

Icelandic Corporate Bonds

The activity on the Icelandic corporate bond market was at all time high levels last year, as more than ISK 103 billion was issued. Corporate bond issuance has grown quite rapidly in the last few years, as well as the size of listed issues.

Kaupthing Research has issued a publication containing coverage of six Icelandic companies which have all issued corporate bonds. The publication covers the credit profile of the companies, containing information such as the company's profile and its credit summary. The companies are Exista, FL Group, Bakkavör Group, Atorka Group, Stodir and Síminn (Iceland Telecom). All of these companies are among the ten largest issuers of Icelandic corporate bonds.

- Exista is a financial service company with a total equity of ISK 171 billion (30 September 2006). The company focuses on insurance and asset leasing. Exista is the largest issuer of corporate bonds on the Icelandic market, with an outstanding nominal value of ISK 37 billion.
- FL Group is an investment company with focus primarily on two function, private equity and asset management. The company's total assets amounted to ISK 239 billion on 30 September 2006. The company is the third largest issuer on the corporate bond market with outstanding nominal value ISK 25 billion.
- Bakkavör Group is a food manufacturing company which operates in seven countries. Bakkavör is the largest provider of fresh prepared foods and produce in the UK. Bakkavör Group has a total equity of GBP 208 million.
- Stodir is a real-estate company with properties amounting to over 500,000 m² and leaseholders number over 500. The company has grown rapidly through the years with help of purchases such as Atlas Ejendomme A/S, a Danish real estate company, which was bought at the end of 2005.
- Síminn (Iceland Telecom) is the largest telecommunications company in Iceland and provides versatile services to private and corporate clients. The company's EBITDA was 33.8% in 2005.
- Atorka Group is an investment company with total assets of ISK 48 billion (30 September 2006). The company's portfolio includes two types of investments; private equity projects and investment projects. Atorka's current investment projects are e.g. Interbulk Investments plc, Amiad Filtration, NWF Group PLC and Romag, all listed on the London Stock Exchange.

Coverage for more Icelandic companies which have issued bonds can be expected periodically in the near future. The next companies to follow will be Icelandair Group (an aviation company), Landsvirkjun (a power company) and Straumborg (an investment company).

See [important disclosures](#) on page 3 of this report

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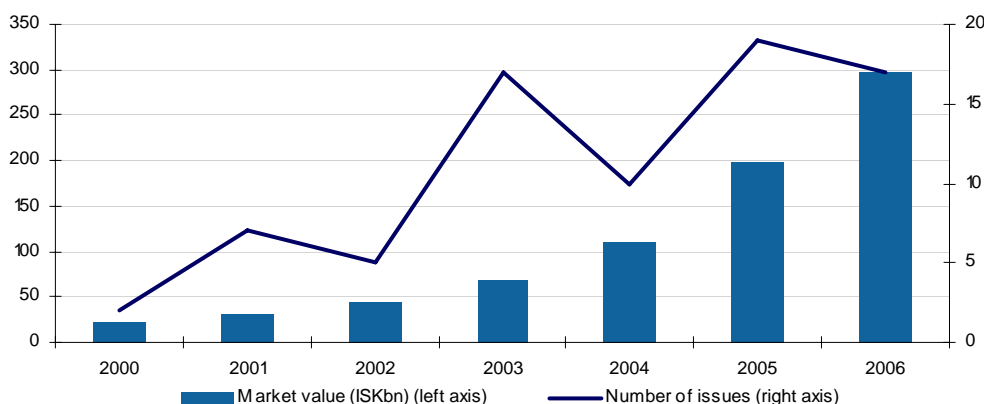
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The Icelandic corporate bond market

The activity on the Icelandic corporate bond market was at all time high levels last year. More than ISK 103 billion of corporate bonds was issued and listed on Iceland Stock Exchange (ICEX); an increase of 19.4% from 2005. Corporate bond issuance has grown quite rapidly in the last few years, as well as the size of listed issues. At the end of 2006 corporate bonds represented 23% of the total market value of the Icelandic bond market, whereas in 2000 this figure was only 5.7%. There is only one other group of bonds which has a larger proportion of the Icelandic bond market and that is HFF and Housing Authority bonds with a 33% portion of the market. Corporate bonds display the same basic characteristics as the Icelandic bond market in general; a majority of the bonds are inflation indexed or about 79%. Nominal bonds, especially short term zero coupon bills, are though increasingly gaining popularity. The turnover picked greatly up in the year 2006 and amounted to ISK 21 billion, which means an increase of 1021% from the previous year.

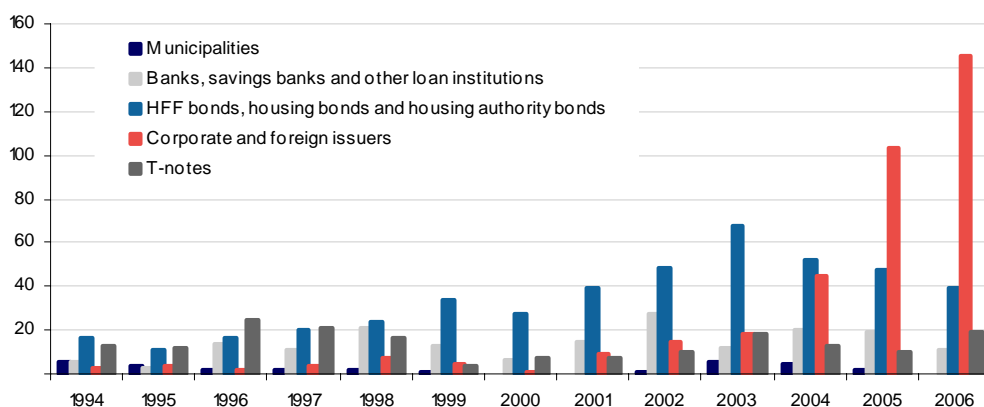
Corporate bonds listed on ICEX



Source: Iceland Stock Exchange (ICEX)

The figure below shows bond issuance each year since 1994. It includes both unlisted and listed bonds on ICEX. Total issuance of bonds has increased considerably through the years. Corporate and foreign bonds issuance has grown rapidly the last few years. In 1994, issuance of corporate and foreign bonds amounted to ISK 3 billion, whereas in 2005 a total of ISK 103 billion was issued. However in 2006, the issuance amounted to ISK 146 billion and has therefore increased by nearly 230% the last two years.

