

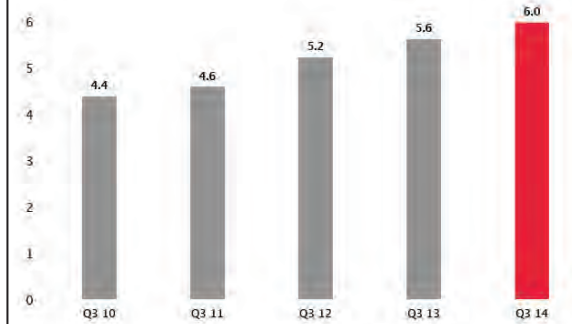
## HIGHLIGHTS, THIRD QUARTER

- Revenue NOK 6.0 billion
- Profit before tax NOK 370 million
- Order backlog NOK 16.9 billion
- Net interest-bearing debt NOK 576 million
- Earnings per share NOK 2.2 (IFRS)

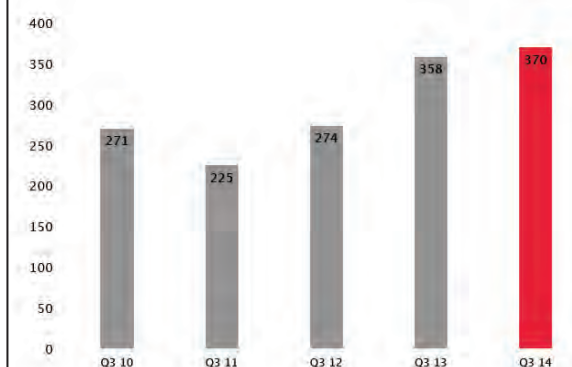


Lista wind farm

REVENUE  
NOK billion



PROFIT BEFORE TAX  
NOK million



Profit before tax NOK 370 million  
Earnings per share NOK 2.2 (IFRS)



**FROM THE PRESIDENT  
AND CEO**

Arne Giske



The third quarter shows continuing growth and good results for Veidekke, and the figures are underpinned by much good craftsmanship throughout the organisation. There are many things to be pleased about. I would particularly like to highlight the margin growth in the Norwegian construction operations, and the high activity and good results within Veidekke Industrial.

The market outlook remains good out in most of our areas, although with geographical differences. The strong focus on transport and infrastructure in Norway and Sweden offers us many opportunities in the period ahead, and we have strong market positions in these areas.



E16 Slomarka–Fulu

**BOARD OF DIRECTORS' REPORT FOR Q3 2014****KEY FIGURES (NOK million)<sup>1)</sup>**

	NOK million				
	<b>Q3 2014</b>	<b>Q3 2013</b>	<b>1.1-30.9 2014</b>	<b>1.1-30.9 2013</b>	<b>2013</b>
Revenue, segment	5,977	5,624	17,244	15,045	21,191
Profit before tax, segment	370	358	599	440	776
Segment Construction	148	128	350	261	446
Segment Property	37	57	163	142	221
Segment Industrial	193	178	134	74	158
Segment Other	-7	-4	-48	-35	-49
Earnings per share segment (NOK)	2.2	2.0	3.5	2.5	4.5
Profit margin (%)	6.2	6.4	3.5	2.9	3.7
Revenue IFRS <sup>3)</sup>	5,784	5,511	17,309	15,199	21,781
EBITDA, IFRS	446	419	871	568	1,013
Profit before tax, IFRS	369	346	656	364	718
Earnings per share, IFRS (NOK) <sup>2)</sup>	2.2	2.0	3.8	2.1	4.1
Net interest-bearing position	-576	-1,968	-576	-1,968	-396
Total order backlog	16,873	17,306	16,873	17,306	18,273

<sup>1)</sup> The comments in the report relate to figures taken from the segment accounts

<sup>2)</sup> No dilutive effect.

<sup>3)</sup> Under IFRS, revenue from residential sales is not recognised until the residential unit is taken over by the buyer. In segment reporting, revenue is recognised using the formula outcome x sales ratio x stage of completion

**Q3 HIGHLIGHTS**

Veidekke achieved revenue growth of 6% in Q3 2014 compared with the same quarter the previous year. The growth was a result of high activity in several units, and the acquisition of Arcona in Sweden made a positive contribution.

Veidekke's profit before tax was NOK 370 million, up from NOK 358 million in Q3 2013. Construction and industrial operations were responsible for the improvement, while property development showed a decline in profit.

The Group's order backlog showed a decline of 10% from the previous quarter and 8% from year-end. The largest decline was in the Norwegian and Danish construction operations. The overall level of the order backlog is considered satisfactory, and the project portfolio is of good quality.

Net interest-bearing debt was NOK 576 million at the end of Q3, an increase from NOK 396 million at year-end. However, net interest-bearing debt has been reduced by NOK 1.4 billion during the last year. Generally good project liquidity for construction operations and handover of residential projects are the main reasons for the lower debt level.

Profit before tax according to IFRS was NOK 369 million, which is at the same level as in the segment accounts.

## BUSINESS AREAS, THIRD QUARTER

### CONSTRUCTION OPERATIONS

	Q3	Q3	YTD	YTD	
NOK million	2014	2013	2014	2013	2013
Revenue	4,402	4,190	13,467	12,065	16,968
Profit before tax	148	128	350	261	446
Profit margin (%)	3.4	3.1	2.6	2.2	2.6
Order backlog	15,346	15,606	15,346	15,606	16,728

In Norway and Denmark, Veidekke engages in construction and civil engineering operations on a nationwide basis, while operations in Sweden are concentrated in Skåne and the regions around Stockholm and Gothenburg.

Veidekke's construction operations showed revenue growth of 5% in Q3 compared with the same quarter the previous year. Sweden and Denmark were responsible for the growth, which was largely a result of the acquisition of Arcona in Sweden and high production levels in some large commercial building projects for Construction Denmark. Construction Norway experienced a decline in revenue compared with the same quarter the previous year.

Profit before tax increased by 16%, corresponding to a profit margin of 3.4%, up from 3.1% in the same period the previous year. The profit growth is attributable to the Norwegian and Danish operations, while in Sweden losses in tunnel operations and low profitability for some of the building construction operations had an adverse effect on profitability for the quarter.

#### Construction Norway

	Q3	Q3	YTD	YTD	
NOK million	2014	2013	2014	2013	2013
Revenue	2,842	3,032	8,681	8,718	12,132
Profit before tax	110	88	278	221	360
Profit margin (%)	3.9	2.9	3.2	2.5	3.0
Order backlog	9,927	11,391	9,927	11,391	10,769

Construction Norway's revenue fell by 6% compared with the same quarter the previous year, with both Building Construction and Civil Engineering showing a decline. In Building Construction, the decline was largely an effect of lower residential activity, while Civil Engineering's decline was due to the lack of major transport contracts signed during the last year. It is expected that this will result in a lower level of activity for Civil Engineering in the early part of 2015.

Profit before tax was NOK 110 million, compared with NOK 88 million for Q3 the previous year, an increase of 25%. The profit margin increased from 2.9% to 3.9%. Consistently higher project margins in Building Construction are contributing to the margin growth.

The construction and civil engineering market in Norway still has a high level of activity, although with marked regional variations. The residential market is improving after a period of low activity in autumn and winter of last year. Stable growth in the civil engineering market is expected to continue as a result of major public transport investments, which means that the outlook for our civil engineering operations remains positive. The overall activity level for Building Construction is satisfactory, although the availability of new projects differs geographically.

