NOTE 1 GENERAL INFORMATION

Infratek ASA and its subsidiaries (collectively referred to as the Group) is a leading supplier of technical services for development, operation and securing of critical infrastructure in Norway, Sweden and Finland. The Group's business activities are directed at the corporate market: primarily grid owners and energy companies, telecom owners, the public sector, the oil and gas sector, real estate owners and retail chains.

The Local Infrastructure business area comprises the Group’s infrastructure related activities in Norway and Sweden which is geared towards the product areas of distribution network, highway and street lighting, fibre/telecom, district heating and railways.

The Central Infrastructure business area comprises the Group’s infrastructure related activities in Norway, Sweden and Finland geared towards the central transmission network for power transmission in Scandinavia; products and services related to transformer stations, cables and power lines for higher voltages.

The Security business area delivers technical security solutions, such as alarm systems, CCTV, access control facilities, integrated security solutions and electronic anti-theft solutions. In addition, the Security business area’s Electrical Safety unit delivers monitoring and inspection services to grid companies, allowing them to fulfil legally mandated responsibilities (so-called DLE services).

The Group operates its business activities through subsidiaries. Infratek is headquartered in Oslo, Norway. Infratek ASA was listed on the Oslo Stock Exchange on 5 December 2007 after the Technical Services business area was spun off from the Hafslund Group.

NOTE 2 SUMMERY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The most important accounting principles used in preparing the consolidated accounts are described below. These principles have been applied consistently to all presented reporting periods, unless otherwise stated in the description

2.1 Basis of preparation

The consolidated accounts have been prepared and presented in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations, as adopted by the EU. There is no differences between IFRS as adopted by the EU and by the IASB for the consolidated accounts.

The consolidated accounts are based on a modified historic cost principle. The differences relate primarily to adjustments in the value of real property, financial assets available for sale and financial assets and liabilities (including derivatives) to fair value in the statement of comprehensive income. These differences have no impact on the Infratek Group’s consolidated financial statements for 2011, with the exception of option value for Unisec Varularm AB, Mini Entreprenad AB and Eiendomssikring AS, see note 15 and 25. The preparation of accounts according to IFRS requires the use of estimates. Further, application of the company’s accounting principles requires management to exercise judgment and apply assumptions. Areas highly subject to the exercise of such judgment or with a high degree of complexity, and areas where assumptions and estimates are material to the consolidated accounts, are discussed in Note 4.

The Group’s annual financial statements have been prepared in accordance with the going concern principle.

2.1.1 Changes in accounting principles and information

a) New and amended accounting standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the financial year beginning on or after 1st of January 2011 that would be expected to have material impact in the group.

b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1st of January 2011 and not early adopted

· IAS 19 "Employee Benefits" was amended in June 2011. The impact on the group will be as follows: to eliminate the corridor approach all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Group has in 2011 changed the accounting principles regarding pensions and all actuarial gains and losses are booked in OCI as they occur, see 2.2, Changes in accounting policy. The Group is yet to assess the full impact of the amendments concerning calculations of a net interest amount .

· IFRS 9 "Financial Instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories; those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for finanacial liabilities, the part of a fair value change due to an entity's own credit risk is recognised in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1st of January 2013.

· IFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact, but the standard will not have any significant effect on the consolidated accounts for the Group.

· IFRS 11 will replace IAS 31. The gross method ends with the introduction of IFRS 11, but this does not mean that joint control always should be recognised using the equity method. IFRS 11 has two categories of joint control; Joint Ventures and Joint Operations. Using Joint Ventures, joint control must be recognised using the equity method, but using Joint Operations the parties must recognise their part of assets and liabilities. For Joint Operations the accounting method is to some degree the same as the gross method in IAS 31, but not always. The Group has not evaluated all impact of the amendment and intends to adopt IFRS 11 no later than the accounting period beginning on or after 1st January 2013.

· IFRS 12 "Disclosures of Interest of Other Entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1st of January 2013.

· IFRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned beween IFRSs and US GAAP, do not extent the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1st of January 2012.

There are no other IFRSs or IFRIC interpretations that are not yet effective and that would be expected to have a material impact on the Group.

2.2 Consolidation principles

a) Subsidiaries

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies accompanying a shareholding and more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the aquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contigent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contigent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

If the sum of the consideration, capitalised amount of non-controlling shareholders and actual value of previous ownership on the acquisition date surpasses the actual value of identifiable net assets in the acquired company, the difference shall be capitalised immediately.

Intra-Group transactions, inter-company balances, and unrealised profit between Group companies have been eliminated. Profit and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting principles of subsidiaries are modified when necessary to achieve conformity with Group accounting principles.

b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recognised in equity. Gains or losses on disposals to non-controlling interest are also recognised in equity.

c) Disposals of subsidiaries

When the Group ceases to have control of any retained interest in the entity it is remeasured to its fair value when control is lost, with the change in carrying amout recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Changes in accounting policy

The Group has in 2011 changed the accounting policy for pensions. The Group has changed from recognizing estimate deviations that arise from changes in actuarial assumptions or base data over and above the greater of 10 percent of pension asset value or 10 percent of pension liabilities, in the profit and loss account over a period that corresponds to employees' expected average remaining terms of employment to recognising actuarial gains and losses attributable to changes in actuarial assumptions or base data through other comprehensive income on an ongoing basis after provisions for deferred tax.

In addition the Group has changed how the net retirement benefit costs are presented in the consolidated statement of comprehensive income. The Group has changed its presentation of net retirement benefit cost as salaries and other personnel expenses to dividing net retirement benefit cost between salaries and other personnel expenses and net finance. The retirement benefits accrued during the period is classified as salaries and other personnel expenses and the net interest on the estimated liability and the projected yield on pension fund assets are classified as net finance. The Group believes that the changed policy provides more relevant information for the users of the financial statements.

According to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) the change has been made retrospectively and the comparatives have been restated accordingly.The tables below show the impact of the changed accounting policy:

Profit and loss:

Amounts in NOK million	2010 restated	2010 Before restatement
Operating revenues	2737	2737
Purchased materials	(1214)	(1214)
Salaries and other personnel expenses	(990)	(992)
Depreciation	(42)	(42)
Other operating expenses	(348)	(348)
Operating profit	**142**	**140**
Net finance	1	7
Pre-tax profit	**143**	**147**
Tax expense	(39)	(40)
Profit for the year from continuing operations	**104**	**107**
Profit for the year from discontinued operations	-	-
Profit for the year	**104**	**107**
Other comprehensive income		
Exchange differences on translating foreign operations	12	12
Change in estimate pensions	(100)	-
Other comprehensive income before tax	**(88)**	**12**
Tax expense on other comprehensive income	**28**	**-**
Other comprehensive income for the year	**(60)**	**12**
Total comprehensive income for the year	**44**	**119**

Balance sheet:

Amounts in NOK million	2010 restated	2010 Before restatement
Assets		
Non-current assets		
Fixed assets	166	166
Intangible assets	269	269
Deferred tax assets	88	18
Other long-term receivables	24	24
Total non-current assets	**547**	**477**
Current assets		
Inventory	40	40
Accounts receivable and other receivables	742	742
Cash and cash equivalents	239	239
Total current assets	**1021**	**1021**
Total assets	**1568**	**1498**
Equity		
Equity attributable to company shareholders		
Share capital and share premium fund	565	565
Other paid-in equity	149	149
Retained earnings	(95)	86
Total equity allocated to company shareholders	**619**	**800**
Non-controlling interest	2	2
Total equity	**621**	**802**
Liabilities		
Non-current liabilities		
Long-term debt	18	18
Pensions and similar liabilities	384	133
Other allocations and liabilities	3	3
Total non-current liabilities	**405**	**154**

Current liabilities		
Accounts payable and other current liabilities	518	518
Taxes payable	24	24
Short-term interest-bearing debt	-	-
Total current liabilities	**542**	**542**
Total liabilities	**947**	**696**
Total equity and liabilities	**1568**	**1498**

Equity, restated:

Amounts in NOK million	**Share capital**	**Share premium fund**	**Other paid-in equity**	**Retained equity restated**	**Accumulated translation differences**	**Non-controlling interest**	**Total equity restated**
Equity, 31 December 2009	**319**	**246**	**149**	**130**	**(21)**	**7**	**830**
Restated equity from changed accounting policy pensions	-	-	-	(105)	-	-	(105)
Equity, 1 January 2010 restated	**319**	**246**	**149**	**25**	**(21)**	**7**	**725**
Profit for the year	-	-	-	104	-	-	104
Other comprehensive income	-	-	-	(72)	12	-	(60)
Total comprehensive income for the year	**-**	**-**	**-**	**33**	**12**	**-**	**44**
Transactions with owners							
Dividend paid for 2009	-	-	-	(128)	-	(3)	(131)
Change in non-controlling interests	-	-	-	(15)	-	(2)	(17)
Total transactions with owners	**-**	**-**	**-**	**(143)**	**-**	**(5)**	**(148)**
Equity, 31 December 2010	**319**	**246**	**149**	**(85)**	**(9)**	**2**	**621**

Equity before restatement

Amounts in NOK million	**Share capital**	**Share premium fund**	**Other paid-in equity**	**Retained equity**	**Accumulated translation differences**	**Non-controlling interest**	**Total equity**
Equity, 31 December 2009	**319**	**246**	**149**	**130**	**(21)**	**7**	**830**
Profit for the year	-	-	-	107	-	-	107
Other comprehensive income	-	-	-	-	12	-	12
Total comprehensive income for the year	**-**	**-**	**-**	**107**	**12**	**-**	**119**
Transactions with owners							
Dividend paid for 2009	-	-	-	(128)	-	(3)	(131)
Change in non-controlling interests	-	-	-	(15)	-	(2)	(17)
Total transactions with owners	**-**	**-**	**-**	**(142)**	**-**	**(5)**	**(147)**
Equity, 31 December 2010	**319**	**246**	**149**	**95**	**(9)**	**2**	**802**

2.3 Segment reporting

Operating segments are reported in the same way as for internal reporting to the company’s highest decision-making body. The company’s highest decision-making body, which is responsible for allocating resources and assessing the financial performance of the operating segments, is defined as group management.

2.4 Foreign currency translation

a) Functional currency and presentation currency

Items included in the financial statements of each subsidiary in the Group are recorded in the currency mainly used in the economic area in which the subsidiary operates (its functional currency). Infratek's consolidated financial statements are presented in Norwegian kroner (NOK), which is the functional currency and the presentation currency of the parent company.

b) Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary items (assets and liabilities) denominated in foreign currencies at year-end, are translated at the exchange rate on the balance sheet date, and are recognised in the profit and loss account.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions)

iii) All resulting exchange differences are recognised in the expanded statement of comprehensive income and specified separately in equity.

Goodwill and excess values relating to acquisitions of foreign entities are treated as assets and liabilities in the acquired entities and are translated at the exchange rate in effect on the balance sheet date. Exchange differences arising are recognised in equity.

2.5 Profit, plant and equipment

Property, plant, and equipment are recognised at acquisition cost less depreciation. Acquisition cost includes costs directly associated with the acquisition of the operating asset.

Expenses that significantly increase the life of assets and/or increase capacity are added to the balance sheet value of operating assets or recorded separately in the balance sheet, when it is probable that future economic benefits associated with the expense will flow to the Group, and the expense can be reliably estimated. Other repair and maintenance costs are recognised in the profit and loss account for the period in which the expenses are incurred.

Land is not depreciated, but other operating assets that are in use are depreciated according to a straight-line plan, so that the acquisition costs of property, plant, and equipment are depreciated to their residual value at the annual depreciation rates as shown below:

Improvement to leased premises*	7-10%
Machinery, furniture and vehicles, etc.	20-33 %
IT-equipment (Hardware)	33%

*) Improvements to leased premises are depreciated over the length of the particular premises' leasing contract.

