

FINANCIAL RESULTS

Q2 2012

CEO CHRISTIAN RYNNING-TØNNESEN

CFO JENS BJØRN STAFF

22 August 2012



Highlights Q2 2012

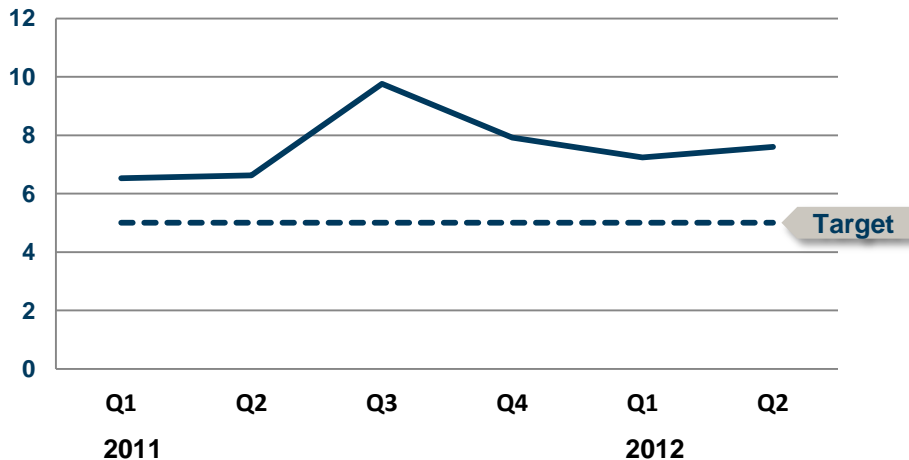
- ▶ Satisfactory result driven by higher power production and contracted volumes, offsetting lower spot prices
 - Underlying EBITDA of NOK 2 324m (+28%)
 - Net profit of NOK 2 443m (NOK -514m)
- ▶ Business strategy reviewed and confirmed
- ▶ High investment activity, particularly in hydropower and wind power
 - Investments of NOK 7.2bn for 1H 2012
- ▶ All Sheringham Shoal wind turbines installed by July
 - Complete power production during Q3 2012



Health, safety and environment

Total Recordable Injuries rate

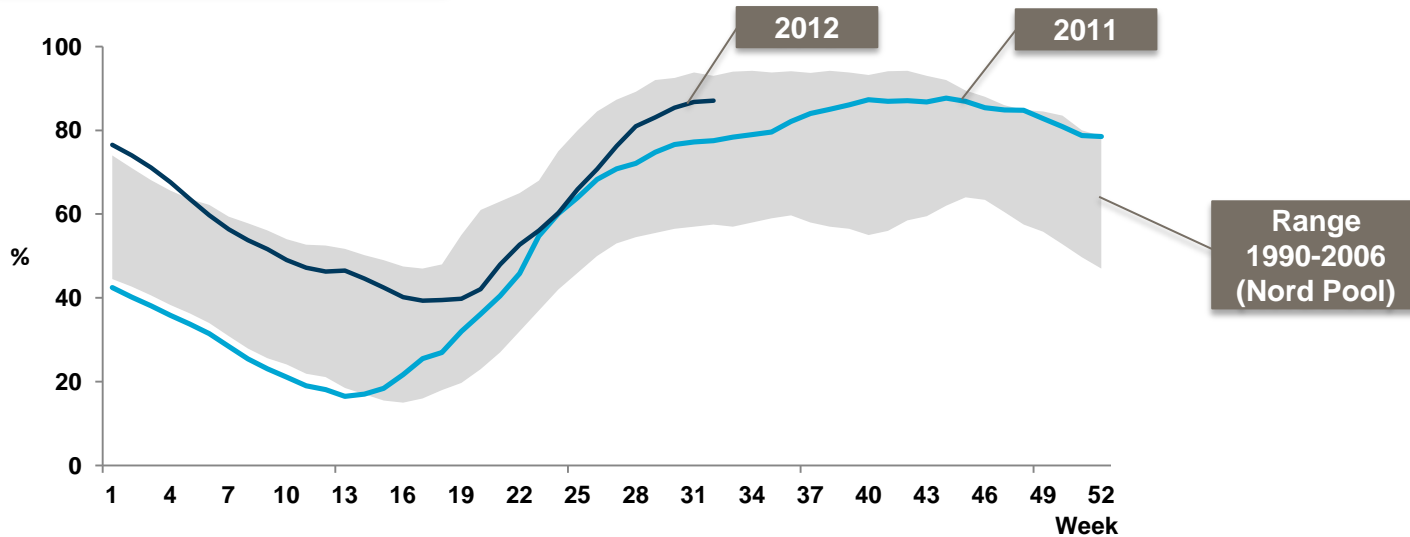
TRI-rate



- ▶ Health and safety
 - One fatal accident in SN Power's Cheves project in Peru in July
 - Total Recordable Injuries (TRI) rate not meeting target in Q2
 - Sick leave 3.1% in 1H
- ▶ Environment
 - No serious environmental incidents in Q2

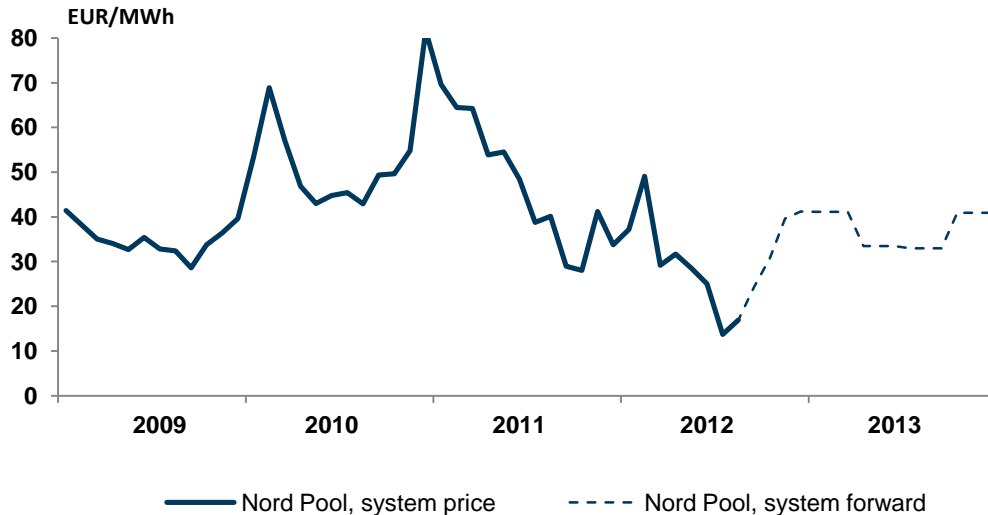
Volatility in Nordic hydro situation

Nordic reservoir water levels



Moderate Nordic short-term market outlook

Electricity, average monthly price



- ▶ Weak demand in Europe, combined with increased renewable energy capacity
- ▶ Low CO₂ prices

