

# FINANCIAL RESULTS FIRST QUARTER 2009

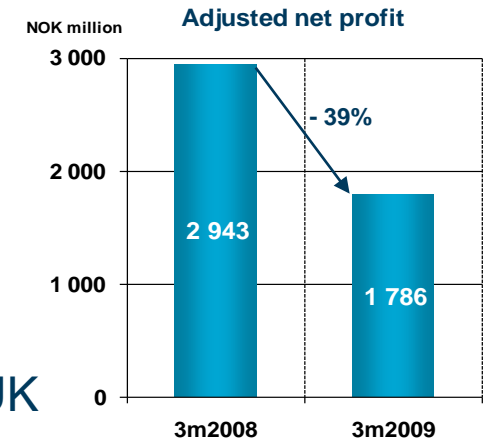
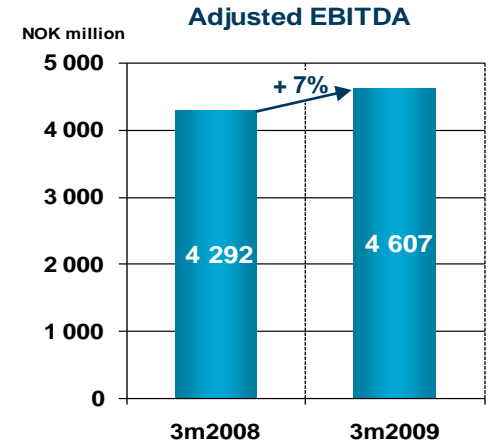
20 MAY 2009



**Statkraft**  
PURE ENERGY

# YEAR TO 31 MARCH 2009 IN BRIEF

- > Adjusted EBITDA MNOK 4,607 (4,292)<sup>1</sup>
  - Increased output mainly due to new assets
  - Average spot price Nord Pool in line with 3m 2008
  - Significant hedging and trading gains
- > Adjusted net profit MNOK 1,786 (2,943)<sup>1</sup>
  - Associates MNOK 398 (1,121)
  - Net financial expenses MNOK -857 (-407)
  - Taxes MNOK -1,699 (-1,609)
- > Increased ownership in SN Power to 60%
- > Two Norwegian hydropower plants opened
- > Acquisition of hydropower projects in Turkey
- > JV to develop offshore wind farm in the UK
- > Consortium to apply for round 3 zones in the UK



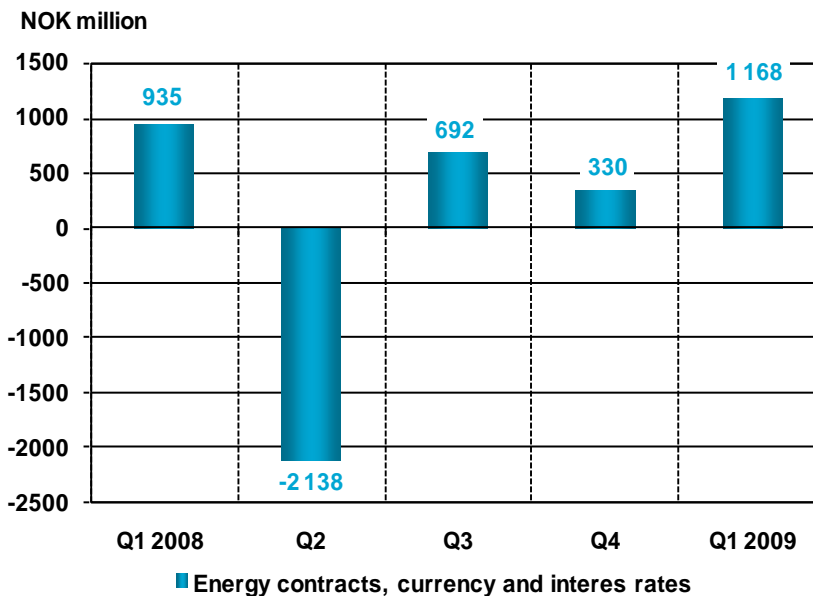
1: Adjusted for material non-recurring items and unrealised changes in value  
2008-figures in brackets

