



Hafslund

Preliminary 2003 report

Hafslund ASA

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Hafslund — fourth quarter 2003 — highlights and key figures

- Profit improvement continues at Network and Contracting businesses
- Solid profit improvement from Power Generation
- Hafslund Security — growth continues, break-even EBITDA in fourth quarter
- Disappointing profit development for Hafslund Power Sales and Power Trading unit
- Sale of non-core assets of approximately NOK 700 million
- Additional staff cutbacks implemented
- New organizational model introduced
- Move to new headquarters at Skøyen in Oslo
- Board of Directors proposes per-share dividend of NOK 1.00 for 2003

Key figures

Year			Fourth quarter	
2003	2002	Profit and loss account (in NOK million)	2002	2003
9300	7228	Operating revenues	2500	2312
1810	1576	EBITDA	540	268
850	727	Operating profit	332	(12)
202	(79)	Profit after tax	210	(24)
Balance sheet (in NOK million)				
20505	20840	Total assets	20840	20505
5856	5570	Equity	5570	5856
29%	27%	Equity ratio (in %)	27%	29%
11326	12449	Net interest-bearing debt	12449	11326
Per-share figures (in NOK per share)				
1,0	-0.4	Profit (EPS)	1.1	-0.1
5,9	3.9	Cash flow	2.3	1.3
Electric power production and sales				
2.655	2.805	Power generation in Norway (in GWh)	472	600
11.420	15.017	Power sales (in GWh)	4.641	3.252

Hafslund Group — 2003 preliminary report

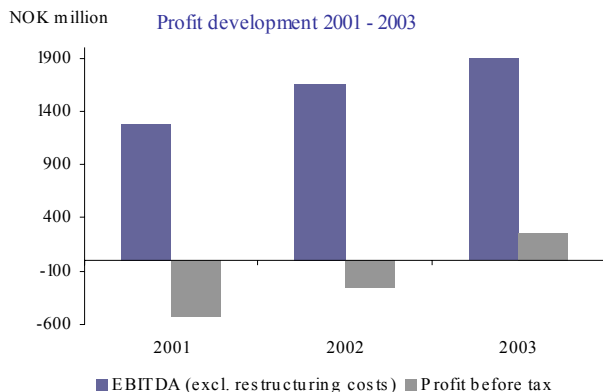
Figures are in NOK, unless otherwise stated. Comparative 2002 figures are stated in parenthesis.

The Hafslund Group's 2003 operating profit before depreciation (EBITDA) was 1,805 million (1,576 million); up 229 million, compared with 2002. Hafslund's Network and Contracting business areas had a combined EBITDA of 1,527 million, up 367 million from 2002. Profit growth is attributable to coordination effects, improved operating procedures and staff cutbacks. Greater profitability was achieved in spite of extraordinarily high expenses associated with power line clearing, and a lower regulatory-framework income ceiling due to declining interest rates in 2003. On the other hand profit is influenced by high non-recurring income items in the first quarter of 2003, resulting from volume increases and new investments.

Power Generation had an EBITDA of 493 million in 2003, up 128 million from 2002. Profit growth is mainly due to higher power prices (+46%). Power Generation's produced volume decreased 5% from 2002. Power Sales had an EBITDA of 57 million, down 105 million compared with 2002. This is largely attributable to a 24% decline in volumes sold. High volatility in the wholesale power market, combined with high prices, squeezed margins for part of the year and resulted in higher costs associated with basic risk elements such as deviation in volume and profile. Power Trading activities reported an EBITDA of -16 million, down 182 million from the year-earlier figure. The extraordinarily good profit recorded in 2002 is attributable to correct positioning in relation to the steep power-market price increases in late 2002.

Profit from share investments and associated companies amounted to 209 million (-108 million). The solid result is attributable to good venture portfolio value development, gains on sales of the stake in Oppdal Elverk and of the Group's Oslo headquarters, and profit from closing down the financial share portfolio.

The Group's 2003 profit before financing costs was 1,050 million (619 million); up 431 million from 2002. Group pre-tax profit was 230 million (-255 million). After-tax profit was 201 million; up 280 million, compared with 2002. Earnings per share (EPS) for 2003 amounted to NOK 0.95 (NOK -0.39); the same figures apply for diluted EPS.



Hafslund Group — fourth quarter 2003

Operating profit before depreciation (EBITDA) for the Hafslund Group for the fourth quarter of 2003 was 268 million (540 million), a decline in profit of 277 million compared with the year-earlier figure. The lower profit is attributable to restructuring costs, to high contributions to fourth-quarter-2002 profits from power trading activities (due to the steep rise in power prices in December 2002), to the effect of changes in estimates associated with income recognition for the year of power distribution activities under the allocated income ceiling, and to other factors.

Hafslund Security and Hafslund Contracting had a combined profit improvement (EBITDA) of 70 million.

Network activities show a profit improvement of 45%, once adjusted for changes in the method of accruing income of 98 million under the allotted income framework implemented as of the third quarter of 2003. Profitability improved despite continued, extensive line clearing work, a reduced income ceiling due to lower interest rates and framework penalties for disruptions caused by rough weather in the last half of December 2003. The Power Generation business area had a 46% profit improvement, attributable to higher sales prices and increased power production. Power Sales reported a 69 million decline in profit, largely caused by a 28% drop in sales volumes, and by lower margins. Hafslund Security achieved break-even profitability (EBITDA) in the fourth quarter of 2003; the high pace of residential alarm system sales is expected to continue in 2004. Expenses of 57 million, relating to further staff cutbacks totaling some 85 man-years, have been recorded in the Group profit and loss account for the fourth quarter.

