



Rules

on disclosure requirements for issuers with securities listed on the Iceland Stock Exchange

CHAPTER I

Introduction and general provisions

Article 1

The objective of these Rules on disclosure requirements, which are set by the Board of the Iceland Stock Exchange, Ltd. (hereafter named the Board of the Exchange), is to ensure that investors have, at all times, access to the latest information necessary to form an opinion of the investment choices currently offered. Spokespersons of the issuers concerned must thus always make every effort to make public any information they feel could have significant impact on price formation of the securities.

Text of these rules shown in italics is intended as a guidelines. It should not be regarded as a binding or exhaustive treatment of the subject.

Article 2

Internal rules on the handling of confidential information and disclosure requirements

An issuer of listed securities must adopt its own rules to ensure compliance with these Rules on disclosure requirements. It must, furthermore, set its own rules on the handling of confidential information in accordance with the Act on Securities Transactions, in accordance with provisions of paragraph one (1) of Article 31 of Act No. 13/1996.

In their own rules, according to this Article, issuers shall at least provide for:

1. the publication without delay of important information concerning the activities of an issuer;
2. sending the Exchange such information no later than it is made available to other parties;
3. controlling that information which is not public does not come into the possession of unauthorised parties;
4. seeing that decisions of annual general meetings (AGM's), and comparable meetings held between AGM's, be made public without delay;
5. ensuring that requirements as to format and means of publishing information are respected;
6. arranging that annual accounts, semi-annual statements, and information connected with them, be published in proper fashion;

The Exchange is authorised to request a copy of the above-described rules.

These rules may vary according to the issuer in question, but their purpose shall be to assist an issuer in fulfilling the disclosure requirements and encouraging proper handling of confidential information.

Article 3

Important decisions and events

An issuer must make every effort to make public without delay previously unpublished information on decisions or events which in its evaluation may have significant impact on price formation of its securities.

This rule is the main principle of information disclosure by an issuer and issuers should be guided by it at all times in their disclosure of information. It is impossible to prepare an exhaustive list of the conditions under which disclosure requirements would apply. However, an attempt is made here below, to mention several examples of incidents which could be expected to have such an effect on the activities of an issuer that they should be made public:

- major increase or decrease in the regular activities of an issuer;
- purchase or sale of substantial fixed assets, including real estate;



- decisions or events, if an issuer is part of a consolidation, concerning other companies in the consolidation which would have an effect on the situation of the consolidation;
- price-level changes which have a significant effect on an issuer;
- consummation/termination of important agreements on co-operation;
- substantial profit/loss on certain actions;
- important research results;
- important new products;
- large markets acquired or lost;
- initiation of litigation by or against an issuer, if the outcome may be expected to have a substantial effect on the issuer;
- liquidation, a request for stoppage of payments, composition with creditors, or bankruptcy proceedings;
- proposed merger with another company;
- decisions by the Board or proposals on changes to an issuer's share capital;
- proposals for changes in the Articles;
- changes to substantial holdings in a company in the consolidation in which the Board or management are involved or aware of;
- actions of a company intended to improve the price formation or supply of, and demand for, its securities.

Article 4

Timing of information disclosure

All information covered by these Rules shall be forwarded to the Exchange immediately or as quickly as possible.

At times it may not be clear exactly when individual incidents or events occur; many decisions, for example, result from various earlier events. In such case it is natural to refer to that point in time when the chain of events has reached the stage where it may be considered likely that it will end in a formal or binding decision.

Thus, in some cases a disclosure requirement may arise before decisions are formally taken and for this reason it may not always be possible to wait for their approval by or presentation to the Board of Directors.

An issuer should always bear in mind that information can be misused.

It is right to contact the Exchange in cases where no formal decision has been taken and information cannot be made public as yet, but there is a risk that knowledge has been, or may be, acquired by third parties. Suitable measures will then be taken concerning publication and effort made to prevent the misuse of the information.

