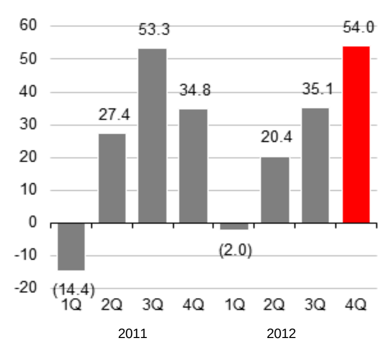
INFRATEK ASA – Second half and fourth quarter 2012

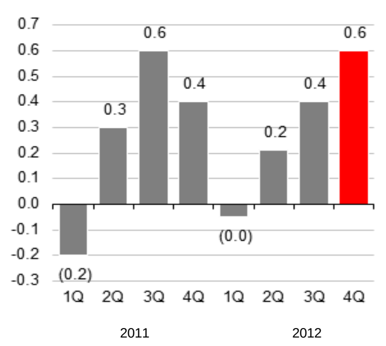
HIGHLIGHTS FOURTH QUARTER 2012

- Operating revenues of NOK 837 million (NOK 906 million)
- Fourth-quarter operating profit of NOK 54.0 million (NOK 34.8 million)
- Satisfactory operating margin in Local Infrastructure and Security
- Central Infrastructure shows signs of improvement
- Satisfactory order book going into 2013
- Equity ratio from 29.4 % to 47.1 % as a result of changes in actuarial assumptions for calculating pensions
- Board proposes a dividend of NOK 1.5 per share

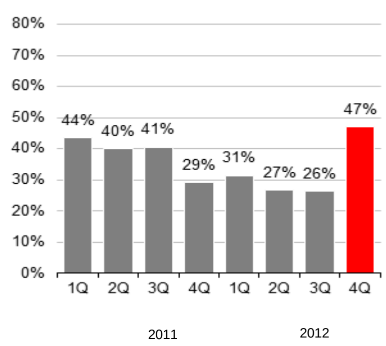
OPERATING PROFIT
NOK million



EARNINGS PER SHARE
NOK



EQUITY RATIO



Infratek

KEY FIGURES

Fourth quarter			Second half-year		Year	
2011	**2012**	**PROFIT AND LOSS** (NOK million)	**2012**	**2011**	**2012**	**2011**
906.2	**837.4**	Operating revenue	**1 531.9**	1 620.3	**2 810.5**	2 889.7
46.1	**64.6**	Operating profit before depreciation	**110.5**	110.4	**148.8**	144.0
34.8	**54.0**	Operating profit	**89.1**	88.1	**107.5**	101.1
37.8	**53.1**	Profit before tax	**85.9**	90.0	**100.8**	100.6
(3.5)	**-**	Profit for the year from discontinued operations	**-**	(3.5)	**-**	(3.5)
25.4	**36.6**	Profit for the period	**60.4**	63.4	**70.8**	71.1
		CAPITAL MATTERS				
1 648.2	**1 479.3**	Total assets	**1 479.3**	1 648.2	**1 479.3**	1 648.2
29 %	**47 %**	Equity ratio	**47 %**	29 %	**47 %**	29 %
(285.6)	**(233.8)**	Net interest-bearing debt (cash)	**(233.8)**	(285.6)	**(233.8)**	(285.6)
		PER SHARE FIGURES* (NOK)				
0.4	**0.6**	Profit (EPS)	**0.9**	1.0	**1.1**	1.1
3.2	**2.7**	Cash flow from operations	**2.4**	2.9	**1.5**	2.8
		KEY FIGURES				
3.8%	**6.4%**	Profit margin	**5.8%**	5.4%	**3.8%**	3.5%

Note: * Earnings and cash flow per share are determined according to the weighted average number of shares outstanding for the reporting period: 63,863,224 for all periods. Figures are unaudited and in NOK unless otherwise stated. Fourth-quarter and second half figures 2011 appear in parentheses.

SECOND HALF 2012

Results for the 2^{nd} half-year were affected by seasonally higher activity compared with the 1st half-year.

Operating revenue for the 2^{nd} half-year decreased by NOK 88.4 million compared to previous year. Supply of work in all three countries has been lower than previous year. However, the reduction has been highest in the Swedish part of the business.

The group achieved operating profit for the 2^{nd} half-year of NOK 89.1 million which is an increase of NOK 1.0 million from 2^{nd} half-year 2011. The Norwegian part of the business performed well and delivered an operating profit of NOK 60.4 million (46.9 million). The rise is due to increased efficiency and higher operating margins on completed deliveries. In Sweden, the operating profit amounted to NOK 18.0 million, a reduction of NOK 13.8 million due to lower activities and losses on some projects. The Finnish part of the business delivered operating profit of NOK 10.7 million, which is on par with the 2^{nd} half-year of 2011.

Net financial loss for the 2^{nd} half-year was NOK 3.3 million compared with net financial gain of NOK 1.9 million in the 2^{nd} half-year of 2011. The change in premium value on the purchase option for the remaining part of Eiendomssikring and Inftatek Säkerhet (Unisec) has entailed a posting of NOK 1.3 million (NOK 5.2 million) in income.

The profit for the period (after tax) was NOK 60.4 million compared with NOK 63.4 million in the 2^{nd} half-year of 2011.

The group's profit per share for the 2^{nd} half-year was NOK 0.9 (NOK 1.0). This also represents the diluted profit per share.

The cash flow from operations corresponded with NOK 153.6 million (NOK 185.5 million), of which the total change in cash for the period was NOK 125.5 million (NOK 167.0 million).

We refer to other sections of the Report of the Board of Directors relating to the balance sheet and risk factors as of 31 December 2012. The Report of the Board of Directors and the financial statements for the second half of 2012 are based on preliminary, unaudited figures.

