

365

Presentation 365 hf.

First quarter 2008



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- Income Statement
- Balance Sheet
- Cash Flow



Income Statement

Income Statement			
ISK million	1Q2008	1Q2007	Change
Sales	3.461	2.681	780
Cost of services and goods sold	(2.339)	(1.765)	(574)
Gross Profit	1.122	916	206
Other revenues	0	0	
Operating expenses	(1.055)	(882)	(173)
Results from operating activities (EBIT)	67	34	33
Net financial cost	(1.180)	(7)	(1.173)
Share of loss of associates (net of income tax)	(55)	(57)	2
Profit / (loss) before tax	(1.168)	(30)	(1.138)
Income tax expense	198	(5)	203
Profit / (loss) after tax	(970)	(35)	(935)

Sales increase by 29% compared to same period last year. Pro forma growth was 9%

Gross profit margin was 32,4% 1Q2008 compared to 34% in 1Q2007

Cost of service as a percentage of sales was 30,5% compared to 32,9% for the same period last year

Foreign exchange loss in the first quarter 2008 was ISK 940 mill.

Balance Sheet

Balance Sheet

ISK millions	31.3. 2008	31.12. 2007	Change
Assets			
Non-current assets	11.146	10.897	249
Current assets	3.576	3.786	(210)
off which accounts receivables	1.792	2.185	(393)
off which cash and cash equivalents	368	190	178
Total Assets	14.722	14.683	39
Equity and liabilities			
Equity	3.691	4.545	(854)
Liabilities			
Long term debt	6.711	5.780	931
Short term debt	4.320	4.358	(38)
Interest bearing debt	8.190	7.269	921
Liabilities total	11.031	10.138	893
Total Equity and Liabilities	14.722	14.683	39

Decreases in accounts receivables reflects the seasonal trends in sales

Current ratio was 0,83 for the first quarter of 2008 but measured at 0,87 at year end 2007

Interest bearing debt was ISK 8.190 million and have increased by ISK 921 million

Foreign exchange loss due to debt in other currencies was ISK 843 million

Net interest bearing debt was ISK 7.822 million on March 31. 2008

Equity ratio was 25%

Cash Flow

ISK million

	31.03.2008	31.03.2007
Loss for the period	(970)	(35)
Adjustments for operating items	1.519	(196)
Cash provided by (used in) operations before interest and ta:	549	(231)
Interest received	48	22
Interest paid	(268)	(252)
Cash provided by / (used in) operations	329	(461)
Investment activities	(90)	(45)
Financial activities	(50)	(231)
Net cash (used in) / provided by continuing operations	189	(737)
Cash and cash equivalents at the start of the period	190	944
Effect of exchange rate fluctuations on cash held	(11)	0
Net Cash and cash equivalent at the end of the period	368	207