Article 5

Equal access of investors to information

An issuer shall ensure equal treatment of investors concerning access to information covered by these Rules and ensure that unauthorised persons do not have access to such information before it is made public. Such information may not be provided without it being sent to the Exchange previously or, at the latest, concurrently.

This could involve information provided in statements, interviews, meetings with investors, documentation distributed within the enterprise, or newsletters to shareholders.

Article 6

Format of notification to the Exchange

An issuer shall, in all disclosure of information, take care to present a clear picture of the issue being discussed in each case. Efforts shall be made to word notifications to the Exchange such that investors will realise at once what is being discussed in the notification, and what effect this will have on the company, for instance on its outcome and financial situation.

All notifications to the Exchange shall include the date, name of issuer, telephone number and information on the issuer's liaison person.

The title shall indicate the substance of the notification.



Effort shall be made to present the most important information at the beginning. In the case of an extensive notification, it shall be accompanied by a summary abstract.

In cases where the issuer deems such is necessary to ensure the comprehensibility of information for investors, and to enable them to draw the right conclusions, an issuer may include its own evaluation of the effect of the information provided.

This could, for instance, involve possibilities of decisions by government or the courts to have an effect on the information provided.

Article 7

Language used in notifications

Notifications of an Icelandic issuer shall be in Icelandic.

Notifications of a foreign issuer may be in English or Danish.

An Icelandic issuer with a foreign subsidiary may publish information specifically concerning the subsidiary in English or Danish.

In cases of English or Danish publication, the Exchange is authorised to request that a summary abstract in Icelandic be included.

Article 8

Method of transmission and publication of information

Information shall be sent to the Exchange in the manner currently approved by it, at present by electronic means, by facsimile or messenger, following notification to the Exchange by telephone, unless otherwise decided.

Information shall be considered public when it has been received by the Exchange in the proper manner and forwarded to Exchange members, unless otherwise decided.

An issuer shall always seek to have the format and appearance of notifications such as to simplify further duplication.

The main rule provided for in this Article is to have an issuer send the Exchange information in a specified format which the Exchange will then, in turn, communicate to the market. Once the information has been disseminated by the Exchange, it shall be considered as having been made public and not before. In exceptional cases, however, issuers may communicate to the Exchange information which will not be passed on to the market, for the time being cf. the previous mention of the timing of information disclosure. In such cases information has not been made public, nor will it be, until an issuer has communicated information to the Exchange for publication and this has been passed on to the market.

In facsimiles, the use of shadowing, small print or other features which may reduce image quality, should be avoided.

Article 9

Annual general meetings

The Exchange shall be informed of the date of an issuer's annual general meeting (AGM) as soon as decision on it has been taken.

An issuer shall advertise its AGM and the agenda for the meeting in a daily paper with national distribution, and in other respects in accordance with laws currently applicable to the legal form and activities of the issuer. A copy of such advertisement must be sent the Exchange the day before or the same day it appears, together with all proposals to be put before the meeting.

If a meeting comparable to an AGM is held between AGM's, the reasons for so doing shall be stated in the above-mentioned documents.

The Exchange shall be sent information on the proceedings of the AGM, or a meeting as referred to in the third paragraph, together with information on proposals adopted, immediately upon such meeting's conclusion, or no later than prior to the next trading session for the Exchange.

Should an issuer plan on submitting unpublicised information at an AGM, or a meeting as referred to in the third paragraph, which is likely to be of importance for the price formation of its securities, or an issuer is aware that such information will be presented, it must send the Exchange notification to that effect as soon as this becomes available and no later than at the beginning of the meeting. If such is not practicable, the firm must contact the Exchange without delay to decide how this information shall be made public.



Article 10

Management and auditors

All changes to the composition of an issuer's Board of Directors, its auditors, and its senior management must be announced to the Exchange without delay.

This could, for instance, include terminations, hirings, or the election of new persons to the above-mentioned positions.