The order intake in the quarter was NOK 2.4 billion, compared with NOK 2.2 billion in Q3 2013, and consisted largely of building construction orders. Major projects awarded in Q3:

- Car centre in Sandnes for Brødrene Kverneland Eiendom AS (contract value NOK 318 million).
- Improvement of European route E105 at Kirkenes for the Norwegian Public Roads Administration (contract value NOK 269 million).
- New Gol School for Gol municipality (contract value NOK 208 million).
- Frognerhagen nursing home for Lier municipality (contract value NOK 207 million).

At the end of the quarter, the operations had an order backlog of NOK 9.9 billion, compared with NOK 10.8 billion at year-end and NOK 11.4 billion in Q3 2013.

#### Construction Sweden

	Q3	Q3	YTD	YTD	
NOK million	2014	2013	2014	2013	2013
Revenue	1,092	801	3,452	2,402	3,499
Profit before tax	14	20	11	2	11
Profit margin (%)	1.3	2.5	0.3	0.1	0.3
Order backlog	4,131	3,058	4,131	3,058	4,250

Swedish construction operations showed revenue growth of 36% in Q3 compared with the same quarter the previous year. The growth, which was 39% in local currency, was primarily attributable to the acquisition of Arcona and higher activity in civil engineering.

Profit before tax was NOK 14 million, compared with NOK 20 million for the same quarter the previous year. The profit margin fell from 2.5% to 1.3%. The decline was largely due to low profitability for some of the building construction operations and losses on tunnel operations in the face of a very weak market. There are few new tunnel projects and the market is suffering from over-capacity. Building construction in Stockholm has undergone a major restructuring process over the last year, but it is taking longer than expected to see the effects of the implemented internal measures.

Growth in the Swedish construction and civil engineering market has been a little weaker than expected this year. However, increasing demand for new homes and a good market for both private and public commercial buildings are contributing positively. There will be several major infrastructure projects in the civil engineering market, but constant delays are making this market volatile.

The order intake for the quarter was NOK 825 million, compared with NOK 708 million in Q3 2013. The new orders consisted mainly of residential projects and smaller civil engineering projects.

Major projects awarded in Q3:

- Kvarnbergsplan in Stockholm for Veidekke Bostad AB (contract value NOK 170 million).
- Apartments at Lussebacken in Helsingborg for Riksbyggen (contract value NOK 91 million).
- Furutorpsparken student accommodation for AB Helsingborgshem (contract value NOK 79 million).

The order backlog was NOK 4.1 billion at the end of Q3, compared with NOK 4.3 billion at year-end and NOK 3.1 billion in Q3 2013.



**Construction Denmark**

	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
NOK million					
Revenue	468	357	1,335	944	1,336
Profit before tax	23	19	62	38	74
Profit margin (%)	5.0	5.5	4.6	4.0	5.6
Order backlog	1,287	1,157	1,287	1,157	1,709

Veidekke's Danish construction operations, Hoffmann A/S, showed Q3 revenue growth of 25% in local currency compared with the same quarter the previous year. The increase is attributable to high production on certain large commercial building projects.

Profit before tax was NOK 23 million, compared with NOK 19 million for the same quarter the previous year. The increase was primarily due to higher activity. The profit margin was 5.0%, compared with 5.5% for Q3 2013.

Growth in the Danish economy so far in 2014 has been weaker than expected. Growth from very low levels is expected in the markets for new homes and commercial buildings in 2015.

The order intake for the quarter was NOK 165 million, compared with NOK 287 million for Q3 2013.

At the end of Q3, Hoffmann A/S had an order backlog of NOK 1.3 billion, compared with NOK 1.7 billion at year-end and NOK 1.2 billion in Q3 2013. The order backlog measured in local currency has fallen by 22% since year-end. The decline is due to the fact that no major new contracts have been awarded this year, which means that volumes are expected to be lower in 2015.

**PROPERTY DEVELOPMENT**

	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
NOK million					
Revenue	338	455	1,510	1,287	1,783
Profit before tax	37	57	163	142	221
Number of units under construction <sup>1)</sup>	1,196	1,375	1,196	1,375	1,469
Number of units sold <sup>1)</sup>	271	180	606	562	694

<sup>1)</sup> Veidekke's share

Veidekke's property development operations encompass the development of residential buildings, mainly apartments, and are concentrated in and around the largest cities in Norway and Sweden.

Revenue for the quarter fell by 26% compared with the same quarter the previous year. Profit before tax was NOK 37 million, down from NOK 57 million for Q3 2013. The decline was primarily due to lower production in the Norwegian operations as a result of weak residential sales in the second half of 2013.

The total land bank comprised 14,000 residential units (Veidekke's share 11,300) at the end of Q3 2014.

Capital invested in property development operations totalled NOK 3.0 billion at the end of the quarter. The return on invested capital (12 months rolling) ended the quarter at 11.0%, compared with 8.7% in Q3 the previous year. The return is adjusted for taxes in associates and joint ventures.

**Property Development Norway**

	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
NOK million					
Revenue	141	301	550	826	1,070
Profit before tax	22	53	93	124	170
Number of units under construction <sup>1)</sup>	462	848	462	848	749
Number of units sold <sup>1)</sup>	72	71	187	272	307

<sup>1)</sup> Veidekke's share

Property Development Norway reported revenue of NOK 141 million for Q3, compared with NOK 301 million for Q3 2013. The decline in revenue was due to an increased proportion of joint venture projects, which do not generate accounting revenues, and lower production as a result of weak residential sales in the second half of 2013.

Profit before tax was NOK 22 million, compared with NOK 53 million in the same quarter the previous year. The decline was largely due to lower residential production.

The number of residential units under construction at the end of the quarter was 462 (Veidekke's share), compared with 848 at the same point in 2013. Construction started in two projects in the quarter, one in Ås and one in Trondheim, comprising a total of 78 residential units.

Veidekke sold 122 homes, including joint venture projects, in Norway, which is an increase from 115 units in Q3 2013 and 118 in the previous quarter. Veidekke's share of Q3 sales was 72 units, compared with 71 units in Q3 2013 and 73 units in the previous quarter. The sales ratio for residential units under construction was 70%.

At the end of the quarter, the land bank contained 6,500 residential units, of which Veidekke's share was 4,200 units.

Invested capital ended the quarter at NOK 1.9 billion, compared with NOK 2.1 billion in Q3 the previous year. At the end of the quarter, the return on invested capital (12 months rolling) was 11.3%, adjusted for taxes in associates and joint ventures, which is a decline from 12% at the end of Q3 2013.

**Property Development Sweden**

NOK million	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
Revenue	197	154	960	461	713
Profit before tax	15	4	70	17	50
Number of units under construction <sup>1)</sup>	734	527	734	527	720
Number of units sold <sup>1)</sup>	199	109	419	290	387

<sup>1)</sup> Veidekke's share

Q3 revenue rose by 28% compared with the previous year. Residential sales in Sweden are increasing, with a good market in Stockholm and an improving market in Skåne and Gothenburg.

Profit before tax was NOK 15 million in Q3, compared with NOK 4 million in Q3 2013. The increase was due to a higher number of residential units under construction. However, many of the projects are in the initial phase and at a low stage of completion.

At the end of the quarter, there were 734 residential units under construction (Veidekke's share), compared with 527 at the same point the previous year. Construction of a project comprising 172 residential units in Stockholm was initiated during the quarter.