1H 2012 milestones

NO



Repurchase of **Bardufoss** completed
(43.8 MW / NOK 450 million)

Hydropower investment decisions:
Kjensvatn (11 MW) and **Brokke Nord/Sør** (24 MW)

Two new **small-scale** plants in operation

Acquisition of district heating **Bio Varme AS** completed

UK



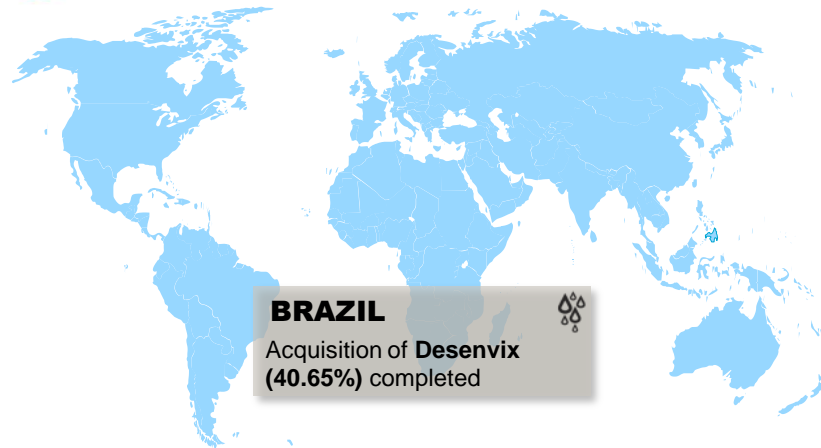
Sheringham Shoal (317 MW)
All wind turbine installed. Complete power production during Q3 2012

GER



New **market access services** for several thousand MW small -scale renewable energy (both Germany and the UK)

Gas power plant Emden put in cold reserve



BRAZIL



Acquisition of **Desenvix** (40.65%) completed

Main projects under construction

European
Flexible Power
Generation

International
Hydropower

Wind
Power

District Heating

Projects			New capacity ¹	Statkraft's equity share	Planned completion
Svartisen	⚡	NORWAY	250 MW	70%	2012
Eiriksdal and Makkoren	⚡	NORWAY	56 MW	100%	2014
Nedre Røssåga	⚡	NORWAY	-	100%	2015
Kjensvatn	⚡	NORWAY	11 MW	100%	2014
Brokke Nord/Sør	⚡	NORWAY	24 MW	- 3	2014
Knapsack II	🔥	GERMANY	430 MW	100%	2013
Binga	⚡	PHIL.	120 MW	50% ⁴	2014
Cheves	⚡	PERU	168 MW	100% ⁴	2014
Bajo Frio	⚡	PANAMA	58 MW	30% ⁴	2014
Kargi	⚡	TURKEY	102 MW	100% ⁴	2013
Cetin	⚡	TURKEY	517 MW	100% ⁴	2015
Desenvix (four projects)	Y	BRAZIL	120 MW	41/36% ⁴	2012
Theun Hinboun XP	⚡	LAOS	280 MW	20% ⁵	2012
Sheringham Shoal	Y	UK	317 MW	50%	2012
Baillie	Y	UK	53 MW	80%	2013
Mörttjärnberget	Y	SWEDEN	85 MW	60%	2013
Stamåsen	Y	SWEDEN	60 MW	60%	2012
Stjørdal	🔥	NORWAY	20 MW	85%	2012
Ås	🔥	NORWAY	24 MW	100%	2013
Total			1880 MW²		

¹ Total for project, incl. partners' share

² Statkraft's equity share (not including District Heating)

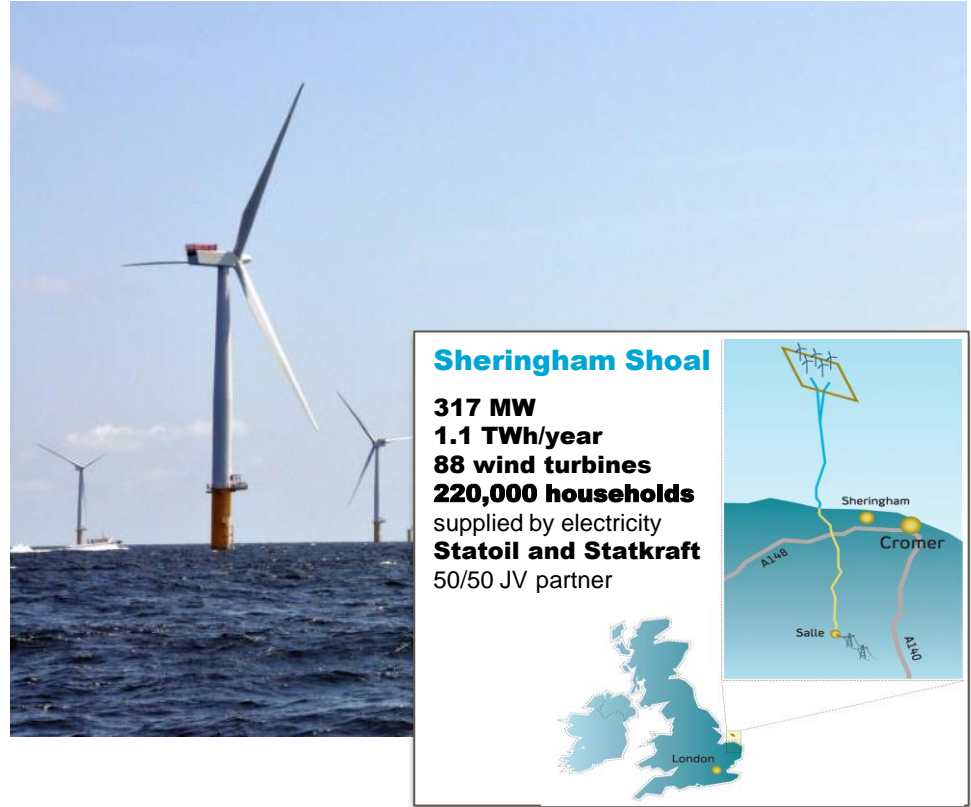
³ Own by Agder Energi (69%) and Skagerak Energi (31%)

⁴ SN Power's share (60 % owned by Statkraft)

⁵ Statkraft SF's share

Sheringham Shoal – approaching completion

- ▶ Statoil and Statkraft's first offshore wind power project to be opened on 27 September
- ▶ All wind power turbines installed
 - Electricity delivered to grid from 52¹ of 88 turbines by mid August



