KAUPTHING BANK

Kaupthing Bank – Corporate Credit

Presentation of large exposure > €45 million

Private & Confidential

25 September 2008

Exista Group hf.

KAUPTHING BANK

mEUR	Loans	Unused	Equity	Bonds	Derivat.	MM	Total
Exista hf.	627.4	4.7	34.1	51.5	40.4	33.1	791.2
Bakkabraedur Holding BV	252.5	-	-	-	-	-	252.5
Exista Invest ehf.	-	-	-	-	0.9	-	0.9
Lýsing hf.	-	2.5	-	-	-	-	2.5
Ufsastaðir ehf.	0.9	-	-	-	-	-	0.9
Vátryggingafélag Íslands hf.	-	0.2	-	-	-	-	0.2
Fiskifréttir/Framtíðarsýn	0.9	0.2	-	-	-	-	1.1
Guro Leisure Ltd. (KS&F)	193.1	5.0	-	-	-	-	198.3
Bakkabraedur Group (KBLUX)	128.7	-	-	-	-	-	128.7
Exista Sub Group (KBLUX)	35.4	-	-	-	-	-	35.4
Gudmundsson & Reynisdottir (KIOM)	13.6	-	-	-	-	-	13.6
Total	**1,252.5**	**12.6**	**34.1**	**51.5**	**41.3**	**33.1**	**1,425.3**

Exista - Exista hf.

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Exposure

Loans	627.4
Unused	4.7
Equity	34.1
Bonds	51.5
Derivat.	40.4
MM	33.1
Total	**791.2**

Exista operates in the field of financial services and has a focus on insurance and asset finance. Exista is the largest shareholder in Sampo Group, Kaupthing Bank and Bakkavor Group. Skipti, VIS and Lýsing are 100% owned by Exista hf.

Exista's business model is effectively based on utilizing income from cash-generating businesses to support highly selective investment activities, made by specialist investment teams and monitored and serviced by centralized Finance, Risk Management, Legal Council and Communications. Exista's operation is therefore based on two foundations; the Operating Businesses and the Investments Businesses.

Exista is listed on the Iceland Stock Exchange with the largest shareholders being Bakkabrædur Holding BV, Kista-fjárfestingafélag ehf, Gift fjárfestingafélag ehf. and Gildi lífeyrissjóður.

Collateral & Guarantees

Overall LTV: NA

Bulk of the loans are unsecured and with no covenants. The exemption is a EUR 100 million revolving facility which is secured with an equal amount of deposits.

Financial Performance

Net turnover	105.7	EBITDA	23.4
Total assets	6,924.7	Curr. Assets	1,096.4
Equity	2,284.2	Equity ratio	32.99%

- 30.6.2008

Credit Rating: BB

Risk Factors

The main risk factor is market risk and a possible prolonged downturn and volatility in global financial markets. Exista is as such exposed to liquidity risk, as it could prove a challenge in current environment to refinance current loans or to liquidate current stakes in the abovementioned companies to secure liquidity. Further on, given the concentration in Exista's asset portfolio on the large financial stocks, the company is subject to financial sector risk, which has been particularly volatile recently.

Exista - Bakkabrædur Holding BV

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Exposure

Loans	252.5
Total	**252.5**

Bakkabræður Holding BV is a holding company around shares in Exista hf. The company is owned by Ágúst Guðmundsson and Lýður Guðmundsson. The company is the largest shareholder in Exista.

Collateral & Guarantees

Overall LTV is around 89%

As security Kaupthing Bank pledged 6,408 million shares in Exista. Current market value of the shares is around EUR 283 m.

Financial Performance

NA

Credit Rating: NA

Risk Factors

Share price and operations of Exista hf. See separate presentation on Exista and the risk related to Exista.

Exista - Guro Leisure Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 193.1 Unused 5.0 Equity Bond Derivat. **Total 198.3**	The rationale for undertaking this business is the underlying ownership of the counterparty by Exista. This is a Reverse Repo transaction where we have financed the purchase of shares in JJB Sports, a UK retail group.
Collateral & Guarantees	Shares in London quoted Co. valued at €107.9m	Subjective rating of the overall security: unacceptable
Financial Performance	N/A	Not rated.
Risk Factors	The value of the shares purchased has fallen by more than half and we are thus reliant on the underlying break – up value of JJB which is significantly higher than the market price.	

Exista - Bakkabraedur Group (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure	Loans 128.72 Unused 0.00 Equity n/a Bonds n/a Derivat. 0.01 **Total 128.73**	The Bakkabraedur Group is owned and controlled by Agust and Lydur Gudmundsson, who are the founders of the Icelandic listed company Bakkavor Group hf. and the largest shareholders of Exista hf. (with regard to Exista sub group please refer to separate report). Substantial part of the exposure is aligned to the group's investment companies; beside that KBLUX established in favour of: 1. Barello Global S.A. - GBP 12.75mn property financing in UK 2. Jukebox L.P. - USD 23mn aircraft financing 3. Agust Gudmundsson - EUR 7.5mn + EUR 1.4mn property financing in France
Collateral & Guarantees	1. Personal guarantee L. Gudmundsson 2. First priority mortgage on aircraft (market value USD 28.5mn/LTV c.80%) 3. Undertaking to establish mortgages on the properties	There are no direct pledges between the different investment companies and some of the facilities are neither secured by personal guarantee nor by any other assets qualifying on the standard terms and conditions of KBLUX. Taking the lack of gross guarantee into account real short position amounts to EUR 43.67mn. Securities portfolio of the group is widely spread with the major parts being the shares held in Exista (EUR 371.4mn) and Bakkavor Group (EUR 63.5mn, market values).
Financial Performance	Financial situation of Exista sub group is outlined in the report attached.	Credit Rating: no rating Due to changed framework regulations regarding the UK linked operations (which require domestic payment sources for servicing debt), the group structure needs to be partly reorganised.
Risk Factors	The performance of the group might be affected by an ongoing adverse market environment, as the majority exposure of the group is linked to the investment business.	

Exista - Exista Sub Group (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure	Loans 35.37 Unused 0.00 Equity n/a Bonds n/a Derivat. n/a **Total 35.37**	Exista sub group -being a part within Bakkabreadur Group- was founded in June 2001 by a group of Icelandic Savings Banks and Kaupthing Bank hf.; in December 2002 Bakkabraedur became the majority shareholder of the company alongside the founding companies. Exista's business model is effectively based on utilising income from cash-generating businesses to support highly selective investment activities. In 2007, Exista successfully converted from a pure investment company to a financial services company with operations in the areas of insurance and asset financing. The switch is supporting the diversification in income streams as well as the direct generation of cash flows. Up to now KBLUX arranged and syndicated two deals in favour of Exista: 1. Exista B.V.; in 09/2005 a EUR 150mn Secured Syndicated Loan Facility, with an own commitment of EUR 29mn. Maturity in 09/2008 (bullet). 2. Exista hf.; in 11/2006 a DKK 300mn Syndicated Term Loan Facility, with an own commitment of DKK 47.5mn (EUR 6.37mn). Maturity in 11/2009 (bullet).
Collateral & Guarantees	1+2. First priority pledge of shares in Kaupthing Bank hf. 2. Guarantee given by Exista B.V.	1+2. Security Cover Ratio 150% (pledged shares to loan); in case of non compliance, borrowers are contractually obliged to deliver additional shares.
Financial Performance	Interim Financial Statements 06/2008 (in EUR mn) Turnover 105.7 EBITDA 24.4 Total assets 6,924.7 Curr. Assets n/a Equity 2,284.2 Equity ratio 33.0%* (*w/o taking into account goodwill EUR 341.4 mn)	Due to business nature, financial performance was significantly impacted by challenging market environment. Mainly due to revaluation of shares (EUR -237.2mn) and substantially lowered income from associated shares (c. EUR -482.9mn; compared to 06/2007), Exista had to report a net loss of EUR 82.2mn for the period under review
Risk Factors	The financial performance of the group is intensely exposed to the (investment) market development and might be affected further; the EUR 150mn syndicated transaction due for repayment in September 2008 will not be refinanced but repaid.	

Robert Tchenguiz

KAUPTHING BANK

Exposure

Loans	1082.9
Unused	36.0
Derivat.	255.1
Total	**1374.0**

Robert Tchenquiz ("RT") owns a holding company, Tchenquiz Discretionary Trust (TDT), which he has built up positions through in public and private companies. His main investments are in the chain of supermarkets J. Sainsbury and chain of pubs/restaurants Mitchells & Butlers. He also has various other investments. The bulk of RT's investments are managed through a ring-fenced structure, of which Oscatello Investments is the holding company. Kaupthing has pledge over all the assets of Oscatello and has exposure through various entities in the Oscatello structure. Work is underway to simplify the structure of the TDT exposure,

Collateral & Guarantees

Overall LTV 98.6%

The exposure is secured with cash and shares in RT's Oscatello structure as well as with ALF type security over the TDT's share in Somerfield as well as various other assets mainly property.

Financial Performance

NA

Credit Rating: B+
On daily watch list

Risk Factors

Movements in share valuation of retail and leisure stocks in the UK.

Skuli Thorvaldsson

KAUPTHING BANK

mEUR	Loans	Unused	Derivat.	Total
Skuli Thorvaldsson (KBLUX)	405.5	120.7	125.5	651.7
Holt Investment Group ltd.	138.6	-	-	138.9
Total	**544.1**	**120.7**	**125.5**	**790.3**

Skuli Thorvaldsson (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	405.5
CFD & TRS	125.5
Unused	120.7
Equity	-
Bonds	-
Derivat.	-
Total	**651.7**

- ST has accounts for several investment companies with KBLUX.
- He is direct and sole BO for most of the companies, Holt Holding being owned together with his sister and Morecra further owned by Holt Holding.
- The debt exposure is driven by Holly Beach S.A., Marple Holding S.A. and corporate transaction via Immo Croissance Sicav SIF.
- Parts of the commitments are related to leveraged Hedge Fund portfolios with KBLUX Geneva branch.
- ST is currently the biggest private Borrower of KBLUX.

Collateral & Guarantees

MAB (CFD)	78.7m
Kaupthing (Bonds)	71.6m
Sampo (Shs)	67.3m
Other assets	219.8m
LTV*	121%

-Rating: none.
-Cross-collateralization is not currently fully achieved and with the pledges in place the group is net short by EUR 170m of which 120m is related to Immo Croissance Sicav SIF transaction.
-Back-up guarantees from KBICE amounting EUR 440m

Financial Performance

The exposure has been increasing during this year mainly driven by the Immo Croissance Sicav FIS transaction and further investing into Mitchells & Buttlers.

The security portfolio has sustained its value relatively well even with the current turmoil in the markets. During the last months Exista has been the worst performer among the assets.

Risk Factors

-The five biggest exposures represents over 60% of the overall assets
-Lack of diversification in some portfolios.
-Uneven distribution of assets and liabilities.
-Lack of full cross-collateralization.

* LTV calculated on “utilized” only

Holt Investment Group Ltd.

KAUPTHING BANK

Exposure	Loans 138.6 **Total** **138.6**	The company is a holding company for shares in Kaupthing Bank hf.and Exista hf. Skuli Thorvaldsson is the owner of the company.
Collateral & Guarantees	Security margin: 96% (LTV 103%)	Collaterals are 22,000,000 shares in Kaupthing Bank and 94,000,000 shares in Exista hf. The company is on a Watch List. Collaterals can be difficult to liquidate in current market environment.
Financial Performance	NA	Credit Rating: On Exception list Margin call: N/A
Risk Factors	The company's performance is closely linked to the price development of Kaupthing Bank since it is by far the largest asset of the company.	

Kjalar

mEUR	Loans	Unused	Derivat.	Guarant.	Total
Kjalar hf.	424.8	1.7	51.9	-	478.4
Iceland Seafood Int. ehf.	62.9	7.7	-	0.1	70.7
Samskip Holding BV	30.3	1.7	-	-	32.0
Samskip hf.	5.7	0.1	-	0.2	6.0
Olafur Olafsson (KBLUX)	48.9	-	-	-	48.9
Total	**572.6**	**11.2**	**51.9**	**0.3**	**636.0**

Kjalar – Kjalar hf.

KAUPTHING BANK

Exposure

Loans	424.8
Unused	1.7
Derivat.	51.9
Total	**478.4**

Kjalar hf. is a holding company controlled by Mr. Ólafur Ólafsson which owns 94%. Management owns the remaining 6%. The company acts in the fields of transportation, banking, real estate, food processing and proprietary trading with Europe as its main market. Main assets are 9.71% share in Kaupthing Bank, 34.14% in Alfesca (formerly SIF), 71.8% in Samskip, 33.03% in HB Grandi and 64% in Iceland Seafood International.

Collateral & Guarantees

Equity ratio 23%

Three facilities, secured with various share pledges, e.g. Alfesca, Kaupthing and Grandi HB.

Financial Performance

Net turnover	50.3	EBITDA	49.2
Total assets	1,306	Curr. Assets	43.6
Equity	294.9	Equity ratio	23%

- 31.12.2007

Watch list

Risk Factors

Most of Kjalar's loans are in EUR and the collateral value shifts both with the value of Kaupthing shares as well as the exchange rate between EUR and ISK. For a holding company such as Kjalar with its main assets in listed companies, both the share prices of the assets as well as the operating performance of the underlying assets have been negatively affected by the turmoil in the Icelandic and international markets.

Kjalar - Iceland Seafood International ehf.

KAUPTHING BANK

Exposure

Loans	62.9
Unused	7.7
Guarant.	0.1
Total	**70.7**

ISI is a traditional marketing and sales company and places primary emphasis on the traditional sales of fresh, frozen and salted seafood products on international markets. ISI represents producers of fresh, frozen and salted seafood, sold for value-added processing, to wholesalers, distributors, retail chains, restaurants and to parties who sell the products under their own brand names.

The total amount (limit) of the multi currency revolving credit facility (RCF) agreement is 75.8 million EUR. The ISI's receivables and inventories build the base for the permitted borrowing each time.

Collateral & Guarantees

LTV 73%

The bank has a pledge over the receivables and inventories as well as a share pledge over all subsidiaries (in Iceland, Asia, UK, France, Germany, Spain and Greece).

Financial Performance

Net turnover	217	EBITDA	5.8
Total assets	126.5	Curr. Assets	110.9
Equity	17.2	Equity ratio	12.5%

- 30.06.2008

Credit Rating: BB-
The covenants 2H '08 are in compliance: Cash flow available for Debt Service to Total Service Payments: 2,91.

Risk Factors

Approximately 1/3 of the total income comes from the Asian operation, 1/3 from Europe other than Iceland and 1/3 from Iceland. Thus the company is relatively well diversified. The main business is to sell fish and fish products, semi or fully processed. Just in Asia, the company processes the fish through subcontractors, in other places the company dose not run any plants. The company's equity ratio is low as would be the nature of its operation.

Kjalar - Samskip Holding B.V. and Samskip hf.

KAUPTHING BANK

Exposure

Loans	36.0
Unused	1.8
Guarant.	0.2
Total	**38.0**

Samskip is one of the largest container transport companies in Europe, offering multimodal container logistics and extensive container services to and from Iceland and the Faroe Islands along with refrigerated cargo logistics and international forwarding.

At year end 2007 the customer moved all current loans within Kaupthing Bank from Samskip hf. to Samskip Holding B.V., maintaining the collaterals within Samskip hf. However those loans are guaranteed by Samskip hf.

Until recently Kaupthing has only financed the Icelandic part. However in June, Kaupthing approved new EUR 10m loan facility to Samskip Holding B.V. that would be used to finance the European operation of the company.

Collateral & Guarantees

Collaterals: Accounts Receivables amounts to EUR 25 m and other collaterals amount to EUR 6 m.

All assets are pledged. This includes shares in Samskip hf. and Samskip Holding B.V., account receivables and inventory. Security can be considered as fairly good.

Financial Performance

Samskip Holding B.V. – HY´08 (CR: BB-).

Net turnover	357	EBITDA	1.0
Total assets	234	Curr. Assets	135
Equity	36.3	Equity ratio	15%

Samskip hf. – HY ´08 (CR: BB-)

Net turnover	83.5	EBITDA	6.0
Total assets	69.5	Curr. Assets	37.5
Equity	7	Equity ratio	10%

Risk Factors

Samskip has been going through a difficult period with negative result. The two main markets that Samskip operates in, Iceland and North European Shortsea have been volatile. The Icelandic market has been doing fairly well but the same can not be said about the overall group, which has been loss making for couple of years. The transportation industry is very cyclical and sensitive to economic climate and developments in exchange rate. 2008 has been difficult for the company since collection of receivables has deteriorated. Fixed cost is also relatively high in shipping (vessels, terminals and warehouses) and therefore it is vital that the company reacts quickly if the volume goes down.

Kjalar - Olafur Olafsson (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	48.9
CFD & TRS	-
Unused	(0.5)
Equity	-
Bonds	-
Derivat.	-
Total	**48.9**

- OO opened a private account and several holding companies accounts. The former approved Credit Lines are applied which still includes a line for Kjalar.
- The personal account is under tax restructuration due to the status of 'taxation of alien resident'.
- The main assets are held under Marine Choice and Fordace.
- A loan is granted to Sable Air, a company owning helicopters.
- A project of an aircraft financing (USD 8.5m, assumingly via Kjalar ehf) is currently in the pipeline with the account manager and our Legal Department.

Collateral & Guarantees

Mitchells Buttlers	3.6m
Storebrand ASA	3.4m
Ferskur Holding	1.7m
Others	44.7m
LTV *	92%

-Rating: none
-The exposures are secured with internal pledges/guarantee except a joint account (Sigurdsson & Olafsson – real estate) which was done on an unsecured basis. Standard margin requirements are applied to all accounts.

Financial Performance

The exposures and assets on the group have remained stable during the year 2008, both being reduced by EUR 3m.

The assets are mainly invested in cash (80%).

Risk Factors

-The portfolios are currently well collateralised and equity disinvestments are done promptly for margin requirements.
-The remaining equity will soon drop due to debit interest charges (exposures need to be shown to UK tax authorities).

* LTV calculated on “utilized” only

Gaumur Group

KAUPTHING BANK

mEUR	Loans	Unused	Derivat.	Total
Baugur Group hf.	47.7	0.3	134.5	180.5
F-Capital ehf.	78.6	-	-	78.9
BG Equity 1 ehf.	22.6	-	-	22.6
Fjárfestingafélagið Gaumur ehf.	17.9	-	-	17.9
BGE eignarhaldsfélag ehf.	14.2	-	-	14.2
1998 ehf.	263.5	-	-	263.5
Eignarhaldsfélagið ISP ehf.	19.0	-	0.8	19.8
Hagar hf.	5.8	-	-	5.8
Others	4.1	0.1	2.5	6.7
Gaumur Group (KBLUX)	23.0	-	-	23.0
Total	**496.4**	**0.4**	**135.7**	**632.6**

Gaumur - Baugur Group hf., BG Equity 1 ehf., F-Capital ehf., BGE eignarhaldsfélag ehf. and Fjárfestingafélagið Gaumur ehf.

KAUPTHING BANK

Exposure

Loans	181.0
Unused	0.3
Derivat.	132.5
Total	**313.8**

Baugur Group hf. is an investment company with interests in the UK and Scandinavia. The portfolio consists of assets in fashion, food, specialty and venture business. Kaupthing has been decreasing the exposure on Baugur by buying out assets against repayment of debt. Kaupthing's exposure on Baugur is around € 520m with security in listed and unlisted assets. Baugur has suffered considerable losses due to devaluation of its underlying assets and the health of their balance sheet can be debated.

Collateral & Guarantees

Current value of secured assets does just about meet current exposure.

Collaterals comprise mostly of shares in unlisted and listed companies and some debt is unsecured. Negative pledge in Wyevale.

Financial Performance

Net turnover	321.8	EBITDA	144.3
Total assets	3,421.4	Curr. Assets	122.2
Equity	980.2	Equity ratio	28.7%

- 31.12.2007

On watch list

Risk Factors

The main concern with Baugur as a whole is its ability to service a debt load of around € 1.6bln.
Liquidity risk.

Gaumur - 1998 ehf.

KAUPTHING BANK

Exposure	Loans 263.5 **Total 263.5**	1998 ehf. is a holding company, owned by Fjárfestingafélagið Gaumur (82.3%), Eignarhaldsfélagið ISP (8.9%), and Bague SA (8.8%). 1998 was established to acquire 95.7% stake in Hagar from Baugur Group for ISK 30bln. Kaupthing financed the acquisition with a loan into 1998 that was, in turn, used to pay down debt with Kaupthing (25bln) and Glitnir (5bln).
Collateral & Guarantees	Taking 40% haircut of the underlying security, the LTV is estimated to be around 100%.	Security over 95.7% stake in Hagar and 35% stake in Baugur Group. Pro rata guarantee from owners. According to the acquisition of Hagar and the last trades with shares in Baugur, the value of the security is around 50bln. ISK, which would represent around 70% LTV.
Financial Performance	N/A	On watch list
Risk Factors	The main concern is around the operational performance of the subsidiaries of Hagar hf., given the status of the Icelandic economy. Entities such as the low budget market leading grocery store Bonus are, however, resilient in economic downturns.	

Gaumur - Eignarhaldsfélagið ISP ehf.

KAUPTHING BANK

Exposure

Loans	19.0
Derivat.	0.8
Total	**19.8**

The company is a holding company for shares. Shareholder is Ingibjörg S. Pálmadóttir

Collateral & Guarantees

Security margin: 96% (LTV 104%).

Collaterals are mix of shares, listed and unlisted.
The company is on Watch list. Collaterals can be difficult to liquidate in current market environment.

Financial Performance

Net turnover	8.5	EBITDA	na
Total assets	73.4	Curr. Assets	0.6
Equity	5.2	Equity ratio	7%

- 31.12.2007 (draft)

Margin call: 130%

Risk Factors

The company has had tough times the last year due to the economic slowdown in UK, Scandinavia and Iceland. The majority of the company's shares in Baugur Group has been sold and the proceed used to pay up part of the exposure.

Gaumur - Hagar hf.

KAUPTHING BANK

Exposure

Loans 5.77
Total
5.77

Hagar is the largest and most powerful retail chain in Iceland. Specialising in food, fashion clothing, sports equipment and logistics.

Under the auspices of Hagar there are Bónus, Hagkaup, 10-11, Útilíf, Zara, Debenhams, Topshop, Coast, Evans, Dorothy Perkins, Oasis, Karen Millen, Day and Warehouse.

Collateral & Guarantees

LTV 87%

Accounts receivables (Visa/Euro) and shares in Hagar.
The security can be considered as good.
Covenants: Interest bearing debt / EBITDA, Equity ratio.

Financial Performance

Net turnover	429	EBITDA	24
Total assets	230	Curr. Assets	68,5
Equity	72	Equity ratio	31,5%

- 12 months 29.2.2008

Credit Rating: BB
All covenants are in compliance.

Risk Factors

Due to the economic slowdown the retail and grocery markets may suffer from decreased consumption. The product and brand mix of Hagar may reduce the downturn as consumption is swifting between brands. For example Hagar is seeing a selling upswing in Bonus, the leading low budget grocery retailer, as the consumers are becoming more price sensitive and Hagkaup, which is more up market grocery retailer, is having a selling boost in non food products and clothes.

Mosaic Fashions Ltd.

KAUPTHING BANK

Exposure

Loans	422.2
Unused	20.6
Equity	70.5
Bonds	6.4
Guarant.	2.4
Total	**522.0**

Mosaic is a leading UK women's clothing retailer with 6 branded entities.
The group has suffered a sustained underperformance in trading since the end of 2006.
Following a 23% EBITDA shortfall vs. Budget for the year to Jan 08, a partial restructuring of the capital structure was implemented which led to a €52mln debt repayment and provided the business with sufficient headroom to achieve a turnaround during 2008/09 financial year.
Our debt margins were increased to reflect market pricing relating to increased risk.
Financial covenants were reset to reflect the revised trading forecast.

Collateral & Guarantees

LTM EBITDA (€mln):	91.4
EV Multiple (entry @ Sep06) :	6.6x
EV:	603.1
Net Debt (inc. ICEX Bonds):	525.7
LTV:	**87%**

First legal charge over Freehold and Leasehold properties and Fixed and floating charges over the assets of each Group member and material subsidiary.
Cross collateralised guarantees and share pledges over all Group Companies.

Financial Performance

Sales	578.3	EBITDA	42.3
Total Assets	853.5	Equity Ratio	36%
Curr. Assets	190.5	Equity	303.8

- 6 months July 2008

Credit Rating: 6 (S&P equivalent rating: BB).
Covenants: due to sustained trading underperformance, covenants were reset in Dec 07.
Minimum EBITDA hurdle for FY08/09 is €114mln. The group is forecasting to achieve this hurdle in the recent H2 reforecast

Risk Factors

- The outlook for the UK retail sector is characterised by the following trends:
  - Economic downturn and reduced disposable income, resulting in a decline in consumer confidence
  - Increased competition from discount high street retailers
  - Lack of distinct fashion trends to encourage consumer spending
- Mosaic has been split into two distinct groups (Boutique and high street) with dedicated resources to drive growth in their respective niches
- Additionally, cost saving measures have been successfully implemented to reflect the subdued sales
- However, despite these measures, Mosaic may struggle to achieve its full year budget given the challenging market conditions

Kevin G. Stanford

KAUPTHING BANK

mEUR	Loans	Unused	Money Market	Total
Kevin G. Stanford (KBLUX)	360.1	12.1	-	374.8
Kevin G. Stanford	-	-	102.6	102.6
Trenvis Ltd.	-	-	41.7	41.7
Total	**360.1**	**12.1**	**144.3**	**519.1**

Kevin G. Stanford (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	360.1
CFD & TRS	2.6
Unused	12.1
Equity	-
Bonds	-
Derivat.	-
Total	**374.8**

- KS owns 3 private accounts, 3 holding companies' accounts with KBLUX. He introduced also family and related clients.
- KS is the only beneficial owner of the 3 holding companies which are managed outside of the bank.
- Some positions are silent participations of his ex-wife Karen and vice-versa.
- A new company Trenvis was setup in order to invest in Chesterfield which in turn invested in Credit Linked Notes on Kaupthing Bank hf issued by Deutsche Bank London.
- KS ranks as the 2^{nd} biggest private borrower of KBLUX and as the 4^{th} shareholder of Kaupthing with 30.9m shares.

Collateral & Guarantees

Kaupthing hf	181.2m
Baugur Group	44.8m
Mulberry Plc	26.8m
Other assets	145.0m
LTV*	91%

-Rating: none.
-Baugur agreed to buy back the All Saints position in 2012 for GBP 40m (value not shown in the attached figures).
-Back-up guarantee (EUR 300m) from KBICE.

Financial Performance

The group's exposure has decreased this year by EUR 41m while the assets were decreasing by EUR 18m. KBICE provided EUR 100m funding to further investments in Kaupthing hf.

New valuations of unlisted assets were received and the total market value should increase by EUR 72.8m.

Risk Factors

- Lack of diversification as 45% of the portfolios are invested into Kaupthing shares.
- Unlisted assets are totalling EUR 126m or 32% of the portfolios.

* LTV calculated on "utilized" only

Antonios Yerolemou (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	146.8
CFD & TRS	15.2
Unused	203.0
Equity	-
Bonds	-
Derivat.	-
Total	**365.0**

- AY has a private account and four holding companies' accounts with KBLUX. The holdings are managed by KBLUX.
- He is part of the KFF family which sold their supermarket chain to Bakkavor.
- Recently Charbon invested EUR 41.6m in Chesterfield which in turn invest into Credit linked Notes on Kaupthing Bank hf. issued by Deutsche Bank London.

Collateral & Guarantees

Kaupthing hf	54.9m
Sampo Oyj	18.5m
Bakkavor	16.1m
Other assets	40.6m
LTV*	125%

-Rating: none.
-Cross-guarantees between the holding companies (Everest, Komi, Bluechip and Charbon) and a pledge on the personal account within Arion (Bakkavor shares amounting EUR 16.1m).
-Back-up guarantee (EUR 185m) from KBICE.

Financial Performance

The group's exposure has decreased this year by EUR 5m while the assets were decreasing by EUR 51m (or -28%).

The value of the portfolios has been dropping heavily due to the underlying assets and the ISK currency.

Risk Factors

- Lack of diversification as 69% of the portfolios are invested into three shares.
- Without consideration of the cross-guarantees and the pledge, the whole group has a negative equity of EUR 46.3m.

* LTV calculated on "utilized" only

Candy & Candy

KAUPTHING BANK

mEUR	Loans	Unused	Equity	Total
Project Abbey Holdings Ltd.	256.7	29.7	26.1	312.4
Candy & Candy (KS&F)	46.7	-	-	46.7
Total	**303.4**	**29.7**	**26.1**	**359.1**

Project Abbey – Noho Square

KAUPTHING BANK

Exposure	Loans 256.7 Unused 29.7 Equity 26.1 **Total 312.4**	Real estate-development in central London. An SPV holding 2.97 acre Middlesex Estate site north of Mortimer Street, London WC1. The SPV is owned by CPC Group/ Candy and Candy (well known high end real estate developers in the UK) and Kaupthing has an equity interest as well. This vehicle is one of many that the Candies have. Kaupthing is an equity partner in one other project in the US. The Candies have worked on and successfully gotten a new planning for the site. The value was doubled through this process, but due to very adverse development in the UK market (and globally) the value has significantly diminished.
Collateral & Guarantees	First L/C over former Middlesex Hospital Site, London W1. Valued by Savills (Nov 2007) at £355m.	With downturn in market, value is likely nearer £225m, giving rise to a breach of the 75% LTV ratio. Real estate is well located and demolition is close to being completed. Decision is then whether to mothball pending a return to a better construction financing market, or to proceed with equity/low leverage. Relationship with Candys has become strained as downturn has impacted their business model. They build for the uber-rich but sales are slowing.
Financial Performance	Net turnover £0.03 EBITDA -£0.15 Total assets £235.5 Curr. Assets £235.3 Equity* £34.3 Equity ratio 14.6% *Includes shareholder loans. Amounts in MGBP *- 30.6.2008*	Credit Rating: N/A specialized lending
Risk Factors	UK as with all major global economies is suffering effects of slow down in growth coupled with inflation in raw materials, commodities and food. Bank finance market being effectively closed to any business at all during depths of credit crunch is affecting both ability of schemes like this to secure funding and affecting purchasers of new homes given seizure in private mortgage market. However, this well located site over the medium term should recover. Discreet moves are being made to sell to Stanhope who have deep pockets behind them and we should be repaid, maybe on an overage.	

