FINANCIAL RESULTS Q3 2012

8 November 2012

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Highlights Q3 2012

- Acceptable result in a challenging market
  - Low power prices partly offset by contracted volumes and somewhat higher production
  - Underlying EBITDA of NOK 1 185m (-32%)
  - Net profit of NOK 638m (NOK -1 583m)
- High investment activity, particularly in hydropower and wind power
  - Gross investments of NOK 9.9bn YTD 2012
  - Two onshore wind farms in Sweden decided
  - Acquisition of Dudgeon Offshore Wind Farm project outside the UK in partnership with Statoil
- Sheringham Shoal Offshore Wind Farm (317MW) completed

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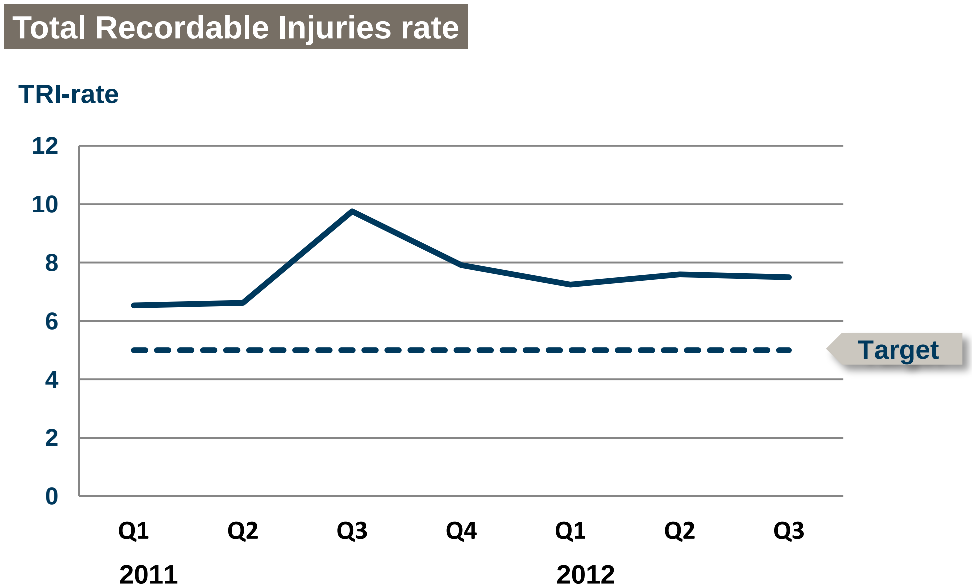
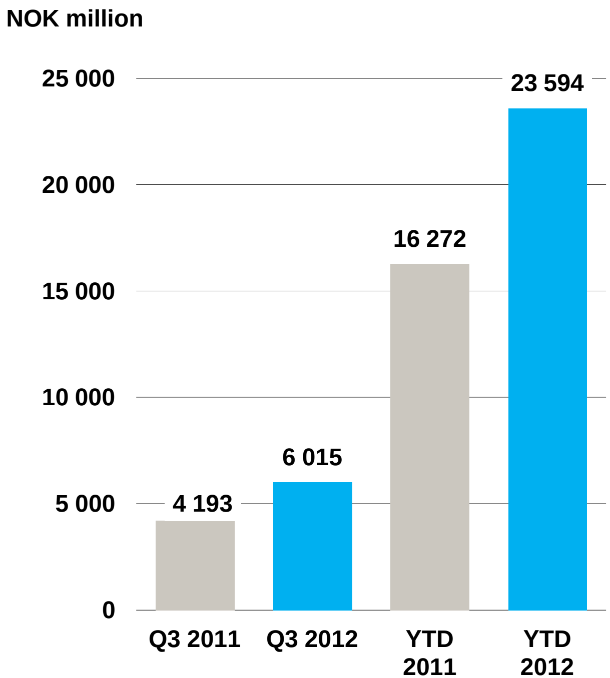
Health, safety and environment



- Health and safety Q3
  - One fatal accident in SN Power's Cheves project in Peru
  - One fatal accident in Cetin project in Turkey
  - Total Recordable Injuries (TRI) rate not meeting target
  - Sick leave ytd 3.2%
- Environment Q3
  - No serious environmental incidents

