

Financial Statement 2016

OR Key Financial Figures

February 2016

Income Statement

ISK millions	Actual 1.1.-31.12	Budget 1.1.-31.12	Actual 1.1.-31.12	Difference Act. / Act.
Operating revenues	41.421	40.946	40.312	2,75%
Operating revenues, total	41.421	40.946	40.312	2,75%
Energy purchase	-6.205	-6.143	-6.400	-3,05%
Salaries and salary related expenses	-5.241	-6.003	-4.425	18,44%
Other operating expenses	-4.617	-4.223	-4.357	5,97%
Operating expenses, total	-16.063	-16.369	-15.182	5,80%
EBITDA	25.358	24.577	25.130	0,91%
Deprication	-10.392	-9.931	-10.747	-3,30%
Results from operating activites, EDIT	14.966	14.646	14.383	4,05%
Interest income	433	973	511	-
Interest expenses	-5.190	-5.788	-4.583	-
Other expenses on financial assets and liabilities	7.845	265	-6.771	-
Total financial income and expenses	3.089	-4.550	-10.843	-
Share in profit (loss) of associated companies	-3	0	4	-
Profit before income tax	18.053	10.096	3.588	403,15%
Income tax	-4.702	-2.154	587	-
Profit for the year	13.352	7.942	4.176	219,73%

