

INTERIM REPORT

1:2010

Statnett

CONTENTS

| | |
|----|--------------------------------|
| 03 | HIGHLIGHTS |
| 10 | BOARD OF DIRECTORS REPORT |
| 11 | BALANCE SHEET |
| 12 | STATEMENT OF CHANGES IN EQUITY |
| 13 | CASH FLOW STATEMENT |

HIGHLIGHTS

- On 6 January 2010, a new consumption record, 23 994 MW, was set due to cold weather.
- Total operating revenues for the Group amounted to NOK 2 270 million in the first quarter of 2010, compared with NOK 752 million for the same period in 2009.
- The Group posted a profit after tax of NOK 840 million for the first quarter of 2010, compared with a loss of NOK 97 million for the first quarter of 2009. The profit increase is mainly due to an increase in congestion revenues (the first quarter of 2010 generated a higher revenue before tax of NOK 880 million).

IMPORTANT EVENTS

- Low reservoir levels, cold weather and high consumption resulted in very high system operator costs. This substantiates the need for investments in new grid capacity.
- A pressing transmission need into Bergen in certain periods resulted in power supply operations being performed without satisfactory back-up capacity (N-O) over a period of several hours.
- As of 15 March, parts of Western Norway constitute a separate market area for energy. There are now five market areas for energy in Norway. A strained power system and low temperatures led to extremely high prices for a few hours. Authorities in the Nordic countries and Norway have, together with Nord Pool Spot, instigated an assessment of the incidents.
- The remaining mountain section on the Nea – Järpströmmen line on the Swedish side of the border was completed this winter and the new complete 420 kV line was energised on 28 March according to schedule.
- In March, Statnett submitted a licence application to the Norwegian Water Resources and Energy Directorate (NVE) for NORD.LINK, a new interconnector between Norway and Germany.
- In February, Statnett submitted a proposal to the authorities for plans to construct a new power line from Rød transformer station in Skien municipality to a new transformer station in Bamle municipality.
- Statnett and the Swedish grid operator Svenska Kraftnät decided to sell Nord Pool ASA to Nasdaq OMX. The purchase does not include the physical Nordic power market operated by Nord Pool Spot AS.
- Statnett was ranked among the ten best companies to work for in Norway. Statnett ranked ninth out of a total of 120 companies who participated in the working environment survey "Great Place to Work" in the autumn of 2009.

DIRECTORS' REPORT



QUALITY AND SECURITY OF SUPPLY

The first quarter of 2010 was characterised by cold and dry weather in many parts of the country. On 6 January, consumption peaked at 23 994 MW, setting a new record. The previous record was from 2001 when consumption peaked at 23 054 MW. The high consumption caused the flow of electricity to approach maximum grid capacity in several areas, particularly into the major cities.

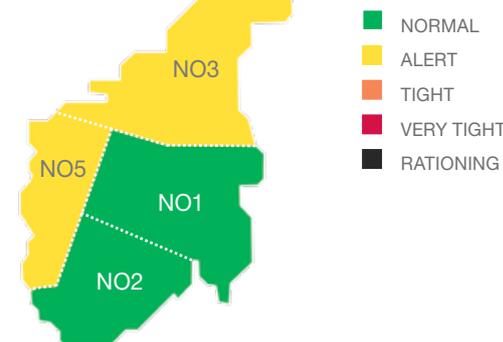
At the end of March, reservoir levels were at 28.5 per cent. This is 5.4 percentage points lower than at the same time in 2009, and 10 percentage points below the median for the period 1993-2009.

Overall power consumption in the first quarter was 37.6 TWh. Overall energy production was 35.8 TWh, resulting in a net import of 1.8 TWh.

The high consumption, combined with reduced nuclear power production in Sweden, drove up prices in the spot market, particularly for a few hours on 17 December, 7 January and 22 February. The high prices received much attention from the industry and became the subject of extensive media coverage.

As of 11 January 2010, Southern Norway was divided into two market areas. The division was necessary mainly due to a long term bottleneck formed as a result of the reduced capacity on the Rød-Hasle connection across the Oslofjord. On 15 March, a new market area (NO5) was created in Western Norway. The new areas have functioned as intended and the industry has shown understanding for the division. However, price differences between the different areas have received much attention.

The energy situation was defined as alert in Central Norway from January onwards, and also in Western Norway from February. Due to the situation in Central Norway, Statnett applied for an exemption from the licensing conditions regarding start-up of the reserve power plants in case of major faults or difficult operating conditions. In Western Norway, the grid operated with reduced operational reliability for extended periods to increase imports and thus improve the energy situation in the area.



The most important event in the grid in the first quarter was the resumed operation of the NorNed cable between Norway and the Netherlands on 27 April. The cable had been out of operation since 29 January 2010 due to a fault.

