

AF Gruppen

1. quarter 2007



Agenda

Summary 1

Business areas 2

What the future holds 3

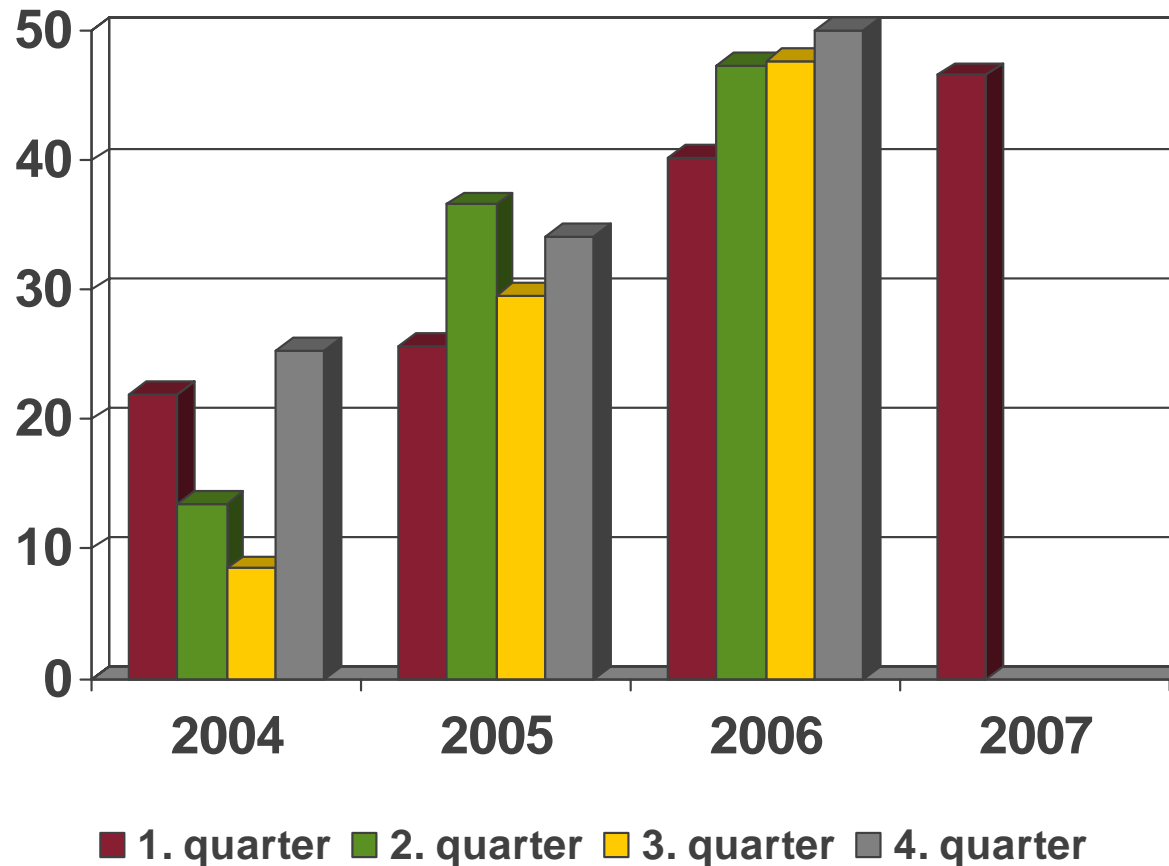
Appendix 4

Summary – 1. quarter

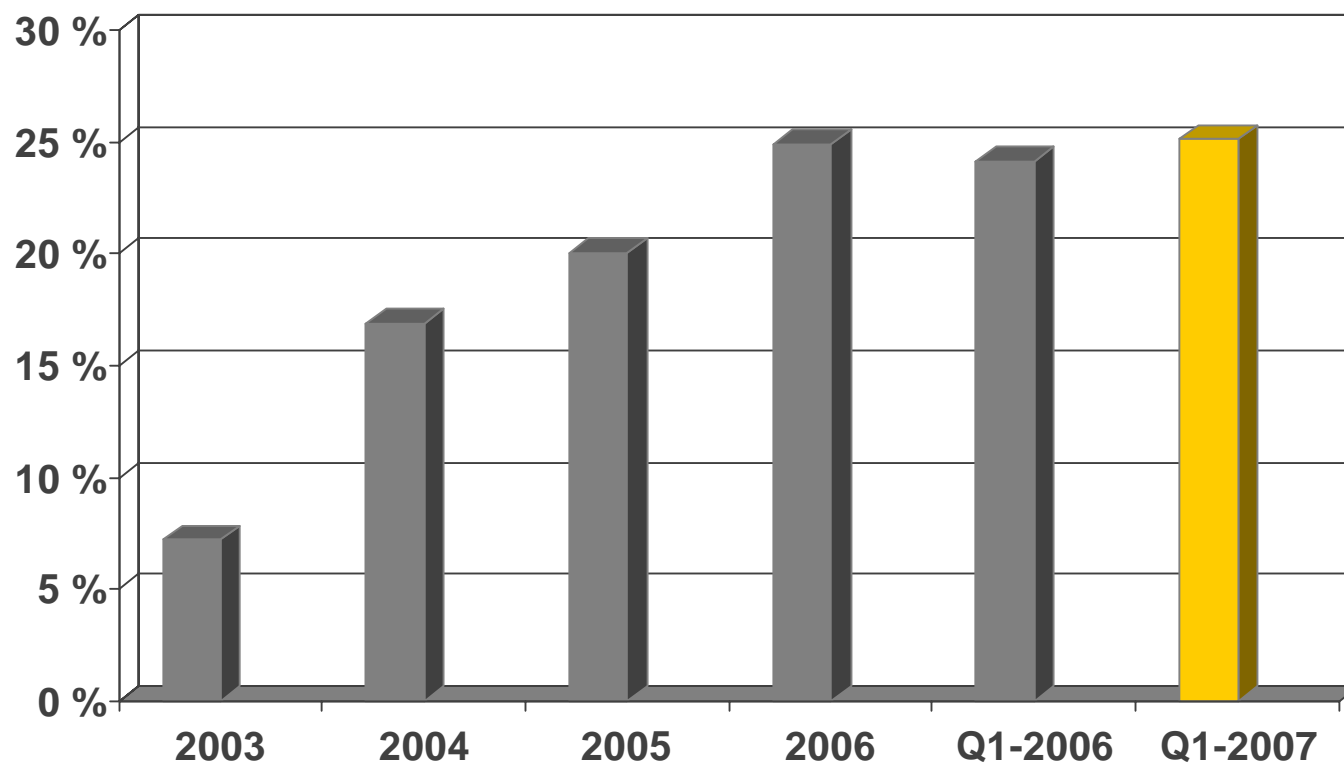
- AF had a strong first quarter
 - Profit before tax increased by 16% to NOK 46.6 million (40.3)
 - Earnings per share was NOK 2.44 (2.10)
 - Return on invested capital (ROCE) was 25.1% (24.1)
 - Strong cash flow from operating activities of NOK 103 mill (18.1)
 - Improvements in the building business

