



Q4 and 2012 financial results

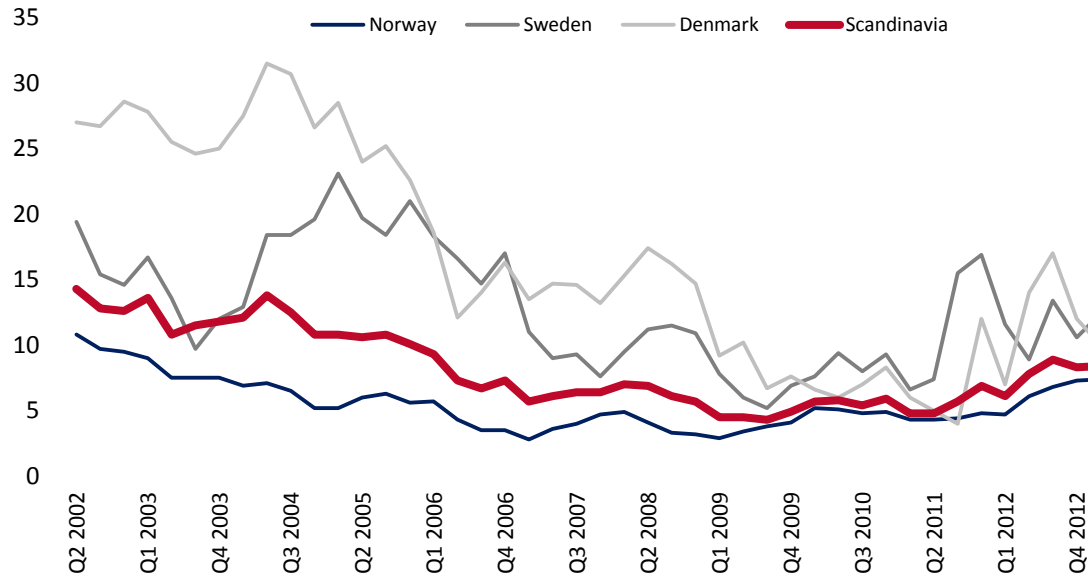
Investor presentation

Thursday, 14 February 2013

Health, safety and the working environment (HSE)

Lost-time injury (LTI) rate

Number of lost time injuries per million hours worked

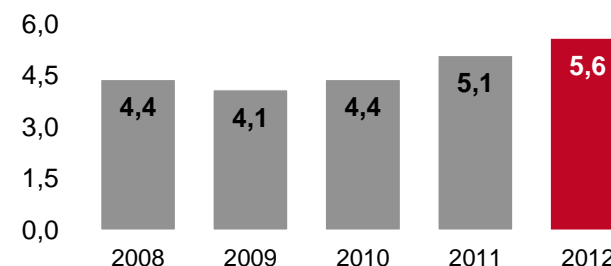


- Fatal accident in Road Maintenance (Industry)
- Our extensive HSE work includes all who have their place of work in Veidekke
- Higher number of injuries
- Sickness absence down in all countries, Norway from 5.6% to 4.9% in 2012

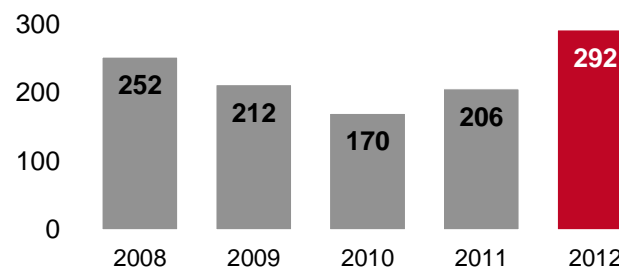
Highlights Q4 2012

- Turnover up 8%, mainly in Norway
- Earnings before tax (EBT) of MNOK 292
 - Pension changes impact the result by MNOK 113
- Business areas
 - Higher profit margin for Construction
 - Strong performance in Property Norway
 - Disappointing result for Asphalt
- Stable order backlog, NOK 16.5 billion

