

FINANCIAL RESULTS

Q2 2013

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15 August 2013



Highlights Q2 2013

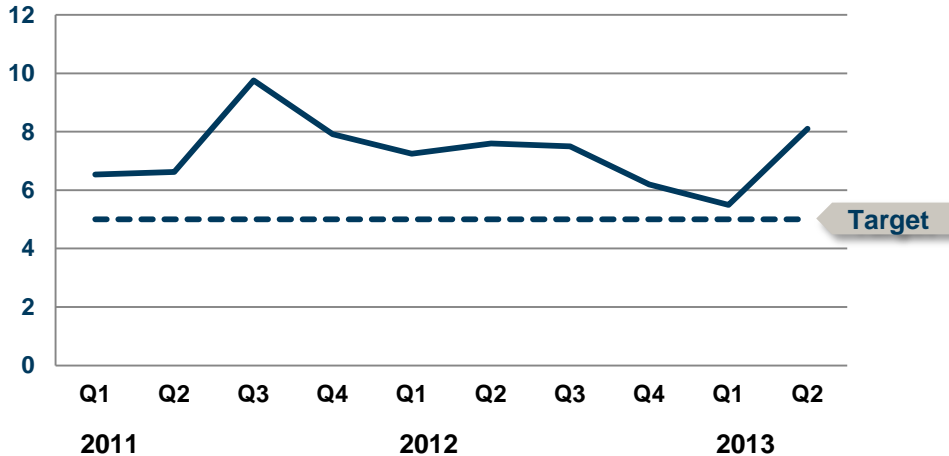
- ▶ Steady result from operations
 - Higher Nordic power prices and new production capacity
 - Underlying EBITDA of NOK 2 555 million (+8%)
- ▶ Currency effects impact net profit
 - Unrealised loss in financial items giving net profit of NOK -908 million
 - Offset by translation effects – equity strengthened by NOK 3,1 billion
- ▶ Statkraft and Norfund prolong strategic cooperation
 - Signed Heads of Agreement to restructure International Hydropower
 - Statkraft's ambition to be a leading international company in pure energy
- ▶ Acquisition of full ownership in Devoll Hydropower, Albania
 - Investment decision to construct two hydropower plants
- ▶ 620 MW leased power plants transferred from Statkraft SF
 - Sauda I-IV, Svelgen I and II plus Tysso II



Health, safety and environment

Total Recordable Injury rate

TRI-rate¹

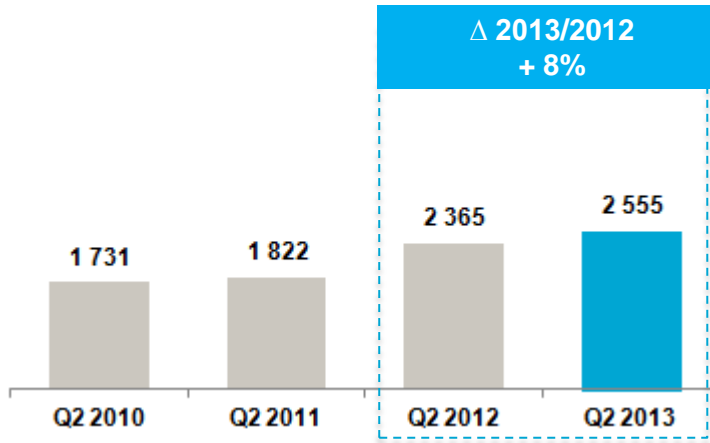


- ▶ Health and safety Q2
 - No serious injuries, but injury rate still above target
 - Satisfactory sick leave ytd 3.3%
- ▶ Environment Q2
 - No serious environmental incidents

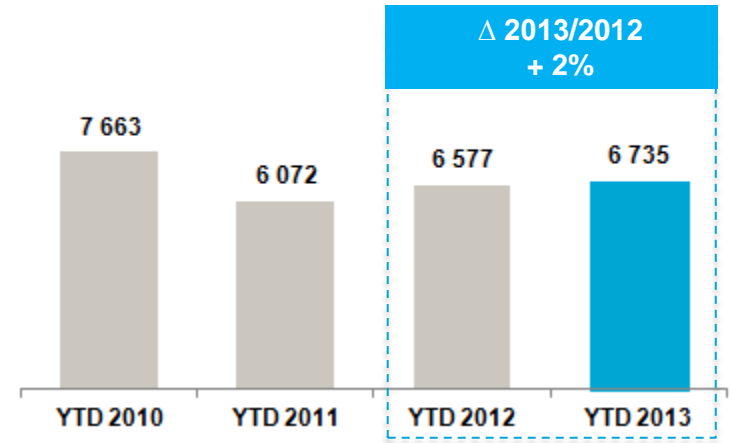
¹TRI rate: Number of injuries per million hours worked

Solid underlying EBITDA¹

Second quarter

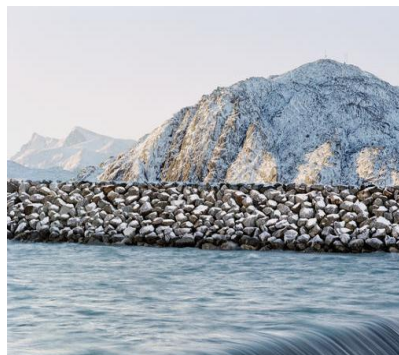


Year-to-date



¹Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

On-going construction projects



Hydro-power

- ▶ Nedre Røssåga 2, Norway (100 MW)
- ▶ Kjensvatn, Norway (11 MW)
- ▶ Brokke Nord/Sør, Norway (24 MW)
- ▶ Eiriksdal/Makkoren, Norway (56 MW)
- ▶ 9 small-scale hydro, Norway (77 MW)
- ▶ Kargi, Turkey (102 MW)
- ▶ Cetin, Turkey (517 MW)
- ▶ Devoll, Albania (243 MW)
- ▶ Cheves, Peru (171 MW)
- ▶ Binga, Philippines (120 MW)
- ▶ Bajo Frio, Panama (56 MW)