Bond issuance by type of issuer, both unlisted and listed bonds on ICEX (ISKbn)



Source: Central Bank of 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 52, have listed their bonds on ICEX. The number of issues listed totalled 89 at the end of 2006.

Issuers of corporate bonds (as of 9 Feb. 2007)

	Outstanding nominal value (ISKm)	No. of issues	Internet home page	Industry
Exista hf.	37,000	4	http://www.exista.com	financial service company
Landsvirkjun	25,500	3	http://www.lv.is	energy company
FL GROUP hf.	25,000	2	http://www.flgroup.is	investment company
Bakkavör hf.	20,745	2	http://www.bakkavor.is	food manufacturing company
Fjárfestingarfélagið Atorka hf	19,020	7	http://www.atorka.is/en	investment company
Fasteignafélagið Stoðir hf.	15,510	3	http://www.stodir.is	real-estate company
Samson eignarhaldsfélag ehf	15,000	2		holding company
Iceland Telecom (Siminn hf.)	14,000	1	http://www.siminn.co.uk	telecommunications company
Avion Group hf.	10,000	2	http://www.aviongroup.com	investment company
Eimskipafélag Íslands ehf.	9,800	2	http://www.eimskip.com	transportation and logistics company
Tryggingamiðstöðin hf.	8,500	1	http://www.tryggingarmidstodin.is	insurance company
365 hf.	7,300	5	http://www.365.is	holding company
Hagar hf.	7,000	1	http://www.hagar.is	commercial company
Marel hf.	6,000	1	http://www.marel.is	manufacturing company
Mosaic Fashions hf.	6,000	1	http://mosaic-fashions.is	fashion company
Egla hf.	5,635	1		holding company
Oliufélagið ehf.	5,000	1	http://www.esso.is	oil service company
Nýsir hf.	4,400	3	http://www.nysir.is	knowledge-based service company
Hitaveita Suðurnesja hf.	3,000	1		heating utility
Alfesca hf.	3,000	2	http://www.alfesca.is	food manufacturing company
Spölur ehf.	3,000	1	http://www.spolur.is	owns and runs underseas tunnel in Hvalfjord
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.eyririnvest.com	investment company
Rafmagnsveitur ríkisins	2,310	2	http://www.rarik.is/english	energy company
Samherji	2,300	2	http://en.samherji.is	fishery and fish processing company
Félagsbústaðir	2,110	2	http://www.felagsbustadir.is	real-estate company
Smáralind ehf.	2,100	1	http://www.smaralind.is	shopping centre
Orkuveita Reykjavíkur	2,000	1	http://www.or.is	energy company
CVC á Íslandi ehf	1,600	1		management company
Íslenskir aðalverktakar hf.	1,500	1	http://www.iav.is	construction company
Eik fasteignafélag hf.	1,300	1	http://www.eik.is	real-estate company
Teymi hf.	1,230	2	http://www.teymi.is	telecommunications company
Reykjaneshöfn	1,195	3		harbour
Hekla hf.	1,095	2	http://www.hekla.is	service company
Sæplast hf.	1,020	2	http://www.saeplast.com	manufacturing company
Others	8,133	20		
Total:	286,188	90		

Source: Iceland Stock Exchange (ICEX)

Provisional release:

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Outstanding bonds

Ticker	Coupon	Type	Indexation	Maturity	Price	Last traded	Indicative Yield	Indicative Spread	Duration	Outstanding Nominal Value (ISKm)	Current Market Value (25.01.07 - ISKm)
EXISTA 04 1	5.9%	Annual coupon	Indexed	14.10.2011	103.67	12.02.2007	N/A	N/A	N/A	13,000.00	14,961.69
EXISTA 06 1	3mR+1.5%	Quarterly coupon	Nominal	28.03.2007			N/A	1.50%	0.12	5,690.00	5,711.34
EXISTA 06 2	3mR+2.2%	Quarterly coupon	Nominal	28.03.2007	100.05	27.12.2006	N/A	1.50%	0.12	5,310.00	5,339.21
EXIS 07 1008	0.0%	Zero coupon bond	Nominal	08.10.2007			16.00%	1.47%	0.66	13,000.00	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 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 issued four bonds. The first 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.

Two bonds were issued 28 March 2006. Both bonds are a non-indexed periodic interest payment bond and they have the same maturity date, 28 March 2007. The former bond (EXISTA 06 1) bears 1.5% annual interest rates which is paid quarterly. The second bond (EXISTA 06 2) bears 2.2% annual interest rate, also paid quarterly. Both bonds bear also a liquid interest rate of 3M REIBOR.

The last 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 next year.

