

FINANCIAL RESULTS

Q3 2016

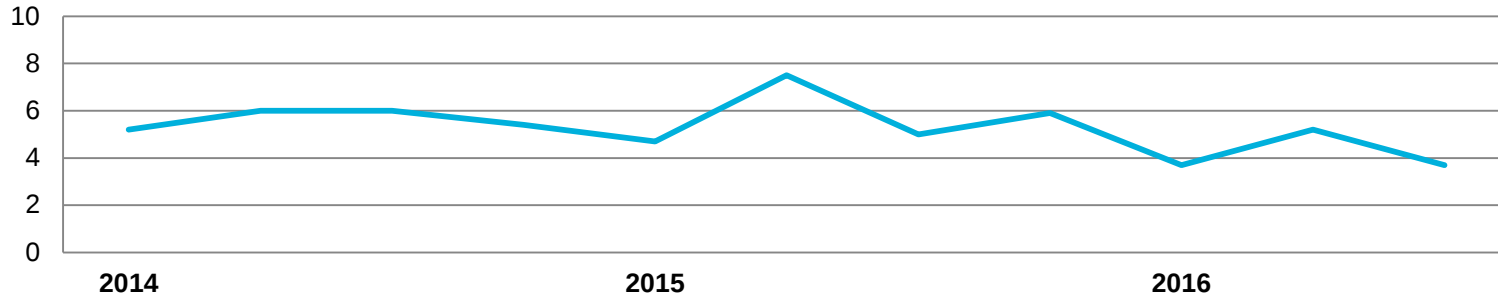
CFO Hallvard Granheim

28th October 2016



Health, safety and environment

TRI-rate¹



- ▶ Fatal accident in Peru:
 - In July a contractor employee died while performing maintenance work at Oroya hydropower plant
 - The fatal accident has been investigated according to Statkraft's standard procedures and all safety measures are followed up
- ▶ Health and safety
 - Quarterly injuries rate relatively stable
 - Continuously top priority to improve safety performance
- ▶ Environment
 - No serious environmental incidents

¹TRI rate: Total recordable injuries per million hours worked (per quarter)

Highlights Q3



- ▶ Solid underlying results (EBITDA)
 - Nordic prices are up 89% Q-on-Q
 - Total production was 13.3 TWh, up 20% Q-on-Q
 - Underlying EBITDA up NOK 702 million to NOK 2001 million
- ▶ Impairments gave negative result of NOK 1417 million
- ▶ Performance improvement programme progressing
- ▶ Hydropower plant in Albania inaugurated
- ▶ Refurbishment and 100 MW expansion of Nedre Røssåga hydropower plant in Norway completed

Impairments

Asset	Amount
Norway:	
Hydropower	441 million
District heating	18 million
Sweden:	
Hydropower	132 million
Wind power	585 million
Albania:	
Hydropower	1 071 million
Brazil:	
Wind power and O&M	138 million
Chile:	
Hydropower (JV)	48 million

In addition comes an impairment in SN Power amounting to NOK 80 million

Performance Improvement Programme



- ▶ Strengthen performance
- ▶ NOK 800 million in cost savings measured against 2015

Completion of HHP in Albania

- ▶ Banja hydropower plant completed – 255 GWh
- ▶ First of two hydropower plants in the Devoll project
- ▶ Devoll project will increase Albania's power production with 17 percent



Refurbishment and expansion: Nedre Røssåga hydropower plant in Norway in operation



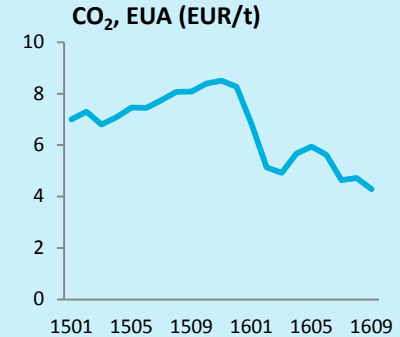
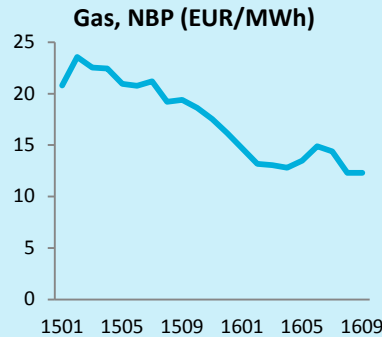
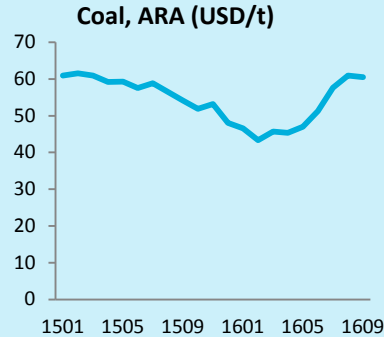
- ▶ Capacity increased from 250 to 350 MW
- ▶ Annual production increased from 1950 to 2150 GWh due to increased efficiency
- ▶ Ready for another 50 years of operations

