

Infratek



Results for the first quarter 2013

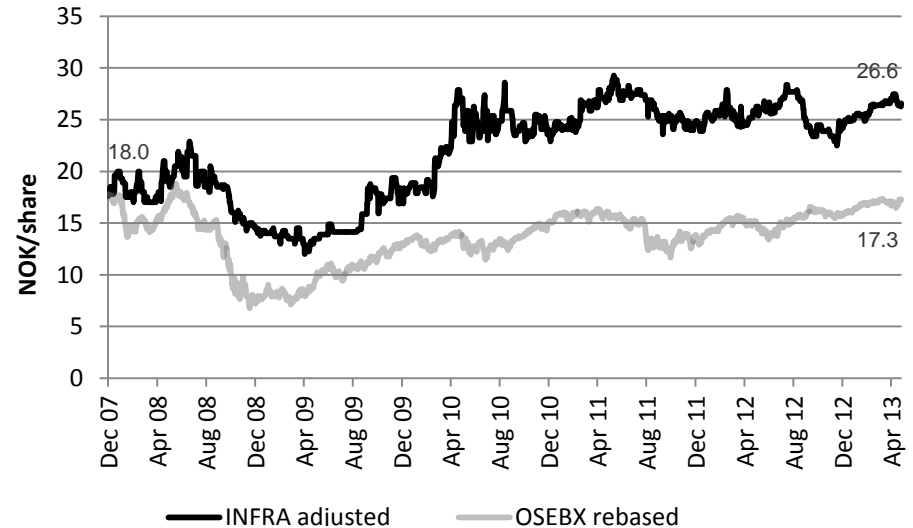
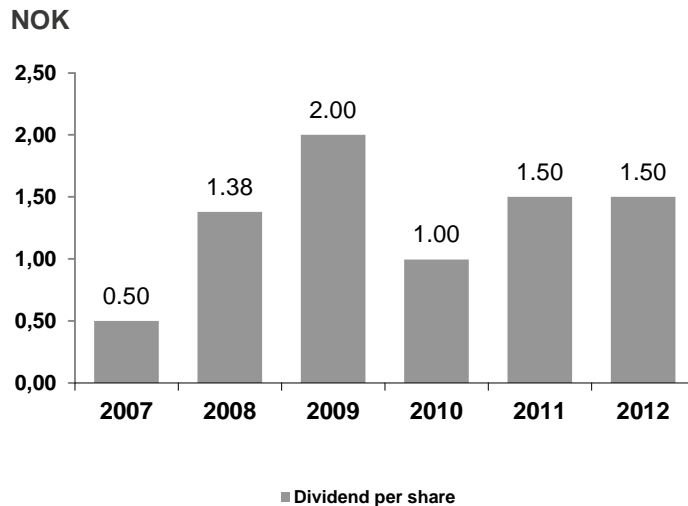
Bjørn Frogner, CEO
Infratek ASA
8 May 2013

Key events – 1st quarter 2013



- Operating revenues of NOK 570 million (NOK 603 million)
- First-quarter operating loss of NOK 29.7 million (NOK -2.0 million)
- Difficult operating conditions due to sustained cold weather coupled with unusually few faults in the electricity grid
- Particularly weak results in the Swedish market, in part due to the start-up of new contracts
- Contingency service contracts entered into in Norway providing good predictability in the distribution grid in central Østland
- Postponement of agreed assignments expected to contribute to higher-than-normal activities for the rest of the year

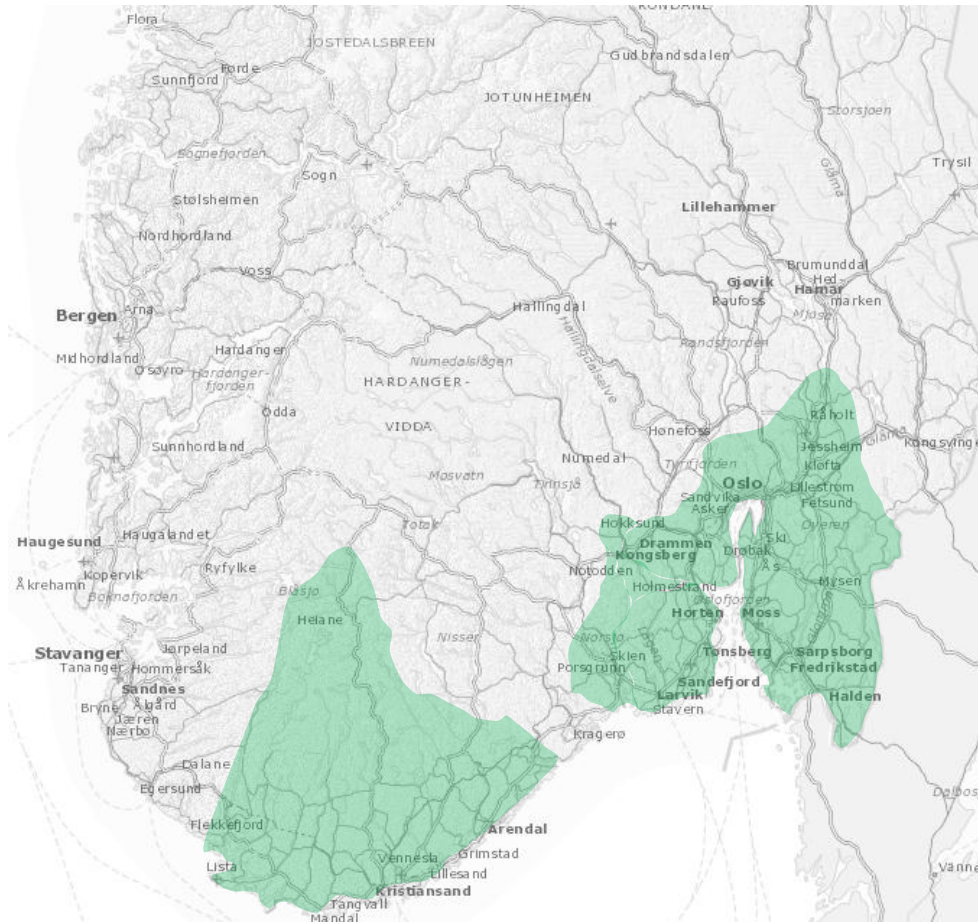
Share price performance and return



Source: Carnegie and Oslo Stock Exchange

- Infratek has paid out dividends of NOK 7.88 per share over a five year period (463 million)
- This represents 118 per cent of the result after tax
- The Infratek share price development has been better than the Oslo Stock Exchange benchmark every month from the listing date
- Dividends are reinvested on ex-dates.

