Earnings release

Reykjavik, 28 April 2008

Bakkavör Group's Results for Q1 2008:

Operating profit £16.0 million in Q1 2008

- Turnover £377.3 million, up 8%
- Strong sales in Continental Europe, £36.6 million, up 9% on constant currency basis
- Good sales growth in Asia, sales up 28%
- EBITDA £26.3 million, down 25%
- EBITDA ratio 7.0%
- Operating profit (EBIT) £16.0 million, down 37%
- Cash generated from operations £6.4 million
- Shareholders' earnings £0.7 million excluding loss on other financial assets
- Return on equity 1.1% excluding loss on other financial assets compared with 16.2%
- Earnings per share 0.02 pence excluding loss on other financial assets
- Strengthened global position with three acquisitions – in China, Hong Kong and the USA
- Two acquisitions in April – in Italy and Hong Kong
- The Group today announced an economic interest in 10.9% shareholding in Greencore Group PLC under CFD (Contract for Difference)
- Dividend paid on 15 April corresponding to 55% of issued share capital

Ágúst Gudmundsson, Chief Executive Officer:

"The Q1 results are disappointing. They are impacted by the continued tough trading conditions with further increases in raw material costs compounded by currency pressures. In addition, UK sales and performance were also heavily affected by the restructuring of our ready meals operations that we started last year, but which we expect to deliver long-term benefits. The current economic climate is also believed to have affected sales volumes in the UK fresh prepared foods market in Q1. Although we believe that 2008 will remain challenging, we expect to return to sales growth in the UK in the second half of the year. In Continental Europe sales were strong, growing 9% year-on-year and performance in Asia remained robust. We see significant opportunities outside the UK and remain focused on our expansion in Continental Europe, Asia and the US to ensure the future growth of the Group. Reflecting this commitment, we have acquired five businesses this year to date, in China, Hong Kong, Italy, and the US. Furthermore, we announced today that we have an economic interest in 10.9% shareholding in Greencore Group PLC. We view this as a strategic holding that meets our business philosophy and clearly reflects our commitment to the fresh prepared foods sector.

We are confident in the long-term prospects of the business. With our solid operations and a strong competitive advantage in all of our markets, Bakkavör Group is well positioned to take advantage of the increasing global demand for fresh prepared foods and continue to grow profitably on a global scale."

Quarterly Overview - Key figures

Amounts in £'000

	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net sales	377.265	372.300	375.683	373.629	349.354
Cost of sales	(298.979)	(292.382)	(289.724)	(287.402)	(265.587)
Gross profit	**78.286**	**79.918**	**85.959**	**86.227**	**83.767**
Operating expenses	(62.522)	(56.506)	(55.961)	(54.422)	(58.431)
Share of profit (loss) in associates	221	(306)	83	(364)	25
EBIT	**15.985**	**23.106**	**30.081**	**31.441**	**25.361**
Net finance costs	(15.119)	(14.488)	(15.392)	(10.439)	(12.367)
Loss on other financial assets	(15.793)				
(Loss) profit before tax	**(14.927)**	**8.618**	**14.689**	**21.002**	**12.994**
Income tax	2.120	1.796	(3.359)	(5.282)	(3.094)
(Loss) profit for the period	**(12.807)**	**10.414**	**11.330**	**15.720**	**9.900**
Shareholders' (loss) earnings	(13.048)	10.288	11.275	15.501	9.648
Minority interest	241	126	55	219	252
(Loss) earnings per share (GBP pence)	**(0,61)**	**0,48**	**0,50**	**0,70**	**0,50**
Adjusted earnings per share (GBP pence)	**0,02**	**0,48**	**0,50**	**0,70**	**0,50**
EBITDA	**26.272**	**33.430**	**39.711**	**40.805**	**35.077**
EBITDA ratio	**7,0%**	**9,0%**	**10,6%**	**10,9%**	**10,0%**

Consolidated Balance Sheet - Key figures

Amounts in £'000

	31.3 2008	31.12 2007	Change %
Non-current assets	1.145.342	1.120.662	2,2%
Current assets	332.106	362.122	-8,3%
Total assets	**1.477.448**	**1.482.784**	**-0,4%**
Equity	266.220	278.676	-4%
Non-current liabilities	841.769	806.149	4%
Current liabilities	369.459	397.959	-7%
Total equity and liabilities	**1.477.448**	**1.482.784**	**-0,4%**

