

28 August 2014

bouvet

QUARTERLY REPORT

Q214



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## About Bouvet

Bouvet provides services in the fields of information technology, digital communication and enterprise management. At 30 June, it had 945 employees divided between 14 offices in Norway and Sweden.

The company is a strategic partner for a number of enterprises, helping them to shape digital solutions which create new business opportunities. Clients appreciate Bouvet's good grasp of their operations, and a broad range of services allows it to act as a turnkey supplier. Bouvet is committed to maintaining long-term client relationships.

Bouvet's regional model with local offices confers clear benefits in marketing work and competitiveness. Many enterprises consider it important that the supplier of business-critical systems has a local presence and expertise. This also makes it easier to establish a long-term relationship and thereby acquire knowledge of the client's business and systems.

As a result of its clear concentration on the principles for managing the business, Bouvet comes across as a solid, well-run and reputable company. In addition to its standards for delivering good solutions, the company sets strict requirements for ethics, conflicts of interest, security, openness and accountability. Bouvet's close relations with clients are possible because the company and its employees execute their assignments with a high degree of integrity.

# Highlights of the second quarter 2014

- Operating revenues of NOK 276.2 million for the quarter, down from NOK 284.3 million in the same period of 2013, and NOK 577.1 million for the first half compared with NOK 565.4 million in the first six months of last year.
- Operating profit of NOK 23.6 million for the quarter compared with NOK 28.5 million in the same period of 2013, and NOK 50.6 million in the first half compared with NOK 50.7 million in the first six months of last year.
- Workforce at 30 June totalled 945 people, up by 13 from 31 March and 51 from 30 June 2013.
- Consolidated cash flow from operations of NOK 18 million in the quarter, compared with a negative NOK 2.2 million in the same period of 2013. Cash flow from operations in the first half of NOK 4.6 million, compared with a negative 14 million in the first six months of last year.
- The State Agency for the Recovery of Fines, Damages and Costs entered into a contract with Bouvet on management and further development of its recovery system.
- Bouvet was commissioned to develop a new solution for information and document management for oil company Eni Norge.
- Hordaland county council awarded Bouvet an exclusive frame agreement for design and development of a number of websites.
- Bouvet is to develop a new SAP-based business system with mobile clients for a company in the transport sector.

## Key figures

MILLIONS NOK	APR-JUN 2014	APR-JUN 2013	CHANGE %	JAN-JUN 2014	JAN-JUN 2013	CHANGE %	YEAR 2013
Revenue	276,2	284,3	-2,8 %	577,1	565,4	2,1 %	1 112,8
Operating profit (EBIT)	23,6	28,5	-16,9 %	50,6	50,7	-0,2 %	95,1
Ordinary profit before tax	24,2	28,7	-15,8 %	51,7	51,7	0,1 %	97,1
Profit for the period	17,5	20,8	-15,7 %	36,7	37,4	-1,7 %	69,8
Net cash flow operations	18,0	-2,2	N/A	4,7	-14,0	N/A	99,4
Cash and cash equivalents	98,0	55,6	76,1 %	98,0	55,6	76,1 %	169,2
Number of employees (end of period)	945	894	5,7 %	945	894	5,7 %	931
Number of employees (average)	946	893	6,0 %	939	891	5,3 %	908
Earnings per share	1,67	2,00	-16,4 %	3,53	3,59	-1,9 %	6,75
Diluted earnings per share	1,65	1,97	-16,5 %	3,48	3,55	-1,9 %	6,67
EBIT margin	8,6 %	10,0 %		8,8 %	9,0 %		8,5 %
Equity ratio	34,5 %	32,8 %		34,5 %	32,8 %		35,9 %

## Financial results

### Operating revenues

Bouvet had operating revenues of NOK 276.2 million in the second quarter, compared with NOK 284.3 million in the same period of 2013. That represented a decrease of 2.8 per cent. The quarter had one less working day compared with the same period of last year, which reduced operating revenues by 1.7 per cent. Rates for the group's hourly based services rose by 2.8 per cent from the second quarter of 2013. The billing ratio for the group's consultants was down by three percentage points from the same period of last year. Operating revenues from the sale of services by sub-contractors totalled NOK 34.5 million, down by NOK 5.7 million from the second quarter of 2013. The average number of employees increased by six per cent over the same period. Taken together, these factors contributed to a small decline in operating revenues from the second quarter of 2013.

Operating revenues for the first half came to NOK 577.1 million, compared with NOK 565.4 million in the same period of 2013. That represented an increase of 2.1 per cent. Sales to existing clients made good progress during the quarter. Clients who also used the group in the second quarter of 2013 accounted for 90.9 per cent of operating revenues. In addition, clients acquired since 30 June 2013 contributed a total of NOK 25 million to second-quarter operating revenues.

Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 12.5 per cent, compared with 14.1 per cent in the second quarter of 2013. The group's long-term target is that this share should be about 15 per cent of total operating revenues.

### Operating costs

Bouvet's operating costs, including depreciation and amortisation, were NOK 252.6 million for the second quarter, down from NOK 255.8 million in the same period of 2013. That represents a reduction of 1.3 per cent. Payroll costs increased

because the average number of employees rose, in addition to the general growth in pay rates. The group experienced a general rise in pay of 2.7 per cent over the past 12 months. The cost of sales was NOK 34.7 million, compared with NOK 45.6 million in the second quarter of 2013, and primarily comprised procurement of sub-contractor services and the hire of course instructors. Other operating costs rose by 1.7 per cent from the second quarter of 2013 to NOK 28.6 million.

