

Table 1: Shareholder Returns

Measure	Description	Calculation
Total shareholder return	Performance from an investor perspective – dividends and investment growth	$(\text{Commercial value}_{\text{end}} \text{ less commercial value}_{\text{beg}} \text{ plus dividends paid less equity injected}) / \text{commercial value}_{\text{beg}}$
Dividend yield	The cash return to the shareholder	Dividends paid/average commercial value
Dividend payout	Proportion of an SOE's net operating cash flows less allowance for capital maintenance paid out as a dividend to the shareholder	Dividends paid/net cash flow from operating activities less depreciation expense
Return on equity	How much profit a company generates with the funds the shareholder has invested in the company	Net profit after tax/average equity
Return on equity adjusted for IFRS fair value movements and asset revaluations	Return on equity after removing the impact of IFRS fair value movements and asset revaluations	Net profit after tax adjusted for IFRS fair value movements (net of tax)/Average of share capital plus retained earnings

Table 2: Profitability/Efficiency

Measure	Description	Calculation
Return on capital employed	The efficiency and profitability of a company's capital from both debt and equity sources	EBIT adjusted for IFRS fair value movements/average capital employed
Operating margin	The profitability of the company per dollar of revenue	EBITDAF/revenue
Generator efficiency [1]	The efficiency and profitability of the company's electricity generation	EBITDAF/MWh

Table 3: Leverage/Solvency

Measure	Description	Calculation
Gearing ratio (net)	Measure of financial leverage - the ratio of debt (liabilities on which a company is required to pay interest) less cash, to debt less cash plus equity	Net debt/net debt plus equity
Interest cover	The number of times that earnings can cover interest	EBITDAF/interest paid
Solvency	Ability of the company to pay its debts as they fall due	Current assets/current liabilities