



Second Quarter and First Half of 2019

AF Gruppen ASA



ertry.no

Q2



From the CEO

Profitability is good in the group, and we are pleased with healthy growth of 25 per cent. The fundamental and continuous work on building a unified corporate culture is more important than ever in a period of strong growth. Motivated employees and a solid organisation are an important foundation for creating long-term value. It is pleasing that we have experienced a clear reduction in serious injuries in the quarter, but zero lost time injuries is and will always be our goal. The working environment should be safe for everyone – including those who are employed by our subcontractors.

Our strategy has clear goals for organic and structural growth. After the end of the quarter we announced the agreement to acquire Betonmast. This will be our largest acquisition of all time. Since starting up in 2006, Betonmast has seen impressive growth. It is a well-run company with competent employees and management, interesting projects, strong profitability and a healthy order backlog. The transaction will strengthen AF Gruppen's position in the Norwegian and Swedish building markets, and also provides the basis for a very interesting future for Betonmast and the rest of AF Gruppen.

AF has always been proud of its strength and ability to perform complex tasks. The group's entrepreneurial spirit has been characterised by the ability and willingness to think differently and to find better, more future-oriented ways to generate value.

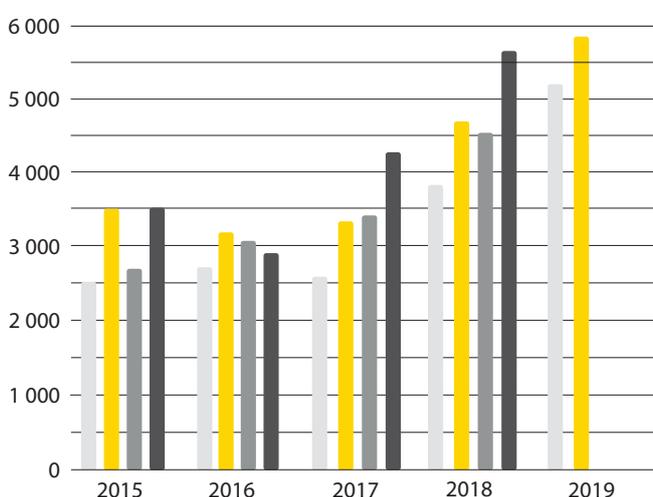
Addressing Future

HIGHLIGHTS

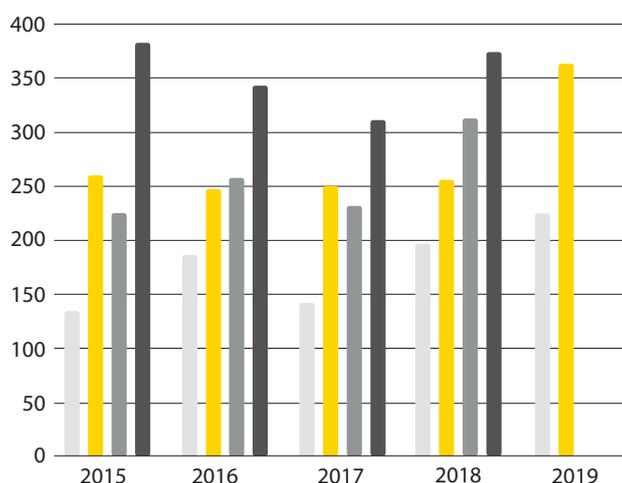
- Revenues were NOK 5,863 million (4,692 million) in the 2nd quarter and NOK 11,077 million (8,575 million) for the 1st half of the year.
- Earnings before tax were NOK 363 million (NOK 256 million) for the 2nd quarter and NOK 590 million (450 million) for the 1st half of the year.
- Profit margin was 6.2% (5.5%) for the 2nd quarter, and 5.3% (5.3%) for the 1st half of the year.
- Net operating cash flow was NOK 284 million (33 million) in the 2nd quarter and NOK 542 million (159 million) for the first six months.
- The order book stood at NOK 23,085 million (19,866 million) as at 30 June 2019.
- Net interest-bearing liabilities as of 30 June 2019 were NOK 753 million*. Net interest-bearing receivables were NOK 609 million as at 30 June 2018

* The implementation of IFRS 16 from 1 January 2019 led to an increase of interest-bearing debt of NOK 888 million on the implementation date.

REVENUES PER QUARTER (NOK MILLION)



EARNINGS BEFORE TAX PER QUARTER (NOK MILLION)



SUMMARY OF 2ND QUARTER AND 1ST HALF OF THE YEAR

Key figures (NOK million)	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and other income	5 863	4 692	11 077	8 575	18 767
EBITDA	486	298	828	527	1 303
Earnings before financial items and tax (EBIT)	369	256	601	441	1 119
Earnings before tax (EBT)	363	256	590	450	1 136
Result per share (NOK)	2.54	1.53	3.96	2.86	7.88
Diluted result per share (NOK)	2.53	1.53	3.94	2.86	7.88
EBITDA margin	8.3 %	6.4 %	7.5 %	6.1 %	6.9 %
Operating margin	6.3 %	5.5 %	5.4 %	5.1 %	6.0 %
Profit margin	6.2 %	5.5 %	5.3 %	5.3 %	6.1 %
Return on capital employed (ROaCE) ¹⁾	-	-	46.8 %	47.4 %	53.9 %
Cash flow from operating activities	284	33	542	159	841
Net interest-bearing debt (receivables)	753	-609	753	-609	-894
Equity ratio	17.6 %	23.8 %	17.6 %	23.8 %	25.0 %
Order backlog	23 085	19 866	23 085	19 866	21 541
LTI-1 rate	0.6	0.8	1.3	1.1	0.8
Absence due to illness	3.2 %	3.1 %	3.5 %	3.4 %	3.3 %

¹⁾ 12-month rolling average

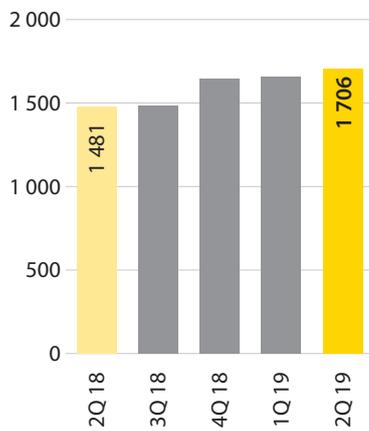
IFRS 16 Leases is implemented from 1 January 2019. Historical figures have not been reworked. See Note 4 for further information.

Business Areas

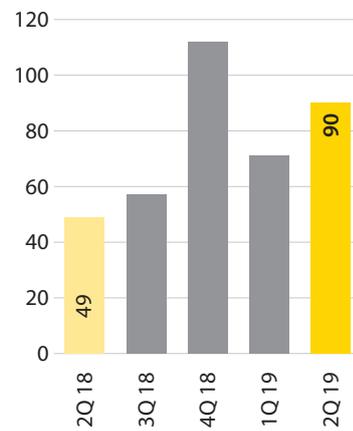


CIVIL ENGINEERING

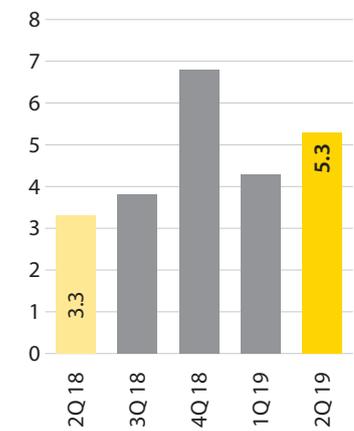
REVENUES (NOK million)



OPERATING PROFIT (NOK million)



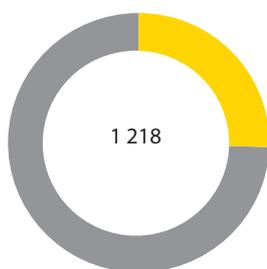
OPERATING MARGIN (%)



KEY FIGURES

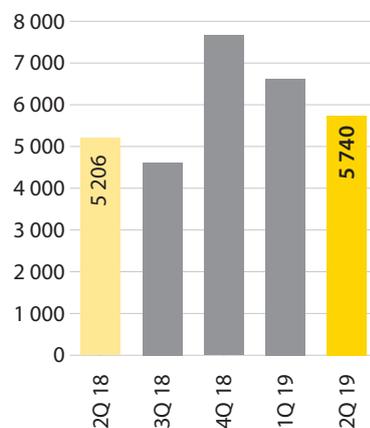
NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	1 706	1 481	3 363	2 727	5 861
Earnings before financial items and tax (EBIT)	90	49	161	107	275
Earnings before tax (EBT)	89	53	163	120	293
Operating margin	5.3 %	3.3 %	4.8 %	3.9 %	4.7 %
Profit margin	5.2 %	3.6 %	4.8 %	4.4 %	5.0 %

NUMBER OF EMPLOYEES



AF Gruppen 4 754

ORDER BACKLOG (NOK million)



CIVIL ENGINEERING CONSISTS OF

- AF Anlegg
- Målselv Maskin & Transport



AF is one of Norway's largest actors in the civil engineering market, and the customers include both public and private actors. Its project portfolio includes roads, railways, port facilities, airports, tunnels, foundation work, power and energy, as well as onshore facilities for oil and gas.

The Civil Engineering business area reported revenues of NOK 1,706 million (1,481 million) for the 2nd quarter. This is equivalent to growth of 15 per cent compared to the same quarter last year. Earnings before tax were NOK 89 million (53 million). Revenues totalled NOK 3,363 million (2,727 million) and earnings before tax totalled NOK 163 million (120 million) in the first six months.

AF Anlegg reported a very high level of activity for the quarter. Even with strong growth, the unit delivered good results and an industry-leading profit margin. The E18 Tvedestrand – Arendal project was opened for traffic on 2 July, almost four months before the original schedule. Some minor work remains on the project. On the E39 Kristiansand west – Mandal east project, production is already efficient

and good. There are several projects contributing to a good result. Målselv Maskin & Transport maintains a good level of activity and continues to deliver very good results in the second quarter.

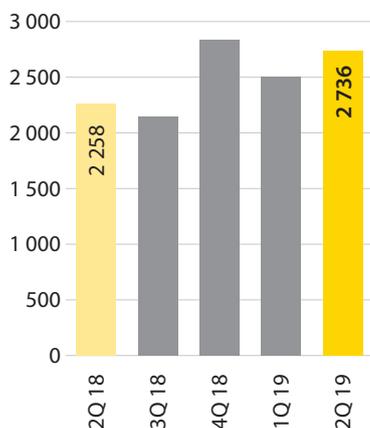
In the second quarter, Civil Engineering entered into a contract with Statkraft Energi for the construction of Vesle Kjela power plant in Vinje municipality. The contract includes the blasting of approx. 2 km of tunnel and construction-related work on the power station underground. Work started in April/May 2019 and is to be completed in August 2021. The contract is valued at approximately NOK 180 million, including VAT.

After the end of the quarter, Målselv Maskin & Transport has been recommended as contractor for a new building and construction project for the external perimeter at Evenes air base. The client is the Norwegian Defence Estates Agency. The contract is a general contract and has an estimated value of NOK 136 million, excluding VAT. Work is expected to be completed in 2022.

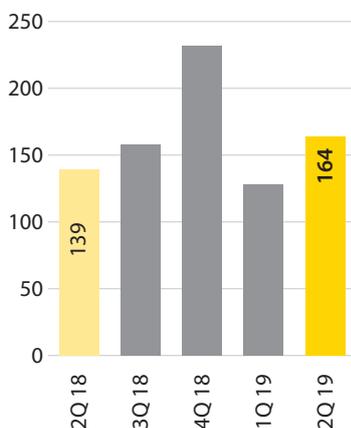
The order backlog for Civil Engineering stood at NOK 5,740 million (5,206 million) as at 30 June 2019.

