



Quarterly and
half year report
Q2/2015
Statkraft AS

Q2

Key figures

NOK million	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
From income statement ¹⁾							
Gross operating revenues, underlying	10 862	9 571	1 291	24 657	24 153	504	48 348
Net operating revenues, underlying	4 814	4 616	198	10 353	10 570	-217	20 602
EBITDA, underlying	2 633	2 528	105	6 181	6 364	-184	12 132
Operating profit, underlying	1 848	1 761	87	4 641	4 857	-216	9 111
Operating profit, booked	-125	1 862	-1 987	2 150	4 967	-2 817	13 560
Share of profit from associated companies and joint ventures	-271	-484	213	142	79	63	661
Net financial items	-1 938	-828	-1 110	1 049	-171	1 220	-6 283
Profit before tax	-2 334	550	-2 884	3 342	4 876	-1 534	7 937
Net profit	-2 042	38	-2 080	1 641	2 838	-1 198	3 892
EBITDA margin, underlying (%) ²⁾	24.2	26.4		25.1	26.3		25.1
ROACE, underlying (%) ³⁾				10.8	11.1		11.0
Items excluded from the underlying operating profit							
Unrealised changes in value on energy contracts	-153	-107	-46	-671	-154	-517	2 396
Significant non-recurring items	-1 820	208	-2 028	-1 820	264	-2 084	2 053
Balance sheet and investments							
Total assets 30.06/31.12.				163 443	153 061	10 381	167 817
Equity				83 848	75 315	8 532	88 059
Net interest bearing debt 30.06/31.12.				26 988	28 808	-1 820	23 638
Capital employed 30.06/31.12. ⁴⁾				86 695	85 424	1 271	82 244
Total investments	3 954	3 128	826	6 444	5 072	1 372	11 180
Cash Flow							
Net cash flow from operating activities	-85	2 072	-2 157	3 057	5 453	-2 396	6 897
Cash and cash equivalents 30.06/31.12.				9 847	8 899	948	12 663
Currency rates							
NOK/EUR average rate	8.55	8.21	0.35	8.64	8.28	0.37	8.35
NOK/EUR closing rate 30.06/31.12.				8.79	8.40	0.39	9.04

Definitions

¹⁾ Underlying items are adjusted for unrealised changes in value for energy contracts and significant non-recurring items, up to and including the operating profit.

²⁾ EBITDA margin, underlying (%): (Operating result before depreciation and amortisation x 100)/Gross operating revenues.

³⁾ ROACE, underlying (%): (Underlying operating result x 100)/Average capital employed (revolving 12 months)

⁴⁾ Capital employed: Tangible fixed assets + Intangible assets + Non-interest-bearing receivables + Inventories - Payable tax - Other short-term and long-term interest-free debt + Group contribution allocated, not paid.

Tables of contents

Corporate social responsibility and HSE	1
Market and production	2
Financial performance.....	4
Segments.....	9
Outlook.....	14
Declaration from the Board of Directors and President and CEO	15
Statkraft AS Group Interim Financial Statements.....	16



SOLID OPERATIONS – NET PROFIT AFFECTED BY IMPAIRMENTS



Lower prices were offset by contributions from market operations and International Hydropower.

Net profit were negatively affected by impairments and currency effects

In the second quarter of 2015, Statkraft achieved an underlying operating profit before depreciation (EBITDA) of NOK 2633 million, an increase of NOK 105 million compared with the corresponding period in 2014.

Nordic power prices measured in EUR were 19 per cent lower than in the second quarter of last year. Lower prices were counterbalanced by higher power production and increased contributions from market operations and International Hydropower.

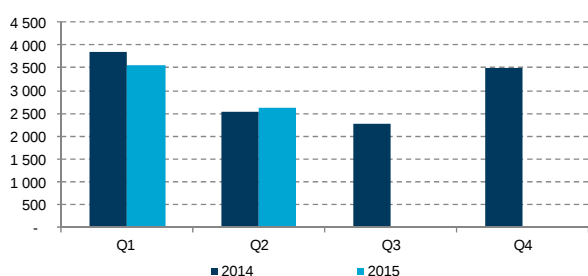
The net profit was NOK -2042 million, a decrease of NOK 2080 million compared with the second quarter of 2014. The decline was due to impairments and currency effects. Statkraft recorded a NOK 1820 million impairment on wind assets in Sweden and a NOK 384 million impairment on hydro assets in India, triggered by lower long term price forecasts. Financial items had a negative impact of NOK 1938 million on the quarterly profit, mainly due to unrealised currency effects. This was partly offset by positive currency translation effects in the equity.

Statkraft decided to upgrade Øvre Røssåga power plant in Northern Norway. This is the final part of a full modernisation of the Røssåga power plant system, with a total investment of NOK 2.2 billion.

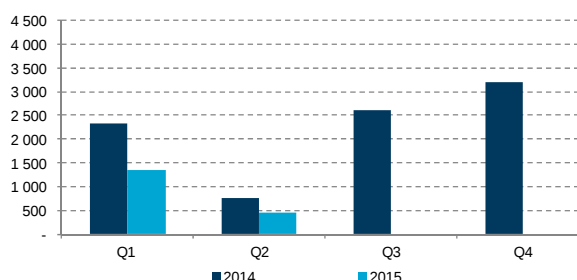
The Board of Directors decided not to invest in the planned Fosen and Snillfjord onshore wind project in Norway due to lack of profitability mainly caused by lower long term power and elcert price forecasts. However, Statkraft and its partners have started a new study for an alternative plan for developing onshore wind power in the same area. The outcome of the study will indicate whether it is possible to obtain profitability in the new investment alternative.

Statkraft's international position was strengthened by the completion of a new 102 MW hydropower plant in Turkey. On 13 July a transaction was completed that increased Statkraft's ownership to 81.3% in the Brazilian company Desenvix Energias Renováveis S.A. The company has 316 MW installed hydropower and wind power capacity. Going forward, Statkraft will continue to build industrial scale in international operations.

EBITDA - underlying
NOK million



Cash flow from operating activities
NOK million



Corporate social responsibility and HSE

	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Corporate responsibility and HSE					
Fatalities ¹⁾	0	3	0	3	4
TRI rate Statkraft ^{1) 2)}	7.5	6.0	6.5	5.7	5.5
Serious environmental incidents	0	0	0	0	0
Full-time equivalents, Group			3 416	3 322	3 348
Absence due to illness, Group (%)	2.8	2.9	3.1	3.0	2.8

¹⁾ Includes employees and suppliers in plants where Statkraft owns 20% or more. Third parties (not employees or contractors) are not included.

²⁾ TRI rate: Number of injuries per million hours worked

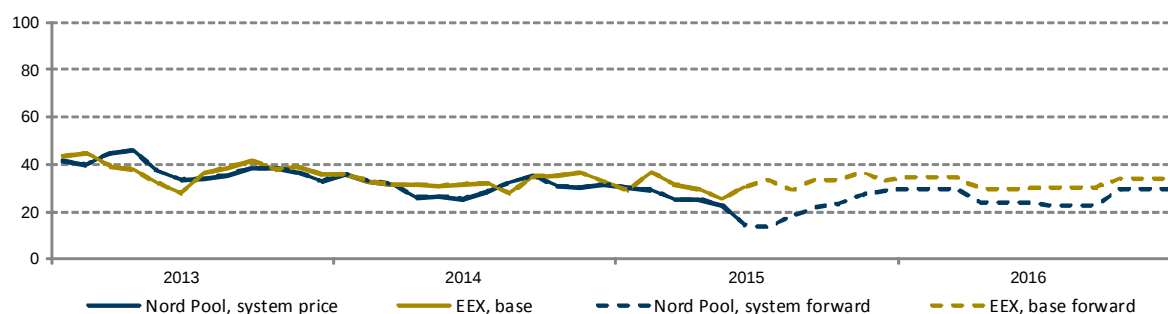
- The earthquakes in Nepal caused no staff injuries. It was only minor impact at the Khimti power plant in the International Hydropower segment.
- There were no serious injuries reported in the second quarter.
- Total recordable injury rate was 7.5 in the quarter. This was an increase compared to the same period last year.
- There were no serious environmental incidents during the quarter.
- Absence rate due to illness continues to stay at a low level.

Market and production

Power prices and optimisation of power production constitute the fundamental basis for Statkraft's revenues. The majority of Statkraft's output is generated in the Nordic region. Power prices are influenced by hydrological factors and commodity prices for thermal power generation.