INVESTMENTS

Statnett has major investment projects under planning and implementation in order to maintain security of supply, facilitate value creation, and reduction in greenhouse gas emissions.

The most important projects are listed in the table below. The total scope of investments for the period 2010 to 2020 will be in the region of NOK 40 billion.

SUMMARY OF MAJOR INVESTMENT PROJECTS

| MAJOR INVESTMENT PROJECTS, COMPLETED | | TYPE | LENGTH | COST | START-UP |
|--------------------------------------|-----------|--------|--------|-----------------|--------------|
| Nea – Järpströmmen | Trøndelag | 420 kV | 25 km | NOK 350 million | October 2009 |

| MAJOR INVESTMENT PROJECTS, ONGOING | | TYPE | LENGTH | FUNDS GRANTED | START-UP |
|--|-----------------|--------|--------|-------------------|-----------|
| Sauda – Liastølen | Rogaland | 420 kV | 29 km | NOK 190 million | 2011 |
| Varangerbotn – Skogfoss | Finnmark | 132 kV | 130 km | NOK 410 million | 2013 |
| Major station investments | Southern Norway | - | - | NOK 1 300 million | 2009-2011 |
| Increased emergency preparedness: New back-up transformers and new emergency cable over Oslofjord | Southern Norway | - | - | NOK 300 million | - |

| LICENCES PENDING OR APPEALED | | TYPE | LENGTH | ESTIMATED COST | ESTIMATED START-UP |
|------------------------------|------------------|----------|------------------------|-------------------------------------|--------------------|
| Sima – Samnanger | Hordaland | 420 kV | 90 km | NOK 900 million | 2012/13 |
| Ørskog – Fardal | Sunnmøre/Sogn | 420 kV | 280 km | NOK 2 800 million | 2013/14 |
| Namsos – Roan – Storheia | Trøndelag | 420 kV | 119 km | NOK 850 million | 2014 |
| Balsfjord – Hammerfest | Troms/Finnmark | 420 kV | 360 km | NOK 3 000 million | 2016 |
| Skagerrak 4 | Norway/Denmark | 420 kV | 130 km subsea cable | NOK 1 500 million Statnett share | 2014 |
| Kristiansand – Bamble | Agder - Telemark | 420 kV | 148 km | NOK 430 million | 2014 |
| Oslofjorden (Teigen – Evje) | Oslofjord | 420 kV | 13 km subsea cable | NOK 1 200 million | 2012 |
| Feda – Tonstad | Agder | 420 kV | 43 km | NOK 460 million | 2016 |
| Nord.link | Norway/Germany | 1 400 MW | 600 km subsea cable | | 2016/18 |

| PLANNING PROPOSAL SUBMITTED | | TYPE | LENGTH | ESTIMATED COST | ESTIMATED START-UP |
|--|-----------------------------------|--------|-------------------------------|-----------------------|--------------------|
| Ofoten - Balsfjord | Northern Norway | 420 kV | 160 km | NOK 1 400 million | 2014 |
| Storheia – Snillfjord – Trollheim/Orkdal | Sør-Trøndelag/ Møre og Romsdal | 420 kV | 165 km + 8 km subsea cable | NOK 2 200 million | 2016/17 |
| Bamble – Rød | Grenland | 420 kV | 33–37 km | NOK 350 – 700 million | 2014 |

IMPORTANT PROJECT EVENTS IN Q1

Major completed investment projects

- The remaining mountain section on the Nea – Järpströmmen line on the Swedish side of the border was completed this winter and the new complete 420kV line was energised on 28 March according to schedule.

Major investment projects in progress

- Statnett signed a contract with the Croatian construction company Dalekovod for line construction and supply of materials for the Sauda – Liastølen line.
- The emergency cables for Ytre Oslofjord are now complete. A new project has been launched to establish new permanent cables.

Projects for which licence applications are pending or appealed

- In February 2010, Statnett submitted a licence application for a voltage upgrade of the Kristiansand-Bamble line from 300 kV to 420 kV.
- In March 2010, Statnett submitted a licence application for a voltage upgrade of the Feda-Tonstad line from 300 kV to 420 kV. This is part of Statnett's strategy to upgrade the voltage in the South Norway grid.
- In March 2010, Statnett submitted a licence application to build NORD.LINK, a new DC international interconnector from Øksendal near Tonstad to Germany. A new DC overhead line is under planning from Øksendal to the coast, from where a 550-kilometre subsea cable will run to Germany.
- Statnett is awaiting a final licence from the Ministry of Petroleum and Energy for the construction of the Sima – Samnanger line. Statnett has initiated preparatory procurement activities for the line construction.

