

FINANCIAL RESULTS Q1 2011

CFO STEIN DALE

19 MAY 2011



Statkraft
PURE ENERGY

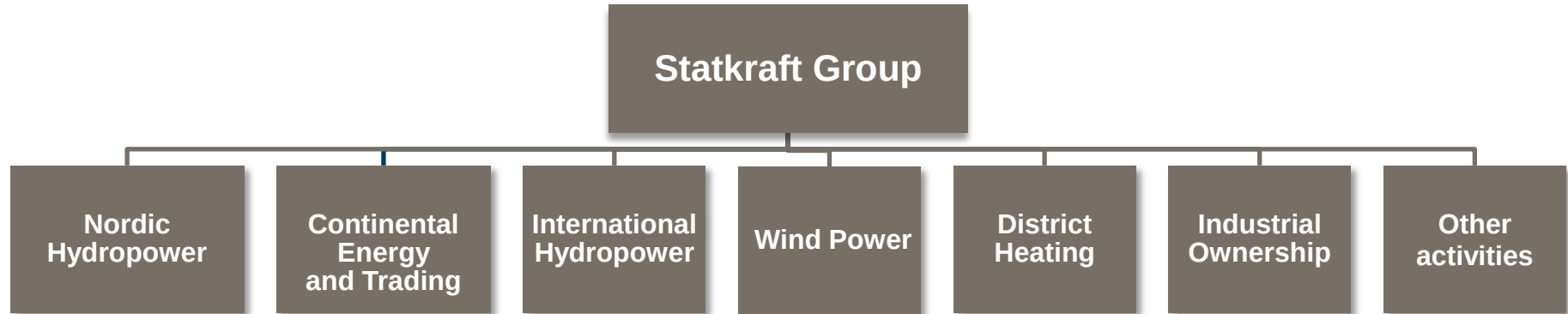
HIGHLIGHTS

- > Year-on-year results reduced due to lower power generation following weaker Nordic hydro resource situation
 - Somewhat offset by higher power prices
 - Resource situation affected by high power generation and low water inflow in 2010

- > Signing of new commercial long-term contracts with industrial counterparts in Norway
 - New contract volumes during the quarter of appr. 1.3 TWh/year
 - Total portfolio of more than 20 TWh/year on long-term industrial contracts

- > New reporting structure effective from 1 January 2011

NEW REPORTING STRUCTURE

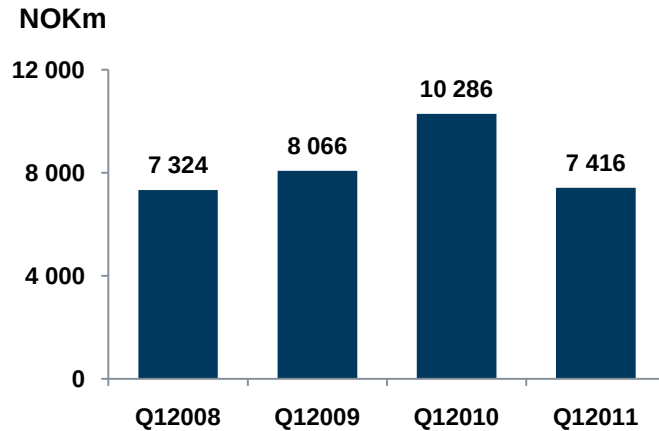


Change in reporting of underlying profit:

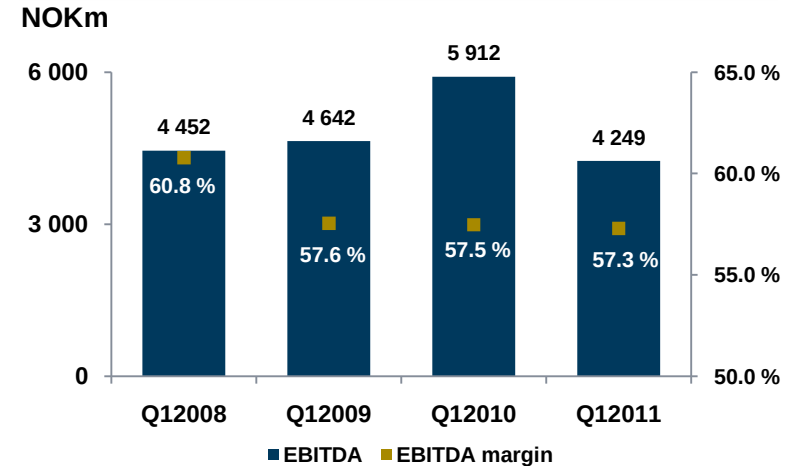
- Unrealised changes in value on energy contracts under Trading and origination are included into underlying revenues
- Financial items and tax not included into underlying profits - presented as in financial statement
- **Underlying profit - adjusted for unrealised changes in value of energy contracts and material non-recurring items**

FINANCIAL HIGHLIGHTS

Underlying¹ gross operating revenues



Underlying¹ EBITDA

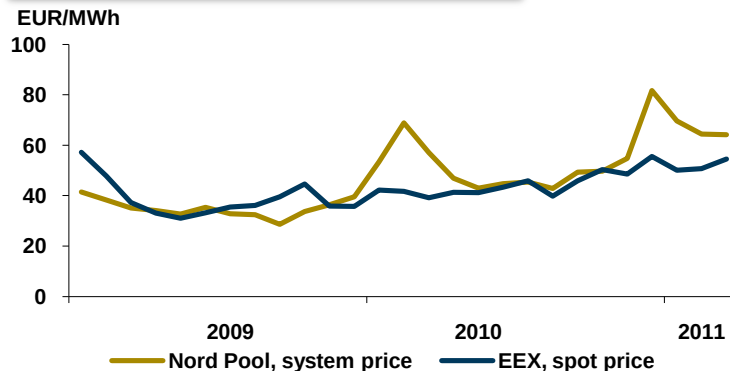


Net profit (actual)

