Shareholders' Report

Second quarter 2014

Contents:

Hafslund

Second quarter highlights 2014

> EBITDA of NOK 624 million – up 10 percent on the previous year due to improvements in results within network and power sales.

> Customer growth and improved margins boosted Power sales' profits by 82 percent against the previous year.

> Hydropower production of 970 GWh – 18 percent above the previous year and slightly above normal.

> Achieved power price of NOK 0.20 per kWh – down 29 percent on the previous year.

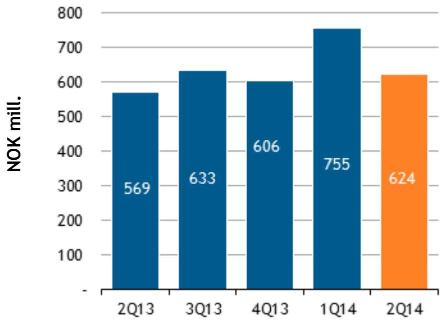
> Takeover of Fortum's networks business in Norway completed, and integration measures to coordinate and optimally organise the overall Networks business started.

> Equity ratio maintained at 31 percent despite the acquisition of Fortum's networks business and the payment of NOK 488 million in dividends in the quarter.

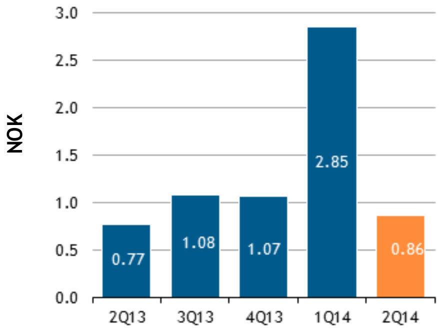
Earnings per share

NOK 0.86

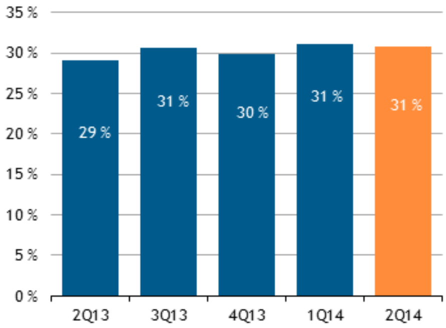
> **EBITDA**



> **Earnings per share**



> **Equity ratio**



Key figures

Q2 13	Q2 14	Profit and loss (NOK million)	Ytd 14	Ytd 13
2 810	**2 550**	Operating revenues	**6 284**	6 817
569	**624**	EBITDA	**1 379**	1 207
374	**408**	Operating profit	**961**	814
266	**294**	Profit before tax and discontinued operations	**739**	549
151	**168**	Profit after tax	**725**	329
		Capital matters		
29 %	**31 %**	Equity ratio	**31 %**	29 %
10 020	**10 548**	Net interest-bearing debt	**10 548**	10 020
		Per-share figures (NOK)		
0.77	**0.86**	Profit (EPS)	**3.71**	1.69
3.1	**0.8**	Cash flow from operations	**7.9**	7.3
		Key figures		
0.28	**0.20**	Power prices (NOK per kWh)	**0.22**	0.30
823	**970**	Hydropower production (GWh)	**1 787**	1 343
355	**326**	Heat production (GWh)	**1 045**	1 228
3 528	**3 814**	Power sales (GWh)	**9 513**	9 292

Figures in NOK unless otherwise stated. 2013 figures are stated in parentheses.

Summary second quarter 2014

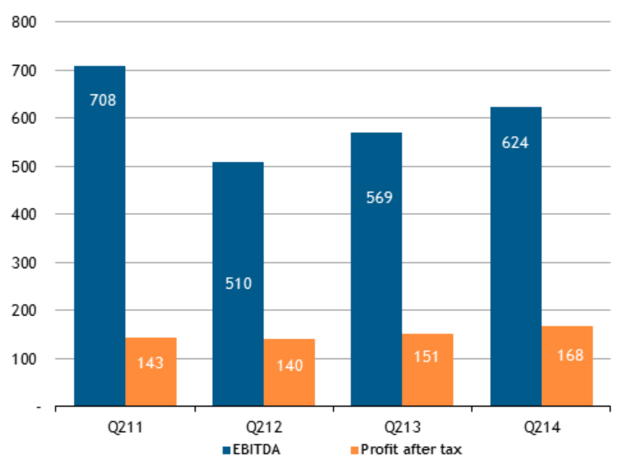
Second quarter performance

Hafslund posted EBITDA of NOK 624 million in the quarter, an increase of NOK 55 million against the previous year. The improvement in results is attributable to customer growth and higher margins from Power sales, a strong result from Networks and improved hydropower production, despite significantly lower power prices. The wholesale power price on Nord Pool for price area NO1 was 42 percent lower than the previous year. The result from hedging activities partially offset the fall in the wholesale price. The achieved power price of NOK 0.20 per kWh for Hydropower was NOK 0.08 per kWh lower than the previous year. Production and Heat returned combined EBITDA of NOK 151 million, a reduction of NOK 63 million against the previous year. Networks' EBITDA came in at NOK 312 million, which was up 10 percent on the previous year. Markets returned EBITDA of NOK 126 million, an improvement of NOK 54 million against the previous year related to growth of 148,000 new customers and improved margins.

Financial expenses of NOK 114 million (NOK 108 million) in the quarter reflect net interest-bearing liabilities of NOK 10.5 billion and a coupon rate of 3.9 percent at the reporting date.

Lower forward interest rates have affected the market value of the loan portfolio and increased financial expenses by NOK 17 million (decrease of NOK 7 million).

Second quarter profit 2011-2014 (excl. REC)
(NOK million)

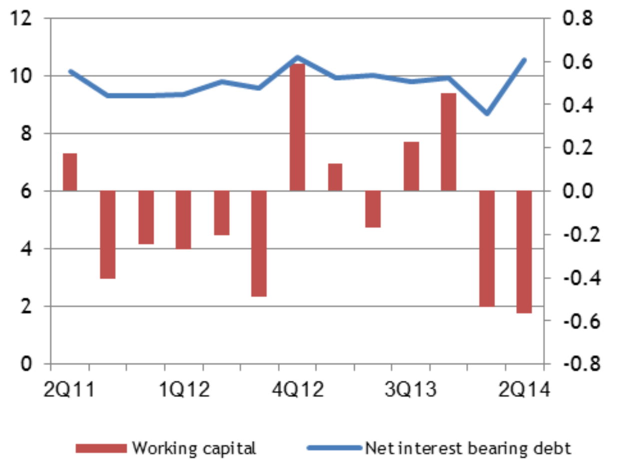


The tax expense of NOK 126 million (NOK 115 million) includes resource rent tax for the hydropower business of NOK 38 million (NOK 38 million). The profit after tax of NOK 168 million represents an improvement of 11 percent against the previous year. This equates to an earnings per share figure of NOK 0.86 (NOK 0.77).

Cash flow and capital in the second quarter

The cash flow from operations of NOK 151 million in the quarter includes a NOK 206 million increase in working capital. This increase, which was achieved despite lower seasonal demand for energy, is primarily attributable to the payment of the electricity tax for the first period of 2014. At the end of the reporting period working capital amounted to NOK 563 million. EBITDA of NOK 624 million were NOK 267 million higher than the related cash flow from operations before changes in working capital. The difference is attributable to the payment of interest (NOK 115 million) and tax (NOK 124 million), and the result effects of non-cash items in the amount of NOK 28 million. At NOK 1,538 million, the net cash flow from investing activities reflects the acquisition of Fortum's networks business in Norway, along with ongoing investments. This, together with the payment of a dividend of NOK 488 million, increased net interest-bearing liabilities by NOK 1.8 billion in the quarter. At the reporting date net interest-bearing liabilities amounted to NOK 10.5 billion. The graph below shows changes in interest-bearing liabilities and working capital from the second quarter of 2011 to the second quarter of 2014.