Projects for which planning proposal have been submitted

- In December 2009, Statnett submitted a planning proposal to the NVE for a new 420 kV power line from Bamble to Rød in the western part of the Porsgrunn area. This is part of Statnett's strategy to upgrade the voltage in the South Norway grid.

FINANCIAL RESULTS

The interim report has been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations established by the International Accounting Standards Board (IASB). The IAS1 and IAS34 accounting standards have been applied. The accounting principles and calculation methods used in the interim financial statements are the same as in the most recent annual financial statements.

Operating revenues

The group posted operating revenues of NOK 2 270 million in the first quarter of 2010 (NOK 752 million in the first quarter of 2009). Operating revenues from regulated operations totalled NOK 2 224 million in 2010 (NOK 722 million), whereas other operating revenues totalled NOK 46 million (NOK 30 million).

Statnett's operating revenues mainly derive from regulated operations, comprising Statnett's permitted revenue as well as higher/lower revenue. Higher/lower revenue will be returned to the customers in the form of future tariffs, thus constituting temporary revenue for Statnett. The period generated higher/lower revenue of NOK 880 million (lower revenue of NOK 273 million) due to, among other factors, high congestion revenues.

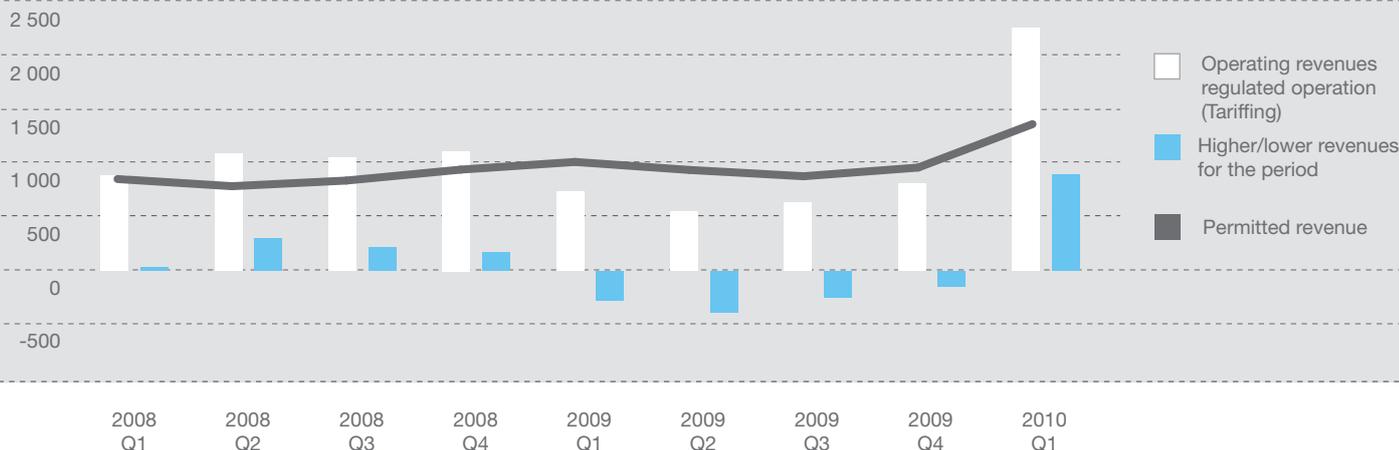
Higher/lower revenue developments

Each year, the NVE sets an upper limit, or revenue cap, on the amount of revenue Statnett SF can earn as a result of the company's grid activities and TSO responsibility. Over time this is supposed to cover Statnett's costs for the operation and depreciation of the grid and provide a reasonable return on invested capital.

The figure on page 7 provides an overview of Statnett's operating revenues from regulated operations, showing permitted revenue and higher/lower revenue for the period.

Statnett's operating revenues from regulated operations originate from two sources: tariff revenues and congestion revenues (between price areas). The higher/lower revenue will vary over time due to a number of factors relating to the two income sources.

The higher revenue in 2008 is attributed primarily to high trading revenue from power exchange between connections abroad. The lower revenue in 2009 is attributed primarily to two factors: Firstly, that the 2009 tariff was reduced to pay back the higher revenue from 2008 and, secondly, that changes were made to economic regulations for permitted



income after the 2009 tariff had been set. The change led to an increase in permitted revenue, causing lower revenue in 2009. The increase was incorporated into the tariff for 2010. The higher revenue in the first quarter of 2010 is also attributed to congestion revenues between price areas.

Over time, Statnett's revenues, including congestion revenues, will coincide with the level permitted by the authorities. However, the accrual discrepancies can be substantial at times, which has an impact on Statnett's financial result.

Operating costs

The Group's operating costs totalled NOK 1 049 million in the first quarter (NOK 786 million), up NOK 263 million compared with the same period in the previous year. This is mainly attributed to a NOK 88 million increase in costs relating to system services, as well as transmission losses of NOK 150 million.