Consolidated Cash Flow - Key figures

Amounts in £'000

	3M 2008	3M 2007	Change %
Cash generated from operations	6.397	38.162	-83%
Cash flow (to) from operating activities	**(4.299)**	**28.065**	**-115%**
Investing activities	(51.046)	(19.293)	165%
Financing activities	1.049	(3.530)	-130%
Net (decrease) increase in cash	(54.296)	5.242	1136%
Free cash (to) by operating activities	**(16.031)**	**16.891**	**-195%**

Operating results for Q1 2008

Accounting Policies

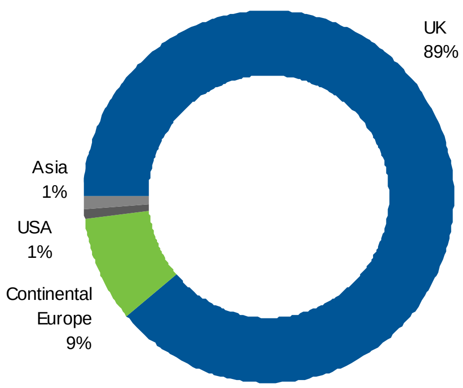
The accounting policies adopted are consistent with those followed in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2007. Longshun Foods was consolidated into the Group's accounts from January 2008 and Two Chefs on a Roll from February 2008. Gastro Primo has been accounted for as an associated company from March 2008.

Consolidated Financial Statement - Key figures			Amounts in £'000
	3 months 2008	3 months 2007	Change %
Net sales	377.265	349.354	8%
Cost of sales	(298.979)	(265.587)	13%
Gross profit	**78.286**	**83.767**	**-7%**
Operating expenses	(62.522)	(58.431)	7%
Share of profit in associates	221	25	784%
Operating profit	**15.985**	**25.361**	**-37%**
Net finance costs	(15.119)	(12.367)	22%
Loss on other financial assets	(15.793)		-
(Loss) profit before tax	**(14.927)**	**12.994**	**-215%**
Income tax	2.120	(3.094)	-169%
(Loss) profit for the period	**(12.807)**	**9.900**	**-229%**
Shareholders' (loss) earnings	(13.048)	9.648	-235%
Minority interest	241	252	-4%
(Loss) earnings per share (GBP pence)	**(0,61)**	**0,45**	**-236%**
Adjusted earnings per share (GBP pence)	**0,02**	**0,45**	**-95%**
EBITDA	26.272	35.077	-25%
EBITDA ratio	7,0%	10,0%	-
Free cash	(16.031)	16.891	-195%
Return on equity	-18,8%	16,2%	-
Adjusted return on equity	1,1%	16,2%	-

Overview of Group performance in Q1 2008

Bakkavör Group's performance in Q1 continued to be affected by further increases in raw material costs compounded by currency pressures as a result of the weakening pound against the euro. As expected, the Group's performance was heavily affected by the restructuring of its UK ready meals operations, which was started last year and is having a considerable impact in the first quarter of this year. The aim of this rationalisation is to optimise capacity across the Group's ready meals sites and deliver long-term benefits to the Group. The current economic climate is also believed to have affected sales volumes in the UK fresh prepared foods market. However, the Group's performance and sales in Continental Europe and Asia remained robust.

Bakkavör Group's turnover by regions



Group sales amounted to £377.3 million in Q1, increasing by 8%. Like-for-like sales in underlying business decreased by 0.8%, but excluding ready meals sales, sales in underlying business increased by 4.8%. UK sales represented 89% of the Group's turnover in Q1, amounting to £334.2 million, up 3.0%. Like-for-like sales in Continental Europe were strong, growing by 9% on constant currency basis, amounting to £36.6 million. Like-for-like sales in Asia amounted to £2.9 million, up 28%, with sales in the United States totalling £3.6 million.

