



Annual Report 2012-2013

Publisher

Landsverk 2013 ©

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Sources

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- Infrastructure Department
- Building & Construction
 Department
- Production Department Other Sources

Cover Photo

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Other Photos

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Translation & Proofreading

Menning.fo

Design & Layout

Meitilberg.com

Print

Føroyaprent

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AN EVENTFUL PERIOD OF TIME HAS PASSED



2012 and 2013 have been very eventful years for Landsverk and the industry. The biggest project on the Faroe Islands to date – the educational centre by Marknagil, Tórshavn – has finally begun. The National Hospital of the Faroe Islands is undergoing significant reconstruction and extension for the next few years. Moreover, a new route to Viðareiði involving a tunnel is underway. Last but not least, much attention has centred on a large scale project to build a subsea tunnel from Eysturoy to Streymoy, also known as the Eysturoy Tunnel Project.

Ewald Kjølbro

Managing Director, Landsverk

Landsverk, one of the major and most visible institutions on the Faroe Islands, has many important tasks at hand. As most previous years, the past year has been both exciting and eventful. Even though most publicity goes to high profile projects, Landsverk administers tasks that perhaps don't get as much publicity but that are important tasks nonetheless.

The high profile projects that have received significant attention are e.g. the educational centre by Marknagil, Tórshavn; the reconstruction and extension of the National Hospital; the new road Fjøruvegurin in Leirvík directing traffic to and from the Norðoyggjar Subsea Tunnel; and the new route to Viðareiði.

Big Tasks Ahead of Us

The biggest and most expensive project in the history of the Faroe Islands is the Eysturoy Tunnel Project, which is still in a state of preparation. This subsea tunnel will connect the two arms of the fjord Skálafjørðurin to Sund on the island of Streymoy – less than 10 km from the capital Tórshavn.

It is worth emphasizing that Landsverk's role in the Eysturoy Tunnel Project is only that of a professional adviser. Landsverk, therefore, is not involved in the decision about which financial and ownership arrangement the Eysturoy Tunnel Project possibly will be executed by.

Still, as the Faroese Main Road Authority, Landsverk will have a large share in the construction of the



Eysturoy Tunnel as well as overseeing the tunnel after completion.

Many projects are either completed, on-going, or on the drawing table. For example, a new sports hall is built on Sandoy; the 40 year old Bridge Over Streym has been comprehensively overhauled; the harbour in Skúvoy is repaired; a new helipad is built in the village Kirkja; a new road to the village Rituvík is scheduled; and a new road above Skálabotnur and Søldarfjørður is being planned.

Housing for people with mental health challenges is being built in Tórshavn. And sheltered housing is under construction in Klaksvík and Runavík.

Not surprisingly – with the number and scope of projects – the requirements to overall and to daily management at Landsverk are high. Therefore it's a challenge for Landsverk that the appropriations for individual projects in many cases are cut to a bare minimum. And these cuts are on top of the continual reduction in operational appropriation, which since 2008, for example, has been reduced by around DKK 10 million.

At the same time, Landsverk has been assigned with new areas of work and more responsibilities. Hence the requirements to Landsverk are constantly on the rise.

Planning 12 Years Ahead: The Transport Strategy In December 2012, Landsverk published an updated and expanded Transport Strategy for the Faroe Islands, covering the years 2012-2024. The Transport Strategy stresses that great challenges lie ahead despite a well-developed Faroese infrastructure. It is particularly serious that the appropriations for maintenance are too low. This causes an already significantly deferred maintenance to only increase in the coming years. For example, main road asphalting is deferred longer and longer, and therefore the wear on the main roads is substantial in many places on the Faroes – because financially it's impossible to cover the need.

The same goes for maintenance of public buildings because the appropriations in most cases only cover minor repairs – where in reality there is a need for renovation and modernization.

Landsverk has on multiple occasions pointed out that if we are to utilize the financial framework optimally as well as the professional competency of Landsverk, long term planning is essential. The foundation for unbiased and professional advice rests on planning in the long term; and professional and unbiased advice is the best guarantee for a good solution in each individual case.

Co-operation is Everything

Landsverk was restructured a few years ago. The purpose was to achieve a simpler organizational structure that included larger units with greater responsibility and increased management flexibility. There are now four departments at Landsverk:

Management; Infrastructure; Building & Construction; and Production. The new management structure gives Landsverk better opportunities to streamline and collaborate across departments.

In addition, management has finalized a new mission, vision and strategy for Landsverk – chalking up which goals Landsverk wants to achieve in the years to come. Both management and employees organize work based on a common strategy that mirrors our attitude and the way Landsverk solves tasks. This enables us to make plans that reach far into the future.

As the largest public entrepreneur on the Faroe Islands, it is of pivotal importance that co-operation with the ministry in addition to other institutions, authorities and private entities, works well. Landsverk solves tasks for all ministries under the Faroese government; therefore Landsverk has invested much effort into developing close co-operation with the aforementioned. Close cooperation is a decisive precondition for the best possible solutions to the tasks at hand.

This annual report gives you a fairly detailed summary of many of Landsverk's tasks and projects completed in 2012 and in 2013 so far. The report also touches on most of the important ongoing or future tasks.

THE BRIDGE OVER STREYM REPAIRED AND STRENGTHENED

REPAIR: The time has come to repair and strengthen the cover of the foundation under the nearly 40 year old Bridge Over Streym. Over the next three years, DKK 6.6 million are appropriated for the project. J&K Petersen Contractors – a Faroese private company – had the lowest tender and will carry out the repair.

The Bridge Over Streym was inaugurated in 1973. The deck was recently refurbished, and now the time has come to repair and strengthen the foundation under the soon to be 40 year old bridge.

All things deteriorate in time, and the foundation under the bridge is no exception. Stone and other materials are flowing through the strait with the strong ocean currents, and this is slowly undermining the concrete pillars of the bridge.

J&K Petersen Contractors won the tender and the repair is in progress. The first step was to create a protective stone construction. This protective wall of stone is placed on the south side of the bridge and extends from the island of Streymoy and out towards the channel under the bridge.

The maritime traffic in the channel under the bridge has generally been unaffected by the work. Occasionally, though, it's been necessary to close the channel for shorter periods of time.

Over three years, a total of DKK 6.6 million is appropriated for the work. In 2013 roughly DKK 2 million will be spent. The funds come from the annual appropriation for deferred maintenance on tunnels and bridges, which in 2013 is DKK 4 million. The Bridge Over Streym will be as good new when the repairs are completed.

In the spring of 2011, a celebration ceremony was held by the bridge, the context being that the repairs in the top section of the bridge were complete. A pavement on the north side of the bridge was also inaugurated.

On October 30th, 2013, 40 years will have passed since the inauguration of the Bridge Over Streym, which was also the first car bridge over the Atlantic Ocean. This inauguration took place the day after the famous bridge crossing the Bosporus Strait in Turkey, which connects Europe and Asia, was open to traffic.

The new pavement has made it significantly safer for people to walk and run between the two largest islands on the Faroes, despite the heavy traffic over the bridge.

A Better Helipad in Kirkja

AIR TRAFFIC: Up until the first half of 2012, a project to construct a new helipad in the village of Kirkja on the island of Fugloy was ongoing. The old helipad did not fulfil the requirements as set forth by the air traffic authorities, and therefore a new

helipad was necessary. The project was completed and handed over in July of 2012.

In addition to a new helipad, a service office was built that includes a waiting room and other amenities for travellers visiting Fugloy.

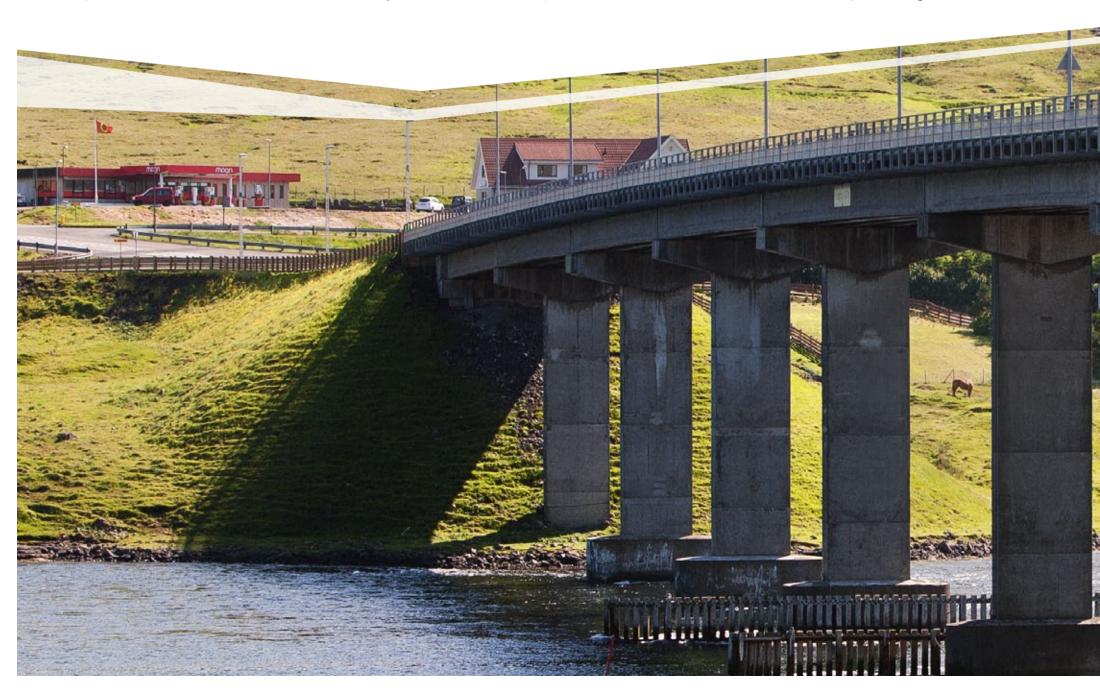
After the hand-over, a few bits and pieces were incomplete but Landsverk received a temporary and later permanent approval from the Danish Transport Authority, which is the air traffic authority. Hence the regular helicopter service was taken up again in the summer of 2012.

