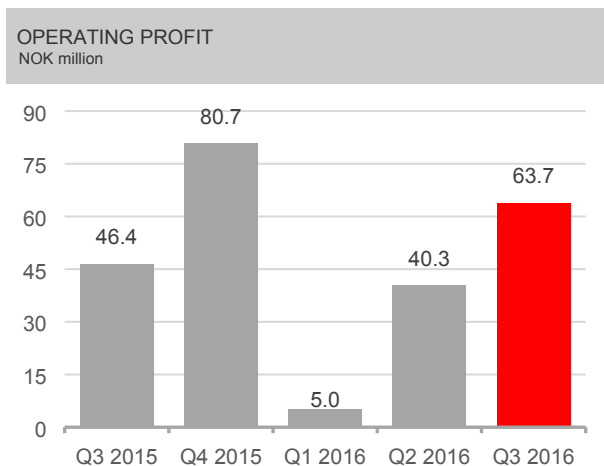
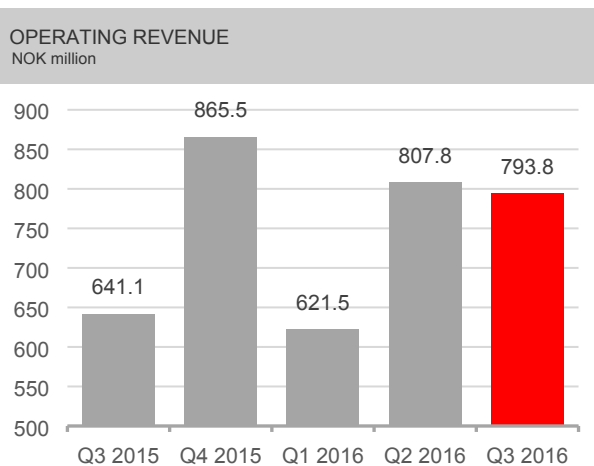


INFRA TEK GROUP AS – Third quarter 2016

Highlights third quarter 2016

- Operating revenue of NOK 793.8 million (NOK 641.1 million)
- Operating profit of NOK 63.7 million (NOK 46.4 million)
- Operating profit margin 8.0 percent (7.2 percent)
- Cash flow from operations NOK 1.9 million (NOK -18.1 million)
- Cash Balance NOK 82.6 million (NOK 202.0 million) due to dividend payment and settlement of loan during second quarter
- Satisfactory order book for the rest of the year and into next year



KEY FIGURES

| Third quarter | | | First nine months | | Year |
|---------------|----------------|--------------------------------------|-------------------|---------|----------------|
| 2015 | 2016 | PROFIT AND LOSS (NOK million) | 2016 | 2015 | 2015 |
| 641.1 | 793.8 | Operating revenue | 2,223.1 | 1,846.5 | 2,712.0 |
| 54.9 | 73.9 | Operating profit before depreciation | 137.1 | 106.7 | 199.0 |
| 46.4 | 63.7 | Operating profit | 109.0 | 80.6 | 161.3 |
| -15.0 | -10.1 | Net financial expenses | -33.7 | -46.7 | -56.7 |
| 31.3 | 53.6 | Profit before tax | 75.2 | 33.9 | 104.7 |
| 24.0 | 41.8 | Profit for the period | 59.2 | 27.1 | 70.3 |
| | | CAPITAL MATTERS | | | |
| 1,609.0 | 1,517.0 | Total assets | 1,517.0 | 1,609.0 | 1,800.3 |
| 21.6 % | 20.0 % | Equity ratio | 20.0 % | 21.6 % | 24.0 % |
| 505.8 | 565.9 | Net interest-bearing debt (cash) | 565.9 | 505.8 | 353.0 |
| -18.1 | 1.9 | Cash flow from operations | 7.0 | 54.3 | 218.9 |
| | | KEY FIGURES | | | |
| 7.2 % | 8.0 % | Operating profit margin | 4.9 % | 4.4 % | 5.9 % |

THIRD QUARTER 2016

Consolidated revenue came in at NOK 793.8 million, an increase of NOK 152.7 million compared to the same period last year. The increase is partly explained by revenue related to the acquired company PWR, amounting to NOK 95.2 million in the current quarter. Additionally, revenue has increased in all countries.

