

NOTE 1**ACCOUNTING PRINCIPLES**

Infratek ASA's accounts have been prepared in accordance with Norwegian accounting law and generally accepted accounting principles in Norway (NGAAP).

Accrual, classification, and valuation principles**Classification**

Classification of balance sheet items is defined as follows: All assets related to the business cycle, receivables payable within one year, and assets not intended for permanent ownership or use by the business, are classified as current assets. Other assets are classified as fixed assets. Liabilities with time to maturity exceeding one year after expiration of the accounting year are entered as long-term liabilities. Other liabilities are classified as current liabilities.

Valuation principles**Revenues**

Revenue is recognized when it is earned, that is, when demand for compensation arises. This occurs when services are provided, along with the work performed. Revenues are accounted for by the value of the transaction date.

Assets and liabilities denominated in foreign currencies

Monetary items denominated in foreign currencies are translated at balance sheet date.

Leases

Assets which are leased on terms that are transferring financial risk and control of the leased asset to the company (financial leasing) are recognized under fixed assets, and related lease obligations are included as a liability under the interest bearing long term debt to net present value of lease payments. Assets are depreciated according to plan, and liabilities are reduced by lease payments less the effective interest cost. Lease for assets that are leased on terms where the financial risk and control lies with the lessor are expensed continuously on the basis of invoices received from the lessor.

Cash and cash equivalents

Cash and cash equivalents for the company consists of cash holdings, deposits in company specific bank accounts and net holdings on the Group's consolidated Group account system. The difference between the net deposit or draft on the company specific account in the Group's consolidated account system and the net deposit or draft on the consolidated account system for the Group, is presented as Group-internal receivables or debt.

Other receivables

Other receivables are entered at their nominal value less provisions for expected losses. Such loss provisions are made following individual assessment of the receivables in question.

Investments in subsidiaries

Investments in subsidiaries are valued according to the cost method. Dividends received and other profit disbursements from companies are recognized as financial income if the profit disbursement is retained after Infratek ASA bought the shares, if not, then profit disbursement is recognized in deduction of costs of subsidiary shares.

Tax expense, deferred tax, and deferred tax benefit

Tax charges are based on ordinary pre-tax profit. Tax expenses in the profit and loss account consist of taxes payable for the period and any change in deferred taxes/deferred tax benefits. Taxes payable are based on taxable profit for the year. Deferred tax recognized in the balance sheet is calculated using the offset method, with full provision for net tax-increasing temporary differences based on the tax rate on the balance sheet date and nominal sizes. Deferred tax benefits recorded in the balance sheet relating to net tax-reducing temporary differences and carry-forward losses are based on the likelihood of sufficient future earnings or ability to benefit from tax positions that can be offset through Group contributions.

Pensions and pension liabilities

See Note 2.15 to the Group accounts. Infratek ASA has exercised the option of switching to NRS 6A, which refers to IAS 19 regarding the accounting treatment of pension expenses.

Change in accounting policy

The company has in 2011 changed the accounting policy for pensions. The change implies leaving the so-called 'corridor approach' for the principle of recognizing the net pension obligation, including accumulated actuarial losses previously not recognized, as a liability at the balance sheet day. Estimated actuarial deviations arise from changes in actuarial assumptions or base data. The former accounting principle implied recognition of accumulated actuarial losses over and above the greatest 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. The current principle implies recognition of actuarial gains and losses attributable to changes in actuarial assumptions or base data in to the equity on an ongoing basis after provisions for deferred tax.

The company believes that the changed policy provides more relevant information for the users of the financial statements.

According to The Norwegian Accounting act § 7-3, ref § 6-6 the change has been made retrospectively and the comparatives have been restated accordingly. This implies that the company is presenting its net benefit obligation, included accumulated actuarial losses previously not recognized, in the balance sheet for both year 2010 and 2011. The change in accounting principle will imply that all future actuarial gains or losses will be recognized through equity on each reporting date.

In addition the company has, according to NRS 6 paragraph 67, ref IAS 19.119 changed how the net retirement benefit costs are presented in the statement of profit and loss. The company 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 are 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 impact of the change in accounting policy is presented in note 3 Salaries and other personell expenses, note 4 Pensions, note 7 Tax and note 17 Statement of equity.

Cash flow statement principles

The cash flow statement has been prepared using the indirect method of accounting. The method entails analysis being based on the unit's profit for the year to be able to present cash flows added from ordinary operations, investment activities, and financing activities.

