

## **Key figures**

	For	urth quart	The year			
NOK million	2014	2013	Change	2014	2013	Change
From income statement 1)						
Gross operating revenues, underlying	13 754	14 907	-1 152	48 348	47 458	890
Net operating revenues, underlying	5 734	6 079	-345	20 602	20 545	57
EBITDA, underlying	3 486	3 843	-357	12 132	12 444	-312
Operating profit, underlying	2 722	3 063	-341	9 111	9 589	-478
Operating profit, booked	5 717	4 448	1 269	13 560	13 002	557
Share of profit from associated companies and joint ventures	448	701	-253	661	1 101	-440
Net financial items	-9 162	-2 765	-6 396	-6 283	-11 592	5 309
Profit before tax	-2 996	2 384	-5 380	7 937	2 511	5 427
Net profit	-3 097	2 354	-5 <b>4</b> 51	3 892	208	3 685
EBITDA margin, underlying (%) 2)	25.3	25.8		25.1	26.2	
ROACE, underlying (%) 3)				11.0	12.5	
Items excluded from the underlying operating profit						
Unrealised changes in value on energy contracts	2 712	1 385	1 327	2 396	3 288	-893
Significant non-recurring items	283	-	283	2 053	125	1 928
Palaras abast and investments						
Balance sheet and investments Total assets 31.12.				167 817	153 687	14 130
Maintenance investments and other investments	531	518	13	2 368	1 980	389
Investments in new capacity	2 214	2 114	100	7 525	11 303	-3 777
Investments in shareholdings	178	38	140	1 287	62	1 225
Capital employed 31.12. 4)	170	30	140	82 244	82 985	-742
				02 244	02 303	772
Cash Flow						
Net cash flow from operating activities	-845	1 244	-2 089	6 898	8 106	-1 208
Cash and cash equivalents 31.12.				12 663	7 685	4 978
Currency rates						
NOK/EUR average rate	8.59	8.24	0.35	8.35	7.81	0.55
NOK/EUR closing rate 31.12.	3.33	J 1	0.00	9.04	8.36	0.68

The investment figures for 2013 include the transfer of power plants worth about NOK 4 billion from Statkraft SF to Statkraft AS in the second quarter. The transfer had

### **Definitions**

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<sup>1</sup> Underlying items have been adjusted for unrealised changes in value for energy contracts and significant non-recurring items, up to and including the operating profit.
2 EBITDA margin, underlying (%): (Operating result before impairment and amortisation x 100)/Gross operating revenues.
3 ROACE, underlying (%): (Underlying operating profit x 100)/Average capital employed (rolling 12 months)
4 Capital employed: Tangible fixed assets + Intangible assets + Non-interest-bearing receivables + Inventories - Payable tax - Other short-term and long-term interest-free debt + Group contribution allocated, not paid.





## A STRENGTHENED STATKRAFT

In a quarter characterised by lower power prices, Statkraft is presenting a solid operating result. The quarterly result is impacted by negative currency effects, but this is fully offset by positive translation effects in equity.

The Group's equity was substantially strengthened through the operating result and capital increase from the owner.

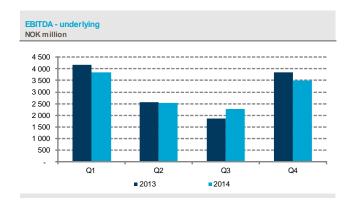
Statkraft presented a good operating result despite lower Nordic power prices and lower power production than in the fourth quarter in 2013. The Group's market activities, long-term contracts and a weaker NOK largely offset the reduced income caused by the decline in production and power prices. The result from underlying operations (EBITDA) ended at NOK 3.5 billion, 9 per cent lower than in the same quarter in 2013.

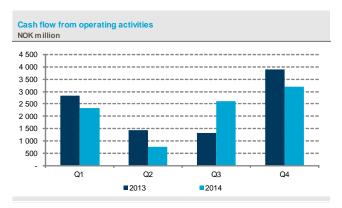
The fourth quarter of 2014 had an average Nordic power price of 30.7 EUR/MWh, which was 14 per cent lower than in the same quarter of last year. The Group's power production was 15.4 TWh, a 6 per cent decline.

Large currency effects in the financial items as a result of a weaker NOK against the EUR had a negative impact on the quarterly profit. The net profit was NOK -3.1 billion, a decline of NOK 5.5 billion compared with the fourth quarter of 2013. The currency effects are fully offset by translation effects in equity, and total increase in equity in the quarter was NOK 11.5 billion, including NOK 5 billion in new equity from the owner.

Several major hydropower projects are ongoing in Norway, Southeast Europe and South America. Statkraft is also continuing its efforts in wind power. The Ögonfägnaden wind farm and a substantial part of the Björkhöjden wind farm in Sweden were completed. A downsale from 50 to 40 per cent was carried out in the Sheringham Shoal offshore wind farm outside the UK to help finance new projects. Statkraft will still be the operator of the wind farm.

The owner's strengthening of the equity was unanimously approved by the Norwegian Parliament. The government further reduces the overall dividend for the 2015 to 2017 accounting period by a total of NOK 5 billion. Strengthened financing contribute to realise Statkraft's strategy for continued growth within renewable energy in Norway and internationally.





## Corporate responsibility and HSE

	Fourth	The year		
	2014	2013	2014	2013
Corporate reponsibility and HSE				
Fatalities 1)	1	0	4	1
TRI rate Statkraft 1) 2)	5.4	6.4	5.4	6.5
Serious environmental incidents	0	0	0	0
Full-time equivalents, Group			3 348	3 493
Absence due to illness, Group (%)	2.9	2.9	2.8	3.0

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

A fatal accident occurred at Statkraft's associated company Agua Imara's hydropower project Bajo Frio in Panama on 20 November. The accident occurred in connection with a crane lift. One subcontractor employee died and another was seriously injured. A serious incident was also registered on 16 October, when an installer in Skagerak Energi came into contact energised parts and sustained serious burn injuries. Both incidents were investigated and improvement measures are being followed up.

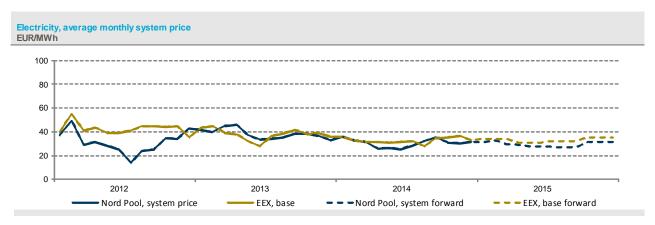
- → The Group's TRI injury frequency was 5.4 in the fourth quarter, which represents an improvement compared with the same period in 2013.
- There were no serious environmental incidents in the fourth quarter.
- → Absence due to illness was at a stable low level of 2.9% in the quarter.

There was a focus on investigation of all incidents with a major potential for serious injury in 2014, to prevent reoccurrence and facilitate learning across the organisation.

## **Market and production**

Power prices, power optimisation and production form the fundamental basis for Statkraft's revenues. The majority of Statkraft's output is generated in the Nordic region. Power prices are influenced by hydrological factors and commodity prices for thermal power production. Gas is only 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 30.7 EUR/MWh in the quarter, a decline of 14% compared with the same period in 2013. The decline was primarily driven by higher-than-normal temperatures as well as higher-than-normal reservoir water levels compared with the fourth quarter of 2013, in combination with a declining coal price which also impacts the system price. Forward prices in the Nordic region fell through the quarter, partly due to higher reservoir inflow than normal, as well as declining coal prices.

The average spot price in the German market was 34.9 EUR/MWh in the quarter, a decline of 7% compared to the same period in 2013. Dropping commodity prices and somewhat increased capacity within renewable energy contributed to the decline. Forward prices in Germany fell somewhat during the quarter.

<sup>&</sup>lt;sup>2)</sup> TRI rate: Number of injuries per million hours worked

Average spot price (base), EEX

Average spot price (peak), EEX

Average gas price, EGT

-5.0

-7.7

-6.2

 Fourth quarter
 The year

 EUR/MWh
 2014
 2013
 Change
 2014
 2013
 Change

 Prices

 Average system price, Nord Pool
 30.7
 35.9
 -5.2
 29.6
 38.1
 -8.5

34.9

46.2

22.3

37.5

50.8

27.1

-2.7

-4.6

-4.8

32.8

41.1

21.1

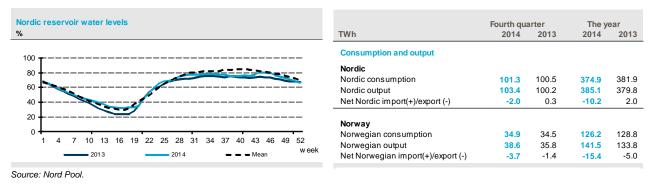
37.8

48.8

27.3

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

#### CONSUMPTION AND RESOURCE ACCESS IN THE NORDIC REGION



The inflow was higher than normal in the period. The total reservoir water level in the Nordic region was 80.2 TWh at the end of December, corresponding to 96% of the normal level. The reservoirs were filled to 66.0% of capacity (67.6% in 2013), compared with a maximum reservoir capacity of 121.4 TWh at the end of the year.

In the fourth quarter, a net 2.0 TWh was exported from the Nordic region, compared with net imports of 0.3 TWh in the corresponding period in 2013.

#### 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.

	Fourth qua	arter	The ye	ear		Fourth qua	The year		
TWh	2014	2013	2014	2013	TWh	2014	2013	2014	2013
Production, technology					Production, geography				
Hydropower	14.6	15.3	53.4	53.2	Norway	12.9	13.0	46.4	45.1
Wind power	0.6	0.5	1.7	1.4	Nordic ex. Norway	1.4	1.8	5.6	5.4
Gas power	0.2	0.4	0.5	1.1	Europe ex. Nordic	0.5	8.0	1.8	2.3
Bio power	0.1	0.1	0.3	0.2	Rest of the world	0.6	8.0	2.2	3.0
Total production	15.4	16.3	56.0	55.9	Total production	15.4	16.3	56.0	55.9

The Group produced a total of 15.4 TWh in the fourth quarter, a decline of 6% compared with the same period in 2013. The Group also produced 0.3 TWh of district heating in the quarter, which was at the same level as in 2013.

