HANDELSBANKEN’S NORDIC MID/SMALL CAP SEMINAR 2015

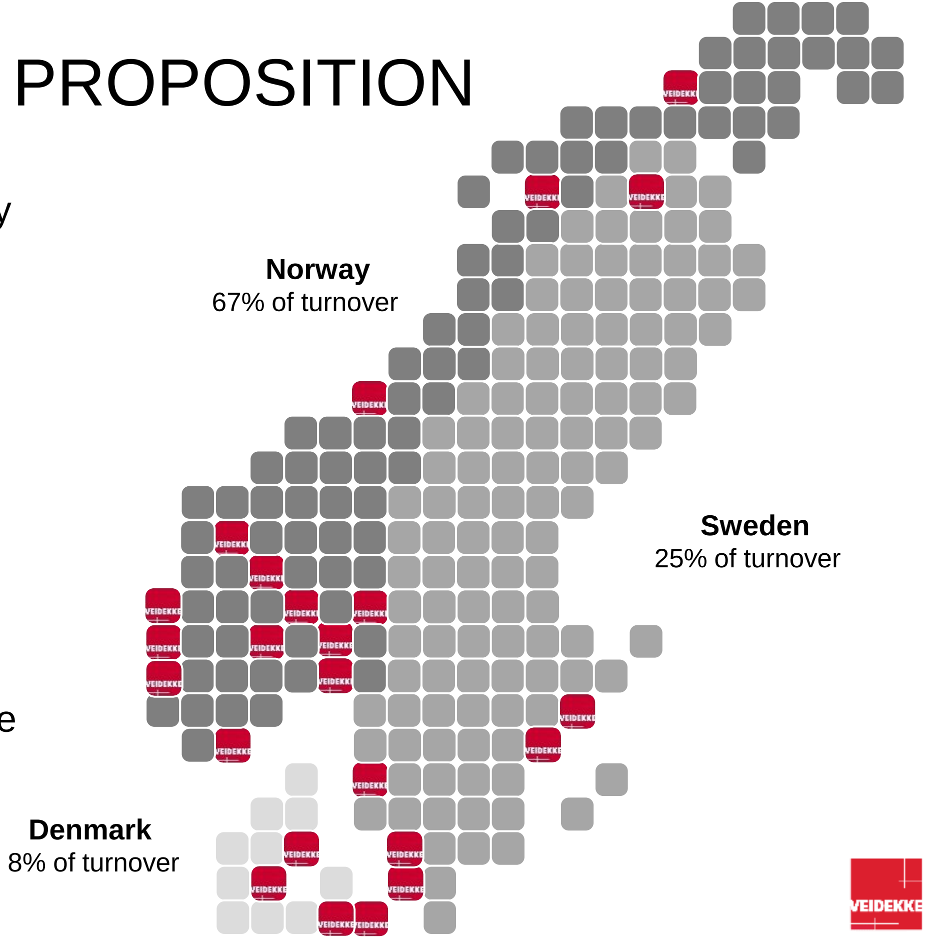
CFO Terje Larsen

Veidekke ASA

Stockholm, 3 June 2015

VEIDEKKE'S INVESTMENT PROPOSITION

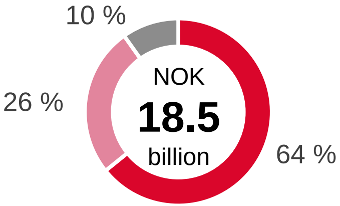
+ A leading Scandinavian construction and property development company
+ Strong historical growth in turnover and results
+ 79 years without loss
+ Good position in growing Scandinavian markets
+ Solid financial position and attractive dividends
+ Veidekke is in a strong position to further grow the business and our profitability



OUR BUSINESS SEGMENTS

CONSTRUCTION

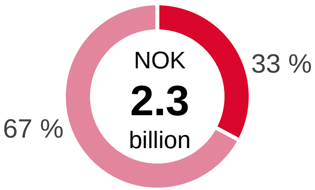
Revenue 2014



Margin/ return: 3.0%

PROPERTY DEVELOPMENT

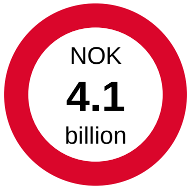
Revenue 2014



Margin/ return: *13.0%**

INDUSTRIAL

Revenue 2014

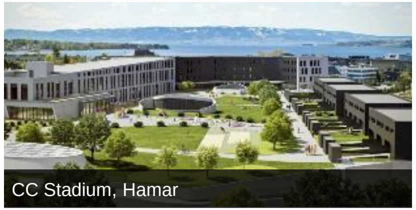


Margin/ return: 5.1%

	CONSTRUCTION	PROPERTY DEVELOPMENT	INDUSTRIAL
Norway	**Building construction** **Civil engineering**	**Residential**	**Asphalt** **Aggregates** **Road maintenance**
Sweden	**Building construction** **Civil engineering**	**Residential**	
Denmark	**Building construction**		

