

Q4

Key figures

NOK million	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
From income statement ¹⁾						
Gross operating revenues, underlying	15 101	13 754	1 346	50 578	48 348	2 230
Net operating revenues, underlying	5 496	5 734	-238	19 255	20 602	-1 348
EBITDA, underlying	2 846	3 486	-640	10 169	12 132	-1 963
Operating profit, underlying	1 856	2 722	-866	6 815	9 111	-2 296
Operating profit, booked	116	5 717	-5 602	3 814	13 560	-9 746
Share of profit from associated companies and joint ventures	383	448	-65	683	661	23
Net financial items	-15	-9 162	9 147	-5 318	-6 283	965
Profit before tax	484	-2 996	3 480	-821	7 937	-8 759
Net profit	-70	-3 097	3 027	-2 369	3 892	-6 262
EBITDA margin, underlying (%) ²⁾	18.8	25.3	-6.5	20.1	25.1	-5.0
ROACE, underlying (%) ³⁾	7.9	11.0	-3.1	7.9	11.0	-3.1
Items excluded from the underlying operating profit						
Unrealised changes in value on energy contracts	119	2 712	-2 593	609	2 396	-1 787
Significant non-recurring items	-1 860	283	-2 143	-3 610	2 053	-5 663
Balance sheet and investments						
Total assets 31.12.				176 905	167 817	9 088
Equity				88 340	88 059	281
Net interest bearing debt 31.12.				35 036	23 638	11 398
Capital employed 31.12. ⁴⁾				91 089	82 244	8 845
Total investments	3 426	2 923	503	13 557	11 180	2 376
Cash Flow						
Cash flow from operating activities	4 597	-844	5 441	8 639	6 898	1 741
Cash and cash equivalents 31.12.				9 056	12 663	-3 607
Currency rates						
NOK/EUR average rate	9.34	8.59	0.74	8.94	8.35	0.59
NOK/EUR closing rate 31.12.				9.60	9.04	0.56

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 (rolling 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.

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ROBUST OPERATIONS AND IMPAIRMENT



Low fuel price combined with a wet and mild quarter contributed to low Nordic power prices.

Challenges in South-East Turkey resulted in suspension of a construction project.

In the fourth quarter of 2015, Statkraft achieved an underlying EBITDA of NOK 2846 million, a decrease of NOK 640 million compared with the corresponding period in 2014. The quarter showed a net loss of NOK 70 million. Cash flow from operating activities was NOK 4597 million, including positive changes in working capital.

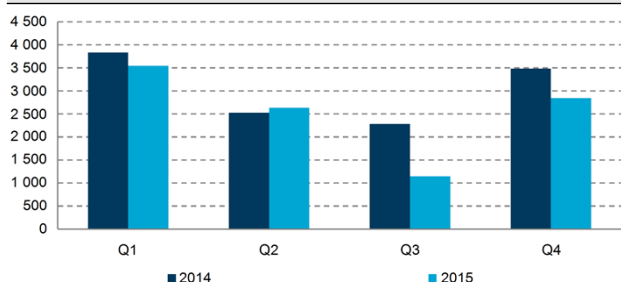
The average Nordic power prices were 22 EUR/MWh in the fourth quarter, a decrease of 29% compared with the fourth quarter of 2014. Total production was 15.4 TWh which was on par with the same period last year. Reduced hydropower production in Norway was counterbalanced by increased production from new hydropower and wind assets outside Norway.

The security situation in South-East Turkey has resulted in increased risk related to the Cetin project, and there have been major challenges related to project execution. Statkraft has therefore decided to suspend the majority of the construction works. This has led to an impairment and related costs of NOK 2086 million. Going forward, Statkraft will assess different alternatives for the project.

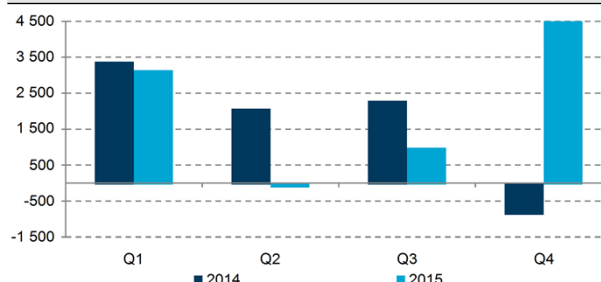
The Group has reduced its investment plan as a result of a revised dividend policy from the Norwegian State. The main changes are that there will be no new investments in offshore wind and some international hydropower projects will be postponed.

In the fourth quarter Statkraft sold Småkraft. Furthermore, the last phase of the Björkhöjden wind farm was completed and Statkraft has now finalized the construction of all its Swedish wind farms.

EBITDA – underlying
NOK million



Cash flow from operating activities
NOK million



Corporate social responsibility and HSE

	Fourth quarter		The year	
	2015	2014	2015	2014
Corporate responsibility and HSE				
Fatalities ¹⁾	0	1	0	4
TRI rate Statkraft ^{1) 2)}	5.9	5.4	5.9	5.4
Serious environmental incidents	0	0	0	0
Full-time equivalents; Group			3 795	3 348
Absence due to illness, Group (%)	3.0	2.9	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

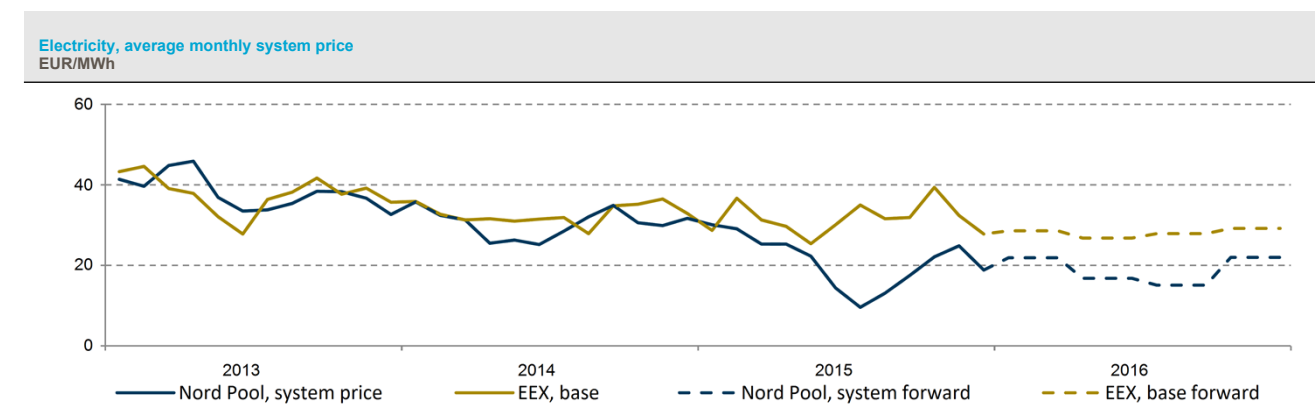
- The Group's TRI rate was 5.9 in the fourth quarter.
- There were no serious environmental incidents during this quarter.
- Absence due to illness was somewhat higher than in the fourth quarter of 2014.