## **Financial performance**

NOK million	Fou 2014	2014	The year 2014 2013			
NOK IIIIIIOII	2014	2013	Change	2014	2013	Change
Key figures						
Net operating revenues, underlying	5 734	6 079	-345	20 602	20 545	57
EBITDA, underlying	3 486	3 843	-357	12 132	12 444	-312
Profit before tax	-2 996	2 384	-5 380	7 937	2 511	5 427
Net profit	-3 097	2 354	-5 <b>4</b> 51	3 892	208	3 685

#### **THE YEAR 2014**

Good results from market activities, particularly associated with realisation of considerable positions in the Nordic dynamic asset management portfolio and increased contributions from market activities in Brazil, offset lower Nordic power prices.

Operating expenses were somewhat higher than in 2013. The increase was in part related to new wind power plants, the transfer of hydropower plants from Statkraft SF to Statkraft AS in the second quarter 2013 and increased project activity.

The share of profit from associated companies and joint ventures was NOK 661 million in 2014 (NOK 1101 million). The decline was mainly caused by an impairment in Brazil and good results from SN Power's activities in the Philippines in 2013. The decline was somewhat offset by the deconsolidation of the wind farms in the UK, reversal of previous years' impairments for the Sheringham Shoal offshore wind farm as well as gains from the sale of two subsidiaries in Istad.

Substantial positive unrealised changes in value in energy contracts and non-recurring items, as well as negative currency effects under the financial items impacted the Group's net profit. However, the effect of this was less negative than in 2013, and contributed to an improvement in the Group's net profit of NOK 3685 million compared with 2013.

#### **FOURTH QUARTER**

The quarterly report shows the development in the fourth quarter of 2014 compared with the fourth quarter of 2013, unless otherwise stated. Figures in parentheses show the comparable figures for the corresponding period in 2013.

## **GROSS OPERATING PROFIT (EBITDA) – UNDERLYING**

The underlying EBITDA was NOK 357 million lower than in the same quarter in 2013, primarily as a result of a lower Nordic hydropower production and power price as well as deconsolidation of wind farms in the UK. The decline was somewhat offset by improved profit from market activities.

## **OPERATING REVENUES - UNDERLYING**

	Fo	urth quart	er		The year			
NOK million	2014	2013	Change	2014	2013	Change		
Net operating revenues, underlying								
Net physical spot sales, incl. green certificates	9 135	10 667	-1 532	31 133	31 750	-617		
Concessionary sales at statutory prices	108	101	7	349	341	8		
Long-term contracts	2 015	1 743	272	8 294	6 785	1 509		
Nordic and Continental Dynamic Asset Management Portfolio	77	37	41	971	247	724		
Trading and origination (excl. market access Germany and UK - renewable)	263	222	41	818	681	137		
Distribution grid	288	307	-19	966	1 184	-218		
End user	1 256	1 348	-92	3 988	4 631	-643		
District heating, energy sales	205	194	11	643	684	-41		
Other sales revenues	20	3	17	-11	10	-21		
Currency hedging energy contracts	-8	-12	4	-46	-23	-23		
Sales revenues	13 358	14 608	-1 250	47 107	46 291	816		
Other operating revenues	397	298	98	1 241	1 168	74		
Gross operating revenues	13 754	14 907	-1 152	48 348	47 458	890		
Energy purchase	-7 709	-8 554	844	-26 561	-25 922	-640		
Transmission costs	-311	-274	-36	-1 185	-991	-193		
Net operating revenues	5 734	6 079	-345	20 602	20 545	57		

- → Lower Nordic power prices as well as lower production contributed to reduced net physical spot sales.
- → Revenues from long-term contracts were higher than in the corresponding quarter in 2013 as a result of higher volumes on contracts in Brazil. This increase in volume also contributes to an increase in energy purchases.
- Increased transmission costs were in part caused by a 50% increase in the fixed tariff component of Norwegian transmission tariffs.

#### **OPERATING EXPENSES - UNDERLYING**

	Fou	rth quart	er		The year			
NOK million	2014	2013	Change	2014	2013	Change		
Operating expenses, underlying								
Salaries and payroll costs	-853	-848	-5	-3 332	-3 136	-196		
Depreciation	-763	-780	16	-3 021	-2 855	-166		
Property tax and licence fees	-404	-394	-10	-1 645	-1 640	-5		
Other operating expenses	-991	-994	2	-3 494	-3 325	-169		
Operating expenses	-3 012	-3 016	4	-11 492	-10 956	-536		

→ The operating expenses were on par with the fourth 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 profit. The unrealised changes in value are partly due to the Group's energy contracts being indexed against various commodities, currencies and other indexes.

	Fourth quarter			The year			
NOK million	2014	2013	Change	2014	2013		
Items excluded from the underlying operating profit							
Unrealised changes in value of energy contracts	2 712	1 385	1 327	2 396	3 288	-893	
Significant non-recurring items	283	-	283	2 053	125	1 928	
Lawsuit Saurdal concessionary power	-	-	-	56	-	56	
Revenue recognition related to termination of energy contract	-	-	-	-	164	-164	
Bargain purchase in step acquisition of Devoll	-	-	-	-	162	-162	
Pension - scheme change	-	-	-	280	-	280	
Gain from sale of assets	283	-	283	2 767	86	2 681	
Costs related to purchase in step aquistion of biomass companies	-	-	-	-	-97	97	
Impairment of property, plant and equipment and intangible assets	-	-	-	-1 050	-190	-860	

- Positive development in long-term power sales agreements denominated in Euro. The gas contracts also experienced positive development as a result of reduction in commodity indexes, as well as realisation in the fourth quarter.
- Gains from the downsale in offshore wind power in the UK amounted to NOK 283 million.

#### 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.

	Fou	The year				
NOK million	2014	2013	Change	2014	2013	Change
Share of profit from associated companies and joint ventures						
International Hydropower	25	385	-360	-240	458	-698
Windpower	350	-	350	363	-1	364
Industrial Ownership	70	316	-247	535	640	-106
Others	3	-	3	3	3	-0
Associated companies	448	701	-253	661	1 101	-440

- The decline in International hydropower was mainly caused by lower income from the Philippines due to an unusually high spot price in the fourth quarter of 2013 as well as restructuring of SN Power in the second quarter of 2014.
- → The increase in profit in the Wind power segment was caused by reversal of the Sheringham Shoal impairment in 2012, which is reported as joint ventures from 1 December.
- → Unrealised changes in value on energy contracts in Agder Energi result in a decline in the result from Industrial ownership. The corresponding effect was positive in the fourth quarter of 2013. Operations in BKK are on par with 2013, but the result was influenced by positive unrealised effects in the fourth quarter of 2013.

#### **FINANCIAL ITEMS**

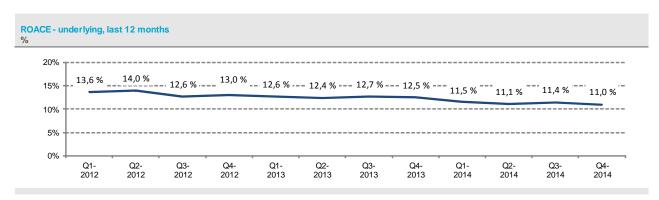
	Fourth quarter					The year			
NOK million	2014	2013	Change	2014	2013	Change			
Financial items									
Interest income	85	55	30	267	218	49			
Other financial income	52	4	48	592	20	572			
Gross financial income	136	58	78	859	237	622			
Interest expenses	-292	-357	65	-1 226	-1 272	46			
Other financial expenses	-29	-22	-7	-83	-78	-4			
Gross financial expenses	-321	-379	57	-1 309	-1 351	42			
Currency gains and losses	-7 852	-2524	-5 327	-4 791	-9 403	4 612			
Other financial items	-1 125	79	-1 205	-1 043	-1 076	34			
Net financial items	-9 162	-2 765	-6 396	-6 283	-11 592	5 309			

- → Financial income increased by NOK 78 million as a result of both increased lending to associated companies and a change of an obligation.
- → Financial expenses fell by NOK 57 million, and are mainly due to increased capitalisation of borrowing costs.
- Net currency effects in the fourth quarter amounted to NOK -7852 million, mainly as a result of a weaker NOK against EUR. These were mainly unrealised and are offset by positive translation effects in the equity.
- → Other financial items decreased by NOK 1205 million, which includes losses on interest rate derivatives and liabilities in connection with equity instruments.

#### **TAXES**

The recorded tax expense was NOK 100 million in the fourth quarter (NOK 30 million). The tax expense is on the same level mainly as a result of the reduced tax from the lower result being offset by a higher calculated deferred resource rent tax. In addition, Statkraft was repaid in the fourth quarter of 2013 for previous years' withholding tax associated with dividends from the E.ON holding.

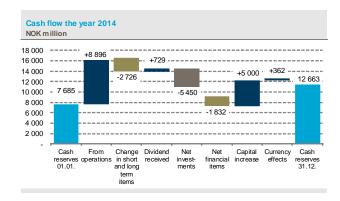
#### **RETURN**

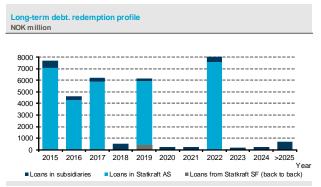


Measured as ROACE<sup>1</sup>, return amounted to 1.5 percentage points lower than for 2013. The decline was due both to a lower operating profit, as well as higher average capital employed. The latter primarily as a result of an increase in average fixed assets.

<sup>&</sup>lt;sup>1</sup> ROACE (%): (Operating profit adjusted for unrealised changes in the value of energy contracts and significant non-recurring items x 100) / average capital employed.