Changes in net interest-bearing debt and working capital (in NOK billion)



At NOK 25.3 billion, total assets decreased by NOK 0.9 billion during the quarter. Total assets decreased despite the acquisition of Fortum's networks business, in part due to a NOK 1.9 billion decrease in bank balances. The company's bank balances were high at the start of the quarter pending the financing of Fortum's networks business. Hafslund has a robust financing structure with long-term committed drawdown facilities. Unutilised drawdown facilities at the end of the first half of the year amounted to NOK 3.7 billion, which is deemed sufficient to cover both working capital requirements and refinancing of liabilities over the next 12 months.

Summary first half-year 2014

Hafslund posted EBITDA for the first half of 2014 of NOK 1,379 million, an increase of NOK 172 million compared with the previous year. Customer growth and higher margins from the power sales business, high hydropower production and improved results from networks are improving results compared with previous year, while lower demand for energy from the district heating are having the opposite effect. The volume-weighted wholesale price for power on Nord Pool for price area NO1 was 31 percent lower than in the first half of 2013. The result from hedging activities partially offset the fall in the wholesale price. The achieved power price of NOK 0.22 per kWh for hydropower was NOK 0.08 per kWh lower than the previous year. Markets improved profits by NOK 96 million due to growth of 148,000 new customers and higher margins from power sales.

Financial expenses of NOK 223 million reflect net interest-bearing liabilities of NOK 10.5 billion and a coupon rate of 3.9 percent at the end of the first half of the year. Financial expenses were negatively impacted by NOK 33 million (decrease of NOK 21 million) due to the effect of lower forward interest rates on the market value of the loan portfolio. The profit before tax of NOK 739 million was up 35 percent on the comparative prior-year period. The reversal of previously recognised tax provisions of NOK 268 million following the tax authorities' ceding that there is no basis to tax gains on the sale of shares in Hatros I AS and Hatros II AS in 2006 and 2007 resulted in the recognition of a tax expense of just NOK 14 million in the first half of the year. This included resource rent tax for the hydropower business of NOK 65 million. The profit after tax of NOK 725 million (NOK 329 million) equates to an earnings per share figure of NOK 3.71.

At NOK 1,539 million, the cash flow from operations for the first half of the year reflects a capital release from reduced working capital of NOK 746 million. EBITDA of NOK 1,379 million for the same period were NOK 586 million higher than the related cash flow from operations before changes in working capital. The above difference is attributable to the payment of tax and interest totalling NOK 562 million and liquidity adjustments with an effect on profits of NOK 24 million. After a cash flow from investing activities, including the acquisition of Fortum's networks business, of NOK 1,672 million and payment of a dividend of NOK 488 million, this resulted in an increase in net interest-bearing liabilities of NOK 0.6 billion during the first half of the year.

Risk and uncertainty factors over the next six months

Market power prices, along with demand for energy and energy production, will be the primary drivers behind the Group's performance in the second half of the year. The power price has a particular impact on power production and heat production. A change in the achieved power price of NOK 0.05 per kWh would affect the Group's operating result by around NOK 210 million. Similarly, the profit after tax would be affected by around NOK 105 million. Hafslund hedges some of its hydropower and district heating production volume for the next 36 months in the forwards market in order to reduce power price risk. Please refer to the reports on the individual results units section and to Note 5. Power production returned normal production of 1.6 TWh in the second half of the year. Based on current forward prices, a change in the production volume of 200 GWh would impact the operating result by around NOK 45 million. Actual temperatures, in particular towards the end of the year, will have a significant impact on demand for energy from district heating, the power sales. Networks' earnings are to a large extent impacted by fluctuations in interest rates, the business area's relative efficiency compared with the rest of the industry and changes in public regulations. A one percentage point change in interest rates would impact networks' revenue ceiling by around NOK 75 million. No major changes have been announced regarding framework conditions in the second half of the year.

Business segments second quarter

> Production

NOK million	Q2 14	Q2 13	Ytd 14	Ytd 13
Operating revenues	**203**	234	**440**	425
Gross margin	**209**	236	**434**	415
EBITDA	**143**	177	**298**	288
Operating profit	**131**	165	**274**	264
Operating profit hydropower	**122**	167	**260**	260
Operating profit power trading	**8**	-3	**14**	4
Power price (NOK/kWh)	**0.20**	0.28	**0.22**	0.30
Production (GWh)	**970**	823	**1 787**	1 343
Investments	**1**	7	**4**	12

Production posted sales revenues of NOK 203 million (NOK 234 million) in the second quarter. The reduction in revenues was attributable to lower power prices, despite higher production compared with the previous year. The operating profit of NOK 131 million (NOK 165 million) relates in the amount NOK 122 million (NOK 167 million) to hydropower production and NOK 8 million (NOK -3 million) to the power trading business.

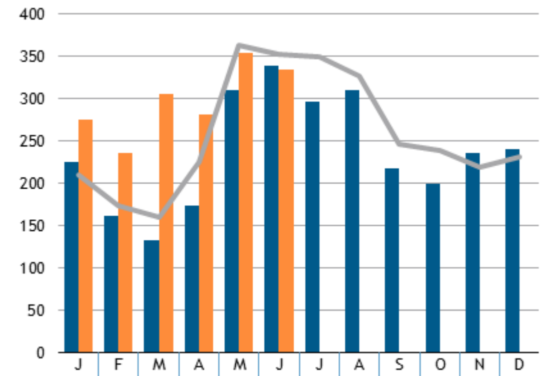
At NOK 0.20 per kWh, the achieved power price was down NOK 0.08 per kWh against the previous year, which reduced the results contribution by NOK 66 million. The achieved power price was NOK 0.02 per kWh higher than the associated volume-weighted spot price on Nord Pool Spot for price area NO1, in part due to the result from hedging activities in the period. Work performed on the central network node at Hasle significantly restricted transmission capacity to Sweden in the quarter. The above, together with the flooding season, contributed to the NO1 price being NOK 0.05 per kWh lower than the system price during the quarter. The second quarter hedge ratio of 45 percent generated a results contribution of NOK 29 million. 56 GWh of concessionary and compensatory power was sold at NOK 0.14 per kWh (NOK 0.14 per kWh) during the quarter.

At 970 GWh, production was 147 GWh higher than the previous year, generating an improved results contribution of NOK 30 million compared with previous year. Production was 3 percent higher than normal for the quarter. Hafslund hedges the price of some of its hydropower production volume. Please refer to Note 5 later in the report for further information on the company's hedging policy. The table on next side shows the hedging position for the next six months:

Hedging position	Next 6 months
Hedge ratio as of 30 June 2014	40%
Hedge price less market price quoted 30 June 2014 (NOK/kWh)	0.03

At the end of June the overall hydrological reservoir level in Hafslund's catchment area was 98 percent of the normal and total stored energy comprised just under 500 GWh. Based on production to date, expected availability in the power plants, current reservoir levels and a normal weather situation, production in the third quarter is expected to come in at around 885 GWh, which is 4 percent lower than normal.

Hydropower – monthly production profile (GWh)



	J	F	M	A	M	J	J	A	S	O	N	D
2013	225	162	133	174	310	339	296	311	218	200	236	241
2014	276	236	305	281	354	335						
Mean	211	174	160	225	363	353	350	328	247	238	220	232

Mean = 10 years' hydropower history adjusted for efficiency improvements.