Article 11

Registration on other stock exchanges

An issuer must notify the Exchange without delay once a decision has been taken to apply for listing of its securities on another stock exchange or regulated securities market other than the Iceland Stock Exchange, Ltd. Also, the Exchange shall be informed when such an application has been approved or rejected.

Should an issuer learn of transactions with its securities taking place in another market, it must notify the Exchange of this without delay.

An issuer which has listed its securities on a foreign exchange must send the competent authority in the country in question any information which has been sent to the Iceland Stock Exchange. Likewise, any information sent to the foreign exchange must be forwarded to Iceland Stock Exchange. The stock exchanges in question must be sent all information concurrently.

CHAPTER II

Regarding insider transactions

Article 12 *

Insider transactions

As soon as a firm becomes aware of insider trading with its shares it must send the Exchange information regarding it. Insider trading shall be reported on a special form issued by ICEX, which is available on the Exchange's website, www.icex.is.

If a central securities depository has taken upon itself announcement to the Exchange in accordance with this chapter, the depository's announcement of insider trading is considered a fully valid notification, in the case of electronically registered shares.

The term 'insider' shall refer to any party who, as a result of his employment or position, has access to confidential information. Confidential information includes information which has not been made public, but would be likely to affect price formation of the securities involved, were they to be made public.

Notification to the Exchange shall indicate:

1. the name of the firm;
2. the date of notification to the Exchange;
3. the name of the insider concerned;
4. the insider's connection with the firm,
5. the date of the transaction(s);
6. whether this involved purchase or sale;
7. the nominal value and price of the transaction(s);
8. the nominal value after the transaction(s);
9. the date of settlement.

A listed members shall keep a list of its insiders, indicating the name, identification number and address of each party concerned and connection with the firm. Such a list shall be continuously updated with any changes which occur, even when such involves only a temporary change, and be forwarded to the Exchange. An updated list shall, though, be sent to the Exchange at least at six-month intervals.

This applies to parties such as the Board of Directors, senior management and key employees, auditors and consultants, such as lawyers and securities firms. The obligation of notification shall also cover those persons who are financially linked to the aforementioned parties, such as spouses, cohabitants and dependent children residing in the home of the person concerned. This provision shall also apply to legal entities, including the firm itself.

The firm in question should preferably send inside traders a letter drawing their attention to the fact that they are on the firm's list of insiders and also if they are removed from the list. In addition, such a letter to inside traders should include instructions to them to announce any transactions with the firm's



shares without delay, as such instructions are a necessary premise for the firm to have the best possible information concerning insider trading, and be able to notify the Exchange about it.

Article 13

Trading by the firm itself with its own shares

Trading by the firm itself, as well as trading by its subsidiaries, with listed shares of the firm must be announced to the Exchange without delay, per Article 12. Also, any plans for such trading must also be announced to the Exchange.

According to the Act No. 13/1996, on Securities Transactions, provisions on the handling of confidential information and on insider trading also apply to legal entities. It is thus normal to regard firms as inside traders and for the Exchange to be notified of trading by them with their own shares, just as trading by individuals regarded as inside traders must be announced. Information on plans by the firm to trade in its own shares is of interest to the market, and obligation exists for its advance notification. This involves such as cases as:

- 1. a decision to reduce the outstanding share capital;*
- 2. purchases due to a proposed merger;*
- 3. purchases to satisfy agreements with employees or others on share buy-options;*
- 4. raising capital through the sale of its own (previously issued) shares;*
- 5. agreements on market making with assets owned by the issuer.*

Chapter III

Announcement of changes in ownership of major holdings

Article 14 *

Major Holdings Announcement

Listed members shall announce to the Exchange immediately when changes in the firm's voting rights or in share ownership, reach, exceed, or decline below the following limits, per provisions of paragraph two(2), Article 26, Act No. 34/1998 on Securities Exchanges and Regulated Securities Markets: 5%, 10%, 20%, 33.3%, 50% and 66.7%. Trade book authorisations, and trade by the market member in question, are governed by provisions of Article 18, Regulation No. 433/1999 on requirements of issuers, exchange members, and owners of shares listed on the Exchange. Major holdings shall be reported on a special form issued by ICEX, which is available on the Exchange's website, www.icex.is.