Profit from share investments and associated companies amounted to 89 million (64 million). The fourth-quarter 2003 profit is mainly attributable to sale of the Group's new headquarters, sale of Oppdal Elverk shares, and the profit contribution of the associated company, Viken Fjernvarme.

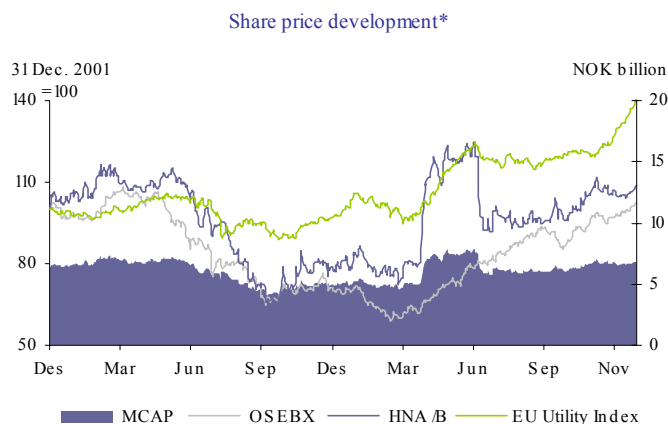
The Hafslund Group's fourth-quarter profit before financing costs was 68 million (396 million). Pre-tax profit was -98 million (130 million). Profit after tax was -25 million (211 million). Earnings per share (EPS) for the fourth quarter amounted to NOK -0.10 (4Q 2002: NOK 1.10); the same figures apply for diluted EPS.

Cash flow, investments and capital matters

The Hafslund Group had a negative cash flow from operations in the fourth quarter of 2003 of 164 million. This is attributable to greater capital requirements in Hafslund Power Sales, partly due to a quarter that featured high sales volumes and partly as a consequence of co-invoicing electricity and grid customers, which resulted in a transition from invoicing power customers in advance to invoicing for actual consumption. In the fourth quarter of 2003, the Group had a cash flow from sales of non-core assets of approximately 0.5 billion.

Net interest-bearing debt increased by 0.1 billion in the fourth quarter, to 11.3 billion at year-end 2003; the latter figure includes interest-bearing assets of 1.0 billion. Net interest-bearing debt was reduced by 0.9 billion during 2003. As of 31 December 2003, Hafslund had total assets of some 20.5 billion and an equity ratio of 28.7%. Hafslund held 986,644 of its own Class B shares (treasury shares) at the close of 2003, the figure corresponds to 0.51% of all outstanding shares and 1.24% of all outstanding Class B shares.

The Board will propose to the 3 May 2004 General Meeting that a per-share dividend of NOK 1.00 be paid for 2003. This corresponds to a total dividend payment of approximately 194 million.



* The indexes are not adjusted for dividends

BUSINESS ACTIVITIES AND OPERATIONS

Network

NOK million	2003	2002	4Q 2003	4Q 2002
Operating revenues	3543	3073	852	901
EBITDA	1479	1167	267	250
Operating profit	792	505	94	100
Investments	286	261	104	43

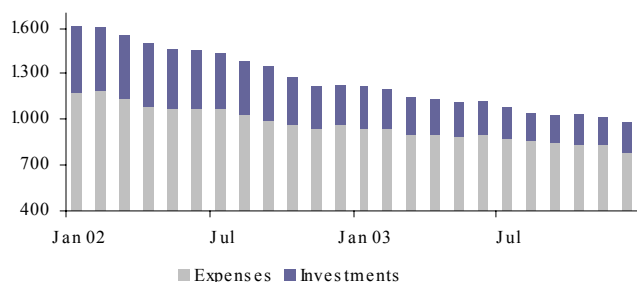
The year 2003

Hafslund's Network business area had a 2003 operating profit before depreciation (EBITDA) of 1,479 million (1,167 million); 65 million is attributable to Mjøskraft. Operating profit was 792 million (505 million). Total investments amounted to 286 million (261 million), of which 57 million was associated with Mjøskraft.

The 2003 profit growth is attributable to coordination effects, improved operating procedures, and staff cutbacks. Cash flow related to operations and investments shows a marked improvement, on a rolling annual basis, of just over 600 million compared with early 2002 (see chart).

Profit from associated companies in 2003 was 52 million (49 million), largely attributable to 27 million from Viken Fjernvarme and a 23 million gain on sales of a 47.4% stake in Oppdal Elverk.

NOK million **Rolling annualized operating expenses and investments**



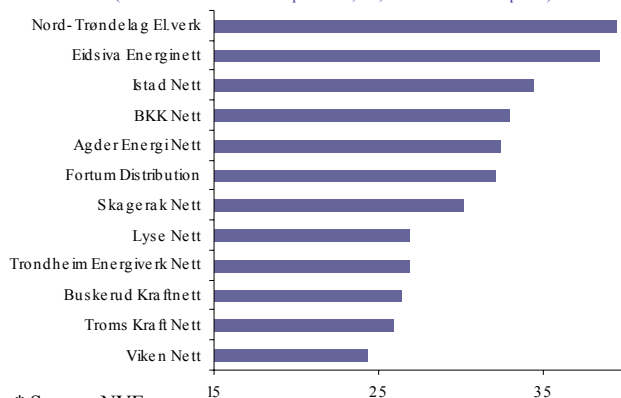
The fourth quarter of 2003

Network's operating profit before depreciation (EBITDA) was 267 million (250 million). Of this amount, 16 million is attributable to Mjøskraft. The business area's operating profit was 94 million (100 million). Total investments amounted to 104 million (43 million), of which 24 million is attributable to Mjøskraft. In spite of a downward adjustment of Network's income under the allotted income framework (due to lower interest rates) and one-time costs associated with line clearing, the fourth-quarter is on a par with the year-earlier figure. This was achieved through continuing efforts to streamline operational processes, and improved coordination of investment and maintenance activities.

