



Creating a powerful Nordic infrastructure provider

**Combining forces with
Fortum Infrastructure Solutions**

24 October 2008

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Highlights

- Hafslund Infratek to acquire Fortum Infrastructure Solutions
 - Entities within Fortum Service to receive 33% of the shares in the new combined company
 - Fortum Infrastructure Solutions with a net cash position of EUR 11.9 million as of 30 Sept 2008
 - Closing of transaction expected early January 2009
- Represents a very attractive consolidation partner for Infratek
 - The industrial fit between Fortum Infrastructure Solutions and Infratek is exceptionally strong and the combined company will be a leading Nordic infrastructure player
- The combined company will have turnover of approx. NOK 2 billion for the period 1-3Q08, and more than 2,500* employees in Norway, Sweden and Finland
- Creates a solid platform for further growth and continued consolidation both domestically and on a Nordic scale
- Hafslund Infratek ASA will change name to Infratek ASA

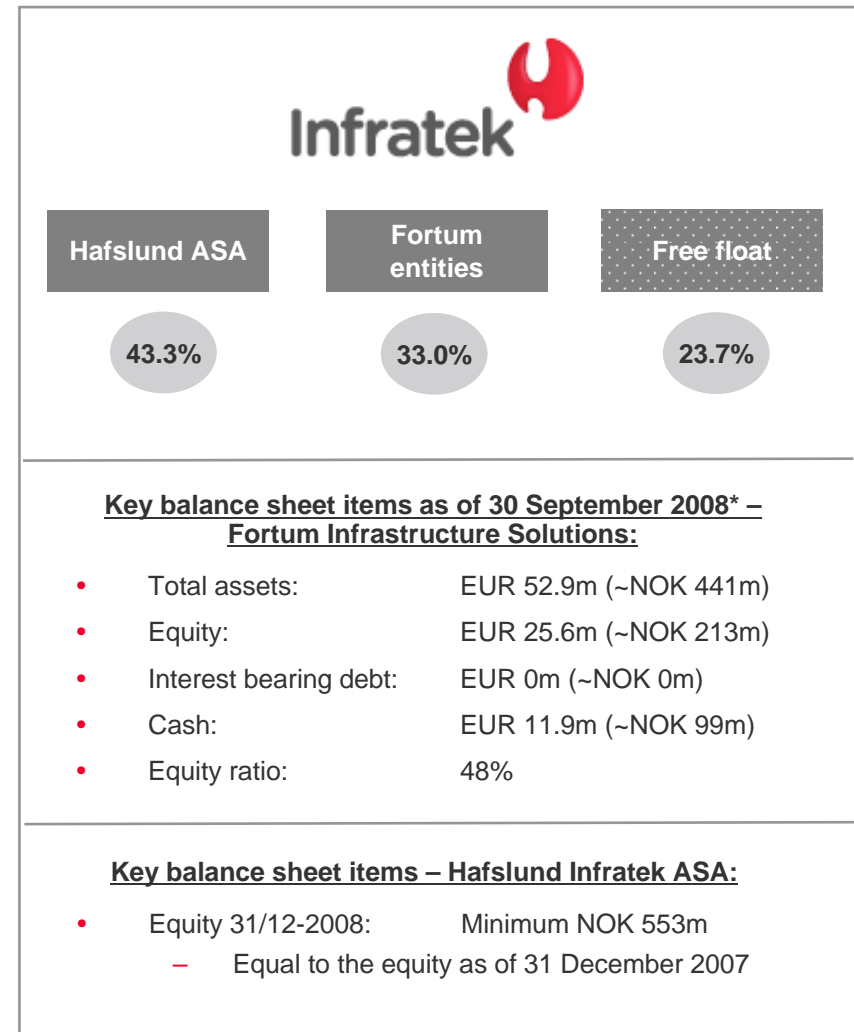


The creation of a Nordic leader within infrastructure construction and services