POWER PRICES

Electricity, average monthly system price
EUR/MWh



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

The average system price in the Nordic region was 20.7 EUR/MWh in the quarter, a decline of 19% compared with the same period in 2014. The price decrease in the second quarter was driven by a strengthened hydrological balance. Forward prices in the Nordic region fell throughout the quarter.

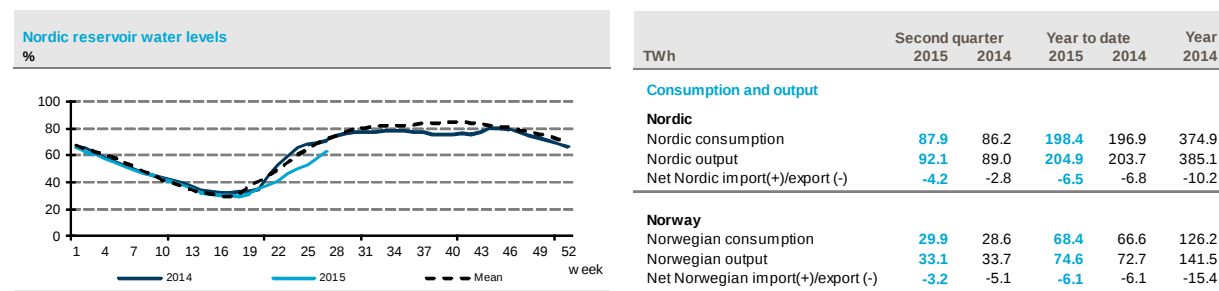
The average spot price in the German market (EEX) was 28.4 EUR/MWh in the quarter, a decline of 9% compared with the same period in 2014. The reduced power price level was mainly driven by significantly lower coal prices than in 2014. Forward prices in Germany fell somewhat during the quarter.

The average system price in the UK was 58.2 EUR/MWh in the quarter, an increase of 21% compared with the same period in 2014. The increase was driven by an increase in the carbon price in UK in second quarter.

EUR/MWh	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Prices							
Average system price, Nord Pool	20.7	25.7	-5.0	24.4	27.9	-3.5	29.6
Average spot price (base), Germany (EEX)	28.4	31.4	-3.0	30.3	32.5	-2.1	32.8
Average spot price (peak), Germany (EEX)	33.2	37.2	-4.0	37.2	40.2	-3.1	41.1
Average gas price, Germany (EGT)	21.1	19.2	1.9	21.1	21.9	-0.8	21.1

Sources: Nord Pool, European Energy Exchange (EEX) and Eon Gas Trading (EGT).

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



The inflow was lower than normal in the period. Total reservoir level in the Nordic region was 83% of normal level. The reservoirs were filled to 57% of capacity (69% in 2014), with a maximum reservoir capacity of 121.4 TWh at the end of the quarter. Snow levels are higher than normal.

In the second quarter, a net 4.2 TWh was exported from the Nordic region, compared with net exports of 2.8 TWh in the same period in 2014.

STATKRAFT'S POWER PRODUCTION

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

TWh	Second quarter		Year to date		Year 2014
	2015	2014	2015	2014	
Production, technology					
Hydropower	13.6	12.4	28.5	27.1	53.4
Wind power	0.5	0.4	1.1	0.9	1.7
Gas power	-	0.1	0.1	0.2	0.5
Bio power	0.1	0.1	0.1	0.1	0.3
Total production	14.2	12.9	29.9	28.3	56.0

TWh	Second quarter		Year to date		Year 2014
	2015	2014	2015	2014	
Production, geography					
Norway	11.5	10.7	24.3	23.1	46.4
Nordic ex. Norway	1.9	1.4	3.8	3.1	5.6
Europe ex. Nordic	0.2	0.4	0.6	1.0	1.8
Rest of the world	0.6	0.4	1.2	1.1	2.2
Total production	14.2	12.9	29.9	28.3	56.0

The Group produced a total of 14.2 TWh in the second quarter, an increase of 10% compared with the same period in 2014. In addition, the Group's district heating production amounted to 0.2 TWh.

Financial performance

NOK million	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Key figures							
Net operating revenues, underlying	4 814	4 616	198	10 353	10 570	-217	20 602
EBITDA, underlying	2 633	2 528	105	6 181	6 364	-184	12 132
Profit before tax	-2 334	550	-2 884	3 342	4 876	-1 534	7 937
Net profit	-2 042	38	-2 080	1 641	2 838	-1 198	3 892

YEAR TO DATE

The underlying EBITDA was 3% lower than in the first six months of 2014. The lower net operating revenues so far this year were primarily related to the deconsolidation of UK wind farms and lower Nordic power prices. Also, there was a lower contribution from market operations compared to a record high level in the first half year of 2014. The decrease were somewhat offset by higher Norwegian hydropower and Swedish wind power production and higher revenues from end-user sales and distribution grid. Operating costs were on par with the first six months of last year. Underlying EBITDA is adjusted for unrealised changes in value on energy contracts, which amounted to NOK -671 million compared with NOK -154 million in the same period in 2014.

Wind power plants in Sweden were written down by NOK 1820 million as a result of expectations of lower power and el certificate prices in the coming years.

The share of profit from associated companies and joint ventures was NOK 142 million in the two first quarters of the year compared with NOK 79 million in the same period in 2014. The improvement related primarily to Agder Energi and the deconsolidation of UK wind farms. The share of profit was negatively affected by impairments in both years.

There were positive currency effects as a result of a strengthening of Norwegian kroner against Euro and British pounds, while the currency effects were relatively modest last year.

Overall, this contributed to a NOK 1198 million decrease in the Group's profit during the first six months of the year, compared with the same period in 2014.

SECOND QUARTER

The quarterly report shows the development in the second quarter of 2015 compared with the second quarter of 2014, unless otherwise stated. Figures in parentheses show the comparable figures for the corresponding period in 2014.

GROSS OPERATING PROFIT (EBITDA) – UNDERLYING

The underlying EBITDA was NOK 105 million higher than in the same quarter in 2014, primarily as a result of higher revenues from trading and origination, end-user sales, grid business and from International hydropower. The increase was partly offset by lower Nordic power prices and deconsolidation of wind farms in the UK. Impairments and negative currency effects in the second quarter of 2015 impacted the Group's net profit which was NOK 2080 million lower than in the second quarter of 2014.

OPERATING REVENUES - UNDERLYING

NOK million	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Net operating revenues, underlying							
Net physical spot sales, incl. green certificates	7 042	5 751	1 292	16 488	15 234	1 253	31 133
Concessionary sales at statutory prices	75	74	0	181	176	4	349
Long-term contracts	1 791	2 073	-283	3 668	4 156	-487	8 294
Nordic and Continental Dynamic Asset Management Portfolio	128	181	-53	342	814	-472	971
Trading and origination (excl. market access Germany and UK -	403	177	226	614	317	297	818
Distribution grid	214	175	39	520	484	36	966
End user	822	726	96	2 156	2 048	108	3 988
District heating, energysales	139	123	16	385	352	33	643
Other sales revenues	-71	-32	-39	-177	-20	-158	-11
Currency hedging energy contracts	0	-9	9	-40	-25	-15	-46
Sales revenues	10 543	9 239	1 304	24 138	23 538	599	47 107
Other operating revenues	319	331	-13	519	614	-95	1 241
Gross operating revenues	10 862	9 571	1 291	24 657	24 153	504	48 348
Energy purchase	-5 811	-4 672	-1 140	-13 758	-12 992	-766	-26 561
Transmission costs	-236	-283	47	-546	-591	45	-1 185
Net operating revenues	4 814	4 616	198	10 353	10 570	-217	20 602

- Net physical sales were higher than in the corresponding quarter in 2014 as a result of higher volumes within activities where Statkraft offers minor renewable energy producers market access in Germany, UK and Nordics. This contributes to an increase both in net physical spot sales and energy purchase.
- Revenues from long-term contracts were lower than in the corresponding quarter in 2014 as a result of lower volumes on sales contracts in Brazil. This reduction in volume also contributes to a reduction in energy purchase.
- Revenues from trading and origination are higher than in the corresponding quarter in 2014 mainly due to improved results from the Nordic trading and Global environmental markets portfolios.

OPERATING EXPENSES - UNDERLYING

NOK million	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Operating expenses, underlying							
Salaries and payroll costs	-751	-735	-16	-1 604	-1 604	0	-3 332
Depreciation	-785	-767	-18	-1 539	-1 507	-32	-3 021
Property tax and licence fees	-410	-412	2	-826	-832	6	-1 645
Other operating expenses	-1 019	-941	-79	-1 742	-1 770	28	-3 494
Operating expenses	-2 966	-2 855	-111	-5 711	-5 713	1	-11 492

- Other operating expenses were higher than in the same quarter in 2014 mainly related to provisions for an onerous power purchase contract.

