

Icelandic Corporate Bonds

Corporate bonds issuance as well as the size of listed issues have grown fast over the last few years. Bond issuance of both unlisted and listed on OMX Nordic Exchange Iceland amounted to at least ISK 103 billion for the first five months this year which is more than the issuance for the whole year 2005.

Research in Iceland:

Ásgeir Jónsson

asgeir.jonsson@kaupthing.com
Tel. +354 444 6957

Linda Garðarsdóttir

linda.gardarsdottir@kaupthing.com
Tel. +354 444 6965

Svava Jóhanna Haraldsd.

svava.haraldsdottir@kaupthing.com
Tel. +354 444 6953

Fixed Income Sales:

Stefán Ákason

stefan.akason@kaupthing.com
Tel. +354 444 7311

Gísli Hauksson

gisli.hauksson@kaupthing.com
Tel. +354 444 7315

Agnar T. Möller

agnar.moller@kaupthing.com
Tel. +354 444 7316

Bergthór Ólason

bergthor.olason@kaupthing.com
Tel. +354 444 7306

Hulda Pjetursdóttir

hulda.pjetursdottir@kaupthing.com
Tel. +354 444 7313

Stefnir Agnarsson

stefnir.agnarsson@kaupthing.com
Tel. +354 444 7308

Editor:

Ásgeir Jónsson

asgeir.jonsson@kaupthing.com
Tel. +354 444 6957

Kaupthing Research has issued a publication containing coverage of five new companies which have all issued corporate bonds. In February 2007, Kaupthing Research issued a publication on six companies; Exista, FL Group, Bakkavör Group, Atorka Group, Stodir and Síminn (Iceland Telecom) which have now been updated. The publication covers the credit profile of the companies, such as the company's profile, its credit summary and debt maturity. The new companies are Landsvirkjun, Icelandair Group, Nýsir, Norvik Banka and Eyrir Invest.

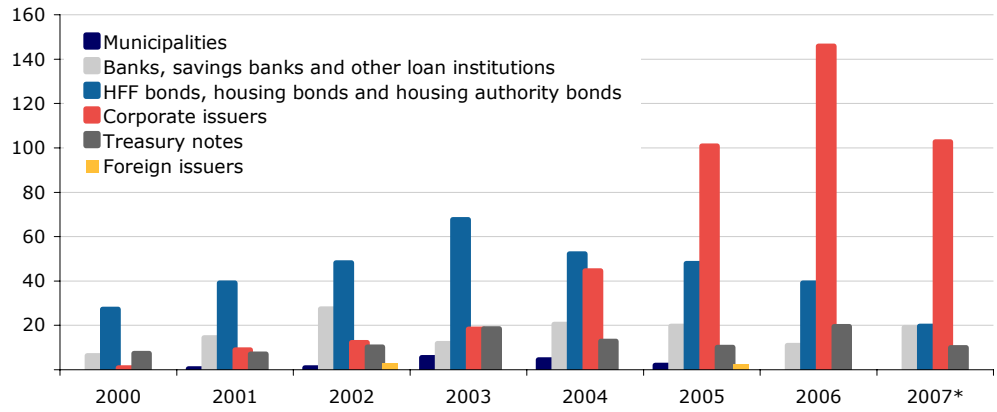
- Landsvirkjun (The National Power Company) produces, distributes and sells wholesale electricity mainly to local public utilities. The company produces about 82% of all Iceland's electricity. Landsvirkjun is the second largest issuer of corporate bonds on the Icelandic market, with an outstanding nominal value of ISK 25.5 billion.
- Nýsir is an international group engaged in property investments and developments, PFI/PPP projects and related services. Its core business operates from offices located in Iceland, the UK and Denmark. Nýsir has issued corporate bonds with outstanding nominal value of ISK 8 billion.
- Icelandair Group is a holding company with 12 subsidiaries, focused on the airline and tourism sectors. The largest subsidiary, Icelandair, is responsible for approximately 50% of the group's turnover. Icelandair Group has issued corporate bonds with outstanding nominal value of ISK 6.2 billion.
- Norvik Banka is a bank which operates at the Latvian and international financial markets. About 51% of the bank's equity is held by the company Straumborg ehf. Norvik Banka has issued discounting bills with outstanding nominal value of ISK 3.6 billion.
- Eyrir Invest is an international investment company with main emphasis on investments in listed companies in Europe. About 60% of Eyrir Invest's holdings are shares in two listed companies in Iceland, Marel and Össur. Eyrir Invest has issued corporate bonds with outstanding value of ISK 2.6 billion.

Coverage for more Icelandic companies which have issued bonds can be expected periodically in the near future. The next companies to follow will be Straumborg (an investment company) and Century Aluminium (an aluminium manufacturer).

The Icelandic corporate bond market

Total issuance of bonds has increased considerably through the years. Corporate bonds issuance has grown rapidly in the last few years, as well as the size of listed issues. Bond issuance of both unlisted and listed on OMX Nordic Exchange Iceland amounted to at least ISK 103 billion from January to May 2007 which is a 20.6% growth from the first five months in 2006 and slightly more than was issued in the whole year 2005.

Bond issuance, unlisted and listed on OMX Nordic Exchange Iceland (ISKbn)

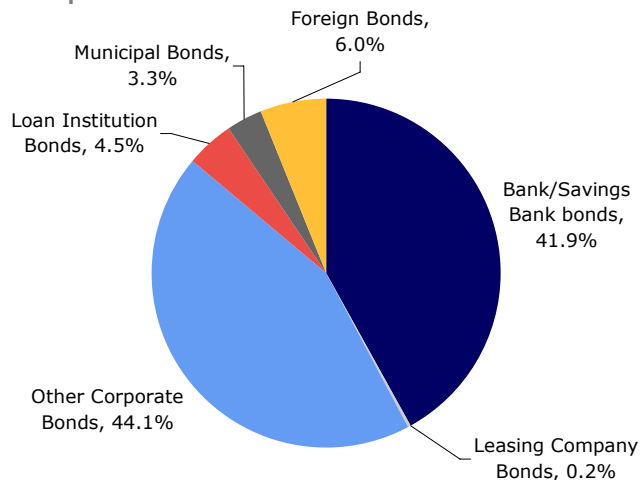


*January - May

Source: Central Bank of Iceland

At the end of May 2007, corporate bonds represented 21.6% of the total market value of the Icelandic bond market compared to 17.7% at the end of May 2006. Only HFF and Housing Authority bonds have more market share on the Icelandic bond market, or 33.5% at the end of May 2007. The corporate bonds' turnover has also increased during the first five months in 2007 and the growth is 315% from the same time last year. The turnover this year already accounts for more than the turnover from January to September 2006. Corporate bonds have the largest market share of the total market value on the corporate bond market or 44.1%. Bank/Savings Bank bonds come in second place with a 41.9% market share.

Corporate bond market - % of total market value



Source: OMX Nordic Exchange Iceland

Companies from various industries have issued corporate bonds through the years. Prominent industries are e.g. the fishery and fish processing industry, real-estate industry, manufacturing and energy industry. Investment and/or holding companies as well as heating utilities have also been very active in issuing bonds. A large number of companies, or 50, have listed their bonds on the OMX Nordic Exchange Iceland. The number of issues listed totalled 87 in 25 June 2007.

Issuers of corporate bonds (as of 25 June 2007)

| | Outstanding nominal value (ISKm) | No. of issues | Internet home page | Industry |
|-----------------------------|----------------------------------|---------------|---|--|
| Exista hf. | 60,000 | 5 | http://www.exista.com | Financial service company |
| Landsvirkjun | 25,500 | 3 | http://www.landsvirkjun.com | Electricity, gas and water supply |
| Atorka hf. | 21,520 | 8 | http://www.atorka.is | Investment company |
| Bakkavor hf. | 20,745 | 2 | http://bakkavor.com | Food manufacturer |
| FL GROUP hf. | 20,000 | 3 | http://www.flgroup.is | Investment company |
| Eimskipafélag Íslands ehf. | 19,800 | 4 | http://www.eimskip.com | Transport and storage |
| Fasteignafélagið Stoðir hf. | 18,990 | 4 | http://www.stodir.is | Real estate, renting and business activities |
| Síminn hf. | 14,000 | 1 | http://www.siminn.co.uk | Communication |
| Samson eignarhaldsfélag eh | 10,000 | 1 | | Holding company |
| Tryggingamiðstöðin hf. | 8,500 | 1 | http://www.tryggingamidstodin.is | Insurance company |
| Nýsir hf. | 8,000 | 4 | http://www.nysir.is | Real estate, renting and business activities |
| 365 hf. | 7,300 | 5 | http://www.365.is | Holding company |
| Hagar hf. | 7,000 | 1 | http://www.hagar.is | Wholesale and retail trade |
| Icelandair Group hf. | 6,240 | 1 | http://www.icelandairgroup.com | Transport and storage |
| Marel hf. | 6,000 | 1 | http://www.marel.is | Manufacturing company |
| Mosaic Fashions hf. | 6,000 | 1 | http://mosaic-fashions.is | Wholesale and retail trade |
| Egla hf. | 5,635 | 1 | | Holding company |
| Straumborg ehf. | 5,250 | 2 | | Investment company |
| Olúfélagið ehf. | 5,000 | 1 | http://www.n1.is | Oil service company |
| Norvik Banka | 3,635 | 2 | http://www.norvik.lv | Bank |
| Alfesca hf. | 3,000 | 2 | http://www.alfesca.is | Food manufacturer |
| Hitaveita Suðurnesja hf. | 3,000 | 1 | | Electricity, gas and water supply |
| Spölur ehf. | 3,000 | 1 | http://www.spolur.is | Construction |
| Ríkisútvarpið | 2,650 | 2 | http://www.ruv.is | The Icelandic National Broadcast Service |
| Milestone ehf. | 2,635 | 1 | | Investment company |
| Eyrir Invest ehf. | 2,600 | 1 | http://www.eyriinvest.com | Investment company |
| Rafmagnsveitur ríkisins | 2,310 | 2 | http://www.rarik.is/english | Electricity, gas and water supply |
| Félagsbústaðir | 2,110 | 2 | http://www.felagsbustadir.is | Real estate, renting and business activities |
| Smáralind ehf. | 2,100 | 1 | http://www.smaralind.is | Wholesale and retail trade |
| Orkuveita Reykjavíkur | 2,000 | 1 | http://www.or.is | Electricity, gas and water supply |
| Samherji | 2,000 | 1 | http://en.samherji.is | Manufacturing of fish and fish products |
| Others | 15,623 | 28 | | |
| Total: | 322,143 | 94 | | |

Source: OMX Nordic Exchange Iceland

Provisional release:

The content of this release has been prepared by the Research Division of Kaupthing Bank hf. The Research Division bases its information on data information services and news services, both foreign and domestic, which it considers reliable, along with its own interpretations and evaluations of public information. Kaupthing Bank hf. accepts no responsibility for the accuracy of this information nor any liability for transactions based on this information. In relation to this it should be noted that any of the Research Division's discussion may be an abridged version of more extensive analysis and research and conditions of financial markets change rapidly. For these reasons the recommendations and forecasts of the Research Division can change without notice, but they do reflect the opinions of the Research Division's employees at the time that they are expressed. Those parties who are interested in initiating transactions are advised to contact an expert at Kaupthing Bank hf. before any decision is made. It should also be noted that Kaupthing Bank hf., its employees and other parties associated with the Bank may have vested interests concerning particular organizations, which the Research Division's published material may pertain to at any given time.

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|-----------|--------|--------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| LAND 97 1 | 5.0% | Coupon at maturity | Indexed | 19.09.2012 | 15.02.2006 | 6.04% | 0.20% | N/A | 1,000.00 |
| LAND 98 1 | 4.0% | Coupon at maturity | Indexed | 24.08.2013 | 19.06.2006 | 5.79% | 0.20% | N/A | 2,500.00 |
| LAND 05 1 | 3.5% | Annual Coupon | Indexed | 21.03.2020 | 22.02.2007 | 4.94% | 0.40% | N/A | 22,000.00 |

Company Profile

Landsvirkjun (The National Power Company) was founded on 1 July 1965, on the basis of plans to step up harnessing of hydropower through development of power-intensive industries as well as meeting rapidly growing demand from the ordinary market. As of 1 January 2007, the Icelandic State became sole owner of Landsvirkjun. Landsvirkjun produces, distributes and sells wholesale electricity mainly to local public utilities. Landsvirkjun produces about 82% of all Iceland's electricity.

Landsvirkjun may from time to time issue notes (EMTN) denominated in any currency agreed between the issuer and the relevant dealer. EMTN notes can be traded on the Luxembourg Stock Exchange's regulated market and can be listed on the Luxembourg Stock Exchange.

Credit Summary

Landsvirkjun has issued three bonds, all indexed through the Consumer Price Index (CPI). The first bond, LAND 97 1, was issued 19 September 1997 and will mature in 5 years from now or 19 September 2012. The bond bears 5% interest rate, paid at maturity. The second bond, LAND 98 1, was issued 24 August 1998 and matures 24 August 2013. The bond bears 4% interest rate, paid at maturity. The third bond, LAND 05 1, was issued 21 March 2005 and bears a fixed 3.5% annual interest rate, paid annually. The bond will mature 21 March 2020.

