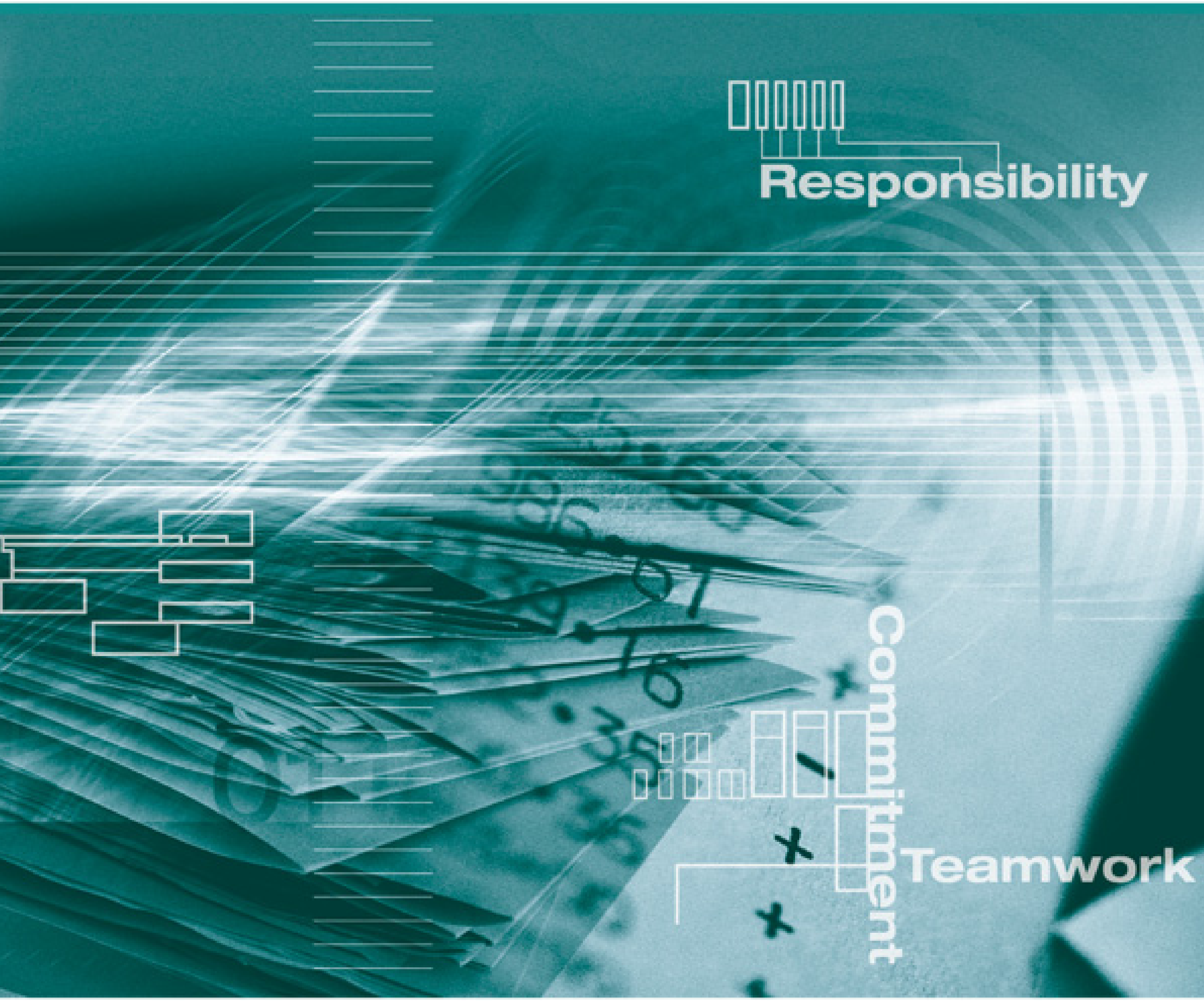
MULTICONSULT



Annual report 2011

A year of good progress for Multiconsult

Stein Dale
Acting Chief Executive Officer

2011 was a good year for Multiconsult. In spite of the financial and economic crisis affecting many European countries, we managed to exploit the available opportunities in the markets where we have been operating, which meant that we finished the year in a stronger position than we started it. The company was involved in just over 8,000 projects over the course of the year, spread across all of our offices from Kristiansand in the south to Svalbard in the north, as well as including a number of international projects. Through our six business areas – Buildings and Properties, Industry, Oil and Gas, Transportation and Infrastructure, Energy and Environment and Natural Resources – we delivered projects such as the new library and museum at Bjørvika, Kilden Performing Arts Centre in Kristiansand, Campus Ås, DNB's new building at Bjørvika, concrete platforms in Russia and Canada, road projects such as the Gran-Jaren stretch of the Rv4 and the Frya-Vinstra stretch of the E6, the Bergen Light Rail system, Ski railway station and hydropower projects in Pakistan, Albania and Ethiopia. Multiconsult worked on the Oseana Art and Cultural Centre in Os, which was named "Building of the year", and the double tracking of the Lysaker-Sandvika stretch, which was named "Civil engineering project of the year".

Through a combination of organic growth and acquisitions, Multiconsult has systematically expanded its product range and capacity. Multiconsult acquired all of the shares in Barlindhaug Consult AS in spring 2011. Its interdisciplinary consultancy and design teams will complement and reinforce Multiconsult's presence in northern Norway, as well as providing Multiconsult with specialist expertise in a number of fields.

Our wholly-owned subsidiary Analyse & Strategi provides analysis and consultancy in the fields of community development and economic development, which increases Multiconsult's expertise and gives it a presence in more areas of the value chain.

Multiconsult achieved a net turnover of NOK 1,471 million in 2011, an increase of NOK 214 million over the previous year. Thanks to an operating profit of NOK 103.7 million, up 42% over the previous year, we can safely say that Multiconsult's profitability and financial strength are not in doubt. It is essential to have financial room for manoeuvre if we want to develop the company in a market that is in a constant state of flux. Our good financial results are the product of having competent and motivated members of staff, and we want to say a warm thank you to everyone for their great work.

Multiconsult's expertise, market position and order backlog create a very strong platform for future growth. Market prospects are also good in a number of the company's business areas.

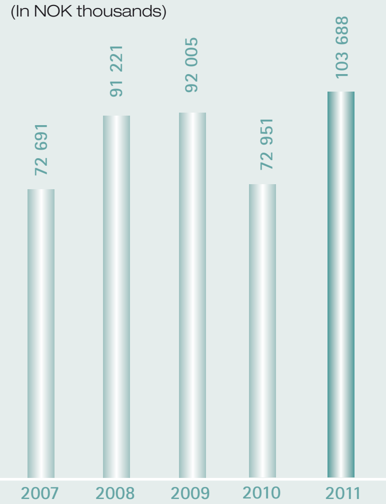
Key figures
(in thousands of NOK)

	2011 (*)	2010 (*)
Operating revenue	1 470 526	1 256 668
Operating profit/loss	103 688	72 951
Profit for the year	78 440	47 610
Total assets	904 717	767 737
Equity	350 415	303 456
Equity ratio	39 %	40 %

(*) Multiconsult Group

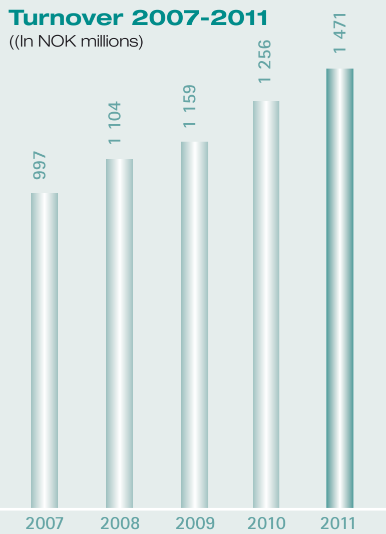
Shareholders at 31/12/2011	
The Multiconsult Foundation	22,1 %
Employees	27,3 %
WSP Europe AB	24,7 %
Retired workers, etc.	25,9 %

Operating profit 2007-2011
(In NOK thousands)



Operating profit is stated net of distributions under the employee profit share scheme. Employees received NOK 22 million in 2007, 18.5 million in 2008, 10.5 million in 2009, 6.0 million in 2010 and 4.4 million in 2011

Turnover 2007-2011
((In NOK millions)



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Directors report

Summary

Multiconsult is a complete supplier of consultancy and design services, which operates in the following business areas: buildings and properties; industry; oil and gas; energy; transportation and infrastructure; and environment and natural resources. The company has large, multi-disciplinary offices in Norway's biggest cities, and at the close of 2011 it had a total of 1,237 employees.

