FINANCIAL RESULTS Q3 2015

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CFO Hallvard Granheim

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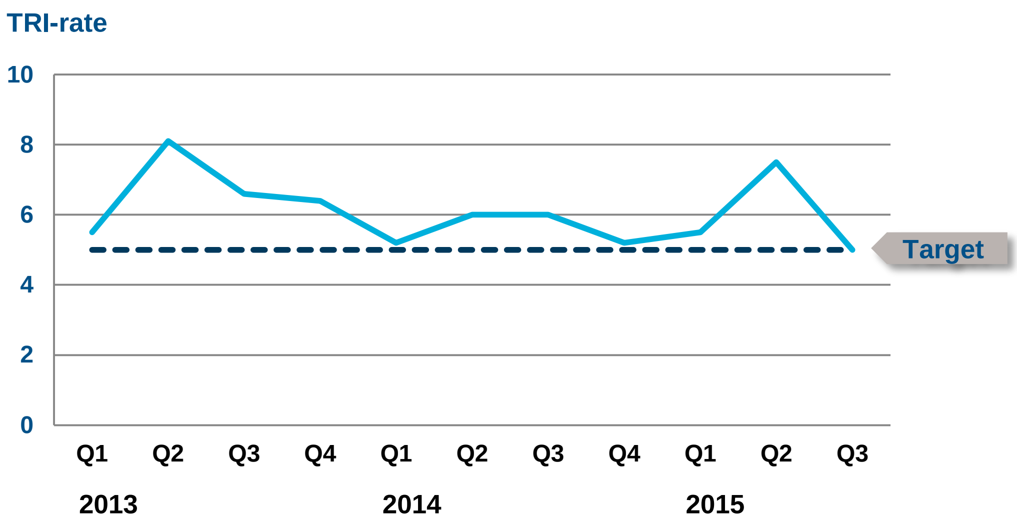
Statkraft

Financial highlights

- Decline in underlying results (EBITDA)
  - Nordic prices are down 58 % Q-on-Q
  - Production from flexible Nordic hydropower assets held back
  - Improved contribution from International Hydropower
  - Underlying EBITDA of NOK 1142 million
- Large currency effects
  - -5195 million in negative currency effects under financial items, but counterbalanced by 5101 million in translation effects in equity
  - Net profit at NOK -3940 million

Health, safety and environment

Total Recordable Injuries rate[1]



- Health and safety
  - Positive quarterly injuries rate reaching target - still top priority to improve safety performance
  - Sick leave ytd 2.9 % - within target
- Environment
  - No serious environmental incidents

[1]*TRI rate: Number of injuries per million hours worked*

Strategic development in Q3

European Flexible Generation

- ✓ Several hydropower refurbishments and upgrade projects in Norway and Sweden

Market operations

- ✓ Effective energy management
- ✓ Increased market access
- ✓ JV on solar with Bharat Light and Power

Hydropower in Emerging Markets

- ✓ Completion of acquisition of Desenvix
- ✓ Opening of 172 MW Cheves hydropower plant

Wind Power

- ✓ Decision to continue studies of a 1000 MW project in Norway
- ✓ Investment decision of 36 MW Andershaw, windfarm

District Heating

- ✓ Acquisition of Gardermoen Energi AS

Outlook

- Long-term contract portfolio stabilizes earnings
- Large hydro reservoir capacity gives high production flexibility
- Several projects and positive impact from new capacity

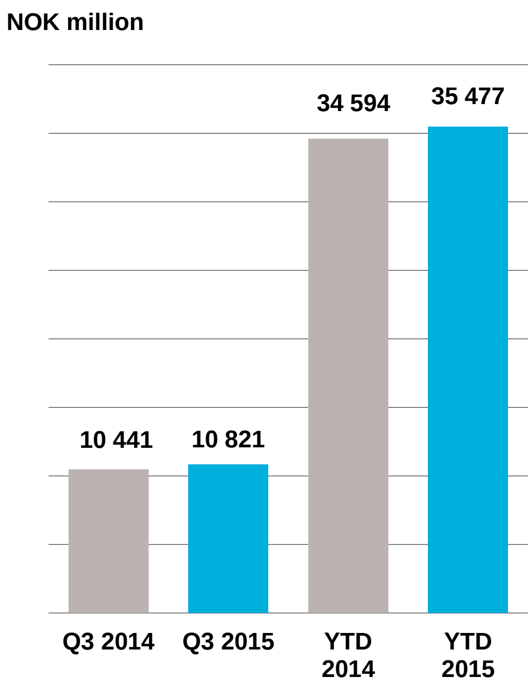
Key figures

NOK million	Q3 2015	Q3 2014	YTD 2015	YTD 2014
Gross revenues[1]	10 821	10 441	35 477	34 594
EBITDA[1]	1 142	2 282	7 323	8 646
Net profit/loss	-3 940	4 151	-2 299	6 989

- Nordic prices down 58% measured in EUR/MWh Q-on-Q
- Production down 9%
- Financial items affected negatively by currency effects
  - Counterbalanced by translation effects in equity

