

HAWAIIAN ELECTRIC INDUSTRIES INC
Form 8-K
April 23, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: April 23, 2001

Exact Name of Registrant as Specified in Its Charter -----	Commission File Number -----	I.R.S. Employer Identification No. -----
Hawaiian Electric Industries, Inc.	1-8503	99-0208097
Hawaiian Electric Company, Inc.	1-4955	99-0040500

State of Hawaii
(State or other jurisdiction of incorporation)

900 Richards Street, Honolulu, Hawaii 96813
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:
(808) 543-5662--Hawaiian Electric Industries, Inc. (HEI)
(808) 543-7771--Hawaiian Electric Company, Inc. (HECO)

None
(Former name or former address, if changed since last report.)

Item 5. Other Events

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form 8-K

News release

On April 23, 2001, HEI issued the following news release:

HAWAIIAN ELECTRIC INDUSTRIES, INC. REPORTS FIRST QUARTER 2001 EARNINGS

HONOLULU--Hawaiian Electric Industries, Inc. (NYSE--HE) today reported net income for the three months ended March 31, 2001 of \$27.7 million, or 84 cents per share, compared with \$29.0 million, or 90 cents per share, in the same quarter of 2000.

"The company had a mixed first quarter, with earnings down 4.2%. Despite a 1.7% increase in kilowatthour sales, utility net income was down 9.7% as purchased power and other operation and maintenance expenses at the utility increased," said Robert F. Clarke, HEI chairman, president and chief executive officer. "However, our savings bank had a good quarter with net income up 5.8%, mainly due to higher interest and fee income," said Clarke.

Electric utility net income in the first quarter was \$21.4 million versus \$23.7 million in the same period last year. Higher kilowatthour sales were largely a result of warmer weather. "However, purchased power and maintenance expenses were higher in the first quarter of 2001 as compared with the same period in 2000 due to the timing of overhauls by both the company and its major independent power supplier on Oahu," said Clarke.

Savings bank net income in the first quarter was \$11.9 million compared to \$11.2 million in the same period last year. Interest income increased 5.0% due to an increase in interest earning assets of 1.9%. However, the bank's interest rate spread--the difference between the yield on earning assets and cost of funds--was lower at 3.01% in the recent quarter versus 3.28% for the same period in 2000.

International power results were relatively flat for the quarter, excluding a gain from a \$1.5 million partial release of a loan guarantee that was previously recorded. A \$0.6 million tax benefit related to this reversal is included in the other segment results.

HEI will hold its annual meeting tomorrow at 9:30 a.m. in Honolulu, Hawaii to elect five directors and an independent auditor.

HEI is a diversified holding company. Its core businesses are electric utilities, a savings bank and an international power subsidiary.

1

FORWARD-LOOKING STATEMENTS

This release may contain "forward-looking statements," that are subject to risks and uncertainties. Forward looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and/or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or similar expressions. Forward-looking statements in this release should be read in conjunction with "Forward-looking statements" set forth on page vi of HEI's Form 10-K for the year ended December 31, 2000 (incorporated by reference herein) that discusses important factors that could cause HEI's results to differ materially from those anticipated in such statements. Forward-looking statements speak only as of the date of this release.

2

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form 8-K

HAWAIIAN ELECTRIC INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Quarters ended March 31,		Twelve months ended March 31,	
	2001	2000	2001	2000
(in thousands, except per share amounts)				
Revenues				
Electric utility.....	\$318,423	\$289,405	\$1,306,188	\$1,106,818
Savings bank.....	115,754	110,267	456,369	419,900
International power.....	1,969	1,665	(11,726)	5,137
Other.....	(1,279)	538	1,185	41,063
	434,867	401,875	1,752,016	1,572,918
Expenses				
Electric utility.....	270,413	237,775	1,116,717	921,375
Savings bank.....	95,605	91,077	385,369	355,489
International power.....	773	2,115	87,698	9,702
Other.....	2,359	2,706	9,370	38,311
	369,150	333,673	1,599,154	1,324,877
Operating income (loss)				
Electric utility.....	48,010	51,630	189,471	185,443
Savings bank.....	20,149	19,190	71,000	64,411
International power.....	1,196	(450)	(99,424)	(4,565)
Other.....	(3,638)	(2,168)	(8,185)	2,752
	65,717	68,202	152,862	248,041
Interest expense--other than sav- ings bank.....	(20,005)	(19,072)	(79,554)	(73,815)
Allowance for borrowed funds used during construction.....	676	691	2,907	2,627
Preferred stock dividends of sub- sidiaries.....	(502)	(498)	(2,011)	(2,006)
Preferred securities distributions of trust subsidiaries.....	(4,009)	(4,009)	(16,035)	(16,035)
Allowance for equity funds used during construction.....	1,265	1,269	5,376	4,458
	Income from continuing operations before income taxes.....	43,142	46,583	63,545
	Income taxes.....	15,397	17,607	19,032
	Income from continuing opera- tions.....	27,745	28,976	44,513
Discontinued operations--gain on disposal.....	--	--	--	3,953
	Net income.....	\$ 27,745	\$ 28,976	\$ 44,513
				\$ 105,069
Per common share				

