



Interim Report
Q3/2013
Statkraft AS

Q3

Key figures

NOK million	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
From income statement ¹⁾							
Gross operating revenues, underlying	9 680	6 679	45 %	32 552	27 092	20 %	38 910
Net operating revenues, underlying	3 979	3 240	23 %	14 467	13 453	8 %	19 207
EBITDA, underlying	1 867	1 253	49 %	8 602	7 830	10 %	11 347
Operating profit, underlying	1 138	610	87 %	6 526	5 954	10 %	8 813
Operating profit, booked	1 243	-90	>1000 %	8 554	4 724	81 %	5 679
Share of profit from associated companies and joint ventures	-59	281	-121 %	400	1 069	-63 %	871
Net financial items	-2 504	1 419	-276 %	-8 827	4 068	-317 %	2 341
Profit before tax	-1 320	1 610	-182 %	127	9 862	-99 %	8 890
Net profit	-1 681	638	-363 %	-2 147	6 511	-133 %	4 671
EBITDA margin, underlying (%) ²⁾	19.3	18.8		26.4	28.9		29.2
ROACE, underlying (%) ³⁾				12.7	12.6		13.1
Items excluded from the underlying operating profit							
Unrealised changes in value on energy contracts	306	-700	144 %	1 903	-1 290	248 %	-1 030
Significant non-recurring items	-201	-	-	125	60	108 %	-2 105
Balance sheet and investments							
Total assets 30.09./31.12.				149 787	144 976	3 %	146 026
Maintenance investments	240	265	-9 %	797	668	19 %	1 065
Investments in new capacity*	1 962	2 193	-11 %	9 853	6 119	61 %	8 073
Investments in shareholdings	-3	2	-256 %	24	2 422	-99 %	2 583
Capital employed 30.09./31.12. ⁴⁾				79 217	68 413	16 %	70 048
Cash Flow							
Net cash flow from operating activities	2 649	2 340	13 %	6 862	9 499	-28 %	10 290
Cash and cash equivalents 30.09./31.12.				9 316	3 583	160 %	5 440
Currency rates							
NOK/EUR average rate	7.93	7.39		7.66	7.52		7.49
NOK/EUR closing rate 30.09./31.12.				8.11	7.37		7.35

*2013 figures include the transfer of power plants from Statkraft SF to Statkraft AS in the second quarter, worth about NOK 4 billion. The transfer had no cash effect.

Effective 1 January 2013, Statkraft has implemented IFRS 11 Joint arrangements. This has had the effect that some companies previously recognised in accordance with the equity method are now recognised in accordance with the gross method. The comparative figures have been converted to show the company's financial situation and results in accordance with the new accounting principle.

Definitions

¹⁾ Underlying items have been adjusted for unrealised changes in value on energy contracts and significant non-recurring items, up to and including the operating result.

²⁾ EBITDA margin, underlying (%): (Operating result before depreciation and amortisation x 100)/Gross operating revenues.

³⁾ ROACE, underlying (%): (Underlying operating result x 100)/Average capital employed (revolving 12 months)

⁴⁾ Capital employed: Tangible fixed assets + intangible assets + receivables + inventories - payable tax - other interest-free debt + group contribution allocated, not paid.

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STRONG UNDERLYING RESULT



Higher power prices generated a good operating result. The weaker NOK caused a negative result, but this is offset by currency effects which strengthen equity.

Statkraft's position in wind power is strengthened with new production capacity and new licenses.

The third quarter of 2013 had substantially higher Nordic energy prices than the corresponding quarter in 2012. The result from underlying operations (EBITDA) was strong and ended at NOK 1.9 billion, 49 per cent higher than third quarter last year.

A further weakening of the NOK resulted in large negative effects on the result also in the third quarter, while the corresponding period in 2012 was influenced by positive currency effects. The net loss was therefore NOK 1.7 billion, a decline of NOK 2.3 billion. The currency effects are mainly unrealised, and are fully offset by translation effects which strengthen equity. So far in 2013, the equity has been strengthened by NOK 4.9 billion.

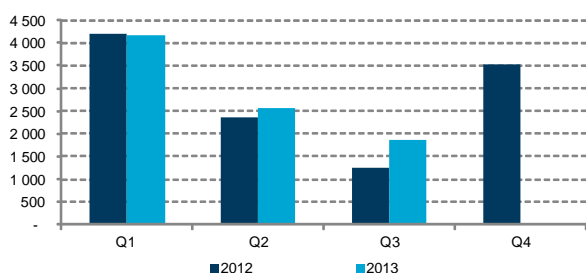
The average Nordic power price was 72 per cent higher than in the same quarter in 2012. The Group's power production was 11.2 TWh in the quarter, a marginal decline of 2 per cent compared with the third quarter of 2012.

The project activity level in the Group is high, with a number of large development and rehabilitation projects in Norway and internationally. In the hydropower segment, the rehabilitation of a hydropower plant in the Philippines was completed in the quarter. In addition, the Group has another ten major hydropower projects under construction, of which five in Norway.

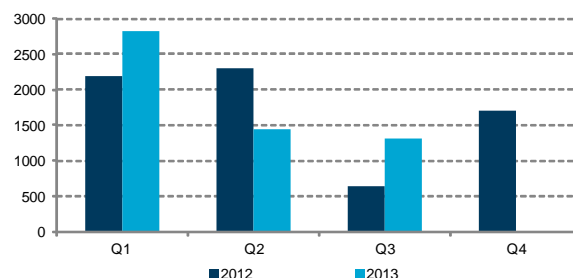
In the wind power segment, two new wind farms came online, while another five wind farms are under development in Sweden and the UK. The Group received several new, legally binding licenses for wind farms in Central Norway. A new district heating plant in Ås in Norway started operating in the third quarter.

Statkraft entered into an agreement to sell the power plants Svelgen 1 and 2 to Svelgen Kraft, while buying Sogn og Fjordane Energiverk's 35 per cent shareholding in Leirdøla power plant. The transaction will help to optimise power production in the companies.

EBITDA - underlying
NOK million



Cash flow from operating activities
NOK million



Corporate responsibility and HSE

	Third quarter		Year to date		Year 2012
	2013	2012	2013	2012	
Corporate social responsibility and HSE					
Fatalities ¹⁾	1	2	1	2	2
TRF rate ¹⁾²⁾	6.6	7.5	6.7	7.1	7.1
Serious environmental incidents	0	0	0	0	0
Full-time equivalents, group			3 495	3 494	3 475
Absence due to illness, group (%)	2.4	2.9	3.0	3.2	3.1

¹⁾ Includes employees and suppliers in plants where Statkraft owns 20% or more. Third parties (not employees or contractors) are not included.

²⁾ TRF rate: Number of injuries per million hours worked

There was a fatal accident in connection with Statkraft's international construction activities in the third quarter.

- In August, a contractor employee has a fatal accident in connection with tunnel work at SN Power's Cheves project in Peru. The accident has been investigated by an independent commission and all actions are being followed up in the project. The main conclusion from the investigation is that the work was carried out in an area that was inadequately secured. Practices were changed immediately after the accident, and the entire area was reviewed to uncover risks in connection with tunnel work.

In May, one person died in a third-party drowning accident in connection with SN Power in Peru. The drowning happened in an open part of the channel where the local landowner has opposed safety measures in accordance with Statkraft's requirements. The investigation has been concluded, and SN Power is taking legal measures to secure the channel in accordance with requirements.

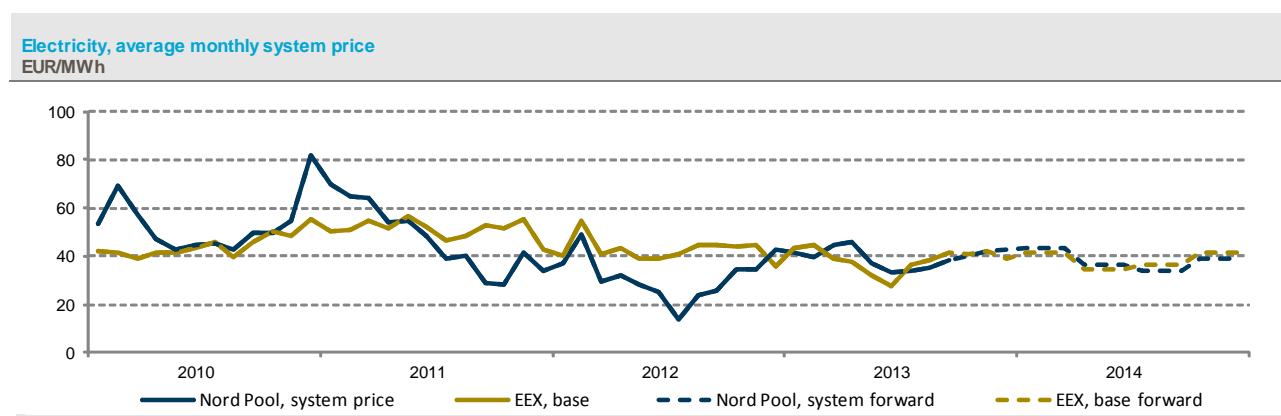
There were no serious environmental incidents in the quarter.

