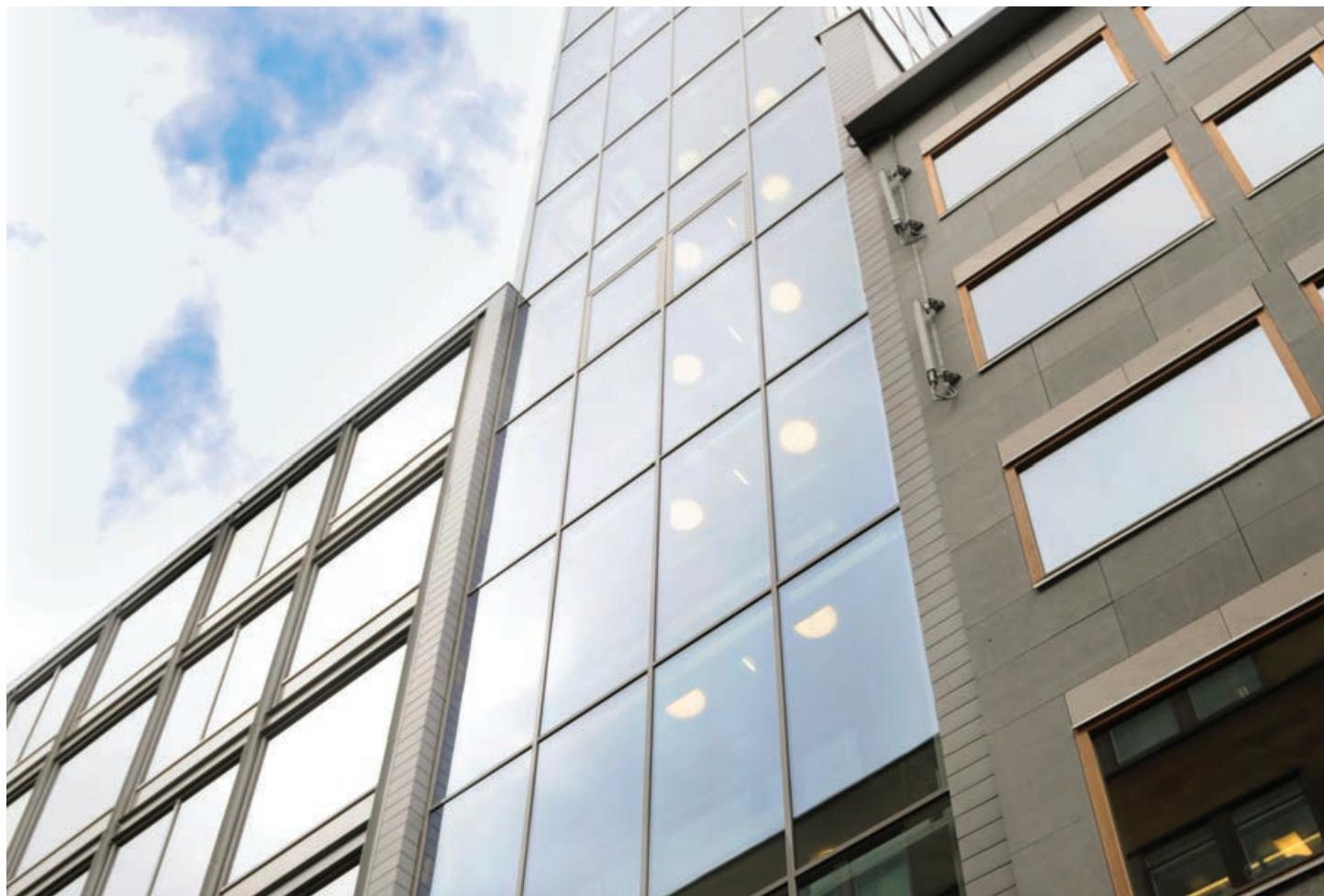




Report Q3 2011





FROM THE PRESIDENT AND CEO:

The headline for Veidekke's third quarter results announcement is "satisfactory result in challenging times." The production of contracts won under the challenging market conditions of 2009 and 2010 continued to impact construction operations, but increased activity and improved property sales, however, contributed to overall satisfactory results for the third quarter.

BOARD OF DIRECTORS' REPORT FOR THIRD QUARTER 2011:

KEY FIGURES (MNOK) *	Q3 2011	Q3 2010	1.1. – 30.9.	1.1. – 30.9.	Oct. 2010 -	2010	2009
			2011	2010	Sept. 2011		
Operating revenues IFRS	4 539.1	4 389.3	12 294.9	11 689.8	16 350.0	15 744.9	15 923.4
Earnings before tax IFRS	220.0	267.3	469.5	378.2	573.3	482.0	628.4
Earnings per share IFRS (NOK) ¹⁾	1.3	1.5	2.9	2.1	3.4	2.6	3.7
Operating revenues segment ²⁾	4 587.1	4 447.9	12 759.1	11 923.2	17 132.3	16 296.4	15 558.0
Earnings before tax (EBT) segment ²⁾	225.1	270.5	545.8	419.6	715.9	589.7	523.1
Earnings per share segment ²⁾	1.4	1.5	3.3	2.3	4.3	3.3	3.0
Profit margin (%) ²⁾	4.9	6.1	4.3	3.5	4.2	3.6	3.4
Net interest-bearing position	-1 033	-610	-1 033	-610	-1 033	-162	101
Orders-on-hand Construction	13 379	12 086	13 379	12 086	13 379	12 183	12 334

¹⁾ No dilution effect.

²⁾ The figures are taken from the segment reporting that provides the most accurate bildet of actual activity and earnings in the period.

*The comments under highlights and the segment reports relate to figures taken from the segment accounts.

HIGHLIGHTS

GROUP	Q3 2011	Q3 2010	MNOK	
			As of 30.9. 2011	As of 30.9. 2010
Operating revenues	4 587.1	4 447.9	12 759.1	11 923.2
Earnings before tax	225.1	270.5	545.8	419.6
Profit margin (%)	4.9	6.1	4.3	3.5

The 3rd quarter of the year was marked by increased activity with turnover up 7% over the corresponding quarter of 2010. The increase came primarily from overall property activities and construction operations in Sweden. As a result of the international financial turmoil, the building and construction markets are uncertain. Veidekke felt this in Sweden especially.

Overall, quarterly results were satisfactory. Parts of the Norwegian construction industry continue to be characterised by margin pressure.

Property operations achieved a good result despite a slightly lower activity level compared to the preceding quarters. Sales of new homes were satisfactory in Norway, but weak in Sweden.

Industry delivered a profit on par with last year despite lower activity.

Orders-on-hand for construction operations totalled 13.4 BNOK at the end of the quarter, compared to 12.2 BNOK at the end of the year and 12.1 BNOK in the same period last year.

Veidekke has a solid financial position. Cash flow for the quarter is seasonally negative.

Other operations

The Competition Authority announced on 17 October that it is considering a decision against Veidekke for breach of competition laws and that Veidekke will receive full leniency. For further details, see page 8.

CONSTRUCTION OPERATIONS

CONSTRUCTION	Q3 2011	Q3 2010	MNOK	
			As of 30.9. 2011	As of 30.9. 2010
Operating revenues	3 538.7	3 186.8	10 266.6	9 267.7
Earnings before tax	72.9	132.7	191.5	381.7
Profit margin (%)	2.1	4.2	1.9	4.1
Orders-on-hand	13 379	12 086	13 379	12 086

Building and heavy construction activities in Norway and Denmark are nation-wide, while activity in Sweden is concentrated in the regions around Stockholm, Gothenburg and Skåne.

Construction operations in Norway

CONSTRUCTION NORWAY	Q3 2011	Q3 2010	MNOK	
			As of 30.9. 2011	As of 30.9. 2010*
Operating revenues	2 316.7	2 173.3	6 754.3	6 464.2
Earnings before tax	52.4	98.6	128.2	307.5
Profit margin (%)	2.3	4.5	1.9	4.8
Orders-on-hand	9 440	7 900	9 440	7 900

* As of 30.9.2010 the accumulated earnings effect from a change in pension scheme was 68 MNOK.

The level of activity in several segments of the construction market has improved. However, there are large local and market fluctuations, and profitability is characterised by considerable overcapacity in the market with fierce competition and pressure on prices and margins.

3rd quarter turnover increased by 7% compared to the same quarter last year. Profitability was considerably weaker with a profit margin of 2.3% against 4.5% in the 3rd quarter of 2010. Parts of the project portfolio are still marked by squeezed margins.