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

Gross operating revenues

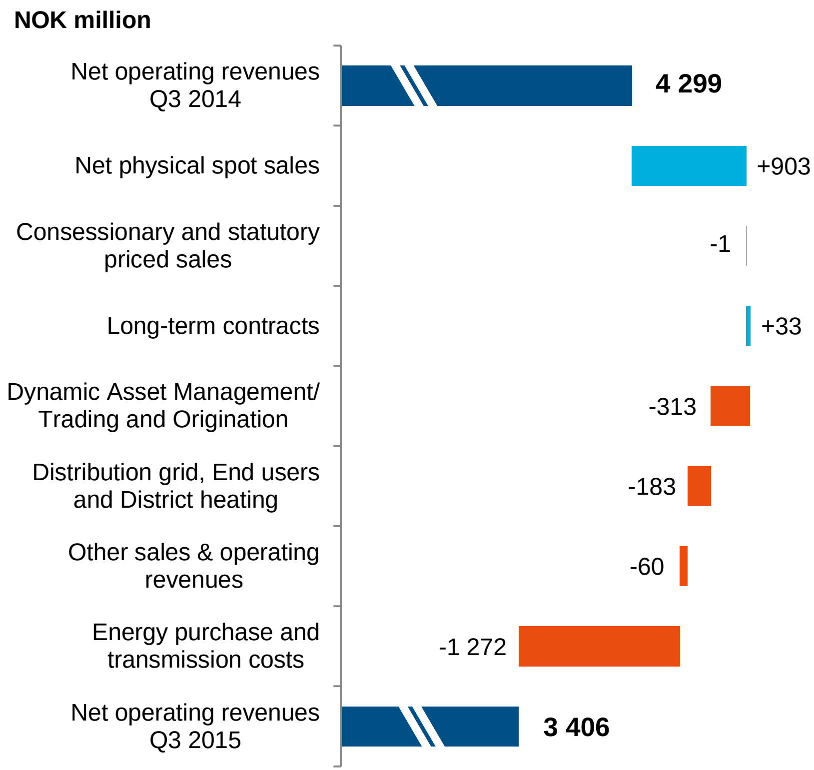


Δ Q3 15/Q3 14 + 3.6%

- Underlying gross operating revenues[1] in Q3 influenced by:
  - Higher contribution from International Hydro
  - Increased volumes in supplying market access to minor renewable energy producers
  - Lower power prices and production
    - Average Nordic system price 13.4 EUR/MWh
      Total power generation 11.1 TWh (- 9%)

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

Net operating revenues



- Net operating revenues[1] down by NOK 893 million (- 21%)
  - Physical spot sales up due to increased market access activities but this also leads to an increase in energy purchase
  - Dynamic asset management and trading and origination down due to reduced results from Nordic trading and Global environmental portfolio
  - End users down due to reduced prices counterbalanced by reduced purchase price

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

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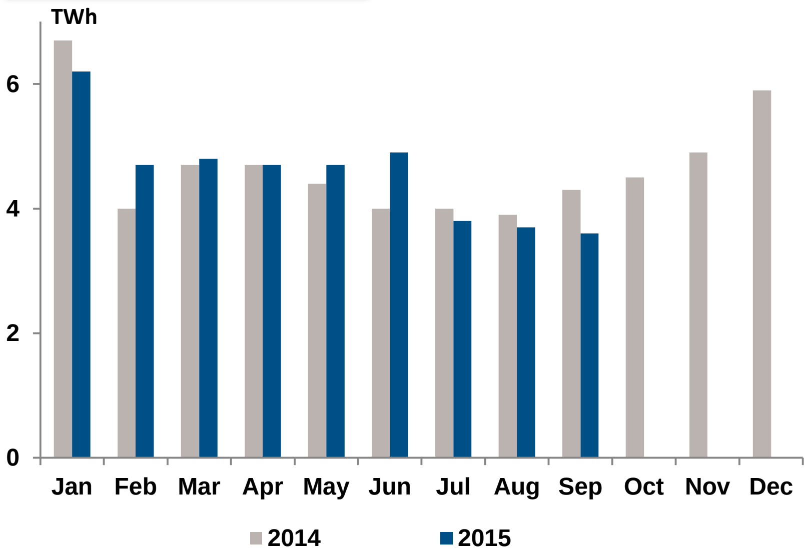
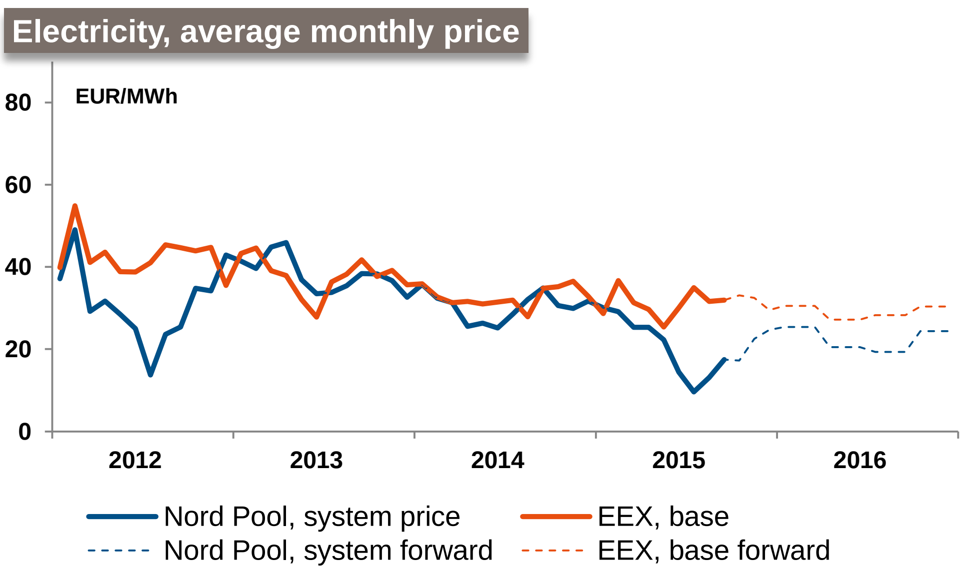
Monthly power generation