Net operating revenue rose by 17% in 2011, and the Group achieved net turnover of NOK 1,471 million. Operating profit amounted to NOK 104 million, up 42% from the previous year. This was thanks to a combination of better capacity utilisation and higher prices. International projects represented 9% of turnover.

In parallel with working on projects for customers, Multiconsult has been focusing on a number of internal development projects. These include an implementation model for major transport projects and a concept for urban development called PlussBy (a collaborative project with Analyse & Strategi and LINK arkitektur), as well as several projects involving Arctic/cold climate technology and environmental technology. The Research Council of Norway has provided support for several of the projects.

Sales were satisfactory in 2011, with the order book growing significantly in the second half of the year, which means that the company entered 2012 with an order book that was 37% higher than at the start of 2011.

Our business

Multiconsult's business concept is to supply multi-disciplinary consultancy and design services that add value for customers, society, shareholders, employees and the company. Multiconsult also offers ground surveys to map the condition of the soil and assess how to deal with potential pollution problems. The company's turnover from international projects mainly comes from Norplan, a company in which Multiconsult and Asplan Viak each hold a 50% ownership interest.

Multiconsult has offices in 19 towns in Norway. The company's head office is in Oslo. Our ownership interest in Norplan gives the company indirect stakes is offices in Dar es Salaam (Tanzania) and Kampala (Uganda).

Multiconsult owns all of the shares in Barlindhaug Consult and in the strategic consultancy Analyse & Strategi, as well as having a 32% interest in the architectural firm LINK Arkitektur. Analyse & Strategi does social impact studies, primarily in the fields of Buildings and Properties and Transportation and Infrastructure. LINK Arkitektur, which has offices in Norway and Sweden, is one of the largest architectural firms in Scandinavia.

Health, safety and the environment

All of Multiconsult's offices take HSE management very seriously. We consider the company's working environment and working conditions to be good. This belief is supported by a working environment survey carried out in 2010, and by the annual reports prepared by the company health service. The company has its own group within AKAN (The workplace advisory centre for issues relating to alcohol, drugs and addictive gambling). All of Multiconsult's regional offices have a working environment committee.

Total sickness absence remained at satisfactory levels. In 2011, sickness absence totalled 4.0% of overall working hours. There were three lost time injuries reported for people working for the company. The lost time injuries have been carefully reviewed in order to prevent further lost time injuries occurring.

Multiconsult keeps environmental accounts to monitor the most important ways in which its activities impact the environment. These environmental accounts are included in the annual report. In 2011 several of Multiconsult's regional offices obtained Eco-Lighthouse environmental certification.

Markets and external relations

In 2011 market conditions in the business areas and regions where Multiconsult operates were variable. The markets for Transportation and Infrastructure, Buildings and Properties, Energy and Environment and Natural Resources were good, and activity levels were high. The Oil and Gas market has picked up dramatically. The Industry market has been generally subdued, and is yet to pick up.

The strong market for our Transportation and Infrastructure, Buildings and Properties, Oil and Gas, Energy and Environment and Natural Resources business areas is expected to continue into 2012. The Industry market remains subdued, and is expected to remain relatively slow in 2012. At the start of 2012, international projects represented 23% of our order backlog.

Some of our biggest projects in 2011 were the new museum and library at Bjørvika, Campus Ås, DNB's new building at Bjørvika, several medium-sized jobs for oil and gas installations, concrete platforms in Russia and Canada, road projects such as the Gran-Jaren stretch of the Rv4 and the Frya-Vinstra section of the E6, the Bergen Light Rail system, Ski railway station, hydropower projects in Pakistan, Albania and Ethiopia and several power projects in Norway. On a number of the projects, Multiconsult has collaborated with WSP, which is one of the largest engineering consultancies in Europe. WSP owns a 25% ownership interest in Multiconsult.

Our work on ethics and corporate social responsibility is an area of priority. In recent years, Multiconsult has invested significant resources in drawing up strict corporate ethical guidelines. In 2011 the company reviewed and upgraded its ethical guidelines and procedures. A training programme has been developed, and an extensive training process will continue into 2012.

Strategy

In line with the company strategy, Multiconsult has developed into a complete supplier of multi-disciplinary consultancy and design services. The company has large, multi-disciplinary offices in the biggest cities in Norway.

The company entered 2011 with an updated strategy – "Multiconsult 2015". The key points of this strategy are that the company will consolidate in order to streamline and adapt its operations to reflect Multiconsult's significant growth over recent years, further develop its human and structural capital in order to meet future challenges and grow in order to build and maintain its market shares.

In spring 2011, Multiconsult acquired the engineering consultancy Barlindhaug Consult in Tromsø, along with its 88 members of staff. The acquisition provides a foundation for continuing to build up our expertise and capacity in northern Norway.

As part of its strategy, Multiconsult has in recent years developed strategic alliances

Steinar Mejlænder-Larsen
Chairman of the Board

Dan Evert Brekke
deputy

Kari Sveva Dowsett

Hans Ole Haugen

with a few selected consultancies. These alliances help to make Multiconsult more competitive and enable it to create more added value.

Organisation – structural capital

Over recent years, the company has incorporated a structured quality management system. In 2011 we continued updating the system in order to make it even more user-friendly for the whole of Multiconsult's varied portfolio of projects. This process will be completed in 2012.

Multiconsult now has modern and efficient premises throughout Norway. Office capacity will be expanded in stages in order to cope with higher growth.

Employees

At the close of 2011, Multiconsult had 1,237 employees, which represented an increase of 64, or 5%, over the course of the year. In 2011 only a small number of employees left Multiconsult. The company is in a good position to recruit new members of staff.

In 2011 Multiconsult continued to cooperate closely with the higher education institutions where it does most of its recruitment. In the annual student survey carried out by Universum, Multiconsult was ranked twelfth on the list of the most attractive employers amongst technology companies in Norway.

Staff training was an important area of focus for Multiconsult in 2011. In conjunction with this, the company has worked on further raising awareness of the existing training opportunities that exist at Multiconsult.

Equal opportunity

There are four women and four men on the company's Board of Directors. Multiconsult's senior management team consists of one woman and nine men. 29% of technical staff are women, whilst 42% of administrative staff are men. 16% of middle managers are women. Overall, 30% of Multiconsult's employees are women. There is no differentiation between women and men when setting salary levels.

Both the Board and senior management wish to increase recruitment of women to the company and to increase the proportion of women working at all levels of the company.

The company takes a proactive stance to non-discrimination on the grounds of physical disability, race, religion, etc. The Board and senior management implements this through their recruitment, hiring and pay decisions, as well as by adapting the workplace where necessary and through work on awareness-raising.

Management development

Sverre Quale was the CEO of Multiconsult from 1 January 2011 until 30 November 2011. Stein Dale was made acting CEO on 1 December 2011, at which point he also left the company's Board of Directors.

Multiconsult constantly needs to raise the skills and capacity of both line and project managers. Management development is therefore a key priority. In recent years Multiconsult has created its own management development programme, which is aimed at both line managers and project managers. A large number of people have attended these training programmes. Multiconsult will continue to invest heavily in management development.

Generating financial results

In recent years, Multiconsult has managed to achieve strong financial results in parallel with the company expanding significantly. In 2011 we achieved an operating profit of NOK 104 million, after deducting the NOK 4.4 million that was allocated to our employees through our profit-share scheme, and after significant investments in projects that will enable Multiconsult to continue developing in the future. The profit margin in 2011 was slightly higher than in 2010, and virtually at the same level as over the course of recent years. The company's liquidity position was very good throughout the year.

For certain disciplines, and in certain regions, the market was challenging. This meant that in some areas the company's capacity utilisation was too low. The company also had significant impairment charges relating to a few projects.

Sales were strong in 2011, so the company entered 2012 with an order book that was 37% higher than at the start of 2011. Although we are seeing improvement in the market, we are conscious that there is also a great deal of uncertainty about the future.