At the end of the quarter, orders-on-hand in the Norwegian construction operations totalled 9.4 BNOK, compared to NOK 8.3 BNOK at the end of the year and 7.9 BNOK in the same period last year. Order intake for the quarter consisted mainly of medium-sized private and public construction projects.

Among the new contracts signed are construction of the first leg of the new rural road 2 between Kongsvinger and Slomarka with a contract value of 193 MNOK, for the Public Roads Administration; the construction of a new test facility for a subsea compressor at Kårstø for Statoil with a contract value of approximately 115 MNOK; and the upgrading of the Svartevann dam for Sira-Kvina Power with a contract value of approximately 100 MNOK.

Construction operations in Sweden

CONSTRUCTION SWEDEN	Q3 2011	Q3 2010	MNOK	
			As of 30.9. 2011	As of 30.9. 2010
Operating revenues	781.6	674.6	2 402.9	1 847.7
Earnings before tax	4.6	22.3	34.2	48.0
Profit margin (%)	0.6	3.3	1.4	2.6
Orders-on-hand	2 856	3 250	850.3	3 250

There are still great opportunities in the Swedish building and construction market, but the financial turmoil has created uncertainty.

3rd quarter turnover increased in the Swedish building and construction operations by 13%

compared with the corresponding period last year. Construction activities accounted for the largest increase.

The overall result was 4.5 MNOK. Profitability is especially weak in the regions West and South as a result of project write-downs. Activities in Stockholm, however, have satisfactory margins.

At the end of the quarter, the Swedish building and construction operations had orders-on-hand equal to 2.9 BNOK, compared to NOK 3.0 BNOK at year-end and 3.3 BNOK in the same period last year.

Among the new contracts in the quarter are the rebuilding of the Royal Institute of Technology (KTH) at Stockholm Akademiska Hus for 113 MNOK, housing units for Brf Cyklisten for Veidekke Bostad for 64 MNOK and construction of the port area of Ven for Landskrona Municipality for 35 MNOK.

Construction operations in Denmark

CONSTRUCTION DENMARK			MNOK	
	Q3 2011	Q3 2010	As of 30.9. 2011	As of 30.9. 2010
Operating revenues	440.4	338.9	1 109.4	955.8
Earnings before tax	15.9	11.8	29.1	26.2
Profit margin (%)	3.6	3.5	2.6	2.7
Orders-on-hand	1 083	977	1 083	977

The Danish building and construction market was still marked in the 3rd quarter by the economic downturn and financial turmoil, which is still causing considerable uncertainty around the future level of activity in the market. Moreover, the market is characterised by tough price competition.

Hoffmann is systematically working to focus on projects for which competition is based on other than price.

Hoffmann increased its 3rd quarter turnover by 32% compared to same quarter last year. So far this year sales have increased by 18% compared with previous years. Hoffmann has maintained stable earnings and achieved a profit margin of 3.6%, which is in line with the 3rd quarter of 2010.

At the end of the quarter, the company had orders-on-hand of 1 083 MNOK, against 957 MNOK at year-end and 977 MNOK in the same period last year. There has been a strong order intake in the 3rd quarter, which has led to an increase in orders-on-hand. Among others, a new contract was signed for the new headquarters of Syd Energi in Esbjerg for 220 MNOK and the renovation of the Kagshusene residential project in Brønshøj for 133 MNOK.

PROPERTY DEVELOPMENT

PROPERTY DEVELOPMENT			MNOK	
	Q3 2011	Q3 2010	As of 30.9. 2011	As of 30.9. 2010
Operating revenues	314.4	322.4	1 068.6	762.4
Earnings before tax	31.0	20.5	252.7*	22.8
Number of apartments under construction	1 205	728	1 205	728

* Including effect of the Bouwfonds transaction of 133 MNOK in the 2nd quarter.

The Property segment is engaged in the development of dwellings for Veidekke's own account, as well as non-residential buildings for private and public customers. Operations are concentrated around the largest cities in Norway and Sweden.

Scandinavian Property operations had a turnover of 314 MNOK in the 3rd quarter against 322 MNOK in the 2nd quarter of 2010. Profit before tax was 31.0 MNOK compared to 20.5 MNOK in the same quarter last year.

The housing market has developed favourably since 2010 with increasing sales of dwellings in and around the largest cities in Norway and Sweden. In Norway, this trend continued, while in Sweden there has been a gradual decline in housing sales since September. This is to some extent reinforced by the banks' credit tightening measures, and can lead to slower production rates than previously expected.

In total, 112 units (Veidekke's share) were sold in the the quarter against 216 units in the 3rd quarter of 2010. There were few sales starts of new projects in the 3rd quarter, and few residential units for sale.

At the end of the quarter, the number of residential units under production was 1 205 (Veidekke's share), compared to 901 at the end of 2010 and 728 a year ago. The portfolio sales ratio is high with an average of 81%.

The Group has, at the end of the quarter, a land bank in Norway and Sweden equivalent to 9 500 units (8 100 as of 3rd quarter 2010). This increase is largely related to the acquisition of Bouwfonds' 50% stake in the joint venture Bouwfonds Veidekke AB, which took place in the 2nd quarter.

Property development in Norway

PROPERTY DEVELOPMENT NORWAY			MNOK	
	Q3 2011	Q3 2010	As of 30.9. 2011	As of 30.9. 2010
Operating revenues	206.3	173.0	650.5	389.5
Earnings before tax	20.9	18.8	90.6	30.0
Number of apartments under construction	586	375	586	375

The Norwegian operations had a pre-tax profit of 20.9 MNOK in the 3rd quarter compared to 18.8 MNOK in the same quarter in 2010. Turnover was

206 MNOK against 173 MNOK in the 3rd quarter of 2010.

With the help of low interest rates and a great national outlook, the housing market has improved significantly over the past year. The new housing market is however price sensitive and selective. Pre-sales of projects out for sale, have been good in most places. In the quarter, three projects commenced with a total of 57 residential units. Several other new projects will be initiated in the 4th quarter. Most are located in and around the area of Oslo, but projects are now also being initiated in other regions.

In all, 82 homes were sold the 3rd quarter compared to 88 in 3rd quarter last year. At the end of the quarter, the company had 586 dwellings under construction, compared with 443 at the end of the year and 375 a year ago. The sales rate was 81%.

The market for family dwellings is still the strongest, but also the market for smaller blocks of flats has improved.

In Norway, the land bank was equal to 3 700 housing units at the end of the quarter. Efforts to get these ready for sale and production have been given priority.

Property development in Sweden

PROPERTY DEVELOPMENT SWEDEN			MNOK	
	Q3 2011	Q3 2010	As of 30.9. 2011	As of 30.9. 2010
Operating revenues	108.1	148.4	417.6	371.8
Earnings before tax	12.2	2.1	169.1	-2.1
Number of apartments under construction	619	353	619	353

Property operations in Sweden had a profit before tax of 12.2 MNOK, compared with 2.1 MNOK a year earlier – an improvement over the previous year. The results are however affected by the existing portfolio's high sales rate, and slower-than-expected sales on new projects. Turnover was 108 MNOK against 148 MNOK in the same quarter last year.

The housing market has been good the past year and, up until summer holidays, sales were good, especially in the Stockholm area and Gothenburg, while Skåne was quieter. After the summer holidays, international turmoil created a general uncertainty in most places, and although the level of traffic at viewings was very good, it now takes longer to sell. Furthermore, credit tightening by the banks has made it difficult for buyers to secure financing. Overall, this will result in a lower production rate growth than previously expected.

In the 3rd quarter, 30 homes were sold compared to 124 in the same period last year.

In the 3rd quarter, one project with 75 dwellings was initiated. At the end of the quarter, the company had 619 dwellings under construction (sales rate 82%) compared with 458 at this year's start and 353 at the end of the 3rd quarter of 2010.

At the end of the quarter, the land bank was comprised of 5 800 units, of which 67% were options based.

Property development in Denmark

PROPERTY DEVELOPMENT DENMARK			MNOK	
	Q3 2011	Q3 2010	As of 30.9. 2011	As of 30.9. 2010
Operating revenues	-		1.0	0.5
Earnings before tax	-2.1		-0.4	-7.0
Number of apartments under construction	0		0	0

Veidekke's property development activities in Denmark, Hoffmann Ejendomme A / S, had no projects under production at the end of the quarter.