Profit from associated companies was 35 million (22 million). The profit is largely attributable to a 23 million sale of Oppdal Elverk shares and 10 million in profit from Viken Fjernvarme.

Retail power prices charged by Norway's largest distribution companies in 2004

(in hundredths of a NOK per kWh; 20,000 kWh consumption)



* Source: NVE

Power Generation

NOK million	2003	2002	4Q 2003	4Q 2002
Operating revenues	673	523	177	135
EBITDA	494	365	131	90
Operating profit	401	318	75	84
Power price (øre/kWh)	22,5	16,0	25,6	15,3

* 100 øre = NOK 1

The year 2003

Power Generation had an operating profit before depreciation (EBITDA) of 494 million (365 million). Operating profit was 401 million (318 million).

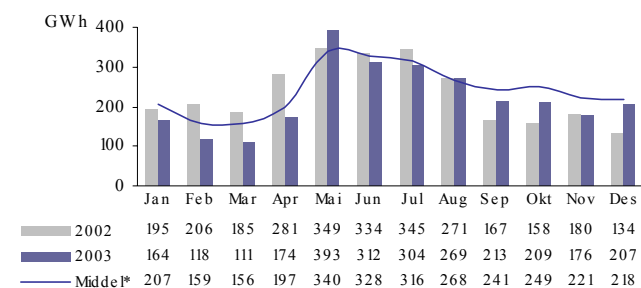
Operating profit before depreciation (EBITDA) for power generating activities in Norway was 459 million (340 million), while operating profit was 424 million (307 million). Power production for the year was 2,655 GWh; down 150 GWh from 2002. The volume-weighted sales price for 2003 was NOK 0.224 per kWh (NOK 0.153 per kWh); the volume-weighted spot market price was NOK 0.271 per kWh (2002: NOK 0.172 per kWh). Hydropower reservoir levels at the beginning of 2004 are on par with the seasonal average.

The fourth quarter of 2003

Power Generation had an operating profit before depreciation (EBITDA) of 131 million (90 million). Operating profit was 75 million (84 million).

Power production in Norway was 600 GWh (472 GWh). The volume-weighted sales price was NOK 0.255 per kWh (NOK 0.196 per kWh). The corresponding spot market price was NOK 0.283 per kWh (NOK 0.354 per kWh). Sale of the hydropower facilities in the United States to the Canadian company Brascan Corporation received the necessary regulatory approvals in late November 2003. The sales price is USD 30 million.

Power generation in 2003 vs. 10-year average



* Average of production over the past 10 years

Contracting

NOK million	2003	2002	4Q 2003	4Q 2002
Operating revenues	714	405	229	185
EBITDA	48	(20)	14	(17)
Operating profit	28	(30)	6	(24)
Net operating margin	4 %	-7 %	3 %	-13 %

Operating profit before depreciation (EBITDA) for Hafslund Contracting was 48 million for 2003 (-20 million). Operating profit was 28 million (-30 million).

Hafslund Contracting's operating profit before depreciation (EBITDA) for the fourth quarter of 2003 was 14 million (-17 million). Operating profit was 6 million (-24 million).

The profit improvement is attributable to factors such as enhanced efficiency in working procedures and the effects of staff cutbacks implemented in 2002 and 2003.

Power Sales

NOK million	2003	2002	4Q 2003	4Q 2002
Operating revenues	4469	3309	1086	1272
EBITDA	56	162	14	83
Operating profit	(21)	73	(4)	53
Power sales (in GWh)	11.420	15.017	3.252	4.641

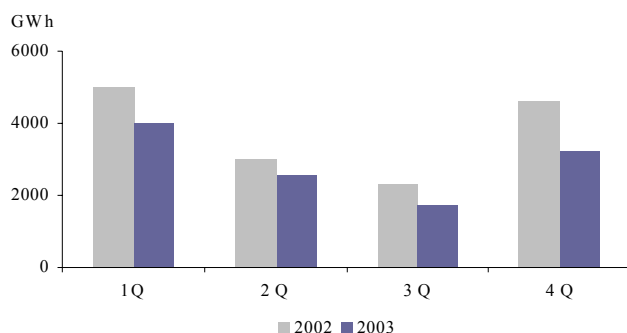
The year 2003

The operating profit before depreciation (EBITDA) for Power Sales in 2003 was 56 million (162 million). The operating profit for the year was -21 million (73 million).

The total volume of power sales for 2003 was 11.5 TWh; down 3.6 TWh compared with 2002. This volume decline of 24% is a result of 33% lower volumes to commercial customers and 20% lower volumes to general consumers. Coordination effects and gains from streamlining of operational patterns reduce the cost base by 82 million in 2003, compared with 2002.

Profit from associated companies amounted to -11 million (13 million), which is largely attributable to our 50% ownership of Göta Energi Holding in Sweden. Activities in Sweden have undergone comprehensive restructuring; break-even profit in 2004 is projected.

