



Second quarter 2018



Illustration: Vilhelm Lauritzen Arkitekter

HIGHLIGHTS OF THE SECOND QUARTER OF 2018

- Revenue was NOK 9.1 (8.3) billion.
- The result before tax was NOK -199 (385) million. The result includes a write-down of NOK 550 million in the civil engineering project portfolio in Norway.
- The order intake amounted to NOK 10.2 billion, which gave an order backlog of NOK 34.3 (29.1) billion at the end of the quarter.
- A total of 215 residential units were sold. Veidekke's share amounted to 168 units. There were 2,708 residential units under construction at the close of the quarter, of which Veidekke's share was 2,166.
- Net interest-bearing debt was NOK 2.5 billion at the close of the second quarter of 2018, compared with NOK 977 million at the close of the second quarter of 2017.



1) Revenue and profit before tax in the segment accounts for 2017 have been restated in accordance with the new revenue recognition standard IFRS 15, effective as of 1 January 2018. See note 18.

KEY FIGURES ¹⁾

Figures in NOK million	Q2 2018	Q2 2017 ²⁾	At 30.6.2018	At 30.6.2017 ²⁾	2017 ²⁾
Revenue, segment	9 148	8 286	16 255	14 805	31 438
Profit before tax, segment	-199	385	-210	432	1 311
Segment Construction	-335	157	-176	270	629
Segment Property Development	88	159	160	295	549
Segment Industrial	66	85	-151	-98	206
Segment Other	-18	-16	-44	-34	-73
Earnings per share, segment	-1.4	2.3	-1.5	2.6	8.6
Profit margin, segment (%)	-2.2	4.6	-1.3	2.9	4.2
Revenue, IFRS ³⁾	9 465	8 205	16 488	14 642	31 175
EBITDA, IFRS	-11	504	67	623	1 844
Profit before tax, IFRS	-146	383	-213	380	1 327
Earnings per share, IFRS (NOK) ⁴⁾	-1.1	2.3	-1.6	2.2	8.8
Net interest-bearing debt	2 458	977	2 458	977	764
Total order backlog	34 291	29 067	34 291	29 067	32 561

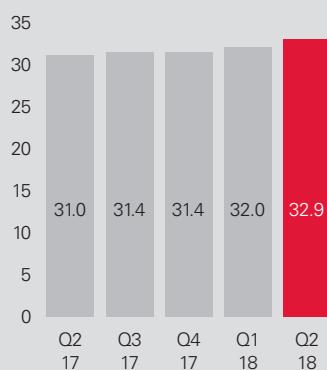
1) The comments in the report relate to figures taken from the segment accounts. Comments to the IFRS accounts are specified in the text.

2) Profit before tax in the segment accounts for 2017 have been restated in accordance with the new revenue recognition standard IFRS 15, effective as of 1 January 2018. See note 18.

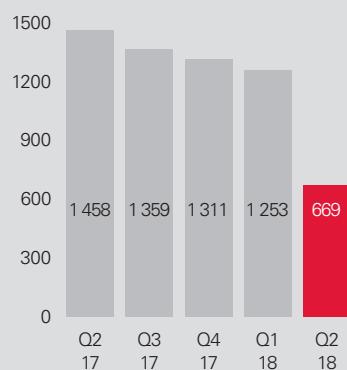
3) According to IFRS, revenue from residential sales in Norway is not recognised until the residential unit is taken over by the buyer. In segment reporting, revenue is recognised using the formula: estimated final profit x sales ratio x stage of completion.

4) No dilutive effect.

**REVENUE
12-MONTH ROLLING¹⁾**
NOK BILLION



**PROFIT BEFORE TAX
12-MONTH ROLLING¹⁾**
NOK MILLION



**EARNINGS PER SHARE
12-MONTH ROLLING¹⁾**
NOK



1) Revenue and profit before tax in the segment accounts for 2017 have been restated in accordance with the new revenue recognition standard IFRS 15, effective as of 1 January 2018. The accounts for 2014–2016 have not been restated. See note 18.

A WORD FROM THE PRESIDENT AND CEO

Veidekke presents a mixed picture for the second quarter. We have increased our revenues in segments with good profitability, and our order backlog is the highest ever. However, at the same time, the write-down of four civil engineering projects has resulted in weak earnings for the quarter.

The write-downs are attributed to the fact that major changes in the projects have made the revenue base for these projects uncertain. We have not adequately managed to foresee the consequences of delays and disturbances, and we have found it to be necessary to reduce the risk in these projects. Based on our experiences from these projects, Veidekke is developing a better concept for uncertainty management and project execution than we have used up to now.

The construction operations are doing well in all three countries, with significant growth in non-residential buildings in Norway and Denmark and in civil engineering in Sweden. In addition, the acquisition of the company BRA AB contributed to revenue growth in the Swedish building construction operations. In Norway, there are still challenges with regional variations. While Eastern Norway shows strong growth and earnings improvement, the results from Southern and Western Norway are weak. In Sweden, a lower level of residential activity will result in fewer residential projects in the portfolio in future.

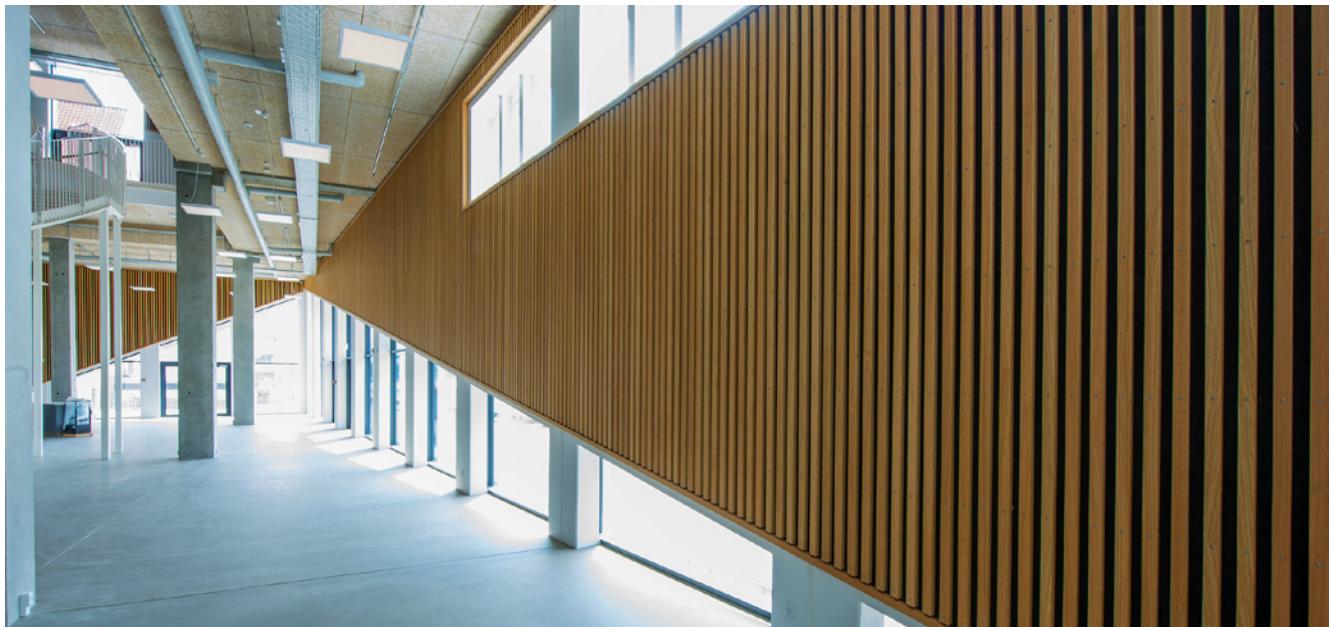
In property development, the impact of weak sales in the new residential market over the last year is evident in declining production numbers, but there is movement in the market again now. In Norway, sales are currently on par with last year, and sales in Sweden have increased somewhat from the previous quarters.



A handwritten signature in black ink, appearing to read "Arne Giske".

Arne Giske, President and CEO

VEIDEKKE GROUP



Revenue for the second quarter amounted to NOK 9.1 billion, compared with NOK 8.3 billion for the same quarter last year. The growth in revenue is mainly attributed to the construction operations, while property development revenue declined.

The result before tax was a loss of NOK 199 million. The weak quarterly result is attributed to a NOK 550 million write-down in the Norwegian civil engineering operations. The write-down is mainly related to four projects, primarily in the transport infrastructure sector, based on new assessments of the revenue base. Several measures have been implemented to strengthen the profitability of the Norwegian construction operations.

The underlying result for the quarter was a profit of NOK 351 million, compared with a profit of NOK 385¹⁾ million for the same quarter in 2017. In the property development operations, a weak residential market over the last year has led to lower residential sales, fewer new projects and lower residential production. This has contributed to a lower result than the previous year. In the Industrial business area, a long winter contributed to a late start for the asphalt season and a lower result than the corresponding period last year. The underlying result for the construction operations, excluding the write-downs, showed an earnings improvement in all three countries.

The order intake for the quarter amounted to NOK 10.2 billion. The order backlog was NOK 34.3 billion, compared with NOK 31.9 billion at the end of the first quarter and NOK 29.1 billion at the end of the second quarter of 2017.

Net interest-bearing debt at the end of the quarter was NOK 2.5 billion, compared with NOK 1.6 billion at the end of the first quarter. Cash flow for the quarter was marked by the distribution of a dividend of NOK 669 million, investments in machinery and equipment, business acquisitions and the seasonal fluctuations of the asphalt operations.

Revenue for the first half of the year amounted to NOK 16.3 billion, an increase of 10% from NOK 14.8 billion for the first half of 2017, which is attributed to the construction operations and is primarily related to increased activity in the building construction operations in Norway.

The result for the first half year was a loss of NOK 210 million. The result was marked by write-downs in the Norwegian civil engineering operations. The underlying result was a profit of NOK 340 million, compared with a profit of NOK 432¹⁾ million for the first half of 2017. The decline in profit compared with last year is attributed primarily to lower residential activity in Sweden.

¹⁾ Revenue and profit before tax in the segment accounts for 2017 have been restated in accordance with the new revenue recognition standard IFRS 15, effective as of 1 January 2018. See note 18.