### Profit

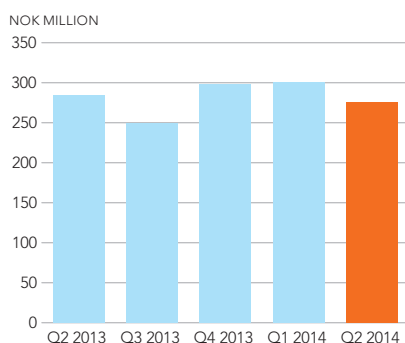
Operating profit (EBIT) for the second quarter came to NOK 23.6 million, compared with NOK 28.5 million in the same period of 2013. The EBIT margin thereby came to 8.6 per cent, compared with 10 per cent in the second quarter of last year. Net profit came to NOK 17.5 million, down from NOK 20.8 million in the same period of 2013. Diluted earnings per share were NOK 1.65 for the quarter, compared with NOK 1.97 in the same period of 2013.

For the first half, the cumulative EBIT came to NOK 50.6 million as against NOK 50.7 million in the same period of 2013. That represented a decline of 0.2 per cent. The EBIT margin thereby came to 8.8 per cent, compared with nine per cent in the first half of last year. Net profit came to NOK 36.7 million, down from NOK 37.4 million in the same period of 2013. Diluted earnings per share were NOK 3.48 for the first half, compared with NOK 3.55 in the same period of 2013.

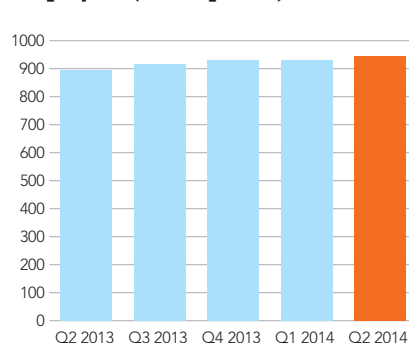
### Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was NOK 18 million in the second quarter, compared with a negative NOK 2.2 million in the same period of 2013. Cash flow was affected positively by a reduction in working capital related to clients, work in progress and other current receivables of NOK 19 million from the first quarter of 2014. Cash flow was also negatively affected by a reduction of NOK 22.5 million in current liabilities from the first quarter. The decline in current liabilities reflected a NOK 7.1 million fall in accounts payable, a rise of NOK 5.7 million in direct and indirect taxes payable, and a drop of NOK 21.1 million in other current liabilities. Consolidated cash flow from operations for the first half came

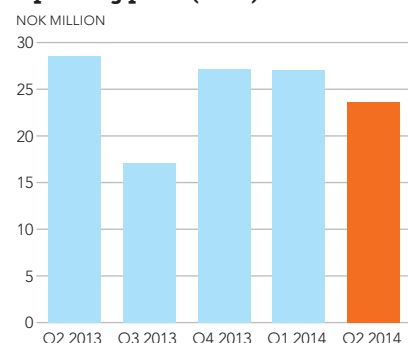
#### Revenues



#### Employees (end of period)



#### Operating profit (EBIT)



to NOK 4.7 million, compared with a negative NOK 14 million in the same period of 2013. Consolidated cash flow from operations for the past 12 months was NOK 118.1 million, while net profit for the same period was NOK 69.2 million.

The group's client portfolio consists mainly of large, solid listed companies and public enterprises. No bad debts were suffered the second quarter, and the group has good oversight and control of its receivables.

Bouvet has no interest-bearing debt. Bank deposits at 30 June totalled NOK 98 million, compared with NOK 55.6 million a year earlier. It held 19 356 of its own shares at 30 June. A dividend of NOK 61.5 million was paid by Bouvet during the second quarter. Equity at 30 June totalled NOK 138.1 million, representing an equity ratio of 34.5 per cent.

The corresponding figures for 30 June 2013 were an equity of NOK 119 million and an equity ratio of 32.8 per cent. Bouvet's long-term target is to maintain an equity ratio in excess of 30 per cent.

### Segment reporting

The group does not report internally by business areas or segments in an accounting sense. Its business is homogenous and pursued within the Nordic market for IT consultancy services. Risk and return are followed up at departmental level within homogenous consultancy departments with shared markets, on a project basis and per consultant. This does not provide a basis for segment reporting, which is accordingly not presented. Should changes be made to the group's business, the possibility that these changes might provide a basis for segment reporting will be assessed.

## Developments and market

Bouvet offers the full range of expertise required to develop its clients in a digital direction. The first half of 2014 demonstrated that this is appreciated by the market. Bouvet combines deep technological knowledge and the ability to create effective digital communication with a good commercial understanding within the individual sectors.

The oil and gas industry is Bouvet's biggest sector. The industry is currently characterized by cost cutting. Through its long experience of this business, the company knows what is required in terms of systems, organisations and processes for conducting exploration and production. It is accordingly well positioned to support the many new players who are now expanding on the Norwegian continental shelf (NCS). Det Norske Oljeselskap is an example of a company currently expanding its operations, and it acquired Marathon Oil Norge during the second quarter. Bouvet is now supporting Det Norske Oljeselskap in both Trondheim and Stavanger. Its activities with Statoil were again reduced during the second quarter.

