

Press release – Eyrir Invest hf. results 2012

Reykjavík, 26 March 2012

A year of reshaping core businesses

- Net asset value is 172 m Euros at year-end 2012 compared to 202 m at beginning of the year. A 16 m decrease of NAV is a result of strategic decision of purchasing 9% of own shares and remaining 14 million decrease is the net loss for the operating year 2012. [2011; profit EUR 1 m]
- Total assets amount to 370 m Euros at year-end and the equity ratio is 47% [2011; 51%]
- Stork Technical Services and Fokker Technologies were reshaped as two independent companies with new long term financing. Valuation of those companies was adjusted downward reflecting operational results, new balance sheets and market multiples
- Eyrir provided 23 million of new equity to Fokker and Stork TS as part of the total refinancing
- The long-term outlook for Eyrir Invest and its core holdings is good. Their financials are in line with strategy and international benchmarks with net debt levels at 2-4x EBITDA

In February 2013, Eyrir issued new B-shares for 16 m Euros which further strengthens its financials. Simultaneously Eyrir secured long term and stable financing, with extension of 85% of total financing to 2015-2018.

Eyrir Invest's shareholder return has been good since the Company's foundation in mid-year 2000. Net Asset Value per share at the end of 2012 is 17.1 eurocents compared to 1.4 eurocents at foundation. During the same period, the MSCI World Index in Euros has declined by 30% or 3% annually on average.

Arni Oddur Thordarson, CEO:

“Eyrir is a long-term strategic business partner focusing on solid and sustainable future cash flows of operating companies. In recent years, we have taken several decisive steps to continue to create value superior to market returns in the long run.

An important milestone was reached last year when Stork Technical Services and Fokker became fully independent companies with separate long-term financing. The new financing provides operational flexibility and enables full integration of RBG into Stork TS.

In beginning of 2013 new investors joined Eyrir Invest with additional equity. Simultaneously our financial partners extended maturity of our financing backing up our strategic plans. Our goal is to continue to create superior values and lock-in great cash proceeds in coming years.”

Consolidated Statement of Comprehensive Income

(in EUR thousands)	2012	2012/6m	2011	2010
Investment income:				
Change in fair value of investment securities	-7.992	24.513	-30.977	64.851
Dividend income	2.489	2.489	0	0
Income from change in accounting treatment of an associate	0	0	30.107	0
Share of profit of equity accounted associates	0	0	11.650	7.491
Net interest expenses	-10.528	-5.115	-12.920	-15.873
Net foreign exchange gain (loss)	3.430	-2.727	4.763	-3.254
Net investment (loss) income	-12.601	19.160	2.623	53.215
Operating expenses:				
Salaries and salary related expenses	987	527	934	836
Other operating expenses	560	303	732	560
Operating expenses	1.547	830	1.666	1.396
(Loss) profit for the period	-14.148	18.330	957	51.819
Other compreh. expenses for the period	-370	-368	-488	-18.639
Total comprehensive inc./ (exp.) for the period	-14.518	17.962	469	33.180
Earn. per share-eurocents (each share 1 ISK)	-1.37	1.75	-0.09	5.14
Earn. Per shares for compreh.income-eurocents	-1.41	1.71	-0.05	3.29

Consolidated Statement of Financial Position

	2012	2012/6m	2011	2010
Assets:				
Cash and restricted cash	788	772	12.274	22.758
Share subscription	0	0	0	0
Investment securities	3643.473	373.837	174.320	256.835
Investments in equity accounted securities	0	0	167.533	143.602
Trade and other receivables	2.820	2.992	2.764	1.201
Operating assets	2.034	2.045	2.126	2.050
Total assets	370.115	379.646	359.017	426.446
Equity and Liabilities				
Total equity	172.401	204.880	173.098	186.648
Trade and other payables	3.210	203	226	1.908
Liabilities	194.504	174.563	185.693	237.890
Total equity and liabilities	370.115	379.646	359.017	426.446
Equity ratio	46.6%	54.0%	48.2%	43.8%

Eyri Invest's balance sheet is strong with 370 m Euros in total assets and a 47% equity ratio. In early 2013, Eyri Invest's financials were further strengthened as new institutional investors and pension funds joined Eyri and provided 16 million of new capital with issuance of B-class of shares.

