365 hf.

Condensed Consolidated
Interim Financial Statements
1 January - 30 June 2007
ISK

365 hf.
Skaftahlíð 24
105 Reykjavík
Iceland

Reg. no. 600898-2059

Contents

Endorsement and Signatures of the Board of Directors and the CEO

The condensed consolidated interim financial statements of 365 hf. ("the Company") for the period 1 January to 30 June 2007 have been prepared in accordance with International Financial Reporting Standard (IFRS) for interim financial statements (IAS 34). The interim financial statements comprise the consolidated interim financial statements of 365 hf. and its subsidiaries ("the Group").

In March 2007, the Company sold a 17% share in Daybreak Holdco Ltd. (Wyndeham), to Baugur Group hf., at book value ISK 1,124 million.

At end of May, the Company sold all its shares in Hands Holding hf. to Arena Holding hf. a company owned by Baugur Group hf., Fons Eignarhaldsfélag hf. and Icon hf. The shares were sold at book value ISK 1,620 million.

According to the income statement, net loss for the period amounted to ISK 80 million. According to the balance sheet, equity at the end of June 2007 amounted to ISK 6,403 million, including share capital in the amount of ISK 3,324 million.

The Board of Directors and the CEO of 365 hf. hereby confirm the Company's consolidated interim financial statements for the period 1 January to 30 June 2007 by means of their signatures.

Reykjavík, 9 August 2007.

The Board of Directors:

Jón Ásgeir Jóhannesson

Árni Hauksson

Magnús Ármann

Matthías Imsland

Þorsteinn M. Jónsson

CEO:

Ari Edwald

Report on Review of Interim Financial Information

To the Board of Directors of 365 hf.

Introduction
We have reviewed the accompanying balance sheet of 365 hf as of 30 June 2007 and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting standards as adopted by the EU. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at 30 June 2007, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Reykjavík, 9 August 2007.

KPMG hf.

Anna Þórðardóttir

Kristrún Ingólfsdóttir

Consolidated Interim Income Statement
for the Six Months Ended 30 June 2007

	Note	Q2 2007 1.4.-30.6.	Q2 2006 1.4.-30.6.	Q1-Q2 2007 1.1.-30.6.	Q1-Q2 2006 1.1.-30.6
Continuing operations:					
Revenue	8	2,814	2,770	5,495	5,368
Cost of services and goods sold		(1,717)	(1,894)	(3,482)	(3,809)
Gross profit		1,097	876	2,013	1,559
Operating expenses		(956)	(858)	(1,838)	(1,725)
Results from operating activities		141	18	175	(166)
Finance income		213	474	393	503
Finance expense		(376)	(1,523)	(563)	(1,880)
Net finance costs	9	(163)	(1,049)	(170)	(1,377)
Share of loss of associates		(21)	(100)	(78)	(118)
Loss before income tax		(43)	(1,131)	(73)	(1,661)
Income tax	10	(2)	200	(7)	289
Loss from continuing operations		(45)	(931)	(80)	(1,372)
Discontinued operations:					
Loss from discontinued operations, net of income tax	5	0	(396)	0	(150)
Loss for the period		(45)	(1,327)	(80)	(1,522)
Attributable to:					
Equity holders of the Company		(41)	(1,320)	(78)	(1,516)
Minority interest		(4)	(7)	(2)	(6)
Loss for the period		(45)	(1,327)	(80)	(1,522)
Earnings per share:					
Basic earnings per share (ISK)	18	(0.012)	(0.266)	(0.024)	(0.305)
Diluted earnings per share (ISK)	18	(0.012)	(0.267)	(0.024)	(0.306)
Continuing operations:					
Basic earnings per share (ISK)		(0.012)	(0.188)	(0.024)	(0.276)
Diluted earnings per share (ISK)		(0.012)	(0.188)	(0.024)	(0.278)

The notes on pages 9 to 20 are an integral part of these condensed consolidated interim financial statements.

