

FINANCIAL RESULTS Q2 2011

CEO CHRISTIAN RYNNING-TØNNESEN

18 AUGUST 2011



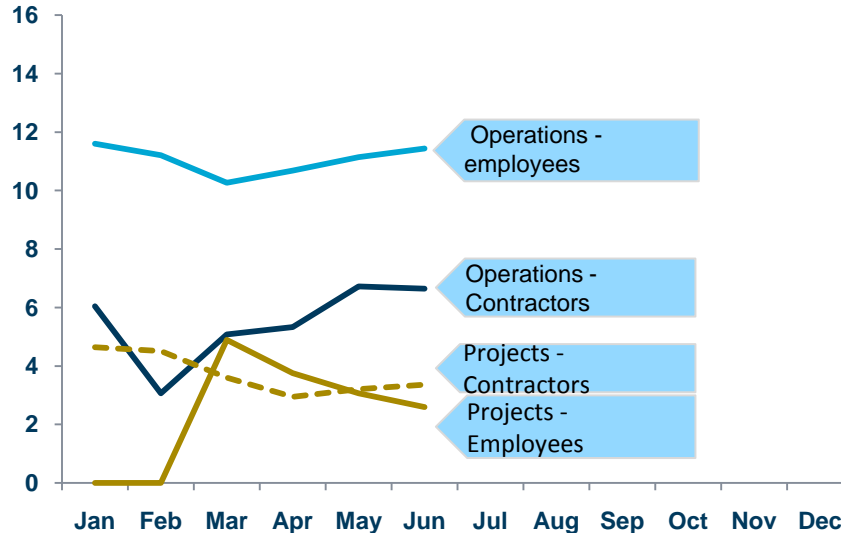
Statkraft
PURE ENERGY

HIGHLIGHTS

- > Improved Q2 underlying operating profit vs. Q2 2010
- > Loss after tax due to unrealised changes in value of energy contracts and write-down of E.ON shares
- > Nordic water reservoir levels back to normal
- > New long-term industrial power contracts signed
- > Investment decisions on wind power projects in Sweden and Scotland
- > SN Power acquisition of Brazilian energy commercialisation company Enerpar

HEALTH, SAFETY AND ENVIRONMENT

Total Recordable Injuries Rate 2011



HEALTH AND SAFETY Q2

- One serious accident in Laos
- Total Recordable Injuries (TRI) rate for operations have increased in Q2 and are higher than acceptable
- TRI for projects has fallen in Q2 and is within the acceptable target

ENVIRONMENT Q2

- No serious environmental incidents reported

1H 2011 MILESTONES

NO **New industry contracts** signed with power intensive industrial companies
District heating plants – concession awarded to build plant in Ås
Small scale hydropower under continuous development



SE **Wind farm investment decisions**
Mörttjärnberget (85 MW, 2013)
Stamåsen (60MW, 2012)

GER **Knapsack II** (430 MW, 2013) - construction and operation permission

UK **Baillie** (52.5 MW, 2012) - wind farm investment decision
Sheringham Shoal (315 MW, 2012) - offshore generation started in July

TUR **Kargi** (102 MW, 2013) – construction started
Cetin (517 MW) – design approval given by authority














Brazil



Acquisition of **Enerpar**, energy commercialization company



MAIN PROJECTS UNDER CONSTRUCTION

	Projects (Figures in million)			New capacity ²	Statkraft's ownership share	Planned completion
European Flexible Power Generation	Svartisen		NORWAY	250 MW	70%	2011
	Eiriksdal and Makkoren		NORWAY	56 MW	100%	2013
	Nedre Røssåga		NORWAY	-	100%	2017
	Knapsack II		GERMANY	430 MW	100%	2013
International Hydropower	Ambuklao & Binga		PHIL.	225 MW	50% ³	2011 & 2014
	Kargi		TURKEY	102 MW	100%	2013/2014
	Allain Duhangan		INDIA	192 MW	43% ³	2012
	La Confluencia		CHILE	158 MW	50% ³	2011
	Cheves		PERU	168 MW	100% ³	2014
Wind power	Sheringham Shoal		UK	315 MW	50%	2012
	Baillie		UK	52.5 MW	80%	2012
	Mörttjärnberget		SWEDEN	100 MW	60 %	2013
	Stamåsen		SWEDEN	60MW	60%	2012
	Total			1500 MW¹		

