INFRATEK GROUP AS

First half-year and second quarter 2017

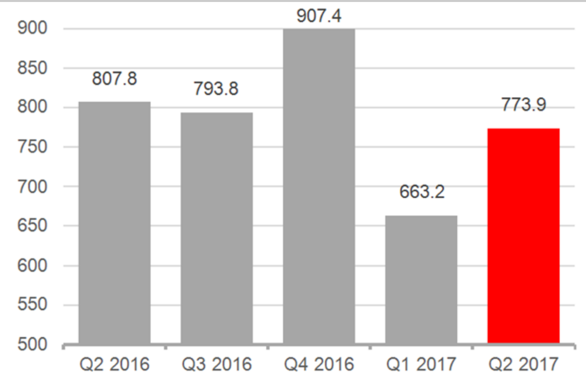
Highlights Second quarter

- Operating revenue of NOK 773.9 million (NOK 807.8 million)
- New service frame agreement with Ellevio worth over NOK 1 billion
- Operating profit of NOK 23.5 million (NOK 40.3 million)
- Adjusted operating profit of NOK 30.1 million (NOK 40.3 million) due to net negative non-recurring items of NOK 6.6 million
- Adjusted operating profit margin of 3.9 percent (5.0 percent)
- Cash flow from operating activities of NOK -105.1 million (NOK -60.4 million)
- Cash Balance of NOK 187.6 million (NOK 95.8 million)

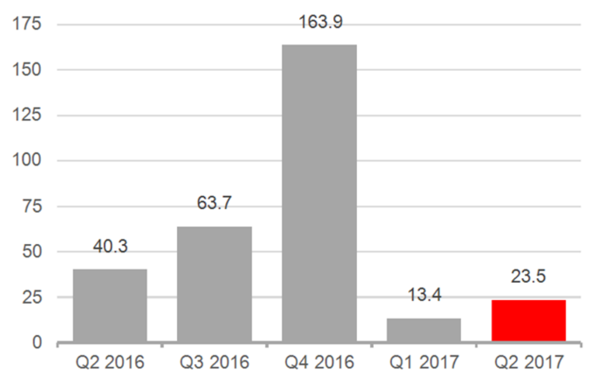
Highlights First half-year

- Operating revenue of NOK 1,437.1 million (NOK 1,429.3 million)
- Operating profit of NOK 36.9 million (NOK 45.3 million)
- Adjusted operating profit of NOK 43.5 million (NOK 45.3 million) due to net negative non-recurring items of NOK 6.6 million
- Adjusted operating profit margin of 3.0 percent (3.2 percent)
- Cash flow from operating activities of NOK 38.4 million (NOK 5.0 million)
- Satisfactory order book for the rest of the year

OPERATING REVENUE
NOK million



OPERATING PROFIT
NOK million



KEY FIGURES

Second quarter			First half-year		Year
2016	**2017**	**PROFIT AND LOSS** (NOK million)	**2017**	**2016**	**2016**
807.8	**773.9**	Operating revenue	**1,437.1**	1,429.3	3,130.5
49.2	**28.9**	Operating profit before depreciation	**47.9**	63.3	312.3
40.3	**23.5**	Operating profit	**36.9**	45.3	272.9
40.3	**30.1**	Adjusted operating profit	**43.5**	45.3	190.3
-10.6	**-3.2**	Net financial income (expenses)	**-14.6**	-23.6	-45.0
29.7	**20.3**	Profit (loss) before tax	**22.3**	21.7	228.0
23.3	**16.4**	Profit (loss) for the period	**18.4**	17.4	165.6
		CAPITAL MATTERS			
1,528.9	**1,731.2**	Total assets	**1,731.2**	1,528.9	**1,713.1**
18.7 %	**27.1 %**	Equity ratio	**27.1 %**	18.7 %	24.9 %
553.5	**490.2**	Net interest-bearing debt (cash)	**490.2**	553.5	505.4
-60.4	**-105.1**	Cash flow from operating activities	**38.4**	5.0	73.7
		KEY FIGURES			
5.0 %	**3.0 %**	Operating profit margin	**2.6 %**	3.2 %	8.7 %
5.0 %	**3.9 %**	Adjusted operating profit margin	**3.0 %**	3.2 %	6.1 %

FIRST HALF-YEAR 2017

The market is growing in all business areas that Infratek engages in. All the Nordic countries have signalized investments, both in regional grids, distributions grids and smart meters in the coming years in order to upgrade and enhance existing infrastructure aiming to satisfy electricity demand. Additionally, the Swedish government has pledged to spend around NOK 500 billion over the next ten years on road and rail projects, with rail set to benefit from the majority of the funding. Infratek aims to take part in that market growth.

