

NOK million KEY FIGURES	1 st quarter 2002	1 st quarter 2001	The year 2001	The year 2000
Turnover	2 250.4	2 282.6	10 561.8	8 005.0
Operating profit before depreciation (EBITDA)	100.2	103.1	718.1	651.8
Operating profit (EBIT)	32.6	22.5	243.0	263.9
Profit/loss before taxation	7.6	-7.7	135.3	185.0
Earnings per share (NOK)	0.23	-0.13	2.58	4.79
Cash flow per share (NOK)	2.73	2.90	20.26	20.18

GROUP DEVELOPMENTS

Veidekke's turnover for the first quarter of 2002 was NOK 2,250 million (NOK 2,283 million). Profit before financial items, tax and depreciation (EBITDA) was NOK 100.2 million (NOK 103.1 million). Cash flow per share was NOK 2.73 (NOK 2.90). Profit before tax was NOK 7.6 million (NOK -7.7 million), corresponding to an earnings per share of NOK 0.23 (NOK -0.13).

The Group's operating profit for the first quarter was NOK 32.6 million (NOK 22.5 million), after goodwill amortisation of NOK 15.2 million (NOK 17.3 million). Net financial items amounted to NOK -25.6 million (NOK -30.2 million).

The figures for the first quarter verify the signs of improvement that we saw in the last quarter of 2001. It is particularly gratifying to see that Construction Norway's efforts to recover profitability have produced results and this division now shows a very favourable trend compared with last year. However, the figures for the Special Projects Division, which is responsible for the development and realisation of the Group's large heavy construction projects, are not satisfactory. The main reasons for this are the continued postponement of the Bujagali hydro-power project in Uganda, and price pressures resulting from a level of activity still lower than anticipated in the Scandinavian heavy construction markets.

The other divisions are progressing much as expected, with the exception of a slight setback in Construction Denmark. This is due to a temporary drop in volume resulting from the delay in the commencement of some major projects. Apart from that, the Division's volume of orders is very satisfactory and higher than ever before.

The Group's order situation is still very strong. At the end of the quarter, orders-on-hand stood at NOK 6,922 million, compared with NOK 7,177 million at the end of last year and NOK 6,137 at the same time last year.

In the autumn of 2001 the Group's construction operations were reorganised and are now split into four divisions: Construction Norway, Construction Denmark, Construction Sweden and Special Projects. Veidekke's other divisions, Property and Industry, operate throughout Scandinavia. The changes took effect in the accounts on 1 January 2002. For the sake of comparison, we have adapted the figures given below for the construction divisions for previous years in accordance with these changes.

BUSINESS AREAS

Construction Norway

This division is responsible for Veidekke's building activities, both new buildings and conversion of existing residential and non-residential buildings, and for its regional construction operations in Norway.

Construction Norway had a turnover for the first quarter of NOK 1,199 million (NOK 1,061 million). Profit before tax was NOK 21.1 million (NOK 7.9 million).

In the latter part of 2001 and first quarter of 2002, the division focused on improving profitability in general and the operations with the weakest financial results were reorganised or wound up. This work has produced results and a substantial improvement can now be seen compared with last year.

At the end of the quarter Construction Norway's orders-on-hand totalled NOK 3,695 million, as against NOK 3,741 million at the same time last year and NOK 4,089 million at the end of last year.

Construction Denmark

Veidekke's subsidiary Hoffmann takes care of the Group's construction operations in Denmark.

The division's turnover for the first quarter was NOK 404 million (NOK 442 million), giving a pre-tax loss of NOK 5.2 million (NOK -3.0 million), after a deduction of NOK 5.7 million in owner costs (financial expenses and goodwill). The difference compared with 2001 is due to the delay in the commencement of certain major projects on Sjælland, including Veidekke's Ny Tøyhusgrunden housing project in Copenhagen.

In the first quarter Hoffmann documented synergy with Veidekke through the signing of two contracts totalling NOK 0.5 bn in Denmark for Norwegian clients. One of the contracts is for a non-residential building in Ørestad City for KLP Ejendomme A/S and the other for the modernisation of Lyngby Shopping Centre for Steen & Strøm Danmark A/S.

In April 2002, Hoffmann changed its name from H. Hoffmann & Sønner A/S to Hoffmann A/S. At the same time, the company introduced a new logo, marking a closer affiliation to Veidekke. These changes have been well received by Hoffmann's employees and by the market.