Candy & Candy (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 46.7 Unused Equity Bonds Derivat. CFD 0.02 **Total 46.7**	The Candy Brothers are property developers specialising in super-prime residential development. They have developed a close relationship with the Kaupthing Group on several deals. KSF finance three London apartments for the principals.
Collateral & Guarantees	€49.3m Overall LTV 76.9%	Charges over the properties together with personal guarantees from the beneficial owners. Subjective rating of the overall security: good
Financial Performance	N/A	Credit Rating: B-
Risk Factors	The market for prime central London properties is still holding up though this may not continue as the property slide continues and in that event our LTVs could come under pressure as would the Candy's business model and thus ability to generate wealth.	

Landic Property

KAUPTHING BANK

mEUR	Loans	Unused	Equity	Bonds	Derivat.	Guarant.	Total
Landic Property ehf.	182.2	0.2	5.2	25.6	61.5	5.2	280.0
101 Skuggahverfi ehf.	22.9	-	-	-	-	-	22.9
Þyrping hf.	10.9	-	-	-	-	-	10.9
AB 106 ehf.	3.6	-	-	-	-	-	3.6
AB 113 ehf.	3.6	-	-	-	-	-	3.6
Akraland ehf.	0.4	-	-	-	-	-	0.4
Total	**223.5**	**0.2**	**5.2**	**25.6**	**61.5**	**5.2**	**321.31**

Landic - Landic Property hf.

KAUPTHING BANK

Exposure	Loans 182.2 Unused 0.2 Equity 5.2 Bonds 25.8 Derivat. 44.5 Swap Hedge 17.0 Guarant. 5.2 **Total 280.0**	Real estate. Landic Property is one of the largest Nordic property companies, formed by the merger between Stodir hf and Keops A/S. Stodir hf, now Landic Property, has acquired shares in Keops A/S, equal to 96.99% and has decided to acquire the remaining shares. The Company has approximately 135 employees and 600 properties in Sweden, Denmark, Iceland and Finland. The Property portfolio totals 2.7 millions square metres of rental space, more than 3,800 tenants and total assets of EUR 4.8 billion. The largest part of Landic Property's portfolio is in Sweden, mainly office buildings. Majority of assets is located in the greater Stockholm and Gothenburg areas. Landic's Iceland portfolio is well diversified among sectors with high density in the capital area. Landic's Denmark portfolio consists of high density of centrally located prime real estate in Copenhagen. The smallest part of Landic property's portfolio is in Finland. The portfolio there mainly consists of office buildings.
Collateral & Guarantees	Mortgages: EUR 246 m Pledge over real estate fund: EUR 25 m Pledge sh.Stodir Group: EUR 6 m Overall LTV 90%	Main collateral are mortgages over properties in Iceland. Assets include Hotel Nordica, Borgartun 21 and Kringlan shopping centre. Much of it is 2nd lien. Collateral can be described as acceptable. Covenant: Equity ratio of >12%
Financial Performance	Net turnover 134.2 EBITDA 89.5 Total assets 4,736.1 Curr. Assets 97.6 Equity583.9 Equity ratio 12.3% *- 30.6.2008*	Credit Rating: 7
Risk Factors	Landic has been hit hard by the tightening credit and is faced with a refinancing risk for their obligations that mature near term. As yields have have gone up, the value of many of its assets have gone down. To add to their difficulties, the failed divestiture of Keops Development is proving itself to be costly. The coming months will be very challenging for Landic Property and its fate will largely depend on how the financial and real estate market in Iceland and in Scandinavia will develop over the next few months.	

Landic - 101 Skuggahverfi hf.

KAUPTHING BANK

Exposure

Loans	22.9
Total	**22.9**

Residential property development. The company is a subsidiary of Þyrping (is basically a division of Þyrping hf.), which is owned by Stodir Group and Landic Property. 101 Skuggahverfi was founded in 2002, specifically around a project in the centre of Reykjavik, as the company had purchased a prime site there. The company has completed the first phase of its project and has commenced with phase 2 which consists of 97 apartments ranging from 67 – 300 m^2. Although the project started off well and about 10% of the apartments were sold immediately – it has been hit hard by the downturn in real estate market. Sales have halted and costs have increased. The company has addressed this by delaying part of the development and slowing down on the whole project.
The plan is to make all of the development weather-tight and put around half of the apartments on hold. It is likely that the sales of the apartments will take at least 12-18 months.

Collateral & Guarantees

Overall LTV around 50%

Security over the development itself (EUR 29 m. – EUR 50m when finished)
Security over the site for phase three (EUR 6 m.)
Make weight security over Borgartun 26 (EUR 17.5 m. – LTV 90%)
The securities are acceptable

Financial Performance

Net turnover	4.1	EBITDA	-0.3
Total assets	34.2	Curr. Assets	0.5
Equity	11.4	Equity ratio	33.2%

- 31.12.2007

Credit Rating: 6

Risk Factors

The market for residential real estate has softened dramatically over the last months. Sales have slowed down, due to tighter credit and in anticipation of lower prices due to foreseen oversupply. The apartments in question are for the upper market which has taken a hit in particular and it will take time for it to recover. On the positive side is that the apartments are in a location where there is limited supply and it is likely that the apartments will sell at a lower price.

Landic - Þyrping hf.

KAUPTHING BANK

Exposure

Loans	10.9
Total	**10.9**

Land and property development in Iceland. The company is owned by Stodir Group and Landic Property. The company develops land builds out or sells to contractors. The company has recently finished the development of a commercial real estate in Borgartun 26 which is now income producing.
The company has about 8 employees. The company sometimes develops and builds assets for the real estate company Landic Property.
The facility is a bridge finance to finance the development of a residential housing scheme in NW part of Seltjarnarnes. The foreseen exit is a sale of the site to a third party or to develop the project to the finish.

Collateral & Guarantees

Overall LTV 80%

A site in Seltjarnarnes (EUR 13 m.). The location is good and the supply of sites in Seltjarnarnes has been limited. Make weight security in Borgartun 26 for 101 Skuggi is also securing this exposure. The collateral can be considered adequate.

Financial Performance

Net turnover	4.1	EBITDA	-2.8
Total assets	112.6	Curr. Assets	5.3
Equity	41.2	Equity ratio	36.6%

- 31.12.2007

Credit Rating: 6

Risk Factors

There is still some planning risk involved in the project, as the proposed scheme has not been approved. The current environment is challenging for Þyrping as it is foreseen that there will be limited development over the next few years as the market is seeing oversupply. The main concern here is that the current situation will drag on for extended period of time, i.e. more than 12-18 months. The company has stilll considerable equity and is likely to be able to honour its commitments.

Landic - AB113 ehf., AB106 ehf. and Akraland ehf.

KAUPTHING BANK

Exposure

Loans	7.6
Total	**7.6**

Holding company, Land and property development. The split of Akraland in Akraland, AB 113 and AB 106 is mainly an accounting issue, as the intention is to merge the AB companies with companies owned by respective owners. Creditwise, the companies can be taken as one as security is cross collaterized. Originally, Akraland was formed around the purchase of prime land close to Reykjavik in 2003 and the loan was granted then. The aim was to develop new residential borough with mixture of single family house, town houses, condominiums and commercial real estate. The land is in two parts, on the north and south side of a main road into Reykjavik. The development and sale of the south part is now finished. The north part, estimated to be around 45,000 m^2 of mixed residential and commercial housing, has now been put on hold until the market recovers. In the mean time, the company is non-operating with no employees, but managed by one of the co-owners, Þyrping.

Collateral & Guarantees

Overall LTV around 50%

The land is close to Reykjavik. Final planning permission is pending, but it is expected to be for around 45,000 m^2 of mixed residential and commercial housing. Land: Valued at ISK EUR 21 m.
The collateral can be described as adequate.

Financial Performance

Net turnover	8.0	EBITDA	2.0
Total asset	30.3	Curr. assets	13.0
Equity	13.0	Equity ratio	42.9%

-31.12.2007

Credit Rating: 9

Risk Factors

The key risk here is how long will be needed until the development can start. The main concern here is if the start of the development will be delayed for extended period of time, i.e. more than say 3 years.

Skipti

KAUPTHING BANK

mEUR	Loans	Unused	Other	Total
Skipti hf.	221.6	70.7	4.6	296.7
Sirius IT Holding A/S	17.0	4.0		21.0
On-Waves ehf.	1.7	-	-	1.7
Total	**240.3**	**74.7**	**4.6**	**319.6**

Skipti – Skipti hf.

KAUPTHING BANK

Exposure

Loans	221.6
Unused	70.7
Guarant.	4.6
Total	**296.9**

Skipti is the parent/holding company in a group consisting of Síminn, Míla, Sirius IT Partner and several smaller subsidiaries, all focusing on the ITC sector in the Nordic countries. Síminn, the largest of those subsidiaries, is the leading telecom operator in Iceland in all market segments (fixed line, mobile, broadband). Current structure originates from 2007 when Síminn went through two demergers.

Following a take over bid from Exista and delisting in the spring of 2008, Exista is the sole owner of the group.

The debt originates largely from the company's privatization in 2005 and consists of a syndicated senior facility and a junior bond interest take out facility. In addition we have financed some smaller acquisitions, i.e. Ventelo and Areofone. Those loans are fully subordinated to the senior facility.

Collateral & Guarantees

Overall LTV is around 60%

All material assets are pledged. This includes shares in subsidiaries of Skipti, infrastructure/network, bank accounts, account receivables, inventory and trademarks. Security can be considered as good.
Standard leveraged covenants.

Financial Performance

Net turnover	150.4	EBITDA	32.4
Total assets	959.2	Curr. Assets	109.4
Equity	378.4	Equity ratio	39.5%

- 30.6.2008

Credit Rating: BB
All covenants 1H '08 are in compliance: Senior Debt/ EBITDA 4.00x, Fixed charge cover 1.37, EBITDA/Senior Interest 3.6x.

Risk Factors

The majority of Skipti's revenues come from the Icelandic telecommunication sector which has seen eroding margins in 2008 due to various reasons, e.g. increased competition and a tougher economical environment. The EBITDA margin has decreased from 26.0% to 21.3% compared to the same period in 2007. In addition due to the weakening of the Icelandic krona the company's debt has been increasing. However, given Skipti's strong market share on the Iceland market, the company should be well equipped to handle the challenges ahead.

Skipti - Sirius IT Partner

KAUPTHING BANK

Exposure

Loans	17.0
Unused	4.0
Total	**21.0**

Sirius IT partner is a subsidiary of Skipti, which owns around 90% of the company, while management owns the rest. The strategy of Sirius is to be a total provider of information technology solutions to the public sector in the Nordic countries, with operations in Denmark, Sweden and Norway. The company has around 400 employees.

The debt originates from October 2006, when Skipti acquired the government services part of TietoEnator, through a Danish SPV, Sirius IT Holding A/S. The loan agreement is ring fenced from the operations of Skipti.

Collateral & Guarantees

Overall LTV is around 40%

The security includes a share pledge over all group companies (including parent), a negative pledge over all assets in the group, assignment of the purchase agreement, and a pledge over corporate mortgage certificates in Sweden in the aggregate amount of SEK 50 million. Security can be considered as good. Standard leveraged covenants.

Financial Performance

Net turnover	31.5	EBITDA	4.4
Total assets	47.3	Curr. Assets	19.3
Equity	14.3	Equity ratio	30.3%

- 30.6.2008

Credit Rating: BB
All covenants 1H '08 are in compliance: Net Debt/EBITDA 1.46x, Fixed charge cover: 1.37, EBITDA/Net Interest 4.60x, equity ratio 30%.

Risk Factors

Sirius IT is focusing on the public sector, which is much less exposed to economic cycles than the private sector. The first half of 2008 was exceptionally good for Sirius, which saw its EBITDA margins increase from 8.1% in 2007 to 13.9%. The outlook is good and the pipeline has never been stronger.

Stoðir

mEUR	Loans	Derivat.	Total
Stoðir hf.	224.0	28.1	252.1
Materia Invest ehf.	51.3		51.3
Total	**275.3**	**28.1**	**303.5**

Stoðir – Stoðir hf.

KAUPTHING BANK

Exposure

Loans	224.0
Derivat.	2.3
Swap Hedge	25.8
Total	**252.1**

Stoðir, formerly FL Group, is a holding company with core focus on investments in financial, insurance and property in Iceland and the Nordic countries. The company owns 33% in Glitnir, 39.2% in Landic, 99% of TM, 51% in Refresco as well as other listed and unlisted companies. Stoðir has lost considerable amounts in the last 12 months due to a sharp decline in value of their underlying assets. Despite that, the company is still showing over 20% equity ratio. It can, however, be debated if the value of the underlying assets are able to support that. Kaupthing has around €250m exposure on Stoðir, secured with shares in Glitnir Bank and a forward agreement against Landic shares, € 18.7m.

Collateral & Guarantees

The overall security coverage on the exposure is around 100%.

Facilities pledged against GLB shares, money market deposit, a forward agreement with a negative balance and a pledged fx swap.

Financial Performance

Net turnover	-694.8	EBITDA	-870.3
Total assets	4607.5	Curr. Assets	1,001.1
Equity	1,700.3	Equity ratio	36.9%

- 31.12.2007

On watch list

Risk Factors

The main concerns are: 1) The future value of the secured assets, namely Glitnir and Landic and 2) Stoðir's ability to service an overall debt load of € 1.8bln.

Stoðir - Materia Invest ehf.

KAUPTHING BANK

Exposure

Loans	51.3
Total	**51.3**

The company is a holding company for shares.
Shareholders are Kevin Stanford (1/3), Þorsteinn M. Jónsson (1/3) and Magnus Ármann (1/3).

Collateral & Guarantees

Security margin: 43% (LTV 232%)

Collaterals are shares in Stodir hf, Money Market Fund and personal guarantees of the owners limited to EUR 2 million for each shareholder.
The company is on a Watch list. Collaterals would be difficult to liquidate.

Financial Performance

Net loss	88.8	EBITDA	N/A
Total assets	151.3	Curr. Assets	1.9
Equity	-28.5	Equity ratio	N/A

- 31.12.2007 (draft)

Credit Rating: On Exception list

Risk Factors

The company has had tough times the last year due to FL Group's (Stoðir's) falling market price. Certain actions have been taken within the bank to minimize the bank's loss since the collaterals market value is considerably lower than the bank's exposure. Significant provisions have been made against the asset.

Victoria Properties A/S (FIH)

KAUPTHING BANK

Exposure

Loans	138.2
Unused	103.7
Equity	
Bonds	
Derivat.	33.6
[Other]	
Total	**275.5**

Victoria Properties A/S was established in June 2006 and is listed on Copenhagen Stock Exchange. The company's strategy is to invest through subsidiaries in German well-located high quality lease properties in Berlin and Hamburg. Most of the properties were acquired in 2007.

FIH is financing a maximum of 70% of each property's purchase prise and the outstanding amount is financed by means of equity capital.

Collateral & Guarantees

Overall LTV:70 %

Collateral: First mortgage registered in the financed properties for amount corresponding to the loan amount. Commitments with subsidiaries: Letter of Awareness by Victoria Properties A/S.
Covenants
Overall rating of security: Good

Financial Performance

Net turnover	5.0	EBITDA	-0.2
Total assets	173.6	Curr. Assets	4.6
Equity	51.6	Equity ratio	29.7%

Credit Rating: BB+

Risk Factors

The group invests in residential leasing properties in prime locations in Berlin, Frankfurt and Hamburg. Due to the prime locations and the good standard the vacancy ratio is low.

Michael Ashley & Sports World International (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 272.0 (Net 27.0)* Unused Equity Bonds Derivat. **Total 272.0** **(Net 27.0)*** * **After netting of cash security**	Mr. Ashley is a HNW client who has been a source of advisory work as well as a substantial depositor with funds from his sale of part of his holding in Sports Direct International, he continues to hold 72% of the ordinary shares. The SWI facility is used to acquire strategic holdings in retail groups in the same sector as Sports World.
Collateral & Guarantees	Cash €245m to cover facility in name of Mr. Ashley and shares valued at €46.5m, LTV 58%, for SWI facility.	Cash and shares. Subjective rating of the overall security: excellent
Financial Performance	Sports Direct International plc Net Turnover 15,509 EBITDA 5,150 Total Assets 11,941 Cur. Assets 4,170 Equity 1,581 Equity/Tot. Assets 13.2%	Credit Rating: N/A
Risk Factors	In the event of the shares falling in value we are reliant on SWI meeting margin calls, failing that we would have to sell the shares into the market.	

Haldor Topsøe A/S (FIH)

KAUPTHING BANK

Exposure

Loans	254.4
Unused	0.4
Equity	
Bonds	
Derivat.	
[Other]	
Total	**254.9**

In September 2007, the founder Haldor Topsøe acquired the Italian ownership interest of 50% in Haldor Topsøe A/S ("HTAS"), and thus gained full ownership of HTAS.

The majority of the exposure (EUR 234.9m) is related to the finance of the shares which is secured by a first priority share pledge of 90% of the shares in HTAS.

The company provides catalyst and catalyst technology used by the fertiliser industry, chemical, petrochemical industries, and the energy sector for production of a range of specialised products and chemicals.

Collateral & Guarantees

Overall LTV: 40%

Calculated as NIBD (Net Interest Bearing Assets) to Total Assets

Commitment of EUR 19.7m is secured by pledge on the headquarters in Lundtofte and the plant in Frederikssund with a security value of EUR 7.3m.

Pledge of shares by Haldor Topsøe A/S. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	485.8	EBITDA	50.4
Total assets	549.7	Curr. Assets	312.7
Equity	191.7	Equity ratio	34.8%

Credit Rating: BB+
No covenants breach, defaults or similar. As of 30 June 2008 NIBD/EBITDA is 6.1x and ahead of budget.

Risk Factors

Decrease in oil price (as this causes competitive products/solutions to decrease in price).
Strong competition from other industrial players

Norvik

KAUPTHING BANK

mEUR	Loans	Unused	Total
Smáragarður ehf.	120.4	5.8	126.2
Straumborg ehf.	62.5	12.6	75.1
JSC Norvik Banka	50.6		50.6
Norvik hf.	0.8	1.8	2.6
BYKO hf.	-	0.4	0.4
Total	**234.3**	**20.6**	**254.9**

Norvik - Smáragarður ehf.

KAUPTHING BANK

Exposure

Loans	120.4
Unused	5.8
Total	**126.2**

Smáragarður is the real estate arm of Norvik group. Operates only in Iceland.

The company's main tenants are businesses within the group such as retaoæ companies, BYKO, Krónan, Nóatún, Intersport & ELKO. Group companies stand for 87% of total revenues.

Collateral & Guarantees

LTV 73%

In total 20 assets are pledged, consisting of 111 thousand square meters. Value of pledged assets is estimated 157 million EUR and security is considered good.

Equity covenant of 13%

Financial Performance 2007

Net turnover	12.0	EBITDA	22.5
Total assets	229.8	Curr Assets	31.3
Equity	47.6	Equity ratio	21%

- 31.12.2007

Credit Rating: BB

Covenant in compliance

Risk Factors

Smáragarður is practically immune to market fluctuations as anchor tenants are related parties. Their main risk would be currency instability and interest rate risk.

The current business environment is though putting pressure on tenants. Norvik's group management is though extremely seasoned, and is not going through their first economic downturn.

Norvik - Straumborg ehf.

KAUPTHING BANK

Exposure

Loans	62.5
Unused	12.6
Total	**75.1**

The company is an investment company for listed and unlisted shares.

Owners: Jón Helgi Guðmundsson 57.13%, Steinunn Jónsdóttir 14.29%, Iðunn Jónsdóttir 14.29% and Guðmundur Halldór Jónsson 14.29%

Collateral & Guarantees

Security margin: N/A

The loans are unsecured but with restrictive covenants.

Financial Performance

Net turnover	65	EBITDA	n/a
Total assets	518	Equity ratio	44%
Equity	231		
- 31.12.2007			

Credit Rating: On Exception list
Margin call: N/A

Risk Factors

Shares in Kaupthing Bank are by far the largest asset of the company (45% of total shares at year end 2007). The shares in Norvik Banka in Latvia and Russia count for 22% of total shares so the company has large exposure to the banking sector. Other major holdings are in Norvik, Smaragardur and Eyrir Invest.

Norvik - JSC Norvik Banka

KAUPTHING BANK

Exposure

Loans	50.6
Total	**50.6**

JSC Norvik Banka is a financial institution.

Owners: Straumborg ehf (51%), ICE-BALT Invest (9%), Andrejs Svircenkovs (19.74%), Jurijs Sapurovs (19.74%), Others (0.5%).

Collateral & Guarantees

Security margin: N/A

The loans are unsecured (pari passu).

Financial Performance

NII	18.5	Net op.inc.	29
Total assets	786	dep/loans	104%
Equity	87	CAD	12.8%

- 30.06.2008

Credit Rating: B+ stable (Fitch)
Margin call: N/A

Risk Factors

2/3 of the bank's loan portfolio is in Latvia so one of the main risk factors for the bank is increased impairments of loans, especially mortgage loans, due to economic slowdown in Latvia.

Lagerinn

KAUPTHING BANK

mEUR	Loans	Unused	Equity	Derivat.	Guarant.	Total
Jysk Linen'n Furniture Inc.	23.1	0.1	-	-	6.3	29.5
Lagerinn Dutch Holding BV	20.1	2.4	44.3	-	-	66.8
Lagerinn ehf.	10.6	-	-	-	-	10.6
Rúmfatalagerinn ehf.	7.3	-	-	-	0.4	7.7
Nif ehf.	6.7	0.3	-	-	-	7.0
Holding Company Bik ehf.	4.7	-	-	-	-	4.7
Ilva A/S	65.9	-	24.5	0.1	8.6	99.1
SMI ehf.	85.1	2.6	-	-	6.3	29.5
Total	**223.4**	**5.4**	**68.8**	**0.1**	**20.1**	**254.9**

Lagerinn Dutch Holding - JYSK group

KAUPTHING BANK

Exposure

Loans	72.4
Unused	2.8
Equity	44.3
Guarant.	6.6
Total	**126.1**

Lagerinn Dutch Holding B.V. is the parent company of retail companies, which operate under the brand names Jysk and Ilva.
Jysk consists of Rúmfatalagerinn (Icelandic operations), Jysk Linen'n Furniture Inc. (Canadian operations), NIF ehf. (Balkan operations), Holding Company Bik ehf. and Jóska ehf. (Baltic operations).
The principal activities of the company's subsidiaries is retail trade in household appliances, furniture and accessories, including a wide range of textile products, bedclothes, curtains, carpets etc. The subsidiaries also sell seasonal goods, such as garden furniture.

Collateral & Guarantees

NA

All of the Jysk group loans are ring guaranteed by all of LDH companies.
Share pledge agreement for shares in all of LDH companies.

Financial Performance

Net turnover	275	EBITDA	12
Total assets	250	Curr. Assets	106
Equity	70	Equity ratio	28%

- 12 months 29.2.2007 (LDH)

Debt/EBITDA (calculated on Group level) < 4:1. Total debt of LDH is 100m and its EBITDA amounts to 12m, which makes it 8*EBITDA. If we however take ILVA out of the EBITDA it is 4*EBITDA.
CR BB+

Risk Factors

Main risk factors in retail are exchange rate, change in consumer behaviour, inventory price, unreliable suppliers and inventory management (additional risk factors regarding the ILVA group will be issued in next slide).

Lagerinn Dutch Holding - ILVA A/S

KAUPTHING BANK

Exposure

Loans	65.9
Equity	24.5
Guarant.	8.6
Derivat.	0.1
Total	**99.1**

The company's activity is to sell furniture and related products from its outlets in Denmark and Sweden.
Kaupthing bought 10% of the JYSK group (approx EUR 37m investment) who in turn invested EUR 33m of new equity in the ILVA group. This represented approx. 35% of ILVA's equity but 51% of the voting right.
As a part of this process, Kaupthing converted approx. EUR 86.5m of current debt into ordinary equity on which JYSK will have a call option. This left EUR 62m of debt plus EUR 3m of guarantees on the ILVA balance sheet and those debts were fully guaranteed by the JYSK companies. As a part of this process, a number of Kaupthing's facilities were refinanced by Landsbanki.
The company's affiliated sister company in UK has after the balance sheet date gone into administration. ILVA A/S has as a consequence of this been filed bankruptcy.

Collateral & Guarantees

ILVA's loans are ring guaranteed by all LDH companies.
Share pledge agreement for shares in all LDH companies.

Financial Performance

Net turnover	86	EBITDA	-13
Total assets	87	Curr. Assets	79.5
Equity	-47.5	Equity ratio	0%

- 10 months 29.2.2008 (ILVA A/S)

Debt/EBITDA (calculated on Group level) < 4:1. Total debt of LDH is 100m and it's EBITDA amounts to 12m, which makes it 8*EBITDA. If we however take ILVA out of the EBITDA it is 4*EBITDA.
CR B+

Risk Factors

The strategic withdraw from the UK market and the following reorganization of the ILVA Group was not desirable but necessary step to take. This will hopefully result in ILVA Scandinavia being stronger after the reorganization, especially because the strength and focus now can fully be aimed at the stores in Denmark and Sweden.
The company's ultimate parent company, Lagerinn Dutch Holding B.v. has provided a support letter which was meant to fully cover any potential cash requirements in relation to the administration. However Kaupthing has had to issue guarantee to many of ILVA's suppliers.

Lagerinn - SMI ehf.

KAUPTHING BANK

Exposure

Loans	85.1
Unused	2.6
Guarant.	4.9
Total	**92.6**

SMI is an Icelandic real estate company established in 1996. It has operations situated in Iceland, Lithuania and Latvia. Mainly income producing real estate but some development as well. The owners and establishers are, Jákup Jacobsen, who owns 82.6%, Jákup Purkhus who owns 13.4% and Hanna Hilmarsdóttir who owns 4%. SMI's initiatives in the Baltic States began in 2004, when SMI bought its first shopping mall in Riga, the capital of Latvia. The company owns about 225,000 m² of real estate, where about half is in Iceland. The company has just finished building a 20 storey commercial tower in a prime location in Kopavogur. Anchor tenants will be Deloitte and Touche, Kauthing and companies owned to Mr. Jakup á Dul Jacobsen, in particular "Rumfatalagerinn". It has also just finished expanding its shopping centre in Akureyri and is building a large strip mall just outside Reykjavik. Anchor tenants in the Baltics are Jysk ("Rumfatalagerinn") and the retail chain "Rimi". SMI employs around 10 people.

Collateral & Guarantees

Mortgages: 10.125,4
Overall LTV 80%

Mortgages over real estate in Iceland, in particular the office tower in Smaratorg, strip-mall in Smáratorg, shopping centre in Akureyri.
The collateral can be categorized as acceptable.

Financial Performance

Net turnover	7.8	EBITDA	5.9
Total assets	244.2	Curr. Assets	13.5
Equity	50.0	Equity ratio	20,5%

- 31.12.2007

Credit Rating 6

Risk Factors

The market for commercial real estate in Iceland and in the Baltics has softened quite a bit and the value of the properties has diminished. Most of SMI's tenants are relatively strong, and as long as that is the case the company is in order. There have been increasing vacancies though in the strip-mall in Smaratorg (Elko/Egg) and that is a concern. And although the commercial tower was successfully finished, some of the other developments might pose a challenge for SMI.

Danielle/Limebrook

KAUPTHING BANK

mEUR	Loans	Unused	Derivat.	MM	Guarant.	Total
Bay Restaurant Holdings Limited	185.1	1.7	-	-	1.1	187.9
Town & City Pub Company Limited	61.2	-	-	-	0.8	62.0
Total	**246.3**	**1.7**	**-**	**-**	**1.9**	**249.9**

Daniella/Limebrook - Bay Restaurant Holdings Limited

KAUPTHING BANK

Exposure

Loans	185.1
Unused	1.7
Guarant.	1.1
Total	**187.9**

- Bay Restaurant Group (BRG) is a UK branded high street restaurant group with 217 sites across the country
- Since 2007 the UK restaurant and pub sectors have experienced a series of adverse factors impacting sales namely the smoking ban, adverse weather, economic downturn, rising beverage costs and aggressive competition from supermarkets
- Burdened by underperforming sales and high rent obligations, the group saw a decline in EBITDA in FY07/08

- Debt facilities were restructured in March 2008 after various parts of the company were put into administration
- The group was split into two, with food-led sites being merged with the La Tasca entity to form BRG and drink-led sites transferring to Town & City
- Facilities (co-lent 56%:44%with Dresdner) mature after 18 months to enable performance targets to be met

Collateral & Guarantees

FY09 EBITDA F/cast (€mln):	30.6
EV Multiple (estimate):	8.0x
EV:	244.7
Net Debt:	280.0
LTV:	**114%**

- Fixed and floating charges over assets of each member group and material subsidiaries, Cross collateralised guarantees across all Group companies
- Share pledges over all material companies
- Rating of overall security: acceptable

Financial Performance

Sales (€mln)	132.4	EBITDA	18.8
Total Assets	374.6	Equity Ratio	21%
Current Assets	34.3		
Equity	77.6		

- 5 months to July 2008

- Credit Rating:5 (S&P Equivalent: BB-)
- Covenants: reset in March 08 following facility restructuring

Risk Factors

- Market risk: continuation of the decline in consumer confidence and disposable income as a result of the economic downturn. Costs are being carefully managed to maintain margins until demand recovers. Capex spend has also been minimised.
- Smoking ban effect on drink sales in restaurants, some of which have heavy drink sales contributions. The group is undertaking active promotional activity, and has also managed to pass through some cost increases.
- Execution risk of growth strategy (menu, décor, marketing revamps) to win new clients. Senior management attention is being focused on all measures to drive growth.