The Group posted a third-quarter operating profit of NOK 63.7 million, compared to NOK 46.4 million for the corresponding prior-year period. Main contributors to the increase in operating profit is overall increased activity in Finland and additional profit from the acquired business of PWR, as well as increased activity in Regional Grids Sweden. The operating margin has increased by 0.8 percentage points, to 8.0 percent. The profit margin was positively affected by increased profitability in the Swedish business.

Net financial expenses in the quarter amounted to NOK 10.1 million, compared to NOK 15.0 million in the comparable prior-year period. The main part of net financial expenses for the quarter as well as for the comparable prior-year period is interest charged on bond. The decrease in net financial expenses is explained by the repayment of loan to Triton Funds in April 2016 and a decrease in pension-related expenses.

The tax expense for the quarter was NOK 11.7 million, based on the positive profit before tax for the period. The Infratek Group posted an after-tax profit for the third quarter of NOK 41.8 million, compared to NOK 40.0 million for the comparable prior-year period.

As of 30 September, the total order reserves were NOK 3,330 million, of which NOK 841 million relates to 2016. The Group's order book was in line with the order reserve at the end of the third quarter previous year. This year's order reserves include order reserves of NOK 193 million related to the acquired company PWR. On the other hand, order reserve volumes related to framework agreements with grid owners, given the structure of the contracts, have decreased compared to the same period previous year.

BALANCE SHEET

Infratek Group's total assets decreased from NOK 1,609.0 million as of 30 September 2015 to NOK 1,517.0 million at the end of the reporting period. Compared to year-end 2015, the Group's total assets decreased by NOK 283.3 million. The decrease is primarily attributable to a reduced cash position, net of increase in working capital.

As of 30 September 2016, equity amounted to NOK 303.0 million, representing a decrease of NOK 45.3 million compared to 30 September 2015. This corresponds to an equity ratio of 20.0 percent at the end of the reporting period, which is 4.0 percentage points lower than per year-end 2015 and a decrease of 1.6 percentage points compared to the same period last year. The reasons for the decrease in equity compared to year-end 2015 are a dividend payment of NOK 135 million in April 2016 and a negative effect by currency change differences of NOK 53.4 million during the first nine months of 2016.

As of 30 September 2016, the Group's cash and cash equivalents totalled NOK 82.6 million, compared to NOK 357.3 million at the end of 2015 and NOK 202.0 million as of 30 September previous year. The decrease in cash position compared to 31 December 2015 is a result of above mentioned dividend payment and repayment of loan to Triton Funds.

Net debt before loan from Triton Funds is NOK 565.9 million (NOK 438.8 million) and consists of:

| NOK million | 30.09.16 | 30.09.15 | 31.12.15 |
|--|--------------|--------------|--------------|
| Cash and cash equivalent | -82.6 | -202.0 | -357.3 |
| Bond-principal (net of transactions costs) | 639.9 | 636.2 | 637.1 |
| Accrual interest - bond | 4.3 | 4.6 | 4.6 |
| Other interest-bearing liabilities | 4.3 | - | - |
| Net debt | 565.9 | 438.8 | 284.3 |

CASH FLOW AND FINANCING

Net positive cash flow from operating activities in the third quarter of 2016 amounted to NOK 1.9 million, an increase of NOK 20 million compared to the corresponding period previous year. The rise is mainly explained by the positive development in profit before tax in 2016 compared to the corresponding period in 2015. Infratek succeeded to reduce net working capital from an average of 4.5 percent for the first nine months 2015 to 3.1 percent for the corresponding period in 2016. The negative effect of net working capital on cash flow from operating activities by NOK 59.6 million during the quarter is explained by net working capital being lower as per end of the second quarter

and relatively high as per end of the third quarter. The temporary increase in net working capital in the third quarter is mainly due to seasonality as well as different payment terms on new contracts.

Cash flow from investment activities is negative by NOK 0.6 million compared to NOK 0.2 million for the comparable period previous year despite investments in fixed assets decreased from NOK 2.9 million prior year to NOK 0.7 million this quarter. Previous year's numbers were positively influenced by sale of fixed assets of NOK 2.7 million.

Net negative cash flow from financing activities in the third quarter of NOK -12.0 million was solely attributable to payment of interest, mainly interest paid on bond.

The Group has a NOK 100 million credit facility and a guarantee facility of NOK 300 million with Swedbank – both with duration of 57 months from May 2014. At the reporting date, the Group had bank guarantees of total NOK 164 million and the credit facility was undrawn.