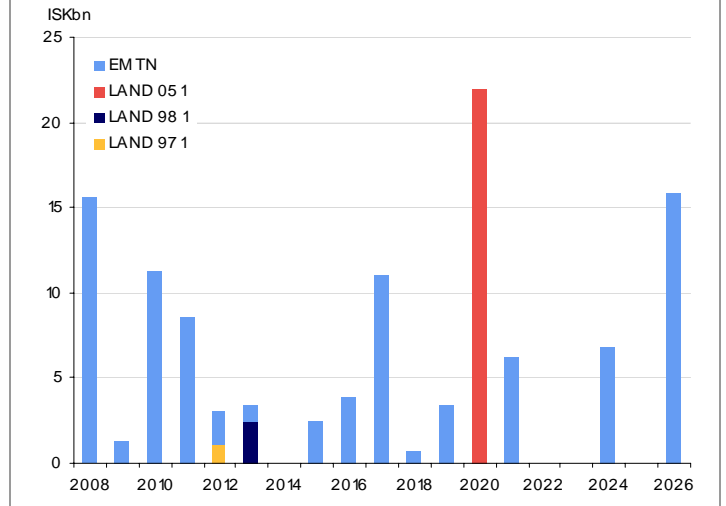
The Icelandic Electricity Market

With the Icelandic Electricity Act no. 65/2003, adopted on 15 March 2003, substantial changes were made on the organisation of the electricity market. The law is in conformity with the EU electricity directive from 1996. The purpose of the Act is to enable competition in the sales of power. It became effective in stages until 1 June 2006 when the full opening of the market took place. The Act stipulates that an independent TSO operates the grid and a separation between generation, transmission, distribution and supply of electricity takes place.

Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - LAND 97 1
 - LAND 98 1
 - LAND 05 1

Debt Maturity



Company Structure

The company is divided into six divisions: Corporate Office, Finance, Energy, Engineering and Construction, Information System and Human Resources.

The role of the Finance Division is to manage the company's finances and provide its management with services which increase operational efficiency. The role of the Energy Division is to generate electricity at optimum efficiency and deliver it into the Landsnet transmission grid in line with customer orders at the time. The Engineering Division handles project management and consultancy.

Credit Rating

Landsvirkjun has a credit rating from Moody's and Standard & Poor's.

| | Moody's | Standard&Poor's |
|------------|------------|-----------------|
| Short-term | P-1 | A-1 |
| Long-term | Aaa/Stable | A+/Stable |

Not listed

| Key figures | Date: 26.06.2007 |
|----------------|------------------|
| Price (ISK): | - |
| Market cap: | - |
| No. of shares: | - |
| Reuters: | - |
| Bloomberg: | - |

| INCOME STATEMENT | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--|-------------|---------|--------|--------|--------|--------|--------|
| Operating revenues | | 21,298 | 15,552 | 13,701 | 12,863 | 13,577 | 13,009 |
| Operating expenses | | -6,377 | -5,913 | -4,691 | -4,498 | -4,431 | -4,290 |
| Operating profit (EBITDA) | | 14,920 | 9,639 | 9,010 | 8,366 | 9,146 | 8,720 |
| Depreciation | | -5,131 | -4,904 | -5,347 | -5,274 | -5,182 | -5,391 |
| Profit before financial income (EBIT) | | 9,789 | 4,735 | 3,663 | 3,091 | 3,965 | 3,328 |
| Net financial income (expenses) | | -26,201 | 1,596 | 3,532 | -1,540 | 1,764 | -5,167 |
| Minority interest | | 52 | -37 | 0 | 0 | 0 | 0 |
| Taxes* | | 19,863 | 0 | 0 | 0 | 0 | 0 |
| Profit for the year (period) | | 3,503 | 6,294 | 7,195 | 1,551 | 5,729 | -1,839 |

| BALANCE SHEET | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------------------------------|-------------|---------|---------|---------|---------|---------|---------|
| Non-current assets | | 231,406 | 174,832 | 147,797 | 129,245 | 116,638 | 126,606 |
| Current assets | | 11,813 | 7,153 | 6,888 | 5,283 | 4,602 | 5,535 |
| Total assets | | 243,219 | 181,985 | 154,685 | 134,528 | 121,240 | 132,141 |
| Equity | | 62,775 | 59,723 | 51,377 | 41,180 | 39,979 | 37,696 |
| Non-current liabilities | | 165,921 | 102,971 | 94,012 | 86,799 | 70,501 | 88,822 |
| Current liabilities | | 14,523 | 19,291 | 9,296 | 6,549 | 10,760 | 5,623 |
| Total equity and liabilities | | 243,219 | 181,985 | 154,685 | 134,528 | 121,240 | 132,141 |

| CASH FLOW STATEMENT | | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--|--|---------|---------|---------|---------|--------|--------|
| Net cash from (used in) operating activities | | 9,643 | 5,927 | 4,622 | 5,601 | 6,432 | 5,542 |
| Net cash from (used in) investing activities | | -45,382 | -28,582 | -20,897 | -16,877 | -5,262 | -8,415 |
| Net cash provided by financing activities | | 37,296 | 22,313 | 16,843 | 11,239 | -1,927 | 3,541 |
| Change in cash flow | | 1,557 | -342 | 568 | -36 | -756 | 668 |

| FINANCIAL RATIOS | | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---------------------------------------|--|--------|--------|--------|-------|-------|-------|
| Operating profit (EBITDA) | | 70.1% | 62.0% | 65.8% | 65.0% | 67.4% | 67.0% |
| Profit before financial income (EBIT) | | 46.0% | 30.4% | 26.7% | 24.0% | 29.2% | 25.6% |
| Return on equity (ROE) | | 5.7% | 11.3% | 15.5% | 3.8% | 14.8% | -5.1% |
| Equity ratio | | 25.8% | 32.8% | 33.2% | 30.6% | 33.0% | 28.5% |
| Current ratio | | 0.81 | 0.37 | 0.74 | 0.81 | 0.43 | 0.98 |
| EBITDA interest coverage | | 2.42 | 2.73 | 2.43 | 2.92 | 3.10 | 1.98 |
| Interest coverage ratio | | 1.59 | 1.34 | 0.99 | 1.08 | 1.34 | 0.76 |
| Debt/Equity ratio | | 2.95 | 2.11 | 2.01 | 2.27 | 2.03 | 2.51 |
| Long-term debt/EBITDA | | 11.1 | 10.7 | 10.4 | 10.4 | 7.7 | 10.2 |
| Funds from Operation/Total Debt | | 7.7% | 7.0% | 9.1% | 9.1% | 11.6% | - |
| Free Operating Cash Flow/Total Debt | | -17.6% | -20.6% | -15.3% | -8.9% | 1.8% | - |

*Landsvirkjun and Landsnet hf. have been tax-exempted but in accordance with law no. 50 from 2005 the two companies became taxable from 1 January 2006.

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|--------------|--------|---------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| NYSI 08 0319 | 0.0% | Zero Coupon | Nominal | 19.03.2008 | N/A | 16.20% | 2.10% | 0.74 | 3,000.00 |
| NYSI 03 1 | 8.5% | Annual coupon | Indexed | 17.07.2008 | 23.01.2007 | 6.94% | 2.20% | 0.98 | 2,000.00 |
| NYSI 05 1 | 5.5% | Annual coupon | Indexed | 01.09.2010 | N/A | 9.07% | 2.60% | 2.80 | 1,000.00 |
| NYSI 06 1 | 6.5% | Annual coupon | Indexed | 08.02.2011 | 22.01.2007 | 8.96% | 2.60% | 3.20 | 2,000.00 |

Company Profile

Nýsir was established in 1991. It is an international group engaged in property investments and developments, PFI/PPP projects and related services. The group holds PFI/PPP contracts for many schools, sports centres and public buildings in Iceland and the UK. In Denmark the group is a commercial property investor.

The group offers in-house specialist services such as facilities management, mechanical and electrical design services, environmental and energy management services and construction management. The Nýsir group has specialised in the private delivery of education, health care, sports, leisure and cultural programmes. It has also participated in expansion projects, both as a consultant and an investor.

Nýsir's core business operates from offices located in Iceland, the UK and Denmark. Business opportunities are currently being pursued in other European countries and the Middle East.

Credit Summary

Nýsir has issued three listed bonds which all are linked to the Consumer Price Index (CPI) and are annual coupon bonds. As well they have listed one corporate bill. The first bond (NYSI 03 1) was issued 17 July 2003. It bears 8.5% interest rate and will mature 17 July 2008.

The second bond (NYSI 05 1) was issued 1 September 2005 and will mature 1 September 2010. The bond bears 5.5% interest rate.

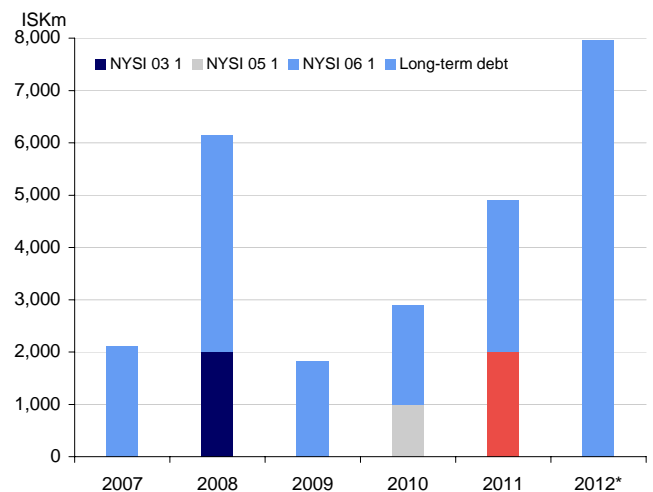
The third bond (NYSI 06 1) was issued 8 February 2006. It bears 6.5% interest rate and its maturity date is 8 February 2011.

The corporate bill (NYSI 08 0319) was issued on 19 March 2007 and will mature one year later.

Further Information

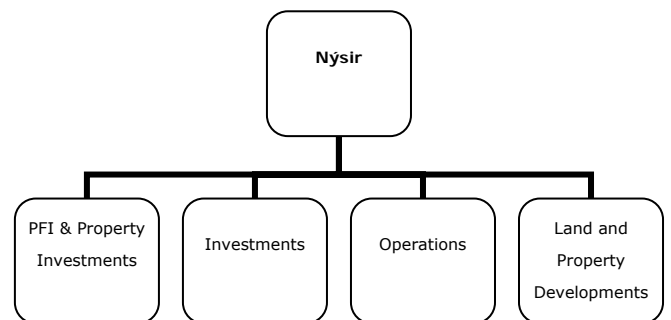
- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - NYSI 03 1
 - NYSI 05 1
 - NYSI 06 1

Debt Maturity



*Borrowings in 2012 will mature that year and later.

Organisational Chart 2007



Recent News

Nysir Group has acquired two very large PFI contracts that will be fully operational by the end of 2009. The first is the Icelandic National Concert and Conference Centre and surrounding waterfront development at the east harbour of Reykjavik. The second is the 3R's school project in Aberdeen, Scotland, where Nysir and partners will build and operate 10 schools and one sports centre.

Not listed

Key figures **Date: 26.06.2007**

| | |
|----------------|---|
| Price (ISK): | - |
| Market cap: | - |
| No. of shares: | - |
| Reuters: | - |
| Bloomberg: | - |

| INCOME STATEMENT | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------------|--------------|--------------|--------------|-------------|-------------|
| Operating revenues | | 3,947 | 1,358 | 678 | 354 | 224 |
| Other revenues | | 366 | 1,935 | 793 | 0 | 0 |
| Operating expenses | | -2,888 | -924 | -366 | -134 | -115 |
| Operating profit (EBITDA) | | 1,425 | 2,369 | 1,106 | 221 | 109 |
| Depreciation | | -99 | -40 | -8 | -1 | -39 |
| Profit before financial income (EBIT) | | 1,326 | 2,330 | 1,098 | 219 | 70 |
| Net financial income (expenses) | | -2,174 | -344 | -71 | -101 | -32 |
| Share of profit (loss) in associates | | 323 | -5 | 5 | 0 | 0 |
| Profit before taxes | | -526 | 1,980 | 1,033 | 118 | 37 |
| Taxes | | 75 | -356 | -189 | -18 | -10 |
| Minority interest | | 135 | -283 | -103 | -32 | -6 |
| Profit for the year (period) | | -316 | 1,341 | 741 | 68 | 21 |

| BALANCE SHEET | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------------------------------|--------------------|---------------|---------------|--------------|--------------|--------------|
| Non-current assets | | 41,121 | 15,285 | 9,711 | 5,140 | 2,174 |
| Current assets | | 3,769 | 1,064 | 285 | 155 | 71 |
| Total assets | | 44,890 | 16,349 | 9,996 | 5,295 | 2,245 |
| Equity | | 6,272 | 3,885 | 2,291 | 943 | 341 |
| Non-current liabilities | | 22,025 | 10,729 | 6,982 | 3,172 | 1,277 |
| Current liabilities | | 16,593 | 1,735 | 722 | 1,180 | 627 |
| Total equity and liabilities | | 44,890 | 16,349 | 9,996 | 5,295 | 2,245 |

| CASH FLOW STATEMENT | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|
| Net cash from (used in) operating activities | | 435 | 141 | -183 | 52 | 103 |
| Net cash from (used in) investing activities | | -12,571 | -1,895 | -471 | -2,233 | -590 |
| Net cash provided by financing activities | | 12,897 | 2,119 | 712 | 2,232 | 493 |
| Change in cash flow | | 761 | 365 | 59 | 51 | 6 |

| FINANCIAL RATIOS | | 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------------------------------|--|-------------|-------------|-------------|-------------|-------------|
| Operating profit (EBITDA) | | 33.0% | 71.9% | 75.2% | 62.3% | 48.5% |
| Profit before financial income (EBIT) | | 30.7% | 70.7% | 74.6% | 61.9% | 31.1% |
| Return on equity (ROE) | | -7.7% | 58.4% | 58.4% | 10.9% | - |
| Equity ratio | | 11.7% | 18.1% | 16.4% | 17.1% | 14.9% |
| Current ratio | | 0.23 | 0.61 | 0.39 | 0.13 | 0.11 |
| EBITDA interest coverage | | 0.70 | 3.68 | 3.97 | 1.58 | 1.59 |
| Interest coverage ratio | | 0.65 | 3.62 | 3.94 | 1.57 | 1.02 |
| Debt/Equity ratio | | 7.33 | 4.22 | 4.71 | 4.82 | 5.70 |
| Long-term debt/EBITDA | | 15.46 | 4.53 | 6.31 | 14.37 | 11.74 |
| Earnings (loss) per share | | -3.51 | 14.97 | 8.23 | 0.75 | - |
| Funds from Operation/Total Debt | | 0.3% | 0.8% | 4.1% | 2.8% | 1.2% |
| Free Operating Cash Flow/Total Debt | | -10.7% | -6.6% | -5.8% | -50.8% | -26.0% |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|--------------|--------|------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| IAIR 08 0131 | 0.0% | Zero Coupon Bond | Nominal | 31.01.2008 | N/A | 16.11% | 1.80% | 0.61 | 6,240.00 |

Company Profile

Icelandair Group is a holding company with 12 subsidiaries, focused on the airline and tourism sectors. The companies comprising Icelandair Group are among others: Icelandair, Loftleidir Icelandic, Bluebird Cargo, Icelandair Cargo, Icelandair Technical Services (ITS), Icelandair Ground Services (IGS), IceLease, Icelandair Hotels, Air Iceland and Iceland Travel.