* Return on Invested Capital

SCOPE OF OUR DELIVERIES


CC Stadium, Hamar


Bjørnsletta primary school


E16 - Slomarka-Kongsvinger


Oslo Opera House

Kvarteret Perukmakaren, Gothenburg

Microsoft’s main office in Denmark


Asphalting, Lofoten


Snow clearing, Geiranger


Äppelblom, Gothenburg


Marienfryd, Oslo


Holmenkollen, Oslo

THE UNIQUENESS OF VEIDEKKE

WINNING PROJECTS

› CUSTOMER

+ Select the right projects
+ The best customer solutions
+ Repeat customers

EXECUTE PROJECTS

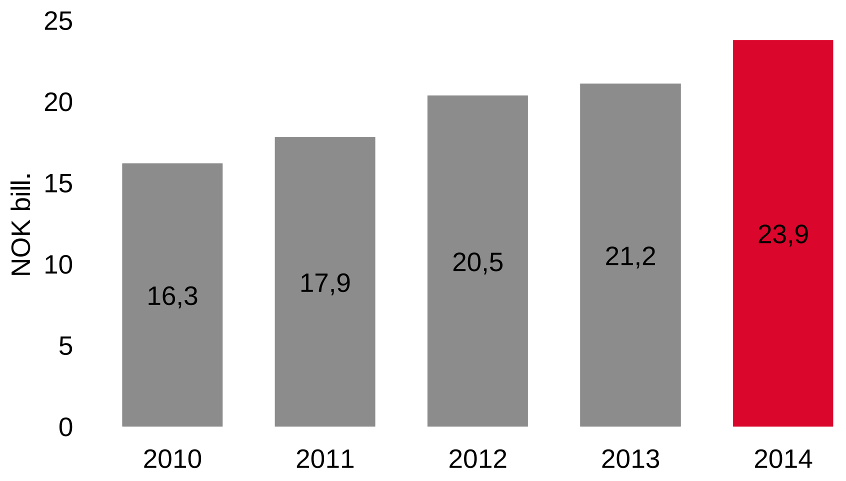
› PROJECT

+ Focus on production and delivery
+ Multi local Scandinavian approach
+ Strong project management

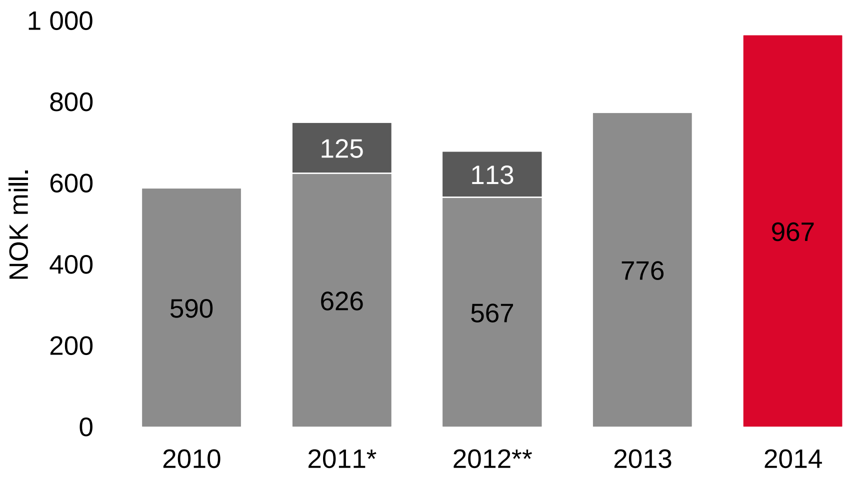
6,400 HIGHLY COMPETENT EMPLOYEES IN SCANDINAVIA - OWNING 16.2 % OF THE SHARES