The Group works systematically to avoid injuries and damages in all activities. All incidents with a large injury or damage potential are followed up closely in accordance with set requirements, and the intention is to share experience throughout the Group. A new tool for self-evaluation of health and safety work will be implemented in all business areas in 2013. Traffic safety and good driving behaviour are also given special emphasis this year.

Market and production

Power prices, power optimisation and production form the fundamental basis for Statkraft's revenues. The majority of Statkraft's production is generated in the Nordic region. Power prices are influenced by hydrological factors and commodity prices for thermal power production. Gas is also an input factor in a limited percentage of Statkraft's own power production.

POWER PRICES



Sources: Nord Pool and the European Energy Exchange (EEX)

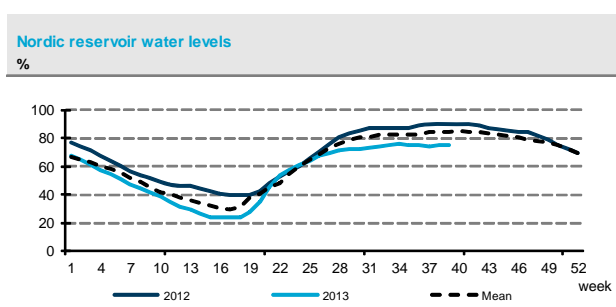
The average system price in the Nordic region was 35.9 EUR/MWh in the quarter, an increase of 72% compared with the same period in 2012. The increase was primarily driven by a weaker hydrological balance than in the third quarter last year. Forward prices in the Nordic region increased during the quarter due to lower reservoir water levels.

The average spot price in the German market was 38.8 EUR/MWh in the quarter, a decline of 11% compared with the same period in 2012. The decline was characterised by renewable production, falling coal prices, relatively high coal power production as well as low economic growth. Forward prices in Germany increased through the quarter as a result of spot prices in the third quarter being higher than expected.

EUR/MWh	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
Prices							
Average system price, Nord Pool	35.9	20.9	72 %	38.9	29.3	33 %	31.3
Average spot price (base), EEX	38.8	43.7	-11 %	37.9	43.3	-12 %	42.8
Average spot price (peak), EEX	48.9	53.2	-8 %	48.1	53.0	-9 %	53.6
Average gas price, EGT ¹⁾	26.2	24.9	5 %	27.3	24.8	10 %	25.4

Sources: Nord Pool, European Energy Exchange (EEX) and Eon Gas Trading (EGT).

CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



Source: Nord Pool.

TWh	Third quarter		Year to date		Year 2012
	2013	2012	2013	2012	
Consumption and output					
Nordic					
Nordic consumption	77.9	81.6	281.3	278.3	384.5
Nordic output	77.7	85.7	279.6	290.5	399.0
Net Nordic import(+)/export (-)	0.3	-4.1	1.7	-12.2	-14.5
Norway					
Norwegian consumption	25.0	26.1	94.3	91.3	127.9
Norwegian output	29.4	32.1	97.9	107.3	146.0
Net norwegian import(+)/export (-)	-4.4	-6.0	-3.6	-16.0	-18.0

Inflow was lower than normal in the period, and the total reservoir water level in the Nordic region was 90.6 TWh at the end of September, corresponding to 88.4% of normal. The reservoirs were filled to 74.6% of capacity (89.6% in 2012), with a maximum reservoir capacity of 121.4 TWh on 29 September.

In the third quarter, 0.3 TWh was imported to the Nordic region from the Continent, compared with exports of 4.1 TWh in the corresponding period in 2012.

STATKRAFT'S POWER PRODUCTION

Statkraft's production is determined by water reservoir capacity and reservoir water levels, access to resources (inflow and wind), the margin between power and gas prices (spark spread) and power optimisation.

TWh	Third quarter		Year to date		Year 2012	TWh	Third quarter		Year to date		Year 2012
	2013	2012	2013	2012			2013	2012			
Production, technology						Production, geography					
Hydropower	10.9	11.1	37.9	42.0	57.6	Norway	9.3	9.2	32.2	35.3	48.3
Wind power	0.3	0.2	0.9	0.6	0.8	Nordic ex. Norway	0.9	1.4	3.7	5.1	7.1
Gas power	0.0	0.1	0.7	1.0	1.5	Europe ex. Nordic	0.3	0.3	1.5	1.4	2.1
Bio power	0.0	0.0	0.1	0.1	0.1	Rest of the world	0.7	0.6	2.2	1.9	2.5
Total production	11.2	11.4	39.6	43.7	60.0	Total production	11.2	11.4	39.6	43.7	60.0

The Group produced a total of 11.2 TWh in the quarter, a decline of 2% compared with the same period in 2012.

In addition, the Group's district heating production amounted to 0.1 TWh (0.1 TWh).

Financial performance

The quarterly report presents the development in third quarter 2013 compared with third quarter 2012, unless otherwise stated. Figures in parentheses show the comparable figures for the corresponding period in 2012.

Effective 1 January 2013, Statkraft has implemented IFRS 11 Joint arrangements. This has had the effect that some companies previously recognised in accordance with the equity method are now recognised in accordance with the gross method as described in IFRS 11. The comparative figures have been converted for 2012, and show the company's financial situation and results in accordance with the new accounting principle.

NOK million	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
Key figures							
Net operating revenues, underlying	3 979	3 240	23 %	14 467	13 453	8 %	19 207
EBITDA, underlying	1 867	1 253	49 %	8 602	7 830	10 %	11 347
Profit before tax	-1 320	1 610	-182 %	127	9 862	-99 %	8 890
Net profit	-1 681	638	-363 %	-2 147	6 511	-133 %	4 671

In spite of an improvement in underlying gross operating profit (EBITDA) from the third quarter of 2012, the Group's net profit was NOK 2.3 billion lower. The decline is primarily related to the Group's negative currency effects in the third quarter of 2013, while the currency effects were positive in the same quarter last year. The currency effects are mainly unrealised, and were offset by translation effects which in turn strengthen equity.

GROSS OPERATING RESULT (EBITDA) – UNDERLYING

Underlying EBITDA was NOK 614 million higher than in the same quarter in 2012, primarily as a result of higher Nordic power prices. In addition, plants transferred from Statkraft SF and new wind farms made positive contributions. The improvement was somewhat offset by lower contributions from market activities and the Baltic Cable.

OPERATING REVENUES - UNDERLYING

NOK million	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
Net operating revenues, underlying							
Net physical spot sales, incl. green certificates	6 494	3 982	63 %	21 083	16 902	25 %	24 485
Concessionary sales at statutory prices	65	58	12 %	240	216	11 %	307
Long-term contracts	1 656	1 506	10 %	5 042	4 586	10 %	6 179
Nordic and Continental Dynamic Asset Management Portfolio	101	36	181 %	210	462	-54 %	525
Trading and origination (excl. market access Germany and UK - renewable)	-3	136	-102 %	459	461	0 %	726
Distribution grid	232	218	7 %	878	770	14 %	1 071
End user	709	504	41 %	3 283	2 682	22 %	4 024
District heating, energy sales	82	87	-6 %	490	424	16 %	655
Other sales revenues	12	4	195 %	8	13	-41 %	17
Currency hedging energy contracts	2	-10	118 %	-11	-	-	-6
Sales revenues	9 351	6 520	43 %	31 682	26 515	19 %	37 982
Other operating revenues	329	160	106 %	869	577	51 %	928
Gross operating revenues	9 680	6 679	45 %	32 552	27 092	20 %	38 910
Energy purchase	-5 474	-3 212	-70 %	-17 368	-12 876	-35 %	-18 678
Transmission costs	-227	-227	0 %	-717	-763	6 %	-1 026
Net operating revenues	3 979	3 240	23 %	14 467	13 453	8 %	19 207

- Higher Nordic power prices contributed to an increase in net physical spot sales.
- Revenues from Baltic Cable were lower, primarily as a result of lower price differences between southern Sweden and Germany compared with the corresponding quarter last year. The shutdown as a result of damage on the cable also had a negative impact.
- Revenues from long-term contracts were somewhat higher than in the corresponding quarter in 2012 as a result of slightly higher volumes and price adjustment of the contracts.
- The changes in the Nordic management portfolio and trading and origination relate to exposure to and changes in market prices.
- Increased margin from the end-user business.
- The leased power plants Sauda I-IV, Svelgen I and II, as well as Tyssø II were transferred from Statkraft SF effective 1 April 2013. This contributed to an increase in other operating revenues.

OPERATING EXPENSES - UNDERLYING

NOK million	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
Operating expenses, underlying							
Salaries and payroll costs	-814	-798	2 %	-2 288	-2 225	3 %	-3 046
Depreciation and impairments	-729	-643	13 %	-2 075	-1 876	11 %	-2 534
Property tax and licence fees	-420	-363	16 %	-1 246	-1 045	19 %	-1 345
Other operating expenses	-879	-825	6 %	-2 331	-2 353	-1 %	-3 469
Operating expenses	-2 841	-2 630	8 %	-7 940	-7 498	6 %	-10 393

- The increase in depreciation was mainly due to the completion of the Sheringham Shoal offshore wind farm.
- Increased property tax is primarily due to a change of method for calculation of the value basis for hydropower plants in Sweden from 2013.
- The increase in other operating expenses relate in part to start-up costs at the new gas power plant in Germany, Knapsack II, consolidation of biomass plants in Germany which are now wholly owned, and costs relating to plants transferred from Statkraft SF in the second quarter of 2013.