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form 8-K

Basic earnings				
Continuing operations.....	\$ 0.84	\$ 0.90	\$ 1.36	\$ 3.14
Discontinued operations.....	--	--	--	0.12
	-----	-----	-----	-----
	\$ 0.84	\$ 0.90	\$ 1.36	\$ 3.26
	=====	=====	=====	=====
Diluted earnings				
Continuing operations.....	\$ 0.83	\$ 0.90	\$ 1.35	\$ 3.13
Discontinued operations.....	--	--	--	0.12
	-----	-----	-----	-----
	\$ 0.83	\$ 0.90	\$ 1.35	\$ 3.25
	=====	=====	=====	=====
Dividends.....	\$ 0.62	\$ 0.62	\$ 2.48	\$ 2.48
	=====	=====	=====	=====
Weighted average number of common shares outstanding.....				
	33,159	32,266	32,766	32,216
	=====	=====	=====	=====
Adjusted weighted average shares..				
	33,312	32,372	32,904	32,323
	=====	=====	=====	=====
Income from continuing operations by segment				
Electric utility.....	\$ 21,425	\$ 23,725	\$ 84,986	\$ 81,866
Savings bank.....	11,875	11,221	41,284	38,108
International power.....	434	(921)	(102,231)	(5,221)
Other.....	(5,989)	(5,049)	20,474	(13,637)
	-----	-----	-----	-----
Income from continuing operations.....				
	\$ 27,745	\$ 28,976	\$ 44,513	\$ 101,116
	=====	=====	=====	=====

This information should be read in conjunction with the consolidated financial statements and the notes thereto incorporated by reference in HEI's Annual Report on SEC Form 10-K for the year ended December 31, 2000 and the consolidated financial statements and the notes thereto in HEI's Quarterly Report on SEC Form 10-Q for the quarter ended March 31, 2001 (when filed).

Results of operations for interim periods are not necessarily indicative of results to be expected for future interim periods or the full year.

Net income for the quarter and the twelve months ended March 31, 2000 does not include equity in net losses of EPHE Philippines Energy Company, Inc. (EPHE, owner of approximately 91.7% of the common shares of East Asia Power Resources Corporation). An indirect subsidiary of HEI Power Corp. (HEIPC) acquired a 50% interest in EPHE on March 7, 2000. The accounts of HEIPC and subsidiaries are consolidated on a one month lag due to the time needed to consolidate the subsidiaries.

3

HAWAIIAN ELECTRIC INDUSTRIES, INC.

SUPPLEMENTAL DATA TO 1ST QUARTER 2001 EARNING RELEASE
(Unaudited)

Hawaiian Electric Company, Inc. (HECO) and subsidiaries Consolidated Statements of Income	Three months ended March 31,	
-----	-----	-----
	2001	2000

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form 8-K

	-----	-----
	(in thousands)	
Operating revenues.....	\$317,293	\$288,421
	-----	-----
Operating expenses		
Fuel oil.....	88,245	75,155
Purchased power.....	81,916	70,226
Other operation.....	29,774	27,741
Maintenance.....	15,197	12,533
Depreciation.....	24,609	24,334
Taxes, other than income taxes.....	30,491	27,361
Income taxes.....	13,604	15,193
	-----	-----
	283,836	252,543
	-----	-----
Operating income.....	33,457	35,878
	-----	-----
Other income		
Allowance for equity funds used during construction.....	1,265	1,269
Other, net.....	977	575
	-----	-----
	2,242	1,844
	-----	-----
Income before interest and other charges.....	35,699	37,722
	-----	-----
Interest and other charges		
Interest on long-term debt.....	9,929	9,932
Amortization of net bond premium and expense.....	530	442
Other interest charges.....	2,073	1,897
Allowance for borrowed funds used during construction.....	(676)	(691)
Preferred stock dividends of subsidiaries.....	229	228
Preferred securities distributions of trust subsidiaries....	1,919	1,919
	-----	-----
	14,004	13,727
	-----	-----
Income before preferred stock dividends of HECO.....	21,695	23,995
Preferred stock dividends of HECO.....	270	270
	-----	-----
Net income for common stock.....	\$ 21,425	\$ 23,725
	=====	=====
Other electric utility information		
Kilowatthour sales (millions).....	2,241	2,203
Cooling degree days (Oahu).....	910	828

American Savings Bank, F.S.B. and subsidiaries	Three months	
Consolidated Income statement data	ended March 31,	
-----	2001	2000
	-----	-----
Interest income.....	\$107,601	\$102,508
Interest expense.....	60,500	55,718
	-----	-----
Net interest income.....	47,101	46,790

Edgar Filing: HAWAIIAN ELECTRIC INDUSTRIES INC - Form 8-K

Provision for loan losses.....	(3,000)	(3,000)
Other income.....	8,153	7,759
Operating, administrative and general expenses.....	(32,105)	(32,359)
	-----	-----
Operating income.....	20,149	19,190
Minority interest.....	59	57
Income taxes.....	6,862	6,562
	-----	-----
Income before preferred stock dividends.....	13,228	12,571
Preferred stock dividends.....	1,353	1,350
	-----	-----
Net income.....	\$ 11,875	\$ 11,221
	=====	=====

(End of news release)

5

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature of the undersigned companies shall be deemed to relate only to matters having reference to such companies and any subsidiaries thereof.

HAWAIIAN ELECTRIC INDUSTRIES, INC.
(Registrant)

HAWAIIAN ELECTRIC COMPANY, INC.
(Registrant)

/s/ Robert F. Mougeot

/s/ Richard A. von Gnechten

Robert F. Mougeot
Financial Vice President, Treasurer
and Chief Financial Officer
(Principal Financial Officer of HEI)

Richard A. von Gnechten
Financial Vice President
(Principal Financial Officer of
HECO)

Date: April 23, 2001

Date: April 23, 2001

6