# INCOME STATEMENT - ACTUAL

NOK million	First quarter		Year
	2009	2008	2008
<b>Gross operating revenues</b>	<b>8 031</b>	7 164	25 061
Energy purchase and transmission costs	-1 798	-1 588	-5 742
Unrealised changes in value energy contracts	-513	1 399	4 282
<b>Net operating revenues</b>	<b>5 720</b>	6 975	23 601
Operating expenses before depreciation	-1 626	-1 284	-5 430
<b>EBITDA</b>	<b>4 094</b>	5 691	18 171
Depreciation and write-downs	-664	-454	-1 553
<b>Operating profit (EBIT)</b>	<b>3 430</b>	5 237	16 618
<b>Share of profit from associated companies</b>	<b>269</b>	1 164	935
Net financial expenses	-527	-407	23 369
Unrealised changes in value, currency and interest rates	1 176	-264	-3 102
<b>Net financial items</b>	<b>649</b>	-671	20 267
<b>Profit before tax</b>	<b>4 348</b>	5 730	37 820
Taxes	-1 625	-1 927	-4 558
<b>Net profit</b>	<b>2 723</b>	3 803	33 262

# PROFIT AFTER TAX – ADJUSTMENTS

--> Unrealised changes in value giving high volatility



- Q1 2009 (after tax)
- Energy contracts: MNOK -366
- Currency and interest rates: MNOK 1,103
- Associated companies: MNOK 431
- **Total: MNOK 1,168**

--> Non-recurring items after tax

- Final settlement E.ON asset swap: MNOK 329
- Write-down Naturkraft: MNOK -560

# FINANCIAL HIGHLIGHTS

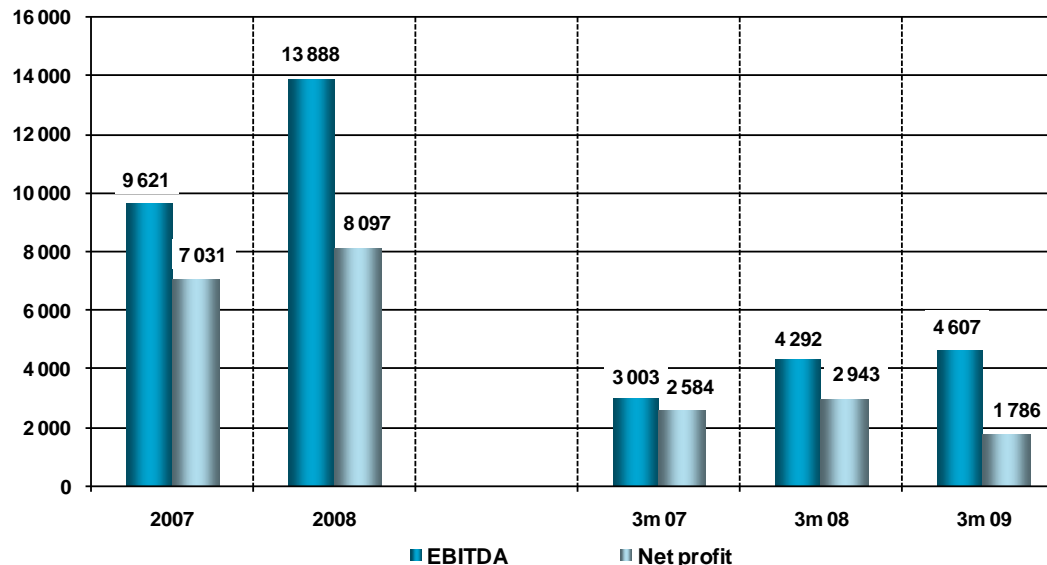
## Underlying operations

NOK million	3m2009	3m2008	+/-
Gross operating revenues	8 031	7 164	12 %
Adjusted EBITDA <sup>1</sup>	4 607	4 292	7 %
Adjusted EBIT <sup>1</sup>	3 943	3 838	3 %
Adjusted net profit <sup>1</sup>	1 786	2 943	-39 %
Cash flow from operating activities	2 729	2 771	-1 %
Net investments	557	365	+53%
Interest-bearing debt	42 897	36 989	5 908
Adjusted ROACE before tax <sup>1</sup>	24.8%	20.6%	4.2

