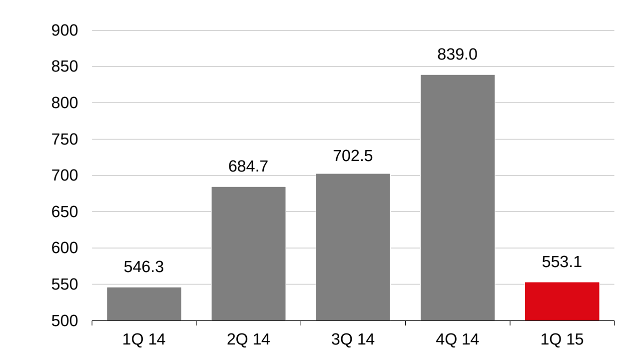
INFRATEK GROUP AS – First quarter 2015

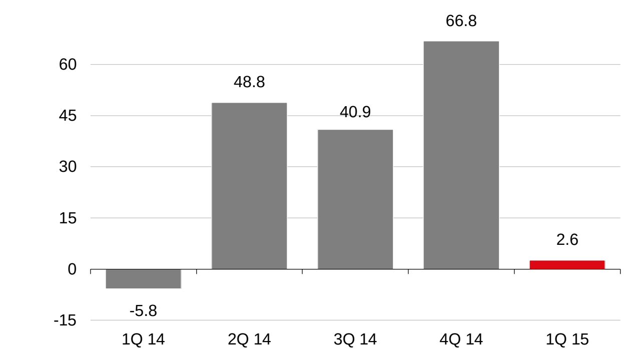
Highlights first quarter

- Operating revenue of NOK 553.1 million (NOK 546.3 million)
- First-quarter operating profit of NOK 2.6 million (NOK -5.8 million)
- Operating profit margin 0.5 percent (-1.1 percent)
- Result negatively impacted by non-recurring items of NOK 2.3 million (NOK 0.9 million)
- Cash flow from operations NOK 36.1 million (NOK 35.6 million)
- Cash Balance NOK 195.3 million (NOK 212.5 million)
- Bård Mikkelsen elected as a new member of the board

OPERATING REVENUE
NOK million



OPERATING PROFIT
NOK million



Infratek

KEY FIGURES

First quarter			Year
2014	**2015**	**PROFIT AND LOSS** (NOK million)	**2014**
546.3	**553.1**	Operating revenue	**2 772.5**
3.0	**11.5**	Operating profit before depreciation	**186.7**
-5.8	**2.6**	Operating profit	**150.6**
-15.4	**-17.4**	Net financial expenses	**-62.4**
-21.2	**-14.8**	Profit before tax	**88.2**
0.3	**-**	Gain and profit from discontinued operation	**34.5**
-15.3	**-10.7**	Profit for the period	**91.2**
		CAPITAL MATTERS	
1 569.4	**1 497.3**	Total assets	**1 626.0**
7 %	**18 %**	Equity ratio	**18 %**
569.1	**507.4**	Net interest-bearing debt (cash)	**525.5**
35.6	**36.1**	Cash flow from operations	**80.9**
		KEY FIGURES	**-**
-1.1 %	**0.5 %**	Operating profit margin	**5.4 %**

FIRST QUARTER 2015

Consolidated revenue came in at NOK 553.1 million, an increase of NOK 6.8 million compared to same period last year. The revenue in Norway and Finland are in line with same period last year, while the revenue in Sweden have slightly increased.

The Group posted a first-quarter operating profit of NOK 2.6 million, compared to NOK -5.8 million for the corresponding prior-year period. The operating margin rose by 1.6 percentage points, to 0.5 percent. The result for the period was negatively impacted by non-recurring items of NOK 2.3 million compared to NOK 0.9 million during the same period last year. Non-recurring items for the period are related to pensions. Adjusted for non-recurring items the margin rose by 1.8 percent point compared to same period last year.

Net financial expenses in the quarter amounted to NOK 17.4 million, compared to NOK 15.4 million in the comparable prior-year period. The main part of net financial expenses in the first-quarter this year is interest charged on bond, while the expenses for the same period last year is interest charged on loans from Triton Funds.

The tax income for the quarter was NOK 4.1 million, based on the negative profit before tax for the period.

The Infratek Group posted a post-tax loss for the first quarter of NOK -10.7 million, compared to a post-tax loss of NOK -15.3 million for the comparable prior-year period.

As of 31 March, the total order book was NOK 2,143 million, of which NOK 1,501 million relates to 2015, NOK 466 million to 2016 and NOK 176 million to 2017 and later. The volume of incoming orders during the first quarter was on a par with the produced volume. The Group's order book was, however, NOK 507 million lower than at the end of the first quarter of last year. The decrease in the order reserve is primarily a result of the already produced volumes related to multi-year framework contracts with major customers.