Power sales - volume in GWh



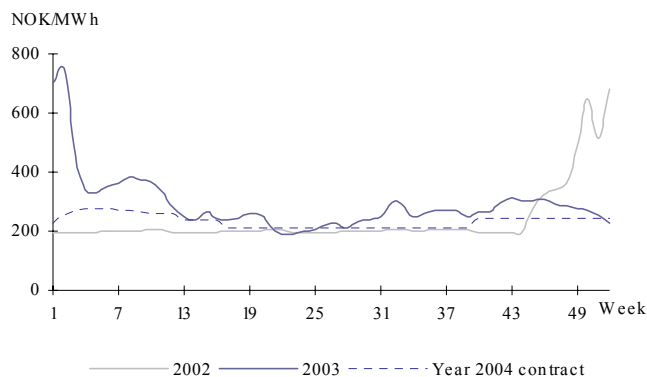
Fourth quarter of 2003

Power Sales' operating profit before depreciation (EBITDA) for the quarter was 14 million (83 million). The operating profit was -4 million (53 million).

The profit figure reflects lower margins and a volume decline of 30%. The volume decline was caused by energy savings, relatively mild temperatures for the quarter, and a moderate departure of customers in the mass market. Total sales volume was 3.3 TWh (4Q 2002: 4.6 TWh). The profit figure for the fourth quarter of 2002 includes a 9 million gain on the sale of Hafslund Tele (formerly Kan Kan).

Profit from associated companies was -2 million (13 million), largely attributable to Power Sales' 50% stake in Göta Energi Holding in Sweden.

Power price development *



* Source: Nord Pool, 30 December 2003

Security

NOK million	2003	2002	4Q 2003	4Q 2002
Operating revenues	338	203	112	55
EBITDA	(51)	(71)	1	(38)
Operating profit	(122)	(97)	(21)	(48)
Number of customers	56.071	26.075		

The year 2003

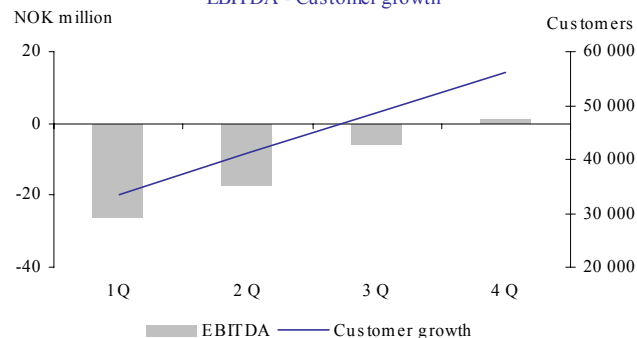
Operating profit before depreciation (EBITDA) for Hafslund Security was -51 million in 2003 (-71 million). The business area had an operating profit of -122 million (-97 million). Total investments amounted to 179 million (126 million), including acquisition costs related to new residential alarm customers.

Profit performance improved (EBITDA) compared with 2002, despite strong growth and start-up costs for cash and valuables transport services. Profit growth continued throughout 2003; in the fourth quarter, Hafslund Security reported its first-ever operating profit before depreciation.

During 2003, Hafslund Security established itself as Norway's largest supplier of cash and valuables transport, with routes operating all across the country by year-end. Building the security transport business has required major resources, and the current route network is a solid foundation for efficient and profitable operations. The company's residential alarm customers more than doubled in number during 2003, reaching more than 56,000 customers at year-end. With operations in most cities and towns south of Steinkjer, Hafslund Security is well prepared to strengthen its position as one of Norway's leading security companies.

Hafslund Security is expecting growth to continue throughout 2004, with all business units reporting a positive EBITDA.

EBITDA - Customer growth



Fourth quarter of 2003

Hafslund Security had a fourth-quarter 2003 operating profit before depreciation (EBITDA) of 1 million (-38 million). Operating profit before depreciation (EBITDA) was -21 million for the fourth quarter of 2003 (-48 million).

The number of residential alarm customers rose 19% or 9,300 in the fourth quarter of 2003 (4Q 2002: up 5,700). Total investments amounted to NOK 48 million, including acquisition costs for new residential alarm customers.

In response to rapid growth, the company's customer services to private and corporate customers were strengthened in the fourth quarter of 2003. The sales organization was also strengthened to continue the current growth rate into 2004.

Further growth will not strain the business area to the extent it has in the past, in terms of increased costs, because support functions are now sized to handle up to 100,000 private and corporate customers.

Power Trading

NOK million	2003	2002	4Q 2003	4Q 2002
Operating revenues	(1)	210	(33)	153
EBITDA	(15)	166	(38)	128

Operating profit before depreciation (EBITDA) in 2003 was -15 million (166 million). The excellent profit recorded for the fourth quarter of 2002 is attributable to correct positioning for the steep power-market price increases in December 2002.

Operating profit before depreciation (EBITDA) for Power Trading was -38 million for the fourth quarter of 2003 (128 million).

Other Activities

NOK million	2003	2002	4Q 2003	4Q 2002
EBITDA	(130)	(119)	(78)	18
Operating profit	(139)	(133)	(79)	14

The year 2003

Operating profit before depreciation (EBITDA) was -130 million in 2003 (-119 million); profit from shares amounted to 175 million in 2003 (-170 million). The profit decline is attributable to high sales and marketing costs associated with establishing Hafslund as a supplier of power and security products and services, amended rules on early retirement (AFP) plans, and costs associated with centralizing corporate and business activities at Group headquarters at Skøyen in Oslo.

The 175 million profit from share investments for the year 2003 is attributable to factors such as value growth for the venture portfolio, largely associated with our Renewable Energy Corporation (REC) and Scanwafer holdings, and gains on the sale of the Group's new headquarters in Oslo.

