



Results Jan -  
March  
2007

## Presentation of results Q1 2007



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## Q1 2007

1. Good operational results in Q1
  - Turnover in line with projections. EBITDA earnings exceeding projections.
  - Q1 traditionally lowest in turnover EBITDA
  - Positive foreign currency difference
  - Profit from sale of Securitas
  - Hands Holding performing well
2. Stronger balance sheet – Current ratio 1,51 – Equity ratio 27%
  - Sale of Securitas
  - Sale of long-term claim on Hands holding
  - Share offering
3. Decreased debt – decrease in interest costs by ISK 600 million

## Results Jan - March 2007

- Revenues ISK 4,812 million increasing by 12% from the same period 2006 (pro forma)
- Growth in both segments from 2006 (pro forma)
  - Electronic communications 22% growth and IT 10%
  - EBITDA ISK 785 million decreasing by 9% from the same period 2006 (pro forma)
  - Market expenses and negative foreign currency difference
  - Structural changes in the electronic communications segment – costs previously allocated to holding company
- EBIT ISK 382 million
- Net finance earnings ISK 730 million, positive foreign currency difference amounting to ISK 1,282 million
- Positive effect of associates ISK 201 million
- Discont. operations (Securitas) – positive effect of ISK 493 million after tax
- Profit in quarter ISK 1.602 million

## Income Statement

ISK Million	Jan - March 2006 pro forma	Jan - Marc 2007	Change
Sales	4,292	4,812	12%
Cost of sales and services sold		-3,168	
<b>GROSS PROFIT</b>		<b>1,644</b>	
Other income		30	
Operating expenses		-1,292	
<b>EBIT</b>		<b>382</b>	
Net finance earnings		730	
Share in profit of associates		201	
<b>PROFIT BEFORE TAX</b>		<b>1,313</b>	
Income Tax		-204	
<b>PROFIT OF CONTINUED OPERATIONS</b>		<b>1,109</b>	
Discont. operations (Securitas)		493	
<b>PROFIT</b>		<b>1,602</b>	
EBITDA	884	785	-9%

## Income of segments by quarters



ISK Million	Q1 2006*	Q2 2006*	Q3 2006*	Q4 2006	Q1 2007	Total 2006*
<b>Electronic communications</b>	2,370	2,671	2,854	2,847	<b>2,884</b>	10,742
<b>Information Technology</b>	1,981	1,937	1,845	2,184	<b>2,181</b>	7,947
<i>Cons.journal entries</i>	-59	-120	-180	-291	-252	-650
<b>Total</b>	<b>4,292</b>	<b>4,488</b>	<b>4,519</b>	<b>4,740</b>	<b>4,812</b>	<b>18,039</b>

\*Figures for Q1, Q2 and Q3 2006 are pro forma

## EBITDA of segments by quarters



ISK Million	Q1 2006*	Q2 2006*	Q3 2006*	Q4 2006	Q1 2007	Total 2006*
<b>Electronic communications</b>	610	675	725	615	564	2,625
<b>Information technology</b>	274	206	220	190	292	890
<i>Cons.journal entries</i>				-58	-72	-58
<b>Total</b>	<b>884</b>	<b>881</b>	<b>945</b>	<b>748</b>	<b>785</b>	<b>3,458</b>

\*Figures for Q1, Q2 and Q3 2006 are pro forma

# Income and EBITDA by quarters



ISK Million	Q1 2006*	Q2 2006*	Q3 2006*	Q4 2006	Q1 2007	Total 2006*
<b>Revenue total</b>	4.292	4,488	4,519	4,740	<b>4,812</b>	18,039
<b>EBITDA</b>	884	881	945	748	<b>785</b>	3,458
<b>EBITDA %</b>	20,6%	19,6%	20,9%	15,8%	<b>16,3%</b>	19,2%

