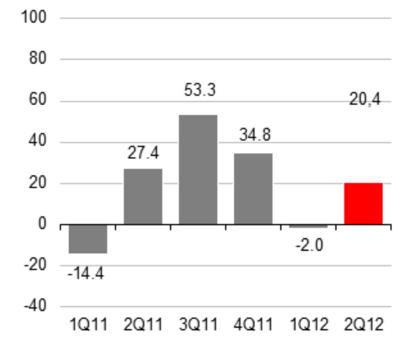
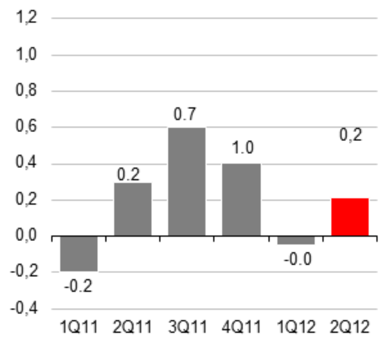
INFRATEK ASA – First half-year and second quarter 2012

- Operating revenues of NOK 675 million (NOK 691 million)
- Second-quarter operating profit of NOK 20.4 million (NOK 27.4 million)
- Increased operating margin in Local Infrastructure
- High Security continues the positive trend from 1 quarter
- Weak performance within Central Infrastructure
- Important long-term contracts entered into in the quarter
- Satisfactory order book for second half-year

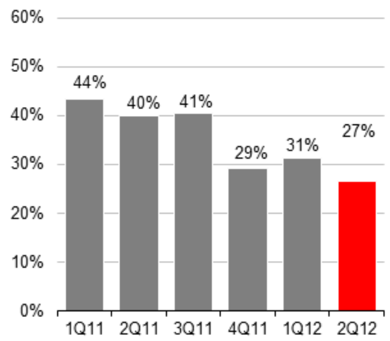
OPERATING PROFIT
NOK million



EARNINGS PER SHARE
NOK



EQUITY RATIO



KEY FIGURES

Second quarter			First half-year		Year
2011	**2012**	**PROFIT AND LOSS** (NOK million)	**2012**	**2011**	**2011**
690.7	**675.2**	Operating revenue	**1 278.6**	1 269.4	**2 889.7**
37.5	**30.4**	Operating profit before depreciation	**38.3**	33.6	**144.0**
27.4	**20.4**	Operating profit	**18.4**	13.0	**101.1**
26.0	**18.6**	Profit before tax	**14.9**	10.6	**100.6**
-	**-**	Profit from discontinued operation	**-**	-	**(3.5)**
18.9	**13.5**	Profit for the period	**10.5**	7.7	**71.1**
		CAPITAL MATTERS			
1 381.1	**1 428.3**	Total assets	**1 428.3**	1 381.1	**1 648.2**
40 %	**27 %**	Equity ratio	**27 %**	40 %	**29 %**
(116.1)	**(107.3)**	Net interest-bearing debt (cash)	**(107.3)**	(116.1)	**(285.6)**
		PER SHARE FIGURES* (NOK)			
0.3	**0.2**	Profit (EPS)	**0.2**	0.1	**1.1**
(0.5)	**(0.7)**	Cash flow from operations	**(0.9)**	(0.1)	**2.8**
		KEY FIGURES			
4.0%	**3.0%**	Profit margin	**1.4%**	1.0%	**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 2nd quarter 2012 and 2nd quarter 2011, and for the first half year of 2012 and 2011. Figures are unaudited and in NOK unless otherwise stated. Second-quarter 2011 figures appear in parentheses.

FIRST HALF-YEAR 2012

As usual the first half-year was characterised by low activity levels in the winter in the first quarter and an escalation of activities during the second quarter. This has naturally impacted the bottom line.

Sales in the first half-year rose by NOK 9 million against the previous year. A mild winter produced generally good operating conditions. Activities in the Norwegian business were also higher than normal in the wake of Storm Dagmar. Sales in the Norwegian market were up 8 per cent against the corresponding prior-year period. Activities in Sweden were slightly lower than in the previous year primarily due to the discontinued contingency contract in Småland, and sales were down by 1.9 per cent. In Finland activities within Infratek's market segment were significantly lower than in the previous year and sales fell by 31.5 per cent.

The Group posted an operating profit of NOK 18.4 million in the first half of the year, compared with NOK 13.0 million in the comparable prior-year period. The improvement is primarily attributable to higher margins for Local Infrastructure in Norway.

The operating margin in the Norwegian market increased from 0.7 per cent to 3.1 per cent on the back of a higher operating margin and better utilisation of resources due to higher activity levels, and the effect of implemented improvement operational measures. In Sweden the operating margin was reduced from 1.2 per cent to 0.7 per cent mainly as a result of losses on some major projects. Low activity levels in Finland resulted in a negative operating margin.