The fourth quarter of 2003

Operating profit before depreciation (EBITDA) for Other Activities was -78 million for the fourth quarter of 2003 (18 million); profit from shareholdings and other investments was 62 million (28 million). The profit decline is largely attributable to increased sales and marketing activities, costs associated with centralizing Group corporate and business activities, and changes in rules pertaining to early retirement plans for employees at our job and service center. Profit for the quarter was enhanced by real estate sales gains.

Profit from shares is largely attributable to gains on the sale of the company's new headquarters in Oslo; occupancy will continue under a 15-year leaseback.

KEY EVENTS AFTER THE REPORTING PERIOD

Hafslund Security — acquisition of minority interests

In January 2004, Hafslund bought out Hafslund Sikkerhet AS minority shareholders for 89.5 million. Hafslund Sikkerhet AS, now wholly owned, is a holding company for the Group's comprehensive security-market targeting. Hafslund Security AS owns 92.2% of the shares in Hafslund Sikkerhet Privat AS and 91.7% of the shares in Hafslund Sikkerhet Bedrift AS. The remaining shares are held by employees of the two companies.

Sale and leaseback of office premises

In January 2004, Hafslund sold its Lørenveien 68 property in Oslo for 177 million. Hafslund will lease back the premises for a period of 15 years. The sale generates an accounting gain before tax of approximately 40 million for Hafslund, which will be recorded in the accounts for the first quarter of 2004. The sale is part of announced efforts to free up capital associated with activities outside Hafslund's core businesses.

SHAREHOLDER MATTERS

The total number of Hafslund ASA shares is 195,223,448 of which 115,464,943 are Class A shares and 79,758,505 are Class B shares. As of 31 December 2003, the company had 8,266 shareholders; the ten largest owned a total of 92.9% of the company's shares. Hafslund stock is listed on the Oslo Stock Exchange. Hafslund's market capitalization at year-end 2003 was NOK 6.9 billion, which corresponds to 34% growth for shareholders in 2003. A total of 10.5 million Hafslund shares were traded in 2003, compared with 6.1 million in 2002.

Shareholders (as of 31 December 2003)				Holding
(in thousands of shares)	A shares	B shares	Total	(in %)
Oslo Kommune	40 498	27 974	68 472	35,1 %
Fortum Forvaltning AS	37 853	28 706	66 559	34,1 %
Oslo Kommune Holding AS	27 026	9 368	36 394	18,6 %
Østfold Energi AS	5 201	4	5 205	2,7 %
Tine Pensjonskasse		1 564	1 564	0,8 %
Hafslund ASA		986	986	0,5 %
Fortius A/S	500	150	650	0,3 %
Vital Forsikring ASA	50	564	614	0,3 %
Odin Norden	85	400	485	0,2 %
Odin Norge		408	408	0,2 %
Total, 10 largest shareholders	111 213	70 124	181 337	92,9 %
Other shareholders	4 251	9 634	13 885	7,1 %
Total	115 464	79 758	195 222	100 %

PERSONNEL

The increase in the number of employees in 2003, compared with 2002, is largely attributable to continued growth at Hafslund Security and the March 2003 consolidation of the Mjøs Group. At year-end 2003, the Mjøs Group had 186 employees.

Staff cutbacks of a total of 130 people were implemented in 2003; the Contracting and Network business areas saw the heaviest cutbacks.

Personnel (no. of employees)	31 Dec. 2003	31 Dec. 2002
Network *	▲ 284	223
Power Generation	▲ 20	17
Contracting *	▲ 652	632
Power Sales	▲ 103	91
Security	▲ 1.102	824
Other Activities	▼ 387	403
Total	▲ 2.548	2.190

* Increase is due to consolidation of Mjøs kraft

OUTLOOK

The Hafslund Group has undergone a comprehensive integration and restructuring process. Our cost base has been reduced, and management and follow-up tools at all business units have been improved. Thus, the Group has greater market clout that strengthens Hafslund's position with its customers and facilitates further organic growth. Hafslund is intensifying its focus on product and marketing activities, and quality in its deliveries and products. Hafslund will be positioned to deliver solid profitability in the upcoming quarters as a result of these measures.

Oslo, 16 February 2004

HAFSLUND ASA

Board of Directors

Profit and loss account

Amounts in NOK million

2003 2002 Change

Operating revenues	▲	9300	7228	29 %
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Comments:

Hafslund Group operating revenues increased 29% or 2,070 million in 2003, compared with 2002. Of this amount, revenue growth at Hafslund Power Sales amounted to 1,160 million. Despite an overall decline of 24% in the volume of power sold, sales revenues were up, due to power prices in 2003 being about 60% higher than in 2002. Hafslund Network's 2003 operating revenues increased by 471 million as a result of the consolidation of Mjøskraft as of the second quarter of 2003 and compensation for volume growth and new investments. Authorities' requirements for greater efficiency in grid operations adversely affected operating income. Growth at Hafslund Security continued; revenues rose by 135 million (up 67%) from 2002 to 2003.

Personnel expenses	▲	(979)	(856)	14 %
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Comments:

The 116 million increase in personnel expenses in 2003 must be viewed in light of the consolidation of Mjøskraft and the strong organic growth of Hafslund Security. Staff cutbacks in the fall of 2002 reduced personnel expenses. Another 130 staff positions were eliminated in 2003, mainly during the fourth quarter of 2003.