The largest subsidiary Icelandair, the international airline, is responsible for approximately 50% of the group's turnover.

In October 2005, fundamental changes took place in FL Group hf. (Icelandair's largest shareholder at the time) where investments became the main focus. In the process its acquisitions and corporations were divided into groups and Icelandair Group was one of them. Although Icelandair Group has a brief history, as it was only established at the end of 2005, the company has a background of 70 years through its predecessors, the airline companies Loftleidir, Flugfélag Íslands and Flugleiðir. Icelandair Group was listed on the OMX Nordic Exchange Iceland in December 2006 as ICEAIR.

Credit Summary

Icelandair Group has one outstanding bond which was issued 31 January 2007 (IAIR 08 0131). The bond is a zero coupon bond and is non-indexed. The bond will mature 31 January 2008.

Further Information

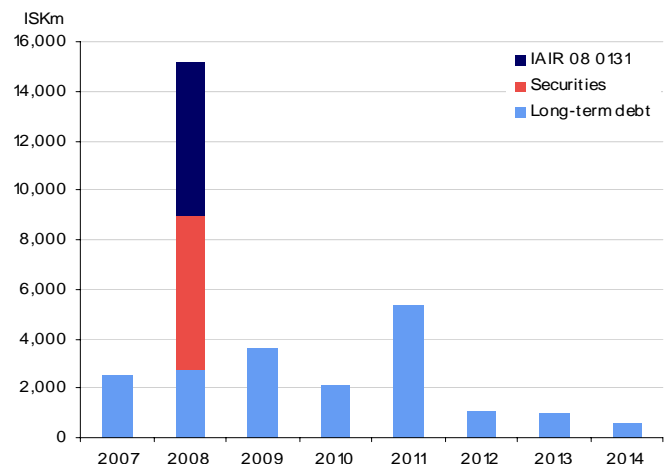
- OMX Nordic Exchange Iceland (www.omxgroup.com)
- IAIR 08 0131

Recent News

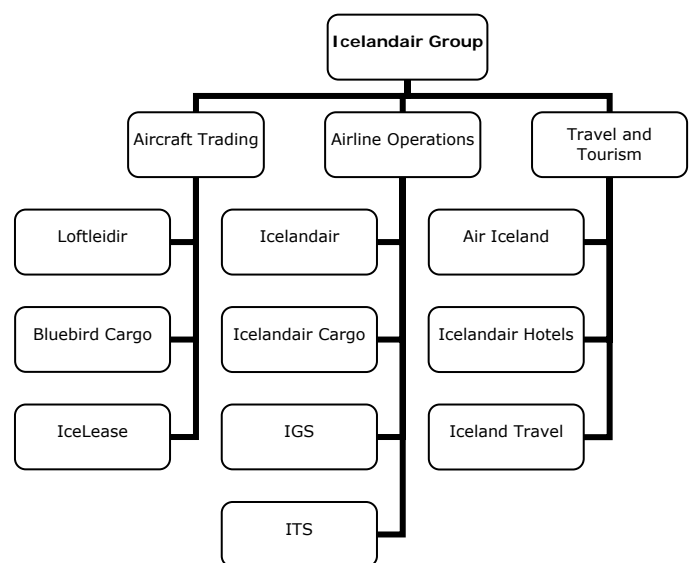
On 23 May 2007, Icelandair Cargo and Icelease, subsidiaries of Icelandair Group, signed an agreement with Avion Aircraft Trading on the lease and purchase of four new Airbus A330-200 freighter aircraft.

On 11 May 2007, Icelandair Group signed a letter of intent for acquisition of the Czech airline Travel Service, the largest private airline in Czech Republic. The turnover of Travel Service in 2006 was ISK 18 billion (EUR 190 million).

Debt Maturity



Group Structure

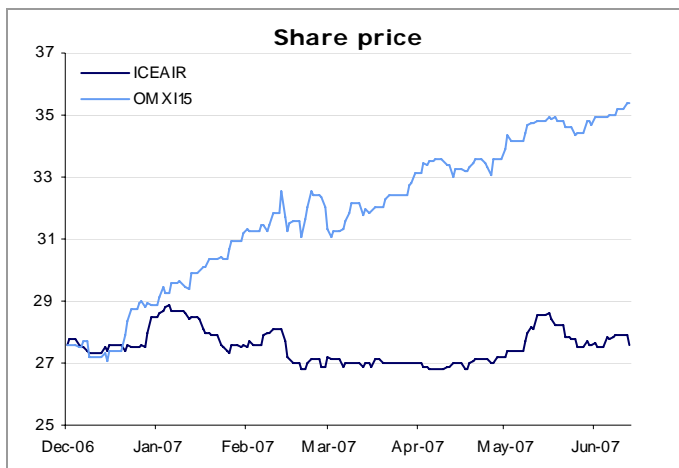


Financial Calendar

Interim Statements 2Q 2007 – 14 August 2007

Interim Statements 3Q 2007 – 13 November 2007

Interim Statements 4Q 2007 – Week 8 2008



| Key figures | Date: 26.06.2007 |
|--------------------|------------------|
| Price (ISK): | 27.55 |
| Market cap (ISKm): | 27,550.00 |
| No. of shares (m): | 1,000.00 |
| Reuters: | ICEAIR.IC |
| Bloomberg: | ICEAIR IR Equity |

| INCOME STATEMENT | ISK million | 1Q 2007 | 2006 | 4Q 2006 | 1Q 2006 |
|--|-------------|---------|---------|---------|---------|
| Operating revenues | | 11,905 | 56,143 | 12,590 | 9,595 |
| Operating expenses | | -11,986 | -50,085 | -12,252 | -9,860 |
| Operating profit (EBITDA) | | -81 | 6,058 | 338 | -265 |
| Depreciation and amortisation | | -752 | -2,732 | -732 | -867 |
| Profit before financial income (EBIT) | | -833 | 3,326 | -394 | -1,132 |
| Net financial income (expenses) | | -769 | -426 | -432 | 406 |
| Share of profit of associates | | 61 | 160 | 69 | 9 |
| Profit before taxes | | -1,541 | 3,060 | -757 | -717 |
| Taxes | | 312 | -445 | 207 | 129 |
| Minority interest | | 1 | -6 | -6 | 0 |
| Profit for the year (period) | | -1,228 | 2,609 | -556 | -588 |

| BALANCE SHEET | ISK million | 1Q 2007 | 2006 | 4Q 2006 | 1Q 2006 |
|-------------------------------------|-------------|---------------|---------------|---------|---------|
| Non-current assets | | 54,139 | 65,196 | - | - |
| Current assets | | 21,534 | 11,421 | - | - |
| Total assets | | 75,673 | 76,617 | - | - |
| Equity | | 24,051 | 26,004 | - | - |
| Non-current liabilities | | 17,031 | 21,967 | - | - |
| Current liabilities | | 34,591 | 28,646 | - | - |
| Total equity and liabilities | | 75,673 | 76,617 | - | - |

| CASH FLOW STATEMENT | ISK million | 1Q 2007 | 2006 | 4Q 2006 | 1Q 2006 |
|--|-------------|---------------|--------------|--------------|--------------|
| Net cash from (used in) operating activities | | 686 | 6,368 | -25 | 979 |
| Net cash from (used in) investing activities | | -2,626 | -21,040 | -17,767 | 3,372 |
| Net cash provided by financing activities | | 439 | 17,320 | 20,464 | -786 |
| Change in cash flow | | -1,501 | 2,648 | 2,672 | 3,565 |

| FINANCIAL RATIOS | 1Q 2007 | 2006 | 4Q 2006 | 1Q 2006 |
|---------------------------------------|---------|-------|---------|---------|
| Operating profit (EBITDA) | -0.7% | 10.8% | 2.7% | -2.8% |
| Profit before financial income (EBIT) | -7.0% | 5.9% | -3.1% | -11.8% |
| Equity ratio | 31.8% | 33.9% | - | - |
| Current ratio | 0.62 | 0.40 | - | - |
| EBITDA interest coverage | -0.12 | 5.97 | 0.76 | -0.75 |
| Interest coverage ratio | -1.21 | 3.28 | -0.88 | -3.19 |
| Debt/Equity ratio | 2.20 | 1.90 | - | - |
| Long-term debt/EBITDA | -210.30 | 3.60 | 0.65 | - |
| Earnings (loss) per share | -1.23 | 2.62 | -0.54 | -0.19 |
| Funds from Operation/Total Debt | -4.4% | 9.7% | -0.4% | - |
| Free Operating Cash Flow/Total Debt | -3.4% | 4.3% | -3.7% | - |

Icelandair Group was first established at the end of 2005.

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|--------------|--------|------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| NORV 07 0919 | 0.0% | Zero coupon bond | Nominal | 19.09.2007 | N/A | 15.33% | 0.55% | 0.23 | 1,925.00 |
| NORV 07 1219 | 0.0% | Zero coupon bond | Nominal | 19.12.2007 | N/A | 15.15% | 0.70% | 0.48 | 1,710.00 |

Company Profile

Norvik Banka was established in 1992 and operates in the Latvian and international financial markets. In December 2006 the Bank obtained a new name, Norvik Banka (the previous name was Lateko Banka). It has approximately 90 offices around Latvia and its head office is in Riga. Norvik Banka also has Information Centres in Moscow and London. At year-end 2006, the bank had around 635 employees and around 80,000 clients, mostly local private individuals.

Norvik Banka's target is to be among the first five major banks of Latvia, providing universal and qualitative banking services to individuals and corporate clients at affordable rates.

About 51% of the bank's equity is held by the Icelandic company Straumborg ehf. Norvik Banka has been in cooperation with Fitch Ratings since 2001 and started cooperation with Moody's Investor Service in February 2007.

Credit Summary

Norvik Banka has two outstanding discounted bills of exchange denominated in ISK. They are both non-indexed zero coupon bonds and were issued 19.03.2007. The first one is with maturity of 6 months (19.09.2007) and the second one is with maturity of 9 months (19.12.2007).

Recent News

In April 2007, Norvik Banka became a member of the Baltic Stock Exchange, which includes Riga, Tallin and Vilnius Stock Exchange.

On 26 January 2007, Norvik Banka received a loan in the amount of EUR 50 million.

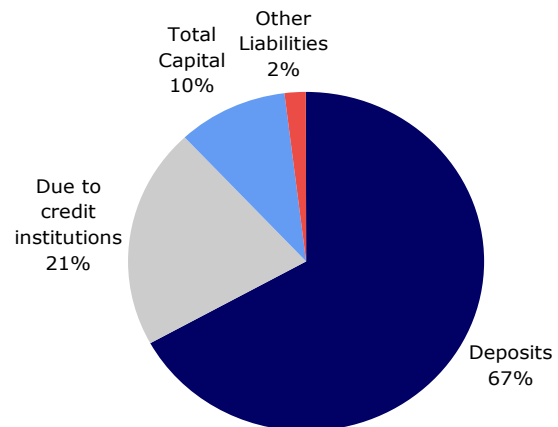
In December 2006, Norvik Banka increased its capital to LVL 22,499,928.

In December 2006, Norvik Banka changed its name from Lateko Banka to its current name.

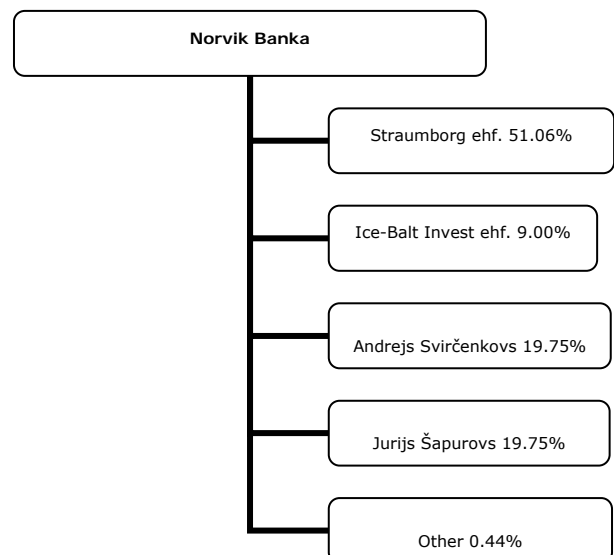
In October 2006, Fitch Ratings upgraded the bank's outlook to positive from stable and stressed that the IDR (B+) will possibly be improved.

