
and
State-Authorised Public Accountant
Jens-Erik Kollin Nielsen

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

Addresses

NTR Holding A/S

NTR Holding A/S

Lyngbyvej 20, 3.
2100 Copenhagen Ø
Denmark
Telephone: +45 39 15 80 40
Telefax: +45 39 15 80 49
CVR-no. 62 67 02 15
E-mail: ntr@ntr.dk
www.ntr.dk

BPC Group

Bahrain Precast Concrete Co. W.L.L.

P.O. Box 20095, Manama
Kingdom of Bahrain
Telephone: +973 17 78 5100
Telefax: +973 17 78 5036
E-mail: bpc@bahrainprecast.com
www.bahrainprecast.com

United Precast Concrete Abu Dhabi L.L.C.

P.O. Box 43774, Abu Dhabi
U.A.E.
Telephone: +971 26 77 39 55
Telefax: +971 26 77 46 48
E-mail: upcauh@emirates.net.ae
www.unitedprecast.com

United Precast Concrete Dubai L.L.C.

P.O. Box 52900, Dubai
U.A.E.
Telephone: +971 43 47 44 40
Telefax: +971 43 47 47 46
E-mail: upchcs@emirates.net.ae
www.unitedprecast.com

United Precast Concrete Co. W.L.L. - Qatar

P.O. Box 22995, Doha
Qatar
Telephone: +974 46 94 522
Telefax: +974 46 94 523
E-mail: upcqatar@qatar.net.qa
www.unitedprecast.com

R+S Baugesellschaft mbH

R+S Baugesellschaft mbH

Albert-Einstein-Ring 10
22761 Hamburg
Germany
Telephone: +49 40 899 08 130
Telefax: +49 40 810 09 90
E-mail: info@RS-bau.de

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