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INTERIM REPORT

Q4 | 2016

Foto: Jo Gaute Fornes

Multiconsult

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HIGHLIGHTS AND KEY FIGURES Q4 2016

HIGHLIGHTS

- Strong full year 2016 revenue growth of 15.9%, organic growth was 5.0%
- Improved full year 2016 billing ratio to 69.2%
- Fourth quarter results impacted by higher operating expenses and project write-downs
- LINK arkitektur's acquisition of aarhuus arkitekterne completed in line with 3-2-1 GO strategy
- Proposed dividend for 2016 of NOK 3.00 per share
- Defined benefit pension plan discontinued resulting in a non-recurring positive effect on reported EBITDA

CONSOLIDATED KEY FIGURES

Amounts in MNOK (except EPS, shares and percentage)	**Q4 2016**	Q4 2015	FY 2016	FY 2015
FINANCIAL				
Net operating revenues	**685.5**	649.4	2 604.6	2 247.7
Growth (%)	**5.5%**	21.6%	15.9%	13.1%
Reported EBITDA	**137.0**	51.2	332.8	212.7
EBITDA, underlying 1)	**29.7**	51.2	225.5	263.4
EBITDA margin (%), underlying 1)	**4.3%**	7.9%	8.7%	11.7%
EBIT, underlying 1)	**18.9**	40.8	182.3	225.8
EBIT margin (%), underlying 1)	**2.8%**	6.3%	7.0%	10.0%
Basic earnings per share (NOK)	**3.45**	1.25	8.15	5.73
Average number of shares	**26 246 690**	26 016 176	26 243 164	26 186 588
Net interest bearing debt (negative is asset) 1)	**(116.5)**	(223.2)	(116.5)	(223.2)
Cash and cash equivalents	**176.0**	233.0	176.0	233.0
OPERATIONAL				
Order intake	**947.1**	739.6	3 084.7	2 808.0
Order backlog	**1 793.1**	1 727.5	1 793.1	1 727.5
Billing ratio (%)	**69.0%**	68.8%	69.2%	68.2%
Employees 2)	**2 344**	2 147	2 344	2 147

1) See financial statement note 13, Alternative performance measures, to define underlying financial performance
2) From 2016 new definition of employees, previous periods restated to new definition

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FOURTH QUARTER AND FULL YEAR 2016 GROUP REVIEW

Multiconsult delivered a fourth quarter underlying EBIT of NOK 18.9 million, impacted by higher operating expenses and project write-downs. For the full year 2016, net operating revenues were NOK 2 604.6 million with an underlying EBIT margin of 7.0% in a challenging market environment. Order backlog remains strong at NOK 1.8 billion at year-end. Proposed dividend for 2016 is NOK 3.00 per share.

FINANCIAL REVIEW

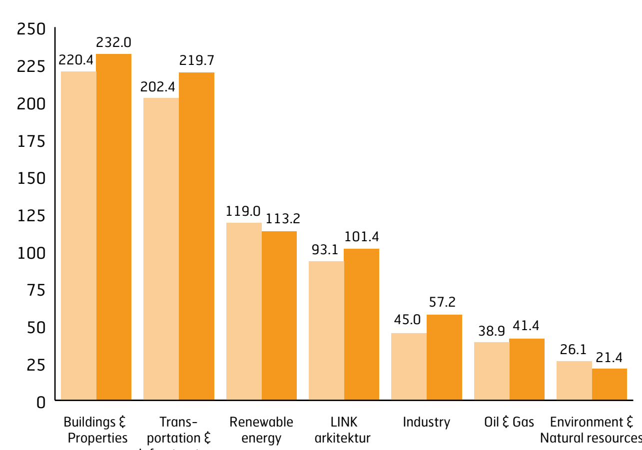
(Figures in brackets = same period prior year or relevant balance sheet date 2016).

Group results

Fourth quarter 2016

Net operating revenues increased by 5.5% to NOK 685.5 million (NOK 649.4 million) compared to the same quarter last year. The increase in revenues was partly driven by higher production from an increased workforce in our Norwegian operations as well as improved project activity in the International segment and LINK arkitektur. On the other hand, project write-downs reduced net operating revenues. The billing ratio remained stable at 69.0% (68.8%). Billing rates are at a similar level to last year. Transportation & Infrastructure with projects like New Airbase Ørland and Industry with projects like Hydro Karmøy made strong contributions to the growth in operating revenues. The reduced activity in Environment & Natural resources and Renewable Energy was offset by growth in all other business areas.

Operating revenues by business area
Amounts in MNOK



Aarhus arkitekterne was acquired on 12 December 2016 and is consolidated in the balance sheet as of 31 December 2016 with no effect on the statement of income in 2016.

Underlying operating expenses increased by 9.6% to NOK 655.8 million (NOK 598.2 million). The increase is mainly attributable to higher employee benefit expenses caused by ordinary salary adjustment and increased headcount related to the acquisition of Akvator AS in addition to net recruitment. Office rent, IT and other administrative expenses increased accordingly in the quarter. However, there were several non-recurring expenses that impacted the fourth quarter related to strategic initiatives, including the new ERP system.

Underlying EBITDA was NOK 29.7 million (NOK 51.2 million), a decrease of 42.0% compared to the same period last year. The decrease is mainly explained by higher operating expenses, which more than offset the increase in revenues in the quarter.

Underlying EBIT amounted to NOK 18.9 million (NOK 40.8 million), a decrease of 53.7%.

Results from associated companies and joint ventures amounted to NOK 0.0 million (NOK 1.3 million).

Net financial items was an expense of NOK 2.1 million (expense of NOK 0.3 million), due to a higher level of interest bearing debt.

Group tax rate was 27.1% (22.4%), the increase being related to higher withholding tax expenses on international projects.

Reported profit for the period was NOK 90.5 million (NOK 32.5 million), including the non-recurring effect of change in pension plan. Earnings per share for the quarter were NOK 3.45 (NOK 1.25).

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Full year 2016

Net operating revenues amounted to NOK 2 604.6 million (NOK 2 247.7 million), an increase of 15.9%. The increase is primarily driven by higher production as a result of acquisitions and organic growth of workforce in Norway. Billing ratio was improved to 69.2% (68.2%) and contributed positively to the net operating revenues. LINK arkitektur was consolidated from September 2015 and contributed with NOK 228.6 million of the increase in net operating revenues year on year. However, project write-downs impacted the net operating revenues. All business areas experienced solid growth in 2016, except Oil & Gas and Environment & Natural resources. Billing rates are at a lower level than last year, but have remained stable throughout 2016.

