

Group

Condensed Interim Financial Statements

January 1 to March 31, 2018

Landsvirkjun  
Háaleitisbraut 68  
103 Reykjavík  
Iceland

Reg. no. 420269-1299

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## Key figures

### Management's presentation of the operation of Landsvirkjun

Amounts are in USD thousand

	2018 1.1.-31.3.	2017 1.1.-31.3.	2016 1.1.-31.3.	2015 1.1.-31.3.	2014 1.1.-31.3.
<b>Operation</b>					
Operating revenues .....	142,810	119,465	104,294	109,375	101,638
Realised aluminium hedges .....	( 1,648)	( 653)	1,209	2,290	3,408
<b>Total operating revenues .....</b>	<b>141,162</b>	<b>118,812</b>	<b>105,503</b>	<b>111,665</b>	<b>105,046</b>
Operating and maintenance expenses .....	( 35,893)	( 30,544)	( 23,296)	( 22,410)	( 22,458)
<b>EBITDA .....</b>	<b>105,269</b>	<b>88,268</b>	<b>82,207</b>	<b>89,255</b>	<b>82,588</b>
Depreciation and impairment loss .....	( 30,623)	( 29,180)	( 29,273)	( 27,573)	( 27,416)
<b>EBIT .....</b>	<b>74,646</b>	<b>59,088</b>	<b>52,934</b>	<b>61,682</b>	<b>55,172</b>
Financial items .....	( 18,720)	( 15,307)	( 15,108)	( 9,655)	( 21,066)
<b>Profit before unrealised financial items .....</b>	<b>55,926</b>	<b>43,781</b>	<b>37,826</b>	<b>52,027</b>	<b>34,106</b>
<b>Unrealised financial items:</b>					
Fair value changes in embedded derivatives ...	( 39,556)	42,555	( 3,809)	( 4,679)	( 32,568)
Fair value changes in other derivatives .....	16,879	( 8,110)	( 155)	( 7,306)	( 1,231)
Unrealised foreign exchange difference .....	( 18,856)	( 3,568)	( 26,896)	44,791	2,196
	( 41,533)	30,877	( 30,860)	32,806	( 31,603)
<b>Profit before income tax .....</b>	<b>14,393</b>	<b>74,658</b>	<b>6,966</b>	<b>84,833</b>	<b>2,503</b>
Income tax .....	( 5,328)	( 25,277)	( 3,522)	( 29,253)	75
<b>Profit for the period .....</b>	<b>9,065</b>	<b>49,381</b>	<b>3,444</b>	<b>55,580</b>	<b>2,578</b>
<b>Balance sheet</b>					
	<b>31.3.2018</b>	<b>31.3.2017</b>	<b>31.3.2016</b>	<b>31.3.2015</b>	<b>31.3.2014</b>
Total assets .....	4,712,186	4,472,638	4,261,913	4,202,682	4,496,933
Total equity .....	2,072,166	2,017,992	1,920,232	1,746,998	1,663,121
Total liabilities .....	2,640,020	2,454,646	2,341,681	2,455,684	2,833,812
Net debt* .....	2,038,072	1,965,833	1,974,816	2,028,575	2,403,087
<b>Cash flow</b>					
	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>	<b>1.1.-31.3.</b>
Funds from operation (FFO) .....	85,030	70,900	66,477	69,423	66,502
Cash flow from operating activities .....	81,142	66,285	68,711	82,850	69,046
Investing activities .....	( 42,582)	( 67,732)	( 22,248)	( 14,403)	( 51,853)
Financing activities .....	160,679	95,757	( 64,717)	( 52,293)	( 80,923)
<b>Liquidity</b>					
	<b>31.3.2018</b>	<b>31.3.2017</b>	<b>31.3.2016</b>	<b>31.3.2015</b>	<b>31.3.2014</b>
Cash and cash equivalents .....	327,844	241,417	125,810	219,264	224,877
Undrawn loans .....	388,866	472,184	365,366	276,525	301,529
Total liquidity .....	716,710	713,601	491,176	495,789	526,406
<b>Key ratios</b>					
Return on equity ** .....	3.4%	5.9%	1.8%	7.9%	( 0.3)%
Equity ratio .....	44.0%	45.1%	45.1%	41.6%	37.0%
Interest cover (EBITDA/net interest exp)** .....	5.55x	5.26x	4.68x	4.05x	3.57x
FFO / net debt** .....	14.6%	12.2%	12.0%	12.9%	10.4%
FFO / interest expense** .....	4.36x	3.89x	3.38x	3.00x	2.67x
Net debt / EBITDA** .....	5.62x	6.39x	6.28x	5.99x	7.42x
<b>Credit rating without state guarantee at the end of March</b>					
Standard & Poor's .....	BBB	BBB	BBB-	BB	BB
Moody's .....	Baa2	Baa3	Ba1	Ba2	Ba2