In 2005 and 2006 the international financial magazines, The Banker and Global Finance, named Lateko Banka the best bank in Latvia.

Liabilities and Capital Structure at 31 December 2006



Shareholders' Structure



Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - NORV 07 0919
 - NORV 07 1219

Not listed

Key figures **Date: 26.06.2007**

| | |
|--------------------|---|
| Price (ISK): | - |
| Market cap (ISKm): | - |
| No. of shares (m): | - |
| Reuters: | - |
| Bloomberg: | - |

| INCOME STATEMENT | LVL'000 | 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|
| Operating income | | 17,562 | 17,976 | 16,090 | 10,994 | 8,899 |
| Total expenses | | -13,570 | -11,306 | -10,254 | -8,135 | -5,551 |
| Profit before taxes | | 3,992 | 6,670 | 5,836 | 2,859 | 3,348 |
| Taxes | | -584 | -718 | -793 | -540 | -617 |
| Profit for the year (period) | | 3,408 | 5,952 | 5,043 | 2,319 | 2,731 |

| BALANCE SHEET | LVL'000 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Assets | | | | | | |
| Cash and balances with the central bank | | 28,094 | 20,380 | 15,053 | 7,556 | 13,695 |
| Balances due from credit institutions | | 30,695 | 94,179 | 173,159 | 177,053 | 121,403 |
| Financial assets at fair value through profit or loss | | 42,313 | 24,443 | 21,269 | 15,542 | 6,951 |
| Loans to customers and receivables | | 189,087 | 110,725 | 75,268 | 40,948 | 37,214 |
| Available-for-sale financial assets | | 5,681 | 7,783 | 19,715 | 18,418 | - |
| Other assets | | 8,917 | 7,452 | 9,583 | 7,944 | 5,941 |
| Total assets | | 304,787 | 264,962 | 314,047 | 267,461 | 185,204 |
| Equity | | | | | | |
| Share capital | | 22,500 | 15,500 | 12,250 | 9,931 | 7,200 |
| Capital reserve | | 7 | 7 | 7 | 7 | 7 |
| Revaluation reserve of available-for-sale financial assets | | -48 | -261 | -27 | - | - |
| Retained earnings | | 5,979 | 27 | 187 | - | - |
| Profit for the year | | 3,408 | 5,952 | 5,043 | 2,319 | 2,731 |
| Total equity | | 31,846 | 21,225 | 17,460 | 12,257 | 9,938 |
| Liabilities | | | | | | |
| Balances due to credit institutions | | 65,465 | 59,514 | 64,915 | 26,649 | 823 |
| Customer deposits | | 202,308 | 180,288 | 225,868 | 223,455 | 171,801 |
| Financial liabilities at fair value through profit or loss | | 1,288 | 261 | 192 | 151 | 434 |
| Subordinated debt | | 1,777 | 2,030 | 2,026 | 750 | - |
| Other liabilities | | 2,103 | 1,644 | 3,586 | 4,199 | 2,208 |
| Total liabilities | | 272,941 | 243,737 | 296,587 | 255,204 | 175,266 |
| Total equity and liabilities | | 304,787 | 264,962 | 314,047 | 267,461 | 185,204 |

| FINANCIAL RATIOS | 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Return on equity (ROE) | 12.8% | 30.8% | 33.9% | 20.9% | - |
| Equity ratio | 10.4% | 8.0% | 5.6% | 4.6% | 5.4% |
| Debt/equity ratio | 8.6 | 11.5 | 17.0 | 20.8 | 17.6 |
| NII/Total Assets | 3.5% | 3.4% | 1.8% | 1.1% | 1.5% |
| Cost income ratio | 77.3% | 62.9% | 63.7% | 74.0% | 62.4% |
| Deposits/Total Assets | 66.4% | 68.0% | 71.9% | 83.5% | 92.8% |
| CAD | 13.2% | 14.2% | 13.5% | 12.0% | 13.3% |
| Earnings (loss) per share | 0.2 | 0.4 | 0.4 | 0.3 | 0.4 |

26.06.2007: EURLVL 0.696

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|-----------|--------|---------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| EYRI 05 1 | 5.5% | Annual coupon | Indexed | 02.05.2012 | 23.05.2007 | 8.68% | 2.57% | 4.31 | 2,600.00 |

Company Profile

Eyrir Invest is an international investment company and was founded in July 2000. Since then the company's results have exceeded all financial targets. Its main emphasis is on investments in listed companies in Europe, especially in Scandinavia and the Baltic countries.

Eyrir Invest's mission is to increase shareholders' value by active ownership and trading of equities and other securities. Eyrir Invest places great emphasis on participating in operations and strategic planning of the business it invests in. It invests mainly in industrial companies, banks and financial institutions and tries to invest in few companies at any given time.

About 60% of Eyrir Invest's holdings are shares in two listed companies in Iceland: Marel (developer of food-processing systems) and Össur (producer of prosthetics and orthotics).

Credit Summary

Eyrir Invest has issued one bond, EYRI 05 1. The bond was issued 9 May 2005 and will mature 2 May 2012. The bond bears 5.5% annual interest, paid annually.

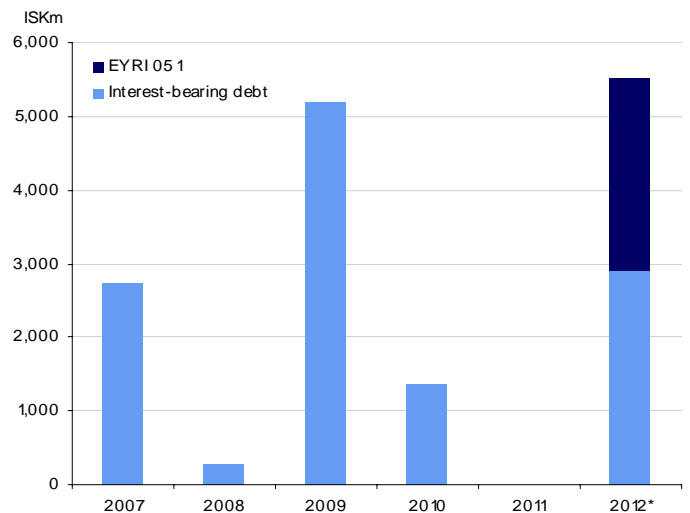
Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
- EYRI 05 1

Recent News

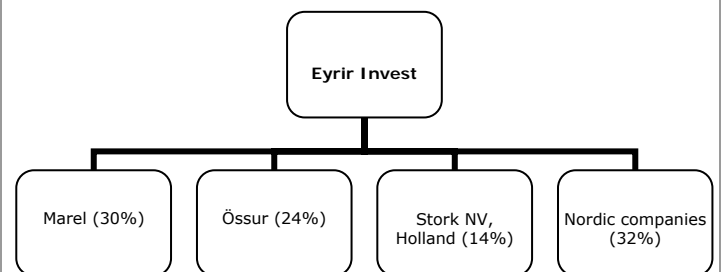
On 3 November 2006, Eyrir Invest's equity was increased by 10%. At year-end 2006, stockholders' equity amounted to nearly ISK 12 billion compared to ISK 9.6 billion at year-end 2005.

Debt Maturity

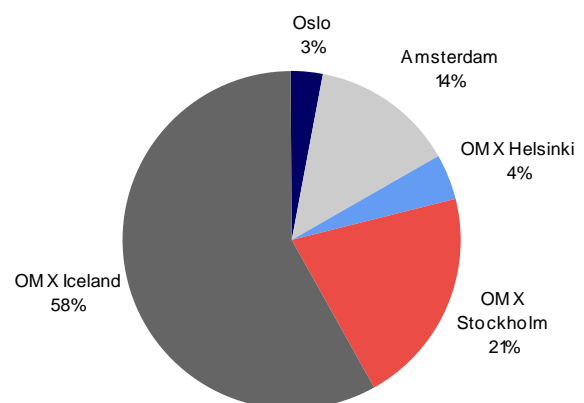


*Borrowings in 2012 will mature that year and later.

Group Structure



Breakdown of Investments by Stock Exchanges



Not listed

| Key figures | Date: 26.06.2007 |
|----------------|------------------|
| Price (ISK): | - |
| Market cap: | - |
| No. of shares: | - |
| Reuters: | - |
| Bloomberg: | - |

| INCOME STATEMENT | EUR thousand | 2006 | 2005 | 2004 |
|-------------------------------------|--------------|---------------|---------------|---------------|
| Investment income | | 24,079 | 65,029 | 30,221 |
| Total expenses | | -1,348 | -924 | -430 |
| Profit before taxes | | 22,731 | 64,105 | 29,791 |
| Taxes | | -3,759 | -11,401 | -5,103 |
| Minority interest | | 0 | 0 | 0 |
| Profit for the year (period) | | 18,972 | 52,704 | 24,688 |

| BALANCE SHEET | EUR thousand | 2006 | 2005 | 2004 |
|--------------------------------------|-------------------------------------|----------------|----------------|----------------|
| Assets | | | | |
| Securities | | | | |
| Shares in other companies | | 255,915 | 207,902 | 89,274 |
| Derivatives | | 3,575 | 146 | 496 |
| Mutual funds | | 0 | 1,629 | 10,309 |
| Bonds | | 13,439 | 353 | 304 |
| Receivables | | 331 | 1,151 | 825 |
| Other assets | | 4,356 | 24,681 | 1,718 |
| | Total assets | 277,616 | 235,862 | 102,926 |
| Equity | | | | |
| Capital stock | | 6,726 | 6,178 | 108 |
| Contributed capital in excess of par | | 48,154 | 35,842 | 3,654 |
| Retained earnings | | 92,399 | 78,109 | 28,150 |
| Translation difference | | -20,639 | 8,972 | 1,024 |
| | Total equity | 126,640 | 129,101 | 32,936 |
| Liabilities | | | | |
| Interest-bearing borrowings | | 131,338 | 87,618 | 63,720 |
| Taxes for the year | | 0 | 98 | 400 |
| Deferred income tax liability | | 17,758 | 18,182 | 5,685 |
| Other liabilities | | 1,880 | 863 | 185 |
| | Total liabilities | 150,976 | 106,761 | 69,990 |
| | Total equity and liabilities | 277,616 | 235,862 | 102,926 |

| CASH FLOW STATEMENT | 2006 | 2005 | 2004 |
|--|----------------|---------------|--------------|
| Net cash from (used in) operating activities | -15,585 | 908 | 3,434 |
| Net cash from (used in) investing activities | -76,034 | -32,229 | -43,457 |
| Net cash provided by financing activities | 75,428 | 51,169 | 41,227 |
| Change in cash flow | -16,191 | 19,848 | 1,204 |

| FINANCIAL RATIOS | 2006 | 2005 | 2004 |
|------------------------------------|-------|-------|-------|
| Return on equity (ROE) | 14.8% | 65.1% | - |
| Equity ratio | 45.6% | 54.7% | 32.0% |
| Debt/Equity ratio | 1.19 | 0.83 | 2.13 |
| Interest bearing debt/Total assets | 47.3% | 37.1% | 61.9% |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|--------------|----------|------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| EXIS 07 1008 | 0.0% | Zero coupon bond | Nominal | 08.10.2007 | N/A | 15.17% | 1.00% | 0.29 | 16,000.00 |
| EXIS 07 1029 | 0.0% | Zero coupon bond | Nominal | 29.10.2007 | N/A | 15.60% | 1.00% | 0.34 | 5,000.00 |
| EXIS 08 0317 | 0.0% | Zero coupon bond | Nominal | 17.03.2008 | N/A | 15.27% | 1.20% | 0.75 | 16,000.00 |
| Exista 07 2 | 3mR+1,5% | Quarterly coupon | Nominal | 29.05.2009 | N/A | N/A | 1.50% | N/A | 10,000.00 |
| EXISTA 04 1 | 5.9% | Annual coupon | Indexed | 14.10.2011 | 06.03.2007 | 8.70% | 2.00% | 3.72 | 13,000.00 |

Company Profile

Exista is a financial services company with operations in the areas of insurance, asset financing and investment activities. Exista was listed on OMX Nordic Exchange Iceland (previously named The Iceland Stock Exchange) 15 September 2006.

Exista is a major shareholder in several of Iceland's largest companies, i.e. Kaupthing Bank, Bakkavör Group and Iceland Telecom.

Exista's mission is to maximize shareholders' long-term value through a diversified group of profitable businesses, and through centralised risk management, finance and communications, the group aims at building up a leading financial services company, concentrating on northern Europe as its core market.

Credit Summary

Exista has two listed outstanding bonds. The first bond (EXIS 07 1008) was issued 9 October 2006 and is a zero coupon bond. It is a non-indexed bond and will mature 8 October 2007.

The second bond (EXISTA 04 1) was issued 14 October 2004 and is linked to the Consumer Price Index. The bond bears 5.9% interest rate, paid annually and is a periodic interest payment bond. It will mature 14 October 2011.

Exista has also three unlisted bonds. The first one (EXIS 07 1029) is a zero coupon bond and will mature 29 October 2007. The second one (EXIS 08 0317) is also a zero coupon bond and will mature 17 March 2008. The third one (EXISTA 07 2) bears a liquid interest rate of 3M REIBOR + 1.5% and it will mature 29 May 2009.

Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - EXIS 07 1008
 - EXISTA 04 1

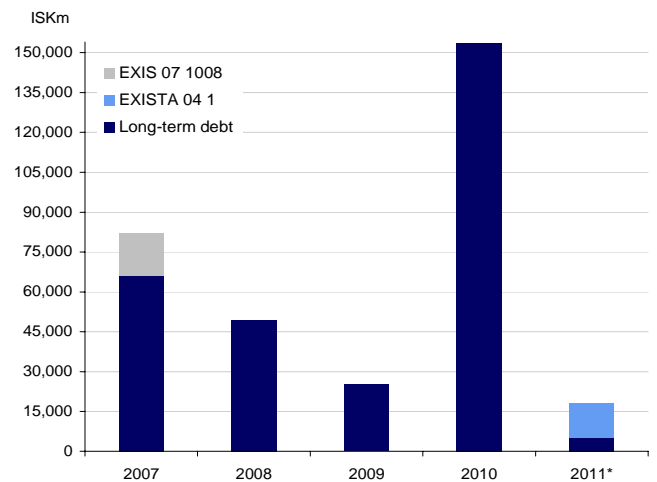
Company Profile

Q2 interim statement - published 26 July 2007

Q3 interim statement – published 25 October 2007

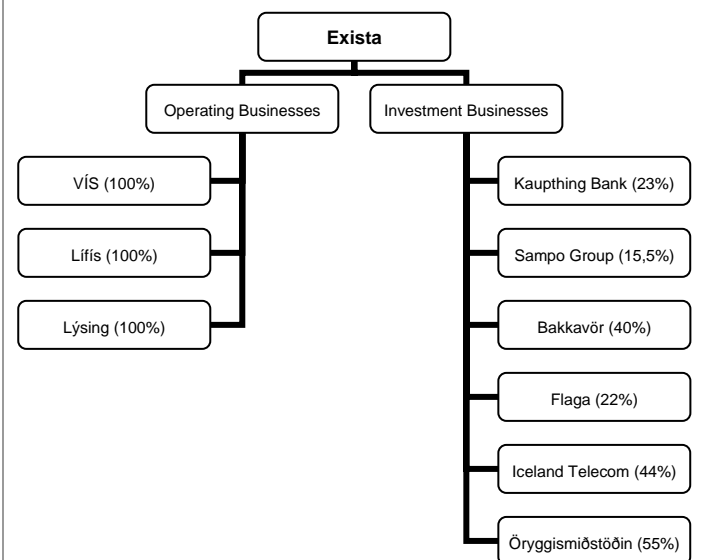
Q4 interim statement – published 31 January 2008

Debt Maturity



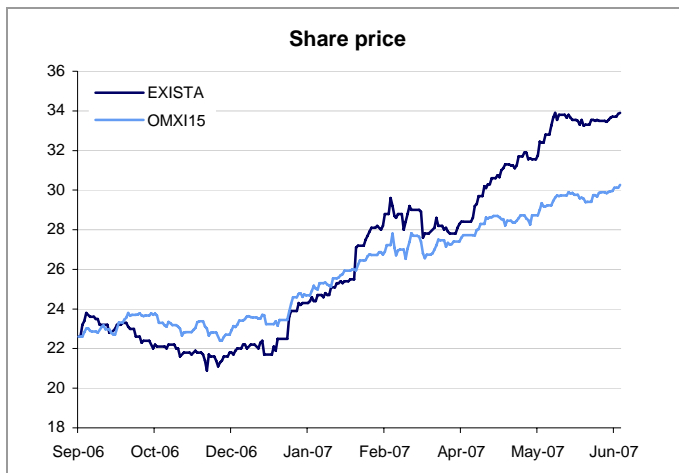
*Borrowings in 2011 will mature that year or later.

Group Structure



Recent News

On 11 June 2007, Exista along with Chris Ronnie acquired a 29% stake in JJB Sports at a price of 275 pence per share, valuing the total investment at approximately GBP 190 million. JJB Sports is a UK general retailer of branded sports goods and related products.



Key figures Date: 26.06.2007

| | |
|--------------------|------------------|
| Price (ISK): | 33.90 |
| Market cap (ISKm): | 385,141.03 |
| No. of shares (m): | 11,361.09 |
| Reuters: | EXISTA.IC |
| Bloomberg: | EXISTA IR Equity |

INCOME STATEMENT

| | EUR million | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|-------------------------------------|-------------|------------|------------|------------|------------|------------|
| Investment income | | 668 | 700 | 650 | 227 | 168 |
| Total expenses | | -70 | -259 | -61 | -18 | -58 |
| Profit before taxes | | 597 | 441 | 589 | 209 | 110 |
| Taxes | | 43 | -10 | 56 | -36 | -3 |
| Minority interest | | 0 | 0 | 0 | 0 | 0 |
| Profit for the year (period) | | 641 | 431 | 645 | 173 | 107 |

BALANCE SHEET

| | EUR million | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|--|-------------|--------------|--------------|--------------|------------|----------|
| Assets | | | | | | |
| Financial assests measured at fair value | | 850 | 2,273 | 1,906 | 705 | - |
| Financial assets held for trading and sale | | 478 | 837 | 97 | 7 | - |
| Loans and accounts receivable | | 773 | 704 | 0 | 0 | - |
| Goodwill | | 465 | 465 | 0 | 0 | - |
| Investments in associates | | 4,057 | 0 | 0 | 0 | - |
| Property, plant and equipment | | 13 | 16 | 1 | 0 | - |
| Reinsurance assets | | 16 | 12 | 0 | 0 | - |
| Cash and equivalents | | 88 | 76 | 64 | 14 | - |
| Other assets | | 22 | 13 | 6 | 1 | - |
| Total assets | | 6,762 | 4,395 | 2,074 | 728 | - |
| Equity | | | | | | |
| Share capital | | 121 | 112 | 111 | 69 | - |
| Statutory reserves | | 23 | 23 | 28 | 17 | - |
| Capital reserves | | 893 | 698 | 222 | 0 | - |
| Translation reserves | | 24 | 0 | -2 | -7 | - |
| Retained earnings | | 1,578 | 1,061 | 872 | 223 | - |
| Minority interest | | 5 | 6 | 0 | 0 | - |
| Total equity | | 2,643 | 1,900 | 1,232 | 303 | - |
| Liabilities | | | | | | |
| Borrowings | | 3,668 | 2,183 | 840 | 361 | - |
| Technical Provisions | | 279 | 224 | 0 | 0 | - |
| Deferred tax liability | | 21 | 60 | 0 | 51 | - |
| Other liabilities | | 151 | 28 | 2 | 13 | - |
| Total liabilities | | 4,119 | 2,495 | 842 | 425 | - |
| Total equity and liabilities | | 6,762 | 4,395 | 2,074 | 728 | - |

FINANCIAL RATIOS

| | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|------------------------------------|---------|--------|-------|--------|---------|
| Return on equity (ROE) | 28.2% | 27.6% | 84.1% | 79.0% | 10% |
| Equity ratio | 39.1% | 43.2% | 59.4% | 41.6% | 56.4% |
| Debt/Equity ratio | 156.1% | 131.7% | 68.3% | 140.4% | - |
| Interest bearing debt/Total assets | 54.2% | 49.7% | 40.5% | 49.6% | - |
| Earnings (loss) per share | 0.06 | 0.04 | 0.11 | 0.03 | 0.01 |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|--------------|-----------|-------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| ATOR 07 1115 | 0.0% | Zero coupon bond | Nominal | 15.11.2007 | N/A | 16.08% | 1.50% | 0.40 | 5,520.00 |
| JRDB 03 1 | 5.8% | Semiannual coupon | Indexed | 30.10.2008 | 08.06.2008 | N/A | N/A | N/A | 500.00 |
| ATOR 07 2 | 3mR+1.95% | Quarterly coupon | Nominal | 16.01.2009 | N/A | N/A | 1.95% | N/A | 2,500.00 |
| ATOR 06 1 | 3mR+1.8% | Quarterly coupon | Nominal | 26.04.2009 | N/A | N/A | 1.80% | N/A | 2,000.00 |
| JRDB 04 1 | 5.6% | Semiannual coupon | Indexed | 17.08.2010 | 06.03.2007 | 8.95% | 2.20% | N/A | 1,000.00 |
| ATOR 04 1 | 5.2% | Annual coupon | Indexed | 15.10.2010 | 08.06.2007 | 8.34% | 2.20% | 2.99 | 5,000.00 |
| ATOR 05 1 | 5.0% | Annual coupon | Indexed | 15.03.2012 | 30.05.2007 | 8.51% | 2.40% | 4.22 | 3,000.00 |
| JRDB 05 1 | 4.9% | Semiannual coupon | Indexed | 01.04.2012 | 30.05.2007 | 8.52% | 2.40% | 4.20 | 2,000.00 |

Company Profile

Atorka Group is an international investment company. Atorka's main focus is to invest in progressive and well-managed companies that operate in growing markets. Atorka's aim is to take such companies to recognizable world leadership and support their growth. Atorka is listed on the OMX Nordic Exchange Iceland and is included in the OMXI15 index. Atorka's shareholders are around 5,000.

Credit Summary

Atorka has eight outstanding bonds. Three of them were issued by Jarðboranir, which Atorka acquired 27 November 2006. The first bond ATOR 07 1115 is a zero coupon bond and will mature 15 November 2007. The bond JRDB 03 1 was issued 30 October 2003 and bears 5.8% interest rate. The bond ATOR 07 2 was issued 16 May 2007 and bears a liquid interest rate of 3M REIBOR + 1.95%. The bond ATOR 06 1 bears a liquid interest rate of 3M REIBOR + 1.8%, which is paid quarterly. It is a non-indexed bond and will mature 26 April 2009.

The next two bonds, JRDB 04 1 and ATOR 04 1, will both mature in 2010. The bond ATOR 05 1 was issued 15 March 2005 and bears 5.0% interest rate, paid annually. The bond JRDB 05 1 was issued 1 April 2005 and bears 4.9% annual interest rate.

Recent News

On 11 June 2007, Promens announced that its subsidiary, Polimoon, acquired the business of Dekoplast in France. Dekoplast is a company producing packaging for cosmetics and medical use.

On 2 May 2007, Jarðboranir signed a contract with the German company Herrenknecht Vertical GmbH concerning the purchase of and purchase rights to the large high-tech drills that are specially designed to obtain geothermal heat from great depths.

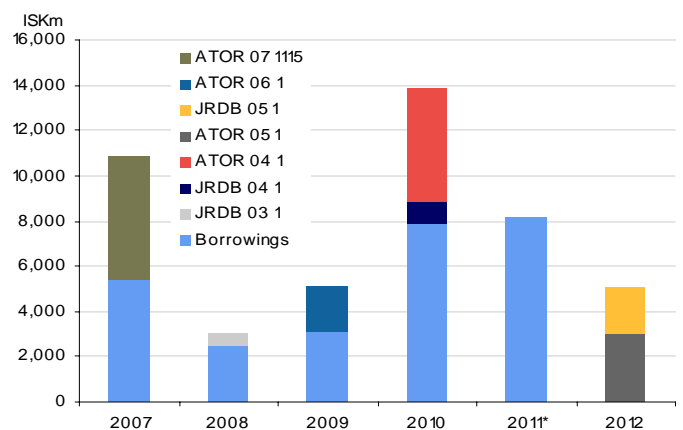
Financial Calendar

Q2 interim account – Week 34 2007

Q3 interim account – Week 47 2007

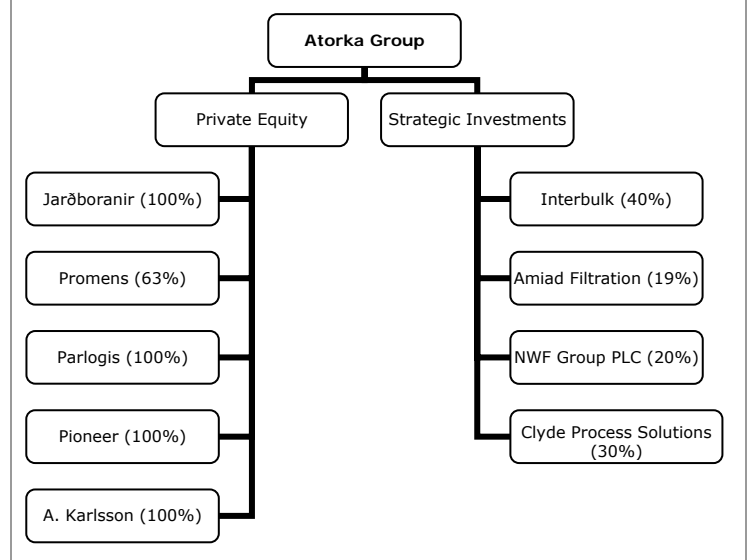
Q4 and annual statement – Week 8 2008

Debt Maturity



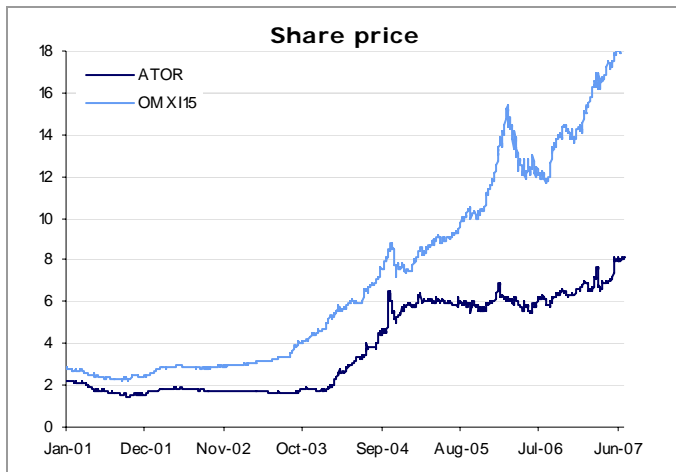
*Borrowings in 2011 will mature that year and later.