Operating revenue
MNOK 1 000

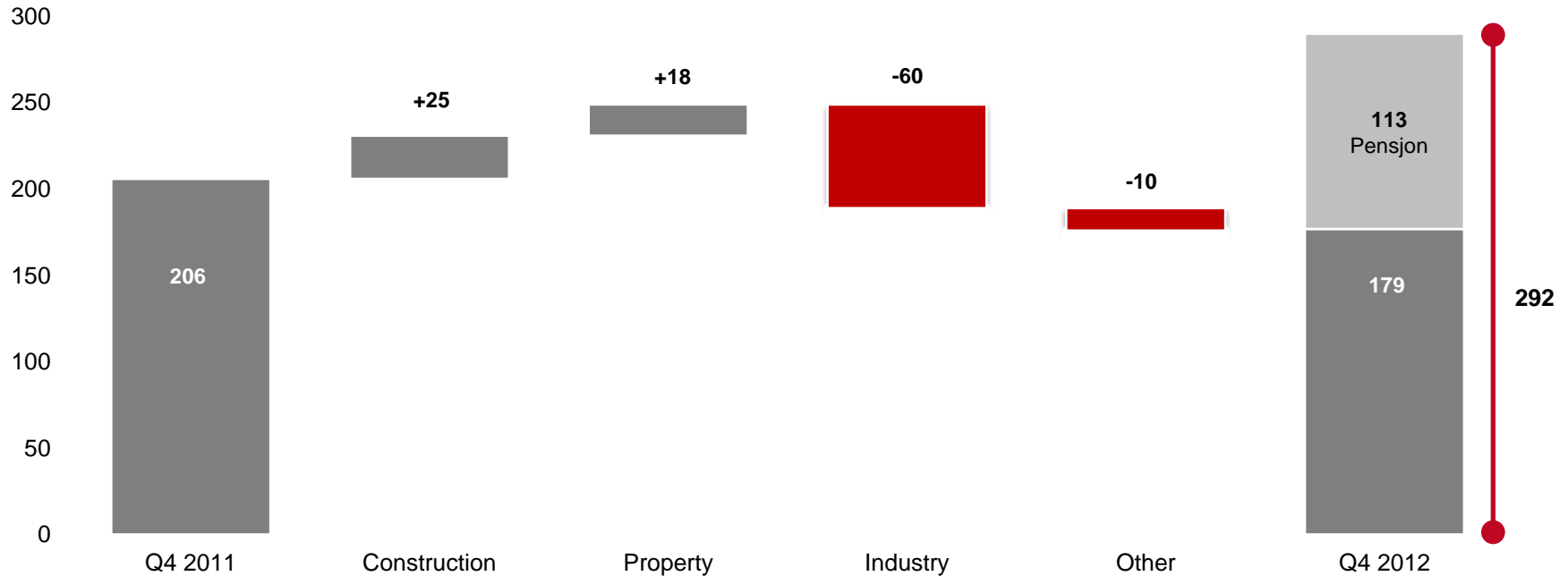


Earnings before tax (EBT)
MNOK



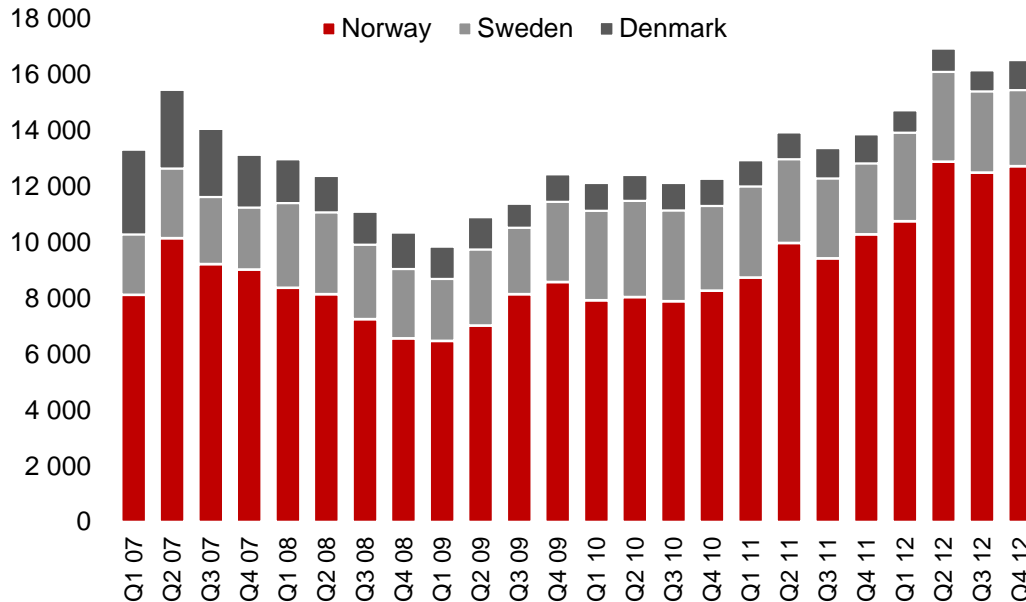
Change in earnings before tax

Earnings before tax
MNOK



Order backlog

Order backlog
MNOK



As from Q4 2011, the order backlog for Industry (Asphalt, Road Maintenance) is included in the figure for Norway. At Q4 2012, the figure was MNOK 1 511

- Order backlog up 13% in 2012
 - Improvement in Norway, mainly in first half
- Orders received in Q4
 - Several major heavy construction contracts in Norway and Sweden
 - Largest construction contracts signed:
 - Skillingsmyr, railway, MNOK 980
 - Ulricehamn - Borås, highway, MNOK 500
 - Sartor, shopping centre in Bergen, MNOK 490

Projects in progress



■ Frederiksberg Centre

- Shopping centre
- MDKK 450
- Completion: 2015



■ Hamar Stadium

- Shopping centre, non-residential and residential, MNOK 900
- Completion: 2014



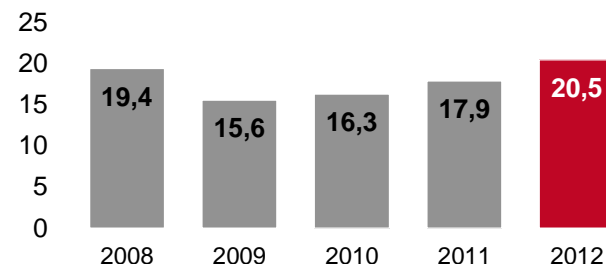
■ Dovre Railway Line

- Highway and railway
- MNOK 980 (Veidekke's share)
- Completion: 2015

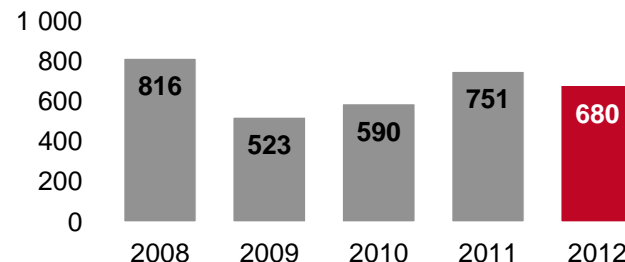
Highlights 2012

- Operating revenues NOK 20.5 billion, 14% growth
- Earnings before tax of MNOK 680 (MNOK 751)
 - Profit margin, construction units 3.1% (2.1%)
 - Good results for Property Norway, weak in Sweden
 - Losses in Asphalt
- Earnings per share (IFRIC 15) NOK 3.4 (NOK 4.8)
- Expansion in line with the strategy in the run up to 2015
 - More focus on Property (property development)
 - Selective acquisitions, sales MNOK 400

Revenue
Billion. NOK

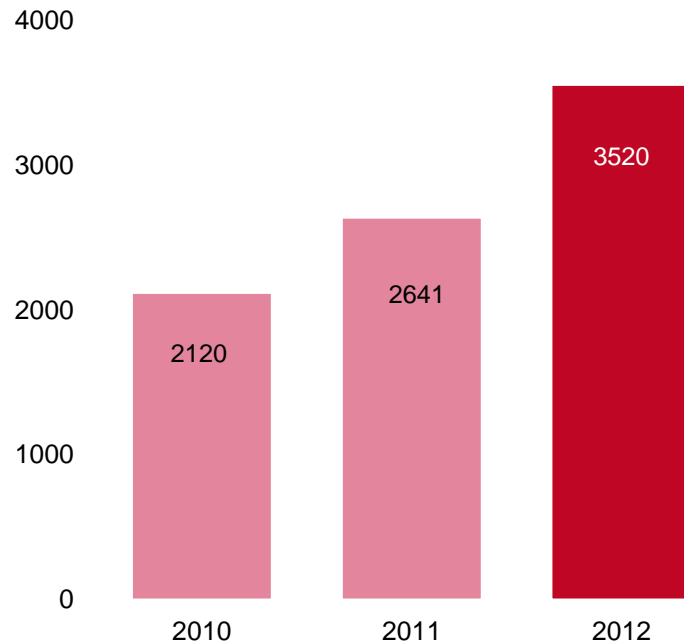


Earnings before tax
MNOK

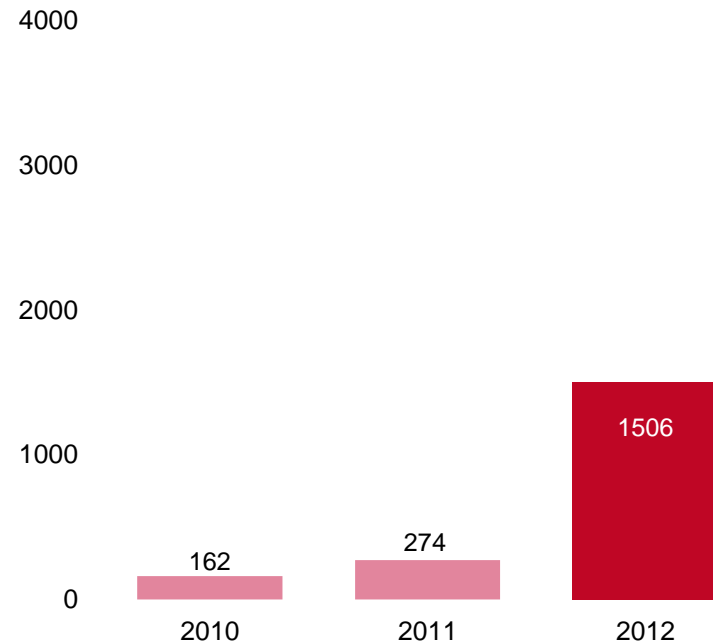


Added focus on Property:

Capital invested Property:
MNOK



Net consolidated debt Group
MNOK



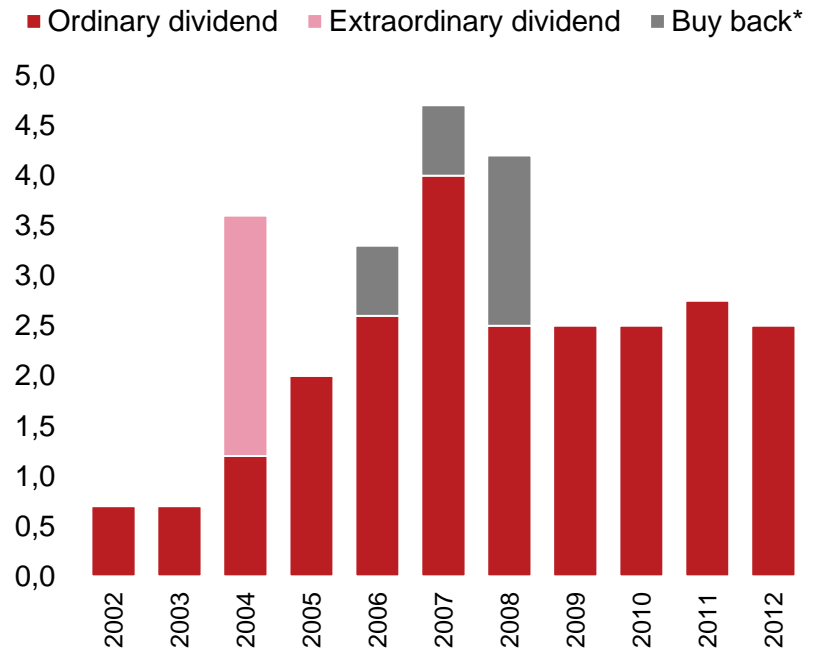
Financial situation

- Veidekke will remain a financially sound enterprise
 - Robust portfolio of assets (land, crushed stone and gravel deposits, etc.)
- Our rating objective is "investment grade"
 - BBB- from DNB (June 2012) and SEB (January 2013)
- NOK 1.1 billion in undrawn credit facilities at 31 December 2012
- Net debt of NOK 1.5 billion at 31 December 2012
 - Seasonally higher debt during the year
 - Net debt will be lower at 31 December 2013
 - Expecting positive cash flow from Property in 2013

Dividend

- Proposed dividend of NOK 2.50 (NOK 2.75)
- Dividend pay-out: 74% (57%)
- Dividend policy: Minimum 50% of EPS

Dividend paid and buy-back
NOK per share



*NOK/shares outstanding

Veidekke Construction

- Veidekke's largest business area
- Includes both building and heavy construction operations
- Close collaboration internally, and with Property and Industry





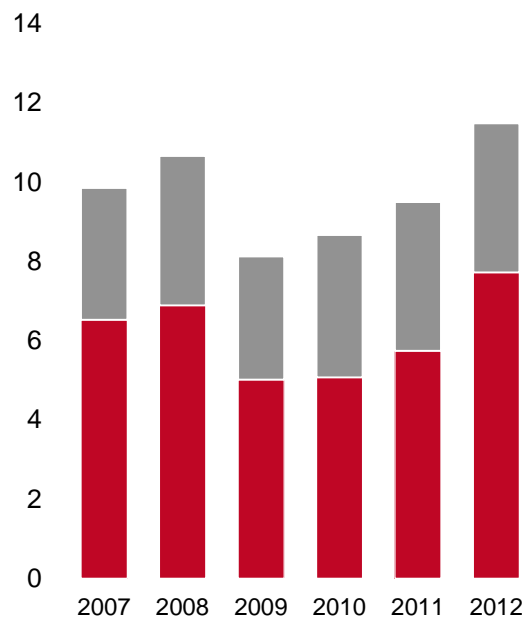
Hagebyen, Fornebu, Oslo

Construction Norway

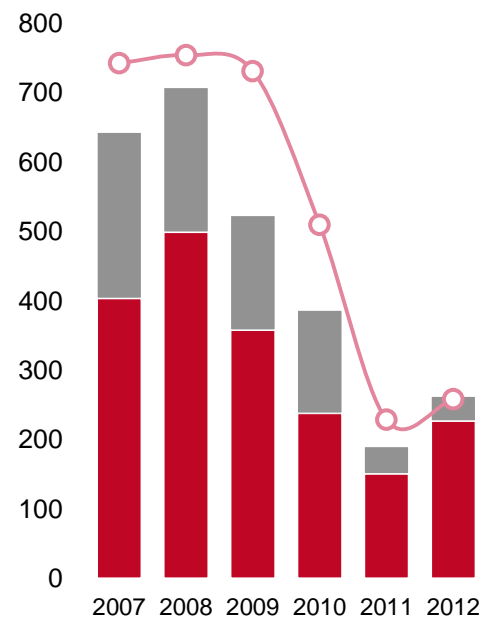
Dag Andresen, Managing Director, Veidekke Entreprenør

Construction Norway: Financial history

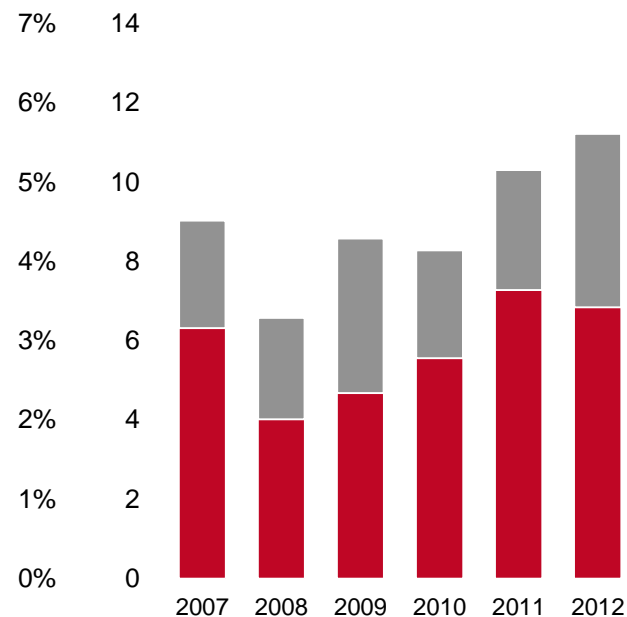
Revenue
Billion. NOK



Earnings before tax and margin*
MNOK and per cent



Order backlog
Billion NOK



Buildings

Heavy Construction

Margin

*Excluding pension effect in 2012

Differences between the building and heavy construction segments



Building segment: Residential and non-residential buildings are drivers

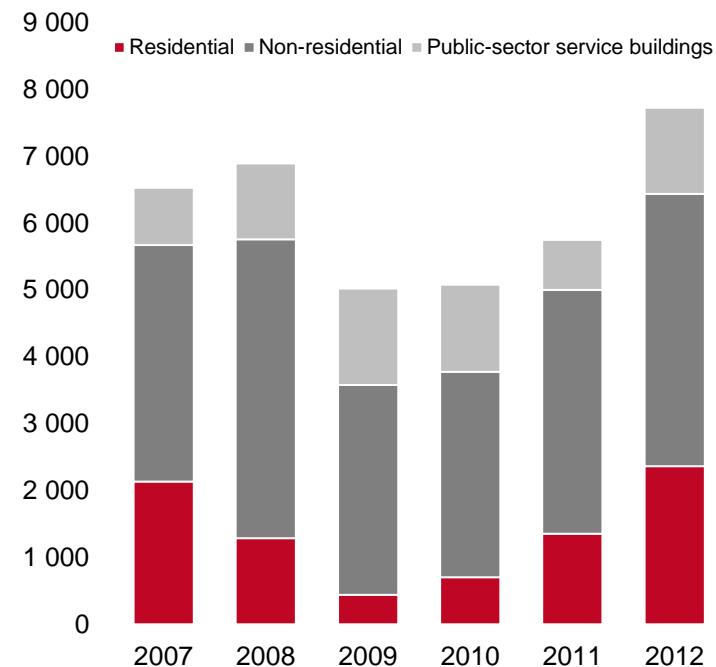
■ Main characteristics

- Private-sector repeat customers and negotiated contracts
- Stable project profitability
- Housing market is sensitive to economic cycles