Daniella/Limebrook - Town & City Pub Company Limited

KAUPTHING BANK

Exposure

Loans	61.2
Guarant.	0.8
Total	**62.0**

- UK high street pub operator with 146 sites across the country
- Since 2007 the UK pub sector has experienced a series of adverse factors, namely the smoking ban, adverse weather, economic downturn and aggressive competition from supermarkets
- With underperforming sales and high rent obligations, the group experienced declining EBITDA in FY07/08

- Debt facilities were restructured in March 2008 after various parts of the company were put into a pre-packaged administration designed to exit the underperforming pub sites.
- The group was split into food-led and drink-led (Town & City) entities, with the bulk of the over-rented underperforming pub leases exited.
- Facilities (split 61%:39% with Dresdner) mature after 18 months to allow the group to achieve performance targets within a defined timeframe

Collateral & Guarantees

FY09 EBITDA F/cast (€mln):	15.0
EV Multiple (estimate):	8.0x
EV:	119.8
<u>Net Debt:</u>	<u>80.2</u>
LTV:	**67%**

- First ranking security over the assets of all the operating companies and material subsidiaries
- Rating of overall security: acceptable, since the bulk of the underperforming sites were disposed during the restructuring, thus improving the value of the remaining portfolio

Financial Performance

Sales (€mln)	32.6	EBITDA	8.3
Total Assets	54.3		
Current Assets	17.9		

- 5 months to July 2008

- Credit Rating: 3 (S&P equivalent: B)
- Covenants: reset in March 08 following facility restructuring

Risk Factors

- Market risk: continuation of the decline in consumer confidence and disposable income as a result of the economic downturn. Costs are being carefully managed to maintain margins until demand recovers. Capex spend has also been minimised
- Smoking ban effect on drink sales. The group is undertaking active promotional activity, and has also managed to pass through some cost increases. The group's North region sites have responded positively and this is expected to flow through to the entire group

mEUR	Loans	Unused	Derivat.	Total
Sabygg Invest ehf.	206.8	-	0.4	207.2
Saxhóll ehf.	9.6	-	2.7	12.3
Sabygg ehf.	1.9	10.5	1.1	13.5
Total	**218.3**	**10.5**	**4.2**	**233.0**

Saxbygg - Saxbygg ehf.

KAUPTHING BANK

Exposure

Loans	1.9
Unused	10.5
Derivat.	1.1
Total	**13.5**

- Saxbygg ehf. is an investment company.

Owners are: Saxhóll ehf. and BYGG Invest ehf.

Collateral & Guarantees

Security margin: 134%
(LTV 74,4%)

Collaterals are KCP II and Kaupthing Bank SS.

The company is on a Watch List. Collaterals can be difficult to liquidate in current market environment.

Financial Performance

Net loss	27	EBITDA	N/A
Total assets	409	Equity ratio	37%
Equity	153		
-31.12.2007			

Credit Rating: On Exception list

Risk Factors

The risk factors due to this loan are the price development of KCP II and Kaupthing Bank.

Saxbygg - Saxbygg Invest ehf.

KAUPTHING BANK

Exposure

Loans	206.8
Derivat.	0.4
Total	**207.2**

Saxbygg Invest ehf. is a holding company SPV for shares in Glitnir Bank.

Owners are Saxhóll ehf and BYGG ehf.

Collateral & Guarantees

Security margin: 84.2%
(LTV 114%)

Collaterals are 744,035,065 shares in Glitnir Bank hf., 1,164,521,242 shares in the real estate company Fasteignafélag Íslands ehf.
The company is on a Watch list. Collaterals can be difficult to liquidate in current market environment.

Financial Performance

NA

A margin call has been issued to the the borrower.

Risk Factors

The company has had tough times the last year due to falling market price of shares in Glitnir.

Saxbygg - Saxhóll ehf.

KAUPTHING BANK

Exposure

Loans	9.6
Derivat.	2.7
Total	**12.3**

Saxhóll ehf. is a holding company for securities.

Owners are Einar Örn Jónsson, Jón Þorsteinn Jónsson, Júlíus Þ. Jónsson, Rut Jónsdóttir and Sigrún Jónsdóttir

Collateral & Guarantees

Security margin: 163%
(LTV 61.3%)

Collaterals are mix of shares (Kaupthing Bank 57% of collaterals, money market fund 16% of collaterals).
The collaterals can be liquidated since the portfolio has shares for manageable amounts.

Financial Performance

Net profit	31.8	EBITDA	N/A
Total assets	350	Curr. Assets	35
Equity	168	Equity ratio	49%

- 31.12.2007

Credit Rating: On Exception list
Margin call: 150%

Risk Factors

The company's main risk factor is falling share prices since 60% of the company's assets at year end 2007 were in shares.

Greenland's Home Rule (FIH)

KAUPTHING BANK

Exposure

Loans	61.2
Unused	82.1
Equity	
Bonds	
Derivat.	89.1
[Other]	
Total	**232.4**

Greenland's Home Rule does not have a commitment with FIH but holds the shares in:
KNI A/S (100%): retail trade, distribution of liquid fuel, beer, tobacco and soft drinks to Greenland.
Royal Greenland A/S (100%): Catch, processing and sale of fish (especially shrimp)
Tele Greenland A/S (100%): Telecommunications providers
Royal Artic Line A/S (100%): Shipping company
Grønlandshavnens Ejendomme A/S (50%): Lease of properties in Aalborg Harbour.

Collateral & Guarantees

Due to the fact that the debitor is part of Denmark the LTV is not calculated.

Covenants.
Commitment with KNI A/S: Letter of awareness by Greenland's Home rule
Overall security: excellent

Financial Performance

KNI A/S:			
Net turnover	277.4	EBITDA	11.1
Total assets	275.7	Curr. Assets	185.0
Equity	127.9	Equity ratio	46.4%
Royal Greenland A/S:			
Net turnover	684.8	EBITDA	33.4
Total assets	529.9	Curr. Assets	337.9
Equity	127.1	Equity ratio	24.0%
Tele Greenland A/S			
Net turnover	93.5	EBITDA	28.7
Total assets	142.0	Curr. Assets	25.0
Equity	100.7	Equity ratio	70.9%

KNI A/S:
Credit Rating: BBB-
Royal Grenland A/S:
Credit Rating: BB+
Tele Greenland A/S:
Credit Rating: BB+

Overall rating of security: acceptable

Risk Factors

The exposures are closely related to Greenland Home Rule; Even though Greenland's Home rule does not guarantee the exposures, it is expected that the Home Rule would support the companies if needed.

Danfoss A/S (FIH)

KAUPTHING BANK

Exposure

Loans	207.4
Unused	6.0
Equity	
Bonds	
Derivat.	9.4
Leasing	8.5
Total	**231.3**

Danfoss A/S is one of Denmark's largest industrial groups and is based in Nordborg, in southern Denmark. Danfoss is an international Group and a leader in research, development and production of mechanical and electronic components and solutions. Danfoss has over 53 factories in 21 countries and more than 18,000 employees. Danfoss was founded in 1905 and is today family-owned by the Clausen family and their foundation.

Danfoss facility of EUR 133 m is based on covenants and pledged property.

In 2008, Danfoss acquired a shareholding of Sauer-Danfoss Inc (commitment EUR 72.7m) and has gained the controlling interest in the company. Sauer-Danfoss Inc. is listed on the Frankfurt and New Your Stock Exchange.

Collateral & Guarantees

Overall LTV: 48%
Calculated as long term loans to total value of the assets.

Loan outstanding EUR 11m is secured by pledged headquarters in Nordborg. Outstanding commitment EUR 8.7m is leasing agreement with property in Odense.
Covenants.
Commitment with Saure-Danfoss Inc. group (EUR 72.7m) is secured by Pledge of shares in subsidiaries and Payment guarantee by Sauer-Danfoss Inc.

Financial Performance

Net turnover	2,976.9	EBITDA	342.9
Total assets	2,663.2	Curr. Assets	1,180.7
Equity	1,272.7	Equity ratio	47.8%

Credit Rating: BBB+
Overall rating of security: acceptable

Risk Factors

In connection with the financial statements for the first half of 2008, profit expectations was reduced from EUR 255 m to EUR 215 m, primarily due to a drops in sales to development customers and producers of household appliances.

Össur hf.

KAUPTHING BANK

Exposure

Loans	190.6
Unused	16.2
Equity	2.5
Derivat.	8.7
Guarant.	0.7
Total	**218.7**

Össur hf. is a global orthopaedics and prosthetics company which develops and manufactures prosthetics, braces and supports and compression therapy products. In Q2 '08, these represented as % of sales 42%, 51% and 6%, respectively. The company is geographically diversified with 54% of revenues coming from Europe, Middle East and Africa and 43% of revenues coming from the Americas.

The debt financing originates largely from the company's acquisitions beginning in 2005 of Royce Medical, followed by Innovation Sports and Gibaud in 2006. The majority of the debt, or €115.6, is long term (maturity 2012) but €40 m. is a bridge loan due to the acquisition of Gibaud which has a maturity of 1 January 2009, but has been requested to be refinanced.

Collateral & Guarantees

Overall LTV 46.2%

All material assets are pledged. This includes shares in subsidiaries of Össur hf. and IP rights, bank accounts, account receivables and inventory. Security can be considered as good.
Standard leveraged covenants.

Financial Performance

Net turnover	124.1	EBITDA	28.5
Total assets	438.8	Curr. Assets	96.5
Equity	182.7	Equity ratio	42%
- 30.6.2008			

Credit Rating: BBB
All covenants 1H '08 are in compliance: Debt/EBITDA 4.3x, Fixed charge cover: 1.27, Equity ratio: 42%, EBITDA/Interest: 3.79x.

Risk Factors

The prosthetics business has been growing steadily both in the US and Europe (4% growth in 1H 08 in LCY) but Össur has been encountering difficulties in the bracing and support business in the US which has not yet shown the desired turnaround (-6% growth in 1H 08 in LCY). The operational risk of Össur is the highest in this sector and market area. A change in management in the US has taken place to counteract the situation.
Despite these complications, the company has managed to improve its overall profitability (21% EBITDA margin 1H '08) through rationalisation of products and increased focus on efficiency.

Vincent Tchenguiz

KAUPTHING BANK

mEUR	Loans	Unused	Total
Pennyrock Limited	128.7	-	128.7
Elsina Ltd. (KS&F)	80.0	-	80.0
Total	**208.7**	**-**	**208.7**

Vincent Tchenguiz - Pennyrock Limited

KAUPTHING BANK

Exposure

Loans	128.7
Total	**128.7**

Vincent Tchenguiz ("VT") has built his fortune on real estate and a portfolio of ground rents. VT is the biggest single owner of ground rents in the UK.

Kaupthing has one €125m loan to VT, secured with second pledge over ground rent portfolios and the management business that accompanies the ground rent portfolio.

Collateral & Guarantees

LTV of 81%
(using 90% haircut on actuarial valuation)

Ground rents are actually the land that real estate sits on, both for residential and office buildings. Cash flow is generated from rental income and management contracts around the properties.

Financial Performance

N/A

Credit Rating: Exception list but subjective valuation is BBB-

Risk Factors

Refinancing of current debt poses the greatest risk, not the income stream, since homeowners will pay their relatively low ground rents in order not to loose their apartments.

Vincent Tchenguiz - Elsina Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 79.8 Unused 0.2 Equity Bonds Derivat. CFD **Total 80.0**	Vincent Tchenguiz is an individual well known to Kaupthing and its senior management. These facilities provide liquidity to enable him to make other investments.
Collateral & Guarantees	€105.0m Overall LTV 76%	Charges over units in a ground rent portfolio trust managed by Close Brothers, shares in Bramdean Alternatives, a quoted investment trust managed by Nicola Horlick and a small basket of other quoted shares. Personal guarantee from Vincent Tchenguiz. LTV covenant 80%. Subjective rating of the overall security: acceptable
Financial Performance	N/A	Credit Rating: BBB-
Risk Factors	Mr. Tchenguiz's is asset rich and frequently cash poor limiting his ability to meet margin calls in the event that LTV breaches occur.	

Managing Director Klaus Helmersen and St. Frederikslund Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	159.0
Unused	34.6
Equity	
Bonds	
Derivat.	1.9
[Other]	
Total	**195.5**

St. Frederikslund Holding Group is Klaus Helmersen's investment company specializing in listed shares and bonds and also properties in Denmark and Germany.
Our commitment is composed as follows:

- German properties (retail + residential) : 108.0
- Danish properties (retail+ residential) : 67.0
- Investment loans : 20.5

Collateral & Guarantees

OverallLTV:63%. Calculated as long term loans to total value of the assets.

Cross-collateral and cross-liability between all pledged securities (investment properties and securities portfolio) and companies in the St. Frederikslund Group.
Covenants
Overall security: excellent

Financial Performance

Net turnover	7.2	EBITDA	4.1
Total assets	420.2	Curr. Assets	206.2
Equity	149.2	Equity ratio	35.5%

Credit Rating: BBB-

Risk Factors

Finance of listed shares and properties. - All properties are inspected/valuated by expert appraiser from FIH.
Shares are listed on the C20-index or constitute similar readily convertible securities.

Kwintet AB (FIH)

KAUPTHING BANK

Exposure

Loans	175.8
Unused	7.7
Equity	
Bonds	
Derivat.	3.1
Leasing	6.4
Total	**193.0**

In 2005 the European Investment Fund, Industri Kapital, acquired the shares of Kwintet.
The Kwintet Group supplies high-quality professional wear for all purposes and industries. The garments are sourced from the Far East. Europe constitutes 95% of total revenue, where especially the Nordic region is the largest one (Kwintet is also the largest player in this region). The group is currently wholly owned by Industri Kapital.
The group is under a LBO financing structure and the exposure of FIH is approx. 40% of the total debt facilities.
As of June 2008 NIBD/EBITDA 6.2x and YTD EBITDA performance 107 (vs. last year)

Collateral & Guarantees

Overall LTV: 65%

Calculated as NIBD to Total Assets.

Pledge of shares.
Committed loan agreement with the usual covenants, restrictions and finansiel covenants for this type of leveraged financing.

Financial Performance

Net turnover	574.9	EBITDA	47.3
Total assets	690.2	Curr. Assets	364.1
Equity	96.9	Equity ratio	14.0%

Credit Rating: BB+

No covenants breachs, defaults or similar.

Risk Factors

- Demand varies according to economic trend and market conditions, as it supplies to many industries across Europe.
- To a lesser extent, the company has much tied up capital in current assets, and it still seeks to optimize its sourcing operations.

Alshair Fiyaz (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	27.1
CFD & TRS	46.0
Unused	117.9
Equity	-
Bonds	-
Derivat.	-
Total	**191.1**

- AF owns a private account and several holding companies which have accounts with us.
- Kristen Management was established for trading purposes, especially in CFDs.
- SCI Chateau is holding company which purpose is to hold a private villa in France.

Collateral & Guarantees

Arcelor Mittal	22.8m
Property (SCI Chateau)	20.0m
Arcelor Mittal(ZA)	16.1m
Other assets	23.4m
LTV*	89%

Kristen Management has margin requirements of 20%.
The loan granted to SCI Chateau is secured by a cash deposit and a first rank pledge on the property.

Financial Performance

The group's exposure has increased this year by EUR 16m while the assets were increasing by EUR 11m.

Kristen is very active in CFD, increasing or decreasing the positions. Their main investment scheme is resources and steel sector.

Risk Factors

-The group has enough collateral in place and respond promptly to each margin call.

* LTV calculated on "utilized" only

Foreningen ei invest european retail (FIH)

KAUPTHING BANK

Exposure

Loans	82.2
Unused	78.7
Equity	
Bonds	
Derivat.	26.2
[Other]	
Total	**187.1**

Foreningen ei invest european retail is established and listed on Copenhagen Stock Exchange in February 2004. The object of the investment fund is to invest in and manage retail properties in Europe – focused on Denmark, Sweden, Finland and Germany.

The property investment is placed in a separate organisational entity (subsidiary).

Collateral & Guarantees

Overall LTV: At the moment 63% but is granted with LTV up to 73%. One property the Gallerierne in Hillerød, Denmark is granted with 80%

Pledged on each of the properties covering the full loan amount, joint surety between each subsidiary and by principal debtor (Foreningen), cross-guarantee, letter of subordination, and covenants.

Overall security: good

Financial Performance

Net turnover	12.7	EBITDA	8.3
Total assets	196.3	Curr. Assets	8.9
Equity	67.1	Equity ratio	34.2%

Credit Rating: BBB-

Risk Factors

Sensitive to a slowdown in Scandinavian economy that might effect renewal rate of lease agreements.

Danish Crown AMBA (FIH)

KAUPTHING BANK

Exposure

Loans	154.3
Unused	
Equity	
Bonds	18.9
Derivat.	0.1
[Other]	
Total	**173.3**

Danish Crown is the largest pork slaughterhouse in Europe, the world's largest exporter of pork and the largest cattle slaughterhouse in Denmark. The meat products are distributed worldwide as bulk products and pre-processed products. Danish Crown is a co-operative, owned by approximately 16,500 Danish farmers.

The predominant share of the annual profit is distributed to the owners.

The majority of the exposure 94 mio. GBP is to the subsidiary company, Tulip U.K. The covenant in this case is solvency ratio 15% and 100% ownership by Danish Crown A.M.B.A.

Collateral & Guarantees

Overall LTV:58%
Calculated as long term loans to total value of the assets.

Covenants
Overall security: acceptable

Financial Performance

Net turnover	5,947.6	EBITDA	423.8
Total assets	2,854.0	Curr. Assets	1,345.4
Equity	409.2	Equity ratio	19.0%

Credit Rating: BBB+

Risk Factors

It could be expected that a general slow down in the world economy will effect the general demand for all kind of meat products. So fair this scenario has not been seen in their sales. A decrease in supply might take place if further environmental requirements are put in place.

Nycomed A/S (FIH)

KAUPTHING BANK

Exposure	Loans 133.5 Unused 38.7 Equity Bonds Derivat. [Other] **Total 172.2**	The Nycomed Group is an international pharmaceutical company, which is owned by 4 private equity companies (Nordic Capital, Avista, Coller International Partners and Credit Suisse) 82% and Others incl. management 18%. It provides medications and products for hospitals, specialists and general practitioners, as well as over-the-counter medicines in selected markets.The group employs 12,000 perople. As at 30 june 2008 the company had a NIBD/EBITDA of 3.4x and EBITDA performance YTD at index :100 (vs. budget)
Collateral & Guarantees	Overall LTV: 47% Calculated as NIBD to total assets.	Pledge of shares. Committed loan agreement with the usual covenants, restrictions and finansiel covenants for this type of leveraged financing.
Financial Performance	Net turnover 3,497.4 · EBITDA 997.1 Total assets 8,839.7 · Curr. Assets 1,613.4 Equity 1,380.6 · Equity ratio 16.5%	Credit Rating: BB+ No covenants breach, defaults or similar.
Risk Factors	■ Patent of most important product (Pantoprazole) expires in 2009 and 2010 in Europe and the US respectively. Generic competitors in the US market are already questioning its patent and has launched generic products. ■The company is increasingly diversifying its portfolio, but needs to continue this trend due to patent expiration.	

REIM - Celsius European Holdings Sarl

KAUPTHING BANK

Exposure

Loans	167.1
Total	**167.1**

- Invista REIM is the largest UK listed real estate fund management group, with offices in London, Paris and Guernsey. The Group manages both commercial and residential property across the UK and continental Europe, and has a total of £8bn assets across 22 funds under management as at the end of June 2008.

- In May 2007, Kaupthing funded €342m 12 month bridge facility for the acquisition of the Celsius portfolio of 34 assets in France by PropInvest and Invista Real Estate. The facility was originally intended to bridge the migration of the property portfolio into Invista's European real estate fund but as a result of the decline in the real estate equity markets, an alternative refinancing solution was required.
- In May 2008, Celsius completed the sale of 23 of the 34 assets to another of Invista's managed funds, Clerical Medical for a price of €170.1m. In June 2008, our exposure was reduced by a further €30m following additional equity contributions from the equity sponsors, with PropInvest's €15m equity financed by a 3 year PIK loan from Kaupthing, resulting in our current exposure of €165.8m, including hedging and the PropInvest loan.

Collateral & Guarantees

Valuation (as at 15/04/08): EUR 182.1m
Loans: EUR 141.3m

LTV **78%**

*excludes PIK (PropInvest) because the PIK is not a direct exposure to the property portfolio

- Mortgages on property (diversified portfolio of retail, office and warehouse assets in France), Pledge over Shares in the Bidco, Holdcos and Propcos, and their Bank Accounts.
- Security is considered good.
- Covenants: Interest cover >100%, PropInvest NAV > €50m

Financial Performance

Net turnover	13.0	EBITDA	10.0
Total assets	380.0	Curr. Assets	191.1
Equity	24.4	Equity ratio	6%

- 31.12.2007 (9 months)

- Credit Rating: N/a
- Covenants: All covenants met

Risk Factors

- Decline in French property market; despite current economic uncertainty, the French market, especially the Paris region, is the second favoured European location after London by international investors and office real estate remains a sought-after asset.
- Availability of finance; although talks are progressing to refinance by the end of the year with a number of banks and mezzanine providers, including BOA, HSH Nordbank and Aarel for the Senior debt and iStar for the Mezzanine debt.

Gift fjárfestingafélag ehf.

KAUPTHING BANK

Exposure	Loans 166.8 **Total** **166.8**	Gift fjárfestingafélag ehf. is a holding company for securities.
Collateral & Guarantees	Security margin: 87.7% (LTV 114.6%)	Collaterals are mix of shares (largest assets is Kaupthing Bank 78% of collaterals). The company is on a Watch list. Collaterals can be difficult to liquidate in current market environment.
Financial Performance	Net loss 163 / EBITDA N/A Total assets 555 / Total shares 466 Equity 48 / Equity ratio 8% *- 31.3.2008*	Credit Rating: On Exception list
Risk Factors	The company has been hit hard the last year due to falling shares prices. The company's performance is closely linked to the price development of Kaupthing Bank since it is the largest asset of the company.	

EjendomsSelskabet Norden I K/S (FIH)

KAUPTHING BANK

Exposure

Loans	
Unused	160.9
Equity	4.8
Bonds	
Derivat.	
[Other]	
Total	**165.7**

The group is established in 2005 when setting up of a new property fund with ATP, PFA, Industriens Pensionsforsikring, JØP, DIP and FIH as investors. The limited partnership has a committed capital of EUR 86m.

The facility is primarily allocated to investments in office properties.

Collateral & Guarantees

Overall LTV: - %
At the moment the company has not bought any properties and the LTV is not calculated

Covenants and restrictions as for example “No other banks than FIH”. Assignment of the right to call committed capital from the investors.

Overall security: good

Financial Performance

Net turnover	1.0	EBITDA	-0.1
Total assets	15.4	Curr. Assets	15.4
Equity	15.3	Equity ratio	99.7%

Credit Rating: BBB

Risk Factors

Vivian Imerman (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	29.2
CFD & TRS	106.5
Unused	29.3
Equity	-
Bonds	-
Derivat.	-
Total	**165.0**

- VI is the beneficial owner of Verona and Zaria which have accounts within KBLUX.
- Verona is established to trade into liquid assets, either shares or CFDs, with a strong focus on that later.
- Zaria is investing into unlisted assets where we grant leverage.

Collateral & Guarantees

Strait Asia	20.1m
Barclays Plc.	8.7m
London Mining	7.7m
Others	118.5m
LTV*	88%

-Rating: none.
-Zaria is collateralised by VI's personal guarantee of EUR 45m.
-Margin requirements are 20% for Verona and 30% for Zaria.

Financial Performance

During the year the exposure on the group has increased by EUR 37m while the assets have also increased respectively EUR 38m.

Verona is very active trading in CFD, their main investment scheme is mining sector. During the year Verona has unwind most of its exposures towards Minara Res. and SCI Entertainment.

Risk Factors

-The portfolio of Verona is well diversified (number of securities) and shows a strong interest in the resources sector.
-Verona and Zaria respond promptly to each margin call.

* LTV calculated on "utilized" only

Christen Sveaas/Kistefos/AS Holding/Telecom Holding AS

KAUPTHING BANK

Exposure

Loans	164.4
Total	**164.4**

Christen Sveaas is the beneficial owner of Kistefos AS (through a structure of holding companies), a Norwegian investment company headquartered in Oslo. The investment portfolio consists of listed and privately held companies that are wholly or partly owned. The investment portfolio is focused on four asset classes; Shipping, Offshore Services, Private Equity, and Venture Capital. The companies within the private equity and venture capital portfolios are predominantly within IT and telecommunications. Originally Kaupthing started doing business with Christen Sveaas during first quarter of 2006 when Kaupthing refinanced NOK 850 million of debt he had privately with DnB NOR. Since then Kaupthing has been providing him with some additional loans, both in his holding structure as well as to Kistefos itself. Since most of these loans are either directly to Kistefos or secured with Kistefos shares (directly or indirectly) the focus in this overview is on the operations of Kistefos.

Collateral & Guarantees

Overall LTV is around 40%

As security for CS private loans we have a share pledge over the top level in CS holding structure (Portfolio Holding, Kistefos Holding and Foskis Holding). The AS Holding loan is secured with 32% of the share capital in Kistefos AS. Finally we have the shares in Atex (portfolio company) pledged as security behind the Kistefos loan as well as full recourse on Kistefos. Security can be considered as good.

Financial Performance

Net turnover	410.1	EBITDA	41.7
Total assets	608.1	Curr. Assets	420.8
Equity	181.4	Equity ratio	29.9%

- 30.6.2008

Credit Rating: BB+
Main covenant is the Net Asset Value in the Kistefos system which should at minimum be 175% of outstanding loan amount. As off June 30th the ratio was around 280%

Risk Factors

Kistefos main operations are within shipping and offshore. The outlook for the offshore industry is very good, drilling activities are expected to remain high in the coming quarters implying strong demand for offshore services. Kistefos has also been doing well within the areas of shipping and has a reasonably strong pipeline for coming quarters. In addition most of the portfolio companies are doing well.
Given high NAV within the Kistefos group and the abovementioned status of both the offshore and shipping activities, the risk seems very limited near to medium term.

ST Aerospace Solutions (Europe) A/S (FIH)

Exposure

Loans	152.6
Unused	5.0
Equity	
Bonds	
Derivat.	2.9
[Other]	
Total	**160.5**

ST Aerospace Solutions A/S is a full service component supply company for aircrafts. The group owns and manages a large pool of components and materials which is constantly optimised to provide its customers with the best possible service without unplanned stops. The exposure is governed by an extensive credit agreement and FIH is the sole lender to the company.

Collateral & Guarantees

Overall LTV: 37%

Calculated as NIBD to total assets

Floating charge of EUR 210m over components needed for maintenance, repair and overhaul of the different aircraft models.

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	204.6	EBITDA	29.9
Total assets	391.2	Curr. Assets	146.2
Equity	149.3	Equity ratio	39.6%

Credit Rating: BB+
Currently, the company has breached two of its financial covenants. Total NIBD/EBITDA 5.5 times. EBITDA performance YTD at index 60.

Risk Factors

- 50% of sale is to SAS

Kaupthing Capital Partners

KAUPTHING BANK

mEUR	Loans	Unused	Total
Kaupting Capital Parnters Master (KBLUX)	84.7	20.7	105.4
KCP II ehf. (	54.0	-	54.0
Total	**138.7**	**20.7**	**159.4***
*The exposure does not include Kaupthings participation in KCP II			

Kaupthing Capital Partners II Master, L.P. Incorporated (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	84.7
Unused	20.7
Equity	
Bonds	
Derivat.	
Total	**105.4**

Kaupthing Capital Partners II Master, L.P. (KCP II) is the private equity investment fund of the group, which is operated by Singer & Friedlander Asset Management Limited. Based on its investment strategy, KCP will raise funds amounting up to GBP 520mn, whereof GBP 200mn has been committed by Kaupthing Group. The fund is focused on investments in Scandinavia and UK located companies (healthcare, business service, media sector) which are equity valued in the range of GBP 50-500mn.

To cover short term financing requirements caused by investments undertaken prior to investors being called, KBLUX established an uncommitted credit facility amounting up to GBP 84mn (EUR 105.34mn). The facility is of bridge nature only.

Collateral & Guarantees

No direct pledge over investments in portfolio in custody with the bank.

The underlying securities portfolio reflects KCP's investments being ADP Healthcare Acquisitions Limited, DLG Equity Holdings Ltd. and Phase Eight Ltd. Current market value of the portfolio is around EUR 119.70mn with 95% thereof being unlisted shares.

Financial Performance

Audited Annual Report 23/10-31/12/2007

Turnover	n/a	EBITDA	n/a
Total assets	124.24	Curr. Assets	30.12
Equity	87.35	Equity ratio	70.3%

Loss attributable to Limited Partner: 4.75

Credit Rating: no rating

Risk Factors

The private equity investment sector was and is still affected by the market environment (amongst others a substantial reduction of acquisition debt in the market and equity investments kept on a high entry level) which boiled down its opportunities. To cope with the current conditions, potential investments will have to be carefully pursued but also the existing investments require a close monitoring procedure. As KCP II is a non-leveraged style fund the risk is (through the bridge facility) considered acceptable.

KCP II ehf (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 54.0 Unused Equity Bonds Derivat. **Total 54.0**	This is a Reverse Repo loan to a SPV owned by Kaupthing Capital Partners to facilitate an investment in the shares of Booker plc.
Collateral & Guarantees	€106.8 LTV 50.5%	Shares in a UK quoted company held through a Reverse Repo Agreement, LTV threshold 80%. Subjective rating of the overall security: good
Financial Performance	N/A	N/A
Risk Factors	In the event of the shares falling below the threshold price we would be reliant on the fund itself making good any margin call and the counterparty is a SPV set up specifically for this transaction and does not have the wherewithal itself to meet margin calls.	

Sjælsø Gruppen A/S (FIH)

KAUPTHING BANK

Exposure

Loans	126.9
Unused	11.7
Equity	
Bonds	
Derivat.	14.5
[Other]	
Total	**153.1**

Sjælsø Gruppen A/S was founded in 1977 and is one of Denmark's largest developers of real estate property.

Sjælsø Gruppen A/S is listed on the Copenhagen Stock Exchange

Collateral & Guarantees

Overall LTV: 58%
Calculated as long term loans to total value of the assets.