Wind power

- ▶ Stamåsen, Sweden (60 MW)
- ▶ Mörttjärnberget, Sweden (85 MW)
- ▶ Ögonfågeln, Sweden (99 MW)
- ▶ Björkhöjden, Sweden (270 MW)
- ▶ Tollarpabjär, Sweden (3 MW)
- ▶ Baillie, UK (53 MW)
- ▶ Berry Burn, UK (67 MW)



District heating

- ▶ Ås, Norway (24 MW)
- ▶ Sandefjord, Norway (23 MW)
- ▶ Kungsbacka, Sweden (12 MW)

Capacity for total project, incl. partners' share

International Hydropower – long term strategic cooperation

- ▶ Statkraft and Norfund have signed Heads of Agreement to continue partnership
 - Intention to restructure and prolong strategic cooperation
 - Focusing on hydropower in emerging markets
- ▶ Strengthen performance by establishing one project execution unit



- South East Europe
- South America
- South Asia



- South East Asia
- Africa
- Central America

Outlook

- ▶ Solid operating earnings
 - Somewhat higher short-term Nordic power prices but lower production than in 2012
 - Positive impact from new production capacity
 - Large hydro reservoir capacity gives high production flexibility
 - Solid long-term contract portfolio stabilizes earnings
- ▶ Maintain robust financial position
 - Adapt investment level to retain a strong financial position and maintain current rating
- ▶ Strengthening International Hydropower
 - Intention to restructure and prolong cooperation between Statkraft and Norfund
 - Ambition towards becoming a leading international company in pure energy

FINANCIAL RESULTS

CFO JENS BJØRN STAFF



Solid underlying EBITDA

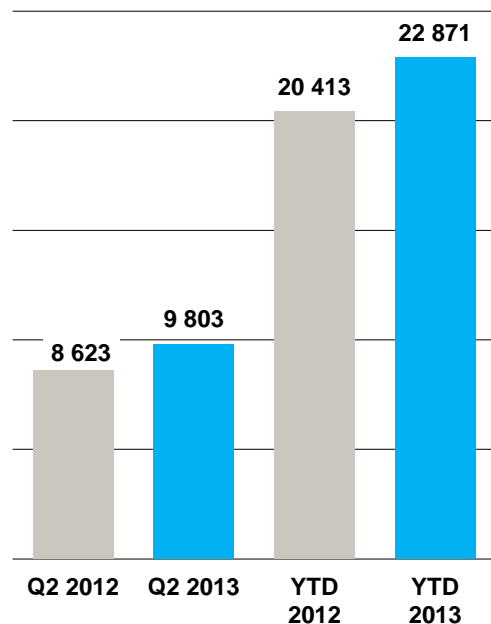
NOK million	Q2 2013	Q2 2012	YTD 2013	YTD 2012
Revenues ¹	9 803	8 623	22 871	20 413
EBITDA ¹	2 555	2 365	6 735	6 577
Net profit/loss	-908	2 443	-466	5 873

- ▶ Lower hydropower production offset by higher prices
- ▶ New production capacity from offshore wind production and transferred power plants
- ▶ Higher revenues from trading and origination
- ▶ Net profit affected by currency effects due to weakening of NOK against EUR

¹Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

Gross operating revenues

NOK million



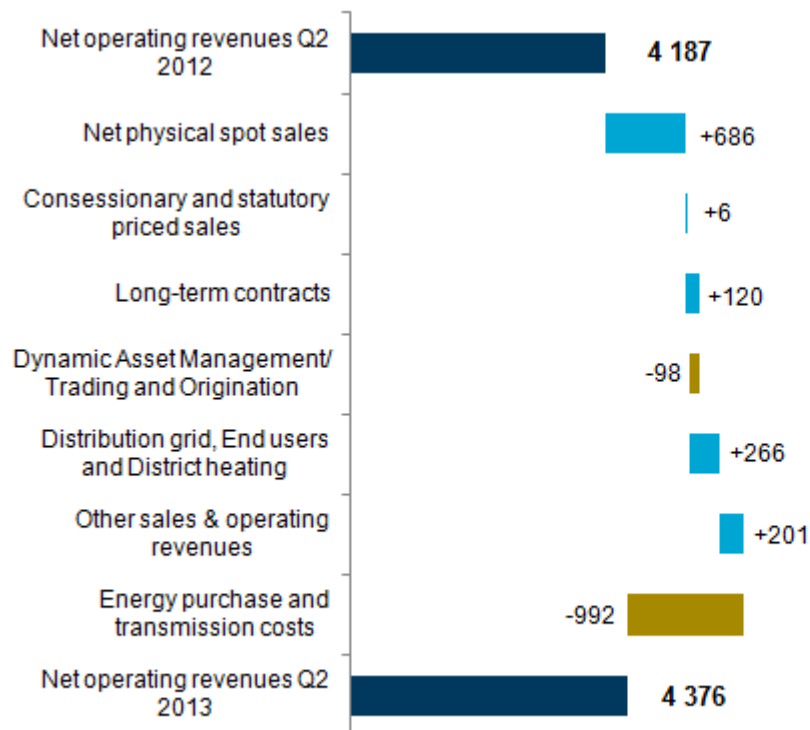
△ Q2 13/Q2 12 + 14%
△ YTD 13/YTD 12 + 12%