#### **CASH FLOW AND CAPITAL STRUCTURE**





### Cash flow the year 2014

- → The Group's operations generated a cash flow of NOK 8896 million (NOK 9499 million).
- → The changes in short and long-term items had a negative effect of NOK 2726 million (NOK -2444 million). The change was mainly related to cash collateral.
- → NOK 729 million (NOK 1051 million) was received in dividend primarily from BKK and Agder Energi.
- → Net investments² amounted to NOK -5450 million (NOK +547 million). These were mainly investments in tangible fixed assets totalling NOK -8801 million, as well as net liquidity outflow from the Group totalling NOK 770 million linked to the restructuring of SN Power. Investments in shareholders totalling NOK -765 million were mainly related to capital increase in SN Power for purchase of Statkraft SF's 20% shareholding in Theun Hinboun Hydropower Company in Laos. Sale of business gave the Group NOK 4688 million.
- → Net cash flow from financing activities was NOK +3168 million (NOK -6807 million), of which new equity added by the owner amounted to NOK 5 billion. New debt amounted to NOK 1917 million (NOK 865 million), primarily associated with short-term loans from Statkraft SF as well as project financing in Peru. Repayment of debt amounted to NOK 3900 million (NOK 4714 million).

#### **Financial structure**

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

- → Net interest-bearing debt³ totalled NOK 23 638 million, compared with NOK 32 240 million at the beginning of the year. The decline was related both to repayment of debt and increased bank deposits.
- → The net interest-bearing debt-equity ratio was 21.2%, compared with 31.2% at year-end 2013.
- → Current assets, except cash and cash equivalents, amounted to NOK 21 780 million.
- → Short-term interest-free debt was NOK 20 662 million.
- → Statkraft's equity totalled NOK 88 059 million, compared with NOK 71 107 million at the start of the year. This corresponds to 52.5% of total assets. The increase in equity was associated with a positive total profit of NOK 10 284 million and capital contribution from Statkraft SF of NOK 7350 million.

### **INVESTMENTS AND PROJECTS**

Total investments in the quarter amounted to NOK 2923 million.

#### **Quarterly investments**

Maintenance investments and other investments totalled NOK 531 million, and were primarily related to

Hydropower in the Nordic region

Investments in increased capacity totalled NOK 2214 million, and were primarily related to

- → Hydropower in the Nordic region
- → Hydropower in Turkey, Albania and Peru
- → Wind power in Sweden and the UK
- District heating in Norway
- Transmission grids in Norway
- Small-scale hydropower in Norway

Investments in shareholdings amounted to NOK 178 million and were related to

- Wind power in Norway
- Increased shareholding in Desenvix in Brazil

<sup>&</sup>lt;sup>2</sup> 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.

acquisition of activities and repayment and disputsement of loans.

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

### Projects in consolidated operations

Fourth quarter	Project	Project Country		Statkraft's ownership share		lanned pletion
Completed projects in the period						
Wind Power	Ögonfägnaden	Norway	99			
	Björkhöjden, fase 1	Norway	144			
District Heating	Sandefjord	Norway	23			
Main projects under construction						
Hydro Power	Nedre Røssåga, fase 1	Norway	-	100 %	2017	Q4
	Nedre Røssåga, fase 2	Norway	100	100 %	2016	Q4
	Kargi	Turkey	102	100 %	2015	Q2
	Cetin	Turkey	517	100 %	2019	Q1
	Devoll	Albania	243	100 %	2018	Q4
	Cheves	Peru	168	67 %	2015	Q2
Wind Power	Dudgeon	UK	402	30 %	2017	Q4
	Björkhöjden, fase 2	Sweden	126	60 %	2015	Q4
District Heating	0 Moss	Norway	21	100 %	2016	Q4

<sup>1)</sup> Total for project, incl. partners' share.

## **Segments**

The segment structure follows the internal management information that is systematically reviewed by the corporate management and used for resource allocation and assessment of 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.

Fourth 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	13 754	3 780	7 431	248	275	194	2 019	165	-356
Net operating revenues, underlying	5 734	3 415	814	217	259	133	913	162	-179
EBITDA, underlying	3 486	2 419	423	117	151	67	487	-162	-17
Operating profit, underlying	2 722	2 046	387	77	43	32	345	-193	-17
Operating profit, booked	5 717	4 045	1 212	77	326	32	289	-251	-14
Share of profit from associated companies and JV	448	-	-	25	350	3	70	-	-
EBITDA-margin (%), underlying	25.3	64.0	5.7	47.3	55.0	34.6	24.1	N/A	N/A
Maintenance investments	531	317	45	29	-20	2	137	20	-
Investments in new capacity	2 214	137	4	981	918	58	75	41	-
Investments in shareholdings	178	-	0	147	31	-	-	-	-
Production									
Production, volume sold (TWh)	15.4	12.2	0.3	0.6	0.6	-	1.6	0.1	-
- whereof hydropower (TWh)	14.6	12.2	0.1	0.6	-	-	1.6	0.1	-
- whereof wind power (TWh)	0.6	-	-	-	0.6	-	-	-	-
- whereof gas power (TWh)	0.2	-	0.2	-	-	-	-	-	-
- whereof bio power (TWh)	0.1	-	0.1	-	-	-	-	-	-
Production, district heating (TWh)	0.3	-	-	-	-	0.3	-	-	-

#### **NORDIC HYDROPOWER**

	Fourth	quarter	The y	/ear	
NOK million	2014	2013	2014	2013	
Net operating revenues, underlying	3 415	3 780	12 347	13 238	
EBITDA, underlying	2 419	2 933	8 802	10 043	
Operating profit, underlying	2 046	2 598	7 478	8 796	
Unrealised value changes					
energy contracts	1 999	679	1 545	2 279	
Siginificant non-recurring items	-	-	1 478	164	
Operating profit, booked	4 045	3 277	10 500	11 239	
Share of profit from associated					
companies and joint ventures	-	-	-	-	
Maintenance investments and					
other investments	317	349	1 673	1 399	
Investments in new capacity	137	164	439	4 476	
Investments in shareholdings	-	-	-	-	
Production, volume sold (TWh)	12.2	13.1	44.9	44.1	

#### Quarterly highlights

→ Statkraft was granted a permit to construct the Ringedalen hydropower plant in Odda in December 2012. Planned construction start-date is March 2015. The power plant will have an installed capacity of 23 MW with annual production of approximately 60 GWh.

#### **Quarterly financial performance**

Underlying EBITDA was lower than in the fourth quarter of 2013, mainly due to lower Nordic power prices as well as less production.

#### Financial performance 2014

→ The decline in underlying EBITDA was a result of lower Nordic power prices than in 2013.

#### **Quarterly investments**

Investments in increased capacity were mainly related to the Nedre Røssåga power plant.

#### **CONTINENTAL ENERGY AND TRADING**

NOK million	Fourth (	quarter 2013	The y-	ear 2013
Net operating revenues, underlying	814	720	2 973	1 807
EBITDA, underlying	423	322	1 554	410
Operating profit, underlying	387	236	1 234	80
Unrealised value changes				
energy contracts	825	699	925	1 022
Siginificant non-recurring items	_	-	16	-97
Operating profit, booked	1 212	935	2 174	1 004
Share of profit from associated				
companies and joint ventures	-	-	-	3
Maintenance investments and				
other investments	45	31	85	86
Investments in new capacity	4	31	17	316
Investments in shareholdings		-		-
Production, volume sold (TWh)	0.3	0.5	1.1	1.5

The comparative figures for 2013 have been reworked with reclassification of trading and origination activities from the International hydropower segment following the restructuring of SN Power.

#### **Quarterly highlights**

- → Most of the contracts within activities where Statkraft offers minor renewable energy producers market access have been renegotiated for 2015. The volume of 18 TWh is on par with 2014.
- The gas-fired power plant at Kårstø was put in cold reserve. Agreements are in place to reduce staffing.
- The Herdecke gas-fired power plant in Germany is now operated as a backup power plant for the local grid owner. Herdecke receives compensation for operating costs.

#### **Quarterly financial performance**

Underlying EBITDA was higher than in the fourth quarter of 2013, mainly as a result of better results from trading and origination, as well as the activities in Brazil which include both long-term sale and purchase contracts.

#### Financial performance 2014

Increase in underlying EBITDA was partly caused by good results from the Nordic dynamic asset management portfolio as well as improved results from the activities in Brazil.

#### **Quarterly investments**

Maintenance investments were mainly related to hydropower plants.

#### INTERNATIONAL HYDROPOWER

NOK million         Fourth quarter 2014         2013           Net operating revenues, underlying EBITDA, underlying         217 241         241           EBITDA underlying         117 38         38	The y 2014 888	2013
Net operating revenues, underlying 217 241 EBITDA, underlying 117 38	888	
EBITDA, underlying 117 38		074
		974
	290	270
Operating profit, underlying 77 -10	148	85
Unrealised value changes		
energy contracts3	-	-
Siginificant non-recurring items	-937	162
Operating profit, booked 77 -13	-789	247
Share of profit from associated		
companies and joint ventures 25 385	-240	458
Maintenance investments and		
other investments 29 17	65	42
Investments in new capacity 981 818	3 073	2 672
Investments in shareholdings 147 28	1 126	50
Production, volume sold (TWh) 0.6 0.8	2.2	3.1

The comparative figures for 2013 have been reworked with reclassification of trading and origination activities from the Continental energy and trading segment following the restructuring of SN Power.

#### **Quarterly highlights**

Restructuring of the Cetin hydropower project in Turkey was approved by Statkraft's board on 5 November 2014. Agreements with new contractors were signed on 24 November.

#### Quarterly financial performance

- → The increase in underlying EBITDA compared with the fourth quarter of 2013 was related to lower holding costs as a result of the restructuring of SN Power and re-invoicing of project costs, enlarged by currency effects.
- → The decline in share of profit in associated companies and joint ventures was mainly caused by lower contributions from the Philippines as a result of lower revenues and a reduced shareholding compared with the same period in 2013. The result from Chile was also somewhat lower due to the recognition of an insurance settlement as income in the fourth quarter 2013.

