

FINANCIAL RESULTS

Q1 2015

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30 April 2015



Financial highlights



- ▶ Solid operational result and large currency effects
 - Underlying EBITDA of NOK 3547 million
 - Lower Nordic prices offset by increased Nordic production
 - Positive currency effects under financial items, but corresponding translation effects in equity
- ▶ Net profit at NOK 3683 million

Strategic highlights

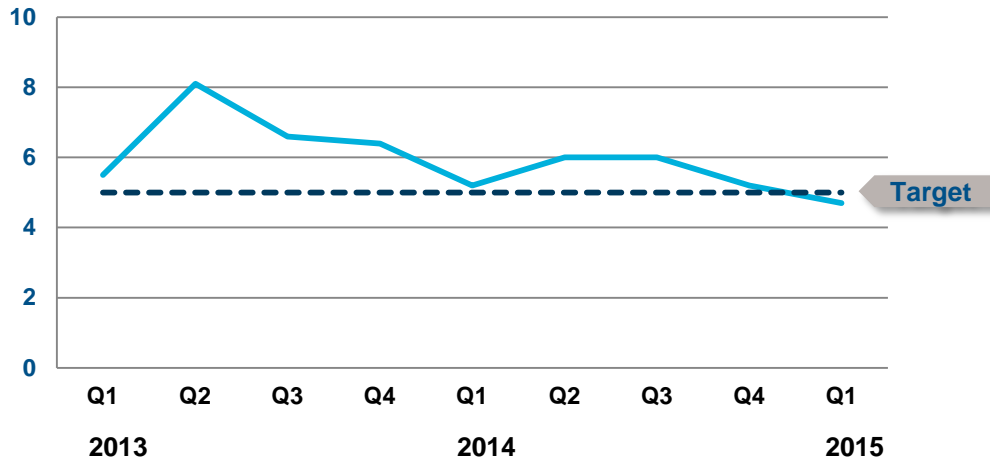


- ▶ Hydropower in South America strengthened
 - Brazil: Increased ownership in Desenvix to 81.3%.
 - Chile: Completed acquisition of majority stake in Pilmaiquén
- ▶ Statkraft to develop Triton Knoll offshore wind project (50%)
- ▶ Innovation: 2nd generation biofuel development

Health, safety and environment

Total Recordable Injuries rate¹

TRI-rate



- ▶ Health and safety
 - Injuries rate down
 - Top management priority to improve health and safety culture
 - Sick leave ytd 3.6% close to target
- ▶ Environment
 - No serious environmental incidents

¹TRI rate: Number of injuries per million hours worked

Solid underlying results

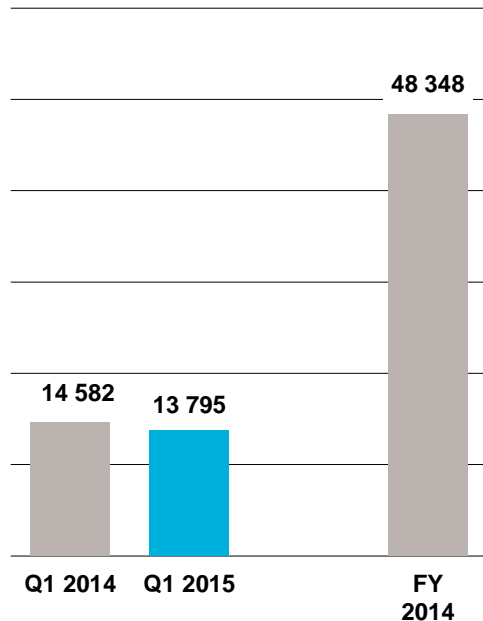
NOK million	Q1 2015	Q1 2014	FY 2014
Gross revenues ¹	13 795	14 582	48 348
EBITDA ¹	3 547	3 836	12 132
Net profit/loss	3 683	2 800	3 892

- ▶ Nordic prices down 7% measured in EUR/MWh, production up 0.3 TWh Q-Q
- ▶ Financial items affected positively by currency effects due to strengthened NOK against EUR
 - The currency effects were mostly unrealized and had no cash flow effect. They are also counterbalanced by translation effects in equity