The useful lifetime of each operating asset, along with its residual value, is reassessed each balance sheet date and modified if necessary. When the carrying value of an operating asset exceeds the estimated recoverable amount, the value is written down to that recoverable amount (see Note 2.7).

Gains and losses on the disposal of operating assets are recorded in the profit and loss account at the difference between the sales price and balance sheet value.

2.6 Intangible assets

a) Goodwill

Goodwill is the difference between acquisition cost and the Group's share of net fair value of the identifiable assets at the time of acquisition. Goodwill on the acquisition of subsidiaries is classified as an intangible asset. Goodwill is reviewed annually for impairment, and entered in the balance sheet at acquisition cost less impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the sale of an activity include the goodwill in the balance sheet of the disposed activity.

Following an initial identification of the need to write down goodwill, goodwill at the acquisition date is allocated to the cash-generating units in question. Allocation is made to the cash-generating units or groups of cash-generating units that are expected to benefit from the acquisition. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not reversed in subsequent periods.

b) Customer portfolio

Customer portfolios which have been created as a result of business mergers are capitalised at fair value at the merger date less amortisation. Customer portfolios have limited useful lives, and are amortised in a straight line over the term of the customer contract.

c) Software and licences

Software and licences comprise investments associated with the Group’s ERP system (IFS) which is capitalised at acquisition cost less depreciation, as well as the establishment of an in-house ICT platform. The ERP system has a limited useful lifetime and is depreciated in a straight line over ten years, based on an expectation of the system’s actual useful lifetime.

2.7 Impairment of non-financial assets

Intangible assets with non-definable useful livetimes are not depreciated, but are reviewed annually for impairment. Tangible fixed assets and intangible assets that are depreciated or amortised are reviewed for impairment when indications are that future earnings can no longer support the balance sheet value. Impairment charges are recorded in the profit and loss account as the difference between the balance sheet value and the recoverable amount. The recoverable amount is the higher of fair value less sales costs and value-in-use.

At impairment reviews, fixed assets are grouped at the lowest level at which it is possible to distinguish independent cash flows (cash generating units). At each reporting date, evaluations are done as to reversal of previous impairment charges of non-financial assets (with the exception of goodwill).

2.8 Financial assets

The Group only has financial assets in the categories loans and receivables. Loans and receivables are non-derivative financial assets with fixed payments that are not traded in an active market. They are classified as current assets unless they fall due more than 12 months after the balance sheet date. If the latter is the case, they are classified as non-current assets. Loans and receivables are classified as Accounts receivable and other receivables, in addition to cash and cash equivalents in the balance sheet.

Regular purchases and sales of investments are recognised at the transaction date, which is the day that the Group commits to buying or selling the asset. All financial assets are initially recorded in the balance sheet at fair value plus transaction costs.

2.9 Inventory

Inventories are stated at the lower of acquisition cost or net realizable value. Acquisition cost is determined by the first-in, first-out (FIFO) method.

2.10 Customer receivables

Customer receivables are amounts due from customers for merchandise sold or services performed in the ordinary courses of business. If collection is expected in one year or less, they are classified as current assets. If not, they are classified as non-current assets.

Customer receivables are initially measured at fair value and subsequently measured at amortised costs using the effective interest method. Allocations for losses are recognised when there are objective indicators that the Group will not receive settlement according to the original terms. Allocations are in the amount of the difference between nominal value and recoverable value, which is the present value of expected cash flows, discounted at the original effective interest rate.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash, bank deposits, and other short-term readily tradable investments with up to three-month initial terms to maturity, and revolving credit facilities. The revolving credit facilities are presented in the balance sheet under short-term debt.

2.12 Accounts payable

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities of payment is due within one year or less. If not, they are presented as non-current liabilities.

Accounts payable are initially measured at fair value. Subsequent are accounts payable measured at amortisation cost by use of effective interest method.

2.13 Share capital and share preminum fund

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown in equity as a reduction in proceeds received in equity.

2.14 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity and other comprehensive income. In this case, the tax is also recognised in equity and other comprehensive income. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is calculated, using the liability method, on all temporary differences between the tax values and consolidated accounting values of assets and liabilities. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. If the Group purchases an asset or liability in a transaction that is not part of a business combination, deferred tax at the transaction date is not recognised. Deferred tax is determined under taxation rates and tax laws that have been enacted or substantively enacted (expected to be signed into law) at the balance sheet date and that are expected to apply when the deferred tax benefit is realised or when the deferred tax is settled. Deferred tax benefits are entered in the balance sheet to the extent it is probable that future deferred taxable income will be present, and that the temporary differences can be offset from this income.

Deferred tax is calculated on the temporary differences arising from investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary differences, and it is probable that they will not be reversed in the foreseeable future.

2.15 Pension liabilities, bonus programs, and other employee-benefit plans

a) Pension liabilities

Group companies have various retirement schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has both defined benefit and contribution plans.

Defined benefit plan

A defined benefit scheme is a retirement benefit scheme that defines the retirement benefits that an employee will receive on retirement. The retirement benefit is normally set as a percentage of the employee's salary. The liability recognised in the balance sheet which relates to the defined benefit scheme is the present value of the future retirement benefits that have accrued at the balance sheet date, reduced by the fair value of the plan assets and including non-recognised expenses connected with previous periods' accrued retirement benefits. The present value of future benefits accrued at the balance sheet date is calculated by discounting estimated future payments at a risk-free interest rate stipulated on the basis of the interest rate for ten-year Norwegian government bonds. The retirement benefit liability is calculated annually by an independent actuary using the linear accruals method.

Actuarial gains and losses attributable to changes in actuarial assumptions or base data are recognised through other comprehensive income on an ongoing basis after provisions for deferred tax. Changes in defined benefit pension liabilities attributable to changes in retirement benefit plans that have retrospective effect, where these rights are not contingent on future service, are recognised directly in the income statement. Changes that are not issued with retrospective effect are recognised in the income statement over the remaining service time.

Net pension fund assets for overfunded schemes are classified as non-current assets and recognised in the balance sheet at fair value. Net retirement benefit liabilities for underfunded schemes and non-funded schemes that are covered by operations are classified as long-term liabilities. The net retirement benefit cost are divided between salaries and other personnel expenses and net finance, where the retirement benefits accrued during the period is classified as salaries and other personnel expenses and the net of interest on the estimated liability and the projected yield on pension fund assets are classified as net finance

Defined contribution plans

A defined contribution plan is a retirement plan in which the Group pays fixed contributions to a separate legal entity. The Group has no legal or other obligation to pay additional contributions if the unit does not have sufficient assets to pay all employees benefits associated with earnings in present and previous periods. For defined contribution plans, the Group contributes to a publicly or privately managed insurance plan for retirement payments, on a compulsory, agreed-upon, or voluntary basis. The Group has no further payment obligations once these contributions have been paid. Contributions are recognised as salary expenses when they fall due. Pre-paid contributions are recorded in the accounts as an asset to the extent the contribution may be refunded or reduced by future contributions.

Defined contribution pension schemes are recognised in the accounts of Norwegian, Swedish and Finnish subsidiaries.

b) Severance pay

Severance pay is paid when the Group terminates an employee's employment before the normal retirement age, or when employees voluntarily terminate employment conditioned on receipt of such compensation. The Group recognises severance pay during the period when it can be proven to have an obligation either to terminate one or more employees pursuant to a formal, detailed, non-rescindable plan, or to provide severance pay as part of an offer to encourage voluntary resignations. Severance pay that falls due more than 12 months after the balance sheet date is discounted to present value.

2.16 Provisions

The Group recognises provisions for restructuring, and legal claims, when: a) the Group has a present obligation, whether legal or constructive, as a result of past events; b) it is more likely than not that the obligation will be settled via a transfer of financial resources; and c) the size of the obligation may be estimated with a sufficient degree of reliability. Allocations for restructuring costs include termination charges on leasing contracts and severance pay to employees. No provisions are made for future operating losses.

In instances where there are multiple commitments of a similar nature, the probability of the liability being settled is determined by assessing the group as a whole. Allocations for the group are recognised even if the probability may be low as to individual settlement outlays associated with individual group elements.

Provisions are recognized at the present value of expected payments to meet the obligation. A before-tax discount rate is used, reflecting current market conditions and risk specific to the obligation. Any increase in the obligation amount arising from changes in the time frame used in calculating the obligation’s present value is recognised as an interest expense.

2.17 Revenue recognition

Revenues are recognised in the profit and loss account as shown below:

a) Sale of goods and services

Revenues from sales of goods and services are valued at the fair value of payments received, less deductions for value-added tax, returns, rebates, and discounts. Intra-Group sales are eliminated. Sales are recognised in the profit and loss account when revenues can be measured reliably and it is likely that the financial benefits associated with the transaction will flow to the Group.

b) Construction contracts

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. Contract costs are recognised as expenses in the period in which they are incurred. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the ‘percentage-of-completion method’ to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within ‘trade and other receivables’. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.18 Leasing agreements

Leasing agreements, in which a significant proportion of the risk and return associated with ownership remains with the lessor, are classified as operational leases. Leasing payments arising from operational leases (less any financial incentives granted by the lessor) are expensed on a straight-line basis over the leasing period.

Leasing contracts that are associated with fixed operating assets, and as to which the Group largely has all risk and control, are classified as financial leasing. Financial leasing is recognised in the balance sheet at the beginning of the lease period at the lower of fair value of the leased operating asset or the present value of the total minimum lease amounts. Each lease payment is allocated between a repayment element and an interest element, in such a way that the balance sheet shows a constant interest expense on outstanding lease commitments. Interest expenses are recognised in the profit and loss account as financial expenses. Lease liabilities are classified as other short-term liabilities or other long-term liabilities. Fixed operating assets acquired through financial lease agreements are depreciated over the expected lifetime or the lease period, whichever is shorter.

2.19 Dividends

Dividend payments to shareholders are classified as current liability as of the time the dividend disbursement has been approved by the general shareholder’s meeting.

NOTE 3 FINANCIAL RISK MANAGEMENT

The Group’s business activities primarily entail exposure to interest rate risk, liquidity risk, and credit risk. The Group is not exposed to financial price risk of any particular significance.

The Group’s risk management procedures support the Group’s value creation and ensure a continued solid financial platform by identifying and carefully managing financial and operational risk factors. As a rule, risk management is the responsibility of each business unit’s operational management. For a description of other areas of risk to which the Group is exposed, please see the Board Report as well as guidelines for corporate governance.

a) Currency risk

Infratek is only to a limited extent operationally influenced by changes in foreign exchange, as the operations are only marginally applying purchase in foreign exchange or trade across countries. When significant foreign exchange risk is present it is evaluated on a case by case basis and secured in found required through forward contracts or similar.

The Group has operations in Norway, Sweden and Finland and is thus exposed economically to exchange rate risk from SEK and EUR to NOK. Equity capital in foreign subsidiaries does not have currency hedging and exchange rate fluctuations do affect the Group’s equity capital. As of 31 December 2011, the Group had only a minor degree of financial derivates for currency hedging.

Net exchange differences on translating foreign operations to NOK in 2011 was NOK -1 million (12 million). The below table shows the effect of the Group’s loss / gain on exchange rates by plus or minus 10 per cent change in SEK and EUR currency vs. used currency for the financial year 2011.