Residential sales rose sharply in Q3 and totalled 204 units, including joint venture projects. Veidekke's share was 199 units, compared with 109 units in Q3 2013 and 164 units in the previous quarter. Most of the sales concerned projects not yet under construction. Sales are at a good level in all Veidekke's regions, and the focus has been on getting more projects ready for sale. The sales ratio for projects under construction is 88%.

The land bank comprised 7,500 units at the end of the quarter. Veidekke's share was 7,100 units.

Invested capital ended the quarter at NOK 1.0 billion, which is in line with Q3 the previous year. The return on invested capital (12 months rolling) ended the quarter at 12.8%, up from 3.8% in Q3 2013.

**INDUSTRIAL**

NOK million	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
Revenue	1,500	1,238	3,014	2,425	3,476
Profit before tax	193	178	134	74	158
Profit before tax (12 month rolling)	218	94	218	94	158
Order backlog	1,528	1,700	1,528	1,700	1,545

Veidekke Industrial conducts nationwide operations in Norway within the areas of Asphalt, Aggregates and Road Maintenance.

For Veidekke Industrial, the quarter was marked by high activity and growth in revenue and profit. Q3 revenue rose by 21% compared with the previous year. Profit before tax reached a historical high of NOK 193 million, compared with NOK 178 million in the same period the previous year. The growth in revenue and profit was largely attributable to asphalt operations, where there is a high level of activity in new road projects.

Road Maintenance continued to show positive growth during the quarter, with both revenue and profit higher than at the same point in 2013. There were five new contract start-ups and a total of 23 contracts in the portfolio at the end of the quarter.

Veidekke Industrial's business areas are closely tied in with the civil engineering market in general and the transport market in particular. The high level of activity is expected to continue in both new investments and maintenance in the coming years.

The total order backlog for the next 18 months was NOK 1.5 billion at the end of Q3, compared with NOK 1.7 billion at the same point the previous year. The decline was due to fewer contracts for asphaltting of new road projects, while there has been an increase in road maintenance contracts.

**OCCUPATIONAL HEALTH AND SAFETY (OHS)**

The Group's LTI rate<sup>1)</sup> has remained stable in recent years despite increased efforts to reduce the number of injuries. Implemented measures include integrated planning, which among other things is about adopting a safety approach from planning to production, basic OHS training for all employees and stricter requirements on the use of safety equipment.

The Group's LTI rate<sup>1)</sup> was 6.2, up from 4.7 in the same quarter the previous year.

LTI rate <sup>1)</sup> Own employees 12-month rolling	Q3 2014	Q2 2014	Q3 2013
Norway	5.4	5.9	4.2
Denmark	5.2	2.6	1.4
Sweden	11.1	12.2	9.1
<b>Veidekke</b>	<b>6.2</b>	<b>6.7</b>	<b>4.7</b>

<sup>1)</sup>Lost-time injuries per million hours worked, own employees

Sickness absence in the Group is stable. This applies to both short-term absences and long-term sick leave. The majority of long-term sick leave was due to musculoskeletal disorders.

Sickness absence, % 12-month rolling	Q3 2014	Q2 2014	Q3 2013
Norway	4.3	4.4	4.0
Denmark	1.3	1.2	1.4
Sweden	3.4	3.4	3.1
<b>Veidekke</b>	<b>3.9</b>	<b>4.0</b>	<b>3.1</b>

## FINANCIAL SITUATION

Net interest-bearing debt ended the quarter at NOK 576 million, which is a reduction of NOK 173 million from the previous quarter. Net interest-bearing debt is NOK 180 million higher than at year-end, but NOK 1.4 billion lower than at the end of Q3 2013. The reduction in net interest-bearing debt from the previous year is largely due to the handover of some large property projects and consistently good project liquidity in construction operations.

Veidekke's financial position is considered good, and the Group has considerable financial capacity. The Group has a borrowing facility of NOK 3.1 billion with DNB. NOK 1.1 million of this facility had been utilised at 30 September 2014. In addition, the Group has completed a bond issue of NOK 750 million. Veidekke also issues short-term commercial papers to reduce borrowing costs. At the end of the quarter, Veidekke had outstanding commercial papers totalling NOK 450 million, resulting in a corresponding reduction in the available borrowing facility with DNB.

## RELATED PARTY TRANSACTIONS

Veidekke has ongoing transactions with related parties during the course of its ordinary operations, including contracts for the development of specific projects. There were no significant related party transactions in Q3 2014 other than these. Note 34 to the 2013 annual financial statements provides further information on the sizes and types of transactions during the previous year.

## SHAREHOLDER INFORMATION

<b>Largest shareholders 30 September 2014</b>	<b>Ownership share %</b>
Obos Invest AS	23.0
IF Skadeförsäkring AB	9.1
Folketrygdfondet	8.8
Skandinaviska Enskilda Banken (Nom)	3.5
MP Pensjon PK	2.2
Must Invest AS	1.9
JP Morgan Chase Bank (Nom)	1.8
Verdipapirfondet DNB Norge (IV)	1.6
JP Morgan Chase Bank (Nom)	1.1
Odin Norge	1.1
Foreign shareholders	29.7
Employees, total ownership	17.2

A total of 3.4 million Veidekke shares were traded in Q3 2014. Foreign ownership increased from 29.5 % to 29.7 % during the quarter. The share price ranged from NOK 63.00 to NOK 69.50 during the quarter and was NOK 64.75 at 30 September 2014.

## RISKS

Veidekke's operations are largely based on the conduction of individual projects. The projects vary greatly in terms of complexity, size, duration and risk, which means that systematic risk management in all parts of the business is of crucial importance. Veidekke conducts a risk analysis as early as in the tendering stage, and continues efficient and professional risk management during the implementation phase.

Proper expertise is a critical success factor for good operational efficiency and project implementation. To ensure that the Group has sound and updated knowledge, Veidekke devotes significant resources to skills development for employees through its internal training centre Veidekke School, and continuously works on recruitment initiatives throughout the Group.

As a result of demanding contract terms in transport projects, there is, at 30 September 2014, a significant level of disputes in a number of projects where the Norwegian Public Roads Administration is the builder. Recognition of revenue from the relevant projects is generally cautious, but positive and negative outcomes of individual disputes may have an effect on results during the quarters.

The residential market is cyclical, and property development earnings are highly related to new project start-ups. If Veidekke's residential customers are cautious or have limited access to financing, this may affect

Veidekke's future property development projects and the value of Veidekke's property portfolio. To reduce the risk associated with unsold projects Veidekke will not, as a general principle, initiate new residential projects until a sales ratio of 50% is achieved. Consequently, lower housing sales may delay residential projects.

Veidekke is primarily exposed to financial risks associated with financial instruments such as trade receivables, liquidity and interest-bearing liabilities. These risks are classified as credit, market and liquidity risks. For a more detailed description of the company's financial risk, see note 29 in Veidekke's 2013 annual report.

## MARKET OUTLOOK

### Norway

Growth in the Norwegian economy is expected to remain moderate in 2015. The market for new homes is expected to remain positive, with growth also expected in the commercial buildings segment in both the private and public sectors.

However, the decline in the oil sector is contributing to uncertainty about the forecasts. Good market growth in the transport segment is also expected in the coming year. This is supported by the government budget proposal for 2015, which shows a continuing strong focus on both new investments and increased maintenance.

### Sweden

GDP growth in Sweden has been a little weaker than expected in the year to date, although most forecasts still point towards an economic upturn in 2015. Moderate positive growth in demand for homes is expected in 2015. For private commercial buildings, a stronger economy will contribute to market growth, while a flatter trend is expected for public sector buildings in 2015 after several years of strong recovery.