The company's land bank, which is equivalent to 600 residential units spread over six cities, is for sale. Also, seven completed dwellings remain unsold.

INDUSTRY

INDUSTRY			MNOK	
	Q3 2011	Q3 2010	As of 30.9. 2011	As of 30.9. 2010
Operating revenues	918.6	1 077.4	2 056.5	2 178.9
Earnings before tax	136.1	135.9	156.0*	56.5
Earnings before tax (12-month rolling)	163.1	65.1	163.1	65.1

* Including effect of the sale of Veidekke Gjenvinning of MNOK 109 in the 2nd quarter.

The unit includes national activities in the areas of asphalt, crushed stone and gravel, and road maintenance in Norway.

Industry's turnover in the 3rd quarter was 919 MNOK against 1 077 MNOK in the 3rd quarter of 2010. Profit before tax was 136.1 MNOK compared with 135.9 MNOK a year earlier, showing an improved profit margin from 12.6% in 2010 to 14.8% in 2011.

The decline in sales in the quarter resulted primarily from the sale of Veidekke's recycling operations (102 MNOK), but also a lower asphalt production volumes. Activities within road maintenance and crushed stone and gravel were somewhat higher than in 2010.

As of 3rd quarter, the volume of asphalt was lower than the corresponding period in 2010 due to weaker Public Roads Administration tender results. The proportion of contracts for public sector clients has thus decreased, while the private demand has increased. The profit margin for the asphalt industry is on par with 2010.

Road maintenance continued its positive trend in the 3rd quarter and has a net income in balance. The newer contracts have developed as expected. The operations continued focus on improvements in financial and contract expertise, as well as safety on the road.

The crushed stone and gravel activities have a slightly higher volume than in the 3rd quarter of 2010 and, in combination with increased productivity and cost reduction measures, this will yield improved profitability in both the short and long term.

OTHER OPERATIONS

These include our remaining operations outside Scandinavia, our role as owner in PPP projects, and the work of the corporate management team and financial management.

Activities in this segment show a trend in line with established plans.

INJURIES/ABSENCE/HSE

Injury rate

Cumulative injury rate	As of Q3 2011*	As of Q2 2011*	As of Q3 2010*	2010*
Norway	4.8	4.4	4.9	4.3
Sweden	16.9	15.5	9.3	6.6
Denmark	12.0	4.0	8.3	6.0
Scandinavia	6.9	5.7	5.9	4.8

* 12-month rolling.

In the 3rd quarter of 2011, there was an accident in the Danish business Hoffmann that resulted in the death of one person.

Recently, we have had an increasing number of injuries in the operations. For our overall Scandinavian operations, the injury rate was 6.9 compared with 5.7 the previous quarter. The cumulative injury rate as of the 3rd quarter last year was 5.9.

In the Norwegian segment, there were 11 lost time injuries, 10 in the Swedish, and 7 in the Danish in the 3rd quarter.

In September, Veidekke arranged "HSE Week" for the whole Group for the first time. This marked the beginning of the initiative "Next Generation HSE." The main focus of HSE week was security and reaching out to everyone, both our own employees and subcontractors.

Sickness absence

Cumulative sickness absence in %	As of Q3 2011*	As of Q2 2011*	As of Q3 2010*	2010*
All employees in Norway	5.6	5.7	5.5	5.4
Skilled workers Norway	7.5	7.7	7.2	7.1
All employees in Sweden	3.5	3.6	3.0	2.8
Skilled workers Sweden	5.3	5.5	4.2	3.9
All employees in Denmark	2.3	2.1	2.3	2.2
Skilled workers in Denmark	3.0	2.5	2.4	2.2

* 12-month rolling.

Sick leave for all employees in Norway and Sweden was slightly reduced compared with the previous quarter. In Denmark there was a slight increase compared with the previous quarter, although the numbers are still low.

FINANCIAL SITUATION

	Q3 2011	Q3 2010	2010	2009
Interest-bearing position	-1 033	-610	-162	101
Investments in machinery and equipment	93	101	381	436
Sale of property, machinery and equipment	8	68	73	40
Total assets	10 635	8 972	8 071	7 860
Equity share (%)	19.3	21.5	25.2	25.7
Unused, committed borrowing facilities	622	1 174	1 653	1 896

The Group's financial position remains strong. The change in net interest-bearing liabilities for the quarter was -154 MNOK and was a consequence of seasonal fluctuations in industry operations and project-related changes in construction and property.

At the end of the 3rd quarter, Veidekke had available credit facilities of 622 MNOK.

TRANSACTIONS WITH RELATED PARTIES

Veidekke has ongoing transactions with related parties as part of its normal course of business, including contracts for the development of specific projects. Veidekke had no significant transactions with related parties in the 3rd quarter of 2011. In note 34 of the financial statements for 2010, details are provided on the types of transactions and their extent for last year.

SHAREHOLDER INFORMATION

	Q3 2011	Q3 2010
Number of million shares traded	3.8	3.3
Largest shareholders	Ownership share in %	
OBOS	28.0	
If Skadeförsäkring	9.0	
Folketrygfonden	7.2	
Veidekke employees	19.6	
Foreign shareholders	26.9	

A total of 3.8 million Veidekke shares were traded on the stock exchange in the 3rd quarter. The largest shareholders at 30 September 2011 were OBOS, IF Skadeförsäkring AB and Folketrygfonden. Foreign ownership was 26.9%.

During the quarter, the share price ranged between 35.3 NOK and 49.1 NOK.

There were no share repurchases in the 3rd quarter of 2011.

CHANGES TO THE BOARD

Steinar Krogstad, who was an employee representative on the Board, has been granted a leave of absence from 1 November for a period of four years in connection with his election as the Secretary General of the Norwegian United Federation of Trade Unions. His seat on the Board will be taken over by Odd Andre Olsen as of the same date.

MARKET AND COMPETITIVE SITUATION

The global economy has so far this autumn been marked by uncertainty, lower international growth forecasts, and a rise in banks' lending rates. The Norwegian economy has so far been shielded from the turmoil abroad, but if the situation does not improve, it may also affect the Norwegian economy.

As expected, GDP growth this year has been about 3%, and the overall construction market is developing positively. Housing prices are increasing, and growth in 2011 is expected to be around 10%. There will be around 27 000 housing starts in 2011. If the global downturn continues, there is reason to believe that this may have an effect on the Norwegian housing market in 2012.

For both the public and private markets, construction activity is still high, although growth in housing starts during the autumn has slowed. In construction, several projects have been delayed. This is expected to change during the winter.

The Swedish construction market is increasingly affected by the financial turmoil. In particular, sales of homes have slowed and resulted in fewer housing starts this autumn. We expect around 25 000 housing starts for the year.

Activity within public and private non-residential building is still high, but a slowdown during the winter is expected as a result of the international financial turmoil. The building and construction market in Sweden is also affected by the postponement of projects. However, we expect an improvement in construction activity through the winter.

In Denmark, the building and construction market is weak and the housing market is characterised by negligible construction activity and many units for sale. This situation is expected to continue also in 2012.

RISK AND UNCERTAINTY FACTORS

Veidekke's activities are related to the execution of individual projects. There is considerable variation in orders with respect to project complexity, size and risk. It is crucial to Veidekke's results that project risk be handled in a systematic and professional manner during the implementation phase.

A part of Veidekke's project portfolio was acquired under tight market conditions. This indicates high pressure on margins, making it more difficult for construction operations in the short term to achieve the Group's profitability targets.

There is continued pressure in the labour market, especially in the two capitals, Oslo and Stockholm. This could affect the availability of relevant expertise. This has a high focus and is sought to be offset by systematic recruitment and development.

Both sub-contractor and materials purchase prices show an increasing trend, but with variations. The risks relate to market developments and our assessment of when we should enter into lock-in agreements relating to signed agreements and tendered offers. This risk is partly managed by entering into long-term cooperation agreements with strategic suppliers, as well as careful analysis and monitoring of prices of essential inputs.