Further Information

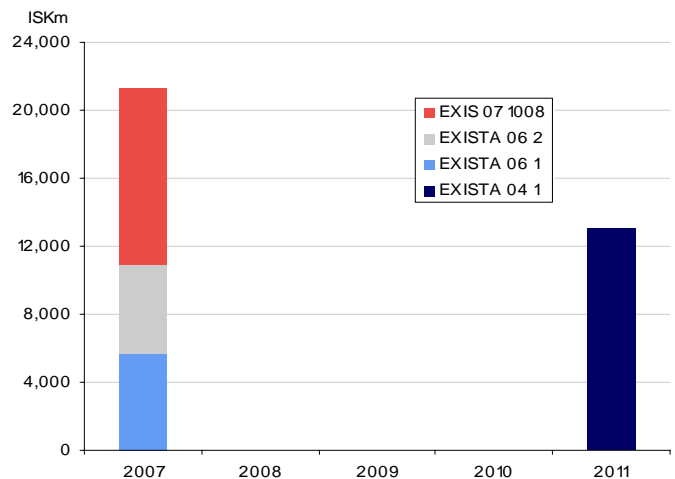
- Iceland Stock Exchange (www.icex.is)
 - EXISTA 04 1
 - EXISTA 06 1
 - EXISTA 06 2
 - EXIS 07 1008

Financial Calendar

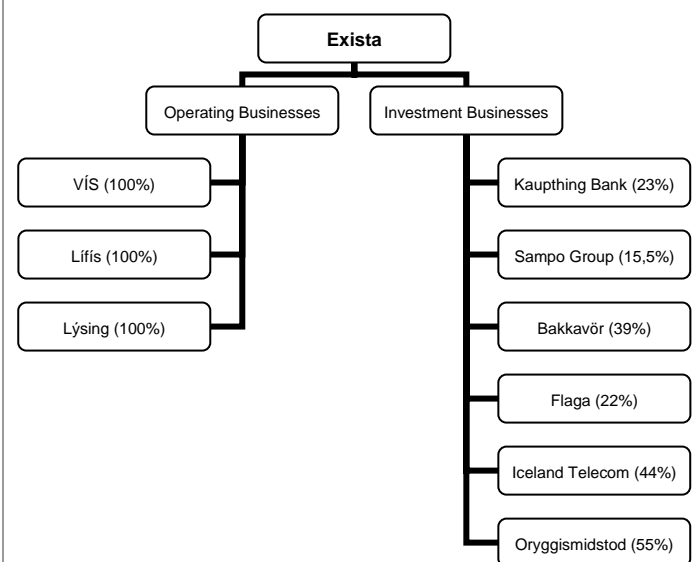
Q1 interim statement - published 26 April 2007

Q2 interim statement - published 26 July 2007

Bond Maturity

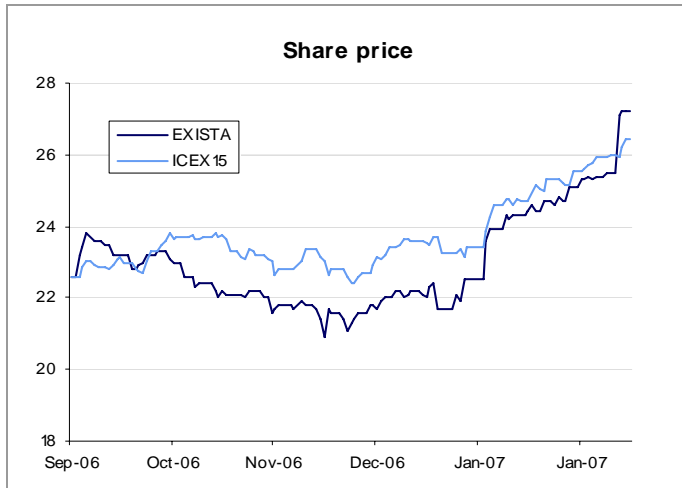


Group Structure



Recent News

On 8 February 2007, Exista acquired 15.48% shareholding in Finnish Group Sampo. Sampo Oyj is a leading Nordic insurer with an annual premium income of 3.5 billion euros in P&C insurance and 600 million euros in life insurance. Sampo is also a significant investor on the Nordic scale, with investment assets in excess of 20 billion euros.



Key figures	Date: 09.02.2007
Price (ISK):	27.2
Market cap (ISKm):	293,730.00
No. of shares (m):	10,838.75
Reuters:	EXISTA.IC
Bloomberg:	EXISTA IR Equity

INCOME STATEMENT

	ISK million	2006	2005	2004	Q4 2006	Q4 2005
Investment income		61,100	50,700	19,760	21	23
Total expenses		-22,800	-4,774	-1,546	-8	-3
Profit before taxes		38,300	45,926	18,214	14	20
Taxes		-900	4,389	-3,144	0	9
Minority interest		-96	0	0	0	0
Profit before taxes		37,304	50,315	15,069	13	29

BALANCE SHEET

	ISK million	2006	2005	2004	Q4 2006	Q4 2005
Assets						
Financial assets measured at fair value		215,019	148,667	61,339	-	-
Financial assets held for trading and sale		79,191	7,499	641	-	-
Loans and accounts receivable		66,591	0	0	-	-
Goodwill		43,976	0	0	-	-
Property, plant and equipment		1,154	0	0	-	-
Reinsurance assets		1,498	0	0	-	-
Cash and equivalents		7,198	4,965	1,218	-	-
Other assets		1,193	651	113	-	-
Total assets		415,820	161,782	63,311	-	-
Equity						
Share capital		10,629	8,689	6,040	-	-
Statutory reserves		2,161	2,161	1,510	-	-
Capital reserves		66,026	17,351	0	-	-
Translation reserves		0	-135	-583	-	-
Retained earnings		100,407	68,037	19,374	-	-
Minority interest		556	0	0	-	-
Total equity		179,779	96,104	26,340	-	-
Liabilities						
Borrowings		206,534	65,499	31,392	-	-
Technical Provisions		21,180	0	4,424	-	-
Deferred tax liability		5,697	35	1,133	-	-
Other liabilities		2,630	144	22	-	-
Total liabilities		236,041	65,678	36,971	-	-
Total equity and liabilities		415,820	161,782	63,311	-	-

FINANCIAL RATIOS

	2006	2005	2004	Q4 2006	Q4 2005
Return on equity (ROE)	27.0%	82.2%	79.0%	-	-
Equity ratio	0.43	0.59	0.42	-	-
Earnings per share	3.77	8.31	2.50	-	-

Outstanding bonds

Ticker	Coupon	Type	Indexation	Maturity	Price	Last traded	Indicative Yield	Indicative Spread	Duration	Outstanding Nominal Value (ISKm)	Current Market Value (25.01.07 - ISKm)
FL 05 1	5.0%	Annual coupon	Indexed	01.03.2012	100.35	10.01.2007	8.40%	2.12%	4.31	10,000.00	10,071.08
FL 06 1	3mR+1,5%	Quarterly coupon	Nominal	20.03.2007	102.20	07.02.2007	N/A	N/A	N/A	15,000.00	15,056.25

Company Profile

FL Group is an investment company investing both in listed securities and currencies and in private equity. The company focuses its activities primarily on two functions, private equity and asset management. The company's geographic focus lies within Northern Europe but special emphasis has been put on the Nordic countries and UK.