The post-tax profit was NOK 10.5 million, compared with NOK 7.7 million in the corresponding prior-year period.

Consolidated undiluted and diluted first half-year earnings per share came in at NOK 0.2 (NOK 0.1).

The cash outflow from operating activities was NOK -56.4 million (NOK 9.5 million), where the total change in cash and cash equivalents in the period, including paid dividends of NOK 95.8 million (NOK 63.9 million), was a net outflow of NOK -177.9 million (NOK 105.8 million. The Group's financial position remains strong.

We refer to other sections of the Report of the Board of Directors relating to the balance sheet and risk factors as of 31 June 2012.

The Report of the Board of Directors and the financial statements for the first half of 2012 are based on non-audited figures.

SECOND QUARTER 2012

The Infratek Group posted a post-tax profit for the second quarter of NOK 13.5 million, compared with a post-tax profit of NOK 18.9 million for the comparable prior-year period. This resulted in both diluted and undiluted earnings per share for the second quarter of NOK 0.2 (NOK 0.3).

Consolidated sales fell NOK 15.5 million against the same period last year. Activities in the Swedish business were satisfactory, but somewhat lower than in the corresponding prior-year period. Sales in Sweden decreased by 3.3 per cent (NOK 12 million). Revenues in Finland fell by 30.3 per cent (NOK 13.5 million) compared to last year as a result of lower activities. In Norway the order book for the Group as a whole was satisfactory and sales were up by 2.6 per cent (NOK 7.7 million) compared with the second quarter of 2011. Intragroup sales between the countries climbed by NOK 2.3 million.

The Group's order book expanded considerably during the quarter, primarily as a result of the awarded project and contingency contract with Fortum. As of 30 June the total order book was NOK 3,459 million, of which NOK 1,109 million related to 2012, NOK 1,191 million to 2013 and NOK 1,159 million to 2014 and later. The order book has improved in all countries during the quarter, but most markedly in Sweden.

The Group posted a second-quarter operating profit of NOK 20.4 million, compared with NOK 27.4 million in the corresponding prior-year period. The operating margin fell by one percentage point to 3 per cent.

In Sweden the operating profit came in at NOK 9.8 million (NOK 14.9 million). The operating margin fell from 4.1 per cent to 2.8 per cent. Start-up costs relating to the railways contract are pushing down margins over the short term. The business is also continuing to incur relatively large losses on some projects as highlighted in previous reports.

The operating margin for the period in Norway was NOK 12.3 million (NOK 9.7 million), first and foremost due to higher activities and improved margins on completed Local Infrastructure and Security assignments. The operating margin closed at 4.1 per cent (3.3 per cent).

Finland posted a loss of NOK 1.6 million, which was down NOK 4.3 million due to lower sales. The operating margin in the period was -5.1 per cent (5.8 per cent).

Net financial expenses the quarter amounted to NOK 1.8 million, compared with NOK 1.3 million in the comparative prior-year period. The increase is attributable to higher finance costs relating to the Group's defined benefit pension schemes and lower interest income as a result of reduced average cash holdings in the period.

The tax expense for the quarter was NOK 5.1 million as a result of positive profit before tax.

BALANCE SHEET

At NOK 1,428 million, at the reporting date the Group’s total assets were up NOK 47 million on the end of the second quarter of 2011. The increase is primarily attributable to the change in accounting policy for the presentation of defined benefit pension schemes in Norway, which boosted the value of intangible assets and pension liabilities, and reduced equity. Comparable figures for 2011 have been restated, but the effect of lower discount rates for 2011 were not realised until the fourth quarter of 2011.

As of 30 June 2012 equity totalled NOK 380.5 million (554.6 million). The lower consolidated equity is primarily attributable to the change in the accounting policy for the presentation of pensions. At 26.6 per cent, the equity ratio was down 2.7 percentage points against year-end and 13.5 per cent as of 30 June 2011.

At the end of the second quarter year-to-date equity was down NOK 6.2 million as a result of exchange differences from SEK and EUR to NOK due to the depreciation of the former currencies against the latter in the first half-year. At the end of the reporting period the equity per share figure was NOK 5.96, compared with NOK 8.68 at the end of the second quarter of 2011.

As of 30 June 2011 the Group's cash and cash equivalents totalled NOK 119.4 million, compared with NOK 299.6 million at the end of 2011 and NOK 131.1 as of 30 June 2011. . The estimated value of the Group's purchase options on the remaining shares in Infratek Säkerhet AB and Eiendomssikring AS is recognised in the amount of NOK 12.1 million (NOK 15 million) under interest-bearing liabilities.