*1: Adjusted for material non-recurring items and unrealised changes in value*

# POSITIVE FINANCIAL TREND

NOK million

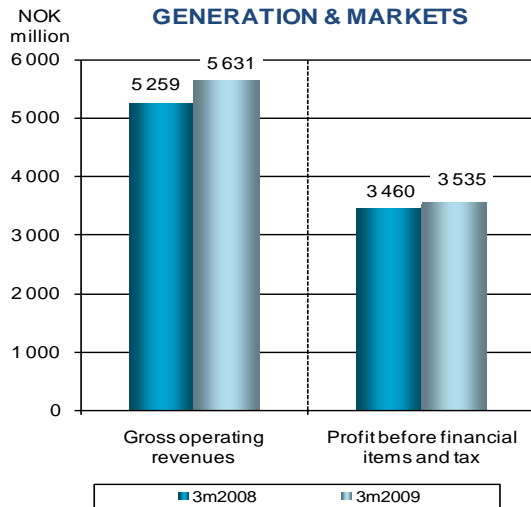


*Underlying operations: Adjusted for material non-recurring items and unrealised changes in value*

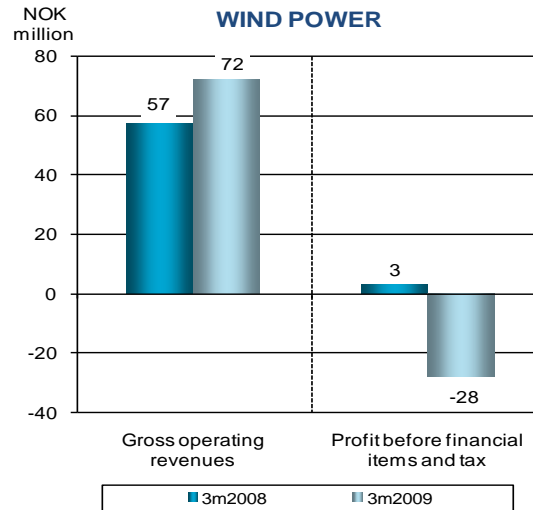
--> Main financial drivers 3m 2009:

- Output 17.1 TWh (15.6)
- Average spot price Nord Pool €/MWh 38.2 (38.0)
- Average spot price EEX €/MWh 47.4 (56.3)
- Dividend from E.ON AG shares (Q2) partly compensate sale of associate E.ON Sverige

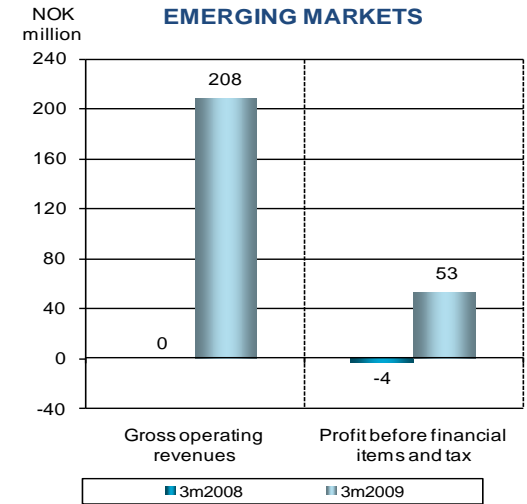
# SEGMENTS – BREAKDOWN (I)



- > Increase in generation from hydro. Gas somewhat down
- > New assets due to asset swap
- > Good energy management
- > Dynamic hedging, trading and origination gains

