

The logo for EXISTA is centered within a dark teal square. The word "EXISTA" is written in a white, sans-serif font. A small red dot is positioned above the letter 'I'. Horizontal lines extend from the left and right sides of the 'E' and 'A', respectively, crossing the boundaries of the teal square.

EXISTA





Interim Financial Results  
January – September 2006

# Agenda

EXISTA

1	Income Statement Jan-Sep 2006
2	Balance Sheet
3	Key Figures and Shareholders
4	Organisation and Strategy
5	Outlook
6	Iceland Telecom

- **Performance in the third quarter**
  - After-tax profit ISK 27.6 billion (EUR 310 million)
  - Total assets at the end of the period ISK 374 billion (EUR 4.2 billion)
  - Shareholders' equity ISK 171 billion (EUR 1.9 billion)
  - Equity ratio 46%
  - The first full quarter with insurance and asset finance in the accounts
  
- **Performance for the first nine months of the year**
  - After-tax profit ISK 24.3 billion (EUR 274 million)
  - Earnings per share ISK 2.54 (EUR 0.03)
  - Annualised return on equity 25%
  
- **Events in the third quarter**
  - Exista listed on the Iceland Stock Exchange
  - Number of new private and institutional investors joined the group of shareholders

# Income Statement – Third quarter year-on-year

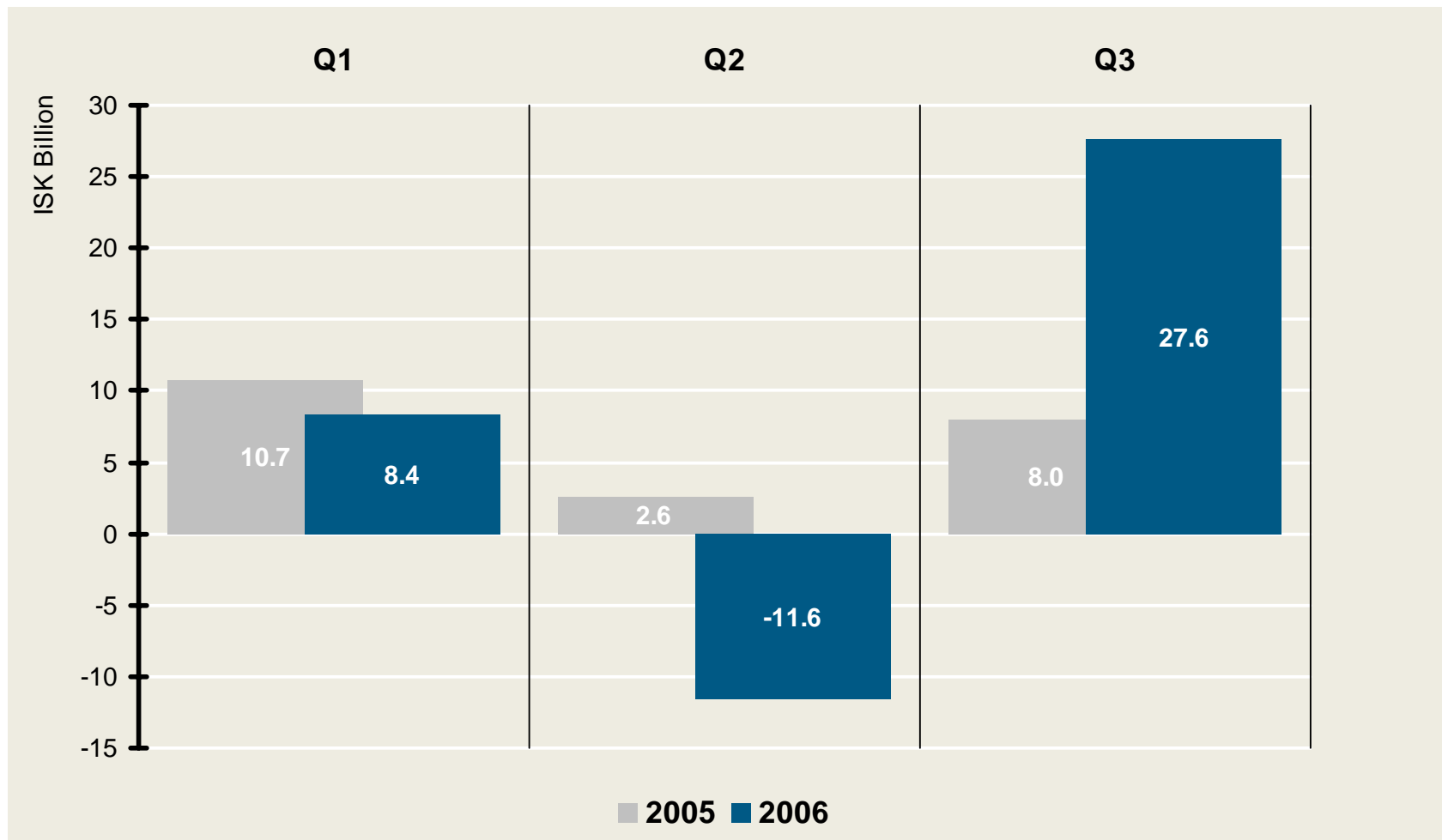
(ISK m)	Q3 2006	Q3 2005	Change
Financial assets designated at fair value	28,206	9,737	190%
Financial assets held for trading	264	347	-24%
Dividend	47	4	1075%
Interest	1,529	30	4997%
Insurance premium	3,198	0	
Other revenues	342	0	
<b>Total revenues</b>	<b>33,586</b>	<b>10,119</b>	<b>232%</b>
Insurance claims	-2,560	0	
Operating expenses	-2,114	-71	2877%
<b>Total expenses</b>	<b>-4,675</b>	<b>-71</b>	<b>6485%</b>
<b>Operating profit</b>	<b>28,912</b>	<b>10,048</b>	<b>188%</b>
Interest expenses	-2,438	-1,272	92%
Foreign exchange difference	1,846	800	131%
<b>Financial expenses</b>	<b>-592</b>	<b>-472</b>	<b>25%</b>
<b>Profit before tax</b>	<b>28,320</b>	<b>9,575</b>	<b>196%</b>
Income tax	-755	-1,555	-51%
<b>Profit for the period</b>	<b>27,566</b>	<b>8,020</b>	<b>244%</b>