At an Extraordinary General Meeting on 23 March 2015 Bård Mikkelsen was elected as board member.

BALANCE SHEET

The Infratek Group's total assets were reduced from NOK 1,569.4 million as of 31 March 2014 to NOK 1,497.3 million at the end of the reporting period. The decrease is primarily attributable to reduction in working capital.

As of 31 March 2015, equity amounted to NOK 271.2 million, representing an increase of NOK 158 million compared to 31 March 2014. This corresponds to an equity ratio of 18.1 percent as of 31 March 2015, which is the same as per year-end 2014 and an increase of 11 percentage points compared to the same period last year. The main reason for the increase in equity compared to 31 March 2014 is equity increase in second-quarter 2014 and a positive profit contribution in the period.

At the end of the first quarter, year-to-date equity was down by NOK -23.3 million as a result of negative effect of currency exchange differences from SEK, EUR to NOK, and negative profit for the period.

As of 31 March 2015, the Group's cash and cash equivalents totalled NOK 195.3 million, compared to NOK 175.1 million at the end of 2014 - and NOK 212.5 million as of 31 March 2014.

Net debt before loans from Triton Funds is NOK 443.5 million (NOK -212.5 million) and consist of:

NOK million	31.3.15	31.3.14	31.12.14
Cash and cash equivalents	-195.3	-212.5	-175.1
Bond-principal (net of transaction costs)	634.3	-	633.3
Accrual interest - bond	4.5	-	5.0
Other interest bearing liabilities	-	-	-
Net debt pre loans from Triton Funds	443.5	-212.5	463.1

CASH FLOW AND FINANCING

Net cash flow from operations in the first quarter of 2015 amounted to NOK 36.1 million. The decrease in net working capital impacted cash flow from operations by NOK 51.1 million during the quarter. Pensions impacted the cash flow negatively by NOK -23.3 million mainly due to payments.

Net negative cash flow from financing activities in the first quarter of NOK 11.6 million was attributable to payment of interest on bond.

The Group has a NOK 100 million credit facility and a guarantee facility of NOK 300 million with Swedbank – both with a duration of 57 months from May 2014. At the reporting date, the Group had bank guarantees of total NOK 152 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 three main divisions:

- ✓ Electrical Grids is aimed at the product areas distribution grids, transmission grids, transformer stations, and power cables.
- ✓ Electrical Safety which on behalf of grid companies is providing inspection and monitoring services (so-called DLE services,) on behalf of grid companies.
- ✓ Infra Solutions offers services within street lighting services, metering and fiber/telecom.

	First quarter		Year
NOK million	2015	2014	2014
Operating revenue	226.6	225.2	1 065.7
Operating profit before depreciation	9.2	12.8	164.6
Operating profit	5.9	9.0	150.2
Operating margin	2.6 %	4.0%	14.1 %

The business in Norway posted total operating revenue of NOK 226.6 million, 0.5 percent above the corresponding previous year period. The growth is mainly attributable to increased activity within Electrical Safety, due to new contracts awarded.

The operating profit came in at NOK 5.9 million (NOK 9.0 million). The result is negatively impacted by a one-off payment of NOK 2.3 related to pensions. Adjusted for non-recurring items the operating margin ended at 3.6

percent (4.0 percent). The previous year's corresponding period was positively impacted by supplementary work related to windstorms the last days in 2013.

As of the reporting date, the segment had a total order book of NOK 682 million, of which NOK 483 million relates to 2015, NOK 141 million to 2016 and NOK 58 million to 2017 and later. Compared to the end of March last year, the order book was reduced by NOK 67 million, primarily a result of the already produced volumes related to multi-year framework contracts with major customers.

SWEDEN

The operation in Sweden is organised in the following five main divisions:

- ✓ Both Electrical Grids Svea and Electrical Grids Göta are aimed at the product areas distribution grids, transmission grids, transformer stations, services within street lighting and metering.
- ✓ Projects operate as end-to-end supplier of projects within high voltage electrical infrastructure.
- ✓ Railway delivers services to constructors and owners of infrastructure for railway.

	First quarter		Year
NOK million	2015	2014	2014
Operating revenue	**287.5**	281.4	**1 479.4**
Operating profit before depreciation	**4.6**	-7.1	**28.8**
Operating profit	**1.8**	-9.8	**18.3**
Operating margin	**0.6 %**	-3.5 %	**1.2 %**

The business in Sweden posted total operating revenue of NOK 287.5 million, 2.1 per cent above the corresponding previous year period. The rise is mainly attributable to an increase in activity within Electrical Grids Göta.