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

Gross operating revenues

NOK million



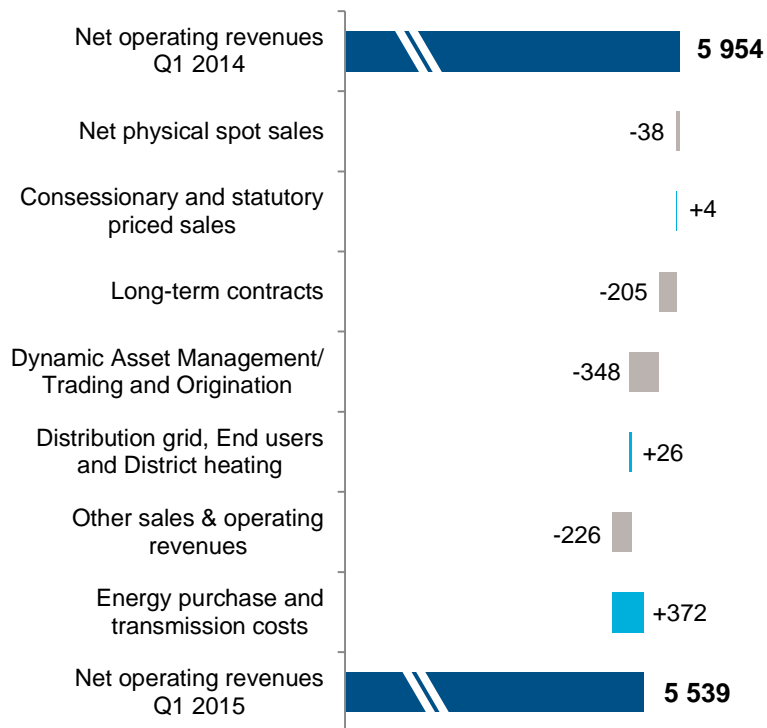
Δ Q1 15/Q1 14 - 5%

- ▶ Underlying gross operating revenues¹ in Q1 influenced by
 - Lower contribution from market activities where Q1 2014 was very high
 - Lower power prices offset by increased production
 - ▶ Average Nordic system price 28.2 EUR/MWh (- 7%)
 - ▶ Total power generation 15.7 TWh (+ 2%)

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

Net operating revenues

NOK million

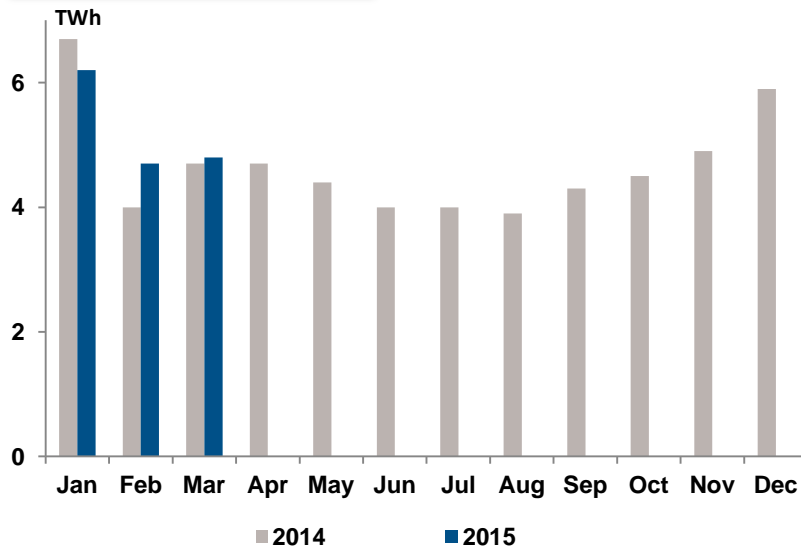


- ▶ Net operating revenues¹ reduced by NOK 415 million (- 7.0%)
 - Long-term contracts reduced due to lower volume on contracts in Brazil
 - Dynamic asset management and trading and origination down from very high levels in Q1 2014, but still on a satisfactory level