\* Net debt is interest bearing liabilities less cash and cash equivalent

\*\* Key ratios based on the past 12 months

## Endorsement and Statement of the Board of Directors and CEO

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Landsvirkjun's objective is to operate in the energy sector and to engage in other business and financial operations according to the decision of the Board of Directors at each time. The Company's condensed consolidated financial statements in the period from January 1 to March 31 2018 are prepared in accordance with IAS 34 Interim Financial Reporting and additional requirements in the Icelandic Financial Statement Act and include, in addition to the parent company, four subsidiaries, Landsnet hf., Orkufjarskipti hf., Icelandic Power Insurance Ltd. and Landsvirkjun Power ehf. The interim financial statements have not been audited or reviewed by the Company's auditors.

According to the income statement, the Group's profit in the period from January to March 2018 amounted to USD 9.1 million while during the same period in 2017 the Group's profit amounted to USD 49.4 million. The change between periods is USD 40.3 million, mainly due to the fair value loss of derivatives, which amounted to USD 22.7 million during the period January to March 2018 compared to a positive difference of USD 34.4 million during the same period in the previous year and negative currency exchange difference, which amounted to USD 18.7 million compared to a negative difference in the amount of USD 3.8 million during the same period in 2017. The Group's operating revenues amounted to USD 141.2 million during the period compared to USD 118.8 million during the same period in the previous year. Cash flow from operations amounted to USD 81.1 million during the period compared to USD 66.3 million during the same period in the previous year. At the end of March 2018, the Group's cash and cash equivalents amounted to USD 327.8 million and undrawn loans amounted to USD 388.9 million, a total of USD 716.7 million. The Group's equity at the end of March amounted to USD 2,072.2 million according to the balance sheet compared to USD 2,063.1 million at year end 2017. At the annual general meeting at April 10, 2018 the payment of dividends to owners in the amount of ISK 1.5 billion or USD 15.2 million was approved.

### Statement by the Board of Directors and the CEO

According to the best knowledge of the Board of Directors and the CEO, the financial statements are in accordance with IAS 34, Interim financial statements, as adopted by the EU and additional requirements in the Icelandic Financial Statement Act. According to the best knowledge of the Board of Directors and the CEO the financial statements give a fair view of the Group's assets, liabilities and financial position as at 31 March 2018 and the Group's operating results and changes in cash flow during the period from 1 January to 31 March 2018.

Furthermore, it is the opinion of the Board of Directors and the CEO that the interim financial statements and the Endorsement by the Board of Directors for the period from January to March 2018 give a fair view of the Group's results, financial position and development and describe the main risk factors faced by the Group.

The Board of Directors and the CEO have today discussed the condensed consolidated interim financial statements and confirm them by means of their signatures.

Reykjavik, May 24, 2018.

The Board of Directors:

Jónas Þór Guðmundsson

Álfheiður Ingadóttir

Guðfinna Jóhanna Guðmundsdóttir

Gunnar Tryggvason

Jón Björn Hákonarson

The CEO:

Hörður Arnarson

# Income Statement

	Notes	2018 1.1.-31.3.	2017 1.1.-31.3.
<b>Operating revenues</b>			
Power sales .....		117,730	98,592
Realised aluminium hedges .....	(	1,648)	( 653)
Transmission .....		22,326	19,048
Other income .....		2,754	1,825
		<u>141,162</u>	<u>118,812</u>
<b>Operating expenses</b>			
Energy production costs .....		35,348	34,317
Transmission costs .....		16,817	12,861
Cost of general research .....		2,210	2,376
Other operating expenses .....		12,141	10,170
		<u>66,516</u>	<u>59,724</u>
<b>Operating profit</b> .....		<u>74,646</u>	<u>59,088</u>
<b>Financial income and (expenses)</b>			
Interest income .....		859	645
Interest expenses .....	(	18,773)	( 15,717)
Foreign exchange difference .....	(	18,741)	( 3,815)
Fair value changes in embedded derivatives .....	(	39,556)	42,555
Fair value changes in other derivatives .....		16,879	( 8,110)
	6	<u>( 59,332)</u>	<u>15,558</u>
Associated companies .....	(	921)	12
<b>Profit before income tax</b> .....		14,393	74,658
Income tax .....	(	5,328)	( 25,277)
<b>Net profit for the period</b> .....		<u>9,065</u>	<u>49,381</u>
<b>Attributable to:</b>			
Owners of the parent company .....		7,650	46,865
Subsidiaries minority interest .....		1,415	2,516
		<u>9,065</u>	<u>49,381</u>

Notes 1 to 11 are an integral part of these interim financial statements.

## Statement of Comprehensive Income

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	<b>2018</b>	<b>2017</b>
	1.1.-31.3.	1.1.-31.3.
<b>Profit for the period</b> .....	<u>9,065</u>	<u>49,381</u>
<b>Items that will not be reclassified subsequently to profit or loss:</b>		
Pension obligation after income tax, change .....	( 588)	( 551)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Translation difference due to subsidiaries and associated companies .....	<u>1,643</u>	<u>73</u>
Total operating items moved to equity	<u>1,055</u>	<u>( 478)</u>
<b>Total Comprehensive Income for the period</b> .....	<u><u>10,120</u></u>	<u><u>48,903</u></u>
<b>Attributable to:</b>		
Owners of the parent company .....	8,535	46,393
Subsidiaries minority interest .....	<u>1,585</u>	<u>2,510</u>
	<u><u>10,120</u></u>	<u><u>48,903</u></u>

Notes 1 to 11 are an integral part of these interim financial statements.

# Balance Sheet

<b>Assets</b>	<b>Notes</b>	<b>31.3.2018</b>	<b>31.12.2017</b>
<b>Non-current assets</b>			
Property, plant and equipment .....		3,797,484	3,810,257
Projects under construction .....		257,901	232,425
Development cost .....		132,933	130,319
Other intangible assets .....		48,331	48,413
Derivative financial instruments .....	7	50,253	66,200
Associated companies .....		11,278	11,778
Other non-current assets .....		234	163
Tax asset .....		81	14
<b>Total non-current assets</b>		<u>4,298,495</u>	<u>4,299,569</u>
<b>Current assets</b>			
Inventories .....		5,718	5,625
Accounts receivables and other receivables .....		71,510	66,383
Derivative financial instruments .....	7	8,619	8,271
Cash and cash equivalents .....		327,844	126,544
<b>Total current assets</b>		<u>413,691</u>	<u>206,823</u>
<b>Total assets</b>		<u><u>4,712,186</u></u>	<u><u>4,506,392</u></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Owners' contributions .....		586,512	586,512
Revaluation account .....		167,846	169,329
Restricted reserves .....		11,069	10,390
Translation difference .....		( 37,063)	( 38,536)
Other equity .....		1,224,436	1,216,571
<b>Equity of the owners of the parent company</b>		<u>1,952,800</u>	<u>1,944,265</u>
Minority interest .....		119,366	118,847
<b>Total equity</b>		<u>2,072,166</u>	<u>2,063,112</u>
<b>Long-term liabilities</b>			
Interest bearing liabilities .....	8	2,104,042	1,889,372
Accrued pension liabilities .....		43,707	40,597
Deferred income tax liability .....		87,349	91,268
Obligation due to demolition .....		8,710	8,551
Prepaid income .....		3,036	3,043
Derivative financial instruments .....	7	1,189	4,110
		<u>2,248,033</u>	<u>2,036,941</u>
<b>Current liabilities</b>			
Accounts payable and other payables .....		112,801	93,028
Interest bearing liabilities .....	8	261,874	279,814
Income tax payable .....		12,714	18,038
Derivative financial instruments .....	7	4,598	15,459
		<u>391,987</u>	<u>406,339</u>
<b>Total liabilities</b>		<u>2,640,020</u>	<u>2,443,280</u>
<b>Total equity and liabilities</b>		<u><u>4,712,186</u></u>	<u><u>4,506,392</u></u>

Notes 1 to 11 are an integral part of these interim financial statements.