Key figures

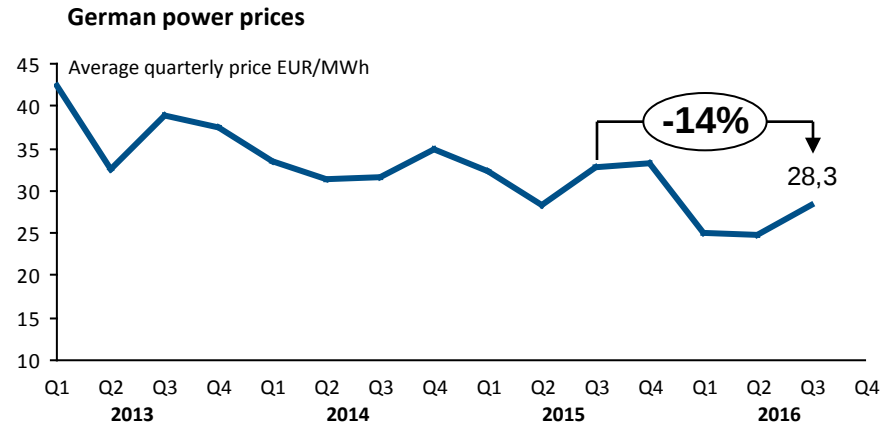
NOK million	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Gross revenues ¹	11 060	10 978	36 479	35 777
EBITDA ¹	2 001	1 300	8 917	7 623
Net profit/loss	-1 417	-3 940	-927	-2 299

- ▶ Nordic prices up 89% measured in EUR Q-on-Q
- ▶ Overall production up 20% Q-on-Q
- ▶ Impairments led to a negative result

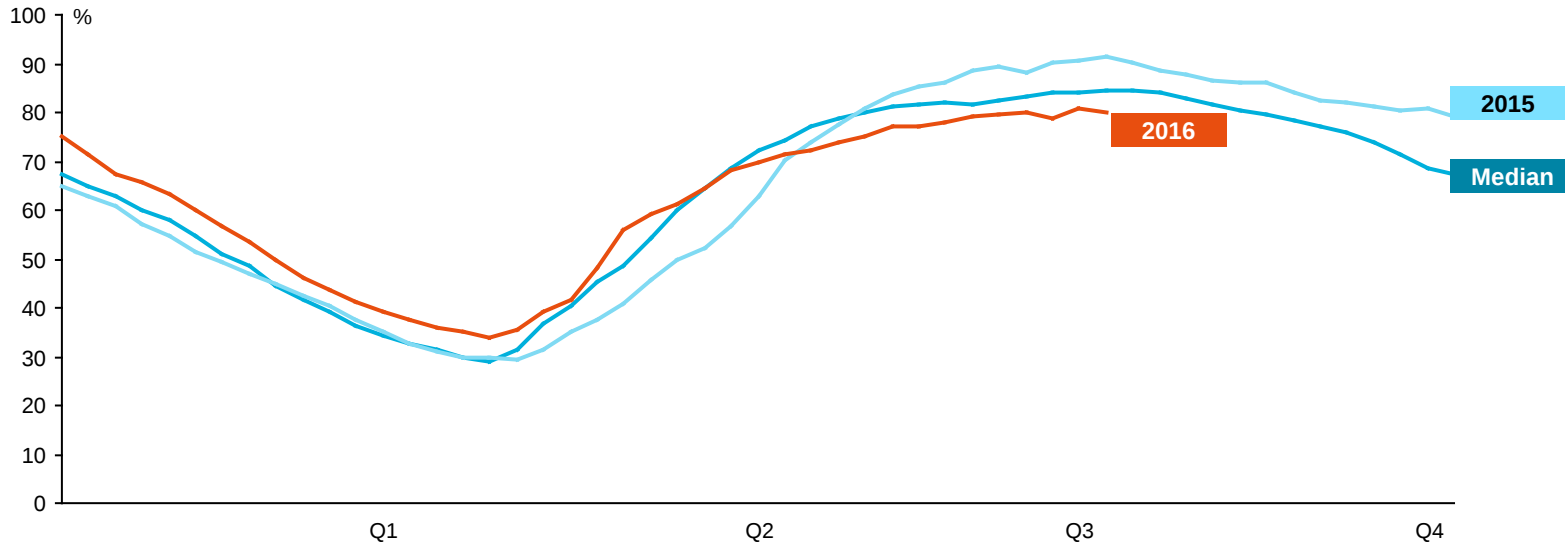
Price drivers and the German power market