The cost of the new helipad in Kirkja and related work was around DKK 3 million.

The Harbour in Skúvoy Renovated

SURF DAMAGE: The renovation of the harbour in Skúvoy was completed in the summer of 2012 after surf damage had hindered the use of the harbour over the past three years. Thus the circumstances in and around the harbour are appropriate again.

It's nothing new that there have been and still are problems with the landing place in Skúvoy. What aggravated the circumstances was surf damage in 2009 when a hole was caused in the mole around the boat basin. This hole kept increasing in size.



The damage occurred because the foundation under the mole has been gradually undermined by the large pressure caused by the waves; especially in adverse weather conditions. With time this caused the ocean to force its way in between the cracks in the lower parts of the mole and in the bedrock under the mole. In the end an actual hole developed in the mole, and it only grew larger and larger.

The heavy surf that forced its way through the mole worsened the situation for the people using the boat basin.

The damage should have been repaired in 2011 but due to various reasons this didn't happen until the year after. It was J&K Petersen that won the tender and carried out the repair.

Bad weather conditions early autumn 2011 and into the winter were the main reason that the repair was postponed to 2012.

The repair was completed by casting roughly 100 cubic metres of concrete on the outside of the current mole, and by blasting some of the bedrock in front of it so that the pressure on the mole decreased.

The repair, which has cost DKK 2.6 million, is financed by the Exchequer through a parliament appropriation that was authorized after a petition from the Municipality of Skúvoy, which owns and runs the harbour.

Production Department New Head

APPOINTMENT: Landsverk's management was restructured from January 1st, 2013 so that the Head of Production, Torkil Olsen, was appointed to the project management team for the School Centre by Marknagil, Tórshavn. In his place as

who previously served as operations manager at the Infrastructure Department.

Changes were implemented in Landsverk's management at the turn of the year 2012-2013, when Mikkel Heide Frandsen accepted the position as Head of Production. He had the preceding two years occupied the position as operations manager at the Infrastructure Department. The then Head of Production, Torkil Olsen, was initially employed at Landsverk in 2001 and had since 2006 been in leadership positions. At the turn of the year he was appointed a new position in the project management team for the Marknagil School Centre project; a large project where the construction itself started effectively in June 2013.

The new Head of Production, 40 year old Mr Mikkel Heide Frandsen, holds a Master of Science in Engineering from Aalborg University, Denmark where he graduated in 1998. Before coming to Landsverk in 2007, Mikkel Heide Frandsen was first employed at the Municipality of Aarhus, Denmark, working with traffic planning for four years and then four years as the Head of City Planning in the Municipality of Nuuk, Greenland.

The Production Department's main task is to produce and sell blasted and crushed stone, unsorted broken stones, asphalt mixtures to municipalities, businesses, individuals and for internal use. The Production Department also conducts geographical feasibility studies in relation to e.g. tunnel construction and hydroelectric extensions.

New Head of Building & Construction

JOB APPOINTMENT: The now 40 year old Mikael Viderø was in July 2012 appointed Head of Build-

ing & Construction at Landsverk. Mikael Viderø has extensive experience from the construction sector after serving as City Architect for the Municipality of Tórshavn since 2003.

Viderø also served as Technical Director for a period of time during his term at the Municipality of Tórshavn. In addition to municipal construction projects, Viderø has had the responsibility for the city plan, construction procedures, ground relations and the house administration amongst other things.

What the new Head of Building & Construction at Landsverk has to say about his new job:

"For me Landsverk stands as a workplace that has a multitude of exciting challenges and tasks, and to which I can offer something with my experiences and views."

He points out that many skilled people work at Landsverk, and that hence it's an exciting team of architects, engineers, constructors and other employees that he's appointed to lead.

Ewald Kjølbro, Managing Director at Landsverk, is pleased about having gotten a leader with many and good experiences for the Building & Construction Department.

"At the moment we have great challenges within the construction sector; for example the School Centre by Marknagil in Tórshavn, the National Hospital and other larger and smaller projects. Therefore it was important for Landsverk to get a person with solid experiences for precisely this job," says the Managing Director at Landsverk.





NEAT NEW ROAD IN LEIRVÍK

ROAD CONSTRUCTION: A dignified conclusion was drawn for the much debated road in Leirvík on Saturday March 2nd, 2013 despite a lengthy and difficult process. Now the road bears the public name «Fjøruvegurin».

The process was both long and at times difficult but the new route to and from the Norŏoya Subsea Tunnel could at last be inaugurated on Saturday the 2nd of March, 2013.

Hundreds of people were gathered in the middle of the town of Leirvík when first the Klaksvík Brass Band played a few tunes; Ewald Kjølbro, Managing Director at Landsverk, bid welcome and informed about the project; along with Kári P. Højgaard, Minister of the Interior, who used the occasion to reminisce the difficult process – and then he cut the ribbon.

Afterwards motorcycles from Eysturoyar-MC drove on the new road with runners from Treystið (Klaksvík) and fire trucks from Eysturkommuna right behind them.

Then there was a reception at the Boat Museum where Jóhan Christiansen, mayor of Eysturkommuna, gave a speech. This was followed by some tasty food and refreshments.

"Despite a lengthy and rather heavy delivery, I think we can be happy with the successful result we see today," said Ewald Kjølbro, Managing Director at Landsverk, during the ceremony.

The Minister of the Interior, Kári P. Højgaard, also used the occasion to reminisce a difficult process; but he was

also glad that the project finally was complete.

"I think we must say this is a great day; first and foremost because we now have an appropriate route to and from Norðoyggjar. And not least because this is a solution that makes it more liveable and safer for you, the inhabitants here in Leirvík," the minister said at the ceremony.

The work has included new construction of about 1.8 kilometres of the current road, which goes by the ferry berth, the church, the harbour, the boat basin úti á Støð, Kráartangi, through the seashore in Kettuvíkin to the road leading to the Norðoya Subsea Tunnel. Also seven new boathouses have been constructed instead of the boathouses that had to be demolished in relation to the new road construction.

A Long Process

The first thoughts about a route to and from the Norðoya Subsea Tunnel converged towards a road solution above the town of Leirvík.

Landsverk and Leirvík Municipality had a meeting in August 2003 about deploying the road below the town but nevertheless no decision was made then.

Again in June 2004 a decision was made to examine the possibility for a road layout above the town.

Later in the year test drillings were conducted but nor then did anything considerable happen.

Then thoughts surfaced about drilling a tunnel under the town, and in the fall of 2005 a proposal about a so called immersed tunnel was on the table. The Norðoya Subsea Tunnel was as we know inaugurated in the spring of 2006, and in July there was enough progress made that the current road was designed.

In March 2007 the City Council of Leirvík decided to place the road above the town. A referendum was issued, and the majority was in favour of placing the road below the town.

In August 2008 the design of the road is recommenced, and in November that same year preparations are made to invite tenders. A licencing round is in July 2009 but later it comes to a standstill again.

Finally on November 19th, 2010 the first spade is set in the ground, and the result is what you see today.

Safety in Relation to Road Construction

SAFETY AT WORK: Landsverk has in association with Kovboy Film made a short film that sheds light on traffic safety. This time emphasis is laid on correct behaviour in drivers who pass by road construction.

The film is part of a campaign about employee safety. Last year the Infrastructure Department, which continuously promotes traffic safety on the main roads, organized the course "The Road as a Work Place."

The course was about the safety of those who work on or by the main roads, and about traffic safety in general when it concerns road construction. Main emphasis



was laid on correct usage of traffic signs when working on a main road. Contractors as well as employees at Landsverk who have the road as their work place, participated in the course. The course is a requirement for those who have to work by a main road.

As a continuation of this course Landsverk has worked internally to make provisions and inspections regarding traffic signs more rigid.

The traffic safety film has aired on "Gevið Gætur" just before the news Monday evenings on Faroese national television. The film is also available on Landsverk's website landsverk.fo.

Traffic Improvements in Suðuroy

TRAFFIC SAFETY: The crooked road between Lopra and Akrar is now widened so that cars can pass each other on the full stretch of the road. The stretch from Lopra to the School on Leiti has been widened earlier, and now the remaining 700 metres to the village Akrar have been widened. In addition new street lightning has been installed along the road.

Many other traffic improvements are applied in Suðuroy in 2012 and 2013. A bus stop is made by Nes in the town of Vágur so that travellers can walk safely to and from the bus. This improvement has also made the traffic on the main roads safer.

