

Mr. 82

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Information about assumptions etcj

Project Name	Hurricane
Case Name	
Date of Information	
Name	
First Year of Forecast	2008
Date of valuation	28.5.2008
Last Year End	31.12.2007
Last Financial Statements	0 months
Last Financial Statements day	31.12.2007
LBO model	Yes
Currency	Million ISK

Sources	Amount	xEBITDA 2007	xEBITDA 2008
Debt			
Senior A	1,0	0,1x	0,1x
Senior B		0,0x	0,0x
Senior C		0,0x	0,0x
Total Senior Debt	1,0	0,1x	0,1x
Second Lien		0,0x	0,0x
Mezzanine Loan		0,0x	0,0x
Short term financing		0,0x	0,0x
Total Debt	1,0	0,1x	0,1x
Vendor loan	0,0		
Equity	82,7	5,8x	5,2x
TOTAL SOURCES	83,7	5,7x	5,2x

Uses	Amount	xEBITDA 2007	xEBITDA 2008
Enterprise Value			
Equity Purchase Price	0,0	0,0x	0,0x
Refinance Net Debt	81,3	5,5x	5,1x
Cash	0,0	0,0x	0,0x
Total	81,3	5,5x	5,1x
Transaction Cost			
CF fee	2,4	0,2x	0,2x
Loan fee	0,0	0,0x	0,0x
Other fee	0,0	0,0x	0,0x
Total	2,4	0,2x	0,2x
TOTAL USES	83,7	5,7x	5,2x

Debt Assumptions	Tenor	Cash Margin	Cash coupon	PIK	All-in	Loan Fee	Fee Amount	Loan Amount	Portion	Type	Tax Deductible
Senior A	5 years	2,50%	7,50%	0,00%	7,50%	0,0%	0,0	1,0	100,0%	Amortization	Yes
Senior B	6 years	3,00%	8,00%	0,00%	8,00%	0,0%	0,0	0,0	0,0%	Amortization	Yes
Senior C	7 years	3,50%	8,50%	0,00%	8,50%	0,0%	0,0	0,0	0,0%	Bullet	Yes
Second Lien	8 years	5,00%	10,00%	0,00%	16,00%	0,0%	0,0	0,0	0,0%	Bullet	Yes
Mezzanine Loan	9 years	5,00%	10,00%	0,00%	16,00%	0,0%	0,0	0,0	0,0%	Bullet	Yes
Short Term Financing		5,00%	10,00%	10,00%	10,00%	0,0%	0,0	0,0	0,0%	Bullet	Yes
Revolver Interest	10,00%						0,0	1,0	100,0%		0
Cash interest	5,00%										0

Base Rates	Cost of Debt	Cost of Equity	Levered Beta
Base rate for debt	Average interest cost	10Y Gov. rate	5,00%
5Y SWAP rate	Average margin int. cost	Average Unlevered Beta	1,00%
10Y Gov. rate	Debt fees amortisation	Levered Beta	2,23x
	WACC debt rate	Market Risk Premium	4,50%
		SCP	

Cost of Equity

15.0%

Goodwill calculations	
Current Net Assets / Equity	-53
CF fee	2
Other fee	0
Equity price	0
Asset Step Up	0
Goodwill	-50

Fixed Asset Step Up	
Current Fixed Assets	21
Step Up	0
Deferred Tax Liability	0
Tax Rate	15.00%

Drive01	Drive02	Drive03	Drive04	Drive05	Drive06	Drive07	Drive08	Drive09	Drive10
% of Total Revenue	Fixed Number	Fixed percentage	Fixed percentage	No	Amortization	1 year	Unlevered Beta	2009	Fixed rate
% of Operating Revenue	% of Revenue	Book depreciator	FCFF	Yes	Bullet	2 years	Levered Beta	2010	Debt sens. rate
Growth	% of Operating Revenue	Tax depreciation	NOPLAT			3 years		2011	
	% of Net PPE					4 years		2012	
	Last year depreciation					5 years		2013	
						6 years		2014	
						7 years		2015	
						8 years		2016	
						9 years		2017	
						10 years			

Drive11	Drive12	Drive13	Drive14
Fixed Number	0 months	First year	0 year
% of Revenue	1 months	Average three years	1 years
% of Operating Revenue	2 months	Average five years	
% of Revenue Increase	3 months		
	4 months		
	5 months		
	6 months		
	7 months		
	8 months		
	9 months		
	10 months		
	11 months		