If a central securities depository has taken upon itself announcement to the Exchange in accordance with this Article, the depository's announcement of insider trading is considered a fully valid notification, if the case involves shares which are electronically registered assets.

Article 15

Definition of 'major holdings'

If it is decided whether shareholding volume or equivalent voting rights of a party within a listed firm will reach, exceed, or decline below the limits, mentioned in paragraph one(1), Article 14, the following aspects shall be examined, per provisions of Article 15, Regulation No. 433/1999 on requirements of issuers, exchange members, and owners of shares listed on the Exchange:

1. shares which the party in question owns personally, or those owned by parties financially connected to the party;
2. shares which another or others control in their own name(s) on behalf of the party in question;
3. shares owned by a legal entity which the party in question has control over;
4. shares which are owned by a third party which the relevant party has executed a written agreement upon, to conduct a lasting, joint policy in management of the firm in which the shares are;
5. shares on which the relevant party has executed a written agreement assigning right-to-vote proxy to a third party in return for payment;
6. shares which the party in question has mortgaged, unless the mortgage-holder controls voting rights associated with them and has announced the intention to use those rights; then those rights will be considered the mortgage-holder's;
7. shares from which the relevant party receives dividends;



8. shares which the party in question has rights to obtain, solely upon that party's own decision, according to formal agreement, for example, regarding buy-options, and announcement per Article 14, in such cases, shall occur on the date of the agreement;
9. shares of which the relevant party has custody and can, upon the party's own decision, use the pertaining voting rights, without special instruction from the owner(s).

Article 16

Disclosure of major holdings

In announcement from a listed member to the Exchange, the following shall be included:

1. name and address of the party holding voting rights or having ownership of the shares;
2. the nominal price of the share capital and the proportion this is of the firm's total share capital, before and after the transaction to which the obligatory announcement pertains;
3. the securities class, if appropriate;
4. information on what basis the relevant party was obliged to make announcement per Article 15;

Chapter IV

On publishing annual accounts, interim accounts, etc.

Article 17

Changes in the firm's financing

The Exchange shall be notified whenever decision has been made on significant changes or plans exists for changes in financing, including schedules for increasing share capital and substantial issuances of bonds.

When an increase in share capital is scheduled, the Exchange, shall in addition, be sent information on conditions pertaining to share capital increases as soon as these are known, including:

1. the amount of the increase in share capital;
2. pre-emptive rights of current shareholders and/or others, and whether the offer is to be directed at a special buyer group or to the general public;
3. subscription and sales arrangements, price of the tender and the subscription and sales time period.

After the change, such as an increase or reduction in share capital, a dividend issue, or a consolidation, the Exchange shall be sent confirming information on the final nominal share price and equity.

Article 18

Annual accounts

A listed company must make an effort to see to it that company accounts always satisfy the strictest requirements generally made of companies in the sector in which it operates. They must be compiled in accordance with currently applicable Acts, sound accounting principles and Exchange guidelines.

If company accounts are not in accordance with legislation and sound accounting practices, as provided for in the first paragraph above, mention shall be made to that effect and of the reasons.

If the company is part of a consolidation, consolidated accounts must be published.

If the accounts of subsidiaries of Iceland-listed parent companies are not audited by the same accounting firm as the parent company, a co-operating company of the above-mentioned accounting firm, or other recognised accounting firm, mention shall be made to that effect.

The accounts of a foreign company must be in accordance with Acts and practices applicable in its home country. The Exchange may specially request explanations if these deviate greatly from the accounting practices known in Iceland.