Underlying EBITDA was NOK 225.5 million (NOK 263.4 million), a decrease of 14.4%. Higher operating expenses, mainly due to increased headcount, office rent, IT and other administrative expenses, more than offset the higher revenues in 2016. Operating expenses for LINK arkitektur are included for the full year 2016 compared to four months in 2015.

Group tax rate was 25.7% (24.1%), the increase being related to higher withholding tax expenses on international projects. In 2015, there was a gain from associated companies caused by acquisition of the remaining part of LINK arkitektur.

Profit for the full year was NOK 213.8 million (NOK 150.1 million). Earnings per share for 2016 were NOK 8.15 (NOK 5.73).

Pension plan changed

With effect from 1 January 2017, the parent company has terminated its defined benefit pension plan for the 280 participants. Termination included future salary compensation. The new defined contribution plan now includes all employees. The new plan includes increased contributions in line with current industry practice. The change has resulted in a non-recurring positive effect calculated, in line with IFRS, to NOK 107.3 million lower employee benefit expense excluded from the underlying results in 2016. The change does not have any short-term cash effect and is treated as a non-recurring item. The NOK 107.3 million positive effect is excluded from the underlying EBITDA.

Financial position, cash flow and liquidity

Fourth quarter 2016

Net cash flow from operating activities was NOK 106.5 million (NOK 128.7 million) mainly due to reduced underlying EBITDA. Decrease in working capital in the fourth quarter 2016 was NOK 76.9 million (NOK 72.1 million), in line with normal business fluctuations.

Cash flow used in investment activities was NOK 53.0 million this quarter (NOK 22.0 million) mainly related to the acquisition of aarhus arkitekterne and ordinary asset replacement. NOK 22.0 million was used in the same quarter last year, mainly for ordinary asset replacement.

Cash flow used in financing activities amounted to NOK 7.3 million (negative NOK 3.1 million), mainly related to a higher level of interest bearing debt.

Full year 2016

Cash flow from operating activities was NOK 90.2 million (NOK 206.2 million), the decrease is mainly due to lower profit adjusted for the positive non-recurring effect of the change in pension plan as well as a higher level of working capital resulting from growth in revenues.

Cash flow used in investment activities was NOK 101.3 million (NOK 132.7 million), mainly related to the acquisitions of Akvator AS and aarhus arkitekterne, as well as ordinary asset replacement.

Cash flow used in financing activities was NOK 37.3 million (NOK 293.4 million), mainly related to dividend payment in May and higher interest bearing debt at the end of the period. In 2015, the company paid ordinary and extraordinary dividends of NOK 275.6 million.

Consolidated financial position

As of 31 December 2016, total assets amounted to NOK 1 381.6 million (NOK 1 245.8 million at 30 September 2016), and total equity amounted to NOK 507.5 million (NOK 362.0 million at 30 September 2016).

The group had cash and cash equivalents of NOK 176.0 million as of 31 December 2016 (NOK 116.8 million at 30 September 2016). Interest bearing debt amounted to NOK 59.5 million (NOK 41.9 million at 30 September 2016). Net interest bearing debt amounted to an asset of NOK 116.5 million (asset of NOK 74.9 million at 30 September 2016).

The Board of Directors will propose to the annual general meeting to pay a dividend of NOK 3.00 per share in line with dividend policy.

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BACKLOG AND ORDER INTAKE

The order backlog remains strong at the end of the year and was NOK 1 793.1 million (NOK 1 727.5 million), an increase of 3.8% year on year. LINK arkitektur had a strong contribution year on year including aarhus arkitekterne while the other business areas declined. Call-offs on frame agreements, such as the new and important agreements with the Norwegian Public Roads Administration in northern, middle and eastern Norway within Transportation & Infrastructure, are only included in the order backlog when signed.

Order intake during the fourth quarter increased by 28.1% to NOK 947.1 million (NOK 739.6 million). There was a solid increase in LINK arkitektur, partly due to the inclusion of the backlog of NOK 49.0 million from aarhus arkitekterne. All business areas increased except Transportation & Infrastructure, which experienced a decrease due to the absence of major contract awards in the quarter and limited tender flow in the transportation and infrastructure sector.

The share of the order intake this quarter between new contracts and add-ons to or extensions of existing contracts was evenly balanced. Important new contracts this quarter were Åsane high school, Concept study E39 Bjørnafjorden, Kongsvinger railway and high schools in Tvedestrand and Horten in Norway. Add-ons to existing contracts such as New Airbase Ørland and Campus Ås in Norway, as well as Kamuzu Barrage in Malawi were also recorded in the quarter.

Order intake year to date as of 31 December 2016 was NOK 3 084.7 million (NOK 2 808.0 million).

SEGMENTS

Multiconsult is organised in three geographical segments, Greater Oslo Area, Regions Norway, International, and one segment for LINK arkitektur.

Greater Oslo Area

The segment offers services in six business areas and comprises the central area of eastern Norway, with regional offices in Oslo, Fredrikstad and Drammen.

Key figures Greater Oslo Area

Amounts in MNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Net op. revenues	**314.4**	300.7	1 197.3	1 132.7
EBITDA	**19.5**	41.0	139.8	188.8
EBITDA %	**6.2%**	13.6%	11.7%	16.7%
Order intake	**419.7**	334.3	1 336.1	1 524.8
Order Backlog	**777.0**	944.5	777.0	944.5
Billing ratio	**67.6%**	71.2%	70.0%	70.5%
Employees	**879**	833	879	833

Fourth quarter 2016

Net operating revenues increased by 4.6% to NOK 314.4 million (NOK 300.7 million) compared to the same quarter last year. The growth was mainly supported by increased workforce, partly offset by a lower billing ratio, which decreased to 67.6% (71.2%). Buildings & Properties experienced a strong growth, partly offset by a decline in Renewable Energy and Oil & Gas.

EBITDA amounted to NOK 19.5 million (NOK 41.0 million), a decrease of 52.5% from last year. The increase in revenues was more than offset by higher employee benefit expenses as a result of net recruitment and salary adjustment, as well as increased administrative expenses and office rent.

Order intake in the fourth quarter was NOK 419.7 million (NOK 334.3 million), an increase of 25.6% compared to the same quarter last year. There was an increase in order intake in all business areas. The majority of the order intake this quarter came from add-ons to and extensions of existing contracts. Important new contracts this quarter were concept study E39 Bjørnafjorden and Kongsvinger railway in Norway, as well as the Rural energy master plan in Tanzania. Important add-ons to existing contracts were the New Airbase Ørland, Campus Ås and Munch Museum in Norway, as well as the Kamuzu Barrage in Malawi.

Order backlog for the segment at the end of the year amounted to NOK 777.0 million (NOK 944.5 million), down 17.7% year on year.