CASH FLOW AND FINANCING

The net cash flow from operations in the second quarter of 2012 amounted to NOK –43.7 million (NOK -28.1 million). The increase in net working capital, which was attributable to higher activity levels, depressed the cash flow from operations by NOK -79.7 million (-70.1 million), while the positive results contribution boosted the cash flow by NOK 18.6 million (26.0 million). The change in non-liquid items made a positive contribution of NOK 17.4 million (15.9 million).

The net cash flow from investments in operations and expansion during the second quarter amounted to NOK -3.9 million (NOK -14.9 million) as a result of investments in operating assets during the period.

The net cash flow from financing activities in the second quarter of NOK 96.7 million (NOK -65.4 million), was attributable to the payment of a dividend in the second quarter.

The Group has a NOK 100 million overdraft facility with DNB. 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.

	Second quarter		First half-year	
NOK million	**2012**	2011	**2012**	2011
Operating revenues	**452.8**	480.6	**872.6**	878.5
Operating profit before depreciation	**27.0**	27.1	**44.5**	29.7
Operating profit	**21.3**	21.0	**32.9**	17.3
Operating margin	**4.7%**	4.4%	**3.8%**	2.0%

Local Infrastructure posted total operating revenues of NOK 452.8 million (NOK 480.6 million). Around 61 percent (55 percent) of the sales were made in Sweden and 39 percent (45 percent) in Norway. The operating profit came in at NOK 21.3 million (NOK 21.0 million).

Sales in the Swedish business were down by NOK 14.7 million (5 per cent) against the corresponding prior-year period. Activities remain high but still slightly trail the previous year. The operating profit came in at NOK 9.9 million (NOK 13.2 million) and the operating margin fell from 4.5 per cent to 3.6 per cent, primarily as a result of start-up costs relating to the railways contract in Stockholm.

Sales in Norway fell by NOK 14.1 million (7.4 per cent) against the second quarter of 2011. However, the operating profit and operating margin improved, with the former closing on NOK 11.4 million (NOK 7.8 million) and the latter rising from 4.1 per cent to 6.5 per cent.

At the reporting date the business area had a total order book of NOK 2,712 million, of which NOK 812 million related to 2012, NOK 927 million to 2013 and NOK 973 million to 2014 and later. Both the Swedish and Norwegian business have overall healthy order books.

Orders on hand increased significantly during the quarter, primarily as a result of the awarded project and contingency contract with Fortum which starts on 1 January 2013. In addition, the previously awarded contingency contract with Vattenfall was entered in the order book during the quarter as the award appeal has now been finally rejected. For further information on the above contracts please refer to the section of the report "Events".

The above contingency agreements are critical for suppliers of distribution grid services in that they help ensure a guaranteed presence, which in turn indirectly increases competitiveness and provides a basis for gaining further assignments.

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.

	Second quarter		First half-year	
NOK million	**2012**	2011	**2012**	2011
Operating revenues	**144.5**	147.5	**256.7**	262.8
Operating profit before depreciation	**(0.3)**	9.6	**(7.4)**	6.9
Operating profit	**(1.7)**	8.0	**(10.1)**	3.6
Operating margin	**-1.2%**	5.4%	**-3.9%**	1.4%

Central Infrastructure posted total second-quarter operating revenues of NOK 144.5 (NOK 147.5 million), 27 per cent (30 per cent) of which were generated in the Finnish market, 42 per cent (41 per cent) in the Swedish market and 37 pe rcent (29 per cent) in the Norwegian market. Operating profit for the business area was down NOK 9.7 million compared to same period last year.

Activities in the Swedish business remained at a high level in the quarter as a whole, with sales up by a modest NOK 1.2 million on the corresponding prior-year period. The operating margin fell from 4.7 per cent to 1.0 per cent and the operating profit came in at NOK 0.6 million (NOK 2.9 million). The deterioration in results is attributable to delayed implementation of several projects and lower margins on implemented assignments.

High activity levels in Norway boosted sales by NOK 11.8 million (28 per cent). However, the operating margin fell from 4.5 per cent to -2.2 per cent due to squeezed margins. The operating loss came in at NOK 1.2 million (profit of NOK 1.9 million). Measures to address the downward trend have been implemented in the form of organisational changes and the raising of expertise levels within project and general management.

Sales in the Finnish market were down by 30 per cent due to lower activity levels. Finland posted a second-quarter loss of NOK 1.1 million (profit of NOK 3.2 million), while the operating margin fell from 7.1 per cent in the second quarter of 2011 to -3.6 per cent in the reporting period.

At the reporting date the business area had a total order book of NOK 656 million, of which NOK 235 million related to 2012, NOK 235 million to 2013 and NOK 186 million to 2014 and later. Orders on hand rose significantly during the quarter, mainly due to the awarded projects and contingency contract with Fortum which starts on 1 January 2013, where Central Infrastructure will be responsible for significant parts of the project section of the agreement. The business area was also awarded the contract with Fingrid to construct a transformer station, where work has now started. For further information on the above contracts please refer to the section of the report "Events".

