Hafslund

SHAREHOLDER'S REPORT 4. QUARTER 2014

Contents:

Fourth-quarter highlights 2014

> EBITDA of NOK 760 million – up 25 percent against 2013.

> Mild and wet weather results in high hydropower production, but low energy demand.

> Achieved power price of 0.26 NOK/kWh – down 0.04 NOK/kWh year-on-year.

> Networks results up on previous year due to higher income surplus.

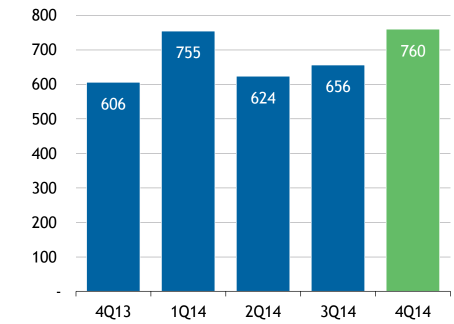
> Redemption of vendor loan note issued on sale of fibre-optics networks business in 2010 results in gain of NOK 52 million and capital release of NOK 312 million during the quarter.

> The board proposes a dividend of NOK 2.50 per share for 2014.

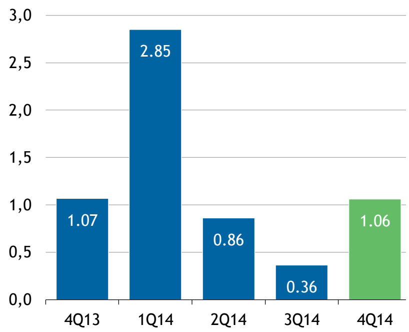
Earnings per share

NOK 1.06

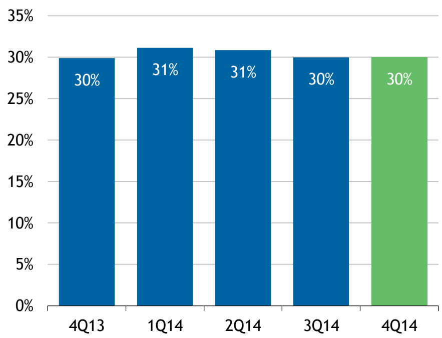
> **EBITDA** (NOK million)



> **Earnings per share** (NOK)



> **Equity ratio**



Hafslund

Key figures

Q4 13	Q4 14	Profit and loss (NOK million)	2014	2013
3 639	**3 605**	Operating revenues	**12 396**	12 836
606	**760**	EBITDA	**2 795**	2 446
407	**514**	Operating profit	**1 750**	1 653
275	**320**	Profit before tax and discontinued operations	**1 197**	1 150
208	**207**	Profit after tax	**1 003**	747
		Capital matters		
		Equity ratio	**30 %**	30 %
		Net interest-bearing debt	**10 546**	9 931
		Per-share figures (NOK)		
1.07	**1.06**	Profit (EPS)	**5.14**	3.83
0.9	**1.2**	Cash flow from operations	**11.0**	8.3
		Key figures		
0.30	**0.26**	Power prices (NOK per kWh)	**0.24**	0.28
677	**854**	Hydropower production (GWh)	**3 452**	2 845
614	**638**	Heat production (GWh)	**1 907**	2 072
5 203	**5 277**	Power sales (GWh)	**17 764**	17 388

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

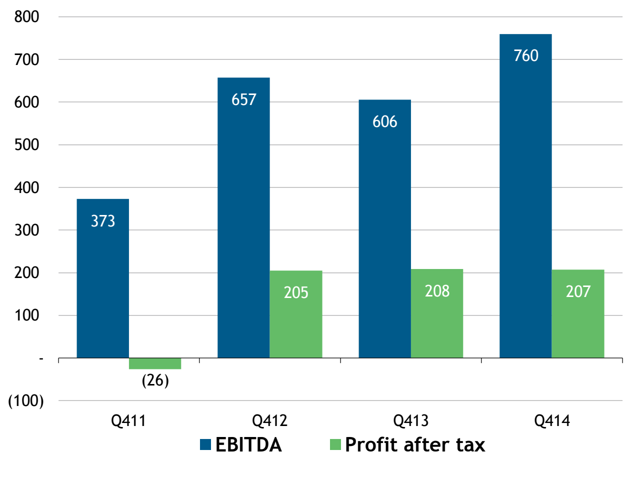
Summary fourth-quarter 2014

Fourth-quarter performance

Hafslund posted EBITDA of NOK 760 million in the quarter, an increase of NOK 154 million against the previous year. The improvement in Networks' result is mainly due to higher surplus income compared to last year. Networks experienced stable operations with few operational outages during the quarter. The result reflects continued high hydropower production. The result was adversely impacted by low demand for energy as a result of mild weather and lower power prices compared with the previous year. The achieved power price of 0.26 NOK/kWh for hydropower was 0.04 NOK/kWh lower than the previous year. The decrease in Markets' result is attributable to lower margins and a positive non-recurring effect of NOK 18 million recognised in the comparable prior-year quarter. The operating result includes a gain of NOK 52 million in connection with the redemption of a loan issued as a vendor loan note on the sale of the shares in Hafslund Fibernett AS in the fourth quarter of 2010.

At NOK 194 million, financial expenses were up NOK 61 million on the previous year. At the reporting date Hafslund had net interest-bearing liabilities NOK 10.5 billion and a coupon rate of 3.8 percent. Lower forward interest rates impacted the market value of the part of the loan portfolio that is recognised at fair value, and increased financial expenses by NOK 28 million (NOK 17 million). Financial expenses include a disagio of NOK 33 million (NOK 7 million) and should be viewed in the context of the depreciation of the NOK towards the end of the year.

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

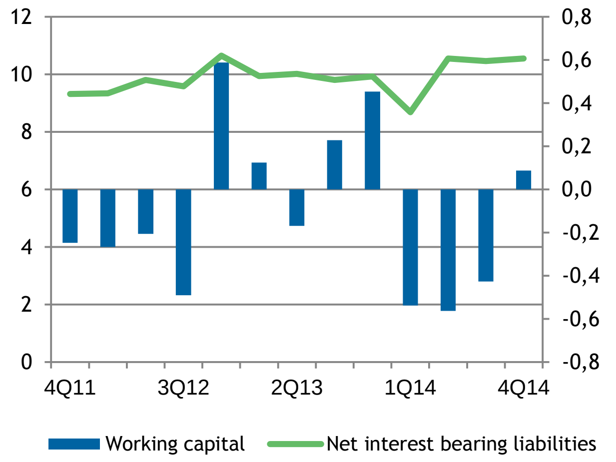


The tax expense of NOK 113 million (NOK 66 million) includes resource rent tax for Hydropower of NOK 34 million (NOK 38 million). The tax expense for the previous year was positively impacted by a non-recurring effect of NOK 45 million in respect of a lower deferred tax liability due to a reduction in the general tax rate from 28 per cent to 27 per cent. The profit after tax of NOK 207 million (NOK 208 million) equates to an earnings per share figure of NOK 1.06 (NOK 1.07)