Q1 2011	NOKm 2 809
Q1 2010	NOKm 4 533

ELECTRICITY MARKET

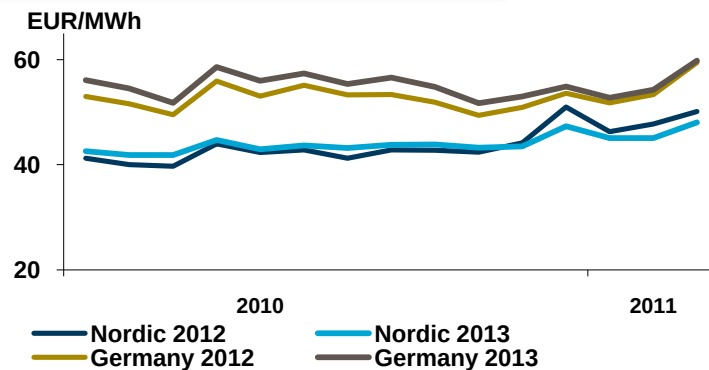
Electricity, average monthly price



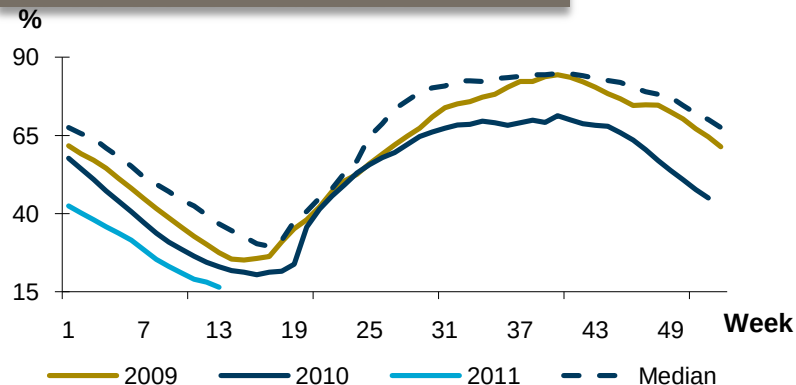
Q1 2011

- > Average Nord Pool system price of 66.2 EUR/MWh (59.8)
- > Average EEX spot price of 51.8 EUR/MWh (41.1)
- > Nordic reservoir levels 45% of normal level at closing of quarter
 - Back to normal levels in week 17 due to early snow melting.

Electricity, forward price

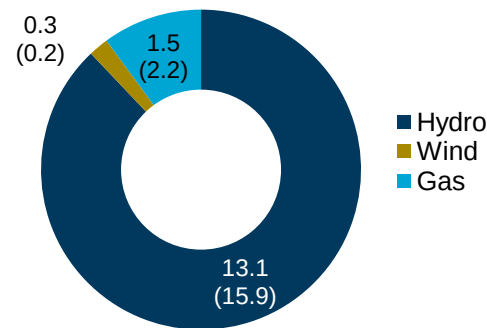


Nordic reservoir water levels



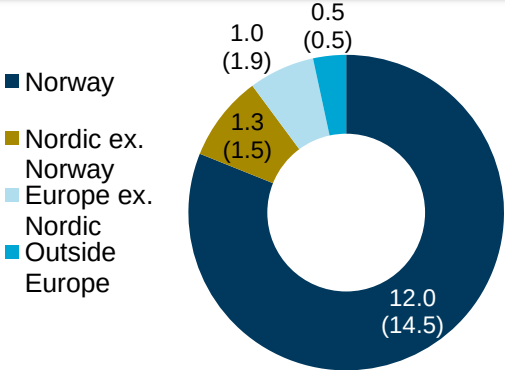
STATKRAFT'S POWER GENERATION

Technology (TWh)

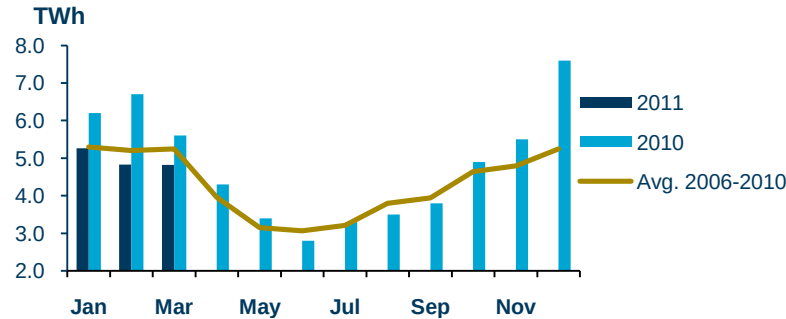


Q1 2011
Total generation
14.9 TWh (18.3)

Geography (TWh)

