

# Financial Statement Q3 2016

OR Key Financial Figures

November 2016

# Income Statement

	Actual 2016 1.1.-30.9	Budget 2016 1.1.-30.9	Actual 2015 1.1.-30.9	Difference Act. / Act.
<b>ISK millions</b>				
Operating revenues	29.921	30.503	28.951	3,4%
<b>Operating revenues, total</b>	<b>29.921</b>	<b>30.503</b>	<b>28.951</b>	<b>3,4%</b>
Energy purchase	-4.555	-4.631	-4.645	-2,0%
Salaries and salary related expenses	-3.907	-3.660	-3.061	27,6%
Other operating expenses	-3.324	-3.895	-3.011	10,4%
<b>Operating expenses, total</b>	<b>-11.785</b>	<b>-12.194</b>	<b>-10.718</b>	<b>10,0%</b>
<b>EBITDA</b>	<b>18.136</b>	<b>18.309</b>	<b>18.234</b>	<b>-0,5%</b>
Depreciation	-7.584		-7.172	5,7%
<b>Results from operating activities, EBIT</b>	<b>10.551</b>		<b>11.061</b>	<b>-4,6%</b>
Interest income	196		303	-35,2%
Interest expenses	-3.764		- 4.000	-5,9%
Other expenses on financial assets and liabilities	5.809		- 4.275	-235,9%
<b>Total financial income and expenses</b>	<b>-2.241</b>		<b>-7.972</b>	<b>-128,1%</b>
Share in profit (loss) of associated companies	-3		4	-
<b>Profit before income tax</b>	<b>12.789</b>		<b>3.093</b>	<b>205,6%</b>
Income tax	-3.421		0	-
<b>Profit for the year</b>	<b>9.368</b>		<b>3.093</b>	<b>122,5%</b>

