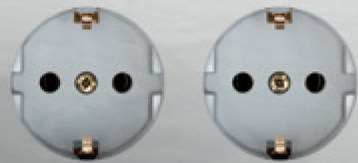
First-quarter 2012 presentation to analysts

Hafslund ASA

4 May 2012

Finn Bjørn Ruyter, CEO



Highlights - first quarter 2012

- EBITDA: NOK 607 million, down 7 percent from Q1 2011.
- Sound underlying operations; profit affected by low power prices and mild temperatures.
- Hydropower generation: 10 percent above normal for the quarter.
- Hydropower sales price: NOK 0.27 per kWh, down 43 percent from Q1 2011.
- Network: power distribution business reported stable operations and normal profit.
- Power Sales: profit on a par with Q1 2011; modest customer-base growth.
- After-tax profit: NOK 214 million, including value changes or non-recurring items totaling NOK 72 million.

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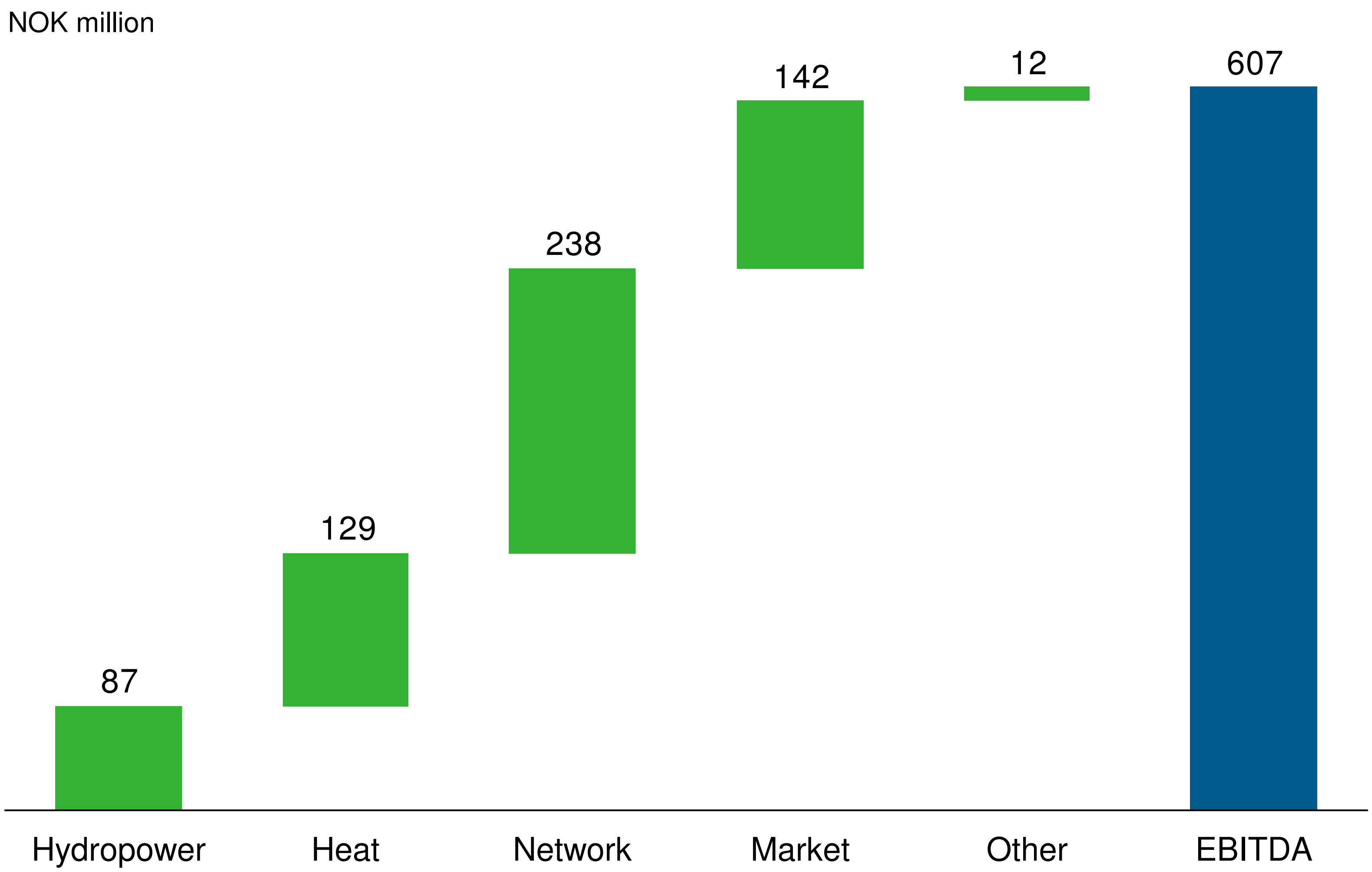
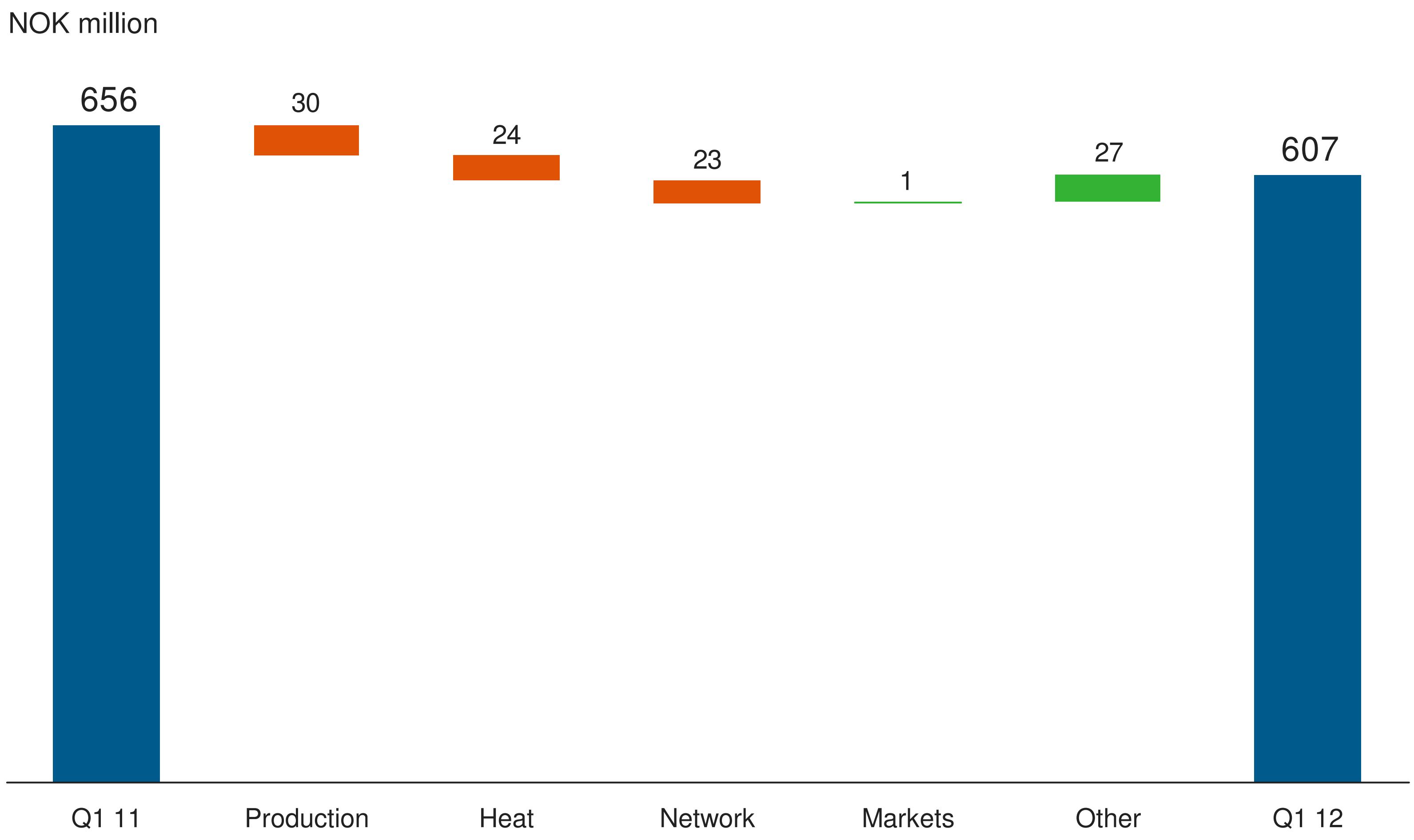
EBITDA — first-quarter 2012