One serious incident was reported in the fourth quarter 2015. In November, a Statkraft employee and a contractor were injured by a rock fall while inspecting a tunnel in Moglicë, part of the Devoll project in Albania. The accident has been investigated and improvement issues will be initiated.

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



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

The average system price in the Nordic region was 22.0 EUR/MWh in the quarter, a decline of 29% compared with the same period in 2014. The price decrease in the fourth quarter was driven by a strengthened hydrological balance. Forward prices in the Nordic region fell throughout the quarter.

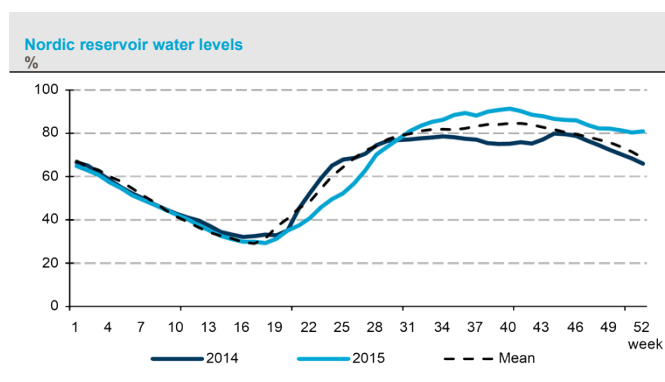
The average spot price in the German market (EEX) was 33.2 EUR/MWh in the quarter, a decrease of 5% compared with the same period in 2014. Forward prices in Germany fell somewhat during the quarter.

The average system price in the UK was 52.0 EUR/MWh in the quarter, a decrease of 9% compared with the same period in 2014. The decrease was driven by higher temperatures than normal and falling fuel prices.

EUR/MWh	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Prices						
Average system price, Nord Pool	22.0	30.7	-8.8	21.0	29.6	-8.6
Average spot price (base), EEX	33.2	34.9	-1.7	31.7	32.8	-1.2
Average spot price (peak), EEX	43.0	46.2	-3.2	39.1	41.1	-1.9
Average gas price, EGT	17.2	22.3	-5.1	19.9	21.1	-1.2

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

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



TWh	Fourth quarter		The year	
	2015	2014	2015	2014
Consumption and output				
Nordic				
Nordic consumption	100.5	101.3	379.4	374.9
Nordic output	103.8	103.4	393.8	385.1
Net Nordic import(+)/export(-)	-3.3	-2.1	-14.4	-10.2
Norway				
Norwegian consumption	34.8	34.9	130.1	126.2
Norwegian output	38.4	38.6	144.7	141.5
Net Norwegian import(+)/export(-)	-3.6	-3.7	-14.6	-15.4

The inflow was higher than normal in the period. Total reservoir level in the Nordic region was 118% of normal level. The reservoirs were filled to 81% of capacity (66% in 2014), with a maximum reservoir capacity of 121.4 TWh at the end of the quarter.

In the fourth quarter, a net 3.3 TWh was exported from the Nordic region, compared with net exports of 2.1 TWh in the corresponding 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	Fourth quarter		The year	
	2015	2014	2015	2014
Production, technology				
Hydropower	14.1	14.6	53.1	53.4
Wind power	0.9	0.6	2.5	1.7
Gas power	0.4	0.2	0.5	0.5
Bio power	0.1	0.1	0.3	0.3
Total production	15.4	15.4	56.3	56.0

TWh	Fourth quarter		The year	
	2015	2014	2015	2014
Production, geography				
Norway	11.8	12.9	44.4	46.4
Nordic ex. Norway	1.8	1.4	7.2	5.6
Europe ex. Nordic	0.5	0.5	1.3	1.8
Rest of the world	1.2	0.6	3.4	2.2
Total production	15.4	15.4	56.3	56.0

The Group produced a total of 15.4 TWh in the fourth quarter, on the same level compared with the corresponding period in 2014. In addition, the Group's district heating production amounted to 0.3 TWh.

Financial performance

NOK million	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Key figures						
Net operating revenues, underlying	5 496	5 734	-238	19 255	20 602	-1 348
EBITDA, underlying	2 846	3 486	-640	10 169	12 132	-1 963
Profit before tax	484	-2 996	3 480	-821	7 937	-8 759
Net profit	-70	-3 097	3 027	-2 369	3 892	-6 262

THE YEAR 2015

The underlying EBITDA was 16% lower than in 2014. The lower net operating revenues were primarily related to the lower Nordic power prices, lower Norwegian hydropower production, deconsolidation of UK wind farms and lower contribution from market operations. The decrease was somewhat offset by acquisitions in Chile and Brazil and new production capacity. Underlying EBITDA is adjusted for unrealised changes in value on energy contracts, which amounted to NOK 609 million compared with NOK 2396 million in 2014.

Total non-recurring items affecting the operating profit amounted to NOK -3610 million. In addition to the impairment in Turkey in the fourth quarter, wind power plants in Sweden were written down by NOK 1750 million in the second quarter as a result of expectations of lower power and el certificate prices in the coming years. Statkraft also had a gain from the sale of Småkraft of NOK 226 million. In 2014 the Group had positive non-recurring items affecting operating profit of NOK 2053 million.

The share of profit from associated companies and joint ventures was NOK 683 million in 2015 compared with NOK 661 million in 2014.

There were negative currency effects in both years, primarily as a result of a weakening of NOK against EUR.

Overall, this contributed to a NOK 6262 million decrease in the Group's profit compared with 2014.

FOURTH QUARTER

The quarterly report shows the development in the fourth quarter of 2015 compared with the fourth 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 640 million lower than in the same quarter in 2014, primarily as a result of lower Nordic power prices, lower Norwegian hydropower production and deconsolidation of an offshore wind farm in the UK. The decrease was partly offset by an acquisition in Brazil.

OPERATING REVENUES - UNDERLYING

NOK million	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Net operating revenues, underlying						
Net physical spot sales, incl. green certificates	10 703	9 135	1 568	34 858	31 133	3 725
Concessionary sales at statutory prices	102	108	-6	346	349	-3
Long-term contracts	2 150	2 015	135	7 974	8 294	-320
Nordic and Continental Dynamic Asset Management Portfolio	-46	77	-123	311	971	-661
Trading and origination (excl. market access Germany and UK - renewable)	178	263	-84	783	818	-35
Distribution grid	273	288	-15	983	966	17
End user	1 084	1 256	-172	3 743	3 988	-246
District heating, energy sales	213	205	9	689	643	45
Other sales revenues	11	20	-9	-272	-11	-261
Currency hedging energy contracts	5	-8	13	-118	-46	-73
Sales revenues	14 674	13 358	1 316	49 297	47 107	2 190
Other operating revenues	427	397	30	1 281	1 241	40
Gross operating revenues	15 101	13 754	1 346	50 578	48 348	2 230
Energy purchase	-9 295	-7 709	-1 586	-30 211	-26 561	-3 650
Transmission costs	-309	-311	2	-1 112	-1 185	73
Net operating revenues	5 496	5 734	-238	19 255	20 602	-1 348

- Lower Nordic power prices and lower Nordic hydropower production were the main contributors to the reduction in net operating revenues.
- 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 in Norway were higher due to positive effects of indexed price adjustments and a weaker NOK versus EUR.
- There were lower revenues from market activities in the fourth quarter compared to same quarter last year.