SENSITIVITY ANALYSIS TRANSLATION DIFFERENCES

		Currency rate change	
Amounts in NOK million	**Currency**	**+10%**	**-10%**
Effect on other comprehensive income and equity	SEK	25	(25)
Effect on other comprehensive income and equity	EUR	7	(7)
Total effect on other comprehensive income and equity		**33**	**(33)**

b) Interest rate risk

The Group’s operating revenues and cash flow from operations are largely unaffected by changes in interest rates. Variations in the interest rate may, however, affect customers’ willingness to invest, indirectly affecting the Group’s operating revenues and cash flow. As of 31 December 2011, the Group is primarily exposed to interest risk associated with surplus liquidity. At the close of 2011 the Group had net cash holdings of NOK 300 million and had earned NOK 3 million in interest income. Variations in NIBOR, STIBOR and EURIBOR will affect interest on cash reserve as well as the Group’s capital costs. NIBOR, for example, changed from 2.27 per cent on 3 January 2011 to 2.0 per cent on 31 December 2011. Given the Group’s cash holdings at the end of 2011 this would have resulted in an interest income interval of NOK 6,0 to 6,8 million. The Group’s interest income and expenses track general developments in the Norwegian, Swedish and Finnish money markets respectively. The Group has not made use of interest hedging instruments, and only to a very limited degree of currency hedging instruments. Surplus liquidity derives from additional liquidity which was part of Infratek’s flotation in December 2007, the takeover of Fortum’s contracting business in January 2009, as well as a positive cash flow from operating activities.

c) Liquidity risk

Liquidity risk arises from a lack of coherence between cash flow from operations and financial commitments. Infratek’s business activities are subject to seasonal variations that may affect cash flow. Historically, Infratek has satisfactorily managed its working capital. As of 31 December 2011 Infratek had net cash holdings of NOK 300 million. Infratek also has an unused NOK 100 million overdraft facility with DNB Bank ASA which runs until terminated by either party at one month’s notice. Infratek’s borrowing agreement with DNB Bank ASA is conditional upon certain key financial indicators. DNB has an AA rating. The Group’s overdraft assumes a 20 per cent equity ratio. The agreement also contains certain restrictions on changes in the company’s legal status, eg merger/demerger, material acquisition/disposal of assets, changes in capital, as well as limitations relating to sale or pledging of group assets as security for liabilities. The lender undertakes to allow such transactions unless there are reasonable grounds for not doing so. The Group also has a group account system and accounts with short-term credit limits at subsidiary level which draw on the Group’s overall cash holdings. The Group’s cash flow from operating activities in 2011 was positive as a result of a positive pre-tax profit. Infratek is in compliance with all the requirements stipulated in its borrowing agreement. Overall these resources are deemed to provide solid liquidity for the Group.

Maturity-analysis long-term debt

2010 Amounts in NOK million	**1-3 years**	**3-5 years**	**5 years or later**	**Due date not determined**	**Total**
Other long-term debt	18	-	-	-	18
Total long-term debt	**18**	**-**	**-**	**-**	**18**

2011 Amounts in NOK million	**1-3 years**	**3-5 years**	**5 years or later**	**Due date not determined**	**Total**
Other long-term debt	15	-	-	-	15
Total long-term debt	**15**	**-**	**-**	**-**	**15**

Maturity-analysis short-term debt:

2010 **Amounts in NOK million**	**0-30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Accounts payable	150	3	1	4	-	158
Other current liabilities	152	-	127	-	81	360
Total current liabilities	**302**	**3**	**128**	**4**	**81**	**518**

2011 **Amounts in NOK million**	**0-30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Accounts payable	196	6	1	-	1	204
Other current liabilities	142	-	118	-	84	344
Total current liabilities	**338**	**6**	**119**	**-**	**85**	**548**

d) **Credit risk**

Credit risk is the risk that customers will not settle their accounts. Credit risk is deemed to be part of the Group's overall commercial risk and is followed up as part of its day-to-day operations. Infratek has established procedures for credit assessment of larger customers and suppliers. Historically, losses due to bad debts have been insignificant and today's level of credit risk is considered acceptable.

Maturity-analysis long-term receivables

2010 **Amounts in NOK million**	**1-3 years**	**3-5 years**	**5 years or later**	**Due date not determined**	**Total**
Paid core-capital, pension fund	-	-	-	17	17
Subordinated loan, pension fund	-	-	-	2	2
Other non-current receivables	4	-	1	-	5
Total long-term receivables	**4**	**-**	**1**	**19**	**24**

2011 **Amounts in NOK million**	**1-3 years**	**3-5 years**	**5 years or later**	**Due date not determined**	**Total**
Paid core-capital, pension fund	-	-	-	17	17
Subordinated loan, pension fund	-	-	-	2	2
Other non-current receivables	1	-	-	-	1
Total long-term receivables	**1**	**-**	**-**	**19**	**20**

Maturity-analysis short-term receivables

2010 **Amounts in NOK million**	**0-30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Accounts receivable	453	16	5	4	-	478
Accrued, non invoiced income	203	-	-	-	-	203
Other short term receivables	61	-	-	-	-	61
Total short term receivables	**717**	**16**	**5**	**4**	**-**	**742**

2011 **Amounts in NOK million**	**0-30 days**	**30-60 days**	**60-90 days**	**90-120 days**	**>120 days**	**Total**
Accounts receivable	440	5	1	9	4	459
Accrued, non invoiced income	232	-	-	-	-	232
Other short term receivables	15	-	-	-	-	15
Total short term receivables	**687**	**5**	**1**	**9**	**4**	**706**

All customer receivables in excess of 30 days have fallen due for payment.

Changes in the allowance for doubtful debts

Amounts in NOK million	2011	2010
Balance at beginning of the year	(4)	(5)
Impairment losses recognised on receivables	(5)	(1)
Amounts written off during the year as uncollectible (confirmed loss)	1	2
Closing balance allowance for doubtful debts	**(8)**	**(4)**

e) Categories of financial instruments

The group's financial instruments are categorized as follows:

2010

Amounts in NOK million	Loans and receivables	Total
Assets		
Other long-term receivables	24	24
Accounts receivables and other receivables (not including prepaid costs and incurred, not invoiced revenues) 1)	528	528
Cash and cash equivalents	239	239
Total assets	**791**	**791**

Amounts in NOK million	Other Financial oblications at amortized cost	Total
Liabilities		
Long-term debt	18	18
Account payable and other short-term debt (not including statutory obligations) 2)	295	295
Total liabilities	**313**	**313**

2011

Amounts in NOK million	Loans and receivables	Total
Assets		
Other long-term receivables	20	20
Accounts receivables and other receivables (not including prepaid costs and incurred, not invoiced revenues) 1)	474	474
Cash and cash equivalents	300	300
Total assets	**794**	**794**

Amounts in NOK million	Other Financial oblications at amortized cost	Total
Liabilities		
Long-term debt	15	15
Account payable and other short-term debt (not including statutory obligations) 2)	430	430
Total liabilities	**445**	**445**

1) Prepayments and incurred, non-invoiced revenue is omitted from the receivable balance in the statement of financial position, since this is an analysis that is only required for financial instruments.

2) Statutory obligations and pre-paid amounts are omitted from accounts payable and other liabilities in the statement of financial position, since the analysis only is required for financial instruments.

Nominal value less write-downs on sustained losses on accounts receivable and payable is deemed to equal the fair value of an item. Fair value of financial liabilities (calculated for note disclosure) is estimated by discounting future cash flows using the Groups alternative market interest rate for similar financial instruments.

f) Capital management

The Group's capital is managed with the goal of continued going concern, safeguarding and further developing the Group's value and to ensure good credit rating and hence borrowing terms reflecting the operations of the Group. The Group has a solid capital structure and will over time seek a capital structure adapted to the Group's activities to reduce capital costs, for example, through increased dividends, share buybacks, new share-issues or draw up interests-bearing loans to finance purchase of business.

The Group monitors its capital structure by following the developments in its cash and debt ratio, defined as net interest-bearing debt divided by total shareholders' equity and net-interest-bearing debt. The Group's debt ratio should not exceed the group's ability to service a loan which will depend on the group's future earnings and investment levels, as well as the interest rate level the Group can achieve.

Debt ratio

Amounts in NOK million	**2011**	**2010 restated**
Interest-bearing debt	14	17
Cash and cash equivalents	(300)	(239)
Net interest-bearing debt (cash)	**(286)**	**(222)**
Total equity inclusive non-contolling interests	484	621
Total equity and net interest-bearing debt	**198**	**399**
Debt ratio	7.1%	4.3%

NOTE 4 IMPORTANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions are continuously evaluated, based on historical experience and other factors, including expectations as to future events deemed probable under the current circumstances. The Group prepares estimates and makes assumptions for projection purposes in preparing its accounts. Accounting estimates only rarely accord fully with the final outcome. The differences that arise between estimates and fair value are recognised in the period they become known if they pertain to this period. If the difference pertains to both current and future periods, recognition is distributed over the periods in question.

Estimates and assumptions that can result in a significant risk of material change in the balance sheet value of assets or liabilities in the upcoming accounting year are discussed below.

Revenue recognition

Recognition of income from fixed-price contracts uses the percentage-of-completion method. Current income recognition of projects entails uncertainty, as it is based on estimates and assessments. For projects in progress, there is uncertainty associated with progress on remaining work, disputes, work under guarantees, final projections, and other issues. Thus, the final outcome may deviate from the projected result. For completed projects, there is uncertainty associated with any hidden shortcomings, and possible customer disputes.

Estimated impairment of goodwill

Each year the Group perform tests to assess the extent of impairment of goodwill, cf. Note 2.6. The recoverable amount from cash-generating entities is determined by calculating its usable value. These calculations require the use of estimates (see also Note 7).

Tax

The Group's earnings are taxed in several countries. Calculating a consolidated tax liability based on the sum of tax payable in each country requires extensive use of estimates and assumptions. For many transactions and calculations a great deal of uncertainty will attach to the final tax liability. The Group recognises tax liabilities relating to future decisions in tax/other disputes, based on estimates of whether further tax on earnings will accrue. If the final decision in a case deviates from the original provision, the deviation will affect the recognised tax liability and the provision for deferred tax in the period in which the deviation occurs.

Pension benefits

The present value of the pension obligations associated with defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other items

Other items that are affected by estimates are estimated useful lifetime for operating assets, goodwill, pensions, and any utilisation of deferred tax benefit and calculation of the value of options related to a buyout responsibility concerning Unisec Varularm AB, Mini Entreprenad AB and Eiendomssikring AS (see also note 25).

NOTE 5 BUSINESS SEGMENT REPORTING

Group management constitutes the Groups leading authority. Operational segments are based upon Group management reporting guidelines when allocating resources and assessing profitability.

The Group's corporate structure consists in 2011 of three business areas; Local Infrastructure, Central Infrastructure and Security, based on the entity's delivery of products and services. In financial terms, Infratek has reported within the following segments based on products supplied in 2011: Local Infrastructure, Central Infrastructure and Security, in addition to geography.

Segment information is presented for the Group's business areas. The Group's business segments reflect the division into product groups and is based on the Group's in-house reporting structure. Group management assesses the segments' performance on the basis of an adjusted operating profit (EBIT). This method of measurement excludes the effect of non-recurring costs when the costs are the result of an isolated incident which is not expected to be repeated. In the segment table such costs are reported as part of the segment "Other" (Group). Expenses related to a lack of subleasing of the Group's main office have been expensed to Other in 2010 and 2011.

An overview of business segments follows:

Local Infrastructure: Comprises the Group's infrastructure operations in Norway and Sweden geared towards the product areas distribution network, highway and street lighting, fibre/telecom, district heating and railways. The services within this business area are organised among three regions in Sweden and one region in Norway.

Central Infrastructure: Comprises the Group's infrastructure operations in Norway, Sweden and Finland geared towards the central transmission network for power transmission in Scandinavia; products and services related to transformer stations, cables and power lines for higher voltages.