In the town of Fámjin a protective construction is built to prevent the surf from gradually eating away more of the seashore, which the road runs alongside.

Ever since a new football field was built in Trongisvágur the traffic to and from the area has increased significantly. Landsverk therefore decided to increase traffic security at the crossing Trongisvágur-Hvalba by making safer sidewalks and erecting lighting by this crossing where also a school and a sports centre are located.

Great improvements are also made in the Hvalba Tunnel. In addition to a heightened ceiling so that higher vehicles can pass through, two laybys are widened, emergency exit lighting and fire extinguishers are set up, and there are plans to get cell phone reception working in the tunnel soon. Also the bridge to Nes in Hvalba is repaired in 2012. Today this bridge is an aesthetic structure and the inhabitants of Hvalba have therefore already labelled it the Golden Gate.

Website Displays Road Lengths Between Villages

SERVICE: Landsverk now offers all drivers a new, easy to use and free service via the website landsverk.fo where it is possible to find the distance between all settled places in the Faroe Islands - be it between any two settled places in the country.

With the new service, which is now an integral part of the website, it's possible to populate fields with the names of villages or towns where you want to drive from and to. Then the service will output the exact distance between the selected places.

For example there are 83.93 kilometres between Argir and Ánirnar, 83.15 km between Gøtugjógv and Gásadal, 70.69 km between Tórshavn and Toftir; and 46.14 km between Velbastaður and Vestmanna.

Even villages, which must be reached by boat, become connected in the service. The service will output the total road distance on all of the islands between the chosen places. Likewise one is informed on how many ferries are required to take in order to travel between the places, and if it may be necessary to drive through toll tunnels. The service can be tried at landsverk.fo.

Landsverk Acquired Road Sweeper

TRAFFIC SAFETY: A new vehicle with special equipment intended for cleaning the main roads has arrived. Especially in tunnels a dirty road can lead to poorer visibility for drivers who are passing

The plan is also to use the vehicle to clean the roadside so that the markings are more visible. The purchase is therefore part of the ambition to increase the traffic safety on the Faroese network of roads.

The new vehicle can also be used to clean e.g. house walls and buildings otherwise, as well as to empty the drains.

It's possible to rent Landsverk's new cleaning vehicle, whose depot is at the Machine Centre in Kollafjørður.



NEW ROUTE TO VIÐAREIÐI

TUNNEL CONSTRUCTION: Six contractors are preapproved to submit tenders related to the construction of a new route between Hvannasund and Viðareiði – a big task that involves a tunnel and road connections at both endpoints.

At the time of writing a decision is yet to be made about which contractor wins the tender to construct a new route to Viðareiði. As part of the preapproval process six contractors were selected to be allowed to submit tenders to carry out the project. The contractors are Samtakið Articon og LNS, J&K Petersen, IAV Føroyar, Ístak, MT Højgaard and NCC Construction.

This preapproval concept is a common step to take when related to larger projects. The main reason for such a step is that the entrepreneur wants to be sure that the contractors who later are going to submit tenders are suited for and capable of handling the job. Hence there is significantly greater assurance that the task is in good hands when the tenders for the actual project are submitted and a contractor has been appointed after the tender round itself.

The work on the Viðareiði route includes a 1,940 metres long tunnel from Hvannasund to Miðdal on the east side of the islands Viðoy – a bit south of Viðareiði – as well as road connections on both ends of the tunnel. The new roads will be approximately four kilometres long.

The project will be put out to tender to get a main contractor, and according to plan, the project will start next year and be complete in 2017.

From One Lane to Two

The total financial framework – including land purchases, design, construction management, inspections and more – that the Faroese parliament, i.e. Føroya Løgting, has appropriated for the new route to Viðareiði is DKK 162 million. This is enacted in law of the Løgting number 18 from March 18th, 2013.

LBF was the only contractor that submitted a tender related to the design, and their tender was DKK 1.78 million. The estimated cost was about DKK 2.0 million.

The current situation is that the route to Viðareiði is onelaned; however parts of the route are widened to two lanes. The road is in steep terrain and is challenged by stone slides.

343 people lived in Viðareiði as of September 2011, and the average traffic was 433 vehicles per day.

Many Projects Completed

THE ROAD NETWORK: The need for maintenance on the main road network is high, and therefore it's necessary to prioritize precisely in which order the works are to be done. In the latter part of 2012 Landsverk initiated many projects, large and small, so that the earmarked appropriation was utilized as rationally as possible.

Many other projects were completed in addition to the projects in the Hvalba tunnel; the road between Lopra and Akrar; the protective construction by the seashore in Fámjin and by the stretch from Trongisvágur and Øravíkarlíð – all projects that are mentioned elsewhere in this annual report.

On the island of Streymoy street lighting is set up from the roundabout in Hoyvík and south towards Kúrdalsvegur; and the Municipality of Tórshavn is constructing a trail and setting up street lights from the same roundabout down towards Hvítanes.

In Hósvík the project to construct a left turn lane into the village was recommenced, and this is just about finished.

Likewise a left turn lane is built by the road approaching down towards Skáli so that the crossing at that point becomes safer. The road to and from Selatrað is narrow in many places, and in September 2012 Landsverk started widening a stretch north of Kolbeinagjógv towards Selatrað. It was also necessary to repair a few bridges on the stretch in addition to widening the road. Pipes were installed in the rivers under the road instead of the bridges, which back then were made of concrete.

In Norðoyggjar a trail with city lighting is built on a roughly 700 metres long stretch from Klaksvík to Norðoyri.

The larger projects are mentioned elsewhere in this annual report.

Extended Parking by the Highest Mountain

IMPROVEMENTS: On beautiful days up to hundreds of people walk the highest mountain on the Faroe Islands, Slættaratindur, making it difficult to find appropriate parking for everyone. Therefore Landsverk has extended the parking options on Eiðisskarð below Slættaratindur, which has become a very popular outing destination.

The parking space is constructed so that regular busses also can park without standing on the road.

The appropriation on the national financial framework for 2012 was DKK 0.5 million, and this appropriation was also used to improve the road on Eiðisskarð so that the circumstances for vehicles passing each other became better. Also it's now become more convenient for larger vehicles to use the road, just as more laybys and improvements in curves are made.

The route through Eiðisskarð is employed as an emergency preparedness road when the tunnel by Norðskáli is closed, which is another reason that Landsverk has chosen to prioritize the aforementioned improvements.

The route is also a so-called buttercup route for tourists, which is the term for some of the scenic beautiful routes

on the Faroe Islands.

The Road to Rituvík Completed

ROAD CONSTRUCTION: Many people were gathered above Rituvík when the new road connecting to the village was inaugurated in July 2012.

The road is a two-laned 1.2 kilometres long main road equipped with crash barriers from Rituvíkshálsur by Æðuvíkarvegurin and down towards Rituvík village.

Ewald Kjølbro, Landsverk's Managing Director, bid welcome and thanked the parties involved in the project for their good co-operation. Then the Minister of the Interior, Kári P. Højgaard, gave a speech in which he mentioned the history of Rituvík.

He was glad that it was precisely the road to Rituvík that he as minister got as his first public duty to cut the ribbon to. It was namely his great-grandmother and great-grandfather, Nicolina and Per Højgaard, who were the first settlers in Rituvík on Christmas Eve 139 years ago.

After speeches, ribbon cutting and tunes from Nes Sóknar Musikkfelag, the ceremony continued in the school where coffee and cakes were served. The mayor of Runavíkar Kommuna, Magnus Magnussen, gave a speech and was also delighted that the road was complete.

The new road to Rituvík cost about DKK 14 million to build.

Better Visibility for Travellers in Eysturoy

TRAFFIC SAFETY: A large stone close by the road Oyndarfjarðarvegurin has now been removed as part of traffic safety measures, and in this case the improvement of visibility for travellers on Oyndarfjarðarvegurin.

Likewise a large stone is removed by Tjørnunes north of the village Undir Gøtueiði on Skálafjørðurin; the stone was also reducing drivers' visibility.

"These are smaller measures that don't cost quite as much but that have a relatively large impact on traffic safety," says Heini Eysturoy, Head of the Infrastructure Department at Landsverk.

Landsverk has a separate appropriation on the national financial framework for safety measures on the main road network. People at Landsverk are reviewing the entire main road network. In general, evaluations are conducted as to which individual improvements can be made in a continual effort to improve the safety of travellers.

LARGE EXTENSION OF THE NATIONAL HOSPITAL

HEALTH SERVICES: The reconstruction and extension of the X-ray department at the National Hospital of the Faroe Islands is complete, and in 2014 the construction preparations and ground work for the so-called H-building will be started. When the comprehensive extension is complete all activity in the hospital service will be centred and it will have one public entrance.

Part of the large comprehensive extension of the National Hospital is the reconstruction of the X-ray department and the autopsy room where post-mortem examinations are conducted.

In 2012 two new scanners and a new autopsy room were placed in service. A reception related to this was held at the National Hospital where representatives for the parties in the project explained how the project had gone and what the possibilities are in the new premises and talked about the technical equipment, which is the most advanced on the market today.

The Minister of Health, Karsten Hansen, said it was a great day for the Faroese health services with the advanced equipment the National Hospital now had.