## Statement of Equity

	Owners' contribution	Revaluation account	Restricted reserves	Translation difference	Other equity	Equity attributable to the owners of the company	Minority interest	Total equity
<b>January 1 to March 31, 2017</b>								
Equity at January 1, 2017.....	586,512	175,712	1,039	(41,120)	1,138,169	1,860,312	108,776	1,969,088
Translation difference.....				79		79	(6)	73
Pension obligation, change.....					(551)	(551)	0	(551)
Profit for the period.....					46,865	46,865	2,516	49,381
Total comprehensive profit.....				79	46,314	46,393	2,510	48,903
Share of profit of subsidiaries and associated companies.....			191		(191)			
Revaluation transferred to other equity.....		(2,405)			2,405			
Equity at March 31, 2017.....	586,512	173,307	1,230	(41,041)	1,186,697	1,906,705	111,287	2,017,992
<b>January 1 to March 31, 2018</b>								
Equity at January 1, 2018 .....	586,512	169,329	10,390	(38,536)	1,216,571	1,944,266	118,847	2,063,113
Translation difference.....				1,473		1,473	170	1,643
Pension obligation, change.....					(588)	(588)	0	(588)
Profit for the period.....					7,650	7,650	1,415	9,065
Total comprehensive profit.....				1,473	7,062	8,535	1,585	10,120
Dividend.....					0	0	(1,066)	(1,066)
Share of profit of subsidiaries and associated companies.....			679		(679)			
Revaluation transferred to other equity.....		(1,483)			1,483			
Equity at March 31, 2018.....	586,512	167,846	11,069	(37,063)	1,224,436	1,952,800	119,366	2,072,166

Notes 1 to 11 are an integral part of these interim financial statements.



## Statement of Cash Flows

	<b>2018</b>	<b>2017</b>
	1.1.-31.3.	1.1.-31.3.
<b>Operating activities</b>		
Operating profit .....	74,646	59,088
Depreciation and impairment loss .....	30,623	29,180
Pension obligation, change .....	( 493)	( 379)
Obligation due to demolition, change .....	158	99
Other changes .....	( 49)	( 1)
Working capital from operation before financial items	104,885	87,987
Operating assets, change .....	( 1,405)	( 1,004)
Operating liabilities, change .....	9,117	3,888
Cash flow from operating activities before financial items	112,597	90,871
Interest income received .....	682	531
Interest expenses and foreign exchange difference paid .....	( 27,935)	( 22,800)
Taxes paid .....	( 4,202)	( 2,317)
Cash flow from operating activities	<u>81,142</u>	<u>66,285</u>
<b>Investing activities</b>		
Power stations in operation .....	( 4,348)	( 2,561)
Transmission .....	( 5,952)	( 14,833)
Power plant preparation cost .....	( 2,320)	( 2,286)
Power stations under construction .....	( 27,425)	( 48,808)
Purchased shares .....	( 2)	( 21)
Other investments .....	( 2,537)	( 1,460)
Assets sold .....	62	37
Other receivables, change .....	( 60)	2,200
Investing activities	<u>( 42,582)</u>	<u>( 67,732)</u>
<b>Financing activities</b>		
New loans .....	240,000	99,878
Amortisation of long-term debt .....	( 79,321)	( 4,121)
Financing activities	<u>160,679</u>	<u>95,757</u>
<b>Change in cash and cash equivalents</b> .....	199,239	94,310
<b>Effect of exchange difference on cash and cash equivalents</b> .....	2,061	2,573
<b>Cash and cash equivalents at the beginning of the year</b> .....	<u>126,544</u>	<u>144,534</u>
<b>Cash and cash equivalents at the end of the period</b> .....	<u><u>327,844</u></u>	<u><u>241,417</u></u>

Notes 1 to 11 are an integral part of these interim financial statements.

## Notes

### Reporting entity

#### 1. Landsvirkjun

Landsvirkjun is a partnership having its place of business in Iceland and its headquarters at Háaleitisbraut 68, Reykjavik, Iceland. Landsvirkjun operates on the basis of the Act on Landsvirkjun no. 42/1983. The Company's main objective is to engage in operations in the energy sector. The interim financial statements include the consolidated financial statements of the Company and its subsidiaries.