Predictability in the distribution market in Norway

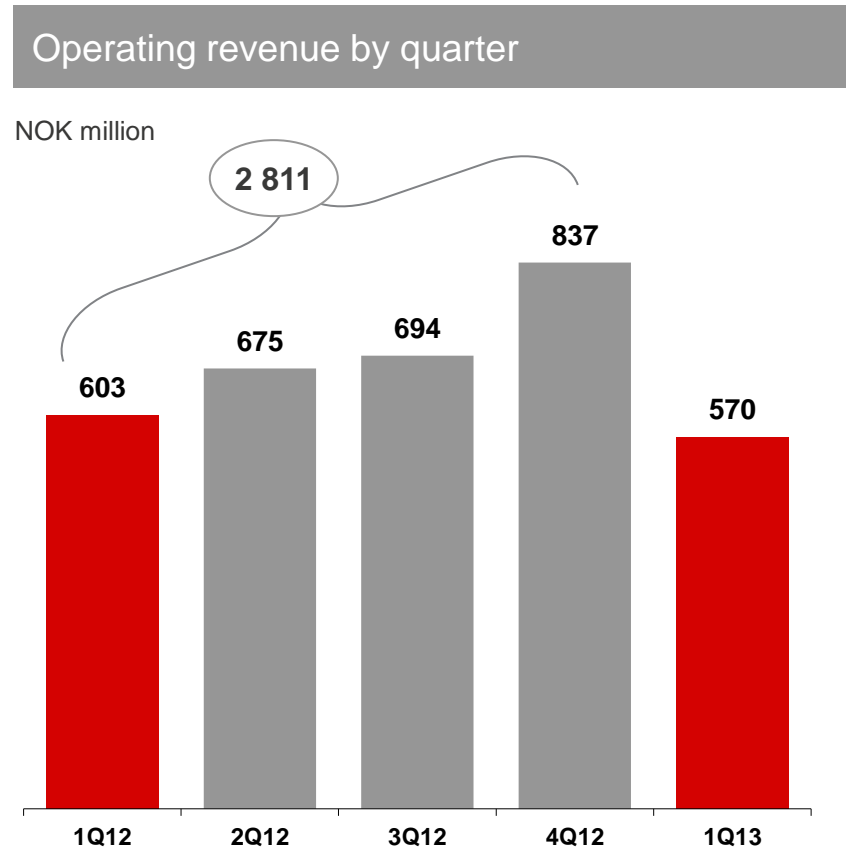


- Won contingency contracts with Hafslund Nett
- Extended agreement with Agder Energi Nett regarding operation and maintenance in the Mandal region
- Signs of movement in the closed part of the market
 - Skagerak Nett taking on external contractors
 - In the long run the nascent grid consolidation could also expand the available market for subcontractors

 = available markets in Norway (now includes Vestfold/Grenland)

Development operating revenues

- In Norway sales were down by NOK 37 million compared with the previous year due to weather-related operating challenges
- In Sweden sales were only down NOK 9 million despite difficult operating conditions, this due to higher sales from railways of around NOK 28 million
- Activities were satisfactory in Finland, where sales were on a par with the previous year
- The new set-up in Denmark generated sales of NOK 13 million in the quarter

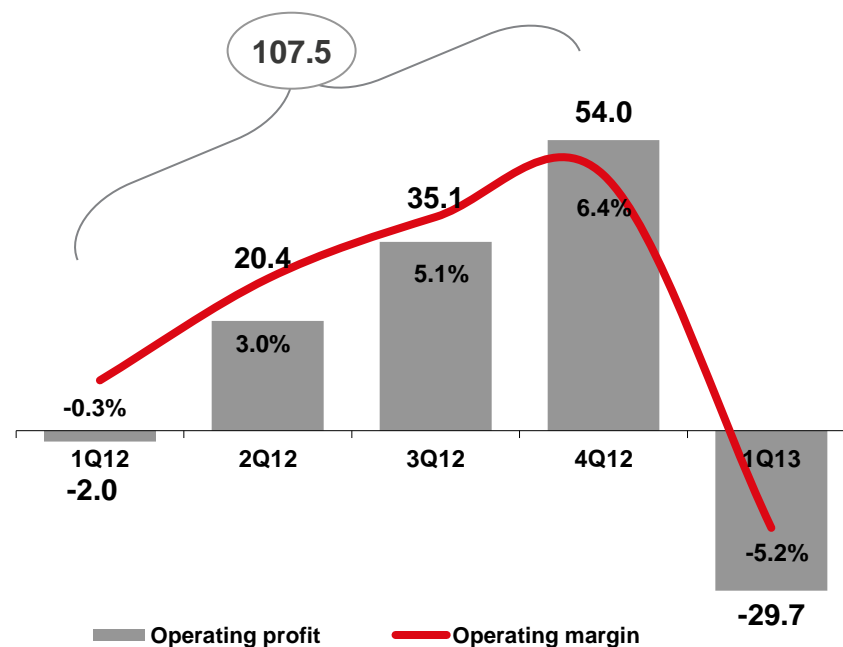


Development operating profit

- The final results contribution from Norway came in at NOK -1.5 million (NOK 7.1 million) due to challenging operating conditions and lower activity levels
- Sweden posted an operating loss of NOK 25.8 million (loss of NOK 6.0 million), where the decrease is attributable to challenging operating conditions and start-up of railway contract
- Finland posted an operating loss of NOK 3.6 million (loss of NOK 3.1 million)
- Denmark contributed NOK 1.2 million