Good outlook for continued profitable growth

- The positive trend continues

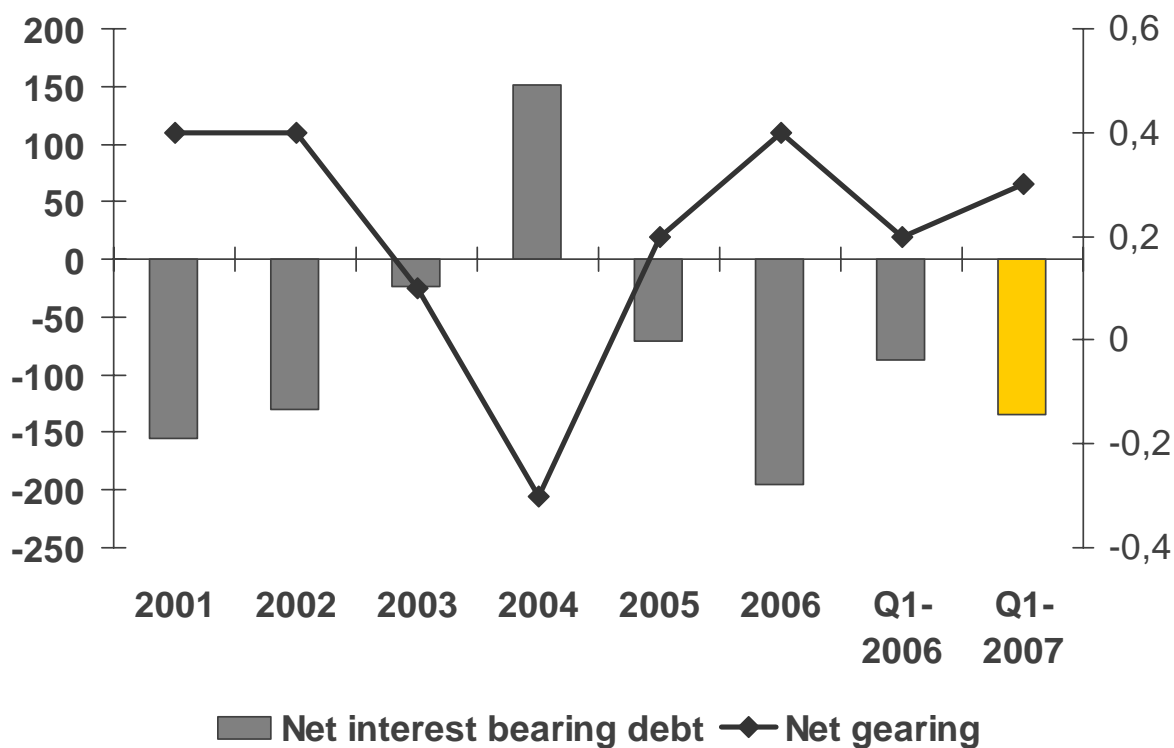


Return on invested capital



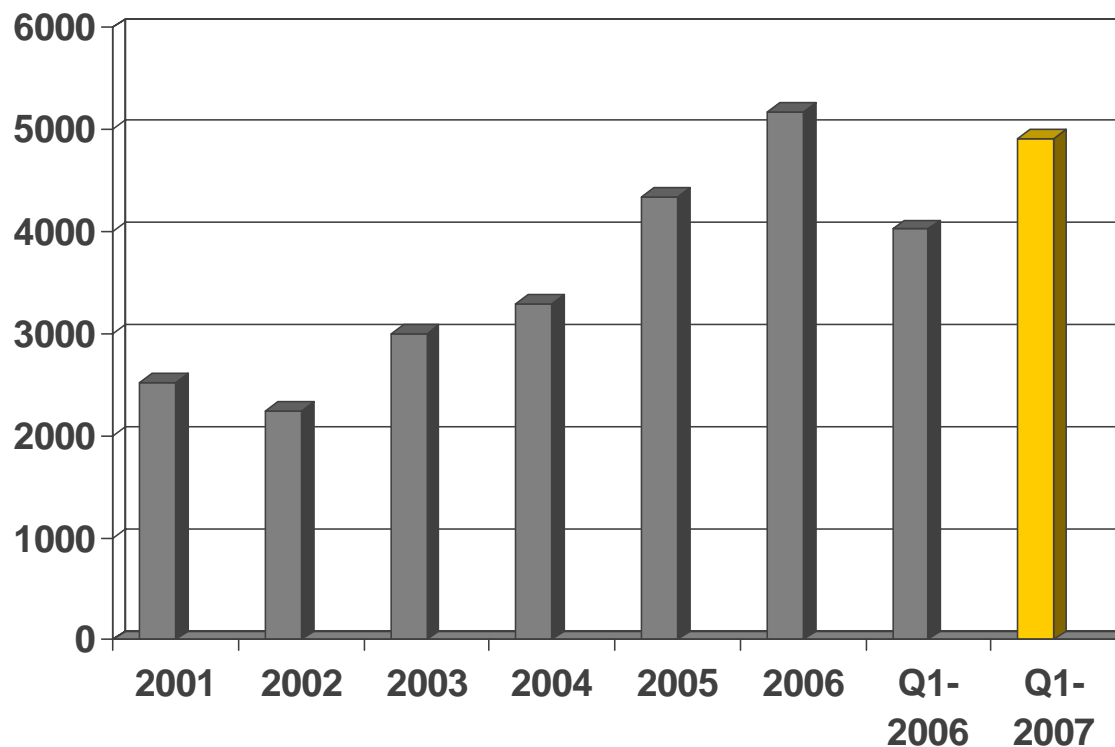
Return on invested capital was 25.1% in 2007