SEGMENT INFORMATION

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

NORWAY

The operation in Norway is organised in the following divisions:

- ✓ *Regional Grids Norway*, which is aimed at the product areas distribution grids, transmission grids, transformer stations, and power cables.
- ✓ *Distribution Grids Norway*, which is aimed at the product area distribution grids for customers located in Oslo and the Østlandet area.
- ✓ *Electrical Safety*, which on behalf of grid companies is providing inspection and monitoring services (so-called DLE services).

- ✓ *Infra Solutions*, which offers services within lighting services, project and metering.

| NOK million | Third quarter | | First nine months | |
|--------------------------------------|---------------|--------|-------------------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating revenue | 262.1 | 246.0 | 721.3 | 719.6 |
| Operating profit before depreciation | 27.4 | 32.7 | 57.5 | 61.1 |
| Operating profit | 25.0 | 29.8 | 49.7 | 51.8 |
| Operating margin | 9.5 % | 12.1 % | 6.9 % | 7.2 % |

The business in Norway posted in the third quarter a total operating revenue of NOK 262.1 million, 6.5 percent above the corresponding previous year period. The improvement is attributable to increased activity within all divisions except *Infra Solutions Norway* which had a slight decrease. Main contributor to this quarter's increase was *Regional Grids Norway*.

Operating profit came in at NOK 25.0 million (NOK 29.8 million). The decrease compared to the corresponding period previous year is mainly due to increased competition within the distribution grid market.

As of the reporting date, the segment had a total order book of NOK 770 million, of which NOK 243 million relates to 2016. Compared to prior year, the order book has improved by NOK 160 million mainly attributable to the new maintenance agreement with *Oslo Bymiljøetaten* lasting over a 4-year period, amounting to approximately NOK 160 million. The contract has an option for two additional years.

SWEDEN

The operation in Sweden is organised within the following divisions:

- ✓ *Distribution Grids Svea and Distribution Grids Göta*, which are aimed at the product areas distribution grids, transmission grids, transformer stations, services within street lighting and metering.
- ✓ *Regional Grids Sweden*, which operates as an end-to-end supplier of projects within the high voltage electrical infrastructure.
- ✓ *Railway*, which delivers services to constructors and owners of infrastructure for railways.

| NOK million | Third quarter | | First nine months | |
|--------------------------------------|---------------|-------|-------------------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating revenue | 345.5 | 325.8 | 1,039.4 | 965.5 |
| Operating profit before depreciation | 22.7 | 13.4 | 49.5 | 35.7 |
| Operating profit | 20.4 | 10.7 | 41.7 | 27.6 |
| Operating margin | 5.9 % | 3.3 % | 4.0 % | 2.9 % |

The business in Sweden posted a total operating revenue of NOK 345.5 million, 6.1 percent above the corresponding previous year period. The increase is mainly attributable to higher activity within *Regional Grids Sweden* and *Distribution Grids Göta*.

The operating profit came in at NOK 20.4 million (NOK 10.7 million). The operating margin was up by 2.6 percentage points with margin improvements in almost all divisions. The rise in profitability is a result of several factors. Different operational improvements have had a positive impact. In addition, third quarter last year was impacted by losses on some projects.

As of the reporting date, the segment had a total order book of NOK 2,141 million, of which NOK 428 million relates to 2016. Main part of Sweden's order reserves relates to framework agreements with large grid owners. Compared to end of September previous year, orders on hand have decreased by NOK 323 million primarily as result of the already produced volumes related to multi-year framework contracts with major customers.

FINLAND

The operations in Finland include products and services within the central transmission grid, especially related to transformer stations.

Through the acquisition of PWR, Infratek is also present in the Finnish distribution grid market.

| NOK million | Third quarter | | First nine months | |
|--------------------------------------|---------------|--------|-------------------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating revenue | 183.7 | 69.2 | 456.3 | 161.9 |
| Operating profit before depreciation | 23.1 | 9.7 | 38.5 | 18.3 |
| Operating profit | 21.3 | 9.0 | 33.1 | 15.9 |
| Operating margin | 11.6 % | 13.0 % | 7.3 % | 9.8 % |

Revenue in the Finnish market increased by NOK 114.5 million compared to the same period last year. The increase is due to revenue from

PWR amounting to NOK 95.2 million, in addition to higher project volumes in the Finnish market.