In order to be prepared for the market changes and enable Infratek to develop its business strategy for 2017-2020, Infratek carried out a thorough review of Infratek's strengths, potentials and challenges within all the relevant markets. Based on that work, Infratek adjusted its governance model, changed the composition of the Board of Directors in the operational subgroup Infratek AS, and reorganized its business activities in order to optimize operational processes and to reduce expenses to increase Infratek's competitive ability. As the result of Infratek's strong market position and above mentioned initiatives, Infratek is glad to announce the signing of a new service frame agreement with Ellevio worth over NOK 1 billion with a contract period of 5 years and an option for 2.5 additional years.

On the other hand, the review revealed a clear improvement potential on the Infrastructure business in Norway, especially the Lighting business, and on the E.ON agreement in Sweden. Both business areas experience low margins. Focus has to be given to streamline operational processes, make use of a higher degree of digitalization and increase the understanding of contractual rights and obligations.

The picture shown above is also reflected in the first-half year's financial figures. Compared to the corresponding period of 2016, revenue for the first six months of the year rose by NOK 7.8 million (0.5 percent) and ended at NOK 1,437.1 million. The increase is explained by improved revenues in Sweden, while Finland and Norway somewhat decreased revenue compared to the same period previous year.

Sweden posted revenues at 5.8 percent above previous year as a result of increased activity within all business areas except Regional Grid Projects. Revenue within Regional Grid Projects has decreased due to slow start-up of planned projects.

Although Finland's total revenue for the first-half of 2017 includes NOK 8.8 million related to the acquired technical division from Helen Ltd, revenue has decreased by 1.1 percent compared to previous year. Main explanation for the decrease is exceptionally high activity in 2016 on several large projects, which led to high revenue in 2016.

Revenue in the Norwegian market was down by 6.5 percent mainly due to reduced activity within distribution grid services in the Agder area where the large frame agreement expired at the end of 2016. Activity in infrastructure services is also reduced mainly caused by fewer assignments within backup power supplies and construction work.

To facilitate comparability, Infratek presents an adjusted operating profit in its financial reporting. The adjusted operating profit includes only income and expenses related to recurring, underlying operations. Infratek defines non-recurring items as items of unusual or non-recurring nature which represent gains or losses, including amongst others expenses arising on the restructuring of activities, reversal of provisions related to non-recurring items occurred in previous years and disposals and impairments on non-current assets.

The Group posted an operating profit of NOK 36.9 million compared to NOK 45.3 million in 2016. As per 30 June, profit margin decreased from 3.2 percent in 2016 to 2.6 percent in 2017. Current year's operating profit was negatively impacted by non-recurring expenses of NOK 6.6 million – mainly consulting expenses – incurred as result to develop and adapt to the new strategy for the period 2017-20. The adjusted profit margin ended at 3.0 percent as per 30 June 2017.

The decline in operating profit margin is primarily attributable to decreased profitability in the Norwegian market, with reduced margins within the Lighting business as well as some losses related to project activity. The adjusted operating margin within the Norwegian market decreased from 5.4 percent to 1.5 percent. To improve margins, Infratek is continuously working on improvements related to operational processes, resource allocation and project management.

In Sweden, the adjusted operating margin was up from 3.1 percent to 3.7 percent – caused by increased profitability within all the Swedish operations except Electrical Grid Services.

In Finland, the operating margin increased from 4.3 percent to 5.3 percent, as result of improved operating margins within projects. The operating margin within Electrical Grid Services Finland however decreased from 2.3 percent previous year to -1.8 percent for the first half-year 2017.

Net financial expenses ended at NOK -14.6 million (NOK -23.6 million). The decrease compared to previous year is due to net financial expenses being positively affected by a reduction of the earn-out consideration related to the acquisition of PWR in 2016. The earn-out consideration of EUR 3 million was reduced by EUR 1.0 million, based on best estimate of future profitability. Additionally, lower interest cost occurred in 2017 due to the repayment of loan to Triton in April 2016.

The post-tax profit was NOK 18.4 million compared to NOK 17.4 million in 2016.

The total change in cash and cash equivalents during the period was NOK 41.1 million (NOK -279.8 million), consisting of the following main elements:

(1) A net positive cash flow from operating activities of NOK 38.4 million, (2) a net cash outflow of NOK 6.6 million from investment activities, (3) a net cash inflow of NOK 9.3 million from financing activities.

