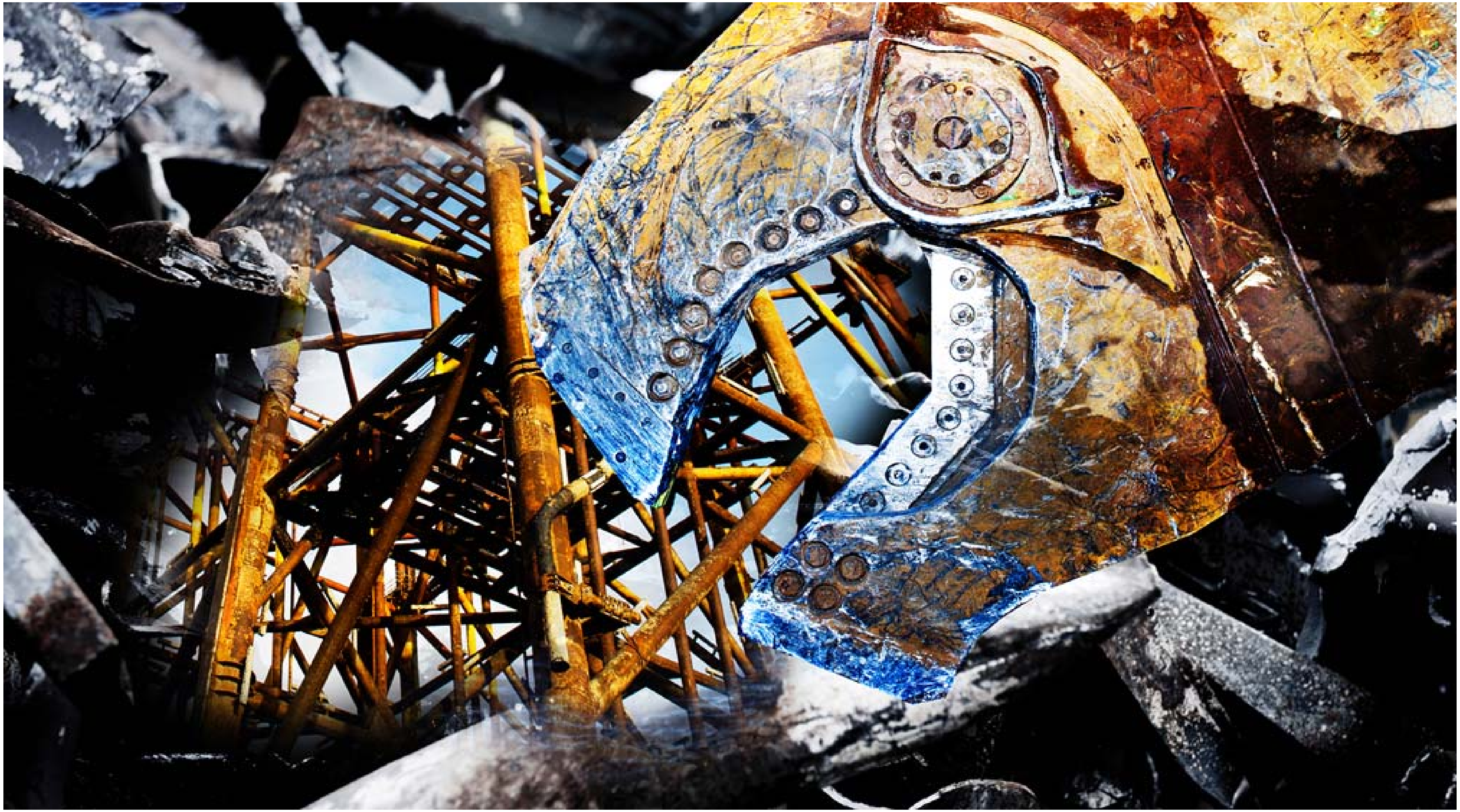
AF Group – 2nd quarter 2012

August 24th, 2012



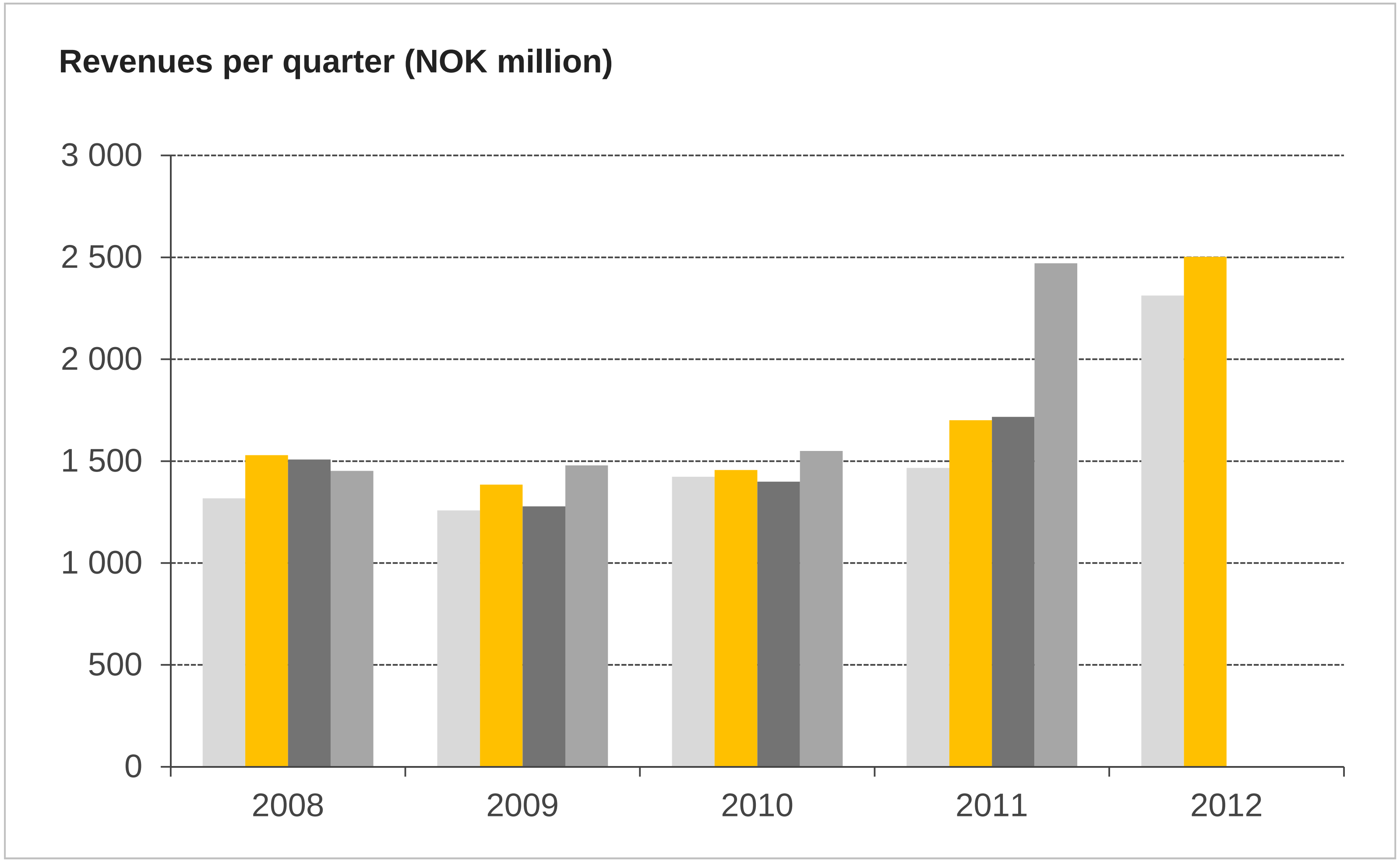
Highlights

Increased activity and good results

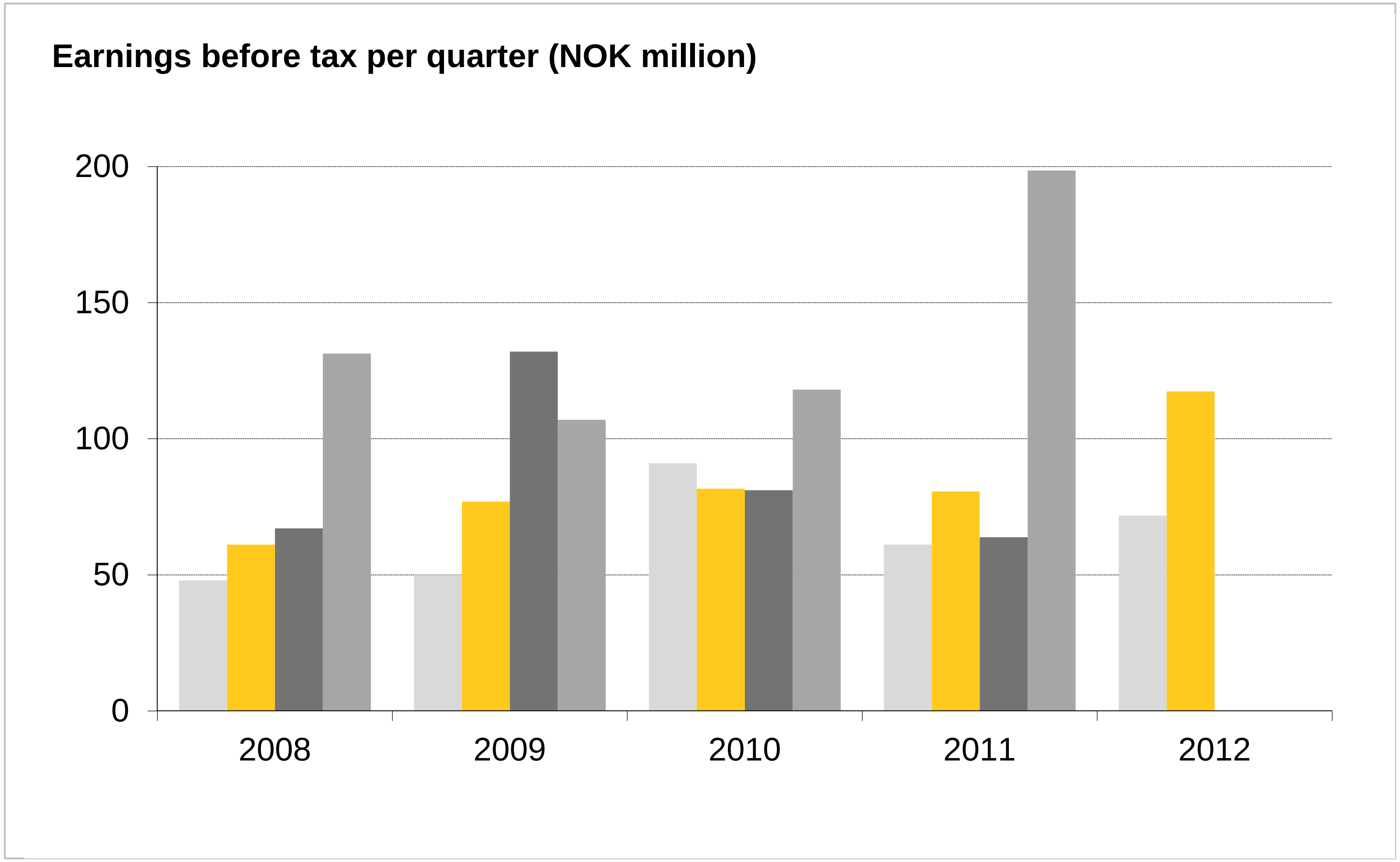
- Revenue growth of 47 %
- Earnings before tax increases with 45 %
- Earnings per share up 23 %
  NOK 0.98 (0.80)
- Strong financial position:
  Cash flow from operations NOK 53 million (200)
  Net interest bearing debt NOK 2 million (-634)
  New 3 year loan facility of NOK 1,200 million
- HSE focus pays off:
  LTI rate in Q2: 0.8 (1.3)
  Sick leave in Q2: 2.6 % (3.1 %)
- Solid order backlog:
  NOK 10,100 million (9,115)

