

Landsnet successfully completes international bond issue for 200 million USD

Landsnet has issued an unsecured bond (the “Notes”) in the amount of 200 million USD (22.9 billion ISK). The Notes were sold to international institutional investors via a private placement and will not be listed on the stock exchange (NASDAQ OMX Iceland). The Notes vary in maturity from five to twelve years and will carry a fixed interest rate of 4.56% (weighted average). The financing is part of an initiative to optimise the Company’s long-term capital base on currently favourable terms, to change the composition of loans and reduce currency risk.

Landsnet’s CEO, Guðmundur Ingi Ásmundsson stated that the move is a big step for Landsnet as it marks the first time that Landsnet has issued a bond to foreign investors. He also expressed his appreciation for the confidence investors have shown Landsnet.

“This allows us to secure currently favourable terms in the market as well as reduce currency risk as Landsnet changed its reporting currency to the US dollar at the beginning of the year. We are the first Icelandic energy company to choose this route and we are both pleased by the favourable terms offered to us and the positive reception we have received. This is a tremendous achievement and good publicity for the Company and Iceland.”

Offers were received for over 260 million dollars and a decision was made to double the issue due to strong investor interest and favourable current market conditions. The financing will be carried out in two stages as half of the amount will be drawn now and the balance in March.

Barclays Capital Inc managed the bond issue.

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