Operating expenses for the quarter came in at NOK 67 million (NOK 60 million). The year-on-year increase is attributable to higher networks costs.

At the reporting date Production had capital employed of NOK 4.3 billion

> Heat

NOK million	Q2 14	Q2 13	Ytd 14	Ytd 13
Operating revenues	**160**	194	**593**	698
Gross margin	**92**	110	**337**	348
EBITDA	**8**	37	**180**	211
Operating profit	**-35**	-5	**94**	128
Gross margin (NOK/kWh)	**0.30**	0.33	**0.35**	0.31
Production (GWh)	**326**	355	**1 045**	1 228
Investments	**18**	30	**23**	37

Heat posted sales revenues of NOK 160 million in the quarter, a decrease of 18 percent against the corresponding prior-year period. This was attributable to a lower district heating price as a result of lower power prices and lower demand for energy from district heating caused by higher average temperatures in the quarter compared with the previous year. The gross contribution of NOK 92 million was 16 percent down on the previous year on the back of lower power prices and energy demand. Operating expenses of NOK 84 million (NOK 72 million) reflect slightly higher maintenance activities compared with the previous year. At NOK 8 million, EBITDA were down NOK 29 million on the previous year. With around 17 percent of normal annual production, the second quarter is normally a weak quarter for the Heat business.

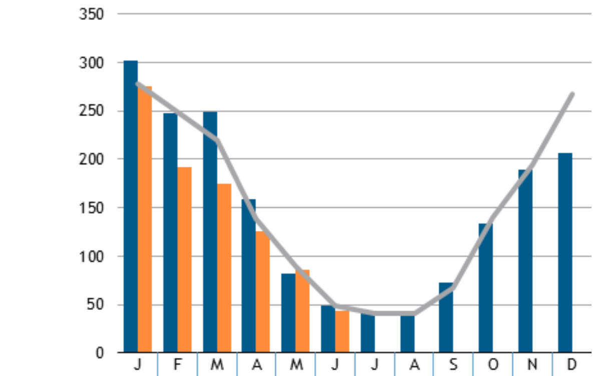
Investments amounted to NOK 18 million (NOK 30 million) and primarily relate to the connection of new district heating customers. In the first half of the year the company connected new district heating customers with a total annual district heating requirement of 12 GWh (13 GWh). Heat had capital employed of NOK 5.2 billion at the end of the first half of the year.

District Heating	Q2 14	Q2 13	Ytd 14	Ytd 13
Waste and biofuel (GWh)	**200**	195	**492**	471
Heat pumps (GWh)	**16**	22	**64**	76
Pellets (GWh)	**4**	7	**45**	59
Electricity (GWh)	**32**	62	**258**	382
Biooil, natura1l gas, oil (GWh)	**3**	4	**38**	101
Total production (GWh)	**255**	290	**897**	1 089
Production cost (NOK/kWh)	**0.24**	0.26	**0.25**	0.31
Sales price (NOK/kWh)	**0.56**	0.63	**0.61**	0.65
Gross margin (NOK/kWh)	**0.29**	0.34	**0.35**	0.31

At 255 GWh, district heating production was 35 GWh lower than the previous year, despite organic growth. The decrease was attributable to lower energy demand due to warmer weather this quarter than in the second quarter of 2013. Production was 8 percent lower than normal for the quarter. The fuel cost of NOK 0.24 per kWh was NOK 0.02 per kWh lower than the previous year. Compared with the previous

year, a larger relative share of production is being generated by the waste-to-energy plant at Klemetsrud and other base load plants due to lower demand for energy. At NOK 0.56 per kWh, the district heating price was NOK 0.07 per kWh lower than the previous year, primarily as a result of lower power prices. The gross contribution of NOK 0.29 per kWh was NOK 0.05 per kWh lower than the previous year.

District Heating – monthly production profile (GWh)



	J	F	M	A	M	J	J	A	S	O	N	D
2013	302	248	249	159	82	49	41	43	73	133	189	207
2014	275	192	175	126	86	43						
Mean *	278	249	220	139	90	49	40	41	68	140	195	268

* Mean = expected production in 2014 assuming normal temperatures (average for the last ten years), and existing and planned customer connections.

Hafslund hedges the price of some of its district heating production. Please refer to Note 5 later in the report for further information on the company's hedging policy. In the second quarter 59 percent (150 GWh) of production was hedged, generating a results contribution of NOK 5 million. The table below shows the hedging position in relation to net power price exposure for the district heating business for the next six months:

Hedging position	Next 6 months
Hedge ratio as of 30 June 2014	46%
Hedge price less market price quoted 30 June 2014 (NOK/kWh)	0.03

Industrial Energy in the county of Østfold posted an overall gross contribution of NOK 22 million (NOK 18 million) in the quarter. The energy is delivered in the form of steam, district heating and electricity. Energy production of 71 GWh in the quarter was 9 percent higher than the previous year, primarily due to higher steam sales. At NOK 0.30 per kWh, the gross contribution was NOK 0.02 per kWh higher than the previous year due to a higher share of steam deliveries and slightly higher waste treatment revenues.

Industrial energy	Q2 14	Q2 13	Ytd 14	Ytd 13
Sales price (NOK/kWh)	**0.27**	0.25	**0.27**	0.25
Used waste (thousand tonns)	**29**	32	**63**	64
Gross margin (NOK/kWh)	**0.30**	0.28	**0.30**	0.28
Production (GWh)	**71**	65	**148**	139

* The gross contribution (NOK/kWh) is higher than the sales price due to the fact that income from the receipt of waste is included in the contribution but not in the sales price.

> Network

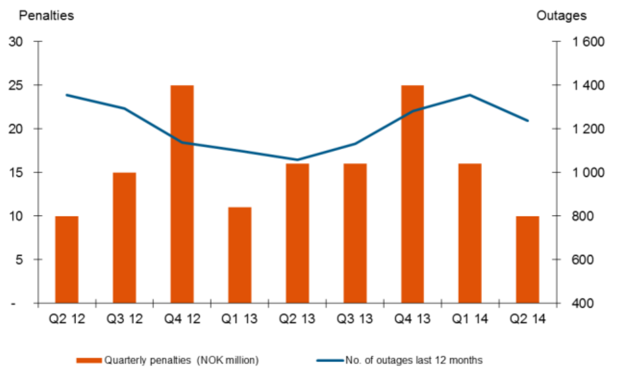
NOK million	Q2 14	Q2 13	Ytd 14	Ytd 13
Operating revenues	**950**	966	**1 932**	2 036
Gross margin	**678**	605	**1 278**	1 168
EBITDA	**312**	283	**591**	555
Operating profit	**182**	162	**338**	312
Result effect income surpluses/(shortfalls)	**43**	(52)	**12**	(120)
Investments	**131**	132	**233**	199

On 30 May 2014 Hafslund completed the purchase of Fortum's networks business in Norway, in the process expanding its customer base by 103,000 to 676,000. Fortum Distribution AS has changed its name to Hafslund Nett Øst AS and has been part of the Networks business area since 30 May 2014. An integration project has been launched with the aim of identifying future solutions that will provide optimum results for Hafslund's overall Networks business, including various options for coordinating the businesses in the two Networks areas. This work will continue through autumn 2014. The company has decided to commence work to facilitate a shared operating centre function for Hafslund's entire Networks area through Hafslund Operating Centre at Smestad in Oslo. Hafslund Nett Øst and Hafslund Nett have had separate projects for the rollout of AMS in their networks areas. In order to secure the lowest possible operating and investment costs, a shared AMS solution will be procured for the two Networks companies.