The next speech was from Regin Hammer, CEO of the Faroe Insurance Company, which has donated the new MR scanner. He said amongst other things that in relation to the Faroe Insurance Company's 70th anniversary in 2010 the decision was made to donate the new scanner to the National Hospital.

Ewald Kjølbro, Managing Director at Landsverk, spoke about the project and pointed out that the reconstruction of the National Hospital has been underway for many years and will continue for the upcoming years – next in line for reconstruction is the laundry facility where good progress has been made, also in line is the H-building.

Marius Rasmussen, Head of the Diagnostics Department, demonstrated how advanced the scanners are and how much the equipment has improved since the National Hospital got its first scanner in 1983.

"While the first scanner was capable of displaying only one cross section, the new MR scanner can display all the way up to 320 cross sections," said Marius Rasmussen.

The reconstruction of the X-ray Department and the autopsy room has in total cost around DKK 40 million of which the scanners amount for about half.

Long Term Plan

The H-building is the next big step in the long term plan for extending and reconstructing the National Hospital. This step includes new wards, maternity ward, psychiatric centre, facilities for rehabilitation at the hospital, and a new kitchen. The total area of the building will be around 10,000 square metres.

The Løgting, which is the Faroese parliament, has unanimously decided to increase the total appropriation towards the National Hospital so that it now also includes equipment, furniture, art and green energy. The appropriation is now DKK 489.3 million (in 2010 prices). DKK 348 million go towards the H-building. The adjustment for price increases will be done later.

The appropriation includes the years from 2009 to 2019; thus the time frame of the project is increased by one year.

The H-building, which will be built below the green main building down towards the seashore, is going to centralize the functions of the National Hospital and thus improve operations.

When the extension of the National Hospital is complete one of the ground breaking changes will be that the entire hospital will be brought together so that both the somatic and the psychiatric departments will have the same entry.

Sheltered Housing in Klaksvík and Runavík

CONSTRUCTION: In June 2013 the first sods were turned for two buildings in Klaksvík and Runavík, respectively. The buildings will each contain 10 to 16 sheltered apartments.

There is great need for sheltered housing for people with diminished capacity. The political authority has acknowledged this and hence the Minister of Social Affairs, Annika Olsen, has decided to discontinue buying regular residential properties and turning them into house shares. Instead the construction of new modern housing has started, which eventually will replace some of the current house shares.

Two of these projects are so advanced now that Landsverk as entrepreneur – in association with the Ministry of Social Affairs, which owns the buildings – has taken the step to put the first spades into the ground.

It was Annika Olsen, the Minister of Social Affairs, who on June 3rd 2013 turned the first sods and explained about the projects at Mylnutún 1 in Klaksvík as well as on Rúnarvegur in Runavík.

The total budget for each project is DKK 16.5 million, and 10 to 16 people will occupy each house. The work is scheduled to be complete in the fall of 2014.

Shared Housing for People with Mental Health Illnesses

CONSTRUCTION: The construction of shared housing in Tórshavn for individuals with mental



health illnesses has started. There will be room for 16 apartments, each one sized 35 square metres. The first construction phase includes 12 apartments in addition to common rooms.

People with mental health illnesses have a great need for housing, and due to this need construction of shared housing in Tórshavn has started, which will have 16 apartments as well as common rooms.

Annika Olsen, Minister of Social Affairs, set the spade in the ground on February 12th, 2013 and thereby the construction of housing, which will partly cover the need in this area, had started.

According to the proposal from architectural company MAP Arkitektar, which has designed the shared housing on Eystan Heyg in Tórshavn, the project is not a building but rather a quarter.

The 16 apartments are 35 square metres each, and the first construction phase includes the initial 12 apartments in addition to common rooms.

Residents will have the opportunity to prepare food, eat collectively and partake in recreation in the common rooms. Also a shared laundry room for the tenants will be connected to the communal house.

A call for tenders was held at Landsverk on December 20th, 2012 where four bids between DKK 14.7 and 18.6 million were received. The lowest tender was from J&K Petersen Contractors; this company has also been awarded the project. The first phase of construction was estimated to cost DKK 12.2 million.

The Plant Growth Station Relocated to New Facilities

NEW BUILDINGS: With two new growth facilities the premises are better than ever for the Plant Growth Station in Hoydalar.

The old growth halls were in poor condition and were demolished in June 2012. Construction of new facilities, which J&K Petersen Contractors with the lowest tender were appointed to carry out, was started immediately after the demolition.

The construction went well and already in April the following year the Plant Growth Station could relocate to the new halls, whose area totals 864 square metres. The old halls had the same amount of ground square meters but the new facilities have a higher ceiling and are therefore considerably more practical.

A ceremony was held in relation to the relocation at the Plant Growth Station on April 23rd, 2013 where Petur Nielsen, acting director, bid welcome. The Minister of the Interior, Kári P. Højgaard, was also present and gave a speech. The Minister was glad – like the director – that the Plant Growth Station at long last had been given proper circumstances.

Then the National Forest Guard, Tróndur Leivsson, described the activities at the Plant Growth Station. He said amongst other things that the co-operation and construction of the new facilities have been exemplary. Also he emphasized what great importance the work circumstances, which have become so good now, will have for the activities at the Plant Growth Station.

Next Jóhann Mortensen, Chairman of the Forest Conservation Committee, gave a speech. The chief aim of the Forest Conservation Committee, whose members are elected by the Faroese government, is to promote an appropriate plant policy at the level of country, municipalities and citizens in general.

Then Rakul Dam Lindberg, Forest Supervisor, gave a tour of the site where more than 150 plant species and varieties of plant species are grown.

The visitors each got a package of plants and stems to bring home and grow; thereby they could bid springtime welcome.

The Government Takes Over the Properties in Mjørkadalur

After Mjørkadalur and Sornfelli is shut down as a NATO station and is now only monitoring civil aviation, the Faroese government has been offered to take over the properties from the Danish state. Together with representatives from Landsverk the Minister of the Interior visited the former NATO station in January 2013 and informed himself about the usage prospects of the properties.

Where there previously had lived up to around 200 people from the Danish military for longer or shorter periods of time in the fine turf-roofed building in Mjørkadalur, there are now only nine people who involuntarily live there. The incarcerated were transferred to Mjørkadalur to serve their sentences or be remanded in custody after mould growth was determined in the Police Station in Jónas Broncksgøta where the Prison and Probation Service jail house previously was.

The activity of NATO in Mjørkadalur and Sornfelli is discontinued, and now only a radar for civil aviation is in one of the big domes. Thus the Danish state has offered the Faroese government to take over all properties up there.

The Minister of the Interior, his entourage, Managing Director of Landsverk and other representatives from Landsverk were on an information tour early in the new year on the closed NATO station. Kári P. Højgaard, the

Minister, thinks that especially the fine and well-appointed turf-roofed building in Mjørkadalur allows for many usage possibilities for e.g. the central administration or some other activity.

"We have a vast area of 3,000 square metres in the turfroofed building, which is very well-appointed. I think this place offers many exciting possibilities, and we should consider closely what activities we can install up here," said Kári P. Højgaard.

Besides the turf roof building with annexes the properties at Sornfelli are included in the takeover. Here the majority of the constructions are inside the mountain with corridors and rooms, which at the time were used for defensive military purposes. The command house Yviri við Strond in Tórshavn is also included in the takeover.

What's left of activity in Sornfelli is a new and smaller radar that keeps an eye on air traffic above the Faroe Islands. Moreover the Faroese telecom companies, television and radio stations have antennas and other technical equipment placed up there.

The plan is to appoint an idea committee to propose what the properties will be used for. Of course with the takeover comes an expense for the government, which henceforth is going to maintain the properties.

The takeover is expected to be effected in 2013.

People on Sandoy Get a New Sports Hall

NEW BUILDING: The residents on the island of Sandoy have now been given a nice sports hall, which is the first one on the island. At a gathering on Saturday November 7th, 2012 the Minister of Culture, Bjørn Kalsø, handed the municipalities on the island the new building, which is placed by the school Meginskúlin á Sandi.

Architectural company Selmar Nielsen Arkitektar have designed the hall, which has cost around DKK 27 million to build. Articon developed the land while TG-Verk did the construction work.

The work on the hall went well and – as expected – much effort was put into the day, which included a brass band, procession and other celebrations.

After Gerhard Lognberg, Chairman of Sandoyar Skúlasamband, had accepted the handover aesthetic gymnastics and entertainment as well as other things were on the schedule – in addition to a men's choir from the island that sang during the ceremony.

The sports hall is built so that it can easily be used for other purposes than sports; for example performances, celebrations and other unifying events for the inhabitants of the island.





BISHOP'S PALACE RENOVATED AND REBUILT

CONSTRUCTION: More than two months ahead of schedule the diocesan authorities of the Faroes and the Bishop could retake residence in the Bishop's Palace by Jóannesar Paturssonargøta after the property had been renovated throughout.

The Bishop's Palace, originally built around 1950, was worn and out of date; hence the need to renovate and modernize the place.

The diocesan authorities of the Faroes and Landsverk started preparing a complete overhaul of the palace that hosts both the day to day operations of the diocesan authorities, which is the administration of the Faroese National Evangelical Lutheran Church, in addition to being the official residence of the Bishop and his family.