Report on the annual financial statements

The company is a going concern, and the 2011 financial statements have been prepared on that basis. The Board bases its view on the company's budgets and long-term, strategic forecasts for the coming years.

The Group's gross operating revenues in 2011 amounted to NOK 1,739 million, while net revenues were NOK 1,471 million, up NOK 214 million from 2010. Operating profit was NOK 104 million, compared with NOK 73 million in 2010. Net financial items totalled NOK 8.4 million. The parent company's tax expense was NOK 33.7 million. Profit for the year was thus NOK 78.4 million.

The parent company's gross operating revenues in 2011 amounted to NOK 1,629 million, while net revenues were NOK 1,375 million, up NOK 131 million from 2010. Operating profit was NOK 103.1 million, compared with NOK 78.0 million in 2010. Net financial items totalled NOK 7.2 million. The parent company's tax expense was NOK 32.4 million. Profit for the year was thus NOK 77.8 million.

The Group did not have significant unrealised gains or losses associated with securities or other balance sheet items that are not shown on the financial statements.

The Group had NOK 350 million of equity, giving it an equity ratio of 38.7%. The rest of the Group's capital was made up of

Espen Robertsen

Siv Axelsson

Birger Opgård
deputy

Tima Iyer

current liabilities (52.3%), provisions for liabilities and charges (2.8%) and interest-bearing debt (2.8%). The Group's liquidity position is strong, and it has no need for any additional loans over and above its current financing. The financial investments of the Group are relatively low-risk.

The parent company and Group generated positive cash flow from operating activities. Over the year, the company made significant investments.

Apart from the matters covered by the financial statements, the Board is not aware of any events that took place in 2011, or after the end of the financial year, that are of material significance to an assessment of the financial statements. The Board believes that the annual financial statements provide an accurate picture of the assets, liabilities, financial position and financial results of Multiconsult AS and the Group.

Financial risk

Most of the company's long-term financial assets are pension fund assets, whilst the short-term assets are mainly bank deposits. The company's interest rate risk mainly relates to the pension fund assets. The company is exposed to currency risk through ongoing international projects, which have fees fixed in foreign currencies. This currency risk is considered moderate, but not of sufficient magnitude to affect any valuation of the company.

Accounts receivable and work in progress total approx. 36 % of the company's assets. The company has established procedures for assessing the credit-worthiness of customers, and the need for any bank guarantees or other risk-mitigating measures.

Operating cash flow was positive. It is important for the company to be able to finance future growth through its own financial resources. At 31 December 2011, the company had NOK 25 million of non-current liabilities.

The company's financial risk is considered moderate.

Future prospects

There are signs that the market will improve in 2012, but there is uncertainty surrounding the state of the global economy. The company's strategy has been to build up a diversified business, and this has proved successful as a way of protecting against market downturns in individual sectors.

Multiconsult will continue to focus on achieving strong profitability, but we also want to combine that goal with the long-term development of the company.

The Board believes that the company is in a good position to face up to whatever challenges the future holds.

Appropriation of profit for the year

The Board proposes the following transfers, and that the parent company's profit of NOK 77,820,067 be appropriated as follows:

Transferred to other reserves		
	NOK	46,339,027
Dividends	NOK	31,481,040

After the above appropriations, the company's distributable reserves, i.e. the portion of its equity that can legally be distributed through dividends, total NOK 264 million.

Final thoughts

The market is showing signs of recovery in 2012. We are highly competitive, and are in a good position to serve the market that we operate in.

Our employees work very hard to ensure that Multiconsult is successful. The Board would like to thank the company's employees and managers for the hard work they put in to ensure that Multiconsult achieves the goals that it has set for itself.

Skøyen, 27 March 2012

Steinar Mejlænder-Larsen
Chairman of the Board

Tima Iyer

Siv Axelsson

Espen Robertsen

Kari Sveva Dowsett

Hans Ole Haugen

Birger Opgård
(deputy)

Dan Evert Brekke
(deputy)

Stein Dale
Acting Chief Executive Officer

Environmental reporting

Multiconsult aims to develop a culture of environmental awareness amongst all of its employees, through its management of the company and project implementation. In 2007, in order to improve our understanding of the challenges and opportunities involved in reducing Multiconsult's impact on resources, the environment and the climate, the company decided to prepare its first set of environmental accounts. In 2011, the Drammen and Oslo offices obtained Eco-Lighthouse environmental certification. The aim is now to certify the whole of Multiconsult under the Eco-Lighthouse scheme.

The environmental reporting and quality of data collected is improving in parallel with the company's growing understanding of the field. Since 2007 there has been a general under-reporting of environmental data relating to our activities. Due to a lack of precise data, and the need to calibrate our indicators, we have not yet been able to set environmental targets or to judge our achievement of them. We are working continuously to improve the underlying data, and in conjunction with our environmental certification, we are planning measures to reduce the environmental impact of our activities.

At our Eco-Lighthouse certified offices, various measures were introduced in 2011 to reduce the company's environmental footprint. These measures included: greater use of smart lighting; introducing additional recycling categories; installing telephone and video conferencing systems; and setting up SafeCom printing to reduce paper consumption.

The 2011 figures showed an improvement over 2010 for all indicators, except the transport and CO_2 emissions indicators. These indicators deteriorated in 2011 as a result of higher fuel consumption by machinery. This was due to a combination of better data collection, and the purchase of four big new drilling rigs, which was associated with an increase in activity levels.

The figures suggest that the amount of energy used for heating was reduced, and that paper consumption fell

The following environmental parameters are included in Multiconsult's environmental reporting

Energy: The energy consumption of buildings is based on electricity consumption and district heating at the company's offices.

Transport and machinery: Business travel by car includes use of a private car, company car or hire car for business purposes. Flights includes the number of return flights reported by the company travel agency, and is calculated using average flight distances for domestic flights in Norway, short-haul flights (Europe) and long-haul flights. The fuel consumption of machinery includes fuel used by drilling rigs, HGVs and boats.

Purchasing and office supply consumption: Paper consumption is based on use of A3 and A4 sheets, as well as graph paper.

Waste: Total waste is based on office waste, and includes waste sorted for recycling and unsorted general waste.

Emissions to air: CO_2 emissions are calculated as the sum of CO_2 equivalents from the energy consumption of buildings (electricity and district heating), CO_2 emissions from transport (business travel by car and flights) and the fuel consumption of machinery

Environmental Report 2011

Environmental indicator[1]	Unit	2009	2010	2011
Energy[2]				
Area efficiency	m^2/full-time equivalent employees	30	36	36
Energy consumption of buildings	kWh/full-time equivalent employee	5530	5576	4890
Energy consumption of buildings	kWh/m^2	189	156	136
Transport				
Business travel by car	km/full-time equivalent employee	2649	2611	2685
Domestic flights	number/full-time equivalent employee	2,8	3,0	3,0
International flights	number/full-time equivalent employee	0,5	0,5	0,5
Fuel consumption of machinery[2]	litres/full-time equivalent employee	32	57	77
Purchasing and office supply consumption				
Total paper consumption	kg/full-time equivalent employee	37	33	31
Waste[3]				
Total waste	kg/full-time equivalent employee	180	128	114
Non-recycled waste	%	60	55	52
Recycled waste	%	40	43	44
Emissions to air				
CO_2 emissions	tonnes of CO_2/full-time equivalent employee	1,50	1,66	1,73

1 A review of heated areas in 2010 resulted in a more accurate, larger area. There is some underreporting of energy consumption.
2 Reporting is unreliable for all of the years. We are working to improve methods for distinguishing between fuel used in business travel and fuel used by machinery.
3 Some underreporting. Largely estimated figures, as many of our offices have lease agreements that allocate responsibility for waste management to landlords who also have other tenants.