The operating profit came in at NOK 1.8 million (NOK -9.8 million). The increase in operating profit is attributable to a combination of good operating conditions, higher-than-planned activity levels and costs reductions as a result of a streamlining of the business.

As of the reporting date, the segment had a total order book of NOK 1,243 million, of which NOK 866 million relates to 2015, NOK 272 million to 2016 and NOK 105 million to 2017 and later. Contracts entered into for the quarter were higher than production for the period, and the total order book increased by NOK 40 million during the first quarter. Compared to end of March last year, orders on hand were down by NOK 530 million, primarily a result of the already produced volumes related to multi-year framework contracts with major customers.

FINLAND

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

	First quarter		Year
NOK million	2015	2014	2014
Operating revenue	**39.3**	47.1	**238.5**
Operating profit before depreciation	**2.3**	1.2	**28.4**
Operating profit	**1.5**	0.5	**25.4**
Operating margin	**3.7 %**	1.0 %	**10.7 %**

Revenue in the Finnish market declined by 7.8 million compared to same period last year. However, adjusted for internal sales, the revenue are nearly in line with corresponding prior-year period.

Finland posted a first-quarter profit of NOK 1.5 million (NOK 0.5 million). The increase is attributable to a higher productivity and higher margins on new contracts compared to the corresponding prior-year period.

As of the reporting date, the segment had a total order book of NOK 218 million, of which NOK 152 million relates to 2015, NOK 53 million to 2016 and NOK 13 million to later periods. Contracts entered into in the quarter were slightly lower than the production for the quarter and total orders on hand were down NOK 16 million. Compared to the end of March last year, orders on hand were up by NOK 40 million. After the reporting date a NOK 90 million contract with Fingrid was awarded.

OTHER

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

	First quarter		Year
NOK million	**2015**	2014	**2014**
Operating profit	**-6.5**	-5.8	**-43.6**

Group expenses of NOK 6.5 million were incurred in the quarter, compared to NOK 5.7 million in the previous year. The increase in net expenses is primarily attributable to consultancy cost related to improvement initiatives.

EMPLOYEES

As of 31 March 2015, the Group had 1 304 employees.

Countries	Number of employees	Number of man-years	Sick-leave rate 1Q15
Norway	597	590	6.5 %
Sweden	598	598	5.9 %
Finland	109	108	3.5 %
Total	**1 304**	**1 296**	**6.0 %**

As of the reporting date, the number of employees was down by 43 compared to the end of March 2014, mainly attributable to the decreased number of employees within fiber and control services in Sweden.

Sickness absence has increased from 3.6 per cent in the first quarter last year to 6.0 percent this year - and is due to an increase in long-term absence. We are 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.

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

Oslo, 26 May 2015

Infratek Group AS

Board of Directors

Infratek

CONSOLIDATED INCOME STATEMENT

First quarter			Year
2014	**2015**	NOK million	**2014**
546.3	**553.1**	Operating revenue	**2 772.5**
546.3	**553.1**	**Total revenue**	**2 772.5**
-231.1	**-228.6**	Purchased material	**-1 367.7**
-237.1	**-236.2**	Salaries and personnel expenses	**-891.5**
-8.9	**-8.9**	Depreciation	**-36.1**
-75.0	**-76.8**	Other operating expenses	**-326.6**
-5.8	**2.6**	**Operating profit**	**150.6**
-15.4	**-17.4**	Financial income/expenses	**-62.4**
-21.2	**-14.8**	**Profit before tax and discontinued operations**	**88.2**
5.7	**4.1**	Tax expense	**-31.6**
0.3	**-**	Profit for the period from discontinued operations	**34.5**
-15.3	**-10.7**	**Profit for the period**	**91.2**
-14.7	**-10.7**	Majority's share of profit	**91.7**
-0.5	**-**	Minority's share of profit	**-0.5**

Other comprehensive income

First quarter			Year
2014	**2015**	NOK million	**2014**
		<u>Items that will be recycled subsequently to profit or loss</u>	
-3.9	**-12.6**	Conversion difference when converting foreign units	**23.4**
		<u>Items that will not be recycled subsequently to profit or loss</u>	
-	**-**	Estimate changes pensions	**-27.9**
-	**-**	Tax expense on other comprehensive income	**7.5**
-3.9	**-12.6**	**Other comprehensive profit for the period**	**3.0**
-19.2	**-23.3**	**Total comprehensive income for the period**	**94.2**
-18.1	**-23.3**	Majority's share of total comprehensive income	**95.3**
-1.1	**-**	Minority's share of total comprehensive income	**-1.1**