* Including 140 employees to be transferred from Fortum Distribution

Transaction summary

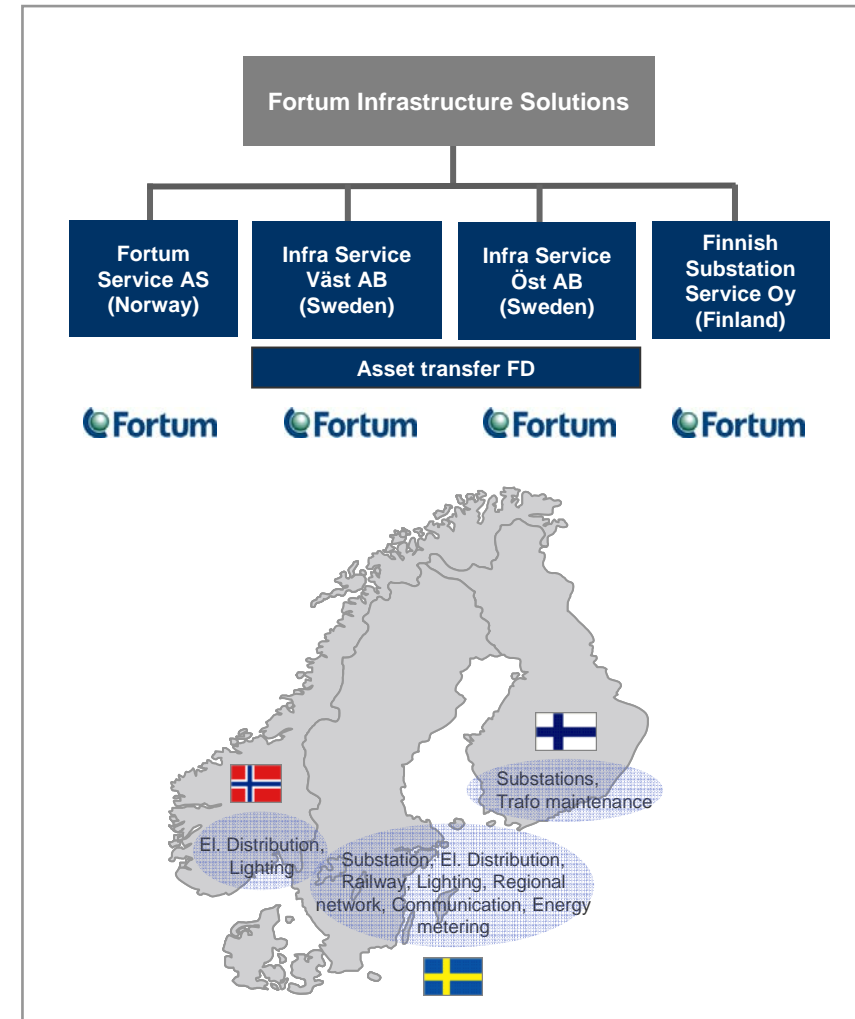
- Hafslund Infratek to merge with four separate legal entities within Fortum Service (Infrastructure)
 - Fortum Service AS (Norway)
 - Infra Service Väst AB (Sweden)
 - Infra Service Öst AB (Sweden)
 - Finnish Substation Service Oy (Finland)
 - Asset transfer of ~ 140 employees from Fortum Distribution
- 67/33 exchange ratio
 - Hafslund Infratek to issue 21,074,864 new shares giving Fortum an ownership share of 33%
 - Fortum entities will have a combined net cash position of EUR 11.9 million as of 30 September 2008
- Infratek 2008 year end equity exceeding 2007 year end equity of NOK 553 million may, under the agreement, be distributed to shareholders except for Fortum
- Transaction subject to the receipt of clearances and approvals by the Norwegian Competition Authorities, the Board of Fortum Oyj and the approval by an extraordinary general meeting in Hafslund Infratek ASA



Note: * Preliminary pro-forma figures, asset transfer from Fortum Distribution is not included. Calculated with EUR/NOK at 8.33