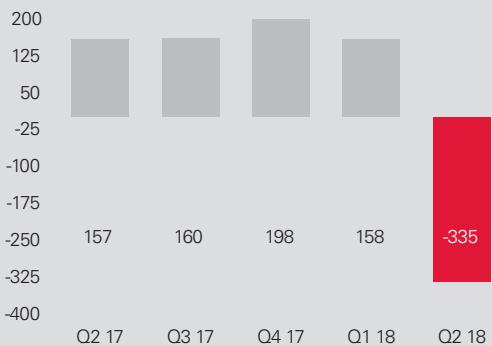
KEY FIGURES CONSTRUCTION OPERATIONS

NOK million	Q2 2018	Q2 2017 ¹⁾	At 30.6.2018	At 30.6.2017 ¹⁾	2017 ¹⁾
Revenue	7 469	6 451	13 969	12 284	25 674
Profit before tax	-335	157	-176	270	629
Profit margin (%)	-4.5	2.4	-1.3	2.2	2.4
Order backlog	33 261	27 995	33 261	27 995	31 601

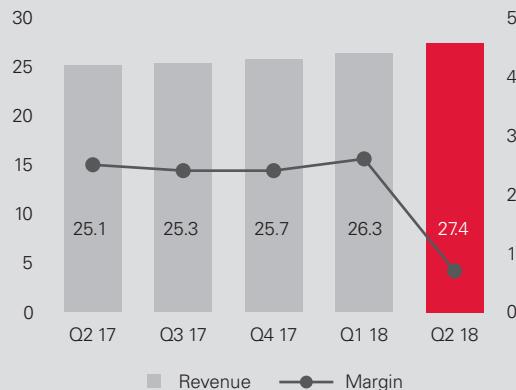
REVENUE¹⁾
NOK BILLION



PROFIT BEFORE TAX¹⁾
NOK MILLION



REVENUE AND MARGIN, 12-MONTH ROLLING¹⁾
NOK BILLION



ORDER BACKLOG AND ORDER INTAKE
NOK BILLION



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CONSTRUCTION OPERATIONS



The construction operations reported revenue of NOK 7.5 billion for the second quarter, up from NOK 6.5 billion for the previous year. Revenue increased in all three countries, with the greatest increase in Norway. The result before tax amounted to a loss of NOK 335 million for the second quarter. The underlying result for the quarter, excluding the write-down of the project portfolio in the Norwegian civil engineering operations, was NOK 215 million, compared with NOK 157 million for the same period in 2017, with a profit margin of 2.9%, compared with 2.4% one year ago.

The order intake was NOK 9.9 billion, of which business acquisitions in the quarter accounted for NOK 1.9 billion. The order backlog was NOK 33.3 billion at the end of the quarter, which is up from NOK 31.0 billion for the previous quarter and NOK 28.0 billion for the second quarter of 2017.

Construction Norway

NOK million	Q2 2018	Q2 2017 ¹⁾	At 30.6.	At 30.6.	2017 ¹⁾
			2018	2017 ¹⁾	
Revenue	4 377	3 747	8 404	7 203	14 720
Profit before tax	-439	84	-335	151	322
Profit margin %	-10.0	2.2	-4.0	2.1	2.2
Order backlog	19 159	15 738	19 159	15 738	19 521

1) Revenue and profit before tax in the segment accounts for 2017 have been restated in accordance with the new revenue recognition standard IFRS 15, effective as of 1 January 2018. See note 18.

The Norwegian construction operations reported revenue of NOK 4.4 billion for the second quarter of 2018, an increase of 17% over the second quarter last year. There was growth in the building construction operations in Eastern Norway, while revenue from the nationwide civil engineering operations declined.

The result before tax was a loss of NOK 439 million, which included NOK 550 million in project write-downs in the civil engineering operations. The write-down is primarily related to three transport infrastructure projects, and it has been carried out due to new assessments of the revenue base for these projects. In addition, an energy sector project was written down, in addition to some smaller projects in the portfolio where the earnings expectations were lowered.

To strengthen the control and competitiveness of the civil engineering operations, Veidekke has made changes to the organisation and implemented several measures to improve the processes for risk management and tenders. The Norwegian construction operations are divided into construction and civil engineering operations, and the respective managers are members of the corporate management team. The ongoing efforts to improve the profitability of the Norwegian civil engineering operations continue.

The underlying result, excluding the write-down in the civil engineering operations, was a profit of NOK 111 million in the second quarter, compared with a profit of NOK 84 million for the same quarter last year. The result of the construction operations increased as a result of higher revenue and the strong profitability of the operations in Eastern Norway. The result for the operations in Southern and Western Norway is still weak. The profit margin for Construction was 3.4%, compared with 3.7% for the second quarter of 2017.

The order intake for the quarter amounted to NOK 4.1 billion, and residential projects accounted for the greatest share of new contracts.

Major projects awarded in the second quarter:

- Nyegaardskvartalet in Oslo. Residential project for Veidekke Eiendom AS. Contract value of NOK 507 million.
- Mesnakvartalet in Lillehammer. Residential project for Smedvig Eiendom AS. Contract value of NOK 387 million.
- Vestli School in Oslo for Universitetsbygg Oslo KF. Contract value of NOK 307 million.
- Kongsvinger Line. Railway construction for Bane NOR. Contract value of NOK 183 million.

At the end of the second quarter, the operations had an order backlog of NOK 19.2 billion, an increase from NOK 15.7 billion at the end of the second quarter of 2017 but down from NOK 19.5 billion at the beginning of the year. The order coverage for the operations is good overall, but there are regional variations.

In April, Veidekke Enterprenør (Construction) signed a letter of intent to acquire 68% of the shares in Hande AS in Oslo. The company is engaged in the renovation of offices. Hande AS has 25 employees and reported revenue of NOK 210 million for 2017. It is expected that the final acquisition agreement will be signed in the third quarter.

Construction Sweden

NOK million	Q2 2018	Q2 2017	At 30.6.	At 30.6.	2017
			2018	2017	
Revenue	2 511	2 217	4 479	4 094	8 810
Profit before tax	64	44	92	63	170
Profit margin %	2.5	2.0	2.1	1.5	1.9
Order backlog	10 915	10 467	10 915	10 467	10 705

The Swedish construction operations reported revenue of NOK 2.5 billion for the second quarter, compared with NOK 2.2 billion for the same quarter last year. Measured in local currency, revenue increased 17% over 2017, and this growth is attributed to an increased level of activity in the civil engineering operations and business acquisitions in building construction operations. Revenue related to residential construction fell as a result of a lower level of activity in the residential market.

The acquisition of the contracting company Billström Riemer Andersson AB in Gothenburg was completed in May and contributed NOK 227 million in revenue during the quarter, a good contribution to the result and an order intake of NOK 1.9 billion.

The result before tax was a profit of NOK 64 million, compared with NOK 44 million for the second quarter last year. The earnings improvement is attributed to higher revenue in Civil Engineering and business acquisitions in Building Construction. The profit margin rose to 2.5%, from 2.0% for the same quarter last year.

Major projects awarded in the second quarter:

- Sickla sewage treatment plant. Modernisation of a tunnel for Stockholm Vatten och Avfall. Contract value of NOK 545 million.
- Kv Ormen. Office building in Gothenburg for Wallenstam. Contract value of NOK 255 million.
- Sisjödal housing for the elderly in Gothenburg for Dawasta. Contract value of NOK 228 million.
- Norvik MoK. New railway track in connection with the development of a new container port in Stockholm for the Ports of Stockholm. Contract value of NOK 171 million
- Kv Brädstapeln. Commercial building in Stockholm for Areim. Contract value of NOK 115 million.

At the end of the second quarter of 2018, the order backlog was NOK 10.9 billion, up from NOK 10.7 billion at the beginning of the year and up from NOK 10.5 billion at the end of second quarter of 2017.

Construction Denmark

NOK million	Q2 2018	Q2 2017	At 30.6.		2017
			2018	2017	
Revenue	581	487	1 086	987	2 144
Profit before tax	41	29	67	56	137
Profit margin %	7.0	6.0	6.2	5.6	6.4
Order backlog	3 187	1 790	3 187	1 790	1 375

The Danish construction operations reported revenue of NOK 581 million for the second quarter, compared with NOK 487 million for the second quarter of 2017. This growth is attributed to a higher level of construction activity on Zealand.

The result before tax was a profit of NOK 41 million, compared with NOK 29 million for the second quarter of last year. The profit margin increased to 7.0%, from 6.0% in the second quarter of 2017. The improved profitability is attributed to the higher level of activity.

The order intake for the quarter amounted to NOK 2.0 billion, compared with NOK 821 million in the second quarter of 2017, and consisted mainly of a large commercial building for KLP. The order backlog at the end of the quarter was NOK 3.2 billion, compared with NOK 1.4 billion at the beginning of the year and NOK 1.8 billion at the end of the second quarter of 2017.

Major contracts awarded in the second quarter:

- KLP Kay Fiskers Plads. New office building in Copenhagen for KLP Ejendomme A/S. Contract value of NOK 1.4 billion.
- DTU Kemi 228. New research facilities for the Technical University of Denmark (DTU) in Lyngby, north of Copenhagen. Contract value of NOK 237 million.

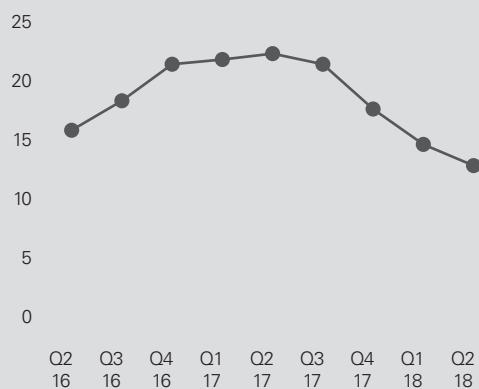
KEY FIGURES PROPERTY DEVELOPMENT OPERATIONS

NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
Revenue	782	1 183	1 415	1 909	3 456
Profit before tax	88	159	160	295	549
Capital invested	4 286	3 665	4 286	3 665	4 163

PROFIT BEFORE TAX¹⁾
NOK MILLION



RETURN ON INVESTED CAPITAL, 12-MONTH ROLLING¹⁾
PER CENT



KEY FIGURES RESIDENTIAL UNITS, VEIDEKKE'S SHARE

	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	2016	2017
Number of units sold	168	125	182	147	355	1 397	979
Norway	96	67	99	46	88	433	304
Sweden	67	56	80	96	259	889	645
Denmark ²⁾	5	2	3	5	8	75	30
Construction starts	364	9	363	127	656	1 405	1 374
Norway	217	9	145	108	9	342	320
Sweden	147	-	218	19	647	948	1 054
Denmark ²⁾	-	-	-	-	-	115	-
Number of units under construction	2 251	2 514	2 620	2 620	2 890	2 422	2 620
Norway	598	534	557	640	546	600	557
Sweden	1 578	1 905	1 948	1 865	2 229	1 707	1 948
Denmark ²⁾	75	75	115	115	115	115	115
Sales ratio, units under construction (%)	80	84	83	86	86	91	83
Norway	75	82	80	90	89	86	80
Sweden	81	85	84	85	85	94	84
Denmark	96	91	91	89	84	-	91
Land bank	15 200	15 250	14 050	14 150	13 700	13 550	14 050
Norway	5 400	5 600	5 300	5 550	5 400	5 250	5 300
Sweden	9 800	9 650	8 750	8 600	8 300	8 300	8 750

1) The return on invested capital is adjusted for taxes in joint ventures and associates.