OPERATING EXPENSES - UNDERLYING

NOK million	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Operating expenses, underlying						
Salaries and payroll costs	-1 005	-853	-152	-3 545	-3 332	-214
Depreciation	-990	-763	-226	-3 354	-3 021	-333
Property tax and licence fees	-431	-404	-27	-1 679	-1 645	-35
Other operating expenses	-1 214	-991	-222	-3 861	-3 494	-367
Operating expenses	-3 640	-3 012	-628	-12 440	-11 492	-948

- Operating expenses were higher due to increased activity within international hydropower, where new plants have come into operation, and acquisitions in Brazil and Chile.
- Operating expenses were also higher due to new capacity within wind power, where new wind farms in Sweden have come into operation during 2015.
- A weaker NOK compared to other currencies has also contributed to higher operating expenses.

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	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Items excluded from the underlying operating profit						
Unrealised changes in value of energy contracts	119	2 712	-2 593	609	2 396	-1 787
Significant non-recurring items	-1 860	283	-2 143	-3 610	2 053	-5 663
Lawsuit Saurdal concessionary power	-	-	-	-	56	-56
Pension - scheme change	-	-	-	-	280	-280
Gain from sale of assets	226	283	-57	226	2 767	-2 541
Impairments	-2 086	-	-2 086	-3 836	-1 050	-2 786

- There was a positive development in the fourth quarter on hedges for sales of wind power in UK due to lower power prices. In addition there was a positive development on long term gas purchase contracts. This was partly offset by a reduced value on long term contracts in Brazil.
- There was an impairment loss related to the construction of the Cetin hydropower plant in Turkey of NOK 2086 million. This was split into NOK 1297 million as depreciation and impairments and NOK 789 million as other operating expenses.
- Statkraft gain related to sale of Småkraft was of NOK 226 million.

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	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Share of profit from associated companies and joint ventures						
International hydropower	82	25	57	-196	-240	44
Wind power	13	350	-337	55	363	-308
Industrial ownership	297	70	227	835	535	300
Others	-8	3	-11	-10	3	-13
Associated companies	383	448	-65	683	661	23

- The increase from International hydropower was mainly caused by operation start at Bajo Frio in SN Power and negative contribution from Desenvix in 2014.
- The decrease from Wind power was mainly caused by last years reversal of impairment in Scira.
- The increase from Industrial ownership was due to Agder Energi and BKK's sale of shares in Småkraft and positive unrealised value changes on energy contracts in Agder Energi.

FINANCIAL ITEMS

NOK million	Fourth quarter			The year		
	2015	2014	Change	2015	2014	Change
Financial items						
Interest income	105	85	20	378	267	111
Other financial income	20	52	-31	43	592	-549
Gross financial income	125	136	-11	421	859	-437
Interest expenses	-434	-292	-141	-1 322	-1 226	-96
Other financial expenses	-20	-29	9	-736	-83	-654
Gross financial expenses	-453	-321	-132	-2 058	-1 309	-749
Currency gains and losses	311	-7 852	8 162	-3 445	-4 791	1 346
Other financial items	2	-1 125	1 127	-237	-1 043	806
Net financial items	-15	-9 162	9 147	-5 318	-6 283	965

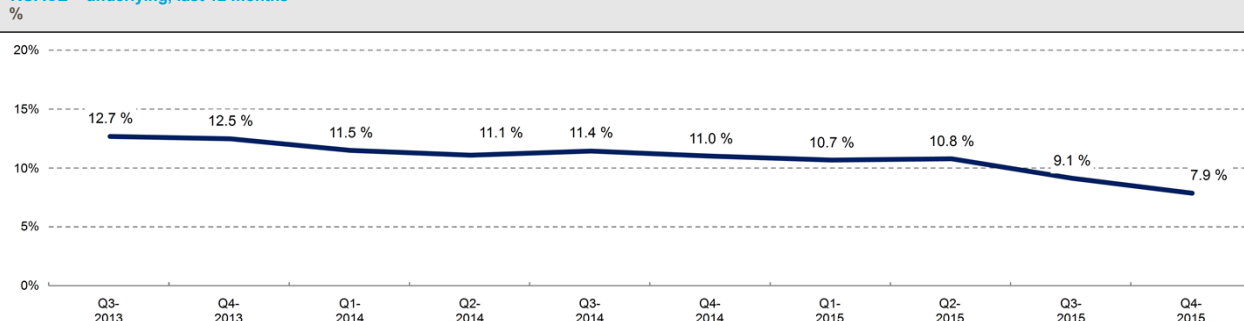
- Interest expenses increased by NOK 141 million, mainly due to lower capitalisation of borrowing costs and an updated estimate of decommissioning costs.
- Net currency effects in the fourth quarter amounted to NOK 311 million, primarily related to a weakening of NOK against USD and TRY. Weakening of NOK against EUR reduced the positive effect.
- Other financial items in 2014 included loss on interest rate derivatives and obligations linked to equity instruments.

TAXES

A tax expense of NOK 554 million was recorded in the fourth quarter (NOK 100 million). The increase in tax expense was mainly due to a higher profit/loss before tax, partly offset by lower resource rent tax.

RETURN

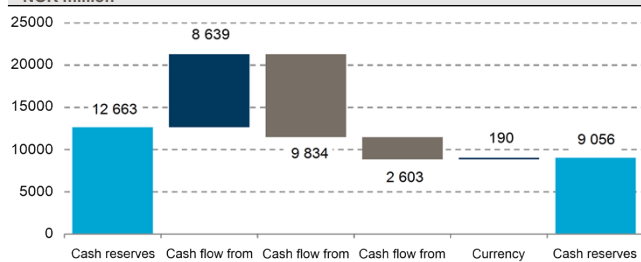
ROACE – underlying, last 12 months



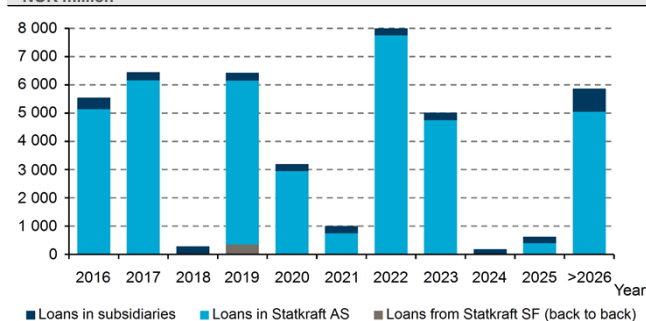
ROACE¹⁾ was 3.1 percentage points below that of 2014. The decline was primarily related to lower operating profit, mainly due to lower Nordic power prices and lower Norwegian hydropower production.