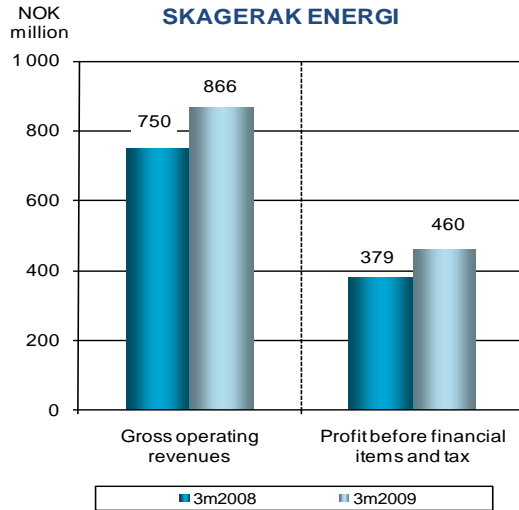


- > Improvement in results from underlying operations
- > Somewhat reduced generation at higher prices
- > Non-recurring costs
- > High project and technology development costs

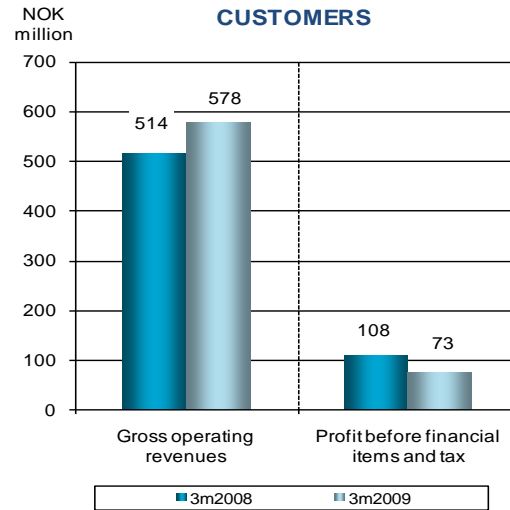


- > SN Power consolidated as of 13 January
- > Overall satisfactory generation and revenues
- > Substantial project development
- > High focus on HSE following fatal accidents

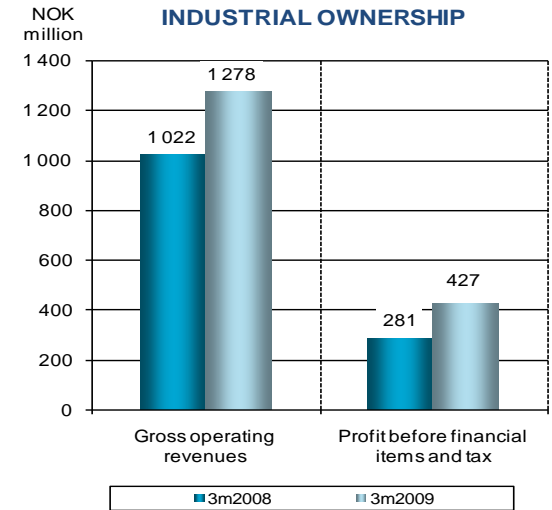
# SEGMENTS – BREAKDOWN (II)



- > Increased hydro generation at high prices
- > Increased grid revenues
- > Stable operations