Gross operating revenues

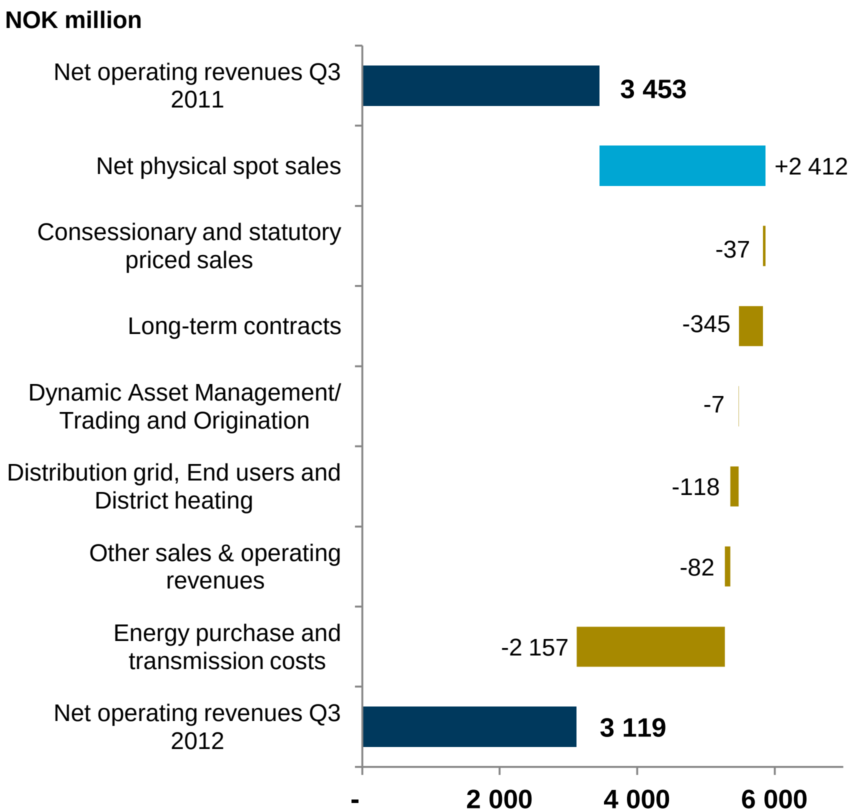


Δ Q3 12/Q3 11 + 43%
Δ YTD 12/YTD 11 + 45%

- Significant increase in underlying gross operating revenues[1] due to new energy services
  - Nordic system price 20.9 EUR/MWh
    ↓ 42%
  - Power generation 11.4 TWh
    ↑ 4%
- Gross accounting of new energy services
  - Constitutes several thousand MW

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

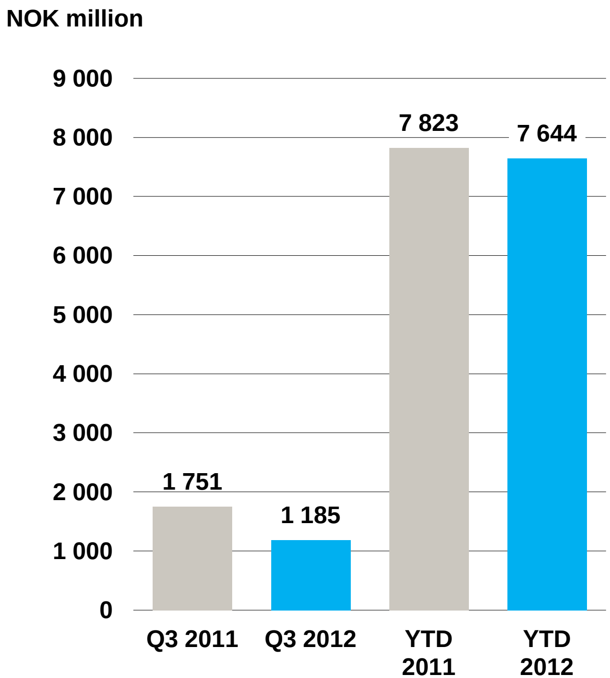
Net revenues breakdown[1]



- Net operating revenues reduced compared with Q3 2011
- Significant increase in physical sales and energy purchases due to gross accounting of new energy services
- Stable revenues from long-term contracts but down in the accounts due to reclassification in Q3 2011
- Lower prices reduce revenues within retail

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

EBITDA



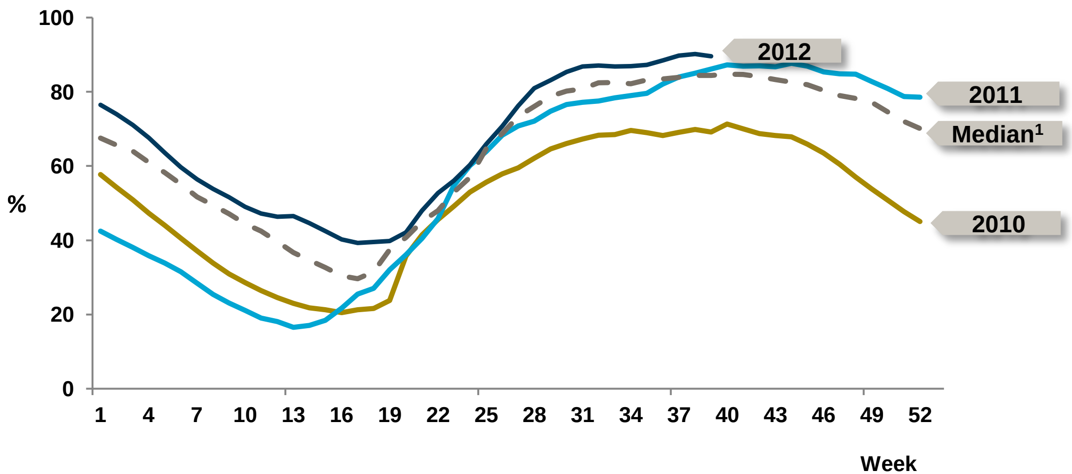
Δ Q3 12/Q3 11 - 32%
Δ YTD 12/YTD 11 - 2%

