

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.