¹ Turbines finally taken over by operations

Strategy confirmed based on solid long-term position

Strategic focus areas



Flexible European power generation and market operations



International hydropower



Wind power



District heating

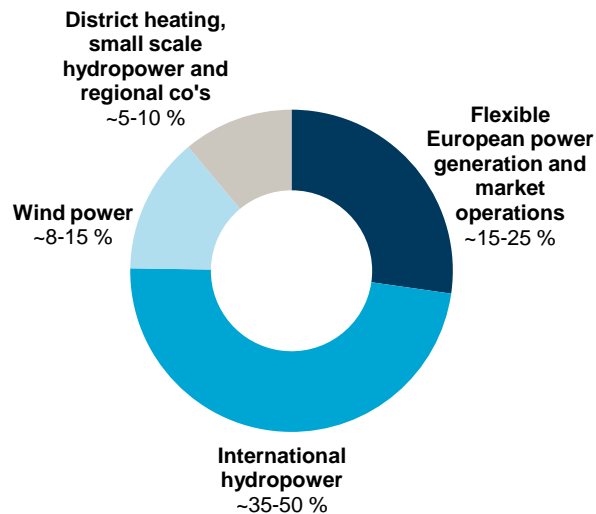


Small scale hydropower



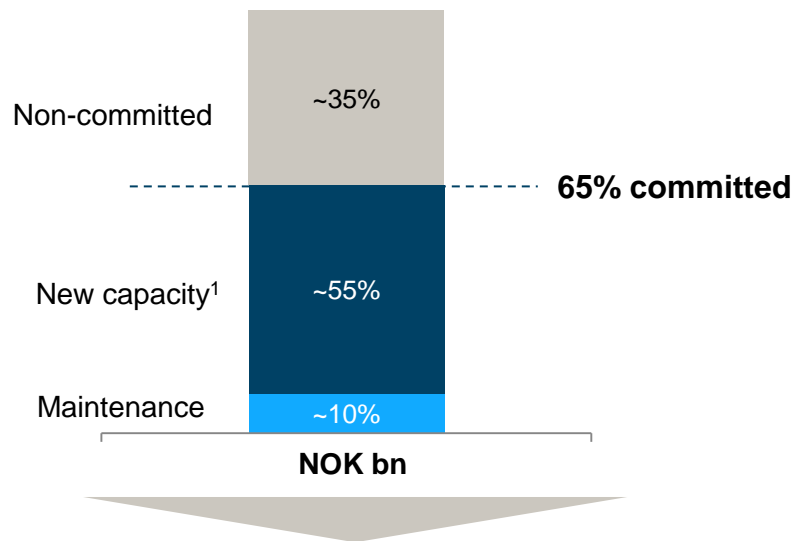
Capex flexibility

Capex distribution (2011-2015)



Lower range refers to committed share of total capex ambition, while upper range refers to planned share

Capex flexibility (2011-2015)



High capex flexibility to maintain credit strength

Capex plan 2011-2015: NOK 70-80 bn

¹ Investments approved by the board.
Capex calculated pro-rata. Investments through minority shareholdings are included.

Outlook

- ▶ Nordic hydro reservoirs above normal level
 - Moderate short-term spot price outlook
 - Flexibility regarding high power generation when required
 - Solid long-term contract portfolio
- ▶ Focusing on project activities according to strategy
 - Strong growth in European renewable energy production
 - Growth in international energy demand
- ▶ High activity within hydropower, onshore and offshore wind power

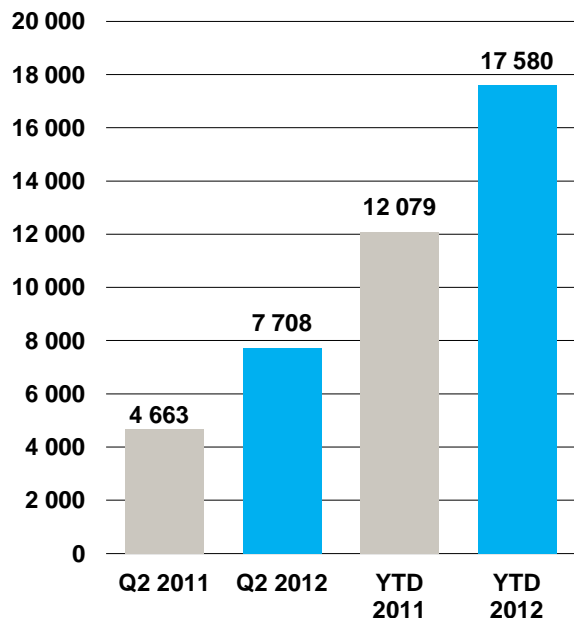
FINANCIALS

CFO JENS BJØRN STAFF



Gross operating revenues

NOK million



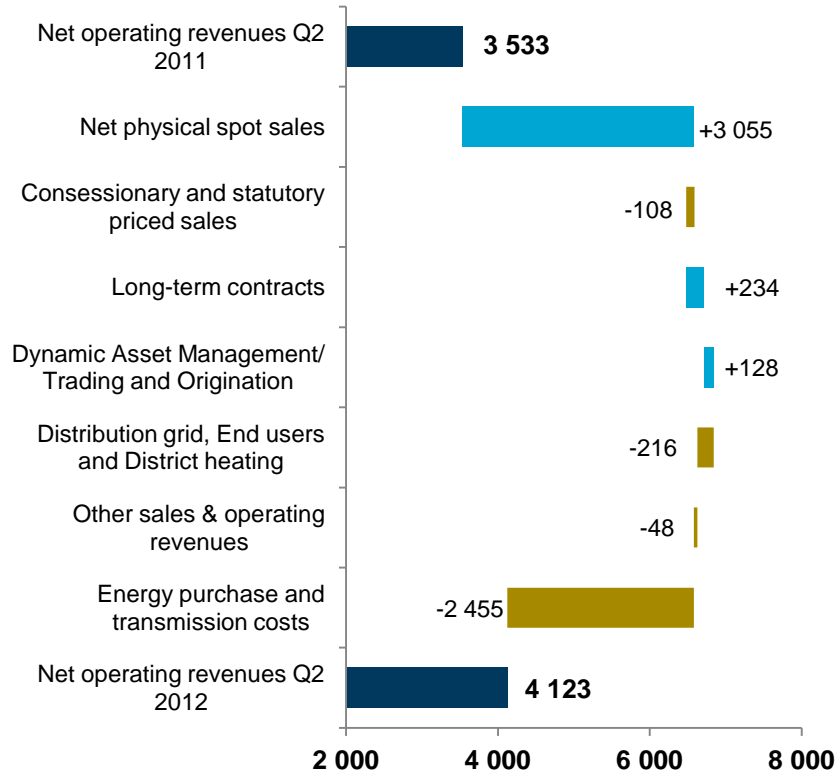
Δ Q2 12/Q211 + 65%
Δ YTD 12/YTD 11 + 46%

- ▶ Significant increase in underlying gross operating revenues¹
 - Nordic system price 28.4 EUR/MWh
 - ↓ 46%
 - Power generation 14.9 TWh
 - ↑ 48%
 - Physical spot sale 9.5 TWh
 - ↑ 86%
 - Contractual volume 4.8 TWh
 - ↑ 21%
- ▶ Gross accounting of new energy services
 - Constitutes several thousand MW