Cash flow and capital matters in Q4 2014

The cash flow from operations of NOK 231 million during the quarter includes a liquidity charge of NOK 459 million due to higher working capital requirements in the quarter as a result of increased demand for energy. EBITDA of NOK 760 million were NOK 70 million higher than the related cash flow from operations before changes in working capital. This was attributable to payment of interest (NOK 110 million) and the repayment of previously paid tax (NOK 74 million) relating to a waived tax claim, and results contributions with no liquidity effect of NOK 34 million. Out of a net cash flow from investing activities of NOK 342 million, investments in the Networks business comprised NOK 243 million. At NOK 10.5 billion, net interest-bearing liabilities were up around NOK 100 million in the quarter at the reporting date. The graph below shows changes in net interest-bearing liabilities and working capital over the last three years.

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



At NOK 26.2 billion, total assets at the end of 2014 were up NOK 0.6 billion in the quarter. The increase is primarily attributable to higher receivables and income accruals as a result of higher-than-normal energy demand in the quarter. At the end of the year the consolidated equity ratio amounted to 30 percent (30 percent). Hafslund has a robust financing structure with long-term committed drawdown facilities. Unutilised drawdown facilities at the end of the year amounted to NOK 3.8 billion, which is deemed sufficient to cover both working capital requirements and refinancing of liabilities over the next 12 months.

Summary 2014

Financial performance 2014

The Hafslund Group posted a consolidated profit after tax of NOK 1,003 million in 2014, an improvement of NOK 256 million compared with 2013. In addition to a good underlying result for Networks and Markets, the result was impacted by several non-recurring effects. The result includes a net positive non-recurring effect of NOK 182 million, compared with NOK 131 million in 2013. The above includes NOK 127 million in extraordinary impairments for Heat (NOK 93 million after tax), and a waived tax demand from the sale of shares in Hatros I AS and Hatros II AS of NOK 268 million.

The Hafslund Group posted sales revenues of NOK 12.4 billion in 2014 (NOK 12.8 billion). The decrease in sales revenues is primarily attributable to lower power prices. The second-quarter purchase of the Networks business in Østfold helped to boost revenues. Despite this, and a net negative non-recurring effect of NOK 77 million (+ NOK 74 million), the operating profit came in at NOK 1,750 million, an improvement of 6 percent against 2013. This equates to a return on capital employed of 8.3 percent (8.0 percent). Total energy production of 5,359 GWh was 442 GWh higher than the previous year. This was attributable to record hydropower production, despite lower demand for district heating as a result of the mild weather. The unweighted wholesale power price on Nord Pool for the Oslo area was 0.23 NOK/kWh, down 22 percent against the previous year. This in particular impacts earnings for Production and Heat, even though positive results from hedging partly offset the fall in the wholesale prices. The improvement in Networks' results compared with the previous year is partly attributable to lower grid losses, maintenance of stable longer-term tariffs and contributions from purchased Networks business. Measured against the allocated NVE income ceiling, the operating result reflects an income surplus of NOK 206 million (income shortfall of NOK 120 million). Markets improved its year-on-year results, in part due to an improved performance from power sales on the back of an expanded customer base, improved margins and higher sales of benefit products. Lower demand for energy due to mild weather adversely impacts Markets' performance.

Financial expenses of NOK 553 million (NOK 503 million) in 2014 include a charge of NOK 73 million (NOK 9 million) following an increase in the market value of the loan portfolio that is recognised at market value in the financial statements resulting from a lower forward curve. Financial expenses also include a disagio of NOK 46 million (NOK 22 million). At 3.8 percent, the coupon rate on the loan portfolio remained unchanged during the year.

At NOK 1,197 million, the profit before tax was up 4 percent on 2013. The low tax expense of NOK 194 million (NOK 402 million) should be viewed in the context of a positive non-recurring effect of NOK 268 million relating to the reversal of previously recognised deferred tax after the Norwegian Tax Authority ceded that there was no basis for taxing gains on shares in respect of the re-sale in 2006 and 2007. The tax expense includes resource rent tax of NOK 131 million (NOK 145 million) from power production. The consolidated profit for the year of NOK 1,003 million (NOK 747 million) equates to an earnings per share figure of NOK 5.13 (NOK 3.83)

The board will propose a dividend of NOK 2.50 (NOK 2.50) per share to the Annual General Meeting on 7 May 2015. This corresponds to a cumulative dividend of NOK 488 million on the outstanding shares.

Cash flow in 2014

The cash flow from operating activities for 2014 came in at NOK 2,154 million, an increase of NOK 530 million against 2013. The increase compared with 2013 is primarily attributable to a rise in EBITDA of NOK 349 million and a decrease of NOK 280 million in tax payable, mainly as a result of repaid tax relating to a waived tax claim. At NOK 2,795 million, EBITDA were NOK 641 million higher than the related cash flow from operations. This was primarily attributable to the payment of interest (NOK 452 million) and tax (NOK 58 million). The net cash flow from investing activities of NOK 2,275 million was partly attributable to the second-quarter purchase of Networks business in Østfold, southern Norway. In 2014 a dividend of NOK 2.50 (NOK 2.50) per share was paid, corresponding to NOK 488 million. At the reporting date the Group's net interest-bearing liabilities totaled NOK 10.5 billion, an increase of NOK 0.6 billion during the year.

Business segments in Q4 2014

> Production

NOK million	Q4 14	Q4 13	2014	2013
Operating revenues	**224**	205	**871**	859
Gross margin	**236**	225	**882**	868
EBITDA	**159**	163	**599**	614
Operating profit	**148**	152	**552**	568
Operating profit hydropower	**144**	141	**521**	549
Operating profit power trading	**4**	11	**31**	19
Power price (NOK/kWh)	**0.26**	0.30	**0.24**	0.28
Production (GWh)	**854**	677	**3 452**	2 845
Investments	**15**	7	**26**	26

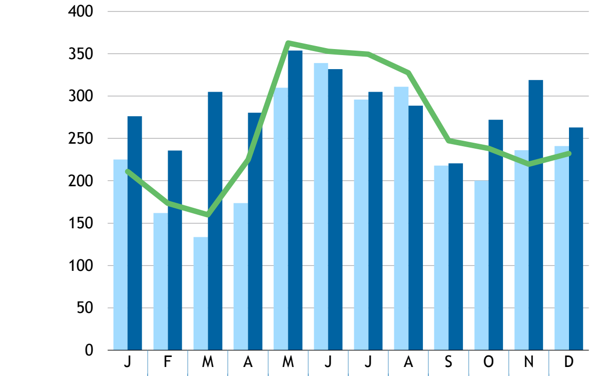
Production posted sales revenues of NOK 224 million (NOK 205 million) in the fourth quarter. The increase in sales revenues is attributable to extremely high production, and was achieved despite lower power prices. The operating profit of NOK 148 million (NOK 152 million) relates in the amount NOK 144 million (NOK 141 million) to hydropower production and NOK 4 million (NOK 11 million) to the power trading business.