Revenue and Cost

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenue	188	283	300	300	311	339	380	382	404	428	453	479	507	536
Growth		50.4%	6.0%	0.0%	3.8%	9.0%	6.3%	6.1%	5.9%	5.8%	5.8%	5.8%	5.8%	5.8%
Revenue II	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Growth		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue III	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Growth		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Revenue	188	283	300	300	311	339	380	382	404	428	453	479	507	536
Growth		50.4%	6.0%	0.0%	3.8%	9.0%	6.3%	6.1%	5.9%	5.8%	5.8%	5.8%	5.8%	5.8%
CAGR		37.1%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cost	-112	-172	-186	-186	-183	-207	-217	-228	-233	-246	-280	-275	-291	-308
% of Total Revenue	59.8%	61.0%	62.2%	62.2%	62.0%	61.1%	60.3%	59.6%	57.5%	57.5%	57.5%	57.5%	57.5%	57.5%
Expenses	-70	-85	-98	-98	-102	-111	-118	-126	-133	-141	-149	-157	-167	-178
% of Total Revenue	37.1%	32.6%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%	32.9%
Admin. and other oper. exp.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost III	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cost IV	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Total Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Cost	-182	-257	-284	-284	-285	-318	-335	-354	-366	-387	-409	-433	-458	-485

Capex And Depreciation

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Fixed Percentage	19	19	21	21	28	35	41	47	53	60	67	74	81	89
Total Fixed Assets, end of year	-3	-5	-4	-4	-1	-1	-2	-2	-2	-3	-3	-3	-4	-4
Book Depreciation	4	2	9	9	8	9	8	8	9	9	10	10	10	10
Check	26	26	32	32	38	39	38	38	39	39	40	40	40	40
Fixed percentage	23.9%	23.9%	22.2%	22.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Capex Analysis	2.2%	0.8%	3.0%	3.0%	2.5%	2.5%	2.2%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
% of Revenue	10.0%	6.5%	7.0%	7.0%	8.9%	10.3%	11.4%	12.3%	13.2%	14.0%	14.8%	15.4%	16.0%	16.5%
Total Fixed Assets as % of Revenue														

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPANSION CAPEX	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fixed Number	1	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Operating Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Revenue Increase	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	2005	2006	2007	01/2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
MAINTENANCE EXPENSE														
% of Revenue	4	2	9	0	9	9	8	3	3	9	10	10	11	12
Fixed Number	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of Revenue	2.2%	0.8%	3.0%	0.0%	2.5%	2.5%	2.2%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
% of Operating Revenue	2.2%	0.8%	3.0%	0.0%	2.5%	2.5%	2.2%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
% of Net PPE	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Last year depreciation	0	0	5	0	4	1	1	2	2	2	3	3	3	4

Working Capital and Taxes Payable

	2005	2006	2007	01/2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CURRENT ASSETS														
Account Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of total revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inventories	22	41	36	38	41	41	44	48	49	52	55	56	61	65
% of total revenue	11.7%	14.6%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%	12.1%
Other Receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of total revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES														
Account Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
% of total cost	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Payable	4	2	2	2	2	2	2	2	3	3	3	3	3	3
% of total cost	2.0%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Working Capital	18	39	34	38	39	39	41	44	48	49	52	55	58	62
Decrease (increase) in Working Capital	-	-21	5	-1	-3	-3	-2	-3	-3	-3	-3	-3	-3	-3
Net WC as % of Total Revenue	9.7%	13.9%	11.4%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
TAX PAYABLE														
Tax Payable	0	0	0	0	3	3	4	5	7	7	8	9	9	10
Decrease (increase) in Tax Payable	0	0	0	0	3	1	1	1	2	1	1	1	1	1

Debt and Interest

	2005	2006	2007	01/2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
CURRENT DEBT														
Principal	83	86	91	91	91	91	91	91	91	91	91	91	91	91
Principal payment	15	18	10	10	10	10	10	10	10	10	10	10	10	10
Interest	63	68	81	81	81	81	81	81	81	81	81	81	81	81
Total debt	158	172	182	182	182	182	182	182	182	182	182	182	182	182
Total principal payment	15	18	10	10	10	10	10	10	10	10	10	10	10	10
Total loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash interest payment	15	18	10	10	10	10	10	10	10	10	10	10	10	10
Total PIK interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACQUISITION DEBT FINANCING														
Senior A														
Amortization					1	1	1	1	1	1	1	1	1	1
Principal					0	0	0	0	0	0	0	0	0	0
Tenor and Principal payment					0	0	0	0	0	0	0	0	0	0
Loan Draw					0	0	0	0	0	0	0	0	0	0
Cash Interest					0	0	0	0	0	0	0	0	0	0

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total loan received	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash interest payment	15	16	10	0	0	0	0	0	0	0	0	0	0	0
Total PIK interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
As of non tax-deductible interest cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0

DEBT ANALYSIS

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Weighted average cost of debt	14.1%	5.8%	5.5%	0.1%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	n/a	n/a	n/a	n/a
Debt / EBITDA					0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
DS / CFADS					25.8x	23.5x	43.3x	60.6x	104.7x	#####	n/a	n/a	n/a	n/a

INTEREST INCOME

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cash	0	0	0	0	7	13	24	39	63	89	116	147	180	216
Revolver interest	0	0	0	0	0	0	1	1	2	3	4	6	7	9
Cash interest					5.0%									

LOAN FEE AMORTISATION

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt fees beginning	0.0j	0.0j	0.0	0.0j	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt issuance fees ending					0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Taxes

