

FINANCIAL RESULTS Q3 2011

10 NOVEMBER 2011



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HIGHLIGHTS

- > Q3 underlying operating profit on a par with Q3 2010
 - Reduced Nordic prices following high inflow and forced power production
 - Price pressure on revenues offset by somewhat higher production, increase in industrial power sales and reduced operating costs

- > Loss after tax due to unrealised currency losses and write-down of E.ON shares

- > Investment decisions to construct hydropower plants
 - Cetin in Turkey and Bajo Frio in Panama

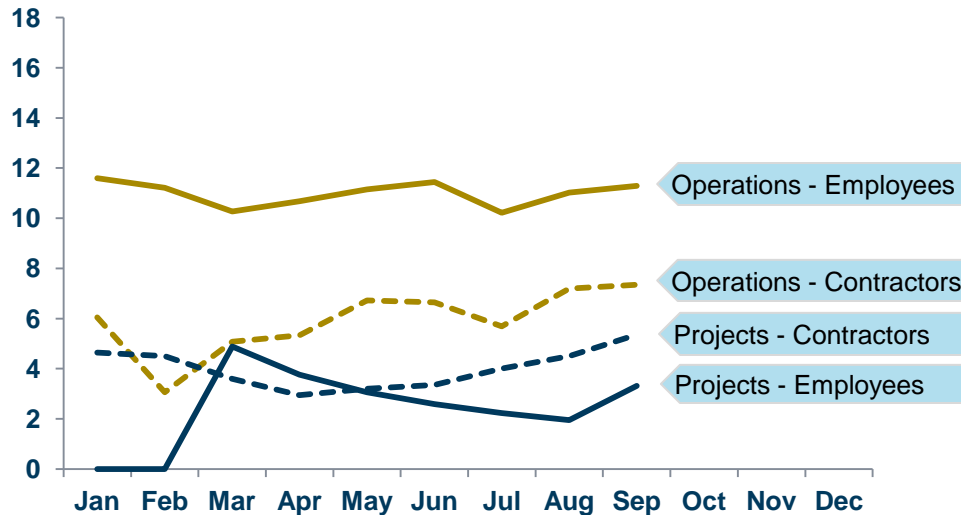
- > Investment decision on wind power project Stamåsen in Sweden

- > Acquisition of the Norwegian district heating company Bio Varme AS

- > SN Power has entered into an agreement to acquire 40.65% in the Brazilian renewable energy company Desenvix

HEALTH, SAFETY AND ENVIRONMENT

Total Recordable Injuries Rate 2011



HEALTH AND SAFETY Q3

- Total Recordable Injuries (TRI) rate for operations has increased in Q3 and is higher than acceptable
- TRI for projects has increased in Q3 and is higher than acceptable
- Action plans implemented to secure compliance with established health and safety requirements

After the balance sheet date

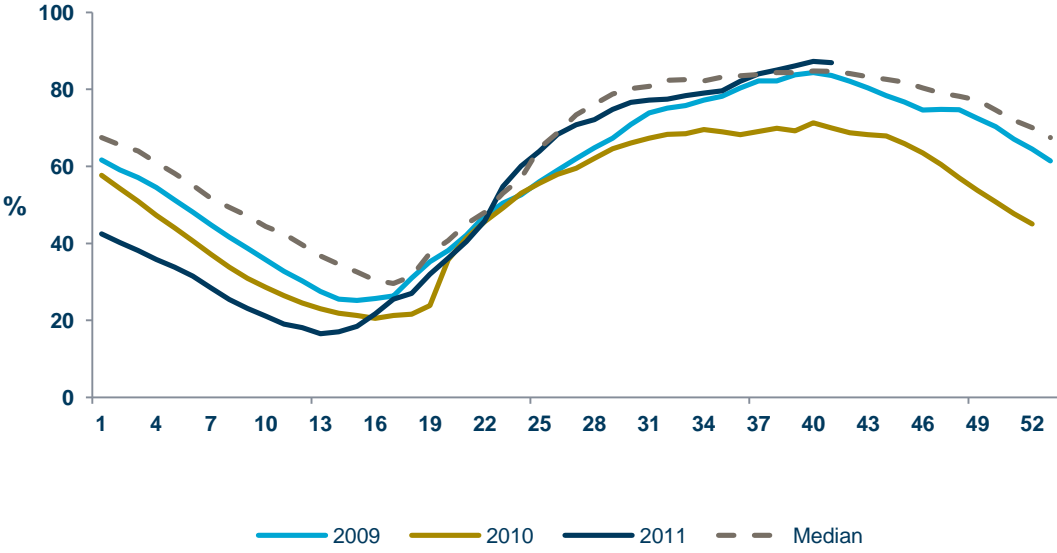
- One fatal accident in Laos (THPX)