Q3 production is down -9% Q-on-Q

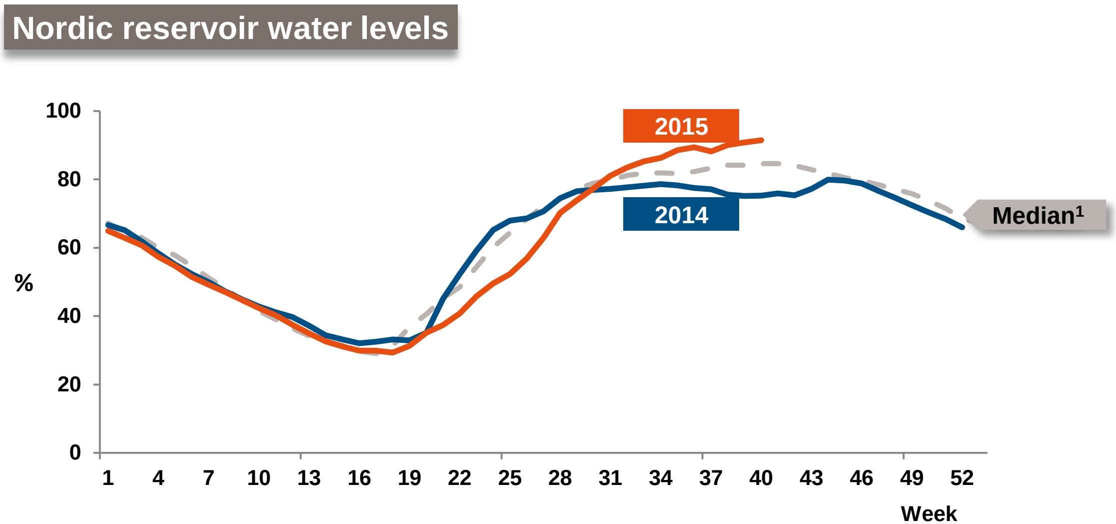
Technology	TWh	Change in TWh
Hydropower	10.5	-1.3
Wind power	0.5	+0.2
Gas power	-	-0.1
Bio power	0.1	-
Total	**11.1**	**-1.1**

Price development in Q3



- Q3 Nordic power prices lower than in 2014 due to strengthened hydrological balance
  - System price: 13.4 EUR/MWh - 58%
- German power prices on a level with Q3 2014
  - Spot price (base): 32.8 EUR/MWh + 4%
- Forward prices down in the Nordic region and somewhat down in Germany

Nordic reservoir levels



- Inflow highly above normal through the quarter
- At the end of September Nordic reservoirs were 111 TWh corresponding to 108% of median
- Reservoirs filled to 91% of maximum capacity of 121.4 TWh

[1] *Median 1990-2012*

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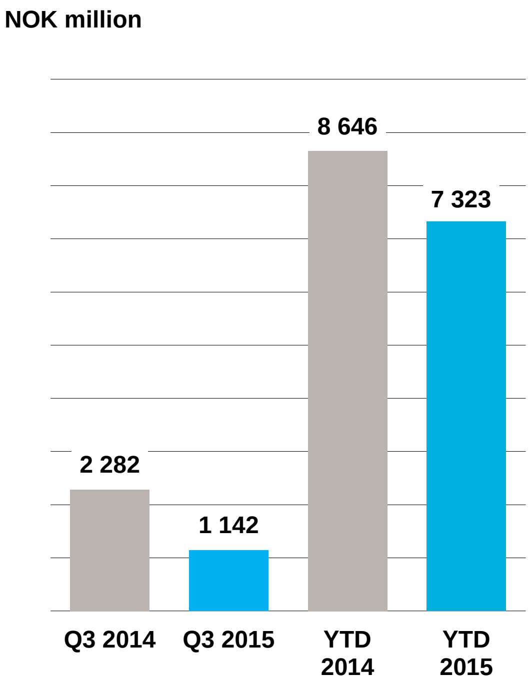
NOK 1.1 billion in underlying EBITDA



Δ Q3 15/Q3 14	- 50%

- Underlying EBITDA[1] was down by NOK 1.140 million in Q3
- Lower Nordic price and lower hydropower production
- Improved contributions from International Hydropower
  - Particularly due to acquisitions in Chile and Brazil