2) One own-account project in Copenhagen with 115 units. The project is reported in the accounts under Construction Denmark.

PROPERTY DEVELOPMENT OPERATIONS



Veidekke sold 168 residential units in the second quarter. Residential sales are significantly lower than at the same time last year, when Veidekke sold 355 residential units. The weakening residential market has had the greatest impact on the Swedish property development operations, where the greatest decline in sales has occurred in the Stockholm area. The number of residential units sold increased, however, compared with the previous quarter, when a total of 125 residential units were sold.

Residential production amounted to 2,251 units at the end of the quarter, compared with 2,514 units in the first quarter and 2,890 units in the second quarter of 2017. The sales ratio for the portfolio was 80%, compared with 84% in the previous quarter and 86% one year ago.

Revenue from the property development operations was NOK 782 million, compared with NOK 1,183 million for the second quarter of 2017. The profit before tax was NOK 88 million, compared with NOK 159 million for the same quarter last year. The decline in profit is attributed primarily to the Swedish operations.

At the end of the first quarter, the Group had a land bank that could yield 18,600 residential units, and Veidekke's share was 15,200 units.

The invested capital in the property development operations totalled NOK 4.3 billion at the end of the second quarter. The return on invested capital for the last twelve months was 12.8%.

Property Development Norway

NOK million	Q2 2018	Q2 2017	At 30.6. 2018	At 30.6. 2017	2017
Revenue	157	263	310	359	610
Profit before tax	35	46	62	84	146
No. of units under construction ¹⁾	598	546	598	546	557
No. of units sold ¹⁾	96	88	163	158	304

1) A significant portion of Veidekke's Norwegian property development operations takes place in joint ventures. The figures in the table illustrate Veidekke's share.

The Norwegian property development operations sold a total of 140 residential units during the quarter, and Veidekke's share was 96 residential units. This was an increase from 67 residential units (Veidekke's share) sold in the previous quarter and 88 residential units sold in the second quarter of 2017. Three projects with a total of 105 units were released for sale during the quarter: in Oslo, Hamar and Trondheim.

Revenue totalled NOK 157 million, compared with NOK 263 million for the second quarter of last year. Profit before tax was NOK 35 million, compared with NOK 46 million for the second quarter of 2017. The decline in profit compared with last year is attributed to lower residential production in large parts of the quarter and the fact that the sales ratio for residential units under construction was lower than one year ago.

At the end of the quarter, 598 residential units were under construction, compared with 546 units at the same time last year. Two projects started construction towards the end of the quarter: one in Oslo and one in Trondheim, with a total of 217 residential units, while 101 residential units were completed and handed over. The sales ratio for residential units under construction was 75%, compared with 82% for the previous quarter and 89% one year ago.

Veidekke has a 12,000 square metre commercial project under construction in Trondheim in collaboration with a partner. The project is nearly fully let.

At the end of the quarter, the Norwegian operations had a land bank that can yield 7,700 residential units, and Veidekke's share was 5,400 units.

The invested capital amounted to NOK 3.0 billion at the end of the quarter, and the return on invested capital for the last twelve months was 7.9%. The return has been adjusted for taxes in associates and joint ventures.

Property Development Sweden

NOK million	Q2 2018	Q2 2017	At 30.6. 2018	At 30.6. 2017	2017
Revenue	625	920	1 105	1 550	2 845
Profit before tax	53	113	98	211	404
No. of units under construction ¹⁾	1 578	2 229	1 578	2 229	1 948
No. of units sold ¹⁾	67	259	123	470	645

1) Veidekke's share.

The Swedish property development operations sold a total of 75 residential units in the second quarter, and Veidekke's share was 67 units. In comparison, Veidekke sold 56 residential units in the previous quarter and 259 units in the second quarter last year.

Four new projects with a combined total of 146 residential units were released for sale during the quarter: two in Gothenburg, one in Trelleborg and one in Helsingborg. The sales ratio in these projects is currently 20%.

Revenue totalled NOK 625 million in the second quarter, compared with NOK 920 million at the same time last year. Profit before tax was NOK 53 million, compared with NOK 113 million for the second quarter of 2017. The profit included a gain of NOK 12 million from the sale of a rental unit project. The decline in both revenue and earnings is attributed to a lower sales ratio for residential units under construction, fewer starts and lower residential production.

Residential production was lower than both the previous quarter and the same quarter last year, but the level of production is still high. At the end of the quarter, the Swedish operations had 1,578 units under construction, compared with 1,905 units in the previous quarter and 2,229 units at the end of the second quarter of 2017. A project in Lund with 147 residential units started construction in the second quarter, while 474 residential units were completed and handed over. The sales ratio for the residential units under construction was 81%, compared with 85% in the previous quarter and one year ago.

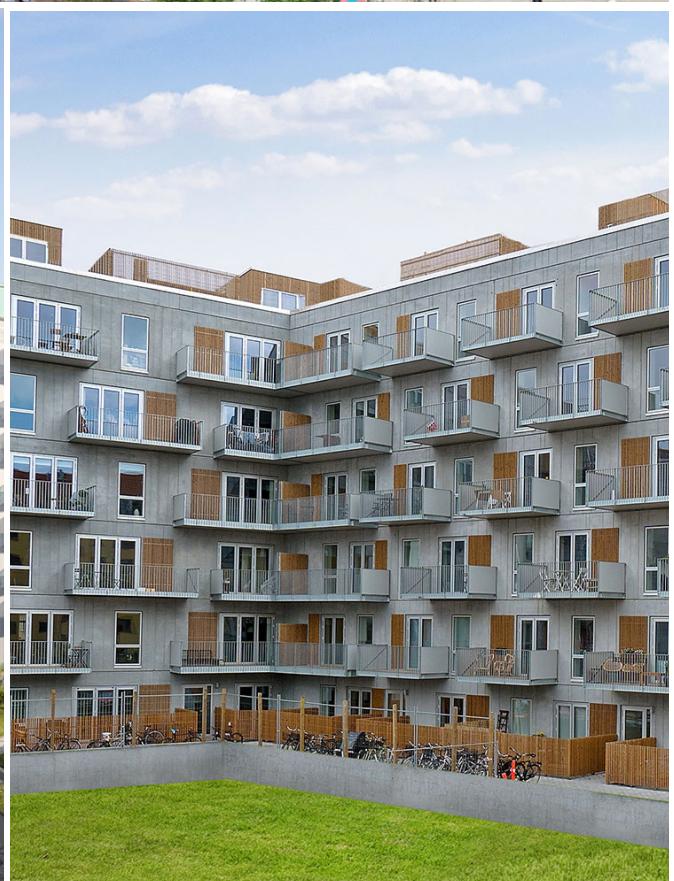
The Swedish property development operations have a land bank that can yield 10,900 residential units, divided between approximately 100 projects, and Veidekke's share is 90% of this.

The invested capital amounted to NOK 1.2 billion at the end of the second quarter, and the return on invested capital for the last twelve months was 29.2%.

NYEGAARDSKVARTALET, OSLO



CENTRAL PARK, LUND



CENTRAL HOUSE, COPENHAGEN

KEY FIGURES INDUSTRIAL

NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
Revenue	1 339	1 246	1 814	1 723	4 761
Profit before tax	66	85	-151	-98	206
Profit margin (%)	4.9	6.8	-8.3	-5.7	4.3
Order backlog	1 031	1 072	1 031	1 072	960

REVENUE
NOK MILLION



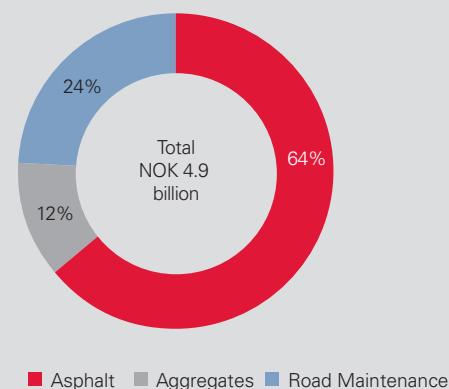
PROFIT BEFORE TAX
NOK MILLION



PROFIT AND MARGIN, 12-MONTH ROLLING
NOK BILLION



REVENUE BY BUSINESS AREA, LAST 12 MONTHS



INDUSTRIAL



Revenue from the Industrial business area increased 7% to NOK 1.3 billion in the second quarter, compared with NOK 1.2 billion in the second quarter of 2017. The increase was primarily from Asphalt and is attributed to higher bitumen prices.

Profit before tax was NOK 66 million, compared with NOK 85 million for the second quarter of 2017. The profit margin was 4.9%, compared with 6.8% for the second quarter of 2017. The decline in profit is attributed to Asphalt.

The profit from Asphalt was NOK 47 million, compared with NOK 69 million for the second quarter of 2017. The decline in profit is attributed to lower capacity utilisation due to a later than normal start for the season after a long, cold winter. The profit margin was 4.8%, compared with 7.4% one year ago.

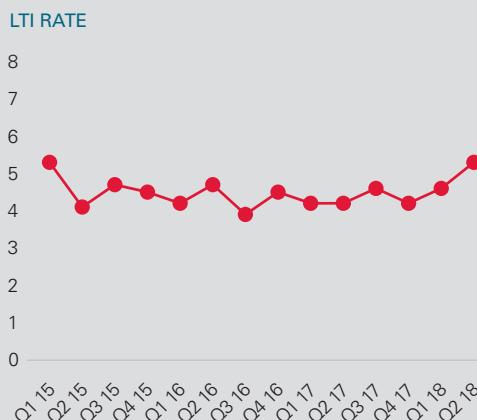
The result from Road Maintenance was a loss of NOK 12 million, compared with a loss of NOK 10 million for the second quarter of 2017. The result was marked by low profitability in several projects and higher winter-related costs.

Aggregates reported higher revenue and profit for the quarter. A profit of NOK 39 million was reported, and profitability was good, with a profit margin of 21%, compared with 17% one year ago. The profit growth is attributed to a higher volume and good capacity utilisation.