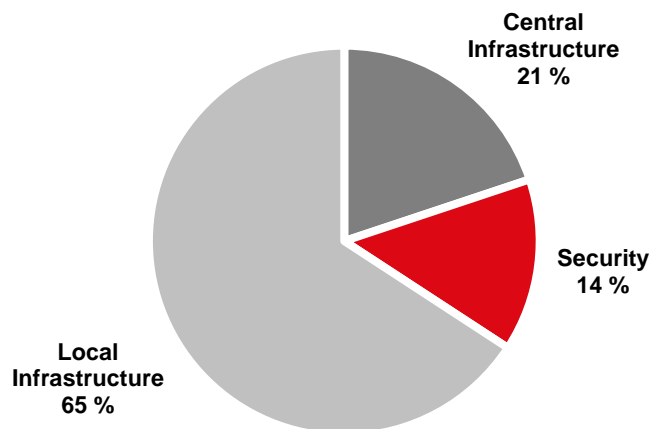
Operating profit by quarter

NOK million



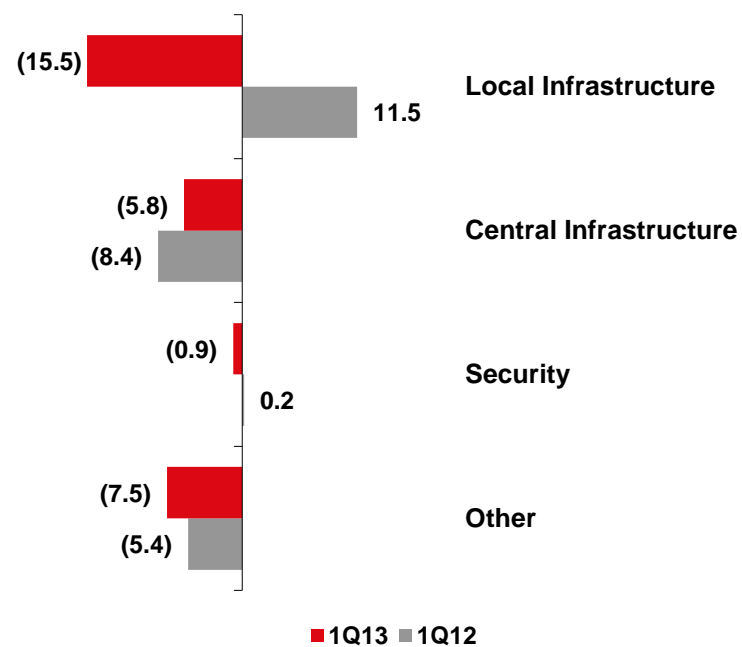
Revenues and profit by business area

Operating revenues



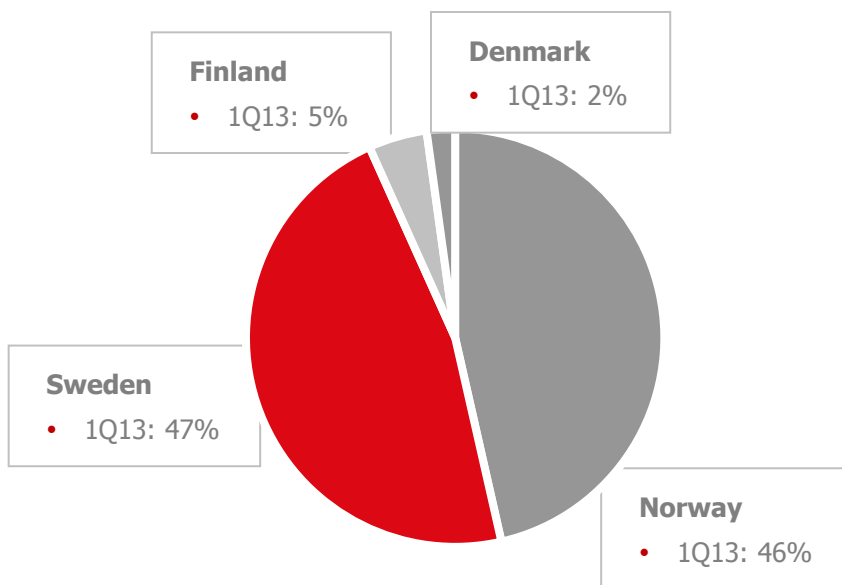
Operating profit

NOK million



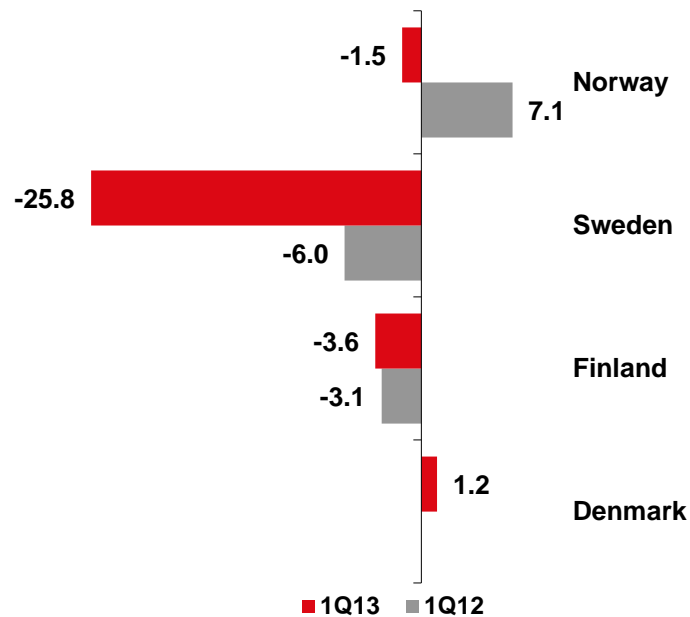
Revenues and profit by geography

Operating revenues



Operating profit

NOK million



Balance sheet

- Normal fluctuations reduces level of working capital with NOK 31 million
- Cash balances of NOK 211 million, which is NOK 54 million lower than last year. Main explanation is increased dividend payment and acquisitions made
- Changes in actuarial assumptions have impacted the size of intangible assets, pension obligations and equity
- Equity ratio rose from 31 per cent to 49 per cent

NOK million	31.03.2013	31.03.2012	31.12.2012
Intangible assets	337.3	434.1	321.7
Fixed assets	156.6	157.6	158.4
Accounts receivables and other receivables	683.9	637.3	755.8
Cash and cash equivalents	210.8	264.1	243.8
Assets	1 388.6	1 493.2	1 479.6
Equity	685.6	469.8	696.9
Other liabilities	226.7	586.2	226.4
Long-term debt	10.8	12.2	9.8
Current liabilities	465.5	425.0	546.5
Equity and liabilities	1 388.6	1 493.2	1 479.6
Net working capital	179.0	210.0	192.5

Cash flow

- Net cash flow from operations is NOK 13 million lower compared to same period last year
- Acquisition of 51 per cent in the Danish company Plahn Systems, NOK 6.2 million
- Investments in fixed assets of NOK 5.5 million (4.2 million) due to purchase of specialised vehicles and equipment

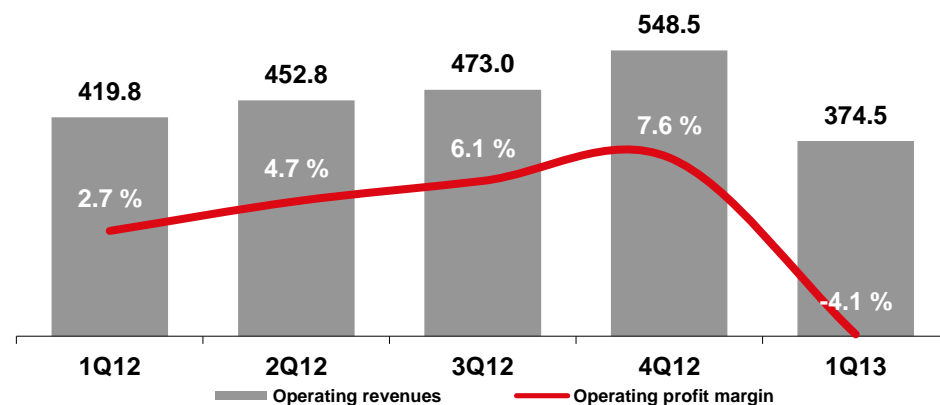