SECURITY

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

	Second quarter		First half-year	
NOK million	**2012**	2011	**2012**	2011
Operating revenues	**75.2**	67.1	**147.7**	136.6
Operating profit before depreciation	**8.8**	4.6	**9.9**	5.4
Operating profit	**8.2**	3.8	**8.4**	3.7
Operating margin	**10.8%**	5.7 %	**5.7%**	2.7 %

Security posted total operating revenues of NOK 75.2 million in the quarter, compared with NOK 67.1 million in the previous year Sales for the technical security solutions segment rose by 19 per cent (NOK 9.3 million) against the previous year as a result of higher activities within both anti-theft systems and high security. Sales in the electrical security segment fell by 6.8 per cent (NOK 1.2 million) as a result of lower prices for renegotiated contracts and short-term resource shortages affecting the implementation of new contract deliveries.

The business area posted sales of NOK 65.3 million (NOK 57.9 million) in Norway, NOK 9.7 million (NOK 9.7 million) in Sweden and NOK 1.3 million (NOK 1.2 million) in Finland. Internal sales between the geographical areas in the quarter totalled NOK 1.1 million (NOK 1.7 million).

The operating profit came in at NOK 8.2 million (NOK 3.8 million), of which NOK 9.0 million (NOK 5.4 million) related to the Norwegian market, a loss of NOK 0.3 million (loss of NOK 1.1 million) to the Swedish market and a loss of NOK 0.5 million (loss of NOK 0.5 million) to the Finnish business.

At the reporting date the business area had a total order book of NOK 90 million. The electrical security segment has a full order book until the end of 2012. The agreement with Hafslund Nett to deliver DLE services in the Oslo region expires at the end of the year and orders on hand entering 2013 are contingent on the outcome of the tender round in this region. The order book for technical security solutions has improved since the end of the first quarter of 2012, but has a relatively low profile in the next few months.

During the quarter Infratek gained distribution rights for key products for the Danish market which are currently managed by strategic partners.

OTHER

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

	Second Quarter		First half-year	
NOK million	**2012**	2011	**2012**	2011
Operating profit	**(7.4)**	(5.4)	**(12.8)**	(11.6)

Group expenses of NOK 7.4 million were incurred in the quarter, compared with NOK 5.4 million in the previous year. The change in organisation of shared functions has resulted in higher costs for the Other business area, while expenses have been reduced correspondingly for the Group's other business areas.

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.

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 percent and 33.0 percent 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

Infratek awarded important contracts with Fortum Distribution

Infratek, with the business areas Local Infrastructure and Central Infrastructure, has been awarded contracts with Fortum Distribution AB in their main procurement process, regarding project deliveries, contingency, operations and maintenance within the local and regional grids in Sweden. Infratek estimates the total value of the contracts to approx. SEK 500 million annually. The contract period runs from 1 January 2013 to 31 December 2015, with an option for 1+1 years.

Infratek awarded fiber contract with Skanova

Infratek, with the business areas Local Infrastructure, has been awarded a contract with Skanova, part of the Telia Group, regarding the building and installation of fiber networks in Bromölla in Sweden. The value of the contract is approx. SEK 25 million and the work will start in August 2012 and be completed by the end of June 2013. The contract is the first for Infratek towards Skanova, and is an important contract for Infratek in the fiber network market in Sweden.

Infratek awarded contract with Fingrid

Infratek, with the business area Central Infrastructure, has been awarded a turn-key contract with Fingrid regarding building of a substation with voltage levels of 400 kV, 110 kV, and 20 kV. The substation will be built in Kristina in Finland. The total value of the contract is approx. EUR 8 million. The project is started and project completion is scheduled for spring 2014.

Award of contract with Vattenfall challenged

On 18 November Infratek notified the stock market of the award of a contract with Vattenfall Eldistribution AB for the provision of operation, maintenance, and contingency services for the distribution grid in the Berglagen area in Sweden. The contract has an estimated value of SEK 60 million per annum, and was planned for start-up in May 2012. The allocation has been challenged by competing tenderers. The appeal has been rejected by two industry authorities and by Swedish law. The complaint has resulted in a one-year postponement of start-up and the new start-up time is May 1, 2013. The contract period is postponed accordingly.

EMPLOYEES

As of 30 June 2012 the Group had 1,676 employees.