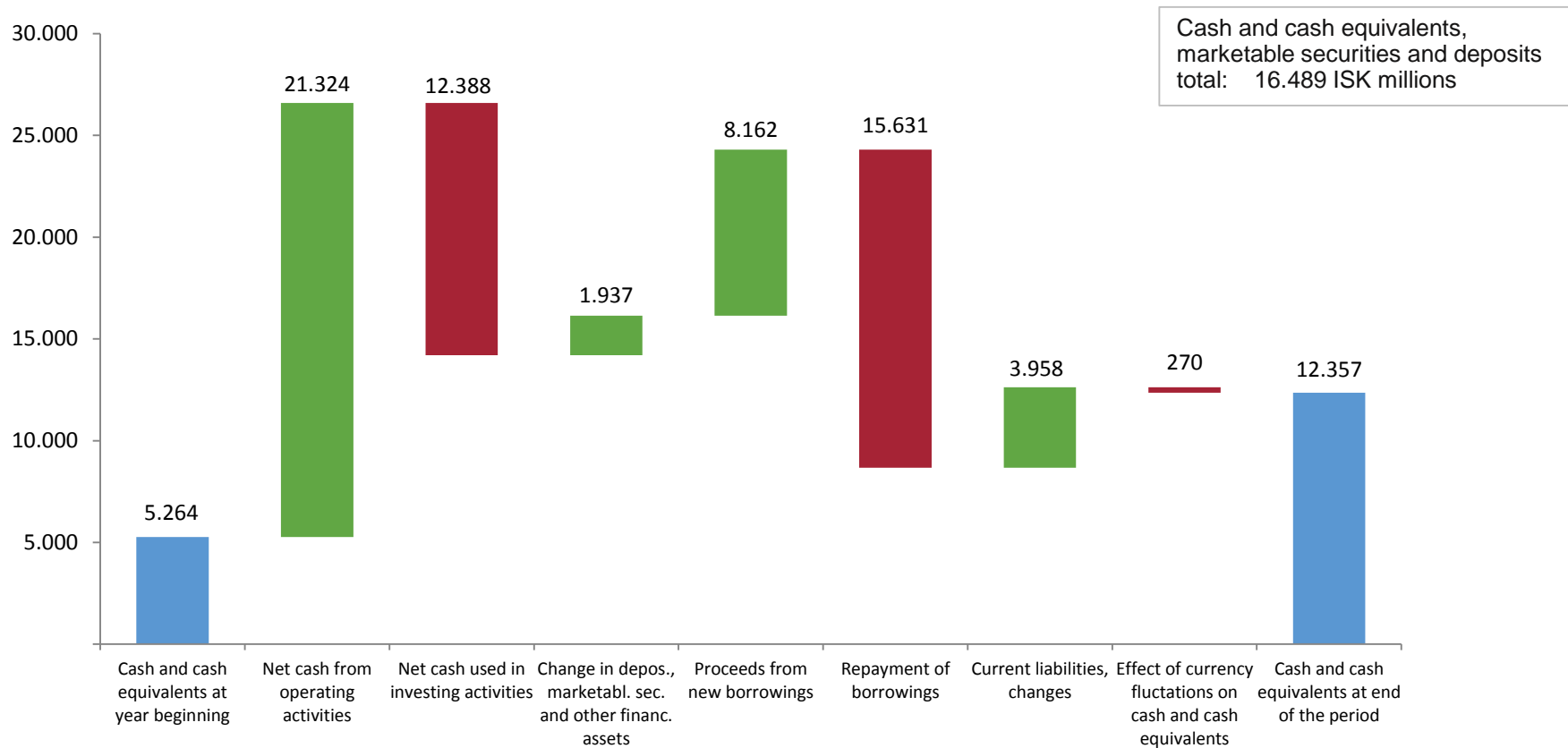
Financial income and expenses

ISK millions	Actual 31.12.2016	Actual 31.12.2016
Interest income	433	511
Interest expense	-4.179	-3.877
Guarantee fee to owners	-1.011	-705
Total interest expenses	-5.190	-4.582
Fair value changes of embedded derivatives in electricity sales contracts	2.873	-10.164
Fair value changes of financial assets and financial liabilities through P/L	-616	225
Hedge contracts	-2.945	-1.916
Foreign exchange difference	8.504	5.075
Dividends	29	9
Total of other income (expenses) on financial assets and liabilities	7.845	-6.771
Total financial income and expenses	3.088	-10.842

Consolidated Statement of Financial Position

ISK millions	Actual 31.12.2016	Actual 31.12.2015
Assets		
Property, plant, equipment and intangible assets	264.823	278.311
Investments in associated and other companies	3.285	2.971
Other financial assets	9.735	7.268
Total non-current assets	277.843	288.550
Cash and cash equivalents	12.357	5.264
Deposits and marketable securities	4.132	1.908
Other receivables	6.118	15.267
Total current assets	22.607	22.439
Total assets	300.450	310.989
Equity and liabilities		
Equity	121.476	114.771
Loans and borrowings	129.317	146.347
Embedded derivatives in electricity sales contracts	8.913	11.095
Other non-current liabilities	11.651	10.483
Total non-current liabilities	149.881	167.925
Embedded derivatives in electricity sales contracts	1.406	2.097
Other current liabilities	5.316	5.152
Accounts payable	18.322	19.288
Hedge contracts	2.312	1.756
Unpaid taxes	1.737	0
Total current liabilities	29.093	28.293
Total liabilities	178.974	196.218
Total equity and liabilities	300.450	310.990

Cash flows

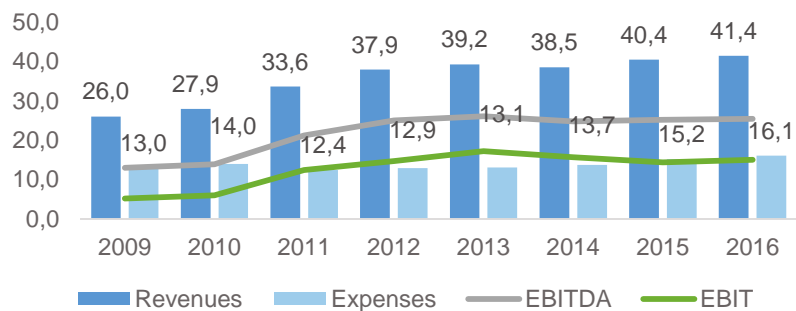


The Plan

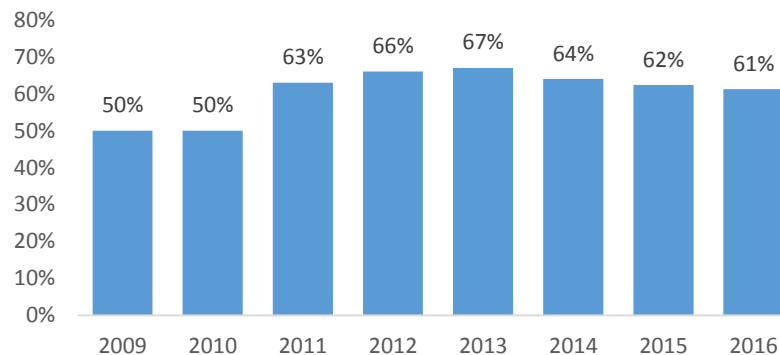
Actions in ISK billions	The Plan		Actual
	2011-2016		
Reduction of investments in utility systems	15,0	✓	17,9
Sale of assets	10,0	✗	9,0
Reduction in operating costs	5,0	✓	8,0
Reduction of other investments	1,3	✓	1,4
Postponement of investments in sewerage	0,0	✓	1,3
Total	31,3	✓	37,6
Subordinated loans from owners	12,0	✓	12,0
Increased revenues due to higher tariffs	8,0	✓	10,6
Total	20,0	✓	22,6
The Plan Total	51,3	✓	60,2