- Underlying EBITDA[1] reduced by 32% in Q3 and 2% YTD
- Somewhat higher quarterly power production did not offset fall in prices
- Significant contractual volumes
- Rise in operating costs due to increased number of employees, pension costs and property tax

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

Nordic hydro reservoirs

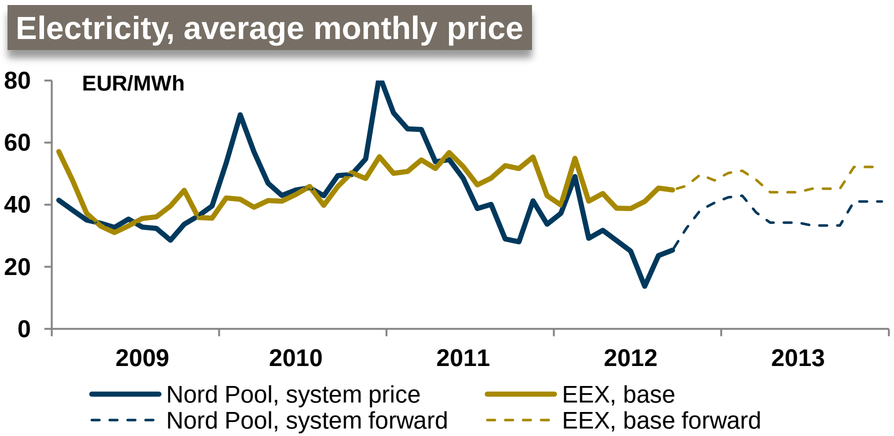
Nordic reservoir water levels



- High precipitation and reservoir inflow in Q3
- Flexibility for high production
- High Nordic power generation did not reduce surplus in reservoirs

[1] Median 1990-2007

Pressure on prices



- Price pressure in all main markets
  - Nordic system price: 20.9 EUR/MWh
    ↓ 42%
  - German spot price: 43.7 EUR/MWh
    ↓ 11%
- Current price pressure mainly caused by
  - High precipitation and hydro reservoir level in the Nordics
  - High renewable power production
  - Economic activity in Europe

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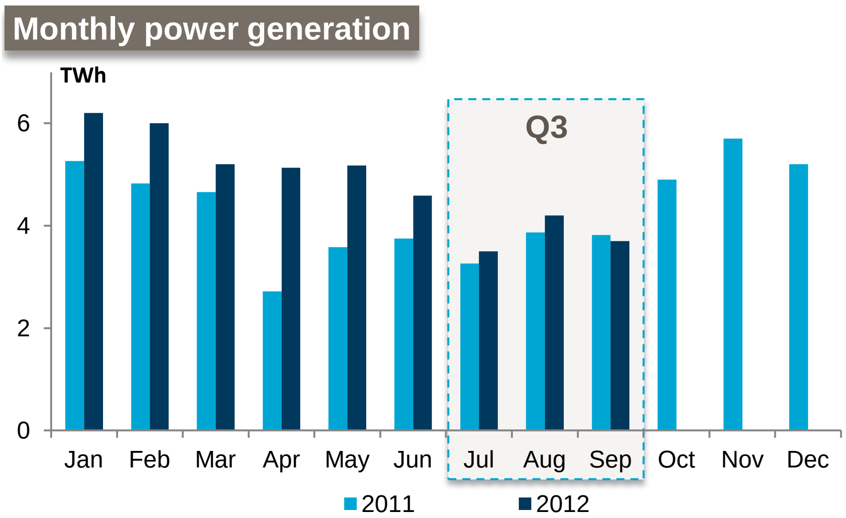
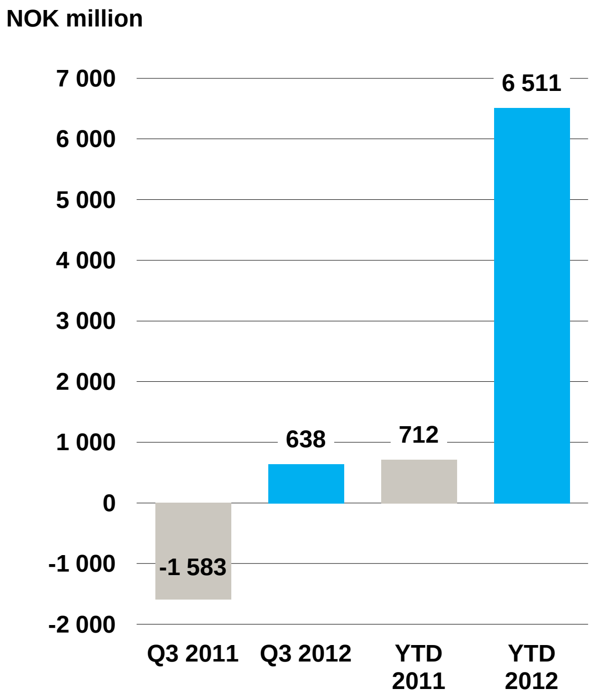