At the end of the quarter, Construction Denmark's order books totalled NOK 1,787 million, compared with NOK 1,274 million at the same time last year and NOK 1,345 million at the end of the year. This is a record-breaking figure.

Construction Sweden

Construction Sweden is responsible for the Group's residential and non-residential building and heavy construction operations in Sweden through subsidiaries Veidekke Stockholm AB and Veidekke Construction AB, Vecon (Gothenburg).

The division achieved a turnover for the first quarter of NOK 104 million (NOK 42 million), which gave a loss before tax of NOK 4.5 million (NOK -4.7 million).

Construction Sweden's figures for the first quarter were on a par with last year's. These figures still reflect the cost of starting up in Stockholm, while the orders books show an upward trend. In the first quarter, Construction Sweden was awarded contracts for approximately NOK 100 million all told. In April, Veidekke Stockholm AB signed a contract with Uppsalahem AB for the construction of four two-storey buildings with a total of 64 rental flats. The contract sum is SEK 61 million.

At the end of the quarter, orders-on-hand for Construction Sweden totalled NOK 537 million, compared with NOK 254 million at the same time last year and NOK 636 million at the end of last year.

Special Projects

Established in 2001 to concentrate purely on Veidekke's mobile construction operations and mainly in the Scandinavian market, the Special Projects Division will give most of its attention to large projects. The transition to a project-oriented division is still in progress. Since the fluctuations in this market segment are greater than in the other construction divisions, the division needs a 'light-footed', flexible organisation to be able to cope with this situation.

The prospects in this market are good. The market in Norway is currently affected by the continuing low level of activity and subsequent pressure on prices. Activity is expected to pick up in major heavy construction and industrial projects in Norway. In Sweden, there are indications of an increase in heavy construction investment, particularly in the infrastructure sector. Veidekke is working on tenders for a number of major projects and a high level of activity is expected in the next few years. The overall level of activity in the Danish heavy construction market is expected to remain relatively stable.

The Division had a turnover for the first quarter of NOK 234 million (NOK 180 million). This gave a pre-tax loss of NOK 10.3 million (NOK –8.8 million).

The figures for the Division reflect normal seasonal variations and the low level of activity in the Scandinavian market, as well as the effects of the postponement of the Bujagali hydro-power in Uganda. Following the decision of the World Bank's board in December 2001 to back the project, we presumed that it would start up during the first quarter 2002. Steps were taken to mobilise and allocate substantial resources to this project. Preparatory work was initiated on the basis of a preliminary contract with the client. In the first quarter, doubts have arisen about the participation of the national guarantee institutions in the project and it is now uncertain whether the project will be realised this year. The project has been partly demobilised and the resources will be transferred to work on other potential projects. However, this postponement has resulted in too little activity in relation to capacity costs in the first quarter.

At the end of the quarter, Special Projects had orders-on-hand amounting to NOK 903 million, compared with NOK 1,107 million at the end of last year and NOK 868 million at the same time last year. Orders-on-hand outside Norway stand for NOK 414 million of this figure.

In April Veidekke's subsidiary Noremco celebrated its 20th anniversary in East Africa. The company has increased its volume of orders and continues to post good results. Moreover, one of Noremco's building projects, the British High Commission in Dar es Salaam, was awarded Veidekke's HSE prize for its unique efforts in the field of health, safety and environment.

Property Scandinavia

The Property Division is responsible for the development of non-residential property, special-purpose building for public enterprises and dwellings for Veidekke's own account in Norway, Sweden and Denmark.

The most important part of the division's operations is residential building and at the end of the first quarter the division had about 660 dwellings under construction. Its project portfolio numbers 4,800 dwellings. In the first quarter, the division achieved a pre-tax profit of NOK 22.6 million (NOK 19.3 million).

In February, the 110 flats in Veidekke's first Startbo project in Trondheim were offered for sale. This new concept offers young house-hunters a chance to purchase a flat of their own, which can be expanded as required. All 110 flats were snapped up on the first day of sale. The plan is to have the flats ready for occupancy at the end of 2002 or beginning of 2003.

In Sweden, Veidekke's subsidiary Veidekke Bostad & Fastighet AB has secured a number of building opportunities and in Denmark, Veidekke is focusing on positioning and promoting itself in the property development market.