Group Structure



Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - ATOR 07 1115
 - JRDB 04 1
 - JRDB 03 1
 - ATOR 04 1
 - ATOR 07 2
 - ATOR 05 1
 - ATOR 06 1
 - JRDB 05 1



| Key figures | Date: 26.06.2007 |
|--------------------|------------------|
| Price (ISK): | 8.10 |
| Market cap (ISKm): | 27,326.57 |
| No. of shares (m): | 3,373.65 |
| Reuters: | ATOR.IC |
| Bloomberg: | ATOR IR Equity |

| INCOME STATEMENT | ISK million | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|---|-------------|---------|---------|---------|-------|---------|
| Financial income | | 1,054 | 1,795 | 2,724 | 3,838 | 1,630 |
| Financial expenses | | -1,579 | -3,718 | -1,345 | -251 | -686 |
| Net financial income | | -525 | -1,923 | 1,379 | 3,587 | 945 |
| Total operating income | | 20,151 | 31,572 | 17,029 | 0 | 4,315 |
| Total operating expenses | | -19,205 | -31,073 | -17,467 | -211 | -4,285 |
| Net profit (loss) of disposal group held for sale | | 8 | 250 | -19 | 0 | -28 |
| Impairment of goodwill | | 0 | -138 | 302 | -140 | 0 |
| Profit before taxes | | 429 | -1,313 | 1,223 | 3,236 | 947 |
| Taxes | | 29 | 827 | 266 | -344 | -181 |
| Minority interest | | -75 | 29 | -4 | 0 | 0 |
| Profit for the year (period) | | 384 | -457 | 1,485 | 2,892 | 765 |

| BALANCE SHEET | ISK million | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|---|-------------|---------|--------|--------|--------|---------|
| Non-current assets | | 47,237 | 54,000 | 9,887 | 5,498 | - |
| Current assets | | 46,226 | 45,290 | 21,690 | 16,448 | - |
| Assets in disposal group classified as held for sale | | 7,024 | 0 | 1,961 | 0 | - |
| Total assets | | 100,487 | 99,290 | 33,538 | 21,946 | - |
| Equity | | 10,318 | 12,272 | 9,940 | 8,972 | - |
| Non-current liabilities | | 52,626 | 55,910 | 15,272 | 11,130 | - |
| Current liabilities | | 34,505 | 31,108 | 6,687 | 1,844 | - |
| Liabilities in disposal group classified as held for sale | | 3,039 | 0 | 1,639 | 0 | - |
| Total equity and liabilities | | 100,487 | 99,290 | 33,538 | 21,946 | - |

| CASH FLOW STATEMENT | ISK million | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|--|-------------|---------|---------|--------|--------|---------|
| Net cash from (used in) operating activities | | 1,845 | 365 | 350 | 665 | -874 |
| Net cash from (used in) investing activities | | -6,472 | -17,854 | -7,729 | -3,017 | 334 |
| Net cash provided by financing activities | | 2,576 | 27,605 | 5,787 | 3,551 | 1,760 |
| Change in cash flow | | -2,051 | 10,117 | -1,592 | 1,198 | 1,221 |

| FINANCIAL RATIOS | Q1 2007 | 2006 | 2005 | 2004 | Q1 2006 |
|---------------------------|---------|-------|-------|-------|---------|
| Return on equity (ROE) | - | -4.1% | 15.7% | 44.3% | - |
| Equity ratio | 10.3% | 12.4% | 29.6% | 40.9% | - |
| Current ratio | 1.34 | 1.46 | 3.24 | 8.92 | - |
| Debt/Equity ratio | 8.44 | 7.09 | 2.21 | 1.45 | - |
| Earnings (loss) per share | 0.12 | -0.16 | 0.54 | 1.16 | 0.26 |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|-----------|--------|--------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| BAKK 03 1 | 6.7% | Coupon at maturity | Indexed | 15.05.2009 | 23.03.2007 | 9.10% | 1.80% | 1.88 | 11,500.00 |
| BAKK 05 1 | 5.4% | Coupon at maturity | Indexed | 01.12.2010 | 21.06.2007 | 8.20% | 2.06% | 3.43 | 9,245.00 |

Company Profile

Bakkavör Group is an international food manufacturing company specialising in fresh prepared foods and produce. The corporation operates 46 factories and employs over 16,000 people in seven countries. Bakkavör manufactures over 4,700 products in 17 product categories. Its turnover was £1.2 billion in 2006. The Group's Head Office is in Reykjavik, Iceland.

Bakkavör Group was founded in 1986. During this time, the business has grown significantly and today Bakkavör Group is the largest provider of fresh prepared foods and produce in the UK.

In addition to the UK and Iceland, the Group also has business operations in France, Belgium, Spain, South Africa and China and is well-positioned for further expansion.

In total, the Group makes over 4,700 products in 17 product categories, which are developed and sold predominantly under its customers' own brands. Bakkavör Group has attained leading market positions in its key market areas of ready meals, pizzas, convenience salads and leafy salads.

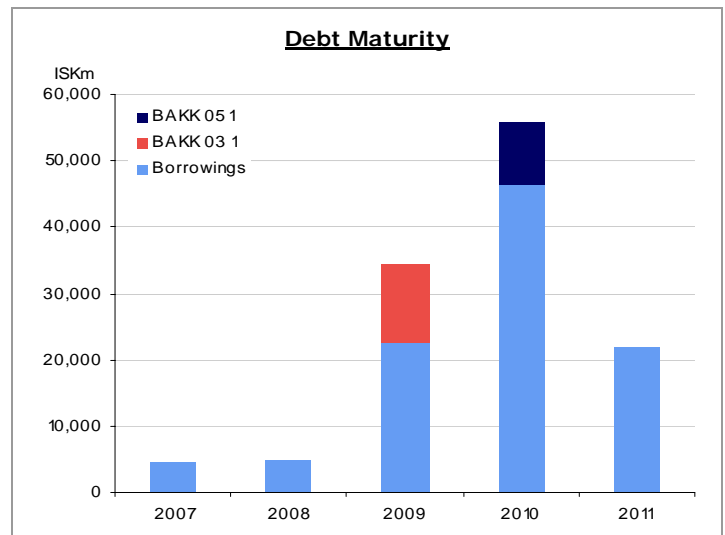
Credit Summary

Bakkavör Group has two outstanding bonds, both are linked to the Consumer Price Index (CPI). The former bond (BAKK 03 1) was issued 15 May 2003 and will mature 15 May 2009. The bond bears 6.7% annual interest rate, which will be paid on the maturity date.

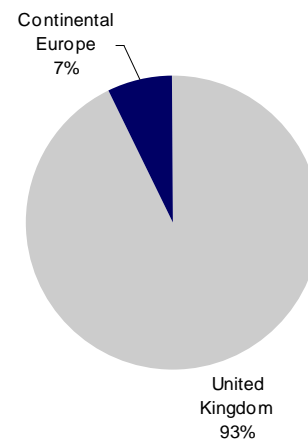
The second bond (BAKK 05 1) was issued 1 June 2005 and will mature 1 December 2010. The bond bears 5.4% annual interest rate, which will be paid at maturity.

Further Information

- Kaupthing Research
- Landsbanki Research
- Glitnir Research
- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - BAKK 03 1
 - BAKK 05 1



Sales by geographical market in Q1 2007



Financial Calendar

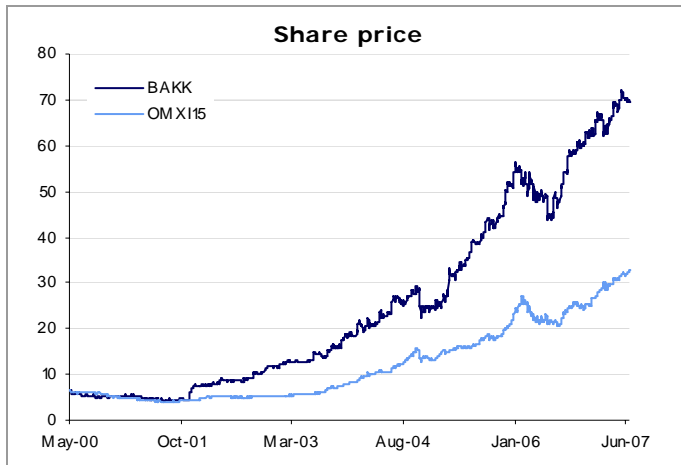
Q2 interim account – published 26 July 2007

Q3 interim account – published 25 October 2007

Q4 and annual results – published 31 January 2008

Recent News

On 2 May 2007, Bakkavör Group announced it had acquired 100% of the share capital of 4G, a French prepared salads provider. The Group's aim is to integrate the business into its existing fresh prepared salads business in France. The consideration price, which is confidential, was financed through and paid by the Group's own cash resources.



| Key figures | Date: 26.06.2007 |
|--------------------|------------------|
| Price (ISK): | 69.70 |
| Market cap (ISKm): | 150,404.81 |
| No. of shares (m): | 2,157.89 |
| Reuters: | BAKK.IC |
| Bloomberg: | BAKK IR Equity |

| <u>INCOME STATEMENT</u> | GBP million | 2008E | 2007E | 1Q 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-------------|------------|------------|-----------|------------|-----------|-----------|-----------|-----------|
| Operating revenues | | 1,488 | 1,378 | 349 | 1,219 | 722 | 153 | 138 | 134 |
| Operating expenses | | -1,295 | -1,206 | -324 | -1,105 | -656 | -129 | -120 | -114 |
| Operating profit (EBITDA) | | 193 | 172 | 35 | 148 | 86 | 28 | 22 | 23 |
| Depreciation | | -42 | -42 | -10 | -34 | -19 | -4 | -4 | -3 |
| Profit before financial income (EBIT) | | 151 | 130 | 25 | 114 | 67 | 24 | 18 | 19 |
| Net financial income (expenses) | | -39 | -41 | -12 | -47 | -28 | -7 | -4 | -4 |
| Profit before taxes | | 112 | 89 | 13 | 67 | 38 | 17 | 14 | 15 |
| Taxes | | -30.3 | -23 | -3 | -15 | -6 | -4 | -4 | -4 |
| Discont. operation, net of tax | | 0 | 0 | 0 | 17 | 0 | 0 | 3 | 0 |
| Profit for the year (period) | | 82 | 66 | 10 | 68 | 32 | 13 | 14 | 11 |

| <u>BALANCE SHEET</u> | GBP million | 2008E | 2007E | 1Q 2007 | 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| Non-current assets | | 955 | 977 | 1,031 | 1,029 | 840 | 217 | 130 | 137 |
| Current assets | | 639 | 544 | 297 | 297 | 294 | 55 | 85 | 36 |
| Total assets | | 1,594 | 1,521 | 1,328 | 1,326 | 1,135 | 272 | 215 | 173 |
| Equity | | 344 | 270 | 247 | 241 | 127 | 88 | 72 | 59 |
| Non-current liabilities | | 666 | 706 | 723 | 716 | 704 | 165 | 112 | 79 |
| Current liabilities | | 584 | 545 | 358 | 369 | 303 | 19 | 31 | 35 |
| Total equity and liabilities | | 1,594 | 1,521 | 1,328 | 1,326 | 1,135 | 272 | 215 | 173 |

| <u>CASH FLOW STATEMENT</u> | | | | | | | | | |
|--|--|----------|----------|----------|------------|-----------|------------|-----------|-----------|
| Net cash from (used in) operating activities | | - | - | 28 | 132 | 82 | 16 | 20 | 14 |
| Net cash from (used in) investing activities | | - | - | -19 | -167 | -446 | -88 | 7 | -16 |
| Net cash provided by financing activities | | - | - | -4 | -6 | 422 | 38 | 30 | -5 |
| Change in cash flow | | - | - | 5 | -42 | 58 | -33 | 57 | -7 |

| <u>FINANCIAL RATIOS</u> | | | | | | | | | |
|---------------------------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Operating profit (EBITDA) | | 13.0% | 12.5% | 10.0% | 12.1% | 11.9% | 18.4% | 16.3% | 17.1% |
| Profit before financial income (EBIT) | | 10.2% | 9.4% | 7.3% | 9.3% | 9.2% | 15.8% | 13.3% | 14.5% |
| Return on equity (ROE) | | 26.6% | 25.7% | - | 37.0% | 30.0% | 16.3% | 20.6% | 20.6% |
| Equity ratio | | 21.6% | 17.8% | 18.6% | 18.2% | 11.2% | 32.4% | 33.6% | 34.1% |
| Current ratio | | 1.09 | 1.00 | 0.83 | 0.81 | 0.97 | 2.84 | 2.77 | 1.02 |
| EBITDA interest coverage | | 4.95 | 4.17 | 1.94 | 2.29 | 2.77 | 3.01 | 3.61 | 4.23 |
| Interest coverage ratio | | 3.87 | 3.16 | 1.24 | 1.61 | 2.16 | 2.58 | 2.98 | 3.68 |
| Debt/Equity ratio | | 3.23 | 4.09 | 4.41 | 4.52 | 7.92 | 2.09 | 1.98 | 1.95 |
| Long-term debt /EBITDA | | 3.45 | 4.10 | 28.92 | 6.28 | 8.19 | 5.89 | 4.87 | 3.43 |
| Earnings (loss) per share | | 3.80 | 3.00 | 0.45 | 3.40 | 2.00 | 0.81 | 0.89 | 0.75 |
| Funds from Operation/Total Debt | | 15.4% | 20.5% | 3.5% | 15.2% | 10.3% | 12.3% | 11.1% | 13.4% |
| Free Operating Cash Flow/Total Debt | | 10.1% | 15.5% | 1.6% | 8.6% | 6.5% | 7.0% | 19.5% | -2.0% |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|------------|--------|------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| FL 07 112 | 0.0% | Zero coupon bond | Nominal | 29.10.2007 | N/A | 16.36% | 1.70% | 0.34 | 5,000.00 |
| FL 08 0516 | 0.0% | Zero coupon bond | Nominal | 16.05.2008 | N/A | 15.80% | 1.90% | 0.90 | 5,000.00 |
| FL 05 1 | 5.0% | Annual coupon | Indexed | 01.03.2012 | 21.06.2007 | 8.90% | 2.75% | 4.18 | 10,000.00 |

Company Profile

FL Group is an international investment company and focuses its activities primarily on two functions, private equity and capital markets. The company's geographic focus lies within Northern Europe but special emphasis has been put on the Nordic countries and the UK.