Annual accounts shall be sent to the Exchange as soon as they are complete and no later than three months after the end of the accounting year to which they apply. They shall, in addition, be sent to those members of the Exchange who so request and shall be made accessible to the media. They shall also be available for public inspection and the press release issued in accordance with Article 17 shall state where the public may acquire a copy without charge.

The Exchange shall provide registered firms with a list of Exchange members.



Article 19 ♦ ♦ ♦

Quarterly Interim Statement

A listed company shall prepare an interim statement of accounts for every quarter of the fiscal year. Following the meeting of the Board of Directors which discusses the statement, and no later than two months after the end of the period covered by it, the statement shall be forwarded to the Exchange.

A semi-annual interim statement as provided for in the first paragraph must be reviewed by an accountant and bear an auditor's endorsement. Other interim statements need not necessarily be audited or reviewed by an auditor. Should this nevertheless be done, such statements shall bear an auditor's endorsement. In other respects, the interim statement must be in accordance with currently applicable Exchange guidelines.

If the company is part of a consolidation, the interim statement of the consolidation must be forwarded to the Exchange.

An interim statement must be available for public inspection and the public must be provided access to it by the issuer without charge.

Article 20 ♦

Press release concerning publication of annual accounts

Following the meeting of the Board of Directors where the financial statements of a company are formally approved, whether the case concerns annual account or interim statement, the company shall issue a press release regarding this. Such a press release must contain information detailed such that the financial statement does not include, in the judgement of the firm, extra information which could have a substantial effect on price formation of shares in the given firm.

No later than fifteen days prior to the publication of the press release on the annual account and seven days prior to the publication of a press release on the quarterly interim statement, the company shall forward to ICEX information on the expected week of publishing. Should a change occur in the plans for the week of publishing, ICEX must be notified as soon as possible.

If substantial deviations are anticipated between information supplied in the press release per paragraph one, and that which appears in the final financial statement, the Exchange is to be sent information regarding this, without delay.

A press release as provided for in the first paragraph must comply with currently applicable Exchange guidelines.

Article 21

Information on projected performance and operating plans

If a company publicises its opinion on projected performance, either for the current year or years to come, it must state the main premise used, particularly regarding major uncertainties.

As soon as the company becomes aware of substantial deviation from what has previously been said concerning performance and the operating plans, or what could generally be concluded from the previously released information, it must send the Exchange information of such, whether this deviation will lead to a better or worse outcome than was projected.

CHAPTER V

Equity funds and investment companies

Article 22

The provisions of Chapters 2-4 of these Rules shall apply *mutatis mutandis* to equity funds and investment companies.

Article 23

Information on the composition of the portfolio

An issuer shall send the Exchange a summary of the composition and the book value per share of the portfolio, by the tenth working day of each month. This summary must be prepared in accordance with currently applicable Exchange guidelines.

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Article 24

Summary in connection with financial statements

If equity funds and investment companies use different methods for their statements, the Exchange must be sent a summary which enables investors to compare their accounts.

A summary as provided for in the first (prior) paragraph must be in accordance with currently applicable Exchange guidelines.

In accordance with these provisions, all equity funds and investment companies must send at least a summary of their statements in accordance with Exchange guidelines. This does not oblige parties in question to compile their statement in accordance with these guidelines, but that if statements are compiled in a manner differing from that prescribed, a summary in accordance with Exchange guidelines must additionally be sent.

Article 25

Deviation from previously published investment policy

If deviation occurs, either temporarily or permanently, from investment policy, such must be announced, together with the reasons for so doing, as promptly as possible. In addition, notification shall be made of all substantial investments and/or changes from what has previously been published.

CHAPTER VI

Unit trusts (mutual funds)

Article 26 *

The provisions of Chapter 2-4 of these Rules shall apply *mutatis mutandis* to unit trusts (mutual funds).