CASH FLOW AND CAPITAL STRUCTURE

Cash flow the year 2015
NOK million



Long-term debt, redemption profile
NOK million



Cash flow

- Cash flow from operating activities amounted to NOK 8639 million (NOK 6898 million). Net income, adjusted for non-cash effects, were NOK 11 167 million (NOK 9762 million) including changes in short and long term items. The changes in short and long-term items had a positive effect of NOK 4651 million (NOK -1746 million). The change in short term items was mainly related to working capital, cash collateral and provision related to impairment in Turkey. Taxes paid were NOK -3062 million (NOK -3593 million) and dividends received from associated companies and joint ventures were NOK 534 million (NOK 729 million).
- Net investments²⁾ amounted to NOK -9834 million (NOK -5449 million). This was primarily investments in property, plant and equipment totalling NOK -8720 million, acquisition of shares in Pilmaiquén in Chile of NOK -1928 million, in Desenvix in Brazil of NOK -911 million and divestment of Småkraft of NOK 1337 million.
- The net liquidity change from financing amounted to NOK -2603 million (NOK 3168 million). New debt totalled NOK 14 409 million (NOK 1917 million), while repayment of debt was NOK -11 864 million (NOK -3900 million). Dividend and group contribution amounted to NOK -5157 million, primarily from Statkraft AS to Statkraft SF.

Financial structure

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

- Net interest-bearing debt³⁾ totalled NOK 35 036 million, compared with NOK 23 638 million at the beginning of the year. The increase was primarily related to new investments, payment of dividend and debt in acquired companies in Chile and Brazil.
- The net interest-bearing debt-equity ratio was 28.4%, compared with 21.2% at year-end 2014.
- Current assets, except cash and cash equivalents, amounted to NOK 18 883 million.
- Short-term interest-free debt was NOK 18 994 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.

→ Statkraft's equity totalled NOK 88 340 million, compared with NOK 88 059 million at the start of the year. This corresponds to 49.9% of total assets.

INVESTMENTS AND PROJECTS

Total investments in the quarter amounted to NOK 3426 million. Maintenance investments and other investments were primarily related to Nordic hydropower. Investments in new capacity were mainly within hydropower developments in Turkey and Albania, as well as wind power developments in Sweden and the UK.

NOK mill.	Fourth quarter 2015	The year 2015	The year 2014
Maintenance investments and other investments			
Nordic hydropower	378	1 280	1 673
Continental energy and trading	20	133	85
International hydropower	55	104	65
Wind power	-30	-30	1
District heating	3	10	7
Industrial ownership	116	404	470
Other activities	16	68	67
Total	558	1 970	2 368
Investment in new capacity			
Nordic hydropower	197	698	439
Continental energy and trading	16	43	17
International hydropower	1 242	3 048	3 073
Wind power	1 135	3 335	3 197
District heating	65	272	309
Industrial ownership	114	281	354
Other activities	40	120	137
Total	2 808	7 797	7 525
Investment in shareholdings			
Nordic hydropower	-2	-	-
Continental energy and trading	25	25	-
International hydropower	15	3 399	1 126
Wind power	2	101	159
District heating	18	18	-
Industrial ownership	-	-	2
Other activities	2	247	-
Total	60	3 790	1 287

Projects in consolidated operations

Fourth quarter	Project	Country	New capacity (MW) ¹⁾	Statkraft's ownership share	Planned completion	
Completed projects in the period						
Wind power	Björkhöjden, phase 2	Sweden	126	60%	2015	Q4
Main projects under construction						
Hydropower	Nedre Røssåga, phase 1	Norway	-	100%	2017	Q4
	Nedre Røssåga, phase 2	Norway	100	100%	2016	Q4
	Øvre Røssåga	Norway	-	100%	2019	Q2
	Cetin ²⁾	Turkey	517	100%	2019	Q1
	Devoll - Banja	Albania	72	100%	2016	Q4
	Devoll - Moglice	Albania	184	100%	2019	Q2
Wind power	Dudgeon	UK	402	30%	2017	Q4
	Andershaw	UK	36	100%	2016	Q4
District heating	Moss	Norway	21	100%	2016	Q4

¹⁾ Total for project, incl. partners' share.

²⁾ Currently suspended.

Segments

The segment structure follows 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.

Fourth 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	15 101	3 247	9 146	598	241	200	1 767	272	-370
Net operating revenues, underlying	5 496	2 898	883	514	224	147	812	269	-251
EBITDA, underlying	2 846	1 863	419	233	24	80	359	-152	20
Operating profit, underlying	1 856	1 484	320	40	-63	40	200	-185	20
Operating profit, booked	116	1 349	484	-2 046	-63	40	275	64	13
Share of profit from associated companies and JV	383	-	-	82	13	-1	297	-7	-1
EBITDA-margin (%), underlying	18.8	57.4	4.6	39.0	9.9	40.2	20.3	N/A	N/A
Maintenance investments and other investments	558	378	20	55	-30	3	116	16	-
Investments in new capacity	2 808	197	16	1 242	1 135	65	114	40	-
Investments in shareholdings	60	-2	25	15	2	18	-	2	-
Production									
Production, volume sold (TWh)	15.4	11.3	0.5	1.2	0.7	-	1.5	0.1	-
- whereof hydropower (TWh)	14.1	11.3	0.1	1.1	-	-	1.5	0.1	-
- whereof wind power (TWh)	0.9	-	-	0.1	0.7	-	-	-	-
- whereof gas power (TWh)	0.4	-	0.4	-	-	-	-	-	-
- whereof bio power (TWh)	0.1	-	0.1	-	-	-	-	-	-
Production, district heating (TWh)	0.3	-	-	-	-	0.3	0.0	-	-

NORDIC HYDROPOWER

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	2 898	3 415	10 923	12 347
EBITDA, underlying	1 863	2 419	7 322	8 802
Operating profit, underlying	1 484	2 046	5 896	7 478
Unrealised value changes energy contracts	-135	1 999	531	1 545
Significant non-recurring items	-	-	-	1 478
Operating profit, booked	1 349	4 045	6 427	10 500
Share of profit from associated companies and joint ventures	-	-	-	-
Maintenance investments and other investments	378	317	1 280	1 673
Investments in new capacity	197	137	698	439
Investments in shareholdings	-2	-	-	-
Production, volume sold (TWh)	11.3	12.2	43.5	44.9

Quarterly financial performance

- Underlying EBITDA was lower than in the same quarter of 2014, mainly due to lower power prices and lower production.

Financial performance for the year

- Underlying EBITDA was lower than in the same period of 2014, mainly due to lower power prices and also somewhat lower production. Operating costs were stable.

Quarterly investments

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

CONTINENTAL ENERGY AND TRADING

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	883	814	2 763	2 973
EBITDA, underlying	419	423	1 167	1 554
Operating profit, underlying	320	387	792	1 234
Unrealised value changes energy contracts	164	825	-445	925
Significant non-recurring items	-	-	-	16
Operating profit, booked	484	1 212	346	2 174
Share of profit from associated companies and joint ventures	-	-	-	-
Maintenance investments and other investments	20	45	133	85
Investments in new capacity	16	4	43	17
Investments in shareholdings	25	-	25	-
Production, volume sold (TWh)	0.5	0.4	1.1	1.1

Highlights in the quarter

- Naturkraft sent an application to the Norwegian Water Resources and Energy Directorate for dismantling the gas-fired power plant at Kårstø in Norway.

Quarterly financial performance

- Underlying EBITDA was stable compared with the same quarter of 2014.

Financial performance for the year

- Underlying EBITDA was lower than in 2014, mainly due to lower results from market activities. Operating expenses were higher mainly due to provisions for an onerous power purchase contract.

Quarterly investments

- Investments in new capacity mainly related to a battery project in Germany. Maintenance investments mainly related to bio assets.

INTERNATIONAL HYDROPOWER

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	514	217	1 574	888
EBITDA, underlying	233	117	768	290
Operating profit, underlying	40	77	377	148
Unrealised value changes energy contracts	-	-	-	-
Significant non-recurring items	-2 086	-	-2 086	-937
Operating profit, booked	-2 046	77	-1 709	-789
Share of profit from associated companies and joint ventures	82	25	-196	-240
Maintenance investments and other investments	55	29	104	65
Investments in new capacity	1 242	981	3 048	3 073
Investments in shareholdings	15	147	3 399	1 126
Production, volume sold (TWh)	1.2	0.6	3.6	2.2

Highlights in the quarter

- The security situation in South-East Turkey has resulted in increased risk related to the Cetin project, and there have been major challenges related to project execution. Statkraft has therefore decided to suspend the majority of the construction works. This has led to an impairment and related costs of NOK 2086 million. Going forward, Statkraft will assess different alternatives for the project.

Quarterly financial performance

- The increase in underlying EBITDA compared with the fourth quarter of 2014 was related to the acquisition of Statkraft Energias Renováveis (SKER) in Brazil. Peru contributed positively due to start-up of the Cheves project in combination with positive currency effects.
- The increase in share of profit from associated companies and joint ventures was mainly due to negative contribution from SKER in 2014 (fully consolidated from July 2015). In addition positive contribution from Bajo Frio in Panama due to operation start up and positive currency effects.

Financial performance for the year

- The increase in EBITDA is mainly due to new business in operation and currency effects.
- Share of profit from associated companies and joint ventures is negative due to impairment in India in the second quarter, however improved from 2014 due to impairment in Brazil in 2014.

Quarterly investments

- Investments in new capacity were mainly related to the hydropower developments in Turkey and Albania.

WIND POWER

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	224	259	658	1 064
EBITDA, underlying	24	151	21	476
Operating profit, underlying	-63	43	-312	-14
Unrealised value changes energy contracts	-	-	-	-
Significant non-recurring items	-	283	-1 750	1 358
Operating profit, booked	-63	326	-2 062	1 344
Share of profit from associated companies and joint ventures	13	350	55	363
Maintenance investments and other investments	-30	-20	-30	1
Investments in new capacity	1 135	918	3 335	3 197
Investments in shareholdings	2	31	101	159
Production, volume sold (TWh)	0.7	0.6	2.2	1.7

Highlights in the quarter

- The Board of Directors decided to adjust Statkraft's investment plan. The main change being that there will be no new investments in offshore wind power.
- Phase 2 of the Björkhöjden wind farm (126 MW) in Sweden was finalised.

Quarterly financial performance

- The decline in underlying EBITDA was primarily caused by the deconsolidation of the offshore wind farm in the UK and lower Nordic power prices, partly offset by good wind conditions and new production capacity in Sweden.
- The share of profit from associated companies and joint ventures declined, mainly due to a reversal of previous year's impairment of NOK 341 million in 2014.

Financial performance for the year

- 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 onshore wind farms in Sweden and the UK, as well as the Dudgeon offshore wind farm outside the coast of UK.

DISTRICT HEATING

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	147	133	464	398
EBITDA, underlying	80	67	212	151
Operating profit, underlying	40	32	49	9
Unrealised value changes energy contracts	-	-	-	-
Significant non-recurring items	-	-	-	13
Operating profit, booked	40	32	49	22
Share of profit from associated companies and joint ventures	-1	3	1	3
Maintenance investments and other investments	3	2	10	7
Investments in new capacity	65	58	272	309
Investments in shareholdings	18	-	18	-
Production, volume sold (TWh)	0.3	0.3	0.8	0.8

Highlights in the quarter

- Statkraft bought 100% of the shares in Gardermoen Energi from Hafslund.

Quarterly financial performance

- EBITDA was higher than in the same quarter in 2014 primarily due to better price and higher volume on waste handling, high utilization of base load, high availability and good fuel mix. Reduced costs and limited use of peak load contributed further to the improvement.

Financial performance for the year

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

Quarterly investments

- The investments were primarily related to construction of district heating plants in Moss/Rygge, as well as the development of the district heating grid in existing activities.

INDUSTRIAL OWNERSHIP¹⁾

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	812	913	2 985	3 007
EBITDA, underlying	359	487	1 336	1 418
Operating profit, underlying	200	345	793	920
Unrealised value changes energy contracts	75	-56	359	-52
Significant non-recurring items	-	-	-	80
Operating profit, booked	275	289	1 152	948
Share of profit from associated companies and joint ventures	297	70	835	535
Maintenance investments and other investments	116	137	404	470
Investments in new capacity	114	75	281	354
Investments in shareholdings	-	-	-	2
Production, volume sold (TWh)	1.5	1.6	5.5	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 and co-operating companies have entered into contracts for the procurement of equipment and installation services for their automatic metering and control system (AMS) projects covering 700 000 customers.

Quarterly financial performance

- The decrease in EBITDA compared with the same period in 2014 was mainly due to lower power prices.
- The increase in share of profit from associated companies and joint ventures was mainly due to realised gains from the sale of Småkraft. Agder Energi had positive unrealised gains of energy contracts.

Financial performance for the year

- The increase in EBITDA year to date is mainly due to higher contribution from end user business and higher revenues from long term contracts. The increase was offset by lower power prices and production.
- The increase from share of profit from associated companies and joint ventures is mainly due to positive unrealised value changes from energy contracts and gain from the sale of Småkraft.

Quarterly investments

- Investments were mainly related to new capacity in the transmission grid.

OTHER ACTIVITIES¹⁾

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
Net operating revenues, underlying	269	162	718	651
EBITDA, underlying	-152	-162	-668	-557
Operating profit, underlying	-185	-193	-789	-663
Unrealised value changes energy contracts	23	-58	138	-27
Significant non-recurring items	226	-	226	46
Operating profit, booked	64	-251	-425	-644
Share of profit from associated companies and joint ventures	-7	-	-12	-
Maintenance investments and other investments	16	20	68	67
Investments in new capacity	40	41	120	137
Investments in shareholdings	2	-	247	-
Production, volume sold (TWh)	0.1	0.1	0.4	0.3

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

Highlights in the quarter

- Statkraft completed the sale of Småkraft to Aquila Capital.

Quarterly financial performance

- The increase in EBITDA in the fourth quarter is mainly due to higher income from building projects in small-scale hydropower for external partners.

Financial performance for the year

- The decrease in EBITDA is related to higher operating costs due to increased activities in Group functions as well as negative contribution from currency effects from hedging of energy contracts.

Quarterly investments

- New capacity investments are mainly related to small-scale hydropower. Maintenance and other investments were primarily in office facilities and IT.

Outlook

Low European power prices and a power surplus in the Nordic region have resulted in low Nordic power prices. However, a significant share of the Group's power generation in several markets is sold through long-term power contracts which help to stabilise the Group's revenues. Going into 2016 Statkraft's hydrological resource situation is robust.

In several emerging markets there is a rising demand for energy. Based on Statkraft's core expertise, this provides opportunities for value creation within renewable energy. The recent acquisitions in Chile and Brazil and completion of new hydropower plants in 2015 have strengthened Statkraft's position and will result in increased income from the Group's international operations.

As a result of a change in the owner's dividend policy, Statkraft has adjusted the investment plan. The main changes are that there will be no new investments in offshore wind and the focus will be on managing positions in offshore wind to maximise the value of existing assets and projects. In addition, some international hydropower projects will be postponed. For European flexible power production, market operations and district heating there are no significant changes, and Statkraft will continue to make investments in order to modernise its ageing hydropower plants in Norway and Sweden.

Oslo, 3 February 2016
The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

NOK million	Fourth quarter		The year	
	2015	2014	2015	2014
COMPREHENSIVE INCOME				
PROFIT AND LOSS				
Sales revenues	15 183	17 278	51 586	48 246
Other operating revenues	653	679	1 507	4 008
Gross operating revenues	15 836	17 957	53 094	52 254
Energy purchase	-9 685	-8 917	-31 892	-25 264
Transmission costs	-309	-311	-1 112	-1 185
Net operating revenues	5 841	8 729	20 090	25 805
Salaries and payroll costs	-1 005	-853	-3 545	-3 051
Depreciation, amortisation and impairments	-2 286	-763	-6 401	-4 071
Property tax and licence fees	-431	-404	-1 679	-1 630
Other operating expenses	-2 003	-991	-4 651	-3 493
Operating expenses	-5 725	-3 011	-16 276	-12 245
Operating profit/loss	116	5 717	3 814	13 560
Share of profit/loss from associates and joint ventures	383	448	683	661
Financial income	125	136	421	859
Financial expenses	-453	-321	-2 058	-1 309
Net currency effects	311	-7 852	-3 445	-4 791
Other financial items	2	-1 125	-237	-1 043
Net financial items	-15	-9 162	-5 318	-6 283
Profit/loss before tax	484	-2 996	-821	7 937
Tax expense	-554	-100	-1 548	-4 045
Net profit/loss	-70	-3 097	-2 369	3 892
Of which non-controlling interest	122	246	-598	683
Of which majority interest	-192	-3 343	-1 772	3 209
OTHER COMPREHENSIVE INCOME				
Items in other comprehensive income that recycle over profit/loss:				
Changes in fair value of financial instruments	-115	-1 044	-937	-907
Income tax related to changes in fair value of financial instruments	-19	317	142	276
Items recorded in other comprehensive income in associates and joint arrangements	224	125	204	-123
Currency translation effects	1 922	10 081	6 138	7 734
Reclassification currency translation effects related to foreign operations disposed of in the year	-	-50	772	-69
Items in other comprehensive income that will not recycle over profit/loss:				
Estimate deviation pensions	267	263	758	-704
Income tax related to estimate deviation pensions	-137	-124	-314	184
Other comprehensive income	2 141	9 568	6 761	6 392
Comprehensive income	2 071	6 471	4 391	10 284
Of which non-controlling interest	443	715	-133	1 322
Of which majority interest	1 628	5 755	4 525	8 962

NOK million	31.12.2015	31.12.2014
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Intangible assets	5 822	3 439
Property, plant and equipment	111 207	99 199
Investments in associates and joint ventures	19 388	19 027
Other non-current financial assets	7 874	6 093
Derivatives	4 675	5 616
Non-current assets	148 966	133 374
Inventories	1 044	2 088
Receivables	10 675	12 433
Short-term financial investments	513	443
Derivatives	6 651	6 816
Cash and cash equivalents (included restricted cash)	9 056	12 663
Current assets	27 939	34 443
Assets	176 905	167 817
EQUITY AND LIABILITIES		
Paid-in capital	57 111	56 361
Retained earnings	22 787	23 861
Non-controlling interest	8 443	7 837
Equity	88 340	88 059
Provisions	21 228	18 796
Long-term interest-bearing liabilities	37 410	27 438
Derivatives	3 736	3 556
Long-term liabilities	62 374	49 790
Short-term interest-bearing liabilities	7 196	9 306
Taxes payable	2 825	3 546
Other interest-free liabilities	10 781	9 808
Derivatives	5 388	7 308
Current liabilities	26 190	29 968
Equity and liabilities	176 905	167 817

NOK million	Paid-in capital	Other reserves	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	-1 662	18 316	-2 327	14 328	63 338	7 769	71 107
Net profit/loss	-	-	3 209	-	3 209	3 209	684	3 892
Items in other comprehensive income that recycles over profit/loss:								
Changes in fair value of financial instruments	-	-907	-	-	-907	-907	-	-907
Income tax related 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	-	-759	2 740	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	-2 421	21 641	4 654	23 876	80 235	7 823	88 059
Net profit/loss	-	-	-1 772	-	-1 772	-1 772	-598	-2 369
Items in other comprehensive income that recycles over profit/loss:								
Changes in fair value of financial instruments	-	-925	-	-	-925	-925	-12	-937
Income tax related to changes in fair value of financial instruments	-	149	-	-	149	149	-7	142
Items recorded in other comprehensive income in associates and joint arrangements	-	204	-	-	204	204	-	204
Reclassification currency translation effects related to foreign operations disposed of in the year	-	-	-	772	772	772	-	772
Currency translation effects	-	-	-	5 732	5 732	5 732	406	6 138
Items in OCI that will not recycle over profit/loss:								
Estimate deviation pensions	-	-	637	-	637	637	120	758
Income tax related to estimate deviation pensions	-	-	-273	-	-273	-273	-42	-314
Total comprehensive income for the period	-	-572	-1 407	6 504	4 525	4 525	-133	4 391
Dividend and Group contribution paid	-	-	-5 600	-	-5 600	-5 600	-307	-5 907
Business combinations/divestments	-	-	-	-	-	-	318	318
Transactions with non-controlling interest	-	-	-12	-	-12	-12	-14	-26
Capital increase	750	-	-	-	-	750	756	1 506
Balance as of 31.12.2015	57 111	-2 993	14 622	11 158	22 787	79 898	8 443	88 340

NOK million	The year	
	2015	2014
STATEMENT OF CASH FLOW		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-821	7 937
Profit/loss on disposal of non-current assets	43	-80
Depreciation, amortisation and impairments	6 401	4 071
Profit/loss from the sale of business	-221	-2 559
Profit/loss from the sale of shares, and associates and joint ventures	471	-69
Profit from restructuring of SN Power	-	-564
Share of profit/loss from associates and joint ventures	-683	-661
Realised currency effect from internal loans ¹⁾	2 635	-980
Unrealised changes in value	-1 308	4 412
Changes in long term items	410	-52
Changes in short term items ¹⁾	4 241	-1 694
Dividend from associates	534	729
Taxes	-3 062	-3 593
Cash flow from operating activities	A	8 639
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in property, plant and equipment ²⁾	-8 720	-8 801
Proceeds from sale of non-current assets	152	-17
Business divestments net liquidity inflow to the Group ³⁾	1 691	4 688
Business combinations and asset purchase, net liquidity outflow from the Group ⁴⁾	-2 889	-74
Restructuring of SN Power, net liquidity outflow from the Group	-	-770
Loans to third parties	-407	-100
Repayment of loans from third parties	628	390
Considerations regarding investments in other companies ⁴⁾	-289	-765
Cash flow from investing activities	B	-9 834
CASH FLOW FROM FINANCING ACTIVITIES		
New debt	14 409	1 917
Repayment of debt	-11 864	-3 900
Capital increase	-	5 000
Dividend and group contribution paid	-5 157	-74
Share issue in subsidiary to non-controlling interests	9	225
Cash flow from financing activities	C	-2 603
Net change in cash and cash equivalents	A+B+C	4 616
Currency exchange rate effects on cash and cash equivalents	190	362
Cash and cash equivalents 01.01	12 663	7 685
Cash and cash equivalents 31.12/31.12 ⁵⁾	9 056	12 663
Unused committed credit lines	13 000	12 000
Unused overdraft facilities	2 200	2 200
Restricted Cash	-	-

¹⁾ Realised currency effects from internal loans are shown on a separate line. Previous periods, these effects have been shown as part of changes in short term items.

²⁾ Investments in the cash flow are NOK 1047 million lower than investments in fixed assets in the segment reporting due to acquisition of assets not paid as of fourth quarter 2015.

³⁾ Cash received from business divestments are NOK 1796 million whereof NOK 354 million is repayment of loans provided by Statkraft. Consolidated cash in the divested companies are NOK 105 million.

⁴⁾ Considerations for business combinations are NOK 3218 million. Consolidated cash from these companies are NOK 329 million. Investments in business combinations, asset purchase and investment in other companies are NOK 611 million lower than for investments in other companies shown in the segment reporting. This is mainly due to cash in the acquired companies of NOK 329 million, part of the acquisition cost not yet paid as of fourth quarter of NOK 337 as well as investments by Statkraft Forsikring not presented as investment in the segment reporting of - NOK 55 million.

⁵⁾ Included in cash and cash equivalents are NOK 420 million related to joint operations as of fourth quarter 2015.

	Statkraft AS Group	Nordic hydropower	Continental energy and trading	International hydropower	Wind power	District heating	Industrial ownership	Other activities	Group items
NOK million									
SEGMENTS									
4th quarter 2015									
Operating revenue external, underlying	15 836	2 496	9 214	597	51	195	1 754	106	1 423
Operating revenue internal, underlying	-	751	-68	1	190	5	13	166	-1 058
Gross operating revenues, underlying	15 836	3 247	9 146	598	241	200	1 767	272	365
Net operating revenues, underlying	5 841	2 898	883	514	224	147	812	269	94
Operating profit/loss, underlying	116	1 484	320	40	-63	40	200	-185	-1 720
Unrealised value change energy derivatives	-	-135	164	-	-	-	75	23	-127
Non-recurring items	-	-	-	-2 086	-	-	-	226	1 860
Operating profit/loss	116	1 349	484	-2 046	-63	40	275	64	13
Share of profit/loss from associates and joint ventures	383	-	-	82	13	-1	297	-7	-1
Profit/loss before financial items and tax	499	1 349	484	-1 964	-50	39	572	57	12
The year 2015									
Operating revenue external, underlying	53 094	9 621	30 026	1 738	-24	626	6 092	167	4 848
Operating revenue internal, underlying	-	2 550	-310	57	724	9	48	561	-3 639
Gross operating revenues, underlying	53 094	12 171	29 716	1 795	700	635	6 140	728	1 209
Net operating revenues, underlying	20 090	10 923	2 763	1 574	658	464	2 985	718	5
Operating profit/loss, underlying	3 814	5 896	792	377	-312	49	793	-789	-2 992
Unrealised value change energy derivatives	-	531	-445	-	-	-	359	138	-583
Non-recurring items	-	-	-	-2 086	-1 750	-	-	226	3 610
Operating profit/loss	3 814	6 427	346	-1 709	-2 062	49	1 152	-425	36
Share of profit/loss from associates and joint ventures	683	-	-	-196	55	1	835	-12	-
Profit/loss before financial items and tax	4 497	6 427	346	-1 905	-2 007	50	1 987	-437	36
Balance sheet 31.12.2015									
Investment in associates and joint ventures	19 388	-	13	6 094	3 649	8	9 604	16	4
Other assets	157 517	56 884	5 764	28 215	10 087	3 620	15 197	28 076	9 674
Total assets	176 905	56 884	5 777	34 309	13 736	3 628	24 801	28 092	9 678
Depreciations, amortisation and impairments	-6 401	-1 426	-376	-1 688	-2 083	-163	-544	-122	-
Maintenance investments and other investments	1 970	1 280	133	104	-30	10	404	68	-
Investments in new generating capacity	7 797	698	43	3 048	3 335	272	281	120	-
Investments in other companies	3 790	-	25	3 399	101	18	-	247	-
4th quarter 2014									
Operating revenue external, underlying	17 957	2 836	7 457	251	73	193	2 008	29	5 110
Operating revenue internal, underlying	-	944	-26	-3	202	1	11	136	-1 265
Gross operating revenues, underlying	17 957	3 780	7 431	248	275	194	2 019	165	3 845
Net operating revenues, underlying	8 729	3 415	814	217	259	133	913	162	2 816
Operating profit/loss, underlying	5 717	2 046	387	77	43	32	345	-193	2 980
Unrealised value change energy derivatives	-	1 999	825	-	-	-	-56	-58	-2 710
Non-recurring items	-	-	-	-	283	-	-	-	-283
Operating profit/loss	5 717	4 045	1 212	77	326	32	289	-251	-13
Share of profit/loss from associates and joint ventures	448	-	-	25	350	3	70	-	-
Profit/loss before financial items and tax	6 165	4 045	1 212	102	676	35	359	-251	-13
The year 2014									
Operating revenue external, underlying	52 254	10 618	26 448	1 005	258	595	6 504	154	6 672
Operating revenue internal, underlying	-	2 945	-275	1	850	2	22	505	-4 050
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	4 477
Operating profit/loss, underlying	13 560	7 478	1 234	148	-14	9	920	-663	4 448
Unrealised value change energy derivatives	-	1 545	925	-	-	-	-52	-27	-2 391
Non-recurring items	-	1 478	16	-937	1 358	13	80	46	-2 054
Operating profit/loss	13 560	10 500	2 174	-789	1 344	22	948	-644	5
Share of profit/loss from associates and joint ventures	661	-	-	-240	363	3	535	-	-
Profit/loss before financial items and tax	14 221	10 500	2 174	-1 029	1 707	25	1 483	-644	5
Balance sheet 31.12.2014									
Investment in associates and joint ventures	19 027	-	-	6 957	3 072	7	8 986	-	5
Other assets	148 790	55 054	5 560	15 641	7 461	3 373	14 852	25 183	21 665
Total assets	167 817	55 054	5 560	22 598	10 533	3 380	23 838	25 183	21 670
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	-1
Investments in other companies	1 287	-	-	1 126	159	-	2	-	-