NOK million	First quarter		Year
	2013	2012	2012
Profit before tax	(31.1)	(3.7)	100.8
Items without cash flow effect	9.9	7.9	31.0
Change in net working capital and more	(4.7)	(16.9)	(34.5)
Net cash flow from operations	(25.9)	(12.7)	97.2
Investments - fixed assets	(5.5)	(4.2)	(38.8)
Investmentes - operations	(6.2)	(17.2)	(17.2)
Sales - fixed assets	1.6	-	5.2
Sales - operations	-	-	-
Cash flow to investments activities	(10.1)	(21.4)	(50.8)
Change interest-bearing liabilities	0.1	0.2	(3.0)
Net received/ paid interest	1.2	0.2	(0.0)
Dividend, equity issues and other equity changes	-	-	(95.8)
Cash flow used for financial activities	1.3	0.4	(98.8)
Change in cash and cash equivalents	(34.7)	(33.6)	(52.4)
Cash and cash equivalents at the start of period	243.8	299.6	299.6
Effect on exchange rate changes on the balance of cash held in foreign operations	1.8	(1.8)	(3.3)
Cash and cash equivalents end of period	210.8	264.1	243.8

Local Infrastructure

- Sales in Norway were down by 20 per cent and the operating margin fell from 7.7 per cent to 4.4 per cent on the back of challenging operating conditions and a low number of faults in the electricity grid.
- Reduced sales in Sweden of 18.2 per cent (excl. railways) due to difficult winter conditions
- The operating margin in Sweden closed at -10 per cent (-1.3 per cent) as a result of operating conditions and the start-up of new contracts

NOK million	First quarter		Year
	2013	2012	2012
Operating revenues	374.5	419.8	1 894.1
Operating profit before depreciation	(9.1)	17.5	128.0
Operating profit	(15.5)	11.5	103.3
Operating margin	- 4.1%	2.7%	5.5%

