

12 November 2014

bouvet

QUARTERLY REPORT

Q314



54°26'39"S 3°23'59"E



54°24'20"S 3°17'36"E



54°25'28"S 3°17'20"E

## About Bouvet

Bouvet provides services in the fields of information technology, digital communication and enterprise management. At 30 September, it had 962 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 third quarter 2014

- Operating revenues of NOK 242.3 million for the quarter, down from NOK 249.1 million in the same period of 2013. This represents a decline of 2.7 per cent.
- Sales to Statoil, Bouvet's largest client, in the third quarter fell by 41.2 per cent from the same period of last year.
- Operating profit (EBIT) of NOK 9.2 million for the quarter, compared with NOK 17.1 million in the same period of 2013.
- Workforce at 30 September totalled 962 people, up by 17 from 30 June and 46 from 30 September 2013.
- Strengthened position in such priority areas as consultancy, management systems, digital communication and security.

## Key figures

MILLIONS NOK	JUL-SEP 2014	JUL-SEP 2013	CHANGE %	JAN-SEP 2014	JAN-SEP 2013	CHANGE %	YEAR 2013
Revenue	242,3	249,1	-2,7 %	819,4	814,5	0,6 %	1 112,8
Operating profit (EBIT)	9,2	17,1	-46,3 %	59,8	67,9	-11,8 %	95,1
Ordinary profit before tax	9,4	17,5	-46,3 %	61,1	69,2	-11,7 %	97,1
Profit for the period	6,6	12,4	-47,2 %	43,3	49,8	-13,1 %	69,8
Net cash flow operations	-14,0	20,5	-168,4 %	-9,3	6,5	-242,3 %	99,4
Cash and cash equivalents	79,1	73,2	8,0 %	79,1	73,2	8,0 %	169,2
Number of employees (end of period)	962	916	5,0 %	962	916	5,0 %	931
Number of employees (average)	954	913	4,5 %	941	901	4,4 %	908
Earnings per share	0,62	1,23	-49,6 %	4,15	4,81	-13,8 %	6,75
Diluted earnings per share	0,61	1,21	-49,4 %	4,10	4,76	-13,8 %	6,67
EBIT margin	3,8 %	6,9 %		7,3 %	8,3 %		8,5 %
Equity ratio	38,0 %	36,4 %		38,0 %	36,4 %		35,9 %

## Financial results

### Operating revenues

Bouvet had operating revenues of NOK 242.3 million in the third quarter, compared with NOK 249.1 million in the same period of 2013. That represented a decrease of 2.7 per cent. Fee income generated by the group's own employees increased by NOK 1 million or 0.4 per cent from the third quarter of last year. Income generated by sub-contractors fell by NOK 8.2 million or 26.4 per cent over the same period. Operating revenues were negatively affected by a drop of 5.3 percentage points in the billing ratio for the group's consultants compared with the third quarter of 2013. At the same time, they were positively affected by an increase of 4.5 per cent in the average number of employees and a 2.6 per cent rise in rates for the group's hourly based services.

Operating revenues for the first nine months came to NOK 819.4 million, compared with NOK 814.5 million in the same period of 2013. That represented an increase of 0.6 per cent.

Operating revenues from Statoil, the group's biggest client, declined by 41.2 per cent from the third quarter of 2013. Despite that, overall sales to existing clients made good progress during the quarter. Clients who also used the group in the third quarter of 2013 accounted for 88.8 per cent of operating revenues. In addition, clients acquired since 30 September 2013 contributed a total of NOK 27.2 million to third-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 9.4 per cent, compared with 12.5 per cent in the third 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 233.1 million for the third quarter, up from NOK 232 million in the same period of 2013. That represents

an increase of 0.5 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 3.4 per cent over the past 12 months. The cost of sales declined from NOK 33.2 million in the third quarter of 2013 to NOK 26.8 million, and primarily comprised procurement of sub-contractor services and the hire of course instructors. Other operating costs rose by 4.2 per cent from the third quarter of 2013 to NOK 30.4 million. This increase of NOK 1.2 million reflected a growth of NOK 2.8 million in costs associated with social benefits and recruitment. The cost of premises and infrastructure declined by NOK 0.8 million, while travel expenses fell by NOK 0.6 million. Further changes from the third quarter of 2013 are otherwise small.

### Profit

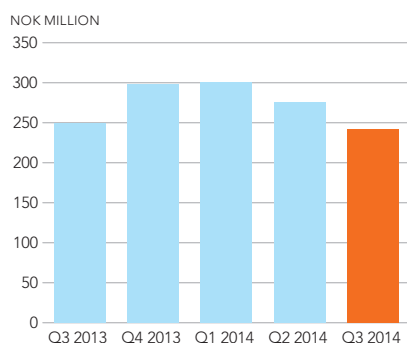
Operating profit (EBIT) for the third quarter came to NOK 9.2 million, compared with NOK 17.1 million in the same period of 2013. The EBIT margin thereby fell from 6.9 per cent in the third quarter of last year to 3.8 per cent. Net profit came to NOK 6.6 million, compared with NOK 12.4 million in the same period of 2013. Diluted earnings per share were NOK 0.61 for the quarter, compared with NOK 1.21 in the same period of 2013.