OCCUPATIONAL HEALTH AND SAFETY

A good safety culture is of decisive importance in order to achieve a good level of safety. Awareness campaigns and risk prevention measures are given priority so that Veidekke can achieve its long-term goal of zero serious injuries and an annual reduction of 20% in the total number of injuries. Safety awareness was the main topic of Veidekke's annual OHS week in June, which stressed responsibility for one's own safety and the safety of others.

The number of injuries in the second quarter was 102, compared with 84 injuries in the previous quarter and 58 injuries in the second quarter of 2017. Three of the injuries were serious. The total number of injuries for the last twelve months has been stable compared with the previous period, but the number of serious injuries has increased.

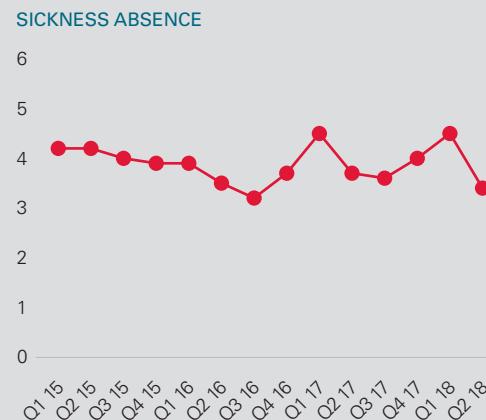


LTI rate: Lost-time injuries per million hours worked, own employees.

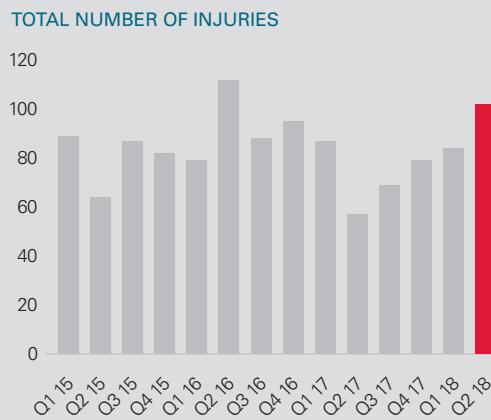
Systems and processes for faster learning after serious events are among the measures to reduce the number of injuries.

The LTI rate for the second quarter was 5.3, up from 4.6 in the previous quarter and 4.2 in the second quarter of 2017.

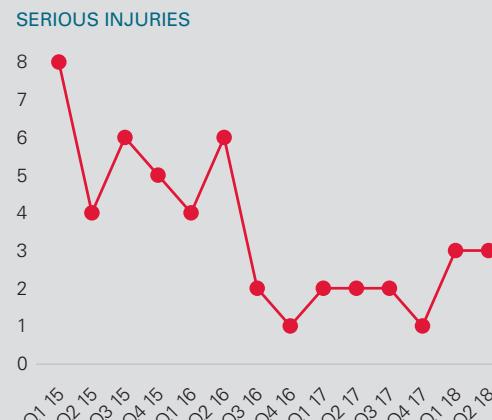
Sickness absence for the quarter fell to 3.4%, from 4.5% for the previous quarter and 3.7% for the second quarter of 2017, and there was a decline in all three countries. Sickness absence at Veidekke is lower than the average rate for the industry. Long-term sickness absence is primarily related to strain injuries, and prevention encompasses, among other things, training in the use of equipment, preventive training and work adaptation.



Sickness absence, own employees, per cent.



Number of injuries, own employees and subcontractors.



Number of injuries, own employees and subcontractors.

OTHER OPERATIONS

Other operations consist of unallocated costs associated with the Group's corporate administration and financial management, the Group's ownership role in Public–Private Partnerships (PPP) and the elimination of intra-group profits. The result for the second quarter was a loss of NOK 18 million, compared with a loss of NOK 16 million for the second quarter of 2017.

FINANCIAL SITUATION

Net interest-bearing debt at the end of the quarter was NOK 2 458 million, compared with NOK 764 million at the end of the year.

Cash flow from operational activities was negative NOK 73 million in the first half of 2018, compared with negative NOK 113 in the same period last year. The cash flow from industrial operations is normally weak in the first half of the year due to normal seasonal variations in the asphalt operations. The dividend from the 2017 financial year of NOK 669 million was distributed in May, and acquisition of operations amounted to NOK 300 million in the first half of the year. Veidekke's financial position is regarded as good, and the Group has good financial capacity.

The Group has a long-term borrowing facility of NOK 3.6 billion with DNB. At the end of the quarter, unused borrowing facilities amounted to NOK 2.1 billion. Veidekke issued a NOK 1.0 billion bond loan in the second quarter that matures in June 2025. Veidekke has previously issued a bond loan of NOK 600 million that matures in March 2025.

SHAREHOLDER INFORMATION

Largest shareholders at 30 June 2018		Ownership share in %
OBOS BBL		18.1
FOLKETRYGDFONDET		10.6
IF SKADEFORSÄKRING AB		6.9
HANDELSBANKEN NORDEN SELEKTIV/FONDER		2.9
MUST INVEST AS		2.2
VERDIPAPIRFONDET DNB NORGE (IV)		2.2
DANSKE INVEST NORSKE INSTIT. II		2.2
MP PENSJON PK		2.0
ODIN NORGE		1.7
DANSKE INVEST NORSKE AKSJER INST		1.1
Foreign shareholders		20.5
Employees, total ownership		15.6

A total of 10.8 million Veidekke shares were traded in the second quarter 2018. The share price ranged from NOK 80.40 to NOK 97.80, and was NOK 81.90 at 30 June 2018.

RELATED PARTY TRANSACTIONS

Veidekke has ongoing transactions with related parties during the course of its ordinary operations, including contracts for the development of specific projects. There were no significant related party transactions in the second quarter of 2018 beyond this. For a more detailed description of related party transactions, see Veidekke's 2017 Annual Report.

RISKS

Veidekke's operations are largely based on the execution of individual projects. The projects vary greatly in terms of complexity, size, duration and risk, and systematic risk management in all parts of the business is of crucial importance. Veidekke analyses and assesses risk at the tendering stage, and risk is followed up closely throughout the execution phase. Correct expertise is a critical success factor, both to obtain projects and to ensure good operational efficiency and project execution. To ensure that the Group has sound and updated knowledge, Veidekke invests significant resources in skills development for employees through its internal courses and training programmes and continuously works on recruitment throughout the Group.

Contracts related to transport infrastructure projects can be challenging and allow different interpretations of what constitutes proper fulfilment of the contract. As a result, disagreement may arise about the final settlement between the contractor and the contracting client. Veidekke seeks to come to an agreement with the client through negotiation, but some disputes are resolved by the court. At the end of the quarter, Veidekke was involved in two major disputes under court consideration, one of which has a non-enforceable verdict, while the other is scheduled for court proceedings in the autumn of 2018. The outcome of the individual disputes, positive or negative, may have an effect on the profit.

The residential market is sensitive to cyclical fluctuations, and earnings in Property Development are closely related to new project start-ups. To reduce the risk associated with unsold projects, Veidekke will not, as a general principle, initiate new residential projects until a sales ratio of 50% has been achieved. Consequently, a decline in residential sales may delay residential projects. At 30 June 2018 the sales ratio for residential units under construction was 80%.

Veidekke's financial risks is primarily related to trade receivables and interest-bearing liabilities. These risks are classified as credit, market and liquidity risks. For a more detailed description of the company's financial risk, see note 28 in Veidekke's 2017 Annual Report.

MARKET OUTLOOK

PRODUCTION IN CONSTRUCTION AND CIVIL ENGINEERING (current prices):

	NORWAY				SWEDEN				DENMARK			
	2017 ¹⁾ NOK bn	2017 ¹⁾ Growth	2018 ²⁾ Growth	2019 ²⁾ Growth	2017 ¹⁾ NOK bn	2017 ¹⁾ Growth	2018 ²⁾ Growth	2019 ²⁾ Growth	2017 ¹⁾ NOK bn	2017 ¹⁾ Growth	2018 ²⁾ Growth	2019 ²⁾ Growth
Homes	157	15%	0%	-15%	202	21%	5 %	-10%	97	17%	13%	8%
Commercial buildings	69	7%	1%	-4%	96	19%	4 %	0%	30	8%	10%	10%
Public buildings	36	-4%	-9%	8%	47	11%	4 %	0%	28	-1%	-1%	7%
Civil engineering	79	5%	9%	4%	83	4%	6 %	4%	49	-5%	0%	3%
Total construction and civil engineering	340	9%	1%	-6%	428	16%	5 %	-4%	204	7%	7%	7%

1) Source: Statistics Norway, Statistics Sweden, Statistics Denmark

2) Veidekke's forecasts

NORWAY

Production in the Norwegian construction and civil engineering market increased in the first half of 2018, but a moderate decline is expected in the future, primarily driven by a lower level of activity in the residential segment. The sales of new residential units have shown a positive trend in the last quarter, but residential construction will nevertheless decline in the future. The demand for non-residential buildings is still good. However, measured based on the number of starts, a moderate decline in the production of commercial buildings is expected. Several hospital projects will contribute to a high level of activity in the market for public buildings in the years to come. In the civil engineering market, demand will continue to grow in most segments in 2018 and 2019, particularly in the transport infrastructure sector.

SWEDEN

Even if growth in the construction and civil engineering market has declined in the first half of the year, the Swedish economy is still strong, and good GDP growth is expected to continue to the end of 2019. The market for new residential units has been marked by hesitant buyers and weak sales throughout the last year. In the future, we are expecting fewer starts, which entails a decline in residential production. The residential resale market has strengthened in recent quarters, and it is expected to also have a positive impact on market for new residential units. The non-residential building segment has shown strong growth, particularly in the Gothenburg region, and the high demand is expected to continue to the end of 2019. Growth in the civil engineering market will continue in 2018 and 2019, driven primarily by the large transport infrastructure projects in Stockholm and Gothenburg.

DENMARK

After several years of economic downturn, both the Danish economy and the construction and civil engineering markets are improving. Good growth in most of the markets is expected to the end of 2019, and this also applies to the non-residential market, which is Veidekke's primary market in Denmark.

CONSOLIDATED INTERIM FINANCIAL STATEMENT (UNAUDITED)

- A. FINANCIAL STATEMENT, SECOND QUARTER
- B. BUSINESS SEGMENTS
- C. STATEMENT OF CHANGES IN EQUITY
- D. NOTES TO THE INTERIM FINANCIAL STATEMENTS

DECLARATION BY THE BOARD OF DIRECTORS AND PRESIDENT & CEO

The Board and CEO have today reviewed and approved the condensed consolidated financial statements and Board of Directors' report for the six-month period that ended 30 June 2018. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and the additional disclosure requirements of the Norwegian Securities Trading Act.