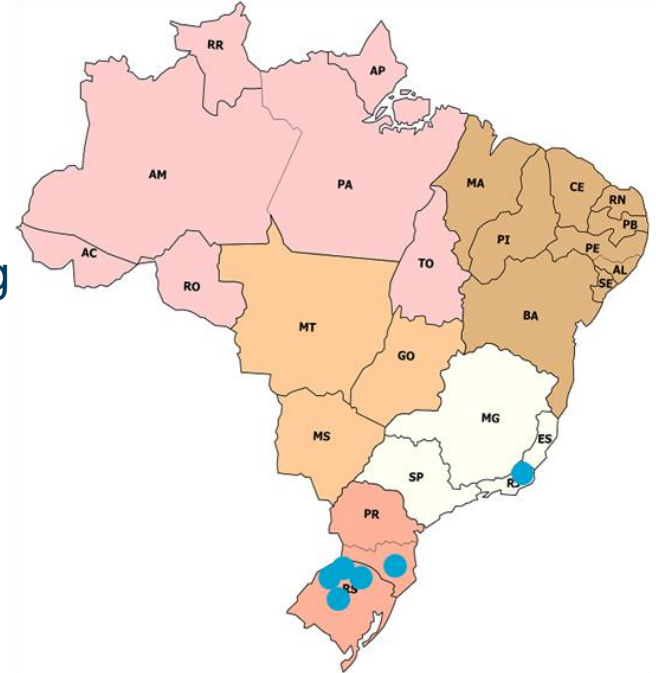
¹ Statkraft's equity share

² Total for project, incl. partners' share

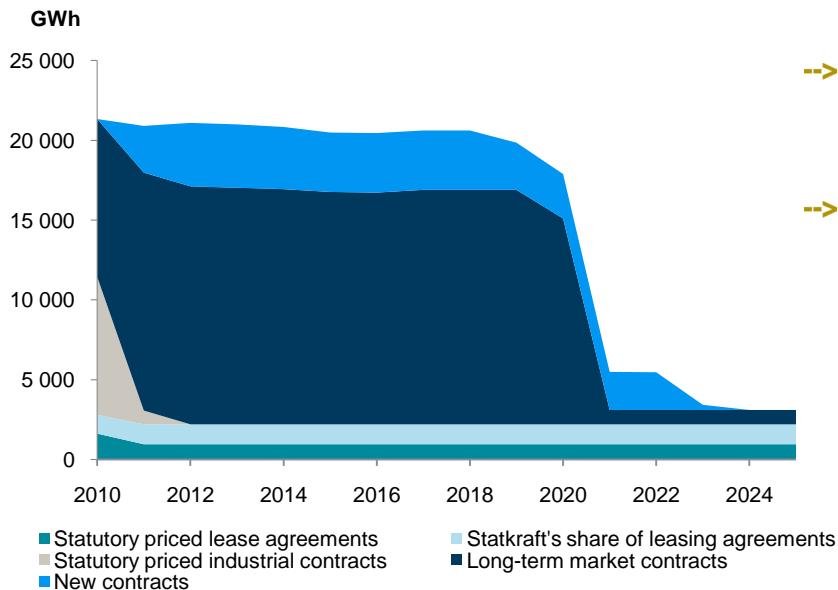
³ SN Power's share (60 % owned by Statkraft)

RENEWABLE ENERGY JV IN BRAZIL

- > SN Power has entered into an agreement to acquire 40.65% in the Brazilian renewable energy company Desenvix
- > Desenvix has a portfolio of renewable energy assets, mainly hydropower, totaling
 - 162 MW in operation
 - 176 MW under construction
 - 1600 MW under development
- > The transaction represents an investment for SN Power of approx. USDm 440.
- > Closing is expected to take place during the next 6 months, pending approval from Brazilian regulators



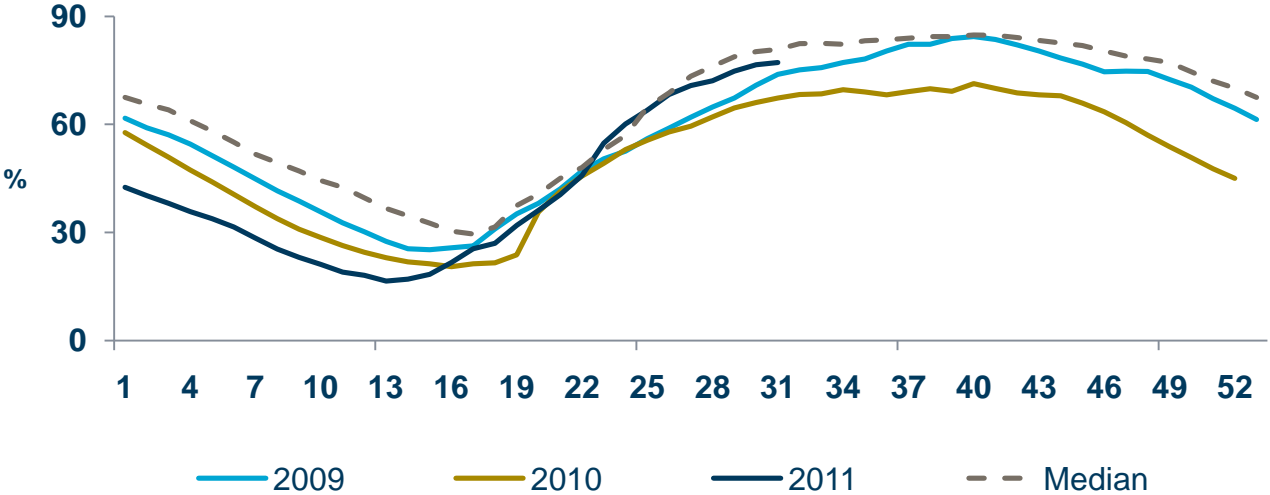
MAIN SUPPLIER TO THE INDUSTRY



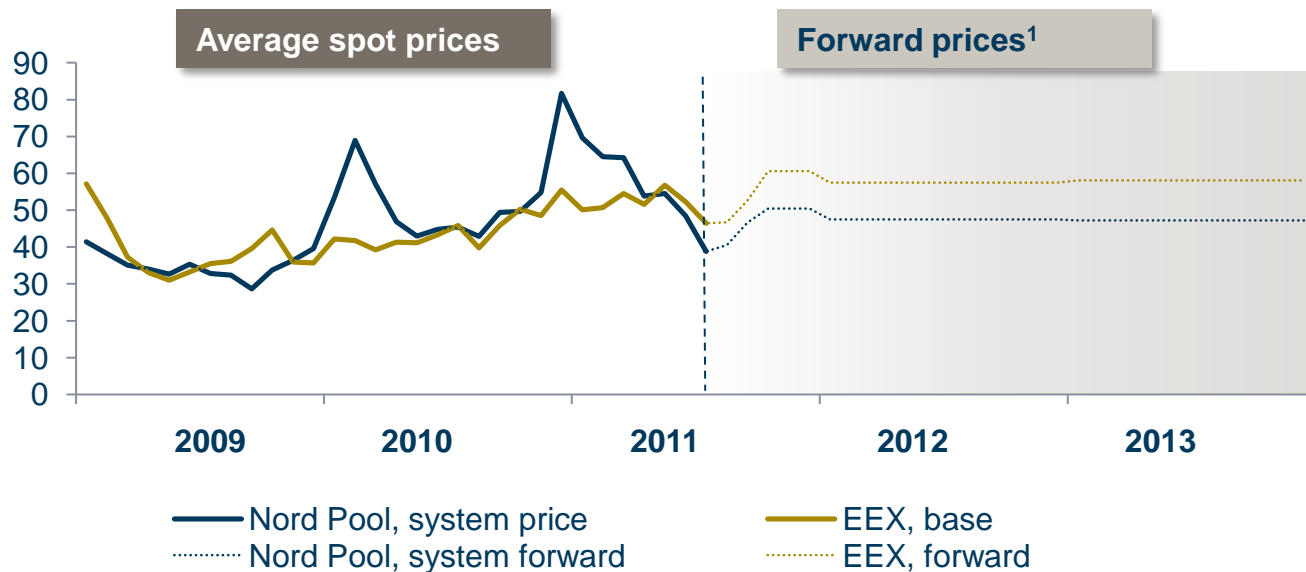
- > New contract volumes of 6 TWh/year effective from 2011
- > Former statutory priced industry contracts (8.7 TWh in 2010) fully replaced
- Last statutory priced contract expired in July 2011 (~850 GWh)