Operating revenues and operating margin



Local Infrastructure – Special conditions in first quarter

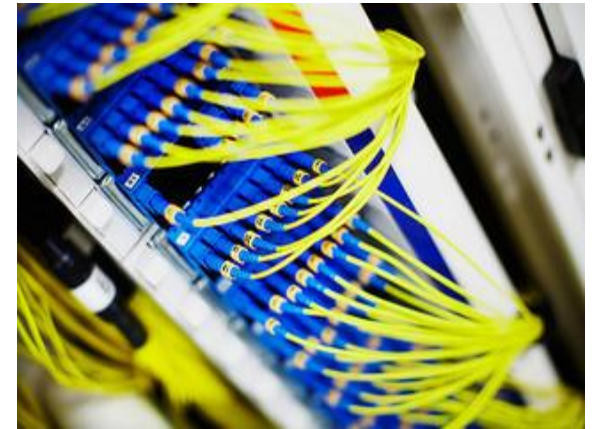
Distribution grid



Railway



Fiber and street lightening



- Challenging operating conditions
- Few faults on the electricity grid



Effect on P&L: – 10 millioner

- Start-up of railway contract
- Unsettled contractual issues



Effect on P&L: – 5 millioner

- Low activity within fiber and street lightening in Sweden



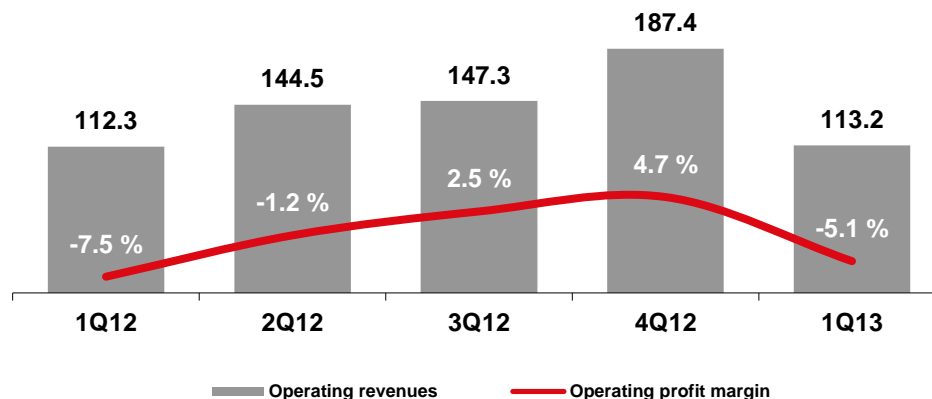
Effect on P&L: – 5 millioner

Central Infrastructure

- Sales in Norway up by 6 per cent, higher activity levels and better resource utilisation have lifted the operating margin to -2.1 per cent (-7.1 per cent)
- Small decrease in sales in Sweden, where the operating margin closed at -4.8 per cent (-5.2 per cent) as a result of some spare capacity in the period
- Slight hike in sales in Finland, where the operating margin for the period closed on -10.8 per cent (-11.3 per cent)

NOK million	First quarter		Year
	2013	2012	2012
Operating revenues	113.2	112.3	591.4
Operating profit before depreciation	(4.5)	(7.1)	8.0
Operating profit	(5.8)	(8.4)	2.5
Operating margin	-5.1%	-7.5%	0.4%

Operating revenues and operating margin

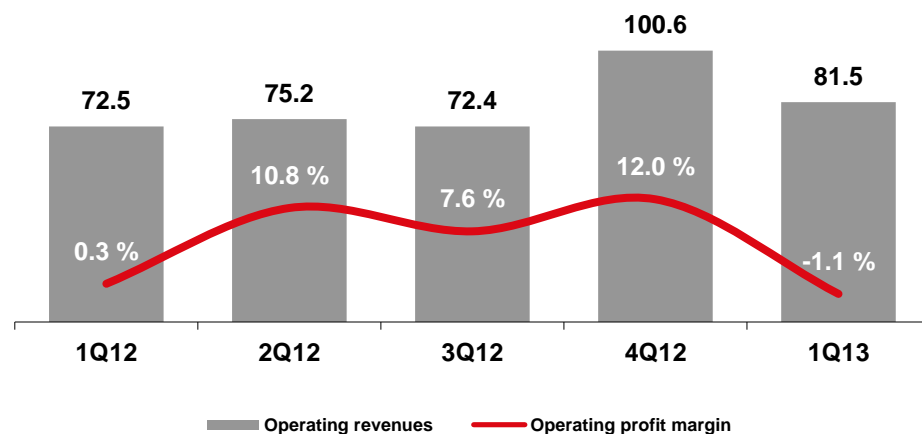


Security

- Revenues rose with NOK 9 million as a result of the acquisition in Denmark
- Operating profit within High Security reduced by NOK 1.1 million compared to previous year
- Sales and operating profit for delivery of DLE services are on a par with last year
- Infratek Sikkerhed Danmark A/S changed name from Plahn Systems A/S

NOK million	First quarter		Year
	2013	2012	2012
Operating revenues	81.5	72.5	320.6
Operating profit before depreciation	(0.3)	1.1	28.8
Operating profit	(0.9)	0.2	26.0
Operating margin	- 1.1%	0.3%	8.1%