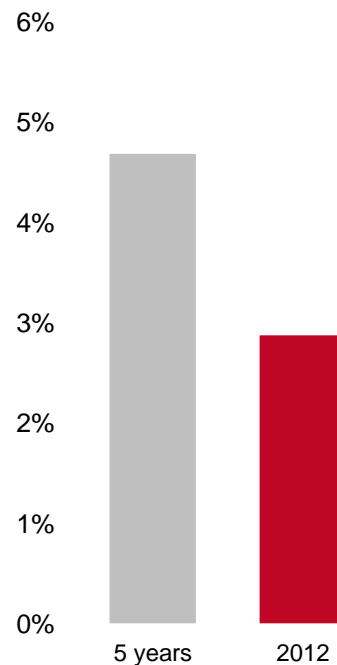
■ Our position

- Leading player in residential and non-residential buildings
- In the process of strengthening the company's position in large commercial projects

Revenue
MNOK



Profit margin
Per cent



Heavy Construction: Changes in the project mix

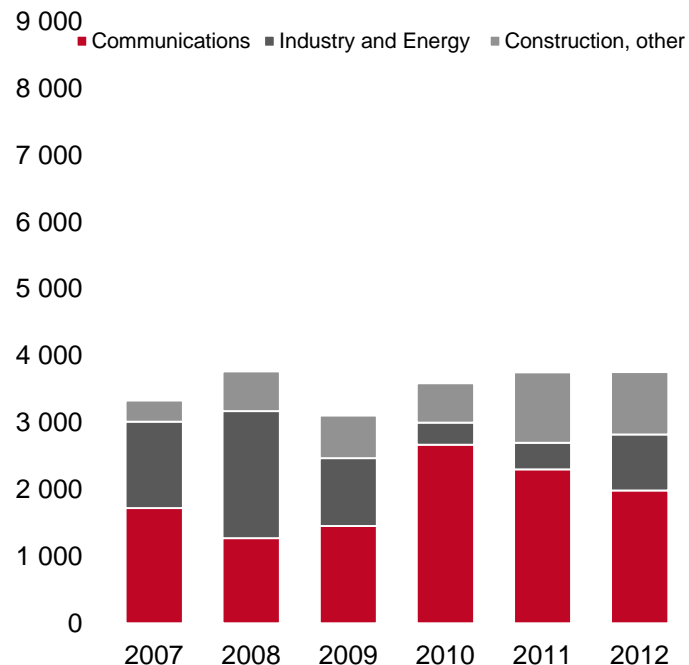
■ Key features

- Public customers, Norwegian Public Roads Administration
- Variable project profitability
- The Industry market is sensitive to international economic trends

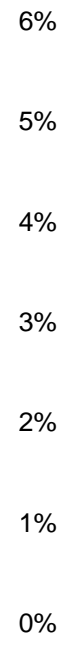
■ Our position

- Leading player in all segments
- Increase the share in Industry and Energy, and joint projects with building segment

Revenue
MNOK



Profit margin
Per cent



Objectives 2015

- **10-15% growth per year**
- **5% profit margin**

- Promote market growth
- Win market shares
- Pursue strategic plan
- Make selective acquisitions

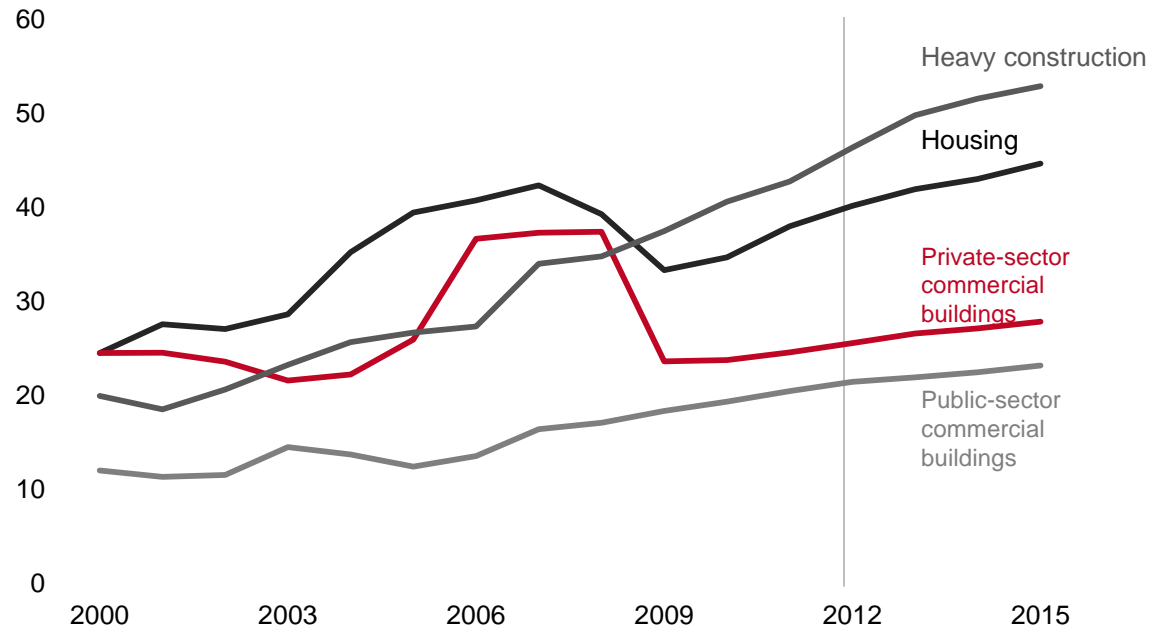
The market in the run up to 2015

- Public investments
- Demography and income growth
- Economic slump in the Euro zone



- Increased investments in heavy construction
- Growth in housing, but pressures on costs
- Weaker progress in certain regions
- Keener international competition

Potential construction market (2012-2015)
NOK billion (2007 NOK)



Strategic building blocks

1 Customers

The most satisfied customers

- Understand and meet customers' expectations and needs
- Create added value
- Be skilled manufacturers

2 Employees and suppliers

The most competent, motivated employees

- Full involvement
- Engage in active skills and systems development
- Develop along with selected suppliers

3 The world around us

Sustainable production

- Injury-free Veidekke
- Consider health, safety and the working environment in everything we do
- Best in respect of working environment in actual practice
- Seriousness

4 Profitability

Best profitability

- Give priority to profitability before volume
- Focus on good priorities and tendering processes
- Close follow-up and control at all levels

Expertise and improvement

- 3 558 employees
 - 270 graduate engineers and 525 engineers
 - 2 165 skilled workers
- Recruitment 2012
 - 179 more employees
 - 50 new trainees
 - 102 new apprentices
- Continuous human resources development
 - Lessons learned from projects
 - Veidekke School had more than 5 500 annual course days in 2012
- Veidekke is a leader in
 - BREEAM
 - BIM and VDC