Net interest bearing debt



Still a strong balance sheet with strong potential for growth

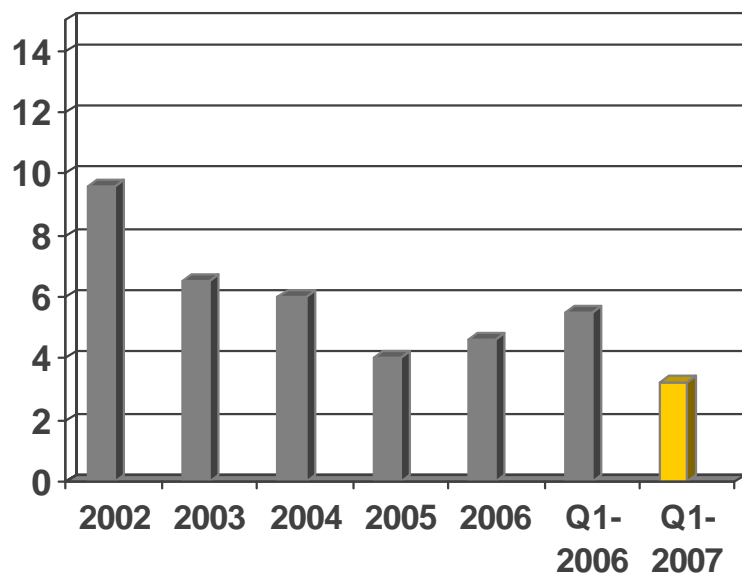
Order backlog at 31.03.07



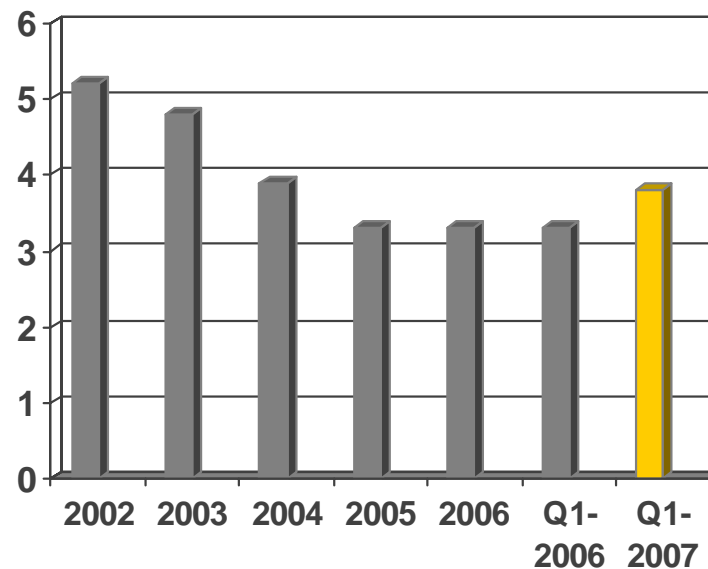
Order backlog is still at a record high level

HSE - statistics

- H-Value



- Sick leave



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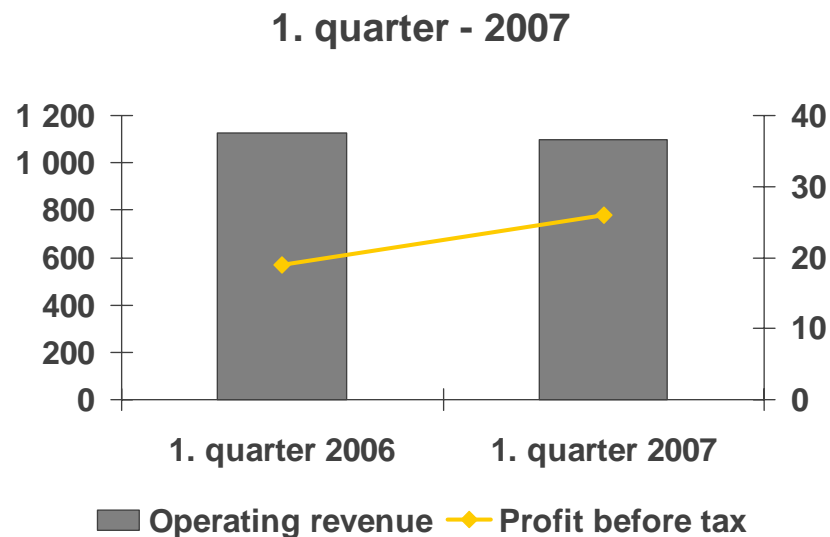
Business areas

Business area	1. quarter 2007		
	Operating revenue	Profit before tax	Profit margin (%)
Construction	1 094.9	25.9	2.4%
Services	172.5	21.9	12.7%
Eiendom	137.3	0.7	2.0*
Annet / Eliminerings	- 58.1	- 2.0	-
Total	1 346.6	46.6	3.5%

* Return on invested capital

Construction

- Stable profit in the civil engineering business
- Improvements in the building business in Oslo
- The building business continues to deliver stable profits and growth
- The focus is on profit improvements instead of growth in operating revenue in segments where the margin has been to low

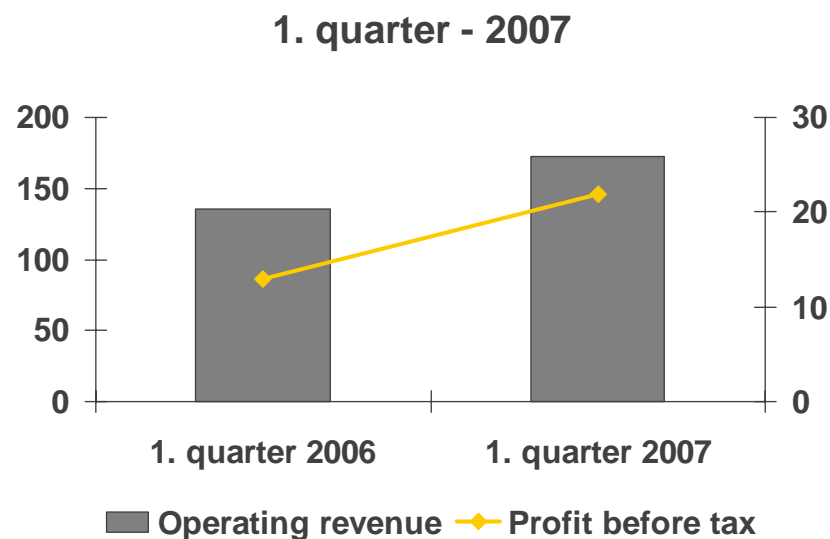


Services

- The profitable growth continues in Services
- Onshore and offshore demolition business contribute a significant share of the profit