ENVIRONMENT Q3

- No serious environmental incidents reported

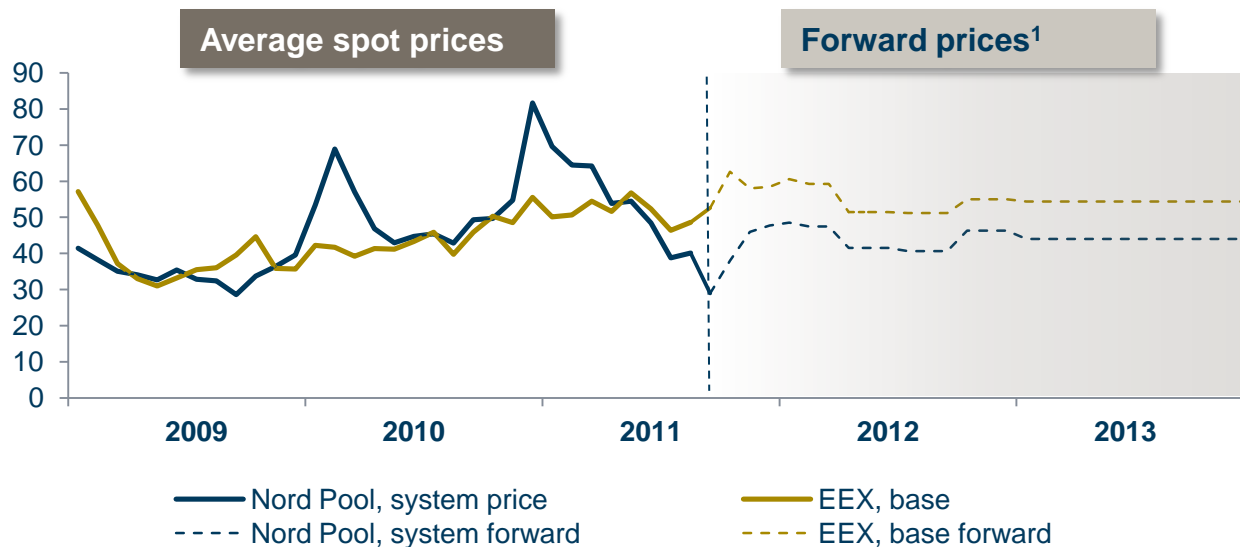
NORMALISED NORDIC HYDRO RESERVOIRS

Nordic reservoir water levels



102% of normal level at third quarter end corresponding to 104,3 TWh

ELECTRICITY MARKETS



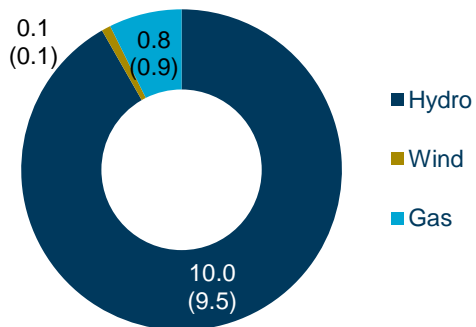
EUR/MWh	Q3 2011	YTD 2011
Nord Pool, system price	36.0 (45.9)	51.5 (50.2)
EEX, base	49.2 (43.8)	51.5 (42.3)

Sources: Nord Pool, EEX and NVE

¹ Forward prices as of 21 October 2011

STATKRAFT'S POWER GENERATION

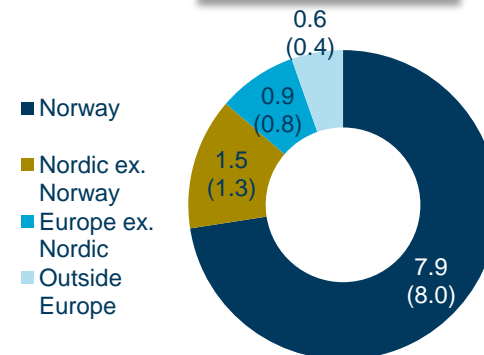
Technology (TWh)



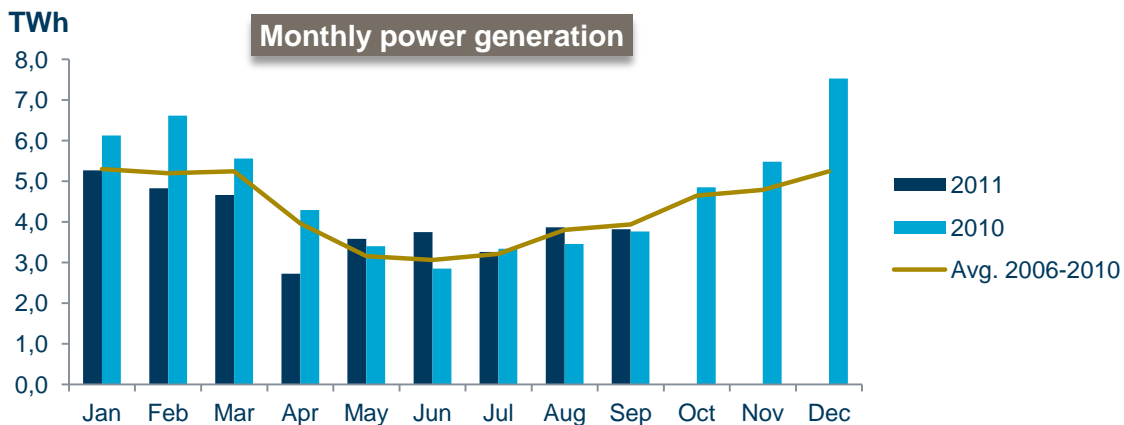
Q3 2011

Total generation
10.9 TWh (10.6)

Geography (TWh)