- Profit for the period ISK 27.6 billion
- Earnings per share ISK 2.54
- Income derived from financial assets at fair value ISK 28.2 billion
- Interest revenues and expenses increase due to the asset finance business
- Insurance premium is a new source of stable revenues

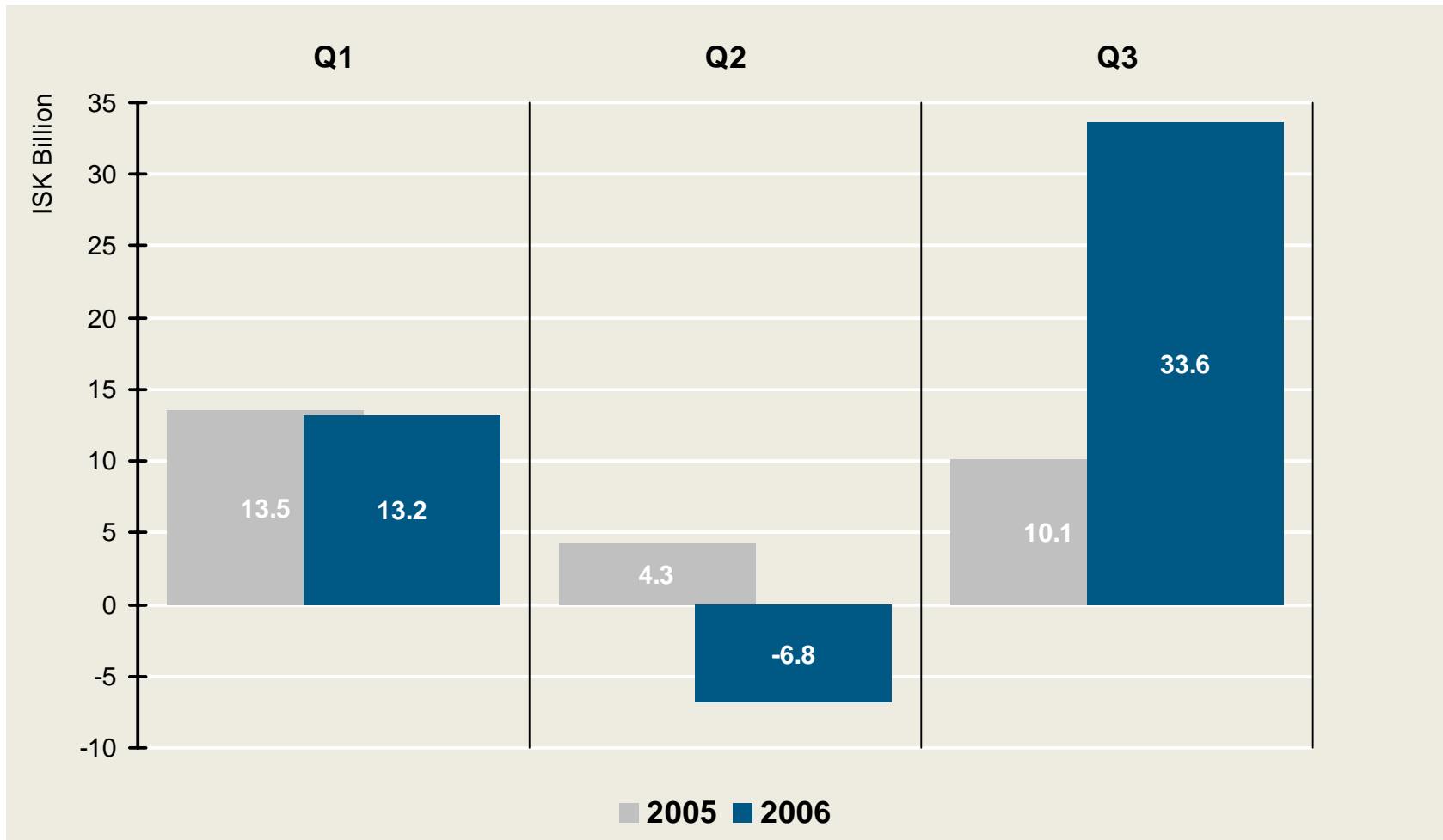
# Income Statement – Quarterly Development