Industry Scandinavia

The Industry Division is made up of three business areas: *asphalt/aggregates* (Kolo Veidekke a.s), *plant hire* (Bautas a.s) and *recycling* (Veidekke Gjenvinning a.s).

Industry had a turnover for the first quarter of NOK 313 million (NOK 374 million), giving a loss before tax of NOK 13.3 million (NOK -13.8 million). The contract for the sale of Nordic Shelter Solutions has been signed and will take effect in May 2002.

Asphalt operations had a turnover for the first quarter of NOK 70 million (NOK 57 million). Most of these operations take place in the summer months and the initial months of the year are mainly spent preparing for the active season. The company's mobile stone-crushing operations were sold during the first quarter.

The turnover for Bautas' plant hire operations was NOK 183 million (NOK 198 million). Integration with plant hire company SKM in the south of Sweden has progressed as planned, but the volume in Sweden as a whole was somewhat lower in the first quarter 2002 than the same quarter last year.

For Veidekke Gjenvinning (recycling), turnover in the first quarter was NOK 60 million (NOK 46 million). During the first quarter, Veidekke Gjenvinning signed an agreement with Retura AS on a nation-wide collaboration in the waste sector, with special reference to industrial waste.

INJURIES/ABSENCE

At the end of the first quarter, the sickness absence rate for Veidekke's craftsman in Norway was 8.4%, in Denmark 4.8% and in Sweden 2.7%. Although these figures show a downward tendency, sickness absence is still too high, particularly in Norway. A number of initiatives have been introduced which focus on preventing repetitive strain injuries and on supporting and following up individual absentees.

The injury rate (number of injuries per million manhours) was 10.8 in Norway, 19.4 in Sweden and 27.0 in Denmark at the end of the first quarter. These figures show a favourable trend, but the number of lost-time accidents is still too high.

The lower absence rate in Denmark and Sweden are due partly to the fact that the principles applied to the calculation of absence in these countries are different from those used in Norway.

FINANCIAL SITUATION

Gross investments in the first quarter amounted to NOK 63 million (NOK 75 million). Sales of machinery and equipment totalled NOK 178.2 million (NOK 29 million) during the same period last year.

The Group's total assets were NOK 6,007 million, as against NOK 6,307 million at beginning of the year and NOK 6,181 million at the same time last year. This gave an equity ratio of 22.4%, as against 21.4% at the beginning of the year and 21.3% at the same time last year.

Net interest-bearing liabilities stood at NOK 1,602 million, compared with NOK 1,347 million at the beginning of the year and NOK 1,481 million at same time last year. At the end of the quarter, Veidekke had unused committed borrowing facilities of NOK 602 million. The change in net interest-bearing liabilities since the beginning of the year is due to normal seasonal variations and to changes in contractual conditions linked with the abolition of the investment tax in October 2002.

SHAREHOLDERS AND THE STOCK MARKET

A total of 4.5 million Veidekke shares were traded on the stock market in the first quarter. Veidekke's largest shareholders are OBOS Forretningsbygg (13.9%), Folketrygdfondet (12.4%) and Storebrand Livsforsikring (10.5%). Veidekke shares rose in value from NOK 50 to NOK 66 in the course of the period.

MARKET SITUATION

On the whole, the building and construction market in the Scandinavian countries is developing as anticipated. Most indicators now show that activity in the international economy is on the rise again after a weak period last autumn. This can also be seen in Veidekke's Scandinavian markets. In Norway, the volume of new orders has been high so far this year. Demand pressure in the housing market has increased, pushing sales prices for the whole country up by well over 10% (annual rate). The heavy construction market was weaker than predicted in the first quarter this year, but an increase in investments in road, railway and energy plant construction may contribute to growth in this market for the rest of the year.

The building and construction market in Denmark remained flat, but the level of activity was high. House building is expected to pick up during the year, due mainly to the great, uncovered demand in the large cities.

Optimism seems to have returned to the Swedish economy. This is also reflected in a better housing market, especially in Stockholm, while the market for non-residential buildings remained stable during the first quarter. Road and other heavy construction investments show a slight upturn.