- ▶ Coal prices are up, while gas and CO₂ prices are down
- ▶ Close to normal wind and solar production
- ▶ German power prices down by 14% Q-on-Q

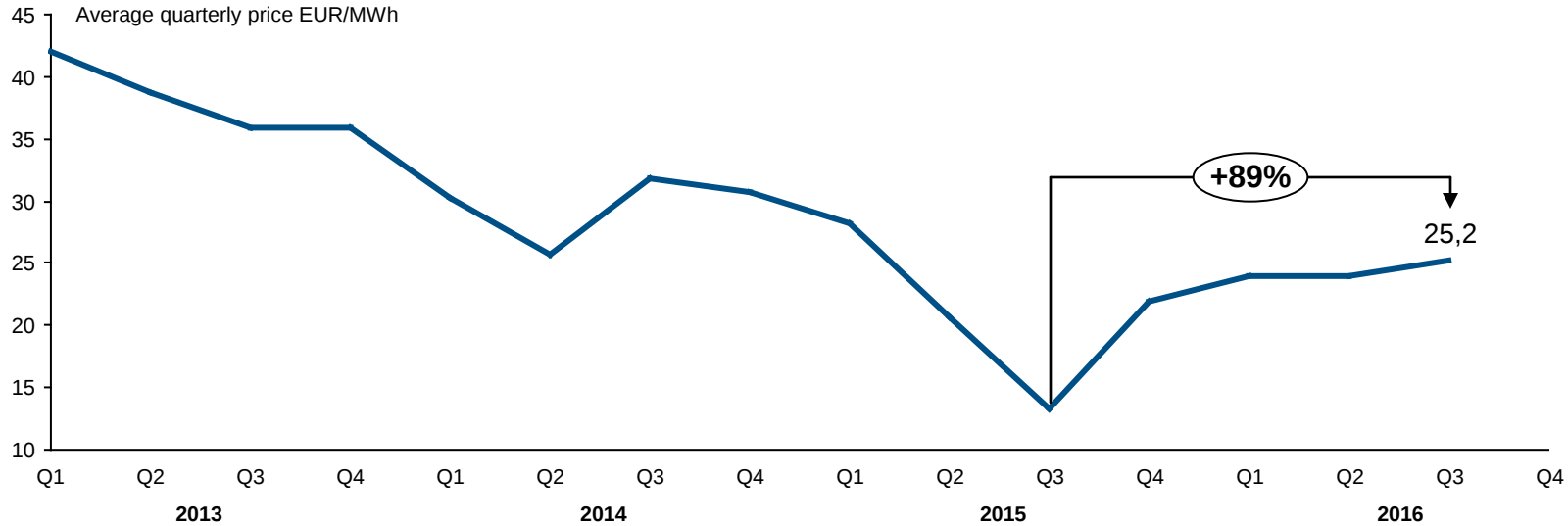


Nordic reservoir level



- ▶ Total Nordic hydrological resources close to normal end of Q3
 - Inflow at normal level in Norway, below normal in Sweden
 - Water reservoirs 96% of median

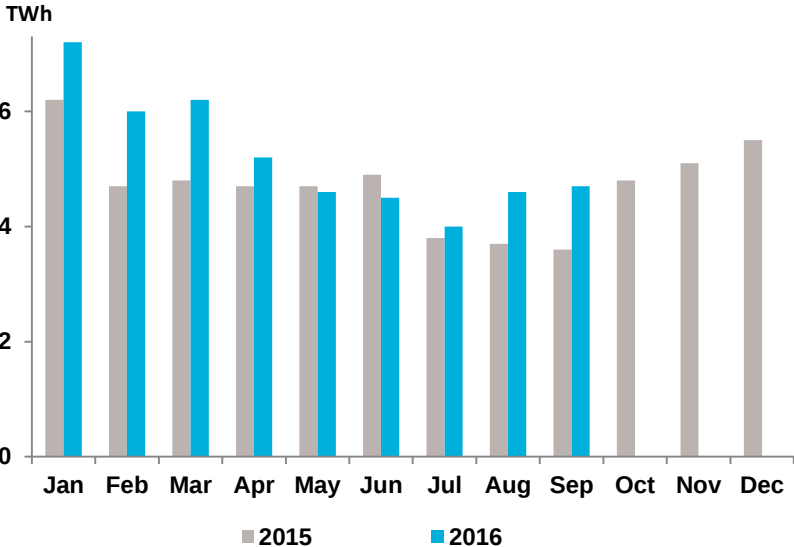
Nordic power prices



- ▶ Nordic power prices up 89% Q-on-Q, but relatively stable first three quarters