ITEMS EXCLUDED FROM THE UNDERLYING OPERATING RESULT

Unrealised changes in value on energy contracts and significant non-recurring items have been excluded from the underlying operating result. The unrealised changes in value are partly due to the Group's energy contracts being indexed against various commodities, currencies and other indices.

NOK million	Third quarter		Year to date		Year 2012
	2013	2012	2013	2012	
Items excluded from the underlying operating profit					
Unrealised changes in value of energy contracts	306	-700	1 903	-1 290	-1 030
Significant non-recurring items	-201	-	125	60	-2 105
<i>Revenue recognition related to termination of energy contract</i>	-	-	164	-	-
<i>Bargain purchase in step acquisition of Devoll</i>	-	-	162	-	-
<i>Gain from sale of heating plant in Allingsås</i>	86	-	86	-	-
<i>Costs related to purchase in step acquisition of biomass companies</i>	-97	-	-97	-	-
<i>Final settlement of sale of Trondheim Energi Nett</i>	-	-	-	60	175
<i>Impairment of property, plant and equipment and intangible assets</i>	-190	-	-190	-	-2 280

- The positive development for energy contracts in the third quarter of 2013 was mainly due to currency effects from long-term power sales agreements entered into in EUR. This is partly offset by a negative development in the Nordic and Continental management portfolio as well as negative effects from higher expected Nordic power prices on financial energy derivatives.
- Alingsås Energi has exercised its option to buy Statkraft's district heating plant in Alingsås. This resulted in a recorded gain of NOK 86 million.
- In August, Statkraft bought the remaining shares in the biomass plants Landesbergen (50%) and Emden (70%) from E.ON. In connection with the transaction, Statkraft terminated a disadvantageous maintenance agreement with E.ON related to the biomass companies. As the net market value of the plants is approximately zero, the effect has been expensed under significant non-recurring items in the income statement with NOK 97 million.
- The write-downs of NOK 190 million relate to Norwegian wind farms, and are connected with expectations of lower power prices and higher property tax.

SHARE OF PROFIT FROM ASSOCIATED COMPANIES AND JOINT VENTURES

The Group has major shareholdings in the regional Norwegian power companies BKK and Agder Energi, as well as shareholdings in companies outside Norway, where much of the activity takes place through participation in partly-owned companies.

NOK million	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
Share of profit from associated companies							
BKK	-8	72	-111 %	144	286	-50 %	382
Agder Energi	-117	25	-575 %	186	275	-32 %	408
Others	66	184	-64 %	70	508	-86 %	80
Associated companies	-59	281	-121 %	400	1 069	-63 %	871

- The lower profit in BKK and Agder Energi was mainly due to unrealised changes in value on energy contracts.

- The lower results from other associated companies and joint ventures are mainly due to lower revenues from the Philippines and a write-down in Brazil. Results from the Philippines continue to make a positive contribution, but at a lower level than last year.

FINANCIAL ITEMS

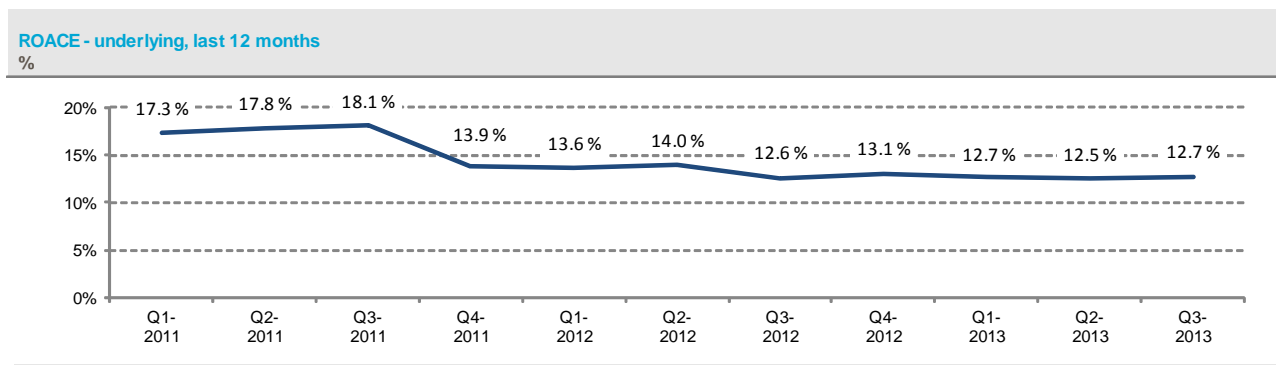
NOK million	Third quarter			Year to date			Year 2012
	2013	2012	Change	2013	2012	Change	
Financial items							
Interest income	70	52	34 %	163	198	-18 %	231
Other financial income	5	5	-6 %	16	645	-98 %	765
Gross financial income	75	57	31 %	179	843	-79 %	996
Interest expenses	-339	-285	-19 %	-915	-943	3 %	-1 250
Other financial expenses	-19	-11	-74 %	-57	-41	-40 %	-50
Gross financial expenses	-357	-295	-21 %	-972	-984	1 %	-1 301
Currency gains and losses	-1 924	1942	-199 %	-6 878	4 460	-254 %	4 468
Other financial items	-297	-285	-4 %	-1 156	-250	-363 %	-1 822
Net financial items	-2 504	1 419	-276 %	-8 827	4 068	-317 %	2 341

- Financial income increased by NOK 18 million as a result of a higher average amount invested.
 → Financial expenses increased by NOK 62 million as a result of changes in the debt mix.
 → Net currency effects in the third quarter amounted to NOK -1924 million, mainly as a result of weaker NOK against EUR. These were mainly unrealised and are fully offset by translation effects in the equity.

TAXES

The accounting tax expense was NOK 361 million in the third quarter (NOK 972 million). The decline in tax expense is due to a somewhat lower result. Resource rent tax for power production resulted in a tax expense in the quarter in spite of a recorded loss before tax.

RETURN



Measured as ROACE¹, the return was on par with the most recent quarters. The high level of return in the first quarters of 2011 were due to a particularly high operating profit at the end of 2010 as a result of high power prices.

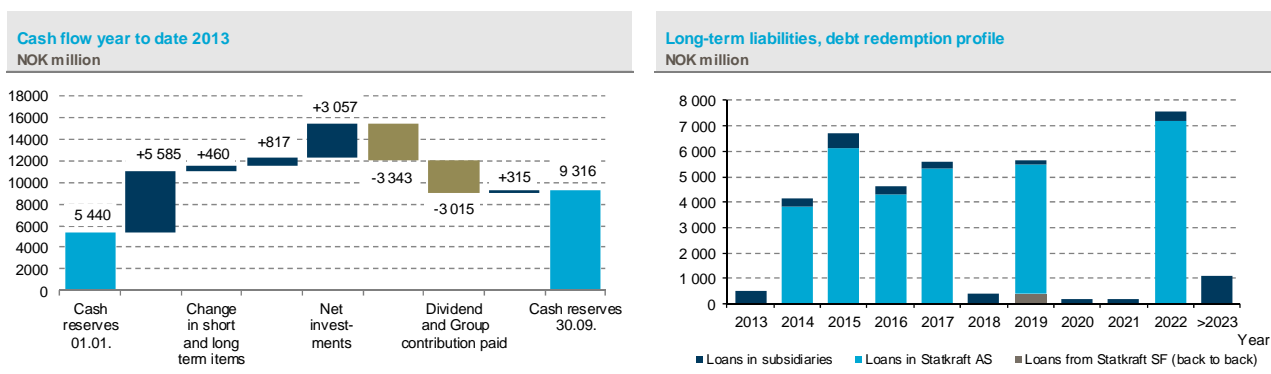
Based on the net result, the rolling net return on equity² was -6.1%, compared with 7.2% for the year 2012, while net return on total capital³ was -2.4%, compared with 3.8% for the year 2012. The decline is due to a substantially lower result so far in 2013 compared with the same period in 2012, mainly due to unrealised currency effects. The negative currency effects are fully offset by positive translation effects, resulting in an increase of 4933 million in the Group's equity so far in 2013.

¹ ROACE (%): (Operating result adjusted for unrealised changes in the value of energy contracts and significant non-recurring items x 100)/average capital employed.

² Net return on equity (%): (Net profit last 12 months x 100)/ average equity.

³ Net return on total assets (%): (Net profit adjusted for financial expenses last 12 months x 100)/average total assets.

CASH FLOW AND CAPITAL STRUCTURE



Cash flow as of the third quarter

- The Group's operating activities generated a cash flow of NOK 5585 million (NOK 5111 million).
- The changes in short and long-term items had a positive effect of NOK 460 million (NOK 2976 million). The change mainly relates to changes in working capital, which were partly offset by a negative change for cash collateral.
- NOK 817 million⁴ was received in dividend – primarily from BKK and Agder Energi.
- Net investments⁴ amounted to NOK 3057 million (NOK -9721 million). This is mainly payment received for sold E.ON shares of NOK 8515 million, payment for sale of the transmission grid for the Sheringham Shoal offshore wind farm of NOK 957 million, as well as investments in property, plant and equipment of NOK 6519 million.
- The net liquidity change from financing amounted to NOK -3343 million (NOK -471 million). New debt was NOK 389 million (NOK 2477 million), primarily associated with SN Power and project financing in Panama. Repayment of debt amounted to NOK 3840 million (NOK 3097 million).
- Dividend and group contributions of NOK 3015 million was disbursed (NOK 4244 million), mainly to Statkraft SF.
- Translation effects on bank deposits, cash in hand and similar amounted to NOK 315 million.

Financial structure

At the end of the quarter, Statkraft had the following financial structure:

- Net interest-bearing⁵ debt totalled NOK 28 668 million, compared with NOK 34 960 million at the beginning of the year. The decline relates primarily to the sale of the E.ON shares, which has resulted in higher bank deposits and repayment of debt.
- The net interest-bearing debt-equity ratio was 29.9%, compared with 35.9% at year-end 2012.
- Loans from Statkraft SF to Statkraft AS amounted to NOK 400 million.
- Current assets, except cash and cash equivalents, amounted to NOK 14 838 million.
- Short-term interest-free debt was NOK 18 843 million.
- Statkraft's equity totalled NOK 67 370 million, compared with NOK 62 437 million at the start of the year. This corresponds to 45.0% of total assets. The increase in equity relates to a positive total profit of NOK 5503 million so far this year, as well as the transfer of power plants from Statkraft SF of NOK 3549 million less deducted dividend and group contribution for 2012 of NOK 4119 million, including minority interest.

INVESTMENTS AND PROJECTS

Statkraft has an investment programme and an investment strategy in the order of NOK 70-80 billion in the period from 2011 to 2015. Total investments in the quarter amounted to NOK 2199 million.

Investments in the quarter

Maintenance investments (NOK 240 million)

- Hydropower in the Nordic region

Investments in increased capacity (NOK 1962 million)

- Hydropower in Norway
- Gas power in Germany
- Hydropower outside Europe
- Wind power in the UK and Sweden
- District heating plants in Norway and Sweden
- Transmission grid in Norway
- Small-scale hydropower in Norway

⁴ Net investments include investments paid at the end of the quarter, payments received from sale of non-current assets, net liquidity out from the Group upon acquisition of activities and repayment and disbursement of loans.

⁵ Net interest-bearing debt: Gross interest-bearing liabilities – bank deposits, cash in hand and similar excluding restricted funds – short-term financial investments

Projects

Third quarter	Project	Country	New capacity (MW) ¹⁾	Statkraft's ownership share	Planned completion	
Completed projects in the period						
Wind power	Baillie Windfarm	UK	53	80 %	2013	Q2
	Stamåsen	UK	60	60 %	2013	Q3
Hydropower	Binga	Phillipines	126	50 % ³⁾	2013	Q3
District heating	Ås	Norway	24	100 % [#]	2013	Q3
Main projects under construction						
Hydropower	Eiriksdal og Makkoren	Norway	56	100 %	2014	Q2
	Nedre Røssåga, phase 1	Norway	-	100 %	2015	Q2
	Nedre Røssåga, phase 2	Norway	100	100 %	2016	
	Kjensvatn	Norway	11	100 %	2014	Q4
	Brokke Nord/Sør	Norway	24	- ²⁾	2014	
	Kargi	Turkey	102	100 %	2015	Q2
	Cetin	Turkey	517	100 %	2016/17	
	Devoll	Albania	243	100 %	2018	
	Cheves	Peru	171	100 % ³⁾	2015	Q2
	Bajo Frio	Panama	58	26 % ³⁾	2014	Q4
Wind power	Mörtjärnberget	Sweden	85	60 %	2013	Q4
	Tollarpjåbjär	Sweden	3	90 %	2013	Q4
	Berry Burn	UK	67	100 %	2014	Q1
	Ögonfågeln	Sweden	99	60 %	2014	Q4
	Björkhöjden	Sweden	270	60 %	2015	Q4
District heating	Sandefjord	Norway	23	100 %	2015	Q2
	Hammargård/Kungsbacka	Sweden	12	100 %	2013	Q4

¹⁾ Total for project, incl. partners' share.

²⁾ Owned by Agder Energi (69%) and Skagerak Energi (31%).

³⁾ SN Power's share.

Segments

The segment structure follows the internal management information that is systematically reviewed by the corporate management and used for resource allocation and goal attainment. The segments are Nordic hydropower, Continental energy and trading, International hydropower, Wind power, District heating and Industrial ownership. Areas not shown as separate segments are presented under the heading Other activities.

Third quarter	Statkraft AS Group	Nordic hydropower	Continental energy and trading	International hydropower	Wind power	District heating	Industrial ownership	Other activities	Group items
From income statement									
Gross operating revenues, underlying	9 680	2 961	4 962	373	174	77	1 256	222	-867
Net operating revenues, underlying	3 979	2 717	145	225	167	49	633	220	-178
EBITDA, underlying	1 867	1 934	-237	26	16	-15	266	-146	22
Operating profit, underlying	1 138	1 624	-328	-14	-102	-49	150	-166	22
Operating profit, booked	1 243	1 962	-471	6	-292	37	128	-150	22
Share of profit from associated companies	-59	-	1	56	9	-	-125	-	-
EBITDA-margin (%), underlying	19.3	65.3	-4.8	6.8	9.5	-19.0	21.2	-65.8	-2.6
Maintenance investments	240	100	14	4	3	-	119	-	-
Investments in new capacity	1 962	378	221	567	536	71	95	93	-
Investments in shareholdings	-3	-	-	-0	-3	-	-	-	-
Production									
Production, volume sold (TWh)	11.2	8.9	0.1	0.7	0.3	-	1.1	0.1	-
- hydropower (TWh)	10.9	8.9	0.1	0.7	-	-	1.1	0.1	-
- wind power (TWh)	0.3	-	-	-	0.3	-	-	-	-
- gas power (TWh)	0.0	-	0.0	-	-	-	-	-	-
- bio power (TWh)	0.0	-	0.0	-	-	-	-	-	-
Production, district heating (TWh)	0.1	-	-	-	-	0.1	0.0	-	-

NORDIC HYDROPOWER

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	2 717	2 106	9 458	8 914	12 479
EBITDA, underlying	1 934	1 305	7 110	6 621	9 409
Operating profit, underlying	1 624	1 022	6 199	5 776	8 274
Unrealised value changes energy contracts	337	-614	1 599	-1 644	-1 663
Significant non-recurring items	-	-	164	-	-
Operating profit, booked	1 962	408	7 962	4 132	6 610
Share of profit from associated companies and joint ventures	-	-	-	-	-
Maintenance investments	100	110	385	286	460
Investments in new capacity	378	241	4 977	687	1 048
Investments in shareholdings	-	-	-	-	-
Production, volume sold (TWh)	8.9	9.3	31.1	35.5	48.4

Highlights

- Transmission costs are expected to increase significantly going forward, in connection with planned investments in the Norwegian main grid. According to Statnett's forecasts, the fixed fee is expected to increase by 50% in 2014, from 0.8 to 1.2 øre/kWh.
- In September, Statkraft signed an agreement to sell Svelgen 1 and 2 to Svelgen Kraft in return for Sogn og Fjordane Energiverk's 35% shareholding in Leirdøla. The purpose of this swap is to streamline the companies' co-ownerships to provide for simpler and more efficient operations. The implementation of the agreement is conditional upon a declaration from the tax authorities.

Financial performance

- Underlying EBITDA was higher, mainly due to higher net operating revenues as a result of higher market prices for Nordic power. Operating expenses are in line with the corresponding quarter in 2012.

Investments

- Investments in new capacity are mainly related to the power plants Eiriksdal, Makkoren, Nedre Røssåga and Kjensvatn.

CONTINENTAL ENERGY AND TRADING

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	145	392	1 060	1 349	2 016
EBITDA, underlying	-237	102	86	562	809
Operating profit, underlying	-328	3	-157	251	397
Unrealised value changes energy contracts	-46	-28	151	546	738
Significant non-recurring items	-97	-	-97	-	-1 986
Operating profit, booked	-471	-25	-104	797	-850
Share of profit from associated companies and joint ventures	1	3	3	12	-31
Maintenance investments	14	34	55	66	127
Investments in new capacity	221	279	285	699	1 014
Investments in shareholdings	-	-	-	-	-
Production, volume sold (TWh)	0.1	0.2	1.0	1.3	1.9

Highlights

- Baltic Cable was out of operation from 18 July to 22 September due to damage on the cable. The costs of repair totalled NOK 26 million and were recorded in the third quarter.
- In August, Statkraft bought the remaining shares in the biomass plants Landesbergen (50%) and Emden (70%) from E.ON. In connection with the transaction, Statkraft terminated a disadvantageous maintenance agreement with E.ON related to the biomass companies. As the net market value of the plants is approximately zero, the effect has been expensed under significant non-recurring items in the income statement with NOK 97 million.