EBITDA down NOK 49 million from Q1 2011



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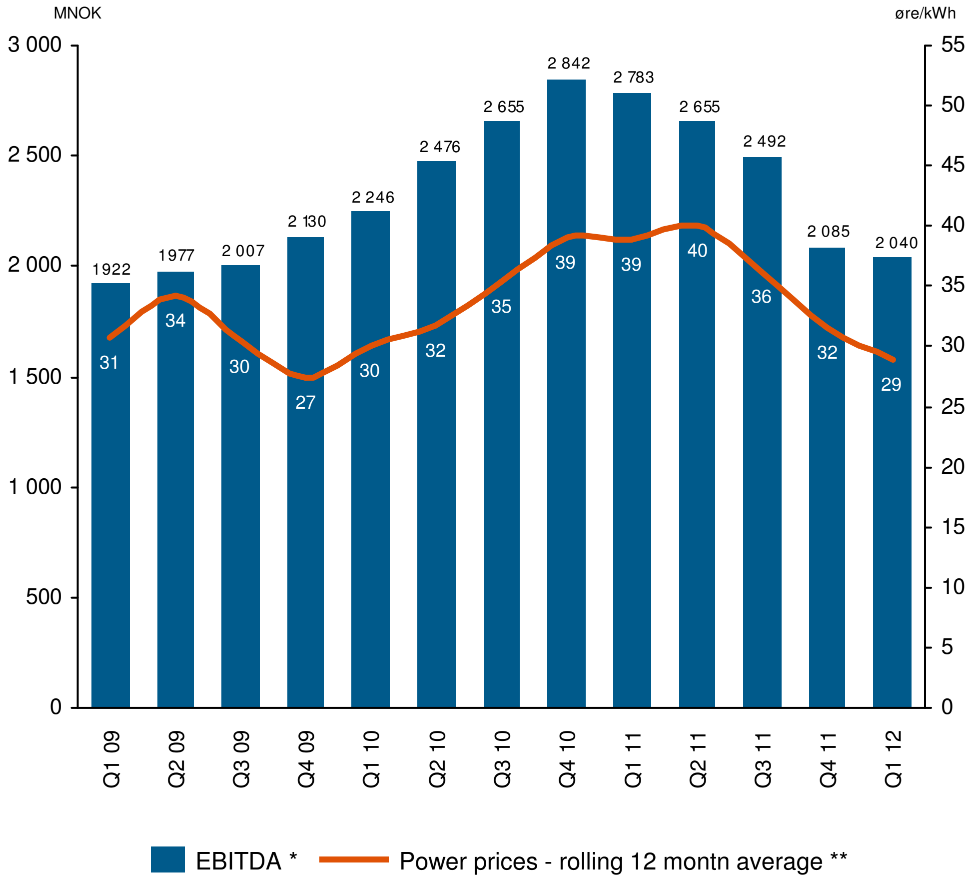
EBITDA development — most recent three years

* 12-month rolling EBITDA vs. wholesale power prices

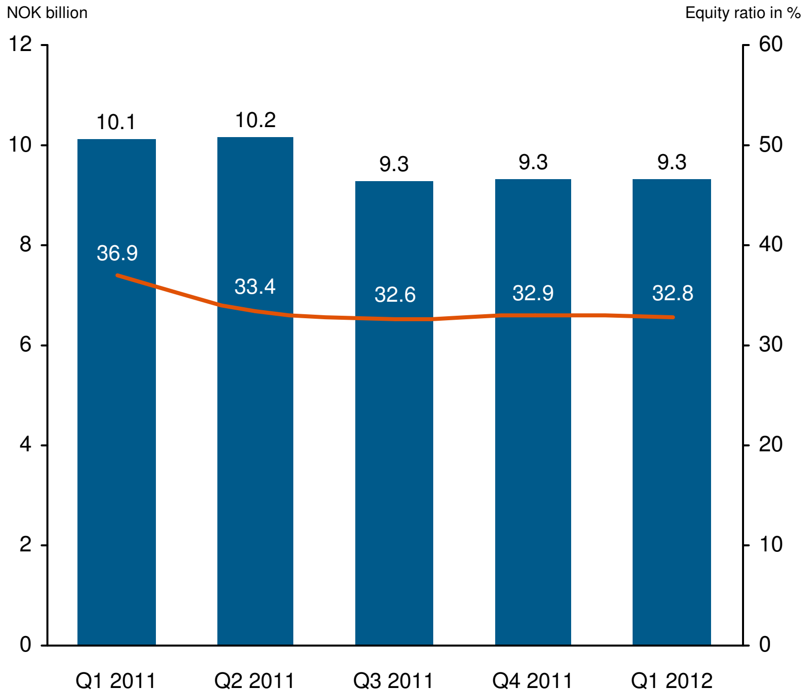


- Power prices and Network business' regulated income ceiling are key value drivers.
  - Power price: NOK 0.29 per kWh for most recent 12 months.
  - NVE interest: 5.2% for most recent 12 months.
- EBITDA sensitivity:
  - NOK 360 million per NOK 0.10 per kWh change in wholesale power prices.
  - NOK 130 million due to a 2 percentage point change in the interest rate applied by NVE to determine Network's annual income ceiling.

* * EBITDA: 12-month rolling EBITDA excluding profit effect of share investments and interest and currency derivatives (in NOK million).
** Power price achieved by Hafslund's Hydropower business — 12-month rolling average (in øre/kWh).

Interest-bearing debt: unchanged in Q1 2012

Net interest-bearing debt and equity ratio

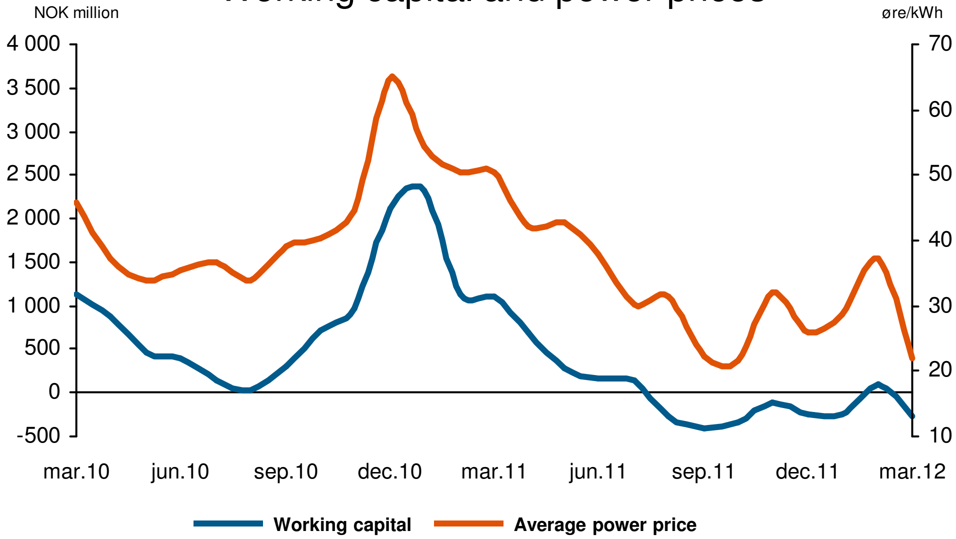


Change in interest-bearing debt in 2012
Amounts in NOK million

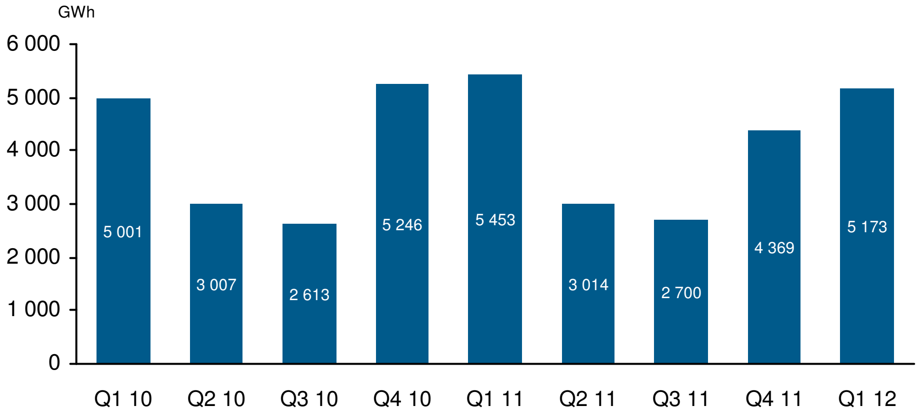
Net interest-bearing debt 31.12.2011	**(9 321)**
EBITDA	607
Interest paid	(180)
Tax paid	(160)
Change in market value of financial instruments	(50)
Change working capital	(65)
Investments	(168)
Net interest-bearing debt 31.12.2011	**(9 337)**

Working capital — seasonal variation

Working capital and power prices



Hafslund Power Sales — volume sold



- Working capital varies greatly with power price levels, but is also affected by seasonal variations in demand.
- Positive effect on working capital in past three quarters attributable to:
  - Low power prices
  - Mild temperatures in past six months reduced demand
  - Transition to monthly invoicing.