Wage costs were down NOK 20 million compared with the same period in 2009. This was due to lower pension costs as a result of changes to the early retirement scheme (AFP). Depreciations and write-downs remained more or less unchanged, whereas other operating costs increased by NOK 46 million compared with the same period last year.

Operating profit/loss

The Group's operating profit was NOK 1 221 million (NOK 34 million loss) in the first quarter. This represents an increase of NOK 1 255 million, mainly attributed to an increase in congestion revenues.

Financial items

The Group's net financial costs totalled NOK 65 million (NOK 102 million) in the first quarter of 2010. The reduction in the net financial costs is attributed to lower interest rates on loans.

Net profit/loss

The Group's net profit after tax for the period was NOK 840 million (NOK 97 million loss) in the first quarter. The increase was mainly due to an increase in congestion revenues and accrual of revenue.

The parent company, Statnett SF, posted a net profit of NOK 856 million (NOK 1 026 million) in the first quarter. In the first quarter of 2009, Statnett SF recorded proceeds from the sale of its stake in Nord Pool ASA as financial income. The Group entered the sale as income in 2008.

On 3 March 2009, NVE passed a resolution in connection with the breakdown of the Oslofjord cables, which concluded that Statnett has breached certain regulations. In their letter of 2 December 2009, the NVE concluded that the proven nonconformities in the case have been closed and the order implemented. The NVE emphasises that a decision regarding any penalty fee has not yet been made. The Ministry of Petroleum and Energy is the appellate authority in the further process. No provisions for penalty fees related to the Oslofjord cable have been made in the financial statements.

Investments

The group has invested a total of NOK 209 million (NOK 191 million) in the first quarter of 2010.

The high investments in 2008 comprise the reserve power generation plants and the NorNed cable. The power line projects Skåreheia – Holen and Nea – Järpstrømmen came online during the last six months of 2009. A large number of power station projects are being developed in 2010, as well as two power line projects. Statnett is waiting for a final and enforceable licence decision to be made for two major power line projects: Ørskog – Fardal and Sima – Samnanger.

Cash flow and balance sheet

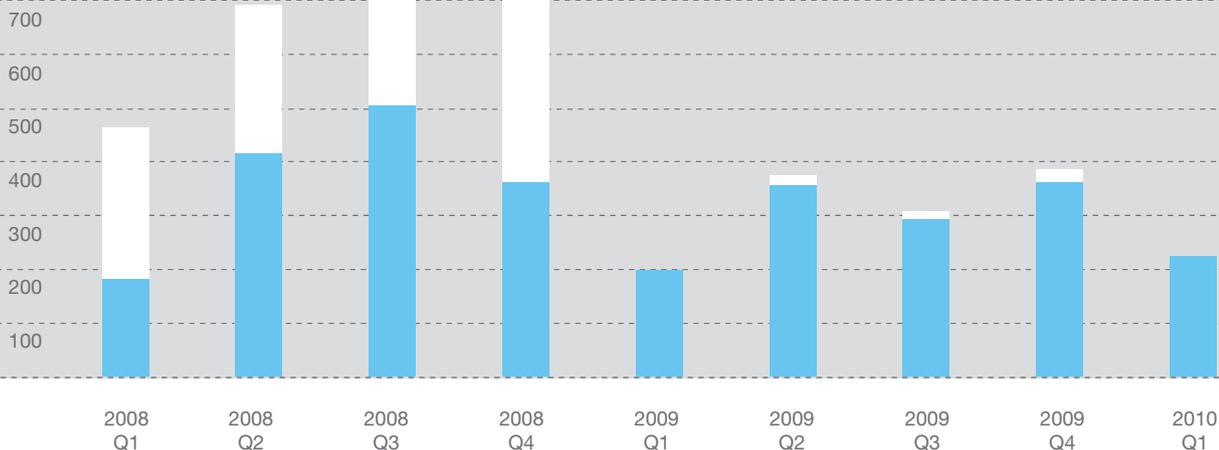
The Group's operating activities generated a cumulative cash flow of NOK 1 461 million in the first quarter of 2010. The net cash flow from investment activities totalled a loss of NOK 187 million. Loan payments totalling NOK 800 million were made, and new loans totalling NOK 350 million were raised. At the end of the first quarter of 2010, the Group's liquid assets and securities totalled NOK 1 723 million (NOK 2 167 million). At the end of the first quarter, the Group's total assets were NOK 20 013 million (NOK 20 353 million). Interest-bearing debt totalled NOK 11 980 at the end of the first quarter. The market value of interest swap and currency swap agreements related to interest-bearing debt (fair value hedges) was NOK 657 million. Net interest-bearing debt, corrected for this, totalled NOK 11 323 million.