Key figures

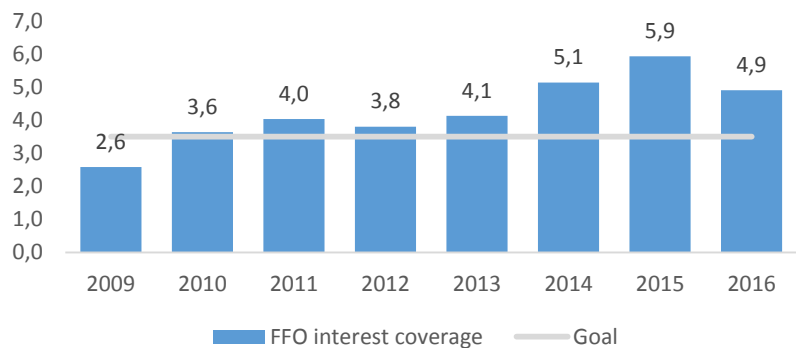
Revenues, expenses, EBITDA and EBIT



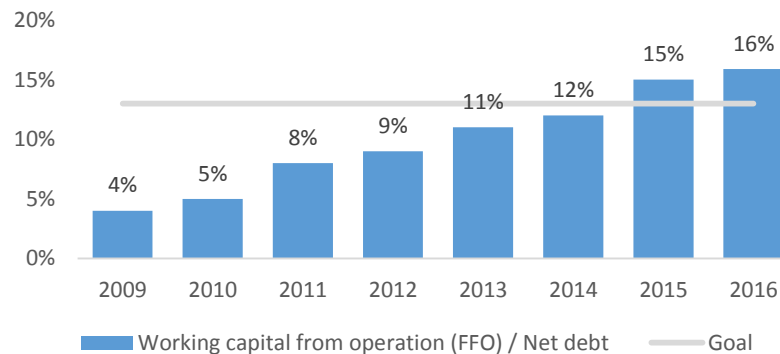
EBITDA margin



FFO interest coverage

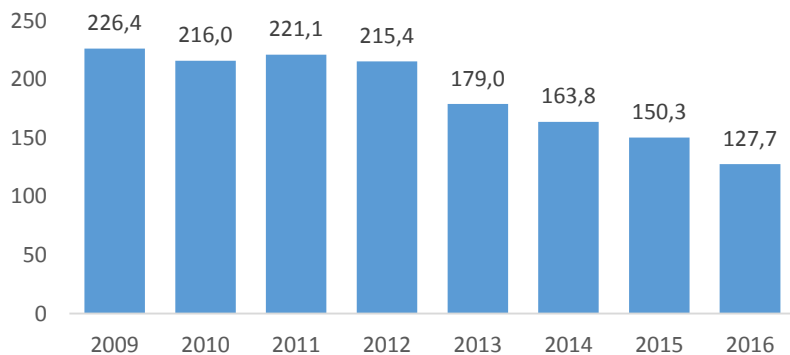


Working capital from operation (FFO) / Net debt

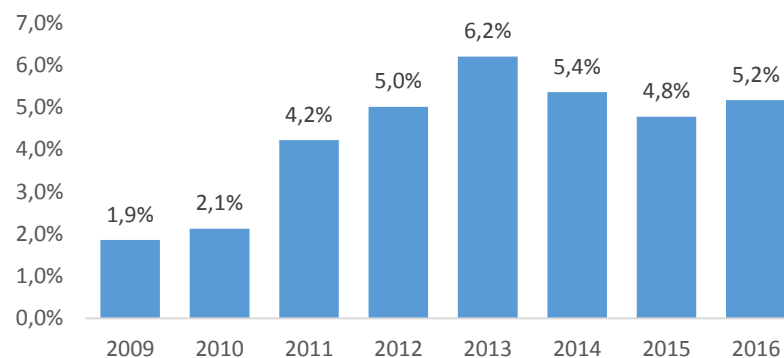


Key ratios

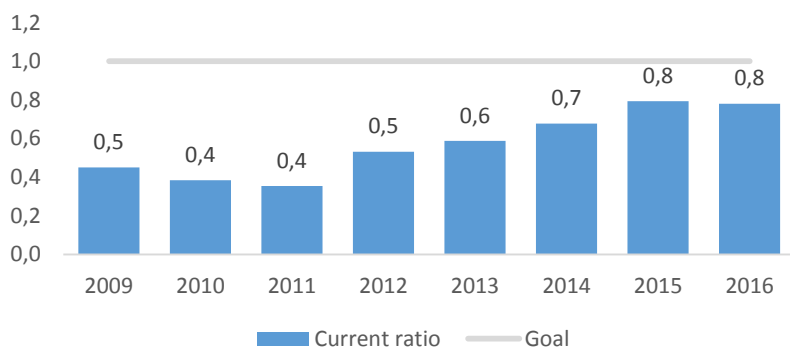
Net debt



ROCE



Current ratio



Equity ratio