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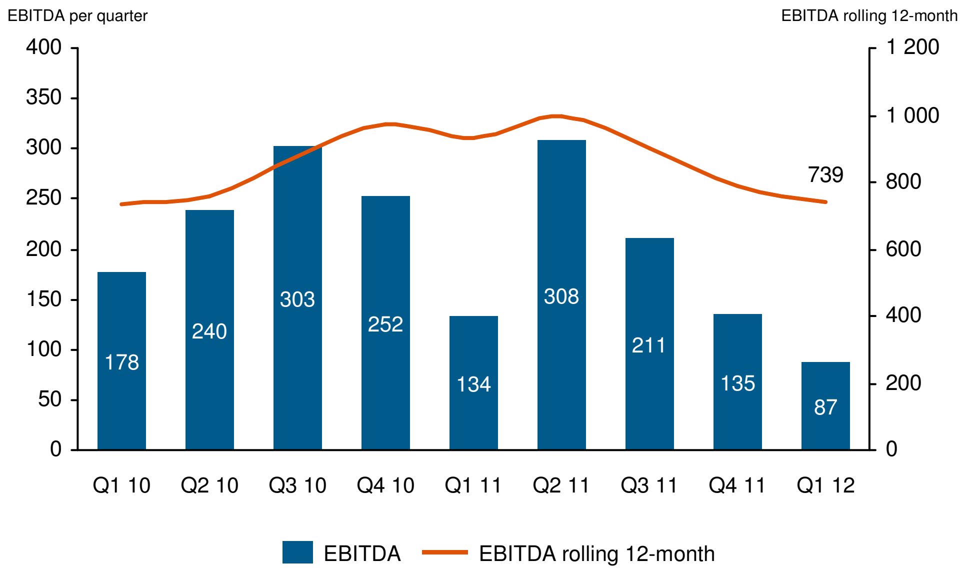
Production

NOK million	Q1 12	Q1 11	2011	2010
Operating revenue	**165**	182	1 024	1 220
EBITDA	**87**	116	769	1 001
Operating profit	**75**	105	724	958
Sales price (NOK/kWh)	**27**	47	32	39
Production volume (GWh)	**601**	371	3 135	3 041
Investments	**1**	24	57	161



- Low power prices and above-normal generation in the quarter.
- 47% drop in power prices compared with Q1 2011.
- Production: 10 percent above normal for the period.
- Maintenance work on two large generators.
- Projected Q2 2012 production: approximately 967 GWh, which is 3% above normal for the quarter.

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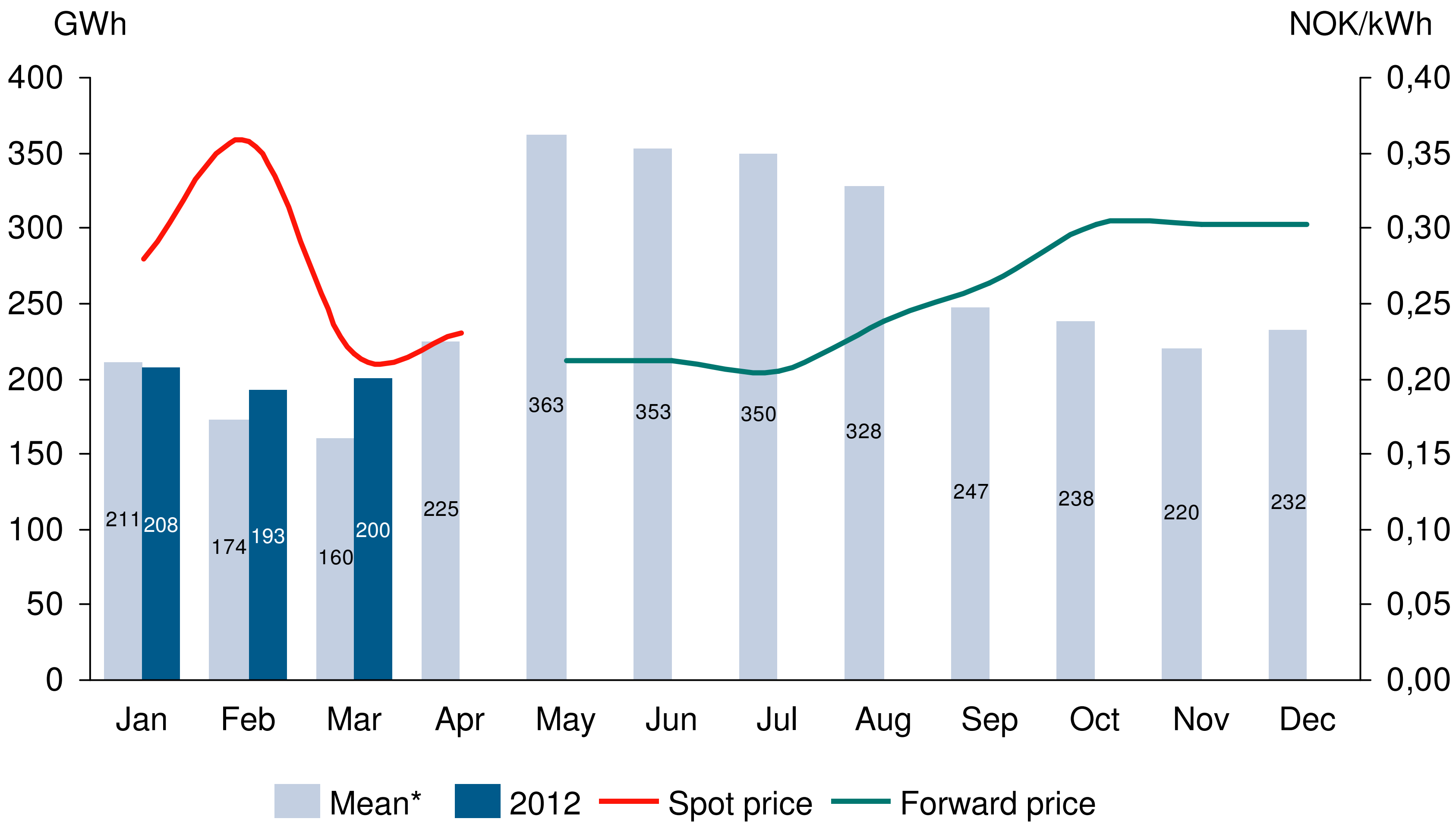
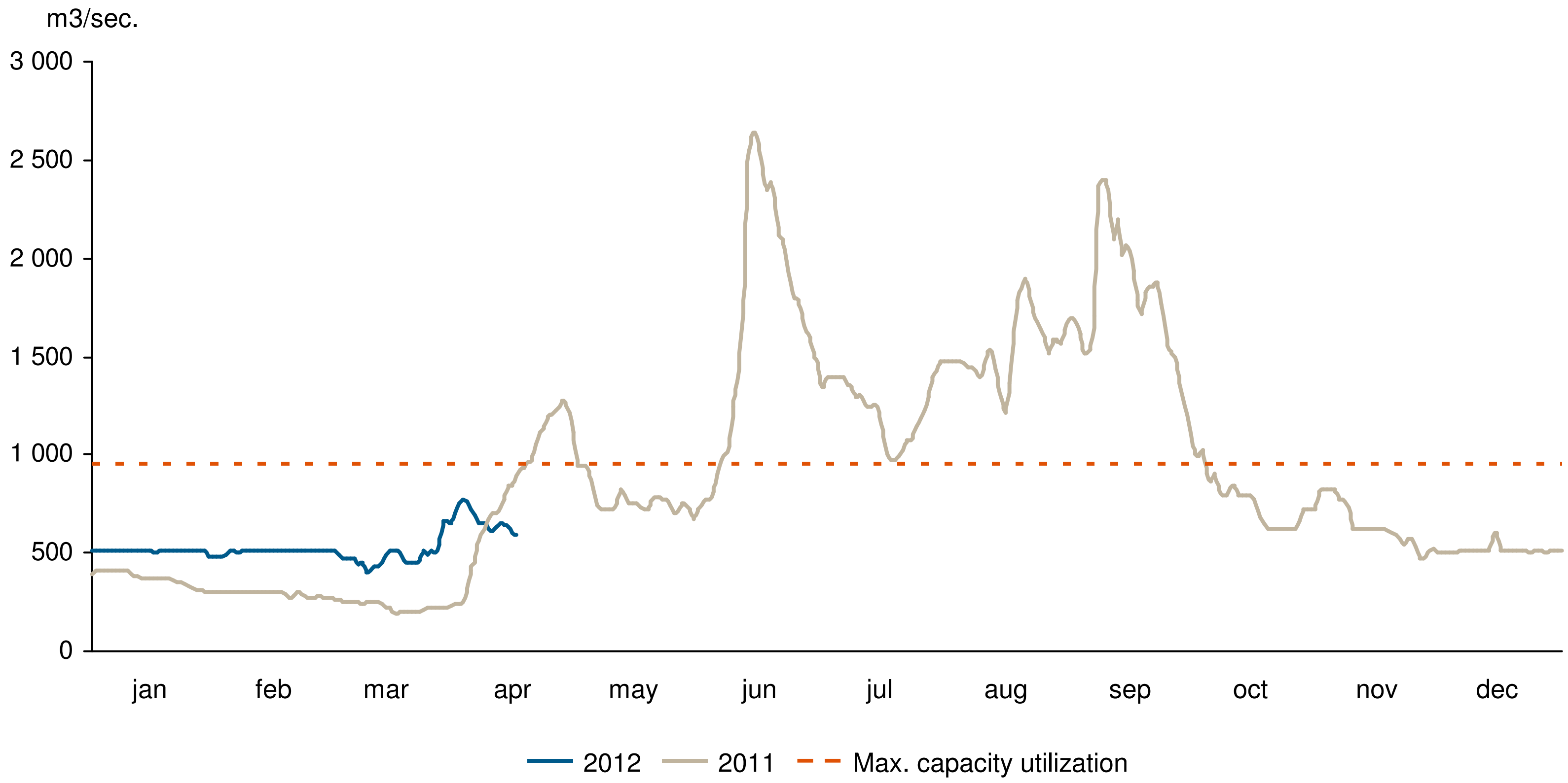
Production and power price