Security: Delivers security technology solutions such as alarm systems, CCTV surveillance, access control facilities, integrated security solutions, and electronic anti-theft solutions. The business area also delivers monitoring and inspection services to grid companies, which allow them to fulfil legally mandated responsibilities (so-called DLE services). The Security business area is established in Norway, Sweden and Finland.

Other (Group): This segment comprises mainly group costs in the form of costs incurred by the parent company Infratek ASA in connection with the Board, CEO and Group Finance, day-to-day financial reporting, costs linked with the company's stock market listing as well as shortfall of subleasing revenues from the company's headquarters. Infratek ASA is located in Norway.

Eliminations: This is elimination of Group-internal sales.

Segment information

Amounts in NOK million	**Local Infrastructure restated**	**Central Infrastructure restated**	**Security**	**Other**	**Eliminations**	**Group restated**
2010 restated						
Gross segment operating revenue	1 853	570	314	-	-	2 737
Inter-segment sales	5	9	2	31	(46)	-
Operating revenues	**1 858**	**579**	**316**	**31**	**(46)**	**2 737**
Purchased material	(862)	(253)	(95)	-	(4)	(1 214)
Gross profit	**996**	**326**	**221**	**31**	**(51)**	**1 522**
Personell expenses	(633)	(204)	(129)	(24)	-	(990)
Other operating costs	(244)	(66)	(55)	(34)	51	(348)
EBITDA	**118**	**56**	**37**	**(28)**	**-**	**184**
Depreciations	(26)	(7)	(4)	(6)	-	(42)
EBIT	**93**	**49**	**33**	**(33)**	**-**	**142**
Financial expenses	(3)	(1)	6	(1)	-	1
Pre-tax profit	**90**	**48**	**39**	**(34)**	**-**	**143**
Tax	(26)	(14)	(9)	10	-	(39)
Profit for the year	**64**	**35**	**30**	**(25)**	**-**	**104**

Amounts in NOK million	**Local Infrastructure**	**Central Infrastructure**	**Security**	**Other**	**Eliminations**	**Group**
2011						
Gross segment operating revenue	1 981	602	305	3	-	2 890
Inter-segment sales	8	9	1	10	(29)	-
Operating revenues	**1 989**	**611**	**306**	**13**	**(29)**	**2 890**
Purchased material	(959)	(281)	(93)	-	(10)	(1 342)

Gross profit	**1 030**	**330**	**214**	**13**	**(39)**	**1 548**
Personell expenses	(679)	(229)	(132)	(20)	-	(1 060)
Other operating costs	(239)	(82)	(56)	(6)	39	(344)
EBITDA	**112**	**19**	**27**	**(13)**	**-**	**144**
Depreciations	(26)	(7)	(3)	(7)	-	(43)
EBIT	**86**	**12**	**23**	**(20)**	**-**	**101**
Financial expenses	(3)	(1)	5	(2)	-	(1)
Pre-tax profit	**83**	**11**	**29**	**(22)**	**-**	**100**
Tax	(23)	(3)	(6)	6	-	(26)
Profit from discontinued operations	(4)	-	-	-	-	(4)
Profit for the year	**56**	**8**	**22**	**(16)**	**-**	**71**

Working capital as of 31 December and investments during the year:

Amounts in NOK million		**Infrastructure**	**Security**	**Other**	**Group**
	2010				
Working capital		231	32	2	**265**
Investments in operations		32	1	12	**45**

Amounts in NOK million		**Infrastructure**	**Security**	**Other**	**Group**
	2011				
Working capital		163	36	1	**200**
Investments in operations		36	1	8	**45**

Operating revenues from related parties – constitutes more than 10% of the revenue (see also note 18)

Amounts in NOK million		**Infrastructure**	**Security**	**Other**	**Group**
	2010				
Operating revenue from Hafslund		595	74	-	**669**
Operating revenue from Fortum		616	1	-	**617**

Amounts in NOK million		**Infrastructure**	**Security**	**Other**	**Group**
	2011				
Operating revenue from Hafslund		480	73	-	**553**
Operating revenue from Fortum		706	1	-	**707**

Geographical segment information

Amounts in NOK million	**Norway restated**	**Sweden**	**Finland**	**Other**	**Eliminations**	**Group restated**
2010 restated						
Gross segment operating revenue	1 285	1 267	184	-	-	**2 737**
Operating profit	107	63	6	(33)	-	**142**
Profit for the year	**80**	**45**	**4**	**(25)**	**-**	**104**
					-	
Working Capital	96	128	39	2	-	**265**
Investments	22	9	2	12	-	**45**
2011						
Gross segment operating revenue	1 250	1 451	186	3	-	**2 890**
Operating profit	71	39	11	(20)	-	**101**
Profit for the year	**46**	**32**	**8**	**(16)**	**-**	**71**
Working Capital	69	101	30	1	-	**200**
Investments	18	18	1	8	-	**45**

Other consists of the parent company Infratek ASA

NOTE 6 **PROPERTY, PLANT AND EQUIPMENT**

Amounts in NOK million	Machinery, furniture, vehicles etc.	Total
As of 1 January 2010	**170**	**170**
Acquisitions	32	32
Depreciation of fixed assets at carrying value	(2)	(2)
Depreciation and impairment charges	(35)	(35)
Exchange differences	1	1
Book value as of 31 December 2010	**166**	**166**
Acquisition costs as of 31 December 2010	297	297
Accumulated depreciation and impairment charges as of 31 December 2010	(131)	(131)
Book value as of 1 January 2011	**166**	**166**
Acquisition through business combinations	4	4
Acquisitions	39	39
Depreciation of fixed assets at carrying value	(14)	(14)
Depreciation and impairment charges	(35)	(35)
Book value as of 31 December 2011	**160**	**160**
Acquisition costs as of 31 December 2011	289	289
Accumulated depreciation and impairment charges as of 31 December 2011	(129)	(129)
Book value as of 31 December 2011	**160**	**160**
Rate of depreciation (in %)	7-33%	

2010

Annual leasing not recorded in the balance sheet:

	Minimum future payments		
Amounts in NOK million	**Premises rental**	**Machinery/ equipment**	**Total**
Due within 1 year	29	38	66
Due later than one year not later than five years	86	63	149
Due later than five years	48	-	48
Total	**163**	**101**	**263**
Recognized as operating lease-cost during year	48	42	90

2011

Annual leasing not recorded in the balance sheet:

	Minimum future payments		
Amounts in NOK million	**Premises rental**	**Machinery/ equipment**	**Total**
Due within 1 year	22	42	64
Due later than 1 year not later than 5 years	67	77	144
Due later than 5 years	24	-	24
Total	**113**	**119**	**232**
Recognized as operating lease-cost during year	32	32	64

NOTE 7 **INTAGIBLE ASSETS**

Amounts in NOK million	Customer portfolios	Goodwill	Software and licenses	Total intangible assets
Acquisition cost as of 1 January 2010	10	237	41	287
Accumulated amortization and impairment charges as of 1 January 2010	(5)	(36)	(1)	(42)
Book value as of 1 January 2010	**5**	**201**	**39**	**245**
Acquisition through business combinations	-	13	-	13
Acquisitions	-	-	13	13
Depreciation and impairment charges	(3)	-	(4)	(7)
Exchange differences	-	4	1	5
Book value as of 31 December 2010	**2**	**218**	**49**	**269**
Acquisition cost as of 31 December 2010	10	246	54	310
Accumulated amortization and impairment charges as of 31 December 2010	(8)	(28)	(5)	(41)
Book value as of 1 January 2011	**2**	**218**	**49**	**269**
Acquisition through business combinations	-	7	-	7
Disposals of operations at carrying value	-	(3)	-	(3)
Acquisitions	-	-	6	6
Depreciation and impairment charges	(2)	-	(6)	(8)
Exchange differences	-	-	-	-
Book value as of 31 December 2011	**-**	**222**	**49**	**271**
Acquisition cost as of 31 December 2011	10	250	60	320
Accumulated amortization and impairment charges as of 31 December 2011	(10)	(28)	(11)	(49)
Book value as of 31 December 2011	**-**	**222**	**49**	**271**
Rate of depreciation (in %)	20-50%	-	10%	

Goodwill impairment testing

The recoverable amount is measured by discounting future cash flows, which are based on plans for the business activities (budgets and forecasts) that have been approved by the Board. The following table shows the Group's intangible assets that cannot be written down by profit centre (cash-generating unit). The Group's cash-generating units are unchanged from the previous year's impairment test. In addition, a new goodwill has been established in connection with the acquisition of Mini Entrepenad AB (see note 25).

Intangible assets with non-definable useful lives

Amounts in NOK million

Cash generating units	Segment	Goodwill
Infratek Entreprenør AS	Infrastructure	42
Mini Entreprenad AB	Infrastructure	7
Veka Entreprenad AB	Infrastructure	7
Infratek Sverige AB	Infrastructure	29
Infratek Öst AB	Infrastructure	18
Infratek Finland AB	Infrastructure	6
Infratek Sikkerhet AS	Security	98
Infratek Elsikkerhet AS	Security	-
Unisec Varularm AB	Security	13
Total		**222**

Turnover, margins and investments are based on management budgets for 2012 as well as on projections for the interval 2013 to 2016. The terminal value is further based on the cash flow for year 2016, whereas an annual growth rate equivalent to 2.5 percent for Swedish and Finish subsidiaries and 1.9 percent for Norwegian subsidiaries are employed. These considerations are in line with the general expected economic growth (KPI) of countries where Infratek is operating. As for the terminal value, the reinvestment corresponds to expected depreciation of the unit`s fixed assets. In order to capture assumed risk, a discount rate of 8.4 percent before taxes is utilized. This rate also reflects the Groups capital cost based on a capital structure considered as representative for the industry in which Infratek is operating. Based on implemented impairment tests, no devaluation have been conducted in 2011. A downward cash flow adjustment of 20 percent in addition to a discount rate based on the Group`s capital structure would not imply an impairment.

NOTE 8 **CONSTRUCTION CONTRACTS**

Amounts in NOK million	**2011**	**2010**
Total operating revenues	2890	2737
- of which contract revenues	1380	1401
Sales of goods and services	**1510**	**1336**
Current contracts as of 31 December		
Incurred contract expences 31.12	1065	764
Incurred contract profit 31.12	58	55
Progress billings	(1071)	(783)
Net value contracts in progress 31.12	**52**	**36**
Balance sheet amounts of:		
Incurred, not invoiced	110	108
Pre-invoiced to customer	(58)	(72)
Net value contracts in progress 31.12	**52**	**36**
Remaining production on contracts with estimated loss 1)	16	11

1) Estimated production losses on remaining contracts, are recognized in the profit and loss account.

NOTE 9 **INVENTORY**

Amounts in NOK million	2011	2010
Raw materials	-	1
Work in Progress	-	-
Purchased good for resale	36	39
Total inventory	**36**	**40**
Write-down of inventory recognized as expense during period:	-	3
Total cost of inventories recognized as expense during period:	1152	812

NOTE 10 OTHER NON-CURRENT RECEIVABLES

Amounts in NOK million	2011	2010
Paid core-capital, pension fund	17	17
Subordinated loan, pension fund	2	2
Other non-current receivables	1	5
Total other non-current receivables	**20**	**24**

NOTE 11 **ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES**

Amounts in NOK million	**2011**	**2010**
Accounts receivable	459	478
Bad debt reserve	(8)	(4)
Net accounts receivable	451	474
Accrued revenues	232	203
Prepaid expenses	4	12
Other receivables	23	53
Total accounts receivable and other receivables	**710**	**742**

NOTE 12 CASH AND CASH EQUIVALENTS

Amounts in NOK million	2011	2010
Bank deposits in Group account system	295	224
Bank deposits outside the Group account	5	15
Total bank deposits	**300**	**239**
Split by currency		
NOK	170	159
SEK	94	64
EUR	36	16
Total bank deposits	**300**	**239**

The Group employs the Group account system in DNB Bank ASA. A group account system entails joint and several liability for participating companies. Infratek ASA's accounts constitute the only accounts connected to the banks whereas deposits and withdrawals concerning the subsidiaries' accounts consist of internal accounts with Infratek ASA. Participating companies in the Group account system have a joint guarantor liability for consolidated withdrawals in the Group account system.

