

Financial Statement H1 2016

OR Key Financial Figures

August 2016

Income Statement

	Actual 2016 1.1.-30.6.	Budget 2016 1.1.-30.6.	Actual 2015 1.1.-30.6.	Difference Act. / Act.
ISK millions				
Operating revenues	20,955	21,533	20,479	2,3%
Operating revenues, total	20,955	21,533	20,479	2,3%
Energy purchase	-3,133	-3,180	-3,256	-3,8%
Salaries and salary related expenses	-2,757	-2,461	-2,132	29,3%
Other operating expenses	-2,325	-2,582	-2,056	13,1%
Operating expenses, total	-8,215	-8,223	-7,443	10,4%
EBITDA	12,741	13,310	13,036	-2,3%
Deprication	-5,303		-4,799	10,5%
Results from operating activites, EDIT	7,438		8,237	-9,7%
Interest income	88		197	-55,2%
Interest expenses	-2,559		- 2,671	-4,2%
Other expenses on financial assets and liabilities	1,539		- 3,639	-142,3%
Total financial income and expenses	-931		-6,113	-
Share in profit (loss) of associated companies	-3		4	-
Profit before income tax	6,503		2,128	205,6%
Income tax	-1,474		133	-1211,5%
Profit for the year	5,029		2,260	122,5%