*Mean = 3,100 GWh based on 10-year average production adjusted for capacity improvements.

Hydropower – Glomma waterway flow



- Q1 2012 hydropower production: 10 percent above normal for the quarter.
- Projected Q2 2012 production: about 970 GWh (3 percent above normal for the reporting period) provided normal reservoir levels and precipitation.

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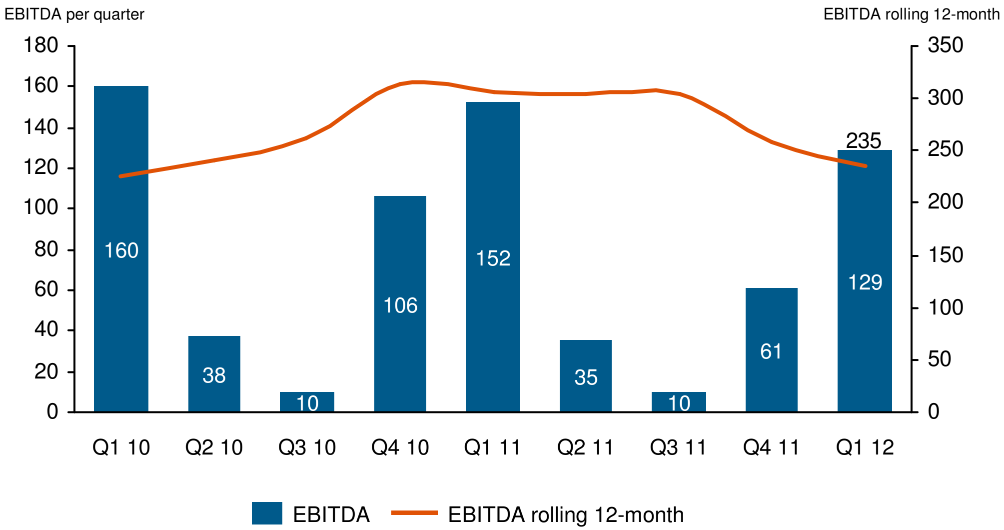
Heat

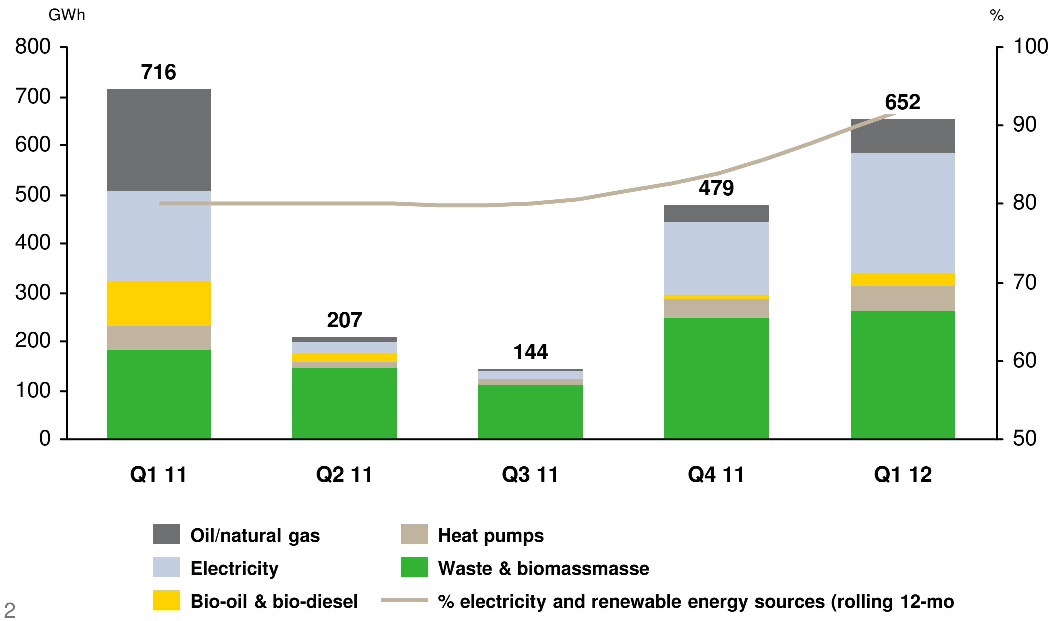
NOK million	Q1 12	Q1 11	2011	2010
Operating revenue	**394**	557	1 120	1 259
EBITDA	**129**	152	259	314
Operating profit	**89**	115	102	163
Production volume (GWh)	**729**	791	1 829	2 028
Investments	**51**	92	441	485



- Q1 2012 revenues and profit affected by lower power prices and mild temperatures.
- Reduced District Heating prices partly offset by lower energy costs resulting from factors that include a change in energy mix.
- Energy production: 729 GWh, down 8 percent.
- Investments were mainly NOK 35 million for increased renewable energy production capacity and NOK 10 million for customer tie-ins.
- New customer tie-ins: 19 GWh total energy outtake.

District Heating — energy sources and unit cost

Energy prices (NOK/kWh)	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
Waste & biofuel	0.20	0.20	0.20	0.18	**0.19**
Heat pumps	0.21	0.18	0.06	0.13	**0.13**
Biooil and biodiesel	0.68	0.62	0.00	0.61	**0.60**
Electricity	0.57	0.60	0.46	0.35	**0.37**
Oil/natural gas	0.55	0.71	0.45	0.59	**0.52**
Total production cost	0.46	0.30	0.24	0.27	**0.30**
District Heating incl. Distribution	0.80	0.72	0.60	0.60	**0.61**
Gross contribution margin	0.28	0.38	0.32	0.29	**0.28**



- Gross contribution margin: NOK 161 million (Q1 2011: NOK 180 million); decline attributable to mild Q1 2012 temperatures.
- Proportion of waste as energy source increased by 43 percent — new incineration line at EGE.
- Proportion of oil as energy source: down 66 percent from Q1 2011.
- Proportion of electricity and renewable energy sources: 92 percent in past 12 months, up 8 percentage points in the quarter.