Financial performance

- The lower underlying EBITDA is mainly due to lower contributions from market activities and Baltic Cable. The operating expenses were higher than in the same quarter in 2012, partly as a result of operating expenses in connection with the new gas power plant in Germany, Knapsack II, and consolidation of the biomass companies Emden and Landesbergen, which are now wholly owned.

Investments

- The investments in increased capacity mainly apply to the completion of the Knapsack II gas power plant in Germany.

INTERNATIONAL HYDROPOWER

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	225	241	760	765	1 054
EBITDA, underlying	26	63	233	263	320
Operating profit, underlying	-14	-9	97	90	98
Unrealised value changes energy contracts	20	-90	175	-189	-113
Significant non-recurring items	-	-	162	-	-78
Operating profit, booked	6	-98	433	-99	-93
Share of profit from associated companies and joint ventures	56	201	73	530	146
Maintenance investments	4	-7	25	30	90
Investments in new capacity	567	460	1 854	1 307	1 687
Investments in shareholdings	-0	-1	23	2 406	2 433
Production, volume sold (TWh)	0.7	0.6	2.3	1.9	2.6

Highlights

- SN Power and co-owner Pacific Hydro has signed an agreement concerning sale of the Colmito gas turbine in Chile (60 MW). The transaction is expected to be carried out over the course of the year.
- SN Power has, along with Aboitiz Power, completed the rehabilitation of the Binga hydropower plant in the Philippines. Capacity at the power plant has increased from 100 to 126 MW as a result of the rehabilitation.

Financial performance

- The decline in EBITDA is associated with the sale of the shares in Norvind in Chile, as well as lower revenues and higher costs in Peru.
- Unrealised changes in value on energy contracts related to rising prices in the Brazilian power market.
- The decline in share of profit from associated companies and joint ventures primarily relates to lower contributions from the business in the Philippines, as well as a lower result from Brazil due to depreciation.

Investments

- Maintenance investments related primarily to hydropower plants in Peru.
- Investments in new capacity related to the hydropower developments in Turkey, Peru and Panama.

WIND POWER

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	167	129	609	301	511
EBITDA, underlying	16	-22	246	-56	-25
Operating profit, underlying	-102	-52	-34	-145	-141
Unrealised value changes energy contracts	-	-	-	-	-
Significant non-recurring items	-190	-	-190	-	-
Operating profit, booked	-292	-52	-224	-145	-141
Share of profit from associated companies and joint ventures	9	-14	-1	-19	-25
Maintenance investments	3	1	13	2	7
Investments in new capacity	536	1 028	1 864	2 718	3 188
Investments in shareholdings	-3	3	1	12	144
Production, volume sold (TWh)	0.3	0.1	0.9	0.5	0.7

Highlights

- Baillie in the UK and Stamåsen in Sweden were officially opened in the quarter.
- SAE Vind received four wind power licenses totalling up to 660 MW in Sør-Trøndelag in Norway from the Ministry of Petroleum and Energy and one in Sogn og Fjordane of up to 105 MW from the Norwegian Water Resources and Energy Directorate.
- The Forewind consortium, where Statkraft owns 25%, applied for a licence for the first two sub-projects on the Dogger Bank. Each of the two wind farms have been planned with an installed capacity of 1200 MW.
- Statkraft will take over responsibility for operations and maintenance for the Sheringham Shoal offshore wind farm in the UK from January 2014.
- The Norwegian wind farms Smøla, Hitra and Kjøllefjord were written down by NOK 190 million in total as a result of expectations of lower power prices and higher property tax.

Financial performance

- EBITDA increased primarily as a result of higher power prices and new production capacity from the wind farms Stamåsen in Sweden and Baillie in the UK.
- In total, the segment produced 258 GWh in the third quarter, with 78 GWh from offshore wind farms. Production was somewhat lower than normal as a result of less wind.

Investments

- The investments in increased capacity related primarily to the onshore wind farms under construction.

DISTRICT HEATING

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	49	58	265	250	384
EBITDA, underlying	-15	-1	78	78	142
Operating profit, underlying	-49	-33	-26	-16	-2
Unrealised value changes energy contracts	-	-	-	-	-
Significant non-recurring items	86	-	86	-	-
Operating profit, booked	37	-33	60	-16	-2
Share of profit from associated companies and joint ventures	-	-	-	-1	-1
Maintenance investments	-	-4	-	3	-
Investments in new capacity	71	85	291	278	369
Investments in shareholdings	-	-	-	4	6
Production, volume sold (TWh)	0.1	0.1	0.8	0.7	0.9

Highlights

- The sale of the production facility in Alingsås in Sweden was completed with a recorded profit of NOK 86 million for Statkraft.
- In October, Statkraft opened a new, 24 MW district heating plant in Ås in Norway.

Financial performance

- The decline in EBITDA is mainly due to the sale of Alingsås as well as somewhat higher operating expenses.

Investments

- Investments relate primarily to the development in Sandefjord in Norway, Hammargård in Sweden and district heating grids.

INDUSTRIAL OWNERSHIP¹⁾

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	633	476	2 350	2 045	3 010
EBITDA, underlying	266	120	1 213	964	1 495
Operating profit, underlying	150	8	870	645	1 061
Unrealised value changes energy contracts	-22	4	7	-10	1
Significant non-recurring items	-	-	-	-	-216
Operating profit, booked	128	11	877	634	846
Share of profit from associated companies and joint ventures	-125	89	324	545	781
Maintenance investments	119	131	320	281	381
Investments in new capacity	95	52	315	295	538
Investments in shareholdings	-	-	-	-	-
Production, volume sold (TWh)	1.1	1.1	4.1	4.2	6.0

¹⁾ Industrial ownership includes the shareholdings in Skagerak Energi, Fjordkraft, BKK, Agder Energi and Istad. Skagerak Energi and Fjordkraft are included in the consolidated financial statements, while the other three companies are reported as associated companies

Highlights

- In August, a fault occurred on the 132 kV back-up supply to Kollsnes gas terminal in BKK's delivery area, and the line has been taken out of operation. A temporarily overhead line is under construction, and will be completed in November. A new back-up connection will be in place by the end of the year.
- BKK has signed an agreement with Lyse concerning restructuring of the fibre business in relation to the private market in Bergen.
- Agder Energi and Norsk Hydro have signed a letter of intent concerning cooperation on the operation and development of power plants in the Otra river system.

Financial performance

- EBITDA is up NOK 147 million compared with same period in 2012, due to higher revenues from power sales as well as higher revenues from the end-user business.
- The decline in the share of profit from associated companies is mainly due to unrealised changes in value on energy contracts, as well as currency effects.

Investments

- Investments are proceeding as planned. Most of the investments are new investments in grid activities.

OTHER ACTIVITIES¹⁾

NOK million	Third quarter		Year to date		Year
	2013	2012	2013	2012	2012
Net operating revenues, underlying	220	115	510	414	565
EBITDA, underlying	-146	-314	-346	-577	-787
Operating profit, underlying	-166	-329	-403	-622	-856
Unrealised value changes energy contracts	16	29	-28	8	7
Significant non-recurring items	0	-	-	60	175
Operating profit, booked	-150	-301	-431	-554	-674
Share of profit from associated companies and joint ventures	-	2	-	2	-
Maintenance investments	-	-	-	-	-
Investments in new capacity	93	48	267	135	229
Investments in shareholdings	-	-	-	-	-
Production, volume sold (TWh)	0.1	0.1	0.2	0.2	0.3

¹⁾ The segment Other activities includes small-scale hydropower, innovation and group functions.

Highlights

- Småkraft has started the Langdalselv power plant.

Financial performance

- Positive change in EBITDA due to higher internal sales and increased prices for small-scale hydropower.

Investments

- Investments in increased capacity mainly relate to investments in small-scale hydropower and property.

Outlook

The short-term Nordic power prices are expected to be somewhat higher than in 2012. Statkraft's large reservoir capacity with both seasonal and multiple-year reservoirs provides the Group with large flexibility to manage water resources efficiently. Long-term power contracts contribute to stabilise the Group's earnings. The market situation in Europe resulted in only marginal power production at Statkraft's gas power plants.

There is a significant project activity level within hydropower in Norway. In emerging markets, the growth in demand is expected to continue. The letter of intent recently signed by Statkraft and Norfund aims to restructure the companies' international cooperation within renewable energy. The Statkraft Group's overall expertise within power development, operation and market can thereby be utilised even better.

Statkraft aims to be an international leader within renewable energy focusing on European flexible power production, market activities, hydropower in emerging markets, wind power and district heating. The overall investment level will be continuously adjusted to ensure that the company maintains a strong financial position.