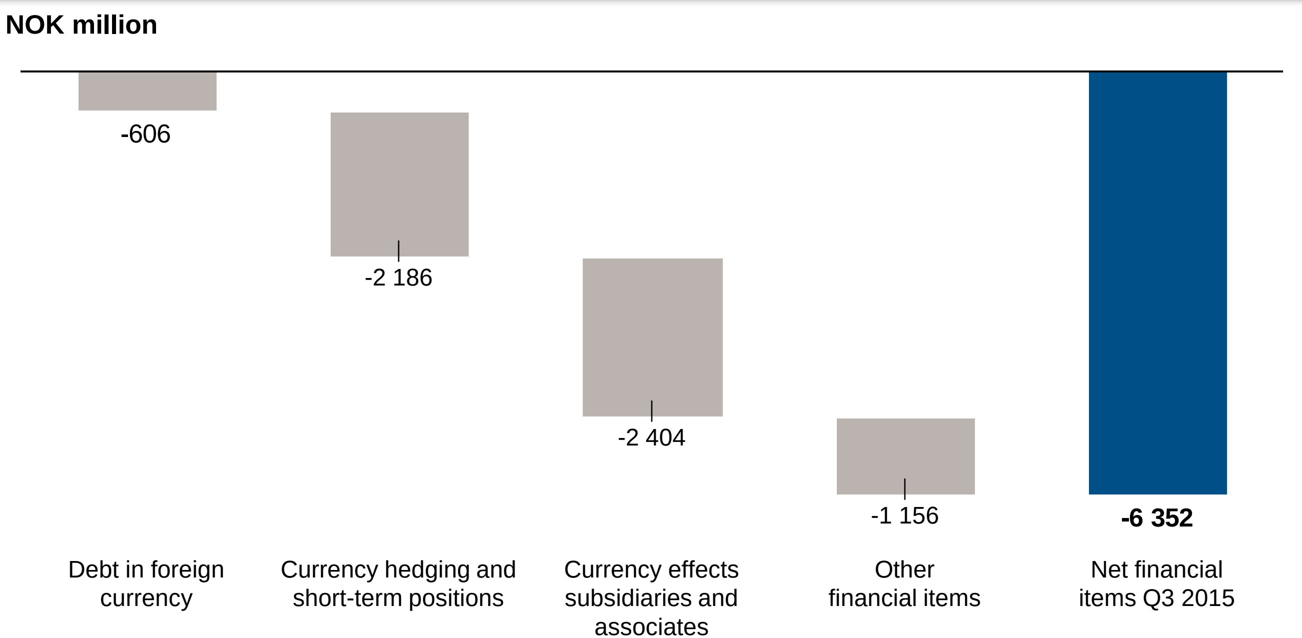
[1]Adjusted for unrealised changes in value on energy contracts and significant non-recurring items

Weakened NOK against EUR

Exchange rate EUR/NOK

Q3 currency effects of NOK -5 195 million

Breakdown Net financial items Q3 2015



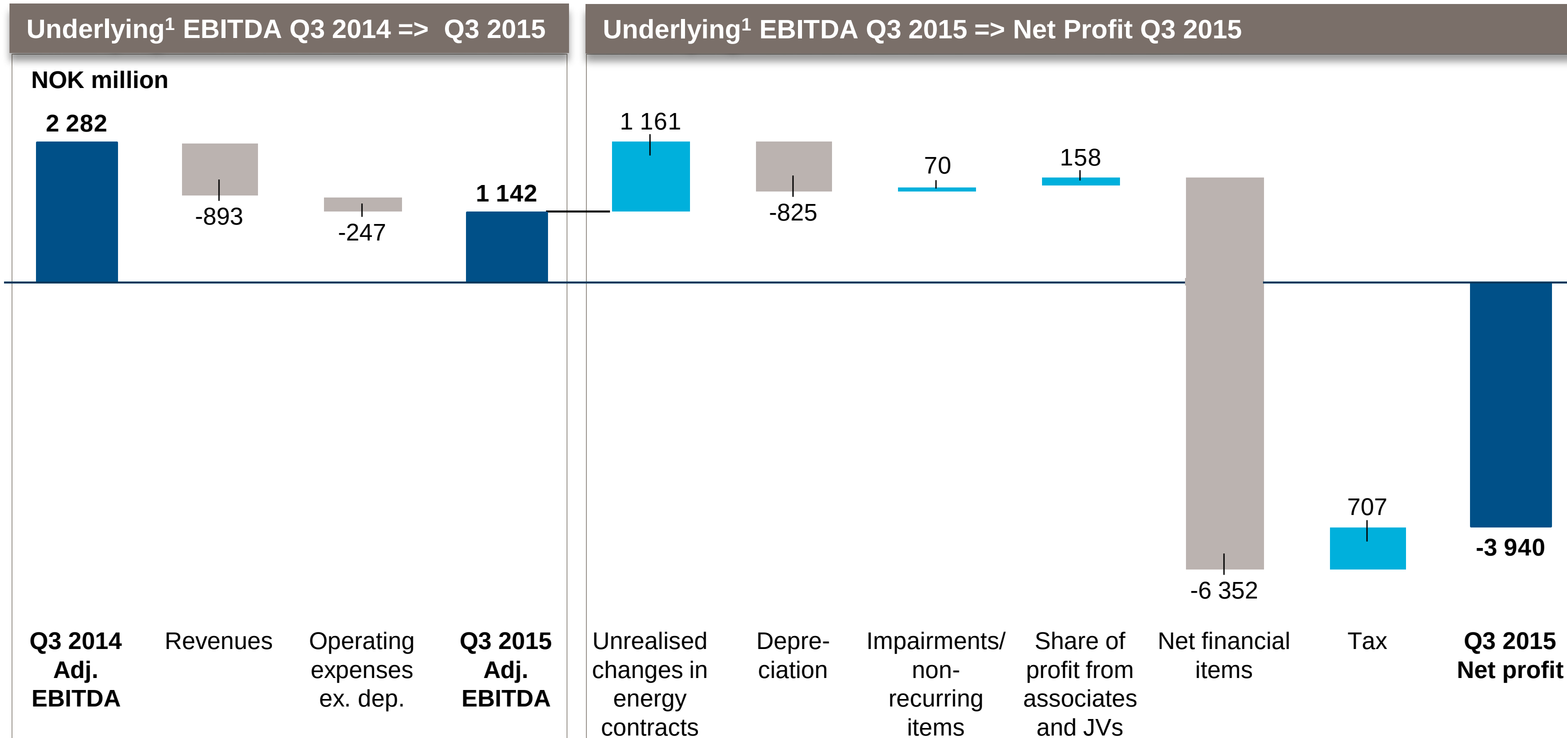
Most of currency effects are offset by positive translation effects in equity