Investments in operating assets was ISK 88 million



Turnover and EBITDA

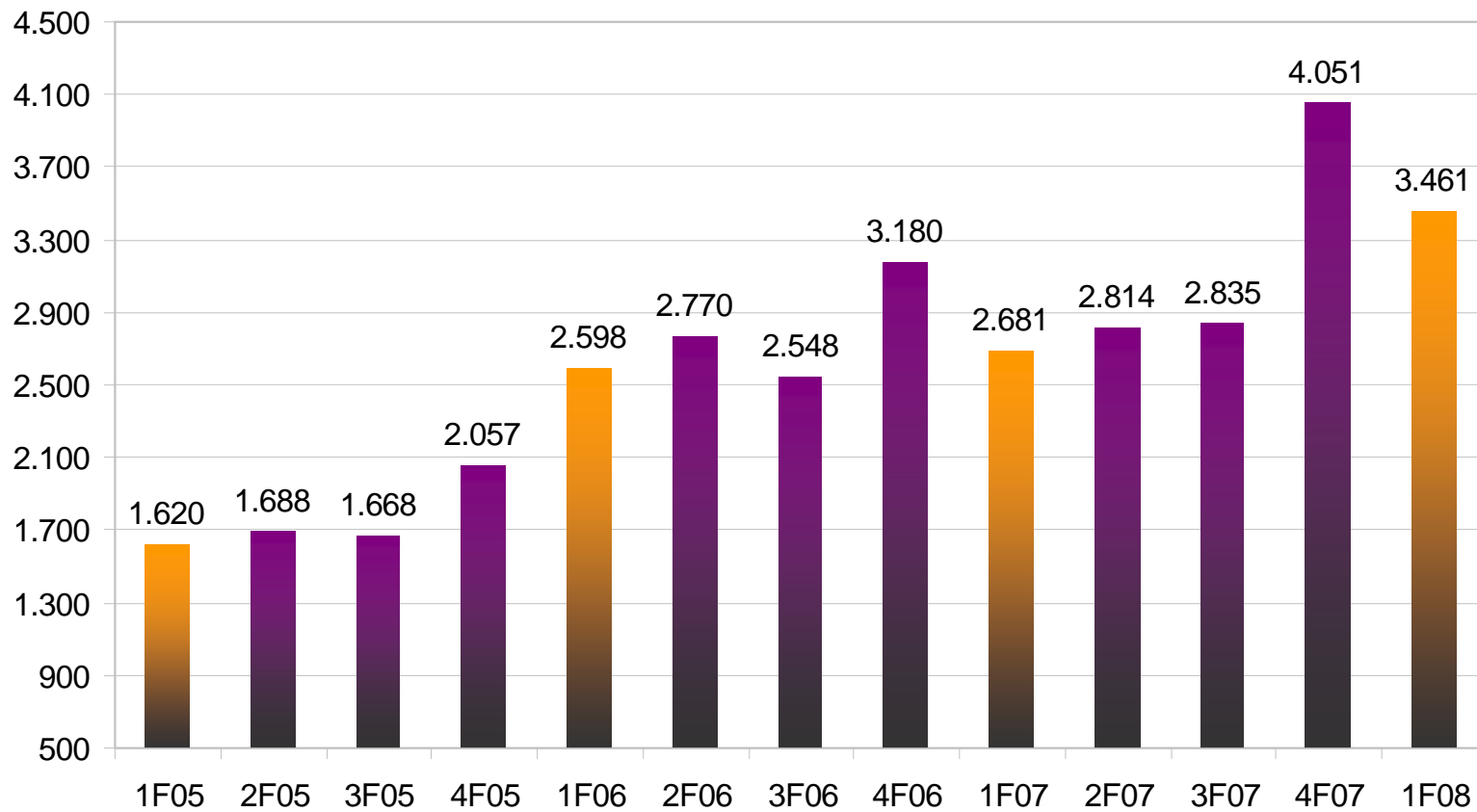
Consolidation

Media