EBITDA totalled £26.3 million in Q1, compared with £35.1 million in Q1 2007, down 25% and pro-forma EBITDA decreased by 33%. EBITDA ratio was 7.0% compared with 10.0% in Q1 2007, a decrease of 300 basis points. Operating profit amounted to £16.0 million, decreasing by 37%. Within this, however, performance in Continental Europe continued to improve significantly, with operating profit increasing by 17%.

Net finance costs totalled £15.1 million compared with £12.4 million in Q1 2007, increasing by £2.7 year-on-year, reflecting increased leverage in relation to acquisitions.

In Q1 2008, the loss on other financial assets amounted to £15.8 million. This is due to a valuation decrease of a CFD (Contract for Difference) in Greencore Group PLC.

Taxes totalled £2.1 million credit compared with £3.1 million charge in Q1 2007. The effective tax rate decreased from 23.8% in Q1 2007 to 14.2% in the first quarter of 2008 and this rate is expected to apply for the full 12 month period in 2008. Tax planning is an integral part of corporate transactions. In particular, acquisitions and refinancing efforts are, wherever possible, structured in a tax efficient way. This is the main reason for the reduction in the effective rate of tax forecast for the year 2008.

Profit before tax, excluding loss on other financial assets, was £0.9 million in Q1 (loss of £14.9 million if loss on other financial assets is included) compared with profit of £13.0 million in Q1 2007. Profit after tax, excluding loss on other financial assets, amounted to £0.7 million (loss of £12.8 million if loss on other financial assets is included) compared with a profit of £9.9 million in Q1 2007.

Shareholders' earnings, excluding loss on other financial assets, amounted to £0.5 million (negative of £13.0 million, if loss on other financial assets is included) compared with a £9.6 million in Q1 2007. Return on equity, excluding loss on other financial assets, was 1.1% (negative of 18.8% including loss on other financial assets) compared with 16.2% in Q1 2007.

Balance Sheet at 31 March 2007

Assets

The Group's total assets at 31 March 2008 were £1,477.5 million compared with £1,482.8 million at 31 December 2007.

Non-current assets amounted to £1,145.3 million compared with £1,120.7 million at year-end 2007. Goodwill and other intangible assets increased from £775.9 million to £786.2 million following three acquisitions during the period. The assessment of fair value of the net assets of 4G (acquired in May 2007), Creative Food (fully acquired in June 2007), Heli Food Fresh (acquired in July 2007), Exotic Farm produce (acquired in August 2007), Welcome Food Ingredients (acquired in October 2007), Longshun Foods (acquired in January 2008) and Two Chefs on a Roll (acquired in January 2008) is provisional and will be completed within 12 months of the acquisition dates.

Current assets were £332.1 million at 31 March 2008, decreasing from £362.1 million at year-end 2007. Current liabilities amounted to £369.5 million in Q1 compared with £398.0 million at year-end 2007. The current ratio was 0.9 and the quick ratio 0.8 in Q1, same as year-end 2007.

Liabilities and Equity

Non-current liabilities increased by £35.7 million, from £806.1 million at year-end 2007 to £841.8 million at the end of March 2008, partly reflecting effects of acquisitions during the quarter.

Equity decreased from £278.7 million at year-end 2007 to £266.2 million at the end of Q1 2008. The equity ratio at the end of the quarter was 18.0% compared with 18.8% at year-end 2007. Earnings per share, excluding loss on other financial assets, amounted to 0.02 pence in Q1 (negative of 0.61 pence if loss on other financial assets is included) compared with 0.45 pence in Q1 2007.

The Annual General Meeting of Bakkavör Group, held on 14 March 2008, resolved to pay a dividend to shareholders which corresponded to ISK 0.55 per share or 55% of issued share capital. Dividends were paid on 15 April 2008.

Cash Flow

Bakkavör Group is a cash generative business and cash generation continues to be a core focus. However, in the light of the economic conditions, the effects of acquired businesses and the timing of Easter this year, the Group's cash generation decreased in Q1 2008, amounting to £6.4 million.

Cash flow after deducting payments of interest and tax was negative £4.3 million in Q1 compared with positive £28.1 million in Q1 2007.

Investing activities totalled £51.0 million in Q1 compared with £19.3 million in Q1 2007, mainly due to acquisitions and the strategic holding in Greencore Group. Investing activities also included re-investing activities and expansion at the Group's current sites with the aim to ensure future profitability and growth.