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

Net revenues breakdown¹

NOK million

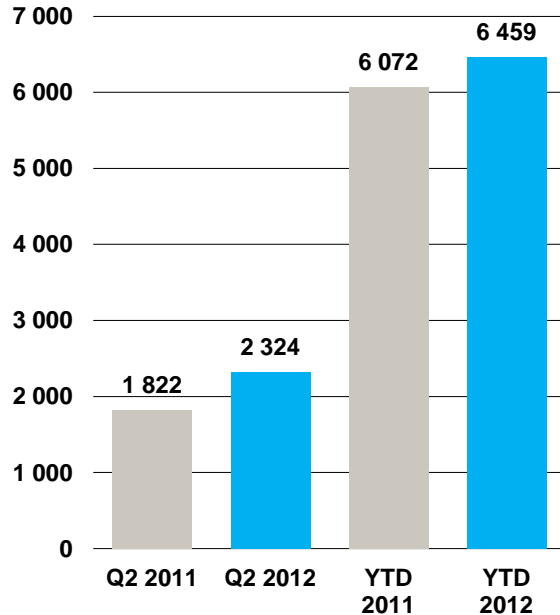


- ▶ Net operating revenues increased compared with Q2 2011
- ▶ Significant increase in physical sales and energy purchases due to gross accounting of new energy services
- ▶ Expired statutory priced contracts are replaced by new industrial contracts
- ▶ Improvement in Dynamic Asset Management
- ▶ Lower prices and volume sold reduces revenues within retail

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

EBITDA

NOK million



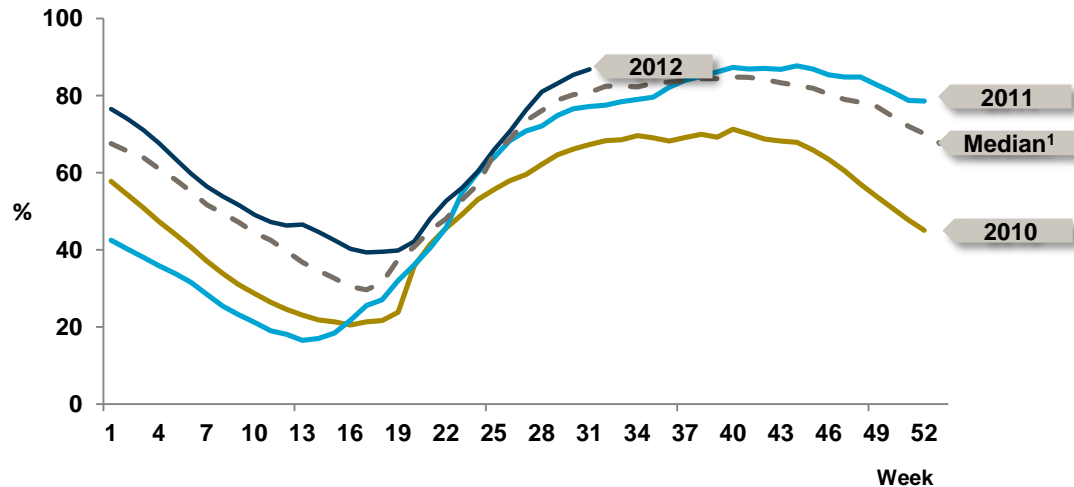
Δ Q2 12/Q211 + 28%
Δ YTD 12/YTD 11 + 6%

- ▶ Underlying EBITDA¹ increases 28% in Q2
- ▶ Higher power production offset fall in prices
- ▶ Higher contractual volumes
- ▶ Profitable portfolio management
- ▶ Operating costs on a par with Q2 2011

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

Nordic hydro reservoirs

Nordic reservoir water levels

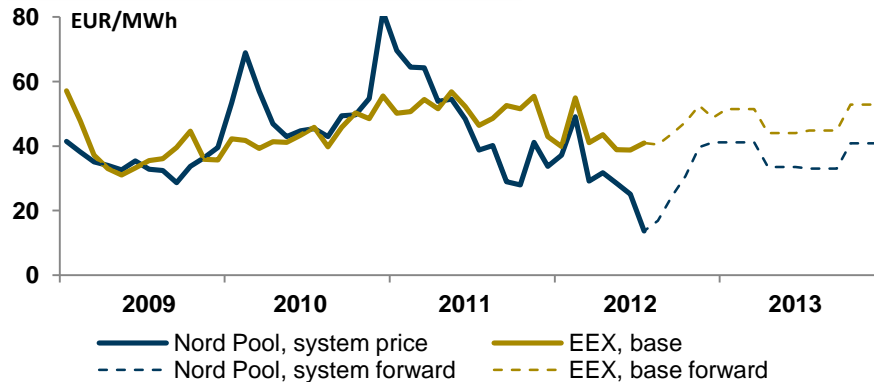


- ▶ High precipitation and reservoir inflow in Q2 provided increased flexibility for high production
- ▶ Actual high Nordic generation normalized hydro reservoirs by end of Q2

¹ Median 1990-2007

Pressure on prices

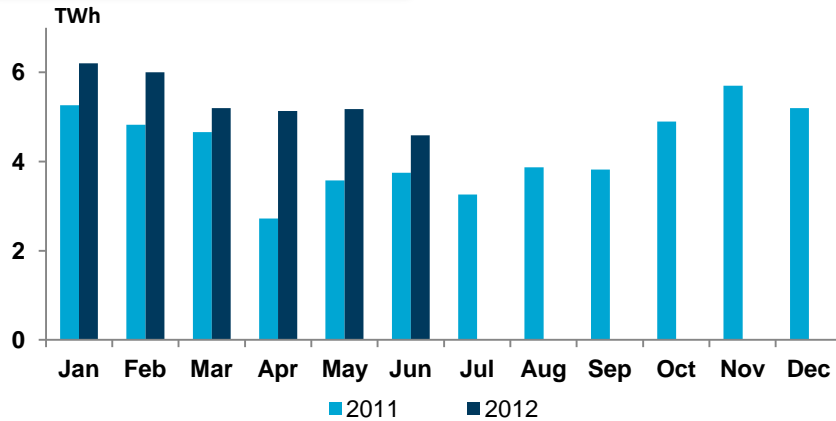
Electricity, average monthly price



- ▶ Overall price pressure in all main markets
 - Nordic system price: 28.4 EUR/MWh
↓ 46%
 - German spot price: 40.5 EUR/MWh
↓ 24%
- ▶ Current price pressure mainly caused by
 - High precipitation and hydro reservoir level in the Nordics
 - High wind/solar power
 - Economic activity in Europe