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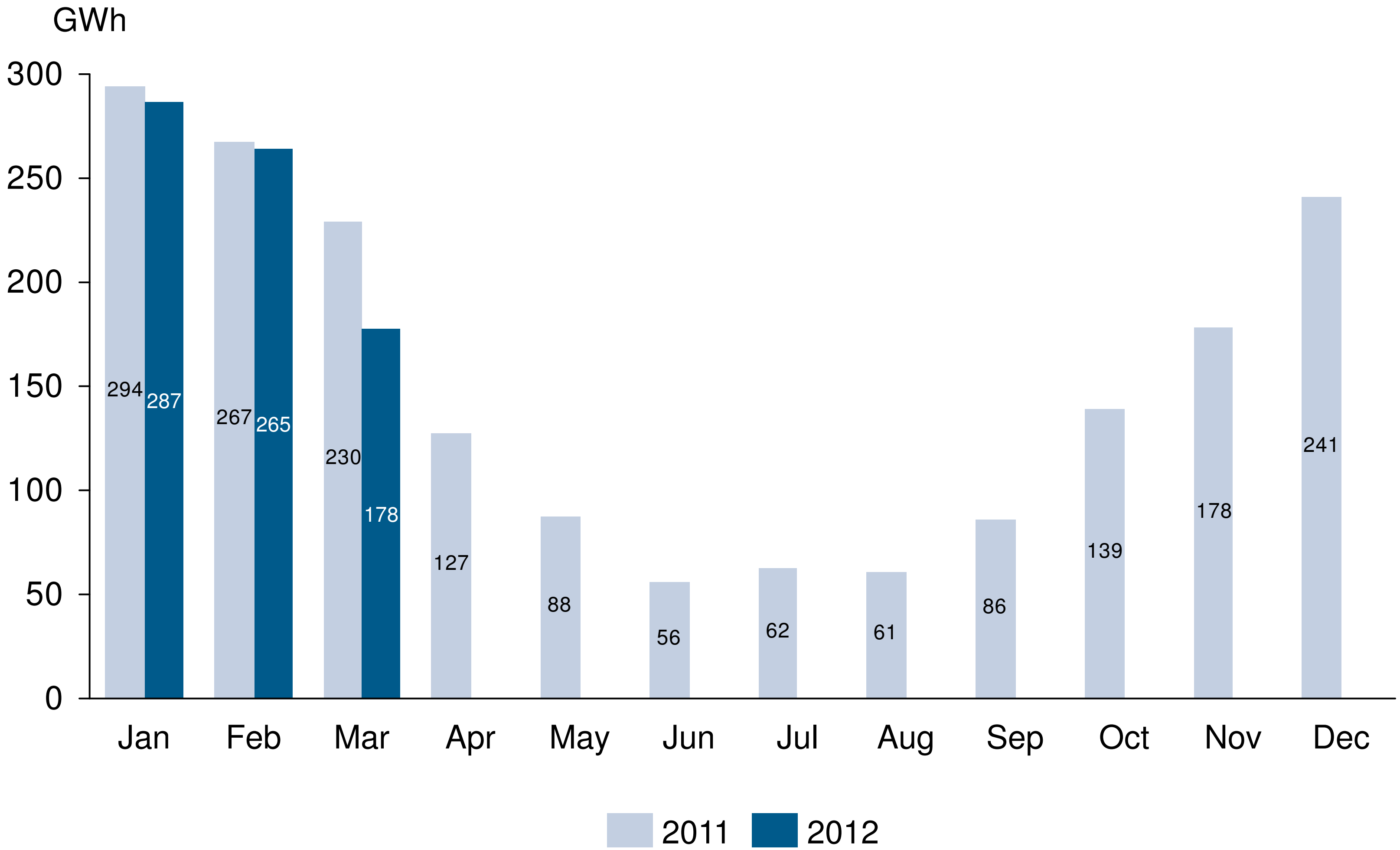
Heat — production profile



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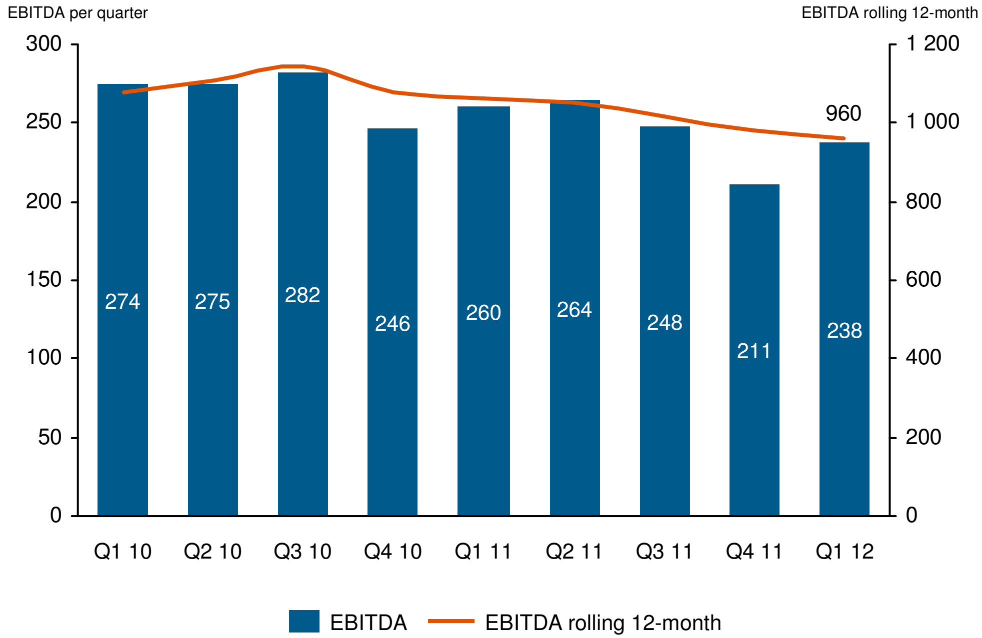
Network

NOK million	Q1 12	Q1 11	2011	2010
Operating revenue	**1 039**	1 318	4 202	4 804
EBITDA	**238**	260	983	1 077
Operating profit	**113**	131	469	532
Investments	**71**	62	433	485



- 2012 income ceiling: NOK 2,309 million (2011: NOK 2,312 million).
- Operating revenues reduced as a consequence of re-invoicing of Statnett costs and so-called “under income.”
- Stable operations in the quarter. Outage penalty (KILE): NOK 11 million, down 22 percent from Q1 2011.
- Operating profit normal for the quarter, given the regulated income model currently in effect and planned maintenance activity levels.

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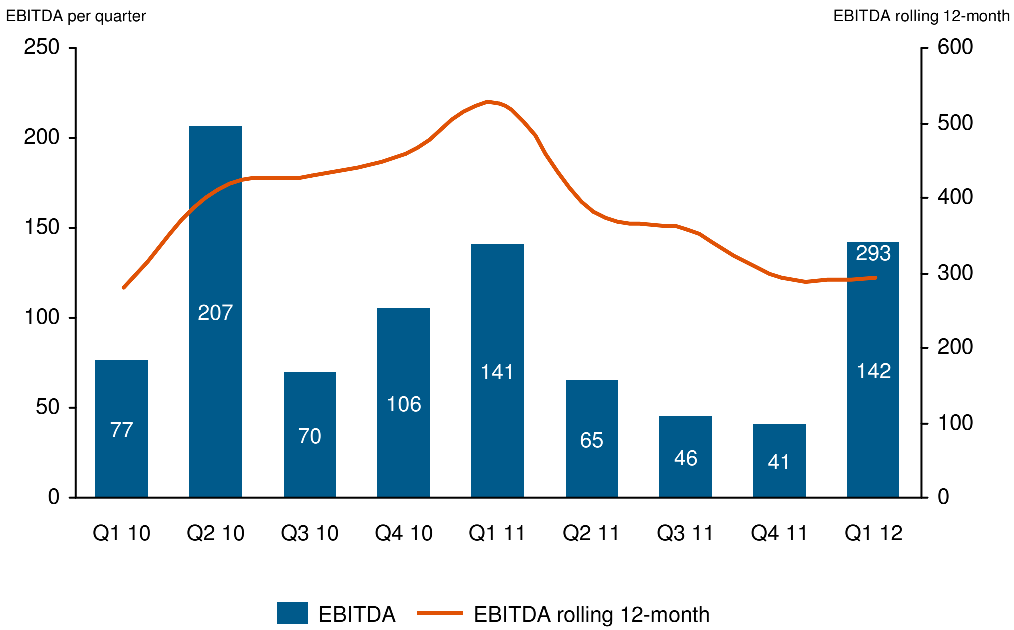
Markets

NOK million	Q1 12	Q1 11	2011	2010
Operating revenues	**2 012**	3 116	7 275	8 289
EBITDA	**142**	141	293	460
Operating profit	**137**	137	277	442
Sold volume (GWh)	**5 173**	5 453	15 474	15 867



- Revenue decline mainly a result of lower wholesale power prices.
- Operating profit on a par with Q1 2011 despite lower margins and volumes.
- Operating profit figure includes NOK 33 million (Q1 2011: NOK -23 million) in value change on power derivatives.
- Power Sales' after-tax profit: NOK 98 per customer (Q1 2011: NOK 100).
- Power Sales customers: 881 000 via wholly or partly owned companies, a modest increase in the quarter.