Previous year's cash flow for the corresponding period was significantly affected by a dividend payment of NOK 135 million, repayment of loan amounting to NOK 70.8 million and the acquisition of PWR.

We refer to other sections of the Report of the Board of Directors relating to the balance sheet and risk factors as of 30 June 2017.

The Report of the Board of Directors and the financial statements for the first half of 2017 are based on non-audited figures.

SECOND QUARTER 2017

Consolidated revenue came in at NOK 773.9 million, a decrease of NOK 33.9 million compared to the same period last year. Revenue increased in Sweden but was reduced in both Norway and Finland. Parts of the decrease can be explained by different timing of public holidays, with Easter holidays falling on April in 2017. For further comments on the decreased revenue, please refer to the half-year section above.

The Group posted a second-quarter operating profit of NOK 23.5 million, compared to NOK 40.3 million for the corresponding prior-year period. Main contributors to the decline in operating profit is overall decreased activity in Norway and Finland. The operating margin has decreased by 2.0 percentage points, to 3.0 percent, with declined margins in all countries.

The operating profit for the second quarter of 2017 was negatively impacted by non-recurring items of net NOK 6.6 million, with all non-recurring items being incurred in the second quarter. Reference is therefore made to the specification of non-recurring items in the half-year section. The comparable quarter in 2016 was not impacted by non-recurring items.

Net financial expenses in the quarter amounted to NOK -3.2 million, compared to NOK -10.6 million in the comparable prior-year period. The main part of net financial expenses for the quarter as well as for the comparable prior-year period is interest charged on bond. The decrease in net financial expenses is mainly explained by the reduction of earn-out consideration related to the acquisition of PWR amounting to EUR 1 million.

The tax expense for the quarter was NOK 3.9 million, based on the positive profit before tax for the period. The Infratek Group posted an after-tax profit for the first quarter of NOK 16.4 million, compared to a profit of NOK 23.3 million for the comparable prior-year period.

As of 30 June, the total order reserves were NOK 4,736 million, of which NOK 1,501 million relates to 2017. The Group's order book at the end of the second quarter previous year was NOK 3,772 million. The increase in order reserves compared to previous year is mainly due to the contract awards from Ellevio with an estimated value of NOK 1,045 million. Infratek was appointed as the main supplier in Ellevio's service frame agreement for the Stockholm area. The contract period applies for 2018-2022 with an option for 2.5 additional years.

BALANCE SHEET

Infratek Group's total assets increased from NOK 1,713.1 million as of 31 December 2016 to NOK 1,731.2 million at the end of the reporting period, and is primarily attributable to an increased cash position.

As of 30 June 2017, equity amounted to NOK 469.5 million, representing an increase of NOK 42.8 million compared to 31 December 2016. This corresponds to an equity ratio of 27.1 percent at the end of the reporting period, which is 2.2 percentage points above year-end 2016 and an increase of 8.4 percentage points compared to the same period previous year. The reasons for the increase in equity compared to year-end 2016 are the positive after-tax profit and a positive currency change difference effect of NOK 24.4 million during the first half-year of 2017.

As of 30 June 2017, the Group's cash and cash equivalents totalled NOK 187.6 million, compared to NOK 141.2 million at the end of 2016 and NOK 95.8 million as of 30 June previous year. The increase in cash position compared to 31 December 2016 is due to the positive after-tax profit combined with an improved working capital position as a result of implemented weekly follow-up routines on invoicing.

Net debt is down to NOK 490.2 million (NOK 553.5 million) and consists of:

NOK million	31.06.17	31.06.16	31.12.16
Cash and cash equivalent	**-187.6**	-95.8	-141.2
Bond-principal (net of transaction costs)	**642.8**	639.0	640.9
Accrual interest - bond	**4.2**	4.4	4.4
Other interest-bearing liabilities	**30.9**	5.9	1.3
Net debt	**490.2**	553.5	505.4

CASH FLOW AND FINANCING

Net negative cash flow from operating activities in the second quarter of 2017 amounted to NOK -105.1 million, a decrease of NOK 44.7 million compared to the corresponding period previous year. The decline is mainly explained by worsening in working capital compared to previous year, as well as the negative development in profit before tax in 2017 compared to the corresponding period in 2016.

Cash flow from investment activities is negative by NOK 2.8 million compared to NOK 11.0 million for the comparable period previous year. Previous year's cash flow was negatively affected by NOK 7.4 million due to the payment of an adjustment amount regarding the acquisition consideration of PWR. Investments in fixed assets are with NOK 3.8 million in line with previous year's investments (NOK 4.0).