Statkraft production

Monthly power generation



▶ Resource situation leads to high power production in Q2

▶ Overall production  48%

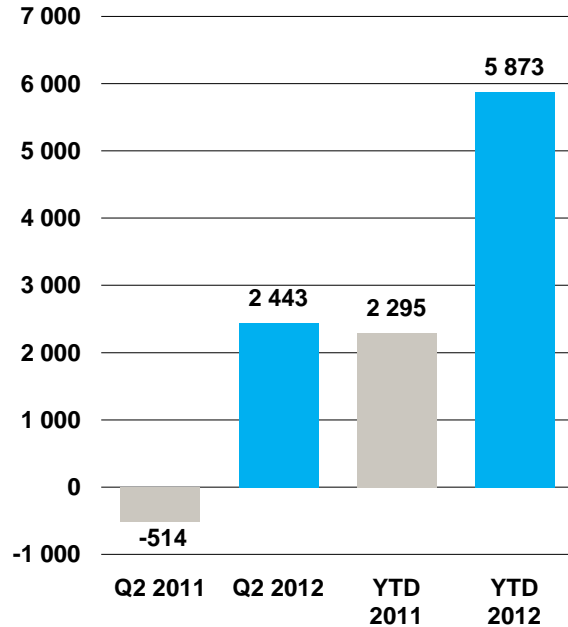
▶ Hydropower production  74%

▶ Gas-fired power production  84%

▶ Wind power production 

Net profit

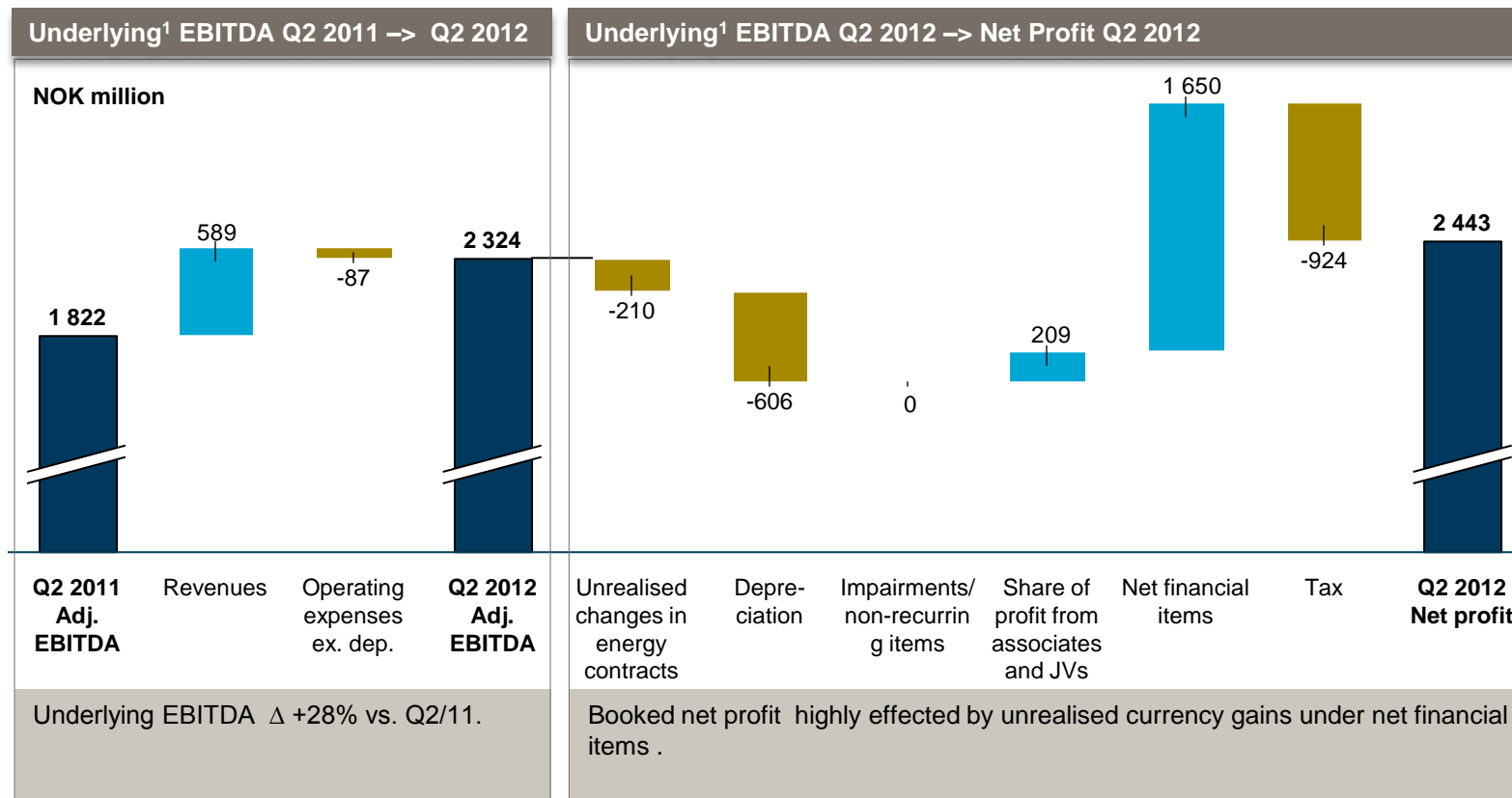
NOK million



Δ Q2 12/Q211 + 575%
Δ YTD 12/YTD 11 + 156%

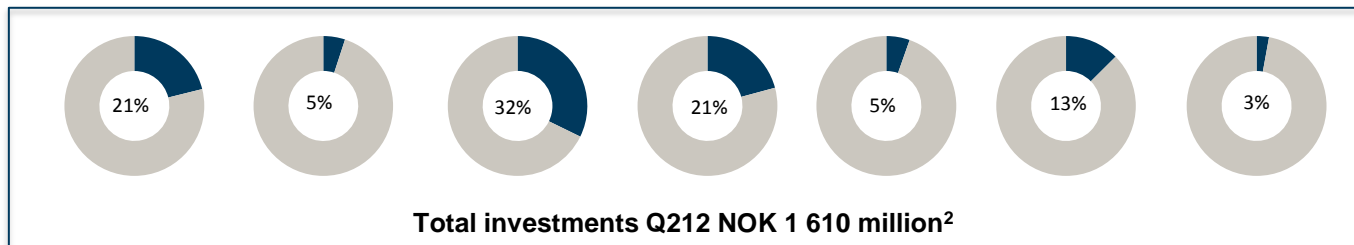
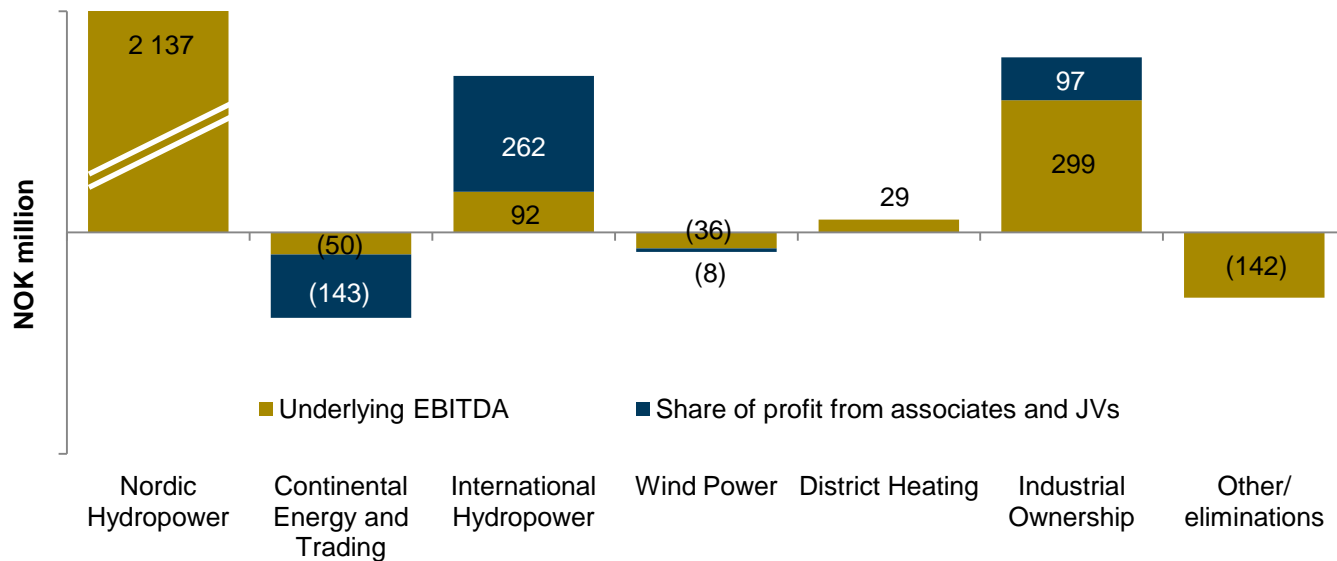
- ▶ Improved operations in Q2
- ▶ Lower negative unrealised changes in value of energy contracts
- ▶ Increase in currency gains
- ▶ Lower write-downs