Other operating expenses	▲	(6430)	(4722)	36 %
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Comments:

Other operating expenses increased by 1,708 million, compared with 2002, largely due to higher power prices during most of 2003. Higher power market prices significantly increased the cost of power purchases by Hafslund Power Sales for its customers. The consolidation of Mjøskraft and significant organic growth at Hafslund Security also increased aggregate operating costs.

Restructuring expenses	▲	(81)	(74)	10 %
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Comments:

In 2003, additional staffing cutbacks totaling 130 man-years were implemented. Severance packages are recorded in the accounts as restructuring costs under Other activities.

Investments in shares and associated companies	▲	216	(108)	300 %
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Comments:

Profit from share investments provided solid returns in 2003. This improvement over 2002 is mainly attributable to value growth in the venture portfolio, sale of the ownership interests in Oppdal Elverk, and gains on the sale of the Group's new headquarters at Skøyen in Oslo. The loss recorded for 2002 reflected the weak share-price development at the Oslo Stock Exchange and negative returns on the Group's previous financial short-term investments. At year-end, the latter had largely been terminated.

Net financial items	▼	(807)	(874)	-8 %
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Comments:

The Group's 2003 financing costs were reduced by 67 million, compared with 2002. Due to the wholesale power market's steep rise in late 2002, the Group entered 2003 with extremely high operating capital requirements, financed through costly drawing facilities. Improved income from operations and sales of non-core assets on the order of 1.0 billion led to a 0,9 billion reduction in the Group's net interest-bearing debt in 2003. These improvements, along with the sharp decline in interest rates in the second half of 2003 have resulted in lower financing costs for the year as a whole.

Tax expenses	▲	(57)	175	-133 %
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Comments:

Both 2002 and 2003 are affected by major accounting tax revenues that may not be regarded as recurring. The Group's accounting tax costs will typically be 28% of pre-tax profit, plus Norway's tax on our hydropower facilities (ground rent). The 2003 ground rent tax amounted to 101 million, compared with 54 million in 2002.

Cash flow

Amounts in NOK million		2003	2002	Change
Cash flow from operating activities	▲	1723	143	1109 %
Cash flow from financing activities	▲	1954	160	1121 %

Comments:

Cash flow from operations rose by 1.5 billion, compared with 2002. This improvement is largely due to a 234 million increase in earnings from operations (EBITDA), and the significant increase in operational capital requirements in December 2002 (1.3 billion) caused by steep power price increases. Operational capital requirements remained at a high level in 2003 as a consequence of continuing high power prices, compared to previous years. Cash flow after net investments and sales of non-core assets (cash flow before financing activities) was approximately 2.0 billion in 2003, up 1.8 billion from 2002. Approximately 0.9 billion of non-core-business assets were realized in 2003.

Financial strength

Amounts in NOK million		31 Dec. 2003	31 Dec. 2002	Change
Assets	▼	20505	20840	-2 %

Comments:

The consolidation of Mjøskraft as of the second quarter expanded the balance sheet by some NOK 400 million. However, sales of non-core assets totaling approximately 1.0 billion reduced total assets to 20.5 billion.

Net interest-bearing debt	▼	11326	12197	-7 %
Average interest including derivatives (in %)	▼	6,1 %	7,7 %	-21,0 %
Duration (in years)	►	1,4	1,4	0,0

Comments:

Equity	▲	5856	5570	5 %
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Comments:

Profit and loss account

GROUP

Fourth quarter		NOK million	Year	
2002	2003		2003	2002
2500	2312	Operating revenues	9300	7228
(134)	(311)	Personnel expenses	(979)	(856)
(1852)	(1677)	Other operating expenses	(6430)	(4722)
26	(57)	Restructuring expenses	(81)	(74)
540	268	Operating profit before depreciation (EBITDA)	1810	1576
(208)	(279)	Depreciation	(959)	(849)
332	(12)	Operating profit	850	727
64	96	Profit from share investments and associated companies	216	(108)
396	84	Profit before financial items	1066	619
(267)	(153)	Net financial items	(807)	(874)
130	(69)	Profit before tax	259	(255)
81	45	Tax	(57)	175
211	(24)	Profit after tax	202	(79)
209	(25)	Majority's share of profit	188	(76)
1	1	Minority's share of profit	15	(4)
1,07	-0,13	Earnings per share (in NOK)	0,96	-0,39

BUSINESS AREAS

Fourth quarter			Year	
2002	2003		2003	2002
901	852	Network	3543	3073
135	177	Power Generation	673	523
1272	1086	Power Sales	4469	3309
55	112	Security	338	203
185	229	Contracting	714	405
153	(33)	Power Trading	(1)	210
(202)	(111)	Other / eliminations	(436)	(495)
2500	2312	Total operating revenues	9300	7228
100	94	Network	792	505
84	75	Power Generation	401	318
53	(4)	Power Sales	(21)	73
(48)	(21)	Security	(122)	(97)
(24)	6	Contracting	28	(30)
128	(38)	Power Trading	(18)	166
14	(79)	Other Activities	(139)	(134)
26	(45)	Other	(72)	(74)
332	(12)	Total operating profit	850	727

Balance sheet

NOK million	31 Dec. 2003	31 Dec. 2002
Intangible assets	3364	3157
Fixed assets	11975	11971
Financial assets	1587	2186
Accounts receivable and inventory	2797	2980
Investments	455	396
Cash and cash equivalents	328	149
Total assets	20505	20840
Paid-in capital	4554	4273
Retained earnings	1302	1297
Allocations for provisions	358	491
Other long-term debt	11282	10698
Short-term liabilities	3009	4081
Total equity and liabilities	20505	20840