(ISK m)	Q3 2006	Q2 2006	Q1 2006	Q4 2005	Q3 2005
Financial assets designated at fair value	28,206	-8,854	9,811	22,323	9,737
Financial assets held for trading	264	93	1,724	467	347
Dividend	47	22	1,648	1	4
Interest	1,529	841	16	7	30
Insurance premium	3,198	976	0	0	0
Other revenues	342	101	0	0	0
<b>Total revenues</b>	<b>33,586</b>	<b>-6,822</b>	<b>13,199</b>	<b>22,797</b>	<b>10,119</b>
Insurance claims	-2,560	-633	0	0	0
Operating expenses	-2,114	-674	-124	-89	-71
<b>Total expenses</b>	<b>-4,675</b>	<b>-1,308</b>	<b>-124</b>	<b>-89</b>	<b>-71</b>
<b>Operating profit</b>	<b>28,912</b>	<b>-8,130</b>	<b>13,075</b>	<b>22,709</b>	<b>10,048</b>
Interest expenses	-2,438	-1,968	-1,362	-1,281	-1,272
Foreign exchange difference	1,846	-2,132	-3,065	-1,161	800
<b>Financial expenses</b>	<b>-592</b>	<b>-4,100</b>	<b>-4,427</b>	<b>-2,442</b>	<b>-472</b>
<b>Profit before tax</b>	<b>28,320</b>	<b>-12,230</b>	<b>8,648</b>	<b>20,267</b>	<b>9,575</b>
Income tax	-755	582	-270	8,692	-1,555
<b>Profit for the period</b>	<b>27,566</b>	<b>-11,649</b>	<b>8,379</b>	<b>28,959</b>	<b>8,020</b>

# Profit by Quarters 2005 and 2006



# Total Revenues by Quarters 2005 and 2006



# Income Statement – Nine months year-on-year

(ISK m)	Jan–Sep 2006	Jan–Sep 2005	Change
Financial assets designated at fair value	29,163	26,629	10%
Financial assets held for trading	2,081	493	331%
Dividend income	1,717	686	150%
Interest	2,386	95	2423%
Insurance premiums	4,174	0	
Other revenues	442	0	
<b>Total revenues</b>	<b>39,963</b>	<b>27,903</b>	<b>43%</b>
Insurance claims	-3,194	0	
Operating expenses	-2,913	-156	1765%
<b>Total expenses</b>	<b>-6,106</b>	<b>-156</b>	<b>3809%</b>
<b>Operating profit</b>	<b>33,857</b>	<b>27,746</b>	<b>22%</b>
Interest expenses	-5,767	-2,281	153%
Foreign exchange difference	-3,351	193	-1832%
<b>Financial expenses</b>	<b>-9,118</b>	<b>-2,088</b>	<b>337%</b>
<b>Profit before tax</b>	<b>24,738</b>	<b>25,658</b>	<b>-4%</b>
Income tax	-442	-4,303	-90%
<b>Profit for the period</b>	<b>24,296</b>	<b>21,355</b>	<b>14%</b>
<b>Earnings per share (ISK)</b>	<b>2,54</b>	<b>3,54</b>	

- Net earnings ISK 24.3 billion, up 14%
- Earnings per share ISK 2.54
- Annualised return on equity 25%
- Income from assets at fair value ISK 29.2 billion
- Gains from trading assets ISK 2.1 billion
- Operating profit up by 22%

# Operating Businesses and Investment Businesses

(ISK m)	Operating Businesses	Investment Businesses
Insurance premium	4,174	0
Investment revenue	6,435	29,354
<b>Revenue</b>	<b>10,609</b>	<b>29,354</b>
Insurance claims	-3,194	0
Operating expenses	-2593	-320
<b>Expenses</b>	<b>-5,787</b>	<b>-320</b>
<b>Operating profit</b>	<b>4,822</b>	<b>29,034</b>