The civil engineering market has shown good growth in both the private and public segments this year and the forecasts are moderately positive also for 2015. However, the postponement of major infrastructure projects will mean lower market growth in the transport segment in 2015 than was previously estimated.

### Denmark

Growth in the Danish economy so far in 2014 has been weaker than expected. Moderate growth from a low level is expected for 2015. The Danish authorities have recently submitted plans that point to a decline in public investments in 2015, after a growth period spanning many years. This will adversely affect both the civil engineering and public buildings markets. Private demand is expected to increase, thereby generating good growth in the residential and private commercial buildings segments.

Oslo, 5 November 2014  
Board of VEIDEKKE ASA

Martin Mæland  
*Chairman*

Per Otto Dyb  
*Deputy Chairman*

Gro Bakstad

Annika Billström

Ann Christin Gjerdseth

Hans von Uthmann

Odd Andre Olsen

Inge Ramsdal

Lars Skaare

Arne Giske  
*President and CEO*





Glasvasen, Malmö

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## CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

- A Financial accounts for third quarter**
- B Business segments**
- C Statement of changes in equity**
- D Notes to the interim financial statement**

## DECLARATION BY THE BOARD OF DIRECTORS AND PRESIDENT AND CEO

We hereby confirm that to the best of our knowledge the following interim financial statements have been prepared in accordance with applicable accounting standards and that the disclosures in the accounts give a true and fair view of the consolidated entity's assets, liabilities, financial position and operational results.

Oslo, 5 November 2014  
Board of VEIDEKKE ASA

Martin Mæland  
*Chairman*

Per Otto Dyb    Gro Bakstad    Annika Billström    Ann Christin Gjerdseth    Hans von Uthmann  
*Deputy Chairman*

Odd Andre Olsen    Inge Ramsdal    Lars Skaare

Arne Giske  
*President and CEO*

**A. FINANCIAL ACCOUNTS FOR THIRD QUARTER 2014**

NOK million

<b>INCOME STATEMENT</b>	<b>Q3 2014</b>	<b>Q3 2013</b>	<b>1.1-30.9 2014</b>	<b>1.1-30.9 2013</b>	<b>2013</b>
Revenue	5,784	5,511	17,309	15,199	21,781
Operating expenses	-5,394	-5,112	-16,571	-14,666	-20,833
Share of net income from associates and joint ventures	57	20	134	35	65
<b>Operating profit before depreciation (EBITDA)</b>	<b>446</b>	<b>419</b>	<b>871</b>	<b>568</b>	<b>1 013</b>
Impairment of non-current assets	-	-	-	-	-11
Depreciation	-87	-83	-247	-231	-310
<b>Operating profit (EBIT)</b>	<b>359</b>	<b>336</b>	<b>624</b>	<b>337</b>	<b>692</b>
Financial income	30	17	69	55	81
Financial costs	-21	-8	-37	-27	-54
<b>Profit before tax</b>	<b>369</b>	<b>346</b>	<b>656</b>	<b>364</b>	<b>718</b>
Income tax expense	-74	-78	-131	-82	-163
<b>Profit after tax</b>	<b>295</b>	<b>268</b>	<b>525</b>	<b>282</b>	<b>556</b>
of which non-controlling interests	6	4	14	4	12
Earnings per share (NOK) <sup>1)</sup>	2.2	2.0	3.8	2.1	4.1

<sup>1)</sup> No dilutive effect**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<b>Profit after tax</b>	<b>295</b>	<b>268</b>	<b>525</b>	<b>282</b>	<b>556</b>
Revaluation of pensions	-	-	-	-	-4
<b>Net items that will not be reclassified subsequently to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-4</b>
Currency translation differences	-31	32	-50	76	91
Fair value adjustment of financial assets	4	17	-1	13	4
<b>Net items that may be reclassified subsequently to profit or loss</b>	<b>-26</b>	<b>49</b>	<b>-51</b>	<b>88</b>	<b>95</b>
<b>Total comprehensive income</b>	<b>269</b>	<b>317</b>	<b>474</b>	<b>371</b>	<b>647</b>
of which non-controlling interests	5	4	13	5	15

**STATEMENT OF CASH FLOWS**

Profit before tax	369	346	656	364	718
Tax paid	-	-	-32	-6	-18
Depreciation/impairment	87	83	247	231	321
Other operational items	-181	-544	-197	-489	627
<b>Cash flow from operating activities</b>	<b>275</b>	<b>-115</b>	<b>674</b>	<b>101</b>	<b>1,648</b>
Acquisition/disposal of property, plant and equipment	-77	-17	-307	-128	-137
Other investing activities	8	-24	-145	-29	33
Change in interest-bearing receivables	32	38	-671	64	45
<b>Cash flow from investing activities</b>	<b>-38</b>	<b>-3</b>	<b>-1,122</b>	<b>-93</b>	<b>-59</b>
Change in interest-bearing liabilities	311	165	815	313	-597
Dividend paid	-	-	-401	-334	-334
Acquisition of own shares	-	-	-	-	-
Change in other non-current liabilities	-19	-1	64	-3	-17
Other financial items	-9	-49	-57	-79	-94
<b>Cash flow from financing activities</b>	<b>282</b>	<b>115</b>	<b>421</b>	<b>-104</b>	<b>-1,043</b>
<b>Change in cash and cash equivalents</b>	<b>519</b>	<b>-3</b>	<b>-27</b>	<b>-96</b>	<b>547</b>
Cash and cash equivalents, start of period	213	118	764	206	206
Exchange rate adjustment foreign cash balances	-4	5	-9	10	12
Cash and cash equivalents, end of period	728	120	728	120	764

NOK million

<b>NET INTEREST-BEARING POSITION</b>	<b>As at 30.09 2014</b>	<b>As at 30.09 2013</b>	<b>As at 31.12 2013</b>
Cash and cash equivalents	728	120	764
Financial assets (short-term)	650	-	-
Interest-bearing assets (long-term)	338	298	317
Interest-bearing liabilities	-2,291	-2,386	-1,476
<b>Net interest-bearing position</b>	<b>-576</b>	<b>-1,968</b>	<b>-396</b>
<b>Change in net interest-bearing position (from 1 January)</b>	<b>-180</b>	<b>-462</b>	<b>1,110</b>
<b>OTHER KEY FIGURES</b>			
Order backlog (MNOK)	16,873	17,306	18,273
Equity ratio (%)	19.5	17.4	21.1
Number of employees	6,473	6,563	6,286
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	768	656	775
Other intangible assets	92	56	104
Deferred tax assets	55	62	55
Land and buildings	504	520	499
Plant and machinery	1,356	1,230	1,230
Investments in associates and joint ventures	1,068	863	908
Financial assets	460	424	417
<b>Total non-current assets</b>	<b>4,304</b>	<b>3,810</b>	<b>3,990</b>
<b>Current assets</b>			
Non-residential and residential projects	2,706	3,554	3,148
Inventories	246	462	308
Trade and other receivables	4,126	4,631	3,457
Financial assets	650	-	-
Cash and cash equivalents	728	120	764
<b>Total current assets</b>	<b>8,455</b>	<b>8,767</b>	<b>7,676</b>
<b>Total assets</b>	<b>12,759</b>	<b>12,578</b>	<b>11,666</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	67	67	67
Other equity	2,351	2,078	2,338
Non-controlling interests	68	48	62
<b>Total equity</b>	<b>2,486</b>	<b>2,193</b>	<b>2,466</b>
<b>Non-current liabilities</b>			
Pensions and deferred tax liabilities	555	478	558
Bonds	750	750	750
Amounts due to credit institutions	1,076	923	53
Other non-current liabilities	117	25	36
<b>Total non-current liabilities</b>	<b>2,498</b>	<b>2,176</b>	<b>1,398</b>
<b>Current liabilities</b>			
Commercial papers and debt to credit institutions	465	713	672
Trade payables and warranty provisions	4,017	4,078	3,769
Public duties and taxes payable	1,039	789	669
Other current liabilities	2,254	2,629	2,691
<b>Total current liabilities</b>	<b>7,775</b>	<b>8,209</b>	<b>7,802</b>
<b>Total equity and liabilities</b>	<b>12,759</b>	<b>12,578</b>	<b>11,666</b>