Equity funds are not required to publish their quarterly interim statements in accordance with Article 19, as they must calculate the redemption price of their unit trust certificates on a daily basis, in accordance with Act 10/1993 on equity funds, Article 19, par. 5, and regulation no. 362/1993 on the operation of the calculation of the redemption price of unit trust certificates of equity funds.

Article 27

Other information

Information on the book value per share of a unit trust, calculated in accordance with currently applicable Exchange guidelines, must be forwarded to the Exchange by 12 o'clock noon each business day.

The Exchange shall see to the publication of this information.

Article 28

Information on the size of the unit trust shall be sent to the Exchange once each month.

Article 29

Deviation from previously published investment policy

If deviation occurs, either temporarily or permanently, from investment policy, such must be announced, together with the reasons for so doing, as promptly as possible. In addition, notification shall be made of all substantial investments and/or changes from what has previously been published.

CHAPTER VII

Bonds

Article 30 ♦ *

The provisions of Articles 17, 18, 20 and 21 of these Rules shall apply *mutatis mutandis* to bond issuers.

In addition, bond issuers, excluding state and municipal government, shall prepare a semi-annual statement of accounts and forward it to the Exchange no later than two months after the end of the covered period. If the semi-annual statement is audited or reviewed, the signature of the auditor

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shall accompany it. In other respects, the interim statement must be in accordance with currently applicable Exchange guidelines.

Article 31

Other information concerning the rights of bond owners

The Exchange shall be notified of all decisions or events concerning the rights of bond owners.

This may involve aspects such as:

1. *recall;*
2. *redemption of bonds prior to due date;*
3. *drawn bonds;*
4. *delay of instalment payments.*

Article 32

Information on the size of bond classes or their closure

In the case of bond classes, the size of which has not been finally determined, information on the size must be sent to the Exchange on the fourth working day of each month. The Exchange must also be notified of closure of a bond issue.

CHAPTER VIII

Other securities

Article 33

These Rules shall apply *mutatis mutandis* to other securities listed on the Exchange.

CHAPTER IX

Other provisions

Article 34

Violation of disclosure requirements

If Exchange is of the opinion that an issuer is not respecting these Rules the issuer shall be so informed.

In accordance with Article 6 of the agreement between the Iceland Stock Exchange, Ltd. and the issuer concerned, on the listing of securities on the Exchange, the Exchange may decide to:

1. demand information from the issuer in question;
2. place the securities of the issuer in question temporarily on a list for investigation, cf. the first paragraph of Article 36 of the Rules on listing of securities on the Iceland Stock Exchange, Ltd.;
3. publish a public statement concerning the matter in question;
4. set conditions for, or suspend, trading in the securities of the issuer. Such a suspension may apply temporarily or indefinitely;
5. levy a fine on the issuer which may amount to up to ten times the annual fee paid by the issuer for listing its securities on the Exchange, if the Exchange Board feels violations are major;
6. remove the securities of the issuer from the Iceland Stock Exchange, Ltd. listing, either temporarily or permanently. Securities may only be removed from listings according to decision by the Exchange Board.

Article 35

The Exchange may grant an exemption from the publication of information according to these rules, provided this, in the estimation of the Exchange, is not detrimental to the interests of the securities market.

Article 36

Unless otherwise provided by these Rules, decisions by the Exchange Board shall remain valid in all cases.



Chapter X
Effective dates, etc.
Article 37

These Rules, which are adopted with reference to Act No. 34/1998 on Securities Exchanges and Regulated Securities Markets, Regulation No. 433/1999 on requirements of issuers, exchange members, and owners of shares listed on the Exchange, and the listing agreement between the Iceland Stock Exchange, Ltd., take effect 1 July 1999. Concurrently, expiration occurs on rules on continuous information disclosure requirements for issuer's who have their securities listed with the Iceland Stock Exchange, Ltd., of 1 January 1998.