To the best of our knowledge, the interim financial statements give a true and fair view of the Group's assets, liabilities, financial position and performance, while the interim management report provides a true and fair overview of important events in the reporting period and their impact on the financial statements, describes the principal risks and uncertainties associated with the next reporting period and describes related party transactions.

Oslo, 15 August 2018
 The Board of Directors of Veidekke ASA

Martin Mæland
Chair

Hans von Uthmann

Gro Bakstad

Ingallill Berglund

Ann-Christin Andersen

Daniel Kjørberg Siraj

Ingolv Høyland

Inge Ramsdal

Odd Andre Olsen

Arve Fludal

Arne Giske
President and CEO

INCOME STATEMENT

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
Revenue	9 465	8 205	16 488	14 642	31 175
Operating expenses	-9 531	-7 765	-16 496	-14 148	-29 700
Share of net income from joint ventures	55	65	75	129	369
Operating profit before depreciation (EBITDA)	-11	504	67	623	1 844
Impairment of non-current assets	-1	-	-1	-	-6
Depreciation	-142	-125	-280	-249	-517
Operating profit (EBIT)	-154	379	-215	375	1 320
Financial income	26	22	38	35	67
Financial costs	-18	-18	-36	-30	-60
Profit before tax	-146	383	-213	380	1 327
Income tax expense	11	-67	21	-67	-122
Profit after tax	-135	316	-192	314	1 205
Of which non-controlling interests	9	12	17	14	27
Earnings per share (NOK) ¹⁾	-1.1	2.3	-1.6	2.2	8.8

1) No dilutive effect.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
Profit after tax	-135	316	-192	314	1 205
Revaluation of pensions	-	-	-	-	-72
Net items that will not be reclassified subsequently to profit or loss	-	-	-	-	-72
Currency translation differences	-83	85	-179	108	115
Fair value adjustment of financial assets	4	-	3	3	-15
Net items that may be reclassified subsequently to profit or loss	-79	85	-176	112	100
Total comprehensive income	-214	401	-368	426	1 233
of which non-controlling interests	8	13	14	16	29

STATEMENT OF FINANCIAL POSITION

Figures in NOK million	30.6.2018	30.6.2017	31.12.2017	1.1.2017
ASSETS				
Non-current assets				
Goodwill	1 702	1 272	1 401	1 248
Other intangible assets	132	147	129	136
Deferred tax assets	19	65	55	65
Land and buildings	703	563	615	560
Plant and machinery	2 480	2 042	2 286	1 954
Investments in joint ventures	1 452	1 309	1 489	1 385
Financial assets	572	572	508	649
Total non-current assets	7 060	5 971	6 482	5 997
Current assets				
Residential projects	3 738	3 199	3 941	2 736
Inventories	641	514	518	455
Trade and other receivables	7 213	6 662	5 695	5 173
Cash and cash equivalents	583	412	392	644
Total current assets	12 174	10 788	10 546	9 008
Total assets	19 234	16 759	17 028	15 005
EQUITY AND LIABILITIES				
Equity				
Share capital	67	67	67	67
Other equity	2 820	3 271	3 972	3 473
Non-controlling interests	246	175	181	179
Total equity	3 133	3 514	4 220	3 719
Non-current liabilities				
Pensions and deferred tax liabilities	920	795	900	813
Bonds	1 600	-	-	750
Amounts due to credit institutions	1 643	570	613	212
Other non-current liabilities	365	139	173	136
Total non-current liabilities	4 527	1 505	1 686	1 911
Current liabilities				
Certificate debt and debt to credit institutions	25	445	10	44
Bonds	-	750	750	-
Trade payables and warranty provisions	6 853	5 658	5 710	5 097
Public duties and taxes payable	1 019	1 057	887	784
Other current liabilities	3 677	3 831	3 766	3 449
Total current liabilities	11 574	11 741	11 122	9 375
Total equity and liabilities	19 234	16 759	17 028	15 005

STATEMENT OF CASH FLOWS

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
Profit before tax	-146	383	-213	380	1 327
Tax paid	-23	-10	-54	-30	-155
Depreciation/impairment	143	125	281	249	524
Other operational items	520	173	-88	-712	-994
Cash flow from operating activities	494	672	-73	-113	702
Acquisition/disposal of property, plant and equipment	-323	-177	-478	-307	-615
Other investing activities	-172	-30	-258	-88	-324
Change in interest-bearing receivables	-17	-22	-10	-13	146
Cash flow from investing activities	-512	-229	-747	-408	-792
Change in interest-bearing liabilities	838	282	1 760	906	1 255
Dividend paid	-668	-602	-668	-602	-602
Change other non-current liabilities	-11	12	7	12	3
Other financial items	-24	-32	-58	-42	-836
Cash flow from financing activities	135	-339	1 040	274	-179
Change in cash and cash equivalents	116	104	221	-247	-269
Cash and cash equivalents, start of period	476	298	392	644	644
Exchange rate adjustment foreign cash balances	-9	11	-30	15	17
Cash and cash equivalents, end of period	583	412	583	412	392

NET INTEREST-BEARING POSITION

Figures in NOK million	30.6.2018	30.6.2017	31.12.2017
Cash and cash equivalents	583	412	392
Interest-bearing assets (long-term)	227	376	217
Interest-bearing liabilities	-3 269	-1 766	-1 373
Net interest-bearing position	-2 458	-977	-764
Change in net interest-bearing position (from 1 Jan)	-1 694	-978	-764

OTHER KEY FIGURES

Figures in NOK million	30.6.2018	30.6.2017	31.12.2017
Order backlog (NOK million)	34 291	29 067	32 561
Equity ratio (%)	16	21	25
Number of employees	8 133	7 562	7 736

BUSINESS SEGMENTS

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
CONSTRUCTION (specification page 27)					
Revenue	7 469	6 451	13 969	12 284	25 674
Operating expenses	-7 737	-6 227	-14 007	-11 884	-24 774
Share of net income from joint ventures	6	2	9	4	8
Depreciation/impairment	-88	-78	-172	-154	-316
Operating profit (EBIT)	-350	147	-202	250	592
Net financial items	16	10	26	19	36
Profit before tax (EBT)	-335	157	-176	270	629
Total assets, segment	12 237	11 098	12 237	11 098	11 176
PROPERTY (specification page 28)					
Revenue	782	1 183	1 415	1 909	3 456
Operating expenses	-736	-1 064	-1 322	-1 736	-3 117
Share of net income from joint ventures	54	46	91	133	239
Depreciation/impairment	-	-	-1	-1	-4
Operating profit (EBIT)	100	165	182	305	574
Net financial items	-12	-5	-22	-10	-25
Profit before tax (EBT)	88	159	160	295	549
Total assets, segment	5 794	5 552	5 794	5 552	6 179
INDUSTRIAL					
Revenue	1 339	1 246	1 814	1 723	4 761
Operating expenses	-1 217	-1 112	-1 852	-1 720	-4 372
Share of net income from joint ventures	2	3	1	-1	36
Depreciation/impairment	-52	-44	-102	-88	-192
Operating profit (EBIT)	73	92	-139	-87	232
Net financial items	-7	-8	-11	-12	-26
Profit before tax (EBT)	66	85	-151	-98	206
Total assets, segment	3 054	2 607	3 054	2 607	2 280
OTHER OPERATIONS ¹⁾					
Revenue	-	-	-	-	1
Operating expenses	-34	-24	-58	-49	-102
Share of net income from joint ventures	5	5	10	10	22
Depreciation/impairment	-3	-3	-6	-6	-12
Operating profit (EBIT)	-32	-22	-54	-45	-92
Net financial items	10	8	9	8	21
Profit before tax (EBT)	-21	-14	-45	-37	-71

1) Other operations include the Group's central unassigned costs and net financial items, plus Veidekke's PPP role (Public-Private Partnership).

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
GROUP ELIMINATIONS					
Revenue	-442	-594	-943	-1 110	-2 453
Operating expenses	445	592	944	1 113	2 450
Share of net income from joint ventures	-	-	-	-	-
Depreciation/impairment	-	-	-	-	-
Operating profit (EBIT)	3	-2	1	3	-3
Net financial items	-	-	-	-	1
Profit before tax (EBT)	3	-2	1	3	-2
TOTAL VEIDEKKE GROUP					
SEGMENT ACCOUNTS					
Revenue	9 148	8 286	16 255	14 805	31 438
Operating expenses	-9 279	-7 836	-16 296	-14 276	-29 915
Share of net income from joint ventures	67	56	110	146	305
Depreciation/impairment	-143	-125	-281	-249	-524
Operating profit (EBIT)	-206	381	-212	427	1 304
Net financial items	7	4	2	5	7
Profit before tax (EBT)	-199	385	-210	432	1 311
Total assets, segment	19 411	16 991	19 411	16 991	17 198

RECONCILIATION OF SEGMENT ACCOUNTS AND FINANCIAL ACCOUNTS

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
TOTAL VEIDEKKE GROUP SEGMENT ACCOUNTS					
Revenue	9 148	8 286	16 255	14 805	31 438
Operating expenses	-9 279	-7 836	-16 296	-14 276	-29 915
Share of net income from joint ventures	67	56	110	146	305
Depreciation/impairment	-143	-125	-281	-249	-524
Operating profit (EBIT)	-206	381	-212	427	1 304
Net financial items	7	4	2	5	7
Profit before tax (EBT)	-199	385	-210	432	1 311
Total assets, segment	19 411	16 991	19 411	16 991	17 198
IFRS, DEVELOPMENT OF RESIDENTIAL UNITS IN NORWAY ^{1) 2)}					
Revenue	317	-81	232	-163	-263
Operating expenses	-252	71	-200	128	215
Share of net income from joint ventures	-12	9	-35	-17	64
Depreciation/impairment	-	-	-	-	-
Operating profit (EBIT)	53	-2	-3	-52	16
Net financial items	-	-	-	-	-
Profit before tax (EBT)	53	-2	-3	-52	16
Total assets, segment	-176	-232	-176	-232	-170

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

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

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
TOTAL VEIDEKKE GROUP FINANCIAL ACCOUNTS					
Revenue	9 465	8 205	16 488	14 642	31 175
Operating expenses	-9 531	-7 765	-16 496	-14 148	-29 700
Share of net income from joint ventures	55	65	75	129	369
Depreciation/impairment	-143	-125	-281	-249	-524
Operating profit (EBIT)	-154	379	-215	375	1 320
Net financial items	7	4	2	5	7
Profit before tax (EBT)	-146	383	-213	380	1 327
Total assets, segment	19 234	16 759	19 234	16 759	17 028