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Other Activities

NOK million	Q1 12	Q1 11	2011	2010
Support	**(21)**	(38)	(133)	(104)
BioWood Norway	**(23)**	(13)	(80)	(384)
Embriq	**(3)**	2	(1)	(49)
Financial derivatives, ass. comp.	**47**	16	(1 014)	(905)
Operating profit other	**0**	(33)	(1 228)	(1 442)

BioWood — wood pellets production

- BioWood plant began pilot day-time operations in mid-February.
- Pellets: 7,050 metric tons (MT) produced and 4,688 MT sold in the quarter.
- 24/7 pilot production to begin in mid-April — temporary waiver of requirements governing nighttime noise.
- NOK -23 million profit figure reflects a NOK -12 million non-recurring item.

Group profit and loss account

NOK million	Q1 12	Q1 11	Δ	2011
Operating revenue	**3 728**	5 206	(1 478)	13 704
Cost og energy	**(2 573)**	(3 988)	1 414	(1 971)
Gross margin	**1 154**	1 218	(64)	11 733
Gain/loss financial items	57	(7)	64	(1 050)
Operating expenses	**(604)**	(556)	(49)	(9 538)
EBITDA	**607**	656	(48)	1 145
Depreciation	**(194)**	(201)	7	(803)
Operating profit	**413**	455	(41)	343
Interest expences	**(123)**	(121)	(2)	(495)
Market value change loan portfolio	**16**	25	(10)	(89)
Financial expenses	**(108)**	(96)	(12)	(584)
Pre-tax profit	**305**	359	(53)	(241)
Tax	**(91)**	(130)	39	(456)
Profit after tax	**214**	228	(14)	(698)
Earnings per share (EPS) in NOK	**1.10**	1.17	(0.07)	(3.58)

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Group balance sheet

NOK million	31.03.2012	31.12.2011	Δ	31.03.2011
Intangible assets	**2 390**	2 379	11	2 388
Fixed assets	**18 573**	18 632	-60	18 580
Financial assets	**646**	578	68	2 674
Accounts receivables and inventory	**2 719**	2 250	469	4 311
Cash and cash equivalents	**1 057**	870	187	1 456
Assets	**25 398**	**24 710**	**687**	**29 408**
Equity (incl. Min. int.)	**8 338**	8 131	207	10 849
Allocation for liabilities	**3 214**	3 205	9	3 103
Long-therm debt	**8 822**	9 047	-225	10 346
Other currently liabilities	**2 198**	1 802	396	1 903
Short-term debt	**2 825**	2 525	300	3 208
Equity and liabilities	**25 398**	**24 710**	**687**	**29 408**
Net interest-bearing debt	**9 337**	9 321	16	10 139
Equity ratio	**33 %**	33 %	0 %	37 %


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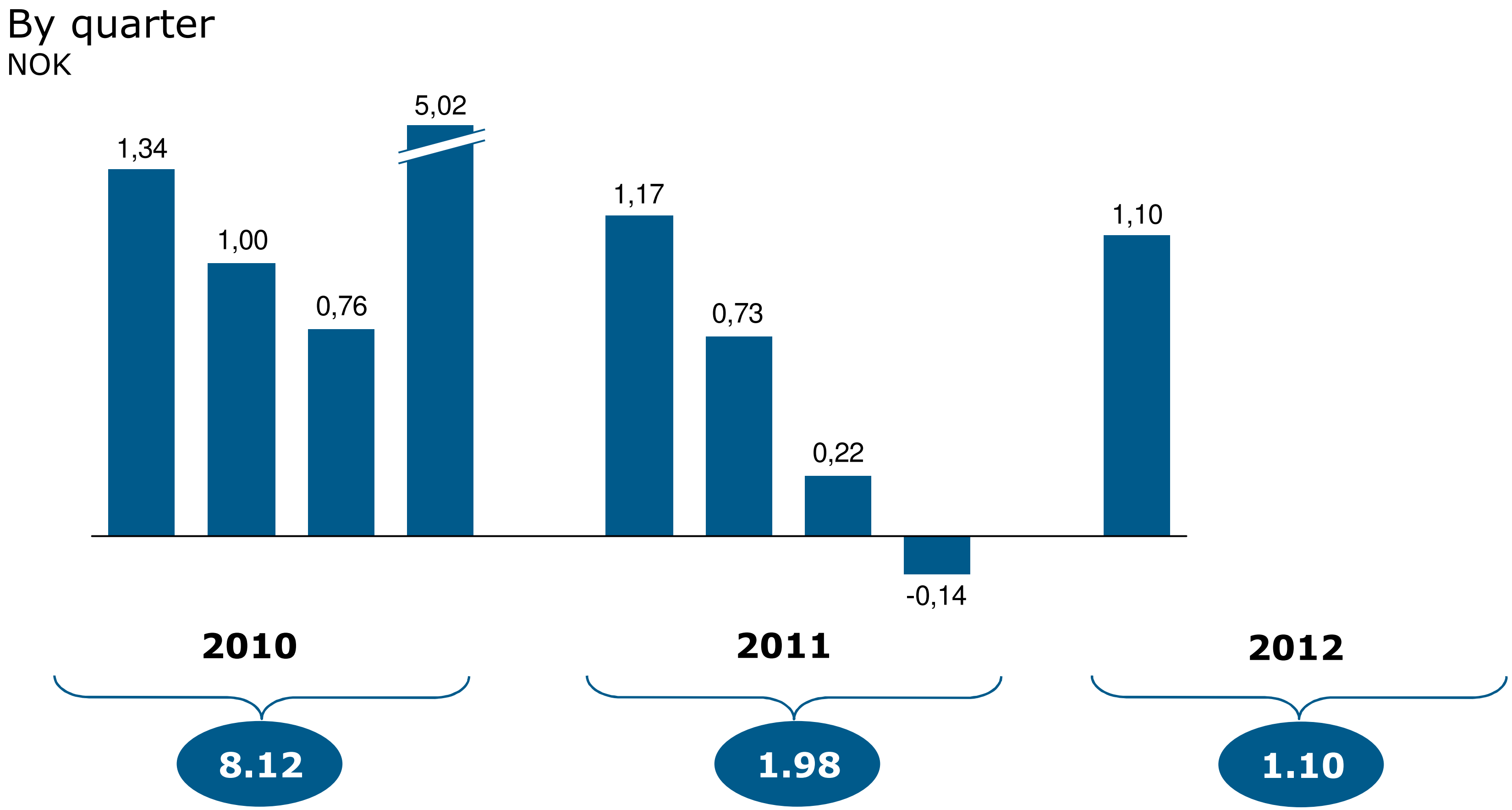
Additional analytic information

Earnings per share (excluding REC)