PROFIT AND LOSS ACCOUNT 2011

Figures in thousands of NOK

PARENT COMPANY 2010	2011	Note		Note	GROUP 2011	2010
			OPERATING REVENUE AND EXPENSES			
1 244 030	1 375 350	3,4	Ordinary operating revenue	3,4	1 470 526	1 256 668
1 244 030	1 375 350		Total operating revenue		1 470 526	1 256 668
943 965	1 021 385	5,13	Wages, salaries, etc.	5,13	1 092 161	957 700
34 116	34 702	6,7	Depreciation and write-downs	6,7	42 883	34 158
187 903	216 130	5,7,17	Other operating expenses	5,7,17	231 794	191 859
1 165 984	1 272 217		Total operating expenses		1 366 838	1 183 717
78 046	103 133		Operating profit/loss		103 688	72 951
			FINANCE INCOME AND COSTS			
-100	-1 400		Profit/loss on investments in associates and jointly controlled entities	9	-646	-954
4 617	9 702	20	Finance income	20	10 412	4 653
456	1 129	20	Finance costs	20	1 360	481
4 061	7 173		Net finance income		8 406	3 218
82 107	110 306		Profit before taxation		112 094	76 169
28 390	32 486	14	Tax on profit for the year	14	33 654	28 559
53 717	77 820		Profit for the year		78 440	47 610
			TRANSFERS			
30 093	46 339		Transferred to/from other reserves		46 959	23 986
23 624	31 481		Dividends		31 481	23 624
53 717	77 820		Total transfers		78 440	47 610

Balance Sheet at 31 December 2011

Figures in thousands of NOK

PARENT COMPANY						GROUP
2010	2011	Note	Assets	Note	2011	2010
			FIXED ASSETS			
			Intangible assets			
6 635	8 144	6	Software	6	8 144	6 635
26 651	16 811	6	Goodwill	6	61 486	26 651
33 286	24 955		Total intangible assets		69 630	33 286
			Property, plant and equipment			
2 223	2 051	7	Sites, buildings and other real property	7	2 051	2 223
51 226	56 362	7	Fixtures, fittings, plant, etc.	7	60 202	51 310
53 449	58 413		Total tangible assets		62 253	53 533
			Financial assets			
14 857	60 496	2,8	Investments in subsidiaries	2,8	2	2
41 218	39 818	9	Investment in joint ventures and associates	9	37 132	37 778
36	36		Investments in shares and ownership interests		324	36
117 132	111 447	10,13	Other receivables and pension fund assets	10,13	111 447	117 132
173 243	211 797		Total financial assets		148 905	154 948
259 978	295 165		Total fixed assets		280 788	241 767
			CURRENT ASSETS			
			Receivables			
294 748	316 683	4,18	Accounts receivable	4,18	342 280	296 160
17 811	16 889		Other receivables		17 006	14 763
312 559	333 572		Total receivables		359 286	310 923
212 781	248 589	19	Cash and cash equivalents	19	264 643	215 047
525 340	582 161		Total current assets		623 929	525 970
785 318	877 326		TOTAL ASSETS		904 717	767 737

Figures in thousands of NOK

PARENT COMPANY 2010	2011	Note	EQUITY AND LIABILITIES	Note	GROUP 2011	2010
			EQUITY			
			Paid-in capital			
13 125	13 125	11	Share capital	11	13 125	13 125
-8	-8	11	Own shares	11	-8	-8
13 320	13 320		Share premium account		13 320	13 320
26 437	26 437		Total paid-in capital		26 437	26 437
			Retained earnings			
285 542	325 752		Other reserves		323 978	277 019
285 542	325 752		Total retained earnings		323 978	277 019
311 979	352 189	12	Total equity	12	350 415	303 456
			LIABILITIES			
			Provisions for commitments			
12 136	17 973	13	Pension liabilities	13	18 110	12 238
21 453	15 851	14	Deferred tax	14	13 090	21 906
15 350	25 087	15	Other provisions for liabilities and charges	15	25 087	15 350
48 939	58 911		Total provisions for liabilities and charges		56 287	49 494
			Long-term liabilities			
-	25 000		Liabilities to financial institutions		25 000	-
-	25 000		Total long-term liabilities		25 000	-
			Current liabilities			
60 134	57 686		Accounts payable		60 967	60 109
32 430	43 612	14	Tax payable	14	44 562	32 430
117 395	131 336		Social security contributions, VAT and duties payable		140 820	118 264
23 624	31 494		Dividends		31 494	23 624
190 817	177 098	4	Other current liabilities	4	195 172	180 360
424 400	441 226		Total current liabilities		473 015	414 787
473 339	525 137		Total liabilities		554 302	464 281
785 318	877 326		TOTAL LIABILITIES AND EQUITY		904 717	767 737

Skøyen, den 27. mars 2012

Steinar Mejlænder-Larsen
chairman of the board

Tima Iyer

Siv Axelsson

Espen Robertsen

Kari Sveva Dowsett

Hans Ole Haugen

Stein Dale
Acting Chief Executive Officer

Birger Opgaard
(deputy)

Dan Evert Brekke
(deputy)

Notes

Figures in thousands of NOK

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998. The accounting policies are described below.

Consolidated accounts
The consolidated accounts include Multiconsult AS and all subsidiaries in which Multiconsult has a direct or indirect ownership interest of more than 50%. All significant intra-group transactions and balances have been eliminated. Uniform accounting policies have been used in the financial statements of all of the Group's companies.
Shares in subsidiaries have been eliminated in the consolidated accounts using the acquisition method. This means that the assets and liabilities of acquisitions are measured at fair value on the transaction date, and any difference between the purchase price and the value of the net assets is classified as goodwill, which is amortised over its useful life.

Investments in jointly controlled entities and associates where the Group has an ownership interest of between 20% and 50% and exercises significant influence are accounted for using the equity method. The difference between the cost of the shares and the value of the Group's share of equity is initially attributed to the company's tangible assets and any excess is classified as goodwill.

Ordinary operating revenue
Operating revenue is stated net of sub-consultants' expenses and fees that are invoiced on to the client by Multiconsult, provided that Multiconsult's profit on the operation is negligible.

Revenue is recognised when it accrues, in other words when entitlement to payment arises. This occurs when the service is provided, over the course of the work being performed. Revenue is recognised at the value of the payment on the transaction date.

Expenses
As a general rule, expenses are recognised in the same period as the related revenue. Where an expense is not clearly linked to a specific stream of revenue, best judgement is used to allocate the expense. Other deviations from the matching principle are specified where relevant.

General principles for the measurement and classification of assets and liabilities
Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables that are due for payment within a year are classified as current assets. Equivalent criteria have been used for classifying current and non-current liabilities.

Non-current assets are valued at cost, but are written down to fair value in the event of an other-than-temporary impairment. Non-current assets with a limited useful life are depreciated according to a schedule. Non-current loans are carried at their nominal value on the initial date.

Current assets are valued as the lower of the acquisition cost and their actual value. Current liabilities are carried at their nominal value on the initial date.

Certain items have been measured using different principles, as set out below.

Use of estimates
The preparation of the financial statements in accordance with generally accepted accounting principles requires the company's senior management to make certain estimates and assumptions that affect the value of assets and liabilities on the balance sheet and reported revenue and expenses in the profit and loss account. Actual values may deviate from those estimates.

Foreign currency
Foreign currency items are translated at the exchange rate on the balance sheet date. Discrepancies arising from exchange rate fluctuations are recognised under financial items.

Intangible assets
Expenses involved in generating intangible assets, including the cost of research and development, are capitalised if it is probable that the future economic benefits associated with the assets will flow to the company, and if their cost can be measured reliably. Intangible assets that have been bought individually are carried at cost. Intangible assets that have been obtained through an acquisition are carried at cost if they are eligible for capitalisation. Intangible assets with a limited useful life are depreciated according to a schedule. Intangible assets are written down to their recoverable amount Intangible assets with a limited useful life are depreciated according to a schedule.

Government grants
Operating grants are recognised in the same period as the revenue they are designed to supplement or the expense they are designed to help cover.

Parent company's shares in subsidiaries
Shares in subsidiaries are carried at cost in the parent company's accounts. Investments are written down to fair value in the event of other-than-temporary impairment. Dividends from subsidiaries are recognised as financial income. Dividends from subsidiaries in excess of the subsidiary's retained earnings over the period of ownership are considered repayment of the purchase price, and are recognised as a reduction in the cost of the shares.

Investments in jointly controlled entities and associates
In the parent company's accounts, investments in jointly controlled entities and associates are measured using the historical cost method. Investments are written down to fair value in the event of other-than-temporary impairment and when necessary under generally accepted accounting principles. Dividends received are recognised as financial income.

