

PRESS RELEASE

HAFSLUND (HNA) RESULTS FIRST 8 MONTHS 1999

(Comparable figures for 1998 in parenthesis)

Income before taxes for the Hafslund Group was NOK 515 million (NOK -164 million) for the interim period 1 January to 31. August 1999 and net income was NOK 382 million (NOK -95 million).

Operating profit was NOK 102 million (NOK 236 million) in the first 8 months 1999. Operating revenues were NOK 2,671 million (NOK 1,489 million).

Net financial items (incl. associated companies) amounted to NOK 420 million (NOK -390 million) per second interim period 1999, including net interest expenses of NOK -185 million (NOK -97 million).

Earnings per share were NOK 3.30 per second interim period 1999 (NOK -0,82).

The generation per second interim period 1999 was 2,176 GWh (2,219 GWh), compared to an average generation for the period of 2,026 GWh. Hafslund Produksjon (Generation) Norway achieved an average price of 11.5 øre/kWh in per the second interim period of 1999 (12.8 øre/kWh). Operating profit is affected by a loss of USD 8.7 million related to trading activities in the US, and non-recurring expenses of NOK 24 million related to termination of a 1 TWh contract with Østfold Energi.

The investment in Saga Petroleum is realized with a net profit of NOK 505 million and included in net financial items.

Operating revenues and operating profit for the second interim period 1999 are as follows:

NOK million	Interim 2 98	Interim 2 99	1.1.-31.8.98	1.1.-31.8.99	1998
Hafslund Produksjon (Generation)	197	186	362	352	510
Hafslund Nett (Distribution)	77	101	193	215	292
Hafslund Energi (End user)	22	29	51	84	81
Hafslund Markets	202	1,554	415	1,807	681
Other/elimination	204	-4	468	213	670
Total operating revenues	702	1,866	1,489	2,671	2,234
Hafslund Produksjon (Generation)	118	99	206	194	287
Hafslund Nett (Distribution)	19	26	41	48	45
Hafslund Energi (End user)	-4	-16	-8	-26	-18
Hafslund Markets	0	-59	3	-68	5
Other/elimination	-5	-32	-6	-46	-6
Operating profit	128	18	236	102	313

The 2 nd Interim Report 1999 - First Eight Months - is available at Hafslund's headquarters in Karenslyst Allè 11, Oslo, at Oslo Stock Exchange and on Internet-address:
<http://www.huginonline.com/Norway/HNA>

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Oslo, 29. September 1999
HAFSLUND ASA

SECOND INTERIM REPORT 1999 – FIRST 8 MONTHS

To the shareholders of Hafslund ASA

(Comparable figures for 1998 in brackets)

Income before taxes for the Hafslund group for the second interim was NOK 515 million (NOK -164 million) and earnings per share after tax were NOK 3,30 (NOK -0,82). For this period, operating revenues amounted to NOK 2,671 million (NOK 1,489 million) and the operating profit was NOK 102 million (NOK 236 million)

Operating profit for Hafslund Generation for the first eight months was NOK 194 million (NOK 206 million). Generation in this period was 2,176 GWh (2,219 GWh). Hafslund's average generation for the second interim is 2,026 GWh. Hafslund Generation in Norway achieved an average price of 11.5 øre/kWh in this period (12.8 øre/kWh). Generation cost (based on mean generation) in Norway, including corporate overhead, amounted to 5.0 øre/kWh (5.6 øre/kWh) in the second interim.

Hafslund ASA's contract with Østfold Energi, on 1 TWh maturing in 2004 has been terminated with effect from 1 July 1999. As a part of the settlement, Hafslund paid NOK 24 million, and the amount is included in the P&L under other operations.

Operating profit for Hafslund Markets for the second interim was NOK -68 million (NOK 3 million). A loss of USD -8.7 million from trading activities in USA is due to an unsuccessful positioning linked to the coldest summer in California in 60 years. The trading result in the Norwegian trading operation was NOK 17 million for the second interim (NOK 8 million). By end 2. interim the operating revenues was NOK 1,807 million (NOK 415 million) as a result of new activities in US.

The second interim was characterised by almost normal conditions with regard to snow melting and precipitation taking Norway and Sweden together. The average system price for this period was 8.8 øre/kWh (8.7 øre/kWh), compared with 10.1 øre/kWh in the second interim. The level of water in the reservoirs at the end of August was high, but dry weather in the last two months has reduced the levels in the regulating reservoirs. A price level of around 14.5-15.0 øre/kWh is expected for the third interim.

Operating profit for Hafslund Distribution in the second interim was NOK 48 million (NOK 41 million). Excluding depreciation for goodwill this corresponds to a dividend of 8.4% on the official regulators asset value capital.

Operating profit for Hafslund Energi for the first eight months was NOK -26 million. Earnings from purchased customer bases are as expected, but the result is affected by the establishment of a central marketing unit and the costs of launching Hafslund as a national supplier of electricity to the private and business markets.

Result from net financial items were NOK 420 million for the second interim period (NOK -390 million). Unrealised losses in marketable securities of NOK 347 million from the end of 1998 are reversed in total in the second interim.