Finland posted a third-quarter profit of NOK 21.3 million (NOK 9.0 million). The increase is attributable to higher volumes in central transmission grid projects. The decrease in operating margin from 13.0 percent in the comparable quarter previous year to 11.6 percent this quarter is mainly due to the acquisition of PWR which operates in the distribution grid market with overall lower margins.

As of the reporting date, the segment had a total order book of NOK 420 million, of which NOK 170 million relates to 2016. Contracts entered into during the quarter amounted to NOK 41 million. Total orders on hand have increased by NOK 167 million compared to the end of September previous year. Order reserves related to the acquired company PWR make up NOK 193 million of Finland's total order reserve.

OTHER

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

| NOK million | Third quarter | | First nine months | |
|------------------|---------------|------|-------------------|-------|
| | 2016 | 2015 | 2016 | 2015 |
| Operating profit | -3.0 | -3.1 | -15.5 | -14.7 |

Group expenses of NOK 3.0 million were incurred in the quarter, compared to NOK 3.1 million in the comparable period previous year.

EMPLOYEES

As of 30 September 2016, the Group had 1,322 employees.

| Countries | Number of employees | Number of man-years | Sick-leave rate 3Q16 |
|--------------|---------------------|---------------------|----------------------|
| Norway | 533 | 520 | 4.7 % |
| Sweden | 512 | 512 | 5.4 % |
| Finland | 277 | 288 | 2.8 % |
| Total | 1,322 | 1,320 | 4.5 % |

As of the reporting date, the number of employees was up by 106 compared to the end of September 2015. While the number of employees is reduced with 25 in Norway and 41 in Sweden, Finland has increased its number of employees by 172 mainly due to the 167 employees engaged in the acquired company PWR.

Sickness absence has slightly increased from 4.4 percent in the third quarter last year to 4.5 percent this year. Norway succeeded to decrease sick-leave, while sick-leave in Sweden and Finland has increased compared to the same period last year. Infratek is working on different measures to reduce the sickness absence - both actively within the company - and in cooperation with public authorities.

OUTLOOK

The overriding aim is to strengthen Infratek's position in the market for critical infrastructure - through profitability and growth. The board of directors believes that Infratek is well equipped to develop the Group further in this direction.

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. For the coming years, this work will continue, but more attention will be given to growth.

Infratek's Nordic market position and strong financial position, makes Infratek well positioned to meet the challenges facing the Group in the future.

Oslo, 4 November 2016

Infratek Group AS

Board of Directors

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

| Third quarter | | | First nine months | | Year |
|---------------|--------|---------------------------------------|-------------------|---------|----------|
| 2015 | 2016 | NOK million | 2016 | 2015 | 2015 |
| 641.1 | 793.8 | Operating revenue | 2,223.1 | 1,846.5 | 2,712.0 |
| -315.0 | -437.0 | Purchased materials | -1,164.8 | -836.9 | -1,275.6 |
| -201.2 | -220.5 | Salaries and other personnel expenses | -711.0 | -678.1 | -929.4 |
| -8.6 | -10.2 | Depreciation and amortization | -28.2 | -26.1 | -37.6 |
| -70.0 | -62.5 | Other operating expenses | -210.2 | -224.8 | -308.0 |
| 46.4 | 63.7 | Operating profit | 109.0 | 80.6 | 161.3 |
| 0.3 | 1.6 | Financial income | 2.8 | 0.4 | 0.7 |
| -15.3 | -11.8 | Financial expenses | -36.5 | -47.0 | -57.4 |
| -15.0 | -10.1 | Net financial income (expense) | -33.7 | -46.7 | -56.7 |
| 31.3 | 53.6 | Profit (loss) before tax | 75.2 | 33.9 | 104.7 |
| -7.3 | -11.7 | Tax expense | -16.0 | -6.8 | -34.4 |
| 24.0 | 41.8 | Profit (loss) for the period | 59.2 | 27.1 | 70.3 |