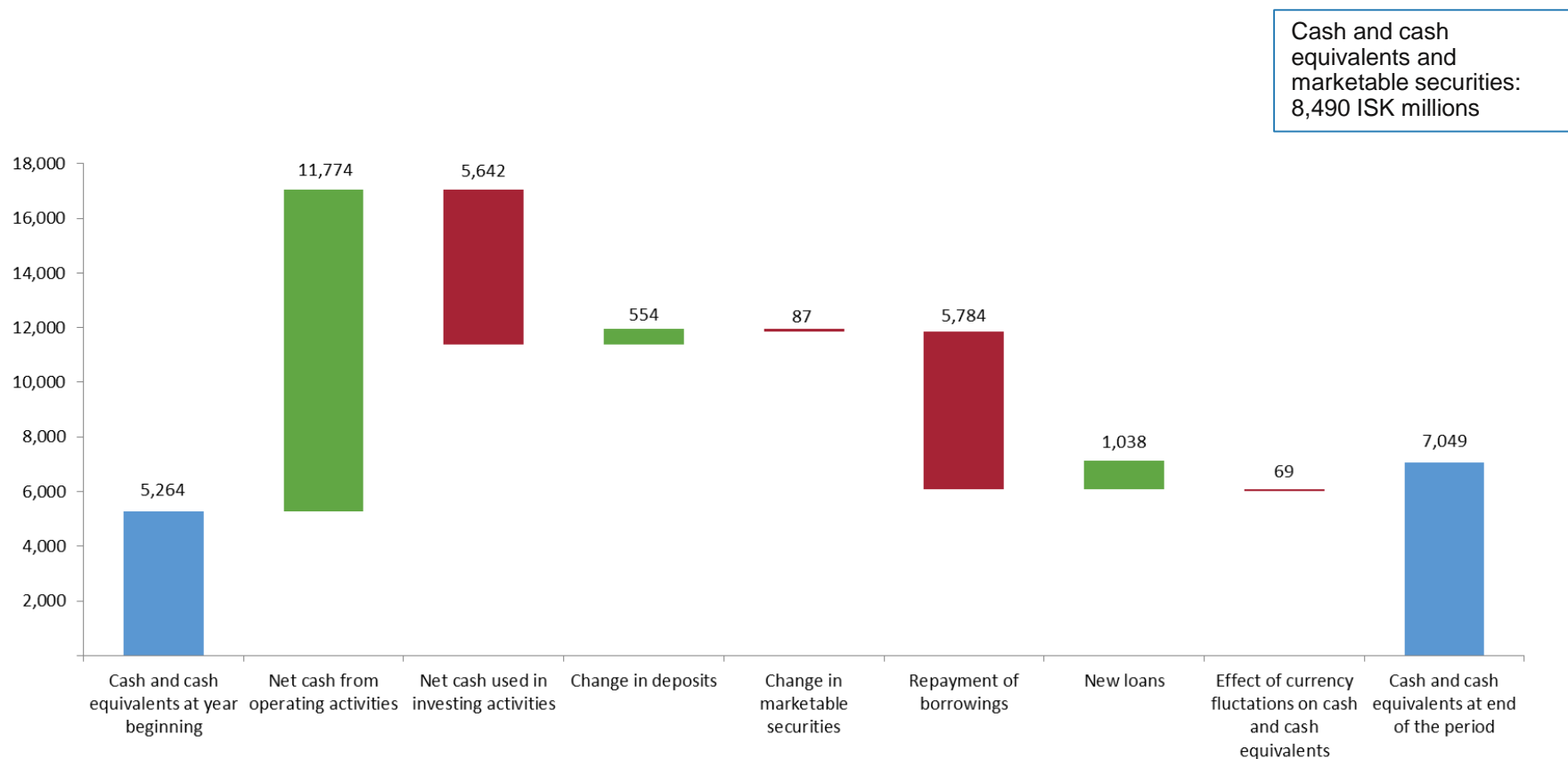
Financial income and expenses

ISK millions	Actual 30.6.2016	Actual 30.6.2015
Interest income	88	197
Interest expense	-2,262	-2,305
Guarantee fee to owners	-296	-365
Total interest expenses	-2,559	-2,671
Fair value changes of embedded derivatives in electricity sales contracts	2,342	-4,186
Fair value changes of assets available for sale	-153	282
Fair value changes of financial assets and financial liabilities through P/L	-1,375	-1,120
Hedge contracts	696	1,375
Foreign exchange difference	28	10
Dividends	1,539	-3,639
Total of other income (expenses) on financial assets and liabilities	-931	-6,113

Consolidated Statement of Financial Position

ISK millions	Actual 30.6.2016	Actual 31.12.2015
Assets		
Property, plant, equipment and intangible assets	272,142	278,311
Investments in associated and other companies	2,967	2,971
Other financial assets	6,244	7,268
Total non-current assets	281,353	288,550
Cash and cash equivalents	7,049	5,264
Deposits and marketable securities	1,441	1,908
Other receivables	15,662	15,267
Total current assets	24,152	22,439
Total assets	305,505	310,990
Equity and liabilities		
Equity	116,892	114,771
Loans and borrowings	141,011	146,347
Embedded derivatives in electricity sales contracts	9,254	11,095
Other non-current liabilities	11,033	10,483
Total non-current liabilities	161,298	167,925
Embedded derivatives in electricity sales contracts	1,597	2,097
Other current liabilities	5,147	5,152
Loans and borrowings	17,064	19,288
Hedge contracts	1,882	1,756
Deferred revenue	1,625	0
Total current liabilities	27,315	28,294
Total liabilities	188,612	196,218
Total equity and liabilities	305,505	310,990

Cash flows

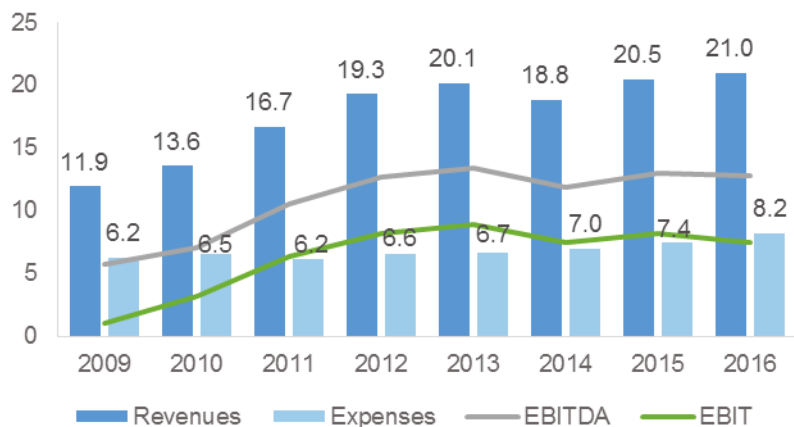


The Plan

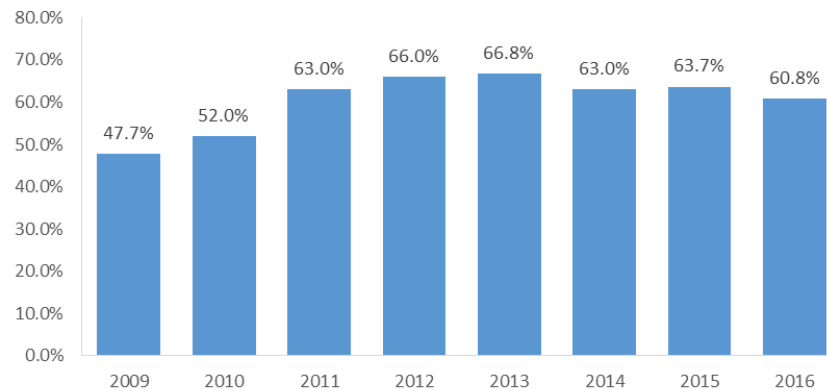
Actions in ISK billions	The Plan		Actual	
	2011-2016	2011-2016H1	2011-2016H1	
Reduction of investments in utility systems	15,0	13,4	✓	16,2
Sale of assets	10,0	10,0	✗	9,0
Reduction in operating costs	5,0	4,5	✓	6,7
Reduction of other investments	1,3	1,1	✓	1,7
Postponement of investments in sewerage	0,0	0,5	✓	1,7
Total	31,3	29,5	✓	35,3
Subordinated loans from owners	12,0	12,0	✓	12,0
Increased revenues due to higher tariffs	8,0	7,2	✓	9,9
Total	20,0	19,2	✓	21,9
The Plan Total	51,3	48,7	✓	57,2