Amounts are in ISK million

Consolidated Interim Balance Sheet
as at 30 June 2007

	Note	30.6.2007	31.12.2006
Assets:			
Intangible assets	11	8,783	8,727
Operating assets	12	993	1,045
Investments in associates	13	276	4,793
Other investments	14	2,638	192
Deferred tax asset		204	207
Total non-current assets		12,894	14,964
Inventories		247	234
Programme rights		811	612
Trade and other receivables	15	3,473	2,015
Cash and cash equivalents	16	733	944
Total current assets		5,264	3,805
Total assets		18,158	18,769
Equity:			
Share capital	17	3,324	3,188
Share premium		3,277	2,891
Reserves		(245)	7
Retained earnings			
Total equity attributable to equity holders of the Company		6,356	6,086
Minority interest		47	51
Total equity		6,403	6,137
Liabilities:			
Loans and borrowings	19	6,892	6,465
Total non-current liabilities		6,892	6,465
Loans and borrowings	19	2,218	2,237
Trade and other payables	20	2,396	3,665
Provisions		155	155
Deferred income		94	110
Total current liabilities		4,863	6,167
Total liabilities		11,755	12,632
Total equity and liabilities		18,158	18,769

The notes on pages 9 to 20 are an integral part of these condensed consolidated interim financial statements.

Amounts are in ISK million

Condensed Consolidated Interim Statement of Changes in Equity
for the Six Months Ended 30 June 2007

	Attributable to equity holders of the Company									Minority interest	Total equity
			Reserve								
	Share capital	Share premium	Share option reserve	Translation reserve	Hedging reserve	Fair value reserve	Reserve for own shares	Retained earnings	Total		
Balance at 1 January 2006	4,325	3,968	0	(6)	(31)		(413)	923	8,766	4	8,770
Foreign currency translation differences for foreign operations				39					39		39
Net change in fair value of cash flow hedges, net of tax					184				184		184
Income recognised directly in equity				39	184				223		223
Loss for the period								(1,516)	(1,516)	(6)	(1,522)
Total recognised income and expenses for the period				39	184			(1,516)	(1,293)	(6)	(1,299)
Issued share capital	1,588	8,383							9,971		9,971
Own shares sold and acquired	(2)	(54)							(56)		(56)
Written put options transferred as liability							(590)		(590)		(590)
Acquisition of subsidiaries										886	886
Balance at 30 June 2006	5,911	12,297	0	33	153	0	(1,003)	(593)	16,798	884	17,682
Balance at 1 January 2007	3,188	2,891	3	0	4		0	0	6,086	51	6,137
Foreign currency translation differences				(178)		(56)			(234)	(2)	(236)
Net change in fair value of cash flow hedges, net of tax					(33)				(33)		(33)
Income (expense) recognised directly in equity				(178)	(33)	(56)			(267)	(2)	(269)
Loss for the period								(78)	(78)	(2)	(80)
Total recognised income and expenses for the period				(178)	(33)	(56)		(78)	(345)	(4)	(349)
Issued share capital	142	486							628		628
Own shares acquired	(6)	(22)							(28)		(28)
Share-based payments			15						15		15
Transfer to accumulated deficit		(78)						78			0
Balance at 30 June 2007	3,324	3,277	18	(178)	(29)	(56)	0	0	6,356	47	6,403

The notes on pages 9 to 20 are an integral part of these condensed consolidated interim financial statements.

Amounts are in ISK million

Consolidated Interim Statement of Cash Flows
for the Six Months Ended 30 June 2007 and 2006

	Note	Q1-Q2 2007 1.1.-30.6.	2006 1.1.-30.6
Cash flows from operating activities:			
Loss for the period		(80)	(1,522)
Adjustments for operating items	21	(170)	668
Cash used in operations before interest and taxes		(250)	(854)
Interest received		55	9
Interest paid		(462)	(678)
Net cash used in operating activities		(657)	(1,523)
Cash flows from investing activities:			
Proceeds from sale of shares in other companies		365	0
Acquisition of subsidiaries, net of cash acquired		(84)	(1,529)
Acquisition of operating assets		(151)	(202)
Other investing activities		(106)	172
Net cash provided by (used in) investing activities		24	(1,559)
Cash flows from financing activities:			
Repayment of borrowings		(2,897)	(192)
Proceeds from borrowings		3,325	0
Short-term borrowing, change		0	1,600
Other financing activities		(6)	751
Net cash provided by financing activities		422	2,159
Net cash used in continuing operations		(211)	(923)
Cash flows from discontinued operations:			
Net cash provided by operating activities		0	1,309
Net cash used in investing activities		0	(23,883)
Net cash provided by financing activities		0	25,359
Net cash provided by discontinued operations		0	2,785
Net cash (used in) provided by continuing and discontinued operations		(211)	1,862
Cash and cash equivalents at 1 January		944	662
Effect of exchange rate fluctuations on cash held		0	20
Cash and cash equivalents at 30 June		733	2,544
Investing and financing activities not affecting cash flows:			
Investment in subsidiaries		(258)	(7,918)
Issue of share capital and sale of own shares		628	7,227
Sale of share in associated companies		2,497	0
Sale of share in other companies		145	0
Long-term receivables		(997)	0
Short term receivables		(1,505)	
Liabilities		(510)	691

The notes on pages 9 to 20 are an integral part of these condensed consolidated interim financial statements.