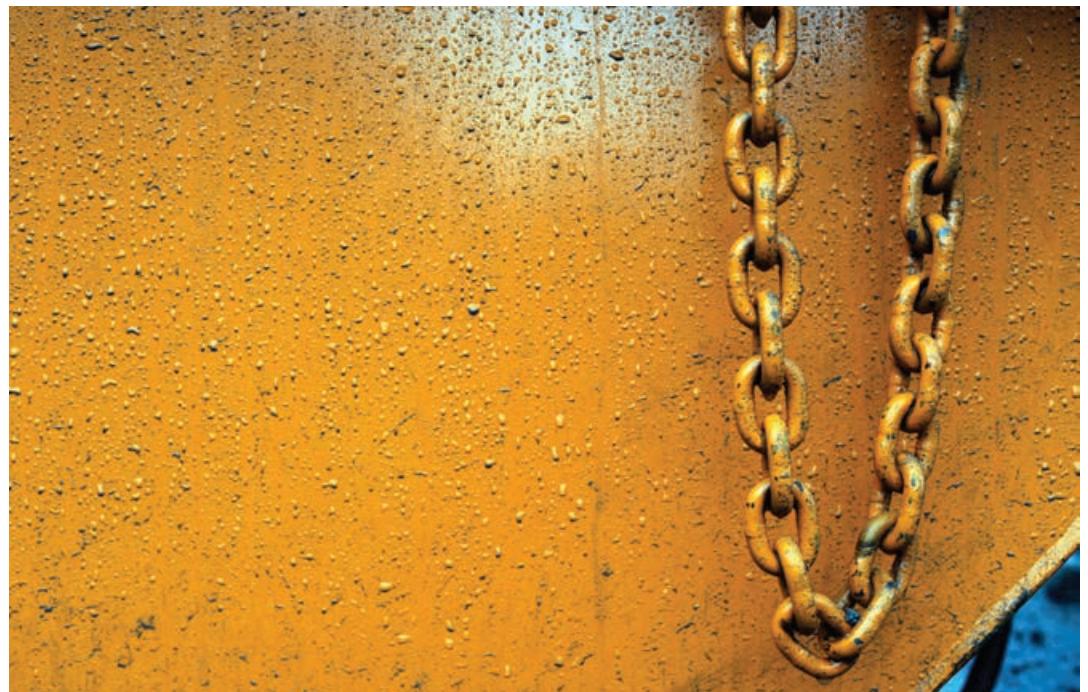
In Denmark, there are still many companies in the building and construction industry, which are struggling financially. Veidekke has therefore focused highly on following-up subcontractor's ability to deliver in both ongoing and new projects.

The international financial turmoil may affect the development of property projects for Veidekke's own account. Future earnings in the property segment will depend on the initiation of new projects. Veidekke practices the rule that the construction of new projects cannot commence until it has achieved a sales rate of 50%, and projects can thus be exposed as a result of the financial turmoil.

The acquisition of 50% of the shares in Bouwfonds Veidekke AB resulted in a higher exposure to the real estate market in Stockholm, and the capital invested in the property segment has therefore increased compared to 31 December 2010.

On the basis of a request from Veidekke, in January 2010 the Competition Authority initiated investigations into suspected breaches of competition law by Veidekke asphalt plants in Central Norway. Veidekke has cooperated fully with the Competition Authority during the Authority's investigation. The Competition Authority has announced that the legal conditions for full leni-

ency have been met, and that Veidekke will be exempted from a fine of 270 MNOK, provided that Veidekke continues to cooperate fully with the Competition Authority, and that no information becomes available that indicates that Veidekke has given the Authority misleading or incorrect information.



Oslo, 2 November 2011
Board of Directors of VEIDEKKE ASA

Martin Mæland
Chairman

Gro Bakstad Annika Billström Jette W. Knudsen Peder Chr. Løvenskiold Hans von Uthmann

Odd Andre Olsen Inge Ramsdal Lars Skaare

Terje R. Venold
President and CEO

**CONSOLIDATED INTERIM ACCOUNTS (UNAUDITED)**

- A. Financial accounts for Third Quarter**
- B. Segment accounts**
- C. Geographic segments**
- D. Statement of changes in equity**
- E. Notes to the interim accounts**

DECLARATION BY THE BOARD OF DIRECTORS AND GROUP DIRECTOR

We hereby confirm that to the best of our knowledge, this interim report provides a true and fair view of important events in the accounting period and their affect on the interim accounts.

Oslo, 2 November 2011
Board of Directors of VEIDEKKE ASA

Martin Mæland
Chairman

Gro Bakstad Annika Billström Jette W. Knudsen Peder Chr. Løvenskiold Hans von Uthmann

Odd Andre Olsen Inge Ramsdal Lars Skaare

Terje R. Venold
President and CEO

A. FINANCIAL ACCOUNTS FOR THE THIRD QUARTER 2011

PROFIT AND LOSS	Q3 2011	Q3 2010	1.1. – 30.9.	1.1. – 30.9.	2010	2009
			2011	2010		
Operating revenues	4 539.1	4 389.3	12 294.9	11 689.8	15 744.9	15 923.4
Operating expenses	-4 256.2	-4 077.3	-11 870.9	-11 104.3	-14 960.7	-14 994.9
Operating profit before depreciation (EBITDA)	282.9	312.0	424.0	585.5	784.2	928.5
Impairment of non-current assets	-	-	-	-	-13.5	-
Depreciation	-76.5	-79.2	-247.9	-250.7	-348.5	-335.6
Operating profit (EBIT)	206.4	232.8	176.1	334.8	422.2	592.9
Share of profit associated companies and joint ventures	13.2	22.3	178.6	25.0	21.9	46.7
Financial income	9.8	22.4	133.1	37.8	66.6	65.8
Financial expenses	-9.4	-10.2	-18.3	-19.4	-28.7	-77.0
Earnings before tax	220.0	267.3	469.5	378.2	482.0	628.4
Income tax expense	-38.6	-66.8	-82.2	-94.5	-128.2	-118.5
Earnings after tax	181.4	200.5	387.3	283.7	353.8	509.9
of which earnings non-controlling interests	2.0	2.3	3.9	4.4	8.5	9.2
Earnings per share (NOK) *	1.3	1.5	2.9	2.1	2.6	3.7
<i>*No dilution effect</i>						
EXTENDED PROFIT AND LOSS ACCOUNT ACCORDING TO IAS 1	Q3 2011	Q3 2010	1.1. – 30.9. 2011	1.1. – 30.9. 2010	2010	2009
Earnings after tax	181.4	200.5	387.3	283.7	353.8	509.9
Other income and cost:						
Currency conversion differences	6.4	-0.4	-5.0	-5.9	3.9	-95.0
Fair value adjustment of financial assets	-37.1	-2.7	-35.6	-30.3	-10.4	6.8
Total comprehensive income	150.7	197.4	346.7	247.5	347.3	421.7
of which non-controlling interests	1.5	2.3	3.4	4.4	8.5	9.2

STATEMENT OF CASH FLOWS	Q3 2011	Q3 2010	1.1. – 30.9.	1.1. – 30.9.
			2011	2010
Earnings before tax	220.0	267.3	469.5	378.2
Tax paid	-2.2	-3.4	-99.5	-110.5
Depreciation/impairment	76.5	79.2	247.9	250.7
Other operational items	-284.5	-15.3	-1 163.9	-614.7
Cash flow from operating activities	9.8	327.8	-546.0	-96.3
Purchase/sale of tangible non-current assets	-84.5	-50.0	-268.6	-236.2
Other investment activities	14.2	-34.4	100.2	-62.3
Cash flow from investment activities	-70.3	-84.4	-168.4	-298.5
Change in accounts receivable	-25.5	8.2	-41.5	1.6
Change in interest-bearing debt	203.2	-327.2	960.1	672.4
Dividend paid	-	-	-334.3	-334.3
Purchases own shares	-	-	-	-
Redemption of debt in sold companies	-	-	154.6	-
Other financial items	-94.2	23.9	23.1	18.5
Cash flow from financing activities	83.5	-295.1	762.0	358.2
Change in cash and cash equivalents	23.0	-51.7	47.6	-36.6
Cash and cash equivalents at the beginning of the period	176.3	158.7	152.1	144.1
Exchange rate adjustment foreign liquid reserves	0.4	0.1	-	-0.4
Cash and cash equivalents, 30 September	199.7	107.1	199.7	107.1