CONSOLIDATED BALANCE SHEET

NOK million	**31.03.2015**	**31.03.2014**	**31.12.2014**
Intangible assets	**652.2**	663.1	653.9
Fixed assets	**105.1**	115.8	112.8
Accounts receivables and other receivables	**544.7**	578.0	684.2
Cash and cash equivalents	**195.3**	212.5	175.1
Assets	**1 497.3**	**1 569.4**	**1 626.0**
Equity	**271.2**	113.2	294.5
Pension	**107.4**	185.5	130.8
Other liabilities	**21.7**	19.2	22.8
Bond	**634.3**	-	633.3
Other long-term debt	**64.4**	782.2	63.0
Current liabilities	**398.2**	469.3	481.6
Equity and liabilities	**1 497.3**	**1 569.4**	**1 626.0**

CONSOLIDATED CASH FLOW STATEMENT

	First quarter		Year
NOK million	**2015**	2014	**2014**
Profit before tax	-14.8	-21.2	88.2
Depreciation	8.9	8.9	36.1
Financial income and expenses	15.5	15.4	62.4
Change in pension liabilities and actuarial adjustments	-23.3	-18.9	-107.7
Other non-cash items and changes in accruals	-5.6	-2.7	1.7
Change in net working capital	51.1	56.3	23.8
Paid taxes	4.3	-2.2	-23.6
Net cash flow from operations	**36.1**	**35.6**	**80.9**
Investments - fixed assets	-0.9	-3.3	-28.7
Investments - operations (net of cash acquired)	-	-233.2	-233.7
Sales amount - fixed assets	1.1	3.8	4.9
Sales amount - operations (net of cash disposed)	-	-	-17.2
Cash flow to investments activities	**0.2**	**-232.7**	**-274.7**
Change interest-bearing liabilities	-	234.1	236.0
Net received/paid interest rates	-11.6	0.2	-66.3
Dividend, equity issues and other equity changes	-	-	-
Cash flow used for financial activities	**-11.6**	**234.3**	**169.7**
Cash flow from discontinued operations	**-**	**6.1**	**25.2**
Change in cash and cash equivalents	**24.8**	**43.3**	**1.1**
Cash at beginning of period	175.1	170.3	170.3
Exchange rate differences on cash in foreign currencies	-4.6	-1.2	3.7
Cash at end of period	**195.3**	**212.5**	**175.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	First quarter		Year
NOK million	**2015**	2014	**2014**
Equity at beginning of reporting period	**294.5**	**365.6**	**365.6**
Profit for the period	-10.7	-15.3	91.2
Other comprehensive income for the period	**-12.6**	-3.9	**3.0**
Total comprehensive income for the period	**-23.3**	**-19.2**	**94.2**
Transactions with owners			
Transactions with minority interests	-	-233.2	-233.7
Equity increase from majority shareholder	-	-	68.4
Total transactions with owners	**-**	**-233.2**	**-165.3**
Equity at end of reporting period	**271.2**	**113.2**	**294.5**

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 2014, and the interim consolidated financial statements for the three months ending 31 March 2015, 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 2014. 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 2014 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.

First quarter			Year
2014	**2015**	**NOK million**	**2014**
225.2	**226.6**	Norway	**1 065.7**
281.4	**287.5**	Sweden	**1 479.4**
47.1	**39.3**	Finland	**238.5**
8.5	**9.9**	Other	**32.3**
-15.9	**-10.2**	Eliminations	**-43.4**
546.3	**553.1**	**Total revenue**	**2 772.5**
9.0	**5.9**	Norway	**150.2**
-9.8	**1.8**	Sweden	**18.3**
0.5	**1.5**	Finland	**25.4**
-5.8	**-6.5**	Other	**-43.5**
0.3	**-**	Eliminations	**0.2**
-5.8	**2.6**	**Operating profit**	**150.6**

3) GEOGRAPHIC SEGMENT REPORTING – Balance sheet

NOK million	Norway	Sweden	Finland	Group elimination	Group total
Intangible assets	411.4	141.6	45.0	54.1	652.2
Fixed assets	41.3	37.4	18.8	7.7	105.1
Accounts receivables and other receivables	305.3	266.4	28.7	-55.7	544.7
Cash and cash equivalents	325.0	74.2	114.9	-318.9	195.3
Assets	**1 083.0**	**519.7**	**207.4**	**-312.8**	**1 497.3**
Equity	809.8	270.7	159.5	-968.9	271.2
Pension	102.5	-	-	4.9	107.4
Other liabilities	0.9	3.5	0.1	17.2	21.7
Bond	-	-	-	634.3	634.3
Other long-term debt	-	75.0	-	-10.6	64.4
Current liabilities	169.8	170.4	47.8	10.3	398.2
Equity and liabilities	**1 083.0**	**519.7**	**207.4**	**-312.8**	**1 497.3**
Equity share	75 %	52 %	77 %	na	18 %

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.