- Resource situation leads to relatively high power production in Q3
- Overall production ↑ 4%
- Hydropower production ↑ 10%
- Wind power production ↑ 26%
- Gas-fired power production ↓ 81%

Net profit



Δ Q3 12/Q3 11	+ 140%
Δ YTD 12/YTD 11	+ 814%

- Satisfactory operations in Q3 under price pressure
- Unrealised loss on energy contracts
- Unrealised currency gains
- Write-down of shareholding in E.ON in 2011

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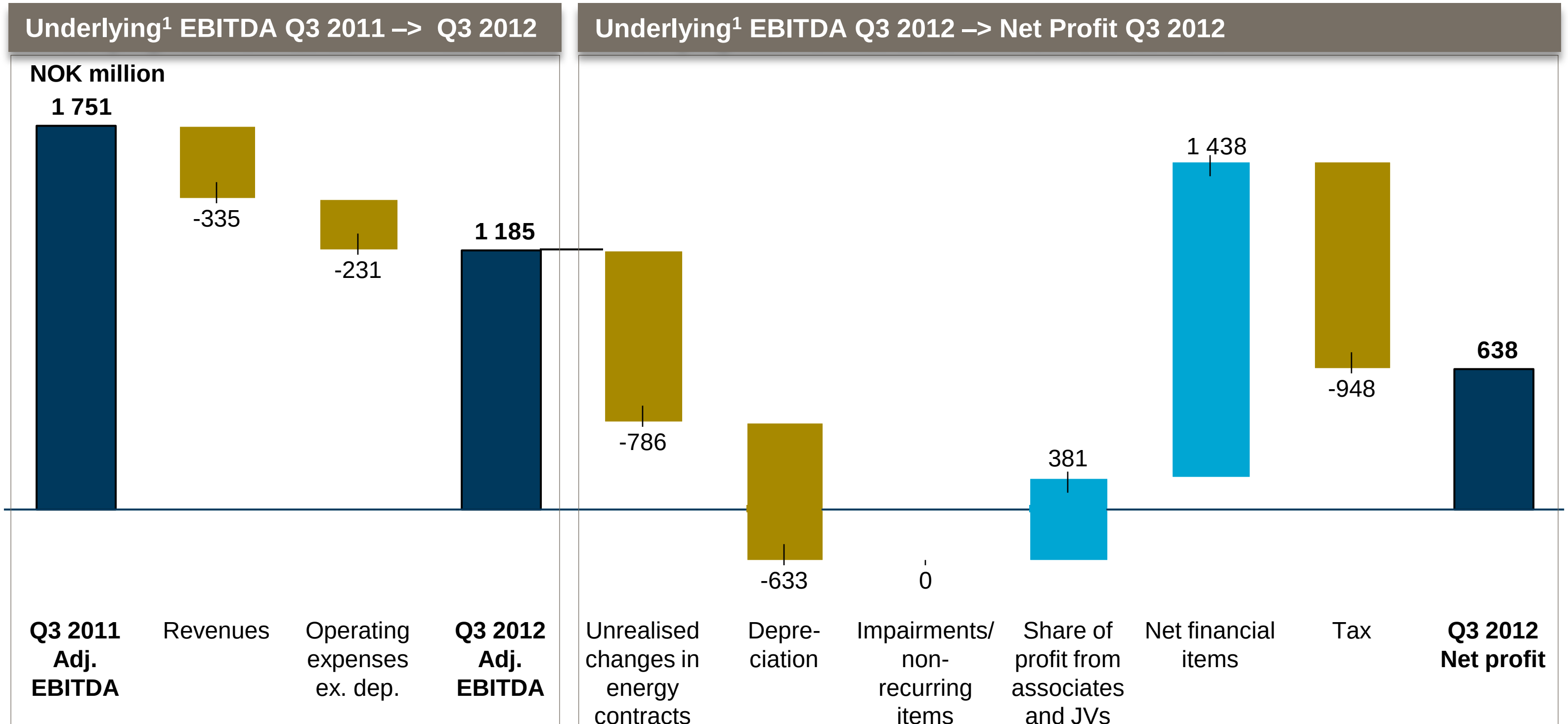
Net profit breakdown