NOK million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenues	2,503	1,701	4,815	3,168
EBIT	120	78	193	135
EBT	117	81	189	142
EBIT %	4.8 %	4.6 %	4.0 %	4.2 %
EBT %	4.7 %	4.7 %	3.9 %	4.5 %

Revenues

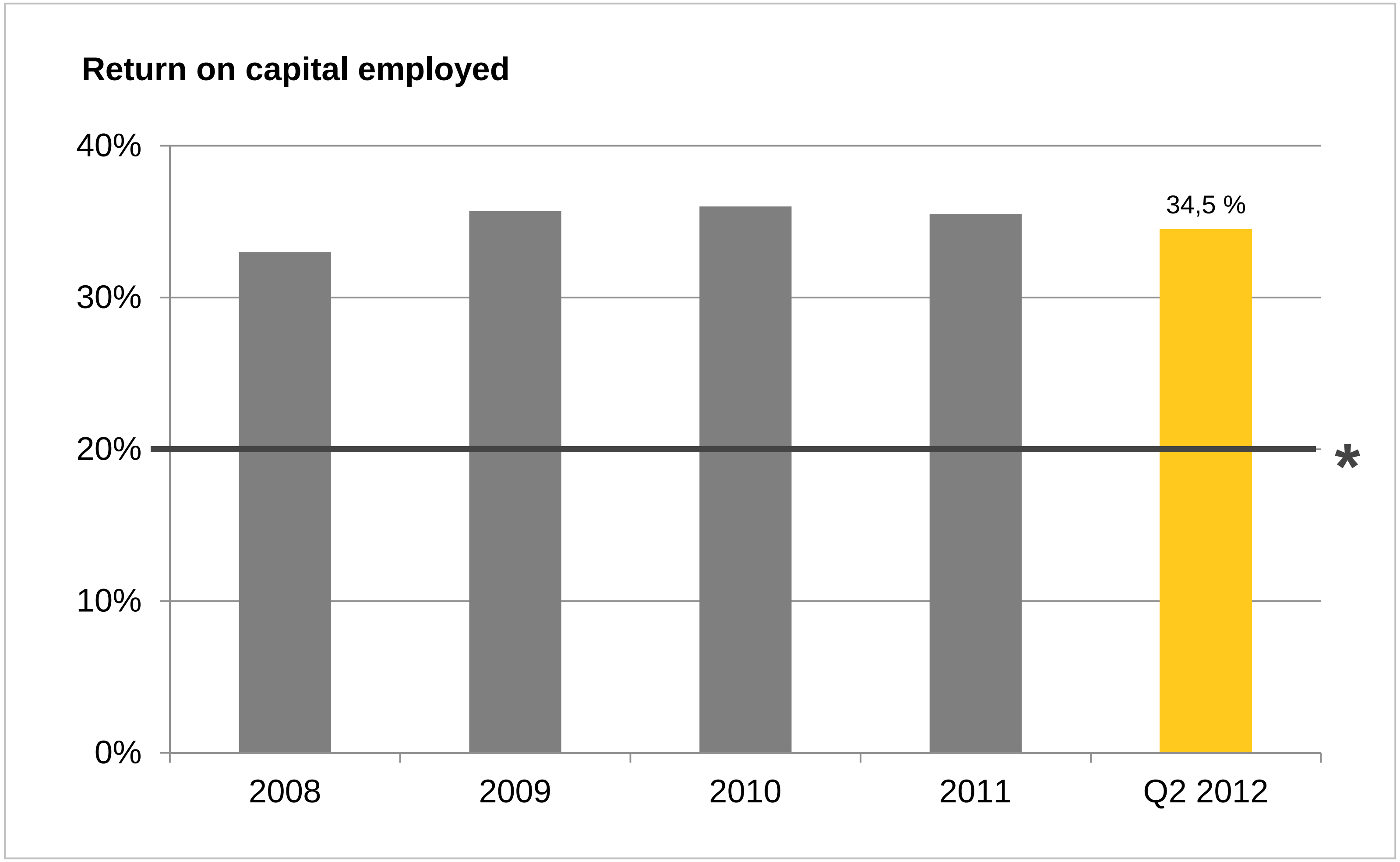

Revenues per quarter (NOK million)
3 000
2 500
2 000
1 500
1 000
500
0
2008
2009
2010
2011
2012

Earnings before tax



Return on capital employed

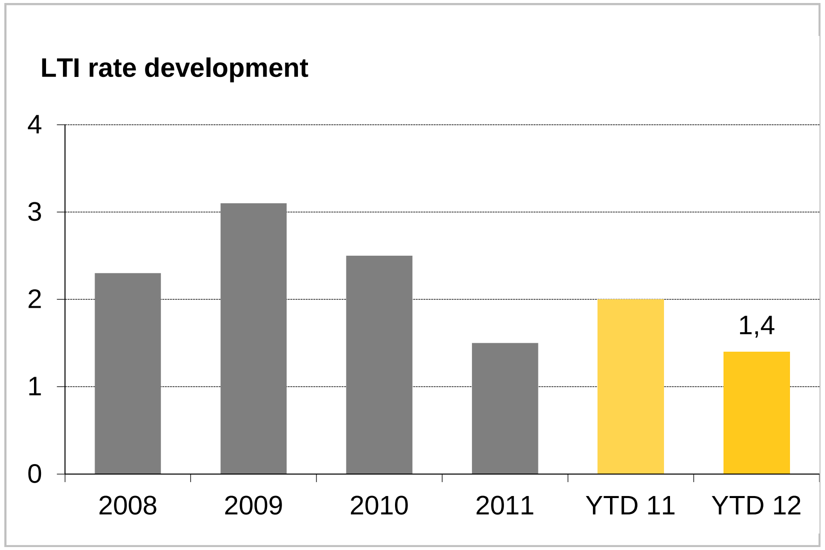
(12 month rolling average)