## Financial performance 2014

- → Underlying EBITDA for 2014 is on par with 2013. Somewhat increased EBITDA as a result of deconsolidation of SN Power and sale of a transformer station in Peru, enlarged by currency effects. The positive effects are partly offset by the sale of the wind farm in Chile in July 2013 and allocations made pending resolution of a dispute.
- → The decline in share of profit in associated companies and joint ventures is primarily related to the impairment in Brazil in the second quarter and lower contributions from the Philippines as a result of hydrology and the authorities' price regulation for the fourth quarter of 2013. The decline was somewhat offset by the recognition of an insurance settlement in Chile as income.

#### **Quarterly investments**

- Investments in new capacity were related to the hydropower developments in Turkey, Albania and Peru.
- Investments in shareholdings are related to capital contributions in SN Power, as well as increased shares in Brazil.

#### **WIND POWER**

			_	
	Fourth (		The y	
NOK million	2014	2013	2014	2013
Net operating revenues, underlying	259	417	1 064	1 026
EBITDA, underlying	151	261	476	507
Operating profit, underlying	43	137	-14	103
Unrealised value changes				
energy contracts	-	-	-	-
Siginificant non-recurring items	283	-	1 358	-190
Operating profit, booked	326	137	1 344	-87
Share of profit from associated				
companies and joint ventures	350	-	363	-1
Maintenance investments and				
other investments	-20	-2	1	11
Investments in new capacity	918	668	3 197	2 531
Investments in shareholdings	31	-	159	1
Production, volume sold (TWh)	0.6	0.5	1.7	1.4

### **Quarterly highlights**

- → Statkraft and Statoil both sold a block of shares of 10% in Scira Offshore Energy Ltd. to UK Green Investment Bank. Following the downsale, Statkraft's shareholding in Scira, which owns the Sheringham Shoal offshore wind farm off the UK coast, is 40%. Statkraft will still be the operator of the wind farm. The downsale entails that the wind farm will go from being an investment in joint operations to being an investment in joint ventures. Accounting gains amounted to NOK 283 million.
- The onshore Ögonfägnaden wind farm (99 MW) and a substantial part (144 MW) of the onshore Björkhöjden wind farm in Sweden were completed.

#### **Quarterly financial performance**

- The decline in underlying EBITDA was primarily caused by the deconsolidation of the wind farms in the UK, somewhat offset by new production capacity in Sweden.
- → The shares of profit from associated companies and jointly operated ventures increased as a result of Statkraft's shareholding in the three British wind farms presented in this item. The shares of profit include reversal of previous years' impairments for Sheringham Shoal totalling NOK 341 million.

#### Financial performance 2014

- The decline in underlying EBITDA was mainly caused by the deconsolidation of the UK wind farms. New wind power plants in Sweden somewhat offset the decline.
- → The increase in shares of profit from associated companies and joint ventures is related to the deconsolidation of UK wind farms, in particular reversal of previous years' impairments.

#### **Quarterly investments**

- → The investments were mainly related to the onshore wind farms that are under construction, as well as the Dudgeon offshore wind farm outside the LIK
- Investments in shares are related to Fosen.

#### **DISTRICT HEATING**

	Fourth o	guarter	The ye	ear
NOK million	2014	2013	2014	2013
Net operating revenues, underlying	133	127	398	392
EBITDA, underlying	67	55	151	133
Operating profit, underlying	32	22	9	-4
Unrealised value changes				
energy contracts	-	-	-	-
Siginificant non-recurring items		-	13	86
Operating profit, booked	32	22	22	82
Share of profit from associated				
companies and joint ventures	3	-	3	-
Maintenance investments and				
other investments	2	2	7	2
Investments in new capacity	58	126	309	417
Investments in shareholdings	-	-	-	-
Production, volume sold (TWh)	0.3	0.3	0.9	1.1

#### **Quarterly highlights**

The new district heating plant in Sandefjord started operations.

#### Quarterly financial performance

→ The improvement in EBITDA compared with the fourth quarter of 2013 was primarily related to good availability and utilisation of base load, higher volume and lower operating costs.

#### Financial performance 2014

→ Despite lower production, EBITDA for 2014 shows an improvement compared with 2013. This is due to good utilisation of base load, increased prices as well as lower operating costs.

#### **Quarterly investments**

→ The investments were primarily related to construction of a district heating plant in Moss, as well as development of the district heating grid in existing activities.

## INDUSTRIAL OWNERSHIP<sup>1)</sup>

	Fourth qua	arter	The y	ear
NOK million	2014	2013	2014	2013
Net operating revenues, underlying	913	824	3 007	3 174
EBITDA, underlying	487	370	1 418	1 583
Operating profit, underlying	345	239	920	1 109
Unrealised value changes				
energy contracts	-56	14	-52	21
Siginificant non-recurring items	-	-	80	-
Operating profit, booked	289	253	948	1 130
Share of profit from associated				
companies and joint ventures	70	316	535	640
Maintenance investments and				
other investments	137	120	470	440
Investments in new capacity	75	182	354	497
Investments in shareholdings	-	-	2	-
Production, volume sold (TWh)	1.6	1.3	5.7	5.4

<sup>&</sup>lt;sup>1)</sup> Industrial ownership includes the shareholdings in Skagerak Energi, Fjordkraft, BKK, Agder Energi and Istad. The two first companies are included in the consolidated financial statements, while the other three companies are reported as associated companies

#### **Quarterly highlights**

- Agder Energi has made an investment decision for Advanced Measurement and Management Systems (AMS) in its licence area. The investment framework is about NOK 1 billion and includes grid improvement measures. Expected completion is by 2019.
- Istad has signed two agreements concerning sale of the Hustad Group and Istad Tekniske Møre og Romsdal for NOK 18.5 million.

### **Quarterly financial performance**

- → The increase in EBITDA compared with the same period in 2013 was mainly caused by higher income from spot sales, increased contributions from end-user activities as well as somewhat lower operating costs. The increase was somewhat offset by lower grid revenue as a result of reduced volume and tariffs.
- → The decline in share of profit from associated companies was mainly due to negative unrealised value changes on currency contracts.

#### Financial performance 2014

- → The decline in underlying EBITDA in total for the year was mainly associated with lower revenues from grid activities as well as lower revenues from spot sales as a result of the drop in power prices.
- The decline year to date in share of profit from associated companies was related to unrealised changes in value.

#### **Quarterly investments**

→ The largest investments were related to new investments in grid activities.

## OTHER ACTIVITIES<sup>1)</sup>

	Fourth (	quarter	The ye	ear
NOK million	2014	2013	2014	2013
Net operating revenues, underlying	162	154	651	665
EBITDA, underlying	-162	-140	-557	-486
Operating profit, underlying	-193	-161	-663	-564
Unrealised value changes				
energy contracts	-58	-15	-27	-43
Siginificant non-recurring items	-	-	46	-
Operating profit, booked	-251	-176	-644	-607
Share of profit from associated				
companies and joint ventures	-	-	-	-
Maintenance investments and				
otherinvestments	20	-	67	-
Investments in new capacity	41	125	137	393
Investments in shareholdings	-	11	-	11
Production, volume sold (TWh)	0.1	0.1	0.3	0.3

 $<sup>^{\</sup>prime\prime}$  The Other activities segment includes small-scale hydropower, innovation and group functions.

### **Quarterly highlights**

→ A small-scale power plant was opened.

### **Quarterly financial performance**

Reduced EBITDA in the fourth quarter is correlated with a generally higher activity level in Group functions.

## Financial performance 2014

→ The decline in underlying EBITDA was caused by somewhat higher wage-related expenses as a result of increased staffing, as well as general wage growth.

### **Quarterly investments**

Maintenance and other investments were primarily associated with administration buildings and IT, while investments in increased capacity were mainly related to investments in small-scale hydropower.

## **Outlook**

Statkraft's large reservoir capacity with seasonal and multi-year reservoirs provides the Group with substantial flexibility to manage water resources efficiently. A significant share of the Group's power production is sold through long-term power contracts, which helps stabilise the Group's revenues. Substantial additional production capacity is under construction, and will raise revenues when completed.

In an international perspective, there is a growing demand for renewable energy. The Group is making major investments to renovate the older hydropower plants in Norway and Sweden and has investments in several new projects within hydropower, wind power and district heating.

Hydropower is a profitable and climate-friendly energy source in many emerging markets. Statkraft is implementing an operational integration of the enterprises in South America and South Asia. The Group is planning further international growth based on core expertise within project development, operations, maintenance and market operations. New projects are being planned within wind power in Norway and in other countries with attractive conditions. Strengthening Statkraft's equity enables the Group to develop its position as an internationally leading supplier of pure energy.

Oslo, 4 February 2015
The Board of Directors of Statkraft AS

# **Statkraft AS Group Interim Financial Statements**

	Fourth qua	arter	The year	ar	
NOK million	2014	2013	•		
COMPREHENSIVE INCOME					
PROFIT AND LOSS					
Sales revenues	17 278	15 636	48 246	48 148	
Other operating revenues	679	298	4 008	1 415	
Gross operating revenues	17 957	15 934	52 254	49 564	
Energy purchase	-8 917	-8 196	-25 264	-24 327	
Transmission costs	-311	-274	-1 185	-991	
Net operating revenues	8 729	7 464	25 805	24 246	
Salaries and payroll costs	-853	-848	-3 051	-3 136	
Depreciation, amortisation and impairments	-763	-780	-4 071	-3 045	
Property tax and licence fees	-404	-394	-1 630	-1 640	
Other operating expenses	-991	-994	-3 493	-3 422	
Operating expenses	-3 012	-3 016	-12 246	-11 243	
Operating profit/loss	5 717	4 448	13 560	13 002	
Share of profit/loss from associates and joint ventures	448	701	661	1 101	
Financial income	136	58	859	237	
Financial expenses	-321	-379	-1 309	-1 351	
Net currency effects	-7 852	-2 524	-4 791	-9 403	
Other financial items	-1 125	79	-1 043	-1 076	
Net financial items	-9 162	-2 765	-6 283	-11 592	
Profit/loss before tax	-2 996	2 384	7 937	2 511	
Tax expense	-100	-30	-4 045	-2 303	
Net profit/loss	-3 097	2 354	3 892	208	
<u> </u>					
Of which non-controlling interest	247	213	684	482	
Of which majority interest	-3 343	2 141	3 209	-274	
OTHER COMPREHENSIVE INCOME					
Items in other comprehensive income that recycle over profit/loss:					
Changes in fair value of financial instruments	-1 044	-311	-907	-1 167	
Income tax related to changes in fair value of financial instruments	317	82	276	339	
Items recorded in other comprehensive income in associates and joint arrangements	125	18	-123	163	
Currency translation effects	10 081	2 022	7 734	9 940	
Reclassification currency transalton effects related to foreign operations disposed of					
in the year	-50	-	-69	-	
Items in other comprehensive income that will not recycle over profit/loss:					
Estimate deviation pensions	263	-450	-704	-174	
Income tax related to changes in fair value of financial instruments	-124	139	184	49	
Other comprehensive income	9 568	1 504	6 392	9 154	
	2 000	1 557	0 002	3 104	
Comprehensive income	6 471	3 858	10 284	9 361	
Of which non-controlling interest	715	223	1 322	881	
		223 3 635	1 322 8 962	8 480	
Of which majority interest	5 755	3 033	8 962	8 480	