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Guidelines I

Press Release on the Publishing of the Financial Statement

CHAPTER I

Introduction

Article 1

In accordance with Article 20 of the Rules on disclosure requirements for issuers with securities listed on the Iceland Stock Exchange (hereafter ICEX), a listed company shall publish a press release concerning its financial statement. This must be done immediately following the meeting of the Board where the financial statement is formally approved.

No later than fifteen days prior to the publication of the press release on the annual account and seven days prior to the publication of a press release on the quarterly interim statement, the company shall forward to ICEX information on the expected week of publishing. Should a change occur in the plans for the week of publishing, ICEX must be notified as soon as possible.

The annual account shall be sent directly to ICEX and to those members of ICEX that so request. It must also be made available to the public and the press release shall state where the public can access it without payment. The same applies to quarterly statements.

CHAPTER II

The Annual Account

Article 2

The press release shall consist of a summary of the annual report, i.e. the Board's report, the annual account, a statement for a consolidation as the case may be, an auditor's endorsement and other information. It shall also contain information on other important decisions of the Board and proposals which the Board intends to submit to the annual meeting.

The press release on the publishing of the annual account must contain detailed information, so that no additional information which might substantially influence the pricing of the securities of the company concerned, would appear in the annual account itself.

When a company publishes an annual account for a consolidation, a press release must be issued on the publishing of the annual account for the consolidation in question.

The press release shall contain information on the following items (further details on each item to follow):

1. An overview of key figures from the accounts, key ratios, and perhaps comparative statistics.
2. A presentation of the results of the annual account.
3. Future prospects.
4. The decisions of the Board and proposals to be submitted to the annual meeting.
5. The annual account with relevant explanatory notes, which shall be at least the income statement and balance sheet, cash flow and detailed information on changes in owners equity. Should the auditor's endorsement be subject to conditions, it must be published in its entirety.

Article 3

Key figures from accounts and financial ratios

A press release on the publication of the annual account must open with a presentation of key figures from the account and a comparison with former years, and perhaps financial ratios. Comparative statistics should preferably include the four years preceding the fiscal year in question, but no less than one year.

The key figures shall give a clear idea of the company's performance and equity. The following key figures or identification numbers may be replaced by others in the interest of clarity.

Key figures:

- Total revenue (i.e. turnover, interest income, remuneration etc.)
- Certain key figures from the income statement, depending on the accounting methods and the nature of the operations



- Operating profit
- Net financial income/expenses
- Net income before taxes
- Net income after taxes
- Net income after taxes and minority interest
- Extraordinary items, net
- Owners' equity by the end of the year
- Results of the balance sheet
- Working capital from operations
- Cash flows from operations
- Number of staff (average)
- Investments in fixed assets
- Costs of research and development, provided such costs are capitalized in the account
- Depreciations and reductions

Examples of financial ratios:

- Net income per share
- Dividend per share
- Internal value
- Return on equity
- Current ratio
- Equity ratio

Article 4

A presentation of the results of the annual statement.

The presentation should focus on the items which have influenced the year's results of operations and the development of equity. Vital information on operation units, i.e. major subsidiaries, should appear in the press release on the publishing of the annual accounts. Research and development should be mentioned, if such work has been ongoing.

It should always be stated whether the same accounting procedures were used for the annual account for this year as were used the previous year. If the accounting procedures have been modified, such modifications must be accounted for, as well as an explanatory note on the influence of such modifications on the results of the balance sheet, the financial position and the income. The same applies to the influence on tax payments and deferred income tax liability.

Article 5

Future prospects.

The press release on the publishing of the annual account should include a presentation of major events which have occurred after the end of the fiscal year, and on future prospects. It should include key figures from the company's operating estimation, if such a plan is published.

Article 6

The decisions of the Board and proposals to be submitted to the annual meeting.

Furthermore, the press release on the publishing of the annual account should include information on major decisions taken by the Board, or on proposals which are to be submitted to the annual meeting. This includes the portion of awarded dividends and total dividend payments compared to the previous year. It also includes proposals for amendments to the company's articles of association, the issuing of bonus shares, the authorization to increase the capital and the date of the annual meeting.