Transport operations

Operating revenues for the Statnett Transport Group totalled NOK 25 million (NOK 12 million) in the first quarter. The profit after tax for the period was NOK 2 million (NOK 5 million loss) in the first quarter.

The Nordic power exchange, Nord Pool

Statnett SF has an ownership interest of 50 per cent in Nord Pool ASA and 30 per cent in Nord Pool Spot AS. Nord Pool ASA and Nord Pool Spot collectively contributed NOK 7 million (NOK 12 million) to Statnett's result after tax in the first quarter.



In 2010, Statnett and the Swedish grid operator Svenska Kraftnät decided to sell their shares in Nord Pool ASA to Nasdaq OMX for NOK 80 million. In 2008, the two system operators sold Nord Pool's clearing and consultancy operations, and its operations connected to international derivative products, to the Nasdaq OMX Group. At the same time, the system operators received an option to sell the shares in Nord Pool ASA at a later date. This option has now been exercised. The transaction is scheduled to be completed in the second quarter of 2010, but is conditional upon the approval of the Norwegian Ministry of Finance. The purchase does not include the physical Nordic power market operated by Nord Pool Spot AS.

RISKS

Operational risks

Statnett continually evaluates risks and vulnerability relating to security of supply and grid operations. The quality of supply and system operations depends on stability and accessibility in the grid. The grid is vulnerable to damage and breakdowns caused by external factors.

Due to the large power transmissions registered last winter, the power supply to several major load centres operated without satisfactory back-up capacity (N-O). In such a situation, Statnett must increasingly adapt and tailor its contingency system, including its repair contingency, until the necessary grid reinforcements have been carried out. Any changes to the company's contingency system will be made in cooperation with local and regional companies responsible for retail supply and in consultation with the Norwegian Water Resources and Energy Directorate.

Statnett's target is to ensure that no end user is without electricity for more than two hours at a time owing to a fault in Statnett's transmission facilities. This target was achieved in the first quarter of 2010. The Cost of Energy Not Supplied (CENS) for connected end users (under the KILE scheme) totalled NOK 6.3 million in the first quarter (NOK 0.2 million).

Regulatory risk

Statnett's activities are subject to comprehensive regulatory requirements. Statnett must comply with the regulatory requirements for the sector and the various licence terms and conditions, both for its operations and its development projects. Changes in the regulatory framework will affect Statnett's results. Statnett is dependent on a stable regulatory framework.

Project risk

Statnett has major investment plans and many projects, and carries out a comprehensive assessment of all risks

associated with the investments. The Board of Directors is presented with risk assessments relating to all major investments. Statnett has implemented a uniform project management model focussing on risk follow-up.

Financial risk

Statnett has established a financial policy and framework for financial management, including limits for credit risk, settlement risk and counterparty risk. Control procedures have been established which are carried out independently.

As a result of Statnett's financial policy, which includes a spread maturity structure on existing loans, the enterprise has not been significantly affected by the financial crisis. It is also Statnett's policy to be able to fund 12 months' operations, investment and refinancing without incurring any new debt. The enterprise has a credit facility totalling NOK 2.0 billion, which runs until 2012 and is part of Statnett's policy for obtaining the necessary financial flexibility to carry out its investment programme over the next few years. The credit facility was unused at year-end 2009.

Currency risk is minimised through several measures, including using currency swap agreements to hedge the risk in the currency obligations in investment projects. All Statnett's loans in foreign currency are converted into NOK through currency swap agreements.

Statnett is exposed to credit risk when investing surplus liquidity with issuers of securities. Statnett has set credit ratings that must be met by counterparties and sets maximum exposure for each individual investment.