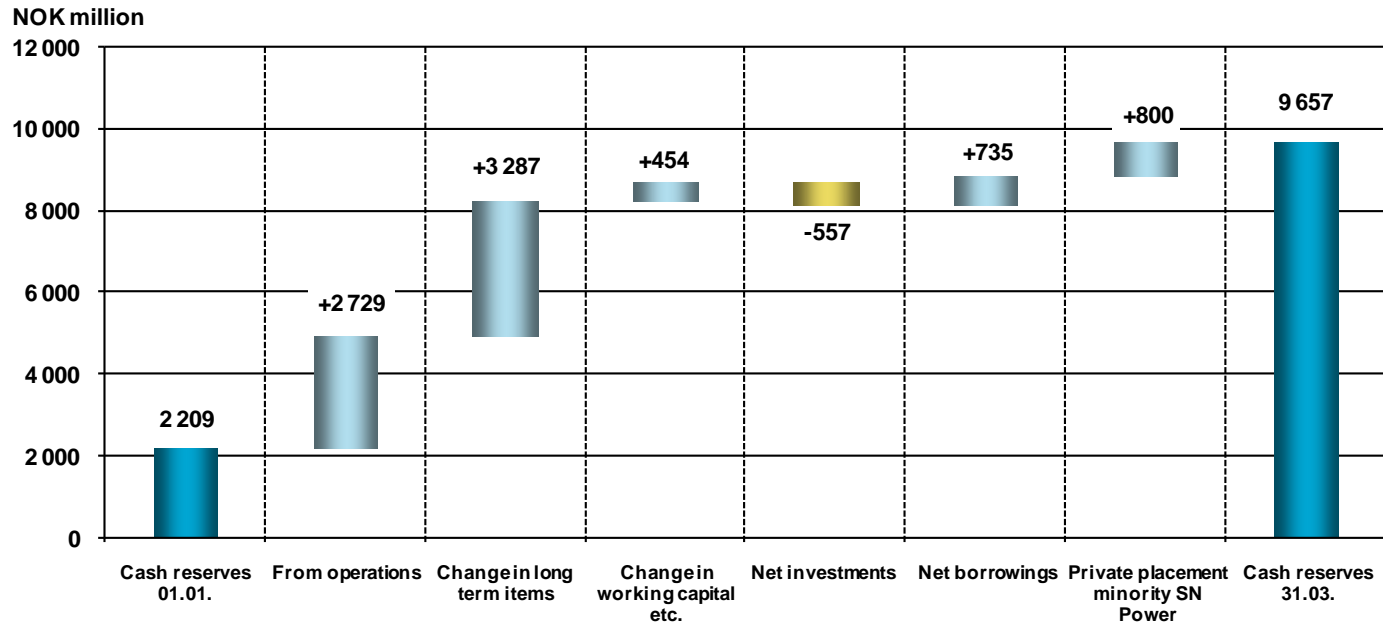


- > Improved revenues from retail sales and district heating due to higher prices and volume
- > Increase in energy purchase and transmission costs
- > New district heating capacity due to asset swap



- > Stable operations
- > Higher revenues and results in all companies

# CASH FLOW



- > Cash flow from operations in line with 3m 2008
- > Large currency effects on long term items
- > Gross investments of MNOK 782, up MNOK 416
  - New capacity (42%), shareholdings/loans (37%) and refurbishments (21%)
  - Positive liquidity effect of enterprise takeover and sales MNOK 225

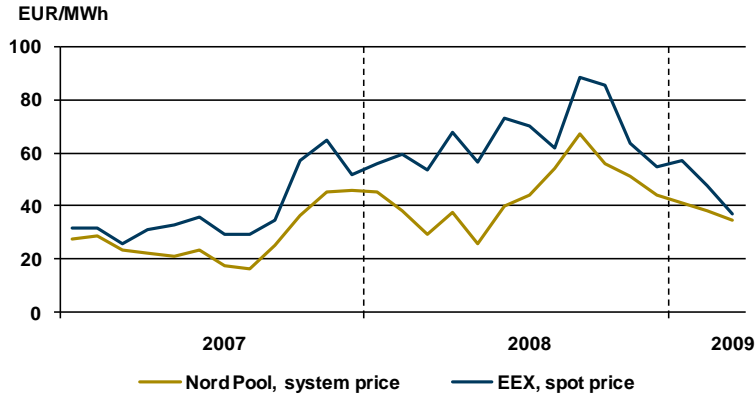
# REVENUE BREAKDOWN

NOK million	First quarter		Year
	2009	2008	2008
Net physical spot sales	3 640	3 259	12 668
Concessionary sales at statutory prices	98	63	234
Sales to industry at statutory prices	582	402	1 624
Long-term commercial contracts	488	464	1 758
Dynamic hedging	644	925	1 221
Trading and origination	309	45	447
Distribution grid	497	568	1 426
Retail sales	1 532	1 230	4 305
District heating	174	122	371
Other / eliminations	-52	-90	153
<b>Sales revenues</b>	<b>7 913</b>	6 988	24 205
Other operating revenues	118	176	856
<b>Gross operating revenues</b>	<b>8 031</b>	7 164	25 061

