

PRESS RELEASE

HAFSLUND GROUP'S (HNA) RESULT 3 QUARTER 2000

(Comparable figures for 1999 in brackets)

Results for the third quarter 2000

The result for the group in the third quarter is affected by a continued low price level for generation activities in Norway and good trading results from the power trading in the USA.

Income after taxes for the Hafslund group in the third quarter was NOK 19 million (NOK 20 million) corresponding to earnings per share of NOK 0.15 (NOK 0.15). Operating profit in the third quarter amounted to NOK 100 million (NOK -9 million).

Operating profit at the third quarter was NOK 257 million (NOK 125 million), income after tax NOK 305 million (NOK 433 million), and earnings per share were NOK 2.59 (NOK 3.67).

CONSOLIDATED INCOME STATEMENT - 3 QUARTER 2000

NOK mill.	Qtr 3. 00	Qtr 3. 99	Per.Qtr 3. 00	Per.Qtr 3.99	1999
Operating revenues	377	277	1.041	1.204	1.531
Operating expenses	277	236	784	1 080	1.321
Operating profit	100	-9	257	125	211
Financial items incl. associated companies	-61	36	201	459	422
Income before taxes	39	27	458	584	632
Taxes	-20	-8	-153	-151	-147
Income after taxes	19	20	305	433	486
Earnings per share	0,15	0,15	2,59	3,67	4,12

CONSOLIDATED BALANCE SHEET

NOK mill.	30.09.99	30.09.00	31.12.1999
Intangible assets	1 648	1 668	1 615
Fixed assets	1 624	1 487	1 528
Financial assets	2 274	3 351	3 139
Current assets	1 720	1 952	1 652
Total assets	7 266	8 458	7 934
Shareholders equity	2 610	2 911	2 556
Provisions for liabilities and charges	96	113	103
Long-term liabilities	2 924	3 510	3 495
Short-term liabilities	1 636	1 924	1 780
Total shareholder equity and liabilities	7 266	8 458	7 934

Hafslund Generation

Operating profit at Hafslund Generation in the third quarter was NOK 48 million (NOK 56 million). Generation in the third quarter was 917 GWh (779 GWh) which was 12% above average generation and was divided between 878 GWh (741 GWh) in Norway and 39 GWh (38 GWh) in the USA.

Operating profit in the third quarter for Hafslund's Norwegian power stations was NOK 45 million (NOK 41 million). The result is still affected by low achieved sales prices and higher volume generated compared with the same period in 1999. The achieved sales price for the third quarter was NOK 9.0 øre/kWh (NOK 10.0 øre/kWh) giving a price difference of NOK -9 million compared to 1999. The higher volume generated compared with the third quarter of 1999 (+137 GWh) contributed NOK 8 mill. The quarter had 13% more generation compared to mean generation.

Operating profit in the USA was NOK 3 million (NOK 15 million) in the third quarter. Generation in this period is at the same level as last year's and mean production. The result is affected by a stronger rate of exchange for the dollar and the non-recurring effects of the termination of the power contract with Greenville, the chip-fired plant giving an income of USD 2 million. There has also been a write-down on the plant of USD 4 million in the same period.

Hafslund Distribution

Operating profit before goodwill for the third quarter was NOK 9 million (NOK 19 million) giving a dividend of 1.5% (2.6%) on the official regulators asset value capital. The operating profit is reflected by a non-recurring cost of NOK 11 million in connection with previous years' assessments in the regional grid. Apart from the sale of the local grid in Skedsmo and Sørsum which in the third quarter 1999 contributed NOK -0.7 million, the operating profit for Hafslund's grid activities are in line with those of last year.

The result from associated companies includes NOK 18 mill taken to income mainly concerning the grid investment in Viken Energinett (25%) at this quarter. Book value of the investments as of 30 September 2000 is NOK 1.488 mill.

