Statkraft

STATKRAFT AS

INTERIM REPORT Q4/12

Q4

Key figures

NOK million	Fourth quarter 2012	2011	Change	The year 2012	2011	Change
From income statement [1]						
Gross operating revenues, underlying	10 504	6 026	74 %	34 098	22 298	53 %
Net operating revenues, underlying	5 573	5 053	10 %	18 811	18 120	4 %
EBITDA, underlying	3 416	3 028	13 %	11 060	10 851	2 %
Operating profit, underlying	2 773	2 310	20 %	8 573	8 390	2 %
Operating profit, booked	1 029	-890	216 %	5 365	6 203	-14 %
Share of profit from associated companies and joint ventures	-329	-81	-305 %	1 024	898	14 %
Net financial items	-1 701	1 257	-235 %	2 417	-3 635	167 %
Profit before tax	-1 001	285	-451 %	8 806	3 466	154 %
Net profit	-1 840	-673	-174 %	4 671	40	>1000 %
EBITDA margin, underlying (%) [2]	32.5	50.2		32.4	48.7	
ROACE, underlying (%) [3]				13.6	13.9	
Items excluded from the underlying operating profit						
Unrealised changes in value on energy contracts	198	-2 039	110 %	-1 328	-1 152	-15 %
Significant non-recurring items	-1 941	-1 161	-67 %	-1 881	-1 035	-82 %
Balance sheet and investments						
Total assets 31.12.				144 992	143 877	1 %
Maintenance investments	397	669	-41 %	1 065	1 129	-6 %
Investments in new capacity	1 879	2 315	-19 %	6 085	5 217	17 %
Investments in shareholdings	939	224	319 %	3 523	1 923	83 %
Capital employed 31.12. [4]				63 006	60 302	4 %
Cash Flow						
Net cash flow from operating activities	628	2 776	-77 %	9 948	9 521	4 %
Cash and cash equivalents 31.12.				5 045	8 282	-39 %

Definitions

[1] Underlying items have been adjusted for unrealised changes in value on energy contracts and significant non-recurring items, up to and including the operating profit.
[2] EBITDA margin, underlying (%): (Operating profit before depreciation and amortisation x 100)/Gross operating revenues.
[3] ROACE, underlying (%): (Underlying operating profit x 100)/Average capital employed (rolling 12 months) .
[4] Capital employed: Property, plant and equipment + intangible assets + receivables + inventories - provisions - taxes payable - other interest-free liabilities + allocated dividend, not disbursed.

Contents

SOLID OPERATING PROFIT BUT IMPAIRMENTS

"Increased production from Nordic hydropower, market activities and high contract coverage secured a good operating profit for Statkraft in the fourth quarter of 2012. However, the result is also characterised by impairment, particular in connection with the market situation for European gas power. The international hydropower operation is showing positive development.

The result from the underlying operations (EBITDA) increased by 13 per cent in the fourth quarter, compared with the same period last year. The growth is due to higher prices and increased Nordic hydropower production.

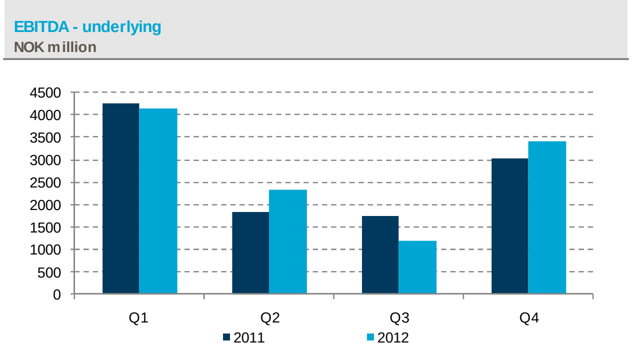
The quarterly net result was negative, mainly due to impairment in connection with European gas power and unrealised losses from the shareholding in E.ON SE.

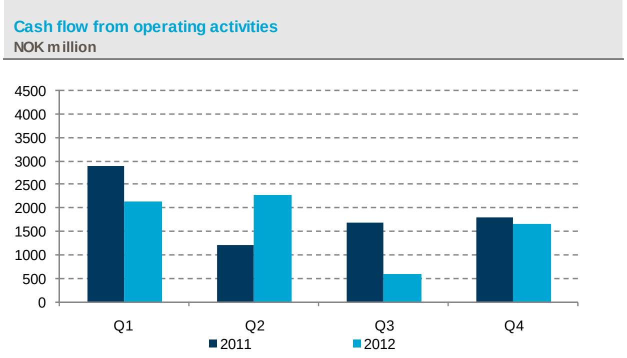
For the Nordic market, the quarter was characterised by low precipitation, low temperatures and high production. The average system price was 9 per cent higher than in the same quarter in the preceding year. Reservoir water levels were normal at year-end. The Group's overall power production increased by 4 per cent to 16.3 TWh compared with the same quarter in 2011.

Total production in 2012 was 60.0 TWh, a record high and up 17 per cent from 2011. The Group's overall hydropower production in 2012 increased by 25 per cent compared with 2011, while Nordic power prices were on average 34 per cent lower than in the preceding year. Increased hydropower production, high contract coverage and good results from the market activities generated an EBITDA that was up 2 per cent from 2011. Unrealised currency gains increased profit before tax, which improved 154 per cent from the preceding year.

High gas prices, low coal and carbon prices resulting in high coal power production, high production of renewable energy and flat demand trends for power combine to create challenges for European gas power. Statkraft has accepted the consequences of the situation by writing down the value of the company's German gas power plants by about NOK 2 billion. In addition, an unrealised loss of NOK 2 billion for the shareholding in German power company E.ON SE was recognised in the fourth quarter.

Statkraft's long-term international investments within renewable energy make an overall positive contribution to operations in the quarter. Capacity in emerging economies is being developed through the shareholding in SN Power. Challenges in connection with grid access and power markets have resulted in an impairment of NOK 460 million for hydropower in India in the fourth quarter. However, the overall value of the portfolio has seen a positive development in recent years, mainly due to good results from the Philippines and Peru.





Corporate social responsibility and HSE

	Fourth quarter		The year	
	2012	2011	2012	2011
Corporate social reponsibility and HSE				
Fatalities [1]	1	2	2	4
TRI rate [1] [2]	6.2	7.9	7.1	7.6
Serious environmental incidents	-	-	-	-
Full-time equivalents, group	-	-	3 475	3 358
Absence due to illness, group (%)	3.0	3.6	3.1	3.4

[1] Includes employees and suppliers at plants where Statkraft owns 20% or more for 2011 and 2012. Third party fatalities are not included.
[2] TRI rate: Number of injuries per million hours worked.
The figures reported in the interim report in 2011 have been corrected to reflect reporting from suppliers.

- In October, a contractor employee was fatally injured in connection with tunnel work at SN Power's Cheves development in Peru. The accident was investigated by an independent commission and all improvement measures are being followed up in the project.
- The Group's TRI rate has improved in the quarter compared with the same period in 2011, but remains somewhat higher than the target level.
- The Group has not registered any serious environmental incidents.
- The absence due to illness rate of 3% in the fourth quarter is satisfactory.

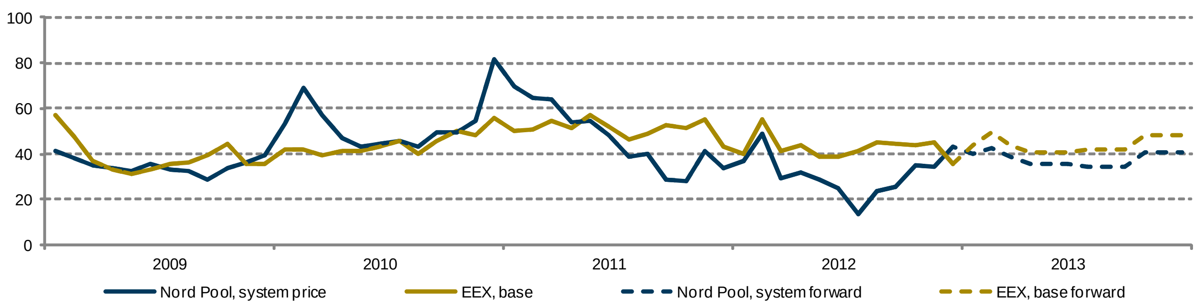
The Group works systematically and with a risk-based approach to prevent injuries in connection with the Group's activities. Traffic and transport in connection with major development projects are among the activities that pose the greatest safety risk. On this background, a project was implemented in the fourth quarter to improve traffic and transport safety.