- ▶ Increased tax

Net profit breakdown



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

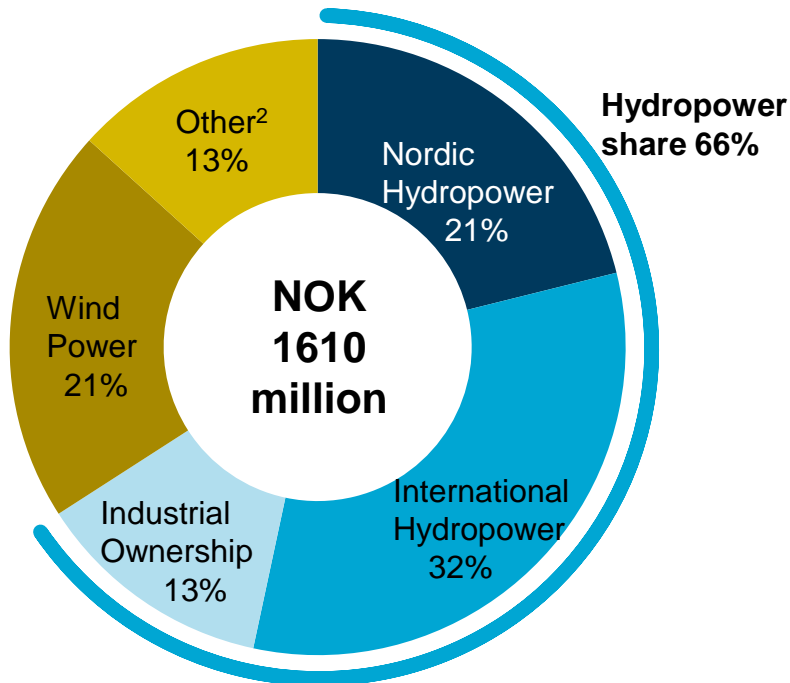
Segment financials



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

²Exclusive loans to third parties

Q2 capital expenditure¹

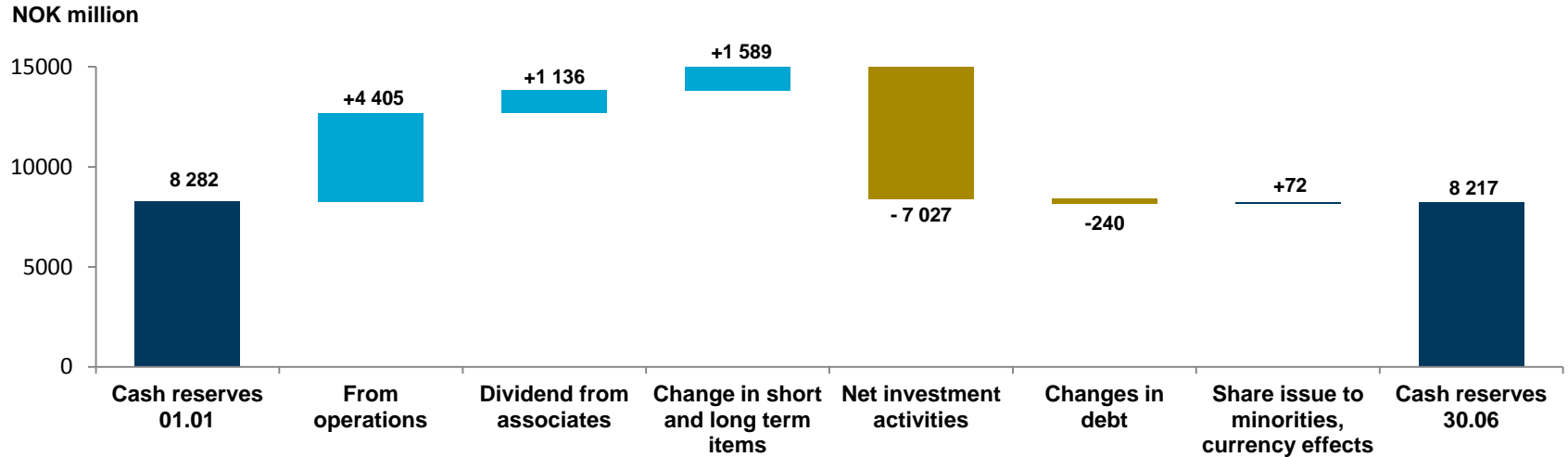


- ▶ A large number of projects under construction as a consequence of the ambitious investment program
- ▶ NOK 1.6 billion invested in Q2
 - 84% expansion
- ▶ 2/3 of investments in hydropower
- ▶ NOK 5.6 billion invested in first half
- ▶ NOK 7.2 billion including loans to associates