Full year 2016

Net operating revenues amounted to NOK 1 197.3 million (NOK 1 132.7 million). The increase of 5.7% was mainly related to higher activity due to increased workforce. Project write-downs partly offset the increase in revenues. Lower billing rates also reduced the growth in net operating revenues year on year.

EBITDA was NOK 139.8 million (NOK 188.8 million), a decrease of 25.9%. The increase in revenues was more than offset by higher employee benefit expenses as a result of net recruitment and salary adjustment, as well as increased administrative expenses and office rent.

Regions Norway

The segment offers services in six business areas and comprises regional offices in Kristiansand, Stavanger, Bergen, Trondheim and Tromsø.

Key figures Regions Norway

Amounts in MNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Net op. revenues	**250.4**	240.5	960.6	909.5
EBITDA	**(0.5)**	10.5	60.0	77.7
EBITDA %	**(0.2%)**	4.4%	6.2%	8.5%
Order intake	**268.4**	249.9	1063.8	963.9
Order Backlog	**505.9**	471.5	505.9	471.5
Billing ratio	**67.7%**	66.9%	68.4%	66.4%
Employees	**793**	756	793	756

Fourth quarter 2016

Net operating revenues amounted to NOK 250.4 million (NOK 240.5 million), an increase of 4.1% compared to the same quarter last year. The increase was mainly driven by higher production supported by net recruitment and new contribution from Akvator AS, as well as an improvement in the billing ratio to 67.7% (66.9%). Solid growth in both Industry and Transportation & Infrastructure was partly offset by a decline in other business areas. Project write-downs partly offset the growth in net operating revenues in the quarter.

EBITDA amounted to a loss of NOK 0.5 million (gain of NOK 10.5 million). The increase in net operating revenues was more than offset by higher operating expenses, such as salary adjustment, office rent and other administrative expenses.

Order intake in the fourth quarter was NOK 268.4 million (NOK 249.9 million), an increase of 7.4% compared to the same quarter last year. Strong growth from Buildings & Properties was partly offset by a decrease within Transportation & Infrastructure. The majority of the order intake in the quarter came from a substantial amount of smaller, but important new contracts. Among the important new contracts this quarter was Åsane high school in Norway. Additions such as the add-ons to New Airbase Ørland in Norway were also recorded in the quarter.

Order backlog for the segment at the end of the year amounted to NOK 505.9 million (NOK 471.5 million), up 7.3% year on year.

Full year 2016

Net operating revenues amounted to NOK 960.6 million (NOK 909.5 million). The increase of 5.6% was mainly related to the significant lift in the billing ratio to 68.4% (66.4%) and increased workforce. The increase in revenues was partly offset by challenging project execution, which resulted in write-downs on certain projects. Lower billing rates also reduced the growth in net operating revenues year on year.

EBITDA was NOK 60.0 million (NOK 77.7 million), a decrease of 22.9%. The increase in revenues was more than offset by higher employee benefit expenses as a result of acquisitions, net recruitment and salary adjustment, as well as increased administrative expenses and office rent.

International

The international segment comprises the subsidiaries Multiconsult UK, Multiconsult Asia and Multiconsult Polska.

Key figures International

Amounts in MNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Net op. revenues	**30.8**	18.4	97.0	67.0
EBITDA	**6.6**	(1.0)	12.8	(3.3)
EBITDA %	**21.3%**	(5.3%)	13.2%	(4.9%)
Order intake	**16.6**	31.9	102.4	70.8
Order Backlog	**150.2**	161.5	150.2	161.5
Billing ratio	**71.9%**	57.8%	65.6%	60.3%
Employees	**130**	108	130	108

Fourth quarter 2016

Net operating revenues amounted to NOK 30.8 million (NOK 18.4 million), an increase of 67.7% compared to the same quarter last year. The increase is due to higher activity in all three subsidiaries. Multiconsult Asia is the main contributor to the growth in the fourth quarter due to high short-term project activity supported by temporary staffing.

EBITDA was NOK 6.6 million (loss of NOK 1.0 million) for the quarter. Multiconsult Asia and Multiconsult UK had strong contributions to the growth, with improved project activity.

Order intake in the fourth quarter was NOK 16.6 million (NOK 31.9 million), a decrease of 47.8% compared to the same quarter last year. Main contribution to the order intake in the fourth quarter came from Transportation & Infrastructure in Multiconsult Polska. There was a decline in the order intake within all business areas year on year.

Order backlog for the segment at the end of the year amounted to NOK 150.2 million (NOK 161.5 million), down 7.0% year on year.

Full year 2016

Net operating revenues amounted to NOK 97.0 million (NOK 67.0 million). The increase of 44.8% is primarily driven by improved project activity.

EBITDA was NOK 12.8 million (loss of NOK 3.3 million). The increase is driven by higher activity from all three subsidiaries, particularly from Multiconsult UK. The increase in revenues was partly offset by higher employee benefit expenses.

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LINK arkitektur

This segment comprises of LINK arkitektur, consolidated as of 1 September 2015.

Key figures LINK arkitektur

Amounts in MNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015*
Net op. revenues	**93.3**	85.4	346.1	117.5
EBITDA	**4.8**	0.7	14.1	2.5
EBITDA %	**5.1%**	0.8%	4.1%	2.1%
Order intake	**242.4**	123.5	582.3	248.5
Order Backlog	**360.0**	150.0	360.0	150.0
Billing ratio	**75.5%**	71.3%	71.4%	71.1%
Employees	**420**	330	420	330

** Included as of 1 September 2015.*

Fourth quarter 2016

Net operating revenues amounted to NOK 93.3 million (NOK 85.4 million), an increase of 9.3% compared to the same quarter last year. Working hours have been increased from 37.5 to 40.0 hours per week for all employees in Norway and contributed positively in the quarter. The billing ratio improved significantly to 75.5% (71.3%).

EBITDA amounted to NOK 4.8 million (NOK 0.7 million) in the fourth quarter. Improved activity in both Norway and Sweden contributed to the increase.

Order intake in the fourth quarter was NOK 242.4 million (NOK 123.5 million), an increase of 96.2% compared to the same quarter last year. The inclusion of the backlog from aarhus arkitekterne contributed with NOK 49.0 million in the quarter. Among the important new contracts recorded in the fourth quarter were Tvedestrand high school and Horten high school in Norway. The majority of the order intake in the quarter came from a substantial amount of smaller, but important new contracts and add-ons to existing contracts.

Order backlog for the segment at the end of the fourth quarter amounted to NOK 360.0 million (NOK 150.0 million), an increase of 140.0% compared to the same quarter last year. The inclusion of aarhus arkitekterne in the fourth quarter contributes with NOK 49.0 million.