Net profit influenced by currency items

NOK million	Q3 2015	Q3 2014	FY 2015	FY 2014
Net profit/loss	-3 940	4 151	-2 299	6 989

- Weakening of NOK against EUR gave large negative currency effects under financial items
- Net profit held back by lower prices and production

Q3 net profit breakdown



Underlying EBITDA ∆ -50% vs. Q3/14

Booked net profit affected by negative currency effects amounting to NOK -5 195 million.

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

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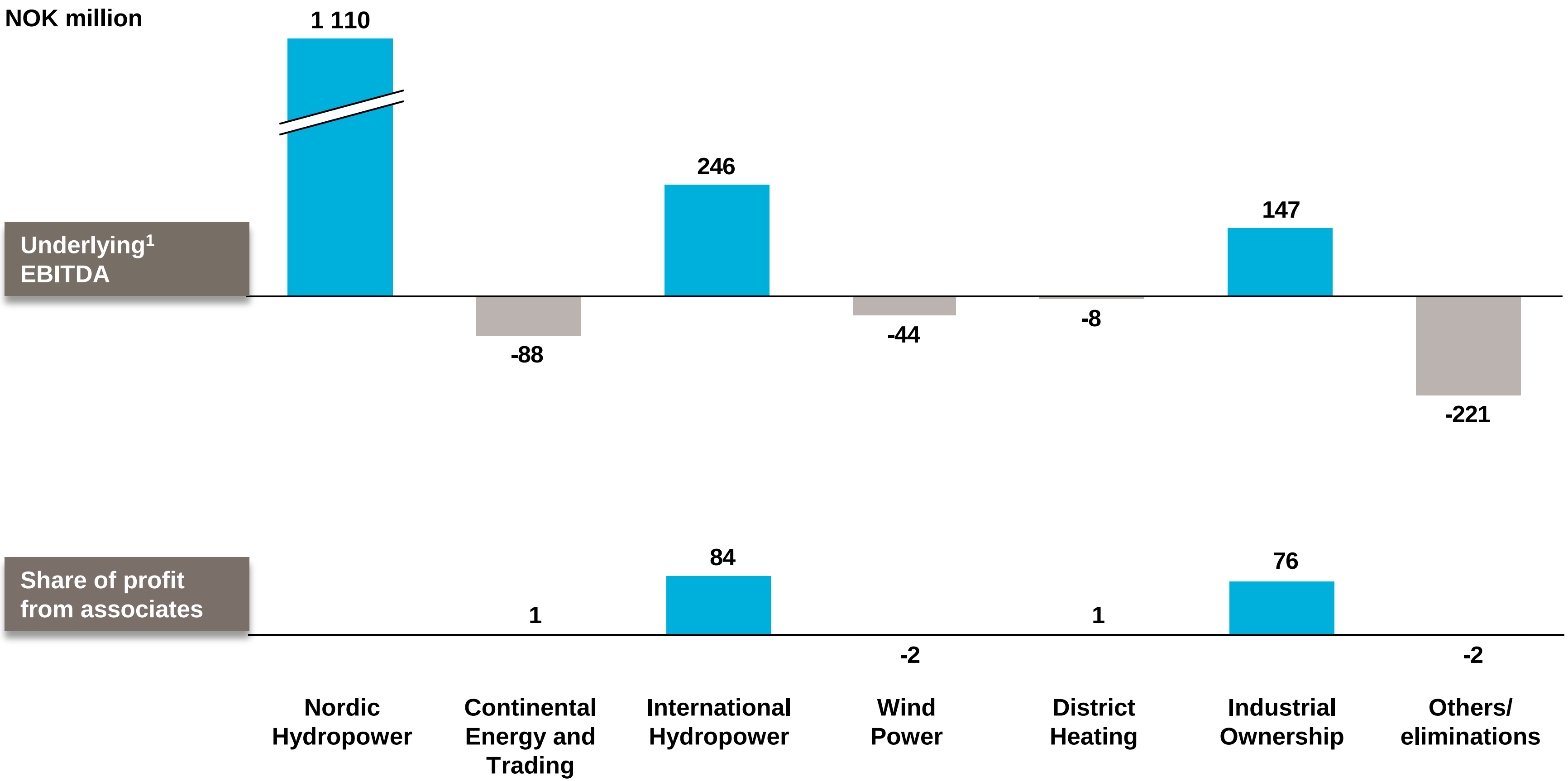
Q3 segment financials