Amounts are in ISK million

Notes

1. ## Reporting entity

365 hf. (the "Company") is a limited liability company incorporated and domiciled in Iceland. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates.

The condensed consolidated financial statements were approved by the Board of Directors of 365 hf. on 9 August 2007.

2. ## Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* .

They do not include all of the information required for a complete set of consolidated annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended 31 December 2006.

The comparative interim income statement has been re-presented due to a change in classification of depreciation.

3. ## Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2006. The consolidated financial statements for the Group as at and for the year ended 31 December 2006 are available upon request from the Company's registered office at Skaftahlíð 24, Reykjavík or at www.365.is or at The Nordic Stock Exchange website, www.omxgroup.com.

4. ## Significant judgements and accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006.

5. Segment reporting

Business segments

For the six months ended 30 June	Media 2007	Media 2006	Entertainment 2007	Entertainment 2006	Investments 2007	Investments 2006	Discontinued Telecom-munication 2007	Discontinued Telecom-munication 2006	Eliminations 2007	Eliminations 2006	Consolidated 2007	Consolidated 2006	Less discontinued operations 2007	Less discontinued operations 2006	Continuing operations 2007	Continuing operations 2006
External revenue	3,820	3,923	1,675	1,431	0	14		15,027			5,495	20,395		(15,027)	5,495	5,368
Inter-segment revenue	49		350	36				236	(399)	(272)						
Segment revenue	3,869	3,923	2,025	1,467	0	14		15,263	(399)	(272)	5,495	20,395	0	(15,027)	5,495	5,368
EBITDA	306	172	121	138	(14)	(191)		1,806			413	1,925		(1,806)	413	119
Depreciation and amortization	(135)	(196)	(95)	(55)	(8)	(34)		(965)			(238)	(1,250)		(965)	(238)	(285)
Share of loss of associates	(40)	(134)	(9)	16	(29)			28			(78)	(90)		(28)	(78)	(118)
Segment result	131	(158)	17	99	(51)	(225)		869			97	585		(869)	97	(284)
Net financing costs											(170)	(2,438)		1,061	(170)	(1,377)
Income tax expense											(7)	331		(42)	(7)	289
Loss for the period											(80)	(1,522)		150	(80)	(1,372)

Amounts are in ISK million

6. Quarterly statements*

Summary of the Group's operating results by quarters:

	2007		2006			
	Q1	Q2	Q1	Q2	Q3	Q4
Revenue	2,681	2,814	2,598	2,770	2,548	3,180
Cost of services and goods sold	(1,765)	(1,717)	(1,915)	(1,894)	(2,127)	(2,284)
Gross profit	**916**	**1,097**	**683**	**876**	**421**	**896**
Other operating revenue	0	0	0	0	0	1,587
Operating expenses	(882)	(956)	(867)	(858)	(715)	(1,146)
Results from operating activities	34	141	(184)	18	(294)	1,337
Net finance costs	(7)	(163)	(328)	(1,049)	(235)	13
Share of loss of associates	(57)	(21)	(18)	(100)	10	(670)
(Loss) profit before income tax	(30)	(43)	(530)	(1,131)	(519)	680
Income tax	(5)	(2)	89	200	196	(212)
(Loss) profit from continuing operations	**(35)**	**(45)**	**(441)**	**(931)**	**(323)**	**468**
Profit (loss) from discontinued operations, net of income tax	0	0	246	(396)	(2,852)	(2,714)
Loss for the period	**(35)**	**(45)**	**(195)**	**(1,327)**	**(3,175)**	**(2,246)**
Attributable to:						
Equity holders of the Company	(37)	(41)	(196)	(1,320)	(3,180)	(2,246)
Minority interest	2	(4)	1	(7)	5	0
Loss for the period	**(35)**	**(45)**	**(195)**	**(1,327)**	**(3,175)**	**(2,246)**

* The quarterly statement has not been reviewed by the auditors.

