Condensed Consolidated Interim Financial Statements

30 September 2010

Skipti hf.
Ármúla 25
108 Reykjavík
ID number: 460207-0880

Contents

Condensed Consolidated Interim Income Statement for the period 1 January - 30 September 2010

	1 January - 30 september	
	Unaudited	**Unaudited**
	2010	**2009**
Net sales	26.903.014	29.813.979
Cost of sales	(17.015.473)	(18.141.067)
Gross profit	9.887.541	11.672.912
Other operating income	292.718	467.846
Operating expenses	(8.088.691)	(8.025.102)
Impairment losses	0	(715.203)
Operating profit	2.091.568	3.400.453
Finance income	4.330.716	675.017
Finance costs	(3.188.208)	(4.171.657)
Net exchange rate differences	1.284.987	(1.360.659)
Net financial items	2.427.495	(4.857.299)
Share of loss in associates	(5.596)	(2.556)
Profit / (loss) before tax	4.513.467	(1.459.402)
Income tax	(166.144)	(177.498)
Profit / (loss) for the period	4.347.323	(1.636.900)

All amounts are in thousands of ISK

Condensed Consolidated Interim Statement of Financial position at 30 September 2010

	30.9.2010	31.12.2009
Assets	**Unaudited**	
Non-current assets		
Property,plant and equipment	14.908.929	15.644.037
Intangible assets	57.742.287	64.402.585
Investments in associated companies	129.646	258.090
Investments in other companies	34.064	34.064
Restricted cash	565.015	0
Deferred tax assets	1.165.370	1.017.207
Non-current assets	74.545.311	81.355.983
Current assets		
Inventories	1.261.362	1.672.057
Accounts receivables	3.828.149	5.886.574
Other assets	11.311.476	11.459.279
Cash and cash equivalents	21.725.781	20.323.575
Current assets	38.126.768	39.341.485
Total Assets	112.672.079	120.697.468
Equity and Liabilities		
Equity		
Share capital	8.724.523	8.724.523
Reserves	8.812.542	8.812.542
Translation reserves	49.402	473.041
Retained earnings	11.666.581	7.232.197
Equity holders of the parent	29.253.048	25.242.303
Minority interest	(53.543)	282.543
Total Equity	29.199.505	25.524.846
Non-current liabilities		
Borrowings	71.941.635	80.119.493
Deferred tax liabilities	91.246	403.239
Non-current liabilities	72.032.881	80.522.732
Current liabilities		
Bank loans	1.000.397	1.163.640
Accounts payables	3.756.607	5.519.268
Current maturities of borrowings	3.263.634	3.850.224
Other current liabilities	3.419.056	4.116.758
Current liabilities	11.439.694	14.649.890
Total liabilities	83.472.575	95.172.622
Total equity and liabilities	112.672.080	120.697.468

All amounts are in thousands of ISK

Condensed Consolidated Interim Statement of Cash Flow
for the period 1 January - 30 September 2010

	2010	2009
Cash flow from operating activities	**Unaudited**	**Unaudited**
Operating profit for the period	2.091.568	3.400.453
Operational items not affecting cash flow:		
Depreciation and amortisation	3.021.700	3.668.091
Gain on sale of fixed assets	4.247	(1.475)
Changes in current assets and liabilities	146.339	22.809
Cash generated by operation	5.263.854	7.089.878
Interest income received during the period	224.596	637.821
Payments of taxes during the period	(160.727)	(109.769)
Interest expenses paid during the period	(2.247.699)	(1.783.499)
Net cash from operating activities	3.080.024	5.834.431
Investing activities		
Investment in property, plant and equipment	(1.992.704)	(1.656.635)
Investment in intangible assets	(165.524)	(571.268)
Proceeds from sale of property, plant and equipment	16.031	26.641
Changes in other investments	823	8.888
Divestment of subsidiary, net of cash divested	5.968.083	0
Changes in investment in other companies	(50.877)	(474.935)
Investing activities	3.775.832	(2.667.309)
Financing activities		
New borrowings	0	17.687
Payments of non-current liabilities	(2.896.055)	(2.838.181)
Bank loans, increase (decrease)	0	37.955
Financing activities	(2.896.055)	(2.782.539)
Increase (decrease) in cash and cash equivalents	3.959.801	384.583
Effects of exchange rate changes on the balance of cash	(2.557.595)	960.780
Cash and cash equivalents at the beginning of the year	20.323.575	20.492.583
Cash and cash equivalents at the end of the period	21.725.781	21.837.946

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