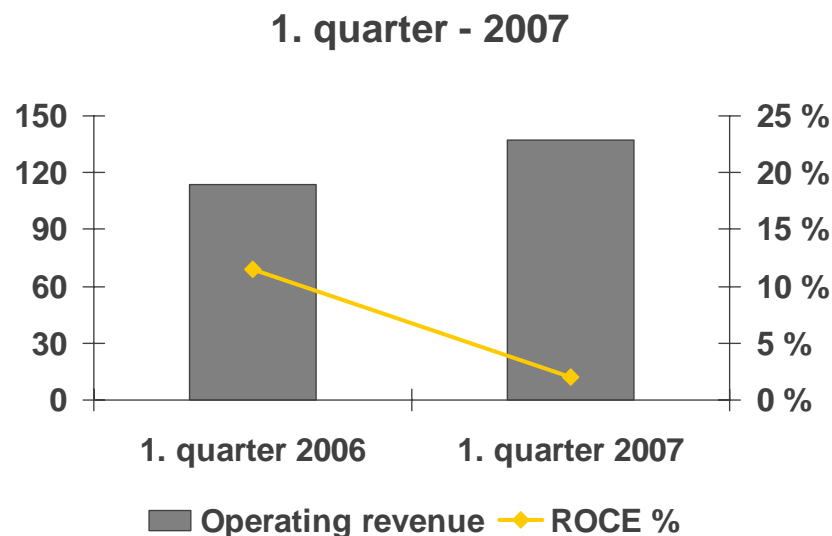


- Further profitable growth shall come from:
 - *New offshore contracts*
 - *New business opportunities (ex. energy efficiency, offshore HVAC)*
 - *Expansion of the value chain in onshore demolition*



Property Development

- High level of activity, but significant reduction in profits in the first
- The reduction in profits is partly do to projects running behind schedule and low sales on some projects where work has started
- Return on invested capital was 2.0% (11.5%)
- Fortsatt gode utsikter for året 2007
 - App. 310 residential units under production in Norway and Sweden (66 usold)
 - App. 1 200 residential units in progress
 - More projects in progress in Sweden



New projects in the 1st quarter

Project	Type	Size
Hotell Opera	Hotel	SEK 88 million
Norconsult	Redevelopment of main office	NOK 40 million

- Selective assessment of new projects due to record high order backlog
- Focus in 2007 will be on consolidation and margin improvements in the building business

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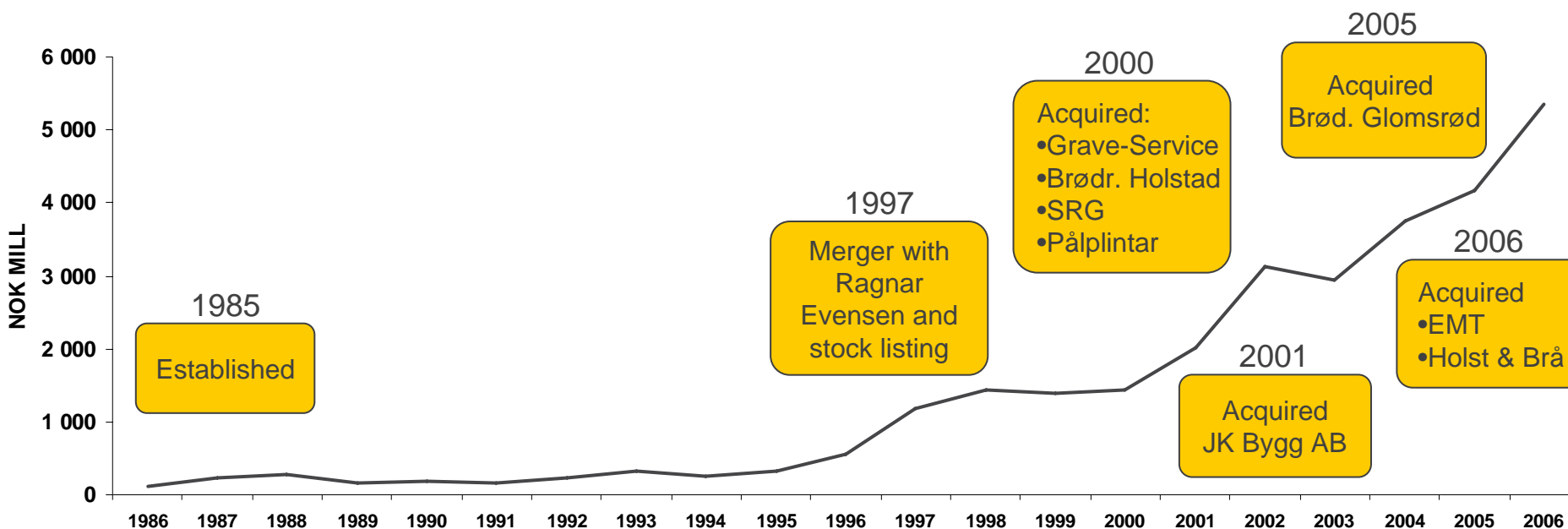
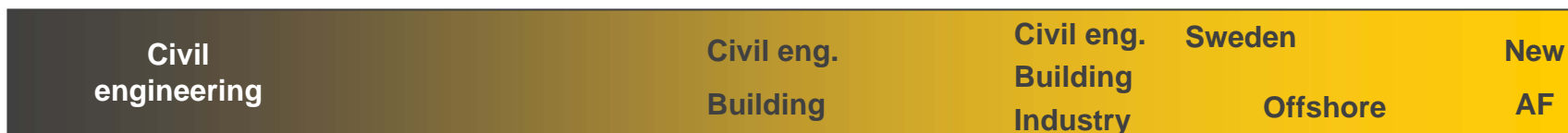
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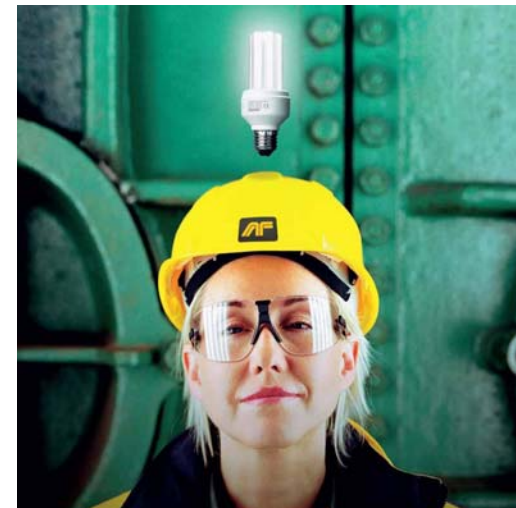
AF's history