- > Sales revenues up MNOK 925 (13%)
  - Increase in physical spot sale – volume effect
  - Continued high revenues from dynamic hedging, trading and origination
  - Increase in retail sales

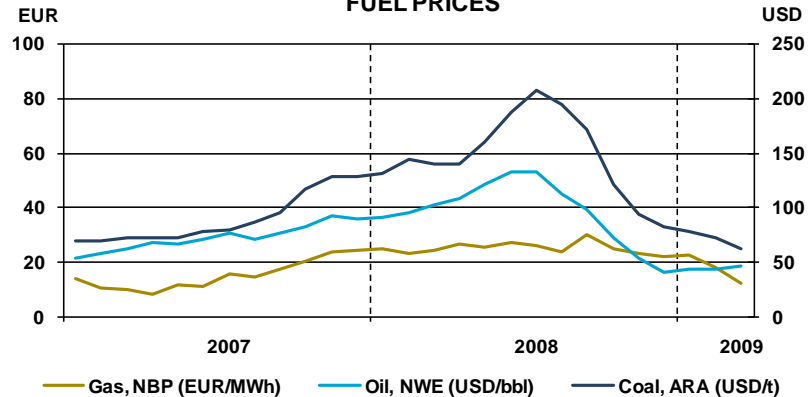
# POWER PRICES

ELECTRICITY, AVERAGE MONTHLY PRICE



- > Sharp decrease in spot prices Q3 2008-Q1 2009
- > Average spot price Q1 2009 in line with Q1 2008
- > More normal hydrological balance in Q1 but reservoir levels lower than normal
- > Strongly influenced by fuel prices
- > Decrease in forward prices for 2010 and 2011 seems to level out
- > Prices are sensitive to possible reduced demand due to the financial unrest