Insurance and Asset Finance (Operating Businesses) came into the accounts on 1 June 2006

## VÍS performance Jan – Sep 2006

- Profit for the period ISK 3,058
- Income from own premiums increased by 15% year-on-year
- Combined ratio 116%
- Measures taken to increase profitability and efficiency in insurance activities

## Lýsing performance Jan – Sep 2006

- Profit for period ISK 761, up 53% y-o-y
- Net operating income increased by 43% year-on-year
- Total assets increased by 50% from year-end
- Historically low impairment

# Agenda

EXISTA

1 Income Statement Jan-Sep 2006

2 Balance Sheet

3 Key Figures and Shareholders

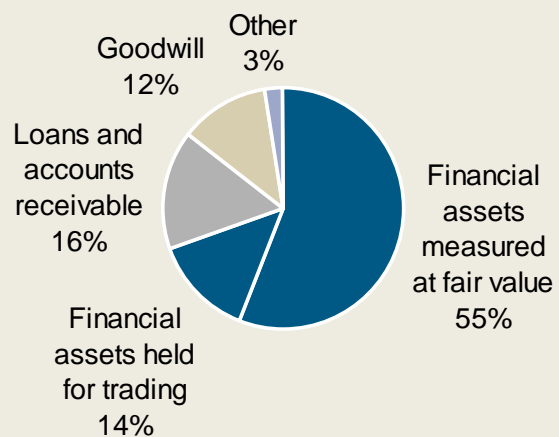
4 Organisation and Strategy

5 Outlook

6 Iceland Telecom

# Balance Sheet - Assets

(ISK m)	30 Sep 2006	31 Dec 2005	Change
Financial assets measured at fair value	208,860	148,667	40%
Financial assets held for trading	50,654	7,499	576%
Loans and accounts receivable	60,395	0	
Goodwill	44,149	0	
Reinsurance assets	2,134	0	
Property, plant and equipment	1,252	0	
Cash and equivalents	5,575	4,965	12%
Other assets	828	651	27%
<b>Total Assets</b>	<b>373,849</b>	<b>161,782</b>	<b>131%</b>



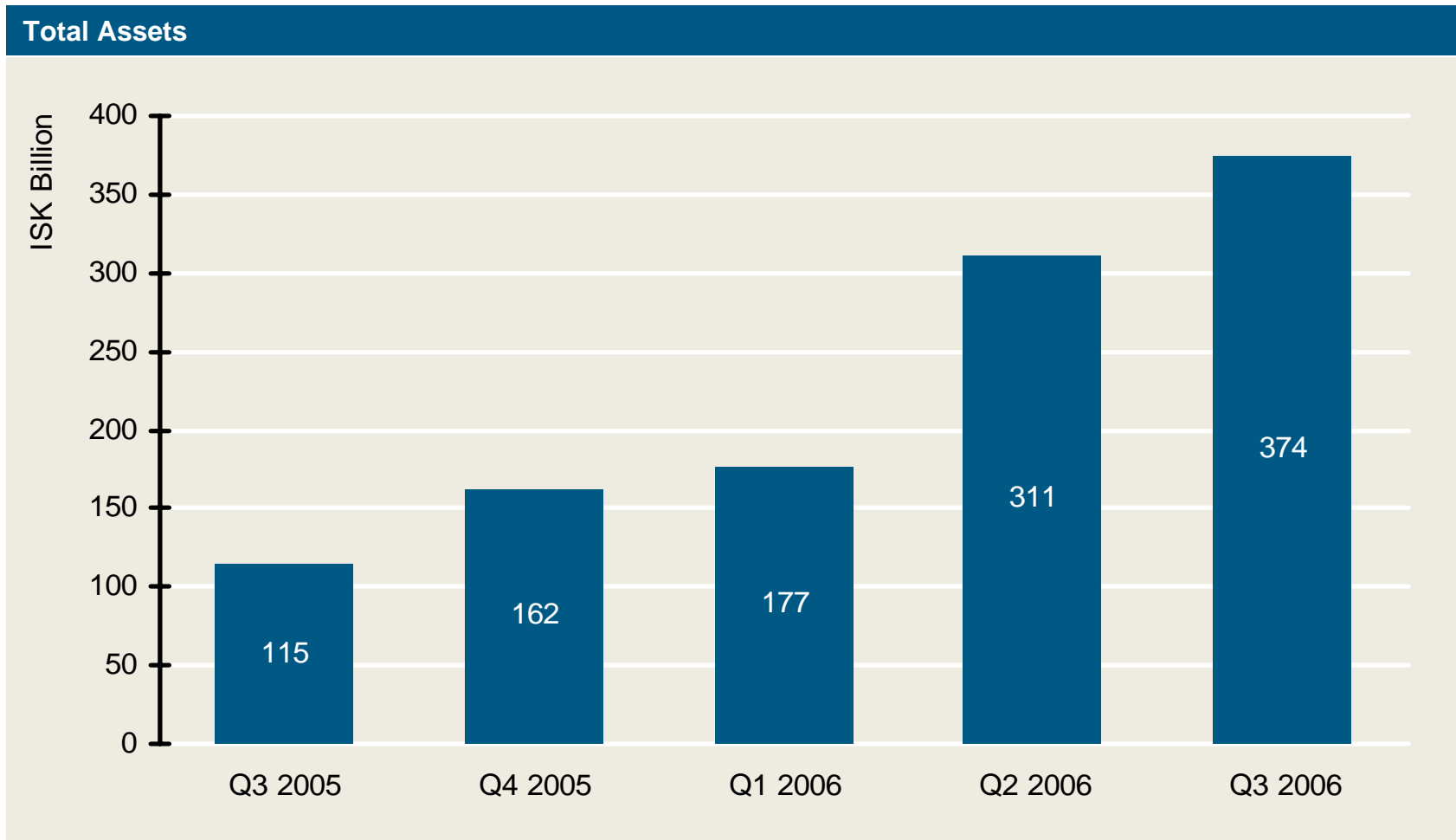
- Total Assets have grown by 131% from the beginning of year
- Diversification increasing in the asset base
- New loans and advances mainly due to the balance sheet of Asset Finance