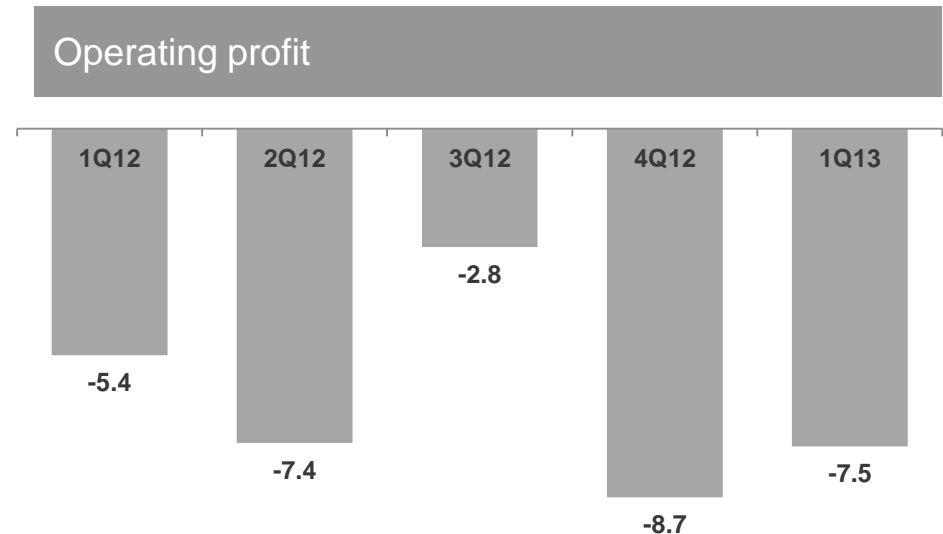
Operating revenues and operating margin



Other

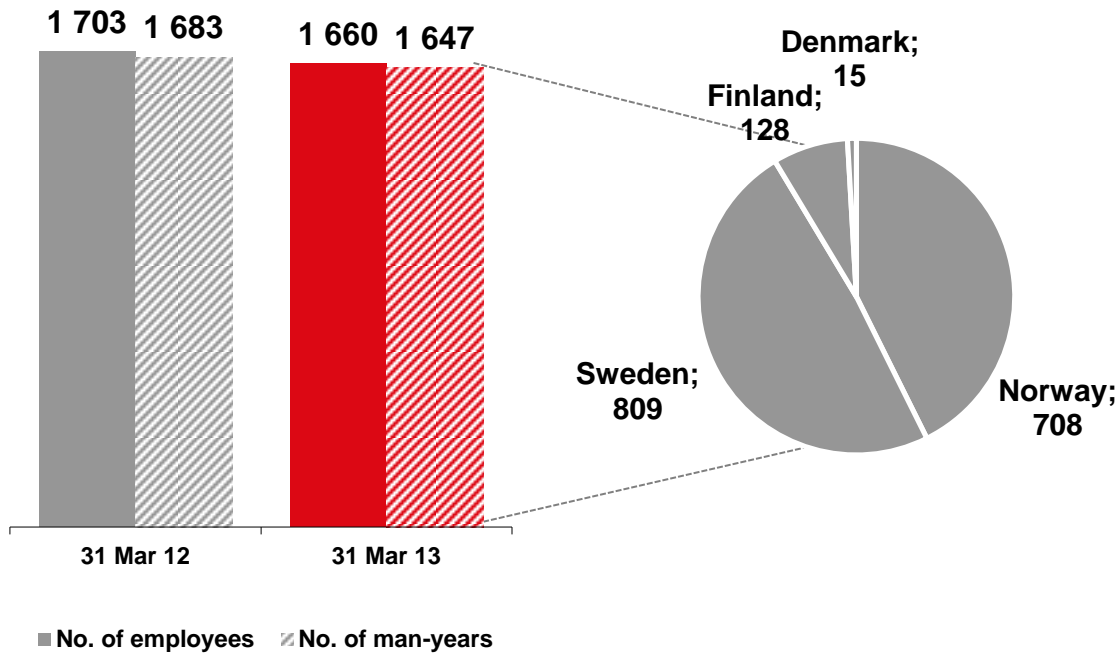
- Other comprises the Group's administration and Group-wide expenses
- Group expenses of NOK 7.5 million were incurred in the quarter, compared with NOK 5.4 million the previous year. The increase is primarily attributable to strengthening of the People & Safety division and the establishment of a Nordic shared service centre.

	First quarter		Year
NOK million	2013	2012	2012
Operating profit	(7.5)	(5.4)	(24.3)

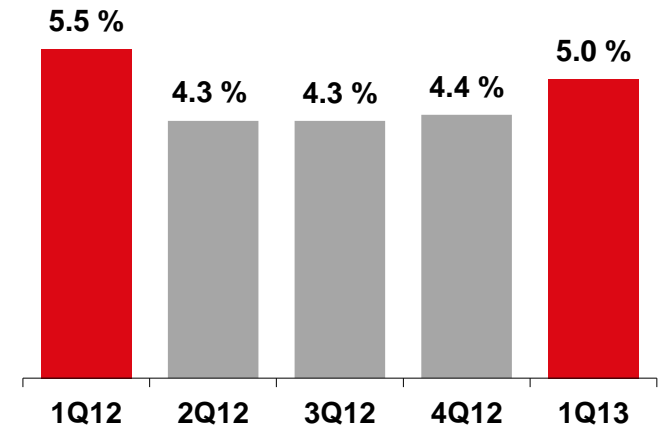


Employees

Number of employees



Sick leave

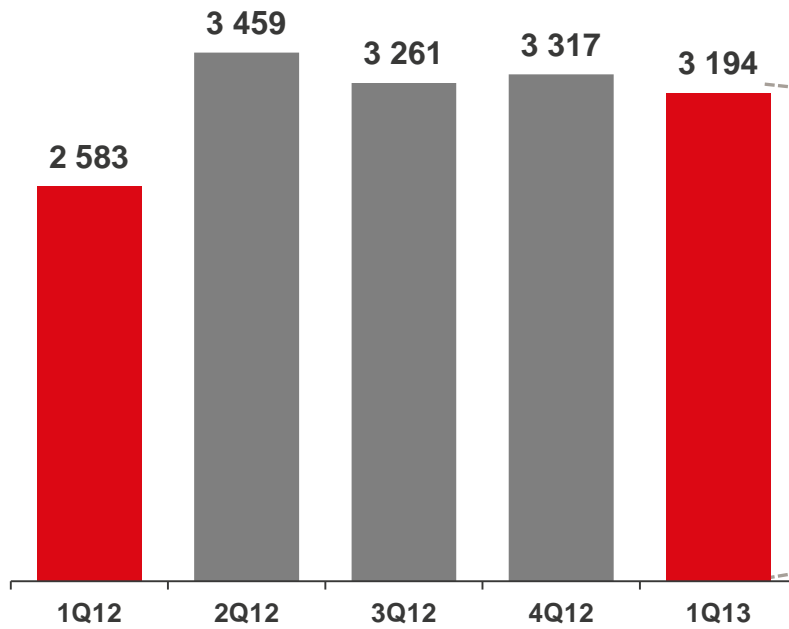


- Reduction in the number of employees and man-years due to natural turnover and staff adjustments
- Sick leave year to date is 5.0 per cent, down by 0.5 percentage points compared to last year