Other comprehensive income

| Third quarter | | | First nine months | | Year |
|---------------|-------|---|-------------------|------|-------|
| 2015 | 2016 | NOK million | 2016 | 2015 | 2015 |
| | | <u>Items that will be recycled subsequently to profit or loss</u> | | | |
| 32.3 | -25.3 | Exchange differences on translating foreign operations | -53.4 | 26.6 | 43.0 |
| | | <u>Items that will not be recycled subsequently to profit or loss</u> | | | |
| - | - | Change in actuarial gains and losses pensions | - | - | 33.5 |
| - | - | Tax expense on other comprehensive income | - | - | -9.0 |
| 32.3 | -25.3 | Other comprehensive profit for the period | -53.4 | 26.6 | 67.5 |
| 56.3 | 16.6 | Total comprehensive income for the period | 5.8 | 53.8 | 137.8 |

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

| NOK million | 30.09.16 | 30.09.15 | 31.12.15 |
|---|----------------|----------------|----------------|
| Fixed assets | 82.3 | 96.7 | 88.7 |
| Intangible assets | 630.9 | 608.8 | 611.5 |
| Deferred tax assets | 22.2 | 44.2 | 30.8 |
| Other long-term receivables | - | 21.3 | - |
| Total non-current assets | 735.3 | 771.1 | 731.0 |
| Inventory | 5.4 | 5.0 | 6.0 |
| Accounts receivables and other receivables | 693.7 | 630.9 | 706.0 |
| Cash and cash equivalents | 82.6 | 202.0 | 357.3 |
| Total current assets | 781.6 | 837.9 | 1,069.2 |
| Total assets | 1,517.0 | 1,609.0 | 1,800.3 |
| Share capital and share premium | 253.3 | 253.3 | 253.2 |
| Other equity | 49.7 | 95.0 | 179.0 |
| Total equity | 303.0 | 348.3 | 432.2 |
| Bond | 639.9 | 636.2 | 637.1 |
| Other interest-bearing long-term debt | - | 67.0 | 68.7 |
| Pension obligations | 39.3 | 116.4 | 51.3 |
| Deferred tax | 4.5 | -0.0 | 4.4 |
| Provisions | 38.0 | 12.6 | 10.0 |
| Total non-current liabilities | 721.7 | 832.2 | 771.6 |
| Account payable and other current liabilities | 486.4 | 430.3 | 583.2 |
| Tax payable | 1.6 | -6.4 | 8.8 |
| Short-term interest-bearing debt | 4.3 | 4.6 | 4.6 |
| Total current liabilities | 492.3 | 428.5 | 596.5 |
| Total liabilities | 1,214.0 | 1,260.7 | 1,368.1 |
| Total equity and liabilities | 1,517.0 | 1,609.0 | 1,800.3 |

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

| NOK million | Third quarter | | First nine months | | Year |
|--|---------------|--------------|-------------------|--------------|--------------|
| | 2016 | 2015 | 2016 | 2015 | 2015 |
| Profit before tax | 53.6 | 31.3 | 75.2 | 33.9 | 104.7 |
| Depreciation | 10.2 | 8.5 | 28.2 | 26.1 | 37.6 |
| Financial income and expenses | 10.0 | 13.1 | 33.2 | 40.9 | 54.2 |
| Change in pension liabilities and actuarial adj. | -2.2 | 3.8 | -12.0 | -14.4 | -45.9 |
| Other non-cash items and changes in accruals | -1.3 | -5.6 | -3.8 | -10.4 | -11.6 |
| Change in net working capital | -59.6 | -65.1 | -94.9 | -14.4 | 91.7 |
| Paid taxes | -8.8 | -4.1 | -18.9 | -7.4 | -11.8 |
| Net cash flow from operating activities | 1.9 | -18.1 | 7.0 | 54.3 | 218.9 |
| Investments - fixed assets | -0.7 | -2.9 | -7.6 | -7.0 | -9.7 |
| Investments - operations (net of cash acquired) | - | - | -47.5 | - | - |
| Sales amount - fixed assets | 0.1 | 2.7 | 0.6 | 5.4 | 8.0 |
| Cash flow from investment activities | -0.6 | -0.2 | -54.5 | -1.6 | -1.7 |
| Change interest-bearing liabilities | - | - | -70.8 | - | - |
| Net received/paid interest rates | -12.0 | -10.7 | -37.1 | -32.7 | -43.4 |
| Dividend, equity issues and other equity changes | - | - | -135.0 | - | - |
| Cash flow from financing activities | -12.0 | -10.7 | -242.9 | -32.7 | -43.4 |
| Change in cash and cash equivalents | -10.7 | -29.0 | -290.4 | 20.0 | 173.8 |
| Cash and cash equivalents at beginning of period | 95.8 | 220.8 | 357.3 | 175.1 | 175.1 |
| Cash and cash equivalents from acquired company | - | - | 21.3 | - | - |
| Exchange rate differences on cash in foreign curr. | -2.5 | 10.2 | -5.6 | 6.9 | 8.4 |
| Cash and cash equivalents at end of period | 82.6 | 202.0 | 82.6 | 202.0 | 357.3 |