NORMALISED NORDIC HYDRO RESERVOIR

Nordic hydro reservoir levels



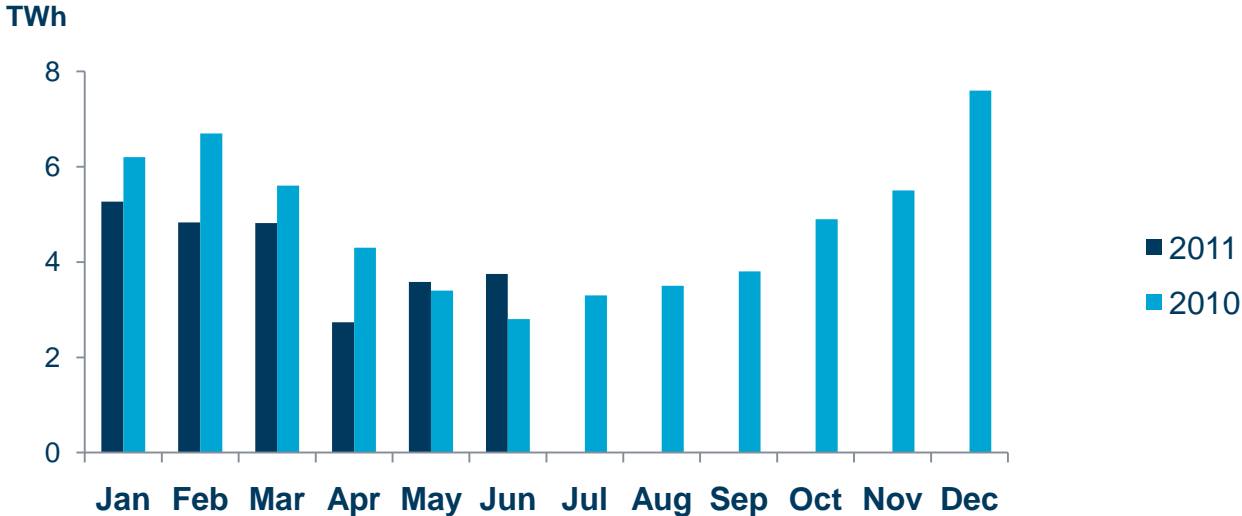
ELECTRICITY MARKETS



EUR/MWh	Q2 2011	YTD 2011
Nord Pool, system price	52.2 (44.9)	59.2 (52.3)
EEX, base	53.6 (41.9)	52.7 (41.5)

Sources: NordPool, EEX and NVE
¹ Forward prices as of 29 July 2011

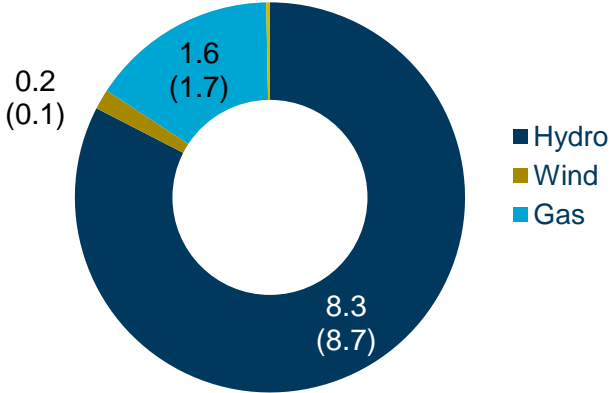
MONTHLY POWER GENERATION



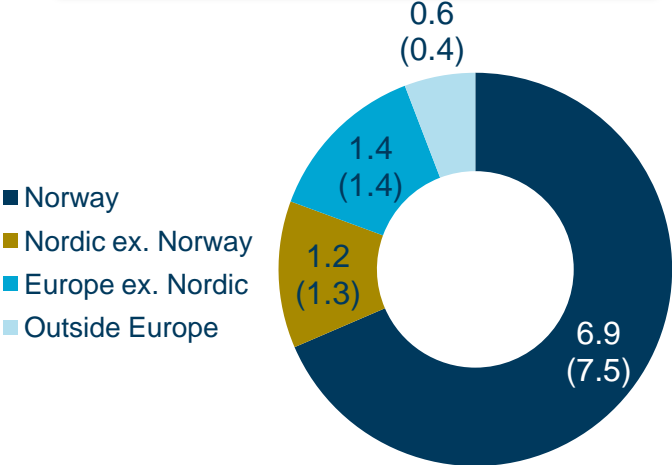
DISTRIBUTION OF POWER GENERATION

Q2 2011
Total generation
10.1 TWh (10.5)

Technology (TWh)

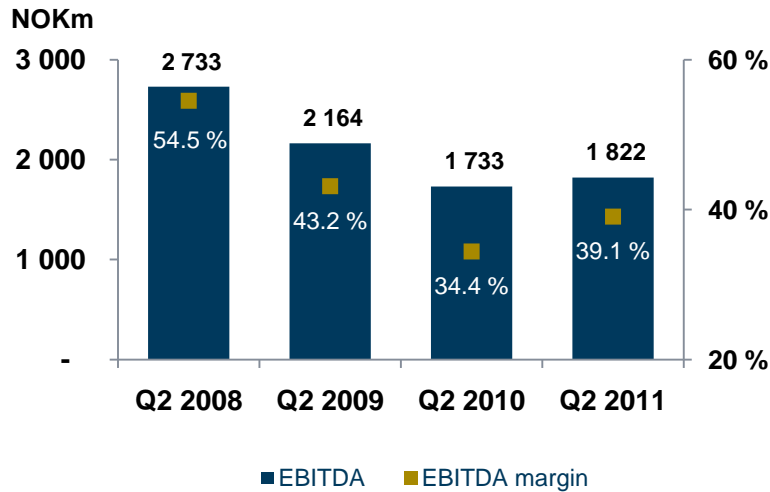


Geography (TWh)