An allocation of expense between operating expense and discontinued expense, in amount of ISK 213 million, has been changed in quarter 2 and a reverse change was done in quarter 4. This change does not affect the result of each quarter.

Amounts are in ISK million

7. Acquisition of subsidiary

Business combination

On 28 February 2007, the Company acquired all shares in Innn hf. from Fons Eignarhaldsfélag hf. The acquisition price amounted to ISK 228 million and was settled with shares in the Company at a nominal value of ISK 61 million. The company is a part of the Group from 1 March 2007. The acquisition had the following effect on the assets and liabilities of the Group:

Acquisition of INNN ehf.

Operating assets	11
Trade and other receivables	43
Non-current liabilities	(18)
Current liabilities	(24)
Equity at acquisition date	12
Premium	216
Total consideration	228
Settled with shares	(228)
Net cash outflow	0

The purchase price allocation is not completed.

8. Revenue

Revenue is specified as follows:

	2007 1.1.-30.6.	2006 1.1.-30.6.
Goods sold	1,031	787
Services	4,464	4,581
Total revenues	5,495	5,368

9. Finance income and expense

Finance income and finance expense are specified as follows:

	2007 1.1.-30.6.	2006 1.1.-30.6.
Interest income	54	10
Net foreign exchange gain	268	0
Capital gains on the sale of shares in other companies	(3)	24
Fair value adjustments of derivatives	14	469
Total finance income	333	503
Interest expenses	(503)	(799)
Net foreign exchange loss	0	(1,081)
Total finance expenses	(503)	(1,880)
Net finance income and expenses	(170)	(1,377)

Amounts are in ISK million

10. Income tax

Reconciliation of effective tax rate

		2007 1.1.-30.6.		2006 1.1.-30.6.
Loss before income tax		(73)		(1,661)
Income tax using the Company's domestic tax rate	17.8%	13	18.0%	299
Associates	(19.2%)	(14)	(1.3%)	(21)
Other	(8.2%)	(6)	0.7%	11
Effective tax rate	(9.60%)	(7)	17.40%	289

Income tax recognised directly in equity

	2007 1.1.-30.6.	2006 1.1.-30.6.
Derivatives	6	0
Total income tax recognised directly in equity	6	0

11. Intangible assets

The Group's intangible assets are specified as follows:

	Goodwill	Trademarks	Other intangible assets	Total
Cost				
Balance at 1 January 2007	5,192	1,853	1,958	9,003
Acquisitions during the year		30	22	52
Acquisitions through business combinations	225			225
Disposal through sale	(149)			(149)
Balance at 30 June 2007	5,268	1,883	1,980	9,131
Amortisation and impairment losses				
Balance at 1 January 2007	70	0	206	276
Amortisation			72	72
Balance at 30 June 2007	70	0	278	348
Carrying amounts				
At 1 January 2007	5,122	1,853	1,752	8,727
At 30 June 2007	5,198	1,883	1,702	8,783

Other intangible assets are contractual rights, license fees, subscription relations, music publishing rights, advertisement relations and software.

Amounts are in ISK million

12. **Operating assets**

Operating assets and their depreciation is specified as follows:

	Buildings	Machinery and equipment	Total
Cost			
Balance at 1 January 2007	120	1,914	2,034
Acquisitions during the period		119	119
Acquisitions through business combinations		33	33
Other disposals		(24)	(24)
Balance at 30 June 2007	120	2,042	2,162
Depreciation and impairment losses			
Balance at 1 January 2007	14	975	989
Acquisitions during the period		22	22
Depreciation	1	165	166
Other disposals		(8)	(8)
Balance at 30 June 2007	15	1,154	1,169
Carrying amounts			
At 1 January 2007	106	939	1,045
At 30 June 2007	105	888	993
Depreciation ratios	2%	10-33%	

The Group's depreciation charge in the income statement is specified as follows:

	2007 1.1.-30.6.	2006 1.1.-30.6.
Depreciation of operating assets	166	1,035
Amortisation of intangible assets, see note 11	72	215
Depreciation and amortisation recognised in the income statement	238	1,250

Depreciation is allocated as follows to operating items:

Cost of services sold	73	147
Operating expenses	165	138
Profit from discontinued operations	0	965
Stated in the income statement as depreciation	238	1,250

Amounts are in ISK million

13. Investments in associates

The Group's share of loss in associates for the six months period amounted to ISK 78 million (2006: ISK 118 million).