Business areas	Number of employees	Number of man-years	Sick-leave rate 2Q12
Local Infrastructure	1035	1030	4,2 %
Central Infrastructure	398	394	4,8 %
Security	209	207	4,0 %
Other	34	32	4,5 %
Total	**1 676**	**1 663**	**4,3 %**

At the reporting date the number of employees was down by 141 compared with twelve months previously. This as a result of the phasing out of maintenance and contingency contract in Småland and on-going staffing adjustments. Increased use of subcontractors to perform assignments with a view to securing flexibility and restricting risk in periods of low seasonal activity are also reducing the need for the company's own employees.

Sickness absence has increased from 4.1 percent in the 2 quarter last year to 4.3 percent this year and is due to increased long-term absence. We are working with different measures to reduce sickness absence.

SHAREHOLDER INFORMATION

At the end of the second quarter of 2012 Infratek ASA's share price was NOK 22.0 compared with NOK 22.4 as of 30 June 2011.

Infratek ASA had the following shareholder structure as of 30 June 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	3 271 000	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	DNB NOR SMB VPF	559 406	0,9 %
10	VPF NORDEA AVKASTNIN C/O JPMORGAN EUROPE	312 000	0,5 %
11	VPF NORDEA KAPITAL C/O JPMORGAN EUROPE	249 850	0,4 %
12	VJ INVEST AS	240 100	0,4 %
13	TERRA TOTAL VPF	208 835	0,3 %
14	IVAR S LØGE AS	200 000	0,3 %
15	FROGNER BJØRN	189 000	0,3 %
	Total 15 largest	**61 633 226**	**96,5 %**
	Other shareholders	**2 229 998**	**3,5 %**
	Total	**63 863 224**	**100 %**
	Board and management	388 000	0,6 %

OUTLOOK

An increased efficiency in operations has boosted Infratek's competitiveness, while the award of several strategically important and long-term contracts has reinforced the Group's market position.

The market prospects for Infratek's business area are deemed to be good. There are clear expectations that the increased investments among the company's customers and the solid increase in order book in the quarter provides good predictability going forward, especially in Sweden.

Further profitable development of the company requires increased use of subcontractors to provide improved flexibility, predictability and reduced risk. This contributes to a lower margin on total revenues, but provides a basis for better growth opportunities. Long-term prognosis for operating margin is changed to 5-7 per cent.

The overriding aim is now to consolidate Infratek's position in this market through profitability and growth. The board believes that Infratek is well equipped to develop the Group further in this direction.

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

DECLARATION

On 21 August 2012 the Board of Directors and CEO of Infratek adopted this Report of the Board of Directors and Infratek ASA's abridged consolidated interim financial statements for the six months to 30 June 2012.

The Board of Directors and CEO hereby declare that, to the best of their knowledge, the financial statements covering the period 1 January to 30 June 2012, 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 to shareholders, provide a true and fair view of the Group's assets, liabilities, financial position, and performance as a whole.

The Board and CEO also declare 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, the most important risks and uncertainties facing the business in the next accounting period and material transactions with related parties.

Oslo, 21 August 2012

Infratek ASA

Board of Directors

CONSOLIDATED INCOME STATEMENT

Second quarter			First half-year		Year
2011	**2012**	NOK million	**2012**	2011	**2011**
690.7	**675.2**	Operating revenues	**1 278.6**	1 269.4	**2 889.7**
690.7	**675.2**	**Total revenues**	**1 278.6**	1 269.4	**2 889.7**
(312.1)	**(300.3)**	Purchased materials	**(543.5)**	(536.0)	**(1 342.4)**
(260.7)	**(255.7)**	Salaries and other personnel expenses	**(517.8)**	(538.6)	**(1 059.8)**
(10.2)	**(10.0)**	Depreciation	**(19.9)**	(20.6)	**(42.9)**
(80.5)	**(88.8)**	Other operating expenses	**(179.0)**	(161.2)	**(343.6)**
27.4	**20.4**	**Operating profit**	**18.4**	13.0	**101.1**
(1.3)	**(1.8)**	Financial revenues/expenses	**(3.5)**	(2.3)	**(0.5)**
26.0	**18.6**	**Profit before tax**	**14.9**	10.6	**100.6**
(7.1)	**(5.1)**	Tax expense	**(4.4)**	(2.9)	**(26.0)**
-	**-**	Profit from discontinued operation	**-**	-	**(3.5)**
18.9	**13.5**	**Profit for the period**	**10.5**	7.7	**71.1**
19.2	**13.5**	Majority's share of profit	**10.5**	7.9	**71.3**
(0.3)	**-**	Minority's share of profit	**-**	(0.2)	**(0.2)**