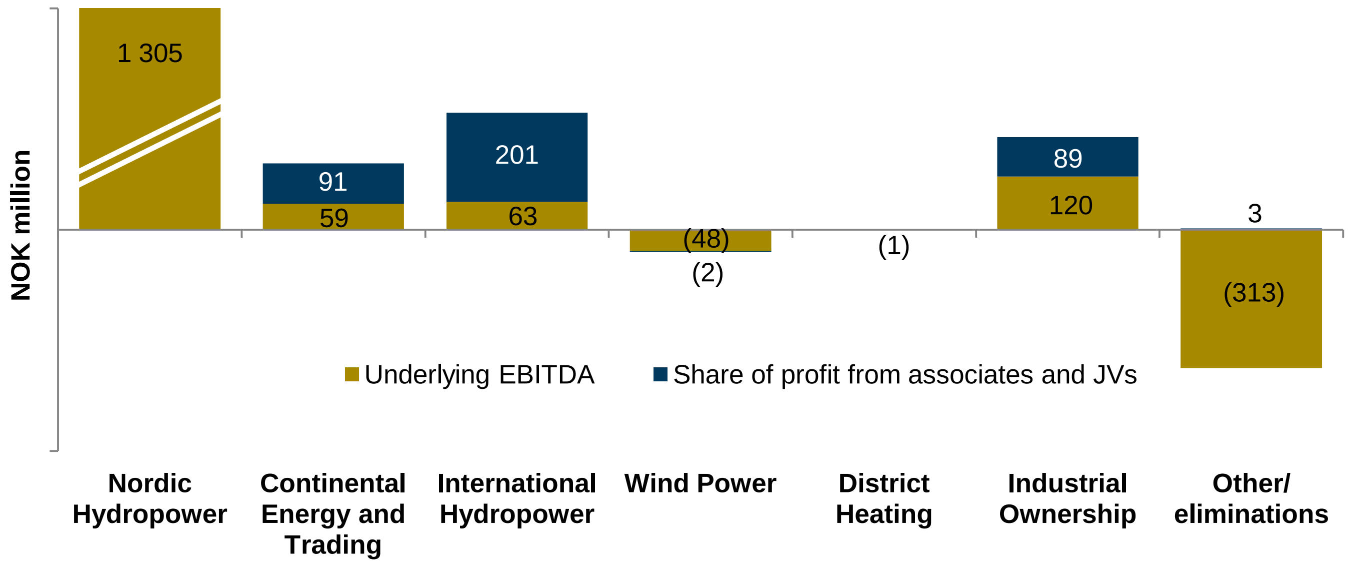


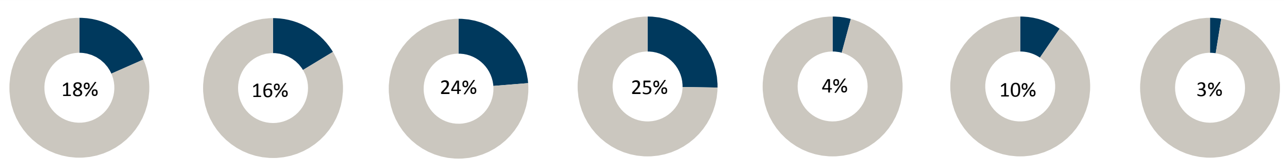
Underlying EBITDA Δ -32% vs. Q3/11.

Booked net profit effected negatively by unrealised value changes in energy contracts and positively by unrealised currency gains under net financial items .

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

Segment financials

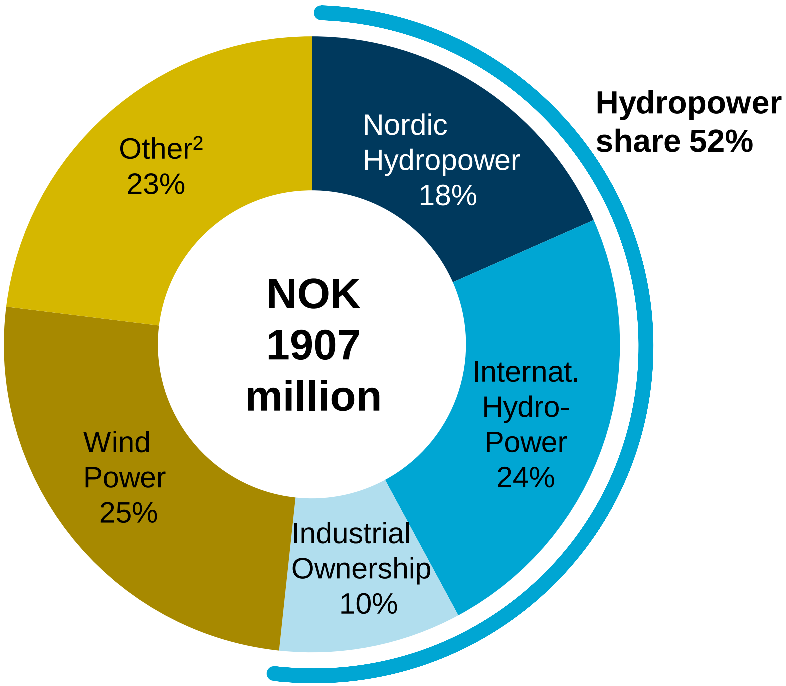




Total investments Q312 NOK 1 907 million[2]