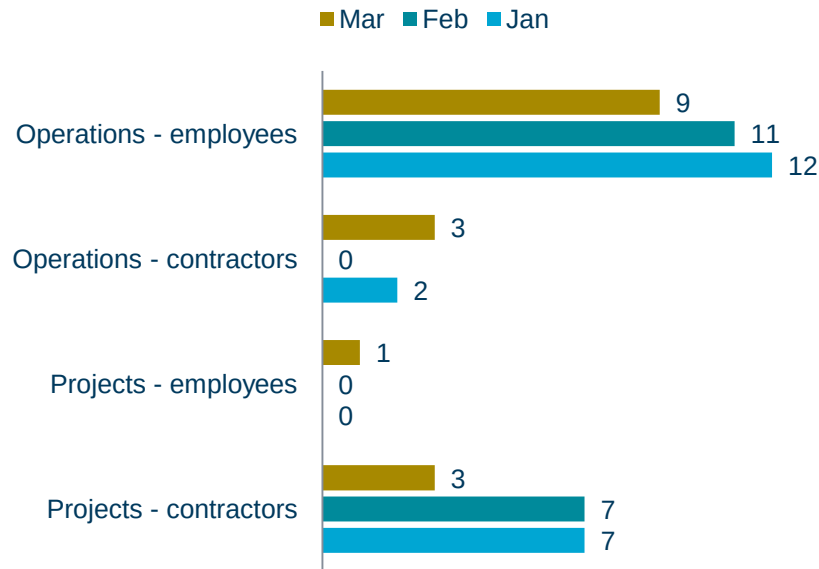


Monthly power generation



HEALTH, SAFETY AND ENVIRONMENT

Total Recordable Incidents



HEALTH AND SAFETY

- Two fatalities reported among contractors in THPC in Laos (20% ownership)
- One fatality of employee in Istad Energimontasje (49.9% ownership)
- A total of 33 injuries among own employees
- A total of 22 injuries among contractors reported

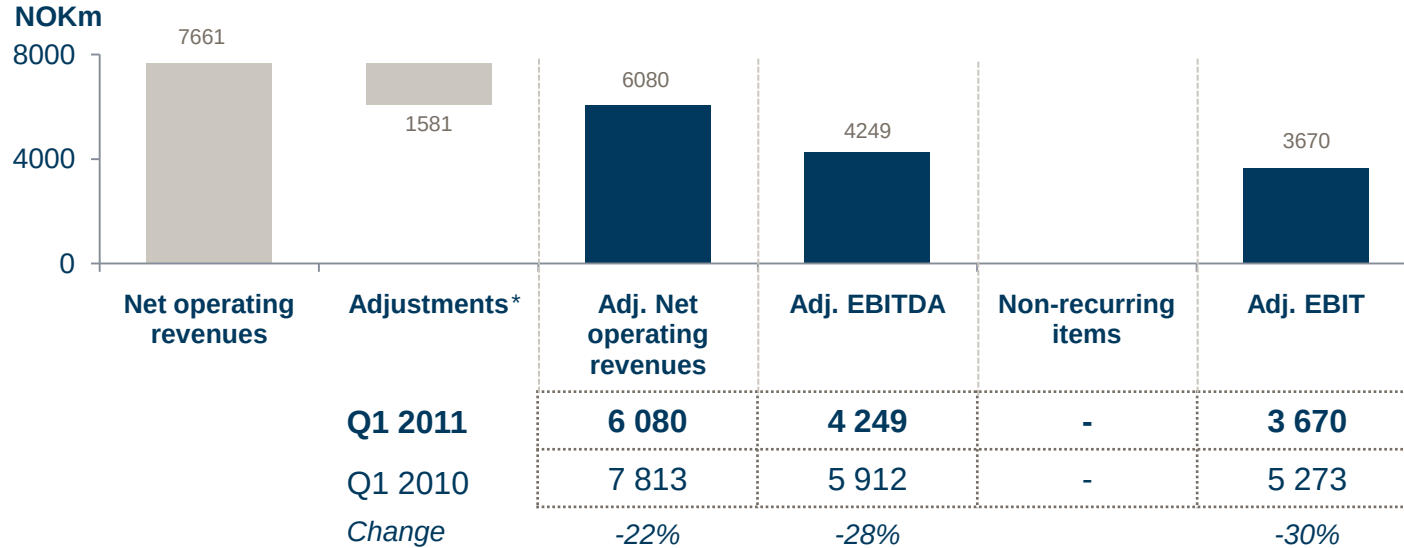
ENVIRONMENT

- No serious environmental incidents

INCOME STATEMENT - ACTUAL

NOK million	1st quarter		Full year
	2011	2010	2010
Gross operating revenues	7 553	10 507	27 780
Energy purchase and transmission costs	-1 336	-2 474	-6 269
Unrealised changes in value energy contracts	1 444	-211	193
Net operating revenues	7 661	7 822	23 176
Operating expenses before depreciation	-1 830	-1 900	-7 221
EBITDA	5 831	5 922	15 955
Depreciations and write-downs	-580	-640	-3 205
Operating profit (EBIT)	5 251	5 282	12 750
Share of profit from associates and joint ventures	395	643	766
Net financial income/expenses	-193	-357	453
Unrealised changes in the value of currency and interest contracts	-567	1 924	-1 369
Net financial items	-760	1 567	-917
Profit before tax	4 885	7 492	12 599
Taxes	-2 076	-2 960	-5 148
Net profit	2 809	4 532	7 451