NOK million	31.12.2014	31.12.2013
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Intangible assets	3 439	3 510
Property, plant and equipment	99 199	101 269
Investments in associates and joint ventures	19 027	16 002
Other non-current financial assets	6 093	2 540
Derivatives	5 616	5 295
Non-current assets	133 374	128 615
Inventories	2 088	1 796
Receivables	12 433	9 568
Short-term financial investments	443	464
Derivatives	6 816	5 559
Cash and cash equivalents (included restricted cash)	12 663	7 685
Current assets	34 444	25 072
Assets	167 817	153 687
EQUITY AND LIABILITIES		
Paid-in capital	56 361	49 011
Retained earnings	23 876	14 328
Non-controlling interest	7 823	7 769
Equity	88 059	71 107
Provisions	18 796	19 416
Long-term interest-bearing liabilities	27 438	33 364
Derivatives	3 556	5 713
Long-term liabilities	49 790	58 494
Short-term interest-bearing liabilities	9 306	7 013
Taxes payable	3 546	3 503
Other interest-free liabilities	9 808	9 181
Derivatives	7 308	4 389
Current liabilities	29 968	24 086
Equity and liabilities	167 817	153 687

NOK million	Paid-in capital	Other equity	Accumulated translation differences	Retained	Total majority	Non-controlling interests	Total equity
NOR IIIIIIOII	ш.	0	4 # D	E 0	<u> </u>	2.=	
STATEMENT OF CHANGES IN EQUITY							
Balance as of 01.01.2013	45 569	21 822	-11 975	9 847	55 416	6 934	62 350
Net profit/loss	-	-274	-	-274	-274	482	208
Items in other comprehensive income that recycles over							
profit/loss		4.070		4.070	4.070	400	4.407
Changes in fair value of financial instruments	-	-1 270	-	-1 270	-1 270	103	-1 167
Income tax related to changes in fair value of financial instruments	-	355	-	355	355	-16	339
Items recorded in other comprehensive income in associates							
and joint arrangements	-	112	-	112	112	51	163
Currency translation effects	-	-	9 648	9 648	9 648	292	9 940
Items in other comprehensive income that not recycles over							
profit/loss:							
Estimate deviation pensions	-	-129	-	-129	-129	-45	-174
Income tax related to estimate deviation pensions	-	1 169	0.649	37	37	12	49
Total comprehensive income for the period	•	-1 168	9 648	8 480	8 480	881	9 361
Dividend and Group contribution paid	_	-4 000	_	-4 000	-4 000	-198	-4 198
Business combinations	2 817	-	_	-	2 817	-	2 817
Transactions with non-controlling interests		-	_	_		111	111
Liability of the option to increase shareholding in subsidiary	-	-	-	_	_	-94	-94
Capital increase	624	-	-	-	624	135	760
Balance as of 31.12.2013	49 011	16 654	-2 327	14 328	63 338	7 769	71 107
Net profit/loss	-	3 209	-	3 209	3 209	684	3 892
Items in other comprehensive income that recycles over							
profit/loss		007					
Changes in fair value of financial instruments	-	-907	-	-907	-907	-	-907
Income tax related to changes in fair value of instruments	-	276	-	276	276	•	276
Items recorded in other comprehensive income in associates and joint arrangements	-	-128	-	-128	-128	5	-123
Reclassification currency transalton effects related to foreign							
operations disposed of in the year			-86	-86	-86	18	-69
Currency translation effects	_	-	7 066	7 066	7 066	668	7 734
Items in other comprehensive income that not recycles over							
profit/loss:							
Estimate deviation pensions	-	-629	-	-629	-629	-75	-704
Income tax related to estimate deviation pensions	-	160	-	160	160	23	184
Total comprehensive income for the period	-	1 981	6 980	8 962	8 962	1 322	10 284
Dividend and Group contribution paid	_	-	_	_		-72	-72
Business combinations/divestments	_	585	-	585	585	-1 424	-839
Transactions with non-controlling interests	-	-	-	-		-	-
Liability of the option to increase shareholding in subsidiary	-	-	-	-	-	-	-
Capital increase*	7 350	-	-	-	7 350	227	7 577
Balance as of 31.12.2014	56 361	19 220	4 654	23 876	80 235	7 823	88 059

<sup>\*</sup> The capital increase of NOK 7 350 million consist of two incidents. In June a conversion of loan to share capital of NOK 2 350 from owner took place, and a capital increase of NOK 5 000 from owner was done in December.