The renovation and reconstruction has comprised around 450 square metres, counting the main building and three annexes, in addition to widening and organizing the parking lot anew.

Renovation and modernization of the Bishop's Palace started in August 2012. The work has run smoothly, and the Bishop and the employees at the Faroese diocesan authorities moved in around two months ahead of schedule, which was set to August 1st, 2013.

The renovation has been so extensive that primarily only the beams are from the original 1950's construction. However the design is largely preserved despite new and more modern windows. The aim has been to maintain the design from the time the Bishop's Palace was built.

Sp/F Valbjørn Dalsgarð has headed the work to renovate and reconstruct the Bishop's Palace. The budget is DKK 4.2 million not including consulting. The company Arkitektar 99 have been consulting on this project.

The Work on School Centre Initiated

CEREMONY: Festivities were in the air on April 15th, 2013 when the Minister of Culture at last could set the spade in the ground for the largest construction project ever on the Faroe Islands. Despite a long and difficult process the preparations for constructing the School Centre by Marknagil are now proceeding quickly. The Centre will host a merged business college, grammar school and vocational college in Tórshavn.

The largest construction project in the history of the Faroe Islands has finally started. Preparations for construction are going well at the site for the School Centre by Marknagil, which will host up to 1,300 students from three upper secondary schools in Tórshavn.

The interest for the ceremony on Monday April 15th, 2013 was big when Bjørn Kalsø, the Minister of Culture, detached the first turf, which he sliced in three to symbolize that the School Centre will host both a grammar school, a business college and a vocational college.

The ceremony began with a student and teacher choir from Hoydalar singing a few Faroese songs. Then Ewald Kjølbro, Managing Director at Landsverk, bid welcome and used the opportunity to contemplate the process towards the completion of the project.

"There have been many stumbling blocks along the way and we could have done without some of them; but we're not going to dwell on that now. It's obviously important that all parties are included when such a vast project is started, and I believe I can say that everyone is united now. I hope so in any case," said Ewald Kjølbro.

Then Bjørn Kalsø, Minister of Culture, spoke and he pointed out the importance of finally being able to start the project.

Then the Minister of Culture walked towards the site and released the turf with his own spade. After this the Mayor of Tórshavn, Heðin Mortensen, said a few words in which he also expressed his delight that the big day finally was here. Afterwards there was a reception at the cafeteria in the School Dormitory where excellent canapés and drinks were served.

The two Danish architects, Bjarke Ingels and Finn Nørkjær from BIG – short for Bjarke Ingels Group – explained what ideas and thoughts lay behind the big School Centre. For example their thoughts on the three schools together; their thoughts on the Faroese nature and the excellent view from Marknagil over the capital Tórshavn, Nólsoyarfjørður and Nólsoy and how they worked this into the overall experience of being in the building.

There is no doubt that the physical study environment will be very exciting for both students and teachers to work in.

Major Budget Cuts Necessary

The big project's troublesome process should be seen in light of the fact that the lowest contract bids to build the School Centre were far higher than the appropriation set by parliament. DKK 391 million were appropriated of which a maximum of DKK 320 million were earmarked for artisan expenses. The most competitive tenders for the eight works were DKK 475 million. Thus the most competitive bids were DKK 155 million higher than the appropriation for artisan expenses.

Large cutbacks on the budget were therefore necessary even though, before long, it was clear that a supplementary appropriation was needed if the project was to be implemented.

With the help of consultants Landsverk succeeded in cutting costs by around DKK 91 million while the parliament, Føroya Løgting, passed a DKK 64 million supplementary appropriation.

In the budget an additional DKK 60 million were earmarked for furniture, equipment and other things. Thus the total budget for the School Centre by Marknagil is DKK 515 million.

According to plan the school, whose area will be roughly 20,000 square metres, will be open at the beginning of the 2016 school year.

Better Defined Goals for Architectural Style

ENVIRONMENT: Landsverk has now started preparing and forming an architectural policy, which will be used as a guiding objective for all construction in the Faroe Islands in the future.

Any modern society should have a consistent architectural policy. Therefore Landsverk is now taking steps to frame such a policy that will be constructed with respect to both national heritage and traditions, which we as a country have.

Architectural style has almost always been a matter of great interest and caused much debate between people – because it proves to have extensive influence on and importance for public health and well-being.

We live almost all of our lives in manmade environments. Hence it's not irrelevant how well or less well e.g. a building, a neighbourhood or our infrastructure comes into existence.

Likewise it's of great importance what quality for example a building has and how that building looks in the public space. Not least for those who have to live in the building or otherwise make use of it.

Hence architectural style is not just about individual buildings or constructions but equally as much about the coherence of our environment, which includes whole cities, towns, streets and spaces.

Landsverk is of the opinion that architectural style can never be agreed upon by everyone – nor is that the point. On the contrary a healthy discussion contributes to driving the architectural style forwards. However it's very important to have an architectural policy so that people and decision makers in

All experience shows that successful and good architecture enriches the lives of those living in such environments because high quality architecture creates well organized frameworks around our lives and so improves the quality of life.

Good architecture also enriches a nation because the country or the individual city becomes more interesting as a tourist destination. Hence architecture increases the communal revenues.

As public entrepreneur Landsverk is – to a large extent – responsible for government construction projects, and it's therefore necessary – when construction is planned – to have an architectural policy where purpose, functionality, appearance and quality come together in synergy.

Mikael Viderø took office on July 1st, 2012 as Head of Building & Construction at Landsverk. One of his goals is that Landsverk – as the leading player in construction on the Faroe Islands – must have clear-cut views on construction; both in relation to architecture as a whole, aesthetics, sustainability and future-proofing of what's being constructed.

The Building & Construction Department started preparations in 2012 of what is expected to be subject for political decision-making in 2014.

"Landsverk will be the premier adviser within all public construction. It is our responsibility to form a system that can encompass the current number of buildings and future-proof all new construction in the Faroe Islands; also in relation to assuring that the buildings are correctly handled and maintained," says Mikael Viderø.

Based on this Landsverk has employed modified methods and procedures in addition to a new technical system. It's a so-called FM system, short for Facility & Management, which will support registration and prioritization of maintenance need and maintenance work on government properties.

Mikael Viderø identifies other interesting focus areas as country planning; the building legislation; the upcoming articles on country building; and a conscious approach to the necessary interventions in nature related to construction projects.

Environmentally Friendly Heating of a Building

ENERGY SUPPLY: In December 2012 a new environmentally friendly heating installation was placed

in service at Landsverk's Machine Centre in Kollafjørður. The heating installation, which replaced the oil-fired system, employs so-called wood pellets as fuel. Besides being CO2 neutral the new heating installation will mean a significant reduction in heating expenses at the Machine Centre.

It's been known for long that cost reductions can be realized by converting from oil to burning organic fuels instead. Landsverk thinks it's sensible to try an alternative to oil and simultaneously move towards a more environmentally friendly track where possible.

In 2009 energy consumption tests were conducted in public buildings on the Faroe Islands, and the conclusion was that there are vast potentials for energy reductions related to heating buildings.

In co-operation with the company Sp/F Grøn Orka from Funningsfjørður, an environmentally friendly heating installation was introduced at the Machine Centre in Kollafjørður in the fall of 2012. The arrangement is that the company owns and operates the heating installation and sells heating to Landsverk from there; and this for a price that is significantly lower than the expense of producing heat and warm water with an oil-fired system.

In addition to the financial savings the new bio fuel heating installation is environmentally friendly because it is carbon neutral.

The material for bio fuel is waste from timber production, particularly from sawmills. The waste is compacted into so-called wood pellets that are used as fuel. Therefor it's unnecessary to cut down trees for this production.

Articles on Building to be Valid Soon

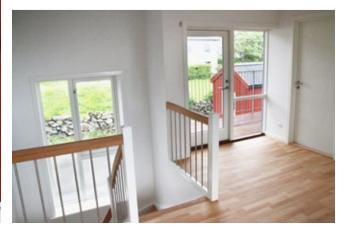
BUILDING REGULATIONS: The work drafting a Faroese building regulation is complete, and the regulation proposal is at the time of writing ready for a hearing. It is Landsverk that has the organizer's role in a project group that has worked on a Faroese building regulation.

The building regulation includes requirements to Faroese construction. For example requirements to the layout of buildings, energy requirements, etc. related to this.

The plan is that the new regulations for Faroese construction will come into effect in the fall of 2013.







A NEW STRATEGY FOR FAROESE TRANSPORT

TRANSPORT STRATEGY: The updated and extended version of the Faroese Transport Strategy was complete in December 2011. The purpose of the Transport Strategy is to show what measures are necessary to ensure that the transport network – at any point in time – fits the requirements and the needs of the age.

Like in other areas planning is a keyword within transport. About eight years ago Landsverk began preparing an overall plan for Faroese transport, and the first Transport Strategy was published in 2007 with the title "Transport Strategy 2008-2020" (Faroese title: "Samferðsluætlan 2008-2020").

That edition is now updated and extended under the title "Transport Strategy 2012-2024 – The Faroe Islands as One City" (Faroese title: "Samferðsluætlan 2012-2024 – Føroyar sum ein býur").