¹ Exclusive loans to associates

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

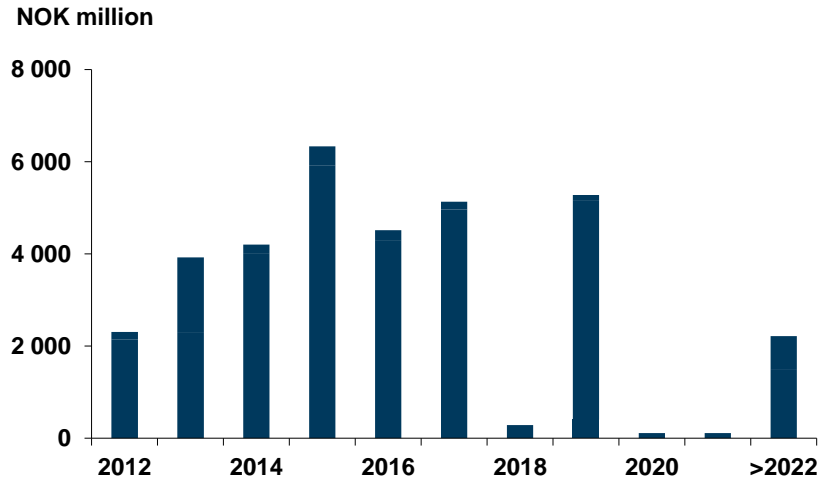
Cash flow year-to-date



- ▶ Comfortable cash position with end-reserves in line with start-reserves

Debt

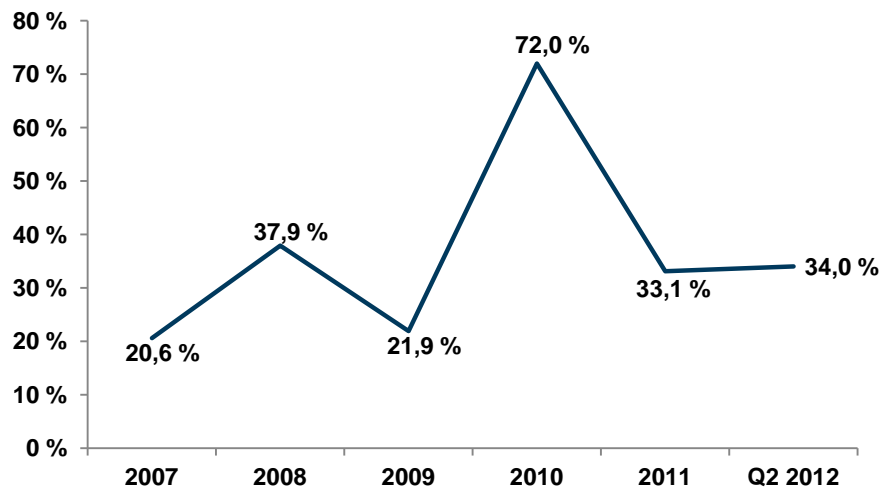
DEBT REPAYMENT PROFILE



- ▶ Net interest-bearing liabilities
NOK 28.6 billion (17.2)
- ▶ Gross interest-bearing liabilities
NOK 36.9 billion (39.1)
 - NOK 41%, EUR 45%, SEK 7%,
USD 7%
 - 63% floating interest
 - Interest-bearing debt ratio 36.3%
- ▶ NOK 3.3bn debt maturities in 2012,
of which NOK 2.3bn remaining
- ▶ Moderate funding need in 2012,
depending on new project initiatives

Financial strength and rating

FFO/NET DEBT¹ (UNADJUSTED²)



FFO of NOK 9 751 million (9 468 in 2011)

Net interest bearing debt of NOK 28 641 million (28 605 in 2011)

RATING TARGETS

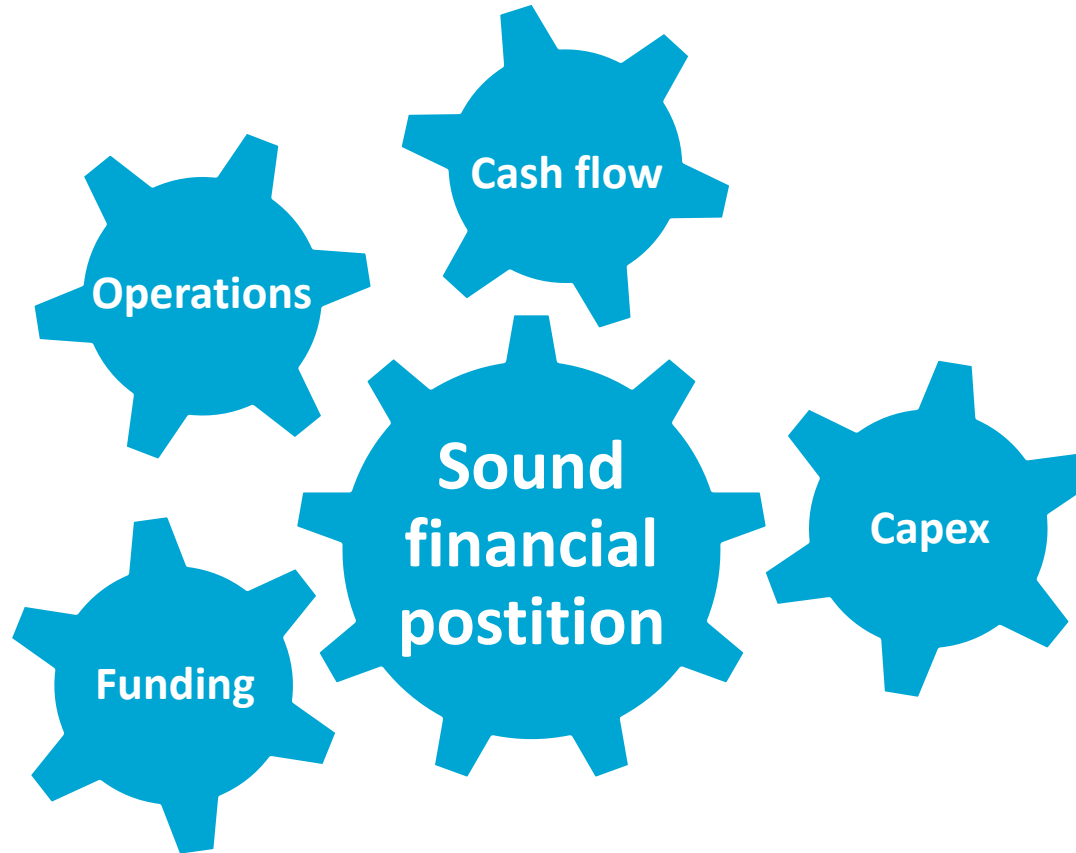
- ▶ Maintaining current ratings with S&P and Moody's, and a minimum of BBB+/Baa1
 - Current ratings A-/Baa1
- ▶ Indicated FFO/Net Debt thresholds³
 - S&P: 18-20%
 - Moody's: "High mid-teens"