Best environmental practice



Bellona Building, Oslo



KLP Building, Trondheim

FUTURE
BUILT

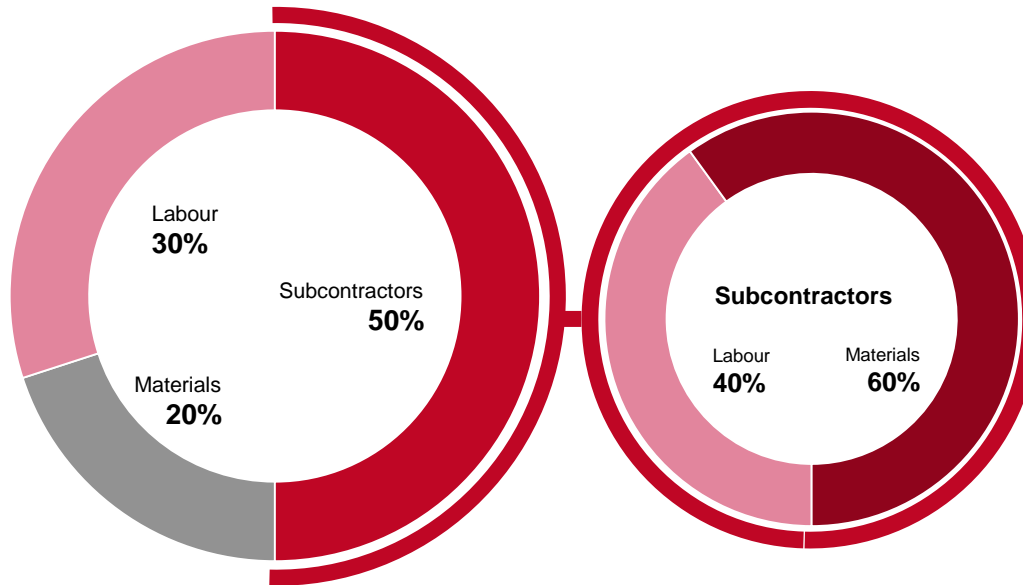
BREEAM



ASTMA- OG
ALLERGIFORBUNDET
- gjør Norge friskere

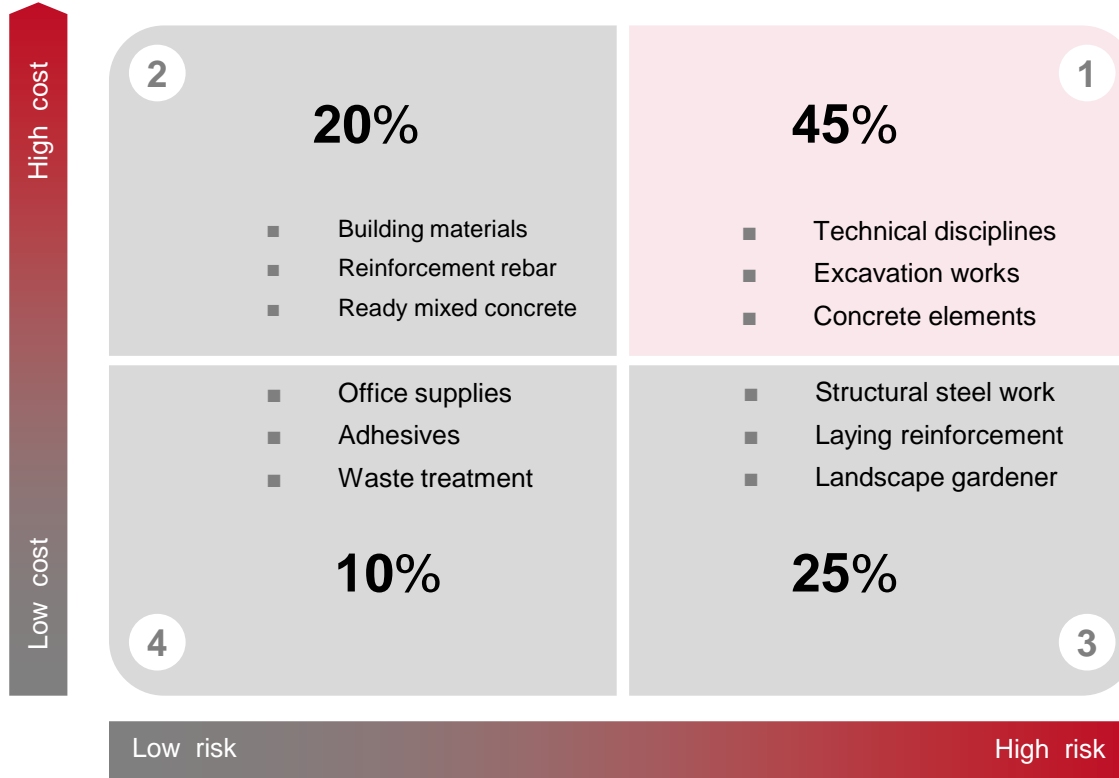
Strategy for productivity and costs

Cost structure
Per cent



- Productivity
 - Interactive planning
 - Continuity and regular teams
 - Professional pride
- Materials and subcontractors
 - Binding procurement strategy

Binding procurement strategy



1. Strategic deliveries

- Develop cooperation with selected suppliers

2. Volume deliveries

- Cooperation agreements with suppliers (80-20)

3. Critical deliveries

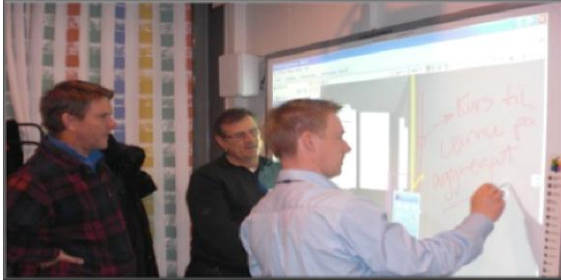
- Project procurements based on the districts' procurement guide

4. Non-strategic deliveries

- "Play the market"

Efficient implementation

PROJECT PLANNING



- Project planning is a core area of expertise
- All parties are involved
- Growing use of BIM and VDC to ensure efficient processes

ON THE CONSTRUCTION SITE



- Integrated planning with sub-contractors and employees
- Weekly plans for teams and individuals
- Obstacle analyses made to facilitate flow
- Modern, effective tools and techniques used in the ongoing planning for all disciplines

THE INDIVIDUAL SKILLED WORKER



- Ownership of common goals
- Expertise and motivation
- Optimal product for the customer
- Find the ingenious (often the simple) the solutions

"During a well-planned working day, I walk 5000 to 6000 steps. That can easily double if the planning is poor."