UNDERLYING OPERATIONS



Underlying ROACE after tax

Q12011 (12m rolling)	17.3%
FY 2010	19.7%

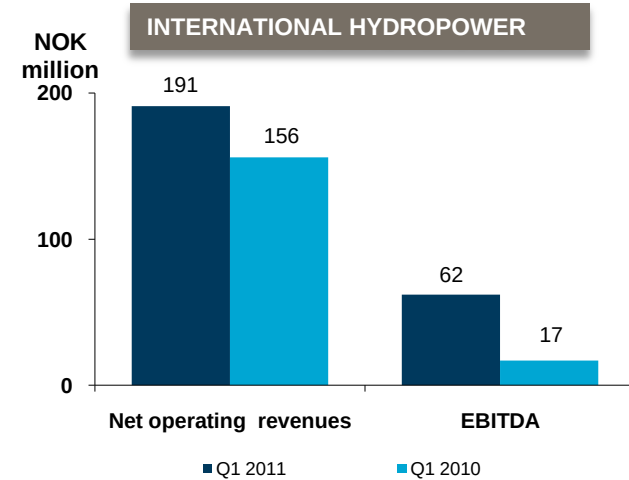
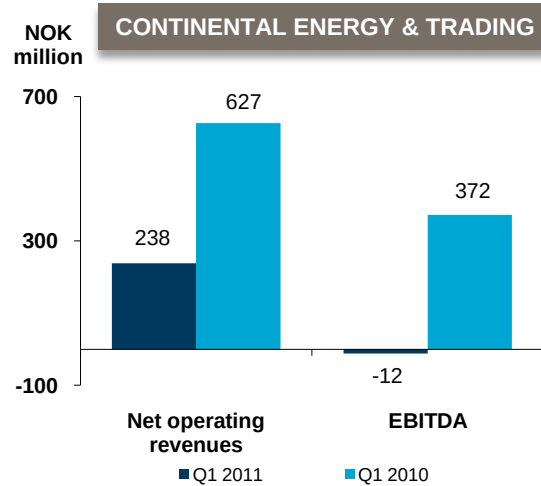
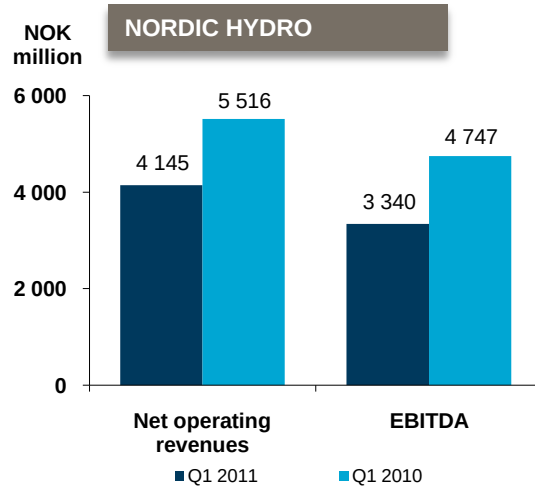
REVENUE BREAKDOWN

NOK million	Q12011	Q12010	Year 2010
Net physical sales, including green certificates	3 221	5 785	13 887
Concessionary power sales at statutory prices	93	89	308
Statutory priced industrial contracts	75	405	1 535
Long term contracts	1 063	802	3 054
Nordic and Continental dynamic asset management	-188	-76	308
Trading and origination	206	253	732
Distribution grid	360	534	1 421
End-users	2 190	2 060	5 986
District heating	229	213	634
Other	-12	-33	45
Sales revenues	7 236	10 032	27 911
Other operating revenues	180	254	1 080
GROSS OPERATING REVENUES	7 416	10 286	28 990
Energy purchases	-982	-1 954	-4 674
Transmission costs	-354	-520	-1 595
NET OPERATING REVENUE	6 080	7 813	22 721

OPERATING EXPENSES

NOK million	Q1 2011	Q1 2010
Salaries and payroll costs	693	678
Property tax and licence fees	297	322
Other operating expenses	840	901
Operating expenses before depreciation	1 830	1 901
Depreciations	580	639

SEGMENTS – BREAKDOWN (I)

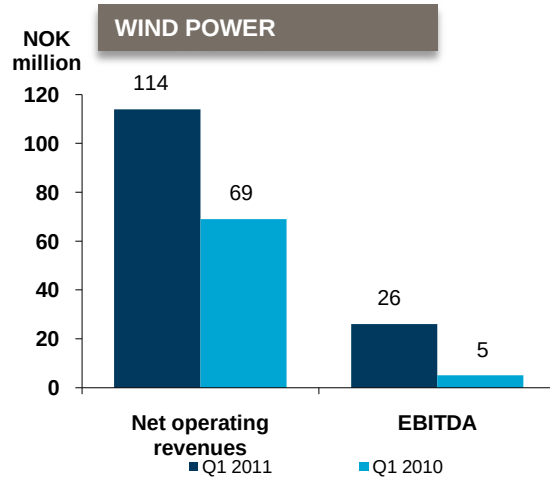


- Generation of 10.9 TWh (13.5)
- Spot sales reduced with 30% to 6.1 TWh (8.7)
- Existing generator at Svartisen (350 MW) expected to be out of operation until July (from January). New generator (250 MW) expected to commence production in June