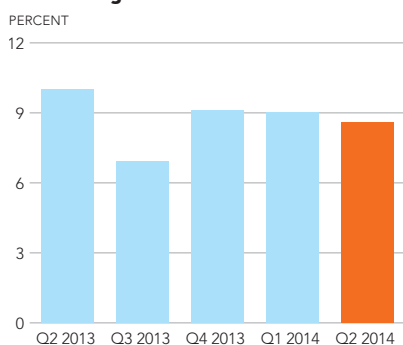
The public sector is digitising rapidly. Bouvet has increased its sales to the central and local government sectors in both Norway

and Sweden. Enhanced efficiency, improved digital services for citizens, greater data availability, universal design and improved information security are among the drivers in this sector. Seventeen per cent of Bouvet's sales derived during the second quarter from public administration and the armed forces, with 37 per cent made to enterprises wholly owned by the public sector.

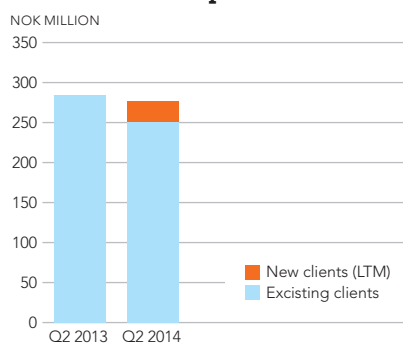
Power supply is a sector which faces big investment requirements, and Bouvet has many clients here. It is involved, for example, in a number of projects related to the establishment of advanced metering systems (AMS).

Retailing is characterised by the trend towards e-commerce. An integrated cross-channel customer experience is becoming steadily more important, and Bouvet occupies a strong position here. Coop is an example of a sharply expanding client which now receives support from Bouvet in a number of specialist areas.

### EBIT-margin



### Revenues – client split



Service provision has become more important than the production of goods in Scandinavia, and this trend is reflected in Bouvet's client base. Customer experience is important in everything from media to transport and technical services, and digital solutions are contributing to effective provision of services.

## Regional developments



### Rogaland region

Bouvet is increasing its share of a Rogaland market characterised by cost cutting in the Oil and Gas sector. A high level of activity and many opportunities relate to new players on the NCS. Bouvet has the technical

expertise and structural capital required to help exploration companies through the process of becoming operators on the continental shelf. This involves an integrated concept which takes account of systems, process and organisation. One company which purchased this concept during the period is Det Norske Oljeselskap. Others are in the process of becoming operators and, with its broad range of services, Bouvet is well positioned to meet their needs.

During the quarter, the Rogaland region continued to develop its service concepts in order to respond better to market demand. An important aspect here is to offer clients more integrated solutions at a predictable cost. A steadily growing share of sales in Rogaland is being made through models where Bouvet accepts greater delivery responsibility. An example of a product which the company now sells at a fixed price is "integration as a service".

It can furthermore be mentioned that Bouvet is to develop a new solution for information management and document handling at Eni Norge, introduce Lean in Hydro, undertake security analyses at Petoro and provide project management for Svenska Petroleum.

Major clients in the region include Eni Norge, Statoil, GDF Suez, Nortura, Total, Lyse, Wintershall and ConocoPhillips.

The Olavstoppen subsidiary, which provides services in Rogaland within digital communication, has a good reputation and delivered positive results during the quarter.



### Eastern region

A good quarter was experienced by the eastern region, with assignments for both new and existing clients.

The armed forces are the biggest client in the region, and it became clear

during the second quarter that the frame agreement with them would be extended by a further year. Bouvet is supporting digitisation of the armed forces in a number of areas. Another major public-sector client is the State Agency for the Recovery of Fines, Damages and Costs, which signed a

Health is a sector where Bouvet has enjoyed strong growth in recent years, and the company supports health enterprises in both Norway and Sweden. A common denominator for much of this activity is systems which focus on the patient rather than the therapist.

contract with Bouvet before the summer on management and continued development of its recovery system. Worth more than NOK 100 million, this assignment runs for five years with an option for a further two.

Demand is growing for business systems which can also be used with mobile units. Bouvet is to implement an enterprise resource planning (ERP) system for a new client in the transport sector, which includes development a mobile application for its drivers. And Viking Redningstjeneste has ordered new mobile solutions for its employees from Bouvet. Maintenance personnel at Statkraft also took a mobile application developed by the company into use during the quarter.

Bouvet won an assignment during the period to design and develop a new website for Hafslund Nett, while Viasat awarded a contract on support for mass communication and brand-building. Both these companies are new clients in the communication and customer experience field. Activity in this area is also good at existing clients.

Coop is making a commitment to e-commerce, and get support here under its frame agreement with Bouvet. Statnett, the Norwegian National Rail Administration and Sykehuspartner (the South-Eastern Norway Regional Health Authority) are other clients who awarded new assignments to Bouvet during the quarter.

Activity in Bouvet's course business was satisfactory during the period.



### Northern region

Demand for Bouvet's services in the northern region is good, and new assignments have been secured in the oil/gas industry, the health sector and public administration.

Det Norske Oljeselskap, with its head office in Trondheim, entered into a frame agreement with Bouvet in the first quarter, and support under this contract has now got well under way. Overall activity for Statoil in the northern region has declined somewhat, but Bouvet is also securing new assignments from this client.

Bouvet's Trondheim office has one of Norway's strongest teams for digital map solutions. The company delivers in this field to Barents Watch/the Norwegian Coastal Administration, for example, and these rank now among the northern region's

largest clients. The City of Trondheim has also become an important client, and commissioned a solution for managing support payments.

Activity in the health sector is increasing in the northern region as well. Contracts were secured during the quarter with Mid-Norway Regional Health Authority in such areas as medical registration systems.



### **Bergen region**

Bouvet's level of activity in the Bergen region is good, and many important contracts were secured during the quarter. The largest of these is a frame agreement with Hordaland county council on the design and develop-

ment of web solutions. Running for two years with options for a further two, this contract embraces a number of different websites. A new mobile-friendly website developed by Bouvet for Bergen University College was launched before the summer.