[1]Adjusted for unrealised changes in value on energy contracts and significant non-recurring items
[2]Exclusive loans to third parties

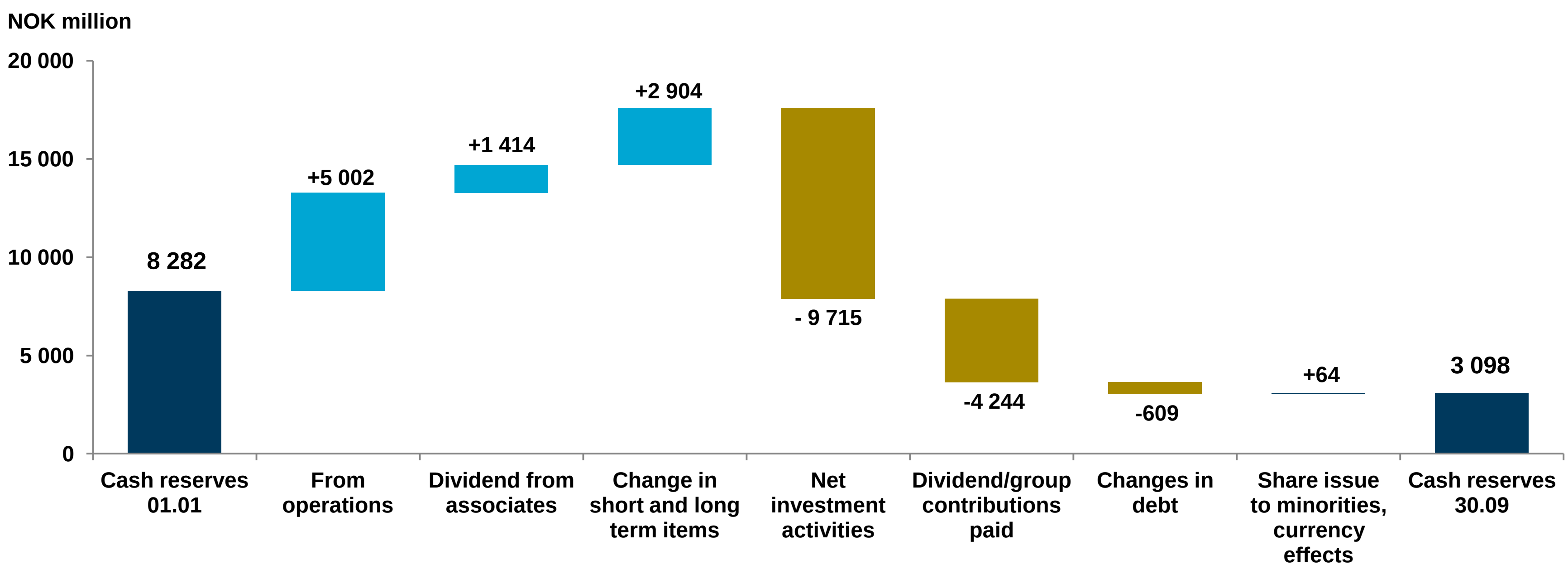
Q3 capital expenditure[1]



- A large number of projects under construction as a consequence of the ambitious investment program
- NOK 1.9 billion invested in Q3
  - 86% expansion
- Half of investments in hydropower
- NOK 7.5 billion invested YTD
- NOK 9.9 billion including loans to associates

[1] Exclusive loans to associates
[2] Including District heating, Small-scale hydropower and Continental energy and trading

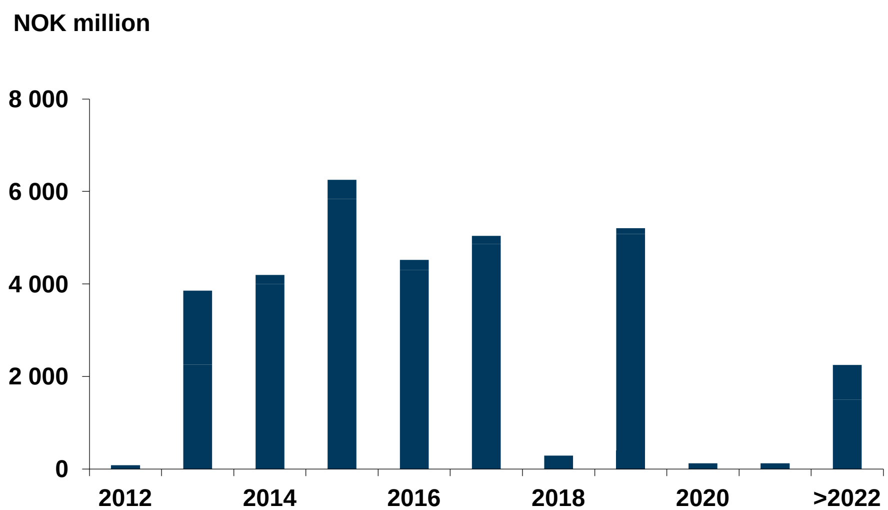
Cash flow year-to-date



- High investments, payment of dividend and repayment of debt reduce cash reserves