BUILDING

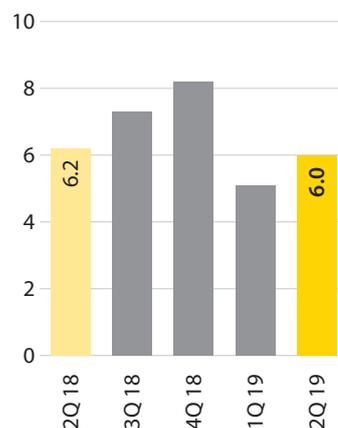
REVENUES (NOK million)



OPERATING PROFIT (NOK million)



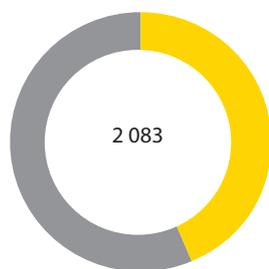
OPERATING MARGIN (%)



KEY FIGURES

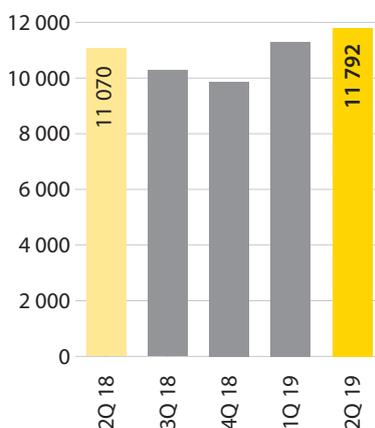
NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	2 736	2 258	5 244	4 066	9 055
Earnings before financial items and tax (EBIT)	164	139	292	230	619
Earnings before tax (EBT)	169	145	301	242	645
Operating margin	6.0 %	6.2 %	5.6 %	5.6 %	6.8 %
Profit margin	6.2 %	6.4 %	5.7 %	5.9 %	7.1 %

NUMBER OF EMPLOYEES



AF Gruppen 4 754

ORDER BACKLOG (NOK million)



BUILDING CONSISTS OF

- AF Bygg Oslo
- AF Byggfornyelse
- AF Nybygg
- AF Bygg Østfold
- Strøm Gundersen
- Strøm Gundersen Vestfold
- Haga & Berg
- Consolvo
- AF Håndverk (tidl. MTH)
- EIQON
- LAB Entreprenør
- Åsane Byggmesterforretning
- FAS
- HTB



The Coffee House Factory Building in Vestby, Norway

AF provides contracting services for residential, public and commercial buildings. Our services range from planning to building and renovation. AF cooperates closely with customers to find efficient and innovative solutions adapted to their needs. The Building business area comprises activities in Eastern Norway and the Bergen Region.

Building reported revenues of NOK 2,736 million (2,258 million) for the 2nd quarter. This corresponds to revenue growth of 21 per cent compared with the same quarter last year, which is caused by both organic growth and acquisition of HTB. Earnings before tax were NOK 169 million (145 million). Revenues totalled NOK 5,244 million (4,066 million) and earnings before tax were NOK 301 million (242 million) for the 1st half of the year.

There is a high level of activity in the building market in Norway. Most business units have growth in revenues and deliver good results for the quarter, particularly in AF Bygg Oslo and contracting activities in Bergen. Additionally, the

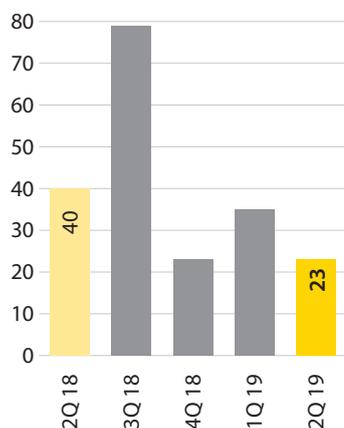
rehabilitation operations in Oslo deliver strong results. Eiqon and AF Bygg Østfold delivered results below expectations in the 2nd quarter.

A number of new contracts were signed in the 2nd quarter. LAB Entreprenør has been recommended by Hordaland County Municipality as contractor to build a new county administration building in Bergen. The contract will be carried out as a collaborative design and build contract and is valued at NOK 737 million, excluding VAT. AF Bygg Oslo has signed an agreement with Gladengveien 4 AS regarding the construction of 206 flats at Ensjø in Oslo. Gladengen Bolig AS (Gladengveien 4 AS) is owned by Selmer Eiendom. The project is to be carried out based on a design and build contract and is valued at NOK 557 million excl. VAT. Strøm Gundersen Vestfold has been chosen as contractor for construction phase 2 of the apartment project at Nye Kilen Brygge in Sandefjord. The contract will be carried out as a collaborative design and build contract and is valued at NOK 122 million, excluding VAT.

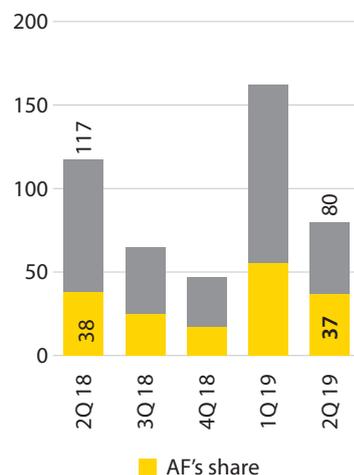
Building's order backlog was NOK 11,792 million (11,070 million) as at 30 June 2019.

PROPERTY

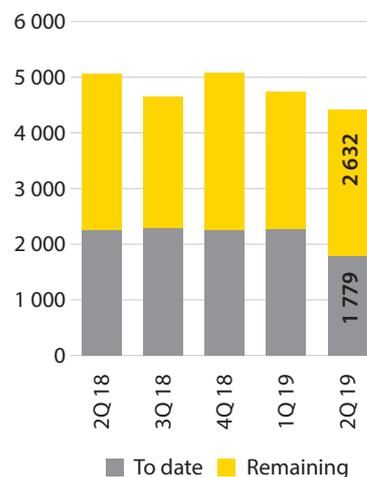
EARNINGS BEFORE TAX (NOK mill.)



UNITS SOLD (NUMBER)



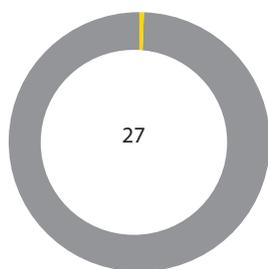
TURNOVER UNITS IN PRODUCTION (NOK million)



KEY FIGURES

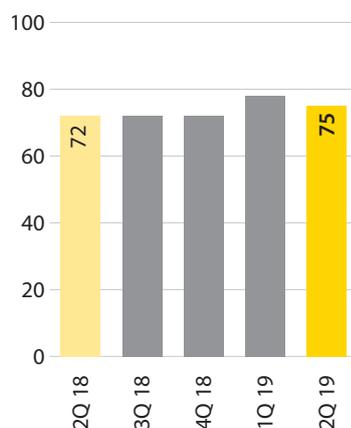
NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	4	49	7	53	73
Earnings before financial items and tax (EBIT)	23	43	60	61	166
Earnings before tax (EBT)	23	40	58	55	157
Capital employed	922	804	922	804	837

NUMBER OF EMPLOYEES



AF Gruppen 4 754

SALES RATIO PROJECTS IN PROGRESS (%)



PROPERTY CONSISTS OF

- AF Eiendom



Skiparviken Residential Property Project in Bergen, Norway

The Property business area develops residential units and commercial buildings in Norway. The activities take place in geographic areas where AF has its own production capacity. AF cooperates closely with other actors in the industry, and the development projects are primarily organised as partly-owned companies that are consolidated in accordance with the equity method of accounting. The earnings that are consolidated in Property correspond to the earnings after tax multiplied by the ownership interest.

Good sales in several projects have resulted in Property reporting a good pre-tax result of NOK 23 million (40 million) in the 2nd quarter.

Sales have been good with 80 (117) sold apartments in the 2nd quarter, of which AF's share is 37 (38). In the 1st half of the year 242 (172) apartments have been sold, of which AF's share is 92 (59). The sales ratio for projects in progress is 75 per cent.

At the end of the quarter Property had ownership interests in residential projects with a total of 307 (308) units for sale. AF's share was 119 (121). Of these, there was a total of 7 (1) unsold completed apartments, of which AF's share was 2.8 (0.3).

There are handed over 144 units at Lillo Gård, 62 units in

Krydderhagen and 1 unit in Thurmannskogen in the 2nd quarter, a total of 207 (0) homes.

There are seven residential property projects with a total of 816 apartments under construction, of which AF's share is 319:

- Krydderhagen at Hasle (77 apartments)
- Thurmannskogen in Lørenskog (11 terrace houses)
- Lillo Gård at Nydalen (229 apartments)
- Nye Kilen Brygge in Sandefjord (135 apartments)
- Bo på Billingstad in Asker (88 apartments)
- Lilleby Triangel in Trondheim (147 apartments)
- Skiparviken in Bergen (129 apartments)

For further information, see Note 7.

As at the 2nd quarter, Property had ownership interests in two commercial projects under construction in Oslo, with a gross floor area of 38,401 square metres:

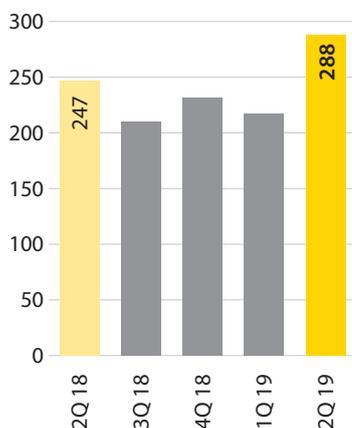
- Atea Building at Hasle (18,333 sqm GFA)
- K4 hotel and offices at Hasle (20,068 sqm GFA)

Property's result in the 2nd quarter 2018 includes the sale of a 50% stake in Skiparviken.

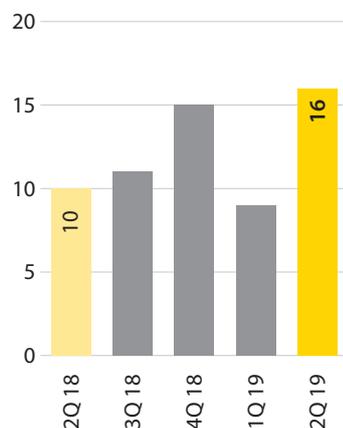
AF has an ownership stake in a building site inventory (residential units under development) in Norway that is estimated to yield 2,154 (1,972) residential units. AF's share of this is 996 (816) residential units. In addition, AF also has an ownership stake in commercial property under construction with a gross floor area of 52,183 (73,751) square metres. AF's share of this is a gross floor area of 25,764 (36,198) sq. metres.

ENERGY AND ENVIRONMENT

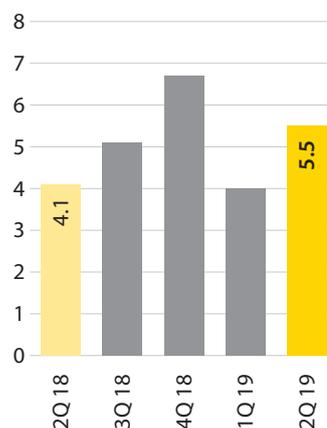
REVENUES (NOK million)



OPERATING PROFIT (NOK million)



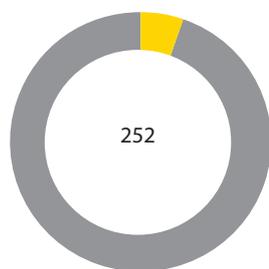
OPERATING MARGIN (%)



KEY FIGURES

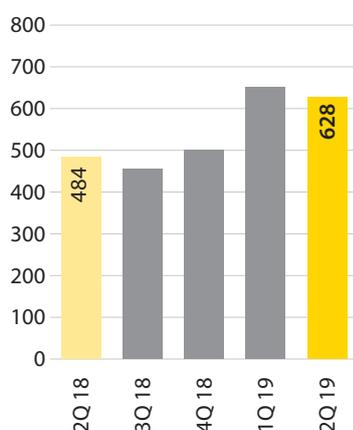
NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	288	247	505	433	875
Earnings before financial items and tax (EBIT)	16	10	24	18	44
Earnings before tax (EBT)	15	9	22	15	41
Operating margin	5.5 %	4.1 %	4.8 %	4.1 %	5.0 %
Profit margin	5.1 %	3.6 %	4.3 %	3.4 %	4.7 %

NUMBER OF EMPLOYEES



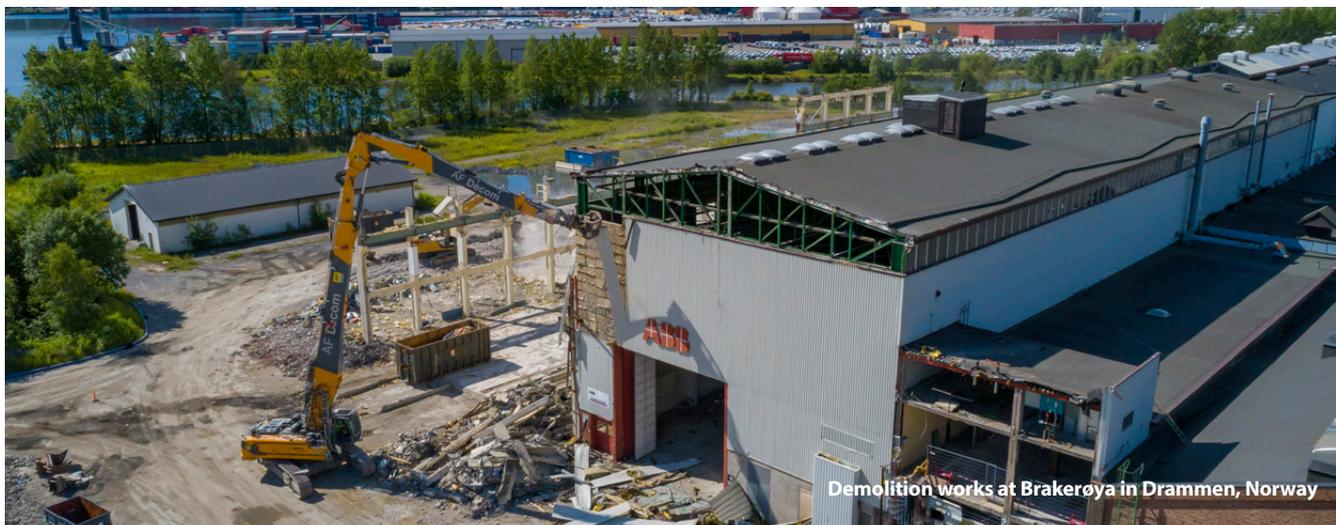
AF Gruppen 4 754

ORDER BACKLOG (NOK million)



ENERGY AND ENVIRONMENT CONSISTS OF

- AF Energi & Miljøteknikk
- AF Decom



Demolition works at Brakerøya in Drammen, Norway

AF provides energy-efficient and future-oriented technical energy services for buildings and industry and is a leading actor within traditional demolition services and the subsequent receiving, treating and recycling of materials. At AF's environmental centres: Rimol, Jølsen and Nes, contaminated materials are sorted, decontaminated and recycled. More than 80% of the materials are recycled.

