



...a reliable partner



AF Gruppen - 4. quarter 2007

Oslo, February 15 2008



FOURTH QUARTER 2007

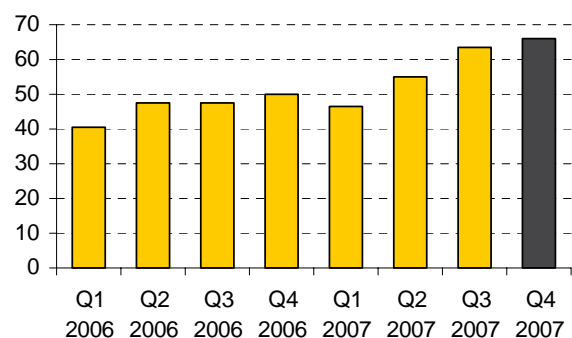
- AF Gruppen reported profit before tax in the fourth quarter of MNOK 67.3 (50.0). Profit before tax was MNOK 232,2 (185.4) in 2007.
- Fourth quarter earnings per share was NOK 3.51 (2.73). Earnings per share in 2007 was NOK 12.14 (9.76).
- The Board of Directors has proposed a dividend of NOK 6.00 (5.00) per share for the 2007 accounting year.
- Return on average invested capital was 29.2% (24.9%) in 2007.
- Order backlog was MNOK 5,862 (5,177) by the end of the year.
- AF signed a letter of intent with Heerema Marine Contractors in the fourth quarter regarding the decommissioning of 9 platforms with an option for a further 4 from the North Sea. The contract value is MNOK 1,200 including options.

SUMMARY

The operating revenue for AF Gruppen was MNOK 1,558 (1,504) in the fourth quarter of 2007. Profit before tax was MNOK 67.3 (50.0) and is the highest ever quarterly AF has achieved.

Construction achieved a profit before tax of MNOK 22.7 (-14.6) in the fourth quarter. The market areas harbour and power in civil engineering are showing a positive trend, while infrastructure has challenges with respect to profitability.

Profits before tax pr. quarter (MNOK)



The building activities in Oslo have improved profit in 2007, while parts of the business in Sweden and Østfold do not deliver satisfactory results. Work related to profit improvements will continue with in 2008.

Profit before tax in *Services* was MNOK 18.0 (66.0) in the fourth quarter. There is a high demand for onshore demolition services, while the company has signed a large offshore contract. The business

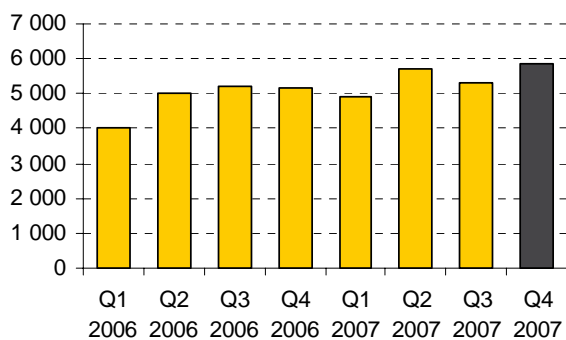
area has a substantial order backlog at the end of 2007.

During 2007, AF has become a solid supplier of services related to energy efficiency and continues to focus on energy related services. AF acquired 51% of Mollier AS in fourth quarter 2007.

The business area *Property Development* had a profit before tax of MNOK 22.3 (5.1) in the fourth quarter. The housing market is characterized by uncertainty, and it takes more time to sell each housing unit. Demand for non-residential housing continues to show a positive trend and contributes to the increase in profits compared to the same period last year.

The order backlog is at an all time high and was MNOK 5,862 (5,177) by the end of 2007.

Order backlog (MNOK)



"All business areas contribute to our highest ever quarterly profits. A solid financial base and a long term focus on profit improvements leaves AF well prepared to meet future market challenges. AF is established as a significant supplier of environmental and energy related services. We have during the fourth quarter signed contracts which further strengthen our position in these areas," says Pål Egil Rønn, CEO of AF.

BUSINESS AREAS

Construction

The business area *Construction* includes all activities related to building, renovation and civil engineering in Norway and Sweden.

Operating revenue in *Construction* was MNOK 1,219 (1,121) in the fourth quarter. Profit before tax was MNOK 22.7 (-14.6). Return on invested capital was 24.5% (15.1%) at December 31 2007. AF has in 2007 focused on risk management and improved productivity. This work will continue with full force on new and existing projects.