For the first nine months, the cumulative EBIT came to NOK 59.8 million as against NOK 67.9 million in the same period of 2013. That represented a fall of 11.8 per cent. The EBIT margin thereby declined to 7.3 per cent, compared with 8.3 per cent in the first nine months of last year. Net profit came to NOK 43.3 million, down from NOK 49.8 million in the same period of 2013. Diluted earnings per share were NOK 4.10 for the first nine months, compared with NOK 4.76 in the same period of 2013.

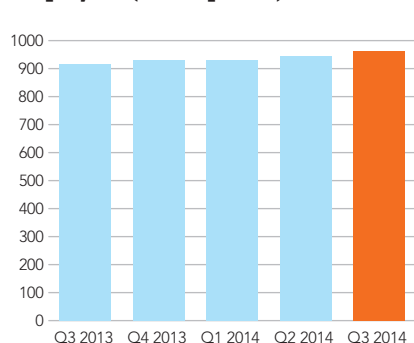
### Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was negative at NOK 14 million in the third quarter, compared with a positive NOK 20.5 million in the same period of 2013. Cash flow in the quarter was negatively affected by a reduction of NOK 24.9 million in current liabilities from the second quarter of 2014.

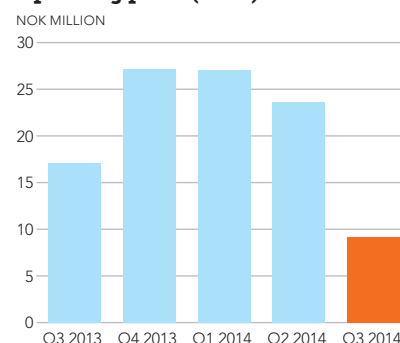
#### Revenues



#### Employees (end of period)



#### Operating profit (EBIT)



The decline in current liabilities reflected a NOK 0.9 million fall in accounts payable, a reduction of NOK 6.1 million in direct and indirect taxes payable, and a drop of NOK 17.9 million in other current liabilities. Working capital related to clients, work in progress and other current liabilities was virtually unchanged from the second quarter.

Consolidated cash flow from operations for the first nine months was negative at NOK 9.3 million, compared with a positive NOK 6.5 million in the same period of 2013. Consolidated cash flow from operations for the past 12 months was NOK 83.5 million, while net profit for the same period was NOK 63.3 million.

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

Bouvet has no interest-bearing debt. Bank deposits at

30 September totalled NOK 79.1 million, compared with NOK 73.2 million a year earlier. It held 19 356 of its own shares at 30 September. Equity at 30 September totalled NOK 145.4 million, representing an equity ratio of 38 per cent. The corresponding figures for 30 September 2013 were an equity of NOK 132.9 million and an equity ratio of 36.4 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. Deep technological knowledge is combined with the ability to create effective digital communication and a good commercial understanding in the various economic sectors.

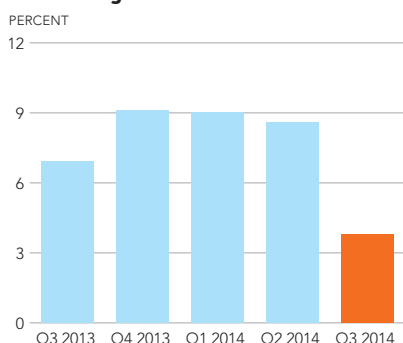
The oil and gas industry is still affected by cost-cutting, particularly at Statoil – Bouvet's biggest client. However, sales have grown to other oil/gas companies. Compared with the same quarter of last year, Bouvet has seen a rise in sales to customers in electricity supply, health, manufacturing, services, transport and retailing as well as media, communication and telecommunications. Thirty-two per cent of Bouvet's sales in the third quarter were to clients who are wholly state-owned. That represented an increase of two percentage points from the same period of last year.

Bouvet strengthened its position in several service areas during the quarter. That applied particularly to consultancy services related to digitisation. Through a new contract with Eni Norge, the company secured yet another client for process modelling and management systems. These are services closely related to the core business of clients, and Bouvet now has solid specialist teams within this area in several of its regions.

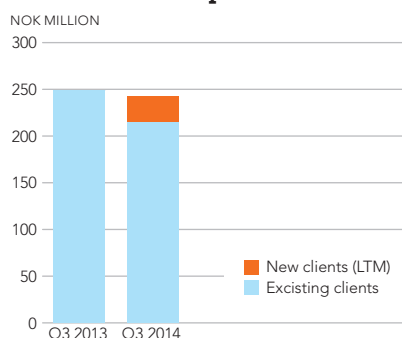
Bouvet has also built up strong teams in security and vulnerability analyses. Market demand for these services is growing. Safety analysis for socially critical solutions such as BankId and Altinn show that Bouvet enjoys client confidence in this area.

The market has also appreciated Bouvet's expertise with advertising services. Several strong brands are now using the company to develop its communication in various channels.

### EBIT-margin



### Revenues – client split



## Regional developments



### Eastern region

Bouvet is winning many new contracts from existing clients in the eastern region. The number of enquiries from new clients has declined a little.