PROSPECTS FOR VEIDEKKE

Developments in the first quarter confirm the signs of improvement we saw in the second half of last year. For the Group as a whole, the financial results are a satisfactory start to the year, although the market for major heavy construction projects has shown a weaker development than expected. It is encouraging to register that the measures initiated by the company to improve profitability, such as a stronger operational organisation and project management in addition to the winding up of unprofitable operations, are reflected in improved earnings. This, along with a high volume of orders-on-hand and good market prospects in the Scandinavian countries, provides a good basis for Veidekke to achieve a definite improvement in profit performance this year.

Oslo, 7 May 2002
Board of Directors

NOK million

PROFIT AND LOSS ACCOUNT	1st quarter 2002	1st quarter 2001	The Year 2001	The year 2000
Operating revenues	2 250.4	2 282.6	10 561.8	8 005.0
Operating expenses	-2 150.2	-2 179.5	-9 843.7	-7 353.2
Operating profit before depreciation (EBITDA)	100.2	103.1	718.1	651.8
Amortisation of goodwill	-15.2	-17.3	-113.9	-69.1
Other depreciation	-52.4	-63.3	-361.2	-318.8
Operating profit (EBIT)	32.6	22.5	243.0	263.9
Share of profit in associated companies	0.6	-	-	-
Net financial items	-25.6	-30.2	-107.7	-78.9
Profit/loss before taxation	7.6	-7.7	135.3	185.0
Taxation	-2.6	2.6	-47.3	-57.4
Profit/loss for the year	5.0	-5.1	88.0	127.6
of which minorities	-1.2	-1.6	18.7	7.0
Earnings per share (NOK)	0.23	-0.13	2.58	4.79

OTHER KEY FIGURES	31.03.2002	31.12.2001	31.03.2001	31.03.2000
Orders-on-hand construction (NOK million)	6 922	7 177	6 137	3 406
Equity ratio (%)	22.4	21.4	21.3	25.1
Net interest-bearing position (NOK million)	-1 602	-1 347	-1 481	-1 157
Average number of employees in Scandinavia	6 272	6 353	5 471	4 326

CASH FLOW STATEMENT	1st quarter 2001
Cash flow from operating activities	-296
Cash flow from investment activities	-137
Cash flow from financing activities	313
Change in liquid assets	-120

Liquid assets at 01.01.2002	474
Liquid assets at 31.03.2002	354

	NOK million		
BALANCE SHEET	At 31.03.2002	At 31.03.2001	At 31.12.2001
ASSETS			
Fixed assets			
Goodwill	549	645	584
Buildings/land	332	371	339
Machinery, etc.	1 209	1 390	1 338
Share of profit in associated companies	33	-	-
Receivables, etc.	246	203	208
Total fixed assets	2 369	2 609	2 469
Current assets			
Non-residential and residential projects	1 037	1 075	1 204
Stocks	291	234	253
Debtors, etc.	1 956	1 644	1 907
Liquid assets	354	619	474
Total current assets	3 638	3 572	3 838
Total assets	6 007	6 181	6 307
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1 343	1 316	1 349
Long-term liabilities			
Pension commitments and deferred tax	165	245	207
Debts to credit-issuing institutions, etc.	1 704	1 713	1 403
Other long-term liabilities	71	80	94
Total long-term liabilities	1 940	2 038	1 704
Current liabilities			
Debts to credit-issuing institutions, etc.	303	413	442
Creditors	1 510	1 588	1 813
Unpaid government charges	541	457	617
Other current liabilities	370	369	382
Total short-term liabilities	2 724	2 827	3 254
Total shareholders' equity and liabilities	6 007	6 181	6 307

BUSINESS AREAS

Construction Norway	1st quarter 2002	1st quarter 2001	The year 2001
Turnover	1 198.8	1 060.8	4 840.8
Operating costs	- 1 172.3	-1 045.4	-4 784.4
Operating profit before depreciation (EBITDA)	26.5	15.4	56.4
Depreciation *)	-11.9	-11.5	-91.6
Operating profit/loss (EBIT)	14.6	3.9	-35.2
Net financial items	6.5	4.0	29.1
Profit/loss before taxation	21.1	7.9	-6.1

*) 2001 includes a non-recurring write-down of goodwill amounting to NOK 35 million.