Cash flow analysis

NOK million	Fourth quarter		Year	
	2003	2002	2003	2002
EBITDA (operating profit before depreciation)	268	540	1810	1576
Change in net working capital	(432)	(1334)	(87)	(1434)
Cash flow from operating activities	(164)	(794)	1723	143
Operating investments	26	(40)	(160)	(202)
Acquired companies and expansion activities	(110)	0	(152)	(459)
Distributable cash flow from operating activities	(248)	(834)	1411	(518)
Cash flow from share investments before net purchases/sales	64	(34)	138	14
Net share purchases/sales	309	148	406	664
Cash flow after share investments	125	(720)	1954	160
Change in net interest-bearing debt (excl. bank overdraft facilities)	(189)	496	(792)	(89)
Payment of financial items and taxes	(52)	(197)	(962)	(786)
Dividends - capital transactions	0	0	(21)	(229)
Cash flow after financial activities	(116)	(421)	179	(944)
Cash and cash equivalents at beginning of period	444	570	149	1093
Cash and cash equivalents at close of period	328	149	328	149

Equity matters

NOK million	2003	2002
Equity at beginning of period	5571	5979
Majority share of profit	188	(75)
Minority share of profit	15	(4)
Changes in minority interests	318	(246)
Adjustments booked to equity	(4)	(99)
Change in Class B shares held (treasury shares)	77	13
Dividend	(201)	0
Other changes affecting equity	(107)	3
Equity at close of reporting period	5856	5571

PROFIT AND LOSS ACCOUNT	4Q 2003	3Q 2003	2Q 2003	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
Operating revenues	2312	1633	1827	3528	2500	1212	1422	2094
Personnel expenses	(311)	(187)	(212)	(269)	(134)	(332)	(167)	(223)
Other operating expenses	(1677)	(968)	(1176)	(2609)	(1852)	(558)	(910)	(1403)
Restructuring expenses	(57)	(4)	(8)	(13)	26	(100)	0	0
EBITDA	268	473	431	637	540	222	345	469
Depreciation	(279)	(232)	(225)	(222)	(208)	(214)	(216)	(211)
Operating profit	(12)	241	206	415	332	9	129	258
Profit from share investments and associated companies	96	53	34	33	64	(114)	(154)	96
Profit before financial items	84	294	240	448	396	(105)	(25)	354
Net financial items	(153)	(208)	(222)	(224)	(267)	(225)	(174)	(208)
Profit before tax	(69)	86	18	224	129	(330)	(199)	146
Tax	45	(50)	(2)	(51)	81	139	32	(77)
Profit for the period	(24)	36	17	173	210	(191)	(167)	69
Majority's share of profit	(25)	45	3	165	209	(194)	(156)	64
Minority's share of profit	1	(8)	14	(8)	1	3	(11)	5
Earnings per share (in NOK)	(0,13)	0,23	0,01	0,85	1,07	(0,99)	(0,80)	0,33
BALANCE SHEET	4Q 2003	3Q 2003	2Q 2003	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
Intangible assets	3364	3118	3127	3153	3157	3198	3253	3165
Fixed assets	11975	12139	12323	12420	11971	12038	12054	11768
Financial assets	1587	1776	1821	1806	2186	2189	2208	2601
Accounts receivable and inventory	2797	1968	2067	3213	2980	1312	1909	2172
Investments	455	488	381	369	396	375	470	820
Cash and cash equivalents	328	444	206	304	149	570	361	1257
Total assets	20505	19933	19924	21265	20840	19682	20255	21783
Paid-in capital	4554	4346	4346	4275	4273	4304	4304	4302
Retained earnings	1302	1684	1643	1639	1297	962	1098	1524
Allocations for provisions	358	274	280	518	491	273	600	691
Other long-term debt	11282	11678	11790	10876	10698	8401	6826	8077
Short-term liabilities	3009	1950	1864	3954	4081	5742	7427	7189
Total equity and liabilities	20505	19933	19924	21263	20840	19682	20255	21783
CASH FLOW ANALYSIS	4Q 2003	3Q 2003	2Q 2003	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
EBITDA (operating profit before depreciation)	268	473	431	637	540	222	345	469
Change in net working capital	(432)	241	191	(87)	(1334)	228	(306)	(22)
Cash flow from operating activities	(164)	714	622	550	(794)	451	39	447
Operating net investments	26	(40)	(60)	(86)	(40)	(67)	(14)	(81)
Acquired companies and expansion activities	(110)	1	0	(43)	0	0	(459)	0
Distributable cash flow from operating activities	(248)	675	562	421	(834)	384	(434)	366
Cash flow from share investments before net purchases/sales	64	6	24	44	(34)	(17)	11	54
Net share purchases/sales	309	33	28	36	148	79	327	110
Cash flow after share investments	125	713	615	501	(720)	446	(96)	530
Change in net interest-bearing debt (excl. bank overdraft facilit	(189)	(164)	(502)	63	496	(89)	(334)	(162)
Payment of financial items and taxes	(52)	(312)	(193)	(406)	(197)	(148)	(237)	(204)
Dividends - capital transactions		0	(18)	(3)	0	0	(229)	0
Cash flow after financial activities	(116)	238	(98)	155	(421)	210	(896)	164
Cash and cash equivalents at beginning of period	445	207	305	149	570	361	1257	1093
Cash and cash equivalents at close of period	328	445	207	305	149	570	361	1257