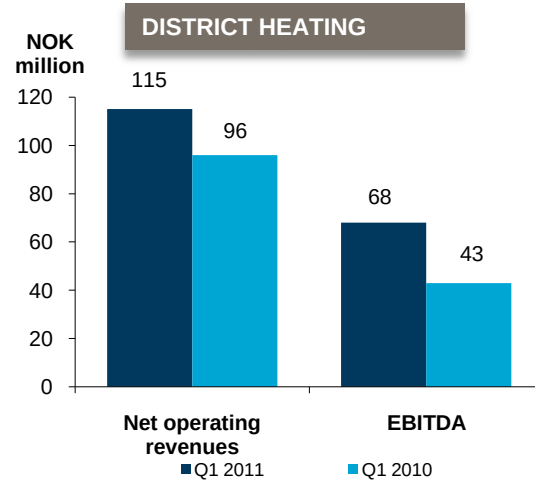
- Nordic dynamic asset management portfolio negatively affected by high Nordic power prices
- Decreased gas power generation due to low spark-spreads
- Share of profit from associates NOKm 124 (148)

- Increased profit due to higher generation and prices
- Generation of 0.8 TWh (0.5 TWh) (equity share)
- Share of profit from associates NOKm 32 (64)

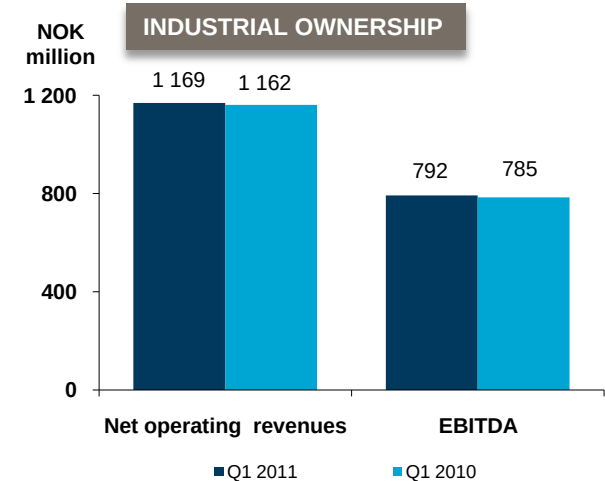
SEGMENTS – BREAKDOWN (II)



- > Increased revenues due to higher power prices and power generation
- > Project and development activities impact profits
- > Generation of 246 GWh (150)
- > Contribution from associates NOKm -22 (-17)



- > Increased profit due to higher prices
- > District heating generation of 341 GWh (384)

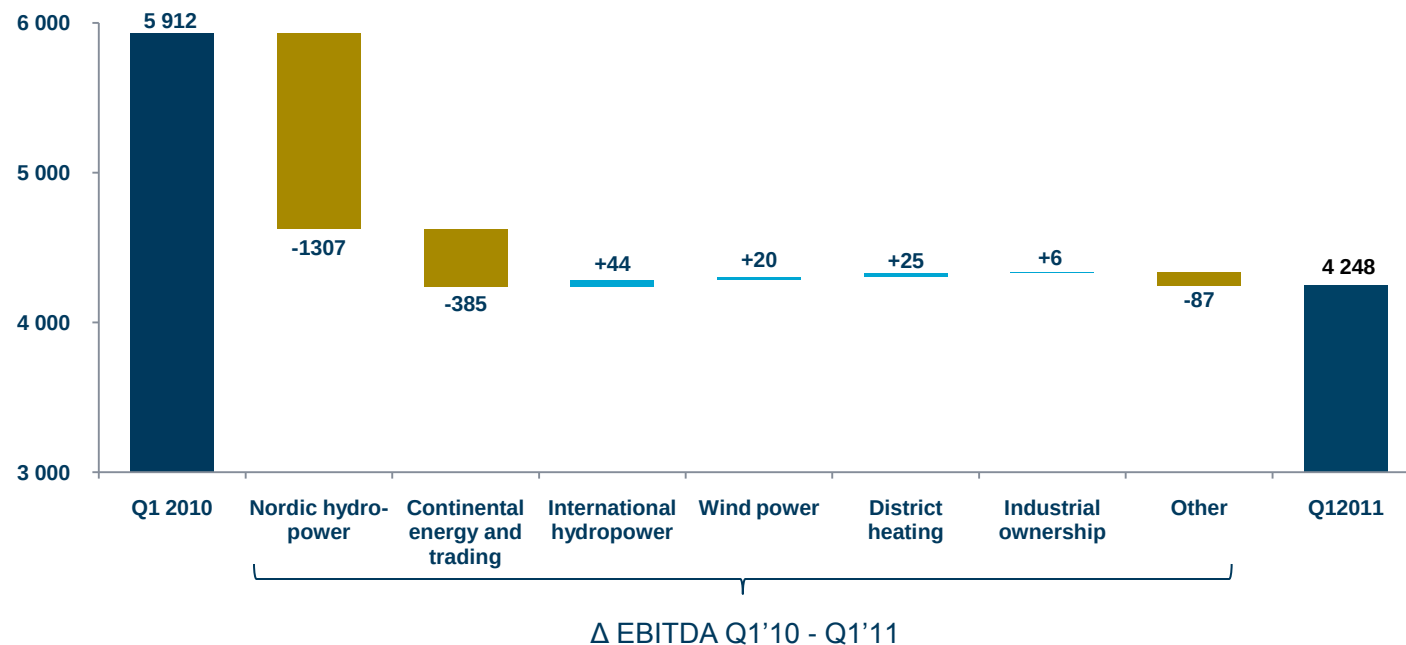


- > Higher prices, but lower power generation in Skagerak Energi
- > Increased profit from retail power sales activities in Fjordkraft
- > Share of profit from associates NOKm 258 (329), following weak Nordic resource situation and reported loss from energy contracts