Marketable financial instruments and securities
Financial instruments that form part of the trading portfolio are measured at fair value on the balance sheet date. Other securities are measured at the lower of average cost and fair value on the balance sheet date. Valuation gains and losses are reported under financial income and expenses.

Fixed-price contracts
Work on long-term, fixed-price manufacturing contracts is measured using accrual accounting. The percentage-of-completion is calculated by estimating the percentage of the expected total cost that has been

accrued. The total cost is continuously reviewed. For projects that are expected to result in a loss, the whole estimated loss is recognised immediately. Time-based contracts where the company is not responsible for financial results are recognised in the period when the work is done.

Receivables
Accounts receivable and other receivables are shown at the nominal value after provision for anticipated bad debts.

Cash and cash equivalents
Cash and cash equivalents includes cash, bank deposits and other assets maturing less than three months after their acquisition.

Guarantees, servicing and complaints
Accrued liabilities associated with completed projects are measured at the estimated cost of the work, or at the net cost if the company is insured against losses. Estimates are based on the actual circumstances in each individual case. These liabilities are recognised under other provisions for liabilities and charges and are expensed when it is probable that a loss will be incurred.

Pensions
Pension liabilities (for funded pension plans) are measured at the present value of the future pension benefits accrued on the balance sheet date. A linear accumulation model and anticipated final salary are used as the basis for recognising pensions in the accounts. Pension plan assets are measured at market value on the balance sheet date. Net pension liabilities (pension liabilities less pension plan assets) are classified as a non-current liability. The surplus of overfunded pension plans is classified as a non-current receivable.

The net pension expense for the period (gross pension expense less estimated return on pension plan assets) is included under Wages, salaries, etc. The gross pension expense is the present value of pension benefits accrued over the accounting period and the interest expense on pension liabilities. Changes to pension plans are spread over the remaining contribution period. The matching principle is used for the purposes of expensing defined contribution plans. Employer's NICs are included in the figures.

Taxation
The tax expense is based on the taxable pre-tax profit. Tax arising from equity transactions is recognised in equity.
Tax consists of tax payable and net changes in deferred tax. The proportion of the tax expense attributed to profit on ordinary activities and to exceptional items reflects the taxable profit in each category. Deferred tax and deferred tax assets are shown net on the balance sheet.

Cash flow statement
The cash flow statement has been prepared using the indirect method. Liquid assets includes cash, postal giros and bank deposits.

Note 2 Creation of a corporate group

On 1 April 2011, Multiconsult acquired all of the outstanding shares in Barlindhaug Consult AS.

As of 1 January 2011, the wholly-owned subsidiary Industriplan AS was merged with Multiconsult AS. The merger used the pooling of interest method for accounting purposes.

In June 2010, Multiconsult acquired the remaining 50% of the shares in Analyse & Strategi AS from WSP, and as of the same date, Analyse & Strategi AS became a wholly-owned subsidiary.

In 2009 the wholly-owned subsidiary Multiconsult RUS LLC was set up with its registered office in St. Petersburg. The level of business and financial position of Multiconsult RUS LLC is negligible, and it is not included in the consolidated accounts.

Note 3 Ordinary operating revenue

	PARENT COMPANY		CONSOLIDATED	
	2011	2010	2011	2010
Business area:				
Consulting engineering and architecture	1 369 083	1 232 323	1 464 260	1 244 961
Rent and other income	6 266	11 707	6 266	11 707
Total net operating revenue	1 375 350	1 244 030	1 470 526	1 256 668
By geographical market:				
Norway	1 246 236	1 091 963	1 341 413	1 104 602
International	129 113	152 067	129 113	152 067
Total net operating revenue	1 375 350	1 244 030	1 470 526	1 256 668
Gross operating revenue	1 629 860	1 510 743	1 739 457	1 523 381

Gross op. rev. includes sub-consultants working as contractors, etc.

Note 4 Fixed-price contracts

	PARENT COMPANY 2011	PARENT COMPANY 2010	PARENT COMPANY 2011	PARENT COMPANY 2010
Revenue recognised for ongoing fixed-price projects	260 258	302 295	260 258	302 295
Costs linked to accrued revenue	-201 978	-237 934	-201 978	-237 934
Net recognised profit/loss on ongoing fixed-price projects	58 280	64 361	58 280	64 361
Accrued revenue, including accounts receivable	84 838	74 079	85 941	74 801
Deferred revenue, included under other current liabilities	49 785	63 969	56 616	63 969

Note 5 Staff costs, number of employees, remuneration, loans to employees, etc.

	PARENT COMPANY 2011	PARENT COMPANY 2010	CONSOLIDATED 2011	CONSOLIDATED 2010
Wages, salaries, etc.				
Wages and salaries	768 666	702 447	830 029	713 403
National Insurance Contributions	106 732	99 707	111 517	101 101
Pension expense (see note 13)	98 967	93 578	101 641	94 691
Other benefits	47 020	48 233	48 974	48 504
Total	1 021 385	943 965	1 092 161	957 700
Number of full-time equivalents	1 177	1 122	1 273	1 135

Remuneration of key management personnel	CEO	Board of Directors
CEO's salary for the period 1 January 2011-30 November 2011.	2 519	678
CEO's severance package	3 223	
Pension expenses	130	
Other remuneration	148	
Acting CEO's salary for the period 1 December 2011-31 December 2011.	200	
Pension expenses	13	
Other remuneration	-	

Like all of the other employees, the CEO benefits from the company's profit-sharing scheme. The estimated value of the pension benefits accrued by the acting CEO Stein Dale, who took up his position on 1 December 2011, is NOK 13,000.
No subscription rights, options or equivalent rights have been issued entitling employees or officers to subscribe to, buy or sell shares in the company.

Loans and guarantees of obligations for employees and shareholders Loans and guarantees of obligations for:	PARENT COMPANY Loans	PARENT COMPANY Guarantees of obligations	CONSOLIDATED Loans	CONSOLIDATED Guarantee of obligations
Employees, shareholders and Board members	62	-	62	-
Acting CEO	-	-	-	-

Auditor Fees paid to Deloitte AS and collaborating companies:	PARENT COMPANY Deloitte	PARENT COMPANY Others	CONSOLIDATED Deloitte	CONSOLIDATED Others
Statutory audit	1 262	26	1 404	26
Tax advice	200	-	200	-
Other certification services	237	-	335	-
Other consultancy	110	-	126	-

All of the above figures are stated excl. VAT.

Note 6 Intangible assets

	PARENT COMPANY		CONSOLIDATED	
	Software	Goodwill	Software	Goodwill
Cost at 1 Jan.	24 775	78 873	24 775	78 873
Acquisitions	6 112	500	6 112	50 139
Disposals	-	-	-	-
Cost at 31 Dec.	30 887	79 373	30 887	129 012
Accumulated depreciation 31 Dec.	22 743	62 562	22 743	67 526
Net accumulated impairment losses 31 Dec.	-	-	-	-
Accumulated depreciation and impairment losses at 31 Dec.	22 743	62 562	22 743	67 526
Carrying amount at 31 Dec.	8 144	16 811	8 144	61 486
Depreciation for the year	4 603	10 340	4 603	15 304
Impairment losses for the year	-	-	-	-
Useful life	3 years	5 years	3 years	10 yearsr
Depreciation schedule	Linear	Linear	Linear	Linear

Goodwill allocated by acquisition:	Year of acquisition		Year of acquisition
Spets Cons. Group AS	2007	Stensrud AS	2010
VVS Plan Sør AS	2007	Hydpro AS	2011
Kompas AS	2009	Barlindhaug Consult AS	2011
Industriplan AS	2010		

Note 7 Property, plant and equipment

	PARENT COMPANY		CONSOLIDATED	
	Buildings and othe real propert	Machinery, plant, fixtures and fittings	Buildings and other real property	Machinery, plant, fixtures and fittings
Cost at 1 Jan.	5 582	197 007	7 536	208 769
Property, plant and equipment acquired	-	24 817	-	27 765
Disposals	-	138	1 954	538
Cost at 31 Dec	5 582	221 686	5 582	235 996
Accumulated depreciation at 31 Dec.	3 531	165 045	3 531	175 514
Net acc./rev. impairment losses at 31 Dec	-	279	-	279
Acc. depreciation and impairment losses at 31 Dec.	3 531	165 324	3 531	175 793
Carrying amount at 31 Dec.	2 051	56 362	2 051	60 202
Depreciation for the year	173	19 542	173	22 759
Useful life	10 - 50 years	3 - 8 years	10 - 50 years	3 - 8 years
Depreciation schedule	Linear	Linear	Linear	Linear