Net positive cash flow from financing activities in the second quarter of NOK 19.9 million was attributable to a drawdown on Infratek's credit facility with Swedbank amounting to NOK 30 million. Otherwise, cash flow from financing activities was negatively affected by payment of interest, mainly interest paid on bond. Previous year's negative cash flow from financing activities of NOK 217.2 million was attributable to payment of dividend (NOK 135 million), repayment of loan (NOK 70.8 million) and interest paid on bond.

The Group has a NOK 100 million credit facility and a guarantee facility of NOK 300 million with Swedbank – both with an expiration date of February 2019. At the reporting date, the Group had bank guarantees of total NOK 176.6 million, and the credit facility drawdown amounted to NOK 30 million.

SEGMENT INFORMATION

Infratek reports its business activities in three geographical segments – Norway, Sweden and Finland.

NORWAY

The operation in Norway is organised in the following business units:

- ✓ *Distribution Grid Services Norway,* which is aimed at the product areas distribution grids and lighting services.
- ✓ *Infrastructure Services Norway,* which offers services within transmission grids, substations, power cables, backup power supplies, lighting services and metering.
- ✓ *Electrical Grid Projects Norway,* which operates as an end-to-end supplier of projects within the high voltage electrical infrastructure, including transmission grids, transformer stations, and power cables.
- ✓ *Electrical Safety*, which on behalf of grid companies is providing inspection and monitoring services (so-called DLE services).

	Second quarter		**First half-year**	
NOK million	**2017**	**2016**	**2017**	**2016**
Operating revenue	**219.4**	255.3	**429.3**	459.2
Operating profit before depreciation	**1.5**	22.1	**8.7**	30.1
Operating profit	**0.5**	19.4	**6.6**	24.7
Adjusted operating profit	**0.5**	19.4	**6.6**	24.7
Operating profit margin	**0.2 %**	7.6 %	**1.5 %**	5.4 %
Adjusted operating margin	**0.2 %**	7.6 %	**1.5 %**	5.4 %

The business in Norway posted in the second quarter a total operating revenue of NOK 219.4 million, 14.0 percent below the corresponding previous year period. The decline is attributable to decreased activity within Distribution Grid Services and Infrastructure Services Norway. Within Distribution Grid Services Norway, reduced revenue is explained by the business area Service Agder where the major frame agreement was terminated at the end of 2016.

Operating profit came in at NOK 0.5 million (NOK 19.4 million). The decrease compared to the corresponding previous year period is attributable to all business units except Electrical Safety, and is result of the decreased activity level, as well as decreased margins within the Lighting business and some project losses. In order to increase profitability in the second-half of the year, Infratek will focus on streamlining operational processes, managing resources and build a strong project organization by attracting project managers, and building project management skills.

As of the reporting date, the segment had a total order book of NOK 715 million, of which NOK 360 million relate to 2017. Compared to prior year, the order book has declined by NOK 157 million mainly attributable to already produced volumes related to multi-year framework contracts with major customers.

SWEDEN

The operation in Sweden is organised within the following business units:

- ✓ *Electrical Grid Services Sweden*, which is aimed at the product areas distribution grids, transformer stations and services within street lighting.
- ✓ *Distribution Grid Projects Sweden*, which operates as an end-to-end supplier of projects within distribution grids, transmission grids and substations.
- ✓ *Regional Grid Projects Sweden*, which operates as an end-to-end supplier of projects within the high voltage electrical infrastructure.
- ✓ *Railway*, which delivers services to constructors and owners of infrastructure for railways.

	Second quarter		First half-year	
NOK million	**2017**	**2016**	**2017**	**2016**
Operating revenue	**400.8**	394.4	**734.2**	693.8
Operating profit before depreciation	**17.9**	24.0	**28.8**	26.8
Operating profit	**16.5**	21.4	**25.9**	21.3
Adjusted operating profit	**17.9**	21.4	**27.3**	27.3
Operating profit margin	**4.1 %**	5.4 %	**3.5 %**	3.1 %
Adjusted operating margin	**4.5 %**	5.4 %	**3.7 %**	3.1 %

The business in Sweden posted a total operating revenue of NOK 400.8 million, 1.6 percent above the corresponding previous year period. The increase is attributable to higher revenue within all business units except Electrical Grid Services Sweden, explained by different timing of revenue between quarters.