Business areas — quarterly reporting

BUSINESS AREAS	4Q 2003	3Q 2003	2Q 2003	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
Network	852	805	784	1103	901	630	665	877
Power Generation	177	175	195	126	135	126	148	114
Power Sales	1086	508	674	2201	1272	398	536	1103
Security	112	91	77	58	55	61	46	41
Contracting	229	149	165	171	185	127	93	
Power Trade	(33)	(12)	5	39	153	26	10	21
Other Activities	128	86	118	103	(202)	(156)	(76)	(62)
Eliminations	(238)	(169)	(190)	(273)				
Total operating revenues	2312	1633	1827	3528	2500	1212	1422	2094
Network	(585)	(404)	(517)	(558)	(651)	(384)	(392)	(480)
Power Generation	(45)	(53)	(49)	(32)	(45)	(35)	(44)	(34)
Power Sales	(1072)	(491)	(663)	(2186)	(1189)	(392)	(506)	(1060)
Security	(111)	(98)	(95)	(86)	(93)	(77)	(56)	(48)
Contracting	(215)	(147)	(139)	(165)	(202)	(130)	(92)	0
Power Trade	(5)	(3)	(4)	(3)	(26)	(6)	(6)	(7)
Other Activities	(206)	(105)	(131)	(122)	221	135	19	3
Restructuring expenses	(57)	(4)	(8)	(13)	26	(100)	0	0
Eliminations	251	146	210	274				
Total operating expenses	(2045)	(1160)	(1395)	(2890)	(1960)	(990)	(1077)	(1626)
Network	267	401	267	545	250	246	274	397
Power Generation	131	122	146	94	90	91	104	80
Power Sales	14	17	11	15	83	6	30	43
Security	1	(6)	(18)	(28)	(38)	(16)	(10)	(7)
Contracting	14	2	25	6	(17)	(3)	1	0
Power Trade	(38)	(15)	1	36	128	20	4	14
Other Activities	(78)	(19)	(13)	(19)	19	(21)	(57)	(59)
Other	(44)	(28)	12	(12)	26	(100)	0	0
Total EBITDA	268	473	431	637	540	222	345	469
Network	(173)	(175)	(175)	(164)	(151)	(170)	(173)	(169)
Power Generation	(56)	(13)	(12)	(12)	(7)	(13)	(14)	(14)
Power Sales	(18)	(20)	(15)	(25)	(30)	(20)	(20)	(19)
Security	(22)	(19)	(16)	(14)	(11)	(5)	(6)	(4)
Contracting	(8)	(4)	(4)	(3)	(7)	(2)	(1)	0
Power Trade	(1)	(1)	(1)	(1)	0	0	0	(3)
Other Activities	(1)	(2)	(2)	(4)	(4)	(2)	(4)	(2)
Other	(1)	0	0	0	0	0	0	0
Total depreciation	(279)	(232)	(225)	(222)	(208)	(214)	(216)	(211)
Network	94	226	92	381	100	76	101	228
Power Generation	75	110	134	82	83	78	90	66
Power Sales	(4)	(3)	(5)	(9)	53	(15)	11	24
Security	(21)	(25)	(34)	(42)	(48)	(22)	(16)	(12)
Contracting	6	(1)	21	3	(24)	(5)	(0)	0
Power Trade	(38)	(16)	1	36	128	20	4	11
Other Activities	(79)	(22)	(16)	(23)	15	(23)	(61)	(61)
Other	(45)	(28)	12	(12)	26	(100)	0	0
Total operating profit	(12)	241	206	415	332	9	129	258

Key figures

	Note	Units	31 Dec. 2003	31 Dec. 2002
Capital employed	1	NOK million	17340	17987
ROCE	2	%	8,8 %	5,0 %
Number of Class A shares		in thousands	115.465	115.465
Number of Class B shares		in thousands	79.759	79.759
Class A shares held (treasury shares)		in thousands	-	-
Class B shares held (treasury shares)		in thousands	987	4.077
Share price, Class A shares		NOK	35,50	28,00
Share price, Class B shares		NOK	34,50	23,50
Market capitalization		NOK billion	6,9	5,1
Earnings per share after tax (EPS)	3	NOK	1,0	(0,4)
Cash flow per share after tax	4	NOK	5,9	3,9
Return on equity	5	%	3,5 %	-1,4 %
Return on total assets	6	%	6,1 %	3,5 %
Equity ratio	7	%	28,6 %	26,7 %
P/E	8		33,7	-
P/CF	9		5,9	-
P/Book value	10		1,1	0,9
Net operating margin	11	%	11 %	10 %

Definitions

Note

1. Non-interest-bearing assets – Non-interest-bearing debt
2. EBITDA + Profit from share investments – Operating investments / Capital employed
3. Ordinary net profit after tax / Average number of shares
4. (Ordinary net profit after tax + write-offs) / Average no. of shares
5. (Profit before extraordinary items – Tax expenses) / Average equity including minority interests
6. (Profit before tax + Gross interest expenses) / Average total assets
7. (Equity capital including minority interests * 100) / Total assets
8. Share price / Earnings per share
9. Share price / Cash flow per share
10. Market capitalization / Equity
11. Operating revenues / Operating profit

The unaudited interim report conforms to Norwegian accounting principles and has been prepared along the same principles as the 2002 annual report. The interim report accords with Norwegian accounting standards for interim reporting.

Financial calendar for 2004

Preliminary 2003 report – 16 February 2004

First-quarter 2004 report – 3 May 2004

General Meeting – 3 May 2004

Second-quarter 2004 report – 9 August 2004

Third-quarter 2004 report – 26 October 2004

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