Description	Location	PARENT COMPANY Lease agreemen expires	Annual lease payments	CONSOLIDATED Lease agreement expires	Annual lease payments
Offices	Head office, Oslo	2018	34 451	2018	38 725
Offices	Regional offices	2012-2020	35 321	2012-2020	35 321
Lease of other property, plant and equipment			2 508		2 508
Total annual rent for offices and other property, plant and equipment:			72 280		76 554

Note 8 Subsidiaries

	Registered office	Share of votes and shareholding	Profit/ loss in 2011	Equity at 31 Dec. 2011
Barlindhaug Consult AS	Tromsø, Norway	100 %	5 039	15 039
Analyse & Strategi AS	Oslo, Norway	100 %	-209	1 693

Note 9 Jointly controlled entities and associates

Company	Classifi-cation	Date of acquisition	Registered office	Share of votes	Shareholding
LINK arkitektur AS	Associate Jointly controlled entity	01-06-2008	Oslo	33,4 %	32,0 %
Norplan AS	Felles kontrollert virksomhet	01-01-2003	Oslo	50,0 %	50,0 %

Company values	Equity at 31 Dec. 2011	Profit/loss for 2011
LINK arkitektur AS	29 212	8 027
Norplan AS	3 525	381

Ownership interests accounted for using the equity method	Norplan AS	LINK Signatur AS	Total
Opening balance at 1 Jan.	1 572	36 205	37 777
Investments during the year			
- of which unimpaired goodwill	-	27 244	27 244
Share of profit for the year	191	2 569	2 760
Goodwill impairment charge	-	-3 405	-3 405
Total profit/loss on investments	191	-836	-646
Closing balance at 31 Dec.	1 763	35 369	37 132

Intra-group balances	Accounts receivable 2011	2010	Other receivables 2011	2010
Norplan	304	323	35	-
Analyse & Strategi	78	74	1 616	2 444
LINK arkitektur	1 587	2 612	-	-
Barlindhaug Consult	742	-	-	-
Industriplan	-	105	-	11 069
TOTAL	2 711	3 114	1 651	13 513

Intra-group balances	Accounts payable 2011	2010	Other non-current liabilities 2011	2010
Norplan	677	60	-	-
Analyse & Strategi	447	314	-	1 146
LINK arkitektur	5 085	4 838	-	-
Barlindhaug Consult	798	-	-	-
TOTAL	7 007	5 212	-	1 146

All transactions with related parties take place on a commercial basis.

During the 2011 financial year, Multiconsult bought architectural services from LINK arkitektur worth approximately NOK 40 million. There were no other significant transactions with related parties.

Note 10 Proportion of receivables which fall due after more than one year

	PARENT COMPANY 2011	PARENT COMPANY 2010	CONSOLIDATED 2011	CONSOLIDATED 2010
Pension funds	111 447	117 022	111 447	117 022
Other receivables		110		110
TOTAL	111 447	117 132	111 447	117 132

Note 11 Share capital and shareholder information

Share capital of parent company at 31/12/2011:

	Number of shares	Par value	Total share capital
Shares	2 624 920	5	13 125

There is only one class of shares in the parent company.
The negotiability of the shares is limited, in that they can only be sold or transferred to employees at Multiconsult companies and to the Multiconsult Foundation.
When shares are transferred, the Multiconsult Foundation has pre-emptive rights at the price that a genuine buyer is willing to pay.

Ownership structure

At 31/12/2011, the biggest shareholders in the company were:

	No. of shares	Share-holding	Share of voting rights
WSP Europe AB	649 061	24,7 %	24,7 %
Stiftelsen Multiconsult	580 451	22,1 %	22,1 %
Brian Glover	52 059	2,0 %	2,0 %
Jan Reidar H. Lindemark	52 059	2,0 %	2,0 %
Ivar Eng	32 856	1,3 %	1,3 %
Harald Strand	31 586	1,2 %	1,2 %
Kjell E. Larsen	31 000	1,2 %	1,2 %
Johan H. Bertnes	28 802	1,1 %	1,1 %
Trond Dahle	27 769	1,1 %	1,1 %
Finn Rasmussen	25 770	1,0 %	1,0 %
Total for shareholders owning > 1%	1 511 413	57,6 %	57,6 %
Total for other shareholders	1 113 507	42,4 %	42,4 %
Total number of shares	2 624 920	100,0 %	100,0 %

At the close of 2011, the company held 1,500 of its own shares. The average price of the shares was NOK 70.

Shares owned by Board members and acting CEO:

Name	Position	No. of shares
Hans Ole Haugen	Board member	8 000
Dan Evert Brekke	Deputy board member	20 853
Kjetil Moen	Deputy board member	1 500
Stein Dale	Acting CEO	-

Note 12 Equity

	PARENT COMPANY				CONSOLIDATED			
	Share capital	Treasury shares	Share premium account	Other equity	Share capital	Treasury shares	Share premium account	Other equity
Equity at 1 Jan.	13 125	-8	13 320	285 542	13 125	-8	13 320	277 019
Change in equity for the year:								
Dividends				-31 481				-31 481
Merger difference				-6 128				
Profit for the year				77 820				78 440
EEquity at 31 Dec.	13 125	-8	13 320	325 752	13 125	-8	13 320	323 978

Note 13 Pension expense, pension plan assets and pension liabilities

The company has set up pension plans that meet the statutory requirements. Multiconsult AS has two occupational pension plans: one defined contribution plan, and one defined benefit plan. Insurance benefits are the same under both plans.

In 2006 a defined contribution plan was introduced for all new employees hired on or after 1 July 2006, and 832 employees and 10 pensioners were members of the plan at the close of 2010. In 2011, the cost of contributions to the retirement pension provided by the defined contribution plan was NOK 24.049 million including employer's NICs. The cost of the premiums for the insurance benefits provided by the defined contribution plan are included in the table below.

At 31/12/2011, 385 employees and 148 pensioners were members of the defined benefit plan. The plan entitles members to defined future benefits. These benefits are mainly dependent on number of years of contributions, salary level on reaching retirement age and the level of benefits from the National Insurance Scheme.

The company also pays pension benefits to one pensioner out of operating expenses.

The company also has an agreement with two current employees to provide them with pension benefits until the age of 67 should they choose to take retirement or partial retirement before reaching the age of 67. Those benefits and the abovementioned benefits paid out of operating expenses are unfunded, but the cost of the liabilities is included in the following table.

	PARENT COMPANY		CONSOLIDATED	
	2011	2010	2011	2010
Present value of benefits earned in the period	53 419	52 121	53 708	52 361
Interest expenses on the pension liability	28 469	29 964	28 487	29 975
Return on pension plan assets	-28 718	-32 150	-28 733	-32 161
Amort. of changes in obligations arising from changes to pension plans	668	668	668	668
Amortisation of actuarial losses	13 705	12 632	13 709	12 632
Net pension expense excl. employer's NICs	67 543	63 235	67 840	63 475
Employer's national insurance contributions accrued	7 375	6 929	7 417	6 963
Net pension expense incl. employer's NICs	74 918	70 164	75 257	70 438

	PARENT COMPANY 2011		PARENT COMPANY 2011	
	Defined benefit plan	Defined contribution plan/unfunded pensions	Ytelses-ordningen	Defined contribution plan/unfunded pensions
Estimated pension liabilities	-702 788	-69 804	-692 386	-60 549
Pension plan assets (at market value) (*)	641 859	33 985	622 800	26 480
Actuarial gain/losses not recognised through profit or loss (*)	179 267	15 724	193 511	20 522
Changes to pension plans not recognised through profit or loss	6 683	-	7 352	-
Employer's national insurance contributions accrued	-13 574	2 122	-14 254	1 411
Net pension liabilities excl. employer's NICs	111 447	-17 973	117 023	-12 136
Of which unfunded pension liabilities	-	-8 294	-	-8 021

(*) The comparative figures for 2010 have been corrected in relation to the information given in the notes to the 2010 financial statements. This is due to the pension plan assets being wrongly estimated in the original actuarial calculation for 2010, which resulted in the figure for Actuarial gains/losses not recognised through profit or loss being too high. The correction does not have impact any the company's expenses .