\*Figures for Q1, Q2 and Q3 2006 are pro forma

# EBITDA ratio by segments



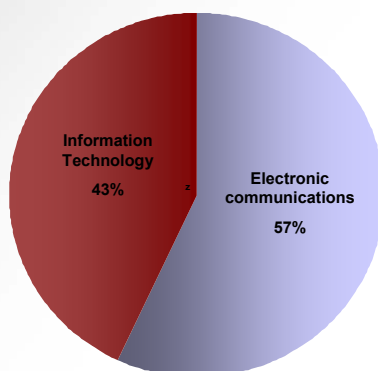
ISK Million	Q1 2006*	Q2 2006*	Q3 2006*	Q4 2006	Q1 2007	Total 2006*
<b>Electronic communications</b>	25,7%	25,3%	25,4%	21,6%	<b>19,6%</b>	24,4%
<b>Information Technology</b>	13,8%	10,6%	11,9%	8,7%	<b>13,4%</b>	11,2%

\*Figures for Q1, Q2 and Q3 2006 are pro forma

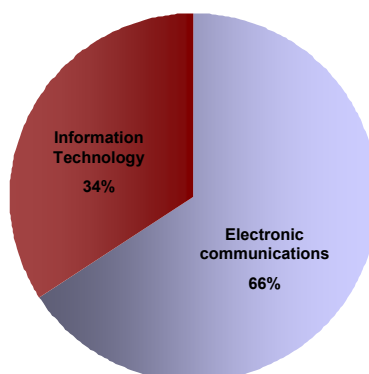
# Income and EBITDA division by segments – Q1 2007



## Income



## EBITDA



# Balance Sheet - assets



ISK Million	31/03 2007	31/12 2006	Change
<b>Operating assets</b>	4,409	4,981	-572
<b>Intangible assets</b>	17,682	20,064	-2,382
<b>Share in Hands Holding and claim</b>	2,820	5,303	-2,483
<b>Other fixed assets</b>	784	1.126	-342
<b>TOTAL NON-CURRENT ASSETS</b>	<b>25,695</b>	<b>31,474</b>	<b>5,779</b>
<b>Inventories</b>	499	497	2
<b>Receivables</b>	5,076	4,184	892
<b>Share capital unpaid</b>	1,210	0	1,210
<b>Cash</b>	3,432	633	2,799
<b>TOTAL CURRENT ASSETS</b>	<b>10,217</b>	<b>5,314</b>	<b>4,903</b>
<b>TOTAL ASSETS</b>	<b>35,912</b>	<b>36,788</b>	<b>-876</b>

- Sale of Securitas decreases goodwill by ISK 2,7 million. ISK 1,0 million included in receivables due to unpaid share capital.
- Share offering ISK 4,0 billion – ISK 1,2 billion paid in April.
- Sale of claim on Hands Holding

# Balance Sheet - equity and liabilities



ISK Million			31/03 2007	31/12 2006	Change
<b>Equity</b>			9,689	4,148	5,541
<b>Long-term liabilities</b>			19,471	22,208	-2,737
<b>Current liabilities</b>			6,752	10,432	-3,680
<b>LIABILITIES TOTAL</b>			26,223	32,640	-6,417
<b>EQUITY AND LIABILITIES TOTAL</b>			<b>35,912</b>	<b>36,788</b>	<b>-876</b>

- Quarterly results and new share capital have an impact on equity
- Positive foreign currency difference of ISK 1,3 billion.
- Interest bearing liabilities minus cash ISK 17,9 billion (27,3 billion at the end of 2006)
- Equity ratio 27% (11,3% at the end of 2006)
- Current ratio 1,51 (0,51 at the end of 2006)

# Cash flow



ISK Million					Jan- March 2007
<b>Cash</b>					201
<b>Investment activities</b>					2,278
<b>Finance activities</b>					324
<b>Changes in cash</b>					2,803
<b>Foreign currency difference</b>					-3
<b>Cash from previous quarter</b>					632
<b>Cash at the end of the quarter</b>					<b>3,432</b>

