

# **Opin Kerfi Group hf.**

**Condensed Consolidated  
Interim Financial Statements  
1 January - 30 June 2008**

Opin Kerfi Group hf.  
Lynghálsi 9  
110 Reykjavík

Reg. no. 530891-1439

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# Independent Auditor's Review Report

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**To the board of Opin Kerfi Group hf.**

We have reviewed the accompanying condensed financial statements of Opin kerfi Group hf., which comprise the balance sheet as at June 30, 2008 and the income statement, statement of changes in equity and cash flow statement 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 June 30, 2008, 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, 28 August 2008.

**KPMG hf.**

*Margrét Guðjónsdóttir*

## Endorsement and signatures of the Board of Directors and the CEO

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The Consolidated Interim Financial Statements of Opin Kerfi Group hf. for the period 1 January - 30 June 2008 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 Opin Kerfi Group hf. and its subsidiaries.

According to the income statement, profit for the period amounted to ISK 318 million. Total operating revenue for the period amounted to ISK 4.805 million. According to the balance sheet, equity at the end of the period amounted to ISK 2.480 million, including share capital in the amount of ISK 209 million.

The Board of Directors and the CEO of Opin Kerfi Group hf. hereby confirm the Company's consolidated interim financial statements for the period 1 January - 30 June 2008 by means of their signatures.

Reykjavík, 28 August 2008.

The Board of Directors:

*Dórdís Sigurðardóttir*

*Soffía Lárusdóttir*

*Sigríður Olgeirsdóttir*

CEO:

*Elin Þórðardóttir*

# Consolidated Income Statement for the period 1 January - 30 June 2008

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|  | Note | 2008          | 2007          |
|--|------|---------------|---------------|
|  |      | 1.1.-30.6.    | 1.1.-30.6.    |
| Sales .....                                    |      | 4.798.870     | 6.245.321     |
| Cost of sales .....                            |      | ( 2.706.245 ) | ( 3.973.717 ) |
| <b>Gross profit</b> .....                      |      | 2.092.625     | 2.271.604     |
| Other income .....                             |      | 6.596         | 5.455         |
| Salaries and salary-related expenses .....     |      | ( 1.499.688 ) | ( 1.646.584 ) |
| Other operating expenses .....                 |      | ( 412.994 )   | ( 499.145 )   |
| Depreciation and amortisation .....            |      | ( 79.773 )    | ( 31.472 )    |
| <b>Results from operating activities</b> ..... |      | 106.766       | 99.858        |
| Finance income .....                           |      | 254.320       | 6.112         |
| Finance expenses .....                         |      | ( 24.994 )    | ( 46.984 )    |
| <b>Net finance expense</b> .....               |      | 229.326       | ( 40.872 )    |
| <b>Profit before income tax</b> .....          |      | 336.092       | 58.986        |
| Income tax .....                               |      | ( 18.126 )    | ( 7.492 )     |
| <b>Profit for the period</b> .....             |      | 317.966       | 51.494        |
| <b>Earnings per share:</b>                     |      |               |               |
| Basic earnings per share of ISK 1 .....        | 6    | 1,52          | 0,25          |

# Consolidated Balance Sheet as at 30 June 2008

|  | Note | 30.6.2008 | 31.12.2007 |
|--|------|-----------|------------|
| <b>Assets:</b>                               |      |           |            |
| Operating assets .....                       |      | 150.830   | 115.331    |
| Intangible assets .....                      |      | 2.295.283 | 1.678.086  |
| Investments in other companies .....         |      | 1.412     | 1.514      |
| Deferred tax asset .....                     |      | 105.820   | 0          |
| Total non-current assets                     |      | 2.553.345 | 1.794.931  |
| <br>   |      |           |            |
| Inventories .....                            |      | 23.028    | 43.914     |
| Trade and other short-term receivables ..... |      | 2.243.063 | 2.414.933  |
| Cash and cash equivalents .....              |      | 124.889   | 45.111     |
| Total current assets                         |      | 2.390.980 | 2.503.957  |
| <br>   |      |           |            |
| <b>Total assets</b>                          |      | 4.944.325 | 4.298.888  |
| <br>   |      |           |            |
| <b>Equity:</b>                               |      |           |            |
| Share capital .....                          |      | 208.921   | 208.921    |
| Share premium .....                          |      | 833.410   | 833.410    |
| Reserves .....                               |      | 313.632   | 29.915     |
| Retained earnings .....                      |      | 1.124.017 | 806.051    |
| Total equity                                 |      | 2.479.980 | 1.878.297  |
| <br>   |      |           |            |
| <b>Liabilities:</b>                          |      |           |            |
| Deferred income tax liability .....          |      | 222.308   | 203.788    |
| Loans and borrowings .....                   |      | 54.015    | 59.506     |
| Total non-current liabilities                |      | 276.323   | 263.294    |
| <br>   |      |           |            |
| Loans and borrowings .....                   |      | 256.028   | 403.335    |
| Current maturities .....                     |      | 72.134    | 167.871    |
| Trade and other payables .....               |      | 1.859.860 | 1.586.091  |
| Total current liabilities                    |      | 2.188.022 | 2.157.297  |
| <br>   |      |           |            |
| Total liabilities                            |      | 2.464.345 | 2.420.591  |
| <br>   |      |           |            |
| <b>Total equity and liabilities</b>          |      | 4.944.325 | 4.298.888  |