At 0.26 NOK/kWh, the achieved power price was down 0.04 NOK/kWh against the previous year, which reduced the results contribution by NOK 27 million. The achieved power price was 0.006 NOK/kWh higher than the associated volume-weighted spot price on Nord Pool Spot for price area NO1, in part due to a positive result from hedging activities in the period. 62 GWh of concessionary and compensatory power was sold at 0.14 NOK/kWh (0.14 NOK/kWh) during the quarter. Hafslund hedges some of its hydropower production. A hedge ratio of 33 percent generated a results contribution of NOK 5 million in the quarter. Please refer to Note 6 later in the shareholders' report for further information on the company's hedging policy. The table below shows the hedge position for the next six months:

Heading position	Next 6 months
Hedge ratio as of 31. December 2014	37 %
Hedge price less market price quoted 31. December 2014 (NOK/kWh)	0.022

At 854 GWh, production was up 177 GWh on the previous year, generating a NOK 46 million higher results contribution over the year. Production was 24 percent higher than normal for the quarter due to mild weather and high precipitation. Based on production to date, expected availability in the power plants, current reservoir levels and a normal weather situation, production for the first quarter of 2015 is expected to be around 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	332	305	289	221	272	319	263
Mean	211	174	160	225	363	353	350	328	247	238	220	232

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

At NOK 71 million, operating expenses for the quarter were up NOK 14 million against the previous year on the back of high central gr new generator in Vamma.

Production is performing project design for the construction of a new generator at Vamma power plant. The generator has a capacity of 125 MW and the unit has an absorption capacity of 500 m3/s. The final investment decision is expected in the second half of 2015. The provisional estimate of the investment cost is NOK 800 million, and any construction is expected to boost annual production by 160 GWh.

At the reporting date Production had capital employed of NOK 4.4 billion.

> Heat

NOK million	Q4 14	Q4 13	2014	2013
Operating revenues	**371**	349	**1 080**	1 153
Gross margin	**218**	201	**623**	608
EBITDA	**127**	112	**308**	329
Operating profit	**87**	71	**9**	156
Gross margin (NOK/kWh)	**0.33**	0.33	**0.32**	0.31
Production (GWh)	**638**	614	**1 907**	2 072
Investments	**40**	22	**95**	61

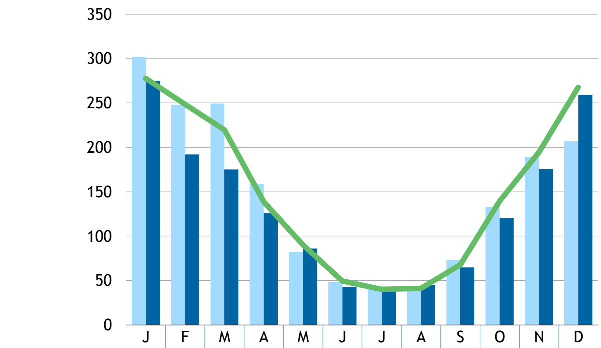
Heat posted sales revenues of NOK 371 million in the quarter, an increase of six percent against the previous year, in part due to higher volumes. At NOK 218 million, the gross contribution was up NOK 17 million on the previous year. Operating expenses of NOK 92 million were on a par with the previous year. The operating profit came in at NOK 87 million, up 27 percent on the previous year. The previous year's result was impacted by NOK 21 million in closure costs for Jessheim. Operational improvements are offsetting the fall in power prices, meaning that result is on a par with the previous year. This is satisfactory in light of the extremely mild weather with low energy demand.

Investments of NOK 40 million in the quarter primarily relate to the connection of new district heating customers. In 2014, 68 new district heating customers were connected with an aggregate annual district heating volume of 46 GWh, of which 21 GWh relates to the fourth quarter. At the end of 2014 capital employed amounted to NOK 5.2 billion.

District Heating	Q4 14	Q4 13	2014	2013
Waste and biofuel (GWh)	**297**	294	**913**	893
Heat pumps (GWh)	**54**	48	**125**	133
Pellets (GWh)	**24**	33	**70**	92
Electricity (GWh)	**154**	143	**426**	542
Biooil, natura1l gas, oil (GWh)	**27**	11	**66**	115
Total production (GWh)	**556**	529	**1 600**	1 775
Production cost (NOK/kWh)	**0.26**	0.26	**0.26**	0.29
Sales price (NOK/kWh)	**0.62**	0.65	**0.61**	0.63
Gross margin (NOK/kWh)	**0.33**	0.35	**0.32**	0.32

At 556 GWh, district heating production was 27 GWh higher than the previous year due to organic growth. Demand for energy was low in both the reporting period and the comparable prior-year period due to milder-than-normal weather.

District Heating – monthly production profile
(GWh)



	J	F	M	A	M	J	J	A	S	O	N	D
2013	302	248	249	159	82	48,3	41	43	73	133	189	207
2014	275	192	175	126	86	43	38	45	65	121	176	259
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.

The fuel cost of 0.26 NOK/kWh was on a par with the previous year and was achieved due to low power prices offsetting a changed fuel mix. At 0.62 NOK/kWh, the district heating price was 0.03 NOK/kWh lower than the previous year as a result of lower power prices. The volume-weighted power price in the fourth quarter was 0.04 NOK/kWh lower than the previous year. At 0.33 NOK/kWh, the gross contribution for district heating in the fourth quarter was 0.02 NOK/kWh lower than the previous year.

Hafslund hedges the price of some of its district heating production. Please refer to Note 6 later in the shareholders' report for further information on the company's hedging policy. The hedge ratio in the fourth quarter was 76 percent (248 GWh). The result of hedging activities contributed NOK 9 million in the quarter. The table below shows the hedging position in relation to net power price exposure for the district heating business for the next six months:

Heading position	Next 6 months
Hedge ratio as of 31. December 2014	58 %
Hedge price less market price quoted 31. December 2014 (NOK/kWh)	0.043

Industrial heating in Østfold, southern Norway, made an aggregate gross contribution of NOK 26 million (NOK 21 million) in the quarter, where the year-on-year improvement is attributable to a higher price for industrial steam. The gross contribution relates in the amount of NOK 19 million (NOK 16 million) to the Sarpsborg plant and NOK 7 million (NOK 5 million) to Bio-El Fredrikstad. The contribution for the year as a whole was NOK 94 million, up NOK 11 million on the previous year. At 83 GWh, energy production was 2 GWh lower than the previous year.