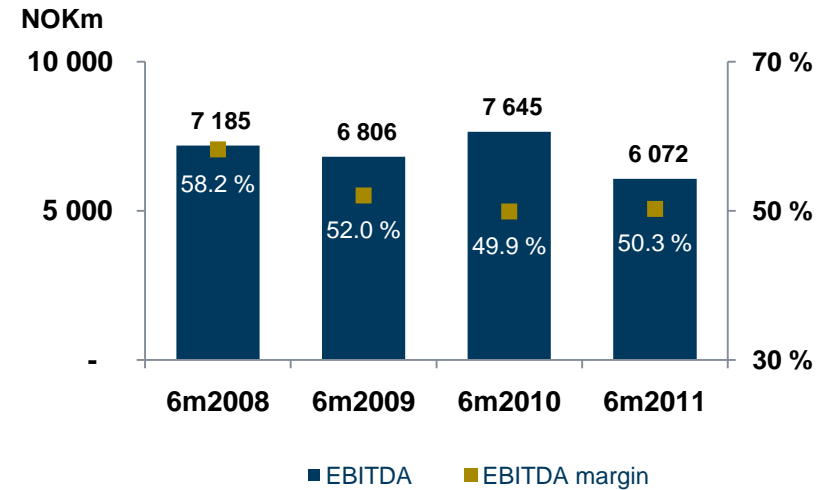


FINANCIAL PERFORMANCE

Q2 – Underlying¹ EBITDA



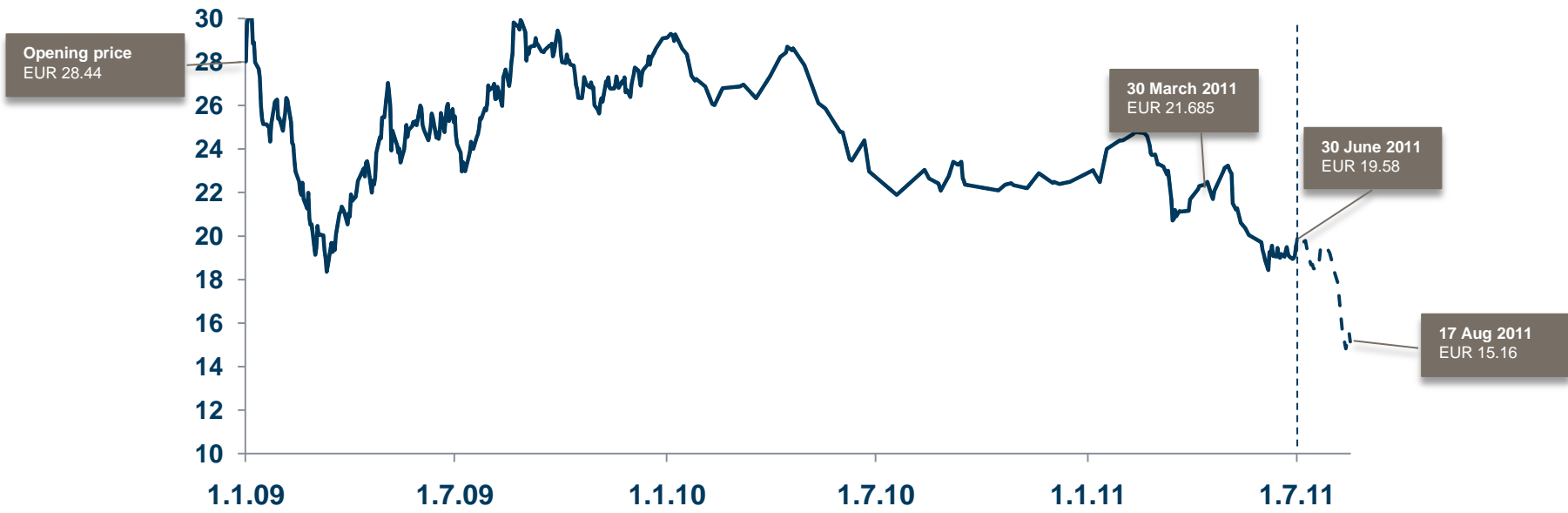
YTD – Underlying¹ EBITDA



INCOME STATEMENT - ACTUAL

NOK million	Q2		Year
	2011	2010	2010
Gross operating revenues	4 650	5 443	29 252
Energy purchase and transmission costs	-1 130	-1 572	-6 270
Unrealised changes in value energy contracts	-1 542	657	193
Net operating revenues	1 978	4 528	22 721
Operating expenses before depreciation	-1 711	-1 727	-7 221
EBITDA	266	2 801	15 500
Depreciations and write-downs	-600	-859	-3 205
Operating profit (EBIT)	-334	1 941	12 618
Share of profit from associates and joint ventures	-81	-435	766
Net financial income/expenses	851	1 196	453
Unrealised changes in the value of currency and interest contracts	-1 362	-436	1 369
Net financial items	-511	760	-917
Profit before tax	-926	2 266	12 599
Taxes	-3	-1 203	-5 148
Net profit	-929	1 063	7 451

E.ON AG – STOCK PRICE DEVELOPMENT



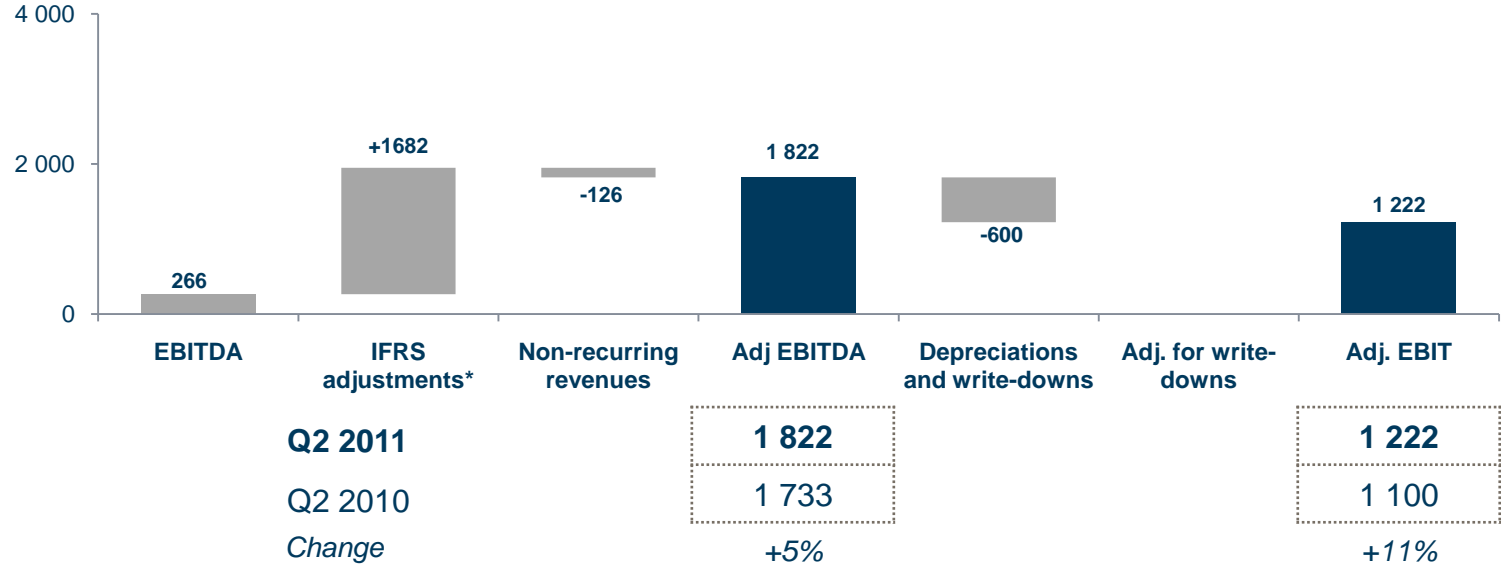
--- Stock price development after closing of Q2 '11