Revenues for the 2nd quarter were NOK 288 million (247 million) and earnings before tax were NOK 15 million (9 million). This corresponds to revenue growth of 17 per cent compared to the same quarter last year. Revenues totalled NOK 505 million (433 million) and earnings before tax totalled NOK 22 million (15 million) in the 1st half of the year.

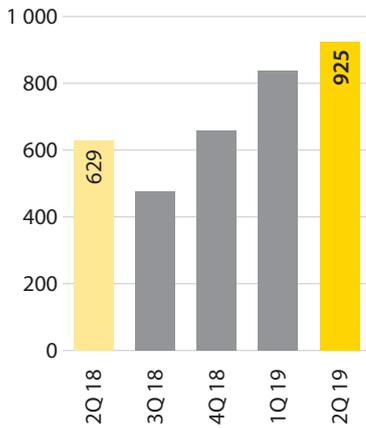
The quarter's growth in revenue is partly explained by good activity in several energy saving contracts (EPC). Overall, the energy business delivers satisfactory results. In Lithuania as well there is an increase in activity in the quarter and moderately positive results. A high order backlog and several interesting bids provide a positive outlook for the rest of the year.

Demolition is providing positive results in all departments. Projects linked to a new hospital in Drammen and Radiumhospitalet mean that activities are high in Eastern Norway. Activity levels at the environmental centres is lower in comparison to the same quarter last year, but profitability is good. The operating permit for Nes Environmental Centre was issued in June. AF Gruppen is looking at possibilities for establishing more environmental centres in the time ahead.

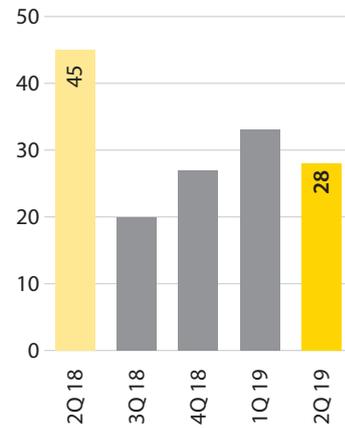
The order backlog for Energy & Environment stood at NOK 628 million (484 million) as at 30 June 2019.

SWEDEN

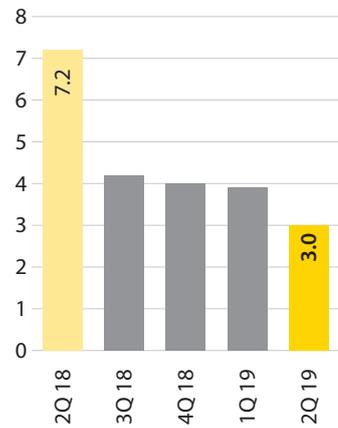
REVENUES (NOK million)



OPERATING PROFIT (NOK million)



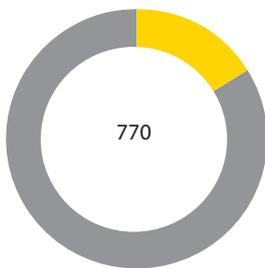
OPERATING MARGIN (%)



KEY FIGURES

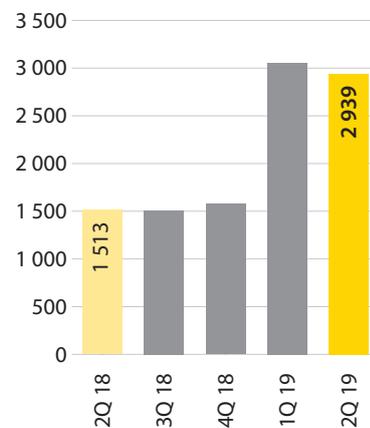
NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	925	629	1 763	1 137	2 270
Earnings before financial items and tax (EBIT)	28	45	61	67	114
Earnings before tax (EBT)	27	45	59	66	113
Operating margin	3.0 %	7.2 %	3.4 %	5.9 %	5.0 %
Profit margin	2.9 %	7.1 %	3.3 %	5.8 %	5.0 %

NUMBER OF EMPLOYEES



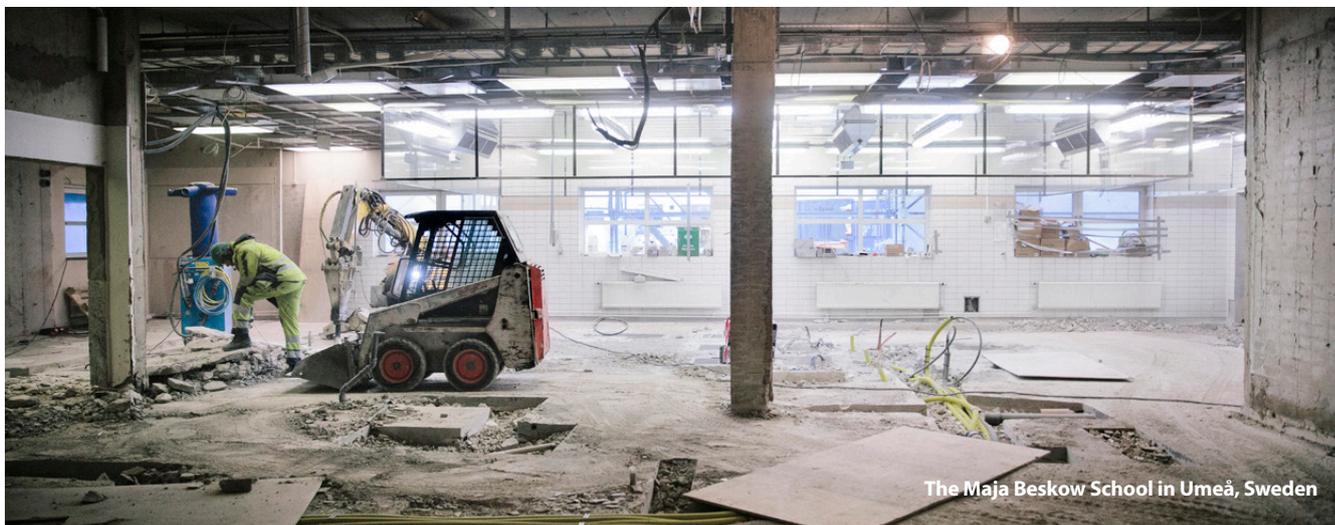
AF Gruppen 4 754

ORDER BACKLOG (NOK million)



SWEDEN CONSISTS OF

- Kanonaden
- Pålplintar
- AF Bygg Göteborg
- AF Bygg Syd
- AF Projektutveckling
- AF Härnösand Byggreturer
- HMB



The Maja Beskow School in Umeå, Sweden

AF's Swedish business area encompasses activities related to building, civil engineering, property and environmental activities in Sweden. Geographically, the business unit covers Southern Sweden as well as Stockholm and Mälardalen.

Sweden reported revenues of NOK 925 million (629 million) for the 2nd quarter. This corresponds to growth of 47 per cent compared to the same quarter last year, which is related to the acquisition of HMB. Earnings before tax were NOK 27 million (45 million). Revenues totalled NOK 1,763 million (1,137 million) and earnings before tax totalled NOK 59 million (66 million) in the 1st half of the year. The acquisition of HMB was completed on 2 January 2019 and their figures are included in the figures for 2019.

The Swedish civil engineering market is marked by strong competition. Kanonaden Entreprenad's activities are on a par with the same quarter last year, yet with a weaker result. The result for the quarter is due to poor results in Mälardalen and a customer's bankruptcy. Påplintar has gained control of production and costs, but activity levels remain too low.

AF Projektutveckling does not yet have any projects in the production phase, but several are in the development

phase. The results are weaker than in the same quarter last year when the unit handed over two real estate projects. AF Bygg Göteborg has activities in line with the same quarter last year, but has better results. AF Bygg Syd has lower activity than for the same quarter last year, but has good profitability. HMB's activities are greatest in Uppsala and Västerås, and the unit produced results somewhat below expectations for the quarter.

The market for environmental services is also good in Sweden. AF Härnösand Byggreturer reported a high level of activity and very good profitability for its projects. The unit also reports strong results for the 2nd quarter.

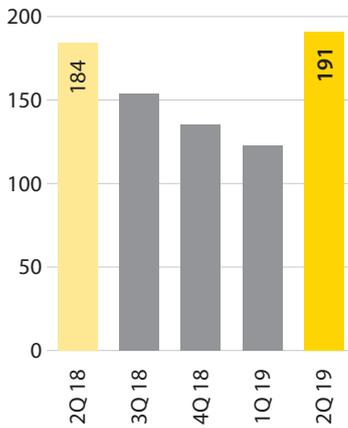
In the quarter, HMB was chosen by Wallenstam to build 161 rental apartments in the Flanören quarter in Uppsala. The contract is valued at approximately SEK 176 million excl. VAT. The design and build contract starts in the autumn with planned delivery around year end 2021.

AF's Swedish property business has a building site inventory (residential units under development) that is estimated to yield 365 (485) residential units. AF's share of this is 230 (343) residential units.

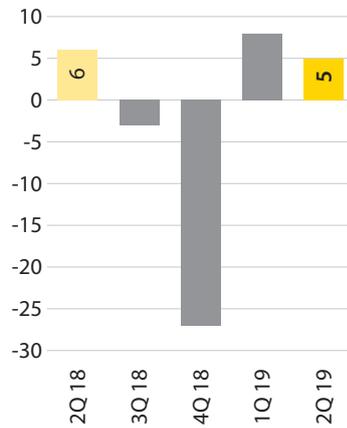
The order backlog for Sweden stood at NOK 2,939 million (1,513 million) as at 30 June 2019.