TAXES FOR ECFE CALCULATIONS

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Paid Taxes					-3	-3	-4	-5	-7	-7	-8	-8	-9	-10
Net Interest Expenses Tax Shield					0	0	0	0	0	0	1	1	1	1
FCFF TAXES					-3	-3	-4	-5	-7	-7	-7	-9	-9	-9
as % of EBIT					18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%

TAXES PAID

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EBITDA					16	21	25	29	39	41	44	48	49	52
Net interest expense					0	0	0	0	2	3	4	4	6	7
Less non deductible interest expense					0	0	0	0	0	0	0	0	0	0
Tax Depreciation					-1	-1	-2	-2	-2	-3	-3	-3	-4	-4
EBT					15	19	23	28	38	42	45	49	52	56
Tax Rate					3	3	4	5	7	7	8	9	9	10
Total Paid (Saved) Taxes					3	3	4	5	7	7	8	9	9	10

TAXES BOOKED

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EBITDA					16	21	25	29	39	41	44	46	49	52
Net interest expense					0	0	0	0	2	3	4	4	6	7
Less non deductible interest expense					0	0	0	0	0	0	0	0	0	0
Book Depreciation					-1	-1	-2	-2	-2	-3	-3	-3	-4	-4
EBT					15	19	23	28	38	42	45	49	52	56
Tax Rate					3	3	4	5	7	7	8	9	9	10
Total Book Taxes					3	3	4	5	7	7	8	9	9	10

TAXES LIABILITY

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Book Taxes					3	3	4	5	7	7	8	9	9	10
Change in Deferred Tax Liability					0	0	0	0	0	0	0	0	0	0
Paid Taxes (no Taxes Saved)					-3	-3	-4	-5	-7	-7	-8	-9	-9	-10

Tax Asset in the beginning of period	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes paid					0	0	0	0	0	0	0	0	0	0
Tax Asset for the period					0	0	0	0	0	0	0	0	0	0
Deferred Tax Liability in the beginning of period					0	0	0	0	0	0	0	0	0	0

Income Statement

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues														
Operating Revenue	167.9	262.6	299.6		311	339	360	382	404	428	453	479	507	536
Revenue II					0	0	0	0	0	0	0	0	0	0
Revenue III					0	0	0	0	0	0	0	0	0	0
Total	167.9	262.6	299.6		311	339	360	382	404	428	453	479	507	536
Growth	50.4%	6.0%			3.8%	9.0%	6.3%	6.1%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Expenditure														
Cogs	-112.3	-172.4	-189.3		-183	-207	-217	-228	-233	-248	-260	-275	-281	-308
Expenses					-102	-111	-118	-126	-133	-141	-149	-157	-167	-176
Adm. and other oper. exp.	-69.7	-85.4	-88.6		0	0	0	0	0	0	0	0	0	0
Cost III					0	0	0	0	0	0	0	0	0	0
Cost IV					0	0	0	0	0	0	0	0	0	0
Total	-182.0	-267.8	-284.8		-285	-318	-336	-354	-366	-387	-403	-433	-458	-485
EBITDA	5.9	14.8	14.8		16	21	25	28	28	28	24	23	28	32
Forecast EBITDA margin	3.1%	5.2%	4.9%		5.2%	6.1%	6.6%	7.5%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
EBITDA margin	3.1%	5.2%	4.9%		5.2%	6.1%	6.6%	7.5%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
Depreciation														
EBIT	2.7	10.3	10.7		15	19	23	27	37	36	41	43	45	47
Other items	-4	-11	-5		0	0	0	0	0	0	0	0	0	0
Amortization on interest fee					0	0	0	0	0	0	0	0	0	0
Cash interest expenses	-15	-16	-10		0	0	0	0	0	0	0	0	0	0
PIK interest expenses					0	0	0	0	0	0	0	0	0	0
Interest income					0	0	1	1	2	3	4	6	7	8
EBT	-16.1	-16.3	-3.5		15	19	23	28	38	42	45	48	52	56
Taxes					-3	-3	-4	-5	-7	-7	-8	-8	-8	-10
Profit	-16.1	-16.3	-3.5		12	16	19	23	32	35	37	40	43	46
Tax Rate	0.0%	0.0%	0.0%		18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
ROIC	2.3%	7.5%	8.0%		13.4%	15.4%	16.9%	18.4%	23.4%	22.9%	22.6%	23.3%	22.0%	21.8%
ROIC (Excluding Intangible Assets)	7.3%	17.8%	19.3%		19.4%	21.3%	22.7%	24.1%	30.0%	28.9%	28.0%	27.3%	26.8%	25.9%

Balance Sheet

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assets														
Fixed assets	19	19	21	21	28	35	41	47	53	60	67	74	81	89
Intangible assets	81	79	79	28	28	28	28	28	28	28	28	28	28	28
Financial Asset				0	0	0	0	0	0	0	0	0	0	0
Tax assets				0	0	0	0	0	0	0	0	0	0	0
Current assets	22	41	35	36	38	41	44	48	49	52	55	58	61	65
Inventories				0	0	0	0	0	0	0	0	0	0	0
Account Receivables				0	0	0	0	0	0	0	0	0	0	0
Other Receivables				0	0	0	0	0	0	0	0	0	0	0
Cash				0	7	13	24	39	63	89	116	147	180	215
Total Assets	122	138	136	86	101	117	137	161	194	228	266	307	351	398