Article 7

Appendixes

The annual account, together with the notes, though at least the income statement, the balance sheet and the cash flow statement of the company, shall be attached to the press release. If the company is part of a group, the consolidated accounts should be presented, and if the statements of the parent company include vital additional information, these should also be attached. Comparative statistics from the previous year should be published. An analysis of the equity should as well be included. Whereas the press release is distributed in the ICEX News System, it should be as clear and concise as possible.



CHAPTER III Quarterly Interim Statement

Article 8

The press release on the publishing of the quarterly statement shall contain information on the company's operations and its performances during the period in question. This means information concerning the company's activities, such as decisions and investments which have influenced the company's results.

When a company publishes a statement for a consolidation, a press release must be issued on the publishing of the quarterly statement for the consolidation in question.

The press release shall include the following:

1. An overview of key figures from the accounts and perhaps key ratios, with comparative statistics.
2. A presentation of the results of the quarterly interim statement.
3. Future prospects.

The issuer sends the press release to the Icelandic Stock Exchange, and he shall simultaneously enclose an electronic copy of the statement itself and the relevant explanatory notes, including at least the income statement and financial statement, statement of cash flow and detailed information on changes in owners equity. Should the auditor's endorsement be subject to conditions, it must be published in its entirety.

Article 9

Key figures and financial ratios

A press release on the publication of the quarterly statement must open with a presentation of key figures from the statement and a comparison with former years, and perhaps financial ratios. Comparative statistics should preferably include the four years preceding the fiscal year in question, but no less than one year.

The key figures shall give a clear idea of the company's performance and equity. The following key figures or financial ratios may be replaced by others in the interest of clarity.

Key figures:

- Total revenue (i.e. turnover, interest income, remuneration etc.)
- Balance (Performance/Result of operations) (financial income/expenses and taxes)
- Net capital income/expenses
- Balance before taxes
- Balance after taxes
- Results of the financial statement
- Turnover from operations
- Liquidities from operations
- Owners equity at the end of the period

Financial ratios

- Net income per share
- Internal value
- Return on equity
- Current ratio
- Equity ratio

The presentation of key figures shall be identical to the financial statement.

Article 10

Presentation of the results of the quarterly interim statement.

The presentation should focus on the items which have influenced the company's result of operations and the development of equity. Vital information on operation units, i.e. major subsidiaries, shall appear in the press release. Research and development should be mentioned, if such work has been ongoing.

It should always be stated whether the same accounting procedures were used for the interim statement as were used the previous year. If the accounting procedures have been modified, such modifications must be accounted for, as well as an explanatory note on the influence of such modifications on the results of the balance sheet, the financial position and the income. The same applies to the influence of tax payments and deferred tax liability.



Article 11

Future prospects.

The press release on the publishing of the financial statement shall include a presentation on major events which have occurred after the end of the period, and on future prospects. In the case of deviations from the operating plans for the year, such deviations shall be accounted for.



Issued 15 July 2001

Guidelines II

Information disclosure by equity funds and investment companies on the year's performance

In accordance with Article 20 of the Rules on disclosure requirements for issuers with securities listed on the Iceland Stock Exchange, a press release shall include a presentation of the results of the annual account and the quarterly interim statements. In accordance with Guidelines I, such a press release shall include a presentation of the key figures of the annual account and the quarterly interim statement, but the Guidelines also contain a list of the figures preferred, except where other figures are considered more informative.

Equity funds and investment companies which enter outstanding holding gain of shares into a specific assets account shall publish, among key figures featured in the press release, figures showing changes to the outstanding deposit dividends during the year, after taxes, and such figures shall be published next to the year's results.

The total of the year's results and of the changes to the outstanding holding gain, after taxes, shall also be published.

Share funds and investment companies which count outstanding holding gain as revenue, shall also account for outstanding holding gain, after taxes.