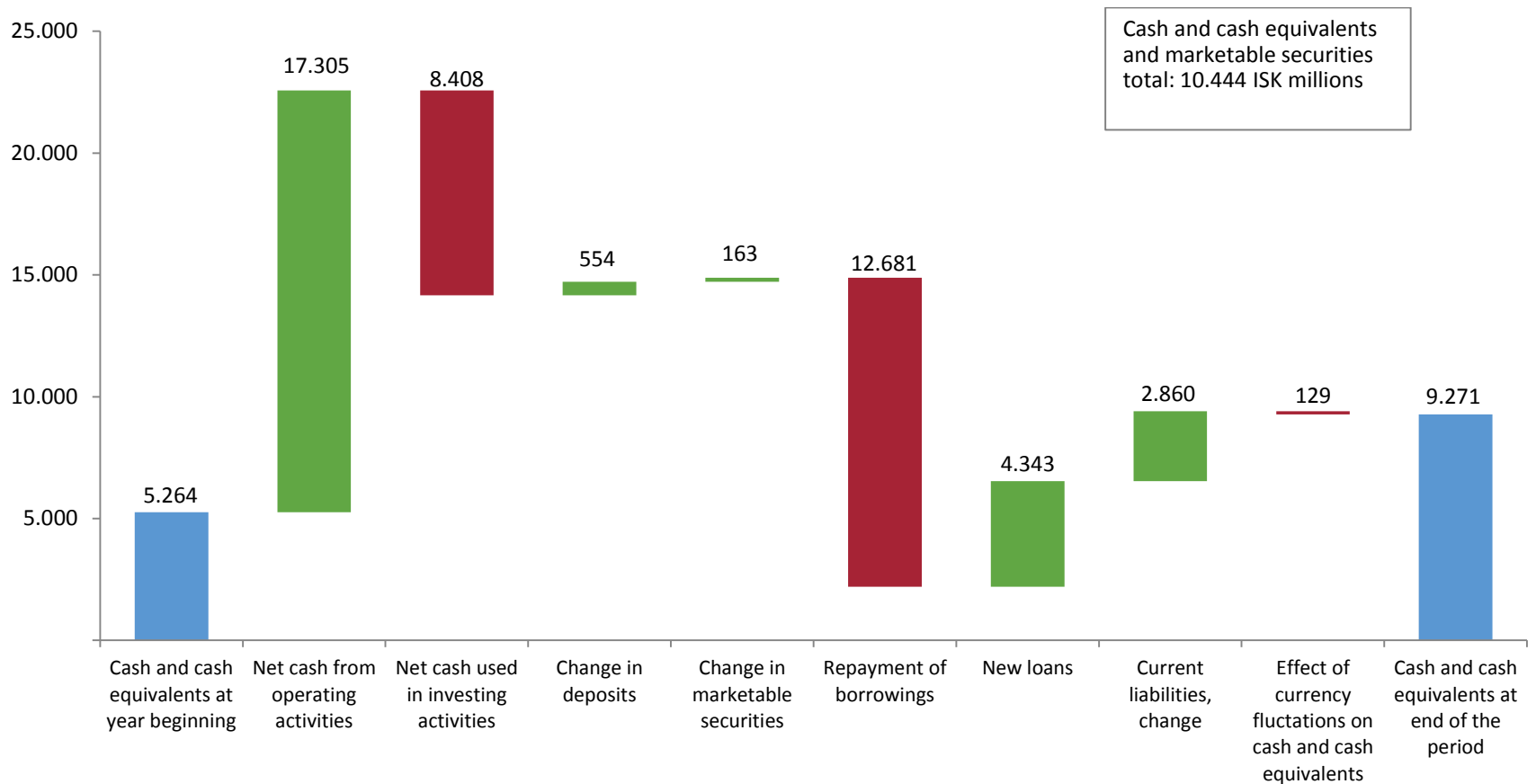
# Financial income and expenses

ISK millions	Actual 30.9.2016	Actual 30.9.2015
Interest income	193	303
Interest expense	-3.258	-3.460
Guarantee fee to owners	-506	-540
<b>Total interest expenses</b>	<b>-3.764</b>	<b>-4.000</b>
Fair value changes of embedded derivatives in electricity sales contracts	4.679	-6.773
Fair value changes of financial assets and financial liabilities through P/L	-583	192
Hedge contracts	-2.149	-1.818
Foreign exchange difference	3.833	4.116
Dividends	28	9
<b>Total of other income (expenses) on financial assets and liabilities</b>	<b>5.809</b>	<b>-4.275</b>
<b>Total financial income and expenses</b>	<b>2.241</b>	<b>-7.972</b>

# Consolidated Statement of Financial Position

ISK millions	Actual 30.9.2016	Actual 31.12.2015
<b>Assets</b>		
Property, plant, equipment and intangible assets	265.559	278.311
Investments in associated and other companies	2.908	2.971
Other financial assets	5.132	7.268
<b>Total non-current assets</b>	<b>273.599</b>	<b>288.550</b>
Cash and cash equivalents	9.271	5.264
Deposits and marketable securities	0	1.908
Other receivables	15.125	15.267
<b>Total current assets</b>	<b>24.396</b>	<b>22.439</b>
<b>Total assets</b>	<b>297.995</b>	<b>310.990</b>
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>117.810</b>	<b>114.771</b>
Loans and borrowings	133.082	146.347
Embedded derivatives in electricity sales contracts	7.100	11.095
Other non-current liabilities	11.177	10.483
<b>Total non-current liabilities</b>	<b>151.359</b>	<b>167.925</b>
Embedded derivatives in electricity sales contracts	1.413	2.097
Other current liabilities	5.847	5.152
Loans and borrowings	17.377	19.288
Hedge contracts	2.160	1.756
Deferred revenue	2.028	0
<b>Total current liabilities</b>	<b>28.825</b>	<b>28.294</b>
<b>Total liabilities</b>	<b>180.184</b>	<b>196.218</b>
<b>Total equity and liabilities</b>	<b>297.995</b>	<b>310.990</b>