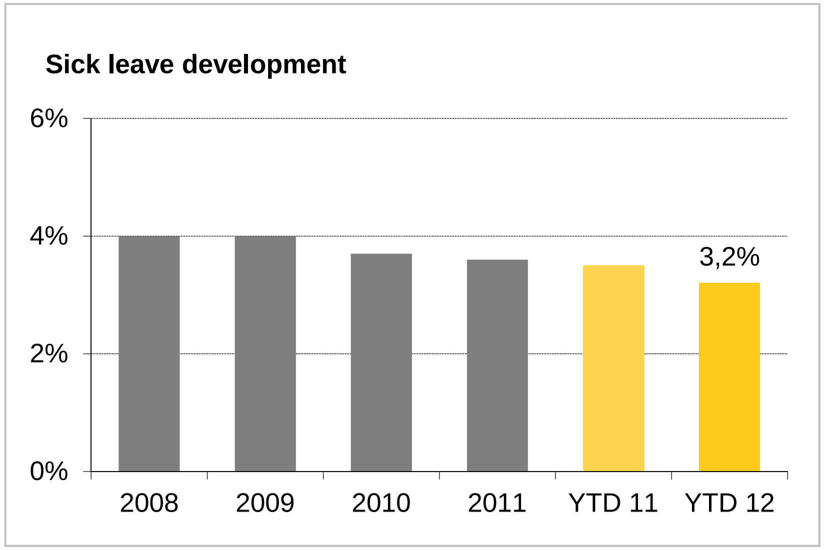
*AF's target is to achieve a return on capital employed above 20 %.

Health, safety and the environment

LTI rate*

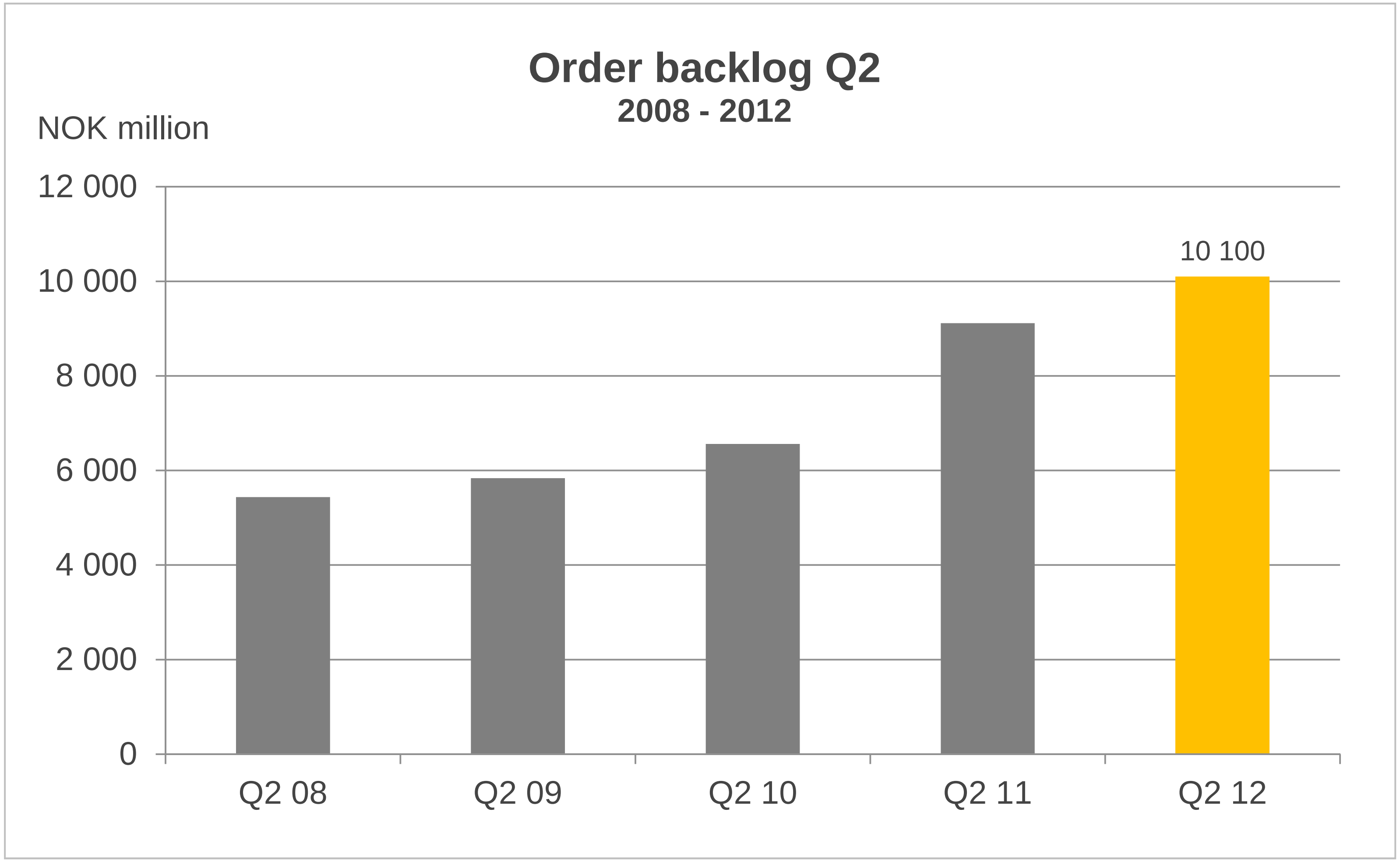


Sick leave



* Lost time to injuries (LTI): Number of injuries resulting in absence per million man-hours. AF includes all subcontractors in the calculation basis for the LTI rate. For 2008 and 2009 the LTI rate only includes the Norwegian part of the AF Group.