Summary financial information for associates, not adjusted for the percentage ownership held by the Group:

	30/06/2007 Share	31/12/2006 Share
Bistro ehf., Reykjavík	-	36.7%
Dagsbrún Media K/S, (Nyhedsavisen), Denmark	-	17.4%
Daybreak Holdco Ltd., (Wyndeham), UK	-	36.0%
Útgáfufélag DV ehf., Reykjavík	-	40.0%
Hands holding hf., Reykjavík	-	30.7%
Ísafoldarprentsmiðja ehf., Reykjavík	50.0%	50.0%
Pósthúsið ehf., Reykjavík	37.3%	37.3%
2AM Ltd., UK	50.0%	50.0%

In March 2007, the Company sold a 17% share in Daybreak Holdco Ltd.(Wyndeham) ("Daybreak"), to Baugur Group hf., at book value. Following the sale the remaining 19% share in Daybreak is classified as avilable-for-sale financial asset under other investments.

Shares in Dagsbrún Media K/S are classified as other investments.

At end of May, the Company sold all its' shares in Hands holding hf. to Arena Holding hf. a company owned by Baugur Group hf., Fons Eignarhaldsfélag hf. and Icon hf. The shares were sold at book value ISK 1,620 million and ISK 1,500 million was received in cash in July 2007, ISK 120 million is receivable in year 2010.

14. Other investments

Other investments are specified as follows:

	Share	30/06/2007	31/12/2006
Dagsbrún Media K/S, (Nyhedsavisen), Denmark	17.4%	277	-
Daybreak Holdco Ltd., (Wyndeham), UK	19.0%	1,202	-
Receivable arising from a sale of Daybreak Holdco Ltd.		838	-
Other investments		321	192
Other investments total		2,638	192

Shares in other companies are recognised at fair value. The investment in Daybreak Holdco Ltd. is classified as available for-sale-financial asset and is recognised at fair value. The change in the fair value of available-for-sale financial assets is recognised directly in fair value reserve in equity until the investment is derecognised.

The receivable arising from the sale of a 17% share in Daybreak Holdco Ltd. to Baugur Group hf. amounted to ISK 838 million at the end of June 2007. The collection of this receivable from Baugur hf. is based upon the return Baugur will receive from the investment. The Company will receive 79% of the gain from sale or dividends Baugur will receive from its shareholding in Daybreak.

Amounts are in ISK million

15. Trade and other receivables

Trade and other receivables are specified as follows:

	30/06/2007	31/12/2006
Trade receivables	1,701	1,955
Other receivables	520	315
Receivable from the sale of a share in Hands Holding hf.	1,500	0
Allowance for bad debt	(248)	(260)
Derivatives	0	5
Total trade and other receivables	3,473	2,015

16. Cash and cash equivalents

Bank balances	56	244
Market securities	677	700
Cash and cash equivalents in the statement of cash flows	733	944

17. Equity

Issued capital

In millions of shares

On issue at 1 January 2007	3,287
Issued new shares	143
On issue at 30 June 2007	3,430

The Company holds own shares amounting to a nominal amount of ISK 106 million, own shares are deducted from equity. Issued capital at June-end amounted to ISK 3,430 and is all paid for.

In January 2007 the Company used own shares with a nominal value of ISK 82 million to settle the additional payment arising from the purchase of shares in Sena ehf. in 2006. The fair value of the own shares amounted to ISK 400 million. In March 2007, the Company issued new shares with a nominal value of ISK 61 million which were used to settle the acquisition price of the shares in Innn hf. The fair value of shares issued amounted to ISK 228 million.

Share premium

Share premium represents excess of payment above nominal value (ISK 1 per share) that shareholders have paid for shares sold by the Company. According to Icelandic Companies Act, 25% of the nominal value of share capital must be held in reserve which can not be paid out as dividend to shareholders. Share premium is reduced by accumulated deficit.

17. Cont.:

Translation reserve

Foreign exchange differences arising on translation of financial statements of foreign subsidiaries and foreign associates are recognised directly in a separate component of equity.