AF's civil engineering business continues its high level of activity. Sauda power plant and E18

Bjørsvika are the largest projects in the portfolio. AF has in 2007 entered into several large contracts related to oil and gas. The civil engineering business entered into a contract with StatoilHydro regarding the construction of a new gas pipeline from Kollsnes to Mongstad. The contract has a value of MNOK 70.

Uncertainty in the housing market has led to postponement or cancellation of new housing projects. Increased demand for non-residential housing and rehabilitation has kept activity on a high level in AF's building units.

AF's building activities in Sweden experience high demand for both office buildings and residential housing and established a new company in 2007. AF Bygg Syd AB will continue expanding our business to the area Göteborg-Malmö.

Total order backlog in *Construction* was MNOK 4,111 (4,331) at 31.12 2007. Orders received in the third quarter were MNOK 448 (988).

Services

Services includes AF's environmental services such as demolition and recycling onshore and offshore. AF's business units related to energy efficiency are also located in *Services*. AF's service business has activities in Norway and Sweden.

The business area *Services*' operating revenue was MNOK 185 (255) in the fourth quarter. Profit before tax was MNOK 18.0 (66.0). The reduction in revenue and profit is mainly due to that work related to decommissioning of the Ekofisk-tank was finished summer 2007. Return on invested capital was 37.3% (67.8%)

AF's service business has gain a lot of knowledge and a leading market position in offshore decommissioning in the North Sea through the work with Ekofisk-tanken. The company further established its position through a new contract with Heerema Marine Contractors regarding decommissioning and recycling of nine platforms with an option of a four more from the North Sea. The contract has a total value of MNOK 1,200 including options. Preliminary work will start immediately, while decommissioning of the platforms will start in 2009. The project is scheduled to be completed in 2014.

AF's energy and environmental services had a positive development in 2007. AF agreed to acquire a stake in Mollier AS in the fourth quarter. AF now owns 51% of the company. Mollier supplies HVAC services (Heating, Ventilation, Air Conditioning and Cooling) to companies operating in the North Sea. The market for energy and environmental service is

large and increasing, and AF has a solid basis in order to exploit these opportunities in the near future.

The *Services* business area has a total order backlog of MNOK 1,442 (292) at December 31 2007. Total order bookings were MNOK 1,389 (158) in the fourth quarter.

Property Development

The business area *Property development* includes development of apartments and office buildings on own account in the eastern region of Norway.

Property Development's operating revenue was MNOK 208 (168) in the fourth quarter. Profit before tax was MNOK 22.3 (5.1). Return on invested capital at 31.12 was 12.5% (13.4).

Increased uncertainty and higher interest rates have led to a decrease in turnover in the housing market compared to the same period last year. A lower rate of sales means that higher share of housing units under construction is unsold. Of 315 housing units under construction, 77 are unsold. Building is completed for 30 of the unsold apartments. The figures above account for AF's share of the projects.

Demand for non-residential housing continues to show a positive trend and contributes to the increase in profits compared to the same period last year.

AF has land and development rights in progress, which in total amount to 990 residential housing units and about 22,000 m² of office buildings.

FINANCIAL INFORMATION

Net cash flow from operating activities was MNOK 148.4 (-59.7) in the fourth quarter after an decrease of MNOK 67.8 (- 90.8) in net working capital.

Cash flow statement:

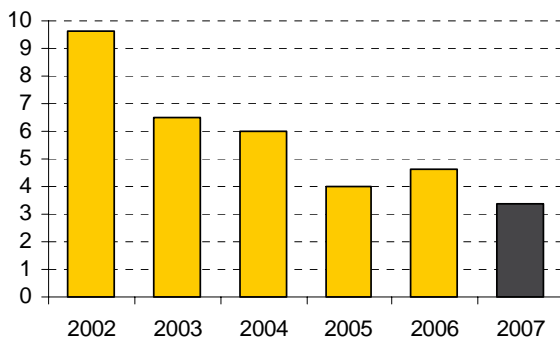
Net interest bearing debt was MNOK 134.8 (195.7) by the end of the year.