The Group defines free cash flow as the amount of cash generated by the business, after meeting all its obligations for interest, tax and after investments in tangible assets. The Group generated negative free cash flow of £16.0 million compared with positive free cash flow of £16.9 million in Q1 2007.

Operational review Q1 2008

Overview

As previously reported, 2007 was one of the toughest trading periods in recent years. Intense market factors such as steep commodity price increases, rising energy costs, negative media coverage of the UK food industry and adverse weather, coupled with a product recall and restructuring of the Group's ready meals operations, heavily affected the overall trading performance of the Group last year.

As expected, the impact of a number of these pressures has continued to have a significant effect on business performance in the first quarter of 2008. The main impacts on Group performance during Q1 2008 have been summarised below:

Commodity and energy price increases
As reported in Q4 2007, Bakkavör Group's purchasing costs for raw materials such as vegetables, wheat, meat, butter, cheese and other dairy products rose significantly in the second half of 2007. Although in some markets commodity prices have stabilised since the beginning of the year, on the whole, prices remain volatile and purchasing cost pressures on the Group have yet to ease. During the first quarter of 2008, the Group remained committed to recover further inflationary costs wherever possible and continued to make good progress in this ongoing process. However due to the time gap between incurring these price increases and their recovery, profitability was affected in Q1 2008.

The pressure of rising energy costs has continued into 2008 with crude oil reaching almost US$120 a barrel, up around 20% since the beginning of the year, and wholesale gas and electricity prices increasing by around a third since February when the last round of price increases took place. Bakkavör Group remains committed to establishing ways to improve energy, fuel and transport efficiencies and review operational work practices to offset these rising costs.

Due to the impact of steep raw material price increases and fierce competition in the pasta market, Bakkavör Group proposed in February to withdraw from manufacturing pasta at its Scunthorpe site in the UK as this business no longer provides an economic return for the Group. The consultation process and final decision regarding the closure will be completed at the beginning of May 2007.

Currency pressures
Bakkavör Group's purchasing costs have been put under more pressure by the falling value of the pound against the euro. Since September 2007 the value of the pound has continued to drop, recently reaching an all-time low against the euro, which has substantially increased the costs of sourcing materials imported from Europe. The Group's strategic approach to supplier relationships and its consolidated supply base has helped to offset some of the impact of the weak pound and the business

has put in place purchasing and currency hedging initiatives to counterbalance further exposure. However currency pressures impacted profitability during the quarter.

Strategic business withdrawals and subsequent restructuring
In the second half of last year Bakkavör Group made the strategic decision to withdraw from manufacturing a proportion of its ready meals business in order to optimise capacity across its ready meals sites. The impact of the subsequent restructuring of the Group's ready meals business has had its greatest impact on the Group in the first quarter of the year and will continue to affect the Group's performance throughout the year. However, these changes are expected to increase efficiencies and deliver benefits in the long run.

Economic uncertainty
Over the last year consumer confidence in the UK has been knocked by falling house prices, higher food and energy bills and, more recently, by concerns about the continuing impact of the global credit crunch. To date the total food and drink sector has remained relatively resilient against this backdrop as, in uncertain times, consumers tend to cut back on discretionary higher value items (e.g. clothing, holidays and eating out) before sacrificing the quality of foods they are used to buying. However, it is believed that the current economic climate is suppressing sales volume in the fresh prepared foods market. The Group's extensive portfolio of hot- and cold-eating products and its good balance of premium, standard and value ranges, means that the business is in a relatively good position to react to these conditions and it expects sales volumes to improve during the second half of the year.

Strengthening our global position with five acquisitions

Three acquisitions in Q1 – in the US, China and Hong Kong

Despite these market and business challenges, Bakkavör Group continued to make good strategic progress in the first quarter of the year, strengthening its position outside the UK with three acquisitions. In January 2008, Bakkavör Group announced its entry into North America with the acquisition of a Californian fresh and frozen prepared foods provider, Two Chefs on a Roll. The company specialises in the manufacturing of bakery products, sauces, soups and savoury dips for the US retail and foodservice markets. Bakkavör Group has established a new subsidiary, Bakkavör USA, to develop its fresh prepared foods business in the US.