Order reserve

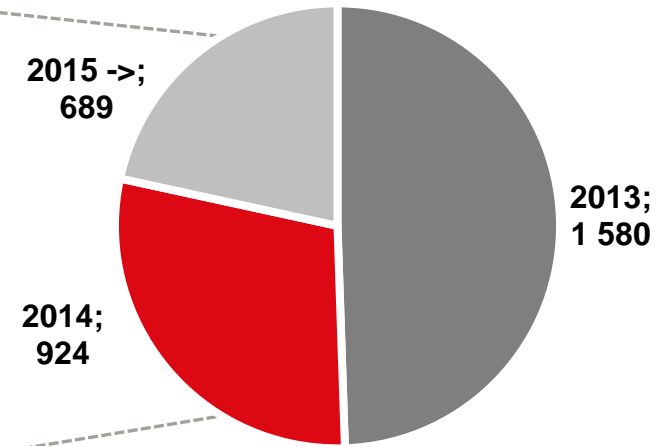
Development of order reserve

NOK million



Order reserve per March by year

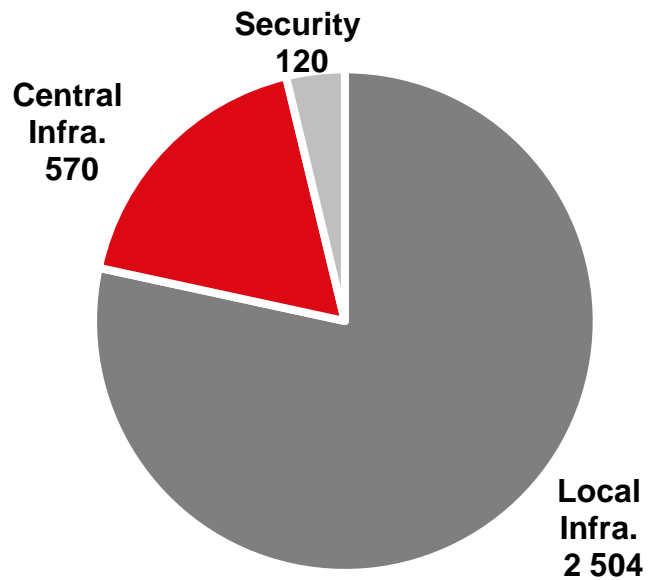
NOK million



Order reserve per March

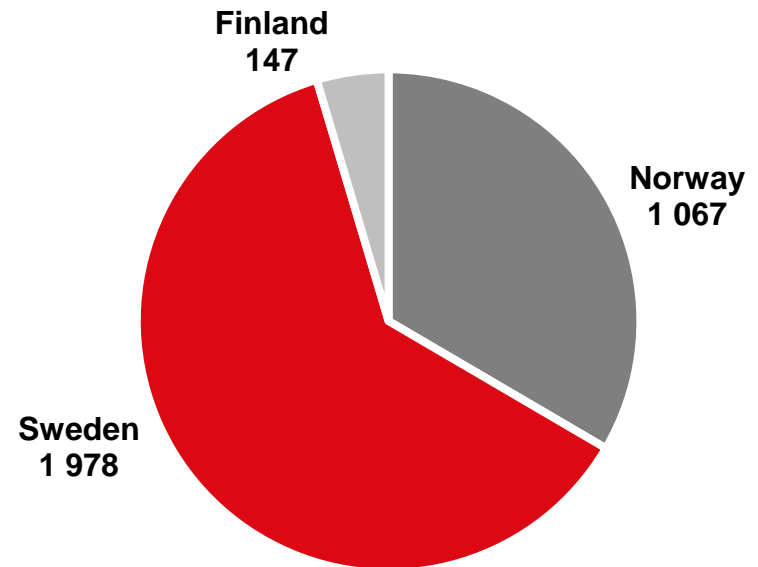
Order reserve by business area

NOK million



Order reserve by geography

NOK million



Outlook

- Capacity challenges making opening up of new distribution markets increasingly relevant
- Good predictability in contingency service contracts in future years
- The postponement of assignments entered into are expected to contribute to higher-than-normal activity levels
- Strong financial position providing good opportunities for structural growth



Appendix

Income statement

	First quarter		Year
NOK million	2013	2012	2012
Operating revenues	570.0	603.4	2 810.5
Purchased materials	(232.8)	(243.1)	(1 290.6)
Salaries and other personnel expenses	(261.8)	(262.2)	(1 027.0)
Depreciation	(10.4)	(10.0)	(41.3)
Other operating expenses	(94.7)	(90.2)	(344.1)
Operating profit	(29.7)	(2.0)	107.5
Financial revenues/ expenses	(1.4)	(1.7)	(6.7)
Profit before tax	(31.1)	(3.7)	100.8
Tax expense	7.2	0.6	(29.9)
Profit for the year from discontinued operations	-	-	-
Profit after tax	(23.9)	(3.1)	70.8
Majority's share of profit	(23.9)	(3.1)	70.8
Minority's share of profit	-	-	0.1
Other comprehensive income			
Conversion difference when converting foreign units	12.6	(5.1)	(9.4)
Change in estimate pensions	-	(8.4)	343.5
Total comprehensive profit before tax	12.6	(13.5)	334.1
Tax on comprehensive income	-	2.4	(96.2)
Total comprehensive profit after tax	12.6	(11.2)	237.9
Comprehensive income after tax	(11.3)	(14.2)	308.7
Majority's share of profit	(11.3)	(14.2)	308.7
Minority's share of profit	-	-	0.1