ITEMS EXCLUDED FROM THE UNDERLYING OPERATING RESULT

Unrealised changes in value on 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 indexes.

NOK million	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Items excluded from the underlying operating profit							
Unrealised changes in value of energy contracts	-153	-107	-46	-671	-154	-517	2 396
Significant non-recurring items	-1 820	208	-2 028	-1 820	264	-2 084	2 053
Lawsuit Saurdal concessionary power	-	-	-	-	56	-56	56
Pension - scheme change	-	-	-	-	-	-	280
Gain from sale of assets	-	208	-208	-	208	-208	2 767
Impairment of property, plant and equipment and intangible assets	-1 820	-	-1 820	-1 820	-	-1 820	-1 050

- There was a reduced value of long term contracts in Brazil. This was partly offset by a positive development in long-term power sales agreements denominated in EUR due to a weaker NOK against EUR.
- There was one non-recurring item in the second quarter of 2015. Impairment of wind power in Sweden was NOK 1 820 million as a result of expectations of lower power and el certificate prices in the coming years.

SHARE OF PROFIT FROM 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	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Share of profit from associated companies and joint ventures							
International hydropower	-368	-350	-17	-362	-323	-39	-240
Wind power	-21	-1	-20	44	-1	45	363
Industrial ownership	119	-133	253	462	402	59	535
Others	-2	-	-2	-2	-0	-2	3
Associated companies and joint ventures	-271	-484	213	142	79	63	661

- The decrease for International hydropower was mainly due to impairment in India of NOK 384 million due to lower power price expectations. In the second quarter of 2014 a NOK 360 million impairment was recorded.
- The negative result for Wind power was mainly due to a one-off effect in the UK.
- The increase for Industrial ownership was due to large negative unrealised interest and currency effects in the second quarter of 2014 and improved operations in 2015.

FINANCIAL ITEMS

NOK million	Second quarter			Year to date			Year 2014
	2015	2014	Change	2015	2014	Change	
Financial items							
Interest income	88	47	41	186	103	83	267
Other financial income	16	474	-459	23	478	-455	592
Gross financial income	104	521	-418	209	581	-372	859
Interest expenses	-271	-299	28	-520	-610	90	-1 226
Other financial expenses	-35	-15	-20	-214	-38	-176	-83
Gross financial expenses	-306	-314	7	-733	-647	-86	-1 309
Currency gains and losses	-2 040	-1 167	-873	1 440	-124	1 564	-4 791
Other financial items	304	132	172	133	20	114	-1 043
Net financial items	-1 938	-828	-1 110	1 049	-171	1 220	-6 283

- Financial income was reduced by NOK 418 million as a result of a gain from the SN Power transaction in the second quarter of 2014.
- Net currency effects in the second quarter amounted to NOK -2040 million, mainly due to a weakening of NOK against EUR, and a combination of fluctuations in SEK/NOK. These were partly unrealised and are partly offset by positive translation effects in other comprehensive income.
- Other financial items increased by NOK 172 million, which include gains on interest rate derivatives and obligations linked to equity instruments.

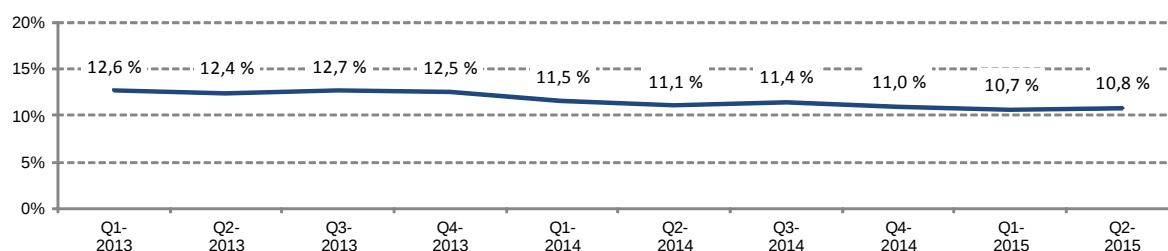
TAXES

A tax income of NOK 292 million was recorded in the second quarter (expense of NOK 512 million). The decline in tax expense was mainly due to a lower profit before tax and lower resource rent tax.

RETURN

ROACE - underlying, last 12 months

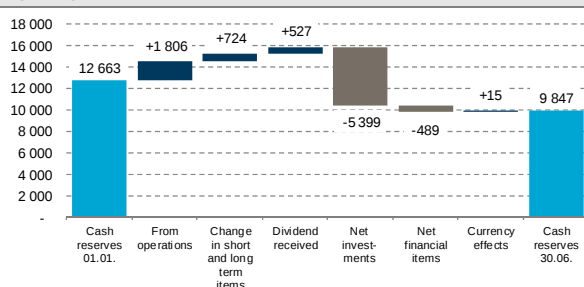
%



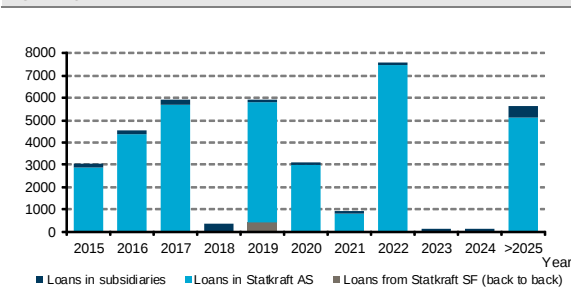
ROACE¹ was 0.2 percentage points below that of 2014. The decline was due to slightly lower operating profit while average capital employed was on par with 2014.

CASH FLOW AND CAPITAL STRUCTURE

Cash flow year to date 2015
NOK million



Long-term debt. redemption profile
NOK million



Cash flow

- The Group's operations generated a cash flow of NOK 1806 million (NOK 3108 million).
- The changes in short and long-term items had a positive effect of NOK 724 million (NOK +1621 million). The change in 2015 was mainly related to working capital and cash collateral.
- NOK 527 million (NOK 724 million) was received in dividend – primarily from BKK and Agder Energi.
- Net investments² amounted to NOK -5399 million (NOK -4772 million). This was primarily investments in property, plant and equipment totalling NOK -3624 million and acquisition of shares in Pilmaiquén in Chile of NOK -1928 million.
- The net liquidity change from financing amounted to NOK -489 million (NOK 501 million). New debt totalled NOK 7595 million (NOK 675 million), while repayment of debt amounted to NOK 7865 million (NOK 142 million).

Financial structure

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

- Net interest-bearing debt³ totalled NOK 26 988 million, compared with NOK 23 638 million at the beginning of the year. This increase was related to new loans.
- The net interest-bearing debt-equity ratio was 24.3%, compared with 21.2% at year-end 2014.
- Current assets, except cash and cash equivalents, amounted to NOK 16 280 million.
- Short-term interest-free debt was NOK 20 646 million.
- Statkraft's equity totalled NOK 83 848 million, compared with NOK 88 059 million at the start of the year. This corresponds to 51.3% of total assets. The decline in equity was linked to dividend for 2014 of NOK 5600 million and a positive total comprehensive income of NOK 1448 million.

¹ ROACE (%): (Operating profit adjusted for unrealised changes in the value of energy contracts and significant non-recurring items x 100) / average capital employed.

² Net investments include investments paid at the end of the quarter, payments received from sale of non-current assets, net liquidity out from the Group upon acquisition of activities and repayment and disbursement of loans.

³ Net interest-bearing debt: Gross interest-bearing liabilities – bank deposits, cash in hand and similar excluding restricted funds – short-term financial investments

INVESTMENTS AND PROJECTS

Total investments in the quarter amounted to NOK 3954 million. Maintenance investments and other investments were primarily related to Nordic hydropower. Investments in new capacity were mainly within hydropower developments in Norway, Turkey, Albania and Chile, as well as wind power developments in Sweden and the UK. The investments in ownership interests were primarily related to the acquisition of Pilmaiquén in Chile.

