

Eyrir Invest – 1H 2008

Eyrir Invest's after tax profit for H1 2008 is ISK 298 million. Eyrir Invest's is financially strong and has a high cash position. Core investments; Marel, Ossur and Stork returned good results in the first half of this year and their prospects are good.

Eyrir Invest's after tax profit for H1 2008 is ISK 298 million after tax. From Eyrir Invest foundation in mid-year 2000 the average annualized return on equity has been 39,8% compared to negative 6% average annualized return on MSCI world index, both numbers measured in Euros.

- Total assets amount to 58,300 million ISK
- Equity is 18,243 million ISK and the equity ratio at the end of the period equals 31.3%.
- The liquidity position is strong and if liquid asset would be used to repay debt the equity ratio would be around 40%.
- All listed assets are booked at market value and there are no off-balance sheet equity contracts at the end of the period.
- Average maturity of debt is 3 years.

Eyrir Invest's asset portfolio is well diversified in various industries, which are expected to enjoy good and profitable growth for the coming years.

| Company | Industry | Holding 30.6.08* ISK | Holding 30.6.08** EUR | Portion of Asset Portfolio |
|-----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------------|
| Marel Food Systems | Food Processing | 19,856 | 158 | 34.6% |
| Bank Balance | | 12,189 | 97 | 21.2% |
| Stork Technical Services*** | Oil, gas & energy services | 9,148 | 73 | 16.0% |
| Ossur | Health Care | 7,849 | 63 | 13.7% |
| Other | Finance and engineering | 4,419 | 35 | 7.7% |
| Stork Aerospace** | Aerospace | 3,921 | 31 | 6.8% |
| | | | | 100.0% |

* m. ISK

**m.EUR

*** London Acquisition Sarl

Arni Oddur Thordarson, CEO:

"We are satisfied by reporting a slight profit for the first half of the year during very challenging market conditions. More importantly we have a proven track record and the patience and strength to capture opportunities that could arise in the near future.

Eyrir Invest is a long term investor in Marel, Ossur and Stork. These companies are all showing good operational results after a period of great growth. The growth has not been coincidental but based on years of strategic planning and execution with the objective to place these companies in leading positions within each industry.

Marel, Ossur and Stork are all financially strong with long term capitalization. The outlook is good as they are well positioned within growing industries; serving food-, health- and energy sectors".

Key Figures – Statement of Earnings (in ISK thous.)

| | 2008/6m | 2007/6m | 2007 | 2006 | 2005* |
|--|-------------------|------------------|------------------|------------------|------------------|
| Operating Revenue: | | | | | |
| Net income from securities and derivatives | 2,868,189 | 1,767,716 | 1,761,577 | 3,061,683 | 5,627,640 |
| Interest income | 811,659 | 153,808 | 279,305 | 78,742 | 78,183 |
| Interest expenses | -1,780,392 | -577,801 | -1,653,272 | -922,927 | -372,316 |
| Net foreign exchange gain (loss) | -3,229,057 | 1,480,233 | 821,259 | -126,242 | -266,375 |
| Net operating revenue | -1,329,601 | 2,823,956 | 1,208,869 | 2,091,256 | 5,067,132 |

Operating expenses:

| | | | | | |
|---|----------------|------------------|----------------|------------------|------------------|
| Salaries and salary related expenses | 83,639 | 146,841 | 236,102 | 168,655 | 39,871 |
| Other operating expenses | 33,000 | 26,478 | 64,943 | 48,417 | 32,159 |
| Operating expenses | 116,639 | 173,319 | 301,045 | 217,072 | 72,030 |
| Profit before income tax | -1,446,240 | 2,650,637 | 907,824 | 1,874,184 | 4,995,102 |
| Income tax | 1,744,472 | -431,839 | -111,143 | -307,874 | -888,368 |
| Net earnings | 298,232 | 2,218,798 | 796,681 | 1,566,310 | 4,106,734 |
| Basic earnings (loss) per share (ISK) | 0.41 | 3.94 | 1.28 | 3.20 | |
| Diluted earnings (loss) per share (ISK) | 0.41 | 3.90 | 1.27 | 3.20 | |