Oslo, 6 November 2013
The Board of Directors of Statkraft AS

Statkraft AS Group Interim Financial Statements

NOK million	Third Quarter		Year to date		The year
	2013	2012	2013	2012	2012
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	9 560	5 959	32 513	25 050	36 447
Other operating revenues	415	160	1 117	637	1 103
Gross operating revenues	9 975	6 119	33 630	25 687	37 550
Energy purchase	-5 377	-3 351	-16 131	-12 701	-18 172
Transmission costs	-227	-227	-717	-763	-1 026
Net operating revenues	4 371	2 540	16 782	12 223	18 352
Salaries and payroll costs	-814	-798	-2 288	-2 225	-3 046
Depreciation, amortisation and impairments	-918	-643	-2 265	-1 876	-4 814
Property tax and licence fees	-420	-363	-1 246	-1 045	-1 345
Other operating expenses	-976	-825	-2 428	-2 353	-3 469
Operating expenses	-3 128	-2 630	-8 227	-7 498	-12 674
Operating profit/loss	1 243	-90	8 554	4 724	5 679
Share of profit/loss from associates and joint ventures	-59	281	400	1 069	871
Financial income	75	57	179	843	996
Financial expenses	-357	-295	-972	-984	-1 301
Net currency effects	-1 924	1 942	-6 878	4 460	4 468
Other financial items	-298	-285	-1 156	-250	-1 822
Net financial items	-2 504	1 419	-8 827	4 068	2 341
Profit/loss before tax	-1 320	1 610	127	9 862	8 890
Tax expense	-361	-972	-2 273	-3 351	-4 220
Net profit/loss	-1 681	638	-2 147	6 511	4 671
Of which non-controlling interest	58	47	269	369	230
Of which majority interest	-1 738	591	-2 415	6 142	4 440
OTHER COMPREHENSIVE INCOME					
Changes in fair value of financial instruments	-198	798	-599	962	337
Estimate deviation pensions	-63	-	186	-15	1 045
Items recorded in other comprehensive income in associates and joint arrangements	-	-80	145	-241	320
Currency translation effects	2 119	-1 802	7 918	-3 807	-4 536
Other comprehensive income	1 858	-1 084	7 650	-3 101	-2 833
Comprehensive income	177	-446	5 503	3 410	1 838
Of which non-controlling interest	4	-279	658	-48	-156
Of which majority interest	172	-167	4 845	3 458	1 994

NOK million	30.09.2013	30.09.2012	31.12.2012	31.12.2011
STATEMENT OF FINANCIAL POSITION				
ASSETS				
Intangible assets	3 812	3 468	3 242	3 136
Property, plant and equipment	98 491	89 483	88 665	85 195
Investments in associates and joint ventures	15 545	16 225	15 924	15 080
Other non-current financial assets	2 791	13 329	10 714	12 163
Derivatives	4 994	5 524	5 397	4 687
Non-current assets	125 634	128 028	123 942	120 261
Inventories	1 310	1 165	1 588	977
Receivables	8 617	7 201	9 604	9 272
Short-term financial investments	453	450	457	455
Derivatives	4 457	4 549	4 996	5 356
Cash and cash equivalents (included restricted cash)	9 316	3 583	5 440	8 605
Current assets	24 153	16 948	22 084	24 664
Assets	149 787	144 976	146 026	144 925
EQUITY AND LIABILITIES				
Paid-in capital	49 104	45 569	45 569	45 569
Retained earnings	10 779	11 357	9 934	12 840
Non-controlling interest	7 487	7 116	6 934	7 241
Equity	67 370	64 043	62 437	65 651
Provisions	20 481	21 929	20 035	21 350
Long-term interest-bearing liabilities	35 993	29 268	33 517	31 820
Derivatives	4 918	6 239	6 038	4 673
Long-term liabilities	61 391	57 436	59 591	57 842
Short-term interest-bearing liabilities	2 183	7 410	7 108	5 467
Taxes payable	3 494	3 530	3 246	3 411
Other interest-free liabilities	11 239	8 377	9 341	6 960
Derivatives	4 110	4 180	4 303	5 596
Current liabilities	21 026	23 497	23 999	21 433
Equity and liabilities	149 787	144 976	146 026	144 925

NOK million	Paid-in capital	Other equity	Accumulated translation differences	Retained earnings	Total majority	Non-controlling interests	Total equity
STATEMENT OF CHANGES IN EQUITY							
Balance as of 01.01.2012	45 569	20 795	-7 955	12 840	58 409	7 241	65 651
Net profit/loss	-	6 142	-	6 142	6 142	369	6 511
Items in other comprehensive income that recycles over profit/loss							
Changes in fair value of financial instruments	-	1 002	-	1 002	1 002	-40	962
Estimate deviation pensions	-	-9	-	-9	-9	-6	-15
Items recorded in other comprehensive income in associates and joint arrangements	-	-241	-	-241	-241	-	-241
Currency translation effects	-	-	-3 436	-3 436	-3 436	-371	-3 807
Total comprehensive income for the period	-	6 894	-3 436	3 458	3 458	-48	3 410
Dividend and Group contribution paid	-	-4 900	-	-4 900	-4 900	-259	-5 159
Business combinations/divestments	-	-	-	-	-	129	129
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	-137	-137
Capital increase	-	-	-	-	-	149	149
Balance as of 30.09.2012	45 569	22 789	-11 391	11 398	56 967	7 076	64 043
Balance as of 01.01.2012	45 569	20 795	-7 955	12 840	58 409	7 241	65 651
Net profit/loss	-	4 441	-	4 441	4 441	230	4 671
Items in other comprehensive income that recycles over profit/loss							
Changes in fair value of financial instruments	-	372	-	372	372	-35	337
Estimate deviation pensions	-	1 224	-	1 224	1 224	229	1 453
Income tax related to estimate deviation pensions	-	-343	-	-343	-343	-64	-407
Items recorded in other comprehensive income in associates and joint arrangements	-	320	-	320	320	-	320
Currency translation effects	-	-	-4 020	-4 020	-4 020	-516	-4 536
Total comprehensive income for the period	-	6 014	-4 020	1 994	1 994	-156	1 839
Dividend and Group contribution paid	-	-4 900	-	-4 900	-4 900	-308	-5 208
Business combinations	-	-	-	-	-	126	126
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	-137	-137
Capital increase	-	-	-	-	-	167	167
Balance as of 31.12.2012	45 569	21 909	-11 975	9 933	55 503	6 934	62 437
Net profit/loss	-	-2 415	-	-2 415	-2 415	269	-2 147
Items in other comprehensive income that recycles over profit/loss							
Changes in fair value of financial instruments	-	-681	-	-681	-681	83	-599
Estimate deviation pensions	-	186	-	186	186	-	186
Items recorded in other comprehensive income in associates and joint arrangements	-	145	-	145	145	-	145
Currency translation effects	-	-	7 612	7 612	7 612	306	7 918
Total comprehensive income for the period	-	-2 766	7 612	4 845	4 845	658	5 503
Dividend and Group contribution paid	-	-4 000	-	-4 000	-4 000	-119	-4 119
Business combinations/divestments	2 911	-	-	-	2 911	-	2 911
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	-94	-94
Capital increase	624	-	-	-	624	108	732
Balance as of 30.09.2013	49 104	15 143	-4 363	10 779	59 884	7 487	67 370

NOK million	Third Quarter		The year
	2013	2012	2012
STATEMENT OF CASH FLOW			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	127	9 862	8 890
Profit/loss on sale of non current assets	-92	-7	-28
Depreciation, amortisation and impairments	2 265	1 876	4 814
Profit/loss from the sale of business	117	-	-
Profit/loss from the sale of shares, and associates and joint ventures	-153	-	-81
Share of profit/loss from associates and joint ventures	-400	-1 069	-871
Unrealised changes in value	6 191	-2 650	-1 452
Taxes	-2 471	-2 903	-4 426
Cash flow from operating activities	5 585	5 108	6 846
Changes in long term items	-459	-131	-225
Changes in short term items	919	3 107	1 710
Dividend from associates	817	1 414	1 958
Net cash flow operating activities	A	6 862	10 290
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in property, plant and equipment, maintenance	-797	-668	-1 065
Investments in property, plant and equipment, new capacity*	-5 722	-6 328	-8 396
Proceeds from sale of non-current assets	9 578	42	126
Business divestments, net liquidity inflow to the Group	327	-	-
Business combinations, net liquidity outflow from the Group**	69	90	-54
Loans to third parties	-439	-449	-670
Repayment of loans	62	11	8
Proceeds from sale of other companies	-	-	-
Considerations regarding investments in other companies	-23	-2 418	-2 433
Net cash flow from investing activities	B	3 057	-12 484
CASH FLOW FROM FINANCING ACTIVITIES			
New debt	389	2 477	7 919
Repayment of debt	-3 840	-3 097	-4 573
Dividend and group contribution paid	-3 015	-4 244	-4 293
Share issue in subsidiary to non-controlling interests	108	149	167
Net cash flow from financing activities	C	-6 358	-780
Net change in cash and cash equivalents	A+B+C	3 561	-2 974
Currency exchange rate effects on cash and cash equivalents	315	-85	-191
Cash and cash equivalents 01.01	5 440	8 605	8 605
Cash and cash equivalents 30.09/31.12	9 316	3 583	5 440
Unused committed credit lines	12 000	12 000	12 000
Unused overdraft facilities	2 214	2 200	2 205
Restricted Cash	-261	-758	-232

*Investments in new capacity are MNOK 4131 lower than investments in new capacity in the segment reporting due to acquisition of assets of NOK 4021 million from Statkraft SF and NOK 292 millioner from investments not yet paid as of third quarter 2013.