NOK mill.	Second quarter 2015	Year to date 2015	The year 2014
Maintenance investments and other investments			
Nordic hydropower	248	578	1 673
Continental energy and trading	7	94	85
International hydropower	23	36	65
District heating	1	4	7
Industrial ownership	97	184	470
Other activities	16	27	67
Total	392	923	2 368
Investment in new capacity			
Nordic hydropower	172	311	439
Continental energy and trading	19	21	17
International hydropower	696	1 152	3 073
Wind power	497	1 346	3 197
District heating	60	130	309
Industrial ownership	56	116	354
Other activities	30	68	137
Total	1 530	3 143	7 525
Investment in shareholdings			
Nordic hydropower	-	2	-
International hydropower	2 034	2 034	1 126
Wind power	-1	97	159
Industrial ownership	-	-	2
Other activities	-	246	-
Total	2 032	2 378	1 287

Projects in consolidated operations

Second quarter	Project	Country	New capacity (MW) ¹⁾	Statkraft's ownership share	Planned completion	
Completed projects in the period						
Hydro Power	Kargi	Turkey	102	100 %		
Main projects under construction						
Hydro Power	Nedre Røssåga, phase 1	Norway	-	100 %	2017	Q4
	Nedre Røssåga, phase 2	Norway	100	100 %	2016	Q4
	Cetin	Turkey	517	100 %	2019	Q1
	Devoll	Albania	243	100 %	2018	Q4
	Cheves	Peru	168	67 %	2015	Q3
Wind Power	Dudgeon	UK	402	30 %	2017	Q4
	Björkhöjden, phase 2	Sweden	126	60 %	2015	Q4
District Heating	Moss	Norway	21	100 %	2016	Q4

¹⁾ Total for project, inclusive of external partners' share.

Segments

The segment structure is presented according to the same structure as the internal management information that is systematically reviewed by corporate management and used for resource allocation and assessment of 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.

Second 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	10 862	2 978	5 989	342	167	128	1 374	193	-309
Net operating revenues, underlying	4 814	2 702	863	310	158	103	691	191	-203
EBITDA, underlying	2 633	1 820	410	164	-9	46	302	-111	-
Operating profit, underlying	1 848	1 469	312	111	-96	7	175	-141	-
Operating profit, booked	-125	1 513	27	111	-1 916	7	245	-120	7
Share of profit from associated companies and JV	-271	-	-	-368	-21	-	119	-	-
EBITDA-margin (%), underlying	24.2	61.1	6.8	48.0	-5.3	35.8	22.0	N/A	N/A
Maintenance investments	392	248	7	23	-1	1	97	16	-
Investments in new capacity	1 530	172	19	696	497	60	56	30	-
Investments in shareholdings	2 032	-	-	2 034	-1	-	-	-	-
Production									
Production, volume sold (TWh)	14.2	11.5	0.1	0.7	0.5	-	1.2	0.2	-
- whereof hydropower (TWh)	13.6	11.5	0.1	0.7	-	-	1.2	0.2	-
- whereof wind power (TWh)	0.5	-	-	-	0.5	-	-	-	-
- whereof gas power (TWh)	-	-	-	-	-	-	-	-	-
- whereof bio power (TWh)	0.1	-	0.1	-	-	-	-	-	-
Production, district heating (TWh)	0.2	-	-	-	-	0.2	-	-	-

NORDIC HYDROPOWER

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	2 702	2 882	6 032	6 098	12 347
EBITDA, underlying	1 820	1 998	4 349	4 355	8 802
Operating profit, underlying	1 469	1 680	3 661	3 721	7 478
Unrealised value changes energy contracts	44	211	-527	131	1 545
Significant non-recurring items	-	99	-	155	1 478
Operating profit, booked	1 513	1 990	3 134	4 007	10 500
Share of profit from associated companies and joint ventures	-	-	-	-	-
Maintenance investments and other investments	248	880	578	1 113	1 673
Investments in new capacity	172	100	311	164	439
Investments in shareholdings	-	-	2	-	-
Production, volume sold (TWh)	11.5	10.6	23.9	22.6	44.9

Highlights in the quarter

- Statkraft decided to invest NOK 280 million in full refurbishment of Øvre Røssåga power plant in Northern Norway. All major components in the power plant will be refurbished, and annual production will increase by 50 GWh. Estimated start is in 2016.
- In May, Elkem and Statkraft entered into a new long-term power agreement for a period after year 2020. The new volumes will be delivered to Elkem's smelters in Thamshavn in Nord-Trøndelag county and in Salten in Nordland county.

Quarterly financial performance

- Underlying EBITDA was lower than in the second quarter of 2014, mainly due to lower Nordic power prices partly offset by higher production and positive currency effects. Operating expenses were on par with the second quarter of 2014.

Year-to-date financial performance

- Underlying EBITDA was on par with the same period last year. Lower power prices were offset by higher production and currency effects from a weaker NOK against EUR.

Quarterly investments

- Investments in increased capacity were mainly related to the power plants Nedre Røssåga and Ringedalen.

CONTINENTAL ENERGY AND TRADING

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	863	657	1 616	1 751	2 973
EBITDA, underlying	410	307	837	1 071	1 554
Operating profit, underlying	312	216	642	880	1 234
Unrealised value changes energy contracts	-284	-247	-413	-284	925
Significant non-recurring items	-	-	-	-	16
Operating profit, booked	27	-31	229	596	2 174
Share of profit from associated companies and joint ventures	-	-	-	-	-
Maintenance investments and other investments	7	13	94	26	85
Investments in new capacity	19	3	21	10	17
Investments in shareholdings	-	-	-	-	-
Production, volume sold (TWh)	0.1	0.2	0.4	0.5	1.1

Highlights in the quarter

- The local distribution grid company Enervie Asset Network (EAN) has terminated the contract for grid support with the Herdecke gas-fired power plant in Germany at the end of April with effect end of October. This means that as from November 2015, Herdecke no longer will receive compensation for operating costs.
- In June Statkraft concluded its first origination transactions in the Indian market.

Quarterly financial performance

- Underlying EBITDA was higher than in the second quarter of 2014, mainly due to higher results from trading and origination. Operating expenses were higher than the second quarter of 2014 mainly due to provisions for an onerous power purchase contract.

Year-to-date financial performance

- Underlying EBITDA lower than in the same period last year mainly due to lower results from market operations.

Quarterly investments

- Investments in new capacity were mainly related to a battery project in Dörverden in Germany.

INTERNATIONAL HYDROPOWER

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	310	198	578	444	888
EBITDA, underlying	164	61	288	130	290
Operating profit, underlying	111	23	191	67	148
Unrealised value changes energy contracts	-	-	-	-	-
Significant non-recurring items	-	109	-	109	-937
Operating profit, booked	111	132	191	176	-789
Share of profit from associated companies and joint ventures	-368	-350	-362	-323	-240
Maintenance investments and other investments	23	7	36	15	65
Investments in new capacity	696	765	1 152	1 539	3 073
Investments in shareholdings	2 034	441	2 034	444	1 126
Production, volume sold (TWh)	0.7	0.5	1.3	1.2	2.2

The comparative figures for 2014 have been restated with reclassification of trading and origination activities from the Continental energy and trading segment following the restructuring of SN Power.

Highlights in the quarter

- Statkraft signed in April an agreement with Jackson Group to acquire its shareholding in Desenvix in Brazil. This will increase Statkraft's shareholding to 81.3%. The transaction was completed 13 July.
- Hydropower plants in India were written down by NOK 384 million as a result of lower price expectations.
- Production started for the Kargi hydropower plant in Turkey on 20 May
- Closing of the transaction of 98.62% of the shares in the listed Chilean hydropower company Invercargas Eléctrica Pilmaiquén took place in the quarter.

Quarterly financial performance

- The increase in underlying EBITDA compared with the second quarter of 2014 was related to revenues from Kargi (started operations) and Pilmaiquén (acquired in 2015), in addition to higher contribution from Nepal and Cakit (Turkey) due to better hydrology. These effects are further enhanced by currency effects.
- The share of profit from associated companies and joint ventures was negative due to the impairment in India. Underlying performance was positive due to better hydrology.

Year-to-date financial performance

- The increase in EBITDA was primarily due to the same factors as for the second quarter.

Quarterly investments

- Investments in new capacity were related to the hydropower developments in Turkey, Albania and Peru. Investments in shareholdings are related to Pilmaiquén in Chile.