EMBEDDED DERIVATIVES – POWER SALES CONTRACTS

- > As a result of revised interpretation and practice of IFRS, Statkraft has in Q2 2011 separated the currency element in power sales contracts as embedded derivatives
 - > Several new power sales contracts with Norwegian industrial customers have contractual currency in EUR
 - > Contracts with considerable volume were entered into during 2009 at higher NOK/EUR exchange rates
- > Income statement for Q2 2011 is debited with NOK 1338 million

UNDERLYING OPERATIONS

NOK million



Underlying ROACE after tax - Q2 2011

$$\frac{\text{Adj. EBIT (12m rolling)}}{\text{Average capital employed}} = 17.8\% \quad (\text{FY 2010: } 19.7\%)$$

Adj. EBIT (12m rolling) = NOKm 13 588

*Unrealised changes in value on energy contracts. Mainly related to first-time effect due to evaluation of accounting practices under IFRS, i.e. unrealised changes in value on embedded derivatives implemented in Norwegian industrial contracts with Euro as contractual currency

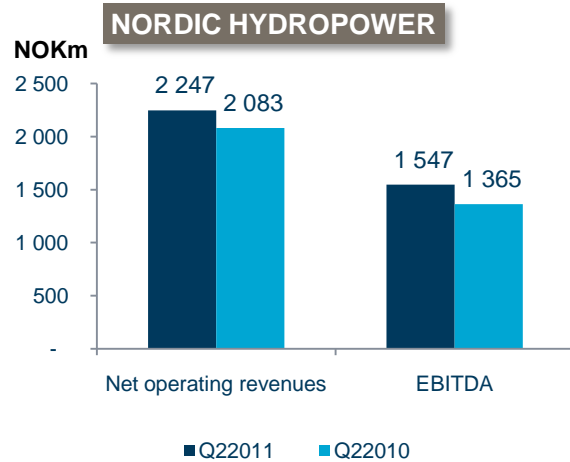
REVENUE BREAKDOWN - UNDERLYING

Key figures NOK mill.	Q2	
	2011	2010
Net physical sales	1 431	2 094
Concessionary sales at statutory prices	124	99
Industrial sales at statutory prices	50	346
Long-term commercial contracts	1 291	551
Dynamic Asset Management Portfolio	-1	189
Trading and Origination	219	-8
Distribution grid	206	335
End user	1 039	1 005
District heating	109	111
Other sales revenues	3	61
Sales revenues	4 476	4 783
Other operating revenues	187	249
GROSS OPERATING REVENUE	4 663	5 032
Energy purchase and transmission costs	-1 130	-1 572
NET OPERATING REVENUE	3 533	3 460

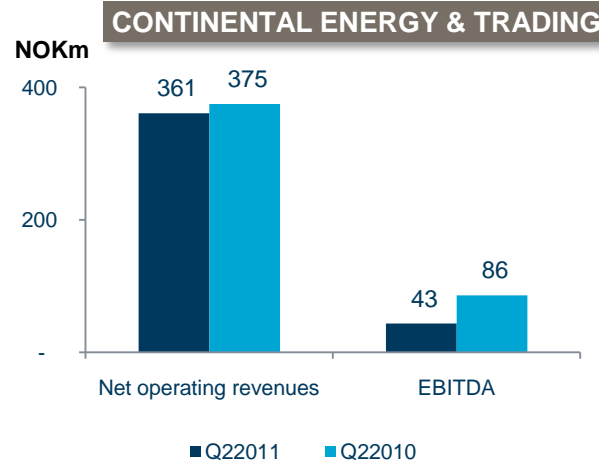
OPERATING EXPENSES - UNDERLYING

NOK million	Q2		Year
	2011	2010	2010
Salaries and payroll costs	-578	-540	-2 726
Property tax and licence fees	-309	-295	-1 236
Other operating expenses	-824	-892	-3 598
Operating expenses before depreciations	-1 711	-1 727	-7 560
Depreciation and impairments	-600	-633	-2 543

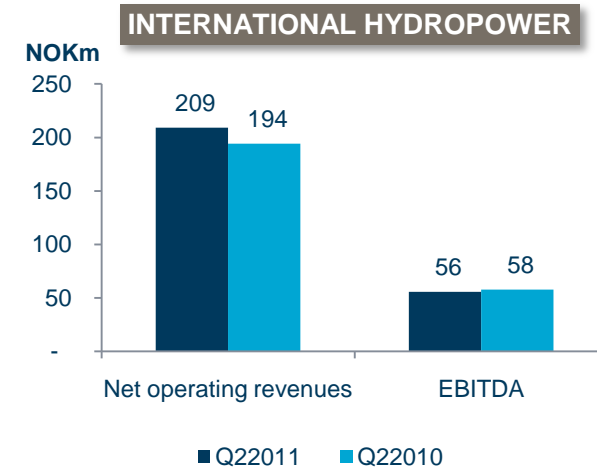
SEGMENTS – BREAKDOWN (I)



- > Generation of 6.8 TWh (7.4)
- > Physical spot power sales reduced to 2.1 TWh (3.1), mainly due to higher contracted volumes
- > Existing generator at Svartisen (350 MW) in operation. New generator (250 MW) expected to commence test production in September



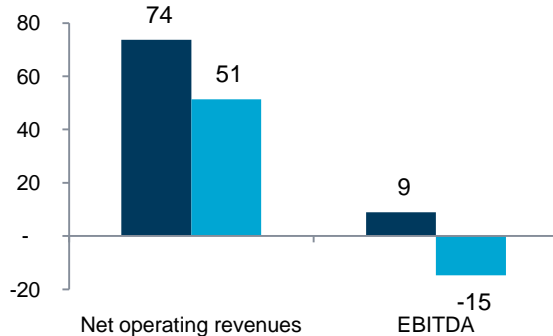
- > Satisfactory performance by Trading and Origination, lower contribution from Dynamic Asset Management
- > Improved German gas power spark-spreads
- > Share of profit from associates NOKm -365 (-92)



- > Generation of 0.7 TWh (0.5 TWh) (equity share)
- > Contributions from new capacity in Chile and Turkey
- > Share of profit from associates NOKm 104 (-313)