Debt

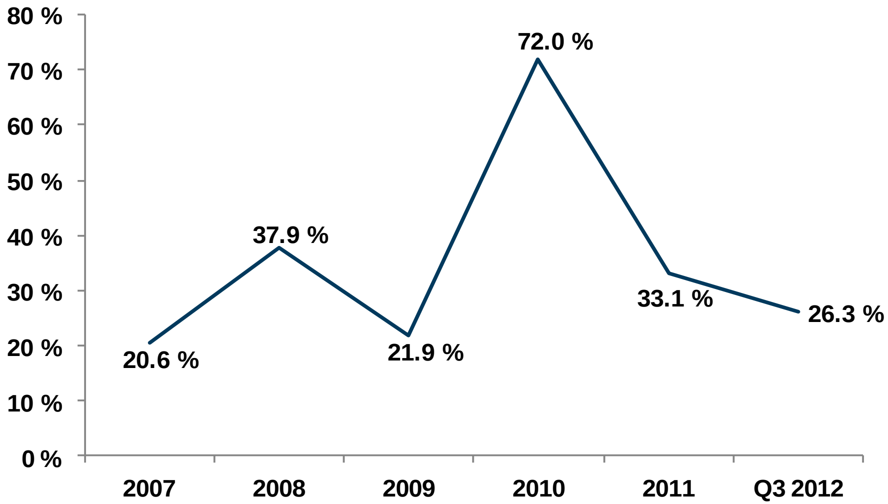
DEBT REPAYMENT PROFILE



- Net interest-bearing liabilities NOK 33.2 billion (25.2)
- Gross interest-bearing liabilities NOK 36.3 billion (39.9)
  - NOK 39%, EUR 47%, SEK 7%, USD 7%
  - 63% floating interest
  - Interest-bearing debt ratio 36.2%
- NOK 3.3bn debt maturities in 2012, NOK 2.2bn repaid in Q3

Financial strength and rating

FFO/NET DEBT[1] (UNADJUSTED[2])



FFO of NOK 8 721 million *(9 521 in 2011)*

Net interest bearing debt of NOK 33 210 million (*28 605 in 2011)*

RATING TARGETS

- Maintaining current ratings with S&P and Moody's, and a minimum of BBB+/Baa1
  - Current ratings A-/Baa1
- Indicated FFO/Net Debt thresholds[3]
  - S&P: *18-20%*
  - Moody's: *"High mid-teens"*

[1] *Calculated 12 months rolling*
[2] *Rating agencies apply own adjustments*

[3] *Please see rating publications on Statkraft's web page, under Financial information, for full assessments*

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Outlook

- Nordic hydro reservoirs above normal level
  - Moderate short-term spot price outlook, well above Q3-prices
  - Flexibility regarding high power generation
  - Solid long-term contract portfolio
- Focusing on project activities according to strategy
  - Well positioned in attractive markets
  - High activity within hydropower, onshore and offshore wind power

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APPENDIX

Statement of Comprehensive Income

NOK million	Third quarter 2012	Third quarter 2011	Year to date 2012	Year to date 2011	The year 2011
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	5 199	4 559	21 255	15 989	20 756
Other operating revenues	141	247	637	740	1 447
Gross operating revenues	**5 340**	**4 806**	**21 892**	**16 729**	**22 203**
Energy purchase	-2 780	-96	-9 356	-1 774	-3 894
Transmission costs	-227		-763	-875	-1 215
Net operating revenues	**2 333**	**4 441**	**11 773**	**14 080**	**17 094**
Salaries and payroll costs	-793	-694	-2 211	-1 965	-2 759
Depreciation, amortisation and impairments	-633	-563	-1 843	-1 743	-3 564
Property tax and licence fees	-362	-300	-1 041	-905	-1 254
Other operating expenses	-779	-708	-2 343	-2 373	-3 314
Operating expenses	**-2 566**	**-2 265**	**-7 437**	**-6 986**	**-10 891**
Operating profit/loss	**-234**	**2 176**	**4 336**	**7 093**	**6 203**
Share of profit/loss from associates and joint ventures	**381**	**251**	**1 352**	**979**	**898**
Financial income	78	254	875	1 709	1 880
Financial expenses	-295	-401	-972	-1 214	-1 548
Net currency effects	1 940	-912	4 461	-1 139	332
Other financial items	-284	-2 561	-245	-4 247	-4 299
Net financial items	**1 438**	**-3 620**	**4 119**	**-4 891**	**-3 635**
Profit/loss before tax	**1 586**	**-1 193**	**9 807**	**3 181**	**3 466**
Tax expense	-948	-390	-3 295	-2 469	-3 427
Net profit/loss	**638**	**-1 583**	**6 511**	**712**	**40**
Of which non-controlling interest	47	-16	369	187	264
Of which majority interest	591	-1 566	6 142	526	-224
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial instruments	798	-449	962	-376	-103
Estimate deviation pensions	-	-23	-15	-23	-936
Items recorded in other comprehensive income in associates and joint arrangements	-80	20	-241	126	-517
Currency translation effects	-1 802	1 742	-3 807	411	-171
Other comprehensive income	**-1 084**	**1 290**	**-3 101**	**138**	**-1 727**
Comprehensive income	**-446**	**-293**	**3 410**	**850**	**-1 687**
Of which non-controlling interest	-279	189	-48	123	186
Of which majority interest	-167	-482	3 458	727	-1 873