#### 2. Statement of compliance

The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the EU and additional requirements in the Icelandic Financial Statement Act. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2017.

#### 3. Significant accounting policies

The interim financial statements are prepared using the same accounting policies as for the year 2017 except that the Group has adopted new International Accounting Standards, as adopted by the EU, for the accounting period beginning January 1, 2018, changes to the standards and new interpretations. It is management's opinion that the adoption of new, improved standards and new interpretations do not have significant effect on these consolidated interim financial statements. The Group has not adopted new or improved standards which have been issued but have not yet taken effect. It is management's opinion that adoption of new and improved standards and interpretations which are not in effect will not have significant effects on the consolidated interim financial statements. The Group's financial statements for the year 2017 can be found on its website [www.landsvirkjun.com](http://www.landsvirkjun.com) and the website of NASDAQ OMX Iceland; [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com).

The interim financial statements are presented in USD, which is the parent Company's functional currency. Amounts are presented in USD thousand unless otherwise stated.

#### 4. Use of estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

#### 5. Segment information

<b>Operating segments 1.1.-31.3.2018</b>	<b>Electricity production</b>	<b>Electricity transmission</b>	<b>Other segments</b>	<b>Adjustments</b>	<b>Total</b>
Income from third party .....	118,385	22,505	272		141,162
Income within the Group .....	5,159	16,063	1,274	( 22,496)	0
Segment income .....	123,544	38,568	1,546	( 22,496)	141,162
Segment operating expenses .....	( 39,660)	( 17,483)	( 1,246)	22,496	( 35,893)
EBITDA .....	83,884	21,085	300		105,269
Depreciation and impairment loss .....	( 23,124)	( 7,256)	( 345)	102	( 30,623)
Segment earnings, EBIT .....	60,760	13,829	( 45)	102	74,646
Segment assets 31.3.2018 .....	4,183,093	842,328	24,355	( 348,868)	4,700,908
Shares in associated companies .....	11,146	7,870	132	( 7,870)	11,278
Total assets 31.3.2018 .....	4,194,239	850,198	24,487	( 356,738)	4,712,186
Segment liabilities 31.3.2018 .....	2,225,119	511,764	4,812	( 101,675)	2,640,020
Total liabilities 31.3.2018 .....	2,225,119	511,764	4,812	( 101,675)	2,640,020

## Notes, contd.:

### 5. Segment information, contd.:

<b>Operating segments 1.1.-31.3.2017</b>	<b>Electricity production</b>	<b>Electricity transmission</b>	<b>Other segments</b>	<b>Adjustments</b>	<b>Total</b>
Income from third party .....	99,243	19,205	364		118,812
Income within the Group .....	5,764	16,283	1,234	( 23,281)	0
Segment income .....	105,007	35,488	1,598	( 23,281)	118,812
Segment operating expenses .....	( 38,161)	( 14,474)	( 1,190)	23,281	( 30,544)
EBITDA .....	66,846	21,014	408		88,268
Depreciation and impairment loss .....	( 22,129)	( 6,867)	( 287)	103	( 29,180)
Segment earnings, EBIT .....	44,717	14,147	121	103	59,088
Segment assets 31.12.2017 .....	4,025,516	843,935	22,893	( 397,731)	4,494,613
Shares in associated companies .....	11,616	7,367	162	( 7,367)	11,778
Total assets 31.12.2017 .....	4,037,132	851,302	23,055	( 405,098)	4,506,392
Segment liabilities 31.12.2017 .....	2,076,465	514,339	4,351	( 151,875)	2,443,280
Total liabilities 31.12.2017 .....	2,076,465	514,339	4,351	( 151,875)	2,443,280

### 6. Financial income and (expenses)

	<b>2018</b>	<b>2017</b>
	1.1.-31.3.	1.1.-31.3.
Financial income and (expenses) are specified as follows:		
Interest income .....	859	645
Interest expense .....	( 19,164)	( 16,205)
Guarantee fee .....	( 1,760)	( 2,026)
Indexation .....	( 342)	( 533)
Capitalised finance cost .....	2,493	3,047
Total interest expense .....	( 18,773)	( 15,717)
Realised foreign exchange difference .....	115	( 246)
Unrealised foreign exchange difference .....	( 18,856)	( 3,569)
Total foreign exchange difference .....	( 18,741)	( 3,815)
Fair value changes in embedded derivatives .....	( 39,556)	42,555
Fair value changes in other derivatives .....	16,879	( 8,110)
Financial income and (expenses)	( 59,332)	15,558