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

Statkraft production

Monthly power generation

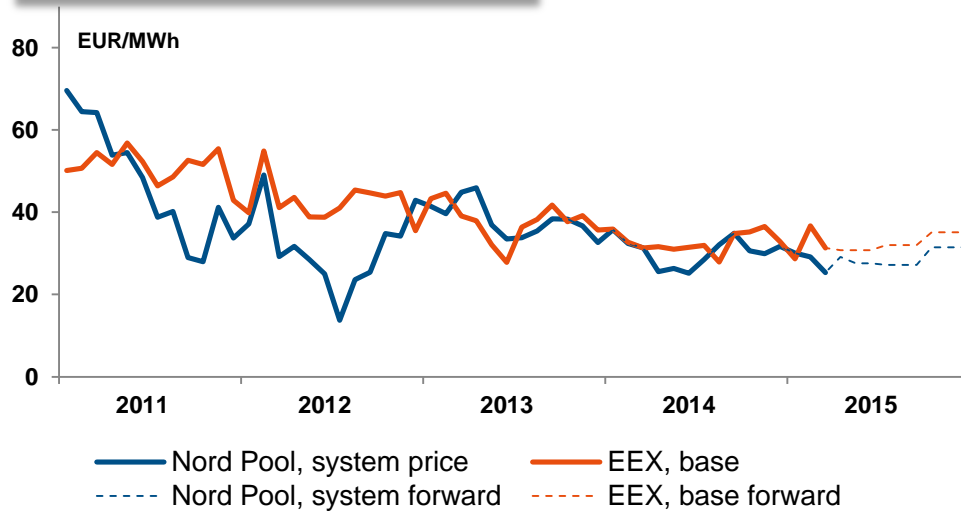


Q1 production is up +2% Q-on-Q

Technology	TWh	Change in TWh
Hydropower	14.9	0.2
Wind power	0.6	0.1
Gas power	0.1	-
Bio power	0.1	-
Total	15.7	0.3

Price development in Q1

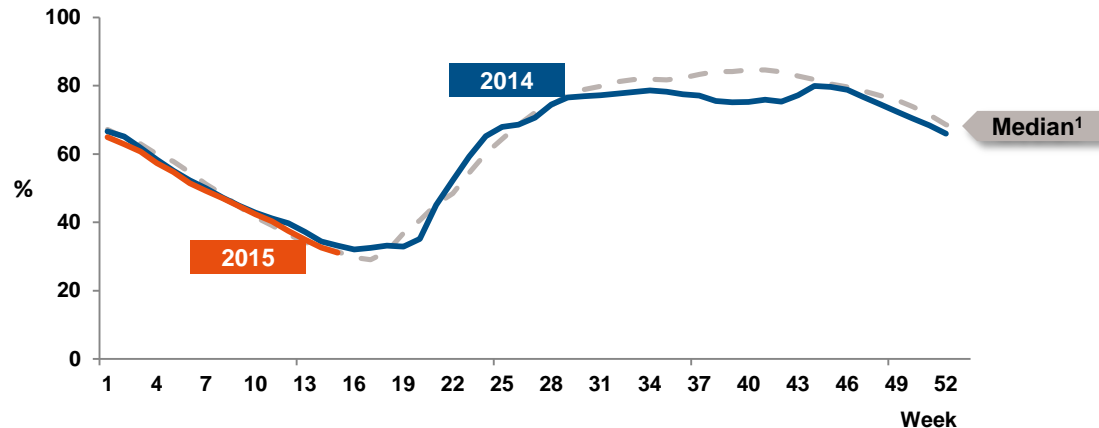
Electricity, average monthly price



- ▶ Q1 Nordic power prices lower than in 2014 due to higher temperatures and higher reservoirs
 - System price: 28.2 EUR/MWh - 7%
- ▶ Falling fuel prices and slightly increased renewables capacity drive prices down in Germany
 - Spot price (base): 32.2 EUR/MWh - 4%
- ▶ Forward prices somewhat down in the Nordic region and in Germany

Nordic reservoir levels

Nordic reservoir water levels

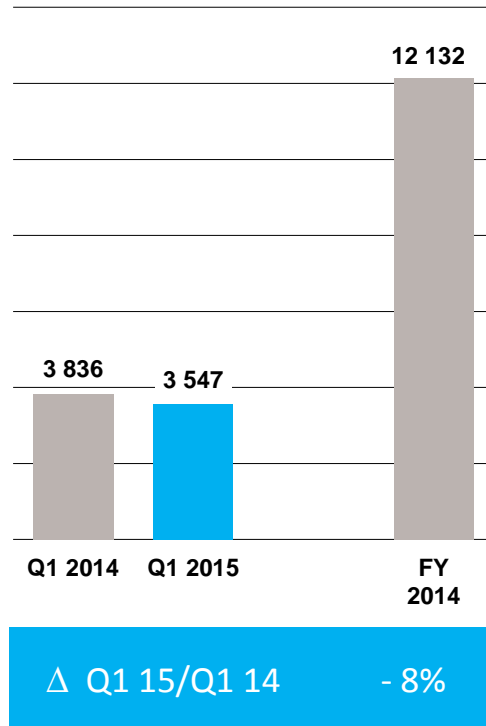


- ▶ Inflow above normal through the quarter
- ▶ At the end of March Nordic reservoirs were 42.4 TWh corresponding to 102% of median
- ▶ Reservoirs filled to 35% of maximum capacity of 121.4 TWh

¹ Median 1990-2012

NOK 3.5 billion in underlying EBITDA

NOK million



- ▶ Underlying EBITDA¹ decreased by NOK 289 million in Q1 but is still at a satisfactory level
- ▶ Lower price partly compensated by higher production
- ▶ Reduction due to deconsolidation of UK wind farms
- ▶ Lower result from market operations
- ▶ Lower quarterly operating costs