The first part "Strategy and Goals" – the red section – includes the general goals for future investments in the transport network, and it's also the foundation under the prioritizations of the goals that are to be achieved. The purpose is to provide an overview of what considerations need to be made when extensions or changes to the transport network are to be made and how those should be prioritized. This is necessary to be able to evaluate whether an investment benefits society or not.

The second part "Investment Plan – Investments over the Coming Years" – the blue section – includes those investments that are recommended in order to reach the goals that are set forth in part I. These are goals for what investments need to be made to tie together the country even more so that it feels like a unit. Just like the title suggests, "The Faroe Islands as One City."

The Transport Strategy is divided into two parts to emphasize the need to describe how dependent all

activities in the country are on being able to travel, and why we need to have an advanced transport network.

Changes in transport are to a large extent an effect of decisions made in other realms than transport. By placing a school, institution or business with many employees at a specific location leads to traffic increases in that area. In most cases this means changes or relocations related to traffic have to be made.

The countries we usually compare ourselves to employ similar transport plans to make the transport network as good as possible.

The Transport Strategy is created in good co-operation with e.g. Strandfaraskip Landsins and others that operate or keep an interest in the transport domain.

The Strategy is updated regularly and revised every four years or so because both circumstances and preconditions change continuously.

"Transport Strategy 2012-2024 – The Faroe Islands as One City," which is 200 pages long and decorated with drawings by Óli Petersen, can be downloaded as a PDF at landsverk.fo.

Landsverk Now with More Weather Stations

WEATHER STATIONS: People at Landsverk deployed two new weather stations last year; one by Velbastaðhálsur and one by Oyndarfjarðarvegurin, which replaced the one that broke during the violent storm in November 2011.

Just like the weather stations by Velbastaðhálsur and by Oyndarfjarðarvegurin, the weather stations at Høgareyni and at Norðradalsskarð were also damaged in the storm in 2011 and so needed repairing. The station

at Høgareyni tipped over and the mast, the storage battery closet and the solar panels were damaged; therefore a new and stronger mast had to be raised.

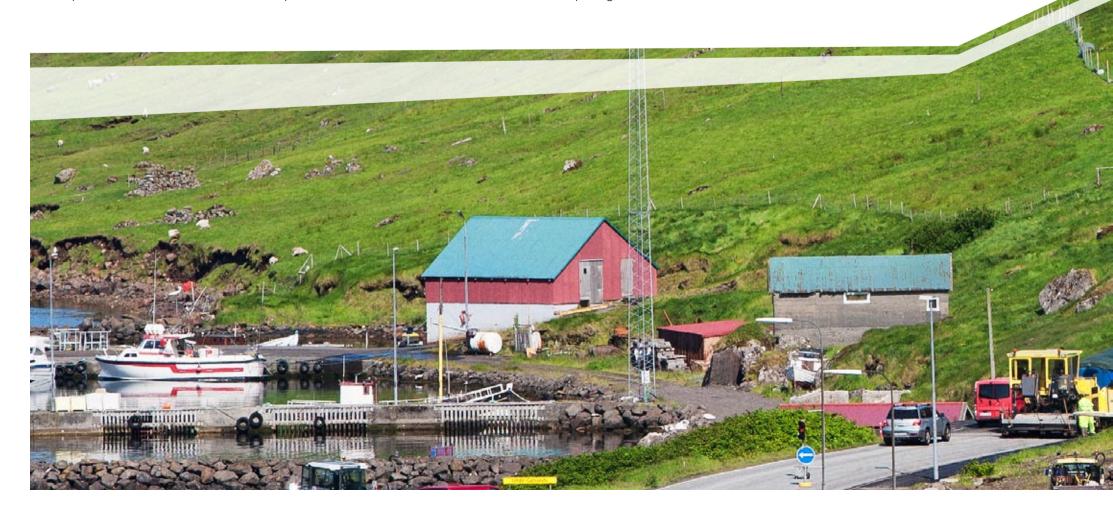
The weather station at Norðradalsskarð was damaged on the solar panels, the storage battery closet and the thermometer, and thus also needed repair.

While new weather stations have been installed in these places, the weather station at the construction ground for the School Centre in Marknagil has now been removed. The station has been measuring weather conditions relevant for the large School Centre project by Marknagil.

A targeted effort is being made towards getting better weather information out to the citizens during winter. The goal has been – and still is – that all people who depend on weather information will get the information as quickly and easily as possible, and whenever they may need it, day or night.

"Detailed inspections, adjustments and continuous development – even though we've had initial difficulties with the weather stations – have brought about a modernized winter weather service at Landsverk. The result is that the information service level has increased significantly and we've decreased costs at the same time," says Gunnlaugur Sighvatsson from the Infrastructure Department, who has the day-to-day responsibility of the Landsverk weather stations.

In 2010 Landsverk conducted a satisfaction survey related to the website, and this also showed that the number of people visiting the weather pages of landsverk.fo is soaring.



The Weather Stations Are Located Here

Landsverk currently has 26 weather stations that are scattered around the country at relevant positions. They are found at the following places:

North Viðareiðisvegurin

East Kambsdalur Klaksvík Gøtueiði

Oyndarfjarðarvegurin Syðradalur

Gjáarskarð Runavík Norðskálatunnilin

South

Norðradalsskarð West

Kaldbaksbotnur Tjørnuvíkarvegurin Streymnes

Sund Glyvursnes Norðuri í Sundum, Kollafjørður

Við Velbstaðháls Høgareyn Skopunar havn Sandavágshálsur Sandoy/Brekkan Stóra Vatnsoyrar Hvalba Mykines

Krambatangi Porkerishálsur also means that everyone who uses the network must display caution and courtesy because this benefits all travellers.

Summertime is that time of the year when most foreign tourists find themselves here by car. Most of them are unfamiliar with Faroese traffic and have little or no experience with the special phenomena, which are characteristic for our traffic and road network; for example the problem with sheep on the road as well as single laned roads and tunnels.

With increased traffic safety in mind Landsverk has in co-operation with Kovboyfilm made a movie that targets foreigners. The movie deals with those aspects that all drivers should regard when driving in the Faroe Islands.

The movie is a cartoon that clearly shows some of the situations, which all drivers may experience on Faroese roads and tunnels. Not least how the individual driver most appropriately takes into account such situations and deals with them.

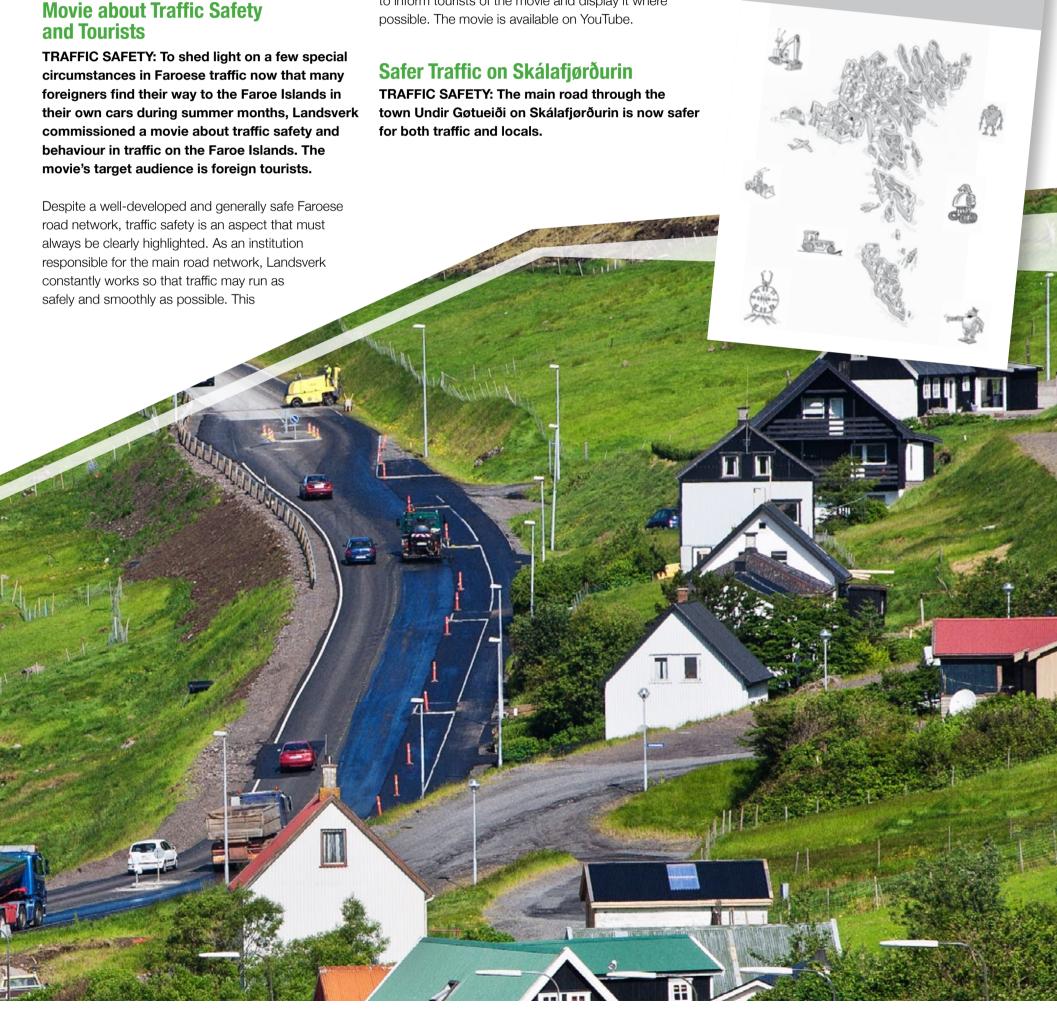
Landsverk has called upon travel agencies, transport companies and other providers in the travel industry to inform tourists of the movie and display it where possible. The movie is available on YouTube.