Energy management

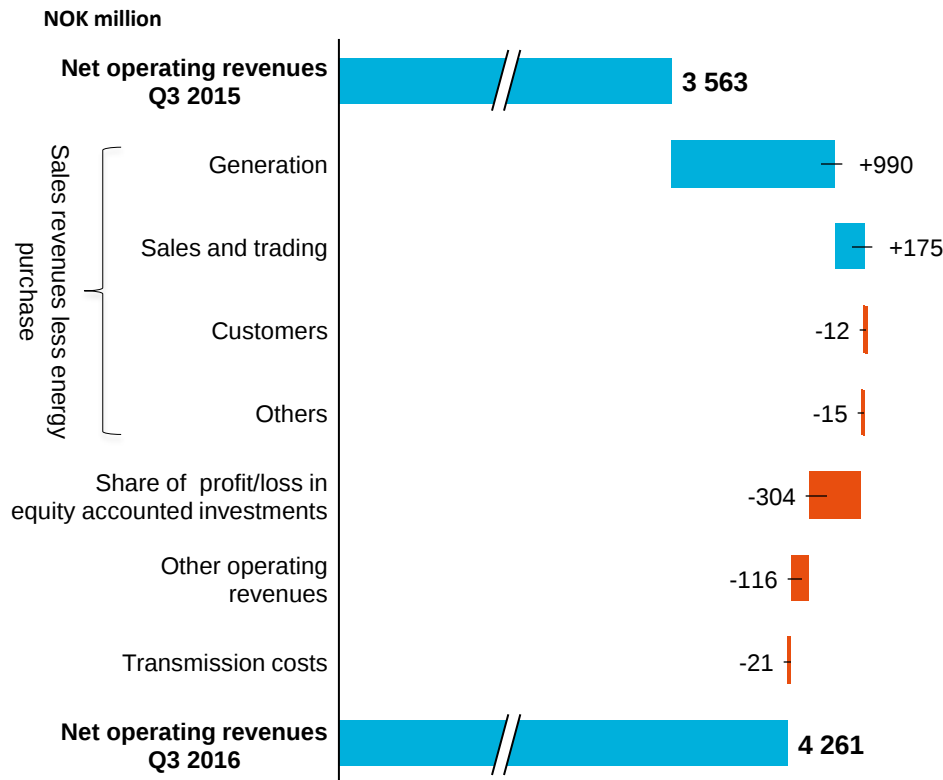
Monthly power generation



Q3 production up 20% Q-on-Q

Technology	TWh	Change in TWh
Hydropower	12.0	+1.4
Wind power	0.5	-
Gas power	0.8	+0.8
Bio power	0.1	-
Total	~13.3	+2.2

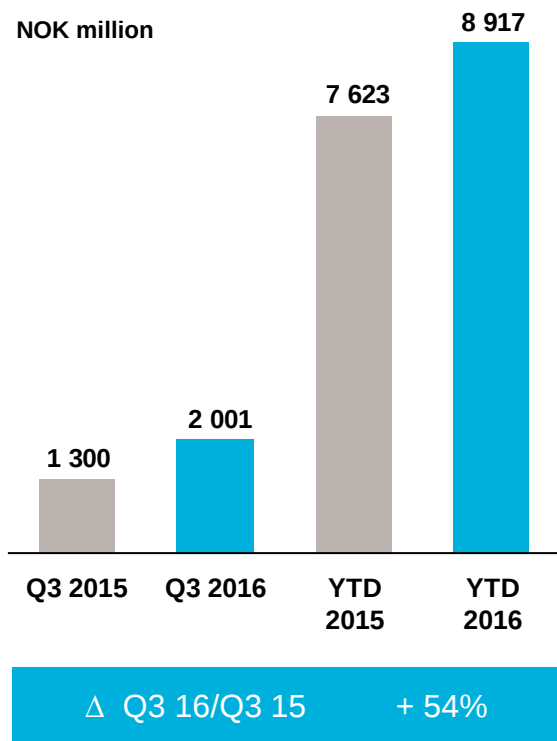
Net operating revenues



- ▶ Net operating revenues¹ up by NOK 698 million (+ 20%)
- ▶ Major effects:
 - Net generation up due to higher Nordic power prices and hydropower production
 - Net sales and trading up due to higher profitability in Dynamic Asset Management Portfolio and Long term contracts.
 - The share of profit/loss in equity accounted investments are down due to changed accounting estimates for deferred tax and impairments

¹Adjusted for unrealised changes in value on energy contracts and adjusted significant items

NOK 2 billion in underlying EBITDA

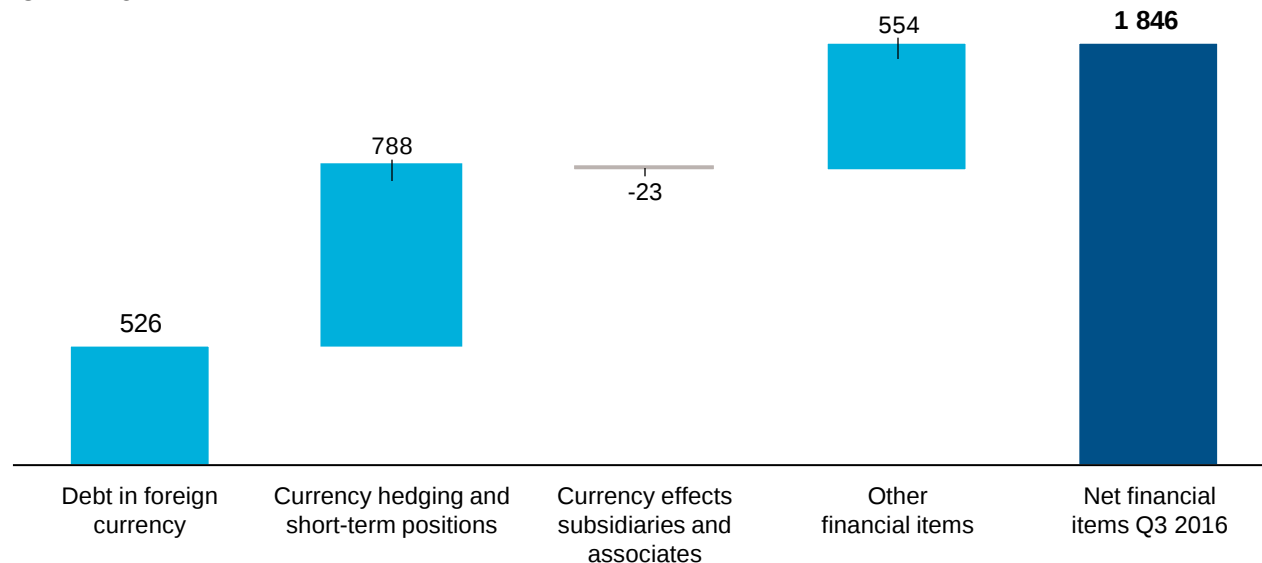


- ▶ Underlying EBITDA¹ was up by NOK 702 million Q-on-Q
- ▶ Positive effects from higher Nordic power prices and production
- ▶ Improved contribution from operations in International hydropower, but offset by impairments in equity accounted investments and changed accounting estimates for deferred tax
- ▶ Higher contribution from Market operations