- ▶ Higher prices offset lower production
 - Nordic system price 38.7 EUR/MWh
↑ 36%
 - Total power generation 10.9 TWh
↓ 27%
- ▶ Increase in underlying gross operating revenues¹ due to
 - New capacity from the Sheringham Shoal offshore wind farm in UK
 - Transfer of leased power plants from Statkraft SF
 - Increase in Trading and Origination

¹Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

Net revenues breakdown

NOK million



- ▶ Net operating revenues¹ increased compared with Q2 2012
- ▶ Increase in physical sales partly due to the UK offshore wind farm
- ▶ Long-term contracts increased by higher volume and price indexation
- ▶ Increased revenues within retail partly offset by power purchases
- ▶ Transferred leased plants contribute to increased other sales

¹Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

Statkraft production

Monthly power generation



Change from 2012:

Q2 production ↓ 27%

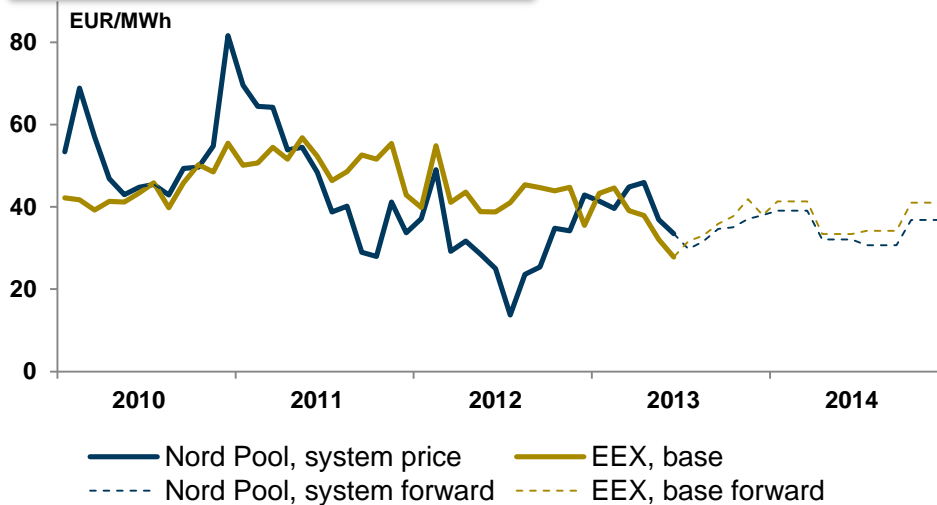
- ▶ Hydropower production ↓ 27%
- ▶ Wind power production ↑ 93%
- ▶ Gas-fired power production ↓ 100%

YTD production ↓ 12%

- ▶ Hydropower production ↓ 13%
- ▶ Wind power production ↑ 47%
- ▶ Gas-fired power production ↓ 12%

Prices up in the Nordic, down in Germany

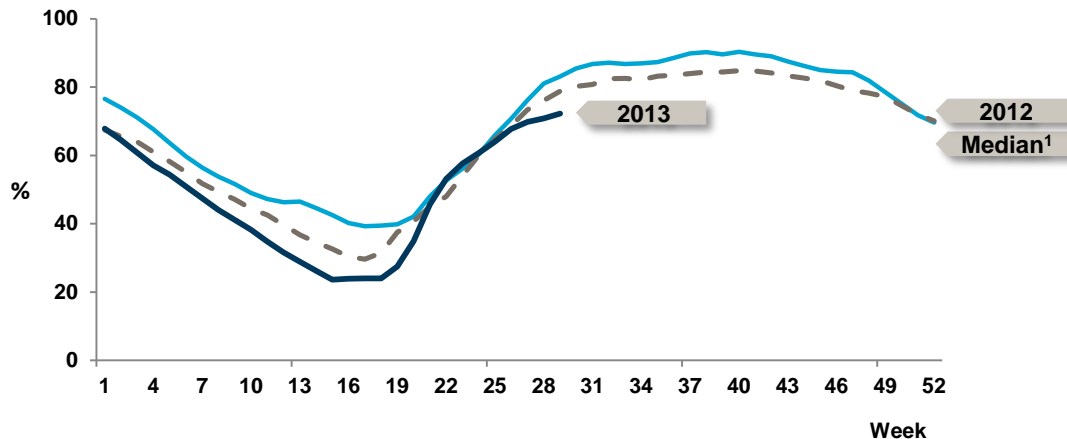
Electricity, average monthly price



- ▶ Compared with Q2 2012 weaker hydrological balance drives prices up in the Nordic
 - System price: 38.7 EUR/MWh 36%
- ▶ Increasing share of renewables and high coal-fired power drive prices down in Germany
 - Spot price: 32.6 EUR/MWh 20%
- ▶ The YTD average price in the Nordic
 - System price: 40.4 EUR/MWh 21%

Nordic hydro reservoirs

Nordic reservoir water levels

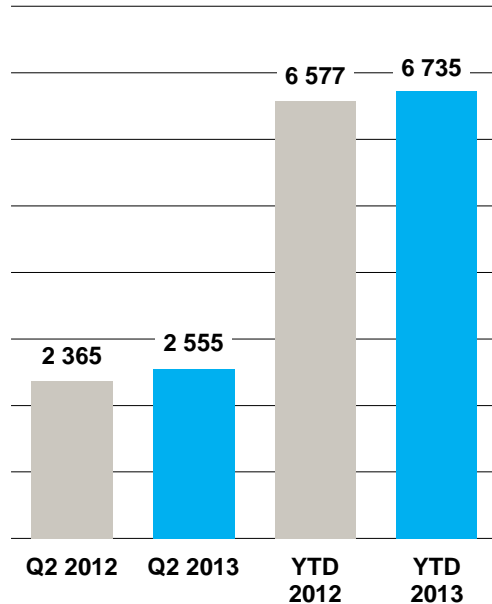


- ▶ Normal inflow in the quarter although unevenly distributed
- ▶ At the end of June Nordic reservoirs were 82.2 TWh corresponding to 98.5% of normal
- ▶ Below normal inflow and reduction in reservoir levels during the first part of Q3