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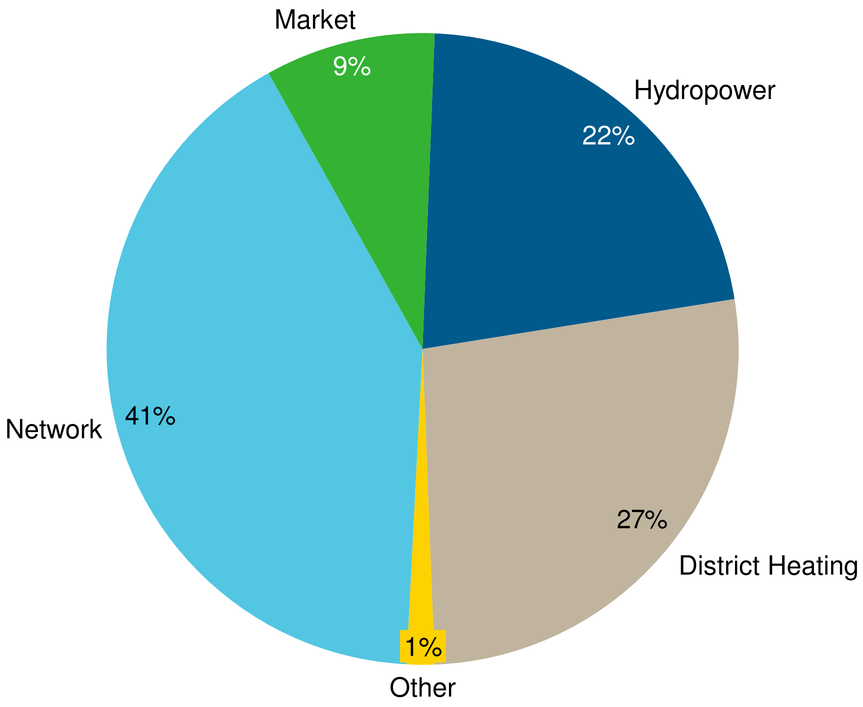
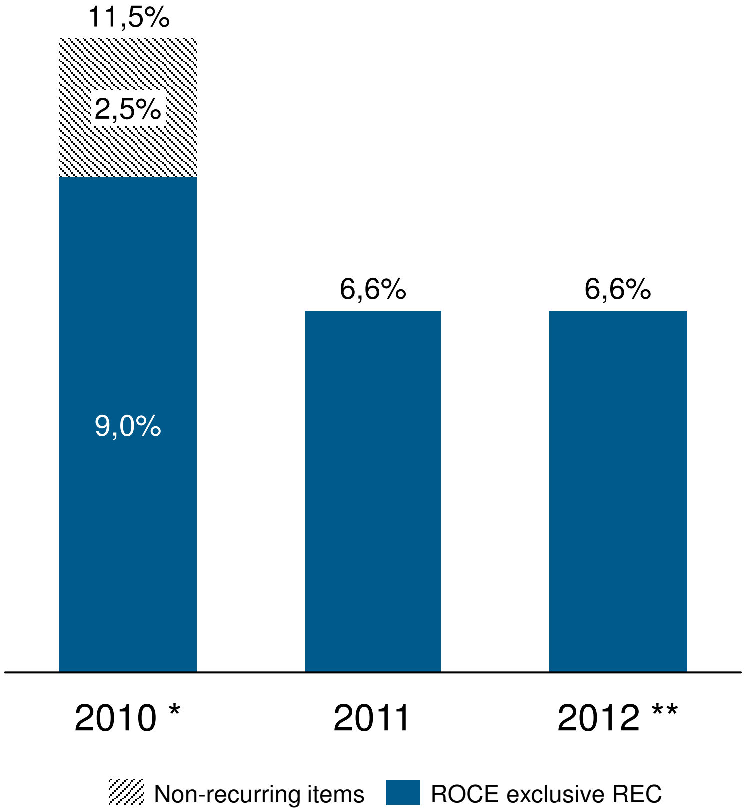
Capital employed and return on capital employed

Distribution of capital employed



Return on capital employed (excl. REC)



* Return on capital employed, with and without profit effect from sale of Hafslund Fibernett and Q4 2010 write-down of BioWood Norway.

** Return on capital employed, most recent 12 months.

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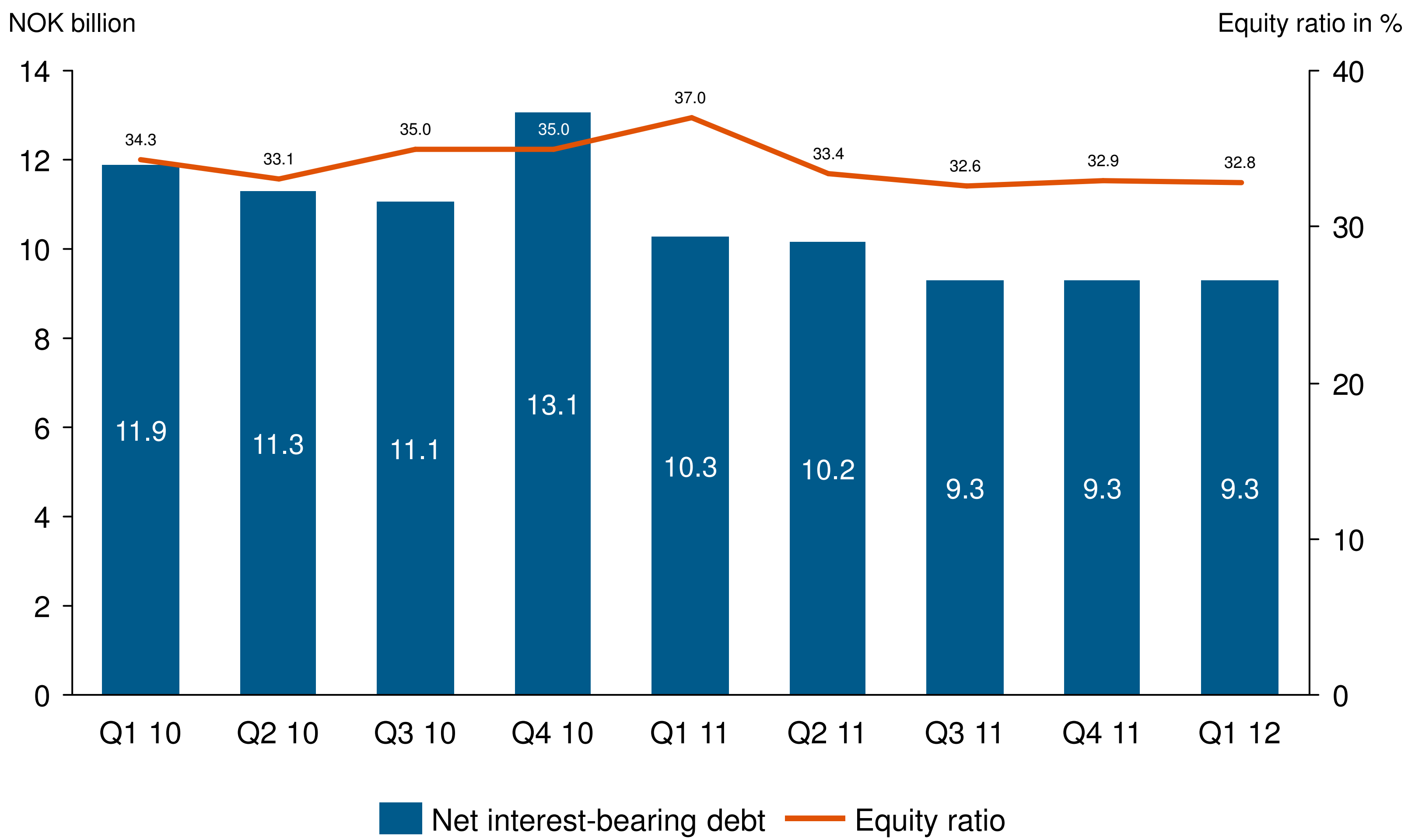
Group cash flow statement

NOK million	Q1 12	Q1 11	Δ	2011
EBITDA	**607**	656	**(49)**	1 145
Interest paid	**(180)**	(190)	**10**	(540)
Tax paid	**(160)**	(98)	**(62)**	(490)
Market value changes and other liquidity adjustments	**(50)**	22	**(72)**	1 138
Change in working capital	**(65)**	923	**(988)**	2 260
Cash flow from operations	**152**	1 313	**(1 161)**	3 513
Investments in operations and expansion	**(171)**	(232)	**61**	(1 172)
Sale of operating assets and business activities	**16**	1 540	**(1 524)**	2 647
Cash flow, investment activities	**(155)**	1 308	**(1 463)**	1 475
Cash flow for debt repayment and dividends	**(3)**	2 621	**(2 624)**	4 988

Capital structure development



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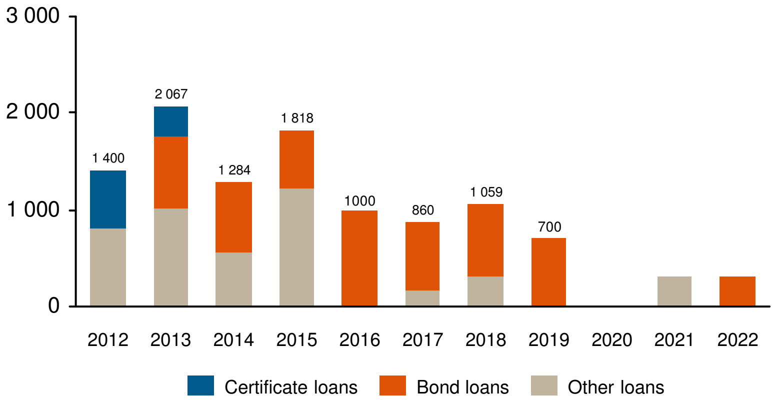
Loans — portfolio data