Guarantee from Sjælsø Gruppen A/S for commitments to affiliated companies. Covenants. Pledged shares in the subsidiaries.
Overall security: acceptable

Financial Performance

Net turnover	851.8	EBITDA	136.0
Total assets	1,212.6	Curr. Assets	1,067.5
Equity	279.9	Equity ratio	23%

Credit Rating: BBB+

Risk Factors

- Property sector
- Developer
- Financial sector

HUURRE GROUP OY

KAUPTHING BANK

Exposure

Loans	151.8
Equity	0.7
Total	**152.7**

- Headquartered in Helsinki, the business provides refrigeration, maintenance and installation services to industrial/retail businesses across the UK, the Nordic region, Eastern/Central Europe.
- Huurre has 3 main operating divisions, Retail, Industry and HoReCa (commercial kitchens, hotels, restaurants and catering).
- Kaupthing Capital Partners invested in Huurre in March 2003, funding the €83m secondary buy-out from Bridgepoint. The Kaupthing equity funding comprised of €33m for 50% of the equity. Debt funding was provided by a syndicate arranged and underwritten by HBOS whilst Kaupthing provided €10m Mezzanine finance.
- In February 2007, Kaupthing refinanced Huurre's €46.7m Senior Facilities from HBOS, with a proportion of the debt charged at cost of funds with a 2.5% margin payable on a Pay If You Can ("PIYC") basis, subject to the company generating sufficient excess cash.
- FY07 trading: Group achieved EBITDA of €19.6m at year end, 8.9% above budget of €18m and 78% above prior year of €11m.

Collateral & Guarantees

LTM EBITDA: EUR 20m
EV Multiple (estimate): 7x
Enterprise Value: EUR 141m
Debt: EUR 136m

LTV 96%

- Fixed and floating charges over the assets of the Group and material subsidiaries. Cross collateralised guarantees across all Group Companies and share pledges over all material companies.
- Security is considered to be good.
- Covenants: Minimum EBITDA > €15.6m on a rolling 12 month basis from 30th June 2007 and then each quarter date until 31 December 2008, when facilities expire.

Financial Performance

Net turnover	150.5	EBITDA	11.4
Total assets	241.8	Current Assets	101.8
Equity	48.5	Equity ratio	25%

- 8 months July 2008

- Credit Rating: 3 / S&P equivalent B
- Covenants: All covenants have been met to date and we will soon be discussing extension of the facilities with the company.

Risk Factors

- Market challenges: Long term market growth drivers remain sound, including increasing demand for chilled and frozen food, reflected in the business' strong order book.
- Overdue receivables: Due to long project lead times and poor debt collection, Huurre has suffered cash constraints but management is making progress on improving trade receivables collection, with only 35% of total receivables overdue at the end of July 2008 compared to 43% at the end of December 2007.
- Debt service ability: Facilities are priced at cost of funds plus PIYC margin, reflecting the Group's limited ability to service debt in the short term. Cash position has however improved considerably with the first PIYC made in June 08.
- Exit strategy: With potential for further upside, KCP would be looking to exit in 2009/2010 either through a trade sale out or equity purchase once profitability has been restored.

Alfesca

KAUPTHING BANK

Exposure

Loans	27.3
Unused	38.5
Equity	81.7
Derivat.	0.3
Total	**147.8**

- Alfesca is a market leader in the production of goose products, shrimp and smoked salmon.
- First established as SIF, Alfesca has grown substantially through acquisitions of brands such as DelPierre and Laberie.
- Financial performance has improved year on year and we regard Alfesca to be a strong credit

- Kaupthing and Natixis underwrote and arranged a EUR 280m debt facility in May 2008.
- The facility was syndicated to a group of 10 international banks
- Leverage has since decreased further

Collateral & Guarantees

FY08 EBITDA (€mln):	62.5
Market Cap end August	320.0
MC/EBITDA 5x	
Net Debt:	166.7
LTV:	**52%**

- Share pledges over all material companies
- Rating of overall security: acceptable
- Fixed and floating charges over assets of each member group and material subsidiaries, Cross collateralised guarantees across all Group companies

Financial Performance

Sales	647.4	EBITDA	62.5
Total Assets	675.7	Equity Ratio	47.6%
Current Assets	210.4		
Equity	321.7		

- 30.6.2008 12 months

- Credit Rating:10 (S&P Equivalent: BBB+)
- Covenants: Met with good headroom

Risk Factors

- Market risk: Raw material price increases have been met with pass on to retailers. Salmon prices have softened and are expected to remain stable in the near term.
- Management continues to look for further acquisitions in order to widen the groups activities and thus diversify the risk.
- Financial controls are good and the company is required to meet standards set by the Stock exchange.

Drög

KAUPTHING BANK

mEUR	Loans	Unused	Guarant.	Total
Íslenskir aðalverktakar hf.	42.9	7.8	15.0	65.7
Drög ehf.	54.5	-	-	54.5
Álftárós ehf.	15.9	-	-	15.9
Ármannsfell ehf.	9.7	-	-	9.7
Þrengsli ehf.	1.9	-	-	1.9
Total	**124.8**	**7.8**	**15.0**	**147.7**

Drög - Íslenskir aðalverktakar hf.

KAUPTHING BANK

Exposure	Loans 42.8 Unused 7.8 Guarant. 15.0 **Total** **65.6**	General construction, both own production of residential housing as well as participating on the tender market.
Collateral & Guarantees	NA	Pledge in all major fixed assets of ÍAV, that is all projects that are being financed by the bank (80% funding of cost). Also a pledge in accounts receivables and cross-default clause if any group company defaults. Subjective rating of the overall security: acceptable
Financial Performance	Net turnover 67.9 / EBITDA 3.1 Total assets 96.2 / Curr. Assets 80.7 Equity 21.5 / Equity Ratio 22% *- 30.6.2008*	Credit Rating: BBB-
Risk Factors	The construction sector has been under some pressure, especially the residential part of it. Declining sales, inventory build-up in a high interest rate environment, high inflation environment and ISV instability. Rising construction prices are hard to push into price of residential properties that sell badly to begin with. ÍAV's project pipeline in tender projects is on the other hand very strong and on that side rising costs are pushed onto the client which are many governmental and municipal institutions and organisations.	

Drög - Drög ehf.

KAUPTHING BANK

Exposure

Loans	54.5
Total	**54.5**

Drög ehf.: is the holding company of following companies:

- ÍAV hf. (Iceland Prime Contractor): General construction of buildings and civil engineering works.
- Ármannsfell ehf.: an SPV around various developing projects.
- Álftárós ehf.: an SPV for income bearing assets, currently only with one asset under development.
- Þrengsli ehf.: an SPV for one income bearing asset in Reykjavik, (Puplic health care center).

Collateral & Guarantees

NA

Shares in all companies, also pledge in 40% of own shares in Drög ehf. and an 200m ISK guarantee from Eignahaldsfélagið AV ehf.
Overall security rated as acceptable
Covenants: Net debt coverage, Equity ratio, dividend restrictions and other conventional covenants for lending of this type.

Financial Performance

Net turnover	195.7	EBITDA	42.0
Total Assets	282.4	Curr. Assets	150.0
Equity	20.1	Equity Ratio	7%

- 31.12.2007

Credit Rating: BB
Covenants: Net debt coverage, Equity ratio, dividend restrictions and other conventional covenants.

Risk Factors

The major risks in the construction sector are various; from inventory build up with the real estate market being very sluggish at the moment, rising inflation pushing costs up and the deflation of the ISK and high interest rates are hurting profitability.

Drög - Álftárós ehf.

KAUPTHING BANK

Exposure

Loans	15.9
Total	**15.9**

Within Drög group is also the SPV Álftárós ehf. It's main purpose is to construct and operate the new building at Álfheimar 74 (Glæsibær) Reykjavik.

Constructions are at latter stage with 87% of the buildings 10,000 square meters already rented out to various parties. Most of the space is being moved into at this point in time (September 2008).

Collateral & Guarantees

LTV 75%

Pledge in the building.

Security rated as very good.

Financial Performance

Total assets	22.7	Curr. Assets	0
Equity	-1.1	Equity ratio	-5%
- 31.12.2007			

Credit Rating: B+
CR B+ at 31.12.07 is due to asset being constructed and valued at cost.
Subordinated loan from ÍAV would effectively take equity up to 8 million EUR

Risk Factors

Main risk at this point in time is refinancing risk, that is to be able to refinance construction loan at a reasonable long-term rates. Other risks are related to vacancy and tenancy non-payment.

Drög - Ármannsfell ehf.

KAUPTHING BANK

Exposure

Loans	9.7
Total	**9.7**

Ármannsfell ehf. is an SPV within the Drög group around development assets (i.e. plots of land). The sole exposure of the company towards Kaupthing is a loan to purchase a plot called "Hrólfskálamelar" on Seltjarnarnes close to Reykjavik.

The plot is currently under construction, whereas Ármannsfell's sister company Íslenskir aðalverktakar is constructing a group of flats.

Four other assets of Ármannsfell are financed through Íslenskir aðalverktakar (mainly due to historic reasons) but reflected on ÁF's balance sheet.

Collateral & Guarantees

LTV 80%

Pledge in the plot.

Security rated as good.

Financial Performance

Total assets	67.1	Equity	26.5
Equity ratio	39%		

- 31.12.2007

Credit Rating: BB

Risk Factors

Same as in Íslenskir aðalverktakar hf.

Lornamead Acquisitions Ltd.

KAUPTHING BANK

Exposure

Loans	108.2
Undrawn	30.8
Derivat.	1.2
Guarant.	0.4
Total	**140.6**

- Lornamead is a wholesaler provider of personal care brands. The Group pursues a successful strategy of acquiring heritage brands from large multinationals with a view to extending their economic life through increased brand management and geographic expansion.
- Operational and Sales activities are organised into four geographic territories: US & Canada (42%), UK & Ireland (35%), Germany (15%) and the Middle East (8%)

- In December 2006, Kaupthing underwrote senior facilities of €114m to support the re-financing of Lornamead. The business performed well initially, however a cash shortfall and a forecast breach of covenants led to a restructuring of the capital structure in December 2007. Restructuring involved an equity injection of €6m, a repayment of €6m senior debt and a transfer of €12m of senior debt to mezzanine.
- Year end March 2008 trading: Group achieved EBITDA of €19.5m, 5% ahead of the revised forecast but 19% down against original budget and prior year.

Collateral & Guarantees

LTM EBITDA: EUR 17.8m
EV multiple (original Dec 06): 7.0x
Enterprise Value: EUR 124.4m
Net Debt: EUR 101.2m

LTV 81.3%

- Fixed and floating charges over the assets of each member of the Group and material subsidiaries. Cross collateralised guarantees across all Group Companies and share pledges over all material companies. Key man insurance over key individuals
- Security is considered to be good.
- Standard leverage covenants

Financial Performance

Net turnover	33.3	YTD EBITDA	2.5
Total assets	83.4	Current Assets	38.1
Equity	23.8	Equity ratio	36%

- YTD July 2008 (4 months)

- Credit Rating: 5 / S&P equivalent (BB-)
- Watch list
- Covenants: All covenants are in compliance since Dec 07 restructure. June 08: Total Leverage 5.4x, Senior Leverage 4.7x, Cash cover 1.5x, Interest cover 2.1x

Risk Factors

- Adverse market conditions: There are signs that some customers are closing stores or reducing stock given the tough retail climate. Management is developing plans to exploit their price fighting brands via channel specific promotions and new products.
- Increase in raw materials prices: Lornamead has increased its prices and undertaken cost savings initiatives to offset underlying material inflation and improve margins.
- Bargaining power with supermarkets: Delays in listing products with Wal-Mart has resulted in weaker performance in the USA. New CEO was appointed last month to improve the US business.

Danske Fragtmænd A/S (FIH)

KAUPTHING BANK

Exposure

Loans	109.5
Unused	
Equity	
Bonds	
Derivat.	17.4
Leasing	9.6
Total	**136.5**

Danske Fragtmænd has existed for more than 100 years and provides solutions for transportation, general logistics and storage of all kinds of goods. In September 2007. the new Danske Fragtmænd Holding A/S was established with equity of DKK 150m (EUR 20m)- share capital of DKK 75m (EUR 10m). At the same time the holding company established Danske Fragmænd A/S, who took over 20 depots. Operations have been incorporated under Danske Fragtmænd A/S while depots storage facilities are organised in the subsidiary Danske Fragtmænd Ejendomme A/S. The share capital of DKK 75m in Danske Fragtmænd Holding A/S is allocated between 100 freight companies.

Collateral & Guarantees

Overall LTV: 32%
Calculated as long term loans to total assets.

Pledge in properties - storage and depots, pledge of shares, payment guarantee by Danske Fragtmænd Holding and Danske fragtmænd A/S and other relevant companies, covenants
Overall security: acceptable

Financial Performance

First financial year (13 June- 31 December 2007)

Net turnover	338.5	EBITDA	7.9
Total assets	161.3	Curr. Assets	61.3
Equity	22.4	Equity ratio	13.8%

Credit Rating: BB+

Risk Factors

- A slow-down in the danish economy will effect the demand for freight transport in general.
- Some of the current more than 100 freight companies should decide to leave the organization.

A Heeschen & Associated Companies (Kaupthing Isle of Man)

KAUPTHING BANK

Exposure	Loans 135.1 **Total 135.1**	AH is a German industrialist and businessman, whose core businesses are Heckler & Koch, one of the world's leading manufacturers of small arms for NATO and police forces in Europe / USA and Luhns GmbH, which specialises in the production of household cleaning products. AH has been a client of the Bank since 2005 and since that time we have funded various asset purchases, both in his personal capacity and through special purpose holding companies.
Collateral & Guarantees	Overall LTV 68%	Collateral: London, French and Caribbean property, Aircraft, Yacht and Artworks. Subjective rating of the overall security: Good
Financial Performance	As at Jun 07: AH Net worth 267.3 Total assets 461.4 Income 12.5 * * Excludes income derived from asset sales.	Slight breach of max LTV covenant on property loan due to adverse currency movements, however this has now regularised. Exposure set to be reduced by EUR 25m by end of Sept 08, with further reductions of EUR 25m by end of Jan 09 and EUR 10m by Jun 09.
Risk Factors	Key risk is loss of income, however AH has a diversity of businesses / assets from where his income is derived. The reduction in exposure as highlighted above will significantly reduce his debt servicing commitments.	

Proark A/S – Michael Kaa Andersen (FIH)

KAUPTHING BANK

Exposure

Loans	104.4
Unused	6.0
Equity	
Bonds	
Derivat.	8.3
Guarantees	15.8
Total	**134.5**

Michael Kaa Andersen owns the Proark Group. The group operates in broad range of businesses including properties, golf courses and banking (Basisbank).

Proark ApS: (24%), Bella Center A/S, the largest exhibition centre in Denmark

Proark Golf A/S: (100%), 7 golf courses with buildings etc. located in Denmark

Lübker Square K/S: (31%), theme park including swimming pools, wellness, health centre and cafe

K/S Snekkersten Hotel & Spa: (50%) a hotel managed by the Comwell group.

K/S Gyrovej: (100%): a industrial property fully leased to Skive Kommune and Terma A/S.

Bella Center A/S: the largest exibition centre in Denmark

Collateral & Guarantees

Overall LTV:38 %
Calculated as long term to total assets.

Pledge of shares in Bella Center A/S, Proark Golf A/S and other subsidiaries, first mortgage DKK 200 mio in Snekkersten Hotel, first mortage DKK 60 mio in Lübker Square, first mortgage DKK 17 mio in Gyrovej, second mortgage DKK 42 mio in Bella Center, payment guarantees by Proark A/S and subsidiaries, covenants. Overall security: acceptable

Financial Performance

Net turnover	52.4	EBITDA	28.8
Total assets	968.1	Curr. Assets	477.2
Equity	177.6	Equity ratio	18.3%

Credit Rating: BB+

Risk Factors

A further crisis in the financial sector. A slowdown in general in the Danish economy that will effect the demand for entertainment.

Umtak ehf.

KAUPTHING BANK

Exposure	Loans 133.1 **Total** **133.1**	Umtak ehf. owns majority of assets utilised by N1 hf., the largest oil distributor in Iceland
Collateral & Guarantees	LTV 95%	Pledge in majority of the companies assets. In total 35 assets around Iceland. Size is 63,064m². Pledge in lease agreement, which is pure financial lease. Guarantee from BNT hf. and a pledge over shares in Umtak ehf. Subjective rating of overall security: acceptable
Financial Performance	Net turnover 6.2 / EBITDA 12.5 Total assets 156.5 / Curr. Assets 6.1 Equity 8.6 / Equity ratio 5% *- 31.12.2007*	Credit Rating: BB-
Risk Factors	The major risk is that its tenant, N1 – the largest oil distributor in Iceland - will default. Lease agreements mirror loan payments, with no interest rate or currency risks.	

Aalborg Industries Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	132.0
Unused	
Equity	
Bonds	
Derivat.	0.3
[Other]	
Total	**132.3**

Aalborg Industries is the world's leading supplier of marine boilers for commercial vessels and holds leading positions within industrial process steam boilers in selected geographical areas. Funds advised by Altor Equity Partners acquired Aalborg Industries from a consortium of Danish financial investors led by Axcel in September 2005. The Danish Employees' Capital Pension Fund "LD" has remained a minority shareholder. The group is under a LBO financing structure and the exposure of FIH is 70% of the total debt facilities.
As at 30 June 2008 the company had a NIBD/EBITDA of 2.4 times and EBITDA Performance YTD at index: 106

Collateral & Guarantees

Overall LTV: 41%
Calculated as NIBD to total assets.

Pledge of shares in Aalborg industries A/S (subsidiary).
Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	375.9	EBITDA	54.7
Total assets	370.2	Curr. Assets	203.2
Equity	39.5	Equity ratio	10.7%

Credit Rating: BBB-
No covenants breach, defaults or similar.

Risk Factors

Contracting of new ships. As the order book is currently very strong, this is not a short term risk.

Teighmore Ltd & New London Bridge House (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 124.6 Unused 7.4 Equity Bonds Derivat. **Total 132.0**	The Shard of Glass is a high profile tower redevelopment of land at and around London Bridge rail terminus, SE1. Part pre-let to Shangri Las Hotel Group and Transport for London. Equity Sponsors are Qatari National Bank, Qatari Investment Bank and Sellar Property Group, the Qatari's representing 80% of the deal with Sellar holding the balance. Between them they have invested close on £300m. Site is in course of being cleared. Development costs being covered by equity participants. Exposure includes Kaupthing hf. participation in facility.
Collateral & Guarantees	Estimated LTV 100%	Charge over development site. Subjective rating of the overall security: sub-standard
Financial Performance	N/A	Credit Rating: B- Watch List
Risk Factors	The current market means that development finance (GBP 1.4bn) will be extremely difficult to raise and the client requested a three month extension form the end of September 2008. Valuation of site on residual value basis will have deteriorated in light of yield drift and ERV's softening. View currently is not to seek a revaluation for the sake of a 3 month extension but rather to impose tight timeline milestones for progress towards the refinancing which is now due to be complete by 14th December 2008.	

Samson

KAUPTHING BANK

mEUR	Loans	Unused	Total
Empennage Inc.	65.6	-	65.6
Samson eignarhaldsfélag ehf.	39.2	-	39.2
Rauðsvík ehf.	13.1	6.8	19.9
Samson Properties ehf.	0.8	-	0.8
Total	**118.7**	**6.8**	**125.5**

Samson - Empennage Inc.

KAUPTHING BANK

Exposure	Loans 65.6 **Total** **65.6**	Empennage is a holding company for shares in Landsbanki Islands.
Collateral & Guarantees	Security margin: 73% (LTV 137%).	Collaterals are 244,093,871 shares in Landsbanki Islands and full guarantee of Landsbanki Islands which Kaupthing is primarily relying on.
Financial Performance	NA	Margin call: 100%
Risk Factors	The operation of Landsbanki Íslands going forward.	

Samson - Samson eignarhaldsfélag ehf.

KAUPTHING BANK

Exposure

Loans	39.2
Total	**39.2**

The company is a holding company for shares in Landsbanki Islands. Owned by Bjorgolfur Gudmundsson and Bjorgolfur Thor Bjorgolfsson.

The loan granted to Samson eignarhaldsfelag is a 1 year bullet with maturity in December 2008.

Collateral & Guarantees

Security margin: 151%
(LTV 66%).

Collaterals are 297,582,299 shares in Landsbanki Islands, Money Market Fund and an unlimited personal guarantee of the owners.
The collaterals can be difficult to liquidate in current market environment. The full guarantee of the owners can be considered good collateral.

Financial Performance

Net turnover	na	Net Profit	-63
Total assets	1,151	Curr. Assets	82
Equity	211.8	Equity ratio	18.4%

Margin call: 130%

Risk Factors

Shares in Landsbanki have decreased considerably in the last year due to the economic slowdown. The share price of LI is the company's main risk factor.

Samson - Rauðsvík ehf.

KAUPTHING BANK

Exposure

Loans	13.1
Unused	6.8
Total	**19.9**

Rauðsvík is an SPV around a project on a land plot or assets in central Reykjavik. 100% owned by Samson Properties ehf.

The site is located in the very center of Reykjavik at the eastern end of Laugavegur and is bound by Skúlagata, Vitastigur, Barónsstígur and crosses Hverfisgata.

The master plan is to construct an ambitious complex that comprises of retail units, offices, leisure and apartments. In total estimated to construct about 70-90 thousand sellable square meters (in total approx 90,000).

The project is now being developed and planning permits being prepared.

Collateral & Guarantees

LTV 65%

Pledge of assets on the plot that have been financed by the bank.

A guarantee by the parent company Novator Properties ehf.

Financial Performance

Net turnover	0.2	EBITDA	0.1
Total assets	26.7	Curr Assets	0.3
Equity	-0.4	Equity ratio	-2%

- 31.12.2007

Credit Rating: BB (derived from Samson Properties)
Financial performance of development SPV is normally bad on early stages. Equity ratio 30% if loan from owner is considered as equity.

Risk Factors

It is save to say that this sector is under serious pressure in current economy, real estate market, both commercial and residential seems to be on ice at the moment with sales significantly down.

DEUGE Deutsche Grundeigentum GmbH + Lundtoftegaard GmbH (FIH)

KAUPTHING BANK

Exposure	Loans 107.7 Unused Equity Bonds Derivat. 16.3 [Other] **Total 124.0**	DEUGE Deutsche Grundeigentum GmbH is a recently established company engaged in acquisition, development and reselling of German residential lease properties to property funds abroad within 12 months. Lundtoftegaaard GmbH is investing in residential/retail properties in Berlin. The companies is ultimately owned by Ottmar Nau, Søren Toft-Nielsen and Erik Damgaard. Finance of residential leased out properties in major cities in Germany. Actual vacancy 0-2%. Interest only-loans.
Collateral & Guarantees	Overall LTV: 100%	Pledged properties. Additional guarantees from Erik Damgaard Portefølje-Invest A/S and from Ottmar Nau. Overall security: good
Financial Performance	Erik Damgaard Porteføljeinvest A/S Net turnover n/a — EBITDA -7.9 Total assets 316.0 — Curr. Assets 283.0 Equity 151.2 — Equity ratio 47.8%	Credit Rating: BB+
Risk Factors	It could be expected, that a general slowdown in German residential market will affect LTV. Currently the cash flow is positive and we have supporting guarantees from shareholders.	

Enic International Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 68.2 Unused 21.4 Equity Bonds Derivat. Guarantee 32.3 **Total 121.9**	This is a SPV set up to purchase shares in Tottenham Hotspur Football Club through a Reverse Repo arrangement. The ultimate owners of Enic are Daniel Levy (the Chairman of the club) and Joe Lewis who is reputedly extremely wealthy and a target for doing further business with.
Collateral & Guarantees	Shares worth €89.0m held through a Repo agreement. Overall LTV 75.6%. The guarantee is fully cash backed.	Subjective rating of the overall security: good
Financial Performance	N/A	N/A
Risk Factors	Our only formal security is one line of shares which would have to be placed with someone desirous of owning the club as they are not a 'traditional' investment. However, we have confidence in the informal support of the principals.	

Gluma Holding A/S (FIH)

KAUPTHING BANK

Exposure	Loans 118.3 Unused 1.0 Equity Bonds Derivat. 0.4 [Other] **Total 119.7**	Gluma Holding is a holding company for Glud & Marstrand - a leading European manufacturer of metal packaging e.g. food cans, customized cans and steel books for DVDs etc. The group owns factories in Denmark and Sweden and exports goods to more than 30 countries. Gluma Holding has been under the ownership of ABN Amro Capital Private Equity fund since 2005. The group is under a LBO financing structure. After sale & lease back of the company's properties in 2008 the NIBD/Ebitda is 2.9 times EBITA
Collateral & Guarantees	Overall LTV: 42	Pledge of shares. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.
Financial Performance	Net turnover 245.5 EBITDA 5.1 Total assets 221.9 Curr. Assets 78.3 Equity 45.9 Equity ratio 20.7%	Credit Rating: BB+ No covenants breach, defaults or similar.
Risk Factors	■ Competition from competitors with production in low cost countries ■ Somewhat dependent on single customers ■ USD related (sale) (Low USD will have e negative impact on the sale ■ Exit is under preparation	

Tækker Europa A/S (FIH)

KAUPTHING BANK

Exposure	Loans 84.2 Unused Equity Bonds Derivat. 34.5 [Other] **Total 118.7**	Tækker Europa ApS is owned by Jørgen Tækker. FIH is primarily financing the groups property investments in selected areas of Berlin. The group is considered as one of the most professional Danish investors in Germany. FIH's commitment is financing of well situated properties with low idle running and net liquidity correlation
Collateral & Guarantees	Overall LTV: 74%	Pledged residential properties in Berlin, covenants Overall security: good
Financial Performance	Net turnover 20.9 EBITDA 9.9 Total assets 433.2 Curr. Assets 16.6 Equity 101.2 Equity ratio 23.3%	Credit Rating: BB+
Risk Factors	Financing through smaller financial institutions	

Guldborgsund Kommne (FIH)

KAUPTHING BANK

Exposure

Loans	
Unused	27.3
Equity	
Bonds	
Derivat.	
Leasing	89.9
Total	**117.2**

Guldborgsund Kommune (former Nykøbing Falster Kommune and Nysted Kommune) is situated in the Southern part of Denmark on the island Falster, 100 km from Copenhagen. The municipality has about 63,500 residents.

Collateral & Guarantees

Overall LTV: -
LTV is not calculated due to the Danish Legislation.

No security – borrower is a municipality

Overall security: excellent

Financial Performance

Net turnover		EBITDA		
Total assets		Curr. Assets		
Equity		Equity ratio		%

Credit Rating: A+

Risk Factors

A municipality can not - according to Danish legislation - go bankrupt or apply for an administration order. As a consequence, FIH's exposure towards Guldborgsund Kommune implies no credit risk.

mEUR	Loans	Unused	Equity	Bonds	Derivat.	Total
Bakkavör Group hf.	22.2	7.2	12.3	35.9	17.9	95.5
Bakkavör (London) Ltd.	17.4	2.5	-	-	-	19.9
Total	**39.6**	**9.6**	**12.3**	**35.9**	**17.9**	**115.3**

Bakkavör – Bakkavör Group hf.

KAUPTHING BANK

Exposure

Loans	22.2
Unused	7.2
Equity	12.3
Bonds	35.9
Derivat.	17.9
Total	**95.5**

Bakkavör Group is a leading international food manufacturing company specialising in fresh prepared foods and produce. The Group operates 62 factories and employs over 20,000 people in 10 countries. The head office is in Reykjavík, Iceland, and the Group is listed on Nasdaq OMX Nordic Exchange in Iceland.
Bakkavör Group is the market leader in its key market areas.
Bakkavör Group makes over 6,000 products in 18 product categories, which are developed and sold predominantly under its customers' own brands. In addition to the UK and Iceland, the Group also has business operations in France, Belgium, Spain, South Africa, China, the Czech Republic and the United States and is well-positioned for further expansion.

Collateral & Guarantees

NA

The exposure on Bakkavör is short term and more or less unsecured. The exposure will mature in middle of November 2008, and will be up for renewal.

Financial Performance

Net turnover	1,015.0	EBITDA	73.9
Total assets	1,982.8	Curr. Assets	469.0
Equity	280.9	Equity ratio	14.2%

- 30.6.2008

Credit Rating: BB

Risk Factors

There has been pressure on raw materials and energy last months or semesters and therefore a pressure on purchasing cost. There is also a pressure from strong EUR vs. GBP.

Bakkavör (London) Ltd.

KAUPTHING BANK

Exposure

Loans	17.4
Unused	2.5
Total	**19.9**

Bakkavör (London) Ltd. was establihed to purchase Hitchen Foods Ltd. It is 100% owned by Bakkavör Ltd. which is a part of Bakkavor Group hf.

Collateral & Guarantees

NA

Share pledge in Hitchen Foods Ltd. and Bakkavör (London) Ltd.
Legal mortgage in land.

Financial Performance

NA

Credit Rating: na

Risk Factors

All assets from Hitchen Foods are now part of Bakkavör's operation and part of its risk.

Arovit Acquisitions APS

KAUPTHING BANK

Exposure

Loans	106.4
Guarant.	5.0
Derivat.	0.3
Total	**111.7**

- Arovit is a leading manufacturer and distributor of private label pet food to retailers in Europe with a production foot-print of 5 locations in Western Europe.
- Kaupthing underwrote and arranged €96m of drawn senior and mezzanine facilities in October 2006 to support Gilde Buy Out Partners in its acquisition of Arovit from Goldman Sachs for a purchase price of €128m, including €32m equity.
- Immediately after closing, Arovit experienced significant underperformance in trading (out-turn FY06 €15.4m v. Budget €19.4m and out-turn FY07 €14.8m) through losing a key customer, Mercadona, the expected market shift from low margin canned products to higher margin Alucups did not happen and the market quickly shifted towards pouch products that Arovit was unable to supply in large quantities due to limited capacity in this specific product. More recently, Arovit has had to deal with raw material price increases and the delay in passing on these increases to customers.
- After prolonged negotiations with the equity sponsor following a breach of covenants in Sept 07, Kaupthing is in the final stages of acquiring the company.

Collateral & Guarantees

LTM EBITDA: EUR 11.8m
EV Multiple (original): 7.5x
Enterprise Value: EUR 82.6m
Net debt: EUR 106.3m

LTV 128%

- Fixed and floating charges over the assets of each member of the Group and material subsidiaries. Cross collateralised guarantees across all Group Companies. Pledge over accounts and shares.
- Security is considered acceptable
- Standard leverage covenants

Financial Performance

Net turnover	138.4	EBITDA	4.2
Total assets	147.5	Curr. Assets	74.6
Equity	35.0	Equity ratio	24%

- 31.7.2008 (7 months)

- Credit Rating: DD
- Covenants: In breach from Sept 2007
- Watch List
- Provisions €4.9m (4%)

Risk Factors

- Increased raw material prices: Record high stainless steel and wheat prices have significantly impacted margins, with difficulties in passing through increases to its customer base of major supermarkets.
- Competitive market: All market participants are under pressure to increase prices to protect their margins, and, in a very fragmented market, the bargaining power of supermarkets is very strong. This brings opportunities to play an active role in sector consolidation, as smaller operators fail to compete.
- Reliability of supply: Production difficulties within its main facility has led to low reliability of supply to supermarkets, which has impacted margins and reduced their negotiating power with supermarkets.