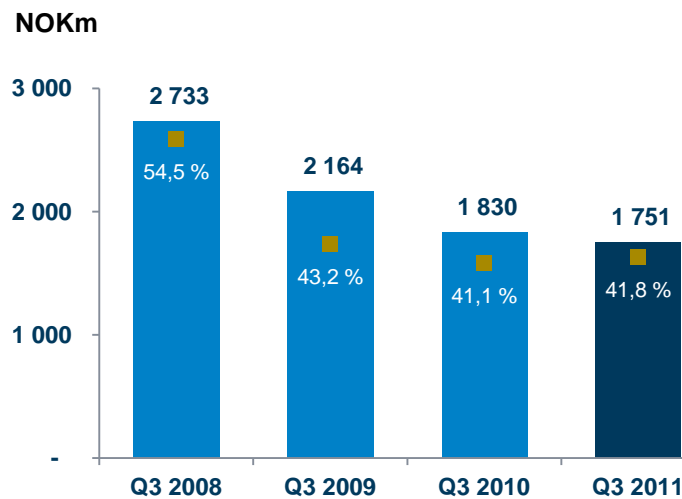


Monthly power generation

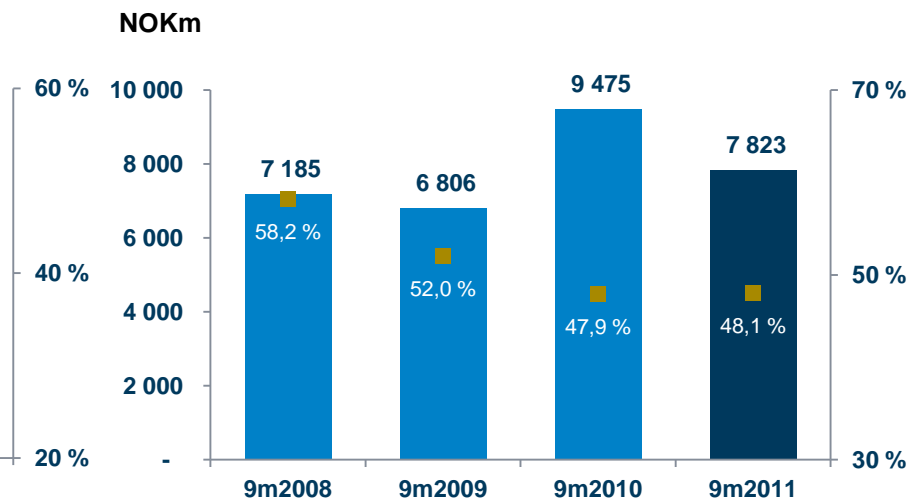


FINANCIAL PERFORMANCE

Q3 – Underlying¹ EBITDA



YTD – Underlying¹ EBITDA



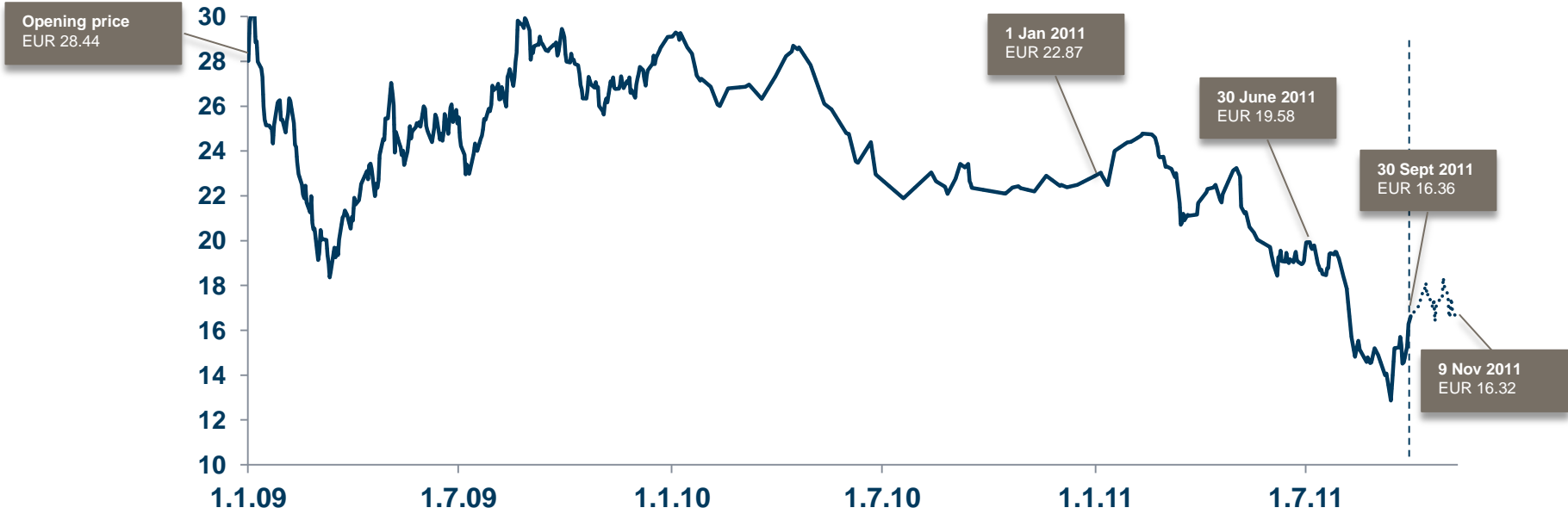
¹Adjusted for changes in value on energy contracts and material non-recurring items

INCOME STATEMENT - ACTUAL

NOK million	Q3		Year
	2011	2010	2010
Gross operating revenues	4 404	4 363	29 252
Energy purchase and transmission costs	-739	-838	-6 270
Unrealised changes in value energy contracts	777	255	193
Net operating revenues	4 441	3 781	23 176
Operating expenses before depreciation	-1 702	-1 781	-7 221
EBITDA	2 739	2 000	15 955
Depreciations and write-downs	-563	-637	-3 205
Operating profit (EBIT)	2 176	1 363	12 750
Share of profit from associates and joint ventures	251	297	766
Net financial income/expenses	-375	-448	453
Unrealised changes in the value of currency and interest contracts	-3 245	415	-1 369
Net financial items	-3 620	-33	-917
Profit before tax	-1 193	1 627	12 599
Taxes	-390	-464	-5 148
Net profit	-1 583	1 163	7 451