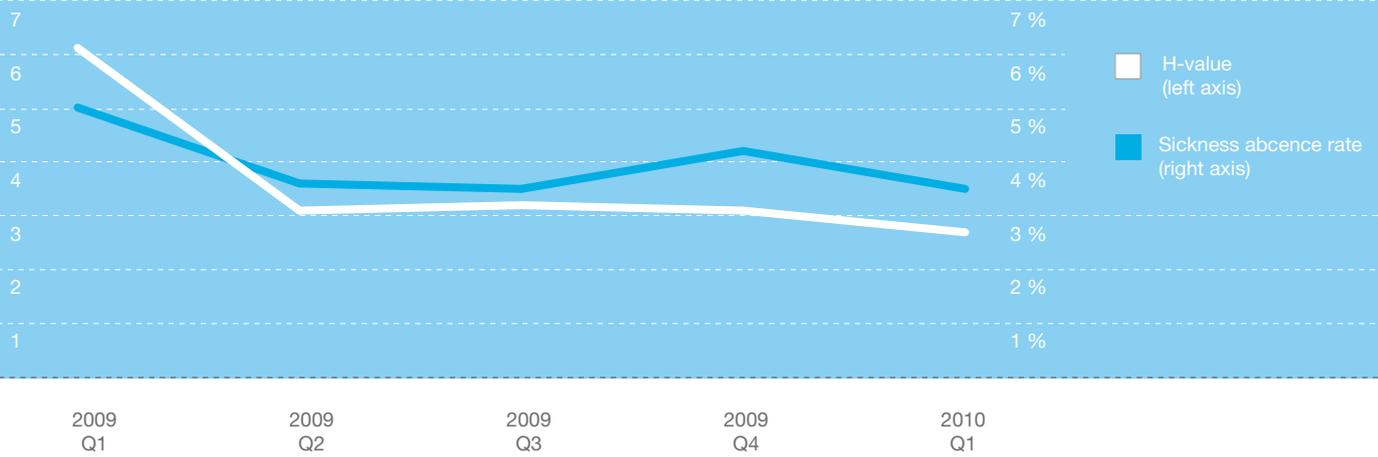
A large proportion of the revenues from grid operations are calculated as return on the enterprise's grid capital. The calculation of the return on grid capital is based on the interest rate on five-year Norwegian government bonds and a risk supplement and, as a result, Statnett's revenues are affected by changes in interest rate levels. To reduce the enterprise's total interest rate risk, Statnett therefore seeks to achieve as good a match as possible between movements in interest rates on loans and the interest rate used to calculate return on the enterprise's grid capital.

Statnett has long-term borrowing ratings of A+ and A2 from Standard & Poor's and Moody's Investor Service respectively.

HEALTH, SAFETY AND ENVIRONMENT

Environment/climate

Climate and environmental considerations are an integral part of Statnett's Group strategy. It represents one of the pillars of our strategy, along with security of supply and value creation.



Two of the Group’s main objectives express Statnett’s ambitions in this respect: “Statnett shall facilitate the realisation of Norway’s climate objectives” and “Statnett shall carry out its operations without personal injuries and with respect for our natural environment”.

In February, the Statnett Board of Directors adopted revised management policies for the Statnett Group. On the basis of Statnett’s ethical guidelines for suppliers, the company has now implemented a set of requirements which will help improve the environmental performance of contractors and subcontractors and prevent undesirable incidents related to HSE, ethics and the external environment. Furthermore, a set of values and ethical guidelines have been adopted for Statnett’s employees, in order to establish a “Statnett Way” where each individual employee contributes to a better environmental performance.

Statnett continues its four strategic R&D programmes and two major R&D focus areas initiated in 2009. One of the R&D programmes concerns environmental adaptation of power lines. Two of the other programmes, Northern European Market for Balancing Power and Offshore Power Grids, also have a climate/green dimension.

In February, the Office of the Auditor General of Norway launched a corporate audit where the purpose is to map state companies’ corporate social responsibility initiatives, with a particular focus on the environment. Statnett is one of four companies selected for auditing. The audit activities will continue until May 2010.

Both Statnett’s head offices and the regional offices in Alta and Sunndalsøra have been certified as “Environmental Lighthouses”. Statnett is also certified in accordance with ISO 14001:2004 Environmental Management Systems. Statnett

has decided to prepare climate accounts and publish an environmental report for 2010.

Employees

One lost-time injury was registered (2 lost-time injuries) in Statnett in the first quarter, giving a lost-time injury frequency rate (H value) of 2.7 per cent, compared with 6.2 per cent for Statnett SF and 6.1 per cent for the Group in the same period in 2009. Five undesirable incidents (four incidents) with a potential for personal injury were registered for the group in the first quarter. Statnett’s contractors reported no lost-time injuries in the first quarter. However, they did report two undesirable incidents with a potential for personal injury in the period. The corresponding figures for the first quarter of 2009 were one lost-time injury and two undesirable incidents with a potential for personal injury. The sickness absence rate in the parent company and the Group was 3.5 per cent (5.0 percent) in the first quarter.

OUTLOOK

Statnett’s objective is to ensure a stable and secure supply of electricity and facilitate a well-functioning power market. To secure a stable security of supply for the future, Statnett will make significant grid investments in the years to come. Investments are expected to increase gradually in the years ahead. The total scope of investments for the period 2010 to 2020 will be in the region of NOK 40 billion. Statnett’s future activities will be dominated by an increase in project activities.

The investment programme is depending on efficient processes for licence applications.

The power situation is characterised by low reservoir levels and very low snow reservoir levels. The company will pay close attention to the situation and implement measures as and when required.