Mengus Stockholm A/S (FIH)

KAUPTHING BANK

Exposure

Loans	99.7
Unused	
Equity	3.8
Bonds	
Derivat.	5.7
[Other]	
Total	**109.2**

Mengus Stockholm AB is a closed-end fund, launched in July 2005. The fund purchases, develops, manages and realises commercial property within the greater Stockholm region.

The institutional investors is Alecta AB, SEB, EP pension companies, Folksam/KPA insurance and pension companies and the Rausing family.

FIH's exposure regards the two subsidiaries Solna Gate and Solna One. The exposures are covered with 1. priority pledge for approximately 70% and 30% of the exposure.

LTV in both subsidiaries is 65%.

Collateral & Guarantees

Overall LTV: 65 %

Solna Gate: Pledged SEK 30 mio in the property, pledges in shares and covenants. Overall security: acceptable

Solna One: Pledged SEK 360 mio in the property, pledges in shares and covenants. Overall security: acceptable

Financial Performance

Net turnover	13.4	EBITDA	9.4
Total assets	169.5	Curr. Assets	6.4
Equity	50.7	Equity ratio	29.9%

(incl. subord. loan cap. EUR 36m)

Credit Rating: BB+

Risk Factors

Solna Gate: The largest tenant Länsforsäkringen lease agreement expires in 2009 (30% of the total area). It is expected that the agreement will be renewed.
Solna One: The largest tenant JM lease agreement expirer in 2009 (30% of the total area). It is expected that the agreement will be renewed.

Rolf Barfoed A/S (FIH)

KAUPTHING BANK

Exposure

Loans	101.1
Unused	
Equity	
Bonds	
Derivat.	7.4
[Other]	
Total	**108.5**

Rolf Barfoed A/S is owned by Rolf Barfoed and family. The group investes in Danish attractive residential and commercial properties.

Primarily, FIH has financed residential rental properties in Copenhagen in prime locations.

Collateral & Guarantees

Overall LTV: 76%
Calculated as long term loans to total value of the properties.

Pledged properties, covenants
Overall security: good

Financial Performance

Net turnover	31.7	EBITDA	21.7
Total assets	78.3	Curr. Assets	78.3
Equity	132.4	Equity ratio	17.2%

Credit Rating: BB+

Risk Factors

A general increase in the Danish interest rate will effect the company.
Today the free cash flow of the group amounts to DKK 400 mio., which should be considered in relation to the annual net interest expenses of DKK 131 mio. In addition 80% of the groups liabilities are hedged.
There is a huge demand for leased apartments in Copenhagen and no problems are foreseen in financed properties.

Samherji

KAUPTHING BANK

mEUR	Loans	Unused	Derivat.	Other	Total
Samherji hf.	53.3	8.7	0.2	-	62.2
Snæfell ehf.	23.6	-	-	-	23.6
Kaldbakur ehf.	13.3	-	-	-	13.3
Snæfugl ehf.	1.4	-	-	-	1.4
UK Fisheries	15.7	-	-	2.4	16.0
Framinvest sp/f	1.4	-	-	-	1.4
Total	**108.6**	**8.7**	**0.2**	**2.4**	**117.8**

Samherji hf.

KAUPTHING BANK

Exposure

Loans	53.3
Unused	8.7
Derivat.	0.2
Total	**62.2**

Samherji hf., founded in 1983, is a leading seafood company in Iceland. Outside Iceland, Samherji has operations in Germany, Poland, U.K. and the Faroe Islands and from 2007 through its subsidiary Katla Seafood, also in Mauritania and Morocco. Samherji is a vertically integrated seafood company, controlling a significant volume of fishing quota, operating a powerful fleet of fishing vessels; freezer and fresh fish trawlers, as well as multi purpose vessels, white fish factories and fish farming. Samherji also runs extensive sales and marketing operations which are coordinated at the company's head office. Samherji hf. is operating in a system of resource management where the aim is sustainable fishing,

Collateral & Guarantees

Overall LTV 80%

A) Fishing Vessel and quotas 50 mEUR
B) Inventories and receivables 13 mEUR
C) Pledge in unlisted shares SVN 65 mISK

Collateral is good or excellent.

Financial Performance

Net turnover	157.8	EBITDA	27.5
Total assets	326.9	Curr. Assets	5.8
Equity	132.4	Equity ratio	40.5%

- 31.12.2007

Credit Rating: BB+
Covenants: Standard covenants

Risk Factors

Samherji is involved in all stages of the value chain from fishing, farming and processing to export and sales. The strong position of Samherji together with knowledge, experience and strong quota ownership in all species ensures that the company can minimize risks and ensure stability. The main pressure today is the price of oil, but Samherji has gained from higher prices on raw materials in general.

Samherji - Snæfell ehf.

KAUPTHING BANK

Exposure

Loans	23.6
Total	**23.6**

Snæfell ehf. is 100% owned by Samherji. Snæfell bought Engey RE 1, now Kristina EA, the largest Iclandic Fishing vessel, in middle of year 2007. The idea is to move the vessel between countries and fish quotas Samherji has bought in different areas. So far the vessel has been in Icelandic water, EU water and African water.

Collateral & Guarantees

Overall LTV 75%

First priority pledge in Kristina EA (ex. Engey Re1). The purchase price was 32 mEUR and since then the vessel has been upgraded.
Collateral rating is good/excellent.

Financial Performance

Net turnover	22	EBITDA	22
Total assets	353	Curr. Assets	8.2
Equity	30.2	Equity ratio	8,6%

– 31.12.2007

Credit Rating: BB
Covenants,: Standard covenants

Risk Factors

The purpose of the company is to exploit quotas in different waters. This can cause a political risk.
High energy cost puts a pressure on the company.

Samherji - UK Fisheries Ltd.

KAUPTHING BANK

Exposure

Loans	15.7
Guarant.	0.2
Total	**15.9**

UK Fisheries Ltd. is in joint (50/50) ownership of Onward Fishing Company and a subsidiary of Parlevliet & Van Der Plas B.V. in The Netherlands. UK Fisheries owns Boyd Line Ltd. in Hull and Marr Fishing Vessel Management. These companies operate two freezer trawlers and one fresh fish trawler. Those vessels have fishing licences in EU water, Norwegian water and Barent. The vessels have been upgraded and the operation has been very successful with EBITDA being between 40 and 50%

Collateral & Guarantees

Overall LTV is 80%

All vessels and fishing licences are collateralised and estimated value of the resources could be up to EUR 40 m. Also all shares are pledged. Securities are valued good

Financial Performance

Net turnover	31.1	EBITDA	13.5
Total assets	75.7	Curr. Assets	12.2
Equity	18.7	Equity ratio	24.8%

- 31.12.2007

Credit Rating: BB+
Covenants: Equity ratio 30% - not met
EBITDA greater than 6,1 mGBP - met

Risk Factors

Pressure from high energy cost. The vessels operate under very strict EU-regulations which causes a political risk.

Samherji - Kaldbakur ehf.

KAUPTHING BANK

Exposure	Loans 13.3 **Total 13.3**	Kaldbakur ehf. is a spin off from Samherji and 100% owned by Samherji. Kaldbakur is managing group's securities, shares and bonds. Its main asset now are 1,300,000 shares in Kaupthing Bank and 1/3 of shares in Síldarvinnslan (SVN). In the beginning of the year shares in Kaupthing were 6,000,000 but Kaldbakur has been selling shares and repaying the loan. It also holds a small stake in Stodir hf.
Collateral & Guarantees	Overall LTV is 100% (just counting for listed shares)	Negative pledge on shares in Kaupthing Bank (KAUP). Pledge in shares in Síldarvinnslan (SVN). A guarantee from the parent company, Samherji hf.
Financial Performance	Net turnover 14.1 — EBITDA -2.1 Total assets 84.7 — Curr. Assets 0.8 Equity -0.6 — Equity ratio -0.7% *- 31.12.20007*	Credit Rating: BB+ (due to guarantee from parent)
Risk Factors	Turbulences in financial markets have caused Kaldbakur to scale down it's activity significantly this year. The company has sold down it's main asset and paid debts. Since the parent guarantees all of Kaldbakur's debts in the Bank, there should not be a danger of any provisions.	

Giant Bidco (Booker Group plc)

KAUPTHING BANK

Exposure

EUR m	
Loans	33.3
Undrawn	71.2
Total	**104.6**

- Booker is UK's largest cash and carry operator, with 172 branches offering branded and private label goods which are sold to 400,000 customers including convenience stores, grocers, pubs and restaurants. In June 2007 Booker reversed into Blueheath Holding plc to form Booker Group Plc. Blueheath is a wholesaler of groceries to independent and multiple retail and leisure outlets within the UK.

- In February 2005, Kaupthing underwrote €348m in debt facilities totalling €1,108m arranged by HBoS to finance the Public-to Private acquisition of the Big Food Group, which reduced to €233m following a sale and leaseback of Booker properties. Following a period of underperformance, Kaupthing undertook a debt for equity swap in October 2005 with a cash injection of €108m.
- Total sales in the 14 weeks to 4 July 2008 were up 1.9% (+3.3% LFL) on prior year, with non-tobacco sales up 4.7%, partially offset by a decline in tobacco sales of 2.2% (-4.3% LFL).

Collateral & Guarantees

FY08 EBITDA: EUR 79.1m
Share price at 16/09/08: 26.75 pence
Market capitalisation: EUR 456.6m
Net Debt: EUR 63.3m

LTV 12.1%

- Debenture
- Security is considered to be good.
- Financial covenants include Total interest cover and Cashflow after Debt Service.

Financial Performance

Net turnover	3,907.0	FY08 EBITDA	79.1
Total assets	989.4	Current Assets	38.1
Equity	59.4	Equity ratio	6%

- 28.3.2008 (12 months)

- Credit Rating: 7 / S&P equivalent (BB+)
- Covenants: All covenants are in compliance. March 08: Total Cash cover 6.3x, Interest cover 7.3x

Risk Factors

- Competitive market: Increasing competition from cash and carry operators and larger supermarkets could erode market share.
- Cost inflation: In a competitive market, it may be difficult to pass through product price increases, but, to date, Booker's prices remain competitive.

Toga Pty Ldt. (FIH)

KAUPTHING BANK

Exposure

Loans	64.8
Unused	14.4
Equity	
Bonds	
Derivat.	5.5
Offer	19.0
Total	**103.7**

The Toga Group is owned by the Vidor family and is one of Australia's largest privately owned groups, with activities in property development and investments, construction and hospitality management. In order to comply with this expansive growth strategy, Toga has established a fund - The Toga Accommodation Fund - 20% owned by Toga and 80% owned by other wealthy Australian private individuals or companies. The fund is the ultimate owner of the 3 hotels (one in Copenhagen and 2 in Germany) financed by FIH. 2 hotels are under construction in Hamburg and warehouse by Toga, until transferred into the fund.

Collateral & Guarantees

Overall LTV: 65%

Pledged properties and cross collateral between the properties in Denmark and Germany. Pledge of shares. Covenants

Overall security: acceptable

Financial Performance

Net turnover	212.0	EBITDA	37.0
Total assets	331.0	Curr. Assets	72.0
Equity	175.0	Equity ratio	53.0%

Credit Rating: BBB+

Risk Factors

- Occupation ratios drop
- 3 under construction – more expensive

A-huset Invest A/S (FIH)

KAUPTHING BANK

Exposure

Loans	76.1
Unused	25.9
Equity	
Bonds	
Derivat.	1.3
[Other]	
Total	**103.3**

The company is an SPV whose only purpose is to buy, develop and subsequently sell a residential property called A-huset. The house is currently being rebuilt into 198 owner-occupied apartments and 7-8 stores. The property was acquired in 2004 for DKK 140m (EUR 18.8m). In the intervening period, the building has been partly leased out. The apartments are not yet available for sale due to the slightly challenging market situation in Copenhagen. The solution might instead be to rent out the apartments or sell to an investor.

The owners are: GSA Invest ApS (51%): Equity DKK 1.5bn, total assets DKK 1.6bn. GSA Invest ApS is owned by Jan Tøpholm, Søren and Anders Westermann, the owners of the hearing aid company Widex A/S.

Walls A/S (49%) Equity DKK 289m, total assets DKK 565m. The company is a traditional development company conducting activities in Polland, Denmark, Russia and Montenegro.

Collateral & Guarantees

Overall LTV: 86%

Pledge of shares, covenants, joint and several payment guarantee by the 2 owners (Walls A/S and GSA Invest ApS) - limited to a total of DKK 128m, notice of withdrawal from the two owners.

Overall security: acceptable

Financial Performance

Net turnover	0.2	EBITDA	0.1
Total assets	51.2	Curr. Assets	2.1
Equity	7.8	Equity ratio	15.1%

Credit Rating: B

Risk Factors

- The current situation on the real estate marked
- Refund risk in connection with completion of the reconstruction

EHI Fund Denmark II ApS (FIH)

KAUPTHING BANK

Exposure

Loans	91.2
Unused	
Equity	
Bonds	
Derivat.	10.7
[Other]	
Total	**101.9**

EHIF (Denmark) II ApS is a closed end fund investing in properties in Denmark since 2005. The fund must exit the portfolio prior to May 1st 2011. The investors are large well-reputed pension funds in Europe, Abu Dhabi and USA including ATP Properties (a subsidiary of ATP) owns 11% of EHI Fund. The fund is managed by the Australian Property Group Valad.

The fund invest mainly in property for trade and industry.

Collateral & Guarantees

Overall LTV: 70%

Pledged properties, pledge of shares, covenants

Overall security: good

Financial Performance

Net turnover	11.1	EBITDA	7.9
Total assets	149.6	Curr. Assets	2.2
Equity	55.8	Equity ratio	55.8%

(incl. subord. loan cap. EUR 45m)

Credit Rating: BB

Risk Factors

During the last year there has been a general slowdown in prices on commercial properties in Denmark. Some signs of decrease in demand for commercial lease agreements. Taking the owners into consideration it is not likely that this will lead to problems in this case.

Chestnutbay (Asquith Nurseries)

KAUPTHING BANK

Exposure

Loans	97.0
Total	**97.0**

- Second largest UK childcare day nursery with 112 sites across the country, offering superior quality facilities and service for a premium fee
- Established 1989 under the name of Asquith Nurseries
- The group has c. 4,000 full-time equivalent children registered with them, which represents c. 60% occupancy level
- The group employs 2,500 staff

- The 18-month Bridge loan facility matures in December 2008, and the company is currently holding discussions with banks with regard to refinancing options
- Asquith is currently in covenant default and has a cross-default arising from shareholder Dawnay Day going into administration. A credit paper will be submitted to GCC shortly with recommendations

Collateral & Guarantees

Run Rate EBITDA (€mln):	13.3
EV Multiple (Kaupthing estimate):	7.0x
EV:	93.3
Net Drawn Debt:	93.1
LTV (excl G'tee):	**100%**

- Fixed and floating charge over assets of each Group member and material subsidiaries (April 08 property valuation was €79.6mln); Debentures include mortgages over all freehold properties; Cross collateralised guarantees across all group companies; First ranking security over shares in the borrower and each Group member
- Security is considered acceptable and based on up-to-date market valuation

Financial Performance

Sales (€m)	25.8	EBITDA	5.3
Total Assets	130.0	Current Assets	5.9
Equity	31.8	Equity Ratio	25%

- 5 months July 2008

- Credit Rating: 4 (S&P rating: B+)
- Covenants: Waiver granted for breach of Nov 07, Feb08 Net Leverage Covenants due to shortfall in EBITDA
- May 08 Net Leverage Covenant: 9.5x breached, credit paper to be submitted

Risk Factors

- The outlook for the UK childcare sector is based on the following key risk factors:
  - Rising inflation, decreasing consumer confidence and household expenditure due to the economic downturn
  - Increased competition from state-run facilities and primary schools
- Demand shortfall is expected to be mitigated by the anticipated increase in the number of mothers returning to employment to boost household income and using childcare facilities
- The Group offers a high-quality service with premium fees, targeted at more affluent clients who are more insulated from the economic downturn. It benefits from its reputation as a provider of quality care, and location in more affluent parts of the country.
- Management focus is on continuing to drive volume growth through the tried and tested marketing strategy

Newco Aep A/S (Wrist Group A/S) (FIH)

KAUPTHING BANK

Exposure

Loans	83.6
Unused	8.3
Equity	
Bonds	
Derivat.	
Leasing	4.9
Total	**96.8**

In 2007 the private equity fund Altor acquired Wrist Group A/S. The group has three different business units: Marine Fuel (20 locations around the world), Ship Supplies (10 countries and 14 ports) and Shipping Agency 3 locations in Denmark). Wrist group is among the four largest independent suppliers of marine fuel globally with a market share of 8%

Wrist Group operates as a physical supplier of marine fuel which means that the company's inventory and account receivables are very high. However, the inventory of marine fuel is highly liquid and the account of receivables is insured.

Collateral & Guarantees

Overall LTV: 49%

Calculated as NIBD to total assets.

Pledge of shares.

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	4,288.4	EBITDA	41.7
Total assets	688.8	Curr. Assets	577.5
Equity	72.9	Equity ratio	10.6%

Credit Rating: BB+

No covenants breach, defaults or similar.

Risk Factors

As the company handles very large exposure with a small margin, it is essential that the internal management systems and the management of the company is able to handle the associated volatility, such as in oil price and in the USD.

Future refinancing and financing of new projects

DSV Miljø Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	87.7
Unused	6.6
Equity	6.0
Bonds	
Derivat.	0.2
[Other]	
Total	**94.5**

DSV Miljø Holding A/S is a leading Danish company within cleaning of soil and other raw materials. Furthermore the company is active within recycling and related transport service/full-line supplier. The principal shareholder – private equity company Triton has app 40 investors including Ikea, Swiss Re, Nordea and GE Capital.
As at 30 June 2008 the company had a NIBD/EBITDA of 3.0 times and EBITDA Performance YTD at index: 106

Collateral & Guarantees

Overall LTV: 42%
Calculated as long term loans to totale value of the assets.

Pledged shares in DSV Miljø A/S.

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	314.8	EBITDA	45.7
Total assets	441.5	Curr. Assets	110.3
Equity	80.8	Equity ratio	18.3%

Credit Rating: BB+

No covenants breach, defaults or similar.

Risk Factors

A. P. Møller-Mærsk A/S (FIH)

KAUPTHING BANK

Exposure

Loans	50.9
Unused	42.1
Equity	
Bonds	
Derivat.	
[Other]	
Total	**93.0**

The A.P. Moller - Maersk Group is a worldwide organisation with more than 110,000 employees and offices in more than 125 countries. The main companies are grouped in four overall business areas: Container & related activities, Energy, Tankers & offshore and Retail & other business. The shares are quoted on the Copenhagen Stock Exchange.

Collateral & Guarantees

Overall LTV: 32%
Calculated as long term loans to total assets.

No securities
Overall security: acceptable

Financial Performance

Net turnover	37,615.3	EBITDA	9,509.6
Total assets	43,926.8	Curr. Assets	12,609.3
Equity	19,294.2	Equity ratio	43.9%

Credit Rating:A

Risk Factors

During the last 2 years we have seen a decreasing profit in the container business. A further decrease in the world economy could negatively affect this business area. On the other hand until now this situation has balanced by increases oil prices.

Peter Shalson Connection (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure

Loans	68.5
Unused	16.4
Equity	0.1
Bonds	
Derivat.	1.4
CFD	
Total	**87.3**

We lend to Mr Shalson in his personal name to fund investments. UK Housing Alliance buys ex Local Authority Houses from owners who have exercised the right to buy and now wish to realize their cash and revert to renting, they sign up to remain in the property for 10 years. No further purchases are being made due to the inability of UKHA to raise more finance and the current stock is to be managed from London. There is also an overdraft of GBP 15m in the name of Monecor, a spread betting company, finance opening margin positions on CFDs and Financial Spread Bets undertaken by TradIndex on behalf of its segregated clients, which was unused at the date of the report.
It should be noted that Kaupthing own 5% of UK Housing Alliance.

Collateral & Guarantees

Mr. Shalson: €60m
UKHA: Properties valued at €68m LTV 78%

Peter Shalson's facility (GBP 15m) is secured on shares in his property company. The UKHA facility is secured by a charge over its assets which are residential houses.
Subjective rating of the overall security: good

Financial Performance

Monecor

Net turnover	€17.5m	EBITDA	€7.6m
Total assets	€131.8	Curr. Assets	€131.3m
Equity	€6.6m	Equity ratio	5.0%

Credit Ratings: Mr Shalson BB-
UKHA B+
Monecor BB-

Risk Factors

Mr Shalson's wealth is concentrated in property and values are currently falling, he does have other investments but these would be difficult to sell. The UKHA portfolio is concentrated on low value properties in the north of the UK.

Chr. Hansen Holding A/S (FIH)

KAUPTHING BANK

Exposure	Loans 84.9 Unused 2.3 Equity Bonds Derivat. [Other] **Total 87.2**	Chr. Hansen is one of the world's largest producers of natural food ingredients solutions such as cultures, enzymes, colours and flavours. The ingredients are used in the food, pharmaceutical, nutritional and agricultural industries. In 2005 the private equity fund PAI Partners delisted Chr. Hansen from the Copenhagen Stock Exchange. The group is under a LBO financing structure. As at 30 June 2008 the company had a NIBD/EBITDA of 6.2 times and EBITDA Performance YTD at index: 106
Collateral & Guarantees	Overall LTV:66% Calculated as NIBD to total assets.	Pledge of shares of Chr. Hansen A/S. Committed loan agreement with the usual covenants, restrictions and finansiel covenants for this type of leveraged financing.
Financial Performance	Net turnover 497.5 Total assets 1,235.8 Equity 159.4 EBITDA 121.5 Curr. Assets 187.9 Equity ratio 12.9%	Credit Rating: BB+ No covenants breach, defaults or similar.
Risk Factors	Strong competition from Danisco.	

Primera Travel Group hf.

KAUPTHING BANK

Exposure

Loans	64.6
Unused	0.1
Derivat.	1.4
Guarant.	20.7
Total	**86.8**

Primera Travel Group hf. is a northern European tour operator with emphasis on the Scandinavian market. The companies within the group are the Swedish Solresor (33%/30%*), the Irish Budget Travel (24%/29%), Solia (4.9%/8.4%), Matka Vekka (17%/1.5%), the Danish Bravo (15%/19%), and Heimsferdir/Terra Nova/Primera (6%/12%). Jetx ehf. is currently a sister company which will provide approx. 40% of the group's flights in 2008.

The exposure to Primera originates mainly from Heimsferdir's acquisition of Solresor and Bravo in 2005 and Budget Travel in 2007 but also to finance reorganisation of Jetx in 2008.

*% of total revenues/% of total EBITDA

Collateral & Guarantees

Overall LTV 46%

Share pledges of material companies, bank accounts & visa/euro in Iceland, mortgage in real estate of Heimsferdir.

Financial Performance (EUR)

Net turnover	266.2	EBITDA	23.2
Total assets	150.5	Curr. Assets	31.2
Equity	23.2	Equity ratio	15%

- 31.12.2007

Credit Rating: BB
Primera covenants as of 31.12.2007 are in compliance: Total interest bearing debt/EBITDA 2.61, Fixed charge cover 1.63, EBITDA/Interest payable 6.58. Excl. Jetx.

Risk Factors

Primera's revenues are heavily dependant on the state of the economic environment, exchange rate and oil fluctuations which has been demonstrated in the Icelandic market. Primera is very dependant on its flight arrangements which it has tried to counteract by using the services of Jetx, also owned by Andri Mar Ingolfsson, the principal owner of Primera Travel Group. Jetx is effectively a part of the Primera group which changes the nature of Primera from a pure tour operator to a part charter airline, which adds to the risk profile of Primera but if run efficiently, should be beneficial for the group as prices of flights and the charter airline environment is changing and making it more difficult for Primera to get competitive pricing on its flight cost. Operational efficiency of Jetx remains to be seen but still Primera has benefited for the use of Jetx compared to having purchased flights elsewhere even if viewed on a group basis.

Thorkil Andersen Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	70.9
Unused	
Equity	
Bonds	
Derivat.	15.4
[Other]	
Total	**86.3**

Thorkild Andersen Holding A/S owns Frode Laursen Group. Thorkil Andersen owns the ultimate parent company Holtshøjens Holding A/S. The Group is engaged in consumer goods logistics and provides services such as system logistics, international transports and retail merchandising. The Frode Laursen Group is based in Denmark while the Nordic region is the primary distribution area.

Collateral & Guarantees

Overall LTV:60 %

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Pledged warehouses in Denmark, Sweden and Finland. Lease guarantee from group company, covenants

Overall security: acceptable

Financial Performance

Net turnover	147.5	EBITDA	28.6
Total assets	190.7	Curr. Assets	51.5
Equity	68.7	Equity ratio	36.1%

Credit Rating: BBB-

Risk Factors

It could be expected that a slowdown in the Danish economy will effect the demand for both domestics and international transport. So far the company has not noticed this in their sales.

We are also confident that the company will be able to adjust to a new market situation.

Eik Fasteignafélag ehf

KAUPTHING BANK

Exposure

Loans	86.2
Total	**86.2**

Income producing real estate company in Iceland. The company was founded in 2002 in relation with the leveraged buyout of the do-it-yourself chain "Husasmidjan". The importance of Husasmidjan as a key tenant has diminished significantly since then. Eik is a financing company that offers small to medium sized companies to buy-and-leaseback on their properties as well as general letting of commercial real estate. Eik was fully owned by Kaupthing Bank until April 2007 when it was sold to Eikarhald ehf, owned by Baugur Group hf. (22,7%), FL Group hf. (49%), Investment company Primus ehf. (10,15%) and Saxbygg ehf. (18,15%). The company is now part of a larger portfolio which includes Fasteignafélag Íslands (100%), Glitnir Real Estate Fund (64,65%) and share of Eignarhaldsfélagið Fasteign (10%). This is owned by Saxbygg (51,9%), Glitnir (46,3%) and others. Eik has 8 employees, CEO is Gardar Friðjónsson.

Collateral & Guarantees

Overall LTV 70%

1st lien mortgages in most part of the portfolio.
The collateral can be categorized as good.

Financial Performance

Net turnover	6.5	EBITDA	4.7
Total assets	150.2	Curr. Assets	892,1
Equity	22.6	Equity ratio	15.0%

- 30.6.2008

Credit Rating: 6

Risk Factors

Eik fasteignafélag is renting out commercial real estate in Iceland. The rental agreements are mostly long term and the cash overage is fine (Cash from operations/paid interest = 1.6). The main concern would nevertheless be if many of the tenants would face financial difficulties – that would have adverse effect on Eik.

Sean Dunne Connection – DCD Builders, Zaskari Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 84.1 Unused Equity Bonds Derivat. **Total 84.1**	DCD Builders is a participation in a facility (total €326.5m led by Ulster Bank) to finance two hotel sites (both operational) in Dublin with development potential. The loan to Zaskari Ltd (USD 2.75m) is to finance a 1/16th share in a Gulfstream G550 through the Netjets fractional ownership scheme for the benefit of Mr Dunne.
Collateral & Guarantees	Hotel sites: €520m Overall LTV 62.8% plus a guarantee from Sean Dunn for €250m (76% of total syndicated facility)	DCD Builders LTV covenant 65%. Zaskari Ltd is guaranteed by Sean Dunne. Subjective rating of the overall security: good
Financial Performance	N/A	Credit Rating: DCD Builders B- Zaskari Ltd BB+
Risk Factors	The client is currently appealing a decision to refuse planning consent on two elements of the proposed redevelopment scheme. A final decision is expected within 12 months. It is anticipated that the banks will be asked to increase the facility to cover further interest roll up and pre-development costs.	

Saxo Bank A/S (FIH)

KAUPTHING BANK

Exposure

Loans	63.5
Unused	
Equity	
Bonds	
Derivat.	10.4
Subord.	10.0
Total	**83.9**

Saxo Bank A/S is a specialized investment bank offering online investment trading services in the global capital markets. Saxo Bank is owned by the founders Kim Fournais and Lars Seier Christensen (71%) and the P/E firm, General Atlantic.

FIHs commitment is a subordinated loan of EUR 10m (with Saxo Bank A/S) and commitment of EUR73,9m with Ejendomsselskabet Bygning 119 A/S – a newly build company house in Hellerup for Saxo Bank. Expert appraiser has valuated the property to EUR 80.4m

Collateral & Guarantees

Overall LTV: 79%

Subordinated loan Eur 10m and derivat. are not included in LTV

1. priority pledge in the property, long non-cancellable lease.

Overall security: good

Financial Performance

Net turnover	382.6	EBITDA	45.8
Total assets	1,210.9	Curr. Assets	1,094.0
Equity	189.4	Equity ratio	15.6%

(incl. subord. loan cap. EUR 55m)

Credit Rating: BBB+

Risk Factors

The risk is first and foremost related to the operation of Saxo Bank and the valuation of the property in Hellerup. Half year report 2008 shows net profit EUR 16.2m (10.26 first half year 2007) on group level. Expert appraiser has confirmed valuation of the property.

A/S United Shipping & Trading (FIH)

KAUPTHING BANK

Exposure

Loans	79.4
Unused	0.3
Equity	
Bonds	
Derivat.	3.4
[Other]	
Total	**83.1**

A/S United Shipping & Trading (UTSC) is 100% owned by the founder Torben Østergaard-Nielsen.
UTSC consists of 3 business areas:
Shipping - specialises in door-to-door logistics solutions, providing transport services by land, sea and air in Denmark
Bunker - parent company of one of the largest groups of bunkering companies in the world with more than 20 companies in almost as many countries
Uni-Tankers – the core of business is product tankers in the size of 15-25 dtw and smaller chemical/bunker vessels. The company operates its own (10 oil and chemical carriers) as well as chartered ships.