NOTE 2**OPERATING REVENUES**

The operating revenues are specified as follows:

Spesification other operating revenues

| Amounts in thousand NOK | 2011 | 2010 |
|---------------------------------|---------------|---------------|
| External revenues | 2 542 | 16 |
| Internal revenues | 10 188 | 30 552 |
| Total operating revenues | 12 730 | 30 568 |

NOTE 3**SALARIES AND OTHER PERSONELL
EXPENSES****Spesification of personell expenses****Amounts in thousand NOK**

| | 2011 | 2010 after restatement | 2010 before restatement |
|---------------------------------|-----------------|---------------------------------------|--|
| Salaries and holiday pay | (13 565) | (12 439) | (12 439) |
| Social security contribution | (2 307) | (2 226) | (2 226) |
| Net pension expenses | (1 040) | (7 455) | (6 315) |
| Other personnel expenses | (2 693) | (3 013) | (3 013) |
| Total personnel expenses | (19 605) | (25 133) | (23 993) |

As of 31 December 2011, Infratek ASA had 17 employees.

Specification of remuneration**Amounts in thousand NOK**

| | 2011 | 2010 |
|--|--------------|--------------|
| Salary and other remuneration to general manager | 3 506 | 3 179 |
| Pension costs | 185 | 144 |
| Other remunerations | 50 | 47 |
| Board remuneration | 1 383 | 1 320 |
| Total remuneration to senior executives | 5 124 | 4 690 |

Infratek ASA's general manager has a performance-based bonus agreement, for further specification about this, see note 21 to the Group accounts under information about CEO.

Loan to general manager

Infratek has extended an interest-free loan to the general manager as part of a car expenses reimbursement program. The loan is written down over a period of 10 years; security is posted for the loan. As of 31 December 2011, the balance on the loan amounted to NOK 308.333. The annual amount written down and the interest-free loan component are reported to the tax authorities as a salary benefit. In case of resignation, any outstanding loans must be paid before the date of resignation.

Specification of auditor's fees**Amounts in thousand NOK**

| | 2011 | 2010 |
|------------------------------|--------------|--------------|
| Fee statutory audit | (454) | (433) |
| Fee assurance services | - | - |
| Fee tax advisory services | - | - |
| Fee other non-audit services | (63) | (125) |
| Total auditor fee | (517) | (558) |

NOTE 4**PENSION EXPENSES, ASSETS AND LIABILITIES**

Per 31 December 2011 the company had pension plans that covered a total of 4 people in the private plan and 5 people in a public plan. The plans provided rights to defined future benefits. These benefits depend chiefly on the number of years of service and pay level upon reaching retirement age. Pursuant to the law governing mandatory occupational pension, agreements have been established concerning defined contribution schemes for everyone who is not covered by the Group's group pension plans.

Pension liabilities and costs**Amounts in thousand NOK**

| | 2011 | 2010 after restatement | 2010 before restatement |
|---|----------------|---------------------------------------|--|
| Liabilities in the balance sheet are arrived at as follows: | | | |
| Present value of accrued pension liabilities in fund-based plans | 11 677 | 7 897 | 7 897 |
| Fair value of pension assets | (10 291) | (4 003) | (4 003) |
| Actual net pension liabilities for defined benefit plans in fund-based plans | 1 386 | 3 894 | 3 894 |
| Present value of liabilities not in fund-based plans | 1 891 | 1 071 | 1 071 |
| Estimate deviations not recognized in profit and loss | - | - | (2 580) |
| Social security contribution | 693 | 709 | 709 |
| Net pension liabilities in the balance sheet as of 31 December | 3 971 | 5 675 | 3 095 |
| Net pension expenses are arrived at as follows: | | | |
| Present value of the year's pension earnings | (765) | (473) | (473) |
| Interest expenses of liability | (360) | (104) | (104) |
| Expected yield on pension funds | 233 | 261 | 261 |
| Liabilities upon change in plan | 24 | 382 | 382 |
| Recognized estimate changes and estimate deviations | - | - | 984 |
| Social security contribution | (122) | (109) | (109) |
| Member contributions | 9 | 9 | 9 |
| One-time payment | - | (7 000) | (7 000) |
| Total pension expenses, defined benefit plans | (854) | (7 191) | (6 050) |
| Net financial cost from performance plans | (127) | 157 | - |
| Sum recognized performance-based pension costs | (981) | (7 034) | (6 050) |
| Total pension expenses, contribution plans | (186) | (188) | (188) |
| Adjustment pension premiums | - | (77) | (77) |
| Total pension expenses (incl. in personnel expenses) | (1 167) | (7 299) | (6 315) |