OFFSHORE

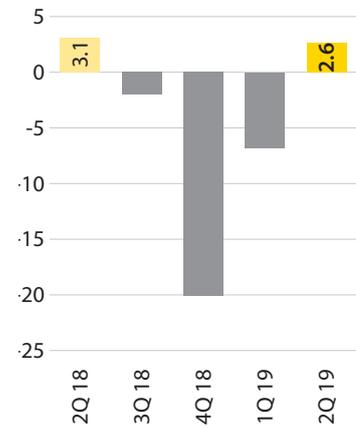
REVENUES (NOK million)



OPERATING PROFIT (NOK million)



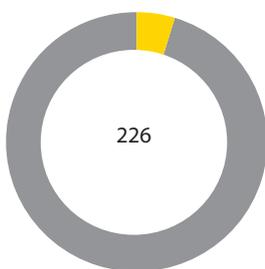
OPERATING MARGIN (%)



KEY FIGURES

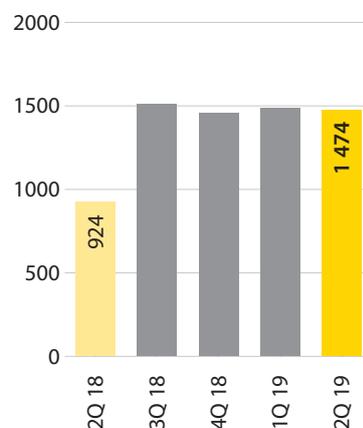
NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	191	184	314	366	655
Earnings before financial items and tax (EBIT)	5	6	-3	9	-21
Earnings before tax (EBT)	1	4	-11	8	-27
Operating margin	2.6 %	3.1 %	-1.1 %	2.5 %	-3.2 %
Profit margin	0.6 %	2.1 %	-3.4 %	2.1 %	-4.1 %

NUMBER OF EMPLOYEES



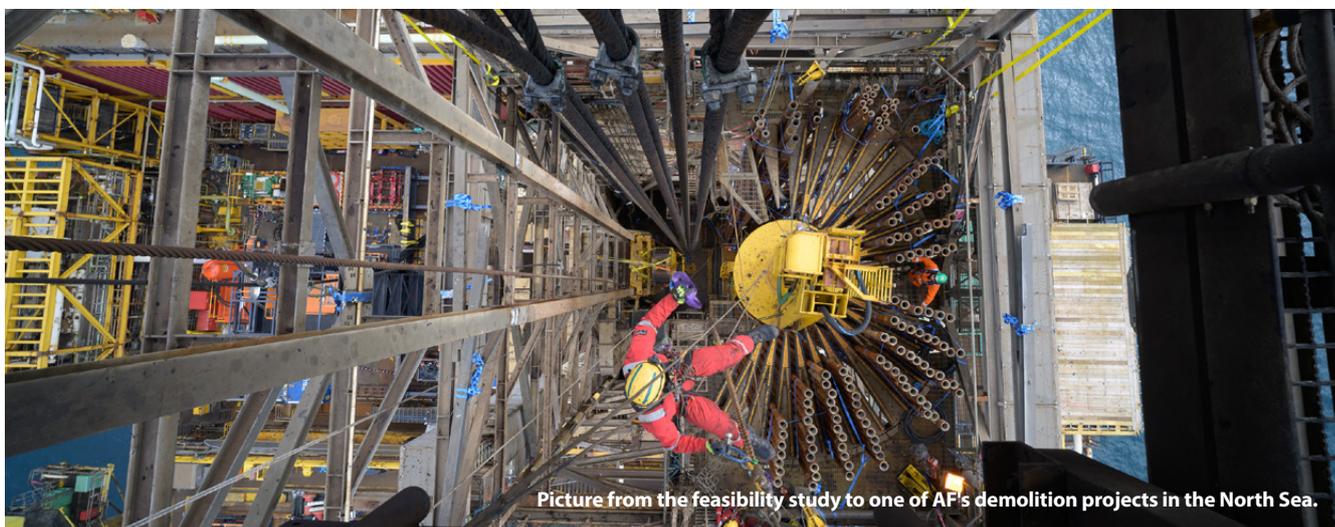
AF Gruppen 4 754

ORDER BACKLOG (NOK million)



OFFSHORE CONSISTS OF

- AF Offshore Decom
- AF AeronMollier



Picture from the feasibility study to one of AF's demolition projects in the North Sea.

AF has varied activities in the oil and gas industry. The services range from new build and modification of systems for climate control (HVAC) delivered to the offshore and marine market to the removal and recycling of offshore installations. AF has a state-of-the-art facility for environmental clean-up at Vats.

Revenues in the 2nd quarter were NOK 191 million (184 million), which means somewhat higher activity compared to the same quarter last year. Earnings before tax were NOK 1 million (4 million). Revenues totalled NOK 314 million (366 million) and earnings before tax were NOK -11 million (8 million) for the 1st half of the year.

As expected, AF Offshore Decom has low but increasing activity. The unit is delivering poor results. As communicated earlier, the market for the removal of offshore installations is marked by strong competition. Structures have been delivered to Vats in the quarter, and activity levels are expected to increase and remain high for the rest of the year. Preparatory work is ongoing for upcoming offshore campaigns in the next years.

AF AeronMollier has a significantly increased activity level compared to the same quarter last year. Growth comes from projects in modification and maintenance, in addition to market opportunities related to electrification in the marine sector. The unit delivers positive results both in Offshore and Marine.

In Q2 AF Gruppen has taken a strategic position in the offshore market for removal and recycling. AF Offshore Decom has established the company Fairfield Decom in partnership with Heerema Marine Contractors (HMC) and Decom Energy. The new business combines Decom Energy's knowledge and experience as an operator with AF and HMC's expertise in offshore removal and recycling. The goal is to create a unique actor with comprehensive solutions for late-life operations and removal and recycling contracts on the UK continental shelf. Fairfield Decom is headquartered in Aberdeen.

The order backlog for Offshore stood at NOK 1,474 million (924 million) as at 30 June 2019.



LAB has built the new dairy factory for Tine in Bergen. Photo: LABEntreprenør.

Share price performance over the last 12 months



FINANCIAL INFORMATION

AF Gruppen shall have robust financing with respect to operational and market-related fluctuations. The company's required return on invested capital is 20%, and its financial position shall underpin the growth strategy and provide an adequate dividend capacity.

IFRS 16 Leases, implemented from 1 January 2019, led to total assets increasing by NOK 863 million. Net interest-bearing debt increased by NOK 888 million, and equity was reduced (after tax) by NOK 19 million. See Note 4 for more information. Both for existing and new financing, covenants will be calculated exclusive of the effect of IFRS 16.

Net operating cash flow was NOK 284 million (33 million) and net cash flow from investments was NOK -102 million (20 million) for the 2nd quarter. Cash flow before capital transactions and financing was NOK 182 million (53 million) for the 2nd quarter. A dividend of NOK 498 million was distributed to AF Gruppen's shareholders in the 2nd quarter. Net operating cash flow was NOK 542 million (159 million) and net cash flow from investments was NOK -490 million

(-225 million) for the 1st half of the year. Cash flow before capital transactions and financing was NOK 52 million (-65 million) for the 1st half of the year.

The AF Gruppen had net interest-bearing debt of NOK 753 million (-609 million) at the end of the 2nd quarter.

In Q2 AF Gruppen has entered into agreements for new financing facilities with DNB and Handelsbanken. The total financing facility is NOK 3,000 million. The facility will replace existing financing facilities totalling NOK 1,800 million in Danske Bank and Handelsbanken. The new agreements will comprise a multi-currency overdraft facility (revolving 1-year term) of NOK 2,000 million in DNB and a revolving credit facility (3+1+1 year term) of NOK 1,000 million in Handelsbanken.

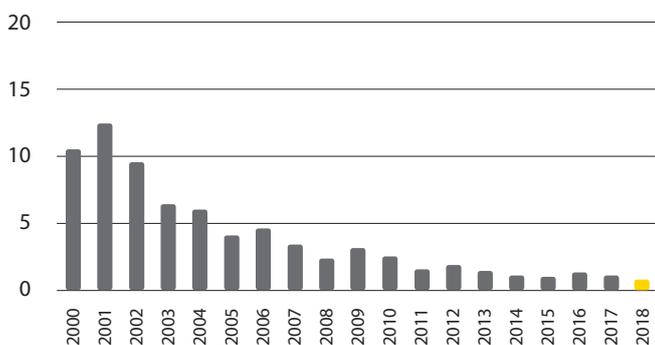
The available liquidity, including credit facilities, in Danske Bank and Handelsbanken stood at NOK 1,707 million as at 30 June 2019.

Total assets were NOK 10,559 million (7,565 million) as at 30 June 2019. The increase in assets is due to increased

LIST OF SHAREHOLDERS AS AT 30 JUNE 2019

Name	No. shares	% share
OBOS BBL	16 366 733	16.4
ØMF Holding AS	14 969 859	15.0
Constructio AS	13 887 144	13.9
Folketrygdfondet	9 202 566	9.2
Artel II AS	2 508 267	2.5
LJM A/S	2 413 900	2.4
Landsforsakringar Fastighetsfond	2 185 547	2.2
VITO Kongsvinger AS	1 861 676	1.9
Arne Skogheim AS	1 753 870	1.8
Staavi, Bjørn	1 620 000	1.6
Ten largest shareholders	66 769 562	66.9
Total other shareholders	32 843 825	32.9
Own shares	132 703	0.1
Total number of shares	99 746 090	100.0

LTI RATE



activity, the acquisition of HMB and HTB, in addition to the implementation of IFRS 16 Leases. The Group's equity totalled NOK 1,856 million (1,803 million) as at 30 June 2019. This corresponds to an equity ratio of 17.6% (23.8%).

On 19 August this year, AF Gruppen ASA concluded an agreement with the board of directors of BetonmastHæhre to buy 100% of the shares in the Betonmast group. This is to be done through a newly created company owned 66% by the AF group and 34% by the management and former shareholders of Betonmast. The agreed price for the shares is NOK 2,075 million. Net interest-bearing receivables in Betonmast were NOK 1,006 million as at 31 December 2018. For more detailed information see the stock exchange release of 19 August.

The purchase is contingent upon a limited due diligence and that the transaction is approved by the competition authorities. It is expected that the transaction will be completed in October 2019.

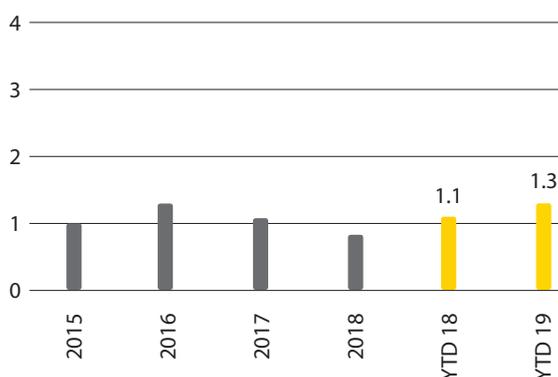
The management and former shareholders of Betonmast are funding their part of the purchase by providing NOK 352 million in equity to Betonmast Holding. AF Gruppen is financing the remainder of the purchase price with a combination of equity and loans. AF Gruppen is financing the purchase through existing loan facilities and a private placement of NOK 400 million directed at the company's four largest shareholders.

The Betonmast Group has about 1,000 employees and consists of a total of 16 companies distributed between the segments Betonmast Norway, Betonmast Eiendom and Betonmast Sweden. In 2018 the group had sales of NOK 6,942 million and a profit of NOK 217 million. The project portfolio of the Betonmast group encompasses everything from major housing projects to commercial and public buildings.

THE SHARE

AF Gruppen's shares are listed on the Oslo Børs OB Match List and trade under the ticker AFG. The share is included in the Oslo Børs All Share Index (OSEAX), Benchmark Index (OSEBX) and Mutual Fund Index (OSEFX), as well as the new Oslo Børs Mid Cap Index (OSEMX).

LTI RATE DEVELOPMENT



The closing price for the AF share was NOK 168.00 as at 30 June 2019. This corresponds to a return of 27 per cent to date in 2019. The Oslo Børs Benchmark Index showed a return of 8% for the same period.

The company's Board of Directors has been granted authority by the General Meeting to determine the dividend to be distributed in the 2nd half of the year. A decision will be made on this in connection with the presentation of the quarterly results for the 3rd quarter on 8 November 2019.

HEALTH, SAFETY AND THE ENVIRONMENT (HSE)

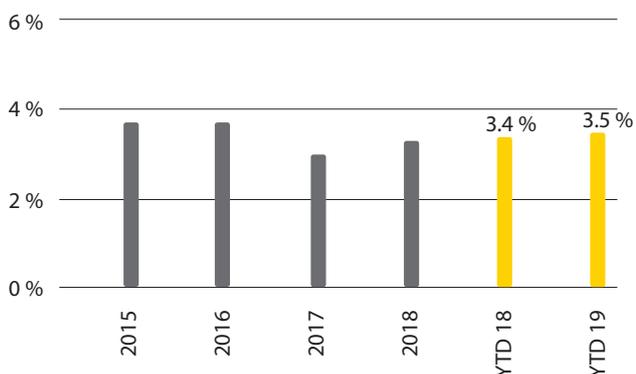
HSE has high priority in AF Gruppen and is an integral part of the management at all levels. AF has a structured and uniform HSE system that encompasses all projects. The working environment should be safe for everyone – including those who are employed by our subcontractors. The figures from the subcontractors are therefore included in the injury statistics.

The LTI (lost-time injury) rate is an important measurement parameter for safety work at AF. The LTI rate is defined as the number of injuries resulting in absence and serious personal injuries without absence per million man-hours. A total of 3 (3) injuries resulting in absence were registered in the 2nd quarter. This gives an LTI rate of 0.6 (0.8) for the 2nd quarter. The LTI rate for the first six months was 1.3 (1.1).

Systematic and long-term work is being carried out to reduce the LTI rate. Significant resources are being invested to further improve our HSE efforts in order to be able to achieve our goal of an LTI rate of zero. Key to this work is AF's fundamental understanding and acceptance that all injuries have a cause and can, therefore, be avoided. Identifying risk and risk analysis are a key part of our preventive activities. Physical and organisational barriers are established to reduce the risk of personal injury.

