Health, safety and environment

- Health and safety
  - Quarterly injuries rate is down in Q1
  - Continuously top priority to improve safety performance

- Environment
  - No serious environmental incidents

\(^1\)TRI rate: Total recordable injuries per million hours worked (per quarter)
Highlights Q1

- Solid underlying results (EBITDA)
  - Increased contribution from market operations
  - Average Nordic prices were 31.2 EUR/MWh - up 30% Q-on-Q
  - Total production was 17.1 TWh - down 12% Q-on-Q
  - Underlying EBITDA NOK 5186 million - up NOK 1185 million

- Performance improvement programme progressing according to plan

- Divestment of Dogger bank offshore wind projects
Estimated cost reductions

A company-wide performance improvement program is ongoing.

The target is to reduce overall costs by 800 MNOK.

The program is on track. Estimated reduction of the cost base per Q1 2017 compared to 2015 baseline is approximately 150 MNOK.

Cost reductions so far have mainly been achieved through reductions in personnel, consultancy and the ongoing exit of Offshore Wind Power.

Estimated cost savings 2016-2018

- Realised
- Expected

- Realised: 150
- Planned: 650

Comments
In line with Statkraft’s strategy for divesting offshore wind assets
- Divested the 25% stake in the Dogger bank offshore wind projects in Q1
- Ongoing processes for divesting Sheringham Shoal and Dudgeon
Key figures

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenues(^1)</td>
<td>16 099</td>
<td>14 502</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>5 186</td>
<td>4 001</td>
</tr>
<tr>
<td>Net profit/loss</td>
<td>2 749</td>
<td>2 389</td>
</tr>
</tbody>
</table>

\(^1\) Adjusted for unrealised value changes from energy derivatives, gain/loss from acquisitions/divestments of business activities and impairments and related costs

First quarter 2017:
- Increased contribution from market operations
- Nordic prices up 30% measured in EUR Q-on-Q
- Overall production down 12% Q-on-Q
Price drivers and the German power market

Q1 2017 vs Q1 2016

- Coal and gas prices still high
- Lower than normal nuclear production in France
- German power prices up by 64%
Nordic reservoir level

- Total Nordic hydrological resources slightly below normal end of Q1
  - Water reservoirs 92% of median
  - Inflow above normal level in Norway and Sweden
Nordic power prices

- Nordic power prices 31.2 EUR/MWh, up 30% Q1 2017 vs. Q1 2016
Energy management

Q1 production down 12% Q-on-Q

<table>
<thead>
<tr>
<th>Technology</th>
<th>TWh</th>
<th>Change in TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydropower</td>
<td>15.8</td>
<td>-2.8</td>
</tr>
<tr>
<td>Wind power</td>
<td>0.8</td>
<td>+0.2</td>
</tr>
<tr>
<td>Gas power</td>
<td>0.5</td>
<td>+0.3</td>
</tr>
<tr>
<td>Bio power</td>
<td>0.1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17.1</strong></td>
<td><strong>-2.3</strong></td>
</tr>
</tbody>
</table>
Net operating revenues ¹ up by NOK 1 057 million (+ 17%)

Major effects:
- Net generation up due to higher gas-fired power production. Higher Nordic power prices offset by lower hydro production
- Net sales and trading up mainly due to higher profitability from long terms contracts in Brazil and Continental trading
- Customers increased mainly due to increased net revenues from Nordic origination, market access activities in UK and end-user activities

¹ Adjusted for unrealised value changes from energy derivatives, gain/loss from acquisitions/divestments of business activities and impairments and related costs
NOK 5.2 billion in underlying EBITDA

Underlying EBITDA\(^1\) was up by NOK 1 185 million Q-on-Q

Primarily a result of improved contributions from Market operations

\(^1\) Adjusted for unrealised value changes from energy derivatives, gain/loss from acquisitions/divestments of business activities and impairments and related costs
There are positive translation effects in equity.
Net profit influenced by negative currency effects

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit/loss</td>
<td>2 749</td>
<td>2 389</td>
<td>-179</td>
</tr>
</tbody>
</table>

- Solid contributions from operating activities
  - Increase mainly through improvements in market operations
- Net profit held somewhat back by currency effects
Underlying EBITDA Q1 2016 $\rightarrow$ Q1 2017

<table>
<thead>
<tr>
<th>NOK million</th>
<th>Q1 2016 Adj. EBITDA</th>
<th>Q1 2017 Adj. EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,001</td>
<td>5,186</td>
</tr>
</tbody>
</table>

| Underlying EBITDA $\Delta$ +30% vs. Q1/16 |

<table>
<thead>
<tr>
<th>Underlying EBITDA Q1 2017 $\rightarrow$ Net Profit Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealised value changes from energy derivatives</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>353</td>
</tr>
</tbody>
</table>

Booked net profit somewhat affected by items excluded from underlying operating profit and modest negative currency effects under financial items

$^1$ Adjusted for unrealised value changes from energy derivatives, gain/loss from acquisitions/divestments of business activities and impairments and related costs
Q1 segment financials
EBITDA including share of profit/loss from equity accounted investments

NOK million

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1 2016</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>European flexible generation</td>
<td>3,059</td>
<td>2,711</td>
</tr>
<tr>
<td>Market operations</td>
<td></td>
<td>-168</td>
</tr>
<tr>
<td>International power</td>
<td>3,059</td>
<td>2,711</td>
</tr>
<tr>
<td>Wind power</td>
<td>3,059</td>
<td>2,711</td>
</tr>
<tr>
<td>District heating</td>
<td>3,059</td>
<td>2,711</td>
</tr>
<tr>
<td>Industrial ownership</td>
<td>3,059</td>
<td>2,711</td>
</tr>
</tbody>
</table>

1 Adjusted for unrealised value changes from energy derivatives, gain/loss from acquisitions/divestments of business activities and impairments and related costs
Q1 2017 capital expenditure

- Distribution of CAPEX in the quarter:
  - 51% expansion investments
  - 49% maintenance investments

- New hydropower capacity under construction in Norway and Albania

- Wind power developments in Norway and UK

- Maintenance primarily within Nordic hydropower and Norwegian grid

1 Exclusive loans to associates
2 Including District heating, Market operations and Other activities
Strong cash flow in Q1

NOK million

- Cash reserves 01.01: 7,308
- From operations: 2,445
- Investment activities: -462
- Changes in debt: 3,996
- Dividend and group contributions, currency effects: -873
- Cash reserves 31.03: 12,414
Long-term debt repayment profile

- NOK 6.3 billion debt matures in rest of 2017
- NOK 32.4 billion in net interest-bearing debt (NOK 32.5 billion at year end 2016)
  - NOK 42%, EUR 41%, GBP 12%, USD 2%, BRL 3%, CLP/CLF 1%
  - Duration: 3.7 years
  - Net interest-bearing debt-equity ratio 27.3%
Strong credit ratings

- Maintaining current ratings with S&P and Moody’s
- Strong support from owner
- CAPEX adapted to financial capacity
Strong underlying operations and cash flow

Strong contributions from market operations

Higher Nordic power prices partly offset by lower production Q-on-Q
THANK YOU

Investor contacts:

**Debt Capital Markets**
Funding manager Stephan Skaane
Phone: +47 905 13 652
E-mail: Stephan.Skaane@statkraft.com

Vice President Tron Ringstad
Phone: +47 905 13 652
E-mail: Tron.Ringstad@statkraft.com

**Financial information**
Head Advisor Yngve Froshaug:
Phone: +47 900 23 021
E-mail: Yngve.Froshaug@statkraft.com

www.statkraft.com