Hafslund Markets

Operating profit for Hafslund Markets in the third quarter was NOK 73 million (NOK -59 million) of which NOK 77 million is derived from the power trading in the USA. The trading result in the third quarter was NOK 148 mill. (NOK -60 mill.) of which NOK 143 mill (NOK -75 mill) is derived from the power trading in the USA. The good result for the third quarter in the USA is mainly due to deals on the short-term market by the utilisation of effects related to transfer problems, along with physical trading on the PX and ISO exchanges.

With effect from 1 September the portfolio management activities in the Nordic countries have been sold to Energipartner AS. The operating profit in the third quarter is charged with NOK -6.5 million in connection with this transaction. This includes NOK 13 mill. in write-down of goodwill associated with the remaining value allocation to the portfolio management made on the purchase of SkanKraft-Gruppen as of 1.1.1997.

Hafslund Energy

Operating result was NOK -8 million (NOK -13 million) in the third quarter. Compared with last year, the result is affected by a higher achieved contribution margin.

The result from associated companies includes NOK 6 mill taken to income from investments in Din Energi (47%), Kraftinor (49%) and Østkraft (49%) as of the third quarter 2000. Book value of the investments is NOK 426 million as of 30 September 2000.

Hafslund Invest

The division Hafslund Invest had an accounting result from investments of NOK 24 million (NOK 100 million) in the third quarter.

Hafslund's financial marketable securities portfolio had a return of 17.5% in the third quarter compared with the Oslo Stock Exchange total index of 11%. The return at the third quarter amounts to 38.8% compared with 11.8% for Oslo Stock Exchange total index. Book value of the financial marketable securities portfolio as of 30 September 2000 was NOK 669 million. Unrealised profits as of 30 September 2000 are NOK 274 million, a increase of NOK 45 million from the end of 1999. The accounting result in the third quarter was NOK 68 million (NOK 98 million).

The accounting result from long-term investments was NOK -44 million in the third quarter which includes a write-down of the ownership share in Actinor Shipping of NOK 61 million as a result of the agreement made on the sale of the shares in October 2000.

Other transactions

Other business areas, which consist of Hafslund Alfa, Corporate staff, Orion System, and Agriculture and Hafslund Manor, had an operating result in the third quarter 2000 of NOK -22 million (NOK -15 million).

Hafslund Alfa had an operating result of NOK -1 million (NOK -0 million) in the third quarter.

BUSINESS SEGMENTS

NOK mill.	Qtr 3. 00	Qtr 3. 99	Per Qtr. 3.00	Per Qtr. 3.99	1999
Hafslund Produksjon (Generation)	135	119	404	389	536
Hafslund Nett (Distribution)	50	76	201	237	323
Hafslund Markets	166	-5	292	38	52
Hafslund Energi (End user)	18	19	80	91	140
Other/elimination	8	18	64	449	480
Operating revenues	377	227	1 041	1 204	1 531
Hafslund Produksjon (Generation)	48	56	173	212	298
Hafslund Nett (Distribution)	10	20	41	60	80
Hafslund Markets	73	-62	123	-65	-53
Hafslund Energi (End user)	-8	-13	-17	-31	-43
Other/elimination	-23	-10	-63	-52	-71
Operating profit	100	-9	257	124	211

Important transactions

On 12 October 2000 Hafslund entered an agreement on the sale of its 36.6% ownership share (1,482,889 shares) in Actinor Shipping ASA to Paal Wilson & Co AS at a price of NOK 238 per share, or a total of NOK 353 million. The investment has given an annual average return of approx. 17% in the period 1996-00 in relation to the sum invested. Mainly due to the reclassification of deferred tax to equity in 1998-99 and accounting according to the equity method, the sale gives an accounting loss of NOK 44 million for 2000.

The work of completing agreements entered in connection with: (1)Viken Energinett / Østnett, (2) merger of end user companies Hafslund Energi AS, Din Energi AS and Østkraft AS, and (3) take-over of 42% in Mjøskraft is proceeding according to plan. It is presumed that all formal aspects will be completed during the fourth quarter of 2000. The business areas of Hafslund Regional Grid, Hafslund Alfa (included in the transaction with Østnett) and Hafslund Energy are consolidated at 30 September 2000.

The group's preliminary results report for 3 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/>

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HAFSLUND ASA