# Consolidated Statement of Changes in Equity for the period 1 January - 30 June 2008

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|                                   | Equity  | Share premium | Reserve    | Retained Earnings | Total equity |
|-----------------------------------|---------|---------------|------------|-------------------|--------------|
| <b>1 January - 30 June 2007</b>   |         |               |            |                   |              |
| Equity 1.1.2007 .....             | 208.921 | 833.410       | 52.230     | 683.690           | 1.778.251    |
| Translation difference .....      |         |               | ( 117.977) |                   | ( 117.977)   |
| Profit for the period .....       |         |               |            | 51.494            | 51.494       |
| Total profit for the period ..... |         |               | ( 117.977) | 51.494            | ( 66.483)    |
| Equity 30.6.2007 .....            | 208.921 | 833.410       | ( 65.747)  | 735.184           | 1.711.768    |
| <b>1 January - 30 June 2008</b>   |         |               |            |                   |              |
| Equity 1.1.2008 .....             | 208.921 | 833.410       | 29.916     | 806.051           | 1.878.298    |
| Translation difference .....      |         |               | 283.716    |                   | 283.716      |
| Profit for the period .....       |         |               |            | 317.966           | 317.966      |
| Total profit for the period ..... |         |               | 283.716    | 317.966           | 601.682      |
| Equity 30.6.2008 .....            | 208.921 | 833.410       | 313.632    | 1.124.017         | 2.479.980    |

## Consolidated Statement of Cash Flows for the period 1 January - 30 June 2008

|  | Note | 2008       | 2007       |
|--|------|------------|------------|
|  |      | 1.1.-30.6. | 1.1.-30.6. |
| <b>Cash flows from operating activities:</b>                                     |      |            |            |
| Profit for the period .....  |      | 317.966    | 51.494     |
| Adjustments to reconcile net profit to cash flow from operating activities ..... | (    | 909)       | 69.074     |
| Change in operational assets and liabilities .....                               |      | 450.086    | 74.522     |
| Interest received .....  |      | 48.403     | 77.287     |
| Interest paid .....  | (    | 117.334)   | ( 117.882) |
| Income tax paid .....  |      | 42.170     | ( 24.493)  |
|  |      | 740.382    | 130.002    |
| <b>Cash flows from investing activities:</b>                                     |      |            |            |
| Acquisition of operating assets .....  | (    | 26.462)    | ( 25.832)  |
| Proceeds from sale of operating assets .....                                     |      | 462        | 4.569      |
|  |      | ( 26.000)  | ( 21.263)  |
| <b>Cash flows from financing activities:</b>                                     |      |            |            |
| Repayment of loans and borrowings .....  | (    | 389.850)   | ( 108.195) |
| Short term borrowings, change .....  | (    | 260.600)   | 23.772     |
|  |      | ( 650.450) | ( 84.423)  |
| <b>Net change in cash and cash equivalents .....</b>                             |      | 63.932     | 24.316     |
| <b>Effect of exchange rate fluctuations on cash held .....</b>                   |      | 16.345     | ( 5.143)   |
| <b>Cash and cash equivalents at beginning of year .....</b>                      |      | 44.612     | 183.617    |
| <b>Cash and cash equivalents at the end of period .....</b>                      |      | 124.889    | 202.790    |

# Notes to the condensed consolidated interim financial statements

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## 1. Reporting entity

Opin Kerfi Group hf. is a company domiciled in Iceland. The address of the Company's registered office is Lynghálssi 9, Reykjavík. The Condensed Consolidated Interim Financial Statements of the Company as at and for the six months ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the "Group").

Opin Kerfi Group hf. is an investment company in the IT sector. Its objective is to fully own and operate the activities of its subsidiaries in the Nordic Countries.

These condensed consolidated interim financial statements were approved by the Board of Directors on 22 August 2008.

## 2. Statement of compliance

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Financial Reporting Standard (IFRS) IAS 34 Interim Financial Reporting as adopted by the EU.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007.

## 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 2007.

## 4. 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, liabilities, income and expenses. Actual results may differ from these estimates.

## 5. Equity

According to the Parent Company's articles of association, total share capital amounts to ISK 209 million.

## 6. Financial ratios

|   | 30.6.2008 | 30.6.2007 |
|---|-----------|-----------|
| <b>Operations:</b>  |           |           |
| Sales .....   | 4.798.870 | 6.245.321 |
| EBITDA .....  | 186.539   | 131.330   |
| EBIT .....  | 106.766   | 99.858    |
| EBT .....   | 336.092   | 58.986    |
| Profit for the period .....                                   | 317.966   | 51.494    |
| <b>Balance sheet ratios:</b>                                  |           |           |
| Current Ratio - Current assets/ Current liabilities .....     | 1,09      | 0,98      |
| Equity ratio - Equity / Total assets .....                    | 50,2%     | 33,5%     |
| Internal value - Equity / Share capital .....                 | 11,87     | 8,19      |
| Return on equity (on an annual basis) - Profit / Equity ..... | 25,64%    | 5,79%     |