## Prospects

- **Estimated income ISK 19 – 20,5 billion (pro forma 2006 ISK 18 billion)**
- **Estimated EBITDA ISK 3,7 - 4,1 billion (pro forma 2006 ISK 3,5 billion)**
- **EBITDA ratio for 2007 estimated 19,5-20% (pro forma 2006 18,8 %)**
- **Prospects for 2007 indicate EBITDA estimates on track**
- **Stronger balance sheet and available cash enable us to seek growth opportunities**

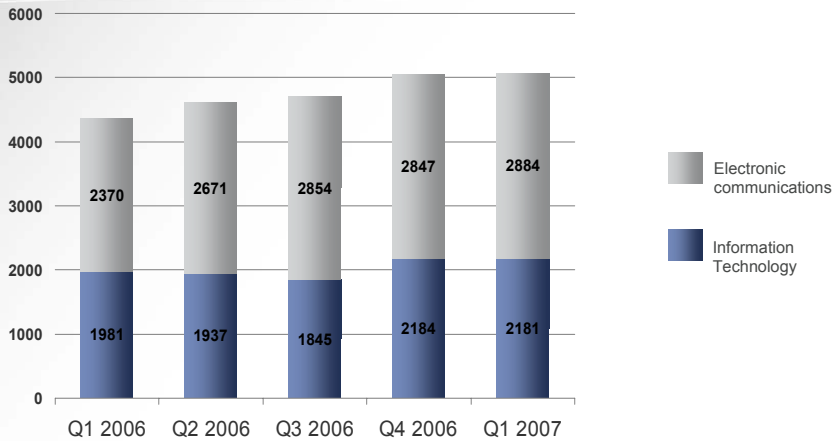
**Thank you**

**Extra material in addition to the presentation included**



# Income

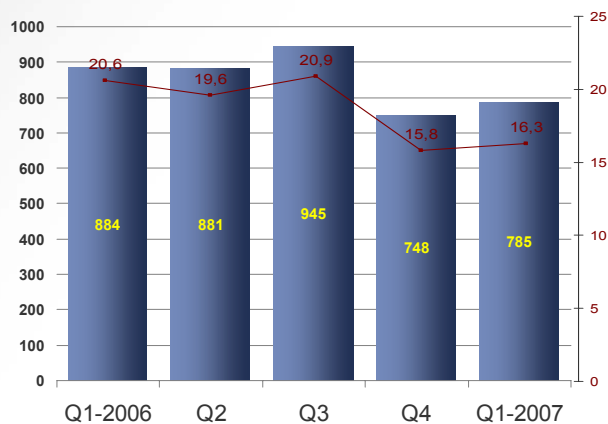
by segments without cons.journal entries



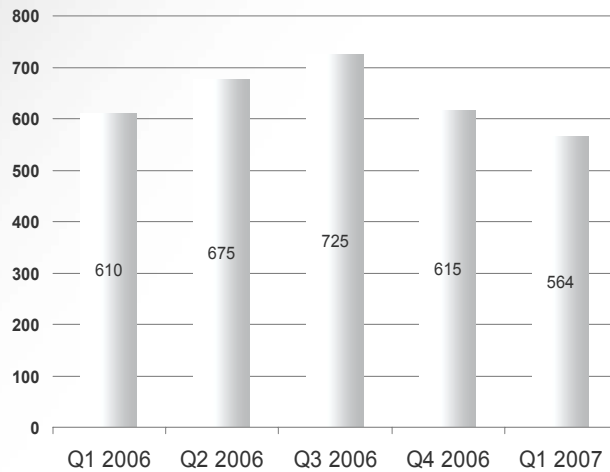
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# EBITDA

Amounts and ratio by quarters



## Electronic communications EBITDA by quarters



## Information Technology EBITDA by quarters