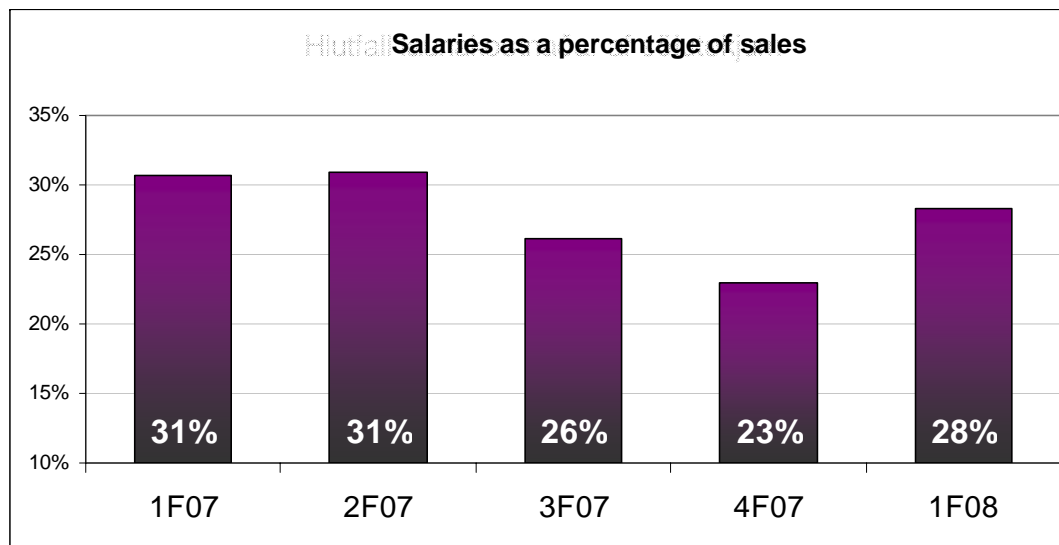
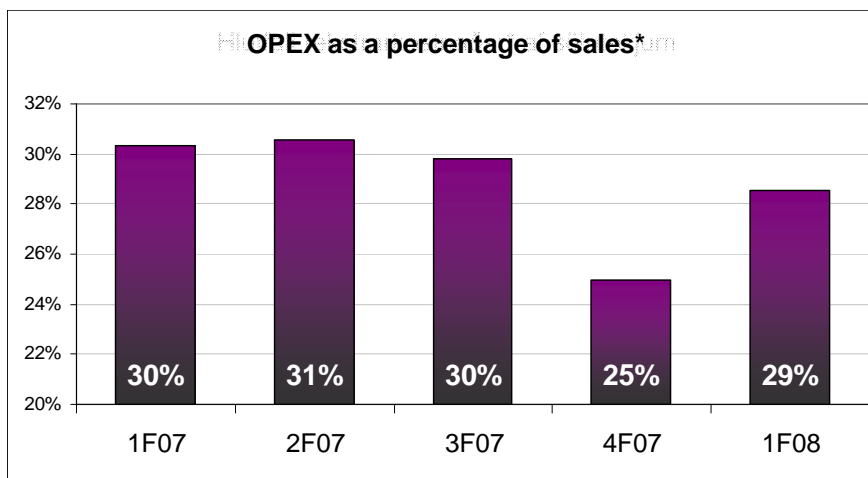
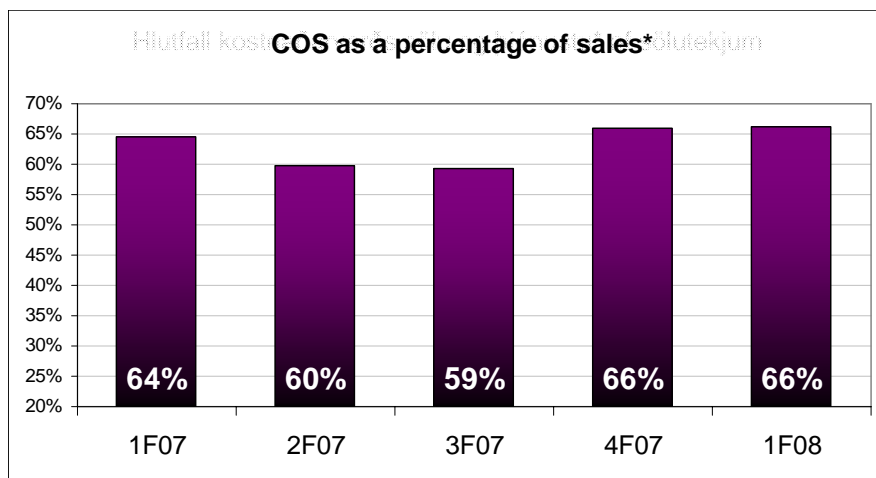
Entertainment



