

### **A modest increase in Net Asset Value**

- Net Asset Value amounted to EUR 196 m on June 30th 2011, compared to EUR 193 m at year-end 2010 corresponding to an increase of 2% for the first half of 2011.
- Net loss for the period amounts to EUR 13 million in the first half of the year. Unrealized gains on Marel holdings are neither taken through the income statement nor the balance sheet which for the most part explains the difference between NAV increase and net income results.
- Booked equity at June 30<sup>th</sup> 2011 is EUR 173 m. The equity ratio is 48% in mid-year 2011 compared to 44% at year end 2010. Decrease in interest bearing debt in H1 2011 amounts to EUR 52m.
- The 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 2-3x EBITDA.

Eyrir Invest's core holdings are a 36% share in Marel and a 17% share in Stork BV which owns and operates Stork Technical Services and Fokker Technologies. In addition, Eyrir invests in various prominent start-up companies. Eyrir Invest's "Buy and Build" strategy has delivered good returns since Eyrir's foundation in 2000.

Arni Oddur Thordarson, CEO:

"Today's challenges are the imbalances in the world economy. In recent months we have seen global food prices increasing by 30-40% and energy prices have been rising as well. The only reliable way to deal with those circumstances is to invest in better technology and processes.

Marel grew organically by 19% in first half of the year. Poultry, fish and meat processors are modernizing and new factories are being built in S-America, Asia and Eastern Europe to meet increased customers demand.

Stork Technical Services (STS) increased geographical footprint by the acquisition of RBG. There are now 15.000 employees within STS that are dedicated to serve the oil, gas and power business in Benelux, North Sea, Caspian, Middle East, N- and S-America.

We are pleased with the results achieved in first half of the year. All in all our core holdings are extremely well positioned within growth industries and the outlook remains positive."

## Statement of Comprehensive Income

(in EUR thousands)	2011/6m	2010/6m	2010	2009*
<b>Operating revenues:</b>				
Change in fair value of securities	-15.165	10.991	64.851	4.992
Share of profit (loss) of equity acc. associates	2.583	4.663	7.491	-13.116
Net interest expenses	-5.487	-7.071	-15.873	-13.592
Net foreign exchange gain (loss)	5.531	-4.612	-3.254	183
<b>Net operating revenue</b>	<b>-12.538</b>	<b>3.971</b>	<b>53.215</b>	<b>-21.533</b>
<b>Operating expenses:</b>				
Salaries and salary related expenses	451	459	836	889
Other operating expenses	370	264	560	1.241
<b>Operating expenses</b>	<b>821</b>	<b>723</b>	<b>1.396</b>	<b>2.130</b>
<b>(Loss) profit for the period</b>	<b>-13.359</b>	<b>3.248</b>	<b>51.819</b>	<b>-23.663</b>
<b>Other compreh. inc./ (exp.) for the period</b>	<b>-190</b>	<b>3.137</b>	<b>-18.639</b>	<b>-7.696</b>
<b>Total comprehensive income for the period</b>	<b>-13.549</b>	<b>6.385</b>	<b>33.180</b>	<b>-31.359</b>
<b>Basic earnings per share-eurocents (each share 1 ISK)</b>	<b>-0.0133</b>	<b>0.0032</b>	<b>0.05</b>	<b>-0.02</b>

\*) 2009 figures adjusted to compare to newer figures where fair-value changes in London Acquisition (Stork) is booked amongst net income from securities

## Statement of Financial Position

	2011/6m	2010	2009	2008
<b>Assets:</b>				
Cash and restricted cash	12.274	22.758	27.526	40.732
Investment securities	174.320	256.835	167.909	168.244
Investments in equity accounted securities	167.533	143.602	208.631	227.710
Trade and other receivables	2.764	1.201	615	12.741
Operating assets	2.126	2.050	2.119	2.180
<b>Total assets</b>	<b>359.017</b>	<b>426.446</b>	<b>406.800</b>	<b>451.607</b>
<b>Equity and Liabilities</b>				
Total equity	173.098	186.648	153.469	184.185
Trade and other payables	226	1.908	373	29.351
Liabilities	185.693	237.890	252.958	238.071
<b>Total equity and liabilities</b>	<b>359.017</b>	<b>426.446</b>	<b>406.800</b>	<b>451.607</b>
Equity ratio	48.2%	43.8%	37.7%	40.8%

## Highlights of H1 2011

### Marel grew organically by 19% in H1 2011

Eyrir Invest books its 36% share in Marel according to the equity method. At June 30th 2011 the book value is 64 eurocents per share compared to a trading price of 72 eurocents (121 ISK) at the same time.

In March and May 2011 Eyrir increased its holdings in Marel, taking its shareholding to 35.6% from 31.7%. Marel has continued to perform well in H1 2011. Sales growth in H1 2011 amounted to 19%, on top of a very strong performance last year. EBIT was within 10-12% targets and net profit increased by 57% compared to H1 2010, largely reflecting the benefits from the favorable long term financing that Marel completed from international banks in late 2010.

### **Eyrir sells Össur after seven fruitful years**

Össur secured long term financing at good terms and conditions with three international banks in Q1 2011. In May, Eyrir sold all of its shares in Össur after having been a major shareholder in the company for seven years, during which time Össur grew considerably. Following the sale of the Össur shares Eyrir repaid some of its borrowings, resulting in a decrease of EUR 52 million in borrowings in the period from 1 January to 30 June 2011.

### **Stork Technical Services expands geographically**

In May Stork Technical Services (STS) increased geographical footprint by the acquisition of RBG. There are now 15.000 employees within STS that are dedicated to serve the oil, gas and power business in Benelux, North Sea, Caspian, Middle East and N- and S-America. Various cost and cross selling synergies are between those companies.

The acquisition of RBG increases STS sales and operating results by a third. Fokker Technologies sales grew by 11% in the first half of the year, with unchanged operating results.

Stork Group is long term financed and including the acquisition of RBG net debt stands at about x3 EBITDA.

### **A Principle agreement of Stork Pension Fund**

In H1 2011 a principle agreement was reached between the Stork Pension Fund, the Dutch company Stork BV, Marel and a number of other companies that were formerly part of the Stork group on the future arrangement of the pensions currently managed by the Fund. Following this agreement, Stork's and Marel's liability towards SPS is limited to a fixed annual premium.

### **Outlook**

Looking ahead, good growth is expected within the industries where Eyrir Invests 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.

Reykjavik, August 29<sup>th</sup> 2011

For further information contact:

Arni Oddur Thordarson, CEO of Eyrir Invest

Tel: +354 525-0200

[www.eyrir.is](http://www.eyrir.is)

#### **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.

#### **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.