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

Strengthened NOK against EUR during Q1

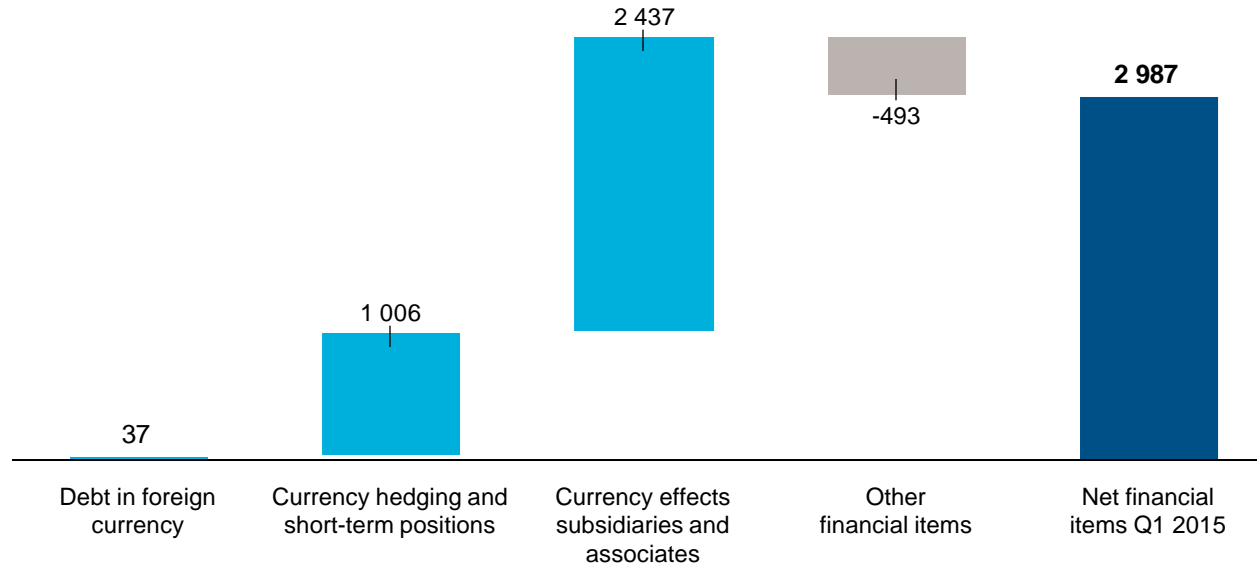
Exchange rate EUR/NOK



Q1 currency effects of NOK 3 480 million

Breakdown Net financial items Q1 2015

NOK million



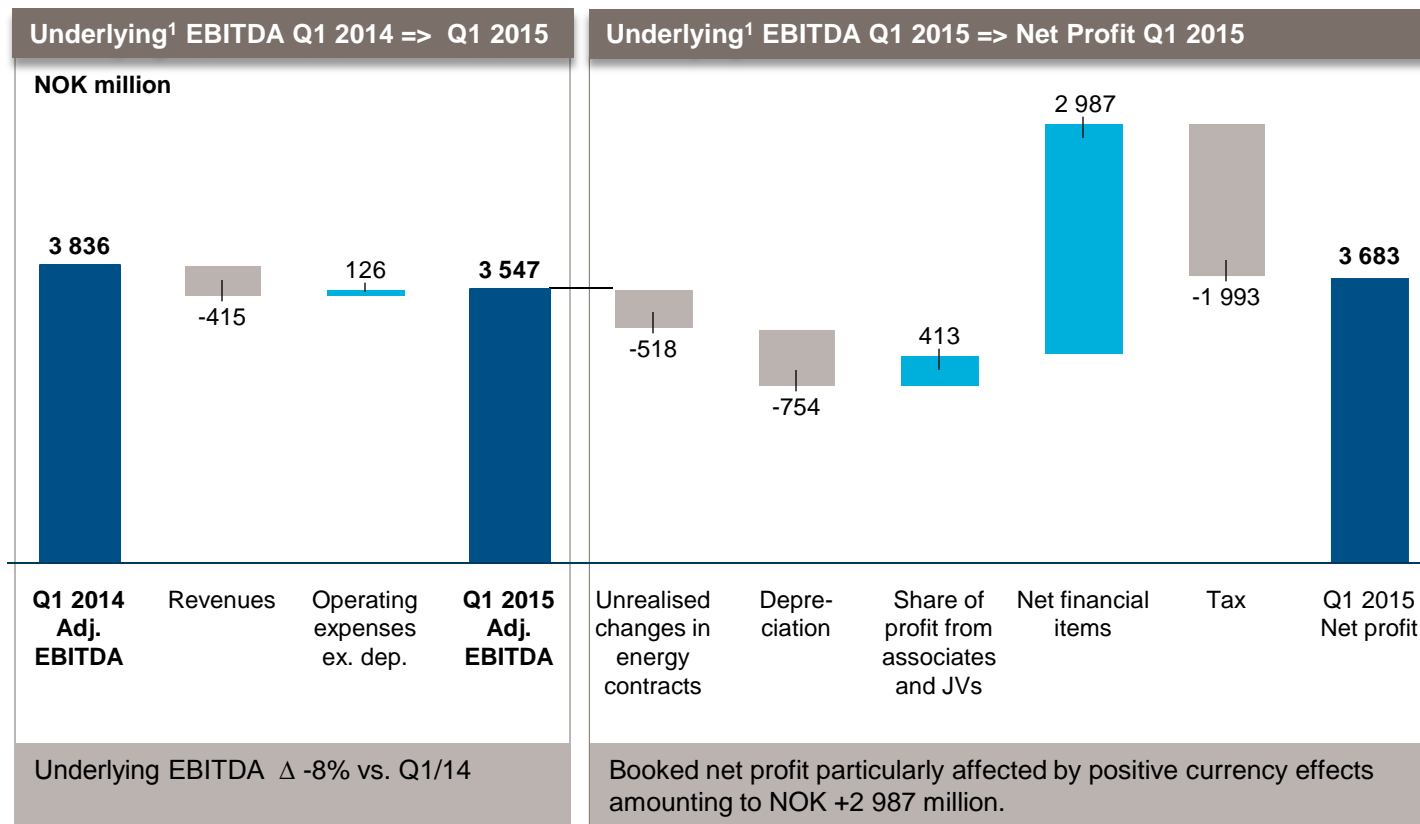
Of currency effects NOK 3 812 million is unrealised and NOK -332 million realised.