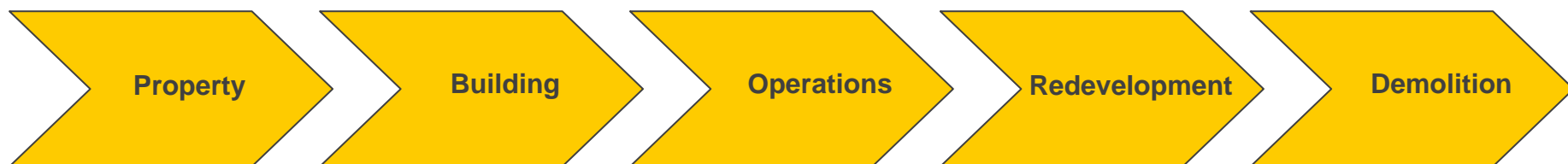
10 acquisitions and strong organic growth is the basis for New AF

Strong organic growth and successful acquisitions

- AF is almost ten times bigger than ten years ago
- Our customers are more varied
 - 1996: Only civil engineering
 - 2007: From housing projects to international oil companies
- More complex projects: From one million to one billion
- Acquisitions and own initiatives have helped establish AF in expanding markets such as demolition and energy efficiency



AF has gradually taken control over the whole value chain



A building's lifetime



New AF covers all building related services from land development to demolition!