Note million   STATEMENT OF CASH RLOW   STATEMENT OF CASH RLOW   RCMO DEPARTING ACTIVITIES			The year	
CASH FLOW FROM OPERATING ACTIVITIES           Profit before tax         7937         2511           Profit before tax         400         -809           Depreciation, amorisation and impairments         4071         3045           Profitifloss from the sale of business         -2599         1212           Profitifloss from the sale of shares, and associates and joint ventures         -661         -153           Profit from restructuring of SNP power         -564         -1           Share of profitifloss from associates and joint ventures         4612         7795           Traditions from the sale of business         -3533         -2629           Share of profitifloss from associates and joint ventures         4 112         7795           Towns         -4         412         7795           Taxes         -3 593         -2629           Cash flow from operating activities         -3 593         -2629           Changes in short term lens         -2 574         1911           Unidend from associates         -7 29         1 051           Net cash flow operating activities         A 897         8 106           CASH FLOW FROM INVESTINS ACTIVITIES         -8 801         -8 801         -9 24           Investments in property, plant and equipment*	NOK million		2014	2013
CASH FLOW FROM OPERATING ACTIVITIES           Profit before tax         7937         2511           Profit before tax         400         -809           Depreciation, amorisation and impairments         4071         3045           Profitifloss from the sale of business         -2599         1212           Profitifloss from the sale of shares, and associates and joint ventures         -661         -153           Profit from restructuring of SNP power         -564         -1           Share of profitifloss from associates and joint ventures         4612         7795           Traditions from the sale of business         -3533         -2629           Share of profitifloss from associates and joint ventures         4 112         7795           Towns         -4         412         7795           Taxes         -3 593         -2629           Cash flow from operating activities         -3 593         -2629           Changes in short term lens         -2 574         1911           Unidend from associates         -7 29         1 051           Net cash flow operating activities         A 897         8 106           CASH FLOW FROM INVESTINS ACTIVITIES         -8 801         -8 801         -9 24           Investments in property, plant and equipment*				
Profit before tax         7 937         2 511           Profit/oss on sale of non current assets         -90         8-89           Depreciation, amordisation and impairments         4 071         3 045           Profit/oss from the sale of business         -69         -153           Profit/oss from the sale of business         -66         -1 10           Profit/oss from the sale of business         -664         -1 10           Profit/oss from the sale of business         -664         -1 10           Profit/oss from the sale of business         -664         -1 10           Understanding of the sale of business         -664         -1 10           Understanding of the sale of shades and sasociates and joint ventures         -664         -1 10           Understanding of sing sale shades         -864         -1 10           Understanding of sing sale shades         -880         -849           Changes in long term litems         -2 674         -1 91           Changes in long term litems         -2 674         -1 91           Changes in long term litems         -2 674         -1 91           Changes in long term litems         -2 674         -1 91           Changes in long term litems         -8 801         -8 801           Ret cash flow operating activities </td <td>STATEMENT OF CASH FLOW</td> <td></td> <td></td> <td></td>	STATEMENT OF CASH FLOW			
Profitos on sale of non current assets         4071         3.045           Depreciation, amordisation and impairments         4 071         3.045           Profitos from the sale of business         2559         121           Profitos from the sale of business         -69         -153           Profit from restructuring of SN Power         -564         -7           Share of profit/loss from associates and joint ventures         -661         -1 101           Unrealised changes in value         461         -7 101           Unrealised changes in value         4 52         -533           Taxes         3 593         -2 629           Cash flow from operating activities         3 8 96         9 499           Changes in short term litems         -2 674         -1 911           Unidend from associates         729         1 501           Net cash flow operating activities         A 6 897         8 101           CASH FLOW FROM INVESTING ACTIVITES         **         **           Investments in property, plant and equipment         -8 801         -9 42           Proceeds from sale of non-current assets         -17         9 670           Business combinations, net liquidity for the Group**         -7         -           Restructuring of SN Power, net liquidity merica	CASH FLOW FROM OPERATING ACTIVITIES			
Depreciation, amortisation and impairments         4 071         3 045           Profitifoss from the sale of business         2559         121           Profitifoss from the sale of shares, and associates and joint ventures         69         153           Profit from restructuring of SN Power         -564         -           Share of profitoss from associates and joint ventures         -661         1 101           Unrealised changes in value         4 412         7 795           Taxes         -393         2 620           Cash flow from operating activities         8 886         9 499           Changes in long term items         -52         533           Changes in short term items         -2 674         -1 91           Dividend from associates         729         1 51           Net cash flow operating activities         A 6897         8 01           Changes in short term items         -2 674         -1 91           Dividend from associates         729         1 51           Net cash flow operating activities         A 6897         8 01           Ret cash flow from patient in property, plant and equipment         8 801         -24           Investments in property, plant and equipment         8 801         -27           Business combinations, net liquidi	Profit before tax		7 937	2 511
Profit/loss from the sale of business         2 559         121           Profit/sor from the sale of shares, and associates and joint ventures         -68         -153           Profit/from restructuring of SN Power         -564         -           Share of profit/loss from associates and joint ventures         -661         -1 101           Unrealised changes in value         4612         -7 795           Taxes         -3 593         -2 629           Cash flow from operating activities         886         9 499           Changes in long term items         -52         -533           Changes in short term items         -52         -533           Changes in short term items         -661         1 91           Invidend from associates         -723         1 051           Net cash flow operating activities         A         6 897         8 105           Net cash flow operating activities         A         6 891         9 -248           Invidend from associates         -17         9 670           Net cash flow operating activities         A         8 801         9 -248           Invisition in property, plant and equipment*         8 801         9 -248           Investments in property, plant and equipment*         8 801         9 -248	Profit/loss on sale of non current assets		-80	-89
Profit from the sale of shares, and associates and joint ventures         -69         -153           Profit from restructuring of SN Power         -661         -1 101           Unrealised changes in value         4 412         7795           Taxes         -363         -2 629           Cash flow from operating activities         8 886         9 499           Changes in long term items         -2 674         -1 911           Dividend from associates         729         1 051           Ret cash flow operating activities         A         6 897         8 806           CASH FLOW ROM INVESTING ACTIVITIES         -2 674         -1 911           Investments in property, plant and equipment'         -8 801         -9 248           Proceeds from sale of one-current assets         -1 7         9 670           Susiness divestments, net liquidity outflow to the Group''         4 888         327           Business divestments, net liquidity outflow from the Group''         -7 4         59           Bestructuring of SN Power, net liquidity outflow from the Group''         -7 4         59           Loans to third parties         9 30         94           Repayment of loans from third parties         9 30         94           Repayment of debt         1 9 7         35      <	Depreciation, amortisation and impairments		4 071	3 045
Profit from restructuring of SN Power         564	Profit/loss from the sale of business		-2 559	121
Share of profit/loss from associates and joint ventures         4.661         1.101           Unrealised changes in value         4.4112         7.795           Taxes         -3.593         -2.626           Cash flow from operating activities         8.896         9.499           Changes in long term items         5.22         -5.33           Changes in short term items         2.674         1.911           Invidend from associates         7.799         1.051           Net cash flow operating activities         A         6.897         3.066           Net cash flow operating activities         A         6.897         3.066           Net cash flow operating activities         A         6.897         3.066           Net cash flow operating activities         A         6.897         3.016           CASH FLOW FROM INVESTING ACTIVITIES         -         -         6.801         9.248           Proceeds from sale of non-current assets         -17         9.670         9.888         3.27           Business divestments, net liquidity outflow from the Group**         -16         4.688         3.27           Business combinations, net liquidity outflow from the Group**         -770         -           Loans to third parties         -17         7.65	Profit/loss from the sale of shares, and associates and joint ventures		-69	-153
Unrealised changes in value         4 412 7795           Taxes         -3 593 - 2 629           Cash flow from operating activities         8 896 9 499           Changes in long term items         -5 2 6-53           Changes in short term items         2 2674 - 1911           Dividend from associates         729 1 051           Net cash flow operating activities         A 6 897 8 106           CASH FLOW FROM INVESTING ACTIVITIES         -8 801 9 29           Investments in property plant and equipment*         -8 801 9 29           Investments in property plant and equipment in property plant and equipment in egroup*         -17 9 670           Business divestments, net liquidity outflow from the Group*         -17 9 670           Business combinations, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power, net liquidity outflow from the Group of SN Power of SN	Profit from restructuring of SN Power		-564	-
Taxes         3 593         -2 629           Cash flow from operating activities         8 895         9 499           Changes in long term items         -52         -533           Changes in short term items         -26 674         -1 911           Dividend from associates         729         1 051           Net cash flow operating activities         A         6 897         8 106           CASH FLOW FROM INVESTING ACTIVITIES         ***         *	Share of profit/loss from associates and joint ventures		-661	-1 101
Cash flow from operating activities         8 896         9 499           Changes in long term litems         -52         -533           Changes in short term items         -2 674         -1 911           Dividend from associates         729         1 051           Net cash flow operating activities         A         6 897         8 106           CASH FLOW FROM INVESTING ACTIVITIES         Investments in property, plant and equipment*         -9 248         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity untilow to the Group**         -4 688         327           Business combinations, net liquidity outflow from the Group**         -74         59           Bestructuring of SN Power, net liquidity outflow from the Group         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -100         -298           Loans to third parties         390         94           Considerations regarding investments in other companies****         390         94           Considerations regarding investments in other companies****         8         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         8         -5 450         5547           New debt         1 917	Unrealised changes in value		4 412	7 795
Changes in long term items         .52         .533           Changes in short term items         .2674         -1 911           Dividend from associates         729         1 051           Net cash flow operating activities         A         6 897         8 106           CASH FLOW FROM INVESTING ACTIVITIES           Investments in property, plant and equipment*         -8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group**         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         -100         -298           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -55           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES           New debt         1 917         865           Repayment of debt         -3 900         -4           Capital increase******         2 90	Taxes		-3 593	-2 629
Changes in short term items         2 674         -1 911           Dividend from associates         729         1 056           Net cash flow operating activities         A         6 897         8 106           CASH FLOW FROM INVESTING ACTIVITIES         Investments in property, plant and equipment*         8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group**         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         330         94           Repayment of loans from third parties         330         94           Considerations regarding investments in other companies****         B         -5450         -547           Net cash flow from investing activities         B         -5450         -547           CASH FLOW FROM FINANCING ACTIVITIES         B         -5450         -547           New debt         1 917         865         -540           Repayment of debt         2 390         -4714         -4 304           Share issue in subsidiary to non-controlling interests	Cash flow from operating activities		8 896	9 499
Dividend from associates         729         1 051           Net cash flow operating activities         A         6 897         8 106           CASH FLOW FROM INVESTING ACTIVITIES           Investments in property, plant and equipment*         -8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group**         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         390         94           Considerations regarding investments in other companies****         390         94           Considerations regarding investments in other companies****         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES           New debt         1 917         865           Repayment of debt         9 390         -4 714           Capital increase******         25         135           New debt         74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activit	Changes in long term items		-52	-533
Net cash flow operating activities         A         6 897         8 106           CASH FLOW FROM INVESTING ACTIVITIES         Investments in property, plant and equipment*         -8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity flow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group**         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -70         -           Loans to third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         B         -5 450         547           New debt         1 917         865           Repayment of debt         1 917         865           Capital increase*****         2 390         -4 714           Capital increase*******         2 225         135           Net cash flow from financing activities         C         3 168         -6 807           Evidence in cash and cash equivalents         A+B+C         4 616	Changes in short term items		-2 674	-1 911
CASH FLOW RROM INVESTING ACTIVITIES           Investments in property, plant and equipment*         -8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity outflow from the Group**         4688         327           Business combinations, net liquidity outflow from the Group**         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770        770           Loans to third parties         -100         -298           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         ***         ***         500         -5           New debt         1 917         865	Dividend from associates		729	1 051
Investments in property, plant and equipment*         -8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidify inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group**         -774         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         390         94           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5450         547           CASH FLOW FROM FINANCING ACTIVITIES         B         -5450         547           Repayment of debt         3 900         -4 714         -4 714           Capital increase******         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Currency exchange rate effects on cash and cash equivalents         A+B+C         4 616<	Net cash flow operating activities	Α	6 897	8 106
Investments in property, plant and equipment*         -8 801         -9 248           Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidify inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group**         -774         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         390         94           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5450         547           CASH FLOW FROM FINANCING ACTIVITIES         B         -5450         547           Repayment of debt         3 900         -4 714         -4 714           Capital increase******         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Currency exchange rate effects on cash and cash equivalents         A+B+C         4 616<				
Proceeds from sale of non-current assets         -17         9 670           Business divestments, net liquidity inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group***         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         -100         -298           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         B         -5 450         547           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         Very cash flow from investing activities         1 917         865           Repayment of debt         -3 900         -4 714         2 900         -4 714           Capital increase********         5 000         -         -           Dividend and group contribution paid         -7 4         -3 094         -4 74         -3 094           Abrae issue in subsidiary to non-controlling interests         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equi				
Business divestments, net liquidity inflow to the Group**         4 688         327           Business combinations, net liquidity outflow from the Group***         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770        770           Loans to third parties         -100         -298           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         B         -5 450         547           New debt         1 917         865           Repayment of debt         -3 900         -4 714           Capital increase*******         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         C         3 168         -6 807           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         7 685         5 440				
Business combinations, net liquidity outflow from the Group***         -74         59           Restructuring of SN Power, net liquidity outflow from the Group         -770         -           Loans to third parties         390         94           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         1917         865           New debt         1 917         865           Repayment of debt         -3 900         -4 714           Capital increase******         5000         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         7 685         5 440           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 000         12 000           Unused committed cre				
Restructuring of SN Power, net liquidity outflow from the Group         -7770         -20ans to third parties         -100         -298           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         865         1 917         865           New debt         1 917         865         865           Repayment of debt         -3 900         -4 714         -4 714           Capital increase**********         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused committed credit lines <td>· · · · · · · · · · · · · · · · · · ·</td> <td></td> <td></td> <td></td>	· · · · · · · · · · · · · · · · · · ·			
Loans to third parties         -100         -298           Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES         865         865         865           New debt         1 917         865 <t< td=""><td></td><td></td><td></td><td>59</td></t<>				59
Repayment of loans from third parties         390         94           Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES           New debt         1 917         865           Repayment of debt         -3 900         -4 714           Capital increase******         5 000         -           Dividend and group contribution paid         74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         3 62         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 000         12 000           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	Restructuring of SN Power, net liquidity outflow from the Group			-
Considerations regarding investments in other companies****         -765         -59           Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES           New debt         1 917         865           Repayment of debt         -3 900         -4 714           Capital increase*******         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         C         3 168         -6 807           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         3 440         4 400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 000         12 000           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	Loans to third parties		-100	-298
Net cash flow from investing activities         B         -5 450         547           CASH FLOW FROM FINANCING ACTIVITIES           New debt         1 917         865           Repayment of debt         -3 900         -4 714           Capital increase*******         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	Repayment of loans from third parties		390	94
CASH FLOW FROM FINANCING ACTIVITIES         New debt       1 917       865         Repayment of debt       -3 900       -4 714         Capital increase*******       5 000       -         Dividend and group contribution paid       -74       -3 094         Share issue in subsidiary to non-controlling interests       225       135         Net cash flow from financing activities       C       3 168       -6 807         Net change in cash and cash equivalents       A+B+C       4 616       1 846         Currency exchange rate effects on cash and cash equivalents       362       400         Cash and cash equivalents 01.01       7 685       5 440         Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200				
New debt       1 917       865         Repayment of debt       -3 900       -4 714         Capital increase***********       5 000       -         Dividend and group contribution paid       -74       -3 094         Share issue in subsidiary to non-controlling interests       225       135         Net cash flow from financing activities       C       3 168       -6 807         Net change in cash and cash equivalents       A+B+C       4 616       1 846         Currency exchange rate effects on cash and cash equivalents       362       400         Cash and cash equivalents 01.01       7 685       5 440         Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200	Net cash flow from investing activities	В	-5 450	547
New debt       1 917       865         Repayment of debt       -3 900       -4 714         Capital increase***********       5 000       -         Dividend and group contribution paid       -74       -3 094         Share issue in subsidiary to non-controlling interests       225       135         Net cash flow from financing activities       C       3 168       -6 807         Net change in cash and cash equivalents       A+B+C       4 616       1 846         Currency exchange rate effects on cash and cash equivalents       362       400         Cash and cash equivalents 01.01       7 685       5 440         Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200	CASH II OW IDOM INANCING ACTIVITIES			
Repayment of debt       -3 900       -4 714         Capital increase*******       5 000       -         Dividend and group contribution paid       -74       -3 094         Share issue in subsidiary to non-controlling interests       225       135         Net cash flow from financing activities       C       3 168       -6 807         Net change in cash and cash equivalents       A+B+C       4 616       1 846         Currency exchange rate effects on cash and cash equivalents       362       400         Cash and cash equivalents 01.01       7 685       5 440         Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200			1 017	865
Capital increase******         5 000         -           Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200				
Dividend and group contribution paid         -74         -3 094           Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	···			
Share issue in subsidiary to non-controlling interests         225         135           Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	•			-3 094
Net cash flow from financing activities         C         3 168         -6 807           Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	• .			
Net change in cash and cash equivalents         A+B+C         4 616         1 846           Currency exchange rate effects on cash and cash equivalents         362         400           Cash and cash equivalents 01.01         7 685         5 440           Cash and cash equivalents 31.12*****         12 663         7 685           Unused committed credit lines         12 000         12 000           Unused overdraft facilities         2 200         2 200	· · · ·			
Currency exchange rate effects on cash and cash equivalents       362       400         Cash and cash equivalents 01.01       7 685       5 440         Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200	Net cash now from financing activities	<u> </u>	3 100	-0 007
Cash and cash equivalents 01.01       7 685       5 440         Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200	Net change in cash and cash equivalents	A+B+C	4 616	1 846
Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200	Currency exchange rate effects on cash and cash equivalents		362	400
Cash and cash equivalents 31.12*****       12 663       7 685         Unused committed credit lines       12 000       12 000         Unused overdraft facilities       2 200       2 200	Cash and cash equivalents 01.01		7 685	5 440
Unused overdraft facilities 2 200 2 200	·			
Unused overdraft facilities 2 200 2 200	Unused committed credit lines		12 000	12 000
	Restricted Cash			-12