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

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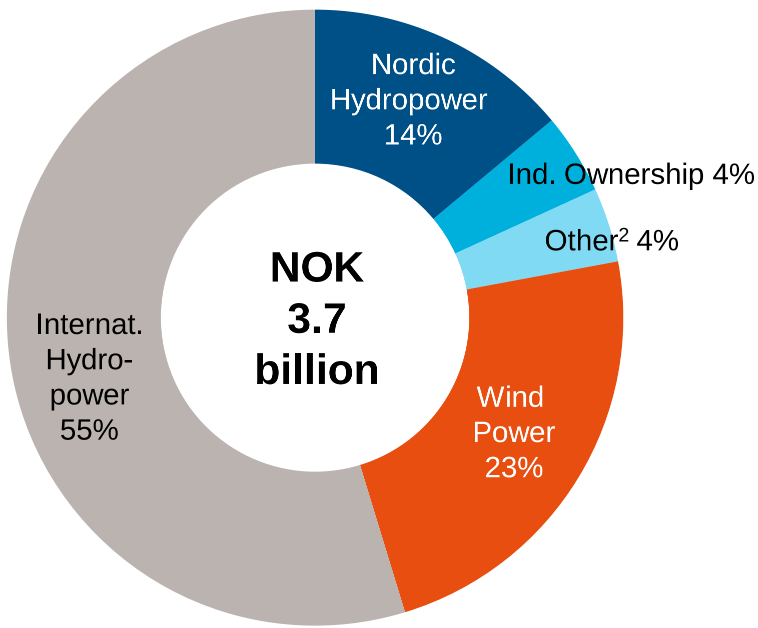
Q3 2015 capital expenditure[1]



- Distribution of CAPEX in the quarter:
  - 50% expansion investments
  - 37% investments in shareholdings
  - 13% maintenance investments
- New hydropower capacity under construction mainly in Norway, Turkey, Albania and Chile
- Wind power developments in UK and finalise ongoing projects in Sweden
- Ownership interests primarily related to the acquisition of shares in Desenwix in Brazil

[1] *Exclusive loans to associates*

[2] *Including District heating, Small-scale hydropower and Continental energy and trading*

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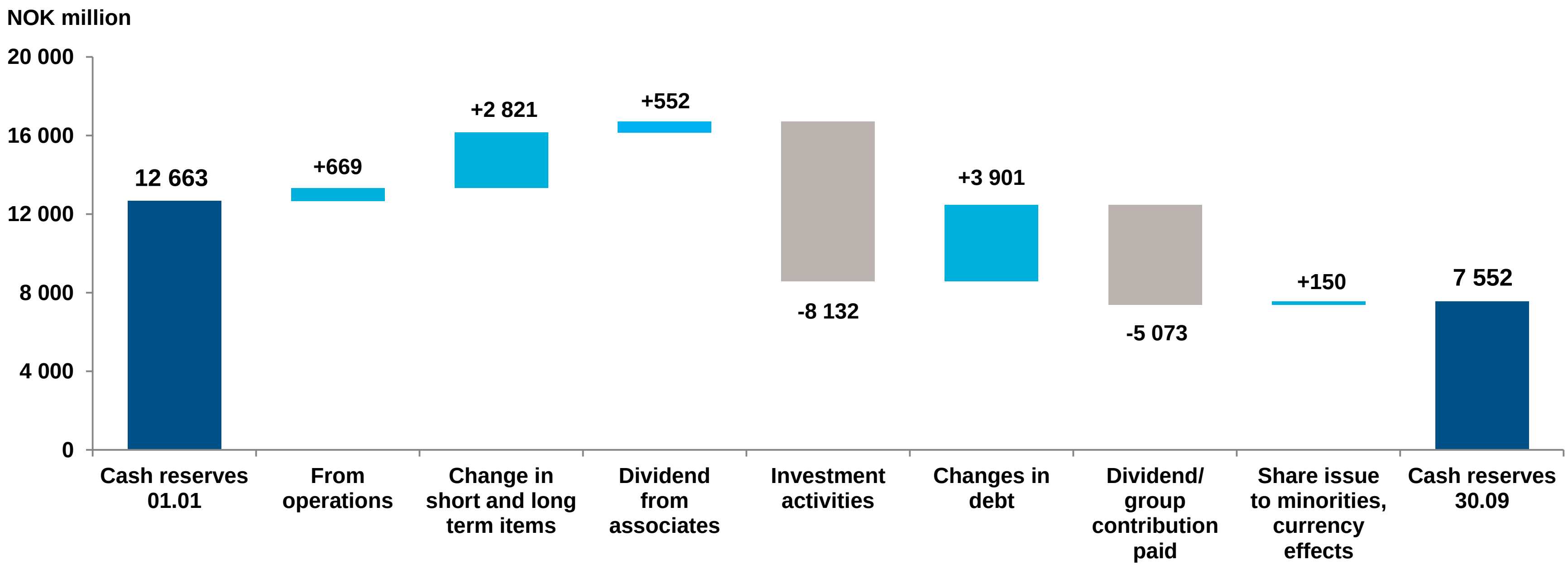
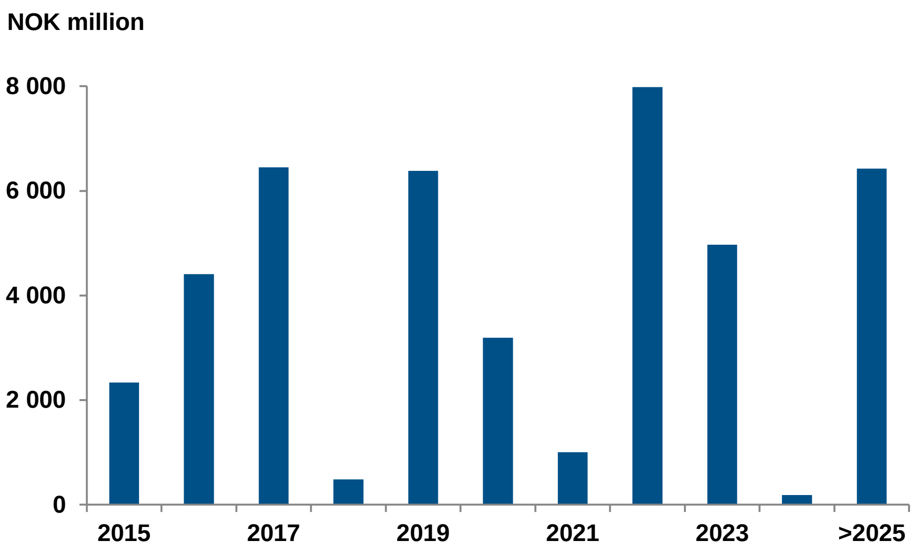
Solid cash flow