In spite of a low LTI rate, we are still seeing too many personal injuries at AF. For this reason we have implemented the "Safety boost," comprising the following six group measures: (1) the definition of LTI is extended to also include serious

SICK LEAVE DEVELOPMENT



personal injury without absence, (2) a group goal of H2<5 is established, (3) closer follow-up of incidents with a major loss potential, (4) use of safety gloves and safety goggles becomes mandatory on all projects, (5) introduce Safetalk to strengthen practical risk management, and (6) strengthened learning of incidents through digitalisation. We have belief in that the "Safety boost" will reinforce safety awareness among individuals and further raise the safety culture in the organisation.

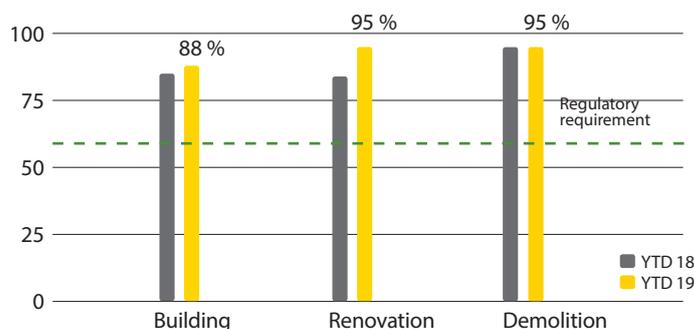
Learning from own mistakes is of critical importance. AF has systematised this through reporting and following up undesired incidents, as well as investigating the most serious incidents. The number of reports has increased steadily during the last 14 years, and we see a clear correlation between the increased reporting of undesired incidents and the decrease in injuries.

The registration of sickness absence forms the basis for the measurement of health work at AF. For the 2nd quarter, sickness absence was 3.2 per cent (3.1 per cent), and 3.5 per cent (3.4 per cent) for the first half of the year. AF's sickness absence is low compared to that of comparable businesses. Our target is total sickness absence of less than 3.0%, a level we believe represents a healthy situation without absence due to occupational illnesses/injuries. Systematic efforts are being made, which consist, for example, of ongoing risk analysis of exposure that is harmful to health, the establishment of physical and organisational barriers, and close follow-up of employees on sick leave.

Environmental work has high priority throughout the entire Group. AF would like to avoid environmental damage and minimise undesirable effects on the environment. Environmental work is an integral part of HSE work, and the tools used are therefore the same that are used otherwise in connection with HSE work.

Follow-up of the source separation rate parameter acts as an extra driving force for AF's environmental work. This parameter places the focus on an important environmental factor that AF has an opportunity to influence. The source separation rate indicates how much of the waste from AF's operations is separated for the purpose of facilitating recycling. For the 2nd quarter, the result for building was

SOURCE SEPARATION RATE



89% (87%), the result for renovation was 96% (87%) and the result for demolition was 95% (96%). To date in 2019, the source separation rate for building was 88% (85%), for renovation it was 95% (84%) and for demolition it was 95% (95%). These results are considered very good, and they are well above the government requirement of a minimum of 60%. A total of 97,522 (74,469) tonnes of waste has been sorted in the 2nd quarter, and a total of 146,480 (126,966) tonnes has been sorted in 2019. The environmental centres have recycled a total of 233,555 tonnes (50,042) tonnes of materials year to date.

ORGANISATION

With clear growth ambitions and a rapidly increasing order backlog, there is an increasing need for resources. Therefore, the continuous effort to build a uniform corporate culture is more important than ever. Motivated employees and a solid organisation are an important foundation for creating value. AF is experiencing a major influx of competent resources who desire to work for the company, and in the 2nd quarter 2019 the number of employees has increased by 163 persons. At AF we are building the organisation with a robust composition of technical expertise and management capacity at all levels. The resources are organised close to production, with project teams where the managers have a major influential force.

AF aims to be a company to which talented individuals apply, whether they are women or men. In order to attract even more skilled people, AF is also setting new and ambitious targets for the share of women in the company. AF has adopted a "40/20 goal" that entails that 40% of all officials in AF shall be women. AF Gruppen's total share of women shall increase from 8.4% to 20%. This is an ambitious goal. It entails that AF will move from being worst in the class to an industry leader. In the 2nd quarter the share of women is 8.5% (8.3%) in total and 18.6% (18.2%) amongst officials.

AF is also maintaining a sharp focus on innovation and digitalisation within our business areas. We are working in a structured manner on how new technology can contribute to increased productivity and minimise risk in our projects, contribute to a safer daily life for our employees, and not to

mention create greater value for our customers. In addition, we are continuously seeking new business models on the border of or outside of our current core areas. As a stage in the effort, we have established a corporate function for innovation and digitalisation, in addition to a joint venture fund with OBOS (Construct Venture).

AF invests a lot of time and resources in the development of employees through training in various positions in production and through development of the AF Academy. More than 80 per cent of the current managers have been recruited internally. Our employees are good ambassadors for the recruitment of new colleagues.

AF Gruppen had a total of 4,757 (4,142) employees at the end of the 2nd quarter. Of these employees, 3,943 (3,625) were employed in Norway, 773 (481) in Sweden, 30 (23) in Lithuania, 8 (5) in Germany and 0 (8) in China (under discontinuation).

RISK AND RISK MANAGEMENT

AF Gruppen is exposed to risk of both an operational and financial nature. AF Gruppen wants to undertake operational risk that the business units can influence and control. AF has developed risk management processes that are well adapted to our operations. Standardised, action-oriented risk management processes ensure comprehensive and coherent risk management in all parts of the organisation. AF seeks to limit exposure to risk that cannot be influenced. A risk review is conducted for all projects before a tender is submitted. Analysis of risk during the tendering phase enables the correct pricing and management of risk in the project. The same project organisations conduct detailed risk reviews every quarter. The Corporate Management Team participates in risk reviews of all projects with a contract value in excess of NOK 100 million. In addition, a total of 25 risk reviews in the business units, in which the Corporate Management Team also participated, were conducted in connection with the 2nd quarter of 2019.

Financial risk encompasses market risk, credit risk and liquidity risk. Market risk includes commodity price risk, foreign exchange risk and interest rate risk. AF is exposed to foreign exchange risk, and as a major demolition and recycling operator, AF Gruppen is also exposed to fluctuations in steel prices. AF aims to have low exposure to risks that cannot be influenced, and it uses hedging instruments to mitigate the risk associated with foreign exchange rates and steel prices. AF has credit risk in relation to customers, suppliers and partners. In addition to the parent company and bank guarantees, the use of credit rating tools contributes to reducing risk. The liquidity risk is considered low. As of 30 June 2019, AF Gruppen has NOK 1,707 million in available liquidity, including unused credit facilities in Danske Bank and Handelsbanken of NOK 1,407 million. See discussion of the new financing facility with DNB and Handelsbanken in the section on financial matters.

MARKET OUTLOOK

The civil engineering market in Norway is good and less sensitive to cyclical fluctuations since public sector demand is the greatest driver behind investments in civil engineering in Norway. In the 2019 State Budget, the government proposes to allocate NOK 73.1 billion to transport, which is an increase of NOK 5.4 billion (7.9%) over the final budget for 2018. NOK 65.2 billion will be used to follow up the National Transport Plan 2018-2029, NOK 37.1 billion of which is for road purposes. This represents an increase of 3.3% compared with 2018. Prognosesenteret expects a high level of activity in the civil engineering market for 2019, with growth of 12 per cent. In 2020 growth is expected to reduce to 3%, which is due to an expectation of postponed building starts for certain larger projects. Almost half of the construction investments are related to roads. Furthermore, the road sector is responsible almost 50% of the growth in construction investments from 2018 to 2021. The higher investment estimate for transport and road projects, as well as the planned start-up of many major civil engineering projects, provide a good foundation for further growth of AF's civil engineering activities.

Figures from Eiendom Norge for Q2 2019 show that the moderate price developments in the Norwegian housing market will continue. The trend of moderate price growth has been continuous for more than a year, and there is reason to believe that these developments will continue as the year progresses, according to Eiendom Norge. At the end of Q2 housing prices were 2.6% higher than a year ago, and there has been moderate positive 12-month growth in all parts of the country. Prognosesenteret is expecting a decline in starting permits, which in all likelihood will result in fewer new projects starting up in 2019. Combined with increased demand in Oslo and Bergen, one may see housing prices increasing as a result of this.

Prognosesenteret expects a 2% increase in the building market for 2019. It is expected that a decline of 0.9 per cent in residential production will be compensated for by significant growth in commercial building production of NOK 6 billion (9.6 per cent) and the fact that the renovation, remodelling and extension services market is expected to grow by NOK 2.2 billion (1.3 per cent). There are relatively significant regional differences in the development of the market in 2019. A general decline is expected in the south-eastern parts of the country, and an increase or zero growth in the remainder. The strong growth in start-ups in 2016-17 has resulted in increased completion from the autumn of 2018 and into 2019. Completions are only expected to decline in 2020-21. There were fewer start permits in 2018, and Prognosesenteret expects that starts in the upcoming period of 2019-2021 will be around 13% lower than in the previous three-year period. The main causes for this are lower population growth and higher interest rates. There is, however, still a good outlook for the Norwegian economy, which is currently experiencing a moderate cyclical upswing. Overall, high activity is expected for AF's Building business area in Norway.

The Energy and Environment business area includes AF's energy services for onshore operations as well as services for demolition and recycling on land in Norway. In the Environment business area traditional demolition services and the subsequent receiving, treating and recycling of materials are provided. The level of demolition activity is closely connected to the general level of activity in the building and civil engineering markets. A positive outlook for the civil engineering market in Norway and a good building market is positive for the demand for such services. The authorities in Norway have defined ambitious energy goals related to a reduction in the consumption of energy towards the year 2030. Enova has found that there is a major maintenance backlog for public buildings and major conservation opportunities in connection with the rehabilitation of buildings. The delivery of heating and cooling to commercial buildings is another interesting market. Demand here is associated with new residential and commercial building starts, where despite a decrease compared to 2018, a high number of starts is expected in 2019. Overall, a good market is expected for AF's activities in Energy & Environment.

Statistics Norway is expecting investments related to oil, gas and pipeline transport in 2019 of NOK 183,8 billion. This represents an increase of 6 per cent compared with the estimate given in the previous quarter. Uncertainty in the oil industry may have an impact on AF's HVAC activities, as well as on maintenance and modification. The market for the removal of offshore installations is marked by strong competition and few demolition projects to be carried out in 2019. However, the British industry organisation Oil & Gas UK estimate that more than 950,000 tons of top deck must be removed in the North Sea from the British, Norwegian, Danish and Dutch sectors in the 2018-2027 period. This shows that there are good opportunities for AF's offshore operations in demolition and removal of decommissioned oil installations in the time ahead. For AF's offshore activities in the HVAC area, as well as maintenance and modifications, the market conditions are still challenging, but growth is

expected for certain cruise and passenger vessel segments. Electrification of the marine sector also provides new market opportunities.

Svensk Mäklarstatistik reports growth in housing prices for the 2nd quarter. At the end of Q2 prices for apartments are 2% higher than in Q1 2019 and 3% higher than for the same period last year. For detached houses prices are 4% higher than in Q1 2019 and 1% higher than in the same period last year. The central bank of Sweden is keeping the key interest rate unchanged at -0.25%. Although interest rates are expected to rise gradually in the time ahead, the Central Bank reports that monetary policy will remain expansive. Following several years of high growth, Sveriges Byggindeindustri expects a drop in building and civil engineering investments in Sweden of 3 per cent in both 2019 and 2020. A combination of credit tightening, moderate real wage growth and rising mortgage rates are expected to result in a reduction in residential investments. The largest segment measured by the investment level, new residential units, has risen sharply in recent years, but ended with decline by 1 per cent in 2018 and is expected to drop a further 11 per cent in 2019. Increased investments are expected in both private and public non-residential property, where the growth in public non-residential property is greatest with 7% in 2019. Construction investments are expected to increase by 5% in 2019, in particular in the private sector, but the public sector will also make a contribution. Overall, we see that there is a hesitant market with high competition for AF's operations in Sweden.