GROWING REVENUES AND EARNINGS

REVENUE



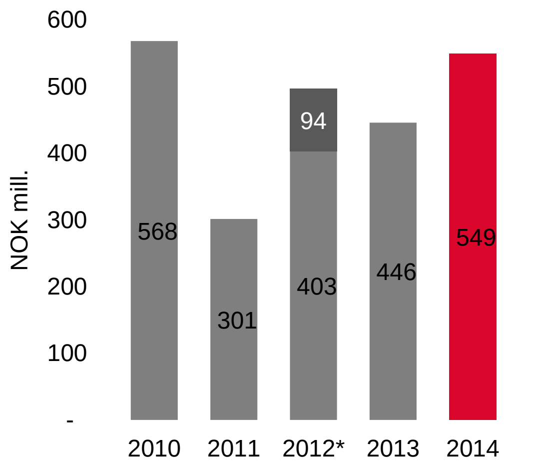
PROFIT BEFORE TAX



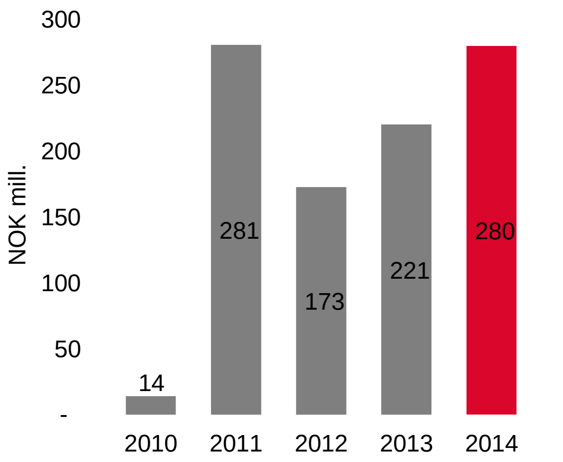
* NOK 125 mill. is related to sales gain from Veidekke Gjenvinning in 2011
** NOK 113 mill. is related to changes in the pension scheme in Norway in 2012

PROFIT BEFORE TAX PER BUSINESS SEGMENTS

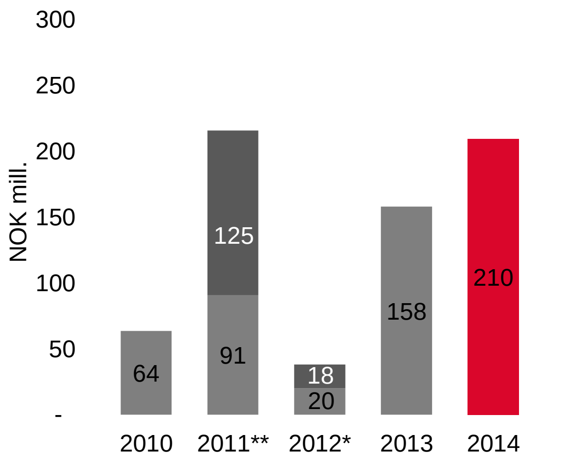
CONSTRUCTION



PROPERTY DEVELOPMENT



INDUSTRIAL



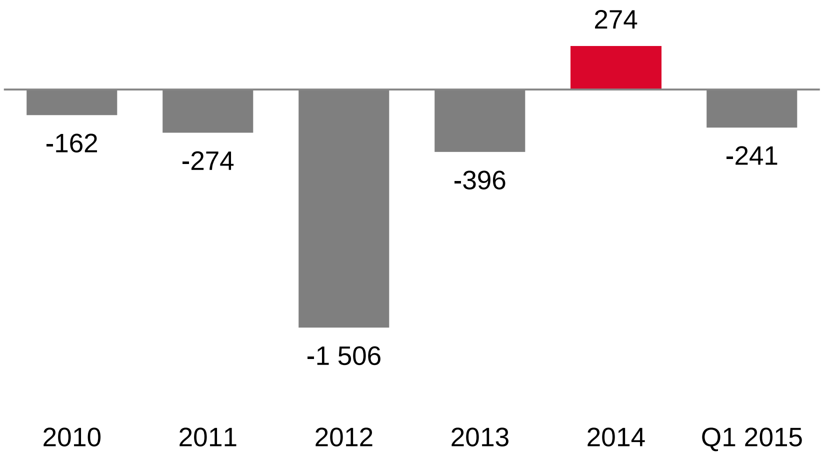
* NOK 94 mill. and NOK 18 mill. are related to changes in the pension scheme in Norway in 2012