Networks posted sales revenues of NOK 950 million (NOK 966 million) in the second quarter. The revenues and contribution reflect an income surplus of NOK 43 million (income shortfall of NOK 52 million) in the quarter. Please refer to Note 2 later in the report for further information on income surpluses/shortfalls. The operating expenses amounted to NOK 367 million (NOK 322 million) in second quarter. EBITDA of NOK 312 million were up 10 percent on the previous year. The consolidation of Hafslund Nett Øst AS contributed NOK 33 million in operating revenues, EBITDA of NOK 10 million and an operating profit of NOK 4 million to the result for the quarter before integration expenses.

Hafslund Network security of supply is among the best in Norway. The table above shows the change in operating downtime (X-axis) and the KILE cost (Y-axis). KILE is the quality-adjustment of the income ceiling for non-delivered energy. At 328, there were fewer operating stoppages in the second quarter of the year than in the comparable prior-year period (206). Consequently, downtime also decreased compared with the same period last year. In the second quarter the KILE cost was NOK 10 million, which was down NOK 6 million against the second quarter of 2013. The low KILE cost and a number of stoppages were in part due to more stable weather than in the second quarter of 2013. The extremely high levels of precipitation and thunder during the storms of 26 June had a minimal impact on operating stability in Hafslund's Networks area. Aggregate energy delivery to end customers in the quarter came in at 3.2 TWh, which was 0.3 TWh lower than in the previous year. On average Hafslund Network's customers were without power for 0.14 hours during the second quarter, compared with 0.21 hours in the comparable prior-year period.

Service interruptions and related penalties



Networks had committed capital of NOK 9.9 billion at the end of the first half of the year. Capital employed rose by NOK 1.3 billion during the quarter, primarily due to the acquisition of Hafslund Nett Øst AS (formerly Fortum Distribution AS).

Hafslund Network endeavours to provide stable networks tariffs for its customers. Lower grid losses, combined with stable longer-term networks tariffs, will result in higher profits than in 2013. Based on current network tariffs and normal energy demand in the second half of the year, the operating result for 2014 is expected to be around 20 percent higher than in 2013.

Please refer to Note 5 later in the shareholders' report for a discussion of the provisional purchase analysis for the acquisition of Fortum's networks business.

On 5 May the Reiten Committee presented its report on "A better way to organise the electricity network. The Norwegian Minister of Petroleum and Energy has announced a review deadline for the report of 1 October 2014. In essence the Reiten Committee concluded that there are too many networks companies in Norway, and proposes various measures to facilitate further restructuring of the industry.

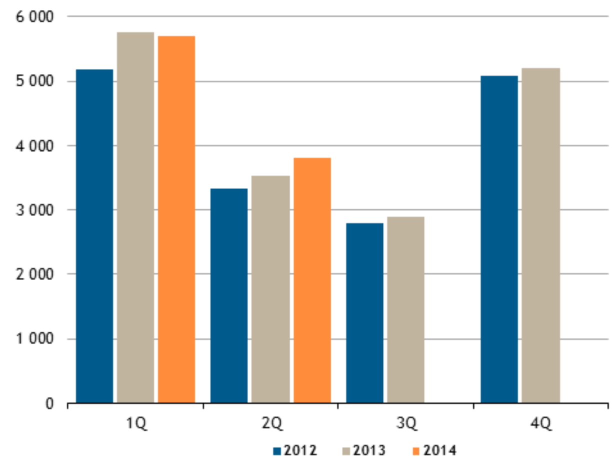
> Markets

NOK million	Q2 14	Q2 13	Ytd 14	Ytd 13
Operating revenues	**1 246**	1 443	**3 331**	3 699
Gross margin	**332**	261	**721**	548
EBITDA	**126**	71	**266**	163
Operating profit	**113**	62	**240**	144
Operating profit power sales	**93**	52	**207**	133
- included value change derivatives	**(4)**	(3)	**2**	(5)
Sales volume (GWh)	**3 814**	3 528	**9 513**	9 292
Operating profit billing and customer service	**20**	10	**33**	11

Markets posted sales revenues of NOK 1,246 million in the second quarter, a reduction of 14 percent against the previous year. The reduction is primarily attributable to lower wholesale prices for power on Nord Pool Spot, even though higher sales volumes made a positive contribution due to growth of 148,000 new customers compared with the previous year. The operating profit of NOK 113 million (NOK 62 million) represents a good result in a quarter characterised by low energy demand. More customers and improved margins compared with a weak previous year helped to boost the year-on-year contribution by NOK 71 million.

Power sales posted an operating profit of NOK 93 million, which equates to post-tax earnings of around NOK 63 per customer in the quarter (NOK 41). The sold volume was 3,814 GWh, up 8 percent on the comparable prior-year quarter. The sales volume relates 2,120 GWh (2,230 GWh) to the private segment and 1,694 GWh (1,298 GWh) to the business segment. At the end of June Hafslund had 1,075,000 customers.

Power Sales – Volume sold
(GWh)



Operating expenses for the quarter came in at NOK 206 million (NOK 189 million). The year-on-year increase is attributable to the consolidation of Energibolaget i Sverige (EBS) since the fourth quarter of 2013, despite to lower costs as a result of the transition to a new customer and invoicing system.

At the reporting date Markets had capital employed NOK 1.9 billion, of which NOK 1.4 billion related to the book value of the customer portfolio. Capital employed will to a large extent vary in line with changes in working capital during the year as a result of fluctuating energy demand and wholesale power prices on Nord Pool Spot.

Hafslund has decided to coordinate activities in the wholly owned subsidiaries SverigesEnergi AB and EBS. Since April SverigesEnergi's and EBS's activities have been bundled and operated under the brand name SverigesEnergi.

> Other activities

NOK million	Q2 14	Q2 13	Ytd 14	Ytd 13
Support	(2)	(10)	(19)	(22)
Other acitivities	20	(0)	36	(12)
Total operating profit Other	17	(10)	17	(34)

Other business posted a total operating profit of NOK 17 million in the second quarter (loss of NOK 10 million). Other business includes a positive non-recurring item of NOK 34 million relating to the provisional purchase analysis for Fortum's minority shareholdings in Fredrikstad Energi AS (49 percent) and Fredrikstad Energi Nett AS (35 percent). Please refer to Note 5 later in the shareholders' report for a discussion of the provisional purchase analysis for the acquisition of Fortum's Networks business.

Other matters

> List of shareholders as of 30 June 2014

(1000' shares)	A-shares	B-shares	Total	Holding
City of Oslo	67 525	37 343	104 868	53.7 %
Fortum Forvaltning AS	37 853	28 706	66 559	34.1 %
Østfold Energi AS	5 201	4	5 205	2.7 %
Odin Norge		3 806	3 806	1.9 %
MP Pensjon PK	5	1 579	1 584	0.8 %
Folketrygdfondet	85	885	970	0.5 %
Danske Invest		584	584	0.3 %
Skandinaviska Enskilda Banken	14	431	445	0.2 %
AS Herdebred	107	321	428	0.2 %
New Alternatives Fund	328		328	0.2 %
Total 10 largest	111 118	73 659	184 777	94.7 %
Other shareholders	4 310	6 099	10 409	5.3 %
Total	115 428	79 758	195 186	100 %

At the reporting date Hafslund ASA had 6,737 shareholders, of whom the ten largest owned 94.7 percent of the share capital. The market capitalisation on the Oslo Stock Exchange of NOK 10.1 billion at the end of the first half of the year is based on a price of NOK 51.75 for A shares and NOK 52.00 for B shares. Since 30 June Kommunal Landspensjonskasse (KLP) has purchased Østfold Energi's 5.2 million shares in Hafslund, which comprises 2.7 percent of the outstanding shares.