Operating revenue by geography

First quarter			Year
2012	2013	NOK million	2012
190.7	153.4	Local Infrastructure	763.7
50.4	53.3	Central Infrastructure	258.9
64.2	58.7	Security	269.8
3.3	3.9	Other / elimination	17.1
308.6	269.2	Total operating revenues Norway	1 309.6
229.9	221.4	Local Infrastructure	1 132.4
42.5	39.5	Central Infrastructure	224.2
8.2	9.5	Security	46.8
0.1	1.1	Eliminations	3.8
280.6	271.5	Total operating revenues Sweden	1 407.1
-	-	Local Infrastructure	-
23.0	25.0	Central Infrastructure	154.5
1.0	1.4	Security	8.5
(0.1)	(0.1)	Eliminations	(0.7)
23.9	26.3	Total operating revenues Finland	162.3
-	-	Local Infrastructure	-
-	-	Central Infrastructure	-
-	12.7	Security	-
-	-	Eliminations	-
-	12.7	Total operating revenues Denmark	-
(9.7)	(9.7)	Eliminations	(68.5)
603.4	570.0	Total operating revenues	2 810.5

Operating profit by geography

First quarter			Year
2012	2013	NOK millioner	2012
14.7	6.7	Local Infrastructure	77.7
(3.6)	(1.2)	Central Infrastructure	(0.3)
1.4	0.5	Security	26.5
(5.4)	(7.5)	Other	(24.1)
7.1	(1.5)	Total operating profit Norway	79.8
(3.1)	(22.2)	Local Infrastructure	25.6
(2.2)	(1.9)	Central Infrastructure	(4.6)
(0.6)	(1.7)	Security	0.9
-	0.0	Other	(0.1)
(6.0)	(25.8)	Total operating profit Sweden	21.8
-	-	Local Infrastructure	-
(2.6)	(2.7)	Central Infrastructure	7.3
(0.5)	(0.9)	Security	(1.4)
(3.1)	(3.6)	Total operating profit Finland	5.9
-	-	Local Infrastructure	-
-	-	Central Infrastructure	-
-	1.2	Security	-
0.0	1.2	Total operating profit Denmark	0.0
-	-	Eliminations	-
(2.0)	(29.7)	Total operating profit	107.5

Key figures

NOK million	First quarter		Year
	2013	2012	2012
Profitability			
Operating profit margin before depreciation	-3,4 %	1,3 %	5,3 %
Operating profit margin	-5,2 %	-0,3 %	3,8 %
Capital matters			
Equity	685,6	469,8	696,9
Total assets	1 388,6	1 493,2	1 479,6
Equity ratio	49 %	31 %	47 %
Net interest bearing debt (cash)	(200,0)	(251,9)	(234,0)
Capital expenditure - operational	5,5	4,2	38,8
Shares and shareholder matters			
Share price (NOK)	20,3	20,0	18,6
Number of outstanding shares ¹⁾	63 863 224	63 863 224	63 863 224
Average number of outstanding shares ²⁾	63 863 224	63 863 224	63 863 224
Market value	1 296	1 277	1 188
Enterprise value (EV)	1 096	1 025	954
Earnings per share (EPS) ³⁾ (NOK)	(0,4)	(0,0)	1,1
Cash flow from operations per share (NOK)	(0,4)	(0,2)	1,5
Dividend per share (NOK)	-	-	1,50

Note: 1) Number of shares outstanding by the end of the period.

2) Weighted average number of shares outstanding during the period.

3) Based on number of shares as defined under item 2.

Shareholder structure per 31 March 2013

#	Owner	No. of shares	%- ownership
1	HAFSLUNDA ASA	27 652 360	43.3 %
2	FORTUM NORDIC AB	21 074 864	33.0 %
3	ODIN NORDEN	3 275 600	5.1 %
4	ORKLA ASA	2 301 044	3.6 %
5	NORDSTJERNAN AB	1 952 067	3.1 %
6	THE NORTHERN TRUST C TREATY ACCOUNT	1 595 600	2.5 %
7	SKANDINAVISKA ENSKIL A/C CLIENTS ACCOUNT	947 100	1.5 %
8	MP PENSJON PK	830 000	1.3 %
9	VERDIPAPIRFONDET DNB	554 906	0.9 %
10	VJ INVEST AS	368 956	0.6 %
11	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	312 000	0.5 %
12	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	249 850	0.4 %
13	TERRA TOTAL VPF	220 895	0.3 %
14	FROGNER BJØRN	206 000	0.3 %
15	IVAR S LØGE AS	200 000	0.3 %
16	VERDIPAPIRFONDET NOR	154 000	0.2 %
17	VPF NORDEA SMB C/O JPMORGAN EUROPE	150 340	0.2 %
18	POLLENINVEST AS NIL	115 900	0.2 %
19	BANGEN LARS	102 000	0.2 %
20	JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	98 500	0.2 %
	Sum top 20	62 361 982	97.6 %
	Other shareholders	1 501 242	2.4 %
	Total number of shares	63 863 224	100.0 %
	Board and management	406 500	0.6 %

Source: VPS

Definitions

	Definition
Earnings per share (EPS)	Profit after tax / weighted average number of shares outstanding during the period
Cash flow from operations per share	Cash flow from operations / weighted average number of shares outstanding during the period
Operating profit margin before depreciation	Operating profit before depreciation / Operating revenues
Operating margin	Operating profit / Operating revenues
Market value	Share price as of end of period * number of shares outstanding
Net interest bearing debt	Book value of interest bearing debt less cash and cash equivalents
Enterprise value (EV)	Market value of equity + net interest bearing debt
Equity ratio (in %)	(Book value of equity incl. minority / Total assets) * 100
Net working capital	(Accounts receivables and other receivables - non-current receivables) - (Current liabilities - tax payable)

Investor information

- Further information is available on Infratek's web-site: www.infratek.no
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