Q3 currency effects of NOK +1 291 million

Breakdown Net financial items Q3 2016

NOK million



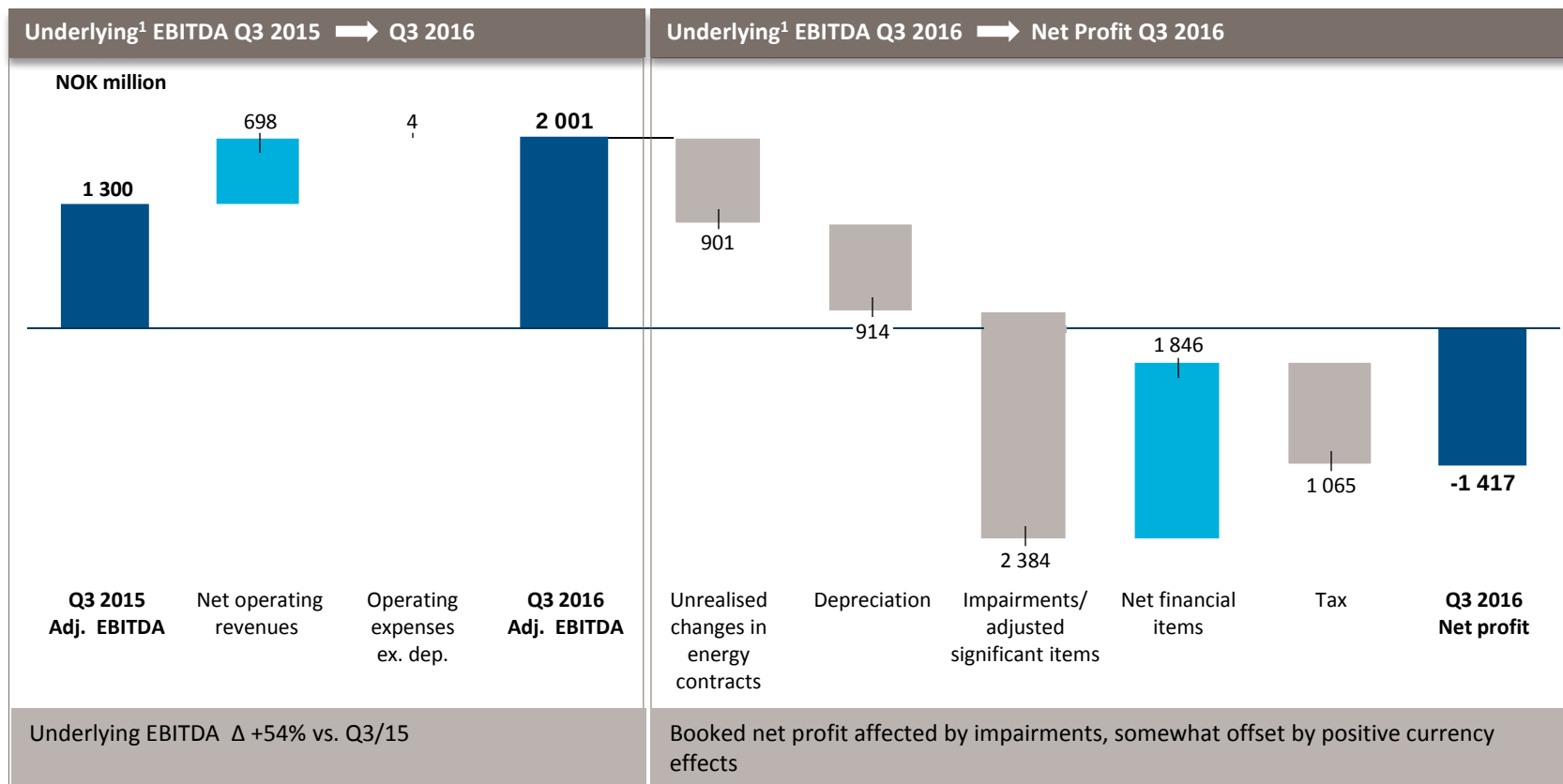
There are negative translation effects in equity

Net profit influenced by impairments

NOK million	Q3 2016	Q3 2015	YTD 2016	YTD 2015
Net profit/loss	-1 417	-3 940	-927	-2 299

- ▶ Solid contributions from operating activities
 - Mainly through higher Nordic power prices and hydropower production
- ▶ Impairments gave net loss

