

PRESS RELEASE

HAFSLUND GROUP'S (HNA) RESULT 2 QUARTER 2000

(Comparable figures for 1999 in brackets)

The result for the group in the second quarter is still affected by low price level in the generation activities in Norway along with good trading results from power trading in the USA.

Income after taxes for the Hafslund group in the second three months was NOK 130 million (NOK 295 million), corresponding to earnings per share of NOK 1.10 (NOK 2.52). Operating profit in the second quarter amounted to NOK 110 million (NOK 70 million).

Operating profit for the first six months was NOK 157 million (NOK 133 million), income after tax NOK 286 million (NOK 414 million), and earnings per share were NOK 2.44 (NOK 3.51).

CONSOLIDATED INCOME STATEMENT - 1 QUARTER 2000

NOK mill.	Qtr 2. 00	Qtr 2. 99	1.1.-30.06.00	1.1.-30.06.99	1999
Operating revenues	381	522	664	977	1 531
Operating expenses	242	422	449	786	1 201
Operating profit	110	70	157	133	211
Financial items incl. associated companies	104	323	262	423	422
Income before taxes	214	393	419	557	632
Taxes	-84	-98	-133	-143	-147
Income after taxes	130	295	286	414	486
Earnings per share	1,10	2,52	2,44	3,51	4,12

CONSOLIDATED BALANCE SHEET

NOK mill.	30.06.99	30.06.00	31.12.1999
Intangible assets	1 555	1 695	1 615
Current assets	1 725	1 487	1 528
Financial assets	1 718	3 163	3 139
Fixed and tangible assets	1 726	1 626	1 652
Total assets	6 724	7 971	7 934
Shareholders equity	2 601	2 900	2 556
Provisions for liabilities and charges	98	133	103
Long-term liabilities	2 927	3 478	3 495
Short-term liabilities	1 098	1 460	1 780
Total shareholder equity and liabilities	6724	7971	7934,4

Hafslund Generation

Operating profit for Hafslund Generation in the second quarter was NOK 67 million (NOK 95 million). The generation in the second quarter was 926 GWh (1,018 GWh) which was 4.1% above average generation and was divided between 881 GWh (987 GWh) in Norway and 45 GWh (31 GWh) in the USA. The operating profit in the second three months for Hafslund's Norwegian power stations was NOK 43 million (NOK 73 million). The result is affected by low sales prices of NOK 9.8 øre/kWh (NOK 10.9 øre/kWh).

Hafslund Distribution

Operating profit before goodwill for the second quarter was NOK 14 million (NOK 21 million) giving a dividend of 2.8% (3.5%) on the official regulators asset value capital. A total of NOK 26 million has been taken to income from the associated companies Viken Energinett (25%), Rygge E-verk (33%) and Rakkestad E-Verk (33%) in the first six months. Book value of the investments is NOK 1,437 million as of 30 June 2000.

Hafslund Markets

The operating profit for Hafslund Markets in the second three months was NOK 51 million (NOK 4 million), of which NOK 51 million is derived from power trading activities in the USA. The trading result in the second quarter was NOK 95 million (NOK 34 million), NOK 82 (NOK 20 million) being from power trading activities in the USA.

Hafslund Energy

The operating result was NOK -4 million (NOK -16 million) in the second quarter. The result is affected by falling level of costs, with a total operating costs of NOK 7 million (NOK 17 million) in second three months. Of this marketing expenses is included with NOK 2 million (NOK 10 million). NOK 5 million is taken to income from the associated companies Din Energi (47%) and Kraftinor (49%) in the first six months. Book value of the investments is NOK 256 million as of 30 June 2000.