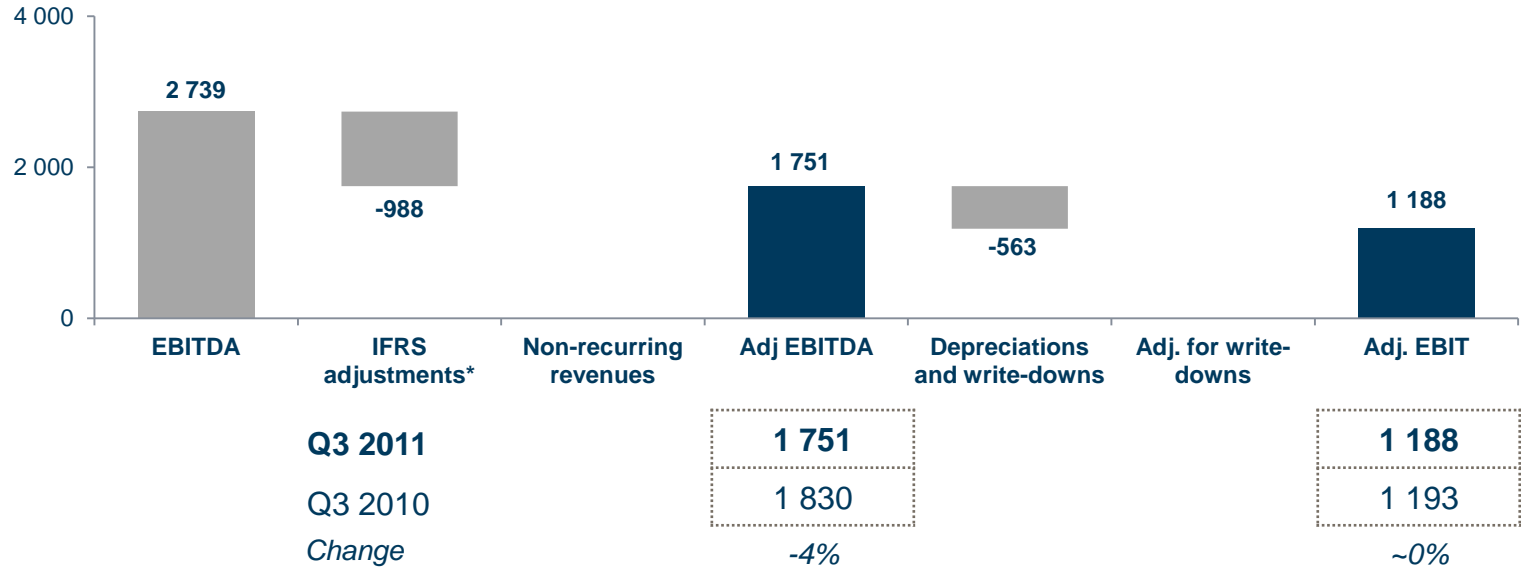
E.ON AG – STOCK PRICE DEVELOPMENT



..... Stock price development after closing of Q3'11

UNDERLYING OPERATIONS

NOK million



Underlying ROACE after tax – Q3 2011

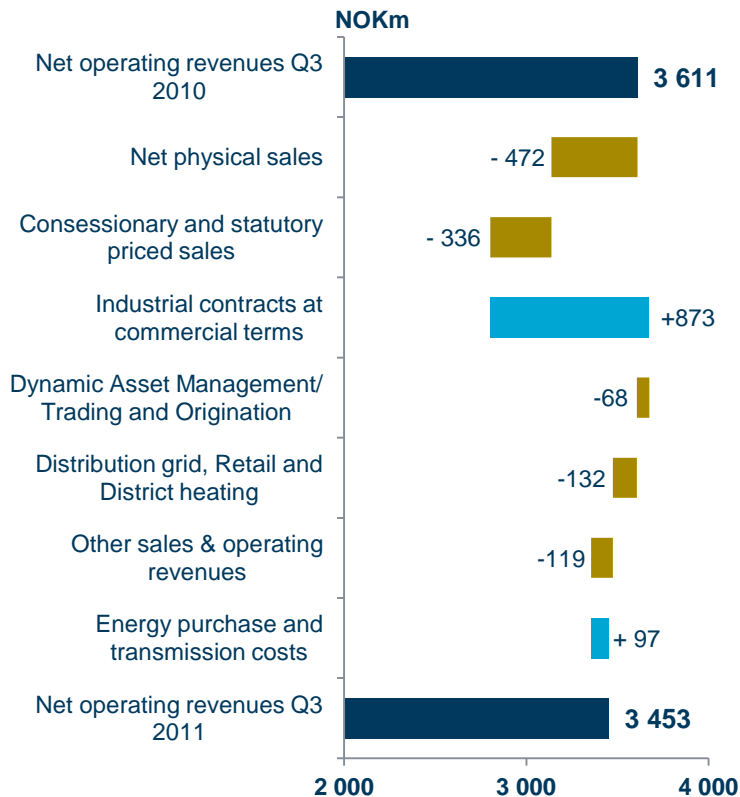
$$\frac{\text{Adj. EBIT (12m rolling)}}{\text{Average capital employed}} = 18.2\% \quad (\text{FY 2010: } 19.7\%)$$

Adj. EBIT (12m rolling) = NOKm 11 132

*Unrealised changes in value on energy contracts.

REVENUE BREAKDOWN - UNDERLYING

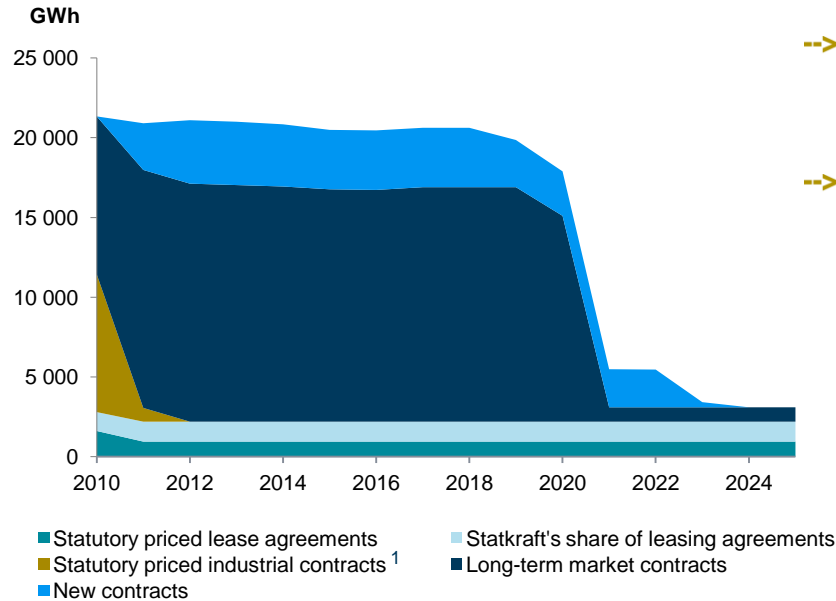
Underlying¹ Net operating revenues Q3 2011 – Q3 2010



MAJOR REVENUE CHANGES

- Third quarter net operating revenues down NOKm 158 from last year
- Net physical sales down 34% due to i.a. reduced volume and prices. Volume partly transferred to commercial contract volume
- Statutory priced sales down due to expiration of former contracts
- New commercial contract volumes effective in 2011

MAIN SUPPLIER TO THE INDUSTRY



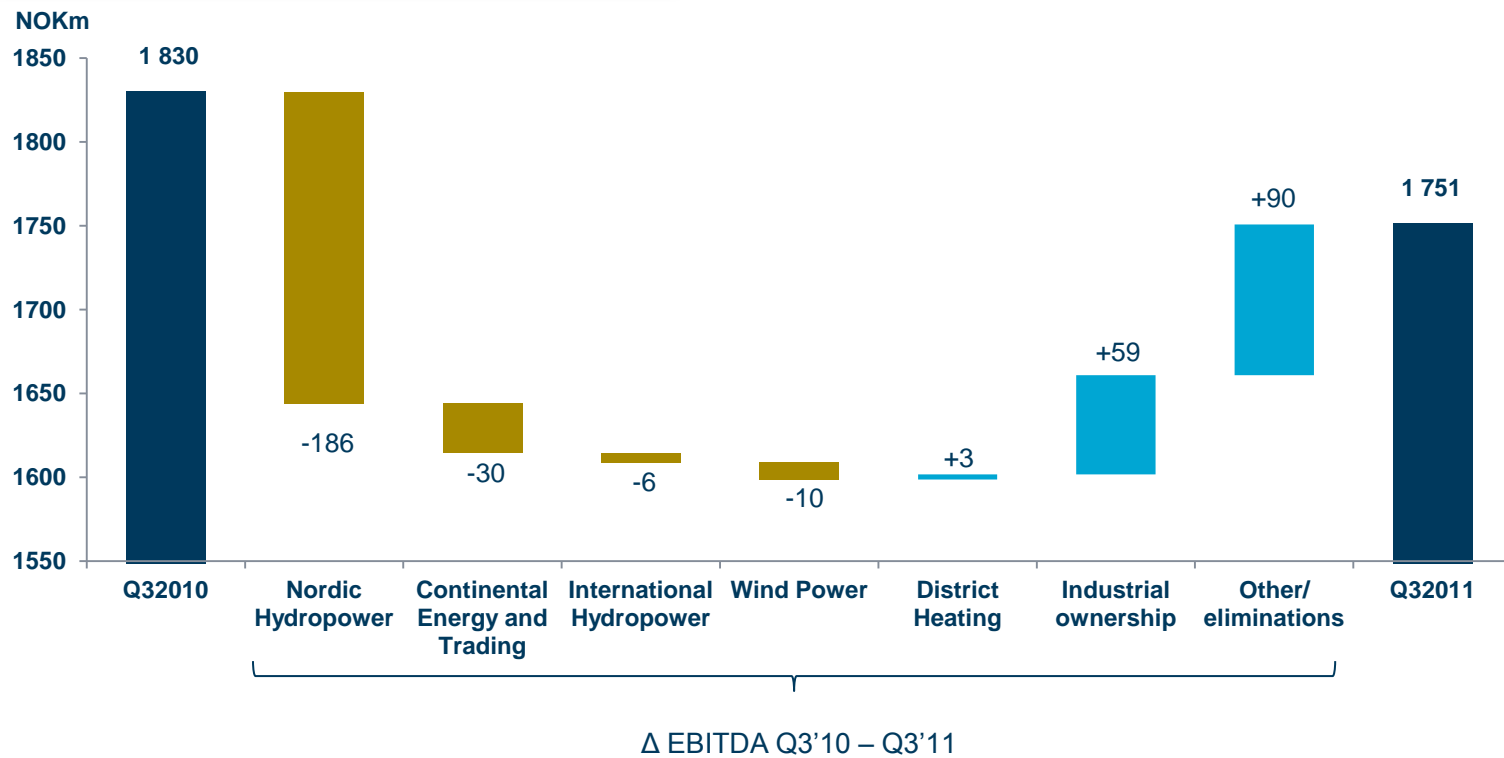
- > New contract volumes of 6.3 TWh/year effective from 2011
- > Former statutory priced industry contracts (8.7 TWh in 2010) fully replaced
- Last statutory priced contract expired in July 2011 (~850 GWh)

OPERATING EXPENSES - UNDERLYING

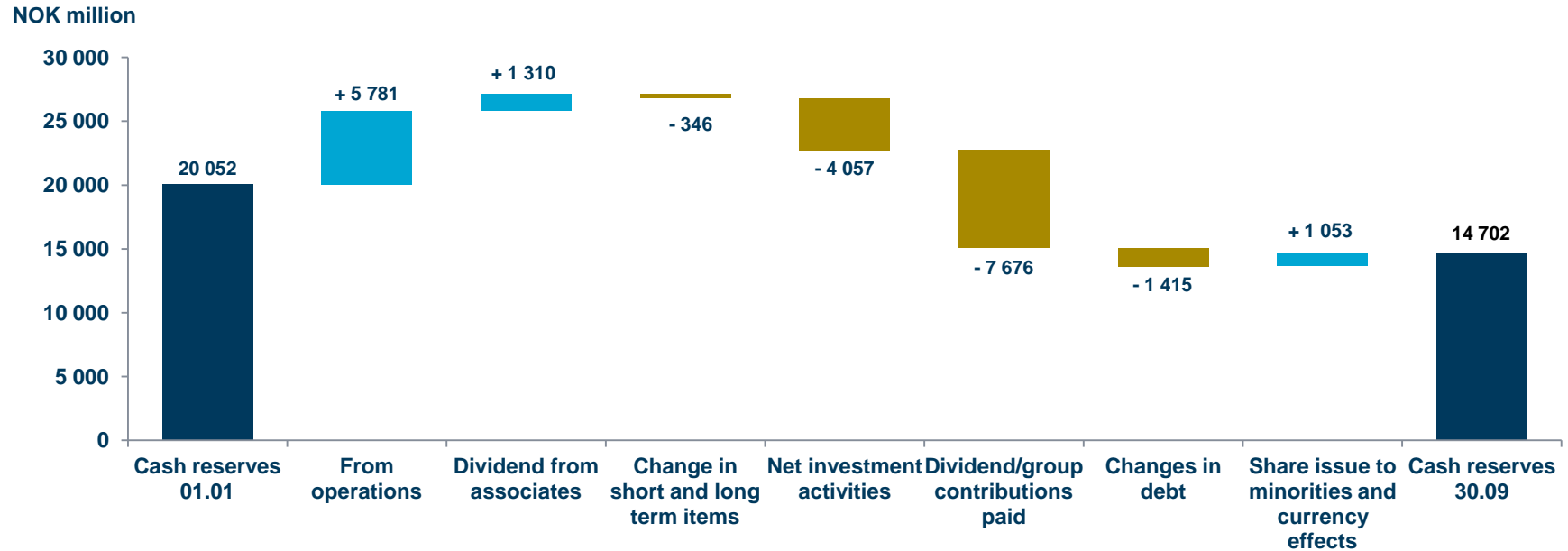
NOK million	Q3		Year
	2011	2010	2010
Salaries and payroll costs	-694	-659	-2 726
Property tax and licence fees	-300	-311	-1 236
Other operating expenses	-708	-812	-3 598
Operating expenses before depreciations	-1 702	-1 781	-7 560
Depreciation and impairments	-563	-637	-2 544

SEGMENT DEVELOPMENT

Underlying¹ EBITDA Q3 2011 – Q3 2010

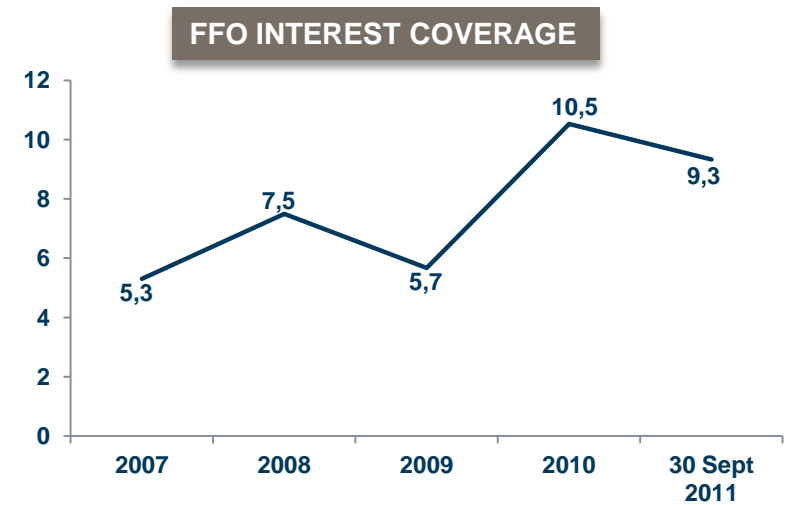
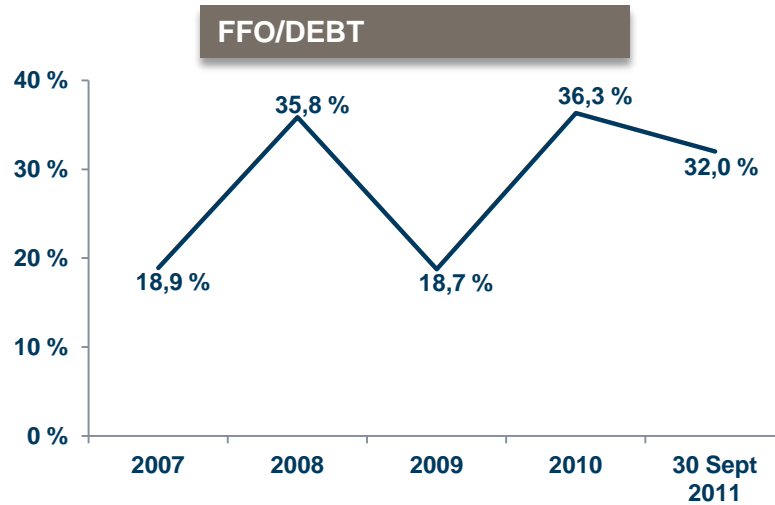


CASH FLOW YEAR-TO-DATE 2011



- > Changes in short-term items of NOKm -230
- > Changes in long-term items of NOKm -116
- > Gross investments of NOKm 4 871 (2 552)
 - > Maintenance 9%, new capacity 60%, shareholdings 31%

FINANCIAL STRENGTH AND RATING



- > FFO¹ of NOKm 12 781 (12 306 in Q2 2011)
- > Interest bearing debt of NOKm 39 933 (39 107 in Q2 2011)

OUTLOOK

- > Nordic water reservoir levels back to normal due to extraordinary precipitation
- > Reduction in Nordic spot prices expected compared to the high prices in Q4 2010
- > Lower hydropower generation expected in 2011 compared to 2010
- > Uncertainty linked to the hydrological situation and industry demand
- > High project activity within hydropower, wind power and district heating
 - Largest items in international hydropower and wind power in Sweden and UK

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APPENDIX



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FINANCIAL STATEMENT

Figures in NOK million	3th Quarter		Year to date		The year
	2011	2010	2011	2010	2010
PROFIT AND LOSS					
Sales revenues	4 157	4 114	15 867	19 168	27 780
Other operating revenues	247	250	740	1 146	1 473
Gross operating revenues	4 404	4 364	16 607	20 314	29 252
Energy purchase	-471	-572	-2 331	-3 797	-4 674
Transmission costs	-269	-266	-875	-1 086	-1 595
Unrealised changes in the value of energy contracts	777	255	679	701	193
Net operating revenues	4 441	3 781	14 080	16 131	23 176
Salaries and payroll costs	-694	-659	-1 965	-1 877	-2 387
Depreciation, amortisation and impairments	-563	-637	-1 743	-2 135	-3 205
Property tax and licence fees	-300	-311	-905	-928	-1 236
Other operating expenses	-708	-812	-2 373	-2 604	-3 598
Operating expenses	-2 265	-2 418	-6 987	-7 544	-10 426
Operating profit	2 176	1 363	7 093	8 587	12 750
Share of profit from associates and joint ventures	251	297	979	504	766
Financial income	212	-70	1 734	1 602	2 060
Financial expenses	-587	-379	-1 451	-1 212	-1 607
Unrealised changes in the value of financial items	-3 245	415	-5 174	1 903	-1 369
Net financial items	-3 620	-33	-4 891	2 294	-917
Profit before tax	-1 193	1 627	3 181	11 385	12 599
Tax expense	-390	-464	-2 469	-4 626	-5 148
Net profit	-1 583	1 163	712	6 759	7 451
Of which non-controlling interest	-16	69	187	163	357
Of which majority interest	-1 566	1 094	526	6 596	7 094
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial instruments	-449	-425	-376	-4 973	-4 107
Reversed changes in fair value of financial instruments, recognised as loss under financial instruments	-	-	-	-	3 625
Estimate deviation pensions	-23	-14	-23	-9	-274
Translation differences	1 742	-729	411	-1 250	-2 583
Other comprehensive income	1 270	-1 168	12	-6 232	-3 339
Comprehensive income	-313	-5	724	527	4 112
Of which non-controlling interest	189	-390	123	143	243
Of which majority interest	-502	385	601	384	3 869