The Western Norway Regional Health Authority has become an important client in Bergen. Bouvet is designing and developing a new website for the authority which focuses on the patient and where information is tailored to the needs of the individual user.

A number of Bouvet's clients in the banking/finance sector have extended their assignments. These include BankID, which is receiving support from Bouvet in developing this service without Java.

Security is becoming increasingly important for clients, and Bouvet has landed a frame agreement on information security from the City of Bergen. Statoil remains an important client for the company in Bergen.



### **Southern region**

Bouvet is experiencing growing demand in the Agder counties for consultancy and project manager services. Demand for system development services is steady in Vestfold and Telemark.

The company has supported Statoil for a number of years with Procosys, and secured an important management agreement for this project execution tool during the second quarter.

Agder Energi Nett awarded Bouvet a substantial assignment within its programme for establishing AMS. The company also won a contract for ICT security from this client.

Bouvet has been a significant contributor over many years to the myDrilling™ service from Aker Solutions. A new version has now been delivered and adopted by the client on schedule. Bouvet has also developed an environmental reporting solution for the Eco-Lighthouse Foundation.



### **Sweden region**

Bouvet's Swedish sales and workforce have grown. However, hourly rates are under heavy pressure in the Swedish market.

Digital communication is a priority area for Bouvet in Sweden. This led during the quarter to several new assignments involving the development of web-based solutions for the local government sector. Nobina, a large Nordic bus company, has ordered an intranet with social functions from Bouvet.

The company has developed a concept for solutions related to administrative procedures. On that basis, a contract has been secured to develop a European quality register for cancer treatment.

Other major Swedish clients include SAS, ICA, the Swedish Transport Administration/Swedish Road Administration and Vattenfall.

### **Sesam**

Sesam is a solution for integration, search and data analysis, based on semantic technology. Established as a separate business unit earlier this year, it sells data integration as a service.

Hafslund has used Sesam for search and data integration over a number of years. The solution has now been adopted for the work of establishing AMS. Statnett has also linked a number of systems to its Sesam-based integration.

The Norwegian National Rail Administration and the Directorate for Cultural Heritage need to handle large volumes of data, and a proof of concept based on Sesam was delivered to both clients during the second quarter.

## Employees

Bouvet's ambition is to be the consultancy with the most satisfied workforce. That helps to ensure delivery quality, satisfied clients and low employee turnover. Bouvet works continuously to create job satisfaction among its workforce by making provision for professional development, social

interaction and a positive culture where team spirit occupies a central place.

The company had 945 employees at 30 June, up by 13 from 31 March and 51 from the same date of 2013.

## Risk

The group is exposed at any time to various forms of operational, market and financial risk. The board and executive management work continuously on risk management and control. This is described in more detail under

corporate governance in the annual report for 2013 (section 10: risk management and internal control). In the board's view, no significant changes occurred over the past three months in the various risks to which the group is exposed.

## Prospects

Digital solutions have created big social changes. These will continue in the years to come as innovative technology and new applications become available. Bouvet contributes to this development by making everyday life simpler for people and by securing a bigger return on digitisation for enterprises.

Bouvet has displayed great ability to adapt to the market and offer new services. Its expertise and experience in technology, user behaviour and experiences, and business processes

mean the company is well placed to remain an important player in coming years.

The need to adapt to changes in sectors and local markets will mean that Bouvet experiences some pressure on margins in the short term. However, the company has previously displayed great adaptability and everything required to sustain profitable growth in the longer term is accordingly in place.

## Contacts

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CFO

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# Declaration by the board and the chief executive

We hereby confirm to the best of our knowledge that the interim financial statements for the first half and the second quarter of 2014 have been prepared in accordance with IAS 34, and that the information in the financial statements provides a true and fair picture of the overall assets, liabilities, financial position and financial results of the Bouvet ASA group. We also confirm to the best of our knowledge that the interim report provides a true and fair view of important events in the accounting period and their influence on the interim financial statements, the most important risk and uncertainty factors facing the business in the next accounting period, and significant transactions with close associates.