Cash flow year-to-date



Long-term debt

Debt repayment profile



- Net interest-bearing debt NOK 37.4 billion (23.6 at end of 2014)
  - NOK 38%, EUR 42%, GBP 14%, USD 3%, BRL 2%
  - 63% floating interest
  - Interest-bearing net debt ratio 30.4% (21.2% at end of 2014)
- NOK 2.3 billion debt matures in rest of 2015

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Strong credit ratings

STANDARD & POOR'S RATINGS SERVICES
McGRAW HILL FINANCIAL

A- / Stable

MOODY'S
INVESTORS SERVICE

Baa1 / Stable

- Maintaining current ratings with S&P and Moody's
- Strong support from owner:
  - New equity in 2014
  - Reduced dividends for 2015-2017
- CAPEX adapted to financial capacity

Summary

- Net result held back by low prices, reduced production and currency effects
- Strong resource situation in the Nordics
- Currency effects counterbalanced in Other Comprehensive Income
- Solid low cost position in the Nordics as strategic advantage

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APPENDIX

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Statement of Comprehensive Income

NOK million	Third quarter 2015	Third quarter 2014	Year to date 2015	Year to date 2014	The year 2014
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	12 435	9 431	36 403	30 968	48 246
Other operating revenues	335	2 507	855	3 329	4 008
Gross operating revenues	**12 770**	**11 937**	**37 258**	**34 297**	**52 254**
Energy purchase	-7 947	-5 242	-22 207	-16 347	-25 264
Transmission ocsts	-257	-283	-803	-874	-1 185
Net operating revenues	**4 566**	**6 412**	**14 248**	**17 076**	**25 805**
Salaries and payroll costs	-936	-595	-2 540	-2 199	-3 051
Depreciation, amortisation and impairments	-755	-1 801	-4 114	-3 308	-4 071
Property tax and licence fees	-422	-409	-1 248	-1 226	-1 630
Other operating expenses	-905	-732	-2 647	-2 502	-3 493
Operating expenses	**-3 019**	**-3 537**	**-10 550**	**-9 234**	**-12 246**
Operating profit/loss	**1 548**	**2 875**	**3 698**	**7 842**	**13 560**
Share of profit/loss from associates and joint ventures	**158**	**134**	**300**	**213**	**661**
Financial income	87	141	296	722	859
Financial expenses	-871	-340	-1 605	-987	-1 309
Net currency effects	-5 195	3 185	-3 756	3 061	-4 791
Other financial items	-372	63	-239	83	-1 043
Net financial items	**-6 352**	**3 049**	**-5 303**	**2 879**	**-6 283**
Profit/loss before tax	**-4 647**	**6 058**	**-1 305**	**10 934**	**7 937**
Tax expense	707	-1 907	-994	-3 944	-4 045
Net profit/loss	**-3 940**	**4 151**	**-2 299**	**6 989**	**3 892**
Of which non-controlling interest	-193	80	-720	437	684
Of which majority interest	-3 747	4 071	-1 579	6 552	3 209
OTHER COMPREHENSIVE INCOME					
Items in other comprehensive income that recycle over profit/loss:					
Changes in fair value of financial instruments	-929	287	-822	137	-907
Income tax related to changes in fair value of financial instruments	242	-77	161	-41	276
Items recorded in other comprehensive income in associates and joint arrangements	-187	-120	-20	-248	-123
Currency translation effects	5 101	-2 791	4 216	-2 347	7 734
Reclassification currency transalton effects related to foreign operations disposed of in the year	772	-74	772	-19	-69
Items in other comprehensive income that will not recycle over profit/loss:					
Estimate deviation pensions	-274	-462	491	-967	-704
Income tax related to estimate deviation pensions	88	109	-177	308	184
Other comprehensive income	**4 812**	**-3 126**	**4 620**	**-3 175**	**6 392**
Comprehensive income	**872**	**1 025**	**2 321**	**3 814**	**10 284**
Of which non-controlling interest	-231	-165	-576	607	1 322
Of which majority interest	1 105	1 189	2 897	3 207	8 962