BALANCE SHEET

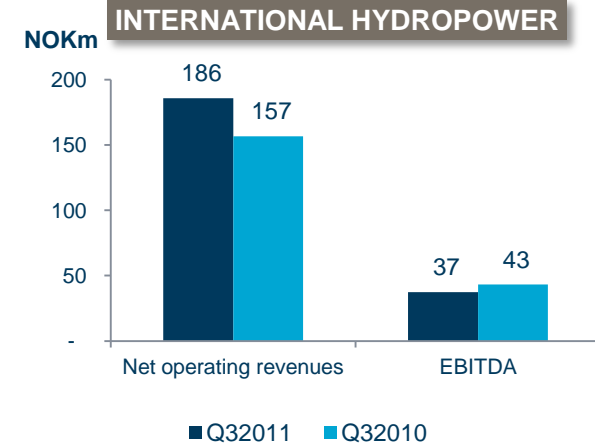
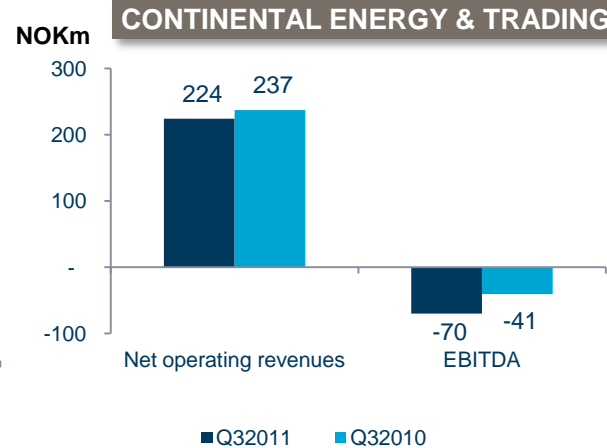
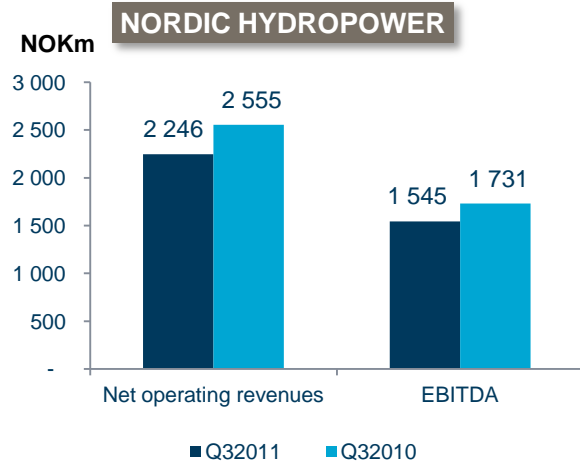
Figures in NOK million	30.09.2011	30.09.2010	31.12.2010
ASSETS			
Intangible assets	2 539	1 781	2 981
Property, plant and equipment	79 000	77 967	77 791
Investments in associates and joint ventures	16 703	16 875	17 090
Other non-current financial assets	12 225	16 102	16 382
Derivatives	4 783	4 051	3 842
Non-current assets	115 249	116 776	118 085
Inventories	844	999	1 013
Receivables	13 012	7 924	10 748
Short-term financial investments	426	418	424
Derivatives	4 636	4 906	5 645
Cash and cash equivalents	14 702	5 275	20 052
Current assets	33 619	19 522	37 882
Assets	148 868	136 297	155 967
EQUITY AND LIABILITIES			
Paid-in capital	45 569	31 569	45 569
Retained earnings	15 422	19 049	22 449
Non-controlling interest	7 944	7 524	7 284
Equity	68 936	58 142	75 302
Provisions	18 390	14 056	15 758
Long-term interest-bearing liabilities	31 639	35 691	34 251
Derivatives	3 247	2 772	2 494
Long-term liabilities	53 277	52 518	52 502
Short-term interest-bearing liabilities	8 294	6 936	6 235
Taxes payable	3 416	3 496	3 458
Other interest-free liabilities	10 248	10 122	11 609
Derivatives	4 697	5 082	6 861
Current liabilities	26 655	25 637	28 163
Equity and liabilities	148 868	136 297	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	3 181	11 385	12 599
Profit/loss on sale of non current assets	32	26	26
Depreciation, amortisation and impairments	1 743	2 135	3 205
Profit from the sale of business	-240	-393	-371
Share of profit from associates and joint ventures	-979	-504	-766
Unrealised changes in value	4 495	-2 604	1 176
Taxes	-2 451	-2 639	-2 562
Cash flow from operating activities	5 781	7 406	13 307
Changes in long term items	-116	459	252
Changes in short term items	-230	1 976	-1 128
Dividend from associates	1 310	1 034	1 146
Net cash flow operating activities	A	6 745	10 875
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment, maintenance	-460	-646	-1 000
Investments in property, plant and equipment, new capacity	-2 902	-1 102	-1 852
Proceeds from sale of property, plant and equipment	144	145	67
Capital reduction in associates and joint ventures	-	-	46
Business divestments, net liquidity inflow to the Group	452	1 261	1 358
Business combinations, net liquidity outflow from the Group*	-752	-	-
Loans to third parties	-100	-128	-222
Repayment of loans	252	84	194
Proceeds from sale of other companies	66	-	-
Considerations regarding investments in other companies	-757	-804	-888
Net cash flow from investing activities	B	-4 057	-2 297
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	2 354	2 904	4 431
Repayment of debt	-3 769	-6 734	-8 282
Capital increase	-	-	14 000
Reduction of capital to non-controlling interests	-	-	-334
Dividend and group contribution paid	-7 676	-7 521	-7 964
Share issue in subsidiary to non-controlling interests	1 114	241	241
Net cash flow from financing activities	C	-7 977	-11 110
Net change in cash and cash equivalents	A+B+C	-5 289	13 372

Currency exchange rate effects on cash and cash equivalents	-61	37	17
Cash and cash equivalents 01.01	20 052	6 663	6 663
Cash and cash equivalents 30.09/31.12	14 702	5 275	20 052
Unused committed credit lines	12 000	8 040	8 000
Unused overdraft facilities	1 600	1 569	1 074

SEGMENTS – BREAKDOWN (I)

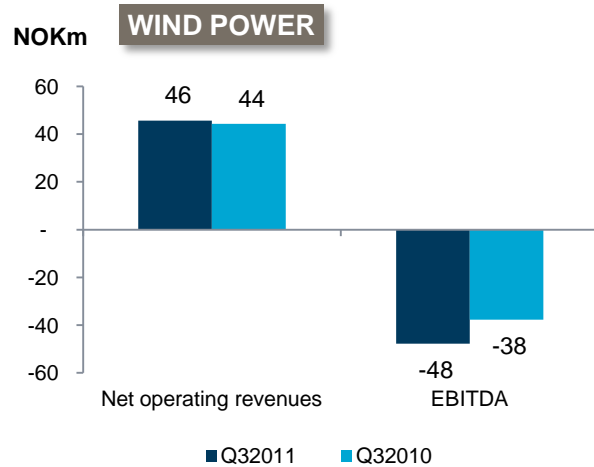


- > Generation of 8.1 TWh on a par with Q3 2010 but at 22% lower spot prices
- > Physical spot power sales reduced by 20% while contracted volumes increased by 18%
- > New generator (250 MW) at Svartisen delayed and test production expected in March 2012

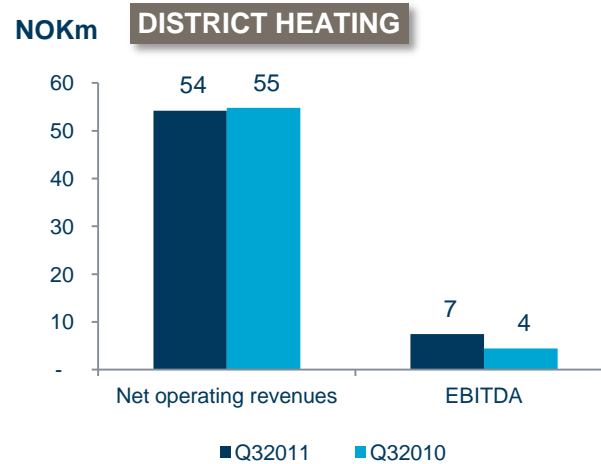
- > Satisfactory performance by Trading and Origination, lower contribution from Dynamic Asset Management
- > Low gas power spark-spreads gave low production. Kårstø power plant out of production
- > Share of profit from associates NOKm -12 (185)