### 7. Derivative financial instruments in the balance sheet:

Derivative financial instruments in the balance sheet are specified as follows:

	<b>31.3.2018</b>	<b>31.12.2017</b>
<b>Assets:</b>		
Embedded derivatives in electricity agreements .....	15,369	54,390
Aluminium hedges .....	5,295	1,141
Currency swaps .....	38,208	18,940
	58,872	74,471
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements .....	50,253	66,200
Short-term component of derivative agreements .....	8,619	8,271
	58,872	74,471
<b>Liabilities:</b>		
Embedded derivatives in electricity sales agreements .....	1,480	946
Aluminium hedges .....	3,994	17,251
Currency swaps .....	0	693
Interest rate swaps .....	313	679
	5,787	19,569

## Notes, contd.:

### 7. Derivative financial instruments in the balance sheet, contd.

	31.3.2018	31.12.2017
Derivative financial instruments are divided as follows:		
Long-term component of derivative agreements .....	1,189	4,110
Short-term component of derivative agreements .....	4,598	15,459
	<u>5,787</u>	<u>19,569</u>

### 8. Liabilities

Interest bearing long-term debt is specified as follows by currencies:

		31.3.2018		31.12.2017	
	Maturity date	Average interest	Remaining balance	Average interest	Remaining balance
Liabilities in ISK .....	2019-2034	3.7%	317,871	3.7%	295,793
Liabilities in CHF .....	2019-2022	0.0%	24,647	0.0%	27,044
Liabilities in EUR .....	2019-2026	0.9%	406,438	0.9%	392,671
Liabilities in USD .....	2019-2035	3.5%	1,616,960	3.3%	1,453,678
			<u>2,365,916</u>		<u>2,169,186</u>
Current maturities of long-term debt .....			( 261,874)		( 279,814)
Total long-term debt .....			<u>2,104,042</u>		<u>1,889,372</u>

Interest rates on the loans range between 0.0-5.6%. Nominal interest rates for the period were on average approximately 3.5%, taking into account the state guarantee fee, same as in the full year 2017.

According to loan agreements, the maturities of long-term debt are as follows:

	31.3.2018
1.4.2018-31.3.2019 .....	261,874
1.4.2019-31.12.2019 .....	141,277
2020 .....	362,787
2021 .....	217,776
2022 .....	168,380
2023 .....	168,558
Later .....	1,045,264
	<u>2,365,916</u>

### 9. Comparison of fair value and book value

	31.3.2018		31.12.2017	
	Book value	Fair value	Book value	Fair value
Interest bearing long term liabilities .....	2,365,916	2,520,680	2,169,186	2,342,525

Fair value of other financial instruments is equal to book value.

Fair value of interest bearing liabilities is calculated by discounting the expected cash flows with the underlying currencies yield curve.

Interest rates are specified as follows:

	31.3.2018	31.12.2017
Interest bearing liabilities in ISK .....	1.7 - 2.2%	1.9 - 2.0%
Interest bearing liabilities other than in ISK .....	-0.7 - 2.9%	-0.7 - 2.6%

## Notes, contd.:

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### 10. Fair value classification

The table shows the level categorisation for items in the interim financial statements recognised at fair value.

	Level 2	Level 3	Total
<b>31.3.2018</b>			
Embedded derivatives .....		13,889	13,889
Other derivatives .....	6,488	32,707	39,195
Revaluation of property, plant and equipment .....		248,659	248,659
Shares in other companies .....		173	173
	<u>6,488</u>	<u>295,428</u>	<u>301,916</u>
<b>31.12.2017</b>			
Embedded derivatives .....		53,444	53,444
Other derivatives .....	( 13,228)	14,686	1,458
Revaluation of property, plant and equipment .....		250,960	250,960
Shares in other companies .....		163	163
	<u>( 13,228)</u>	<u>319,253</u>	<u>306,025</u>

### 11. Other matters

At the annual general meeting at April 10, 2018 the payment of dividends to owners in the amount of ISK 1.5 billion or USD 15.2 million was approved.