¹ Calculated 12 months rolling

² Rating agencies apply own adjustments

³ Please see rating publications on Statkraft's web page, under Financial information, for full assessments

Summary



APPENDIX



Statement of Comprehensive Income

NOK mill.	Second quarter		Year to date		The year
	2012	2011	2012	2011	2011
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	7 305	2 914	16 056	11 430	20 756
Other operating revenues	147	313	496	493	1 447
Gross operating revenues	7 452	3 227	16 552	11 923	22 203
Energy purchase	-3 317	-997	-6 576	-1 678	-3 894
Transmission costs	-222	-252	-535	-606	-1 215
Net operating revenues	3 913	1 978	9 440	9 639	17 094
Salaries and payroll costs	-622	-578	-1 418	-1 271	-2 759
Depreciation, amortisation and impairments	-606	-600	-1 210	-1 180	-3 564
Property tax and licence fees	-345	-309	-679	-605	-1 254
Other operating expenses	-831	-824	-1 564	-1 665	-3 314
Operating expenses	-2 404	-2 312	-4 871	-4 721	-10 891
Operating profit/loss	1 508	-334	4 569	4 917	6 203
Share of profit/loss from associates and joint ventures	209	334	971	728	898
Financial income	711	1 161	797	1 455	1 880
Financial expenses	-316	-395	-677	-813	-1 548
Net currency effects	1 145	99	2 521	-227	332
Other financial items	109	-1 376	38	-1 686	-4 299
Net financial items	1 650	-511	2 680	-1 271	-3 635
Profit/loss before tax	3 367	-511	8 220	4 374	3 466
Tax expense	-924	-3	-2 347	-2 079	-3 427
Net profit/loss	2 443	-514	5 873	2 295	40
Of which non-controlling interest	112	58	322	203	264
Of which majority interest	2 331	-572	5 551	2 092	-224
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial instruments	-728	89	164	73	-103
Estimate deviation pensions	-15	-	-15	-	-936
Items recorded in other comprehensive income in associates and joint arrangements	-126	106	-161	106	-517
Currency translation effects	-159	-1 003	-2 005	-1 331	-171
Other comprehensive income	-1 028	-808	-2 017	-1 152	-1 727
Comprehensive income	1 415	-1 322	3 856	1 143	-1 687
Of which non-controlling interest	224	-26	231	-66	186
Of which majority interest	1 191	-1 296	3 625	1 209	-1 873

Statement of Financial Position

Figures in NOK million	30.06.2012	30.06.2011	31.12.2011
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Intangible assets	3 528	3 387	3 108
Property, plant and equipment	82 761	77 003	81 240
Investments in associates and joint ventures	17 677	16 056	16 109
Other non-current financial assets	12 500	14 180	12 163
Derivatives	5 659	4 055	4 315
Non-current assets	122 126	114 682	116 935
Inventories	1 121	463	973
Receivables	11 305	11 485	12 010
Short-term financial investments	452	426	455
Derivatives	3 307	4 430	5 223
Cash and cash equivalents (included restricted cash)	8 217	21 946	8 282
Current assets	24 403	38 750	26 943
Assets	146 528	153 432	143 878
EQUITY AND LIABILITIES			
Paid-in capital	45 569	45 569	45 569
Retained earnings	11 572	15 904	12 840
Non-controlling interest	7 402	6 967	7 241
Equity	64 543	68 439	65 651
Provisions	21 536	17 915	21 403
Long-term interest-bearing liabilities	29 177	33 393	31 443
Derivatives	5 127	3 515	4 507
Long-term liabilities	55 840	54 823	57 353
Short-term interest-bearing liabilities	7 681	5 715	5 444
Taxes payable	2 779	3 492	3 396
Other interest-free liabilities	11 101	16 734	6 525
Derivatives	4 584	4 229	5 509
Current liabilities	26 145	30 170	20 874
Equity and liabilities	146 528	153 432	143 878

Statement of Cash Flow

NOK mill.	Hittil i år		Året
	2012	2011	2011
KONTANTSTRØMOPPSTILLING			
LIKVIDER TILFØRT/BRUKT PÅ VIRKSOMHETEN			
Resultat før skatt	8 220	4 374	3 466
Gevinst/tap ved salg av anleggsmidler	-18	-32	-34
Avskrivninger og nedskrivninger	1 210	1 180	3 564
Gevinst fra salg av virksomhet	-	-240	-240
Gevinst fra salg av aksjer, tilknyttede selskap og felleskontrollert virksomhet	-	-	-111
Resultatandel i tilknyttede selskaper og felleskontrollert virksomhet	-971	-729	-898
Urealiserte verdiendringer	-1 213	2 026	5 122
Betalt skatt	-2 823	-2 476	-3 284
Tilført fra årets virksomhet	4 405	4 103	7 585
Endringer i langsiktige poster	-216	-134	244
Endringer i kortsiktige poster	1 805	136	55
Utbytte fra tilknyttede selskaper	1 136	1 073	1 639
Netto likviditetsendring fra virksomheten	A	7 130	5 178
LIKVIDER TILFØRT/BRUKT PÅ INVESTERINGER			
Investeringer i varige driftsmidler, vedlikehold	-403	-291	-1 129
Investeringer i varige driftsmidler, kapasitet*	-2 968	-1 209	-4 793
Utbetalinger fra salg av anleggsmidler	48	43	318
Salg av virksomhet, netto likviditet tilført konsernet	-	452	452
Overtakelse av virksomhet, netto likviditet ut fra konsernet**	90	-594	-766
Utbetalinger av utlån	-1 411	-76	-1 708
Innbetalinger av utlån	33	269	298
Innbetalinger fra salg av andre foretak	-	-	66
Utbetalinger ved investeringer i andre foretak og andre investeringer***	-2 416	-790	-940
Netto likviditetsendring fra investeringer	B	-7 027	-8 202
LIKVIDER TILFØRT/BRUKT PÅ FINANSIERING			
Opptak av ny gjeld	632	1 755	376
Nedbetaling av gjeld	-872	-2 968	-5 169
Utdelt utbytte og konsernbidrag	-	-	-9 400
Emisjon i datterselskap til ikke-kontrollerende interesser	149	278	1 094
Netto likviditetsendring fra finansiering	C	-91	-13 099
Netto endring i likvider gjennom året	A+B+C	12	-11 780
Valutakurs effekter på bankinnskudd, kontanter og lignende	-77	-153	10
Bankinnskudd, kontanter og lignende 1.1.	8 282	20 052	20 052
Bankinnskudd, kontanter og lignende 30.6. / 31.12.	8 217	21 946	8 282
Ubenyttede kommitterte kredittlinjer	12 000	12 000	12 000
Ubenyttet kassekreditt	1 159	1 127	2 200
Bundne midler	-818	-	-786