Collateral & Guarantees

Overall LTV: 33%
Calculated as long term loans to total value of assets

Commitment with Bunker group: EUR 74m – no securities other than covenants
Commitment with Bunker group: EUR 9m – pledged warehouses, covenants
Overall security: acceptable

Financial Performance

Net turnover	4,586.9	EBITDA	51.5
Total assets	655.6	Curr. Assets	495.7
Equity	86.0	Equity ratio	13.1%

Credit Rating: BB+

Risk Factors

Efficient receivables management

K/S Danske Immobilien (FIH)

KAUPTHING BANK

Exposure

Loans	81.9
Unused	
Equity	
Bonds	
Derivat.	1.1
[Other]	
Total	**83.0**

K/S Danske Immobilien was established in 2006 by professional investors. The investors are among others Arla Food and Købmændenes Investerings Institut (KFI). K/S Danske Immobilien owns 73 residential properties in Germany located in Schleswig, Lübeck and Heide.

FIH's financing is related to well-located residential lease properties in the mentioned cities.

Collateral & Guarantees

Overall LTV: 80%

Pledged properties in Germany

Overall security: good

Financial Performance

Net turnover	9.6	EBITDA	8.7
Total assets	128.4	Curr. Assets	9.2
Equity	25.5	Equity ratio	19.9%

Credit Rating: BBB-

Risk Factors

Vacancy of 2-4% corresponds to standard replacement ratio.
Sound operations liquidity following loan repayments.

Eurotrust A/S (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure	Loans 82.70 Unused n/a Equity n/a Bonds n/a Derivat. n/a **Total** **82.70**	Eurotrust A/S ("ET"; Kolding/Denmark) strives to become a leading European renewable power producer in the wind sector and just sold the majority of its real estate development business (mainly in DK market). ET is listed on the AIM in London (current market cap EUR 37mn) and advised by Kaupthing Singer Friedlander ("KSF"; being its Nomad). KBLUX is financing on project level backed via corporate guarantee of ET. 1. EUR 50.7mn to Parque Eolico Puerto Real I SL ("PEPR"), owning a running wind park in Southern Spain regarded as best asset of ET 2. EUR 32.0mn to RGW A/S ("RGW"), a Wellness & Golf-Resort in Rømø, DK, which is still for sale. Project is loss making, new management for turn around in place with break even expected in two years. EIK Bank is junior lender with EUR 16.8mn.
Collateral & Guarantees	Guarantee of parent company in favour of both transactions LTVs: 1. PEPR: LTV c. 72% 2. RGW: LTV c. 62% pro forma	First ranking project finance collateralisation: 1. PEPR: mortgage, share/account pledge, assignment of VAT claims for EUR 6.7m (excluding this, LTV c. 72%) – rated good 2. RGW: mortgage, share/account pledge – rated good
Financial Performance	Net turnover 15,3 / EBITDA - 4,3 Total assets 536,6 / Curr. Assets 278,7 Equity 151,9 / Equity ratio 28,3% (EUR mn as per interim accounts 12/2007 before sale of real estate division and realisation of losses)	Credit Rating: no rating Poor information reporting Due to cash needs of ET KBLUX had to accrue interest on prolongation of loans in June 2008; extension of maturities is requested
Risk Factors	With its real estate development portfolio ET had suffered from poor market in DK and delayed sale at lower price. In its wind business (sector is positive), ET has 130MW operating (to be built up to 1,000MW in 2013), thus ET needs significant cash to grow but also to fund corporate costs due to limited cash from projects currently and due loans from shareholders. ET is in process of raising capital via KSF which is vital for growth, alternatively they might need to sell PEPR to operate and grow the other wind park pipeline. Sale of RGW is delayed as past offers not attractive enough in view of ET. Currently KBLUX negotiates with ET and EIK to bring down exposure of KBLUX on RGW. Valuation based on buyer interest as stated by client.	

Flexlink Holding AB

KAUPTHING BANK

Exposure

Loans	71.3
Guarant.	10.6
Total	**81.9**

- Supplier of flexible automation systems to the industrial manufacturing process of companies active in the FMCG, Automotive & Engineering, Electronics & Telecom and Healthcare sectors.
- Headquarted in Gothenburg, Sweden, with units in Sweden, Poland, Malaysia, China, the UK, the Netherlands and Germany.
- Sales activities are organised into 4 geographies: EMEA (Europe, Middle East, Africa) North 40%; EMEA South 24%, Americas 23% and Asia Pacific 12%.

- The Senior and Mezzanine facilities of €114m supported the leveraged buy-out of FlexLink by ABN Amro Capital (AAC) in July 2005, with facilities maturing between 2012 and 2015.
- Since the LBO, AAC has injected additional equity of €31.6m following significant trading underperformance to bring the current equity stake to €95.9m.

Collateral & Guarantees

LTM EBITDA: EUR 15.7m
EV Multiple (estimate): 6x
Net debt: EUR 73m
Enterprise Value: EUR 94m

LTV: 78%

- Share pledges over material subsidiaries and pledges over trademarks, patents, intercompany loans and floating charge over FlexLink Components AB. Guarantee from holding company.
- Security is considered acceptable.
- Covenants: Reset in Dec 07 (Net Leverage only from Jun 08 to Dec 08 before full suite of standard leveraged covenants from March 2009.)

Financial Performance

Net turnover	79.0	EBITDA	7.4
Total assets	210.7	Curr. Assets	54.2
Equity	95.9	Equity ratio	46%

- 31.7.2008 (7 months)

- Credit Rating: BB
- Covenants: Waived Sept 07-Mar 08
  Jun 08 Net Debt: EBITDA 5.14 (target <7.0)
- Watch List
- Kaupthing Provisions €3.8m (4%)

Risk Factors

- Managing customer projects with long lead times: management believes that the pipeline and pace of projects supports the full year budget, but performance is heavily weighted towards the last quarter of the year with the risk that projects may be delayed and/or incur cost over-runs.
- Market downturn: historically Flexlink has suffered in previous market downturns but the business is better diversified across several sectors and geographies. To date, the level of quotations has been ahead of prior year.
- Capacity challenges: some territories are overstretched while other territories are under-utilised, which has led to capacity challenges over the last year. Management is looking to relocate orders to minimise the use of contractors and help improve margins in the second half of the year.

Essex Invest Holding A/S and Peter Halvorsen (FIH)

KAUPTHING BANK

Exposure

Loans	71.7
Unused	
Equity	
Bonds	
Derivat.	9.3
[Other]	
Total	**81.0**

The Essex group was established app 20 years ago by the now 47 year old Peter Halvorsen, who still holds 100% ownership. The group has three business areas:

- Ownership and operation of own residential and commercial properties
- Construction of residential and commercial properties
- Purchase and disposal of residential and commercial properties

FIH's commitment with Essex is due to 3 industrial properties located in Næstved og Horsens and 2 office and business premises located in Århus and Copenhagen.

Collateral & Guarantees

Overall LTV: 71%

Pledged properties, payment guarantees by group companies, covenants

Overall security: good

Financial Performance

Net turnover	111.2	EBITDA	90.0
Total assets	1,377.6	Curr. Assets	49.1
Equity	193.0	Equity ratio	14.0%

Credit Rating: BB

Risk Factors

A general slowdown in the Danish economy will effect the price level on new lease agreements.
A decrease on the level of lease agreements will also effect sales price on the properties.

TDC A/S (FIH)

KAUPTHING BANK

Exposure

Loans	73.3
Unused	7.3
Equity	
Bonds	
Derivat.	
Other	
Total	**80.6**

TDC A/S is the leading telecommunications provider in Denmark. At the end of 2005 Nordic Telephone Company A/S made an offer for TDC A/S. At the beginning of 2006 87.9% of the shareholders' shares were redeemed. Nordic Telephone Company A/S is owned by Apax Partners Worldwide LLP, The Blackstone Group International Ltd., Kohlbert Kravis Roberts & Co. L.P., Permira Advisers KB and Providence Equity Partners Ltd.

As at 30 June 2008 the company had a NIBD/EBITDA of 4,5 times and EBITDA Performance YTD at index: 100

Collateral & Guarantees

Overall LTV: 50%

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	5,273.7	EBITDA	1,734.6
Total assets	14,101.6	Curr. Assets	303.7
Equity	2,246.8	Equity ratio	15.9%

Credit Rating: BB+
No covenants breach, defaults or similar.

Risk Factors

Decrease in revenues from land line telephone which is a cash cow for TDC.

Serena Equity Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 17.9 Unused 61.6 Equity Bonds Derivat. **Total 79.5**	This is a yacht finance facility to a SPV whose beneficial owner Yuri Shefler has an estimated net worth of €700m.
Collateral & Guarantees	€205m purchase price, to be valued once complete. Overall LTV 40%	Charge over the yacht under construction. Subjective rating of the overall security: acceptable
Financial Performance	N/A	Credit Rating: BBB
Risk Factors	The yacht being financed is under construction for delivery in 2010 leaving us exposed to construction risk.	

Egill Agustsson (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	77.6
CFD &TRS	0.1
Unused	(18.1)
Equity	-
Bonds	-
Derivat.	-
Total	**77.7**

- EA is the beneficial owner of several companies which have accounts with KBLUX. The main companies are: Red Morecra, Goldica Management, Levantera Investments.
- Red Morecra is linked to public company which went private (Value Management which was listed on the German market).

Collateral & Guarantees

Kaupthing	18.4m
Value Mgt.	9.8m
Beteiligungs.	2.6m
Others	20.4m
LTV*	152%

-Rating: none.
-There is security document in place. Standard haircuts are applied to all accounts.

Financial Performance

During 2008 the debt exposure has increased by EUR 15m of which EUR11m is related to investing in Ariston Real Estate. In the mean while the assets have decreased by EUR 16m.

The drop of assets' value is only due to market developments, mainly driven by the poor performance of Value Management Resources AG that has lost 60% of its value during 2008.

Risk Factors

- The group's net short position is mainly driven by Red Morecra' exposure. The real value of the company, which went private, has been analyzed and suggest that it's value is higher than the current market quotation.

* LTV calculated on "utilized" only

Ölgerðin Egill Skallagrímsson Group ehf.

KAUPTHING BANK

Exposure

Loans	73.8
Unused	0.5
Equity	1.6
Derivat.	0.1
Guarant.	1.3
Total	**77.3**

Ölgerðin Egill Skallagrímsson ehf is a wholesale, manufacturing and marketing company in the Icelandic food and beverage market. The company is split into the following four areas; Danól which focuses on selling sweets, food and specialities into the retail market, Egils which focuses on alcoholic and non-alcoholic beverages, Hressing which focuses on drinks and snacks to company and institutional canteens and Gnótt which focuses on packaging and raw materials to canteens, bakeries, meat processors etc. In August 2007 Daníel Ólafsson hf. and Ölgerðin Egill Skallagrímsson ehf merged and became Ölgerðin Egill Skallagrímsson. Ölgerðin now owns G-7 ehf (51%) a real estate entity which owns the company's premises at Grjóthálsi and is 49% owned by Kaupthing and other smaller entities. G-7 is also financed by the bank.

In 2007, Kaupthing financed the management buy-out from the previous long-term owner and subsequently the company's acquisition of Sól ehf., Floridana and Bako.

Collateral & Guarantees

LTV 42,7%

Share pledge in Ölgerðin of 68.75% of its share capital and its subsidiaries. Account receivables and inventory, Sól and Floridana trademarks, negative pledge

Financial Performance

Net turnover	91.2	EBITDA	11.9
Total assets	147.6	Curr. Assets	37.8
Equity	26.7	Equity ratio	18%

- 31.12.2007

Credit Rating: BB
First testing dates of covenants as of 30.6.2008.
Security acceptable.

Risk Factors

Despite the low-cyclical nature of the company with its emphasis on consumer products, the current economic climate may lead to decreased consumption of food and beverages, where consumers favor less expensive products and buy less in general. However, the company is outperforming its budget for the year and is not yet sensing a decrease in demand overall but as other companies, it notices increased difficulty with payments from customers. The company has a leveraged structure and the majority of its loans in foreign currency at the same time as depending on imports so further material depreciation in the ISK can also be considered a considerable risk factor.

Tower Gate Developments Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 17.4 Unused 51.6 Equity Bonds Derivat. 7.9 **Total 76.9**	This is to finance the site and subsequent development of a 28 storey tower comprising 221 apartments, 98 serviced apartments, office and retail space in Manchester. The principal, Aneel Mussarat, has a good track record of property development and investment , including a completed development with KSF, and has an estimated net worth of €240m.
Collateral & Guarantees	Valued Feb 08 at £18.65 (€22.9m) as a site and £88m (€108.3m) when completed. LTGDV 63%.	Charge over the site and personal guarantee of Mr. Mussarat. LTGDV covenant 65%. Subjective rating of the overall security: acceptable
Financial Performance	31 March 2007 Net turnover €4.6m EBITDA €5.5m Total assets €190.6m Curr. Assets €12.7m Equity €64.3m Equity ratio 33.7%	Credit Rating: B
Risk Factors	There is a glut of apartments in Manchester and it is questionable be whether construction should be commenced. It is probable that an updated valuation would lead to a breach in the covenant. Interest is being kept current.	

IDdesign Holding A/S (FIH)

KAUPTHING BANK

Exposure	Loans 59.9 Unused *15.8 Equity Bonds Derivat. [Other] **Total 75.7** *Expected to be cancelled as a result of breach of covenants and subsequent waiver.	IDemøbler is a voluntary chain with 25 members and 39 retail stores which sells furniture mainly in Denmark. In November 2007 the Danish private equity fund Axcel acquired the chain. (Ownership: Axcel (60%) and former owner (40%)) IDEmøbler was founded in 1969. The profile of the stores is: ■Broad product portfolio ■Good quality – value for money ■ guidance and a high service level As at June 2008 NIBD/EBITDA is 18.7x and YTD EBITDA is EUR -1.7m (vs. base case of EUR +5M.)
Collateral & Guarantees	Overall LTV: 44% Calculated as NIBD to total assets.	Pledge of shares. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.
Financial Performance	(Budget 1 April 2008- 31 March 2009) Net turnover 193.7 EBITDA 4.7 Total assets 137.2 Curr. Assets 54.0 Equity 43.2 Equity ratio 31.5% (incl. subord. loan cap. EUR 2.3m)	Credit Rating: BB+ The company is in breach of its financial covenants. We expect to issue a temporary waiver on certain conditions. The group expects to back on track around mid-year 2009
Risk Factors	■ Economic downturn causes consumers to purchase less and cheaper interior. This ís among others correlated with the housing market. ■The new management has initiated a lot of initiatives to account for new economic climate. We still need to see the result of these actions (downsizing (FTEs), new contracts with suppliers etc.) ■Transformation from voluntary chain to capital chain.	

Unity Investments (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	12.2
CFD & TRS	40.1
Unused	22.7
Equity	-
Bonds	-
Derivat.	-
Total	**75.0**

- The company is owned by Baugur hf (37.5%), Stodir hf (37.5%) and Kevin Stanford (25%).
- Unity was established to invest into liquid assets either shares or CFDs.
- A new investment in Debenhams amounting EUR 20m might arise in the future.

Collateral & Guarantees

Moss Bros	9.3m
Woolworths	2.7m
French Connection	0.3m
Others	35.5m
LTV *	109%

-Rating: none.
-Unity is collateralised by guarantees from Baugur (GBP 15m), Stodir (GBP 15m) and Kevin Stanford (GBP 35m).
-All investments are under standard margin requirements.

Financial Performance

The debt exposure has expanded during 2008 by app. EUR 10m because of constant need of support the CFD cash margin with the brokers.

Unity owns those three positions via CFDs since 30 June 2006.
January 2008 Baugur hf and Stodir hf paid in GBP 4.7m each because of margin calls.

Risk Factors

-The portfolio shows a negative equity of EUR 4.5m and a concentration in Moss Bross.
-This situation is mitigated with the three guarantees in place from beneficial owners.

* LTV calculated on “utilized” only

Novozymes A/S (FIH)

KAUPTHING BANK

Exposure

Loans	74.7
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**74.7**

Novozymes A/S is the biotech-based world leader in enzymes and micro-organisms. Novozymes was until year 2000 owned by Novo A/S. Today independently listed on the Danish Stock Exchange.

Collateral & Guarantees

Overall LTV: 41%
Calculated as long term loans to total value of assets

No securities

Overall security: acceptable

Financial Performance

Net turnover	997.6	EBITDA	261.4
Total assets	1,189.8	Curr. Assets	489.9
Equity	491.8	Equity ratio	41.3%

Credit Rating: A

Risk Factors

A slowdown in the world economy could affect the sales world wide for the company. Until now we have not seen any affect of falling turnover and we also believe that the core business of this company is very strong.

Hekla

mEUR	Loans	Unused	Guarant.	Total
Hekla hf.	39.2	1.1	10.7	51.1
Hekla fasteignir ehf.	19.4	-	-	19.4
Hafrahlíð ehf.	4.0	-	-	4.0
Total	**62.7**	**1.1**	**10.7**	**74.6**

Hekla hf.

KAUPTHING BANK

Exposure

Loans	39.2
Unused	1.1
Guarant.	10.7
Total	**51.0**

Retail sales of motor vehicles and heavy machinery.
Hekla fasteignir (Hekla real estate) rents real estate to it's affiliate company Hekla.
Hafrahlíð is the holding company.

Collateral & Guarantees

Pledge our shares in Hekla hf., accounts receivable, inventory & bills of lading (Hekla hf.)

Security rated as sub-standard

Financial Performance

Net turnover	214.8	EBITDA	6.6
Total assets	83.5	Curr. Assets	58.6
Equity	14.6	Equity ratio	18%

- 31.12.2007

Credit Rating: BB
Hekla & its mother company Hafrahlíð are under financial & operational restructuring at the moment.

Risk Factors

The market is under heavy pressure in the current economic climate. Double digit concentration of sales percentage wise YOY take a toll on profitability.

Hekla - Hekla fasteignir ehf.

KAUPTHING BANK

Exposure

Loans	19.4
Total	**19.4**

Hekla Fasteignir ehf. (HF) owns and operates majority of the space that its affiliate company Hekla (and subsidiaries) use.

Collateral & Guarantees

LTV 95%

Pledge in all assets of the company, in total 6 assets – 14.380 square meters. Two key assets are in Reykjavik stand for approx 80% of asset value

Subjective rating of the overall security: good but high LTV

Financial Performance

Net turnover	1,3 m€	EBITDA	1,0 m€
Total assets	26,8 m€	Curr. Assets	2,9 m€
Equity	4,1 m€	Equity ratio	15%
-30.06.2008			

Credit Rating: BB-

Risk Factors

Tenancy default risk is the biggest threat that HF faces at the moment. Known fact that sales of new cars in Iceland has hit a wall the latter part of this year.

mEUR	Loans	Derivat.	Total
Vífilfell hf.	16.1		16.1
Stuðlaháls ehf.	14.9		14.9
Sólstafir ehf.	41.8	0.1	41.9
Total	**72.8**	**0.1**	**72.9**

Vífilfell - Vífilfell hf.

KAUPTHING BANK

Exposure

Loans	31.0
Total	**31.0**

Vífilfell is the largest producer of beverages in Iceland. Its main product is Coca Cola, but also fruit juice, beer and other products. Import of wine is also an increasing business. Stuðlaháls was a real estate company, originally a spin off from Vífilfell, but now these two companies have merged.

Vífilfell is participating in restructuring Refresco and holds 10,5% in Ferskur Holding. The owner of Vífilfelll is Sólstafir ehf., owned by Þorsteinn M. Jónsson.

Collateral & Guarantees

Overall LTV: 70%

A) First priority pledge in all real estates
B) Inventories and receivables
Subjective rating of the overall security: acceptable

Financial Performance

Net turnover	55.3	EBITDA	5.8
Total assets	62.4	Curr. Assets	16.7
Equity	21.9	Equity ratio	35.1%

-31.12.2007

Credit Rating: BB+

Risk Factors

Vífilfell per se should be able, even though debts are very high, to service its debt, since the main products is Coca Cola and some of the most popular beer on the market. Competition has been raising but the market has also be expanding.

Vífilfell - Sólstafir ehf.

KAUPTHING BANK

Exposure

Loans	41.8
Derivat.	0.1
Total	**41.9**

The company is a holding company for listed and unlisted shares. Sólstafir now holds 95% in Vífilfell/Stuðlaháls. Sólstafir is under restructuring process.

Fjárfestingafélagið Drangur ehf., a holding company owned by CEO of Vífilfell Árni Stefánsson, merged with Sólstafir in beginning of the year. Drangur was the owner of 25% in Vífilfell/Stuðlaháls.

Owner, Thorsteinn M. Jonsson

Collateral & Guarantees

Security margin: 98%
(LTV 102%)

Collaterals are listed shares in Bakkavor Group, Kaupthing Bank, Exista and Money market fund. Unlisted assets are Vifilfell and Studlahals. Kaupthing Bank is the largest asset (44% of the collaterals)
The company is on a Watch List. Collaterals can be difficult to liquidate in current market environment. Margin call: 140%.

Financial Performance

N/A

Credit Rating: On Exception list

Risk Factors

The company´s performance is closely linked to the performance of Vífilfell since it´s the company´s largest asset.

Arla Foods AMBA (FIH)

KAUPTHING BANK

Exposure

Loans	40.3
Unused	
Equity	
Bonds	32.2
Derivat.	
[Other]	
Total	**72.5**

Arla Foods AMBA is Europe's largest dairy company sourcing approximately 8.5bn litres of milk a year. Arla Foods' products are sold in more than 100 countries. Arla is a cooperative owned by approx. 10,000 farmers in Sweden and Denmark and employs over 17,500 people worldwide.

The commitment will be repaid on December 31st 2008

Collateral & Guarantees

Overall LTV: 40%
Calculated as long term loans to totale value of the assets.

Covenants

Overall security: acceptable

Financial Performance

Net turnover	6,403.1	EBITDA	477.7
Total assets	4,120.8	Curr. Assets	1,777.3
Equity	1,112.1	Equity ratio	30.3%

Credit Rating: BBB

Risk Factors

A slowdown in the world economy might effect the demand for milk and other related products.
A risk factor could also be a lack in the supply chain. This could be due to change in environmental requirements for the farmer and lack of new farmers in the future.
So far we have not seen any of these scenarios effect their sales.

NKT Holding A/S (FIH)

KAUPTHING BANK

Exposure	Loans 71.0 Unused Equity Bonds Derivat. [Other] **Total 71.0**	NKT Holding A/S was founded in 1891 and is a leading international industrial group. NKT Holding A/S' primary business fundament is based upon NKT Cables Group (power and energy cables), Nilfisk-Advance Group (professional cleaning machines) and NKT Photonics Group (optical components). More than 6,000 employees. NKT Holding A/S is listed on the Copenhagen Stock Exchange and has about 14,400 shareholders.
Collateral & Guarantees	Overall LTV: 46% Calculated as long term loans to total value of the assets.	Covenants Overall security: acceptable
Financial Performance	Net turnover 1,852.4 · EBITDA 192.2 Total assets 1,220.3 · Curr. Assets 759.6 Equity 405.4 · Equity ratio 33 %	Credit Rating: A-
Risk Factors	At the moments we se no sign of a decrease in sales. A slowdown in the world economy could effect their sales, but with 3 different business areas we do not believe that these areas will be effected at the same time.	

Aarhuskarlshamn AB (FIH)

KAUPTHING BANK

Exposure

Loans	67.1
Unused	
Equity	
Bonds	
Derivat.	3.3
[Other]	
Total	**70.4**

Aarhuskarlshamn produces speciality fats and oils for the chocolate and confectionery industry, food ingredients and as the third and smallest business area technical product and feed. The company is listed on the Stockholm Stock Exchange. Major shareholders are BSN Holding (40%) ATP (8%) and 2 Swedish Pension Funds (6-7%).

Collateral & Guarantees

Overall LTV: 50%
Calculated as long term loans to total assets.

Covenants
Overall security: acceptable

Financial Performance

Net turnover	1,178.3	EBITDA	69.5
Total assets	743.9	Curr. Assets	362.6
Equity	248.9	Equity ratio	33.4%

Credit Rating: BBB+

Risk Factors

It could be expected that a slowdown in the Swedish and world economy will effect the demand for the company’s products. So far this has not been noticed in their sales.

Financial leverage under pressure due to increase in working capital, but due to the fact that the company is listed on the Stockholm Stock Exchange we believe that they will be able to obtain new capital rather easily.

Invent Farma ehf.

KAUPTHING BANK

Exposure

Loans	63.4
Unused	0.5
Derivat.	0.1
Guarant.	4.9
Total	**68.9**

Invent Farma consists of the following companies: Spanish Invent Farma S.L. which owns Laboratorios Lesvi S.L., Inke A.S. Qualigen S.L. and 50% in Laboratorios Domac S.L. These provided the bulk of the group´s EBITDA in 2007 or €13.9 m. Invent Farma also owns 99.7% of the shares in Invent Farma Private Ltd. (an Indian company) mainly engaged in the development and production of active ingredients (API) for the pharmaceutical products, 75% of Lyfjaver ehf., 50% in Famaplus (Norway) and 15% in UAB Ilsanta (Lithuania). The group's main activity is generic pharmaceutical and API production and sale in Spain (Laboratorios Lesvi and Inke) and automatic dose dispensing and general pharmacy (Lyfjaver).

The exposure to Invent Farma originates mainly from its acquisition in 2005 of Laboratorios Lesvi and Inke and of Lyfjaver in 2007. A €13 m. facility has been approved by the credit committee to finance capex and restructuring expenses in relation to Invent Farma´s purchase of a manufacturing facility in Barcelona.

Collateral & Guarantees

LTV 52%

All assets are pledged.

Financial Performance

Net turnover	63.6	EBITDA	15.4
Total assets	113.7	Curr. Assets	38.6
Equity	20.6	Equity ratio	18%

- 31.12.2007

Credit Rating: BB+
Covenants as of June '08 are: Fixed charge 1.18*, EBITDA/ Total Interest:3.57*, EBITDA/Senior Interest 4.36*, Net Debt/EBITDA 4.71, Net Senior Debt/EBITDA 4.27*. *Not in compliance

Risk Factors

Invent Farma operates in a highly competitive environment in Spain where it is neither a market nor price leader. Its products rely on patent expirations and numerous years are spent on R&D without a secure outcome. Lost court cases of products which was expected to be able to market this year have resulted in significant delays in revenues. There is governmental price pressure on pricing although more focus is being put on generic products than the brand names.

GN Store Nord A/S (FIH)

KAUPTHING BANK

Exposure

Loans	67.1
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**67.1**

GN Store Nord A/S was founded in 1869. Over time GN Store Nord has been involved in a broad range of communication related activities. GN Store Nord is a developer, manufacturer and seller of headset for hands-free communication and hearing instruments in the subsidiary Resound A/S.

The company is listed on the Copenhagen Stock Exchange and has about 40,000 shareholders.

Our exposure is financing of operations.

Collateral & Guarantees

Overall LTV: 22%
Calculated as long term loans to total value of the assets.

Covenants

Overall security: acceptable

Financial Performance

Net turnover	802.2	EBITDA	101.0
Total assets	1,050.8	Curr. Assets	358.1
Equity	601.1	Equity ratio	57.2%

Credit Rating: BB+

Risk Factors

The main risk at the moment is the reconstruction of Resound after the unsuccessful sale in 2007. Total ebitda for the company Resound A/S end of June 2008 is EURO 5 mio. In this year the whole group expect to have a ebitda in the area of EURO 55 up to 67 mio.
We have confidence in this turnover will succeed.

Ecco Sko A/S (FIH)

KAUPTHING BANK

Exposure

Loans	65.0
Unused	
Equity	
Bonds	
Derivat.	1.5
[Other]	
Total	**66.5**

ECCO Sko A/S was founded in 1963 and is owned and managed by the Toosbuy family. ECCO is among the largest shoe manufacturers in the world with more than 12,670 employees. ECCO is known for a very high quality based on unique production techniques. ECCO – with headquarters in Bredebro, Denmark - has factories in China, Portugal, Slovakia, Thailand and Indonesia

Collateral & Guarantees

Overall LTV: 34%
Calculated as long term loans to total value of the properties.

Covenants, pledged headquarters in Bredebro

Overall security: acceptable

Financial Performance

Net turnover	700.0	EBITDA	139.7
Total assets	565.3	Curr. Assets	402.0
Equity	285.8	Equity ratio	50.5%

Credit Rating: A-

Risk Factors

The company is entering the retail market
Changes in EU customs

Penninn

mEUR	Loans	Unused	Guarant.	Total
Penninn ehf.	44.6	0.3	0.5	45.4
Officeday Finland Oy	11.2	1.1	1.1	13.3
Tírufjárfestingar ehf.	4.5	-	-	4.5
KIB 1 ehf.	2.3	-	-	2.3
Saltfélagið ehf.	0.5	-	-	0.5
Járnfrúin ehf.	0.3	-	-	0.3
Total	**63.4**	**1.4**	**1.6**	**66.3**

Penninn - Penninn ehf.

KAUPTHING BANK

Exposure

Loans	44.6
Unused	0.3
Guarant.	0.5
Total	**45.4**

Penninn has been providing the business community with office furniture since 1932 and has decades of experience and liaisons with the largest international suppliers. Penninn has a wide selection of office supplies, stationery and computer supplies, furniture for schools and hotels and restaurants and all kinds of office supply. Penninn is a leader in this market in Iceland.

Operates the bookstore Eymundsson and is a large shareholder in Tee & Coffee chain in Iceland as well as the Irish coffe chain Insomnia

Collateral & Guarantees

Overall LTV is 82%

All material assets are pledged. This includes shares in Penninn, Insomnia trademarks, bank accounts, account receivables and inventory. Security can be considered as good.
Standard leveraged covenants.

Financial Performance

Net turnover	63.3	EBITDA	5.1
Total assets	64.9	Curr. Assets	23.2
Equity	11.9	Equity ratio	18%

- 31.12.2007 (draft)

Credit Rating: BBB, Covenants

Risk Factors

The current economic climate may lead to slowdown in the sales of furniture for offices and hotels. The main season for Penninn is from August - December, “back to school” and Christmas sale.

Penninn - Officeday Finland Oy

KAUPTHING BANK

Exposure

Loans	11.2
Unused	1.1
Guarant.	1.1
Total	**13.4**

A leading distributor and marketer of office supplies and computer consumables in Finland. Officeday has revenues of EUR 33 million and employs 120 people today.

Officeday has a strong foothold within major companies and the public sector in Finland with 35% market share.