Oslo, 28 August 2014  
The board of directors of Bouvet ASA

**Åge Danielsen**  
Chair of the board

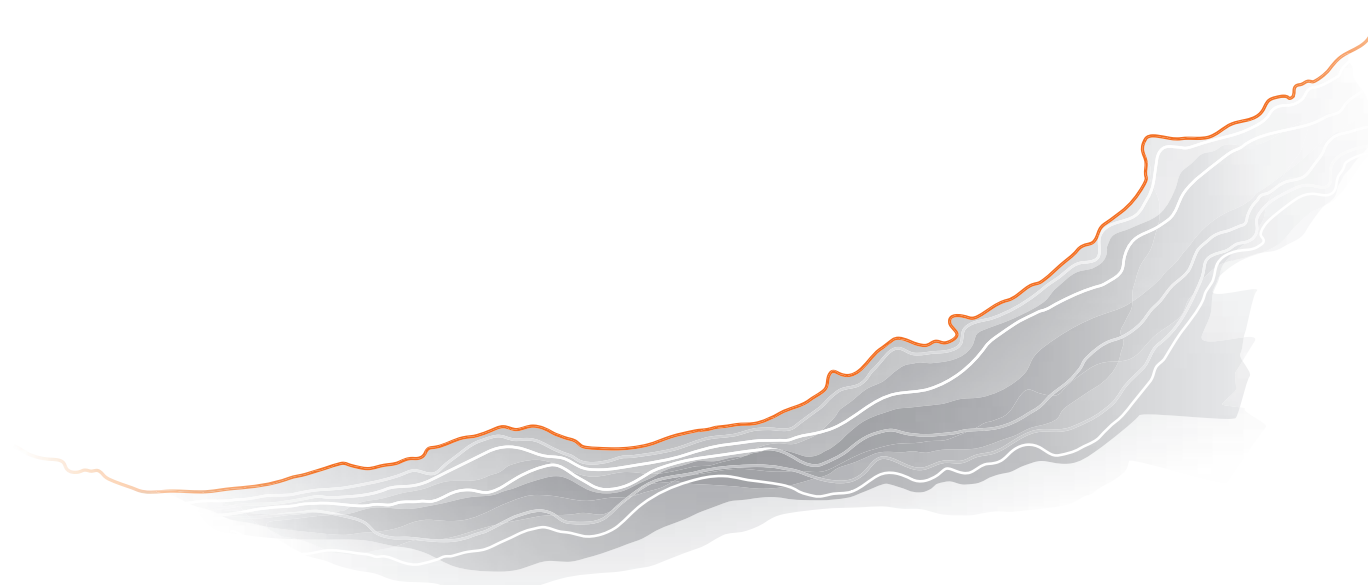
**Randi Helene Røed**  
Deputy chair

**Grethe Høiland**  
Director

**Ingebrigt Steen Jensen**  
Director

**Egil Christen Dahl**  
Director

**Sverre Hurum**  
President and CEO



# Consolidated income statement

NOK 1 000	UNAUDITED APR-JUN 2014	UNAUDITED APR-JUN 2013	CHANGE	CHANGE %	UNAUDITED JAN-JUN 2014	UNAUDITED JAN-JUN 2013	CHANGE	CHANGE %	YEAR 2013
REVENUE	276 197	284 264	-8 067	-2,8 %	577 122	565 423	11 699	2,1 %	1 112 774
OPERATING EXPENSES									
Cost of sales	34 720	45 644	-10 924	-23,9 %	71 051	86 877	-15 826	-18,2 %	151 996
Personell expenses	186 129	179 500	6 629	3,7 %	393 632	370 892	22 740	6,1 %	743 334
Depreciation fixed assets	2 523	2 231	292	13,1 %	4 941	4 808	133	2,8 %	9 404
Amortisation intangible assets	559	302	257	85,1 %	972	602	370	61,5 %	1 303
Other operating expenses	28 623	28 136	487	1,7 %	55 888	51 497	4 391	8,5 %	111 644
<b>Total operating expenses</b>	<b>252 554</b>	<b>255 813</b>	<b>-3 259</b>	<b>-1,3 %</b>	<b>526 484</b>	<b>514 676</b>	<b>11 808</b>	<b>2,3 %</b>	<b>1 017 681</b>
<b>Operating profit</b>	<b>23 643</b>	<b>28 451</b>	<b>-4 808</b>	<b>-16,9 %</b>	<b>50 638</b>	<b>50 747</b>	<b>-109</b>	<b>-0,2 %</b>	<b>95 093</b>
FINANCIAL ITEMS									
Other interest income	721	575	146	25,4 %	1 451	1 329	122	9,2 %	2 599
Other financial income	52	24	28	116,7 %	102	95	7	7,4 %	310
Other interest expense	-82	-93	11	-11,8 %	-185	-137	-48	35,0 %	-328
Other finance expense	-146	-231	85	-36,8 %	-277	-336	59	-17,6 %	-536
<b>Net financial items</b>	<b>545</b>	<b>275</b>	<b>270</b>	<b>98,2 %</b>	<b>1 091</b>	<b>951</b>	<b>140</b>	<b>14,7 %</b>	<b>2 045</b>
<b>Ordinary profit before tax</b>	<b>24 188</b>	<b>28 726</b>	<b>-4 538</b>	<b>-15,8 %</b>	<b>51 729</b>	<b>51 698</b>	<b>31</b>	<b>0,1 %</b>	<b>97 138</b>
Income tax expense									
Tax expense on ordinary profit	6 682	7 970	-1 288	-16,2 %	15 015	14 332	683	4,8 %	27 297
<b>Total tax expense</b>	<b>6 682</b>	<b>7 970</b>	<b>-1 288</b>	<b>-16,2 %</b>	<b>15 015</b>	<b>14 332</b>	<b>683</b>	<b>4,8 %</b>	<b>27 297</b>
<b>Profit for the period</b>	<b>17 506</b>	<b>20 756</b>	<b>-3 250</b>	<b>-15,7 %</b>	<b>36 714</b>	<b>37 366</b>	<b>-652</b>	<b>-1,7 %</b>	<b>69 841</b>
Assigned to:									
Shareholders in parent company	17 077	20 374			36 089	36 747			68 677
Non-controlling interests	429	382			625	619			1 164

# Statement of other income and costs

NOK 1 000	UNAUDITED APR-JUN 2014	UNAUDITED APR-JUN 2013	CHANGE	CHANGE %	UNAUDITED JAN-JUN 2014	UNAUDITED JAN-JUN 2013	CHANGE	CHANGE %	YEAR 2013
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	-61	4	-65	N/A	-117	184	-301	N/A	336
Sum other income and costs	-61	4	-65	N/A	-117	184	-301	N/A	336
Profit for the period	17 506	20 756	-3 250	-15,7 %	36 714	37 366	-652	-1,7 %	69 841
<b>Total profit</b>	<b>17 445</b>	<b>20 760</b>	<b>-3 315</b>	<b>-16,0 %</b>	<b>36 597</b>	<b>37 550</b>	<b>-953</b>	<b>-2,5 %</b>	<b>70 177</b>
Assigned to:									
Shareholders in parent company	17 016	20 378			35 972	36 931			69 013
Non-controlling interests	429	382			625	619			1 164
Diluted earnings per share	1,65	1,97	-0,32	-16,3 %	3,48	3,55	-0,07	-1,8 %	6,67
Earnings per share	1,67	2,00	-0,33	-16,5 %	3,53	3,59	-0,06	-1,6 %	6,75