| Key figures – Balance Sheet (in ISK thous) | 2008/6m | 2007 | 2006 | 2005* | 2004* |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assets: | | | | | |
| Cash and cash equivalents | 9,162,727 | 6,958,889 | 261,052 | 1,681,290 | 1,681,290 |
| Restricted cash | 3,026,755 | 0 | 0 | 0 | 0 |
| Securities | 45,563,742 | 40,993,449 | 25,821,843 | 15,645,115 | 15,645,115 |
| Receivables | 252,330 | 33,210 | 31,323 | 85,742 | 85,742 |
| Other assets | 300,338 | 218,073 | 151,074 | 157,191 | 157,191 |
| Total Assets | 58,305,892 | 48,203,621 | 26,265,292 | 17,569,338 | 17,569,338 |
| Stockholders' equity and Liabilities: | | | | | |
| Stockholder's equity | 18,242,663 | 18,133,177 | 11,994,982 | 9,616,759 | 9,616,759 |
| Deferred income tax liability | 0 | 1,744,472 | 1,660,604 | 1,354,411 | 1,354,411 |
| Liabilities | 40,063,229 | 28,325,972 | 12,609,706 | 6,598,168 | 6,598,168 |
| Stockholders' equity and liabilities | 58,305,892 | 48,203,621 | 26,265,292 | 17,569,338 | 17,569,338 |
| Equity ratio | 31,3% | 37,6% | 45,7% | 54,7% | 54,7% |

*) not in conformity with IFRS

Eyrir Invests' shareholders

Eyrir Invest has a strong shareholder base. The Company's shareholders consist of successful entrepreneurs with background in various industries such as shipping, banking, insurance, fishing, pharmaceuticals and retailing. Shareholders today are:

| | |
|------------------------|---------------|
| Thordur Magnusson | 27.8% |
| Arni Oddur Thordarson | 23.9% |
| Landsbanki Lux Custody | 21.4% |
| Straumborg ehf | 11.9% |
| Sigurjón Jónsson | 11.4% |
| Arkur ehf | 3.6% |
| Total Shares | 100.0% |

Main Events

Marel Food Systems

Marel Food Systems formally finalized the Stork Food Systems acquisition in May 2008. Marel Food Systems has now 16% world-wide market share and is leading it's industry; production of high tech equipment for food processing. The company now has the size and strength to service growing customers in markets in Eastern Europe, South America and Asia.

Eyrir Invest has been a leading investor in Marel Food Systems since the year 2005. Since then the turnover and scale of the company has five folded. Marel has maintained its equity ratio through its

growth period and executed three very successful share issues where numerous financially strong investors participated. This year Marel obtained 14,4 ma ISK (€121 m) with share issue and €183 m with long term syndication loan. Eyrir Invest is the largest shareholder with 39.2% of total shares in Marel Food Systems.

www.marel.com

Stork – 1,7 billion Euros acquisition

Eyrir Invest in co-operation with Landsbankinn and Candover through the holding company, London Acquisition, finished the acquisition of the industrial conglomerate Stork on January 17th. The total value of the acquisition was €1,7bn.

Today Stork stands on two pillars, Stork Technical Services and Stork Aerospace, which constitute on the one hand the services to the oil, gas and energy markets and on the other hand the aerospace market. The third pillar was sold to Marel Food Systems for €430m. The remaining divisions have together €1,6bn in turnover and around 16.000 employees. It is expected that both divisions will show good revenue growth and growing cash flow in the coming years.

www.stork.nl

Ossur

Ossur is a leading global company in non-invasive orthopaedics, delivering advanced and innovative technologies within the fields of prosthetics, braces, supports and compression therapy. Ossur is superior in technology and has a position as a leading actor in the global prosthetics market and a strong position in the braces and support market. In recent years Ossur has grown rapidly, simultaneously emphasis has been on preserving the financial strength of the company and Ossur finished a successful share issue at year end 2007 where new share for 3,9bn ISK (64,8m USD) were sold. At the end of H1 2008 Ossur's equity ratio is 42% and the company is well positioned to reach it's objectives about growth and financial performance for the coming years. Eyrir Invest is the 2nd largest investor with 19,9% of total outstanding shares in Ossur.

www.ossur.com

Outlook The outlook for Eyrir Invest is positive. Fundamental values of core holdings are solid and will yield good return in the future. Eyrir Invest's average annual return on equity target is 16% compared to 40% actual average annual return, in Euros, since Eyrir Invest's foundation in the year 2000.