Full year 2016

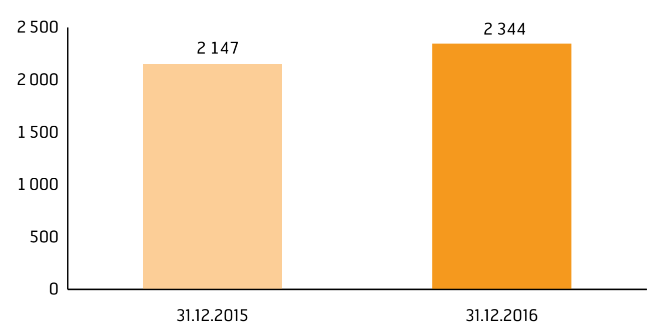
Net operating revenues amounted to NOK 346.1 million (117.5 million). LINK arkitektur contributed to the full year 2016 compared to four months in 2015 and explains the growth in net operating revenues of 194.6% in the segment.

EBITDA amounted to NOK 14.1 million (NOK 2.5 million). Significantly increased sales efforts that impacted earnings negatively in the beginning of the year resulted in strong order intake and order backlog at the end of 2016.

ORGANISATION

At 31 December 2016 the group had 2 344 employees. The turnover ratio (parent company) was stable at 7.2% for the period December 2015 to December 2016.

Number of employees



On 12 December 2016, Multiconsult, through its subsidiary LINK arkitektur AS, acquired the Danish architect company aarhus arkitekterne. The total purchase price was DKK 49.2 million. The acquisition was settled in cash and financed through Multiconsult's existing credit facilities.

In the fourth quarter, Multiconsult ASA completed the 2016 employee share purchase programme. Approximately 34% of employees across the Multiconsult group subscribed for shares through the programme. The shares sold to the employees in the programme were acquired from Multiconsult's largest shareholder Stiftelsen Multiconsult at a price of NOK 104.80 per share, in accordance with the conditional share sale agreement between the two parties announced on 22 June 2016.

Torbjørn Blom-Hagen, EVP International Business in Multiconsult, has chosen to resign from Multiconsult ASA with effect from 1 January 2017. Blom-Hagen leaves Multiconsult's executive management team from the same date. Christopher Løken has been appointed Senior Vice President of the International segment in Multiconsult ASA, effective from 1 January 2017. Løken will report to the Chief Financial Officer.

In the 2016 Universum Survey, Multiconsult attractiveness was further improved, moving up to the fourth place in Norway for seasoned engineering professionals. In the survey for engineering students, Multiconsult maintains the number one position among consultants and a strong fourth place in Norway as a whole, four years in a row.

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HEALTH, SAFETY AND THE ENVIRONMENT

Multiconsult has adopted HSE policies and implemented guidelines to ensure continued compliance with applicable regulations and to maintain and develop its HSE standards. The company's HSE efforts are managed on both central and regional levels.

Recorded sick leave ratio (parent company) was 3.7% for the quarter (4.5%). Recorded sick leave ratio for 2016 was 3.6% (3.9%).

SUBSEQUENT EVENTS

There were no significant subsequent events.

MARKET OUTLOOK

The overall market outlook for 2017 is fairly positive.

Buildings & Properties is expected to continue a stable growth. The outlook for the architecture market shows signs of positive development, but continues to be impacted by regional variations. Public sector investment is driving a strong outlook for Transportation & Infrastructure within road and rail and several large projects are expected to be assigned in the coming year. The Renewable Energy market in Norway is expected to be stable, with continued growth within transmission. International Renewable Energy markets continue to grow, providing new business opportunities for Multiconsult. Investments in the Industry segment are expected to drop slightly due to finalisation of several major projects, while investment in aquaculture remains strong. Demand for our services in the Oil & Gas industry is expected to slowly improve going forward.

The overall competitive landscape is migrating towards more Engineering, Procurement and Construction (EPC) contracts. A continued strong competition is maintaining price pressure on large projects in Norway. Current market rates have stabilised, however the continued increase in salaries for the Norwegian workforce is creating challenges to profitability for the industry in general.

Multiconsult's strong market position, flexible business model and wide service offering provides a sound base for further growth, both domestic and international. Resources from Multiconsult Polska are gradually being phased into ongoing projects to strengthen competitiveness. The top line synergies between Multiconsult and LINK arkitektur is expected to continue to further strengthen the group's value proposition to customers.

The order backlog remains strong and provides a strong foundation for continued growth, supported by valuable frame agreements generated from a broad and robust customer base.

Multiconsult will continue to focus on sales efforts, further improvement of the billing ratio, strong project execution and cost efficiency throughout the organisation to secure strong profitability.

RISK AND UNCERTAINTIES

The risk of disagreements and legal disputes related to the possible cost of delays and project errors is always present in the consultancy business. Multiconsult has good insurance policies and routines for following up such cases. Further details regarding the insurance coverage are provided in note 19 to the consolidated financial statements for 2015.

Multiconsult is exposed to credit risk, primarily related to transactions with clients and from bank deposits. The company's losses on accounts receivable have been modest for a number of years. New customers are subject to credit assessment and approval before credit is extended to them. Responsibility for credit management in the parent company is centralised, and routines are integrated in the group's quality assurance system. The company has established routines for assessing the creditworthiness of the customer, and the possible need for bank guarantees or other risk mitigation measures.

The group is exposed to currency risk through ongoing projects abroad with fees in foreign currencies. Hedging contracts have been entered into for certain projects to reduce this risk. Currency risk is regarded as modest.

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The parent company uses its credit facility periodically, and as a result, it's interest-bearing debt is limited, and it accordingly has a low interest-rate risk related to debt. Multiconsult's liquidity risk exposure is limited. Liquidity management is followed up actively through budgets and regular forecasting. To ensure sufficient freedom of action in terms of liquidity, and thereby to moderate liquidity risk, a credit facility of NOK 220 million and an additional revolving credit facility of NOK 80 million for three years has been established with the parent company's bank. The revolving credit facility at 31 December 2016 was drawn with NOK 50.0 million, related to the acquisition of aarhus arkitekterne.

DEFINITIONS

Net operating revenues: Operating revenues less sub consultants and disbursements.

EBIT: Earnings before net financial items, results from associates and joint ventures and income tax.

EBIT margin (%): EBIT as a percentage of net operating revenues.

EBITDA: EBIT before depreciation, amortisation and impairment.

EBITDA margin (%): EBITDA as a percentage of net operating revenues.

Operating expenses: Employee benefit expenses plus other operating expenses.

Net interest bearing debt: Non-current and current interest bearing liabilities deducted cash and cash equivalents.

Order intake: Expected operating revenues on new contracts and confirmed changes to existing contracts. Only group external contracts are included.