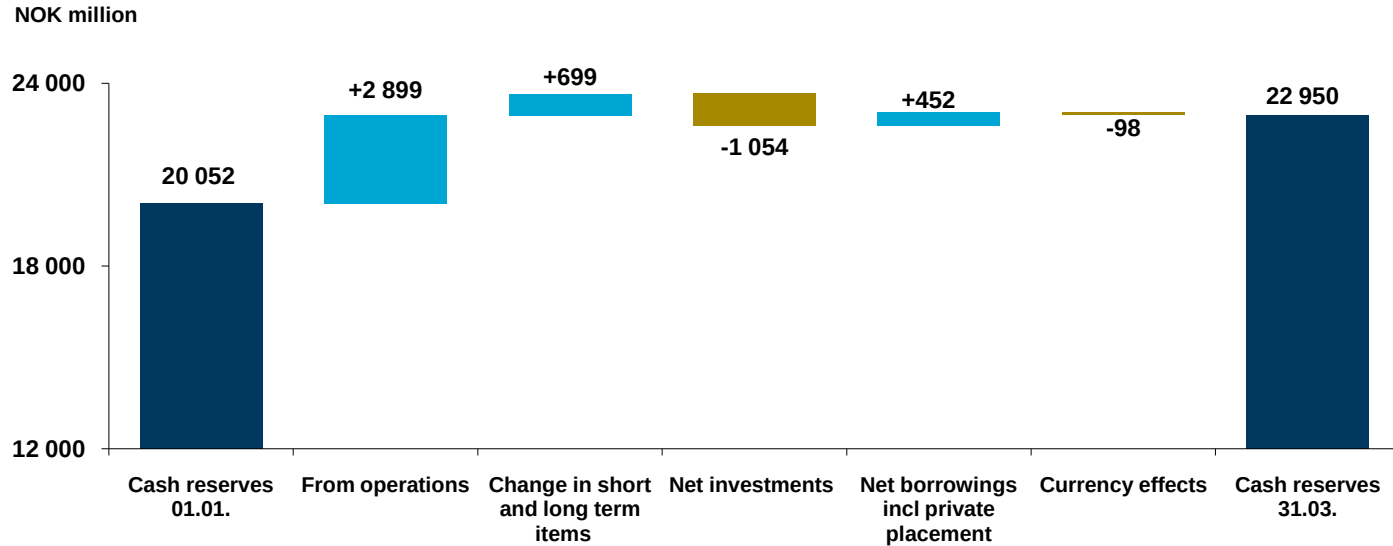
SEGMENT DEVELOPMENT

Underlying¹ EBITDA Q1 2010 - Q1 2011

NOKm



CASH FLOW

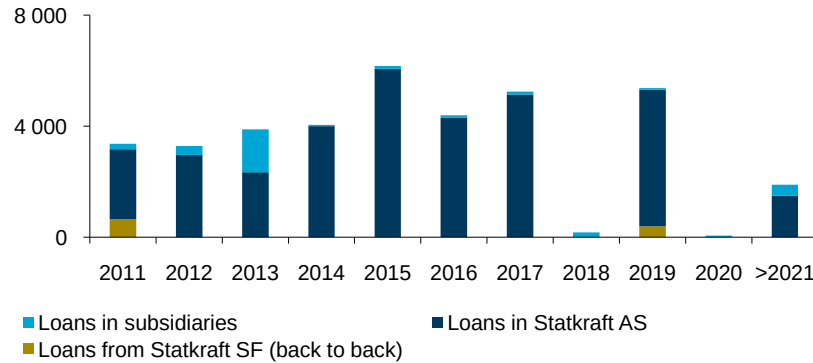


- > Changes in short-term items of NOKm 1015 - Changes in long-term items of NOKm -316
- > Gross investments of NOKm 1 131 (503)
 - > Maintenance 11%, new capacity 27%, shareholdings 62%