NET INTEREST-BEARING POSITION	As of 30.9.2011	As of 30.9.2010	As of 31.12.2010	MNOK As of 31.12.2009
Cash and cash equivalents	199.7	107.1	152.1	144.1
Interest-bearing assets (long-term)	292.1	262.4	250.6	264.0
Interest-bearing liabilities	-1 524.3	-979.1	-564.2	-306.7
Net interest-bearing position	-1 032.5	-609.6	-161.5	101.4
Change in net interest-bearing position (from 1 January)	-871.0	-711.0	-262.9	361.4
OTHER KEY FIGURES				
Orders-on-hand, Construction (MNOK)	13 379	12 086	12 183	12 334
Equity ratio (%)	19.3	21.5	25.2	25.7
Average number of employees	6 187	6 028	6 036	5 925
STATEMENT OF FINANCIAL POSITION	As of 30.9.2011	As of 30.9.2010	As of 31.12.2010	As of 31.12.2009
ASSETS				
Non-current assets				
Goodwill	544.9	541.4	558.1	523.0
Other intangible assets	36.7	27.5	38.2	26.7
Deferred tax assets	53.1	471.6	53.1	510.5
Buildings/land	474.2	1 205.6	483.6	1 206.2
Machinery etc.	1 167.2	558.3	1 207.4	637.7
Investments in associated companies and joint ventures	441.5	79.3	603.1	79.3
Financial assets	322.0	337.0	280.4	317.1
Total non-current assets	3 039.6	3 220.7	3 223.9	3 300.5
Current assets				
Non-residential and residential projects	3 344.0	1 881.5	1 973.5	1 909.2
Inventories	285.7	339.7	250.6	265.9
Accounts receivable and other receivables	3 766.3	3 423.0	2 471.2	2 240.5
Cash and cash equivalents	199.7	107.1	152.1	144.1
Total current assets	7 595.7	5 751.3	4 847.4	4 559.7
Total assets	10 635.3	8 972.0	8 071.3	7 860.2
EQUITY AND LIABILITIES				
Equity				
Share capital	66.9	66.9	66.9	66.9
Other equity	1 915.8	1 820.0	1 912.3	1 919.5
Non-controlling interests	64.6	38.1	55.5	35.3
Total equity	2 047.3	1 925.0	2 034.7	2 021.7
Long-term liabilities				
Pension liability and deferred tax	242.1	322.9	275.1	424.0
Debt to credit institutions etc.	1 522.9	971.1	562.5	305.6
Other long-term liabilities	306.8	36.3	41.5	45.6
Total long-term liabilities	2 071.8	1 330.3	879.1	775.2
Short-term liabilities				
Debt to credit institutions etc.	1.4	8.0	1.7	1.1
Creditors, guarantee funds	3 816.7	3 804.0	3 234.4	3 336.3
Unpaid government charges, tax payable	447.1	431.0	403.0	436.6
Other short-term liabilities	2 251.0	1 473.7	1 518.4	1 289.3
Total short-term liabilities	6 516.2	5 716.7	5 157.5	5 063.3
Total equity and liabilities	10 635.3	8 972.0	8 071.3	7 860.2

B. BUSINESS SEGMENT ACCOUNTS	Q3 2011	Q3 2010	1.1. – 30.9.	1.1. – 30.9.	2010	MNOK 2009
			2011	2010		
CONSTRUCTION (specification page 14)						
Operating revenues	3 538.7	3 186.8	10 266.6	9 267.7	12 749.0	12 094.9
Operating expenses	-3 434.4	-3 030.1	-9 985.4	-8 814.6	-12 081.4	-11 427.3
Depreciation/impairment	-41.6	-38.0	-123.2	-112.1	-155.9	-150.5
Operating profit (EBIT)	62.7	118.7	158.0	341.0	511.7	517.1
Share of profit associated companies and joint ventures	0.3	-	0.2	-	1.8	2.7
Net financial items	9.9	14.0	33.3	40.7	54.6	85.9
Earnings before tax (EBT)	72.9	132.7	91.5	381.7	568.1	605.7
Total assets business segment	5 933.5	5 730.1	5 933.5	5 730.1	5 464.8	5 885.0
PROPERTY (specification page 15)						
Operating revenues	314.4	322.4	1 068.6	762.4	1 065.7	711.2
Operating expenses	-283.1	-307.2	-977.1	-738.2	-1 064.4	-726.7
Depreciation/impairment	-1.4	-1.6	-3.7	-5.2	-17.9	-6.2
Operating profit (EBIT)	29.9	13.6	87.8	19.0	-16.6	-21.7
Share of profit associated companies and joint ventures	4.6	4.8	169.6	9.1	23.6	2.9
Net financial items	-3.5	2.1	-4.7	-5.3	7.2	-55.1
Earnings before tax (EBT)	31.0	20.5	252.7	22.8	14.2	-73.9
Total assets business segment	3 745.6	2 540.4	3 745.6	2 540.4	2 657.3	2 584.6
INDUSTRY						
Operating revenues	918.6	1 077.4	2 056.5	2 178.9	3 075.6	2 968.0
Operating expenses	-753.1	-911.2	-1 879.8	-1 993.1	-2 817.9	-2 777.3
Depreciation/impairment	-33.2	-35.9	-120.3	-122.2	-172.2	-162.4
Operating profit (EBIT)	132.3	130.3	56.4	63.6	85.5	28.3
Share of profit associated companies and joint ventures	9.6	6.7	8.0	6.7	-1.0	10.5
Net financial items	-5.8	-1.1	91.6	-13.8	-20.9	-31.7
Earnings before tax (EBT)	136.1	135.9	156.0	56.5	63.6	7.1
Total assets business segment	1 866.7	2 268.0	1 866.7	2 268.0	1 559.8	1 705.4
OTHER OPERATIONS ¹⁾						
Operating revenues	1.5	35.7	9.4	39.2	45.5	288.9
Operating expenses	-17.8	-51.8	-68.5	-83.9	-101.1	-301.2
Depreciation/impairment	-0.3	-3.7	-0.7	-11.2	-16.0	-16.5
Operating profit (EBIT)	-16.6	-19.8	-59.8	-55.9	-71.6	-28.8
Share of profit associated companies and joint ventures	2.9	3.5	8.8	8.5	11.4	9.9
Net financial items	-0.2	-4.0	-5.4	-5.7	-3.0	6.1
Earnings before tax (EBT)	-13.9	-20.3	-56.4	-53.1	-63.2	-12.8
¹⁾ Other operations include the Group's net financial items, central unassigned costs and earnings from the Group's operations outside Scandinavia.						
GROUP ELIMINATIONS						
Operating revenues	-186.1	-174.4	-642.0	-325.0	-639.4	-505.0
Operating expenses	185.1	176.1	644.0	336.7	646.4	505.0
Depreciation/impairment	-	-	-	-	-	-
Operating profit (EBIT)	-1.0	1.7	2.0	11.7	7.0	-
Share of profit associated companies and joint ventures	-	-	-	-	-	-
Net financial items	-	-	-	-	-	-3.0
Earnings before tax (EBT)	-1.0	1.7	2.0	11.7	7.0	-3.0
TOTAL VEIDEKKE GROUP SEGMENT ACCOUNT						
Operating revenues	4 587.1	4 447.9	12 759.1	11 923.2	16 296.4	15 558.0
Operating expenses	-4 303.3	-4 124.2	-12 266.8	-11 293.1	-15 418.4	-14 727.5
Depreciation/impairment	-76.5	-79.2	-247.9	-250.7	-362.0	-335.6
Operating profit (EBIT)	207.3	244.5	244.4	379.4	516.0	494.9
Share of profit associated companies and joint ventures	17.4	15.0	186.6	24.3	35.8	26.0
Net financial items	0.4	11.0	114.8	15.9	37.9	2.2
Earnings before tax (EBT)	225.1	270.5	545.8	419.6	589.7	523.1
Total assets segment	10 070.0	8 774.2	10 070.0	8 774.2	7 798.6	7 779.4

RECONCILIATION SEGMENT ACCOUNTS VERSUS FINANCIAL ACCOUNTS

	Q3 2011	Q3 2010	1.1. – 30.9. 2011	1.1. – 30.9. 2010	2010	MNOK 2009
TOTAL VEIDEKKE GROUP SEGMENT ACCOUNT						
Operating revenues	4 587.1	4 447.9	12 759.1	11 923.2	16 296.4	15 558.0
Operating expenses	-4 303.3	-4 124.2	-12 266.8	-11 293.1	-15 418.4	-14 727.5
Depreciation/impairment	-76.5	-79.2	-247.9	-250.7	-362.0	-335.6
Operating profit (EBIT)	207.3	244.5	244.4	379.4	516.0	494.9
Share of profit associated companies and joint ventures	17.4	15.0	186.6	24.3	35.8	26.0
Net financial items	0.4	11.0	114.8	15.9	37.9	2.2
Earnings before tax (EBT)	225.1	270.5	545.8	419.6	589.7	523.1
Total assets segment	10 070.0	8 774.2	10 070.0	8 774.2	7 798.6	7 779.4
IFRIC 15 ADJUSTMENT ¹⁾²⁾						
Operating revenues	-48.0	-58.6	-464.2	-233.4	-551.5	365.4
Operating expenses	47.1	46.9	395.9	188.8	457.7	-267.4
Depreciation/impairment	-	-	-	-	-	-
Operating profit (EBIT)	-0.9	-11.7	-68.3	-44.6	-93.8	98.0
Share of profit associated companies and joint ventures	-4.2	7.3	-8.0	0.7	-13.9	20.7
Net financial items	-	1.2	-	2.5	-	-13.4
Earnings before tax (EBT)	-5.1	-3.2	-76.3	-41.4	-107.7	105.3
Total assets segment	565.3	197.8	565.3	197.8	272.7	80.8