NOK million

**B. BUSINESS SEGMENTS**

	<b>Q3 2014</b>	<b>Q3 2013</b>	<b>1.1-30.9 2014</b>	<b>1.1-30.9 2013</b>	<b>2013</b>
<b>CONSTRUCTION</b> <i>(specification page 4)</i>					
Revenue	4,402	4,190	13,467	12,065	16,968
Operating expenses	-4,218	-4,021	-13,025	-11,704	-16,389
Share of net income from associates and joint ventures	-	1	1	-	3
Depreciation/impairment	-50	-48	-142	-126	-169
<b>Operating profit (EBIT)</b>	<b>133</b>	<b>123</b>	<b>301</b>	<b>236</b>	<b>412</b>
Net financial items	14	5	50	25	33
<b>Profit before tax (EBT)</b>	<b>148</b>	<b>128</b>	<b>350</b>	<b>261</b>	<b>446</b>
<b>Total assets, segment</b>	<b>7,692</b>	<b>6,673</b>	<b>7,692</b>	<b>6,673</b>	<b>7,365</b>
<b>PROPERTY</b> <i>(specification page 5)</i>					
Revenue	338	455	1,510	1,287	1,783
Operating expenses	-317	-418	-1,417	-1,206	-1,657
Share of net income from associates and joint ventures	15	17	69	63	97
Depreciation/impairment	-	-1	-1	-3	-8
<b>Operating profit (EBIT)</b>	<b>36</b>	<b>53</b>	<b>161</b>	<b>141</b>	<b>215</b>
Net financial items	1	4	2	-	6
<b>Profit before tax (EBT)</b>	<b>37</b>	<b>57</b>	<b>163</b>	<b>142</b>	<b>221</b>
<b>Total assets, segment</b>	<b>4,209</b>	<b>4,196</b>	<b>4,209</b>	<b>4,196</b>	<b>4,142</b>
<b>INDUSTRIAL</b>					
Revenue	1,500	1,238	3,014	2,425	3,476
Operating expenses	-1,270	-1,029	-2,761	-2,243	-3,173
Share of net income from associates and joint ventures	9	10	12	11	19
Depreciation/impairment	-37	-35	-104	-102	-144
<b>Operating profit (EBIT)</b>	<b>203</b>	<b>184</b>	<b>161</b>	<b>90</b>	<b>178</b>
Net financial items	-10	-6	-27	-17	-20
<b>Profit before tax (EBT)</b>	<b>193</b>	<b>178</b>	<b>134</b>	<b>74</b>	<b>158</b>
<b>Total assets, segment</b>	<b>2,282</b>	<b>2,143</b>	<b>2,282</b>	<b>2,143</b>	<b>1,574</b>
<b>OTHER OPERATIONS</b> <sup>1)</sup>					
Revenue	-	-	1	-	1
Operating expenses	-13	-17	-60	-64	-69
Share of net income from associates and joint ventures	2	3	9	9	13
Depreciation/impairment	-	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>-11</b>	<b>-14</b>	<b>-50</b>	<b>-55</b>	<b>-56</b>
Net financial items	6	6	15	19	7
<b>Profit before tax (EBT)</b>	<b>-5</b>	<b>-8</b>	<b>-35</b>	<b>-36</b>	<b>-49</b>
<sup>1)</sup> Other operations include the Group's net financial items and central unassigned costs.					
<b>GROUP ELIMINATIONS</b>					
Revenue	-263	-259	-748	-733	-1,036
Operating expenses	263	263	744	734	1,036
Share of net income from associates and joint ventures	-	-	-	-	-
Depreciation/impairment	-	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>-</b>	<b>4</b>	<b>-4</b>	<b>1</b>	<b>-</b>
Net financial items	-2	-	-9	-	-
<b>Profit before tax (EBT)</b>	<b>-2</b>	<b>4</b>	<b>-13</b>	<b>1</b>	<b>-</b>
<b>TOTAL VEIDEKKE GROUP SEGMENT ACCOUNTS</b>					
Revenue	5,977	5,624	17,244	15,045	21,191
Operating expenses	-5,555	-5,222	-16,519	-14,484	-20,253
Share of net income from associates and joint ventures	27	30	90	83	132
Depreciation/impairment	-87	-83	-247	-231	-321
<b>Operating profit (EBIT)</b>	<b>361</b>	<b>349</b>	<b>568</b>	<b>413</b>	<b>749</b>
Net financial items	9	9	32	27	27
<b>Profit before tax (EBT)</b>	<b>370</b>	<b>358</b>	<b>599</b>	<b>440</b>	<b>776</b>
<b>Total assets, segment</b>	<b>12,334</b>	<b>12,023</b>	<b>12,334</b>	<b>12,023</b>	<b>11,378</b>

## RECONCILIATION OF SEGMENT ACCOUNTS AND FINANCIAL ACCOUNTS

NOK million

	Q3 2014	Q3 2013	1.1-30.9 2014	1.1-30.9 2013	2013
<b>TOTAL VEIDEKKE GROUP SEGMENT ACCOUNTS</b>					
Revenue	5,977	5,624	17,244	15,045	21,191
Operating expenses	-5,555	-5,222	-16,519	-14,484	-20,253
Share of net income from associates and joint ventures	27	30	90	83	132
Depreciation/impairment	-87	-83	-247	-231	-321
<b>Operating profit (EBIT)</b>	<b>361</b>	<b>349</b>	<b>568</b>	<b>413</b>	<b>749</b>
Net financial items	9	9	32	27	27
<b>Profit before tax (EBT)</b>	<b>370</b>	<b>358</b>	<b>599</b>	<b>440</b>	<b>776</b>
<b>Total assets, segment</b>	<b>12,334</b>	<b>12,023</b>	<b>12,334</b>	<b>12,023</b>	<b>11,378</b>
<b>IFRIC 15 ADJUSTMENTS <sup>1) 2)</sup></b>					
Revenue	-193	-113	65	154	590
Operating expenses	161	110	-52	-182	-581
Share of net income from associates and joint ventures	30	-10	43	-48	-67
Depreciation/impairment	-	-	-	-	-
<b>Operating profit (EBIT)</b>	<b>-2</b>	<b>-13</b>	<b>56</b>	<b>-76</b>	<b>-57</b>
Net financial items	-	-	-	-	-
<b>Profit before tax (EBT)</b>	<b>-2</b>	<b>-13</b>	<b>56</b>	<b>-76</b>	<b>-57</b>
<b>Total assets, segment</b>	<b>425</b>	<b>555</b>	<b>425</b>	<b>555</b>	<b>289</b>

<sup>1)</sup> Under IFRS, income and earnings for completed residential units are not recognised until the date on which the apartment is delivered to the buyer. In the internal monitoring of residential projects, the reporting is on a percentage of completion basis, which means that revenue and expenses are recognised by reference to the project's estimated final outcome x stage of completion x sales rate.