** NOK 125 mill. is related to sales gain from Veidekke Gjenvinning in 2011

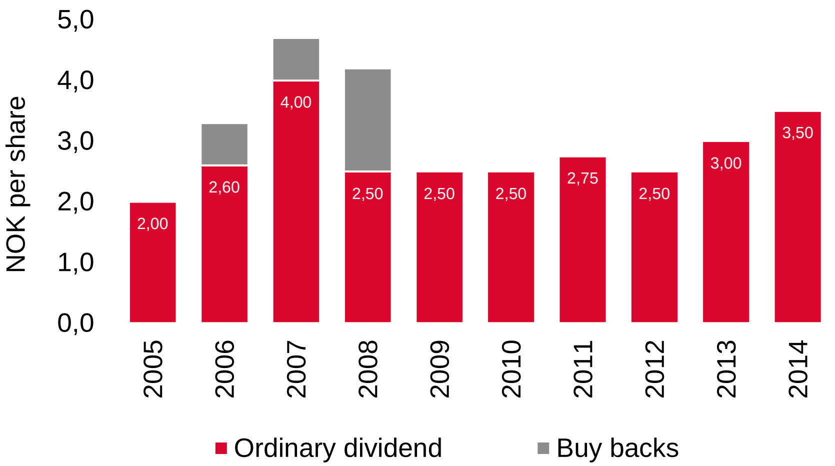
FINANCIAL POSITION AND DIVIDENDS

DIVIDEND POLICY: MINIMUM 50% OF EPS

NET INTEREST-BEARING POSITION (NOK MILL.), END OF PERIOD



DIVIDENDS AND BUY BACKS



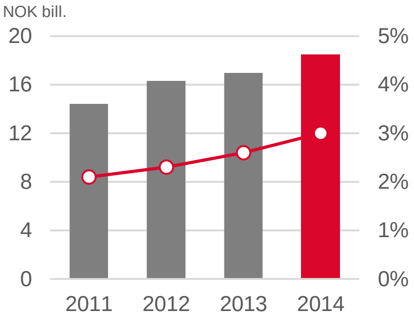
CONSTRUCTION

Bjørnsletta primary school, Oslo

Väg 40, Dållebo-Hester, Sweden

Copenhagen Designer Outlets

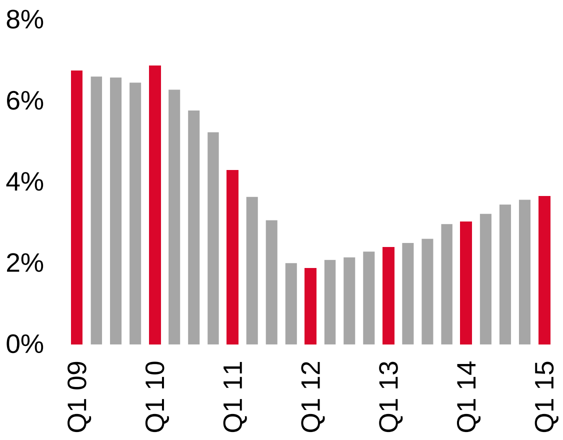
REVENUE AND MARGIN*



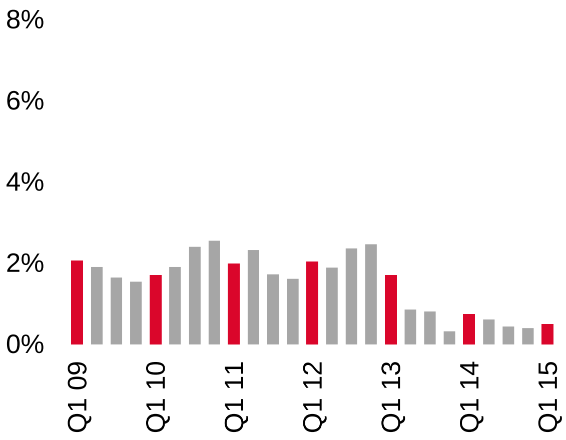
* 2012 is adjusted for changes in the pension scheme