FL Group has holdings in companies in various sectors in Iceland, the UK, the Netherlands and the Nordic countries. The majority of investments are in listed companies in the banking and financial services. Other investments in listed companies are in beverages, airlines and luxury retail.

FL Group has four main divisions, i.e. Asset Management, Private Equity, 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.

FL Group's Asset Management is a hedge fund like operation, taking holdings in instruments to profit from fluctuations on the stock, bond and currency markets. Its main investments are Glitnir, Royal Unibrew, Bang & Olufsen, Finnair, Aktiv Kapital, AMR Corp. and Northern Travel Holding.

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 UK.

Credit Summary

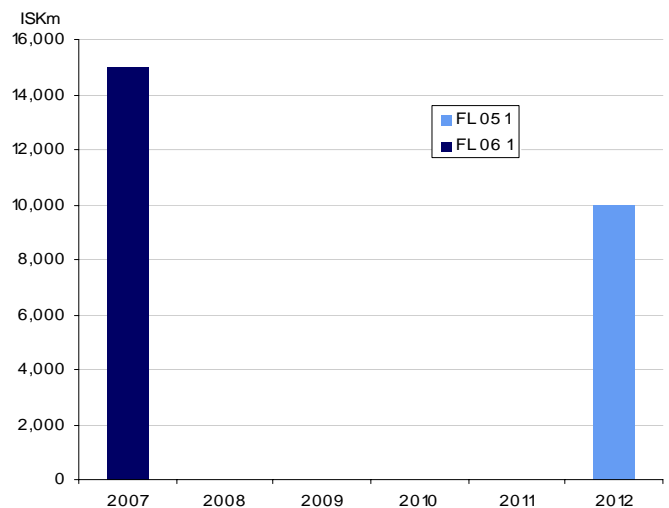
FL Group has issued two bonds. Its former bond (FL 05 1) was issued 1 March 2005. The bond is an indexed interest bearing bond. It bears 5% interest rate, paid annually. The bond will mature 1 March 2012.

The second bond (FL 06 1) was issued 20 March 2006. It is a non-indexed bond and bears a liquid interest rate which is paid quarterly.

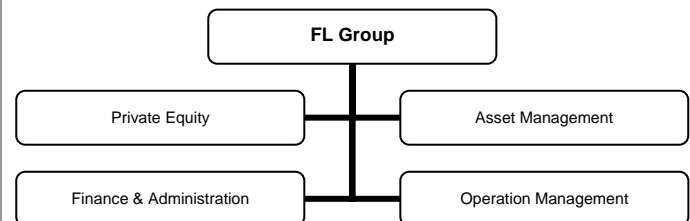
Further Information

- Iceland Stock Exchange (www.icex.is)
 - FL 05 1
 - FL 06 1

Bond Maturity



Organisational Structure



Financial Calendar

Annual General Meeting – held 22 February 2007

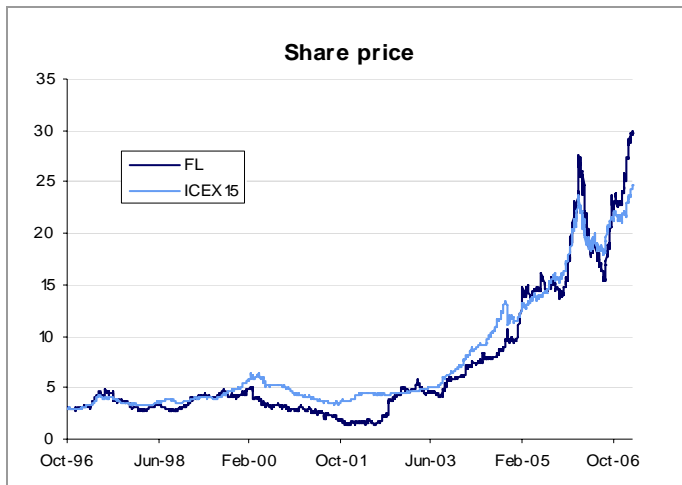
Q1 interim account – published 30 April to 4 May 2007

Recent News

On 16 October 2006, FL Group sold all its shares in Icelandair Group, a holding company with 12 service and trade companies in the airline, transportation and tourism industries.

On 15 December 2006, FL Group sold a 22.6% share of Straumur-Burdaras Investment Bank. FL Group acquired its shareholding in Straumur-Burdaras late last summer.

On 27 December 2006, FL Group sold Sterling Airlines and formed Northern Travel Holding, a leisure company, together with the Icelandic investment companies Fons and Sund.