<sup>\*</sup> Investments in the cash flow are NOK 1093 million lower than investments in fixed assets in the segment reporting. Of this, NOK 246 million is related to the asset swap with SFE, NOK 332 million due to aquisition of assets from investments not yet paid as of third quarter 2014 and NOK 515 million translation difference from investment date to year end.

<sup>\*\*</sup> Received for business divestments are MNOK 5238, of which MNOK 1437 was settlement of debt. Consolidated cash was MNOK 550.

<sup>\*\*\*</sup> Considerations for business combinations are MNOK 76. Consolidated cash from these companies are MNOK 2

<sup>\*\*\*\*</sup> Investments in the cash flow are MNOK 520 lower than investments in other companies in the segment reporting. This is due to the restructuring of SN Power of NOK 444, where the investment in new SN Power is shown as an investment in joint venture, and 76 million related to business combination as show on a separate line
\*\*\*\*\* Included in cash and cash equivalents are NOK 86 million related to joint operations year to date 2014

<sup>\*\*\*\*\*\*</sup> In June a conversion of loan to share capital of NOK 2350 million from owner took place, and in December a capital increase of NOK 5000 million from owner was received

NOK million	Statkraft AS Group	Nordic Hydropower	Continental Energy & Trading	International Hydropower	Wind Power	District Heating	Industrial Ownership	Other activities	Group Items
SEGMENTS									
4th quarter 2014									
Operating revenue external, underlying	17 957	2 836	7 456	251	73	193	2 008	28	5 112
Operating revenue internal, underlying	-	944	-26	-3	202	1	11	136	-1 266
Gross operating revenues, underlying	17 957	3 780	7 431	248	275	194	2 019	165	3 846
Net operating revenues, underlying	8 729	3 415	814	217	259	133	913	162	2 816
Operating profit/loss, underlying	5 717	2 046	387	77	43	32	345	-193	2 978
Unrealised value change energy derivatives	-	1 999	825	-	-	-	-56	-58	-2 709
Non-recurring items	-	-	-	-	283	-	-	-	-283
Operating profit/loss	5 717	4 045	1 212	77	326	32	289	-251	-14
Share of profit/loss from associates and joint ventures	448	-	-	25	350	3	70	-	-
Profit/loss before financial items and tax	6 165	4 045	1 212	102	676	35	359	-251	-13
The year 2014									
Operating revenue external, underlying	52 254	10 617	26 448	1 004	258	595	6 504	154	6 674
Operating revenue external, underlying	32 234	2 945	-275	1 004	850	2	22	505	-4 051
Gross operating revenues, underlying	52 254	13 563	26 173	1 006	1 108	597	6 526	659	2 622
Net operating revenues, underlying	25 805	12 347	2 973	888	1 064	398	3 007	651	4 476
Operating profit/loss, underlying	13 560	7 478	1 234	148	-14	9	920	-663	4 447
Unrealised value change energy derivatives	13 300	1 545	925	- 140	-1-	-	-52	-27	-2 390
Non-recurring items		1 478	16	-937	1 358	13	80	46	-2 052
Operating profit/loss	13 560	10 500	2 174	-789	1 344	22	948	-644	5
Share of profit/loss from associates and joint ventures	661	-		-240	363	3	535	-	-
Profit/loss, before financial items and tax	14 220	10 500	2 174	-1 029	1 707	25	1 482	-644	5
Balance sheet 31.12.2014									
Investment in associates and joint ventures	19 027	_	_	6 957	3 072	7	8 986	_	5
Other assets	148 790	55 054	5 560	15 642	7 461	3 373	14 852	25 183	21 665
Total assets	167 817	55 054	5 560	22 599	10 533	3 380	23 838	25 183	21 670
Depreciations, amortisation and impairments	-4 071	-1 324	-320	-1 191	-490	-142	-498	-106	-
Maintenance investments and other investments*	2 368	1 673 439	85	65 3 073	1 3 197	7 309	470	67	-
Investments in new generating capacity	7 525	439	17	1 126		309	354	137	-
Investments in other companies	1 287	-	-	1 126	159	-	2	-	-
4th quarter 2013									
Operating revenue external, underlying	15 934	3 035	8 219	313	19	181	2 056	67	2 043
Operating revenue internal, underlying	-	1 058	36	-	414	1	8	89	-1 606
Gross operating revenues, underlying	15 934	4 093	8 256	313	433	182	2 065	156	437
Net operating revenues, underlying	7 464	3 780	720	241	417	127	824	154	1 200
Operating profit/loss, underlying	4 448	2 598	236	-10	137	22	239	-161	1 387
Unrealised value change energy derivatives	-	679	699	-3	-	-	14	-15	-1 375
Non-recurring items	-	-	-	-	-	-	-	-	-
Operating profit/loss	4 448	3 277	935	-13	137	22	253	-176	12
Share of profit/loss from associates and joint ventures	701	-	-	385	-	-	316	-	-
Profit/loss before financial items and tax	5 149	3 277	935	373	137	22	569	-176	12

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 2013									
Operating revenue external, underlying	49 564	10 506	23 800	1 215	39	640	7 420	192	5 754
Operating revenue internal, underlying	-	3 813	17	-	1 029	2	53	477	-5 391
Gross operating revenues, underlying	49 564	14 318	23 817	1 215	1 067	642	7 472	669	362
Net operating revenues, underlying	24 246	13 238	1 807	974	1 026	392	3 174	665	2 970
Operating profit/loss, underlying	13 002	8 796	80	85	103	-4	1 109	-564	3 397
Unrealised value change energy derivatives	-	2 279	1 022	-	-	-	21	-43	-3 278
Non-recurring items	-	164	-97	162	-190	86	-	-	-125
Operating profit/loss	13 002	11 239	1 004	247	-87	82	1 130	-607	-7
Share of profit/loss from associates and joint ventures	1 101	-	3	458	-1	-	640	-	-
Profit before financial items and tax	14 103	11 239	1 007	705	-88	82	1 770	-607	-7
Balance sheet 31.12.2013									
Investment in associates and joint ventures	16 002	-	-	6 559	1	-	9 438	-	4
Other assets	137 685	55 134	5 407	13 509	12 321	3 188	14 714	53 899	-20 487
Total assets	153 687	55 134	5 407	20 068	12 322	3 188	24 152	53 899	-20 483
Depreciations, amortisation and impairments	-3 045	-1 247	-330	-184	-595	-137	-474	-78	-
Maintenance investments and other investments**	1 980	1 399	86	42	11	2	440	-	-
Investments in new generating capacity**	11 303	4 476	316	2 672	2 531	417	497	393	-
Investments in other companies	62	-	-	50	1	-	-	11	-

Comparative figures are restated as a consequence of transferring the trading and origination activities from the segment International hydropower to Continental energy & trading through the SN power restructuring.