Market and production

Power prices, power optimisation and production form the fundamental basis for Statkraft's revenues. The majority of Statkraft's production is generated in the Nordic region and in Germany. The Group is also exposed in markets outside Europe, mainly through the subsidiary SN Power. Power prices are influenced by hydrological factors and commodity prices for thermal power production. Gas is also an input factor in Statkraft's own power production.

POWER PRICES

Electricity, average monthly system price
EUR/MWh



Source: Nord Pool and the European Energy Exchange (EEX)

The average system price in the Nordic region was 37.3 EUR/MWh in the quarter, an increase of 9% compared with the same period in 2011. The increase was primarily the result of:

- Lower reservoir water levels and lower-than-normal inflow
- Higher consumption as a result of lower temperatures

The short forward prices in the Nordic region rose through the quarter due to low temperatures as well as lower reservoir water levels.

The average spot price in the German market was 41.4 EUR/MWh in the quarter, a decline of 17% compared with the same period in 2011. The price decline was characterised by:

- Growth in renewable power production
- Low consumption growth
- Negative development for marginal costs for gas power compared with coal power

Forward prices in Germany fell through the quarter as a result of lower realised prices and continued weak financial outlook.

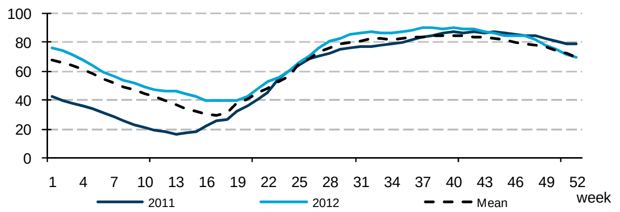
In the fourth quarter, 2.2 TWh was exported from the Nordic region to the Continent, corresponding to the level in the same period in 2011.

EUR/MWh	Fourth quarter 2012	Fourth quarter 2011	Fourth quarter *Change*	The year 2012	The year 2011	The year *Change*
Prices						
Average system price, Nord Pool	37.3	34.3	*9 %*	31.3	47.2	*-34 %*
Average spot price (base), EEX	41.4	50.0	*-17 %*	42.8	51.1	*-16 %*
Average spot price (peak), EEX	55.3	61.7	*-10 %*	53.6	61.2	*-12 %*
Average gas price, EGT/TTF[1)]	27.1	21.9	*24 %*	25.4	21.9	*16 %*

Source: Nord Pool and the European Energy Exchange (EEX).
[1)] Gas prices in 2012 and 2011 are based on Eon Gas Trading (EGT) and Title Transfer Facility (TTF) respectively.

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION

Nordic reservoir water levels
%



TWh	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Consumption and output				
Nordic				
Nordic consumption	106.3	99.4	384.5	375.7
Nordic output	108.5	101.6	399.0	370.5
Net Nordic import(+)/export (-)	-2.2	-2.2	-14.4	5.2
Norway				
Norwegian consumption	36.6	33.3	127.9	122.0
Norwegian output	38.6	37.3	146.0	125.2
Net norwegian import(+)/export (-)	-2.0	-4.0	-18.0	-3.2

Sources:"Nord Pool Nordic electricity market information" and "Nord Pool Landsrapport Norge"

Inflow was lower in the period, and the total reservoir water level in the Nordic region was 84.5 TWh at the end of December, corresponding to 99.3% of normal. The reservoirs were filled to 69.6% of capacity (78.6% in 2011), with a maximum reservoir capacity of 121.4 TWh.

STATKRAFT'S POWER PRODUCTION

Statkraft's production is determined by water reservoir capacity, access to resources (inflow and wind), margin between power and gas prices (spark spread) and power optimisation.

TWh	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Production, technology				
Hydropower	15.6	14.6	57.6	46.0
Wind power	0.2	0.2	0.8	0.8
Gas power	0.5	0.9	1.5	4.6
Bio power	0.0	0.0	0.1	0.1
Total production	16.3	**15.7**	60.0	**51.5**

TWh	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Production, geography				
Norway	13.1	12.1	48.3	38.8
Nordic ex. Norway	1.9	2.0	7.1	6.0
Europe ex. Nordic	0.7	1.0	2.1	4.3
Rest of the world	0.7	0.6	2.5	2.3
Total production	16.3	**15.7**	60.0	**51.5**

The Group produced a total of 16.3 TWh in the quarter, an increase of 4%. Hydropower production increased by 7%, while gas power production fell by 43% to 0.5 TWh as a result of a weaker spark spread. In addition, 0.4 TWh of district heating was produced in the quarter.

Financial performance

The quarterly report shows the development in the fourth quarter compared with the fourth quarter of 2011, unless otherwise stated. Figures in parentheses show the comparable figures for the corresponding period in 2011.

NOK million	Fourth quarter 2012	2011	Change	The year 2012	2011	Change
Key figures						
Net operating revenues, underlying	5 573	5 053	10 %	18 811	18 120	4 %
EBITDA, underlying	3 416	3 028	13 %	11 060	10 851	2 %
Profit before tax	-1 001	285	-451 %	8 806	3 466	154 %
Net profit	-1 840	-673	-174 %	4 671	40	>1000 %

In spite of an increase in EBITDA, the Group's recorded profit in the fourth quarter amounted to NOK -1001 million before tax (NOK 285 million) and NOK -1840 million after tax (NOK -673 million). The decline is primarily due to impairment of fixed assets and unrealised losses on the shareholding in E.ON SE. The net annual profit for 2012 was NOK 4671 million.

EBITDA – UNDERLYING

Underlying EBITDA was 13% higher than in the same quarter of 2011. The improvement is due to higher revenues, mainly as a result of higher Nordic hydropower production and power prices.

OPERATING REVENUES - UNDERLYING

NOK million	Fourth quarter 2012	2011	Change	The year 2012	2011	Change
Net operating revenues, underlying						
Net physical spot sales, incl. green certificates	6 252	2 182	187 %	19 656	7 762	153 %
Concessionary sales at statutory prices	91	109	-17 %	307	401	-24 %
Industrial sales at statutory prices	-	-15	100 %	-	130	-100 %
Long-term contracts	1 593	1 675	-5 %	6 179	5 880	5 %
Nordic and Continental Dynamic Asset Management Portfolio	64	36	77 %	525	-124	524 %
Trading and origination	265	260	2 %	726	834	-13 %
Distribution grid	301	329	-8 %	1 071	1 114	-4 %
End user	1 341	1 039	29 %	4 024	4 902	-18 %
District heating, energy sales	231	169	37 %	655	581	13 %
Other sales revenues	4	-12	136 %	17	-49	135 %
Currency hedging energy contracts	-6	-	-	-6	-	-
Sales revenues	10 137	**5 772**	76 %	33 154	**21 431**	55 %
Other operating revenues	367	254	45 %	944	868	9 %
Gross operating revenues	10 504	**6 026**	74 %	34 098	**22 298**	53 %
Energy purchase	-4 669	-632	-638 %	-14 262	-2 964	-381 %
Transmission costs	-262	-341	23 %	-1 025	-1 215	16 %
Net operating revenues	5 573	**5 053**	**10 %**	18 811	**18 120**	**4 %**

- Higher Nordic power prices and higher hydropower production contributed to increased net operating revenues.
- Spot sale revenues increased substantially due to Statkraft offering market access to minor renewable energy producers in Germany and the UK from 2012. The contracts are recorded at gross value in the income statement and will appear in the items net physical spot sales and energy purchases.
- Revenues from long-term contracts were somewhat lower than in the corresponding quarter in 2011 as a result of lower volumes. This was partly offset by annual price adjustments for the contracts and revenues from a financial portfolio intended to reduce risk from long-term contracts.
- The revenue increase from the end user business was offset by a corresponding increase in energy purchases.
- The results from the gas power business were further weakened by a lower spark spread.