FOURTH QUARTER 2012

The Infratek group's profit after tax for the 4th quarter was NOK 36.6 million compared with NOK 25.4 million the previous year. This entails a profit per share for the 4th quarter of NOK 0.6 (NOK 0.4), which also corresponds with the diluted profit per share.

Operating revenues decreased by NOK 68.8 million (7.6 per cent) measured against the same period last year. The activity in the Norwegian part of the business has been good throughout the quarter and revenues rose slightly compared to same period last year. In Sweden, revenues are substantially reduced because of lower activity and write-downs on some projects. In Finland, the activity decreased but revenues are maintained as a result of internal sales to Norway and Sweden. Intercompany revenues between the countries have increased by NOK 31.5 million.

The order book for the group as a whole increased by NOK 56 million compared to 30 September 2012. By the end of 2012, the total order book amounted to NOK 3,317, of which NOK 1,793 million relates to 2013, NOK 755 million to 2014 and NOK 769 million to 2015 and later. The order book entering the first quarter of 2013 is NOK 528 million and is deemed to be good for all business areas bearing in mind that the quarter is traditionally a low-activity period.

The group's operating profit for the 4th quarter was NOK 54.0 million (NOK 34.8 million) which is an improvement of NOK 19.2 million (55 per cent). The improvement mainly relates to the Norwegian part of the business which delivered an operating profit of NOK 34.5 million (NOK 14.9 million) with an operating margin of 8.8 per cent (3.8 per cent). The reason for the improvement is better operating margins on completed deliveries as a result of increased efficiency and better prices.

In Sweden, the operating result came in at NOK 12.2 million (NOK 14.9 million) and operating margin was 2.9 per cent (3.2 per cent). The decline is attributable to start-up costs of the railway contract and general price pressure in the market. In addition, the business incurred losses on some projects in the period.

Finland posted a profit of NOK 7.3 million, which was up NOK 2.3 million due to increased intercompany sales to Sweden and Norway. The operating margin in the period was 11.2 per cent, an increase of 2.3 percentage point compared with the same period last year.

Net financial loss for the quarter was negative by NOK 0.9 million compared with a net financial gain of NOK 3.0 million for 4th quarter 2011. The change in premium value on the purchase option of the remaining part of Eiendomssikring and Infratek Säkerhet (formerly Unisec) has entailed a posting of NOK 1.3 million (NOK 5.2 million) in income for the quarter. An interest element of NOK 1.5 million (NOK 2.9 million) relating to the pension cost was recognized as an expense.

Tax cost was NOK 16.4 million for the quarter as a result of positive revenue before tax.

BALANCE SHEET

As of 31 December 2012, equity was NOK 697 million, an increase of NOK 213 million compared to the end of December last year. The main reason for this is the reduction in pension liabilities with deduction for deferred tax of NOK 256 million.

The reduction in net pension liabilities is attributable to a change in the actuarial assumptions used to calculate future liabilities. The greatest impact relates to the increase in the discount rate from 2.6 per cent at the end of 2011 to an average interest rate of 4.0 per cent at the end of 2012. Note 9 contain details of the assumptions, and a sensitivity analysis illustrating the effect of changes in these assumptions on the balance sheet and the income statement.

Equity ratio is 47.1 per cent as of 31 December 2012. This represents an increase of 17.7 percentage points compared with 31 December 2011.

During the course of 2012, equity have been reduced by NOK 9.4 million as a result of currency effects and conversion variances from SEK and EUR to NOK due to weakened SEK and EUR against NOK. Last year the equity ratio was negatively impacted by NOK 0.9 million.

Equity per share corresponded with NOK 10.9 as of 31 December 2012 as compared with NOK 7.6 at the end of 4th quarter 2011.

As of 31 December 2012, the group had cash on hand in the amount of NOK 244 million compared with NOK 300 million at the end of 2011. The group's net interest-bearing debt corresponded with NOK 10 million (NOK 14 million). The change is attributable to a reduction in buy-out option for minority interests in Infratek Säkerhet and Eiendomssikring.

CASH FLOW AND FINANCING

Net cash flow from operations was NOK 169.4 million (NOK 205.4 million). A reduction in net working capital strengthens cash flow from operations by NOK 145.7 million (NOK 141.7 million). Change in other liquidity related items (taxes payable, currency effects and changes in financial items) weakens the cash flow with NOK -13.5 million (NOK +18.9 million), this is explained mainly with sale of financial assets in the 4th quarter of 2011. A positive profit contribution and non-liquidity related items strengthen the cash flow by NOK 40.1 million (NOK 44.8 million).

Net cash flow to operations and expansion investments in the 4th quarter were negative by NOK 9.7 million (-4.4 million). The whole amount is attributable to investments in special vehicle and equipment.

Net negative cash flow from finance activities was NOK 1.4 million (NOK 1.3 million) for the quarter.

The Group has a NOK 100 million overdraft facility with DnB NOR Bank ASA. The revolving overdraft facility has a mutual termination period of one month and can be used for ongoing operations. The facility has not been used.

SEGMENT INFORMATION

Infratek reports its business activities in three segments – Local Infrastructure, Central Infrastructure and Security – based on the products and services offered. The Group has operations in Norway, Sweden and Finland.

LOCAL INFRASTRUCTURE

The Local Infrastructure business area includes the Group's infrastructure business in Norway and Sweden aimed at the product areas distribution/local grid, street lighting, fibre/telecom, district heating and railway.

	Fourth quarter		Year to date	
NOK million	**2012**	2011	**2012**	2011
Operating revenues	**548.5**	609.5	**1 894.1**	1 989.0
Operating profit before depreciation	**48.2**	35.6	**128.0**	112.1
Operating profit	**41.8**	28.6	**103.3**	86.0
Operating margin	**7.6%**	4.7%	**5.5%**	4.3%

Local Infrastructure posted total operating revenues in the 4th quarter of NOK 548.5 million (NOK 609.5 million), a decrease of 10 per cent compared to same period last year. Around 61 per cent (59 per cent) of the sales were made in Sweden and 39 per cent (41 per cent) in Norway. The area posted a 4th quarter operating profit of NOK 41.8 million (NOK 28.6 million).

Sales in Norway were NOK 35.8 million lower (14.4 per cent) than in the 4th quarter of 2011. Abnormally mild winter in 2011 produced good operating conditions and higher revenues compared to 4th quarter of 2012. The operating profit increased by NOK 15.8 million and came in at NOK 29.8 million. The improvement is attributable to efficient underlying operations and the fact the fourth quarter of 2011 was negatively impacted by restructuring costs in the amount of NOK 8 million relating to business adaptations.

Sales in the Swedish business were reduced with NOK 28.5 million (7.8 per cent) against the corresponding prior-year period. The Swedish business posted a profit of NOK 12.0 million (NOK 14.6 million), while the operating margin fell from 4.0 per cent to 3.6 per cent. The reduction in the profit and margin are primarily attributable to the start-up of the railway contract and more losses on contracts in the subsidiary VEKA Entreprenad.

At the end of 2012 the business area had a total order book of NOK 2,559 million, of which NOK 1,307 million related to 2013, NOK 563 million to 2014 and NOK 689 million to 2015 and later. No major contracts were entered into during the quarter and orders received were on a par with the production volume. The total order book increased by NOK 4 million during the reporting period.

CENTRAL INFRASTRUCTURE

The Central Infrastructure business area includes the Group's infrastructure business in Norway, Sweden and Finland aimed at the central transmission grid for power transmission in the Nordic region; products and services within transformer stations, power cables and higher-voltage power lines.

	Fourth quarter		Year to date	
NOK million	**2012**	2011	**2012**	2011
Operating revenues	**187.4**	207.0	**591.4**	610.9
Operating profit before depreciation	**10.3**	4.6	**8.0**	18.5
Operating profit	**8.8**	3.0	**2.5**	11.7
Operating margin	**4.7%**	1.4%	**0.4%**	1.9%

Central Infrastructure posted total operating revenues in the 4th quarter of NOK 187.4 million (NOK 207.0 million), a reduction of 9.5 per cent compared to same period last year.

Around 32 per cent (51 per cent) of total operating revenues were generated in the Swedish market, 41 per cent (24 per cent) in the Norwegian market and 27 per cent (25 per cent) in the Finnish market. Operating profit came in at 8.8 million (3.0 million).

Sales in the Swedish business amounted to NOK 72.4 million (NOK 108.2 million), which corresponds to a reduction of NOK 35.9 million (33 per cent). The operating margin fell from 1.1 per cent to -0.2 per cent. The operating profit came in at NOK -0.2 million (NOK 1.1 million). The activity in the quarter was substantially lower than expected, that coupled with losses on projects, contributed negatively in the period. Processes have been initiated in order to improve profitability, both in terms of organisational changes and raising general expertise level amongst project managers.

Sales in Norway amounted to NOK 91.7 million (NOK 51.6 million), an increase of NOK 40 million. The operating profit amounted to NOK 1.8 million (operating loss of NOK 3.3 million) and operating margin of 2 per cent (-6.4 per cent). The market has improved and prices have rallied slightly against the corresponding prior-year period. Despite this, losses on some contracts depressed earnings and the operating margin during the period.

Sales in Finland totalled NOK 60.9 million (NOK 53.8 million), an increase of NOK 7.1 million compared with the 4th quarter of 2011. Activities in Finland were lower than the previous year, but the sales of materials for projects in Norway and Sweden pushed sales up. The operating margin was 11.8 per cent, compared with 9.5 per cent in the corresponding prior-year period.

Internal sales between the geographical areas in the quarter totalled NOK 37.6 million (NOK 6.6 million). The increase is attributable to sale of resource and purchase of materials from Finland for projects in Norway and Sweden.

At the reporting date the business area had a total order book of NOK 621 million, of which NOK 389 million related to 2013, NOK 152 million to 2014 and NOK 80 million to 2015 and later. Contracts entered into were on a par with the production volume in the quarter and the total order book fell by NOK 4 million.

SECURITY

The Security business area comprises the Group's activities within high security and electrical safety services.

	Fourth quarter		Year to date	
NOK million	**2012**	2011*	**2012**	2011*
Operating revenues	**100.6**	94.8	**320.6**	306.4
Operating profit before depreciation	**12.7**	10.7	**28.8**	26.6
Operating profit	**12.1**	9.9	**26.0**	23.2
Operating margin	**12.0%**	10.4 %	**8.1%**	7.6 %

Security posted total operating revenues of NOK 100.6 million in the quarter, compared with NOK 94.8 million in the previous year. The Electrical Safety segment posted an increase in sales of NOK 1.1 million, where higher sales are offsetting lower prices on renegotiated contracts. Sales for the High Security segment rose by NOK 4.7 million against the previous year on the back of higher activities and margins in all segments and countries.

The business area posted sales of NOK 83.9 million (NOK 84.6 million) in Norway, NOK

13.7 million (NOK 9.1 million) in Sweden and NOK 4.4 million (NOK 2.7 million) in Finland. Internal sales between the geographical areas in the quarter totalled NOK 1.4 million (NOK 1.5 million).

The operating profit came in at NOK 12.1 million (NOK 9.9 million), of which a profit of NOK 11.5 million (NOK 10.9 million) is related to the Norwegian market. The Swedish business posted a profit of NOK 0.5 million (NOK -0.9 million) and the Finnish a profit of NOK 0.1 million (NOK -0.1 million).

At the reporting date the business area had a total order book of NOK 137 million, of which NOK 97 million related to 2013 and NOK 40 million to 2014. The total order book increased by NOK 56 million during the reporting period. The order book for the High Security segment has improved since the end of the third quarter of 2012, but has a relatively low profile in the next few months. The Electrical Safety segment has a full order book until the end of 2013.

OTHER

The other business area comprises Group administration expenses and expenses relating to Group-level functions.

	Fourth quarter		Year to date	
NOK million	**2012**	2011*	**2012**	2011*
Operating profit	**(8.7)**	(6.7)	**(24.3)**	(19.9)

Net group expenses of NOK 8.7 million were incurred in the quarter, compared with NOK 6.7 million in the same period previous year.

The increase in net expenses is primarily attributable to the purchase of consultancy services related to pension scheme evaluation and the establishment of a Nordic shared service centre.

RISK FACTORS

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

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 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

Estimated present value of pension liabilities in Infratek 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 pension liabilities in Infratek is presented in note 9.

Competition and future contract awards

A significant proportion of the group's operating revenues are 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

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 cost of goods or inadequate access to raw materials may result in delayed deliveries and unanticipated expenses.

Salary increases, recruitment difficulties, and loss of key personnel

Infratek's operations are manpower intensive. Access to 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 and related party transactions

The companies within the Hafslund and Fortum groups 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.

The Hafslund and Fortum groups also own significant shareholdings in Infratek (43.3 per cent and 33.0 per cent respectively). This results in a series of related party transactions.

An overview of transactions with closely related parties is presented in Note 7 to the accounts.

EVENTS

Strategic acquisitions in Denmark

Infratek, with the business area Security, has acquired 51 percent of the shares in the Danish security company Plahn Systems AS. The agreement also includes an option to buy the remaining shares in the company.
Plahn Systems is the market leader in anti-theft systems in Denmark, and also provides services within high security systems. The acquisition is strategically important as it establishes Infratek in Denmark. The agreement is in line with the company's Nordic strategy and will also provide growth opportunities for Infratek within other service segments.

New Group function: People & Safety
The People & Safety function was established to reinforce and co-ordinate the group's human capital. The key focus areas are:

- ✓ A professional and holistic recruitment strategy
- ✓ Joint management development and training for employees
- ✓ Improved tools for employee follow-up
- ✓ Processes, routines and monitoring of health, safety and the environment (HSE)

Awarded contract with Fingrid in Finland

Infratek, with the business area Central Infrastructure, has been awarded a contract with Finnish national power grid company Fingrid, for the extension of three 110 kW substations. The value of the contract is about EUR 2 million.

New market making agreement

Infratek ASA has entered into a liquidity provider agreement with Fondsfinans ASA for the company's shares. The agreement will be effective as of 1 February 2013 and replaces the current agreement with Norne Securities AS which expires at the end January 2013.

Awarded contract with E.ON in Sweden

Infratek, with the business area Central Infrastructure, has been awarded a contract with E.ON Elnät regarding reconstruction of two substations in Klaverström and Lidboholm in Småland, Sweden. The contract has a value of SEK 30 million.

Awarded contract with Hafslund Nett

Infratek, with the business area Local Infrastructure, has been awarded a contract with Hafslund Nett regarding service and maintenance of distribution grid exit points in the area Romerike South, Norway. The contract duration is two years with an option for two additional years. The contract has an estimated annual value of NOK 9.5 million.

Awarded contract with Statnett

Infratek, with the business area Central Infrastructure, has been awarded a contract with Statnet SF regarding the design and building of a new 420/300/132 kV substation in Arendal, Norway. The value of the contract is approx. NOK 120 million. The contract is of strategic importance for Infratek, and represents an important step in the positioning of the business area Central Infrastructure as a total supplier within high voltage in the Nordic critical infrastructure market.

A-Train extends maintenance contract

Infratek, with the business area Local Infrastructure, has signed an extension with A-Train AB regarding existing maintenance agreement on the railway system for Arlanda Express, the high-speed train between Stockholm and Arland Airport. The agreement has an annual value of approx. SEK 25 million, and runs from 30 April 2014 to 30 April 2016.

Awarded three contracts with Hafslund Nett

Infratek, with the business area Security, has been awarded three contracts with Hafslund Nett AS. Through these agreements Infratek will carry out so-called DLE services in the Oslo region as required by The Directorate for Civil Protection and Emergency Planning in Norway (DSB). The contracts duration is two years, with an option for two additional years, and the agreements have an annual value of approx. NOK 40 million.

Proposed dividend for accounting year 2012

The board of directors proposes a dividend for the accounting year 2012 of NOK 1.5 per share. The total dividends are equivalent to a disbursement of NOK 96 million. The direct yield during the ownership period from the IPO in December 2007 is 8 per cent in average annual return.

EMPLOYEES

As of 31 December 2012, the Infratek Group had 1,672 employees.

Business areas	Number of employees	Number of man-years	Sick-leave rate 4Q12
Local Infrastructure	1 054	1 047	4.5 %
Central Infrastructure	391	388	4.3 %
Security	206	205	4.4 %
Other	21	20	5.6 %
Total	**1 672**	**1 659**	**4.4 %**

Sick leave in the 4th quarter was 4.4 per cent (5.2 per cent) and 4.6 per cent for the year (4.9 per cent). Various measures aimed at reducing the sick leave have been implemented.

SHAREHOLDER MATTERS

Infratek ASA's share price was NOK 18.6 as of 31 December 2012, compared with NOK 20.6 as of 31 December 2011.

Infratek ASA had the following shareholder structure as of 31 December 2012:

#	Shareholder	Number of shares	Holding
1	HAFSLUND 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	2 351 044	3.7 %
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	555 106	0.9 %
10	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	312 000	0.5 %
11	VJ INVEST AS	303 456	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	147 340	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 %
	Total 15 largest	**62 343 682**	**97.6 %**
	Other shareholders	**1 519 542**	**2.4 %**
	Total	**63 863 224**	**100 %**
	Board and management	405 000	0.6 %

OUTLOOK

Society is making ever-more stringent demands for stabile and robust solutions for critical infrastructure, which in turn is raising the quality requirements for existing grid and network. In addition, rising consumption requires reinforcement of existing installations and construction of new grid and network. In a parallel development, climate challenges are driving the construction of renewable energy systems including wind farms and district heating plants and associated infrastructure. Public transport in the Nordic region is facing the same challenges with regard to stability, capacity and the climate. Railways and trams will therefore represent important focus areas for the government and municipalities going forward.

Taken together these factors will present a number of promising marketing opportunities for Infratek. This view is corroborated by clear indications of higher investment levels among the Group's customers. However, international financial unrest could result in planned investments being put on hold and a slight trimming of growth expectations over the short term.

The total order book for 2013 is satisfactory, but seasonal fluctuations during the year give significant variations in workload from quarter to quarter.

Effective management of project risks is crucial for Infratek's results. This year has been characterised by relatively large losses in some projects. Measures are implemented to ensure better analysis of project risks from tender stage to implementation are expected to give financial results in the future.

Expected market growth will result in a need for increased skills and capacity. In addition an imminent generational shift in many technical environments will present challenges for all companies, in particular in closed markets. Capacity challenges may stimulate use of the open market and lead to the spin-off of executing activities from the grid companies. This will give rise to new opportunities for Infratek through business transfers or acquisitions. These types of processes are often politically governed and require a good understanding of local conditions and patience to get the desired positions.

The board of directors has an active role in the development of the Group's business strategy.

DECLARATION

On 12 February 2013, the Board of Directors and CEO of Infratek adopted this report to shareholders and the summarized consolidated half-year accounts of Infratek ASA as of 31 December 2012 and for the second half of 2012.

The Board of Directors and CEO hereby declare that to the best of their knowledge, the accounts covering the period 1 July through 31 December 2012, including notes to the accounts, have been prepared according to IAS 34, Interim reporting, as governed by EU together with Norwegian supplemental requirements in the Securities Trading Act. It is further declared that the information in the interim accounts, including notes to the accounts of this report to shareholders, provide a true and fair portrayal of the Group's assets, liabilities, financial position, and profit as a whole.

The Board and CEO also declare that to the best of their knowledge, the report and financial statement for the last six months of 2012 provides a true and fair overview of key events in the accounting period and their influence on the accounts for the last six months of the year, the most important risks and uncertainties facing the business in the upcoming accounting period, and significant transactions with closely related parties.

12 February 2013

Infratek ASA

Board of Directors

CONSOLIDATED INCOME STATEMENT

Fourth quarter			Second half-year		Year	
2011	**2012**	NOK million	**2012**	2011	**2012**	2011
906.2	**837.4**	Operating revenues	**1 531.9**	1 620.3	**2 810.5**	2 889.7
906.2	**837.4**	**Total revenues**	**1 531.9**	1 620.3	**2 810.5**	2 889.7
(458.1)	**(413.1)**	Purchased materials	**(747.2)**	(806.4)	**(1 290.6)**	(1 342.4)
(292.5)	**(275.9)**	Salaries and other personnel expenses	**(509.2)**	(521.1)	**(1 027.0)**	(1 059.8)
(11.3)	**(10.6)**	Depreciation	**(21.3)**	(22.3)	**(41.3)**	(42.9)
(109.5)	**(83.8)**	Other operating expenses	**(165.1)**	(182.4)	**(344.1)**	(343.6)
34.8	**54.0**	**Operating profit**	**89.1**	88.1	**107.5**	101.1
3.0	**(0.9)**	Financial revenues/expenses	**(3.3)**	1.9	**(6.7)**	(0.5)
37.8	**53.1**	**Profit before tax**	**85.9**	90.0	**100.8**	100.6
(8.9)	**(16.4)**	Tax expense	**(25.5)**	(23.1)	**(29.9)**	(26.0)
(3.5)	**-**	Profit for the year from discontinued operations	**-**	(3.5)	**-**	(3.5)
25.4	**36.6**	**Profit for the period**	**60.4**	63.4	**70.8**	71.1
25.4	**36.6**	Majority's share of profit	**60.3**	63.4	**70.8**	71.3
0.0	**0.1**	Minority's share of profit	**0.1**	0.0	**0.1**	(0.2)

Other comprehensive income

Fourth quarter			Second half-year		Year	
2011	**2012**	NOK million	**2012**	2011	**2012**	2011
4.1	**(6.4)**	Conversion difference when converting foreign units	**(3.2)**	5.5	**(9.4)**	(0.9)
(187.0)	**368.6**	Estimate changes pensions	**360.2**	(191.2)	**343.5**	(197.0)
182.9)	**362.2**	**Total comprehensive profit before tax**	**357.0**	(185.6)	**334.1**	(197.9)
52.4	**(103.2)**	Tax on comprehensive income	**(100.9)**	53.5	**(96.2)**	55.2
(130.5)	**259.0**	Total comprehensive profit after tax	**256.2**	(132.1)	**237.9**	(142.8)
(105.1)	**295.7**	**Comprehensive income after tax**	**316.5**	(68.7)	**308.7**	(71.6)
(105.2)	**295.6**	Majority's share of profit	**316.5**	(68.7)	**308.7**	(71.5)
0.0	**0.1**	Minority's share of profit	**0.1**	0.0	**0.1**	(0.2)

CONSOLIDATED BALANCE SHEET

NOK million	**31.12.2012**	31.12.2011
Intangible assets	**321.4**	422.6
Fixed assets	**158.4**	159.6
Accounts receivables and other receivables	**755.8**	766.4
Cash and cash equivalents	**243.8**	299.6
Assets	**1 479.3**	**1 648.2**
Equity	**696.9**	484.0
Pension and other liabilities	**226.4**	582.3
Long-term debt	**9.8**	14.6
Current liabilities	**546.2**	567.2
Equity and liabilities	**1 479.3**	**1 648.2**

CONSOLIDATED CASH FLOW STATEMENT

	Fourth quarter		Second half-year		Year	
NOK million	**2012**	2011	**2012**	2011	**2011**	2011
Profit before tax	**53.1**	37.8	85.9	90.0	**100.8**	100.6
Items without cash flow effect	**(12.9)**	7.0	5.7	19.9	**31.0**	40.7
Change in net working capital	**129.3**	160.5	62.1	75.7	**(34.5)**	34.8
Net cash flow from operations	**169.4**	205.4	**153.6**	185.5	**97.2**	176.1
Investments - fixed assets	**(12.8)**	(6.3)	(28.8)	(13.4)	**(38.8)**	(44.9)
Investments - operations	**-**	-	-	(6.4)	**(17.2)**	(6.4)
Sales amount - fixed assets	**3.1**	4.2	3.3	4.2	**5.2**	4.2
Sales amount - operations	**-**	(2.3)	-	(2.3)	**-**	(2.3)
Cash flow to investments activities	**(9.7)**	(4.4)	**(25.5)**	(17.9)	**(50.8)**	(49.4)
Change interest-bearing liabilities	**(2.3)**	(1.5)	(2.4)	(1.9)	**(3.0)**	(3.7)
Net received/paid interest rates	**0.6**	0.3	(0.2)	0.8	**(0.0)**	2.1
Dividend. equity issues and other equity changes	**0.3**	-	-	0.4	**(95.8)**	(63.9)
Cash flow used for financial activities	**(1.4)**	(1.3)	**(2.6)**	(0.7)	**(98.8)**	(65.5)
Change in cash and cash equivalents	**158.2**	199.7	**125.5**	167.0	**(52.4)**	61.2
Cash received from acquisition of Fortum Contracting Entities	**87.6**	98.8	119.4	131.1	**299.6**	238.5
Cash at beginning of period	**(2.0)**	1.1	(1.1)	1.5	**(3.3)**	(0.2)
Cash at end of period	**243.8**	299.6	243.8	299.6	**243.8**	299.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Fourth quarter		Second half-year		Year	
NOK million	**2012**	2011	**2012**	2011	**2012**	2011
Equity at beginning of period	**401.2**	**591.1**	**380.4**	**554.6**	**484.0**	**621.5**
Profit for the period	36.6	25.4	60.4	63.4	70.8	71.1
Other comprehensive income for the period	(6.4)	4.1	(3.2)	5.5	(9.4)	(0.9)
Estimate changes pensions	265.4	(134.6)	259.4	(137.6)	247.3	(141.9)
Total profit in period	**295.7**	**(105.1)**	**316.5**	**(68.7)**	**308.7**	**(71.6)**
Transactions with owners						
Change in minority interests		(1.9)		(1.9)	-	(1.9)
Dividends	-	-	-	-	(95.8)	(63.9)
Other equity effects	-	(0.1)	-	-	-	-
Total transactions with owners	**-**	**(2.0)**	**-**	**(1.9)**	**(95.8)**	**(65.8)**
Equity at end of reporting period	**696.9**	**484.0**	**696.9**	**484.0**	**696.9**	**484.0**

NOTES TO THE ACCOUNTS

1) FRAMEWORK AND KEY ACCOUNTING PRINCIPLES

The 4th quarter 2012 consolidated Group accounts, for the period ending 31 December 2012, have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated accounts comprise of Infratek ASA and its subsidiaries. The interim figures are unaudited.

Infratek prepares and presents its interim consolidated accounts according to IAS 34, Interim Financial Reporting. The information provided by interim accounts is not as comprehensive as that provided in the annual accounts; thus, the interim accounts should be viewed in conjunction with the 2011 annual accounts. Accounting principles applied in the quarterly accounts are the same as those described in Note 2 to the 2011 annual accounts of the Infratek Group.

2) OPERATIONAL SEGMENT REPORTING – Income statement

Fourth quarter			Second half-year		Year	
2011	**2012**	NOK million	**2012**	2011	**2012**	2011
609.5	**548.5**	Local Infrastructure	**1021.5**	1110.6	**1894.1**	1989.0
207.0	**187.4**	Central Infrastructure	**334.7**	348.1	**591.4**	610.9
94.8	**100.6**	Security	**173.0**	169.8	**320.6**	306.4
(5.1)	**1.0**	Other / eliminations	**2.7**	(8.1)	**4.3**	(16.6)
906.2	**837.4**	**Total operating revenues**	**1531.9**	1620.3	**2810.5**	2889.7
28.6	**41.8**	Local Infrastructure	**70.5**	68.7	**103.3**	86.0
3.0	**8.8**	Central Infrastructure	**12.6**	8.1	**2.5**	11.7
9.9	**12.0**	Security	**17.5**	19.5	**25.8**	23.2
(6.7)	**(8.7)**	Other / eliminations	**(11.5)**	(8.2)	**(24.3)**	(19.9)
34.8	**53.9**	**Total operating profit**	**89.0**	88.1	**107.4**	101.1

3) GEOGRAPHIC SEGMENT REPORTING – Income statement

Fourth quarter			Second half-year		Year	
2011	**2012**	NOK million	**2012**	2011	**2012**	2011
388.6	**392.7**	Norway	**700.5**	720.7	**1309.6**	1284.6
474.1	**422.9**	Sweden	**775.6**	818.0	**1407.1**	1462.2
56.3	**65.0**	Finland	**106.2**	103.7	**162.3**	186.2
(12.7)	**(43.2)**	Other / eliminations	**(50.3)**	(22.1)	**(68.6)**	(43.2)
906.2	**837.4**	**Total operating revenues**	**1531.9**	1620.3	**2810.5**	2889.7
14.9	**34.4**	Norway	**60.3**	46.9	**79.7**	50.9
14.9	**12.2**	Sweden	**18.0**	31.8	**21.8**	39.2
5.0	**7.3**	Finland	**10.7**	9.4	**5.9**	11.0
-	**-**	Other / eliminations	**-**	-	**-**	-
34.8	**53.9**	**Total operating profit**	**89.0**	88.1	**107.4**	101.1

4) GEOGRAPHIC SEGMENT REPORTING – Balance sheet

NOK million	Norway	Sweden	Finland	Group / elimination	Group total
Intangible assets	176.7	86.5	6.8	51.5	321.4
Fixed assets	74.8	83.2	19.0	(18.6)	158.4
Accounts receivables and other receivables	623.4	361.8	60.2	(289.7)	755.8
Cash and cash equivalents	323.8	19.9	43.7	(143.6)	243.8
Assets	**1198.7**	**551.4**	**129.6**	**(400.4)**	**1479.3**
Equity	691.3	284.6	84.8	(363.8)	696.9
Pension and other liabilities	234.6	5.8	0.1	(14.0)	226.4
Long-term debt	1.4	7.5	6.6	(5.7)	9.8
Current liabilities	271.3	253.5	38.2	(16.8)	546.2
Equity and liabilities	**1198.7**	**551.4**	**129.6**	**(400.4)**	**1479.3**
Equity share	58%	52%	65%	91%	47%

5) EMPLOYEES PER COUNTRY

As of 31 December 2012	Number of employees	Number of man-years	Sick-leave rate 4Q12
Norway	717	709	5.2 %
Sweden	818	824	3.7 %
Finland	130	126	5.4 %
Total	**1 672**	**1 659**	**4.4 %**

6) 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 revenues 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.

7) RELATED PARTY TRANSACTIONS

As of 31 December 2012, Hafslund ASA owned 43.3 percent and Fortum owned 33.0 percent of Infratek ASA's shares, and as such are regarded as related parties. The Infratek Group and the Hafslund and the Fortum groups purchase and sell goods and services between each other.

Examples of sales to companies in the Hafslund and the Fortum groups include sales of services associated with engineering, project management, construction, maintenance, and contingency repairs to electric power grids, fibre optic networks, district heating networks, and highway and street lighting networks. Services are also rendered in connection with legally mandated safety surveillance performed by grid companies in their licence areas (so-called DLE services), and sales, service, and operations monitoring of technical and mechanical security solutions.

As of 31 December 2012, accounts receivables from Hafslund Group companies amounted to NOK 73.9 million, and largely comprised sales of goods and services. Accounts payable to Hafslund Group companies amounted to NOK 0.6 million as of 31 December 2012, and primarily related to purchases of goods and services. Sales of goods and services to the Hafslund Group totalled NOK 519.3 million in 2012. Purchases of goods and services from the Hafslund Group totalled NOK 25.3 million at the end of December.

As of 31 December 2012, accounts receivables from Fortum Group companies amounted to NOK 74.7 million, and largely comprised sales of goods and services. Accounts payable to Fortum Group companies totalled NOK 0.9 million as of 31 December 2012, and are mainly related to purchases of goods and services. Sales of goods and services to the Fortum Group totalled NOK 543.0 million during 2012. Purchases of goods and services from the Fortum Group amounted to NOK 7.5 million at the end of the reporting period.

8) LOCAL INFRASTRUCTURE EXPANDS IN SWEDEN

On 2 February 2012, Infratek Sverige AB acquired 100 per cent of the shares in the Swedish railways company WKTS AB, which posted sales of SEK 56 million in 2010/2011 (deviating accounting year). Railways are a strategic growth area for Infratek, and the company wishes to leverage this acquisition to further its aim of becoming an important company in the Swedish railways segment. As of 31 December 2012 the actual values connected to other short-term liabilities were NOK 1.1 million higher than originally assumed. Consequently, goodwill rose with the same amount.

The purchase analysis for the acquisition of WKTS AS is as follows:

Fair value acquired assets:

NOK million	2012
Purchase price 100 %	12.5
Total consideration paid	**12.5**
Fair value net assets	5.4
Goodwill	**7.1**

Specification of assets and liabilities in acquisition of 2 February 2012:

NOK million	2012
Property, plant and equipment	5.3
Inventory	0.6
Accounts receivables and other current receivables	6.8
Cash and cash equivalents	2.6
Accounts payable and other current liabilities	(8.2)
Long-term loans	(1.7)
Acquired net assets	**5.4**

With effect from February 2012, Infratek Sverige AB also acquired the remaining shares in the company Mini Entreprenad AB. On the purchase of 70 per cent of the shares on 1 July 2011, a sales and purchase option was established for the remaining 30 per cent of the shares in the company. In accordance with IFRSs, this option is deemed to be a purchase of 100 per cent of the shares but with an obligation to pay for the remaining 30 per cent of the shares when the options mature in 2015. In February 2012, Infratek Sverige AB exercised the purchase option and in this regard paid NOK 3.2 million for the remaining 30 per cent of the shares. No further goodwill arose as a result of the purchase of the remaining shareholding.

On 6 March 2012, Infratek Sverige AB entered into an agreement to acquire up to 100 per cent of the shares in the company Emsab AB (Infratek Mätkontrol AB), an accredited laboratory that calibrates electrical instruments, meters and metering systems.

The purchase analysis relating to the acquisition of Emsab AB is as follows:

Fair value acquired assets:

NOK million	2012
Purchase price 100 %	4.3
Total consideration paid	**4.3**
Fair value net assets	0.1
Goodwill	**4.2**

Specification of assets and liabilities in acquisition of 6 March 2012:

NOK million	2012
Accounts receivables and other receivables	0.8
Accounts payable and other current liabilities	(0.7)
Acquired net assets	**0.1**

9) ACCOUNTING ESTIMATES – NET PENSION LIABILITIES

Actuarial assumptions shall be used to estimate future pension liabilities. In accordance with the international accounting standard for pensions (IAS 19 – *Employee Benefits*) the interest rate that is used to discount the pension liability shall be established using high-quality corporate bonds. In countries where no deep market for such bonds exists, the market interest rate shall be established based on government bonds.

The Group has previously applied the interest rate for government bonds as a discount rate, but now believes there to be a liquid market for high-quality corporate bonds in Norway. Norway has experienced a change in the underlying economic conditions relating to high-quality bonds, which has resulted in the Group choosing to apply the discount rate derived from high-quality bonds.

The following economic assumptions have been applied for pension calculations:

Assumptions	**31.12.2012**	31.12.2011
Discount rate	**4.00%**	2.60 %
Expected return on pension assets	**4.00%**	4.10 %
Expected annual salary increase	**4.00%**	3.25%
Expected annual change in G (National Insurance Scheme's Basic Amount)	**4.00%**	3.25%

The change in the discount rate will have a material impact on the Group's balance sheet as of 31 December 2012. Pension costs will not be impacted until 2013.
As of 31 December 2012 the net pension liability was NOK 226 million, compared with NOK 582 million at the end of the previous year. The change in the pension liability will impact deferred tax liabilities and equity in the following manner:

Net pension liability recognised in the balance sheet and impact on deferred tax and equity:

NOK million	**31.12.2012**	31.12.2011	**Change**
Net pension liability	**226**	582	**356**
Deferred tax asset	**63**	163	**100**
Equity effect of pensions	**163**	419	**256**

Infratek has carried out a sensitivity analysis for net pension liabilities and estimated pension-related costs. The tables below illustrate the effect of a one percentage point change in the discount rate, salary increases and change in G on the net pension liability and pension-related costs given the original assumptions as described in the above table.

Sensitivity analysis for the net pension liability:

NOK million	Discount rate		Salary growth		Change in G	
Percentage point change	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%
Net pension liabilities	-173	234	52	-53	107	-93
Deferred tax asset/liability	-48	66	15	-15	30	-26
Equity effect	124	-169	-38	38	-77	67

Sensitivity analysis for estimated pension-related costs:

NOK million	Discount rate		Salary growth		Change in G	
Percentage point change	+ 1%	- 1%	+ 1%	- 1%	+ 1%	- 1%
Pension cost	-5	7	3	-2	2	-1
Financial expenses	-7	9	2	-2	4	-4
Total pension cost	-12	17	5	-5	6	-5

The estimates are based on facts and conditions as of 31 December 2012. Actual results could therefore deviate from these estimates to a material extent.

GROUP PRESENTATION

THE INFRATEK GROUP

Infratek is a leading Nordic full-range supplier in the markets for building, operating, and securing critical infrastructure; energy carriers, telecom and technical security solutions. The company's customers are generally large or medium-sized companies and public sector organizations.

Until the spin off and Oslo Stock Exchange listing on 5 December 2007, Infratek comprised the Hafslund ASA business area Technical Services. The Group changed its name from Hafslund Infratek ASA to Infratek ASA on 22 December 2008. On 15 January 2009, Infratek acquired Fortum's contracting business and all of its 1,100 employees in Norway, Sweden, and Finland. As of 30 June 2009, Infratek sold its guard services operations to Vakt Service AS.

The Infratek Group currently employs around 1,700 staff and runs operations in Norway, Sweden and Finland. Infratek is headquartered in Oslo.

LOCAL INFRASTRUCTURE

The Local Infrastructure business area includes products and services within distribution/local grid, street lighting, fibre/telecom, district heating and railway. The business area has operations in Norway and Sweden.

CENTRAL INFRASTRUCTURE

The Central Infrastructure business area focuses on the central grid for power transmission in the Nordic region. This business area includes all products and services for transformer stations, power cables and higher-voltage power lines. The business area has operations in Norway, Sweden and Finland.

SECURITY

The Group's Security business area is an end-to-end supplier of technical security solutions. The product and service range spans alarm systems, CCTV surveillance, access control, electronic anti-theft systems, locks and lock systems, as well as operation of central alarm and security facilities (ASP) for corporate-market customers. A number of power distribution companies contract facility and equipment safety inspection and monitoring services (so-called DLE services) from Security's electrical safety business unit.

BOARD OF DIRECTORS

- Mimi K. Berdal, Board Chairman
- Hans Kristian Rød, Deputy Chairman
- Dag Andresen
- Kari Ekelund Thørud
- Roger André Hansen, Employee repr.
- Olle Strömberg, Employee repr.

Rune Tobiassen, Employee repr.

GROUP MANAGEMENT

- Bjørn Frogner, CEO
- Vibecke Skjolde, CFO
- Lars Bangen, Local Infrastructure
- Alf Engqvist, Central Infrastructure
- Lars Erik Finne, Security

FINANCIAL CALENDAR 2013

• First-quarter report 13	7 May 2013
• Annual general meeting	7 May 2013
• First-quarter presentation	8 May 2013
• Second-quarter report 13	15 August 2013
• Third-quarter report 13	30 October 2013

ADDRESS AND IR CONTACT

Infratek ASA

Breivollveien 31, NO-0668 Oslo, NORWAY

Postal address: PO Box 63 Etterstad, NO-0614 Oslo, NORWAY

Tel.: + 47 23 12 88 00, Fax: +47 23 12 88 01

www.infratek.no

IR contact: Vibecke Skjolde, CFO

Mobile: +47 91 66 21 10,

E-mail: vibecke.skjolde@infratek.no