PROFIT MARGIN CONSTRUCTION

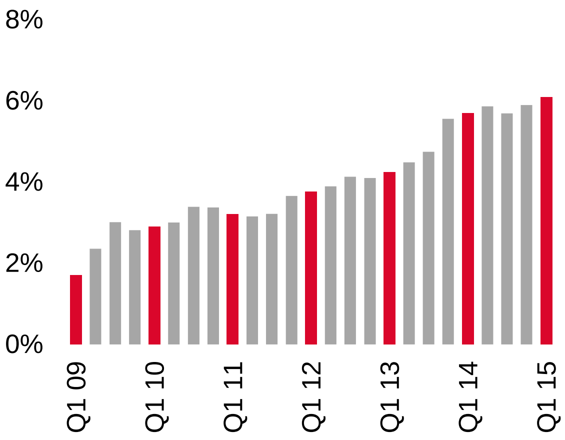
CONSTRUCTION NORWAY*



CONSTRUCTION SWEDEN*



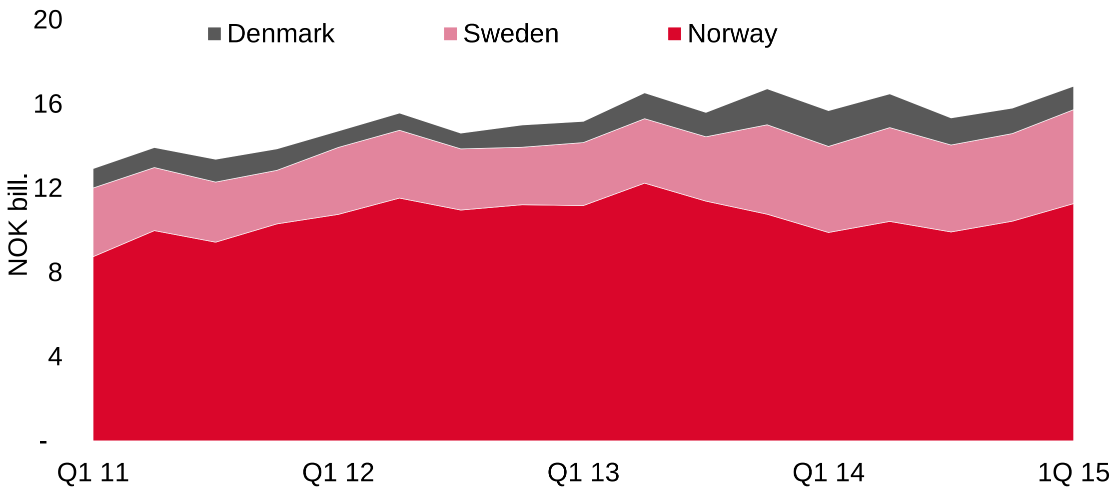
CONSTRUCTION DENMARK (HOFFMANN)*



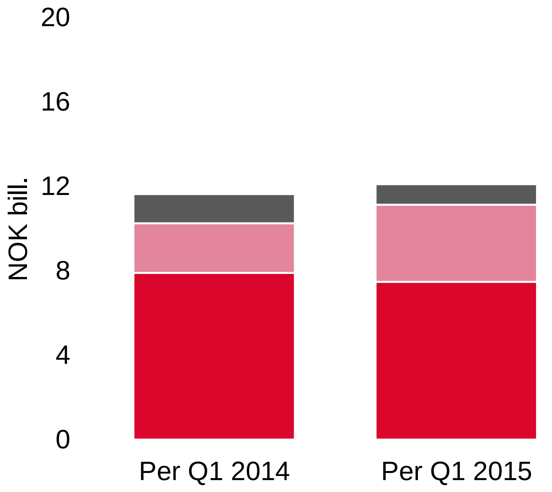
*12-month rolling

STRONG CONSTRUCTION ORDER BACKLOG

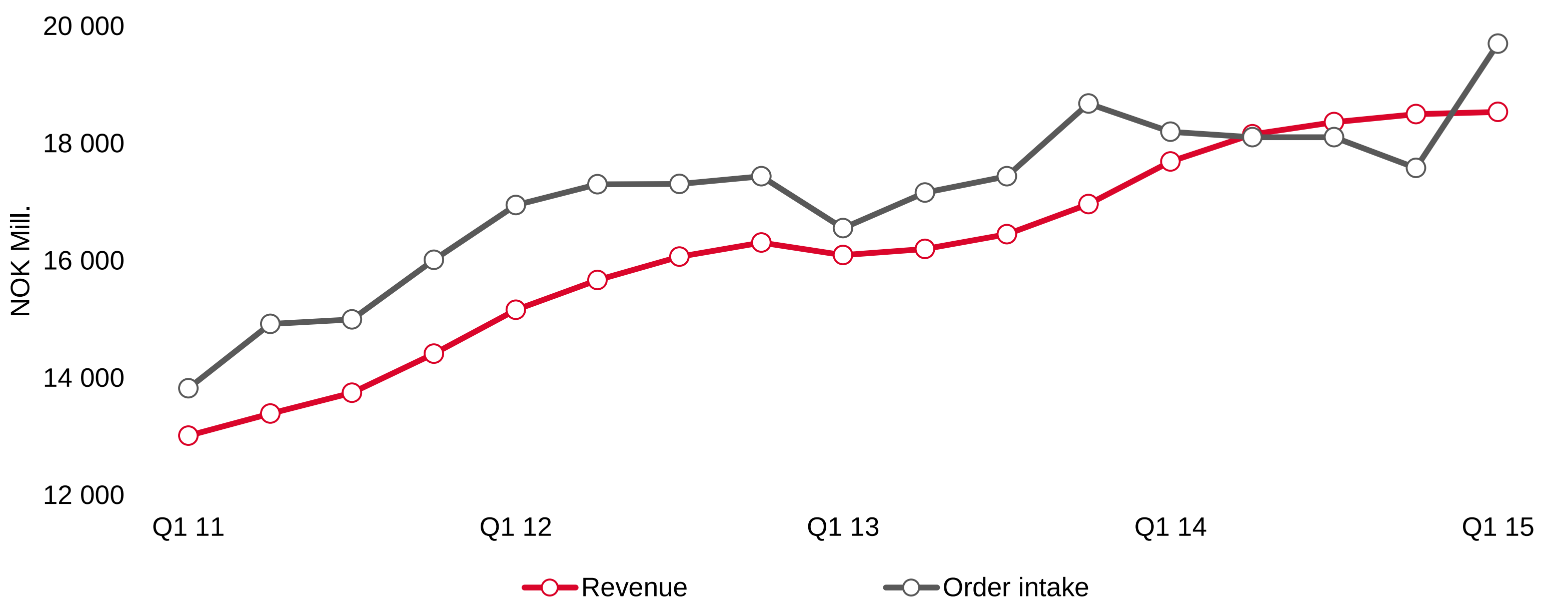
ORDER BACKLOG



ORDERS IN REVENUE NEXT 12 MONTHS

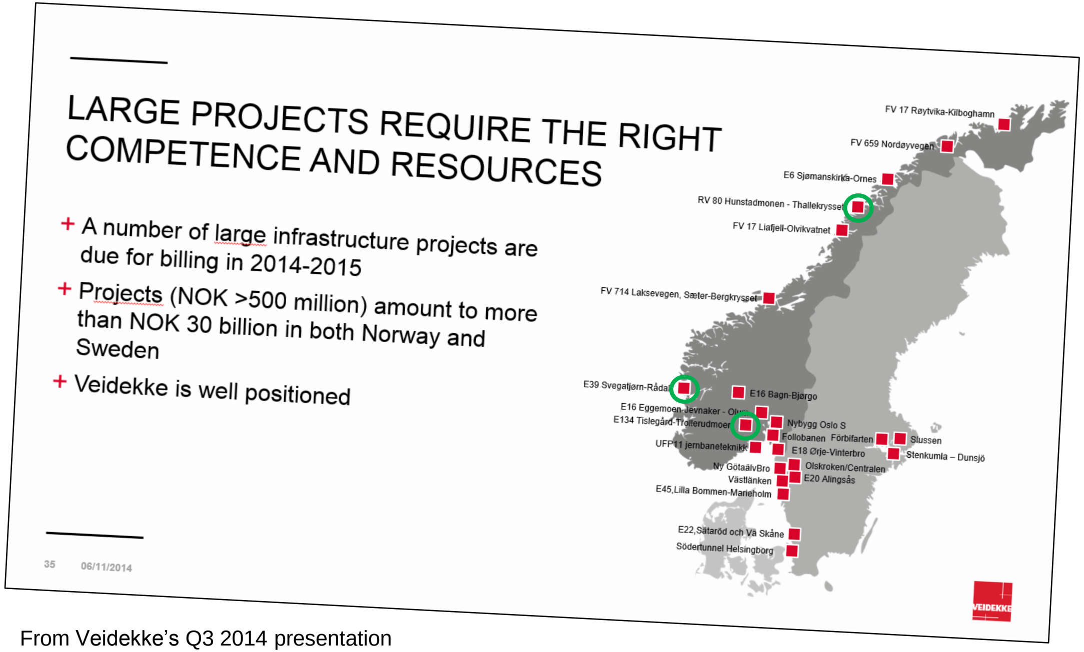


CONSTRUCTION ORDER INTAKE AND REVENUE



12-month rolling

HIGH ACTIVITY WITHIN INFRASTRUCTURE



From Veidekke's Q3 2014 presentation