Order backlog development



Business areas

Civil Engineering

High activity, satisfactory earnings

- Good operations and high activity in AF Anlegg.
- Project portfolio with varying margins in AF Offshore & Civil Construction.
- 5-year agreement with Statoil for maintenance and modification works at Snøhvit in Hammerfest. Value NOK 200 million.
- Agreement with Bjørvika Infrastruktur for the construction of a bridge over Akerselva in Oslo. Value incl. option NOK 100 million.
- No agreement reached regarding taking over Mesta Entreprenør AS.
- Total order backlog at June 30 NOK 3,254 million (3,682)

NOK million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenues	749	558	1,356	1,063
EBIT	34	25	59	55
EBT	37	26	64	55
EBIT %	4.6 %	4.5 %	4.4 %	5.2 %
EBT %	4.9 %	4.7 %	4.7 %	5.2 %

Building

Strong growth, varying margins

- High activity in AF Bygg Oslo with varying project results.
- Strong growth and improved operations for AF Bygg Østfold.
- High level of activity and good results in Strøm Gundersen.
- Strøm Gundersen has agreed on a letter of intent with Entra Eiendom to build Øvre Torv in Sandvika, just outside Oslo. Value NOK 230 million.
- AF Byggfornyelse to rehabilitate Storgata 51 and Mustads vei 1 in Oslo. Total value NOK 224 million.
- Total order backlog at June 30 NOK 4,572 million (3,829)

NOK million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenues	1,366	856	2,715	1,542
EBIT	41	29	67	49
EBT	37	28	60	48
EBIT %	3.0 %	3.4 %	2.5 %	3.2 %
EBT %	2.7 %	3.3 %	2.2 %	3.1 %

Property

Good operations and strengthened building site inventory

- During 2nd quarter 25 housing units in the sales and construction phase were sold, as well as two completed housing units.
- AF has 15 (28) unsold completed housing units. Of these, 3 were leased as at 30 June.
- New Executive Vice President hired to strengthen property campaign.
- Agreement with Hasle Utvikling AS (Höegh Eiendom) after quarter end to buy site at Hasle in Oslo for residential development.
- AF owns land and development rights in progress which amounts to approx. 900 (577) residential units, inclusive the Hasle site.

NOK million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenues	7	9	21	33
EBIT	11	14	18	20
EBT	9	12	15	16
EBIT %	149.8 %	162.0 %	86.5 %	59.9 %
EBT %	124.6 %	145.8 %	69.4 %	50.2 %

Environment

Good performance

- High activity and good operational performance for the land-based activities, both in Norway and Sweden.
- The land-based activities in Sweden has expanded its target area geographically to also include the Stockholm area.
- Good performance at Environmental Base at Vats.
- Awarded contract with Statoil, on behalf of Gassco as operator, for the removal and recycling of the platform B-11. Value NOK 500 million.
- Total order backlog at June 30
  NOK 1,482 million (1,133)

NOK million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenues	236	210	455	380
EBIT	23	17	37	31
EBT	23	18	37	32
EBIT %	9.8 %	8.1 %	8.1 %	8.2 %
EBT %	9.9 %	8.4 %	8.2 %	8.4 %

Energy

Better results, increasing activity

- Very high activity and good results in Mollier. Solid order backlog.
- Good operational performance in Aeron. However, the market remains weak, but increasing orders from Norwegian shipyards is positive.
- Increasing activity for AF Energi & Miljøteknikk. Good results for the 2nd quarter.
- AF Offshore Mandal has signed two crane contracts with Statoil. Total value NOK 160 million.
- Total order backlog at June 30 NOK 693 million (393).

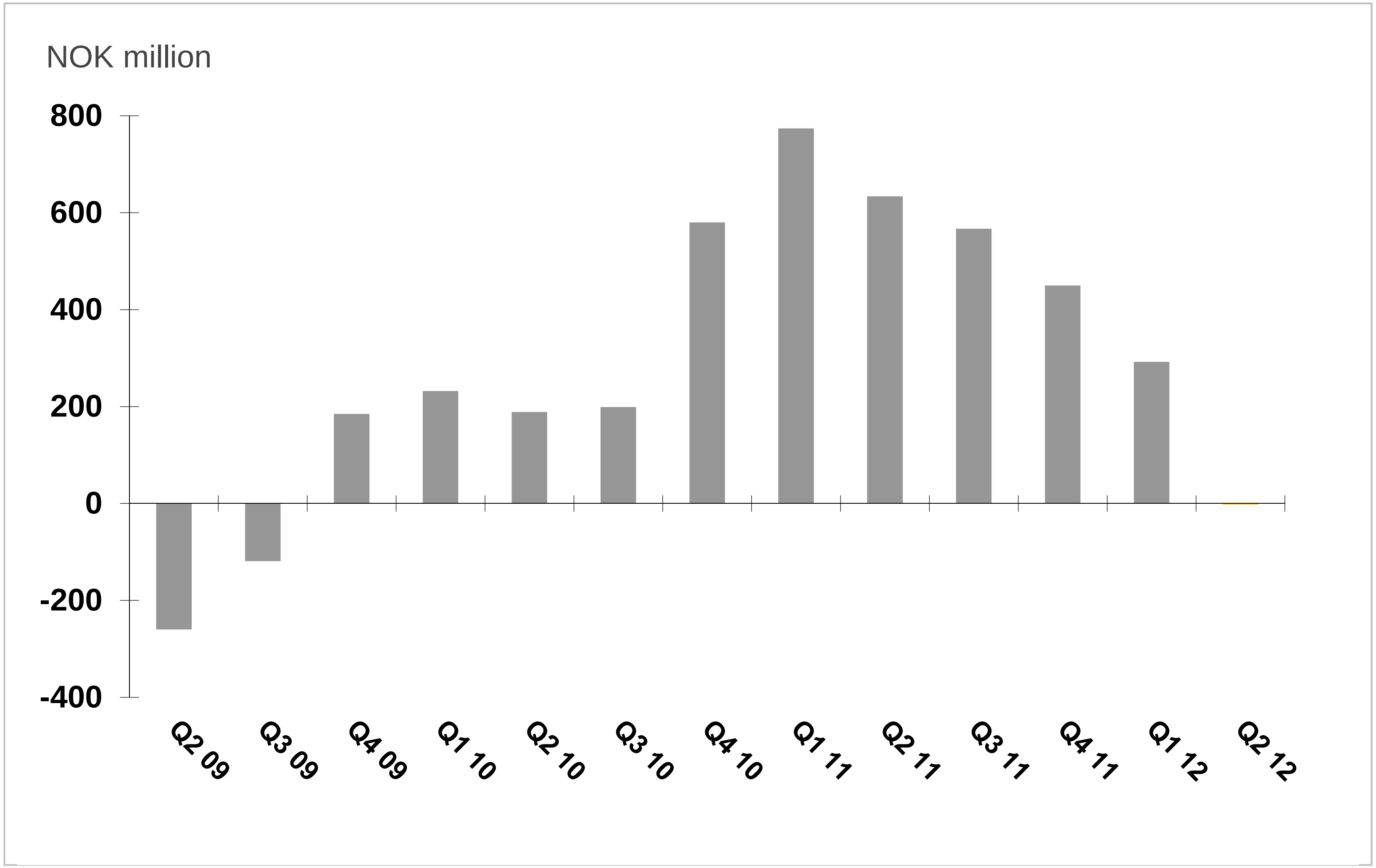
NOK million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
Revenues	164	106	326	211
EBIT	11	-2	23	-6
EBT	11	-4	23	-10
EBIT %	6.8 %	-2.0 %	6.9 %	-2.6 %
EBT %	6.7 %	-3.9 %	6.9 %	-4.6 %