MNOK	Q4 2007	Q4 2006	2007	2006
Cash flow from operations	80,6	31,1	282,0	224,7
Reduction/ - increase in net working capital	67,8	-90,8	46,7	-142,5
Net cash flow from operating activities	148,4	-59,7	328,7	82,2
Cash flow from investment activities	-82,1	-44,3	-143,4	-159,3
Cash flow before financing activities	66,3	-104,0	185,3	-77,1
Minority interest	-40,0		-40,0	
Net purchase of own shares		-7,7	-15,6	-9,8
Dividend payment			-68,8	-41,3
Cash flow from financing activities	-40,0	-7,7	-124,4	-51,1
(Increase)/reduction in net interest bearing debt	26,3	-111,7	60,9	-128,2
Net interest bearing debt start of period	-161,2	-84,0	-195,7	-67,5
Net interest bearing debt end of period	-134,8	-195,7	-134,8	-195,7

HEALTH, SAFETY AND ENVIRONMENT

AF puts a strong emphasis on HSE-work. We measure our employees' safety through registration of work related injuries. This registration is the basis for calculating the H-value. The H-value is defined as the number of injuries resulting in absence per million man-hours. AF includes all subcontractors when calculating its H1-value.

H-value



The H-value for the Norwegian part of the Group at 31.12.07 decreased from 4.6 to 3.4 compared to 2006. During the last five years, the Group's H-value has been reduced from 10 to a level below 5. Total absence has increased from 3.3% to 3.9% compared to last year.

ORGANISATION

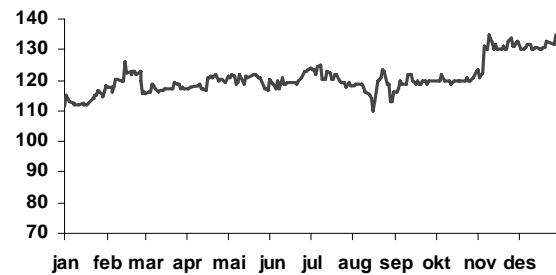
AF Gruppen ASA held an extraordinary General Meeting on January 4 2008. All proposals on the agenda were adopted in accordance with the notice. The proposal of an option program including all employees in the Group and subsidiaries was adopted. The option program amounts to 2,500,000 options spread over a three year period. Mari Broman was elected as a new member of the Board of Directors.

SHAREHOLDER INFORMATION

AF Gruppen's share is listed on Oslo Stock Exchange's OB-match list and is traded under the ticker AFG in batches of 100 shares. AF is a holder of the Oslo Stock Exchange Information Symbol and has entered into a liquidity guarantee agreement with a third party to ensure liquidity of the share. The share price at December 31 2007 was NOK 135, which equals an increase of 24% since the start of 2007. The Oslo Benchmark index increased by 11% during the same period. All figures are adjusted for dividend.

The Board of Directors has proposed a dividend of NOK 6.00 (5.00) per share to the annual general meeting for the 2007 accounting year.

AFG - Share price 2007



AF Gruppen had 677 shareholders by the turn of the year. The ten largest shareholders held 82.3% of the shares

Largest shareholders at December 31 2007:

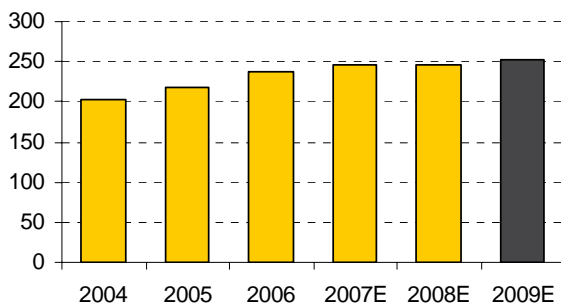
Name	Shares	% share
KB Gruppen Kongsvinger AS	3 377 847	24,5 %
P O A AS	2 134 780	15,5 %
OBOS Forretningsbygg AS	1 939 266	14,1 %
LJM AS	1 102 780	8,0 %
Moger Invest AS	986 329	7,2 %
Aspelin-Ramm Utvikling	818 408	5,9 %
Skogheim, Arne	337 544	2,5 %
Staavi, Bjørn	292 972	2,1 %
Citibank N.A.	200 000	1,5 %
Evensen, Jon Erik	142 000	1,0 %
Ten largest	11 331 926	82,3 %
Other shareholders	2 437 962	17,7 %
Total outstanding shares	13 769 888	100,0 %

Employees in the Group hold approximately 30% of the shares in the company. Work related to increase the employees ownership of the company is viewed as a positive element in the continued evolution of AF.

MARKET OUTLOOK

It has been a high level of activity in the Norwegian building and civil engineering market the last few years. This has led to large price increases for important input factors and a shortage of labour. Growth in the next few years is likely to level out as a consequence of higher production costs, but activities are expected to stabilise at a record high level.