The Group has an overdraft limit with DNB Bank of NOK 100 million. The facility may be terminated at one month's notice by either party, and was unused as of 31 December 2011.

As of 31 December 2011 the Group had the following restricted bank deposits.

RESTRICTED CASH AND CASH EQUIVALENTS

Amounts in NOK million	2011	2010
Employees tax deduction	14	1
Down payment deposits	-	2
Other restricted cash and cash equivalents 1)	16	16
Total restricted cash and cash equivalents	**30**	**19**

1) Explanation to the other restricted cash and cash equivalents is given in note 8 to Infratek ASA

NOTE 13 **SHARE CAPITAL, SHARE PREMIUM FUND AND EARNINGS PER SHARE**

As of 31 December Infratek's share capital was as follows:

Amounts in NOK million	Type of change	No. of shares	Par value	Share capital	Share premium fund	Total
As of 31 December 2010		**63 863 224**	**5.00**	**319**	**246**	**565**
	Reduction of Share premium fund				(200)	(200)
As of 31 December 2011		**63 863 224**	**5.00**	**319**	**46**	**365**

The Board has proposed that a total dividend disbursement of NOK 95.8 million be paid for the 2011 financial year; the dividend disbursement corresponds to a per-share dividend payment of NOK 1.5. Earnings per share is arrived at by dividing the proportion of profit for the year distributed to the company's shareholders by the weighted average of the number of outstanding ordinary shares through the year. As of 31 December 2011 the company had a total of 63,863,224 shares outstanding.

Earnings per share and average numbers of shares

Amounts in NOK million	2011	2010
Profit for the year from continuing operations attributable to parent company shareholders	74	104
Profit for the year from discontinuing operations attributable to parent company shareholders	(4)	-
Profit for the year attributable to parent company shareholders	**71**	**104**
Weighted average number of shares	63 863 224	63 863 224

Overview shareholders

As of 31 December 2011

	No of shares	Ownership
Hafslund ASA	27 652 360	43.3%
Fortum Nordic AB	21 074 864	33.0%
Odin Norden	3 180 700	5.0%
Orkla ASA	2 351 044	3.7%
Nordstjernan AB	1 952 067	3.1%
The Northern Trust	1 595 600	2.5%
Skandinaviske Enskilda Banken	947 100	1.5%
MP Pensjon	830 000	1.3%
DnB NOR SMB	682 049	1.1%
VPF Nordea Avkastning	312 000	0.5%
VPF Nordea Kapital	229 850	0.4%
Terra Total	201 000	0.3%
Ivar S Løge AS	200 000	0.3%
VJ Invests AS	185 000	0.3%
VJ Invests AS	183 000	0.3%
Total 15 largest shareholders	**61 576 634**	**96.4%**
Other shareholders	2 286 590	3.6%
Total	**63 863 224**	**100.0%**
Board and management	373 500	0.6%

NOTE 14 ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Amounts in NOK million	**2011**	**2010**
Accounts payable	203	158
Public duties payable	118	127
Incurred expenses	129	111
Pre-invoiced income	80	96
Other liabilities	18	26
Total accounts payable and other current liabilities	**548**	**518**

NOTE 15 LONG-TERM DEBT

Amounts in NOK million	2011	2010
Other long-term interest-bearing debt	15	18
Total long-term debt	**15**	**18**

Long-term debt consists of a small bank facility in one of the Group's subsidiaries which is historically contigent and an option related to the buyout responsibility concerning Unisec Varularm AB, Eiendomssikring AS and Mini Entreprenad AB. See also note 25. The options are assessed based on fair value per 31 December 2011 and the change in value is recognised in the result as a change in financial items. See also note 22, net financial items.

The below table represents the Group's liabilities based on fair value per 31 December 2011:

Amounts in NOK million	2011	2010
Other long-term debt	11	16
Total liabilities	**11**	**16**

NOTE 16 **DEFERRED TAX ASSET**

Deferred tax is to be presented net when the Group has a legal right to offset deferred tax benefits in the balance sheet.

Amounts in NOK million	**2011**	**2010 restated**
Deferred tax assets that is expected realised in more than 12 months	172	111
Deferred tax assets that is expected realised within 12 months	-	-
Total deferred tax assets	**172**	**111**
Deferred tax that is expected realised in more than 12 months	(20)	(23)
Deferred tax that is expected realised within 12 months	-	-
Total deferred tax	**(20)**	**(23)**
Total deferred tax assets net	**152**	**88**

Amounts in NOK million	**2011**	**2010 restated**
Balance sheet value as of 31 December 2009	**-**	**36**
Effect of change in accounting policy for pensions	-	41
Balance sheet value as of 1 Januar, restated	**88**	**77**
Deferred tax asset from acquired operations	-	(2)
Change in estimate pensions	55	28
Recognized in the period	9	(15)
Balance sheet value as of 31 December	**152**	**88**

Spesification deferred tax

Amounts in NOK million	**Pensions**	**Loss carry-forward**	**Other**	**Total**
Deferred tax assets				
Deferred tax assets as of 31 December 2009	**52**	**7**	**2**	**61**
Effect of change in accounting policy for pensions	41	-	-	41
Deferred tax assets as of 1 January 2010 restated	**93**	**7**	**2**	**102**
Change in estimate pensions	28	-	-	28
Recognized in the period	(14)	(7)	2	(19)
Deferred tax assets as of 31 December 2010	**107**	**-**	**4**	**111**
Change in estimate pensions	55	-	-	55
Recognized in the period	1	6	(1)	6
Deferred tax assets as of 31 December 2011	**163**	**6**	**3**	**172**

Amounts in NOK million	**Operating assets**	**Profit and loss account**	**Construction contracts**	**Total**
Deferred tax liability:				
Deferred tax liability as of 31 December 2009	**(7)**	**(7)**	**(11)**	**(25)**
Deferred tax from acquired operations	-	-	**-**	-
Deferred tax from sold operations	(2)	-	**-**	(2)
Recognized in the period	(3)	1	6	4
Deferred tax liability as of 31 December 2010	**(12)**	**(6)**	**(5)**	**(23)**
Deferred tax from acquired operations	-	-	**-**	-
Deferred tax from sold operations	-	-	**-**	-
Recognized in the period	5	1	(3)	3
Deferred tax liability as of 31 December 2011	**(7)**	**(5)**	**(8)**	**(20)**

NOTE 17 **PENSION EXPENSES, ASSETS AND LIABILITIES**

Group companies have different pension plans organised in pension funds and insurance companies. Pension schemes are generally funded through payments made by the companies, determined on the basis of actuarial calculations or as a fixed percentage of the individual employee's salary. The Group has both defined contribution and defined benefit plans.

Pension liabilities and assumptions

Amounts in NOK million	**2011**	**2010 restated**
Present value of accrued pension liabilities for defined benefit plans in fund-based plans	843	662
Fair value of pension assets	(445)	(383)
Actual net pension liabilities for defined benefit plans in fund-based plans	**398**	**280**
Present value of liabilities not in fund-based plans	111	57
Social security contribution	72	47
Net pension liabilities in the balance sheet (after social security contribution)	**581**	**384**

Changes in defined-benefit pension liabilities during the year:		
Pension liabilities as of 1 January (excl. social security contribution)	718	646
Present value of pension earnings	28	29
Interest expenses	29	27
Estimate changes	189	59
Pension payments	(11)	(6)
Liabilities due to plan changes and acquisitions	1	(37)
Pension liabilities as of 31 December (exclusive of social security contribution)	**954**	**718**

Change in fair value of pension assets:		
Fair value of pension assets as of 1 January	383	357
Expected yield on pension funds	21	21
Estimate changes	16	(29)
Total contribution	35	40
Total payments from funds	(10)	(6)
Fair value of pension assets as of 31 December	**445**	**383**

Movement in actuarial gains and losses recognized in other comprehensive income:		
Cumulative amount recognized in comprehensive income 01.01	100	-
Recognized in other comprehensive income in the period	197	100
Cumulative amount recognized inother comprehensive income 31.12	**297**	**100**
Deferred tax related to actuarial losses recognized in other comprehensive income	83	28
Cumulative amount recognized in other comprehensive income after tax 31.12	**214**	**72**

Calculations are based on the following assumptions:	**2011**	**2010**
Discount rate	2.60%	4.00%
Expected yield on pension funds	4.10%	5.40%
Salary growth	3.25%	3.75%
Social security base amount (G)	3.25%	3.75%
Annual social security pension growth - Private Fund	0.10%	1.30%
Annual social security pension growth - Public Fund	2.50%	2.97%

Pension effect on profit and loss statement

Total pension expenses recorded in profit and loss account:

Amounts in NOK million	**2011**	**2010 restated**
Defined benefit plans:		
Cost of present period's pension earnings	28	29
Interest expenses	29	27
Expected yield on pension funds	(21)	(21)
Amortization of plan amendments	-	(38)
Social security contribution	5	2
Members' contributions	(1)	(1)
Employer's contribution to non-capitalized defined benefit schemes in foreign subsidiaries	28	28
Pension costs, defined benefit plans	**68**	**26**
Defined contribution plans:		
Employer's contribution to defind constribution plans	22	29
Total pension expenses	**90**	**55**

Total pension costs are classified as:		
Salaries and other personnel costs	82	49
Net finance	8	6
Total pension costs	**90**	**55**

Specification pension fund assets

Amounts in million NOK		2011		2010
Equity instruments	142	32%	88	23%
Interest-bearing instruments	285	64%	249	65%
Property	4	1%	34	9%
Other	13	3%	11	3%
Fair value of pension assets	**445**	**100%**	**383**	**100%**

Pensions in Norway

Pursuant to Norway's law on mandatory service pensions, defined contribution plans have been established in all Norwegian companies.The Group's mandatory service pension schemes (OTP) for employees in Norway are administered by DNB and Storebrand.

As of 31 December 2011, 484 employees were covered by defined benefit plans, divided between Hafslund Private Pensjonskasse (86), Hafslund Offentlige Pensjonskasse (307), Storebrand (8) and KLP (83). As of 31 December 2011 100 people were receiving pensions under these schemes, divided between Hafslund Private Pensjonskasse (6), Hafslund Offentlige Pensjonskasse (34) and KLP (60). There are few pensioners receiving benefits under Hafslund's defined benefits schemes, since all pensioners were transferred to Hafslund ASA prior to the company's flotation in December 2007. In addition the Group has defined contribution plans with various insurance companies. The defined benefit plans belonging to the Hafslund Group's two pension schemes, of which Infratek is a member, were closed with effect from 1 January 2007. This means they were closed to new members. Since January 2007, defined contribution plans were introduced for all new employees and employees who were not previously included in a pension scheme in the Group's Norwegian businesses.

The Group has in 2011 changed the accounting policy for pensions. The Group has changed from recognizing estimate deviations that arise from changes in actuarial assumptions or base data over and above the greater of 10 percent of pension asset value or 10 percent of pension liabilities, in the profit and loss account over a period that corresponds to employees' expected average remaining terms of employment to recognising actuarial gains and losses attributable to changes in actuarial assumptions or base data through other comprehensive income on an ongoing basis after provisions for deferred tax.