CONSTRUCTION OPERATIONS BY COUNTRY

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
CONSTRUCTION NORWAY					
Revenue	4 377	3 747	8 404	7 203	14 720
Operating expenses	-4 762	-3 615	-8 630	-6 958	-14 199
Share of net income from joint ventures	-	-	-	-	4
Depreciation/impairment	-65	-57	-127	-113	-233
Operating profit (EBIT)	-449	75	-353	132	291
Net financial items	10	10	18	19	31
Profit before tax (EBT)	-439	84	-335	151	322
Total assets, segment	7 500	7 246	7 500	7 246	7 051
CONSTRUCTION SWEDEN					
Revenue	2 511	2 217	4 479	4 094	8 810
Operating expenses	-2 437	-2 155	-4 361	-3 996	-8 571
Share of net income from joint ventures	6	2	9	4	4
Depreciation/impairment	-21	-19	-40	-37	-75
Operating profit (EBIT)	60	45	86	65	169
Net financial items	4	-1	6	-2	1
Profit before tax (EBT)	64	44	92	63	170
Total assets, segment	3 515	2 727	3 515	2 727	2 872
CONSTRUCTION DENMARK					
Revenue	581	487	1 086	987	2 144
Operating expenses	-539	-457	-1 017	-930	-2 003
Share of net income from joint ventures	-	-	-	-	-
Depreciation/impairment	-2	-2	-5	-4	-8
Operating profit (EBIT)	40	28	65	53	132
Net financial items	1	1	2	2	5
Profit before tax (EBT)	41	29	67	56	137
Total assets, segment	1 222	1 125	1 222	1 125	1 254
TOTAL CONSTRUCTION					
Revenue	7 469	6 451	13 969	12 284	25 674
Operating expenses	-7 737	-6 227	-14 007	-11 884	-24 774
Share of net income from joint ventures	6	2	9	4	8
Depreciation/impairment	-88	-78	-172	-154	-316
Operating profit (EBIT)	-350	147	-202	250	592
Net financial items	16	10	26	19	36
Profit before tax (EBT)	-335	157	-176	270	629
Total assets, segment	12 237	11 098	12 237	11 098	11 176

PROPERTY DEVELOPMENT BY COUNTRY

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
PROPERTY DEVELOPMENT NORWAY					
Revenue	157	263	310	359	610
Operating expenses	-149	-247	-293	-352	-590
Share of net income from joint ventures	39	37	67	90	157
Depreciation/impairment	1	-	-1	-	-1
Operating profit (EBIT)	47	53	84	97	175
Net financial items	-12	-7	-22	-13	-30
Profit before tax (EBT)	35	46	62	84	146
Total assets, segment	3 470	3 215	3 470	3 215	3 551
PROPERTY DEVELOPMENT SWEDEN					
Revenue	625	920	1 105	1 550	2 845
Operating expenses	-587	-817	-1 030	-1 384	-2 526
Share of net income from joint ventures	15	9	24	43	82
Depreciation/impairment	-	-	-	-	-2
Operating profit (EBIT)	53	112	98	209	398
Net financial items	-	1	-	2	5
Profit before tax (EBT)	53	113	98	211	404
Total assets, segment	2 324	2 337	2 324	2 337	2 628
TOTAL PROPERTY DEVELOPMENT					
Revenue	782	1 183	1 415	1 909	3 456
Operating expenses	-736	-1 064	-1 322	-1 736	-3 117
Share of net income from joint ventures	54	46	91	133	239
Depreciation/impairment	-	-	-1	-1	-4
Operating profit (EBIT)	100	165	182	305	574
Net financial items	-12	-5	-22	-10	-25
Profit before tax (EBT)	88	159	160	295	549
Total assets, segment	5 794	5 552	5 794	5 552	6 179

STATEMENT OF CHANGES IN EQUITY

Figures in NOK million	EQUITY HOLDERS OF VEIDEKKE ASA						MINORITY		
	Share capital	Other paid-in capital ¹⁾	Re-evaluation of pensions	Currency translation differences	Other retained earnings	Fair value adjustment ²⁾	Total	Non-controlling interests	Total
Equity at 31 December 2016	67	305	50	24	2 926	-86	3 286	179	3 465
Restatement in accordance with IFRS 15				-30	284		255		255
Equity at 1 January 2017	67	305	50	-6	3 210	-86	3 540	179	3 719
Profit for the period					300		300	14	314
Other comprehensive income				107		3	110	2	112
IFRS 2 – share-based transactions employees					-10		-10		-10
Change, non-controlling interests								-1	-1
Dividend					-602		-602	-19	-621
Equity at 30 June 2017	67	305	50	101	2 898	-82	3 338	175	3 514
Equity at 1 January 2017	67	305	50	-6	3 210	-86	3 540	179	3 719
Profit for the year					1 178		1 178	27	1 205
Other comprehensive income			-72	113		-15	26	2	28
IFRS 2 – share-based transactions employees					-20		-20		-20
Transactions, non-controlling interests					-48		-48	-17	-65
Options, non-controlling interests					-35		-35		-35
Additions, aquisitions of operations, non-controlling interests								9	9
Dividend					-602		-602	-19	-621
Equity at 31 December 2017	67	305	-22	107	3 683	-101	4 039	181	4 220
Equity at 1 January 2018	67	305	-22	107	3 683	-101	4 039	181	4 220
Profit for the period					-209		-209	17	-192
Other comprehensive income				-175		3	-173	-4	-176
IFRS 2 – share-based transactions employees					-12		-12		-12
Options, non-controlling interests					-91		-91		-91
Additions, aquisitions of operations, non-controlling interests								73	73
Dividend					-668		-668	-22	-690
Equity at 30 June 2018	67	305	-22	-68	2 704	-98	2 887	246	3 133

1) Paid-in capital over and above nominal value of shares.

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

There have been no purchases of own shares in 2018.

NOTE 1. GENERAL INFORMATION

Veidekke is a Scandinavian construction and property development company headquartered in Oslo. The consolidated accounts for Q2 2018 include Veidekke ASA and its subsidiaries and the Group's investments in associates and joint ventures. At the end of Q2 2018, the Group comprised

essentially the same entities as described in the 2017 annual report. Details of business combinations in 2018 can be found in note 8. The interim financial statements are unaudited.

NOTE 2. ACCOUNTING POLICIES

The Group presents its financial reports in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The quarterly accounts have been prepared in accordance with IAS 34 Interim Financial Reporting and are in line with the Stock Exchange Rules. The quarterly accounts have been prepared using the same accounting policies as in the annual accounts for 2017, with the exception of the implementation of the new revenue recognition standard IFRS 15 in January 2018.

IFRS 15 Revenue from contracts with customers

On 1 January 2018, Veidekke implemented the new revenue recognition standard IFRS 15.

The new standard is relevant to Veidekke's recognition of revenue from own-account residential projects as well as change orders and supplementary work in construction projects. For other revenue the new standard will not cause changes compared with the previous principles.

The 2017 annual accounts have been restated in accordance with the new standard.

Residential projects in property development operations

In the financial statement, Veidekke has, in accordance with the previous standard IAS 11, recognised revenue from residential projects on the date of contractual delivery to the purchaser (IFRIC 15). In accordance with the new standard, revenue from residential projects in Sweden and Denmark will be recognised on an ongoing basis in line with estimated final profit, stage of completion and sales ratio, while the revenue recognition principles applicable to residential projects in Norway remain unchanged. The different revenue recognition approaches in the different countries are due to variations in national legislation governing residential construction and sales.

Veidekke will continue to report revenue from residential projects on a percentage-of-completion basis in its segment accounts. This is deemed to best reflect the Group's value creation in the property segment, and ensures consistency with Veidekke's internal reporting. Veidekke's segment accounts for residential projects will thus be unaffected by the new revenue recognition standard. Going forward, any difference between the financial and segment accounts will be due solely to the Norwegian property development operations.

Implementation of the new standard added NOK 475 million to Veidekke's equity as at 1 January 2017. The revised financial statements for 2017 showed an increase of NOK 198 million in the company's pre-tax profit compared to the accounts issued under the previous standard.

Change orders and supplementary work in construction operations

Under the previous standard, revenue related to unresolved claims in construction projects was recognised based on the likely outcome of the claim against the customer. The new standard contains more stringent requirements concerning recognition of such revenue: it may only be recognised when it is deemed highly probable that it will not be reversed later. The new standard will primarily affect revenue recognition in projects where the contract may result in different interpretations of contractual scope and calculation of compensation. Such situations will mainly arise in the civil engineering segment.

Projects with material unresolved claims against customers as at year-end 2017 have been revalued in accordance with the new standard. The effect was a reduction of NOK 220 million in Veidekke's equity as at 1 January 2017. The revised pre-tax profit for 2017 was NOK 130 million lower than in the accounts issued pursuant to the previous standard. The accounting of change orders and supplementary

work in construction projects is identical in the segment reporting and in the financial statements, and both sets of accounts for 2017 were restated.

See note 18 for revised accounting.

The interim financial statements do not include all the disclosures in a full annual report and should therefore be read in connection with the Group's 2017 annual report, which is available on veidekke.com/en.

NOTE 3. SEGMENT REPORTING

The Group consists of three segments: Construction, Property Development and Industrial. The segment results for Q2 2018 are presented in the table on page 24.

NOTE 4. ESTIMATES

Construction and property development projects represent a large part of Veidekke's operations. Accounting for project activities is largely based on estimates. Significant judgments used in applying the Group's accounting policies and

the main sources of estimate uncertainty at the end of Q2 2018 are unchanged from those in the 2017 annual report.

NOTE 5. OPERATIONS WITH SIGNIFICANT SEASONAL FLUCTUATIONS

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

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

Figures in NOK million	12-month rolling at 30.6.2018	12-month rolling at 30.6.2017 ²⁾	2017 ²⁾
INDUSTRIAL¹⁾			
Revenue	4 851	4 225	4 761
Profit before tax	153	134	206
GROUP¹⁾			
Revenue	32 888	30 976	31 438
Profit before tax	669	1 458	1 311

1) The figures are taken from the segment accounts.

2) The figures for 2017 have been restated in accordance with IFRS 15.