¹⁾ According to IFRS, income and earnings for housing projects for own account shall not be recognised in the income statement till the time when the apartment is delivered to the buyer (pass of legal title). In the internal monitoring of housing projects the reporting is done according to successive cost accounting. This means that revenue and earnings are recognised in accordance with the final forecast for the project, percentage of completion and percentage of sales. The principles of current income are assumed in the segment accounts of this report.

²⁾ See also the accompanying notes, item 2 Accounting policies.

	Q3 2011	Q3 2010	1.1. – 30.9. 2011	1.1. – 30.9. 2010	2010	2009
TOTAL VEIDEKKE GROUP						
Operating revenues	4 539.1	4 389.3	12 294.9	11 689.8	15 744.9	15 923.4
Operating expenses	-4 256.2	-4 077.3	-11 870.9	-11 104.3	-14 960.7	-14 994.9
Depreciation/impairment	-76.5	-79.2	-247.9	-250.7	-362.0	-335.6
Operating profit (EBIT)	206.4	232.8	176.1	334.8	422.2	592.9
Share of profit associated companies and joint ventures	13.2	22.3	178.6	25.0	21.9	46.7
Net financial items	0.4	12.2	114.8	18.4	37.9	-11.2
Earnings before tax (EBT)	220.0	267.3	469.5	378.2	482.0	628.4
Total assets Group	10 635.3	8 972.0	10 635.3	8 972.0	8 071.3	7 860.2

Construction operations by country

CONSTRUCTION NORWAY	Q3 2011	Q3 2010	1.1. – 30.9. 2011	1.1. – 30.9. 2010	2010	MNOK 2009
Operating revenues	2 316.7	2 173.3	6 754.3	6 464.2	8 666.2	8 121.4
Operating expenses	-2 243.4	-2 059.4	-6 565.7	-6 107.6	-8 139.9	-7 549.6
Depreciation/impairment	-31.5	-27.4	-91.5	-84.6	-119.4	-118.5
Operating profit (EBIT)	41.8	86.5	97.1	272.0	406.9	453.3
Share of profit associated companies and joint ventures	0.3	-	0.2	-	1.1	1.3
Net financial items	10.3	12.1	30.9	35.5	45.2	69.1
Earnings before tax (EBT)	52.4	98.6	128.2	307.5	453.2	523.7
Total assets business segment	4 260.0	4 252.1	4 260.0	4 252.1	4 077.6	4 451.8
CONSTRUCTION SWEDEN						
Operating revenues	781.6	674.6	2 402.9	1 847.7	2 804.1	2 355.0
Operating expenses	-767.0	-645.1	-2 340.7	-1 779.7	-2 706.8	-2 299.4
Depreciation/impairment	-8.2	-7.3	-25.8	-20.1	-28.3	-22.3
Operating profit (EBIT)	6.4	22.2	36.4	47.9	69.0	33.3
Share of profit associated companies and joint ventures	-	-	-	-	-	-
Net financial items	-1.8	0.1	-2.2	0.1	2.7	3.1
Earnings before tax (EBT)	4.6	22.3	34.2	48.0	71.7	36.4
Total assets business segment	850.3	707.4	850.3	707.4	561.7	566.2
CONSTRUCTION DENMARK						
Operating revenues	440.4	338.9	1 109.4	955.8	1 278.7	1 618.5
Operating expenses	-424.0	-325.7	-1 079.0	-927.3	-1 234.7	-1 578.3
Depreciation/impairment	-1.9	-3.3	-5.9	-7.4	-8.2	-9.7
Operating profit (EBIT)	14.5	10.0	24.5	21.1	35.8	30.5
Share of profit associated companies and joint ventures	-	-	-	-	0.7	1.4
Net financial items	1.4	1.8	4.6	5.1	6.7	13.7
Earnings before tax (EBT)	15.9	11.8	29.1	26.2	43.2	45.6
Total assets business segment	823.2	770.6	823.2	770.6	825.5	867.0
TOTAL CONSTRUCTION						
Operating revenues	3 538.7	3 186.8	10 266.6	9 267.7	12 749.0	12 094.9
Operating expenses	-3 434.4	-3 030.1	-9 985.4	-8 814.6	-12 081.4	-11 427.3
Depreciation/impairment	-41.6	-38.0	-123.2	-112.1	-155.9	-150.5
Operating profit (EBIT)	62.7	118.7	158.0	341.0	511.7	517.1
Share of profit associated companies and joint ventures	0.3	-	0.2	-	1.8	2.7
Net financial items	9.9	14.0	33.3	40.7	54.6	85.9
Earnings before tax (EBT)	72.9	132.7	191.5	381.7	568.1	605.7
Total assets business segment	5 933.5	5 730.1	5 933.5	5 730.1	5 464.8	5 885.0

Property development by country

	Q3 2011	Q3 2010	1.1. – 30.9. 2011	1.1. – 30.9. 2010	2010	MNOK 2009
PROPERTY NORWAY						
Operating revenues	206.3	173.0	650.5	389.5	572.4	349.1
Operating expenses	-189.4	-159.6	-593.2	-359.3	-528.3	-349.0
Depreciation/impairment	-1.3	-1.6	-3.6	-5.1	-17.8	-6.1
Operating profit (EBIT)	15.6	11.8	53.7	25.1	26.3	-6.0
Share of profit associated companies and joint ventures	5.9	4.9	36.1	9.5	21.2	3.7
Net financial items	-0.6	2.1	0.8	-4.6	9.0	-45.6
Earnings before tax (EBT)	20.9	18.8	90.6	30.0	56.5	-47.9
Total assets business segment	1 941.5	1 555.8	1 941.5	1 555.8	1 642.3	1 675.3
PROPERTY SWEDEN						
Operating revenues	108.1	148.4	417.6	371.8	472.4	359.3
Operating expenses	-92.2	-147.0	-378.7	-375.7	-466.0	-342.2
Depreciation/impairment	-0.1	-	-0.1	-0.1	-0.1	-0.1
Operating profit (EBIT)	15.8	1.3	38.8	-4.0	6.3	17.0
Share of profit associated companies and joint ventures	-1.3	-0.1	133.5	-0.4	2.4	6.1
Net financial items	-2.3	0.9	-3.2	2.3	2.1	-1.9
Earnings before tax (EBT)	12.2	2.1	169.1	-2.1	10.8	21.2
Total assets business segment	1 593.0	721.3	1 593.0	721.3	791.4	619.8
PROPERTY DENMARK						
Operating revenues	-	1.0	0.5	1.1	20.9	2.8
Operating expenses	-1.5	-0.5	-5.2	-3.2	-70.1	-35.5
Depreciation/impairment	-	-	-	-	-	-
Operating profit (EBIT)	-1.5	0.5	-4.7	-2.1	-49.2	-32.7
Share of profit associated companies and joint ventures	-	-	-	-	-	-6.9
Net financial items	-0.6	-0.9	-2.3	-3.0	-3.9	-7.6
Earnings before tax (EBT)	-2.1	-0.4	-7.0	-5.1	-53.1	-47.2
Total assets business segment	211.1	263.3	211.1	263.3	223.6	289.5
TOTAL PROPERTY DEVELOPMENT						
Operating revenues	314.4	322.4	1 068.6	762.4	1 065.7	711.2
Operating expenses	-283.1	-307.2	-977.1	-738.2	-1 064.4	-726.7
Depreciation/impairment	-1.4	-1.6	-3.7	-5.2	-17.9	-6.2
Operating profit (EBIT)	29.9	13.6	87.8	19.0	-16.6	-21.7
Share of profit associated companies and joint ventures	4.6	4.8	169.6	9.1	23.6	2.9
Net financial items	-3.5	2.1	-4.7	-5.3	7.2	-55.1
Earnings before tax (EBT)	31.0	20.5	252.7	22.8	14.2	-73.9
Total assets business segment	3 745.6	2 540.4	3 745.6	2 540.4	2 657.3	2 584.6

