

## **Solid financials and good value creation**

- Eyrir Invest's net income in 2010 was 52 million Euros [2009; EUR -24 m]
- Total assets are 426 million Euros, funded with equity and long term debts
- Equity at year end amounted to 187 million Euros and the equity ratio is 44% [2009; 38%]
- At year end 2010 Eyrir made an agreement for long term bank loans of 150 million Euros. The loans are multi-currency loans with final maturity in May 2014
- The outlook for Eyrir Invest and its core holdings are good. In the past few years core holdings have strengthened their market positions and are now in a good position to benefit from the global economic growth. Their financials are in line with strategy and international benchmarks with net debts at 2-3x EBITDA

Eyrir Invest's core holdings are a 32% share in Marel, 14% share in Össur and 17% share in Stork BV which owns and operates Stork Technical Services and Fokker Technologies.

Eyrir Invest's shareholder return has been good since foundation in mid-year 2000. Internal value per share is today 18.5 eurocents compared with 1.4 eurocents at foundation. For the same period, the MSCI world index has declined by 4% annually in Euros, or by 34% compounded.

Arni Oddur Thordarson, CEO:

“Eyrir Invest's financials are solid and we are delivering good numbers in 2010 which is a big change from previous year. Assessing the performance of investments requires longer time horizon than one year. We are proud of Eyrir's value creation in the past three years, at exceptional circumstances, as well as in the 10 years from Eyrir's foundation.

The management and employees of our core holdings have delivered great performance. In few years the companies have strengthened their market positions and are now in a good position to harvest well. We therefore see good potential in our future prospects.”

## **Eyrir Invest's Operational Results in 2010**

Eyrir Invest's Buy and Build strategy has delivered good returns in the past years. Eyrir has been a shareholder in Marel and Össur since 2004 and became a shareholder in Stork in early 2006. Stork was delisted from the Amsterdam stock market in beginning of 2008 and subsequently Marel acquired the operations of Stork Food Systems. Today Stork BV owns and operates Stork Technical Services and Fokker Technologies. In addition to its core investments, Eyrir Invest has investments in a few start-up companies and supports their further growth.

Eyrir Invest holdings have continued to invest well in research and development as well as market penetration, thus strengthening their market positions. They are all delivering strong and increasing operational cash flows and their financial position is strong, with net debts at 2-3x EBITDA at year end 2010.

Eyrir Invest books its 32% share in Marel according to the equity method. At year end 2010 the book value is 62 eurocents per share compared to year end trading price of 65 eurocents (100 ISK). This year Marel's share price has continued to rise in line with increased sales and good operating performance and is now about 74 eurocents (117.5 ISK).

In 2010 Eyrir sold 23 million shares in Össur and subsequently Eyrir Invest's ownership in the company stands at just under 14% at year end 2010. The sale took Eyrir Invest's share below 15% and according to accounting standards Eyrir must therefore from October 31st book its holdings in Össur at market prices instead of using the equity method. Eyrir's share in Stork BV is 17%. Stork is now operating on two pillars; Stork Technical Services operating within the oil and gas industry and Fokker Technologies, operating within the aerospace industry. Eyrir books its holding in Stork according to the Fair value method, applying market trading multiples, comparable transaction multiples and discounted cash flow for valuation. Eyrir takes a conservative approach in its Fair value assessment. In 2010 the book value of Stork rises by 6% backed up by improving operational results and increased financial strength.

### Key figures – Statement of Earnings

(in EUR thousands)	2010	2009*	2008	2007
<b>Operating revenues:</b>				
Net income from securities and derivatives	64.851	4.992	40.914	20.109
Share of loss of equity accounted associates	7.491	-13.116	-4.247	0
Net interest expenses	-15.873	-13.592	-2.202	-15.684
Net foreign exchange gain (loss)	-3.254	183	-34.316	9.375
<b>Net operating revenue</b>	<b>53.215</b>	<b>-21.533</b>	<b>149</b>	<b>13.800</b>
<b>Operating expenses:</b>				
Salaries and salary related expenses	836	889	1.046	2.695
Other operating expenses	560	1.241	511	741
<b>Operating expenses</b>	<b>1.396</b>	<b>2.130</b>	<b>1.557</b>	<b>3.436</b>
(Loss) Profit before income tax	51.819	-23.663	-1.408	10.364
Income tax	0	0	10.235	-1.269
<b>Net earnings</b>	<b>51.819</b>	<b>-23.663</b>	<b>8.827</b>	<b>9.095</b>
<b>Other compreh. inc./ (exp.) for the year</b>	<b>-18.639</b>	<b>-7.696</b>	<b>24.975</b>	<b>0</b>
<b>Total comprehensive income for the year</b>	<b>33.180</b>	<b>-31.359</b>	<b>33.802</b>	<b>9.095</b>
<b>Basic earnings per share-eurocents (each share 1 ISK)</b>	<b>5,00</b>	<b>-2,00</b>	<b>1,00</b>	<b>1,45</b>
<b>Return on equity</b>	<b>33.8%</b>	<b>-12.8%</b>	<b>7.8%</b>	<b>5.7%</b>

\*) 2009 figures adjusted to compare to 2010 figures where fair-value changes in London Acquisition (Stork) is booked amongst net income from securities

### Key figures – Balance Sheet

	2010	2009	2008	2007
<b>Assets:</b>				
Cash and restricted cash	22.758	27.526	40.732	76.304
Investment securities	256.835	167.909	168.244	444.173
Investments in equity accounted securities	143.602	208.631	227.710	0
Trade and other receivables	1.201	615	12.741	5.681
Operating assets	2.050	2.119	2.180	2.391
<b>Total assets</b>	<b>426.446</b>	<b>406.800</b>	<b>451.607</b>	<b>528.549</b>
<b>Equity and Liabilities</b>				
Total equity	186.648	153.469	184.185	198.829
Trade and other payables	1.908	373	29.351	29.139
Deferred income tax liability	0	0	0	19.128
Liabilities	237.890	252.958	238.071	281.453
<b>Total equity and liabilities</b>	<b>426.446</b>	<b>406.800</b>	<b>451.607</b>	<b>528.549</b>
Equity ratio	43,8%	37,7%	40,8%	37,6%

### Outlook

Looking ahead, there is expected to be good growth within the industries where Eyrir Invests core holdings are placed – the food industry, health care sector, 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.

**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.