WIND POWER

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	158	233	335	636	1 064
EBITDA, underlying	-9	68	41	318	476
Operating profit, underlying	-96	-70	-130	55	-14
Unrealised value changes energy contracts	-	-	-	-	-
Significant non-recurring items	-1 820	-	-1 820	-	1 358
Operating profit, booked	-1 916	-70	-1 950	55	1 344
Share of profit from associated companies and joint ventures	-21	-1	44	-1	363
Maintenance investments and other investments	-1	4	-	4	1
Investments in new capacity	497	533	1 346	1 056	3 197
Investments in shareholdings	-1	-	97	-	159
Production, volume sold (TWh)	0.5	0.4	1.1	0.9	1.7

Highlights in the quarter

- In the quarter the Board of Directors decided not to invest in the planned Fosen and Snillfjord onshore wind project in Norway due to lack of profitability. However, Statkraft and its partners have started a new study for an alternative plan for developing onshore wind power in the same area. The outcome of the study will indicate whether it is possible to obtain profitability in the new investment alternative.
- Wind power plants in Sweden were written down by NOK 1820 million as a result of expectations of lower power and el certificate prices in the coming years.

Quarterly financial performance

- The decline in underlying EBITDA was primarily caused by the deconsolidation of the wind farms in the UK and lower Nordic power prices, partly offset by new production capacity in Sweden and higher production from Norwegian wind farms.
- The share of profit from associated companies and joint ventures declined primarily due to a one-off effect in the UK and realisation of development cost related to the Fosen project.

Year-to-date financial performance

- The deconsolidation of the UK wind farms had a negative impact on underlying EBITDA and a positive impact on the share of profit from associated companies and joint ventures.

Quarterly investments

- The investments were mainly related to the onshore wind farms that are under construction in Sweden and the Dudgeon offshore wind farm in the UK.

DISTRICT HEATING

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	103	81	260	209	398
EBITDA, underlying	46	26	139	91	151
Operating profit, underlying	7	-9	62	20	9
Unrealised value changes					
energy contracts	-	-	-	-	-
Significant non-recurring items	-	-	-	-	13
Operating profit, booked	7	-9	62	20	22
Share of profit from associated companies and joint ventures	1	-	1	-	3
Maintenance investments and other investments	1	3	4	3	7
Investments in new capacity	60	92	130	169	309
Investments in shareholdings	-	-	-	-	-
Production, volume sold (TWh)	0.2	0.2	0.5	0.5	0.9

Highlights in the quarter

- Statkraft Varme signed an agreement for supply of surplus heat from Låntmannen Cerealia in Moss.

Quarterly financial performance

- The improvement in EBITDA was mainly due to higher generation and waste handling. High availability, good fuel mix and high utilisation of base load contributed further to the improvement.

Year-to-date financial performance

- The increase in EBITDA was primarily due to the same factors as for the second quarter.

Quarterly investments

- The investments were primarily related to construction of the district heating plant in Moss/Rygge and further development of the existing district heating grid.

INDUSTRIAL OWNERSHIP¹⁾

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	691	560	1 627	1 497	3 007
EBITDA, underlying	302	184	830	697	1 418
Operating profit, underlying	175	64	578	459	920
Unrealised value changes					
energy contracts	70	13	182	-19	-52
Significant non-recurring items	-	-90	-	-	80
Operating profit, booked	245	-13	760	440	948
Share of profit from associated companies and joint ventures	119	-133	462	402	535
Maintenance investments and other investments	97	143	184	229	470
Investments in new capacity	56	80	116	180	354
Investments in shareholdings	-	1	-	2	2
Production, volume sold (TWh)	1.2	1.2	2.9	3.0	5.7

¹⁾ Industrial ownership includes the shareholdings in Skagerak Energi, Fjordkraft, BKK, Agder Energi and Istad. The two former companies are included in the consolidated financial statements, while the other three companies are reported as associated companies

Highlights in the quarter

- BKK received licence to construct a new 300 (420) kV power line from Modalen to Mongstad. The expected investment cost is about NOK 1 billion.
- BKK has entered into a 10 year power sales agreement with Hydro, with an agreed delivery of 500 GWh per year in the period 2021-2030. The yearly delivery is about 7.5% of BKKs expected annual production.

Quarterly financial performance

- The increase in EBITDA compared with same period in 2014 is mainly due to higher contributions from the end-user business and high revenues from distribution grid.
- The increase in share of profit from associated companies and joint ventures was mainly due to unrealised effects from energy, interest and currency contracts.

Year-to-date financial performance

- The increase in EBITDA was primarily due to the same factors as for the second quarter.

Quarterly investments

- The main investments are in new capacity and re-investments in the grid in Skagerak Energi.

OTHER ACTIVITIES¹⁾

NOK million	Second quarter		Year to date		Year
	2015	2014	2015	2014	2014
Net operating revenues, underlying	191	167	304	300	651
EBITDA, underlying	-111	-131	-314	-286	-557
Operating profit, underlying	-141	-157	-372	-334	-663
Unrealised value changes energy contracts	21	-	75	14	-27
Significant non-recurring items	-	-	-	-	46
Operating profit, booked	-120	-157	-297	-320	-644
Share of profit from associated companies and joint ventures	-2	-	-3	-	-
Maintenance investments and other investments	16	13	27	36	67
Investments in new capacity	30	50	68	83	137
Investments in shareholdings	-	1	246	-	-
Production, volume sold (TWh)	0.2	0.1	0.2	0.2	0.3

¹⁾ The Other activities segment includes small-scale hydropower, innovation and Group functions.

Highlights in the quarter

- Investment decision has been made in Småkraft on Sjørdalselva power plant and Tysseelva power plant.

Quarterly financial performance

- EBITDA improved compared with the second quarter of 2014 mainly due to higher revenues from internal invoicing and currency hedging effects of energy contracts.

Year-to-date financial performance

- The decrease in EBITDA was mainly due to higher less positive currency effects from hedging of energy contracts and higher operating expenses due to higher activity level.

Quarterly investments

- Investments in new capacity were mainly related to investments in seven small-scale hydropower plants in Småkraft.
- Maintenance and other investments were primarily associated with administration buildings and IT.

Outlook

The Nordic spot power prices are currently low, but a significant share of the Group's power generation is sold through long-term power contracts, which helps stabilise the Group's revenues. Efficient management of Statkraft's large reservoir capacity and market operations are expected to make a positive contribution. New production capacity under construction will result in increased income.

The Group makes considerable investments in order to modernise its older hydropower plants in Norway and Sweden. The fast-growing share of renewable energy in the EU is leading to considerable changes in the European power system and has contributed to lower power prices in Europe. At the same time, the energy transition entails investment opportunities within renewable energy. Statkraft is developing new projects within hydropower, wind power and district heating, and also maintains a high level of activity within energy trading.

In emerging markets there is a rising demand for energy. Based on Statkraft's core expertise, this provides vast opportunities for value creation within renewable energy. The acquisitions in Chile and Brazil and completion of new hydropower plants in Turkey and Peru in 2015 will strengthen Statkraft's international position.

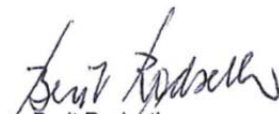
Oslo, 22 July 2015
The Board of Directors of Statkraft AS

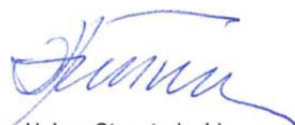
Declaration from the Board of Directors and President and CEO

We hereby declare to the best of our knowledge that the six-month interim financial statements for the period 1 January to 30 June 2015 have been prepared in accordance with IAS 34, Interim Reporting, and that the accounting information provides a true and fair view of the Group's assets, liabilities, financial position and performance as a whole, and that the six-month interim report provides a true and fair view of important events in the accounting period and their influence on the six-month interim financial statements, associated material transactions and the key risk and uncertainty factors facing the business in the next accounting period.