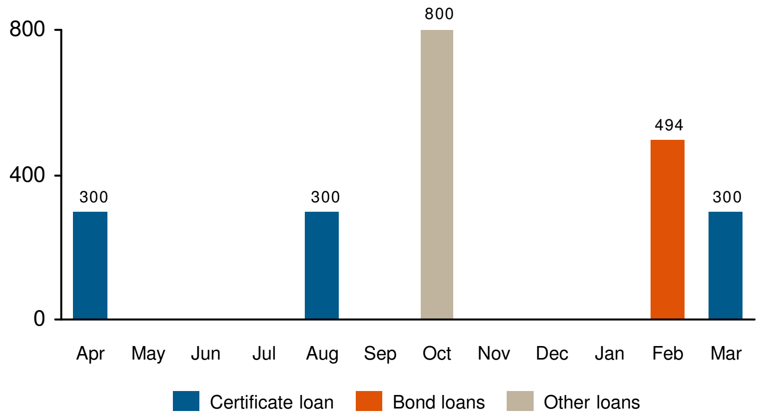
Debt maturity profile

NOK million



Loans at maturity, next 12 months

NOK million



Portfolio data

	Q1 12	Q4 11	Δ
Bonds	51 %	52 %	-1 %
Certificate loans	8 %	7 %	1 %
Other loans	41 %	41 %	-1 %

	Q1 12	Q4 11	Δ
Nominal value - market value of loans	-209	-225	16
Market value interest rate swaps	-25	-33	8
Average interest incl. derivatives	4.4 %	4.5 %	-0.1 %
Proportion of loan portfolio with fixed interest	52 %	47 %	5 %
Loans at maturity next quarter (NOK million)	300	1 006	-706
Unused drawing facilities (NOK million)	4 400	4 400	0

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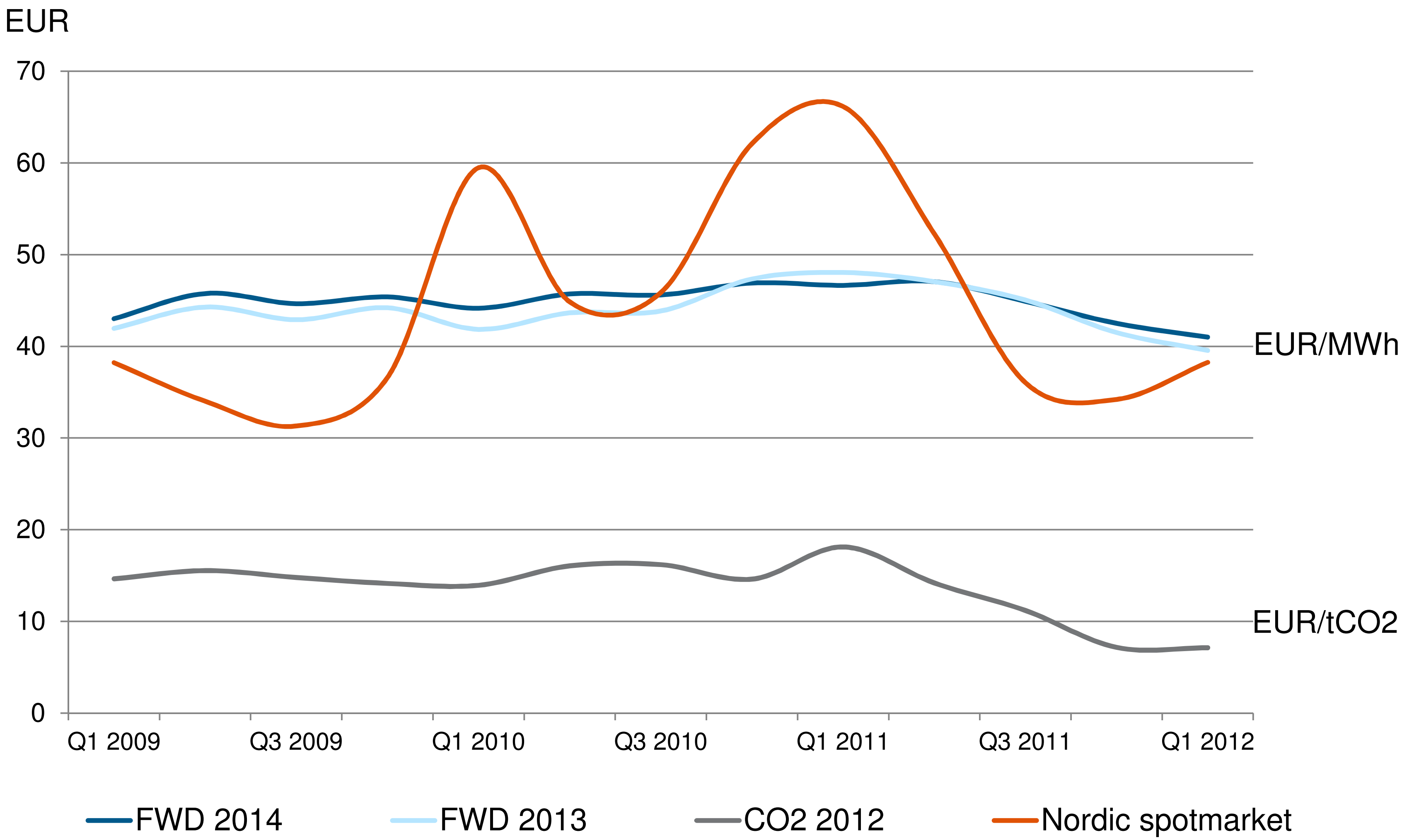
Power and CO2 price development



Kilde: www.nasdaqomxcommodities.com as19.04. 2012
Nordic spotmarket prices are quartarly average while FWD14, FWD13 og CO2 prices are from last working day in each quarter.

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Key figures

Group	YTD 12	YTD 11
Capital matters		
Total assets	25 398	29 408
Captial employed	21 081	24 488
Equity	8 338	10 849
Market capitalization	11 165	14 581
Equity ratio	33 %	37 %
Net interest-bearing debt	9 337	10 139
Profitability excl. REC		
Profit after tax	214	228
Earnings per share (EPS)	1.10	1.17
Cash flow per share	0.78	6.73

Power Generation	YTD 12	YTD 11
Capital employed	4 627	4 434
Sales price (NOK/kWh)	0.27	0.47
Production volume (GWh)	601	371

Heat	YTD 12	YTD 11
Capital employed	5 493	5 412
Sales price District Heating (NOK/kWh)	0,61	0,80
Sales price Industry Heating (NOK/kWh)	0,27	0,27
Gross margin (NOK/kWh)	0,26	0,27
Sales volume (GWh)	729	791

Network	YTD 12	YTD 11
Capital employed	8 655	9 250
Annual Income ceiling	2 309	2 312
NVE-capital (regulatory)	6 054	6 130

Market	YTD 12	YTD 11
Capital employed	1 422	2 709
- of this working capital	74	1 436
Total volume (GWh)	5 173	5 153

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Definitions

Navn	Definisjon
Group	
Capital employed	Equity + Net interest-bearing debt + Net tax positions
Equity ratio (in%)	(Equity incl. Minority interests / Total assets) X 100
Earnings per share	Profit after tax / Average no. of shares outstanding
Cash flow per share	Net cash from operations / Average no. of shares
Return on equity	Result after tax / Average equity (incl. Minority interests)
Return on capital employed	Operating profit / (Average equity + Net interest-bearing debt + Net tax positions)
Power generation	
Mean production	Average power generation over the past 10 years.

Shareholders as of 31 Mars 2012

#	Shareholder	Class A shares held	Class B shares held	Total	Ownership	Share of voting rights
	Shareholding in thousands					
1	City of Oslo	67 525	37 343	104 868	53.7 %	58.5 %
2	Fortum Forvaltning AS	37 853	28 706	66 559	34.1 %	32.8 %
3	Østfold Energi AS	5 201	4	5 205	2.7 %	4.5 %
4	Odin Norden		3 760	3 760	1.9 %	0.0 %
5	MP Pensjon PK	5	1 579	1 584	0.8 %	0.0 %
6	Folketrygdfonet	85	885	970	0.5 %	0.1 %
7	AS Herdebred	107	321	428	0.2 %	0.1 %
8	Hafslund ASA		397	397	0.2 %	0.0 %
9	New Alternatives Fund, Inc	328		328	0.2 %	0.3 %
10	Handelsbanken Helsinki	141	173	314	0.2 %	0.1 %
	Total, 10 largest shareholders	111 245	73 168	184 413	94.5 %	96.4 %
	Other shareholders	4 183	6 590	10 773	5.5 %	3.6 %
	Total	**115 428**	**79 758**	**195 186**	**100 %**	**100 %**

 Merk: Antall 1.000 aksjer

Investor information

- Additional information is available from Hafslund's website:
  - www.hafslund.no
  - You can subscribe to Hafslund press releases

- Group CEO, Finn Bjørn Ruyter
  - Finn.bjorn.ruyter@hafslund.no
  - Tel: +47 911 38 199

- Financial Director and Investor Relations contact, Morten J. Hansen
  - mjh@hafslund.no
  - Tel: +47 908 28 577

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