OPERATING EXPENSES – UNDERLYING

NOK million	Fourth quarter 2012	2011	Change	The year 2012	2011	Change
Operating expenses, underlying						
Salaries and payroll costs	-813	-793	3 %	-3 024	-2 759	10 %
Depreciation and impairments	-643	-718	-10 %	-2 486	-2 461	1 %
Property tax and licence fees	-299	-349	-14 %	-1 340	-1 254	7 %
Other operating expenses	-1 044	-883	18 %	-3 387	-3 256	4 %
Operating expenses	**-2 800**	**-2 743**	**2 %**	**-10 238**	**-9 730**	**5 %**

- Impairment at the end of 2011 resulted in a lower basis of depreciation and thus lower depreciation in 2012.
- The underlying cost for property tax and licence fees was higher for the year 2012. This is due to an increase in property tax in Norway.
- The increase in other operating expenses is partly due to repair costs for Baltic Cable and higher project activity levels and business development.

ITEMS EXCLUDED FROM THE UNDERLYING OPERATING PROFIT

Unrealised changes in value for energy contracts and significant non-recurring items have been excluded from the underlying operating profit. The unrealised changes in value are partly due to the Group's energy contracts being indexed against various commodities, currencies and other indices.

NOK million	Fourth quarter 2012	2011	The year 2012	2011
Items excluded from the underlying operating result				
Unrealised changes in value of energy contracts	198	-2 039	-1 328	-1 152
Significant non-recurring items	-1 941	-1 161	-1 881	-1 035
Gains/loss from sale of Sluppen Eiendom	*-*	*-*	*-*	*126*
Final settlement of sale of Trondheim Energi Nett	*115*	*-*	*175*	*-*
Impairment of property, plant and equipmentand intangible assets	*-2 056*	*-1 161*	*-2 056*	*-1 161*

- The positive development for energy contracts in the fourth quarter of 2012 is mainly due to positive effects from long-term gas purchase agreements.
- The negative development for significant non-recurring items was mainly due to impairment of Statkraft's gas power plants in Germany with the amount of NOK 1762 million. The impairment is due to increased power production from renewable energy sources and expectations of low margins in the coming years. In addition, an impairment of Skagerak Varme AS of NOK 136 million was made as a result of cost overruns and changed market prospects. A power plant in SN Power has also been impaired by NOK 78 million.

SHARE OF PROFIT IN ASSOCIATED COMPANIES AND JOINT VENTURES

The Group has major shareholdings in the regional Norwegian power companies BKK and Agder Energi, as well as shareholdings in companies outside Norway, where much of the activity takes place through participation in partly-owned companies.

NOK million	Fourth quarter 2012	2011	Change	The year 2012	2011	Change
Share of profit from associated companies						
BKK	96	159	-40 %	382	537	-29 %
Agder Energi	133	212	-37 %	408	443	-8 %
Herdecke	-172	-218	21 %	24	-87	128 %
Others	-385	-234	-64 %	209	5	>1000 %
Associated companies	**-329**	**-81**	**-305 %**	**1 024**	**898**	**14 %**

In the fourth quarter, assets in associated companies and joint ventures have been impaired by a total of NOK 728 million, compared with NOK 338 million in the fourth quarter of 2011.

- Delayed development and challenges in the operation of the power grid in India have resulted in market access limitations. The value of the Malana and Allain Duhangan power plants has therefore been impaired by NOK 460 million in the fourth quarter.
- Statkraft's 50 per cent shareholding in the Herdecke gas power plant in Germany has been impaired by NOK 224 million due to expectations of low margins in the coming years.
- The Landesbergen and Emden biomass power plants in Germany have been impaired by NOK 44 million as a result of worsened market conditions, mainly due to increased wood prices.

Adjusted for impairment in 2012 and 2011, the profit was NOK 142 million higher in the fourth quarter of 2012. This is mainly due to a positive development for unrealised changes in value on energy contracts in Herdecke, amounting to NOK 270 million. There has been a reduction in share of profit from Agder Energi and BKK due to a less positive development for unrealised changes in value on energy contracts. In addition, the fourth quarter saw a reduction in revenues from sale of supplementary services in the Philippines.

FINANCIAL ITEMS

NOK million	Fourth quarter 2012	Fourth quarter 2011	Change	The year 2012	The year 2011	Change
Financial items						
Interest income	55	74	-25 %	286	572	-50 %
Other financial income	121	97	24 %	765	1 309	-42 %
Gross financial income	**176**	**171**	**3 %**	**1 051**	**1 880**	**-44 %**
Interest expenses	-303	-341	11 %	-1 235	-1 506	18 %
Other financial expenses	-10	7	-239 %	-50	-42	-20 %
Gross financial expenses	**-313**	**-334**	**6 %**	**-1 285**	**-1 548**	**17 %**
Currency gains and losses	6	1471	-100 %	4 467	332	>1000 %
Other financial items	-1 571	-52	>1000 %	-1 816	-4 299	58 %
Net financial items	**-1 701**	**1 257**	**-235 %**	**2 417**	**-3 635**	**167 %**

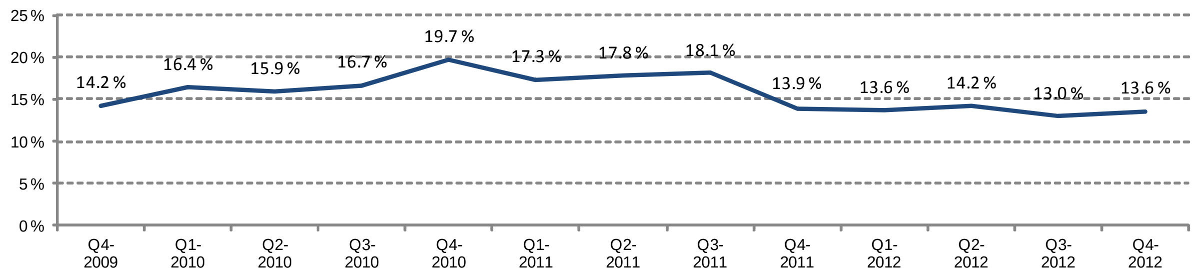
- Financial income increased marginally by NOK 5 million. Financial expenses were reduced by NOK 21 million, mainly due to increased capitalisation of borrowing costs.
- Net currency effects in the fourth quarter only amounted to NOK 6 million, which is a result of a quarter with stable NOK compared to EUR.
- Other financial items declined by NOK 1519 million, and can mainly be explained by unrealised losses on the shareholding in E.ON SE in the fourth quarter of 2012.

TAXES

The recorded tax expenses were NOK 840 million in the fourth quarter (NOK 958 million). The reduction in tax expenses was mainly related to a lower profit before tax.

RETURN

ROACE - underlying, last 12 months
%



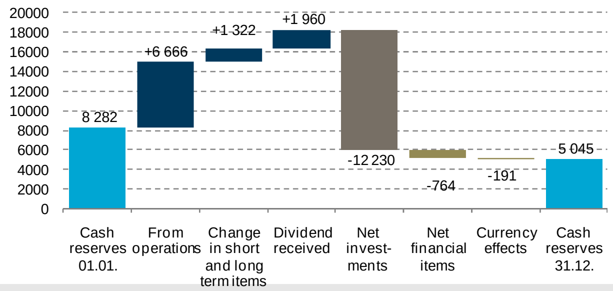
Measured as ROACE, the return in 2012 was on par with 2011.

Based on the net profit, the rolling return on equity[1] was 7.2% after tax, compared with 0.1% for the year 2011, while return on total capital[2] after tax was 3.8%, compared with 0.8% for the year 2011. The improvement is due to a higher result.