Order Backlog: Expected remaining operating revenues on new and existing contracts. Only group external contracts are included. Call-offs on frame agreements are included in the order backlog when signed.

Billing ratio (%): Hours recorded on chargeable projects as a percentage of total hours worked (including administrative staff) and employer-paid absence. Billing ratio per segment includes allocated administrative staff.

Employees: Number of employees comprise all staff on payroll including staff on temporarily leave (paid and unpaid), excluding temporary personnel.

DISCLAIMER

This report includes forward-looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as *"believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk"* and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited for the period ended 31 December 2016

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

Amounts in TNOK, except EPS	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Operating revenues	**786 264**	744 913	2 968 069	2 554 701
Expenses for sub consultants and disbursements	**100 813**	95 499	363 448	307 033
Net operating revenues	**685 451**	649 414	2 604 621	2 247 668
Employee benefit expenses [1]	**431 235**	496 604	1 841 605	1 649 240
Other operating expenses [2]	**117 219**	101 630	430 227	385 726
Operating expenses excl. depreciation, amortisation and impairments	**548 454**	598 234	2 271 832	2 034 966
Operating profit before depreciation, amortisation and impairments (EBITDA)	**136 997**	51 180	332 788	212 702
Depreciation, amortisation and impairments	**10 789**	10 351	43 205	37 616
Operating profit (EBIT)	**126 207**	40 829	289 584	175 086
Results from associated companies and joint ventures	**10**	1 279	4 053	20 945
Financial income	**2 287**	1 764	4 082	8 882
Financial expenses	**4 374**	2 074	9 986	7 049
Net financial items	**(2 087)**	(310)	(5 904)	1 832
Profit before tax	**124 130**	41 797	287 732	197 863
Income tax expense	**33 622**	9 348	73 964	47 754
Profit for the period	**90 509**	32 450	213 768	150 109
Attributable to:				
Owners of Multiconsult ASA	**90 509**	32 450	213 768	150 109
Earnings per share				
Basic and diluted (NOK)	**3.45**	1.25	8.15	5.73

1) Gain on settlement of defined benefit pension plan of NOK 107.3 million is included as decreased employee benefit expenses in Q4 2016 and FY 2016.
2) Figures incl. IPO expenses of NOK 50.7 million in FY 2015

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in TNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Profit for the period	**90 509**	32 450	213 768	150 109
Other comprehensive income				
Remeasurement of defined benefit obligations	**82 447**	47 055	37 923	87 298
Tax	**(20 602)**	(19 634)	(9 471)	(29 695)
Total items that will not be reclassified to profit or loss	**61 845**	27 420	28 452	57 603
Currency translation differences	**(2 466)**	341	(4 187)	1 722
Total items that may be reclassified subsequently to profit or loss	**(2 466)**	341	(4 187)	1 722
Total other comprehensive income for the period	**59 379**	27 762	24 265	59 325
Total comprehensive income for the period	**149 888**	60 211	238 033	209 433
Attributable to:				
Shareholders of Multiconsult ASA	**149 888**	60 211	238 033	209 433

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in TNOK	**At 31 December 2016**	At 30 September 2016	At 31 December 2015
ASSETS			
Non-current assets			
Deferred tax assets	**25 104**	78 352	66 722
Intangible assets	**9 348**	13 656	9 304
Goodwill	**235 727**	194 131	173 023
Property, plant and equipment	**85 984**	78 390	84 783
Associated companies and joint ventures	**10 464**	10 455	7 258
Non-current receivables and shares	**7 941**	19 218	6 221
Total non-current assets	**374 568**	394 201	347 311
Current assets			
Trade receivables	**455 058**	359 186	427 448
Work in progress	**270 346**	305 119	192 781
Assets for reimbursement of provisions [1]	**22 610**	22 800	21 600
Other receivables and prepaid costs	**83 007**	47 647	57 135
Cash and cash equivalents	**175 990**	116 800	232 954
Total current assets	**1 007 011**	851 552	931 918
Total assets	**1 381 579**	1 245 753	1 279 229
EQUITY AND LIABILITIES			
Shareholders' equity			
Total paid in equity	**26 443**	26 443	26 436
Other equity	**481 077**	335 605	323 745
Total shareholders' equity	**507 520**	362 048	350 181
Non-current liabilities			
Retirement benefit obligations	**5 859**	205 868	161 344
Deferred tax	**11 075**	-	-
Provisions [1]	**33 527**	39 957	41 297
Non-current interest bearing liabilities	**55 994**	39 810	7 190
Total non-current liabilities	**106 454**	285 634	209 831
Current liabilities			
Trade payables	**147 808**	71 528	121 054
Current tax liabilities	**29 454**	38 172	54 676
VAT and other public taxes and duties payables	**248 124**	186 784	225 973
Current interest bearing liabilities	**3 477**	2 087	2 614
Other current liabilities	**338 742**	299 500	314 900
Total current liabilities	**767 605**	598 071	719 217
Total liabilities	**874 059**	883 705	929 048
Total equity and liabilities	**1 381 579**	1 245 753	1 279 229

1) See note 2 section Restatement

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in TNOK	Share capital	Own shares	Share premium	**Total paid-in capital**	Retained earnings	Pension	Translation differences	**Total equity**
31 December 2014	13 125	-	13 320	**26 445**	679 290	(287 278)	1 457	**419 914**
Dividend	-	-	-	**-**	(275 617)	-	-	**(275 617)**
Treasury shares	-	(9)	-	**(9)**	(1 750)	-	-	**(1 759)**
Employee share purchase programme	-	-	-	**-**	(1 791)	-	-	**(1 791)**
Comprehensive income	-	-	-	**-**	150 109	57 602	1 722	**209 433**
31 December 2015	13 125	(9)	13 320	**26 436**	550 241	(229 676)	3 179	**350 181**
Dividend	-	-	-	**-**	(76 123)	-	-	**(76 123)**
Treasury shares	-	8	-	**8**	1 542	-	-	**1 550**
Employee share purchase programme	-	-	-	**-**	(6 119)	-	-	**(6 119)**
Comprehensive income	-	-	-	**-**	213 768	28 452	(4 187)	**238 033**
31 December 2016	13 125	(1)	13 320	**26 443**	683 309	(201 224)	(1 008)	**507 520**