Investments building & civil engineering Norway* (NOKm)



*Data from Prognosesenteret

A slowdown in demand for new housing during 2007 led to a decrease in building activity. The decrease in activity has so far been offset by strong demand for non-residential housing and rehabilitation of public and private buildings. AF also expects increased demand for energy efficient buildings.

The activity in the civil engineering market is good with a stable inflow of new projects for the time being.

The demand for AF's energy and environmental services is increasing and the future outlook is positive.

It's also a high demand for our onshore and offshore demolition services. In addition to work related to decommissioning of the Ekofisk-platforms, work continues with tenders in the North Sea.

AF's Board of Directors has great confidence in the company's future prospects.

Oslo, February 14 2008

The Board of Directors in AF Gruppen ASA

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Next presentation:

9.5 2008 Presentation Q1 2008

FINANCIAL STATEMENTS AT DECEMBER 31 2007**The Group**

Profit & Loss accounts	2007	2006	2005	Q4 2007	Q4 2006
Operating revenue	5 538 421	5 357 708	4 174 868	1 557 693	1 503 994
Materials	-1 218 553	-1 033 508	-790 971	-353 023	-345 408
Subcontractors	-2 223 334	-2 573 041	-1 962 294	-610 128	-746 553
Wages, salaries and social security expenses	-1 241 162	-1 083 283	-899 890	-341 718	-269 268
Other operating expenses	-544 784	-402 247	-338 671	-166 589	-73 348
Depreciation expense	-81 918	-73 796	-64 730	-25 292	-20 250
Operating profit	228 670	191 833	118 312	60 943	49 167
Interest income	23 305	9 989	13 085	13 904	5 689
Interest expenses	-20 257	-21 890	-11 832	-8 064	-9 856
Other financial (expenses) / income	492	5 477	6 477	511	5 004
Net financial items	3 540	-6 424	7 730	6 351	837
Profit before tax	232 210	185 409	126 042	67 294	50 004
Tax expense	-66 180	-51 190	-38 289	-20 004	-12 717
Net profit	166 030	134 219	87 753	47 290	37 287
Distribution of profit:					
Majority	165 168			46 428	
Minority	862			862	
Total	166 030			47 290	

Balance sheet	31.12.2007	31.12.2006	31.12.2005
Land, buildings and machinery	285 271	294 909	255 991
Goodwill	243 431	194 327	107 934
Investments in subsidiaries	21 660	7 671	8 985
Interest bearing non current receivables	23 712	24 241	9 068
Other non current assets	8 498	450	
Deferred tax assets			10 888
Total non current assets	582 572	521 598	392 866
Inventories	32 351	39 277	51 473
Projects on own account held for sale	486 910	316 217	356 351
Trade and non interest bearing receivables	1 174 624	1 110 889	843 307
Interest bearing current receivables	5 395	400	2 574
Shares held as current assets	10 800	17 030	11 152
Cash and cash equivalents	135 638	150 078	200 490
Total current assets	1 845 718	1 633 891	1 465 347
Total assets	2 428 290	2 155 489	1 858 213
Contributed equity	12 188	12 188	12 779
Retained earnings	587 288	521 934	419 911
Minority share	4 440		
Shares with put and call option	-43 600		
Total equity	560 316	534 122	432 690
Non current interest bearing loans	220 643	165 615	194 836
Retirement benefit obligation	4 568	7 746	10 331
Provisions	17 016		10 264
Deferred tax liability	79 711	23 136	
Total long term liabilities	321 938	196 497	215 431
Current interest bearing loans	68 195	214 097	95 279
Trade payables and non interest bearing liabilities	1 466 355	1 192 184	1 104 938
Taxes payable	11 486	18 589	9 875
Total short term liabilities	1 546 036	1 424 870	1 210 092
Total liabilities	1 867 974	1 621 367	1 425 523
Total equity and liabilities	2 428 290	2 155 489	1 858 213