Fortum Infrastructure Solutions in brief

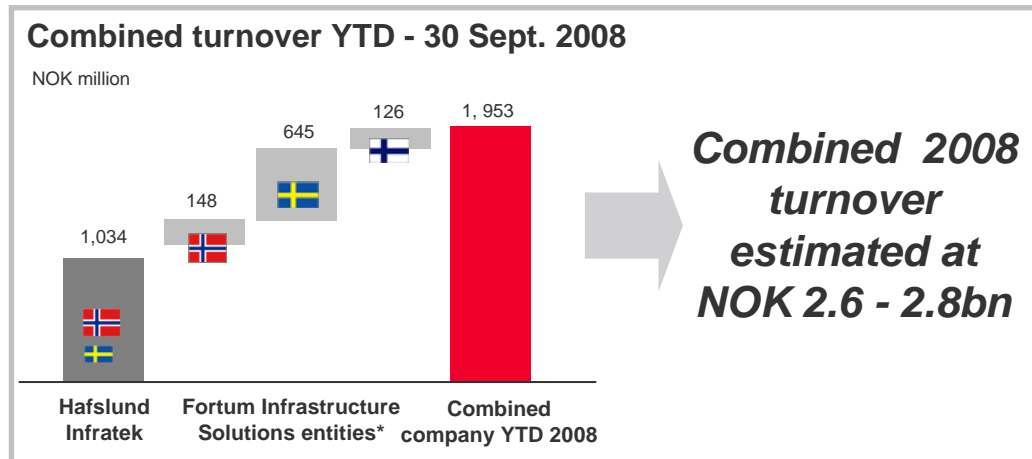
- Fortum Infrastructure Solutions builds, operates and maintains critical infrastructure on:
 - High-voltage power networks, grids and substations
 - Other energy carriers (gas, district heating, etc.)
 - Street lighting
 - Telecom (fibre network, grids and wireless)
 - Railways, subway and tram systems
- 1,100 employees; whereof 800* in Sweden, 150 in Norway and 150 in Finland
- Strong customer base – focus on the corporate market in the most populated areas
- Efficiency improvement processes ongoing
 - Hafslund Infratek to contribute with business systems and competence transfer
- For the first nine months of 2008, Fortum Infrastructure Solutions reported revenues of EUR 110** million, an EBITDA of EUR 4.7 million (4.3 margin) and EBIT of EUR 3.9 million (3.6% margin)
 - Another EUR 22 million in annual revenue to be transferred from Fortum Distribution



Strong strategic rationale...

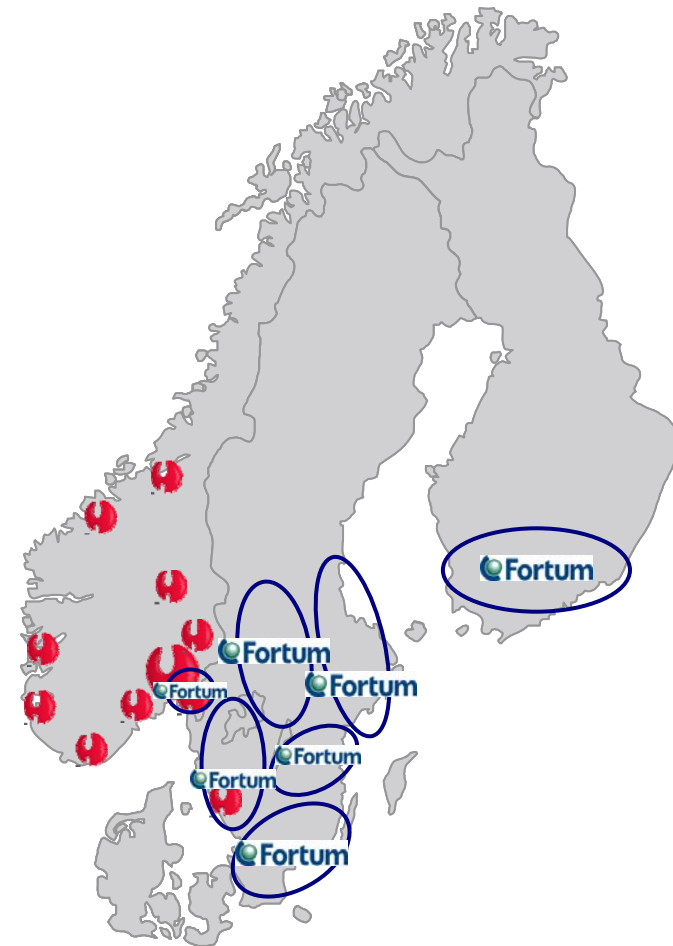
- Create a powerful Nordic infrastructure construction and service provider
 - Taking a leading position in a market requiring consolidation
 - Increased competitiveness towards other large players
- Strong industrial and geographical fit with strong presence in the respective markets
 - Limited overlap
- Larger and more professional customers require sizeable and reliable vendors
- Retain skilled labour
- Increased access to market opportunities
 - M&A opportunities, new products and services and geographical expansion
- Significant synergies identified
 - i) Market experience and staff mobility, ii) competence transfer and increased specialisation, iii) business development, iv) sales, v) purchasing and vi) reduced overhead costs

...in creating a leading Nordic infrastructure provider








Note: * Preliminary pro-forma figures, asset transfer from Fortum Distribution not included.

- ✓ Optimal product mix with strong presence in each market
- ✓ Good balance between project and maintenance business



Complementary operations...