# Consolidated balance sheet

NOK 1 000	UNAUDITED 30.06.2014	UNAUDITED 30.06.2013	CHANGE	CHANGE %	31.12.2013
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
INTANGIBLE ASSETS					
Deferred tax asset	104	0	104	N/A	155
Goodwill	22 183	18 592	3 591	19,3 %	18 745
Other intangible assets	11 074	6 572	4 502	68,5 %	6 001
<b>Total intangible assets</b>	<b>33 361</b>	<b>25 164</b>	<b>8 197</b>	<b>32,6 %</b>	<b>24 901</b>
FIXED ASSETS					
Office equipment	10 414	8 234	2 180	26,5 %	9 733
Office machines and vehicles	2 302	1 863	439	23,6 %	1 941
IT equipment	10 947	10 794	153	1,4 %	11 044
<b>Total fixed assets</b>	<b>23 663</b>	<b>20 891</b>	<b>2 772</b>	<b>13,3 %</b>	<b>22 718</b>
FINANCIAL NON-CURRENT ASSETS					
Other long-term receivables	11	11	0	0,0 %	11
<b>Total financial non-current assets</b>	<b>11</b>	<b>11</b>	<b>0</b>	<b>0,0 %</b>	<b>11</b>
<b>Total non-current assets</b>	<b>57 035</b>	<b>46 066</b>	<b>10 969</b>	<b>23,8 %</b>	<b>47 630</b>
<b>CURRENT ASSETS</b>					
Work in progress	108 381	107 990	391	0,4 %	84 476
Trade accounts receivable	112 562	131 103	-18 541	-14,1 %	125 451
Other short-term receivables	24 787	21 866	2 921	13,4 %	18 658
Cash and cash equivalents	97 992	55 644	42 348	76,1 %	169 222
<b>Total current assets</b>	<b>343 722</b>	<b>316 603</b>	<b>27 119</b>	<b>8,6 %</b>	<b>397 807</b>
<b>TOTAL ASSETS</b>	<b>400 757</b>	<b>362 669</b>	<b>38 088</b>	<b>10,5 %</b>	<b>445 437</b>

# Consolidated balance sheet

NOK 1 000	UNAUDITED 30.06.2014	UNAUDITED 30.06.2013	CHANGE	CHANGE %	31.12.2013
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>PAID-IN CAPITAL</b>					
Share capital	10 250	10 250	0	0,0 %	10 250
Own shares - nominal value	-19	-155	136	-87,7 %	-19
Share premium fund	10 000	10 000	0	0,0 %	10 000
<b>Total paid-in capital</b>	<b>20 231</b>	<b>20 095</b>	<b>136</b>	<b>0,7 %</b>	<b>20 231</b>
<b>EARNED EQUITY</b>					
Other equity	114 547	96 686	17 861	18,5 %	136 869
<b>Total earned equity</b>	<b>114 547</b>	<b>96 686</b>	<b>17 861</b>	<b>18,5 %</b>	<b>136 869</b>
Non-controlling interests	3 354	2 183	1 171	53,6 %	2 729
<b>Total equity</b>	<b>138 132</b>	<b>118 964</b>	<b>19 168</b>	<b>16,1 %</b>	<b>159 829</b>
<b>DEBT</b>					
<b>LONG-TERM DEBT</b>					
Deferred tax	0	653	-653	-100,0 %	0
<b>Total long-term debt</b>	<b>0</b>	<b>653</b>	<b>-653</b>	<b>-100,0 %</b>	<b>0</b>
<b>SHORT-TERM DEBT</b>					
Trade accounts payable	24 368	33 325	-8 957	-26,9 %	31 863
Income tax payable	24 161	6 934	17 227	248,4 %	28 557
Public duties payable	93 712	85 879	7 833	9,1 %	106 347
Other short-term debt	120 384	116 914	3 470	3,0 %	118 841
<b>Total short-term debt</b>	<b>262 625</b>	<b>243 052</b>	<b>19 573</b>	<b>8,1 %</b>	<b>285 608</b>
<b>Total liabilities</b>	<b>262 625</b>	<b>243 705</b>	<b>18 920</b>	<b>7,8 %</b>	<b>285 608</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>400 757</b>	<b>362 669</b>	<b>38 088</b>	<b>10,5 %</b>	<b>445 437</b>