- Large market, larger contracts, tough competition
- Two contracts won last six months in Norway
  - RV80 Bodø (NOK 894 mill.)
  - E134 Kongsberg (NOK 727 mill.)
- Lowest bidder E39 Bergen (NOK 2 300 mill.)
- Several major projects set for tendering

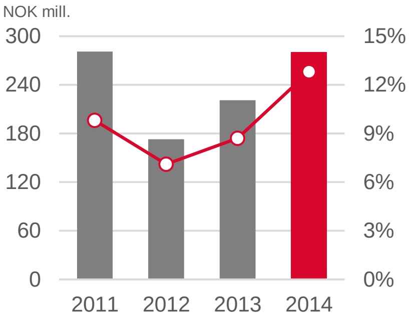
RESIDENTIAL DEVELOPMENT

Sädesärlan, Stockholm

Sørengstranda, Oslo

Veidekke MAX, Sweden

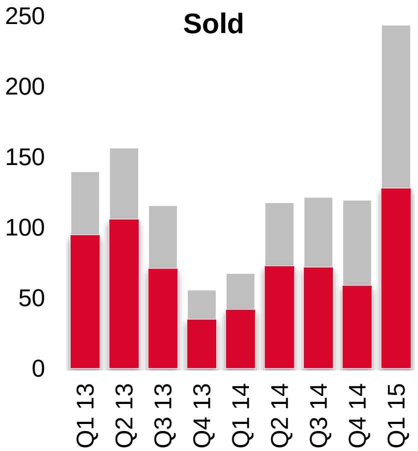
RESULTS AND ROIC*

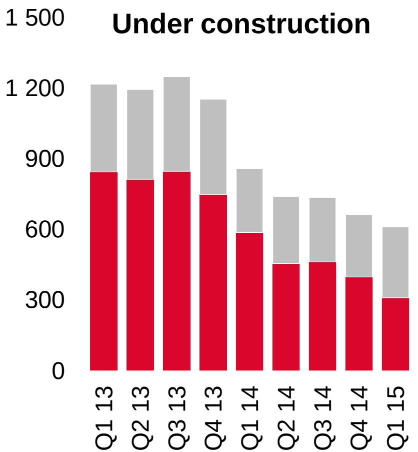


* Return on Invested Capital

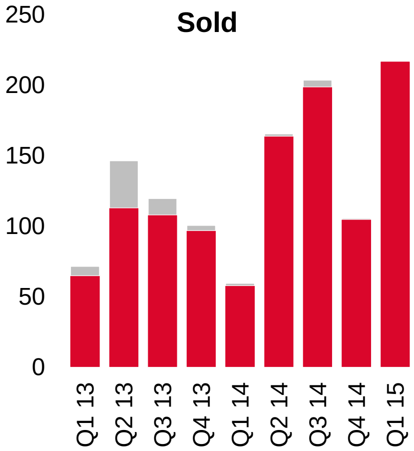
STRONG RESIDENTIAL SALES PRODUCTION TO INCREASE