SEGMENTS – BREAKDOWN (II)

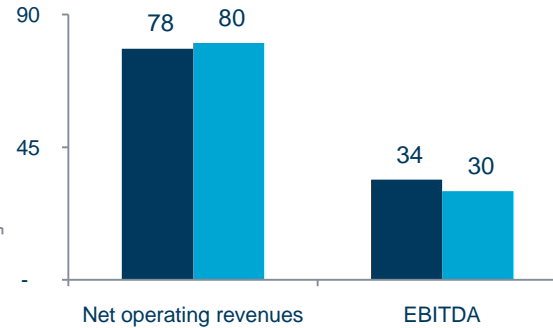
NOKm WIND POWER



■ Q22011 ■ Q22010

- > Increased revenues due to higher power prices and power generation
- > P&L impacted by high project activity
 - > EBITDA from wind farms in operation of NOKm 41 (16)
- > Generation of 149 GWh (106)

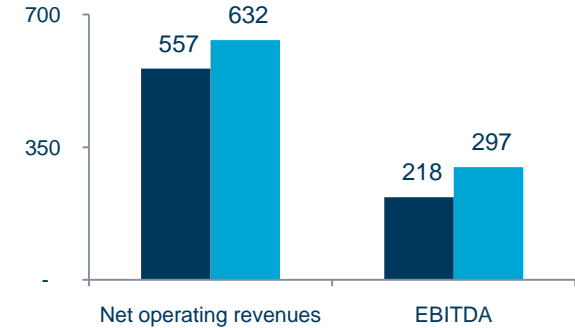
NOKm DISTRICT HEATING



■ Q22011 ■ Q22010

- > Slightly lower revenues due to mild temperatures and lower demand
- > Improved EBITDA due to cost reduction
- > Concession awarded to build district heating plant in Ås (Norway)

NOKm INDUSTRIAL OWNERSHIP

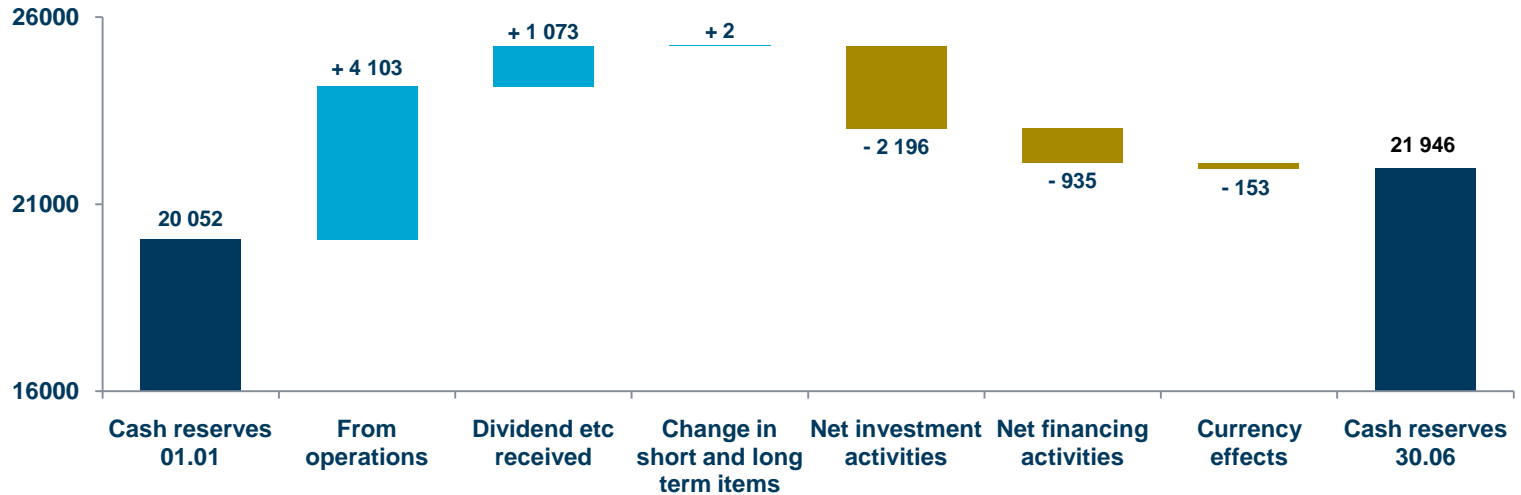


■ Q22011 ■ Q22010

- > Stable power generation at higher prices in Skagerak Energi
- > Lower grid revenues and higher transmission costs in Skagerak Energi
- > Lower margins in Fjordkraft
- > Share of profit from associates NOKm 203 (-1), following normalized resource situation and gains on energy contracts

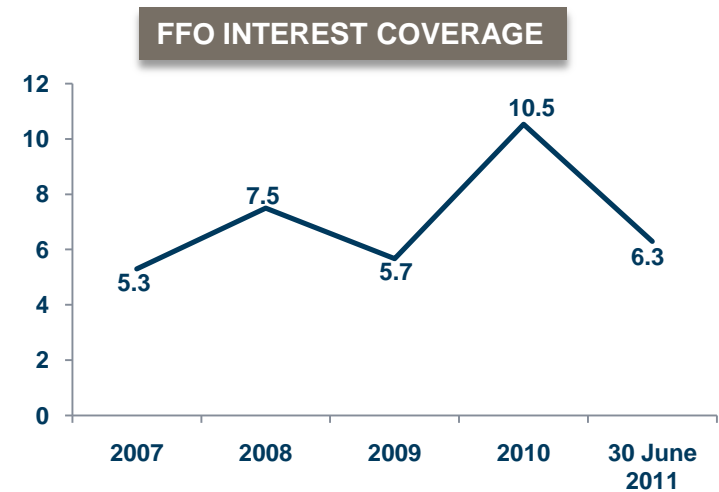
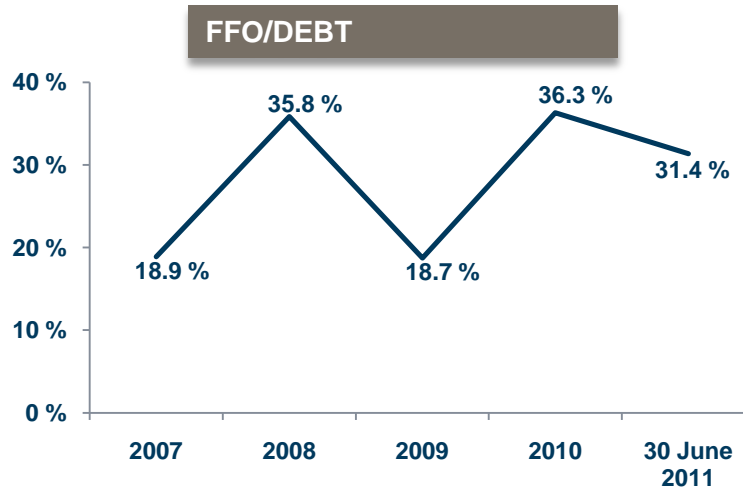
CASH FLOW FIRST HALF 2011