Change in liabilities in the balance sheet:

| | | | |
|--|--------------|--------------|--------------|
| Balance sheet value as of 1 January | 5 675 | 1 967 | 1 967 |
| Change in employee base due to business transfers | - | 2 818 | 2 818 |
| Change in accounting principle | - | (879) | - |
| Expenses recognized this year | 981 | 34 | (950) |
| Pensions paid and payment of pension premium | (718) | (740) | (740) |
| Deviation of periods estimate recognized in equity | (2 027) | 2 474 | - |
| Balance sheet value as of 31 December | 3 971 | 5 675 | 3 095 |

The following economic assumptions are used in calculating pension liabilities:

| | 2011 | 2010 after restatement | 2010 before restatement |
|---|--------------|---------------------------------------|--|
| Discount rate | 2.60 % | 4.00 % | 4.00 % |
| Expected yield on pension funds | 4.10 % | 5.40 % | 5.40 % |
| Salary growth | 3.25 % | 3.75 % | 3.75 % |
| G regulation | 3.25 % | 3.75 % | 3.75 % |
| Annual social security pension growth ¹⁾ | 0.10% / 2.5% | 1.30% / 2.97% | 1.30% / 2.97% |

1) Private pensions schemes 0.1 % and public pension schemes 2.5%.

| NOTE 5 | | OTHER OPERATING EXPENSES | |
|---------------------------------------|----------------|---------------------------------|--|
| Amounts in thousand NOK | 2011 | 2010 | |
| Real estate expenses | (4 058) | (4 461) | |
| In-sourced services, etc. | 10 741 | (14 207) | |
| Office expenses | (10 194) | (8 352) | |
| Other operating expenses | (2 854) | (7 205) | |
| Total other operating expenses | (6 365) | (34 225) | |

NOTE 6 OTHER FINANCIAL INCOME / GROUP CONTRIBUTIONS

Other financial income comprises dividend from subsidiaries, recognized as financial income of NOK 97.5 million in 2011 in addition to Group contribution from subsidiaries, recognized as financial income of NOK 90.0 million in 2010.

NOTE 7**Amounts in thousand NOK****TAX EXPENSE**

| | 2011 | 2010 after restatement | 2010 before restatement |
|--|-----------------|---------------------------------------|--|
| Pre-tax profit | 75 611 | 54 826 | 55 809 |
| Permanent differences | (95 671) | 218 | 218 |
| Non-taxed gain on sales of shares | - | - | - |
| Non-taxed Group contribution recognized as financial income | - | (19 000) | (19 000) |
| Taxable Group contribution recognized against acquisition cost | - | - | - |
| Change in temporary differences | (1 704) | 2 111 | 1 128 |
| Tax basis before application of loss carryforward | (21 764) | 38 155 | 38 155 |
| Applied tax loss carryforward | - | - | - |
| Taxable income | (21 764) | 38 155 | 38 155 |

Specification of tax expense for the year:

| | | | |
|--|--------------|-----------------|-----------------|
| Tax payable | - | (10 683) | (10 683) |
| Tax on share issue expenses recognized in equity | (332) | - | - |
| Tax on Group contribution recognized in acquisition cost | - | - | - |
| Change in deferred tax asset (recognized) | 6 184 | 591 | 316 |
| Ordinary tax expense | 5 852 | (10 093) | (10 368) |
| Taxation rate, 31 December | 28% | 28% | 28% |

Amounts in thousands NOK

| | 2011 | 2010 after restatement | 2010 before restatement |
|---|----------------|---------------------------------------|--|
| Deferred tax/deferred tax benefit: | | | |
| Pension liabilities | 3 971 | 5 675 | 3 095 |
| Temporary differences that affect tax payable: | 3 971 | 5 675 | 3 095 |
| Tax loss carryforward | 21 764 | - | - |
| Basis, deferred tax/(deferred tax benefit) | 25 735 | 5 675 | 3 095 |
| Deferred tax/(deferred tax benefit) | (7 206) | (1 589) | (867) |

Reconciliation of effective tax rate:**Amounts in thousand NOK**

| | 2011 | 2010 after restatement | 2010 before restatement |
|---|--------------|---------------------------------------|--|
| Pre-tax profit | 75 611 | 54 826 | 55 809 |
| Expected tax expense, 28% nominal taxation rate | (21 171) | (15 351) | (15 628) |
| Incorrect tax cost 2010 | (332) | - | - |
| Effect of non-taxed Group contribution | 27 286 | 5 320 | 5 320 |
| Impact of reversed pension effect recognized in OCI | 568 | - | - |
| Effect of permanent differences | (499) | (62) | (62) |
| Tax expense | 5 852 | (10 093) | (10 368) |
| Effective tax rate | 7.7 % | 18.4 % | 18.6 % |

NOTE 8**BANK AND OTHER GUARANTEES****Amounts in thousand NOK**

| | 2011 | 2010 |
|--|----------------|----------------|
| Bank deposits, Group accounts | 283 997 | 224 242 |
| Bank deposits outside the Group account system | 741 | 916 |
| Total cash and cash equivalents | 284 738 | 225 158 |

See Note 12 to the Group accounts for a presentation of the Group account system.