> Repurchase programme Hafslund B shares

Hafslund plans to repurchase up to 250,000 Hafslund B shares during the third quarter of 2014. The repurchase will be made in accordance with the authority granted to the 2014 Annual General Meeting and the shares will primarily be used for employee share schemes. The repurchase programme will be aimed at Hafslund ASA's existing B shareholders.

> Market making agreement

Hafslund has entered into a market making agreement with DNB Markets. The purpose of the agreement is to boost the liquidity of Hafslund ASA's A and B shares. The market making agreement complies with the Oslo Stock Exchange's requirements and entered into force from 16 June 2014.

Outlook

Hafslund is a pure-play energy company with a leading operating and strategic position within: Production, Networks, Heat and Markets. The acquisition of Fortum's networks business in Østfold has further reinforced Hafslund's position as a leading infrastructure company. The number of networks customers has increased significantly in an area in which Hafslund already operates a networks business. The acquisition will contribute operational synergies and further strengthen the relative efficiency of the Networks business.

Production's and Heat's earnings are directly impacted by changes in power prices and the production volume. In order to leverage market prospects more efficiently, and to hedge cash flows, Hafslund hedges some sales of produced energy. Networks' earnings are influenced to a large extent by the business area's relative efficiency compared with the rest of the Networks industry, interest rate fluctuations plus changes in public regulations. The power sales market is highly competitive, and profitability is contingent on Hafslund's ability to achieve further efficiency improvements and improve customer deliveries. In addition to ongoing investments in operations and expansion, the Group's future investment requirements will be significantly impacted by investments in AMS in the period leading up to 2019.

Power prices are affected at any one time by the hydrological balance, supply and demand for power and macroeconomic conditions in the Nordic region and Europe, and relevant regulatory and political initiatives. At the end of the first half of 2014 the listed system price for deliveries of power in 2014 (spot price for the first half-year and forward prices for the second half-year) was NOK 0.24 per kWh, compared with NOK 0.30 per kWh in 2013. Similarly, power deliveries for 2015 were listed at NOK 0.26 per kWh.

Hafslund's position as a leading energy company will be continued through efficient and stable operations, further focus on renewable energy, the electricity market and infrastructure for energy. Hafslund is well equipped both operationally and financially to satisfy the need for increased energy supplies as a result of population growth in the south-east region of Norway and expected changes in the Nordic end-user market.

Oslo, 9 July 2014

Hafslund ASA

Board of Directors

> Condenced income statement

Q2 13	Q2 14	NOK million	Ytd 14	Ytd 13
2 810	**2 550**	Operating revenues	**6 284**	6 817
(1 640)	**(1 263)**	Purchased materials and energy	**(3 552)**	(4 406)
1 170	**1 287**	**Gross margin**	**2 731**	2 411
6	**37**	Gain/loss financial items	**48**	(7)
(213)	**(227)**	Salaries and other personnel expenses	**(469)**	(437)
(394)	**(473)**	Other operating expenses	**(932)**	(759)
569	**624**	**EBITDA**	**1 379**	1 207
(195)	**(216)**	Depreciation and amortization	**(418)**	(393)
374	**408**	**Operating profit**	**961**	814
(115)	**(96)**	Financial interest, etc	**(189)**	(245)
7	**(17)**	Change in market value loan portfolio	**(33)**	(21)
(108)	**(114)**	**Financial expenses**	**(223)**	(266)
266	**294**	**Profit before tax and discontinued operations**	**739**	549
(115)	**(126)**	Tax	**(14)**	(220)
151	**168**	**Profit after tax**	**725**	329
0.77	**0.86**	Earnings per share (in NOK) = diluted profit	**3.71**	1.69

> Condensed statement of comprehensive income

151	**168**	**Profit after tax**	**725**	329
79	**(42)**	Value change hedging instruments	**(5)**	26
1	**(7)**	Translation differences	**(23)**	16
(22)	**11**	Tax	**1**	(7)
58	**(38)**	**Other comprehensive income that may be reclassified to profit or loss in subsequent periods**	**(27)**	35
		Change in actuarial pensions	**(3)**	
		Tax	**1**	
		Other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(2)**	
209	**130**	**Profit attributable to**	**696**	364
209	**130**	Profit to shareholders of Hafslund ASA	**696**	364
(1)	**(0)**	Profit attributable to minority interests	**(0)**	(0)
209	**130**		**696**	364

> Condensed balance sheet

NOK million	30-06-14	31-03-14	2013-06-30	31-12-13
Intangible assets	**2 937**	2 630	2 478	2 606
Fixed assets	**19 142**	18 149	18 281	18 251
Financial assets	**833**	484	589	407
Accounts receivable and inventory	**1 991**	2 636	2 179	2 979
Cash and cash equivalents	**418**	2 328	1 067	1 143
Assets	**25 321**	26 227	24 593	25 384
Equity, majority	**7 797**	8 149	7 145	7 565
Equity, minority	**16**	17	18	18
Allocations for liabilities	**3 607**	3 420	3 440	3 363
Long-term interest-bearing liabilities	**8 927**	9 499	8 603	9 432
Short-term interest-bearing liabilities	**2 783**	2 220	3 179	2 332
Short term non-interest-bearing liabilities	**2 190**	2 921	2 208	2 674
Equity and liabilities	**25 321**	26 227	24 593	25 384

> Equity reconciliation

NOK million	Ytd 14	Ytd 13	Year 13
Equity beginning of period	**7 583**	7 289	7 289
Comprehensive income	**696**	364	773
Change, minority interests	**(1)**	(1)	0
Dividend	**(488)**	(487)	(487)
Other changes affecting equity	**23**	(3)	8
Equity at end of reporting period	**7 813**	7 163	7 583

> Condensed statement of cash flow

NOK million	Q2 14	Q2 13	Ytd 14	Ytd 13
EBITDA	**624**	569	**1 379**	1 207
Paid interest	**(115)**	(107)	**(288)**	(290)
Paid taxes	**(124)**	(125)	**(274)**	(253)
Market value changes and other items without cash flow effect	**(28)**	55	**(24)**	81
Change in accounts receivables, etc.	**803**	890	**1 123**	650
Change in liabilities, etc.	**(1 009)**	(676)	**(377)**	29
Cash flow from operations	**151**	606	**1 539**	1 424
Investments (operation and expansion)	**(1 191)**	(199)	**(1 321)**	(309)
Net capital release shares, etc.	**(347)**	2	**(351)**	(5)
Cash flow investment activities	**(1 538)**	(197)	**(1 672)**	(314)
Change net interest-bearing debt and dicontinued operations	**(34)**	854	**(103)**	221
Dividend and other equity changes	**(488)**	(487)	**(488)**	(487)
Cash flow financing activities	**(522)**	367	**(591)**	(266)
Change in cash and cash equivalents in period	**(1 909)**	777	**(724)**	844
Cash and cash equivalents at beginning of period	**2 328**	290	**1 143**	223
Cash and cash equivalents at end of period	**418**	1 067	**419**	1 067

> Segment reporting

Q2 13	Q2 14	NOK million	Ytd 14	Ytd 13
234	**203**	Production	**440**	425
194	**160**	Heat	**593**	698
966	**950**	Network	**1 932**	2 036
1 443	**1 246**	Markets	**3 331**	3 699
(28)	**(9)**	Other activities/eliminations	**(12)**	(42)
2 810	**2 550**	**Total operating revenues**	**6 284**	6 817
3	**133**	Production	**8**	7
1	**0**	Heat	**1**	1
0	**(5)**	Network	**(0)**	4
65	**58**	Markets	**113**	130
49	**51**	Other activities	**102**	98
119	**239**	**Of which, sales between segments**	**223**	239
165	**131**	Production	**274**	264
(5)	**(35)**	Heat	**94**	128
162	**182**	Network	**338**	312
62	**113**	Markets	**240**	144
(10)	**17**	Other activities/eliminations	**17**	(34)
374	**408**	**Total operating profit**	**961**	814

Notes to the financial statements

1) Framework conditions and key accounting policies

The consolidated financial statements for the second quarter and first half-year of 2014, the period ending 30 June, have been prepared in accordance with International Financial Accounting Standards (IRFSs) as established by the EU and include Hafslund ASA and its associates and subsidiaries. This interim report, which has not been audited, has been prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements do not provide the same scope of information as the annual financial statements and should therefore be viewed in the context of the consolidated financial statements for 2013. The accounting policies and calculation methods applied in interim reporting are the same as those described in Note 2 to the consolidated annual financial statements for 2013, with the exception of valuation of the investment in EFI AS.

The associate EFI AS has changed its policy for recognising investments in subsidiaries following the implementation of IFRS 10. Following the change, investments are now recognised at fair value. Hafslund's share of the effect of the change in policy was recognised directly in equity in the amount of NOK 19 million in the first quarter of 2014. Apart from the above, the amendments to IFRS 10 and 11 have not impacted the consolidated financial statements.

2) Networks – income ceiling and income surpluses/shortfalls

Under IFRS special accounting policies apply to the accounting treatment of grid rental (regulatory income). Grid rental recognised in income in individual years corresponds to the volume delivered in the period, settled at the established tariff in force at any one time. Permitted income comprises the revenue ceiling established by the regulator (the Norwegian Water Resources and Energy Directorate – NVE) plus transmission costs (Statnett), Enova mark-ups and property tax less interruption costs. Income surpluses/shortfalls, which represent the difference between recognised grid rental and permitted income defined under IFRSs as regulatory liabilities/assets that do not qualify for recognition in the balance sheet. This is justified on the grounds that a contract has not been entered into with a particular customer and therefore the resulting receivable/liability is theoretically contingent on a future delivery. The tariffs are managed based on the rationale that the annual income will over time correspond to the permitted income. Income surpluses arise if the grid rental recognised in income is higher than the permitted income for the year and this will have a positive impact on the result. On the same principle, income shortfalls will negatively impact the result.

Networks' result for the second quarter of 2014 includes an income surplus of NOK 43 million. The result for the corresponding period in 2013 reflects an income shortfall of NOK 52 million. At the end of the second quarter of 2014, accumulated surplus income for Hafslund Network amounted to NOK 330 million.

On 30 May 2014 Hafslund completed the purchase of Fortum's networks business in Norway. Fortum Distribution AS has changed its name to Hafslund Nett Øst AS and has been part of the Networks business area since 30 May 2014. At the end of the second quarter of 2014, accumulated surplus income for Hafslund Nett Øst amounted to NOK 177 million.

3) Interest-bearing loans and interest and currency derivatives

At the end of the second quarter of 2014, the value of the loan portfolio recognised in the balance sheet amounted to NOK 11,706 million, of which NOK 8,923 million related to long-term liabilities and NOK 2,783 million to current liabilities. The change in the fair value of loans depressed profits by NOK 17 million in the reporting period. The change in the fair value of interest and currency derivatives had a combined negative effect on results of NOK 8 million in the second quarter of 2014. In the second quarter Hafslund's credit spreads were virtually unchanged for maturities of up to one year, with an entry of up to 10 basis points for maturities up to five years and up to 15 basis points for longer maturities. The NIBOR and swap interest rates remained virtually unchanged for maturities of up to one year, narrowed by around 20 basis points for maturities of 2–3 years and narrowed by around 30 basis points for longer maturities. The net effect of the above was that the market interest rate (including Hafslund's credit spreads) were virtually unchanged for maturities of up to one year, narrowed by around 20–30 basis points for maturities of 2–3 years and narrowed by around 40 basis points for longer maturities.

The change in the fair value of loans is recognised in income as financial expenses, while the change in value of interest and currency derivatives is recognised in income as net financial items before the operating result. None of the Group's loan agreements impose any financial covenants. As of 30 June 2014 the loan and interest derivatives portfolio was split between fixed and variable rates in the ratio 47/53.

Hafslund has a drawdown facility of NOK 3,600 million with a syndicate of six Nordic banks that matures in 2018. The company has negotiated favourable terms and no financial covenants attach to the loan agreement. The facility is intended to be used as a general liquidity reserve. Hafslund also has an unused bank overdraft facility with Nordea of NOK 100 million.

Hafslund has liabilities denominated in foreign currency. In addition, Group businesses conduct transactions that are exposed to currency fluctuations. Currently this applies in particular to EUR- and SEK-denominated trades in power and power derivatives. The Group's central finance department is responsible for managing the Group's overall foreign exchange exposure on behalf of the individual operating units, and performs all transactions with the market. In the case of foreign currency borrowings, principal amounts and basis interest rates are hedged using basis swaps when borrowings are taken out. Until 31 December 2009 the Group's entire loan portfolio was valued at fair value through profit or loss. Since 2010 new borrowings have been measured at amortised cost and at the end of the second quarter of 2014 these amounted to NOK 7,862 million.

4 Retirement benefit obligations, liabilities and assets

At the year-end Hafslund obtains updated actuarial calculations from the Group's actuary and normally updates its calculations of the pension liability on an annual basis. However, Hafslund's continually assesses whether there have been any material changes in the economic assumptions on which the annual calculation is based. At the end of the first half of 2014 the interest rates in the OMF market were lower than at the start of the year, which could result in a reduction in the discount rate of around NOK 0.4 percentage points. In isolation this would increase the Group's pension liability by around 4 percent. However, salary growth in the Group and in Norway has generally been slightly lower than the assumptions underlying the calculations, while the yield on pension assets has been slightly higher. Taking into account all relevant changes in economic assumptions, Hafslund does not deem it necessary to adjust the calculation of the pension liability at the end of the first half of 2014.

Hafslund operates public pension plans, many of which are currently undergoing extensive changes. Retirement pensions are being adjusted for new mortality rates, which is expected to result in a reduction in the pension liability. Changes currently being made to the regulations relating to disability pensions will also reduce pension liabilities. The change in disability pensions had been adopted, but not finally implemented by Hafslund's pension fund at the end of the second quarter of 2014. Both the above matters are deemed to be plan changes and therefore need to be included in the pension cost on implementation. Pending a final statement from the Norwegian Accounting Standards Board on the accounting treatment of the mortality rate adjustment, Hafslund expects to incorporate these plan changes from the fourth quarter of 2014. A provisional calculation based on data as of 1 January 2014 indicates an expected plan change of NOK 97 million in reduced costs relating to the mortality rate adjustment and reduced costs of NOK 7 million relating to changes in the rules for disability pensions.

5) Business acquisitions

> Fortum's Networks business in Norway

The Hafslund Group purchased Fortum's Networks business in Norway effective 30 May 2014. The agreement covers 100 percent of the shares in the Networks company Fortum Distribution AS, which also owns 49 percent of the shares in Trøgstad Elverk AS, and 100 percent of the shares in the holding company Fortum Power and Heat AS, which in turn owns 49 percent of the shares in Fredrikstad Energi AS (FEAS) and 35 percent of the shares in Fredrikstad Energi Nett AS (FEN). The Norwegian anti-trust authorities approved the transaction on 2 May 2014 and Hafslund acquired the shares on 30 May 2014.