¹ Median 1990-2012

Underlying EBITDA – up by 8%

NOK million



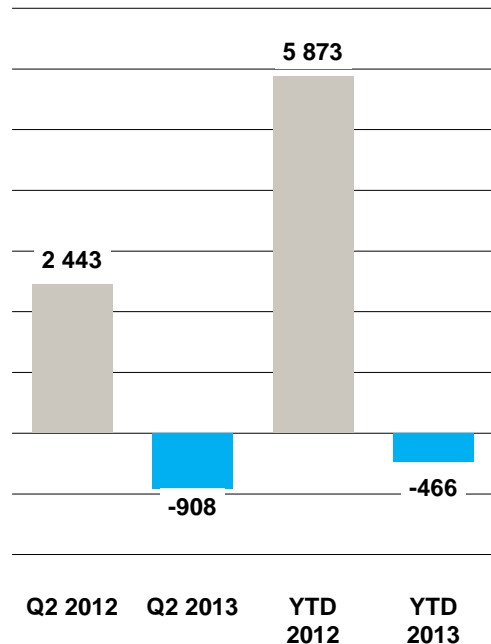
Δ Q2 13/Q2 12 + 8%
Δ YTD 13/YTD 12 + 2%

- ▶ Underlying EBITDA¹ increased by 8% in Q2 and 2% YTD
- ▶ Primarily due to Sheringham Shoal offshore wind farm and transferred leased power plants
- ▶ Slight increase in long-term contracts
- ▶ Moderate increase in operating costs

¹Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

Weakened NOK influences net profit

NOK million



- ▶ Negative net profit in Q2 and YTD
- ▶ Due to weakening NOK against EUR and other currency fluctuations
- ▶ 2012 profits were characterized by currency gains
- ▶ Currency effects are mainly unrealised
- ▶ The effects are partly offset by currency translation effects included in other comprehensive income strengthening equity