Industrial energy	Q4 14	Q4 13	2014	2013
Sales price (NOK/kWh)	0.27	0.22	0.27	0.25
Used waste (thousand tonns)	31	34	126	131
Gross margin (NOK/kWh)	0.31	0.25	0.31	0.28
Production (GWh)	83	85	307	297

* 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

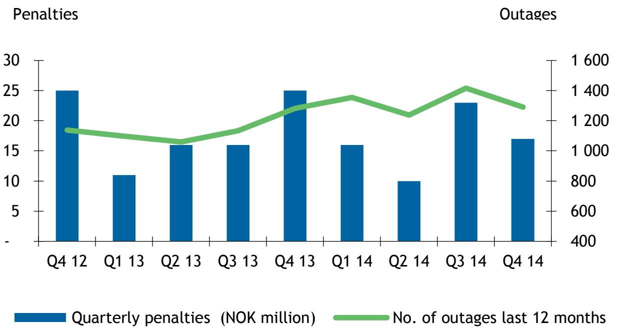
NOK million	Q4 14	Q4 13	2014	2013
Operating revenues	1 187	1 090	4 147	4 052
Gross margin	851	709	2 829	2 498
EBITDA	378	266	1 314	1 107
Operating profit	218	142	757	619
Result effect income surpluses/(shortfalls)	136	43	206	(120)
Investments	243	188	674	532

Networks posted sales revenues of NOK 1,187 million (NOK 1,090 million) in the fourth quarter. The increase in sales revenues and gross margin is mainly due to NOK 93 million higher surplus income than last year and purchase of Networks business in Østfold. Please refer to Note 2 later in the report for further information on income surpluses/shortfalls. At NOK 218 million, the fourth-quarter operating profit was up 53 percent on the previous year. The improvement in year-on-year results must in addition to higher gross margin also be seen in the context of slightly lower maintenance activities, while integration expenses pushed the result in the opposite direction.

The purchased Networks business in Østfold, southern Norway, was merged with Hafslund Nett AS at the end of 2014. An integration project is currently ongoing to establish an operating model and an organisation that will secure leveraging of synergy effects. At the same time a strong internal expertise pool is being established. The integration project is intended to help Hafslund Nett become an even more efficient networks company. Over time this will secure low tariffs for Networks customers, along with stable and solid returns on capital employed. At the reporting date Hafslund Nett had 676,000 Networks customers.

Hafslund Nett's security of supply is among the best of any grid company in Norway. The table below 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.

Service interruptions and related penalties
(excl. Hafslund Nett Øst AS)



There were fewer operational outages in the fourth quarter compared with the previous year. This was mainly due to less wind and precipitation than the previous year, in particular in December. The KILE cost was NOK 17 million in the quarter, which was down NOK 8 million against the previous year. At 4.8 TWh, the total cumulative energy delivery to end customers was on a par with the previous year. On average Hafslund Nett's customers were without power for 0.22 hours during the fourth quarter, which represents a 50 percent improvement on the previous year.

At the end of the fourth quarter Networks had capital employed of NOK 10.5 billion.

Hafslund Nett endeavours to guarantee stable network tariffs for its customers. Hafslund Nett's grid rental is among the lowest in Norway. From 2015 Hafslund Nett will change its tariff structure for power-metered customers. Hafslund Nett's income is not affected by the change in tariff; however, the distribution of customer tariffs and of grid rental over the year will change. Following the change, customers who use a lot of electricity at peak-load periods will have to pay more than customers who use electricity in off-peak periods.

Assuming normal energy demand, planned net tariffs and maintenance, along with ongoing integration work, the operating profit for 2015 is expected to be slightly lower than in 2014. This is attributable to a projected income shortfall in 2015, compared with an income surplus in 2014.

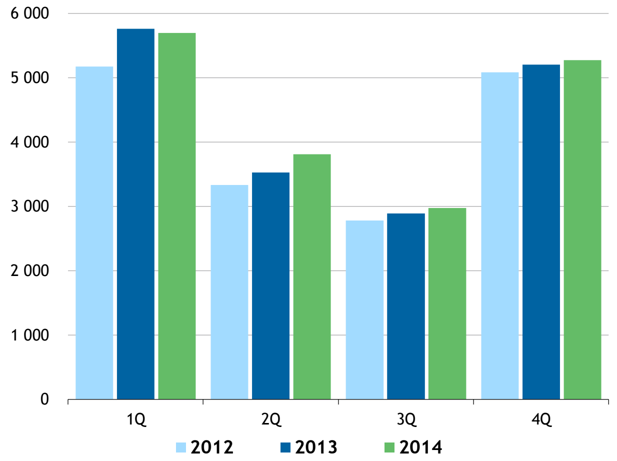
> Markets

NOK million	Q4 14	Q4 13	2014	2013
Operating revenues	**1 898**	2 021	**6 416**	6 868
Gross margin	**357**	352	**1 386**	1 170
EBITDA	**78**	96	**484**	342
Operating profit	**54**	84	**403**	301
Operating profit powersales	**49**	78	**329**	275
- included value change derivatives	**4**	(9)	**3**	(4)
Sales volume (GWh)	**5 277**	5 203	**17 764**	17 388
Operating profit billing and customer service	**5**	6	**74**	26

Markets posted sales revenues of NOK 1,898 million in the fourth quarter, a reduction of 6 percent against the previous year. The decrease is primarily attributable to lower power prices than in 2013. The operating profit of NOK 54 million (NOK 84 million) represents a weak result in a quarter normally characterised by high energy demand. The year-on-year decrease in results is in part attributable to lower margins and a positive non-recurring effect of NOK 18 million in the comparable prior-year period in respect of the step acquisition of Energibolaget i Sverige.

Power sales' operating result of NOK 49 million equates to a profit after tax of around NOK 33 (NOK 50) per customer. 5,277 GWh of energy was sold in the quarter, which was on a par with the previous year. At the reporting date Hafslund had 1,073,000 customers, including 330,000 customers in Sweden and Finland under the brands Göta Energi, SverigesEnergi and Suomen Energiayhtiö (FinlandsEnergi). Work to streamline the corporate structure and operating model within Markets is in full swing. The aim is to establish a more efficient operating organisation that facilitates further growth, with a particular focus on expanding the customer base in the Swedish and Finnish market.

Power Sales – volume sold
(GWh)



At NOK 5 million, the operating profit for invoicing and customer services in the quarter was on a par with the previous year. Lower system and operating expenses were offset by higher provisions for losses on receivables in the quarter.