## Balance Sheet – Equity and Liabilities

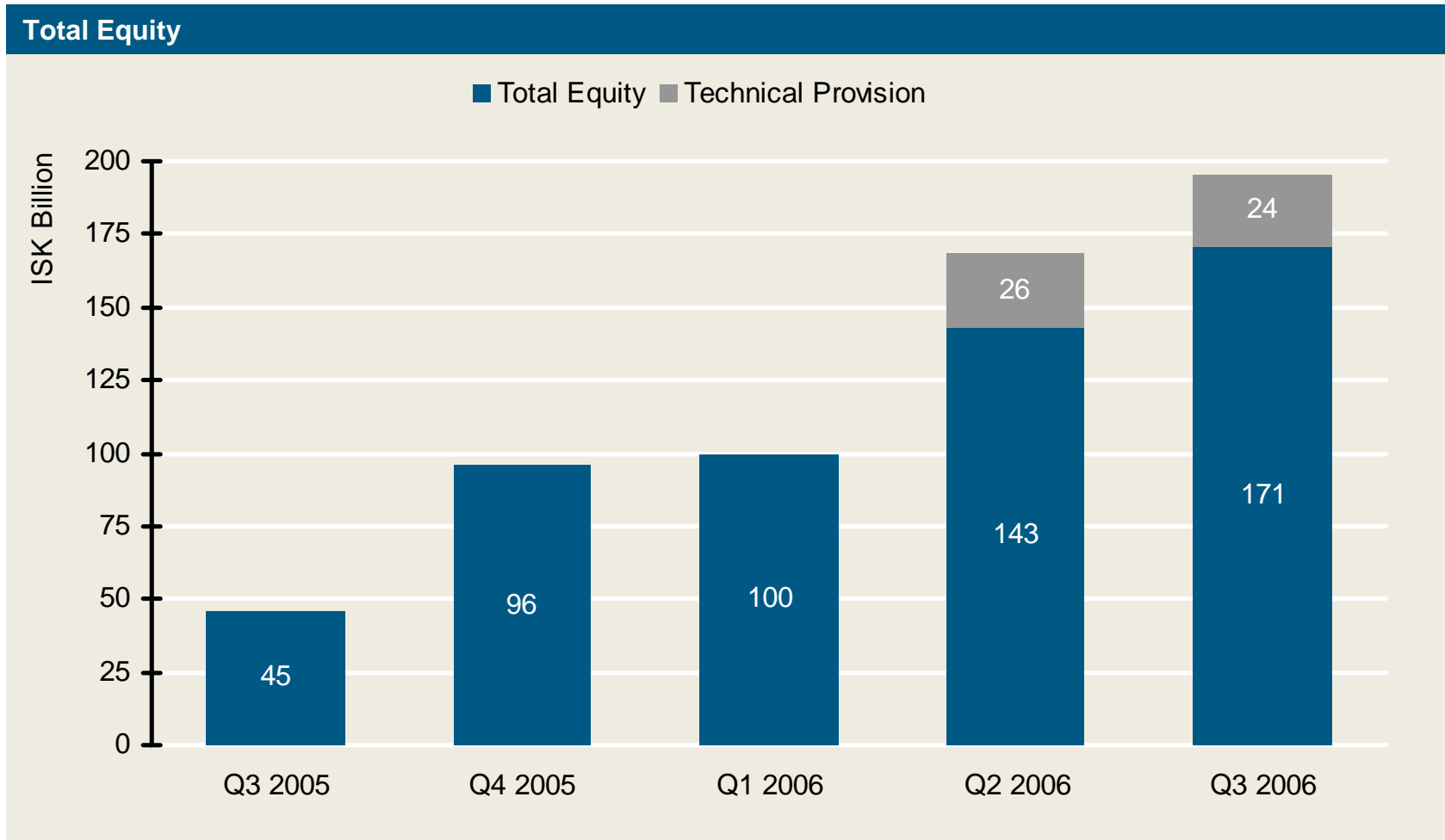
(ISK m)	30 Sep 2006	31 Dec 2005	Change
<b>Equity</b>			
Share capital	10,839	8,689	25%
Statutory reserves	2,161	2,161	0%
Capital reserves	70,436	17,351	306%
Translation reserves	0	-135	
Retained earnings	87,382	68,037	28%
<b>Shareholders' equity</b>	<b>170,818</b>	<b>96,104</b>	<b>78%</b>
Minority interest	205	0	
<b>Total Equity</b>	<b>171,023</b>	<b>96,104</b>	<b>78%</b>
<b>Liabilities</b>			
Borrowings	170,779	65,499	161%
Technical provision	24,333	0	
Deferred income tax liability	5,102	35	
Other liabilities	2,611	144	
<b>Total liabilities</b>	<b>202,826</b>	<b>65,678</b>	<b>209%</b>
<b>Total equity and liabilities</b>	<b>373,849</b>	<b>161,782</b>	<b>131%</b>