Consolidated sales in ISK million



Expenses per quarter 2008

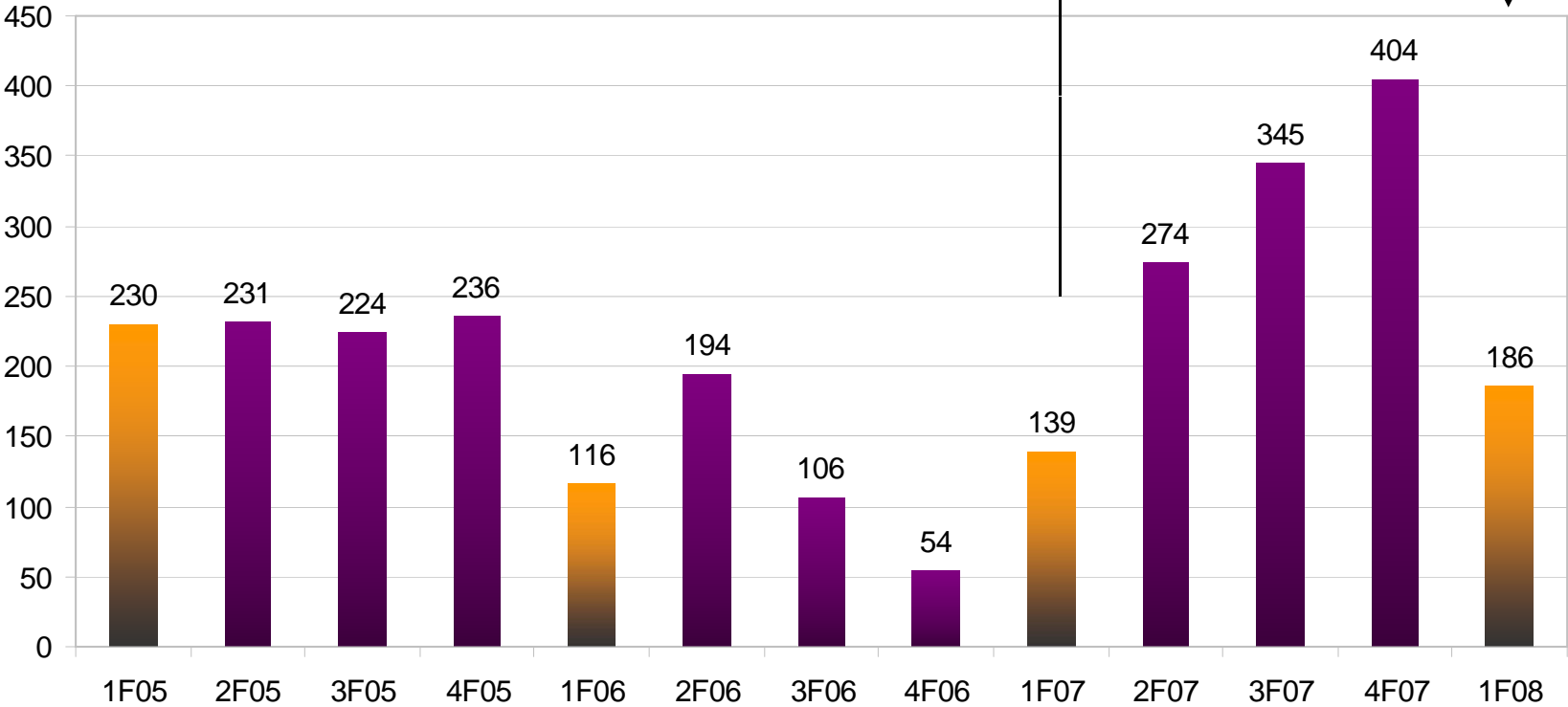


* án afskrifta

365 hf. Media and entertainment

EBITDA of regular operations * in ISK million

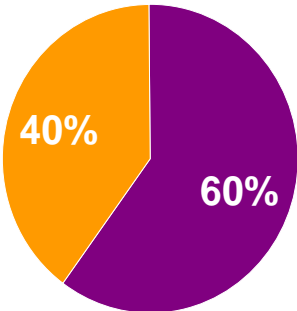
+34%



In Q4 2006 an adjustment has been made due to profits from sales of assets of ISK 1.586 million and extraordinary one time expense of ISK 110 million

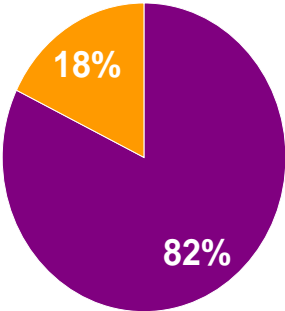


Sales and EBITDA by segment for the first quarter 2008



Sales

■ Media
■ Entertainment

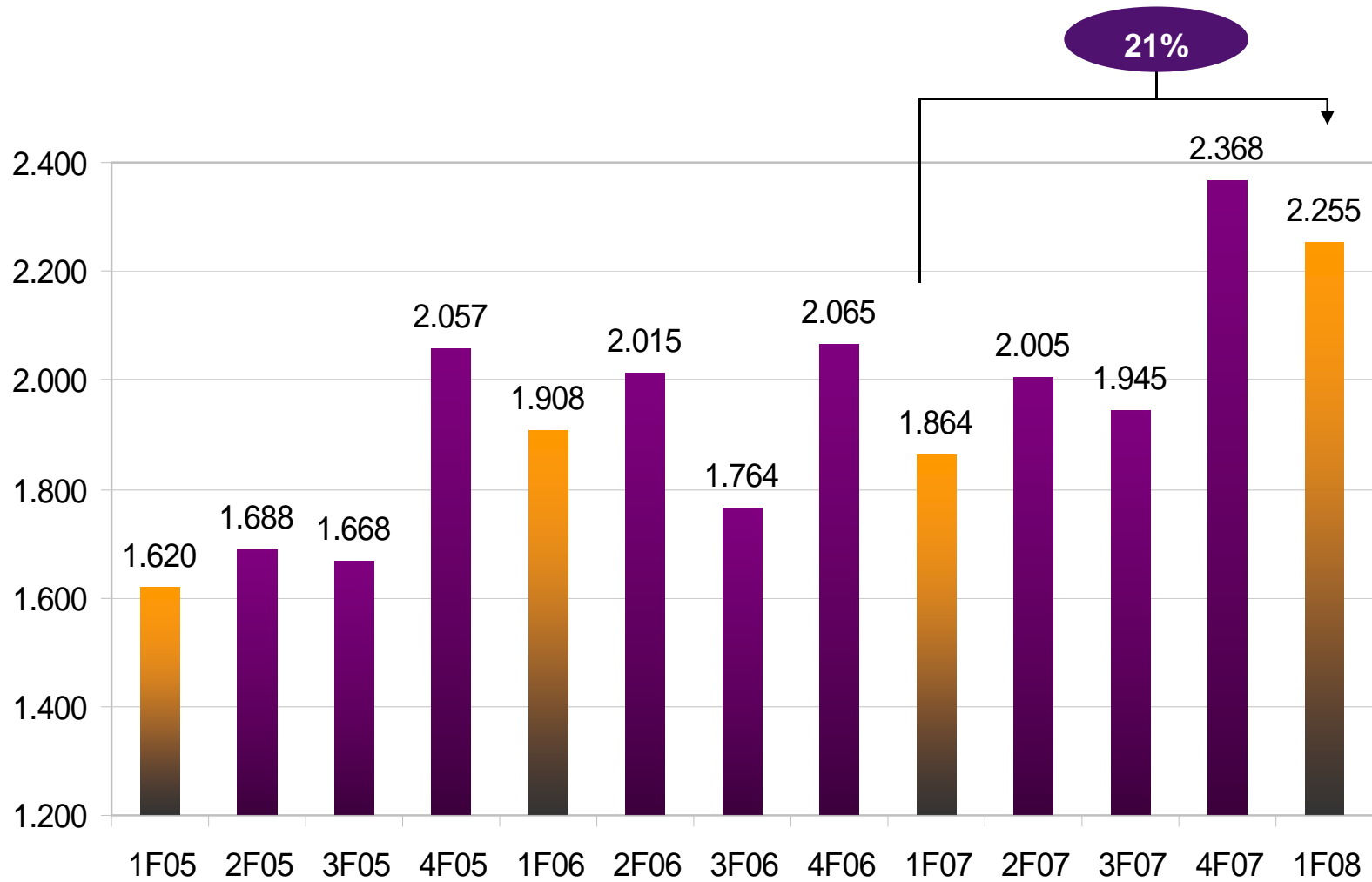


EBITDA

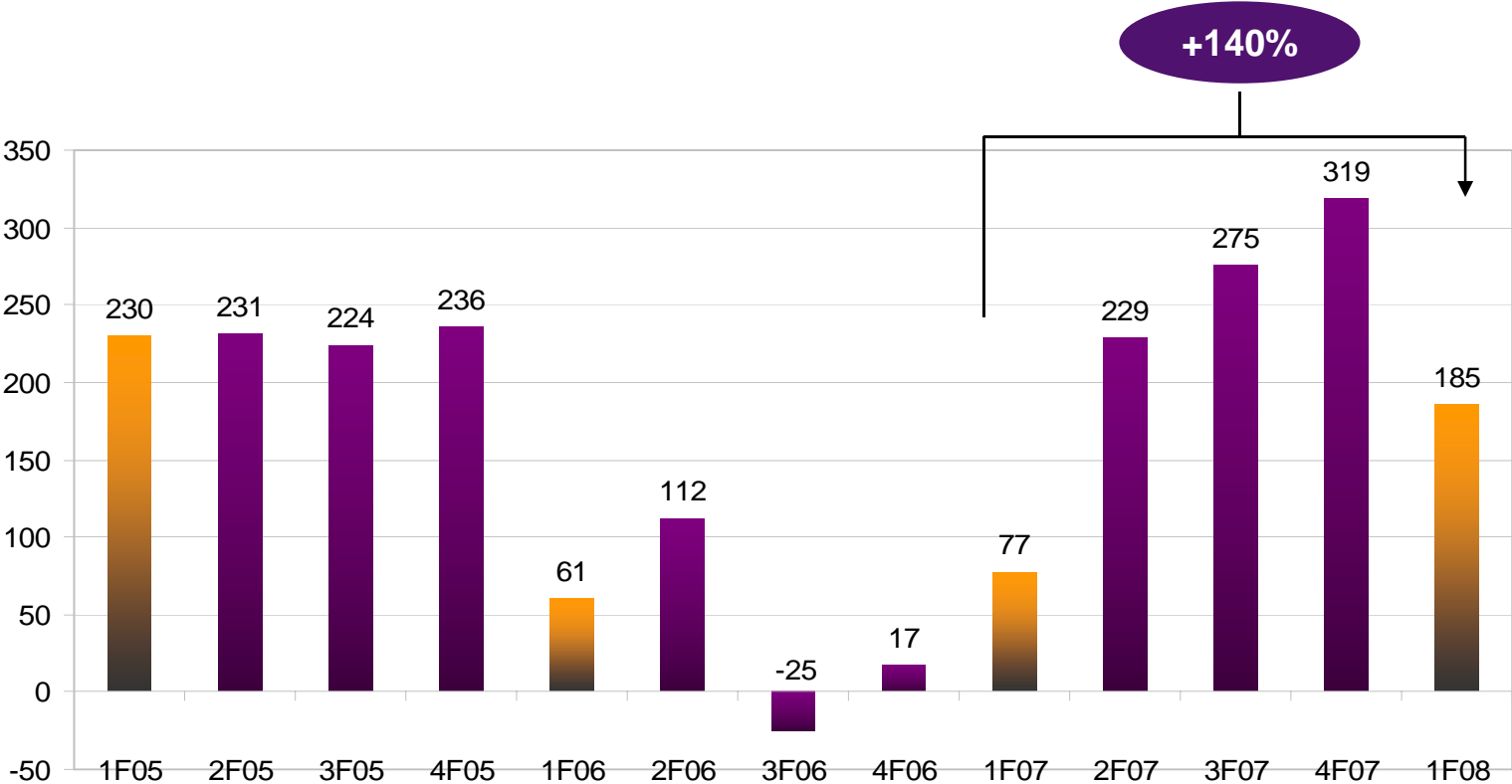
■ Media
■ Entertainment



Sales in Media in ISK million



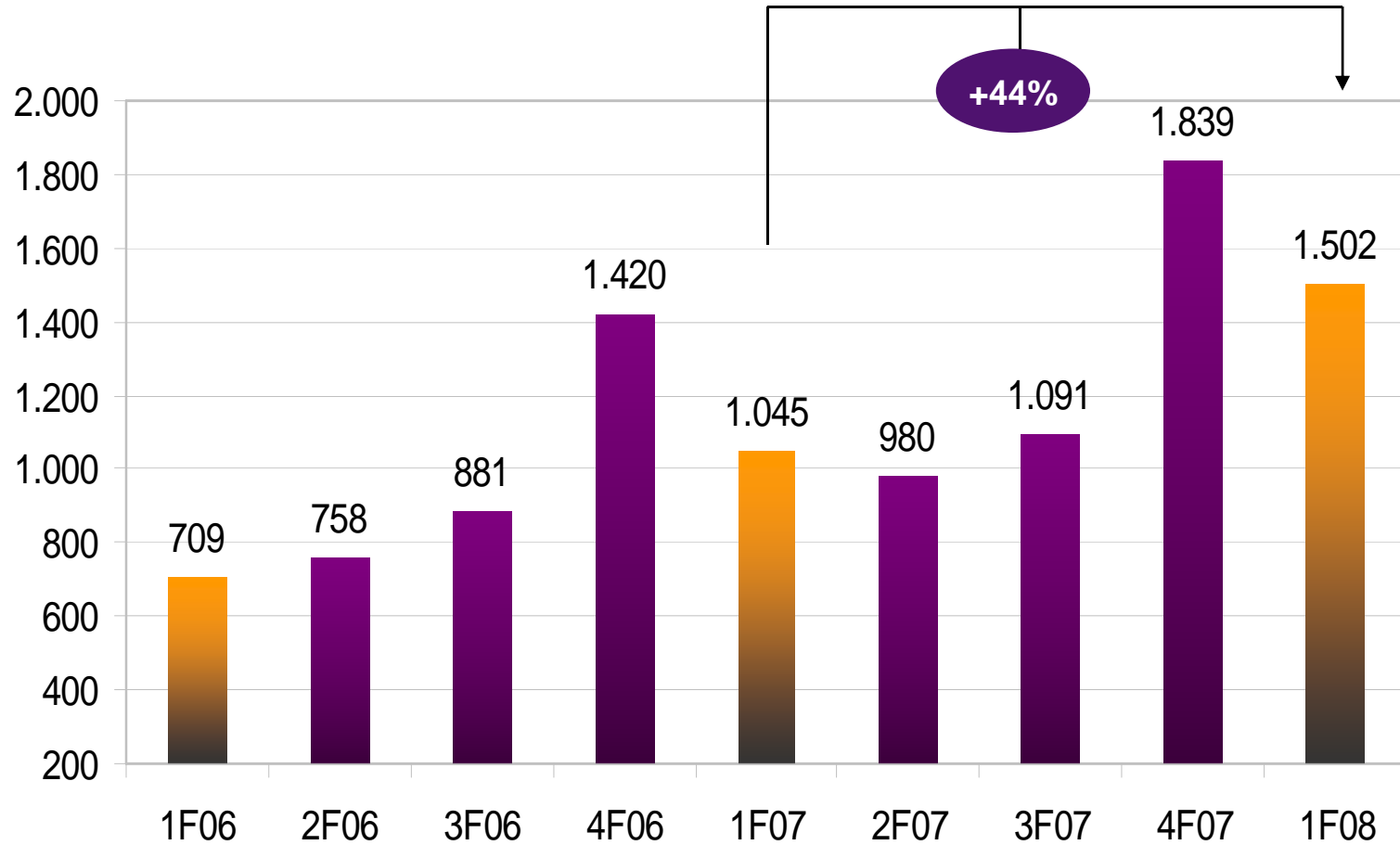
EBITDA Media



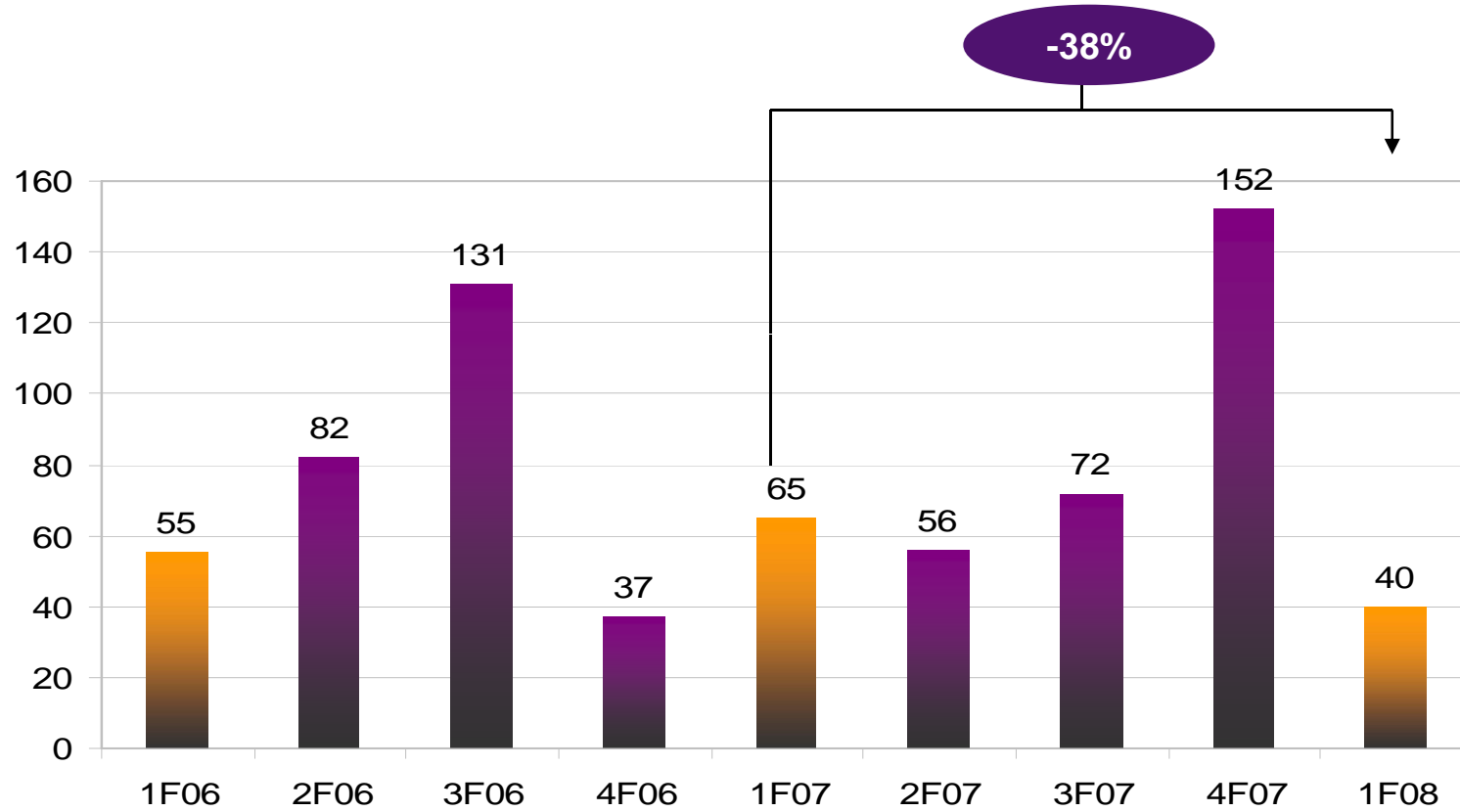