*Maintenance investments and other investments in 2014 included the addition of Leirdøla power plant of NOK 506 million. The addition was 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 statements for the fourth quarter of 2015, closed on 31 Desember 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	Fourth quarter 2015			The year 2015		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Sales revenues						
Long term contracts	369	2 150	2 519	2 097	7 974	10 071
Nordic and Continental Dynamic Asset Management Portfolio	80	-46	34	-30	311	281
Trading and origination	822	-599	223	-215	1 044	829
End user	-8	1 084	1 076	38	3 743	3 781
Other sales revenues	-	11 303	11 303	-	36 604	36 604
Eliminations	23	5	28	138	-118	20
Total sales revenues	1 286	13 897	15 183	2 028	49 558	51 586
Energy purchase	-390	-9 295	-9 685	-1 681	-30 211	-31 892
Net currency effects	1 224	-922	302	1 171	-4 624	-3 453
Other financial items	-	-	-	-	-	-
Net gains and losses on derivatives and securities	12	-5	7	-206	-26	-232
Impairment and gain/loss of financial assets	-4	-	-4	-4	-	-4
Total unrealised effects	2 128			1 308		

NOK million	Fourth quarter 2014			The year 2014		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Sales revenues						
Long term contracts	3 804	2 015	5 819	1 429	8 294	9 722
Nordic and Continental Dynamic Asset Management Portfolio	179	77	256	-317	971	655
Trading and origination	137	125	261	206	612	818
End User	-5	1 256	1 251	14	3 988	4 002
Other sales revenues	-	9 755	9 755	-	33 121	33 121
Eliminations	-58	-8	-66	-27	-46	-73
Total sales revenues	4 057	13 221	17 278	1 304	46 942	48 246
Energy purchase	-1 208	-7 709	-8 917	1 298	-26 561	-25 264
Net currency effects	-8 024	171	-7 852	-5 974	1 183	-4 791
Other financial items						
Net gains and losses on derivatives and securities	-1 126	1	-1 125	-1 028	-	-1 028
Impairment and gain/loss of financial assets	-	-	-	-13	-2	-14
Total unrealised effects	-6 300			-4 412		

6. CURRENCY EFFECTS ON INTERNAL LOANS

Net currency effects on internal loans as of the fourth quarter amounted to NOK - 812 million, of which NOK 1822 million was unrealised and NOK - 2635 million was realised. The positive unrealised effect was mainly a result of a stronger USD (loan currency) against NOK (functional currency in lender) and stronger GBP (loan currency) against EUR (functional currency in lender). The realised negative effect is mainly a result of a weaker NOK against EUR regarding cash pool.

Statkraft Treasury Centre (STC), Statkraft International Hydropower Invest AS (SKIHI) and Statkraft International Hydropower Holding AS (SKIHH) provide loans to the Group's companies, mainly in the borrowing companies' local currency. STC prepares its accounts in EUR and SKIHI/SKIHH in NOK. All three companies report 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 is 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 a loss of NOK 873 million in 2015 are recognised in other comprehensive income instead of in the income statement.

8. NOTICE OF REASSESSMENT RELATED TO PREVIOUS YEARS TAX

Statkraft AS has received a notice of reassessment from Norwegian tax authorities regarding its income tax returns for fiscal years 2008 - 2014 relating to its investment in the subsidiary Statkraft Treasury Centre SA in Belgium.

The notice is of a preliminary nature with a number of reservations and it is therefore not possible to quantify any potential exposure. Statkraft disagrees that there is a legal basis for any reassessments and has made no provision for potential tax liabilities.

9. TRANSACTIONS

On 6 February 2015, 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 2015, 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 2015, 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 acquisition analysis shows an excess value of NOK 2257 million, mainly allocated to regulation plants (fixed asset). The 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. An additional 1,2 % shareholding has been acquired after the transaction date.

On 13 July 2015, Statkraft completed its purchase of 35% of the shares of Desenvix Energias Renováveis S.A. in Brazil and changed the name to Statkraft Energias Renováveis (SKER). The transaction increased Statkraft's ownership interest from 46.3% to 81.3%. The estimated total cost price for 81.3% of the shares was NOK 3071 million, and consists of cash payment of NOK 1007 million, offsetting of a liability of NOK 189 million, fair value of previously ownership of NOK 1749 million and an estimated contingent consideration of NOK 127 million. Net assets as of 30 June 2015 in Desenvix totalled NOK 1639 million. The preliminary allocation of excess values from the transaction are related to long-term power purchase agreements (intangible asset) of NOK 1549 million, power plants (fixed asset) of NOK 721 million, associated company of NOK 81 million and goodwill of NOK 455 million.

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 derecognition of the associated company is a net loss of NOK 471 million. The net loss consists of a gain of NOK 301 million on the underlying net asset in BRL, and a loss on accumulated translation differences of NOK 772 million.

On 2 November 2015, Statkraft purchased 100% of the shares in Gardermoen Energi AS (District Heating). The company has a yearly production of 54 GWh. There were no excess values.

On 22 December 2015, Statkraft sold the subsidiary Småkraft AS. The gain from the transaction was NOK 226 million and is booked in other operating revenues. Some of the shares in Småkraft AS were owned through associates (Agder Energi AS and BKK AS). The gain in associated companies was NOK 108 million and is booked in share of profit from associates and joint ventures. Total gain for Statkraft, including gain in associates, was NOK 334 million. Statkraft still holds one of the power plants from the sale of Småkraft AS, which has been transferred into a new established company Steinsvik Kraft AS. The ownership structure of Steinsvik Kraft AS is the same as for Småkraft AS prior to the sale.

Statkraft has entered an agreement to sell its 30% holding in the associate Nividhu Pvt. Ltd. in Sri Lanka. The transaction is expected to take place in the first quarter in 2016.



Interim Report
Q4/2015
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