LIABILITIES AND INTEREST EXPENSES

DEBT REDEMPTION PROFIL

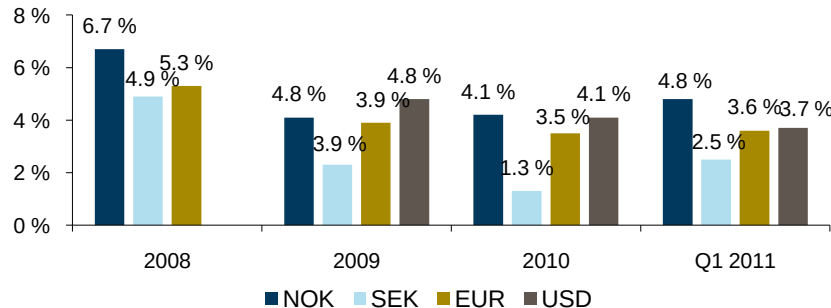
NOK million



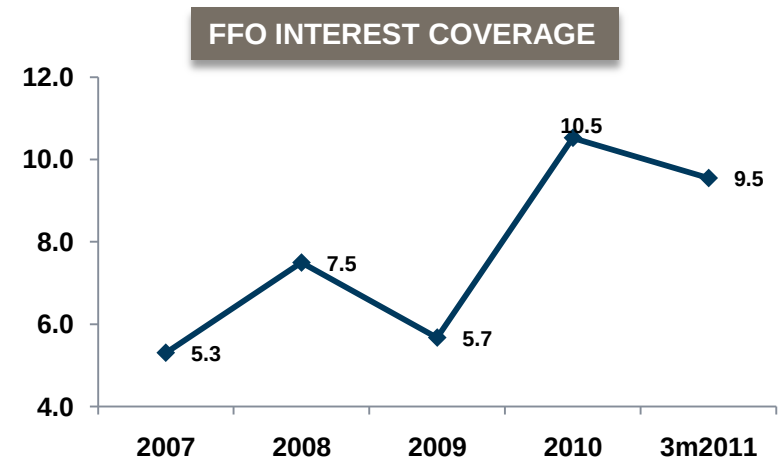
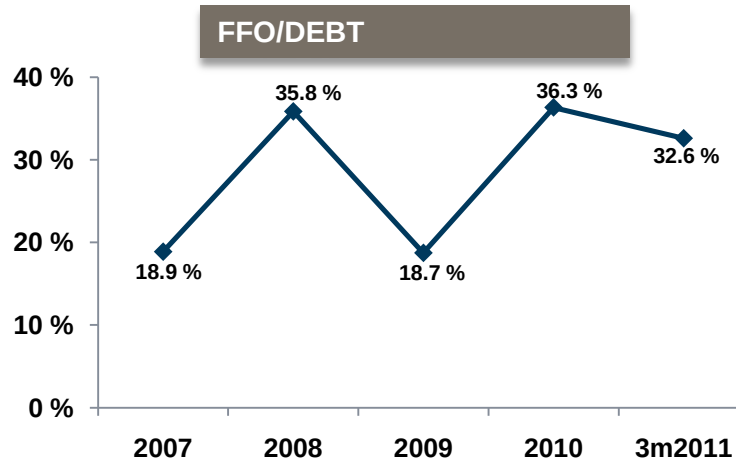
FUNDING

- > New debt NOKm 937
- > Repayment NOKm 553
- > Total interest-bearing liabilities NOK 40.3 bn
- > NOK 49%, EUR 41%, SEK 5%, USD 5%
- > 64% exposed to floating interest rates

AVERAGE INTEREST RATES



FINANCIAL STRENGTH AND RATING



- > FFO¹ of NOKm 13 145 (14 705 at year-end 2010)
- > Interest bearing debt of NOKm 40 332 (40 486 at year-end 2010)
- > Rating target of minimum current ratings

OUTLOOK

- > Lower hydro generation expected in 2011 compared to 2010 due to weak resource situation
- > Forward prices indicate higher price level year-on-year
- > Uncertainty linked to the hydrological situation and industry demand
- > High project activity following equity injection in December 2010
- > Global nuclear power uncertainty highlights need for increased renewable energy capacity

PURE ENERGY



APPENDIX



Statkraft
PURE ENERGY

FULL FINANCIAL STATEMENT

Figures in NOK million	1st Quarter 2011	2010	The year 2010
PROFIT AND LOSS			
Sales revenues	7 373	10 253	27 780
Other operating revenues	180	254	1 473
Gross operating revenues	7 553	10 507	29 252
Energy purchase	-982	-1 954	-4 674
Transmission costs	-354	-520	-1 595
Unrealised changes in the value of energy contracts	1 444	-211	193
Net operating revenues	7 661	7 822	23 176
Salaries and payroll costs	-693	-678	-2 387
Depreciation, amortisation and impairments	-580	-640	-3 205
Property tax and licence fees	-297	-322	-1 236
Other operating expenses	-840	-900	-3 598
Operating expenses	-2 410	-2 540	-10 426
Operating profit	5 251	5 282	12 750
Share of profit from associates and joint ventures	395	643	766
Financial income	295	77	2 060
Financial expenses	-489	-434	-1 607
Unrealised changes in the value of currency and interest contracts	-567	1 924	-1 369
Net financial items	-760	1 567	-917
Profit before tax	4 885	7 492	12 599
Tax expense	-2 076	-2 960	-5 148
Net profit	2 809	4 532	7 451
Of which non-controlling interest	145	206	357
Of which majority interest	2 664	4 326	7 094
OTHER COMPREHENSIVE INCOME			
Changes in fair value of financial instruments	-16	-1 181	-4 107
Reversed changes in fair value of financial instruments, recognised as loss under financial i	-	-	3 625
Estimate deviation pensions	-	-	-274
Translation differences	-328	-1 526	-2 583
Other comprehensive income	-344	-2 707	-3 339
Comprehensive income	2 465	1 825	4 112
Of which non-controlling interest	-40	170	243
Of which majority interest	2 505	1 655	3 869

BALANCE SHEET

Figures in NOK million	31.03.2011	31.03.2010	31.12.2010
ASSETS			
Intangible assets	4 623	2 175	2 981
Property, plant and equipment	77 420	78 184	77 791
Investments in associates and joint ventures	16 941	17 352	17 090
Other non-current financial assets	15 807	20 018	16 382
Derivatives	3 845	3 650	3 842
Non-current assets	118 637	121 379	118 085
Inventories	308	544	1 013
Receivables	9 980	9 502	10 748
Short-term financial investments	438	433	424
Derivatives	7 044	4 388	5 645
Cash and cash equivalents	22 950	11 950	20 052
Current assets	40 721	26 817	37 882
Assets	159 358	148 197	155 967
EQUITY AND LIABILITIES			
Paid-in capital	45 569	31 569	45 569
Retained earnings	24 637	27 730	22 449
Non-controlling interest	6 931	7 595	7 284
Equity	77 137	66 894	75 302
Provisions	21 456	13 925	15 758
Long-term interest-bearing liabilities	33 698	35 659	34 251
Derivatives	2 261	3 971	2 494
Long-term liabilities	57 414	53 555	52 502
Short-term interest-bearing liabilities	6 634	9 624	6 235
Taxes payable	3 884	3 344	3 458
Other interest-free liabilities	8 264	10 927	11 609
Derivatives	6 025	3 853	6 861
Current liabilities	24 807	27 748	28 163
Equity and liabilities	159 358	148 197	155 967