Restricted bank deposits**Amounts in thousand NOK**

| | 2011 | 2010 |
|---|---------------|---------------|
| Employees tax deduction | - | - |
| Down payment deposits | - | - |
| Total restricted cash and cash equivalents 1) | 16 247 | 16 165 |
| Total restricted cash and cash equivalents | 16 247 | 16 165 |

1) At the date of establishing Infratek Group, the employees received a consideration from Hafslund ASA of NOK 15 million as settlement for loss of rights concerning use of the Hafslund Group's company cabins. These funds are deposited in an account in the name of Infratek ASA. The funds belong to the employees and the yield is earmarked for social purposes benefiting the employees of the Infratek Group. Per 31 December 2011 the deposited amount increased to NOK 16.2 million.

NOTE 9**INVESTMENTS IN SUBSIDIARIES**

| Amounts in thousand NOK | Registered business address | Book value | Balance sheet equity | Profit for the year | Ownership voting rights |
|------------------------------------|--|-----------------------|---------------------------------|--------------------------------|------------------------------------|
| Infratek Entreprenør AS | Oslo | 470 497 | 187 661 | 26 461 | 100% |
| Infratek Sverige AB | Stockholm | 229 068 | 204 486 | 10 051 | 100% |
| Infratek Öst AB | Stockholm | - | - | 23 952 | 100% |
| Infratek Finland OY | Helsinki | 41 942 | 75 857 | 9 126 | 100% |
| Infratek Elsikkerhet AS | Oslo | 27 568 | 18 776 | 19 021 | 100% |
| Infratek Sikkerhet AS | Oslo | 54 540 | 42 748 | (3 541) | 100% |
| Total | | 823 614 | 529 528 | 85 070 | |

Infratek Öst AB merged with Infratek Sverige AB in 2011

NOTE 10**GROUP INTERNAL ACCOUNTS RECEIVABLE AND PAYABLE****Amounts in thousand NOK****2011****2010****Receivables**

| | | |
|----------------------------------|----------------|---------------|
| Group internal receivables | 2 815 | 1 468 |
| Receivables, Group contribution | - | 90 010 |
| Earned income, Group | 97 452 | - |
| Total accounts receivable | 100 267 | 91 478 |

Amounts in thousand NOK**2011****2010****Payables**

| | | |
|---------------------------------------|----------------|----------------|
| Group Internal payable | 954 | 544 |
| Bank accounts in Group account system | 337 000 | 271 213 |
| Incurred costs, Group companies | 257 000 | - |
| Total accounts payable | 594 954 | 271 757 |

NOTE 11**OTHER LONG TERM RECEIVABLES****Amounts in thousand NOK****2011****2010**

| | | |
|--|---------------|---------------|
| Loans to employees | 1 469 | 1 675 |
| Paid core-capital, pension fund | 14 079 | 14 079 |
| Subordinated loan, pension fund | 1 939 | 1 939 |
| Total other long-term receivables | 17 487 | 17 693 |

NOTE 12**OTHER SHORT TERM RECEIVABLES**

| Amounts in thousand NOK | 2011 | 2010 |
|---|--------------|--------------|
| Pre-paid expenses | 85 | 84 |
| VAT receivable | 708 | 667 |
| Other short term receivables | 3 304 | 8 643 |
| Total other short-term receivables | 4 097 | 9 394 |

NOTE 13**PROPERTY, PLANT & EQUIPMENT**

| | Fixtures and fittings |
|--|------------------------------|
| Amounts in thousand NOK | |
| Aquisition costs 1 January | 15 565 |
| Operating investments | 2 689 |
| Acuisition costs as of 31 December | 18 254 |
| Accumulated depreciation and impairment charges 1 January 2011 | (2 684) |
| Depriciation and impairment charges | (1 789) |
| Accumulated depreciation and impairment charges as of 31 December | (4 473) |
| Book value as of 31 December 2011 | 13 781 |

| | |
|------------------------|----------|
| Expected economic life | 10 years |
| Depreciation | Linear |