During the quarter, the company secured extended assignments from Color Line, the armed forces, DNV GL, Elkjøp, the Norwegian National Rail Administration, Sporveien and the Norwegian Customs and Excise.

Statnett has launched major projects related to IT and digitisation. A frame agreement covering four areas was secured from this client during the quarter. Three of these areas - architecture, application management and infrastructure - have not been covered by earlier frame agreements with Statnett. Bouvet also secured a contract on a new management system for the submarine cable to the Netherlands.

Growth is continuing in the health sector, and new assignments were secured during the quarter from Sykhuspartner in the fields of architecture, application packaging and infrastructure.

Bouvet won a number of new contracts for customer experience and digital communication. It was selected by ViaSat as its new advertising agency, and will support brand building and positioning in all channels. Both the Biathlon World Championships in Oslo in 2016 and Oslo Taxi have chosen the company as its digital communication agency. Gjensidige has awarded a frame agreement to Bouvet in the content marketing field. Among other assignments, the company will write the text for Gjensidige's newsletters to customers. It has also won the job of designing and developing a new website for the Norwegian Association of Local and Regional Authorities (KS).

The new commitment to CRM solutions is bearing fruit. Bouvet is now implementing SAP Cloud for Customer at a number of clients, and ranks as the first company in Norway to deliver this product. The Norwegian Institute for Energy Technology has entered into a new three-year agreement with Bouvet on total management of SAP.



### Rogaland region

In the Rogaland region, Bouvet operates in a market affected by the downturn in the oil and gas sector. Statoil is cutting costs and again reduced its callout of services from Bouvet in this quarter. However,

activity is good and many opportunities exist among the new players on the Norwegian continental shelf.

Three important contracts were entered into during the quarter with oil company Eni Norge. One covers the

development and administration of its management system, and includes facilitating process improvement and modelling, development of the technical solution and training. The two others relate to a collaboration solution for well operations and safety, and a solution for life cycle information.

Information security has become an important field for Bouvet in Rogaland. A risk and vulnerability analysis is to be conducted for Altibox, for example.

In addition, mention can be made of services related to collaboration solutions and a mobile SAP solution ordered by Talisman and Aibel respectively.

Cost cuts in the oil and gas sector also create new opportunities. Bouvet now offers shared solutions for a number of services, an approach attracting client interest as part of their cost reductions and efficiency improvements.

New service concepts are constantly being developed by Bouvet in Rogaland. One is field data management, a business intelligence solution for production information in the oil industry.

The Olavstoppen subsidiary won a number of new assignments during the period, including work related to the Norwegian Mapping Authority's seHavnivå website, redesign of a web solution for Interwell, a new internet solution for TCO, and further development of web solutions for Edison and the Petroleum Safety Authority Norway.

In cooperation with Bouvet in Rogaland, Olavstoppen has secured a contract to develop an intranet for Sandnes local authority. The level of activity in the company is high, and it is delivering good results.



### Northern region

Bouvet's level of activity in Trondheim remains good, but competition in the local market is strong. The biggest clients include the Norwegian Coastal Administration/Barentswatch, Statoil, the Norwegian University of Science

and Technology (NTNU), the Mid-Norway Regional Health Authority, Det Norske Oljeselskap and the City of Trondheim.

Det Norske Oljeselskap again increased its callout of services from Bouvet during the quarter. Other clients commissioning new assignments included Statoil, NxtMedia, Adresseavisen, the Norwegian Centre for ICT in Education and Enova.

Since 30 September, Bouvet has entered into an agreement to acquire Capgemini's regional office in Trondheim. This increases staffing for the northern region from 60 to 95 people.



### **Bergen region**

Bouvet's level of activity in the Bergen region is good, and a number of the big tender in the region were won during the quarter. The majority of these assignments are in system development. Services related to user

experience form a key component of many of the contracts.

Security is another area of great interest to the market. Bouvet won a security-related frame agreement from the City of Bergen during the quarter, and calloffs have already been made under it. The volume of work in and expertise with process mapping and improvement are also making good progress.

Clients awarding assignments to the company during the quarter include Statoil, Fotoknudsens, TV2, the City of Bergen, the Norwegian Civil Aviation Authority, Aibel and the City of Oslo.

The seven hospital trusts in the Western Norway Regional Health Authority launched new mobile-friendly websites during the period. Bouvet has been responsible for the communication concept, design and technical development.

BankId launched a new Java-free solution in the quarter, which is now being gradually adopted by the various players. Security testing of the application has been conducted by Bouvet.



### **Southern region**

Bouvet's southern region has a number of clients in the industry, oil/gas and public sectors. The biggest clients are Agder Energi, MHWirth (previously Aker Solutions), Statoil, Flowtite Technology, Telenor, Yara and Skagerak Energi.

Security is again an area where demand is growing in the southern region. Bouvet's security experts carry out penetration tests as well as risk and vulnerability analyses for clients. Altinn is one of the solutions now being security-tested by Bouvet.

Demand for process modelling and consultant expertise is rising as a result of digitisation processes in the public sector.