Main challenges

Risk
management

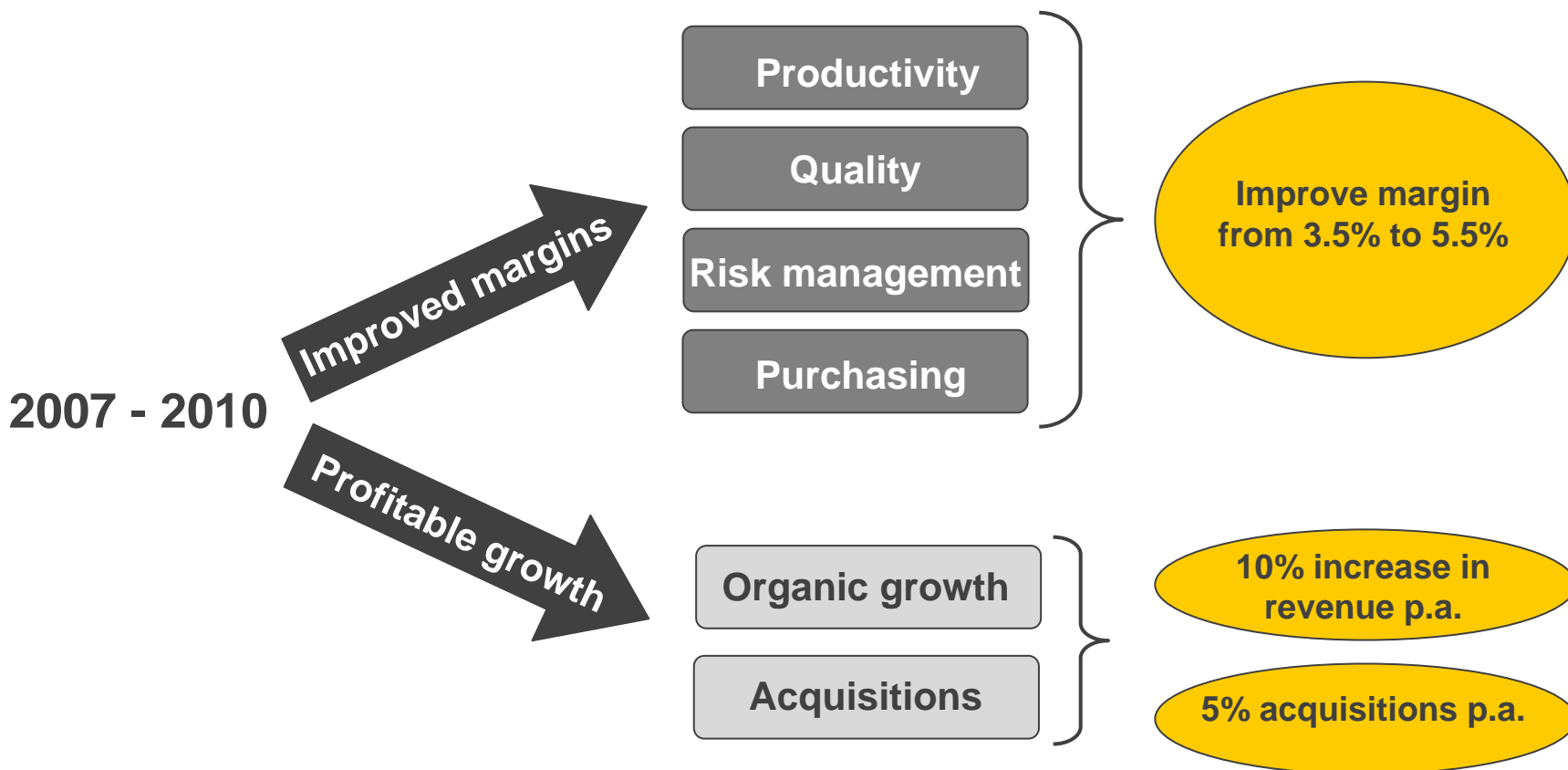
Purchasing



Quality

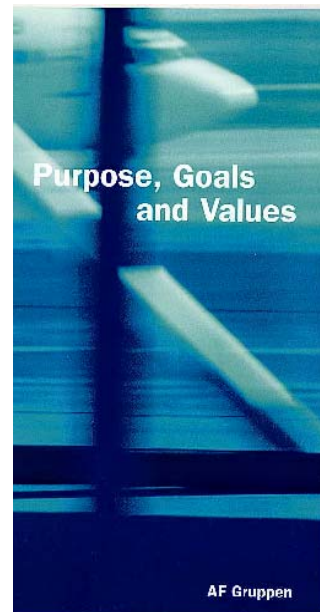
Productivity

The road towards 2010



AF's core values are the same as before

- All our operating activities are based on **Purpose, goals and values**
- **Code of conduct** secures that all employees in AF have a common understanding of what is "right and wrong"





Thank you for your attention!



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Key figures

Key figures NOK 1 000	01.01-31.03.2007	01.01-31.03.2006	Change %
Operating revenue	1 346 594	1 335 148	1 %
Operating profit (EBIT)	50 441	39 954	26 %
Profit before tax (EBT)	46 579	40 327	16 %
Earnings NOK pr. share	2,44	2,10	16 %
Return on invested capital (ROIC)	25,1 %	24,1 %	
Return on equity	25,2 %	25,9 %	
Operating margin (EBIT%)	3,7 %	3,0 %	
Gross margin (EBT%)	3,5 %	3,0 %	
Order backlog	4 919 222	4 025 000	22 %
Order bookings	1 088 567	1 021 148	7 %

Profit at 31 March 2007

Profit and loss account NOK 1 000	01.01 - 31.03.2007	01.01 - 31.03.2006	Change 12 months
Operating revenue	1 346 594	1 335 148	1 %