Collateral & Guarantees

Overall LTV 79%

All material assets are pledged. This includes shares in subsidiaries of the company and trademarks, account receivables and inventory. Security can be considered as acceptable.
Standard leveraged covenants.

Financial Performance

Net turnover	32.5	EBITDA	6.8
Total assets	18.9	Curr. Assets	7.6
Equity	4.1	Equity ratio	21%

- 31.12.2007

Credit Rating: BB

Risk Factors

Main risk factor is the economic outlook in Finland. Recently Officeday made a big contract with the Finnish government.

Pandora Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	66.0
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**66.0**

In 2008, the Danish private equity fund Axcel acquired Pandora from the founder, goldsmith Per Enevoldsen and his wife.

Pandora designs, manufacturers, markets and distributes jewellery on a global basis. The highly popular charm bracelet, which allows for personal customization, was launched in 2000. Pandora is headquartered in Copenhagen (35 empl.), has production facilities in Thailand (~1,000 empl.)

As of 30 June 2008 the company had a NIBD/EBITDA of 2,4 times and EBITDA performance YTD at index: 86 compared to aggressive budget.

Collateral & Guarantees

Overall LTV: 16%

Pledge of shares. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	128.1	EBITDA	62.4
Total assets	413.9	Curr. Assets	32.6
Equity	167.7	Equity ratio	40.5%

Credit Rating: BB+
No covenants breach, defaults or similar.

Risk Factors

- Delivery problems as a result of capacity problem in production

CD Group - AKER

KAUPTHING BANK

Exposure

Loans	33.6
Unused	25.0
Guarant.	6.9
Total	**65.5**

- Aker is the third largest European supplier of storage solutions for use in a wide range industrial and commercial applications (e.g. factories, warehouses, offices, libraries, retail premises)
- Products include static, mobile and multi-tier storage systems, including shelving, pallet-racks and mezzanine/partition construction
- The group operates 4 manufacturing facilities in Europe (Holland, Norway, 2 in Germany)

- In October 2008, Kaupthing supported Altor Equity Partner's acquisition of the Group from parent Aker ASA, with 100% debt funding

Collateral & Guarantees

LTM EBITDA (€mln):	17.5
EV Multiple (entry multiple):	8.6x
EV:	150.5
Net Debt:	54.6
LTV:	**36%**

- First priority pledge over shares and assets of the Group and all material subsidiaries
- Mortgages over all properties
- Cross collateralised guarantees across all Group companies
- Rating of the overall security: acceptable

Financial Performance

7 months to July 08

Sales (€mln)	130.0	EBITDA	9.4
Total Assets	179.7	Equity Ratio	9%
Current Assets	93.5		
Equity	16.6		

- Credit Rating: 7 (S&P Equivalent: BB+)
- Covenants are in compliance due to strong financial performance since the deal closed. Net Leverage 3.0x vs. 5.9x covenant at the June 08 test

Risk Factors

- Market risk: the European storage solutions market has seen steady growth over the past few years, linked to GDP growth and rising real estate costs, encouraging innovative storage solutions. In the face of the global economic slowdown, there is the risk of decreased demand and increased competition
- The group has mitigated this impact by diversifying geographically and targeting a wide range of end-users, supported by brand strength and adaptability of its multi-purpose products

Steen Bryde – Bryde Gruppen ApS and I/S Strandvejen 56-58 (FIH)

KAUPTHING BANK

Exposure

Loans	59.2
Unused	
Equity	
Bonds	
Derivat.	6.2
[Other]	
Total	**65.4**

Steen Bryde holds the shares in Bryde Gruppen ApS. The group is involved in property, shipping and investments in shares.
The FIH exposure is in the company K/S Havnegade 37 (a hotel operated by the Arp Hansen Group – one of the largest operators in Denmark). Commitment to this company is EURO 25 mio.
Steen Bryde is also partner in I/S Strandvejen 56-58. The property is a office and business premises and is wholly rented. Commitment to this company is EURO 37.7mio.

Collateral & Guarantees

Overall LTV: 90%

Pledged properties, payment guarantees
I/S Strandvejen 56-58: limited guarantee from the owners of EUR 13.4m.
Overall security: good

Financial Performance

Bryde Gruppen ApS (only parent company)

Net turnover	n/a	EBITDA	-0.3
Total assets	92.1	Curr. Assets	48.3
Equity	35.9	Equity ratio	38.9%

I/S Strandvejen 56-58

Net turnover	1.9	EBITDA	1.9
Total assets	48.3	Curr. Assets	2.1
Equity	12.6	Equity ratio	26.0%

K/S Havnegade 37

Net turnover	1.7	EBITDA	1.7
Total assets	27.0	Curr. Assets	n/a
Equity	2.5	Equity ratio	9.3%

Credit Rating: BB

Risk Factors

A slowdown in the Danish economy and lack of tourists could have an impact on the profit on the hotel, but on the other hand the hotel is located in downtown of Copenhagen.
A decrease in rental prices could have affect on the property Strandvejen, but again prime location and we expect that the guarantee from the owners will cover any lack of liquidity.

Bankside Holdings Ltd & Bullion Investments Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 63.6 Unused 1.7 Equity Bonds Derivat. **Total 65.3**	Simon Halabi has been active in the UK property market for many years and through family trusts owns a large number of prime London properties which are seen to provide business opportunities. This facility is to two property companies owned by the Halabi Family Trust. We provided a bridging facility to January 2009, to pay off a similar facility with Société Générale, secured by a second charge (behind securitised debt of £1,440m (€1,773m) which expires in September 2009) on nine central London office buildings. Exposure includes Kaupthing hf. participation in facility.
Collateral & Guarantees	When deal booked equity available estimated at £274m (€337m). At a yield of 5.25% the valuation will be closer to £164m (€202m)	Personal guarantee of Simon Halabi. Second charge over London office buildings. Inter-creditor agreement with First Charge Holders. Subjective rating of the overall security: sub-standard
Financial Performance	N/A	Credit Rating: B- Covenants, Tangible Net Worth (equity available) £280m (€345m) The account is Under Report
Risk Factors	Whilst we have not had a formal re-valuation of the properties discussions with the valuers indicate continuing demand but at higher yields and thus it is likely that our covenant is on the point of a breach; if yields exceed 5.8% our equity cover begins to reduce below the loan and it is arguable that we are already there. We have regular discussions with Mr Halabi and his advisors but it is difficult to see at present where our repayment is to come from and we could be in an uncomfortable position when the securitised debt expires in a September 2009.	

Paigle Properties (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 52.4 Unused 12.0 Equity Bonds Derivat. **Total** **64.4**	The main facility is to finance the development of a hospital site in Margate in three phases totalling 428 apartments. We have also financed The Lido site in Margate and a country house in Kent (Higham Park).
Collateral & Guarantees	Value estimated €30.7m	Charges over three properties. Subjective rating of the overall security: sub-standard
Financial Performance	N/A	Credit Rating: D The client is in Recoveries and a provision of £10m (€12.3m) has been raised and a further £10m will be proposed Q3 2008.
Risk Factors	The original contractor is now off site and a substantial number of quality issues have come to light which will be expensive to remedy. The third phase, where the profits were expected to be made, is no longer calculated to be profitable due to a combination of higher costs and a falling market. The Lido site is now valued at considerably less than hoped for by the client, £5m (€6.2m) as is and £8m (€9.8m) with planning permission against the £24m (€29.5m) estimate of the borrower. Higham Park is proving difficult to sell in the current market conditions.	

Burgundy Sea Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 63.7 Unused Equity Bonds Derivat. **Total 63.7**	The borrower is a SPV to purchase a yacht for a member of the Saudi Royal family.
Collateral & Guarantees	Yacht valued at €150m Overall LTV 42%	Charge over the yacht and guarantee from the beneficial owner, estimated net worth €488m. Subjective rating of the overall security: good
Financial Performance	N/A	Credit Rating: BB
Risk Factors	The market for super yachts appears to be holding up though it could take some time to find a buyer for such a large yacht (82m). In the unlikely event of our having to enforce the guarantee the clients status could pose problems.	

Kaupfélag Skagfirðinga

KAUPTHING BANK

mEUR	Loans	Unused	Guarant.	Total
AB 57 ehf.	26.0	-	-	26.0
Fóðurblandan hf.	18.5	0.8	0.1	19.4
FISK-Seafood hf.	11.7	-	-	11.7
Kaupfélag Skagfirðinga	3.4	1.7	0.2	5.3
Sláturhús KVH ehf.	1.3	-	-	1.3
Total	**60.8**	**2.5**	**0.3**	**63.7**

KS - AB 57 ehf.

KAUPTHING BANK

Exposure

Loans	26.0
Total	**26.0**

AB 57 was established in 2007. The company is a holding company and a subsidiary of Kaupfelag Skagfirdinga (KS). The company's only asset is 3,500,000 shares in Kaupthing bank hf.

The company bought the shares in year 2007.

Collateral & Guarantees

LTV 85%

The bank has a share pledge (3,500,000 shares in Kaupthing) and a guarantee from KS in the amount of 725 m kr (5.7 m EUR)
KS is contractually committed to come up with collaterals so the LTV ratio is de facto 85%.

Financial Performance

Net turnover	1.4	EBITDA	1.4
Total assets	24.9	Curr. Assets	0.05
Equity	0.8	Equity ratio	3.3%

- 31.12.2007

Credit Rating: Company on exception list.

Risk Factors

The share price of Kaupthing plays an important role. The company is owned by KS which is a financially strong company.

KS - Fóðurblandan hf.

KAUPTHING BANK

Exposure

Loans	18.5
Unused	0.8
Guarant.	0.1
Total	**19.4**

Fóðurblandan (FB) is a leading producer of animal feed in Iceland. The company operates two factories, one in Reykjavík and another in Akureyri which FB's subsidiary Bustolpi runs. Furthermore, FB imports fertilizer and other products for farmers. Kaupfelag Skagfirdinga controls around 70% of the shares in the company.

The exposure is a combination of an asset finance and acquisition financing.

Collateral & Guarantees

LTV 80-90%

The securities are in all assets of the company, i.e. shares, buildings, machinery, and working capital. The factory buildings are on land at the harbour area in Reykjavík. This land is valuable in the long run.

Financial Performance

Net turnover	33.5	EBITDA	2.9
Total assets	33.8	Curr. Assets	12.9
Equity	9.6	Equity ratio	28.5%

- 31.12.2007 -

Credit Rating: BB
The covenants 31.8.2008 are in compliance.

Risk Factors

The cost of raw materials such as corn have risen heavily. This affects FB's operation. FB sells its products to Icelandic famers who are geared at the moment. In addition, increased import of agricultural products will affect the farmers' business'. Thus, we are likely to see some changes in FB business environment in the coming years.
Like most Icelandic companies, the rate of the Icelandic Krona plays an important role in FB operation.

KS - Fisk Seafood hf.

KAUPTHING BANK

Exposure

Loans	11.7
Total	**11.7**

Fisk Seafood is one of the largest seafood companies in Iceland. Fisk Seafood owns and runs 2 freezing trawlers and 2 fresh fish trawlers along with fish and shrimp factories. The company has operations in 3 towns; Grundarfjörður, Sauðárkrókur and Skagaströnd. The total number of employees is around 300.
FISK Seafood has shares in 3 other fish-related companies; Hólmadrangur, Hólalax and Farsæll which operate in shrimp, fish farming and fishing respectively

Fisk Seafood is a subsidiary of Kaupfélag Skagfirdinga (KS). The debt financing originates largely from Fiskiðja Saudarkroks which was the takeover company and owned by KS. Fiskidja Saudarkroks and Fisk Seafood merged in 2006.

Collateral & Guarantees

LTV 40%

The bank has first priority right in Málmey SK-1. Málmey is powerful freezing trawler with good quota. The value of the vessel and its quota is around 30 to 35 m EUR

Financial Performance

Net turnover	38.7	EBITDA	10.2
Total assets	116.5	Curr. Assets	16.7
Equity	73.3	Equity ratio	63%

- 31.08.2007

Credit Rating: BBB-
The covenants 31.08.07 are in compliance.

Risk Factors

The company is subjected to the condition on the fish stocks around Iceland. Furthermore, the rate of the Icelandic Krona plays important role in the company's accounts.

KS - Kaupfélag Skagfirðinga

KAUPTHING BANK

Exposure

Loans	3.4
Unused	1.7
Guarant.	0.2
Total	**5.3**

Kaupfélag Skagfirðinga (KS) is a cooperative with the main focus in food industry, i.e. fish and meat processing and milk and cheese production. KS was founded in 1889 by farmers, originally to do business with English traders. KS has grown in resent years and is today, a large company on a domestic scale with diverse operation. For example, KS runs one of the largest slaughterhouses in Iceland and through there ownership of FISK Seafood they run one of the largest fisheries in Iceland. Furthermore, KS runs a grocery store, construction store, spare parts store, milk and cheese production, machine workshop and more.

Collateral & Guarantees

LTV 60%

The collaterals are in the KS headquarters in Sauðárkrókur and factory buildings.

Financial Performance

Net turnover	112.9	EBITDA	15.5
Total assets	216.2	Curr. Assets	49.7
Equity	101.1	Equity ratio	46.8%

- 31.12.2007 consolidated -

Credit Rating: BBB-
The covenants 31.08.07 are in compliance.

Risk Factors

KS is a diversified company. Its main operation is in the food sector, furthermore the company has invested in shares (for example in Kaupthing). Today KS has much cash in hand.

Ferrosan A/S (FIH)

KAUPTHING BANK

Exposure

Loans	58.3
Unused	5.3
Equity	
Bonds	
Derivat.	
[Other]	
Total	**63.6**

Ferrosan Holding A/S is primarily active in producing supplements and lifestyle products (vitamins, minerals, omega 3-oil and tablets enhancing skin quality). The Nordic region constitutes more than 50% of total turnover, but the company is also growing its market share in Eastern Europe and Russia. The company's major shareholder is Altor Equity Partners. The group is under a LBO financing structure. FIH holds 37% of total debt.

As at June 2008 NIBD/EBITDA 5.5x and YTD EBITDA performance 81 (vs. budget 2008).

Collateral & Guarantees

Overall LTV: 68%
Calculated as NIBD to total assets.

Pledge of shares.
Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	162.3	EBITDA	30.2
Total assets	259.8	Curr. Assets	68.4
Equity	44.9	Equity ratio	17.3%

Credit Rating: BB

No covenants breach, defaults or similar.

Risk Factors

- Despite the company is behind on EBITDA budget, the company still expects to increase earnings in 2nd half of 2008. This requires however, decreased cost due to movement of some production facilities to Eastern Europe.
- Increasing sale (and hence dependence) of Russian market, which is less stable than the Nordic market.

BM Vallá

mEUR	Loans	Unused	Equity	Bonds	Derivat.	Guarant.	Total
BM Vallá hf.	24.2	0.1				0.1	24.4
Fasteignafélagið Ártún ehf.	34.7	-				-	34.7
Sementsverksmiðjan hf.	3.1	0.1				-	3.1
Total	**62.0**	**0.2**				**01.**	**62.2**

BM Vallá - BM Vallá ehf.

KAUPTHING BANK

Exposure

Loans	24.2
Unused	0.1
Gurant.	0.1
Total	**24.4**

BM Vallá has for decades manufactured and sold concrete and products made of concrete. Over the last few years it has bought or merged other companies in the building sector. Those companies are not in concrete but support it very well, from design to iron and wooden roofs. BM Vallá has facilities around Iceland.

BM Vallá is owned by Plateau de Pierre, a holding company in Luxembourg. The beneficial owner is Víglundur Þorsteinsson (same structure as Fasteignafélagið Ártún ehf.).

Collateral & Guarantees

LTV 90%

Fasteignafélagið Ártún and BM Vallá share collaterals. Most of the collateralised real estates are well situated. Average inventories and receivables are 13 – 15 mEUR. Besides real estates and current assets the bank has share pledge in all shares in BM Vallá's subsidiaries.
Over all rating of collateral is acceptable or good.

Financial Performance

Net turnover	89.5	EBITDA	9.1
Total assets	60.2	Curr. Assets	26.6
Equity	8.6	Equity ratio	14.3%

- 31.12.2007

Credit Rating: BB-
Covenants: Fixed Charge Cover 1,0
Interest bearing debts/EBITDA 5,5
Equity ratio 20%

Risk Factors

The main risk BM Vallá is facing is high gearing. Since the economy has been slowing down, construction business, specially the housing sector, is in a recession, problems following this might hit the company. However Government projects and other large projects have still managed to keep the company's output in full scale and last July was the largest month ever in production of concrete. The company's main competitor went bankrupt last month and others are in serious trouble.

BM Vallá - Fasteignafélagið Ártún ehf.

KAUPTHING BANK

Exposure

Loans	34.7
Total	**34.7**

Fasteignafélagið Ártún ehf. is a real estate company which was a spun off from BM Vallá in year 2005 and currently holds all real estates BM Vallá uses for its operations. The idea of spinning FÁ from BM Vallá was to develop the real estates part of the company and dispose of parts of it. First steps of this strategy has taken place by selling properties close to Reykjavík. Following that sale 7-9 mEUR will be paid to the Bank.

Collateral & Guarantees

LTV 90%

Fasteignafélagið Ártún and BM Vallá share collaterals. Most of the collaterised real estates are well situated. Estimated value of these assets is 67 mEUR. Average inventories and receivables are 13-15 mEUR. Over all rating of collateral is acceptable or good.

Financial Performance

Net turnover	3.3	EBITDA	2.6
Total assets	48.3	Curr. Assets	1.1
Equity	5.5	Equity ratio	11.5%

- 31.12.2007

Credit Rating: BB-
The company defaulted this summer, but has required an extension

Risk Factors

The real estate market has been in a recession and nominal prices have decreased a bit, but real prices a lot more because of inflation.

Graham Harris Connection (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure

Loans	53.8
Unused	8.1
Equity	
Bonds	
Derivat.	
Total	**61.9**

We are financing the development and/or refurbishment of 6 properties in the south of France around St. Tropez and the Cap d'Antibes where we either lend to Mr Harris or have his personal guarantee. These properties will be kept on as investment properties.

Collateral & Guarantees

Collateral properties valued at €113.2m
Overall LTV 54%

Charges over the various properties and personal guarantees from Mr. Harris.
Subjective rating of the overall security: good

Financial Performance

N/A

Credit Rating: B

Risk Factors

The demand for top quality properties in the south of France continues to exceed supply and the ability to rent them out at very high rates is holding up.

Carlsberg A/S (FIH)

KAUPTHING BANK

Exposure

Loans	
Unused	
Equity	
Bonds	59.8
Derivat.	
[Other]	
Total	**59.8**

Carlsberg is the fourth largest brewery-group in the world. The shares are quoted on OMX The Nordic Exchange, Copenhagen. Carlsberg Foundation owns 51% of the shares with voting powers of approximately 82%. Carlsberg A/S is the parent company in the group. Carlsberg Breweries A/S is handling the brewing activities. Carlsberg Finance A/S is the internal financing company in the group.

Collateral & Guarantees

Overall LTV: 44%
Calculated as long term loans to total value of the properties.

Covenants and guarantee from Carlsberg Breweries A/S (rating 10) for commitments to Carlsberg Finance A/S and covenants
Overall security: acceptable

Financial Performance

Net turnover	6,001.9	EBITDA	1,075.2
Total assets	8,210.8	Curr. Assets	2,003.9
Equity	2,674.9	Equity ratio	32.6%

Credit Rating: BBB+

Risk Factors

- Stagnant European beer market
- Higher leverage

Wavin N.V. (FIH)

KAUPTHING BANK

Exposure

Loans	47.6
Unused	11.7
Equity	
Bonds	
Derivat.	
[Other]	
Total	**59.3**

Wavin N.V., headquartered in Zwolle, the Netherlands provides above and below solutions for cold and hot water, surface heating, soil and waste and rainwater management. Before the listing on Euronext, Wavin was owned by CVC Capital Europe. FIH is participating in a syndicated loan EUR 750M with a participation of less than 10%.

As at 30 June 2008 the Group had a NIBD/EBITDA of 3.2x. Performance year to date is 85% at EBITDA level. (compared to last year.)

Collateral & Guarantees

Overall LTV: 40%

Calculated as NIBD to total assets.

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of financing.

Financial Performance

Net turnover	1,614.7	EBITDA	212.1
Total assets	1,491.5	Curr. Assets	573.2
Equity	369.8	Equity ratio	24.8%

Credit Rating: BBB-

No covenants breach, defaults or similar.

Risk Factors

- Slowdown in construction activities across Europe's mature markets.
- Increasing raw material prices

Horst Gassmann (FIH)

KAUPTHING BANK

Exposure

Loans	48.4
Unused offer	2.9
Equity	
Bonds	
Derivat.	3.0
Leasing	4.9
Total	**59.2**

Horst Gassmann (63 years old) has a range of activities: Major used lorry-dealer (core business), letting of big storehouses in the western part of Germany, amusement activities, mineral-water factory and engine works. Gassmann has a vast experience in transportation business. Private accounts 2007 for Horst Gassmann are still not received.

Horst Gassmann hold 50% of the shares in SG Ejendomsselskab A/S. The company owns properties in Jutland.

Collateral & Guarantees

Overall LTV: 24%
Calculated as long term loans to total assets.

Pledged storehouse in the western part of Germany..
SG Ejendomsselskab A/S: Pledged properties and paymant guarantee by Horst Gassmann and the other sharehold Henry Stenders Ejendomsselskab ApS each covering EUR6,7m of the commitment of EUR32,2m
Overall security: good

Financial Performance

Net turnover	2.4	EBITDA	n/a
Total assets	184.7	Curr. Assets	48.8
Equity	138.5	Equity ratio	75.0%

Credit Rating: BBB

Risk Factors

The properties have been bought very cheap from Karstadt, and we estimate, that risk is very low

Steen Larsen /SL Nordic Holding ApS (FIH)

KAUPTHING BANK

Exposure	Loans 9.2 Unused 1.2 Equity Bonds Derivat. 48.3 [Other] **Total 58.7**	Steen Larsen/SH Investering A/S is a professionel property investor. Steen Larsen/SH Investering A/S is also a big shareholder in the Danish entertainment and footboll club FCK. This company has during the last 8-10 years performed very good. Until 2007 Steen Larsen had an attractive portfolio of residential and commercial properties. The major part of the retail portfolio of DKK 1.7bn is sold to Jeudan as of 1. July 2007 as a tax-free split. The remaining retail properties will over the next 3 years be developed by SL Nordic Holding ApS, and are sold in advance to Jeudan due to a call option.
Collateral & Guarantees	Overall LTV: 89 %	Pledged properties, pledged deposit, guarantee by Steen Larsen and SL Nordic Holding ApS (parent company), covenants Overall security: acceptable
Financial Performance	Net turnover 9.7 EBITDA 3.3 Total assets 431.8 Curr. Assets 211.0 Equity 147.9 Equity ratio 34.2%	Credit Rating: BB+
Risk Factors	It could be expected that a slowdown in the Danish economy could have an affect on the development of the remaining retail properties. The main part of these properties is already leased out. We still expect that the company will be able to carry out this deal. It should also be noticed that the company has hedged more or less the total outstanding debt.	

Sund ehf.

Exposure	Loans 57.8 **Total 57.8**	The company is a holding company for listed and unlisted shares. Owners: Gunnþórunn Jónsdóttir (33.3%), Gabríela Kristjánsdóttir (33.3%) and Jón Kristjánsson (33.3%)
Collateral & Guarantees	Security margin: 98.6% (LTV 101.5%)	Collaterals are mainly listed shares. The company is on a Watch List. Collaterals can be difficult to liquidate in current market environment.
Financial Performance	N/A	Credit Rating: On Exception list Margin call: 150%.
Risk Factors	The company has had tough times the last year due to the economic slowdown and the price decline of Icelandic shares. The company's performance is substantially linked to the price development of equity markets.	

Dustin Group AB

KAUPTHING BANK

Exposure	Loans 57.3 **Total** **57.3**	In August 2006, Dustin was acquired by Altor Fund II GP Limited, through Dustin Group AB, which was debt financed by Kaupthing Bank by EUR 92.1 million and equity of EUR 46.6. Currently Altor owns some 73% of the company, while the rest is owned by management and other investors. Dustin is the leading internet reseller of IT products in Sweden focusing on the B2B market mainly on the SMB segment and also on the consumer market (B2C). Recently Dustin has been expanding it business to Denmark by acquiring a retailer focusing on the Danish SMB segment with a similar business model. Dustin is performing well with the EBITDA level above the bank case and all ratios well below the covenants.
Collateral & Guarantees	Overall LTV around 70%	Collateral: Share pledges (all material group companies), business mortgages, receivables, negative pledge. Covenants: Cashflow to Debt Service, Net Debt to EBITDA, EBITDA to Financial Net Payable, Capex Overall rating of security: Good
Financial Performance	Net turnover 223.0 · EBITDA 12.9 Total assets 226.6 · Curr. Assets 52.4 Equity 31.4 · Equity ratio 13.9% *- 28.2.2008 6 months*	Credit Rating: BB All covenants 1H '08 are in compliance: Net Debt/EBITDA 4.21x, Fixed charge cover 1.10, EBITDA/ Net Interest 3.14x.
Risk Factors	It could be expected that a general slowdown in the Swedish/Danish economy will affect the demand for computers and related products. So far however the company has not noticed this in their sale. A mitigating factor is the fact that the company is very competitive in prices, given the fact that their sales channel is solely through the internet. As a result some of Dustin's competitors with a more traditional sales and distribution model may be more affected.	

Framherji Group Sp/f

KAUPTHING BANK

Exposure

Loans	56.7
Unused	0.3
Total	**57.0**

The Framherji Group is a fishing group operating the two pelagic trawlers “Fagraberg” and “Høgaberg” through its parent company Sp/f Framherji, the factory freezing trawler “Vesturvón” through the subsidiary P/F Vesturvón, and the long-liner “Stapin” through the subsidiary P/F Regn. The holding company Sp/f Framinvest ownes the shares in SP/F Framherji and also in Sp/f North Salmon.

Collateral & Guarantees

1. EUR 27 m. First priority mortgage in the vessels Vesturvón and Högaberg.
2. EUR 56 m. Fist priority mortgage right in the vessel Fagraberg.
3. EKK 1.5 m. Third priority mortgage right in the vessl Stapin.

Financial Performance

Net turnover	21.6	EBITDA	9.1
Total assets	80.8	Curr. Assets	6.2
Equity	7.6	Equity ratio	9.4%

- 31.12.2007

Credit Rating: 4
Covenants: General restrictive covenants among them being that equity ratio should not be lower than 30%.
Have been fulfilled their payments on loans.

Risk Factors

The main risk factors are fishing stocks, fish prices and costs (for example oil this year). The vessels are all in very good conditions and have been fishing very well in the past.

Huscompagniet A/S (FIH)

KAUPTHING BANK

Exposure

Loans	56.3
Unused	
Equity	
Bonds	
Derivat.	0.5
[Other]	
Total	**56.8**

In October 2006, Axcel II Fund - through AFMS Invest A/S - acquired FM-Søkjær Group (now Huscompagniet A/S) - 75% ownership. The former owners holds the remaining shares.

The group sell standard houses for families and house society dwellings. The construction mostly outsourced.

The current trading of the company is above budget with and index of 117 at EBITDA level.

As of June 2008 the group gearing (NIBD/EBITDA) was 2.60x (max. 4.50x) and interest cover was 6.5x (min. 3.5x)

Collateral & Guarantees

Overall LTV: 49%
Calculated as NIBD to total assets.

Pledge of shares in subsidiaries.
Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	108.8	EBITDA	15.4
Total assets	99.7	Curr. Assets	51.4
Equity	4.7	Equity ratio	4.7%

Credit Rating: BB
Currently, the company has a technical breach of cash leverage due to investment in land. Otherwise the company has a buffer to the agreed covenants levels.

Risk Factors

- A negative trend in the demand for new houses
- Price trend on used houses (increased interest rates and the overall economic climate)
- Decline in the creditworthiness of new buyers. (The house is paid at delivery).

Felicitas Intressenter AB (FIH)

KAUPTHING BANK

Exposure

Loans	54.7
Unused	
Equity	
Bonds	
Derivat.	1.8
[Other]	
Total	**56.5**

In December 2007, the Danish private equity fund Polaris acquired Frösunda group (parent company Felicitas Intressenter AB). Frösunda is a Swedish service company within assistance to children, young people and adults with functional impairments. It is active in two divisions: Assistance and Service & Support. The company has app 3,400 employees. In July the company acquired three minor players in the Swedish market.

Current trading as at 30 June 2008 is according to budget.

Collateral & Guarantees

Overall LTV:43 %
Calculated as NIBD to total assets.

Pledge of shares in Frösunda AB.
Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

(Budget 2008 for Felicitas Intressenter AB)

Net turnover	156.7	EBITDA	12.1
Total assets	111.8	Curr. Assets	11.4
Equity	36.1	Equity ratio	33%

Credit Rating: BB

No covenants breach, defaults or similar.

Risk Factors

- The company's business is based on the liberalization of the Swedish market, which was initiated in 1993. The political attitude towards the contribution from public to private might change.
- Integration the three newly acquired companies.

DLG – Dansk Landbrugs Grovvareselskab AMBA (FIH)

KAUPTHING BANK

Exposure

Loans	55.6
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**55.6**

DLG is the biggest feedstuff producer in Denmark and the company has a market share above 50%.

DLG is a cooperative owned by approx. 29,000 farmers.

Our exposure is financing of operations.

Collateral & Guarantees

Overall LTV: 50%
Calculated as long term loans to total assets.

Covenants
Overall security: acceptable

Financial Performance

Net turnover	3,303.5	EBITDA	72.2
Total assets	1,646.9	Curr. Assets	1,032.4
Equity	302.7	Equity ratio	18.4%

Credit Rating: BB+

Risk Factors

In Denmark during the last year we have seen a large increase in all kind of raw material for all types of farmers. This could maybe lead to a break up among the largest customers/farmers. Until now we have not seen this effect and the last half year we also se a increase in sales prices for the individual farmer.
Financial leverage under pressure due to increase in working capital due to general increase of raw materials.