- Total Equity increased by 78% from the beginning of the year
- Equity ratio 46% on 30 September 2006
- Borrowings increase by 161%, largely due to the addition of Asset Finance
- Non interest bearing capital ISK 200 billion

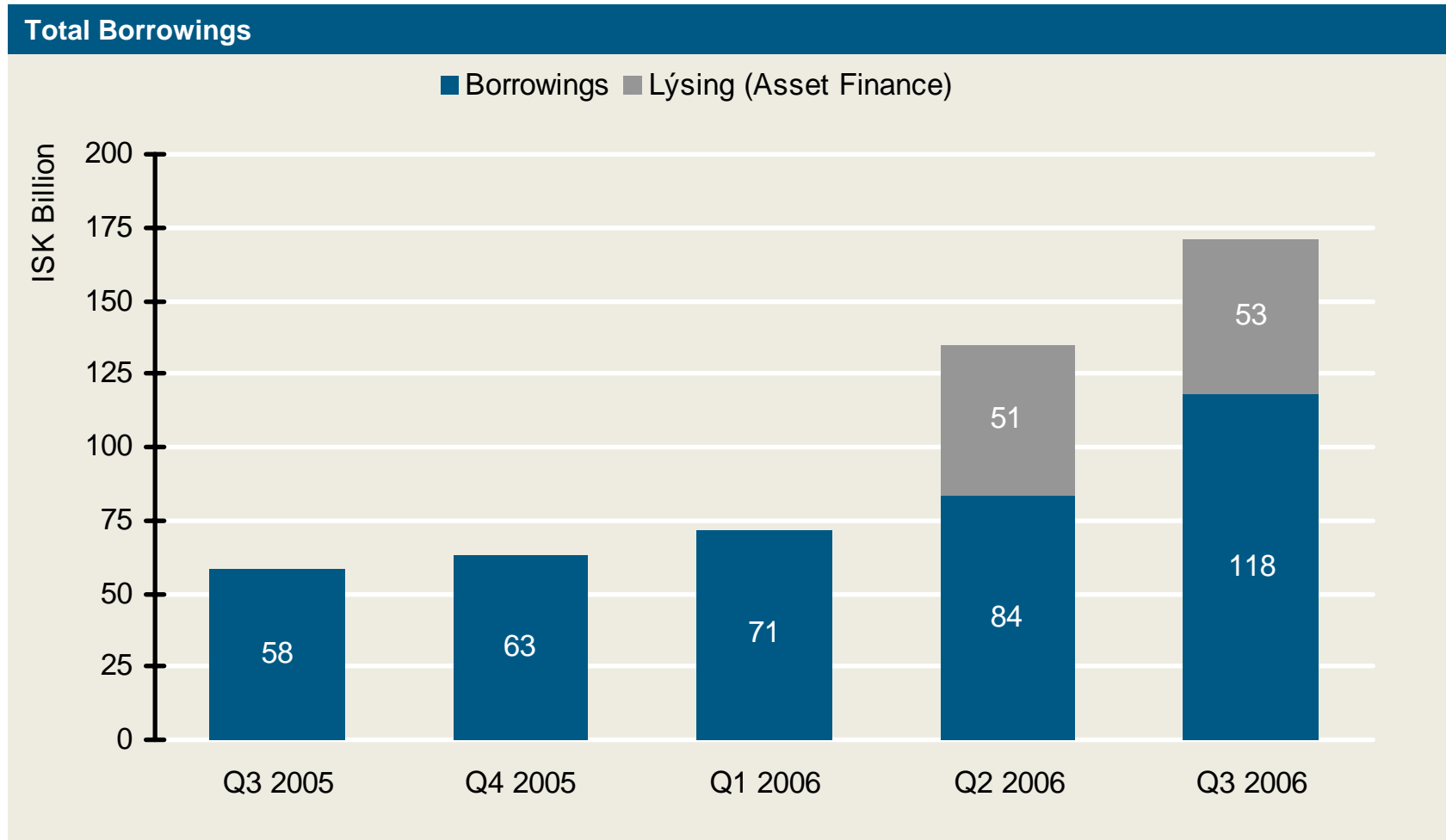
# Growth in Total Assets



# Total Equity and Technical Provisions

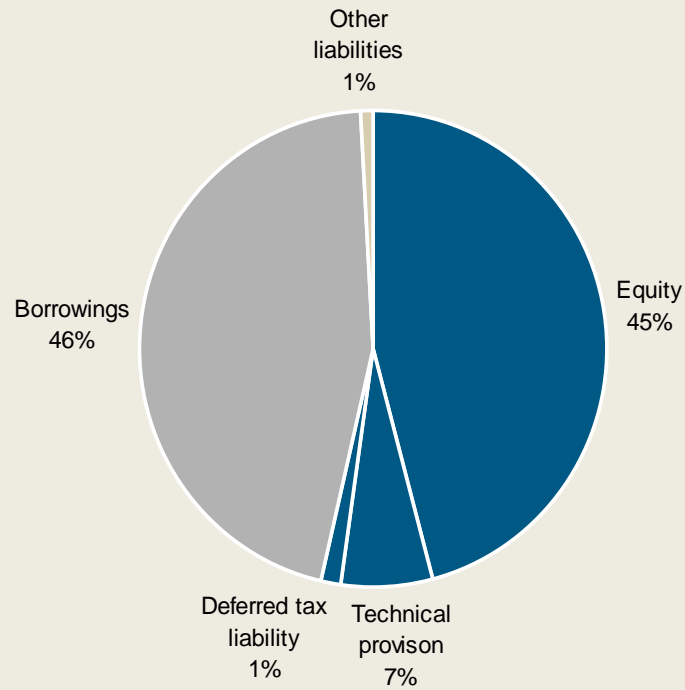


# Growth in Borrowings

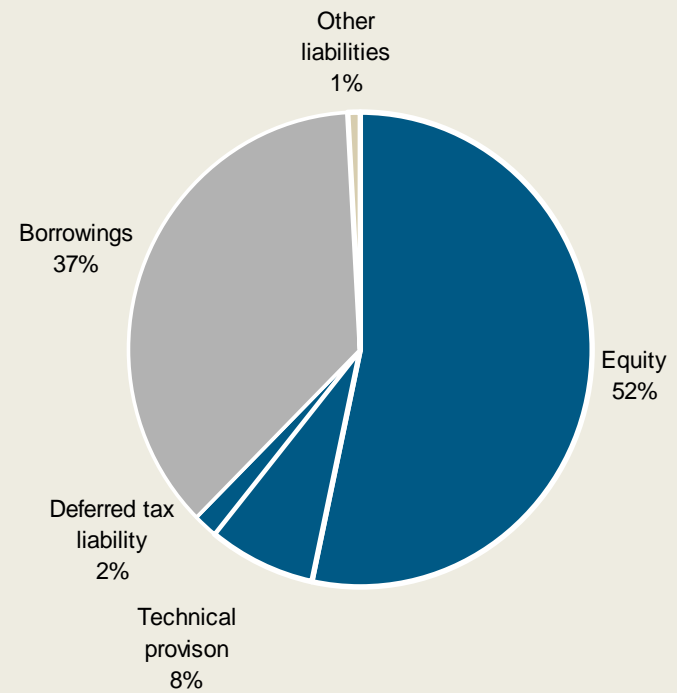


# Balance Sheet - Equity and Liabilities

## Equity and Liabilities



## Equity and Liabilities (excluding Asset Finance)



# Agenda

EXISTA

1 Income Statement Jan-Sep 2006

2 Balance Sheet

3 Key Figures and Shareholders

4 Organisation and Strategy

5 Outlook

6 Iceland Telecom

# Shareholders and Key Ratios

EXISTA

Jan-Sep 2006

## Profitability

Earnings per share (ISK)	2.54
ROE p.a.	25%

30 Sep 2006

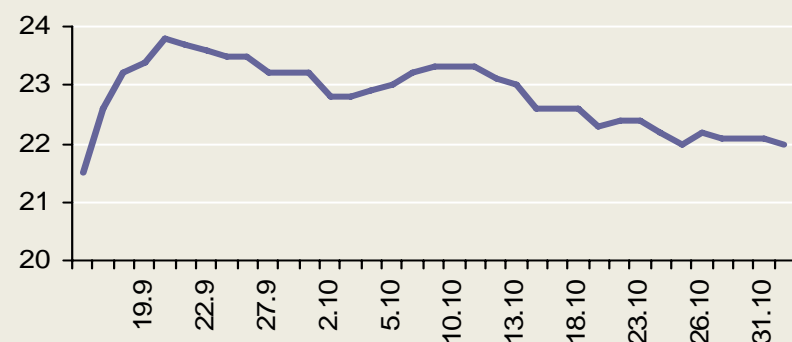
## Shares

Share Capital (ISK million)	10,839
Share Price (ISK)	23.2
Market Cap (ISK million)	251,459

## Valuation

Price / Earnings (12 monthts trailing)	4.71
Price / Book value	1.47

## Share Price Development



## Shareholders 30 October 2006

Bakkabraedur Holding B.V.	5,135,943,722	47.39%
SPRON	686,725,169	6.34%
Eignarhaldsfélagið Hesteyri ehf	621,594,909	5.73%
Eignarhaldsf Samvinnutryggingar svf	615,511,259	5.68%
Sparisjóðabanki Íslands hf	500,258,139	4.62%
Kaupþing banki hf	367,695,135	3.39%