C. GEOGRAPHIC SEGMENTS	Q3 2011	Q3 2010	1.1. – 30.9.	1.1. – 30.9.	2010	2009
			2011	2010		
NORWAY						
Operating revenues	3 350.7	3 375.0	9 146.5	8 914.8	12 021.2	11 073.2
Earnings before tax (EBT)	209.4	253.3	374.8	394.0	573.3	482.9
SWEDEN						
Operating revenues	825.5	744.6	2 605.2	2 068.2	3 031.1	2 575.3
Earnings before tax (EBT)	16.8	24.5	203.3	45.9	82.5	57.6
DENMARK						
Operating revenues	440.4	340.0	1 109.9	956.9	1 299.6	1 620.6
Earnings before tax (EBT)	13.8	11.4	22.1	21.1	-9.9	-1.6
OTHER						
Operating revenues	-29.5	-11.6	-102.5	-16.7	-55.5	288.9
Earnings before tax (EBT)	-14.9	-18.6	-54.4	-41.4	-56.2	-15.8



D. STATEMENT OF CHANGES IN EQUITY

	Share capital	Nom. Value own shares	Other equity*	Controlling interest				Non-controlling interests	Total
				Foreign currency differences	Other revenue reserves	Fair value Reserves **	Total equity due to equity holders of Veidekke		
Equity at 31 December 2008	68.0	-1.1	304.8	22.0	1 746.0	-50.7	2 089.0	36.8	2 113.9
Implementation of IFRIC 15				-10.6	-130.3		-140.9		-140.9
Equity at 1 January 2009	68.0	-1.1	304.8	11.4	1 615.7	-50.7	1 948.1	24.9	1 973.0
Total profit				-95.0	502.0	5.4	412.4	9.2	421.6
Cancellation of own shares	-1.1	1.1					-		-
IFRS 2 – Share-based transactions employees					-21.0		-21.0		-21.0
Change in non-controlling interests								-0.1	-0.1
Change in accounting of Seby AS					-10.4		-10.4	9.4	-1.0
Options agreement acquisition of minority shares in Seby					-9.2		-9.2		-9.2
Step acquisition – consolidation point				0.7		0.7			0.7
Dividends					-334.3		-334.3	-8.0	-342.3
Equity at 31 December 2009	66.9	0.0	304.8	-83.6	1 743.5	-45.3	1 986.3	35.3	2 021.7
Equity at 1 January 2010	66.9	0.0	304.8	-83.6	1 743.5	-45.3	1 986.3	35.3	2 021.7
Total profit				-5.9	279.3	-30.3	243.1	4.4	247.5
Change in non-controlling interests								5.6	5.6
IFRS 2 – Share-based transactions employees					-8.3		-8.3		-8.3
Dividends					-334.3		-334.3	-7.2	-341.5
Equity at 30 September 2010	66.9	0.0	304.8	-89.5	1 680.3	-75.6	1 886.9	38.1	1 925.0
Equity as of 1 January 2011	66.9	0.0	304.8	-83.6	1 743.5	-45.3	1 986.3	35.3	2 021.7
Total profit				3.9	345.3	-10.4	338.8	8.5	347.3
Change in non-controlling interests					1.5		1.5	19.0	20.5
IFRS 2 – Share-based transactions employees					-13.2		-13.2		-13.2
Dividends					-334.3		-334.3	-7.3	-341.6
Equity as of 31 Desember 2010	66.9	0.0	304.8	-79.7	1 742.8	-55.7	1 979.1	55.5	2 034.7
Equity as of 1 January 2011	66.9	0.0	304.8	-79.7	1 742.8	-55.7	1 979.1	55.5	2 034.7
Total profit				-5.0	383.9	-35.6	343.2	3.4	346.7
Change in non-controlling interests								8.0	8.0
IFRS 2 – Share-based transactions employees					-5.5		-5.5		-5.5
Dividends					-334.3		-334.3	-2.3	-336.6
Equity as of 30 September 2011	66.9	0.0	304.8	-84.7	1 786.9	-91.3	1 982.6	64.6	2 047.3

* Fully paid capital over and above nominal value of shares.

** Changes in the fair value of available for sale financial instruments and instruments.

There have been no purchases of own shares in 2011.

E. NOTES TO THE INTERIM ACCOUNTS

1. General information

Veidekke is a Scandinavian construction and real estate developer with headquarters in Oslo. The consolidated financial statements include Veidekke ASA and its subsidiaries and the Group's share of associated companies and joint ventures. The consolidated financial statements for Q3 2011 include Veidekke ASA and its subsidiaries and the Group's share of associated companies and joint ventures. As of Q3 2011, the Group consisted of essentially the same units as in the annual accounts for 2010, with the exception of certain purchases/sales conducted in the 2nd quarter of 2011. See Note 7 and 8 for discussion of new purchases/sales.

2. Accounting principles

The Group's financial reporting is carried out in accordance with International Financial Reporting Standards (IFRS) approved by the EU. The quarterly accounts have been drawn up in accordance with IAS 34 Interim Financial Reporting and the Stock Exchange Rules.

The quarterly accounts have been drawn up in accordance with the same accounting policies as the annual accounts for 2010. No new accounting rules have been implemented in 2011 that have significant impact on Veidekke's Group accounts.

The interpretation IFRIC 15 has significant impact on Veidekke's accounting of apartments that are sold for its own account. The accounting rule clarifies which activities come under the rules for construction contracts (IAS 11) and which activities are to be treated like sales of goods (IAS 18). The interpretation also clarifies the time at which revenue and earnings from property development projects are to be recognised in the accounts. This means that revenue and earnings from the sale of completed housing projects shall be recognised at the time at which the unit(s) has been contractually delivered to the buyer.

Veidekke has chosen to maintain current project reporting in line with the end prognosis of projects, rate

of completion and sales rate, in the segment accounts. This is to be done to provide as correct a picture as possible of current value creation in the segment of property development and ensure conformity with the Group's internal management reporting.

The interim financial statements do not include all information required in an annual report and should therefore be read in conjunction with the Group's financial accounts for 2009, which can be obtained by contacting the company or online at www.veidekke.no.

3. Segment reporting

The Group's segments are based on its business segments: Construction, Property Development and Industry. Segmental results for the second quarter of 2011 can be found in the table on page 12.

4. Estimates

Construction and property development projects form a large part of Veidekke's operations. The accounting of project activities is, to a large degree, based on estimates. The material assessments made in the application of the Group's accounting policies and the most important sources of uncertainty in the estimates are the same for the third quarter of 2011 as those presented in the annual accounts for 2010.

5. Acquisition of businesses and investments

Owing to climatic conditions, the Group's asphalt and aggregate operations are subject to seasonal fluctuations. Most of the production takes place between April and October, and turnover from these operations therefore accrues during these months. However, expenses relating to operations and maintenance of the production organisation and depreciation are spread over the whole year. As a result, there will normally be significant fluctuations in the quarterly accounts for the industry division, and the reports for the first, second and third quarters therefore also include figures for a rolling 12-month period for the Group and for the industry division.