<sup>2)</sup> See also the accompanying notes, item 2 Accounting policies.

NOK million

	Q3 2014	Q3 2013	1.1-30.9 2014	1.1-30.9 2013	2013
<b>TOTAL VEIDEKKE GROUP FINANCIAL ACCOUNTS</b>					
Revenue	5,784	5,511	17,309	15,199	21,781
Operating expenses	-5,394	-5,112	-16,571	-14,666	-20,833
Share of net income from associates and joint ventures	57	20	134	35	65
Depreciation/impairment	-87	-83	-247	-231	-321
<b>Operating profit (EBIT)</b>	<b>359</b>	<b>336</b>	<b>624</b>	<b>337</b>	<b>692</b>
Net financial items	9	9	32	27	27
<b>Profit before tax (EBT)</b>	<b>369</b>	<b>346</b>	<b>656</b>	<b>364</b>	<b>718</b>
<b>Total assets, Group</b>	<b>12,759</b>	<b>12,578</b>	<b>12,759</b>	<b>12,578</b>	<b>11,666</b>



## Construction operations by country

NOK million

	Q3 2014	Q3 2013	1.1-30.9 2014	1.1-30.9 2013	2 013
<b>CONSTRUCTION NORWAY</b>					
Revenue	2,842	3,032	8,681	8,718	12,132
Operating expenses	-2,714	-2,913	-8,358	-8,427	-11,678
Share of net income from associates and joint ventures	-	-	-	-	2
Depreciation/impairment	-32	-36	-94	-92	-122
<b>Operating profit (EBIT)</b>	<b>95</b>	<b>83</b>	<b>228</b>	<b>199</b>	<b>334</b>
Net financial items	15	5	49	21	26
<b>Profit before tax (EBT)</b>	<b>110</b>	<b>88</b>	<b>278</b>	<b>221</b>	<b>360</b>
<b>Total assets, segment</b>	<b>5,309</b>	<b>4,945</b>	<b>5,309</b>	<b>4,945</b>	<b>5,126</b>
<b>CONSTRUCTION SWEDEN</b>					
Revenue	1,092	801	3,452	2,402	3,499
Operating expenses	-1,059	-771	-3,392	-2,371	-3,447
Share of net income from associates and joint ventures	-	1	1	-	1
Depreciation/impairment	-16	-10	-43	-29	-40
<b>Operating profit (EBIT)</b>	<b>17</b>	<b>21</b>	<b>18</b>	<b>2</b>	<b>13</b>
Net financial items	-3	-1	-7	-	-1
<b>Profit before tax (EBT)</b>	<b>14</b>	<b>20</b>	<b>11</b>	<b>2</b>	<b>11</b>
<b>Total assets, segment</b>	<b>1,540</b>	<b>987</b>	<b>1,540</b>	<b>987</b>	<b>1,379</b>
<b>CONSTRUCTION DENMARK</b>					
Revenue	468	357	1,335	944	1,336
Operating expenses	-445	-337	-1,275	-906	-1,264
Share of net income from associates and joint ventures	-	-	-	-	-
Depreciation/impairment	-2	-2	-5	-5	-7
<b>Operating profit (EBIT)</b>	<b>21</b>	<b>18</b>	<b>55</b>	<b>34</b>	<b>66</b>
Net financial items	2	1	7	4	9
<b>Profit before tax (EBT)</b>	<b>23</b>	<b>19</b>	<b>62</b>	<b>38</b>	<b>74</b>
<b>Total assets, segment</b>	<b>843</b>	<b>740</b>	<b>843</b>	<b>740</b>	<b>860</b>
<b>TOTAL CONSTRUCTION</b>					
Revenue	4,402	4,190	13,467	12,065	16,968
Operating expenses	-4,218	-4,021	-13,025	-11,704	-16,389
Share of net income from associates and joint ventures	-	1	1	-	3
Depreciation/impairment	-50	-48	-142	-126	-169
<b>Operating profit (EBIT)</b>	<b>133</b>	<b>123</b>	<b>301</b>	<b>236</b>	<b>412</b>
Net financial items	14	5	50	25	33
<b>Profit before tax (EBT)</b>	<b>148</b>	<b>128</b>	<b>350</b>	<b>261</b>	<b>446</b>
<b>Total assets, segment</b>	<b>7,692</b>	<b>6,673</b>	<b>7,692</b>	<b>6,673</b>	<b>7,365</b>

## Property development by country

NOK million

	Q3 2014	Q3 2013	1.1-30.9 2014	1.1-30.9 2013	2013
<b>PROPERTY DEVELOPMENT NORWAY</b>					
Revenue	141	301	550	826	1,070
Operating expenses	-132	-266	-516	-760	-974
Share of net income from associates and joint ventures	14	13	59	53	71
Depreciation/impairment	-	-1	-	-2	-7
<b>Operating profit (EBIT)</b>	<b>23</b>	<b>47</b>	<b>93</b>	<b>116</b>	<b>160</b>
Net financial items	-1	6	-	8	10
<b>Profit before tax (EBT)</b>	<b>22</b>	<b>53</b>	<b>93</b>	<b>124</b>	<b>170</b>
<b>Total assets, segment</b>	<b>2,535</b>	<b>2,333</b>	<b>2,535</b>	<b>2,333</b>	<b>2,265</b>
<b>PROPERTY DEVELOPMENT SWEDEN</b>					
Revenue	197	154	960	461	713
Operating expenses	-186	-152	-901	-446	-683
Share of net income from associates and joint ventures	2	3	10	10	26
Depreciation/impairment	-	-	-	-	-1
<b>Operating profit (EBIT)</b>	<b>13</b>	<b>5</b>	<b>68</b>	<b>25</b>	<b>54</b>
Net financial items	2	-2	2	-8	-4
<b>Profit before tax (EBT)</b>	<b>15</b>	<b>4</b>	<b>70</b>	<b>17</b>	<b>50</b>
<b>Total assets, segment</b>	<b>1,673</b>	<b>1,863</b>	<b>1,673</b>	<b>1,863</b>	<b>1,877</b>
<b>TOTAL PROPERTY DEVELOPMENT</b>					
Revenue	338	455	1,510	1,287	1,783
Operating expenses	-317	-418	-1,417	-1,206	-1,657
Share of net income from associates and joint ventures	15	17	69	63	97
Depreciation/impairment	-	-1	-1	-3	-8
<b>Operating profit (EBIT)</b>	<b>36</b>	<b>53</b>	<b>161</b>	<b>141</b>	<b>215</b>
Net financial items	1	4	2	-	6
<b>Profit before tax (EBT)</b>	<b>37</b>	<b>57</b>	<b>163</b>	<b>142</b>	<b>221</b>
<b>Total assets, segment</b>	<b>4,209</b>	<b>4,196</b>	<b>4,209</b>	<b>4,196</b>	<b>4,142</b>