Net profit influenced by currency items

NOK million	Q1 2015	Q1 2014	FY 2014
Net profit/loss	3 683	2 800	3 892

- ▶ Strengthened NOK against EUR gave positive currency effects under financial items

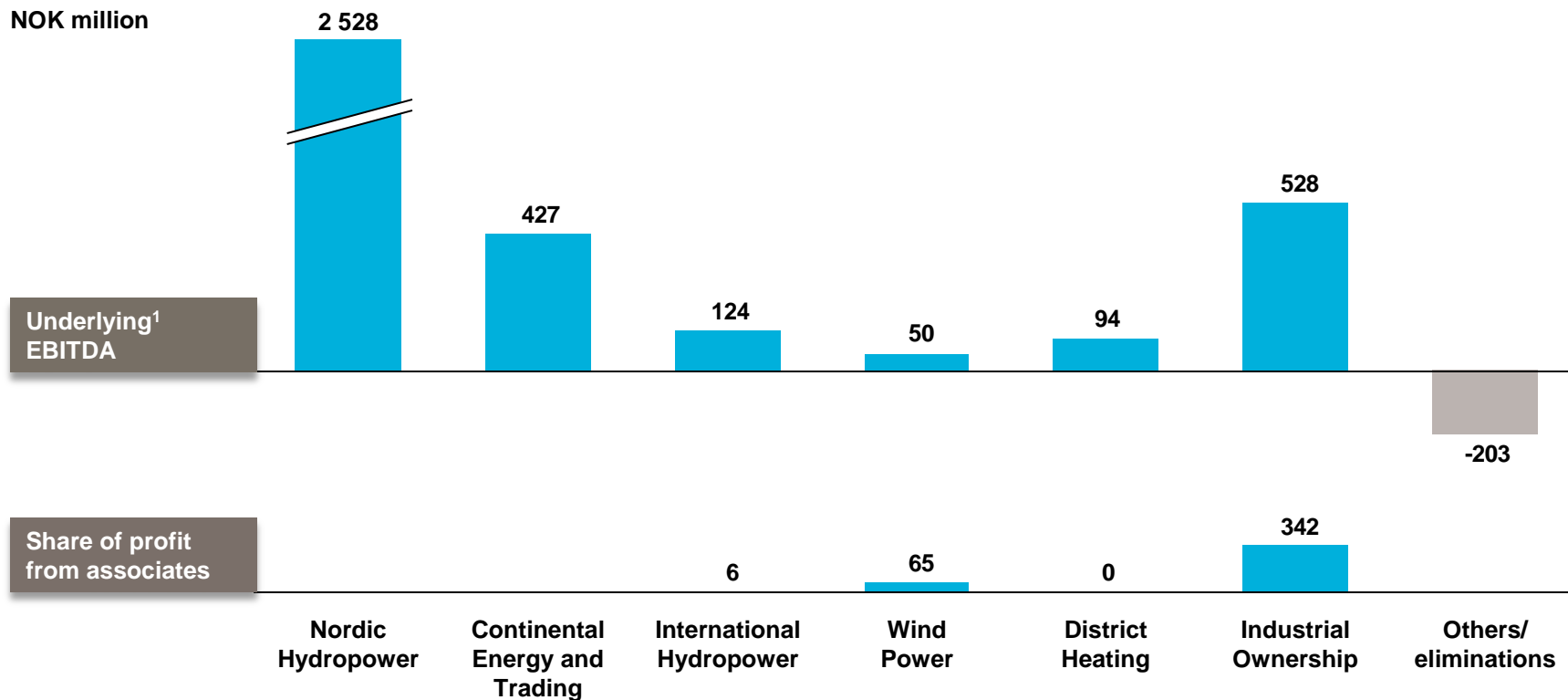
Q1 net profit breakdown



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

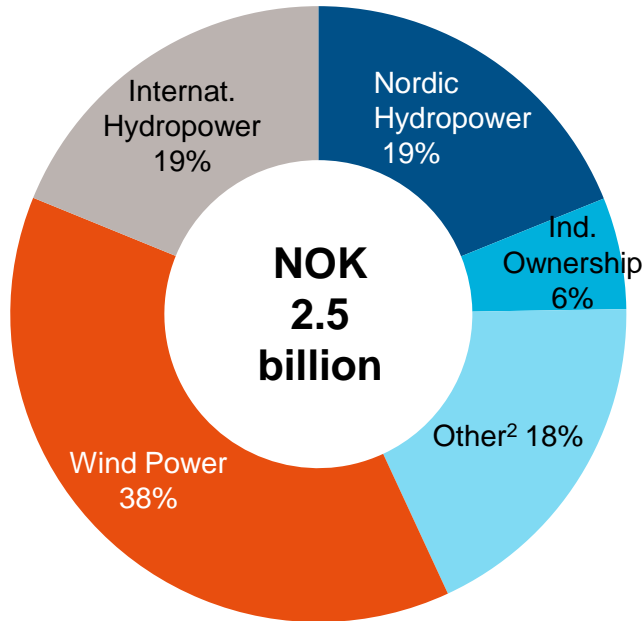
Q1 segment financials

NOK million



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

Q1 2015 capital expenditure¹



- ▶ A large number of projects under construction in current investment program
- ▶ Distribution of CAPEX in the quarter:
 - 65% expansion investments
 - 14% investments in shareholdings
 - 21% maintenance investments