Operating leasing obligations

| | Rent | Future lease payments Machinery and equipment | Total |
|--|---------------|--|---------------|
| Amounts in thousand NOK | | | |
| Due within 1 year | 3 382 | 300 | 3 682 |
| Due later than 1 year not later than five years | 13 380 | 606 | 13 986 |
| Due later than 5 years | 6 666 | - | 6 666 |
| Total | 23 428 | 906 | 24 334 |
| Recognized costs regarding operating leases for the period | 4 631 | 135 | 4 766 |

NOTE 14**INTANGIBLE ASSETS****Amounts in thousand NOK****Software & licenses**

| | |
|--|----------------|
| Aquisition costs 1 January | 49 914 |
| Operating investments | 4 834 |
| Aquisition costs as of 31 December | 54 748 |
| <hr/> | |
| Accumulated depreciation and impairment charges 1 January | (5 144) |
| Depriciation and impairment charges | (4 829) |
| Accumulated depreciation and impairment charges as of 31 December | (9 973) |
| <hr/> | |
| Book value as of 31 December 2011 | 44 775 |
| <hr/> | |
| Expected economic life | 10 years |
| Depreciation | Linear |

NOTE 15

OTHER CURRENT LIABILITIES

| Amounts in thousand NOK | 2011 | 2010 |
|--|--------------|--------------|
| Incurred salaries, holiday pay, employee-related liabilities | 2 676 | 2 301 |
| Personal fund | 766 | 583 |
| Other incurred costs | 321 | 685 |
| Total other current liabilities | 3 763 | 3 569 |

The Group purchases bank guarantees as security for certain liabilities. As of the 31 December 2011, these amounted to a total of NOK 1.8 million, solely applicable as tax deduction guarantees. In 2010, corresponding guarantees amounted to NOK 1.9 million while other guarantees added up to a total of NOK 24.8 million.

In addition to direct bank guarantees, Infratek ASA had to guarantee an amount of NOK 100 million related to our cash credit in DnB and another NOK 200 million in surety associated with Infrateks subsidiaries, also to DnB.

Further, Infratek ASA was subject to securitizing several of the project guarantees issued by DNB located in Sweden amounting to SEK 10.9 million in addition to another NOK 0.6 million, adding up to a total of NOK 10.1 million. This followed as the extent of these guarantees have exceeded the standard framework in association with DnB.

For other contingencies, see note 28 for the Group.

NOTE 17

EQUITY

| Amounts in thousand NOK | Share capital | Share premium fund | Other paid-in equity | Other equity/ uncovered loss restated | Total equity restated |
|---|----------------|--------------------|----------------------|---|-----------------------------|
| Equity as of 1 January 2010 | 319 316 | 282 458 | 32 787 | - | 634 561 |
| Effect of changes in accounting principles | - | - | - | 632 | 632 |
| Equity as of 1 January 2010 restated | 319 316 | 282 458 | 32 787 | 632 | 635 193 |
| Change in Group contribution 2008 | - | - | - | (7 661) | (7 661) |
| Allocation dividend 2010 | - | - | (32 787) | (31 076) | (63 863) |
| Change in estimate pensions | - | - | - | (1 782) | (1 782) |
| Profit for the year 2010 | - | - | - | 44 733 | 44 733 |
| Equity as of 31 December 2010 | 319 316 | 282 458 | - | 4 846 | 606 620 |
| Depreciation of share premium account | - | (200 000) | 200 000 | - | - |
| Accrued dividend 2011 | - | - | (95 795) | - | (95 795) |
| Change in estimate pensions | - | - | - | 1 460 | 1 460 |
| Profit for the year 2011 | - | - | - | 81 463 | 81 463 |
| Equity as of 31 December 2011 | 319 316 | 82 458 | 104 205 | 87 769 | 593 748 |

NOTE 18 SHARE CAPITAL AND SHAREHOLDER MATTERS

See Note 13 to the Group accounts.

Declaration

The Board of Directors and CEO hereby declare that to the best of their knowledge, the accounts covering the period 1 January through 31 December 2011, including notes to the accounts, have been prepared and presented in accordance with current accounting standards. They further declare that the information in the annual report for 2011 provides a true and fair view of the Group's assets, liabilities, financial position, and profit as a whole. The Board and CEO also declare that to the best of their knowledge, the annual report provides a true and fair overview of profit, key events in the accounting period and their influence on the annual accounts, the company's position, and the most important risks and uncertainties facing the company and the Group.

Board of Directors, Infratek ASA

Oslo, 11 April 2012

Mimi K. Berdal

Chairman

Hans Kristian Rød

Deputy Chairman

Dag Andresen

Tove Elisabeth Pettersen

Kalle Strandberg

Roger André Hansen

Otto Rune Stokke

Bjørn Frogner

CEO