Oslo, 20 May 2010

Board of Directors of Statnett SF

Bjarne Aamodt
Chair of the Board

Thor Håkstad
Vice Chair of the Board

Kirsten Indgjerd Værdal

Grethe Høiland

Heidi Ekrem

Per Hjorth

Bjørn Solberg

Steinar Jøråndstad

Kirsten Faugstad

Auke Lont
President and CEO

STATEMENT OF COMPREHENSIVE INCOME

| PARENT COMPANY | | | GROUP | |
|----------------|--------------|--|--------------|-------------|
| 31-03-09 | 31-03-10 | (Amounts in NOK million) | 31-03-10 | 31-03-09 |
| | | OPERATING REVENUES | | |
| 722 | 2 224 | Operating revenue regulated operations | 2 224 | 722 |
| 26 | 30 | Other operating revenues | 46 | 30 |
| 748 | 2 254 | Total operating revenue | 2 270 | 752 |
| | | OPERATING COSTS | | |
| 82 | 170 | System services | 170 | 82 |
| 249 | 399 | Transmission losses | 399 | 249 |
| 134 | 110 | Wage costs | 120 | 140 |
| 160 | 159 | Depreciation and write-downs of tang. fixed assets | 161 | 162 |
| 153 | 193 | Other operating costs | 199 | 153 |
| 778 | 1 031 | Total operating costs | 1 049 | 786 |
| -30 | 1 223 | Operating profit/loss | 1 221 | -34 |
| - | - | Income from joint ventures and associates | 7 | 12 |
| 1 156 | 39 | Financial income | 19 | 38 |
| 127 | 83 | Financial costs | 84 | 140 |
| 999 | 1 179 | Profit/loss before tax | 1 163 | -124 |
| -27 | 323 | Tax | 323 | -27 |
| 1 026 | 856 | Net profit/loss for the period | 840 | -97 |
| | | OTHER COMPREHENSIVE INCOME | | |
| - | - | Exchange differences on translating foreign operations | - | -1 |
| -3 | -7 | Changes in fair value, cash flow hedges | -7 | -3 |
| 1 | 2 | Tax related to other comprehensive income | 2 | 1 |
| -2 | -5 | Other comprehensive income | -5 | -3 |
| 1 024 | 851 | Total comprehensive income | 835 | -100 |

BALANCE SHEET

| PARENT COMPANY | | | GROUP | |
|----------------|---------------|--|---------------|---------------|
| 31-03-09 | 31-03-10 | (Amounts in NOK million) | 31-03-10 | 31-03-09 |
| | | ASSETS | | |
| | | FIXED ASSETS | | |
| | | Deferred tax assets | - | - |
| 14 570 | 15 611 | Tangible fixed assets | 15 837 | 14 783 |
| 1 667 | 1 235 | Plant under construction | 1 235 | 1 667 |
| 109 | 110 | Investment in subsidiaries | - | - |
| 139 | 139 | Investment in joint venture and associates | 191 | 194 |
| 1 199 | 870 | Financial fixed assets | 714 | 1 050 |
| 17 684 | 17 965 | Total fixed assets | 17 977 | 17 694 |
| | | CURRENT ASSETS | | |
| 510 | 338 | Trade acc. & other short-term receivables | 313 | 492 |
| 252 | 387 | Investment in market-based securities | 613 | 466 |
| 1 667 | 1 014 | Liquid assets | 1 110 | 1 701 |
| 2 429 | 1 739 | Total current assets | 2 036 | 2 659 |
| 20 113 | 19 704 | Total assets | 20 013 | 20 353 |

BALANCE SHEET

| PARENT COMPANY | | | GROUP | |
|----------------|---------------|--|---------------|---------------|
| 31-03-09 | 31-03-10 | (Amounts in NOK million) | 31-03-10 | 31-03-09 |
| | | EQUITY AND LIABILITIES | | |
| | | EQUITY | | |
| 2 700 | 2 700 | Contributed capital | 2 700 | 2 700 |
| 3 590 | 3 498 | Other equity | 3 753 | 3 785 |
| 6 290 | 6 198 | Total equity | 6 453 | 6 485 |
| | | LONG-TERM LIABILITIES | | |
| 139 | 250 | Deferred tax | 298 | 183 |
| 270 | 253 | Pension liabilities | 255 | 270 |
| - | - | Other liabilities | - | - |
| 11 665 | 10 833 | Long-term interest-bearing debt | 10 833 | 11 659 |
| 12 074 | 11 336 | Total long-term liabilities | 11 386 | 12 112 |
| | | CURRENT LIABILITIES | | |
| 857 | 1 146 | Short-term interest-bearing debt | 1 147 | 857 |
| 885 | 970 | Trade acc. payable & other short-term debt | 973 | 892 |
| 7 | 54 | Tax payable | 54 | 7 |
| 1 749 | 2 170 | Total current liabilities | 2 174 | 1 756 |
| 20 113 | 19 704 | Total equity and liabilities | 20 013 | 20 353 |