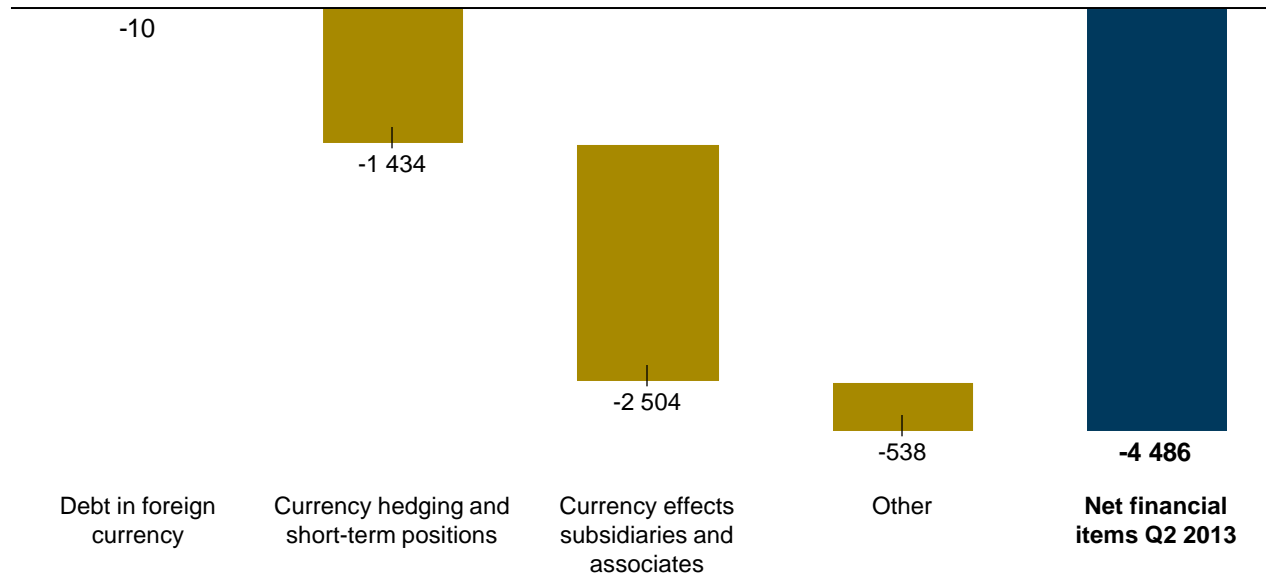
High volatility NOK/EUR in June



Currency effects – equalized in equity

Breakdown Net financial items Q2 2013

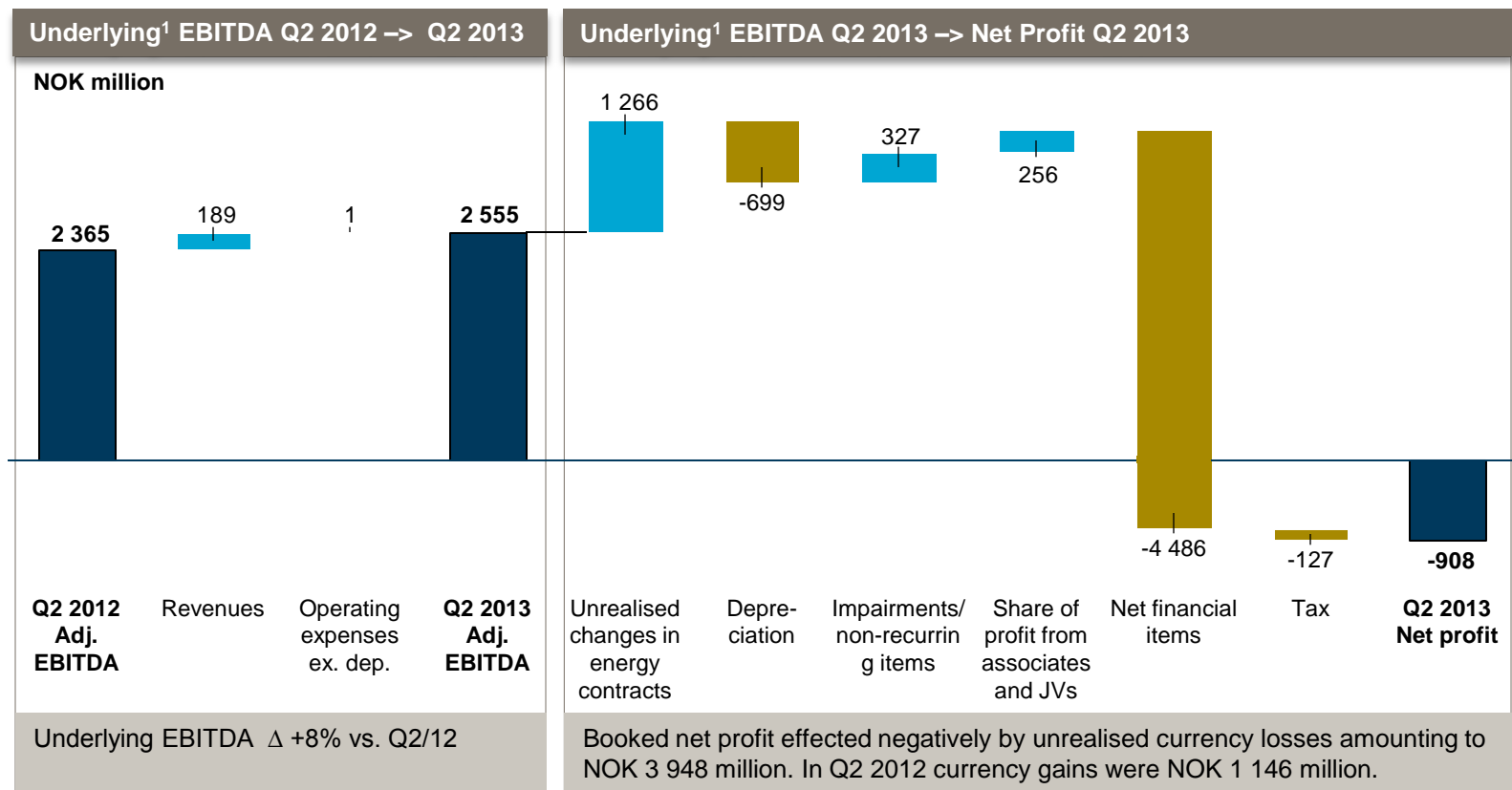
NOK million



In Q2 2013 NOK 3 944 million is unrealised.

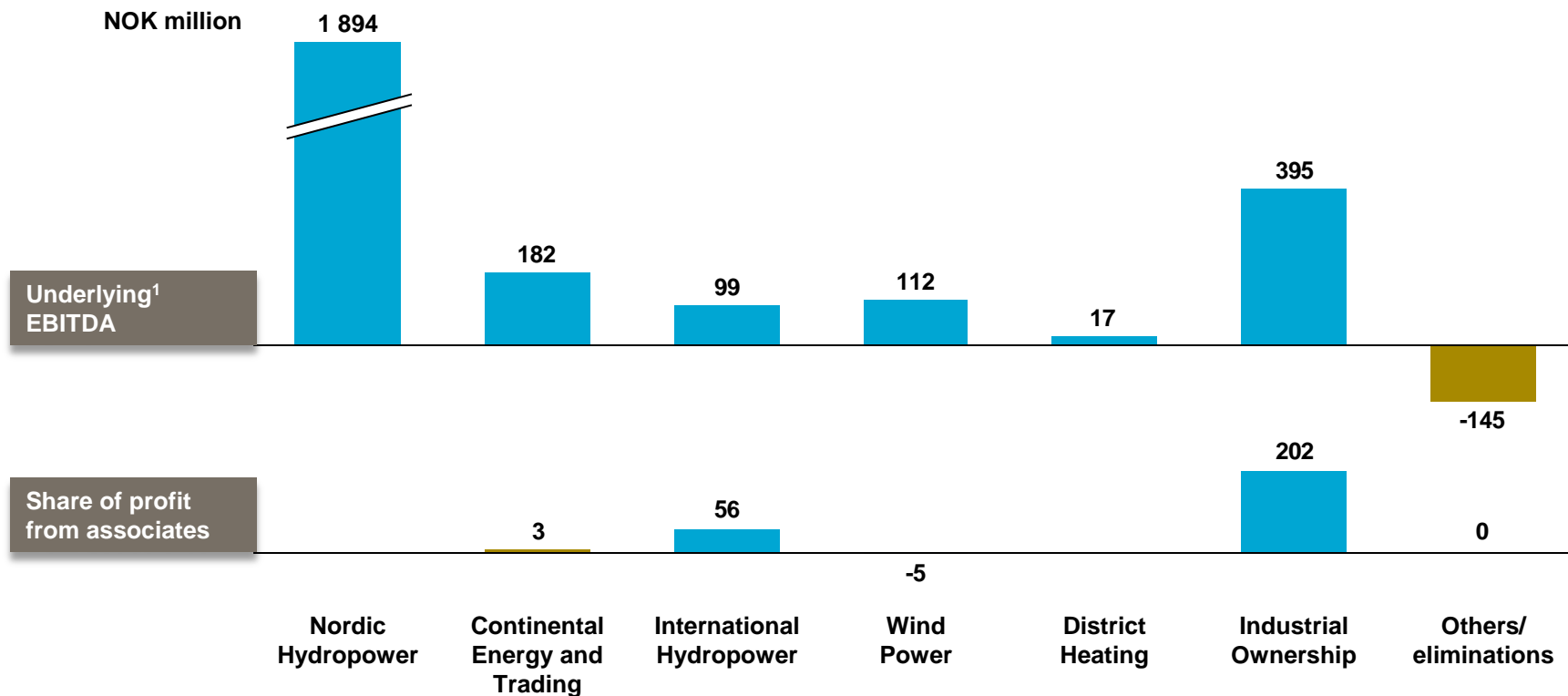
Equity strengthened through corresponding currency translations by NOK 3.1 billion