Sparisjóðurinn í Keflavík	335,406,242	3.09%
Arion safnreikningur	271,977,128	2.51%
Lífeyrissjóður verslunarmanna	226,154,733	2.09%
Gildi -lífeyrissjóður	185,429,407	1.71%
Lífeyrissjóðir Bankastræti 7	175,585,316	1.62%
Eignarhaldsfélagið Andvaka gt	170,120,118	1.57%
Exista B.V	157,741,305	1.46%
Sparisjóður Mýrasýslu	140,265,103	1.29%
Egla hf	80,868,771	0.75%
Sparisjóður Vestfirðinga	74,002,205	0.68%
Straumur - Burðarás Fjárfestingab.	73,528,694	0.68%
Sameinaði lífeyrissjóðurinn	65,859,354	0.61%
Sparisjóður Húnaþings/Stranda	58,194,760	0.54%
<b>Twenty largest shareholders</b>	<b>9,942,861,469</b>	<b>91.73%</b>
Other shareholders	895,884,650	8.27%
<b>Total share capital</b>	<b>10,838,746,119</b>	<b>100.0%</b>

# Agenda

EXISTA

1 Income Statement Jan-Sep 2006

2 Balance Sheet

3 Key Figures and Shareholders

4 Organisation and Strategy

5 Outlook

6 Iceland Telecom

# Organisational Structure



## Exista - Financial Services Company

### Strategy

- Exista's mission is to maximize shareholders' long-term value through a diversified group of profitable businesses
- Exista utilises income from cash-generating operations and float to support highly selective investment activities, further increasing shareholder value
- The group intends to utilise its financial strength to acquire businesses that meet its criteria of income diversification and solid cash flow