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Liabilities														
Borrowings	63	98	81	1	1	0	0	0	0	0	0	0	0	0
Unamortized financing fees				0	0	0	0	0	0	0	0	0	0	0
Deferred Tax Liability				0	0	0	0	0	0	0	0	0	0	0
Current liabilities														
Account Payable				0	0	0	0	0	0	0	0	0	0	0
Other Payable	4	2	2	2	2	2	3	3	3	3	3	3	3	3
Tax Payable				0	3	3	4	5	7	7	6	9	9	10
Equity														
Paid in Equity	47	75	75	83	83	83	83	83	83	83	83	83	83	83
Retained Earnings	12	28	28	12	28	28	47	70	102	136	173	213	256	302
Total Liabilities and Equity	122	139	138	101	117	117	137	161	194	229	265	307	351	398
Check	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

Cash Flow Statement

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EBITDA	6	15	15	0	16	21	25	28	39	41	44	48	49	52
Interest payment	-15	-16	-10	0	0	0	1	1	2	3	4	6	7	9
Taxes paid	0	0	0	0	-3	-3	-4	-5	-7	-7	-8	-9	-9	-10
(increase) decrease in operating working capital	n/a	-21	5	0	-1	-3	-2	-3	-3	-3	-3	-3	-3	-3
(increase) decrease in tax payable	n/a	0	0	0	3	1	1	1	2	1	1	1	1	1
Capital Expenditure	-4	-2	-3	0	-8	-9	-9	-8	-9	-9	-10	-10	-11	-12
Cash Flow Available for Debt Repayment	-13	-25	1	0	7	6	11	15	24	25	28	30	33	36
Principal Payments					0	0	0	0	0	0	0	0	0	0
Loan Drawn					0	0	0	0	0	0	0	0	0	0
New Equity Issue					0	0	0	0	0	0	0	0	0	0
Dividend payment					0	0	0	0	0	0	0	0	0	0
Portion of Earnings					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash flow	0	0	0	0	7	6	11	15	24	24	28	30	33	36
Cash in the beginning of period	0	0	0	0	0	7	13	24	39	63	80	118	147	180
Cash in the end of period	0	0	0	0	7	13	24	39	63	89	118	147	180	216

Balance Sheet LBO Adjustment

	CapCo	HoldCo	Financing	01 2008
Assets				
Fixed assets	21	0	0	21
Intangible assets	79	-50	0	28
Financial Asset	0	0	0	0
Tax assets	0	0	0	0
Current assets				
Inventories	36	0	0	36
Account Receivables	0	0	0	0
Other Receivables	0	0	0	0
Cash	0	84	-84	0
Total Assets	136	84	-134	86
Liabilities				
Borrowings	81	1	-81	1

Unamortized financing fees	0	0	0	0
Deferred Tax Liability	0	0	0	0
Current liabilities				
Account Payable	0			0
Other Payable	2			2
Tax Payable	0			0
Equity				
Paid in Equity	75	83	-75	83
Retained Earnings	-22		22	0
Total Liabilities and Equity	138	84	-134	86
Check	OK	OK	OK	OK

Afskrift

Afskrift i pås. ISK

2007

4.000.000

6761

EV / EBITDA 2007 18.7x

Valuation

	2005	2006	2007	01 2008	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Free Cash Flow	6	15	15	21	25	29	39	41	44	48	49	52		
EBITDA	0	-2	-2	-3	-3	-5	-7	-7	-7	-8	-8	-8		
Taxes on EBIT	Na	-21	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3		
Changes in WC	Na	0	0	1	1	1	2	1	1	1	1	1		
Change in Tax Payable	1	-2	-8	-8	-8	-8	-8	-8	-8	-8	-10	-10		
Capex	1	-10	9	7	6	11	14	23	23	23	24	26		
FCFF														
Growth						-13.0%	74.1%	32.3%	61.1%	-0.1%	5.9%	6.0%	6.0%	5.9%
Loan Drawn	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Int. Exp. of debts	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Shield from Interest Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FCFE	0	7	6	10	10	14	23	23	24	24	26	27	27	29
Dividend Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOPLAT	0	12	16	19	22	30	32	32	33	35	37	37	39	39

Fixed rate
 FCFF
 2.5%
 Growth after forecast period
 9 years
 9.7%
 ROIC

Cost
 15.0%
 40.0%
 60.0%
 18%
 166
 10.38x
 Debt
 WACC
 9.7%

Multiples
 EV / SALES
 0.9x
 18.7x
 25.9x
 EV / EBITDA
 0.8x
 17.3x
 18.5x
 EV / EBIT
 13.5x
 14.5x