FL Group has holdings in companies in various sectors in Iceland, the UK, the Netherlands and the Nordic countries. The majority of its investments are in listed companies in the banking and financial services. Other investments are in beverages, airlines and retail. Its main listed holdings are Glitnir, Commerzbank, AMR Corp., Finnair, Royal Unibrew and Aktiv Kapital. Its unlisted holdings are e.g. Refresco, Northern Travel Holding and Geysir Green Energy among other things.

FL Group has four main divisions, i.e. Private Equity, Capital Markets, Finance and Operation Management. The Private Equity team deals with the company's investments in its operating companies, transformation projects and investments where a significant or controlling share in a company is held.

Capital Markets unit oversees the company's short term trading in listed securities and currencies as well as overseeing the company's derivative and security trading related to the company's asset portfolio.

Finance & Administration is a support function for the company and the Operation Management team helps the company to participate actively in the operations of the companies invested in. FL Group has set up offices both in Denmark and the UK.

Credit Summary

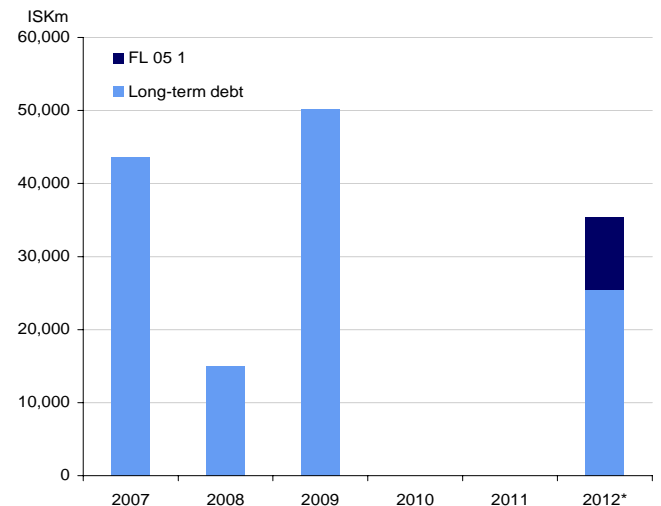
FL Group has one listed outstanding bond (FL 05 1). It was issued 1 March 2005. The bond is an index-linked interest bearing bond. It bears 5% interest rate, paid annually. The bond will mature 1 March 2012.

FL Group also has two unlisted bonds. They are both non-indexed zero coupon bonds. The first one (FL 07 112) will mature 29 October 2007 and the second one (FL 08 0516) matures 16 May 2008.

Further Information

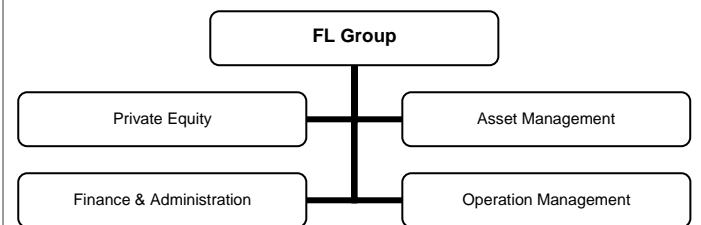
- Kaupthing Research
- Landsbanki Research
- Glitnir Research
- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - FL 05 1

Debt Maturity



*Borrowings in 2012 will mature that year and later.

Organisational Structure



Financial Calendar

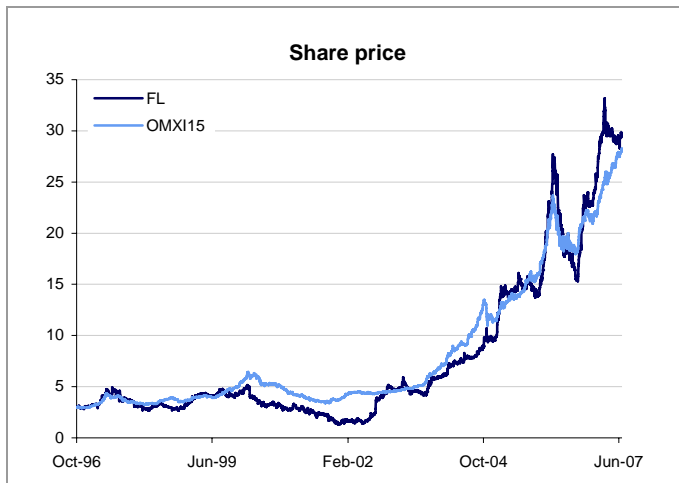
- Q2 interim account – published 30 July to 3 August 2007
- Q3 interim account – published 29 Oct. – 2 Nov. 2007
- Q4 interim account – published 27 Jan. – 2 Feb. 2008

Recent News

On 8 June 2007, there were changes to the Board of Directors of FL Group. Skarphedinn Berg Steinarsson decided to step down as a chairman and Jon Asgeir Johannesson was elected as a chairman of the board.

On 30 May, 2007 FL Group sold all its shares in Bang & Olufsen A/S. The proceeds from the sale amounted to approximately ISK 10.2 billion (EUR 121 million).

On 22 May 2007, FL Group announced it had invested USD 50 million in four active US-based real estate development projects along with Bayrock Group, a US-based international real estate investment and development firm.



| Key figures | Date: 26.06.2007 |
|--------------------|------------------|
| Price (ISK): | 29.40 |
| Market cap (ISKm): | 233,582.59 |
| No. of shares (m): | 7,944.99 |
| Reuters: | FL.IC |
| Bloomberg: | FL IR Equity |

| INCOME STATEMENT | ISK million | Q1 2007 | 2006 | 2005 | Q1 2006 |
|--|--------------------|----------------|----------------|----------------|----------------|
| Investment income | | 15,580 | 17,491 | 20,349 | 10,458 |
| Total operating expenses | | -884 | -2,771 | -1,652 | -485 |
| Profit before taxes | | 14,696 | 14,720 | 18,697 | 9,973 |
| Taxes | | 388 | 2,631 | -3,292 | -1,684 |
| Profit from continuing operations | | 15,084 | 17,351 | 15,405 | 8,289 |
| Profit from discontinued operations | | 0 | 27,208 | 1,846 | -2,450 |
| Minority interest | | 0 | 1 | -2 | 2 |
| Profit for the year (period) | | 15,084 | 44,560 | 17,249 | 5,841 |
| BALANCE SHEET | ISK million | Q1 2007 | 2006 | 2005 | Q1 2006 |
| Assets | | | | | |
| Cash, cash equivalents | | 30,994 | 47,022 | 10,350 | - |
| Securities | | 217,602 | 181,161 | 69,138 | - |
| Derivatives | | 20,833 | 4,309 | 6,341 | - |
| Restricted cash | | 12,575 | 9,572 | 0 | - |
| Assets classified as held for sale | | 0 | 904 | 0 | - |
| Inventories | | 0 | 0 | 876 | - |
| Loans, trade and other receivables | | 20,290 | 19,478 | 7,222 | - |
| Operating assets | | 464 | 425 | 35,221 | - |
| Intangible assets | | 0 | 0 | 3,470 | - |
| Total assets | | 302,758 | 262,871 | 132,618 | - |
| Equity | | | | | |
| Share capital | | 7,763 | 7,763 | 5,802 | - |
| Share premium | | 70,020 | 70,530 | 43,169 | - |
| Reserves | | 493 | 948 | 434 | - |
| Retained earnings | | 63,526 | 63,425 | 25,027 | - |
| Minority interest | | 0 | 10 | 11 | - |
| Total equity | | 141,802 | 142,676 | 74,443 | - |
| Liabilities | | | | | |
| Borrowings | | 129,423 | 104,955 | 39,668 | - |
| Derivatives | | 11,147 | 7,021 | 277 | - |
| Unpaid dividend | | 14,983 | 0 | 0 | - |
| Deferred income tax liability | | 510 | 895 | 4,694 | - |
| Current tax liability | | 782 | 782 | 0 | - |
| Trade and other payables | | 4,111 | 5,908 | 10,895 | - |
| Deferred income | | 0 | 0 | 2,641 | - |
| Liabilities classified as held for sale | | 0 | 634 | 0 | - |
| Total liabilities | | 160,956 | 120,195 | 58,175 | - |
| Total equity and liabilities | | 302,758 | 262,871 | 132,618 | - |
| FINANCIAL RATIOS | | | | | |
| Return on equity (ROE) | | 10.6% | 41.1% | 55.2% | - |
| Equity ratio | | 46.8% | 54.3% | 56.1% | - |
| Debt/Equity ratio | | 113.5% | 84.2% | 78.2% | - |
| Interest bearing debt/Total assets | | 42.7% | 39.9% | 29.9% | - |
| Earnings (loss) per share | | 1.94 | 6.65 | 5.90 | 0.96 |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|--------------|----------|--------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| STOD 08 0125 | 0.0% | Zero coupon | Nominal | 25.01.2008 | N/A | 15.94% | 1.60% | 0.59 | 1,050.00 |
| STOD 03 1 | 7.4% | Annual coupon | Indexed | 05.02.2011 | 08.06.2007 | 8.40% | 2.10% | 3.20 | 10,000.00 |
| STOD 06 2 | 3mR+1.9% | Coupon at maturity | Nominal | 21.08.2011 | N/A | N/A | 1.90% | N/A | 3,000.00 |
| STOD 06 1 | 6.0% | Annual coupon | Indexed | 28.03.2013 | 08.06.2007 | 8.10% | 2.24% | 4.92 | 4,940.00 |

Company Profile

On 3 May 1999 Stoðir Real Estate Inc. was founded and in May 2002 it merged with Þyrping hf., a property company. Þyrping was the larger party in the merger and had been operating since 1991. The merger created the largest real-estate business in Iceland.

Stoðir has through the years focused on acquiring real estate which is leased to public authorities, as it views them as reliable tenants.

At the end of 2005, Stoðir Real Estate acquired the Danish real estate company Atlas Ejendomme A/S. This acquisition strengthened the company as Atlas Ejendomme owns more than 150 thousand square metres of property, mainly in the centre of Copenhagen, and as the Danish state is the largest tenant. This purchase is the largest property deal in Denmark in recent years.

Stoðir will continue to look for further offshore expansion, both because there are many opportunities for acquisitions in foreign real estate markets and because a lack of opportunities in Iceland limits the further expansion of Stoðir in the domestic real estate market.

The company's properties comprise commercial, office, hotel and storage premises, amounting to over 500,000 m². Leaseholders number over 500. Among the largest leaseholders are e.g. Hagar plc, Icelandair Hotels, the Danish State and the Icelandic Treasury property department. Occupancy of properties is more than 98%.

Credit Summary

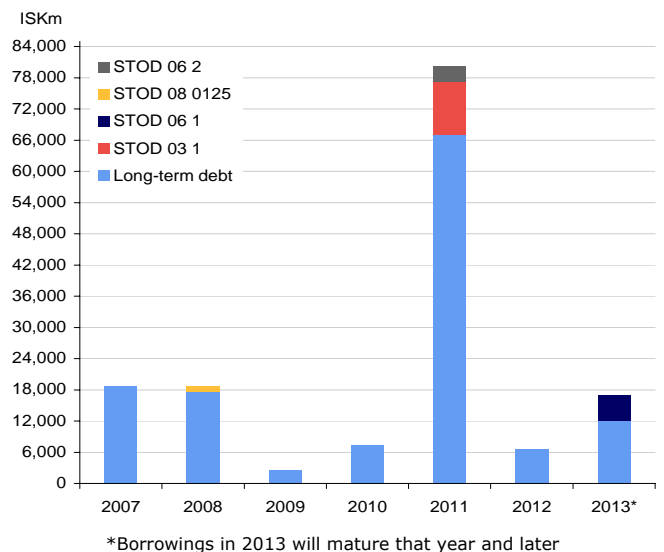
Stoðir has issued four bonds since its foundation. The first bond (STOD 08 0125) is a zero coupon bill and was issued 26 January 2007. The bond will mature 25 January 2008.

The second bond (STOD 03 1) is an index-linked interest-paying bond, issued 5 February 2003. The bond bears 7.4% annual interest payable on 5 February, for the first time in 2004 and finally in 2011.

The third bond (STOD 06 2) is a non-indexed bond. It was issued 21 August 2006 and will mature 21 August 2011. The bond bears liquid interest rate of 3M REIBOR+1.9%, which will be paid at maturity.

The fourth bond (STOD 06 1) was issued 28 March 2006 and is an index-linked bond. The bond bears 6% interest rate paid annually. The bond will mature 28 March 2013.