Hafslund Infratek		Fortum Infrastructure Solutions		
				
<ul style="list-style-type: none"> ✓ Distribution grid ✓ Substations and transformers ✓ Transmission grid District heating ✓ Communication ✓ Public lighting ✓ Energy measurement 	<ul style="list-style-type: none"> ✓ Distribution ✓ Communication District heating 	<ul style="list-style-type: none"> ✓ Distribution grid ✓ Substations and transformers ✓ Transmission grid ✓ Public lighting Public transport ✓ Communication ✓ Energy measurement 	<ul style="list-style-type: none"> ✓ Distribution grid ✓ Public lighting 	<ul style="list-style-type: none"> ✓ Substations and transformers

Similar product and service offerings and a complementary geographical presence

...and a complementary customer base

Hafslund Infratek

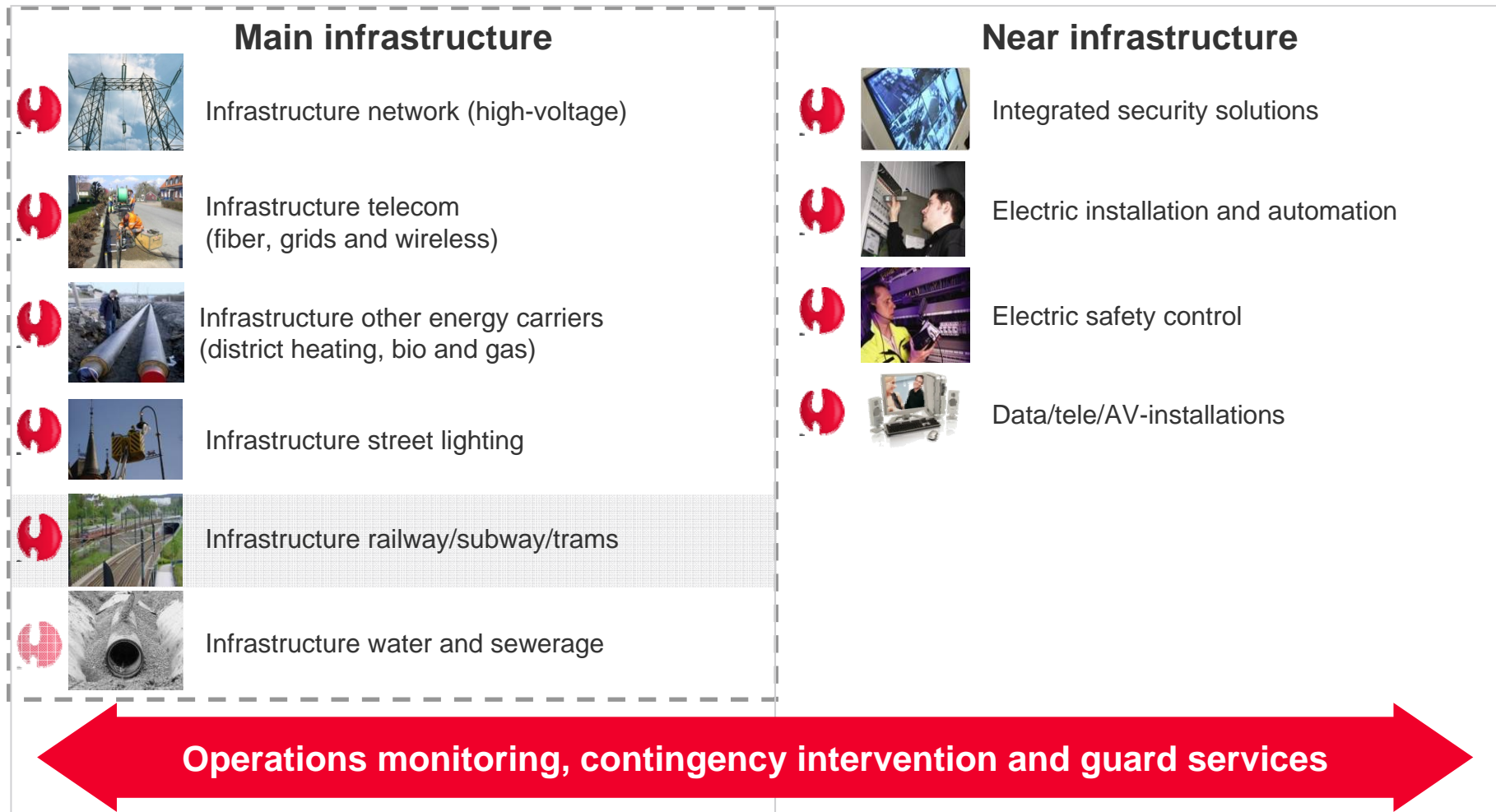


Fortum Infrastructure Solutions

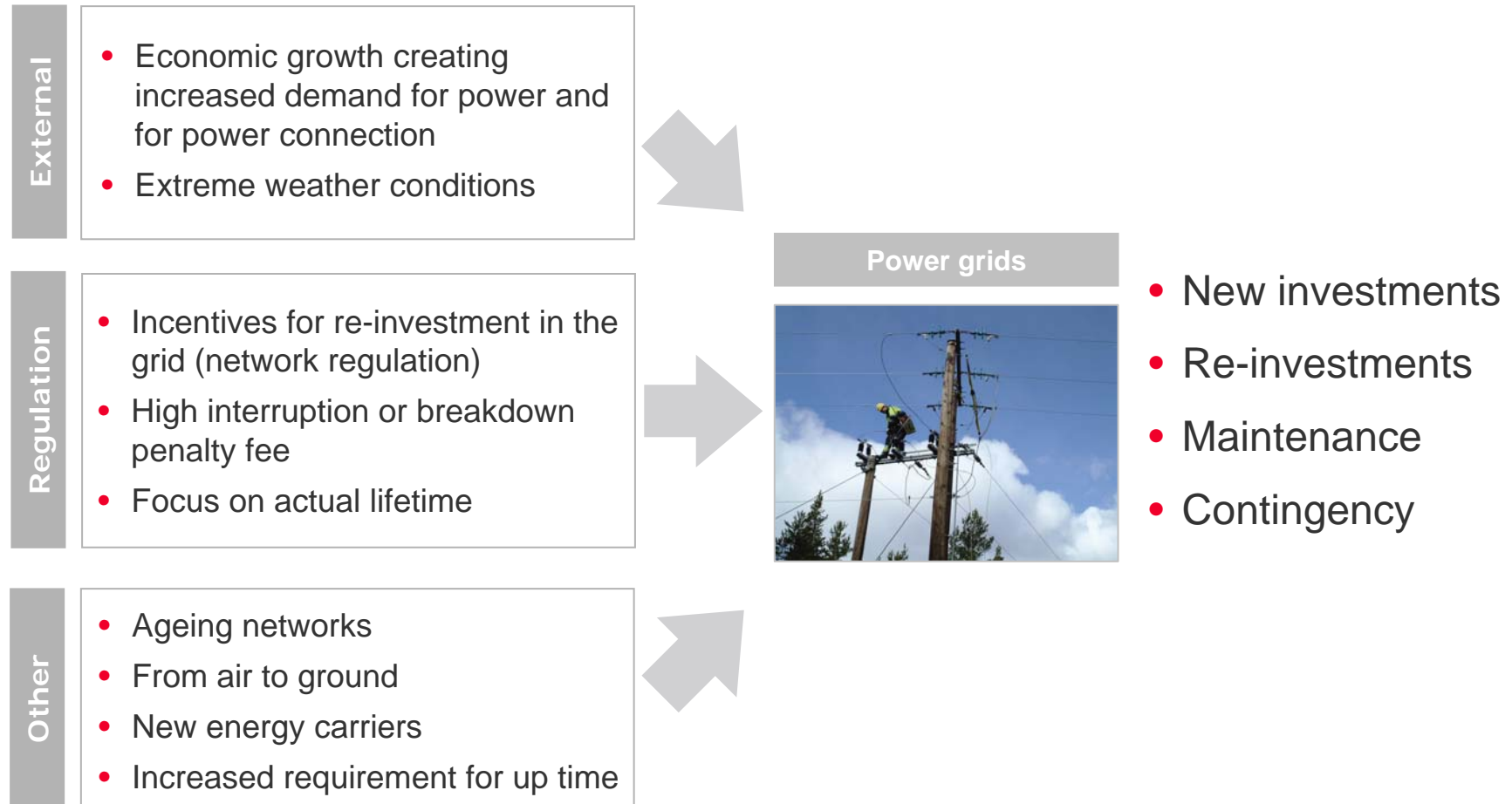


An attractive and complementary customer base where large corporate and public clients dominate

Increased focus on main infrastructure



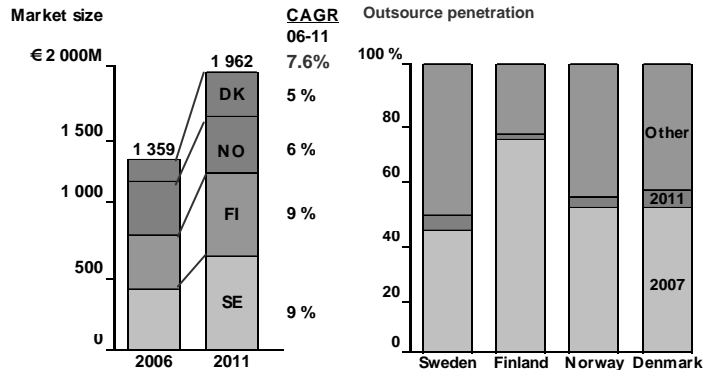
Significant investments in grids needed...