	CONSOLIDATED 20111		CONSOLIDATED 2010	
	Defined benefit plan	Defined contribution plan/unfunded pensions	Defined benefit plan	Defined contribution plan/unfunded pensions
Estimated pension liabilities	-702 788	-70 725	-692 386	-60 973
Pension plan assets (at market value) (*)	641 859	34 423	622 800	26 722
Actuarial gain/losses not recognised through profit or loss (*)	179 267	15 724	193 511	20 661
Changes to pension plans not recognised through profit or loss	6 683	345	7 352	-
Employer's national insurance contributions accrued	-13 574	2 122	-14 254	1 352
Net pension liabilities excl. employer's NICs	111 447	-18 111	117 023	-12 238
Of which unfunded pension liabilities	-	-8 294	-	-8 021

Actuarial assumptions used in the above calculations:	2011	2010
Expected return on pension funds	4,80 %	4,60 %
Discount rates	3,90 %	3,80 %
Expected salary increases	4,00 %	4,00 %
Expected annual adjustment of basic pension		
Expected pension increases	0,70 %	0,50 %

Demographic assumptions have been taken from disability table KU and mortality table K2005.

Note 14 Tax expense

	PARENT COMPANY		CONSOLIDATED	
The tax expense for the year comprises the following:	2011	2010	2011	2010
Tax payable	40 163	29 156	41 113	29 156
Tax effect of group contributions	-	321	-	-
Adjustments to tax payable for previous years	175	3 274	175	3 274
Change in deferred tax	-7 852	-4 361	-7 633	-3 871
Tax on profit for the year	32 486	28 390	33 654	28 559

	PARENT COMPANY		CONSOLIDATED	
Reconciliation of nominal and actual tax rates:	2011	2010	2011	2010
Profit before taxation	110 307	82 107	112 094	76 169
Expected income tax payable based on nominal tax rate (28%)	30 886	22 990	31 386	21 327
Tax effect of the following items:				
Non-tax-deductible costs	410	2 405	456	2 407
Non-taxable income	-9	-44	-751	-44
Share of profit from associates	-	-	181	239
Gain on the sale of shares	-	28	-	28
Revaluation of shares	392	6	392	6
Dividends	-1 157	-269	-1 198	-269
Discounting of deferred tax/tax assets	-	-	-	-1 769
Other items	1 965	3 274	3 189	6 634
Tax expense	32 486	28 390	33 654	28 559
Effective tax rate	29,5 %	34,6 %	30,0 %	37,5 %

Breakdown of tax effect of temporary differences:	PARENT COMPANY 2011	2010	CONSOLIDATED 2011	2010
Fixed assets	724	2 405	1 874	-261
Current assets	1 202	803	1 427	803
Liabilities and obligations	-17 776	-24 660	-18 228	-24 620
Loss carryforwards	-	-	1 838	2 172
Carrying amount of deferred tax assets/tax	-15 851	-21 453	-13 090	-21 906

Deferred tax assets have been recognised on the assumption of future profits.

Reconciliation of deferred tax on the balance sheet	PARENT COMPANY 2011	2010	CONSOLIDATED 2011	2010
Deferred tax at 1 Jan.	-21 453	-25 870	-21 906	-25 833
Change in deferred tax	7 852	4 361	7 633	3 871
Deferred tax arising from mergers and acquisitions	-2 249	56	1 184	56
Carrying amount of deferred tax (net) at 31 Dec.	-15 851	-21 453	-13 090	-21 906

Reconciliation of tax payable on the balance sheet	PARENT COMPANY 2011	2010	CONSOLIDATED 2011	2010
Expensed tax payable	-40 163	-29 477	-41 113	-29 477
Tax on group contributions paid	-	321	-	321
Adjustments to tax payable for previous years	-3 449	-3 274	-3 449	-3 274
Carrying amount of tax payable	-43 612	-32 430	-44 562	-32 430

Note 15 Other provisions for liabilities and charges

	PARENT COMPANY AND CONSOLIDATED
Provisions for project liability at 31 Dec. 2010	15 350
Writeback of provisions made in 2010, resolved	-3 700
Paid out in 2011	-2 200
New provisions for projects in 2011	15 637
Provisions for project liability at 31 Dec. 2011	25 087

The Multiconsult Group completes a significant number of projects over the course of a year. Normally the company signs an agreement with the client limiting its liability. During the course of projects, shortcomings in the company's services or damage as a result of its work may be uncovered, resulting in compensation claims being made against the Group. When it is overwhelmingly likely that a compensation claim will lead to Multiconsult having to pay compensation, the amount is estimated and an accounting provision is made. Several years may can pass between a claim being made and compensation being made.

The amount of compensation payable can vary significantly. The provision made is calculated on the basis of the estimated cost including legal fees, excesses on insurance policies, compensation and interest. When it is overwhelmingly likely that right of recourse will apply, this is taken into account in the estimates. When a compensation claims extends into a new year it is reassessed. Provisions are not discounted to present value.

Note 16 Financial market risk

Most of the company's non-current financial assets are pension plan assets, and the majority of the company's interest rate risk is associated with them.

The company is exposed to currency risk through revenue from overseas projects. The risk is associated with supplying engineering services from Norway to other countries. Several ongoing international projects have agreed rates in currencies other than NOK, often USD. Changes in the exchange rate between Norwegian kroner and foreign currencies can affect the company's profit and loss account and equity.

As the company historically has suffered few losses on bad debt, the risk of partners and clients being financially unable to fulfil their obligations is considered to be low. The company has a joint credit policy, and external assessments of creditworthiness are obtained for large customers who will have credit with the company.

Liquidity risk is the risk that you will be unable to pay your financial obligations when they are due. To manage liquidity risk, a strategy for liquidity management has been drawn up, which is implemented through liquidity budgets that are continuously reviewed. In order to provide the company with financial flexibility, and thereby limit liquidity risk, a NOK 40 million credit facility has been arranged with the company's bank. The credit facility had not been drawn on at the close of the year.

Note 17 Research and development

The company's business involves providing engineering and architectural consultancy services, and developing new relevant products. The development costs are mainly salaries and other personnel costs. In 2011, NOK 24.803 million (NOK 27.65 million in 2010) was expensed in total for research and development, including specialist training and Group events. In addition, NOK 400,000 (200,000 in 2010) was given towards collaborative research projects with total funding of NOK 4,000,000 (355,000 in 2010). As a major shareholder, the Multiconsult Foundation has contributed NOK 180,000 to development projects.

Note 18 Guarantees and other sureties

	PARENT COMPANY		CONSOLIDATED2011	
2010	2011	2010		
Guarantees given to customers	26 420	33 183	26 420	33 183
Guarantees for other obligations	22 904	23 073	22 904	23 073
Total guarantees and other sureties	49 324	56 256	49 324	56 256

Note 19 Restricted cash

Of the Group's liquid assets, NOK 48.903 million constitute cash held in a tax withholding account or restricted cash for projects, of which NOK 45.428 million (8.532 million in 2010) related to the parent company.