Key figures	Date: 09.02.2007
Price (ISK):	29.7
Market cap (ISKm):	235,966.00
No. of shares (m):	7,944.99
Reuters:	FL.IC
Bloomberg:	FL IR Equity

INCOME STATEMENT	ISK million	2006	2005	2004	Q4 2006	Q4 2005
Investment income		17,491	19,590	2,154	32,813	13,940
Operating income		27,208	47,644	42,586	12,181	10,806
Total income		44,699	67,234	44,740	44,994	24,746
Total operating expenses		-2,771	-46,691	-40,422	-14,383	-12,233
Profit before taxes		41,928	20,543	4,318	30,611	12,513
Taxes		2,631	-3,292	-713	2,970	-1,837
Minority interest		1	-2	-3	-	-
Profit for the year (period)		44,560	17,249	3,602	33,581	10,676

BALANCE SHEET	ISK million	2006	2005	2004	Q4 2006	Q4 2005
Assets						
Cash, cash equivalents and restricted cash		56,594	10,350	2,819	-	-
Securities		181,161	68,658	12,912	-	-
Derivatives		4,309	6,341	462	-	-
Inventories		0	876	832	-	-
Loans, trade and other receivables		19,478	7,222	5,267	-	-
Investments in companies		904	480	384	-	-
Operating assets		425	35,221	20,522	-	-
Intangible assets		0	3,470	284	-	-
Total assets		262,871	132,618	43,482	-	-
Equity						
Share capital		7763	5,802	2,525	-	-
Share premium		70530	43,169	3,609	-	-
Other reserves		948	434	-636	-	-
Retained earnings		63425	25,027	9,242	-	-
Minority interest		10	11	21	-	-
Total equity		142,676	74,443	14,761	-	-
Liabilities						
Interest-bearing loans and borrowings		104,955	39,668	17,355	-	-
Derivatives		7,021	277	285	-	-
Deferred income tax liability		895	4,694	1,451	-	-
Pension liability		782	345	191	-	-
Trade and other payables		5,908	10,550	7,290	-	-
Prepaid income		634	2,641	2,149	-	-
Total liabilities		120,195	58,175	28,721	-	-
Total equity and liabilities		262,871	132,618	43,482	-	-

FINANCIAL RATIOS					
Return on equity (ROE)		41.0%	55.2%	31.6%	-
Equity ratio		0.54	0.56	0.34	-
Earnings (loss) per share		6.65	5.90	1.63	-

Outstanding bonds

Ticker	Coupon	Type	Indexation	Maturity	Price	Last traded	Indicative Yield	Indicative Spread	Duration	Outstanding Nominal Value (ISKm)	Current Market Value (25.01.07 - ISKm)
BAKK 03 1	6.7%	Coupon at maturity	Indexed	15.05.2009	142.40	29.01.2007	9.00%	2.50%	2.3	11,500.00	16,528.35
BAKK 05 1	5.4%	Coupon at maturity	Indexed	01.12.2010	108.36	09.11.2006	8.50%	2.07%	3.8	9,245.00	10,198.41

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 2005. 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.

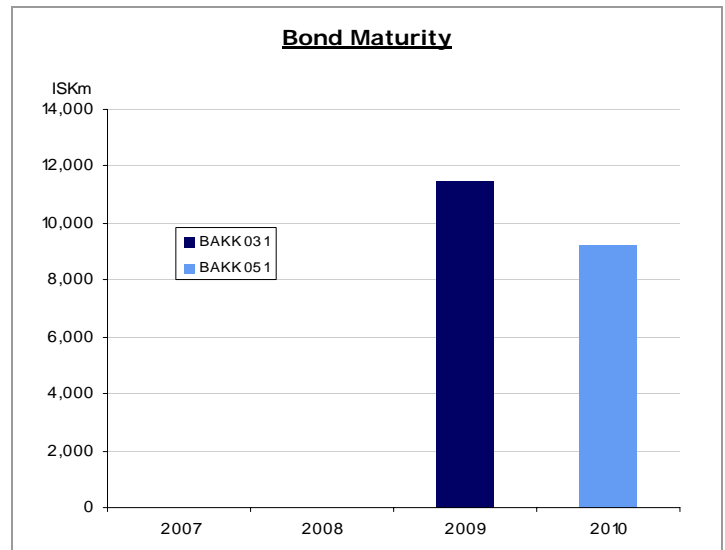
Credit Summary

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
- Iceland Stock Exchange (www.icex.is)
 - BAKK 03 1
 - BAKK 05 1

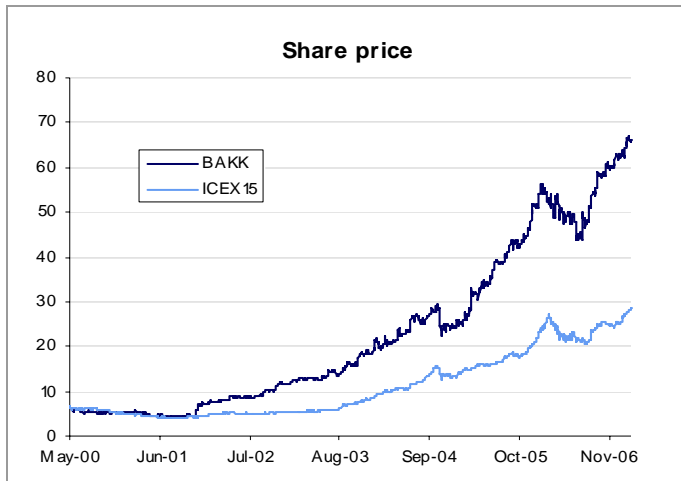


Financial Calendar

Annual General Meeting – 2 March 2007

Recent News

Bakkavör Group acquired Rye Valley Patisserie on 10 November 2006, a manufacturer of chilled desserts and cakes. The consideration price was financed through the Group's own cash resources.



Key figures	Date: 09.02.2007
Price (ISK):	66.0
Market cap (ISKm):	142,421.00
No. of shares (m):	2,157.89
Reuters:	BAKK.IC
Bloomberg:	BAKK IR Equity

INCOME STATEMENT	GBP million	2008E	2007E	2006	2005	2004	2003	2002
Operating revenue		1,469	1,367	1,219	722	150	138	134
Operating expenses		-1,293	-1,201	-1,105	-636	-122	-115	-111
Operating profit (EBITDA)		176	165	114	86	28	23	23
Depreciation		-32.5	-35	-34	-19	-4	-4	-3
Profit before financial income		144	130	80	67	24	19	20
Net financial income (expenses)		-40.2	-42.3	-47	-28	-7	-4	-4
Profit before taxes		104	88	33	39	17	15	16
Taxes		-30	-25.5	-15	-6	-4	-4	-4
Profit for the year (period)		74	63	18	33	13	11	12