Operating profit came in at NOK 16.5 million (NOK 21.4 million). The operating margin was down by 1.3 percentage points due to reduced margins in Electrical Grid Services Sweden. The decline is mainly explained by reduced margins on ongoing service agreements. This quarter's operating margin was negatively impacted by non-recurring items of NOK 1.4 million related to the adaptation to the new strategy. The adjusted operating margin came in at 4.5 percent, a decrease of 0.9 percentage points compared to the second quarter 2016.

As of the reporting date, the segment had a total order book of NOK 3,265 million, of which NOK 854 million relates to 2017. Main part of Sweden's order reserves relates to framework agreements with large grid owners. Compared to end of June previous year, orders on hand have increased by NOK 909 million primarily as result of the new frame agreement with an estimated value of NOK 1,045 million. The contract period applies for 2018-2022 with an option for 2.5 additional years.

FINLAND

The operation in Finland is organised within the following business units:

- ✓ *Electrical Grid Services Finland*, which delivers services within distribution grids, transmission grids and transformer stations.
- ✓ *Electrical Grid Projects Finland*, which operates as an end-to-end supplier of projects within the high voltage electrical infrastructure.

	Second quarter		First half-year	
NOK million	**2017**	**2016**	**2017**	**2016**
Operating revenue	**151.6**	156.6	**269.6**	272.5
Operating profit before depreciation	**8.5**	10.5	**15.8**	15.4
Operating profit	**7.2**	8.8	**13.2**	11.8
Adjusted operating profit	**8.3**	8.8	**14.3**	11.8
Operating profit margin	**4.8 %**	5.6 %	**4.9 %**	4.3 %
Adjusted operating margin	**5.5 %**	5.6 %	**5.3 %**	4.3 %

Infratek

Revenue in the Finnish market (NOK 151.6 million) is in line with the same period previous year (NOK 156.6 million). The slight decrease is mainly due to reduced revenue within Electrical Grid Projects Finland. Electrical Grid Services Finland increased revenue compared to the corresponding previous year period, explained amongst others by revenue from the acquired business from Helen Ltd.

Finland posted a second-quarter operating profit of NOK 7.2 million (NOK 8.8 million), with a decrease in operating margin from 5.6 percent in the comparable quarter previous year to 4.8 percent this quarter. Margin improvements are achieved in Electrical Grid Projects Finland while Electrical Grid Services Finland reduced margin this quarter. Main contributor to reduced margins are price pressure in the distribution grid services market. Additionally, the operating margin for the quarter was negatively impacted by non-recurring items of NOK 1.1 million, which relate to the acquisition of the technical division from Helen Ltd. The adjusted operating margin ended at 5.5 percent.

As of the reporting date, the segment had a total order book of NOK 756 million, of which NOK 287 million relates to 2017. Total orders on hand have increased by NOK 90 million compared to the end of June previous year.

OTHER

The Other business segment comprises Group administration expenses and expenses related to Group-level functions.

	Second quarter		First half-year	
NOK million	**2017**	**2016**	**2017**	**2016**
Operating profit	**-0.7**	-9.3	**-8.8**	-12.6
Adjusted operating profit	**2.8**	-9.3	**-5.2**	-12.6

Group expenses of NOK 0.7 million were incurred in the quarter, compared to NOK 9.3 million in the comparable previous year period. The decrease in net expenses is primarily attributable to different timing of consultancy cost between quarters. This quarter's result was negatively impacted by non-recurring expenses of NOK 3.5 million, mainly consultancy expenses, to adapt to the new strategy 2017-2020.

RISK FACTORS

The following risk factors are deemed the most important for Infratek's business activities in the upcoming accounting period.

Competition and future contract awards

A significant proportion of the group's operating revenues is derived from contracts awarded under competitive bidding. The Group's competitiveness with regard to price is therefore important to its future earnings.

Seasonal variations, project delays, and increased cost of goods and services

The impact of seasonal differences can cause the Group's operating profit to vary significantly among quarters. In the event that project performance requirements are not met, additional costs can affect profitability and harm the Group's reputation. Increased costs of goods and services – or inadequate access to raw materials and sub-contractors – may result in unanticipated expenses and delayed deliveries.

Salary increases, recruitment difficulties, and loss of key personnel

Infratek's operations are manpower intensive. Access to a competent workforce can affect the group's business activities. Loss of leading executives or other key personnel may adversely affect business performance and profitability.

Dependency on key customers

Several of the Nordic Grid companies are key customers of Infratek. The loss of or changed investment volumes from individual or several customers could have a significant impact on the group's business and profitability.