PWT Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	46.5
Unused	4.1
Equity	
Bonds	
Derivat.	5.0
[Other]	
Total	**55.6**

In 2008 the private equity fund Polaris has together with Hansen & Petersen created PWT Holding A/S. The company is the result of a merger between Tøjeksperten, Denmark's largest menswear chain, and Wagner/Texman (Hansen & Pedersen) another Danish menswear chain.
The Tøjeksperten menswear chain consists of 119 stores across Denmark.
Hansen & Pedersen is an international clothing business with in-house wholesale operations covering the full assortment carried by a men's wear shop. The Group consists of two business units: Wagner Detail and Texman. In total, the Wagner/Texman chain has 100 stores in the Nordic region, including 40 in Denmark.
Polaris (holds 51% of the shares) operates the two chains under separate names and with different target groups, but will optimise the back office operations of buying, marketing and private label production in order to capitalise on the synergy potential. This is expected to increase the strength of both chains substantially.
By the end of Q2 2008 total NIBD/EBITDA: 5.2 times. EBITDA performance at index 70.

Collateral & Guarantees

Overall LTV: 44%
Calculated as NIBD to total assets.

Pledge of shares. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

(budget 2007/2008 after acquisition)

Net turnover	169.4	EBITDA	20.6
Total assets	221.9	Curr. Assets	62.9
Equity	88.0	Equity ratio	39.7%

(incl. subord. loan cap. EUR 10.4m)

Credit Rating: BB+

We expect breach by Q3 2008 of financial covenants.

Risk Factors

- Integration of the new menswear chain
- Overall decrease in retail activity

Sanitec OY (FIH)

KAUPTHING BANK

Exposure

Loans	43.7
Unused	1.4
Equity	
Bonds	
Derivat.	
Second Lien	10.0
Total	**55.1**

Sanitec designs, manufactures and sales bathroom ceramics and bath and shower products.
In March 2005 the Swedish private equity fund, EQT, acquired Sanitec Oy. Half-year report 2007 shows revenue of EUR 476.3m and EBITDA of EUR 63.7m. The group is under a LBO financing structure and the exposure of FIH is less than 10% of the total debt facilities.
As at 30 June 2008 the group hold a Net Interest Debt to EBITDA of 5.3 times.

Performance yaer-to-date is at index 85% measured at EBITDA level.

Collateral & Guarantees

Overall LTV: 52%
Calculated as NIBD to total assets.

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.

Financial Performance

Net turnover	921.7	EBITDA	123.0
Total assets	1,564.3	Curr. Assets	377.8
Equity	361.6	Equity ratio	31.8%

Credit Rating: BB+

No covenants breach, defaults or similar.

Risk Factors

- Cutback in building industry/recession in Europe
- Production heavy on power- Therefore, increase in energy prices is a risk.

JM Danmark A/S (FIH)

KAUPTHING BANK

Exposure

Loans	53.6
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**53.6**

The parent company JM AB was founded in 1945 and has been listed on the Danish Stock Exchange since 1982. The main business is project development of residential properties and, to a lesser extent, commercial properties. The goal is realised through investments in project sites and the construction of new properties. JM Danmark A/S concentrates on project development, project management and selling of owner-occupied properties.

Collateral & Guarantees

Overall LTV: 49%
Calculated as long term loans to total assets

Guarantee from JM AB limited to EUR 40,2m, letter of support from JM AB, cross default between Svenska Handelsbanken, Dansk Kaution and FIH
Overall security: acceptable

Financial Performance

Net turnover	45.8	EBITDA	-0.7
Total assets	106.6	Curr. Assets	106.4
Equity	27.8	Equity ratio	26.1%

Credit Rating: BBB-

Risk Factors

During the lat year we have seen a slowdown in the residential market in Denmark. In particular sales of owner-occupied apartments in Copenhagen has deteriorated. The company has already taken this situation into consideration and has started to hire out a greater part of new constructed apartments.

EBH-Fonden (FIH)

KAUPTHING BANK

Exposure	Loans 53.6 Unused Equity Bonds Derivat. [Other] **Total 53.6**	EBH-Fonden has a 45% ownership of the share capital in EBH Bank A/S. EBH Bank A/S has app. 400 employees in regional departments in Han Herred, Horsens, Ikast and Copenhagen. EBH-Fonden's commitment with FIH is primary bridge financing of property (EUR 40m)
Collateral & Guarantees	Overall LTV: 49% Calculated as long term loans to total assets	Covenants Overall security: acceptable
Financial Performance	Net turnover 1.5 EBITDA 0.8 Total assets 599.9 Curr. Assets 223.3 Equity 303.5 Equity ratio 50.6% (total assets primary market value of shares in EBH Bank)	Credit Rating: BB+
Risk Factors	▪ Risk is related to operation of EBH Bank	

Bleiksstaðir ehf.

KAUPTHING BANK

Exposure	Loans 53.5 **Total 53.5**	This company is an SPV and it was formed around the acquisition of the Blikastadar land in Mosfellsbæ from Icelandic Prime Contractors (ÍAV). The land in question is around 100 ha, and it is estimated that there will be around 1,800 residential units built there over the next 7-10 years. The purchase price was around EUR 60 m where Kaupthing lent 80%, against the 1st lien pledge in the land. The balance was lent by VBS, that has a share in the company and is lending against the 2nd lien. The plan is to develop the land, get full planning and start to sell the first sites by mid next year. The company is a subsidiary of Holtasel ehf, which is the holding company of the owner of Eykt contractors, Petur Guðmundsson, and the company is managed by Holtasel and does not have any operations or employees itself.
Collateral & Guarantees	Value of land EUR 60 – 67 m Overall LTV 80-90%	Land close to Reykjavík, 100 ha, according to the draft of planning there will be 1793 residential units, i.e. 296 single family houses, 124 semidetached units, 260 townhouses and 1,113 condominium apartments. This is a good location, but the challenging real estate market reduces its value- collateral can be categorized as sub-standard
Financial Performance	NA *2008 is the first year of operations*	Credit Rating: N/A – Specialized lending
Risk Factors	The risk here is fully correlated to the Icelandic real estate market. It is most likely that the land will be developed as this is a good location and one of the last un-developed piece of land in the vicinity of central Reykjavik. The question of timing and pricing. It might take longer than anticipated to start selling the sites and as the interest rates are quite high, LTV are quick to increase.	

Flugstod Leifs Eirikssonar hf. (FLE)

KAUPTHING BANK

Exposure

Loans	52.6
Derivat.	0.2
Total	**52.8**

FLE operates the Icelandic International Air Terminal in Keflavik, Iceland. Frihöfn ehf. (The Duty Free Store) is a subsidiary. Number of passengers 2007 was 2.2 million and Jan-Aug 2008 1.5 million, which is similar to the same period in the previous year. Estimated number of passengers 2015 is 3.2 million (made by BAA Pcl, UK).
At the end of this year the operation of Flugmalastjorn will be merged into FLE. This will give FLE more or less full control of every aspect of the international airport in Keflavik.

Collateral & Guarantees

Negative pledge over the Air Terminal

Financial Performance

Net turnover	70.7	EBITDA	29.0
Total assets	222.5	Curr. Assets	17.9
Equity	75.2	Equity ratio	34%

- 31.12.2007

Credit Rating: 8

Risk Factors

The present economic situation (crisis on financial markets, oil prices, devaluation of the ISK) are factors that will influence the number of passengers going through the airport in the short term. Long term outlook is considered good. The long term loans of FLE are mostly in foreign currencies. Although the income is mostly in ISK the prices of goods and services are mostly connected to foreign currencies. Of course there is a limit how much FLE can press prices up without hurting their income and margins.

Lastas A/S (FIH)

KAUPTHING BANK

Exposure

Loans	46.0
Unused	
Equity	
Bonds	
Derivat.	6.8
[Other]	
Total	**52.8**

The main activity of the group is purchase and sales of new and used transportation equipment. Rental of all kind of transportation equipment. Trailer construction and trading in spare parts.
The group is the market leader within the industry in Denmark.
Lastas A/S is listed on the Copenhagen Stock Exchange. The most significant part of the share capital, corresponding to 81% is family-owned by the founder Jens Kristoffer Larsen (70%) and Anders Kristoffer Larsen (30%).

Our exposure is financing of the company's head office in Hedensted, workshops and logistics and warehouse also located in Hedensted.

Collateral & Guarantees

Overall LTV: 65%
Calculated as long term loans to total assets

Pledged properties, covenants, payment guarantee by Lastas A/S for commitments with subsidiaries
Overall security: acceptable

Financial Performance

Net turnover	169.5	EBITDA	28.6
Total assets	201.6	Curr. Assets	75.2
Equity	45.0	Equity ratio	22.3%

Credit Rating: BBB-

Risk Factors

Mainly due to the falling activity in the Danish building activity the company expects a 20% decrease in sales. The company has already started to adjust to the new market situation.
A further slowdown in the Danish economy will effect the demand for the company's products but we have already had information from the company that they are working with new strategy and budget to meet the market situation.

DLG Bidco Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 51.0 Unused Equity Bonds Derivat. 1.5 **Total 52.5**	This deal was undertaken to assist Kaupthing Principal Investments complete on the secondary buy out of DLG who were on of the UK's leading providers of lifestyle data to companies in support of their direct marketing campaigns. The credit crunch and exposure to the financial sector has impacted heavily on sales and the company is trading at a loss. New management has been put in. KSF Business Support are working with KCP (who have provided a letter of comfort) to achieve a turnaround.
Collateral & Guarantees	Nil	Subjective rating of the overall security: bad
Financial Performance	Net turnover €1.5m EBITDA -€0.03m Total assets €50.4m Curr. Assets €3.9m Equity €3.7m Equity/Total Assets 7.3%	Credit Rating: CCC The account is in Recoveries.
Risk Factors	The position is still volatile and a recovery in performance is not expected till the end of 2008 at the earliest. The strategy is to move away from being a volume data provider to a value added niche hot-lead provider and move away from Finance Industry clients to more recession resistant sectors. Further capital injections may be required.	

Interbuild ApS (FIH)

KAUPTHING BANK

Exposure	Loans 52.3 Unused Equity Bonds Derivat. [Other] **Total 52.3**	Interbuild ApS is a holding company owned by LD Equity. In the beginning of 2007, LD equity 2 K/S acquired Lilleheden A/S (production of glulam, i.e. layered wood), Plus A/S (fences and playground equipment), Palsgaard Træ A/S (prefabricated wood elements) and Høeg Hagen & Co A/S (wholesaler of timber products) from the listed company ITH Industri Invest A/S through the subsidiary Interbuild ApS. As of 30 June 2008 the Group have a gearing of (NIBD/EBITDA) 5.11x (max. 5.20x). Performance YTD is 80% at EBITDA level.
Collateral & Guarantees	Overall LTV: 48% Calculated as NIBD to total assets.	Pledged properties and pledge of shares in subsidiaries. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing.
Financial Performance	Net turnover 131.8 EBITDA 15.5 Total assets 127.3 Curr. Assets 38.9 Equity 40.4 Equity ratio 31.8%	Credit Rating: BB+ No current default but it is expected that the company will breach the agreed NIBD/EBITDA as at 30 September 2008
Risk Factors	■ Slowdown in building and construction activities as seen in the beginning of 2008. ■ Increasing raw material prices	

KPC Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	51.2
Unused	
Equity	
Bonds	
Derivat.	0.2
[Other]	
Total	**51.4**

The KPC Group was founded in 1979 by Kurt Poulsen, who today is managing director of the group. The company activities are divided into contracting and a property/ investment unit. The contracting unit cover all kinds of constructions within main and turnkey contracting. The group is business partner with a large number of subcontractors. The KPC Group is represented by branches in Aalborg, Århus, Vejle, Odense, Copenhagen, Halmstad (Sweden) and headquarters in Herning. The group has app. 200 employees.

The group is one of Denmark's leading contractors and has contributed to the construction of many types of building including Ro's Torv in Roskilde, Saxo Bank in Hellerup, Forum in Horsens etc.

Collateral & Guarantees

Overall LTV: 32%

"DGI Byen" is not included in LTV.

Pledged properties, covenants, pledge of shares, payment guarantees from group companies.
Finance of DGI Byen is in a SPV. Therefore without property pledge.

Overall security: good

Financial Performance

Net turnover	315.7	EBITDA	-6.5
Total assets	151.8	Curr. Assets	136.8
Equity	31.4	Equity ratio	20.7%

Budget 2008: EBT Eur 4m -5m

Credit Rating: BB-
Loss due to shutdown of the division in Odense and write-downs related to a redidential construction project.

Risk Factors

The groups commitment with FIH is mainly

- 33,6 finance of properties leased out to Falck Danmark on long non-cancellable contracts. Very limited risk on this finance.

-17,7 finance of construction of "DGI byen" in Herning. The majority of the project is sold in advance and the project is on schedule.

Íslandsverktakar

KAUPTHING BANK

mEUR	Loans	Unused	Equity	Bonds	Derivat.	Guarant.	Total
Mænir ehf.	23.4	-			0.4	-	23.8
Athús ehf.	17.0	4.8			0.3	-	22.1
Íslandsverktakar hf.	2.1	-				-	2.1
Atafl hf.	0.5	-				0.5	1.0
Leigukot ehf.	0.9	-				-	0.9
Total	**43.9**	**4.8**			**0.7**	**0.5**	**50.0**

Íslandsverktakar - Mænir ehf.

KAUPTHING BANK

Exposure

Loans	23.4
Derivat.	0.4
Total	**23.8**

Mænir ehf. is a real estate company owned by Bjarni Pálsson, formerly CEO of Atafl.

Currently owns 6 commercial real estates, approximately 20,000 square meters. Diversified Tenancy (45 in total), with only one tenant representing about 21% of revenues – all other represent 10% or less.

Collateral & Guarantees

LTV 79%

All fixed assets of Mænir, pledge in about 65% of lease agreements & pledge in about 1.5m EUR of cash.

Overall security rated good

Financial Performance

Net turnover	3.0	EBITDA	2.3
Total assets	40.8	Curr. Assets	7.7
Equity	8.8	Equity ratio	21%

- 31.12.2007

Credit Rating: BB+

Risk Factors

Current deflation of ISK is putting pressure on LTV's, although company is financially strong.

Current economic situation is putting pressure on tenants although vacancy or defaults are not higher than normally.

Íslandsverktakar - Athús ehf.

KAUPTHING BANK

Exposure

Loans	17.0
Unused	4.8
Derivat.	0.3
Total	**22.1**

Athús ehf. (formerly Keflavíkurverktakar hf.) is the developing arm of the so-called Íslandsverktakar Group. Specializes in developing residential housing. Atland ehf. is the production tool.

Collateral & Guarantees

LTV 80%

All assets under construction are pledged to the bank. Approved is to fund 90% of costs. Estimated to be 70% of final sales price. Security rated as acceptable. Also a pledge over 1.7m EUR in Cash.
Current valuation a mix of final valuation and costs – dependent on project status.

Financial Performance

Net turnover	4.0	EBITDA	0.8
Total assets	24.5	Curr. Assets	24.5
Equity	5.9	Equity ratio	24%

- 31.12.2007

Credit Rating: BB

Risk Factors

Athús operates on the residential housing market – a market that has been extremely slow lately and expected to continue to be slow. The companies' two projects are though in good locations, and will eventually sell. But the slowing sales are a risk factor.

Dansk AvisTryk A/S (FIH)

KAUPTHING BANK

Exposure

Loans	32.8
Unused	8.0
Equity	
Bonds	
Derivat.	8.7
[Other]	
Total	**49.5**

The company is the largest newspaper press in Denmark that is not owned by a daily newspaper. The Dansk AvisTryk A/S group is engaged in printing of daily papers, magazines and related products, primarily newsprints.

The group is personally owned by Sven Togsværd (59 years old), who is considered a highly competent leader.

Collateral & Guarantees

Overall LTV:40 %
Calculated as long term loans to total assets

Pledged properties

Overall security: good

Financial Performance

Net turnover	31.5	EBITDA	6.7
Total assets	70.3	Curr. Assets	31.2
Equity	19.4	Equity ratio	27.6%

Credit Rating: BBB-

Risk Factors

- Loss of costumers
- Technical break down

Energi Randers Holding A/S (FIH)

KAUPTHING BANK

Exposure	Loans 38.4 Unused Equity Bonds Derivat. 10.8 [Other] **Total 49.2**	Energi Randers Holding A/S is owned by the Self-governing Institution, Energi Randers – established in 2000 by the Municipality of Randers. The company is a power supply and power plant
Collateral & Guarantees	Overall LTV: 0% LTV is not calculated due to the Danish Legislation.	Covenants Overall security: good
Financial Performance	Net turnover 148.7 EBITDA 13.9 Total assets 293.0 Curr. Assets 74.8 Equity 140.4 Equity ratio 48.0%	Credit Rating: BBB+
Risk Factors		

Københavns lufthavne A/S (FIH)

KAUPTHING BANK

Exposure

Loans	48.7
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**48.7**

The listed company operates Copenhagen Airport and is engaged in international activities in Mexico, China and Newcastle. It has communicated that the international holdings will be divested as the company want to focus on Danish activities. At the end of 2005 Macquarie acquired 53% of the shares. The Danish State holds 39.2%. The company also have in interest in Lufthavnsparkeringen København A/S (FIH only have a commitment with Lufthavnsparkeringen København A/S). At the end of 2008, Københavns Lufthavne A/S will take over the running of Lufthavnsparkeringen København A/S including all commitments.

Collateral & Guarantees

Overall LTV: 29%
Calculated as long term loans to total value of the properties.

covenants
Overall security: acceptable

Financial Performance

Net turnover	392.2	EBITDA	239.5
Total assets	1,066.2	Curr. Assets	49.5
Equity	500.8	Equity ratio	48.8%

Credit Rating: BBB

Risk Factors

Dong Energy A/S (FIH)

KAUPTHING BANK

Exposure

Loans	21.5
Unused	
Equity	
Bonds	11.2
Derivat.	
Leasing	15.7
Total	**48.4**

Dongs Energy is the largest energy company in Denmark as well as one of Northern Europe's leading energy companies.

The Danish State holds 73% of the shares in the energy company

Collateral & Guarantees

Overall LTV: 29%
Calculated as long term loans to totale value of the properties.

Leasing agreement of EUR 15,7m including registered security value of EUR 7,9m

Overall security: excellent

Financial Performance

Net turnover	5,582.8	EBITDA	1,300.9
Total assets	12,031.9	Curr. Assets	3,811.8
Equity	4,379.6	Equity ratio	45.4%

Credit Rating: A-

Risk Factors

ADP

KAUPTHING BANK

Exposure

Loans	47.4
Unused	0.5
Total	**47.9**

- ADP is a UK dental healthcare network with c. 100 practices across the UK
- The group's core dental activity is funded by the National Health Service (NHS) based on agreed annual contracted volumes and revenues, thus providing visibility of income
- In 2006 the NHS overhauled funding of dental healthcare provision to focus on improving access to dentists and increase the number of practices
- This has provided ADP with significant growth opportunities

- In March 2007, Kaupthing underwrote 100% of the senior and mezzanine facilities
- The senior facilities were syndicated with three new lenders funding in January 2008, reducing our exposure by €38.6mln

Collateral & Guarantees

LTM EBITDA (€mln):	12.8
EV Multiple (entry @Feb07) :	9.2x
EV:	118.1
Net Debt:	84.0
LTV:	**71%**

- Secured by fixed and floating charges over all the assets of ADP Holdings Limited and any material subsidiaries
- Security is considered acceptable

Financial Performance

Sales (€mln)	25.3	EBITDA	3.7
Total Assets	143.5	Equity Ratio	38%
Current Assets	5.2	Equity	54.2

- 4 months July 2008

- Credit Rating: 7 (S&P equivalent rating: BB+)
- Covenants: waived in April 2008 to exclude one-off set up costs for new practices from definition of EBITDA.

Risk Factors

- The outlook for the UK dental market and for ADP in particular is positive
- Current dental provision in the UK is low with only c. 50% of the population registered with dentists. There are also too few practices to meet the capacity needs
- The government is responding to public pressure to increase the number of NHS dentists by encouraging new providers. ADP is well positioned to respond to this demand. It has set up c. 40 new practice in the last 12 months, gaining competitive advantage over other independent practices due to its increasing scale and expertise in establishing new practices
- With guaranteed annual contracted revenue and an underserved customer base, ADP is well-placed to continue to grow

EAV ehf. (Kaupthing Luxembourg)

KAUPTHING BANK

Exposure

Loans	47.5
CFD & TRS	0.1
Unused	(23.0)
Equity	-
Bonds	-
Derivat.	-
Total	**47.6**

- Investor group of 8 Icelandic persons formerly known as Villers Group, in the past one of Kaupthing's largest shareholders.
- Former structure was dissolved and new EAV structure established during late 2007- early 2008.
- All the beneficial owners have been benefitting from the dissolution of Villers and cash distribution into the personal structures (accounts with KBLUX) were done during spring 2008
- Afore mentioned cash will be pledged against the Fonridge portfolio and is currently blocked by the bank for securing the exposure of Fonridge.

Collateral & Guarantees

Storebrand AS	8.87m
Sampo Oyj	5.16m
Eik Banki P/F	2.62m
Others	15.60m
LTV *	148%

-Rating: none.
-The cash distribution into BO's private structures has lead to uneven distribution of assets and liabilities in the companies. For securing the exposure in Fonridge pledges from privately owned companies are to be signed (net value EUR 19.4m).

Financial Performance

Since the dissolvent of Villers the debt exposures have remained stable.

There has been very little activity for trading during the past months and even the distributed cash in the separate structures are currently not invested.

Risk Factors

-Uneven distribution of assets and liabilities between the holding companies.
-Part of the exposures are secured with unlisted and structured assets.
-Currently high level of leverage, that should be however reduced after the sale process of Department store Pennin is finalized.

* LTV calculated on "utilized" only

Fram Foods hf.

KAUPTHING BANK

Exposure

Loans	45.3
Equity	0.3
Derivat.	0.1
Guarant.	1.6
Total	**47.3**

Fram Foods was founded, following the MBO of the seafood division of Bakkavor Group hf., then Bakkavor hf., in June 2003. The principal products are caviar, herring, blini and spreads.

The exposure is double-barrelled i.e. financing of working capital and leverage financing (1) MBO in 2003 (2) acquisition of Boyfood in 2005 (ca. 8,4 m EUR) and (3) acquisition of 74% shares in Fjord King in 2006 (ca.4.4 m EUR). In addition the bank lent 12.4 m EUR short time loan in the beginning of the year. The loan is guaranteed by the shareholders. The purpose was to (a) buy raw materials ca. 4m EUR (b) to pay up short term loan at Kaupthing 3 m EUR and (c) to lower a revolving credit facility at SEB in Sweden 5.4 m EUR.

Collateral & Guarantee

LTV: 100%

The bank has share pledge in subsidiaries in France, Iceland, Finland and Sweden. Furthermore, has mortgage deeds pledge on the working capital and the factory building and land in Sweden. Also, have the shareholders guaranteed ca. 15 m EUR of the exposure.

Financial Performance

Net turnover	23.8	EBITDA	-0.2
Total assets	59.5	Curr. Assets	22.6
Equity	9.1	Equity ratio	15%

- 31.07.2008

Credit Rating: BB-
The company did not meet the covenants 2007 i.e. Net total interest cover ratio and total Debt cover ratio.

Risk Factors

The company has suffered from two major setbacks. First in the end of the year 2006 when it was a fire in the factory in Saran in France and second in the beginning of the year 2007 when glass bits here found in herring products produced in Finland.

Superfos A/S (FIH)

KAUPTHING BANK

Exposure	Loans 47.3 Unused Equity Bonds Derivat. [Other] **Total 47.3**	Superfos is a manufacturer of injection moulded plastic packaging. The private equity fund Industri Kapital owns 2/3 of Superfos Industries A/S, and the Swedish investment company Ratos owns 1/3. By the end of Q2 2008 total NIBD/EBITDA : 3.43 (agreed level 3.44). => expected breach by Q3 2008. EBITDA performance: YTD compared to budget at index 75.
Collateral & Guarantees	Overall LTV: 47% Calculated as NIBD to total assets.	Pledged properties, pledge of shares of Superfos A/S. Committed loan agreement with the usual covenants, restrictions and financial covenants for this type of leveraged financing
Financial Performance	Net turnover 360.3 EBITDA 45.7 Total assets 358.2 Curr. Assets 134.4 Equity 98.0 Equity ratio 27.3%	Credit Rating: BB+
Risk Factors	■ Increase in raw material prices ■ Slowdown in economic activity	

Investea Holding A/S (FIH)

KAUPTHING BANK

Exposure

Loans	46.9
Unused	
Equity	
Bonds	
Derivat.	0.2
[Other]	
Total	**47.1**

Investea is one of the largest providers of property investments in Denmark. Since 1988, Investea and its accociates have provided properties and financing in connection with property projects in Denmark and a number of European countries.

The company is owned by lawyer Hans Thygesen and his sons.

In the company Ilva Ejendomme A/S we finance a large furniture department store in Ishøj/Greve a suburb to Copenhagen. The whole store is leased out to Ilva Holding A/S. The furniture chain Ilva has due to commitments in UK been in huge economic problems.

There have now been made a new set up to make it possible for the activity in the Ilva chain to continue.

Collateral & Guarantees

Overall LTV:73 %

Pledged properties, covenants, payment guarantee by Investea Holding A/S for commitments with subsidiaries

Overall security: good

Financial Performance

Net turnover	n/a	EBITDA	n/a
Total assets	181.5	Curr. Assets	29.8
Equity	181.0	Equity ratio	99.8%

Credit Rating: BBB+

Risk Factors

There is still a large risk concerning the lessee Ilva Holding A/S. The property is appraised to DKK 440 mio some EURO 60 mio. The property is very large and it can be difficult to find a new tenant that we lease the whole building. A renovation/breakdown into several independent lease could be a solution. We also strongly expect that Investea Holding A/S will be able to repay the guarantee on this property.

Nordic Travel Holding AS (FIH)

KAUPTHING BANK

Exposure

Loans	46.1
Unused	
Equity	
Bonds	
Derivat.	
[Other]	
Total	**46.1**

Nordic Travel Holding AS, the owner of VIA Travel Group, is the leading corporate travel agency in the Nordic region. The company also has a leading position within the Scandinavian online leisure travel industry. VIA Travel Group was de-listed and acquired by the Norwegian based Private Equity fund FSN Capital in 2005. FIH is investor in FSN Capital.

The group is under a LBO financing structure and FIH is currently the sole lender to the company.

As at 30 June 2008 the group hold a NIBD to EBITDA of 3.5 times. EBITDA performance Year-to-date at index 70 compared to budget.

Collateral & Guarantees

Overall LTV: 37%

Shares in VIA Travel Group AS

Committed loan agreement with the usual covenants, restrictions and financial covenants for this type af leveraged financing

Financial Performance

Net turnover	91.4	EBITDA	13.9
Total assets	123.4	Curr. Assets	34.2
Equity	22.7	Equity ratio	18.4%

Credit Rating: BB

Breach at solvency covenant currently due to extraordinary depreciation of goodwill.

Risk Factors

- Decrease in business travel
- Loss of customers to competitors

AKSO ehf. and Módelhús ehf.

KAUPTHING BANK

Exposure	Loans 45.9 **Total 45.9**	AKSO is the holding company for Módelhús (real estate part), Johan Rönning, S. Guðjónsson & Hebron. The group focuses highly on supplying electric material to wholesale buyers (contractors). Increased focus has though been on the retail side of the electrical market. In year end 07, Raftækjaverslun Íslands ehf and Sindri ehf were merged with Johan Rönning.
Collateral & Guarantees	Módelhús LTV 88% AKSO LTV 65% Overall 73%	Módelhús; 15 commercial assets are pledged to the bank, in total 17,528 square meters. AKSO; shares in Johan Rönning, S. Guðjónsson & Hebron are pledged as well as inventory and accounts receivables in the above companies. Overall security acceptable.
Financial Performance	Net turnover 64.6 EBITDA 7.8 Total assets 79.1 Curr. Assets 26.3 Equity 16.3 Equity ratio 21% *- 31.12.2007*	AKSO Credit Rating: BB Módelhús Credit Rating: BB AKSO Covenants; Equity ratio >20%, Fixed charge cover >1,2, Int. bearing debt / EBITDA < 6,5. All covenants in compliance 31.12.2007
Risk Factors	The current economic climate does not seem to have hit sales hard as of yet and 1H EBITDA 2008 is around 10% and in line with early forecasts. The deflation of ISV has placed a strain on cash flow as all loans of the group are in foreign currency and have increased significantly in 2008.	

Filbert Pacific Ltd (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure

Loans	29.7
Unused	16.1
Equity	
Bonds	
Derivat.	
Total	**45.8**

This is a yacht finance facility. We are financing a new build and also have refinanced an existing yacht. The beneficial owner Mr. Alex Shnaider has generated his wealth from steel businesses in the former Soviet Block and other trading activities in emerging markets, his net worth is estimated to be €1.2bn.

Collateral & Guarantees

Value of existing yacht
€19.8m
LTV 70%

Charge over the existing yacht and mortgage over the yacht under construction. Final LTV to be 70%. Guarantee from the beneficial owner Mr Schaider.
Subjective rating of the overall security: good

Financial Performance

N/A

Credit Rating: BBB-
LTV Covenant 70%

Risk Factors

The yacht being financed is under construction for delivery in 2009 leaving us exposed to construction risk. The super yacht market appears to be holding up.

Ashwell Property Group (Kaupthing Singer & Friedlander)

KAUPTHING BANK

Exposure	Loans 44.3 Unused 0.7 Equity Bonds Derivat. **Total 45.0**	The Ashwell Property Group has a good track record of enhancing sites through the planning process and we took the opportunity to leverage good personal relationships taking some of their business from their main bankers, Bank of Scotland. We finance two development sites in Chelmsford and Peterborough through separate eponymous SPVs.
Collateral & Guarantees	June 08: Chelmsford, with planning permission,£38m (€46.8m) Peterborough £7.3m (€9.0m) Guarantee in favour of Chelmsford from Ashwell Group £11m (€13.5m) Overall LTV 81%	Charges over two development sites. Subjective rating of the overall security: weak
Financial Performance	N/A	Credit Rating: B- Watch List
Risk Factors	Falling property values together with the effective closure of the bank finance market has led to cash flow constraints and we are supporting the client in conjunction with their main bankers pending the sale of a site at Roselead and the granting of planning permission for the Chelmsford site, (expected in September 08) which should lead to an increase in value, or at least its underpinning. The Peterborough site has been mothballed.	

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Thinking beyond