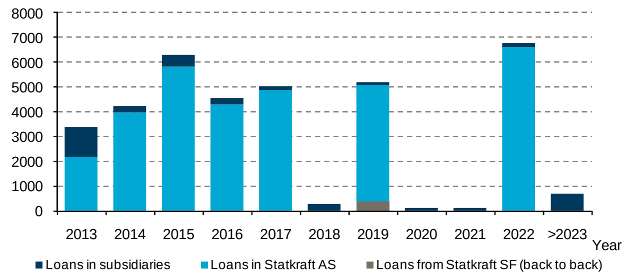
[1)] *Return on equity (%): (Net profit last 12 months x 100)/ average equity*
[2)] *Return on total capital (%): (Net profit adjusted for financial expenses last 12 months x 100)/average total capital*

CASH FLOW AND CAPITAL STRUCTURE

Cash flow 2012
NOK million



Long-term liabilities, debt redemption profile
NOK million



Net investments include investments paid at the end of the quarter, payments from sale of non-current assets, net liquidity out from the Group when acquiring activities, new issues and repayment of debt.

Cash flow year 2012

- The Group's operating activities generated a cash flow of NOK 6666 million (NOK 7585 million).
- Changes in short and long-term items had a positive effect of NOK 1322 million (NOK 299 million), mainly cash collateral.
- Dividend received from associated companies relates mainly to NOK 1261 million from SN Power's associated companies, NOK 297 million from Agder Energi and NOK 399 million from BKK.
- Net investments amounted to NOK 12 230 million (NOK 8202 million). The share purchase in the Brazilian company Desenvix, investments in new capacity as well as disbursement of loans from Statkraft Treasury Centre, primarily to offshore wind in the UK, represented the largest items.
- The net liquidity change from financing amounted to NOK -764 million (NOK -13 099 million). New debt amounted to NOK 7913 million (NOK 376 million), repayment of debt amounted to NOK 4551 million (NOK 5169 million) and disbursed dividend and group contributions amounted to NOK -4293 million (NOK -9400 million). The minority share of capital contributions in SN Power was NOK 137 million.
- Translation effects for bank deposits, cash, etc. amounted to NOK -191 million, and were primarily linked to a strengthened NOK against EUR, USD and SEK.

Capital structure

At the end of the quarter, Statkraft had the following capital structure:

- Net interest-bearing debt was NOK 35 218 million, compared with NOK 28 605 million at the beginning of the year1).
- The net debt-to-equity ratio was 36.1%, compared with 30.3% at year-end 2011.
- Loans from Statkraft SF to Statkraft AS amounted to NOK 400 million.
- Current assets, except cash and cash equivalents, amounted to NOK 20 206 million.
- Short-term interest-free debt was NOK 16 576 million.
- Statkraft's equity totalled NOK 62 437 million, compared with NOK 65 651 million at the start of the year. This corresponds to 43% of total assets. The decline is primarily due to dividend and group contribution being higher than total comprehensive income in 2012.

INVESTMENTS AND PROJECTS

Statkraft has an investment programme and an investment strategy that involves NOK 70-80 billion in the period from 2011 to 2015. Total investments in the quarter amounted to NOK 3215 million.

Investments in the quarter

Maintenance investments (NOK 397 million)

- Hydropower in the Nordic region
- Hydropower outside Europe

Investments in new capacity (NOK 1879 million)

- Gas power in Germany
- Hydropower in Norway
- Hydropower outside Europe
- Wind power in the UK and Sweden
- District heating plants in Norway
- Small-scale hydro power in Norway

Investments in shareholdings (NOK 939 million)

- Wind power in the UK

[1)] *Net interest-bearing debt: Gross interest-bearing debt – Cash and cash equivalents.*

Projects

Fourth quarter	Project	Country	New capacity (MW) [1]	Statkraft's ownership share	Planned completion	
Committed investments in the period						
Wind Power	Tollarpjabjär	Sweden	3	90 %	2013	Q4
	Berry Burn	UK	67	100 %	2014	Q1
Hydropower	Nedre Røssåga, phase 2	Norway	100	100 %	2016	Q3
Completed projects in the period						
Hydropower	Svartisen	Norway	250	70 %	2012	Q4
	Theun Hinboun XP	Laos	280	20 % [5]	2012	Q4
District heating	Stjørdal	Norway	20	85 %	2012	Q4
Main projects under construction						
Hydropower	Eiriksdal og Makkoren	Norway	56	100 %	2014	Q2
	Nedre Røssåga, phase 1	Norway	-	100 %	2015	Q2
	Kjensvatn	Norway	11	100 %	2014	Q4
	Brokke Nord/Sør	Norway	24	- [2]	2014	
	Kargi	Turkey	102	100 %	2013	Q4
	Cetin	Turkey	517	100 %	2015	Q4
	Devoll	Albania	272	50 % [4]	2018	
	Cheves	Peru	171	100 % [3]	2014	Q2
	Binga	Phillipines	120	50 % [3]	2014	Q4
	Bajo Frio	Panama	58	26 % [3]	2014	Q2
Gas power	Knapsack II	Germany	430	100 %	2013	Q3
Wind power	Baillie Windfarm	UK	53	80 %	2013	Q1
	Mörttjärnberget	Sweden	85	60 %	2013	Q4
	Stamåsen	Sweden	60	60 %	2013	Q2
	Ögonfägnaden	Sweden	99	60 %	2014	Q4
	Björkhöjden	Sweden	270	60 %	2015	Q4
District heating	Ås	Norway	24	100 %	2013	Q3
	Sandefjord	Norway	23	100 %	2015	Q2
	Hammargård/Kungsbacka	Sweden	12	100 %	2013	Q4

[1] Total for project, incl. partners' share.
[2] Owned by Agder Energi (69%) and Skagerak Energi (31%).
[3] SN Power's share.
[4] Under development.
[5] Statkraft SF's share.

Segments

The segment structure follows the internal management information that is systematically reviewed by the corporate management and used for resource allocation and goal attainment. The segments are Nordic hydropower, Continental energy and trading, International hydropower, Wind power, District heating and Industrial ownership. Areas not shown as separate segments are presented under the heading Other activities.

Fourth quarter	Statkraft AS Group	Nordic hydropower	Continental energy and trading	International hydropower	Wind power	District heating	Industrial ownership	Other activities	Group items
From income statement									
Gross operating revenues, underlying	**10 504**	3 754	4 975	425	367	221	2 219	152	-1 609
Net operating revenues, underlying	**5 573**	3 565	638	290	58	134	965	151	-228
EBITDA, underlying	**3 416**	2 789	222	57	-45	64	531	-210	8
Operating profit, underlying	**2 773**	2 497	136	8	-73	14	416	-234	8
Operating profit, booked	**1 029**	2 478	-1 496	6	-73	14	212	-120	8
Share of profit from associated companies	**-329**	-	-214	-384	35	-	237	-2	8
EBITDA-margin (%), underlying	**32.5**	74.3	4.5	13.4	-12.3	29.2	23.9	-138.2	-0.5
Maintenance investments	**397**	174	61	60	5	-2	100	-	-
Investments in new capacity	**1 879**	361	313	379	397	91	244	94	-
Investments in shareholdings	**939**	-	-	27	911	2	-	-	-
Production									
Production, volume sold (TWh)	**16.3**	13.0	0.6	0.7	0.2	0.4	1.8	0.1	-
- hydropower (TWh)	**15.6**	13.0	0.1	0.7	-	-	1.8	0.1	-
- wind power (TWh)	**0.2**	-	-	0.0	0.2	-	-	-	-
- gas power (TWh)	**0.5**	-	0.5	-	-	-	-	-	-
- bio power (TWh)	**0.0**	-	0.0	-	-	-	-	-	-