Hafslund Invest

The division Hafslund Invest had an accounting result from investments of NOK 163 million (NOK 397 million) in the second quarter. Hafslund's financial marketable securities portfolio had a return of 5.1% in the second quarter compared with the Oslo Stock Exchange total index of 2.0%. The marketable securities portfolio had a return of 18.3% for the first six months compared with the Oslo Stock Exchange total index of 1.0%. Book value of the financial marketable securities portfolio as of 30 June 2000 was NOK 729 million. Unrealised earnings as of 30 June 2000 are NOK 179 million, an decrease of NOK 50 million from the end of 1999. The accounting result in the second quarter was NOK 126 million (NOK 391 million).

Accounting result from the long-term investments was NOK 37 million in the second three months of the year.

Other transactions

Other business areas, which consist of, Hafslund Alfa, Corporate staff, Orion System, and Agriculture and Hafslund Manor, had an operating profit in the second quarter of 2000 of NOK -17 million (NOK -34 million). Hafslund Alfa had an operating result of NOK -2.6 million (NOK -2.1 million) in the second quarter.

BUSINESS SEGMENTS

NOK mill.	Qtr 1. 00	Qtr 1. 99	1.1-30.6. 00	1.1.-30.6. 99	1999
Hafslund Produksjon (Generation)	148	157	269	270	536
Hafslund Nett (Distribution)	76	77	151	161	323
Hafslund Markets	102	40	126	43	52
Hafslund Energi (End user)	22	31	62	72	140
Other/elimination	32	217	56	431	480
Operating revenues	380	522	664	977	1 531
Hafslund Produksjon (Generation)	67	95	125	156	298
Hafslund Nett (Distribution)	13	21	31	40	80
Hafslund Markets	51	4	51	-3	-53
Hafslund Energi (End user)	-4	-16	-9	-18	-43
Other/elimination	-17	-34	-40	-42	-71
Operating profit	110	70	157	133	211

Important transactions

With effect from 1 July 2000 Hafslund entered an agreement with Viken Energinett AS on the sale of the regional grid in Østfold, the building contractor business Hafslund Alfa, and Hafslund's ownership shares in Rygge Elverk and Rakkestad E-verk. As settlement for the transaction, Hafslund will increase its ownership share in Viken Energinett from 25% to 33% and transfer liabilities of NOK 300 million. Viken Energinett will then continue the running of these activities and will contribute a cash amount to a new company, Østnett AS. Østnett will also include Akershus Nett AS and ownership shares in Søndre Follo Nett and Follo Energiverk AS. Viken Energinett AS will be the owner of 49% of the shares in Østnett AS and in Akershus Nett Holding. Hafslund's ownership share in Viken Energinett (33%) will have a book value of approx NOK 1,8 billion. The agreement is conditional on obtaining the required approval from the authorities.

Hafslund ASA, Akershus Energi and Energiselskapet Buskerud have decided to merge Hafslund Energy, Din Energi and Østkraft. Hafslund will have an ownership share of 36.6% in the merged company. The merger is implemented with accounting effect from 1 January 2000. On formation the company has around 250,000 customers and its ambition is further expansion.

Hafslund has entered an agreement to take over 49% of the end-user company Økokraft which has a total of 53,000 customers.

Hafslund has entered an agreement to take over 42% of Mjøskraft. Mjøskraft will be the merged Gjøvik Energi and Toten Kraft which have approximately 84 GWh of water power generation, a net capital of NOK 374 mill, and around 25% share in Økokraft. The transaction with Mjøskraft is expected to be completed in mid-October. Through purchase and issue in Mjøskraft and Økokraft, Hafslund's total investment will be NOK 450 million.

Rune Bjerke took up as President and CEO with effect from 16 August.

On 13 July Hafslund signed an agreement on the purchase of the remaining 67% of the shares in Rygge Elverk AS for NOK 58 million. According to plan, the ownership share will be transferred to Østnett on cash settlement.

The group's preliminary results report for 2 quarter 2000 is available at the company's head office in Karenslyst Alle 11, at the Oslo Stock Exchange and on the Internet address: <http://www.huginonline.com/Norway/HNA/>

For more detailed information, contact CFO Knut Øversjøen, on tel. + 47 2301 4200

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HAFSLUND ASA