At the reporting date Markets had capital employed NOK 1.6 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 due to fluctuating energy demand and wholesale power prices on Nord Pool Spot.

> Other activities

NOK million	Q4 14	Q4 13	2014	2013
Support	**(19)**	(21)	**(4)**	(55)
Other acitivities	**26**	(20)	**33**	63
Total operating profit Other	**7**	(42)	**30**	9

The operating profit from the Other activities area includes a gain of NOK 52 million relating to the redemption of a loan that was issued as a vendor loan note in connection with the sale of shares in Hafslund Fibernett AS in the fourth quarter of 2010. Hafslund received NOK 312 million in connection with the redemption of the loan. Other also includes a charge on results of NOK 26 million (NOK 3 million) relating to the change in value of interest rate derivatives.

Hafslund

Other matters

List of shareholders as of 31 December 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 %
Kommunal Landspensjonskasse	5 201	2 848	8 049	4,1 %
MP Pensjon PK	5	1 979	1 984	1,0 %
Gjensidige Forsikring		1 000	1 000	0,5 %
Folketrygdfondet	60	772	832	0,4 %
Skandinaviska Enskilda Banken	18	444	462	0,2 %
Hafslund ASA		420	420	0,2 %
New Alternatives Fund	328		328	0,2 %
Nordea	12	310	322	0,2 %
Total 10 largest	111 002	73 822	184 824	94,7 %
Other shareholders	4 426	5 936	10 362	5,3 %
Total	115 428	79 758	195 186	100 %

At the end of 2014 Hafslund ASA had 6,335 shareholders. At NOK 9.9 billion, the market capitalisation on the Oslo Stock Exchange at the end of the quarter is based on a price of NOK 50.50 for A shares and NOK 51.00 for B shares.

Adjusted dividend policy

The Board of Directors has adjusted the wording on Hafslund's dividend policy. The long-term dividend policy for the Group is to pay stable dividends which over time equal to at least 50 percent of annual results. On this basis, the Board proposes a dividend of NOK 2.50 per share for 2014.

Outlook

Hafslund is a pure-play energy company and Norway's largest networks, district heating and power sales company, and a medium-sized power producer. Following the acquisition of the Networks business in Østfold, southern Norway, the regulated Networks business accounts for almost half of Hafslund's capital employed. Networks guarantees Hafslund a stable return in a period marked by low power prices and uncertain economic conditions.

Production's and Heat's earnings are directly impacted by changes in power prices and the production volume. Power prices are determined by the hydrological balance, supply and demand for power, and economic and regulatory conditions in the Nordic region and Europe. At the end of 2014 the listed system price for power delivered in 2015 was 0.27 NOK/kWh (0.30 NOK/kWh). Assuming full spot-price exposure and normal production, an increase/decrease in the power price over the year of 0.01 NOK/kWh would increase/decrease Production's and Heat's operating profit by NOK 29 million and NOK 12 million respectively. In order to secure cash flows and utilise market prospects some sales of produced energy are hedged.

Leveraging operational synergies in the merged Networks business will play a key role in 2015. 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 and changes in public regulations. A five percent change in relative efficiency would result in a NOK 80 million change in the revenue ceiling, while a one percent change in the NVE interest rate would impact Hafslund Nett's revenue ceiling by the same amount.

Over the next few years Networks and Power Sales will face significant regulatory changes, including the introduction of AMS, the establishment of a national electricity hub and a consumer-centric model. Power Sales will continue its Nordic growth strategy in 2015. The business is exposed to tough competition, and profitability and growth will be contingent on Hafslund's ability to further develop and enhance its operations.

In addition to ongoing investments in operations and expansion, the Group's future investment requirements will be significantly impacted by statutory investments in AMS of around NOK 2.4 billion in the period leading up to 2019, and any decision to build a generator at Vamma, projected at around NOK 800 million.

Hafslund is well equipped both operationally and financially to deliver a robust and future-proof energy supply to the expanding population in the south eastern part of Norway.

Oslo, 3. February 2015

Hafslund ASA

Board of Directors

Hafslund

> Condenced income statement

Q4 13	Q4 14	NOK million	2014	2013
3 639	**3 605**	Operating revenues	**12 396**	12 836
(2 208)	**(2 052)**	Purchased materials and energy	**(6 866)**	(7 867)
1 431	**1 552**	**Gross margin**	**5 530**	4 970
13	**44**	Gain/loss financial items	**116**	125
(275)	**(283)**	Salaries and other personnel expenses	**(879)**	(901)
(564)	**(553)**	Other operating expenses	**(1 972)**	(1 747)
606	**760**	**EBITDA**	**2 795**	2 446
(199)	**(243)**	Depreciation	**(916)**	(789)
1	**(3)**	Impairment losses	**(130)**	(5)
407	**514**	**Operating profit**	**1 750**	1 653
(116)	**(165)**	Financial interest, etc	**(480)**	(494)
(17)	**(28)**	Change in market value loan portfolio	**(73)**	(9)
(133)	**(194)**	**Financial expenses**	**(553)**	(503)
275	**320**	**Profit before tax and discontinued operations**	**1 197**	1 150
(66)	**(113)**	Tax	**(194)**	(402)
208	**207**	**Profit after tax**	**1 003**	747
1.07	**1.06**	Earnings per share (in NOK) = diluted profit	**5.14**	3.83

> Condensed statement of comprehensive income

208	**207**	**Profit after tax**	**1 003**	747
83	**9**	Value change hedging instruments	**(23)**	36
(16)	**43**	Translation differences	**7**	14
(23)	**(3)**	Tax	**6**	(10)
44	**49**	**Other comprehensive income that may be reclassified to profit or loss in subsequent periods**	**(10)**	40
(19)	**(79)**	Change in actuarial pensions	**(307)**	(19)
5	**21**	Tax	**83**	5
(14)	**(58)**	**Other comprehensive income that will not be reclassified to profit or loss in subsequent periods**	**(224)**	(14)
238	**199**	**Profit attributable to**	**769**	773
238	**199**	Profit to shareholders of Hafslund ASA	**769**	774
(0)	**(1)**	Profit attributable to minority interests	**(0)**	(1)
238	**199**		**769**	773