Note 20 Financial items

PARENT COMPANY			CONSOLIDATED	
2011	2010		2011	2010
		FINANCIAL INCOME		
66	60	Interest received from Group companies	-	-
4 632	3 251	Other interest income	5 250	3 345
745	317	Other financial income	902	319
4 260	989	Dividends	4 260	989
9 702	4 617	Finance income	10 412	4 653
		FINANCIAL COSTS		
827	10	Other interest expenses	833	35
302	446	Other finance costs	527	446
1 129	456	Finance costs	1 360	481
8 573	4 161	Net finance income	9 052	4 172

Cash flow statement

Figures in thousands of NOK

PARENT COMPANY 2010	2011		GROUP 2011	2010
		CASH FLOW FROM OPERATING ACTIVITIES:		
82 107	110 307	Profit before taxation	112 094	76 169
-23 025	-29 156	Tax paid	-29 349	-23 600
34 117	34 702	Ordinary depreciation	37 918	34 158
71 758	74 918	Non-cash pension expense	74 918	71 758
713	9 737	Change in provisions for liabilities and charges	9 771	808
-322	-261	Profit/loss on the sale of fixed asset	-261	-322
100	1 400	Income from investments in subsidiaries	-	954
-20	-	Gain/loss on sale of shares	-	-20
1 917	-22 755	Change in accounts receivable	-29 915	3 704
5 282	-1 204	Change in accounts payable	5 188	4 702
7 580	16 948	Change in other current assets and other liabilities	16 196	-573
180 207	194 635	Net cash flow from operating activities	196 559	167 737
418	167	Sale of fixed assets	2 521	418
-35 575	-31 240	Purchase of property, plant and equipment and acquisition of intangible assets	-34 188	-35 575
-	-	Repayments on loan to Group	8 021	-
-14 887	-59 639	Purchase of financial assets	-59 639	-14 887
-32 659	-63 375	Investments in financial assets and pensions	-63 485	-32 659
		Net cash flow from investment activities	-146 771	-82 704
-	-	Repayment of current liabilities	-11 501	7 032
-1 293	-6 128	Cash impact of merger	-6 128	-1 293
-31 481	-	Return on equity	-	-31 481
-	-23 611	Dividends	-23 611	-
-	60 000	Issue of non-current liabilities	60 000	-
-	-	Shareholder contributions	151	-
-	-35 000	Repayment of non-current liabilities	-35 000	-
-32 774	-4 739	Net cash flow from financing activities	-16 090	-25 742
64 729	35 808	Net change in cash and cash equivalents	33 699	59 291
148 052	212 781	Cash and cash equivalents at 1 Jan.	230 943	155 756
212 781	248 589	Cash and cash equivalents at 31 Dec.	264 643	215 047

Auditor's report

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Translation from the original Norwegian version

To the Annual Shareholders' Meeting of Multiconsult AS

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Multiconsult AS, which comprise the financial statements 9fthe parent company, showing a profit of NOK 77.820.000, and the financial statements of the group, showing a profit of NOK 78.440.000. The financial statements of the parent company and the financial statements of the group comprise the balance sheet as at 31 December 2011, and the income statement and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director's Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Multiconsult AS and of the group as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and the the allocation of the profit

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report concerning the financial statements and the going concern assumption, and the proposal for the the allocation of the profit complies with the law and regulations and that the information is consistent with the financial statements.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 27 March 2012
Deloitte AS

Aase Aa. Lundgaard
State Authorised Public Accountant (Norway)

[Translation has been made for information purposes only]

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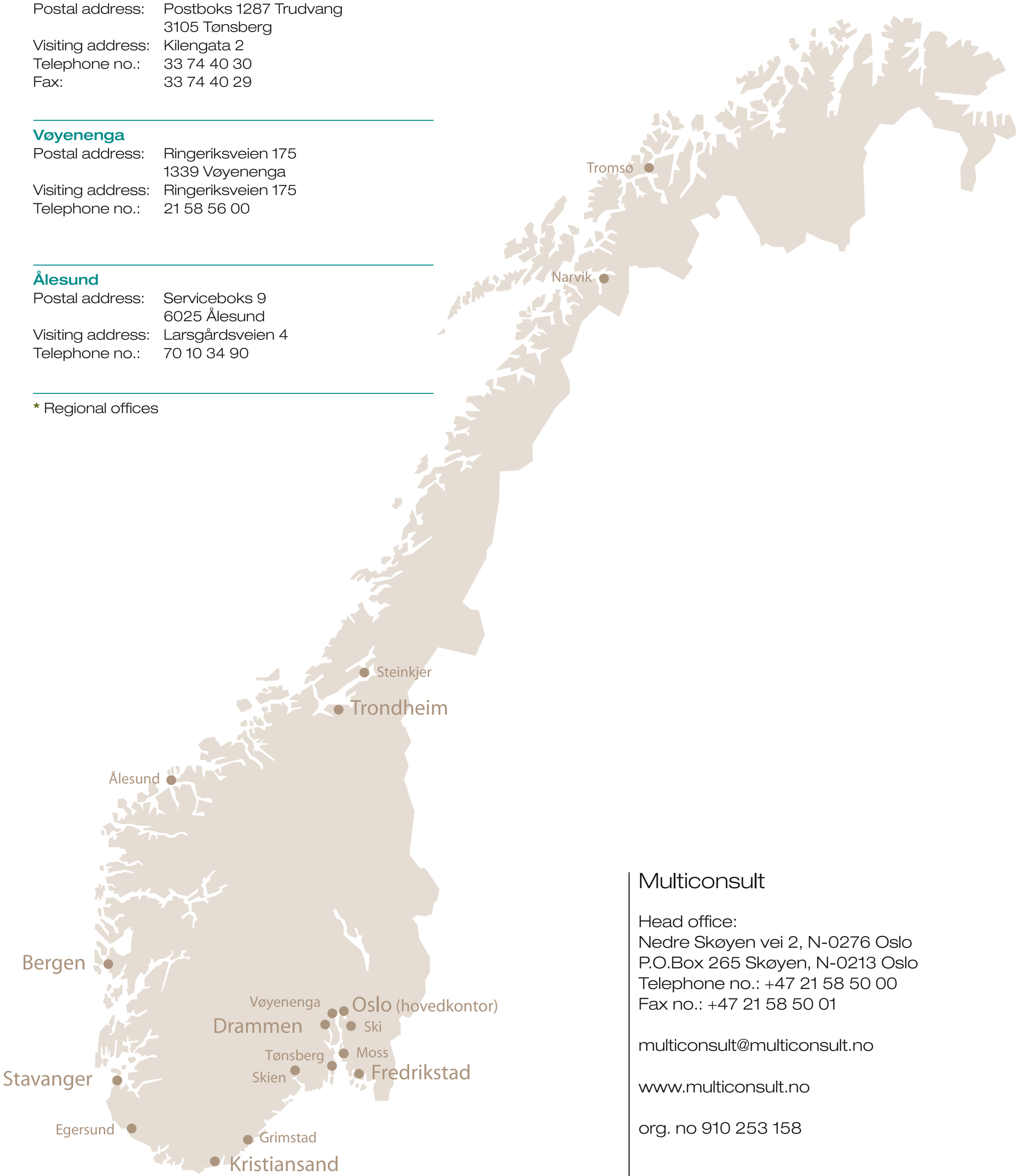

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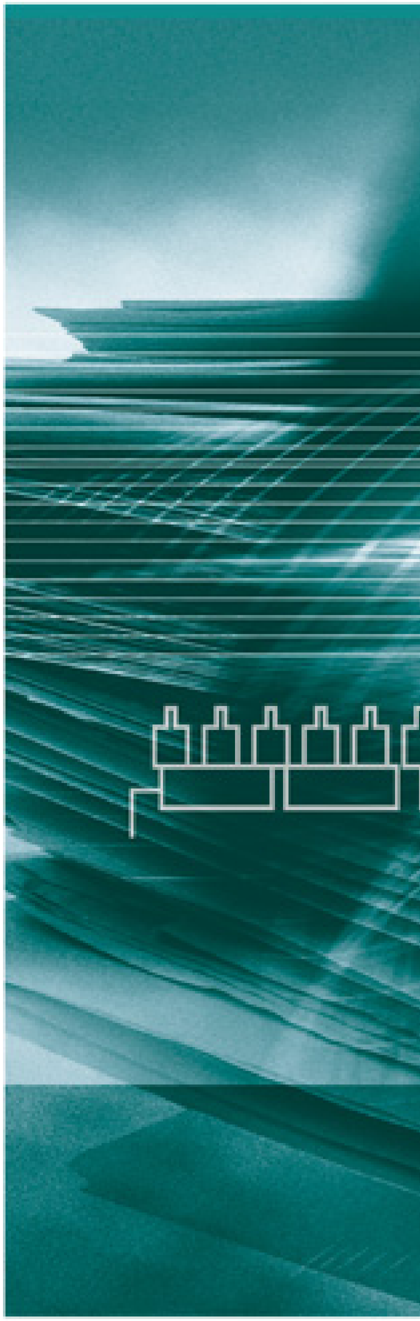

www.multiconsult.no