NORDIC HYDROPOWER

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	3 565	3 408	12 479	12 045
EBITDA, underlying	2 789	2 587	9 409	9 119
Operating profit, underlying	2 497	2 302	8 274	8 002
Unrealised value changes energy contracts	-19	-298	-1 663	-765
Siginificant non-recurring items	-0	-	-	-
Operating profit, booked	2 478	2 005	6 610	7 236
Share of profit from associated companies and joint ventures	-	-	-	-
Maintenance investments	174	215	460	469
Investments in new capacity	361	597	1 048	1 397
Investments in shareholdings	-	-	-	-
Production, volume sold (TWh)	13.0	12.4	48.4	38.2

Highlights

- South-Norway Aluminium (Søral) has signed power delivery agreements with Statkraft, Agder Energi, Lyse and Hydro for annual deliveries from 2013 through 2020 to expand from one to two production lines. Statkraft's share is about 0.5 TWh per year.
- Statkraft has decided to increase capacity at the Nedre Røssåga hydropower plant by 100 MW. The expansion has an investment budget of NOK 1.3 billion and will increase the annual production from 2 TWh to 2.2 TWh. The construction period starts in 2013 and is scheduled to last four years.
- A comprehensive maintenance project at the hydropower plant Kvilldal was delivered on time and budget.
- On 4 February, Statkraft received a decision from the Ministry of Petroleum and Energy (MPE) granting an exemption from the licence provisions for the transfer of the leased power plants (Sauda I-IV, Svelgen I-II, Tysso II) from Statkraft SF to Statkraft Energi AS.

Financial performance

- Underlying EBITDA was somewhat higher, mainly due to higher net operating revenues as a result of higher production and higher market prices for Nordic power. The operating expenses were on par with the same quarter in 2011.

Investments

- Investments in new capacity are mainly related to the power plants Svartisen, Eiriksdal, Makkoren and Nedre Røssåga.

CONTINENTAL ENERGY AND TRADING

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	638	408	1 915	1 230
EBITDA, underlying	222	22	610	-17
Operating profit, underlying	136	-96	245	-413
Unrealised value changes energy contracts	130	-1 743	441	-260
Siginificant non-recurring items	-1 762	-1 087	-1 762	-1 087
Operating profit, booked	-1 496	-2 926	-1 076	-1 760
Share of profit from associated companies and joint ventures	-214	-260	89	-98
Maintenance investments	61	245	127	303
Investments in new capacity	313	597	1 005	1 446
Investments in shareholdings	-	6	-	585
Production, volume sold (TWh)	0.6	1.0	1.9	4.9

Highlights

- German gas power plants and biomass plants were impaired by NOK 2 billion NOK in the fourth quarter, of which NOK 268 million related to associated companies and joint ventures.
- Baltic Cable resumed operation in the first part of December after suffering damage in early November. The repair costs amounted to NOK 33 million and were recorded in the fourth quarter.

Financial performance

- The increase in underlying EBITDA is due to good results from market activities. Trading and Origination performed well in the fourth quarter.
- The gas power business deteriorated further. The lower margin between power and gas prices has resulted in substantially lower gas power production and thereby weaker performance.
- The operating expenses were on par with the same quarter in 2011. New market activities and repair costs for Baltic Cable contributed to raise costs. This was partly offset by lower expenses as a result of lower gas power production.

Investments

- The investments in new capacity mainly apply to the completion of Knapsack II gas power plant in Germany.

INTERNATIONAL HYDROPOWER

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	290	210	1 054	796
EBITDA, underlying	57	65	320	219
Operating profit, underlying	8	-43	98	-1
Unrealised value changes energy contracts	76	-18	-113	-18
Siginificant non-recurring items	-78	-74	-78	-74
Operating profit, booked	6	-135	-93	-93
Share of profit from associated companies and joint ventures	-384	177	146	449
Maintenance investments	60	43	90	69
Investments in new capacity	379	415	1 687	959
Investments in shareholdings	27	107	2 433	1 051
Production, volume sold (TWh)	0.7	0.6	2.6	2.4

Highlights

- Development and construction projects are underway in Turkey, Albania, India, the Philippines, Peru, Brazil, Zambia and Panama.
- An SN Power power plant has been impaired by NOK 78 million in the fourth quarter.
- Associated companies in India were impaired by NOK 460 million. The impairment is part of the share of profit from associated companies and joint ventures.

Financial performance

- EBITDA was somewhat lower than in the same quarter in 2011. This is due to higher operating expenses, primarily as a result of a higher number of FTE's, general wage growth and statutory profit sharing in Peru. Revenues increased, mainly as a result of higher volumes in Peru.
- Unrealised changes in value for energy contracts related to rising prices in the Brazilian power market.
- The decline in the share of profit in associated companies and joint ventures was primarily related to the impairment in India. The contribution from the business in the Philippines remained high, but lower than in the same quarter in 2011.

Investments

- Maintenance investments are primarily related to Peru.
- Investments in new capacity relate to the hydropower developments in Turkey, Peru and Panama.

WIND POWER

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	58	96	216	329
EBITDA, underlying	-45	12	-113	-
Operating profit, underlying	-73	-15	-229	-104
Unrealised value changes energy contracts	-	-	-	-
Siginificant non-recurring items	-	-	-	-
Operating profit, booked	-73	-15	-229	-104
Share of profit from associated companies and joint ventures	35	-326	8	-389
Maintenance investments	5	-3	7	1
Investments in new capacity	397	313	1 209	491
Investments in shareholdings	911	12	1 085	187
Production, volume sold (TWh)	0.2	0.2	0.7	0.7

Highlights

- An investment decision was made for the onshore wind farms Berry Burn (66.7 MW) in the UK and Tollarpabjär (2.3 MW) in Sweden. Completion is expected in 2014 and 2013, respectively. Statkraft also increased its shareholding in the company developing the Berry Burn project from 50% to 100%.
- The segment has seven onshore wind farms under construction – five in Sweden and two in the UK. The combined installed capacity of these wind farms is 635 MW.

Financial performance

- EBITDA and the operating profit were negative as a result of project development costs exceeding earnings from wind farms in operation. The project development covers activities within onshore and offshore wind in line with the established strategy.
- The EBITDA from wind farms in operation was positive by NOK 31 million (NOK 58 million).
- The improvement in the share of profit from associated companies and joint ventures is due to the Sheringham Shoal offshore wind farm having started operations and generating a positive result in the fourth quarter of 2012, while it was impaired by NOK 338 million in the fourth quarter of 2011.

Investments

- The investments in new capacity relate to the onshore wind farms under construction.
- Shareholding investments relate primarily to offshore wind power in the UK.

DISTRICT HEATING

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	134	109	384	357
EBITDA, underlying	64	37	142	146
Operating profit, underlying	14	0	-2	40
Unrealised value changes energy contracts	-	-	-	-
Siginificant non-recurring items	-	-	-	-
Operating profit, booked	14	0	-2	40
Share of profit from associated companies and joint ventures	-	4	-1	4
Maintenance investments	-2	6	0	8
Investments in new capacity	91	149	369	401
Investments in shareholdings	2	97	6	97
Production, volume sold (TWh)	0.4	0.3	1.1	0.9

Highlights
- A new district heating plant in Stjørdal (20 MW) was completed in the fourth quarter. The official opening ceremony will take place in April 2013.
- An investment decision has been made for the construction of a new district heating plant in Sandefjord (23 MW), as well as expansion of the existing plant in Kungsbacka with a new bioboiler (12 MW).

Financial performance
- The increase in EBITDA was mainly a result of higher production due to growth and lower temperatures in the fourth quarter.

Investments
- The largest investments were Harstad, Ås, Stjørdal and district heating grid development.