Landsverk continuously works to improve traffic safety on the main road network. In the fall of 2012 work started to ensure traffic safety on the main road through the town Undir Gøtueiði - on the east side of Skálafjørðurin – by Skipanes. It's a traffic heavy area, which serves as the route to and from the capital Tórshavn for all the largest districts in Eysturoy as well as Norðoyggjar.

The work has e.g. included widening the road down on the lower side so that there's room for pavement and parking on the upper side. Each lane is now 3.25 meters wide.

To decrease speed when entering the town new traffic signs are established in addition to speed humps. These speed humps force drivers to reduce their speed.

Landsverk's work on the stretch Undir Gøtueiði has also included repaving.



ALL WAVE RECORDERS IN SERVICE AGAIN

WAVE MEASUREMENTS: From May and September 2012, respectively, it wasn't possible to get wave measurements north and south of the Faroe Islands. However a solution to the problem was found so that wave measurements were available again on all four waters around the Faroe Islands.

Because of a disagreement about whether the Faroese Fisheries Inspectorate or Landsverk should carry the cost of taking wave recorders out of service and putting them back again after service supervision, there were no wave recorders north and south of the Faroes from May and September 2012, respectively, to January 2013.

This has obviously not been adequate for e.g. fishing vessels and meteorological offices in addition to other institutions and branches of business that use wave measurements.

An agreement was reached after talks between the Minister of the Interior, Kári P. Højgaard, responsible for Landsverk, and the Minister of Fisheries, Jacob Vestergaard, who has the principal responsibility for the Fisheries Inspectorate.

The wave recorders were dispatched again after the deal between the ministers. Then the financial question was taken up in government, namely who is to bear the future costs of this task. A final solution was devised.

Wave measurements are of great importance, especially for fishing boats but also for other fishing vessels that are trying to get a catch around the Faroes. Likewise many institutions and lines of business make use of the data that the wave recorders collect. For example the Danish Meteorological Institute (DMI), the University of the Faroe Islands, the Faroe Marine Research Institute, Aquaculture Research Stations of the Faroes, and oil companies.

Service supervision has to be conducted at regular intervals, and this requires taking the wave recorders aboard a fishery protection vessel and transporting them ashore.

Since the turn of the month January to February 2013 all wave recorders have been in service again.

The Weather by the Hour

WEATHER SERVICE: As everyone knows the weather on the Faroe Islands changes constantly and thus for us who live here weather forecasts have always had great importance.

In spring 2013 Landsverk began offering a service where wind speed, temperature, humidity and precipitation are shown hour by hour on a map, which is updated every

three hours. The service is offered in co-operation with the Danish Meteorological Institute (DMI).

The forecast is particularly useful for people with jobs that depend closely on the weather. For example for fishermen, workers and others who primarily operate in the outdoors. For instance employees at Landsverk get great utility from this service.

English Edition of Landsverk's Website

INFORMATION: Foreigners can now learn more about Landsverk's activities on the English part of the website. It is of course the most relevant information for foreigners that is conveyed on the English edition of landsverk.fo.

The Faroe Islands are becoming increasingly more internationalized, and a big institution like Landsverk, which e.g. administers the main road network in addition to being the public entrepreneur, should join that course. In light of this Landsverk has created an English edition of the website, which gives foreigners easy and quick access to information about the institution and the fields that the institution administers.

The website for example brings up the history of Landsverk, what areas and tasks are administered and also what services are offered. Similarly people can get information on how to stay tuned on weather and driving conditions, and how to get access to all the webcams in the various locations around the country. Indeed the web cameras around the country get many hits on the website.

The English edition of Landsverk's website can be accessed by visiting landsverk.fo and pressing "English" in the top right corner.

A Future Airport is Best Placed at Glyvursnes

AIRPORT CONDITIONS: Tests by Landsverk have previously established that Glyvursnes all in all is the most suitable location for an airport, considering terrain and visibility conditions. Now a more comprehensive test of turbulence conditions once more concludes that Glyvursnes is by far the most suitable place for a potential new airport.

As part of an overall plan for air traffic in the Faroe Islands, Landsverk has over the past few years – related to the desires to improve airport conditions in the Faroes – tested three separate locations. These tests are conducted in dialogue with the political authorities.

To complete a unified plan like that, where the possibilities for an alternative location also need to be tested, is a task that takes a lot of time. Many pre-

tests have to be made, and this has to be done in steps. Thus Landsverk's first step was to test where it's topographically possible to construct an airport.

The conclusion was that Søltuvík and Glyvursnes are the only viable places for an alternative airport, while Skorðhæddin is unfitting because satisfactory approach and ascent conditions cannot be achieved.

The results of the newest test – whose results were published in August 2012 – concern turbulence on present and alternative airport locations on the Faroe Islands.

In brief it can be said of the three tested locations – which are Vágar, Glyvursnes and Søltuvík – that Glyvursnes is by far the most suitable place for a new airport on the Faroe Islands.

The test concludes that the low-lying and even terrain by Glyvursnes – in the north, east and south directions – cause no turbulence problems during wind directions all the way from north-west to north and down towards southwest.

A Lot of Turbulence in Vágar and Søltuvík

An alternative airport in Søltuvík will – by the westerly and southerly wind directions – become influenced locally by a lot of strong turbulence coming from the western and southern edge. The troublesome turbulence conditions in Søltuvík coincide to a large extent with the difficulties in Vágar, which is why Søltuvík is not considered an alternative to the present airport.

The high mountains north and south of the present airport in Vágar create a lot of turbulence in and around the descent routes and the airport. Landsverk's simulations show that wind directions from the north, north-east, south, southwest and west create difficulties with turbulence both in the descent route and on the airport itself.

All things considered the test shows that the turbulence conditions in Vágar are very problematic while the conditions at Glyvursnes are significantly better.

The unique thing about Glyvursnes compared to the other options is that it's possible to get a runway right up to 2,700 metres or more, and therefore this solution is the most future-proof. With the most advanced equipment and a straight, clear approach and ascent line it's possible to land an aeroplane at Glyvursnes in considerably worse visibility than at any other location on the Faroe Islands. In addition there's no indication of turbulence worth mentioning, which is one of the big problems in Vágar and Søltuvík.

The mentioned tests of airport conditions are available on landsverk.fo.



Radio in the Kollafjørður Tunnel

RADIO NETWORK: Many commuters to and from the capital Tórshavn have long asked for a radio signal in the Kollafjørður tunnel. Now the radio signal is a reality and thus radio is available in the most traffic heavy tunnel in the country.

Students at the Vocational College in Tórshavn (Faroese: Tekniski Skúli í Tórshavn), who in the spring worked on a project to develop and install Frequency Modulation (FM) equipment in the Kollafjørður tunnel, have now completed the work. Thus two out of three nationwide radio stations are available in the tunnel.

Many drivers have wanted radio channels in the most traffic heavy tunnel in the country. This is now a reality for in April 2012 students and teachers from the Vocational College in Tórshavn installed equipment in the Kollafjørður tunnel making it possible to hear the radio stations Kringvarp Føroya, which is the national broadcasting station, and one of the private radio stations in the tunnel.

So far radio has only been available in five tunnels on the Faroe Islands, namely Vágatunnilin, Norðyatunnilin, Hovstunnilin, Leynatunnilin and Norðskálatunnilin. These are amongst the busiest tunnels in the country but the one in Kollafjørður is the tunnel with the heaviest traffic of all.

Therefore drivers can now be glad that there will be uninterrupted radio reception in the Kollafjørður tunnel after FM equipment has also been set up in this tunnel.

This radio installation is related to an examination project at the Vocational College in Tórshavn where students have tried to install radio reception in the tunnel by Gásadal. This trial was so successful that the College offered to install similar equipment in the Kollafjørður tunnel too. The Ministry of Culture, which oversees the Kringvarp Føroya broadcast network, chose to accept this offer.

The project is conducted in co-operation with Landsverk, which oversees tunnel safety and is currently working on a safety information system for all Faroese tunnels.

Therefore it's the Ministry of Culture and Landsverk that jointly have funded the expenses of the radio equipment while the Vocational College in Tórshavn has implemented the project. The new radio system is an innovative but technically simple solution, which is significantly cheaper than the solutions that have been employed so far – but it should be equally reliable.

"Landsverk is pleased with the co-operation, which is a win-win situation for all parties. Students at the Vocational College in Tórshavn are challenged professionally while the Ministry of Culture and Landsverk get an inexpensive solution, which drivers in the central Faroe Islands have desired for years," says Heini Eysturoy, Head of the Infrastructure Department at Landsverk.