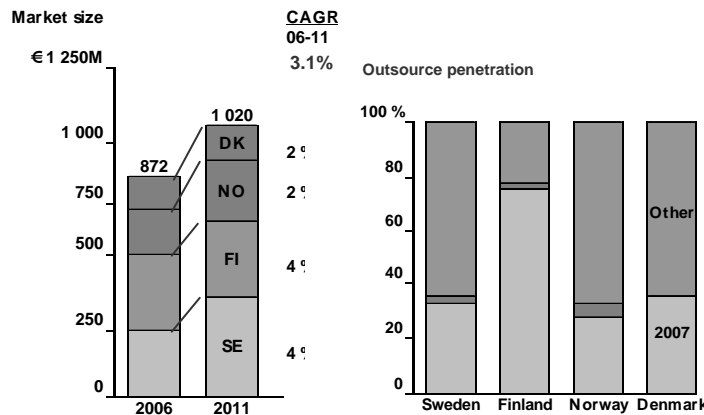
... and increased outsourcing expected in the Nordic region

Key drivers in the Nordic infrastructure service market

Construction



Maintenance

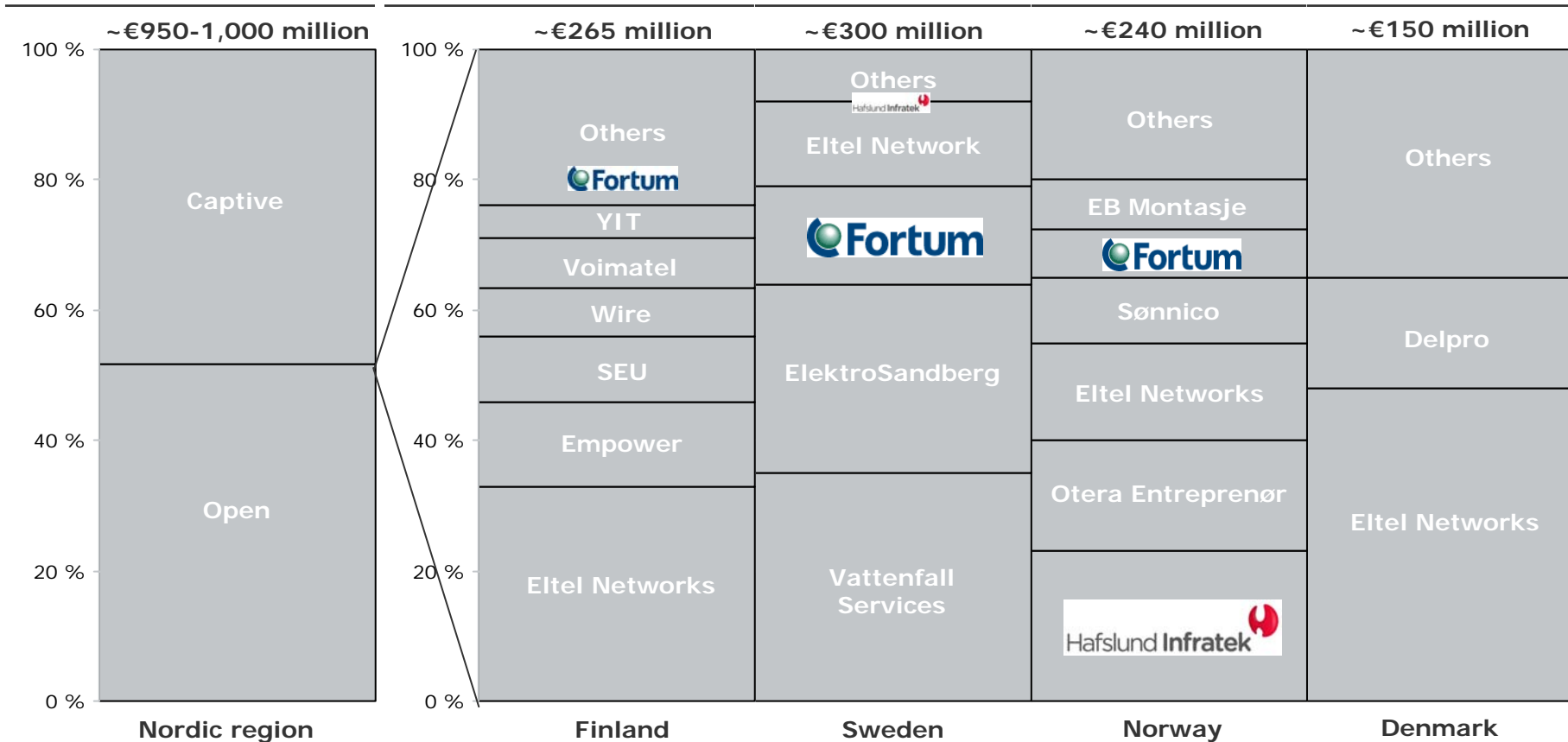


Sources: Figures are based on numerous publicly available as well as proprietary market studies carried out in connection with Fortum Service's strategic planning

- ✓ Demand for electricity network services growing
 - Total construction market expected to grow at 7-8%
 - Total maintenance market expected to grow at ~3%
- ✓ From the infrastructure owners' perspective electricity network services are "non-core"