	12-month rolling at 30 Sept. 2011	12-month rolling at 30 Sept. 2010	MNOK 2010
INDUSTRY			
Turnover	2 953.2	2 933.4	3 075.6
Earnings before tax	163.1	65.1	63.6
GROUP			
Turnover	17 132.3	15 989.6	16 296.4
Earnings before tax	715.9	631.2	589.7

6. Fixed assets

PROPERTY, OTHER INTANGIBLE ASSETS, MACHINERY, ETC.	Q3 2011	Q3 2010	Accumul- ated Q3 2011	Accumul- ated Q3 2010
Book value at start of period	1 668.3	1 771.7	1 729.2	1 743.4
Additions	92.5	64.4	300.5	252.6
Additions, acquisition of operations	-	6.7	65.5	30.5
Depreciation	-76.5	-79.2	-247.9	-250.7
Currency conversion differences, etc.	1.8	7.3	-2.1	-0.1
Disposals non-current assets/sale of operations	-8.0	-66.2	-167.1	-71.0
Book value at end of period	1 678.1	1 704.7	1 678.1	1 704.7
Other intangible assets	36.7	27.5	36.7	27.5
Property	474.2	471.6	474.2	471.6
Machinery, etc.	1 167.2	1 205.6	1 167.2	1 205.6
Book value at end of period	1 678.1	1 704.7	1 678.1	1 704.7

GOODWILL	Q3 2011	Q3 2010	Accumul- ated Q3 2011	Accumul- ated Q3 2010
Book value at start of period	543.2	526.4	558.1	523.0
Additions	-	27.1	29.5	32.5
Depreciation	-	-	-	-
Currency conversion differences	1.7	1.1	-2.1	-0.9
Disposals	-	-13.2	-40.6	-13.2
Book value at end of period	544.9	541.4	544.9	541.4

7. Acquisition of businesses and investments

On 31 May 2011, Veidekke purchased the remaining 50% stake in Bouwfonds Veidekke AB, a company that was established in 2005. Through a management agreement, Veidekke Bostad was responsible for project acquisition, development, implementation and management. Veidekke Bostad bought the shares for 245 MNOK, of which 134 MNOK is first paid upon approved regulation of one of the larger projects. The consolidation of the entire company has resulted in 760 MNOK increase to Veidekke's balance sheet. This

is mainly financed by seller credits. Seller credits amount to 380 MNOK, and are classified under "other liabilities". The acquisition means that Veidekke strengthens its presence in the Stockholm area, where stronger growth is expected. Excess value relates to land located in central Stockholm. The property portfolio in Bouwfonds Veidekke AB is expected to be converted to 1 600 units. For accounting purposes the acquisition is to be regarded as the purchase of a property portfolio.

Veidekke Bouwfonds AB had a turnover of 86 MNOK in 2010 and a net profit of 11.6 MNOK.

Excess value analysis of Bouwfonds Veidekke AB

	Book value acquired operations	Fair value adjustment	Balance acquisition ¹⁾
Cash and cash equivalents	20.2		20.2
Residential projects	533.1	275.5	808.6
Accounts and other receivables	84.9		84.9
Other long-term liabilities	-380.3		-380.3
Other short-term liabilities	-51.8		-51.8
Other identified assets and liabilities	206.1	275.5	481.6
Goodwill at time of acquisition		0.0	0.0
Value of shares already owned by Veidekke (50 %)		240.6	240.8
Agreed purchase price for 50 % of shares			240.8
Total			481.6
Purchase price for shares			240.8
Agreed deferred payment			-133.6
Cash received			-20.2
Net cash outflow			87.0

¹⁾ Excess value analysis is ongoing.

The acquisition entails valuing Veidekke's original stake at fair value (IFRS 3). The transaction resulted in a positive effect in the financial statements of 137 MNOK in the 2nd quarter of 2011 and is included in the post results from joint ventures. In the segment accounts the resulting effect of the transaction is 133 MNOK.

8. Sale of businesses and investments

At the end of the 2nd quarter of 2011, Veidekke sold its recycling operations. Veidekke operated recycling activities in Norway focusing on the handling of industrial wastes in the Oslo region and in Rogaland. Sales in the recycling operations in the first half of 2011 were 245 MNOK (202 MNOK) and profit before tax was 14 MNOK (-1 MNOK). In 2010, the business had a turnover of 410 MNOK and had a profit before tax of 21 MNOK in 2010. The transaction value for the shares was 181 MNOK. The transaction was included in the accounts in the 2nd quarter of 2011 and showed a gain of 109 MNOK. The gain is included as financial income. For the Group, the transaction resulted in a positive cash flow effect of 335 MNOK.

9. Financial instruments

There were no material changes during the period related to financial risk and the Group's use of financial

instruments. Further details can be found in the annual report for 2011.

10. Special items

Property Development in Sweden, Veidekke Bostad, has sold 50% of a development project in Stockholm. The transaction was completed in the 3rd quarter and resulted in a gain of 22 MNOK. The gains are classified as operating income.

On 19 February 2010, the Norwegian Parliament adopted a new AFP scheme (early retirement scheme) in the private sector effective from 2010. Previous years' pension allocations were reversed in the accounts for 2010 totalling to 82 MNOK. Of this, 66 MNOK related to Construction Norway, 13 MNOK for the Industry segment, while the remaining 3 MNOK was reversed under Property Norway and the segment Other. The majority of the income was recorded in the 1st quarter of 2010 (95 MNOK).

11. Norwegian Competition Authority case

The Norwegian Competition Authority, based on a request from Veidekke, initiated in January 2010 an investigation into suspected breaches of competition law by Veidekke asphalt plants in central Norway. In October 2011 the Competition Authority released a

draft report. The Authority stated that it is considering a decision against the company for breach of competition laws, and that Veidekke can expect to receive full leniency from a fine of 270 MNOK provided that Veidekke continues to cooperate fully with the Competition Authority and that no information becomes available which indicates that Veidekke has given misleading or incorrect information.

12. Post balance sheet events

No events have occurred since the balance sheet date that would have had any significant effect on the submitted accounts.

13. Deferred income recording on projects for own account within housing development according to IFRIC 15

The Group has implemented, on 1 January 2010, accounting principle IFRIC 15 which governs the acco-

unting of contracts for the construction of real estate. As a result of this regulatory change, income and gains from the sale of housing for a company's own account shall not be entered into accounts before the property has been contractually delivered to the buyer (pass of legal title). As part of Veidekke's internal follow-up on projects of this type, measurements are conducted in line with successive income reporting. This means that revenue and earnings are recognised in accordance with the final forecast for the project, percentage of completion and percentage of sales. Our segment reporting follows these principles.

Overview of operating revenue and earnings before tax (EBT) recognised under the segment accounts

MNOK

OPERATING REVENUES	Q3 2011	Q3 2010	2010	2009
Accumulated operating revenues from projects not delivered to buyer at start of period.	1 247.8	386.5	763.2	211.7
Additions purchase of companies (Bouwfonds Veidekke AB)			88.5	
+ Operating revenues from projects not delivered to buyer in the period	276.3	189.2	870.5	431.2
- Operating revenues from projects delivered to buyer in the period	-228.3	-130.5	-406.3	-197.7
+/- Currency conversion differences	6.7	15.8	-13.3	15.8
Accumulated operating revenues from projects not delivered to buyer at end of period	1 302.6	460.9	1 302.6	460.9

EARNINGS BEFORE TAX

Accumulated earned income before tax on projects not delivered to buyer at start of period	220.1	71.0	143.2	32.9
Additions purchase of companies (Bouwfonds Veidekke AB)			8.8	
+ Earnings before tax from projects not delivered to buyer in the period	45.8	39.8	161.1	86.6
- Earnings before tax from projects delivered to buyer in the period	-40.4	-36.5	-84.8	-45.2
+/- Currency conversion differences	0.6	2.1	-2.1	2.1
Accumulated earned income before tax on projects not delivered to buyer at end of period	226.2	76.4	226.2	76.4

The statement is to be understood such that as of the 30 September 2011 an income of 1 303 MNOK was earned and a profit before tax of NOK 226 MNOK on the sales of apartments under construction. These results are recorded as income in the segment reporting, but cannot be recognised in accordance with IFRS. Revenue will first be recognised in the financial statements at the time of delivery of the individual sold apartments.

INFORMATION ABOUT THE COMPANY

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Veidekke's Articles of Association and the company's policy for corporate governance are accessible at http://en.veidekke.com/investor-relations/corporate_governance/

The Board of Directors consists of:

Martin Mæland (chairman)
 Gro Bakstad
 Annika Billström
 Jette W. Knudsen
 Peder Chr. Løvenskiold
 Hans von Uthmann
 Odd Andre Olsen, employee representative
 Inge Ramsdal, employee representative
 Lars Skaare, employee representative

Corporate management team:

Terje R. Venold	President and CEO
Dag Andresen	Executive Vice President, responsible for construction operations in Norway
Arne Giske	Executive Vice President, responsible for property operations in Scandinavia
Per-Ingemar Persson	Executive Vice President, responsible for construction operations in Sweden and Denmark and industry operations
Jørgen Wiese Porsmyr	Executive Vice President, CFO
Bente Lillestøl	Executive Vice President, responsible for HR, HSE and Environment
Kai Krüger Henriksen	Executive Vice President, for communication and contact with the authorities

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Financial calendar:

Publication of the quarterly financial statements in 2011:
 Q4 2011: 16 February 2012