Net profit breakdown



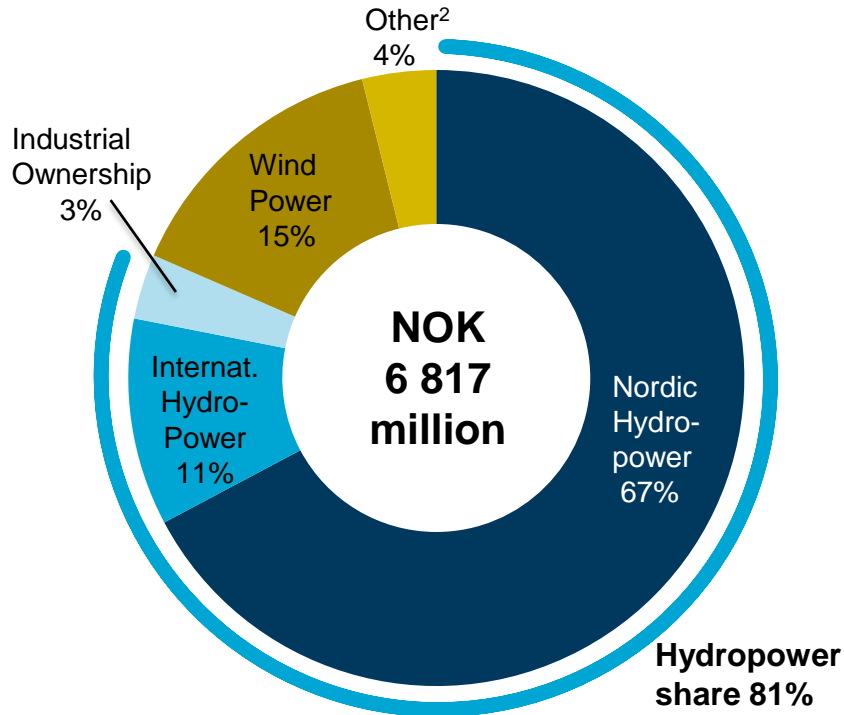
¹Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

Segment financials



- ▶ Due to implementation of IFRS 11 in 2013, five partly owned companies are consolidated with Statkraft's share (proportionate method), while they previously were presented as share of profit from associates and JV's (equity method).

Q2 capital expenditure¹



- ▶ A large number of projects under construction under current investment program
- ▶ NOK ~6.8 billion invested in Q2
 - 95% expansion
 - NOK 4 billion relates to transfer of leased power plants from Statkraft SF with no cash effect
- ▶ 81% of investments in hydropower, 15% in wind power