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

FINANCIAL RATIOS

Operating profit (EBITDA)	12.0%	12.1%	9.3%	12.0%	19.0%	16.0%	17.0%
Profit before financial income (EBIT)	9.8%	9.5%	6.6%	9.0%	16.0%	13.0%	15.0%
Return on equity (ROE)	24.0%	26.2%	9.5%	26.8%	15.1%	20.7%	21.5%
Current ratio	1.09	1.00	0.81	0.97	2.84	2.77	1.02
Equity ratio	0.22	0.18	0.18	0.11	0.32	0.34	0.34
Earnings per share	3.41	2.90	3.40	2.00	0.81	0.89	0.75
EBITDA interest coverage	4.24	3.80	2.29	2.77	3.01	3.61	4.23
Funds from Operation/Total Debt	15.4%	20.5%	15.2%	10.3%	12.3%	11.1%	13.4%
Free Operating Cash Flow/Total Debt	10.1%	15.5%	12.1%	8.1%	9.0%	13.9%	12.0%

Outstanding bonds

Ticker	Coupon	Type	Indexation	Maturity	Price	Last traded	Indicative Yield	Indicative Spread	Duration	Outstanding Nominal Value (ISKm)	Current Market Value (25.01.07 - ISKm)
JRDB 03 1	5.8%	Semi annual coupon	Indexed	30.10.2008			N/A	N/A	N/A	500.00	594.15
JRDB 04 1	5.6%	Semi annual coupon	Indexed	17.08.2010	106.85	18.01.2007	8.50%	1.98%	3.3	1,000.00	1,069.85
ATOR 04 1	5.2%	Annual coupon	Indexed	15.10.2010	104.55	22.11.2006	8.30%	1.78%	3.4	5,000.00	4,352.08
ATOR 05 1	5.0%	Annual coupon	Indexed	15.03.2012			8.20%	1.95%	4.4	3,000.00	3,482.71
JRDB 05 1	4.9%	Semi annual coupon	Indexed	01.04.2012	97.00	18.01.2007	8.35%	2.13%	4.5	2,000.00	1,942.41
ATOR 06 1	3mR+1.8%	Quarterly coupon	Nominal	26.04.2009			N/A	N/A	N/A	2,000.00	2,081.00
ATOR 07 1115	0.0%	Zero coupon bill	Nominal	15.11.2007			16.20%	2.05%	0.8	5,520.00	4,893.92

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 Iceland Stock Exchange (ICEX) and is included in the ICEX-15 index. Atorka's shareholders are around 5,000.

Credit Summary

Atorka has seven outstanding bonds. Three of them were issued by Jarðboranir, which Atorka acquired 27 November 2006. The first two bonds (JRDB 03 1 and JRDB 04 1) were issued 30 October 2003 and 17 August 2004. The bond ATOR 04 1 was issued 15 October 2004 and bears 5.2% interest rate, paid annually.

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. The last bond (ATOR 06 1) was issued 21 June 2006. It bears a liquid interest rate of 3M REIBOR, which will be paid quarterly. It is a non-indexed bond and will mature 26 April 2009. The bill ATOR 07 0115 was issued 17 November 2006 and is in the process of being listed.

Recent News

Promens, a subsidiary of Atorka, acquired Polimoon 18 December 2006. After the acquisition Promens has become one of the biggest industrial companies in Iceland, running 60 manufacturing facilities world wide and employing 5.400 employees.

On 21 December 2006, Atorka Group sold all its shares (21.85%) in Hampiðjan hf. Atorka was the second largest shareholder.

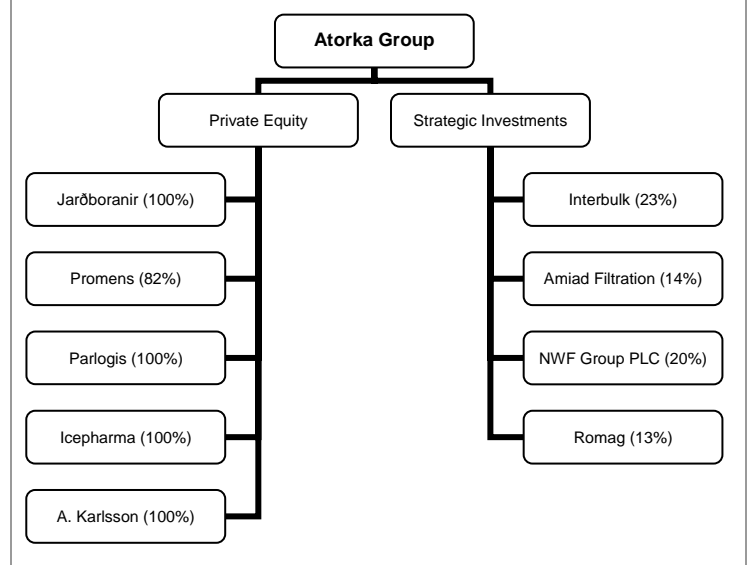
Financial Calendar

Annual accounts 2006 – published 15 February 2007

Bond Maturity

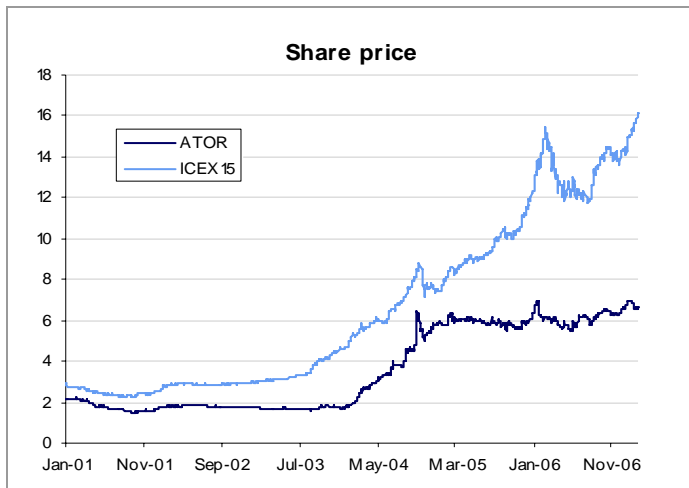


Group Structure



Further Information

- Iceland Stock Exchange (www.icex.is)
 - JRDB 03 1
 - JRDB 04 1
 - ATOR 04 1
 - ATOR 05 1
 - JRDB 05 1
 - ATOR 06 1