	TV year	Forecast year	Count	Year	FCFF	PV FCFF	TV FCFF	NOPLAT	TV NOPLAT	FCFE	PV FCFE	TV FCFE	Discount Rate
Valuation FCFF	0	1	0	01 2008	0	0	0	0	0	0	0	0	16.0%
Operational value	0	1	1	2008	7	6	6	12	0	7	6	0	15.0%
Terminal Value	0	1	2	2009	6	5	4	18	0	6	4	0	15.0%
Mid year adjustment factor	0	1	3	2010	11	8	7	19	0	10	7	0	15.0%
Enterprise value	0	1	4	2011	14	10	8	22	0	14	8	0	15.0%
Net Debt	0	1	5	2012	23	14	11	30	0	23	11	0	15.0%
Equity value	0	1	6	2013	24	13	10	32	0	23	10	0	15.0%
Valuation FCFF	0	1	7	2014	24	13	10	33	0	24	9	0	15.0%
Operational value	0	1	8	2015	26	12	9	35	0	26	8	0	15.0%
Terminal Value	1	1	9	2016	27	12	10	37	174	27	8	113	15.0%
Debt Increase	0	0	10	2017	29	0	0	38	0	29	0	0	15.0%
Mid year adjustment factor				Total		94	174		174		71	113	

94
 174
 1.04
 277
 -81
 196
 71
 113
 -80
 1.04
 108
 81
 190

Sensitivity Analysis

EV/EBITDA 2016	80.0%	80.0%	100.0%	100.0%	120.0%	140.0%
Ch. Capex	157	167	180	228	277	375
Change in EBITDA	198	211	256	300	344	375
80.0%	198	211	256	300	344	375
90.0%	252	221	285	339	385	365
100.0%	308	295	338	362	385	365
110.0%	362	352	382	385	365	365
120.0%	428	362	385	365	365	365

6762

Parameters	100,00%	160	203	247	280	334
EBITDA change	125,0%	129	173	216	260	303
CAPEX change	150,0%					

Change in EBITDA		90,0%	100,0%	110,0%	120,0%
First year		80,0%	100,0%	110,0%	120,0%
		4,1%	4,6%	5,2%	5,7%
					6,2%

Parameters	100,00%	361	415
CAGR 2008-2016	198	307	471
	222	347	

CAGR 2008-2016		100,0%	120,0%	140,0%
		80,0%	100,0%	140,0%
		3,1%	6,0%	10,6%

Parameters	100,00%	361	415
CAGR 2008-2016	198	307	471
	222	347	

CAGR 2008-2016		100,0%	120,0%	140,0%
		80,0%	100,0%	140,0%
		3,1%	6,0%	10,6%

Parameters	100,00%	160	203	247	280	334
EBITDA change	125,0%	129	173	216	260	303
CAPEX change	150,0%					

Change in EBITDA		90,0%	100,0%	110,0%	120,0%
First year		80,0%	100,0%	110,0%	120,0%
		4,1%	4,6%	5,2%	5,7%
					6,2%

Ch. Capex	4,1%	4,9%	5,2%	5,7%	6,2%
	252	295	339	382	428
	221	265	308	352	395
	190	234	277	321	365
	160	203	247	290	334
	129	173	216	260	303

Ch. Capex	4,1%	4,9%	5,2%	5,7%	6,2%
	252	295	339	382	428
	221	265	308	352	395
	190	234	277	321	365
	160	203	247	290	334
	129	173	216	260	303

Ch. Capex	4,1%	4,9%	5,2%	5,7%	6,2%
	252	295	339	382	428
	221	265	308	352	395
	190	234	277	321	365
	160	203	247	290	334
	129	173	216	260	303

Ch. Capex	4,1%	4,9%	5,2%	5,7%	6,2%
	252	295	339	382	428
	221	265	308	352	395
	190	234	277	321	365
	160	203	247	290	334
	129	173	216	260	303

Cost of Debt	11,8%	13,3%	14,8%	16,3%	17,8%
	340	308	277	253	233
	299	271	248	228	211
	268	243	224	207	193
	239	220	204	190	177
	216	200	187	174	164

Cost of Debt	11,8%	13,3%	14,8%	16,3%	17,8%
	340	308	277	253	233
	299	271	248	228	211
	268	243	224	207	193
	239	220	204	190	177
	216	200	187	174	164

Cost of Debt	11,8%	13,3%	14,8%	16,3%	17,8%
	340	308	277	253	233
	299	271	248	228	211
	268	243	224	207	193
	239	220	204	190	177
	216	200	187	174	164

Cost of Debt	11,8%	13,3%	14,8%	16,3%	17,8%
	340	308	277	253	233
	299	271	248	228	211
	268	243	224	207	193
	239	220	204	190	177
	216	200	187	174	164

Valuation Summary

Free Cash Flow	2008	2009	2010	2011	2012
EBITDA	16	21	25	29	38
Taxes on EBIT	-3	-3	-4	-5	-7
Changes in WC and Tax Payable	1	-2	-2	-2	-1
Capex	-5	-8	-8	-8	-9
FCFF	0	7	6	11	23
Growth		-10.0%	74.1%	32.3%	61.1%

