26. ágúst 2011

Skipti hf. results in the first half of 2011

- Improvement in operations between years, but negative financial items

- Sales amounted to ISK 13.5 billion, as compared to ISK 19.6 billion in the preceding year. In 2010 Sirius IT and Já were included in the first half results. Excluding Sirius and Já sales amounted to 13.4 billion in 2010. Increase in sales from comparable businesses was 2.4%.
- The loss over the period came to ISK 1.9 million, as compared to a loss of ISK 6 million in the corresponding half of 2010 mainly due to devaluation af the Icelandic krona.
- Earnings before depreciation and financial items (EBITDA) amounted to ISK 3.5 billion, as compared to ISK 3.7 billion in the corresponding half of 2010. EBITDA from equivalent operations war 2.6 billion in 2010. The EBITDA margin was 25.6% compared to 18.9% in the first half 2010. EBITDA margin excluding one-off* items in the first half of 2011 was 22.5%. EBITDA increase excluding one-off items was 14.2%.
- Cash from operations amounted to ISK 1.4 billion, as compared to ISK 3.6 billion in the first half of 2010.
- Exchange loss came to ISK 1.5 billion of a total of ISK 3.9 billion in net finance cost for the period.
- Equity stood at ISK 20.5 billion at the end of 2Q 2011, and equity ratio was 23.5%.

* Síminn hf., a subsidiary of Skipti hf., signed an agreement with Seamobile Europe that included a payment of EUR 4.5 million from Síminn to Seamobile Europe.The payment was considerable lower than the EUR 7.7 million the International Chamber of Commerce Arbitration Tribunal in Paris had concluded.

Steinn Logi Björnsson, CEO of Skipti hf.

“As revealed in this report, Skipti’s underlying operations are improving following a difficult period, and the current streamlining efforts are returning results. Preparations for refinancing of the Company have been in progress over the past few months, as the financial items in the Company’s accounts are burdensome and limiting its scope for action. The streamlining efforts will therefore continue, and work is in progress on sharpening the focus on domestic operations and integrating the Company’s operations accordingly. Our mission is to improve our fundamental operation still further, and with successful refinancing we are optimistic for the future."

Operating results for the first half of 2011

Accounting Polices

The accounting policies adopted are consistent with those followed in the preparation of the Annual Financial Statements for the year ended 31 December 2010. The Board of Directors and CEO of Skipti hf. have confirmed the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2011.

Operation

Sales in 1H 2011 came to ISK 13,486 million, as compared to ISK 19,641 million in first half of the preceding year. Sales from equivalent operations was 13,418 million in 2010, or 2.4% increase in sale.

EBITDA for the Group came to ISK 3,520 million, as compared to 3,743 million in the first half of 2010. The EBITDA ratio is now 25.6%, compared to 18.9% a year ago. EBITDA from equivalent operations was 2,648 million in 2010. EBITDA margin excluding one-off items was 22.5% in the first half of 2011, which is an 14.2% increase.

EBIT, excluding impairment loss, amounted to ISK 1,690 million, as compared to ISK 1,694 million in first half of 2010. EBIT from equivalent operations was 677 million in 2010.

Depreciation and amortisation amounted to ISK 1,830 million, as compared to ISK 2,049 million in the first half of 2010.

Financial items are negative by ISK 3,939 million in the first six months of the year compared to negative financial item of ISK 1,701 million in preceding year. Foreign exchange loss for the first six months is ISK 1.469 million compared to Foreign exchange gain of ISK 574 million for the first half of 2010, the difference between comparable periods are ISK 2,043 million in net foreign exchange differences.

The loss for the Group came to ISK 1,915 million, as compared to a loss of ISK 6 million over the first half of 2010.

Financial Ratios

(m.ISK)	6M 2011	6M 2010	6M 2011	6M 2010*
Total Revenues..	13.737	19.820	13.737	13.418
EBITDA	3.520	3.743	3.087	2.648
EBITDA margin...	25,6%	18,9%	22,5%	19,7%
Financial items	(3.939)	(1.701)	(3.939)	(1.653)
Net income (loss)	(1.915)	(6)	(2.348)	(713)
Cash generated by operation.......................	1.396	3.557	1.396	2.983
Cash generated by operation/total revenues...	10,2%	17,9%	10,2%	22,2%

*Operating results for Sirius IT and Já upplýsingaveitur are excluded in 2010.

Cash Flow

Cash provided by operations came to ISK 1,396 million for the period, as compared to ISK 3,557 million in the first half of 2010.

The Group's capital expenditures (CAPEX) amounted to ISK 1,357 million over the period, as compared to ISK 1,385 million in the first half of 2010.

Balance sheet

The group's total assets on 30 June 2011 came to ISK 87,174 million, having decreased by ISK 18.498 million, or 17.5 %, from the beginning of the year.

Equity stood at ISK 20,483 million at the end of first half 2011, and the equity ratio was 23.5%.