<sup>\*</sup>Maintanance investments and other investments includes the additon of Leirdøla power plant of NOK 506 million. The additon is classified under other investments, as it is part of an asset swap that does not generate new capacity for the group.

<sup>\*\*</sup>Classification between maintenance investments and investments in new capacity has been changed in first and second quarter of 2013, and the effect YTD was NOK 127 million and NOK 290 million accordingly.

## Selected notes to the accounts

#### 1. FRAMEWORK AND MATERIAL ACCOUNTING POLICIES

The Group's consolidated financial statements for the fourth quarter of 2014, ending 31 December 2014, have been prepared in accordance with International Financial Reporting Standards (IFRS) and include Statkraft AS and its subsidiaries and associates. 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 2013. The interim accounts have not been audited. The accounting principles applied in the interim financial statements are the same as those used for the annual financial statements.

#### 2. PRESENTATION OF FINANCIAL STATEMENTS

The presentation in the interim report has been prepared in accordance with the requirements in IAS 34. The schedules comply with the requirements in IAS 1.

#### 3. ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting principles 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 financial statements for 2013.

In preparing the consolidated financial statements for the fourth 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 2013.

#### 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 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	Fourt	h quarter 201	4	The year 2014			
	Unrealised	Realised	Total	Unrealised	Realised	Total	
UNREALISED EFFECTS REPORTED IN P&L							
Sales revenues							
Long term contracts	3 804	2 015	5 819	1 429	8 294	9 722	
Nordic and Continental Dynamic Asset Management	179	77	257	-317	971	655	
Trading and origination	137	125	263	206	612	818	
End User	-5	1 256	1 251	14	3 988	4 002	
Other sales revenues	-	9 755	9 755	-	33 121	33 121	
Eliminations	-58	-8	-66	-27	-46	-73	
Total sales revenues	4 057	13 221	17 278	1 304	46 942	48 246	
Energy purchase	-1 208	-7 709	-8 917	1 298	-26 561	-25 264	
Net currency effects	-8 024	171	-7 852	-5 974	1 183	-4 791	
Other financial items							
Net gains and losses on derivatives and securities	-1 126	1	-1 125	-1 028	-	-1 028	
Impairment and gain/loss of financial assets	-	-	-	-13	-2	-14	
Total unrealised effects	-6 300			-4 412			

	Fourt	h guarter 201	3	The Year 2013			
NOK million	Fourth quarter 2013 Unrealised Realised Total		Total	Unrealised Realised			
NOR IIIIIIIIII	Officalised	Realiseu	TOLAT	Onicalisea	Realiseu	Total	
UNREALISED EFFECTS REPORTED IN P&L							
Sales revenues							
Long term contracts	438	1 743	2 181	1 285	6 949	8 234	
Nordic and Continental Dynamic Asset Management	630	37	667	480	247	727	
Trading and origination	68	153	222	-223	904	681	
End User	-26	1 348	1 321	-28	4 631	4 603	
Other sales revenues	-	11 271	11 271	-	33 969	33 969	
Eliminations	-15	-12	-27	-43	-23	-66	
Total sales revenues	1 096	14 541	15 636	1 471	46 678	48 148	
Energy purchase	358	-8 555	-8 196	1 595	-25 922	-24 327	
Net currency effects	-3 169	675	-2 494	-9 934	531	-9 403	
Other financial items							
Net gains and losses on derivatives and securities	114	-32	82	-924	-29	-954	
Impairment and gain/loss of financial assets	-2	-	-2	-2	-120	-123	
Total unrealised effects	-1 604			-7 795			

#### 6. CURRENCY EFFECTS ON INTERNAL LOANS

Net currency effects on internal loans as of the fourth quarter amounted to NOK -3332 million, of which NOK -4312 million was unrealised and NOK 980 million was realised. The negative effect arose mainly as a result of 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 translation effects for the net investment in STC are reported in other comprehensive income.

#### 7. HEDGE ACCOUNTING

Statkraft used hedge accounting in 2014 to reduce volatility in the income statement. A major share of the debt in EUR has been hedged against market rate changes.

Statkraft has set up hedge accounting of parts of the net investments in STC in EUR, as well as parts of the net investments in Statkraft UK Ltd in GBP. The effect of this is that NOK -1022 million in losses year to date will be recognised in other comprehensive income instead of the income statement.

In the fourth quarter, Statkraft terminated a cash flow hedging which entails that NOK 112 million is recirculated from other comprehensive income and in to the income statement.

#### 8. TRANSFER OF ACTIVITIES AND ASSETS

On 27 June, Statkraft implemented a swap agreement with Sogn og Fjordane Energi/Svelgen Kraft (SFE) concerning the purchase of 35% of Leirdøla power plant, in exchange for Statkraft's shareholding in Svelgen I and II. Statkraft has an indirect shareholding in SFE through its associated company BKK. Gains on transfers between associated companies recorded according to the equity method are partly recorded as income. The transaction entails that Statkraft realises gains of NOK 99 million for the sale of Svelgen I and II. NOK 506 million has been recorded under tangible fixed assets as a result of the takeover of Leirdøla.

The agreement entered into between Statkraft and Norfund on 20 December 2013 concerning the restructuring of SN Power was completed on 6 June. The agreement established a new company, SN Power AS, where Statkraft and Norfund own 50% each. SN Power AS have taken over the activities in the 50%-owned company in the Philippines, in the subsidiary Agua Imara and activities in Vietnam. For accounting purposes, the investment in SN Power AS has been treated as an investment in a joint venture and has been recorded according to the equity method.

Statkraft has also acquired 7% of the shares in the former SN Power, which changed its name to Statkraft International Hydro Invest AS (SKIHI) in connection with the transaction. SKIHI still owns the investments in Peru, Chile, India, Brazil, Nepal and certain holding companies in Singapore, the Netherlands and Norway.

The transfer of the company in the Philippines to the new 50%-owned SN Power entailed a reduction in Statkraft's shareholding from 50% to 25%. Both before and after the transaction, the investment in the Philippines will have been treated as an associated company, and will be recognised in the financial statements according to the equity method. Gains from the transfer of assets between associated companies is partially accounted for, and gains of NOK 455 million have been recognised under other financial income in the second quarter.

Prior to the transfer of the 51% owned Agua Imara to the new SN Power, the company was consolidated in its entirety in Statkraft's consolidated financial statements. Following the transfer, the ownership has changed from a subsidiary to an associated company, and is recognised in the accounts according to the equity method. The transfer to SN Power

changed Statkraft's ownership from full control to shared control and gains of NOK 108 million have been recognised in their entirety as other operating revenue in the second quarter.

The increased shareholding in SKIHI from 60% to 67% do not change Statkraft's control of the company and the transaction has been recognised in the accounts as an equity transaction where non-controlling interests are reduced. The transaction did not affect the second quarter profit. Norfund retains its right to sell the remaining 33% of shares in SKIHI to Statkraft at market price during specific time periods.

The net cash effect as a result of the transaction is that Statkraft has paid NOK 410 million to Norfund, as well as disbursing NOK 60 million to the new SN Power. The Group's cash reserve has also been reduced by NOK 300 million due to the fact that Agua Imara is no longer part of the Group as a subsidiary. The effect of the transaction on total equity is a decline of NOK 839 million, which is linked to non-controlling interests in Agua Imara.

Sale of the power plants in Finland with a production of 0.3 TWh per year was implemented at a sale price of about NOK 2 billion on 15 August. Accounting gains are recorded under other operating revenues and amount to NOK 1213 million.

On 30 July, the sale of 49% of the shares in Wind UK Invest Ltd (WUKI), which owns the onshore wind farms Alltwalis, Baillie and Berry Burn in the UK, was concluded. Following the transaction, WUKI will go from being a subsidiary to being an investment in a joint venture, and the gain of NOK 1063 million will be recorded in its entirety as other operating revenues. The gain shows the total of realised gains from the downsale from 100% to 51% and an adjustment from carrying value to fair value of the 51% share which Statkraft still owns. The fair value of remaining shares is calculated at NOK 874 million.

On 14 September 2014, Statkraft UK Ltd. acquired the remaining 50% of shares in the company Andershaw Wind Power Ltd. for a purchase price of NOK 59 million. The value of the shares which Statkraft owned prior to the acquisition has been assessed at fair value and a gain of NOK 69 million has been recorded under financial items. Procured assets and assumed liabilities in the acquisition are assessed at fair value. A preliminary valuation shows that excess value is mainly identified in connection with tangible fixed assets in the amount of NOK 137 million. As a result of calculated deferred tax liabilities, a technical goodwill of NOK 27 million has been estimated.

In the third quarter, Fosen Wind AS became established with Statkraft, Agder Energi, Trønderenergi Kraft and NTE Energi as owners. Statkraft's shareholding in the company is 50.1% and the investment amounts to NOK 106.8 million. The investment will be reported according to the equity method as joint ventures.

On 25 November, Statkraft sold 20% of its shares in the company Scira Offshore Energy Ltd (Scira), which owns the Sheringham Shoal offshore wind farm in the UK. Statkraft owns 40% of Scira after the sale. The accounting gain from sale of the shares is NOK 283 million and is in its entirety recorded as other operating revenue in the accounts. The gain shows the total realised gain from the sale from 50% to 40% of the shareholding in the company, as well as currency gains on the investment in Statkraft's ownership period. The sale entails that Statkraft will change the accounting procedures for Scira, from joint operations to joint ventures. This means there was no new measurement of remaining shares in Scira. On the basis of the transaction in Scira, previous impairments in the company were reversed. This reversal comes in addition to the accounting gains and is NOK 341 million. The reversal is recorded as share of profit from associated companies and joint ventures.



## Interim Report Q4/2014 Statkraft AS

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