Debt Maturity



Financial Calendar

H1 interim account – published 27 – 31 August 2007

Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - STOD 03 1
 - STOD 06 2
 - STOD 06 1

Recent News

In the end of February, Stoðir Real Estate Inc. purchased all shares in FS6 ehf. The purchase includes the real estate Kringlan 1, 5 and 7 as well as building sites related to them.

On 27 February, Stoðir Real Estate announced its purchase of all shares in Landsafl hf. which is one of the largest real estate in Iceland. It specialises in real estate ownership, operations and leases. The company is in charge of over 100,000 square meters.

Not listed

Key figures **Date: 26.06.2007**

| | |
|----------------|---|
| Price (ISK): | - |
| Market cap: | - |
| No. of shares: | - |
| Reuters: | - |
| Bloomberg: | - |

| INCOME STATEMENT | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------------|---------------|--------------|--------------|--------------|--------------|
| Operating revenues | | 6,191 | 4,140 | 5,028 | 2,305 | 2,122 |
| Operating expenses | | -1,864 | -1,981 | -2,838 | -472 | -535 |
| Operating profit (EBITDA) | | 4,345 | 2,167 | 2,190 | 1,833 | 1,587 |
| Depreciation | | -18 | -8 | 0 | 0 | -554 |
| Profit before financial income (EBIT) | | 4,327 | 2,159 | 2,190 | 1,833 | 1,033 |
| Net financial income (expenses) | | -7,155 | -1,577 | -1,485 | -1,771 | -223 |
| Value adjustment of investment properties | | 16,212 | 1,133 | 1,767 | 0 | 0 |
| Gain on the sale of investment properties | | 488 | 213 | 398 | 12 | 0 |
| Share of profit (loss) in associates | | -174 | 318 | 632 | -7 | -4 |
| Profit before taxes | | 13,698 | 2,246 | 3,502 | 67 | 806 |
| Taxes | | -2,303 | -161 | -651 | -12 | -43 |
| Minority interest | | 0 | -220 | -146 | 0 | 0 |
| Profit for the year (period) | | 11,395 | 1,865 | 2,705 | 55 | 763 |

| BALANCE SHEET | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 |
|-------------------------------------|--------------------|----------------|---------------|---------------|---------------|---------------|
| Non-current assets | | 151,800 | 58,921 | 39,982 | 34,401 | 23,461 |
| Current assets | | 4,834 | 13,617 | 5,468 | 682 | 808 |
| Total assets | | 156,634 | 72,538 | 45,450 | 35,083 | 24,269 |
| Equity | | 22,717 | 10,832 | 9,452 | 6,856 | 4,708 |
| Non-current liabilities | | 108,682 | 45,828 | 30,166 | 24,015 | 13,833 |
| Current liabilities | | 25,235 | 15,878 | 5,832 | 4,212 | 5,728 |
| Total equity and liabilities | | 156,634 | 72,538 | 45,450 | 35,083 | 24,269 |

| CASH FLOW STATEMENT | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|
| Net cash from (used in) operating activities | | 2,144 | 1,513 | 33 | 802 | 661 |
| Net cash from (used in) investing activities | | -38,942 | -11,508 | -4,505 | -4,668 | -2,548 |
| Net cash provided by financing activities | | 37,202 | 9,135 | 5,268 | 3,971 | 1,892 |
| Change in cash flow | | 404 | -860 | 796 | 105 | 5 |

| FINANCIAL RATIOS | | 2006 | 2005 | 2004 | 2003 | 2002 |
|---------------------------------------|--|-------------|-------------|-------------|-------------|-------------|
| Operating profit (EBITDA) | | 70.2% | 52.3% | 43.6% | 79.5% | 74.8% |
| Profit before financial income (EBIT) | | 69.9% | 52.1% | 43.6% | 79.5% | 48.7% |
| Return on equity (ROE) | | 67.9% | 18.6% | 33.9% | 1.0% | - |
| Equity ratio | | 14.5% | 14.9% | 20.8% | 19.5% | 19.4% |
| Current ratio | | 0.19 | 0.86 | 0.94 | 0.16 | 0.14 |
| EBITDA interest coverage | | 0.49 | 0.76 | 0.86 | 1.14 | 1.32 |
| Interest coverage ratio | | 0.48 | 0.76 | 0.86 | 1.14 | 0.86 |
| Debt/Equity ratio | | 5.90 | 5.70 | 3.81 | 4.12 | 4.15 |
| Long-term debt/EBITDA | | 25.01 | 21.15 | 13.77 | 13.10 | 8.72 |
| Earnings (loss) per share | | 5.24 | 0.86 | 1.26 | 0.04 | 0.38 |
| Funds from Operation/Total Debt | | 3.2% | 3.5% | 1.2% | 2.2% | 3.0% |
| Free Operating Cash Flow/Total Debt | | -26.3% | -5.2% | -2.9% | -10.3% | -9.5% |

Outstanding bonds

| Ticker | Coupon | Type | Indexation | Maturity | Last traded | Indicative Yield | Indicative Spread | Duration | Outstanding Nominal Value (ISKm) |
|-----------|--------|-------------------|------------|------------|-------------|------------------|-------------------|----------|----------------------------------|
| SIMI 06 1 | 6.0% | Semiannual coupon | Indexed | 02.04.2014 | 20.06.2007 | 7.90% | 2.16% | 5.50 | 14,000.00 |

Company Profile

Síminn (Iceland Telecom) is a telecommunications company in Iceland with a strong position in all fields of the market. It provides fixed line, mobile phone, internet connection services and multimedia services via broadband to private and corporate clients in Iceland.

In July 2005 the Icelandic government sold its 98.8% share in Síminn and the company was privatized. Skipti ehf. was the buyer of Síminn and the amount was ISK 66.7 billion. In December 2005, three companies Síminn, Íslenska sjónvarpsfélagið (The Icelandic Television Company) and the parent company, Skipti, merged into one, under the name Síminn.

The largest shareholders in Síminn are Exista B.V. 43.7% and Kaupthing Bank hf. 27.8%.

Credit Summary

Síminn issued a bond (SIMI 06 1) 2 January 2006. The bond is denominated in ISK and is indexed to the Consumer Price Index. The bond bears a fixed 6% annual interest rate, paid semiannually. The bond's amortisation type is periodic interest payments and its maturity date is 2 April 2014.

The Icelandic Telecom Market

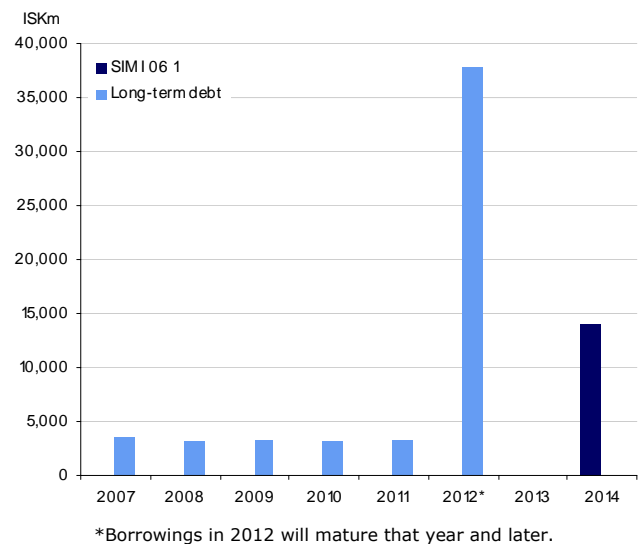
Before 1998, the Icelandic telecom market was very uncompetitive; in fact a monopoly cared for most of Iceland's telecommunications services named Landssíminn or Iceland Telecom Ltd.

In 1998, a new law was passed which opened the market for competition. The first competitor was TAL, which focused at first mainly on mobile services. Others followed, the biggest one being Íslandssími. In the internet (ISP) market the competition was a lot tougher, with companies like e.g. Íslandssími, Halló!, Margmiðlun, Skíma, Skrín and Snerpa competing.

In 2003 TAL, Íslandssími and Halló! merged under the name Og Vodafone, now called Vodafone Iceland since 6 October 2006. Today Vodafone is one of Síminn's main rival.

The Icelandic telecom market is very distinct and sharply separated from telecom markets of other countries. One of the main characters of the market is a high responsiveness towards innovation, but the Icelandic market has one of the highest penetration rates for both Internet and mobile phone.

Debt Maturity



Further Information

- OMX Nordic Exchange Iceland (www.omxgroup.com)
 - SIMI 06 1

Recent News

On 21 December 2006, Síminn decided to undergo an organizational change where one parent company, a holding company, will be founded within the group. The new holding company will be named Skipti hf and it is assumed that it will be listed on ICEX before the end of 2007. Each operational unit will be run in separate subsidiaries which are all owned by the parent company. This proposition was formally approved at the shareholders meeting on 15 March 2007.

Síminn Management

Chairman of Board: Lýður Guðmundsson

President and CEO: Brynjólfur Bjarnason

Not listed

| Key figures | Date: 26.06.2007 |
|----------------|------------------|
| Price (ISK): | - |
| Market cap: | - |
| No. of shares: | - |
| Reuters: | - |
| Bloomberg: | - |

| INCOME STATEMENT | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--|-------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Operating revenues | | 25,295 | 22,041 | 20,419 | 18,761 | 17,958 | 18,263 |
| Operating expenses | | -16,853 | -14,502 | -12,896 | -11,381 | -10,849 | -11,384 |
| Operating profit (EBITDA) | | 8,442 | 7,539 | 7,523 | 7,380 | 7,109 | 6,879 |
| Depreciation | | -3,462 | -3,408 | -3,567 | -4,428 | -4,568 | -3,887 |
| Amortisation | | -375 | -525 | -517 | -36 | -73 | -75 |
| Profit before financial income (EBIT) | | 4,605 | 3,606 | 3,439 | 2,916 | 2,468 | 2,917 |
| Net financial income (expenses) | | -8,936 | 693 | 511 | -214 | 141 | -1,163 |
| Share of profit (loss) in associates | | -6 | -31 | -90 | -25 | -1 | -270 |
| Profit before taxes | | -4,338 | 4,268 | 3,860 | 2,677 | 2,608 | 1,484 |
| Taxes | | 777 | -236 | -769 | -534 | -464 | -493 |
| Minority interest | | -21 | -12 | -12 | 2 | 17 | 48 |
| Profit for the year (period) | | -3,582 | 4,020 | 3,079 | 2,145 | 2,161 | 1,039 |

| BALANCE SHEET | ISK million | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------------------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Non-current assets | | 81,100 | 78,017 | 20,784 | 20,931 | 22,414 | 24,712 |
| Current assets | | 7,807 | 5,238 | 8,408 | 7,662 | 9,217 | 7,684 |
| Total assets | | 88,907 | 83,255 | 29,192 | 28,593 | 31,631 | 32,396 |
| Equity | | 29,447 | 32,801 | 17,501 | 16,161 | 16,119 | 14,911 |
| Non-current liabilities | | 50,903 | 44,602 | 4,755 | 6,912 | 11,073 | 13,179 |
| Current liabilities | | 8,557 | 5,852 | 6,936 | 5,520 | 4,439 | 4,306 |
| Total equity and liabilities | | 88,907 | 83,255 | 29,192 | 28,593 | 31,631 | 32,396 |

| CASH FLOW STATEMENT | | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|--|--|------------|---------------|------------|---------------|--------------|--------------|
| Net cash from (used in) operating activities | | 6,706 | 6,190 | 6,520 | 7,214 | 7,437 | 4,866 |
| Net cash from (used in) investing activities | | -5,183 | -2,747 | -2,672 | -2,839 | -2,826 | -3,932 |
| Net cash provided by financing activities | | -1,092 | -5,804 | -3,305 | -6,017 | -2,517 | 574 |
| Change in cash flow | | 431 | -2,361 | 542 | -1,642 | 2,093 | 1,508 |

| FINANCIAL RATIOS | | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|---------------------------------------|--|--------|-------|-------|-------|-------|-------|
| Operating profit (EBITDA) | | 33.4% | 33.8% | 38.1% | 39.3% | 39.6% | 37.7% |
| Profit before financial income (EBIT) | | 18.2% | 16.4% | 16.8% | 15.5% | 13.7% | 16.0% |
| Return on equity (ROE) | | -11.5% | 16.0% | 18.3% | 13.3% | 13.9% | 7.3% |
| Equity ratio | | 33.0% | 39.0% | 59.0% | 56.0% | 51.0% | 46.0% |
| Current ratio | | 0.91 | 0.90 | 1.21 | 1.39 | 2.08 | 1.78 |
| EBITDA interest coverage | | 2.11 | 5.13 | 12.02 | 8.22 | 7.41 | 4.13 |
| Interest coverage ratio | | 1.15 | 2.45 | 5.49 | 3.25 | 2.57 | 1.75 |
| Debt/Equity ratio | | 2.03 | 1.54 | 0.67 | 0.78 | 0.97 | 1.19 |
| Long-term debt/EBITDA | | 6.03 | 5.92 | 0.63 | 0.95 | 1.57 | 1.93 |
| Earnings (loss) per share | | -0.12 | 0.21 | 0.44 | 0.30 | 0.31 | 0.15 |
| Funds from Operation/Total Debt | | 14.6% | 16.2% | 59.2% | 54.3% | 43.7% | 32.1% |
| Free Operating Cash Flow/Total Debt | | 7.8% | 5.1% | 34.9% | 37.8% | 28.5% | 11.4% |
| Internal value of Capital shares | | 0.95 | 1.06 | 2.41 | 2.28 | 2.28 | 2.11 |