> Condensed balance sheet

NOK million	31-12-14	30-09-14	31-12-13	30-09-13
Intangible assets	**2 973**	2 892	2 606	2 490
Fixed assets	**19 009**	19 042	18 251	18 263
Financial assets	**786**	735	407	233
Accounts receivable and inventory	**2 734**	2 338	2 979	2 544
Cash and cash equivalents	**742**	601	1 143	467
Assets	**26 243**	25 609	25 384	23 996
Equity, majority	**7 860**	7 657	7 565	7 318
Equity, minority	**17**	18	18	18
Allocations for liabilities	**3 390**	3 713	3 363	3 448
Long-term interest-bearing liabilities	**9 047**	9 415	9 432	8 657
Short-term interest-bearing liabilities	**2 668**	2 396	2 332	2 289
Short term non-interest-bearing liabilities	**3 262**	2 410	2 674	2 267
Equity and liabilities	**26 243**	25 609	25 384	23 996

> Equity reconciliation

NOK million	2014	2013
Equity beginning of period	**7 583**	7 289
Comprehensive income	**769**	773
Dividend	**(488)**	(487)
Other changes affecting equity	**13**	8
Equity at end of reporting period	**7 877**	7 583

> Condensed statement of cash flow

NOK million	Q4 14	Q4 13	2014	2013
EBITDA	**760**	606	**2 795**	2 446
Paid interest	**(110)**	(100)	**(452)**	(474)
Paid taxes	**74**	(85)	**(58)**	(338)
Market value changes and other items without cash flow effect	**(34)**	(31)	**(67)**	(48)
Change in accounts receivables, etc.	**(749)**	(274)	**60**	15
Change in liabilities, etc.	**290**	69	**(124)**	23
Cash flow from operations	**231**	185	**2 154**	1 624
Investments (operation and expansion)	**(322)**	(383)	**(1 896)**	(873)
Net capital release shares, etc.	**(20)**	67	**(379)**	435
Cash flow investment activities	**(342)**	(316)	**(2 275)**	(438)
Change net interest-bearing debt and dicontinued operations	**253**	807	**222**	220
Dividend and other equity changes	**-**	-	**(501)**	(487)
Cash flow financing activities	**253**	807	**(280)**	(267)
Change in cash and cash equivalents in period	**142**	676	**(400)**	920
Cash and cash equivalents at beginning of period	**600**	467	**1 143**	223
Cash and cash equivalents at end of period	**742**	1 143	**742**	1 143

> **Segment reporting**

Q4 13	Q4 14	NOK million	2014	2013
205	**224**	Production	**871**	859
349	**371**	Heat	**1 080**	1 153
1 090	**1 187**	Network	**4 147**	4 052
2 021	**1 898**	Markets	**6 416**	6 868
(27)	**(76)**	Other activities/eliminations	**(119)**	(96)
3 639	**3 605**	**Total operating revenues**	**12 396**	12 836
5	**133**	Production	**16**	15
1	**0**	Heat	**2**	3
4	**66**	Network	**56**	2
66	**55**	Markets	**225**	262
51	**54**	Other activities	**205**	197
127	**309**	**Of which, sales between segments**	**504**	479
152	**148**	Production	**552**	568
71	**87**	Heat	**9**	156
142	**218**	Network	**757**	619
84	**54**	Markets	**403**	301
(42)	**7**	Other activities/eliminations	**30**	9
407	**514**	**Total operating profit**	**1 750**	1 653

Notes to the financial statements

1) Framework conditions and key accounting policies

The consolidated financial statements for the fourth quarter of 2014, the period ending 31 December 2014, 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 IFRS 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.

On 30 May 2014 Hafslund completed the purchase of Networks business in Østfold, southern Norway, from Fortum. Fortum Distribusjon AS changed name to Hafslund Nett Øst AS and was merged with Hafslund Nett AS at the end of 2014. At the acquisition date Hafslund Nett Øst AS had cumulative surplus income of NOK 177 million.

Networks' operating result includes surplus income of NOK 136 million (NOK 43 million) for the fourth quarter of 2014 and surplus income of NOK 206 million (income shortfall of NOK 120 million) for 2014 as a whole. At the end of 2014 cumulative surplus income for the Networks business amounted to NOK 701 million.

3) Interest-bearing loans and interest and currency derivatives

At the end of 2014, the value of the loan portfolio recognised in the balance sheet amounted to NOK 11,710 million, of which NOK 9,042 million related to long-term liabilities and NOK 2,668 million to current liabilities. The change in the fair value of loans depressed profits by NOK 28 million in the reporting period. The change in the fair value of interest and currency derivatives had a combined negative impact on results of NOK 35 million in the fourth quarter of 2014. In the reporting period Hafslund's credit spreads had an exit of around 15 basis points for maturities of less than 1 year, an exit under 10 basis points for maturities between 1 and 6 years and an exit of 10 basis points for maturities of more than 6 years. The NIBOR and swap interest rates fell for all maturities, less than 20 basis points for very short maturities, 35 to 45 basis points for maturities of 6 months to 1 year, around 55 basis points for maturities of 1 to 2 years and around 65 basis points for maturities of 3 to 10 years. The net effect of the above was that the market interest rate (including Hafslund's credit spreads) fell slightly for maturities of less than one year, fell by 40 to 55 basis points for maturities of 1 to 2 years and around 60 basis points for maturities of 3 to 10 years.

The change in the fair value of borrowings 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 31 December 2014 the loan and interest derivatives portfolio was split between fixed and variable rates in the ratio 48/52.

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 attached 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 200 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. New borrowings valued at amortised cost amounted to NOK 7,751 million at the end of 2014.

4 Retirement benefit obligations, liabilities and assets

Hafslund has updated its actuarial calculations to apply the assumptions recommended by the Norwegian Accounting Standards Board as of 31 December 2014. In accordance with the updated actuarial calculation, the Norwegian Covered Bonds interest rate has been reduced by a further 0.2 percentage points against the recommended basis applied in the third quarter. The assumptions for salary growth and the expected adjustment of the National Insurance Scheme’s Basic Amount (G) have also been reduced slightly. In overall terms, this increased the pension liability by around NOK 79 million in the fourth quarter and NOK 307 million for the year. The change impacted the statement of comprehensive income by NOK 58 million after tax in the fourth quarter and NOK 224 million after tax for the year.

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. Based on the recommendation of the Norwegian Accounting Standards Board, Hafslund recognised an amount of NOK 89 million before tax in respect of the amendment to mortality rates in the third quarter of 2014. The amount has been recognised as a reduction in the pension cost in the form of a plan change, with a positive non-recurring effect on the consolidated operating profit. Based on the final actuarial calculation for 2014 Hafslund recognised a further NOK 16 million in the fourth quarter in connection with the adjustment to mortality rates. The following business areas have been impacted by the plan change:

NOK million	Production	Heat	Networks	Markets	Other activities	Total
Reduction in pension cost	1	6	54	16	28	105
Tax effect	-	(2)	(15)	(4)	(8)	(28)
Profit after tax	**1**	**5**	**40**	**11**	**21**	**77**

5) Business acquisitions

Fortum's Networks business in Norway

The Hafslund Group purchased Networks business in Østfold from Fortum effective from 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). Fortum Distribution AS changed name to Hafslund Nett Øst AS after the share transfer and merged with Hafslund Nett AS at the end of 2014. Fortum Power and Heat AS changed name to Hafslund Handel Øst AS. The shares were purchased at the same time; however, the purchase was regulated by two different share purchase agreements and subject to two separate purchase prices. The Norwegian anti-trust authorities approved the transaction on 2 May 2014.