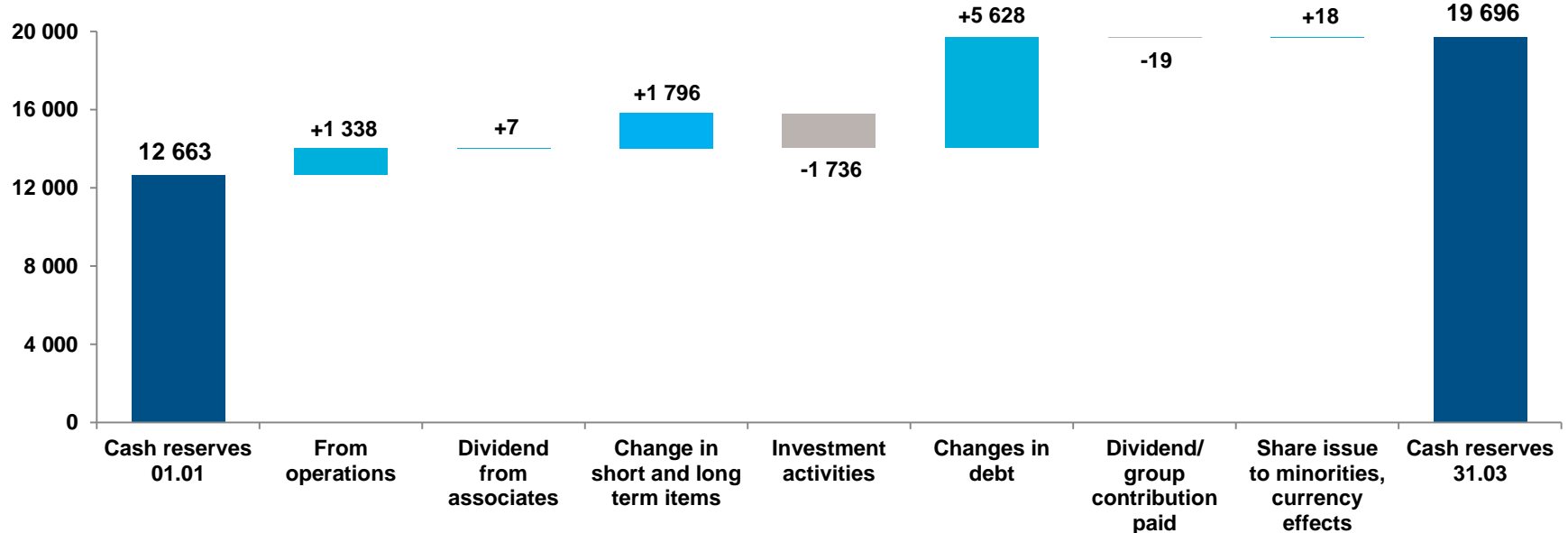
¹ Exclusive loans to associates

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

Solid cash flow

Cash flow year-to-date

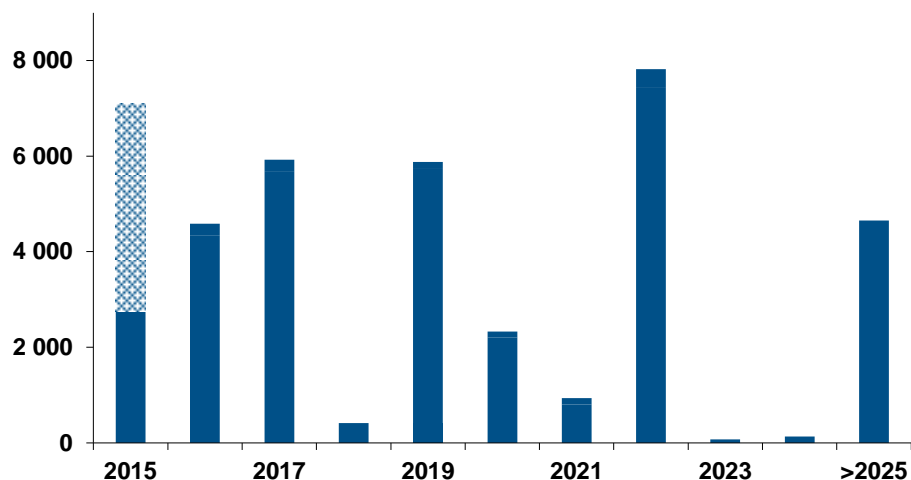
NOK million



Long-term debt

Debt repayment profile

NOK million



- ▶ Net interest-bearing liabilities
NOK 22.3 billion (23.6 at end of 2014)
 - NOK 50%, EUR 31%, SEK 1%,
GBP 14%, USD 4%
 - 61% floating interest
 - Interest-bearing net debt ratio 19.9%
(21.2% at end of 2014)
- ▶ NOK 7.1 billion debt matures in 2015
 - NOK 4.4 billion repaid in April 2015

Strong credit ratings



A- / Stable



Baa1 / Stable

- ▶ Maintaining current ratings with S&P and Moody's
- ▶ Strong support from owner:
 - New equity in 2014
 - Reduced dividends for 2015-2017
- ▶ CAPEX adapted to financial capacity

Outlook



- ▶ Steady operating revenues
 - Nordic forward prices are at a moderate level
 - Long-term contract portfolio stabilizes earnings
 - Large hydro reservoir capacity gives high production flexibility
 - Positive impact from new production capacity
- ▶ Investment level adapted to financial capacity



THANK YOU

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APPENDIX



Statement of Comprehensive Income

NOK million	First quarter 2015	2014	The year 2014
COMPREHENSIVE INCOME			
PROFIT AND LOSS			
Sales revenues	13 032	11 549	48 246
Other operating revenues	200	283	4 008
Gross operating revenues	13 232	11 832	52 254
Energy purchase	-7 902	-5 576	-25 264
Transmission costs	-309	-307	-1 185
Net operating revenues	5 021	5 948	25 805