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Amounts in TNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Cash flows from operating activities				
Profit before tax	**124 130**	41 797	287 732	197 863
Income taxes paid	**3 343**	2 051	(60 412)	(55 601)
Depreciation, amortization and impairment	**10 789**	10 351	43 205	37 616
Results from associated companies and joint ventures	**(10)**	(1 279)	(4 053)	(20 945)
Non cash pension cost	**(109 849)**	3 759	(110 238)	33 984
Sub total operating activities	**28 402**	56 680	156 233	192 918
Changes in working capital	**78 050**	72 060	(66 066)	13 251
Net cash flow from operating activities	**106 452**	128 740	90 167	206 169
Cash flows from investment activities				
Proceeds from sale of fixed assets and shares	**431**	99	441	99
Payments for purchase of fixed assets and financial non-current assets	**(9 383)**	(22 103)	(38 313)	(42 052)
Proceeds/payments related to equity accounted investments	**-**	-	847	4 690
Net cash effect of business combinations	**(44 005)**	-	(64 260)	(95 485)
Net cash flow from investment activities	**(52 957)**	(22 004)	(101 285)	(132 748)
Cash flows from financing activities				
Change of non-current liabilities	**15 006**	159	46 525	(610)
Paid dividends	**-**	-	(76 123)	(275 617)
Sale treaury shares	**42 607**	8 608	42 607	8 608
Purchase treasury shares	**(50 339)**	(11 898)	(50 339)	(25 797)
Net cash flow from financing activities	**7 275**	(3 131)	(37 329)	(293 416)
Foreign currency effects on cash and cash equivalents	**(1 579)**	4 497	(8 516)	4 337
Net increase/decrease in cash and cash equivalents	**59 191**	108 102	(56 964)	(215 657)
Cash and cash equivalents at the beginning of the period	**116 800**	124 852	232 954	448 611
Cash and cash equivalents at the end of the period	**175 990**	232 954	175 990	232 954

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: General information

The Company and the Group
Multiconsult ASA (the company) is a Norwegian public limited liability company listed on Oslo Børs. The company and its subsidiaries (together the Multiconsult group/the group) are among the leading suppliers of consultancy and design services in Norway and the Nordic region. The group has some activity outside the Nordic region, including subsidiaries Multiconsult Polska, Multiconsult UK and Multiconsult Asia.

NOTE 2: Basis of preparation and statements

Basis for preparation
The financial statements are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

Statements
These interim condensed consolidated financial statements for the three and twelve months ended 31 December 2016 have been prepared in accordance with IAS 34 as approved by the EU (IAS 34). They have not been audited. They do not include all of the information required for full annual financial statements of the group and should be read in conjunction with the consolidated financial statements for 2015. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2015, which are available upon request from the company's registered office at Nedre Skøyenvei 2, 0276 Oslo and at www.multiconsult.no.

These interim condensed consolidated financial statements for the fourth quarter of 2016 were approved by the Board of Directors and the CEO on 27 February 2017.

Accounting policies
The group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU (International Financial Reporting Standards - IFRS) and the Norwegian Accounting Act. References to IFRS in these financial statements refer to IFRS as approved by the EU. The accounting policies adopted are consistent with those of the previous financial year.

At the time of approval for issue of these interim condensed consolidated financial statements, some new standards, amendments to standards and interpretations have been published, but are not yet effective and have not been applied in preparing these consolidated financial statements. Those that may be relevant for the group are described in note 2 A to the annual consolidated financial statements for 2015.

Restatement
Refer to note 19 to the annual consolidated financial statements for 2015. The group has recognized provisions for project responsibilities. The group has at 31 December 2016 determined that the expected reimbursement from the insurance company related to recognized provisions should be presented as a separate asset, instead of reducing the provisions as previously presented. This has affected the balance sheet by increasing the provisions (liabilities) and assets, but the net amount is unchanged. Comparable figures are restated. The change had no effect on the statement of income.

NOTE 3: Estimates, judgments and assumptions

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2015 (see especially note 2 B).

NOTE 4: Segments

Refer to note 5 to the consolidated annual financial statements for 2015 for more information on the segments. The group has three geographical reportable segments in addition to a segment for LINK arkitektur. Revenues and expenses are reported in the segment where the employee is employed. The cost of administrative services, rent of premises, depreciation and so forth is allocated between the segments.

Q4 2016 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur	Not allocated	Elimi-nations	**Total**
External revenues	387 723	267 487	33 471	101 354	(3 770)	-	**786 264**
Internal revenues	3 762	-	10 534	3 646	973	(18 914)	**-**
Total operating revenues	391 485	267 487	44 005	105 000	(2 798)	(18 914)	**786 264**
Net operating revenues	314 386	250 400	30 796	93 321	(3 452)	-	**685 451**
Operating expenses [1]	294 916	250 884	24 243	88 563	(110 151)	-	**548 454**
EBITDA	19 471	(484)	6 553	4 758	106 699	-	**136 997**
Depreciation, amortisation, impairment	5 328	4 097	384	980	-	-	**10 789**
EBIT	14 143	(4 581)	6 169	3 778	106 699	-	**126 207**
Associates and joint ventures	178	-	(169)	-	-	-	**10**
Receivables [2]	324 411	221 657	53 014	152 188	3 312	(18 241)	**736 341**
Number of employees	879	793	130	420	122	-	**2 344**

1) Gain of settlement of defined benefit pension plan of NOK 107.3 million is included as decreased operating expenses, not allocated
2) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

Q4 2015 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur [2]	Not allocated	Elimi-nations	**Total**
External revenues	372 923	259 170	16 116	93 135	3 569	-	**744 913**
Internal revenues	2 731	84	12 756	5 641	1 985	(23 197)	**-**
Total operating revenues	375 654	259 254	28 872	98 776	5 554	(23 197)	**744 913**
Net operating revenues	300 680	240 499	18 363	85 372	4 501	-	**649 414**
Operating expenses	259 712	229 996	19 339	84 700	4 486	-	**598 234**
EBITDA	40 968	10 502	(976)	671	15	-	**51 180**
Depreciation, amortisation, impairment	3 217	6 078	496	561	-	-	**10 351**
EBIT	37 751	4 425	(1 472)	111	15	-	**40 829**
Associates and joint ventures	(3 159)	-	1 635	2 803	-	-	**1 279**
Receivables [1]	294 568	207 572	36 976	99 990	3 428	(8 190)	**634 344**
Number of employees	833	756	108	330	120	-	**2 147**

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

Year 2016 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur	Not allocated	Elimi-nations	**Total**
External revenues	1 466 774	1 026 004	104 642	369 580	1 070	-	**2 968 069**
Internal revenues	12 598	-	35 112	17 409	5 500	(70 619)	**-**
Total operating revenues	1 479 372	1 026 004	139 754	386 989	6 570	(70 619)	**2 968 069**
Net operating revenues	1 197 326	960 560	97 036	346 126	3 573	-	**2 604 621**
Operating expenses [1]	1 057 524	900 600	84 208	332 015	(102 516)	-	**2 271 832**
EBITDA	139 801	59 960	12 828	14 111	106 089	-	**332 788**
Depreciation, amortisation, impairment	14 675	22 668	1 696	4 166	-	-	**43 205**
EBIT	125 125	37 292	11 132	9 945	106 089	-	**289 584**
Associates and joint ventures	513	-	3 539	-	-	-	**4 053**
Receivables [2]	324 411	221 657	53 014	152 188	3 312	(18 241)	**736 341**
Number of employees	879	793	130	420	122	-	**2 344**