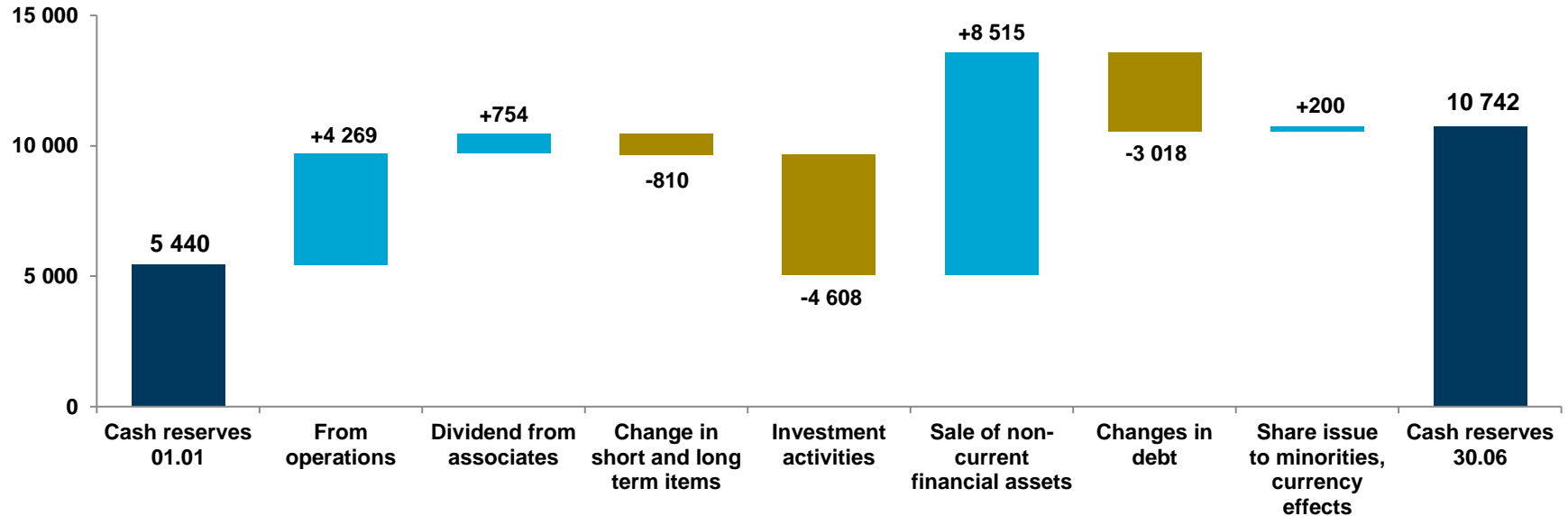
¹ Exclusive loans to associates

² Including District heating, Small-scale hydropower and Continental energy and trading

Solid cash position

Cash flow year-to-date

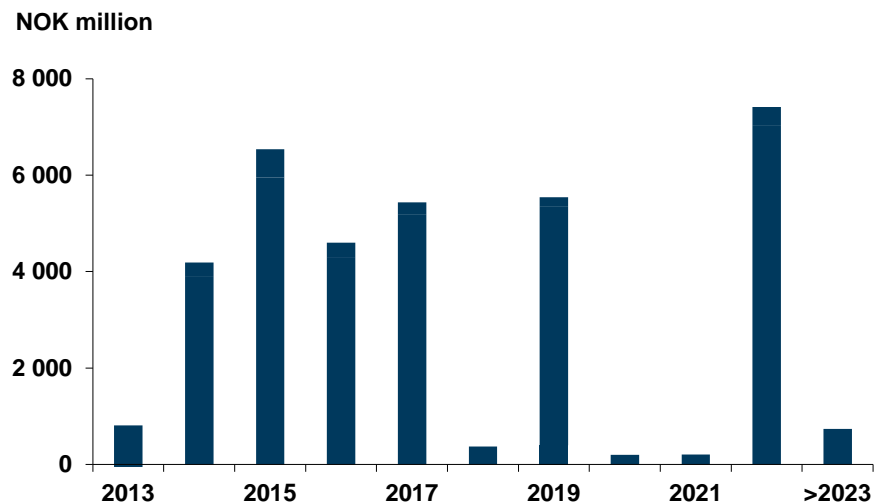
NOK million



- ▶ Sale of non-current assets regards E.ON SE shares.

Long-term debt – even maturity profile

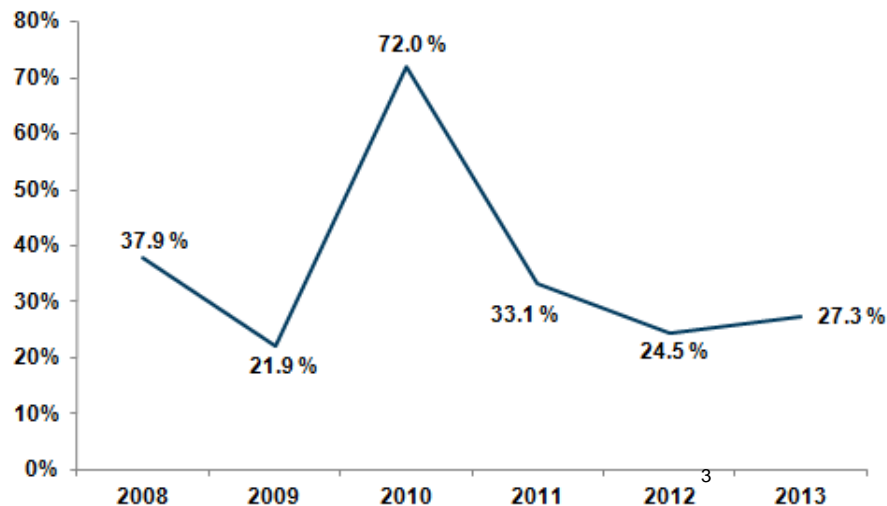
Debt repayment profile



- ▶ Net interest-bearing liabilities NOK 28.4 billion (34.9 at end of 2012)
 - NOK 62%, EUR 24%, SEK 7%, USD 7%
 - 63% floating interest
 - Interest-bearing net debt ratio 29.7%
- ▶ NOK 0.8 billion debt maturities in remaining 2013

Financial strength and rating

FFO/net debt¹ (unadjusted²)



Rating targets

- ▶ Maintaining current ratings with S&P and Moody's, and a minimum of BBB+/Baa1
 - Current ratings A-/Baa1
- ▶ Indicated FFO/Net Debt thresholds⁴
 - S&P: 18-20%
 - Moody's: "High mid-teens"

FFO of NOK 7 721 million (8 580 in 2012)

Net interest bearing debt of NOK 28 387 million (34 960 in 2012)

¹ Calculated 12 months rolling

² Rating agencies apply own adjustments

³ 2012 recalculated after implementation of IFRS 11 in 2013

⁴ Please see rating publications on Statkraft's web page, under Financial information, for full assessments

Summary

- ▶ Sound underlying operations
- ▶ Flexible capacity
- ▶ Higher Nordic prices offset lower production
- ▶ Accounts affected by weakened NOK against EUR
- ▶ Currency losses equalised through Comprehensive income
- ▶ Equity strengthened