Oslo, 22 July 2015
The Board of Directors of Statkraft AS


Olav Fjell
Chair of the Board


Berit Rødseth
Deputy Chair


Halvor Stenstadvold
Director


Harald von Heyden
Director

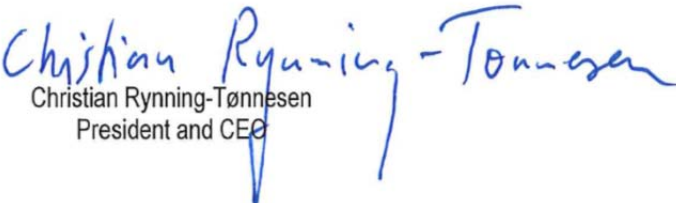

Elisabeth Mørthen
Director


Jørund Øien
Director


Thorbjørn Holøs
Director


Vilde Eriksen Bjerkes
Director


Asbjørn Sevejordet
Director


Christian Rynning-Tønnesen
President and CEO

Statkraft AS Group Interim Financial Statements

NOK million	Second quarter		Year to date		The year
	2015	2014	2015	2014	2014
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	10 937	9 988	23 968	21 537	48 246
Other operating revenues	319	539	519	822	4 008
Gross operating revenues	11 255	10 528	24 488	22 359	52 254
Energy purchase	-6 358	-5 528	-14 260	-11 104	-25 264
Transmission costs	-236	-283	-546	-591	-1 185
Net operating revenues	4 661	4 717	9 682	10 665	25 805
Salaries and payroll costs	-751	-735	-1 604	-1 604	-3 051
Depreciation, amortisation and impairments	-2 606	-767	-3 359	-1 507	-4 071
Property tax and licence fees	-410	-412	-826	-817	-1 630
Other operating expenses	-1 019	-941	-1 742	-1 770	-3 493
Operating expenses	-4 786	-2 855	-7 532	-5 697	-12 246
Operating profit/loss	-125	1 862	2 150	4 967	13 560
Share of profit/loss from associates and joint ventures	-271	-484	142	79	661
Financial income	104	521	209	581	859
Financial expenses	-306	-314	-733	-647	-1 309
Net currency effects	-2 040	-1 167	1 440	-124	-4 791
Other financial items	304	132	133	20	-1 043
Net financial items	-1 938	-828	1 049	-171	-6 283
Profit/loss before tax	-2 334	550	3 342	4 876	7 937
Tax expense	292	-512	-1 701	-2 038	-4 045
Net profit/loss	-2 042	38	1 641	2 838	3 892
Of which non-controlling interest	-733	186	-527	357	684
Of which majority interest	-1 309	-148	2 167	2 481	3 209
OTHER COMPREHENSIVE INCOME					
Items in other comprehensive income that recycle over profit/loss:					
Changes in fair value of financial instruments	-153	-245	107	-150	-907
Income tax related to changes in fair value of financial instruments	49	62	-81	36	276
Items recorded in other comprehensive income in associates and joint arrangements	300	-122	167	-128	-123
Currency translation effects	1 343	1 839	-885	444	7 734
Reclassification currency translation effects related to foreign operations disposed of in the year	-	55	-	55	-69
Items in other comprehensive income that will not recycle over profit/loss:					
Estimate deviation pensions	765	-505	765	-505	-704
Income tax related to estimate deviation pensions	-265	199	-265	199	184
Other comprehensive income	2 038	1 283	-192	-49	6 392
Comprehensive income	-5	1 321	1 448	2 789	10 284
Of which non-controlling interest	-818	668	-345	771	1 322
Of which majority interest	813	652	1 792	2 018	8 962

NOK million	30.06.2015	30.06.2014	31.12.2014
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Intangible assets	3 922	3 293	3 439
Property, plant and equipment	102 559	102 041	99 199
Investments in associates and joint ventures	19 322	14 434	19 027
Other non-current financial assets	6 859	2 700	6 093
Derivatives	4 654	4 711	5 616
Non-current assets	137 316	127 179	133 374
Inventories	2 558	1 547	2 088
Receivables	8 955	6 954	12 433
Short-term financial investments	563	415	443
Derivatives	4 204	8 066	6 816
Cash and cash equivalents (included restricted cash)	9 847	8 899	12 663
Current assets	26 127	25 882	34 444
Assets	163 443	153 061	167 817
EQUITY AND LIABILITIES			
Paid-in capital	56 361	51 361	56 361
Retained earnings	20 067	17 217	23 876
Non-controlling interest	7 419	6 738	7 823
Equity	83 848	75 315	88 059
Provisions	18 631	18 057	18 796
Long-term interest-bearing liabilities	33 106	28 574	27 438
Derivatives	2 919	4 632	3 556
Long-term liabilities	54 656	51 263	49 790
Short-term interest-bearing liabilities	4 292	9 549	9 306
Taxes payable	2 461	2 353	3 546
Other interest-free liabilities	13 627	6 877	9 808
Derivatives	4 558	7 704	7 308
Current liabilities	24 939	26 483	29 968
Equity and liabilities	163 443	153 061	167 817

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 01.01.2014	49 011	16 654	-2 327	14 328	63 338	7 769	71 107
Net profit/loss	-	2 481	-	2 481	2 481	357	2 838
Items in OCI that recycle over profit/loss:							
Changes in fair value of financial instruments	-	-150	-	-150	-150	-	-150
Income tax rel. to changes in fair value of financial instruments	-	36	-	36	36	-	36
Items recorded in other comprehensive income in associates and joint arrangements	-	-124	-	-124	-124	-4	-128
Reclassification currency translation effects related to foreign operations disposed of in the year	-	38	-	38	38	18	55
Currency translation effects	-	-	44	44	44	400	444
Items in OCI that will not recycle over profit/loss:							
Estimate deviation pensions	-	-505	-	-505	-505	-	-505
Income tax related to estimate deviation pensions	-	199	-	199	199	-	199
Total comprehensive income for the period	-	1 974	44	2 018	2 018	771	2 789
Dividend and Group contribution paid	-	-	-	-	-	-74	-74
Business combinations/divestments	-	871	-	871	871	-1 710	-839
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	-85	-85
Capital increase	2 350	-	-	-	2 350	67	2 417
Balance as of 30.06.2014	51 361	19 499	-2 283	17 217	68 578	6 738	75 315
Balance as of 01.01.2014	49 011	16 654	-2 327	14 328	63 338	7 769	71 107
Net profit/loss	-	3 209	-	3 209	3 209	684	3 892
Items in OCI that recycle over profit/loss:							
Changes in fair value of financial instruments	-	-907	-	-907	-907	-	-907
Income tax rel. to changes in fair value of financial instruments	-	276	-	276	276	-	276
Items recorded in other comprehensive income in associates and joint arrangements	-	-128	-	-128	-128	5	-123
Reclassification currency translation effects related to foreign operations disposed of in the year	-	-	-86	-86	-86	18	-69
Currency translation effects	-	-	7 066	7 066	7 066	668	7 734
Items in OCI that will not recycle over profit/loss:							
Estimate deviation pensions	-	-629	-	-629	-629	-75	-704
Income tax related to estimate deviation pensions	-	160	-	160	160	23	184
Total comprehensive income for the period	-	1 981	6 980	8 962	8 962	1 322	10 284
Dividend and Group contribution paid	-	-	-	-	-	-72	-72
Business combinations/divestments	-	585	-	585	585	-1 424	-839
Capital increase	7 350	-	-	-	7 350	227	7 577
Balance as of 31.12.2014	56 361	19 220	4 654	23 875	80 235	7 823	88 059
Net profit/loss	-	2 167	-	2 167	2 167	-527	1 641
Items in OCI that recycle over profit/loss:							
Changes in fair value of financial instruments	-	102	-	102	102	5	107
Income tax rel. to changes in fair value of financial instruments	-	-62	-	-62	-62	-19	-81
Items recorded in other comprehensive income in associates and joint arrangements	-	147	-	147	147	19	167
Reclassification currency translation effects related to foreign operations disposed of in the year	-	-	-	-	-	-	-
Currency translation effects	-	-	-1 056	-1 056	-1 056	171	-885
Items in OCI that will not recycle over profit/loss:							
Estimate deviation pensions	-	757	-	757	757	8	765
Income tax related to estimate deviation pensions	-	-263	-	-263	-263	-2	-265
Total comprehensive income for the period	-	2 848	-1 056	1 792	1 792	-345	1 448
Dividend and Group contribution paid	-	-5 600	-	-5 600	-5 600	-234	-5 834
Business combinations/divestments	-	-	-	-	-	25	25
Transactions with non-controlling interests	-	-	-	-	-	-5	-5
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	156	156
Balance as of 30.06.2015	56 361	16 469	3 598	20 067	76 428	7 419	83 848