1) Gain of settlement of defined benefit pension plan of NOK 107.3 million is included as decreased operating expenses, not allocated
2) Receivables includes accounts receivables (before provision for loss) and accrued revenues

Year 2015 *Amounts in TNOK*	Greater Oslo Area	Regions Norway	Inter-national	LINK arkitektur [3]	Not allocated	Elimi-nations	**Total**
External revenues	1 366 755	973 803	68 632	127 165	18 345	-	**2 554 701**
Internal revenues	7 192	84	24 191	6 759	5 396	(43 622)	**-**
Total operating revenues	1 373 947	973 887	92 823	133 924	23 741	(43 622)	**2 554 701**
Net operating revenues	1 132 735	909 456	66 994	117 490	20 993	-	**2 247 668**
Operating expenses [1]	943 985	831 710	70 291	114 975	74 005	-	**2 034 966**
EBITDA	188 751	77 746	(3 297)	2 515	(53 012)	-	**212 702**
Depreciation, amortisation, impairment	12 789	22 319	1 677	830	-	-	**37 616**
EBIT	175 962	55 427	(4 975)	1 685	(53 012)	-	**175 086**
Associates and joint ventures	(63)	-	2 764	2 561	15 683	-	**20 945**
Receivables [2]	294 568	207 572	36 976	99 990	3 428	(8 190)	**634 344**
Number of employees	833	756	108	330	120	-	**2 147**

1) IPO expenses of NOK 50.6 million recorded as not allocated operating expenses
2) Receivables includes accounts receivables (before provision for loss) and accrued revenues.
3) Multiconsult ASA acquired LINK arkitektur AS on 15 September 2015 and consolidated as of 1 September 2015.

Operating revenues per business area:

Amounts in TNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Buildings & Properties	**231 995**	220 383	887 121	789 564
Renewable energy	**113 177**	119 046	443 329	427 938
Industry	**57 220**	45 001	226 388	145 660
Environment & Natural resources	**21 411**	26 094	76 504	84 117
Oil & Gas	**41 373**	38 855	126 073	184 279
Transportation & Infrastructure	**219 733**	202 399	839 072	795 978
LINK arkitektur [1]	**101 354**	93 135	369 580	127 165
Total	**786 264**	744 913	2 968 069	2 554 701

1) Multiconsult ASA acquired LINK arkitektur AS on 15 September 2015 and consolidated as of 1 September 2015.

Refer to the section Segments in the first part of this report for further discussions.

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NOTE 5: Explanatory comments about the seasonality or cyclicality of interim operations

The group's net operating revenues are affected by the number of working days within each reporting period while employee expenses are recognised for full calendar days. The number of working days in a month is affected by public holidays and vacations. The timing of public holidays' (e.g. Easter) during quarters and whether they fall on weekends or weekdays impacts revenues. Generally, the company's employees are granted leave during Easter and Christmas. The summer holidays primarily impact the month of July and the third quarter.

NOTE 6: Significant events and transactions

The Annual General Meeting on 26 April 2016 resolved payment of ordinary dividends related to the 2015 financial year of NOK 76.1 million (NOK 2.9 per share) that was paid to the shareholders registered on 26 April 2016.

Multiconsult ASA acquired 100% of the shares in Akvator AS on 1 June 2016. See note 12 for further information.

Akvator AS was merged with Multiconsult ASA with effect from 1 October 2016.

LINK arkitektur AS acquired 100% of the shares in aarhus arkitekterne on 12 December 2016.

See note 12 for further information.

NOTE 7: Related party transactions

See note 22 to the consolidated financial statements for 2015 for a description of related parties and related parties transactions in 2015.

On 30 November Stiftelsen Multiconsult (the Foundation) sold 480 330 shares in Multiconsult ASA to the company in accordance with the agreement entered into on 22. June 2016. The Foundation owned 5 377 958 shares before this transaction, being 20.5% of the total shares outstanding. After the sale the Foundation owns 4 897 628 shares and its shareholding has been reduced by 1.8 pp to 18.7%. The sale of shares was undertaken to provide shares for the 2016 employee share purchase program. The shares were sold at NOK 104.80 per share, being equivalent to the average volume weighted share price in the week prior to the subscription period for the employee share purchase program.The company's assessment is that Stiftelsen Multiconsult has significant influence over the company.

NOTE 8: Treasury shares

In 2015 Multiconsult ASA introduced a share purchase program for its employees. Through the share purchase program the company offers its employees shares in Multiconsult ASA with a discount of 20%. Shares purchased through the program will be subject to a two-year lock-up period.

Number of treasury shares:	
Holding of treasury shares 31 December 2015	18 067
Purchased own shares in 2016	480 330
Sold shares to employees in 2016	496 399
Holding of treasury shares 31 December 2016	1 998

The treasury shares reduced equity by NOK 0.2 million at 31 December 2016, equivalent to the purchase price.

NOTE 9: Earnings per share

For the periods presented there are no dilutive effects on the profits or number of shares.
Basic and diluted earnings per share are consequently the same.

	Q4 2016	Q4 2015	FY 2016	FY 2015
Profit for the period (in TNOK)	**90 509**	32 450	213 768	150 109
Average no shares (excl own shares) after split	**26 246 690**	26 016 176	26 241 979	26 186 588
Earnings per share (NOK)	**3.45**	1.25	8.15	5.73

The Annual General Meeting held on 16 April 2015 resolved a 1:10 split of the shares.
The per share calculations are based on the number of shares after the split.

NOTE 10: Retirement benefit obligations

For a description of the pension schemes see note 11 to the consolidated financial statements for 2015.

The company has with effect from 31 December 2016 settled the defined benefit pension plan in the parent company in Norway. A new defined contribution-based pension plan now includes all the parent company employees. Other defined benefit pension plans in the group still exist for four employees in LINK arkitektur AS and one individual agreement in Multiconsult ASA.

At the time the company committed to the settlement, the net defined pension liability was remeasured using assumptions and data at 31 December 2016. The corresponding remeasurement effect was recognized as part of other comprehensive income with NOK 37 million before tax. A settlement gain of NOK 107.3 million (before tax) was recognized as a reduction to employee benefit expenses in the statement of income.