Key figures

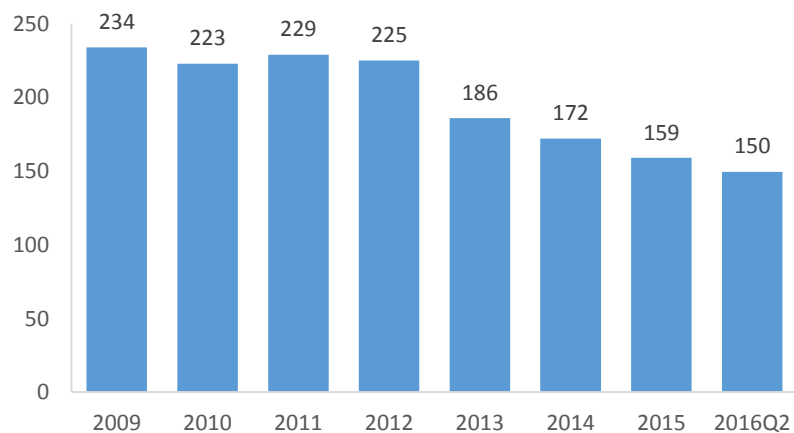
Revenues, expenses, EBITDA and EBIT



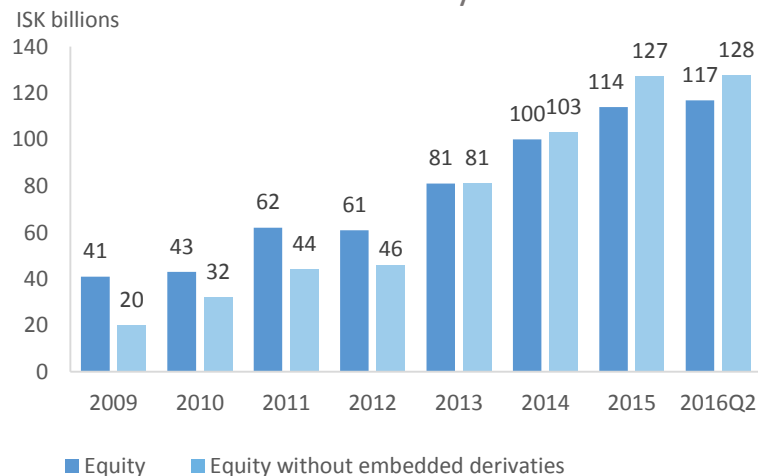
EBITDA margin



Net interest-bearing debt

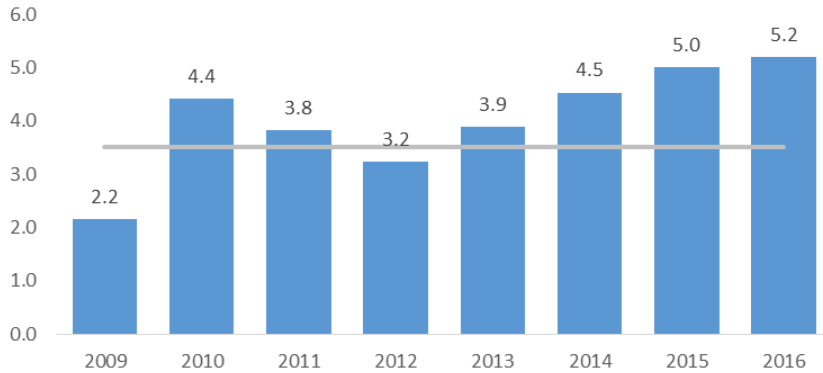


Equity and effects of embedded derivatives in electricity sales contracts

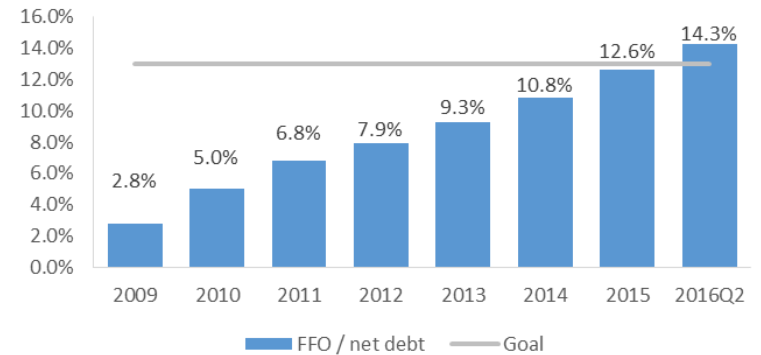


Key ratios

FFO interest coverage
(goal > 3.5)



FFO / net debt
(goal > 13%)



Current ratio
(goal > 1)



Equity ratio
(goal > 35%)