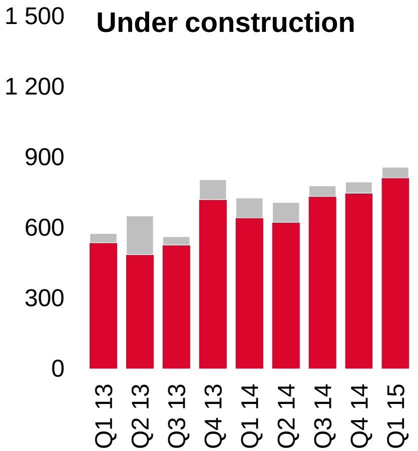
NORWAY: NO. OF UNITS SOLD AND UNDER CONSTRUCTION, END OF QUARTER





SWEDEN: NO. OF UNITS SOLD AND UNDER CONSTRUCTION, END OF QUARTER





Net to Veidekke Gross

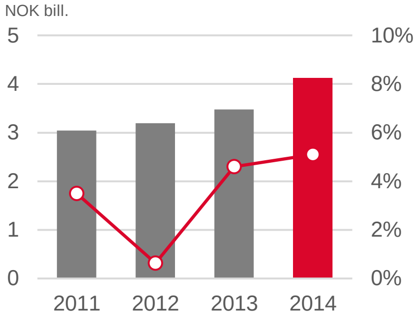
INDUSTRIAL

Asphalt

Aggregates

Road Maintenance

REVENUE AND MARGIN*

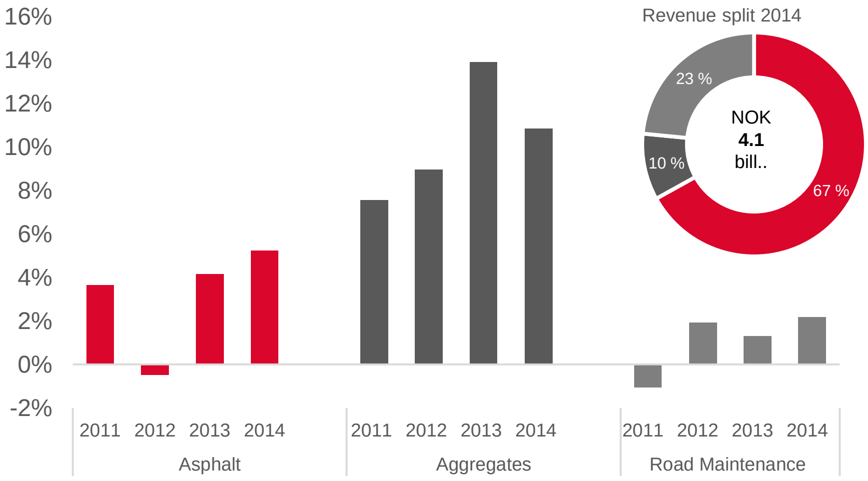


* Adjusted for sales gain in 2011 and for changes in the pension scheme in 2012

INDUSTRIAL BUSINESS AREAS

- Asphalt: Market leader with 35% share
- Aggregates: Strong local positions
- Road Maintenance: Second largest player with 15% market share

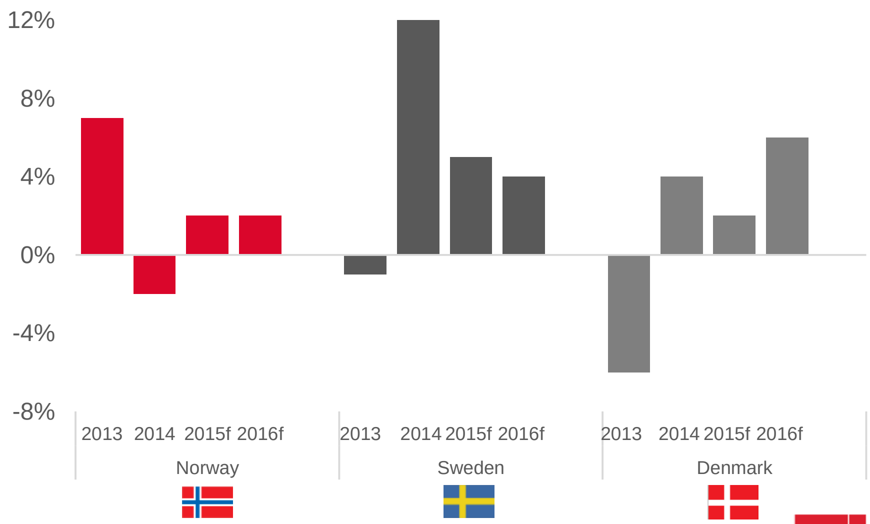
MARGIN PER BUSINESS AREA



MARKET OUTLOOK 2015-2016

+ A high growth rate is expected for the Scandinavian construction market in 2015 and 2016
+ Highest market growth in Sweden
  - High growth rate in Denmark too, but from a low level
+ Growth dominated by the public sectors in Norway
+ Private sector with most progress in Sweden and Denmark