Unrealised gains on marketable securities as of 31 August 1999 amounted to NOK 109 million. NOK 251 million has been realised in gains and dividends on marketable securities in the second interim period (NOK 111 million). The shares in Saga/Norsk Hydro have now been almost realised, with total gains of NOK 171 million compared with the cost price. Included results from associated companies amounted to NOK 37 million for this period (NOK 20 million). Net interest expenses were NOK -185 million (NOK -97 million).

Net interest bearing debt as of 31 August 1999 was NOK 3,458 million, a reduction of 198 million from 1 January 1999.

With effect from 1 July 1999 Hafslund ASA and Viken Energinett AS each purchased 50% of the shares in the electric utility company Asker og Bærum Distribution AS (EAB Distribution) for a total of NOK 1,240 million. As part of the transaction, Viken's share of the central grid in Oslo was sold to Statnett. A letter of intent has been written between Hafslund and Viken Energinett on the ownership integration of EAB Nett and Viken Energinett. After the merger, Hafslund will own at least 25% of the shares in the merged company. Letter of intents have also been written concerning the integration of the regional grid of Statnett in the county Buskerud with EAB Nett.

1 July 1999 Hafslund bought 33% of the shares in Din Energi AS for a total purchase price of NOK 169 million. The company has approx. 125,000 customers. After the purchase, 47% of Din Energi is owned by Hafslund and 51% by Drammen Kraft Holding.

A letter of intent has been written on the sale of 100% of Orion Systems to the US-based Caminus LLC. Hafslund will achieve accounting gains of approx. NOK 28 million for their 63,3% ownership interest. The gains are not included in the accounts for the second interim period. The final agreement is expected to be made in October.

Hafslund's activities in UK have been coordinated with Gurta AG/Samid SA's ownership in Fesil ASA from 1 July 1999 and the name has changed to Tensil Ltd. Tensil owns 39.9% of Fesil ASA. Hafslund's ownership interest in Tensil Ltd is 46.45%. From the same date Tensil Ltd is reported as an associated company.

The share capital of Hafslund ASA is NOK 115,463,420, divided into 68,290,861 class A shares and 47,172,559 class B shares of NOK 1 nominal value. As of 31 August 1999 the market price on the Oslo Stock Exchange was NOK 46.00 for Hafslund's A shares and NOK 30.10 for B shares. The market price as of 30 December 1998 was NOK 48.20 for A shares and NOK 32.20 for B shares.

Oslo, 29 September 1999
HAFSLUND ASA

The Board of Directors

MAIN FIGURES SECOND INTERIM 1999 – (FIRST 8 MONTHS) (The accounts are unaudited)

CONSOLIDATED INCOME STATEMENT - 2nd INTERIM 1999 (*Tax for 1998 revised due to new accounting laws)

NOK million	* Interim 2 98	Interim 2 99	*1.1.-31.8.98	1.1.-31.8.99	*Year 1998
Operating revenues	702	1,866	1,489	2,671	2,234
Operating expenses	535	1,808	1,181	2,489	1,811
Depreciation and amortisation	39	40	72	80	110
Operating profit	128	18	236	102	313
Financial items	-445	240	-390	420	-539
Minority interests	-6	-3	-10	-7	-17
Income before taxes	-323	255	-164	515	-243
Taxes*	*61	-62	*69	-133	*229
Net income	-262	193	-95	382	-14
Earnings per share (NOK)	-2,27	1,66	-0,82	3,30	0,12
No. of shares (in 1,000) used in comput. of EPS	115,463	115,463	115,463	115,463	115,463

INTERIM RESULTS

NOK million	Interim 1 98	Interim 2 98	Interim 3 98	Interim 1 99	Interim 2 99
Operating revenues	787	702	745	805	1,866
Operating costs	679	574	668	721	1,848
Operating profit	108	128	77	84	18
Financial items	55	-445	-149	180	240
Minority interests	-4	-6	-7	-4	-3
Income before taxes	159	-323	-79	260	255

BUSINESS SEGMENTS

NOK million	Interim 2 98	Interim 2 99	1.1.-31.8.98	1.1.-31.8.99	1998
Hafslund Produksjon (Generation)	197	186	362	352	510
Hafslund Nett (Distribution)	77	101	193	215	292
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Operating profit	128	18	236	102	313

CONSOLIDATED BALANCE SHEET (*Figures revised due to new accounting laws)

NOK million	*31.8.99	31.8.99	*31.12.98
Fixed and tangible assets	3,206	3,161	3,218
Financial assets	1,297	2,492	1,452
Current assets	2,286	1,677	2,271
Total assets	6,789	7,330	6,941
Shareholders equity	2,233	2,552	2,175
Minority interests	96	21	98
Allocation liabilities	127	97	80
Other long term liabilities	1,521	2,920	2,988
Current liabilities	2,812	1,740	1,600
Total liabilities and equity	6,789	7,330	6,941

STATEMENT OF CASH FLOW (*Figures revised due to new accounting laws)

NOK million	*1.1.-31.8.98	1.1.-31.8.99	*1998
Net income	-95	382	-14
Cash flow from other operations	-382	829	-652
Net cash to/from operating activities	-477	1,211	-666
Net cash from investment activities	-429	-941	-624
Net cash provided from financial activities	915	-19	1,153
Net change in cash and cash equivalents	9	251	-137
Cash and cash equivalents at beginning of period	294	157	294
Cash and cash equivalents at end of period	303	408	157

Internet address: <http://www.huginonline.com/Norway/HNA>