FUEL PRICES

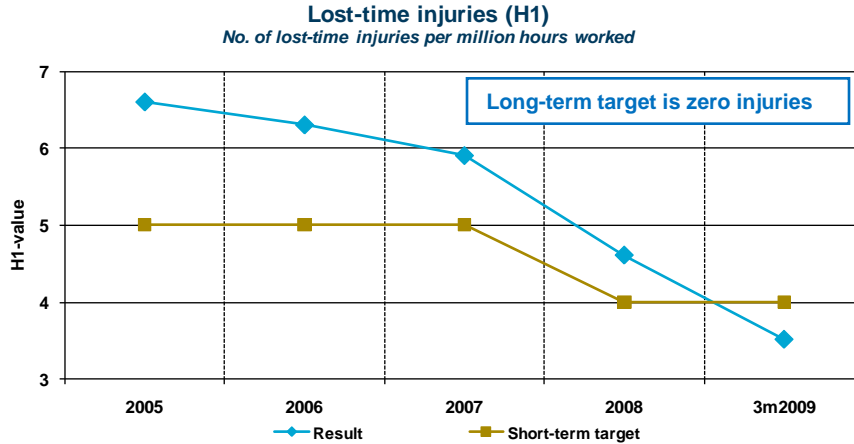


# OPERATING EXPENSES

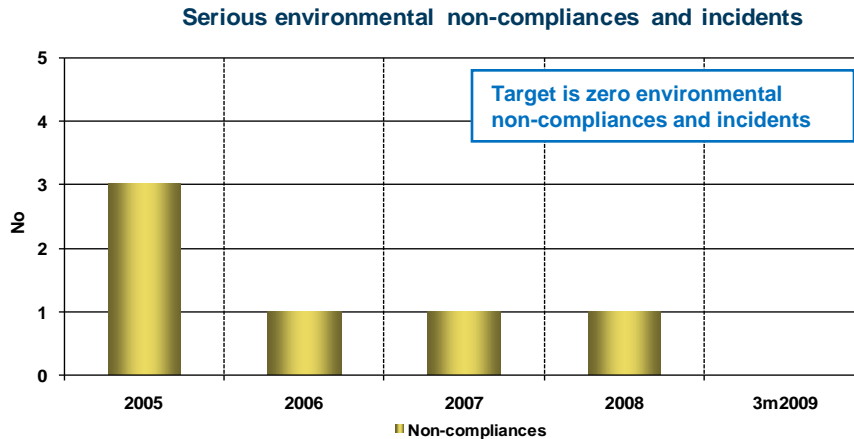
NOK million	3m2009	3m2008
Salaries and payroll costs	636	462
Property tax and licence fees	263	278
Other operating expenses	727	544
<b>Operating expenses before depreciation</b>	<b>1 626</b>	<b>1 284</b>
Depreciation, amortisation and impairment	664	454

- > Key reasons for cost increases
  - Takeover of assets and employees from E.ON
  - Consolidation of SN Power
  - Repair costs related to Baltic Cable
- > Stable costs within established activities
  - General salary and price growth
  - Beyond that modest changes

# HEALTH, SAFETY AND THE ENVIRONMENT

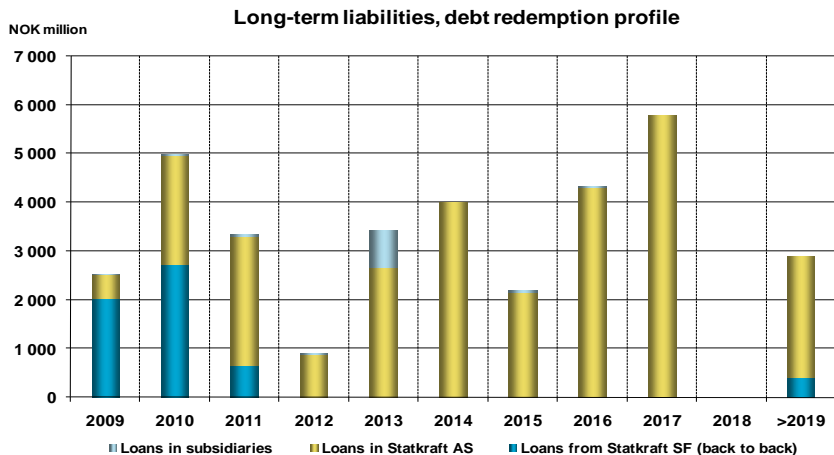


- > Five fatal accidents in SN Power
- > H1-value 3m 2009: 3.5 (2008: 4.6)
  - Total of 4 lost-time injuries
  - Corrective actions implemented
- > Sickness absence 3.8% (target 4.0%)