Salaries and payroll costs	-853	-868	-3 051
Depreciation, amortisation and impairments	-754	-740	-4 071
Property tax and licence fees	-416	-405	-1 630
Other operating expenses	-723	-829	-3 493
Operating expenses	-2 746	-2 842	-12 246
Operating profit/loss	2 276	3 106	13 560
Share of profit/loss from associates and joint ventures	413	563	661
Financial income	105	60	859
Financial expenses	-427	-334	-1 309
Net currency effects	3 480	1 043	-4 791
Other financial items	-170	-112	-1 043
Net financial items	2 987	657	-6 283
Profit/loss before tax	5 676	4 326	7 937
Tax expense	-1 993	-1 525	-4 045
Net profit/loss	3 683	2 800	3 892
Of which non-controlling interest	206	171	684
Of which majority interest	3 477	2 629	3 209
OTHER COMPREHENSIVE INCOME			
Items in other comprehensive income that recycle over profit/loss:			
Changes in fair value of financial instruments	260	95	-907
Income tax related to changes in fair value of financial instruments	-130	-26	276
Items recorded in other comprehensive income in associates and joint arrangements	-133	-6	-123
Currency translation effects	-2 228	-1 395	7 734
Reclassification currency translation effects related to foreign operations disposed of in the year	-	-	-69
Items in other comprehensive income that will not recycle over profit/loss:			
Estimate deviation pensions	-	-	-704
Income tax related to changes in fair value of financial instruments	-	-	184
Other comprehensive income	-2 230	-1 332	6 392
Comprehensive income	1 453	1 468	10 284
Of which non-controlling interest	474	103	1 322
Of which majority interest	979	1 366	8 962