BUSINESS AREAS

Amounts in NOK 1 000

Business areas	Construction		Services		Property		Unallocated/Elim		Group	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Operating revenue	4 415 375	4 260 626	743 742	779 745	629 867	504 085	-250 563	-186 748	5 538 421	5 357 708
Operating expenses less depreciation	-4 297 319	-4 203 221	-605 188	-598 002	-576 751	-454 238	251 425	163 382	-5 227 833	-5 092 079
Depreciation expense	-41 823	-37 940	-40 059	-35 535	-36	-322			-81 918	-73 797
Operating profit (EBIT)	76 233	19 465	98 495	146 208	53 080	49 525	862	-23 366	228 670	191 832
Interest income	13 356	6 992	3 261	2 360		645	6 688	-8	23 305	9 989
Interest expense	-6 146	-9 101	-3 587	-4 030	-7 204	-10 858	-3 320	5 595	-20 257	-18 394
Other financial items		18		-138		1	492	2 099	492	1 980
Net financial item	7 210	-2 091	-326	-1 808	-7 204	-10 212	3 860	7 686	3 540	-6 425
Profit before tax (EBT)	83 443	17 374	98 169	144 400	45 876	39 313	4 722	-15 680	232 210	185 407
Tax expense									-66 180	-51 190
Net profit									166 030	134 217

Business area	Construction		Services		Property		Unallocated/Elim		Group	
	Q4 2007	Q4 2006	Q4 2007	Q4 2006	Q4 2007	Q4 2006	Q4 2007	Q4 2006	Q4 2007	Q4 2006
Operating revenue	1 218 777	1 120 801	185 417	254 660	207 557	168 361	-54 058	-39 828	1 557 693	1 503 994
Operating expenses less depreciation	-1 190 635	-1 116 428	-159 894	-179 641	-185 825	-160 496	64 897	29 018	-1 471 457	-1 427 547
Depreciation expense	-16 241	-18 101	-9 345	-8 859	196	-320	98	1	-25 292	-27 279
Operating profit (EBIT)	11 901	-13 728	16 178	66 160	21 928	7 545	10 937	-10 809	60 944	49 168
Interest income	13 356	3 541	3 261	1 627		150	-2 713	371	13 904	5 689
Interest expense	-2 605	-4 528	-1 430	-1 099	351	-2 576	-4 380	1 843	-8 064	-6 360
Other financial items		133		-726		1	511	2 099	511	1 507
Net financial item	10 751	-854	1 831	-198	351	-2 425	-6 582	4 313	6 351	836
Profit before tax (EBT)	22 652	-14 582	18 009	65 962	22 279	5 120	4 355	-6 496	67 295	50 004
Tax expense									-20 004	-12 717
Net profit									47 291	37 287

Key figures - 2007

Operating margin (EBIT%)	1,7 %	0,5 %	13,2 %	18,8 %	8,4 %	9,8 %			4,1 %	3,6 %
Gross profit margin (EBT%)	1,9 %	0,4 %	13,2 %	18,5 %	7,3 %	7,8 %			4,2 %	3,5 %
Return on invested capital (RoIC)	24,5 %	15,1 %	37,3 %	67,8 %	12,5 %	13,4 %			29,2 %	24,9 %
Invested capital at end of period	406 028	155 153	293 811	312 798	404 537	304 803			870 738	913 834
Average invested capital	365 134	175 177	272 743	219 023	424 328	373 921			864 171	817 182
Order backlog	4 110 536	4 330 699	1 441 642	291 550	309 685	555 000			5 861 863	5 177 249
Order bookings	4 195 212	4 810 598	1 893 834	564 308	384 552	657 423			6 223 035	6 195 957

Key figures - Q4 2007

Operating margin (EBIT%)	1,0 %	-1,2 %	8,7 %	26,0 %	10,6 %	4,5 %			3,9 %	3,3 %
Gross profit margin (EBT%)	1,9 %	-1,3 %	9,7 %	25,9 %	10,7 %	3,0 %			4,3 %	3,3 %
Order bookings	448 375	988 187	1 388 783	158 231	174 148	181 461			2 120 943	1 288 051

KEY FIGURES

	2007	2006	2005
Earnings pr. share NOK	12,14	9,76	6,55
Diluted earnings pr. share NOK	27,70		
Return on invested capital (RoIC) ¹⁾	29,2 %	24,9 %	19,4 %
Economic Value Added ²⁾³⁾	107 112	76 064	41 048
Operating margin (EBIT%)	4,1 %	3,6 %	2,8 %
Gross profit margin (EBT%)	4,2 %	3,5 %	3,0 %
Return on equity	30,3 %	27,8 %	21,2 %
Invested capital at end of period ⁴⁾	870 738	921 580	733 136
Average invested capital ⁵⁾	864 171	817 182	711 490
Net financial assets ⁶⁾	-134 877	-195 709	-77 162
Net debt ratio ⁷⁾	0,2	0,4	0,2
Equity ratio	23,1 %	24,8 %	23,2 %
Working capital requirement ⁸⁾	216 044	255 610	136 318
Investments	143 421	171 050	130 317
Order backlog	5 861 863	5 177 249	4 339 000
Order bookings	6 223 035	6 195 957	5 266 868