APPENDIX



Statement of Comprehensive Income

NOK million	Second Quarter		Year to date		The year
	2013	2012	2013	2012	2012
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	10 362	8 051	22 953	19 091	36 447
Other operating revenues	512	135	702	477	1 103
Gross operating revenues	10 874	8 186	23 655	19 569	37 550
Energy purchase	-4 720	-4 187	-10 754	-9 350	-18 172
Transmission costs	-186	-222	-490	-536	-1 026
Net operating revenues	5 968	3 777	12 411	9 683	18 352
Salaries and payroll costs	-648	-626	-1 474	-1 427	-3 046
Depreciation, amortisation and impairments	-699	-617	-1 347	-1 232	-4 814
Property tax and licence fees	-418	-346	-826	-682	-1 345
Other operating expenses	-755	-850	-1 452	-1 528	-3 469
Operating expenses	-2 519	-2 439	-5 099	-4 869	-12 674
Operating profit/loss	3 449	1 337	7 311	4 815	5 679
Share of profit/loss from associates and joint ventures	256	370	459	789	871
Financial income	66	705	104	785	996
Financial expenses	-313	-325	-615	-689	-1 301
Net currency effects	-3 948	1 146	-4 954	2 517	4 468
Other financial items	-291	109	-858	35	-1 822
Net financial items	-4 486	1 636	-6 323	2 649	2 341
Profit/loss before tax	-781	3 344	1 447	8 252	8 890
Tax expense	-127	-901	-1 912	-2 380	-4 220
Net profit/loss	-908	2 443	-466	5 873	4 671
Of which non-controlling interest	101	113	211	322	230
Of which majority interest	-1 010	2 331	-677	5 551	4 440
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial instruments	-186	-728	-401	164	337
Estimate deviation pensions	66	-15	249	-15	1 045
Items recorded in other comprehensive income in associates and joint arrangements	145	-126	145	-161	320
Currency translation effects	3 123	-159	5 799	-2 005	-4 536
Other comprehensive income	3 148	-1 028	5 792	-2 017	-2 833
Comprehensive income	2 240	1 415	5 326	3 856	1 838
Of which non-controlling interest	207	224	654	231	-156
Of which majority interest	2 034	1 191	4 673	3 625	1 994

Statement of Financial Position

NOK million	30.06.2013	30.06.2012	31.12.2012	31.12.2011
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Intangible assets	4 006	3 552	3 242	3 136
Property, plant and equipment	96 721	87 915	88 665	85 195
Investments in associates and joint ventures	15 867	16 535	15 924	15 080
Other non-current financial assets	2 666	12 500	10 714	12 163
Derivatives	4 531	6 128	5 397	4 687
Non-current assets	123 790	126 631	123 942	120 261
Inventories	1 273	1 127	1 588	977
Receivables	8 226	7 390	9 604	9 272
Short-term financial investments	432	452	457	455
Derivatives	5 318	3 396	4 996	5 356
Cash and cash equivalents (included restricted cash)	10 742	8 428	5 440	8 605
Current assets	25 991	20 793	22 084	24 664
Assets	149 782	147 424	146 026	144 925
EQUITY AND LIABILITIES				
Paid-in capital	49 111	45 569	45 569	45 569
Retained earnings	10 607	11 572	9 934	12 840
Non-controlling interest	7 482	7 402	6 934	7 241
Equity	67 200	64 543	62 437	65 651
Provisions	20 513	21 514	20 035	21 350
Long-term interest-bearing liabilities	35 505	29 538	33 517	31 820
Derivatives	4 486	5 265	6 038	4 673
Long-term liabilities	60 504	56 317	59 591	57 842
Short-term interest-bearing liabilities	3 716	7 704	7 108	5 467
Taxes payable	2 916	2 784	3 246	3 411
Other interest-free liabilities	10 960	11 462	9 341	6 960
Derivatives	4 485	4 614	4 303	5 596
Current liabilities	22 077	26 561	23 999	21 433
Equity and liabilities	149 782	147 424	146 026	144 925

Statement of Cash Flow

NOK million	Year to date		The year
	2013	2012	2012
STATEMENT OF CASH FLOW			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	1 447	8 252	8 890
Profit/loss on sale of non current assets	3	-18	-28
Depreciation, amortisation and impairments	1 347	1 232	4 814
Profit from bargain purchase	-162	-	-
Profit/loss from the sale of shares, and associates and joint ventures	120	-	-81
Share of profit/loss from associates and joint ventures	-459	-789	-871
Unrealised changes in value	4 345	-1 362	-1 452
Taxes	-2 371	-2 853	-4 426
Cash flow from operating activities	4 269	4 462	6 846
Changes in long term items	-468	-184	-225
Changes in short term items	-342	1 745	1 710
Dividend from associates	754	1 136	1 958
Net cash flow operating activities	A	4 213	7 159
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment, maintenance	-557	-403	-1 065
Investments in property, plant and equipment, new capacity*	-3 773	-4 162	-8 396
Proceeds from sale of non-current assets	8 515	48	126
Business combinations, net liquidity outflow from the Group**	27	90	-54
Loans to third parties	-335	-328	-670
Repayment of loans	56	8	8
Considerations regarding investments in other companies***	-27	-2 416	-2 433
Net cash flow from investing activities	B	3 907	-12 484
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	591	638	7 919
Repayment of debt	-3 505	-884	-4 573
Dividend and group contribution paid	-119	-	-4 293
Share issue in subsidiary to non-controlling interests	14	149	167
Net cash flow from financing activities	C	-3 018	-780
Net change in cash and cash equivalents	A+B+C	5 102	-2 974
Currency exchange rate effects on cash and cash equivalents	200	-77	-191
Cash and cash equivalents 01.01	5 440	8 605	8 605
Cash and cash equivalents 30.06/31.12	10 742	8 428	5 440
Unused committed credit lines	12 000	12 000	12 000
Unused overdraft facilities	1 973	1 159	2 205
Restricted Cash	-340	-818	-232