Statement of Financial Position

NOK million	31.03.2015	31.03.2014	31.12.2014
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Intangible assets	3 086	3 344	3 439
Property, plant and equipment	99 931	101 575	99 199
Investments in associates and joint ventures	19 779	16 442	19 027
Other non-current financial assets	6 867	2 644	6 093
Derivatives	5 168	4 531	6 262
Non-current assets	134 831	128 535	134 021
Inventories	2 663	1 499	2 088
Receivables	12 396	8 646	12 433
Short-term financial investments	467	464	443
Derivatives	6 344	9 171	6 816
Cash and cash equivalents (included restricted cash)	19 696	9 596	12 663
Current assets	41 567	29 375	34 444
Assets	176 397	157 909	168 463
EQUITY AND LIABILITIES			
Paid-in capital	56 361	49 011	56 361
Retained earnings	24 750	15 693	23 876
Non-controlling interest	8 383	7 884	7 823
Equity	89 494	72 588	88 059
Provisions	18 817	19 468	18 796
Long-term interest-bearing liabilities	32 752	33 470	27 438
Derivatives	3 191	4 631	4 202
Long-term liabilities	54 761	57 570	50 436
Short-term interest-bearing liabilities	9 690	7 215	9 306
Taxes payable	3 364	3 331	3 546
Other interest-free liabilities	13 390	9 216	9 808
Derivatives	5 698	7 989	7 308
Current liabilities	32 143	27 751	29 968
Equity and liabilities	176 397	157 909	168 463

Statement of Cash Flow

NOK million	First quarter		The year
	2015	2014	2014
STATEMENT OF CASH FLOW			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	5 676	4 326	7 937
Profit/loss on sale of non current assets	6	26	-80
Depreciation, amortisation and impairments	754	740	4 071
Profit/loss from the sale of business	-	-	-2 559
Profit/loss from the sale of shares, and associates and joint ventures	-	-	-69
Profit from restructuring of SN Power	-	-	-564
Share of profit/loss from associates and joint ventures	-413	-563	-661
Unrealised changes in value	-2 944	-543	4 412
Taxes	-1 741	-1 650	-3 593
Cash flow from operating activities	1 338	2 335	8 896
Changes in long term items	-30	6	-52
Changes in short term items	1 901	918	-2 674
Dividend from associates	7	121	729
Net cash flow operating activities	A	3 216	3 381
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment*	-1 790	-1 909	-8 801
Proceeds from sale of non-current assets	11	1	-17
Business divestments, net liquidity inflow to the Group	-	-	4 688
Business combinations and asset purchase, net liquidity outflow from the Group**	-9	-	-74
Restructuring of SN Power, net liquidity outflow from the Group	-	-	-770
Loans to third parties	-1	-4	-100
Repayment of loans from third parties	100	72	390
Considerations regarding investments in other companies	-123	-3	-765
Net cash flow from investing activities	B	-1 811	-5 450
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	7 604	465	1 917
Repayment of debt	-1 976	-78	-3 900
Capital increase	-	-	5 000
Dividend and group contribution paid	-154	-10	-74
Share issue in subsidiary to non-controlling interests	135	27	225
Net cash flow from financing activities	C	5 609	3 168
Net change in cash and cash equivalents	A+B	1 942	4 616
Currency exchange rate effects on cash and cash equivalents	18	-30	362
Cash and cash equivalents 01.01	12 663	7 685	7 685
Cash and cash equivalents 31.3/31.12***	19 696	9 596	12 663
Unused committed credit lines	12 000	12 000	12 000
Unused overdraft facilities	2 200	2 165	2 200
Restricted Cash	-	-21	-

* Investments in the cash flow are NOK 354 million lower than investments in fixed assets in the segment reporting due to due to acquisition of assets from investments not yet paid as of first quarter 2015.

** Considerations for asset purchase are MNOK 220. Consolidated cash are MNOK 211

***Included in cash and cash equivalents are NOK 226 million related to joint operations as of first quarter 2015