1) Return on invested capital = profit before tax + interest expenses + depreciation goodwill / average invested capital

2) EVA = (return on invested capital - average cost of capital before tax) * average invested capital * 0,72

3) The Groups average cost of capital (WACC) in 2007 is estimated to 12,0% before tax and (12,0) and 8,6% (8,6) after tax

4) Invested capital = equity + interest bearing debt + accumulated depreciation of goodwill at end of period

5) Average invested capital = Average invested capital in the last 12 months

6) Net financial assets = cash and cash equivalents + financial current assets + interest bearing receivables - interest bearing liabilities

7) Net debt ratio = Net interest bearing debt / Shareholders' equity

8) Working capital requirement = Net operating capital less financial items

HEALTH, SAFETY AND ENVIRONMENT

Business area	Construction		Services		Property		Group	
	2007	2006	2007	2006	2007	2006	2007	2006
Accumulated Q4 2007								
H-value	3,8	4,6	1,7	5,0	0	0	3,4	4,6
H2-value	23,6	15,7	20,4	19,7	0	0	22,3	15,8
Illness	4,4 %	3,8 %	2,7 %	1,6 %	3,8 %	2,4 %	3,9 %	3,3 %

CONSOLIDATED CASH FLOW

Amounts in NOK 1 000	2007	2006	2005	Q4 2007	Q4 2006
Cash flow from operating activities	282 043	224 664	152 927	80 574	31 099
Net change in working capital	46 669	-142 530	-187 320	67 822	-90 761
Net cash flow from operating activities	328 712	82 134	-34 393	148 396	-59 662
Net cash flow from investing activities	-143 421	-159 276	-113 355	-82 078	-44 345
Increase/ (decrease) interest bearing liabilities	-77 036	89 596	-44 722	-58 720	76 721
(Increase)/ decrease interest bearing assets	-4 466	-5 896	6 630	-2 147	-7 315
(Increase)/ decrease in financial current assets	6 230	-5 878	2 078	-2 200	-5 878
Minority interest	-40 022			-40 022	
Net purchase of own shares	-15 625	-9 782			-7 706
Payment of dividend	-68 812	-41 310	-66 973		
Net cash flow from financial activities	-199 731	26 730	-102 987	-103 089	55 822
Net change in cash and cash equivalents in the period	-14 440	-50 412	-250 735	-36 771	-48 185
Cash position at start of period	150 078	200 490	451 225	172 409	198 263
Cash position at end of period	135 638	150 078	200 490	135 638	150 078

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK 1 000	2007	2006	2005
Equity at start of period	534 122	432 690	393 566
Profit for the period	166 030	134 219	87 753
Dividend	-68 812	-41 310	-66 973
Sale of own shares		-12 247	25 670
Purchase of own shares	-15 625	11 080	
Minority share	-40 022		
Currency conversion	-15 377	9 690	-7 326
Equity at end of period	560 316	534 122	432 690

NOTES

Generally

AF Gruppen is a publicly traded company listed in Norway. The company's head office is located at Vitaminveien 1 A, Oslo. AG Gruppen undertakes contracting operations. The Group consists of the parent company AF Gruppen ASA, subsidiaries and shares in related and jointly owned companies.

Accounting principles

AF Gruppen uses International Financial Reporting Standards (IFRS) in its financial reporting. The interim report been prepared in accordance with IAS 34 using the same accounting principles as in the 2006 Annual Report.

Estimates

Revenue is recognised as income when it is probable that transactions will generate future economic benefits which will flow to the company and the size of the amount can be reliably estimated. Contributed margin earned on projects in progress entails a number of judgements. These judgements are made to the management's best estimate. The extent and complexity of the judgement mean that the actual contribution margins at the end of the projects may deviate from the judgement made at the period end.

Acquisitions

AF acquired 51% the shares inn Mollier AS in October 2008. Mollier operates in the energy and environmental business. Mollier AS is part of the Services business area and is consolidated with effect from October 12 2008.

Dividend

The Board of Directors has proposed a dividend of NOK 6.00 (5.00) per share to the annual general meeting for the 2007 accounting year.

Events after the balance sheet date

No events or new information have occurred after the end of the second quarter that would significantly influence the quarterly report.