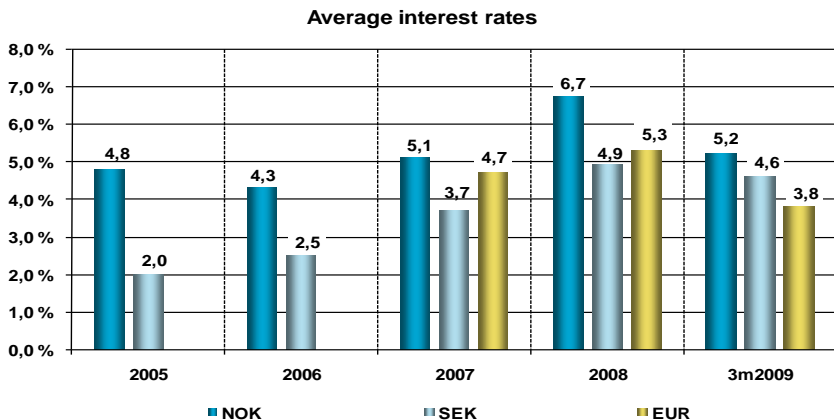


- > No environmental non-compliances in the first quarter

# LIABILITIES AND INTEREST EXPENSES

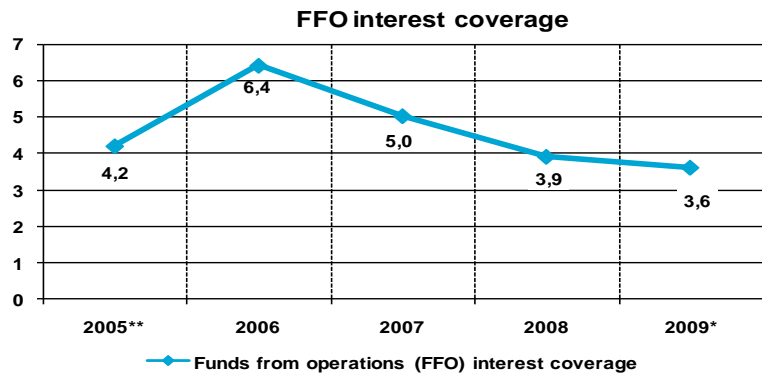


- > Financing Q1 2009:
  - Repayment MNOK 5,023
  - New loans MNOK 5,758
- > Interest-bearing liabilities NOK 42.9 bn
  - NOK 54%, SEK 11%, EUR 36%
- > Bond issue in April: EUR 1 bn

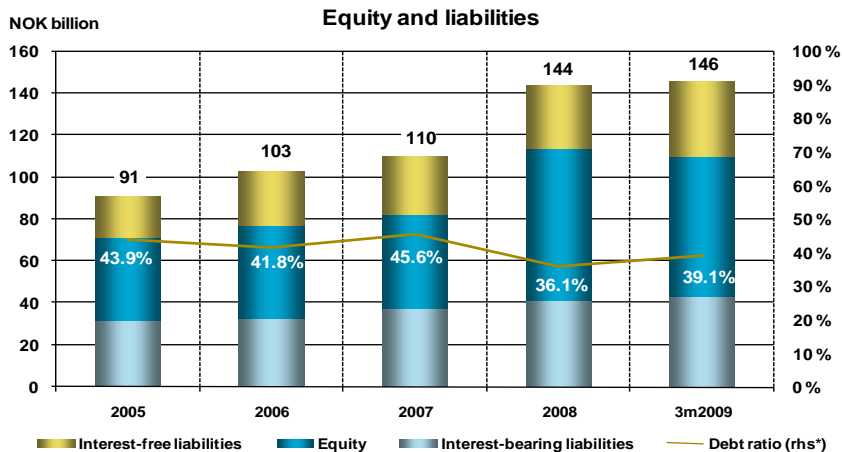


- > Drawing facilities NOK 8 bn
- > Reduced interest rates due to decline in market rates
- > Of total portfolio:
  - 77% exposed to floating interest rates

# FINANCIAL STRENGTH AND RATING



*Adjusted for material non-recurring items and unrealised changes in value*  
 \* Last 12 months      \*\* NGAAP



- > Lower interest cover due to increased financial costs
- > Statkraft's short-term rating target is to maintain BBB+/Baa1
- > Statkraft's long-term rating target is to achieve A-level

- > Reduced debt ratio 2008 and 2009 due to asset swap with E.ON
- > Equity includes net profit until dividend payout following year (normally in July)

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# OUTLOOK FOR 2009

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- > New initiatives for further profitable growth in Norway and internationally
- > Continued focus on project development, innovation and R&D
- > On 4 February 2009 the Board of Directors submitted a request to the owner to strengthen equity by NOK 8 bn combined with a change in dividend policy
- > New assets support high power generation
- > Forward prices indicate lower price levels than in 2008
- > Uncertainty as to net effect on earnings
- > Downside risk as to the impact of the international financial unrest on power prices, interest rates and foreign exchange rates

**PURE**  
ENERGY