Fortum Distribution AS changed its name to Hafslund Nett Øst AS following the share transfer. The aggregate purchase price for Hafslund Nett Øst AS's shares was NOK 1,035 million, including interest for the period 31 December 2013 until the acquisition date. The company's net assets amounted to NOK 660 million, meaning that the excess values on acquisition amounted to NOK 375 million. Based on a provisional purchase price allocation the book value of the excess values on the networks infrastructure amounted to NOK 120 million, the remaining excess value being allocated to goodwill. However, the purchase price allocation had not been finally established at the end of the second quarter of 2014. Hafslund Nett Øst AS is now part of the Networks business.

Fortum Power and Heat AS changed name to Hafslund Handel Øst AS following the share transfer. The aggregate purchase price of the shares in Hafslund Handel Øst AS was NOK 388 million and includes NOK 23 million in bank balances, in addition to the shares in FEAS and FEN. The provisional purchase price allocation prices the company's net assets at NOK 422 million at the time of the share takeover, resulting in negative excess values of NOK 34 million arising on the acquisition. The negative excess values arose as a result of the minority rebate realised on the purchase of the associates that in accordance with IAS 28.26 and IFRS 3.34 on purchases on favourable terms must be recognised in income. Hafslund recognised the negative excess values of NOK 34 million in the second quarter of 2014 while the assets of FEAS and FEN have been recognised as investments in associates under Other business.

> Energibolaget i Sverige Holding AB

In October 2013 Hafslund ASA exercised its purchase option towards the shareholders of Energibolaget i Sverige Holding AB (EBS) and acquired the remaining 51 percent of shares in the company. Following the above transaction Hafslund owns all the shares in EBS. The cost of 100 percent of the shares in the step acquisition totalled SEK 474 million and the net assets of EBS amounted to SEK 272 million at the exercise date. Following the allocation of the purchase price, the total value of customer portfolios recognised in the balance sheet amounted to SEK 129 million, the deferred tax liabilities to SEK 32 million and goodwill to SEK 104 million.

6) Financial Instruments by category, including hedging instruments

The following principles have been applied in the subsequent measurement of financial instruments for financial instruments recognised in the balance sheet:

NOK million	Derivatives used for hedging	Assets at fair value through profit or loss	Loans and receivables	Total
Long-term receivables			478	478
Derivatives	37	136		173
Trade and other receivables			1,460	1,460
Cash and cash equivalents			418	418
Total financial assets as of 30 June 2014	**37**	**136**	**2,356**	**2,529**

NOK million	Derivatives used for hedging	Liabilities at fair value through profit or loss	Other financial liabilities	Total
Borrowings		3,844	7,862	11,706
Derivatives		140		140
Trade and other current payables			1,704	1,704
Total financial liabilities as of 30 June 2014		**3,984**	**9,566**	**13,550**

Hafslund classifies its financial instruments in the following categories; financial assets, loans and receivables and financial liabilities. Derivative financial instruments are valued as either “at fair value through profit or loss” or “for hedging purposes”. Hafslund has four main groups of derivatives; power derivatives, interest and currency derivatives, and forward contracts relating to el certificates. Spot contracts used in the purchase of el certificates are recognised under cash and cash equivalents in the table above.

Several of the Group’s results units are exposed to risk associated with the power market. The inherent exposure to the market primarily derives from the Group’s ownership of power and heat production facilities, networks business and power sales to customers. In recent years the power market has been relatively volatile, which has increased the desire for greater predictability regarding the Production and Heat business areas. Some of the power price is hedged in order to reduce the risk relating to future cash flows from the sale of power. Hafslund hedges some of its hydropower production volume and enters into hedging contracts in the Heat business area for the next 36 months in order to reduce the power price risk. In line with the Group’s hedging policy, the extent of hedging is expected to be significantly higher in the next six months than in the ensuing period. The extent of hedging may vary significantly, based on an overall assessment of market prices and prospects, where the purpose is to achieve satisfactory prices and reduce downside risk in Hafslund’s earnings. Hedging arrangements are recognised as cash flow hedging in accordance with IAS 39, while changes in value in hedging instruments are recognised in other comprehensive income and are presented in the above table as Derivatives used for hedging purposes. The Group has introduced frameworks for hedging hydropower production volumes for up to 15 years to further reduce the risk relating to future cash flows.

The power sales business hedges the margins on all electricity products offering customers various types of fixed price schemes or price offers for a fixed period of time. Hedging is carried out by entering into financial power contracts to purchase physical volumes corresponding to the supply obligation to the customers. Financial power contracts are recognised at fair value through profit or loss and do not satisfy the requirements for hedge accounting. The Group enters into contract trading to hedge the margins on its customer portfolios. In a market characterised by major fluctuations in wholesale and forward prices, the fair value of future power contracts will vary in line with price changes on Nasdaq OMX. There were some minor changes in unrealised values of power contracts in the second quarter of 2014. A loss of around NOK 3.6 million was recognised in respect of a decrease in unrealised values in the second quarter. Gains on increases in the value of power contracts will be largely offset by corresponding reduced margins relating to end-user contracts. However, the Group's end-user contracts are not deemed to fall within the scope of IAS 39 and are recognised in accordance with the lowest value principle.

The table on the following page shows financial instruments at fair value through profit or loss based on valuation method. The different levels are defined as follows:

1. Listed price in an active market for an identical asset or liability (level 1).
2. Valuation based on observable factors other than listed prices (level 1) either directly (prices) or indirectly (derived from prices) for the asset or liability (level 2).
3. In cases where it is not appropriate to employ the quoted share price or the transaction value, shares are valued on the basis of discounted future cash flows, as well as the Group's own estimates.

NOK million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
El-certificates	5			5
Power contracts		115	2	117
Forward exchange contracts		14		14
Total assets	**5**	**129**	**2**	**136**
Financial liabilities at fair value through profit or loss:				
Borrowings		3,844		3,844
El-certificates	4			4
Power contracts	101	10		111
Interest rate swaps		24		24
Total liabilities	**105**	**3,878**	**0**	**3,983**

7) Operating assets

Investments in operating assets for the second quarter and first half of the year came in at NOK 1,191 million and NOK 1,321 million respectively. The investments relate to investments in operations and expansion, in addition to the acquisition of Fortum's Networks business as discussed in Note 5 above.

8) Related party transactions

The Hafslund Group enters into purchase and sales transactions with related parties as part of normal business operations. To date in 2014 Hafslund has purchased goods and services from and sold goods and services to the City of Oslo. As of 30 June 2014, the City of Oslo owned 53.7 percent of the shares in Hafslund ASA. Examples of sales to the City of Oslo include power sales, operation of street lighting, and associated maintenance and investments, while purchases include waste heat from the Norwegian Waste-to-Energy Agency (EGE). All transactions between the parties are conducted on the arm's length principle.

The table below shows transactions with related parties:

NOK million	Sale of goods and services	Purchase of goods and services	Purchases recognised as investments	Trade receivables	Trade payables
Q2 2014					
City of Oslo	26	34			
H1 2014					
City of Oslo	81	91		8	19

9) Contingencies

The Norwegian Tax Administration has ceded that there is no basis for taxing gains on shares on the sale of Hatros I AS and Hatros II AS in 2006 and 2007. Consequently, in the first quarter of 2014 Hafslund reversed a provision for previously recognised tax in the amount of NOK 268 million in addition to estimated interest compensation of NOK 20 million relating to tax already paid of NOK 205 million. Hafslund will be repaid this amount of tax together with interest. Please refer to Note 24 in Hafslund's consolidated financial statements for 2013 for further information on the tax case.

Declaration by the Board of Directors and President and CEO

The Board and the CEO have today reviewed and approved the half-year 2014 financial statement and the condensed consolidated half-year accounts for Hafslund ASA as of 30 June 2014 and for the first six months of 2014.

The half-year report has been prepared and presented in accordance with the requirements found in IAS 34 Interim reporting as adopted by the EU, and additional requirements found in the Norwegian Securities Trading Act.