INDUSTRIAL OWNERSHIP

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	965	859	3 010	3 198
EBITDA, underlying	531	445	1 495	1 746
Operating profit, underlying	416	326	1 061	1 297
Unrealised value changes energy contracts	12	29	1	59
Siginificant non-recurring items	-216	-	-216	-
Operating profit, booked	212	355	846	1 356
Share of profit from associated companies and joint ventures	237	325	781	933
Maintenance investments	100	145	381	248
Investments in new capacity	244	170	538	348
Investments in shareholdings	-	2	-	2
Production, volume sold (TWh)	1.8	1.4	6.0	4.9

Highlights
- Impairment was made in Skagerak Varme AS of NOK 136 million as a result of cost overruns and changed market prospects.
- Agder Energi acquired a 296-km transmission line from Arendals Fossekompani and Otra Kraft for NOK 51 million.
- BKK received a licence for the construction of Tverrgjuvlo power plant in Voss (16 GWh).
- BKK and Sunnhordland Kraftlag have entered a partnership with Statnett to upgrade the power line between Sauda and Samnanger from 300 kV to 420 kV.
- In January 2013, Statkraft signed a letter of intent with BKK, Haugaland Kraft, Sunnhordland Kraftlag and Sognekraft to make changes in the ownership structure of BKK and power plants in Western Norway.

Financial performance
- The increase in EBITDA is due to higher spot sales revenues in Skagerak as a result of higher volumes.
- The decline in the share of profit from associated companies is mainly due to lower unrealised changes in value on energy contracts.

Investments
- The increase in investments is due to Skagerak Energi's district heating investments in Tønsberg, Horten and Skien.

OTHER ACTIVITIES[1)]

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
Net operating revenues, underlying	151	214	565	860
EBITDA, underlying	-210	-93	-787	-267
Operating profit, underlying	-234	-116	-856	-334
Unrealised value changes energy contracts	-1	-11	7	-167
Siginificant non-recurring items	115	-	175	126
Operating profit, booked	-120	-127	-674	-375
Share of profit from associated companies and joint ventures	-2	-2	-	-2
Maintenance investments	-	17	-	32
Investments in new capacity	94	73	229	175
Investments in shareholdings	-	-	-	-
Production, volume sold (TWh)	0.1	0.1	0.3	0.3

[1)] Other activities includes small-scale hydropower, the shareholding in E.ON SE (4.17%), innovation and group functions.

Financial performance

- The negative change in EBITDA is mainly due to divested activities and higher operating expenses.

Investments

- Investments in new capacity mainly related to investments in small-scale hydropower and property.

Outlook

Nordic power prices are expected to be somewhat lower than in previous years. At the same time, Statkraft has major flexibility and can increase or reduce production in periods with high and low power prices due to high reservoir capacity. Production of gas power is expected to be low due to demanding market conditions. Long-term power contracts contribute to stabilise the Group's earnings

Statkraft is Europe's largest producer of renewable energy, and aims to strengthen this position by taken advantage of business opportunities created by European framework towards more renewable energy. Over the course of the next decades, the need for energy outside Europe is expected to increase substantially, especially in emerging economies. Statkraft's investments in international hydropower are part of the Group's long-term strategy to use its expertise to secure increased renewable energy and profitable growth.

Oslo, 13 February 2013
The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

NOK million	Fourth quarter 2012	Fourth quarter 2011	The year 2012	The year 2011
COMPREHENSIVE INCOME				
PROFIT AND LOSS				
Sales revenues	9 956	5 220	31 211	21 209
Other operating revenues	482	254	1 119	994
Gross operating revenues	10 439	**5 474**	32 331	**22 203**
Energy purchase	-4 291	-2 120	-13 647	-3 894
Transmission costs	-262	-340	-1 025	-1 215
Net operating revenues	5 886	**3 014**	17 659	**17 094**
Salaries and payroll costs	-813	-794	-3 024	-2 759
Depreciation, amortisation and impairments	-2 700	-1 821	-4 543	-3 564
Property tax and licence fees	-299	-349	-1 340	-1 254
Other operating expenses	-1 044	-941	-3 387	-3 314
Operating expenses	-4 857	**-3 905**	-12 294	**-10 891**
Operating profit/loss	1 029	**-890**	5 365	**6 203**
Share of profit/loss from associates and joint ventures	-329	**-81**	1 024	**898**
Financial income	176	171	1 051	1 880
Financial expenses	-313	-334	-1 285	-1 548
Net currency effects	6	1 471	4 467	332
Other financial items	-1 571	-52	-1 816	-4 299
Net financial items	-1 701	**1 257**	2 417	**-3 635**
Profit/loss before tax	-1 001	**285**	8 806	**3 466**
Tax expense	-840	-958	-4 135	-3 427
Net profit/loss	-1 840	**-673**	4 671	**40**
Of which non-controlling interest	-139	77	230	264
Of which majority interest	-1 701	-750	4 441	-224
OTHER COMPREHENSIVE INCOME				
Changes in fair value of financial instruments	-625	273	337	-103
Estimate deviation pensions	1 060	-913	1 045	-936
Items recorded in other comprehensive income in associates and joint arrangements	561	-643	320	-517
Currency translation effects	-729	-582	-4 536	-171
Other comprehensive income	268	**-1 865**	-2 833	**-1 727**
Comprehensive income	-1 573	**-2 537**	1 838	**-1 687**
Of which non-controlling interest	-108	63	-156	186
Of which majority interest	-1 465	-2 600	1 994	-1 873

NOK million	31.12.2012	31.12.2011
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Intangible assets	3 214	3 108
Property, plant and equipment	83 057	81 240
Investments in associates and joint ventures	17 974	16 109
Other non-current financial assets	10 714	12 163
Derivatives	4 782	4 315
Non-current assets	119 741	**116 935**
Inventories	1 581	973
Receivables	13 251	12 010
Short-term financial investments	457	455
Derivatives	4 918	5 223
Cash and cash equivalents (included restricted cash)	5 045	8 282
Current assets	25 251	**26 943**
Assets	144 992	**143 878**
EQUITY AND LIABILITIES		
Paid-in capital	45 569	45 569
Retained earnings	9 934	12 840
Non-controlling interest	6 934	7 241
Equity	62 437	**65 651**
Provisions	20 019	21 403
Long-term interest-bearing liabilities	33 177	31 443
Derivatives	5 905	4 507
Long-term liabilities	59 101	**57 353**
Short-term interest-bearing liabilities	7 086	5 444
Taxes payable	3 239	3 396
Other interest-free liabilities	8 866	6 525
Derivatives	4 265	5 509
Current liabilities	23 455	**20 874**
Equity and liabilities	144 992	**143 878**

NOK million	Paid-in capital	Other equity	Accumulated translation differences	Retained earnings	Total majority	Non-controlling interests	Total equity
STATEMENT OF CHANGES IN EQUITY							
Balance as of 01.01.2011	**45 569**	30 041	-7 592	**22 449**	68 018	**7 284**	75 302
Net profit/loss	**-**	-224	-	**-224**	-224	**264**	40
Items in other comprehensive income that recycles over profit/loss							
Changes in fair value of financial instruments	**-**	-23	-	**-23**	-23	**-80**	-103
Estimate deviation pensions	**-**	-1 096	-	**-1 096**	-1 096	**-204**	-1 300
Income tax related to estimate deviation pensions	**-**	307	-	**307**	307	**57**	364
Items recorded in other comprehensive income in associates and joint arrangements	**-**	-474	-	**-474**	-474	**-43**	-517
Currency translation effects	**-**	-	-363	**-363**	-363	**192**	-171
Total comprehensive income for the period	**-**	-1 510	-363	**-1 873**	-1 873	**186**	-1 687
Dividend and Group contribution paid	**-**	-7 432	-	**-7 432**	-7 432	**-280**	-7 712
Business combinations	**-**	-316	-	**-316**	-316	**-5**	-321
Divestments	**-**	-	-	**-**	-	**-120**	-120
Transactions with non-controlling interests	**-**	12	-	**12**	12	**109**	121
Liability of the option to increase shareholding in subsidiary	**-**	-	-	**-**	-	**-1 027**	-1 027
Capital increase	**-**	-	-	**-**	-	**1 094**	1 094
Balance as of 31.12.2011	**45 569**	20 795	-7 955	**12 840**	58 409	**7 241**	65 651
Net profit/loss	**-**	4 441	-	**4 441**	4 441	**230**	4 671
Items in other comprehensive income that recycles over profit/loss							
Changes in fair value of financial instruments	**-**	372	-	**372**	372	**-35**	337
Estimate deviation pensions	**-**	881	-	**881**	881	**165**	1 045
Items recorded in other comprehensive income in associates and joint arrangements	**-**	320	-	**320**	320	**-**	320
Currency translation effects	**-**	-	-4 020	**-4 020**	-4 020	**-516**	-4 536
Total comprehensive income for the period	**-**	6 014	-4 020	**1 994**	1 994	**-156**	1 838
Dividend and Group contribution paid	**-**	-4 900	-	**-4 900**	-4 900	**-308**	-5 208
Business combinations/divestments	**-**	-	-	**-**	-	**126**	126
Liability of the option to increase shareholding in subsidiary	**-**	-	-	**-**	-	**-137**	-137
Capital increase	**-**	-	-	**-**	-	**167**	167
Balance as of 31.12.2012	**45 569**	21 909	-11 975	**9 933**	55 503	**6 934**	62 437