Project Manager for Hospital Construction Appointed

CONSTRUCTION: A big extension of the National Hospital of the Faroe Islands lies ahead. In that context Landsverk has appointed Jan á Argjaboða, who has been employed at Landsverk for the past two years, to head the project.

The preparation of the big extension of the National Hospital is proceeding as planned. The total appropriation for the National Hospital for the period 2009-2019 is DKK 489.3 million. Of that around DKK 95 million is for work already completed, which mainly includes reconstruction of the X-ray Department, laundry facility and construction of a climate screen on the B-building.

Of the around DKK 394 million left of the appropriation, DKK 295 million are going towards the H-building, which is going to host a psychiatric centre, maternity ward, facilities for rehabilitation at the hospital, sickbeds and a kitchen. Correspondingly investments in equipment, furniture, art and green energy are going to amount to DKK 65 million. DKK 34 million are earmarked for various maintenance works.

Landsverk, which is a public entrepreneur, has appointed Jan á Argjaboða as the project manager for the big reconstruction and extension of the National Hospital.

Jan á Argjaboða graduated from Aalborg University in 1984 with a degree in engineering. In addition to work experience in the Faroe Islands, he has also worked on projects in Greenland, Denmark, Mozambique, Nepal, Indonesia and Afghanistan.

Jan á Argjaboða was Head of the Service Centre at the National Hospital a good five years before he joined Landsverk in 2011.

New Project Manager Appointed for the School Centre by Marknagil

APPOINTMENT: Landsverk has appointed Hans

Pauli K. Henriksen from Tórshavn as project manager for the School Centre by Marknagil.

In April the spade was set in the ground to mark the start of the much publicized School Centre by Marknagil, which got the necessary supplementary appropriation from parliament some time ago, and thus the construction could begin.

In spring 2013 Landsverk appointed Hans Pauli K. Henriksen – commonly known as Palli Henriksen – as project manager for the biggest construction project in the history of the Faroe Islands.

It's an experienced man within project management whom Landsverk has appointed to lead the construction of a new school centre.

Palli Henriksen, who is 52 years of age and holds a degree in construction engineering, has had the responsibility of many big projects. He comes from a position as project manager for the Municipality of Tórshavn where he amongst other projects has lead the construction of Boðanesheimið and the School by Løgmannabreyt.

Before his tenure at Tórshavn Municipality, Palli Henriksen was project manager for Samtakið Hoyvíkshagin Suður – a consortium between J&K Petersen and Byggitek – which is the largest single land development project in the Faroes so far.

Ewald Kjølbro, Managing Director at Landsverk, is glad that Landsverk succeeded in finding a well-qualified successor for Heini Trónd Hansen who prior to Palli Henriksen led the project but sought another job in Denmark in the spring.

"This is a very big task and therefore it was important that we found the right person to lead the project by Marknagil. And I have no doubt that we have succeeded with this appointment," said Ewald Kjølbro.

Palli Henriksen, who has also run his own design and consulting business in the construction industry, looked forward to undertaking the new task.

"There's no doubt that a supreme effort is needed but at the same time, this is a tremendously exciting challenge that I could not turn down," says the new project manager.

Palli Henriksen started the new job at Landsverk on May 1st, 2013.





DKK 10 MILLION LESS FOR OPERATIONS OVER FIVE YEARS

FINANCIAL CONDITIONS: Over the past five years the operation of Landsverk has decreased by almost DKK 10 million, corresponding to a good 14 percent. The largest decrease is in operation of the main road network where DKK 8.6 million are cut.

The operation figures have decreased significantly since 2008 as the Landsverk financial figures on one of the charts on this page show.

Because of the deferred infrastructure maintenance, more has been spent on regular maintenance the past two years. The cost of management and administration is continuously decreasing as Landsverk has constructed a more flexible organization.

Winter maintenance can't be changed much because it will always depend on how hard or mild the winter is. However a lot of new technology has been utilized in the effort to cut costs where possible.

Paving is subject to the largest operational decrease because that's the only area where the demands for budget cuts can be met.

The Traffic Centre is also hit hard by the reductions. For one thing this has the effect that Landsverk can't – to the same extent as it used to – implement traffic safety campaigns to enhance the safety on the roads.

The same bar chart shows that fewer and fewer appropriation investments are made in paving. The effect is that the need for maintenance increases

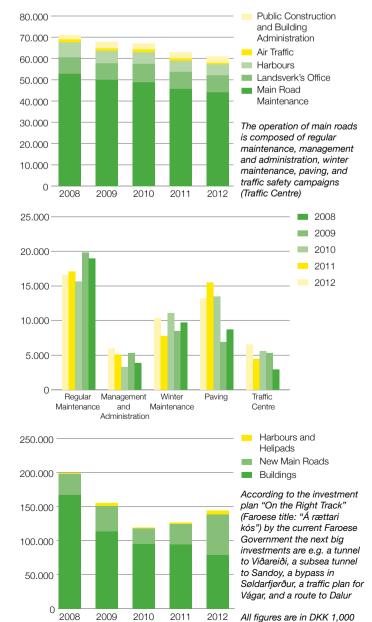
constantly while the deferred maintenance now has reached extreme amounts.

According to economic report number one from 2012 titled "On the Right Track" (Faroese title: "Á rættari kós") from the Ministry of Finance, Landsverk will get roughly the same appropriation for operations up until 2016 as it gets today. It can therefore be expected that even less resources will be available for new paving, and an invariably larger amount will be spent on stopgaps, which in turn will increase the deferred maintenance even more.

Big Investments

When it comes to investments in 2012, it is observed that the big building projects are e.g. the School Centre by Marknagil, the National Hospital and the sports hall on Sandoy. In infrastructure the big projects are Fjøruvegurin in Leirvík, the stretch from Skálafjørðurin to Strendur, and Rituvíkarvegurin.

In 2008 and 2009 it was mainly the Secondary School in Suðuroy, the Fisheries College in Vestmanna, the Vocational College in Klaksvík, and the Regional Centre in Vágur that accounted for much of the investments.





GOOD IDEAS FOR LANDSVERK'S AREAS OF WORK

CHALLENGE: Landsverk organized an idea competition, which started in late December 2012, closed six months later, and centred on projects that Landsverk potentially can start carrying out. Students, graduates and others with an interest in Landsverk's areas of work had the opportunity to present themselves in a competition about projects, which were either innovative or could support development of current areas of work. In July 2013 three ideas were brought before a panel of judges and other interested parties.

The idea competition was part of a campaign to get people with residency abroad to return home to the Faroe Islands to work. The competition was kicked off at Jobmatch 2012, which over the past few years has been held in the days between Christmas and New Year at Müllers Pakkhús in Tórshavn.

Though management at Landsverk believes that the support could be bigger from students, recent graduates and others with good ideas and an interest in Landsverk's area or work, many good ideas were nevertheless received, which all support the work areas of the institution and touch upon some of the issues that Landsverk already is at work improving.

By means of the competition, participants had an excellent opportunity to display their theoretical qualifications in practice.

Prior to the Jobmatch event there was great debate about migration from the Faroe Islands, and how the Faroese Government and Faroese work places could contribute to making our country a more interesting place to live in. In this context Landsverk wanted to make an effort to get in touch with students and other interested

people. Through the idea competition Landsverk wanted to give particularly young students and people fresh from university an insight into Landsverk's areas of responsibility and offer what job opportunities are within the public construction sector.

The target audience were both new students and people with bachelor's, master's or Ph.D. degrees. Relevant areas of education are within engineering, construction, architecture, economics, management, human resources, communications, or information technology.

Landsverk's position is that such a competition is an obvious foundation and opportunity for those who are about to start work on a thesis or some other project. It was possible to enter the competition either as an individual or as a group.

The areas of work that the competition included were the main road network and traffic; buildings; architectural policy and transport strategy; emergency preparedness; harbours; sailing routes; weather service; and also asphalt and road stone production. Moreover Landsverk has a management department that handles financial, IT, employee, and communications relations. People with an interest in these areas were also welcome to enter the competition where the winners were nominated for awards.

Build the Land Even Better

Just like the purpose of Jobmatch – which is organized by Tórshavn Municipality in co-operation with Altjóða Skrivstovan, House of Industry and MFS – is to create and maintain the connection between Faroese work places and Faroese students, the purpose of the idea competitions was to get in contact with students and others with good ideas as to how Landsverk can

become even better at building the land; in other words, to try to secure ongoing growth and development of the Faroese society.

The participation in the competition was also a good opportunity for people to get insight into an advanced institution and a potential future work place. Another purpose was to stir interest between students and others to apply for jobs and internships in addition to writing projects at Landsverk.

The top three ideas were laid before Landsverk in July 2013. The people with the top three ideas were

- Sonni Seyer who had worked on an idea about Lean construction project management.
- Theresa Jákupsdóttir who with the basis in commuter studies worked on a proposal to decrease car traffic on the main roads with the goal of improving the use of other transportation methods.
- Eyðun Eliasen who had a proposal about how we can create more tourist destinations in nature by setting up so-called view places at select locations.

Landsverk will now decide when or how these ideas can be brought about. Landsverk will also evaluate the idea competition and consider how it can be organized the next time.

The management at Landsverk is confident that there are many Faroese people who have good ideas as to how Landsverk can develop its areas of work. These ideas ought not to be forgotten and must see the light of day.