Eyri Invest's core holdings are a 33% share in Marel and 17% holding in Stork TS and Fokker. In addition, Eyri Invest invests in prominent growth companies through its venture capital subsidiary, Eyri Sprotar slhf.

Marel

Eyrir Invest has been the principal shareholder in Marel hf. since 2005, a period of rapid external and internal growth. Revenues in 2012 were EUR 714 million with EBITDA of 86 million compared to EUR 129 million revenues in 2005.

Marel revenues have grown organically by 29% in the past four years. At the same time Marel introduced a steady pipeline of new products and strengthened its global sales and service network. New equipment sales in markets outside W-Europe and N-America are around 50% of total sales compared to a 20% share a few years ago.

In 2012, Marel celebrated 20 years of being listed on Nasdaq OMX Iceland. Marel's share price increased to 83 eurocents per share at year end 2012 compared to 78 eurocents at the beginning of the year. Profits to Eyrir attributed to shares in Marel are 12.8 m including dividend income.

Stork TS and Fokker become independent companies

Arle, Eyrir and other prominent investors fully acquired and delisted Stork BV in November 2007. Simultaneously Marel acquired Stork Food System that was formerly part of the industrial conglomerate Stork BV.

Last year a major reshaping took place at Stork, as Stork TS and Fokker became independent companies, with separate long term financing and governance structures. Those two international companies have now operational flexibility and strength to grow within two attractive industries.

Eyrir Invest uses fair value approach to value Stork TS and Fokker. Reorganizing, refinancing and the cleaning up of balance sheets led to downward adjustments of valuation of Eyrir's holding by 18.6 million. In conjunction with the refinancing Eyrir Invest provided EUR 23 million of new equity to those companies and maintained its 17% shareholding in both companies.

Stork TS

Stork TS made a decisive step in spring 2011, where geographical footprint was increased significantly by the acquisition of RBG in Scotland. The landmark acquisition transforms Stork TS into a "tier-one" oil, gas and energy services provider with around 14,400 employees serving clients such as Shell, BP and Exxon. More than 60% of its revenues are now generated outside Benelux with high growth potential in the North Sea and S-America. Revenues at Stork TS increased organically last year and are now around EUR 1.4 billion with operating EBITDA close to 100 million¹.

Fokker

Fokker Technologies revenues are 770 million Euros in 2012 with EBITDA around 75 million. Fokker is a tier one supplier for companies such as Boeing, Airbus, Gulfstream and Lockheed Martin. Around 3,700 employees work in three business units of Fokker designing parts, wiring systems as well as servicing fleets.

¹ Stork TS bonds are listed and Stork TS will publish numbers in April 2013. LTM EBITDA in 3Q 2012 are EUR 99 m.

Fokker Technologies entered into long term partnership with Comac in China and opened up new facilities in Mexico which demonstrates its capabilities and helps the company establish its footprint in the fastest growing region in commercial aerospace.

Subsequent events

In February 2013 Eyrir Invest issued new B-shares for 16 m Euros. B-shares carry no votes but have a preferential right to dividend payments. The issuance was subscribed to by institutional investors and pension funds. In the beginning of 2013, Eyrir also announced that it had reached an agreement with the majority of its lenders in extending the maturity of over 85% of its total borrowings to 2015 – 2018.

Outlook

Looking ahead, there is expected to be good growth within the industries where Eyrir Invest's core holdings are placed – the food industry, energy industry and aerospace industry. In the past few years Eyrir's core assets have strengthened their market positions and are now in a good position to harvest well. Nevertheless, results may vary from year to year.

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About Eyrir

Eyrir Invest is an international investment company. Eyrir Invest places great emphasis on participating in the operations and strategic planning of its core holdings. Eyrir Invest's core holdings are a 33% share in Marel and 17% holding in Stork TS and Fokker. In addition, Eyrir Invest invests in prominent growth companies through its venture capital subsidiary, Eyrir Sprotar slhf. Eyrir's "buy and build" strategy has delivered good returns since the company's foundation in mid-year 2000.

Forward-looking statements

Statements in this press release that are not based on historical facts are forward-looking statements. Although such statements are based on management's current estimates and expectations, forward-looking statements are inherently uncertain. We, therefore, caution the reader that there are a variety of factors that could cause business conditions and results to differ materially from what is contained in our forward-looking statements, and that we do not undertake to update any forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement