

Infratek



Results for the second quarter 2013

Bjørn Frogner, CEO
Infratek ASA
15 August 2013

Key events – 2nd quarter 2013



- Operating revenues of NOK 756 million (NOK 675 million)
- Second-quarter operating profit of NOK 29.2 million (NOK 20.4 million)
- Improved operating margin within both Local and Central Infrastructure
- Improvements in the Norwegian business, challenges in Sweden
- Price-pressure in Electrical Safety resulting in lower overall margins for the business area
- Satisfactory order book for second half-year
- Hafslund and Fortum have sold their shareholdings in Infratek, and the new owner of 76.3 percent of the shares is a fund in the Triton portfolio

Triton and ongoing process

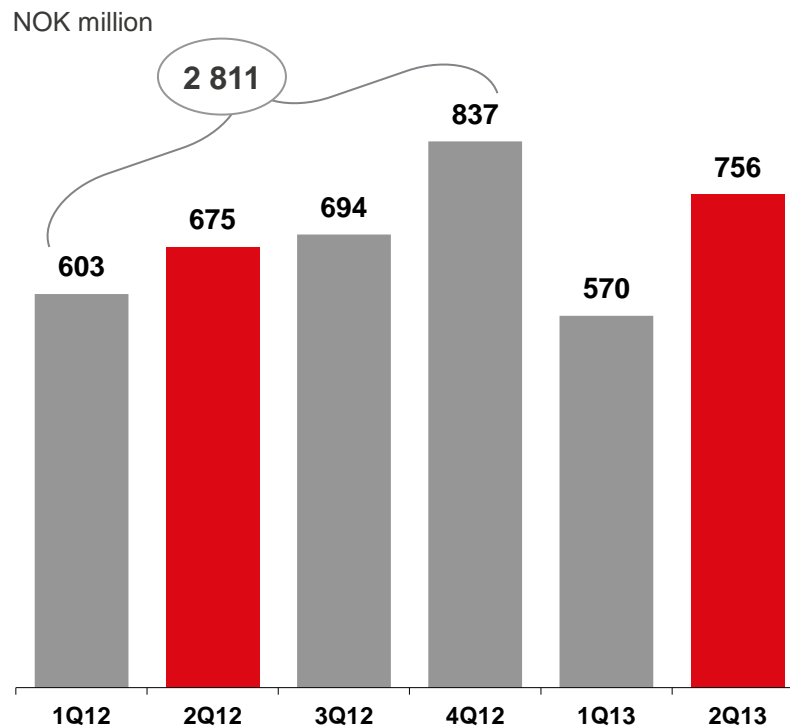
- The Swedish and Norwegian anti-trust authorities approved the transfer at the end of July
- The shares were formally acquired on 26 July
- Mandatory offer for the remaining shares issued on 12 August with four-week acceptance period
- The price for the voluntary offer is NOK 14 per share
- Infratek's board will publish its statement regarding the mandatory offer before opening of Oslo Stock Exchange 23 August



Development operating revenues

- In Norway sales increased by NOK 53 million compared with the previous year as a result of higher market activities
- Sales in Sweden were marginally up on the prior year (NOK 7 million), with higher activity levels in railways offset by lower sales in other parts of the business
- Finland experienced significantly higher activity levels, with sales growth of NOK 14 million
- Establishment of Security in Denmark produced sales for the quarter of NOK 11 million.

Operating revenue by quarter

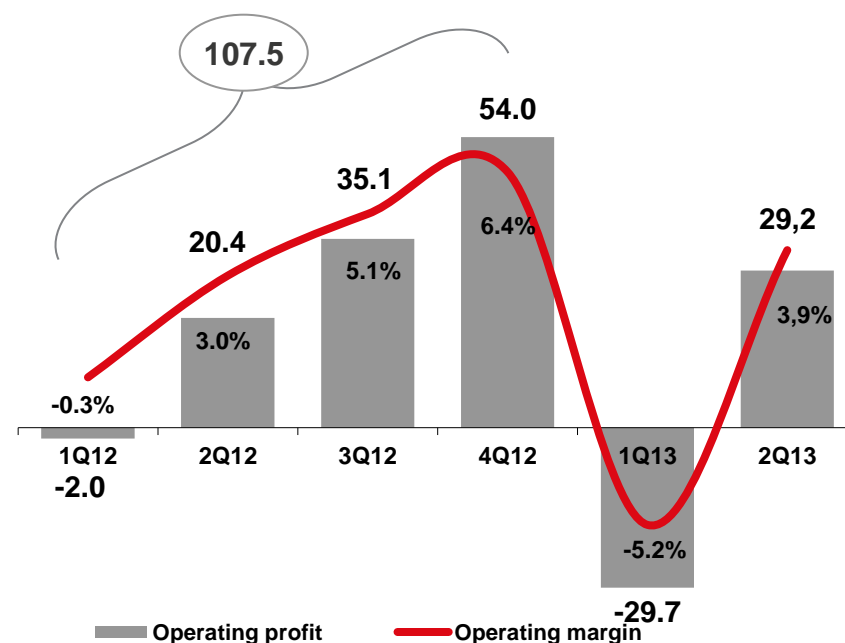


Development operating profit

- The results contribution from Norway closed on NOK 30.5 million (NOK 12.3 million) due to high activity levels and efficient resource utilisation.
- The operating loss in Sweden came in at NOK 0.8 million (operating profit of NOK 9.8 million), where the reduction is attributable to lower orders on hand in some areas of business. The negative contribution from the railway segment relating to unsettled contractual matters is further depressing the result in Sweden
- Finland posted an operating loss of NOK 1.3 million (loss of NOK 1.6 million)
- Denmark contributed NOK 0.8 million

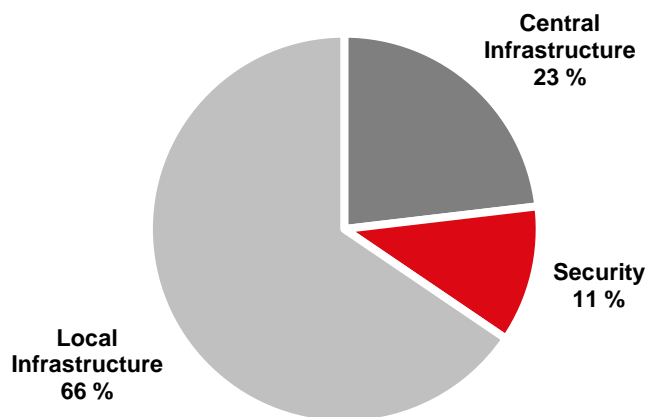
Operating profit by quarter

NOK million



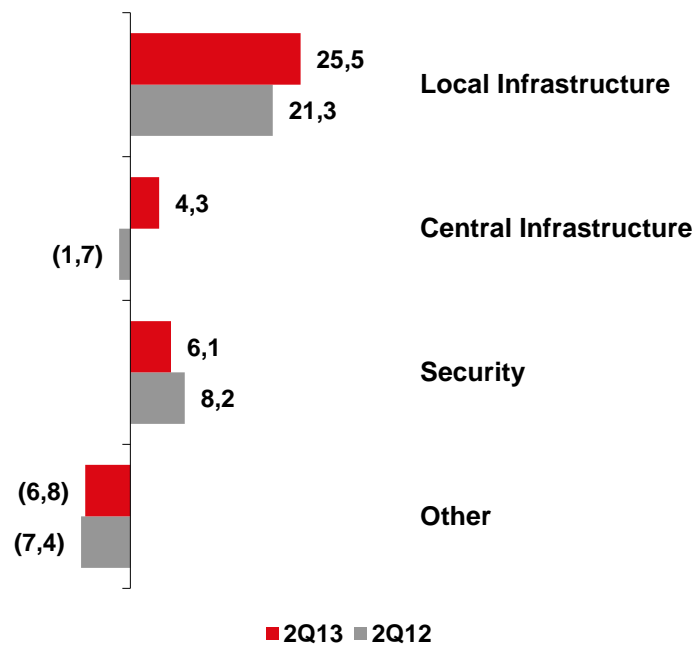
Revenues and profit by business area

Operating revenues



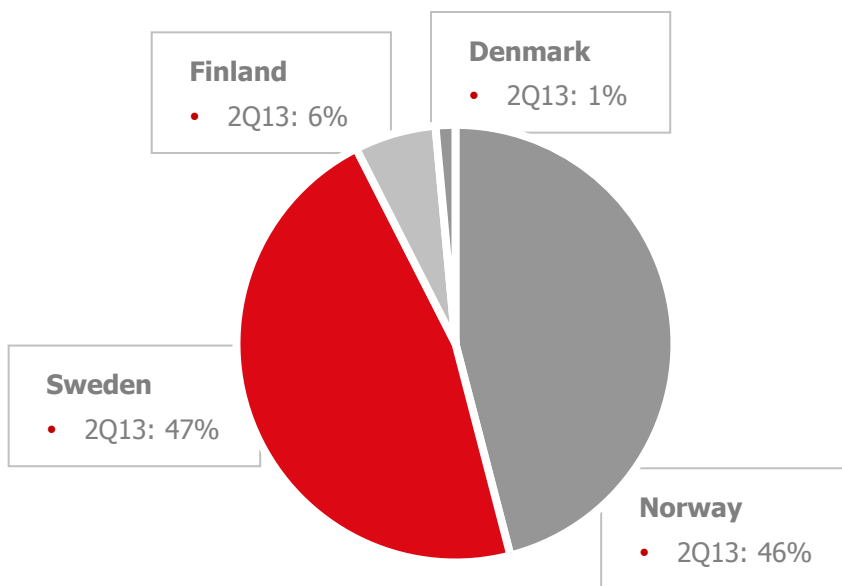
Operating profit

NOK million



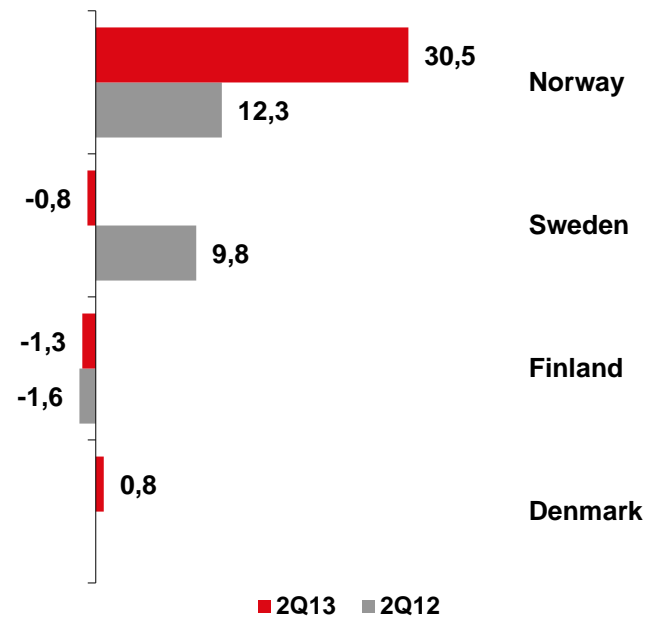
Revenues and profit by geography

Operating revenues



Operating profit

NOK million



Balance sheet

- Net working capital improved by NOK 26 million as a result of normal business fluctuations
- Cash and cash equivalents closed on NOK 71 million, which is NOK 48 million lower than the previous year, primarily on the back of fewer acquisitions and operating investments, and higher dividends.
- Actuarial assumptions impacted the size of intangible assets, pension liabilities and equity
- The equity ratio rose from 27 percent to 45 percent

NOK million	30.06.2013	30.06.2012	31.12.2012
Intangible assets	335.9	432.6	321.7
Fixed assets	155.6	154.7	158.4
Accounts receivables and other receivables	798.4	721.6	755.8
Cash and cash equivalents	71.2	119.4	243.8
Assets	1 361.1	1 428.3	1 479.6
Equity	613.6	380.5	696.9
Other liabilities	218.9	602.4	226.4
Long-term debt	15.6	11.7	9.8
Current liabilities	513.0	433.7	546.5
Equity and liabilities	1 361.1	1 428.3	1 479.6
Net working capital	251.7	277.2	192.5

Cash flow

- Net cash flow from operations improved NOK 9 million compared to same period last year
- Aquisition of 51 per cent in the Danish company Plahn Systems, NOK 6.2 million
- Investments in fixed assets of NOK 10.5 million (5.8 million) due to purchase of specialised vehicles and equipment
- Dividend payment of NOK 96 million (96 million) in second quarter

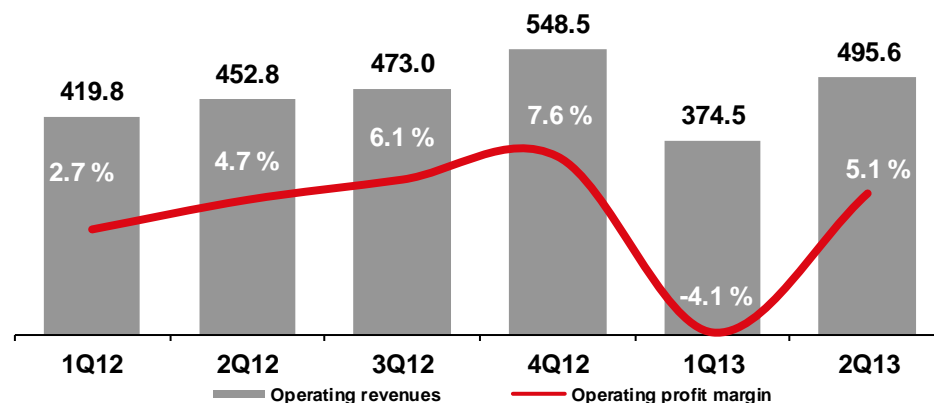
NOK million	Second quarter		First half-year		Year
	2013	2012	2013	2012	2012
Profit before tax	27.0	18.6	(4.1)	14.9	100.8
Items without cash flow effect	2.7	17.4	12.7	25.3	31.0
Change in net working capital and more	(64.4)	(79.7)	(69.1)	(96.6)	(34.5)
Net cash flow from operations	(34.6)	(43.7)	(60.5)	(56.4)	97.2
Investments - fixed assets	(10.5)	(5.8)	(15.9)	(10.0)	(38.8)
Investmentes - operations	(0.9)	-	(7.2)	(17.2)	(17.2)
Sales - fixed assets	0.6	1.9	2.2	1.9	5.2
Sales - operations	-	-	-	-	-
Cash flow to investments activities	(10.8)	(3.9)	(20.9)	(25.3)	(50.8)
Change interest-bearing liabilities	(1.1)	(0.8)	(0.9)	(0.6)	(3.0)
Net received/ paid interest	(0.1)	(0.1)	1.1	0.1	-
Dividend, equity issues and other equity changes	(95.8)	(95.8)	(95.5)	(95.8)	(95.8)
Cash flow used for financial activities	(97.0)	(96.7)	(95.4)	(96.3)	(98.8)
Change in cash and cash equivalents	(142.4)	(144.3)	(176.8)	(177.9)	(52.4)
Cash and cash equivalents at the start of period	210.8	264.1	243.8	299.6	299.6
Effect on exchange rate changes on the balance of cash held in foreign operations	2.8	(0.4)	4.2	(2.3)	(3.3)
Cash and cash equivalents end of period	71.2	119.4	71.2	119.4	243.8

Local Infrastructure

- In Norway sales were up 15 percent, while the operating margin increased 4.1 percent to 8.2 percent as a result of higher orders on hand and efficient resource utilisation
- Sales in Sweden up by 6 percent; increase in sales in railways while sales in fibre networks and street lighting are reduced. The operating margin closed at 0.4 percent (3.6 percent). The reduction is primarily attributable to reduced contributions from railways (5 million) and insufficient street lighting assignments

NOK million	Second quarter		First half-year		Year
	2013	2012	2013	2012	2012
Operating revenues	495.6	452.8	870.1	872.6	1 894.1
Operating profit before depreciation	31.8	27.0	22.7	44.5	128.0
Operating profit	25.5	21.3	10.0	32.9	103.3
Operating margin	5.1%	4.7%	1.1%	3.8%	5.5%

Operating revenues and operating margin

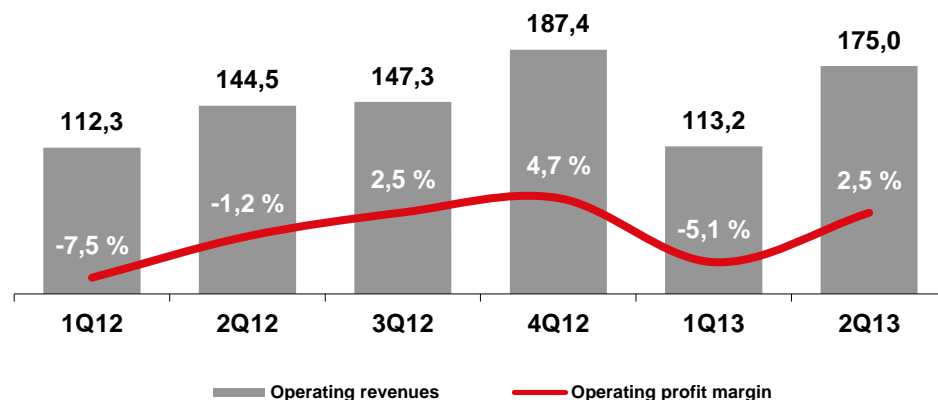


Central Infrastructure

- Sales in Norway up by 57 per cent, higher activity levels and better resource utilisation have lifted the operating margin to 8.3 per cent (-2.2 per cent)
- In Sweden sales are down by NOK 11 million compared to last year. Operating margin closed at -3.8 per cent (1.0 per cent) as a result of some excess of capacity and loss on a specific project (2.7 million)
- Sales in Finland are up, where the operating margin for the period closed on -2.0 per cent (-3.5 per cent)

NOK million	Second quarter		First half-year		Year
	2013	2012	2013	2012	2012
Operating revenues	175.0	144.5	288.2	256.7	591.4
Operating profit before depreciation	5.8	(0.3)	1.3	(7.4)	8.0
Operating profit	4.3	(1.7)	(1.5)	(10.1)	2.5
Operating margin	2.5%	-1.2%	-0.5%	-3.9%	0.4%

Operating revenues and operating margin

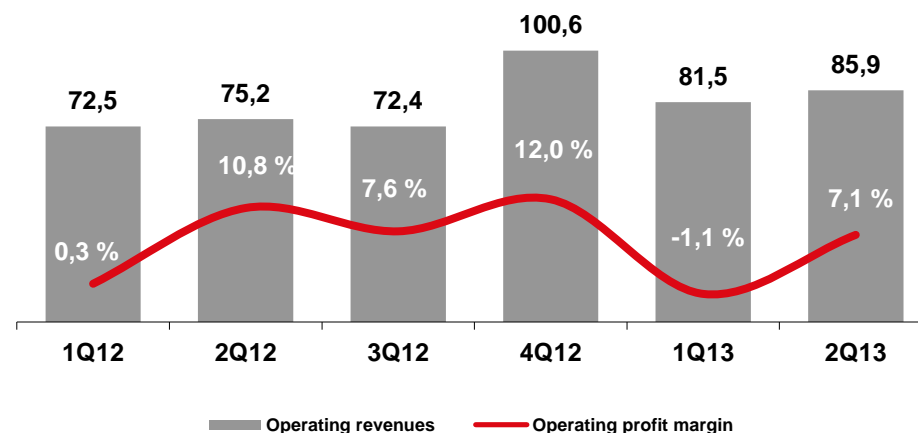


Security

- Sales were up NOK 11 million, primarily due to business acquisitions in Denmark.
- The operating margin for high security is slightly reduced compared with the same period the previous year, due to lower contributions in Norway, which were partially offset by positive contributions from Denmark.
- Sales for the delivery of DLE services were on a par with last year; however, the operating result was down by NOK 1.6 million due to squeezed prices for new contracts .

NOK million	Second quarter		First half-year		Year
	2013	2012	2013	2012	2012
Operating revenues	85.9	75.2	167.3	147.7	320.6
Operating profit before depreciation	6.6	8.8	6.3	9.9	28.8
Operating profit	6.1	8.2	5.2	8.4	26.0
Operating margin	7.1%	10.8%	3.1%	5.7%	8.1%

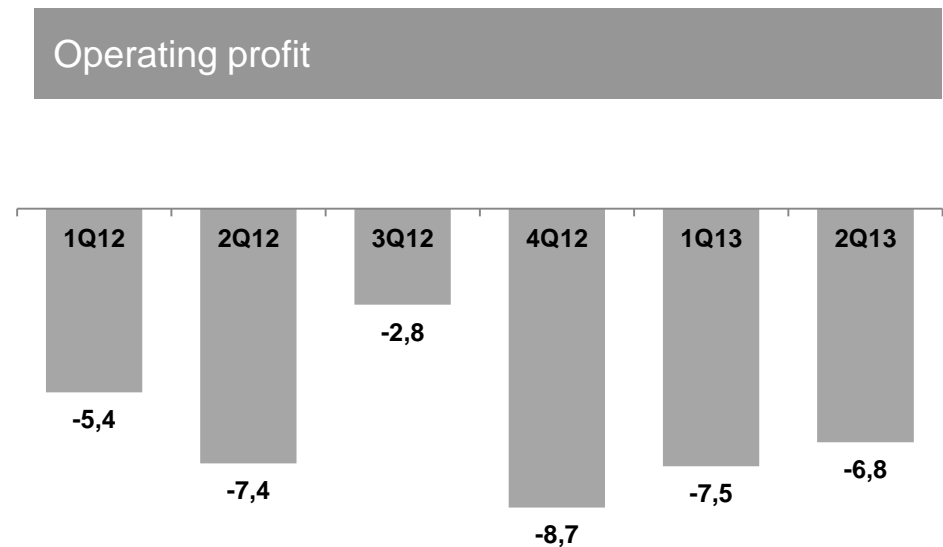
Operating revenues and operating margin



Other

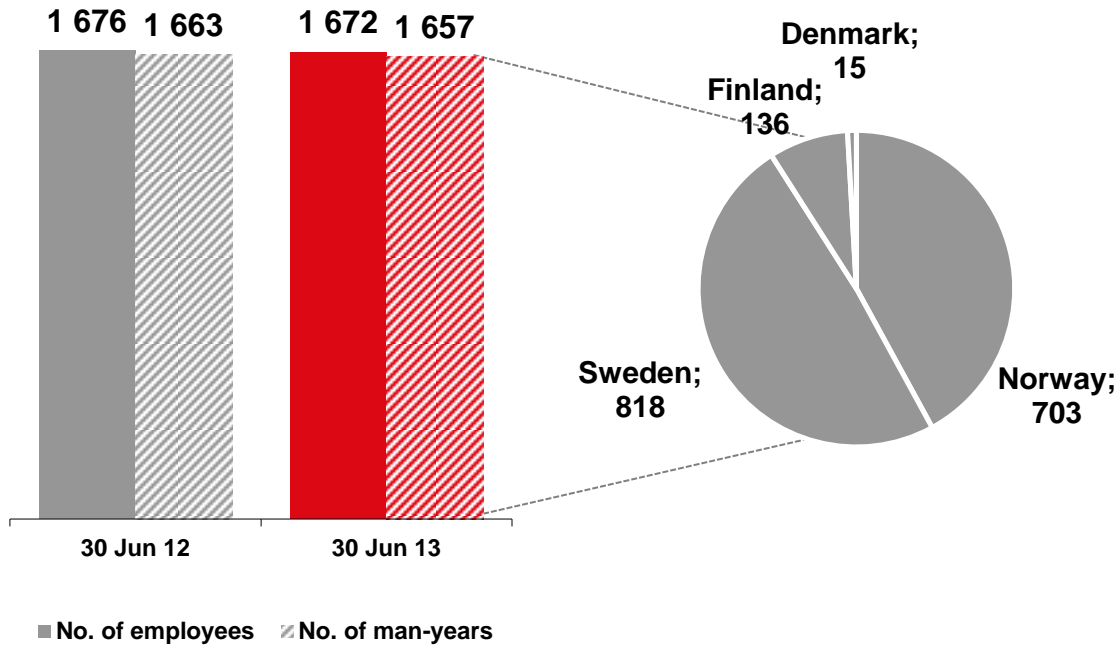
- Other comprises the Group's administration and Group-wide expenses
- Group expenses of NOK 6.8 million were incurred in the quarter, compared with NOK 7.4 million the previous year. The decrease is primarily attributable to different project activity throughout the year
- Accumulated group expenses are slightly above last year, due to investments within People & Safety

	Second quarter		First half-year		Year
NOK million	2013	2012	2013	2012	2012
Operating profit	(6.8)	(7.4)	(14.3)	(12.8)	(24.3)

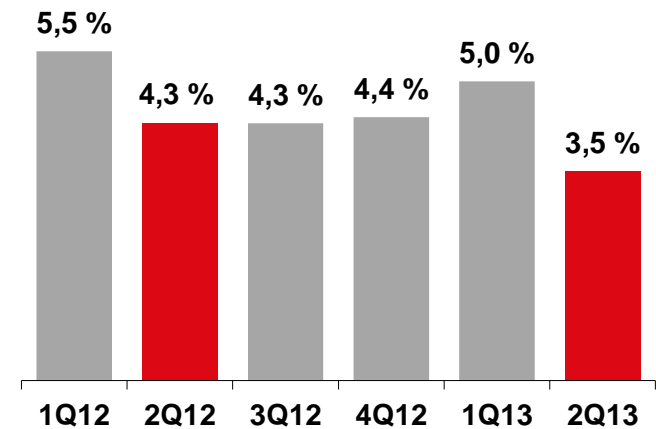


Employees

Number of employees



Sick leave



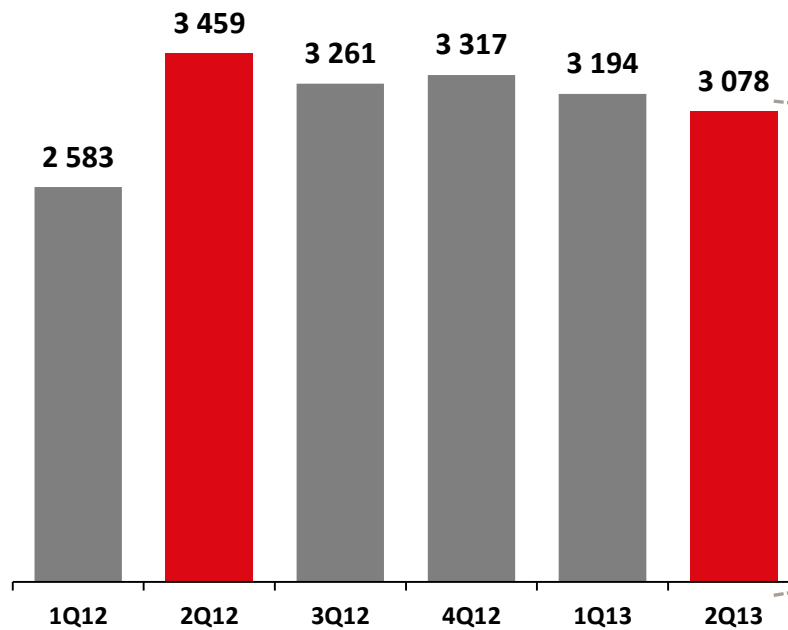
- Number of employees and man-years on the same level as last year

- Sick leave for the quarter is 3.5 per cent, down by 0.8 percentage points compared to last year

Order reserve

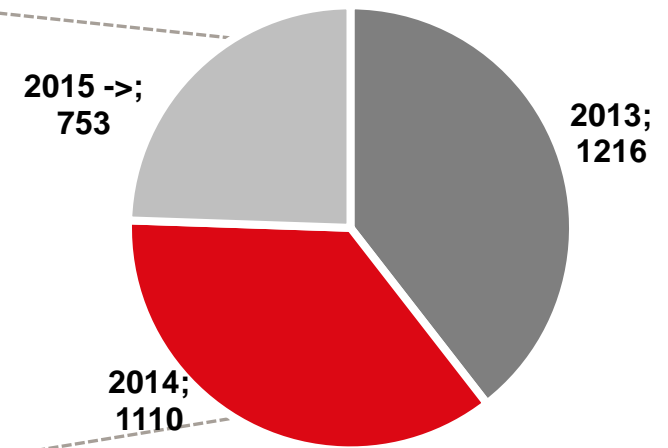
Development of order reserve

NOK million



Order reserve per June by year

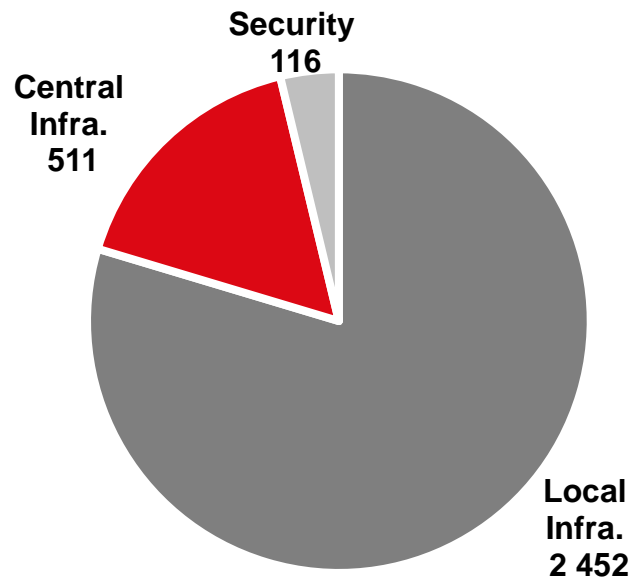
NOK million



Order reserve per June

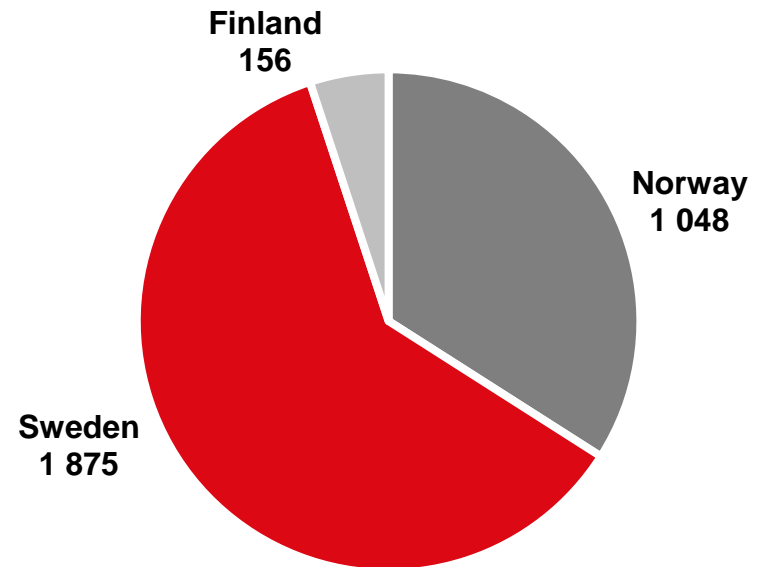
Order reserve by business area

NOK million



Order reserve by geography

NOK million



Outlook

- Good predictability within contingency contracts in future years
- Low power prices are necessitating an extra focus on operational efficiency improvements, and placing the opening of a dedicated distribution market on the agenda
- Active recruitment and a high number of new apprentices to meet expected market capacity challenges
- Strong financial position providing good opportunities for structural growth



Appendix

Income statement

	Second quarter		First half-year		Year
NOK million	2013	2012	2013	2012	2012
Operating revenues	755.9	675.2	1 325.8	1 278.6	2 810.5
Purchased materials	(339.6)	(300.3)	(572.4)	(543.5)	(1 290.6)
Salaries and other personnel expenses	(279.7)	(255.7)	(541.6)	(517.8)	(1 027.0)
Depreciation	(10.4)	(10.0)	(20.8)	(19.9)	(41.3)
Other operating expenses	(96.9)	(88.8)	(191.6)	(179.0)	(344.1)
Operating profit	29.2	20.4	(0.6)	18.4	107.5
Financial revenues/ expenses	(2.2)	(1.8)	(3.5)	(3.5)	(6.7)
Profit before tax	27.0	18.6	(4.1)	14.9	100.8
Tax expense	(8.0)	(5.1)	(0.8)	(4.4)	(29.9)
Profit for the year from discontinued operations	-	-	-	-	-
Profit after tax	19.1	13.5	(4.9)	10.5	70.8
Majority's share of profit	19.1	13.5	(4.9)	10.5	70.8
Minority's share of profit	-	-	-	-	0.1
Other comprehensive income					
Conversion difference when converting foreign units	4.8	(1.1)	17.3	(6.2)	(9.4)
Change in estimate pensions	-	(8.4)	-	(16.8)	343.5
Total comprehensive profit before tax	4.8	(9.5)	17.3	(23.0)	334.1
Tax on comprehensive income	-	2.4	-	4.7	(96.2)
Total comprehensive profit after tax	4.8	(7.1)	17.3	(18.3)	237.9
Comprehensive income after tax	23.8	6.4	12.5	(7.8)	308.7
Majority's share of profit	23.8	6.4	12.5	(7.8)	308.7
Minority's share of profit	-	-	-	-	0.1

Operating revenue by geography

Second quarter			First half-year		Year
2012	2013	NOK million	2013	2012	2012
175.4	201.6	Local Infrastructure	355.0	366.1	763.7
54.4	85.5	Central Infrastructure	138.8	104.8	258.9
65.3	62.6	Security	121.3	129.5	269.8
5.5	3.5	Other / elimination	7.4	8.8	17.1
300.6	353.3	Total operating revenues Norway	622.5	609.1	1 309.6
277.8	295.1	Local Infrastructure	516.6	507.7	1 132.4
61.6	50.7	Central Infrastructure	90.2	104.1	224.2
9.7	11.4	Security	20.9	17.9	46.8
1.7	0.5	Eliminations	1.6	1.8	3.8
350.9	357.8	Total operating revenues Sweden	629.3	631.5	1 407.1
-	-	Local Infrastructure	-	-	-
31.1	45.0	Central Infrastructure	70.0	54.1	154.5
1.3	1.7	Security	3.1	2.3	8.5
(0.2)	(0.3)	Eliminations	(0.4)	(0.2)	(0.7)
32.2	46.4	Total operating revenues Finland	72.7	56.2	162.3
-	-	Local Infrastructure	-	-	-
-	11.2	Central Infrastructure	-	-	-
-	-	Security	23.8	-	-
-	-	Eliminations	-	-	-
-	11.2	Total operating revenues Denmark	23.8	-	-
(8.4)	(12.7)	Eliminations	(22.4)	(18.2)	(68.5)
675.2	755.9	Total operating revenues	1 325.8	1 278.6	2 810.5

Operating profit by geography

Second quarter			First half-year		Year
2012	2013	NOK millioner	2013	2012	2012
11.4	24.3	Local Infrastructure	31.0	26.1	77.7
(1.2)	7.1	Central Infrastructure	5.9	(4.8)	(0.3)
9.0	5.6	Security	6.1	10.4	26.5
(6.9)	(6.6)	Other	(14.1)	(12.3)	(24.1)
12.3	30.5	Total operating profit Norway	28.9	19.4	79.8
9.9	1.2	Local Infrastructure	(21.0)	6.8	25.6
0.6	(1.9)	Central Infrastructure	(3.8)	(1.6)	(4.6)
(0.3)	0.1	Security	(1.7)	(1.0)	0.9
(0.5)	(0.2)	Other	(0.2)	(0.5)	(0.1)
9.8	(0.8)	Total operating profit Sweden	(26.6)	3.8	21.8
-	-	Local Infrastructure	-	-	-
(1.1)	(0.9)	Central Infrastructure	(3.6)	(3.7)	7.3
(0.5)	(0.4)	Security	(1.3)	(1.0)	(1.4)
(1.6)	(1.3)	Total operating profit Finland	(4.9)	(4.8)	5.9
		Local Infrastructure			
		Central Infrastructure			
-	0.8	Security	2.0	-	-
-	0.8	Total operating profit Denmark	2.0	-	0.0
-	-	Eliminations	-	-	-
20.4	29.2	Total operating profit	(0.6)	18.4	107.5

Key figures

NOK million	Second quarter		Year		Year
	2013	2012	2012	2012	2012
Profitability					
Operating profit margin before depreciation	5.2 %	4.5 %	1.5 %	3.0 %	5.3 %
Operating profit margin	3.9 %	3.0 %	0.0 %	1.4 %	3.8 %
Capital matters					
Equity	613.6	380.5	613.6	380.5	696.9
Total assets	1 361.1	1 428.3	1 361.1	1 428.3	1 479.6
Equity ratio	45 %	27 %	45 %	27 %	47 %
Net interest bearing debt (cash)	(55.6)	(107.7)	(55.6)	(107.7)	(234.0)
Capital expenditure - operational	10.5	5.8	15.9	10.0	38.8
Shares and shareholder matters					
Share price (NOK)	14.1	20.0	14.1	20.0	18.6
Number of outstanding shares ¹⁾	63 863 224	63 863 224	63 863 224	63 863 224	63 863 224
Average number of outstanding shares ²⁾	63 863 224	63 863 224	63 863 224	63 863 224	63 863 224
Market value	900	1 277	900	1 277	1 188
Enterprise value (EV)	845	1 170	845	1 170	954
Earnings per share (EPS) ³⁾ (NOK)	0.3	0.2	(0.1)	0.2	1.1
Cash flow from operations per share (NOK)	(0.5)	(0.7)	(0.9)	(0.9)	1.5
Dividend per share (NOK)	1.50	1.50	1.50	1.50	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 30 June 2013

#	Owner	No. of shares	%- ownership
1	HAFSLUNDA SA	27 652 360	43.3 %
2	FORTUM NORDIC AB	21 074 864	33.0 %
3	ODIN NORDEN	3 275 600	5.1 %
4	NORDSTJERNAN AB	1 952 067	3.1 %
5	OSLO BOLIG- OG SPARELAG (OBOS)	1 851 915	2.9 %
6	THE NORTHERN TRUST C TREATY ACCOUNT	1 595 600	2.5 %
7	MP PENSJON PK	830 000	1.3 %
8	SKANDINAVISKA ENSKIL A/C CLIENTS ACCOUNT	603 100	0.9 %
9	VJ INVEST AS	589 956	0.9 %
10	VERDIPAPIRFONDET DNB	554 906	0.9 %
11	TANJA A/S	313 200	0.5 %
12	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	312 000	0.5 %
13	IVAR S LØGE AS	300 000	0.5 %
14	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	249 850	0.4 %
15	TERRA TOTAL VPF	220 895	0.3 %
16	FROGNER BJØRN	206 000	0.3 %
17	VERDIPAPIRFONDET NOR	154 000	0.2 %
18	VPF NORDEA SMB C/O JPMORGAN EUROPE	150 340	0.2 %
19	POLLENINVEST AS NIL	115 900	0.2 %
20	BANGEN LARS	102 000	0.2 %
	Sum top 20	62 104 553	97.2 %
	Other shareholders	1 758 671	2.8 %
	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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