### Key message

**Shareholder value**  
**Long term view**  
**Cash generation**  
**Float**  
**Diversification**

# Agenda

EXISTA

1 Income Statement Jan-Sep 2006

2 Balance Sheet

3 Key Figures and Shareholders

4 Organisation and Strategy

5 Outlook

6 Iceland Telecom

- Emphasis on diversifying and fortifying operating businesses still further
- Measures in place to streamline and enhance the profitability of the insurance business
- Operations of the asset finance business are healthy and the asset quality is solid
- Ambition to further expand investments and operating businesses outside of Iceland
- Focus on long-term shareholder value

# Agenda

EXISTA

1 Income Statement Jan-Sep 2006

2 Balance Sheet

3 Key Figures and Shareholders

4 Organisation and Strategy

5 Outlook

6 Iceland Telecom

Income Statement (ISK m)	Q3 2006	Q3 2005	Change
Total revenues	6,221	5,227	19%
Operating profit	1,439	966	49%
Financial income (expenses)	2,539	3	
Income tax	-715	-40	
Profit for the period	3,264	929	251%
<b>EBITDA</b>	<b>2,357</b>	<b>2,143</b>	<b>10%</b>
<b>EBITDA ratio</b>	<b>37.9%</b>	<b>35.8%</b>	<b>19%</b>

Cash Flow Statement (ISK m)	Q3 2006	Q3 2005	Change
Cash generated by operation	2,368	2,220	7%
Paid interest and taxes	.770	-103	645%
Investing activities	-1,204	-1,268	-5%
Financing activities	-927	77	
<b>Cash and cash equivalents at the end of the period</b>	<b>324</b>	<b>2,469</b>	<b>-87%</b>





EXISTA