NOK million		The Year 2012	2011
STATEMENT OF CASH FLOW			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		8 806	3 466
Profit/loss on sale of non current assets		-28	-34
Depreciation, amortisation and impairments		4 543	3 564
Profit/loss from the sale of business		-	-240
Profit/loss from the sale of shares, and associates and joint ventures		-81	-111
Share of profit/loss from associates and joint ventures		-1 024	-898
Unrealised changes in value		-1 154	5 122
Taxes		-4 396	-3 284
Cash flow from operating activities		**6 666**	**7 585**
Changes in long term items		-294	244
Changes in short term items		1 616	55
Dividend from associates		1 960	1 639
Net cash flow operating activities	**A**	**9 948**	**9 521**
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment, maintanance		-1 065	-1 129
Investments in property, plant and equipment, new capacity*		-6 408	-4 793
Proceeds from sale of non-current assets		126	318
Business divestments, net liquidity inflow to the Group		-	452
Business combinations, net liquidity outflow from the Group**		-54	-766
Loans to third parties		-2 294	-1 708
Repayment of loans		839	298
Proceeds from sale of other companies		-	66
Considerations regarding investments in other companies***		-3 374	-940
Net cash flow from investing activities	**B**	**-12 230**	**-8 202**
CASH FLOW FROM FINANCING ACTIVITIES			
New debt		7 913	376
Repayment of debt		-4 551	-5 169
Dividend and group contribution paid		-4 293	-9 400
Share issue in subsidiary to non-controlling interests		167	1 094
Net cash flow from financing activities	**C**	**-764**	**-13 099**
Net change in cash and cash equivalents	**A+B+C**	**-3 046**	**-11 780**
Currency exchange rate effects on cash and cash equivalents		-191	10
Cash and cash equivalents 01.01		8 282	20 052
Cash and cash equivalents 31.12		5 045	8 282
Unused commited credit lines		12 000	12 000
Unused overdraft facilities		2 205	2 200
Restricted Cash		-232	-786

*Investments in new capacity are MNOK 323 higher than investments in new capacity in the segment reporting, due to investment of MNOK 424 from last year paid this year, and MNOK 101 in investments not yet paid.

**Considerations for business combinations are MNOK 148. Consolidated cash from these companies are MNOK 94.

***Consideration regarding investments in other companies contains payment of MNOK 412 that relates from 2011. The opposite effect will be shown in changes in short term items.

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group Items
SEGMENTS									
4th Quarter 2012									
Operating revenue external	10 439	2 675	4 760	437	263	220	2 207	18	-141
Operating revenue internal	-	1 079	215	-12	104	1	12	134	-1 533
Gross operating revenues	10 439	**3 754**	**4 975**	**425**	**367**	**221**	**2 219**	**152**	**-1 674**
Underlying operating profit/loss	1 029	**2 497**	**136**	**8**	**-73**	**14**	**416**	**-234**	**-1 735**
Operating profit/loss*	1 029	**2 478**	**-1 496**	**6**	**-73**	**14**	**212**	**-120**	**8**
Share of profit/loss from associates and joint ventures	-329	-	-214	-384	35	-	237	-2	-
Profit and loss, before financial items and tax*	701	**2 478**	**-1 710**	**-378**	**-37**	**14**	**448**	**-122**	**8**
The year 2012									
Operating revenue external	32 331	9 998	15 055	1 566	34	625	6 691	117	-1 755
Operating revenue internal	-	3 221	-32	1	508	1	33	452	-4 184
Gross operating revenues	32 331	**13 219**	**15 022**	**1 567**	**542**	**626**	**6 724**	**568**	**-5 939**
Underlying operating profit/loss	5 365	**8 274**	**245**	**98**	**-229**	**-2**	**1 061**	**-856**	**-3 225**
Operating profit/loss*	5 365	**6 610**	**-1 076**	**-93**	**-229**	**-2**	**846**	**-674**	**-17**
Share of profit/loss from associates and joint ventures	1 024	-	89	146	8	-1	781	-	-
Profit/loss, before financial items and tax*	6 389	**6 610**	**-987**	**53**	**-221**	**-3**	**1 627**	**-674**	**-17**
Balance sheet 31.12.2012									
Investment in associates and joint ventures	17 974	-	485	6 368	1 658	-	9 463	-	1
Other assets	127 018	48 837	4 453	10 442	4 161	2 874	14 254	58 947	-16 951
Total assets	144 992	**48 837**	**4 938**	**16 810**	**5 819**	**2 874**	**23 717**	**58 947**	**-16 950**
Depreciations, amortisation and impairments	-4 543	-1 136	-2 126	-301	-116	-145	-650	-69	-
Maintenance investments	1 065	460	127	90	7	-	381	-	-
Investments in new generating capacity	6 085	1 048	1 005	1 687	1 209	369	538	229	-
Investments in other companies	3 523	-	-	2 433	1 085	6	-	-	-
4th Quarter 2011									
Operating revenue external	5 474	2 726	943	311	20	163	1 808	57	-553
Operating revenue internal	-	868	35	6	78	1	20	159	-1 166
Gross operating revenues	5 474	**3 594**	**978**	**318**	**97**	**164**	**1 829**	**215**	**-1 720**
Underlying operating profit/loss	-890	**2 302**	**-96**	**-43**	**-15**	**-**	**326**	**-116**	**-3 248**
Operating profit/loss*	-890	**2 005**	**-2 926**	**-135**	**-15**	**0**	**355**	**-127**	**-47**
Share of profit/loss from associates and joint ventures	-81	-	-260	177	-326	4	325	-2	-
Profit/loss before financial items and tax*	-972	**2 005**	**-3 186**	**42**	**-340**	**4**	**680**	**-129**	**-47**
The Year 2011									
Operating revenue external	22 203	8 388	4 280	1 047	39	554	7 799	232	-137
Operating revenue internal	-	4 286	-174	19	311	1	43	632	-5 117
Gross operating revenues	22 203	**12 674**	**4 106**	**1 066**	**350**	**555**	**7 842**	**864**	**-5 255**
Underlying operating profit/loss	6 203	**8 002**	**-413**	**-1**	**-104**	**40**	**1 297**	**-334**	**-2 283**
Operating profit/loss*	6 203	**7 236**	**-1 760**	**-93**	**-104**	**40**	**1 356**	**-375**	**-97**
Share of profit/loss from associates and joint ventures	898	-	-98	449	-389	4	933	-2	-
Profit/loss before financial items and tax*	7 101	**7 236**	**-1 858**	**356**	**-493**	**44**	**2 289**	**-377**	**-97**
Balance sheet 31.12.2011									
Investment in associates and joint ventures	16 109	-	533	5 875	650	1	9 050	-	-1
Other assets	127 768	48 761	5 759	8 466	2 711	2 660	13 900	61 139	-15 625
Total assets	143 878	**48 761**	**6 292**	**14 342**	**3 361**	**2 661**	**22 949**	**61 139**	**-15 626**
Depreciations, amortisation and impairments	-3 564	-1 117	-1 425	-295	-104	-106	-449	-68	-
Maintenance investments	1 129	469	303	69	1	8	248	32	-
Investments in new generating capacity	5 217	1 397	1 446	959	491	401	348	175	-
Investments in other companies	1 923	-	585	1 051	187	97	2	-	-

* In these lines, non-recurring items and unrealised value change in energy derivatives are allocated to the segments.