Regulatory risk

The group's activities are subject to various laws and regulations, including those governing health, safety, and environment. Group activities entail public authorization. Regulatory changes affecting the group's ability to purchase services from third parties or requirements concerning such purchases can impact Infratek's businesses. To a certain extent, building new infrastructure and maintaining existing infrastructure is regulated by public authorities. Changes in laws, rules, or regulations may affect the demand for and profitability of Infratek's services.

Change in actuarial assumptions related to pension liabilities

The estimated present value of Infratek's pension liabilities depends on both demographic and financial assumptions. Changes in assumptions such as discount rate or salary growth or other assumptions can have material effect on both equity and income. Sensitivity analysis on Infratek pension liabilities is presented in note 16 to the 2016 annual accounts of Infratek Group.

EMPLOYEES

As of 30 June 2017, the Group had 1,345 employees.

Countries	Number of employees	Number of man-years	Sick-leave rate 2Q17
Norway	513	509	5.4 %
Sweden	524	522	2.9 %
Finland	308	305	2.5 %
Total	**1,345**	**1,335**	**3.8 %**

As of the reporting date, the number of employees was up by 20 compared to the end of June 2016. While the number of employees is reduced by 13 in Norway, Sweden has increased its number of employees by 10 and Finland by 23. The increase in Finland is mainly due to 30 employees engaged in the acquired business from Helen Ltd.

Sickness absence has slightly decreased from 3.9 percent as per 30 June previous year to 3.8 percent this year. Sweden decreased sick-leave, while sick-leave in Norway and Finland has increased compared to the same period previous year. Infratek is working on different measures to reduce the sickness absence - both actively within the company - and in cooperation with public authorities.

OUTLOOK

Overall characteristic for Infratek's business segments Norway, Sweden and Finland is that the market Infratek engages in is growing. However, there are different opportunities and challenges with regards to the different segments. Consequently, focus has to be given to the right initiatives for the respective segment. Therefore, Infratek is working on a detailed strategy for the period 2017-2020 to be able to address the market in an efficient and effective manner. As part of the strategy work, Infratek used the first-half of the year to adapt to the changing market conditions by making organizational changes – both to the governance model and Board of Directors of the operational subgroup and to the operational organization. These changes shall enable Infratek to set the right focus, optimize operational processes, gather expertise and detect improvement areas.

The overriding aim is to strengthen Infratek's position in our markets for critical infrastructure - through profitability and growth. The board of directors believes that Infratek is well equipped to develop the Group further in this direction, to deliver and become a leading Nordic player.

Service providers that manage to build critical infrastructure in the most effective way will have a competitive advantage. Infratek's Nordic market position and strong financial position, makes Infratek well positioned to meet the challenges facing the Group in the future.

DECLARATION

On 14 August 2017, the Board of Directors of Infratek Group adopted this Report of the Board of Directors and Infratek Group AS's condensed consolidated interim financial statements for the six months ended 30 June 2017.

The Board of Directors hereby declares that, to the best of their knowledge, the financial statements covering the period 1 January to 30 June 2017, including the Notes to the financial statements, have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and the supplemental requirements of the Norwegian Securities Trading Act.

It is further declared that the information contained in the interim financial statements, including the Notes to this report, provide a true and fair view of the Group's assets, liabilities, financial position, and performance as a whole.

The Board also declares that, to the best of their knowledge, the half-year Report from the Board of Directors provides a true and fair view of key events in the accounting period and their influence on the financial statements for the first six months of the year, and the most important risks and uncertainties facing the business in the next accounting period.

Oslo, 14 August 2017

Infratek Group AS

Board of Directors

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

Second quarter			First half-year		Year
2016	2017	NOK million	2017	2016	2016
807.8	**773.9**	Operating revenue	**1,437.1**	1,429.3	3,130.5
-432.9	**-411.9**	Purchased materials	**-739.1**	-727.9	-1,650.3
-252.2	**-260.8**	Salaries and other personnel expenses	**-498.9**	-490.4	-884.9
-8.9	**-5.4**	Depreciation and amortization	**-10.9**	-18.0	-39.4
-73.5	**-72.3**	Other operating expenses	**-151.3**	-147.7	-283.1
40.3	**23.5**	**Operating profit**	**36.9**	45.3	272.9
-0.9	**7.4**	Financial income	**8.0**	1.2	3.4
-9.7	**-10.6**	Financial expenses	**-22.6**	-24.8	-48.3
-10.6	**-3.2**	**Net financial income (expense)**	**-14.6**	-23.6	-45.0
29.7	**20.3**	**Profit (loss) before tax**	**22.3**	21.7	228.0
-6.4	**-3.9**	Tax expense	**-4.0**	-4.2	-62.4
23.3	**16.4**	**Profit (loss) for the period**	**18.4**	17.4	165.6