ANNUAL GROWTH FORECASTS FOR INVESTMENTS IN CONSTRUCTION



FINANCIAL GOALS AND RESULTS

BUSINESS AREA	LONG TERM GOAL		AVG 2011-13	2014
Construction	**Margin** (EBT)	**5.0%**	**2.6%**	**3.0%**
Norway			2.7%	3.6%
Sweden			1.5%	0.4%
Denmark			4.4%	5.9%
Industrial	**Margin** (EBT)	**6.5%**	**2.9%**	**5.1%**
Property Development	**Return on invested capital**	**15.0%**	**7.6%**	**13.0%**
Norway			10.2%	14.1%
Sweden			4.7%	12.8%

OUR STRATEGIC PRIORITIES

CONSTRUCTION

- Customer- and market strategies
- Succeed in the infrastructure segment
- Increase profitability in Sweden

PROPERTY DEVELOPMENT

- Strengthen the land bank in the largest cities
- Develop new projects

INDUSTRIAL

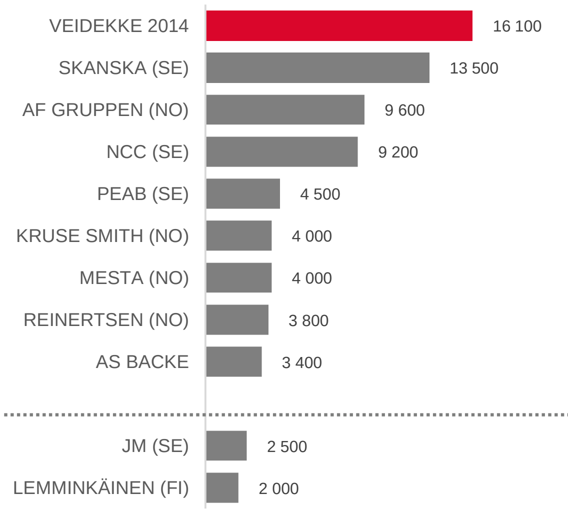
- Optimising market positioning
- Cost efficiency and further improvement of operations

APPENDIX

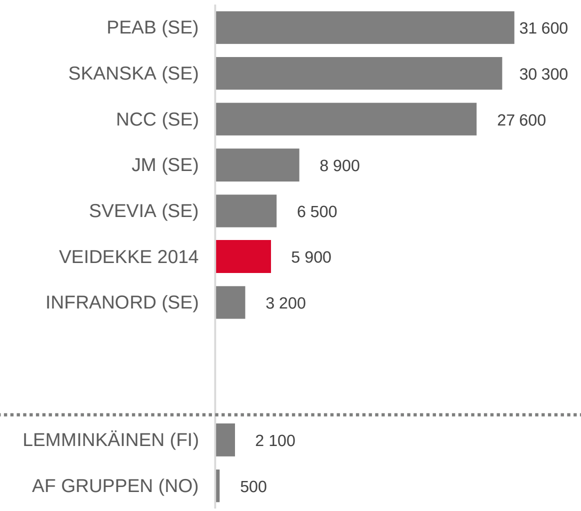
STRONG POSITION IN LOCAL MARKETS

TURNOVER MAIN COMPETITORS 2013 (NOK MILLION)

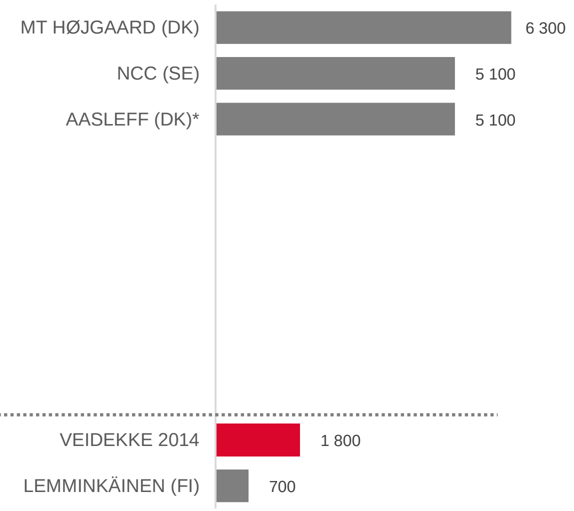
NORWAY



SWEDEN



DENMARK



Source: Annual reports 2013, FX rates average 2013, Veidekke 2014