### **Sweden region**

Bouvet is well positioned in the Swedish market, with the right expertise, good service concepts and a brand which has become better known over time. With today's organisation, however, further growth is needed to

achieve profitability and critical mass. Prices in Sweden are still under strong pressure.

The Swedish Legal, Financial and Administrative Services Agency enters into frame agreements which can be utilised by all public enterprises. Sweden is divided into five regions, and separate agreements are established for each of these. During the quarter, Bouvet signed frame agreements in four technical areas for the western region. Although the agency has entered into agreements with six suppliers in each technical area, the contract is so far-reaching that service calloffs are expected to be substantial. Bouvet is also the nominated candidate for the frame agreements in the northern and south-eastern regions. No nomination has yet been made for the last two regions. These contracts are likely to contribute to growth for the company in Sweden.

Bouvet has established itself as an important supplier of web solutions to Swedish local authorities. Hässelholm local authority entered into an agreement with the company during the quarter on developing a new residents portal. Other important customers who ordered services during the quarter were the Swedish Transport Agency, ICA, Ikano, the Skåne region and SAS. Bouvet's Swedish operation can draw on the expertise built up by the company in Norway's oil and gas sector, and has thereby won a job from Svenska Petroleum Exploration.

### **Sesam**

Sesam is a platform developed by Bouvet for cross-system information integration. Adopted by a number of clients, this solution makes it possible to acquire data easily from different systems, integrate them and distribute them to other systems. Sesam also supports cross-system data analysis and searching. It is sold as a subscription service, and has been established as a separate business unit in Bouvet.

Hafslund has used Sesam for a number of years, and has now chosen the platform for data handling in connection with the installation of automated metering systems (AMS). Bouvet is thereby well positioned in relation to the other energy utilities due to roll out AMS.

Bouvet has delivered a conceptual outline to the National Archive of Norway which shows how Sesam can help public enterprises to submit material suitable for preservation to the national and municipal archives. The National Archive wants to commit to this concept, which will also be of interest to the comparable institutions in Sweden and Denmark.

Since 30 September, a big contract has been entered into on the use of Sesam in the Directorate for Cultural Heritage's cultural heritage portal.

## Employees

Bouvet's ambition is to be the consultancy with the most satisfied workforce. That helps to ensure delivery quality, satisfied clients and lower employee turnover.

The company 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. One contribution to this is the annual celebration of Bouvet's independence day, which took place this year in Trondheim.

The company had 962 employees at 30 September, up by 17 from 30 June and 46 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.

In the short term, the need to adapt to changes in economic sectors and local markets means that Bouvet will experience some pressure on margins. However, the company has displayed great adaptability earlier. Conditions are accordingly favourable for Bouvet's profitable growth to continue in the longer term.

## Contacts

### **Sverre Hurum**

President and CEO

Tel: +47 23 40 60 00 | +47 91 35 00 47

### **Erik Stubø**

CFO

Tel: +47 23 40 60 00 | +47 95 03 60 11



# Declaration by the board and the chief executive

We hereby confirm that, to the best of our knowledge, the interim financial statements for the period 1 January to 30 September and the third quarter of 2014 have been prepared in accordance with IAS 34, and that the information presented in the financial statements gives a true and fair view of the overall assets, liabilities, financial position and results of the Bouvet ASA group. We also confirm, to the best of our knowledge, that the interim report gives a true and fair view of important events in the accounting period and their influence on the interim financial statements, the principle risks and uncertainties facing the business in the next accounting period, and significant transactions with close associates.