CASH FLOW STATEMENT

Figures in NOK million	1st Quarter 2011	2010	The year 2010	
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	4 885	7 492	12 599	
Profit/loss on sale of non current assets	-	-4	26	
Depreciation, amortisation and impairments	580	640	3 205	
Profit from the sale of activities	-	-	-371	
Share of profit from associates and joint ventures	-395	-643	-766	
Unrealised changes in value	-877	-1 713	1 176	
Taxes	-1 294	-1 590	-2 562	
Cash flow from operating activities	2 899	4 182	13 307	
Changes in long term items	-316	-38	252	
Changes in short term items	1 015	2 078	-1 128	
Dividend from associates	-	-	1 146	
Net cash flow operating activities	A	3 598	6 222	13 577
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in property, plant and equipment, maintenance	-126	-231	-1 000	
Investments in property, plant and equipment, new capacity	-311	-221	-1 852	
Sale of property, plant and equipment	19	38	67	
Capital reduction in associates and joint ventures	-	-	46	
Business divestments, net liquidity accruing to the Group	-	-	1 358	
Loans to third parties	124	-12	-222	
Repayment of loans	-64	16	194	
Investments in other companies	-696	-51	-888	
Net cash flow from investing activities	B	-1 054	-461	-2 297
CASH FLOW FROM FINANCING ACTIVITIES				
New debt	937	571	4 431	
Repayment of debt	-553	-1 222	-8 282	
Capital increase	-	-	14 000	
Reduction of capital to non-controlling interests	-	-	-334	
Dividend and group contribution paid	-	-	-7 964	
Share issue in subsidiary to non-controlling interests	68	158	241	
Net cash flow from financing activities	C	452	-493	2 092
Net change in cash and cash equivalents	A+B+C	2 996	5 268	13 372

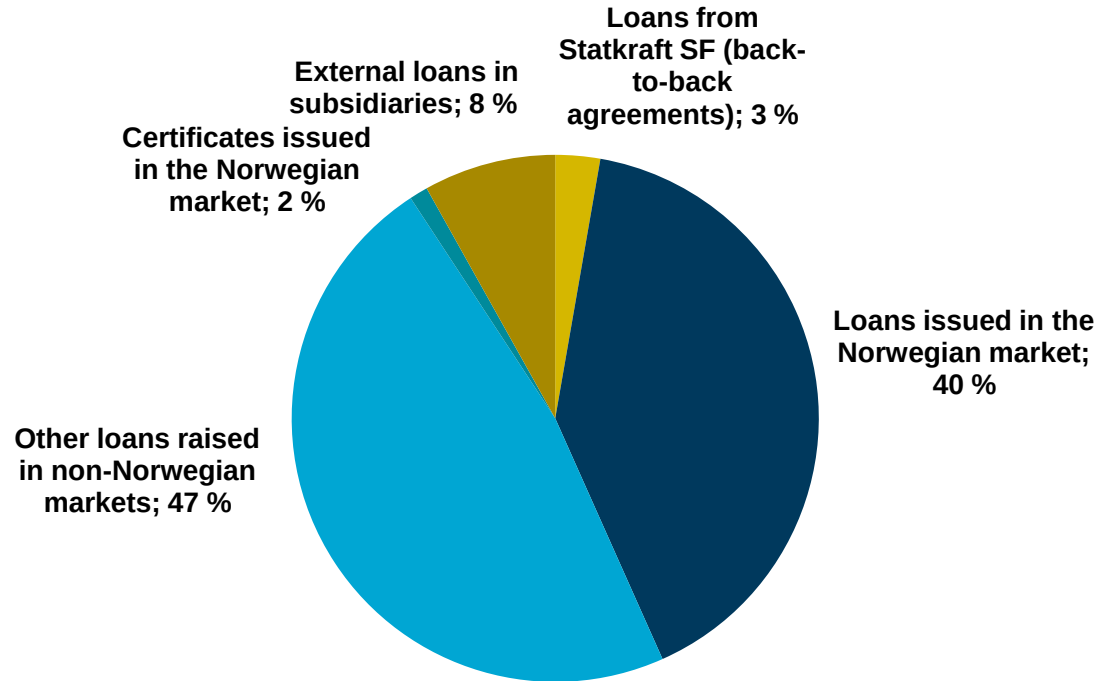
Currency exchange rate effects on cash and cash equivalents

Cash and cash equivalents 01.01
Cash and cash equivalents 31.03/31.12

Unused committed credit lines
Unused overdraft facilities

-98	19	17
20 052	6 663	6 663
22 950	11 950	20 052
12 000	8 052	8 000
1 330	550	1 074

DISTRIBUTION OF LOANS



Per 31 March 2011

PURE ENERGY