Oslo, 22 August 2019

Board of Directors of AF Gruppen ASA

For more detailed information, please contact:

CEO Morten Grongstad

morten.grongstad@afgruppen.no | +47 991 53 905

CFO Sverre Hærem

sverre.herem@afgruppen.no | +47 952 45 167

Internet: afgruppen.com



Financial information



CONDENSED CONSOLIDATED STATEMENT OF INCOME

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Revenues and income	5 863	4 692	11 077	8 575	18 767
Subcontractors	-2 908	-2 389	-5 482	-4 182	-9 839
Cost of materials	-1 171	-885	-2 148	-1 636	-2 843
Payroll expenses	-976	-806	-1 951	-1 630	-3 405
Operating expenses ex. depreciation and impairment	-420	-342	-782	-659	-1 567
Net gains and profit from associates	98	27	113	58	189
EBITDA	486	298	828	527	1 303
Depreciation and impairment of tangible fixed assets	-117	-41	-226	-85	-182
Depreciation and impairment of intangible assets	-	-1	-1	-1	-2
Earnings before financial items and tax (EBIT)	369	256	601	441	1 119
Net financial items	-5	-	-11	9	18
Earnings before tax (EBT)	363	256	590	450	1 136
Income tax expense	-73	-65	-126	-107	-215
Net income for the period	290	191	464	343	921
Attributable to:					
Shareholders of the parent	253	150	394	280	772
Non-controlling interests	36	41	70	63	149
Net income for the period	290	191	464	343	921
Earnings per share (NOK)	2.54	1.53	3.96	2.86	7.88
Diluted earnings per share (NOK)	2.53	1.53	3.94	2.86	7.88
Key figures	2Q 19	2Q 18	1H 19	1H 18	2018
EBITDA margin	8.3 %	6.4 %	7.5 %	6.1 %	6.9 %
Operating profit margin	6.3 %	5.5 %	5.4 %	5.1 %	6.0 %
Profit margin	6.2 %	5.5 %	5.3 %	5.3 %	6.1 %
Return on capital employed (ROaCE) ¹⁾	-	-	46.8 %	47.4 %	53.9 %
Return on equity	-	-	49.9 %	39.4 %	45.4 %
Equity ratio	17.6 %	23.8 %	17.6 %	23.8 %	25.0 %
Net interest-bearing receivables (debt) ²⁾	-753	609	-753	609	894
Capital employed ³⁾	3 426	1 908	3 426	1 908	2 223
Order backlog	23 085	19 866	23 085	19 866	21 541

¹⁾ Return on capital employed (ROaCE) = Earnings before tax + interest expense / average capital employed

²⁾ Net interest-bearing receivables (debt) = Cash and cash equivalents + interest-bearing receivables - interest-bearing debt

³⁾ Capital employed = Equity + interest-bearing debt

STATEMENT OF COMPREHENSIVE INCOME

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Net income for the period	290	191	464	343	921
Net actuarial gains and losses	-	-	-	-	-1
Currency translation differences minority	-1	-1	-5	-3	-
Items that will not be reclassified to income statement in subsequent periods	-1	-1	-5	-3	-2
Net cash flow hedges	-3	2	10	10	-17
Currency translation differences majority	-8	-15	-36	-47	-13
Items that may be reclassified to income statement in subsequent periods	-11	-13	-26	-37	-30
Other comprehensive income for the period	-12	-14	-31	-40	-32
Total comprehensive income for the period	277	177	433	303	890
Attributable to:					
-Shareholders of the parent	242	137	368	243	741
- Minority	35	40	65	60	149
Total comprehensive income for the period	277	177	433	303	890

EQUITY

NOK million	Paid-in capital	Translation differences	Actuarial pension gains/ (losses)	Cash flow hedge	Retained earnings	Attributable to shareholders	Minority	Total equity
As at 31/12/2017	482	32	-14	-15	1 225	1 709	384	2 094
Comprehensive income	-	-47	-	10	280	243	60	303
Capital increase	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-7	-7	-	-7
Sale of treasury shares	-	-	-	-	8	8	-	8
Dividend paid	-122	-	-	-	-367	-489	-105	-594
Share-based remuneration	8	-	-	-	-	8	-	8
Put options for minority	-	-	-	-	-3	-3	-	-3
Addition of minority by acquisitions	-	-	-	-	-	-	-	-
Transactions with minority	-	-	-	-	-2	-2	-2	-4
As at 31/03/2018	368	-15	-14	-5	1 133	1 466	337	1 803
As at 31/12/2018	256	20	-16	-33	1 519	1 746	378	2 124
Effect of IFRS 16	-	-	-	-	-19	-19	-	-19
As at 01/01/2019	256	20	-16	-33	1 500	1 727	378	2 104
Comprehensive income	-	-36	-	10	394	368	65	433
Capital increase	96	-	-	-	-	96	-	96
Purchase of treasury shares	-	-	-	-	-3	-3	-	-3
Sale of treasury shares	-	-	-	-	12	12	-	12
Dividend paid	-	-	-	-	-498	-498	-136	-634
Share-based remuneration	7	-	-	-	-	7	-	7
Addition of minority by acquisitions	-	-	-	-	-	-	40	40
Transactions with minority	-	-	-	-	-214	-214	14	-200
As at 31/12/2019	359	-16	-16	-23	1 191	1 495	361	1 856

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	30/06/2019	30/06/2018	31/12/2018
Tangible fixed assets	2 323	1 266	1 356
Intangible assets	2 606	2 162	2 288
Investment in associates and joint ventures	500	366	361
Deferred tax assets	3	21	19
Interest-bearing receivables	357	332	305
Pension plan and other financial assets	7	6	8
Total non-current assets	5 796	4 153	4 337
Inventories	236	223	184
Projects for own account	99	19	38
Trade receivables and other receivables	3 967	2 787	3 238
Interest-bearing receivables	90	13	32
Derivatives	0	2	1
Cash and cash equivalents	370	368	656
Total current assets	4 762	3 411	4 149
Total assets	10 559	7 565	8 486
Equity attributable to shareholders of the parent	1 495	1 466	1 746
Minority interests	361	337	378
Total equity	1 856	1 803	2 124
Non-current interest-bearing debt	828	92	91
Retirement benefit obligations	1	1	1
Provisions	189	190	150
Deferred tax	392	316	418
Derivatives	40	11	43
Total non-current liabilities	1 451	610	704
Current interest-bearing debt	742	12	8
Trade payables and other current debt	6 036	4 725	5 281
Derivatives	11	6	10
Provisions	254	217	223
Tax payable	210	191	138
Total current liabilities	7 252	5 151	5 659
Total liabilities	8 703	5 761	6 363
Total equity and liabilities	10 559	7 565	8 486

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
Earnings before financial items and tax (EBIT)	369	256	601	441	1 119
Depreciation, amortisation and impairment	117	42	227	86	184
Change in net working capital	-80	-220	-116	-272	-178
Income taxes paid	-27	-21	-64	-44	-123
Other adjustments	-94	-24	-106	-51	-160
Cash flow from operating activities	284	33	542	159	841
Net investments	-102	20	-490	-225	-255
Cash flow before financing activities	182	53	52	-65	586
Share issue	-	-	-	-	87
Dividend paid to majority shareholders	-498	-489	-498	-489	-836
Dividend and transactions with minority	-154	-15	-254	-105	-234
Sale (purchase) of treasury shares	-3	-	9	-	-10
Borrowings (repayment of debt)	446	-56	421	-64	-24
Interest paid	-9	-3	-18	-6	-13
Cash flow from financing activities	-218	-563	-340	-664	-1 030
Net decrease cash and cash equivalents	-36	-510	-288	-729	-444
Net cash and cash equivalents at the beginning of period	405	879	656	1 098	1 098
Change in cash and cash equivalents without cash effect	1	-	3	-1	1
Net cash and cash equivalents at the end of period	370	368	370	368	656

BUSINESS AREAS

AF Gruppen's division into operating segments is consistent with the division of the business areas: Civil Engineering, Building, Property, Energy & Environment, Sweden and Offshore.

The Energy and Environment business areas merged as of 1 January 2019. The comparable figures for the business areas have been similarly restated.

Segment information is presented in accordance with the AF Gruppen's accounting policies in accordance with IFRS with the exception of the principles for revenue recognition for residential property development in accordance with IFRS 15. This policy exception applies to the Building and Property segments and Sweden. Revenue from projects for own account in these segments is not recognised upon handover as regulated in IFRS 15, but in accordance with the degree of completion method. This means that the recognition of revenue in these projects is the product of the degree of completion, sales ratio and expected contribution margin.

Segment information is presented in accordance with reporting to the Corporate Management Team and is consistent with the financial information utilised by the Company's senior decision-makers when evaluating developments and allocating resources. The effect of the deviant application of principles on the consolidated accounts is illustrated in a separate table in the segment information. Additional information on projects for own account is provided in Note 7.

Civil Engineering

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	1 684	1 473	3 330	2 715	5 821
Internal revenue and income	22	8	33	13	40
Total revenue and income	1 706	1 481	3 363	2 727	5 861
EBITDA	135	66	248	140	340
Earnings before financial items and tax (EBIT)	90	49	161	107	275
Earnings before tax (EBT)	89	53	163	120	293
EBITDA-margin	7.9 %	4.4 %	7.4 %	5.1 %	5.8 %
Operating margin	5.3 %	3.3 %	4.8 %	3.9 %	4.7 %
Profit margin	5.2 %	3.6 %	4.8 %	4.4 %	5.0 %
Assets	2 503	1 848	2 503	1 848	2 014
Order backlog	5 740	5 206	5 740	5 206	7 664

Building

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	2 728	2 223	5 217	4 018	8 945
Internal revenue and income	8	35	27	48	110
Total revenue and income	2 736	2 258	5 244	4 066	9 055
EBITDA	188	149	338	250	666
Earnings before financial items and tax (EBIT)	164	139	292	230	619
Earnings before tax (EBT)	169	145	301	242	645
EBITDA-margin	6.9 %	6.6 %	6.5 %	6.2 %	7.4 %
Operating margin	6.0 %	6.2 %	5.6 %	5.6 %	6.8 %
Profit margin	6.2 %	6.4 %	5.7 %	5.9 %	7.1 %
Assets	5 308	4 641	5 308	4 641	5 128
Order backlog	11 792	11 070	11 792	11 070	9 871

Property

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	4	49	7	53	73
Internal revenue and income	-	-	-	-	-
Total revenue and income	4	49	7	53	73
EBITDA	23	43	60	61	169
Earnings before financial items and tax (EBIT)	23	43	60	61	166
Earnings before tax (EBT)	23	40	58	55	157
EBITDA-margin	-	-	-	-	-
Operating margin	-	-	-	-	-
Profit margin	-	-	-	-	-
Assets	956	843	956	843	885
Order backlog	-	-	-	-	-

Energy and Environment

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	261	235	453	406	815
Internal revenue and income	27	12	52	27	60
Total revenue and income	288	247	505	433	875
EBITDA	27	14	47	26	61
Earnings before financial items and tax (EBIT)	16	10	24	18	44
Earnings before tax (EBT)	15	9	22	15	41
EBITDA-margin	9.3 %	5.8 %	9.2 %	6.1 %	7.0 %
Operating margin	5.5 %	4.1 %	4.8 %	4.1 %	5.0 %
Profit margin	5.1 %	3.6 %	4.3 %	3.4 %	4.7 %
Assets	526	390	526	390	490
Order backlog	628	484	628	484	501

Sweden

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	924	629	1 763	1 136	2 268
Internal revenue and income	-	1	-	1	2
Total revenue and income	925	629	1 763	1 137	2 270
EBITDA	40	50	85	76	131
Earnings before financial items and tax (EBIT)	28	45	61	67	114
Earnings before tax (EBT)	27	45	59	66	113
EBITDA-margin	4.3 %	7.9 %	4.8 %	6.7 %	5.8 %
Operating margin	3.0 %	7.2 %	3.4 %	5.9 %	5.0 %
Profit margin	2.9 %	7.1 %	3.3 %	5.8 %	5.0 %
Assets	1 619	1 277	1 619	1 277	1 332
Order backlog	2 939	1 513	2 939	1 513	1 578

Offshore

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	191	183	313	365	652
Internal revenue and income	1	1	2	1	3
Total revenue and income	191	184	314	366	655
EBITDA	12	9	11	16	-6
Earnings before financial items and tax (EBIT)	5	6	-3	9	-21
Earnings before tax (EBT)	1	4	-11	8	-27
EBITDA-margin	6.4 %	4.7 %	3.4 %	4.3 %	-0.9 %
Operating margin	2.6 %	3.1 %	-1.1 %	2.5 %	-3.2 %
Profit margin	0.6 %	2.1 %	-3.4 %	2.1 %	-4.1 %
Assets	1 139	1 258	1 139	1 258	1 332
Order backlog	1 474	924	1 474	924	1 456

Other Segments (Group)

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	13	4	24	11	17
Internal revenue and income	9	7	16	13	27
Total revenue and income	23	12	40	24	44
EBITDA	16	-12	27	-17	-28
Earnings before financial items and tax (EBIT)	-1	-15	-6	-25	-48
Earnings before tax (EBT)	-4	-18	-13	-29	-54
Assets	1 048	1 766	1 048	1 766	2 873
Order backlog	-	-	-	-	-

Eliminations

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	-46	-24	-104	-70	69
Internal revenue and income	-67	-64	-130	-103	-242
Total revenue and income	-113	-88	-234	-173	-173
EBITDA	-1	-3	-3	-7	11
Earnings before financial items and tax (EBIT)	-1	-3	-3	-7	11
Earnings before tax (EBT)	-1	-3	-3	-7	11
Assets	-2 425	-4 346	-2 425	-4 346	-5 420
Order backlog	199	228	199	228	94

GAAP adjustments

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	104	-81	74	-58	107
Internal revenue and income	-	-	-	-	-
Total revenue and income	104	-81	74	-58	107
EBITDA	45	-19	15	-19	-42
Earnings before financial items and tax (EBIT)	45	-19	15	-19	-42
Earnings before tax (EBT)	45	-19	15	-19	-42
Assets	-113	-112	-113	-112	-147
Order backlog	314	440	314	440	378

Segment total

NOK million	2Q 19	2Q 18	1H 19	1H 18	2018
External revenue and income	5 863	4 692	11 077	8 575	18 767
Internal revenue and income	-	-	-	-	-
Total revenue and income	5 863	4 692	11 077	8 575	18 767
EBITDA	486	298	828	527	1 303
Earnings before financial items and tax (EBIT)	369	256	601	441	1 119
Earnings before tax (EBT)	363	256	590	450	1 136
EBITDA-margin	8.3 %	6.4 %	7.5 %	6.1 %	6.9 %
Operating margin	6.3 %	5.5 %	5.4 %	5.1 %	6.0 %
Profit margin	6.2 %	5.5 %	5.3 %	5.3 %	6.1 %
Assets	10 559	7 565	10 559	7 565	8 486
Order backlog	23 085	19 866	23 085	19 866	21 541

NOTES

1. GENERAL INFORMATION

AF Gruppen is one of Norway's leading contracting and industrial groups. AF Gruppen is divided into six business areas: Civil Engineering, Building, Property, Energy & Environment, Sweden and Offshore.