Materials	(432 855)	(261 836)	65 %
Subcontractors	(366 250)	(620 473)	-41 %
Wages	(338 180)	(286 731)	18 %
Other operating expenses	(140 103)	(108 879)	29 %
Depreciation of fixed assets	(18 765)	(17 275)	9 %
Write downs			
Operating profit	50 441	39 954	26 %
Other interest income	655	324	102 %
Investments in associated companies			
Other interest expenses	(4 153)	(3 584)	16 %
Other financial (expenses)/income	(364)	3 633	-110 %
Net financial items	(3 862)	373	-1135 %
Profit before tax	46 579	40 327	16 %
Tax expense	(13 042)	(11 432)	14 %
Net profit for the year	33 537	28 895	16 %

Balance sheet - Assets

Assets NOK 1 000	31.03.2007	31.03.2006	Change 12 months
Land, buildings and machinery	288 321	257 781	12 %
Goodwill	190 710	107 612	77 %
Interest bearing non current receivables	23 802	6 644	258 %
Other non current assets	12 186	18 808	-35 %
Inventories	29 090	40 107	-27 %
Projects on own account held for sale	311 389	387 348	-20 %
Accounts receivable	1 085 218	882 616	23 %
Shares held as current assets	14 400	14 852	-3 %
Cash and cash equivalents	78 279	282 494	-72 %
Total assets	2 033 395	1 998 262	2 %