Cash flow statement

Cash flow statement NOK Million	Q2 2012	Q2 2011	YTD 2012	YTD 2011
EBIT	125	78	193	135
Depreciations, amortization and impairment	25	19	50	41
Change in net working capital	-53	130	-246	129
Other adjustments / taxes paid	-44	-27	-67	-38
Cash flow from operations	**53**	**200**	**-71**	**267**
Net investments	23	-10	-2	-20
Cash flow from capital activities	-368	-317	-377	-182
Cash effect from net financial items	-2	1	-3	5
Net cash flow *	**-295**	**-126**	**-452**	**71**
Change in net interest-bearing debt without cash effect	-	-14	-	-17
Change in net interest-bearing debt	**295**	**140**	**452**	**54**

* Cash flow before change in net interest-bearing debt

Net interest bearing receivables

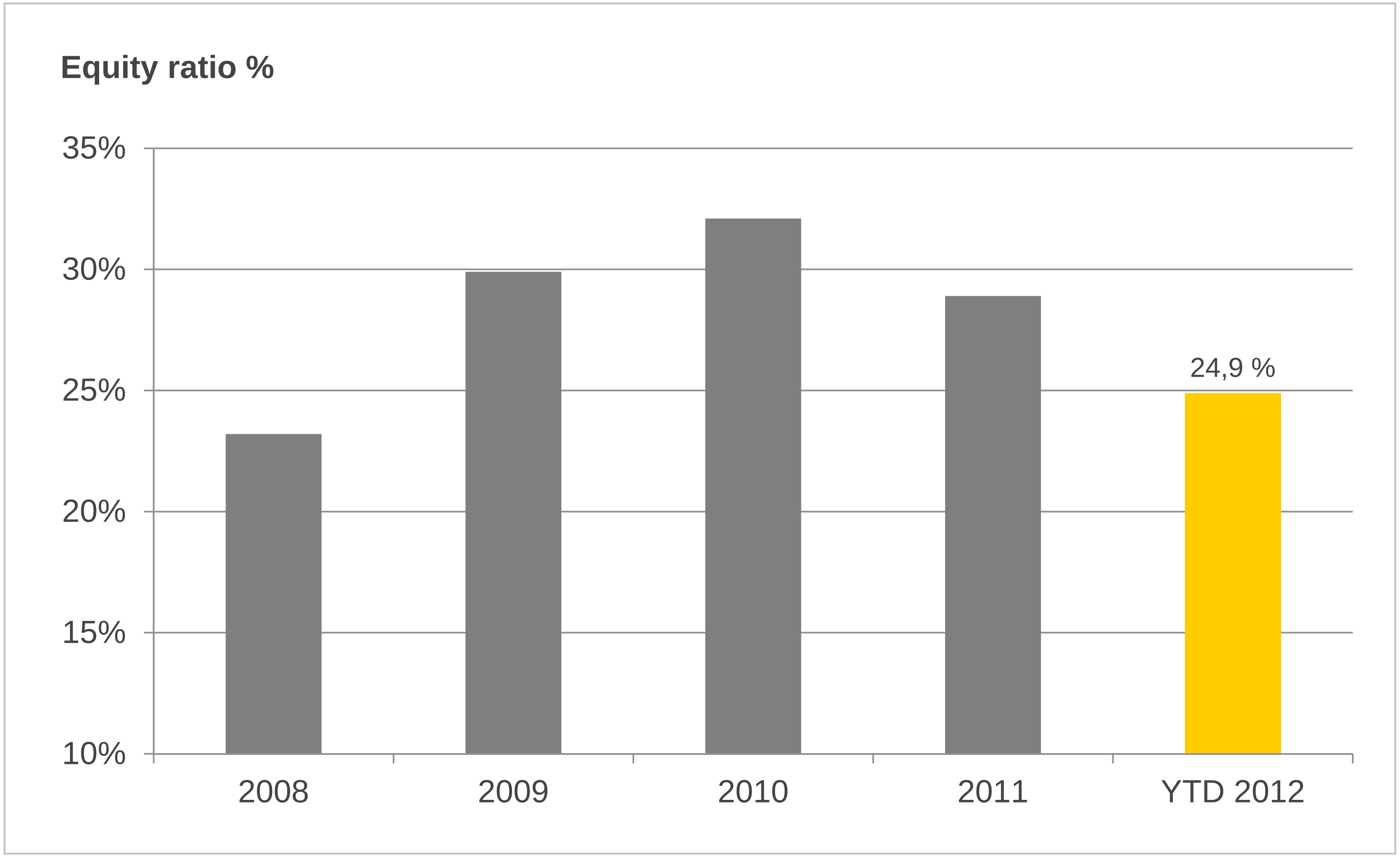


Net interest-bearing debt at June 30 is MNOK 2 (-634).