Other comprehensive income

Second quarter			First half-year		Year
2016	2017	NOK million	2017	2016	2016
		Items that will be recycled subsequently to profit or loss			
-15.0	**18.4**	Exchange differences on translating foreign operations	**24.4**	-28.2	-45.7
		Items that will not be recycled subsequently to profit or loss			
-	**-**	Change in actuarial gains and losses pensions	**-**	-	12.9
-	**-**	Tax expense on other comprehensive income	**-**	-	-3.2
-15.0	**18.4**	**Other comprehensive profit for the period**	**24.4**	-28.2	-36.1
8.3	**34.8**	**Total comprehensive income for the period**	**42.7**	-10.8	129.5

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

NOK million	31.06.17	31.06.16	31.12.16
Fixed assets	68.3	90.9	70.7
Intangible assets	649.6	644.3	631.2
Deferred tax assets	3.1	24.3	-0.0
Pension assets	77.6	-	71.6
Total non-current assets	**798.6**	**759.5**	**773.5**
Inventory	8.2	5.7	5.1
Accounts receivables and other receivables	736.8	667.9	793.4
Cash and cash equivalents	187.6	95.8	141.2
Total current assets	**932.6**	**769.4**	**939.7**
Total assets	**1,731.2**	**1,528.9**	**1,713.1**
Share capital and share premium	253.3	253.3	253.3
Other equity	216.2	33.2	173.5
Total equity	**469.5**	**286.4**	**426.7**
Bond	642.8	639.0	640.9
Other interest-bearing long-term debt	-	-	-
Pension obligations	-	41.5	0.3
Deferred tax	11.4	-	11.8
Provisions	23.3	41.6	34.2
Total non-current liabilities	**677.5**	**722.1**	**687.2**
Account payable and other current liabilities	544.8	509.8	578.8
Tax payable	5.2	6.2	16.0
Short-term interest-bearing debt	34.2	4.4	4.4
Total current liabilities	**584.2**	**520.4**	**599.2**
Total liabilities	**1,261.7**	**1,242.5**	**1,286.4**
Total equity and liabilities	**1,731.2**	**1,528.9**	**1,713.1**

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Second quarter		First half-year		Year
NOK million	**2017**	**2016**	**2017**	**2016**	**2016**
Profit before tax	20.3	29.7	22.3	21.7	228.0
Depreciation	5.4	8.9	10.9	18.0	39.4
Financial income and expenses	3.8	10.4	15.7	23.2	44.2
Change in pension liabilities and actuarial adj.	-7.1	2.3	-6.2	-9.8	-109.8
Other non-cash items and changes in accruals	-1.8	-1.4	-3.1	25.7	-4.4
Change in net working capital	-119.1	-105.6	17.6	-63.7	-99.1
Paid taxes	-6.6	-4.7	-18.8	-10.1	-24.6
Net cash flow from operating activities	**-105.1**	**-60.4**	**38.4**	**5.0**	**73.7**
Investments - fixed assets	-3.8	-4.0	-5.6	-6.9	-9.2
Investments - operations (net of cash acquired)	-	-7.4	-2.0	-47.5	-47.5
Sales amount - fixed assets	0.9	0.4	1.0	0.5	6.4
Cash flow from investment activities	**-2.8**	**-11.0**	**-6.6**	**-53.9**	**-50.3**
Change interest-bearing liabilities	29.9	-70.8	29.6	-70.8	-79.1
Net received/paid interest rates	-10.0	-11.4	-20.3	-25.1	-41.9
Dividend, equity issues and other equity changes	-	-135.0	-	-135.0	-135.0
Cash flow from financing activities	**19.9**	**-217.2**	**9.3**	**-230.9**	**-256.0**
Change in cash and cash equivalents	**-88.0**	**-288.6**	**41.1**	**-279.8**	**-232.6**
Cash and cash equivalents at beginning of period	271.6	385.6	141.2	357.3	357.3
Cash and cash equivalents from acquired company	-	-	-	21.3	21.3
Exchange rate differences on cash in foreign curr.	4.0	-1.2	5.3	-3.0	-4.8
Cash and cash equivalents at end of period	**187.6**	**95.8**	**187.6**	**95.8**	**141.2**