STATEMENT OF CHANGES IN EQUITY

| PARENT COMPANY | | | | GROUP | | | | |
|---------------------|-----------|--------------|--------------|------------------------------------|--------------|--------------|-----------|---------------------|
| Contributed capital | Funds | Other equity | Total | (Amounts in NOK million) | Total | Other equity | Funds | Contributed capital |
| 2 700 | -3 | 2 569 | 5 266 | Equity as at 1 January 2009 | 6 585 | 3 888 | -3 | 2 700 |
| - | - | 574 | 574 | Loss for the year | -480 | -480 | - | - |
| - | 6 | - | 6 | Other comprehensive income | 6 | - | 6 | - |
| - | - | - | - | Changes from previous year * | 6 | 6 | - | - |
| - | - | -499 | -499 | Dividends paid | -499 | -499 | - | - |
| 2 700 | 3 | 2 644 | 5 347 | Equity as at 31 Dec. 2009 | 5 618 | 2 915 | 3 | 2 700 |
| 2 700 | -3 | 2 569 | 5 266 | Equity as at 1 Jan. 2009 | 6 585 | 3 888 | -3 | 2 700 |
| - | - | 1 026 | 1 026 | Loss for the period | -97 | -97 | - | - |
| - | -2 | - | -2 | Other comprehensive income | -3 | - | -3 | - |
| 2 700 | -5 | 3 595 | 6 290 | Equity as at 31 March 2009 | 6 485 | 3 791 | -6 | 2 700 |
| 2 700 | 3 | 2 644 | 5 347 | Equity as at 1 Jan. 2010 | 5 618 | 2 915 | 3 | 2 700 |
| - | - | 856 | 856 | Profit for the period | 840 | 840 | - | - |
| - | -5 | - | -5 | Other comprehensive income | -5 | - | -5 | - |
| 2 700 | -2 | 3 500 | 6 198 | Equity as at 31 March 2010 | 6 453 | 3 755 | -2 | 2 700 |

* Changes from previous years are in connection with deviations between reported and final accounts for subsidiaries in 2008.

CASH FLOW STATEMENT

| PARENT COMPANY | | | GROUP | |
|--------------------------------------|--------------|---|--------------|--------------|
| 31-03-09 | 31-03-10 | (Amounts in NOK million) | 31-03-10 | 31-03-09 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 999 | 1 179 | Profit/loss before tax | 1 163 | -124 |
| -1 | - | Loss/gain(-) on sale of fixed assets | - | -1 |
| 157 | 159 | Ordinary depreciation and write-downs | 161 | 159 |
| 121 | 75 | Interest for the period recognised in income statement | 75 | 121 |
| 9 | 4 | Interest received for the period | 5 | 9 |
| -115 | -58 | Interest paid for the period | -58 | -115 |
| -637 | -128 | Changes in trade accounts receivable/payable | -121 | -510 |
| -915 | 227 | Changes in other accruals | 243 | 78 |
| - | - | Result from companies consolidated using equity method | -7 | -12 |
| -382 | 1 458 | Net cash flow from operating activities | 1 461 | -395 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| 5 | - | Proceeds from sale of tangible fixed assets | - | 5 |
| -191 | -207 | Purchase of tangible fixed assets and plant under construction | -209 | -191 |
| -8 | -2 | Change in long-term loan receivables | - | - |
| 6 | -2 | Change in short-term loan receivables | - | - |
| 1 000 | 22 | Dividend received | 22 | 1 000 |
| 812 | -189 | Net cash flow from investing activities | -187 | 814 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| 2 300 | 350 | Proceeds from new interest-bearing borrowings | 350 | 2 300 |
| -1 552 | -800 | Repayment of interest-bearing debt | -800 | -1 552 |
| 26 | - | Proceeds from sale of market-based securities | 30 | 62 |
| -49 | -81 | Purchase of market-based securities | -86 | -84 |
| - | - | Dividends paid | - | - |
| 725 | -531 | Net cash flow from financing activities | -506 | 726 |
| 1 155 | 738 | Net cash flow for the period | 768 | 1 145 |
| 512 | 276 | Cash and cash equivalents at the start of the period | 342 | 556 |
| 1 667 | 1 014 | Cash and cash equivalents at the close of the period | 1 110 | 1 701 |

Restricted tax deductions payable amounting to NOK 38 million for the parent company and NOK 41 million for the Group are included in cash and cash equivalents as of 31 March 2010.

Unused credit facilities of NOK 2 000 million are not included in cash and cash equivalents above. This report consists of unaudited numbers.



STATNETT

HUSEBYBAKKEN 28B
PB 5192 MAJORSTUEN
0302 OSLO

TEL: 22 52 79 00
FAX: 22 52 70 01
WWW.STATNETT.NO