Also in January 2008, Bakkavör Group acquired the Chinese vegetable and fruit provider, Yantai Longshun Food, which supplies vegetables and fruit to the Chinese retail and foodservice markets. This acquisition allows the Group to further support its customers' expansion in China as well as providing the Group with better access to high quality raw materials. In addition, in March 2008, the Group further strengthened its position in China with the acquisition of a 48% share in the food and beverage provider Gastro Primo in Hong Kong, with a call option to acquire the remaining 52% in 2010. Gastro Primo specialises in supplying foodservice companies, catering establishments and restaurants, as well as retailers in Hong Kong and Macau with high quality fresh prepared food and beverage products, such as ready meals, soups, sauces, fruits, vegetables, salads, sandwiches, as well as fruit juices and smoothies.

Two further acquisitions in April 2008 – in Italy and Hong Kong

Today, Bakkavör Group announced the acquisition of an Italian pizza manufacturer, Italpizza, which specialises in the manufacturing of fresh and frozen authentic Italian wood fired pizzas. Italpizza primarily supplies the retail market, but also home delivery and foodservice companies across Europe and North America. The company was established in 1991 and currently employs over 230 people in Modena, in Northern Italy. Its turnover in 2007 was €40 million. In 2008, Bakkavör expects a sales growth of 15% and EBITDA of at least €5 million.

Furthermore, Bakkavör Group announced the acquisitions of a 45% share in Hong Kong's leading producer of premium bakery and pastry products, La Rose Noire, with a call option to acquire an additional 45% share in 2010 and a 90% share in the company's Chinese operation in 2011. La Rose Noire specialises in supplying retailers and foodservice companies in Hong Kong and across China with high-quality bakery and pastry products as well as exporting a range of its products to New Zealand, Thailand, India, the USA and Dubai. The Company was founded in Hong Kong in 1991 and employs approximately 250 people in Hong Kong and 220 in China. In 2007 the turnover of the Company amounted to US$12 million in Hong Kong and to US$4 million in China.

Economic interest in 10.9% shareholding in Greencore Group PLC under CFD

Bakkavör Group today announced that it has an economic interest under a CFD (Contract for Difference) in 22,028,795 ordinary shares in Greencore Group PLC, representing 10.9% of the issued share capital of Greencore Group. The Bakkavör Board views this as a strategic holding that meets the Group's business philosophy and clearly reflects the Group's commitment to the fresh prepared foods sector.

Appointment of a new Chief Financial Officer (CFO)

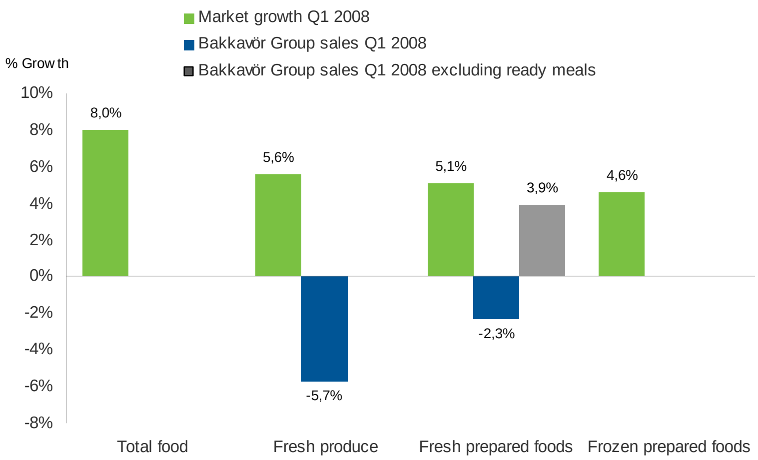
In March, Bakkavör Group announced the appointment of Richard Howes as new Chief Financial Officer (CFO) of Bakkavör Group, succeeding Hildur Árnadóttir who served as CFO of the Group since 2004. Hildur has assumed a new role, working directly for Ágúst Gudmundsson, CEO of Bakkavör Group, and Lýdur Gudmundsson, Chairman of the Group, as well as serving on the Board of Directors of various companies, in which they hold an interest, including Bakkavör Group.