Q3 net profit breakdown

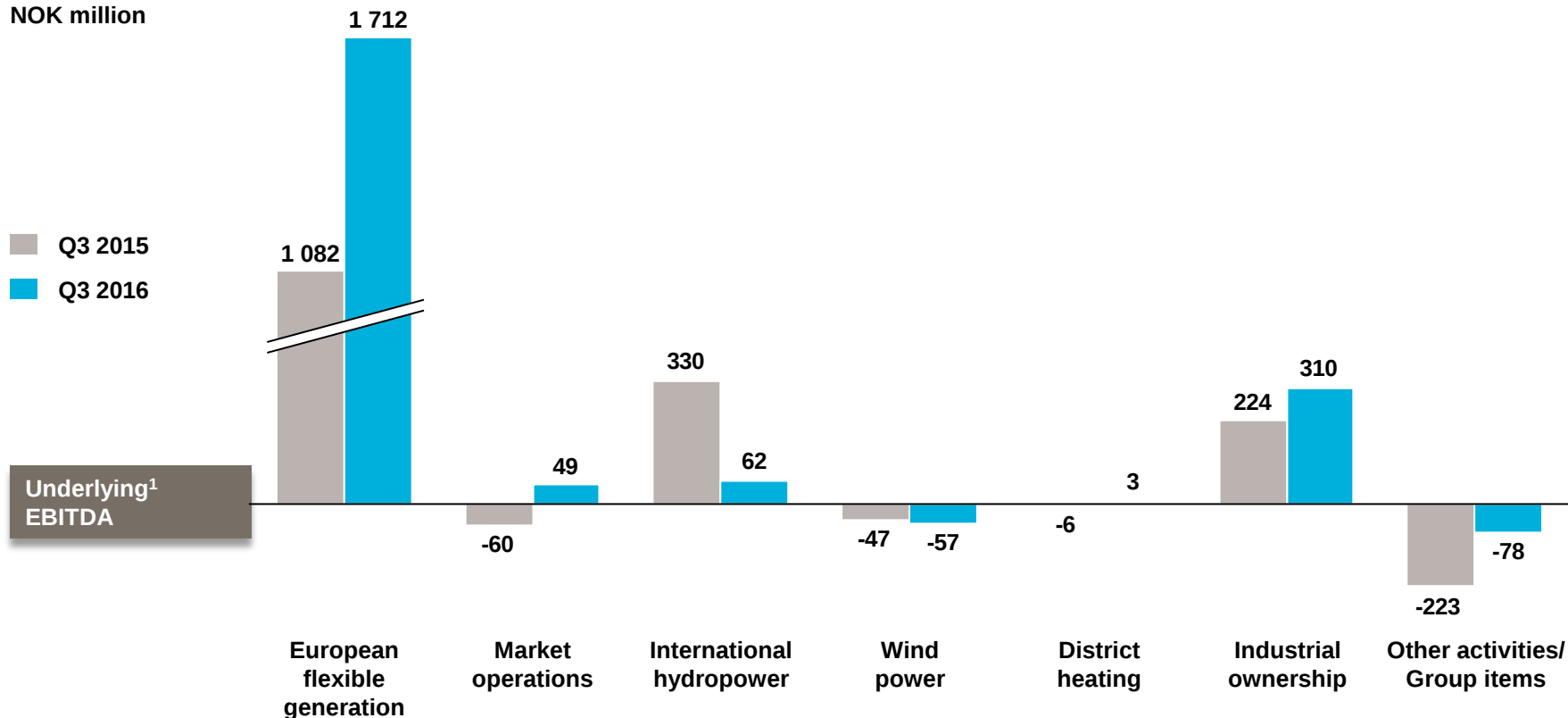


¹Adjusted for unrealised changes in value on energy contracts and adjusted significant items