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Second quarter		First half-year		Year
NOK million	**2017**	**2016**	**2017**	**2016**	**2016**
Equity at beginning of reporting period	**434.7**	**413.1**	**426.7**	**432.2**	**432.2**
Profit for the period	16.4	23.3	18.4	17.4	165.6
Other comprehensive income for the period	18.4	-15.0	24.4	-28.2	-36.1
Total comprehensive income for the period	**34.8**	**8.3**	**42.7**	**-10.8**	**129.5**
Transactions with owners					
Dividend payment	-	-135.0	-	-135.0	-135.0
Total transactions with owners	**-**	**-135.0**	**-**	**-135.0**	**-135.0**
Equity at end of reporting period	**469.5**	**286.4**	**469.5**	**286.4**	**426.7**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1) FRAMEWORK AND KEY ACCOUNTING PRINCIPLES

Infratek (the Group) consists of Infratek Group AS and its subsidiaries. The consolidated financial statements for the year ending 31 December 2016, and the interim consolidated financial statements for the three months ending 30 June 2017 and the first half-year 2017, have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The interim figures are unaudited.

The Group prepares and presents its interim consolidated financial statements according to IAS 34, Interim Financial Reporting. The information provided by interim financial statements is not as comprehensive as that provided in the annual consolidated financial statements; thus, the interim financial statements should be viewed in conjunction with the annual consolidated financial statements for 2016. The accounting principles applied in the interim financial statements are the same as those described in Note 2 to the annual consolidated financial statements for 2016 of the Infratek Group.

2) SEGMENT REPORTING – Income statement

The Group reports business activities based on the geographical segments *Norway*, *Sweden* and *Finland*, in addition to *Other* and *Group eliminations*.

Norway consists of the Infrastructure business in Norway and Electrical Safety. *Sweden* consists of the Infrastructure business in Sweden. *Finland* consists of the Infrastructure business in Finland. *Other* consists of the parent company Infratek Group AS in addition to Infratek AS. For more detailed segment information, please refer to the Directors' report.

Second quarter			First half-year		Year
2016	**2017**	NOK million	**2017**	**2016**	**2016**
255.3	**219.4**	Norway	**429.3**	459.2	1,000.4
394.4	**400.8**	Sweden	**734.2**	693.8	1,480.0
156.6	**151.6**	Finland	**269.6**	272.5	642.5
12.4	**13.7**	Other	**27.6**	24.9	57.0
-11.0	**-11.6**	Eliminations	**-23.7**	-21.2	-49.4
807.8	**773.9**	**Total revenue**	**1,437.1**	**1,429.3**	**3,130.5**
19.4	**0.5**	Norway	**6.6**	24.7	158.8
21.4	**16.5**	Sweden	**25.9**	21.3	82.8
8.8	**7.2**	Finland	**13.2**	11.8	43.5
-9.3	**-0.7**	Other	**-8.8**	-12.6	-12.2
-	**-**	Eliminations	**-**	-	-
40.3	**23.5**	**Operating profit**	**36.9**	**45.3**	**272.9**

3) SEGMENT REPORTING - Balance sheet

NOK million	Norway	Sweden	Finland	Group/ Elimination	Group total
Fixed assets	24.5	23.3	18.0	2.5	68.3
Intangible assets	379.6	151.0	103.6	18.6	652.8
Accounts receivables and other receivables	252.7	414.3	122.2	33.5	822.6
Cash and cash equivalents	38.5	-11.5	13.1	147.5	187.6
Assets	**695.3**	**577.1**	**256.9**	**202.0**	**1,731.2**
Equity	512.0	319.2	127.9	-489.5	469.5
Bond	-	-	-	642.8	642.8
Other long-term debt	-	-	0.9	1.0	1.9
Pension	-9.3	-	-	9.3	-
Other liabilities	17.4	9.7	16.0	-10.3	32.9
Current liabilities	175.1	248.2	112.2	48.7	584.2
Equity and liabilities	**695.3**	**577.1**	**256.9**	**202.0**	**1,731.2**
Equity share	73.6 %	55.3 %	49.8 %	na	27.1%

4) COMMENTS ON THE SEASONALITY AND CYCLICALITY OF INTERIM OPERATIONS

Infratek's operations are seasonal in nature. However, all segments have historically tended to post improved revenue and profitability throughout the year, with these figures being strongest in the second half of the year. This seasonality is driven by a number of factors including lower activity levels and higher operating costs at the start of the year as a result of colder weather and high voltage levels. The company's customers have historically used the start of the year to plan their investment activities for the year.