Valuation FCFE	2007	2008	2009	2010	2011	2012
Operational value	104	0.8x	0.8x	0.8x	0.8x	0.8x
Terminal Value	174	16.7x	17.3x	13.5x	13.5x	13.5x
Enterprise value	277	25.5x	18.5x	14.5x	14.5x	14.5x
Net Debt	-81					
Equity value	196					

WACC	Cost	Shares
Equity	15.0%	40.0%
Debt	7.5%	60.0%
WACC	9.7%	

IRR Summary

Free Cash Flow	1.1.2008	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.12.2017
FCFF	0	7	6	11	14	23	23	24	26	27	29
Loan Drawn	0	0	0	0	0	0	0	0	0	0	0
Principal Payments	0	0	0	0	0	0	0	0	0	0	0
Int. Exp. of debts	0	0	0	0	0	0	0	0	0	0	0
Tax Shield from Interest Expense	0	0	0	0	0	0	0	0	0	0	0
Purchase Price	-83										
Exit Value	n/a	0	0	0	0	0	233	0	0	0	0
Debt	-83	0	0	0	0	0	0	0	0	0	0
FCFE		7	6	10	14	23	236	0	0	0	0
Payback time	1	12.0 months	12.0 months	12.0 months	12.0 months	12.0 months	1.1 months	1.0	1.0	1.0	1.0
Payback time		0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0
Exit Year	2013										
EV/EBITDA multiple	5.68x										
IRR	26.3%										
Payback time	5.1 years										

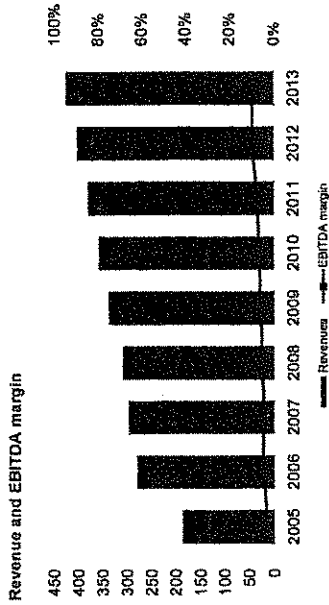
Exit Year	EV/EBITDA multiple	Payback time
2008	3.66x	no pay back
2009	4.66x	no pay back
2010	5.66x	0.9 years
2011	6.66x	1.5 years
2012	7.66x	2.4 years
		3.3 years
		4.2 years
		4.1 years

Exit Year	EV/EBITDA multiple	IRR on Investment
2008	3.66x	4.66%
2009	4.66x	5.66%
2010	5.66x	6.66%
2011	6.66x	7.66%
2012	7.66x	8.66%
		9.66%
		10.66%
		11.66%
		12.66%

Financial Summary

Income Statement	2006	2007	2008	2009	2010	2011	2012
Revenues	253	300	311	339	360	392	404
Growth	50.4%	6.0%	3.6%	9.0%	6.3%	6.1%	5.6%
EBITDA	15	15	16	21	25	29	39
EBITDA margin	5.2%	4.9%	5.2%	6.1%	6.8%	7.8%	9.6%
EBIT	10	11	15	19	23	27	37
EBIT margin	3.6%	3.6%	4.6%	5.6%	6.3%	7.0%	9.0%

Balance Sheet	2006	2007	2008	2009	2010	2011	2012
Fixed assets	19	21	28	35	41	47	53
Total Assets	139	136	101	117	137	161	194
Borrowings	86	81	1	1	0	0	0
Debt/EBITDA	0.7x	0.7x	0.0x	0.0x	0.0x	0.0x	0.0x
Total Liabilities	88	83	6	6	7	8	8
Total Equity	51	53	95	111	130	153	185



Financial Summary / Interim Report

Income Statement	2005	2007	None	01 2008	2008	2009	2010
Revenues	10	11	None	0	311	339	360
Growth	50.4%	6.0%	0.0%	0.0%	3.6%	6.0%	6.3%
EBITDA	15	15	None	0	16	21	25
EBITDA margin	5.2%	4.9%	None	0.0%	5.2%	6.1%	6.8%
EBIT	10	11	None	0	15	19	23
EBIT margin	3.6%	3.6%	None	0.0%	4.6%	5.6%	6.3%

Balance Sheet	2005	2007	None	01 2008	2008	2009	2010
Fixed assets	19	21	None	0	28	35	41
Total Assets	139	136	None	0	101	117	137
Borrowings	86	81	None	0	1	1	0
Debt/EBITDA	0.7x	0.7x	None	0.0x	0.0x	0.0x	0.0x
Total Liabilities	88	83	None	0	6	6	7
Total Equity	51	53	None	0	95	111	130

LBO Summary

	2007	2009	2010	2011	2012	2013	2014	2015	2016	2017
EBITDA	15	16	21	25	28	39	44	46	48	52
Taxes Paid	0	-3	-3	-4	-5	-7	-7	-8	-8	-10
Changes in WC	5	-1	-3	-2	-3	-3	-3	-3	-3	-3
Capex	-6	-8	-9	-8	-8	-9	-9	-10	-11	-12
CF for Debt Service	11	4	5	10	13	21	22	24	25	26