Pension assets are valued at fair value as of year-end. Pension liabilities (net present value of pension payments earned on the balance sheet date, adjusted for future salary growth) are valued using best estimates based on assumptions as of the balance sheet date. Substantial estimate deviations are largely due to reduced discount rate in 2011 compared with 2010. The actuarial estimates of pension liabilities have been prepared by independent actuaries. The assumptions regarding salary growth, increase in pension payments, and social security base amount adjustments are based on historic observations, established tariff agreements, and the relationship between certain assumptions. The demographic assumptions are based on recommendation from the Norwegian Accounting Standards Board.

The Group has also changed how the net retirement benefit costs are presented in the consolidated statement of comprehensive income. The Group has changed its presentation of net retirement benefit cost as salaries and other personnel expenses to dividing net retirement benefit cost between salaries and other personnel expenses and net finance. The retirement benefits accrued during the period is classified as salaries and other personnel expenses and the net interest on the estimated liability and the projected yield on pension fund assets are classified as net finance. The Group believes that the changed policy provides more relevant information for the users of the financial statements. See the impact of the changed accounting policy in Note 2.2

Employees who terminate employment before reaching retirement age receive paid-up policies. Hafslund's pension funds, in which Infratek participates, manage these paid-up policies, which are associated with earned rights in municipal contribution plans. Hafslund has a financial commitment to upwardly adjust these paid-up policies in line with increases in the social security base amount. At such time as paid up policies that have been earned in other contribution plans are issued, Hafslund becomes exempt from further obligations to the employees to which the policies pertain. Assets and liabilities are valued at the time of issuance of the paid-up policy and are separated from pension assets and liabilities.

As a consequence of Infratek's acquisition of Fortum's contracting operations, Hafslund ASA's shareholding in Infratek ASA was reduced from 64.6% to 43.3%. This led Infratek to apply to leave the defined benefit plans in the Hafslund Group's pension funds in 2009. A mutual pension fund following the principles of independent enterprises in Section 7-2 of the Act relating to Insurance Companies, Pension Enterprises etc. (the Insurance Act) no. 44 of 10 June 2005 has been established.

Other demographic assumptions that have been used in the calculation of Norwegian defined benefit pension liabilities are as follows: for mortality and disability, Norwegian life insurance companies' table GAP2007. Projected long-term return on pension assets is based on an estimated government bond interest rate as of 31 December, adjusted for differences in yield for the various categories in which pension assets are invested. The expected long-term yield is based on long-term historic yield. Actual yield on pension assets was -0.7 percent in 2011, compared with 7.4 percent in 2010.

Pension assets are invested in equity instruments, real estate, bonds and money market placements. Bonds and money market placements are issued by the Norwegian government, Norwegian municipalities, finance institutions, and corporations. Bonds in foreign currencies are currency hedged. Investments are in Norwegian and foreign shares. Any estimate deviation is distributed proportionately among asset categories.

Pensions in Sweden

As of 31 December 2011 a total of 431 “tjänstemän” employed by Infratek’s Swedish subsidiary were members of the ITP (Industrins og handelns tilläggspension) defined benefit plan. All “tjänstemän” also have an ITPK defined contribution plan. “Tjänstemän” with a salary in excess of SEK 521,000 can select an alternative ITP in the chosen insurance company. 10 employees have, for historic reasons, an alternative ITP with higher benefits relating to retirement, family and incapacity pension. For “tjänstemän” in the Swedish company, Infratek has purchased insurance cover from Alecta which manages and administers the ITP pension insurance scheme.

343 “Kollektivänstallda” are covered by the Avtalepension SAF-LO, a defined contribution plan. In addition there is a special charge relating to the collective agreement on supplementary pensions EIO-SEF and EIO-SEF corresponding to 1 percent of salary. The defined contribution plan for “kollektivänstallda” is administered by Fora.

The defined benefits scheme for Infratek’s employees in Sweden, acts as a defined contribution scheme for the Group, with annual premiums being charged as expenses as they accrue. The Group has no pension liabilities apart from payment of annual pension premiums. Employees who leave the company before retirement age receive a paid-up policy. The paid-up policies are managed by the company in which the employee has accrued pension rights. Infratek has no obligations after the employee has received a paid-up policy.

Pensions in Finland

All companies in Finland are obliged to establish a mandatory service pension for their employees. All employees in Finland are covered by the mandatory service pension scheme, which is based on defined contributions. This scheme is insured through Varma Pension Insurance Company.

Before its acquisition by Infratek, 59 employees of the Finnish subsidiary previously had supplementary defined benefits pension plans with Fortum Pension Foundation. This defined benefits scheme provided a defined pension for these employees if the mandatory scheme did not cover this amount. When Infratek Finland Oy was acquired by Infratek this defined benefit agreement was replaced by a supplementary pension agreement with the insurance company Mandatum Life in Finland. This supplementary pension agreement will be funded through annual pension premiums to cover the employees’ accrued pension entitlements. The premiums will be paid by Infratek Finland Oy. The annual premium covers the expected costs associated with the supplementary pension scheme and no further obligations devolve to the company.

For these 59 employees there is also a contingent liability in the event that the employee’s employment contract is terminated by the employer. For more information regarding this contingent liability, see Note 28.

NOTE 18 **RELATED PARTY TRANSACTIONS**

As of 31 December 2011 Hafslund ASA owned 43.3 per cent of the shares of Infratek ASA, while Fortum Nordic AB owned 33.0 per cent. Both Hafslund ASA and Fortum Nordic AB are deemed to be related parties. The Infratek Group sells goods and services to the Hafslund Group and the Fortum Group, and, to a lesser extent, purchases goods and services from the Hafslund and Fortum groups. Receivables from related parties largely arise from sales of goods and services. Accounts payable to related parties largely arise from purchases of goods and services.

Statement of comprehensive income:

		Hafslund		**Fortum**
Amounts in NOK million	**2011**	**2010**	**2011**	**2010**
Sale of goods and services	553	669	707	617
Purchases of goods and services	45	58	9	9

Statement of financial position:

		Hafslund		**Fortum**
Amounts in NOK million	**2011**	**2010**	**2011**	**2010**
Accounts receivable	83	76	112	120
Accounts payable	2	3	-	1
Short-term debt	-	7	-	-

NOTE 19 OTHER OPERATING EXPENSES

Specification of other operating expenses

Amounts in NOK million	**2011**	**2010**
Maintenance	(59)	(51)
Consulting services	(47)	(49)
Rent, electricity, etc.	(64)	(63)
Sales and marketing expenses	(8)	(9)
Office expenses	(19)	(20)
Transportation expenses	(121)	(119)
Other operating expenses	(26)	(37)
Total other operating expenses	**(344)**	**(348)**

Specification of fee to auditor

Amounts in NOK million	**2011**	**2010**
Fee statutory audit	(3)	(2)
Fee assurance services	-	-
Fee tax advisory services	-	-
Fee other non-audit services	-	-
Total auditor fee	**(3)**	**(2)**

NOTE 20 **SALARIES AND OTHER PERSONELL EXPENSES**

Specification of personell expenses

Amounts in NOK million	**2011**	**2010 restated**
Salaries and other personnel expenses	(785)	(756)
Social security contribution	(162)	(151)
Pension expenses - defined benefit plans	(60)	(20)
Pension expenses - contribution plans	(22)	(29)
Other benefits	(31)	(34)
Total salaries and other personnel expenses	**(1060)**	**(990)**

NOTE 21 REMUNERATION PAYABLE TO SENIOR COMPANY OFFICERS

The below overview shows remuneration for the period 1 January to 31 December 2011 for top employees in the Infratek Group, defined as board members and Group management.

Remuneration to board members and group management 2011

Amounts in thousand NOK

Name	Position	Salary and remuneration 1), 6)	Bonus 2), 6)	Construction to pension plans 7)	Change in earned pension rights 7)	Loan	Numbers of shares held 3)
Board Members							
Mimi K. Berdal	Chairman	323	-	-	-	-	12000
Hans Kristian Rød, 4)	Board Deputy Chairman	205	-	-	-	-	-
Tove Elisabeth Pettersen	Board member	145	-	-	-	-	-
Dag Andresen	Board member	175	-	-	-	-	2000
Dagne Hordvei, 5)	Board member	70	-	-	-	-	-
Roger Andrè Hansen	Board member (employee representative)	717	-	-	88	96	1500
Otto Rune Stokke	Board member (employee representative)	709	32	-	111	-	-
Kalle Strandberg	Board member (employee representative)	SEK 366	-	SEK 19	-	-	-
Senior executives							
Bjørn Frogner	CEO	2678	438	26	185	308	183000
Vibecke Skjolde	Group Executive Vice President / CFO	1491	252	18	-	343	10000
Lars Bangen	Group Executive Vice President Local Infrastructure	1787	150	-	209	149	100000
Alf Engqvist	Group Executive Vice President Central Infrastructure	SEK 1 699	146	SEK 32	SEK 461	-	5000
Lars Erik Finne	Group Executive Vice President Security	1379	137	26	162	237	60000

Note:

1) Salary etc. Includes fixed salary, non-monetary payments, benefits of interest of free loans, electronic communication, etc in 2011 deducted by earned bonus in 2010 but paid in 2011

2) Earned bonus in 2011 as paid out in 2012 excluding holiday allowance

3) Including shares owned by related parties. Shares mainly acquired at market prices. As part of the listing at the Oslo Stock Exchange in December 2007, all employees were offered to purchase up to 1 500 shares at a 20 percent discount.

4) Hans Kristian Rød is employed in the Fortum group, which further holds 21.074.864 shares in Infratek ASA.

5) Dagne Hordvei resigned May 10th subsequent to the general meeting

6) Specified amounts also function as a basis for social security contribution, amounting to 14,1 percent in Norway and 31,4 percent in Sweden, respectively.

7) Specified amounts also function as a basis for social security contribution in Norway as well as for payroll taxes in Sweden, amounting to 14,1 percent and 24,26 percent respectively.

Remuneration to board members and group management 2010

Amounts in thousand NOK

Name	Position	Salary and remuneration 1), 8)	Bonus 2), 8)	Construction to pension plans 9)	Change in earned pension rights 9)	Loan	Numbers of shares held 3)
Board							

Board Members							
Mimi K. Berdal	Chairman (from 11 november, 2010)	193	-	-	-	-	12000
Gunnar Gjørtz4)	Chairman (until 11 november, 2010)	213	-	-	-	-	20000
Hans Kristian Rød 5)	Board Deputy Chairman	183					
Tove Pettersen4), 5)	Board member	-	-	-	-	-	-
Dag Andresen	Board member	183	-	-	-	-	2000
Dagne Hordvei	Board member	138	-	-	-	-	-
Roger Andrè Hansen	Board member (employee representative)	692	-	-	94	121	1500
Otto Rune Stokke	Board member (employee representative)	658	31	-	119	-	-
Kalle Strandberg	Board member (employee representative)	SEK 498	-	SEK 20	-	-	-
Senior executives							
Bjørn Frogner	CEO	2737	903	26	144	358	183000
Vibecke Skjolde6)	Group Executive Vice President / CFO	719	313	6	-	383	10000
Heidi Ulmo6)	Group Executive Vice President / CFO	1742	135	12	-	-	-
Lars Bangen7)	Group Executive Vice President Local Infrastructure	1726	500	-	176	184	100000
Alf Engqvist7)	Group Executive Vice President Central Infrastructure	SEK 624	SEK 208	SEK 13	211	-	5000
Lars Erik Finne	Group Executive Vice President Security	1326	354	26	114	277	60000

Note:

1) Salary etc. Includes fixed salary, non-monetary payments, benefits of interest of free loans, electronic communication, etc in 2010 deducted by earned bonus in 2009 but paid in 2010

2) Earned bonus represents earned bonus in 2010 excluding holiday allowance

3) Including shares owned by related parties. Shares mainly acquired at market prices. As part of the listing at the Oslo Stock Exchange in December 2007, all employees were offered to purchase up to 1 500 shares at a 20 percent discount.