Richard Howes is a qualified Chartered Accountant and has been with Bakkavör Group for nine years and has worked in various finance roles within the Group since he joined Geest PLC in 1999. Richard served as Group Finance Director since May 2006*.* Prior to joining the Bakkavör Group, Richard worked in Corporate Finance at Dresdner Kleinwort Benson in London.

Overview of Bakkavör Group by geographical market

The UK Market

Sales in the UK include fresh prepared foods (e.g. ready meals, leafy salads, convenience salads and pizzas) and also fresh produce (e.g. whole head lettuce, tomatoes and cucumbers).



Source: TNS RST Summary 36 w/e Sept 2007
Bakkavör internal sales

Bakkavör Group's growth target for UK fresh prepared foods is to achieve sales growth that is above market growth. In Q1 2008, however, the Group's fresh prepared foods sales declined by 2.3% against a 5.1% market growth. But excluding ready meals sales, Bakkavör Group's fresh prepared foods sales increased by 3.9%

The overall fresh prepared foods market growth, which was below total food growth in the UK in Q1, was impacted negatively by a decline in sales in the ready meals market. The current economic climate is also believed to have affected sales volumes in the UK fresh prepared foods market.

The ready meals category is one of the largest in the fresh prepared foods market with a value of £1.5 billion and with over 13 million packs bought every week, on average. As such, a decline in this market has a disproportionate effect on the overall fresh prepared foods market growth. Factors associated with this slowdown include poor performance in the healthy-eating sector of this market, adverse media coverage and less promotional activity in Q1.

The impact of our ready meal restructuring and market pressures (as outlined above) affected Bakkavör Group's ready meals business during the first quarter.

Apart from ready meals, Bakkavör Group achieved strong sales in other hot-eating and cold-eating categories, such as in dressed salads (+6%), desserts (+8%), prepared fruit (+29%), soups (+14%) and sauces (+8%).

Despite a decline in sales in this quarter, we expect to return to sales growth in the second half of the year.

The Group's like-for-like pro-forma fresh produce[1] sales declined by 5.7% compared with a 5.6% sector growth. The main reason for the decline in sales was the Group's withdrawal from unprofitable product lines within its produce business. Sales margins were also under pressure from higher raw material costs due to the weakening of the pound against the euro, higher wastage costs and increased fuel prices, affecting transportation costs compared to last year.

Continental Europe

Bakkavör Group continued to strengthen its position in Europe with robust like-for-like sales growth of 9% on constant currency basis in the first quarter. The French, Spanish and Belgian businesses all achieved strong sales and are now well placed to take advantage of new business opportunities which will further increase their presence in the European fresh prepared foods market. Our Belgian business, for example, has recently started supplying ready meals and soups to a major retailer in Germany. The Group's Czech operation has also continued to develop its private label chilled ready meals range and is actively investigating the potential to expand into other fresh prepared foods categories within Central Europe.

Bakkavör Group's European expansion plans remain on track and our acquisition of Italpizza not only provides us with a foothold in the Italian market, but also complements the Group's existing pizza business and offers the Group an opportunity to expand its international customer base.

Bakkavör Asia

Creative Food sales grew by 28% in Q1 2008 with strong growth in its retail, foodservice and export markets despite the country experiencing the worst snow storms in 50 years which disrupted transportation and product quality during the quarter. Creative Food, which has mainly specialised in leafy salads production, continues to expand rapidly into other fresh prepared foods markets, such as salad meals and sandwich wraps, to meet increasing consumer demand for fresh, convenient meal solutions. To meet ongoing customer demands the business has a clear investment plan which includes the construction of a new plant in Xianyang City and the expansion of some of its existing production sites.

The Asian food markets are expected to offer outstanding growth opportunities in the future, and during the quarter, Bakkavör Group continued pursuing its expansion strategy into this region with two acquisitions. Firstly, in January 2008, the Group acquired Yantai Longshun Foods, a Chinese vegetable and fruit provider and in March the Group acquired 48% in Gastro Primo in Hong Kong, which specialises in supplying both the foodservice and the retail market in Hong Kong and Macau with high quality food and beverage products.