NOTE 6. NON-CURRENT ASSETS

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS					
Carrying amount at start of period	3 030	2 665	3 029	2 651	2 651
Additions	341	191	515	332	769
Additions from acquisitions of operations	116	16	119	16	162
Depreciation and amortisation	-143	-125	-281	-249	-524
Currency translation differences etc.	-18	15	-44	20	26
Disposals of non-current assets	-11	-10	-22	-18	-55
Carrying amount at end of period	3 315	2 752	3 315	2 752	3 029
Other intangible assets	132	147	132	147	129
Land and buildings	703	563	703	563	615
Plant and machinery	2 480	2 042	2 480	2 042	2 286
Carrying amount at end of period	3 315	2 752	3 315	2 752	3 029

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
GOODWILL					
Carrying amount at start of period	1 449	1 254	1 401	1 248	1 248
Additions	269	-	346	-	122
Impairment	-	-	-	-	-
Currency translation differences	-17	19	-46	24	31
Disposals	-	-	-	-	-
Carrying amount at end of period	1 702	1 272	1 702	1 272	1 401

NOTE 7. RESIDENTIAL PROJECTS

Figures in NOK million	Q2 2018	Q2 2017	2017
Units under construction	416	471	661
Completed units for sale	92	28	44
Residential sites for development	3 191	2 688	3 214
Non-residential projects	39	12	22
Total residential and non-residential projects	3 738	3 199	3 941
 Residential projects in joint ventures	 1 242	 1 078	 1 260
Units under construction ¹⁾	2 251	2 890	2 620
Sale rate, units under construction ¹⁾	80%	86%	83%
Unsold, completed units ¹⁾	29	11	20

1) Including Veidekke's share in joint ventures.

NOTE 8. ACQUISITIONS, SALES OF OPERATIONS

In the first quarter of 2018, Veidekke Entreprenør AS acquired 80% of the shares in Grande Entreprenør AS. Grande Entreprenør AS undertakes all types of building construction contracts in Northern Trøndelag and has 200 employees. The company reported revenue of NOK 531 million and profit before tax of NOK 17 million for 2017. The expected purchase price for the shares is NOK 104 million, of which NOK 80 million was paid on takeover. NOK 78 million has been allocated to goodwill. The purchase price allocation is preliminary. There is a purchase option on the remaining 20% of the shares, where the future price will be determined on the basis of expected future earnings. The price is expected to be NOK 26 million and has been recognised as a liability in the financial statements. The company was consolidated into the accounts as of 16 February 2018.

Veidekke Entreprenad AB acquired 90.1% in Billström Riemer Andersson AB (BRA) in the second quarter of 2018. The company is mainly involved in building construction in the Gothenburg area, but also has expertise in civil engineering and property development. The company has 200 employees, and reported revenue of NOK 1.3 billion and a profit before tax of NOK 70 million in 2017. The estimated purchase price for the shares is NOK 377 million, of which NOK 285 million was paid on the takeover date. At the time of takeover, the company had bank deposits of NOK 105 million. NOK 269 million has been allocated to goodwill. The purchase price allocation is preliminary.

A purchase option is attached to the minority interest (15%) in BRA group, which price will be determined on the basis of future earnings and is estimated to amount to NOK 65 million. The amount is recorded as liability. The company was consolidated into the accounts as of 2 May 2018.

EFFECT OF BUSINESS TRANSFERS ON THE ACCOUNTS IN 2018:

Figures in NOK million	2018
Non-current assets	128
Current assets	475
Non-current liabilities	-51
Current liabilities	-462
Net identifiable assets and liabilities	91
Minority's share of identifiable assets and liabilities	34
Goodwill at time of acquisition	346
– of which non-controlling interests	40
Agreed purchase price	481
– of which deferred payment of the purchase price	-116
Cash received from acquired companies	-118
Net cash outflow, business transfers	247

NOTE 9. SPECIAL ITEMS

Construction Norway performed a write-down of NOK 550 million in its civil engineering project portfolio in the second quarter of 2018. See pages 5 and 8 in this report for further details.

NOTE 10. FINANCIAL INSTRUMENTS

There were no significant changes relating to financial risk or the Group's use of financial instruments during the period. Further details can be found in the 2017 Annual Report.

NOTE 11. BOND DEBT

On 9 March 2018, Veidekke issued NOK 600 million of a new open senior unsecured bond issue with a borrowing limit of NOK 1,000 million. The bond has a 7 years' maturity and a fixed coupon rate of 3.20% p.a.

On 22 May 2018 Veidekke ASA issued a new open senior unsecured bond of NOK 1,000 million. The bond has a five years' maturity and will carry a floating coupon rate of Nibor 3m + 0.88% p.a.

NOTE 12. DIVIDEND

A dividend of NOK 5.0 per share, totalling NOK 669 million, has been adopted for the 2017 financial year. The dividend was adopted by the Annual General Meeting on 2 May 2018 and was recognised in Q2 2018.

NOTE 13. COVENANTS ASSOCIATED WITH LOAN AGREEMENTS

On 28 October 2015 Veidekke signed a five-year loan agreement with DNB ASA, with a credit limit of NOK 3.6 billion. The loan matures on 2 November 2020. At 30 June 2018, unutilised borrowing facilities amounted to NOK 2.1 billion.

The following covenants are associated with the loan agreement with DNB Bank ASA:

1. Net interest-bearing debt divided by EBITDA for the previous four quarters shall not exceed 3.5. At 30 June 2018, the ratio was 1.9.
2. The Group's own projects shall not exceed 75% of the Group's book equity. At 30 June 2018, the share of the Group's own projects was 53%.

Definitions:

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

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

Share of own projects is the value of started, unsold homes and commercial buildings in projects implemented under the control of the borrower or another Group company, and is calculated based on the expected sales price, albeit no less than cost price.

NOTE 14. EVENTS AFTER THE REPORTING DATE

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

NOTE 15. DEFERRED REVENUE RECOGNITION IN ACCOUNTING FOR SALES OF COMPLETED HOMES

The IFRS 15 revenue recognition standard took effect on 1 January 2018. In accordance with the new standard, revenue from residential projects in Sweden and Denmark will be recognised on an ongoing basis in line with estimated final profit, stage of completion and sales ratio. The revenue recognition principles applicable to residential projects in Norway remain unchanged due to national legislation governing residential construction and sales

(Bustadoppføringslova), which means that revenue from residential projects is recognised on the date of contractual delivery to the purchaser. In its internal monitoring, Veidekke recognises revenue for these projects on a percentage of completion basis by reference to the project's estimated final outcome, stage of completion and sales ratio. Segment reporting follows these principles.

EARNED INCOME AND PROFIT FROM RESIDENTIAL PROJECTS UNDER CONSTRUCTION IN NORWAY

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
REVENUE					
Accumulated revenue from non-delivered projects at start of period	450	187	365	105	105
+ Revenue from non-delivered projects during the period	118	81	237	163	366
- Revenue from delivered projects during the period	-435	-	-469	-	-105
Net IFRIC 15 adjustments to revenues during the period	-317	81	-232	163	260
Accumulated revenue from non-delivered projects at end of period	133	268	133	268	365

Figures in NOK million	Q2 2018	Q2 2017	At 30.6.2018	At 30.6.2017	2017
PROFIT BEFORE TAX					
Accumulated profit before tax from non-delivered projects at start of period	229	239	174	189	189
+ Profit before tax from non-delivered projects during the period	79	67	153	142	249
- Profit before tax from delivered projects during the period	-132	-65	-150	-91	-264
Net IFRIC 15 adjustments to profit before tax during the period	-53	2	3	52	-16
Accumulated profit before tax from non-delivered projects at end of period	176	241	176	241	174

At 30 June 2018, revenues of NOK 133 million and profit before tax of NOK 176 million had accrued on sold units under construction in Norway. These amounts are recognised as revenue in the segment reporting, but are not recognised under IFRS until the homes are handed over. A significant portion of Veidekke's Norwegian property development operations take place in joint ventures and thus does not generate revenue in the company's consolidated accounts.

The profit from joint ventures is recognised on an after tax basis in the income statement.

NOTE 16. CALCULATION OF RETURN ON CAPITAL INVESTED IN PROPERTY DEVELOPMENT LAST 12 MONTHS

Figures in NOK million	Average invested capital	At 30.6.2018			Return	At 30.6.2017
		Profit before tax	Financial costs ¹⁾	Taxes in joint ventures		
Norway (NOK)	3 067	124	77	41	7.9%	11.0%
Sweden (SEK)	1 080	311	5	-	29.2%	55.3%
Denmark (DKK)	79	-8	1	-	-9.1%	1.5%
Currency translation differences	-24	-12	-	-	-	-
Total (NOK)	4 202	415	82	41	12.8%	22.2%

The statement has been prepared on the basis of segment accounts.

1) The item "financial costs" is the year's accrued interest expenses. Interest expenses are classified in the comprehensive income statement under both financial costs and cost of materials (operating expenses).

NOTE 17 ALTERNATIVE PERFORMANCE MEASURES

Veidekke generally reports its financial results in line with International Financial Reporting Standards (IFRS). In addition, the following alternative performance measures are also reported:

Net interest-bearing debt

This key figure expresses the Group's financial position and is determined on the basis of the Group's capitalised interest-bearing debt on the date of calculation, less bank deposits and interest-bearing receivables, both current and non-current. This key figure is also included in the calculation of covenants in the loan agreement.

Order backlog

The order backlog provides an indication of future activity in the Group's construction operations. The order backlog is defined as contracted and signed contracts on the measurement date. This key figure also includes road maintenance contracts in Industrial's Road Maintenance unit, but only those parts of the contracts that will be executed during the next 18 months.

Capital invested in property development operations

Capital invested is defined as the sum of book equity and net interest-bearing debt and is an expression of the capital tied up in property development operations.

Return on invested capital in Property Development

Property Development's performance is measured by return on invested capital, calculated using the following formula:

$$\begin{aligned} & \text{Profit before tax} + \text{interest expenses} \\ & \quad + \text{tax in joint ventures} \\ \hline & (\text{Opening balance invested capital} \\ & \quad + \text{Closing balance invested capital}) / 2 \end{aligned}$$

The figures used in the formula are taken from the segment reporting. Interest expenses include all expensed interest expenses, both those classified as interest expenses and those classified as cost of materials (operating expenses) in the accounts. The calculation is adjusted to take account of the fact that the profit reported by joint ventures has already been taxed.

Sales ratio in Property Development

Sales rate indicates the risk that units under construction will not be sold and is calculated using the following formula:

$$\frac{\text{Sales value of signed contracts for sold residential units}}{\text{Total sales value of all projects under construction}}$$

For projects carried out in associates or joint ventures, only Veidekke's share of the project is included.

Number of unsold units under construction

This figure is the number of units under construction that has not been sold on the reporting date.