✓ Hafslund Nett Øst AS

The aggregate purchase price for Hafslund Nett Øst AS's shares was NOK 1,035 million, including interest for the period from 31 December 2013 to the acquisition date. The net assets in accordance with IFRS amounted to NOK 659 million, meaning that the excess values on acquisition totalled NOK 376 million. Identified excess values on the acquisition primarily relate to network facilities, net after deduction of the fair value of the surplus income. Surplus income is not recognised in the balance sheet, but does affect the overall value of the network facilities in a transaction, and is consequently deducted from the value of the network facilities. The negative value adjustment will reduce impairments of the network facilities until such time as the surplus income is expected to be reset to zero. The purchased Networks business is included in the Networks business area.

The purchase price allocation for the acquisition of the shares in Hafslund Nett Øst AS as of 30 May 2014 breaks down as follows:

NOK million	2014
Purchase price	1,035
Fair value of net assets acquired	672
Goodwill	**362**

NOK million	Fair value	Book value
Property, plant and equipment	984	964
Financial assets	44	50
Current receivables	207	207
Long-term liabilities	(179)	(179)
Trade and other current payables	(383)	(383)
Net assets acquired	**673**	**659**

✓ Hafslund Handel Øst AS

The total purchase price for the shares in Hafslund Handel Øst AS was NOK 388 million. The company's total assets comprised NOK 23 million in cash and cash equivalents, and the shares in FEAS and FEN recognised in accordance with the equity method. At the time of acquisition the fair value of the assets amounted to NOK 422 million, resulting in a provisional gain on a bargain purchase of NOK 34 million. This amount had been recognised in previous quarters, but following a new assessment carried out in connection with the final purchase price allocation, this amount was identified as a negative value attaching to the network facilities due to the income surplus. This negative value adjustment will reduce impairments of the network facilities until such time as the surplus income is expected to be reset to zero, in a similar way as for Hafslund Nett Øst AS. This means that an amount of NOK 34 million previously recognised in income in respect of the gain on the favourable purchase was essentially written back in the fourth quarter. However, the amount written back was partially offset by the reversal of the surplus income, and the share of profit/loss for the quarter attributable to associates. The shareholdings in FEAS and FEN are reported as investments in associates under Other activities.

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. Hafslund accordingly 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 recognised in the balance sheet:|

NOK million	Derivatives used for hedging	Assets at fair value through profit or loss	Loans and receivables	Total
Assets as of 31 December 2014				
Long-term receivables		252		252
Derivatives	12	126		138
Trade and other receivables			2,435	2,435
Cash and cash equivalents			742	742
Total financial assets as of 31 December 2014	**12**	**378**	**3,177**	**3,567**

NOK million	Derivatives used for hedging	Liabilities at fair value through profit or loss	Other financial liabilities	Total
Liabilities as of 31 December 2014				
Borrowings		3,959	7,751	11,710
Derivatives		199		199
Trade and other current payables			2,021	2,021
Total financial liabilities as of 31 December 2014	**-**	**4,158**	**9,772**	**13,930**

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 changes in unrealised values of power contracts in the fourth quarter of 2014. In the fourth quarter a gain was recognised in respect of an increase in unrealised values of NOK 4 million (loss of NOK 9 million) 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 below 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:				
Asian options			8	8
Power contracts		112		112
Forward exchange contracts		6		6
Total assets	**-**	**118**	**8**	**126**

Financial liabilities at fair value through profit or loss:				
Borrowings		3,959		3,959
El-certificates	4			4
Power contracts	127	11		138
Interest rate swaps		58		58
Total liabilities	**131**	**4,028**	**-**	**4,158**

7) Operating assets

A total of NOK 322 million was invested in operating assets in the fourth quarter of 2014. In 2014 as a whole, NOK 1,896 million was invested in operations and expansion, in addition to the purchase of Networks business in Østfold as discussed in Note 5 above.

8) Impairment testing

The Group constantly tests for indications of the need to recognise impairments. Note 8 to the consolidated annual financial statements for 2013 includes a sensitivity analysis for the Bio-El Fredrikstad waste-to-energy plant, which is included in the Heat business area. The analysis reveals a high degree of sensitivity with regard to impairment testing. The plant entered operation in spring 2008 and has an annual delivery volume of 110–120 GWh industrial steam, district heating and electricity based on fuel from industrial waste. The plant has a total capacity of around 175 GWh. The plant's profitability is strongly impacted by the price of waste. Following significant and long-term decreases in waste prices, an impairment of NOK 240 million was recognised for the plant in the third quarter of 2012.

The waste-to-energy plant's profitability declined further throughout 2014. This was in part attributable to power price decreases, persistently low waste prices, operational challenges and an inflexible operator agreement, and a limited customer base for steam. For this reason a further impairment of NOK 66 million was recognised for the plant in the reporting period. Following this impairment the book value of the Bio-El Fredrikstad plant was NOK 30 million. In impairment testing the future energy deliveries have been adjusted upwards slightly from the current level, while, with the exception of some planned cost-reducing measures, cost levels have been kept constant. The sales price for all energy deliveries is directly linked to the NO1 power price and is based on the current NASDAQ OMX forward curve. Future profitability of the waste-to-energy plant is dependent on future changes in power and waste prices, and the implementation of optimisation measures to further boost consumption of industrial steam and improve the plant's efficiency.

A further impairment of NOK 61 million was recognised in the third quarter of 2014 for the secondary district heating grid at Søndre Nordstrand in Oslo. The impairment of the secondary grid at Søndre Nordstrand in Oslo was recognised to reflect the fact that income from customers was not sufficient to cover costs relating to the technical condition of the district heating grid and operating and maintenance requirements. The average annual district heating delivery to housing association customers in the secondary grid is 90 GWh, which comprises around five percent of total district heating deliveries in Oslo.

9) Related party transactions

The Hafslund Group enters into purchase and sales transactions with related parties as part of normal business operations. In 2014 Hafslund purchased goods and services from and sold goods and services to the City of Oslo. As of 31 December 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, streetlighting, 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
fourth quarter 4					
City of Oslo	46	52	3		
2014					
City of Oslo	155	178	4	20	29

10) 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 the previously recognised provision for deferred tax liabilities was written back in the amount of NOK 268 million. During the third and fourth quarters of 2014 Hafslund was repaid the tax relating to the above. Please refer to Note 24 in Hafslund's consolidated financial statements for 2013 for further information on the tax case.