# Consolidated statement of cash flows

NOK 1 000	UNAUDITED APR-JUN 2014	UNAUDITED APR-JUN 2013	UNAUDITED JAN-JUN 2014	UNAUDITED JAN-JUN 2013	YEAR 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Ordinary profit before tax	24 188	28 726	51 729	51 698	97 138
Paid tax	-897	-13 610	-19 865	-27 221	-19 847
(Gain)/loss on sale of fixed assets	-77	0	-148	0	-41
Ordinary depreciation	2 523	2 231	4 941	4 808	9 404
Amortisation intangible assets	559	302	972	602	1 303
Share based payments	1 181	999	2 362	1 998	3 980
Changes in work in progress, accounts receivable and accounts payable	9 386	-20 354	-18 511	-39 730	-12 026
Changes in other accruals	-18 857	-512	-16 755	-6 137	19 469
<b>Net cash flow from operating activities</b>	<b>18 006</b>	<b>-2 218</b>	<b>4 725</b>	<b>-13 982</b>	<b>99 381</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale of fixed assets	81	0	165	0	1 293
Purchase of fixed assets	-2 544	-1 068	-5 900	-3 071	-10 746
Purchase of intangible assets	-860	-325	-1 267	-1 587	-1 660
Investment in subsidiaries - net cash	0	0	-5 909	0	0
<b>Net cash flow from investing activities</b>	<b>-3 324</b>	<b>-1 392</b>	<b>-12 912</b>	<b>-4 658</b>	<b>-11 114</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Purchase of own shares	0	-11 539	0	-11 539	-11 539
Sales of own shares	0	0	0	0	6 671
Dividend payments	-61 500	-52 022	-61 500	-52 022	-52 022
<b>Net cash flow from financing activities</b>	<b>-61 500</b>	<b>-63 561</b>	<b>-61 500</b>	<b>-63 561</b>	<b>-56 891</b>
Net changes in cash and cash equivalents	-46 817	-67 171	-69 687	-82 201	31 377
<b>Cash and cash equivalents at the beginning of the period*</b>	<b>144 809</b>	<b>122 815</b>	<b>167 679</b>	<b>137 845</b>	<b>137 845</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>97 992</b>	<b>55 644</b>	<b>97 992</b>	<b>55 644</b>	<b>169 222</b>

\* Cash and cash equivalents of period Jan-Jun 2014 is adjusted with cash flow NOK 1 543 thousand from acquisition of subsidiary during the period.

# Consolidated statement of changes in equity

NOK 1 000	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM	TOTAL PAID- IN EQUITY	OTHER EQUITY	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
Equity at 01.01.2013	10 250	-1	10 000	20 249	119 757	2 336	142 341
Total comprehensive income				0	36 931	619	37 550
Purchase/sale of own shares (net)		-154		-154	-11 386		-11 540
Employee share scheme				0	2 635		2 635
Dividend				0	-51 250	-772	-52 022
Equity at 30.06.2013 (Unaudited)	10 250	-155	10 000	20 095	96 687	2 183	118 964
Equity at 01.01.2014	10 250	-19	10 000	20 231	136 869	2 729	159 829
Total comprehensive income				0	35 972	625	36 597
Employee share scheme				0	3 089		3 089
Dividend				0	-61 384		-61 384
Equity at 30.06.2014 (Unaudited)	10 250	-19	10 000	20 231	114 546	3 354	138 132

# Notes

## Note 1: Accounting principles

The group made no changes to the accounting principles applied in 2014. This interim report is presented in accordance with the International Financial Reporting Standards (IFRS) and interpretations determined by the European Union, and have been prepared in accordance with IAS 34. The interim financial statements have not been audited, do not include all the information required in annual financial statements and should be viewed in conjunction with the group's annual report for 2013.



# Key figures Group

NOK 1 000	APR-JUN 2014	APR-JUN 2013	CHANGE %	JAN-JUN 2014	JAN-JUN 2013	CHANGE %	YEAR 2013
<b>INCOME STATEMENT</b>							
Operating revenue	276 197	284 264	-2,8 %	577 122	565 423	2,1 %	1 112 774
EBITDA	26 725	30 984	-13,7 %	56 551	56 157	0,7 %	105 800
Operating profit (EBIT)	23 643	28 451	-16,9 %	50 638	50 747	-0,2 %	95 093
Ordinary profit before tax	24 188	28 726	-15,8 %	51 729	51 698	0,1 %	97 138
Profit for the period	17 506	20 756	-15,7 %	36 714	37 366	-1,7 %	69 841
EBITDA-margin	9,7 %	10,9 %	-11,2 %	9,8 %	9,9 %	-1,3 %	9,5 %
EBIT-margin	8,6 %	10,0 %	-14,5 %	8,8 %	9,0 %	-2,2 %	8,5 %
<b>BALANCE SHEET</b>							
Non-current assets	57 035	46 066	23,8 %	57 035	46 066	23,8 %	47 630
Current assets	343 722	316 603	8,6 %	343 722	316 603	8,6 %	397 807
Total assets	400 757	362 669	10,5 %	400 757	362 669	10,5 %	445 437
Equity	138 132	118 964	16,1 %	138 132	118 964	16,1 %	159 829
Long-term debt	0	653	-100,0 %	0	653	-100,0 %	0
Short-term debt	262 625	243 052	8,1 %	262 625	243 052	8,1 %	285 608
Equity ratio	34,5 %	32,8 %	5,1 %	34,5 %	32,8 %	5,1 %	35,9 %
Liquidity ratio	1,31	1,30	0,5 %	1,31	1,30	0,5 %	1,39
<b>CASH FLOW</b>							
Net cash flow operations	18 006	-2 218	N/A	4 725	-13 982	N/A	99 381
Net free cash flow	14 683	-3 610	N/A	-8 187	-18 640	N/A	88 267
Net cash flow	-46 817	-67 171	N/A	-69 687	-82 201	N/A	31 377
Cash flow margin	6,5 %	-0,8 %	N/A	0,8 %	-2,5 %	N/A	8,9 %
<b>SHARE INFORMATION</b>							
Number of shares	10 250 000	10 250 000	0,0 %	10 250 000	10 250 000	0,0 %	10 250 000
Weighted average basic shares outstanding	10 230 644	10 198 320	0,3 %	10 230 644	10 223 551	0,1 %	10 174 317
Weighted average diluted shares outstanding	10 355 542	10 316 214	0,4 %	10 355 542	10 341 445	0,1 %	10 292 902
EBIT per share	2,25	2,75	-17,9 %	4,87	4,88	-0,3 %	9,20
Diluted EBIT per share	2,23	2,71	-18,0 %	4,81	4,82	-0,4 %	9,09
Earnings per share	1,67	2,00	-16,4 %	3,53	3,59	-1,9 %	6,75
Diluted earnings per share	1,65	1,97	-16,5 %	3,48	3,55	-1,9 %	6,67
Equity per share	13,48	11,61	16,1 %	13,48	11,61	16,1 %	15,59
Dividend per share	6,00	5,00	20,0 %	6,00	5,00	20,0 %	5,00
<b>EMPLOYEES</b>							
Number of employees (year end)	945	894	5,7 %	945	894	5,7 %	931
Average number of employees	946	893	6,0 %	939	891	5,3 %	908
Operating revenue per employee	292	318	-8,3 %	615	635	-3,1 %	1 225
Operating cost per employee	267	286	-6,8 %	561	578	-2,9 %	1 121
EBIT per employee	25	32	-21,6 %	54	57	-5,3 %	105