Key figures	Date: 09.02.2007
Price (ISK):	6.6
Market cap (ISKm):	22,266
No. of shares (m):	3,373.65
Reuters:	ATOR.IC
Bloomberg:	ATOR IR Equity

INCOME STATEMENT	ISK million	1-3Q 2006	1-3Q 2005	2005	2004
Investment income		-710	963	2,118	3,587
Operating income		23,832	-	-	-
Total income		23,122	963	2,118	3,587
Total operating expenses		-22,905	-750	-861	-351
Profit before taxes		217	212	1,256	3,236
Taxes		-88	429	235	-344
Minority interest		-8	-	-	-
Profit for the year (period)		121	642	1,491	2,892
BALANCE SHEET	ISK million	1-3Q 2006	1-3Q 2005	2005	2004
Assets					
Property, plant and equipment		9,033	-	3,549	0
Goodwill and other intangible assets		15,928	-	5,881	254
Loans and receivables		64	-	220	810
Deferred income tax assets		352	-	301	0
Inventories, land and building construction		4,086	-	2,642	0
Trade and other receivables		8,241	-	3,953	314
Financial assets at fair value through profit and loss		7,597	-	12,267	8,925
Cash and cash equivalents		2,659	-	2,810	3,449
Other assets		54	-	1,979	3,091
	Total assets	48,013	-	33,603	16,842
Equity					
Share capital		3,095	-	2,742	2,732
Share premium		4,844	-	3,115	3,070
Fair value and other reserves		629	-	506	209
Retained earnings		3,095	-	3,948	2,958
Minority interest		265	-	8	-
	Total equity	11,928	-	10,318	8,969
Liabilities					
Borrowings		27,701	-	16,011	6,968
Trade and other payables		6,505	-	5,145	309
Deferred income tax liabilities		1,458	-	330	566
Retirement benefit obligations		270	-	56	-
Current tax liabilities		108	-	99	0
Other liabilities		42	-	1,643	30
	Total liabilities	36,085	-	23,285	7,873
	Total equity and liabilities	48,013	-	33,603	16,842
FINANCIAL RATIOS					
Return on equity (ROE)		-	-	0.15	0.44
Equity ratio		0.25	-	0.31	0.53
Current ratio		2.53	-	3.24	31.49
Earnings (loss) per share		0.04	0.24	0.54	1.16

Outstanding bonds

Ticker	Coupon	Type	Indexation	Maturity	Price	Last traded	Indicative Yield	Indicative Spread	Duration	Outstanding Nominal Value (ISKm)	Current Market Value (25.01.07 - ISKm)
STOD 03 1	7.4%	Annual coupon	Indexed	05.02.2011	122.79	15.11.2006	8.65%	2.13%	3.34	10,000.00	12,491.49
STOD 06 1	6.0%	Annual coupon	Indexed	28.03.2013	100.815	29.12.2006	8.20%	2.12%	4.996	4,460.00	5,004.61
STOD 08 0125	0.0%	Zero coupon bill	Nominal	25.01.2008			15.74%	1.79%	0.96	1,050.00	934.50

Company Profile

On 3 May 1999 Stoðir Real Estate Inc. was founded and in May 2002 it merged with the Þyrping hf. 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 are 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 properties, 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%.

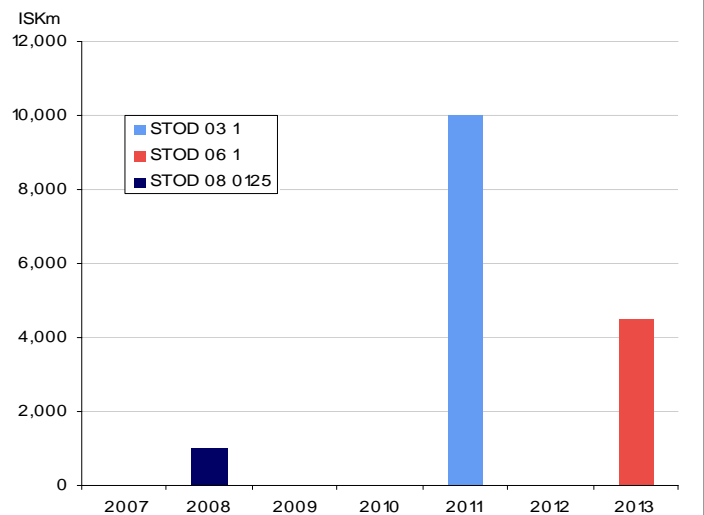
Credit Summary

Stoðir has issued three listed bonds since its foundation, all listed on Iceland Stock Exchange (ICEX). The first 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 second 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.

The third bond (STOD 08 0125) is a zero coupon bill and was issued 26 January 2007. The bond will mature 25 January 2008 and is in the process of being listed.

Bond Maturity



Financial Calendar

Annual accounts 2006 – published 12 to 18 February 2007

Further Information

- Iceland Stock Exchange (www.icex.is)
 - STOD 03 1
 - STOD 06 1

Recent News

On 21 June 2006, Stoðir Real Estate Inc. purchased the real-estate company Langastétt, an office and shopping space of over 30,000 square meters. A large part of the company's hirers are public institutions and parishes. The main hirers are the Icelandic Parliament, Actavis Group, Iceland Stock Exchange and the Japanese embassy.