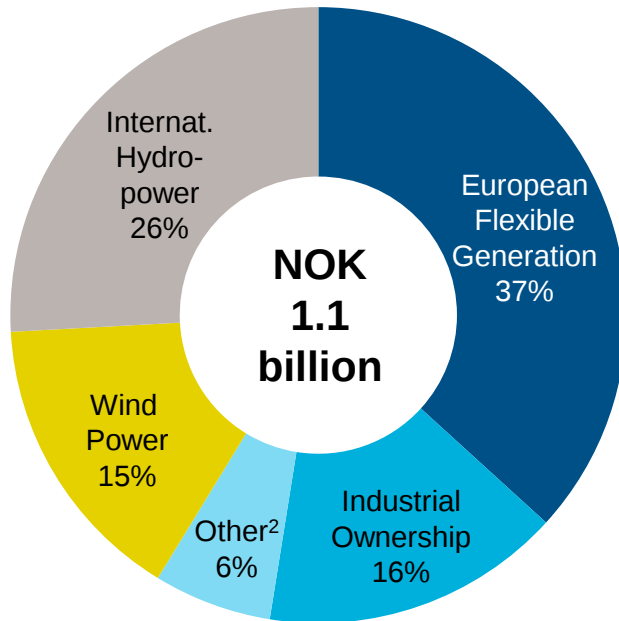
Q3 segment financials

EBITDA including share of profit/loss from equity accounted investments

NOK million



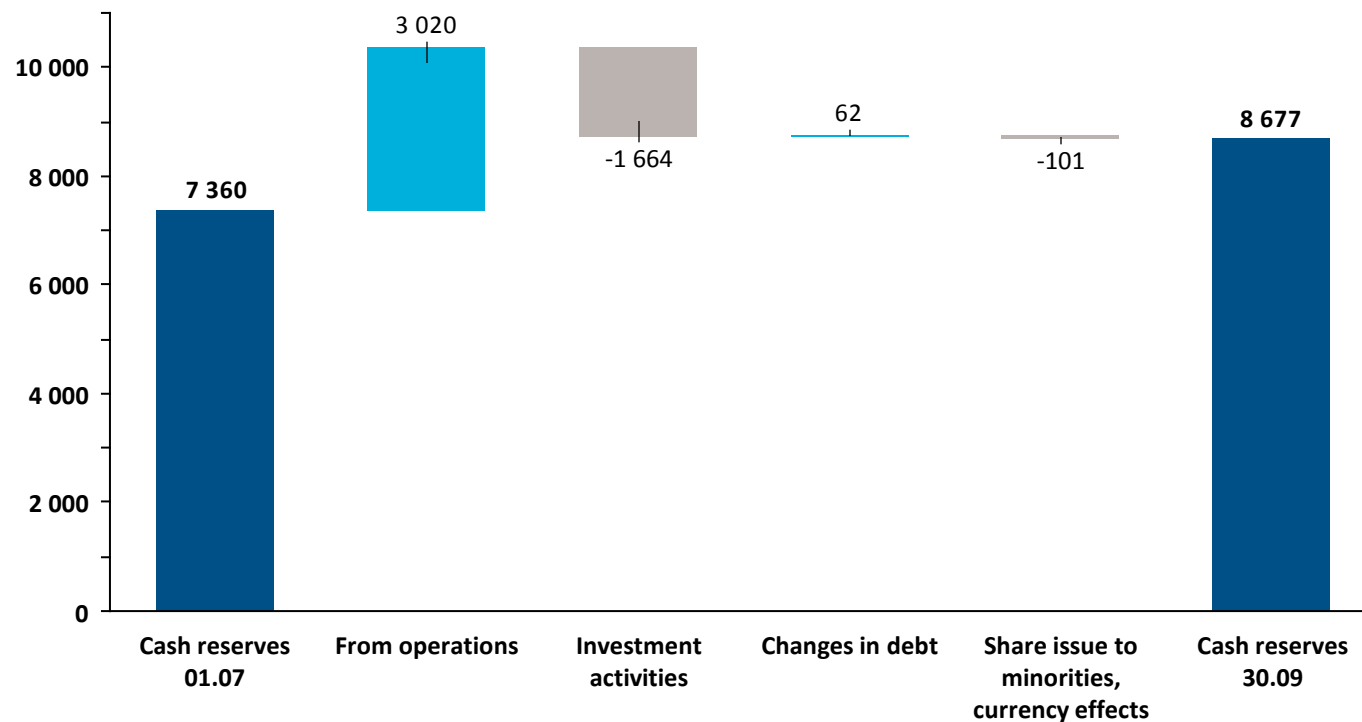
Q3 2016 capital expenditure¹



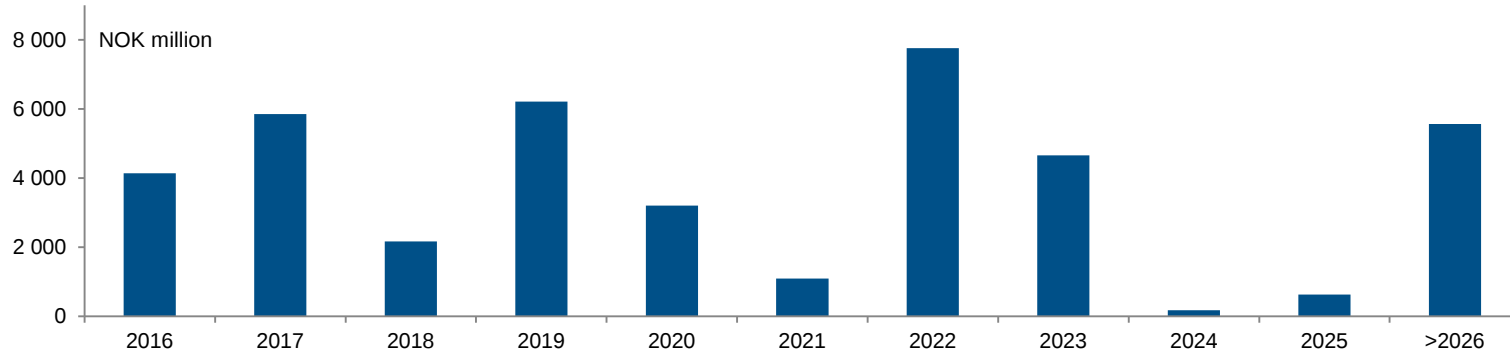
- ▶ Distribution of CAPEX in the quarter:
 - 53% expansion investments
 - 1% investments in shareholdings
 - 46% maintenance investments
- ▶ New hydropower capacity under construction in Norway and Albania
- ▶ Wind power developments in Norway and UK
- ▶ Maintenance primarily within hydropower in the Nordic region

Strong cash flow in Q3

NOK million



Long-term debt repayment profile



- ▶ NOK 4.1 billion debt matures in rest of 2016
- ▶ NOK 35.1 billion in net interest-bearing debt (NOK 35.0 billion at year end 2015)
 - NOK 42%, EUR 41%, GBP 12%, USD 2%, BRL 3%, CLP/CLF 1%
 - 66% floating interest
 - Net interest-bearing debt-equity ratio 30.8%

Strong credit ratings



A- / Negative



Baa1 / Stable

- ▶ Maintaining current ratings with S&P and Moody's
- ▶ Strong support from owner
- ▶ CAPEX adapted to financial capacity

Summary



- ▶ Higher Nordic power prices and increased production Q-on-Q
- ▶ Long term market view led to impairments and a net loss
- ▶ Strong underlying operations and cash flow



THANK YOU

Contact information for Investor Relations:

Thomas Geiran:

Phone: +47 905 79 979

E-mail: Thomas.Geiran@statkraft.com

Yngve Frøshaug:

Phone: +47 900 23 021

E-mail: Yngve.Froshaug@statkraft.com



Statkraft
PURE ENERGY

www.statkraft.com