Svenn Are Leraand, carpenter with a pedometer

Successful project

1. RANKING OF PRIORITIES



2. TENDERING PROCESS



3. PERFORMANCE



4. DELIVERY



The right project

- Market strategy
- Create the right project mix in the light of the organisation's expertise and objectives

Correct pricing

- Each project is treated in a unique manner
- Implementation capacity
- The right cost price, risk and margin

Good production

- High performance team
- Good start-up processes
- Interactive planning
- Overview, management and control

Completion and hand over

- Satisfied customers and good delivery processes
- Lessons learned for the next project
- Good results, both financial and in terms of HSE

Norway's best contractor

The most satisfied customers

The most competent,
motivated co-workers

Injury-free production

Best profitability





Mariefryd, Ensjo

Business areas

Jørgen Wiese Porsmyr, CFO



Business areas Q4

	Q4 2012			Q4 2011		
Figures in MNOK	Operating rev.	EBT	Margin	Operating rev.	EBT	Margin
Construction Norway	3 026.2	178.9	5.9 %	2 744.7	62.0	2.3 %
Construction Sweden	1 069.9	26.3	2.5 %	980.8	20.6	2.1 %
Construction Denmark	294.8	21.2	7.2 %	426.8	27.1	6.3 %
Total Construction	4 390.9	226.4	5.2 %	4 152.3	109.7	2.6 %
Property Norway	341.6	48.2	14.1 %	266.2	32.0	12.0 %
Property Sweden	341.2	2.3	0.7 %	183.6	-3.1	-1.7 %
Property Denmark	14.4	-1.2	-	7.3	-0.6	-
Total Property	697.2	49.2	7.1 %	457.1	28.3	6.2 %
Veidekke Industry	886.3	20.4	2.3 %	985.0	59.5	6.0 %
Other	-403.5	-3.8	-	-445.0	8.0	-
Total Group	5 570.9	292.3	5.2 %	5 149.4	205.5	4.0 %

Construction operations in Norway

- Operating revenue up 10%
 - Growth for building in major cities
- Operational improvements of MNOK 23
 - Effect on pensions MNOK 94
- Profit margin excl. pension 2.8% (2.3%)
 - Satisfactory profitability in building segment, some geographic differences
 - Weak result in Heavy Construction
- Good influx of new orders

Figures in MNOK	Q4 2012	Q4 2011	2012	2011
Operating income	3 026.2	2 744.7	11 480.2	9 499.0
Operating profit (EBIT)	172.0	52.8	311.1	149.9
Profit, associated companies	1.7	1.9	1.6	2.1
Net financial items	5.2	7.3	44.0	38.2
Earnings before tax (EBT)	178.9	62.0	356.7	190.2
Profit margin (%)	5.9	2.3	3.1	2.0

Construction operations in Sweden

- Turnover up by 9%
- Profit margin stable
 - Best margins in the building and heavy construction units in Stockholm
 - Continued low profitability in Skåne and western Sweden
- 6% decline in the order backlog
 - Demanding market
 - Higher order backlog on an annual basis (7%)

Figures in MNOK	Q4 2012	Q4 2011	2012	2011
Operating income	1 069.9	980.8	3 555.6	3 383.7
Operating profit (EBIT)	30.4	19.2	91.2	55.6
Profit, associated companies	-0.0	1.9	-0.0	1.9
Net financial items	-4.1	-0.5	-3.5	-2.7
Earnings before tax (EBT)	26.3	20.6	87.7	54.8
Profit margin (%)	2.5	2.1	2.5	1.6

Construction operations in Denmark

- Decline in turnover
 - 31% during the quarter and 17% for the year
- Smooth operations generate profit margin in Q4 of 7.2% (6.3%)
- The order backlog was up by 10% in 2012
- 70% of new orders were won on criteria other than price

Figures in MNOK	Q4 2012	Q4 2011	2012	2011
	294.8	426.8	1 275.1	1 536.2
Operating profit (EBIT)	15.9	18.7	43.0	43.2
Profit, associated companies	0.3	6.9	0.3	6.9
Net financial items	5.0	1.5	9.0	6.1
Earnings before tax (EBT)	21.2	27.1	52.3	56.2
Profit margin (%)	7.2	6.3	4.1	3.7

Property operations

- Norway - high level of activity and strong performance
 - Five projects initiated
 - Certain projects accelerated

- Sweden – activities still slow
 - One project initiated
 - Project gains and write-downs during the quarter

	Q4 2012	Q4 2011	2012	2011
Operating income	697.2	457.1	2 110.7	1 525.7
Operating profit (EBIT)	9.2	20.5	115.2	108.3
Profit, associated companies	28.2	11.6	44.6	181.2
Net financial items	11.8	-3.8	13.1	-8.5
Earnings before tax (EBT)	49.2	28.3	172.9	281.0

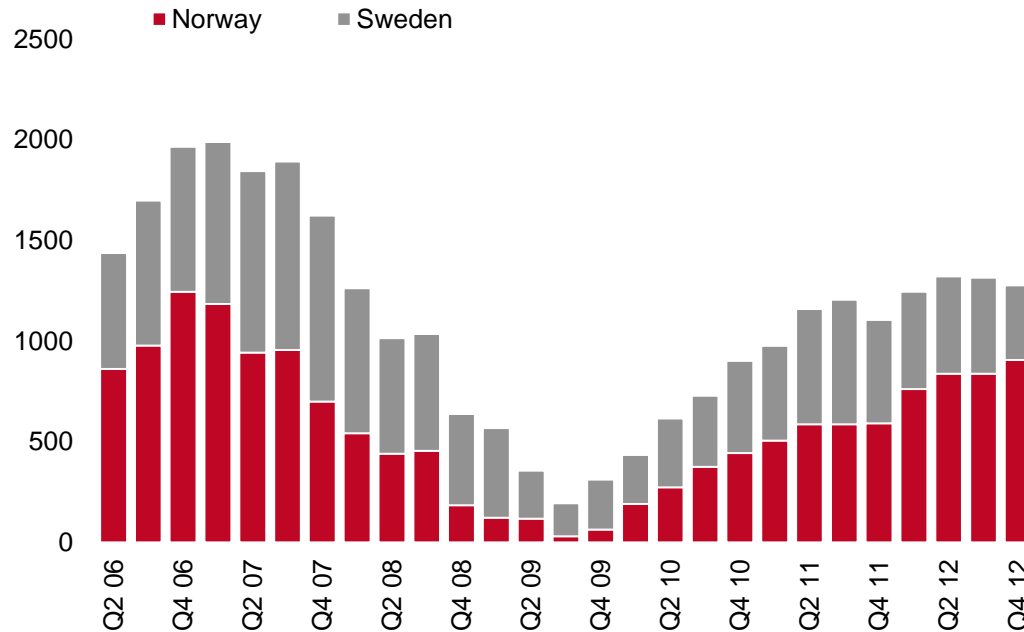
Capital invested	3 520	2 641	3 520	2 641
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Profit 2012	NO	SE	DK
Operating revenues	1 341.1	745.3	24.3
Earnings before tax	173.8	4.7	-5.5

Housing units under construction

Housing units under construction (Veidekke's share)

Housing units



- 1 277 housing units under construction
 - Largest share in Norway (71%)
 - 80% sold
- 622 housing starts in 2012
 - 528 housing starts in Norway
- 152 housing starts in Q4
 - 125 housing starts in Norway
- Larger share of projects in partnerships in future

Collaboration with Alecta

- Rental properties as a new market segment for Property Sweden
- 50/50 collaboration with Alecta
 - Development and building of rental properties and residential properties
 - Opportunity to own and manage rental properties
 - Formalised through Convea AB
- Alecta is Sweden's largest life insurance company
 - Manages SEK 500 billion, of which SEK 14 billion in management property



Industry operations

- Steep decline in profits for Asphalt
 - 10% decline in turnover
 - Price reductions in certain regions
 - Lay-off regulations and new hourly wage scheme
- Strong performance in the other two segments
 - Crushed Stone and Gravel
 - Road Maintenance