Balance sheet

NOK million	30.06.2012	30.06.2011	31.12.2011
Non-current assets	1,894	959	1,890
Current assets, ex. cash	2,389	1,616	2,243
Cash and cash equivalents	136	637	458
Total assets	**4,419**	**3,212**	**4,591**
Equity	1,101	887	1,331
Long term debt	555	339	563
Short term debt	2,763	1,986	2,697
Total equity and debt	**4,419**	**3,212**	**4,591**

Equity ratio

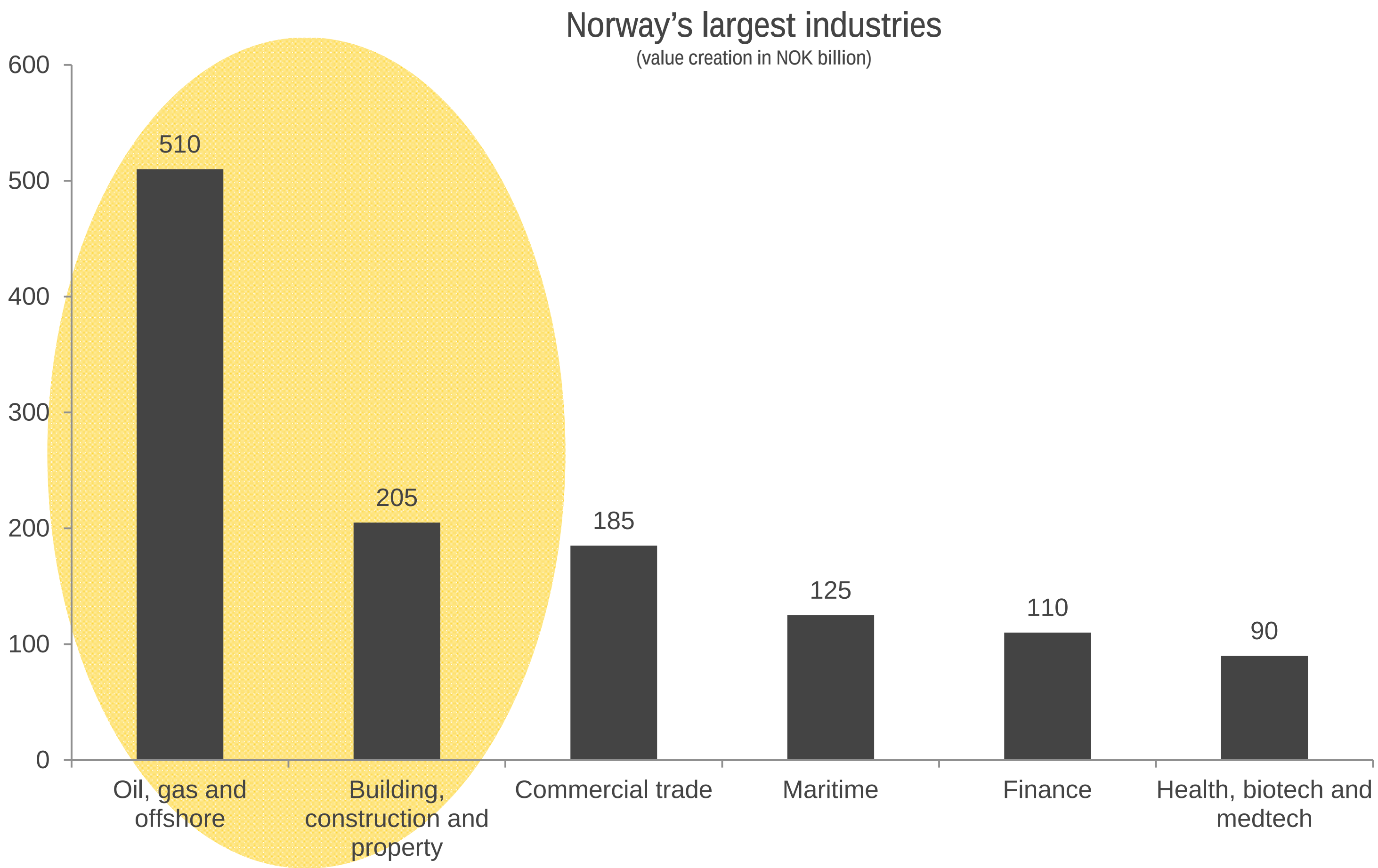


AF Gruppen – five related business areas

				
Civil Eng.	Building	Property	Energy	Environment
Road/tunnel, Harbour, Oil & Energy	Residential, Non-residential and Rehabilitation	Property development	Energy efficiency, HVAC, Offshore and Marine	Demolition and recycling both On- and Offshore