Hedging reserve

Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

18. Earnings per share

Basic earnings per share

	2007 1.1.-30.6.	2006 1.1.-30.6.
Loss for the period attributable to equity holders of the Company	(78)	(1,516)
Share capital at the beginning of the period	3,188	4,325
Effect of bought and sold own shares	70	12
Effect of increase in share capital during the period	39	632
Calculated average share capital	3,297	4,969
Basic earnings per share (ISK)	(0.024)	(0.305)

Diluted earnings per share

	2007 1.1.-30.6.	2006 1.1.-30.6.
Loss for the period attributable to equity holders of the Company	(78)	(1,516)
Share capital at the beginning of the period	3,188	4,325
Effect of bought and sold own shares	70	12
Effect of increase in share capital during the period	39	632
Effect of share option	(9)	(13)
Calculated average share capital	3,288	4,956
Diluted earnings per share (ISK)	(0.024)	(0.306)

Amounts are in ISK million

19. ## Loans and borrowings

Terms and conditions of outstanding loans were as follows:

	Weighted average interest rate	30/06/2007 Carrying amount	31/12/2006 Carrying amount
Debt in ISK	11.47%	7,388	6,449
Debt in EUR	6.38%	442	1,117
Debt in USD	7.59%	156	433
Debt in GBP	8.18%	50	263
Debt in CAD	6.72%	157	0
Debt in JPY	3.06%	173	177
Debt in CHF	4.88%	508	230
Debt in NOK	0.00%	0	10
Debt in SEK	5.93%	236	0
Non-current loans and borrowing, including current portion		9,110	8,702
Current portion of non-current loans and borrowings		(2,218)	(2,237)
Total loans and borrowings		6,892	6,465

Contractual repayments of non-current borrowings are specified as follows:

Repayments in 2007/2008	2,218
Repayments in 2008/2009	1,412
Repayments in 2009/2010	2,815
Repayments in 2010/2011	2,477
Repayments in 2011/2012	169
Repayments in 2012/2013	19
Subsequent repayment	0
Total	9,110

At the beginning of July, the Company paid up an no-indexed bond group to the nominal value of ISK 2,000 million, carrying an interest rate of 17%. A ISK 1,500 million which was received in July from the sale of a share in Hands Holding hf. was among other things allocated for the payment. Furthermore, a financing was closed with Landsbanki Íslands to the amount of ISK 3,300 million and older loans with the bank were paid up. Following those actions, the Company's interest payments are expected to decrease by ISK 220 million per year. Interest bearing liabilities, following those actions, amount to approximately ISK 7,000 million.

20. ## Trade and other payables

Trade and other payables are specified as follows:

	30/06/2007	31/12/2006
Trade payables	1,504	1,893
Other payables	857	1,354
Derivatives	35	0
Obligations arising from acquisitions of subsidiaries	0	418
Total trade and other payables	2,396	3,665

Amounts are in ISK million

21. Statement of cash flows

Loss for the period, in the statement of cash flows is adjusted for operating items specified as follows:

	2007 1.1.-30.6.	2006 1.1.-30.6.
Depreciation of operating assets	238	285
Discontinued operations	0	150
Net finance cost	170	1,377
Share of loss of associates	78	118
Income tax	7	(289)
Other items	(22)	(2)
Inventories and program rights, (increase) decrease	(212)	152
Trade and other receivables, decrease (increase)	56	(332)
Trade and other payables, decrease	(485)	(791)
	(170)	668

22. Related parties

Identity of related parties

The Group has a related party relationship with its subsidiaries, associates and with its directors and executive officers.

Transactions with associates

The Group purchased services from associates in the amount of ISK 887 millions. Transactions with associates are priced on an arm's length basis.

23. Group entities

Entities in the Group are specified as follows:

	Share 30/06/2007	Share 31/12/2006
365 - miðlar ehf.	100.0%	100.0%
Bíómyndir ehf.	66.7%	66.7%
Innn hf.	100.0%	-
Saga film ehf.	87.1%	87.1%
Sena ehf.	100.0%	100.0%
D3 ehf.	100.0%	100.0%
Þrjúbíó ehf.	100.0%	-

Amounts are in ISK million

24. **Ratios**

The Group's primary ratios are specified as follows:

Income statement	2007 1.1.-30.6.	2006 1.1.-30.6.
EBITDA	413	119
EBIT	175	(166)

Balance sheet	30.6.2007	31.12.2006
Current ratio - current assets / current liabilities	1.08	0.62
Equity ratio - equity / capital employed	35.3%	32.7%
Return on equity	(1.3%)	(1.7%)
Market value of outstanding shares	11,501	15,271
Change in price per share from the beginning of the year	(27.8%)	(20.2%)
Price per share	3.46	4.79

Amounts are in ISK million