NOK million



- > Changes in short-term items of NOKm 136
- > Changes in long-term items of NOKm -134
- > Gross investments of NOKm 2 884 (1 166)
 - > Maintenance 11%, new capacity 42%, shareholdings 47%

FINANCIAL STRENGTH AND RATING



- > FFO¹ of NOKm 12 306 (13 145 in Q1 2011)
- > Interest bearing debt of NOKm 39 107 (40 333 in Q1 2011)

OUTLOOK

- > Nordic water reservoir levels back to normal due to extraordinary precipitation
- > Lower hydropower generation expected in 2011 compared to 2010
- > Uncertainty linked to the hydrological situation and industry demand
- > High project activity within hydropower and wind power
- > Committed capex¹ of NOK ~40 bn for the period 2011-2015
 - NOK ~9 bn. related to maintenance - NOK ~31 bn. to new capacity
 - Committed capex increased with NOK ~3 bn. since opening of the year – related to new capacity projects
 - Capex ambition maintained at NOK 70-80 bn., in line with basis for equity injection in December 2010

PURE
ENERGY



APPENDIX



Statkraft
PURE ENERGY

FULL FINANCIAL STATEMENT

Figures in NOK million	2nd Quarter		Year to date		The year
	2011	2010	2011	2010	2010
PROFIT AND LOSS					
Sales revenues	4 336	4 801	11 709	15 054	27 780
Other operating revenues	313	642	493	896	1 473
Gross operating revenues	4 650	5 443	12 203	15 950	29 252
Energy purchase	-879	-1 271	-1 861	-3 225	-4 674
Transmission costs	-251	-300	-606	-820	-1 595
Unrealised changes in the value of energy contracts	-1 542	657	-97	446	193
Net operating revenues	1 978	4 528	9 639	12 350	23 176
Salaries and payroll costs	-578	-540	-1 271	-1 218	-2 387
Depreciation, amortisation and impairments	-600	-858	-1 180	-1 498	-3 205
Property tax and licence fees	-309	-295	-605	-617	-1 236
Other operating expenses	-824	-892	-1 665	-1 792	-3 598
Operating expenses	-2 312	-2 585	-4 721	-5 126	-10 426
Operating profit	-334	1 943	4 917	7 225	12 750
Share of profit from associates and joint ventures	-81	-436	314	207	766
Financial income	1 226	1 595	1 522	1 672	2 060
Financial expenses	-375	-399	-863	-833	-1 607
Unrealised changes in the value of currency and interest contracts	-1 362	-436	-1 929	1 488	-1 369
Net financial items	-511	760	-1 271	2 327	-917
Profit before tax	-926	2 267	3 959	9 759	12 599
Tax expense	-3	-1 203	-2 079	-4 163	-5 148
Net profit	-929	1 064	1 880	5 596	7 451
Of which non-controlling interest	58	-112	203	94	357
Of which majority interest	-987	1 176	1 677	5 502	7 094
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial instruments	89	-3 367	73	-4 548	-4 107
Reversed changes in fair value of financial instruments, recognised as loss under fin	-	-	-	-	3 625
Estimate deviation pensions	-	5	-	5	-274
Translation differences	-1 003	1 005	-1 331	-521	-2 583
Other comprehensive income	-914	-2 357	-1 258	-5 064	-3 339
Comprehensive income	-1 843	-1 293	622	532	4 112
Of which non-controlling interest	-26	363	-66	533	243
Of which majority interest	-1 817	-1 656	688	-1	3 869

BALANCE SHEET

Figures in NOK million	30.06.2011	30.06.2010	31.12.2010
ASSETS			
Intangible assets	3 387	1 925	2 981
Property, plant and equipment	77 003	77 998	77 791
Investments in associates and joint ventures	15 641	16 455	17 090
Other non-current financial assets	14 180	16 574	16 382
Derivatives	4 055	4 076	3 842
Non-current assets	114 267	117 028	118 085
Inventories	463	690	1 013
Receivables	11 485	7 818	10 748
Short-term financial investments	426	429	424
Derivatives	4 430	4 667	5 645
Cash and cash equivalents	21 946	10 886	20 052
Current assets	38 750	24 490	37 882
Assets	153 017	141 518	155 967
EQUITY AND LIABILITIES			
Paid-in capital	45 569	31 569	45 569
Retained earnings	15 489	18 656	22 449
Non-controlling interest	6 967	7 827	7 284
Equity	68 024	58 052	75 302
Provisions	17 916	13 974	15 758
Long-term interest-bearing liabilities	33 392	35 769	34 251
Derivatives	3 515	2 884	2 494
Long-term liabilities	54 823	52 627	52 502
Short-term interest-bearing liabilities	5 715	6 406	6 235
Taxes payable	3 492	3 120	3 458
Other interest-free liabilities	16 734	16 320	11 609
Derivatives	4 229	4 994	6 861
Current liabilities	30 170	30 840	28 163
Equity and liabilities	153 017	141 518	155 967