- > Generation of 0.7 TWh (0.5 TWh) (equity share)
- > Contributions from new capacity in Turkey, India and Chile, and increase in Peru
- > EBITDA influenced by cost increases and currency effects
- > Share of profit from associates NOKm 137 (152)

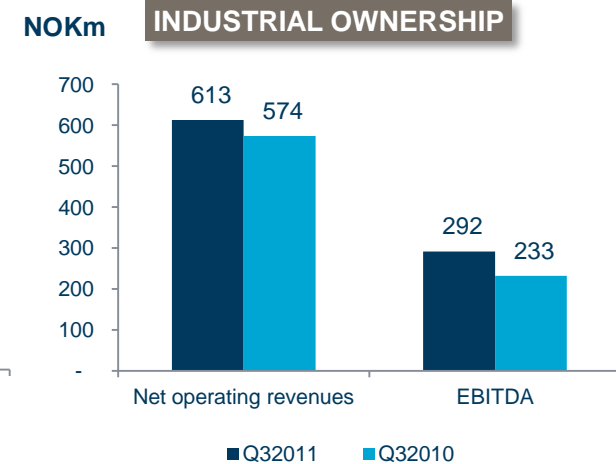
SEGMENTS – BREAKDOWN (II)



- > EBITDA from wind farms in operation of NOKm 21 (27)
- > P&L impacted by high business development and project activity
- > Generation of 116 GWh (113)
- > Share of profit from associates NOKm -21 (-18)

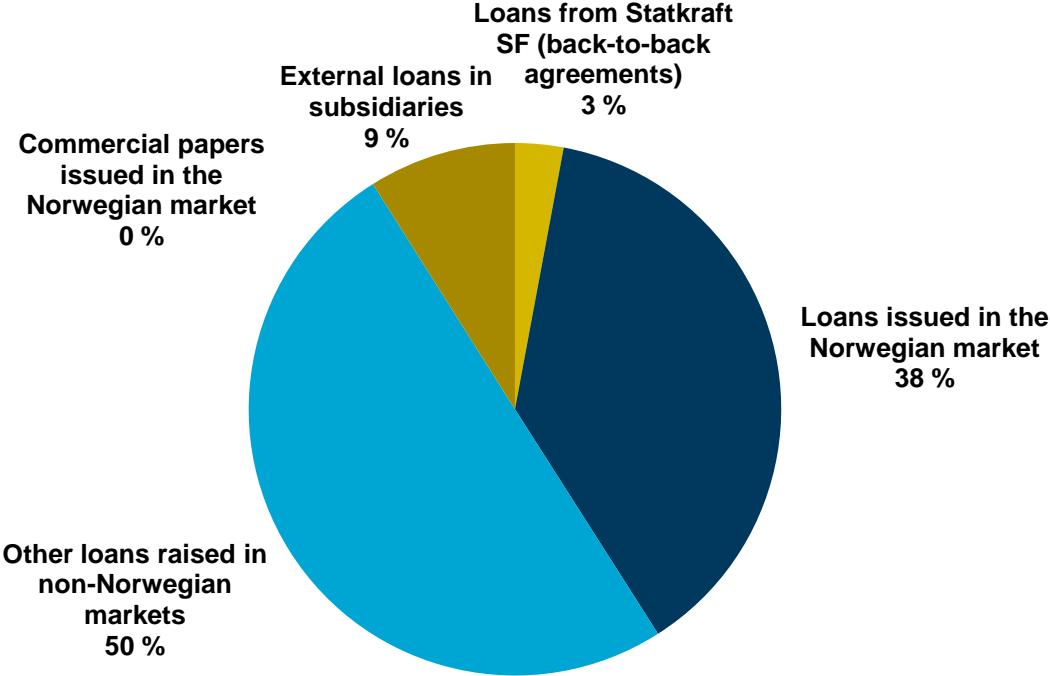


- > Generation of 99 GWh (104)
- > Improved EBITDA mainly due higher volume on waste handled
- > Acquisition of Bio Varne AS approved
- > Concession awarded to build district heating plant in Narvik (Norway)



- > Higher power generation offset lower prices in Skagerak Energi
- > Increased margins in retail company Fjordkraft
- > Share of profit from associates NOKm 147 (-23), following normalized resource situation, hedging and gains on energy contracts

DISTRIBUTION OF LOANS

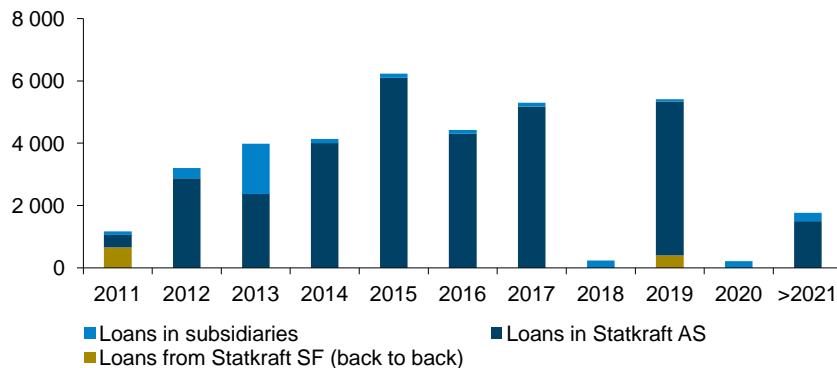


Per 30 September 2011

LIABILITIES AND INTEREST EXPENSES

DEBT REDEMPTION PROFIL

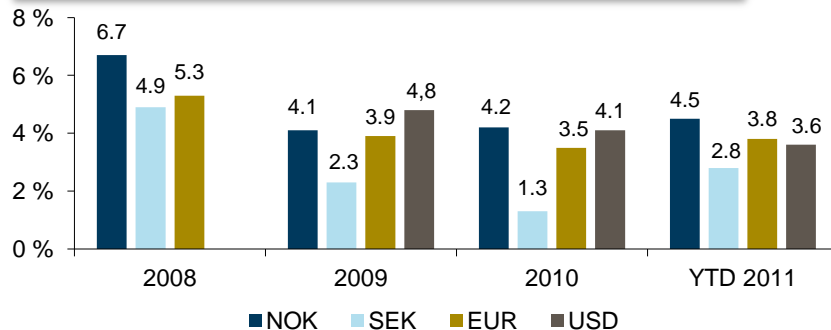
NOK million



FUNDING

- > New debt YTD NOKm 2354
- > Repayment YTD NOKm 3769
- > Total interest-bearing liabilities NOK 39.9 bn
- > NOK 46%, EUR 43%, SEK 5%, USD 5%
- > 62% exposed to floating interest rates

AVERAGE INTEREST RATES



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