4) Gunnar Gjørtz resigned on 11. november 2010 following an extraordinary general meeting and was replaced by Tove Pettersen.

5) Tove Pettersen and Hans Kristian Rød are employed in the Hafslund Group and the Fortum Group respectively, which own 27.652.360 and 21.074.864 shares recpectively in Infratek ASA.

6) Vibecke Skjolde assumed her position on 1 June 2010 and replaced Heidi Ulmo.

7) Alf Engqvist assumed his position on 16. August 2010 and replaced Lars Bangen who was the acting Group Managing Director for Central Infrastructure.

8) Specified amounts also function as a basis for social security contribution, amounting to 14,1 percent in Norway and 31,4 percent in Sweden, respectively.

9) Specified amounts also function as a basis for social security contribution in Norway as well as for payroll taxes in Sweden, amounting to 14,1 percent and 24,26 percent respectively.

Terms and conditions of the CEO and other members of group management

The CEO is entitled to a fixed annual salary of NOK 2.5 million, as well as a bonus amounting to no more than 50 per cent of his fixed annual salary. The bonus is determined annually based on the Group's performance with respect to share price development and group targets, and an individual appraisal based on predefined goals. The CEO has a six-month notice period. In the event that his employment is terminated, he is entitled – upon certain conditions being met – to receive his salary for a period of 18 months in addition to the period of notice. Other members of group management are entitled to a fixed annual salary of between NOK 1.3 million and NOK 1.7 million. Annual bonuses are limited to no more than 35 per cent of fixed annual salary. Bonuses are determined annually. Half of the bonus paid to both the CEO and other members of group management shall be used to buy shares in Infratek ASA, with a lock-in period of two years given that the company is not in an insider position. Other members of group management have a six-month notice period and, in the event of termination of their employment, are entitled – upon certain conditions being met – to receive their salary for a period of 12 months in addition to the period of notice.

Group management's pension rights vary based on the duration and type of position within the former Hafslund Group. CEO Bjørn Frogner and EVP Lars Erik Finne are members of Hafslund Private Pension Fund, while EVP, Lars Bangen, is a member of Hafslund Public Pension Fund.

The pension funds represent performance based pension schemes of between 60 and 70 per cent, with an upper limit set at 12 G (1 G = NOK 79.216). In addition to membership in Hafslund Private Pension Fund, Frogner and Finne have an annual deposit based pension plan equivalent to 3 per cent; up to 12 G. Vibecke Skjolde has a deposit based pension plan of 2 per cent of annual income up to 12 G. Norwegian members of the Group management have a right to early retirement pursuant to the prevailing AFP agreement. Pension age is 67.

Alf Engqvist is covered by the performance based pension plan which applies to civil servants in Sweden (the IPT plan). The payment is equivalent to 10 per cent of salaries between SEK 0 and SEK 390,750, 65 per cent of salaries between SEK 390 750 and SEK 1,042,000 and 32.5 per cent of salaries between SEK 1,042,000 and SEK 1,563,000 in 2011. Engquist also has a deposit based pension equivalent to 2 per cent of annual gross income. Pension age is 65.

Members of group management have group life insurance coverage, health insurance and an interest-free car loan of between NOK 400,000 and NOK 500,000, which is written down by a tenth of the original amount of the loan each year. In addition an annual car subsidy is paid. These benefits are included in the column for fixed salary, etc, and the interest benefit is declared for tax purposes. In addition benefits-in-kind such as ADSL (home office), mobile phone and newspapers are offered.

Share-based payment

No agreements have been entered into with respect to share-based payment schemes for employees of the Infratek Group.

Remuneration paid to Infratek ASA's Board of Directors

The amount of directors' fees is proposed by the company's Selection Committee and is voted by the annual general meeting.

The remuneration paid to the Board of Directors breakes down as follows: chairman of the Board NOK 230,000; deputy chairman of the board, NOK 170,000; and other board members, NOK 150,000.

Declaration by the Board of Directors with respect to the salaries and other benefits payable to senior executives

At a meeting held on 6 February 2008 the Board of Directors of Infratek ASA issued this declaration with respect to the salaries and other benefits payable to senior executives, defined as the CEO and members of group management.

In accordance with Section 6-16a of the Public Limited Companies Act the Board will lay the following guidelines before the annual general meeting for its approval.

Fixed salary: To be based on the contents of the position, its level of responsibility, the competence of the incumbent and their length of tenure in the position. The salary shall be competitive with respect to the degree of responsibility and industrial level.

Benefits-in-kind: For the purpose of car ownership or where other satisfactory security is pledged, an interest-free loan to be written down over 10 years within accepted guidelines, may be granted. Furthermore, a subsidy for car running costs may also be granted. Benefits-in-kind shall otherwise largely be linked to expenses deriving from ADSL (home office), mobile phone and newspapers.

Annual bonus: Any bonus shall be predetermined and paid on the basis of the position's level and the added value the employee or group of employees has generated. Annual bonuses for the CEO and members of group management shall be capped at 50 per cent of their fixed salaries. This stipulation may be waived by the Board of Directors, with the reasons for the decision being minuted. Bonuses are to be set annually. Group performance goals are determined by the Board.

Share ownership schemes: The CEO and members of group management may be included in share ownership schemes for all employees. In connection with share ownership schemes over and above those extended to all employees, a lock-in period shall be set for all or part of those schemes.

To strengthen the ties between the workforce and the Group, as well as to provide Infratek employees the opportunity to share in the Group's future value creation, consideration shall be given to whether all employees should be given or have the chance to buy shares in Infratek ASA. Such a share scheme shall be evaluated in light of other forms of remuneration and of competitive remuneration within those markets in which the Group operates. Shares shall be granted on the basis of predefined key figures for the Group, as well as the type of position, number of hours worked (if part-time) and length of service. Any offer of shares shall be seen in light of the Group's overall compensation costs.

Option schemes: The Group does not use option schemes.

Pension: Over and above legacy schemes, the CEO and members of group management may have a defined contribution scheme of up to five per cent of 12G, unless otherwise agreed with the Board. The retirement age for these individual shall, as a rule, be 67. The CEO and members of group management are entitled to retire early in accordance with the regulations governing the AFP early retirement scheme in effect at any given time.

Notice and severance pay: The CEO and members of group management may terminate their employment at six-months' notice. In certain circumstances, and depending on the position concerned, severance pay of between 12 and 18 months may be paid in addition.

All members of Infratek's group management receive a remuneration that falls within the terms of the Board's declaration with respect to the salaries and other benefits payable to senior executives.

The guidelines for determining salaries and other benefits were first adopted at a meeting of the Board of Directors on 26 October 2007. The Group will seek to implement these guidelines in the Group, but respect any agreements previously entered into.

NOTE 22 **FINANCIAL INCOME/EXPENSE**

Net financial income

Amounts in NOK million	**2011**	**2010 restated**
Interest income	3	5
Other financial income	7	7
Interest expenses	(1)	(2)
Other financial expenses	(9)	(8)
Total financial income/-expenses	**(1)**	**1**

Net financial items were positively affected by changes in options related to buyout obligations for Unisec Varularm AB, Eiendomssikring AS and Mini Entreprenad AB by NOK 5.9 million. Furthermore, net financial items were also negatively affected by net interest costs related to pension obligations as well as calculated yield on pension fund assets, adding up to a total of NOK 7.5 million. See also note 17.

NOTE 23 **TAX EXPENSE**

Amounts in NOK million	2011	2010 restated
Tax payable	(35)	(24)
Change in deferred tax	9	(15)
Total tax expense	**(26)**	**(39)**

Tax payable in balance

Amounts in NOK million	2011	2010 restated
Tax payable	(35)	(24)
Prepaid tax	16	-
Tax payable in balance	**(19)**	**(24)**

Reconciliation effective tax rate

Tax on the Group's pre-tax profit differs from the amount that would have resulted from application of the nominal taxation rate. Reconciliation of the nominal tax rate and the effective tax rate is shown below:

Amounts in NOK million	2011	2010 restated
Pre-tax profit, incl. discontinued operations	100	143
Expected tax expense, 28% nominal tax rate	(28)	(40)
Non-deductible expenses	-	(2)
Value change in shares	2	2
Variance from different tax rates in subsidiaries	1	1
Total tax expense	**(26)**	**(39)**
Effective tax rate	26%	27%

The effective tax rate for 2011 was negatively affected by permanent variances as well as changes in variances which do not provide a basis for the calculation of deferred tax. Furthermore, the effective tax rate is positively affected by changes in options related to buyout obligations for Unisec Varularm AB, Mini Entreprenad AB and Eiendomssikring AS, something that entails a change in the value of shares recognized as a permanent variance.

NOTE 24 **CASH FLOW FROM OPERATIONS**

Spesification of cash flow from operations

Amounts in NOK million	**Note**	**2011**	**2010 restated**
Pre-tax profit		**100**	**143**
Adjustments for:			
- Depreciation	6, 7	43	42
- Other non-liquidity items		(1)	-
- Profit/loss disposal of fixed assets		6	(2)
- Change in pension liabilities	17	1	(46)
- Financial income/-expenses	22	(7)	(7)
Change in working capital:			
- Inventory		3	3
- Accounts receivable and other receivables		36	(58)
- Accounts payable and other current debt		32	51
Cash flow from operating activities		**212**	**126**
Translation exchange related to working capital		-	7
Cash flow from operations before tax and interest		**212**	**133**

Acquisition of shares in Mini Entreprenad AB:

Infratek Sverige AB entered into an agreement on 1 July 2011 concerning the acquisition of 70 per cent of the shares in the Swedish company Mini Entreprenad AB. As part of the acquisition, there exists both a sales option and a purchase option related to the remaining 30 per cent of shares in the company, which fall due in 2015. On the basis of existing options and because Infratek does not have full control over the extent to which non- controlling interest shall be maintained in the future, the purchase is pursuant to IFRS considered as a purchase of 100 per cent of the shares, however with an obligation to pay for the remaining 30 per cent of shares when the option falls due in 2015.

In accounting terms, the acquisition of Mini Entreprenad AB has accordingly been treated as a 100 per cent owned subsidiary without non- controlling interest. At the same time, the Group has estimated a future purchase amount concerning the remaining 30 per cent of the shares. At the time of the acquisition, this obligation was estimated at approximately SEK 2,8 million in 2015, which is equivalent to approximately SEK 2,4 million when discounted. This obligation is estimated on the basis of pricing mechanisms set forth in the option agreements and the estimate will be followed up quarterly. Any changes in the estimated purchase obligation will be recognised in the profit and loss account for the Group under financial items.

Analysis related to the acquisition of Mini Entreprenad AB:

Amounts in NOK million	**2011**
Purchase 70% of the shares	6
Estimated value option remaining 30%	2
Total consideration	**8**
Fair value acquired net assets	1
Goodwill	**7**

Observable assets and liabilities related to the acquisition as of 1 July 2011:

Amounts in NOK million	**Fair value**
Property, plant and equipment	3
Accounts receivable and other receivables	5
Accounts payable and other current liabilities	(3)
Long-term loan	(5)
Acquired net assets	**1**

Goodwill related to the acquisition

After assessing actual value related to all identifiable assets and liabilities, the Group is left with a net item which was activated as goodwill. The estimated goodwill was activated in the Group's balance sheet based on expectations that synergy effects involving the Group's current operations will provide the Group with opportunities for increased growth in revenues in the future. See also note 7. The goodwill is not tax deductible.