Site portfolio

The site portfolio provides an expression of possible future activity in the various markets in Property Development. The site portfolio consists of sites owned by Veidekke on the measurement date, sites for which there is a binding contract for transfer in the future, and signed options here it is expected that Veidekke will exercise the option. How many units the sites can be converted into is calculated as a best estimate.

NOTE 18. REVISED ACCOUNTING FOR 2017
IMPLEMENTATION OF THE NEW REVENUE RECOGNITION STANDARD IFRS 15

FINANCIAL ACCOUNTS - INCOME STATEMENT 2017 VEIDEKKE GROUP

Figures in NOK million	ADJUSTMENT IFRS 15				New full year 2017
	Full year 2017	Property	Construction	Total	
Revenue	30 281	1 024	-130	894	31 175
Operating expenses	-28 839	-861		-861	-29 700
Share of net income from joint ventures	334	35		35	369
Depreciation/impairment	-524				-524
Operating profit (EBIT)	1 252	198	-130	68	1 320
Net financial items	7				7
Profit before tax	1 259	198	-130	68	1 327
Income tax expense	-140	-9	27	18	-122
Profit after tax	1 119	189	-103	86	1 205

FINANCIAL ACCOUNTS - QUARTERLY INCOME STATEMENT VEIDEKKE GROUP

Figures in NOK million	ADJUSTMENT IFRS 15				New acc. Q2 2017
	Accumulated Q2 2017	Property	Construction	Total	
Revenue	14 202	489	-49	440	14 642
Operating expenses	-13 726	-422		-422	-14 148
Share of net income from joint ventures	91	38		38	129
Depreciation/impairment	-249				-249
Operating profit (EBIT)	318	105	-49	56	375
Net financial items	5				5
Profit before tax	324	105	-49	56	380
Income tax expense	-57	-18	8	-10	-67
Profit after tax	267	87	-41	46	314

Figures in NOK million	ADJUSTMENT IFRS 15				New Q2 2017
	Q2 2017	Property	Construction	Total	
Revenue	7 927	314	-36	278	8 205
Operating expenses	-7 483	-282		-282	-7 765
Share of net income from joint ventures	57	8		8	65
Depreciation/impairment	-125				-125
Operating profit (EBIT)	375	39	-36	3	379
Net financial items	4				4
Profit before tax	380	39	-36	3	383
Income tax expense	-66	-7	6	-1	-67
Profit after tax	313	33	-30	3	316

Figures in NOK million	ADJUSTMENT IFRS 15				
	Q3 2017	Property	Construction	Total	New Q3 2017
Revenue	7 461	362	-25	337	7 799
Operating expenses	-6 980	-297		-297	-7 276
Share of net income from joint ventures	71	19		19	90
Depreciation/impairment	-131				-131
Operating profit (EBIT)	421	85	-25	60	480
Net financial items	-7				-7
Profit before tax	414	85	-25	60	474
Income tax expense	-54	-10	3	-8	-62
Profit after tax	360	74	-22	52	412

Figures in NOK million	ADJUSTMENT IFRS 15				
	Q4 2017	Property	Construction	Total	New Q4 2017
Revenue	8 618	172	-56	116	8 734
Operating expenses	-8 133	-142		-142	-8 275
Share of net income from joint ventures	173	-22		-22	151
Depreciation/impairment	-144				-144
Operating profit (EBIT)	513	8	-56	-48	465
Net financial items	8				8
Profit before tax	521	8	-56	-48	473
Income tax expense	-30	20	16	36	6
Profit after tax	492	189	-40	-12	479

FINANCIAL ACCOUNTS - STATEMENT OF FINANCIAL POSITION VEIDEKKE GROUP

Figures in NOK million	At 31 December 2016	Adjustment IFRS 15	New at 1 January 2017
Other non-current assets	4 612	0	4 612
Investments in joint ventures	1 363	22	1 385
Total non-current assets	5 975	22	5 997
Residential projects	4 877	-2 141	2 736
Trade receivables	5 494	-322	5 173
Other current assets	1 099	0	1 099
Total current assets	11 470	-2 462	9 008
Total assets	17 445	-2 440	15 005
Equity	3 465	255	3 719
Other non-current liabilities	1 501	0	1 501
Deferred tax liabilities	474	-64	410
Total non-current liabilities	1 975	-64	1 911
Trade payables and other payables	5 925	0	5 925
Other current liabilities	6 080	-2 631	3 449
Total current liabilities	12 005	-2 631	9 375
Total equity and liabilities	17 445	-2 440	15 005
Equity ratio	19.9%		24.8%

Figures in NOK million	At 31 December 2017	Adjustment IFRS 15	New at 31 December 2017
Other non-current assets	4 993	0	4 993
Investments in joint ventures	1 430	59	1 489
Total non-current assets	6 423	59	6 482
Residential projects	7 076	-3 135	3 941
Trade receivables	5 372	-339	5 033
Other current assets	1 572	0	1 572
Total current assets	14 020	-3 474	10 546
Total assets	20 443	-3 415	17 028
Equity	3 848	372	4 220
Other non-current liabilities	1 256	0	1 256
Deferred tax liabilities	512	-82	430
Total non-current liabilities	1 768	-82	1 686
Trade payables and other payables	7 356	0	7 356
Other current liabilities	7 471	-3 706	3 765
Total current liabilities	14 827	-3 706	11 122
Total equity and liabilities	20 443	-3 415	17 028
Equity ratio	18.8%		24.8%

SEGMENT ACCOUNTS - PROFIT BEFORE TAX 2017

Figures in NOK million	CONSTRUCTION NORWAY			VEIDEKKE GROUP		
	Full year 2017	Adjustment IFRS 15	New full year 2017	Full year 2017	Justering IFRS 15	New full year 2017
Revenue	14 850	-130	14 720	31 568	-130	31 438
Operating expenses	-14 199		-14 199	-29 915		-29 915
Share of net income from joint ventures	4		4	305		305
Depreciation/impairment	-233		-233	-524		-524
Operating profit (EBIT)	421	-130	291	1 434	-130	1 304
Net financial items	31		31	7		7
Profit before tax (EBT)	452	-130	322	1 441	-130	1 311

Figures in NOK million	CONSTRUCTION NORWAY			VEIDEKKE GROUP		
	Accumulated Q2 2017	Adjustment IFRS 15	New acc. Q2 2017	Acc. Q2 2017	Adjustment IFRS 15	New acc. Q2 2017
Revenue	7 252	-49	7 203	14 854	-49	14 805
Operating expenses	-6 958		-6 958	-14 276		-14 276
Share of net income from joint ventures			-	146		146
Depreciation/impairment	-113		-113	-249		-249
Operating profit (EBIT)	181	-49	132	476	-49	427
Net financial items	19		19	5		5
Profit before tax (EBT)	200	-49	151	481	-49	432

Figures in NOK million	CONSTRUCTION NORWAY			VEIDEKKE GROUP		
	Q2 2017	Adjustment IFRS 15	New Q2 2017	Q2 2017	Adjustment IFRS 15	New Q2 2017
Revenue	3 783	-36	3 747	8 322	-36	8 286
Operating expenses	-3 615		-3 615	-7 836		-7 836
Share of net income from joint ventures				56		56
Depreciation/impairment	-57		-57	-125		-125
Operating profit (EBIT)	111	-36	75	417	-36	381
Net financial items	10		10	4		4
Profit before tax (EBT)	120	-36	84	421	-36	385

Figures in NOK million	CONSTRUCTION NORWAY			VEIDEKKE GROUP		
	Q3 2017	Adjustment IFRS 15	New Q3 2017	Q3 2017	Adjustment IFRS 15	New Q3 2017
Revenue	3 475	-25	3 450	7 912	-25	7 887
Operating expenses	-3 314		-3 314	-7 337		-7 337
Share of net income from joint ventures				85		85
Depreciation/impairment	-58		-58	-131		-131
Operating profit (EBIT)	103	-25	78	529	-25	504
Net financial items	6		6	-7		-7
Profit before tax (EBT)	109	-25	84	523	-25	498

Figures in NOK million	CONSTRUCTION NORWAY			VEIDEKKE GROUP		
	4Q 2017	Adjustment IFRS 15	New Q4 2017	Q4 2017	Adjustment IFRS 15	New Q4 2017
Revenue	4 122	-56	4 066	8 801	-56	8 745
Operating expenses	-3 927		-3 927	-8 302		-8 302
Share of net income from joint ventures	4		4	73		73
Depreciation/impairment	-62		-62	-144		-144
Operating profit (EBIT)	138	-56	82	429	-56	373
Net financial items	6	-	6	8	-	8
Profit before tax (EBT)	143	-56	87	437	-56	381

INFORMATION ABOUT THE COMPANY

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

The Company's articles of association and corporate governance policy are available at:
veidekke.com/en/corporate-governance

The Board of Directors consists of:

Martin Mæland (Chair)
Gro Bakstad
Ingalill Berglund
Ann-Christin Andersen
Hans von Uthmann
Ingolv Høyland
Daniel Kjørberg Siraj
Odd Andre Olsen, employee representative
Inge Ramsdal, employee representative
Arve Fludal, employee representative

Executive Management consists of:

Arne Giske	President and CEO
Hans Olav Sørli*	Executive Vice President, responsible for building construction operations in Norway
Øivind Larsen*	Executive Vice President, responsible for civil engineering operations in Norway
Jimmy Bengtsson	Executive Vice President, responsible for the Group's operations in Sweden
Jørgen Wiese Porsmyr	Executive Vice President, responsible for Industrial, Property Development Norway and for the Group's operations in Denmark
Terje Larsen	CFO and Executive Vice President, responsible for Accounting & Finance, IT, Procurement and Strategy
Hege Schøyen Dillner	Executive Vice President, responsible for HR, HSE, Environment and Legal
Lars Erik Lund	Executive Vice President, responsible for Communications and Public Affairs

* The Norwegian construction operations will be divided into two parts from the third quarter of 2018. Hans Olav Sørli and Øivind Larsen will become members of the corporate management team with responsibility for the business areas Building Construction and Civil Engineering, respectively.

Investor Relations:

Financial Director Jørgen G. Michelet
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Financial calendar:

Third quarter: 15 November
Fourth quarter: 7 February 2019

TOGETHER, WE ARE BUILDING THE FUTURE

Veidekke is one of Scandinavia's largest construction and property development companies. The company undertakes all types of building construction and civil engineering contracts, maintains public roads and produces asphalt and aggregates. The company is characterised by involvement and local knowledge. Turnover is NOK 32 billion, and half of the 8,000 employees own shares in the company. Veidekke is listed on the Oslo Stock Exchange and has always posted a profit since it was founded in 1936.

Veidekke – local presence,
Scandinavian strength.

veidekke.com/en