Construction Denmark	1st qu. 2002	1st qu. 2001	The year 2001
Turnover	404.1	441.6	2 094.2
Operating costs	-403.7	-435.6	-2 026.4
Operating profit before depreciation (EBITDA)	0.4	6.0	67.8
Depreciation	-4.6	-8.7	-34.9
Operating profit/loss (EBIT)	-4.2	-2.7	32.9
Net financial items	-1.0	-0.3	-5.1
Profit/loss before taxation	-5.2	-3.0	27.8

Construction Sweden	1st qu. 2002	1st qu. 2001	The year 2001
Turnover	103.5	42.0	361.2
Operating costs	-108.4	-47.2	-371.9
Operating profit before depreciation (EBITDA)	-4.9	-5.2	-10.7
Depreciation	-0.3	-	-
Operating profit/loss (EBIT)	-5.2	-5.2	-10.7
Net financial items	0.7	0.5	2.0
Profit/loss before taxation	-4.5	-4.7	-8.7

Special Projects	1st qu. 2002	1st qu. 2001	The year 2001
Turnover	233.5	180.4	795.2
Operating costs	-233.3	-171.7	-746.1
Operating profit before depreciation (EBITDA)	0.2	8.7	49.1
Depreciation	-8.3	-11.8	-61.3
Operating profit/loss (EBIT)	-8.1	-3.1	-12.2
Net financial items	-2.2	-5.7	-18.6
Profit/loss before taxation	-10.3	-8.8	-30.8

Property Scandinavia	1st qu. 2002	1st qu. 2001	The year 2001
Turnover	126.6	293.4	856.5
Operating costs	-89.7	-259.8	-701.1
Operating profit before depreciation (EBITDA)	36.9	33.6	155.4
Depreciation	-1.3	-2.2	-8.8
Operating profit/loss (EBIT)	35.6	31.4	146.6
Share of profit in associated companies	0.6	-	-
Net financial items	-13.6	-12.1	-36.6
Profit/loss before taxation	22.6	19.3	110.0

Industry Scandinavia	1st qu. 2002	1st qu. 2001	The year 2001
Turnover	312.8	374.4	2 416.0
Operating costs	-265.7	-319.5	-1 981.4
Operating profit before depreciation (EBITDA)	47.1	54.9	434.6
Depreciation	-41.1	-46.4	-278.5
Operating profit/loss (EBIT)	6.0	8.5	156.1
Net financial items	-19.3	-22.3	-95.1
Profit/loss before taxation	-13.3	-13.8	61.0

Other Activities	1st qu. 2002	1st qu. 2001	The year 2001
Turnover	-128.9	-110.0	-802.1
Operating costs	122.9	99.7	767.6
Operating profit before depreciation (EBITDA)	-6.0	-10.3	-34.5
Depreciation	-0.1	-	-
Operating profit/loss (EBIT)	-6.1	10.3	-34.5
Net financial items	3.3	-5.7	16.6
Profit/loss before taxation	-2.8	-4.6	-17.9

NOTES**1. General information**

The quarterly report has been drawn up in accordance with the requirements in the accounting standards proposed by the Norwegian Accounting Standards Board for interim reporting.

2. Accounting principles**General information**

The quarterly report has been drawn up in accordance with the same accounting principles as the annual accounts.

Property Division – new accounting principle

With effect from 1 January 2002, Veidekke's investments in jointly controlled operations are split into two categories: operational investments and financial investments. With effect from the same date, investments of a financial nature are accounted for by the equity method, while investments of an operational nature are accounted for by the gross method, as before. The change in the accounting principles has no significant effect on previous years and the figures given for comparison have therefore not been adjusted.

Asphalt operations - seasonal variations

There is considerable seasonal variation in asphalt operations; production and paving only take place during the period May to October. In order to show a more correct picture of operations throughout the year, Veidekke debits the annual costs of:

- repair and maintenance of machinery
- depreciation of machinery etc. and goodwill

equally over the operating period from May to October. This gives a more even result throughout the year than if depreciation were spread by the linear method over the whole year and the costs of repair and maintenance were entered as they accrued (mainly in the initial months of the year).

3. Reconciliation shareholders' equity

	NOK million
Shareholders' equity at 1 January.2002	1 349
Profit/loss for the year (first 3 months)	5
Currency adjustment	-11
Shareholders' equity at 31 March 2002	1 343

4. Conversion of foreign subsidiaries

Assets and liabilities in foreign entities are converted into Norwegian kroner (NOK) at the rate of exchange on the date of the balance sheet. Profit and loss accounts are converted at the average rate of exchange for the period. Conversion differences are entered directly against equity capital.