**C. STATEMENT OF CHANGES IN EQUITY**

	Equity holders of Veidekke ASA						NOK million	
	Share capital	Other paid-in capital <sup>1)</sup>	Currency translation differences	Other retained earnings	Fair value adjustment <sup>2)</sup>	Total	Non-controlling interests	Total
<b>Equity at 1 January 2013</b>	<b>67</b>	<b>305</b>	<b>-105</b>	<b>1,939</b>	<b>-88</b>	<b>2,118</b>	<b>65</b>	<b>2,183</b>
Profit for the period				279		279	4	282
Other comprehensive income			75		13	87	1	88
IFRS 2 - share-based transactions (employees)				-6		-6		-6
Transactions with non-controlling interests				2		2		2
Changes in non-controlling interests						-	-11	-11
Dividend				-334		-334	-10	-345
<b>Equity at 30 September 2013</b>	<b>67</b>	<b>305</b>	<b>-30</b>	<b>1,879</b>	<b>-75</b>	<b>2,145</b>	<b>48</b>	<b>2,193</b>
<b>Equity at 1 January 2014</b>	<b>67</b>	<b>305</b>	<b>-17</b>	<b>2,134</b>	<b>-84</b>	<b>2,404</b>	<b>62</b>	<b>2,466</b>
Profit for the period				511		511	14	525
Other comprehensive income			-49	-	-1	-50	-1	-51
IFRS 2 - share-based transactions (employees)				-7		-7		-7
Options - non-controlling interests				-39		-39		-39
Changes in non-controlling interests						-	1	1
Dividend				-401		-401	-8	-410
<b>Equity at 30 September 2014</b>	<b>67</b>	<b>305</b>	<b>-66</b>	<b>2,197</b>	<b>-84</b>	<b>2,418</b>	<b>68</b>	<b>2,486</b>

<sup>1)</sup> Paid-in capital over and above nominal value of shares

<sup>2)</sup> Change in fair value of available-for-sale shares and hedging instruments that qualify for hedge accounting.

There have been no purchases of own shares in 2014.

**D. NOTES TO THE FINANCIAL STATEMENTS****1. General information**

Veidekke is a Scandinavian construction and property development company headquartered in Oslo. The consolidated accounts for Q3 2014 include Veidekke ASA and its subsidiaries and the Group's investments in associates and joint ventures. At the end of Q3 2014, the Group essentially consisted of the same entities as described in the 2013 annual report. Details of business combinations in 2014 can be found in note 7. The interim financial statements are unaudited.

**2. Accounting policies**

The Group presents its financial reports in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The quarterly accounts have been prepared in accordance with IAS 34 Interim Financial Reporting and are in line with the Stock Exchange Rules.

On 1 January 2014, Veidekke implemented IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and amendments to IAS 28 Investments in Associates and Joint Ventures. The implementation of these standards has had little effect on Veidekke's accounts, and in other respects the interim report has been prepared in accordance with the same accounting policies used for the 2013 annual report.

The interpretation IFRIC 15 deals with the sale of completed residential units and plays a significant role in clarifying the Group's accounting. There are no changes in the accounting treatment of this area compared with previous years. The interpretation clarifies whether an arrangement comes under the scope of construction contracts (IAS 11) or sale of goods (IAS 18). The interpretation also clarifies when revenue and profit from property development projects are recognised in the accounts. This means that revenue and profit from the sale of completed residential units are recognised when a unit is contractually delivered to the buyer.

In its segment reporting, Veidekke recognises revenue on a percentage of completion basis, by reference to the project's estimated final outcome, stage of completion and sales rate. This is done to provide as correct a picture as possible of current value creation in the area of residential development and to ensure conformity with the Group's internal management reporting. The interim financial statements do not include all the disclosures required in a full annual report and should therefore be read in connection with the Group's 2013 annual report, which can be obtained from the company or online at [www.veidekke.com](http://www.veidekke.com).

### 3. Segment reporting

The Group consists of three segments: Construction, Property Development and Industrial. The segment results for the third quarter of 2014 are presented in the table on page 11.

### 4. Estimates

Construction and property development projects represent a large part of Veidekke's operations. Accounting for project activities is largely based on estimates. Significant judgements used in applying the Group's accounting policies and the main sources of estimate uncertainty at the end of Q3 2014 are unchanged from those in the 2013 annual report.

### 5. Operations with significant seasonal fluctuations

The Group's asphalt and aggregate operations, which are reported under the Industrial business area, are subject to seasonal fluctuations as a result of climatic conditions. Most production takes place between May and October, and the majority of the revenues from operations accrue during these months.

However, expenses associated with maintenance of production equipment and depreciation are spread over the full year. This means that there will normally be significant fluctuations in the quarterly accounts for Veidekke's industrial operations.

	NOK million		
	12 months rolling as at 30.9.2014	12 months rolling as at 30.9.2013	2013
<b>INDUSTRIAL <sup>1)</sup></b>			
Revenue	4,064	3,312	3,476
Profit before tax	218	94	158
<b>GROUP <sup>1)</sup></b>			
Revenue	23,390	20,616	21,191
Profit before tax	935	733	776

<sup>1)</sup> The figures are taken from the segment accounts.

### 6. Non-currents assets

	NOK million				
PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS	Q3 2014	Q3 2013	1.1.-30.9 2014	1.1.-30.9 2013	2013
<b>Carrying amount at start of period</b>	<b>1,958</b>	<b>1,780</b>	<b>1,834</b>	<b>1,793</b>	<b>1,793</b>
Additions	100	63	367	195	267
Additions from acquisition of operations	-	69	56	69	143
Depreciation and amortisation	-87	-83	-247	-231	-310
Currency translation differences etc.	-12	17	-20	33	33
Disposals and sales of operations	-7	-41	-38	-54	-92
<b>Carrying amount at end of period</b>	<b>1,952</b>	<b>1,805</b>	<b>1,952</b>	<b>1,805</b>	<b>1,834</b>
Other intangible assets	92	56	92	56	104
Land and buildings	504	520	504	520	499
Plant and machinery	1,356	1,230	1,356	1,230	1,230
<b>Carrying amount at end of period</b>	<b>1,952</b>	<b>1,805</b>	<b>1,952</b>	<b>1,805</b>	<b>1,834</b>

	NOK million				
GOODWILL	Q3 2014	Q3 2013	1.1.-30.9 2014	1.1.-30.9 2013	2013
<b>Carrying amount at start of period</b>	<b>784</b>	<b>646</b>	<b>775</b>	<b>631</b>	<b>631</b>
Additions	-	-	42	-	125
Impairment	-	-	-	-	-11
Currency translation differences	-16	11	-26	25	30
Disposals	-	-	-22	-	-
<b>Carrying amount at end of period</b>	<b>768</b>	<b>656</b>	<b>768</b>	<b>656</b>	<b>775</b>

### 7. Non-residential and residential projects

	NOK million		
	Q3 2014	Q3 2013	2013
Units under construction	903	1,419	1,005
Completed units for sale	33	34	68
Residential sites for development	1,741	2,015	1,991
Non-residential projects	29	85	84
<b>Total non-residential and residential projects</b>	<b>2,706</b>	<b>3,554</b>	<b>3,148</b>
<b>Residential projects in joint ventures</b>	<b>861</b>	<b>598</b>	<b>694</b>
Units under construction	1,196	1,375	1,469
Sale rate, units under construction	81%	81%	74%
Unsold, completed units	42	14	22

<sup>1)</sup> Veidekkes share

## 8. Acquisitions, sales of operations

On 31 December 2013, Veidekke purchased the Stockholm-based contractor Arcona AB. Arcona AB and its subsidiaries reported revenues of NOK 990 million and profit before tax of NOK 25 million in 2013. The purchase price was NOK 165 million and was paid in Q1 2014. At the acquisition date, the acquired operations had bank deposits of NOK 74 million. The net cash effect of the purchase was NOK -91 million. The acquisition generated an excess value of NOK 131 million, with NOK 120 million of this amount attributable to goodwill, NOK 19 million to trademarks, NOK -5 million to guarantee provisions and NOK -3 million to deferred tax.