 - Focus shifting from pure price to reliable delivery
- ✓ The share of open markets expected to grow
 - ✓ A combination of underlying growth and market opening
- ✓ The scope of outsourced services to expand from construction projects through maintenance towards long-term service contracts
- ✓ Pure players which focus on service business having long-term contracts with 2-3 major distribution companies will be the winners
- ✓ Fragmented market – further consolidation expected
 - ✓ Restructuring and integration skills the key to success

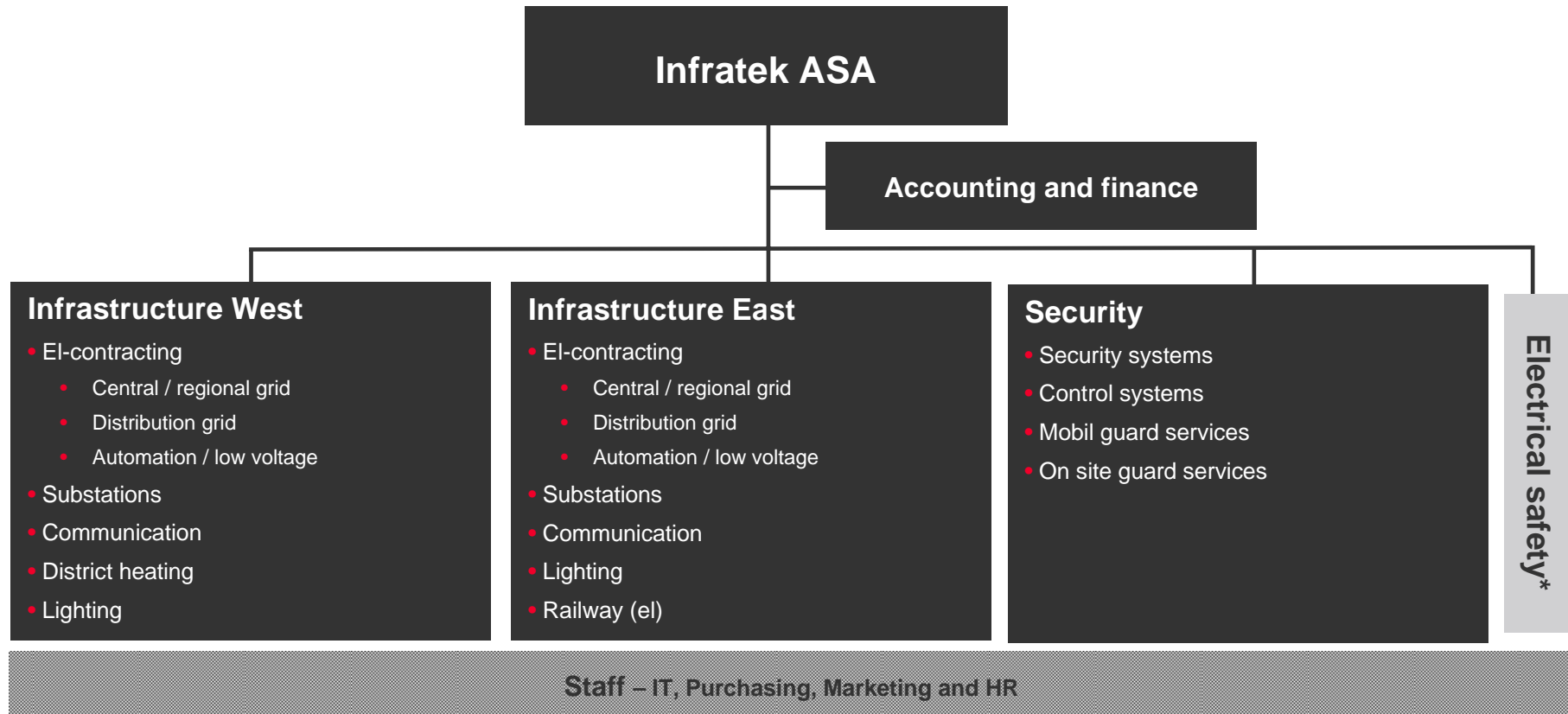
Significant opportunities in the Nordic market in the years come

