

## **Eyrir Invest ehf. - Financial Statement Release**

### **Eyrir Invest H1 2009 Results**

Eyrir Invest ehf. reports an after tax profit of 11.5 million Euros for H1 2009. Equity is 195 million Euros at June 30th 2009. In August Eyrir finalised an extension of bond issue EYRI 07 2, the new final due date is April 20th 2011. Previously, Eyrir had extended final principal payments for all bank loans to 2011 or later.

- As of January 1st the functional currency is Euros.
- Equity is 195 million Euros and the equity ratio is 44%
- Cash and bank deposits amount to 29 million Euros
- Average maturity of debt is over 3 years
- The core assets Marel, Össur and Stork all delivered strong cash flow during the period and the outlook in their operations is good

Vast majority of Eyrir Invest's assets are in three leading industrial companies; Marel, Össur and Stork. Eyrir Invest has step by step, since mid year 2006, reduced general investments in the financial markets and today Eyrir Invest has no investments in its trading book.

#### **Árni Oddur Þórðarson, CEO:**

„We are pleased to report positive results at this time. Our results primarily reflect the operations of our core assets, after our financing costs. Marel, Össur and Stork have shown their strength in a demanding economic environment. They have all managed to drive their cost base to sustainable lower levels and maintained strong cash flow.

We appreciate the trust we receive from creditors. Eyrir has always emphasised on a clear strategy, transparency in operations and long term financing both regarding Eyrir's own operations and its key holdings. Marel, Össur and Stork have stable, long term financing and they are well positioned for good value creation looking forward.“

#### **Eyrir is a long term investor**

Eyrir Invest's key holdings are a 38% share in Marel Food Systems hf., a 20% share in Össur hf. and 17% share in the Dutch industrial conglomerate Stork. Eyrir has been a shareholder in Marel and Össur since 2004 and in Stork since 2006. Eyrir's key holdings are market leaders in their respective industries. In recent years they have built up their current strong positions and looking forward they are in position to harvest well. Long term financing has been secured for all of Eyrir's holdings; Össur and Marel do not have any significant debt repayments until late 2011 and Stork has stable long term financing. In the coming years the companies' strong market position is expected to enable them to deliver strong cash flow from operations.

## Eyrir Invest – 1H 2009

### Key Figures – Statement of Earnings

(amounts in thous.)	EUR 2009/6m	EUR 2008/6m**	ISK 2008	ISK 2007	ISK 2006
<b>Operating Revenue:</b>					
Net income from securities and derivatives	4,966	16,828	6,973,376	1,761,577	3,061,683
Share of profit of equity accounted associates	5,657	0	-723,907	0	0
Interest income	9,095	4,762	3,281,455	279,305	78,742
Interest expenses	-8,187	-10,446	-3,656,853	-1,653,272	-922,927
Net foreign exchange gain (loss)	910	-18,945	-5,848,888	821,259	-126,242
<b>Net operating revenue</b>	<b>12,441</b>	<b>-7,801</b>	<b>25,183</b>	<b>1,208,869</b>	<b>2,091,256</b>
<b>Operating expenses:</b>					
Salaries and salary related expenses	584	491	178,244	236,102	168,655
Other operating expenses	336	193	87,200	64,943	48,417
<b>Operating expenses</b>	<b>920</b>	<b>684</b>	<b>265,444</b>	<b>301,045</b>	<b>217,072</b>
Profit before income tax	11,521	-8,485	-240,261	907,824	1,874,184
Income tax	0	10,235	1,744,472	-111,143	-307,874
<b>Net earnings</b>	<b>11,521</b>	<b>1,750</b>	<b>1,504,212</b>	<b>796,681</b>	<b>1,566,310</b>
Basic earn. per share, each 1 ISK	0,0114	0,0024	1,95	1,28	3,20
Diluted earn. per share, each 1 ISK	0,0114	0,0024	1,95	1,27	3,20

### Key figures – Balance Sheet

(amounts in thous.)	EUR 2009/6m	EUR 2008	ISK 2007	ISK 2006	ISK 2005*
<b>Assets:</b>					
Cash and cash equivalents	5,385	10,422	6,958,889	261,052	1,681,290
Restricted cash	23,978	30,310	0	0	0
Securities	175,550	180,208	40,993,449	25,821,843	15,645,115
Investment in equity accounted associates	235,083	227,710	0	0	0
Receivables	1,978	778	33,210	31,323	85,742
Other assets	2,165	2,180	218,073	151,074	157,191
<b>Total Assets</b>	<b>444,139</b>	<b>451,608</b>	<b>48,203,621</b>	<b>26,265,292</b>	<b>17,569,338</b>
<b>Stockholders' equity and Liabilities:</b>					
Stockholder's equity	195,344	184,184	18,133,177	11,994,982	9,616,759
Deferred income tax liability	0	0	1,744,472	1,660,604	1,354,411
Liabilities	248,795	267,424	28,325,972	12,609,706	6,598,168
<b>Stockholders' equity and liabilities</b>	<b>444,139</b>	<b>451,608</b>	<b>48,203,621</b>	<b>26,265,292</b>	<b>17,569,338</b>
Equity ratio	44.0%	40.8%	37.6%	45.7%	54.7%

\*) not in conformity with IFRS

\*\*) Amounts in EUR for H1 2008 in the Statement of Earnings are calculated by dividing the historical ISK amounts for the period (when the company's functional currency was ISK) by the EUR/ISK exchange rate at year end 2008 (EUR/ISK 170) as stipulated in the Accounting Standards. Due to the sharp depreciation of ISK against EUR in H2 2008 the amounts are incomparable as the average exchange rate of EUR/ISK in H1 2008 was 110.

### **Marel and Össur are the largest listed companies in Iceland**

Marel and Össur are the largest companies registered on Nasdaq OMX in Iceland, they are as well among the largest export companies in Iceland. If Marel and Össur holdings were booked at last trading prices the equity ratio of Eyrir Invest would be calculated as 28% now compared to slightly above 25% in Eyrir's H1 accounts. The Icelandic foreign exchange and equity markets have been temporarily dysfunctional since the collapse of the Icelandic banks.

It is Eyrir Invest's view that a dual listing of the shares will better reflect Marel's and Össur's real value. Marel has been listed on the Icelandic Stock Exchange since 1992 and Össur since 1999. During that time both companies have enjoyed good growth; today Marel has approximately 3.600 employees world-wide and Össur about 1.600 employees in total. Össur has already applied for a listing on Nasdaq OMX Copenhagen in addition to the current listing on Nasdaq OMX Iceland.

### **Outlook**

The global economic downturn has both been faster and more severe than anticipated. Marel, Össur and Stork have shown flexibility and strength in the last year and maintained strong cash flows. Looking forward the industries of Eyrir Invest's core holdings; food processing, healthcare, oil & gas services and aerospace are expected to enjoy healthy growth in coming years.

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