Other comprehensive income

Second quarter			First half-year		Year
2011	**2012**	NOK millioner	**2012**	2011	**2011**
(8.1)	(1.1)	Conversion difference when coverting foreign units	(6.2)	(6.4)	(0.9)
(4.2)	**(8.4)**	Change in estimate pensions	**(16.8)**	(5.9)	**(197.0)**
(12.3)	**(9.5)**	Total comprehensive profit before tax	**(23.0)**	(12.3)	**(197.9)**
1.2	**2.4**	Tax on other comprehensive income	**4.7**	1.6	**55.2**
(11.1)	**(7.1)**	Total comprehensive profit after tax	**(18.3)**	(10.6)	**(142.8)**
7.8	**6.4**	**Comprehensive income after tax**	**(7.8)**	(2.9)	**(71.6)**
8.1	**6.4**	Majority's share of total comprehensive income	**(7.8)**	(2.9)	**(71.4)**
(0.3)	**-**	Minority's share of total comprehensive income	**-**	-	**(0.2)**

CONSOLIDATED BALANCE SHEET

NOK million	**30.06.2012**	30.06.2011	31.12.2011
Intangible assets	**432.6**	359.1	**422.6**
Fixed assets	**154.7**	174.3	**159.6**
Accounts receivables and other receivables	**721.6**	716.5	**766.4**
Cash and cash equivalents	**119.4**	131.1	**299.6**
Assets	**1 428.3**	**1 381.1**	**1 648.2**
Equity	**380.5**	554.6	**484.0**
Pension and other liabilities	**602.4**	393.5	**582.3**
Long-term debt	**11.7**	15.6	**14.6**
Current liabilities	**433.7**	417.5	**567.2**
Equity and liabilities	**1 428.3**	**1 381.1**	**1 648.2**

CONSOLIDATED CASH FLOW STATEMENT

	Second quarter		First half-year		Year
NOK million	**2012**	2011	**2012**	2011	**2011**
Profit before tax	**18.6**	26.0	**14.9**	10.6	**100.6**
Items without cash flow effect	**17.4**	15.9	**25.3**	20.8	**40.7**
Change in net working capital	**(79.7)**	(70.1)	**(96.6)**	(40.9)	**34.8**
Net cash flow from operations	**(43.7)**	(28.1)	**(56.4)**	(9.5)	**176.1**
Investments - fixed assets	**(5.8)**	(14.9)	**(10.0)**	(31.6)	**(44.9)**
Investments - operations	**-**	-	**(17.2)**	-	**(6.4)**
Sales amount - fixed assets	**1.9**	-	**1.9**	-	**4.2**
Sales amount - operations	**-**	-	**-**	-	**(2.3)**
Cash flow to investments activities	**(3.9)**	(14.9)	**(25.3)**	(31.6)	**(49.4)**
Change interest-bearing liabilities	**(0.8)**	(2.1)	**(0.6)**	(1.8)	**(3.7)**
Net received/paid interest rates	**(0.1)**	0.5	**0.1**	0.9	**2.1**
Dividend, equity issues and other equity changes	**(95.8)**	(63.9)	**(95.8)**	(63.9)	**(63.9)**
Cash flow used for financial activities	**(96.7)**	(65.4)	**(96.3)**	(64.7)	**(65.5)**
Change in cash and cash equivalents	**(144.3)**	(108.4)	**(177.9)**	(105.8)	**61.2**
Cash at beginning of period	**264.1**	241.6	**299.6**	238.5	**238.5**
Effects on exchange rates changes on the balance of cash held in foreign operations	**(0.4)**	(2.2)	**(2.3)**	(1.7)	**(0.2)**
Cash at end of period	**119.4**	131.1	**119.4**	131.1	**299.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Second quarter		First half-year		Year
NOK million	**2012**	2011	**2012**	2011	**2011**
Equity at beginning of period	**469.8**	**611.0**	**484.0**	**621.5**	**621.5**
Profit for the period	13.5	18.9	10.5	7.7	71.1
Other comprehensive income for the period	(1.1)	(8.1)	(6.2)	(6.4)	(0.9)
Change in estimate pensions	(6.0)	(3.0)	(12.1)	(4.2)	(141.8)
Total profit in period	**6.4**	**7.8**	**(7.8)**	**(2.9)**	**(71.6)**
Transactions with owners					
Change in minority interests	-	-	-	-	(1.9)
Dividend	(95.8)	(63.9)	(95.8)	(63.9)	(63.9)
Other equity effects	0.1	(0.3)	0.1	(0.1)	-
Total transactions with owners	**(95.7)**	**(64.2)**	**(95.7)**	**(64.0)**	**(65.8)**
Equity at end of reporting period	**380.5**	**554.5**	**380.5**	**554.6**	**484.0**

NOTES TO THE ACCOUNTS

1) FRAMEWORK AND KEY ACCOUNTING PRINCIPLES

The first half year and second quarter 2012 consolidated Group accounts, for the period ending 30 June 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.

Infratek has in 2011 changed the accounting policy for pensions; see the description of the change in the consolidated Group accounts for 2011. According to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) the change has been made retrospectively and the comparatives figures for the first half year and second quarter 2011 have been restated accordingly. The tables below show the impact of the changed accounting policy:

CONSOLIDATED INCOME STATEMENT

Second quarter			First half-year	
2011 Before restatement	**2011 restated**	NOK million	**2011 restated**	2011 Before restatement
690.7	**690.7**	Operating revenues	**1 269.4**	1 269.4
690.7	**690.7**	**Total revenues**	**1 269.4**	1 269.4
(312.1)	**(312.1)**	Purchased materials	**(536.0)**	(536.0)
(265.2)	**(260.7)**	Salaries and other expenses	**(538.6)**	(547.7)
(10.2)	**(10.2)**	Depreciation	**(20.6)**	(20.6)
(80.5)	**(80.5)**	Other operating expenses	**(161.2)**	(161.2)
22.8	**27.4**	**Operating profit**	**13.0**	3.9
0.2	**(1.3)**	Financial revenues/expenses	**(2.3)**	0.8
23.1	**26.0**	**Profit before tax**	**10.6**	4.7
(6.3)	**(7.1)**	Tax expense	**(2.9)**	(1.2)
16.8	**18.9**	**Profit for the period**	**7.7**	3.4
17.1	**19.2**	Majority's share of profit	**7.9**	3.6
(0.3)	**(0.3)**	Minority's share of profit	**(0.2)**	(0.2)

Other comprehensive income

Second quarter			First half-year	
2011 Before restatement	**2011 restated**	NOK million	**2011 restated**	2011 Before restatement
(8.1)	(8.1)	Conversion difference when converting foreign units	(6.4)	(6.4)
-	(4.2)	Change in estimate pensions	(5.9)	-
(8.1)	**(12.3)**	**Total comprehensive profit before tax**	**(12.3)**	**(6.4)**
-	1.2	Tax on comprehensive income	1.6	-
(8.1)	(11.1)	Total comprehensive profit after tax	(10.6)	(6.4)
8.7	**7.8**	**Comprehensive income after tax**	**(2.9)**	**(3.0)**
9.0	8.1	Majority's share of profit	(2.9)	(2.8)
(0.3)	(0.3)	Minority's share of profit	-	(0.2)

CONSOLIDATED BALANCE SHEET

NOK million	**30.06.2011 restated**	30.06.2011 Before restatement
Intangible assets	**359.1**	289.2
Fixed assets	**174.3**	174.3
Accounts receivables and other receivables	**716.5**	716.5
Cash and cash equivalents	**131.1**	131.1
Assets	**1 381.1**	**1 311.1**
Equity	**554.6**	734.5
Pension and other liabilities	**393.5**	143.6
Long-term debt	**15.6**	15.6
Current liabilities	**417.5**	417.5
Equity and liabilities	**1 381.1**	**1 311.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Second quarter		First half-year	
NOK million	**2011 restated**	2011 before restatement	**2011 restated**	2011 before restatement
Equity at beginning of period	**611.0**	**790.1**	**621.5**	**801.6**
Profit for the period	18.9	16.8	7.7	3.4
Other comprehensive income for the period	(8.1)	(8.1)	(6.4)	(6.4)
Estimat changes pensions	(3.0)	-	(4.2)	-
Total profit in period	**7.8**	**8.7**	**(2.9)**	**(3.0)**
Transactions with owners				
Change in minority interests	-	-	-	-
Dividends	(63.9)	(63.9)	(63.9)	(63.9)
Other equity effects	(0.3)	(0.2)	(0.1)	(0.2)
Total transactions with owners	**(64.2)**	**(64.2)**	**(64.0)**	**(64.1)**
Equity at end of reporting period	**554.5**	**734.5**	**554.6**	**734.5**

2) OPERATIONAL SEGMENT REPORTING – Income Statement

Second quarter			First half-year		Year
2011	**2012**	NOK million	**2012**	2011	**2011**
480.6	**452.8**	Local Infrastructure	**872.6**	878.5	**1 989.0**
147.5	**144.5**	Central Infrastructure	**256.7**	262.8	**610.9**
67.1	**75.2**	Security	**147.7**	136.6	**306.4**
(4.6)	**2.8**	Other / eliminations	**1.6**	(8.5)	**(16.6)**
690.7	**675.2**	**Total operating revenues**	**1278.6**	1269.4	**2 889.7**
21.0	**21.3**	Local Infrastructure	**32.9**	17.3	**86.0**
8.0	**(1.7)**	Central Infrastructure	**(10.1)**	3.6	**11.7**
3.8	**8.2**	Security	**8.4**	3.7	**23.2**
(5.4)	**(7.4)**	Other / eliminations	**(12.8)**	(11.6)	**(19.9)**
27.4	**20.4**	**Total operating profit**	**18.4**	13.0	**101.1**