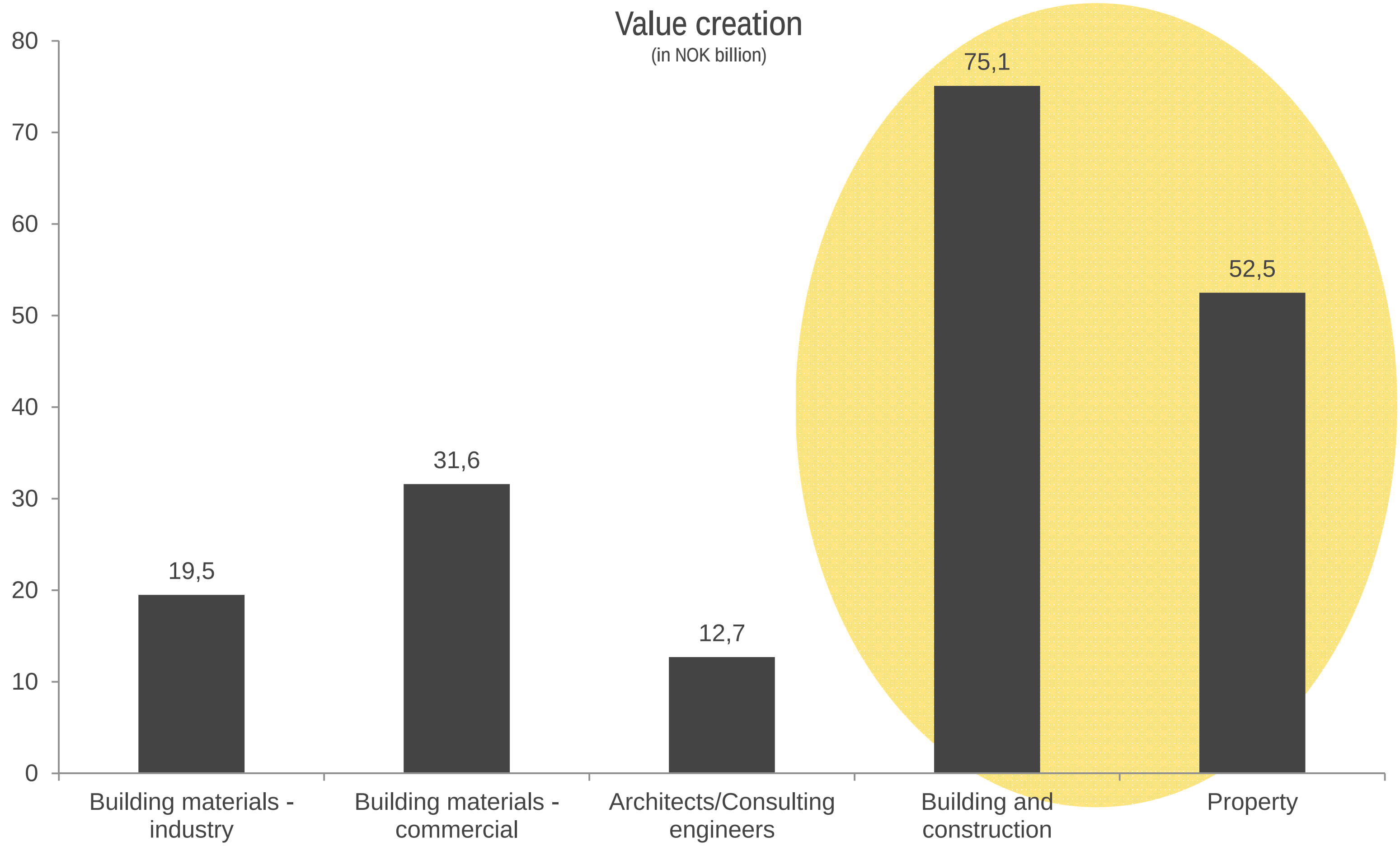
Addressing Future

AF Group is positioned in the most value-generative industries in Norway



Source: «En kunnskapsbasert bygg-, anlegg- og eiendomsnæring», Bygballe og Goldeng, 2011
«Verdiskaping i en komplett Maritim Klynge, Maritimt Forum 2011

AF Group aims to gain a stronger position also within property



Source: «En kunnskapsbasert bygg-, anlegg- og eiendomsnæring», Bygballe og Goldeng, 2011
«Verdiskaping i en komplett Maritim Klynge, Maritimt Forum 2011

Strengthened site inventory – attractive partners

Residential site – Bergerveien, Asker

- 40/60 ownership AF and Klaveness
- Development site for approx. 200 housing units
- Purchase price NOK 120-150 million

Residential site – Fornebu, Bærum

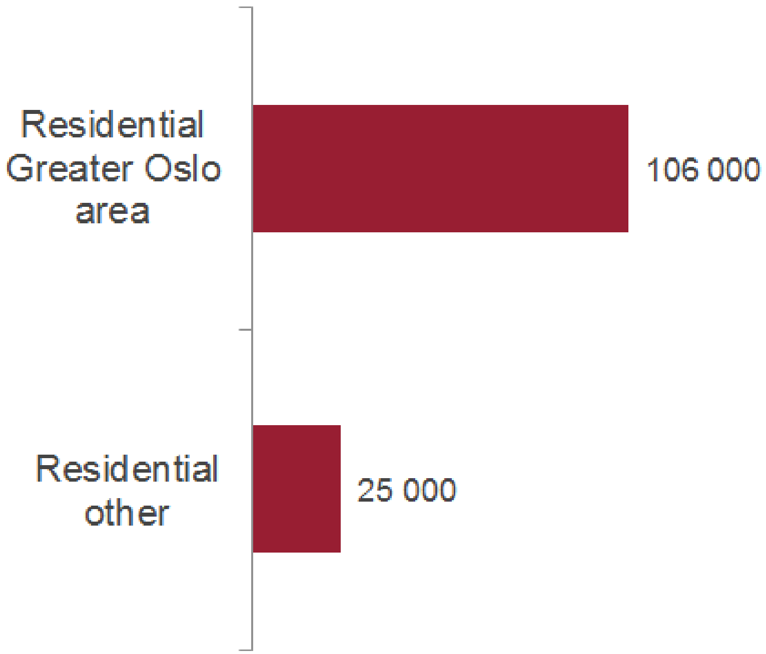
- AF holds 33% stake in partnership company
- Purchase price NOK 84 million
- Development site of approx. 5,500 m^2 gross area

Residential site - Hasle linje, Oslo

- 50/50 with Höegh Property
- Development site for approx. 500 housing units
- Expected sale start-up 1. half-year 2013
- Purchase price NOK 326 million

Solid site inventory
– goals of further growth

Building site inventory of approx. 131,000 m² gross area*



A total of 1,640 housing units in the portfolio

- AF's share is approx. 900 housing units

Strengthen the Greater Oslo area portfolio

- Goal of 2000 housing units
- More and bigger non-residential projects

Establishment and strengthening in regions where AF has building operations

- Drammen
- Rogaland
- Agder
- Østfold
- Gothenburg

Use of partnerships

- Provides broader project portfolio
- Optimizes use of capital

** On a 100 % basis. AF's share amount to approx. 66,000 m² gross area. Includes the Hasle linje project.*

Prospects for the future…

Civil Engineering

- Investment level within civil engineering is high, further growth is expected, especially within roads and energy related prosjects.

Building

- Stable and high activity level for residential building and rehabilitation.
- Economy growth give grounds for continued growth in building operations.
- The market for renovation, reconstruction and additions is expected to have the highest growth.

Property

- Still good market for residential building, improving non-residential market.
- Few available sites and long regulation processes is likely to limit the growth.

Environment

- High activity and great demand for land-based demolition services.
- Increasing activity for offshore projects.

Energy

- Increasing demand for land-based energy services.
- Still good market for offshore related services.
- Still weak international shipping market, slightly improving Norwegian market.

Thank you for your attention!