Oslo, 12 November 2014  
The board of directors of Bouvet ASA

**Åge Danielsen**  
Chair of the board

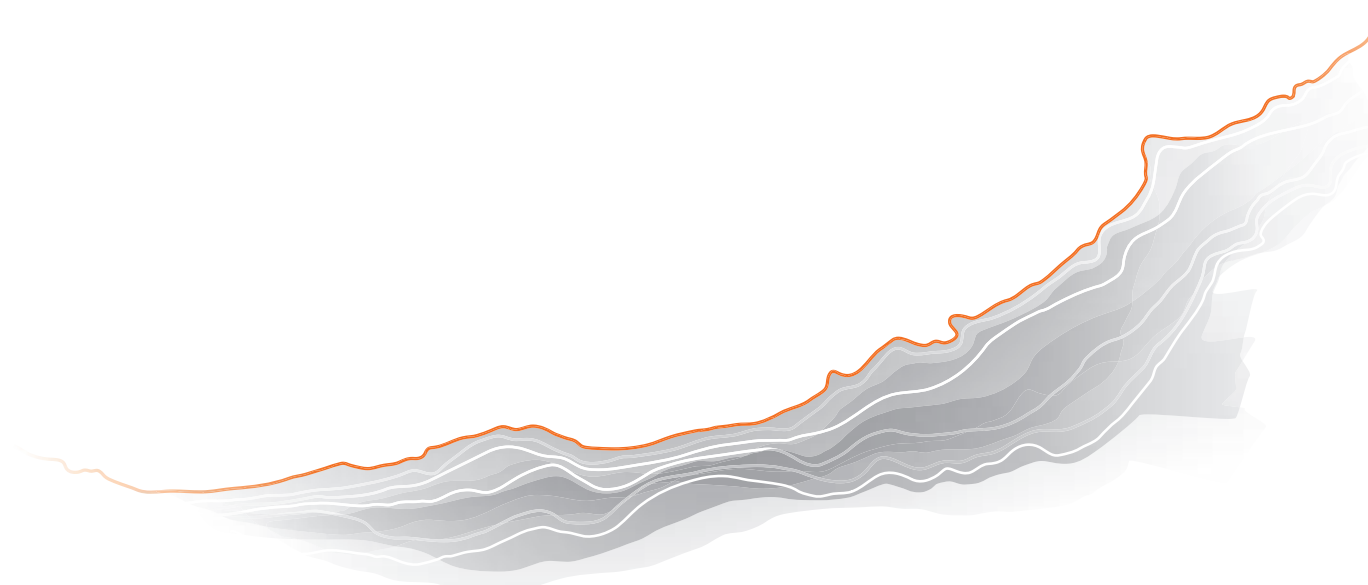
**Randi Helene Røed**  
Deputy chair

**Grethe Høiland**  
Director

**Ingebrigt Steen Jensen**  
Director

**Egil Christen Dahl**  
Director

**Sverre Hurum**  
President and CEO



# Consolidated income statement

NOK 1 000	UNAUDITED JUL-SEP 2014	UNAUDITED JUL-SEP 2013	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2014	UNAUDITED JAN-SEP 2013	CHANGE	CHANGE %	YEAR 2013
REVENUE	242 280	249 069	-6 789	-2,7 %	819 402	814 506	4 896	0,6 %	1 112 774
OPERATING EXPENSES									
Cost of sales	26 783	33 175	-6 392	-19,3 %	97 834	115 282	-17 448	-15,1 %	151 996
Personell expenses	172 753	166 977	5 776	3,5 %	566 385	542 639	23 746	4,4 %	743 334
Depreciation fixed assets	2 560	2 285	275	12,0 %	7 501	7 093	408	5,8 %	9 404
Amortisation intangible assets	555	307	248	80,8 %	1 527	909	618	68,0 %	1 303
Other operating expenses	30 440	29 213	1 227	4,2 %	86 328	80 724	5 604	6,9 %	111 644
<b>Total operating expenses</b>	<b>233 091</b>	<b>231 957</b>	<b>1 134</b>	<b>0,5 %</b>	<b>759 575</b>	<b>746 647</b>	<b>12 928</b>	<b>1,7 %</b>	<b>1 017 681</b>
<b>Operating profit</b>	<b>9 189</b>	<b>17 112</b>	<b>-7 923</b>	<b>-46,3 %</b>	<b>59 827</b>	<b>67 859</b>	<b>-8 032</b>	<b>-11,8 %</b>	<b>95 093</b>
FINANCIAL ITEMS									
Other interest income	536	468	68	14,5 %	1 987	1 797	190	10,6 %	2 599
Other financial income	29	143	-114	-79,7 %	131	238	-107	-45,0 %	310
Other interest expense	-88	-108	20	-18,5 %	-273	-245	-28	11,4 %	-328
Other finance expense	-262	-97	-165	170,1 %	-539	-433	-106	24,5 %	-536
<b>Net financial items</b>	<b>215</b>	<b>406</b>	<b>-191</b>	<b>-47,0 %</b>	<b>1 306</b>	<b>1 357</b>	<b>-51</b>	<b>-3,8 %</b>	<b>2 045</b>
<b>Ordinary profit before tax</b>	<b>9 404</b>	<b>17 518</b>	<b>-8 114</b>	<b>-46,3 %</b>	<b>61 133</b>	<b>69 216</b>	<b>-8 083</b>	<b>-11,7 %</b>	<b>97 138</b>
Income tax expense									
Tax expense on ordinary profit	2 836	5 084	-2 248	-44,2 %	17 851	19 416	-1 565	-8,1 %	27 297
<b>Total tax expense</b>	<b>2 836</b>	<b>5 084</b>	<b>-2 248</b>	<b>-44,2 %</b>	<b>17 851</b>	<b>19 416</b>	<b>-1 565</b>	<b>-8,1 %</b>	<b>27 297</b>
<b>Profit for the period</b>	<b>6 568</b>	<b>12 434</b>	<b>-5 866</b>	<b>-47,2 %</b>	<b>43 282</b>	<b>49 800</b>	<b>-6 518</b>	<b>-13,1 %</b>	<b>69 841</b>
Assigned to:									
Shareholders in parent company	6 346	12 223			42 435	48 970			68 677
Non-controlling interests	222	211			847	830			1 164