** Included in cash and cash equivalents are NOK 73 million related to joint operations as of third quarter 2013.

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group Items
SEGMENTS									
3rd Quarter 2013									
Operating revenue external, underlying	9 975	2 408	4 964	374	9	77	1 251	70	821
Operating revenue internal, underlying	-	553	-2	-0	165	-	5	152	-871
Gross operating revenues, underlying	9 975	2 961	4 962	373	174	77	1 256	222	-50
Net operating revenues, underlying	4 371	2 717	145	225	167	49	633	220	214
Operating profit/loss, underlying	1 243	1 624	-328	-14	-102	-49	150	-166	128
Unrealised value change energy derivatives	-	337	-46	20	-	-	-22	16	-306
Non-recurring items	-	-	-97	-	-190	86	-	-	201
Operating profit/loss	1 243	1 962	-471	6	-292	37	128	-150	22
Share of profit/loss from associates and joint ventures	-59	-	1	56	9	-	-125	-	-
Profit and loss, before financial items and tax	1 184	1 962	-470	62	-283	37	3	-150	22
Year to date 2013									
Operating revenue external, underlying	33 630	7 471	15 226	1 257	19	459	5 363	125	3 711
Operating revenue internal, underlying	-	2 755	-19	-0	615	1	44	389	-3 785
Gross operating revenues, underlying	33 630	10 225	15 207	1 257	634	460	5 408	513	-75
Net operating revenues, underlying	16 782	9 458	1 060	760	609	265	2 350	510	1 770
Operating profit/loss, underlying	8 554	6 199	-157	97	-34	-26	870	-403	2 009
Unrealised value change energy derivatives	-	1 599	151	175	-	-	7	-28	-1 903
Non-recurring items	-	164	-97	162	-190	86	-	-	-125
Operating profit/loss	8 554	7 962	-104	433	-224	60	877	-431	-19
Share of profit/loss from associates and joint ventures	400	-	3	73	-1	-	324	-	-
Profit/loss, before financial items and tax	8 954	7 962	-100	506	-225	60	1 201	-431	-19
Balance sheet 30.09.2013									
Investment in associates and joint ventures	15 545	-	-	6 354	-8	-	9 195	-1	4
Other assets	134 242	54 818	5 403	12 894	11 549	3 088	14 691	59 731	-27 931
Total assets	149 787	54 818	5 403	19 248	11 541	3 088	23 886	59 730	-27 927
Depreciations, amortisation and impairments	-2 265	-911	-244	-136	-470	-104	-343	-57	-
Maintenance investments	797	385	55	25	13	-	320	-	-
Investments in new generating capacity	9 853	4 977	285	1 854	1 864	291	315	267	-
Investments in other companies	24	-	-	23	1	-	-	-	-
3rd Quarter 2012									
Operating revenue external, underlying	6 119	1 815	3 130	359	79	84	923	14	-286
Operating revenue internal, underlying	-	462	-112	4	117	-	2	102	-575
Gross operating revenues, underlying	6 119	2 278	3 018	363	197	84	925	116	-861
Net operating revenues, underlying	2 540	2 106	392	241	129	58	476	115	-978
Operating profit/loss, underlying	-90	1 022	3	-9	-52	-33	8	-329	-699
Unrealised value change energy derivatives	-	-614	-28	-90	-	-	4	29	700
Non-recurring items	-	-	-	-	-	-	-	-0	-
Operating profit/loss	-90	408	-25	-98	-52	-33	11	-301	1
Share of profit/loss from associates and joint ventures	281	-	3	201	-14	-	89	2	-
Profit/loss before financial items and tax	190	408	-22	103	-66	-33	100	-299	1
Year to date 2012									
Operating revenue external, underlying	25 687	7 429	11 695	1 130	-5	405	4 484	99	450
Operating revenue internal, underlying	-	2 142	-247	13	322	-	21	317	-2 569
Gross operating revenues, underlying	25 687	9 572	11 448	1 143	317	406	4 505	417	-2 119
Net operating revenues, underlying	12 223	8 914	1 349	765	301	250	2 045	414	-1 814
Operating profit/loss, underlying	4 724	5 776	251	90	-145	-16	645	-622	-1 255
Unrealised value change energy derivatives	-	-1 644	546	-189	-	-	-10	8	1 290
Non-recurring items	-	-	-	-	-	-	-	60	-60
Operating profit/loss	4 724	4 132	797	-99	-145	-16	634	-554	-25
Share of profit/loss from associates and joint ventures	1 069	-	12	530	-19	-1	545	2	-
Profit before financial items and tax	5 794	4 132	809	431	-164	-17	1 179	-552	-25
Balance sheet 30.09.2012									
Investment in associates and joint ventures	16 225	-	47	7 443	75	-	8 656	-	3
Other assets	128 751	48 870	6 589	10 097	8 686	2 847	14 284	61 923	-24 544
Total assets	144 976	48 870	6 636	17 540	8 761	2 847	22 940	61 923	-24 541
Depreciations, amortisation and impairments	-1 876	-844	-311	-173	-89	-94	-319	-45	-
Maintenance investments	668	286	66	30	2	3	281	-	-
Investments in new generating capacity	6 119	687	699	1 307	2 718	278	295	135	-
Investments in other companies	2 422	-	-	2 406	12	4	-	-	-

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group items
SEGMENTS									
The Year 2012									
Operating revenue external, underlying	37 550	10 143	16 857	1 566	17	625	6 691	117	1 533
Operating revenue internal, underlying	-	3 221	-32	1	508	1	33	452	-4 184
Gross operating revenues, underlying	37 550	13 365	16 825	1 567	526	626	6 724	568	-2 651
Net operating revenues, underlying	18 352	12 479	2 016	1 054	511	384	3 010	565	-1 667
Operating profit/loss, underlying	5 679	8 274	397	98	-141	-2	1 061	-856	-3 152
Unrealised value change energy derivatives	-	-1 663	738	-113	-	-	1	7	1 030
Non-recurring items	-	-	-1 986	-78	-	-	-216	175	2 105
Operating profit/loss	5 679	6 610	-850	-93	-141	-2	846	-674	-17
Share of profit/loss from associates and joint ventures	871	-	-31	146	-25	-1	781	-	-
Profit/loss before financial items and tax	6 549	6 610	-881	53	-166	-3	1 627	-674	-17
Balance sheet 31.12.2012									
Investment in associates and joint ventures	15 924	-	-	6 368	82	-	9 463	-	12
Other assets	130 102	48 837	4 808	10 442	9 433	2 874	14 254	58 947	-19 495
Total assets	146 026	48 837	4 808	16 810	9 515	2 874	23 717	58 947	-19 483
Depreciations, amortisation and impairments	-4 814	-1 136	-2 397	-301	-116	-145	-650	-69	-
Maintenance investments	1 065	460	127	90	7	-	381	-	-
Investments in new generating capacity	8 073	1 048	1 014	1 687	3 188	369	538	229	-
Investments in other companies	2 583	-	-	2 433	144	6	-	-	-

Selected notes to the Interim Financial Statements

1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The consolidated interim financial statements for the third quarter of 2013, the three months ending 30 September 2013, have been prepared in accordance with International Financial Reporting Standards (IFRSs) and include Statkraft AS, its subsidiaries and associated companies. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As the information provided in the interim financial statements is less comprehensive than that contained in the annual financial statements, these statements should therefore be read in conjunction with the consolidated annual financial statements for 2012. The interim accounts have not been audited. Applied accounting principles in the quarterly report are the same as those applied in the annual accounts, with the exception of the implementation of IFRS 10, 11, 12 and 13.

The Group has chosen to implement the following standards early, with associated changes in other standards as of the 2013 fiscal year.

- **IFRS 10 Consolidated financial statements** The standard relates to definition of subsidiaries and places greater emphasis on actual control than earlier rules did. Investments in subsidiaries and associated companies have been evaluated in accordance with IFRS 10. The implementation of the standard has not resulted in any changes for Statkraft.
- **IFRS 11 Joint arrangements** The standard regulates accounting of activities where Statkraft has joint control with other investors. Joint operations shall, in accordance with the new standard, be incorporated in accordance with a method corresponding to the gross method. The agreement between the participants, describing individual rights and obligations in the joint operations, will determine how to account for an asset in jointly controlled operations. For Statkraft, this entails that several shareholdings previously presented in accordance with the equity method will now be presented in accordance with the gross method in accordance with IFRS 11. All entities that meet the definition of joint arrangements will be accounted for using the equity method. The effect of the implementation of IFRS 11 is shown in Note 9.
- **IFRS 12 Disclosure of interests in other entities** The standard sets requirements related to note information concerning investments in subsidiaries, associated companies and jointly controlled entities. The purpose is to provide information about characteristics and risks in relation to the Group's investments in such companies, and which effects this has on the Group's balance sheet, results and cash flows. The standard introduces several new information requirements, particularly for the annual accounts.
- **IFRS 13 Fair Value Measurement** The standard defines principles and guidelines for measuring the fair value of assets and liabilities which other standards require or permit to be measured at fair value. The effect of the implementation of IFRS 13 is limited.