# Definitions

Cash flow margin	Net cash flow operations / Operating revenue
Diluted earnings per share	Profit for the period assigned to shareholders in parent company / weighted average diluted shares outstanding
Diluted EBIT per share	EBIT assigned to shareholders in parent company / weighted average diluted shares outstanding
Dividend per share	Paid dividend per share throughout the year
Earnings per share	Profit for the period assigned to shareholders in parent company / weighted average basic shares outstanding
EBIT	Operating profit
EBIT per employee	EBIT / average number of employees
EBIT per share	EBIT assigned to shareholders in parent company / weighted average basic shares outstanding
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITDA-margin	EBITDA / operating revenue
EBIT-margin	EBIT / operating revenue
Equity per share	Equity / number of shares
Equity ratio	Equity / total assets
Liquidity ratio	Current assets / Short-term debt
Net free cash flow	Net cash flow operations - Net cash flow investments
Number of shares	Number of issued shares at the end of the year
Operating cost per employee	Operating cost / average number of employees
Operating revenue per employee	Operating revenue / average number of employees
Weighted average basic shares outstanding	Issued shares adjusted for own shares on average for the year
Weighted average diluted shares outstanding	Issued shares adjusted for own shares and share scheme on average for the year

# Local presence gives closeness to our customers

The Group has offices in Oslo, Trondheim, Bergen, Haugesund, Stavanger, Kristiansand, Arendal, Skien, Sandvika, Sandefjord, Malmö, Örebro and Stockholm. Our philosophy is that competence should be utilized across the company, while projects are attached locally. This means that our customers will have a local account manager and project manager, but access to competence independent of its location.

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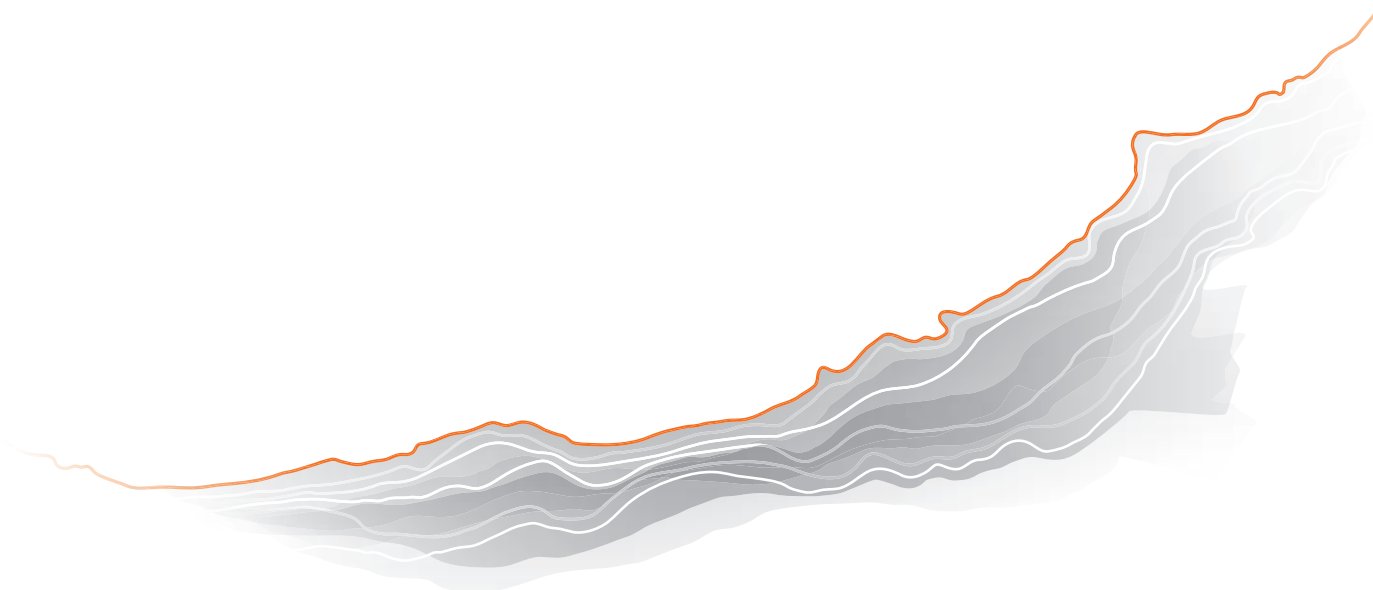
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