# Statement of other income and costs

NOK 1 000	UNAUDITED JUL-SEP 2014	UNAUDITED JUL-SEP 2013	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2014	UNAUDITED JAN-SEP 2013	CHANGE	CHANGE %	YEAR 2013
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	-21	167	-188	-112,5 %	-138	351	-489	-139,2 %	336
Sum other income and costs	-21	167	-188	-112,5 %	-138	351	-489	-139,2 %	336
Profit for the period	6 568	12 434	-5 866	-47,2 %	43 282	49 800	-6 518	-13,1 %	69 841
<b>Total profit</b>	<b>6 547</b>	<b>12 601</b>	<b>-6 054</b>	<b>-48,0 %</b>	<b>43 144</b>	<b>50 151</b>	<b>-7 007</b>	<b>-14,0 %</b>	<b>70 177</b>
Assigned to:									
Shareholders in parent company	6 326	12 390			42 298	49 321			69 013
Non-controlling interests	222	211			847	830			1 164
Diluted earnings per share	0,61	1,21	-0,59	-49,1 %	4,10	4,76	-0,66	-13,8 %	6,67
Earnings per share	0,62	1,23	-0,60	-49,4 %	4,15	4,81	-0,66	-13,8 %	6,75

# Consolidated balance sheet

NOK 1 000	UNAUDITED 30.09.2014	UNAUDITED 30.09.2013	CHANGE	CHANGE %	31.12.2013
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
INTANGIBLE ASSETS					
Deferred tax asset	742	0	742	N/A	155
Goodwill	22 095	18 714	3 381	18,1 %	18 745
Other intangible assets	11 722	6 376	5 346	83,8 %	6 001
<b>Total intangible assets</b>	<b>34 559</b>	<b>25 090</b>	<b>9 469</b>	<b>37,7 %</b>	<b>24 901</b>
FIXED ASSETS					
Office equipment	10 145	8 809	1 336	15,2 %	9 733
Office machines and vehicles	2 411	1 952	459	23,5 %	1 941
IT equipment	11 459	10 730	729	6,8 %	11 044
<b>Total fixed assets</b>	<b>24 015</b>	<b>21 491</b>	<b>2 524</b>	<b>11,7 %</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>58 585</b>	<b>46 592</b>	<b>11 993</b>	<b>25,7 %</b>	<b>47 630</b>
<b>CURRENT ASSETS</b>					
Work in progress	113 433	108 528	4 905	4,5 %	84 476
Trade accounts receivable	115 024	119 320	-4 296	-3,6 %	125 451
Other short-term receivables	17 020	17 801	-781	-4,4 %	18 658
Cash and cash equivalents	79 094	73 204	5 890	8,0 %	169 222
<b>Total current assets</b>	<b>324 571</b>	<b>318 853</b>	<b>5 718</b>	<b>1,8 %</b>	<b>397 807</b>
<b>TOTAL ASSETS</b>	<b>383 156</b>	<b>365 444</b>	<b>17 711</b>	<b>4,8 %</b>	<b>445 437</b>

# Consolidated balance sheet

NOK 1 000	UNAUDITED 30.09.2014	UNAUDITED 30.09.2013	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	122 418	110 402	12 016	10,9 %	136 869
<b>Total earned equity</b>	<b>122 418</b>	<b>110 402</b>	<b>12 016</b>	<b>10,9 %</b>	<b>136 869</b>
Non-controlling interests	2 776	2 395	381	15,9 %	2 729
<b>Total equity</b>	<b>145 425</b>	<b>132 892</b>	<b>12 533</b>	<b>9,4 %</b>	<b>159 829</b>
<b>DEBT</b>					
<b>LONG-TERM DEBT</b>					
Deferred tax	0	150	-150	-100,0 %	0
<b>Total long-term debt</b>	<b>0</b>	<b>150</b>	<b>-150</b>	<b>-100,0 %</b>	<b>0</b>
<b>SHORT-TERM DEBT</b>					
Trade accounts payable	23 432	35 008	-11 576	-33,1 %	31 863
Income tax payable	27 179	12 100	15 079	124,6 %	28 557
Public duties payable	84 597	85 171	-574	-0,7 %	106 347
Other short-term debt	102 523	100 123	2 400	2,4 %	118 841
<b>Total short-term debt</b>	<b>237 731</b>	<b>232 402</b>	<b>5 329</b>	<b>2,3 %</b>	<b>285 608</b>
<b>Total liabilities</b>	<b>237 731</b>	<b>232 552</b>	<b>5 179</b>	<b>2,2 %</b>	<b>285 608</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>383 156</b>	<b>365 444</b>	<b>17 711</b>	<b>4,8 %</b>	<b>445 437</b>