AF Gruppen ASA is a public limited company registered and domiciled in Norway. The head office is located at Innspurten 15, 0663 Oslo. AF is listed on the Oslo Børs OB Match List under the ticker AFG.

This summary of financial information for the 2nd quarter and 1st half of 2019 has not been audited.

2. BASIS OF PREPARATION

The consolidated accounts for AF Gruppen encompass AF Gruppen ASA and its subsidiaries, joint ventures and associated companies. The consolidated accounts have been prepared in accordance with IAS 34 Interim Financial Reporting. The summary of the financial information presented in the quarterly accounts is intended to be read in conjunction with the annual report for 2018, which has been prepared in accordance with the International Financial Reporting Standards (IFRS).

As a result of rounding the numbers or percentages will not always add up to the total.

3. CHANGES IN THE GROUP'S STRUCTURE

New segment structure

The Energy and Environment business areas merged into a single business area, Energy and Environment, as of 1 January 2019. The new business area consists of the business units AF Decom and AF Energi & Miljøteknikk.

The comparable figures for the business areas have been similarly restated.

Acquisition of HMB Holding AB

AF Gruppen Sverige AB, a subsidiary of AF Gruppen, acquired 70 per cent of the shares in HMB Holding AB (HMB) on 2 January 2019. The remaining 30 per cent of the shares will remain in the ownership of key individuals in the company. Sellers of shares in HMB Holding AB are 13 HMB employees through their respective investment companies. All sellers will continue both as employees of HMB and as owners of HMB Holding AB.

HMB is a successful contracting company, established in 1994 with roots in Dalarna in Sverige. HMB builds commercial, residential and public buildings, and under every form of contract in the market. HMB has operations in Stockholm/Mälardalen and also Dalarna, Västmanland, Uppland and Gästrikland. All of the owners are active in the company. HMB will become a subsidiary of AF Gruppen Sverige AB, where AF Gruppen's Swedish operations are organised. The acquisition will strengthen AF Gruppen's position in the Swedish building and civil engineering market, and is an important step in AF Gruppen's ambition to grow in Sweden. During the period from 2015 to 2018, HMB reported average revenues of NOK 1,120 million and an operating margin of 6.1%. On a 100% basis, the agreed enterprise value for HMB was SEK 600 million and the estimated value of the shares was SEK 614 million. Settlement for the shares AF acquired consisted of 736 911 shares in AF Gruppen ASA at a price of NOK 130.50 per share, which corresponds to SEK 99 million and SEK 286 million in cash. In addition, contingent consideration of an estimated SEK 44 million was agreed, which will be settled in 2021.

In addition to the transaction described above, AF Gruppen Sverige AB has also acquired 3.4 per cent of the shares in HMB Construction AB, a 92 per cent owned subsidiary of HMB Holding AB. The sellers of the shares in HMB Construction AB are 69 employees of HMB Construction AB, and they will all continue as owners and employees after the transaction was completed.

Amounts in SEK million	HMB
Cash consideration	286
Value of issued shares	99
Contingent consideration	44
Consideration 70% of the the shares	430
Minority interests (30 % of assets and liabilities)	36
Gross consideration HMB Holding AB	465
Cash consideration 3.4 % of the shares in HMB Construction AB	20
Minority interests in HMB Construction AB (4.6 %)	6
Gross consideration	491
Property, plant and equipment and intangible assets	87
Financial assets	6
Cash and cash equivalents	79
Current non-interest-bearing receivables	191
Current interest-bearing receivables	29
Deferred tax and tax payables	-23
Current interest-bearing liabilities	-17
Trade payables and current non-interest-bearing liabilities	-222
Net identifiable assets and liabilities	129
Goodwill	362
Cash consideration 70 % of the the shares in HMB Holding AB	286
Cash consideration 3.4 % of the shares in HMB Construction AB	20
- Cash and cash equivalents in HMB (100 %)	-79
Net cash consideration	228

Presented on the previous page is an allocation of the purchase price based on the estimated opening balance sheet of HMB as at 2 January 2019. Allocation of the purchase price was prepared using the acquisition method as regulated in IFRS 3. The purchase price has been allocated at the fair value of the assets and liabilities of HMB. The allocation is not final.

The acquisition resulted in goodwill of NOK 362 million, which is linked to the geographical market position and the organisation's ability to operate profitably. None of the goodwill is tax deductible.

At the time of the acquisition, the minority interests represented NOK 41 million and was calculated as the non-controlling owners' share of the net fair value of identifiable assets and liabilities at the date of the acquisition. Goodwill is only recognised for the portion of the shares AF acquired.

4. ACCOUNTING POLICIES

The accounting policies applied to the accounts are consistent with those described in the annual report for 2018 with the exception of the policies relating to leases.

New and amended accounting standards

AF Gruppen has implemented IFRS 16 Leases from 1 January 2019 based on the modified retrospective method, which entails that the accumulated effect of the transition will be recognised in other reserves. The comparison figures will not be restated.

The new standard replaced IAS 17 Leases. In IFRS 16 the distinction made between operating and financial leases is eliminated, and practically all leases are to be recognised on the balance sheet of the lessee. Exceptions are only made for leases with a duration of less than 12 months and leases where the underlying asset is of low value. It is optional for the lessee to make use of these exceptions. AF Gruppen has chosen not to recognise leases of a short duration on the balance sheet. These leases will still be accounted for in the same manner as before.

The present value of the future lease liability is recognised as an interest-bearing loan and the value of the lease (right of use) is to be recognised as a non-current asset. The balance sheet total is increased upon transition to the new standard, and the most important key figures, such as the equity ratio and net interest-bearing liabilities, will change accordingly.

The right of use recognised on the balance sheet will be amortised over the agreed term of the lease, and interest on the lease liability will be recognised as an interest expense. These income statement items will replace rental expenses, which were recognised under other operating expenses in accordance with IAS 17. This has led to an increase in the company's operating profit and EBITDA in comparison to the former standard. The cost recognition will be more degressive because the interest element will be higher at the start of the term of the lease.

Both instalments and interest related to lease obligations recognised on the balance sheet, are classified as financing activities in the cash flow statement.

AF Gruppen has many operating leases that are recognised on the balance sheet upon the implementation of IFRS 16, primarily related to the leasing of office space, construction equipment and means of transport. In contracts containing options, an assessment has been made of whether the option is reasonably certain to be exercised for each individual contract.

At the time of implementation, the lease liability for all the contracts are calculated based on the discounted future cash flows. The right of use assets has been set at the same value for all the contracts with one exception. For this contract, the right of use has been calculated based on the original the start date for the contract, with subsequent depreciation. The difference between the calculated lease liability and right of use for this contract is recognised in equity at the time of implementation. As at 1 January 2019, the Group has recognised a present value of future lease liabilities of NOK 888 million, a right of use of NOK 863 million, a deferred tax assets of NOK 5 million and an equity effect (after tax) of NOK 19 million. The liability has been calculated with a discount rate corresponding to the company's marginal borrowing rate. The weighted average interest rate used for discounting the lease obligation as at 1 January 2019, was 2.3% p.a.

Reconciliation of lease liabilities pursuant to IFRS 16	NOK million
Minimum lease payments under operating leases as of December 31, 2018	1 013
Current leases exempted from recognition	-51
Effect from discounting	-74
Liabilities recognised based on the initial application of IFRS 16	888
Liabilities from finance leases as of December 31, 2018	67
Liabilities from leases as of January 1, 2019	955

NOK million	31/12/18	Effect of implementing IFRS 16	01/01/19
Tangible fixed assets	1 356	863	2 219
Total assets	8 486	863	9 349
Total equity	2 124	-19	2 105
Non-current interest-bearing debt	91	651	742
Deferred tax	418	-5	412
Current interest-bearing debt	8	237	245
Total equity and liabilities	8 486	863	9 349
Equity ratio	25.0 %		22.5 %
Total interest-bearing debt	99	888	987

Effect of implementing IFRS 16

Effect on financial information for first half of 2019 by implementing new accounting standard for leases (IFRS 16)

As at June 2019 the implementation of the standard has resulted in a positive effect on EBITDA and the operating profit of NOK 136 million and NOK 8 million respectively. Earnings before and after taxes are affected negatively by NOK 2 million as an effect of implementing the standard. As at 30 June 2019 the balance sheet total has increased by NOK 851 million. Interest-bearing liabilities increased by NOK 878 million and equity has been reduced by NOK 22 million.

NOK million	2Q 19 less the effect of IFRS 16	2Q 19, effect of IFRS 16	2Q 19	1H 19 less the effect of IFRS 16	1H 19 effect of IFRS 16	1H 19
Operating expenses ex. depreciation and impairment	-490	70	-420	-918	136	-782
EBITDA	415	70	486	691	136	828
Depreciation and impairment of tangible fixed assets	-51	-65	-117	-98	-128	-226
Earnings before financial items and tax (EBIT)	365	4	369	593	8	601
Net financial items	1	-6	-5	-1	-10	-11
Earnings before tax (EBT)	363	-	363	592	-2	590
Income tax expense	-73	-	-73	-126	1	-126
Net income for the period	291	-1	290	466	-2	464

CONSOLIDATED STATEMENT OF INCOME - IFRS 16 EFFECT

NOK million	30/06/19 less the effect of IFRS 16	1H 19 effect of IFRS 16	30/06/19
Tangible fixed assets	1 472	851	2 323
Total assets	9 708	851	10 559
Total equity	1 878	-22	1 856
Non-current interest-bearing debt	213	616	828
Deferred tax	397	-5	392
Current interest-bearing debt	479	263	742
Total equity and liabilities	9 708	851	10 559
Equity ratio	19.3 %		17.6 %
Total interest-bearing debt	692	878	1 570

5. ESTIMATES

The preparation of the interim accounts requires the use of assessments, estimates and assumptions that have an effect on the application of accounting principles and recognised figures related to assets and commitments, revenues and costs. The estimates are based on the management's best judgement and experience, and there is some uncertainty related to the concurrence of these estimates with the actual result. Estimates and their underlying assumptions are assessed continuously. Changes in accounting estimates are recognised for the period in which the estimate is changed, and for future periods if these are affected by the change in estimate.

6. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties consist of associates, joint ventures, the Company's shareholders and members of the Board of Directors and Corporate Management Team. All business transactions with related parties are carried out in accordance with the arm's length principle.

7. DEVIANT APPLICATION OF PRINCIPLES IN THE SEGMENT ACCOUNTS

The segment information is presented in accordance with the Group's accounting policies and with IFRS, with the exception of the principles for revenue recognition for residential property development in accordance with IFRS 15. This policy exception applies to the Building and Property segments and Sweden. Revenue from projects for own account in these segments is not recognised upon handover as regulated in IFRS 15, but in accordance with the degree of completion method. This means that the recognition of income in these projects is the product of the degree of completion, sales ratio and expected contribution margin. The effect of this on the consolidated accounts is illustrated in a separate table in the segment information.

The yearly effect of the deviant application of principles in the segment accounts for earnings before tax is NOK 45 million (-19 million) for the 2nd quarter. The effect for the first half of the year is NOK 15 million (-19 million). The effect on equity was NOK -130 million (-107 million), and the accumulated reversed revenues were NOK 314 million (440 million) as at 30 June 2019.