	Q4 2012	Q4 2011	2012	2011
Operating income	886.3	985.0	3 192.5	3 041.5
Operating profit (EBIT)	24.3	63.9	52.8	120.3
Profit, associated companies	2.0	1.4	11.3	9.4
Net financial items	-5.8	-5.8	-25.7	85.8
Earnings before tax (EBT)	20.4	59.5	38.3	215.5

Profit margin (%)	2.3	6.0	1.2	7.1
Capital invested	1 042	917	1 042	917

Profit 2012	Asphalt	Aggregates	Road maintenance
Operating revenues	2 045	391	767
Earnings before tax	-7	33	12

Challenges to profitability in Asphalt

- Challenges in 2012
 - Pressure on profit margins
 - Lay-off regulations and new hourly wage scheme
- Measures in 2013
 - Market strategy (price/customer)
 - Hourly wage scheme
 - Cost efficiency and capital rationalisation





New district office, Indre Østland at Rudshøgda

Consolidated Financial Statement (IFRIC 15)

Income statement

	Q4 2012	Q4 2011	2012	2011
Operating revenues	5 573.6	5 432.4	19 839.0	17 727.3
Operating expenses	-5 209.8	-5 128.8	-19 035.5	-16 999.7
Depreciation	-90.0	-79.4	-305.2	-327.3
Operating profit (EBIT)	273.8	224.2	498.3	400.3
Profit, associated companies	19.4	50.6	35.2	229.2
Net financial items	24.3	3.4	53.3	118.2
Earnings before tax (EBT)	317.6	278.2	586.9	747.7
Tax	-61.7	-20.7	-129.0	-102.9
Profit for the year	255.8	257.5	457.8	644.8
Of which, non-controlling interests	6.4	3.2	9.8	7.1
Net profit for the period	249.4	254.3	448.0	637.7
Earnings per share (NOK)	1.9	1.9	3.4	4.8
Earnings before tax (EBT), segment	292.3	205.5	680.4	751.3

Balance sheet - assets

Figures in MNOK (IFRIC 15)	2012	2011
Goodwill and intangible assets	677.0	580.5
Deferred tax asset	62.4	67.4
Buildings/land	511.7	488.0
Machinery, etc.	1 234.8	1 136.8
Investments in associated companies	755.0	515.1
Financial items	394.1	280.1
Total fixed assets	3 635.0	3 067.9
Non-residential and residential projects (sites included)	3 623.9	3 261.8
Inventories	330.0	264.2
Accounts receivable	3 390.2	3 055.3
Cash and cash equivalents	205.5	276.0
Total current assets	7 549.7	6 857.3
Total assets	11 184.7	9 925.2

Balance sheet – equity and liabilities

Figures in MNOK (IFRIC 15)	2012	2011
Equity	2 333.9	2 294.4
Pension liabilities and deferred tax	332.6	386.9
Bank loans etc	2 073.0	801.4
Creditors, guarantee funds	3 585.9	3 536.8
Other liabilities	2 859.3	2 905.7
Total liabilities	8 850.8	7 630.8
Total equity and liabilities	11 184.7	9 925.2
Net interest-bearing position	-1 505.6	-274.4
Equity ratio (%)	20.9	23.1

Statement of cash flows

Figures in MNOK	2012					2011
	Construction Other	Property	Industry	Dividends	Group	Group
Earnings before tax	375.6	172.9	38.3	-	586.9	747.7
Depreciation	161.5	5.3	138.4	-	305.2	327.3
Other working capital, etc.	-273.2	-952.3	-60.1	-	-1 285.6	-730.5
Cash flow from operating activities	263.9	-774.0	116.6	-	-393.5	344.5
Purchase/sale of tangible non-current assets	-278.8	66.3	-127.3	-	-339.8	-313.4
Other investing activities	-129.8	20.4	-15.0	-	-124.4	117.9
Cash flow from investing activities	-408.6	86.7	-142.2	-	-464.1	-195.5
Dividend paid	-	-	-	-367.7	-367.7	-334.3
Other items	28.8	7.4	-42.1	-	-5.9	72.4
Cash flow from financing activities	28.8	7.4	-42.1	-367.7	-373.6	-261.9
Change interest-bearing debt	-115.9	-679.9	-67.7	-367.7	-1 231.2	-112.9
Capital invested at 31 December 2012	-154	3 520	1 042		4 407	3 217



Summary and the road ahead

Terje R. Venold, President and CEO

In the run-up to 2015

- Operations strengthened in 2012
 - Targeted growth on turnover
 - Challenges to profitability in some units
 - Improved order backlog and land bank
- Continuous human resources development
 - Recruitment
 - Training
 - Selective acquisitions
- Interactive planning creates value
 - Increased use of new technology in planning and production



Expertise for the future

- Collaboration with Stanford University; digital tools (BIM) and work processes (VDC)
- Efficiency enhancement in the planning and building phase
- Stanford course for the third time, total 75 participants
- Open seminar for Industry in Trondheim with 250 participants



Good competitiveness

Positive earning capacity

- Doing well in the building segment and Property in Norway
- Clear potential in Heavy Construction and Asphalt

Strong platform

- Healthy order backlog and robust land bank
- Market prerequisites present

Expertise and culture

- Expertise and culture based on many years of experience
- Improved processes based on new technology



Presentation
11 March 2013

Welcome back




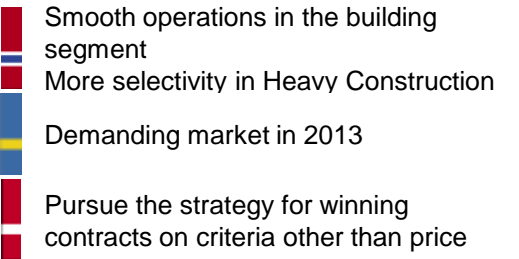
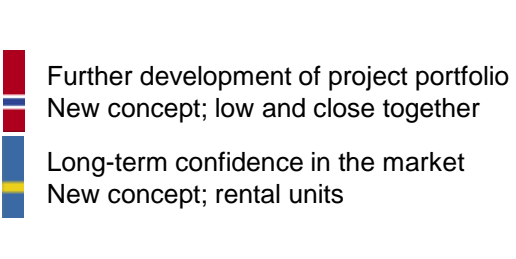
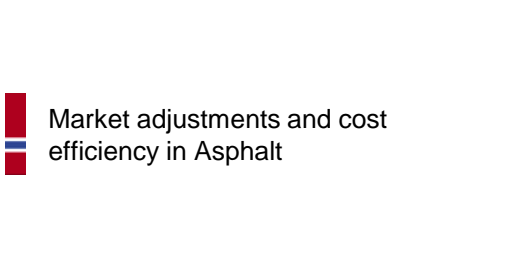


Economic Activity Report
FOR THE SCANDINAVIAN COUNTRIES

September 2012



Strategic summary

	CONSTRUCTION	PROPERTY	INDUSTRY
2012	 <ul style="list-style-type: none"> More activity and good profitability in the building segment Low margins in Heavy Construction Satisfactory margins, best in the Stockholm units Satisfactory profitability at lower volumes 	 <ul style="list-style-type: none"> Good housing sales and high profitability Robust land bank Housing market hesitant Robust land bank 	 <ul style="list-style-type: none"> Deficit in Asphalt Improvement in Road Maintenance and in Crushed Stone and Gravel
2013	 <ul style="list-style-type: none"> Smooth operations in the building segment More selectivity in Heavy Construction Demanding market in 2013 Pursue the strategy for winning contracts on criteria other than price 	 <ul style="list-style-type: none"> Further development of project portfolio New concept; low and close together Long-term confidence in the market New concept; rental units 	 <ul style="list-style-type: none"> Market adjustments and cost efficiency in Asphalt

