



Moody's upgrades Landsvirkjun's unguaranteed credit ratings from Baa3 to Baa2

Moody's Investors Service has upgraded Landsvirkjun's unguaranteed senior unsecured debt ratings from Baa3 to Baa2. Landsvirkjun's credit rating with the guarantee of collection remains unchanged at Baa1. Outlook is stable.

According to Moody's, the upgrade of the unguaranteed debt rating reflects Landsvirkjun's track record of stable operating performance. Furthermore, Moody's points to Landsvirkjun's improved financial risk profile, which enables the Company to withstand significant volatility in the commodity markets and has reduced its exposure to foreign exchange, interest rate and aluminium price risk. Finally, Moody's recognizes that after the conclusion of two major projects in 2018, Landsvirkjun's cash flow will enable it to substantially reduce its financial leverage.

Hörður Arnarson, CEO of Landsvirkjun:

"Landsvirkjun has endeavoured to reduce its market risk which has resulted in stable operations. In conjunction with deleveraging, the company has improved its capacity to increase dividends to its owner, the Icelandic nation.

Landsvirkjun recently became the first issuer in Iceland to issue a green bond, without a guarantee of collection, and with 7x oversubscription the company proved its access to financial markets. It is very gratifying that Moody's looks to Landsvirkjun's improved operations, continued strength and ability to further reduce debt."

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