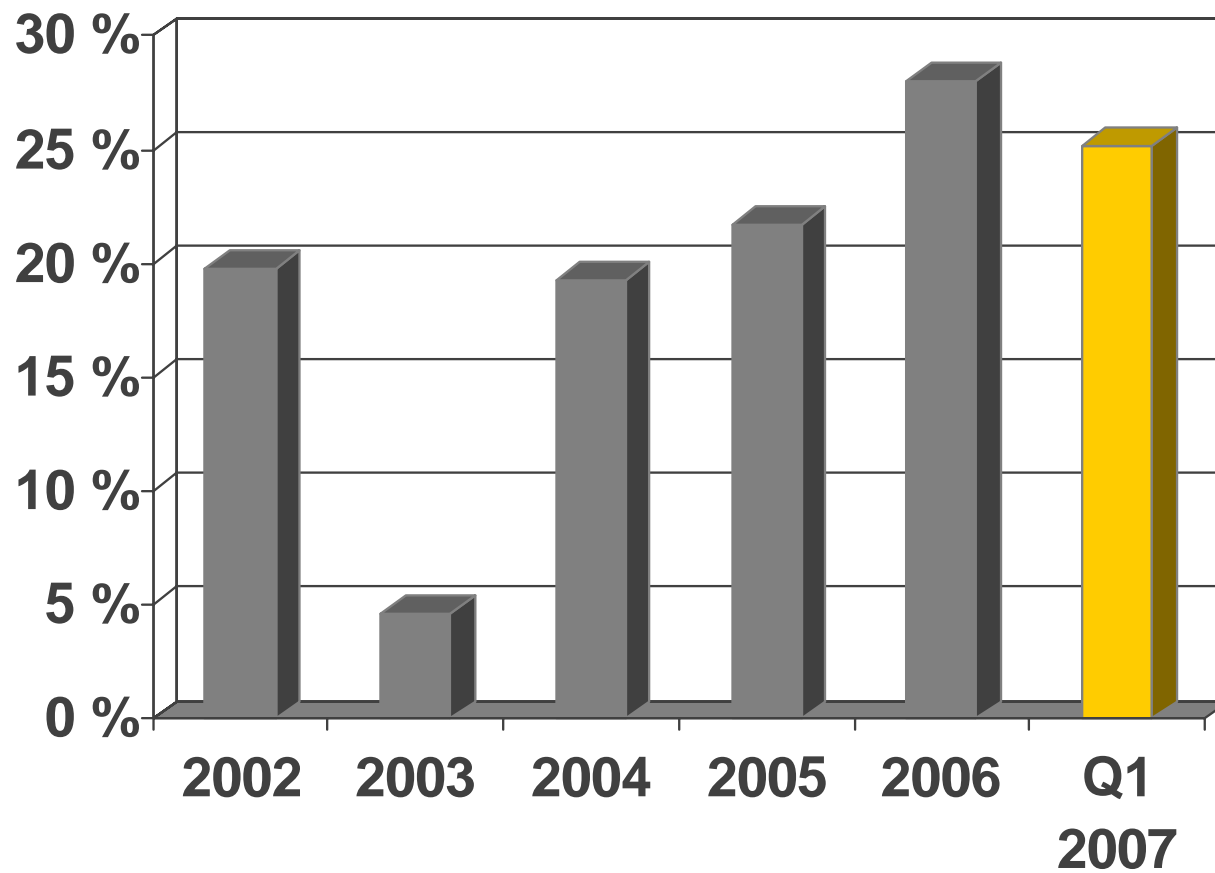
Balance sheet – Debt and equity

Debt and equity NOK 1 000	31.03.2007	31.03.2006	Change 12 months
Contributed equity	12 188	3 442	254 %
Retained earnings	519 391	456 292	14 %
Total equity	531 579	459 734	16 %
Interest bearing loans (long term)	176 326	188 584	-7 %
Retirement benefit obligations	6 378	6 521	-2 %
Deferred tax obligations	35 263	1 990	1672 %
Interest bearing loans (short term)	68 803	196 414	-65 %
Trade payables and non interest bearing liabilities	1 202 719	1 125 788	7 %
Provisions	12 327	19 231	-36 %
Total equity and liabilities	2 033 395	1 998 262	2 %

Cash flow

Cash flow NOK 1 000	01.01 - 31.03.2007	01.01 - 31.03.2006
Cash flow from operating activities	56 650	57 067
Reduction/(increase) in net operating capital	46 327	(38 999)
Net cash flow from operating activities	102 977	18 068
Cash flow from investing activities	(12 625)	(28 435)
Increase/(decrease) interest bearing debt	(135 951)	91 073
(Increase)/decrease interest bearing receivables	(529)	4 998
(Increase)/decrease financial assets	2 630	(3 700)
Payed dividend		
Net purchase of own shares	(28 301)	
Cash flow from financial activities	(162 151)	92 371
Net change in cash during the year	(71 799)	82 004
Net interest bearing (liabilities)/assets at the start of period	150 078	200 490
Net interest bearing (liabilities)/assets at the end of period	78 279	282 494

Return on equity



Equity ratio (%)