In addition, Bakkavör Group today announced the acquisition of La Rose Noire, Hong Kong's leading producer of premium bakery and pastry products, which specialises in supplying retailers and food service companies in Hong Kong and China as well as exporting a range of its products to New Zealand, Thailand, India, the USA and Dubai.

Bakkavör Group is committed to building a strong position in Asia and is well placed to increase its presence in the fresh prepared foods market, continuing to take advantage of further opportunities across this region.

Bakkavör USA

In January 2008, Bakkavör Group announced its entry into North America with the acquisition of a Californian fresh and frozen prepared foods provider, Two Chefs on a Roll. The company specialises in the manufacturing of bakery products, sauces, soups and savoury dips for the US retail and foodservice markets.

[1] Includes Exotic Farm Produce,

US consumers are increasingly looking for quality fresh foods yet do not always have the time or skill to prepare home-cooked meals. Furthermore, grocery retailers in the US, which traditionally focused on opening large hypermarket store formats, are developing smaller convenience store formats which cater for the convenience shopper and favour the sales of fresh prepared foods. As a result, in the last five years the fresh prepared foods retail market in the US has risen by an annual compound growth rate of 6% from US$16 billion to US$20 billion and over the next five years it is estimated that it will rise by an average of 7% annually[2].

Future Prospects

Trading conditions are expected to remain challenging throughout 2008. The restructuring of the Group's ready meals operations and the anticipated further increases in raw material and energy prices will continue to affect sales and profit performance. Bakkavör Group will continue to focus on recovering raw material costs and improving efficiencies and profitability across the Group, which could involve possible withdrawals from certain product lines should they no longer provide an economic return for the Group. Despite a decrease in sales volumes in the UK in Q1, Bakkavör Group expects to return to sales growth in the second half of the year.

The long-term prospects of Bakkavör Group remain good. The global markets for fresh prepared foods are growing fast, especially in Asia, Continental Europe and North America. At present around 90% of Bakkavör Group's sales are generated in the UK but it remains the Group's strategic aim to increase turnover generated in high growth markets outside the UK to 50% by 2012. Five acquisitions in the beginning of this year in China, Hong Kong, Italy and the US reflect this commitment.

With solid operations and an increasingly strong competitive advantage world-wide, Bakkavör Group is well positioned to continue to grow and meet the increasing global demand for fresh prepared foods.

[2] Source: Packaged Facts

Presentation of Results Tuesday 29 April

A presentation for shareholders, analysts and market participants will be held on Tuesday 29 April 2008 at 8:30 local time (9:30 GMT London) at Ármúli 3, 108 Reykjavík. The house will open at 8:00 and a light breakfast served prior to the meeting. At the meeting, Ágúst Gudmundsson, CEO of Bakkavör Group will present the results and answer questions.

Webcast and Conference Call

A webcast from the meeting will commence at 8:30 local time (9:30 GMT London) and will be accessible on Bakkavör Group's website, www.bakkavor.com. It is also possible to participate in the meeting via conference call. Dial-in numbers are: +44 (0)20 3043 2436 (UK number) and +354 800 8660 (Icelandic number).

Information will be available following the meeting on the Group's website (www.bakkavor.com) and on the website of the OMX Nordic Exchange in Iceland (www.omxgroup.com/nordicexchange). Bakkavör Group's Interim Financial Statements can also be viewed at the Group's Headquarters at Ármúli 3 in Reykjavík.

The Approval of Results

The Condensed Interim Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 28 April 2008.

Publication of Quarterly Results in 2008

Scheduled publication of the Group's interim and annual financial statements for 2008 is as follows:

Q2 Results 2008	31 July 2008
Q3 Results 2008	30 October 2008
Q4 and Annual Results 2008	29 January 2009

Further Information:

Ágúst Gudmundsson, CEO
Tel: +354 550 9700

Richard Howes, CFO
Tel: +354 550 9700

Ásdís Pétursdóttir, IR
Tel: +354 858 9715

Five Year Summary

Amounts in £'000

	1.1 - 31.3 2008	2007	2006	2005	2004	2003
Operating revenues	377.265	1.470.966	1.219.189	722.065	149.584	137.867
Operating expenses	(351.214)	(1.321.381)	(1.071.109)	(636.061)	(124.803)	(115.444)
Share of profit (loss) in associates	221	(562)	(318)	75	3.176	
EBITDA	**26.272**	**149.023**	**147.762**	**86.079**	**27.957**	**22.423**
Depreciation and amortization	(10.287)	(39.034)	(33.829)	(19.429)	(3.799)	(4.108)
EBIT	**15.985**	**109.989**	**113.933**	**66.650**	**24.158**	**18.315**
Net finance costs	(15.119)	(52.686)	(47.360)	(28.269)	(7.092)	(4.043)
Loss on other financial assets	(15.793)					
Net (loss) income from operating activities	**(14.927)**	**57.303**	**66.573**	**38.381**	**17.066**	**14.272**
Income tax	2.120	(9.939)	(15.237)	(6.048)	(3.962)	(3.882)
(Loss) profit from continuing operations	**(12.807)**	**47.364**	**51.336**	**32.333**	**13.104**	**10.390**
Discontinuing operation, net of tax			16.910			3.123
(Loss) profit for the year	**(12.807)**	**47.364**	**68.246**	**32.333**	**13.104**	**13.513**
Shareholders' (loss) earnings	(13.048)	46.712	67.617	31.986	13.104	13.513
Minority interest	241	652	629	347		
Working capital from operations	**12.382**	**112.741**	**142.764**	**66.939**	**18.582**	**15.825**
Capital expenditure	**11.732**	**44.726**	**37.902**	**16.413**	**3.529**	**5.691**
Balance sheet						
Non-current assets	1.145.342	1.120.662	1.028.878	840.400	217.285	129.805
Current assets	332.106	362.122	296.929	294.207	55.108	84.965
Total assets	**1.477.448**	**1.482.784**	**1.325.807**	**1.134.607**	**272.393**	**214.770**
Equity	**266.220**	**278.676**	**241.447**	**127.352**	**88.214**	**72.056**
Subordinated convertible loan				12.868	12.868	15.923
Non-current liabilities	841.769	806.149	715.677	691.355	151.950	96.068
Current liabilities	369.459	397.959	368.683	303.032	19.361	30.723
Liabilities	**1.211.228**	**1.204.108**	**1.084.360**	**1.007.255**	**184.179**	**142.714**
Total equity and liabilities	**1.477.448**	**1.482.784**	**1.325.807**	**1.134.607**	**272.393**	**214.770**
Key ratios						
Quick ratio	0,8	0,8	0,7	0,9	2,6	2,6
Current ratio	0,9	0,9	0,8	1,0	2,8	2,8
Equity ratio	18,0%	18,8%	18,2%	12,4%	37,1%	41,0%
EBITDA ratio	7,0%	10,1%	12,1%	11,9%	18,7%	16,3%
EBIT ratio	4,2%	7,5%	9,3%	9,2%	16,1%	13,3%
Return on equity	(18,8%)	18,2%	37,0%	30,0%	16,4%	20,7%
Adjusted return on equity	1,1%	18,2%	37,0%	30,0%	16,4%	20,7%
(Loss) earnings per share (GBP pence)	(0,61)	2,17	2,59	2,03	0,82	0,89
Adjusted earnings per share (GBP pence)	0,02	2,17	2,59	2,03	0,82	0,89

Some figures in the tables may not correspond exactly to figures in the text owing to roundings.

About Bakkavör Group

Bakkavör Group is a leading international food manufacturing company specialising in fresh prepared foods and produce. The Group operates 63 factories and employs around 20,000 people in 10 countries. The Group's Head Office is in Reykjavík, Iceland, and the business is listed on the OMX Nordic Exchange in Iceland (www.omxgroup.com/nordicexchange Ticker: BAKK).

The Group's vision is to be recognised and respected as the world's leading fresh prepared foods and produce provider. Bakkavör Group has attained leading market positions in its key market areas. In total, the Group makes over 6,000 products in 18 product categories, which are developed and sold predominantly under its customers' own brands. In addition to the UK and Iceland, the Group also has business operations in France, Belgium,Italy, Spain, South Africa, China, the Czech Republic and the United States.

To subscribe to Bakkavör Group's mailing list, please mail to:
investor.relations@bakkavor.com