Net cash outlay related to the cost price

Amounts in NOK million	**2011**
The fair value of acquired cash and cash equivalents on acquisition	-
Cash payment 70 %	(6)
Net cash consideration	**(6)**

Effect of acquired companies on the annual results

The acquisition of Mini Entreprenad AB became effective on 1 July 2011. Of this reason, the company`s results as included in the Groups overall results of 2011, was earned in the interval between 1 July 2011 and 31 December 2011.

The acquired companies have contributed based on the following figures for operating revenue and operating profit as reported in the Group's annual results for 2011:

Amounts in NOK million	**2011**
Revenues	8
Operating profit	-

Acquisition of shares in Unisec Varularm AB:

Infratek Sikkerhet AS entered into an agreement on 5 February 2010 concerning the acquisition of 51 per cent of the shares in the Swedish company, Unisec Varularm AB. As part of the acquisition, there exists both a sales option and a purchase option related to the remaining 49 per cent of shares in the company, which fall due in 2013. On the basis of existing options and because Infratek does not have full control over the extent to which non- controlling interest shall be maintained in the future, the purchase is pursuant to IFRS considered as a purchase of 100 per cent of the shares, however with an obligation to pay for the remaining 49 per cent of shares when the option falls due in 2013.

In accounting terms, the acquisition of Unisec Varularm AB has accordingly been treated as a 100 per cent owned subsidiary without non- controlling interest. At the same time, the Group has estimated a future purchase amount concerning the remaining 49 per cent of the shares. At the time of the acquisition, this obligation was estimated at approximately SEK 16.6 million in 2013, which is equivalent to approximately SEK 15.1 million when discounted. This obligation is estimated on the basis of pricing mechanisms set forth in the option agreements and the estimate will be followed up quarterly. Any changes in the estimated purchase obligation will be recognised in the profit and loss account for the Group under financial items.

Analysis related to the acquisition of Unisec Varularm AB:

Amounts in NOK million	**2010**
Purchase of 51 % of the shares	9
Estimated value option remaining 49 %	13
Total consideration	**21**
Fair value acquired net assets	8
Goodwill	**13**

Oberservable assets and liabilities related to the acquisition as of 5 February 2010:

Amounts in NOK million	**Fair value**
Cash and cash equivalents	3
Property, plant and equipment	-
Intangible assets	-
Amounts receivable and other reveivables	5
Inventories	7
Accounts payable and other current liabilities	(5)
Other allocations and liabilities	-
Deferred tax liability	(2)
Payroll taxes payable	(1)
Acquired net assets	**8**

Goodwill related to the acquisition

After assessing actual value related to all identifiable assets and liabilities, the Group is left with a net item which was activated as goodwill. The estimated goodwill was activated in the Group's balance sheet based on expectations that synergy effects involving the Group's current operations will provide the Group with opportunities for increased growth in revenues in the future. See also note 2.6a and note 7. The goodwill is not tax deductible.

Net cash outlay related to the cost price

The settlement for the cost price was split into two parts and consisted on the one hand of a cash outlay of NOK 8.7 million and on the other of the value of a buyout responsibility of NOK 12.6 million. In addition, cash reserves of NOK 3.2 million were assumed upon the acquisition.

Amounts in NOK million	**2010**
Fair value of acquired cash and cash equivalents on acquisition	3
Cash payment 51 %	(9)
Net cash consideration	**(6)**

Effect of acquired companies on the annual results

The acquisition of Unisec Varularm AB became effective on 5 February 2010. The companies' overall results for 2010 therefore correspond, for all practical purposes, with that which is included in the Group's annual results for 2010.

The acquired companies have contributed based on the following figures for operating revenue and operating profit as reported in the Group's annual results for 2010:

Amounts in NOK million	**2010**
Revenues	37
Operating profit	5

Acquisition of additional shares in Eiendomssikring AS:

On 6 September 2010 Infratek entered an agreement concerning the acquisition of an additional 34 per cent of the shares in Eiendomssikring AS. Infratek previously had a 51 per cent ownership interest in the company. As part of the purchase, there exist both a sales option and a purchase option related to the remaining 15 per cent of the shares in the company, which falls due in 2013. On the basis of the same argument which pertained for Unisec Varularm AB, in accounting terms, the acquisition has accordingly been treated as a 100 per cent owned subsidiary without non-controlling interest; however, with an obligation to pay for the remaining 15 per cent of shares when the option falls due in 2013. At the time of the acquisition, this obligation was estimated at approximately NOK 9.6 million in 2013, which is equivalent to approximately NOK 8.6 million when discounted. This obligation is estimated on the basis of pricing mechanisms set forth in the option agreements and the estimate will be followed up quarterly. Any changes in the estimated purchase obligation will be recognised in the profit and loss account for the Group under financial items.

Buyout of the non-controlling has been has been treated as an equity capital transaction pursuant to the revised IAS 27, see also note 2.1.1 for a more detailed description.

Analysis related to the acquisition of Eiendomssikring AS:

Amounts in NOK million	2010
Purchase 34 % of the shares	8
Estimated value option remaining 15 %	9
Total consideration	**17**
Book value of non-controlling interest	(2)
Equity effect	**15**

Net cash outlay related to the cost price

The settlement for the cost price was split into two parts and consisted on the one hand of a cash outlay of NOK 8.0 million and on the other of the value of a buyout responsibility of NOK 8.6 million.

Amounts in NOK million	2010
Cash payment 34 %	(8)
Net cash consideration	**(8)**

NOTE 26 SALE OF SUBSIDIARY

With effect from 30. November 2011 the subsidiary Østlandske Elektro AS was sold for a consideration of NOK 1.8 million.

The following shows a breakdown on the consolidated balance sheet associated with Østlandske Elektro AS at the time of sale:

Book value of assets and liabilities as of 30 November 2011 :

Amounts in NOK million	**2011**
Goodwill	3
Inventories	2
Accounts receivable and other receivables	4
Cash and cash equivalents	4
Accounts payable and other liabilities	(5)
Book value of minority interest	(2)
Book value of disposed assets and liabilities	**6**
Selling price inclusive sales cost	2
Loss on disposal of Østlandske Elektro AS	**(4)**

Net cash inflow on disposal of subsidiary Østlandske Elektro AS

Amounts in NOK million	**2011**
Selling price	2
Cash and cash equvalents in Østlandske Elektro AS	**(4)**
Net cash inflow on disposal of Østlandske Elektro AS	**(2)**

NOTE 27 **GUARANTEE COMMITMENTS**

Spesification of other allocations and liabilities

Amounts in NOK million	**2011**	**2010**
Guarantee commitments	1	3
Total other allocations and liabilities	**1**	**3**

As of 31 December 2011 guarantee liabilities totalled NOK 1 million. While historic guarantee costs indicate small guarantee claims, the Group has nevertheless chosen to set aside a certain amount in guarantee provisions. Recognised future guarantee liabilities are estimated, but on the basis of previous actual experience.

NOTE 28 CONTIGENT LIABILITIES

Contingent liability regarding Norwegian and Finnish employees

There is a contingent liability with respect to 59 employees of Infratek's Finnish subsidiary Infratek Finland Oy, who were previously members of Fortum Pension Foundation, should they be made redundant by the company. In the event that they are made redundant, Infratek Finland Oy is obligated to compensate for any difference between estimated defined pension benefits according to the defined benefits based supplementary pension agreement and accrued pension entitlement under the mandatory service pension scheme. The size of the amount depends on whether or not the employee continues to accrue pension rights in the mandatory service pension scheme after their redundancy. This contingent liability is estimated at between EUR 6,000 and EUR 7,000 per employee per year. The amount cannot be calculated exactly until the ordinary pension period begins. As of 31 December 2011 the average age of these 59 employees was approximately 56.

Infratek Service AS, which was merged with Infratek Entreprenør AS in 2009, acquired 25 employees from Halden E-verk in 1992. These employees were transferred to KLP in 1992, but have earned pension rights in the Halden Kommunale Pensjonskasse. Since the acquisition, no demands concerning adjustment premiums or similar have been received from Halden Kommunale Pensjonskasse. On this basis, Infratek Entreprenør AS does not consider itself to have any liabilities linked to Halden Kommunale Pensjonskasse.

Bank and group guarantees

The Group purchases bank guarantees as security for certain liabilities. Per 31 December 2011, these bank guarantees amounted to NOK 117.0 million including NOK 30.2 million in tax deduction guarantees and NOK 86.8 million in project guarantees. Corresponding guarantees in 2010 were NOK 30.2 million and NOK 97.7 million, respectively.

Additionally, group guarantees adding up to a total of NOK 12.4 were made whereas the corresponding amount made last year was NOK 6.3 million.

NOTE 29 EVENTS AFTER THE BALANCE SHEET DATE

Infratek acquires 100 percent of the shares in WKTS AB (Wigh Kellokumpu Track Service AB)

As of the 2 February 2012, Infratek Sverige AB entered into an agreement concerning acquisition of all shares in the Swedish railway company WKTS AB. The company's revenue amounted to SEK 56 million in 2010. As the railway industry is a strategic area of operational growth for Infratek, the company will further realize its ambition of becoming a central participant in the Swedish railway segment.

Analysis related to the acquisition of WKTS AB:

Amounts in NOK million	**2012**
Purchase 100% of the shares	13
Total consideration	**13**
Fair value acquired net assets	7
Goodwill	**6**

Observable assets and liabilities related to the acquisition as of 2 February 2012:

Amounts in NOK million	**Fair value**
Property, plant and equipment	5
Inventories	1
Accounts receivable and other receivables	7
Cash and cash equivalents	3
Accounts payable and other current liabilities	(7)
Long-term loan	(2)
Acquired net assets	**7**

The Board and management in Infratek do not know of any other events after the balance sheet date that could effect the profit and loss, balance sheet, cash flow or equity.

NOTE 30 **CONSOLIDATED COMPANIES**

Company	Registered business address	Ownership in per cent
Infratek ASA (parent company)	Oslo, Norway	100
Infratek Entreprenør AS	Oslo, Norway	100
Veka Entreprenad AB	Skåne, Sweden	100
Mini Entreprenad AB 1)	Lövestad, Sweden	70
Infratek Sverige AB	Stockholm, Sweden	100
Infratek Öst AB	Stockholm, Sweden	100
Infratek Finland OY	Helsinki, Finland	100
Infratek Elsikkerhet AS	Oslo, Norway	100
Infratek Sikkerhet AS	Oslo, Norway	100
Eiendomssikring AS 2)	Oslo, Norway	85
Unisec Varularm AB 3)	Stockholm, Sweden	51
Infratek Security Finland Oy	Helsinki, Finland	100

1) On 1 July 2011 Infratek acquired 70 per cent of the shares in Mini Entreprenad AB. As part of the acquisition, there exists a sale and a purchase option on the remaining 30 per cent which means that the company is considered to be owned 100 per cent in the Group accounts. However, the actual ownership interest is reported as 70 per cent in the company-specific financial statement of Infratek Sverige AB .

2) On 6 September 2010, Infratek purchased an additional 34 per cent of the shares in Eiendomssikring AS . As part of the purchase, there exist both a sales option and a purchase option related to the remaining 15 per cent of the shares in the company, which entails that the company is considered as 100 per cent owned in the Group accounts. However, the actual ownership interest is reported as 85 per cent in the company-specific financial statement of Infratek Sikkerhet AS .

3) On 5 February 2011 Infratek acquired 51 per cent of the shares in Unisec Varularm AB. As part of the acquisition, there exists a sale and a purchase option on the remaining 49 per cent which means that the company is considered to be owned 100 per cent in the Group accounts. However, the actual ownership interest is reported as 51 per cent in the company-specific financial statement of Infratek Sikkerhet AS .