Changed practice for presentation of power sales revenues and energy purchases from 1 January 2013

Gross presentation is the basis for presentation of revenues in the consolidated financial statements. In 2013, Statkraft has reviewed the existing practice as regards classification of certain energy contracts in the income statement. This has resulted in some contracts that were previously recorded net under sales revenues now being classified gross as either sales revenues or energy purchases. In this connection, reference is made to Note 9, which shows the overall effect of changed practice and implementation of IFRS 11.

2. PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The presentation of the interim report has been prepared in accordance with the requirements in IAS 34. The schedules comply with the requirements in IAS 1. Comparable figures following the implementation of the changed accounting principles have been converted, and the effect presented in Note 9.

3. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies to the preparation of the interim financial statements, the management has exercised its judgment and employed estimates and assumptions that affect the figures included in the income statement and balance sheet.

The most important assumptions regarding future events and other significant sources of uncertainty in the estimates that can have a significant risk of material changes to the amounts recognised in future accounting periods, are discussed in the annual financial statements for 2012.

In preparing the consolidated financial statements for the third quarter, the Group's management has exercised its judgment in relation to the same areas, where such judgment has had material significance for the figures included in the Group's income statement and balance sheet, as discussed in the annual financial statements for 2012.

4. SEGMENT REPORTING

The Group reports operating segments in accordance with how the corporate management makes, follows up and evaluates its decisions. The operating segments have been identified on the basis of internal management information that is periodically reviewed by the management and is used as a basis for resource allocation and key performance review.

5. UNREALISED EFFECTS PRESENTED IN THE INCOME STATEMENT

The table below shows the lines in the financial statements where the unrealised effects appear.

NOK million	Third Quarter 2013			Year to date 2013		
	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L						
Sales revenues						
Long term contracts	405	1 656	2 061	847	5 206	6 053
Nordic and Continental Dynamic Asset	-210	101	-109	-150	210	60
Trading and origination	-123	120	-3	-291	751	459
End User	-2	709	707	-2	3 283	3 282
Other sales revenues	-	6 885	6 885	-	22 698	22 698
Eliminations	16	2	18	-28	-11	-40
Total sales revenues	86	9 474	9 560	375	32 138	32 513
Energy purchase	97	-5 475	-5 377	1 237	-17 368	-16 131
Net currency effects	-1 732	-193	-1 924	-6 765	-114	-6 878
Other financial items						
Net gains and losses on derivatives and securities	-297	-	-297	-1 038	3	-1 035
Impairment and gain/loss of financial assets	-	-	-	-	-120	-120
Total unrealised effects	-1 846			-6 191		

NOK million	Third Quarter 2012			Year to date 2012			The Year 2012		
	Unrealised	Realised	Total	Unrealised	Realised	Total	Unrealised	Realised	Total
UNREALISED EFFECTS REPORTED IN P&L									
Sales revenues									
Long term contracts	230	656	885	-1 471	4 586	3 115	-1 613	6 179	4 566
Nordic and Continental Dynamic Asset	31	36	67	-2	462	460	71	525	596
Trading and origination	259	-123	136	252	209	461	460	266	726
End User	-	504	504	-	2 682	2 682	-	4 024	4 024
Other sales revenues	-	4 349	4 349	-	18 324	18 324	-	26 534	26 534
Eliminations	29	-10	18	8	-	8	7	-6	1
Total sales revenues	548	5 411	5 959	-1 213	26 263	25 050	-1 076	37 523	36 447
Energy purchase	-140	-3 212	-3 351	175	-12 876	-12 701	506	-18 678	-18 172
Net currency effects	2 014	-72	1 942	3 935	525	4 460	3 815	653	4 468
Other financial items									
Net gains and losses on derivatives and securities	-286	1	-285	-157	-	-157	347	2	349
Impairment and gain/loss of financial assets	-	-	-	-90	-3	-93	-2 140	-30	-2 171
Total unrealised effects	2 137			2 650			1 452		

6. OTHER FINANCIAL ASSETS

Other financial fixed assets in the balance sheet included the shareholding in E.ON SE. Statkraft has divested its entire shareholding of 83.4 million shares during the first six months of 2013. The sale has resulted in a loss of NOK 120 million in 2013. The sale has freed up NOK 8515 million.

7. CURRENCY EFFECTS ON INTERNAL LOANS

Net currency effects on internal loans as of the third quarter amounted to NOK -4147 million, of which NOK -3955 million was unrealised. The negative effect is mainly due to a weaker NOK against EUR. Statkraft Treasury Centre (STC) provides loans to the Group's companies, mainly in the companies' local currency. STC prepares its accounts in EUR and reports currency effects of lending in the income statement. STC's financial reporting is converted to NOK in the consolidation and currency effects for the net investment in STC are reported in other comprehensive income. This equalises currency gains and losses added to the equity through the income statement.

8. HEDGE ACCOUNTING

Statkraft has used hedge accounting in 2013 that has reduced volatility in the income statement. A major share of the debt in EUR has been hedged against market interest rate changes.

Statkraft has established hedging for accounting purposes of the net investment in STC in EUR. The effect of this so far this year is NOK 1054 million in losses being recognised in other comprehensive income, and not the income statement.

9. CHANGED ACCOUNTING PRINCIPLES

Statkraft has changed accounting principles from the equity method to the gross method in accordance with IFRS 11 Joint Arrangements. The effect of the implementation of IFRS 11, as well as the transition to gross presentation for some contracts, is shown in the tables below:

NOK million	Third quarter 2012	Year to date 2012	The year 2012
COMPREHENSIVE INCOME			
PROFIT AND LOSS			
Increase in gross operating revenues*	778	3 795	5 219
Increase in net operating revenues	207	450	693
Increase (-)/ decrease (+) in operating expenses	-63	-61	-380
Changes in operating profit/loss	922	389	314
Decrease in share of profit/loss from associates and joint ventures	-101	-283	-153
Changes in net financial items	-19	-50	-76
Changes in profit/loss before tax	24	56	84
Increase in tax expense	-24	-56	-84
Changes in net profit/loss	-	-	-
OTHER COMPREHENSIVE INCOME			
Changes in other comprehensive income	-	-	-
Changes in comprehensive income	-	-	-

* Increase in gross operating revenues, include increase from changes to gross presentation of different contracts of NOK 3652 million for third quarter 2012 and NOK 5236 million for the year 2012. The opposite effect is presentet in energy purchase, leaving a net effect of zero of net operating revenue.

NOK million	30.09.2012	31.12.2012	31.12.2011
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Increase in intangible assets	28	28	29
Increase in property, plant and equipment	5 802	5 608	3 954
Decrease om investments in associates and joint ventures	-1 363	-2 050	-1 029
Increase in other non current assets	550	616	372
Increase in cash and cash equivalents (included restricted cash)	485	394	322
Increase in other current assets	-4 393	-3 562	-2 601
Increase in assets	1 108	1 034	1 046
EQUITY AND LIABILITIES			
Changes in equity	-	-	-
Changes in long-term liabilities	482	490	490
Changes in current liabilities	627	544	559
Changes in equity and liabilities	1 108	1 034	1 047

NOK million	Third quarter 2012	The year 2012
STATEMENT OF CASH FLOW		
CASH FLOW FROM OPERATING ACTIVITIES		
Changes in Net cash flow operating activities	179	342
Changes in net cash flow from investing activities	-6	-254
Changes in Net cash flow from financing activities	-10	-16

10. BUSINESS COMBINATIONS AND TAKE-OVER OF ASSETS

On 31 August, Statkraft acquired the remaining 50% shareholding in the biomass power plant Biomasseheizkraftwerk Landesbergen GmbH and the 70% shareholding in Biomasseheizkraftwerk Emden GmbH, and now wholly owns both companies. The seller of both shareholdings was E.ON. In 2009, Statkraft entered into an agreement with E.ON on delivering operation and maintenance (O&M) services to these biomass power plants. The O&M agreement was terminated in connection with the stepwise acquisition. The agreement existed prior to the stepwise acquisition and has not met the recognition criteria for the balance sheet in previous periods, hence an amount of NOK 97 million has been expensed in the third quarter. The net assets in the power plants have been valued at zero.

On 7 May, Statkraft acquired the remaining 50% of the shares in Devoll Hydropower Sh.A., and now owns 100%. Cost for 100% of the shares in the step acquisition was NOK 162 million. Devoll's net assets amount to NOK 324 million. The preliminary acquisition analysis shows a bargain purchase with a gain of NOK 162 million immediately recognised in the financial statements.

On 1 April, Statkraft SF transferred net assets worth NOK 3535 million to the Group, of which NOK 624 million was reported as capital contribution and NOK 2911 million as other paid-in equity.



Interim Report
Q3/2013
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