NOK million	Year to date		The year
	2015	2014	2014
STATEMENT OF CASH FLOW			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	3 342	4 876	7 937
Profit/loss on sale of non-current assets	6	-97	-80
Depreciation, amortisation and impairments	3 359	1 507	4 071
Profit/loss from sale of business	-	-	-2 559
Profit/loss from sale of shares, associates and joint ventures	-	-	-69
Profit from restructuring of SN Power	-	-564	-564
Share of profit/loss from associates and joint ventures	-142	-79	-661
Unrealised changes in value	-1 775	663	4 412
Taxes paid	-2 984	-3 198	-3 593
Cash flow from operating activities	1 806	3 108	8 896
Changes in long term items	75	79	-52
Changes in short term items	649	1 542	-2 674
Dividend from associates	527	724	729
Net cash flow from operating activities	A	3 056	5 453
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment*	-3 624	-4 126	-8 801
Proceeds from sale of non-current assets	130	58	-17
Business divestments, net liquidity inflow to the Group	-	-	4 688
Business combinations and asset purchase, net liquidity outflow from the Group**	-1 937	-	-74
Restructuring of SN Power, net liquidity outflow from the Group	-	-770	-770
Loans to third parties	-1	-35	-100
Repayment of loans from third parties	231	103	390
Considerations regarding investments in other companies	-198	-2	-765
Net cash flow from investing activities	B	-5 399	-5 450
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	7 595	675	1 917
Repayment of debt	-7 865	-142	-3 900
Capital increase	-	-	5 000
Dividend and group contribution paid	-234	-99	-74
Share issue in subsidiary to non-controlling interests	15	67	225
Net cash flow from financing activities	C	-489	3 168
Net change in cash and cash equivalents	A+B+C	-2 831	4 616
Currency exchange rate effects on cash and cash equivalents	15	33	362
Cash and cash equivalents 01.01.	12 663	7 685	7 685
Cash and cash equivalents 30.06.***	9 847	8 899	12 663
Unused committed credit lines 30.06.	12 000	12 000	12 000
Unused overdraft facilities 30.06.	2 200	2 200	2 200
Restricted cash 30.06.	-	-	-

* Investments in the cash flow are NOK 442 million lower than investments in fixed assets in the segment reporting due to prepayments in earlier period and aquisition of assets from investments not yet paid as of second quarter 2015.

** Investments in business combination, asset purchase and investments in other companies are NOK 242 million lower than investments in other companies shown in the segment reporting. This is mainly due to cash in the aquired companies of NOK 232 million.

*** Included in cash and cash equivalents are NOK 300 million related to joint operations as of second quarter 2015.

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group items
SEGMENTS									
2nd quarter 2015									
Operating revenue external, underlying	11 255	2 454	6 021	324	37	127	1 358	59	874
Operating revenue internal, underlying	-	525	-33	18	129	-	15	134	-790
Gross operating revenues, underlying	11 255	2 978	5 989	342	167	128	1 374	193	85
Net operating revenues, underlying	4 661	2 702	863	310	158	103	691	191	-356
Operating profit/loss, underlying	-125	1 469	312	111	-96	7	175	-141	-1 962
Unrealised value change energy derivatives	-	44	-273	-	-	-	70	21	138
Non-recurring items	-	-	-12	-	-1 820	-	-	-	1 832
Operating profit/loss	-125	1 513	27	111	-1 916	7	245	-120	7
Share of profit/loss from associates and JVs	-271	-	-	-368	-21	1	119	-2	-
Profit/loss before financial items and tax	-396	1 513	27	-257	-1 937	8	364	-122	7
Year to date 2015									
Operating revenue external, underlying	24 487	5 206	13 701	620	-99	348	3 427	40	1 243
Operating revenue internal, underlying	-	1 502	-208	18	450	4	30	269	-2 065
Gross operating revenues, underlying	24 488	6 708	13 494	639	351	352	3 457	309	-821
Net operating revenues, underlying	9 682	6 032	1 616	578	335	260	1 627	304	-1 070
Operating profit/loss, underlying	2 150	3 661	642	191	-130	62	578	-372	-2 481
Unrealised value change energy derivatives	-	-527	-401	-	-	-	182	75	671
Non-recurring items	-	-	-12	-	-1 820	-	-	-	1 832
Operating profit/loss	2 150	3 134	229	191	-1 950	62	760	-297	22
Share of profit/loss from associates and JVs	142	-	-	-362	44	1	462	-3	-
Profit/loss, before financial items and tax	2 293	3 134	229	-171	-1 906	62	1 222	-300	22
Balance sheet 30.06.2015									
Investment in associates and JVs	19 319	-	-	6 733	3 448	8	9 107	23	-
Other assets	144 124	54 966	5 392	20 979	6 961	3 422	14 994	25 842	11 568
Total assets	163 443	54 966	5 392	27 712	10 409	3 430	24 101	25 865	11 568
Depreciations, amortisation and impairments	-3 359	-688	-195	-98	-1 991	-78	-252	-58	-
Maintenance investments and other investments*	923	578	94	36	-	4	184	27	-
Investments in new generating capacity	3 143	311	21	1 152	1 346	130	116	68	-
Investments in other companies	2 378	2	-	2 034	97	-	-	246	-
2nd quarter 2014									
Operating revenue external, underlying	10 528	2 601	4 652	213	253	114	1 259	46	1 390
Operating revenue internal, underlying	-	542	-102	-1	-12	-	-51	123	-499
Gross operating revenues, underlying	10 528	3 143	4 550	211	241	114	1 208	169	891
Net operating revenues, underlying	4 717	2 882	657	198	233	81	560	167	-61
Operating profit/loss, underlying	1 862	1 680	216	23	-70	-9	64	-157	114
Unrealised value change energy derivatives	-	211	-247	-	-	-	-77	-	113
Non-recurring items	-	99	-	109	-	-	-	-	-207
Operating profit/loss	1 862	1 990	-31	132	-70	-9	-13	-157	20
Share of profit/loss from associates and JVs	-483	-	-	-350	-1	-	-133	-	-
Profit/loss before financial items and tax	1 379	1 990	-31	-218	-71	-9	-146	-157	20
Year to date 2014									
Operating revenue external, underlying	22 359	5 178	13 137	502	253	323	3 307	56	-396
Operating revenue internal, underlying	-	1 499	-92	-	402	-	4	247	-2 060
Gross operating revenues, underlying	22 359	6 677	13 045	502	655	323	3 312	303	-2 456
Net operating revenues, underlying	10 665	6 098	1 751	444	636	209	1 497	300	-270
Operating profit/loss, underlying	4 967	3 721	880	67	55	20	459	-334	99
Unrealised value change energy derivatives	-	131	-284	-	-	-	-19	14	159
Non-recurring items	-	155	-	109	-	-	-	-	-263
Operating profit/loss	4 967	4 007	596	176	55	20	440	-320	-5
Share of profit/loss from associates and JVs	79	-	-	-323	-1	-	402	-	-
Profit before financial items and tax	5 046	4 007	596	-147	54	20	843	-320	-5
Balance sheet 30.06.2014									
Investment in associates and JVs	14 433	-	-	5 364	1	-	9 064	-	4
Other assets	138 627	54 984	5 221	13 332	13 311	3 269	14 681	24 531	9 299
Total assets	153 061	54 984	5 221	18 696	13 312	3 269	23 745	24 531	9 303
Depreciations, amortisation and impairments	-1 507	-634	-191	-64	-263	-70	-237	-48	-
Maintenance investments and other investments**	1 426	1 113	26	15	4	3	229	36	-
Investments in new generating capacity**	3 200	164	10	1 539	1 056	169	180	83	-
Investments in other companies	446	-	-	444	-	-	2	-	-

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group Items
SEGMENTS									
The Year 2014									
Operating revenue external, underlying	52 254	10 617	26 448	1 004	258	594	6 504	154	6 674
Operating revenue internal, underlying	-	2 945	-275	1	850	2	22	505	-4 051
Gross operating revenues, underlying	52 254	13 563	26 173	1 006	1 108	597	6 526	659	2 622
Net operating revenues, underlying	25 805	12 347	2 973	888	1 064	398	3 007	651	4 476
Operating profit/loss, underlying	13 560	7 478	1 234	148	-14	9	920	-663	4 447
Unrealised value change energy derivatives	-	1 545	925	-	-	-	-52	-27	-2 390
Non-recurring items	-	1 478	16	-937	1 358	13	80	46	-2 052
Operating profit/loss	13 560	10 500	2 174	-789	1 344	22	948	-644	5
Share of profit/loss from associates and JVs	661	-	-	-240	363	3	535	-	-
Profit/loss before financial items and tax	14 220	10 500	2 174	-1 029	1 707	25	1 482	-644	5
Balance sheet 31.12.2014									
Investment in associates and JVs	19 026	-	-	6 957	3 072	7	8 986	-	5
Other assets	148 791	55 054	5 560	15 641	7 461	3 373	14 852	25 183	21 666
Total assets	167 817	55 054	5 560	22 599	10 533	3 380	23 838	25 183	21 671
Depreciations, amortisation and impairments	-4 071	-1 324	-320	-1 191	-490	-142	-498	-106	-
Maintenance investments and other investments	2 368	1 673	85	65	1	7	470	67	-
Investments in new generating capacity	7 525	439	17	3 073	3 197	309	354	137	-
Investments in other companies	1 287	-	-	1 126	159	-	2	-	-

Comparative figures are restated as a consequence of transferring the trading and origination activities from the segment International hydropower to Continental energy & trading through the SN Power restructuring.