Statement of Financial Position

NOK million	30.09.2012	30.09.2011	31.12.2011
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Intangible assets	3 440	2 539	3 108
Property, plant and equipment	83 681	79 000	81 240
Investments in associates and joint ventures	17 588	16 703	16 109
Other non-current financial assets	13 328	12 225	12 163
Derivatives	4 975	4 783	4 315
Non-current assets	123 012	**115 249**	**116 935**
Inventories	1 158	844	973
Receivables	11 688	13 012	12 010
Short-term financial investments	450	426	455
Derivatives	4 462	4 636	5 223
Cash and cash equivalents (included restricted cash)	3 098	14 702	8 282
Current assets	20 856	**33 619**	**26 943**
Assets	143 868	**148 868**	**143 878**
EQUITY AND LIABILITIES			
Paid-in capital	45 569	45 569	45 569
Retained earnings	11 398	15 422	12 840
Non-controlling interest	7 076	7 944	7 241
Equity	64 043	**68 936**	**65 651**
Provisions	21 928	18 390	21 403
Long-term interest-bearing liabilities	28 920	31 639	31 443
Derivatives	6 105	3 247	4 507
Long-term liabilities	56 954	**53 277**	**57 353**
Short-term interest-bearing liabilities	7 388	8 294	5 444
Taxes payable	3 521	3 416	3 396
Other interest-free liabilities	7 821	10 248	6 525
Derivatives	4 141	4 697	5 509
Current liabilities	22 871	**26 655**	**20 874**
Equity and liabilities	143 868	**148 868**	**143 878**

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Statement of Cash Flow

NOK million		Year to date 2012	Year to date 2011	The year 2011
STATEMENT OF CASH FLOW				
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		9 807	3 181	3 466
Profit/loss on sale of non current assets		-7	32	-34
Depreciation, amortisation and impairments		1 843	1 743	3 564
Profit/loss from the sale of business		-	-240	-240
Profit/loss from the sale of shares, and associates and joint ventures		-	-	-111
Share of profit/loss from associates and joint ventures		-1 352	-979	-898
Unrealised changes in value		-2 416	4 495	5 122
Taxes		-2 873	-2 451	-3 284
Cash flow from operating activities		**5 002**	**5 781**	**7 585**
Changes in long term items		-185	-116	244
Changes in short term items		3 089	-230	55
Dividend from associates		1 414	1 310	1 639
Net cash flow operating activities	**A**	**9 320**	**6 745**	**9 521**
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in property, plant and equipment, maintanance		-668	-460	-1 129
Investments in property, plant and equipment, new capacity*		-4 425	-2 902	-4 793
Proceeds from sale of non-current assets		42	144	318
Business divestments, net liquidity inflow to the Group		-	452	452
Business combinations, net liquidity outflow from the Group**		90	-752	-766
Loans to third parties		-2 230	-100	-1 708
Repayment of loans		56	252	298
Proceeds from sale of other companies		-	66	66
Considerations regarding investments in other companies***		-2 580	-757	-940
Net cash flow from investing activities	**B**	**-9 715**	**-4 057**	**-8 202**
CASH FLOW FROM FINANCING ACTIVITIES				
New debt		2 471	2 354	376
Repayment of debt		-3 080	-3 769	-5 169
Dividend and group contribution paid		-4 244	-7 676	-9 400
Share issue in subsidiary to non-controlling interests		149	1 114	1 094
Net cash flow from financing activities	**C**	**-4 704**	**-7 977**	**-13 099**
Net change in cash and cash equivalents	**A+B+C**	**-5 099**	**-5 289**	**-11 780**
Currency exchange rate effects on cash and cash equivalents		-85	-61	10
Cash and cash equivalents 01.01		8 282	20 052	20 052
Cash and cash equivalents 30.09 / 31.12		3 098	14 702	8 282
Unused commited credit lines		12 000	12 000	12 000
Unused overdraft facilities		2 200	1 600	2 200
Restricted Cash		-758	-	-786