	2007	2009	2010	2011	2012	2013	2014	2015	2016	2017
Senior A	0	0	0	0	0	0	0	0	0	0
Principal Payment	0	0	0	0	0	0	0	0	0	0
Cash Interest	0	0	0	0	0	0	0	0	0	0
PIK Interest	0	0	0	0	0	0	0	0	0	0
Principal	0	1	1	1	0	0	0	0	0	0

Senior B	Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cash Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PIK Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Senior C	Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cash Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PIK Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Second Lien	Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cash Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PIK Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mezzanine Loan	Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cash Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PIK Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Short term financing	Principal Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cash Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Principal Payment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Interest Payment		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow		11	4	5	10	13	20	22	23	24	24	25	25	26	26	26	26	26	26
Interest on Cash Account		0	0	0	1	1	2	3	4	4	6	7	7	9	9	9	9	9	9
Cash Balance		7	13	13	24	39	63	89	116	147	180	210	210	216	216	216	216	216	216
Net Debt Balance		1	-6	-12	-24	-39	-63	-89	-116	-147	-180	-210	-216	-216	-216	-216	-216	-216	-216
Net Debt / EBITDA		0.1x	-0.4x	-0.6x	-1.0x	-1.3x	-1.6x	-2.2x	-2.7x	-3.2x	-3.7x	-4.2x	-4.2x	-4.2x	-4.2x	-4.2x	-4.2x	-4.2x	-4.2x
CAFFDS / Total debt service		n/a	16.7x	20.4x	40.4x	57.2x	85.9x	112.8x	141.1x	170.4x	200.9x	232.8x	232.8x	232.8x	232.8x	232.8x	232.8x	232.8x	232.8x
EBITDA / Total interest expenses		n/a	213.7x	342.0x	545.4x	950.3x	1,592.3x	2,592.3x	4,116.1x	6,726.1x	10,432.1x	16,242.1x	16,242.1x	16,242.1x	16,242.1x	16,242.1x	16,242.1x	16,242.1x	16,242.1x

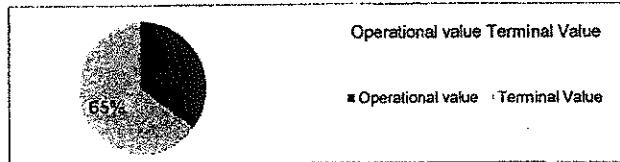
Checklist

Are numbers in Interim Columns

Check is there are numbers in the interim column, important if you are not using interim valuation

TV share of total EV

To high?



Tax Paid (based on FCFE)

Payable as % of EBIT

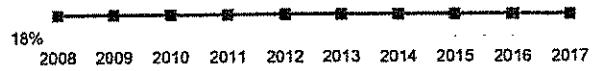
Tax Rate 18,0%

FCFF TAX RATE, % OF EBIT

18%

Tax Step Up

YOU ARE NOT USING ASSET STEP-UP



EBITDA margin and EBITDA growth

Is the margin stable?

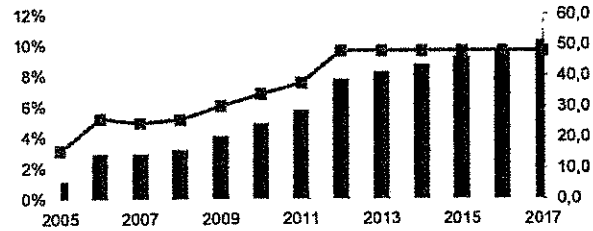
To high growth in EBITDA

CAGR 2007 - 2017 13,3%

CAGR 2007 - 2012 21,3%

CAGR 2012 - 2017 5,8%

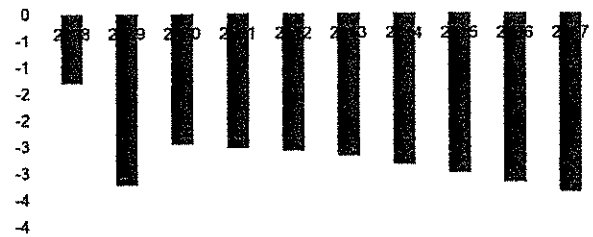
EBITDA and EBITDA margin



WC cashflow

Inflow or outflow?

WC (negative is cash outflow)



Multiples - Common Sense Check

Multiples	2007	2008	2009
EV / SALES	0,9x	0,9x	0,8x
EV / EBITDA	18,7x	17,3x	13,5x
EV / EBIT	25,9x	18,5x	14,5x

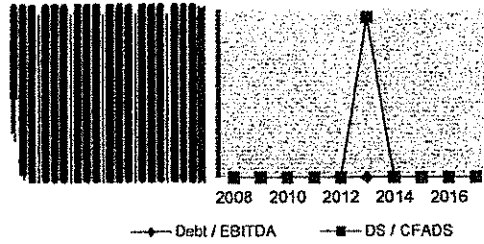
Debt financing and cost of capital

	Cost	0 Taxes	Est. debt	0	0
Equity	15,0%	40,0%	0	0	0,0x 0
Debt	7,5%	60,0%	18%	166	0,0x 0
WACC	9,7%				