# Cash flows

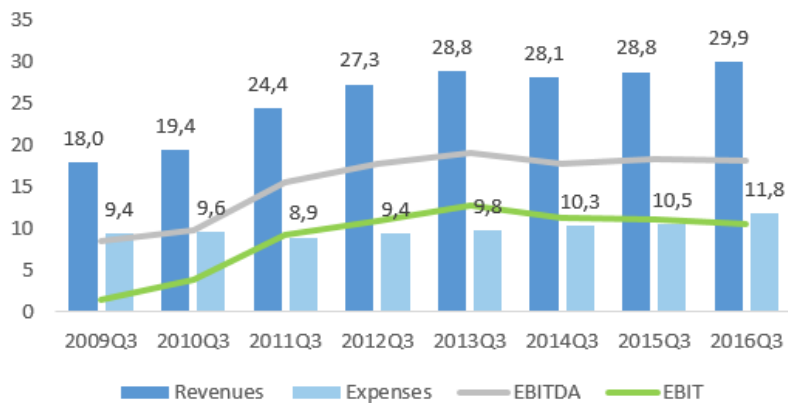


# The Plan

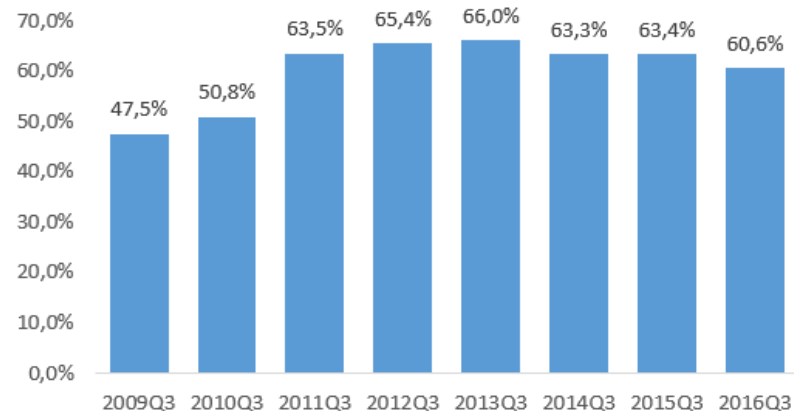
Actions in ISK billions	The Plan		Actual	
	2011-2016	2011-2016Q3	2011-2016Q3	
Reduction of investments in utility systems	15,0	14,2	✓	17,2
Sale of assets	10,0	10,0	✗	9,0
Reduction in operating costs	5,0	4,7	✓	7,3
Reduction of other investments	1,3	1,2	✓	1,5
Postponement of investments in sewerage	0,0	0,3	✓	1,1
<b>Total</b>	<b>31,3</b>	<b>30,4</b>	<b>✓</b>	<b>36,1</b>
Subordinated loans from owners	12,0	12,0	✓	12,0
Increased revenues due to higher tariffs	8,0	7,6	✓	10,2
<b>Total</b>	<b>20,0</b>	<b>19,6</b>	<b>✓</b>	<b>22,2</b>
<b>The Plan Total</b>	<b>51,3</b>	<b>50,0</b>	<b>✓</b>	<b>58,3</b>

# Key figures

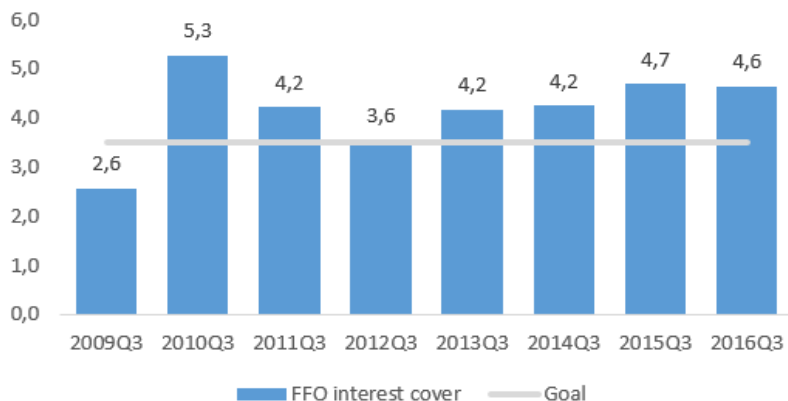
## Revenues, expenses, EBITDA and EBIT



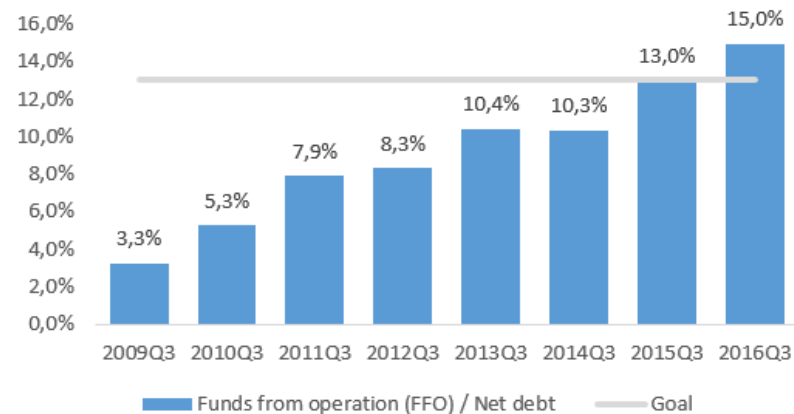
## EBITDA margin



## FFO interest cover



## Working capital from operation(FFO) / Net debt



# Key ratios