The table below shows residential housing projects for our own account that are in the production phase. Contractor values have been included in those cases where group companies are the contractor.

Projects for own account - Property

Project	AFs construction value ex. VAT (NOK million)	Housing units	Construction period		Ownership share AF
			Start up	Completion	
Krydderhagen D1/D2/D3/D4, Hasle i Oslo	355	143	Q2 2017	Q2/Q3 2019	50 %
Thurmannskogen H/J/K, Lørenskog	139	75	Q2 2017	Q1 2019	33 %
Thurmannskogen C/R, Lørenskog	67	11	Q2 2018	Q2/Q4 2019	33 %
Lillo Gård Haugen, Nydalen i Oslo	563	174	Q1 2017	Q2/Q3 2019	25 %
Lillo Gård Lunden A/B/C/D, Nydalen i Oslo	630	107	Q1 2017	Q1/Q2/Q3 2019	25 %
Lillo Gård Lunden E/F/G, Nydalen i Oslo	600	133	Q1 2017	Q3/Q4 2020	25 %
Nye Kilen Brygge A1/A2 og C1/C2, Sandefjord	224	100	Q1 2018	Q1 2020	50 %
Skiparviken, Bergen	324	129	Q2 2018	Q2 2021	50 %
Stronde Byggetrinn 1, Hardanger	140	34	Q4 2018	Q2 2020	49 %
Lilleby Triangel, Trondheim	-	97	Q1 2019	Q2 2020	33 %
Bo på Billingstad, Asker	-	88	Q2 2019	Q1 2021	33 %

8. EVENTS AFTER THE BALANCE SHEET DATE

After the end of the quarter, the company announced that an agreement had been concluded with the board of BetonmastHæhre AS to acquire 100 per cent of the shares of Betonmast AS. The purchase will be made through Betonmast Holding AS, a company of which 66 per cent is owned by AF Gruppen and 34 per cent by the management and former shareholders of Betonmast. For further information refer to stock exchange notification from 19 August 2019.

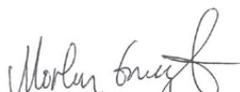
Statement of the Board and CEO

On this day, the Board of Directors and the CEO have reviewed and approved the half-year management report, and the unaudited condensed consolidated half-year financial statements for AF Gruppen as at 30 June 2019 and for the 1st half of 2019 (Half-Year Report 2019).

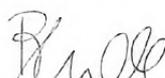
It is confirmed to the best of our knowledge that:

- The half-year financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting and IFRS, as approved by the EU, as well as supplementary requirements in the Norwegian Accounting Act.
- The amounts and disclosures in the half-year financial statements provide a true, fair and complete view of AF Gruppen's assets, liabilities, financial position and results.
- The amounts and disclosures in the half-year management report provide a true and fair view of performance, earnings and the position of the company and group, along with a description of the most important risk and uncertainty factors AF Gruppen faces.
- The amounts and disclosures in the half-year financial statements provide a true and fair overview of significant transactions with related parties.

Oslo, 22 August 2019


Morten Grongstad
CEO


Pål Egil Rønn
Board Chairman


Børghild Lunde

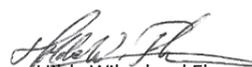

Hege Bømark

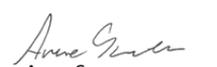

Kristian Holth


Kjetel Digre


Kristina Alvendal


Arne Baumann


Hilde Wikesland Flaen
Elected by employees


Arne Sveen
Elected by employees


Kenneth Svendsen
Elected by employees

ALTERNATIVE PERFORMANCE TARGETS

AF Gruppen presents alternative performance targets as a supplement to performance targets that are regulated by IFRS. The alternative performance targets are presented to provide better insight into and understanding of the operations, financial standing and foundation for development going forward. AF Gruppen uses alternative performance targets that are commonly used in the industry and among analysts and investors.

Return on capital employed (ROaCE):

This performance target provides useful information to both AF's management and Board of Directors, as well as to investors concerning the results that have been achieved during the period under analysis. AF uses the performance target to measure the return on capital employed, regardless of whether the financing is through equity capital or debt. Use of the performance target should not be considered an alternative to performance targets calculated in accordance with IFRS, but as a supplement.

The alternative performance targets are defined as follows:

EBITDA – Earnings before i) taxes, ii) net financial items, iii) depreciation and amortisation.

Operating profit (EBIT) – Earnings before i) taxes, ii) net financial items.

EBITDA margin – EBITDA divided by operating revenue and other revenues.

Operating margin – Operating profit (EBIT) divided by operating revenue and other revenues.

Profit margin – Earnings before tax divided by operating revenue and other revenues.

Gross interest-bearing liabilities – Sum total of long-term interest-bearing loans and credits and short-term interest-bearing loans and credits.

Net interest-bearing liabilities (receivables) – Gross interest-bearing liabilities less i) long-term interest-bearing receivables, ii) short-term interest-bearing receivables and iii) cash and cash equivalents.

Capital employed – Sum total of shareholders' equity and gross interest-bearing liabilities.

Average capital employed – Average capital employed in the last four quarters.

Return on capital employed (ROaCE) – Earnings before taxes and interest for the last four quarters divided by the average capital employed.

Equity ratio – Shareholders' equity divided by total equity and liabilities.

Average shareholders' equity – Average shareholders' equity for the last four quarters.

Return on equity – Earnings for the last four quarters divided by the average shareholders' equity.

Order intake – Estimated value of contracts, contract changes and orders that have been agreed upon during the reporting period

Order backlog – Remaining estimated value of contracts, contract changes and orders that have been agreed upon, but have not been earned by the reporting date

The tables below show the reconciliation of alternative performance targets with line items in the reported financial figures in accordance with IFRS.

Gross interest-bearing liabilities / Net interest-bearing liabilities

Amounts in NOK million	30/06/19	30/06/18	31/12/18
Interest-bearing loans and credit facilities – non-current	828	92	91
Interest-bearing loans and credit facilities – current	742	12	8
Gross interest-bearing liabilities	1 570	104	99
Less:			
Interest-bearing receivables – non-current	-357	-332	-305
Interest-bearing receivables – current	-90	-13	-32
Cash and cash equivalents	-370	-368	-656
Net interest-bearing liabilities (receivables)	753	-609	-894

Capital employed

Amounts in NOK million	30/06/19	30/06/18	31/12/18
Shareholders' equity	1 856	1 803	2 124
Gross interest-bearing liabilities	1 570	104	99
Capital employed	3 426	1 908	2 223

Average capital employed

Amounts in NOK million	30/06/19	30/06/18	31/12/18
Capital employed as at 3rd quarter 2017	-	2 173	-
Capital employed as at 4th quarter 2017	-	2 198	-
Capital employed as at 1st quarter 2018	-	2 240	2 240
Capital employed as at 2nd quarter 2018	-	1 908	1 908
Capital employed as at 3rd quarter 2018	2 162	-	2 162
Capital employed as at 4th quarter 2018	2 223	-	2 223
Capital employed as at 1st quarter 2019	3 320	-	-
Capital employed as at 2nd quarter 2019	3 426	-	-
Average capital employed	2 783	2 130	2 133

Return on capital employed

Amounts in NOK million	30/06/19	30/06/18	31/12/18
Earnings before tax 3rd quarter 2017	-	232	-
Earnings before tax 4th quarter 2017	-	310	-
Earnings before tax 1st quarter 2018	-	194	194
Earnings before tax 2nd quarter 2018	-	256	256
Earnings before tax 3rd quarter 2018	313	-	313
Earnings before tax 4th quarter 2018	373	-	373
Earnings before tax 1st quarter 2019	226	-	-
Earnings before tax 2nd quarter 2019	363	-	-
Earnings before tax for the last four quarters	1 275	993	1 136
Interest expenses 3rd quarter 2017	-	5	-
Interest expenses 4th quarter 2017	-	4	-
Interest expenses 1st quarter 2018	-	4	4
Interest expenses 2nd quarter 2018	-	4	4
Interest expenses 3rd quarter 2018	5	-	5
Interest expenses 4th quarter 2018	1	-	1
Interest expenses 1st quarter 2019	9	-	-
Interest expenses 2nd quarter 2019	10	-	-
Interest expenses for the last four quarters	26	16	14
Earnings before tax and interest expense for the last four quarters	1 301	1 009	1 150
Divided by:			
Average capital employed	2 783	2 130	2 133
Return on capital employed	46.8 %	47.4 %	53.9 %

Equity ratio

Amounts in NOK million	30/06/19	30/06/18	31/12/18
Shareholders' equity	1 856	1 803	2 124
Divided by:			
Total equity and liabilities	10 559	7 565	8 486
Equity ratio	17.6 %	23.8 %	25.0 %

Average shareholders' equity

Amounts in NOK million	30/06/19	30/06/18	31/12/18
Shareholder's equity as at 3rd quarter 2017	-	2 046	-
Shareholder's equity as at 4th quarter 2017	-	2 078	-
Shareholder's equity as at 1st quarter 2018	-	2 127	2 127
Shareholder's equity as at 2nd quarter 2018	-	1 803	1 803
Shareholder's equity as at 3rd quarter 2018	2 056	-	2 056
Shareholder's equity as at 4th quarter 2018	2 124	-	2 124
Shareholder's equity as at 1st quarter 2019	2 312	-	-
Shareholder's equity as at 2th quarter 2019	1 856	-	-
Average shareholders' equity	2 087	2 014	2 028
Result 3rd quarter 2017	-	177	-
Result 4th quarter 2017	-	274	-
Result 1st quarter 2018	-	152	152
Result 2nd quarter 2018	-	191	191
Result 3rd quarter 2018	255	-	255
Result 4th quarter 2018	323	-	323
Result 1st quarter 2019	174	-	-
Result 2rd quarter 2019	290	-	-
Result for the last four quarters	1 042	793	921
Divided by:			
Average equity	2 087	2 014	2 028
Return on equity	49.9 %	39.4 %	45.4 %

COMPANY INFORMATION

AF Gruppen ASA

Head office:

Innspurten 15
0603 Oslo
Norway
T +47 22 89 11 00
F +47 22 89 11 01

Postal address:

P.O. Box 6272 Etterstad
0603 Oslo
Norway

Company's Board of Directors

Pål Egil Rønn, *Board Chairman*

Arne Baumann
Borghild Lunde
Hege Bømark
Kristian Holth
Kristina Alvendal
Kjetel Digre
Kenneth Svendsen
Hilde W. Flaen
Arne Sveen

Corporate Management

Morten Grongstad, *CEO*
Sverre Hærem, *CFO*
Arild Moe, *EVP Civil Engineering*
Ida Aall Gram, *EVP Property, HR and Communications*
Amund Tøftum, *EVP Offshore and Building Norway (part-owned companies)*
Eirik Wraal, *EVP Energy and Environment*
Bård Frydenlund, *EVP Sweden*
Geir Flåta, *Building Norway (wholly-owned companies)*

Financial calendar

Presentation of interim accounts:

23/08/2019 Interim report 2nd quarter 2019
08/11/2019 Interim report 3rd quarter 2019

The presentation of interim accounts will take place at Hotel Continental, Stortingsgata 24-26, at 8:30 a.m.

For more information on the company, visit our web site at afgruppen.com

Cover: Engineer Tera Lions at E18 Tvedestrand-Arendal.
Photo: AF Gruppen / Eirik Førde

Large machine effort and production at E39 Kristiansand west - Mandal east. Photo: Eirik Førde / AF Gruppen.



OPERATIONAL STRUCTURE



Civil Engineering

AF Anlegg

JR Anlegg

Måselv Maskin & Transport

Building

AF Byggfornyelse

AF Bygg Oslo

AF Bygg Østfold

AF Nybygg

LAB

LAB Entreprenør

FAS

Åsane Byggmesterforretning

HTB

AF Håndverk

Kirkestuen

Lasse Holst

Thorendahl

VD Vindu og Dør Montasje

Oslo Stillasutleie

Storo Blikk

Oslo Prosjektbygg

EIQON

EIQON Anlegg

EIQON Betongbygg

EIQON Nybygg

Strøm Gundersen

Strøm Gundersen

Strøm Gundersen Vestfold

Consolvo

Haga & Berg

Property

AF Eiendom

LAB Eiendom

Energy and Environment

AF Energi & Miljøteknikk

AF Energija Baltic UAB

Boligenergi

AF Decom

Jølsen Miljøpark

Rimol Miljøpark

Nes Miljøpark

Sweden

Kanonaden

Kanonaden Entreprenad

Kanonaden Mälardalen

Bergbolaget i Götaland

Pålplintar

AF Bygg Göteborg

AF Bygg Syd

HMB

AF Projektutveckling

AF Härnösand Byggreturer

Offshore

AF Offshore Decom

AF Offshore Decom UK Ltd.

AF Miljøbase Vats

AF AeronMollier