Hafslund

Historical quarterly information for the Group

> Condensed income statement

NOK million	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12
Operating revenues	3 605	2 507	2 550	3 734	3 639	2 380	2 810	4 007	3 592
Purchased materials and energy	(2 052)	(1 261)	(1 263)	(2 289)	(2 208)	(1 253)	(1 640)	(2 766)	(2 190)
Gross margin	1 552	1 246	1 287	1 444	1 431	1 127	1 170	1 241	1 402
Gain/loss financial item	44	24	37	12	13	119	6	(14)	51
Salaries and other personnel expenses	(283)	(127)	(227)	(242)	(275)	(189)	(213)	(224)	(283)
Other operating expenses	(553)	(487)	(473)	(459)	(564)	(424)	(394)	(366)	(513)
EBITDA	760	656	624	755	606	633	569	638	657
Depreciation and amortization	(246)	(382)	(216)	(201)	(198)	(202)	(195)	(198)	(229)
Operating profit	514	275	408	554	407	431	374	440	429
Financial interest etc	(165)	(126)	(96)	(93)	(116)	(134)	(115)	(130)	(117)
Change in market value loan portfolio	(28)	(11)	(17)	(16)	(17)	29	7	(27)	11
Financial expenses	(194)	(136)	(114)	(109)	(133)	(105)	(108)	(157)	(105)
Profit before tax and discon. operations	320	138	294	445	275	326	266	283	323
Tax	(113)	(67)	(126)	112	(66)	(116)	(115)	(105)	(118)
Profit after tax	207	71	168	557	208	210	151	178	205
Majority's share of profit	208	70	168	557	208	210	151	178	207
Minority's share of profit	(1)	1	(0)	0	(0)	(0)	(1)	0	(2)
Earnings per share (in NOK)	1.06	0.36	0.86	2.85	1.07	1.08	0.77	0.91	1.05

> Condensed balance sheet

NOK million	31-12-14	30-09-14	30-06-14	31-03-14	31-12-13	30-09-13	30-06-13	31-03-13	31-12-12
Intangible assets	2 973	2 892	2 937	2 630	2 606	2 490	2 478	2 472	2 432
Fixed assets	19 009	19 042	19 142	18 149	18 251	18 263	18 281	18 269	18 365
Financial assets	786	735	833	484	407	233	589	612	657
Accounts receivable and inventory	2 734	2 338	1 991	2 636	2 979	2 544	2 179	3 111	2 871
Cash and cash equivalents	742	601	418	2 328	1 143	467	1 067	290	223
Assets	26 243	25 609	25 321	26 227	25 384	23 996	24 593	24 755	24 549
Equity, majority	7 860	7 657	7 797	8 149	7 565	7 318	7 145	7 420	7 270
Equtiy, minority	17	18	16	17	18	18	18	19	19
Allocations for liabilities	3 390	3 713	3 607	3 420	3 363	3 448	3 440	3 419	3 317
Long-term interest-bearing liabilities	9 047	9 415	8 927	9 499	9 432	8 657	8 603	8 070	8 422
Short-term interest-bearing liabilitis	2 668	2 396	2 783	2 220	2 332	2 289	3 179	2 866	3 119
Short term non-interest-bearing liabilities	3 262	2 410	2 190	2 921	2 674	2 267	2 208	2 960	2 402
Equity and liabilities	26 243	25 609	25 321	26 227	25 384	23 996	24 593	24 755	24 549

> Condensed statement of cash flow

NOK million	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12
EBITDA	760	656	624	755	606	633	569	638	657
Interest paid	(110)	(54)	(115)	(173)	(100)	(84)	(107)	(183)	(104)
Taxes paid	74	142	(124)	(150)	(85)	0	(125)	(128)	(7)
Value change and other non cashflow effect	(34)	(8)	(28)	3	(31)	(98)	55	26	(80)
Change in receivables	(749)	(331)	803	337	(274)	(361)	890	(241)	(1 250)
Change in trade credit etc	290	(37)	(1 009)	632	69	(75)	(676)	705	124
Cash flow from operations	231	368	151	1 404	185	15	606	817	(660)
Investments (operation and expansion)	(322)	(253)	(1 191)	(130)	(383)	(180)	(199)	(111)	(418)
Net capital release shares, etc.	(20)	(11)	(332)	(16)	67	373	2	(7)	17
Cash flow to investments activities	(342)	(264)	(1 523)	(146)	(316)	193	(197)	(118)	(401)
Change interest-bearing debt and dicon. operations	253	91	(50)	(72)	807	(808)	854	(633)	410
Dividend and other equity changes	0	(13)	(488)	0	0	0	(487)	0	0
Cash flow financing activities	253	78	(538)	(72)	807	(808)	367	(633)	410
Change in cash and cash equivalents in period	142	182	(1 910)	1 186	676	(600)	777	67	(651)
Cash and cash equivalents at beginning of period	600	418	2 328	1 143	467	1 067	290	223	874
Cash and cash equivalents at end of period	742	600	418	2 329	1 143	467	1 067	290	223

> Segment information

NOK million	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12
Production	224	207	203	237	205	229	234	191	243
Heat	371	115	160	433	349	106	194	504	395
Network	1 187	1 029	950	982	1 090	925	966	1 070	1 193
Markets	1 898	1 187	1 246	2 085	2 021	1 147	1 443	2 257	1 738
Other activities/eliminations	(76)	(31)	(9)	(4)	(27)	(28)	(28)	(14)	23
Total sales income	3 605	2 507	2 550	3 734	3 639	2 380	2 810	4 007	3 592
Production	159	142	143	155	163	163	177	111	185
Heat	127	1	8	172	112	6	37	174	122
Network	378	345	312	279	266	286	283	272	311
Markets	78	140	126	140	96	83	71	91	54
Other activities/eliminations	17	29	35	9	(31)	95	0	(10)	(16)
Total EBITDA	760	656	624	755	606	633	569	638	657
Production	148	130	131	143	152	152	165	99	175
Heat	87	(172)	(35)	129	71	(43)	(5)	133	92
Network	218	201	182	156	142	164	162	150	180
Markets	54	109	113	127	84	73	62	82	48
Other activities/eliminations	7	6	17	(1)	(42)	84	(10)	(24)	(65)
Total operating profit	514	275	408	554	407	431	374	440	429

Financial calendar

1. Fourth-quarter 2014 report - 4 February 2015
2. First-quarter 2015 report - 7 May 2015
3. Annual General Meeting - 7 May 2015
3. Second-quarter 2015 report - 10 July 2015
4. Third-quarter 2015 report - 22 October 2015

Investor information

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