Selected explanatory notes to the Financial statements

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The Group's consolidated financial statements for the fourth quarter of 2012, ending 31 December 2012, have been prepared in accordance with the International Financial Reporting Standards (IFRS) and include Statkraft AS and its subsidiaries and associated companies. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual financial statements for 2011. The interim accounts have not been audited. The accounting principles applied in the interim financial statements are the same as those used for the annual financial statements.

2. PRESENTATION OF FINANCIAL ACCOUNTS

The presentation of the interim report has been prepared in accordance with the requirements in IAS 34. The schedules comply with the requirements in IAS 1.

3. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies in connection with the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the income statement and balance sheet.

The most important assumptions regarding future events and other significant sources of uncertainty in relation to the estimates that can have a significant risk of material changes to the amounts recognised in future accounting periods are discussed in the annual accounts for 2011.

In preparing the consolidated financial statements for the fourth quarter, the Group's management has exercised its judgment in relation to the same areas where such judgment has had material significance in relation to the figures included in the Group's income statement and balance sheet, as discussed in the annual financial statements for 2011.

4. SEGMENT REPORTING

The Group reports operating segments in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the management and used as a basis for resource allocation and key performance review.

5. UNREALISED EFFECTS PRESENTED IN THE INCOME STATEMENT

As of and including the first quarter of 2012, realised and unrealised changes in value are shown on the same lines in the financial statements. The table below shows the lines in the financial statements where the unrealised effects appear.

	Fourth Quarter 2012			The year 2012		
NOK million	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Sales revenues						
Long term contracts	-252	1 593	1 341	-2 020	6 179	4 159
Nordic and Continental Dynamic Asset Management Portfolio	73	64	136	71	525	596
Trading and origination	208	57	265	460	266	726
End User	-	1 341	1 341	-	4 024	4 024
Other sales revenues	-	6 879	6 879	-	21 706	21 706
Eliminations	-1	-6	-7	7	-6	1
Total sales revenues	**28**	**9 928**	**9 956**	**-1 483**	**32 694**	**31 211**
Energy purchase	378	-4 669	-4 291	615	-14 262	-13 647
Net currency effects	-120	126	6	3 815	652	4 467
Other financial items						
Net gains and losses on derivatives and securities	503	1	504	347	2	349
Impairment and gain/loss of financial assets	-2 051	-24	-2 075	-2 140	-24	-2 165
Total unrealised effects	**-1 262**			**1 154**		

NOK million	Fourth Quarter 2011 Unrealised	Realised	Total	The year 2011 Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Sales revenues						
Long term contracts	-925	1 675	**750**	-1 447	5 880	**4 433**
Nordic and Continental Dynamic Asset Management Portfolio	368	36	**404**	1 377	-124	**1 253**
Trading and origination	262	-2	**260**	54	780	**834**
End User	1	1 040	**1 041**	1	4 902	**4 903**
Other sales revenues	-	2 851	**2 851**	-	9 939	**9 939**
Eliminations	4	-90	**-86**	-153	-	**-153**
Total sales revenues	**-290**	**5 510**	5 220	**-168**	**21 377**	21 209
Energy purchase	-1 487	-633	**-2 120**	-930	-2 964	**-3 894**
Net currency effects	1 166	305	**1 471**	216	116	**332**
Other financial items						
Net gains and losses on derivatives and securities	-16	-36	**-52**	-93	-59	**-152**
Impairment and gain/loss of financial assets	-	-	**-**	-4 147	-	**-4 147**
Total unrealised effects	**-627**			**-5 122**		

6. OTHER FINANCIAL ASSETS

Other financial fixed assets in the balance sheet include the shareholding in E.ON SE, which is recognised in the amount of NOK 8637 million. Shares are classified as assets available for sale and recognised in the accounts at fair value with changes in value recorded in comprehensive income. The negative change for the shareholding in 2012 is NOK 2146 million, of which NOK 18 million has been recognised against comprehensive income as a negative effect, and NOK 2128 million has been recognised as impairment of financial assets.

7. CURRENCY EFFECTS ON INTERNAL LOANS

Net currency effects on internal loans as of the fourth quarter amounted to NOK 2450 million, of which NOK 2070 million was unrealised. The gain arose mainly as a result of the strengthened NOK compared with EUR. Statkraft Treasury Centre (STC) provides loans to the Group’s companies, mainly in the companies’ local currency. STC prepares its accounts in EUR and reports currency effects of lending in the income statement. Subsidiaries with borrowing in EUR, but with a different reporting currency, report currency effects in their respective income statements. Currency gains and losses of this nature will not be offset by corresponding effects in the Group's income statement. Foreign subsidiary accounts are converted into NOK upon consolidation and currency effects on internal loans are recognised directly in equity. This equalises currency gains and losses added to the equity through the income statement.

8. HEDGE ACCOUNTING

Statkraft has used hedge accounting in 2012 that has reduced volatility in the income statement. A major share of the debt in EUR has been hedged against market rate changes.

Statkraft has established hedging for accounting purposes of the net investment in STC in EUR. The effect of this is that NOK 574 million in gains will not be recognised in the income statement, but recognised in other comprehensive income.

9. BUSINESS COMBINATIONS AND OTHER ACQUISITIONS

In August 2011, an agreement was entered into to buy 40.65% of the shares in Desenvix (Brazil). The purchase price, after taxes and contractual adjustments, amounted to BRL 727 million (NOK 2317 million). The purchase was finally completed on 8 March 2012.

On 6 March 2012, Statkraft, through SN Power and Agua Imara, achieved a majority on the board of the company Fountain Intertrade Corp. (FIC), Panama, in accordance with the shareholder agreement between the parties. SN Power via Agua Imara owned and owns 50.1% of the shares in the company. The change in the composition of the board means that SN Power has achieved control as regards IFRS. As a result, FIC has been derecognised as an associate company and incorporated into the consolidated accounts as a subsidiary from the acquisition date of 6 March. The derecognition did not entail calculation of any gain.

On 2 May 2012, Statkraft Varme AS acquired 100% of the company Hamnneset Energisentral AS for a purchase price of NOK 4 million. As of the second quarter, a preliminary allocation of the purchase amount has been carried out, mainly showing that the purchase amount reflects Statkraft's share of the recorded equity in the company.

On 20 September 2012, Lunsemfwa Hydro Power Company Ltd (LHC, Zambia) acquired 100% of the company Muchinga Power Company Ltd for NOK 24 million. The majority owner of LHC is Agua Imara, a subsidiary in the SN Power Group. As of the fourth quarter, there was a preliminary allocation of the purchase amount, mainly to goodwill.

On 16 October, Statkraft UK Ltd acquired 30% of the company Dudgeon Offshore Wind Ltd., where Statoil owns the remaining 70%. The offshore wind power project is located in Norfolk in England, near Sheringham Shoal, and has recently been granted an offshore licence to develop up to 560 MW. A project organisation has been established to develop the project up to a potential investment decision.

On 15 November 2012, Statkraft UK Ltd acquired the remaining 50% of the company Catamount Energy Ltd for NOK 120 million. The fair value of the former shareholding has been estimated at NOK 120 million. As of the fourth quarter, a preliminary acquisition cost allocation of NOK 240 million has been made, mainly showing that value exceeding the book equity has been transferred to tangible fixed assets by NOK 342 million and intangible assets by NOK -65 million. A technical goodwill of NOK 64 million has been identified. The derecognition of the earlier recognised asset created a gain of NOK 115 million presented under financial items.

Statkraft AS
PO box 200 Lilleaker
NO-0216 Oslo, Norway
Tel.: +47 24 06 70 00
Fax: +47 24 06 70 01
Visiting address:
Lilleakerveien 6

Organisation no.:
Statkraft AS: 987 059 699

Internet:
www.statkraft.com

Statkraft