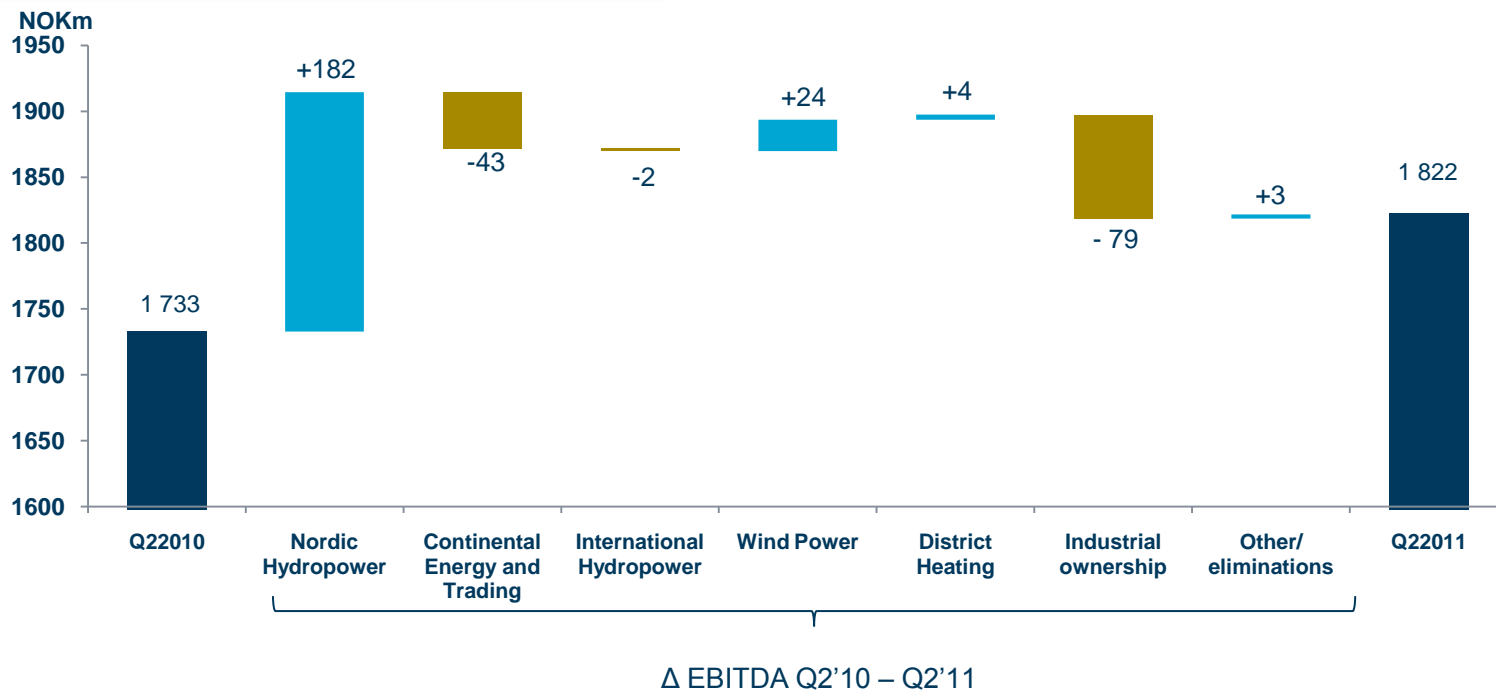
CASH FLOW STATEMENT

Figures in NOK million	Year to date		The year
	2011	2010	2010
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	3 959	9 759	12 599
Profit/loss on sale of non current assets	-32	12	26
Depreciation, amortisation and impairments	1 180	1 498	3 205
Profit from the sale of activities	-240	-393	-371
Share of profit from associates and joint ventures	-314	-207	-766
Unrealised changes in value	2 026	-1 934	1 176
Taxes	-2 476	-2 597	-2 562
Cash flow from operating activities	4 103	6 138	13 307
Changes in long term items	-134	481	252
Changes in short term items	136	-303	-1 128
Dividend from associates	1 073	822	1 146
Net cash flow operating activities	A	5 178	7 138
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment, maintenance	-291	-475	-1 000
Investments in property, plant and equipment, new capacity	-1 209	-625	-1 852
Sale of property, plant and equipment	43	66	67
Capital reduction in associates and joint ventures	-	-	46
Business divestments, net liquidity accruing to the Group	452	1 261	1 358
Business combinations, net liquidity accruing to the Group	-594	-	-
Loans to third parties	-76	-55	-222
Repayment of loans	269	32	194
Investments in other companies	-790	-66	-888
Net cash flow from investing activities	B	-2 196	138
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	1 755	2 171	4 431
Repayment of debt	-2 968	-5 530	-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	278	241	241
Net cash flow from financing activities	C	-935	2 092
Net change in cash and cash equivalents	A+B+C	2 047	4 158

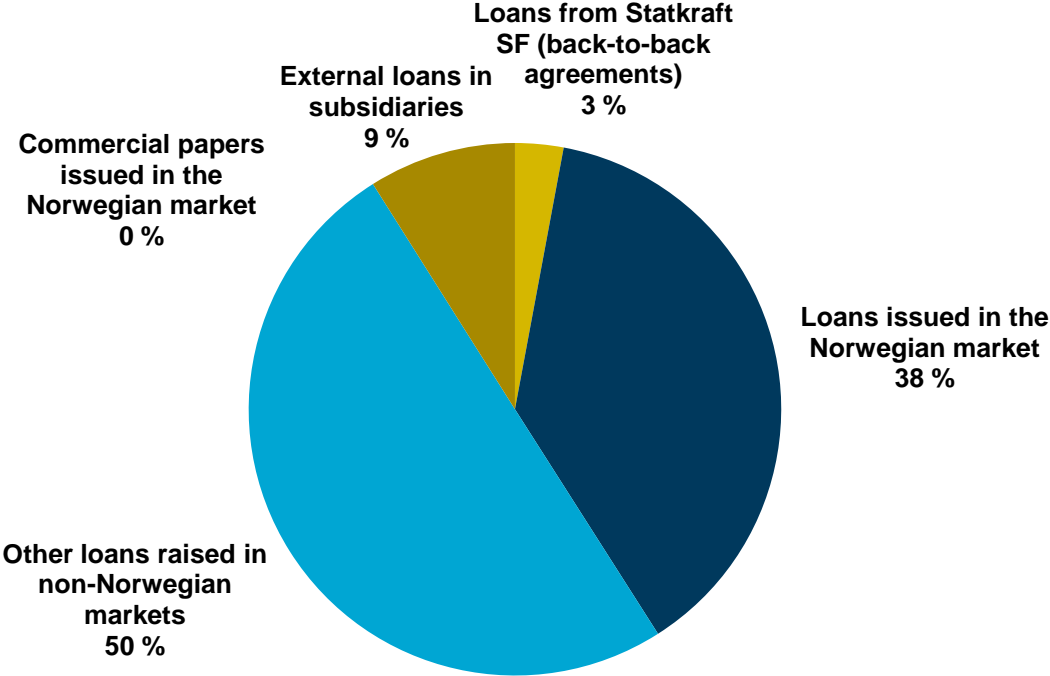
Currency exchange rate effects on cash and cash equivalents	-153	65	17
Cash and cash equivalents 01.01	20 052	6 663	6 663
Cash and cash equivalents 30.06/31.12	21 946	10 886	20 052
Unused committed credit lines	12 000	8 027	8 000
Unused overdraft facilities	1 127	1 460	1 074

SEGMENT DEVELOPMENT

Underlying¹ EBITDA Q2 2011 – Q2 2010



DISTRIBUTION OF LOANS



Per 30 June 2011

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