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Sales in entertainment in ISK million.



EBITDA entertainment



Highlights in first quarter of 2008

Rebranding of the TV channels as Stöð2

Formula racing broadcasted on the sport channel Stöð2 Sport

Increase in programming production in the domestic market of EFG

The international operations of EFG are preparing to expand its product line





Decrease in Sena wholesales, management consider the set back temporary

Foreign exchange effects on operations – 46% of debt is now in international currency

Effects of the writers strike in the USA







Market analysts' forecast for 1Q2008

Forecast 1Q08	 Landsbanki	 GLITNIR	 KAUPPING	Average	 Actual
Sales	3.057	2.800	3.034	2.964	3.461
EBITDA	161	200	202	188	187
EBITDA %	5,3%	7,1%	6,7%	6,3%	5,4%



Market analysts' forecast for 2008

Forecast 2008	 Landsbanki	 GLITNIR	 KAUPPING	Average	 365
Sales	13.736	12.900	13.560	13.399	13.750
EBITDA	1.350	1.200	1.302	1.284	1.350
EBITDA %	9,8%	9,3%	9,6%	9,6%	9,8%



Forecast 2008

Sales for 2008 are projected to be in the range of ISK 13.500 – 14.000 million

EBITDA for 2008 is expected to be between ISK 1.300 – 1.400 million

The end