3) GEOGRAPHIC SEGMENT REPORTING – Income statement

Second quarter			First half-year		Year
2011	**2012**	NOK million	**2012**	2011	**2011**
292.9	**300.6**	Norway	**609.1**	563.9	**1 284.6**
362.8	**350.9**	Sweden	**631.5**	644.1	**1 462.2**
45.7	**32.3**	Finland	**56.2**	82.4	**186.2**
(10.7)	**(8.5)**	Other / eliminations	**(18.2)**	(21.1)	**(43.2)**
690.7	**675.2**	**Total operating revenues**	**1278.6**	1269.4	**2 889.7**
9.7	**12.3**	Norway	**19.4**	3.9	**50.9**
14.9	**9.8**	Sweden	**3.8**	7.5	**39.2**
2.7	**(1.6)**	Finland	**(4.8)**	1.5	**11.0**
-	**-**	Other / eliminations	**-**	-	**-**
27.4	**20.4**	**Total operating profit**	**18.4**	13.0	**101.1**

4) GEOGRAPHIC SEGMENT REPORTING – Balance sheet

NOK million	**Norway**	**Sweden**	**Finland**	**Group / elimination**	**Group total**
Intangible assets	296.3	86.5	7.7	42.2	432.6
Fixed assets	82.7	74.1	15.7	(17.8)	154.7
Accounts receivables and other receivables	612.3	347.9	37.0	(275.6)	721.6
Cash and cash equivalents	240.7	(0.9)	42.9	(163.3)	119.4
Assets	**1 231.9**	**507.6**	**103.3**	**(414.5)**	**1 428.3**
Equity	382.9	312.2	79.2	(393.7)	380.5
Pension and other liabilities	603.3	5.7	0.0	(6.6)	602.4
Long-term debt	1.7	9.3	4.3	(3.6)	11.7
Current liabilities	244.1	180.4	19.8	(10.6)	433.7
Equity and liabilities	**1 231.9**	**507.6**	**103.3**	**(414.5)**	**1 428.3**
Equity share	31 %	61 %	77 %	95 %	27 %

5) EMPLOYEES PER COUNTRY

As of 30 June 2012	Number of employees	Number of man-years	Sick-leave rate 2Q12
Norway	730	721	4.4 %
Sweden	812	810	4.1 %
Finland	134	131	5.4 %
Total	**1 676**	**1 663**	**4.3 %**

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 30 June 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, surveillance, and mechanical security solutions.

As of 30 June 2012, accounts receivables from Hafslund Group companies amounted to NOK 73.0 million, and largely comprised sales of goods and services. Accounts payable to Hafslund Group companies amounted to NOK 0.4 million as of 30 June 2012, and primarily related to purchases of goods and services. Sales of goods and services to the Hafslund Group totalled NOK 252.6 million during the second quarter of 2012. Purchases of goods and services from the Hafslund Group totalled NOK 12.9 million at the end of June.

As of 30 June 2012, accounts receivables from Fortum Group companies amounted to NOK 52.7 million, and largely comprised sales of goods and services. Accounts payable to Fortum Group companies totalled NOK 0.2 million as of 30 June 2012, and mainly related to purchases of goods and services. Sales of goods and services to the Fortum Group totalled NOK 236.6 million during the second quarter of 2012. Purchases of goods and services from the Fortum Group amounted to NOK 3.4 million at the end of the reporting period.

8) LOCAL INFRASTRUCTURE EXPANDS IN SWEDEN

On 2 February 2012 Infratek Sverige AB entered into an agreement to acquire 100 per cent of the shares in Swedish railways company WKTS AB, which posted sales of SEK 56 million in 2010. 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.

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	6.5
Goodwill	**6.0**

Specification fair value acquired net assets:

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
Non-current liabilities	(7.1)
Long term loans	(1.7)
Acquired net assets	**6.5**

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 context 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, an accredited laboratory which performs calibration of electrical instruments and 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 fair value acquired net assets:

NOK million	2012
Accounts receivables and other receivables	0.8
Accounts payable and other liabilities	(0.7)
Acquired net assets	**0,1**

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 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 1,900 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.
- Otto Rune Stokke, Employee repr.
- Kalle Strandberg, Employee repr.

GROUP MANAGEMENT

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

FINANCIAL CALENDAR 2011

• Second-quarter report 12	22 August 2012
• Third-quarter report 12	1 November 2012

ADDRESS AND IR CONTACT

Infratek ASA
Breivollveien 31, N-0668 Oslo, Norway
Postal address: PO Box 63 Etterstad, NO-0614 Oslo
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