6767

Comment: Does Debt/EBITDA 2007 and 2008 make sense.
Is the CAFDS ratio > 1x

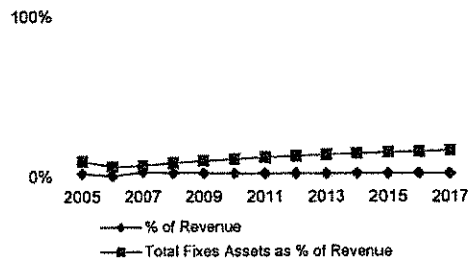
Debt analysis - LBO debts (not FCFF)



Capex

Is there increase / decrease in Capex as % of revenue?

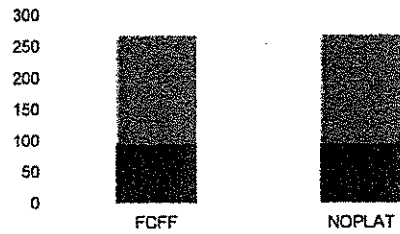
Capex analysis



NOPLAT vs. FCFF TV

To much difference	FCFF	NOPLAT
PV		94
TV	174	174
EV	287	268

NOPLAT vs. FCFF

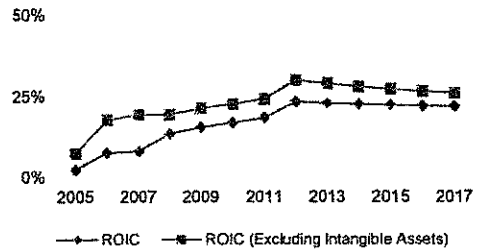


Comment: If Noplat is less than FCFF than check investment cost, should it be higher?

ROIC

Is ROIC increasing, book depreciation might be to high or investment to small

ROIC



MODEL GUSTUR

First year of forecast	2008
Revenue	800,000
2007	850,000
2008	5.0%
Increase 2009	3.5%
Growth after 2008	0.8%
Growth after 2016 (TV)	
EBITDA	
% 2008	11.0%
% 2009	12.0%
% increase per year	1.0%
for number of years	2 years
WACC	11.0%
Cost of debt	17.0%
Cost of equity	
Debt/Asset ratio	45.0%
Taxes	18.0%
WACC	13.4%
Balance Sheet	
Debt	200,000
Cash	50,000
Net debt	150,000
Net debt / EBITDA 2008	1.6x
WC as % of rev.	10.0%
Capex as % of rev.	0.8%
Implied NOPLAT Capex	0.9%

Forecast	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue	850,000	892,500	923,738	956,068	989,531	1,024,164	1,060,010	1,087,110	1,135,509
EBITDA margin	11.0%	12.0%	13.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
EBITDA	93,500	107,100	120,086	133,850	138,534	143,383	148,401	153,595	158,971
Capex	-6,800	-7,140	-7,390	-7,649	-7,916	-8,193	-8,480	-8,777	-9,084
WC change	-5,000	-4,250	-3,124	-3,233	-3,346	-3,463	-3,585	-3,710	-3,840
Taxes on EBIT	-15,606	-17,993	-20,285	-22,716	-23,511	-24,334	-25,188	-26,087	-26,990
FCFF	66,084	77,717	89,287	100,252	103,751	107,392	111,151	115,041	119,058
TV									951,861
Depreciation	-8,800	-7,140	-7,390	-7,649	-7,916	-8,193	-8,480	-8,777	-9,084

Valuation summary

Free Cash Flow	2008	2009	2010	2011	2012	2013
Revenue	850,000	892,500	923,738	956,068	989,531	1,024,164
Growth	6.3%	5.0%	3.5%	3.5%	3.5%	3.5%
EBITDA	93,500	107,100	120,086	133,850	138,534	143,383
EBITDA margin	11.0%	12.0%	13.0%	14.0%	14.0%	14.0%
Taxes on EBIT	-15,606	-17,993	-20,285	-22,716	-23,511	-24,334
Changes in WC	-5,000	-4,250	-3,124	-3,233	-3,346	-3,463
Capex	-6,800	-7,140	-7,390	-7,649	-7,916	-8,193
FCFF	66,084	77,717	89,287	100,252	103,751	107,392

NPV of TV	2008	2009	2010
NPV of FCFF	306,723	472,782	779,505
EV	779,505	1,150,000	1,500,000
Net Debt	-150,000	-150,000	-150,000
Equity value	629,505	1,000,000	1,350,000
Implied debt	350,777	350,777	350,777
Debt/EBITDA 2008	3.8x		

Multiples	2008	2009	2010
EV / SALES	0.9x	0.9x	0.8x
EV / EBITDA	8.3x	7.3x	6.5x
EV / EBIT	9.0x	7.8x	6.9x

WACC	Cost	Share
Equity	17.0%	55.0%
Debt	11.0%	45.0%
WACC	13.4%	