The acquisition of Arcona AB also included the wholly-owned subsidiary BSK Arkitekter AB. On 30 June 2014, Veidekke sold 49% of the company to the employees. Following the sale, BSK Arkitekter AB is regarded as a jointly-controlled entity. This means that BSK Arkitekter AB is deconsolidated from 30 June 2014, with a downward adjustment of the goodwill from Arcona AB. The book value of goodwill arising from the acquisition of Arcona was NOK 88 million at 30 September 2014. A gain of NOK 0.9 million on the sale of the shares in BSK Arkitekter AB was recognised.

On 27 June 2014, Veidekke acquired 70% of the shares in the Swedish concrete element factory Recess V-Prefab AB. The factory is located outside Stockholm and manufactures prefabricated concrete elements and modules. Veidekke has worked closely with Recess to develop modules that will provide higher efficiency and bring cost savings in residential projects. The purchase price was NOK 52 million. NOK 20 million has been allocated to equipment and buildings, NOK 41 million to goodwill, NOK -4 million to deferred tax and -NOK 5 million to non-controlling interests. The acquisition analysis is preliminary.

## 9. Special items

Property Development Sweden sold 50% of the Svea Fanfar project, phase 2, in Q1 2014. The transaction is included in the Q1 financial statements, contributing NOK 202 million to operating revenues and NOK 28 million to profit before tax.

## 10. Financial instruments

There were no significant changes relating to financial risk or the Group's use of financial instruments during the period. Further details can be found in the 2013 Annual Report. Veidekke had NOK 650 million invested in a diversified low-risk bond fund as at Q3 2014.

## 11. Dividend

A dividend of NOK 3.0 per share, totalling NOK 401.1 million, was paid for the 2013 financial year. The dividend was adopted by the Annual General Meeting on 07 May 2014 and was recognised in Q2 2014.

## 12. Covenants associated with loan agreements

Veidekke has available borrowing facilities of NOK 3.1 billion, which expire on 2 November 2015. At 30 September 2014, unutilised borrowing facilities amounted to NOK 1.6 billion. The following covenants are associated with the loan agreement with DNB Bank ASA:

1. Net interest-bearing debt divided by EBITDA for the previous four quarters shall not exceed 3.0, with the exception of Q2 and Q3 of each year, when the ratio shall not exceed 3.5. At 30 September 2014, the ratio was 0.4.
2. The Group's own projects shall not exceed 60% of the Group's book equity. At 30 September 2014, the share of the Group's own projects was 16%.

### Definitions:

Net interest-bearing debt is the Group's current and non-current interest-bearing liabilities minus the Group's cash and cash equivalents and interest-bearing receivables.

EBITDA is the Group's operating profit plus depreciation and impairment.

Own-account exposure is the value of started, unsold homes and commercial buildings in projects implemented under the control of the borrower or another Group company, and is calculated based on the expected sales price, with a minimum cost price.

## 13. Events after the reporting date

No events have occurred after the reporting date that would have any significant effect on the submitted accounts.

## 14. Deferred revenue recognition in accounting for sales of completed homes under IFRIC 15

The interpretation IFRIC 15, Agreements for the Construction of Real Estate, does not allow entities to recognise revenues and earnings from the sale of completed homes until the property has been contractually delivered to the buyer. In its internal monitoring, Veidekke recognises revenue for these projects on a percentage of completion basis by reference to the project's estimated final outcome, stage of completion and sales ratio. Segment reporting follows these principles.



**Summary of revenue and profit before tax recognised in segment reporting:**

NOK million

REVENUE	Q3 2014	Q3 2013	As at 30.09.2014	As at 30.09.2013	2013
Accumulated revenue from non-delivered projects at start of period	831	1,404	1,103	1,645	1,645
+ Revenue from non-delivered projects during the period	278	375	929	1,129	1,496
- Revenue from delivered projects during the period	-85	-263	-994	-1,283	-2,086
<b>Net IFRIC 15 adjustments to revenue</b>	<b>193</b>	<b>113</b>	<b>-65</b>	<b>-154</b>	<b>-590</b>
+/- Currency translation differences	-18	28	-33	54	49
<b>Accumulated revenue from non-delivered projects at end of period</b>	<b>1,006</b>	<b>1,545</b>	<b>1,006</b>	<b>1,545</b>	<b>1,103</b>

Mill. NOK

PROFIT BEFORE TAX	Q3 2014	Q3 2013	As at 30.09.2014	As at 30.09.2013	2013
Accumulated profit before tax from non-delivered projects at start of period	242	234	304	247	247
+/- Additions/disposals on purchase/sale of companies	-	-	-	-9	-9
+ Profit before tax from non-delivered projects during the period	83	78	292	218	384
- Profit before tax from delivered projects during the period	-81	-40	-348	-142	-326
<b>Net IFRIC 15 adjustments to profit before tax</b>	<b>2</b>	<b>38</b>	<b>-56</b>	<b>76</b>	<b>57</b>
+/- Currency translation differences	-3	-	-7	7	9
<b>Accumulated profit before tax from non-delivered projects at end of period</b>	<b>240</b>	<b>272</b>	<b>240</b>	<b>321</b>	<b>304</b>

At 30 September 2014, revenues of NOK 1,006 million and profit before tax of NOK 240 million had accrued on sales of homes under construction. These amounts are recognised as revenue in the segment reporting, but are not recognised under IFRS, as these standards do not allow revenue to be recognised in the financial statements until the homes are handed over.

**15. Calculation of return on capital invested in property development, 12 months rolling**

NOK million

	30.09 2013 – 30.09 2014					At 30.09 2013
	Average invested capital	Profit before ta	Financial costs	Taxes, associates and joint ventures	12-month return (%)	Return (%)
Norway	1,929	139	51	29	11.3%	12.0%
Sweden	985	110	16	-	12.8%	3.8%
Denmark	178	-6	3	-	-1.7%	-0.9%
<b>Total Property</b>	<b>3,093</b>	<b>242</b>	<b>70</b>	<b>29</b>	<b>11.0%</b>	<b>8.7%</b>

## INFORMATION ABOUT THE COMPANY

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Founded: 1936  
Head office: Skabos vei 4, Skøyen, 0278 Oslo

The Company's articles of association and corporate governance policy are available at:  
[http://en.veidekke.com/investor-relations/corporate\\_governance/](http://en.veidekke.com/investor-relations/corporate_governance/)

### **The Board of Directors consists of:**

Martin Mæland (Chairman)  
Per Otto Dyb (Deputy Chairman)  
Gro Bakstad  
Annika Billström  
Ann Christin Gjerdseth  
Hans von Uthmann  
Odd Andre Olsen, employee representative  
Inge Ramsdal, employee representative  
Lars Skaare, employee representative

### **Executive Management consists of:**

Arne Giske	President and CEO
Dag Andresen	Executive Vice President, responsible for construction operations in Norway
Per-Ingemar Persson	Executive Vice President, responsible for construction operations in Sweden and Denmark
Jørgen Wiese Porsmyr	Executive Vice President, responsible for Industry and Property Norway.
Terje Larsen,	CFO and Executive Vice President, responsible for Economy & Finance, IT, Procurement and Strategy
Hege Schøyen Dillner	Executive Vice President, responsible for HR, HSE, Environment, Communications and Legal

### **Investor Relations:**

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