# Consolidated statement of cash flows

NOK 1 000	UNAUDITED JUL-SEP 2014	UNAUDITED JUL-SEP 2013	UNAUDITED JAN-SEP 2014	UNAUDITED JAN-SEP 2013	YEAR 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Ordinary profit before tax	9 404	17 518	61 133	69 216	97 138
Paid tax	-92	-100	-19 958	-27 321	-19 847
(Gain)/loss on sale of fixed assets	-54	9	-203	9	-41
Ordinary depreciation	2 560	2 285	7 501	7 093	9 404
Amortisation intangible assets	555	307	1 527	909	1 303
Share based payments	1 181	992	3 542	2 990	3 980
Changes in work in progress, accounts receivable and accounts payable	-8 450	12 928	-26 961	-26 802	-12 026
Changes in other accruals	-19 142	-13 412	-35 895	-19 549	19 469
<b>Net cash flow from operating activities</b>	<b>-14 039</b>	<b>20 527</b>	<b>-9 314</b>	<b>6 545</b>	<b>99 381</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale of fixed assets	135	1 169	299	1 169	1 293
Purchase of fixed assets	-2 993	-4 063	-8 893	-7 134	-10 746
Purchase of intangible assets	-1 200	-73	-2 468	-1 660	-1 660
Investment in subsidiaries - net cash	0	0	-5 909	0	0
<b>Net cash flow from investing activities</b>	<b>-4 059</b>	<b>-2 967</b>	<b>-16 970</b>	<b>-7 625</b>	<b>-11 114</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Purchase of own shares	0	0	0	-11 539	-11 539
Sales of own shares	0	0	0	0	6 671
Dividend payments	-800	0	-62 300	-52 022	-52 022
<b>Net cash flow from financing activities</b>	<b>-800</b>	<b>0</b>	<b>-62 300</b>	<b>-63 561</b>	<b>-56 891</b>
Net changes in cash and cash equivalents	-18 898	17 560	-88 585	-64 641	31 377
<b>Cash and cash equivalents at the beginning of the period *)</b>	<b>97 992</b>	<b>55 644</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>79 094</b>	<b>73 204</b>	<b>79 094</b>	<b>73 204</b>	<b>169 222</b>

\* Cash and cash equivalents in the period Jan-Sep 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	49 321	830	50 151
Purchase/sale of own shares (net)		-154		-154	-11 381		-11 535
Employee share scheme				0	3 955		3 955
Dividend				0	-51 250	-771	-52 021
Equity at 30.09.2013 (Unaudited)	10 250	-155	10 000	20 095	110 402	2 395	132 892
Equity at 01.01.2014	10 250	-19	10 000	20 231	136 869	2 729	159 829
Total comprehensive income					42 298	847	43 144
Employee share scheme					4 634	0	4 634
Dividend					-61 383	-800	-62 183
Equity at 30.09.2014 (Unaudited)	10 250	-19	10 000	20 231	122 418	2 776	145 425

# 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	JUL-SEP 2014	JUL-SEP 2013	CHANGE %	JAN-SEP 2014	JAN-SEP 2013	CHANGE %	YEAR 2013
<b>INCOME STATEMENT</b>							
Operating revenue	242 280	249 069	-2,7 %	819 402	814 492	0,6 %	1 112 774
EBITDA	12 304	19 704	-37,6 %	68 855	75 861	-9,2 %	105 800
Operating profit (EBIT)	9 189	17 112	-46,3 %	59 827	67 859	-11,8 %	95 093
Ordinary profit before tax	9 404	17 518	-46,3 %	61 133	69 216	-11,7 %	97 138
Profit for the period	6 568	12 434	-47,2 %	43 282	49 800	-13,1 %	69 841
EBITDA-margin	5,1 %	7,9 %	-35,8 %	8,4 %	9,3 %	-9,8 %	9,5 %
EBIT-margin	3,8 %	6,9 %	-44,8 %	7,3 %	8,3 %	-12,4 %	8,5 %
<b>BALANCE SHEET</b>							
Non-current assets	58 585	46 592	25,7 %	58 585	46 592	25,7 %	47 630
Current assets	324 571	318 853	1,8 %	324 571	318 853	1,8 %	397 807
Total assets	383 156	365 444	4,8 %	383 156	365 444	4,8 %	445 437
Equity	145 425	132 892	9,4 %	145 425	132 892	9,4 %	159 829
Long-term debt	0	150	-100,0 %	0	150	-100,0 %	0
Short-term debt	237 731	232 402	2,3 %	237 731	232 402	2,3 %	285 608
Equity ratio	38,0 %	36,4 %	4,4 %	38,0 %	36,4 %	4,4 %	35,9 %
Liquidity ratio	1,37	1,37	-0,5 %	1,37	1,37	-0,5 %	1,39
<b>CASH FLOW</b>							
Net cash flow operations	-14 039	20 527	-168,4 %	-9 314	6 545	-242,3 %	99 381
Net free cash flow	-18 098	17 560	-203,1 %	-26 285	-1 080	2334,0 %	88 267
Net cash flow	-18 898	17 560	-207,6 %	-88 585	-64 641	37,0 %	31 377
Cash flow margin	-5,8 %	8,2 %	-170,3 %	-1,1 %	0,8 %	-241,5 %	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	10 095 148	1,3 %	10 230 644	10 180 279	0,5 %	10 174 317
Weighted average diluted shares outstanding	10 355 542	10 213 042	1,4 %	10 355 542	10 298 173	0,6 %	10 292 902
EBIT per share	0,87	1,67	-47,9 %	5,73	6,55	-12,5 %	9,20
Diluted EBIT per share	0,86	1,65	-47,9 %	5,66	6,48	-12,5 %	9,09
Earnings per share	0,62	1,23	-49,6 %	4,15	4,81	-13,8 %	6,75
Diluted earnings per share	0,61	1,21	-49,4 %	4,10	4,76	-13,8 %	6,67
Equity per share	14,19	12,97	9,4 %	14,19	12,97	9,4 %	15,59
Dividend per share	0,00	0,00	N/A	6,00	5,00	20,0 %	5,00
<b>EMPLOYEES</b>							
Number of employees (year end)	962	916	5,0 %	962	916	5,0 %	931
Average number of employees	954	913	4,5 %	941	901	4,4 %	908
Operating revenue per employee	254	273	-6,9 %	871	904	-3,7 %	1 225
Operating cost per employee	244	254	-3,9 %	807	828	-2,5 %	1 121
EBIT per employee	10	19	-48,6 %	64	75	-15,6 %	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.