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Statement of Financial Position

NOK million	30.09.2015	30.09.2014	31.12.2014
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Intangible assets	6 227	2 853	3 439
Property, plant and equipment	109 422	99 080	99 199
Investments in associates and joint ventures	18 350	16 031	19 027
Other non-current financial assets	7 472	3 288	6 093
Derivatives	5 077	4 281	5 616
Non-current assets	**146 550**	**125 534**	**133 374**
Inventories	2 387	1 040	2 088
Receivables	9 424	6 873	12 433
Short-term financial investments	618	432	443
Derivatives	5 350	7 150	6 816
Cash and cash equivalents (included restricted cash)	7 552	12 317	12 663
Current assets	**25 331**	**27 812**	**34 444**
Assets	**171 879**	**153 345**	**167 817**
EQUITY AND LIABILITIES			
Paid-in capital	56 361	51 361	56 361
Retained earnings	21 167	18 119	23 866
Non-controlling interest	7 897	7 084	7 833
Equity	**85 426**	**76 564**	**88 059**
Provisions	19 691	18 077	18 796
Long-term interest-bearing liabilities	41 736	28 154	27 438
Derivatives	3 534	3 716	3 556
Long-term liabilities	**64 961**	**49 947**	**49 790**
Short-term interest-bearing liabilities	3 813	10 314	9 306
Taxes payable	1 858	3 581	3 546
Other interest-free liabilities	9 968	6 274	9 808
Derivaties	5 855	6 666	7 308
Current liabilities	**21 493**	**26 835**	**29 968**
Equity and liabilities	**171 879**	**153 345**	**167 817**

Statement of Cash Flow

NOK million		Year to date 2015	2014	The year 2014
STATEMENT OF CASH FLOW				
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		-1 305	10 934	7 937
Profit/loss on sale of non-current assets		1	-155	-80
Depreciation, amortisation and impairments		4 114	3 308	4 071
Profit/loss from the sale of business			-2 276	-2 559
Profit/loss from the sale of shares, and associates and joint ventures		471	-69	-69
Profit from restructuring of SN Power			-564	-564
Share of profit/loss from associates and joint ventures		-300	-213	-661
Unrealised changes in value		819	-1889	4 412
Taxes		-3 131	-3 345	-3 593
Cash flow from operating activities		**669**	**5 731**	**8 895**
Changes in long term items		-138	106	-52
Changes in short term items		2 959	1 181	-2 674
Dividend from associates		552	724	729
Net cash flow operating activities	**A**	**4 042**	**7 742**	**6 898**
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in property, plant and equipment*		-5 841	-6 736	-8 801
Proceeds from sale of non-current assets		136	42	-17
Business divestments net liquidity inflow to the Group		380	3 491	4 688
Business combinations and asset purchase, net liquidity outflow from the Group**		-2 848	-74	-74
Restructuring of SN Power, net liquidity outflow from the Group			-770	-770
Loans to third parties		-3	-90	-100
Repayment of loans from third parties		307	392	390
Considerations regarding investments in other companies **		-264	-589	-765
Net cash flow from investing activities	**B**	**-8 132**	**-4 334**	**-5 449**
CASH FLOW FROM FINANCING ACTIVITIES				
New debt		13 420	1 773	1 917
Repayment of debt		-9 519	-693	-3 900
Capital increase				5 000
Dividend and group contribution paid		-5 073	-74	-74
Share issue in subsidiary to non-controlling interests		15	206	225
Net cash flow from financing activities	**C**	**-1 157**	**1 212**	**3 168**
Net change in cash and cash equivalents	**A+B+C**	**-5 247**	**4 620**	**4 617**
Currency exchange rate effects on cash and cash equivalents		135	11	362
Cash and cash equivalents 01.01		12 663	7 685	7 685
Cash and cash equivalents 30.09/31.12***		7 552	12 317	12 663
Unused commited credit lines		14 000	12 000	12 000
Unused overdraft facilities		2 200	2 200	2 200
Restricted Cash		-	-	-

*Investments in the cash flow are NOK 560 million lower than investments in fixed assets in the segment reporting due to prepayments in earlier periods and also acquisition of assets from investments not yet paid as of third quarter 2015.

** Investments in business combinations, asset purchase and investment in other companies are NOK 618 million lower than for investments in other companies shown in the segment reporting. This is mainly due to cash in the aquired companies of NOK 329 million, part of the acquisition cost not yet paid as of third quarter of NOK 337 as well as investments by Statkraft Forsikring not presented as investment in the segment reporting of - NOK 55 million.

**Included in cash and cash equivalents are NOK 446 million related to joint operations as of third quarter 2015.