Assumptions used in the calculations of the liability related to the defined benefit plan:

	At 31 December 2016	At 30 September 2016	At 31 December 2015
Discount rate	**2.70%**	2.10%	2.70%
Rate of compensation increase	**2.00%**	1.75%	2.00%
Rate of pension increase	**0.70%**	0.70%	0.70%
Increase of social security base amount (G)	**2.25%**	2.00%	2.25%

NOTE 11: Fair value of financial instruments

The group's financial instruments are primarily accounts receivables and other receivables, cash and cash equivalents and accounts payables. The group also has some interest bearing liabilities. It is assumed that the book value is a good approximation of fair value for the group's financial instruments.

Non-current and current interest bearing liabilities:

Amounts in TNOK	NOK 31 December 2016	NOK 30 September 2016	Local currency 31 December 2016	Local currency 30 September 2016	Currency
Multiconsult ASA	50 000	33 135	50 000	33 135	NOK
Akvator AS	-	2 500	-	2 500	NOK
Multiconsult UK	5 837	6 262	550	600	GBP
Multiconsult Asia	897	-	150	-	SGD
Multiconsult Polska	457	-	222	-	PLN
aarhus arkitekterne	2 279	n/a	1 865	n/a	DKK
Total interest bearing liabilities	59 471	41 897	-	-	

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Due to the limited amount, it is assumed that the book value is a good approximation of fair value. The group owns a limited amounts of shares and participations available for sale (NOK 2.8 million), and it is assumed that the book value is a good approximation of fair value. Fair value of derivatives (currency swaps) were recorded with a loss (liability) of NOK 0.3 million at 30 December 2016 (NOK 0.3 million at 30 September 2016).

NOTE 12: Business combinations

On 1 June 2016 Multiconsult ASA acquired 100% of the shares in Akvator AS. The shares were acquired for NOK 24.4 million.

Akvator AS is a multidisciplinary consulting engineering company with a strong presence in Sunnhordaland. The company has a very strong position in aquaculture in Norway. The acquisition of Akvator will strengthen Multiconsult's a position in the region. With over 50 employees at Stord and 400 employees in total in western Norway, Multiconsult becomes the largest consulting environment between Bergen and Stavanger.

Akvator AS had net operating revenues of NOK 34 million in 2015 with a profit after tax of NOK 1 million. If the company had been owned 100% from 1 January 2016 it would have had a positive impact on net operating revenue of NOK 15.6 million and EBIT of negative NOK 1.4 million for the Multiconsult group.

Net assets of Akvator AS acquired at the time of acquisition:

Amounts in TNOK	
Assets	14 847
Liabilities	11 580
Net identifiable assets and liabilities	3 267
Excess values:	
Goodwill	21 108
Net assets	24 375
Cash and cash equivalents	4 120
Net cash	(20 255)

The acquisition generated an excess value of NOK 21.1 million. The excess value is allocated to goodwill and is related to the competence of the staff. Akvator AS was merged with Multiconsult ASA with effect from 1 October 2016.

On 12 December 2016 LINK arkitektur AS acquired 100% of the shares in the Danish architect company aarhus arkitekterne. The shares were acquired for NOK 59.6 million (DKK 49.2 million). Established back in 1909, aarhus arkitekterne is a well-managed Danish architect company with 78 employees working from offices in Aarhus and Copenhagen. Aarhus arkitekterne is a market leader within health buildings in Denmark and has a strong track-record within large-scale projects. Aarhus arkitekterne is currently engaged in architecture, design, planning and consulting in all stages, from concept development to construction management and technical oversight. The background for the acquisition is to further strengthen LINK arkitektur's architectural competence as well as empower the Multiconsult group with expertise within health buildings, urban design and execution of large and complex projects.

Aarhus arkitekterne had net operating revenues of NOK 82.3 million (DKK 66 million) in 2016 with a EBIT of NOK 6.5 million (DKK 5.2 million). If the company had been owned 100% from 1 January 2016 it would have had a positive impact on net operating revenue of NOK 82.3 million (DKK 66 million) and EBIT of NOK 6.5 million (DKK 5.2 million) for the Multiconsult group.

Net assets of aarhus arkitekterne acquired at the time of acquisition:

Amounts in TNOK	
Assets	80 559
Liabilities	62 635
Net identifiable assets and liabilities	17 923
Excess values:	
Goodwill	41 667
Net assets	59 590
Cash and cash equivalents	15 585
Net cash	(44 005)

The acquisition generated an excess value of NOK 41.7 million (DKK 34.1 million). The excess value is allocated to goodwill and is related to the competence of the staff. The above purchase price allocation related to this transaction is preliminary.

NOTE 13: Alternative performance measures (APMs)

Multiconsult use alternative performance measures for periodic and annual financial reporting in order to provide a better understanding of the group's underlying financial performance.

Items excluded from underlying EBITDA and EBIT:
Multiconsult has defined the initial public offering expenses (IPO) in connection with the listing on Oslo Børs in May 2015 as expenses that are excluded from the underlying results in 2015. The expenses amounted to NOK 50.7 million.

The company has with effect from 1 January 2017 settled the defined benefit pension plan. The settlement resulted in a positive P&L effect and Multiconsult has defined that this effect of NOK 107.3 million lower salary expense is excluded from the underlying results in 2016.

Underlying EBITDA and EBIT:

Amounts in MNOK (except percentage)	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Net operating revenues	**685.5**	649.4	2 604.6	2 247.7
Reported employee benefit expenses	**431.2**	496.6	1 841.6	1 649.2
Curtailment of defined benefit pension plan	**(107.3)**	-	(107.3)	-
Underlying employee benefit expenses	**538.6**	496.6	1 948.9	1 649.2
Reported other operating expenses	**117.2**	101.6	430.2	385.7
IPO expenses	**-**	-	-	50.7
Underlying other operating expenses	**117.2**	101.6	430.2	335.0
Underlying operating expenses	**655.8**	598.2	2 379.1	1 984.2
EBITDA underlying	**29.7**	51.2	225.5	263.4
Depreciation, amortisation and impairments	**10.8**	10.4	43.2	37.6
EBIT, underlying	**18.9**	40.8	182.3	225.8
EBITDA margin (%), underlying	**4.3%**	7.9%	8.7%	11.7%
EBIT margin (%), underlying	**2.8%**	6.3%	7.0%	10.0%

Net interest bearing debt:

Amounts in MNOK	**Q4 2016**	Q4 2015	FY 2016	FY 2015
Non-current interest bearing liabilities	**56.0**	7.2	56.0	7.2
Current interest bearing liabilities	**3.5**	2.6	3.5	2.6
Cash and cash equivalents	**176.0**	233.0	176.0	233.0
Net interest bearing debt [1)]	**(116.5)**	(223.2)	(116.5)	(223.2)

1) Negative is asset

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