Business segments year-to-date

	2012			2011		
Figures in MNOK	Operating rev.	EBT	Margin	Operating rev.	EBT	Margin
Construction Norway	11 480.2	356.7	3.1%	9 499.0	190.2	2.0%
Construction Sweden	3 555.6	87.7	2.5%	3 383.7	54.8	1.6%
Construction Denmark	1 275.1	52.3	4.1%	1 536.2	56.2	3.7%
Total Construction	16 310.9	496.7	3.0%	14 418.9	301.2	2.1%
Property Norway	1 341.1	173.8	13.0%	916.7	122.6	13.4%
Property Sweden	745.3	4.7	0.6%	601.2	166.0	27.6%
Property Denmark	24.3	-5.5	-	7.8	-7.6	-
Total Property	2 110.7	172.9	8.2%	1 525.7	281.0	18.4%
Veidekke Industry	3 192.5	38.3	1.2%	3 041.5	215.5	7.1%
Other	-1 154.0	-27.6	-	-1 077.6	-46.4	-
Total Group	20 460.1	680.4	3.3%	17 908.5	751.3	4.2%

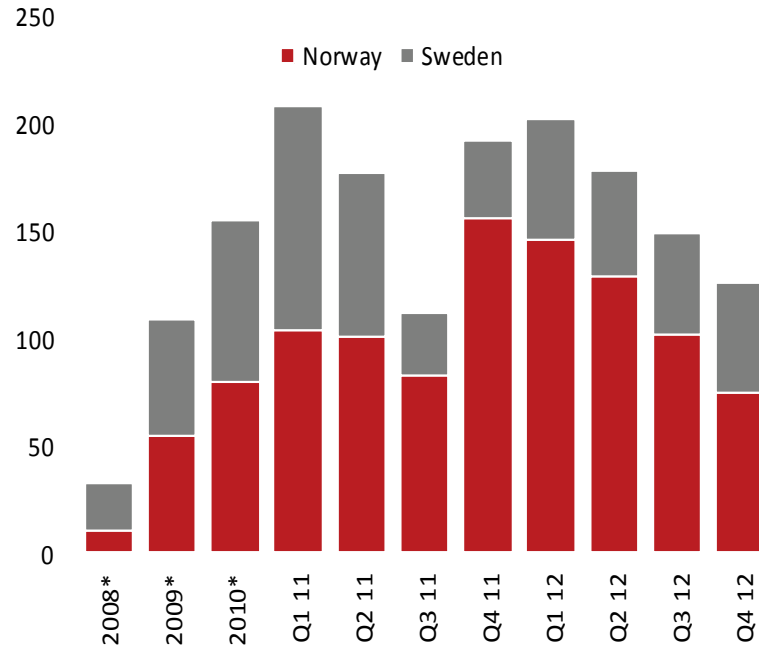
Change in earnings before tax

Earnings before tax
MNOK



Housing sales – quarterly trend

Housing sales (Veidekke's share)
Number of units



*Quarterly average



Sädesärlen, Östermalm

Housing portfolio

Property Net housing portfolio	In production pr.at 31.12.10	Completed 2011	Start-ups 2011	In production pr. 31.12.11	Completed 2012	Start-ups 2012	In production pr. 31.12.12
Number of dwellings in production							
Norway	443	-293	441	591	-213	528	906
Sweden	458	-245	300	513	-236	94	371
Total in production	901	-538	741	1 104	-449	622	1 277
Of which sold							
Norway	340			433			722
Sweden	359			379			293
Total sold dwellings in production	699			812			1 015
Sales rate %	78 %			74 %			80 %
Completed, unsold dwellings							
Norway	43			25			10
Sweden	-			1			13
Denmark	10			6			-
Total completed, unsold dwellings	53			32			23
Number of projects in production							
Norway	17	-13	12	16	-9	18	25
Sweden	11	-6	5	10	-6	3	7
Total projects in production	28	-19	17	26	-15	21	32

Capital tied-up as at 31 December *

Property Scandinavia - Assets	Pr. 31.12.2012			
Figures in MNOK	Norway	Sweden	Denmark	Total
Investments in joint ventures	599.6	52.5	-	652.1
Land for development	400.3	1 211.0	142.1	1 753.4
Dwellings under construction	263.6	-	-	263.6
Unsold, completed dwellings	17.8	32.3	-	50.1
Accounts receivable	977.4	62.5	19.4	1 059.3
Other	205.5	479.2	21.7	706.4
Total assets	2 464.2	1 837.5	183.3	4 485.0
Capital invested	2 171.8	1 176.6	171.1	3 519.5

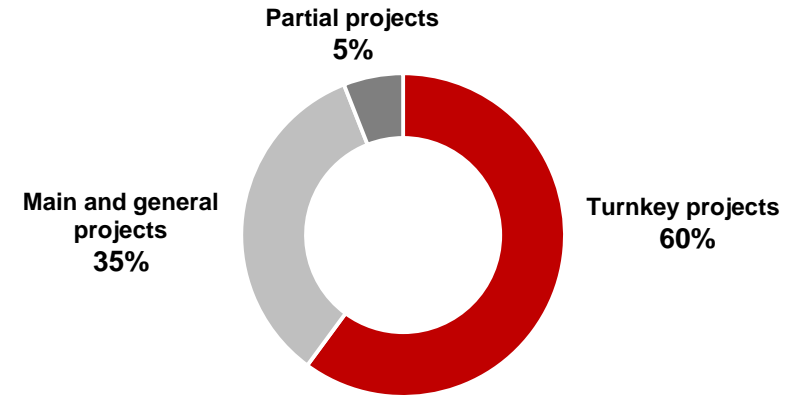
* In accordance with the segment reporting

Pension scheme in Norway

- Transition from defined benefit pension scheme to defined contribution pension scheme for employees under the age of 57 as of 31 December 2012
 - Veidekke has approximately 4 000 employees in its Norwegian operations
- Broad employee involvement in the process
- The new pension scheme will be attractive for the employees and financially viable for Veidekke
 - Accounting-related costs will be maintained at today's level (MNOK 145)
- Q4 2012: The transition will have a positive effect on earnings of MNOK 113
 - Effect on profit/loss account of MNOK 140 + recognised actuarial losses of MNOK 27
 - Construction Norway MNOK 94
- Q1 2013: New accounting principles (IFRS) for pension schemes
 - The recognised equity ratio at 1 January 2013 will be reduced by approximately MNOK 150
- Total effect of contribution-based pension scheme and implementation of new accounting principles for pensions: The equity ratio will be reduced by 0.5 per cent

Construction Norway - customers

- Strong customer relations based on mutual transparency, confidence and respect
- **Interactive planning** is the key to success for all parties
- **80%** of our sales are to repeat customers
- **80%** of our building projects are turnkey projects
- **50%** of our external building projects are negotiated contracts



Building and construction markets in Scandinavia

- **Norway:** Continued strong growth and a high level of activity
- **Sweden:** Zero growth in 2013, but at a high level
- **Denmark:** Continued low level of activity

Building and construction market
Fixed prices (NOK billion)