To the best of the Board and CEO's knowledge, the half-year 2014 financial statement has been prepared and presented in accordance with current accounting standards, and the information disclosed in the accounts provides a true and fair portrayal of the Group's assets, liabilities, financial position, and profit as a whole as of 30 June 2014. To the best of the knowledge of the Board and the CEO, the half-year 2014 report provides a true and fair overview of key events in the accounting period and their effect on the half-year 2014 accounts. To the best of the Board and CEO's knowledge, it also provides a true and fair description of the most important risks and uncertainties facing the business in the upcoming reporting period, and a description of significant transactions with closely related parties.

Oslo, 9 July 2014

Birger Magnus (Board Chairman)	Maria Moræus Hanssen (Deputy Chair)	Odd Håkon Hoelsæter
Per Langer	Per Luneborg	Ellen Christine Christiansen
Per Orfjell	Jane Koppang	Finn Bjørn Ruyter (CEO)

Hafslund

Historical quarterly information for the Group

> Condensed income statement

NOK million	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12
Operating revenues	2 550	3 734	3 639	2 380	2 810	4 007	3 592	1 854	2 292
Purchased materials and energy	(1 263)	(2 289)	(2 208)	(1 253)	(1 640)	(2 766)	(2 190)	(869)	(1 197)
Gross margin	1 287	1 444	1 431	1 127	1 170	1 241	1 402	985	1 095
Gain/loss financial item	37	12	13	119	6	(14)	51	4	25
Salaries and other personnel expenses	(227)	(242)	(275)	(189)	(213)	(224)	(283)	(176)	(201)
Other operating expenses	(473)	(459)	(564)	(424)	(394)	(366)	(513)	(431)	(409)
EBITDA	624	755	606	633	569	638	657	382	510
Depreciation and amortization	(216)	(201)	(198)	(202)	(195)	(198)	(229)	(650)	(186)
Operating profit	408	554	407	431	374	440	429	(268)	324
Financial interest etc	(96)	(93)	(116)	(134)	(115)	(130)	(117)	(132)	(137)
Change in market value loan portfolio	(17)	(16)	(17)	29	7	(27)	11	(102)	27
Financial expenses	(114)	(109)	(133)	(105)	(108)	(157)	(105)	(234)	(110)
Profit before tax and discon. operations	294	445	275	326	266	283	323	(502)	213
Tax	(126)	112	(66)	(116)	(115)	(105)	(118)	(78)	(74)
Profit after tax	168	557	208	210	151	178	205	(580)	140
Majority's share of profit	168	557	208	210	151	178	207	(581)	140
Minority's share of profit	(0)	0	(0)	(0)	(1)	0	(2)	1	(0)
Earnings per share (in NOK)	0.86	2.85	1.07	1.08	0.77	0.91	1.05	(2.97)	0.72

> Condensed balance sheet

NOK million	30-06-14	31-03-14	31-12-13	30-09-13	30-06-13	31-03-13	31-12-12	30-09-12	30-06-12
Intangible assets	2 937	2 630	2 606	2 490	2 478	2 472	2 432	2 440	2 433
Fixed assets	19 142	18 149	18 251	18 263	18 281	18 269	18 365	18 190	18 576
Financial assets	833	484	407	233	589	612	657	613	628
Accounts receivable and inventory	1 991	2 636	2 979	2 544	2 179	3 111	2 871	1 845	1 927
Cash and cash equivalents	418	2 328	1 143	467	1 067	290	223	873	659
Assets	25 321	26 227	25 384	23 996	24 593	24 755	24 549	23 962	24 223
Equity, majority	7 797	8 149	7 565	7 318	7 145	7 420	7 270	6 574	7 163
Equtiy, minority	16	17	18	18	18	19	19	25	28
Allocations for liabilities	3 607	3 420	3 363	3 448	3 440	3 419	3 317	3 918	4 052
Long-term interest-bearing liabilities	8 927	9 499	9 432	8 657	8 603	8 070	8 422	8 771	8 810
Short-term interest-bearing liabilitis	2 783	2 220	2 332	2 289	3 179	2 866	3 119	2 381	2 247
Short term non-interest-bearing liabilities	2 190	2 921	2 674	2 267	2 208	2 960	2 402	2 293	1 922
Equity and liabilities	25 321	26 227	25 384	23 996	24 593	24 755	24 549	23 962	24 223

> Condensed statement of cash flow

NOK million	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12
EBITDA	624	755	606	633	569	638	657	382	510
Interest paid	(115)	(173)	(100)	(84)	(107)	(183)	(104)	(73)	(123)
Taxes paid	(124)	(150)	(85)	-	(125)	(128)	(7)	(103)	(89)
Value change and other non cashflow effect	(28)	4	(31)	(98)	55	26	(80)	11	27
Change in receivables	803	320	(274)	(361)	890	(241)	(1 250)	87	747
Change in trade credit etc	(1 009)	632	69	(75)	(676)	705	124	214	(852)
Cash flow from operations	151	1 388	185	15	606	817	(660)	518	220
Investments (operation and expansion)	(1 191)	(130)	(383)	(180)	(199)	(111)	(418)	(297)	(198)
Net capital release shares, etc	(347)	(4)	67	373	2	(7)	17	(2)	4
Cash flow to investments activities	(1 538)	(134)	(316)	193	(197)	(118)	(401)	(299)	(194)
Change interest-bearing debt and dicon. operations	(34)	(69)	807	(808)	854	(633)	410	(7)	63
Dividend and other equity changes	(488)	0	0	0	(487)	0	0	3	(487)
Cash flow financing activities	(522)	(69)	807	(808)	367	(633)	410	(4)	(424)
Change in cash and cash equivalents in period	(1 909)	1 185	676	(600)	777	67	(651)	215	(398)
Cash and cash equivalents at beginning of period	2 328	1 143	467	1 067	290	223	873	659	1 057
Cash and cash equivalents at end of period	418	2 328	1 143	467	1 067	290	223	873	659

> Segment information

NOK million	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	3Q12	2Q12
Production	203	237	205	229	234	191	243	150	197
Heat	160	433	349	106	194	504	395	162	156
Network	950	982	1 090	925	966	1 070	1 193	839	920
Markets	1 246	2 085	2 021	1 147	1 443	2 257	1 738	708	1 080
Other activities/eliminations	(9)	(4)	(27)	(28)	(28)	(14)	23	(4)	(61)
Total sales income	2 550	3 734	3 639	2 380	2 810	4 007	3 592	1 854	2 292
Production	143	155	163	163	177	111	185	83	133
Heat	8	172	112	6	37	174	122	42	20
Network	312	279	266	286	283	272	311	244	245
Markets	126	140	96	83	71	91	54	84	109
Other activities/eliminations	35	9	(31)	95	0	(10)	(16)	(71)	3
Total EBITDA	624	755	606	633	569	638	657	382	510
Production	131	143	152	152	165	99	175	72	121
Heat	(35)	129	71	(43)	(5)	133	92	(241)	(22)
Network	182	156	142	164	162	150	180	120	122
Markets	113	127	84	73	62	82	48	80	104
Other activities/eliminations	17	(1)	(42)	84	(10)	(24)	(65)	(299)	(2)
Total operating profit	408	554	407	431	374	440	429	(268)	324

Financial calendar

1. Fourth-quarter 2013 report - 5 February 2014
2. First-quarter 2014 report - 8 May 2014
3. Annual General Meeting - 8 May 2014
3. Second-quarter 2014 report - 10 July 2014
4. Third-quarter 2014 report - 22 October 2014

Investor information

1. Additional information is available from Hafslund's website:
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