*Maintenance investments and other investments include the addition of Leirdøla power plant of NOK 506 million. The addition is classified under other investments, as it is part of an asset swap that does not generate new capacity for the group.

Selected notes to the accounts

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The consolidated financial statement for the second quarter of 2015, closed on 30 June 2015, have been prepared in accordance with the accounting principles in International Financial Reporting Standards (IFRS) and consist of Statkraft AS and its subsidiaries and associates. 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 2014. 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 STATEMENTS

The presentation in 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 principles to 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, and which may involve a significant risk of material changes to the amounts recognised in future financial periods, are discussed in the annual financial statements for 2014.

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 2014.

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

The table below shows the lines in the financial statements where the unrealised effects appear.

NOK million	Second quarter 2015			Year to date 2015		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Sales revenues						
Long term contracts	432	1 791	2 223	-13	3 668	3 656
Nordic and Continental Dynamic Asset	-64	128	64	-215	342	127
Trading and origination	70	332	403	-130	745	614
End User	5	822	827	-16	2 156	2 140
Other sales revenues	-	7 399	7 399	-	17 396	17 396
Currency hedging energy contracts	21	-	21	75	-40	35
Total sales revenues	464	10 473	10 937	-300	24 268	23 968
Energy purchase	-547	-5 811	-6 358	-502	-13 758	-14 260
Net currency effects	-1 387	-653	-2 040	2 425	-985	1 440
Other financial items						
Net gains and losses on derivatives and securities	301	2	304	152	-18	133
Impairment and gain/loss of financial assets	-	-	-	-	-	-
Total unrealised effects	-1 169			1 775		

NOK million	Second quarter 2014			Year to date 2014			The Year 2014		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L									
Sales revenues									
Long term contracts	958	2 073	3 031	-1 699	4 156	2 457	1 429	8 294	9 722
Nordic and Continental Dynamic Asset	-212	181	-31	-378	814	436	-317	971	655
Trading and origination	-41	218	177	17	300	317	206	612	818
End User	4	726	730	21	2 048	2 070	14	3 988	4 002
Other sales revenues	-	6 091	6 091	-	16 268	16 268	-	33 121	33 121
Currency hedging energy contracts	-	-9	-9	14	-25	-11	-27	-46	-73
Total sales revenues	708	9 281	9 988	-2 025	23 561	21 537	1 304	46 942	48 246
Energy purchase	-856	-4 672	-5 528	1 888	-12 992	-11 104	1 298	-26 561	-25 264
Net currency effects	-1 192	24	-1 167	-550	426	-124	-5 974	1 183	-4 791
Other financial items									
Net gains and losses on derivatives and securities	134	-	134	23	-1	22	-1 028	-	-1 028
Impairment and gain/loss of financial assets	-	-2	-2	-	-2	-2	-13	-1	-14
Total unrealised effects	-1 206			-663			-4 412		

6. CURRENCY EFFECTS ON INTERNAL LOANS

Net currency effects on internal loans as of the second quarter amounted to NOK 1201 million, of which NOK 2032 million was unrealised and NOK -831 million was realised. The positive effect arose mainly as a result of a stronger NOK against 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. STC's financial reporting is converted to NOK in the consolidation, and currency effects for the net investment in STC are reported in other comprehensive income.

The same principle will apply for loans in local currencies provided from foreign subsidiaries to Statkraft AS through the Group cash pool. As the liquidity situation will vary over time Statkraft AS may also be the lender at the period end. In such situations the effect recognised in the income statement are not offset by a corresponding effect through other comprehensive income.

7. HEDGE ACCOUNTING

Statkraft has used hedge accounting in 2015 that has reduced the volatility in the income statement. A major share of the debt in EUR has been hedged against market rate changes.

Statkraft has set up hedge accounting of parts of the net investments in STC in EUR, as well as parts of the net investments in Statkraft UK Ltd in GBP. The effect of this is that gains of NOK 85 million in 2015 are recognised in other comprehensive income instead of in the income statement.

8. TRANSACTIONS

On 6 February, Statkraft, along with Södra Skogägarna Ekonomisk Förening (Södra), established the company Silva Green Fuel AS, organised as a joint venture, with the goal of establishing future production of biofuel based on forest raw material at the industrial area housing the former cellulose factory at Tofte in Hurum. Statkraft and Södra own 51% and 49%, respectively, of the new company. The owners have injected NOK 50 million into the company as seed capital.

During the establishment of Silva Green Fuel AS, Statkraft acquired all shares in Statkraft Tofte AS, previously Södra Cell Tofte AS. The acquisition of shares in Statkraft Tofte AS is recognised as purchase of assets. The total cost price for the purchase of shares in Statkraft Tofte AS was NOK 220 million. Net assets in the company totalled NOK 153 million at takeover, in addition to the identified excess value of operating equipment at NOK 67 million.

On 12 February, Statkraft and RWE Innogy GmbH entered into an agreement to develop and construct the offshore wind farm Triton Knoll, which may have an installed capacity of up to 900 MW. The offshore wind farm is located off the eastern coast of England. Through this agreement, Statkraft secures 50% of Triton Knoll Offshore Wind Ltd, which is organised as a joint venture. Statkraft paid NOK 86 million for its shareholding in Triton Knoll.

On 23 April, Statkraft completed its purchase of the listed hydropower company Empresa Eléctrica Pilmaiquén S.A. in Chile. The total cost price for 98.18% of the shares was NOK 1948 million. Net assets as of 23 April 2015 totalled NOK -272 million. The negative value in equity is from an earlier purchase of non-controlling interest, where the excess values were booked against equity. The preliminary acquisition analysis shows an excess value of NOK 2257 million, mainly allocated to water rights. The preliminary analysis also gives goodwill of NOK 605 million, which mainly relates to the difference between net present value and nominal value of the deferred tax on excess values. In June an additional 0.44% shareholding was acquired.

9. EVENTS AFTER THE BALANCE SHEET DATE

On 13 July, Statkraft completed its purchase of 35% of the shares of Desenvix Energias Renováveis S.A. in Brazil. The transaction increased Statkraft's ownership interest from 46.3% to 81.3%. The preliminary estimated total cost price for 81.3% of the shares was BRL 1147 million, and consists of cash payment of BRL 470 million, fair value of previously ownership of BRL 622 million and a preliminary estimated contingent consideration of BRL 55 million. Net assets as of 30 June 2015 in Desenvix totalled BRL 722 million. The acquisition analysis will be prepared in the third quarter of 2015.

According to IFRS 10, the transaction represents a change of control from an investment in an associated company to an investment in a subsidiary. A transaction that entails a change of control in accordance with IFRS 3 is treated as a realisation and require that a gain/loss at the time of de-recognition of the associated company has to be calculated. At realisation any negative or positive effect from accumulated translation differences has to be presented as a loss/gain in the income statement and a corresponding positive/negative recycling amount through comprehensive income, resulting in a zero effect in equity. The estimated accounting effect of the de-recognition of the associated company is a net loss of NOK 630 million. The net loss consists of a gain of NOK 140 million on the underlying net asset in BRL, and a loss on accumulated translation differences of NOK 770 million.

On 8 July 2015 the UK Chancellor of the Exchequer presented the UK Governments summer emergency budget. Included in this budget were adjustments to the tax regime, including to the Climate Change Levy (CCL). The resulting effects are that Statkraft's existing operating assets in wind power UK will no longer receive income from Levy Exemption Certificates (LEC's) and this is anticipated to start in August 2015. Formerly, LEC income was expected to last until 2023. The impacts from this change in policy have been estimated and it is expected that the total revenues in UK companies partly owned by Statkraft will be reduced by NOK 276 million. The impact on Statkraft's profit from joint ventures and associates, reflecting Statkraft's share, is estimated to be NOK 118 million from 2015 to 2023, where the main impact is from the first three years. The long term effects from the change in the LEC policy and whether the book value of related assets will be influenced are followed up in third quarter.

On 8 July 2015 Statkraft AS received the NOK 1250 million in cash, for bonds that were issued 23 June. In conjunction with the transaction Statkraft bought back NOK 50.5 million in bonds.



Quarterly and
half year report
Q2/2015
Statkraft AS

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

Organisation no:
Statkraft AS: 987 059 699

www.statkraft.com