Competitive landscape



Sources: Based on numerous publicly available and proprietary market studies carried out in connection with Fortum Service's strategic planning, 2006 figures for the Nordic electricity network service market

Planned operational structure



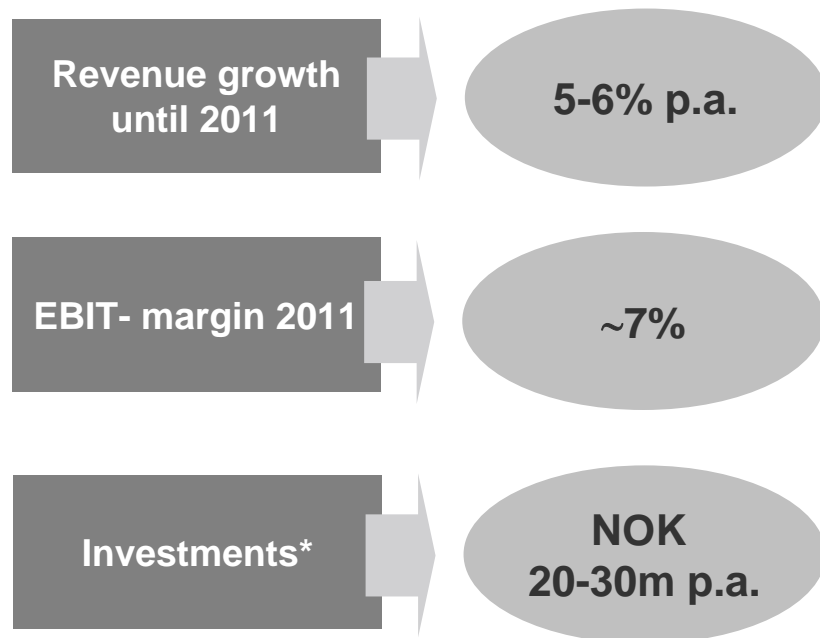
Preliminary subject to negotiation with employees

* Report through Security

New operational and financial reporting structure from 2009

Fortum Infrastructure Solutions towards 2011

Ambition Fortum Infrastructure Solutions:



- 2009 characterised by integration:
 - Costs associated with overlapping staff functions, introduction of new operating model and general integration issues incl. change of corporate logo
- “Normal” EBIT-margin expected in ~2011
 - Gradual improvement towards 2011
- Result triggers:
 - Strategic position, market growth and increased activity
 - Introduction of Hafslund Infratek’s project operation systems and competence
 - Increased utilisation of resources (employees, equipment and cars)
 - Reduced overhead costs

Organic growth and EBIT-margin in “old” Hafslund Infratek expected to exceed the targets set for Fortum Infrastructure Solutions

Strategic focus going forward

- ✓ Build, operate and secure critical infrastructure
- ✓ Trusted partner to corporate customers
- ✓ Leading turn-key supplier - # 1 or 2 position in each business area
- ✓ A full scale Nordic player
- ✓ Actively take part in a market set for structural change



Closing comments

- Fortum represents a very attractive consolidation partner for Hafslund Infratek
 - The industrial fit between Fortum Infrastructure Solutions and Infratek is exceptionally strong
 - Strong geographical fit with strong presence in the respective Nordic markets - limited overlap
- The combination creates a powerful pan-Nordic infrastructure provider
 - Taking a leading position in a market requiring consolidation - solid platform in place for further growth and continued consolidation both domestically and on a Nordic scale
 - Increased competitiveness towards other large players
- Increased access to market opportunities as a Nordic player
 - M&A opportunities, new products and services and geographical expansion
- Significant synergies to be exploited
 - i) Market experience and staff mobility, ii) competence transfer and increased specialisation, iii) business development, iv) purchasing and v) reduced overhead costs

Hafslund Infratek  +  = Infratek 