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

| NOK million | Third quarter | | First nine months | | Year |
|--|---------------|--------------|-------------------|--------------|--------------|
| | 2016 | 2015 | 2016 | 2015 | 2015 |
| Equity at beginning of reporting period | 286.4 | 292.0 | 432.2 | 294.5 | 294.5 |
| Profit for the period | 41.8 | 24.0 | 59.2 | 27.1 | 70.3 |
| Other comprehensive income for the period | -25.3 | 32.3 | -53.4 | 26.6 | 67.5 |
| Total comprehensive income for the period | 16.6 | 56.3 | 5.8 | 53.8 | 137.8 |
| Transactions with owners | | | | | |
| Dividend payment | - | - | -135.0 | - | - |
| Equity increase from majority shareholder | - | - | - | - | - |
| Total transactions with owners | - | - | -135.0 | - | - |
| Equity at end of reporting period | 303.0 | 348.3 | 303.0 | 348.3 | 432.2 |

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1) FRAMEWORK AND KEY ACCOUNTING PRINCIPLES

Infratek (the Group) consists of Infratek Group AS and its subsidiaries. The consolidated financial statements for the year ending 31 December 2015, and the interim consolidated financial statements for the nine months ending 30 September 2016, have been prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The interim figures are unaudited.

The Group prepares and presents its interim consolidated financial statements according to IAS 34, Interim Financial Reporting. The information provided by interim financial statements is not as comprehensive as that provided in the annual consolidated financial statements; thus, the interim financial statements should be viewed in conjunction with the annual consolidated financial statements for 2015. The accounting principles applied in the interim financial statements are the same as those described in Note 2 to the annual consolidated financial statements for 2015 of the Infratek Group.

2) SEGMENT REPORTING – Income statement

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

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

| Third quarter | | | First nine months | | Year |
|---------------|--------------|-------------------------|-------------------|----------------|----------------|
| 2015 | 2016 | NOK million | 2016 | 2015 | 2015 |
| 246.0 | 262.1 | Norway | 721.3 | 719.6 | 1,009.6 |
| 325.8 | 345.5 | Sweden | 1,039.4 | 965.5 | 1,429.3 |
| 69.2 | 183.7 | Finland | 456.3 | 161.9 | 273.7 |
| 9.6 | 12.5 | Other | 37.4 | 29.4 | 39.6 |
| -9.5 | -10.1 | Eliminations | -31.3 | -29.9 | -40.2 |
| 641.1 | 793.8 | Total revenue | 2,223.1 | 1,846.5 | 2,712.0 |
| 29.8 | 25.0 | Norway | 49.7 | 51.8 | 85.9 |
| 10.7 | 20.4 | Sweden | 41.7 | 27.6 | 71.7 |
| 9.0 | 21.3 | Finland | 33.1 | 15.9 | 28.9 |
| -3.1 | -3.0 | Other | -15.5 | -14.7 | -25.2 |
| - | - | Eliminations | - | - | - |
| 46.4 | 63.7 | Operating profit | 109.0 | 80.6 | 161.3 |

3) SEGMENT REPORTING - Balance sheet

| NOK million | Norway | Sweden | Finland | Group/ Elimination | Group total |
|--|--------------|--------------|--------------|-----------------------|----------------|
| Fixed assets | 27.2 | 23.8 | 27.5 | 3.7 | 82.3 |
| Intangible assets | 383.0 | 142.7 | 89.6 | 37.8 | 653.0 |
| Accounts receivables and other receivables | 233.1 | 355.7 | 135.1 | -24.9 | 699.0 |
| Cash and cash equivalents | 220.8 | 21.9 | 34.9 | -195.0 | 82.6 |
| Assets | 864.2 | 544.2 | 287.1 | -178.4 | 1,517.0 |
| Equity | 591.5 | 352.7 | 148.3 | -789.5 | 303.0 |
| Bond | - | - | - | 639.9 | 639.9 |
| Other long-term debt | - | - | 4.3 | 0.9 | 5.2 |
| Pension | 60.4 | - | - | -21.1 | 39.3 |
| Other liabilities | 2.0 | 12.2 | 27.9 | -4.8 | 37.3 |
| Current liabilities | 210.4 | 179.3 | 106.5 | -3.9 | 492.3 |
| Equity and liabilities | 864.2 | 544.2 | 287.1 | -178.4 | 1,517.0 |
| Equity share | 68.4 % | 64.8 % | 51.7 % | na | 20.0% |