## **OSLO**

Sandakerveien 24c, bygg D11  
Box 4430 Nydalen  
0403 Oslo  
Tel: (+47) 23 40 60 00

## **ARENDAL**

Vikaveien 29  
4817 His  
Tel: (+47) 23 40 60 00

## **BERGEN**

Solheimsgaten 15  
5058 Bergen  
Tel: (+47) 55 20 09 17

## **GRENLAND**

Klostergata 33  
Klosterøya  
3732 Skien  
Tel: (+47) 23 40 60 00

## **KRISTIANSAND**

Kjøita 25  
4630 Kristiansand  
Tel: (+47) 23 40 60 00

## **STAVANGER**

Fabrikkveien 10  
4033 Stavanger  
Tel: (+47) 51 20 00 20

Nedre Strandgata 33  
Box 344 Sentrum  
4022 Stavanger  
Tel: (+47) 52 82 10 17

## **HAUGESUND**

Diktervegen 8  
5538 Haugesund  
Tel: (+47) 52 82 10 17

## **TRONDHEIM**

Kjøpmannsgata 35  
7011 Trondheim  
Tel: (+47) 23 40 60 00

## **SANDVIKA**

Leif Tronstads plass 6  
1337 Sandvika  
Tel: (+47) 23 40 60 00

## **SANDEFJORD**

Klinestadmoen 9  
3241 Sandefjord  
Tel: (+47) 23 40 60 00

## **STOCKHOLM**

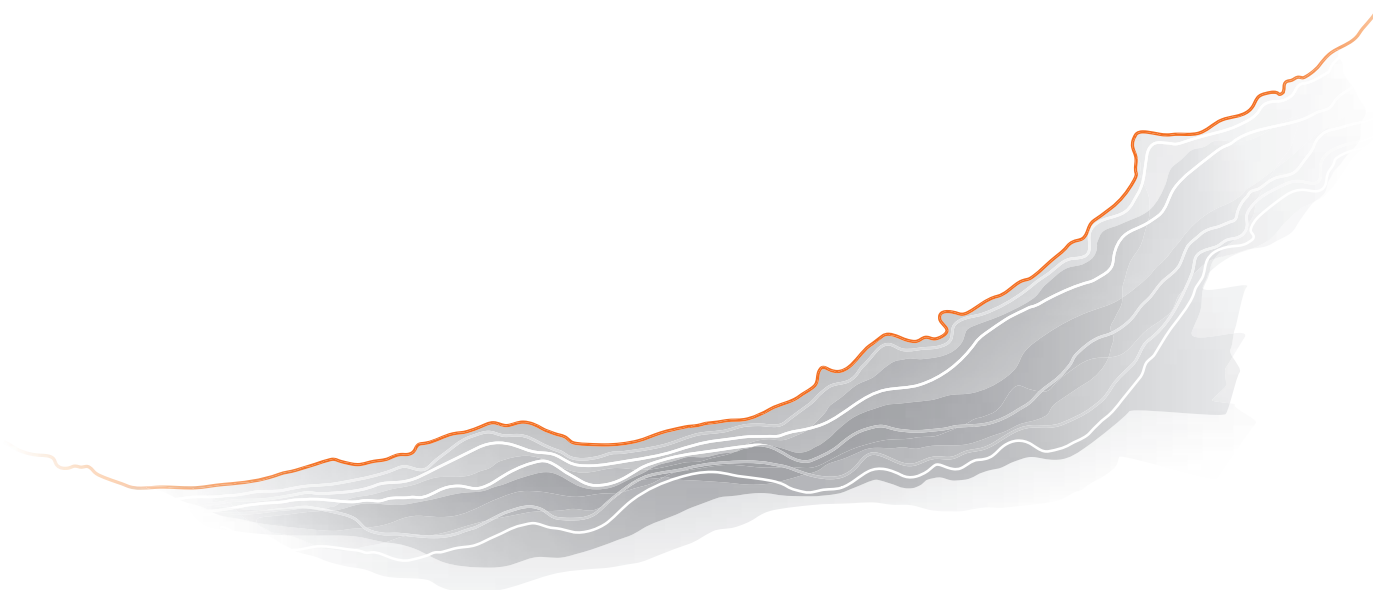
Arenavägen 45, 16 tr  
121 77 Johanneshov  
Tel: (+46) 8 578 771 00

## **MALMÖ**

Södergatan 3  
211 34 Malmö  
Tel: (+46) 40 636 60 00

## **ÖREBRO**

Klostergatan 3  
70361 Örebro  
Tel: (+46) 0 709 431 411



**bouvet**

[www.bouvet.net](http://www.bouvet.net)