Not listed

Key figures	Date: 09.02.2007
Price (ISK):	-
Market cap:	-
No. of shares:	-
Reuters:	-
Bloomberg:	-

INCOME STATEMENT	ISK million	1H 2006	1H 2005	2005	2004	2003	2002	2001
Operating revenue		2,778	2,333	4,140	5,028	2,305	2,122	408
Operating expenses		-838	-1,245	-1,981	-2,838	-472	-1,089	-144
Operating profit (EBITDA)		1,940	1,088	2,159	2,190	1,833	1,033	264
Net financial income (expenses)		3,158	117	-231	680	-1,759	-223	-186
Share of profit (loss) in associates		-45	-292	318	632	-7	-4	0
Profit before taxes		5,053	913	2,246	3,502	67	806	78
Taxes		-867	-138	-161	-651	-12	-43	-2
Minority interest		0	-9	-220	-146	0	-	-
Profit for the year (period)		4,186	766	1,865	2,705	55	763	76

BALANCE SHEET	ISK million	1H 2006	1H 2005	2005	2004	2003	2002	2001
Non-current assets		99,742	-	58,800	39,982	34,401	23,461	19,214
Current assets		4,960	-	13,738	5,468	682	808	431
Total assets		104,702	-	72,538	45,450	35,083	24,269	19,645
Equity		15,297	-	10,832	9,452	6,856	4,708	3,592
Non-current liabilities		75,244	-	45,828	30,166	24,015	13,833	11,870
Current liabilities		14,161	-	15,878	5,832	4,212	5,728	4,183
Total equity and liabilities		104,702	-	72,538	45,450	35,083	24,269	19,645

FINANCIAL RATIOS

Operating profit (EBITDA)	69.8%	46.6%	52.1%	43.6%	79.5%	48.7%	64.7%
Return on equity (ROE)	-	-	18.4%	33.2%	1.0%	18.4%	4.2%
Current ratio	0.35	-	0.87	0.94	0.16	0.14	0.10
Equity ratio	0.15	-	0.15	0.21	0.20	0.19	0.18
Earnings (loss) per share	1.93	0.36	0.86	1.26	0.04	0.38	0.13
EBITDA interest coverage	1.08	1.12	1.08	1.16	1.37	1.33	1.14
Funds from Operation/Total Debt	-0.1%	-	0.8%	1.2%	2.2%	3.0%	0.9%
Free Operating Cash Flow/Total Debt	0.2%	-	2.8%	0.1%	2.8%	3.4%	1.1%

Outstanding bonds

Ticker	Coupon	Type	Indexation	Maturity	Price	Last traded	Indicative Yield	Indicative Spread	Duration	Outstanding Nominal Value (ISKm)	Current Market Value (25.01.07 - ISKm)
SIMI 06 1	6.0%	Semi annual coupon	Indexed	02.04.2014	98.38	18.01.2007	8.30%	2.43%	5.70	14,000.00	13,789.84

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. 43.6%, Kaupthing Bank hf. 29.1%, The Pension Fund of Commerce 8% and Gildi Pension Fund 8%.

Credit Summary

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

The Icelandic Telecom Market

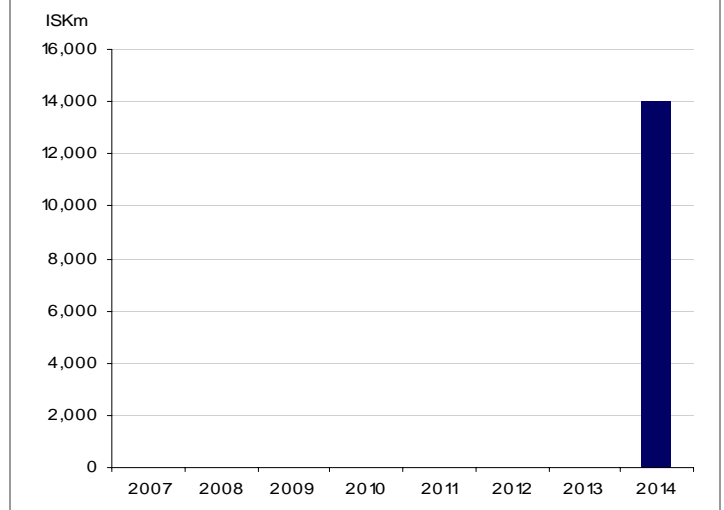
Before 1998, the Icelandic telecom market was very uncompetitive, in fact a monopoly cared for most of Iceland's telecommunications services, named Landssíminn or Iceland Telecom Ltd.

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, Skima, Skrí and Snerpa competing.

In 2003 TAL, Íslandssími and Hallól 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.

Bond Maturity



Further Information

- Iceland Stock Exchange (www.icex.is)
 - 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 will be formally decided at the next shareholders meeting no later than the end of March 2007.

Síminn Management

Chairman of Board: Lýður Guðmundsson

President and CEO: Brynjólfur Bjarnason

Not listed

Key figures **Date: 09.02.2007**

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

INCOME STATEMENT	ISK million	2006	2005	2004	2003	2002	2001
Operating revenue		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
Amortization		-375	-525	-517	-36	-73	-75
Profit before financial income		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	16,058	16,049	14,812
Non-current liabilities		50,903	44,602	4,755	7,015	11,143	13,278
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

FINANCIAL RATIOS

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)	-0.5%	19.6%	21.1%	14.8%	15.2%	7.5%
Current ratio	0.91	0.90	1.21	1.39	2.08	1.78
Equity ratio	0.33	0.39	0.59	0.56	0.51	0.46
Internal value of Capital shares	0.95	1.06	2.41	2.28	2.28	2.11
Earnings (loss) per share	-0.12	0.21	0.44	0.30	0.31	0.15
EBITDA interest coverage	2.11	5.13	12.02	8.22	7.41	4.13
Funds from Operation/Total Debt	14.6%	16.2%	59.2%	54.3%	43.7%	32.1%
Free Operating Cash Flow/Total Debt	11.3%	13.6%	55.8%	57.5%	47.7%	27.7%