4) COMMENTS ON THE SEASONALITY AND CYCLICALITY OF INTERIM OPERATIONS

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

5) BUSINESS COMBINATIONS - INFRA TEK EXPANDS IN FINLAND

With acquisition date 7 January 2016, Infratek Finland Oy acquired 100 per cent of the shares in the Finnish distribution grids company Pohjolan Werkonrakennus Oy ("PWR"). The acquired company had approximately 150 employees at acquisition and operating revenue of EUR 18 million during its last financial year (April 2014 – March 2015).

The sale and purchase agreement includes an earn-out consideration based on the aggregated EBIT of the company for the financial period of 1 January through 31 December 2016 and the financial period of 1 January 2017 through 31 December 2017. Minimum earn-out consideration is EUR 1.0 million. The earn-out consideration will in no event exceed EUR 3.0 million. On the basis of available information as the budget for 2016 and 2017, the earn-out consideration is reflected as part of the purchase price of the shares of PWR and as a contingent consideration liability. At the time of the acquisition, the earn-out consideration was estimated at EUR 3.0 million payable in 2018. The earn-out consideration will be re-measured at fair value at every balance sheet date, with any changes recognized in the income statement. As per 30 September 2016, it is considered that the fair value of the earn-out consideration is EUR 3.0 million. The measurement of the contingent consideration as per period-end is based on expectations on PWR's profitability based on historical data, order reserves and budget numbers.

The purchase analysis for the acquisition of PWR is as follows:

Fair value acquired assets as per transaction date:

| | |
|--------------------------------------|-------------|
| NOK million | 2016 |
| Purchase price, of which | 48.6 |
| - paid in cash at transaction date | 40.1 |
| - Adjustment amount payable in April | 8.5 |
| Estimated earn-out consideration | 29.1 |
| Total consideration | 77.7 |
| Fair value net assets | 31.4 |
| Goodwill | 46.3 |

The provisional determination of fair value of assets and liabilities in acquisition of 7 January 2016:

| | |
|---|-------------|
| NOK million | 2016 |
| Property, plant and equipment | 15.8 |
| Inventory | 1.6 |
| Accounts receivable and other current receivables | 57.8 |
| Cash and cash equivalents | 21.3 |
| Accounts payable and other current liabilities | -54.9 |
| Long-term loans | -10.2 |
| Acquired net assets | 31.4 |

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period:

| | |
|---|-------------|
| Goodwill at acquisition 7 January 2016 | 46.3 |
| Net exchange rate differences first quarter | -1.4 |
| Impairment losses in the first quarter | - |
| Goodwill on 31 March 2016 | 44.9 |
| Net exchange rate differences second quarter | -0.5 |
| Impairment losses in the second quarter | - |
| Goodwill on 30 June 2016 | 44.4 |
| Net exchange rate differences third quarter | -1.5 |
| Impairment losses in the third quarter | - |
| Goodwill on 30 September 2016 | 42.9 |

Goodwill recognized relates to expected synergies from combining operations of Infratek Finland OY and Pohjolan Werkonrakennus Oy. The acquisition is strategically important as it gives Infratek access to the distribution grid market in Finland.

For practical purpose the acquired company Pohjolan Werkonrakennus Oy is consolidated from 1 January 2016. The amounts of revenue and profit or loss of the acquired company since the acquisition date included in the consolidated statement of comprehensive income for the reporting period are:

| | |
|---|--|
| NOK million | 1 January - 30 September 2016 |
| Revenue | 224.8 |
| Operating profit | 9.0 |
| Profit before tax and discontinued operations | 8.8 |
| Profit for the period | 7.1 |
| Total comprehensive income for the period | 7.1 |